Pakistan Economic Survey 2018-19

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FINANCE DIVISION
GOVERNMENT OF PAKISTAN

PAKISTAN ECONOMIC SURVEY 2018-19

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Government of Pakistan, Islamabad

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Foreword

The Economic Survey reviews the performance of Pakistan's economy during fiscal year 2018-19. It describes key developments in various sectors of the economy, and summarizes the policies and reform measures undertaken by the government during the year.

In terms of Pakistan's political and economic management history, fiscal year 2018-19 represents a break from the past. People of Pakistan voted into power a new party – Pakistan Tehreek-i-Insaaf (PTI) – mainly as it was seen to provide a transparent, more efficient government with a more egalitarian development agenda.

However, the present government inherited a weakening economy. The fiscal deficit was high; the current account deficit was also at the highest level in country's economic history; debt liabilities had risen to a level where servicing of the debt took a sizeable portion of the federal government's budget; and foreign exchange reserves had depleted to a level that was insufficient to finance even two months of imports. This instability was a result of structural weaknesses in the economy which had remained unaddressed for decades. Insufficient policy action over the last two years aggravated the macroeconomic imbalances.

The new government took several policy actions to meet these challenges. It took measures to curtail non-essential imports, encourage remittances and with support from friendly countries reduced external vulnerabilities. The exchange rate adjustment was aimed to bring it to equilibrium value. Energy prices, which were artificially suppressed for a prolonged period of time, were adjusted and import duties and tax rates were rationalized. In the later part of the year the government reached an agreement with the International Monetary Fund (IMF) to support government's stabilization and structural reform program. This agreement helps Pakistan's access to international markets and concessionary financing from other multilateral partners as well.

The stabilization measures taken by the government have helped in lowering the trade deficit, with higher inflows of workers' remittances leading to an even larger reduction in current account deficit. However, these measures, although critically essential, had some short term costs in terms of larger fiscal deficit, higher inflation and lower GDP growth.

Beside these domestic macroeconomic challenges, the economic indicators have also been impacted by a global environment where protectionist tendencies are on the rise and global monetary and economic conditions have constrained international capital flows.

The government is committed to take on emerging challenges through appropriate policy response. Moving forward, the aim is to put the economy on a path of sustainable growth by tackling the fundamental weaknesses. These include: the chronically low level of revenue generation; inadequate level of savings and investment and stagnant exports. The government has already taken some measures to address these issues, which will be expanded and strengthened with the passage of time.

The Economic Survey is prepared by the Economic Advisor's Wing of the Ministry of Finance. It reviews in detail the major sectors of the economy during the fiscal year 2018-19. I wish to record my appreciation to the Economic Adviser's Wing for its hard work in preparing this document for policy makers, economists, researchers and public at large.

Dr. Abdul Hafeez Shaikh
Adviser to PM on Finance, Revenue and Economic Affairs

Islamabad the 10th June 2019

Preface

Pakistan Economic Survey is a regular publication of the government which focuses on the trend of macro-economic indicators, development policies, strategies and sectoral progress of Pakistan economy. The analysis carried out is based on outgoing fiscal year with latest available information covering a period of first 9 / 10 months of the various sectors of economy.

This document contains sixteen chapters, Annexures and Statistical Appendices. The Economic Survey consists of two parts: Analytical text and the detailed Statistical Appendix. The first part gives a comprehensive analysis of the performance in various sectors of the economy. The second part contains the time series data pertaining to different sectors of the economy.

The publication of this comprehensive document cannot be completed within a given time frame without the cooperation from relevant organizations. I would also like to take this opportunity to extent my gratitude to all concerned Ministries / Divisions / Provincial Departments / Agencies for providing the requisite material / data well in time to accomplish the task. I am also thankful to State Bank of Pakistan, Pakistan Bureau of Statistics, Federal Board of Revenue, Pakistan Telecommunication Authority, Security Exchange Commission of Pakistan, Karachi Port Trust, Port Qasim Authority and Debt Policy Coordination Office and Wings / Units of the Finance Division.

I am also thankful to the staff members of the Economic Adviser's Wing for their sincere efforts and dedication that enabled me to complete the Survey.

I hope this publication will be helpful to the planners, policy makers, researchers, students and other users. Any suggestions and comments for further improvement of this document will be highly appreciated.

S. Ejaz Wasti
Economic Consultant

Islamabad, the 10th June 2019

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Overview of the Economy

The macroeconomic stability is a fundamental pre-requisite for sustained economic growth. Pakistan's economy has experienced frequent boom and bust cycles. Typically, each cycle comprised of 3-4 years of relatively higher growth followed by a macroeconomic crisis which necessitated the stabilization programs. The inability to achieve sustained and rapid economic growth is due to structural issues which require effective monetary and fiscal measures to achieve macroeconomic stability.

The outgoing five-year plan has seen an average growth of 4.7 percent against the target of 5.4 percent. This growth can be characterized as a consumption led growth. The unplanned borrowing from different sources increased both private and public consumption resulting in higher debt repayment liabilities, which created severe macroeconomic imbalances. The investment did not pick up as higher demand was met primarily through imports leading to enormous rise in external imbalances. Due to low growth in revenues and the unplanned and unproductive expenditures, the fiscal deficit widened. The persistence of large fiscal and current account deficits and associated build up of public and external debt became the major source of macroeconomic imbalance.

The new elected government faces formidable macroeconomic challenges. The foremost challenge to the economy is the rising aggregate demand without corresponding resources to support it, leading to rising fiscal and external account deficits. To address the issue of severe macroeconomic instability and to put the economy on the path of sustained growth and stability, the government has introduced a comprehensive set of economic and structural reform measures.

As a short-term measure to get a breathing space, the government secured $ 9.2 billion from friendly countries to build up buffers and to ensure timely repayment of previous loans. The government has also taken some overdue tough decisions i.e. increase in energy tariffs to stop further accumulation of circular debt, reduction in imports through regulatory duties and withdrawal of some of the tax relaxations given in the last budget in order to arrest the deterioration in primary balance. These painful decisions were tough for the new elected government, but at the same time were necessary for economic stabilization. Recently, staff level agreement has been negotiated with the IMF to avail Extended Fund Facility for achieving macroeconomic stability. The staff level agreement will now be placed before the IMF Board for its approval.

The impact of macroeconomic adjustment policies, such as monetary tightening, exchange rate adjustment, expenditure control and enhancement of regulatory duties on non-essential imports, started to become visible this year. These steps have served to bring some degree of stability and have also helped in reducing economic uncertainty. However, the situation calls for sustained efforts.

The outgoing fiscal year 2018-19 witnessed a muted growth of 3.29 percent against the ambitious target of 6.2 percent. The target was based upon sectoral growth projections for agriculture, industry, and services at 3.8 percent, 7.6 percent and 6.5 percent respectively. The actual sectoral growth turned out to be 0.85 percent for agriculture, 1.4 percent for industry and 4.7 percent for services.

Some of the major crops witnessed negative growth as production of cotton, rice and sugarcane declined by 17.5 percent, 3.3 percent and 19.4 percent respectively. The crops showing positive growth include wheat and maize which grew at the rate of 0.5 percent and 6.9 percent respectively. Other crops have shown growth of 1.95 percent mainly due to increase in production of pulses and oil seeds. Cotton ginning declined by 12.74 percent due to a decline in production of cotton crop. Livestock sector has shown a growth of 4.0 percent. The growth recorded for the forestry is 6.47 percent which was mainly due to increase in production of timber in Khyber Pakhtunkhwa ranging from 26.7 to 36.1 thousand cubic meters.

The growth in industrial sector has been estimated at 1.40 percent. The mining and quarrying sector has witnessed a negative growth of 1.96 percent mainly due to reduction in production of natural gas (-1.98 percent) and coal (-25.4 percent). The large-scale manufacturing sector as per QIM data (from July 2017 to February 2018) shows a decline of 2.06 percent. Major decline has been observed in Textile (-0.27 percent), Food, Beverage & Tobacco (-1.55 percent), Coke & Petroleum Products (-5.50 percent), Pharmaceuticals (-8.67 percent), Chemicals (-3.92 percent), Non-Metallic Mineral Products (-3.87 percent), Automobiles (-6.11 percent) and Iron & Steel products (-10.26). On the other hand, the substantial growth in LSM has been observed in Electronics (34.63 percent) Engineering Products (8.63 percent) and Wood Products (17.84 percent). Electricity and gas sub sector has grown by 40.54 percent, whereas the construction activity has declined by 7.57 percent.

The services sector has shown an overall growth of 4.71 percent. Wholesale and Retail Trade grew by 3.11 percent, while the Transport, Storage and Communication sector registered a growth of 3.34 percent mainly due to positive contribution by railways (38.93 percent), air transport (3.38 percent) and road transport (3.85 percent). Finance and insurance sector showed an overall growth of 5.14 percent. While the central banking has declined by 12.5 percent, a positive growth has been observed in scheduled banks (5.3 percent), non-scheduled banks (24.6 percent) and insurance activities (12.8 percent). The Housing Services has grown at 4.0 percent. The growth recorded in General Government Services is 7.99 percent which is mainly on account of increase in salaries of employees of federal, provincial and district governments. Other private services, comprising of various distinct activities such as computer related activities, education, health & social work, NGOs etc recorded a growth of 7.05 percent.

The total investments as a percentage of GDP was recorded at 15.4 percent against the target of 17.2 percent. The fixed investment as percentage of GDP remained 13.8 percent against the target of 15.6 percent, while public and private investments remained at 4.0 and 9.8 percent against the target of 4.8 and 10.8 percent respectively. The National Savings remained at 10.7 percent of GDP against the target of 13.1 percent. The consumption growth was recorded at 11.9 percent compared to 10.2 percent growth recorded last year. As percentage of GDP, it increased to 94.8 percent compared to last year's figure of 94.2 percent.

On the demand side, the exports declined by 1.9 percent despite exchange rate depreciation, while imports declined by 4.9 percent. This helped in reducing the trade deficit by 7.3 percent during July-April FY 2019 while it had shown an expansion of 24.3 percent during the corresponding period of last year. The workers' remittances played a major role in containing current account deficit to 4.03 percent of GDP. The CAD showed a contraction of 27 percent during July-April of the current year while it had expanded by 70 percent during the corresponding period of last year. The State Bank is following a contractionary policy to anchor the aggregate demand and address rising inflation on the back of high fiscal and current account deficits.

The next year, agriculture sector is likely to rebound under Prime Minister's Agriculture Emergency Program. The water availability is expected to be better as compared to current year. There is substantial increase in Agriculture Credit disbursement which is recorded at Rs. 805 billion during July-April FY2019 compared to Rs.666.2 billion during the corresponding period of last year, posting a growth of 20.8 percent. The import of agriculture machinery has recorded a growth of 10.95 during July-April FY2019 which is a good indicator. The base effect will also support growth in agriculture.

The Large-Scale Manufacturing sector which posted a negative growth this year is likely to rebound on the back of expected growth in agriculture sector along with government initiatives in the construction sector, SMEs sector and tourism and automobile sector. Both, agriculture and LSM sector growth is likely to have a good impact on services sector on account of goods transport services linked to agriculture and wholesale trade.

The fiscal tightening and the rising inflation on account of increasing utility prices, rationalization of taxes, measures to reduce the primary balance, and any further exchange rate adjustments, alongwith higher oil prices, protectionists tendencies in some of the economies and tightening monetary conditions in the developed countries leading to lower capital inflows will remain downside risk.

Global Economic Environment

After witnessing a strong growth in 2017 at 4.0 percent, the global economic activity slowed during the second half of 2018 to 3.6 percent while it is expected to reduce further to 3.3 percent in 2019. The slowdown in economic activity is attributed to multiple factors, including rising trade tensions and tariff hikes between the United States and China, which is the biggest risk to financial stability in Eurozone. In contrast, some developing economies could be benefitting from this trade diversion as prices of these targeted goods may rise in US and China. This tariff battle between USA and China is estimated to have affected almost 2.5 percent of global trade. Germany's unemployment rate has shown an increase for the first time since 2013 amid signs of slowing growth in Europe's biggest economy. Uncertainty created by Brexit has led to decline in business confidence and has further contributed towards slowing of growth in Euro zone.

In response to the growing global risks to the economy, the US Federal Reserve has adopted a more accommodative monetary policy stance. Similarly, other central banks around the world like the European Central Bank, the Bank of Japan and the Bank of England have also moved to adopt a more accommodative stance while China has ramped up its fiscal and monetary stimulus to cope with the negative effect of trade tariffs. Resultantly, the tightening of financial conditions has reversed across countries. Likewise, emerging markets have witnessed resumption in portfolio flows, a decline in sovereign borrowing costs, and a strengthening of their currencies relative to the dollar.

As the growth is likely to improve during the second half of 2019, it is projected to return to 3.6 percent in 2020. The projected improvement in global economic growth during the second half of 2019 is expected on account of gradual recovery and stabilization in Argentina and Turkey alongwith some other stressed emerging economies, current build-up of policy stimulus in China and improvement in global financial sentiments

The growth beyond 2020 is predicted to stabilize, mainly supported by growth in China and India. However, the growth in advanced economies will continue to slow down on account of factors such as the fading of the impact of US fiscal stimulus, ageing trends and low productivity growth. On the other hand, the growth in emerging markets and developing economies is expected to stabilize at around 5 percent, though with substantial variation between countries.

According to World Economic Outlook (WEO) April (2019), the baseline outlook for emerging Asia remains favourable, with China's growth projected to slow gradually toward sustainable levels and convergence in frontier economies toward higher income levels. For other regions, the outlook is complicated by a combination of structural bottlenecks, slower advanced economy growth and, in some cases, high debt and tighter financial conditions. These factors, alongside subdued commodity prices and civil conflict in some cases, contributed to subdued medium-term prospects for Latin America; the Middle East, North Africa, and Pakistan region; and parts of sub-Saharan Africa.

EXECUTIVE SUMMARY

Growth and Investment

The provisional GDP growth rate for FY2019 is estimated at 3.29 percent on the basis of 0.85, 1.40 and 4.71 percent growth in agricultural, industrial and services sectors respectively.

Agriculture: The provisional agriculture sector growth is estimated at 0.85 percent. The crops sector has witnessed negative growth of 4.4 percent during FY2019 mainly due to negative growth (-6.6 percent) of important crops. Production of cotton, rice and sugarcane declined by 17.5, 3.3, and 19.4 percent, respectively, while the wheat output posted a marginal growth of 0.5 percent and production of maize grew by 6.9 percent. Other crops have shown growth of 1.95 percent mainly because of increase in production of pulses and oil seeds. Decrease in production of cotton crop also caused decline in cotton ginning by 12.7 percent. Livestock sector has shown a growth of 4.0 percent while the growth of forestry remained at 6.47 percent due to increase in production of timber in Khyber Pakhtunkhwa in the range of 26.7 to 36.1 thousand cubic meters.

Industry: During FY2019, the provisional growth in industrial sector has been estimated at only 1.40 percent mainly due to decline by 2.06 percent in large scale manufacturing sector and by 1.96 percent in mining and quarrying sector.

Services: Provisional estimates have shown that the services sector posted a growth of 4.71 percent. Wholesale and Retail Trade sector grew at a rate of 3.11 percent. As value added in this sector depends upon output of agriculture and manufacturing sectors and volume of imports, it is safe to say that bulk of growth in wholesale and retail sector could be attributed to increase in volume of imports and the growth in livestock. Transport, Storage and Communication sector has registered a growth of 3.34 percent due to positive contribution of railways (38.93 percent), air transport (3.38 percent) and road transport (3.85 percent). Finance and insurance sector showed an overall growth of 5.14 percent, despite a decline (of 12.5 percent) in value add of the central bank. The scheduled banks, non-scheduled banks and insurance sub-sector posted positive growth (5.3 percent, 24.6 percent and 12.8 percent respectively). The Housing Services grew by 4.0 percent and the General Government Services by 7.99 percent. It is mainly driven by the increase in salaries of federal, provincial and district governments. Other private services, which is composed of various distinct activities such as computer related activities, event management, education, health & social work, NGOs etc. has contributed positive growth of 7.05 percent.

Investment: The provisional estimates of Gross Fixed Capital Formation (GFCF) for the year FY2019 stands at Rs.5340.0 billion with a growth of 1.9 percent as compared to FY2019.

In private sector, the GFCF is estimated at Rs.3796.1 billion during FY2019 against Rs.3564.0 billion in FY2018 with an increase of 6.5 percent, while in Public Sector GFCF posted a growth of 9.8 percent as it is estimated at Rs.345.3 billion during FY2019 against Rs.314.6 billion during FY2018.

The provisional overall GFCF for general government services for FY2019 has been estimated at Rs.1198.5 billion, a decline of 12 percent over the revised estimates of Rs.1362.3 billion during FY2018. GFCF related expenditure for the federal government has been estimated at Rs.419.8 billion with growth of 15.6 percent over previous year's estimates of Rs.362.3 billion. However, GFCF related expenditure by provincial governments has declined by 29.2 percent from Rs.909.1 billion to Rs.643.8 billion. However, expenditure on GFCF incurred by district governments has increased by 48.4 percent from Rs.90.9 billion to Rs.135.0 billion. During FY 2019, per capita income stood at $1,497.3.

Saving-Investment Gap: The State bank of Pakistan has made a sizeable adjustment in the interest and exchange rates to contain the aggregate demand and ease the pressure on the balance of payments. These efforts helped in reducing Saving-Investment gap, which has been contracted by 27 percent during July-April FY 2019 compared to 70 percent expansion during same period last year. It happened mainly because, trade deficit declined by 7 percent primarily due to containment in imports while last year it had recorded 23 percent growth. Imports declined by 5 percent while workers' remittances posted a growth of 9 percent during the period under discussion

The present government has undertaken significant measures to curb aggregate demand that has compounded the size of external current account deficit to an unprecedented level. During FY2019, the economy experienced partial adjustments due to inertia as is evident from a high consumption to GDP ratio and a large fiscal deficit. However, after entering IMF's Extended Fund Facility (EFF), market confidence will improve. Moreover, the chances of getting additional financial support from other development and bilateral partners will also increase. These developments will help in increasing the macroeconomic stability and will set the path for high and inclusive growth.

Agriculture

The performance of Agriculture during 2018-19 remained subdued. It grew by only 0.85 percent against the target of 3.8 percent. The under-performance of agriculture sector hinged upon reduction in the area of cultivation, lower water availability and drop in fertilizer off take. The crops sector has witnessed negative growth of 4.43 percent against the target 3.6 percent on the back of decline in growth of important crops by (-6.55) percent. Sugarcane production declined by (-19.4) percent to 67.174 million tons, Cotton (-17.5 percent) to 9.861 million bales and Rice (-3.3 percent) to 7.202 million tonnes while production of Maize crop increased by 6.9 percent to 6.309 million tonnes and production of wheat crop marginally increased by 0.5 percent to 25.195 million tonnes. Other crops having share of 11.21 percent in agriculture value addition and 2.08 percent in GDP, showed growth of 1.95 mainly due to increase in production of pulses and oilseeds. Cotton ginning declined by 12.74 percent due to decrease in production of cotton crop.

Livestock having share of 60.54 percent in agriculture and 11.22 percent in GDP, recorded the growth at 4.0 percent against the target of 3.8 percent.

The Fishing and Forestry sector having share of 2.10 percent each in agriculture value addition grew by 0.79 and 6.47 percent, respectively. The strong growth in forestry is due to increase in timber production in Khyber Pakhtunkhwa in the range of 26.7 to 36.1 thousand cubic meters.

The gram production increased by 35.6 percent on account of higher yield due to favourable weather condition prevalent at the time of sowing. The production of Bajra increased by 3.2 percent. The production of Barley, Rapeseed & Mustard and Tobacco remained constant while the production of Jowar witnessed a decline of 2.6 percent.

The production of Onion and Chillies witnessed increase of 2.0 percent to 2.12 thousand tonnes and 0.4 percent to 148.7 thousand tonnes respectively, as compared to production of last year. However, the production of pulse Mash (Lentil), Moong and Potato decreased by 5.5 percent, 3.4 percent and 0.3 percent, respectively compared to last year's production. While the production of Masoor pulse remained the same as last year's production.

The total availability of water for the Kharif crops 2018 recorded 59.6 Million Acre Feet (MAF), which means it remained short by 11.2 percent against the average system usage of 67.1 MAF and by 14.9 percent as compared to Kharif 2017. During Rabi season 2018-19, the total water availability was recorded at 24.8 MAF showing an increase of 2.5 percent over Rabi 2017-18 and a decline of 31.9 percent from the normal availability of 36.4 MAF.

The domestic production of fertilizers during 2018-19 (July-March) increased by 2.6 per cent over the same period of previous year. This increase is due to functioning of two urea manufacturing plants (Agritech& Fatima Fertilizer) as supply of LNG was available on subsidized rates. The imported fertilizer increased by 4.8 percent. Therefore, total availability of fertilizer increased by 3.2 percent during current fiscal year. Total off take of fertilizer nutrients decreased by 7.3 percent. Nitrogen off take decreased by 2.89 percent and phosphate by 18.2 percent. Potash off take recorded an increase of 4.55 percent during 2018-19 (July-March). Reduction in fertilizers off take was due to its high prices.

In line with government's priority for agriculture sector development, Agricultural Credit Advisory Committee (ACAC) has set the indicative agricultural credit disbursement targets at Rs 1,250 billion for FY 2018-19 to 50 agriculture lending institutions including 19 commercial banks, 2 specialized banks, 5 Islamic banks, 11 microfinance banks and 13 microfinance institutions/rural support programs (MFIs/RSPs).

During FY 2018-19 (July- March), the agriculture lending institutions have disbursed Rs. 805 billion which is 64.4 percent of the overall annual target of Rs. 1,250 billion and 20.8 percent higher than the disbursement of Rs. 666.2 billion made during corresponding period of last year. The outstanding portfolio of agriculture loans has increased by 15.5 percent to Rs. 70.7 billion by end March, 2019. Further, the agriculture outreach in terms of total borrowers has increased to 4.0 million, showing a rise of 8.2 percent over 3.72 million borrowers as of end June, 2018.

Manufacturing & Mining:

The Large-Scale Manufacturing (LSM) declined by 2.93 percent during July-March FY 2019 in contrast to growth of 6.33 percent during the same period last year. The target for this year was 8.1 percent. The present trend suggests that full year LSM growth will remain below the target by a wide margin. Year on Year (YoY), LSM growth witnessed sharp decline of 10.63 percent in March 2019 as compared to increase of 4.70 percent in March 2018.

There are a number of factors which have contributed to the negative growth in LSM. These include lower PSDP expenditures compared to last year, muted private sector construction activities and lower consumer spending on durable goods amongst others. This was more noticeable in construction-allied industries. Demand for housing moderated as the price of building materials and cost of financing increased. Moreover, additional tax measures further restricted the real estate market. Certain sector-specific issues also contributed to the decline in LSM. Automobile prices witnessed multiple upward revisions due to PKR depreciation which made the potential buyers refrain from making booking and purchases. Certain restrictions on non-filers with respect to purchase of cars further dampened the automobile demand. Pharmaceuticals also suffered due to a considerable lag in regulatory adjustments in prices. This pricing issue was in addition to weakening of the local currency, which added to the distress of an import dependent sector.

The industry specific data shows that electronics recorded highest growth of 23.70 percent, wood products 15.21 percent, rubber products 3.47 percent, engineering products 9.54 percent, leather products 0.97 percent and fertilizers 4.50 percent. The industries which recorded negative growth during the period are; Iron & Steel 11.00 percent, Pharmaceuticals 8.40 percent, Automobile 7.58 percent, Coke & Petroleum products 6.00 percent, Food Beverages & Tobacco 4.69 percent, Chemicals 3.94 percent, Paper & Board 3.86 percent, Non-metallic mineral product 4.96 percent and Textile 0.30 percent.

The Mining and Quarrying sector declined by 1.96 percent during Jul-Feb FY 2019 in contrast to the growth of 7.7 percent during the same period last year. Chromite, Magnesite, Rock salt, Barytes, Ocher and Crude oil posted a positive growth of 228.69 percent, 159.63 percent, 12.65 percent, 22.15 percent, 19.12 percent and 0.47 percent respectively. However, some minerals witnessed negative growth during the period under review such as Coal 25.42 percent, Natural gas 1.98 percent, Sulphur 40.72 percent, Calcite 91.49 percent, Soap stone 13.12 percent, Marble 4.66 percent and Bauxite 30.82 percent

Fiscal Development

In Pakistan, fiscal sector has faced multifaceted challenges over the years due to excessive and unproductive expenditures on one hand and lower tax revenues on the other. Generally, higher current expenditures and lower tax revenues left limited fiscal space for public investment and social safety net. Furthermore, high interest payments, untargeted subsidies, loss making PSEs, energy subsidies and security related issues all weighed on expanding fiscal deficit.

During the last five years, total revenue as percent of GDP on average reached to 14.9 percent, whereas it stood at 15.1 percent in FY2018. The total expenditures as percent of GDP on average reached to 20.5 percent, while during the preceding year FY2018, it was the highest at 21.6 percent. Resultantly, fiscal deficit on average stood at 5.5 percent, while during the last year it was recorded at 6.5 percent.

During first nine months (July- March) CFY2019, consolidated fiscal indicators suggest that total revenue registered zero growth, while growth in total expenditures was 8.7 percent. Therefore, fiscal deficit as percent of GDP was 5.0 percent as compared 4.3 percent during the corresponding period of last year.

Total revenue increased to Rs 3,583.7 billion (9.3 percent of GDP) from Rs 3,582.4 billion (10.3 percent of GDP) during the comparable period of last year, showing almost zero growth in comparison of growth of 13.9 percent during the same period last year. Decelerated performance of total revenues primarily was due to marginal growth of 1.8 percent in tax revenues and negative growth of 16.7 percent in non-tax revenues.

During the period Jul-Apr, FY2019 FBR tax receipts remained at Rs 2,976.0 billion against Rs 2,922.5 billion during the same period of FY2018, registering a growth of 1.8 percent. Actual tax collection during first ten months of CFY remained at 67.7 percent of revised target of Rs 4,398 billion.

Total expenditures increased to Rs 5,506.2 billion (14.3 percent of GDP) during first nine months of CFY compared with Rs 5,063.3 billion (14.6 percent of GDP) during the comparable period of last year, registering a growth of 8.7 percent during Jul-Mar, FY2019 against the growth of 15.5 percent in the same period last year.

Within total expenditures, current expenditures posted a growth of 17.7 percent to Rs 4,798.4 billion (12.4 percent of GDP) during Jul-Mar, FY2019 compared to Rs 4,075.4 billion (11.8 percent of GDP) in the same period last year. Federal and provincial governments' current expenditures grew by 19.9 and 13.7 percent, respectively during the period under review.

In contrast, development expenditures (excluding net lending) decreased to Rs 655.9 billion during Jul-Mar FY2019 compared to Rs 993.3 billion last year, posting a negative growth of 34.0 percent compared with positive growth of 23.6 percent recorded last year. PSDP share in total development expenditure stood at 88 percent during first nine months of CFY amounting to Rs 578.5 billion compared with Rs 931.4 billion expenditure during the same period last year, witnessing a decline of 37.9 percent compared with growth of 24.7 percent recorded last year. Within PSDP, federal and provincial PSDP's decreased by 14.5 and 52.2 percent respectively during Jul-Mar, FY2019 over the same period of last year.

Total revenues of provincial governments increased by 1.5 percent during Jul-Mar, FY2019, whereas total expenditures declined by 5.2 percent. As a result, overall provincial surplus increased to Rs 291.6 billion as compared to Rs 191.05 billion during the same period last year. For FY2019, provincial surplus target is budgeted at Rs 285.6 billion.

Money and Credit

Twin deficits on fiscal and external front, emerging inflationary pressure and high aggregate demand has posed challenges for the economy towards the end of FY2018. Resultantly, SBP reversed its policy stance since January 2018 from accommodative to contractionary monetary policy to curb excessive aggregate demand and ensure near term stability. Policy rate has gradually increased by cumulative 650 bps. The policy rate stands at 12.25 percent effective from 21st May, 2019.

During the period 01 July-26 April, FY2019 money supply (M2) increased by Rs 625.3 billion (growth of 3.9 percent) compared with Rs 601.8 billion (growth of 4.1 percent) in comparable period last year. Within Broad Money, NFA of the banking sector further contracted to Rs 882.4 billion during 01 July-26 April, FY2019 against contraction of Rs 475.4 billion during the comparable period last year. Therefore, both SBA and scheduled bank's NFA remained negative during the period under review. During the period 01 July-26 April, FY2019 NDA of the banking sector registered an expansion of Rs 1,507.7 billion (growth of 9.3 percent) compared with Rs 1,077.2 billion (7.7 percent) during the same period last year.

On the other hand, reserve money posted an expansion of Rs 488.0 billion (growth of 8.9 percent) during 01 July-26 April, FY2019 against Rs 260.5 billion (growth of 5.4 percent) last year. Credit to Public Sector Enterprises (PSEs) increased to Rs 312.1 billion during the period 01 July-26 April, FY2019 against Rs 153.2 billion during the same period last year.

During 01 July-26 April, FY2019 government borrowed Rs 1,073.0 billion for budgetary support compared to Rs 850.0 billion in the same period last year, of which, government has borrowed Rs 3,204.7 billion from SBP as compared to Rs 1,316.1 billion last year. On the other hand, government retired Rs 2,131.7 billion to scheduled banks against retirement of Rs 466.1 billion during the same period last year. Net government sector borrowing thus remained at Rs 908.0 billion during the period under review compared with Rs 813.6 billion during the corresponding period last year.

During the period 01 July-26 April, FY2019, flows of private sector credit has been recorded at Rs 580.9 billion compared with Rs 498.5 billion during the same period last year, witnessing Year on Year (YoY) growth of 15.1 percent against a growth of 14.7 percent during the same period last year. During July-March, FY2019 working capital credit demand increased to Rs 369.0 billion against Rs 215.3 billion in the same period last year. Credit demand for fixed investment decelerated to Rs 83.1 billion during July-March FY2019 compared to Rs 148.1 billion during the same period last year.

Prudent risk-based regulations have also helped the banking sector to maintain a strong solvency profile. Capital Adequacy Ratio (CAR) improved to 16.2 percent as of end December-2018; well above the minimum required level of 11.90 percent and global benchmark of 10.5 percent.

Capital markets & Corporate Sector

Capital market in Pakistan plays a crucial role in mobilizing domestic resources and channeling them to productive uses; however, its performance remained volatile during the period under discussion. Many factors contributed to its volatility.

The PSX index has increased from 33,229 points as on January 1, 2016, to 38,649 as on March 31, 2019, a rise of 16 percent. At the start of FY2019, the market gained some momentum, reaching

43,557 points on July 30, 2018, after which it started moving down, reaching period's lowest index at 36,663 points on October 16, 2018.

The financial measures introduced through Finance Bill in January 2019 gave some respite to the market and the index saw rising trend for some period. However, it has remained volatile during the period under review and closed at 38,649 points on March 31, 2019, while the market capitalization was Rs.7,868.6 billion.

The average daily value traded (T+2) during the first nine months of FY 2019 was Rs. 7.2 billion and the average daily turnover was 170 million shares. The average daily trade value in futures was Rs. 2.9 billion and the trading volume was 71 million shares during the period. The foreign investors offloaded securities worth US$ 373 million which was absorbed by domestic investors, Banks/DFIs, companies and insurance companies. The strong buying by local investors has shown the confidence of the investors in Pakistan equity market. Going forward it is expected that the market will move in upward trajectory.

In order to provide short-term stimulus to the stock market and arrest its downward trend, the Economic Coordination Committee of the Cabinet Division authorized the government to issue sovereign guarantee amounting to Rs. 20 billion for investment in National Investment Trust (NIT)-State Enterprise Fund. This step would increase liquidity in the PSX and would woo investors to divert more investment in the market.

As of March 31, 2019, 120 corporate debt securities were outstanding with an amount of Rs.888.24 billion. These nine months saw 10,865 new companies getting registered with the SECP, a growth of 30 percent from the corresponding period of last financial year.

Assets under management of the mutual funds stood at Rs. 635.90 billion. Equity Funds dominated the industry with the largest share i.e. 37.75 percent of the mutual fund industry. Money Market held the second largest industry share i.e. 36.93 percent, followed by Income Funds with industry share of 17.50 percent as of March 31, 2019,

The SECP has taken additional measures in this fiscal year to address potential threat of money laundering and terrorist financing within its regulated entities and maintained integrity of the financial markets, including framing of SECP Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) Regulations 2018, amendment in Securities Brokers (Licensing and Operations) Regulations 2016 by introducing pre-condition that ultimate beneficial owners of securities broker should not have been convicted in any predicate offences provided under Anti-Money Laundering Act 2010 or the Anti- Terrorist Act 1997, and organizing fifteen awareness sessions on AML/CFT regulatory framework.

Inflation

The CPI has witnessed a rising trend during the current financial year. It increased to 5.8 percent in July 2018 and after remaining sticky at 5 percent during following two months increased to 6.8 percent in October 2018. The spike witnessed in October 2018 was due to increase in gas prices. The Oil and Gas Regulatory Authority revised the retail prices of natural gas for various consumers after keeping them unchanged for about two years. The substantial increase of 9.4 percent was witnessed in March 2019 while in April 2019 it was recorded at 8.8 percent.

During July-April FY2019 headline inflation measured by CPI averaged at 7.00 percent against 3.77 percent during corresponding period of last year on the back of the prevalence of some underlying demand in the economy as well as continued pass through of exchange rate depreciation and higher fuel prices.

The other inflationary indicators like Sensitive Price Indicator (SPI) remained at 4.0 percent during Jul-April FY 2019 against the 0.8 percent during the corresponding period last year. Wholesale Price Index (WPI) was recorded at 11.7 percent in July-April FY 2019 compared to 2.8 percent in corresponding period of FY 2018.

Core inflation which is Non Food and Non Energy is recorded at 8.1 percent compared to 5.6 percent of corresponding period of FY 2018.

The rising input costs on the back of high utility prices and the lagged impact of exchange rate depreciation is likely to maintain upward pressure on inflation during the remaining period of current fiscal year. The impact will be more visible on non food prices while the food prices are likely to remain stable due to effective monitoring of prices and smooth supply of essential commodities by the federal and provincial governments.

Trade and Payments

The export target for FY2019 was set at US$ 28 billion. Exports registered a decline of 1.9 percent growth during July-April FY2019. Exports during July-April FY2019 reached to US$ 20.09 billion as compared to US$ 20.48 in July-April FY2018. Import target for FY2019 was set to US$ 56.5 billion. Imports stood at US$ 44.03 billion in July-April FY2019 as compared to US$ 46.30 billion in the same period last year showing a decline of 4.9 percent. The reduction in imports is due to decrease in imports of furnace oil, machinery & electric equipment, palm oil, colza seeds and textiles.

Trade account especially services trade presented a positive picture in FY2019. Goods Trade balance contracted by 7.3 percent during Jul-Apr FY2019 to US$ 23.93 billion as compared to US$ 25.81 billion in the corresponding period last year. On the other hand, services sector remained on positive trajectory throughout FY2019. Major shift in current account balance also came from services sector which shrunk by 36.18 percent to US$ 3.217 billion during Jul-Apr FY2019 as compared US$ 5.04 billion in the same period last year.

Pakistan's current account deficit outlook remains positive throughout FY2019. Current account deficit reached to US$ 11.586 billion in Jul-April FY2019 as compared to US$ 15.864 billion in the same period last year and showed a contraction of 26.9 percent. While last year during the same period it widened by 69.6 percent during July-April FY2018. However, month on month it increased to US$ 1241 million in April FY2019 as compared to US$ 871 million in March FY2019. Decreasing exports and low remittances, specifically from EU and UAE, pushed up CAB in the month of April FY2019.

The remittances registered a significant growth of 8.45 percent during July-April FY 2019 as compared to 5.36 percent last year, and reached to US$ 17.875 billion during first ten months of current fiscal year against US$ 16.482 billion during the same period last year. On the back of initiatives taken by the government and the trend observed, it is expected that target of US$ 21.2 billion for FY 2019 is likely to be achieved.

Foreign investment remained low during Jul-Apr FY2019. It dropped by 51.7 percent in July-April FY2019 to US $ 1.376 billion as compared to US $ 2.849 billion in July-April FY2018. FDI from China remained at 31.2 percent of overall inflows as compare to 60.5 percent in the preceding year. However, China continued to dominate direct investment followed by UK and Hongkong. A considerable decline in investment from Malaysia has been observed in this period.

Foreign portfolio investment account witnessed an outflow of US$ 1.27 billion in July-April FY2019 as compared to US$ 2.352 billion inflows in the same period last year. Eurobond and Sukuk bonds in

December 2017 worth of US$ 2.5 billion were the main reason of the hump in FPI last year. However, amid decline in foreign investment, external financing from bilateral sources were quite helpful**.**

Meanwhile, Pakistan has also improved its position on ease of doing business index and jumped to 136th position as compared to 147th position last year out of total 190 economies. This will surely attract foreign investors and will boost FDI.

Although the higher import bills and debt repayments led to depletion of FR reserves. Yet it was stabilized with the help of monetary inflows from friendly countries. Pakistan had received US$ 9.2 billion as a financial support from China, Saudi Arabia and UAE between July 1, 2018 and end-March 2019. Foreign exchange reserves stood at US$ 15.722 billion till end-April FY2019. This was below than the total reserves of US$ 17.519 billion of the same period last year. Out of this SBP reserves were US$ 8.781 billion, where reserves held with commercial banks were US$ 6.941 billion.

The PKR also remained under pressure during the year, as despite the decline in the current account gap, it stayed at a high level. Responding to the resulting payment pressures, the PKR depreciated by 14.1 percent against the US Dollar between July 1, 2018 and April 22, 2019.

Public Debt

Total public debt stood at Rs 28,607 billion at end of March 2019, recording an increase of Rs 3,655 billion during the first nine months of current fiscal year. The bifurcation of this increase is as follows:

The cumulative increase in debt stock cannot be entirely attributed to the borrowing of the government. External loans are contracted in various currencies; however, disbursements are effectively converted into Pak Rupee. Thus, devaluation of Pak Rupee against international currencies can increase the value of external public debt portfolio when converted into Pak Rupee for reporting purposes. This is evident from the fact that increase in external public debt contributed Rs.1,900 billion to the public debt during first nine months of ongoing fiscal year while government borrowing for financing of fiscal deficit from external sources was Rs.524 billion during the said period. This differential was mainly on account of depreciation of Pak Rupee against US Dollar. It is worth noting that depreciation of Pak Rupee increases the rupee value of external public debt, however, any such negative impact is spread over many years depending on the life of any given loan and immediate cash flow impact is not significant.

The domestic debt registered an increase of Rs.1,754 billion while government borrowing for financing of fiscal deficit from domestic sources was Rs.1,398 billion. This differential is mainly attributed to an increase in credit balances of the government with the banking system.

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

Government introduced Pakistan Banao Certificates (PBC) which is a US Dollar denominated retail level instrument, for Pakistanis having bank accounts overseas. PBC is the first sovereign retail instrument being offered by Government of Pakistan that allows overseas Pakistanis to contribute towards their country’s development while providing attractive investment opportunity.

Borrowing from commercial sources have relatively increased during the last few years, however, external public debt still largely comprises multilateral and bilateral sources which cumulatively constituted 78 percent of external public debt portfolio at end March 2019. These multilateral and bilateral loans are contracted at concessional terms.

Government has taken various measures to transform Central Directorate of National Savings from merely a retail debt raising arm of the government to an effective vehicle for financial inclusion. Initiatives are being taken to introduce Sharia Products, Overseas Pakistanis Savings Certificates, Rs.100,000 Premium Prize Bonds, Scrip-less Issuances, Registered Prize Bonds, Debit Cards & Membership of 1-Link System.

In accordance with the Medium Term Debt Management Strategy (2015/16-2018/19), at end June 2018, three of the nine thresholds were breached by a range varying from 0.5 percent to 1.6 percent. The upper range for the risk indicator "Domestic Debt Maturing within a Year" was 65 percent while this indicator at end June 2018 was recorded at 66.3 percent. The banks opted to tilt their portfolio towards short term market treasury bills as expectation of a further rise in policy rate discouraged them to invest in long-term debt instruments, largely to manage market risk. The upper range for "Domestic Debt Re-Fixing in 1 Year" and "Public Debt Re-Fixing in 1 Year" was envisaged at 65 percent and 55 percent respectively, while these indicators stood at 66.6 percent and 55.5 percent respectively at end June 2018. Short term external public debt maturities were 80.6 percent of official liquid reserves at end June 2018 compared with 68.5 percent at end June 2013.

During first nine month of current fiscal year, EDL recorded an increase of US$ 10.6 billion to stand at US$ 105.8 billion at end March 2019 out of which public debt was US$ 74.2 billion. External public debt increased by around US$ 3.9 billion during first nine months of current fiscal year compared with the increase of US$ 6.7 billion witnessed during the same period last year.

Government is committed to achieve the targets outlined in Fiscal Responsibility and Debt Limitation Act, 2005. Over the medium term, Government's objective is to bring and maintain its Public Debt-to-GDP and Debt Service-to-Revenue ratios to sustainable levels through a combination of greater revenue mobilization, rationalization of current expenditure and efficient and productive utilization of debt.

Education

To achieve the Goal 4 of SDGs, the federal government is committed to work with provinces for allocation of more resources for education, decrease the number of out of school children (OOSC), reduce the dropout rates, bring uniformity in education standards and enhance access to vocational and skills training.

The country wide school enrolments during 2017-18 were recorded at 50.616 million compared to 48.062 million during 2016-17. It improved by 5.31 percent and it is estimated to further increase by 4.8 percent to 53.032 million during 2018-19. The total numbers of the educational institutes were recorded at 260.6 thousand during 2017-18 as compared to 260.1 thousand during 2016-17. This number is estimated to increase by 1.60 percent to 264.7 thousand during 2018-19. The total numbers of teachers during 2017-18 were 1.753 million compared to 1.726 million during 2016-17 showing an increase of 1.6 percent. This number is estimated to increase by 2.85 percent to 1.803 million during the year 2018-19.

According to Labour Force Survey 2017-18, literacy rate was estimated at 62.3 percent in 2017-18 as compared to 60.7 percent estimated in 2014-15. For males it increased from 71.6 percent to 72.5 percent and for females it increased from 49.6 percent to 51.8 percent. Area wise analysis suggests that literacy rate increased in both rural areas (51.9 percent to 53.3 percent) and urban areas (76.0 percent to 76.6 percent). Literacy rate increased in three provinces; Khyber Pakhtunkhwa from 54.1 percent to 55.3 percent, Punjab from 61.9 percent to 64.7 percent and Balochistan from 54.3 percent to 55.5 percent while Sindh it decreased marginally from 63.0 percent to 62.2 percent.

Public Expenditure on education as a percentage of GDP is estimated at 2.4 percent in FY2018 as compared to 2.2 percent in FY2017. The education related expenditure increased by 18.6 percent to Rs 829.2 billion in FY2018 from Rs 699.2 billion in FY2017. The provincial governments are also spending sizeable amount of their Annual Development Plans (ADPs) on education. Punjab increased its expenditure in FY2018 to Rs 340.8 billion from Rs 260.6 billion in FY2017 showing an increase of 30.8 percent. Sindh increased its expenditure from Rs 146.7 billion in FY2017 to Rs 166.0 billion in FY2018 showing an increase of 13.16 percent. Similarly, Khyber Pakhtunkhwa and Balochistan also increased their expenditure on education from Rs 136.1 billion to Rs 142.6 billion and from Rs 47.7 billion to Rs 52.8 billion respectively during the corresponding period.

Under the PSDP 2018-19, the government had initially allocated Rs. 35.829 billion to HEC for implementing 178 development projects (133 ongoing & 45 un-approved projects) of Public Sector universities. However, with rationalization of PSDP by Ministry of Planning, Development & Reform (PD&R), the size of the PSDP allocation was revised to Rs. 30.961 billion for only 136 ongoing development projects of Universities. These projects are; Construction of new academic buildings, Strengthening of ICT Infrastructure, Faculty Development, Procurement of Laboratory Equipment and other approved components.

In addition to PSDP budget, a Technical Supplementary Grant of Rs. 0.503 billion for the project titled "Award of 3000 Scholarships to students from Afghanistan under the Prime Minister's Directive" has also been released to HEC. Under this scheme, the Government of Pakistan offers scholarships to 3000 Afghan students in various field including Medicine, Engineering, Agriculture, Management and Computer Sciences to create Pakistan's goodwill among the people of Afghanistan, to promote Human Resource Development for reconstruction of Afghanistan, to develop people to people contact between two neighbouring countries and to create excellent leadership qualities among Afghan Youth.

Health and Nutrition

Ministry of National Health Services, Regulations and Coordination in collaboration with provincial governments, started a landmark and flagship health care and social protection initiative, the Sehat Sahulat Program (SSP). In the first phase, the program is being implemented in 38 districts of Pakistan covering 3.2 million families. Initially, In Sehat Sahulat Program each enrolled family will be insured upto Rs. 50,000/- per year for secondary care treatment and upto Rs. 250,000/- per year for 7 priority care treatment. Patients who have consumed their limits will be provided with additional limits by Pakistan Bait-ul-Mal. In phase-II of the Sehat Sahulat Program, benefit package of each enrolled family has been raised to Rs. 120,000/- per year for secondary care treatment and up to Rs. 600,000/- per year for 8 priority diseases/illnesses related treatment. Furthermore, SSP is a cashless scheme in which no cash assistance or cash transfers will be provided to the beneficiary except indoor health care services and a traveling allowance. Traveling allowance of Rs. 350/- per discharge, for a total of 3 discharges per year, from residence to hospital and back is provided to the beneficiaries. In Phase-II of SSP, enhanced transportation cost of Rs. 1,000 is being provided to beneficiaries upon discharge. As of 9th February 2019, a total of 3,237,660 families have been enrolled in the Sehat Sahulat Program and more than 117,726 families have been treated for various illnesses from 157 empanelled hospitals across Pakistan.

Sehat Sahulat Program is being implemented through State Life Insurance Corporation of Pakistan, hired through an open and transparent bidding process. Services are delivered to the beneficiaries by empaneling secondary and tertiary level health care facilities, both at public and private sector, in all focused districts and metropolitan cities of the country. The hospital is being empanelled through the insurance company based on hospital empanelment criteria set forth in the program documents.

Ministry of National Health Services Regulations & Coordination has initiated a strategy in January, 2019 to enhance efforts to reduce the prevalence of tobacco use in any form in the country by urging all tobacco manufacturers to print new Pictorial Health Warning (PHW) on cigarette packs and outers.

Cumulative health expenditures by federal and provincial governments during 2018-19 (July-March) increased to Rs 203.74 billion which is 3.29 percent higher than Rs.197.25 spent during the corresponding period of previous year. The current expenditure increased by 19.84 percent from Rs. 149.97 billion to Rs. 179.72 billion while development expenditure decreased by 49.19 percent from Rs.47.28 billion to Rs.24.03 billion.

However, the break-up of expenditures among federal government and provincial governments demonstrates that during July-March FY2019, Federal and Punjab health expenditures decreased by 10.0 and 8.2 percent, respectively, as compared to the corresponding period of the last year. On the other hand, health expenditures of Sindh, Baluchistan and Khyber Pakhtunkhwa increased by 22.2, 18.4 and 10.5 percent respectively, during the same period. As percentage of GDP, health expenditure has improved from 0.91 percent in 2016-17 to 0.97 percent in 2017-18. During FY 2018-19 (July-March) it has increased by 0.53 percent compared to 0.49 percent increase recorded during the corresponding period of last year.

By the year 2018, the number of public sector hospitals has increased to 1,279. The number of Basic Health Units (BHUs) has increased to 5,527, that of Rural Health Centres (RHCs) to 686 and that of dispensaries to 5,671. The total number of registered doctors is 220,829, of registered dentists is 22,595 and that of registered nurses is 108,474.

Population, Labour Force and Employment

The population growth rate at 2.4 percent as depicted by the census 2017 is still very high. This shows that the efforts aimed to arrest high population growth have only brought modest success.

The Honourable Supreme Court of Pakistan, taking Family Planning as a human right issue, took Suo Moto Notice on 4th July 2018 and constituted a Task Force to frame clear, specific and actionable recommendations to address the issue of very high population growth. The Task Force, after a series of meetings, framed a set of recommendations aiming at enhancing contraceptive rate (CPR) to 55 percent, lowering total fertility rate (TFR) to 2.1 and bringing down population growth rate to 1.5 percent.

On similar lines, the provincial governments have also formed their respective task forces which are headed by the Chief Ministers. The purpose is to have highest level commitment from the provinces so that a coordinated strategy is developed to tackle the population issue.

Employment growth is a challenge for any developing, labour abundant economy. In the past the plans were designed to promote growth but less priority was given to employment generation. The present government has taken special initiatives to fulfil its commitment to create 10 million jobs during its term of five years. Private sector will play a key role in creation of jobs supported by the government. Naya Pakistan Housing Program, which is government's initiative to provide affordable housing to low income groups targeting most vulnerable segment of our economy by constructing 10 million houses, has a potential to generate massive employment opportunities during next five years. Similarly, National Financial inclusion Strategy to promote SMEs and digitization of financial services will also create substantial employment opportunities. It is also estimated that investments in tourism will generate over half a million new direct and induced jobs over the next five years. For the youth, the government has launched a new program – the Kamyab Jawan Program. Over the next

5 years, it is estimated that 138 thousand youth will benefit from KamyabJawan program, with banks disbursing a cumulative credit of Rs 200 billion.

Transport and Communication

NHA network comprises of 47 national highways, motorways, expressways and strategic roads with cumulative length of 12,743 km. NHA's portfolio consists of 38 on-going projects with an allocation of Rs.176,636.80 million in PSDP 2018-19 out of which 66,700.00 million is the Foreign Exchange Component (FEC) and Rs.109,936.80 million is the local component. There are 08 new schemes as well in PSDP 2018-19 with total estimated cost of Rs. 8,561.00 million. On Eastern Alignment, as a short-term project, NHA in corroboration with CPEC is completing 3,005 Km length of roads on 17 different projects while on western alignment, as short to medium term projects, a total of 1,799 Km length of roads construction on 6 different projects is in progress and on central alignment, as medium to long term projects, a total of 626 Km length of roads on 3 segments are under study with indicated plan period of 2025-30. NHA has already constructed four segments of Pakistan Motorway Network i.e., Peshawar -Islamabad Motorway (M-1), Islamabad - Lahore Motorway (M-2), Lahore - Abdul Hakeem Motorway (M-3) and Pindi Bhattian- Gojra Section and Khanewal - Multan Section of Motorway (M-4) on a virgin corridor. NHA is now constructing the remaining section of M-4 from Gojra - Khanewal. Work on Karachi - Hyderabad Motorway (M-9) on BOT basis is also substantially completed. After completing its current projects by December 2019, the total length of motorways will become 2,362.2 Km.

CPEC is the flagship and most actively implemented project of Belt & Road Initiative (BRI) where Pakistan and China have successfully launched 22 projects on the ground, costing more than US$ 28.5 billion**.** Chinese and Pakistani workforce, in a large number, is employed to ensure timely completion of the infrastructure projects and launch new projects like ML-1, Eastbay Expressway and Airport at Gawadar. Pakistan and China are also executing Cross-border Fibre optic project (Khunjerab-Rawalpindi).

Pakistan Railways comprises of 470 locomotives (458 Diesel Engine and 12 Steam Engines) for 7,791-kilometre length of route. During FY 2019(July -February), gross earnings grew by 10.3 percent to Rs 34,0661 million against Rs 30891.1 million during the same period last year. During the period July- February FY 2019, number of passengers carried increased to 39.9 million against 35.9 million during the same period last year, thereby, recording a growth of 11.0 percent. Likewise, passenger traffic Km (million), freight carried tons million, and freight tons Km (million) grew by 11.9 percent, 2.9 percent and 7.8 percent, respectively.

PIA is in the process of implementing its Strategic Business Plan 2019-23 to improve its performance by acquiring new aircrafts for its fleet.

PNSC has achieved substantial growth of 35 percent in its revenue (from Rs.1,272 million to Rs.1,717 million) in managed bulk carrier segment and growth of 28 percent (from Rs.3,001 million to Rs.3,833 million) in liquid cargo segment through its managed vessels. Fleet Direct operating expenses decreased to Rs. 5,500 million (including Rs.1,104 million from PNSC) from Rs.5,747 million (including Rs.1,738 million from PNSC), thereby resulting in gross profit of Rs.1,852 million as against Rs.1,656 million for the same period last year. PNSC profitability has increased by 61 percent with Profit after Tax of Rs.1,402 million during this period against Rs.872 million in the same period last year. Earnings per share for the PNSC increased to Rs.10.62 against Rs.6.60 during the corresponding period of last year. Two LR-1 tankers have been added in PNSC's managed fleet namely "M.T. Bolan" and "M.T. Khairpur".

The Karachi Port Trust’s operational performance during FY 2018-19 (July-March) stood at 35,361,000 tones. The export cargo handled 10,415,000 tons as compared to 9,206,000 tons last year, showing a substantial increase of 13 percent, while volume of import cargo stood at 24,945,000 tons, as against the 31,379,000 tons handled last year, showing a decrease of 22 percent. The restricted import is due to government's measures to discourage non essential imports.

Total through put of Port Qasim Authority increased by 12.6 percent**.** The port's operational performance during FY 2018-19 (July-March) stood at 36.580 million tonnes, showing an increase of 12.6 percent over the corresponding period of last year. The volume of import cargo during July-March 2018-19 stood at 31.293 million tons, as against the 27.342 million tons handled during corresponding period last year, showing an increase of 14.4 percent. The export cargo handled was 5.287 million tons during first nine months of FY 2018-19, as compared to 5.127 million tons handled during corresponding period last year, showing an increase of 3.7 percent. A total of 1,139 ships called on Port, which comprised 371 Container ships and 768 Non-Container ships.

Gawadar Port is the second greatest monument of Pak-China friendship after Karakoram Highway linking Pakistan and China. Gawadar has handled last year around 7.156 Metric Ton Cargo from 53 ships.

The telecommunication market in Pakistan is open and deregulated, offering level playing field to operators. The Universal Services Fund Company (USF Co.) launched projects to provide telecommunication coverage to approximately 12,000 unserved mauzas with a population of around 15 million, across all provinces of Pakistan. In current fiscal year USF has successfully launched a project to provide coverage to the unserved segments, spanning 669 kms, on National Highway 10 and National Highway 25 (partially). There has been a consistent growth in IT&ITeS-BPO remittances over last 5 years, with 151 percent growth in IT&ITeS-BPO remittances at a compound annual growth rate (CAGR) of 20 percent, the highest growth rate amongst all industries, and the highest in the region. Pakistan's IT &ITeS-BPO exports are estimated to have crossed US $ 3.3 billion a year at present. In addition, export remittances earned by MSMEs and freelancers are estimated to be $500 million. Whereas annual domestic revenue exceeds $1 billion. A new state of the art IT Park in Islamabad is being established under financing from Korea Exim Bank through the Economic Development Cooperation Fund (EDCF), spreading over an area of 14.9 acres of land. The construction of IT Park will be undertaken in two phases. Cost estimate for first phase is USD 88.25 million for which loan agreement has been signed. It is expected that design and construction of IT Park will be completed by 2022. The cellular mobile sector has invested US $158.3 million during the first two quarters of FY 2018-19. By the end of March 2019, the total number of mobile subscriptions in Pakistan reached 159 million with the net addition of 8.8 million subscribers during July, 2018 to March 2019. Biometric re-verification of SIMs in 2014-15 had an adverse impact on the cellular subscriber base. The number of broadband subscriber addition during first nine months of 2018-19 stood at 10 million. PTA has generated over Rs. 209 billion during June 2013 to March 2019 through its levies, fee and other charges.

Total number of registered TV sets holders as on 31st March, 2019 are 19,138,693.

Pakistan Post has launched "The Same Day Delivery Services" to facilitate the delivery of packets and documents within the city. The service was launched in November 2018 in 26 cities and will be extended to other cities in future. During the first six months (July to December) of the current fiscal year 2018-19 Pakistan Post Office Department has received the foreign remittances amounting to Rs 4,256.478 million. Total number of Post Offices in Pakistan as on March 2019 are 10496.

Energy

The energy side bottlenecks have hampered the economic growth of the country in the past. In order to address the energy shortage, massive projects were incorporated in between years 2013-18, adding a cumulative capacity of 12,230 MW. However, the transmission and distribution side congestion and inefficiencies has hampered the sustained delivery of energy services. Additionally, the higher energy prices are also a by-product of such aggressive capacity additions during 2013-18.

In term of energy-mix, in FY2018, Pakistan's reliance on oil has been reduced to 31.2 percent while reliance on gas has been reduced to 34.6 percent, while the share of hydel energy stood at 7.7 percent. Though the declining share of oil is a welcoming sign, the diminishing share of hydro represents the shortsightedness of policy as well as the inability of successive governments to undertake large capital-intensive projects in a timely manner. The reduction of natural gas share is somewhat attributed to declining natural gas reserves as well as restricted consumption of gas in the transport industry and the induction of LNG since 2015. The share of imported LNG has increased from 0.7 percent in FY2015 to 8.7 percent in FY2018. The share of renewable was at 1.1 percent in FY2018 while the share of nuclear has increased to 2.7 percent in FY2018.

Such historical variability for each energy source in the energy mix of the country has been used to formulate the Integrated Energy Plan which will not only help in estimating the energy demands and respective supply paths for the future but also in formulating the evidence based long term policy options.

The immediate focus of the government is to reduce the losses and increase the effectiveness of the whole value chain. Power Division, Ministry of Energy has given a target to DISCOs to recover PKR 80 billion from old receivables and to ensure that the receivable figures do not increase from the level recorded on 31st October 2018. Further, DISCOs have been given a target to recover another PKR 60 billion by controlling theft and improving governance and efficiency.

As of end March 2019, total installed capacity of electricity reached 34,282 MW which was at 33,433 MW at end of March 2018, thus, posting a growth of 2.5 percent. Although electricity generation varies due to availability of inputs and other constraints, the generation increased from 82,011 GWh to 84,680 GWh, posting a growth of 2.1 percent during the period under discussion.

As far as the share of different sources of electricity generation is concerned, it can be observed that the share of hydro in electricity generation has decreased over the last few decades. Availability of water is one of the main reason for reduced generation from hydel power plants. Currently, thermal has the largest share in electricity generation. Share of RLNG has shown a tremendous growth in energy mix as it served the demand of various power plants (Bhikki, Haveli Bahadur Shah, Balloki, Halmore, Orient, Rousch, KAPCO, Saif and Sapphire) as well as that of fertilizer plants and industrial and transport sector.

The government has also shown its commitment for electricity generation through renewable energy sources. During July 2018 - March 2019, there was an increase of 1 percent in share of renewables in electricity generation, and it is expected that the share will further increase in coming years.

Oil (Petroleum Product): Pakistan mainly depends upon oil and gas resources to fulfil energy requirements. The domestic production of crude oil remained at 24.6 million barrels during July-March FY2019 compared to 21.8 million barrels during the corresponding period last year. Indigenous resources of oil are not enough to meet the requirements of a growing economy. As a result, Pakistan has to import large quantity of oil as well as oil-based products from Middle Eastern countries especially from Saudi Arabia. During July- March FY2019, the quantity of crude oil import remained at 6.6 million tons valuing US $ 3.4 billion compared to 7.8 million tons valuing US $ 2.9 billion during the same period last year.

Natural Gas: At present, the capacity of two Floating Storage and Regasification Unit (FRSU) to Re-gasify Liquefied Natural Gas (RLNG) is 1200 MMCFD and accordingly RLNG is being imported to mitigate gas demand-supply shortfall. The average natural gas consumption was about 3,865 Million Cubic Feet per day (MMCFD) including 785 MMCFD volume of RLNG during July 2018 to February 2019. During July – Feb FY2019, the two Gas utility companies (SNGPL & SSGCL) have laid 69 Km Gas Transmission network, 3,232 Km Distribution and 1,366 Km Services lines and connected 165 villages/towns to gas network. During this period, 428,305 additional gas connections including 425,404 domestic, 2,770 commercial and 131 industrial were provided across the country.

It is the focus of the government to provide sustainable energy for all. Furthermore, improvement in access to energy and off grid solutions will be provided under the new renewable energy policy. For the sustainable provision of such services, market forces and policy options need to be harmonized. As far as market forces are concerned, business models of energy services companies (ESCO) and sustainable energy utility (SEU) should be developed and incentivized. Such market forces should be encouraged since it will provide jobs to the work force.

Social Protection

The government dissects pro-poor expenditure in different sectors through the Medium-Term Expenditure Framework (MTEF) under PRSP-II program. Expenditure on these pro-poor sectors has shown an increasing trend in absolute terms as well as percentage of GDP. Expenditure on these sectors increased from Rs. 1,934.2 billion in FY 2014 which was 7.7 percent of GDP to Rs. 3,167.92 billion in FY 2018 which is 9.2 percent of GDP.

The social safety nets are major initiatives to reinforce the government's efforts to reduce the adverse effects of poverty on the poor. Benazir Income Support Program (BISP), a flagship program of the government has made a remarkable progress by providing cash transfers to over 5.8 million beneficiaries. The quarterly cash grant has gradually been enhanced by the successive governments which currently stands at Rs. 5000/- per quarter per eligible beneficiary. Since inception, BISP has disbursed Rs 691.5 billion as cash transfers. BISP is following the path of automation and 98.5 percent of beneficiaries are being paid through technology-based payment mechanisms. Under Waseela-e-Taleem program, 3.1 million children have been enrolled so far and an amount of Rs. 9.8 billion has been disbursed.

Pakistan Poverty Alleviation Fund (PPAF) also helps in micro-credit, water, health, education, livelihood. Since its inception in April 2000 uptill March 2019, PPAF has disbursed an amount of approximately Rs. 222.037 billion to its Partner Organizations (POs) in 137 districts across the country. The overall disbursements for core operations during July 2018 to March, 2019 amounted to Rs 756 million.

Pakistan Baitul Mal (PBM) is also making a significant contribution towards poverty reduction by providing financial assistance to destitute, widows, orphans, invalid, infirm and other needy persons irrespective of their gender, cast, creed and religion through its establishments at the district level. During July to March FY2019, PBM has disbursed an amount of Rs 2.562 billion through its core projects.

Workers Welfare Fund (WWF) is providing various services in the areas of housing, health and education to the industrial workers and financial assistance is also being extended in the form of death grant, marriage grant and scholarships. During July-March, FY2019 expenditures amounting to Rs 468.273 million have been incurred on 3,992 scholarships while Rs 1,985.38 million has been disbursed as Marriage Grant (@100,000/-) which benefitted 19,854 workers' families. WWF has also disbursed Rs 1,597.55 million as Death Grant (@500,000/-) to 3,195 families all over the country.

Employees Old-Age Benefits Institution (EOBI) provides monetary benefits to the old age workers through various programs such as the Old-Age Pension, Invalidity Pension, Survivors Pension and Old-Age Grants. During July-March 2018-19, Rs. 23.30 billion has been disbursed to 401,940 beneficiaries.

Climate Change

Changing pattern of climate has emerged as one of the biggest environmental challenges, which is affecting almost all the sectors of economy particularly water resources, energy, health, biodiversity, with a major impact on agricultural productivity. In view of Pakistan's high vulnerability to the adverse impact of climate change, the current government is committed to meet this challenge and the Prime Minister has constituted "Prime Minister's Committee on Climate Change" to provide high level strategic guidance and platform for coordinated efforts on the issues of climate change. Federal Forestry Board (FFB) has also been revived to rehabilitate forests and forest cover in the country. Ministry of climate change has adopted a comprehensive approach on the disaster risk reduction and management.

The present government has launched Ten Billion Trees Tsunami Program (TBTTP), to revive forestry and to improve watershed management and soil conservation to combat the negative impacts of climate change.

The government has also introduced climate budget coding and expenditure tracking system. This initiative has become a solid conduit for mainstreaming the climate change finance and will improve transparency in public investments. The monitoring of the expenditure will also give confidence to the international development partners in tracking expenditure under different funding streams to ensure that the finances are spent on the intended objectives.

CHAPTER 1

Growth and Investment

The growth momentum of the Pakistani economy, at 5.5 percent in FY2018 (with an average growth rate of 4.7 percent for period FY 2014-2018), became unsustainable due to rising macroeconomic imbalances i.e. high and increasing fiscal and current account deficits. The twin deficits always persisted in the Pakistani economy, however, in FY2018 trade deficit was historically high both in monetary value ($ 32 billion) and as a percent of GDP (10.1 percent), while the fiscal deficit reached 6.5 percent of GDP. The contained inflation and maintained exchange rate accelerated the growth in domestic demand. High consumption expenditure and government spending in turn led to massive surge in imports. Some of required adjustments on fiscal accounts and exchange rate were delayed in FY2018 being an election year, that resulted in depletion of foreign reserves and increase in monetary borrowing. As such, there was an urgent need to address these growing imbalances, particularly in external accounts, by taking strong measures to curb the growth of money supply and realign exchange rate to market conditions. These measures will have an adverse short term effect on the fiscal imbalances and there would be a need to address them in coming days and months. Moreover, over time, the government would have to make concerted efforts to tackle structural weaknesses in the economy side to avoid a repeat of similar crises in future, and ensure a sustainable growth path for the economy.

Looking back at FY2017-18, while the macroeconomic imbalances continue to rise, required adjustments could not be undertaken until August, as the caretaker government, which was in place for first two months of FY2019, was not mandated to take major economic retransformation. On August 18, 2018, the present government took office and started tackling the challenge of stabilizing the economy primarily by managing the aggregate demand and addressing the deep-rooted structural problems. They took difficult decisions in reducing the overvaluation of exchange rate and aligned it to the market value-based exchange rate; increased policy interest rate and energy prices which were kept subdued since last year. The government also achieved considerable success in mobilizing additional financing from friendly countries in the form of short- to medium-term loans, deferred payment on imported oil and temporary deposits in the central banks. Saudi Arabia provided a US$ 6 billion assistance package – US3 billion in short loan and US$ 3 billion in the shape of deferred payment on oil imports. Similarly, the UAE government provided US$ 1 billion, whereas China has given US$ 2.2 billion. These measures and inflows have strengthened Pakistan's foreign exchange reserves and reduced external vulnerabilities to some extent.

However, despite some of these positive measures, growing tensions between India and Pakistan in February 2019, had a short term adverse impact on business sentiments and investments in the country. International agencies revised downward their projections of economic growth in Pakistan. For example, the IMF has lowered its projection for economic growth in Pakistan in FY2018-19 to below 3 percent, partly due to government demand containing adjustments and partly because of the negative effects of tariff increases enacted in the United States and China earlier in the year. In view of these above mentioned factors, GDP growth in FY2018-19 remain subdued. However, as some results of the stabilization process have already started to materialize, particularly on external front, there has been a sharp reduction in the current account deficit[1]. It is expected that combination of

[1] An improvement of 27 percent in a year-on-year comparison for Jul-Apr FY19 and FY18, primarily driven by an increase in remittances and fall in imports.

adjustments and reforms measures initiated by the government, the economy will attain a more stable and robust growth momentum in coming years.

Pakistan Economic Growth and Global Perspective

Although domestically the government was following stabilization process, however globally, rising trade tensions posed a risk to the global growth outlook in FY 2019. After a strong growth in 2017 and early 2018, global economic activity slowed noticeably in the second half of last year, reflecting a confluence of factors affecting major economies. This is the reason IMF has revised downward real GDP growth for almost all countries in World Economic Outlook, April 2019 for FY2019 (Table 1).

Table 1: Change in Real GDP growth rate forecast April 2018 – April 2019

Table-:Real GDP Growth Rates (%)	WEO, April 2018		WEO, Oct 2018		WEO, April 2019		Forecast
Group / Country Name	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	
World	3.9	3.9	3.7	3.7	3.6	3.3	⇩
Euro area	2.4	2.0	2	1.9	1.8	1.5	⇩
United States	2.9	2.7	2.9	2.7	2.3	1.9	⇩
Japan	1.2	0.9	1.1	0.9	1.0	0.9	⇩
Other Advanced Economies	2.4	2.3	2.4	2.2	2.2	1.9	⇩
Emerging Market and Developing Economies	4.9	5.1	4.7	4.8	4.5	4.4	⇩
ASEAN							
Indonesia	5.3	5.5	5.1	5.1	5.2	5.2	⇧
Thailand	3.9	3.8	4.6	3.9	4.1	3.5	⇩
Malaysia	5.3	5.0	4.7	4.6	4.7	4.7	⇨
Philippines	6.7	6.8	6.5	6.6	6.2	6.5	⇩
SOUTH ASIA							
India	7.4	7.8	7.3	7.4	7.1	7.3	⇩
Bangladesh	7.0	7.0	7.3	7.1	7.7	7.3	⇧
Sri Lanka	4.0	4.5	3.7	4.3	3.0	3.5	⇩
Pakistan	5.6	4.7	5.8	4.0	5.2	2.9	⇩
MIDDLE EAST							
Saudi Arabia	1.7	1.9	2.2	2.4	2.2	1.8	⇩
Kuwait	1.3	3.8	2.3	4.1	1.7	2.5	⇩
Islamic Republic of Iran	4.0	4.0	-1.5	-3.6	-3.9	-6.0	⇩
United Arab Emirates	2.0	3.0	2.9	3.7	1.7	2.8	⇩
Turkey	4.4	4.0	3.5	0.4	2.6	-2.5	⇩
AFRICA							
Morocco	3.1	4.0	3.2	3.2	3.1	3.2	⇨
South Africa	1.5	1.7	0.8	1.4	0.8	1.2	⇩
Kenya	5.5	6.0	6.0	6.1	6.0	5.8	⇩
Tanzania	6.4	6.6	5.8	6.6	6.6	4.0	⇩

Source: International Monetary Fund, World Economic Outlook Database, April 2018, Oct 2018, April 2019

Growth in the United States, bolstered by fiscal stimuli, has continues to be robust. China's growth declined following a combination of needed regulatory tightening to rein in shadow banking and an increase in trade tensions with the United States. In the Euro Region, economic activity remained somewhat weaker during the current fiscal year owing to slowing net exports, while growth in advanced economies is estimated to have decelerated slightly (to 2.2 percent). Elsewhere, natural disasters hurt activity in Japan. Trade tensions increasingly took a toll on business confidence thus financial market sentiment worsened, with financial conditions tightening for vulnerable emerging markets in the spring of 2018 and then in advanced economies later in the year, weighing on global demand. According to World Bank report January 2019, "Global Economic Perspective", South Asia growth is expected to accelerate to 7.1 percent in 2019, underpinned by strengthening investment and robust consumption. While domestic demand continues to be the main driver of growth across the region and the cyclical upturn in the exports performance is encouraging, the region needs to redouble its policy efforts towards strengthening its international competitiveness. In fact, South Asia is lagging on several competitiveness indicators, such as attracting foreign investments, penetrating new markets and diversifying and upgrading its exports products. In addition, trade openness and regional integration remains limited. Further, global foreign direct investment (FDI) inflows declined sharply in 2018, following a 23 percent decrease in 2017 from the previous year, to $1.43 trillion, with a 41 percent estimated decrease in the first half of 2018 according to the United Nations Conference on Trade and Development (UNCTAD) report published in January 2019. The decline was largely concentrated in developed countries and was mainly due to large repatriations of foreign earnings from affiliates of foreign investors from the United States of America following tax reforms implemented by the Government of the United States. However, in external trade, for South Asia region, the performance of exports is gradually picking-up in several economies. Further, the outlook for demand from major destinations, such as the United States and the EU, remains positive.

This weak international scenario, has also effected foreign direct investment in Pakistan as well as country's exports. During July-April FY2019, foreign direct investment dropped by 51.7 percent and foreign private investment also declined by 64.3 percent. Pakistan's exports have been on a declining trend since FY2013. Overall export posted a negative growth in each of three consecutive years (FY2014 – FY2016) and was almost stagnant in FY2017. In FY2018, export grew by 12.5 percent over the level of previous year as exchange rate was adjusted by an aggregate of 14.2 percent during the year.[2] However, compared to FY2013 level, export was still lower by 0.12 percent. In FY2019, the positive trend in exports continued in the first quarter of the fiscal year as exports were 4.2 percent higher than the first quarter of FY2018. However, with economy in general and manufacturing sector in particular slowing down under the weight of economic adjustment, export started to decline. During the first nine months of FY2019, export posted an overall decline of 1.9 percent over the same period of FY2018.

During the said period, imports declined by 4.9 percent, whereas growth in imports was positive during first two quarters of the fiscal year.

A detailed exercise by SBP and Ministry of Commerce has been carried out to identify the tariffs which are high and adversely effects the exports and domestic production, so that the large and small scale industries be uplifted. Other mentionable step is the establishment of Special Economic Zones (SEZs). The government is trying to remove the anomalies and giving tax incentives/exemptions to facilitate the local and foreign investors.

Box-1: Development of the Special Economic Zones

Development of the Special Economic Zones is one of the main gains from CPEC. It is a driving force for economic growth and taking the fruits of CPEC to the lesser developed regions of Pakistan. The aim is the transformation of trade corridors into Economic Corridors. After implementation of the early harvest projects, the ground is set to generate positive socio-economic impacts of CPEC by enhancing Industrial Collaboration. This will help create efficient and competitive industrial clusters to attract investment and to diversify exports.

Chinese SMEs and Start-ups are quite capable and very keen to come and invest in Pakistan. Pakistani Business community is eager to fully maximize benefits from this opportunity. There is huge potential for cooperation in the fields of engineering, automotive industry, information technology, chemicals, construction materials, textiles, agro-based industry, fisheries, marbles, small and medium enterprises particularly cottage

[2] The depreciation of rupee happened in three installments of almost 4.5 percent each in December 2017, April and June 2018.

industries.

Under CPEC, 9 sites have been identified for developing special economic zones. Pakistan's side has prepared feasibilities and bankable documents to develop these SEZs in line with the modern trends, taking input from the Chinese development model.

Government of Pakistan has already announced a comprehensive and a business-friendly incentive package aimed at up-scaling investors' relations with China and other nations, to promote the industry and employment; strengthen and form new industry clusters as well as promote exports of goods and services. Focused efforts are underway to populate these industrial zones either through investment in building infrastructure or relocation of industry. This sector encourages joint ventures in order to establish win-win platforms for Pakistani, Chinese and other foreign businessmen. It is estimated that this sector will create up to 800,000 jobs for the local population. Overall, the Industrial cooperation will support:

- Improve ease of doing business
- Skills development, transfer of technology and expansion of industrial base
- Facilitate Foreign Direct Investment (FDI)
- Develop Special Economic Zones
- Joint marketing and branding
- Formulate and refine development plans of relevant industries
- Chinese government to encourage Chinese companies to make more local procurements including raw materials and services

CPEC Proposed Special Economic Zones (SEZs)

S. No	SEZ	Province/ Region
1	Rashakai Economic Zone , M-1, Nowshera	Khyber Pakhtunkhwa
2	China Special Economic Zone Dhabeji	Sindh
3	Bostan Industrial Zone	Balochistan
4	AllamaIqbal Industrial City (M3), Faisalabad	Punjab
5	ICT Model Industrial Zone, Islamabad	Federal
6	Development of Industrial Park on Pakistan Steel Mills Land at Port Qasim near Karachi	Federal
7	Special Economic Zone at Mirpur	AJK
8	Mohmand Marble City	KP(FATA)
9	Moqpondass SEZ	Gilgit-Baltistan

To break the cycle of recurring instability, the present government has designed a roadmap for stability, growth and productive employment. In short term, sharp adjustment and infusion of external financing will be needed while in medium term planned structural reform particularly focusing on export competiveness, re-establishing fiscal stability and improving governance in key utilities and SOE's will be implemented.

Box 2: A Roadmap For Stability, Growth And Productive Employment*

Stabilization Measures

- Exchange rate Adjustment
  (19 percent devaluation since Jul 2018)
- Increase in policy rate
  (575 bps since July 2018)
- Bilateral Deposits
- Additional financing through Pakistan Banao Certificates

Structural Reform

i. Lowering the revenue-expenditure gap
   - Policy and administration reforms to improve revenue collection
   - Streamlining government expenditure

ii. Narrowing the exports -imports gap

iii. Bridging the saving-investment gap

iv. Enhancing Ease of Doing Business

v. Protecting the Poor and the vulnerable

vi. Governance Reforms

Job Creation Initiatives of Current Government

Target is to create 10 million jobs in five years. Private sector will play a key role in creation of jobs supported by the government. The key areas are:

Naya Pakistan Housing Program, which is government's initiative to provide affordable housing targeting most vulnerable segment of our economy by building 10 million houses, has a potential to create 11.9 million jobs during next five years. Similarly, 10 Billion Tree Tsunami-government's countrywide tree plantation program, National Financial inclusion Strategy-to promote SMEs and digitization of financial services. It is estimated that investments in tourism can generate over half a million new direct and induced jobs over the next five years therefore the government is giving prime importance to tourism. Development of tourism requires cross-departmental/cross-agency coordination to meet, in a consistent manner. Thus, for connectivity and transport, local government support is required for proper land use, municipal services, policing etc. Further to maintain a balance between pro-consumer and pro-business regulations, both provision of quality services as well as promotion of investment will be ensured. Thus, federal ministry and provincial tourism departments' capacity and mandate will be strengthened to perform these tasks.

For the youth, the government has launched a new program – the **Kamyab Jawan Program**. Under this program, the National Bank of Pakistan, Bank of Punjab and Bank of Khyber will provide low cost loans to the youth (agreed between 21 – 45 years) for establishing of small businesses enterprises. These loans will be classified in three tiers.

Tier I: Loans between Rs 100,000 and 0.5 million, with a debt-equity ratio 90:10 at interest rate of 6 percent. The government will pay the difference between the applied interest rate and KIBOR + 500 bps.

Tier II: Loans between Rs 0.5 and 10 million; with a debt equity ratio of 80:20 and carrying an interest rate of 8 percent. The government will pay the difference between the applied interest rate and KIBOR + 400 bps.

Tier III: Loans between Rs 10 and 25 million; with a debt equity ratio defined by bank's lending policy; and carrying an interest rate of 9 percent. The government will pay the difference between the applied interest rate and KIBOR + 400 bps.

Over the next 5 years, it is estimated, that 138 thousand youth will benefit from Kamyab Jawan program, with banks disbursing a cumulative sum of Rs 200 billion and interventions in tourism industry will create approximately 0.4 million, 3 million, and 0.6 million jobs respectively, cumulatively leading to creation of 14 million new jobs in next five years.

Power Sector Reforms

The electricity sector needs to overcome some key issues, including price distortions, insufficient collections, costly and poorly targeted subsidies, governance and regulatory deficiencies, low efficiency in energy supply and distribution. The Government has started working on a new electricity policy. This policy will be a major update and expansion of the existing policy approved in July 2013. In parallel the renewable energy policy is being updated to clearly quantify and qualify the renewable energy share and addition to the national grid.

As short-term measures in Power sector reform is bringing tariffs to cost recovery level, along with cost-cutting and efficiency measures to reach full cost recovery in the electricity sector along-with tariff adjustments to stop the buildup of circular debt. The notification of National Electric Power Regulatory Authority (NEPRA) determined tariffs for FY 2018 has been done on January 01, 2019. This notification i.e. (11 percent increase) will ensure recovery of PKR. 1,465 billion out of determined revenue requirement (RR) of PKR. 1,611 billion by NEPRA for the future tariff period of twelve months, including subsidies for the sector. Further Industrial support package of Rs. 3 / unit has been announced by the Government to ensure competitiveness of local industry. To eliminate flow and buildup of circular debt beyond FY 2018-19, elements contributing individually to the buildup of CD will be addressed. These will include;

i. Attaining recovery level as determined by NEPRA;
ii. Meeting the losses determined by NEPRA;
iii. Budgeting of subsidies and creating revenue stream for other subsides;
iv. One of the key elements is an automaticity in quarterly adjustments.

*: Detail Document is available on:
http://www.finance.gov.pk/A_Roadmap_for_Stability_and_Growth_April_8.pdf

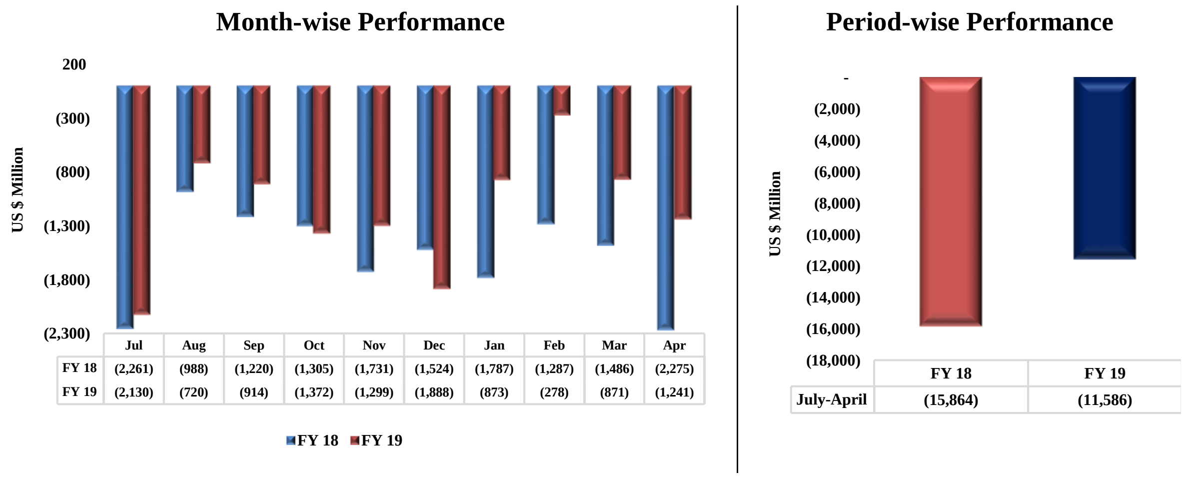
Right from August 2018, it is the endeavor of the present government to take stabilization measures with a view to overcome the economic imbalance but also to contribute towards structural reforms. The trade-off between the two is recognized explicitly and the phasing and design of policy interventions are aimed at social cost minimization in the short run and growth maximization in the medium run.

The recent staff level agreement with IMF is expected to rebuild the confidence of local and foreign investors in Pakistani economy.

Addressing Saving – Investment Gap

In FY2018, there was rise in consumption both by private sector and general government because of contained inflation and maintained exchange rate. Considering both goods and services, imports increased to US$ 68 billion in FY2018, whereas the exports remained US$ 30 billion. Consequently, the trade deficit ballooned to US$ 37.9 billion. The problem of this large increase in trade deficit was compounded by a flattening of workers' remittances at about US$ 19.9 billion. As a result, the current account deficit (CAD) which is by definition Saving-Investment gap[3] soared to US$ 19.9 billion in FY2018 thus leading to an outflow of US$ 8 billion from SBP reserves. The government made a sizeable adjustment in the interest and exchange rates to contain the aggregate demand and ease the pressure on the balance of payments. These efforts helped in reducing Saving-Investment gap, which has been contained by 27 percent (Fig-1) during July-April FY 2019 compared to 70 percent expansion during same period last year. It happened mainly because, trade deficit declined by 7 percent while last year it recorded 23 percent growth primarily due to containment in imports. Imports declined by 5 percent while workers' remittances posted significant growth of 9 percent during the period under discussion.

Fig-1: Month-wise and period-wise performance of Saving-Investment Gap



Source: State Bank of Pakistan

Aggregate Demand Analysis

During FY 2018, consumption fueled acceleration in economic growth caused the economy to overheat to a stage where surging aggregate demand expanded the size of external current account deficit to an unprecedented level (6.3 percent of GDP). Historically, Pakistan's economic growth is characterized as consumption-led growth and this is true for decades. In fact, the dominant part of

[3] By definition, savings are part of income not consumed. These are measured indirectly through national income identities by Planning Commission, which uses information about investment estimated by Pakistan Bureau of Statistics; and current account deficit compiled by SBP. Given the data for investment and current account balance, National Savings are worked out as a residual from the identity, which says "savings and investment gap is always equal to the current account balance".

the recent increase in economic growth is attributable to a boom in consumption. Even in FY2019, increase in inflation and borrowing costs amid depreciation of PKR seems not to alter much consumption patterns in the country and its share in GDP had risen to 94.8 percent almost the same level as similar to last year (94.2 percent). The share of Public Consumption in the GDP increased to 12.6 percent during FY2019 from 11.7 percent in FY2018 while the share of Private Consumption in the GDP remained almost stagnant at 82 percent. One reason of high consumption pattern is less saving opportunities because consumers find no incentive to divert resources away from consumption towards saving. Further, high rate of population growth keeps the age dependency ratio high which continues to expand consumption at the expense of saving. The high consumption thus leading to very low domestic saving while as a percent of GDP, domestic saving is also falling. Domestic saving in FY2019 remained at 4.2 percent of GDP much lower than the level achieved in FY2004 where it was 15.6 percent of GDP. The other worrisome point is that the savings are parked in real estate and abroad, thus are poorly leveraged to finance investment and economic growth. Thus the most important factor behind inadequate level of investment is the low level of saving.

As mentioned above, government's stabilization measures have started to take effect, as public and private investments both contracted as a percentage of GDP (a 5 percentage point in Private investment and 8 percentage point in Public including general government investment). In FY 2019, Private Investment as percentage of GDP dropped to 9.8 percent from 10.3 percent in FY2018 while Public including General Government investment also slowed down to 4.0 percent from 4.8 percent during the period under discussion. The fall in Public investment, including general government investment, is mainly due to squeezing PSDP spending.

Table 2: Share in GDP

As percent of GDP(mp)

Sectors	2003-04	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Total Consumption	82.6	91.8	90.7	91.3	93.2	94.2	94.8
Private Consumption Expenditure	74.9	81.0	79.8	80.0	81.9	82.5	82.1
General Government Expenditure	7.8	10.8	11.0	11.3	11.3	11.7	12.6
Total Investment	16.4	14.6	15.7	15.69	16.2	16.7	15.4
Gross Fixed Capital Formation	14.8	13.0	14.1	14.1	14.6	15.1	13.8
Private	11.3	9.9	10.4	10.3	10.1	10.3	9.8
Public including General Public	3.5	3.2	3.7	3.8	4.5	4.8	4.0
Change in Inventories	1.6	1.6	1.6	1.6	1.6	1.6	1.6
National Saving	17.7	13.4	14.7	13.9	12.0	10.4	10.7
Domestic Saving	15.6	7.7	8.6	7.8	6.5	5.1	4.2
Foreign Saving	-1.22	1.28	1.03	1.74	4.1	6.3	4.7

Source: Pakistan Bureau of Statistics

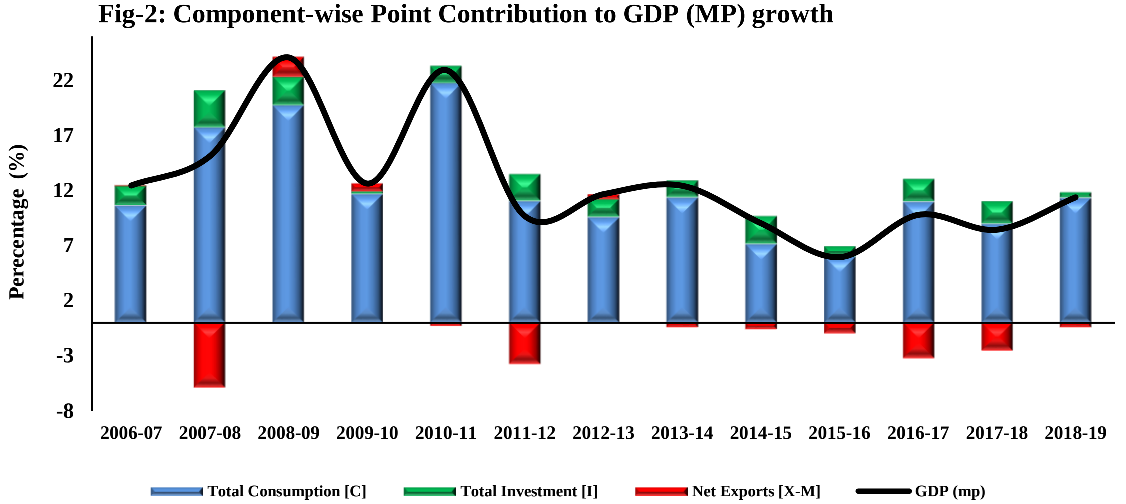
In view of large macroeconomic imbalances, SBP started to tighten the monetary policy starting January 2018, to date the SBP policy rate has been raised by a (cumulative) 650 bps to 12.25 percent till May 2019. Nonetheless, in the first 10 months of FY2019, private sector borrowing was up to Rs. 587.6 billion, against the borrowing of Rs. 532.6 billion in the comparable period last year. On average, it has posted growth of 9.8 percent during the period under discussion in FY2019 against the growth of 10.2 percent in the comparable period of FY2018. Whereas on Y-o-Y basis, it has shown a growth of 14.5 percent as on 03rd May, FY2019. As for the financing categories, the activity in working capital loans was more prominent due to rising commodity prices and input costs which increased the financing requirements of the corporate sector.

The provisional estimates of Gross Fixed Capital Formation (GFCF) for the year FY2019 stands at Rs.5,340.0 billion and posted a growth of 1.9 percent when compared to FY2019. In private sector, the GFCF is estimated at Rs.3,796.1 billion during FY2019 against Rs.3,564.0 billion in FY2018 with an increase of 6.5 percent while, in Public Sector GFCF posted a growth of 9.8 percent as it is estimated at Rs.345.3 billion during FY2019 against Rs.314.6 billion during FY2018.

Estimates of GFCF in the General Government sector are based on budgetary data of federal, provincial and districts governments. The budgeted data is used in the first year which is subject to changes on the basis of actual and reconciled expenditure by various tiers of government in subsequent year. The provisional overall GFCF for general government services for FY2019 has been estimated at Rs.1198.5 billion, a decline of 12 percent over the revised estimates of Rs.1362.3 billion during FY2018. GFCF related expenditure for the federal government has been estimated at Rs.419.8 billion with growth of 15.6 percent over previous year's estimates of Rs.362.3 billion. However, GFCF related expenditure by provincial governments has declined by 29.2 percent from Rs.909.1 billion to Rs.643.8 billion. Moreover, expenditure on GFCF incurred by district governments has increased by 48.4 percent from Rs.90.9 billion to Rs.135.0 billion.

As mentioned above, consumption continued to drive economic growth and its contribution of 99.6 percent to the GDP growth while investment has contributed 4.1 percent. Thus consumption and investment together contributed 103.7 percent to the GDP growth, which was neutralized by negative contribution by net exports to the extent of 3.7 percent. The contribution of net exports has traditionally been negative for the most part of our history. (Figure-2)

Fig-2: Component-wise Point Contribution to GDP (MP) growth



Source: Pakistan Bureau of Statistics

During FY2019, Net Exports of goods and services posted a growth of 3.9 percent compared to FY 2018 mainly on the basis of 22.64 percent growth in exports of goods and services and 12.2 percent growth in imports of goods and services as recorded in expenditure on gross national product at current prices measured in rupees. However, as per balance of payment, during July-April FY2019, there was 18.6 percent decline import of services in dollar term as it declined to $ 7.7 billion compared to $ 9.4 billion during July-April FY 2018 while imports of goods declined to 4.9 percent during the period under discussion.

Composition of Aggregate demand is shown in following Table:

Table 3: Composition of Aggregate Demand	2013-14	2014-15	2015-16	2016-17 F	2017-18 R	2018-19 P
As percent of GDP (mp)						
Private Consumption	81.0	79.8	80.0	81.9	82.5	82.1
Public Consumption	10.8	11.0	11.3	11.3	11.7	12.6
Total Consumption [C]	**91.8**	**90.7**	**91.3**	**93.2**	**94.2**	**94.8**
Gross Fixed Investment	13.0	14.1	14.1	14.6	15.1	13.9
Private Investment	9.9	10.4	10.3	10.1	10.3	9.8
Public Investment	3.2	3.7	3.8	4.5	4.8	4.0
Changes in Stock	1.6	1.6	1.6	1.6	1.6	1.6
Total Investment [I]	**14.6**	**15.7**	**15.7**	**16.2**	**16.7**	**15.5**
Exports (Goods & Services) [X]	12.2	10.6	9.1	8.3	8.8	9.7
Imports (Goods & Services) [M]	18.7	17.1	16.2	17.6	19.7	19.9
Net Exports [X-M]	**-6.4**	**-6.4**	**-7.0**	**-9.3**	**-11.0**	**-10.2**
Aggregate Demand [C + I + X]	**118.7**	**117.1**	**116.2**	**117.6**	**119.7**	**119.9**
Domestic Demand [C + I]	**106.4**	**106.4**	**107.0**	**109.3**	**111.0**	**110.2**
Source: Pakistan Bureau of Statistics						

The composition of aggregate demand discussed above is actually measuring GDP through expenditure approach and many international agencies use this approach, however, according to Pakistan Bureau of Statistics (PBS), this approach is rudimental. The prime reason being that PBS follow the production approach for measuring GDP in accordance with System of National Accounts guidelines. Thus for measuring GDP through expenditure approach, public collective consumption, capital formation and exports minus imports) are calculated independently. However, the biggest summand (private consumption) is calculated as residual. This could be another reason of low national savings as it will be outcome of identity (S = Y - C). Thus, for the purpose of GDP estimation by activities (current & constant prices), the production approach is applied by PBS. Though, for some activities, especially for nonmarket activities, output is measured as the sum of primary incomes (GVA) and intermediate consumption. Therefore, it is also important to make sectoral growth analysis while discussing GDP from production side.

Sectoral Growth Analysis – Production Side

The provisional GDP growth rate for FY2019 is estimated at 3.3 percent on the basis of 0.9, 1.4 and 4.7 percent growth in agricultural, industrial and services sectors respectively. For FY2019, Commodity Producing Sectors has been again overshadowed by growth in the Services sector which contributed 2.9 percentage points or 86.4 G percent while Commodity Producing Sectors contributed to only 0.4 percentage points to overall growth.

Agricultural Sector: The agriculture sector grew by 0.85 percent. The crops sector has witnessed negative growth of 4.4 percent during FY2019 mainly due to negative growth (-6.6 percent) in important crops due to decline in production of cotton, rice and sugarcane. Production of cotton, rice and sugarcane declined by 17.5, 3.3, and 19.4 percent, respectively. Among the important crops, wheat output posted a marginal positive growth of 0.5 percent while production of maize was higher by 6.9 percent. Other crops have shown growth of 1.95 percent mainly because of increase in production of pulses and oil seeds. Decrease in production of cotton crop also caused decline in Cotton ginning by 12.7 percent.

Livestock sector has shown a growth of 4.0 percent while the growth of forestry remained at 6.47 percent due to increase in production of timber in Khyber Pakhtunkhwa 26.7 to 36.1 thousand cubic meters.

Industrial Sector: During FY2019, the provisional growth in industrial sector has been estimated at 1.40 percent mainly because of decline in growth to 2.06 in large scale manufacturing sector percent while mining and quarrying sector has witnessed a negative growth of 1.96 percent. The mining and quarrying sector growth declined due to negative growth in natural gas (-1.98 percent) and coal (-25.4 percent). However, the decline in large scale manufacturing sector growth is based on QIM data (from July 2017 to February 2018) which shows that major decline has been observed in Textile (-0.27 percent), Food, Beverage & Tobacco (-1.55 percent), Coke & Petroleum Products (-5.50 percent), Pharmaceuticals (-8.67 percent), Chemicals (-3.92 percent), Non-Metallic Mineral Products (-3.87 percent), Automobiles (-6.11 percent) and Iron & Steel products (-10.26 percent). The major positive growth in LSM has been observed in Electronics (34.63 percent), Engineering Products (8.63 percent) and Wood Products (17.84 percent).

Electricity and gas sub sector grew by 40.54 percent. The main reason of this abrupt growth is due to 48.4 percent growth in expenditures at current prices on Gross Fixed Capital Formation in Electricity Generation & Distribution and Gas Distribution sector last year. During FY2018 these remained Rs.243 billion against Rs.164 billion during FY2017. Further in Private sector, 335 percent growth was observed in expenditures at current prices on Gross Fixed Capital Formation for Electricity Generation & Distribution and Gas Distribution sector for FY2018 while that for public sector remained 14.6 percent.

The construction activity has decreased by 7.57 percent due to conservative construction-related expenditure reported in rest of the economic activities.

Services Sector: Provisional estimates has shown that the services sector posted a growth 4.71 percent during FY2019. Wholesale and Retail Trade sector grew at a rate of 3.11 percent. As value added in this sector depends upon output of agriculture and manufacturing sectors and volume of imports, it is safe to say that bulk of growth in wholesale and retail sector could be attributed to increase in volume of imports and the growth in livestock. Transport, Storage and Communication sector has registered a growth of 3.34 percent due to positive contribution of Railways (38.93 percent), Air transport (3.38 percent) and Road Transport (3.85 percent).

Finance and insurance sector showed an overall increase of 5.14 percent, despite a decline (of 12.5 percent) in value add of the central bank, as scheduled banks, non-scheduled banks and insurance sub-sector posted positive growth (5.3 percent, 24.6 percent and 12.8 percent, respectively). The Housing Services grew by 4.0 percent and the General Government Services by 7.99 percent. It is mainly driven by the increase in salaries of federal, provincial and district governments. Other private services, which is composed of various distinct activities such as computer related activities, event management, education, health & social work, NGOs etc. has contributed positively 7.05 percent.

Way Forward

The present government has made significant measures to curb aggregate demand that has compounded the size of external current account deficit to an unprecedented level. During FY2019, the economy felt partial adjustments due to inertia as evident from still high consumption to GDP ratio and fiscal deficit. Irrespective of direction of cause, historically, there is significant relationship between trade deficit and budget deficit. Policy maker thus make the stand that by limiting fiscal deficit, trade deficit can be controlled. Thus optimum fiscal strategy will make tariff adjustments accordingly to stop the growth of quasi-fiscal deficits along with generating the revenue resources. The economy, therefore, still need strict stabilization policies along with extensive structural reforms even without IMF program. However, after entering IMF's Extended Fund Facility (EFF) (US$6 billion), not only an ease in requisite external financing will be provided, but also market confidence will be strengthened and additional financial support from other development and bilateral partners which will further support the stability and moving toward high and inclusive growth.

CHAPTER 2

Agriculture

Agriculture contributes 18.5 percent to country's Gross Domestic Product (GDP) and provides 38.5 percent employment to national labour force but it remains backward sector of the economy while high performing agriculture is a key to economic growth and poverty alleviation. Over the last decade, the performance of agriculture sector has fallen short of desirable level, mainly because of stagnant productivity of all important crops. Cropped area of the five traditional crops has also largely remained unchanged. Climate change also poses a serious challenge to Pakistan's agriculture and threatens country's water availability and food security.

The government is trying its best to help the farmers by providing agriculture inputs at affordable prices and ensuring better prices of their produce. To guarantee food security, it is necessary to enhance domestic agricultural production through increased productivity (increasing per acre yield). Although Pakistan has rich production potential in agriculture, livestock and fisheries, yet for sustainable economic growth and prosperity, the development of these sectors on long-term basis is of fundamental importance for country's growth and prosperity. This calls for efficient utilization of production resources by adopting modern technologies and establishment of realistic marketing system.

The Prime Minister's taskforce on agriculture has taken a holistic view of the issues faced by the agriculture sector and has made some sound recommendations for improving productivity of agriculture sector.

Prime Minister's Agriculture Emergency Program

The present government's resolution is to enhance agriculture productivity. In this connection Prime Minister's Agriculture Emergency Program has been initiated which primarily focused on:

i. Productivity Enhancement of Wheat, Rice & Sugarcane
ii. Oilseeds Enhancement Program
iii. Conserving Water Through Lining of Watercourses
iv. Enhancing Command Area of Small and Mini Dams in Barani Areas
v. Water Conservation in Barani areas of Khyber Pakhtunkhwa
vi. Shrimp Farming
vii. Cage Fish Culture
viii. Trout Farming in Northern Areas of Pakistan
ix. Save & Fattening of Calf Program
x. Backyard Poultry Program

Under this Program a number of projects have been initiated:

a) Three specific projects on **"Productivity Enhancement of Wheat, Rice & Sugarcane"** developed under Prime Minister's Agriculture Emergency Program. Cost of Wheat project is Rs.19,301 million, Rice project is Rs.11,433 million and Sugarcane project is Rs.3,912 million over a period of 05 years. The key interventions identified for enhancing productivity and increasing profitability of each crop is as under:

- Promote mechanizations (crops specific machinery) through 50% subsidy
- Development of high yielding Hybrid varieties and improve provision of certified/tested seed
- Set up new and upgrade existing modern research institute by engaging international experts
- Re-organized extension services at all level, agronomy, plant protection and marketing
- Upgrade crop processing methods and facilitate

b) Project **"National Oilseeds Enhancement Program"** developed under Prime Minister's Agriculture Emergency Program. Project cost is Rs.10,176 million over a period of 05 years. The key interventions identified for enhancing productivity and increasing profitability are:

- Registration of oilseed growers for grant of subsidy
- Subsidy of Rs. 5,000 per acre, maximum up to 20 acres
- Fifty percent subsidy on purchase of oilseed Machinery
- Ensure hybrid seed availability through national and multi-national seed companies
- Establishment of Procurement Centre in collaboration with All Pakistan Solvent Extractors Association (APSEA) under the monitoring of government representatives
- Arrangement of demonstration plots in oilseed growing areas

c) Project **"Conserving water through lining of Watercourses"** developed under Prime Minister's Agriculture Emergency Program for lining up to 50% of total length of 73,078 watercourses (reconstruction & new) inclusive of 13,875 Water Storage Tanks. This also includes **Laser Land Levelers,** on 50% cost sharing basis government's share to be capped at Rs.250,000 per beneficiary. The total project cost is Rs.179,705 million over a period of 05 years. The key interventions identified are:

- Social mobilization through capacity building of Water User's Associations/ Fos
- Minimization of conveyance and field application losses
- Reduction in water logging and salinity
- Equity in water distribution
- Reduction in water disputes/thefts/litigation
- Motivation/participation of farmers
- Poverty reduction through employment generation
- Increase in crops yield/sufficiency in food

d) Project **"Enhancing Command Area of Small & Mini Dams in Barani Areas"** developed under Prime Minister's Agriculture Emergency Program. Project cost is Rs.27,700 million over a period of 05 years. The key interventions identified are:

- Development of command area of small and mini dams
- Improved land and water productivity
- Poverty reduction through employment generation
- Increase area under crops and sufficiency in food
- Improved economic condition of barani area farmers

e) Project **"Water Conservation in Barani Areas of Khyber Pakhtunkhwa"** developed under Prime Minister's Agriculture Emergency Program. Project cost is Rs.13,020 million over a period of 05 years. The key interventions identified are:

- Construction of Water Ponds
- Construction of Check Dams
- Inlet Outlet Spillway
- Water Retaining Facility/Reservoir
- Terracing
- Pipe lining/open channel flow watercourses
- High efficiency-Drip & Sprinkler irrigation System
- Solarisation of water reservoirs/pond and High efficiency irrigation systems

f) Project **"Shrimp Farming"** developed under Prime Minister's Agriculture Emergency Program. Project cost is Rs.4,842.78 million over a period of 05 years. The key objectives identified are:

- Promotion of shrimp aquaculture in the country
- Development of shrimp value chain, support services and legal framework
- Livelihood and job creation for rural people
- Export earnings from aquaculture

g) Project **"Cage Fish Culture"** developed under Prime Minister's Agriculture Emergency Program. Project cost is Rs.6,856.87 million over a period of 05 years. The key objectives identified are:

- Optimal Utilization of natural water resources
- Upscaling cage culture technology across Pakistan
- Livelihood and job creation for rural people
- Increase per capita fish consumption
- Export earnings from cage aquaculture

h) Project **"Trout Farming in Northern Areas of Pakistan"** developed under Prime Minister's Agriculture Emergency Program. Project cost is Rs. 2,291.97 million over a period of 05 years. The key objectives identified are:

- Promotion of trout farming in cages and ponds through effective utilization of land and water resources
- Value chain development for trout fish
- Promote entrepreneurship through commercial fish production by local communities
- Contribute towards poverty reduction for rural communities
- Fish stock replenishment of natural water bodies to promote tourism in the area

i) Project **"Save & Fattening of Calf"** developed under Prime Minister's Agriculture Emergency Program. Project cost is Rs. 5,344 million for both save and fattening of calf over a period of 04 years. The key objectives identified are:

- Increase livestock productivity

- Improve quality and ensure disease free livestock for export of halal meat
- Fetch meat export markets for export enhancement
- Enhanced export of livestock products & by-products
- Farmers able to sell fattened calves at a profit
- Rear the breeds that international meat market wants

j) Project **"Backyard Poultry Program"** developed under Prime Minister's Agriculture Emergency Program. Project cost is Rs.329.13 million over a period of 04 years. The key objectives identified are:

- Opportunity for the landless farmer, mostly women
- Small flock sizes in traditional sheds
- Feed on household/organic waste
- Free range requiring minimal input
- Source of eggs and meat for the poor; nutritional support
- Poverty alleviation through supplemental income from poultry products

These initiatives would supplement the efforts of the Government of Pakistan to improve productivity of crops including wheat, rice, sugarcane, oilseeds, will harness untapped potential of fisheries, conserve water and will increase meat export of Pakistan. The projects would be funded from PSDP at the federal level with a major share of the provinces who will fund these projects from their respective Annual Development Program (ADP).

Agriculture Performance during 2018-19

The performance of Agriculture during 2018-19 remained subdued. On the aggregate, the sector grew by 0.85 percent, much lower than the target of 3.8 percent set at the beginning of the year. This under-performance of agriculture sector was mainly due to insufficient availability of water which led to a drop in cultivated area and a drop in fertilizer offtake. The crops sector experienced a negative growth (-4.43 percent against the target of 3.6 percent) on the back of decline in growth of important crops by (-6.55) percent. Sugarcane production declined by (-19.4) percent to 67.174 million tons, Cotton (-17.5 percent) to 9.861 million bales and Rice (-3.3 percent) to 7.202 million tonnes while production of Maize crop increased by 6.9 percent to 6.309 million tonnes and Wheat growth was marginally higher (by 0.5 percent) to reach 25.195 million tonnes. Other crops having a share of 11.21 percent in agriculture value addition and 2.08 percent in GDP, showed growth of 1.95 percent mainly due to increase in production of pulses and oilseeds. Cotton ginning declined by -12.74 percent due to decrease in production of cotton crop.

Livestock having share of 60.54 percent in agriculture and 11.22 percent in GDP, maintained the growth at 4.0 percent against the target of 3.8 percent. The Fishing sector having share of 2.10 percent in agriculture value addition (and 0.39 percent in GDP), grew by 0.79 percent, while Forestry sector having share of 2.10 percent in agriculture (and 0.39 percent in GDP) grew by 6.47 percent due to increase in timber production in Khyber Pakhtunkhwa (by 26.7 percent to 36.1 thousand cubic meters). (Table 2.1).

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

Table 2.1: Agriculture Growth Percentages (Base=2005-06)

Sector	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 (P)
Agriculture	**2.68**	**2.50**	**2.13**	**0.15**	**2.18**	**3.94**	**0.85**
Crops	1.53	2.64	0.16	-5.27	1.22	4.66	-4.43
i) Important Crops	0.17	7.22	-1.62	-5.86	2.60	3.56	-6.55
ii) Other Crops	5.58	-5.71	2.51	0.40	-2.51	6.15	1.95
iii) Cotton Ginning	-2.90	-1.33	7.24	-22.12	5.58	8.80	-12.74
Livestock	3.45	2.48	3.99	3.36	2.99	3.62	4.00
Forestry	6.58	1.88	-12.45	14.31	-2.33	2.58	6.47
Fishing	0.65	0.98	5.75	3.25	1.23	1.63	0.79

P: Provisional
Source: Pakistan Bureau of Statistics

During 2018-19, the total availability of water for the Kharif crops 2018 was recorded at 59.6 Million Acre Feet (MAF) and remained short by 11.2 percent against the average system usage of 67.1 MAF and 14.9 percent over Kharif 2017. During Rabi season 2018-19, the total water availability was recorded at 24.8 MAF, showing an increase of 2.5 percent over Rabi 2017-18 and 31.9 percent less than the normal availability of 36.4 MAF. (Table 2.2).

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

Period	Kharif	Rabi	Total	% age increase/decrease. over the Avg.
Average system usage	67.1	36.4	103.5	-
2009-10	67.3	25.0	92.3	-10.8
2010-11	53.4	34.6	88.0	-15.0
2011-12	60.4	29.4	89.8	-13.2
2012-13	57.7	31.9	89.6	-13.4
2013-14	65.5	32.5	98.0	-5.3
2014-15	69.3	33.1	102.4	-1.1
2015-16	65.5	32.9	98.4	-4.9
2016-17	71.4	29.7	101.1	-2.3
2017-18	70.0	24.2	94.2	-9.0
2018-19	59.6	24.8	84.4	-18.5

Source: Indus River System Authority

The Federal Committee on Agriculture (FCA) in its meeting held in April, 2019 observed that water availability for Kharif and Rabi Crops for 2019-20 will remain adequate which auger well for higher productivity of Rabi crops, and corresponding for better agricultural growth in the next fiscal year.

I. Crop Situation

The important crops (wheat, rice, sugarcane maize and cotton) account 21.90 percent in the value addition of agriculture sector and 4.06 percent in GDP. The other crops account 11.21 percent in the value addition of agriculture sector and 2.08 percent in GDP. The production of important crops is given in Table 2.3.

Table 2.3: Production of Important Crops					(000 Tonnes)
Year	Cotton (000 bales)	Sugarcane	Rice	Maize	Wheat
2012-13	13,031	63,750	5,536	4,220	24,211
	-	-	-	-	-
2013-14	12,769	67,460	6,798	4,944	25,979
	(-2.0)	(5.8)	(22.8)	(17.2)	(7.3)
2014-15	13,960	62,826	7,003	4,937	25,086
	(9.3)	(-6.9)	(3.0)	(-0.1)	(-3.4)
2015-16	9,917	65,482	6,801	5,271	25,633
	(-29.0)	(4.2)	(-2.9)	(6.8)	(2.2)
2016-17	10,671	75,482	6,849	6,134	26,674
	(7.6)	(15.3)	(0.7)	(16.4)	(4.1)
2017-18	11,946	83,333	7,450	5,902	25,076
	(11.9)	(10.4)	(8.8)	(-3.8)	(-6.0)
2018-19 (P)	9,861	67,174	7,202	6,309	25,195
	(-17.5)	(-19.4)	(-3.3)	(6.9)	(0.5)

P: Provisional (July-March), Figures in parentheses are growth/decline rates

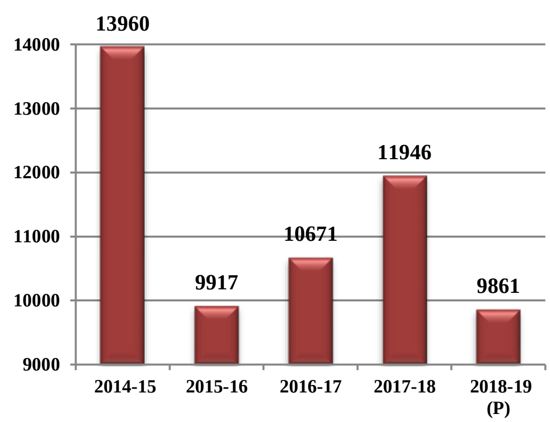
Source: Pakistan Bureau of Statistics

a) Important Crops

i) Cotton

Cotton is considered as life line of economy of Pakistan. It has a 0.8 percent share in GDP and contributes 4.5 percent in agriculture value addition. Cotton crop faces significant challenges vis-à-vis competing crops especially sugarcane. Most important being unfavourable international prices. During 2018-19, cotton production remained moderate at 9.861 million bales, a decrease of 17.5 percent over the last year's production of 11.946 million bales, and 31.5 percent against the target of 14.4 million bales. This below expectation performance of the cotton crop was largely due to contraction in the cultivated area on account of less economic incentive to the farmers by 12.1 percent to 2,373 thousand hectares compared to last year's area of 2,700 thousand hectares (see Table 2.4 and Figure 2.1). The production was also affected by unfavourable weather conditions, particularly the prolonged hot and dry weather that prevailed in the country. In addition, stunting of crop, attack of whitefly, pink bollworm and other pests/insects also hampered crop output.

Fig-2.1: Cotton Production (000 bales)



Source: PBS

Table 2.4: Area, Production and Yield of Cotton						
Year	Area		Production		Yield	
	(000 Hectare)	% Change	(000 Bales)	% Change	(Kgs/Hec)	% Change
2014-15	2,961	-	13,960	-	802	-
2015-16	2,902	-2.0	9,917	-29.0	582	-27.4
2016-17	2,489	-14.2	10,671	7.6	730	25.3
2017-18	2,700	8.5	11,946	11.9	753	3.1
2018-19(P)	2,373	-12.1	9,861	-17.5	707	-6.1

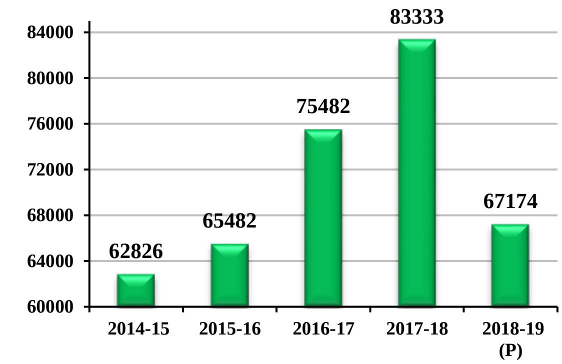
P: Provisional (July-March)

Source: Pakistan Bureau of Statistics

ii) Sugarcane

Sugarcane is high value cash crop. Its production accounts for 2.9 percent in agriculture's value addition and 0.5 percent of overall GDP. During 2018-19, sugarcane crop production was lower by 19.4 percent (to 67.174 million tonnes) compared to 83.333 million tonnes achieved last year. Like cotton, this decline in sugarcane output is due to shrinking of cultivated area (by 17.9 percent from 1,343 thousand of last year to 1,102 thousand hectares) on account of water shortages. Moreover, low economic returns too discouraged the growers to bring more area under the sugarcane crop. Disposal problem of cane and payment difficulties also restricted the acreage of sugarcane. The area, production and yield of sugarcane during last five years are given in Table 2.5 and Figure 2.2.

Fig 2.2: Sugarcane Production (000 Tonnes)



Source: PBS

Table 2.5: Area, Production and Yield of Sugarcane

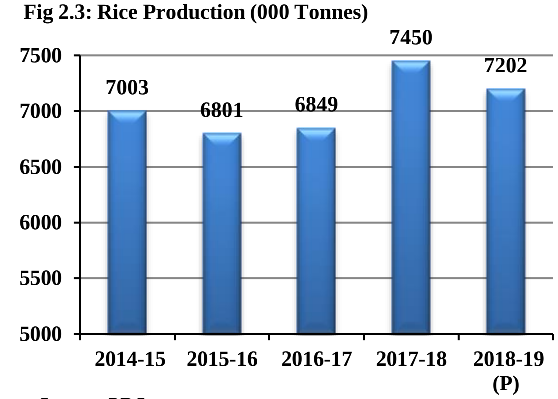
Year	Area		Production		Yield	
	(000 Hectare)	% Change	(000 Tonnes)	% Change	(Kgs/Hec.)	% Change
2014-15	1,141	-	62,826	-	55,062	-
2015-16	1,131	-0.9	65,482	4.2	57,897	5.1
2016-17	1,218	7.7	75,482	15.3	61,972	7.0
2017-18	1,343	10.3	83,333	10.4	62,050	0.1
2018-19 (P)	1,102	-17.9	67,174	-19.4	60,956	-1.8

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

iii) Rice

Rice is an important food as well as cash crop in Pakistan. It accounts for 3.0 percent of the value added in agriculture and 0.6 percent of GDP. After wheat, it is the second main staple food crop. During 2018-19, rice crop area decreased by 3.1 percent (to 2,810 thousand hectares compared to 2,901 thousand hectares of last year). The production stood at 7,202 thousand tonnes against the target of 7.0 million tonnes and remained short of 3.3 percent to 7,450 thousand tonnes against last year. The production declined due to decrease in area cultivated, dry weather and shortage of water. The area, production and yield of rice last five years are shown in Table 2.6 and Figure 2.3.

Fig 2.3: Rice Production (000 Tonnes)



Source: PBS

Table 2.6: Area, Production and Yield of Rice

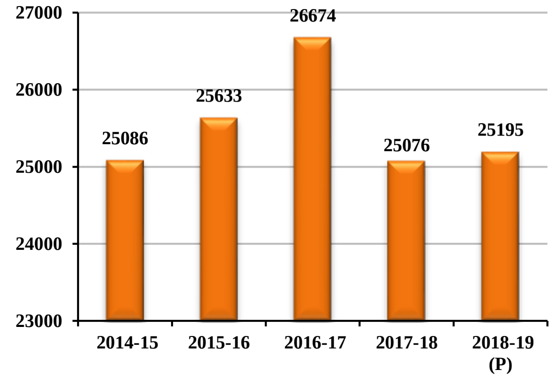
Year	Area		Production		Yield	
	(000 Hectare)	% Change	(000 Tonnes)	% Change	(Kgs/Hec.)	% Change
2014-15	2,891	-	7,003	-	2,422	-
2015-16	2,739	-5.3	6,801	-2.9	2,483	2.5
2016-17	2,724	-0.5	6,849	0.7	2,514	1.2
2017-18	2,901	6.5	7,450	8.8	2,568	2.1
2018-19(P)	2,810	-3.1	7,202	-3.3	2,562	-0.2

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

iv) Wheat

Wheat accounts 8.9 percent value added in agriculture and 1.6 percent of GDP. Wheat crop showed marginal increase of 0.5 percent to 25.195 million tonnes over last year's production of 25.076 million tonnes but fell short of the target by 4.9 percent. The area under cultivation declined by 0.6 percent (to 8,740 over last year's 8,797 thousand hectares). This nominal decrease in area over previous year was due to shifting of area to oilseed & other competitive crops. However, production increased due to better crop yield and healthy grain formation. The position over the last five years is given in Table 2.7 and Figure 2.4.

Fig 2.4: Wheat Production (000 Tonnes)



Source: PBS

Table 2.7: Area, Production and Yield of Wheat

Year	Area		Production		Yield	
	(000 Hectares)	% Change	(000 Tonnes)	% Change	(Kgs /Hec.)	% Change
2014-15	9,204	-	25,086	-	2,726	-
2015-16	9,224	0.2	25,633	2.2	2,779	1.9
2016-17	8,972	-2.7	26,674	4.1	2,973	7.0
2017-18	8,797	-1.9	25,076	-6.0	2,851	-4.1
2018-19(P)	8,740	-0.6	25,195	0.5	2,883	1.1

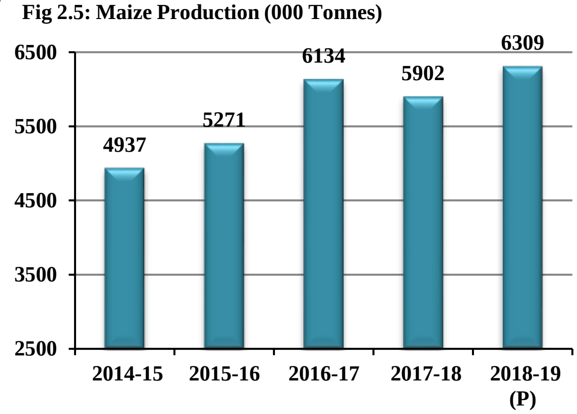
P: Provisional (July-March)

Source: Pakistan Bureau of Statistics

v) Maize

In Pakistan, after wheat and rice, Maize is the third important cereal crop. It contributes 2.6 percent to value addition in agriculture and 0.5 percent to GDP. During 2018-19, maize cultivated on 1,318 thousand hectares and witnessed an increase of 5.4 percent over last year's 1,251 thousand hectares. Its production increased by 5.1 percent to 6.309 million tonnes compared to target 6.0 million tonnes and 6.9 percent to the last year's production 5.902 million tonnes. The production increased as farmers shifted from cotton and sugarcane, availability of improved variety of seed as well better economic returns. The position is presented in Table 2.8 and Figure 2.5.

Fig 2.5: Maize Production (000 Tonnes)



Source: PBS

Table 2.8: Area, Production and Yield of Maize

Year	Area		Production		Yield	
	(000 Hectares)	% Change	(000 Tonnes)	% Change	(Kgs /Hec.)	% Change
2014-15	1,142	-	4,937	-	4,323	-
2015-16	1,191	4.3	5,271	6.8	4,426	2.4
2016-17	1,348	13.2	6,134	16.4	4,550	2.8
2017-18	1,251	-7.2	5,902	-3.8	4,718	3.7
2018-19 (P)	1,318	5.4	6,309	6.9	4,787	1.5

P: Provisional (July-March)

Source: Pakistan Bureau of Statistics

b) Other Crops

During 2018-19, gram production recorded an increase of 35.6 percent on account of higher yield due to favourable weather condition prevalent at the time of sowing. The production of Bajra increased by 3.2 percent. The production of Barley, Rapeseed & Mustard and Tobacco remained constant. While the production of Jowar witnessed a decline of 2.6 percent. The area and production of other crops are given in Table 2.9.

Table 2.9: Area and Production of other Kharif and Rabi Crops

Crops	2017-18		2018-19 (P)		% Change in production over Last year
	Area (000 Hectares)	Production (000 Tonnes)	Area (000 Hectares)	Production (000 Tonnes)	
Bajra	489	339	456	350	3.2
Jowar	255	153	242	149	-2.6
Gram	977	323	944	438	35.6
Barley	58	55	55	55	0.0
Rapeseed & Mustard	199	225	263	225	0.0
Tobacco	46	107	46	107	0.0

P: Provisional (July-March)

Source: Pakistan Bureau of Statistics

During 2018-19, the production of Onion and Chillies witnessed increase of 2.0 percent to 2.12 million tonnes and 0.4 percent to 148.7 thousand tonnes, respectively, compared to production of last year. However, the production of pulse Mash (Lentil), Moong and Potato decreased by 5.5 percent, 3.4 percent and 0.3 percent, respectively compared to last year's production. While the production of Masoor remained same as last year's production. The area and production of other crops are given in Table 2.10.

Table 2.10: Area and Production of Other Crops

Crops	2017-18		2018-19(P)		% Change in production over Last year
	Area (000 Hectares)	Production (000 Tonnes)	Area (000 Hectares)	Production (000 Tonnes)	
Masoor	13.6	6.4	12.4	6.4	0.0
Moong	162.4	122.0	163.2	117.8	-3.4
Mash	15.5	7.3	14.1	6.9	-5.5
Potato	194.0	4,591.8	196.2	4,578.9	-0.3
Onion	150.2	2,080.8	151.0	2,122.5	2.0
Chillies	65.3	148.1	65.3	148.7	0.4

P: Provisional (July-March)

Source: Pakistan Bureau of Statistics

i) Oilseeds

During 2018-19 (July-March), 2.421 million tons edible oil valued Rs. 192.203 billion (US$ 1.455 billion was imported. Local production of edible oil during 2018-19 (July-Match) recorded at 0.500 million tons. The area and production of oilseed crops during 2017-18 and 2018-19 is given in Table 2.11.

Table 2.11: Area and Production of Major Oilseed Crops

Crops	2017-18 (Jul-Mar)			2018-19 (Jul-Mar) (P)		
	Area	Production		Area	Production	
	(000 Acres)	Seed (000 Tonnes)	Oil (000 Tonnes)	(000 Acres)	Seed (000 Tonnes)	Oil (000 Tonnes)
Cottonseed	6,672	3,057	367	5,252	2,748	330
Rapeseed-Mustard	492	226	72	643	318	102
Sunflower	259	147	56	264	142	54
Canola	60	35	13	68	38	14
Total	**7,483**	**3,465**	**508**	**6,227**	**3,246**	**500**

P: Provisional/Targets

Source: Pakistan Oilseed Development Board (PODB), Pakistan Bureau of Statistics

II. Farm Inputs

i) Fertilizers

Fertilizer is the most important (and an expensive) input contributing 30 to 50 percent to crop yield. Its share in cost of production of major crops is around 10 to 15 percent. The domestic production of fertilizers during 2018-19 (July-March) increased by 2.6 percent over the same period of previous year. This increase is due to functioning of two urea manufacturing plants (Agritech & Fatima Fertilizer) as supply of LNG was available on subsidized rates. The supply of imported fertilizer increased by 4.8 percent. Therefore, total availability of fertilizer increased by 3.2 percent during current fiscal year. Total offtake of fertilizer nutrients decreased by 7.3 percent. Nitrogen offtake also decreased by 2.89 percent and phosphate by 18.2 percent. Potash offtake recorded an increase of 4.55 percent during 2018-19 (July-March). Reduction in fertilizers offtake was mainly due to its high prices, despite receiving subsidy from the government. Following are different type of subsidies provided during current FY 2018-19.

- Implementation of uniform tax rate of 2% for all type of fertilizers
- The government ensured adequate supplies of urea in Rabi Season by providing a subsidy of Rs. 1,292 per bag for 105 thousand tonnes of imported urea
- Local manufacturers have also subsidized Rs.714 per bag of urea as government provided cheaper feed gas
- The government has recently operationalized two fertilizer plants, located at SNGPL network, by providing Rs. 916 per bag of urea subsidy for using LNG

Total availability of urea during Kharif 2018 was 3.014 million tonnes comprising of 316 thousand tonnes of opening inventory and 2.698 million tonnes of domestic production (Table 2.12). Urea offtake was about 2,887 thousand tonnes, leaving inventory of 115 thousand tonnes for Rabi 2018-19. Availability of DAP was 1.627 million tonnes comprising of 190 thousand tonnes of opening inventory, 1.063 million tonnes of imported supplies and 374 thousand tonnes of local production. DAP offtake was 901 thousand tonnes leaving an inventory of 729 thousand tonnes for Rabi 2018-19.

Rabi 2018-19 started with an opening balance of 115 thousand tonnes of urea (Table 2.12). Domestic production during Rabi 2018-19 was 2.923 million tonnes. Urea offtake during Rabi 2018-19 was 3.033 million tonnes, against 3.143 million tonnes of total availability, leaving a closing balance of 135 thousand tonnes for next season. DAP availability was 1.762 million tonnes, which included 729 thousand tonnes of opening inventory, 679 thousand tonnes of imported supplies and domestic production of 354 thousand tonnes. Offtake of DAP during Rabi season was 1.164 million tonnes, leaving a balance of 599 thousand tonnes for next season.

Table 2.12: Fertilizer Supply Demand Situation **(000 Tonnes)**

Description	Kharif (Apr-Sep) 2018		Rabi (Oct-Mar) 2018-19		Kharif (Apr-Sep) 2019	
	Urea	DAP	Urea	DAP	Urea	DAP
Opening stock	316	190	115	729	135	599
Imported supplies	0	1,063	105	679	100	18
Domestic Production	2,698	374	2,923	354	3,217*	360
Total Availability	3,014	1,627	3,143	1,762	3,452	977
Offtake/Demand	2,887	901	3,033	1,164	2,942	865
Write on/off	-12	3	25	1	0	0
Closing stock	115	729	135	599	510	112

*: This level of production will be achieved if Fatima Fertilizer and Agritech continue production.
Source: National Fertilizer Development Center

Total availability of urea during Kharif 2019 was estimated at 3.452 million tonnes comprising of 135 thousand tonnes of opening balance and 3.217 million tonnes of domestic production and 100 thousand tonnes of imported supplies (Table 2.12). Urea offtake is expected to be around 2.942 million tonnes, reflecting a closing balance of 510 thousand tonnes. Total availability of DAP will be 977 thousand tonnes against expected offtake of 865 thousand tonnes leaving a balance of 112 thousand tonnes for next season.

ii) Improved Seed

Seed is the basic input for agriculture sector and has an imperative role in enhancing agriculture productivity. Federal Seed Certification & Registration Department (FSC&RD) is an attached department of Ministry of National Food Security & Research which provides seed certification services as and when requested by public and private seed agencies and has annual plan for field crop inspection and seed testing. In order to ensure improved seed certification services, FSC&RD administration is working on various aspects for strengthening of field offices, international collaboration; new initiatives for further development (Gilgit Baltistan Project, Establishment of Plant Breeder's Rights Registry). Currently, FSC&RD is liaising with Federal Board of Revenue (FBR) the leading agency for the inception of National Single Window Program. The prime goal of FSC&RD is to protect the farmer's interest. The area, seed requirements and seed availability during July-March, 2018-19, are given in Table 2.13.

Table 2.13: Area, Seed Requirements and Seed Availability*

Crop	Sowing Area (000 Ha)	Total Seed Requirement (MT)	Seed Availability (Metric Tonnes)			
			Public	Private	Imported	Total (Loc+Imp)
Wheat**	8,945	1,073,352	42,934	386,407	-	429,341
Cotton	3,200	63,232	1,197	55,783	-	56,980
Paddy	2,805	41,385	4,312	52,601	2,756	59,669
Maize	1,170	28,892	237	1,222	12,776	14,235
Pulses	1,185	42,674	10	1,391	-	1,401
Oilseeds	830	10,790	-	-	72	72
Vegetables	280	8,400	-	-	2,123	2,123
Fodders	2,038	61,140	-	-	11,659	11,659
Potato	166	415,000	-	-	2,397	2,397
Total	**20,619**	**1,744,865**	**48,690**	**497,404**	**31,783**	**577,877**

*: Provisional **: The actual wheat seed testing figures are not finalized yet. The expected wheat seed availability is therefore, based on previous years availability trend %age. Actual wheat seed availability figures will be finalized in November, 2019. The actual availability is also subject to change due to heavy rains in the month of April, 2019.
Source: Federal Seed Certification & Registration Department

iii) Mechanization

Accelerated farm mechanization is an important element to accelerate growth in agriculture sector. Main constraint in increasing agricultural productivity also include non-availability of quality tractors and agricultural machinery at right time and at affordable prices to the farmers' community.

The domestic tractor industry has played a significant role in fulfilling the requirements of tractors to farmers. The number of operational tractors in the country is around 634,000 resulting in per acre horsepower (HP) availability of 0.09 against the required power of 1.4 HP per acre. During 2018-19 (July-March) total tractors production was 37,399 compared to the 52,551 produced last year. The major reasons of decline in the production of tractors are low sales because of filer condition for purchaser and also changing market dynamics/demand. The production and price of locally manufactured tractors is given in Table 2.14.

Table 2.14: Prices and Production of Locally Manufactured Tractors 2018-19(July-March)				
Tractors Model – Horse Power (HP)	**Price/Unit Excluding GST (Rs)**	**Price/Unit Including GST (Rs)**	**Production (in Nos.)**	**Actual Sale (in Nos.)**
M/s Al-Ghazi Tractors				
NH 480-S (55 HP)	790,000	829,500	3,247	3,762
NH 480-S W.P (55 HP)	807,000	847,350	2,472	2,387
NH-Ghazi (65 HP)	885,000	929,250	5,112	5,475
NH-Ghazi WDB (65 HP)	894,000	938,700	112	109
NH-640 (75 HP)	1,111,000	1,166,550	1,823	1,702
NH-640 WDB (75 HP)	1,117,000	1,172,850	66	58
NH-640-S (85 HP)	1,126,000	1,182,300	138	129
NH-640-S WDB (85 HP)	1,140,000	1,197,000	36	32
NH-70-56 (85 HP)	1,590,000	1,669,500	15	15
Dabung- (85-HP)	1,140,000	1,197,000	196	196
NHTD-95(98-HP) (Imported)	2,566,667	2,695,000	39	6
Total			**13,256**	**13,871**
M/s Millat Tractors				
MF-240 (50 HP)	770,000	808,500	6,210	6,144
MF-350 Plus (50 HP)	788,500	827,925	30	36
MF-260 (60 HP)	872,000	915,600	6,199	6,080
MF-360 (60 HP)	885,500	929,775	270	264
MF-375 (75 HP)	1,119,000	1,174,950	1,686	1,620
MF-385 (85 HP) 2WD	1,200,000	1,260,000	9,348	9,204
MF-385(85 HP) 4WD	1,666,600	1,749,930	196	203
Total			**23,939**	**23,551**
M/s Orient Tractors				
Orient	-	-	204	-
Total	**-**	**-**	**204**	**-**
Grand Total			**37,399**	**37,422**

Note: GST @ 5 percent

Source: Tractor Manufacturer Association, Federal Water Management Cell

iv) Irrigation

During monsoon season (July-September) 2018, the normal average rainfall was 140.9 mm, while the actual rainfall recorded 96.1 mm showing decline of 31.8 percent. During the post-monsoon season (October-December) 2018, the normal average rainfall was 26.4 mm, while the actual rainfall recorded was 15.6 mm showing decline of 40.9 percent. During winter season (January-March) 2019, the normal average rainfall was 74.3 mm, while the actual rainfall recorded was 107.2 mm showing increase of 44.3 percent. Rainfall recorded during the monsoon, post monsoon and winter is given in Table 2.15.

Table 2.15: Rainfall* Recorded During 2018-19			(in Millimetres)
	Monsoon Rainfall (Jul-Sep) 2018	**Post Monsoon Rainfall (Oct-Dec) 2018**	**Winter Rainfall (Jan-Mar) 2019**
Normal**	140.9	26.4	74.3
Actual	96.1	15.6	107.2
Shortage (-)/excess (+)	- 44.8	-10.8	+32.9
% Shortage (-)/excess (+)	-31.8	- 40.9	+44.3

*:Area Weighted, **:Long Period Average (1961-2010)

Source: Pakistan Meteorological Department

During Kharif (April-September) 2018, canal head withdrawals declined to 59.62 Million Acre Feet (MAF) showing a decrease of 15 percent as compared to 69.97 MAF during the same period last year. During Rabi (October-March) 2018-19, the canal head withdrawals recorded an increase of 3 percent and 24.76 MAF, compared to 24.15 MAF during the same period last year. The province-wise details are shown in Table 2.16.

Table 2.16: Canal Head Withdrawals (Below Rim Station) **Million Acre Feet (MAF)**

Province	Kharif (Apr-Sep) 2017	Kharif (Apr-Sep) 2018	% Change in Kharif 2018 Over 2017	Rabi (Oct-Mar) 2017-18	Rabi (Oct-Mar) 2018-19	% Change in Rabi 2018-19 Over 2017-18
Punjab	35.51	29.19	-18	12.76	13.25	4
Sindh	31.37	27.75	-12	9.75	10.10	4
Balochistan	2.07	1.69	-18	1.12	0.97	-13
Khyber Pakhtunkhwa	1.02	0.99	-3	0.53	0.45	-15
Total	**69.97**	**59.62**	**-15**	**24.15**	**24.76**	**3**

Source: Indus River System Authority

Pakistan is facing severe water stress due to an extremely inefficient irrigation system and practices, over-exploitation of groundwater, inadequate storage capacity and surface and groundwater pollution have collectively impacted quantity and quality of water. The prime objective of 12th Five Year Plan 2018-23 is to develop and line up investments for water sector in new storing facilities and increase system efficiency.

An amount of Rs. 63.717 billion (including Mohmand and Diamer-Basha Dam) has been allocated for the water sector's development projects/Programs during the year 2018-19, out of which Rs. 44.776 billion (70%) has been released so far and it is expected that total water sector's development budget for the FY 2018-19 will be utilized by the end of June, 2019.

Achievements during FY 2018-19

a) Implementation of National Water Policy 2018 (NWP)

- Pakistan's first ever National Water Policy was approved by the CCI and Pakistan Water Charter was signed by the Prime Minister and all Chief Ministers, declaring a water emergency in the country
- National Water Council and National Water Policy Implementation Committees have been established

b) Water Resources Development Program

- Appropriate financing options have been explored for the construction of Diamer-Bhasha Dam, Mohmad Dam and other similar projects on fast track basis. Large reservoirs like Diamer-Bhasha Dam will protect against drought and shortage of irrigation water in Pakistan
- Operationalization of Kachhi Canal (Phase-I, Part A) in Balochistan & Rainee Canal in Sindh
- Operationalization of Gomal Zam Dam in South Waziristan tribal district (Khyber Pakhtunkhwa) and Darwat Dam in Thatta/Jamshoro district of Sindh
- Substantial completion of Nai Gaj Dam (Dadu, Sindh) to irrigate 28,800 acres of land
- More than 32 percent works completed on Kurram Tangi Dam (Phase-I) in North Waziristan Tribal District
- Initial works started on Mohmand Dam in Mohmand Tribal District
- To save the water losses of existing irrigation system, an amount of Rs. 2,000 million will be utilized for lining of small & minors canals in Punjab and Sindh during the FY 2018-19
- For the rehabilitation and improvement of existing irrigation canals in Punjab, Sindh & Khyber Pakhtunkhwa an amount of Rs. 1,200 million is expected to be utilized during 2018-19

- Formulation of "National Flood Protection Plan-IV" to protect infrastructure, flood embankments, spurs, flood forecasting & warning system in Pakistan
- In Balochistan, Sindh, Punjab and Khyber Pakhtunkhwa an amount of Rs. 17.317 billion is expected to be utilized during 2018-19 on construction of medium/small/delay action dams and recharge dams. Province-wise detail is as under:

a.	Punjab	Rs. 550 million (Ghabir & Papin dam)
b.	Sindh	Rs. 4,000 million (Darawat & Nai Gaj, Small Dams in Kohistan and Nagarparkar areas of Sindh)
c.	Khyber Pakhtunkhwa	Rs. 2,900 million (Kurram Tangi, Kundal/Sanam Dam, Baran Dam & 20 small Dams in Districts Nowshera, Kharak, Swabi, Haripur & Khohat)
d.	Balochistan	Rs. 7,316 million (Naulong, Shadi Kaur, Bathozai, Construction of 100 small dams (Package-II&III), Basol dam, Mangi dam & many small other small dams)

The major water sector projects are given in Table 2.17.

Table 2.17: Major Water Sector Projects

Project	Location	App. cost (Rs. in million)	Live Storage	Irrigated Area(Acres)	Status
Basha Dam (Dam Part only)	Khyber Pakhtunkhwa & Gilgit Baltistan	479,000	6.40	-	ECNEC approved Dam part of the project on 14-11-2018 (out of 479 billion Rs. 232 billion will be federal grant, Rs. 144 billion commercial financing, Rs. 98 billion WAPDA equity)
Gomal Zam Dam	Khyber Pakhtunkhwa	20,626	0.892 MAF	191,139 Acres (17.4 MW Power Gen.)	Completed & Operational. Work on Command Area Development in progress.
Kachhi Canal (Phase-I)	Balochistan	80,352	-	72,000 Acres	Physically completed. (Phase-I). Clearance of remaining liabilities are in progress.
Darawat Dam	Sindh	9,300	89,192 (Ac.Ft)	25,000 Acres (0.30 MW Power Gen.)	Physically completed. Work on Command Area Development in progress.
Nai Gaj Dam	Sindh	26,236	160,000 (Ac.Ft)	28,800 Acres (4.2 MW Power Gen.)	52 % Physical works completed
KurramTangi Dam (Phase-I,Kaitu Weir)	Khyber Pakhtunkhwa	21,059	0.90 MAF	84,380 New 278,000 existing (18.9 MW Power Gen.)	31% works completed.
Naulong Dam	Balochistan	18,027	0.20 MAF	47,000 Acres (4.4 MW Power Gen.)	Feasibility & Detailed Engg. Design completed Works on dam not yet started.
Mohmand Dam Hydropower Project (800 MW)	Mohmand District of Khyber Pakhtunkhwa	114,285(dam part) cost	0.676 MAF	16,737 Acres (800 MW Power Gen.)	ECNEC approved Phase-I on 30-06-2018 at a total cost of Rs. 309.558 billion (Dam part+Power cost). Work not started yet.
Right Bank Outfall Drain				ROBD-II will help to dispose 3,520 cusecs of drainage effluent into Sea received from RBOD-I & III	
RBOD-I	Sindh	17,505	-		85% completed
RBOD-II	Sindh	61,985	-		72% completed
RBOD-III	Balochistan	10,804	-		86 % completed

Source: Ministry of Planning, Development and Reform

iv) Agricultural Credit

In line with government's priority for agriculture sector development, Agricultural Credit Advisory Committee (ACAC) has set the indicative agricultural credit disbursement targets to Rs 1,250 billion for FY 2018-19 to 50 agriculture lending institutions including 19 commercial banks, 2 specialized banks, 5 Islamic banks, 11 microfinance banks and 13 microfinance institutions/rural support Programs (MFIs/RSPs).

This annual indicative agriculture target is 28 percent higher than the last year's disbursed amount of Rs 972.6 billion. Of the total target of Rs 1,250 billion, Rs 651 billion has been allocated to five major commercial banks, Rs 100 billion to ZTBL, Rs 245 billion to 14 Domestic Private banks and Rs 50 billion to five Islamic banks. For catering the needs of small farmers, Rs 13 billion has been assigned to PPCBL, Rs 156 billion to 11 Microfinance banks and Rs 35 billion to 13 MFIs/RSPs for the current year 2018-19.

Agricultural Credit Disbursements Recent Trends

During FY 2018-19 (July- March), the agriculture lending institutions have disbursed Rs. 805 billion which is 64.4 percent of the overall annual target of Rs. 1,250 billion and 20.8 percent higher than the disbursement of Rs. 666.2 billion made during corresponding period of last year. By end-March 2019, the outstanding portfolio of agriculture loans has increased by 15.5 percent (to Rs.70.7 billion), as compared to the same period last year. Further, the agriculture outreach in terms to outstanding borrowers has increased to 4.0 million (or by 8.2 percent) from 3.72 million borrowers as of end June, 2018. Regardless of facing various challenges like volatility in agriculture produce prices, low yield and the impact of climatic change, the overall performance of financial sector remained consistent and witnessed 20.8 percent growth in agricultural disbursement during the period under review.

As a group, five major banks disbursed Rs.450 billion (69 percent of its annual target), under specialized banks category, ZTBL disbursed Rs.45.1 billion against the target of Rs 100 billion while PPCBL disbursed Rs. 5.4 billion or 41.9 percent against its target of Rs. 13 billion during FY 2018-19 (July-March).

Fourteen domestic private banks collectively disbursed Rs.143.2 billion (58.5 percent of their target of Rs. 245 billion). Under microfinance category, microfinance banks disbursed Rs. 114.7 billion against their annual target of Rs.156 billion and MFIs/RSPs as group disbursed Rs. 24.1 billion against the target of Rs. 35.0 billion to small farmers. Further, under Islamic mode of financing, Islamic banks collectively disbursed Rs. 22.4 billion against their targets of Rs. 50.0 billion to agriculture borrowers, Islamic Windows of commercial banks disbursed Rs. 22.2 billion against their target of Rs. 50.0 billion during FY 2018-19 (July- March).The group wise comparative performance of banks during the period 2018-19 (July- March) is summarized in Table 2.18:

Table 2.18: Agricultural Credit Targets and Disbursement **(Rs billion)**

Banks	Target 2018-19	2018-19 (July-March)		Target 2017-18	2017-18 (July-March)		% Change over the Period
		Disbursed	Achieved (%)		Disbursed	Achieved (%)	
5 Major Commercial Banks	651.0	450.0	69.1	516.0	353.6	68.5	27.3
ZTBL	100.0	45.1	45.1	125.0	62.8	50.2	-28.2
PPCBL	13.0	5.4	41.9	15.0	6.7	44.5	-18.4
DPBs (14)	245.0	143.2	58.5	200.0	124.9	62.4	14.7
Islamic Banks (5)	50.0	22.4	44.7	20.0	10.3	51.3	118.1
MFBs (11)	156.0	114.7	73.5	100.0	88.4	88.4	29.7
MFIs/RSPs	35.0	24.1	68.8	25.0	19.5	78.0	23.4
Total	**1,250.0**	**804.9**	**64.4**	**1,001.0**	**666.2**	**66.6**	**20.8**

Source: State Bank of Pakistan

Box-I: Sector wise and Holding/Size wise Credit Distribution

Sector-wise classification shows that out of disbursements of Rs. 805 billion, Rs. 392.0 billion or 48.7 percent has been disbursed to farm-sector and Rs. 412.9 billion or 51.3 percent to non-farm sector during 2018-19 (July-March). Under farm sector, Rs. 128.1 billion or 32.7 percent has been disbursed to farmers of subsistence land holding while Rs. 263.9 billion or 67.3 percent disbursed to farmers of economic and above economic land holding. Similarly, under non-farm sector, Rs 118.8 billion or 28.8 percent disbursed to small farms and Rs 294.1 billion or 71.2 percent provided to large farms. During last couple of years, the focus of agriculture lending institutions has been shifting more towards non-farm activities due to new financing avenues and opportunities in livestock/dairy and poultry sectors. The holding wise/size wise details are given in Table 2.19

Table 2.19 : Disbursement to Farm & Non-Farm Sector (Rs billion)

Sector		2018-19 (July-March)		2017-18 (July-March)	
		Disbursement	% Share within sector	Disbursement	% Share within sector
A	**Farm Credit**	**392.0**	**48.7**	**315.6**	**47.4**
1	Subsistence	128.1	32.7	130.4	41.3
2	Economic Holding	52.5	13.4	53.1	16.8
3	Above Economic Holding	211.4	53.9	132.0	41.8
B	**Non-Farm Credit**	**412.9**	**51.3**	**350.6**	**52.6**
1	Small Farms	118.8	28.8	104.4	29.8
2	Large Farms	294.1	71.2	246.2	70.2
	Total (A+B)	**804.9**	**100**	**666.2**	**100**

Source: State Bank of Pakistan

SBP's Initiatives for the Promotion of Agriculture Financing

For promotion of agricultural financing, some of the major initiatives taken by SBP in collaboration with federal & provincial governments are as under:

- Crop Loan Insurance Scheme
- Livestock Loan Insurance Scheme
- Government of Punjab E-Credit Scheme
- Adoption of Automation of Land Record for Agriculture Financing
- Implementation of Credit Guarantee Scheme for Small and Marginalized Farmers
- Workshops/Trainings/Capacity & Awareness Building

III. Livestock and Poultry

a) Livestock

Over the years, livestock subsector has surpassed the crop subsector as the biggest contributor to value added in agriculture. Presently it contributes 60.5 percent to the overall agricultural and 11.2 percent to the GDP during 2018-19. Gross value addition of livestock has increased from Rs. 1,384 billion (2017-18) to Rs.1,440 billion (2018-19), showing an increase of 4.0 percent over the same period last year.

The importance of livestock sector can be realized from the fact that it is not only a source of foreign exchange earnings by contributing around 3.1% to the total exports, but also a source of 35-40% of income for over 8 million rural families and providing them food security by supplementing high valve protein of animal origin.

Despite the fact that livestock sub sector could not attract large amount of investment due to its inherent subsistence and structural characteristics, this sector has shown a healthy growth of 4.0 % in 2018-19 over the previous year of 2017-18.

The livestock population for the last three years is given in Table 2.20.

Table 2.20: Estimated Livestock Population (Million Nos.)

Species	2016-17[1]	2017-18[1]	2018-19[1]
Cattle	44.4	46.1	47.8
Buffalo	37.7	38.8	40.0
Sheep	30.1	30.5	30.9
Goat	72.2	74.1	76.1
Camels	1.1	1.1	1.1
Horses	0.4	0.4	0.4
Asses	5.2	5.3	5.4
Mules	0.2	0.2	0.2

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

Source: Ministry of National Food Security & Research

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

Table: 2.21 Estimated Milk and Meat Production (000 Tonnes)

Species	2016-17[1]	2017-18[1]	2018-19[1]
Milk (Gross Production)	**56,080**	**57,890**	**59,759**
Cow	20,143	20,903	21,691
Buffalo	34,122	35,136	36,180
Sheep[2]	39	40	40
Goat	891	915	940
Camel[2]	885	896	908
Milk (Human Consumption)[3]	**45,227**	**46,682**	**48,185**
Cow	16,115	16,722	17,353
Buffalo	27,298	28,109	28,944
Sheep	39	40	40
Goat	891	915	940
Camel	885	896	908
Meat[4]	**4,061**	**4,262**	**4,478**
Beef	2,085	2,155	2,227
Mutton	701	717	732
Poultry meat	1,276	1,391	1,518

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

Source: Ministry of National Food Security & Research

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

Table: 2.22 Estimated Livestock Products Production

Species	Units	2016-17[1]	2017-18[1]	2018-19[1]
Eggs	Million Nos.	17,083	18,037	19,052
Hides	**000 Nos.**	**16,421**	**16,974**	**17,547**
Cattle	000 Nos.	8,416	8,734	9,063
Buffalo	000 Nos.	7,897	8,131	8,373
Camels	000 Nos.	108	109	111
Skins	**000 Nos.**	**55,526**	**56,805**	**58,116**
Sheep Skin	000 Nos.	11,397	11,532	11,669
Goat Skin	000 Nos.	27,807	28,560	29,334
Fancy Skin	000 Nos.	16,322	16,712	17,113
Lamb skin	000 Nos.	3,385	3,425	3,466
Kid skin	000 Nos.	12,937	13,287	13,647

Table: 2.22 Estimated Livestock Products Production				
Species	**Units**	**2016-17[1]**	**2017-18[1]**	**2018-19[1]**
Wool	000 Tonnes	45.7	46.2	46.8
Hair	000 Tonnes	27.2	27.9	28.6
Edible Offal's	000 Tonnes	405	416	428
Blood	000 Tonnes	67.8	69.5	71.3
Guts	000 Nos.	56,094	57,387	58,712
Casings	000 Nos.	17,461	18,048	18,654
Horns & Hooves	000 Tonnes	58.9	60.6	62.4
Bones	000 Tonnes	878.2	904.9	932.5
Fats	000 Tonnes	279.0	287.3	295.8
Dung	000 Tonnes	1,244	1,282	1,322
Urine	000 Tonnes	379	390	401
Head & Trotters	000 Tonnes	252.5	259.6	267.0
Ducks, Drakes & Ducklings	Million Nos.	0.44	0.42	0.40

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

Source: Ministry of National Food Security & Research

b) Poultry

Poultry sector is one of the most vibrant subsectors of livestock sector. The current investment in Poultry Industry is more than Rs. 700 billion. This industry is progressing at an impressive growth rate of 8 to 10 percent per annum over last few years. Pakistan has become the 11th largest poultry producer in the world with the production of 1,163 million broilers annually. This sector provides employment (direct/indirect) to over 1.5 million people. Poultry today has been a balancing force to keep check on the prices of mutton and beef.

Poultry meat contributes 34 percent (1,518 thousand tons) of the total meat production (4,478 thousand tons) in the country. Poultry meat production showed a growth rate of 9.1 percent whereas egg production showed a growth of 5.6 percent (19.0 billion Nos.) during 2018-19 as compared to previous year. Transformation of poultry production in controlled shed system is making a tremendous difference of quantity and quality of poultry production. There are now over 6,500 controlled environment poultry sheds in the country which indicates that our poultry sector is moving in the direction of modernization and using advance technology.

The Poultry Development Strategy revolves around Disease control; Hi-tech poultry production in intensive poultry; Processing and value addition; improving poultry husbandry practices and development. The government has always been supportive to poultry industry in providing most enabling environment for its growth and expansion.

The commercial layer, breeders and broiler stocks showed estimated growth of 7.0 percent, 5.0 percent and 10 percent respectively, while rural poultry developed @ 1.5 percent when compared to 2017-18. The estimated production of commercial and rural poultry and products for the last three years is given below:

Table 2.23: Estimated Domestic/Rural & Commercial Poultry				
Type	**Units**	**2016-17[1]**	**2017-18[1]**	**2018-19[1]**
Domestic Poultry	**Million Nos.**	**85.86**	**87.16**	**88.49**
Cocks	Million Nos.	11.55	11.86	12.18
Hens	Million Nos.	41.64	42.39	43.15
Chicken	Million Nos.	32.67	32.91	33.16
Eggs[2]	Million Nos.	4,164	4,239	4,315
Meat	000 Tonnes	117.54	119.89	122.28
Duck, Drake & Duckling	**Million Nos.**	**0.44**	**0.42**	**0.40**

Table 2.23: Estimated Domestic/Rural & Commercial Poultry				
Type	**Units**	**2016-17[1]**	**2017-18[1]**	**2018-19[1]**
Eggs[2]	Million Nos.	19.52	18.70	17.93
Meat	000 Tonnes	0.59	0.57	0.54
Commercial Poultry	**Million Nos.**	**1,022.13**	**1,122.29**	**1,232.33**
Layers	Million Nos.	48.83	52.25	55.91
Broilers	Million Nos.	961.50	1,057.65	1,163.42
Breeding Stock	Million Nos.	11.80	12.39	13.01
Day Old Chicks	Million Nos.	1,004.29	1,104.72	1,215.19
Eggs[2]	Million Nos.	12,900	13,779	14,719
Meat	000 Tonnes	1,157.51	1,270.69	1,395.02
Total Poultry				
Day Old Chicks	Million Nos.	1,037	1,138	1,248
Poultry Birds	Million Nos.	1,108	1,210	1,321
Eggs	Million Nos.	17,083	18,037	19,052
Poultry Meat	000 Tonnes	1,276	1,391	1,518

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

Poultry Development Policy envisages sustainable supply of wholesome poultry meat; eggs and value added products to the local and international markets and aimed at facilitating private sector development for sustainable poultry production. The strategy revolves around supporting private sector through regulatory measures.

The federal government has given a number of concessions on import of poultry machinery, parent and grandparent stock of chicken and hatching eggs to reduce input cost. During the Budget 2017-18, government reduced the sales tax from 17 percent to 7 percent on import of various types of poultry machinery, reduced custom duty from 11 percent to 3 percent and removal of 5 percent Regulatory duty on import of grandparent and parent stock of chicken and reduced custom duty on the import of hatching eggs from 11 percent to 3 percent. These concessions will help in reducing cost of production of value added poultry products and promote value added poultry industry in the country. Furthermore, federal government is also considering support for waiver of 100 percent cash margin on opening of letter of credit (LC) on import of raw material for poultry value addition to make the Pakistani products more competitive in the export market.

Trade of Livestock and Livestock Products

The development of the livestock sector and its vertical integration to produce value added products is important to enhance trade opportunities for Pakistan in the global market place. The value addition in livestock and poultry sectors are now on the path of achieving further heights and many value adding livestock and poultry businesses have been established in the country that are actively taking part in trade of livestock and livestock products.

To enhance the trade activities of livestock and livestock products, the government has given following incentives;

- Sales Tax on import of seven types of poultry machinery is reduced to 7 percent. These include poultry incubators, brooders, grain storage silos for poultry and poultry sheds
- Custom duty on import of on grandparent and parent stock of chicken is reduced to 7 percent
- Regulatory duty on import of grandparent and parent stock of chicken has been withdrawn
- Custom duty on import of hatching eggs is reduced to 3 percent
- Custom duty on import of raw skins & hides has been withdrawn

- Custom duty on import of ostriches has been withdrawn
- Custom duty of 3 percent on import of bulls meant for breeding purposes is withdrawn
- Custom duty on the import of feeds meant for livestock sector is reduced from 10 percent to 5 percent and is also exempted from sales tax
- Custom duty on import of fans used in dairy sheds is reduced to 3 percent if imported by members of the Corporate Dairy Association and also exempted from sales tax
- Custom duty on import of growth promoters premix, vitamin premix, vitamin B12 (Feed grade) and vitamin H2 (Feed grade) is reduced to 5 percent for registered manufacturers of poultry feed
- Custom duty on cattle feed premix is reduced to 5 percent
- Custom duty on calf milk replacer has been reduced to 10 percent

Government Policy Measures

Livestock Wing under Ministry of National Food Security & Research, with its redefined role under 18th Constitutional Amendment, continued to regulate the sector and took several measures in this regard, including: allowing import of high yielding dairy cattle breeds of Holstein Friesian and jersey, genetic material of these breeds, (semen and embryos) for the genetic improvement of indigenous low producing dairy animals, allowing import of high quality feed stuff/micro ingredients for improving the nutritional quality of animal & poultry feed and allowing import of dairy, meat and poultry processing machinery/equipment at concessional tariff/duty in order to encourage value added industry in the country.

Livestock Wing also provided necessary facilitation for export of meat and meat products. A total of 48.8 thousand tons of meat and meat products were exported during FY 2017-18 that fetched US$ 198.8 million, from the registered export oriented slaughter houses in the private sector. The export of other livestock by-products such as animal casings, bones, horns & hooves, gelatin etc. was also facilitated. The efforts continued for market access with the relevant concerned authorities in China, South Africa, Jordan and Indonesia using diplomatic channels for export of various meat and meat products.

Livestock Wing allowed the import of 824.9 thousand doses of superior quality semen and 8,811 high yielding exotic dairy cattle of Holstein-Friesian & Jersey breeds during 2018-19 (July-March). The policy objective of these permissions is the genetic improvement of indigenous dairy animals in terms of per unit productivity. The imported dairy cows added approximately 61 million tons of milk per annum in the commercial milk chain/system.

In order to promote corporate dairy sector, import of calf milk replacer & cattle feed premixes have been allowed at concessional tariffs. During 2018-19 (July-March), 364.6 metric tons of calf milk replacer & 297.4 metric tons of cattle feed premix has been imported for feeding to our dairy herd.

During 2018-19 (July-March), the Animal Quarantine Department (AQD) provided quarantine services and issued 27,011 Health Certificates for the export of live animals, mutton, beef, eggs and other livestock products having value of US$ 268.887 million. The AQD generated non-tax revenue of Rs. 85.787 million during same year as certificate/laboratory examination fee of animal and animal products exported during the year.

The National Veterinary Laboratory (NVL), Islamabad is a national institution reference laboratory to facilitate international trade meeting the WTO's requirements while safeguarding the public health. The NVL conducted surveillance and diagnostics on highly contagious diseases of animals. It also carried out activities on National and Regional Projects regarding prevention and control of Transboundary Animal Diseases in Pakistan. During 2018-19 (July-March), about 11,402 samples were analyzed for disease diagnosis surveillance, veterinary vaccines and residue testing to guide the animal health certification as well as to promote international trade livestock and livestock products.

Livestock Wing also collaborated with international (Office International des Epizooties OIE, Food and Agriculture Organization FAO) and regional organizations (South Asian Association for Regional Cooperation SAARC, Economic Cooperation Organization ECO, Animal Production & Health Commission for Asia APHCA, European Union EU) for Human Resource Development (HRD) and capacity building of national and provincial livestock institutions for diagnosis and control of animal diseases. Inter Provincial Coordination is being done by the Livestock Wing to implement the National Program to Control Foot & Mouth Disease (FMD) and Peste des Petitis Ruminants (PPR) disease in Pakistan. Pakistan has been following progressive FMD Control Pathway, Pakistan has been placed Stage 02 of the total six (06) Stage Pathways. A National FMD Control Program at a cost of Rs.763.9 million for the period of six years has been approved by the competent forums to sustain and continue project activities related to FMD during subsequent years. FAO Pakistan will implement this project under Unilateral Trust Fund (UTF) Agreement. This will help in improving animal health status of the country regarding Transboundary Animal Diseases (TADs) which are technical barrier in the international trade of our livestock and livestock products.

Moreover, to attract further investment in dairy sector, protect the small dairy farmers and the corporate dairy sector, beside regulating import and mitigate use of synthetic milk and recipe products/tea whiteners, regulatory duty to the tune of 25 percent has been imposed on import of Skimmed Milk Powder (SMP) and Whey Powder (WP). Now the existing duty on import of powdered milk is 45 percent (import duty 20 percent and regulatory duty 25 percent).

Future Plans

The future plans will continue to focus on:

i. Inter-provincial coordination for development of livestock sector

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

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

iv. Bringing more investments in livestock sectors

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

vi. Under the "**Prime Minister's Initiatives on Livestock Sector**", it has been decided to initiate following Programs in all four provinces, ICT, AJK and Gilgit-Baltistan to alleviate poverty and augment the livelihood of poor in the country:

- Save the buffalo calf Program
- Calf fattening Program
- Backyard poultry Program

IV. Fisheries

Fisheries as a sub-sector of agriculture plays a significant role in the national economy and towards the food security of the country as it reduce the existing pressure on demand for mutton, beef and poultry.

Major Functions:

i) Quality Control and Export of Fish & Fishery Products:

- 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 GDP although very little but it adds substantially to the national income through export earnings. During the year 2018-19 (July-March), a total of 130,830 metric tons of fish and fishery products were exported, earning value of US$ 293.887 million (Rs. 39,245 million).
- During 2018-19 (July-March), total marine and inland fish production was estimated at 575,000 metric tons out of which 390,000 metric tons was from marine waters and the remaining from catch from inland waters. Whereas the fish production for the period 2017-18 (July-March) was estimated to be 560,000 metric tons in which 380,000 metric tons was from marine and the remaining was produced by inland fishery sector.
- During 2018-19 (July-March) a total of 130,830 metric tons of fish and fish preparation was exported. Pakistan's major buyers are China, Thailand, Malaysia, Hong Kong, South Korea, Egypt, Bangladesh, UK, Middle East, Sri Lanka, Japan, etc. and earned US$ 293.887 million (Rs. 39,245 million). Whereas the export during 2017-18 (July-March) was 137,819 metric tons of fish and fishery products which earned US$ 315 million (Rs. 34,031 million). The export of fish & fishery products has decreased by 5 percent in quantity term where as in value terms it also decreased by 7 percent but in rupee terms it increased by 15 percent during 2018-19 (July-March).
- Quality seafood stocks were being depleting in Pakistani waters because of overfishing and use of destructive nets. Pakistan mostly exports to China at lower rates, while EU lifted ban from two factories only.
- The government is taking a number of steps to improve fisheries sector and its exports. Further numbers of initiatives are being taken by federal and provincial fisheries departments.
- Export of Fish and Fishery Products to the European Union (EU) countries: Since resumption of export to the EU countries different consignment of fish, cuttle fish and shrimps sent from one company to the EU have been successfully cleared after 100% laboratory analysis at EU border. Export of seafood to EU countries is as under:

Table 2.24: Export of Fish and Fishery Products to European Union (EU) 2018-19 (P)

Commodity / Country	Fish		Cuttlefish		Shrimp		Total	
	Quantity (MT)	Value US$ (000)	Quantity (MT)	Value US$ (000)	Quantity (MT)	Value US$ (000)	Quantity (MT)	Value US$ (000)
Belgium	74	210	28	102	32	142	134	454
Cyprus	24	61	74	274	-	-	98	335
Spain	21	74	215	1,123	-	-	236	1,197
Italy	38	71	-	-	-	-	38	71
UK	148	901	-	-	29	159	177	1,060
Total	**305**	**1,317**	**317**	**1,499**	**61**	**301**	**683**	**3,117**

P: July-March

Source: Marine Fisheries Department

To further enhance seafood export to EU countries, six more processing plants are in pipeline, their cases for approval is under process with EU authorities

- Quality Control Laboratories of Marine Fisheries Department (MFD) including Microbiology Laboratory, Chemistry laboratory, Hydrology Laboratory, Biological laboratory and Biochemical laboratory are involved in seafood analysis and quality control services since the inception of the Department. Two laboratories Microbiology and Chemistry have got the status of accreditation under ISO/IEC-17025 from Norwegian Accreditation (NA) body and Pakistan National Accreditation Council (PNAC).

ii) Deep Sea Fishing

During the period under reporting new deep sea fishing licensing policy 2018 has been approved by the Cabinet. Applications for licenses have been invited through print media in May, 2019 which are under process.

TED, and trials of TED by local fishermen

MFD is conducting training Program for fishermen about the use of Turtle Excluder Device (TED). 99 fishermen, including representatives of the other organizations participated in the training for using the TED. The primary purpose of TED is to reduce the mortality of sea turtles in fishing nets, (shrimp trawl net) and safeguarding the livelihood of the local fishermen.

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

Vision "To Promote Fisheries and Ensure Food Security Through Availability of Quality Products at Competitive Prices"

The priorities for future development of fisheries sector includes the following strategies:

- Improving marketing infrastructure for fishermen along coast i.e. providing technical assistance/guidelines to stakeholders/provinces for improvement of landing sites/auction halls at different fish harbours
- Providing guidelines for up gradation of fishing boats according to international standards
- Increasing capability for fisheries planning and management based on the sound knowledge of the state of the fishery resources and exploitation of these resources
- Providing guideline/technical assistance for value addition and to promote aquaculture to boost fish production volume as well as value wise
- Upgrading, accreditation and strengthening the quality control laboratories of MFD by adding the new testing parameters for monitoring environmental contaminants in fish & fishery products to satisfy the requirements of importing countries

Conclusion

The agriculture growth is not consistent as observed over the decades. The rural transformation pace remained very slow resulted in problems like food insecurity, poverty, unemployment, illiteracy etc. It is very important that focus should remain on raising food production through efficient irrigation and innovative technology, agriculture diversification, agriculture support services, SME development in rural areas and creating small cities in rural areas. The present government's resolve is to enhance productivity and value change development. More R&D on seed varieties, improving resource use efficiency, promoting modern technologies, starting skill development Program to support rural enterprises is the need of time. Climate Smart Agriculture is an approach used worldwide focusing on enhancing agriculture productivity and incomes while simultaneously building resilience to climate vulnerability and changes.

CHAPTER 3

Manufacturing and Mining

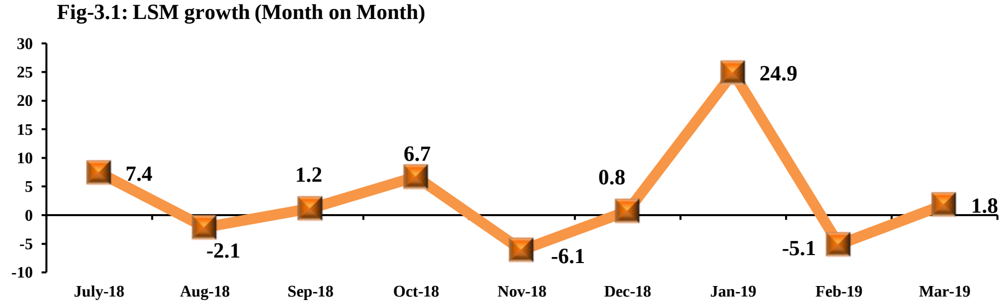
Manufacturing plays a vital role in economic development. The contribution of Manufacturing in GDP is hovering around the 13.5-13.8 percent for almost decade, while for the current fiscal year it declined to 13.0 percent. The performance of major crops, power slippages, global commodity price shocks, and contraction in demand of domestic consumer goods hindered the growth of manufacturing sector.

Large Scale Manufacturing (LSM) has 78 percent share in Manufacturing and 10.2 percent in GDP whereas Small scale manufacturing accounts for 2.0 percent in GDP. The third component of the sector is Slaughtering and account 0.9 percent in GDP.

The Large Scale Manufacturing (LSM) growth during July-March FY 2019 declined to 2.93 percent as compared to 6.33 percent in the same period last year. On Year on Year (YoY), LSM growth witnessed sharp decline of 10.63 percent in March 2019 compared to increase of 4.70 percent in March 2018.

The current Fiscal Year 2019 started with 7.4 percent growth mainly contributed by Electronics 95.6 percent, Non metallic minerals product 17.9 percent (Cement 18.0 percent) and Automobiles 22.1 percent (Jeeps & Cars 36.1 percent, Trucks 33.1 percent and Buses 54.3 percent). However, it declined by 2.1 percent in August 2018 on account of dismal performance witnessed in Non metallic mineral products which declined by 4.1 percent (Cement declined by 4.0 percent), Automobiles declined by 13.9 percent (LCVs -15.9 percent, Tractors -4.8 percent and Cars -15.9 percent) and Electronics -32.5 percent. However, it marginally improved in September 2018 by 1.2 percent. This improvement was on account of Non metallic mineral products by 8.9 percent (Cement 8.4 percent). In October 2018, it reached to 6.7 percent on account of recovery witnessed in Non metallic mineral product by 22.2 percent (22.3 percent growth in Cement), Automobiles 13.8 percent (LCVs 8.7 percent, Tractors 26.6 percent and motor cycles 5.4 percent), Fertilizer 14.5 percent and Electronics 24.1 percent. In November 2018, LSM witnessed a sharp dip of 6.1 percent due to decline in Food, Beverages and Tobacco growth by -8.9 percent, Textile -0.2 percent and Paper & Board -27.0 percent. A slight recovery of 0.8 percent witnessed in December 2018. However, steep rise witnessed in January 2019 by 24.9 percent owing to phenomenal improvement of 208.1 percent in electronics, Paper & Board 23.8 percent and Food, Beverages & Tobacco 76.2 percent due to Sugar production increased by 183 percent. The impact of sugar however, moderated to 2.0 percent and -27.0 percent in February and March 2019. The graph below shows the LSM behavior on Month on Month basis.

Fig-3.1: LSM growth (Month on Month)



Source: Pakistan Bureau of Statistics

There are a number of factors which contributed to the slowdown in the growth of LSM including lower PSDP expenditures compared to last year, slowdown in the private sector construction activities and consumer spending on durable goods. This was more noticeable in construction-allied industries. Demand for housing moderated as the price of building materials and cost of financing increased. Certain sector-specific issues also contributed to the decline in LSM. Automobile prices witnessed multiple upward revisions due to PKR depreciation which held the potential buyers refrained from making booking and purchases. Certain restrictions on non-filers with respect to purchase of cars further dampened the automobile demand. Pharmaceutical also suffered due to a considerable lag in regulatory adjustments in prices. This pricing issue was in addition to weakening of the local currency, which added to the distress of an import dependent sector. Similarly, lower sugarcane production and previous year's inventories further dampened the prospects of the sugar industry.

Group wise growth and points contribution to LSM during the period of July-March FY 2018 versus July-March FY 2019 are given in the following Table 3.1.

Table 3.1: Group wise growth and Point Contribution rate to LSM for the Period of Jul- Mar 2018-19 Vs Jul-Mar 2017-18

S#	Groups	Weights	% Change	
			July-March	
			2017-18	2018-19
1	Textile	20.915	0.54	-0.30
2	Food, Beverages & Tobacco	12.370	-0.76	-4.69
3	Coke & Petroleum Products	5.514	12.31	-6.00
4	Pharmaceuticals	3.620	4.50	-8.40
5	Chemicals	1.717	0.86	-3.94
6	Automobiles	4.613	18.90	-7.58
7	Iron & Steel Products	5.392	27.49	-11.00
8	Fertilizers	4.441	-8.30	4.50
9	Electronics	1.963	73.77	23.70
10	Leather Products	0.859	-6.83	0.97
11	Paper & Board	2.314	9.00	-3.86
12	Engineering Products	0.400	8.35	9.54
13	Rubber Products	0.262	6.51	3.47
14	Non-Metallic Mineral Products	5.364	12.32	-4.96
15	Wood Products	0.588	-19.71	15.21

Source: Pakistan Bureau of Statistics

The performance of textile sector remained under stress during the period as it declined by 0.3 percent against meager growth of 0.5 percent during the same period last year. The performance of Textile sector having highest weight of 20.91 in Quantum Index Manufacturing (QIM) remained subdued on account of lackluster performance of cotton yarn 0.02 percent and cotton cloth 0.07 percent having a combined weight of 20.15 in textile sector. The textile export data is relatively encouraging on account of its wide-ranging coverage than the LSM data as in addition to cotton yarn and fabrics, it also includes the higher value added items like hosiery, knitwear, towels and readymade garments.

The Food Beverages and Tobacco recorded a decline of 4.7 percent on account of decline in sugar 13.3 percent. During last few years, sugar industry outburst with impressive growth on the back of increased sugarcane crop in the country. However, in FY 2019 the progress stalled in line with reduction in crop. The other sectors recorded declined during the period are Tea blended 4.0 percent and soft drinks 4.2 percent which overshadowed the growth of cigarettes production. The improvement in tobacco sector is on account of crackdown on curbing the illegal imported products as well illicit production facilities. The items which recorded growths are Cigarettes 7.2 percent, starch and its products 6.4 percent and Juices, syrups & squashes 11.3 percent.

The petroleum products is undergoing a significant shift in the country due to the government's policy of reducing the reliance on electricity generated from furnace oil based power plants. Furnace oil production sharply contracted by 11.1 percent. However, LPG recorded impressive growth of 27.7 percent, Diesel oil 32.7 percent and motor spirit 7.7 percent.

Automobile sector growth declined by 7.6 percent during July-March FY 2019. Its sub sector except such as Buses grew by 16.9 percent while all other registered negative growth such as; Tractors 28.7 percent, Trucks 27.2 percent, LCVs 13.6 percent, Jeeps & Cars 0.1 and motor cycles 11.7 percent. The factors which impacted this vibrant sector remained currency depreciation, policy rate hikes and uncertainty regarding filer versus non filer issue. The assemblers passed on the impact of depreciation to the customer. Furthermore, the increase in car prices along with higher financing costs has also contained the demand for automobiles. However, later on government relaxed some restrictions on non-filer and also government's commitment to implement the vehicle import policy in letter and spirit will spur the growth.

The production of Iron and Steel shrank due to dismal performance of billets/Ignots which grew by -24.7 percent whereas H/C.R. Sheets/Strips/Coils/plates slightly inched up to 3.1 percent. Steel demand contracted from decline in automobile production along with international price dynamics. During the period global economy is currently gripped by US-China trade tensions which led to volatility in the global steel market resulted adverse implications for domestic steel industry.

The electronics recorded a growth of 23.7 percent, mainly derived from phenomenal growth of electrics motor which registered a growth of 37.4 percent, which is due to its wide usage in washing machines, refrigerator, air conditioners etc. The demand for these goods rises in summer and manufacturers build up the inventories. Improvement of electricity supplies also contributed to the performance of this subsector.

The dismal performance of Non-metallic mineral growth is on account of cement production which declined by 5.5 percent. The cement dispatches however, increased by 4.34 million tons in March as against 3.35 million tons in February 2019 which augur well that demand is picking up and will be further supplemented under government's housing program, going forward.

Fertilizers recorded a growth of 4.5 percent on account of Nitrogenous Fertilizers which recorded a growth of 5.7 percent. The pickup in its growth was due to provision of subsidized RLNG.

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

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

S#	Items	Unit	Weights	July-March		% Change (Jul-Mar) 2018-19	% Point Contribution (Jul-Mar) 2018-19
				2017-18	2018-19		
1	Cotton Yarn	(tones)	12.9646	2,574,215	2,574,700	0.02	0.00
2	Cotton Cloth	(000 sq.m.)	7.1858	784,635	785,200	0.07	0.01
3	Sugar	(tones)	3.5445	5,653,589	4,898,869	-13.35	-0.47
4	Tea Blended	(tones)	0.3818	124,787	119,739	-4.05	-0.02
5	Cooking Oil	(Tones)	2.2271	296,520	297,998	0.50	0.01
6	Vegetable Ghee	(000 tones)	1.1444	1,022,824	1,030,533	0.75	0.01
7	Cigarettes	(Million No.)	2.1252	45,627	48,931	7.24	0.15
8	Deep Freezers	(Nos.)	0.1622	79,449	79,757	0.39	0.00
9	Refrigerators	(Nos.)	0.2394	912,362	865,480	-5.14	-0.01
10	Phosphate Fertilizer	(N tones)	0.3996	485,501	463,787	-4.47	-0.02
11	Nitrogenous Fertilizer	(N tones)	4.0411	2,085,670	2,204,632	5.70	0.23
12	Cement	(000 tones)	5.299	31,228	29,527	-5.45	-0.29
13	Jeep & Cars	(Nos.)	2.8183	176,007	175,863	-0.08	-0.00
14	Upper Leather	(000 sq.m.)	0.3924	20,223	20,620	1.96	0.01

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

S#	Items	Unit	Weights	July-March 2017-18	July-March 2018-19	% Change (Jul-Mar) 2018-19	% Point Contribution (Jul-Mar) 2018-19
15	Liquids/Syrups	(000 Litres)	1.1361	81,036	78,661	-2.93	-0.03
16	Tablets	(000 Nos.)	1.9143	21,224,146	21,119,512	-0.49	-0.01
17	Petroleum products	(000 Litres)	5.4096	12,142,845	11,414,558	-6.00	-0.32
18	Billets/Ingots	(Tones)	1.5234	3,973,000	2,990,954	-24.72	-0.38
19	H/C.R sheets/Strips/Coils/plate	(Tones)	2.2841	3,191,550	3,291,600	3.13	0.07

Source: Pakistan Bureau of Statistics (PBS)

The government has recently announced Naya Pakistan Housing Scheme to construct houses across the country for the uplift of the poor strata of the society and to bring them into the national mainstream. This will jack up the construction industries specially cement and also generate employment. In addition, SAIC motor, the largest automotive company of China already launches HONGYAN heavy-duty trucks in Pakistan as well as Renault in partnership with Ghandara Nissan Ltd. Kia Lucky Motors Pakistan Limited (KLM), one of the eight new prospective entrants into the automobile sector, has announced that it will begin commercial production of vehicles by September 2019. The rapidly developing with many infrastructure projects especially under China Pakistan Economic Corridor will helped to boost the automobile sector as well push up the construction related allied industries.

3.2 Textile Industry

Textile 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, dyeing and finishing, made-ups and garments. The sector contributes nearly one-fourth of industrial value-added and provides employment to about 40 percent of industrial labor force. Barring seasonal and cyclical fluctuations, textiles products have maintained an average share of about 59 percent in national exports. The export performance during the period under review is given in Table 3.3.

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

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 (Jul-Mar)
Cotton & Cotton Textiles	13349	13139	12168	12205	13220	9771
Synthetic Textiles	383.47	330.743	287.793	187.587	309.681	220
Sub-Total Textiles	13731	13469	12455	12450	13530	9991
Wool & Woolen Textiles	125	119.448	97.68	78.506	75.852	50.688
Total Textiles	13857	13589	12553	12529	13606	10042
Pakistan`s Total Exports	25131	23885	20802	20478	23222	17083
Textile as %age of Export	55.14	56.90	60.34	61.35	58.59	58.78

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 illustrated as under:-

i. Cotton Spinning Sector

The spinning sector is the backbone in the ranking of textile production. At present, as per record of Textiles Commissioner's Organization (TCO), it comprises 517 textile units (40 composite units and 477 spinning units) with 13.414 million spindles and 198801 rotors installed and 11.338 million spindles and 126583 rotors in operation with capacity utilization of 84.55 percent and 63.67 percent, respectively.

ii. Cloth Sector

Problems of the power loom sector evolve mainly due to the poor technology and scarcity of quality yarn. Looms installed in cotton textile mills are 9,084 and looms worked were 6,384. Moreover, Production of cloth in mill sector is reported whereas in non-mills sector is not reported and therefore is estimated. The production of cotton cloth has remained stagnant which slightly increased by 0.03 percent while the exports in term of quantity increased by 18.1 percent whereas in value term decreased by 2.09 percent.

Table 3.4: Production and export of Clothing Sector

Production	July-Mar 2018-19	July-Mar 2017-18	% Change
Mill Sector (000. Sq. Mtrs.)	785200	784635	0.07
Non Mill Sector (000. Sq. Mtrs.)	6100150	6098745	0.02
Total	6885350	6883380	0.03
Cotton Cloth Exports			
Quantity (M.SqMtr.)	1967.303	1666.130	18.08
Value (M.US$)	1596.271	1630.268	-2.09

Source: Ministry of Textile

iii. Textile Made-Up Sector

Being value added segment of textile industry made-up sector comprises different sub groups namely towels, tents & canvas, cotton bags, bed-wear, hosiery, knitwear & readymade garments including fashion apparels. Export performance of made-up sector during the period July-March FY 2019 is presented in Table 3.5.

Table 3.5: Export of Textile Made-Ups

	(July-Mar) 2018-19	(July-Mar) 2017-18	% Change
Hosiery Knitwear			
Quantity (M.Doz)	89.231	77.712	14.82
Value (M.US$)	2155.039	1971.906	9.29
Readymade Garments			
Quantity (M.Doz)	37.528	29.289	28.13
Value (M.US$)	1957.018	1918.313	2.02
Towels			
Quantity (M.kgs)	137.318	154.237	-10.97
Value (M.US$)	587.779	598.845	-1.85
Tents/Canvas			
Quantity (M.kgs)	24.093	22.871	5.34
Value (M.US$)	68.252	65.953	3.49
Bed Wears			
Quantity (M.kgs)	308.150	279.460	10.27
Value (M.US$)	1719.185	1674.096	2.69
Other Made up			
Value (M.US$)	519.857	513.364	1.26

Source: Ministry of Textile

a) Hosiery Industry

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

Table 3.6: Export of Knitwear

	July-Mar 2018-19	July-Mar 2017-18	% Change
Quantity (M.Doz)	89.231	77.712	14.82
Value (M.US$)	2155.039	1971.906	9.29

Source: Ministry of Textile

b) Readymade Garment Industry

Readymade garment industry has emerged as one of the important small scale industries in Pakistan. Its products have large demand both at home and abroad. The local requirements of readymade garments are almost fully met by this industry. Garment industry is also a good source of providing employment opportunities to a large number of people at a very low capital investment. It mainly uses locally produced raw materials. Most of the machines used by this industry are imported or locally made/assembled. Exports increased from 29.3 million dozens to 37.5 million dozen in various types of readymade garments worth US$ 1918.3 million during Jul-Mar FY 2018 as compared to US$ 1957.0 million during Jul-Mar FY 2019, thus showing an increase of 2.02 percent in terms of value and 28.13 percent in term of quantity.

Table 3.7: Export of Readymade Garments

	July-Mar 2018-19	July-Mar 2017-18	% Change
Quantity (M.Doz)	37.528	29.289	28.13
Value (M.US$)	1957.018	1918.313	2.02

Source: Ministry of Textile

c) Towel Industry

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

Table 3.8: Export performance of Towel sector

	July-Mar 2018-19	July-Mar 2017-18	% Change
Quantity (M.kgs)	137.318	154.237	-10.97
Value (M.US$)	587.779	598.845	-1.85

Source: Ministry of Textile

d) Canvas

The production capacity of this sector is more than 100 million Sq. meters. This sector is also known as raw cotton consuming sector. In term of quantity during Jul-Mar FY2019 it was recorded at 24.1 million Kgs as compared to 22.9 million Kgs during the same period last year thus showing increase of 5.34 percent. In value term it increased by 3.49 percent.

Table 3.9: Export performance of Tent and Canvas Sector

	July-Mar 2018-19	July-Mar 2017-18	% Change
Quantity (M.kgs)	24.093	22.871	5.34
Value (M.US$)	68.252	65.953	3.49

Source: Ministry of Textile

iv. Textile Made-Up Sector

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

During July-Mar FY 2019, synthetic textile fabrics worth $ 220.45 million were exported as compared to $ 227.77 million during the same period which is showing a decrease of 3.21 percent as compared to last year. In Quantity term the exports of synthetic increased by 11.95 percent.

Table 3.10: Export performance of Synthetic Textile Fabrics

	July-Mar 2018-19	July-Mar 2017-18	% Change
Quantity (Th.Sq.Mtrs)	248.919	222.352	11.95
Value (M.US$)	220.453	227.770	-3.21

Source: Ministry of Textile

v. Woolen Industry

The main products manufactured by the Woolen Industry are carpets and rugs. The exports of carpets during the period July-Mar FY 2019 is given in the Table 3.11.

Table 3.11: Exports of Carpets and Rugs (Woolen)

	July-Mar 2018-19	July-Mar 2017-18	% Change
Quantity (Th.Sq.Mtr)	1.189	1.345	-11.60
Value (M.US$)	50.688	57.936	-12.51

Source: Ministry of Textile

vi. Jute Industry

The main products manufactured by the Jute Industries are Jute Sacks and Hessian cloth, which are used for packing and handling of Wheat, Rice and Food Grains. The installed and working capacity of jute industry is given in the Table 3.12.

Table 3.12: Installed and working capacity of Jute

	(July-Mar) 2018-19	(July-Mar) 2017-18	% Change
Total No. of Units	10	10	0%
Spindles Installed	24712	25208	2.00
Spindles Worked	14276	12511	-12.36
Looms Installed	1072	1106	3.17
Looms Worked	772	720	6.73

Source: Ministry of Textile

The production of the Jute goods during Jul-Mar FY2019 remained at 47,897 metric tons and last year it was 55,734 metric tons, respectively showing a decline of 14.1 percent.

3.3 Other Industries

3.3-1 Automobile Industry

The auto sector continues to stand out as one of the best performing, amongst the large-scale manufacturing sectors, in terms of providing jobs, revenues and in bringing technological advancement to the country. At present , there may be transient deceleration in growth, but as the auto policy (ADP 2016-21) is going to bear fruits, there would be paradigm shift in the industry when many new players would soon join the market with entirely new models. Besides, the existing players have already made huge investments and a lot more is in waiting. Despite extraneous factors particularly in terms of tariffs and import of used vehicles, which still hold 18 percent market share, huge expansion of industry volumes take place to enact much awaited take off stage as envisioned in the Auto Policy 2016-21.

Automobile prices witnessed multiple upward revisions due to PKR depreciation, economic slowdown to curtail domestic demand and price-sensitive potential buyers refrained from making purchases. In addition, certain restrictions on non-filers with respect to purchase of cars further dampened the automobile demand. There has been sluggishness everywhere in the local auto industry during the current financial year; except buses where normal growth of 17 percent has taken place, during Jul-Mar FY2019. Indeed, there is enormous potential in demand for buses, waiting to unleash when serious measures are taken on formulating and implementing Urban Transport Schemes in the cities by replacing the old and dilapidated buses, presently plying on the roads of most of metropolitan areas.

A persistent decline was in evidence, in case of Trucks, registered 27 percent loss in production. The non-filers policy may not have impacted here; but the work at certain government projects had halted, so are the supplies of trucks and the respective payments, resulting disruption of the chain of events at the trucking industry.

During Jul-Mar, FY 2019, the farm tractor sector massively declined by 28.7 percent as the production recorded at 37,457 units against 52,551 units produced, in the corresponding period of the last year. This decline was due to massive slow down in agriculture growth, water shortages and other issues like increase in the prices of agricultural inputs and halting of development projects added woes of the farmers, thus badly impacted the bookings of Farm Tractors.

Passenger car sector was somewhat resistant to the general receding trend in the industry with meager growth of 2.4 percent. The growth was impacted by repeated policy changes with regard to non-filers like imposition ban on purchase, heavy taxation on registration by non-filers and the recent 10 percent levy of federal excise duty. The imposition of 10 percent FED on exceeding 1700cc engine capacity has badly impacted locally produced cars, jeeps and SUBS. The LCV/pick-ups being price sensitive also lost ground, 14 percent down in production.

The two/three wheelers sector also failed to show normal growth, it rather dropped off production by 5.8 percent during Jul-Mar FY2019. These vehicles cater to lower income group, hence, are extremely price sensitive. Still, this sector offers most preferred and economical means of transport and best alternative in the absence of public transport in the cities and thus holds a dependable and continued potential for growth in the coming years.

The Table below shows previous year's comparative position of production in auto industry (PAMA members).

Table 3.13: Production of Automobiles

Category	Installed Capacity	No. of Units		
		2018-19 (Jul-Mar)	2017-18 (Jul-Mar)	% change
CAR	240,000	170,118	166,166	2.4
LCV	43,900	19,536	22,713	-14.0
JEEP	5,000	5,745	9,841	-41.6
BUS	5,000	649	555	16.9
TRUCK	28,500	5,027	6,907	-27.2
TRACTOR	100,000	37,457	52,551	-28.7
2/3 WHEELERS	2,500,000	1,342,185	1,424,379	-5.8

Source: Pakistan Automotive Manufacturer Association (PAMA)

3.3-2 Fertilizer Industry

Fertilizer industry is important for economic development and the prosperity of farming community. The industry produces, imports and distributes fertilizer throughout the country. As fertilizer is an important input for agriculture growth: the government's intervention in the shape of subsidy and tax relaxations has improved the performance of the agriculture sector. There are ten urea manufacturing plants, one DAP, three NP, four SSP, two CAN and one plant of blended NPKs having a total production capacity of 9218 thousand product tonnes per annum. Total production during first nine months (July to March) of the current fiscal year was 5756 thousand tonnes which was 2.7 percent less as compared to the corresponding time frame of the last year. This increase in production is attributed to the provision of LNG at subsidized rate to Fatima Fert. and Agritech plants. Urea is main fertilizer having 70 percent share in production capacity. Although installed production capacity of 6408 thousand tonnes per annum is enough to meet local demand but gas curtailment for fertilizer sector and high price of LNG has resulted in production of urea at 80% of capacity. Consequently, domestic demand has to be met through imported supplies during peak demand time of crop growing season. About 105 thousand tonnes of urea was imported during current fiscal year.

Nutrient offtake during July 2018 to March 2019 was 3497 thousand tonnes which was 7.2 percent less than the corresponding period of the previous year. Nitrogen and Phosphate offtake was 2551 and 900 thousand tonnes respectively, whereas Potash offtake was 46 thousand tonnes. The recommended level of fertilizer use in Pakistan for Nitrogen (N), Phosphate (P) and Potash (K) is 2:1:0.5. Current fiscal year first nine months estimates shows that Nitrogen (N) and Phosphate offtake has been decreased by 2.9 and 18.1 percent respectively, while Potash (K) offtake has surged by 4.5 percent as compared to last year.

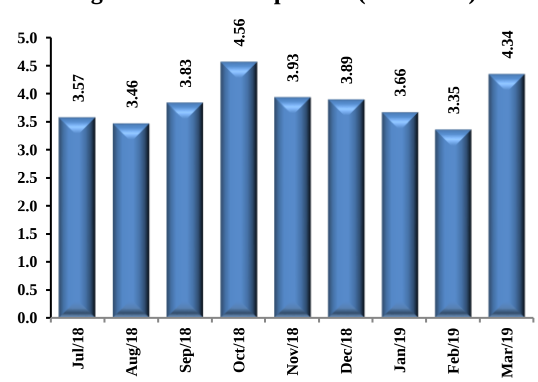
Urea and DAP offtake during first nine months of current fiscal year was 4443 thousand tonnes and 1743 thousand tonnes respectively. Urea and DAP offtake decreased by 2.2 and 17.7 percent respectively, as compared to the same time frame of the last year.

3.3-3 Cement Industry

Pakistan's cement industry showed poor performance during the first nine months of current financial year July -March FY 2019. Cement sector with its huge underused capacities continued to face lack of domestic demand due to slow growth, low development spending and delayed in launch of the government's low-cost housing scheme.

While cement consumption is usually at its height in March as construction activities peak with the pleasant weather and urgency in completing government development works within the financial year. Total dispatches (local and exports) in March 2019 declined by 6.7 percent to 4.34 Mt from 4.652 Mt in March 2018. The decline in domestic consumption continued as it went down to 3.858 Mt in March 2019 from 4.26 Mt in March 2018, depicting a decrease of 9.4 percent. Though exports continued to increase, the growth posted in March 2019 (23.1 percent) is the lowest export growth in the last seven months.

Fig-3.2: Cement Dispatches (M.Tonnes)



Source: All Pakistan Cement Manufacture Association

Northern region

Domestic consumption in the northern part of the country continued to decline as it was only 3.071 Mt last month when compared with 3.543 Mt in the year-ago period. Exports from northern mills also declined to 0.131 Mt in March 2019 from 0.218 Mt in March 2018.

Southern region

Domestic dispatches from mills in the southern part of the country edged up to 0.787 Mt in March 2019 as compared to 0.717 Mt in March 2018. Furthermore, exports from the region doubled from 0.173 Mt in March 2018 to 0.35 Mt in March 2019.

Cumulative dispatches

Total local dispatches during Jul-Mar FY 2019, fell to 29.448 Mt from 31.314 Mt, whereas exports rose to 5.132 Mt from 3.444 Mt in FY2017-18. According to the APCMA, of particular concern is the continued slump in the northern region where local dispatches have declined by over 10 per cent in last nine months from 25.887 Mt in FY2017-18 to 23.199 Mt in the corresponding period of FY2018-19.

However, local dispatches from the mills situated in southern region of the country have increased during Jul-Mar FY2019 by 15.16 percent to 6.248 Mt from 5.426 Mt in Jul-Mar FY 2018. Exports also rose in the south by 210 percent in the current fiscal year, from 1.013 Mt in July-Mar FY 2018 to 3.143 Mt in Jul-Mar FY2019, while in the north the exports stood at 1.988 Mt in first nine months of this fiscal year as compared to 2.431 Mt during the same period last year, a decline of 18.2 percent.

The cement industry has been under pressure in this fiscal year as development expenditure has been slashed, however, government announcement of program to build five million low cost houses in next five years for the homeless will spur the growth.

Table 3.14: Cement Production Capacity & Dispatches **(Million Tonnes)**

Years	Production Capacity	Capacity Utilization (%)	Local Dispatches	Exports	Total Dispatches
2006-07	30.50	79.23	21.03	3.23	24.26
2007-08	37.68	80.14	22.58	7.72	30.30
2008-09	42.28	74.05	20.33	10.98	31.31
2009-10	45.34	75.46	23.57	10.65	34.22
2010-11	42.37	74.17	22.00	9.43	31.43
2011-12	44.64	72.83	23.95	8.57	32.52
2012-13	44.64	74.89	25.06	8.37	33.43
2013-14	44.64	76.79	26.15	8.14	34.28
2014-15	45.62	77.60	28.20	7.20	35.40
2015-16	45.62	85.21	33.00	5.87	38.87
2016-17	46.39	86.90	35.65	4.66	40.32
2017-18	53.44	85.87	41.15	4.75	45.89
July-Mar					
2017-18	49.44	93.74	31.31	3.44	34.76
2018-19	57.13	80.71	29.45	5.13	34.58

Source: All Pakistan Cement Manufacturers Association (APCMA)

3.4: Small and Medium Enterprises

SMEs play a key role in shaping national growth strategies, employment generation and improving standard of living of the vulnerable segments of the society. SMEs are the backbone of the economy but lack resources to adopt new technologies and improve their production based on latest development. To provide impetus to SME sector and enhances its competiveness, the present government, is developing National SME Policy 2019, which will serve as Government of Pakistan’s master plan for providing support to catalyze growth of the sector. The focus of the policy shall be on job creation, export enhancement and increased contribution of SMEs in the National economy. The policy will address core SME development issues, including access to finance, Business Development Services (HR Development, Technology, Marketing, Market Access, Standards and Certifications etc.), simplification & rationalization of taxation regime and reduction in cost of doing business. A cohesive strategic framework for business facilitation across the public sector institutional infrastructure, both federal & provincial, will be developed for implementation of policy under the principle of ease of doing business.

In order to formulate the Policy, a participatory process has been adopted to identify real SME challenges, which will be coupled with a strategy to address them. In this regard, Focus Group Discussions, Workshops and Consultative sessions were held nationwide (Lahore, Islamabad, Multan, Peshawar, Swat, Sialkot, Gujranwala & Gujrat) during current fiscal year. Eminent researchers, representatives of chambers of Commerce & Industry, Trade Associations and academia are also actively involved in the policy making Committee to provide necessary guidance to the policy formulation process. The first meeting of Steering Committee for national SME Policy was held in December 2018. The draft Policy shall be submitted for approval to the Federal Cabinet in 2019.

i. SMEDA over the Counter (OTC) Services (July 2018-Mar 2019):

SME Facilitation	4,972
Pre-feasibility Studies Development (New & updated)	22
Investment Facilitation (PKR Million)	389.82
Business Plans	10
Training Programs	233
Cluster/District Profiles (New and Update)	13
OTC Products (Food Safety, Business Management, A2F etc)	23
Diagnostic/Value Chain Studies	8
Theme Specific Helpdesks	90
SMEDA Web Portal (Download Statistics)	69,733
SME Observer	1 issue
SMEDA Newsletter	3issues
SMEDA Research Journal	Annual

v. Special Projects with International Development Partners

a. Economic Revitalization of Khyber Pakhtunkhwa and erstwhile Federally Administered Tribal Areas (ERKF)

Economic Revitalization of Khyber Pakhtunkhwa and Federally Administered Tribal Areas (ERKF) is a Multi Donor Trust Fund Project (MDTF). The project was initiated to provide assistance in the economic recovery and rehabilitation of crisis affected areas of Khyber Pakhtunkhwa and erstwhile FATA.

After the successful completion of Phase-I, MDTF extended the project to Phase-II (2017-2020). Under Phase-II, ERKF Project is offering support to SMEs on the basis of 50% matching share through the following types of grants;

1. **Rehabilitation Grant** – This grant is given to SMEs for rehabilitation of businesses affected by crisis in Khyber Pakhtunkhwa and erstwhile FATA. The program provides the flexibility of using these grants either for capital expenditures or for working capital.
2. **Up-gradation Grant** – Up-gradation grant is available to those SMEs that have an existing business and they need support for upgrading their business processes for improving their productivity and efficiency.
3. **Cluster Grant** – this type of grant is provided to groups of SMEs (at least 5 SMEs). Preference is given to those project that benefit, not only the concerned SMEs, but the entire cluster.

In order to raise awareness of Phase-II of the project, SMEDA arranged several awareness sessions across the Khyber Pakhtunkhwa province for providing hands on information to SMEs, including women entrepreneurs. Application forms of respective grants have also been provided to all SMEs, chambers associations and other business representative bodies in the region.

Under Phase-II of ERKF project (July 2018 – March 2019), a total amount of PKR 274.25 million has been approved/sanctioned to 372 SMEs in the region. The project aims to achieve its development objective by 2020, through creation of sustainable employment opportunities and rehabilitation of small and medium enterprises (SMEs).

b. SMEDA Industrial Support Program:

In order to provide support to the Industry, SMEDA collaborates with international development organizations, such as; Japan International Cooperation agency (JICA), German International Cooperation (GIZ), Training and Development Centers of the Bavarian Employers Association (bfz), Germany and local experts. Technical assistance is provided to SMEs across a range of industries to improve productivity, competitiveness and energy efficiency. During July 2018 to March 2019, SMEDA provided support to Auto Parts manufacturers by conducting energy audits, improving production efficiency, enhancing productivity, increasing capacity of local engineers and training.

vi. Cluster Development Based Mineral Transformation Plan/Vision 2025

SMEDA was awarded a contract for a project titled 'Feasibility Research Study on Cluster Development Based Mineral Transformation Plan/Vision 2025' by the Planning Commission. The project entails an extensive study of 20 mineral clusters besides improving the efficiency of existing ones throughout the value chain i.e. supply-chain development, market intelligence, attraction of foreign direct investment & improved processing. From July 2018 to March 2019, first draft of 20 cluster profiles was completed and submitted to the Planning Commission. Moreover, 5 value chain studies were also developed; i) Gypsum, ii) Gemstone, iii) Coal, iv) Chromite, and v) Dimension Stones (Marble, Granite and Onyx). In addition to this, database of 1800 SMEs has also been developed.

3.6: Mineral Sector

The mineral potential of Pakistan is widely recognized to be excellent but this sector over the past inadequately developed. This is evident that its contribution to industry as a sub sector 13.5 percent and GDP remained 2.7 percent. Although efforts are underway to developed but enough remains to be done to enhance the sector to take full advantage of its endowment. This sector is lagging behind despite huge potential, due to interconnected and cross cutting issues like lack of infrastructure at mines sites, low level of technology installed and semi skilled labor, low financial support and lack of marketing.

The Mining and Quarrying sector negatively grew by 1.96 percent during Jul-Feb FY 2019 as against 7.7 percent last year. Chromite, Magnesite, Rock salt, Barytes, Ocher and Crude oil posted a positive growth of 228.69 percent, 159.63 percent, 12.65 percent, 22.15 percent, 19.12 percent and 0.47 percent, respectively.

However, some witnessed negative growth during the period under review such as Coal 25.42 percent, Natural gas 1.98 percent, Sulphur 40.72 percent, Calcite 91.49 percent, Soap stone 13.12 percent, Marble 4.66 percent and Bauxite 30.82 percent (Table 3.15).

Table 3.15: Extraction of Principal Minerals

Minerals	Unit of Quantity	2016-17	2017-18	2018-19	%Change FY19/FY18
Coal	M.T	3,953,992	4,477,555	3,339,582	-25.42
Natural Gas	MMCFT	1,471,854	1,458,935	1,430,097	-1.98
Crude Oil	JSB(000)	32,269	32,557	32,711	0.47
Chromite	M.T	105,238	97,420	320,209	228.69
Magnesite	M.T	19,656	23,596	61,263	159.63
Dolomite	M.T	301,124	488,825	467,131	-4.44

Table 3.15: Extraction of Principal Minerals					
Minerals	Unit of Quantity	2016-17	2017-18	2018-19	%Change FY19/FY18
Gypsum	M.T	2,079,629	2,475,893	2,641,833	6.70
Lime Stone	M.T	52,144,064	70,818,725	73,515,665	3.81
Rock Salt	M.T	3,534,075	3,647,584	4,108,929	12.65
Sulphur	M.T	23,740	22,040	13,065	-40.72
Barytes	M.T	91,711	88,847	108,531	22.15
Calcite	M.T	4,448	1,692	144	-91.49
Soap Stone	M.T	152,279	141,504	122,938	-13.12
Marble	M.T	4,904,141	8,813,025	8,402,276	-4.66
Bauxite	M.T	75,375	145,189	100,439	-30.82
Quartz	M.T	98,529	117,785	114,184	-3.06
Ocher	M.T	86,080	75,939	90,461	19.12

Source: Pakistan Bureau of Statistics (PBS)

Punjab:

Mines and Minerals Department aims to ensure responsible mineral development that contributes the most advantageous level of mineral revenue while respecting the principles of sustainable development.

Following Schemes is underway to develop the sector.

Table 3.16: Mineral Production Data	
MINERALS	Jul-Feb FY 2019 (M tonnes)
Arg Clay LSM	3,818,152
Bauxite	63,924
Coal	675,659
China Clay	6,796
Dolomite	2,702
Fireclay	469,351
Fuller Earth	9,460
Gypsum	914,320
Gypsum LSM	213,546
Iron Ore	337,485
Lime Stone	14,845,031
Lime Stone LSM	15,568,255
Rock Salt	1,817,855
Rock Salt LSM	835,092
Silica Sand	259,433
Silica Sand LSM	27,657

i. Resource estimation of placer gold in river Indus flowing through District Attock

Placer gold occurrences along the dispositional meanders of River Indus have been of great interest for exploration of gold resources in the upper reaches of Chitral, Gilgit, Hunza and adjoining areas to explore the source rocks for gold. River Indus enters Punjab from downstream of Tarbila dam and after passing through areas of Ghazi, Waisa, Attock, Khurd, Choai, Jhand, Kalabagh etc., enters into Dera Ismael Khan, beyond the boundary of Punjab province. The Indus river course mainly falls in District Attock & Mianwali in Punjab.

The objective is to determine the economic potential of the placer gold in specified areas of river Indus at different locations in District Attock. According to the results, viable block(s)/ zone(s) can be granted of concessions under the Punjab Mining Concession Rules 2002.

ii. Construction of drainage Nala for disposal of saline water from sandstone leases of chak No.123 SB and 126 SB, District Sargodha

Mines & Minerals Department has 58 blocks of Sandstone in Kirana Hills of District Sargodha in the province of Punjab and the leases of these blocks have been granted through open auction under the provision of Punjab Mining Concession Rules 2002.

As excavation of stone from these hills/ blocks is being done since long, pits have been developed in most of the blocks having depths of 15-25 feet due to extensive working. Almost in all the pits, water gets accumulated due to seepage and rain which causes lessees immense difficulties during mining operations. This situation compels the lessees to dispose this saline water from the pits on to nearby lands & pits of other vacant blocks. Due to this uncontrolled disposal of saline water, the surrounding lands have gotten affected badly causing unrest among the inhabitants.

Therefore, construction of drainage nala to dispose of this saline water is a basic necessity of the stone market and the locals which on one hand will eventually make the pits workable and on the other facilitate the local land owners and inhabitants.

Khyber Pakhtunkhwa:

The total area of Khyber Pakhtunkhwa is 74,521 Sq Km out of which 70 percent consist of mountains and rocks. The formation of these rocks contains huge prospects of different metallic /non-metallic minerals and various precious/semi-precious gemstones minerals. It has large number of mineral resources which have not yet been exploited at all to its full potential. Based on the exploration done so far, excellent prospects of other valuable deposits exist. The production data of mineral in respect of Khyber Pakhtunkhwa is given in the table.

Table 3.17: Mineral Production Data

MINERALS	Jul-March FY 2019 (M. tonnes)
Barytes	1,813
Bauxite	4,910
Coal	25,402
Dolomite	288,864
Granite	9,999,060
Gypsum	216,833
Iron ore	23,550
Lime stone	10,922,199
Marble	2,313,251
Rock salt	57,300

Sindh:

Sindh is located in the Southern part of Pakistan. From East to West, it is comprised of three main geological zones, namely the Thar Desert, the Indus Plain and Delta, and the Khirthar Mountains. At present about 24 minerals are under exploitation but on small scale. Sindh government has accorded priority to the development of mineral sector as it correlates with the development of remote areas of province as well as alleviating poverty. Mines and Mineral development department are being acquired by latest mineral exploration techniques for effective date geological generation and identification of exploration targets.

Sindh produces a variety of commercial clays, including Fuller's Earth, China Clay, Fire Clay, Ball Clay and Bentonite. It is endowed with large and extensive deposits of Limestone. Keeping in view the contribution of mineral sector in GDP which can also be enhanced by commercial exploitation of granite, marble and the other minerals as well. The Directorate General of Mines & Mineral Development, sponsored the on-going ADP-Scheme-2018-19 title "Feasibility Study of granite Deposits in District Tharparkar Sindh" and "Exploration, evaluation and value addition of Granite Deposits in Sindh for economical & industrial use".The scheme will be completed in June 2020. The Mines & Mineral Development Department, Government of Sindh has also proposed a Scheme titled as "Sindh Mineral Policy" for the year 2019-20.

The Mines & Mineral Development Department, has already established Geo-data Centre with official web portal which will provide all the necessary information to the General Public as well as Investors/Stake holders. This carries with mineral based information and online granted leases database along with provision of information regarding the granted areas in the Sindh.

Balochistan

Balochistan is the largest province (area wise) of the country constituting about 43% of the total

National landmass. The Country, in general, and the province in particular, is endowed by the nature with the blessing of substantial mineral wealth. Mineral industry can play an important role in boosting up the socio-economic setup in Balochistan as agriculture in other parts of the country but due attention could not be given to the exploration and development of mineral sector due to financial constraints, heavy risk investment and lack of infrastructure as the deposits are located in remote and far flung areas.

Nature has gifted Balochistan with vast natural resources. Efforts are being made for scientific exploration and exploitation of minerals resources of the province. Major mineral potentials are described as under:-

i. Metallic Minerals (Chromite, Iron, Copper/Gold, Lead Zinc, Titanium potential and Antimony

ii. Non-Metallic Minerals (Coal, Gypsum, Fluorite, Magnesite, Baryte, Vermiculite, Asbestos, Dimension stone)

Currently the Government has planned projects related to management of the Mining Industry, however, following are the potential projects for development and investment related to CPEC and also in general for the government and private sector:

Project	Location	Cost (Billion PKR)
▸ Establishment of Mini Steel Mills	Mastung and Chagai	15
▸ Cement Manufacturing Plants	Quetta, Kalat, Mastung, Loralai, Lasbella, MBarkhan, Bolan, Sibi, Hernai and Kohlu	05
▸ Establishment of Coal based thermal Power Stations.	Quetta, Loralai, Sibi and Hernai.	03
▸ Establishment of Ferro-Chrome Plant	Muslim Bagh and Khuzdar	05
▸ Establishment of Marble Cities.	Chagai, Khuzdar and Loralai	02
▸ Establishment of Barium Chemical Compounds Industry	Khuzdar	02

Conclusion:

Large Scale Manufacturing (LSM) performance remains muted due to lower PSDP expenditures compared to last year, slowdown in the private sector construction activities and consumer spending on durable goods along with low labor productivity. Adjustments, stabilization and reform process will continue for higher growth. The government is seriously focusing on ease of doing business by making efforts to rebuild investors confidence and trying to remove all basic impediments that adversely affect business environment and thus investment in the country. Going forward, some gradual recovery in economic activity is expected on the back of improved market sentiment in the context of the IMF supported program. The rebound in the agro based industries as well as government incentives for export oriented industries will improve labor productivity which will help in reviving LSM in medium term.

CHAPTER 4

Fiscal Development

Fiscal policy is an important and potential tool for economic stabilization. It has achieved importance over the previous decade as an instrument for macroeconomic stabilization in response to global financial crises. However, there has not been much emphasis on fiscal reforms to provide a more sustainable path to long-term inclusive growth.

In Pakistan, fiscal sector has faced multifaceted challenges over the years due to unproductive and rigid expenditures on one hand and lower tax revenues on the other. This has narrowed the fiscal space for public investment and social safety nets. High fiscal deficit has therefore become a norm, with high interest payments, untargeted subsidies, including energy subsidies, loss making PSEs, and security related expenditure all contributing to the expanding fiscal deficit.

A brief review of fiscal performance during last five years exhibits a deceleration in revenues and increase in expenditures compared to targets, causing an increase in the fiscal deficit to 6.5 percent of GDP in FY2018 - highest during the last five years. In FY2016, fiscal deficit was brought down to 4.6 percent of GDP but the low trajectory could not be maintained and increased to 5.8 percent and 6.5 percent during FY2017 and FY2018, respectively. The performance of fiscal indicators shows that total revenue growth experienced a slow down (5.9 percent in FY2018 against 11.0 percent growth in FY2017), while, total expenditure growth was contained at 10.1 percent in FY2018 as compared to 17.3 percent in FY2017.

During first nine months of FY2019, consolidated fiscal indicators performance suggests that total revenue registered zero growth over same period last year, while total expenditures increased by 8.7 percent for the same period. Therefore, fiscal deficit as percent of GDP reached 5.0 percent as compared 4.3 percent in comparable period of last year.

The incumbent government inherited the economy facing multiple economic challenges which required considerable adjustments. The priority of the government is to undertake structural reforms and fiscal adjustments to correct the underlying imbalances in the economy. In addition, the government is focused on taking various policy measures to address structural problems which have plagued the economy over the years. The focus is on exploiting the overall growth potential of the country and achieving higher growth trajectory through higher investment, efficiency and enhanced productivity.

On fiscal side, the government is committed to implement structural reforms to narrow the fundamental revenue-expenditure gap. This will ensure an efficient and fair tax system with the ability to generate ample revenue to finance a large part of public expenditures.

Fiscal Policy Developments

Fiscal indicators during FY2018 suggest that total revenue at 15.1 percent of GDP remained below the revised target of 16.0 percent. Both tax and non-tax revenue showed dismal performance, while expenditures increased. Tax revenue reached 12.9 percent of GDP against the target of 13.2 percent, of which FBR tax collection remained at 11.1 percent against the revised target of 11.4 percent. Similarly, non-tax revenue reached 2.2 percent against the target of 2.8 percent. On the other hand, total expenditures stood at 21.6 percent against the target of 21.5 percent. Hence, fiscal deficit surpassed its revised target of 5.5 percent and stood at 6.5 percent of GDP in the last fiscal year.

During the last five years, total revenue as percent of GDP on average reached 14.9 percent, with tax revenue and non-tax revenue at 11.8 and 3.1 percent, respectively.

Table: 4.1 Fiscal Indicators as Percent of GDP

Year	Real GDP Growth	Overall Fiscal Deficit	Expenditure			Revenue		
			Total	Current	Development[/1]	Total Rev.	Tax	Non-Tax
FY2008	5.0	7.3	21.4	17.4	4.0	14.1	9.9	4.2
FY2009	0.4	5.2	19.2	15.5	3.5	14.0	9.1	4.9
FY2010	2.6	6.2	20.2	16.0	4.4	14.0	9.9	4.1
FY2011	3.6	6.5	18.9	15.9	2.8	12.3	9.3	3.0
FY2012	3.8	8.8	21.6	17.3	3.9	12.8	10.2	2.6
FY2013	3.7	8.2	21.5	16.4	5.1	13.3	9.8	3.5
FY2014	4.1	5.5	20.0	15.9	4.9	14.5	10.2	4.3
FY2015	4.1	5.3	19.6	16.1	4.2	14.3	11.0	3.3
FY2016	4.56	4.6	19.9	16.1	4.5	15.3	12.6	2.7
FY2017	5.22	5.8	21.3	16.3	5.3	15.5	12.4	3.0
FY2018	5.53	6.5	21.6	16.9	4.7	15.1	12.9	2.2
FY2019 B.E	6.2	4.9	21.2	16.5	4.7	16.3	13.9	2.4

[/1] including net lending

Note: provisional growth for FY2019 is estimated at 3.29 percent.

Within revenues, tax collection posted a growth rate of 12.5 percent in FY2018 compared with 8.4 percent in FY2017. The rise in tax revenues is primarily due to the 14.1 percent growth in FBR tax collection (compared with 8.2 percent growth in FY2017).Provincial taxes posted a higher growth rate of 24.7 percent in FY2018, compared with 13.6 percent growth in FY2017.

Despite the acceleration in the growth of tax revenues, growth in total revenue collection decelerated, falling from 11.0 percent in FY2017 to 5.9 percent in FY2018, due to a fall in non-tax revenue. Non-tax revenues posted a negative growth of 21.4 percent in FY2018 as compared with 23.0 percent positive growth in FY2017. The contraction in non-tax revenue came primarily from the decline in defence related revenue, especially CSF, negative profit of post office Dept/PTA and negative growth in markup and dividends. As percent of GDP, non-tax revenue reduced to 2.2 percent in FY2018 from 3.0 percent in FY2017. Some components of non-tax revenue maintained a positive growth rate, such as SBP profit with a growth of 2.4 percent in FY2018. Similarly, royalties on oil and gas and windfall levy on crude oil, which have relatively smaller share in total non-tax revenue, also witnessed higher growth during FY2018.

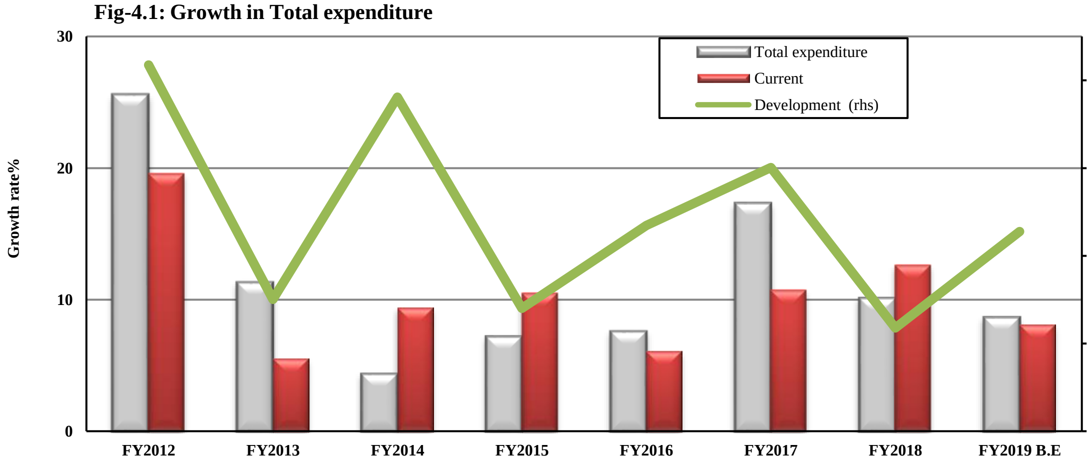
Review of Public Expenditures

In FY2018, total expenditures were 21.6 percent of GDP – higher than the average of the last five years of 20.5 percent. Current expenditures in FY2018 reached 16.9 percent, as compared to the five year average of 16.3 percent, while, development expenditures maintained its share of 4.7 percent of GDP, as per the average of the last five years.

While overall total expenditure remained high, growth in total expenditures decelerated to 10.1 percent during FY2018 as compared to 17.3 percent in FY2017. This slowdown in expenditures came primarily from lower growth in development expenditures and net lending which was reduced by 3.5 percent in FY2018 as compared to growing by 27.9 percent in FY2017. The negative growth largely came from negative growth of 7.7 percent in PSDP expenditures during FY2018 against 33.1 percent growth in FY2017. The pace of PSDP releases remained slow at the end of FY2018, especially during the interim government period as Election Commission prohibited starting any new development project, as this could potentially effect voter sentiments during the elections.

Conversely, current expenditures grew from 10.7 percent in FY2017 to 12.6 percent in FY2018. This sharp increase was due to increase in provincial current expenditures as was expected during election year. Federal and provincial current spending registered a growth of 9.1 and 19.6 percent, respectively. Share of current expenditures in total expenditures increased from 76.4 percent in FY2017 to 78.2 percent in FY2018. This share is budgeted at 77.8 percent for FY2019.

Fig-4.1: Growth in Total expenditure



Defence expenditures grew by 16.0 percent and reached Rs 1,030.4 billion (3.0 percent of GDP) in FY2018 against Rs 888.1 billion (2.8 percent of GDP). Share of defence expenditures in total and current expenditures remained at 13.8 and 17.6 percent, respectively in FY2018 compared with 13.1 and 17.1 percent in the preceding year. The budget estimates suggest that defence expenditures will remain at 2.9 percent of GDP during current fiscal year.

Similarly, mark up payments posted a growth of 11.2 percent in FY2018 to Rs 1,499.9 billion (4.3 percent of GDP) compared to Rs 1,348.4 billion (4.2 percent of GDP) in FY2017, growth of 6.7 percent. Share of mark-up payments in total and current expenditures remained at 20.0 and 25.6 percent, respectively in FY2018 compared with 19.8 and 25.9 percent, respectively in FY2017. For FY2019, marks up payments are budgeted at 4.2 percent of GDP.

Current subsidies posted a negative growth of 25.7 percent in FY2018 as compared with negative growth of 25.8 percent in FY2017. Share of subsidies in current expenditures reduced from 3.0 percent in FY2017 to 2.0 percent in FY2018. It is expected to remain at Rs 174.7 billion (2.8 percent of current expenditures) in FY2019.

On the other hand, overall development expenditures and net lending posted a negative growth of 3.5 percent in FY2018 compared with the positive growth of 27.9 percent in FY2017. Development expenditures excluding net lending posted negative growth of 6.5 percent in FY2018 and stood at Rs 1,584.1 billion (4.6 percent of GDP) as compared with growth of 30.1 percent to Rs 1,693.5 billion (5.3 percent of GDP) in FY2017.

Table 4.2: Trends in Components of Expenditure (As % of GDP)

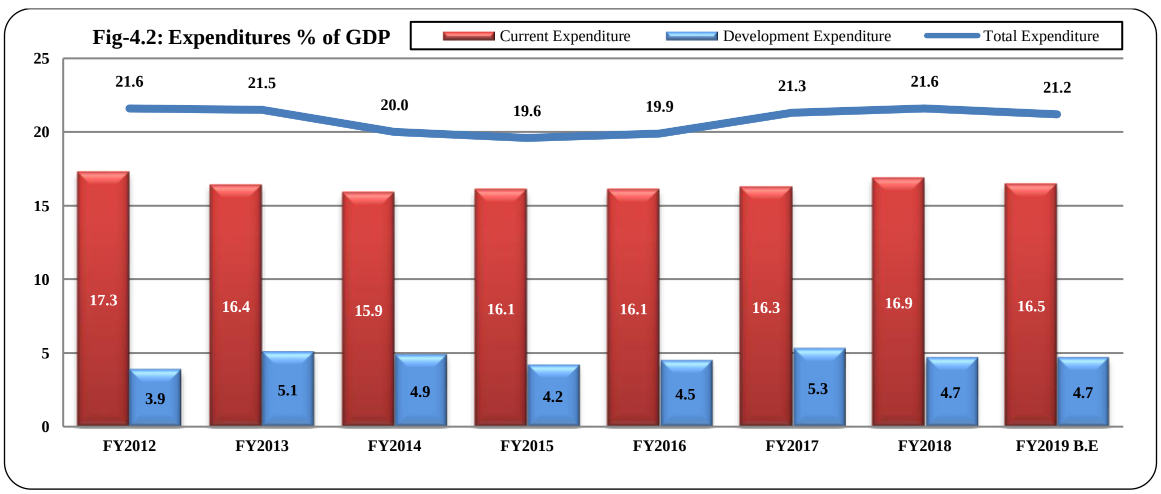
Year	Total Expen-diture (A)	Current Expenditure	Markup Payments (C)	Defence (D)	Development Expenditure *	Non Interest Non-DefenceExp (A-C-D)	Fiscal Deficit	Revenue Deficit/ Surplus (TR-Total CE)	Primary Balance (TR-NI Exp)
FY2006	17.1	12.6	2.9	2.9	4.4	11.2	4.0	0.5	-1.1
FY2007	18.1	14.9	4.0	2.7	4.7	11.4	4.1	-0.8	-0.1
FY2008	21.4	17.4	4.6	2.6	4.2	14.2	7.3	-3.3	-2.7
FY2009	19.2	15.5	4.8	2.5	3.4	11.8	5.2	-1.4	-0.3
FY2010	20.2	16.0	4.3	2.5	4.1	13.4	6.2	-2.1	-1.9
FY2011	18.9	15.9	3.8	2.5	2.8	12.6	6.5	-3.5	-2.7
FY2012	21.6	17.3	4.4	2.5	3.9	14.6	8.8	-4.5	-4.3
FY2013	21.5	16.4	4.4	2.4	3.5	14.7	8.2	-3.0	-3.8
FY2014	20.0	15.9	4.6	2.5	4.5	12.9	5.5	-1.5	-1.0
FY2015	19.6	16.1	4.8	2.5	4.1	12.3	5.3	-1.8	-0.6
FY2016	19.9	16.1	4.3	2.6	4.5	13.0	4.6	-0.9	-0.3
FY2017	21.3	16.3	4.2	2.8	5.3	14.3	5.8	-0.8	-1.6
FY2018	21.6	16.9	4.3	3.0	4.6	14.3	6.5	-1.8	-2.2
FY2019 B.E	21.2	16.5	4.2	2.9	4.8	14.1	4.9	-0.2	-0.7

* excluding net lending

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

Within development expenditure, total Public Sector Development Program (PSDP) expenditures posted a negative growth of 7.7 percent in FY2018 and stood at Rs 1,456.2 billion as compared with Rs 1,577.7 billion (growth of 33.1 percent) recorded in FY2017. Federal PSDP (net excluding development grants to provinces) spending witnessed negative growth of 20.6 percent (Rs 576.1 billion) in FY2018 against growth of 22.3 percent (Rs 725.6 billion) in FY2017. Provincial PSDP registered a growth of 3.3 percent in FY2018 compared with 43.8 percent in FY2017.

Despite contraction in development spending, released amount for BISP (development expenditures outside PSDP) posted a significant growth of 53.7 percent to Rs 107 billion in FY2018 from Rs 69.6 billion in FY2014.

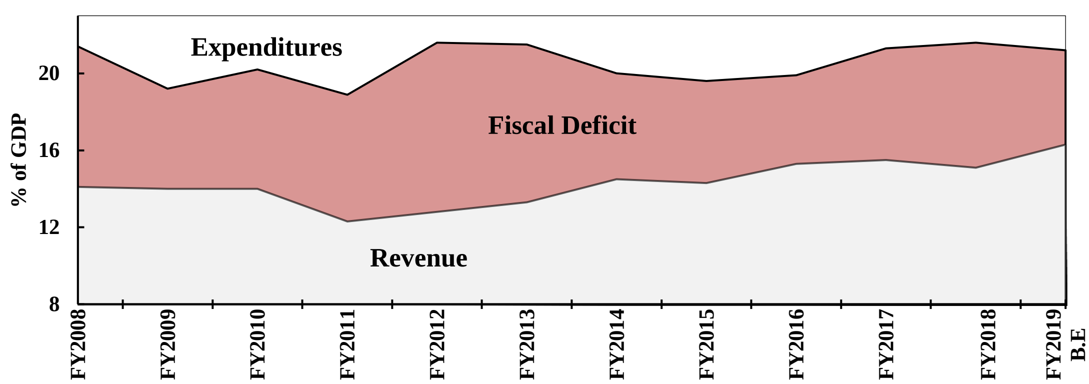


Both provincial tax collection and expenditures accelerated in FY2018. The provincial tax revenue increased by 24.7 percent in FY2018 compared to 13.6 percent in FY2017. On the other hand, provincial total expenditures increased by 19.6 percent in FY2018 as compared to 11.3 percent increase last year. Hence, provincial governments collectively posted a cumulative deficit of Rs 17.5 billion against the revised surplus target of Rs 273.9 billion in FY2018, an increased from provincial fiscal deficit in FY2017, of Rs 15.9 billion. Provincial deficits during the last two years are weighing on consolidated budget deficit and deteriorating the fiscal position.

The budget deficit of Rs 2,260.4 billion financed from both domestic and external sources. Government borrowed Rs 785.2 billion (34.7 percent of budget deficit) from external sources. While, Rs 1,475.2 billion or (65.3 percent of budget deficit) generated from domestic sources. Within banks, government primarily borrowed from SBP for budgetary support.

Primary deficit[1] increased from 1.6 percent of GDP in FY2017 to 2.2 percent of GDP in FY2018. Simultaneously, revenue deficit increased to 1.8 percent of GDP in FY2018 compared to 0.8 percent in FY2017 due to uncontrollable current expenditures.

Fig: 4.3 Revenue-Expenditure Gap (% of GDP)



For FY2019, total revenue is estimated at 16.3 percent of GDP, of which tax revenue target Rs 5,342.6 billion or 13.9 percent of GDP and non tax revenue 2.4 percent of GDP. Total expenditures at 21.2 percent of GDP with current expenditures at 16.5 percent of GDP and development expenditures and net lending estimated at 4.7 percent of GDP. Allocation for PSDP increased to Rs 1,650.0 billion, Federal PSDP[2] allocation Rs 800 billion and provincial ADP at Rs 850.0 billion as per budget estimates at the start of CFY.

Provincial surplus is estimated at Rs 285.604 billion. Therefore, consolidated budget deficit target is estimated Rs 1,890.2 billion (4.9 percent of GDP).

The budget deficit to be financed from both external and domestic sources. Within financing, Rs 342.1 billion (18.1 percent of budget deficit) and Rs 1,548.1 billion (81.9 percent of budget deficit) was targeted from external sources and domestic sources, respectively. Within domestic sources, bank and non-bank to contribute 65.6 and 34.4 percent, respectively. Revenue deficit and primary deficit budgeted at 0.2 and 0.7 percent of GDP, respectively for FY2019.

The present government is focused on improving the fiscal accounts particularly, focusing on improving the tax revenues. The tax system is being streamlined. As a first step, tax policy and tax administration functions have been separated so as to remove the apparent conflict of interest in tax collection. Tax policy is being designed to be fair, equitable and productive. The revenue and fairness objectives are pursued by expanding the tax base, reducing tax exemptions and through more efficient tax administration. Tax administration is being strengthened by allowing its access to third-party data and modern tools to identify and tapping tax defaulters. Fiscal reforms will ensure an

[1]The primary balance is the balance excluding interest payments , while the revenue balance is total revenue less current expenditures.
[2]Total Federal PSDP 2018-19 would be Rs 1,030 billion out of which Rs 230 billion would be self-financing by the corporation/authorities and Rs 800 billion would be provided through budget 2018-19.

efficient and fair tax system which will be capable of generating sufficient revenue to meet a large portion of public expenditure and investment needs, leading to a decline in fiscal deficit and falling debt-to-GDP ratio.

On expenditure side, the government plans to enhance the efficiency and effectiveness of public expenditure by framing laws to give greater autonomy to the spending units, but with greater accountability, enforcing rules to stem leakages from the system, improving coordination between the federal government and the provinces and reorienting expenditure priorities towards social welfare.

The government plans to manage public expenditures prudently with increased efficiency and effectiveness. State Owned Enterprises are expected to increase efficiency and be self-reliant and capable of performing at par with private sector. These efforts would expand fiscal space which in turn would help the government to better protect the poor and vulnerable from economic and non-economic shocks[3].

Fiscal Performance (July-March, FY2019)

Consolidated fiscal position during first nine months of current fiscal year shows zero growth in total revenue and 8.7 percent growth in total expenditures over same period last year. As a result, fiscal deficit during this period reached 5.0 percent of GDP as compared with 4.3 percent in comparable period of last year.

Table 4.3: Consolidated Revenue & Expenditure of the Government

	FY2019	July-March (Rs billion)		Growth in (%) July-March	
	B.E	FY2019	FY2018	FY2019	FY2018
A. Total Revenue	**6,245.7**	**3,583.7**	**3,582.4**	**0.0**	**13.9**
% of GDP	**16.3**	**9.3**	**10.3**		
a) Tax Revenue	**5,342.6**	**3,162.1**	**3,076.2**	**2.8**	**14.2**
% of GDP	**13.9**	**8.2**	**8.9**		
Federal	**4,888.6**	**2,874.4**	**2,796.3**	**2.8**	**13.5**
of which FBR Revenues	4,435.0	2,704.5	2,627.6	**2.9**	**16.2**
other Federal	453.6	169.9	168.6	**0.8**	**-17.1**
Provincial Tax Revenue	454.0	287.7	280.0	**2.8**	**21.4**
b) Non-Tax Revenue	**903.1**	**421.6**	**506.2**	**-16.7**	**12.2**
% of GDP	**2.4**	**1.1**	**1.5**		
B. Total Expenditure	**8,135.9**	**5,506.2**	**5,063.3**	**8.7**	**15.5**
% of GDP	**21.2**	**14.3**	**14.6**		
a) Current Expenditure	**6,328.6**	**4,798.4**	**4,075.4**	**17.7**	**13.0**
% of GDP	**16.5**	**12.4**	**11.8**		
Federal	**4,150.6**	**3,180.9**	**2,653.3**	**19.9**	**8.8**
Mark-up Payments	1,620.2	1,459.2	1,172.8	**24.4**	**7.2**
% of GDP	4.2	3.8	3.4		
Defence	1,100.3	774.7	623.8	**24.2**	**16.5**
% of GDP	2.9	2.0	1.8		
Provincial	**2,178.0**	**1,617.4**	**1,422.1**	**13.7**	**22.0**
b) Development Expenditure & net lending	**1,807.3**	**684.2**	**1,002.5**	**-31.8**	**30.3**
% of GDP	**4.7**	**1.8**	**2.9**		
PSDP	**1,650.0**	**578.5**	**931.4**	**-37.9**	**24.7**
Other Development	**180.2**	**77.4**	**61.9**	**25.0**	**8.3**
c) Net Lending	**-22.9**	**28.3**	**9.2**	**208.0**	**-126.8**
e) Statistical discrepancy	**0.0**	**23.7**	**-14.6**	**-262.3**	**-265.6**
C. Overall Fiscal Deficit	**1,890.2**	**-1,922.5**	**-1,480.9**	**29.8**	**19.6**
As % of GDP	4.9	-5.0	-4.3		
Financing of Fiscal Deficit	**1,890.2**	**1,922.5**	**1,480.9**	**29.8**	**19.6**

[3]A roadmap for Stability, growth and productive employment, Finance Division, GoP

Table 4.3: Consolidated Revenue & Expenditure of the Government					
	FY2019	July-March (Rs billion)		Growth in (%) July-March	
	B.E	FY2019	FY2018	FY2019	FY2018
i) External Sources	342.1	524.5	524.3	**0.0**	**138.1**
ii) Domestic	**1,548.1**	**1,398.0**	**956.6**	**46.1**	**-6.0**
- Bank	1,015.3	787.7	813.5	**-3.2**	**17.1**
- Non-Bank	532.8	610.4	143.1	**326.5**	**-55.7**
Privatization Proceeds	0.0	0.0	0.0		
GDP at Market Prices	**38,388**	**38,559**	**34,619**		

Source: Budget Wing, Finance Division

Total revenue increased to Rs 3,583.7 billion (9.3 percent of GDP) during first nine months of FY2019 from Rs 3,582.4 billion (10.3 percent of GDP) during comparable period of last year – an negligible growth rate as compared to the growth of 13.9 percent during the same period last year. Decelerated performance of total revenues is primarily due to marginal growth of 2.8 percent in tax revenues and negative growth of 16.7 percent in non-tax revenues.

Tax revenue registered a growth of 2.8 percent during Jul-Mar, FY2019 (to Rs 3,162.1 billion or 8.2 percent of GDP) compared with Rs 3,076.2 billion (8.9 percent of GDP) in the same period last year. Sluggish growth in overall tax collection came mainly from slow FBR tax collection (see below for detailed analysis of FBR taxes)

Within overall tax revenue, federal taxes grew by 2.8 percent during the period under review against 13.5 percent growth during same period of last year. FBR tax collection increased to Rs 2,704.5 billion (7.0 percent of GDP) during first nine month of CFY compared with Rs 2,627.6 billion (7.6 percent of GDP) in the same period of FY2018. Provincial tax revenue registered a growth of 2.8 percent during Jul-Mar of CFY against 21.4 percent during the same period last year.

Non-tax revenue declined by 16.7 percent (during Jul-Mar, FY2019) from Rs 506.2 billion to Rs 421.6 billion. Major factors responsible for this sharp decline in non-tax revenues include negative growth of SBP profit which declined by 3.5 percent as depreciation of rupee had a strong effect on rupee income, negative growth of 33.7 percent in mark-up payments (PSEs and others) and a 4.2 percent fall in dividends received from PSEs and other investments.

Total expenditures increased to Rs 5,506.2 billion (or 14.3 percent of GDP) during first nine months of CFY compared with Rs 5,063.3 billion (14.6 percent of GDP) during the comparable period of last year. This implies a growth of 8.7 percent in expenditure during Jul-Mar, FY2019 against the growth of 15.5 percent in the same period last year.

Current expenditures grew by 17.7 percent (to Rs 4,798.4 billion (or 12.4 percent of GDP) compared with Rs 4,075.4 billion (11.8 percent of GDP) in the same period of last year. Federal and provincial government current expenditures grew by 19.9 and 13.7 percent, respectively compared with 8.8 and 22.0 percent during same period last year. Share of federal and provincial current expenditures in total current expenditures stood at 66 and 34 percent, respectively. The increase in federal government's current expenditure was mainly on account of increase in interest payments, which grew by 24.4 percent to Rs 1,459.2 billion during Jul-Mar, FY2019 compared with Rs 1,172.8 billion during same period last year. Growth in interest payments was caused by continued increase in stock of public debt (both domestic and external), large increase in interest rates and a sharp depreciation in exchange rate.

Defence expenditures grew by 24.2 percent against a growth of 16.5 percent last year. This acceleration in defence expenditure of heightened security concerns in the region. During July-March, FY2019 subsidies reached Rs 96.8 billion, against Rs 88.7 billion during same period of FY2018, posting a growth of 9.2 percent.

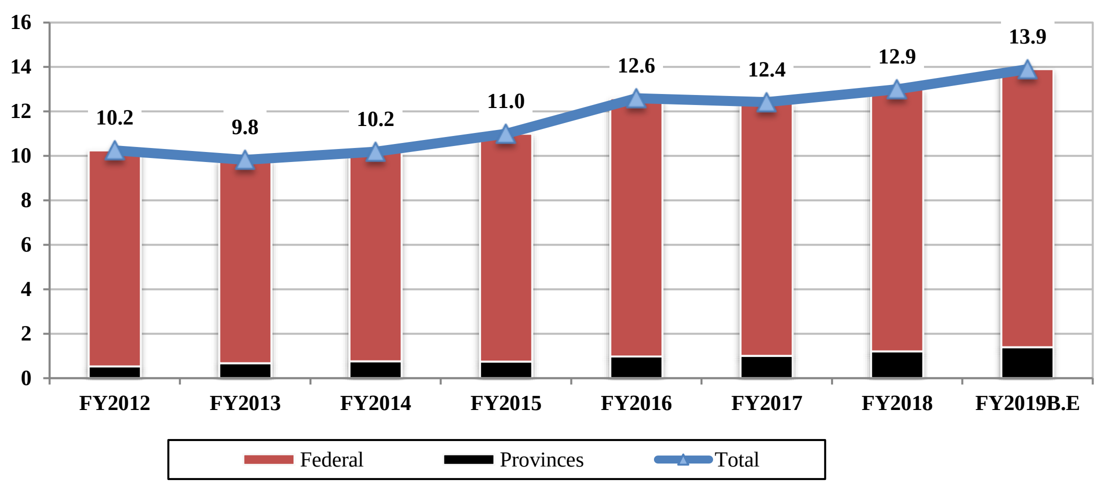
Development expenditures (excluding net lending) decreased to Rs 655.9 billion during Jul-Mar FY2019 compared with Rs 993.3 billion last year – a decline of 34.0 percent. PSDP spending witnessed a negative growth of 37.9 percent, with federal expenditure declining by 14.5 percent and provincial by 52.2 percent.

To finance the higher fiscal deficit, the government mobilized financing of Rs 524.5 billion from external resources, which was at about the same level as last year. Another Rs 1.4 trillion were mobilized as borrowing from the domestic banking system and from public (mainly through national savings schemes) and some other non-bank resources. Banking system contributed domestic financing during the first nine months of FY2019 was 46 percent higher than last year. External resources contributed a little more than one quarter (27 percent) of total financing, banking system 41 percent and non-bank sources the remaining 32 percent.

Structure of Tax Revenue

Over the years, narrow tax base, large number of concessions and exemptions, tax administration challenges and weak tax compliance resulted in a low tax to GDP ratio. In this connection, the present government is aiming to introducing measures to remove these weaknesses and disincentives in the tax system.

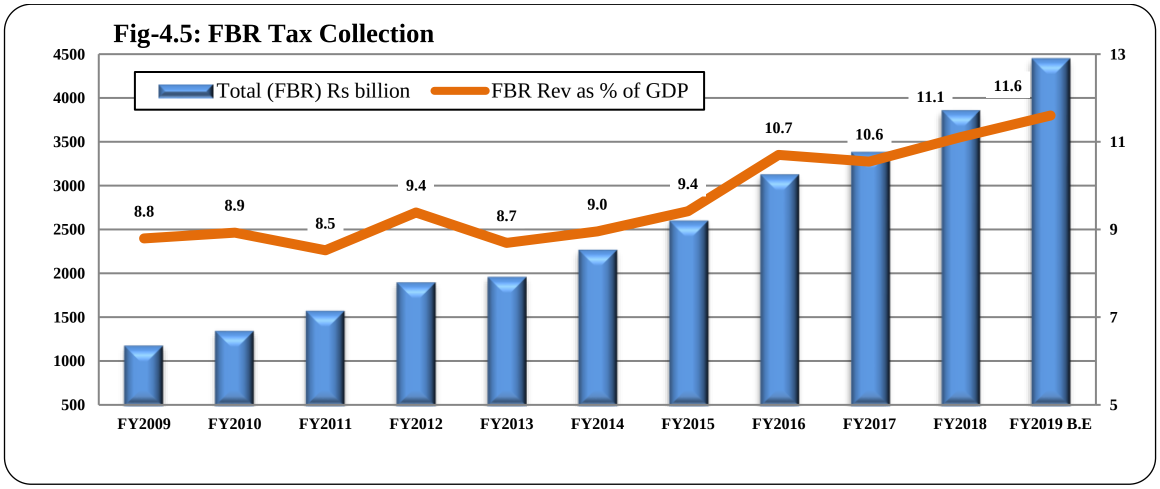
Fig-4.4: Tax - to-GDP ratio



The government intends to implement such fiscal reforms that will ensure an efficient and fair tax system which will be proficient to generate sufficient revenue to meet a large portion of public expenditure and investment needs, leading to a decline in fiscal deficit and falling debt-to-GDP ratio **(Box: I).**

Within FBR tax collection, direct taxes posted a growth of 14.3 percent in FY2018 as against a growth of 10.4 percent in FY2017. The pace of growth remained higher due to growth in withholding taxes (WHT), collection on demand (CoD) and voluntary payments (VP). For FY2019, direct tax expected to be higher by 12.9 percent than last year actual collection or amounted to Rs 1,735.0 billion (39.1 percent of FBR target).

The share of direct taxes in FBR revenue has been rising gradually due to steps taken in the past like introduction of Universal Self-Assessment Scheme (USAS), promulgation of Income Tax Ordinance, 2001 where emphasis was shifted to voluntary compliance, automation of entire business processes and reduction of corporate tax rates from 49 percent to 30 percent in tax year 2018 and 29 percent in 2019 by providing level playing field to the taxpayers. Despite all these initiatives that contributed to increase the tax revenue collection from direct taxes, the share of direct taxes needs to be increased further to make taxes more progressive as well as equitable and further reduce reliance on indirect taxes[4].



The tax structure in Pakistan is skewed towards indirect taxes. The share of indirect tax to FBR tax collection remained static around 60 percent over the last one decade. For FY2019, the share of indirect tax collection set at 60.9 percent.

Within indirect taxes, sales tax posted a growth of 11.8 percent in FY2018 against 2.0 percent increase in FY2017. Strong aggregate demand and pass through of high international oil prices contributed in sales tax collection during FY2018. The share of sales tax which constituted 64.4 percent of indirect taxes during FY2018 reduced gradually from 72.3 percent in FY2014. Similarly, share of sales tax in total FBR tax is gradually coming down since FY2014 from 44.2 percent to 38.6 percent during FY2018.

For FY2019, sales tax collection target set at Rs 1,700 billion which is 14.5 percent higher than last year collection and (constitute 63.0 percent of indirect tax and 38.3 percent of FBR tax collection target).

The share of custom duty in indirect taxes has increased gradually from 17.6 percent in FY2014 to 26.4 percent in FY2018. It is pertinent to mention that the maximum statutory rates of customs duty have been gradually reduced from 125 percent in FY1988 to 20 percent in FY2016 till date. Consequently, the share of custom duty in FBR tax collection has reduced gradually from 45.7 percent in FY1991 to 15.8 percent in FY2018.

Custom duty collection momentum continued with the same pace and registered a growth of 22.5 percent in FY2018 against 22.8 percent in FY2017. High aggregate demand, increase in general income level, high imports, higher commodity prices, exchange rate depreciation and fiscal measures such as regulatory duties on non-essential imports and an increase in additional custom duty by 1 percent led to increase in growth of custom duty.Custom duty collection is estimated at Rs 735.0 billion for FY2019 which reflects an increase of 20.8 percent over last year actual tax collection.

On the other hand, the share of federal excise duty in indirect taxes declined by 9.3 percent in FY2018. The tax base of Federal Excise Duty (FED) contracted over the years and now is restricted to only few commodities like cigarettes, cement, beverages, and international travel etc. Share of

[4]Year Book 2017-18 FBR, GoP

FED in total FBR tax collection has also fallen from 10.1 percent in FY2009 to 5.6 percent in FY2018.

FED registered a growth of 7.9 percent in FY2018 compared to 5.2 percent in FY2017. Collection from cement mainly fueled this growth momentum. FED is projected to Rs 265.0 billion which is 24.1 percent higher as compared with actual last year collection. The projected share is 6.0 and 9.8 percent of FBR and indirect tax collection, respectively for FY2019.

Table 4.4: Structure of Federal Tax Revenue (Rs. Billion)

Year	Total (FBR)	Tax Rev as % of GDP	Direct Taxes	Indirect Taxes			
				Customs	Sales	Excise	Total
FY2009	1,161.1	8.8	443.5	148.4	451.7	117.5	717.6
			[38.2]	{20.7}	{62.9}	{16.4}	[61.8]
FY2010	1,327.4	8.9	526.0	160.3	516.3	124.8	801.4
			[39.6]	{20.0}	{64.4}	{15.6}	[60.4]
FY2011	1,558.2	8.5	602.5	184.9	633.4	137.4	955.7
			[38.7]	{19.3}	{66.3}	{14.4}	[61.3]
FY2012	1,882.7	9.4	738.4	216.9	804.9	122.5	1,144.3
			[39.2]	{19.0}	{70.3}	{10.7}	[60.8]
FY2013	1,946.4	8.7	743.4	239.5	842.5	121.0	1,203.0
			[38.2]	{19.9}	{70.0}	{10.1}	[61.8]
FY2014	2,254.5	9.0	877.3	242.8	996.4	138.1	1,377.3
			[38.9]	{17.6}	{72.3}	{10.0}	[61.1]
FY2015	2,589.9	9.4	1,033.7	306.2	1,087.8	162.2	1,556.2
			[39.9]	{19.7}	{69.9}	{10.4}	[60.2]
FY2016	3,112.7	10.7	1,217.3	404.6	1,302.7	188.1	1,895.4
			[39.1]	{21.3}	{68.8}	{9.9}	[60.9]
FY2017	3,367.9	10.6	1,344.2	496.8	1,329.0	197.9	2,023.7
			[39.9]	{24.5}	{65.7}	{9.8}	[60.1]
FY2018	3,843.8	11.1	1,536.6	608.4	1,485.3	213.5	2,307.172
			[40.0]	{26.4}	{64.4}	{9.3}	[60.0]
FY2019 B.E	4,435.0	11.6	1,735.0	735.0	1,700.0	265.0	2,700.0
			[39.1]	{27.2}	{63.0}	{9.8}	[60.9]

[]as % of total taxes, {} as % of indirect taxes
Source: Federal Board of Revenue

FBR Tax Collection (July-April, FY2019)

The preceding year FY2018, FBR tax collection remained below the target. The revised FBR target was estimated at Rs 3,935 billion compared to Rs 4,013 billion originally budgeted.

For FY2019, FBR annual tax collection target has been set at Rs 4,435.0 billion (11.6 percent of GDP) and 15.4 percent higher than actual tax collection of Rs 3,843.8 billion in FY2018. With revenue collection experiencing significant challenges, the collection target was revised downward to Rs 4,398.0 billion (11.5 percent of GDP) showing an expected increase of 14.4 percent over actual tax collection of FY2018.

During the period Jul-Apr, FY2019 FBR tax receipts were only Rs 2,976.0 billion, as against Rs 2,922.5 billion collected during the same period of FY2018, an increase of 1.8 percent. Actual tax collection during first ten months of CFY remained at 67.7 percent of revised target.

Direct Taxes

The direct taxes collection decreased by 2.6 percent during the first ten months of FY2019. The collection has decreased from Rs 1,096.4 billion to Rs 1,067.8 billion. The major reasons for shortfall in collection of direct taxes has been the reduced rates on salary income announced in budget 2018-19, suspension of withholding tax by Honorable Supreme Court on telecom subscription, import compression and adjustment of tax amnesty.

Tax-wise details are presented in the following Table:

Table 4.5: FBR Tax Revenues (Rs Billion)

Revenue Heads	FY2018	July-April		% Change
	Actual	FY2018	FY2019*	
A. DIRECT TAXES				
Gross		1,155.1	1,141.4	-1.2
Refund/Rebate		58.7	73.7	25.6
Net	1,536.6	**1,096.4**	**1,067.8**	-2.6
B. INDIRECT TAXES				
Gross		1,880.3	1,944.2	3.4
Refund/Rebate		54.2	35.9	-33.7
Net	2,307.2	1,826.1	1,908.3	4.5
B.1 SALES TAX				
Gross		1,227.5	1,186.5	-3.3
Refund/Rebate		40.8	21.2	-48.2
Net	1,485.3	**1,186.6**	**1,165.3**	-1.8
B.2 FEDERAL EXCISE				
Gross		163.4	184.0	12.7
Refund/Rebate		0.0	0.0	-100.0
Net	213.5	**163.4**	**184.0**	12.7
B.3 CUSTOM				
Gross		489.5	573.7	17.2
Refund/Rebate		13.4	14.7	10.4
Net	608.4	**476.1**	**558.9**	17.4
TOTAL TAX COLLECTION				
Gross		3,035.4	3,085.6	1.7
Refund/Rebate		112.9	109.6	-2.9
Net	3,843.8	**2,922.5**	**2,976.0**	1.8

***: Provisional**

Source: Federal Board of Revenue

Indirect Taxes

The gross and net collections of indirect taxes have witnessed growth of 3.4 and 4.5 percent, respectively. It is accounted around 64.1 percent of the total FBR tax revenues.

Sales Tax

Within indirect taxes, net collection of sales tax decreased by 1.8 percent. The gross and net sales tax collection during July-April, FY2019 reached to Rs 1,186.5 billion and Rs 1,165.3 billion, respectively showing negative growth of 3.3 percent and 1.8 percent, respectively. During July-April FY2019, around 56 percent of total sales tax was contributed by sales tax on import, while the rest was contributed by domestic sector. Within domestic sales tax collection, the major contribution came from POL products, cement, natural gas, sugar, aerated water, cigarettes etc.

Federal Excise Duty

The collection of federal excise duties (FED) during July-April, FY2019 increased by 12.7 percent growth. The net collection reached to Rs 184.0 billion compared to Rs 163.4 billion during the same period last year. The major revenue spinners of FED are cigarettes, cement, services, beverages, natural gas and edible oil.

Customs Duty

The gross and net collections of custom duty have registered a growth of 17.2 and 17.4 percent, respectively. The net collection has increased to Rs 558.9 billion during Jul-Apr, FY2019 from Rs 476.1 billion during the corresponding period of last year. The major revenue heads of customs duty have been vehicles, mineral fuels, iron and steel, electrical machinery, plastic, edible fruits etc.

Box-I: Major Initiatives Taken by FBR

The government is trying hard to enhance its tax revenues. In this regard, various reforms have been initiated to make FBR a modem and efficient organization for optimization of tax revenues while promoting taxpayers friendly environment in the country. Major reform measures induced in the recent years and to be introduced in coming years are:

- **Expansion of the Scheme of Differential Taxation for Filers and Non-filer for penalizing Non-compliant without adding any further burden on the compliant**

  In order to increase compliance and enhance the tax revenues, the concept of filers and non-filers have been introduced. The cost of doing business for non-filers have been significantly increased in recent years. This step was taken to encourage people to file income tax returns. Differential taxation for filers and non-filers have been introduced and number of filers increased from around 750,000 in FY 2012-13 to more than 1.87 million in FY 2017-18

- **Rationalizing Corporate Tax Rates**

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

Tax year 2013...........................35%
Tax year 2014...........................34%
Tax year 2015...........................33%
Tax year 2016...........................32%
Tax year 2017...........................31%
Tax year 2018...........................30%
Tax year 2019...........................29%

- **Broadening of Tax Base and Documentation of Economy**

For Broadening of Tax Base (BTB), FBR has taken several initiatives including use of third party data. Initially, the objective was to incorporate **300,000** new taxpayers in three years. The BTB drive was successful. During the years 2013-14 to 2016-17. FBR issued 596,464 notices and enforced 264,539 income tax returns. As a result of these efforts, the number of income tax return filers which was around 750,000 for the tax year 2012 has been exceeded to 1.87 million in the tax year 2017-18 and would further increase in coming years. To broaden the tax net, different rates of adjustable withholding of income tax for the income tax filers and non-filers on certain transactions have been introduced. These include sales and purchase of immovable property, registration and transfer of ownership of motor vehicle, cash withdrawal from banks and payment of profit on debt and dividend income. The higher rates of tax for non-filers compel non-filers to file returns.

FBR has also chalked out a comprehensive plan to broaden the tax base through:

- Creation of a central data bank
- Enforcement of return in the case of all NTN holders
- Preparation of directory of non-filers deductees
- Data to be obtained from NADRA, Telecom Cos, Banking Cos, Development Authorities, Schools, Clubs, Hotels etc
- Data of suppliers/buyers of sales tax returns of 5,000 big companies
- Raising expenditure on revenue collecting machinery from 0.8% to 1.5% of total revenue
- Registration of persons subjected to withholding of sales tax
- Registration of retailers under the new scheme introduced under Special Procedure Rules.
- **Deployment of Technology to Identify Risk Areas to Support Risk Based Audit**

An audit plan has been reintroduced to accompany the self-assessment scheme and to overcome weak tax compliance. Substantial progress has been achieved for infrastructure upgradation and development with the introduction of the fully Inland Revenue Information System (Iris), which is available to all the field formations. A paradigm shift from simple random selection to Parametric Computer Ballot selection of cases and finally risk based selection in audit has been introduced. Moreover, litigation against General Audit Policies was successfully defended before different Courts of Law.

Under the reform initiatives, Draft Audit policy for the Tax Year 2017 is under consideration and will be finalized after due deliberation/consultation with all concerned. Moreover, Risk-based Audit Framework is being devised to ensure a more targeted and focused approach with the help of World Bank. Training modules have been prepared to import Investigative Audit Training to officers with the help of World Bank.

- **Behavioral Changes**

In order to promote tax culture, compliance and to dispel the general impression about evading taxation by individuals having prominent position in the society. FBR has under taken following initiatives for bringing a behavioral change regarding the tax culture perception in the society:

a) Publishing Tax Directory of Parliamentarians

b) Establishment of Financial Investigation Cell

c) Campaign against Tax Evaders

- **End to End Automation and Facilitation of Taxpayers with increased Use of Information Technology**

To simplify procedures and minimize contact between the taxpayers and the tax collectors, FBR management has made revolutionary changes in automation of tax procedures. Major achievements include:

i. Web Based One Customs (WeBOC) System of Clearance
ii. EDI - Electronic Data Interchange
iii. National Single Window (NSW)
iv. iv. Inland Revenue Information System (Iris)

- **Current initiatives**

– Creation of Tax Policy Unit within Ministry of Finance
– Identification and scrutiny of evasion by High Net worth Individuals
– Administrative measures to increase tax collection by identifying untaxed wealth overseas and by data matching to identify non-filers
– Practical steps taken to curb Offshore Tax Evasion (UK and UAE properties, Panama and Paradise Leaks, etc.) and continuous monitoring of such cases
– Plaza Mapping at Lahore, Karachi and Islamabad
– Launch of Device Identification, Registration and Blocking System (DIRBS) to control smuggling of mobile devices
– Introduction of Currency Declaration System and Advanced Passenger Information System at major airports of the country
– Discouraging imports of luxurious goods through additional Regulatory Duties (RDs)
– Addressing under invoicing by signing MOU with China for exchange of pricing information
– Forensic audit in Sugar, Tobacco and Steel Industries to address leakages and tax evasion and in these industries
– Implementation of Tobacco Track & Trace System
– Resolving pending litigation
– Collection of pending arrears identified as collectable arrears
– Resolving 1.2 million automatically selected cases for audit U/s 214D

These reforms will start paying dividends in shape of improved compliance, higher revenue growth and improvement in tax-GDP ratio. The tax revenues have increased significantly during last four years. The collection jumped from Rs 1,946 billion in FY2013 to Rs 3,844 billion in FY 2018, registering an overall growth of 97.5 percent. Similarly, tax-GDP ratio of the country which was just 8.7 in FY2013 jumped to 11.1 in FY 2018. With the help of these initiatives, FBR is moving towards a more efficient tax system; facilitating taxpayers, promoting investment and broadening the tax base in the years to come. It is envisioned that these resource mobilization efforts will result in further improvement of domestic tax revenues in coming years.

Source: Federal Board of Revenue (FBR)

Provincial Budget

For FY2019, total expenditure of the provinces is budgeted at Rs 3,540.8 billion, an increase of 3.7 percent over revised estimates of Rs 3,413.4 billion last year.

Table 4.6: Overview of Provincial Budgets (Rs Billion)

Items	Punjab		Sindh		Khyber Pakhtunkhwa		Balochistan		Total	
	2017-18 RE	2018-19 BE	2017-18 RE	2018-19 BE	2017-18 RE	2018-19 BE	2017-18 RE	2018-19 BE	2017-18 RE	2018-19 BE
A. Tax Revenue	**1,329.5**	**1,551.5**	**713.2**	**818.6**	**376.6**	**427.6**	**212.1**	**234.3**	**2,631.4**	**3,032.0**
Provincial Taxes	197.6	275.8	176.1	213.3	18.3	23.8	9.4	10.2	**401.4**	**523.1**
GST on Services (transferred by federal Govt)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**	**0.0**
Share in Federal Taxes	1,131.9	1,275.7	537.1	605.3	358.3	403.8	202.7	224.1	**2,230.0**	**2,508.9**
B. Non-Tax Revenue	**73.4**	**93.3**	**63.4**	**63.2**	**85.2**	**39.7**	**14.3**	**14.2**	**236.3**	**210.4**
C. All Others	**218.0**	**97.7**	**90.3**	**115.1**	**102.1**	**115.5**	**18.9**	**14.6**	**429.3**	**342.9**
Total Revenues (A+B+C)	**1,620.9**	**1,742.5**	**866.9**	**996.9**	**563.9**	**582.8**	**245.3**	**263.1**	**3,297.0**	**3,585.3**
a) Current Expenditure	**1,048.9**	**1,264.5**	**685.2**	**773.2**	**389.0**	**430.0**	**204.0**	**223.0**	**2,327.1**	**2,690.7**
b)Development Exp	**576.8**	**238.0**	**282.4**	**343.9**	**150.2**	**180.0**	**76.9**	**88.2**	**1,086.3**	**850.1**
Total Exp (a+b)	**1,625.7**	**1,502.5**	**967.6**	**1,117.1**	**539.2**	**610.0**	**280.9**	**311.2**	**3,413.4**	**3,540.8**

Source: Provincial Finance Wing, Finance Division.

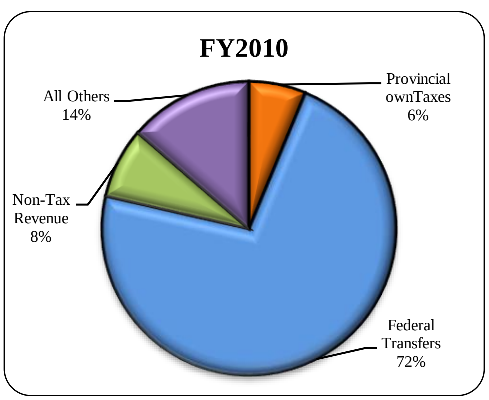
The allocation for current expenditures at Rs 2,690.7 billion was 15.6 percent higher than last year. However, allocation for development budget was reduced by 21.7 percent to Rs 850.1 billion primarily in light of inability of provinces to spend a significant portion of last year's development budget. The share of current and development expenditures in total expenditures remained at 76 and 24 percent, respectively.

Overall provincial revenue receipts posted a growth of 8.7 percent to Rs 3,585.3 billion in FY2019 compared with Rs 3,297.0 billion in FY2018. Tax revenue was budgeted at Rs 3,032.0 billion in FY2019, which is 15.2 percent higher over last year and contributes around 85 percent in total revenue. On the other hand, non-tax revenue were budgeted at Rs 210.4 billion in FY2019, which is 11.0 percent lower compared to FY2018 revised estimates.

Fiscal Federalism

In accordance with the distribution of resources formula agreed under the 7th NFC award, the net transfers to the provinces were estimated at Rs 2,711.6 billion for FY2019 which was 11.5 percent higher than the revised estimates of Rs 2,430.9 billion for FY2018.

A comparative position of composition of provincial revenues before and after implementation of 7th NFC award has given in following figure:



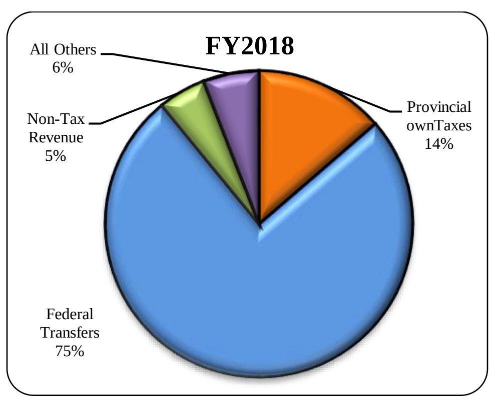


Table 4.7: Transfers to Provinces (NET) **Rs billion**

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018 R.E	FY2019 B.E
Divisible Pool	1,063.1	1,117.5	1,287.4	1,476.6	1,751.5	1,996.3	2,230.1	2,508.8
Straight Transfer	145.6	103.5	124.4	97.4	100.4	125.1	86.0	81.2
GST on services	-	83.7	1.5	0.7	0.1			
Special Grants/ Subventions	53.9	61.2	53.8	33.7	32.6	23.4	26.5	28.0
Project Loans and Grants	47.8	71.3	85.2	61.9	60.2	77.9	133.1	137.4
Program Loans	4.6	4.2	59.1	18.1	29.6	15.9	26.5	34.4

Table 4.7: Transfers to Provinces (NET)								Rs billion
	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018 R.E	FY2019 B.E
Japanese Grant	0.1	0.0	0.0	0.0		0.0	0.0	0.1
Total Transfer to Province	**1,315.0**	**1,441.5**	**1,611.5**	**1,688.4**	**1,974.3**	**2,238.5**	**2,502.2**	**2,790.0**
Interest Payment	12.9	14.8	14.1	13.3	9.8	13.6	16.2	16.8
Loan Repayment	36.1	32.1	38.7	38.6	47.8	17.3	55.1	61.6
Transfer to Province(Net)	**1,266.0**	**1,394.5**	**1,558.8**	**1,636.6**	**1,916.8**	**2,177.6**	**2,430.9**	**2,711.6**
Source: Various issue of Budget in Brief.								

Provincial Fiscal Operations

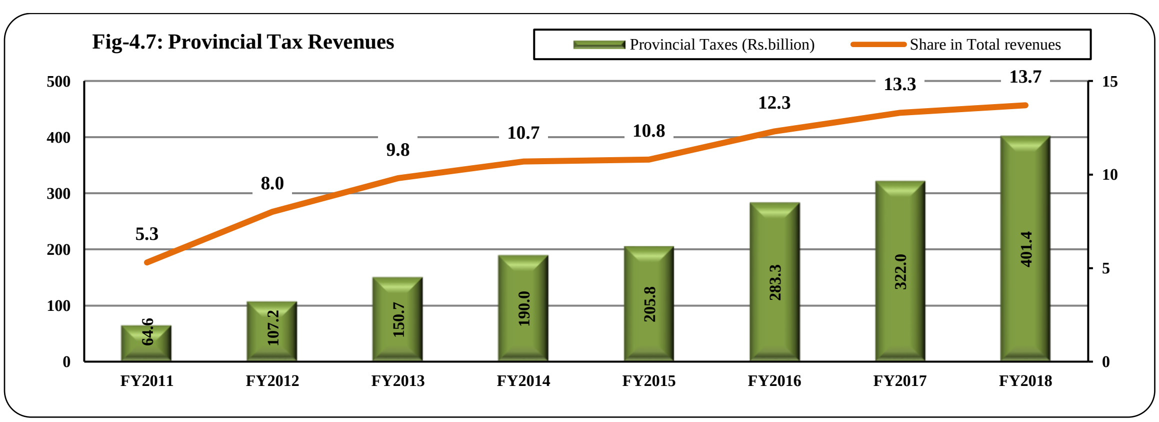
Provincial tax revenues increased to Rs 401.4 billion during FY2018 compared with Rs 321.8 billion in FY2017, an increase of 24.7 percent. Moreover, federal transfers to provinces increased by 12.8 percent and increased to Rs 2,217.4 billion compared with Rs 1,965.8 billion last year. Under provincial tax revenues major contribution came from Sales tax on Services (GSTS) followed by Stamp duties and Motor vehicles during FY2018. Federal transfers contributed 84.7 percent and provinces own revenue receipts constituted 15.3 percent in total tax revenues during FY2018.

Table 4.8: Overview of Provincial Fiscal Operations								Rs billion
Items	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	July-March	
							FY2018	FY2019
A. Tax Revenue	1,365.7	1,596.2	1,744.5	2,145.4	2,287.6	2,618.8	1,928.9	2,066.9
Provincial Taxes	150.7	190.0	205.8	283.3	321.8	401.4	280.0	287.7
Share in Federal Taxes	1,215.0	1,406.3	1,538.7	1,862.2	1,965.8	2,217.4	1,648.9	1,779.1
B. Non-Tax Revenue	71.3	49.4	75.6	93.3	79.5	146.7	126.6	65.3
C. All Others	107.4	121.8	82.3	55.1	61.2	173.0	110.7	66.1
Total Revenues (A+B+C)	1,544.4	1,767.4	1,902.4	2,293.9	2,428.2	2,938.5	2,166.2	2,198.3
a) Current Expenditure	1,110.0	1,187.4	1,400.1	1,559.8	1,739.3	2,080.7	1,432.7	1,630.0
b) Development Expenditure(PSDP)	371.5	430.5	498.8	592.4	852.2	880.1	577.8	276.0
Total Exp (a+b)	1,481.6	1,617.9	1,898.9	2,152.2	2,591.5	2,960.9	2,010.4	1,906.0
Source: Fiscal Operations (various issues), Budget Wing								

Total provincial revenue grew by 21.0 percent during FY2018, of which tax revenue and non tax revenue posted a growth of 14.5 and 84.5 percent, respectively.

Provincial expenditures increased to Rs 2,960.9 billion with a 14.3 percent growth during FY2018 compared with Rs 2,591.5 billion (growth of 20.4 percent) in FY2017. Current expenditures increased to Rs 2,080.7 billion in FY2018 (a growth of 19.6 percent) against Rs 1,739.3 billion in FY2017 (growth of 11.5 percent). Development expenditures increased by 3.3 percent and reached to Rs 880.1 billion in FY2018 as compared to Rs 852.2 billion (an increase of 43.8 percent) in FY2017.

During FY2018, the provinces posted a cumulative deficit of Rs 17.5 billion against the revised fiscal surplus target of Rs 273.9 billion, and last year's actual fiscal deficit of Rs 15.9 billion due to higher expenditures and slow pace in revenue growth.



Performance during the period July-March, FY2019

Total revenues of provincial governments increased by 1.5 percent during Jul-Mar, FY2019 to Rs 2,198.3 billion as compared to Rs 2,166.2 billion (growth of 24.8 percent) during the same period of last year. The provincial tax revenues collection posted a growth of 2.8 percent during the period under review and stood at Rs 287.7 billion compared to Rs 280.0 billion last year. This growth primarily came from better collection of stamp duties, followed by excise duties and motor vehicle tax. GSTS which has a major share of 49.5 percent in provincial taxes, decreased by 4.7 percent during the period under review.

In contrast, non-tax revenue declined by 48.4 percent during Jul-Mar FY2019 as compared to 113.6 percent growth registered last year. Federal transfers to provinces increased by 7.9 percent during Jul-Mar, FY2019 against 16.0 percent increase during the same period last year.

On expenditure front, total expenditures declined by 5.2 percent to Rs 1,906.0 billion during Jul-Mar, FY2019 against Rs 2,010.4 billion (25.8 percent higher) last year. Provincial expenditures registered negative growth primarily due to development expenditures that reduced by 52.2 percent, which offset the sharp growth of 13.8 percent in current expenditures.

Provincial expenditures negative growth translated into provincial surplus. During the period Jul-Mar FY2019, overall provincial surplus increased to Rs 291.6 billion as compared to Rs 191.05 billion during the same period last year. For FY2019, provincial surplus is estimated at Rs 285.6 billion.

Public Financial Management Reforms in the Federal Government[5]

The present government has given highest priority to reforms for improvement of governance, economic management and public service delivery. In this regard, the Prime Minister constituted an Economic Advisory Council (EAC) headed by eminent economists and policy experts. One of the sub-groups of the EAC was dedicated to Public Financial Management reforms. Over the past few months EAC has reviewed the Public Financial Management Reforms Strategy and held various meeting to articulate and clarify the roadmap for reforms. These reforms are aimed at improving legal basis, decentralizing authority to improve management, strengthening fiscal discipline, enhancing revenue mobilization, broadening results-based management system, and improving coordination between Federal and provinces on public finance issues.

In addition, with support of the World Bank, Ministry of Finance in coordination with other relevant stakeholders, is implementing a Public Financial Management Reform Initiative under a Program for Results (P4R) modality. The main objective of the program is to improve system and process to improve management of public finances.

- **Assignment Account Procedure**:

  Assignment account procedures have been revised to make them more robust and effective. There scope has now been extended to current budget allocations as well, to cater the needs of autonomous bodies receiving funds from the Consolidated Fund. However, assignment accounts are prohibited for Ministries/ Divisions/ Departments/ sub-ordinate offices/ projects/ organization where government funding is an exclusive source of financing and those who submit their claims to AGPR/AG/DAO.

  In addition, the Principal Accounting Officers have been required to establish an Internal Audit Cell to improve internal controls. The Revised Procedures explicitly prohibit AGPR/DAO to

[5]MTBF secretariat, Budget Wing, Finance Division

endorse any cheque which are drawn in the name of project authorities or drawer/payer for lump sum transfer of funds from the Consolidate Fund to commercial bank accounts. National Bank of Pakistan will also refuse to honor such cheques.

The practice of allocating one-line budget will be discontinued to ensure transparency. Besides, the provisions with regard to control of expenditure, recording of expenditure and budgeting and reconciliation have been improved to ensure more accountability and transparency of public expenditure. However, the major intervention introduced through the revised procedures is sub-Assignment Accounts to facilitate those entities having field/regional offices, projects etc, spreading all over Pakistan. Sub/Assignment accounts will be allowed in exceptional circumstances on the recommendations of concerned Principal Accounting Officer. They will be constituted under the main assignment account and tagged with Customer Information Folio of the main assignment account by National Bank of Pakistan through IT system (core banking). The payments made from Sub-Assignment Account will be reflected in the main Assignment Accounts and expenditure booked accordingly. The process bypasses various internal controls therefore, the Principal Accounting Officer with the assistance of Internal Audit Unit, will ensure compliance of different provisions of the procedure for utmost transparency.

- **Procedure for Additional Budget through Supplementary Grants**:

  The Hon'ble Supreme Court of Pakistan in its judgment in Civil Appeal No. 1428-1436 of 2016 defined the Federal Cabinet as "Cabinet", therefore a procedure has been formulated to seek approval of the Cabinet by the Ministries/Division to obtain additional budget through supplementary grants.

Conclusion

Pakistan's fiscal accounts remained under intense pressure over the years owing to poor revenue collection and over run in current expenditures which caused a sharp increase in fiscal deficit in recent years. In addition, they limited the fiscal space available for public investment and expansion of social safety net. The fiscal deficit which was brought down to 4.6 percent of GDP in FY2016 has increased to 5.8 percent and 6.5 percent during FY2017 and FY2018, respectively. Whereas, during first nine months of CFY, fiscal deficit as percent of GDP stood at 5.0 percent as compared 4.3 percent in comparable period last year.

The present government has inherited the macroeconomic imbalances, however, the government is cognizant of this challenge and taken up on priority to revamp the fundamentals of economy. Sharp fiscal adjustment is dire need of time. In addition, improving fiscal federalism and strengthening provincial autonomy to rely less on federal transfers and more efforts on increasing revenues would help the federal government to meet additional financing requirements.

CHAPTER 5

Money and Credit

Monetary policy is an important tool to achieve price stability and manage economic fluctuations. Inflation targeting has emerged as the leading framework for monetary policy over recent decades in many advanced and in low income economies. Monetary policy role after global financial crises has extended as macro prudential policy which required strong institutional framework for financial stability and to achieve twin objectives of price and output stabilization.

Pakistan's economy witnessed a consumption led growth of 5.53 percent during preceding year FY2018. The incumbent government has inherited the economy facing multiple challenges including unsustainable twin deficits that pose serious risks to the economy. Hence, to correct the imbalances in the economy, authorities have taken steps to curtail the fiscal deficits and tighten monetary policy to contain demand. SBP has significantly tightened monetary policy, and allowed greater flexibility in the exchange rate adjustments to curb excessive aggregate demand and move towards macroeconomic stabilization.

This trend is in line with the global trends. The global economic expansion has weakened and projected to slow down from 3.6 percent in 2018 to 3.3 in 2019, before returning to 3.6 percent in 2020. Following a notable tightening of global financial conditions during second half of 2018, conditions have eased in early 2019 as the US Federal Reserve signaled a more accommodative monetary policy stance and markets became more optimistic about a US–China trade deal. The US federal funds rate is expected to increase to about 2.75 percent by the end of 2019. Policy rates are assumed to remain at close to zero in Japan through 2020 and negative in the Euro area until mid-2020[1].

SBP has adopted policy rate reversal and gradually increased it by a cumulative 650 bps since January, 2018. Despite increase in policy rate, Weighted Average Lending Rate (WALR) remained stable which translated into healthy private sector credit demand. Credit to private sector (CPS) increased to Rs 775.5 billion during FY2018 against Rs 747.9 billion last year. Significant increase in credit demand primarily came from working capital and fixed investment in the preceding year. During the period July-March, FY2019 CPS increased to Rs 554.7 billion compared with Rs 401.1 billion during same period of last year. Of which working capital loans received the major share and stood at Rs 369.0 billion compared to Rs 215.3 billion last year. While, fixed investment decelerated to Rs 83.1 billion against Rs 148.1 billion in the comparable period last year.

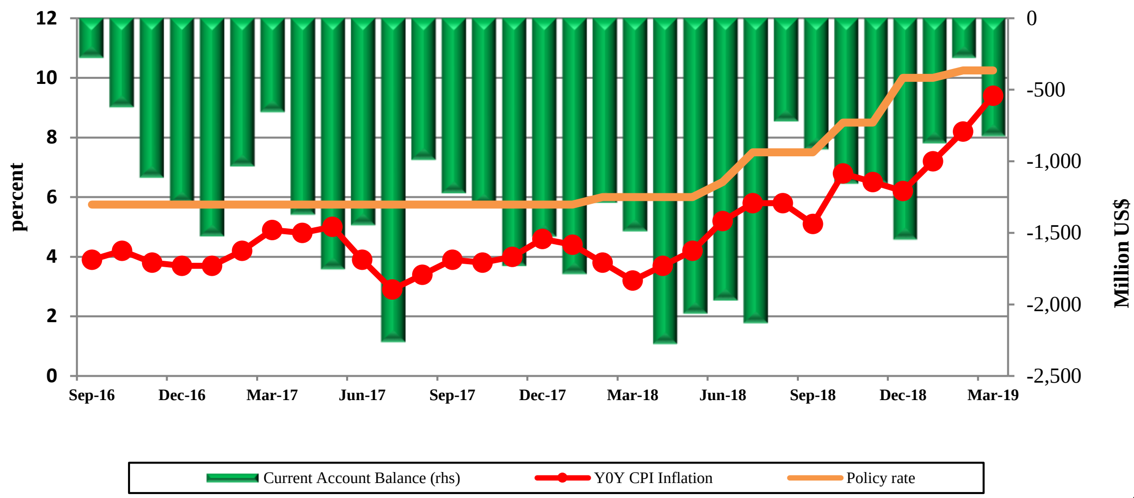
Table-5.1: Policy Rate

w.e.f	Policy rate
Jun-13	9.0
Sep-13	9.5
Nov-13	10.0
Nov-14	9.5
Jan-15	8.5
Mar-15	8.0
May-15	6.5
Sep-15	6.0
May-16	5.75
Jan-18	6.0
May-18	6.5
Jul-18	7.5
Oct-18	8.5
Dec-18	10.0
Feb-19	10.25
Apr-19	10.75
21st May-19 till date	12.25

Source: State Bank of Pakistan

[1] World Economic Outlook IMF, April 2019

Fig-5.1:Trend in Key Policy Indicators



Recent Monetary and Credit Developments

During the period 01 Jul-26 Apr, FY2019 money supply (M2) increased by Rs 625.3 billion (growth of 3.9 percent) compared with Rs 601.8 billion (4.1 percent) in comparable period of last year. Net Domestic Assets (NDA) is the main contributor to M2 growth. Net Foreign Assets (NFA) point contribution is negative and stood at (-5.5 percent) during the period under review compared with (-3.3 percent) in the same period last year. NDA point contribution has increased to 9.4 percent compared with 7.4 percent last year. NDA point contribution growth partially offset by NFA negative growth, thus overall money supply grew by 3.9 percent during the period under review.

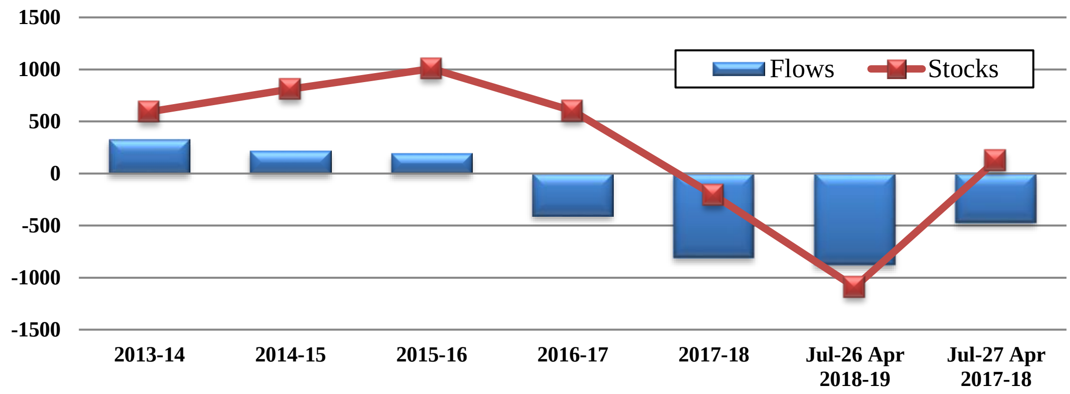
Table-5.2: Profile of Monetary Indicators **Rs Billion**

	FY18 (Stocks) R	26-Apr-19	27-Apr-18
Net Foreign Assets (NFA)	-208.4	-882.4	-475.4
Net Domestic Assets (NDA)	16,205.6	1,507.7	1,077.2
Net Government Borrowing	10,199.7	908.0	813.6
Borrowing for budgetary support	9,393.0	1,073.0	850.0
From SBP	3,613.4	3,204.7	1,316.1
from Scheduled banks	5,779.6	-2,131.7	-466.1
Credit to Private Sector (R)	5,973.0	580.9	498.5
Credit to PSEs	1,068.2	312.1	153.2
Broad Money	15,997.2	625.3	601.8
Reserve Money	5,484.6	488.0	260.5
Growth in M2 (%)	9.7	3.9	4.1
Reserve Money Growth (%)	12.7	8.9	5.4

Source: Weekly Profile of Monetary Aggregates, State Bank of Pakistan

On the other hand, reserve money posted an expansion of Rs 488.0 billion (growth of 8.9 percent) during 01 Jul-26 Apr, FY2019 against Rs 260.5 billion (5.4 percent) last year. SBP's NDA posted a growth of 22.5 percent compared with 18.18 percent during the same period last year. whereas, SBP's NFA decreased by Rs 743.8 billion compared with contraction of Rs 473.7 billion in the comparable period last year. Therefore, reserve money growth stemmed from NDA of the SBP whereas NFA outstanding stock remained negative during the period under review.

Fig-5.2:Net Foreign Asset



Within Broad Money, NFA of the banking sector further contracted to Rs 882.4 billion during 01 Jul-26 Apr, FY2019. During same period last year, it was contracted by Rs 475.4 billion. Therefore, SBA and scheduled bank's NFA remained negative during the period under review.

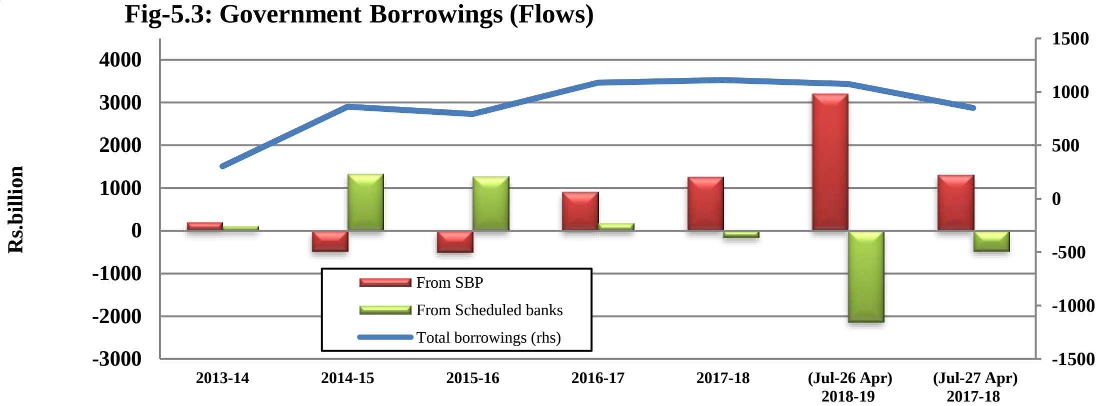
During the period 01 Jul-26 Apr, FY2019 NDA of the banking sector registered an expansion of Rs 1,507.7 billion (growth of 9.3 percent) compared with Rs 1,077.2 billion (7.7 percent) during the comparable period last year. NDA of SBP increased by Rs 1,132.5 billion as compared with Rs 661.5 billion during same period last year. The NDA of scheduled banks witnessed an expansion of Rs 375.1 billion compared to expansion of Rs 415.7 billion in the same period of last year. Government sector borrowing and private sector credit mutually impacted NDA growth of the banking system, which was more than offset the contraction in NFA of the banking system. Consequently, broad money growth increased to 3.9 percent during 01 Jul-26 Apr, FY2019 as compared to 4.1 percent during the comparable period last year.

Credit to Public Sector Enterprises (PSEs) increased by Rs 312.1 billion during the period 01 Jul-26 Apr, FY2019 against Rs 153.2 billion during the same period of last year.

Government Bank Borrowing

During 01 Jul-26 Apr, FY2019 government borrowed Rs 1,073.0 billion for budgetary support compared to Rs 850.0 billion in the same period last year, of which, government has borrowed from SBP Rs 3,204.7 billion as compared to Rs 1,316.1 billion last year. On the other hand, government retired Rs 2,131.7 billion to scheduled banks against retirement of Rs 466.1 billion in last year. Net government sector borrowing thus remained at Rs 908.0 billion during the period under review compared with Rs 813.6 billion last year.

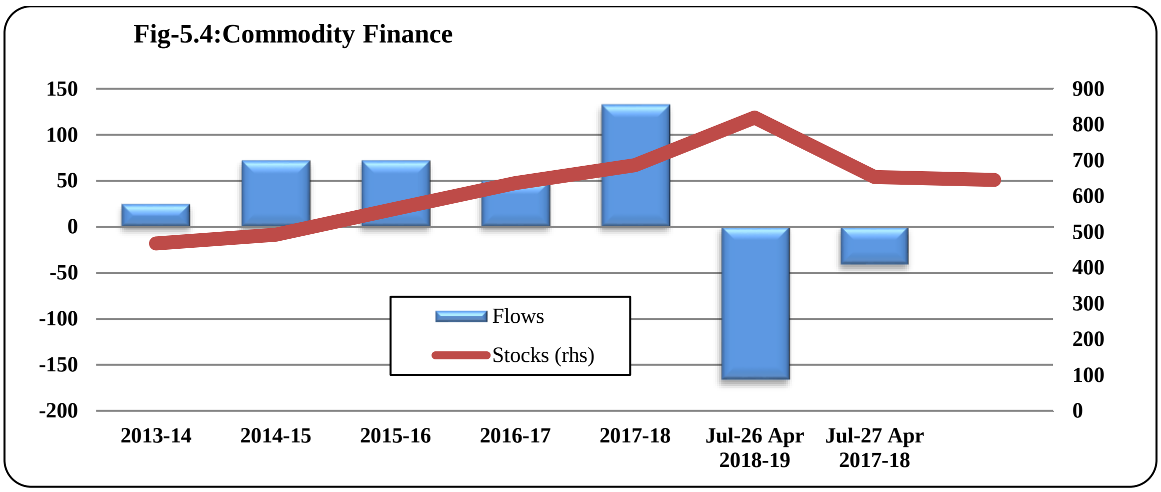
Fig-5.3: Government Borrowings (Flows)



Commodity Finance

The outstanding stock of commodity finance recorded a growth of 19.4 percent in FY2018 to Rs 819.7 billion compared with Rs 686.5 billion (growth of 7.8 percent) last year. In flows term, loan for commodity finance increased from Rs 49.9 billion in FY2017 to Rs 133.2 billion during FY2018.

During the period 01 Jul-26 Apr, FY2019 loans for commodity finance observed a net retirement of Rs 166.7 billion compared to the net retirement of Rs 40.9 billion during the same period of last year. The outstanding stock of commodity financing stood at Rs 652.9 billion as compared to Rs 645.6 billion last year.



Loans for wheat financing witnessed a net retirement of Rs 174.1 billion during the period 01 Jul-31 Mar, FY2019 compared with the retirement of Rs 55.4 billion in the comparable period of last year. The outstanding stock of wheat increased to Rs 553.24 billion compared with Rs 536.8 billion in the same period of last year.

The fertilizer financing observed net borrowing of Rs 5.1 billion during 01 Jul-31 Mar, FY2019 compared to the retirement of Rs 1.4 billion in the corresponding period of last year. Whereas, financing for sugar sector stood at Rs 2.75 billion against retirement of Rs 1.8 billion in the same period of last year.

Retirement of wheat loans are the sole contributor for net contraction in loans for commodity finance, whereas other commodities witnessed net borrowing during the period under review. Momentous increase in wheat loans retirement was due to significant offloading of wheat stocks to international markets on the back of recovery in global prices[2].

Credit to Private Sector3

Sufficient liquidity in interbank market with low and stable WALR remained instrumental for private sector credit cycle during FY 2018 as it touched to 8 years high credit to GDP ratio to 17.3 percent in FY2018. Private sector credit increased to Rs 775.5 billion in FY2018 compared with Rs 747.9 billion in FY2017. Significant increase in credit demand primarily stemmed from increase economic activities and industrial expansion requirement. Financing requirement for fixed investment grew but at slower pace. Credit demand for fixed investment reached to Rs 227.9 billion in FY2018 against Rs 253.0 billion in FY2017. Textile, sugar, cement and power sectors availed fixed investment loans

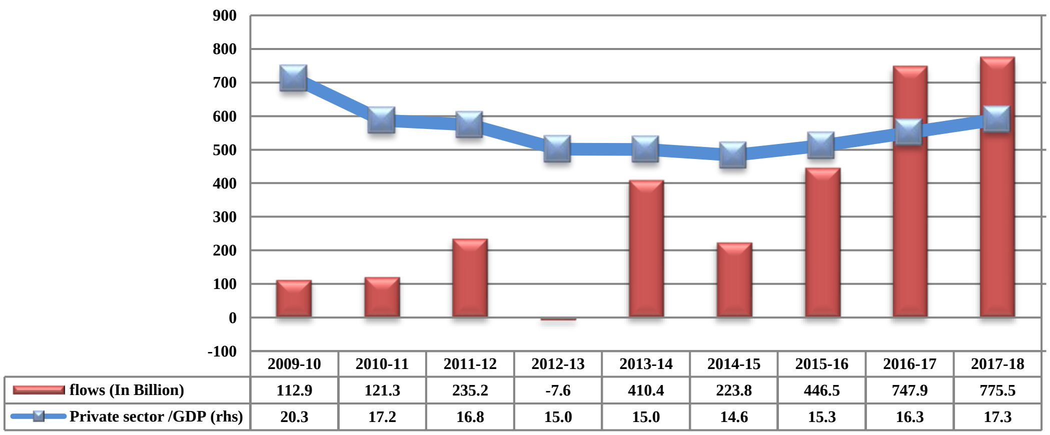
[2]Wheat price has been increased from $166.6/mt in 2016 to $205.8/mt in March 2019.

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

due to unchanged end users mark-up Long Term Financing Facility Rate (LTFF) and Export Finance Scheme Rate (EFS) during FY2018 despite increase in policy rate[4]. Working capital credit amounted to Rs 471.7 billion compared to Rs 367.4 billion during FY2017. Manufacturing sector remained the active borrower for working capital requirement.

During the period 01 Jul-26 Apr, FY2019, flows of private sector credit has seen expansion of Rs 580.9 billion compared with Rs 498.5 billion during same period last year, witnessing average growth of 9.7 percent during the period under review against 9.6 percent last year. YoY CPS growth increased to 15.1 percent as on 26th April, FY2019 against 14.7 percent during same period of last year.

Fig-5.5: Credit to Private Sector



Sectoral Analysis

Table-5.3: Credit to Private Sector — Rs Billion

Sectors	End Month Stocks				Jul-Mar (Flows)		Average (Jul-Mar) Growth Rates		YoY Growth	
	June-17	March-18	June-18	March-19	2017-18	2018-19	2017-18	2018-19	Jun-18	Mar-19
Overall Credit (1 to 5)	**4,728.9**	**5,188.8**	**5,481.9**	**6,069.8**	**459.9**	**587.8**	**9.7**	**10.7**	**15.9**	**17.0**
1. Loans to Private Sector Business	**3,936.8**	**4,337.9**	**4,594.7**	**5,149.4**	**401.1**	**554.7**	**10.2**	**12.1**	**16.7**	**18.7**
A. Agriculture	297.5	303.8	305.5	295.8	6.3	-9.7	2.1	-3.2	2.7	-2.6
B. Mining and Quarrying	40.3	46.5	42.7	55.3	6.2	12.6	15.4	29.4	6.1	19.0
C. Manufacturing	2,287.9	2,532.2	2,707.6	3,159.6	244.3	452.0	10.7	16.7	18.3	24.8
Textiles	689.1	807.7	807.0	980.8	118.6	173.9	17.2	21.5	17.1	21.4
D. Electricity, gas and water supply	352.4	402.4	399.5	458.7	50.0	59.1	14.2	14.8	13.4	14.0
E. Construction	136.8	150.6	164.4	152.6	13.8	-11.8	10.1	-7.1	20.2	1.3
F. Commerce and Trade	307.9	346.7	377.0	434.1	38.8	57.1	12.6	15.2	22.4	25.2
G. Transport, storage and communications	210.8	230.5	234.2	230.9	19.7	-3.2	9.3	-1.4	11.1	0.2
I. Other private business n.e.c	54.5	44.6	45.0	49.9	-9.9	5.0	-18.2	11.0	-17.5	12.0
2. Trust Funds and NPOs	**16.8**	**18.0**	**19.3**	**18.0**	**1.1**	**-1.3**	**6.6**	**-6.7**	**14.6**	**0.4**
3. Personal	**504.5**	**574.7**	**606.2**	**655.7**	**70.2**	**49.5**	**13.9**	**8.2**	**20.2**	**14.1**
4. Others	**6.2**	**2.4**	**4.0**	**5.0**	**-3.8**	**1.0**	**-61.8**	**24.5**	**-35.1**	**111.6**
5. Investment in Security & Shares of Private Sector	**264.6**	**255.8**	**257.7**	**241.6**	**-8.7**	**-16.0**	**-3.3**	**-6.2**	**-2.6**	**-5.5**

Source: State Bank of Pakistan

[4]End-user rate for (LTFF) was 6 percent (5 percent for textile) while for (EFS) it was 3 percent during FY18, SBP.

During Jul-Mar, FY2019 overall credit posted growth of 10.7 percent compared to 9.7 percent during corresponding period of last year. Loans to private sector businesses grew by 12.1 percent during first nine month of CFY against 10.2 percent during comparable period of last year.

Private Sector Businesses (PSBs), received 94.4 percent of CPS amounted to Rs 554.7 billion during Jul-Mar FY2019 against Rs 401.1 billion (87 percent of CPS) during same period of last year. Sectors which posted the higher credit expansion include Mining and Quarrying grew by (29.4 percent), followed by Manufacturing (16.7 percent) of which textile (21.5 percent), Commerce and trade (15.2 percent) and Electricity, Gas and Water Supply (14.8 percent). Sectors which remained the major beneficiaries of PSBs during first nine months of CFY include Manufacturing sector which received share of 81.5 percent (Rs 452.0 billion), followed by textile (31.3 percent or Rs 173.9 billion), Electricity, Gas and Water supply (10.7 percent or Rs 59.1 billion) and Commerce and Trade (10.3 percent or Rs 57.1 billion).

Table 5.4: Loans* to Private Sector Businesses — **Billion Rupees**

Description	Total credit		Working capital		Fixed investment		Trade financing	
	(Jul-Mar) FY18	(Jul-Mar) FY19	(Jul-Mar) FY18	(Jul-Mar) FY19	(Jul-Mar) FY18	(Jul-Mar) FY19	(Jul-Mar) FY18	(Jul-Mar) FY19
Total loans to private businesses	401.1	554.7	215.3	369.0	148.1	83.1	37.7	102.5
of which								
1) Manufacturing	244.3	452.0	123.4	290.8	83.0	51.6	38.0	109.6
i) Textiles	118.6	173.9	73.7	101.8	29.2	19.0	15.8	53.1
Spinning, weaving and finishing	104.8	147.9	69.9	93.1	30.7	13.5	4.2	41.3
ii) Chemicals	(55.9)	21.1	(33.9)	16.0	(11.8)	(0.1)	(10.2)	5.1
Fertilizer	(69.2)	3.5	(47.4)	7.7	(14.0)	(6.4)	(7.7)	2.2
iii) Food products & beverages	64.2	95.0	4.7	54.5	35.5	12.3	23.9	28.2
Rice processing	31.1	41.4	22.8	30.4	0.8	0.1	7.5	11.0
Edible oil and ghee	16.3	19.4	11.7	15.3	2.4	(3.2)	2.3	7.3
Sugar	25.2	34.9	7.3	9.0	11.2	14.1	6.7	11.9
iv) Basic and fabricated metal	15.7	22.1	17.4	18.1	(2.5)	2.6	0.8	1.4
v) Rubber, plastics and paper	4.1	3.9	3.6	2.2	(1.2)	(2.3)	1.7	3.9
vi) Electrical equipment	28.2	(0.4)	25.2	0.5	2.6	1.0	0.3	(1.9)
vii) Cement	35.9	33.4	10.0	4.7	24.2	20.8	1.7	8.0
2) Electricity, gas & water supply	50.0	59.1	49.5	15.8	(1.1)	48.2	1.5	(5.0)
3) Transport, storage & communications	19.7	(3.2)	(0.4)	8.7	21.5	(16.7)	(1.4)	4.8
Road transport	4.3	(3.9)	(0.7)	0.1	5.0	(4.1)	(0.0)	(0.0)
4) Construction	13.8	(11.8)	8.4	9.2	5.4	(20.7)	0.0	(0.3)
Road infrastructure	(1.9)	(0.1)	(0.6)	3.2	(1.3)	(3.6)	0.0	0.3
5) Real estate activities	24.9	22.1	9.4	12.6	13.7	9.6	1.8	(0.1)
6) Agriculture	6.3	(9.7)	0.8	(1.5)	6.5	(9.2)	(1.0)	1.0

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

Source: State Bank of Pakistan

By type of finance, total loans to private sector businesses increased from Rs 401.1 billion to Rs 554.7 billion during Jul-Mar, FY2019. Of which working capital credit received share of 66.5 percent of total private businesses loans to Rs 369.0 billion against Rs 215.3 billion in the same period of last year. Strong credit demand for working capital stemmed from manufacturing sector of which major contributors are textiles, food products & beverages, rice processing, refined petroleum, edible oil and ghee, fertilizer and motor vehicles manufacturers. Export oriented industries of textile and basmati rice availed higher credit due to higher raw material prices amid currency depreciation. Furthermore, firms expand their input purchases required to meet strong domestic and exports demand to EU. Significant increase in global crude oil prices also impacted on working capital financing.

Automobile sector's working capital increased largely owing to higher cost of components and accessories due to exchange rate depreciation, imposition of regulatory duties as well as cash margin requirements on the import of completely- and semi-knocked down units[5].

Fertilizer sector borrowed Rs 7.7 billion for working capital compared to the retirement of Rs 47.4 billion in the same period last year. Significant increase in fertilizer sector loans is due to revival in production and high input cost during the period under review.

Loans for fixed investment decelerated to Rs 83.1 billion during Jul-Mar FY2019 compared to Rs 148.1 billion during the same period last year. Manufacturing related sectors include textile, food product and beverages, electrical equipment and cement alongwith electricity, gas and water supply and real estate activities continued to increase their long term borrowing during the period under review. On the contrary, transport, storage and communication, construction and agriculture sector retired their long term loans during the period under review.

Table 5.5: Consumer Financing **Rs Billion**

	July-March (Flows)		Growth (%)	
Description	**2017-18**	**2018-19**	**2017-18**	**2018-19**
Consumer Financing	57.2	43.0	14.7	9.0
1) For house building	15.1	8.3	24.9	10.0
2) For transport i.e. purchase of car	34.6	17.7	23.0	9.1
3) Credit cards	4.7	4.0	15.7	10.6
4) Consumers durable	1.0	3.2	56.9	116.9
5) Personal loans	1.8	9.8	1.2	6.1
6) Other	6.8	1.5	165.0	19.7

Source: State Bank of Pakistan

Consumer financing credit demand contained to Rs 43.0 billion during Jul-Mar FY2019 (growth of 9.0 percent) compared to Rs 57.2 billion (growth of 14.7 billion) during same period of last year. Loans for auto financing usually had highest share in consumer loans decelerated to Rs 17.7 billion during the period under review against Rs 34.6 billion in the comparable period of last year. Similarly, the pace of house building loans slow down and stood at Rs 8.3 billion compared to Rs 15.1 billion in the comparable period of last year. Decelerated financing in house building and auto sector was observed due to government policies of banning on non-filers for purchase/registration on these two sectors through Finance Act, 2018. The restriction was relaxed to locally manufactured motor vehicle having engine capacity not exceeding 1,300 cc through finance supplementary (second Amendment) Bill, 2019.

On the contrary, personal loans increased by Rs 9.8 billion compared to Rs 1.8 billion during same period last year. Expansion in personal loans significantly outpaced the deceleration impact of auto and housing financing on overall consumer financing.

Monetary Assets

Monetary asset (M2) includes currency in circulation, demand deposits, time deposits and resident's foreign currency deposits. Money supply witnessed a growth of 3.9 percent during 01 Jul-26 Apr, FY2019 compared to 4.13 percent during same period last year. On YoY basis, it posted growth of 9.5 percent as on 26th April 2019.

Currency in Circulation (CIC)

CIC has seen expansion of Rs 389.5 billion (growth of 8.9 percent) during 01 Jul-26 Apr, FY2019 against Rs 279.0 billion (growth of 7.1 percent) during corresponding period of last year. Currency-

[5] Second Quarterly Report FY2019, SBP

to-M2 ratio increased to 28.7 percent as on 26th April 2019 against 27.6 percent in the same period last year.

Table 5.6: Monetary Aggregates **Rs Million**

Items	End June		26 April	
	2017	2018	2017-18	2018-19
A. Currency in Circulation	3,911,315	4,387,828	4,190,278	4,777,295
Deposit of which:				
B. Other Deposits with SBP	22,692	26,962	23,732	34,101
C. Total Demand &Time Deposits incl. RFCDs	10,646,875	11,582,372	10,968,673	11,811,023
of which RFCDs	655,340	829,355	768,196	938,268
Monetary Assets Stock (M2) A+B+C	14,580,882	15,997,162	15,182,684	16,622,420
Memorandum Items				
Currency/Money Ratio	26.8	27.4	27.6	28.7
Other Deposits/Money ratio	0.2	0.2	0.2	0.2
Total Deposits/Money ratio	73.0	72.4	72.2	71.1
RFCD/Money ratio	4.5	5.2	5.1	5.6
Income Velocity of Money	2.3	2.3	-	-

Source: State Bank of Pakistan

Deposits

During the period 01 Jul-26 Apr, FY2019 bank deposits (including demand, time and Resident Foreign Currency Deposits (RFCD) increased to Rs 228.7 billion (growth of 2.0 percent) compared with Rs 321.8 billion (growth of 3.0 percent) during the same period last year. Of which, RFCD amounted to Rs 108.9 billion during the period under review compared to Rs 112.9 billion during the comparable period last year. This expansion in banks deposits supports the interbank liquidity.

Table 5.7: Average Outstanding Open Market Operations[1] **Rs Billion**

	FY16	FY17	FY18	FY19*
Full Year	**1,268.9**	**1,045.8**	**1,228.7**	**136.5**
Q1	1,082.9	1,094.0	1,440.9	1,035.2
Q2	1,287.6	861.3	1,530.5	(257.6)
Q3	1,323.8	961.1	1,123.5	(641.2)
Q4	1,383.3	1,267.2	813.1	-

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

Monetary Management

Net liquidity conditions remained comfortable during first quarter of CFY and net injections increase to Rs 1.04 trillion compared with Rs 1.4 trillion during same period last year. In fact, government retired Rs 1.4 trillion to scheduled banks on account of sizable amount of government's paper maturity during the period under review. Excess liquidity and stable WALR reflects in healthy flows of private sector credit.

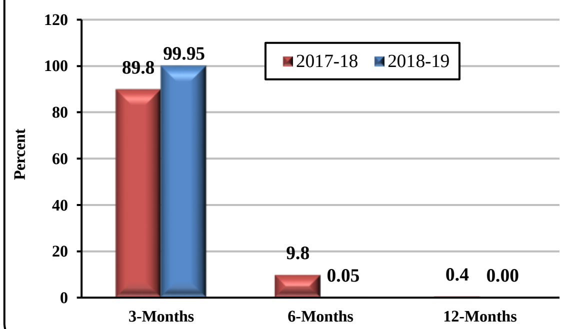
This trend continued during second and third quarter of this fiscal year. The government retired to scheduled banks which more than offset the liquidity requirement derived from both private sector and public sector enterprises. SBP continued with OMOs net absorption to keep the weighted average overnights rate close to policy rate. Accordingly, average outstanding OMOs remained negative by Rs 257.6 billion and Rs 641.2 billion (net absorption) during second and third quarter, respectively against net injection of Rs 1.5 trillion and Rs 1.1 trillion respectively, during the comparable period last year.

Table 5.8: Market Treasury bills Auctions										Rs Million
	Jul-Jun			Jul-Mar						
	2017-18			Offered		Accepted		W.A.Rate*	
	Offered	Accepted	W.A Rate*	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19
3-Months	19,826,420	16,231,950	6.4	13,339,720	14,960,868	10,976,213	13,802,533	6.1	8.7
6-Months	1,620,207	1,271,001	6.4	1,371,631	111,444	1,198,292	6,527	6.0	9.2
12-Months	86,406	47,687	6.0	86,054	8,870	47,687	0	6.0	0.0
Total	**21,533,033**	**17,550,638**		**14,797,405**	**15,081,182**	**12,222,192**	**13,809,060**		

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

During Jul-Mar, FY2019 market offered the total amount of Rs. 15,081.182 billion for T-Bills against Rs. 14,797.405 billion in the comparable period last year. In the T-bill's auction during current fiscal year, so far, the government has raised Rs 13,809.060 billion (91.6 percent of the offered amount) compared to last year accepted amount of Rs 12,222.2 billion (82.6 percent of offered amount). During the first nine months of current fiscal year, T-bills accounted 99.95 percent of the total accepted amount in 3 months followed by 0.05 percent in 06-months.

Fig-5.6: Contribution of T-bills



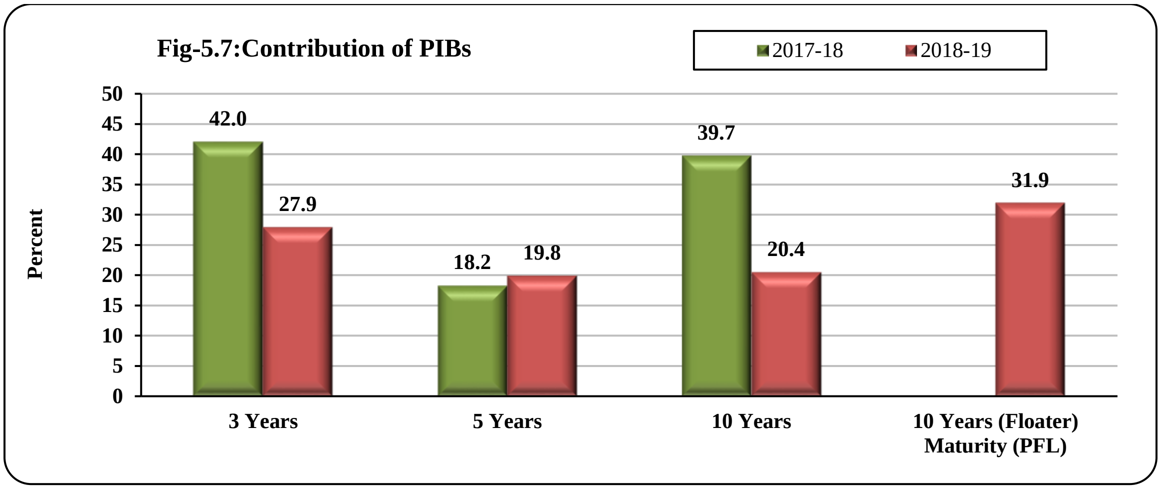
Almost the entire amount of Rs 13.8 trillion T-Bills comprised 3 months papers reflects the banks expectations of further policy rate hike in short run.

Market offered total amount of Rs.1.6 trillion during Jul-Mar, FY2019 under PIB auctions as compared to Rs. 218.8 billion in the same period last year. However, fixed rate PIBS accepted amount stood at Rs 441.0 billion against offered amount of Rs 1,123.1 billion. Fixed rate PIBs witnessed heavy investment in 3 years as it contributed 41 percent of accepted amount followed by 30 percent in 10 years and 29 percent in 5 years. On the other hand, floating rate PIBS accepted amount remained at Rs 206.4 billion under 10 years maturity or 43.2 percent of Rs 477.6 billion offered amount. Importantly, banks' bidding pattern in this auction clearly indicated that despite a 500 bps increase in policy rates between January 2018 and March 2019, medium term expectations regarding inflation and interest rates were quite entrenched[6].

Table 5.9: Pakistan Investment Bonds Auctions									Rs Million
PIBs	July-June			Jul-Mar				W.A Rate	
	Offered	Accepted	W.A Rate	Offered		Accepted			
	2017-18			2017-18	2018-19	2017-18	2018-19	2017-18	2018-19
3 Years	235,367	37,915	6.9	157,928	520,617	23,376	180,322	6.4	12.1
5 Years	48,467	14,932	7.7	24,085	268,914	10,150	128,451	6.9	11.0
10 Years	65,101	48,885	8.3	36,761	328,538	22,095	132,237	7.9	13.0
10 Years (Floater) Maturity (PFL)*	-	-	-	-	477,574	-	206,434	-	Benchmark + 70 bps
15 Years	-	-	-	-	-	-	-	-	-
20 Years	-	-	-	-	5,000	-	-	-	-
30 Years	-	-	-	-	-	-	-	-	-
Total	**348,935**	**101,732**		**218,774**	**1,600,643**	**55,621**	**647,443**		

*: The benchmark for coupon rate is defined in clause 'B' of DMMD Circular No. 9 dated May 07, 2018.
Note: Accepted amount include non-competitive bids as well as short sell accommodation.
Source: State Bank of Pakistan

[6]Second quarterly Report, FY2019 SBP

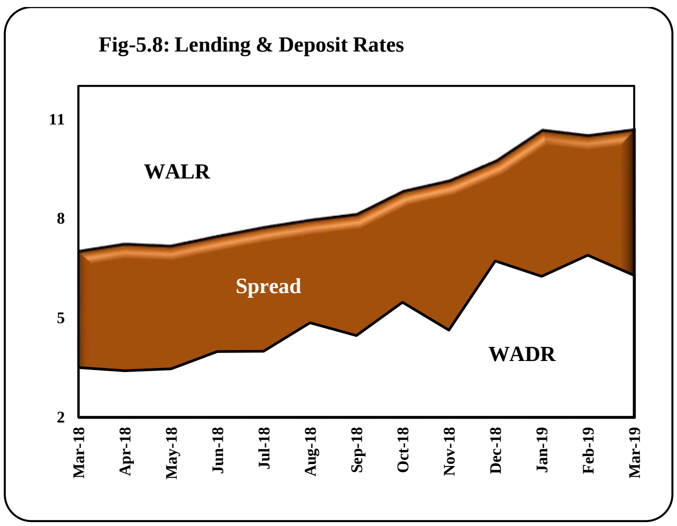


Following an increase in policy rate, WALR on gross disbursements also increased from 7.00 percent in March 2018 to 10.7 percent in March 2019. Similarly, Weighted Average Deposit Rate (WADR) offered on fresh deposits also increased from 3.5 percent in March 2018 to 6.3 percent in March 2019. Resultantly, banking spread which is the difference between the lending and deposit rates increased to 4.4 percent in March 2019 from 3.5 percent in March 2018. Easy liquidity conditions in the interbank market did not allow a complete transmission of the policy rate hike on the WALR helped the private sector maintained its borrowing momentum during the period under review.

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

	LR	DR	Spread
Mar-18	7.0	3.5	3.5
Apr-18	7.2	3.4	3.8
May-18	7.2	3.5	3.7
Jun-18	7.5	4.0	3.5
Jul-18	7.7	4.0	3.7
Aug-18	7.9	4.9	3.1
Sep-18	8.1	4.5	3.7
Oct-18	8.8	5.5	3.33
Nov-18	9.1	4.6	4.5
Dec-18	9.7	6.7	3.0
Jan-19	10.7	6.3	4.4
Feb-19	10.5	6.9	3.6
Mar-19	10.7	6.3	4.4

Source: State Bank of Pakistan



Similarly, the average lending rate on outstanding loans also increased to 10.69 in March 2019 from 7.6 percent recorded in March 2018. The average deposit rate increased from 2.95 percent in March 2018 to 5.01 percent in March 2019.

Financial Sector

During FY2019, finance and insurance sector posted growth of 5.14 percent. The banking sector has performed well despite some challenges during the CY18. Asset growth of banking sector moderated to 7.3 percent in CY18 compared with 15.9 percent in CY17. This deceleration is primarily stemmed from negative growth in net-investment (mainly in govt. securities) by 9.3 percent due to shift in government's borrowing from commercial banks to SBP. On the contrary, the net-advances registered a healthy and broad-based growth of 22.1 percent during CY18 (18.4 percent in CY17).

The key thrust came from the textile, energy, chemical and food sectors as well as individuals. The deposits, with a growth of 9.6 percent, provided the main funding support to the asset expansion. The deposit growth was mainly contributed by relatively more stable Current Account – Saving Account (CASA) deposits.

The asset quality has also improved further with Non-Performing Loans (NPLs) to Advances ratio sliding to 8.0 percent as of end December 2018 (8.4 percent in CY17). Prudent risk-based regulations have also helped the banking sector to maintain a strong solvency profile. Capital Adequacy Ratio (CAR) improved to 16.2 percent as of end December-2018; well above the minimum required level of 11.90 percent and global benchmark of 10.5 percent.

Table 5.11: Highlights of the Banking Sector Industry

	CY14	CY15	CY16	CY17	CY18
Key Variables (Rs. billion)					
Total Assets	12,106	14,143	15,831	18,342	19,682
Investments (net)	5,310	6,881	7,509	8,729	7,914
Advances (net)	4,447	4,816	5,499	6,513	7,955
Deposits	9,230	10,389	11,798	13,012	14,254
Equity	1,207	1,323	1,353	1,381	1,406
Profit Before Tax (ytd)	247	329	314	267	243
Profit After Tax (ytd)	163	199	190	158	150
Non-Performing Loans	605	605	605	593	680
Non-Performing Loans (net)	122	91	90	76	110
Key FSIs (Percent)					
NPLs to Loans (Gross)	12.3	11.4	10.1	8.4	8
Net NPLs to Net Loans	2.7	1.9	1.6	1.2	1.4
Net NPLs to Capital	10.1	7.7	7.3	5.8	7.8
Provision to NPL	79.8	84.9	85.0	87.2	83.8
ROA (Before Tax)	2.2	2.5	2.1	1.6	1.3
Capital Adequacy Ratio (all banks)	17.1	17.3	16.2	15.8	16.2
Advances to Deposit Ratio	48.2	46.4	46.6	50.1	55.8

Source: State Bank of Pakistan

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

Financial Development

A well-functioning financial system is considered as one of the key foundations for sustainable economic development. Many empirical studies indicate that there is a long-run positive relationship between financial development and economic growth. Financial depth or deepening can be measured through many proxies, but M2-to-GDP ratio is considered as the most comprehensive and commonly used measure. Increasing M2/GDP ratio mainly indicates more developed and efficient financial sector.

Table 5.12: Financial Depth

Years	M2/GDP
2009-10	38.9
2010-11	36.6
2011-12	38.1
2012-13	39.6
2013-14	39.6
2014-15	41.0
2015-16	44.1
2016-17	45.7
2017-18	46.2
26th April	
2017-18	43.9
2018-19	39.4

Source: EA Wing Calculation, Finance Division

This ratio is gradually increasing in Pakistan since FY2012 and reached at 46.2 percent in FY2018 as compared 38.1 percent in FY2012 on account of SBP financial sector reforms. Whereas, monetary assets/GDP ratio stood at 39.4 percent as on 26th April, 2019 against 43.9 percent last year.

State Bank of Pakistan (SBP) continued to strengthen its regulatory and supervisory regime during the FY2019. Further, SBP continued to align its regulatory and supervisory structure with the international best practices to strength the financial depth.

Box-I: Financial Reforms

During July-March FY2019, various regulatory and policy reforms were undertaken by SBP have been highlighted: -

- **Strengthening of Regulatory and Supervisory Environment**

  A conducive regulatory and supervisory environment is essential for the development of financial industry and overall financial stability. SBP remains committed to ensuring up to date regulatory and policy settings. In this regard, the key reforms introduced by SBP are given below:

- **Regulatory Reforms**

1. SBP has initiated various regulatory changes to align Anti Money laundering (AML) and Combating the Financing of Terrorism (CFT) regulations with the Financial Action Task Force (FATF) recommendations. The following measures were taken in this regard:

- SBP advised all banks/DFIs to conduct biometric verification of all existing accounts till 30th June 2019. Further, it has been reiterated that banks/DFIs must ensure strict observance of all applicable instructions including identification and verification of customers and their beneficial owner(s) and obtain information on the purpose and intended nature of business relationship[7].
- SBP has made various amendments in the existing AML/CFT regulations to cover potential risk areas. These amendments will ensure better understanding for implementation of AML/CFT requirements by banks/ DFIs in areas, including customer due diligence (CDD), correspondent banking, wire transfers/ funds transfers and minimum documents required for opening of accounts by the customers. Further, the existing Prudential Regulations on AML/CFT for MFBs were also strengthened.
- In terms of changes made in Fit & Proper Test (FPT) criteria, bank's sponsor shareholders/beneficial owners, directors, presidents and key executives (appointments subject to FPT) would stand disqualified if they are designated/proscribed or associated directly or indirectly with designated/proscribed entities/persons under United Nations Security Council Resolution or Anti-Terrorism Act 1997.
- In order to ensure strict compliance of Statutory Regulatory Orders (SROs) and Notifications issued by the Government of Pakistan under the United Nations (Security Council) Act, 1948 and the Anti-Terrorism Act (ATA), 1997, detailed guidelines for Exchange Companies were issued on Targeted Financial Sanctions (TFS).

2. SBP has issued a comprehensive Governance Framework for Bank's overseas operations in 2018. The framework will be helpful for the improvement in governance structure and risk management in the overseas operations of banks.

3. To promote mortgage financing, Pakistan Mortgage Refinance Company (PMRC) commenced its operations in 2018. To facilitate mobilization of low cost housing finance in Pakistan, all banks, MFBs and DFIs have been exempted from maintenance of Cash Reserve Requirements (CRR) and Statutory Liquidity Requirements (SLR) on funds borrowed from PMRC[8].

4. Following improvements have been made in the **foreign exchange regime**:

   - Keeping in view the changing dynamics of the foreign exchange market, SBP has revised the Foreign Exchange (FE) Manual in consultation with different stakeholders. The revisions were introduced in areas related to instructions regarding Authorized Dealers, Foreign Currency Loans, Overdrafts and Guarantees, Forward Exchange Facilities etc.
   - The facility allowed the importers to make advance payments for imports against letters of credit and invoices which was withdrawn in July 2018. However, the Authorized Dealers (Banks) were allowed to approach SBP for special permission on case to case basis where the matter merits consideration. Moreover, SBP relaxed the above restrictions and allowed import advance payments up to USD 50,000 for import of life saving medicines and devices.

[7] BPRD Circular Letter No.18 of 2018

[8] DMMD Circular No. 08 & No. 09 of 2019

- Subsequently, on the basis of recommendation of Ministry of Commerce and in light of requests received from various industry stakeholders, SBP has further relaxed the import advance payment restrictions and has allowed the Authorized Dealers (Banks) to effect advance payments up to USD 10,000 per invoice on behalf of importers cum exporters for import of raw materials, accessories and spares.
- In order to ensure that all outlets of Exchange Companies and Exchange Companies of 'B' Category carry out business activities as per their terms of authorization and public is also made aware of the same, all Exchange Companies were advised to display signboards, stating their names and type of outlet i.e. Head Office, Branch, Franchise, Payment Booth, Currency Exchange Booth etc. Moreover, to ensure efficient and transparent services to customers, instructions have been issued to display updated and detailed Schedule of Charges in their outlets.

➢ **Supervisory Reforms**

- Branchless banking (BB) has emerged as a significant part of the wider banking system. Considering its increasing importance in the banking system, relevant inspection framework has been devised to improve supervision effectiveness and identification of risks.
- SBP has made strides in development of Risk Based Supervision (RBS) framework. Under the umbrella of RBS, a comprehensive assessment of IT systems of the supervised financial institutions, Information Systems' Inspection Framework (ISIF) was developed. Moreover, for institutional capacity building, SBP has entered in a Long Term Country Engagement Program (LTCE) with Toronto Centre (TC), Canada from July 2018- December 2020.

➢ **Reinforcing Measures for Financial Stability and Systemic Risk Assessment**

- Strengthening Institutional Framework: SBP has established a Financial Stability Executive Committee (FSEC) to discuss financial stability developments and consider formulating policy responses to address relevant issues. In addition, a proposal for creation of a National Financial Stability Council comprising of SBP, SECP and Ministry of Finance is also under consideration.
- Systemically important banks are critical for financial stability & overall economy. Owing to their large-scale interconnectedness, their failure can result in heavy losses to the real economy. SBP introduced the Framework for Domestic Systemically Important Banks (D-SIBs) in Pakistan in April 2018, for enhanced regulation and supervision, consistent with international standards and practices and dynamics of the domestic financial sector. Based on the designation criteria outlined in the framework, SBP has designated Habib Bank Limited (HBL), National Bank of Pakistan (NBP) and United Bank Limited (UBL) as D-SIBs. These banks are required to meet enhanced supervisory and regulatory requirements, including the Higher Loss Absorbency Capital surcharge in the form of additional core equity tier-1 capital (CET1) ranging from 1.5-2%.[9]
- To operationalize the working of deposit protection and to promote consumer's confidence in the banking system, the Deposit Protection Corporation (DPC) rolled out a deposit protection mechanism for banking companies (including Islamic Banks) effective from July 01, 2018. The mechanism is in compliance with its statute (DPC Act, 2016) and generally aligned with Core Principles for Effective Deposit Insurance Systems issued by International Association of Deposit Insurers (IADI).The guarantee amount has been determined by the Corporation at Rs. 250,000 per depositor per bank. The protected depositors shall be paid up to the guarantee amount in an unlikely event of a bank failure[10].

➢ **National Financial Inclusion Strategy (NFIS) - Implementation progress:**

- Under NFIS, Pakistan is pursuing a target of ensuring 50% adult population is financially included by 2020 from the level of 23 percent measured under Access to finance Survey 2015, whereas the broader objective remains to achieve universal financial inclusion by promoting digital financial services and increasing priority sector lending like agriculture, SME, Islamic Banking & low cost housing finance.

➢ Following initiatives have been taken for the NFIS implementation:

- Under the NFIS platform, SBP has developed the Asaan Mobile Account (AMA) Scheme, which provides an integrated platform allowing any person with a basic mobile phone to open a digital

[9]The designated D-SIBs will be required to meet enhanced supervisory and regulatory requirements by end of March 2019.
[10] DPC Circular No. 04 of 2018

transaction account swiftly through a Unified Unstructured Supplementary Service Data (USSD) code from anywhere, at any time.

- In order to foster innovations for adoption of digital financial services, an Innovation Challenge Facility (ICF) was launched. The facility aimed to provide support to financial service providers, financial technology providers and institutions to develop new or expand on existing digital financial products, services and delivery platforms that will increase financial access for people living at the bottom of the pyramid. The facility has been widely advertised in leading newspapers to invite proposals. Total 11 proposals were received till December 2018, which have been reviewed by the Evaluation Committee that draws representation from SBP, Pakistan Telecommunication Authority (PTA), Department for International Development (DFID) UK and private sector.

➢ **NFIS Extended Action Plan 2023:**

Recently, Government of Pakistan has prioritized NFIS as part of its 100 days agenda to achieve inclusive economic growth through enhance access to finance & deposit base, promotion of small & medium enterprises, easy & affordable access to finance to farmers, facilitation in low cost housing finance and provision of Shariah compliant banking solutions.

In this connection, the government has set following headline targets to be achieved by 2023:

- Enhance usage of Digital Payments (65 million active digital transaction accounts, with gender segregation of 20 million accounts by Women)
- Enhance Deposit Base (Deposit to GDP ratio to 55%)
- Promote SME Finance (Extend finance to 700,000 SMEs; 17% of the private sector credit)
- Increase Agricultural Finance (Serve 6 million farmers through digitalized solutions; enhance annual disbursement to Rs.1.8 trillion)
- Enhance share of Islamic Banking (25 percent of the banking industry; increase branches of Islamic banks to 30 percent of the banking industry)

The plan has been developed after comprehensive industry wide consultation and analysis, while specific timelines and responsibilities have been allocated against each target.

Source: State Bank of Pakistan

Islamic Banking

Islamic Banking Industry (IBI) has grown considerably since re-launched in 2001-02. Assets of IBI posted growth of 17.0 percent and stood at Rs 2,658.0 billion in CY18 compared with Rs 2,272.0 billion (growth of 22.6 percent) in CY17. On the other hand, deposits of IBI increased by 16.9 percent and reached to Rs 2,203.0 billion in CY18 against Rs 1,885 billion(19.8 growth) in CY17. Market share of Islamic Banking assets and deposits in the overall banking industry was recorded at 13.5 percent and 15.5 percent, respectively in CY 18 compared with 12.4 and 14.5 percent, respectively in last year.

Table 5.13: Islamic Banking Industry

	CY14	CY15	CY16	CY17	CY18
Total Assets (Rs. Billion)	1,259.0	1,610.0	1,853.0	2,272.0	2,658.0
Total Deposits (Rs billion)	1,070.0	1,375.0	1,573.0	1,885.0	2,203.0
Share in Banks' Assets(Percent)	10.4	11.4	11.7	12.4	13.5
Share in Banks' Deposits (Percent)	11.6	13.2	13.3	14.5	15.5

Source: State Bank of Pakistan

In terms of number of providers, 22 Islamic Banking Institutions (IBIs) (5 full-fledged Islamic banks, 16 conventional and one specialized bank (Zarai Taraqiati Bank Limited) are providing Shariah compliant products and services through their network of 2,851 branches spread across 113 districts of the country. During CY18, 270 branches were added to branch network of Islamic banking industry. Further, Islamic Banking branches operated by conventional banks were recorded at 1,288 by end December 2018.

Investments (net) of IBI reduced by Rs 20 billion (-3.7 percent) during the period under review and recorded at Rs 515 billion by end December 2018 compared to Rs 535 billion in the previous quarter. Financing and related assets (net) of IBI witnessed expansion of Rs 146 billion (10.7 percent) during the last quarter of CY18 and stood at Rs 1,511 billion compared to Rs 1,365 billion in the previous quarter. Of which full-fledged IBs and IBBs of conventional banks registered growth of 11.3 and 9.7 percent, respectively for financing and other related assets.

Profit before tax of IBI was recorded at Rs. 34 billion by end December 2018 against Rs. 23 billion in the same quarter last year. Profitability ratios like return on assets and return on equity (before tax) were recorded at 1.4 percent and 22.3 percent, respectively by end December 2018 compared to 1.1 and 17.1 percent, respectively during the same period last year.

In terms of mode wise financing breakup, the share of Diminishing Musharaka remained highest in overall financing of IBI followed by Musharaka and Murabaha.

Table 5.14: Financing Products by Islamic banks

Percent Share

Mode of Financing	**CY14**	**CY15**	**CY16**	**CY17**	**CY18**
Murabaha	30.1	24.5	15.8	13.2	13.6
Ijara	7.7	6.6	6.8	6.4	6.2
Musharaka	11	14	15.6	22	19.9
Mudaraba	0.1	0	0	0	0
Diminishing Muskaraka	32.6	31.7	34.7	30.7	33.3
Salam	4.5	5.3	4.4	2.8	2.4
Istisna	8.3	8.6	8.4	8.2	9.1
Qarz/Qarz-e-Hasna	0.0	0.0	0.02	0.1	0.0
Others	5.6	9.3	14.3	16.7	15.5
Total	100	100	100	100	100

Source: State Bank of Pakistan

Microfinance

During FY 2019, besides initiatives aimed at enhancing financial inclusion. State Bank provided active guidance to Microfinance Banks (MFBs) to further strengthen their internal controls and deterrence towards Money Laundering, Terrorist Finance and other related unlawful activities.

At the close of quarter ended December 2018, around 44 institutions reported provision of microfinance services. These included eleven deposit taking microfinance banks (MFBs), one Islamic Banking Institution (MCB Islamic Bank while others were Non-Bank Microfinance Companies (NB-MFCs)[11].

On a YoY basis, the sector was able to expand its retail business network to 4,239 adding 566 new business locations as of December 2018 compared to last year. Performance of the microfinance industry is presented in following table, which depicts increasing trend in all major indicators over the period.

Table 5.15: Microfinance Industry Indicators

Indicators	**Dec-17**	**Dec-18**	**YoY Growth**	
			Absolute change	**%**
Number of Branches	3,673	4,239	566	15.4
Total No. of Borrowers	5,800,457	6,936,554	1,136,097	19.6
Gross Loan Portfolio (Rs billion)	202.70	274.70	72	35.5
Average Loan Balance	48,695	55,173	6,478	13.3

Source: State Bank of Pakistan

At the fall of CY2018 (i.e. 2nd quarter of FY19), eleven MFBs and MCB-Islamic Bank were involved in extending complete range of micro-banking services.

[11] Include specialized microfinance institutions, rural support programs besides organizations running microfinance as a part of their multi-dimensional service offering.

Table 5.16: Microfinance Banking Indicators Rs Billion

Indicators	Mar-18	Mar-19	Growth in (%)
No. of Branches	916	1,087	18.67
Number of Borrowers	2,777,164	3,371,695	21.41
Gross Loan Portfolio	152	201.27	32.70
Deposits	189	236.02	25.10
Number of Depositors	25,492,075	36,111,999	41.66
Equity	36	48.44	35.36
Assets	255.03	325.22	27.52
Borrowings	14.05	19.95	41.98
NPLs	1.80%	3.28%	-

Source: State Bank of Pakistan

Initiatives for Promotion of Microfinance

SBP has allowed MFBs to open accounts of Afghan refugees holding Proof of Registration (PoR) Cards, issued by NADRA as acceptable identity document.

SBP has enhanced the lending limits under 'Housing Finance' for MFBs by increasing the maximum loan size from Rs. 500,000 to Rs. 1,000,000. Moreover, the restriction to maintain 60% of housing portfolio within the loan limit of Rs. 250,000/- is also being removed.

The federal government vide Second Supplementary Finance Bill FY2019, has announced that with effect from 1st July 2019, reduced rate of taxation @ 20% (instead of 35%) on interest income of Banking Companies from additional advances to micro, small and medium enterprises; low cost housing finance and farm credits for four years (from Tax Year 2020 to Tax Year 2023) subject to fulfilment of certain conditions. This would further encourage MFBs to extend credit to priority sectors.

To provide relief to adversely affected borrowers in eight calamity affected districts of Sindh namely Tharparkar, Umer Kot, Sanghar, Thatta, Jamshoro, Dadu. Badin and Kamber Shahdad Kot, microfinance banks were advised to undertake all possible measures in line with Prudential Regulation R-9; 'Rescheduling/Restructuring of Loans.'

Branchless Banking (BB) Performance

All key indicators of Branchless Banking exhibited promising growth during the FY 2019, which shows that the digital channel is gradually paving its way in the previously excluded masses to provide them an easier access to the basic financial services.

Table 5.17: Performance of BB Indicators

Indicators	Mar-18	Mar-19	Growth (in %)
Number of Agents	403,100	408,980	1.5
Number of Accounts	38,507,887	51,809,393	34.5
Deposits (Rs Million)	17,051	30,263	77.5
No. of Transaction (in Thousands)	532,743	842,267	58.1
Value of Transactions (Rs Million)	2,269,482	2,980,743	31.3

Source: State Bank of Pakistan

Conclusion

The overall macroeconomic environment remained challenging towards the end of FY2018. Twin deficits on fiscal and external front, emerging inflationary pressure and excessive aggregate demand contributed challenges for the economy. The government has started homegrown macroeconomic stabilization program. The thrust of stabilization efforts is on monetary and fiscal tightening to control aggregate demand and inflation targeting. This allowed SBP to take a cautionary stance on changing the policy direction by increasing the policy rate by a cumulative 650 bps since January, 2018.

Economy is responding to stabilization measure on external front but near term challenges suggests more macroeconomic adjustments for some time. Efficacy of monetary policy required prudent fiscal management, balance of payment support in coming years.

CHAPTER 6

Capital Markets and Corporate Sector

Economic growth in a modern economy hinges on efficient capital markets which pool domestic savings and mobilize foreign capital for productive investments. A sophisticated capital market supports government and corporate initiatives, finances new ideas and facilitates the management of financial risk, thereby ensuring that the funds are used for the pursuit of socioeconomic growth and development.

In particular, there are two categories of financial instruments in which markets are involved: equity securities (also known as stocks) and debt securities (also known as bonds). Both of these instruments are issued for medium-term and long-term durations, usually having terms of one year or more. These financial assets induce savers to lend to the government and businesses, leading to an expansion of trade and industry in both public and private sectors.

Two types of markets exist for these instruments, the primary and the secondary markets. In primary markets, stocks and bonds are issued directly from companies to investors, businesses and other institutions. In the secondary markets, existing securities are sold and bought among investors or traders.

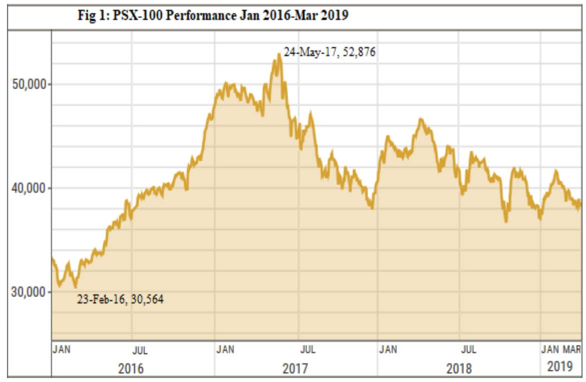
Over the past few decades, globally there has been an upsurge in capital market activity, mainly contributed by the emerging markets. This suggests the growing recognition of the capital market as a tool for fast-tracking economic progress in developing economies.

In Pakistan, the capital markets consist of the Pakistan Stock Exchange (PSX), the National Clearing Company of Pakistan Limited (NCCPL), the Central Depository Company (CDC), and the Pakistan Mercantile Exchange Limited (PMEX). The Securities Exchange Commission of Pakistan (SECP) serves as a regulatory body for smooth functioning of these capital markets.

Pakistan Stock Exchange Performance

Pakistan entered a new era of equity trading after merger of Karachi Stock Exchange (KSE), Islamabad Stock Exchange (ISL) and Lahore Stock Exchange (LSE) into PSX on January 11, 2016, which enhanced the operating efficiency of Pakistan's Capital Market and provided all players with a single, deep liquidity pool and fully integrated national equity trading platform. This merger, alongside other SECP reforms and Morgan Stanley Capital International (MSCI)'s classification of Pakistan as an Emerging Market in June 2016, has increased interest in Pakistan's financial markets in the last couple of years.

The PSX index has increased from 33,229 points as on January 1, 2016, to 38,649 as on March 31, 2019, a rise of 16 percent. Fiscal year 2016-17 witnessed steep rise in the index, peaking at 52,876.46 on May 24, 2017; however, it could not be sustained, and the index recorded an overall oscillating trend during fiscal year 2017-18. The start of new fiscal year 2018-19 witnessed the market again gaining momentum, reaching the highest point of 43,557 on July 30, 2018, after which it started moving down, and reaching period's lowest closing point of 36,663 on October 16, 2018. The behaviour might be linked to new government's policy actions in the form of regulatory measures and exchange rate depreciation to correct the underlying imbalances in the economy, particularly fiscal and current account deficits alongside overheating of the economy.



The index saw rising trend after business-friendly policies were introduced in the mini-budget of January 2019, though Indian incursions in Pakistani territories on February 26, 2019, and subsequent border tensions led to a decrease in confidence in the market, and index closed in at 38,649 points on March 31, 2019, whereas market capitalization was Rs.7,868.6 billion.

The average daily value traded (T+2) in the first nine months of FY 2019 was Rs. 7.2 billion and the average daily turnover was 170 million shares. The average daily trade value in futures was Rs. 2.9 billion and the trading volume was 71 million shares during the period.

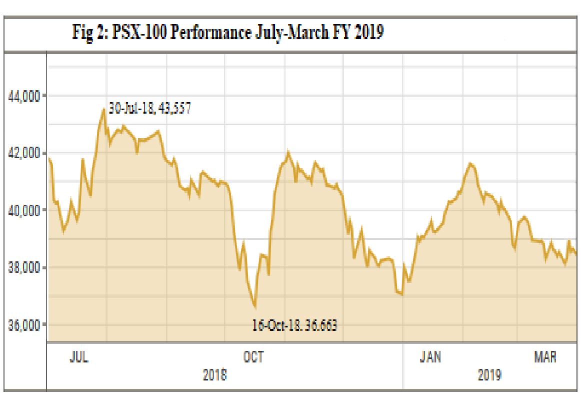
The total funds mobilized between July 2018 and March 2019 in the national stock exchange amounted to Rs. 22,350 million, as compared to Rs. 14,222 million in the corresponding period last year. This comprised of capital of new listings totaling Rs. 1,467 million, debt amount listed totaling Rs. 14,000 million and right issues equating Rs. 6,884 million.

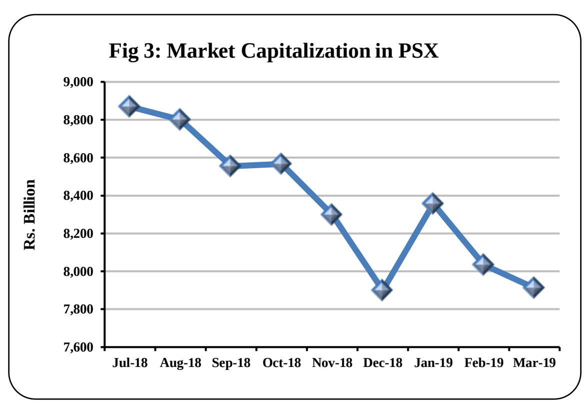
The monthly trends of the leading stock market indicators are given in Table 6.1 and Figures 2 and 3:

Table 6.1: Leading Stock Market Indicators on PSX (KSE-100 Index: November (1991=1000)

Months	2017 - 2018			2018 - 2019		
	PSX-100 Index (End Month)	Market Capitalization (Rs. Billion)	Turnover of shares (Billions)	PSX-100 Index (End Month)	Market Capitalization (Rs. Billion)	Turnover of shares (Billions)
Jul	46,010.45	9,460.71	3.68	42,712.43	8,869.17	3.75
Aug	41,206.99	8,558.63	4.44	41,742.24	8,800.62	3.60
Sep	42,409.27	8,890.37	2.91	40,998.59	8,554.98	2.49
Oct	39,617.19	8,385.30	3.26	41,649.36	8,567.18	5.03
Nov	40,010.36	8,496.88	2.47	40,496.03	8,299.56	4.16
Dec	40,471.48	8,690.95	2.93	37,066.67	7,899.56	2.71
Jan	44,049.05	9,261.46	5.50	40,799.52	8,357.10	3.15
Feb	43,239.44	9,154.87	3.87	39,054.60	8,034.66	2.88
Mar	45,560.30	9,489.73	4.04	38,649.34	7,911.84	2.17
Apr	45,488.86	9,515.55	4.39	-	-	-
May	42,846.64	9,031.66	2.96	-	-	-
Jun	41,910.90	8,779.96	2.95	-	-	-

Source: Pakistan Stock Exchange





The foreign investors offloaded securities worth US$ 373 million which was absorbed by domestic investors, Banks/DFIs, companies and insurance companies. The strong buying by local investors has shown the confidence of the investors in Pakistan equity market. Going forward it is expected that the market will move in upward trajectory.

Table 6.2: Local Investors' Portfolio Investment (LIPI) during Jul-Mar FY 2019

Local Investors	Gross Buy	Gross Sell	Net Buy / (Sell) Rs.	Net Buy / (Sell) US$
Individuals	1,050,599,989,305	-1,032,925,411,467	17,674,577,838	144,062,227
Companies	78,979,955,533	-69,887,093,299	9,092,862,234	72,967,481
Banks / DFI	48,524,817,514	-45,670,269,956	2,854,547,558	21,748,721
Non-Banking Finance Companies (NBFCs)	4,418,772,177	-4,674,707,595	-255,935,418	-1,857,085
Mutual Funds	125,044,531,509	-132,591,666,117	-7,547,134,608	-59,204,118
Other Organizations	22,503,011,252	-19,198,199,858	3,304,811,394	27,497,522
Broker Proprietary Trading	315,365,859,020	-315,878,465,409	-512,606,389	-5,899,114
Insurance Companies	86,195,100,877	-64,826,995,156	21,368,105,721	173,663,932
LIPI Net	**1,731,632,037,188**	**-1,685,652,808,858**	**45,979,228,330**	**372,979,653**

Source: Pakistan Stock Exchange

Other stock market indicators witnessed mixed trends as well. The turnover of shares on the Pakistan Stock Exchange during July-April 2018-19 was 42.9 billion, compared to 46.5 billion shares in the twelve months of fiscal year 2017-18. Total paid-up capital with the PSX increased from Rs 1,297.4 billion in June 2018 to Rs 1,336.7 billion in April 2019. Two new companies were listed with the PSX during July-April 2018-19, as compared to six companies in the fiscal year 2017-18.

Table 6.3: Profile of Pakistan Stock Exchange

	2014-15	2015-16	2016-17	2017-18	2018-19 (end Apr'19)
Total Listed Companies	560	559	560	558	546
New Listed Companies	9	4	5	6	2
Total Listed Capital (Rs. Million)	1,189,518.9	1,289,081	1,317,220	1,297,375	1,336,726
Total Market Capitalization (Rs. Million)	7,421,031.6	7,588,472.2	9,522,358	8,665,045	7,451,989
Total Shares Volume (Million)	57,204	55,430.3	88,599	46,532	42,877
Average Daily Shares Volume (Millions)	233	221	363	187	114.95

Source: Pakistan Stock Exchange

Performance of Global Stock Market Indices

Pakistan Stock Exchange-100 Index was ranked the best market in Asia and fifth best performing stock market in the world in the year 2016 by Bloomberg and was calculated to have provided total return of 46 percent for the fiscal year 2017. However, due to political uncertainties and macro-economic adjustments in the last two fiscal years, the impressive growth could not be maintained, with PSX-100 showing fluctuating tendencies. It fell by 7.8 percent between July 2018 and March 2019.

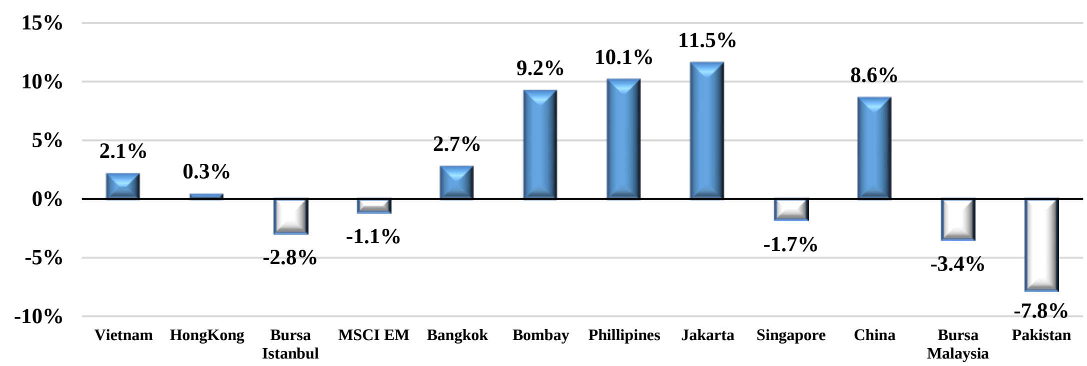
Table 6.4: Global Stock Indices during Jul-Mar FY 2019

Sr. No.	Country	Stock Name	Percentage Change Jul-Mar FY19
1	Vietnam	Ho Chi Minh Stock index	2.1%
2	Hong Kong	Hang Seng Index	0.3%
3	Bursa Istanbul	Borsa Istanbul 100 index	-2.8%
4	MSCI EM	MSCI Emerging Markets Index	-1.1%
5	Bangkok	Stock Exchange of Thai Index	2.7%
6	Bombay	S&P BSE Sensex Index	9.2%

Table 6.4: Global Stock Indices during Jul-Mar FY 2019			
Sr. No.	**Country**	**Stock Name**	**Percentage Change Jul-Mar FY19**
7	Philippines	PSEI Philippines SE IDX	10.1%
8	Jakarta	Jakarta Composite Index	11.5%
9	Singapore	Straits Times Index	-1.7%
10	China	Shenzhen SE composite Index	8.6%
11	Bursa Malaysia	FTSE Bursa Malaysia EMAS index	-3.4%
12	Pakistan	KSE 100 Index	-7.8%

Source: Pakistan Stock Exchange

Fig 4: Performance of Global Stock Market Indices (July – March FY 2019)



Box Item I: Rs. 20 Billion Package for PSX

In order to provide short-term stimulus to the stock market, the Economic Coordination Committee (ECC) of the Cabinet Division authorized the government to issue sovereign guarantee amounting to Rs. 20 billion for investment in National Investment Trust (NIT)-State Enterprise Fund.

The step, alongside stabilizing the stock market of the country, would woo investors to divert more investment in the market and would arrest the bourse's downward trend.

Sector Wise Analysis

The performance of some of the major sectors listed Pakistan Stock Exchange as on March 31, 2019 is mentioned below:

Oil & Gas Exploration Companies

In this sector 4 companies were listed at Pakistan Stock Exchange with accumulated paid-up capital of Rs 66,194.40 million. The market capitalization of this sector was Rs 1,332,032 million. The profit after tax of this sector was Rs 151,182.21 million.

Oil & Gas Marketing Companies

In this sector 8 companies were listed at Pakistan Stock Exchange with the paid-up capital of Rs 14,697.08 million. The market capitalization of this sector was Rs 249,081 million. The profit after tax of this sector was Rs 31,918.26 million.

Refinery Companies

In this sector 4 companies were listed with the paid-up capital of Rs 57,891.44 million. The market capitalization of this sector was Rs 73,665 million. The profit after tax of this sector was Rs 7,873.28 million.

Cement

This sector comprised 21 companies, with total listed capital of Rs 67,629.56 million and the market capitalization of Rs 377,405 million. The sector recorded the profit after tax at Rs 55,185.67 million.

Power Generation and Distribution

This sector comprised 18 companies and the listed capital was Rs. 48,263.99 million with market capitalization of Rs 345,561 million. The profit after tax of the sector was 35,763.97 million.

Chemicals

In this sector 27 companies were listed, having total paid-up capital of Rs 34,250.25 million, while the market capitalization was Rs 301,158 million. The profit after tax was Rs 21,735.58 million.

Automobile Assembler

The sector comprised of 12 companies with the total paid-up capital of Rs 7,693.91 million, while the total market capitalization was Rs 287,031 million. The profit after tax of this sector was Rs 39,672.86 million.

Technology & Communication

The sector comprised of 12 companies which includes the PTCL with capital of Rs 83,036.15 million. The market capitalization of this sector was Rs 83,885 million and the profit after tax was Rs 10,594.60 million.

Commercial Banks

The sector comprised 20 listed banks with the listed capital of Rs 360,430.36 million & market capitalization of Rs 1,388,592 million. The profit after tax of the sector was Rs 148,545.07 million.

Pharmaceuticals

The sector comprised 12 listed pharmaceutical companies with the paid-up capital of Rs 11,646.22 million & market capitalization of Rs 255,252 million. The total profit after tax of this sector was Rs 13,140.56 million.

Textile Spinning

In this Sector 74 companies were listed at Pakistan Stock Exchange, having total paid-up capital of Rs 20,321.88 million while the market capitalization was Rs 46,679.8 million.

Textile Weaving

In this Sector 11 companies were listed at Pakistan Stock Exchange, having total paid-up capital of Rs 2,737,250 million with market capitalization of Rs 2,727.3 million.

Textile Composite

In this Sector 55 companies were listed at Pakistan Stock Exchange, having total paid-up capital of Rs 30,637.04 million and the market capitalization was Rs 230,910.34 million. The profit after tax of this sector was Rs, 20,383.7 million.

Sugar & Allied

The sector comprised 30 companies with the total paid-up capital of Rs 9,738.19 million and market capitalization was Rs 73,873 million. The profit after tax of this sector was Rs. 944.24 million.

Fertilizer

The sector consisted of 7 companies with the total paid-up capital of Rs 71,004.69 million and market capitalization of Rs 575,045.3 million. The profit after tax of this sector was Rs. 65,411.01 million.

Engineering

The sector included 17 companies with the total paid-up capital of Rs 26,045.61 million and market capitalization of Rs 85,387.7 million. The profit after tax of this sector was Rs. 11,245.34 million.

Performance of Selected Blue Chips

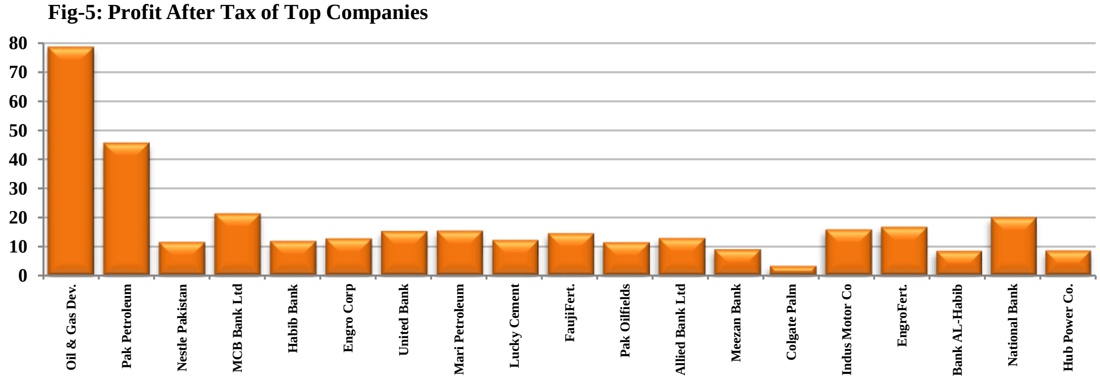
Profit after tax and Earnings Per Share (EPS) with necessary details of some of the selected companies are given in the following table. It may be observed that corporate profitability improved in most of the cases during 2018-19:

Table 6.5: Performance of Selected Blue Chips

Scrip Name	Last Trade Price	Outstanding Shares	Market Capitalization (Rs. Billion)	Profit After Tax (Rs. Billion)	EPS	P/E
Oil & Gas Dev.	147.55	4,300,928,400.00	634.6	78.7	18.31	8.06
Pak Petroleum	184.99	2,267,472,957.00	419.46	45.7	23.17	7.98
Nestle Pakistan	7191.8	45,349,551.00	326.14	11.5	254.57	28.25
MCB Bank Ltd	196.53	1,185,060,606.00	232.9	21.4	18.02	10.91
Habib Bank	132.49	1,466,852,508.00	194.34	11.8	8.04	16.48
Engro Corp	327.23	576,163,200.00	188.54	12.7	24.28	13.48
United Bank	139.53	1,224,179,688.00	170.81	15.2	12.44	11.22
K-Electric Ltd.	5.59	27,615,194,245.00	154.37	Not Reported		
Mari Petroleum	1245.24	121,275,000.00	151.02	15.4	139.45	8.93
Lucky Cement	428.24	323,375,000.00	138.48	12.2	37.72	11.35
Fauji Fert.	104.46	1,272,238,147.00	132.9	14.4	11.35	9.2
Pak Oilfields	447.25	283,855,104.00	126.96	11.4	48.13	9.29
Allied Bank Ltd	108.04	1,145,073,830.00	123.71	12.9	11.25	9.6
Meezan Bank	99.05	1,169,192,354.00	115.81	9	7.67	12.91
Colgate Palm	2000	57,545,920.00	115.09	3.3	67.92	29.45
Indus Motor Co	1304.9	78,600,000.00	102.57	15.8	200.66	6.5
Engro Fert.	71.55	1,335,299,375.00	95.54	16.7	12.48	5.73
Bank AL-Habib	85.66	1,111,425,419.00	95.2	8.4	7.57	11.32
National Bank	40.06	2,127,512,862.00	85.23	20	9.41	4.26
Hub Power Co.	73.33	1,157,154,400.00	84.85	8.6	7.4	9.91

Source: Pakistan Stock Exchange

Fig-5: Profit After Tax of Top Companies



Box Item II: Biggest IPO in PSX history by a private owned company

In March 2019, Interloop Limited successfully raised Rs. 5 billion through a largest private sector Initial Public Offering (IPO) in PSX history by listing 12.5 percent of its shares on the stock exchange, placing itself among the top 50 companies listed on the PSX by market capitalization. Interloop IPO overtook the PSX IPO in 2017, where Rs. 4.5 billion was raised through 160.3 million shares (20% stake of PSX) at a floor price of Rs. 28 per share. The total demand received was Rs. 6.7 billion against total issue size of Rs. 5 billion, showing that the IPO was oversubscribed by Rs. 1.7 billion or 1.34 times.

Interloop is a company that sells hosiery products to some of the world's biggest brands. Its client list includes major global athletic wear brands like Nike, Reebok, Adidas, and Puma, as well as other major international clothing brands like H&M, Uniqlo, Target, and Levi's.

Debt Capital Markets

A well-developed corporate bond market is essential for the growth of economy as it provides an additional avenue to the corporate sector to raise funds for meeting their financial needs. During the period under review, 16 debt securities were issued (14 privately placed and 02 by way of IPO/Listed). The break-up of which is given below:

Table 6.6: Debt Capital Markets

Sr. No.	Type of Security	No. of Issues	Amount (Rs. Billion)
i.	Listed TFC	2*	14.00
ii.	Privately Placed Term Finance Certificates	3**	12.50
iii.	Privately Placed Sukuk	7***	228.61
iv.	Privately Placed Commercial Papers	4****	22.20
	Total	**16**	**277.31**

*by (i) Soneri Bank Limited (Rs.4.00 billion) and (ii) United Bank Limited (Rs.10.00 billion);

**by (i) Askari Bank Limited (Rs. 6.0 billion), (ii) Bank Al Habib Limited (Rs.4.0 billion); and (iii) JS Bank Limited (Rs.2.5 billion);

***by (i)Shakarganj Ltd. (Rs.0.725 billion), (ii) Meezan Bank Ltd. (Rs.7.0 billion), (iii) Agha Steel Industries Ltd. (Rs.5.0 billion), (iv) Dubai Islamic Bank Ltd. (Rs.3.1 billion), (v)Engro Polymer & Chemicals Limited(Rs.8.750 billion), (vi) The Hub Power Company Limited (Rs.4.00 billion) and (vii) Power Holding (Pvt.) Limited (Rs.200.00 billion)

****by (i) K-Electric Ltd. (Rs.7.0 billion), (ii) Hascol Petroleum Limited (Rs.4.00 billion), (iii) K-Electric Ltd. (Rs.10.0 billion) and (iv) Pak Elektron Limited (Rs.1.2 billion)

Source: Securities & Exchange Commission of Pakistan

Corporate Debt Market at a Glance: As of March 31, 2019, 120 corporate debt securities were outstanding with an amount of Rs.888.24 billion as follows:

Table 6.7: Corporate Debt Market

Sr. No.	Name of security	No. of issues	Amount outstanding (Rs. Billion)
i.	Listed Term Finance Certificates (L-TFCs)	16	41.59
ii.	Privately Placed Term Finance Certificates (PP-TFCs) and listed on OTC	47	112.94
iii.	Sukuk	51	710.33
Iv	Privately Placed Commercial Papers	5	23.20
v.	Participation Term Certificates (PTCs)	1	0.18
	Total	**120**	**888.24**

Source: Securities & Exchange Commission of Pakistan

Equity Market: During the nine-month period i.e. July 2018-March 2019, two companies issued shares through public offer (IPO). Details are given as under:

Table 6.8: Equity Market

Sr.	Name of Company	Book Building Date	Retail Portion Subscription Date	No. of Shares Offered (million)			Offer Price /Strike price	No. of Shares Subscribed (million)			Times Subscribed	
				Book Building	General Public	Total	(Rs.)	Book building	General Public	Total	Book building	General Public
1	At-Tahur Limited	June 25-26, 2018	July 02-04, 2018	36.67*	9.167	36.67	21	59.42	16.068	75.5	1.62	1.75
2.	Interloop Limited	March 13-14, 2019	March 21-22, 2019	109*	27.25	109	46.10	141.67	41.04	182.71	1.29	1.50

*Both the issues were made under regulation 7(4) of the Public Offering Regulations, 2017. Under the said regulation bidders are allowed to place bids for one hundred percent of the Issue Size and the strike price is the price at which 100% of the issue is subscribed. However, the successful bidders are allotted only 75% of the issue size and the remaining 25% shares are offered to the retail investors. In case the retail portion of the issue remains unsubscribed, the unsubscribed shares are allotted to the successful bidders on pro-rata basis.

Source: Securities & Exchange Commission of Pakistan

Mutual Funds

As of March 31, 2019, Assets Under Management (AUM) of the mutual funds stood at Rs.635.90 billion. Equity Funds dominated the industry with the largest share i.e. 37.75% of the mutual fund industry. Money Market held the second largest industry share i.e. 36.93%, followed by Income Funds with industry share of 17.50%.

Investment Advisory: At present, 20 Non-Bank Finance Companies (NBFCs) have licenses to conduct the business of investment advisory in addition to business of asset management services while two NBFCs have an exclusive license for conducting investment advisory services. As of March 31, 2019, the total discretionary/non-discretionary portfolio held by all of the NBFCs was Rs. 192.62 billion.

As of March 31, 2019, the major highlights of the Mutual Fund Industry were as under:

Table 6.9: Mutual Funds

Description	Total number of Entities	Total Assets (Rs. Billion)
Asset Management / Investment Advisory Companies	22	37.04
Mutual Funds / Plans	289	635.90
Discretionary / non-discretionary portfolio	-	192.62
Total size of the industry	-	865.57

Source: Securities & Exchange Commission of Pakistan

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

- Risk Management and Controls Guidelines were issued for Asset Management Companies (AMCs)
- Launch of first infrastructure sector equity mutual fund was approved
- Government Securities based plans were permitted to AMCs to provide opportunities to investors for investment in government securities
- First Venture Capital Fund was registered with the commission under Private Fund Regulations 2015

Voluntary Pension Schemes: The Assets Under Management of the voluntary pension industry stood at Rs.26.59 billion on March 31, 2019. Highlights of the pension fund industry are as under:

Lending NBFCs: Lending NBFCs includes leasing companies, investment finance companies, housing finance companies, discount houses and non-bank microfinance companies. For each form of business, separate licenses are required having different regulatory requirements. However, an NBFC licensed to carry out investment finance services is allowed to undertake leasing, housing finance services, discounting services and micro-financing under the same license without applying for separate licenses.

Table 6.10: Pension Schemes

Description	Status as of March 31, 2019
Total assets of pension industry (Rs. Billion)	26.59
Total number of pension funds	19
Total number of pension fund managers	10

Source: Securities & Exchange Commission of Pakistan

Leasing Companies: As of March 31, 2019, there were 7 leasing companies with asset base of Rs.10.42 billion. The total size of the leasing sector has largely remained the same as compared to June 30, 2018 when the asset size was Rs.10.36 billion.

Investment Banks: There were 9 investment finance companies on March 31, 2019, with asset base of Rs.61.18 billion, an increase of 4.9% as compared to Rs. 58.31 billion on June 30, 2018.

Non-Bank Microfinance Companies: As of March 31, 2019, there were 25 licensed NBMFCs with asset base of Rs.110.38 billion. An increase of 15.6% has been witnessed since June 30, 2018.

Real Estate Investment Trust (REITs) Scheme: During the first nine months of FY2019, regulatory framework for REITs was revamped by introducing significant amendments in the Real Estate Investment Trusts Regulations 2015. These amendments were finalized after extensive consultation with the industry players and other stakeholders. The objective of the said amendments is to provide more conducive regulatory environment for establishment of formal real estate sector in the country thus promoting documentation of the economy. Further, while introducing the said amendments, emphasis was given to simplified regulatory requirements, unit holder’s protection and industry dynamics.

Currently, there is one REIT scheme i.e. Dolmen City REIT, which was launched by Arif Habib Dolmen REIT Management Company Limited (RMC). As of March 31, 2019, the fund size of Dolmen City REIT was Rs.45.96 billion.

Modarabas: The Modarabas are the pioneering Islamic financial institutions in Pakistan. As of March 31, 2019, the registered Modaraba companies were 37 while 29 Modarabas were in existence. During the period from July 1, 2018 to March 31, 2019, one new company was registered as Modaraba Company.

As of March 31, 2019, the aggregated equity of Modarabas was Rs.20.789 billion and total assets of the Modaraba sector were Rs.53.194 billion.

Fifteen Modarabas declared cash dividend for the year ending June 30, 2018. As of June 30, 2018, the total assets of the Modaraba sector were Rs.52.941 billion as compared to total assets as of June 30, 2017 of Rs.44.014 billion. The Modaraba sector showed a 22.86% growth in terms of total assets as compared to June 30, 2017.

Corporate Sector

Measures for e-Governance:

Unified Online Company Registration System: In order to reduce time, cost and number of procedures involved in starting a business, SECP is working towards development of a Unified Online Company Registration System. In the first phase, different processes of company incorporation i.e. name reservation, company incorporation, Payment of fee and notification of appointment of CEO were merged. In the second phase, SECP’s e-Services has now been integrated with federal and provincial authorities i.e. Federal Board of Revenue (FBR), Employees Old Age

Benefits Institution (EOBI), Punjab Business Registration Portal (PBRP) and Sindh Business Registration Portal (SBRP). As soon as a company is incorporated, the data of company is transferred to these authorities through online systems. Accordingly, now NTN is being issued to companies online through SECP-FBR integrated system. Besides, companies, while submitting incorporation application through SECP's e-Services, may chose registration with EOBI, Punjab Employee Social Security Institution (PESSI)/Sindh Employees Social Security Institution (SESSI), Labor Department Punjab & Sindh, and Excise and Taxation Department, Punjab & Sindh, and such companies are registered online with these authorities on the basis of information shared through integrated online systems.

E-modules Introduced for electronic filing of returns: E-modules under the Companies (General Provisions and Forms) Regulations, 2018 have been deployed in e-Services of SECP for electronic filing of statutory returns.

Company incorporation trend: During first nine months of FY2019, **10,865** new companies have been registered with the SECP. As compared to the corresponding period of last financial year, it represents a growth of 30%.

Insurance Sector

The insurance sector in Pakistan comprises of 9 life insurers including two family takaful operators, 41 non-life insurers including three general takaful operators, and one state- owned national reinsurer. The largest share in life insurance market is occupied by the State Life Insurance Corporation of Pakistan (SLIC), which is a state-owned entity whereas the major share in non-life insurance market is occupied by a private sector insurance company. In non-life sector the National Insurance Company Limited (NICL) a state owned non-life insurance company enjoys the statutory monopoly of underwriting the risks related to public property under Section 166 of the Insurance Ordinance, 2000. The only reinsurer of the industry, the government-owned Pakistan Reinsurance Company Limited (PRCL) continues to benefit from the first right of refusal to a mandatory minimum 35 percent share in the area of non-life treaty reinsurance. Major achievements in insurance sector from July 2018 to December 2018 are as follows:

- **Draft General Takaful Accounting Regulations, 2018:** The SECP notified the draft General Takaful Accounting Regulations, 2018 for eliciting comments from general public on August 08, 2018. The draft regulations provide the principles based on which accounting and reporting of general takaful business of general takaful operators and window general takaful operators shall be made. The draft regulations aim to bring standardization in the accounting treatments and presentation of financial results by general takaful/window takaful operators and bring in more transparency and enhanced disclosures.
- **Implementation of Motor Third Party Liability Insurance Scheme to Compensate the Victims of Road Accidents:** Motor Third Party Liability insurance offers insurance protection against death and bodily injury to the victims of the road traffic accidents or their legal heirs. The law provides compensatory remedy for all such accident victims as provisions contained in the Motor Vehicles Act, 1939 make it compulsory for all the motor vehicles owners to have the Motor Third Party Liability Insurance cover. The Insurance Division put forward a proposal to amend the Motor Vehicles Act, 1939 for smooth implementation of the Motor Third Party Liability Insurance Scheme to compensate the Road Accident Victims, thereby addressing the following issues:

    i. To introduce "No Fault Option" whereby the claim for death or bodily injury shall be payable to the victims of the road accidents or their legal heirs without obtaining any court's order and irrespective of the fact as to whether or not the insured person was at fault

ii. To increase compensation limit in case of death from Rs.20,000 to Rs.500,000

iii. To introduce compensation limits separately for bodily injuries

- Proposal to exempt life and health insurance from Sales Tax: The SECP has taken up the issue of imposition of sales tax on life and health insurance with the provincial revenue authorities with the aim to create conducive and business friendly environment for the insurance industry in Pakistan. From June 30, 2018 onwards, the Sindh Revenue Board withheld exemption from sales tax on the life and health insurance and Punjab Revenue Authority (PRA) also levied the sales tax on these segments. These measures were perceived as counter-productive and inhibiting by the insurance industry, therefore, the industry association raised the matter with SECP Policy Board, following which, the proposal to exempt life and health insurance from sales tax has been submitted.

- Proposal to revoke levy of stamp duty from insurance: The National Financial Inclusion Strategy, Technical Committee on Insurance (NFIS – TCI) formed in pursuance of National Financial Inclusion Strategy launched by the Government of Pakistan in 2015 has proposed to revoke the levy of stamp duty from insurance with the objective of enhancing financial inclusion and ease of doing business. The requirement to physically affix stamps poses administrative hurdle in case of policies which are sold electronically.

- Draft Directive on Cyber-security Framework for Insurance Sector, 2019: Amid increasing reliance on technology for insurance distribution and integration of technology into the insurance product structure and other aspects, it becomes imperative that adequate measures are taken to make information technology systems of insurance companies and their partners, secure and resilient. Accordingly, the draft SECP Directive on Cyber security Framework for Insurance Sector, 2019, has been issued on January 8, 2019, for seeking public comments, thereon.

Resolution of policyholder complaints: From July 1, 2018 to March 31, 2019, the SECP received 667 complaints out of which, 314 complaints have been resolved/ disposed of, 269 complaints were forwarded to alternative dispute resolution channels, i.e. Federal Insurance Ombudsman (FIO) and Small Dispute Resolution Committees (SDRCs), while 84 complaints were under process as on March 31, 2019. Through the complaints resolution function of the SECP, compensation of Rs.35,78 million were provided to aggrieved policyholders who had filed their complaints with the SECP. A summary of performance of complaints resolution is given below:

Table 6.11: Performance of Complaints Resolution

Total number of complaints received	Resolved/ disposed of	SDRCs	FIO	Under process	Total compensation to complainants
667	314	117	152	84	Rs. 35,786,644

Islamic Finance

The following measures taken during the period under review for the development of Islamic capital markets:

- November 02, 2018 SECP notified Shariah Governance Regulations 2018, which is a comprehensive set of regulations for governance of Shariah compliant companies, Shariah compliant securities and Islamic financial institutions under its jurisdiction. The regulations issued under the enabling provisions of the Companies Act 2017, provide mechanism for the certification of Shariah-compliant companies and Shariah-compliant securities, provide Shariah screening criteria for securities, and cover functions such as internal and external Shariah audit, Shariah advisory and Shariah compliance. It is for the first time ever in the history of Pakistan that the apex regulator introduced a holistic Shariah governance framework for the companies and entities within its regulatory ambit.

- The concept of a Shariah compliant company and Shariah compliant security introduced through provisions incorporated in the Companies Act 2017, Section 451 of the Companies Act, 2017 empowered SECP to implement the scheme of certification of Shariah compliant companies and Shariah compliant securities. The aforesaid regulatory provision enables the Commission to regulate almost every aspect of Shariah compliant products, services and Shariah compliant businesses.
- Being a member of Islamic Financial Services Board (IFSB), the SECP has implemented IFSB standards through its Shariah governance framework.
- The SECP entered into a Strategic Cooperation in the Area of Joint Research and Training in Islamic Banking and Finance with Islamic Research and Training Institute (IRTI), the research and training arm of the Islamic Development Bank (IDB) Jeddah, Saudi Arabia. IRTI undertakes research and provides training and information services in the member countries of the Islamic Development Bank and Muslim communities in non-member countries to help bring economic financial and banking activities in conformity with Islamic law.
- Shariah-compliant mutual funds and pension funds registered phenomenal growth, the share of Shariah-compliant mutual funds represent 39% of the total mutual fund industry while assets of Shariah-compliant pension funds represent 65% of the total assets of pension funds on January 31, 2019.
- To bring harmonization and standardization in the business practices of Islamic Finance institutions, SECP has been gradually adopting Accounting and Shariah Standards issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). SECP notified three Shariah Standards of AAOIFI for adoption in Pakistan, i.e. Shariah Standard No. 17 - Investment Sukuk, Shariah Standard No. 18- Possession (Qabd) and Shariah Standard No. 23 - Agency and the Act of an un-commissioned agent (Fodooli).
- The SECP issued draft notification for adoption of seven more Shariah Standards of AAOIFI namely; Shariah Standard No. 21 - Financial papers, Shariah Standard No. 27 – Indices, Shariah Standard No. 30 - Monetization (Tawarruq), Shariah Standard No. 44 - Obtaining and Deploying Liquidity, Shariah Standard No. 45 - Protection of Capital and Investments, Shariah Standard No. 46 - Al-Wakalah Bi Al-Istithmar (Investment Agency) and Shariah Standard No. 53 - Arboun (Earnest Money).
- The SECP held a number of training and awareness sessions as part of its Islamic finance capacity building and awareness creation initiative in collaboration with International Islamic University, Fatima Jinnah Women University and IMSciences–CEIF.
- The SECP formed a strategic Alliance for promotion of Islamic Capital market with the three leading centers for excellence in Islamic Finance: LUMS, IBA, IMS. The alliance aims for the growth and development of Islamic capital market and shaping the future of Islamic financial services by creating awareness among the public, training for stakeholders and capacity building of Islamic financial institutions through joint and collaborative efforts.

Capital Market Reforms and Developmental Activities

In line with its objectives to develop a fair and competitive capital market in Pakistan, the Securities Exchange Commission of Pakistan during the period under review, introduced various structural, legal and fiscal reforms aimed at strengthening risk management, increasing transparency, improving governance of capital market infrastructure institutions and enhancing investor protection, which are mentioned below in brief:

- In order to enhance the investors base, to facilitate debt issues and to provide additional investment avenues to corporates, mutual funds and employees funds, the SECP has notified the following persons as other persons to whom privately placed debt securities being instrument of redeemable capital can be issued:

  i. mutual funds, voluntary pension schemes, and private fund being managed by NBFC

  ii. insurer registered under the Insurance Ordinance, 2000

  iii. a Securities Broker

  iv. a fund and trust as defined in the Employees Contributory Funds (Investment in Listed Securities) Regulations, 2018

  v. a company and body corporate as defined in the Companies Act, 2017

- **Amendments in Securities and Future Advisers Regulations, 2017:** The commission has introduced amendments in the Securities and Futures Advisers (Licensing and Operations) Regulations, 2017. The amendments have been notified to make advisory regulatory regime more practicable and conducive. Major concept introduced through said amendments are as follows:

  i. The mandatory advisory licensing requirement for securities brokers have been withdrawn and are allowed to distribute units of Mutual Funds and Voluntary Pension Funds of multiple AMCs

  ii. Considering the dynamics of local capital markets, the SECP has decided to grant license to corporate entities only for undertaking any regulated activity in the capital markets and not to any individual

  iii. In order to help broadening investors' base, banks have been allowed to distribute units of Mutual Funds and Voluntary Pension Funds of multiple AMCs

  The rationalized licensing regime for securities advisors would contribute in reducing regulatory burden and cost of doing business for capital markets, ultimately promoting ease of doing business.

- **Foreign Shareholding of Pakistan Stock Exchange:** To cater to increased interest of foreign investors in the shares of PSX, foreign persons other than foreign anchor investors have been allowed to acquire up to 20% of total issued share capital of PSX, which was previously limited to 10%

- **Contingency Planning for Securities Brokers:** To ensure continuity of operations of securities brokers in event of a disaster or crisis, minimum requirements have been stipulated for effective contingency planning of securities brokers under the Securities Brokers Regulations, 2016

- **Electronic Filing/Submission of Reports and other documents for Listed Companies:** To facilitate listed companies in filing/submission of various financial reports and other documents and to promote paperless environment, electronic mode of report submission has been introduced. As a result, listed companies have been able to forgo unnecessary financial burden for filing/submitting hard copies to the exchange which is also in line with provisions of the Companies Act, 2017

- **Investor Education and Awareness:** SECP's Investor Education department is successfully achieving its milestones by conducting 76 awareness sessions for a diverse audience including professional bodies such as ACCA, TIE Islamabad Start up Cup, NIC Peshawar, LIFT Pakistan, National Counter-Terrorism Authority (NACTA) Pakistan, Women on Board, Rotary Club, CFA

Society, FINTECH and S&P Global. These programs were held in Islamabad, Lahore, Karachi, Faisalabad, Khuzdar, Swabi, Peshawar, Gujranwala, Gilgit, Quetta, Skardu and Multan

- **PMEX Access to NCCPL Portal**: Pakistan Mercantile Exchange has been provided access to National Clearing and Settlement System of NCCPL for ascertaining requisite registration details of the account holders of PMEX
- **Futures Brokers (Licensing and Operations) Regulations, 2018:** The SECP framed new regulations under the Futures Market Act, 2016 for licensing and operations of future brokers dealing in futures contract based on commodity and financial instrument. The regulations include requirements relating to licensing; fit and proper criteria for sponsors, directors and senior management of Futures Brokers, compliance with Anti-Money Laundering (AML) requirements and ongoing mechanisms which include arrangements for protection of investor interests and asset segregation
- **Liquidity in Futures Market:** In order to uplift liquidity in the commodity futures market, futures contracts in agriculture, equity and metals categories have been introduced including Dow Jones 30 Futures Contract, Nasdaq 100 Futures Contract, Gold One-Gram Futures Contract, etc.
- **Electronic IPO Facility for Investors:** In order to facilitate investors, the SECP in consultation with the Central Depository Company (CDC) introduced Electronic IPO (E-IPO) facility for prospective investors whereby application for subscription of securities offered to the public can be submitted electronically through the internet, ATMs and mobile phones. Afacilitation account structure has been introduced by CDC for allowing those investors who do not have investors' account to benefit from the E-IPO facility
- **Brokers Office/ Branch Office Regulations:** The SECP in order to instill stronger mechanisms for investor protection and improve the quality and service standards of the brokerage industry, introduced stringent eligibility criteria for opening of new offices/branches by securities brokers. Only brokers with impeccable track record and compliance history in dealing with complaints and arbitration awards up to the satisfaction of the PSX are now allowed to open new offices/branches
- **Streamlining Claim Verification and Settlement Process:** Essential reforms have been introduced in the process for enabling impartial, smooth and timely settlement of claims. Reforms introduced include standardizing valuation of customer claims, designating specific time period for invitation of claims as well as prescribing a period of 120 days for settlement of claims

Anti-Money Laundering

The SECP has effectively taken measures to address potential threat of money laundering and terrorist financing within its regulated entities and maintain integrity of the financial markets. SECP on June 13, 2018 notified SECP Anti-Money Laundering/Counter Financing of Terrorism Regulations, 2018 for its regulated financial institutions and a single set of regulations were issued for the Security Brokers, Commodity Brokers, Insurance Companies, Non-Banking Finance Companies and Non-Profit Organizations(NPOs) to harmonize the AML/CFT regime. Necessary amendments have been carried out in the PSX Rulebook to ensure that the securities brokers comply with the provisions of the SECP AML/CFT Regulations, 2018. Furthermore, it was notified that non-compliant brokers shall also face enforcement actions by the SECP.

In September 2018, guideline on anti-money laundering, countering financing of terrorism, and proliferation financing was issued for the regulated entities to get comprehensive understanding of the SECP AML Regulations, 2018 and develop implementation plan. Similarly, AML/CFT guidelines for NPOs were issued in August 2018 to facilitate section 42 companies in mitigating the underlying risks. These entities are required to establish an effective AML/CFT risk assessment and compliance framework for detecting and reporting suspicious activities.

In order to ensure compliance and effective implementation of the AML Act 2010, the commission on December 14, 2018 directed all the regulated, licensed and associated persons and entities which fall under the domain of insurance sector regulated by the SECP to comply with the requirements of undertaking that they have not been convicted in criminal breach of trust, fraud, offences of money laundering including predicate offences.

Apart from this, the eligibility criteria for obtaining license as a securities broker was enhanced under the Securities Brokers (Licensing and Operations) Regulations, 2016 by introducing pre-condition that ultimate beneficial owners of securities broker should not have been convicted in any predicate offences provided under Anti-Money Laundering Act 2010 or the Anti- Terrorist Act 1997.

SECP has conducted series of awareness sessions on the AML/CFT obligations for regulated entities, including NPOs, to develop their skill set and enhance compliance levels. A total of fifteen (15) awareness sessions on AML/CFT regulatory framework for NPOs have been held by SECP across the country, including those held in collaboration with other stakeholders.

Credit Rating

Credit rating is a forward-looking opinion about the ability and willingness of an entity or a debt instrument issuer, to meet its financial obligations in a timely manner.

Globally, credit rating is a highly concentrated industry; however, it is a growing phenomenon in Pakistan. Credit Rating Agencies (CRAs) in Pakistan operate in a highly regulated environment that is supervised by the SECP through its Credit Rating Companies Regulations 2016 and by the State Bank of Pakistan through recognition as an External Credit Assessment Institute.

Currently, there are two CRAs in Pakistan i.e. the Pakistan Credit Rating Agency Limited (PACRA) and JCR-VIS Credit Rating Company Limited (JCR-VIS). PACRA was the first CRA in Pakistan, established in 1994, whereas JCR-VIS was established in 1997. Since then it has been a two-player market and both CRAs have maintained a balanced market share over the years. Both the CRAs have had worked with international CRAs, as joint ventures/technical partners such as Fitch Ratings and Japan Credit Rating Agency Limited etc. and are members of Association of Credit Rating Agencies in Asia (ACRAA).

In Pakistan, CRAs have developed a comprehensive state of rating products, covering the following:

S.No	Product	PACRA	JCR-VIS
1.	Entity Rating	✓	✓
2.	Debt Instrument Rating	✓	✓
3.	Sukuk Ratings		
4.	Structured Finance Rating	✓	✓
5.	Insurer Financial Strength Rating	✓	✓
6.	Mutual Funds Stability Rating and Performance Ranking	✓	✓
7.	Broker Management Rating	✓	✓
8.	Asset Manager Rating	✓	✓
9.	Real Estate Project Grading	✓	✓
10.	Security Agency Grading	✓	
11.	Corporate Governance Ratings		✓

In Pakistan a total of 660 rating opinions are currently outstanding, out of which PACRA has 365 outstanding opinions whereas JCR-VIS has 295 opinions.

Notification as Internationally Recognized Credit Rating Agency: Recently, SECP has notified Islamic International Rating Agency (IIRA), Bahrain, as internationally recognized foreign credit rating institution, under regulation 4(g) of the Credit Rating Companies Regulations, 2016 for the purpose of entering into joint venture or technical collaboration arrangement with any credit rating company in Pakistan.

International Relations

The SECP is aggressively working with international development institutions and regulatory standard setting organizations to enhance and build international relations, improve legal and regulatory framework in line with international best practices and to improve bilateral and multilateral cooperation with international counter-part regulatory authorities. Following are some of the important development in this regard:

- The World Bank has conducted, under the Report on the Observance of Standards and Codes (ROSC) program, Pakistan's assessment of corporate governance based on self-assessment carried out by the SECP. After completion of review by the World Bank team, the report was finalized after multiple rounds of discussions with SECP. The assessment noted considerable improvements in implementation of OECD Corporate Governance Principles in Pakistan primarily owing to reforms introduced through the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2017. The report was launched jointly by the World Bank and SECP on March 11, 2019 and released by the World Bank on its official website on March 25, 2019
- To further enhance investor confidence in capital markets, SECP is working with SBP on Consumer Protection and Financial Literacy (CPFL) Review conducted by World Bank in 2014. The review has provided a detailed assessment of the institutional, legal, and regulatory framework, in four segments of the financial sector including banking, microfinance and securities. A self-assessment to introduce required legal and regulatory has also been initiated against "Good Practices for Financial Consumer Protection" published by the World Bank in 2017
- To further enhance investor confidence in capital markets, SECP is working with SBP on Consumer Protection and Financial Literacy Review conducted by World Bank in 2014. The review has provided a detailed assessment of the institutional, legal, and regulatory framework, in four segments of the financial sector including banking, microfinance and securities. A self-assessment has also been initiated against "Good Practices for Financial Consumer Protection" published by the World Bank in 2017. This assessment will help to introduce required legal and regulatory reforms particularly for microfinance institutions
- With support of the World Bank, self-assessments of Pakistan's Financial Market Infrastructures which includes National Payment System(under the purview of SBP) and Securities Settlement System, Central Counter Party and Central Securities Depository(under the purview of SECP) was carried out. The respective self-assessments have been discussed with the World Bank team and completed accordingly
- The SECP, in collaboration with the National Accountability Bureau, is contributing to the country review of Pakistan on implementation of the United Nations Convention Against Corruption (UNCAC) undertaken by the international assessors
- Pakistan being a signatory to the OECD Multilateral Convention on Mutual Administrative Assistance in Tax Matters –which entails combating tax evasion through automatic exchange of information on residents' assets and incomes – the SECP is working for implementation of the Common Reporting Standard Rules issued by the Federal Board of Revenue, in its regulated sectors

- The SECP is in validation process for its accession to the International Association of Insurance Supervisors (IAIS) MMoU. The IAIS MMoU is a global framework for cooperation and information exchange between insurance supervisors. SECP is expected to complete this within 2019

Competition Commission of Pakistan

Competition Commission of Pakistan (CCP) is an independent quasi-judicial, quasi-regulatory statutory body that implements the Competition Act, 2010 ('the Act'). The Commission is mandated to "provide for free competition in all spheres of commercial and economic activity and to enhance economic efficiency and protect consumers from anti-competitive behavior". Commission's work can be classified into the following two broad categories: enforcement and advocacy.

Enforcement: The Section 3 of the Act, i.e. 'Abuse of Dominance', prohibits businesses with significant market power from abusing their dominant position. Section 4 of the Act i.e. 'Prohibited Agreements' prohibits undertaking or associations of undertakings from entering into any agreement, which lessens competition in the relevant market. Section 10 of the Act prohibits undertakings from 'Deceptive Marketing Practices' and Section 11 for 'Approval of mergers', all transactions that meet certain threshold must be approved by the commission.

Advocacy: Under *Section 29*, various competition advocacy activities are undertaken, and under *Section 28* of the Act market studies are carried out to promote competition in the economy.

During July'18-Mar'19, the commission received 20 formal complaints, issued 23 show cause notices, conducted 17 hearings, passed 14 orders and granted 68 exemptions to various undertakings. In this duration, the commission issued 2 policy notes: (i) Amendments in the Civil Aviation Authority's order on flight catering services at CAA Airports, (ii) Anti-competitive concerns raised as a consequence of amendment made to section 28 of Khyber-Pakhtunkhwa Public Private Partnership Act, 2014. Two opinions were issued during this period: (i) Opinion on Real Estate Sector of Pakistan, (ii) Opinion on Competition Concerns in the Automobile Sector. Research studies on the 'Road Construction Sector' and 'LNG' were also finalized.

The CCP imposed a penalty of Rs. 68.25 million on several undertakings for anti-competitive conduct under the Competition Act. It approved 50 merger orders in oil and gas, power, IT, cement, manufacturing, sugar, food and automotive sectors.

United Nations Conference on Trade And Development (UNCTAD) elected CCP chairperson to preside over the "Third Session of Inter-governmental Group of Experts on Consumer Protection Law and Policy" in Geneva, Switzerland during the month of July 2018 by virtue of which Pakistan became chair at the UNTAD for the year 2018.

Under competition advocacy, to promote competition culture in the economy, three sessions with government and private sector were held targeting key stakeholders. To introduce Competition Law in Pakistani universities, under the 'Competition Advocacy Academia Drive', two sessions in different universities were conducted. Moreover, the CCP is working with the World Bank for assessing and strengthening the competition regime in Pakistan.

National Saving Schemes

Central Directorate of National Savings (CDNS) remained in the process of restructuring and transformation in the Fiscal Year 2019. In this regard, the achievements made in the first nine months and initiatives in the pipeline are as under:

IT Transformation:

Starting from 2002-03, National Savings has gone a long way towards computerization and automation of its processes. Out of 375 National Savings Centers (NSCs), 222 have been computerized. In the last one year, some more milestones have been achieved for transformation of the organization into an Information Technology enabled entity.

i. A data center has been established at National Telecommunication Corporation (NTC) and now 205 NSCs are connected to centralized location through Wide Area Network (WAN) whereas NTC is working for provisioning of connectivity at remaining NSCs.

ii. CDNS Main Application System has been upgraded into state-of-the-art Business Application Solution and deployed at 35 National Savings Centers while remaining NSCs are in the process of migration to the centralized architecture by using the newly upgraded Business Application Solution. The aforesaid achievement has enabled CDNS for provisioning of advance, efficient and value-added services to its customers using Alternative Deliver Channels (ADCs) i.e. Debit/ATM Cards, etc.

iii. Protocols have been laid down with National Database Registration Authority (NADRA) for obtaining Verisys and Biosys, which are necessary in the new digitized set up of the organization.

iv. Vendor has been selected for providing the card (ATM/Debit Card) solution for CDNS.

v. Agreement with 1Linkhas been signed for providing connectivity with banking sector/ATM operations.

Achievement of Annual Targets:

CDNS, being the foremost institution providing the avenue to general public to park their savings has been able to not only achieve the targets assigned but also surpassed by a big margin. As of 30.04.2019, the CDNS has achieved 213 % of the Gross and 191% of proportionate targets.

Initiatives in the Pipeline:

1) Sharia Product of National Savings

There was a persistent demand of Sharia compliant product and CDNS has responded to it and has developed its first-ever Sharia Compliant product called Sarwa Islamic Savings Account (SISA) for those who desire to invest only in the Sharia-compliant scheme of CDNS. The Draft rules for it have been printed in the Gazette of Pakistan and after approval of the Cabinet Committee for Disposal of Legislative Cases (CCLC) and the Federal Cabinet, the proposed SISA Scheme will be introduced across the country.

2) Overseas Pakistanis Savings Certificates (OPSCs)

The Pakistani diaspora abroad wanted to have a secure investment channel for their savings while Government of Pakistan, in order to increase more also looked for bringing remittances into formal money channels which were mostly coming via informal channels. In this regard, to fill the void, OPSCs has been designed as a product by CDNS to be launched for Overseas Pakistanis only. It will be launched initially in the Gulf Cooperation Council (GCC) market and then other countries. The Agreement with Manger To the Issue (MTI) has been almost finalized. Being a scripless security, OPSCs will be offered in both the US$ and rupee currencies. It is expected that they will be launched in the Fiscal Year 2019-20.

3) Launch of Rs. 100,000 Premium Prize Bond (Registered)

After successful launch of Rs.40000, Premium Prize Bond (Registered) National Savings is in the process of launching another registered prize bond for Rs. 100,000

4) Scripless issuance and introduction of registered Prize Bonds amongst all denominations of Bearer Bonds

In collaboration with SBP, National Savings is in the process of introduction of registered scripless prize bonds amongst all denominations. The registered prize bonds will be a step towards documentation of the economy while providing facility to the general public.

5) Debit Card Launch & Membership of 1Link System

In near future National Savings is launching ATM Debit Cards with the support of the Karandaaz Pakistan

Conclusion

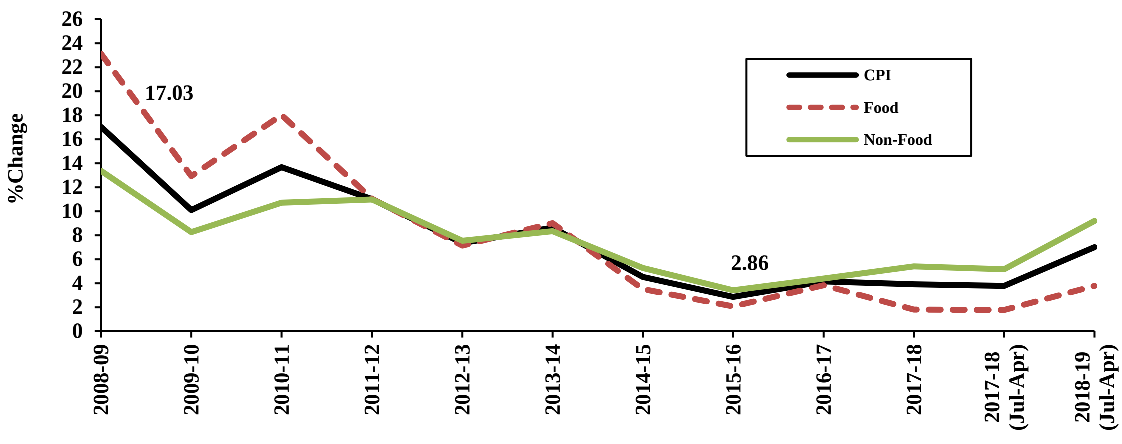
During FY 2019, the performance of stock markets presented a mixed trend between July and December, largely due to macroeconomic adjustments undertaken by the incumbent government to correct underlying imbalances in the economy. However, the PSX-100 index resumed its momentum from the start of January 2019 following incentives given in the Finance Bill 2019 for investment promotion. Later, the upsurge was halted as uncertainty prevailed in the market because of post-February 26 stand-off at the border with India escalating military operations ahead of the General Elections. However, staff-level agreement has been reached with the IMF for a bailout program, which will help in restoring the eroded confidence in the market that would allow an increased interest in the equity and debt markets of the country.

CHAPTER 7

Inflation

Inflation is a persistent change in the prices of goods and services in an economy over a period of time. It is generally believed that persistently high inflation hurts economic growth and erodes the value of local currency. It has a diverse effect on perceptions and expectation of different segments of society and therefore has a differential impact on decision-making of different economic agents. Historically, Pakistan economy has seen ups and down in inflationary trends.

Fig-7.1: Historical Trend of CPI, Food & Non-Food (2007-08=100)



Source: Pakistan Bureau of Statistics

A persistent increase in the fiscal deficit during the last two years has been an important factor adding to demand pressures in the economy. During FY18, development expenditures declined, while growth in current expenditures accelerated. Thus, the composition of expenditure shifted from investment to more consumption. In this backdrop of higher economic activity and domestic demand, the growth in imports remained strong. Though all the major commodity groups except for food recorded strong growth, the major contribution to higher imports came from petroleum, machinery, metals, and chemicals.

The pass-through of exchange rate depreciation and higher international commodity prices, in addition to strong underlying demand pressures, started to reflect in higher year-on-year inflation from May 2018. The core inflation – excluding volatile food and energy prices – after remaining sticky around 5.5 percent, picked up pace from March 2018 onwards. Yet, the average inflation was slightly lower during the year, primarily due to low food inflation on the back of more than sufficient food stocks available in the country. Closely watching these developments and the likely impact of an expansionary fiscal policy and worsening external accounts on the macroeconomic stability, especially the future inflation path, the Monetary Policy Committee (MPC) raised the policy rate, reversing the multi-year easy monetary policy.

The headline inflation measured by Consumer Price Index (CPI) during the last five years remained on average at 4.8 percent. The preceding fiscal year (FY 2018), CPI inflation was contained to 3.9

percent, with an end-period inflation of 5.2 percent, compared to 4.2 percent during FY 2017. The main reason for increase in inflation was the increase in prices of non-food items, which increased by 5.4 percent. The increase in non-food inflation was due to higher energy prices and strong overall domestic demand. Food inflation was only 1.8 percent, due to only a moderate increase in international prices of food items. Low food inflation helped in keeping overall inflation relatively low. The core inflation was recorded at 5.9 percent.

The start of the current fiscal year FY 2019, CPI started rising. It increased to 5.8 percent in July 2018 and following three months after remaining sticky at 5 percent increased to 6.8 percent in October 2018. The spike witnessed in October 2018 was due to increase in gas prices. The Oil and Gas Regulatory Authority revised the retail prices of natural gas for various consumers after keeping them unchanged for about two years. The phenomenal increase of 9.4 percent witnessed in March 2019, while in April 2019 it slows down to 8.8 percent. The pressures on headline inflation are explained by adjustment in prices of electricity and gas, a significant increase in the perishable food prices, exchange rate depreciation along with reversal of global fuel prices.

The most dominating push to inflation came from core inflation which has been on a rising trend since March 2018.[1] The gradual buildup of domestic demand fanned by the past expansionary monetary and fiscal policies, was the main factor behind rising core inflation, which increased to 8.5 percent in March 2019. The core inflation has dropped to 7.0 percent in April 2019 (after remaining above 8 percent during last seven months) as monetary tightening by the present government started to take effect. Although deceleration in core inflation is a welcome development, this may be a short-term relief as some measures (significant depreciation in the value of local currency, unfreezing of energy prices, etc.) taken by the present government to stabilize the economy will have an adverse short-term effect on inflation.

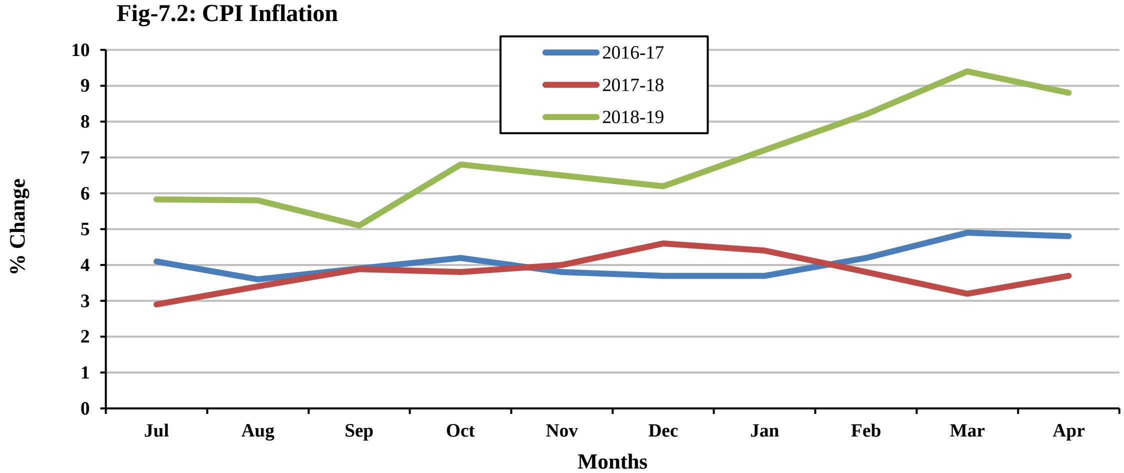
A trend of previous years and current year month wise inflation is given in the table.

Table 7.1: CPI Inflation

	2016-17	2017-18	2018-19
Jul	4.1	2.9	5.8
Aug	3.6	3.4	5.8
Sep	3.9	3.9	5.1
Oct	4.2	3.8	6.8
Nov	3.8	4.0	6.5
Dec	3.7	4.6	6.2
Jan	3.7	4.4	7.2
Feb	4.2	3.8	8.2
Mar	4.9	3.2	9.4
Apr	4.8	3.7	8.8
Average (Jul-Apr)	4.1	3.8	7.0

Source: Pakistan Bureau of Statistics

Fig-7.2: CPI Inflation



Source: Pakistan Bureau of Statistics

[1] In formulating its monetary policy, SBP uses the trend in core inflation as a good predictor for future inflation.

During July-April FY2019 headline inflation measured by CPI averaged at 7.00 percent against 3.77 percent on the back of the prevalence of some underlying demand in the economy as well as continued pass through of exchange rate depreciation and higher fuel prices. The international oil prices continued on their upward trajectory that government has partially passed on the impact.

Core Inflation

Core inflation is measured through the indices of 43 non-food non energy items. Non-food non-energy (NFNE) inflation is calculated by excluding food group and energy items (Kerosene oil, petrol, diesel, CNG, electricity and natural gas) from the CPI basket.

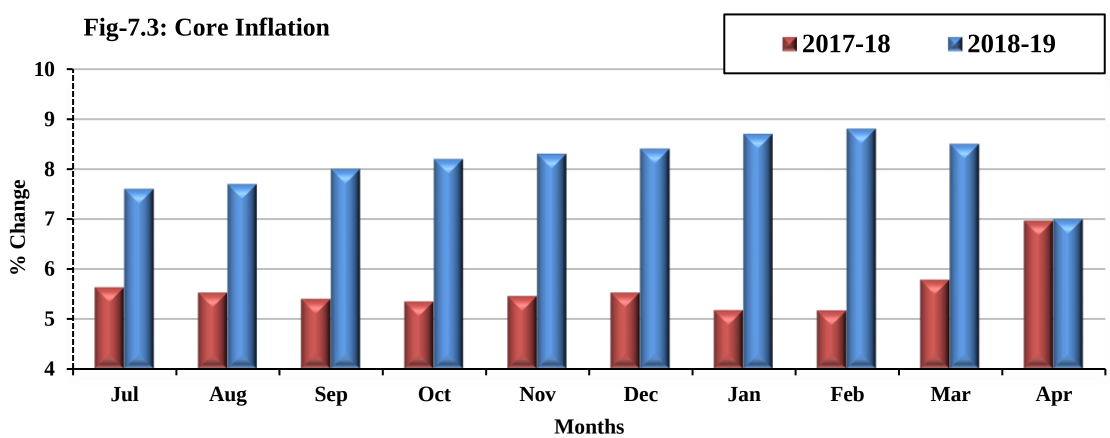
Table 7.2 : Core Inflation

	2017-18	2018-19
July	5.6	7.6
August	5.5	7.7
September	5.4	8.0
October	5.3	8.2
November	5.5	8.3
December	5.5	8.4
January	5.2	8.7
February	5.2	8.8
March	5.8	8.5
April	7.0	7.0
Average (Jul-Apr)	5.6	8.1

Source: Pakistan Bureau of Statistics

Core inflation remained sticky since the start of current fiscal year and reached to 8.8 percent in February 2019 the highest in last seven months of current fiscal year. The downward trend started in March 2019 and in April 2019 it slow down to 7.0 percent, while on average during July-April FY 2019, it is recorded at 8.11 percent compared to 5.60 percent of FY 2018. Considering these developments, the SBP is following a contractionary monetary policy and revised the policy rate to 12.25 percent as on 21st May 2019. The continuous increase in education and healthcare costs kept core inflation higher on average compared to the same period last year. The Table 7.2 shows the core inflation trend year-on-year basis.

Fig-7.3: Core Inflation



Source: Pakistan Bureau of Statistics

Inflation by Income Group

The Consumer Price Index is constructed for five income groups (a) Upto Rs.8000 (b) Upto Rs.8001-12000 (c) Upto Rs.12001-18000 (d) Upto Rs.18001-35000 (e) Above Rs.35000.

During July- April 2018-19, the variation in the indices for these various income groups shows a mix pattern of movement from lower to higher income groups. Its comparative position is given in the following Table 7.3.

Table 7.3 : Inflation by Consumer Income Groups (Base Year 2007-08=100)						
	Combined	Upto Rs.8000	Upto Rs. 8001-12000	Upto Rs. 12001-18000	Upto Rs. 18001-35000	Above Rs.35000
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
2012-13	7.4	7.9	8.6	8.4	6.8	6.4
2013-14	8.6	8.8	8.5	9.1	9.1	8.3
2014-15	4.5	3.7	3.8	4.3	4.4	4.8
2015-16	2.9	2.4	2.8	2.4	3.0	3.0
2016-17	4.2	3.8	3.9	3.9	4.1	4.3
2017-18	3.9	2.8	3.1	3.2	3.5	4.6
Jul-Apr						
2017-18	3.8	2.7	3.0	3.1	3.3	4.4
2018-19	7.0	4.9	5.3	5.5	6.9	8.4
Source: Pakistan Bureau of Statistics						

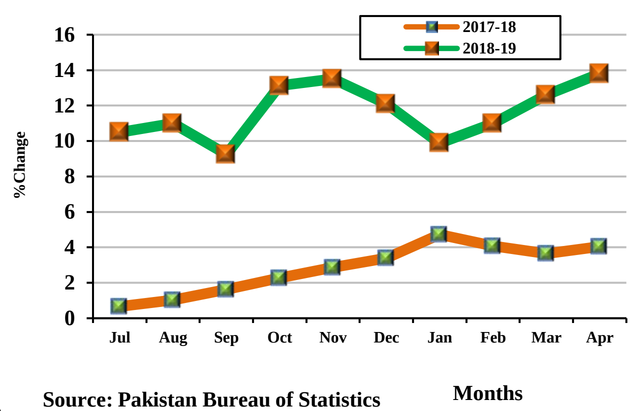
The higher income group experienced higher inflation as it recorded at 8.4 percent and lower income recorded at 4.9 percent compared to 4.4 and 2.7 percent respectively, of last year. The combined income group experienced 7.0 percent against 3.8 percent last year.

Wholesale Price Index (WPI)

The Wholesale Price Index (WPI) is influenced by the landed imports prices and local production. During current fiscal year, there has been a constant increase in WPI. The persistent jump in Wholesale prices is largely the result of the rise in landed prices of imported goods due to exchange rate adjustments along with upward movement of fuel and commodity prices.

Table 7.4 : Wholesale Price Index (WPI)		
	2017-18	2018-19
July	0.7	10.5
August	1.0	11.0
September	1.6	9.2
October	2.3	13.1
November	2.9	13.5
December	3.4	12.1
January	4.7	9.9
February	4.1	11.0
March	3.6	12.6
April	4.0	13.8
Average (Jul-Apr)	2.8	11.7
Source: Pakistan Bureau of Statistics		

Fig-7.4: Wholesale Price Index (WPI)



Source: Pakistan Bureau of Statistics

The following Table 7.5 shows the trend of various wholesale price groups.

Table 7.5 : Wholesale Price Index					
Commodity	Weights	Jul-Apr (%)		Point Contribution	
		2017-18	2018-19	2017-18	2018-19
General(WPI)	100.00	2.83	11.69	2.83	11.69
Agriculture Forestry& and Fishery	25.77	3.02	7.41	0.78	1.91
Non-Food	68.89	3.61	12.36	2.49	8.51

Table 7.5 : Wholesale Price Index

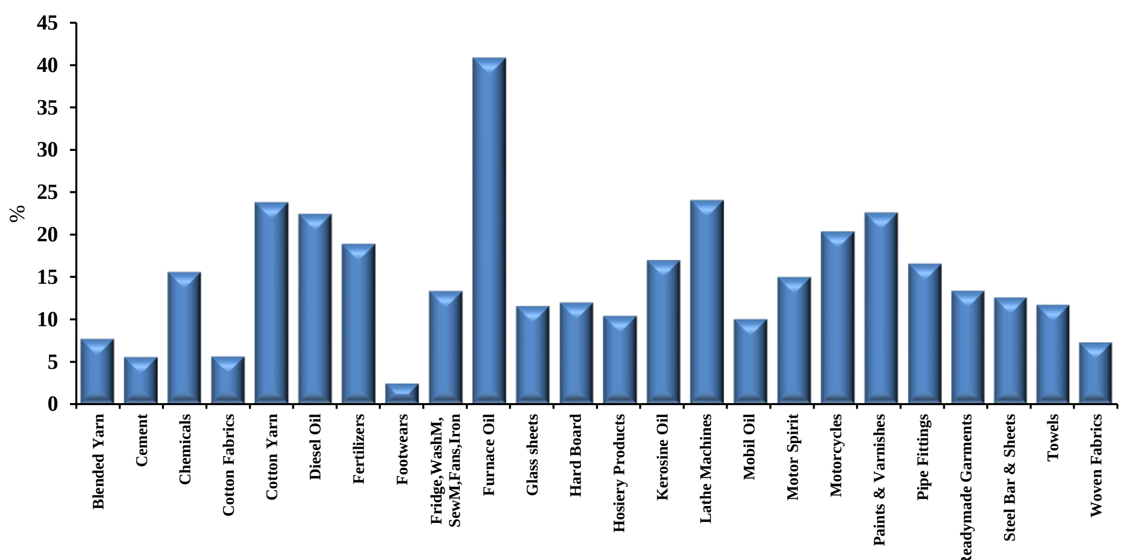
Commodity	Weights	Jul-Apr (%)		Point Contribution	
		2017-18	2018-19	2017-18	2018-19
Ores & Minerals, electricity gas & water	12.04	0.34	14.31	0.04	1.72
Food Products, Beverages and Tobacco, Textiles Apparel and Leather Products	31.11	1.23	10.27	0.38	3.19
i) Food Products and Bev.& Tobacco	20.07	-0.11	7.62	-0.02	1.53
ii) Textiles & Apparel	10.33	4.42	13.79	0.46	1.42
iii) Leather Products	0.71	-1.18	33.07	-0.01	0.23
Other Transportable Goods Except Metal Products, Machinery and Equipment	22.37	7.67	21.15	1.72	4.73
Metal Products Machinery & Equipment	8.71	2.37	6.70	0.21	0.58

Source: Pakistan Bureau of Statistics (PBS)

During July-April FY 2019 the WPI inflation was at 11.69 percent, compared 2.83 percent of the corresponding period last year. Movement of various groups of WPI such as Agriculture forestry & Fishery increased by 7.41 percent, ores & minerals 14.31 percent, textiles & apparel 13.79 percent, leather 33.07 percent, other transportable 21.15 percent, metal machinery 6.70 percent as compared to 3.02 percent, 0.34 percent, 4.42 percent, -1.18 percent, 7.67 percent and 2.37 percent, respectively of the same period last year.

In July 2018, the rupee depreciated by 4.4 percent. With a lag of one month, i.e. in August 2018, WPI recorded a double digit growth (of 11.0 percent). Likewise, the adjustments of 16.3 percent made in the value of rupee (vis-à-vis US dollar) between July-April period of FY2019, resulted an increase in WPI of 11.7 percent during the same period, with highest spike of 13.8 percent observed in April 2019. The foregoing analysis shows that there is a definite positive (and perhaps a lagged) impact of depreciation of rupee on WPI-inflation. Nonetheless, depreciation is not the only factor influencing WPI. Increase in domestic energy prices, continued impact of excessive monetization of government debt and some supply-side bottlenecks all contributed to WPI inflation.

Fig-7.5: Inflation in Key Items (WPI)



Source: Pakistan Bureau of Statistics

Sensitive Price Indicator (SPI)

SPI monitors the prices of 53 most essential items taken from 17 different urban centres and is reported every week. The trend of this index is monitored regularly and immediate measures are taken to control fluctuation in prices. The year-on-year change in SPI during FY 2019 remained quite volatile.

Table 7.6 : Sensitive Price Indicator (SPI)		
	2017-18	**2018-19**
July	-0.6	3.6
August	-0.1	3.3
September	1.9	1.0
October	2.1	1.3
November	2.1	1.3
December	2.2	2.0
January	2.0	3.7
February	0.5	6.5
March	-1.8	8.8
April	-0.5	9.3
Average (Jul-Apr)	0.8	4.0
Source: Pakistan Bureau of Statistics (PBS)		

The annualized increase in SPI during July-April 2018-19 was recorded at 4.0 percent against 0.8 percent in the same period last year. Thirty three (33) major food items such as; wheat, wheat flour, tomatoes, onions, masoor pulse, moong pulse, mash pulse chicken, sugar, red chilies etc. having a weight of 68.19 percent influenced SPI by (+) 7.28 percent.

Table 7.7: (%) Change in prices of major items of SPI

Description	Unit	Weights	Apr19/ Apr18	Contribution (%)
Wheat	10 Kg	0.6246	4.0	0.02
Wheat Flour, Bag	10 Kg	11.908	3.2	0.39
Rice Basmati Broken, (AQ)	1 Kg	1.2987	5.8	0.07
Rice Irri-6 (Punjab/Sindh)	1 Kg	0.2222	11.5	0.03
Bread Plain, Medium Size	Each	1.2783	2.9	0.04
Beef With Bone, (AQ)	1 Kg	3.985	12.8	0.51
Mutton, Average Quality	1 Kg	2.8074	9.4	0.27
Chicken Farm, Broiler, Live	1 Kg	2.3882	9.1	0.22
Milk, Fresh, Unboiled	1 Ltr	15.7250	5.7	0.90
Curd (Dahi)	1 Kg	1.1850	2.9	0.03
Powdered Milk, Nido, Polybag	400 gm	0.0903	6.6	0.01
Eggs Hen, Farm	Dozen	1.0400	-5.1	-0.05
Mustard Oil, Average Quality	1 Kg	0.1183	5.5	0.01
Cooking Oil, Tin, (SN)	2.5 Ltr	1.9032	9.8	0.19
Vegetable Ghee, Tin, (SN)	2.5 Kg	2.9039	6.3	0.18
Vegetable Ghee (Loose)	1 Kg	3.1109	9.0	0.28
Bananas	Dozen	0.7771	11.8	0.09
Pulse Masoor, Washed	1 Kg	0.5377	8.6	0.05
Pulse Moong, Washed	1 Kg	0.5174	25.8	0.13
Pulse Mash, Washed	1 Kg	0.4912	3.1	0.02
Pulse Gram, Washed	1 Kg	1.0302	8.9	0.09
Potatoes	1 Kg	1.2907	-4.9	-0.06
Onions	1 Kg	1.3825	57.8	0.80
Tomatoes	1 Kg	1.0554	106.5	1.12
Sugar, Refined	1 Kg	4.4561	24.2	1.08
Gur, Average Quality	1 Kg	0.1134	23.5	0.03
Salt Powder, Loose, Lahori	1 Kg	0.1913	9.5	0.02
Red Chilly Powder, Loose	1 Kg	0.7964	29.6	0.24
Garlic	1 Kg	0.3451	33.4	0.12
Tea, Lipton Yellow Label, Packet	200 gm	2.1985	12.5	0.28
Cooked Beef, Average Hotel	Plate	0.5724	9.2	0.05
Cooked Daal, Average Hotel	Plate	0.5771	5.0	0.03
Tea Prepared, Average Hotel	Cup	1.2719	10.8	0.14
		68.19		**7.28**

Source: Pakistan Bureau of Statistics (PBS)

Impact of global commodity prices

During the start of current fiscal year, global commodity prices have been driven by a number of factors such as rising US interest rates, an appreciation of the US dollar, growing trade tensions between major economies and financial market pressures in some emerging market and developing economies. There has been an upward trend observed in international commodity prices like sugar increased by 7.7 percent, Palm oil 7.9 percent and soya bean oil 10.3 percent in April 2019 over July 2018.

Prices of Crude oil follow boom bust phenomena. During current fiscal year, it reached to $ 80.5 per barrel in October 2018 then lowered down to $ 56.5 per barrel in December 2018 then again increased to $ 71.2 per barrel in April 2019.

Table 7.8: International Prices of Major Commodities

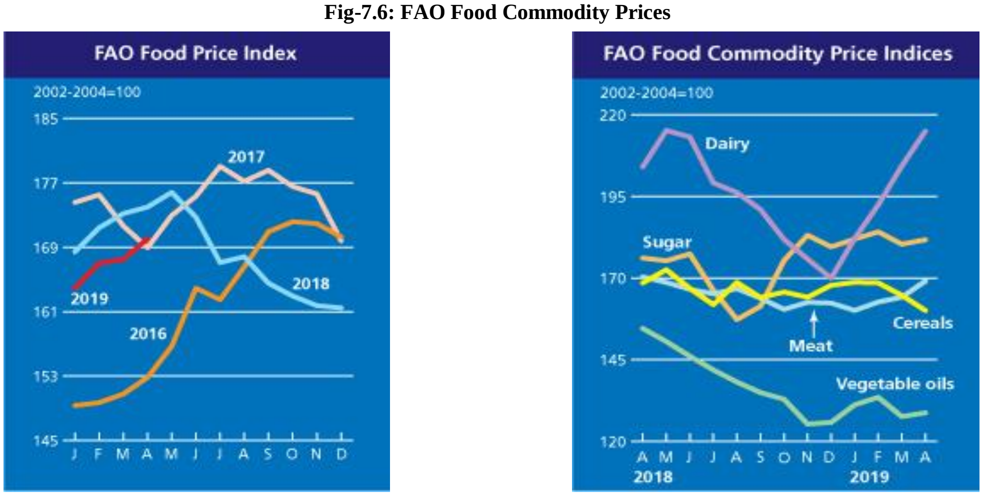
	Sugar $/Ton	Palm Oil ($/Ton)	Soybean Oil ($/Ton)	Crude Oil ($/Brl)	Wheat ($/Ton)	Tea $/Ton	DAP $/MT
Jul-18	260.0	545.0	665.4	74.4	218.3	2890.0	400.8
Aug-18	240.0	534.0	654.0	73.1	236.6	2770.0	409.0
Sep-18	250.0	605.0	754.0	78.9	212.4	2670.0	421.6
Oct-18	290.0	590.0	752.0	80.5	213.5	2740.0	420.8
Nov-18	280.0	539.0	729.0	65.2	203.6	2700.0	410.2
Dec-18	280.0	535.0	728.0	56.5	211.3	2620.0	389.7
Jan-19	280.0	585.0	748.0	59.3	209.8	2540.0	382.1
Feb-19	290.0	603.0	773.0	64.1	219.0	2380.0	357.4
Mar-19	280.0	573.0	750.0	66.4	205.8	2380.0	335.0
Apr-19	280.0	588.0	734.0	71.2	199.5	2650.0	323.8
% Change							
Apr-19/Jul-18	**7.7**	**7.9**	**10.3**	**-4.3**	**-8.6**	**-8.3**	**-19.2**

Source: Commodities Price Pink Sheet

The FAO Food Price Index (FFPI) rose in April 2019 to around 170 points, 1.5 percent (2.5 points) higher than in March and marking its highest value since June 2018. At this level, the FFPI would still remain 2.3 percent below its level in the corresponding month last year. Except for the sub-index for cereals, all the other sub-indices firmed in April, led by dairy and meat, and to a lesser extent vegetable oils and sugar.

Among the cereals, wheat prices fell the most in April, influenced by prospects for a strong rebound in the 2019 production, amid large exportable supplies. Maize prices were also lower, mostly because of expectations of larger South American crops. By contrast, FAO's rice price index was generally stable in April, amid diverging trends across the various market segments and origin.

Fig-7.6: FAO Food Commodity Prices



Conclusion

The rising input costs on the back of high utility prices and the lagged impact of exchange rate depreciation likely to maintain upward pressure on inflation in the following month of current fiscal year. The impact will be more visible in non food prices while the food prices likely to remain stable due to effective monitoring of prices and smooth supply of essential items by the federal and provincial governments. The headline CPI inflation is projected to fall in the range of 7.0 to 8.0 percent in FY2019, and it is anticipated to be considerably higher in FY 2020 due to any further adjustment of energy prices, volatility in international oil prices along with rationalization of taxes.

CHAPTER 8

Trade and Payments

According to World Economic Outlook global growth is expected to be moderate for the year 2019. Global trade during 2018 remained slow on account of decelerated export orders and global manufacturing activity, particularly in capital goods. Global output and investments are likely to be suppressed in 2019 due to uncertain business environment stemming from expected disorderly Brexit and US fiscal policy. Prices of metal and agricultural commodities also weakened due to concerns about fluctuation in trade and growth. However, if these differences are resolved without any further trade barriers and softener financial situation is observed then growth could be lifted up.

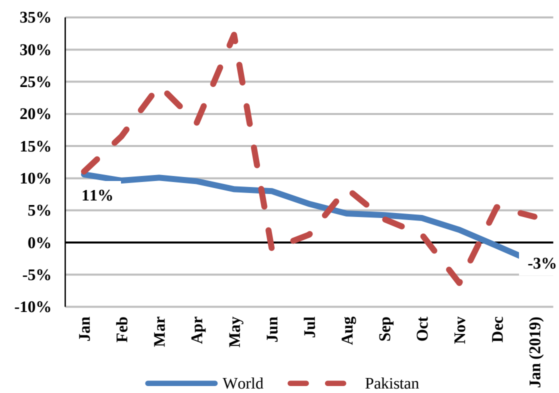
Major economies, like US and China, involved in trade tension have affected almost 2.5 percent of global trade says World Bank Report. In contrast, some developing economies may be beneficiaries of trade diversion as prices of these targeted goods may rise in US and China.

The Year 2019 is proving to be a very hard for global growth which is projected to slowdown to 3.3 percent in 2019 from 3.6 in 2018. Leading global institutions and agencies including IMF and World Bank are continuously downgrading their global growth projections. Developed and developing economies are finding it hard to stay on the upward trajectory of growth. Recession is silently cannibalizing the growth targets.

Global trade has been at a historic low since the recession in 2008, declining to -3 percent in January 2019 from 11 percent in January 2018.

China's exports declined by 21 percent in February 2019. India's export declined from double digit 18 percent in October 2018 to 2 percent in February 2019. Bangladesh's exports declined from 55 percent in October 2018 to 7 percent in January 2019. Indonesia and Thailand have posted negative growth since the onset of the muted recession. The global demand is falling which clearly indicates waning consumer and business sentiment. Protectionist measures, trade tensions, ineffective stimulus packages, geopolitical uncertainties may hurt future growth.

Fig-8.1: Pakistan's Export Growth vs. Global Exports (Jan 2018-Jan 2019)



Balance of Payments

Pakistan witnessed the highest export of US$ 25.1 billion in 2013-14. However, in subsequent years exports have declined considerably. This declined started from financial year 2014-15 when an international commodity slump set in. This was compounded by structural supply side constraints including energy shortages, high input costs and an overvalued exchange rate. From financial year 2014 to 2016, exports declined by 12.4 percent. Exports growth trend over this period was similar to the world trade growth patterns.

In FY2018, global economic changes like increased oil prices (60.06 $/brl), trade protectionism and regional frictions affected many developed and developing economies including Pakistan. However, in Pakistan this situation was aggravated due to insufficient FX reserves together with increased import bills, deteriorating trade balance and stagnant remittances.

During FY2018 Pakistan's exports picked up and reached to US$ 24.7 billion showing a growth of 12.57 percent over previous year FY 2017. Imports on the other hand also increased by 16.25 percent and touched the highest figure of US$ 56.6 billion. As a result the trade deficit widened to US$ 31.8 billion which was the highest since last ten years.

Historically remittances have been providing support to sustain current account deficit as a buffer against the trade deficit with average growth rate of 7.7 percent during last five years. Current account deficit widened to US$ 3.1 billion in FY2013-14 to US$ 19.89 billion in FY2017-18 depicting the increase of US$ 16.8 billion. CAD was highest by 6.3 percent in FY2017-18 as a percentage of GDP.

However, the present government took this challenging issue and focused on anchoring the increasing import bill by restricting unnecessary imports which started eroding the competitive edge of domestic industry including the exports units. A number of measures have been taken in this regard which helped in reducing the import bill and simultaneously formed a stimulus for sustainable economic growth by improving competitiveness and efficiency of the industry especially export oriented and import substituting units and reducing anomalies and cost of doing business.

Further, macro adjustment policies, such as monetary tightening, exchange rate adjustments, cuts in development spending, started paying dividends. The current account deficit declined by a sizable amount of 26.9 percent on year on year basis US$ 11.58 billion during Jul-Apr FY19. The impact played out through both goods and services imports, which declined by 4.9 percent and 18.58 percent respectively during the period. Major support to the current account also came from an 8.45 percent increase in workers' remittances, led by higher inflows from advanced economies. However, exports emerged as a cause for concern, with receipts declining 1.9 percent during Jul-Apr FY19.

Table 8.1: Summary Balance of Payments

Items	July-June		July-April	
	2016-17	**2017-18**	**2017-18**	**2018-19 P**
Current Account Balance	-12621	-19897	-15864	-11,586
Trade Balance	-26,680	-31824	-25,813	-23,934
Exports of Goods FOB	22003	24768	20,489	20,099
Imports of Goods FOB	48,683	56592	46,302	44,033
Service Balance	-4,339	-6068	-5,041	-3,217
Exports of Services	5,555	5288	4,379	4,453
Imports of Services	9894	11356	9,420	7,670
Income Account Balance	-5048	-5484	-4229	-4458
Income: Credit	662	679	568	564
Income: Debit	5710	6163	4,797	5,022
Balance on Secondary Income	23446	23479	19,219	20,023
Of which:				
Workers' Remittances	19351	19914	16,482	17,875

P: Provisional

Source: State Bank of Pakistan

Pakistan trade deficit has decreased by US$ 1.879 billion in the current fiscal year (July-April 2018-19). Pakistan's exports during the period July-April (FY 2019) stood at US$ 20.01 billion compared with US$ 20.49 billion during the corresponding period of FY 2018. It reflects a 1.9 percent decline in dollar terms. Pakistan's imports during the period July-April (FY 2019) stood at US$ 44.03 billion compared with US$ 46.302 billion during the corresponding period of FY 2018. It reflects a 4.9 percent decrease in dollar terms. Overall, the trade deficit has decreased by 7.28 percent in the Jul-Apr FY2019 to US$ 23.93 billion from US$ 25.81 billion in the same period last year.

Current Account

Pakistan's current account deficit has seen containment in FY 2019. Current account deficit reached to US$ 11.586 billion in July-April FY2019 as compared to US$ 15.864 billion in the same period last year showing a contraction of 26.9 percent. This is mainly attributed to healthy remittances inflows and low import bills. On the import side, the entire decline of 4.9 percent in payments during the period July-April FY2019 came from non-energy products. As early harvest CPEC power projects reached completion, an expected decline in import payments for power generation and electrical machinery was noted. At the same time, cuts in development spending and a general slowdown in economic activities reduced the demand for imported construction-related items, particularly construction machinery and iron and steel. Further, support came from 18.4 percent decline in transport import payments. Lower purchases of aircraft and related parts, and old ships for ship breaking, were mostly responsible.

On year on year basis, current account deficit has been continuously shrinking. However, month on month shows that it amounted to US$ 1241 million in April FY2019 as compared to US$ 871 million in March FY2019. Decreasing exports and low remittances, specifically from EU and UAE, pushed up CAB in April FY2019.

Fig-8.2: Monthly Current Account

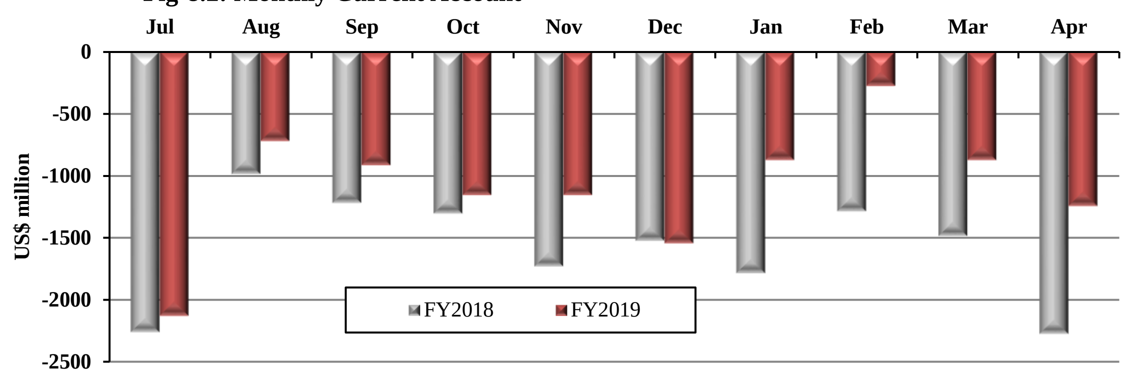


Table 8.2: Current Account Deficit — $ Billion

Year	Current Account Deficit	% Change MoM	Year	Current Account Deficit	% Change YoY	Year	Current Account Deficit	Year	Current Account Deficit	Average Growth in CA deficit %
Jun-FY18	1.971									
Jul-FY18	2.13	7.8	Jul-FY17	2.26	-5.8	Jul- FY 18	2.13	Jul- FY 17	2.26	-5.8
Aug-FY18	0.72	-66.2	Aug-FY17	0.99	-27.1	Jul- Aug FY18	2.85	Jul-Aug FY17	3.25	-12.3
Sept-FY18	0.91	26.9	Sept-FY17	1.22	-25.1	Jul- Sep FY18	3.76	Jul-Sep FY17	4.47	-15.8
Oct-FY18	1.15	26.1	Oct-FY17	1.31	-11.6	Jul- Oct FY18	4.92	Jul-Oct FY17	5.77	-14.8
Nov-FY18	1.15	0.1	Nov FY17	1.73	-33.3	Jul- Nov FY18	6.07	Jul-Nov FY17	7.51	-19.1
Dec-FY18	1.54	33.8	Dec- FY17	1.52	1.3	Jul- Dec FY18	7.62	Jul-Dec- FY17	9.03	-15.7
Jan-FY19	0.87	-43.5	Jan- FY18	1.79	-51.1	Jul- Jan FY19	8.49	Jul-Jan- FY18	10.82	-21.5
Feb-FY19	0.28	-68.2	Feb- FY18	1.29	-78.4	Jul- Feb FY19	8.77	Jul-Feb- FY18	12.10	-27.6
Mar-FY19	0.87	213.3	Mar- FY18	1.49	-41.4	Jul- Mar FY19	9.64	Jul-Mar FY18	13.59	-29.1
Apr-FY19	1.24	42.5	Apr- FY18	2.28	-45.5	Jul- Apr FY19	11.59	Jul-Apr FY18	15.86	-27.0

Fig-8.3: CA deficit, % Change MoM

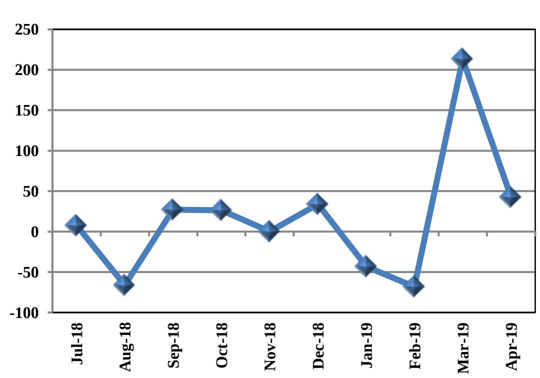
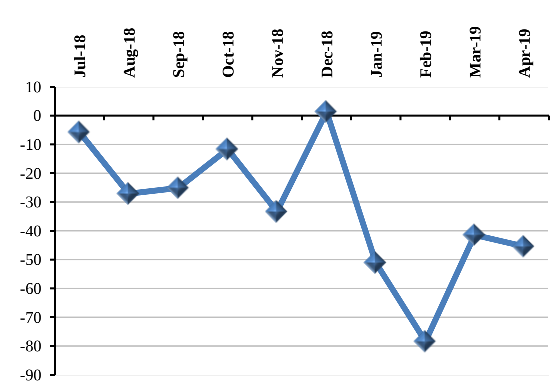


Fig: 8.4 CA deficit, % Change YoY



Trade and Services Balance

Trade account especially services trade presented a positive picture in FY2019. After a lackluster performance in first four months of FY2019, trade in goods started picking up the pace. This was mainly due to the macro adjustment policy measures taken by the present government to curb imports. Goods Trade balance shrunk by 7.3 percent in Jul-Apr FY2019 to US$ 23.93 billion as compared to US$ 25.81 billion in the corresponding period last year. On the other hand, services sector remained on positive trajectory throughout FY2019. Major shift in current account balance also came from services sector which contracted by 36.18 percent to US$ 3.217 billion during July-April FY2019 as compared US$ 5.04 billion in the same period last year. Export of services remained stable but a visible decline in services import has been observed in transport, travel, financial services and construction sector, specifically.

Fig: 8.5 Trade Balance in Goods

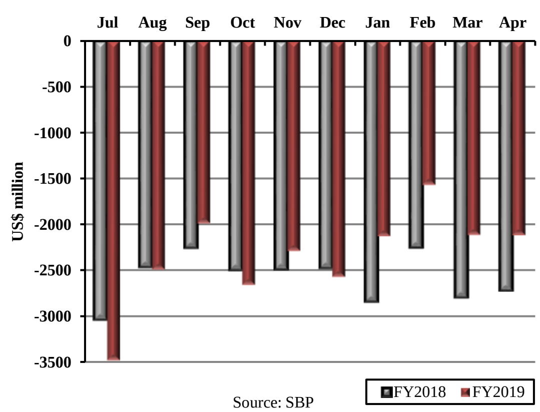
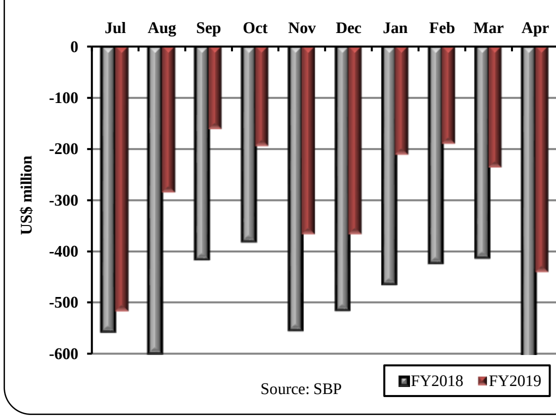


Fig: 8.6 Trade Balance in Services



Workers' Remittances

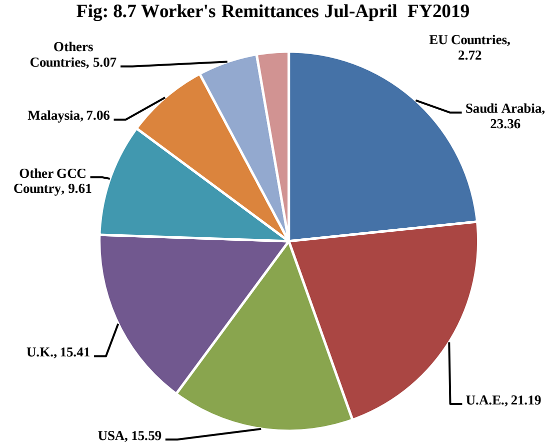
The remittances have always been a key source of balance of payment support. The remittances registered a significant growth of 8.45 percent during July-April FY 2019 as compared to 5.36 percent last year and reached to US$ 17.875 billion during first ten months of current fiscal year against US$ 16.482 billion during the same period last year. On the back of initiatives taken by the government and the trend observed, it is expected that target of US$ 21.2 billion for FY 2019 is likely to be achieved.

Table 8.3: Country/Region Wise Cash Worker's Remittances

Country/Region	July-April		($ billion)	
	2017-18	2018-19	% Change	Share
Saudi Arabia	4.09	4.18	2.08	23.36
U.A.E.	3.64	3.79	4.04	21.19
USA	2.29	2.79	21.82	15.59
U.K.	2.36	2.76	16.59	15.41
Other GCC Country	1.82	1.72	-5.40	9.61
Malaysia	0.93	1.26	35.77	7.06
Others Countries	0.82	0.91	10.39	5.07
EU Countries	0.54	0.49	-9.28	2.72
Total	16.48	17.88	8.45	100.00

Source : State Bank of Pakistan

Fig: 8.7 Worker's Remittances Jul-April FY2019



The major share of remittances are from Saudi Arabia 23.36 percent(US $ 4175.32 million), U.A.E 21.19 percent (US $ 3786.96 million), USA 15.6 percent (US $ 2786.35 million), U.K 15.41 (US $ 2755.52 million) , other GCC countries 9.61 percent (US $ 1717.86 million), Malaysia 7.06 percent (US $ 1262.67 million), EU 2.72 percent (US $ 485.89 million) and other countries 5.07 percent. The remittances during July-April FY2019 have declined by 9.28 percent from EU countries, 5.40 percent from other GCC countries. However, a marginal increase in remittances has been observed from Saudi Arabia, 2.08 percent as compared to 9.5 percent decline in the same periods last year. However, visa fee reduction from the Kingdom is likely to boost up the inflows in coming years. A strong increase from USA and UK provided a major push to inflows. Remittances increased by 21.82 percent form USA and 16.59 percent from UK. Economic turnaround, declining unemployment and rising wages in the US and the UK in the recent past have supported inflows from these countries.

Besides the US and the UK, inflows from Malaysia also supported overall remittances, with inflows amounting to US$ 1.262 billion in July-April FY2019. Over the last couple of years, Malaysia has been facing workforce shortage in labor-intensive sectors, such as manufacturing, construction and agriculture. To address the problem, Malaysia raised the wages for both local and foreign workers in its minimum wage policy of 2013. Following this, the number of Pakistanis going to Malaysia for work has been rising since 2014-15, leading to increase in remittances from the country.

To further enhance the remittances the government has taken number of initiatives given in the following box.

Box-I: Initiatives Taken During FY2018-19 to Increase Home Remittances

- **Extension in home remittance services**

In order to further facilitate overseas Pakistanis/resident Pakistanis, banks are allowed to affect Business to Customer (B2C) and Customer to Business (C2B) transactions through foreign correspondent entities under their existing/new home remittance agency arrangements. This extension was announced in October 2018.

Resultantly, under B2C transaction freelance payments and pension payments can be received upto a certain threshold by resident Pakistanis from overseas companies. Whereas overseas Pakistanis will be allowed to pay their Utility Bills, School fees, Hospital charges, Superstores bills, Insurance fees, Credit Card Payments, purchase/pay installment of property such as residential plots, flats and buildings etc.

- **Incentive Scheme for financial institutions**

In order to encourage domestic banks/microfinance banks/exchange companies providing home remittance disbursement services, a performance based scheme has been developed to enhance their marketing/promotional/awareness efforts for home remittance products and services. The Government of Pakistan (GOP) shall reimburse these expenses through SBP as given below:

Home Remittances mobilized by domestic Banks/MFBs/ECs (in equivalent US$)	Marketing Expenses Reimbursement
Home remittances exceeding 15 percent growth in FY 2018-19 compared with the levels achieved in FY 2017-18.	Rs. 1 per each incremental USD mobilized over 15 percent growth

- **Rationalization of M-Wallet Scheme:**

Beneficiary of remittances were offered Rs. 1 airtime per USD received in their M-Wallet under the ‘Promotion of Home Remittance Scheme through M Wallet’ introduced in 2017. In order to further promote Home Remittances through BB Channel, the incentive of airtime has been increased from Rs. 1 to Rs. 2 against each USD received as home remittances through M-Wallet. The amendment was made in December 2018.

- **Second Pakistan Remittance Summit**

Second “Pakistan Remittance Summit 2019” was held on April 2019 in Dubai, UAE. This Summit was organized by the top five remittance receiving banks in Pakistan under the patronage of State Bank of Pakistan (SBP) and Pakistan Remittance Initiative (PRI).

The summit shed light on the importance of workers’ remittances for the development and support of

Pakistan's economy and the measures being taken by SBP/PRI and the banks in Pakistan to increase remittances through official channels.

- **Media/Awareness Campaign to Promote Remittances through Formal Channels**

SBP/PRI have launched an awareness/marketing campaign for the promotion of formal channels with the following objectives:

I. To inform the remittance customers about the existence and facilities of sending remittances through formal channels

II. To position formal channels as the industry front runner in enabling reliable and efficient home remittance transactions through a network of banks, exchange companies and Pakistan Post

III. To inform remittance customers that use of Hawala is illegal

- **Block-Chain Based Remittance Model (From Malaysia To Pakistan)**

Technology has been a crucial feature in facilitating overseas Pakistanis and their beneficiaries in remote areas. Banks are continuously guided to introduce better and efficient technology based products. It is with the help of Block-Chain technology that wallet-to-wallet remittance service reaches Pakistan from Malaysia instantaneously and in a secure way. Valyou in Malaysia and Telenor Microfinance Bank in Pakistan launched cross-border remittance service through e-wallet platform in January 2019, which is based on block-chain technology developed by Alipay, a subsidiary of ANT Financial.

- **Reduction in Visa Fee (Qatar and Saudi Arabia)**

Saudi Arabia has drastically reduced the visit visa fee for Pakistanis from $533 (Dh1, 945) to $90 (Dh328), according to a notification issued by the Saudi Arabian Embassy in Islamabad. Moreover, Qatar is offering Visa on Arrival to all Pakistani Passport holders. Qatar plans to issue work visa to around 100,000 Pakistanis in different sectors. Pakistan offered assistance of Pakistani workforce and professionals in Qatar's development activities. These measures will increase the workforce in these countries and will ultimately boost remittances.

Source: State Bank of Pakistan

Capital Account

Non produced and nonfinancial assets with net capital transfers are presented in capital account. In Pakistan, capital account did not play a significant role in external sector and remained stagnant over the years. Capital account balance has decreased to US$ 176 million in July-April FY2019 as compared to US $ 305 million in the same period last year.

Financial Account

The financial account recorded a surplus of US$ 11.32 billion during July-April FY2019 as compared to the surplus of US$ 11.35 billion in the corresponding period.

Bilateral inflows from China, Saudi Arabia and UAE helped in uplifting financial condition of Pakistan. This was unlike last year, when Euro and Sukuk bonds with other short-term commercial borrowings had dominated. Official inflows from these friendly countries amounted US$ 9.2 billion between July-March FY2019. This partially offset the decline in net FDI and accelerating outflows from FPI, and also enabled the government to make the debt repayments coming due in the period.

Table 8.4: Capital and Financial Account **US $ Million**

Items	2014-15	2015-16	2016-17	2017-18	July-April	
					2017-18	2018-19 P
Capital Account Balance	375	273	375	376	305	176
Financial Account Balance	-5074	-6790	-10198	-14300	-11,350	-11,322
Direct Investment in Pakistan	988	2305	2749	3471	2849	1,376
Portfolio Investment in Pakistan	-1886	429	-251	2209	2314	-1397
Net Incurrence of Liabilities	2200	5029	8965	8855	6392	11,456

P: Provisional

Source: State Bank of Pakistan

Foreign Direct Investment

Foreign investment is on low growth trajectory. It dropped by 51.7 percent in July-April FY2019 to US $ 1.376 billion as compared to US $ 2.849 billion in July-April FY2018. FDI from China remained at 31.2 percent of overall inflows as compared to 60.5 percent in the preceding year. However, China continued to dominate direct investment followed by UK and Hongkong. A considerable decline in investment from Malaysia has been observed in this period.

However, Pakistan has improved its position on ease of doing business index and jumped to 136th position as compared to 147th position last year out of total 190 economies. This will surely attract foreign investors and will boost FDI. Furthermore, Pakistan carried out three reforms during the past year in the areas of starting a business, registering property and resolving insolvency, according to the World Bank’s annual report titled “Ease of Doing Business 2019”. Among regional peers Pakistan ranked behind Bhutan (89), India (77), Nepal (110), and Srilanka (100), only ahead of Bangladesh (176) Maldives (139), and Afghanistan (167).

In terms of sectors, construction sector replaced the power sector in attracting highest net FDI of US $ 386.8 million followed by oil and gas exploration US $ 287.3 million and financial business US $ 256.5 million. Power sector being the main contributor to drag down the overall inflows showed a sharp decline of 127.21 percent in July-April FY2019 as compared to the same period last year. This is mainly due to the completion of early harvest CPEC projects. Though there have been increased inflows in electrical machinery and financial business. Yet power sector declined inflows could partially be compensated.

The focus of the current government is to improve the investment climate to attract foreign investment in the country. For the purpose, the government has taken different initiatives at the international level. Pakistan has recently signed offshore Gas Pipeline deal with Russia. Similarly, Saudi Arab has shown interest to invest in a new oil refinery in Pakistan's growing deep-sea port of Gawadar which is likely to increase FDI in Pakistan. Moreover, Prime Minister’s recent visits to Malaysia and UAE would also be helpful in attracting more FDI.

Foreign Portfolio Investment

Foreign portfolio investment account witnessed outflows of US$ 1.27 billion during July-April FY2019 as compared to US$ 2.352 billion inflows in the same period last year. It is worth to be mentioned that previous government had mobilized US$ 2.5 billion in FY2018 by issuing Eurobond and Sukuk in December 2017. That was the main reason of the hump in FPI last year. Amid the decline in foreign investment, external financing from bilateral sources were quite helpful**.**

Table 8.5: Foreign Investment **($ Million)**

	FY2017	FY2018 R	July-April	
			FY2018 R	FY2019 P
A. Foreign Private Investment	2234.0	3230.5	2713	968
Foreign Direct Investment	2746.8	3471.2	2849.1	1376.1
Inflow	3451	4185.4	3440.4	2684.3
Outflow	704.2	714.2	591.3	1308.2
Portfolio Investment	-512.8	-240.7	-136.2	-408.1
Equity Securities	-512.8	-240.7	-136.2	-408.1
Debt Securities				
B. Foreign Public Investment	262.1	2450.5	2450.5	990.6
Portfolio Investment	262.1	2450.5	2450.5	990.6
Total Foreign Investment (A+B)	2496.1	5681	5163.5	22.6

P: Provisional

Source: State Bank of Pakistan

Fig: 8.8 Country-Wise FDI (July-April FY 2019)

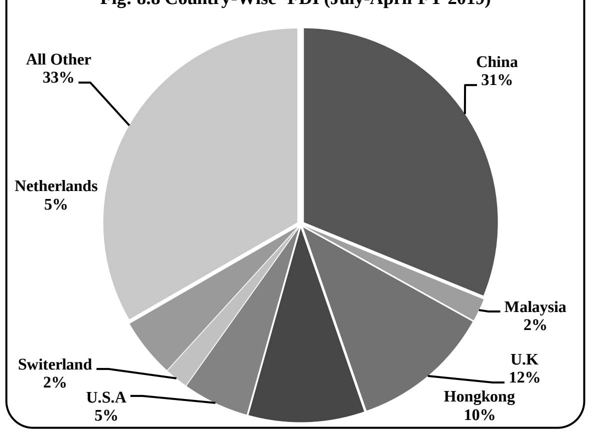
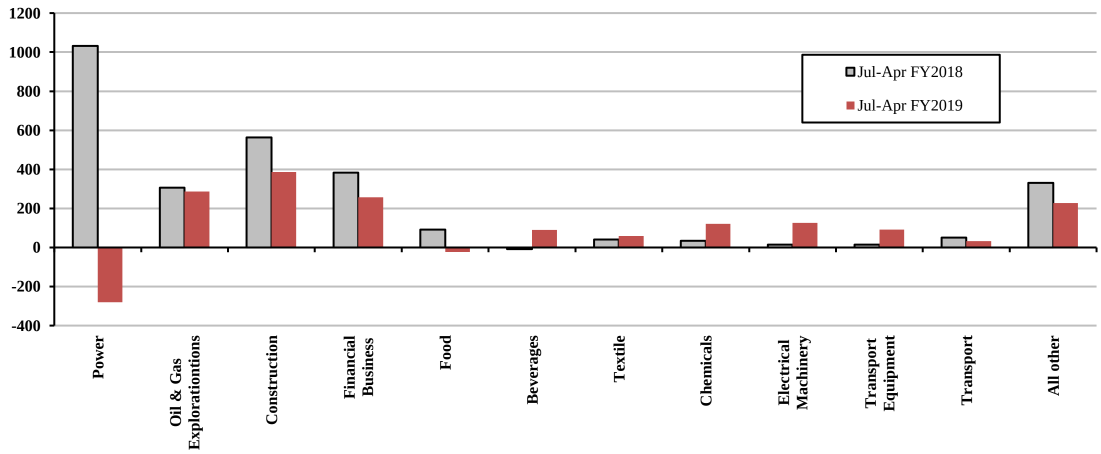


Fig-8.9: Sector Wise FDI



Reserves and Exchange Rate

Although the higher import bills and debt repayments led to depletion of FR reserves. Yet it was stabilized with the help of monetary inflows from friendly countries. Foreign exchange reserves stood at US$ 15.722 billion till end-April FY2019. This was below than the total reserves of US$ 17.519 billion of the same period last year. Out of this SBP reserves were US$ 8.781 billion, where reserves held with commercial banks were US$ 6.941 billion.

A sharp decline in SBP reserves observed in first half of FY2019 when official reserves of SBP declined by US$ 3.02 billion. This decline was mainly due to the unavailability of sufficient FX reserves to finance country's growing import bill. This was the main contributor of shrinking total FX reserves since net reserves with commercial banks were on a stable path. However, in the second half of FY2019 it picked up the pace. Though the Eurobond and Sukuk had provided some relief to falling FX reserves last year, Pakistan had received US$ 9.2 billion as a financial support from China, Saudi Arabia and UAE between July 1, 2018 and end-March 2019. Moreover, government is about to launch Panda bonds in near future likely to be in the range of US$ 1.3 billion which will help in build up the reserves. Recent positive development of deferred oil payment worth of US$ 3.2 billion from Saudi Arabia will also help easing pressure on reserves and balance of payment. It would become operational from July 2019.

Fig: 8.10. Foreign Exchange Reserves

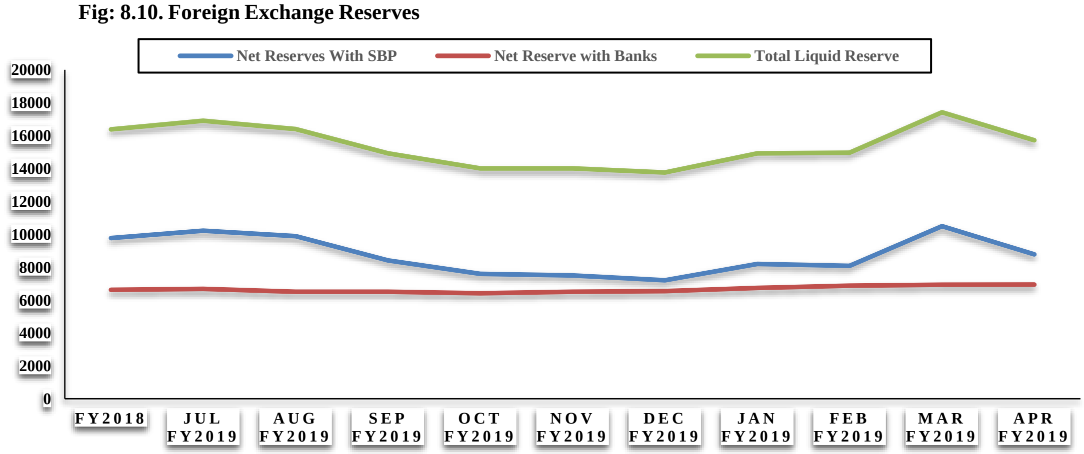
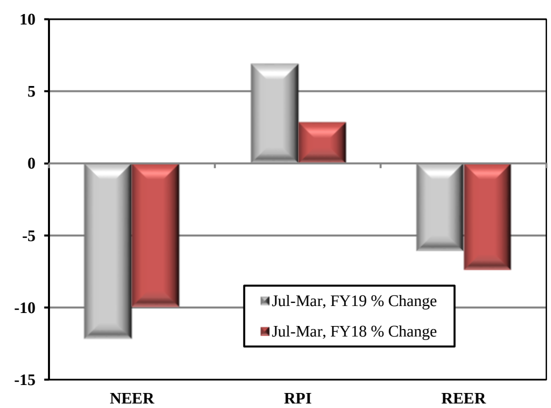


Table: 8.6 Liquid Forex Reserves (Million US$)			
	Net Reserves With SBP	**Net Reserve with Banks**	**Total Liquid Reserve**
FY2018	9,765.20	6,618.40	16,383.60
July FY2019	10,223.70	6,679.70	16,903.40
August FY2019	9,886.40	6,504.70	16,391.10
September FY2019	8,408.70	6,512.00	14,920.70
October FY2019	7,602.20	6,414.20	14,016.40
November FY2019	7,502.10	6,509.30	14,011.40
December FY2019	7,203.70	6,553.10	13,756.80
January FY2019	8,192.40	6,728.50	14,920.90
February FY2019	8,085.60	6,865.40	14,951.00
March FY2019	10,492.00	6,925.10	17,417.10
April FY2019	8,781.30	6,941.30	15,722.60
Source: State Bank of Pakistan			

The PKR also remained under pressure during the year, as despite the decline in the current account gap, it stayed at a high level. Responding to the resulting payment pressures, the PKR depreciated by 14.1 percent against the US Dollar between July 1, 2018 and April 22, 2019.

Fig: 8.11 Trend in PKR's NEER, RPI and REER



Pakistan's nominal effective exchange rate (NEER) depreciated by 12 percent during Jul-Mar FY2019 as compared to 10 percent depreciation in the same period last year. On the other hand, real effective exchange rate (REER) depreciated by 7 percent, driven by both RPI and NEER specifically. Since local currency weakened significantly against all the major currencies during the period.

Pakistan's REER index has exceeded the NEER index. Technically, higher REER suggests that prevailing exchange rate has overvalued. The gap arises when the export basket of a country faces higher cost of doing business in a country and hence, losses export competitiveness viz-a-viz it's trading partners.

In the current fiscal year FY2019, as of May 20, 2019, PKR cumulatively depreciated by 18.7 percent against the US$ since end June 2018. In effective terms, up till March 2019, NEER depreciated by 12.1 percent. However, unlike FY2018, recovery in oil prices, increase in energy tariffs, and certain lagged pass-through effect of PKR depreciation in FY2019 widened the gap between Pakistan's and its trading partners' inflation. This in turn limits the adjustment in REER, which up till March 2019 has depreciated by 6.1 percent since end June 2018.

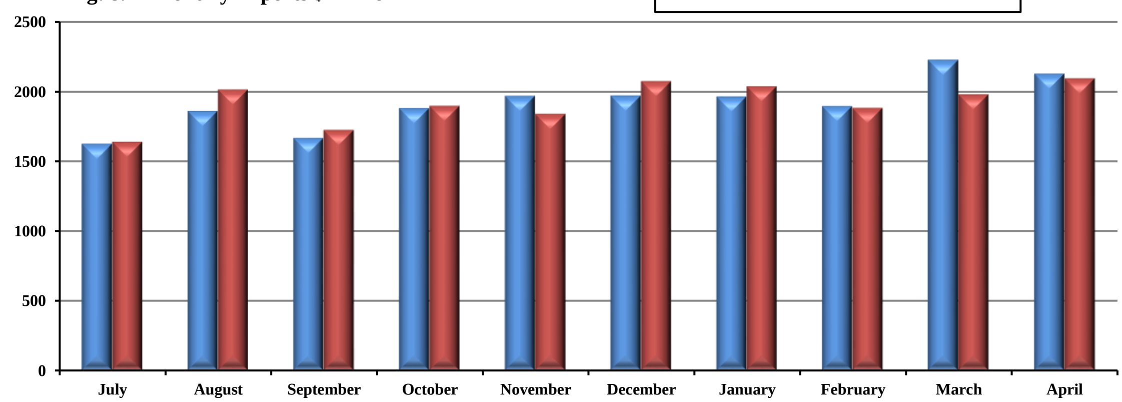
Nevertheless, these recent adjustments in PKR exchange rate have helped in bringing its real value close to historical trend. It would not only help in reducing the risks arising from the external sector's vulnerabilities in the medium-term but would also prove to be beneficial to revive much needed recovery in the export-oriented sectors. While the fuller impact of PKR depreciation would take some time to completely unfold (and depends upon both conducive external demand and domestic supply situation), its preliminary affect is already visible from the reduction in external trade deficit, and thus current account deficit

Exports

The current government is focusing on making the exports a driver of sustainable economic growth. It is endeavoring to improve competitiveness and efficiency of the industry especially export-oriented sector and import substituting production, reducing structural anomalies and improving trade by increasing institutional efficiencies and reducing cost of doing business.

The export target for FY2019 was set at US$ 28 billion. Exports registered a decline of 0.1 percent growth during July-April FY2019. As per PBS data, exports during July-April FY2019 reached to US$ 19.17 billion as compared to US$ 19.19 in July-April FY2018. A slowdown in economic growth in the EU, along with spillovers from US-China trade tensions, led to subdued performance in exports. Textile sector remained the most vulnerable sector in these global headwinds.

Fig: 8.12 Monthly Exports $ Million



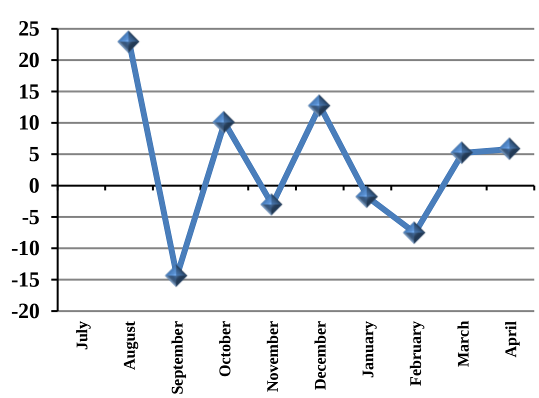
Monthly analysis shows that global synchronized slowdown has started hitting our economy. After showing some resilience exports started to retreat. However, March 2018 showed a phenomenal growth with US$ 2.2 billion exports in one month so it was expected that the March 2019 might not be that much phenomenal. April 2019 has registered highest export figure in the current fiscal year. It is pertinent to note that exports remained above US$ 2 billion in four months of FY2019. However, overall exports have got dampened due to global headwinds.

Table 8.7: Exports — **US$ Million**

Month	FY 2019	MoM
July	1,638	-
August	2,013	22.92
September	1,723	-14.41
October	1,896	10.05
November	1,839	-3.02
December	2,072	12.70
January	2,035	-1.83
February	1,881	-7.55
March	1,979	5.22
April	2,094	5.81
Jul-Apr	19,169	

Source : Pakistan Bureau of Statistics

Fig: 8.13 MoM Change in Exports FY2019



The government has taken number of initiatives like economic reform package (2019), supply of gas and electricity to zero rated industry at lower cost, continuation of prime minister's export package of 2017, sales tax refunds and duty drawbacks, incentive package (2019) and formulation of Strategic Trade Policy Framework (2018-2023). Government has reduced cost of production of textile sector by abolishing regulatory duty on cotton imports.

Moreover, second free trade agreement has been signed with China, providing tariff concessions to 313 items. Pakistan is expanding its marketing and trade promotion campaign to all the major markets.

The State Bank of Pakistan has maintained low rates for export refinancing schemes and fixed investment to allow export sector industries to make investments on competitive basis.

In order to increase exports, the government has continued the five export oriented sectors - including textile, leather, sports goods, surgical goods and carpets - as part of zero rated sales tax regime. Devaluation has surely increased the cost of imported raw materials. However, this has been largely offset by the generous export incentives provided including larger export rebates, withdrawal of import duties on inputs of raw materials and intermediate goods and, more recently, the issuance of promissory notes against refunds due along with subsidies on gas and electricity consumed. All these measures likely to pay dividend with lag effect.

Merchandise Exports

During July-March FY2019, the exports reached to US$ 17.07 billion as compared to US$ 17.06 billion in the same period last year, which shows a meager growth of 0.1 percent as compared to 11.6 percent growth same period last year.

Disaggregated analysis suggest that performance of all the groups including food group, textile group, petroleum group and other manufactured groups remained subdued in the current fiscal year on the account of global headwinds.

Table 8.8 : Structure Of Exports Million

Particulars		July-March Values in Dollars			July-March Quantity		
		2017-18	2018-19 (P)	% Change	2017-18	2018-19 (P)	% Change in Quantity
	Total	17064.5	17075.8	0.1			
A.	**Food Group**	3430.346	3348.144	-2.40			
	Rice	1,494.7	1487.51	-0.48	3124975	2969636	-4.97
	Sugar	362.0	115.13	-68.20	1010655	377677	-62.63
	Fish & Fish Preparation	315.6	293.887	-6.88	137819	130830	-5.07
	Fruits	339.8	369.225	8.66	624003	670464	7.45
	Vegetables	172.6	168.338	-2.48			
	Wheat	59.7	121.872	104.11			
	Spices	59.7	68.445	14.65	15799	18428	16.64
	Oil Seeds, Nuts & Kernels	31.9	69.479	117.88	25674	48485	88.85
	Meat & Meat Preparation	159.2	156.901	-1.42	43906	43489	-0.95
	Other Food Items	435.1	497.357	14.30			
B.	**Textile Manufactures**	9,983.1	9991.428	0.08			
	Raw Cotton	55.8	15.721	-71.84	33862	9744	-71.2
	Cotton Yarn	987.8	835.325	-15.44	380434	320525	-15.75
	Cotton Cloth	1,630.3	1596.271	-2.09	1666130	1967303	18.08
	Knitwear	1,971.9	2155.039	9.29	77712	89231	14.82
	Bed wear	1,674.1	1719.185	2.69	279460	308150	10.27
	Towels	598.8	587.779	-1.85	154237	137318	-10.97
	Readymade Garments	1,918.3	1957.018	2.02	29289	37528	28.13
	Made-up articles	513.4	519.857	1.26			
	Other Textile Manufactures	632.7	605.233	-4.33			
C.	**Petroleum Group**	155.2	154.922	-0.17			

Table 8.8 : Structure Of Exports Million

	Particulars	July-March Values in Dollars			July-March Quantity		
		2017-18	2018-19 (P)	% Change	2017-18	2018-19 (P)	% Change in Quantity
	Petroleum Products	115.9	107.111	-7.56	185067	148388	-19.82
	Petroleum Top Neptha	39.3	47.811	21.61	90699	84880	-6.42
D.	**Other Manufactures**	2,527.7	2489.681	-1.50			
	Carpets, Rugs & Mats	57.9	50.688	-12.51	1345	1189	-11.60
	Sports Goods	244.5	222.445	-9.04			
	Leather Tanned	240.4	187.936	-21.83	19232	15568	-19.05
	Leather Manufactures	391.7	358.771	-8.41			
	Surgical Goods. & Med. Inst.	283.8	279.667	-1.46			
	Chemical & Pharma. Pro.	794.8	839.883	5.68			
	Engineering Goods	141.9	126.575	-10.81			
	Jeweler	5.1	3.83	-24.22			
	Cement	166.6	221.258	32.81	3338065	5188661	55.44
	Guar & Guar Products	26.3	26.62	1.04	17537	16812	-4.13
	All Other Manufactures	174.6	172.008	-1.50			
E.	**All Other items**	968.2	1086.625	12.23			

P : Provisional

Source: Pakistan Bureau of Statistics

Food group constituting 19.6 percent of overall exports posted a decline of 2.4 percent as compared to same period last year. Within the food group, export of rice comprises 44.4 percent of total food group declined by 0.5 percent causing a major setback in overall food exports. The quantum drop in rice was 5.0 percent but its value declined by 0.5 percent. This underwhelming picture is attributed to the competition faced by Pakistan from its competitors like Africa and China. Pakistani exporters are facing tough time against Chinese competitors as they are offloading their stock at lower prices.

However, to tackle this situation government is taking necessary steps including reclaiming traditional markets besides accessing to new markets. Removal of restriction by Qatar on Pakistani rice export is a step in this direction that will reclaim Pakistan's share in the global rice market. Moreover, China has agreed to give duty free access to 200,000 tons of rice from Pakistan in the current calendar year.

Among other products fruits, capturing the second highest position in food group, posted a growth of 8.7 percent in value during the current fiscal year. Pakistan managed to explore new international markets for this group by participating in Berlin fair.

The other important components of food group which registered a positive growth include oil seeds, nuts & kernels, spices and wheat. Sugar exports declined by 68.2 percent on account of the withdrawal of subsidies and completion of earlier announced quotas.

Exports of textile manufacturers, which accounts 58.5 percent in total exports witnessed a trivial growth of 0.1 percent and remained at US$ 9.99 billion in July-March FY2019 as compared to US$ 9.98 billion during the same period last year. Within the group, knitwear and bed wear registered a positive growth but it was offset by the decline in cotton yarn and cotton cloth. Low demand from EU and lower unit prices, particularly for knitwear, contributed to the lackluster performance of this group. Textile trade agreements have been signed at Texpo Pakistan 2019 which will support textile exports.

Export of the textile items like knitwear comprises 12.6 percent of total exports and 21.6 percent of textile exports increased in both quantity and value by 14.8 and 9.29 percent respectively. Readymade garments with 11.5 percent share in total exports and 19.6 percent share in textile exports registered a positive growth of 2 percent in value and 28.1 percent in quantity. Value-added exports increased due to growing demand and improvement in export competitiveness after exchange rate adjustment.

Cotton cloth having 9.3 percent share in total exports and 16 percent in textile exports declined by 2.1 percent in value but its quantum increase was 18.1 percent. Bed wear with a share of 10.1 percent in exports and 17.21 percent in textile group, increased both in quantity and in value by 10.3 percent and 2.7 percent, respectively. Cotton yarn has 4.9 percent share in total exports and 8.35 percent in textile group, decreased in both quantity and value by 15.7 percent and 15.4 percent, respectively.

Towels having share of 3.4 percent in total exports and 5.88 percent share in textile group, decreased both in quantity and in value by 11.0 percent and 1.8 percent, respectively.

Raw cotton having a share of 0.1 percent in total exports and 0.16 percent in textile group, decreased in both quantity and value by 71.2 percent and 71.8 percent, respectively. May be due to declining international cotton prices from 2.15 $/kg in June 2018 to 1.92 $/kg in April 2019**.**

Petroleum group having a negligible share of 2 percent in total exports registered a negative growth of 0.2 percent on account of 7.6 percent decline in petroleum exports.

Other manufacturers accounting 14.6 percent of total exports registered a negative growth of 1.5 percent during the period July-March FY2019.

Within the group chemical and pharmaceutical products, bearing the largest share in the group, posted a growth of 5.7 percent in value. This is the only category showing significant growth in the group. Leather manufacturers continues to struggle but registered a negative growth of 8.4 percent in value. 21.8 percent decline in value is witnessed in leather tanned while its quantity decreased by 19 percent.

Exports of carpets, rugs and mats registered a negative growth of 12.5 percent in value. The acute shortage of electricity, bad law and order, ever-soaring inflation, shortage of skilled labor force and high mark-up rate during last one decade were the major reasons hitting the carpet industry besides causing huge decline in rugs exports.

Sports goods decreased in value by 9 percent on the back of 7.35 percent decline in exports of football. Other than these, surgical goods and medical instruments, engineering goods and jewelry posted a negative growth of 1.5, 10.8 and 24.2 percent, respectively. Although Cement export posted a significant growth of 32.8 percent in value and 55.4 percent in quantity during July-March FY2019. Low domestic sale and significant capacity additions paved the way to foreign markets for cement manufacturer.

Concentration of Exports

Pakistan’s exports are highly concentrated in few items like cotton & cotton manufacturers, leather, rice and few other items. The first three categories of exports account for 69.2 percent of total exports during July-March FY2019 with cotton & cotton manufacturers alone contributing 56.7 percent. Traditionally, the contribution of these three categories was 70.3 percent during the same period last year, and 71.8 percent during FY 2017. The bifurcation of these items in table shows that exports in these few items are the major factor for lower export earnings.

Table 8.9 : Pakistan's Major Exports

Commodity	2013-14	2014-15	2015-16	2016-17	2017-18	July-March	
						2017-18	2018-19 P
Cotton Manufactures	53.1	54.5	55.0	59.4	56.9	56.7	56.7
Leather**	5.1	4.8	4.9	4.5	4.6	4.1	3.7
Rice	7.6	8.5	8.8	7.9	8.8	8.8	8.8
Sub-Total of three Items	**65.8**	**67.8**	**68.7**	**71.8**	**70.3**	**69.6**	**69.2**
Other items	34.2	32.2	31.3	28.2	29.7	30.4	30.8
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

P: Provisional, ** Leather & Leather Manufactured.

Source: Pakistan Bureau of Statistics

Direction of Exports

Traditionally Pakistan's export destinations are concentrated to a few markets. Pakistani exports go to ten countries namely USA, China, UAE, Afghanistan, UAE, Germany, France, Bangladesh, Italy and Spain. Among these countries USA has the largest share of 17 percent in total exports followed by China 8 percent and UK 7 percent. The share of exports to Afghanistan and UAE witnessed a one percent decline during July-March FY2019 as compared to the same period last year. Table 8.10 suggests that all the countries have been on a stable trajectory in terms of export destinations of Pakistan. However, efforts are being made to explore new markets where lots of potential exists. Formulation of Strategic Trade Policy Framework (2019-24) is a way forward towards securing more international markets' access.

Table 8.10 : Major Exports Markets **(Rs. Billion & Percentage Share)**

Country	2015-16		2016-17		2017-18		July-March			
							2017-18		2018-19 P	
	Rs.	% Share	Rs.	% Share	Rs.	% Share	Rs.	% Share	Rs.	% Share
USA	364.8	17	361.1	17	400.4	16	290.9	16	384.6	17
CHINA	174	8	153.8	7	185.7	7	133.9	7	182	8
AFGHANISTAN	149.9	7	133.1	6	165.2	6	122.4	7	128.5	6
UNITED KINGDOM	164.7	8	163.1	8	186.7	7	135.7	7	166.9	7
GERMANY	118	6	125.1	6	146.7	6	106.9	6	125.6	6
U.A.E	85.5	4	83	4	104	4	69.1	4	77.3	3
BANGLADESH	72.3	3	65.4	3	81	3	58.8	3	77.8	3
ITALY	67.7	3	68.6	3	84.5	3	60	3	74.3	3
SPAIN	84.3	4	85.5	4	104.5	4	77.3	4	93.2	4
FRANCE	36	2	38.8	2	45.5	2	31.3	2	39.1	2
All Other	**849.6**	**45**	**860.7**	**40**	**1050.8**	**41**	**752.6**	**41**	**914.4**	**40**
Total	**2166.8**	**100**	**2138.2**	**100**	**2555**	**100**	**1838.9**	**100**	**2263.7**	**100**

P : Provisional

Source : Pakistan Bureau of Statistics

Bilateral Relations of Pakistan:

China-Pakistan

Pakistan is courting China by means of a bilateral agreement in addition to other commercial agreements. China-Pakistan Free Trade Agreement (CPFTA) on trade in goods was signed on 24th November, 2006 and implemented from 1st July, 2007. FTA on Trade in Services was signed on 21st February, 2009 and is operational from 10th October, 2009. The FTA covers more than 7000 tariff lines at the 8 digit level of HS Code. Both sides are currently negotiating Phase-II of the FTA. Last round (10th round) of negotiation for China-Pakistan Free Trade Agreement (CPFTA) Phase-II 5 was held in Islamabad on 2nd April, 2018.

The Sino-Pakistan volume of trade, which was around US$ 4 billion in the year 2006-07, reached an all-time high of US$ 17.48 billion in 2017-18. Pakistan's exports have jumped to US$ 1.74 billion in 2017-18 from US$ 575 million in 2006-07. Correspondingly, China's exports to Pakistan have increased to US$ 15.74 billion in 2017-18 from US$ 3.5 billion in 2006-07.

First China International Import Expo was held in Shanghai, China, on 5-10th November, 2018. Pakistan was invited as the Guest of Honor in the Expo. The Pakistan Pavilion at the CIIE 2018 was based on the theme of "Emerging Pakistan. Stalls were set up to attract business in Textiles, Food, Services, Sports and Industries' sectors. The Expo was attended by prominent world figures like President of Russia, President of China, founder of Microsoft Corporation Mr. Bill Gates, and Co-founder and Executive Chairman of Alibaba Group Mr. Jack Ma. Pakistan Trade and Investment Conference was held in Shanghai, China on 5th November, 2018. The event was attended by 360 Chinese Companies/ representatives, and 400 Pakistani Businessmen. Almost 30 MoUs were signed between Pakistani and Chinese companies.

Pakistan-Japan

Six Sessions of Joint Government Business Dialogue (JGBD) have been held so far. During the 6th Round of JGBD, held on 10th December, 2018 at Tokyo, Japan, Pakistan proposed that as an interim step, a PTA may be concluded to allow Pakistan level playing field as available to its competitors. Japanese side clarified that, if they were to discuss on possible EPA/FTA, it has to be full-fledged, covering "substantially all the trade", and covering not only Trade in Goods but also Trade in Services, Investment and rule areas including Intellectual Property and E-Commerce. Based on this understanding, both sides shared the willingness to promote discussion to strengthen and further facilitate bilateral trade.

Pakistan-Malaysia

The Comprehensive Free Trade Agreement (FTA) for Closer Economic Partnership between Pakistan and Malaysia was signed on 08-11-2007 at Kuala Lumpur Malaysia. It is operational from 1st January 2008. Pakistan exports to Malaysia have increased from US$ 81 million in 2006-2007 to US$ 145.18 in 2017-18 as a result of this FTA.

Pakistan-Thailand

Pakistan is Thailand's second largest trade partner in South Asia and there is tremendous potential to increase bilateral trade. During the 3rd Session of Pak-Thai JTC, held on 12-13th August, 2015, it was agreed by both sides to enter into Free Trade Agreement. The negotiations on FTA were started in 2015 and so far 9 rounds have been held. Pakistan exports to Thailand have increased from US$ 95 million in 2010-11 to US$185.48 million in 2017-18.

Pakistan-Indonesia

Indonesia-Pakistan PTA (IP-PTA) was signed on 3rd February, 2012 and has been operationalized w.e.f 1st September, 2013.

The Third Review Meeting of IP-PTA was held on 10-11 August, 2017 in Jakarta, Indonesia. During the meeting Pakistan sought unilateral market access on 20 tariff lines of its prime export interest to make the PTA mutually beneficial. As a result of hard negotiation and persistent trade diplomacy, Indonesia agreed to unilaterally provide "zero duty" to Pakistan on these 20 tariff lines. A protocol to give effect to this arrangement was signed during the visit of Indonesian President on 26-27 January, 2018. Pakistan's exports to Indonesia have witnessed some improvement over the last years. After the above mentioned further concessions, Pakistan's exports are likely to witness a sizable increase.

Pakistan-Bangladesh

Pakistan and Bangladesh share the membership of SAARC, OIC and D-8. These are two major Islamic nations of South Asia, a region which is trying to come closer under the ambit of SAARC Free Trade Agreement (SAFTA). Both the countries have been working closely at international fora for promoting regional integration, trade, security and world peace. The volume of trade between Pakistan and Bangladesh has always remained in favor of Pakistan. Pakistan exported US$ 736 million and imported US$ 69 million to Bangladesh in FY2017-18.

Box-1: Trade Related Measures taken in first 3 quarters of 2018-19

In the first 9 months of FY 2018-19 following measures have been taken to improve the trade related environment.

1. Trade Policy Measures

The Trade Policy Wing of the Ministry has undertaken the following measures to facilitate trade of the country

1.1. **Exports Enhancement Measures**

Government of Pakistan has taken a number of exports enhancement measures that will support positive growth trends. The major interventions are as under:

1.2. Revision of Export Enhancement Package

In order to provide long term policy to support and encourage non-traditional exports of the country, the package was extended for another period of three years vide SRO 711 (I)/2018 dated 8.6.2018, i.e. from 1st July 2018 to 30th June 2021.

Under this package, new export sectors such as Transport equipment, Auto parts & accessories, Machinery incl. electrical machinery, Furniture, Stationery, Fruits& Vegetables, Meat and meat preparation including poultry have been included. The package is operating under the similar conditions of previous export package. The support through drawback of local taxes and levies will promote product diversification and enhance competitiveness of the exports. Moreover, for market diversification, additional incentive has been provided to promote exports to the non-traditional markets.

1.3. Economic Package to support industrial growth

Commerce Division has been working with the industry to develop a comprehensive plan to increase their competitiveness. One of the major impediments for export sectors was its higher duties on the import of raw materials and intermediate inputs. In this regard, a series of consultative sessions were held to identify sectors and products that require immediate relief in terms of reduction in the import duty in their inputs and raw materials. In the first phase, Custom Duties and Regulatory Duties on 236 Tariff Lines (TLs) of raw materials and intermediate products have been reduced. In the second phase, a list of 40 TLs were further incorporated in the Finance Bill 2019 (Supplement-I). In the second phase, tariff reduction plan has been approved for 12 sectors. The amendment in the tariff schedule has been introduced in Finance Bill 2019-Supplement, whereas, the Regulatory import duty for the export-oriented industries have been reduced vide SRO 190(I) 2019 dated 11th February 2019.

1.4. Payment of DLTL and Sales Tax Refund

The payment of Export Enhancement Package claims were pending due to which exporters were facing the liquidity crunch. After rigorous consultations with the Finance Division, State Bank of Pakistan and AGPR, a mechanism has been designed to expedite the payments to the exporters. It has been decided that the settlement of outstanding claims of exporters under DLTL/PM package schemes as on 31-12-2018 through cash payment (1/3rd) and issuance of Promissory Notes (remaining 2/3rd). Further mechanism has been developed to facilitate the process. Furthermore, the government has disbursed Rs. 20 billion of Sales Tax Refund & Rs. 10 billion DLTL.

2. Regulatory Measures

2.1. Mechanism for Ensuring Quality and Standards for Imported Goods

To address the issue of low quality imports, the Import Policy Order was amended vide SRO 1067 (I)/2017 dated 20th October 2017, to incorporate safety and health requirements/quality standards, proposed against each tariff line, to ensure that quality and SPS standards are complied with on such imports. Furthermore, the government has restricted the import of food items only through Karachi seaport and Land Border Posts i.e. Sost, Chaman, Torkham, Taftan, Wagha, Peshawar and Quetta vide SRO 706 (I)/2018 dated 6.6.2018. These aforementioned ports have the requisite infrastructure and human resource to provide the facility for the import permit after evaluating the health safety requirements by Department of Plant Protection (DPP).

2.2. Policy revision for the import of vehicles under transfer of residence personal baggage and gift schemes

In order to prevent the misuse of the scheme intended for Overseas Pakistanis, the existing policy has been revised. Under the revised Policy, the remittance for payment of duties and taxes will originate from account of Pakistani national sending the vehicle from abroad; and the remittance will either be received in the account of Pakistani national sending the vehicle from abroad or, in case, his account in nonexistent/inoperative, in the account of his family member as defined in Appendix-E, Para (1) of the import Policy Order. The decision of the ECC of the Cabinet has been notified vide SRO. 52 (I) 2019 on 15th January 2019.

2.3. Amendments in Export and Import Policy Order, 2016

Commerce Division has made amendments in certain provisions of export and import order 2016 to facilitate the exporters and importers. These amendments have been made after rigorous consultations with private and public sector stakeholders and subsequent approval of the Cabinet.

2.4. Labeling Requirements on import of edible products

Under Import Policy Order (IPO) 2016, the import of edible products is subject to, inter alia, the conditions that it is fit for human consumption, has at least 50 percent of the remaining shelf life and in case of meat it is obtained from 'halal' animals and slaughtered in accordance with the Islamic injunctions. There was a need that our consumers should be aware of the ingredients of the edible products they consume, keeping in view their safety and belief. Therefore, the following amendments have been introduced in the policy for consumer's welfare:

a. The product has at least 66 percent (2/3rd) of remaining shelf life
b. The ingredients and details of the product (e.g. nutritional facts, usage instructions etc.) of the food product are printed in Urdu and English languages on the consumer packaging
c. The logo of the Halal certification body is printed on the consumer packaging
d. The labeling under (b) & (c) not to be in the form of a sticker, overprinting, stamp or scratched labeling

The shipment is accompanied by a 'halal certificate' issued by a halal Certification Body, accredited with an Accrediting Body (AB) which is a member of International Halal Accreditation Forum (IHAF) or Standards Meteorology Institute for Islamic Countries (SMIIC)

However, the operation of the SRO has been suspended till July 01, 2019.

2.5. Easy issuance of NOC for carrying and temporary import/re-export of arms/ammunition by foreign hunters

The hunting/sporting activity coupled with improved law & order situation in Gilgit-Baltistan region has huge potential to attract foreign hunters/ tourists. However, the lengthy and cumbersome procedure for getting NOC from Ministry of Interior for carrying hunting arms and ammunition and another NOC from Commerce Division for temporary import-cum-export of arms/ ammunition has been discouraging to promote tourism. In order to make the process of issuance of NOC for temporary import-cum-export of hunting arms/ammunition easy, NOC from Ministry of Interior for carrying arms/ammunition by foreign hunters will be considered sufficient for temporary import-cum-export of hunting arms.

3. Policy reforms

The policy reforms will address the structural issues in the economy and will develop the supply chain for export diversification and industrial growth:

3.1. National Tariff Policy

The first ever National Tariff Policy (2019-24), in principle, has been approved by the Prime Minister on 7th March 2019. It will be presented to the Cabinet for approval. In pursuance of Rules of Business, 1973, which assigns Tariff (Protection) policy and its implementation to Commerce Division, an exhaustive exercise has been undertaken to develop with an aim to make the tariff structure truly reflect trade policy priorities, improve competitiveness through duty-free access to imported inputs, rationalize the tariff structure for enhancing efficiencies and reduce the relative "disincentive" for the exporting activities. The availability of cheaper imported inputs and raw materials is expected to increase exports by 2.5 percent in the next five years.

The draft Policy is based on the principles of:

a. Employing tariffs as an instrument of trade policy rather than revenue
b. Maintaining vertical consistency through cascading tariff structures (increasing tariff with stages of processing of a product)
c. Providing 'strategic protection' to the domestic industry against the foreign competition during the infancy phase
d. Promoting competitive import substitution through time-bound protection, which will be phased out to make the industry eventually competitive forex port-oriented production

3.2. Trade Related Investment Promotion Strategy

Ministry of Commerce has developed a draft Trade Related Investment Promotion Strategy (TRIPS) in consultation with the stakeholders. Since Pakistan's trade growth largely depends on attracting efficiency seeking investment in the export-oriented sectors, TRIPS aims to channelize investment into export-oriented production and competitive import substitution. The framework seeks the following direction for investment related measures:

a) Identify the priority sectors to incentivize and facilitate efficiency seeking investment in the manufacturing sector
b) Identify the critical enablers for attracting trade related investment – e.g. competitive production environment, market size and time-bound protection, market access and investment eco-system etc
c) Provide the policy measures under the investment enablers in the priority sectors
d) Devise strategy for investment promotion and implementation of the policy

3.3. Strategic Trade Policy Framework (STPF 2019-24)

Commerce Division has drafted the Strategic Trade Policy Framework (STPF) 2019-24, which defines the policy direction for Pakistan's international trade especially exports for the 5-year tenure of the new government. The STPF 2018-23 is an overarching policy framework that aims "to make Pakistan a dynamic and efficient domestic market and a globally-competitive export-driven economy". The critical enablers, apart from tariff rationalization and investment, for exports growth strategy are (i) competitiveness, (ii) integration into global value chains, (iii) enhanced market access, (iv) institutional strengthening, and (iv) improvement in export ecosystem. It stipulates policy interventions in each of the area that will provide quantum jump to exports and at the same, facilitate equitable growth to the economy.

3.4. Improving Business Environment

The current regime is specifically focusing on improving business environment. Pakistan has improved its ranking by 11 points and moved from 147th/190 to 136th/190 in Doing Business Report 2019. In order to improve Pakistan's ranking further, recently, following specific reforms have been undertaken in collaboration with the federal and provincial departments:

1. Complete Integration of SECP, Punjab and Sindh business registration portal. This will help in reducing the time and process for registering a company and give one platform where businesses can be started
2. Complete automation of property registration in Punjab. Property registration through online mode has reduced the time drastically for this process and is one of the key areas of reforms. It has improved the transparency and quality of land administration

- Online payment of federal and provincial taxes, contributions and duties –Online payments will help Pakistan to improve its ranking in paying taxes indicator
- Integration of key departments with WeBOC. To help importers/exporters and reduce the time and cost of compliance

with departments

- Automation of electricity connection process by K electric. K- Electric has made the process of getting a commercial electricity connection easier by making it online where the customer can track its application as well
- Establishment of Collateral registry. The collateral registry for unincorporated entities has been established in SECP. This will help the small business to use their moveable assets as collateral for getting credit
- Dedicated DB Unit has been set up at the BOI, Planning and Development Department Punjab for the purpose of removing bottlenecks and facilitating for smooth business operations

Some of the Future Targets

i. Rewriting the existing fundamentals of economy and aligning it with global best practices

ii. Making industrial sector completely subsidy free: Currently, cement and rice exports are among the leading subsidy free industries/exports

iii. Improving Pakistan's integration and share in global trade

iv. Pursue the multilateral trading agenda and continue to work for its improvement

v. Participating in the regional and global economic alliances for mutual gains

vi. Reformation of tax collection system that is hampering trade transactions

vii. Addressing the issues that are challenging our industrial competitiveness

viii. Effectively use Tariff as a trade policy instrument rather than a revenue generation tool

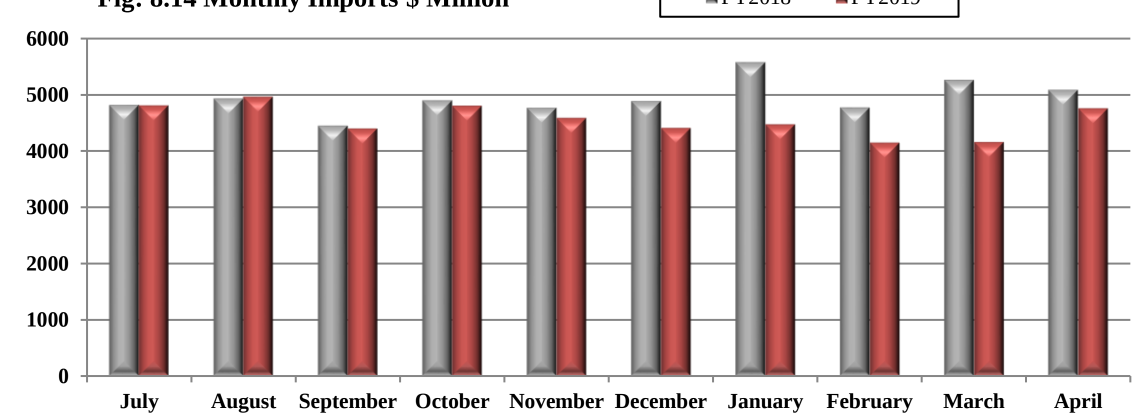
Source: Ministry of Commerce

Imports

Import target for FY2019 was set to US$ 56.5 billion. As per PBS data, imports stood at US$ 45.471 billion in July-April FY2019 as compared to US$ 49.360 billion in the same period last year showing a decline of 7.9 percent. The reduction in imports is due to decrease in imports of furnace oil, machinery & electric equipment, palm oil and textiles. Current scenario of declining imports shows that imports will be according to the estimates. With the falling global demand, weakening consumer and business sentiment among the major economies, trade tensions and economic stabilization measures at home, the imports are expected to be further decrease.

Additionally, the government has launched import substitution drive that will be instrumental in reducing pressure on current account. The Finance Supplementary (Second Amendment) Act, 2019 particularly offered tariff concessions to those industries that can offer import substitution. It lowered tariffs on the raw materials and intermediate goods that can help local firms in meeting local demand that is currently being fulfilled by the foreign firms.

Fig: 8.14 Monthly Imports $ Million



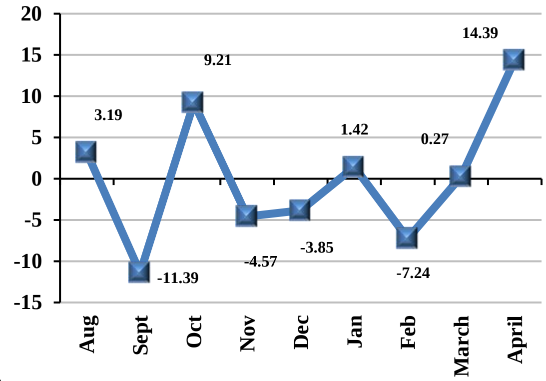
Year on year analysis shows that government's import contractions measures have started delivering early results. Imports have been continuously declining on year on year basis and March FY2019 has witnessed a tremendous decrease of 21 percent as compared to March FY2018 followed by January FY2019 with 20 percent decline as compare to January FY2018. Fig 8.3 shows that import reduction drive led by recent government started picking up the pace since October FY2019.

Table 8.11: Monthly Imports during FY19

Imports	US$ Million	
Month	**FY2019**	**MOM**
July	4,808	
August	4,961	3.19
September	4,396	-11.39
October	4,801	9.21
November	4,581	-4.57
December	4,405	-3.85
January	4,467	1.42
February	4,144	-7.24
March	4,155	0.27
April	4,753	14.39
Jul-Apr	45,471	

Source: Pakistan Bureau of Statistics

Fig-8.15: MoM Change in Imports FY2019



Disaggregated analysis reveals that all the groups including food group, machinery group, petroleum good, consumer durables and raw materials witnessed hefty decline in imports during the current fiscal year.

Table 8.12 : Structure of Imports **($ Million)**

	Particulars	July-March 2017-18	July-March 2018-19 (P)	% Change in Value	July-March Quantity 2017-18	July-March Quantity 2018-19 (P)	% Change in Quantity
	Total	**44,280.9**	**40,718.3**	**-8.0**			
A.	**Food Groups**	**4,730.6**	**4,261.4**	**-9.9**			
	Milk & Milk food	197.8	185.8	**-6.1**	**68935.0**	72163.0	4.68
	Wheat Unmilled	-	-	**0.0**	0.0	0.0	0
	Dry Fruits	95.6	33.8	**-64.7**	67778.0	19819.0	-70.76
	Tea	450.9	445.8	**-1.1**	147921.0	171237.0	15.76
	Spices	122.0	111.7	**-8.5**	99823.0	100748.0	0.93
	Edible Oil (Soyabean & Palm)	1,654.4	1,454.6	**-12.1**	2242805.0	2420751.0	7.93
	Sugar	4.0	3.0	**-24.8**	6673.0	5758.0	-13.71
	Pulses	407.9	393.4	**-3.6**	558568.0	712540.0	27.57
	Other Food Items	1,797.9	1,633.4	**-9.1**	-	-	-
B.	**Machinery Group**	**6,505.4**	**4,604.6**	**-29.2**	-	-	-
	Power generating Machines	1,927.7	981.4	**-49.1**	-	-	-
	Office Machines	356.7	341.0	**-4.4**	-	-	-
	Textile Machinery	424.4	379.5	**-10.6**	-	-	-
	Const. & Mining Machines	263.4	199.4	**-24.3**	-	-	-
	Aircrafts, Ships and Boats	757.5	222.0	**-70.7**	-	-	-
	Agriculture Machinery	96.6	101.1	**4.7**	-	-	-
	Other Machinery Items	2,679.0	2,380.1	**-11.2**	-	-	-
C.	**Petroleum Group**	**8,393.3**	**8,002.0**	**-4.7**	-	-	-
	Petroleum Products	5,459.8	4,623.0	**-15.3**	11463662.0	7577484.0	-33.9
	Petroleum Crude	2,933.5	3,379.0	**15.2**	7759960.0	6630812.0	-14.55
D.	**Consumer Durables**	**3,749.4**	**3,133.9**	**-16.4**	-	-	-
	Road Motor Vehicles	2,150.1	1,810.6	**-15.8**	-	-	-
	Electric Mach. & Appliances	1,599.4	1,323.2	**-17.3**	-	-	-
E.	**Raw Materials**	**6,948.0**	**6,571.1**	**-5.4**	-	-	-
	Raw Cotton	573.5	412.4	**-28.1**	320036.0	216427.0	-32.37
	Synthetic Fiber	396.2	427.2	**7.8**	185765.0	214935.0	15.7
	Silk Yarn (Synth & Arti)	487.5	485.3	**-0.4**	235380.0	219027.0	-6.95

Table 8.12 : Structure of Imports								($ Million)
Particulars		July-March		% Change in Value	July-March Quantity		% Change in Quantity
		2017-18	2018-19 (P)		2017-18	2018-19 (P)	
	Fertilizer Manufactured	615.2	716.0	**16.4**	1629770.0	1711457.0	5.01
	Insecticides	119.3	135.2	**13.3**	19334.0	21861.0	13.07
	Plastic Material	1,748.8	1,628.0	**-6.9**	1139497.0	1144407.0	0.43
	Iron & steel Scrap	1,164.9	1,108.9	**-4.8**	4030769.0	3546446.0	-12.02
	Iron & steel	1,842.6	1,658.1	**-10.0**	2808627.0	2381500.0	-15.21
F.	**Transport Group**	3240.0	2083.1	**-35.7**	-	-	-
	Road Motor Veh (Build Unit)	2150.1	1810.6	**-15.8**	-	-	-
G.	**Telecom**	**1,132.0**	**1,031.8**	**-8.9**	-	-	-
H.	**All Other Items**	**9582.2**	**11030.4**	**15.11**	-	-	-

P : Provisional, - : indicates nil
Source : Pakistan Bureau of Statistics

Food group constitutes 10.5 percent of overall import bill. Food import bill stood at US$ 4.261 billion in first nine months of FY2019 as compared to US$ 4.730 billion in the same period last year. Hence witnessed a significant decline of 9.9 percent. Within the group heaviest decline has been observed in imports of dry fruits, sugar, edible oil (soybeans and palm oil) and spices by 64.7, 24.8, 12.1 and 8.5 respectively. Although a quantum increase in palm oil has been witnessed during the period. Yet, lower international palm oil prices also suppressed import values.

Other mentionable items in the group are tea, milk & related items and pulses. All of these showed negative trend of 1.1, 6.1 and 3.6 respectively. Declined imports in this sector can also be attributed to the SRO issued by the government, demanding the proper labelling requirements on the fast-moving consumer goods accompanied with Halal certificate.

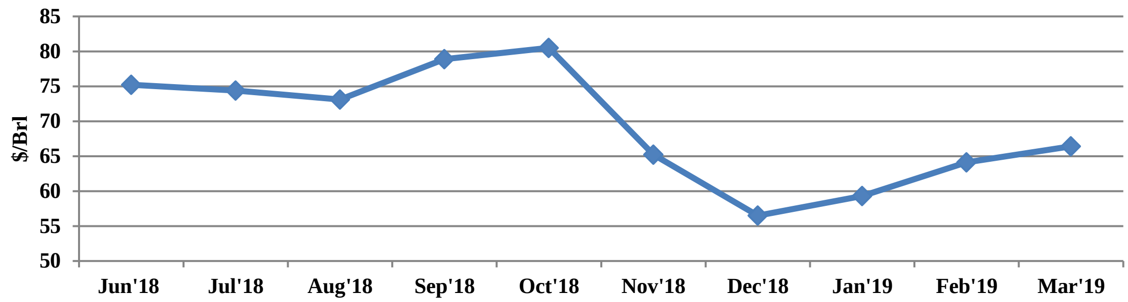
Machinery group with a 16.5 percent share in overall imports declined by 29.9 percent to US$ 4.604 billion, pushing down the import bill. Import of power generating machinery declined by 49 percent in July-March FY2019 as compared to the same period last year. A sharp pull back in power generating machinery drove most of the decline machinery import bill. Early harvest of CPEC projects and cut in PSDP spending contributed to the low machinery import bill.

Office and textile machinery decreased by 4.4 and 10.61 respectively in first nine months of FY2019. Construction and mining machinery import decreased by 24.3 percent mainly because of the slowdown in construction activities in the given period. Agriculture machinery import is the only segment with a positive growth of 4.7 percent. This seems to be on account of present government initiatives to enhance agriculture production under Prime Minister Agriculture Emergency Plan.

Transport group with 5.1 percent share in total imports declined by 35.7 percent. With a hefty decline of 15.8 percent in road motor vehicles.

Petroleum group, being the largest contributor to total import bill, declined by 4.7 percent in July-March FY2019 as compared to the previous period last year and stood at US$ 8.002 billion as compare to US$ 8.393 billion in the corresponding period last year. Among the petroleum group, petroleum products declined by 15.3 percent in value while 33.9 percent in quantity which is stemmed from the Pak rupee depreciation. Import bill of the petroleum crude increased by 15.2 percent despite a 14.5 percent decline in quantum import because of higher international oil prices. So a heavy decline in quantum import completely offset the decline in import of crude oil. Refineries have curtailed their crude oil imports to prevent a glut of domestic furnace oil from building up as a result of crude refining process.

Fig: 8.16 International Monthly Oil Prices (Average)



In textile group, import of raw material decreased both in quantity and value by 32.37 and 28.11 percent respectively during July-March FY2019 as compared to the same period last year. The import bill of fertilizers increased in both quantity and value by 5.01 and 16.4 percent respectively on the back of lower domestic production. Fertilizer import increased to supplement the stock and to meet up the demands for Rabi and Kharif crops.

Iron & steel scrap and iron & steel import bill decreased by 4.8 and 10 percent respectively. Lower construction activity and PSDP spending have urged local steel industry to curtail their production which has ultimately lowered the demand for imported raw material.

The import bill of telecommunication group decreased by 8.9 percent to US$ 1.031 billion in July-March FY2019. The import of mobile handsets decreased by 7.6 percent in the said period as compared to 14.5 percent increase in the same period last year. Import duties on mobile sets contributed to this positive development. Import of the other apparatus also decreased by 10.28 percent in July-March FY2019 as compared to same period last year.

Direction of Imports

Like exports, Pakistan's imports are also concentrated to few countries. Based on the current year data around 65 percent of total imports originated from countries like China, UAE, Saudi Arabia, Kuwait, Indonesia, India, USA, Japan, Germany and Malaysia. China being the largest import destination accounts for the 24 percent of total imports. Share of import from UAE has increased from 12 percent in FY2018 to 14 percent in FY2019. Change in Pakistan's import pattern is shown in the table 8.13:

Table 8.13 : Major Import Markets (Rs. Billion & Percentage Share

Country	2015-16		2016-17		2017-18		July-March			
							2017-18 P		2018-19 P	
	Rs.	% Share	Rs.	% Share	Rs.	% Share	Rs.	% Share	Rs.	% Share
CHINA	1261.9	23	1584.3	29	1731.8	26	1252.7	26	1267.2	24
UAE	572.7	10	774.5	14	893.3	13	584.3	12	759.7	14
SAUDI ARABIA	237.2	4	227.7	4	356.4	5	255.8	5	286.2	5
KUWAIT	139.5	3	141.9	3	159.7	2	120.4	3	133.8	2
INDONESIA	222.7	4	240.4	4	278.5	4	205.6	4	245.5	5
INDIA	185.8	3	178.2	3	207.5	3	142.4	3	154.8	3
U.S.A	185.3	3	267.9	5	316.4	5	221.9	5	259.5	5
JAPAN	190.3	3	217.4	4	266.5	4	197.8	4	188	4
GERMANY	97.6	2	114.3	2	146.4	2	101.2	2	105.4	2
MALAYSIA	96.5	2	100.2	2	132	2	94.6	2	103	2
All Other	**1469.2**	**31**	**1692.9**	**31**	**2206.5**	**33**	**1592.299**	**33**	**1868.043**	**35**
Total	**4658.7**	**100**	**5539.7**	**100**	**6695**	**100**	**4768.999**	**100**	**5371.143**	**100**

P: Provisional

Source: Pakistan Bureau of Statistics

Conclusion

Although expansionary monetary policy in recent years, business activities and export oriented sector had not been happening as it should be rather exports remained low after seeing higher growth in 2013-14. The present government is sternly focused on enhancing exports and in this direction taken various initiatives with respect to adjustment of exchange rates and monetary tightening.

Imports during Jul-Apr FY2019 declined by 4.9 percent while worker's remittances increased by 8.45 percent. This proved to be a major support to the current account balance which improved by 26.9 percent during the period. However, exports remained a source of concern as they declined during Jul-Apr FY2019.

There is a continuous increase in the flows of credit to private sector in manufacturing and export oriented industry which is a welcome development in terms of business activities. However, the downside risk of the impact of continuous rise in policy rate and global slowdown in trade activities may influence the exports.

Financial account posted a surplus of US$ 11.32 billion during Jul-Apr FY2019. The improvement is mainly due to the bilateral inflows from China, India and UAE. However, foreign investment remained low during the period after a consistent increase over the last three years under CPEC. This is because of the completion of early harvest projects under CPEC.

There is a need to implement a range of structural reforms including growth enhancing fiscal consolidation, reducing cost of doing business, attracting foreign private investments, exploiting the potential of Pakistani diaspora, introduction of effective and responsive foreign exchange regime, and most importantly, focus on enhancing exports through improving productivity at different stages of production. Moreover, integrating the domestic production with global value change, research and development, technology up-gradation, value addition and branding will help in increasing the exports.

The establishment of special economic zone and free trade zone at Gawadar will enhance export growth and access to regional markets going forward. The trade diplomacy also needs to be strengthened.

CHAPTER 9

Public Debt

9.1 Introduction

The prime objective of public debt management is to ensure that the government's financing needs are met at the lowest possible cost over the medium to long term, consistent with a prudent degree of risk. Debt may well act as catalyst in the course of growth of an economy as long as the economic returns are higher than the cost of borrowed funds. Therefore, borrowed funds are bound to be properly utilized and should conform to the country's debt repayment capacity.

Historically, high debt economies have effectively responded with a wide variety of policy approaches. A brief analysis suggests three primary lessons[1]; First, a growth supporting policy mix is inevitable for debt reduction and fiscal consolidation. Second, fiscal consolidation must emphasize persistent structural reforms to public finances over temporary or short-lived fiscal measures. Third, reducing public debt is bound to be time taking, especially in the context of a weak external environment.

Government inherited extremely challenging macroeconomic situation marked by high fiscal deficits and debt levels. The situation was turned worse due to shortfall in foreign exchange reserves which contributed to a sharp devaluation of Pakistani Rupee and rising inflationary pressures which led to a tight monetary policy stance and a significant increase in domestic debt servicing cost.

Over the medium term, Government objective is to bring and maintain its Public Debt-to-GDP and Debt Service-to-Revenue ratios to sustainable levels through a combination of greater revenue mobilization, rationalization of current expenditure and efficient/productive utilization of debt. Government is committed to bring down Public Debt to GDP to 50 percent in fifteen years (2032/33) in accordance with the provision of Fiscal Responsibility and Debt Limitation Act.

9.2 Public Debt

Fiscal Responsibility and Debt Limitation (FRDL) Act 2005 defines "Total Public Debt" as debt owed by government (including Federal Government and Provincial Governments) serviced out of consolidated fund and debts owed to the International Monetary Fund. Whereas, "Total Debt and Liabilities" of the country include "Total Public Debt" (Government Debt) as well as debt of other sectors as presented in the table below:

Table-9.1: Pakistan's Debt and Liabilities

(Rs in billion)	2008	2013	2018 (P)	March 19 (P)
I. Government Domestic Debt	3,274.2	9,520.4	16,416.3	18,170.6
II. Government External Debt	2,761.6	4,336.4	7,795.8	9,625.7
III. Debt from IMF	91.3	434.8	740.8	811.2
IV. External Liabilities[1]	88.5	307.9	622.3	1,414.3
V. Private Sector External Debt	128.4	465.5	1,654.4	2,108.0
VI. PSEs External Debt	82.1	183.2	324.6	489.4
VII. PSEs Domestic Debt	137.2	312.2	1,068.2	1,378.4
VIII. Commodity Operations[2]	127.2	469.7	819.7	653.6
IX. Intercompany External Debt from Direct Investor abroad	-	308.2	437.2	443.3
A. Total Debt and Liabilities (sum I to IX)	**6,690.5**	**16,338.2**	**29,879.2**	**35,094.5**
C. Total Public Debt (sum I to III)	**6,127.1**	**14,291.7**	**24,952.9**	**28,607.5**
D. Total Debt of the Government[3]	**5,650.8**	**13,457.3**	**23,024.0**	**26,368.1**

[1] IMF: "The Good, the Bad, and the Ugly: 100 Years of Dealing with Public Debt Overhangs"

Table-9.1: Pakistan's Debt and Liabilities

(Rs in billion)	2008	2013	2018 (P)	March 19 (P)
Memorandum Items				
GDP (current market price)	10,637.8	22,385.7	34,618.6	38,558.8
Government Deposits with the banking system[4]	476.3	834.4	1,928.9	2,239.4
US Dollar, last day average exchange rates	68.3	99.1	121.5	140.7

P: Provisional
1 External liabilities include Central bank deposits, SWAPS, Allocation of Special Drawing Rights (SDR) and Non-resident LCY deposits with central bank.
2 Includes borrowings from banks by provincial governments and PSEs for commodity operations.
3 As per Fiscal Responsibility and Debt Limitation Act, 2005 amended in June 2017, "Total Debt of the Government" means the debt of the government (including the Federal Government and the Provincial Governments) serviced out of the consolidated fund and debts owed to the International Monetary Fund (IMF) less accumulated deposits of the Federal and Provincial Governments with the banking system.
4 Accumulated deposits of the Federal and Provincial Governments with the banking system.
Source: State Bank of Pakistan

Total public debt stood at Rs 28,607 billion at end March 2019, recorded an increase of Rs 3,655 billion during first nine months of current fiscal year. The explanation of this increase is as follows:

- Increase in debt stock cannot be termed as borrowing of the government. External loans are contracted in various currencies, however, disbursements are effectively converted into Pak Rupee. Thus, devaluation of Pak Rupee against international currencies can increase the value of external public debt portfolio when converted into Pak Rupee for reporting purposes. It is evident from the fact that increase in external public debt contributed Rs 1,900 billion to the public debt during first nine month of ongoing fiscal year while government borrowing for financing of fiscal deficit from external sources was Rs 524 billion during the said period. This differential was mainly on account of depreciation of Pak Rupee against US Dollar. It is worth noting that depreciation of Pak Rupee increases the rupee value of external public debt, however, any such negative impact is spread over many years depending on the life of any given loan and immediate cash flow impact is not significant
- Domestic debt registered an increase of Rs 1,754 billion while government borrowing for financing of fiscal deficit from domestic sources was Rs 1,398 billion. This differential is mainly attributed to an increase in credit balances of the government with the banking system.

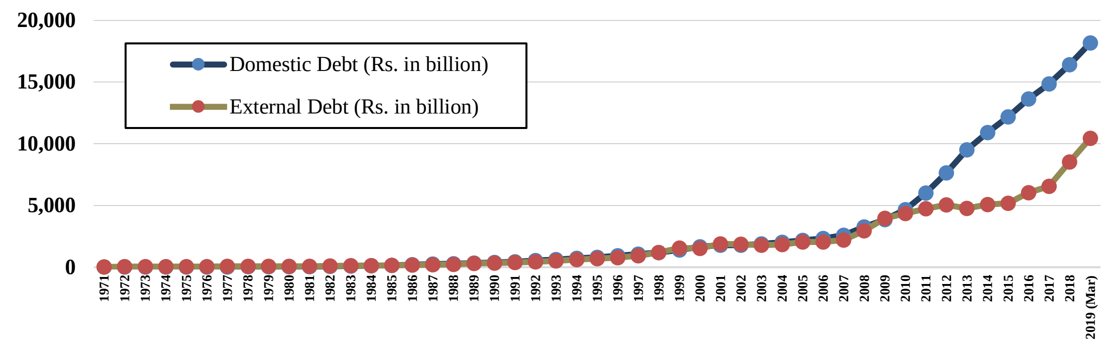
The trend in total public debt since 1971 is depicted in Box-I.

Box-I: Trend in Public Debt

Table-9.2: Year Wise Public Debt Position

Year	Domestic Debt	External Debt	Public Debt	Year	Domestic Debt	External Debt	Public Debt	Year	Domestic Debt	External Debt	Public Debt
					(Rs billion)						
1971	14	16	30	**1987**	248	209	458	**2003**	1,895	1,800	3,694
1972	17	38	55	**1988**	290	233	523	**2004**	2,028	1,839	3,866
1973	20	40	60	**1989**	333	300	634	**2005**	2,178	2,034	4,211
1974	19	44	62	**1990**	381	330	711	**2006**	2,322	2,038	4,359
1975	23	48	70	**1991**	448	377	825	**2007**	2,601	2,201	4,802
1976	28	57	85	**1992**	532	437	969	**2008**	3,274	2,853	6,127
1977	34	63	97	**1993**	617	519	1,135	**2009**	3,860	3,871	7,731
1978	41	71	112	**1994**	716	624	1,340	**2010**	4,653	4,357	9,010
1979	52	77	130	**1995**	809	688	1,497	**2011**	6,014	4,756	10,771
1980	60	86	146	**1996**	920	784	1,704	**2012**	7,638	5,059	12,697
1981	58	87	145	**1997**	1,056	939	1,995	**2013**	9,520	4,771	14,292
1982	81	107	189	**1998**	1,199	1,193	2,392	**2014**	10,907	5,085	15,991
1983	104	123	227	**1999**	1,389	1,557	2,946	**2015**	12,193	5,188	17,380
1984	125	132	257	**2000**	1,645	1,527	3,172	**2016**	13,626	6,051	19,677
1985	153	156	309	**2001**	1,799	1,885	3,684	**2017**	14,849	6,559	21,409
1986	203	187	390	**2002**	1,775	1,862	3,636	**2018**	16,416	8,537	24,953
								2019 (March)	18,171	10,437	28,607

Fig-9.1: Trend in Domestic and External Debt



Similar to last year, composition of public debt witnessed changes during first nine months of ongoing fiscal year. On domestic debt front, government relied mainly on short-term floating debt while net mobilization from permanent debt and unfunded debt remained limited. Whereas, external inflows from bilateral development partners and commercial sources remained the main contributor in external public debt disbursements. Accordingly, the share of bilateral and commercial sources inched up in external public debt portfolio while share of multilateral sources relatively declined during first nine months of current fiscal year as compared with last fiscal year.

Government introduced Pakistan Banao Certificates (PBC) which is a US Dollar denominated retail level instrument, for Pakistanis having bank accounts overseas. The main objectives of issuance of PBC are:

i. Balance of payment support and build-up of foreign exchange reserves;
ii. Raise financing for critically important infrastructure projects including dams, road network, power generation, transmission projects etc.

PBC is the first sovereign retail instrument being offered by Government of Pakistan that allow overseas Pakistanis to contribute in their country's development while providing attractive investment opportunity to earn reasonable returns on investment. The detailed modalities pertaining to PBC are presented in Box-II:

Box-II: Pakistan Banao Certificates

Eligible Investors

The holders of any one or more of following documents and having own bank account abroad, are eligible to subscribe the PBC:

- Pakistani individual having Computerized National Identity Card (CNIC)
- Pakistani individual having National Identity Card for Overseas Pakistanis (NICOP)
- Holders of Pakistan Origin Card (POC).

Digital Subscription

PBC is being offered for subscription through a specially designed Web-Portal. The investors first register themselves on the portal and give their investment and bank account details on successful registration. The certificates are issued to the investors electronically on receipt of funds in State Bank of Pakistan Account. The investor receives confirmation of the issuance of the certificates both through email and update of their account on the portal. The investors can view the status of their application by accessing the web-portal through their respective User ID and Password.

Key Benefits to investors

- Profit payments on semi-annual basis
- Maturity in US Dollar as well as PKR
- PKR maturity has an added incentive of 1 percent on the final premium
- Can be encashed at any time, however, encashment in USD within one year of issuance entails 1 percent penalty
- Encashment application will also be submitted online by accessing the Redemption module of PBC portal (https://pakistanbanaocertificates.gov.pk)
- Periodic profit and redemption proceeds will be sent to the investors' accounts designated at the time of investment.

Minimum Investment Amount

Minimum investment amount is US$ 5,000 or higher in the integral multiple of US$ 1,000 with no maximum limit.

Profit Rates

- 6.25 percent for 3 years payable semi-annually
- 6.75 percent for 5 years payable semi-annually
- Profit payment shall be exempted from deduction of tax at source.

Type of Instrument

PBC is a scrip-less instrument registered in the Securities General Ledgers Account (SGLA) maintained at State Bank of Pakistan (SBP). Issued PBC will be residing in an Investor Portfolio Security Account (IPS) of the investor, so as to keep track of investment of each individual investor.

Development of debt capital market is essential to reduce financial risks of the overall economy, provide the government with a non-inflationary source of finance, create a well-balanced financial environment and promote economic growth. Government is taking various steps to provide an efficient and liquid secondary debt markets to the investors (Box-III).

Box-III: Steps Taken for The Development of Debt Capital Markets

In order to enhance the investors base, facilitate debt issues and provide additional investment avenues to corporates, mutual funds and employees funds, the Commission has notified the following persons as other persons to whom privately placed debt securities being instrument of redeemable capital can be issued:

(i) mutual funds, voluntary pension schemes, and private fund being managed by NBFC

(ii) insurer registered under the Insurance Ordinance, 2000 (XXXIX of 2000)

(iii) a security brokers

(iv) a fund and trust as defined in the Employees Contributory Funds (Investment in Listed Securities) Regulations, 2018

(v) a company and body corporate as defined in the Companies Act, 2017.

Government intends to review the Credit Rating Companies Regulations, 2016 to enhance the role of Credit Rating Agencies in promotion of the corporate bond market. In addition, the government is planning to introduce various new instruments with the objective to meet government financing in an efficient manner while providing more options to the investors in-line with their investment horizon and risk appetites/preferences.

Source: Securities and Exchange Commission of Pakistan & Debt Policy Coordination Office, Ministry of Finance

Comprehensive public debt analysis may fall short of full disclosure without review of government's contingent liabilities. These liabilities originate out of guarantees issued on behalf of Public Sector

Enterprises (PSEs) and by their contingent nature, do not form part of country's overall debt. Therefore, to ensure utmost fiscal transparency, information regarding these contingent liabilities remains an essential component of public disclosure. During first nine months of current fiscal year, the government issued fresh/rollover guarantees aggregating to Rs 168 billion or 0.4 percent of GDP. The outstanding stock of government guarantees at end March 2019 was Rs 1,265 billion.

9.3 Progress on Medium Term Debt Management Strategy (2015/16 - 2018/19)

In accordance with the Medium-Term Debt Management Strategy (2015/16-2018/19), the government was required to lengthen the maturity profile of its domestic debt and mobilize sufficient external inflows in the medium term keeping in view cost risks trade-off, while remaining within the indicative risk ranges.

Table-9.3: Public Debt Cost and Risk Indicators*

Risk Indicators		Indicative Ranges (MTDS 2015/16 - 2018/19)	External Debt		Domestic Debt		Public Debt	
			2013	2018	2013	2018	2013	2018
Refinancing Risk	Average Time to Maturity (ATM) - Years	1.5 (minimum) and 2.5 - DD 3.0 (minimum) and 4.5 – PD	10.1	7.6	1.8	1.6	4.5	3.6
	Debt Maturing in 1 Year (% of total)	50% and 65% (maximum) - DD 35% and 50% (maximum) - PD	8.9	12.4	64.2	66.3	46.0	48.9
Interest Rate Risk	Average Time to Re-Fixing (ATR) - Years	1.5 (minimum) and 2.5 - DD 3.0 (minimum) and 4.5 – PD	9.2	6.6	1.8	1.6	4.2	3.2
	Debt Re-Fixing in 1 year (% of total)	50% and 65% (maximum) - DD 40% and 55% (maximum) - PD	22.2	32.2	67.2	66.6	52.4	55.5
	Fixed Rate Debt (% of total)	**	83.4	72.5	39.6	44.3	54.0	53.4
Foreign Currency Risk (FX)	Foreign Currency Debt (% of total debt)	20% (minimum) and 35%					32.9	32.2
	Short Term FX Debt (% of reserves)	**					68.5	80.6

* As per modalities of MTDS (2015/16 - 2018/19)
**Not Applicable
PD: Public Debt, DD: Domestic Debt
Source: Debt Policy Coordination Office, Ministry of Finance

At end June 2018, three of the nine thresholds were breached ranging from 0.5 percent to 1.6 percent as per the following details:

Refinancing Risk

The upper range for the risk indicator "Domestic Debt Maturing Within a Year" was 65 percent while this indicator at end June 2018 reached at 66.3 percent. The banks opted to tilt their portfolio towards short term market treasury bills as expectation of a further rise in policy rate discouraged them to invest in long-term debt instruments, largely to manage market risk.

Interest Rate Risk

The upper range for "Domestic Debt Re-Fixing in 1 Year" and "Public Debt Re-Fixing in 1 Year" was envisaged at 65 percent and 55 percent respectively, while these indicators stood at 66.6 percent and 55.5 percent at end June 2018. As stated above, borrowing through short term domestic debt instruments (which requires interest rate re-fixing in short term) as well as borrowing contracted from foreign commercial banks on floating rates (mainly to fund external debt maturities and to finance the current account deficit) led these indicators to surpass the defined thresholds.

Foreign Currency Risk

Short term external public debt maturities were 80.6 percent of official liquid reserves at end June 2018 compared with 68.5 percent at end June 2013. The higher proportion of long term maturities falling within a year compared with the level of official liquid reserves resulted in deterioration of this risk indicator. Around 32 percent[2] of total public debt stock was denominated in foreign currencies exposing public debt portfolio to exchange rate risk.

Going forward, the government intends to update its Medium Term Debt Management Strategy on the basis of two broad principles to ensure sustainability i.e. keeping debt stock within manageable levels and maintaining a diversified debt portfolio comprising variety of instruments and tenors while providing flexibility and enhanced borrowing options.

9.4 Dynamics of Public Debt Burden

The analysis of various solvency and liquidity indicators provide clear insight into debt sustainability of the country. The debt burden can be expressed in terms of stock ratio (Debt to GDP) or flow ratios (Debt to revenue). It is a common practice to measure public debt burden as a percentage of GDP, however, debt burden in terms of flow ratios reflects more accurately on repayment capacity of the country.

Table-9.4: Selected Public Debt Indicators (in percentage)

	2013	2014	2015	2016	2017	2018
Revenue Balance* / GDP	(2.9)**	(0.7)	(1.7)	(0.8)	(0.7)	(1.7)
Primary Balance* / GDP	(3.6)**	(0.2)	(0.5)	(0.2)	(1.5)	(2.1)
Fiscal Balance / GDP	(8.2)**	(5.5)	(5.3)	(4.6)	(5.8)	(6.5)
Gross Public Debt / GDP	63.8	63.5	63.3	67.7	67.1	72.1
Total Government Debt / GDP	60.1	58.1	58.3	61.3	61.5	66.5
Gross Public Debt / Revenue	479.2	439.6	42.1	442.5	433.7	477.3
Total Government Debt / Revenue	451.2	402.1	406.7	400.8	397.7	440.4
Debt Service / Revenue	40.5	40.1	40.4	35.9	38.3	37.3
Interest Service / Revenue	33.2	31.6	33.2	28.4	27.3	28.7
Debt Service / GDP	5.4	5.8	5.8	5.5	5.9	5.6

*Adjusted for grants
** includes payment for the resolution of the circular debt amounting to Rs 322 billion or 1.4 percent of GDP
Source: Debt Policy Coordination Office Staff Calculations, Ministry of Finance

Fiscal deficit reached its highest level in last five years and recorded at 6.5 percent of GDP during 2017-18. The fiscal performance can also be assessed through analysis of revenue and primary balances as follow:

- The revenue deficit[3], which excludes development expenditure, recorded at 1.7 percent of GDP in 2017-18 compared with 0.7 percent during the preceding fiscal year. This growth in current expenditures (13 percent) outpaced the growth in revenue (6 percent) which led to increase in revenue deficit during 2017-18. On the other hand, development expenditures declined by around 4 percent during 2017-18 compared with last fiscal year indicating that fiscal deficit was mainly driven by increase in current expenditure
- Similarly, the primary deficit[4], which excludes interest payments, increased to 2.1 percent of GDP during 2017-18 from 1.5 percent during 2016-17, indicating a much faster increase in non-interest expenditure compared to revenue.

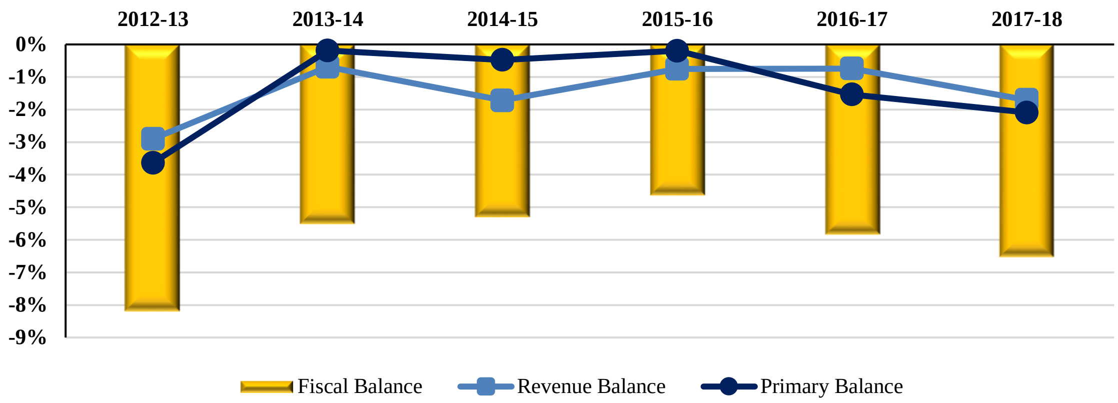
Fiscal indicators witnessed deterioration during first nine months of current fiscal year. The lower revenue collection and higher current expenditures (primarily driven by interest payments and defense expenditures) led to higher revenue deficit of 3.1 percent of GDP compared with 1.4 percent during the same period last year. Similarly, the primary deficit owing to shortfall in revenue

[2] As per modalities of MTDS
[3] Revenue balance is the total revenues minus current expenditure. The persistence of revenue deficit indicates that the government is not only borrowing to finance its development expenditure, but partially also financing its current expenditure.
[4] Primary balance is the total revenues minus non-interest expenditure or fiscal deficit before interest payments. Primary balance is an indicator of current fiscal efforts since interest payments are predetermined by the size of previous deficits.

collection and higher non-interest current expenditures, recorded at 1.2 percent of GDP compared with 0.8 percent during the same period last year. Thus, fiscal deficit increased to 5 percent of GDP during first nine months of current fiscal year compared to 4.3 percent during the same period last year.

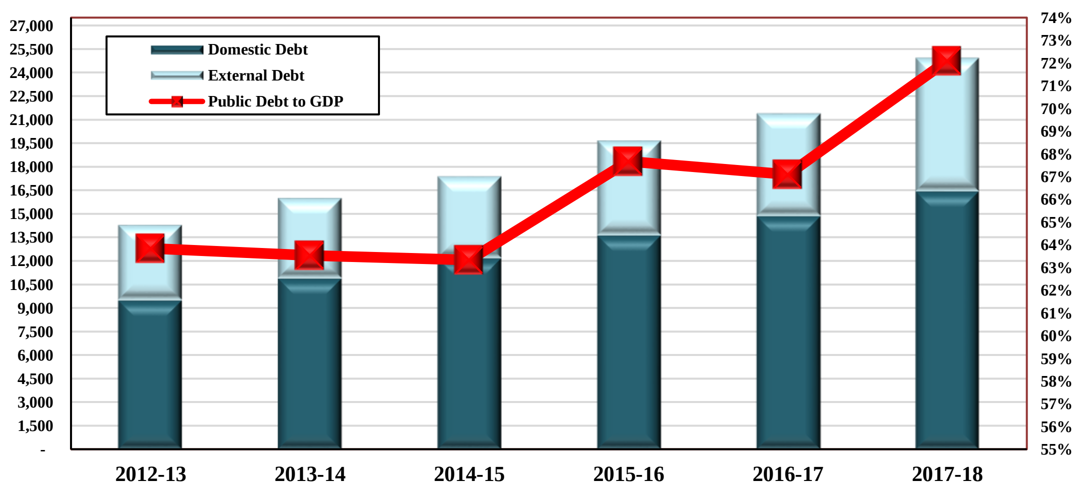
The trends in fiscal, revenue and primary balance are depicted in the graph below:

Fig-9.2: Trends in Fiscal, Revenue and Primary Balance (In Percent of GDP)



Total public debt as percentage of GDP stood at 72.1 percent while total debt of the government recorded at 66.5 percent at end June 2018. Thus, these indictors remained significantly higher than the 60 percent threshold as envisaged under FRDL Act, 2005. Total public debt to GDP ratio further increased and recorded at 74.2 percent of GDP at end March 2019. Apart from higher fiscal deficit, depreciation of Pak Rupee against US Dollar has contributed to this increase during first nine months of current fiscal year. Total public debt position since fiscal year 2013 (both in absolute and GDP terms) are depicted in the following graph:

Fig-9.3: Profile of Public Debt (LHS: Rs in billion, RHS: Percent of GDP)



Public debt levels against actual government revenues reveal important information about debt bearing capacity of the country. Total public debt as percentage of revenue stood at 477 percent in 2017-18 compared with 434 percent in 2016-17, indicating increase in government indebtedness and weakening debt affordability.

Interest payments were 29 percent of revenue during 2017-18 compared with 27 percent during

2016-17 while it was around 33 percent in 2012-13. Interest payments consumed 41 percent of revenue during first nine months of current fiscal year compared with 33 percent during the same period last year. This increase in interest payment is attributed to tight monetary policy stance[5]coupled with higher share of short term domestic debt[6] while revenue collection remained lower compared with last fiscal year.

9.5 Servicing of Public Debt

Public debt servicing was recorded at Rs 1,975 billion during first nine months of current fiscal year against the annual budgeted estimate of Rs 2,396 billion. Domestic interest payments constituted around 65 percent of total debt servicing due to higher volume of domestic debt in total public debt portfolio. Domestic interest payments were recorded at Rs 1,277 billion during first nine months of current fiscal year primarily driven by payments made against Market Related Treasury Bills (Rs 299 billion), Treasury Bills (Rs 290 billion), National Savings Schemes (Rs 272 billion) and Pakistan Investment Bonds (Rs 268 billion).

Table-9.5: Public Debt Servicing (Rs in billion)

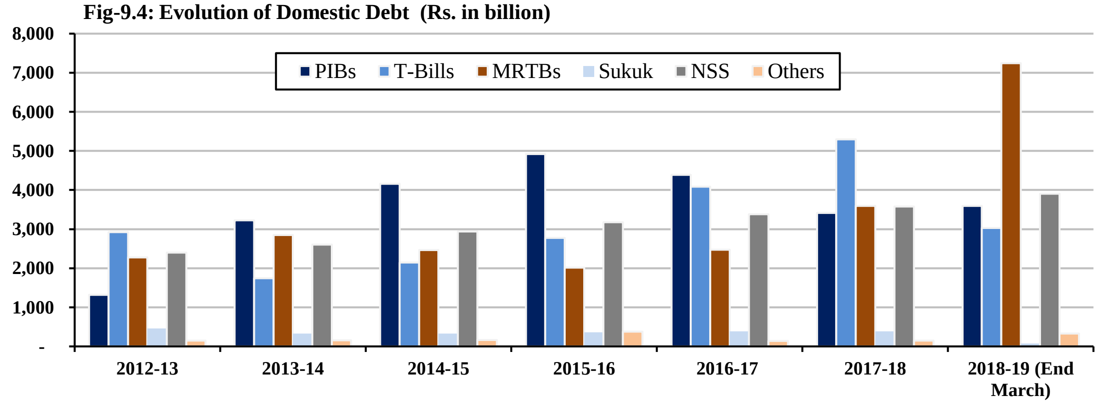
	2018-19*			
	Budgeted	Actual	Percent of Revenue	Percent of Current Expenditure
Total External Principal Repayment (A)	**775.9**	**515.5**	14.4	10.7
Servicing of External Debt	229.2	182.4	**5.1**	**3.8**
Servicing of Domestic Debt	1,391.0	1,276.8	35.6	26.6
Total Interest Servicing (B)	**1,620.2**	**1,459.2**	40.7	30.4
Total Servicing of Public Debt (A+B)	**2,396.1**	**1,974.7**	**55.1**	**41.2**

Source: Budget Wing and Debt Policy Coordination Office Staff Calculations, Ministry of Finance, *: July-March

9.6 Domestic Debt

Domestic debt is primarily obtained to finance fiscal deficit while also lending support to Public Sector Development Program (PSDP). Domestic debt comprises permanent debt (medium and long-term), floating debt (short-term) and unfunded debt (primarily made up of various instruments available under National Savings Schemes). During first nine months of the current fiscal year, composition of domestic debt continued to witness changes as most of the domestic borrowing was mobilized from short-term sources while net retirement was witnessed in medium to long term debt. Accordingly, share of floating debt in total domestic debt increased to 57 percent at end March 2019 compared with 54 percent at the end of last fiscal year, while share of permanent debt in total domestic debt reduced to 26 percent at end March 2019 compared with 28 percent at the end of last fiscal year.

Fig-9.4: Evolution of Domestic Debt (Rs. in billion)



[5] Policy rate increased by around 4.25 percent during first nine months of current fiscal year while global interest rates have also started to pick up during last few years.
[6] Domestic debt maturing within one year was around 70 percent at end March 2018.

9.6.1 Outstanding Domestic Debt

Domestic debt stock was recorded at Rs 18,171 billion at end March 2019. During first nine months of current fiscal year, the government relied mainly on domestic sources to finance its fiscal deficit. Consequently, domestic debt witnessed an increase of Rs 1,754 billion while government borrowing from domestic sources for financing fiscal deficit was Rs 1,398 billion. This differential is mainly attributed to increase in government credit balances with the banking system. Most of the increase in domestic debt came from short term floating debt while net mobilization from permanent debt and unfunded debt remained limited during first nine months of current fiscal year. Cumulatively, the government mostly borrowed from State Bank of Pakistan (SBP) and retired portion of its debt to commercial banks.

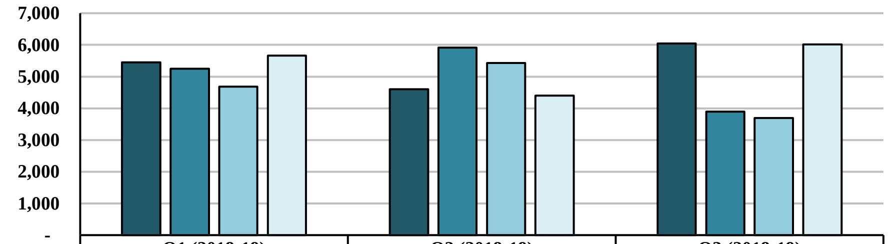
Quarterly domestic borrowing pattern

During first quarter of 2018-19, the bidding pattern of commercial banks was largely driven by the tightening of the monetary policy stance. Within government securities, the banks remained mainly interested in the 3-month treasury bills. In case of fixed rate PIBs, limited participation was observed as the offered amount was only 14 percent of the maturities during the quarter. In contrast, participation in 10-years floating rate PIBs was relatively better i.e. against the target of Rs 150 billion set for first quarter of 2018-19, offered amount was around Rs 152 billion and government accepted Rs 108 billion keeping in consideration cost risks trade-off. Overall, the government had to borrow from SBP to retire its ensuing maturities against treasury bills and fixed rate PIBs as both offered and accepted amount in these securities auctions fell short of their maturities and targets set for the said quarter i.e. the government borrowed Rs 1,750 billion from the SBP and retired Rs 1,488 billion to the commercial banks during first quarter of ongoing fiscal year.

During second quarter of 2018-19, the government borrowed more from scheduled banks and retired some of its borrowing from SBP. Continuing the trend observed during the second quarter, banks remained more interested in 3-month treasury bills during second quarter of 2018-19 and consequently the proportion of longer tenure treasury bills almost wiped out in the outstanding domestic debt. The participation in fixed rate PIBs remained subdued during second quarter of 2018-19 while all the bids in floating rate PIBs auction were rejected. Government also mobilized Rs 72.6 billion from the auction of outright purchase of GIS on deferred payment (Bai Muajjal) basis. Overall, 3-months treasury bills remained the main source for domestic financing of fiscal deficit and refinancing of existing maturities during second quarter of 2018-19.

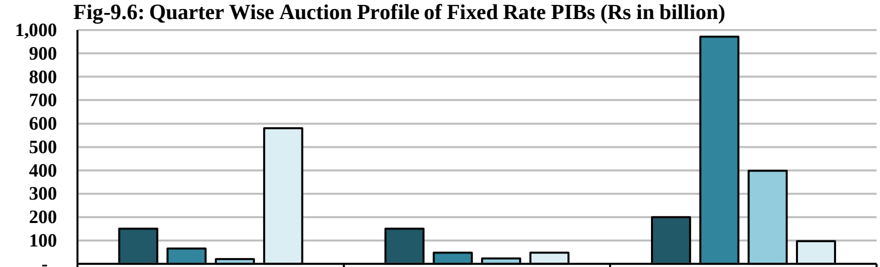
Commercial banks' appetite for medium to long term securities started to revive from January 2019 and healthy participation amounting to Rs 1,215 billion was observed during third quarter of 2018-19 out of which the government accepted Rs 496 billion keeping in view cost risks trade-off. On the other hand, participation and acceptance in treasury bills auctions fell well short of both the maturities and auction targets set for the said quarter and consequently government had to resort to SBP borrowing to meet its additional financing requirements and to cover existing short term maturities. Government also mobilized additional Rs 105 billion from the auction of outright purchase of GIS on deferred payment (Bai Muajjal) basis during the said quarter. Cumulatively, the government borrowed Rs 3,648 billion from the SBP and retired Rs 2,545 billion to the commercial banks during July - March 2019. The following graphs illustrate the auction profile of PIBs and T-bills:

Fig-9.5: Quarter Wise Auction Profile of Treasury Bills (Rs in billion)



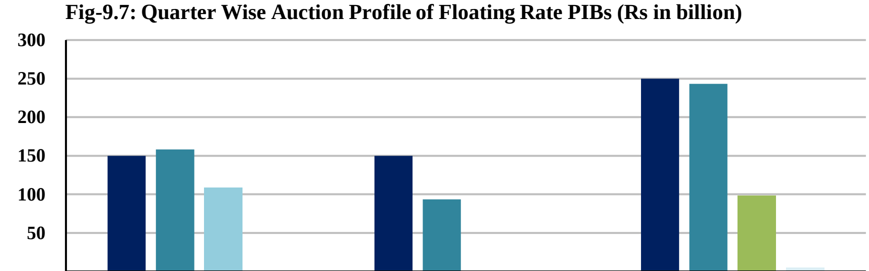
	Q1 (2018-19)	Q2 (2018-19)	Q3 (2018-19)
Target	5,450	4,600	6,050
Participation	5,250	5,913	3,895
Accepetance	4,687	5,431	3,691
Maturity (Principle + Coupon)	5,661	4,401	6,019

Fig-9.6: Quarter Wise Auction Profile of Fixed Rate PIBs (Rs in billion)



	Q1 (2018-19)	Q2 (2018-19)	Q3 (2018-19)
Target	150	150	200
Participation	65	48	972
Accepetance	21	22	398
Maturity (Principle + Coupon)	581	48	97

Fig-9.7: Quarter Wise Auction Profile of Floating Rate PIBs (Rs in billion)



	Q1 (2018-19)	Q2 (2018-19)	Q3 (2018-19)
Target	150	150	250
Participation	158	93	243
Acceptance	108	-	98
Maturity (Principle + Coupon)	-	-	5

The following section highlights the developments in various components of domestic debt during first nine months of current fiscal year:

I. Permanent Debt

Permanent debt mainly consists of medium to long term instruments (Pakistan Investment Bonds (PIBs), Government Ijara Sukuk (GIS), Prize Bond etc.). PIBs have fixed and semi-annual coupon payment with tenors of 3, 5, 10 and 20 years. Whereas, Government Ijara Sukuk are medium term Shariah compliant bonds currently issued in 3 years' tenor to raise money from Islamic financial institutions which have grown substantially in Pakistan in the past few years. Government of Pakistan has also introduced a conventional long-term (10-year maturity) floating-rate PIBs. It has been a very good addition to domestic securities portfolio enabling the government to borrow for a longer period without locking itself into high fixed borrowing cost. This instrument is also useful for investors which prefer to avoid fluctuations in the market value of their investments.

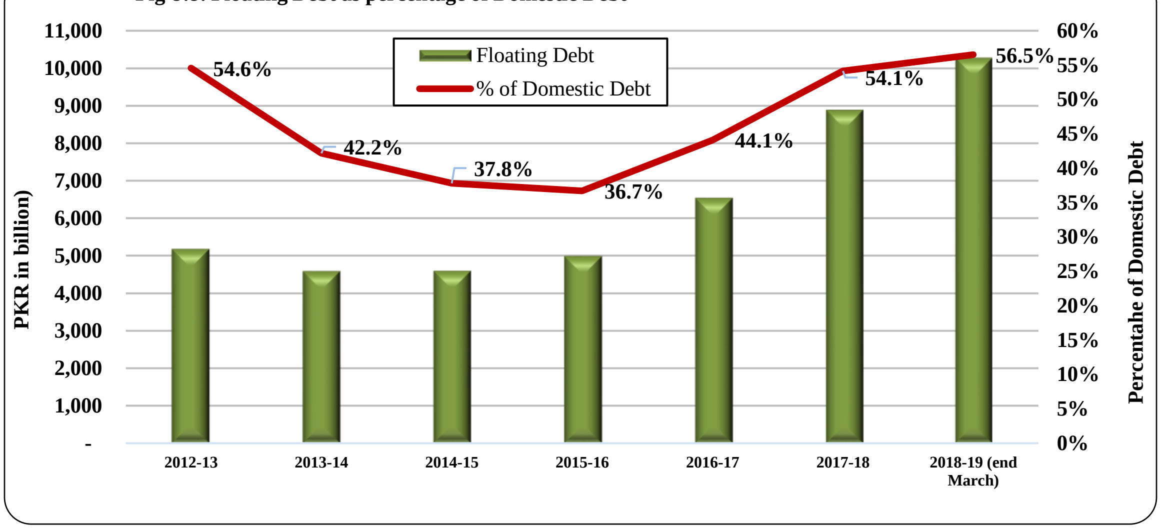
Permanent debt was recorded at Rs 4,804 billion at end March 2019, representing an increase of Rs 144 billion during first nine months of ongoing fiscal year. Net mobilization from PIBs stood at Rs 183 billion compared with the retirement of Rs 1,068 billion during the same period last year. Government also mobilized Rs 178 billion from the auction of outright purchase of GIS on deferred payment (Bai Muajjal) basis.

II. Floating Debt

Floating debt comprises short term domestic borrowing instruments such as Market Treasury Bills (MTBs) and State Bank borrowing through purchase of Market Related Treasury Bills (MRTBs). MTBs are zero coupon or discounted instruments issued in tenors of 3 months (introduced in 1997), 6 months (introduced in 1990) and 12 months (introduced in 1997). In order to raise short term liquidity, the government borrows from the domestic banks through auction of MTBs which is arranged by SBP twice a month.

Floating debt formed the largest part of domestic debt portfolio at end March 2019, recorded at Rs 10,271 billion or around 57 percent of total domestic debt portfolio. Floating debt recorded an increase of Rs 1,382 billion during first nine months of current fiscal year, thereby, around 79 percent of total increase in domestic debt portfolio was on account of mobilization from floating debt. The trend in floating debt stock is depicted through following graph:

Fig-9.8: Floating Debt as percentage of Domestic Debt



III. Unfunded Debt

The stock of unfunded debt (primarily made up of various instruments available under National Savings Schemes) stood at Rs 3,096 billion at end March 2019, constituted around 17 percent of domestic debt portfolio. The rates on National Savings Schemes revised four times during first nine months of current fiscal year to align with the market rates. Unfunded debt recorded net mobilization of Rs 228 billion during first nine months of current fiscal year compared with Rs 49 billion mobilized during the same period last year. Most of the incremental mobilization came from Regular Income Certificate (Rs 103 billion), Bahbood Savings Certificates (Rs 90 billion) and Pensioners' Benefit Account (Rs 31 billion).

Over period of time, the government has taken various measures to transform CDNS from merely a retail debt raising arm of the government to an effective vehicle for financial inclusion and provider of social safety net to the vulnerable sections of the society. In addition, various initiatives are in process which are expected to bring further improvement in CDNS (Box-IV).

Box-IV: Initiatives for the Improvement of Central Directorate of National Savings (CDNS)

Sharia Product of National Savings: Keeping in view the increasing demand of sharia compliant instruments, CDNS has developed its first-ever Sharia Compliant Certificate called "Sarwa Islamic Savings Account (SISA)". In this reference, the draft rules have been printed in the Gazette of Pakistan and after approval of the CCLC and the Federal Cabinet, the proposed SISA Scheme will be introduced across the country.

Overseas Pakistanis Savings Certificates ("OPSCs"): Overseas Pakistanis Savings Certificates have been designed to mobilize the savings from Pakistani diaspora abroad. These certificates will be offered in PKR and US Dollar and are expected to be launched in fiscal year 2019-20.

Launch of Rs. 100,000 Premium Prize Bond (Registered): After successful launch of Premium Prize Bond (Registered) with Rs 40,000 denomination, CDNS is in a process of launching another registered prize bond with Rs 100,000 denomination.

Scrip-less Issuance and Introduction of Registered Prize Bonds amongst all Denominations of Bearer Bonds: In collaboration with SBP, CDNS is in a process of introduction of registered scrip-less prize bonds amongst all denominations. The registered prize bonds will be a step towards documentation of the economy while providing facility to the general public.

Debit Card Launch & Membership of 1-Link System: CDNS is also planning to launch ATM Debit Cards with the support of the Karandaaz Pakistan.

Source: Central Directorate of National Savings

Table-9.6: Outstanding Domestic Debt - (Rs in billion)

	2008	2013	2014	2015	2016	2017 (P)	2018 (P)	March 19 (P)
Permanent Debt	**616.9**	**2,179.0**	**4,003.6**	**5,012.8**	**5,940.6**	**5,533.1**	**4,659.2**	**4,803.6**
Market Loans	3.0	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Government Bonds*	9.9	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Prize Bonds**	182.8	389.6	446.6	522.5	646.4	747.1	851.0	948.2
Foreign Exchange Bearer Certificates	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Bearer National Fund Bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Investment Bonds	1.0	0.0	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	0.0	0.1
U.S. Dollar Bearer Certificates	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Special U.S. Dollar Bonds	8.3	4.3	4.2	4.4	4.5	4.5	5.1	5.9
Pakistan Investment Bonds (PIB)***	411.6	1,321.6	3,222.0	4,155.2	4,921.4	4,391.8	3,413.3	3,596.2
GOP Ijara Sukuk	-	459.2	326.4	326.4	363.9	385.4	385.4	71.0
Bai-Muajjal of Sukuk	-	-	-	-	-	-	-	177.8
Floating Debt	**1,636.9**	**5,194.9**	**4,599.1**	**4,609.4**	**5,001.7**	**6,550.9**	**8,889.0**	**10,270.6**
Market Treasury Bills***	536.5	2,919.7	1,746.8	2,148.9	2,771.4	4,082.0	5,294.8	3,029.7
MTBs for Replenishment****	1,100.4	2,275.2	2,852.3	2,460.5	2,017.6	2,468.9	3,594.2	7,240.8
Bai Muajjal*****	0.0	0.0	0.0	0.0	212.6	0.0	0.0	0.0
Unfunded Debt	**1,020.4**	**2,146.5**	**2,303.8**	**2,570.3**	**2,683.7**	**2,765.3**	**2,868.1**	**3,096.4**
Defense Saving Certificates	284.6	271.7	284.6	300.8	308.9	325.5	336.2	380.8
National Deposit Certificates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Khass Deposit Certificates	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2
Special Savings Certificates (Registered)	160.3	388.2	445.8	474.3	472.4	433.1	381.9	415.0
Special Savings Certificates (Bearer)	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Regular Income Certificates	51.0	262.6	325.4	376.0	359.8	338.8	347.5	450.4
Premium Saving Certificates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Behbood Savings Certificates	229.0	528.4	582.4	628.3	692.1	749.5	794.9	884.4

Table-9.6: Outstanding Domestic Debt - (Rs in billion)	2008	2013	2014	2015	2016	2017 (P)	2018 (P)	March 19 (P)
Short Term Savings Certificates	-	4.0	1.3	1.7	1.9	3.7	4.3	5.0
Khass Deposit Accounts	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Savings Accounts	27.7	22.3	22.6	26.4	30.2	34.9	38.3	37.2
Special Savings Accounts	67.0	346.2	292.7	392.9	423.8	489.0	549.0	473.6
Mahana Amdani Accounts	2.5	2.0	1.9	1.8	1.8	1.7	1.7	1.6
Pensioners' Benefit Account	87.7	179.9	198.4	214.1	234.7	253.4	274.9	306.0
Shuhadas Family Welfare Account	-	-	-	-	-	-	-	0.0
National Savings Bonds	-	0.2	0.2	0.1	0.1	0.1	0.1	0.1
Postel Life Insurance Schemes	67.1	67.1	67.1	67.1	67.1	45.8	46.7	46.4
GP Fund	42.5	73.1	80.5	85.8	90.0	88.8	91.7	95.1
Total Domestic Debt	**3,274.2**	**9,520.4**	**10,906.5**	**12,192.5**	**13,625.9**	**14,849.2**	**16,416.3**	**18,170.6**

P: Provisional
*Special Government Bond for SLIC have been added into Government Bonds
**Includes Premium Prize Bonds (Registered)
***Govt. Securities held by non-residents deducted from PIB's and T Bills
****Includes outright sale of MRTBs to Commercial Banks and SBP (BSC) holding of MTB's i.e. Rs 0.509 billion
*****Includes Rs 0.013 billion of Treasury Bills on Tap

9.6.2 Secondary Market Activities in the Marketable Government Securities:

Pakistan has a developed and vibrant secondary market for marketable government debt securities. In the first nine months of 2018-19, the secondary market outright trading volumes of government securities increased to Rs 21,345 billion compared with Rs 20,375 billion during the same period of 2017-18. These trading numbers translate into an average daily trading volume of Rs 112.9 billion during July-March 2018-19 compared with Rs 110.2 billion and Rs 60.3 billion in 2017-18 and 2016-17, respectively. The increase in secondary market trading volumes over the last two years is explained primarily by higher issuances of liquid 03-month Market Treasury Bills and improved trading in Government Ijara Sukuk (GIS) in the Islamic debt market. Accordingly, the turnover ratio has also increased to 3.15 in 2018-19 (July-March) from 3.00 in 2017-18 and 1.64 in 2016-17.

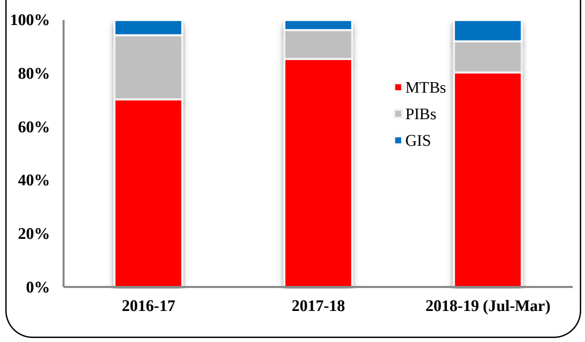
Table 9.7: Secondary Market Trading Volumes — Rs billion

Government Security	2016-17	2017-18	2018-19 (July-March)
Treasury Bill - 3 Months	4,954	20,114	17,093
Treasury Bill - 6 Months	3,069	3,141	34
Treasury Bill - 12 Months	2,361	258	33
Sub Total	**10,384**	**23,513**	**17,160**
Pakistan Investment Bonds - 3 Years	1,480	1,057	1,105
Pakistan Investment Bonds - 5 Years	1,193	1,029	626
Pakistan Investment Bonds - 10 Years	853	900	763
Pakistan Investment Bonds - 15 Years	4	10	1
Pakistan Investment Bonds - 20 Years	19	11	1
Sub Total	**3,549**	**3,006**	**2,495**
Government Ijara Sukuk	846	1,022	1,690
Grand Total	**14,779**	**27,541**	**21,345**
Daily Average volume	**60.3**	**110.2**	**112.9**
End Period Stock	8,991	9,175	6,771
Turnover ratio	1.64	3.00	3.15

Source: State Bank of Pakistan

Among the securities, MTBs dominated the secondary market activity as nearly 80 percent (i.e. Rs 17,160 billion) of the trading volumes were in MTBs during the period July-March 2018-19. Further, among MTBs, almost entire trading i.e. 99.6 percent (or Rs 17,093 billion) was in 3-month MTBs as there was lack of issuances of longer tenor securities. Market activity in 6-month and 12-month MTBs stayed negligible. While still quite thin at Rs 1,690 billion, the share of GIS in overall trading volume doubled to 8 percent in 2018-19 (July-March) from 4 percent in 2017-18. Though the share of trading in PIBs remained almost same at around 12 percent, market activity was largely skewed in shorter tenors as 3-year PIBs witnessed an increase in its trading volume in 2018-19 (July-March) compared with 2017-18.

Fig-9.9: Share of Government Securities in Overall Trade Volume



Repo Market

Repo market seems to dominate the secondary market trading volumes this year, as during the first nine months of 2018-19 share of repo market activity was 56 percent, as against 49 percent in 2017-18. The considerably large repo volumes indicate higher liquidity in the repo market that allowed investors to efficiently meet their temporary liquidity needs from the domestic market. On the other hand, the share of outright transactions dropped to 44 percent in the 2018-19 (July-March), compared with 51 percent in 2017-18, as the market was reluctant to take positions amidst rising interest rates.

Table 9.8: Government Securities Based Transactions

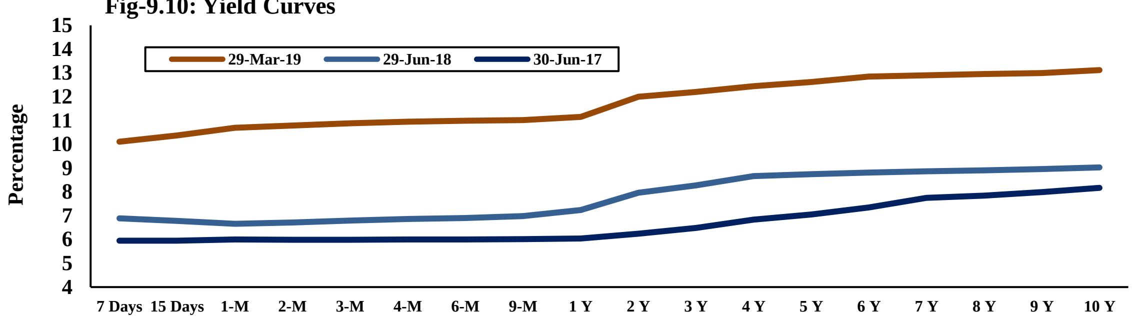
Type	Volumes (PKR billion)			Market Share (%)		
	2016-17	2017-18	2018-19 (July-March)	2016-17	2017-18	2018-19 (July-March)
Repo	19,609	26,539	27,416	57	49	56
Outright	14,779	27,541	21,345	43	51	44
Total	34,388	54,080	48,761	100	100	100

Source: State Bank of Pakistan

Secondary Market Yield Curve:

Since the beginning of 2018-19, SBP increased its policy (target) rate by a cumulative 425 basis points from 6.50 percent to 10.75 percent. Accordingly, the increase in policy rate effectively translated into market interest rates across the yield curve. Yield curve of up to 10 years as of 29-Mar-2019 was comparatively steeper, as compared to those of end 2017-18 and 2016-17. The steepness of the current yield curve in 1-3 years' horizon reflects market's anticipation of increase in interest rates in the medium to long term.

Fig-9.10: Yield Curves



9.7 External Debt and Liabilities

Pakistan's External Debt and Liabilities (EDL) include all foreign currency debt contracted by the public and private sector as well as foreign exchange liabilities of SBP. The part of EDL which falls under government domain is debt which is serviced out of consolidated fund and owed to International Monetary Fund. Whereas, remaining includes liabilities of central bank, debt of public sector entities, private sector and banks.

During first nine month of current fiscal year, EDL recorded an increase of US$ 10.6 billion to stand at US$ 105.8 billion at end March 2019 out of which public debt was US$ 74.2 billion. External public debt increased by around US$ 3.9 billion during first nine months of current fiscal year compared with the increase of US$ 6.7 billion witnessed during the same period last year. Borrowing from commercial sources (foreign commercial banks and Eurobonds/Sukuks) have relatively increased during the last few years, however, external public debt still largely comprises multilateral and bilateral sources which cumulatively constituted 78 percent of external public debt portfolio at end March 2019. These multilateral and bilateral loans are contracted at concessional terms (low cost and longer tenor) and are primarily utilized to remove structural growth anomalies and promote reform in the areas of energy, taxation, business, trade and education. These development loans are, thus, deployed to the increase the total output of the country and in-turn the debt repayment capacity.

Table-9.9: Pakistan's External Debt and Liabilities

(US$ in million)	2008	2013	2014	2015	2016	2017 (P)	2018 (P)	Mar 19 (P)
A. Public External Debt (1+2)	**41,782**	**48,139**	**51,460**	**50,964**	**57,757**	**62,539**	**70,237**	**74,178**
1. Government External Debt	**40,445**	**43,752**	**48,440**	**46,861**	**51,714**	**56,430**	**64,142**	**68,412**
i) Long term(>1 year)	**39,722**	**43,488**	**47,709**	**45,849**	**50,026**	**55,547**	**62,525**	**67,301**
Paris Club	13,928	13,548	13,607	11,664	12,678	11,973	11,643	11,261
Multilateral	21,449	24,198	25,826	24,262	26,376	27,605	28,102	27,366
Other Bilateral	1,129	3,939	4,385	4,941	5,445	6,323	8,674	12,481
Euro/Sukuk Global Bonds	2,650	1,550	3,550	4,550	4,550	4,800	7,300	7,300
Military Debt	41	71	36	-	-	0	0	0
Commercial Loans/Credits	120	-	150	300	882	4,826	6,806	8,884
Local Currency Securities (PIBs)	5	2	16	32	35	0	0	0
Saudi Fund for Development (SFD)	-	180	140	100	60	20	0	0
NBP/BOC Deposits*	400	-	-	-	-	0	0	10
ii) Short term (<1 year)	**723**	**264**	**731**	**1,012**	**1,688**	**882**	**1,617**	**1,111**
Multilateral	713	256	443	983	1,112	832	961	625
Local Currency Securities (T-bills)	10	8	116	29	1	51	0	0
Commercial Loans/Credits	-	-	173	-	575	0	655	486
2. From IMF	**1,337**	**4,387**	**3,020**	**4,103**	**6,043**	**6,109**	**6,095**	**5,765**
i) Federal Government	-	1,519	655	52	-	0	0	0
ii) Central Bank	1,337	2,868	2,366	4,051	6,043	6,109	6,095	5,765
B. Foreign Exchange Liabilities	**1,296**	**3,106**	**3,281**	**3,709**	**3,600**	**3,564**	**5,121**	**10,052**
i) Central Bank Deposits	1,200	800	700	700	700	700	700	5,700
ii) Foreign Currency Bonds (NHA / NC)	66	-	-	-	-	0	0	0
iii) Other Liabilities (SWAP)	30	814	1,045	1,612	1,507	1,482	3,022	2,978
iv) Allocation of SDR	-	1,487	1,528	1,390	1,383	1,375	1,390	1,372
v) Nonresident LCY Deposits with Central Bank	-	6	8	7	10	8	9	1
C. Public Sector Enterprises (PSEs)	**1,203**	**1,848**	**2,063**	**2,482**	**2,807**	**2,719**	**2,671**	**3,478**
a. Guaranteed Debt	**196**	**598**	**537**	**970**	**1,265**	**1,214**	**1,384**	**2,175**
Paris Club	-	-	-	-	-	0	0	0
Multilateral	132	30	25	19	11	6	5	3

Table-9.9: Pakistan's External Debt and Liabilities

(US$ in million)	2008	2013	2014	2015	2016	2017 (P)	2018 (P)	Mar 19 (P)
Other Bilateral	60	568	512	951	1,254	1,208	1,179	1,972
Commercial Loans	4	-	-	-	-	0	200	200
Sandak Metal Bonds	-	-	-	-	-	0	0	0
b. Non-Guaranteed debt	**1,007**	**1,250**	**1,525**	**1,512**	**1,541**	**1,505**	**1,287**	**1,303**
i) Long Term(>1 year)	1,007	638	726	534	466	403	334	452
ii) Short Term (<1 year)	-	612	799	978	1,075	1,102	953	851
D. Banks	**-**	**1,554**	**1,989**	**2,286**	**2,695**	**4,522**	**4,416**	**4,846**
a. Borrowing	-	710	1,080	1,334	1,618	3,303	2,966	3,280
b. Nonresident Deposits (LCY & FCY)	-	843	909	952	1,078	1,220	1,450	1,566
E. Private Sector	**1,880**	**3,143**	**3,076**	**3,011**	**4,073**	**6,759**	**9,195**	**10,137**
F. Debt Liabilities to Direct Investors - Intercompany Debt	**-**	**3,110**	**3,400**	**2,717**	**3,013**	**3,375**	**3,597**	**3,151**
Total External Debt and Liabilities (A+B+C+D+E+F)	**46,161**	**60,899**	**65,268**	**65,170**	**73,945**	**83,477**	**95,236**	**105,841**

*:Pakistan Banao Certificates (PBC) issued by Government of Pakistan for overseas Pakistanis, effective from 4 February 2019.
Source: State Bank of Pakistan and Debt Policy Coordination Office, Ministry of Finance

9.7.1 Analysis of External Public Debt Inflows and Outflows

The source wise details of external public debt inflows and outflows over last few years are depicted in the table below:

Table-9.10: Source Wise External Inflows and Outflows

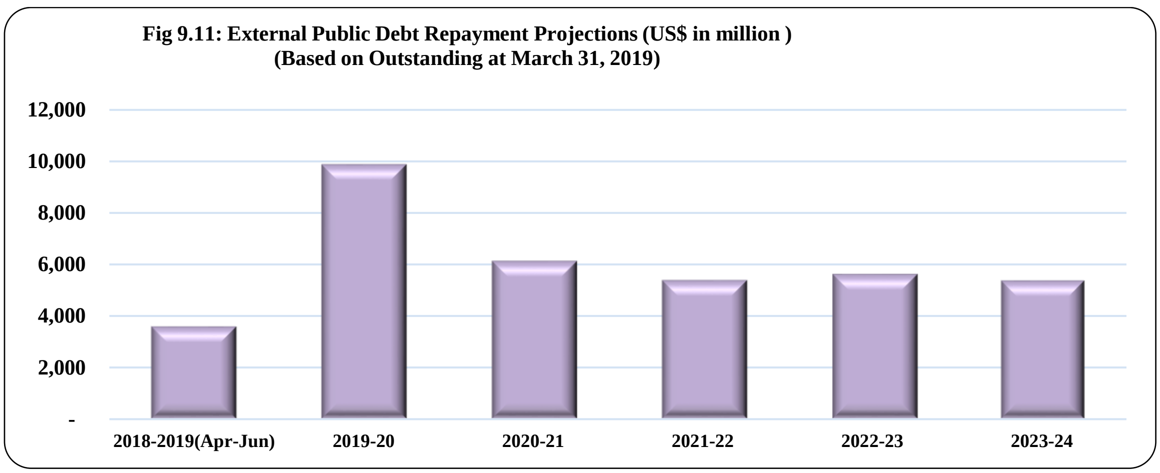
(US$ in million)	2013	2014	2015	2016	2017	2018	2018-19 (July-March)
DISBURSEMENTS							
Multilateral	1,332	3,096	2,824	3,757	3,064	2,813	1,150
Bilateral	889	887	867	1,040	1,941	1,971	4,004
Bonds	-	2,000	1,000	500	1,000	2,500	-
Commercial	-	323	150	1,387	4,426	3,716	3,108
IMF	-	1,656	2,611	2,009	102	-	-
Total Inflows (A)	**2,221**	**7,962**	**7,452**	**8,693**	**10,533**	**11,000**	**8,262**
REPAYMENTS							
Multilateral	1,155	1,324	1,181	1,221	1,255	1,317	1,123
Bilateral	299	435	407	440	1,200	793	644
Bonds	-	-	-	500	750	-	-
Commercial	-	-	-	225	489	489	745
IMF	2,899	3,130	1,226	53	-	86	251
Short Term Debt	390	256	612	735	1,393	1,486	1,377
Others	52	76	76	40	40	20	-
Total Repayments (B)	**4,795**	**5,220**	**3,500**	**3,213**	**5,127**	**4,190**	**4,139**
Net Inflows (A-B)	**(2,574)**	**2,742**	**3,952**	**5,480**	**5,406**	**6,809**	**4,123**
INTEREST PAYMENTS							
Multilateral	217	204	219	239	295	357	333
Bilateral	357	386	385	380	441	444	419
Bonds	111	111	300	354	366	423	284
Commercial	0	4	9	33	66	260	276
IMF	100	52	39	51	86	128	108
Short Term Government Debt	11	16	22	69	58	72	50
Others	4	3	1	0	0	0	0
Total Interest Payments (C)	**800**	**775**	**975**	**1,127**	**1,313**	**1,684**	**1,470**
Total Debt Servicing (B+C)	**5,595**	**5,995**	**4,475**	**4,340**	**6,440**	**5,874**	**5,608**

Source: Economic Affairs Division and State Bank of Pakistan

Gross external public debt disbursements were recorded at US$ 8,262 million during nine months of current fiscal year, the details of which are as follows:

- Disbursements from bilateral sources remained the main contributor in gross external public debt disbursements with a share of 48 percent or US$ 4,004 million. Out of this total, disbursements from China was US$ 3,885 million or 97 percent of total disbursement from bilateral sources
- Foreign commercial loans contributed US$ 3,108 million in total disbursements. These commercial loans were primarily obtained for balance of payment support
- Government mobilized US$ 1,150 million from multilateral sources largely for energy and infrastructure projects.

During first nine months of the current fiscal year, servicing of external public debt was recorded at US$ 5,608 million. Segregation of this aggregate number shows repayment of US$ 4,139 million towards maturing external public debt stock while interest payments were US$ 1,470 million. The projected external public debt repayment based on outstanding at March 31, 2019 is presented in the graph below:



9.7.2 External Debt Sustainability

A country can achieve debt sustainability if it can meet its current and future debt service obligations in a timely manner and has the capacity to withstand macroeconomic shocks. There are two principal indicators or ratios which assess the external debt sustainability; (i) solvency indicators and (ii) liquidity indicators. Solvency indicator such as external debt-to-GDP ratio shows debt bearing capacity while liquidity indicators such as external debt servicing to foreign exchange earnings ratio shows debt servicing capacity of the country.

Table-9.11: External Debt Sustainability Indicators

(In percent)	2013	2014	2015	2016	2017	2018
ED/FEE (times)	1.0	1.0	1.0	1.1	1.2	1.3
ED/FER (times)	4.4	3.6	2.7	2.5	2.9	4.3
ED/GDP (Percentage)	20.8	21.0	18.8	20.7	20.5	22.3
ED Servicing/FEE (Percentage)	11.1	11.7	8.5	8.5	12.4	10.8

FEE: Foreign Exchange Earnings; ED: External Public Debt; FER: Foreign Exchange Reserves
Note: The above ratios are calculated based on US Dollar amounts.

Source: Debt Policy Coordination Office, Ministry of Finance

External public debt to GDP ratio grew to 22.3 percent at end June 2018 compared with 20.5 percent at end June 2017, depicting increased external debt burden. This increase in external public debt may be attributed to net external public debt inflows as well as revaluation losses owing to depreciation of

US Dollar against other international currencies. At end March 2019, this ratio further increased and recorded at 25.8 percent. Apart from increase in external public debt stock, reduction in GDP size in US Dollar terms contributed towards increase in this ratio.

Some relief was realized from liquidity standpoint, where external debt servicing to foreign exchange earnings ratio decreased to 10.8 percent in 2017-18 from 12.4 percent in 2016-17 owing to lower principal payments while moderate growth witnesses in FEE during the year. However, relatively higher growth in external public debt stock pushed the ED/FEE ratio to 1.3 times during 2017-18 compared with 1.2 times during preceding fiscal year.

Assessment of external public debt in terms of country's foreign exchange reserves depicts a deteriorating external debt coverage as widening of current account deficit continues to deplete foreign exchange reserves. During 2017-18, ED/FER recorded at 4.3 times, registering a significant increase from 2.9 times during 2016-17. At end March 2019, this ratio was recorded at 4.3 times.

Over last few years, stagnation of exports primarily due to bottlenecks in the energy and infrastructure exerted pressure on the country's liquidity situation. Exports are predominant source of foreign exchange earnings which on one hand provide coverage towards interest servicing while also lending support towards building-up of foreign exchange reserves. Over last few years, negative trend has been observed in exports while imports have exhibited significant growth. Although other income including worker's remittances witnessed moderate growth, however, it could not keep pace with imports resulting in widening of the current account deficit and erosion of foreign exchange reserves. The incumbent government soon after assuming the charge took various corrective policy measures to arrest the widening external account gap as is evident from the fact that current account deficit reduced by 27 percent during July 2018 - April 2019 as compared with the same period last year.

9.8 Pakistan's Link with International Capital Market

In the second half of 2018, most Emerging Market (EM) assets came under pressure. The continued trade tensions, appreciation of the dollar and reduced economic growth forecasts caused significant capital outflows from emerging markets. Despite these challenging market conditions, Pakistan's 19s, 21s, 22s, 24s, 25s bonds continued to trade close to par or at a premium, indicating that the investor perception of the credit remained generally favorable.

Following a volatile second half of 2018, the beginning of 2019 brought a material shift in the investor sentiment. After a net outflow position for EM fund flows in 2018, the first quarter of 2019 brought fresh liquidity into EM markets due to a record high level of net inflows into emerging markets funds. Pakistan's bond spreads have shown a strong performance year-to-date, trading back to the same levels as in January 2018. In absolute terms, the Pakistan's curve has moved ~130 bps tighter on average across all tranches since early January 2019 and continues to outperform comparable assets in the Emerging Markets.

Table-9.12: Secondary Trading Levels:

Bond	Ratings			Maturity	Size	Coupon	Price	Yield (%)
	M	S&P	F		($ in million)	(%)		
EM Sovereign Bonds								
Pakistan (Sukuk)	B3	B-	B-	Dec-19	1,000	6.750	101.3	4.56
Pakistan (Sukuk)	B3	B-	B-	Oct-21	1,000	5.500	101.1	5.02
Pakistan(Sukuk)	B3	B-	B-	Dec-22	1,000	5.625	100.7	5.4
Eurobond	B3	B-	B-	Apr-24	1,000	8.250	108.2	6.29
Eurobond	B3	B-	B-	Sep-25	500	8.250	108.6	6.58
Eurobond	B3	B-	B-	Dec-27	1,500	6.875	99.4	6.98
Eurobond	B3	B-	B-	Mar-36	300	7.875	98.5	8.03

Source: Bloomberg – April 30, 2019

9.9 Conclusion

Government is committed to achieve the targets outlined in Fiscal Responsibility and Debt Limitation Act, 2005. Going forward, following are the main priorities with respect to public debt management:

i) Over the medium term, government objective is to bring and maintain its Public Debt-to-GDP and Debt Service-to-Revenue ratios to sustainable levels through a combination of greater revenue mobilization, rationalization of current expenditure and efficient/productive utilization of debt

ii) For domestic debt market development, government is planning to introduce various new instruments with the objective to meet government financing requirements at the lowest possible cost while providing additional avenue to investor in-line with their investment horizon and risk appetite/preference

iii) Government intends to broaden the universe of Shariah compliant securities (domestic as well as international)

iv) Lengthening of maturity profile of domestic debt through enhanced mobilization from medium to long term government securities will remain priority to reduce the re-financing and interest rate risks of domestic debt portfolio

v) Government is tapping new international markets as well as considering to introduce an international bond program instead of borrowing through stand-alone transactions. This is expected to increase investor base, lower borrowing cost and allow the government to optimize timing of issuance as well as save time in execution of debt transactions

vi) Government will continue to seek long term concessional loans for development purposes.

CHAPTER 10

Education

It is a known fact that sustainable economic development is impossible without improvement in human capital. Education plays an important role in the building of human capital. The government's intent is to meet Sustainable Development Goals (SDGs), particularly Goal 4, which aims to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all citizens; through tangible improvements in country's education.

Previously, Pakistan failed in achieving the MDGs target related to education as the desired changes could not be made to upgrade the education system. Now the Goal 4 of SDGs is demanding our attention to improve the indicators required to achieve the Goal 4 i.e., Quality Education (ensure inclusive and equitable quality education and promote life learning opportunities for all).

Box-I: Sustainable Development Goals (SDGs) National Framework

Goal 4: Quality Education (Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all)

National Priority Targets	National Priority SDG Indicator	National Baseline 2014-15	Target 2030
By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes	Proportion of children and young people: (a) in grades 2/3; (b) at the end of primary; and (c) at the end of lower secondary achieving at least a minimum proficiency level in (i) reading and (ii) mathematics, by sex	Total=57% Girls=53.0% Boys=60.0%	Total=100% Girls=100.0% Boys=100.0%
By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations	Parity indices (female/male, rural/urban, bottom/top wealth quintile and others such as disability status, indigenous peoples and conflict affected, as data become available) for all education indicators on this list that can be disaggregated	GPI Primary=0.87	GPI Primary=1.0
By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy	Percentage of population in a given age group achieving at least a fixed level of proficiency in functional (a) literacy and (b) numeracy skills, by sex	Total=60.0% Female=49.0% Male=70.0%	Total=80.0% Female=69.0% Male=90.0%
Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all	Proportion of schools with access to: (a) electricity: (b) the Internet for pedagogical purposes; (c) computers for pedagogical purposes; (d) adapted infrastructure and materials for students with disabilities; (e) basic drinking water; (f) single sex basic sanitation facilities; and (g) basic hand washing facilities (as per the WASH indicator definitions)	Primary School Infrastructure: Electricity=53.0%; Drinking Water= 67.0%; Sanitation=67.0%	Primary School Infrastructure; Electricity= 53.0%; Drinking Water=67.0%; Sanitation=67.0%
By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially least developed countries and small island developing States	Proportion of teachers in; (a) pre-primary; (b) Primary; (c) lower secondary; and (d) upper secondary education who have received at least the minimum organized teacher training (e.g. pedagogical training) pre-service or in-service required for teaching at the relevant level in a given country	-	-

Source: Ministry of Planning, Development & Reform

The government agenda

In order to achieve Goal 4 of SDGs, the government has declared Ministry of Planning, Development and Reform as the focal ministry at national level. To achieve education targets, federal and provincial governments have to improve their capacities, sectoral governance and increase resources for education. The government is committed to move on all of these areas and has already increased budgetary resources for education. It is also striving to combine diverse education system presently in vogue to introduce a more uniform system of education in the country. A National Education Policy Framework has been formulated to combat the multiple challenges facing the education sector. The Framework has established following priorities areas:

- Priority 1: Decrease Out of School Children (OOSC) and Increase School Completion
- Priority 2: Achieve Uniformity in Education Standards
- Priority 3: Improve the Quality of Education
- Priority 4: Enhance Access to and Relevance of Skills Training

Regional Comparison of Education Indicators

According to UNDP's Human Development Report 2018, Pakistan is ranked 150th out of 189 countries with the HDI value of 0.562 (with 1 being the maximum value). According to the educational indicators only Afghanistan lags behind Pakistan in the context of regional comparison. All other regional countries have shown improvement in HDI in comparison to Pakistan. Table 10.1 provides a comparison of education indicators across a select group of country's which are considered to be Pakistan's comparators. As is obvious from the table, Pakistan does not fare well in this comparison.

Table: 10.1 Education Indicators

Country	Literacy rate adult %age 15 years and older (2006-16)	Youth %age 15-24 years old		Population with some secondary education %ages 25 years & older (2006-17)	Gross enrolment Ratio (GER) 2012-17				Primary School Dropout rate (2007-2016)	Public Expenditure on education (%age of GDP) (2012-2017)	Human Development Index (HDI) Rank
		Female (2006-16)	Male (2006-16)		Pre-Primary	Primary	Secondary	Tertiary			
	SDG 4.6				SDG 4.2	SDG 4.1		SDG 4.3			
Iran	84.7	97.7	98.2	68.5	51	109	89	69	2.5	3.4	60
Sri lanka	91.2	98.6	97.7	82.8	94	102	98	19	1.6	3.5	76
Maldives	98.6	99.4	99.1	47.1	99	102	n/a	14	17.8	4.3	101
India	69.3	81.8	90.0	51.6	13	115	75	27	9.8	3.8	130
Bhutan	57.0	84.5	90.4	9.6	25	95	84	11	21.1	7.4	134
Bangladesh	72.8	93.5	90.9	45.5	34	119	69	17	33.8	2.5	136
Nepal	59.6	80.2	89.9	34.6	86	134	71	12	26.5	3.7	149
Pakistan	57.0	65.5	79.8	37.3	72	98	46	10	22.7	2.8	150
Afghanistan	31.7	32.1	61.9	25.1	n/a	105	55	8	n/a	3.2	168

Source: Human Development Indicator and Indices: 2018

Educational Institutions and Enrolment:

i) Pre-Primary Education

Pre-Primary education is the basic step for Early Childhood Education (ECE). Preparatory (or Katchi) class is meant for children between 3 to 4 years of age. At the national level, an increase of 7.3 percent is observed in pre-primary enrolment which went up to 12,273.1 thousand in 2017-18 compared to 11,436.6 thousand in 2016-17. Enrolment is estimated to increase further by 6.4 percent i.e. from 12,273.1 thousand to 13,063.3 thousand in 2018-19. (Table 10.2).

ii) Primary Education (Classes I-V)

In 2017-18, there were a total of 172.2 thousand primary functioning primary schools, with 519.0 thousand teachers, across the country. These schools had an overall enrollment of 22.9 million students an increase of 5.5 percent over the previous year. This enrollment is projected to increase to 23.9 million (i.e. by 4.4 percent) in 2018-19.

iii) Middle Education (Classes VI-VIII)

There were 46.8 thousand middle schools in the country in 2017-18, with 438.6 thousand teachers, and an overall of 7.3 million showing an increase of 4.3 percent over enrolment level of 2016-17. This enrolment is estimated to increase by another 3.7 percent to 7.6 million in 2018-19.

iv) Secondary/ High School Education (Classes IX-X)

A total of 30.9 thousand high schools, with 556.6 thousand teachers, were functional in the country during 2017-18. High school enrolment, at 3.9 million, represents an increase of 7.4 over enrolment level of 3.6 million in 2016-17. The high school enrolment is estimated to increase by 6.6 percent (to 4.1 million in 2018-19.

v) Higher Secondary / Inter Colleges (Classes XI-XII)

A total of 5.2 thousand higher secondary schools/inter colleges, with a teacher population of 121.9 thousand, were functioning all over the country in 2017-18. The overall enrolment of 1.75 million in these schools represents a healthy increase of 9.8 percent over enrolment level of 2016-17. This enrolment is expected by another 5.0 percent (to 1.84 million) in 2018-19.

vi) Technical & Vocational Institutes

A total of 3.7 thousand technical & vocational institutes with 18.2 thousand teachers were functional in 2017-18. The enrolment of 433.2 thousand represents an increase of 25.6 percent over the previous year. With this large increase in base, the enrolment is projected to decorate to 8.7 percent during 2018-19.

vii) Degree Colleges (Classes XIII-XIV)

A total of 1,657 degree colleges in the country had a teacher population of 42 thousand, in 2017-18. That year, a significant decline of 47.3 percent in enrolment (to 503.8 thousand) was observed in enrolment level, which is projected to decelerate further to 4.3 percent in 2018-19.

viii) Universities (Classes XV onwards)

In 2017-18, there were 186 universities, with 56.9 thousand teachers, in the country, with a total enrolment of 1.6 million. This enrolment was 7.7 percent higher than previous years. The growth in enrolment however is projected to decline by 0.2 percent in 2018-19.

Overall Assessment

Overall education condition is based on key performance indicators such as enrolment rates, number of institutes and teachers which experienced marginal improvement. The total enrolment in all educational institution in the country was 50.6 million compared to 48.0 million during 2016-17 an increase of 5.3 percent. The number of institutions is projected to increase by 1.6 percent in 2018-19, leading to an increase of 4.8 percent in aggregate enrolment.

The total number of teachers during 2017-18 was 1.8 million compared to 1.7 million during last year showing an increase of 1.6 percent. This number of teachers is estimated to increase by 2.9 percent to 1.8 million during the year 2018-19. [Table 10.2].

Fig-10.1: Enrolment at each level

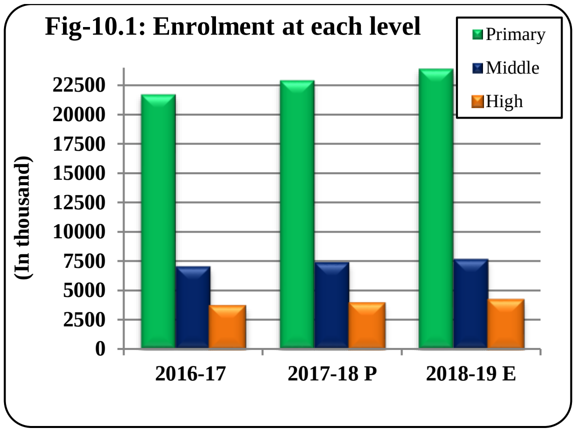


Fig-10.2: Institution at each level

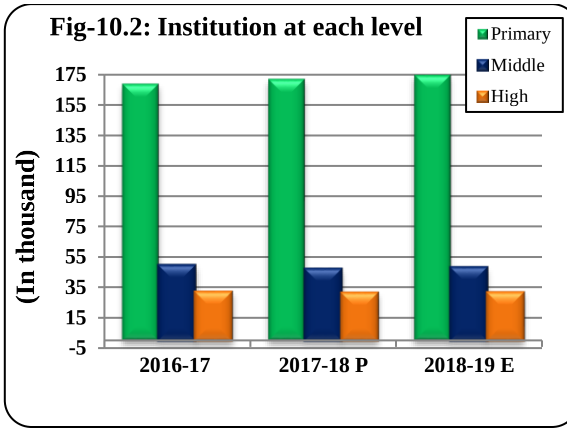


Fig-10.3: Teachers at each level

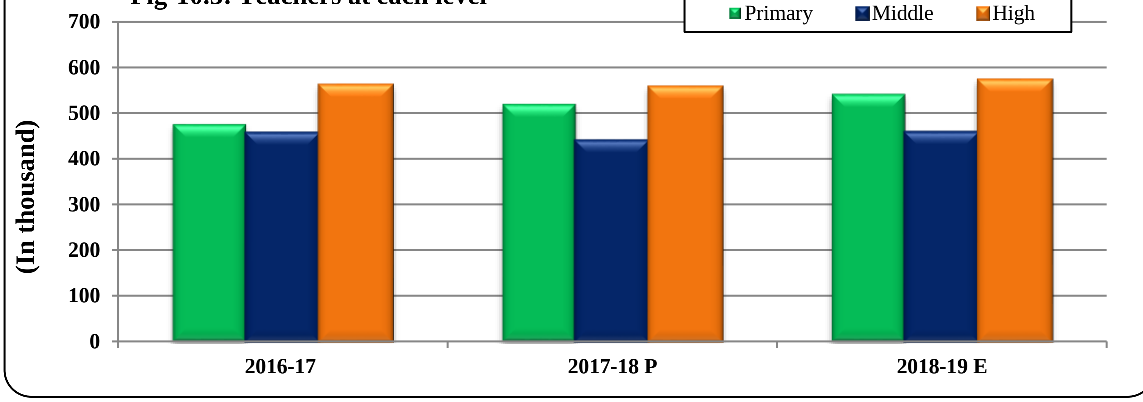


Table 10.2: Number of Mainstream Institutions, Enrolment and Teachers By Level (Thousands)

	Years	Pre-Primary	Primary^	Middle	High	Higher Sec./ Inter	Degree Colleges	Technical & Vocational Institutes	Universities	Total
Enrolment	2012-13	9284.3	18790.4	6188.0	2898.1	1400.0	641.5	302.2	1594.6	41099.1
	2013-14	9267.7	19441.1	6460.8	3109.0	1233.7	674.5	308.6	1594.6	42090.0
	2014-15	9589.2	19846.8	6582.2	3500.7	1665.5	1144.8	319.9	1299.2	43948.3
	2015-16	9791.7	21550.6	6922.3	3652.5	1698.0	937.1	315.2	1355.6	46223.0
	2016-17	11436.6	21686.5	6996.0	3583.1	1594.9	956.4	344.8	1463.3	48061.6
	2017-18*	12273.1	22885.9	7342.7	3850.3	1751.7	503.9	433.2	1575.8	50616.5
	2018-19**	13063.3	23883.6	7616.8	4103.4	1839.7	482.2	470.8	1572.1	53031.9
Institutions	2012-13	-	159.7	42.1	29.9	5.0	1.5	3.3	0.147	241.6
	2013-14	-	157.9	42.9	30.6	5.2	1.1	3.3	0.161	241.2
	2014-15	-	165.9	44.8	31.3	5.4	1.4	3.6	0.163	252.6
	2015-16	-	164.6	45.7	31.7	5.5	1.4	3.7	0.163	252.8
	2016-17	-	168.9	49.1	31.6	5.1	1.4	3.8	0.185	260.1
	2017-18*	-	172.2	46.8	30.9	5.2	1.6	3.7	0.186	260.6
	2018-19**	-	174.9	47.8	31.2	5.3	1.7	3.8	-	264.7
Teachers	2012-13	-	428.8	362.6	489.6	132.0	48.8	16.1	77.6	1555.5
	2013-14	-	420.1	364.8	500.5	124.3	26.0	16.4	77.6	1529.7
	2014-15	-	430.9	380.8	514.2	118.1	36.6	19.4	88.3	1588.3
	2015-16	-	444.6	394.2	529.5	123.1	37.1	18.2	83.4	1630.1
	2016-17		475.2	455.4	560.6	120.3	37.9	18.2	58.7	1726.4
	2017-18*	-	519.0	438.6	556.6	121.9	42.1	18.2	56.9	1753.3
	2018-19**	-	540.8	457.0	571.8	120.1	40.9	18.7	53.9	1803.2

*: Provisional, **: Estimated, ^: Including Pre-Primary, Mosque Schools, BECS and NCHD
Source: Ministry of Federal Education & Professional Training, AEPAM, Islamabad

Literacy

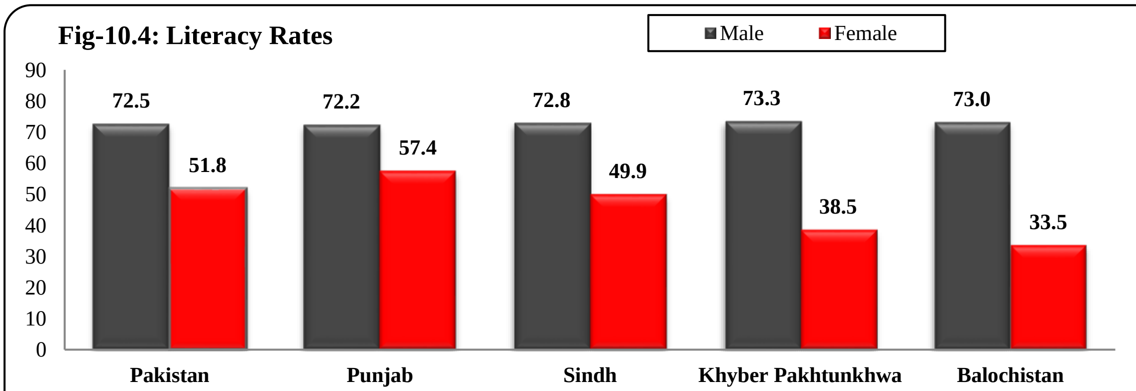
PSLM Survey could not be conducted in 2016-17 and 2017-18 on account of “Population & Housing Census in 2017”. However, according to Labour Force Survey 2017-18, literacy rate trends shows 62.3 percent in 2017-18 (as compared to 60.7 percent in 2014-15), males (from 71.6% to 72.5%) and females (from 49.6% to 51.8%). Area wise analysis suggests that literacy rate increased in both rural (51.9% to 53.3%) and urban (76.0% to 76.6%). It is also observed that male-female disparity narrowing down with time span. Literacy rate increases in all provinces, Khyber Pakhtunkhwa (54.1% to 55.3%), Punjab (61.9% to 64.7%) and Balochistan (54.3% to 55.5%) except in Sindh (63.0% to 62.2%) where marginal decrease has been observed. [Table10.3].

Table 10.3: Literacy Rate (10 Years and Above) **(Percent)**

Province/Area	2014-15			2017-18		
	Male	Female	Total	Male	Female	Total
Pakistan	**71.6**	**49.6**	**60.7**	**72.5**	**51.8**	**62.3**
Rural	65.3	38.4	51.9	66.3	40.5	53.3
Urban	82.4	69.3	76.0	82.2	70.6	76.6
Punjab	**70.4**	**53.6**	**61.9**	**72.2**	**57.4**	**64.7**
Rural	65.0	44.6	54.6	66.5	47.8	56.9
Urban	80.1	71.0	75.6	80.9	73.3	77.2
Sindh	**73.9**	**50.7**	**63.0**	**72.8**	**49.9**	**62.2**
Rural	61.2	26.2	45.0	60.1	25.7	44.1
Urban	86.0	72.7	79.6	84.3	71.7	78.4
Khyber Pakhtunkhwa	**72.1**	**36.8**	**54.1**	**73.3**	**38.5**	**55.3**
Rural	70.2	33.1	51.3	71.6	35.3	52.7
Urban	80.0	52.4	66.3	80.4	53.3	66.8
Balochistan	**72.0**	**33.0**	**54.3**	**73.0**	**33.5**	**55.5**
Rural	67.7	27.7	49.5	68.9	26.8	50.5
Urban	83.4	47.1	67.0	84.2	50.1	68.5

Source: Labour Force Survey, 2017-18, Pakistan Bureau of Statistics

Fig-10.4: Literacy Rates



Expenditure on Education

Public Expenditure on education was estimated at 2.4 percent of GDP in 2017-18, as compared to 2.2 percent in 2016-17. As mentioned earlier, the government is committed to enhance financial resources for education and ensure their and proper. As shown in Table-10.4, education expenditure has been rising gradually since 2013-14. The education-related expenditure increased by 18.6 percent (to Rs 829.2 billion) in 2017-18. The provincial governments are also spending a sizeable amount of their Annual Development Plans (ADPs) on education. Punjab increased its expenditure in 2017-18 to Rs 340.8 billion as compared to Rs 260.6 billion in 2016-17 which shows a significant increase of 30.8 percent. Sindh also increased its expenditure from Rs 146.7 billion in 2016-17 to Rs 166.0 billion in 2017-18 showing an increase of 13.16 percent. Similarly, Khyber Pakhtunkhwa and

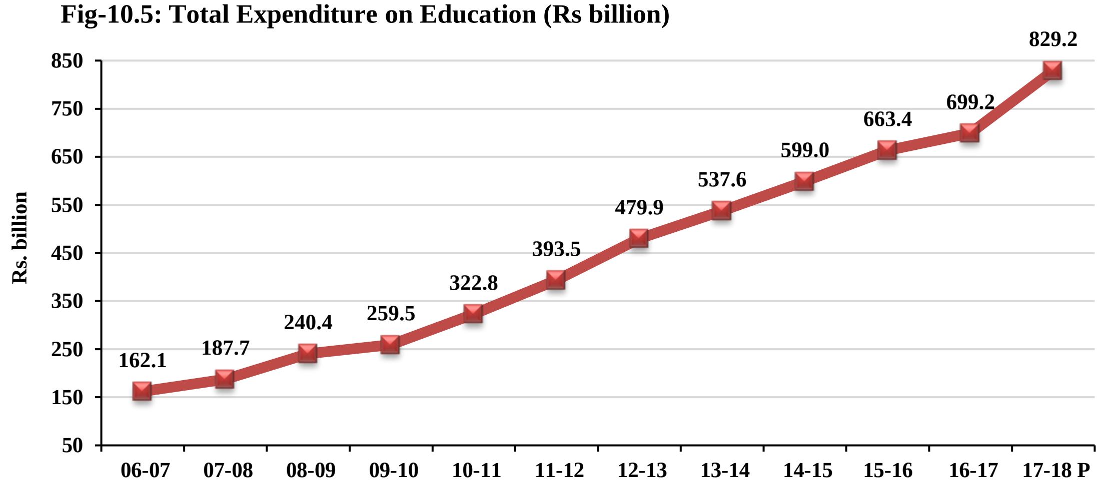
Balochistan also increased their expenditure on education from Rs 136.1 billion to Rs 142.6 billion and from Rs 47.7 billion in 2016-17 to Rs 52.8 billion in 2017-18, respectively.

Table 10.4: Total Expenditure on Education (Rs million)

Years		Current Expenditure	Development Expenditure	Total Expenditure	As % of GDP
2013-14	Federal	65,497	21,554	87,051	**2.1**
	Punjab	187,556	30,485	218,038	
	Sindh	99,756	6,157	106,093	
	Khyber Pakhtunkhwa	70,948	18,756	89,704	
	Balochistan	29,978	6,911	36,889	
	Pakistan	**453,735**	**83,863**	**537,598**	
2014-15	Federal	73,729	28,293	102,022	**2.2**
	Punjab	201,882	25,208	227,090	
	Sindh	109,275	7,847	117,122	
	Khyber Pakhtunkhwa	83,205	28,506	111,711	
	Balochistan	32,299	8,803	41,102	
	Pakistan	**500,390**	**98,657**	**599,047**	
2015-16	Federal	84,496	34,665	119,161	**2.3**
	Punjab	224,608	26,863	251,471	
	Sindh	123,855	11,153	135,008	
	Khyber Pakhtunkhwa	92,306	19,925	112,231	
	Balochistan	36,121	9,364	45,485	
	Pakistan	**561,386**	**101,970**	**663,356**	
2016-17	Federal	91,139	16,890	108,029	**2.2**
	Punjab	221,049	39,593	260,642	
	Sindh	134,650	12,082	146,732	
	Khyber Pakhtunkhwa	109,482	26,639	136,121	
	Balochistan	40,571	7,127	47,698	
	Pakistan	**596,891**	**102,331**	**699,222**	
2017-18 (P)	Federal	100,428	26,495	126,923	**2.4**
	Punjab	295,893	44,910	340,803	
	Sindh	152,298	13,705	166,003	
	Khyber Pakhtunkhwa	126,149	16,494	142,643	
	Balochistan	47,107	5,673	52,780	
	Pakistan	**721,875**	**101,277**	**829,152**	

P: Provisional
Source: PRSP Budgetary Expenditures, External Finance Policy Wing, Finance Division, Islamabad

Fig-10.5: Total Expenditure on Education (Rs billion)



Development Programs 2018-19

Federal Public Sector Development Program (PSDP)

The Federal Public Sector Development Program 2018-19 has allocated an amount of Rs 3.14 billion for 6 on-going and 3 new projects of the Ministry of Federal Education & Professional Training. An amount of Rs 2.40 billion has also been provided for 15 on-going & new education related projects to Finance and Capital Administration & Development Divisions. The implementation of PSDP funded projects will have a lasting impact on socio-economic development.

Provincial Annual Development Programs (ADPs) 2018-19

The provincial governments have prioritized the sectors such as provision of missing facilities, up gradation of girls and boys primary schools to middle, high and secondary levels, construction of new boys and girls schools and colleges, provision of scholarship through endowment funds and scholarship schemes, provision of stipends to girls students up to Matriculation, improvement of the physical infrastructure, establishment of IT/Science labs in secondary and higher secondary schools, Early Childhood Education (ECE) at Primary level and strengthening of Provincial Institutes of Teacher Education (PITE). All the provinces have allocated budget for the education foundations and development budget has allocated for capacity building of teachers to provide quality education and for the establishment of the cadet colleges to meet the prerequisites of education.

Punjab

During 2018-19, Punjab government has allocated Rs 32.80 billion for 1,091 on-going and 61 new development projects for education. This includes Rs 25.0 billion for school education, Rs 5.0 billion for higher education, Rs 1.0 billion for special education and Rs 1.80 billion for literacy & non-formal education.

Sindh

During 2018-19, Sindh government has allocated Rs 27.40 billion for 309 on-going development projects for education. This includes Rs 23.0 billion for Education & Literacy, Rs 0.20 billion for Special Education, Rs 0.96 billion for Sindh TEVTA and Rs 3.24 billion for Universities & Boards.

Khyber Pakhtunkhwa

Government of Khyber Pakhtunkhwa has allocated to Rs 12.85 billion in 2018-19 for 107 on-going and 28 new development projects. It includes Rs 1.50 billion for primary education, Rs 7.20 billion for secondary education and Rs 4.12 billion for higher education.

Balochistan

Balochistan government has allocated Rs 12.45 billion for 2018-19 for 205 ongoing and 449 new development projects for education. Out of the total allocation, an amount of Rs 1.77 billion has been allocated for primary education, Rs 4.15 billon for middle education, Rs 3.03 billion for secondary education, Rs 2.11 billion for college education, Rs 0.57 billion for university education, Rs 0.74 billion for general education and 0.069 billion for technical education.

Technical and Vocational Education

NAVTTC

Technical and Vocational Education and Training (TVET) offers the shortest and swiftest path to productive youth engagement. Unfortunately, TVET sector in Pakistan suffers from systemic ailments including limited training capacity, outdated workshops and laboratories, obsolete training equipment, archaic teaching methods and antiquated curricula and, therefore, is grossly incapacitated to meet the skill training needs of domestic and international markets, in terms of both quantity and quality. National Vocational & Technical Training Commission (NAVTTC) and Ministry of Federal Education and Professional Training have developed a broader framework to uplift TVET sector in Pakistan. The roadmap emphasizes on increasing training opportunities for young people as well as re-skilling the existing workers, implementing the National Vocational Qualification Framework (NVQF) and Competency Based Training &Assessment (CBT&A), bridging demand and supply gap of skilled workforce in the country, introducing High-Tech / High-End Training programs, bringing Madrdassa(s) and general education into TVET stream. The ultimate objective of this comprehensive roadmap and National TVET Policy is to streamline TVET sector and create competent, motivated, entrepreneurial, adaptable and creative skilled workforce as per demand of the local & international skill demands for workforce.

Following initiatives have been taken by NAVTTC to address qualitative and quantitative disparities in Technical & Vocational Education and Training (TVET) sector;

i. National Vocational Qualification Framework (NVQF) has been devised and implemented for the standardization of skill qualifications across the country
ii. As quality assurance mechanism in the TVET sector, NAVTTC has introduced a comprehensive accreditation regime in Pakistan. More than 200 TVET institutes and 1400 training programs have already been accredited under the program
iii. In curriculum development and its standardization at the national level, NAVTTC has developed curriculum for more than 100 trades, in accordance with latest technological requirements of the national and international job markets
iv. Internationally recognized, Competency Based Training (CBT) modules have been introduced in the country to replace the traditional mode of training. With the introduction of CBT, Pakistan is now able to deliver training in accordance with the internationally demanded and recognized requirements
v. Special emphasis has been laid on giving pivotal role to industry and private sector in TVET sector development in the country. Four Sector Skill Councils (SSCs) have been established in the Construction, Hospitality, Textile and Renewable Energy sectors. National Skill Forum (NSF) has been established to bring all the stakeholders on board. The concept of Institute Management Committees (IMCs) has been introduced for the first time in Pakistan at the TVET institute level, which gives greater representation to private sector in the management and training delivery in the TVET institutes
vi. Pakistan is now member of the World-Skills which is the collective voice for skills excellence and development in vocational, technological and service oriented careers around the globe
vii. Training and capacity building of TVET trainers and managers has also been given its due importance. Both in-country and foreign training program have been arranged for training and capacity building of TVET trainers and managers
viii. To collect latest market data on skills demands in the national and international job markets and create real time linkages with prospective employers, National Skills Information System (NSIS) has been established with state of the art technologies
ix. For the first time in Pakistan, a National Job Portal has been introduced to link skilled workers with employers. Skill profiles of more than 550,000 youth are available on the National Job Portal. Additionally, NAVTTC has also established Job Placement Centres (JPCs) at Islamabad, Karachi and Lahore and more than 100 Job Placement and Vocational Counseling Centres (JP&VCCs) across the country for the benefit of youth
x. Apart from conventional skills, occupations and vocations of TVET sector, NAVTTC is also expanding its outreach catering High-Tech / High-End & cutting-edge technologies and skill

development programs along with development of qualifications

xi. NAVTTC's another initiative in the shape of legislation for TVET sector in Pakistan i.e. *Apprenticeship Act-2018* has also been approved by the parliament and is being piloted in ICT. This act targets the occupation specific learn-cum-earn basis skill development model for youth and encompasses all sectors of the economy specifically Agriculture and Services sectors which were missing in previous Apprenticeship Act -1962.

NAVTTC's New Initiatives

a) Implementation of National "Skills for All Strategy" as a Catalyst for uplift of TVET Sector in Pakistan

After assuming the office, the current government constituted a task force for devising a comprehensive strategy for skill development in the country. The Task Force, which represented all stakeholders in the skill development sector, identified eight key areas of interventions, mentioned below.

i. Improving Governance to remove fragmentation/duplications leading to systemic wastages
ii. Exploring Multi-source Funding to pursue a broad-based reform agenda
iii. Capacity Enhancement to create more and more training opportunities
iv. Quality Assurance to bring quality of skills at par with national and international requirements
v. Access and Equity for providing equal opportunities to such marginalized segments of society as females, orphans, special people, youth from less developed areas etc.
vi. Industry Ownership to enhance both relevance of training and youth employability
vii. Skill Development for International Market for increasing foreign remittances
viii. TVET Communication Plan to increase image of skill sector.

To implement the above recommendations, a comprehensive plan has been prepared which is expected to prove as catalyst towards the development of skill training in the country and will encourage other stakeholders, such as provincial governments, private sector and donors, to contribute their share in enabling Pakistan's skill sector to meet the two-fold requirement of greater youth employability and higher industrial productivity.

b) Establishing Centres of Excellence in National Training Bureau (NTB), National Skills University (formerly NISTE, Islamabad) and 13 Heavy Machinery Operators Skill Development Centres

NAVTTC's another project PC-1 targeting the establishing of Centres of Excellence at National Training Bureau (NTB), National Skills University (formerly NISTE, Islamabad) and 13 Heavy Machinery Operators Skill Development Centres across the country has already been approved and the execution will be commenced as financial allocation for FY2020 is received through M/o Federal Education and Professional Training, Islamabad. Under this project state of the art Centres of Excellence for Construction and Hospitality sectors will be established in the country to ensure supply of skilled workforce to local industry including CPEC and other national mega projects and international job market.

c) Hunarmand Jawan- Prime Minister's "Skills for All" Program

NAVTTC in line with the directions of the present government is intending to launch Hunarmand Jawan-Prime Minister's "Skills for All" Program to supply 150,000 skilled workforce each year into the system. The salient features of this program include;

- Skill Development Training of 75,000 youth in conventional trades / occupation belonging to far-flung / under-developed and un-covered areas of Gilgit Baltistan, Balochistan, Azad Jammu and Kashmir, Southern Punjab and Interior Sindh
- Skill Development Training of 75,000 youth in High-Tech / High-End and cross cutting technologies in Artificial Intelligence, Robotics, Advanced electronics etc. in state of the art skill development centres, skill and technological universities, industry
- Establishing Business Incubation Centres in TVET Institutes to promote self-employment and entrepreneurships
- International Certifications of Pakistani TVET graduates from international skill agencies.

Higher Education Commission

The knowledge based society and economic growth are directly proportional to intellectual capital of a nation, which are not possible without phenomenal growth in the higher education sector of a country. It plays a critical role in generation and transmission of knowledge, critical to achieving a high growth rate and a competitive position in the global knowledge economy. HEC, since its inception in 2002 has embarked upon a comprehensive Higher Education Reforms process that has transformed the Higher Education Sector of Pakistan in the span of 15 years. The progress so achieved has been recognized both nationally and internationally, and would not have been possible without government's unprecedented resolve for the development of Higher Education. It is through patronage of the Government of Pakistan that, improved equitable access, growing PhD faculty, state of the art labs, up to date curriculum, modern infrastructure, thriving learning and research environment, advanced ICT facilities, development of Advanced Study Centers on issuance of national relevance, focus on innovation and entrepreneurship, quality assurance and good governance in institutions of Higher Education.

There are 194 public and private sector Higher Education Institutes operating in the country having total enrolment of 1.576 million approx.

Table: 10.5 Enrollment- Region, Sector and Gender-wise for the year 2017-18

Province/ Region	Public			Private			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
ICT	274,467	282,493	556,960	20,580	13,089	33,669	295,047	295,582	590,629
Punjab	189,821	187,218	377,039	85,705	52,411	138,116	275,526	239,629	515,155
Sindh	107,571	66,878	174,449	58,850	30,322	89,172	166,421	97,200	263,621
Khyber Pakhtunkhwa	71,418	26,201	97,619	35,574	10,082	45,656	106,992	36,283	143,275
Balochistan	21,873	9,460	31,333	484	108	592	22,357	9,568	31,925
Azad Jammu & Kashmir	11,368	13,392	24,760	1,021	1,357	2,378	12,389	14,749	27,138
Gilgit Baltistan	2,160	2,184	4,344	0	0	0	2,160	2,184	4,344
Pakistan	**678,678**	**587,826**	**1,266,504**	**202,214**	**107,369**	**309,583**	**880,892**	**695,195**	**1,576,087**

Source: Higher Education Commission

Ranking of Pakistani Universities

It is the result of steps taken by Higher Education Commission through continued improvement in quality of Teaching & Research as well as promoting a culture of participation of Pakistani HEIs in International Rankings that now Twenty Three (23) Pakistani Universities are ranked among Top 500 Asian Universities whereas NUST stands at 87 in QS Asian ranking. Moreover, nine (09)

Pakistani Universities stand among Top 1000 world universities, whereas, PIEAS is at 397 in QS World Ranking.

Table: 10.6 Quacquarelli Symonds (QS) Asian Ranking

S #	University	2019
1	National University of Science & Technology, Islamabad.	87
2	Lahore University of Management Sciences, Lahore	95
3	Quaid-i-Azam University, Islamabad	109
4	COMSATS University, Islamabad	135
5	Pakistan Institute of Engineering and Applied Sciences, Islamabad	146
6	University of Engineering & Technology, Lahore.	171
7	University of the Punjab, Lahore	193
8	Aga Khan University, Karachi	195
9	University of Karachi, Karachi	251-260
10	University of Agriculture, Faisalabad	281-290
1	Government College University, Lahore	351-400
12	Bahria University, Islamabad	351-400
13	Institute of Space Technology, Islamabad	351-400
14	International Islamic University, Islamabad	351-400
15	NED University of Engineering & Technology, Karachi	351-400
16	University of Lahore, Lahore	401-450
17	University of Veterinary and Animal Sciences, Lahore	401-450
18	Mehran University of Engineering & Technology, Jamshoro	401-450
19	University of Sargodha, Sargodha	401-450
20	University of Sindh, Jamshoro	401-450
21	Lahore College for Women University, Lahore	451-500
22	University of Central Punjab, Lahore	451-500
23	University of Management & Technology, Lahore	451-500

Source: Higher Education Commission

Table: 10. 7 Quacquarelli Symonds (QS) World Ranking

S#	QS World University Ranking	2018	2019
1	Pakistan Institute of Engineering and Applied Sciences, Islamabad.	--	397
2	National University of Science & Technology, Islamabad.	431-440	417
3	Quaid-i-Azam University, Islamabad	651-700	551-560
4	Lahore University Management Sciences, Lahore.	701-750	701-750
5	COMSATS University, Islamabad	--	751-800
6	University of Engineering & Technology, Lahore.	801-1000	801-1000
7	University of the Punjab, Lahore	--	801-1000
8	University of Karachi, Karachi.	801-1000	--
9	The University of Lahore, Lahore.	801-1000	--

Source: Higher Education Commission

Enhancement of Access to Quality Education

HEC's strategy to improve equitable access to higher education is based on the following objectives:

- to significantly increase enrolment in undergraduate and postgraduate degree programs
- to provide opportunities for higher education to talented students regardless of gender or socioeconomic background
- to support quality distance education

- to introduce new areas of teaching and research in universities in response to market demands and projection of the future needs of Pakistan
- to provide institutions with the necessary infrastructure to absorb an increased student population
- to provide on-campus residential opportunities to students so that deserving students are not deprived access to quality higher education.

Human Resources Development

Human Resource Development (HRD) division of HEC is responsible for the provision of scholarships to talented candidates for enhancing their qualification to meet the requirements of highly qualified faculty for universities, research organizations, and the industry. Programs initiated by Human Resource Development (HRD) are primarily designed to fill the gap of the trained people in various fields relevant to the national priorities. Moreover, it also envisages building an environment of research which is vital for the country's economic and social wellbeing. The creation of an ambiance of research in the context of national needs and in line with the global trends is at the core of vision of HRD Division. The HRD performance for the FY2019 (July-March) is as under:

Table: 10.8 Details of Scholarships under HRD Schemes 2018-19 (July-March)

Program Titled	Scholarships July-March 2018-19
Indigenous (PhD)	371
Post Graduate/Undergraduate Scholarships for students of FATA &Balochistan	1200
Foreign (PhD)	684
Prime Minister's Fee Reimbursement Scheme (PMFRS) for less developed areas	15403
Need Based Graduate/Undergraduate Scholarships	4100
Other programs	780
Grand Total	**22538**

Source: Higher Education Commission

Planning & Development Division

Under the PSDP 2018-19, the government had initially allocated Rs 35.829 billion to HEC for implementation of 178 development projects (133 ongoing & 45 un-approved projects) of Public Sector universities/HEIs. However, while rationalization of PSDP by Ministry of Planning, Development & Reform (PD&R), the size of the PSDP allocation was curtailed / revised to Rs 30.961 billion for only 136 ongoing development projects of Universities/HEC.

During FY2019 (July-March), an amount of Rs 15.083 billion (49% of the total allocation) has been released to the Public Sector Universities/HEIs for ongoing projects. These projects contain activities like; Construction of new academic buildings, Strengthening of ICT Infrastructure, Faculty Development, Procurement of Laboratory Equipment's and other approved components.

In addition to PSDP budget, a Technical Supplementary Grant of Rs 0.503 billion for the project titled "Award of 3000 Scholarships to students from Afghanistan under the Prime Minister's Directive" has also been released to HEC. Under this scheme, the Government of Pakistan offers scholarships to 3000 Afghan students in various field including Medicine, Engineering, Agriculture, Management and Computer Sciences to create Pakistan's Goodwill among the people of Afghanistan, to promote Human Resource Development for reconstruction of Afghanistan, to develop people to people contact between two neighbouring countries and to create excellent leadership qualities among Afghan Youth.

Education Survey (Annual Status of Education Report, 2018):

Annual Status of Education Report (ASER), 2018 is the largest citizen led household based learning survey mostly in all rural and selected urban areas. The ASER's specifically trained 11,000 member volunteer team has surveyed 89,966 households in 4,527 villages and blocks across 154 rural districts of Pakistan. Detailed information of 260,069 children aged 3-16 has been collected (54% male and 44% female), and of these, 196,253 children aged 5-16 years were assessed for language and arithmetic competencies.

Box II: ASER 2018 National Summary

Enrollment (National Rural):

- In 2018, 83% of 6-16 year old children in rural Pakistan were enrolled in schools whereas 17% children were out of school. Compared to ASER 2016, percentage of out of school children in rural Pakistan has decreased from 19%. Amongst the enrolled, 77% of children were in government schools and 23% were enrolled in non-state institutions (20% private schools, 3% Madrassah, 0% others).
- In ASER 2018 amongst the 17% out-of- school children (age 6-16 years), 7% were males and 10% were females. This gap has narrowed compared to the last ASER cycle (8% males and 11% females).
- Punjab, Sindh, Khyber Pakhtunkhwa, GB and Balochistan all recorded increases in enrolment (6-16 years) ranging between 1% to 8%.
- Pre-school enrollment (3-5 years) in 2018 stands at 37% as compared to 36% in 2016. Highest enrollment for pre-school was in Islamabad Capital Territory, 62%, followed by 52% in Punjab and 50% in AJK. Lowest enrolment was recorded for KP Merged Districts (FATA) at 23%.

Quality of Learning (National Rural):

- Learning levels in all three competencies i.e. Language (Urdu/Sindhi/Pashto), English and Arithmetic have improved since 2016.
- In ASER 2018, 56% of Class 5 students were reported as being able to read a story compared to 52% of Class 5 students who could do so in 2016. For English this year, 52% of class 5 students could read Class 2 level English sentences as compared to 46% of Class 5 students who could do so in 2016. Similarly, 53% of Class 5 students were able to do 2-digit division sums compared to 48% of children in 2016.
- The top scorers for Language: Urdu are, AJK (78%), ICT-Islamabad (75%), Punjab (69%) and Khyber Pakhtunkhwa (58%); English: AJK, Punjab, GB and Khyber Pakhtunkhwa, 92%, 65%, 63% 55% respectively, and for Arithmetic: AJK, Khyber Pakhtunkhwa, GB, and Punjab 73%, 69% 63%, 60% respectively.
- ASER Survey 2018 highlights as per past trends that children enrolled in private schools are performing better compared to those studying in government schools. In some provinces this gap is being eliminated, for instance in Punjab.

Mothers' Education:

- This year, the percentage of mothers' having completed primary education has gone up (33%) as compared to 2016 (30%).

School Facilities (National Rural):

- ASER 2018 surveyed 4,284 government and 1,171 private schools in 154 rural districts of Pakistan. Private sector still reports better school facilities but with progressive improvement in government schools.
- Overall teacher attendance in government schools was 87% compared to 89% in private schools. Overall student attendance in government schools was 84% compared to 88% in private schools.

- 36% teachers of government schools have done bachelors compared to 42% teachers of private schools. Whereas, 42% teachers of government schools have done Masters as compared to 30% teachers of private schools.
- 42% of the surveyed government primary schools did not have toilets in 2018 compared to 46% in 2016. Similarly, 13% surveyed private primary schools were missing toilet facility in 2018 compared to 16% in 2016.
- 33% of the surveyed government primary schools did not have drinking water in 2018 compared to 40% in 2016; 11% of the surveyed private primary schools did not have drinking water facility in 2018 as compared to 15% in 2016.

Multi-grade Teaching:

- The trends in multi-grade teaching across schools are as follows. ASER 2018 National rural reveals that 43% of government and 23% of private schools have multi-grade teaching at Class II level; whilst at the Class VIII level, multi-grade teaching is more prevalent in the private sector 9% vs. 5% in government schools.

ASER Findings on Disability/Health & Functioning:

ASER Pakistan, since 2014, has been capturing data on disability incidence in Pakistan by using the 'UN Washington Group on Disability Statistics' Short Set of questionnaire (3-16 years). This questionnaire is devised as a standard tool to estimate the functional difficulties in six core functional domains: walking, seeing, hearing, cognition, self-care and communication. In continuation of this activity, ASER 2018, using the same set of questionnaire, has reached out to over 119,000 children in Punjab, Khyber Pakhtunkhwa (including the KP-newly merged districts) and Islamabad Capital Territory (ICT).

- Among these, 4,251(3.57%) of the children were found to have at least one functional difficulty. Disaggregating this figure for gender, 1,760 (3.43%) of the boys had a difficulty while the same was 2,491 (3.66%) for girls i.e. a slightly higher percentage of girls reported having any difficulty than for boys.
- By education status, results show that around 3,174 children out of the total 4,251 children with disabilities are enrolled in school (74.66%), while 880 (20.7%) have never been enrolled and 197 (4.63%) have dropped out.

Source: ASER, 2018 Annual Report.

Conclusion

Education needs to be delivered inclusively, effectively and equitably across the country to ensure that it is a driver of social cohesion and resilience. The present government is fully committed to improve both the quality and the coverage of education. For this purpose, the government is focusing on uniform education system, use of information technology, improved governance and financial efficiency of education system, decrease dropout ratio, solutions to raise quality of education, increased school enrolment and removing financial barriers.

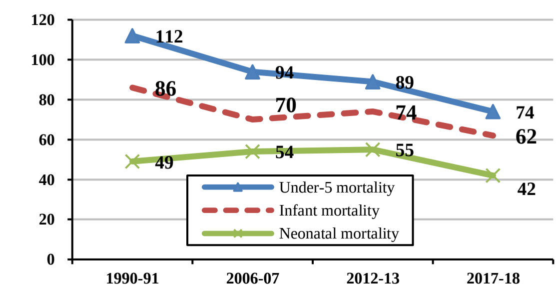
CHAPTER 11

Health and Nutrition

Improving health and nutrition of the population is the priority agenda of the present government with increased focus on revamping and strengthening primary and secondary healthcare facilities. Fundamental health indicators to some extent are improving but the pace of progress is slow.

The spending on health has been less than one percent of GDP since decades. This is one of the key structural challenge. In terms of HDI, Pakistan' position is 150 out of 189 countries in 2017. Some slight improvement has been witnessed, as in 2012-13, 45 percent of children were stunted which dropped to 38 percent in 2017-18. Childhood wasting declined slightly from 11 percent to 7 percent, while the prevalence of underweight children declined from 30 percent to 23 percent. Childhood mortality rates have declined since 1990. Infant mortality has decreased from 86 deaths per 1,000 live births in 1990 to 61.2 in 2017. During the same time period, under-5 mortality has markedly declined from 112 to 74 deaths per 1,000 live births. Neonatal mortality declined from 55 in 2012 to 42 deaths per 1,000 live births.

Fig 11.1:Trends in Chilhood Mortality Death per 1,000 live births



Pakistan Demographic & Health Survey 2017-18

Socio-economic factors like health, education, environment etc, are closely interlinked with Human Development Indicator. Living standard and life showed improvement but this is not uniform across the regional countries. Comparative position of regional countries' health development is given in Table 11.1:

Table 11.1: Regional Countries Human Development Indicator

Country	Life expectancy at birth, total (years)			Infant Mortality Rate (per 1,000 live births)			Maternal Mortality Rate (Per 100,000)			Under 5 Mortality Rate (Per 1,000)			Population growth (annual %)		
Country Name	2015	2016	2017	2015	2016	2017	2013	2014	2015	2015	2016	2017	2015	2016	2017
Pakistan	66.3	66.5	66.6	64.6	62.9	61.2	190.0	184.0	178.0	79.5	77.1	74.1	2.0	2.0	2.0
India	68.3	68.6	68.8	35.3	33.6	32.0	189.0	181.0	174.0	44.1	41.6	39.4	1.2	1.1	1.1
Bangladesh	72.2	72.5	72.8	29.8	28.3	26.9	201.0	188.0	176.0	36.4	34.3	32.4	1.1	1.1	1.0
Sri Lanka	75.1	75.3	75.5	8.2	7.8	7.5	32.0	31.0	30.0	9.5	9.1	8.8	0.9	1.1	1.1
Nepal	69.9	70.3	70.6	29.9	28.8	27.8	291.0	275.0	258.0	36.6	35.0	33.7	1.2	1.1	1.1
Bhutan	69.8	70.2	70.6	27.6	26.5	25.6	166.0	156.0	148.0	33.4	32.0	30.8	1.4	1.3	1.2
China	76.1	76.3	76.4	9.2	8.6	8.0	29.0	28.0	27.0	10.8	10.0	9.3	0.5	0.5	0.6
Indonesia	69.0	69.2	69.4	22.9	22.2	21.4	140.0	133.0	126.0	27.2	26.3	25.4	1.2	1.1	1.1
Malaysia	75.1	75.3	75.5	6.5	6.6	6.7	43.0	41.0	40.0	7.6	7.7	7.9	1.6	1.5	1.4
Philippines	69.0	69.1	69.2	23.0	22.7	22.2	121.0	117.0	114.0	29.1	28.6	28.1	1.6	1.6	1.5
Thailand	75.1	75.3	75.5	9.0	8.5	8.2	21.0	21.0	20.0	10.4	10.0	9.5	0.4	0.3	0.3

Source: World Bank

Health Expenditure

Cumulative health expenditures by federal and provincial governments during 2018-19 (Jul-Mar) increased to Rs 203.74 billion which is 3.29 percent higher than corresponding period of previous year, which was recorded at Rs 197.25 billion. The current expenditure increased by 19.84 percent from Rs 149.97 billion to Rs. 179.72 billion while of development expenditure decreased by 49.19 percent from Rs 47.28 billion to Rs 24.03 billion.

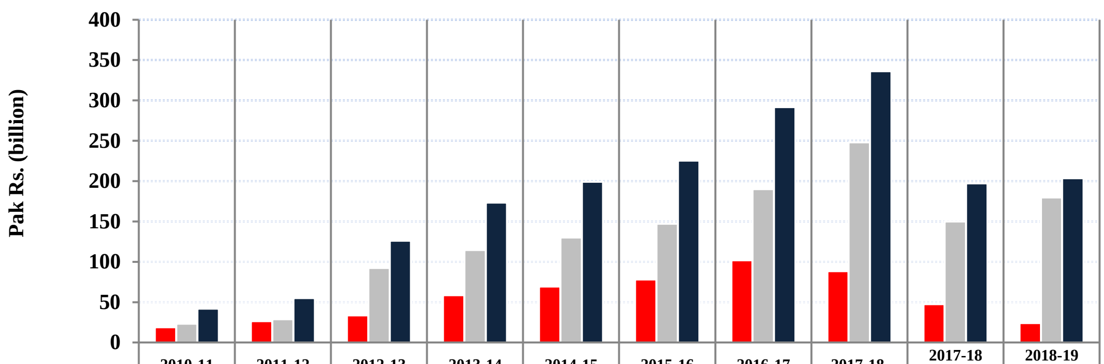
However, the break-up of expenditures among federal and provinces demonstrate that during July-March FY2019, Federal and Punjab health expenditures decreased by 10.0 and 8.2 percent, respectively, over same period last year. On the other hand, Sindh, Balochistan and Khyber Pakhtunkhwa health expenditures increased by 22.2, 18.4 and 10.5 percent, respectively. As percentage of GDP health expenditure has improved from 0.91 percent in 2016-17 to 0.97 percent in 2017-18 and during FY 2018-19(Jul-Mar) it increased by 0.53 percent compared to 0.49 percent during corresponding period last year. The details are as;

Table 11.2: Health & Nutrition Expenditures (Rs. billion)

Fiscal Years	Public Sector Expenditure (Federal and Provincial)			Percentage Change	Health Expenditure as % of GDP
	Total Health Expenditures	Development Expenditure	Current Expenditure		
2007-08	59.90	27.23	32.67	19.80	0.56
2008-09	73.80	32.70	41.10	23.21	0.56
2009-10	78.86	37.86	41.00	6.86	0.53
2010-11	42.09	18.71	23.38	-46.63	0.23
2011-12	55.12	26.25	28.87	30.96	0.27
2012-13	125.96	33.47	92.49	128.51	0.56
2013-14	173.42	58.74	114.68	37.68	0.69
2014-15	199.32	69.13	130.19	14.94	0.73
2015-16	225.33	78.07	147.26	13.05	0.77
2016-17	291.90	101.73	190.17	29.54	0.91
2017-18	336.29	88.27	248.02	15.21	0.97
Jul-Mar					
2017-18*	197.25	47.28	149.97		0.49
2018-19*	203.74	24.03	179.72	3.29	0.53

*Expenditure figure for the respective years are for the period (July-Mar)
Source: Finance Division (PF Wing)

Fig-11.2: Total Public Sector Expenditure on Health



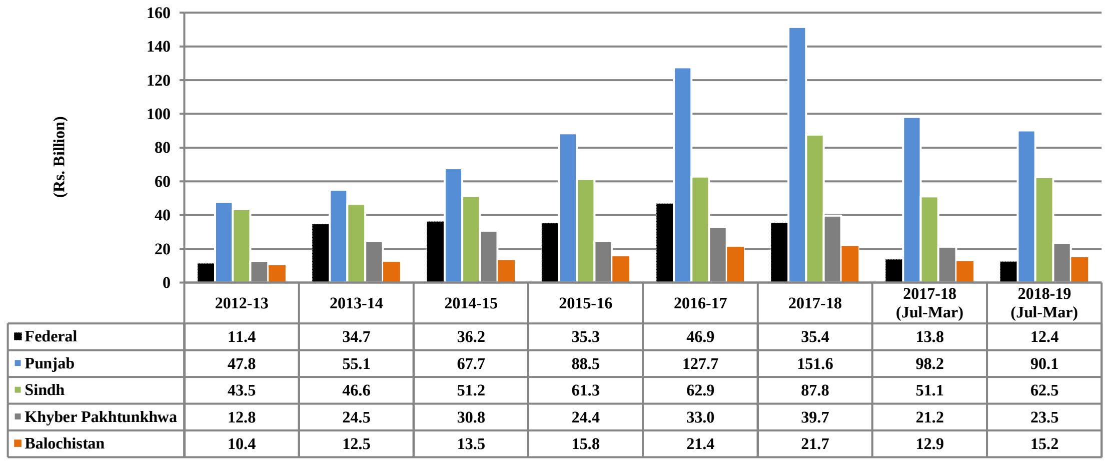
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2017-18 (Jul-Mar)	2018-19 (Jul-Mar)
Development	18.7	26.3	33.5	58.7	69.1	78.1	101.7	88.3	47.3	24.0
Current	23.4	28.9	92.5	114.7	130.2	147.3	190.2	248.0	150.0	179.7
Total	42.1	55.1	126.0	173.4	199.3	225.3	291.9	336.3	197.2	203.7

Table 11.3: Share in Total Public Sector Health Expenditure

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2017-18 (Jul-Mar)	2018-19 (Jul-Mar)	%Change (Jul-Mar) 2018-19/2017-18
Federal	11.4	34.7	36.2	35.3	46.9	35.4	13.8	12.4	-10.0
Punjab	47.8	55.1	67.7	88.5	127.7	151.6	98.2	90.1	-8.2
Sindh	43.5	46.6	51.2	61.3	62.9	87.8	51.1	62.5	22.2
Khyber Pakhtunkhwa	12.8	24.5	30.8	24.4	33.0	39.7	21.2	23.5	10.5
Balochistan	10.4	12.5	13.5	15.8	21.4	21.7	12.9	15.2	18.4

Source: PF Wing (Finance Division), Annual Budget Statement 2018-19

Fig11.3: Share in Total Public Sector Health Expenditure



Health Status

A series of programs and projects are on track in Pakistan to improve health status of the people and to reduce burden of communicable and non-communicable diseases while vertical programs have been devolved to the provinces. By the year 2018, the number of public sector hospitals has increased to 1,279, Basic Health Units (BHUs) improved to 5,527, Rural Health Centers (RHCs) were increased to 686 and dispensaries to 5,671. These facilities together with 220,829 registered doctors, 22,595 registered dentists and 108,474 registered nurses bring the current ratio of one doctor for 963 persons, 9,413 persons per dentist and availability of one hospital bed for 1,608 person as given in Table 11.4:-

Table 11.4: Healthcare Facilities (in Nos.)

Health Manpower	2011	2012	2013	2014	2015	2016	2017	2018
Registered Doctors	152,368	160,880	167,759	175,223	184,711	195,896	208,007	220,829
Registered Dentists	11,649	12,692	13,716	15,106	16,652	18,333	20,463	22,595
Registered Nurses	77,683	82,119	86,183	90,276	94,766	99,228	103,777	108,474
Population per Doctor	1,162	1,123	1,099	1,073	1,038	997	957	963
Population per Dentist	15,203	14,238	13,441	12,447	11,513	10,658	9,730	9,413
Population per Bed	1,647	1,616	1,557	1,591	1,604	1,592	1,580	1,608

Source: Pakistan Bureau of Statistics

The present government is committed to further uplift health and nutrition status of population. The Ministry of National Health Services, Regulations and Coordination (NHSRC) during 2nd and 3rd quarter of FY2019 has made significant progress by devising comprehensive strategies to improve health for all Pakistani people. In this context two strategic documents were produced and approved which are as follows:

a. **Action Plan - National Health Services, Regulations and Coordination Division 2019-2023**: The 'Action Plan' sets out the prioritized strategic actions of the new government to transform the health sector of Pakistan by addressing the challenges, health sector reforms and thus improving the health outcomes of people of Pakistan. This action plan will augment current health sectoral and sub-sectoral strategies and plans in the country and will support the progress towards achieving Sustainable Development Goals (SDGs), Universal Health Coverage (UHC) and International Health Regulations (IHR) agenda in the country.

b. **Islamabad Capital Territory – Health Strategy (2019-23)-** The first ever 'Islamabad health strategy' to ensure provision of integrated quality health care services in the capital area.

Accountability Model - Performance Tracking and Governance Framework for Implementation

The Government of Pakistan envisaged improving healthcare service delivery at all levels of service delivery system which cannot be materialized without introduction of robust healthcare accountability system in place. Accountability is the key priority in health sector. The accountability model has been strengthened through a Unified Accountability Framework of Performance Tracking and Governance to support action towards the broader SDG follow-up and review processes over the next fifteen years. The accountability approach included: measurement, inclusion, participation, transparency and independence.

Key accountability functions included to facilitate tracking of resources, results and rights, including through multi-stake holder commitments and multi-sectoral action, to achieve the SDGs, and promote alignment of national, regional and global investments and initiatives in support of the indigenous accountability system and plans, and improve multi-stakeholder engagement at all levels.

New Initiatives 2018-19

i. Sehat Sahulat Program(SSP)

Ministry of National Health Services, Regulations and Coordination (NHSRC) in collaboration with provincial governments, started a landmark and flagship health care and social protection initiative, the Sehat Sahulat Program (previously known as Prime Minister's National Health Program). The objective is to lead a path towards Universal Health Coverage (UHC) in Pakistan, with special focus towards those living below the poverty line in the country. The program is being implemented in a phased manner. In the first phase, the program is being implemented in 38 districts of Pakistan covering 3.2 million families.

Benefit Packages of Phase-I

In Sehat Sahulat Program each enrolled family will be insured upto Rs. 50,000/- per year for secondary care treatment and upto Rs. 250,000/- per year for 7 priority care treatment. Patients who have consumed their limits will be provided with additional limits by Pakistan Bait-ul-Mal.

Benefit Packages of Phase-II

In phase-II of the Sehat Sahulat Program, benefit package of each enrolled family has been raised to Rs. 120,000/- per year for secondary care treatment and upto Rs. 600,000/- per year for 8 priority diseases/illnesses related treatment.

Transportation Cost

SSP is a cashless scheme in which no cash assistance or cash transfers will be provided to the beneficiary except indoor health care services and a traveling allowance. Traveling allowance of Pak Rs. 350/- per discharge, for a total of 3 discharges per year, from residence to hospital and back is provided to the beneficiaries. In Phase-II of SSP, enhanced transportation cost of Rs. 1,000 is being provided to beneficiaries upon discharge.

Current Status

As of 9th February 2019, a total of 3,237,660 families have been enrolled in the Sehat Sahulat Program and more than 117,726 families have been treated for various illnesses from 157 empanelled hospitals across Pakistan. There is also an option of inter district portability in the program which enables the enrolled beneficiaries and families to access quality indoor hospital services from any empanelled hospital, both in public and private sector.

Insurance Company

Sehat Sahulat Program is being implemented through State Life Insurance Corporation of Pakistan, hired through an open and transparent bidding process. Services are delivered to the beneficiaries by empaneling secondary and tertiary level health care facilities, both at public and private sector, in all focused districts and metropolitan cities of the country. The hospital is being empanelled through the insurance company based on hospital empanelment criteria set forth in the program documents.

ii. Civil Registration and Vital Statistics

Given the significance and relationship that an efficient Civil Registration and Vital Statistics (CRVS) has towards the development of a country, the government is making serious efforts and has gained momentum to strengthen and revamp its CRVS in the country. In the recent past, a number of steps have been taken ranging from national assessment studies, institutional arrangements and organization of countrywide advocacy seminars to initiate the process for the development of a robust National CRVS Strategic Plan.

Civil registration is an important act of recording and documenting of vital events in a person's life (including birth, marriage, divorce, adoption and death) and is therefore, a fundamental function of government. Within government, civil registration system is the responsibility of a number of ministries or departments, including ministries of health, interior, justice and national statistical offices. Communication of multiple agencies is a key to the system's performance. Civil registration contributes to public administration and governance by providing individuals with legal identity and civil status and generating information that can be used as the source of civil registries and population databases. The task of overall coordination for CRVS development has been assigned to Ministry of Planning, Development and Reforms**.** Following milestones have so far been achieved

- Advocacy/Awareness seminars for CRVS were organized in provinces and regions.
- Provincial steering committee meetings were organized in all provinces and regions
- Provincial CRVS Symposiums were organized in all provinces and regions. The primary objective of these symposiums is to accelerate the contributions of provincial governments and development partners by year 2025

iii. Reduction in Prevalence of Tobacco Use in Pakistan

Ministry of National Health Services Regulations & Coordination has initiated a strategy in January, 2019 to enhance efforts to reduce the prevalence of tobacco use in any form in the country by urging all tobacco manufacturers to print new Pictorial Health Warning (PHW) on cigarette packs and outers. The size of new warning has been increased from 50 percent to 60 percent and it will be printed on both sides of the cigarette packs and outers. The government is also committed to fulfill its international commitment by taking demand and supply reduction measures. Tobacco use is a cause of death of around 160,100 Pakistan every year. Around 24 million adults currently use tobacco in any form in Pakistan. The youth of Pakistan is being targeted with this strategy of implementing Pictorial Health Warning.

iv. Deworm Islamabad Initiative

The government has conducted a pilot project “Deworm Islamabad Initiative” at Islamabad Capital Territory (ICT) level in 2018-19. The policy and institutional framework was developed in August 2018 that put forth milestone for the mass deworming in Islamabad Capital Territory. The WHO classifies Pakistan amongst top-10 highest burden countries for intestinal worm infections. These infections results from poor sanitation and hygiene conditions, and tend to have highest prevalence in children of school-going age. Worm infections interfere with nutrient uptake and can lead to anemia, malnourishment and impaired mental and physical development and pose a serious threat to children’s health, education, and productivity.

To provide the government with comprehensive intestinal worm infections data, the first nationwide Soil-Transmitted Helminths (STH) survey in Pakistan was conducted by the Interactive Research & Development (IRD), Indus Health Network (IHN) and Evidence Action with the support from Ministry of National Health Services Regulations & Coordination, World Health Organization and provincial health and education departments.

Table 11.5: Deworm Islamabad Initiative

Province/Region	# of districts identified with areas ≥ 20% prevalence	Total school-age children (SAC; 5-15 years old) population in at-risk districts
Punjab	5	3,650,484
Sindh	6	4,590,735
Khyber Pakhtunkhwa	19	6,835,279
Balochistan	1	164,248
Islamabad	1	573,880
Gilgit Baltistan	4	221,364
AJK	4	593,164
Grand Total	**40**	**16,629,154**

Source: Ministry of Planning, Development & Reform(Health Section)

With the baseline established, the government utilized the opportunity to launch targeted deworming programs in at-risk areas. Utilizing WHO’s drug donation program, Ministry of National Health Services, Regulation & Coordination ordered deworming tablets for over 16 million at-risk children in Pakistan and thus, through concerted efforts of ministries and departments, Islamabad Capital Territory became the first at-risk district in Pakistan to launch mass school-based deworming, targeting approximately 253,000 school-age children in January 2019. To achieve this, Ministry of Planning Development & Reform took a lead in establishing a Multi-Stakeholder Committee for program over-sight and strategic leadership with support from Ministries of Federal Education & Professional Training and Ministry of National Health Services, Regulation & Coordination, Chief Commissioner’s Office and CDA/MCI.

The objective is to achieve the goal of reducing morbidity caused by worm infection, and to treat at least 75 percent of the school-age population in ICT. The national Soil-Transmitted Helminths (STH) prevalence survey indicates that an estimated 570,000 children aged 5-15 years in ICT are at risk for STH infection and stand to benefitted from a mass deworming program, regardless of whether they attend public schools, private schools, religious schools, or are not enrolled in school.

v. Health Planning, System Strengthening and Information Analysis Unit

Since April 2016, the Ministry of National Health Services, Regulations and Coordination (NHSR&C) established the Health Planning, System Strengthening and Information Analysis Unit (HPSIU) to serve as a sustained, fundamental and purposeful strategic, monitoring and technical advisory arm of the Ministry for the development and reforms of the health sector in Pakistan.

Key Programmatic achievements of HPSIU are as follows:

- Implementation on the specific strategic priorities of the National Health Vision of Pakistan (2016-25), along with development of its monitoring framework
- Linkages of different MIS with National Dashboard; functions of National Health Information Resource Centre (NHIRC) reverted to Ministry of NHSR&C
- Online DHIS introduced in AJK, GB and FATA
- Localization of SDG3, with support of WHO and Health Services Academy
    - National Consultation of SDG localization – Dec 2017 (National SDG3 drafted)
    - Provincial and Area level consultations completed in 2018 with province/area specific SDG3 baselines and targets
    - A mobile and web-based application developed to monitor health related SDGs in Pakistan and linked with National Dashboard
- MOU with International Health Matrix Evaluation signed with support of WHO to build national and provincial level capacity on Burden of Disease study in the country
- Drafted Health in All Policies (HIAP) assessment & framework with support of WHO and Social Development and Policy Institute
- Capacity building of national and provincial staff completed on Global Fund against Aids-TB-Malaria (GFATM) grant management/ financial management rules
- Development of tools for annual review of health system in context of Aids- TB-Malaria (ATM) Programs

iv. National Nutrition Program

The Nutrition Wing that was established in 2001, has been playing a major role in targeting malnutrition in the country through development of policies, strategies, guidelines and standards for nutrition and fortification, building provincial capacity, oversight, monitoring and evaluation of program implementation in the provinces as well research and evidence generation for policy review and planning.

Some of the activities carried out during the current fiscal year of 2018-19 are as follows:

- Government of Punjab has launched its own stunting prevention program in 11 districts of South Punjab during 2018
- Government of Sindh has also included stunting prevention in it and scaled up action plan for targeting malnutrition, launched during 2019
- To tackle the serious situation of Acute Malnutrition, Community Management of Acute Malnutrition (CMAM) Program was initiated in Pakistan with the support of different UN agencies including UNICEF, WHO and World Food Program (WFP) in districts with higher burden of disease in all the four provinces and AJK after the floods and other calamities since 2010
- Currently (first half of 2019), the Nutrition Wing is working to revise the national and provincial Laws and Rules for promotion and protection of breast feeding as per the guidelines and directions recommended by World Health Assembly (WHA) in 2016. The process is in final stages and revised laws would be submitted to the parliaments for approval
- National vitamin A Guidelines were formulated and launched in 2018. In addition, the exemption on the import of Vitamin A for a period of three years was approved in 2017, and has been continued during 2018-19
- Wheat Flour Fortification with Iron, Zinc, Vitamin B12 and Folic Acid. One project is being implemented in AJ&K while another large scale food fortification project has been launched

which would cover the entire country during next 3 years

- Provincial Fortification Strategy for Punjab was launched in 2018 while strategies for the remaining provinces are in final stages.
- National Fortification Alliance planned a serious and systematic effort and successfully received exemption from Customs Duty and Sales Tax on the import of Micro-nutrient premixes for the food fortification.
- Nutrition Wing with the support of partners is working on developing the guidelines and protocols for adolescent nutrition in Pakistan
- Under the leadership of Nutrition Wing of MoNHSR&C and with the support of the partners, landscape Analysis of Adolescent Nutrition in Pakistan was launched in 2018 under the title, "Embodying the future- How to Improve the Nutrition Status of the Adolescent Girls in Pakistan.
- After that two important studies on adolescent nutrition were carried out. These were "Review of evidence on the nutritional status of adolescent girls and boys in Pakistan" and "Framework for Action, Policies and Programs for Adolescent Nutrition" These studies were finalized in 2018 and launched in 2019
- "The Guidelines on Adolescent Nutrition and Supplementation in Pakistan" are also under final review and would be finalized in the next couple of months
- Formulation of "National Strategy on Adolescent Nutrition with Provincial Action Plans" has also been initiated.

v. National TB control Program (NTP)

Pakistan has the fifth highest burden of tuberculosis worldwide and is among the high multidrug-resistant tuberculosis burden countries. The prevalence, incidence and mortality per 100,000 populations per year from TB in Pakistan are 348, 276 and 34, respectively. The government has declared tuberculosis a national emergency, and implemented the directly observed treatment, short-course strategy followed by the Stop TB Strategy, which includes universal access to quality tuberculosis care in the country. National TB Control Program (NTP) has achieved over 85 percent Directly Observed Treatment System (DOTS) coverage in public sector and in the last five years the program has provided care to more than half a million TB patients in Pakistan.

Steps taken for the control of TB

Country wide network of around 1,400 TB care facilities are providing free TB diagnostic and treatment services. More than 3,500 GPs, 125 NGO networks, 35 private hospitals and 45 parastatal hospitals & 2000 pharmacies have been engaged & trained. There are 200 facilities (TCH, DHQ, THQ) for childhood TB.

vi. International Health Regulations

Pakistan has been a signatory to the IHR convention since 2007 with National Institute of Health (NIH) being the designated focal point since 2014. Pakistan's subsequent efforts culminated in the development of a casted 5-year National Action Plan (NAP).

Health Sector Projects

Several programs and projects in a row to strengthen the physical condition and wellbeing of the people and to decrease the disease load in rural and urban areas for which funding was given by the federal government. These programs projects are being funded through the PSDP and implemented by the provincial and area governments. The details are as under;

i. Devolved Vertical Health Program

The fate of funding modalities of vertical programs has been changed as health is a devolved subject since the promulgation of 18th Constitutional Amendments. As per decision of CDWP, concurred by ECNEC as well, the federal funding to the vertical programs financed through PSDP seized to carry on 30th June, 2018. Henceforth, the economic burden of the vertical health programs will be dealt with respective provincial / area government's development budget unless it is decided otherwise by the Council of Common Interest (CCI).

ii. Prime Minister's National Health Insurance Program

Prime Minister's National Health Program (PMNHP) is a milestone towards reaching the goal of attaining Universal Health Coverage through recently introduced healthcare financing system ensuring access to medical health care in aswiftand dignified manner without any financial obligations. The government is all set to expand PMNHP all over the country till 2022, to provide social health protection against most of chronic and debilitating diseases / health conditions to all families living below the poverty line of US$ 2 per day. The PMNHP envisaged to reach-out under the second phase, to 14 million families across the country and costing Rs. 33.63 billion. The program would be expanded across the country within five years, which has started from January 1, 2018, and would be completed by December 31, 2022. The project with a total cost of approximately Rs. 8 billion, is already under implementation in 36 districts nationwide.

iii. Family Planning and Primary Health Care (FP&PHC)

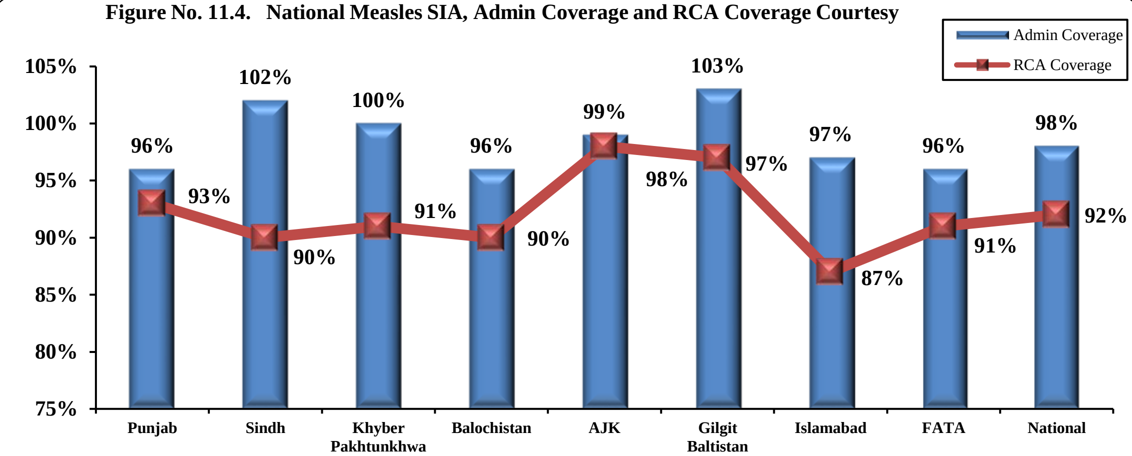
The Family Planning and Primary Health Care (FP & PHC) Program so far has recruited more than 100,000 Lady Health Workers (LHWs). LHWs services encompass the health conditions of women and children through improved sanitation, birth spacing, iron supplementation, larger vaccination coverage and through ante-natal and post-natal coverage of the pregnant women. The concerned governments of respective provinces/ area are in the process of rationalization of salary packages of the staff under this program through regularization of services in compliance to the orders of the Honourable Supreme Court of Pakistan. Overarching problems of governance and monitoring still requires immediate consideration at the regional and sub regional levels.

iv. Expanded Program for Immunization

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 United Nations Children Fund's (UNICEF). EPI Program envisaged protecting 07 million children of 0-23 months against 10 deadly vaccine preventable diseases and about 07 million pregnant and child bearing aged women, their neonates will be immunized against tetanus toxoid vaccine respectively. Although after devolution, this has become largely the responsibility of the provincial/area governments, Federal EPI cell currently took the responsibility of the procurements, coordination and technical guidance, whereas, provincial EPI cells are largely responsible for implementation of the program. The recent achievements of the program are formulation of National Immunization Policy and National Communication Strategy for routine immunization endorsed and approved by provinces and stakeholders, Development of Effective Vaccine Management Improvement Plan and its implementation, Improvement in Vaccine Logistic Management Information System (VLMIS) and formulation of Multi-Donor Trust Fund (MTDF) with the support of World Bank along with other financial partners such as World Health Organization (WHO) and Japanese International Cooperation Agency (JICA). Still the issues of routine immunization in the out reached areas of erstwhile Federally Administered Tribal Areas (FATA) and Balochistan needs consideration. The recently conducted National Measles campaign has shown remarkable coverage of Measles Supplemental Immunization Activities (SIAs) recorded through Management Information System (MIS) which was 98 percent. The maximum coverage reported in GB (103 percent) while the minimum was reported from erstwhile FATA (96 percent).

The Measles SIA coverage reported from Sindh (102 percent), Khyber Pakhtunkhwa (100 percent), Balochistan (96 percent), AJK (99 percent), Islamabad (97 percent) respectively as shown in figure:

Figure No. 11.4. National Measles SIA, Admin Coverage and RCA Coverage Courtesy

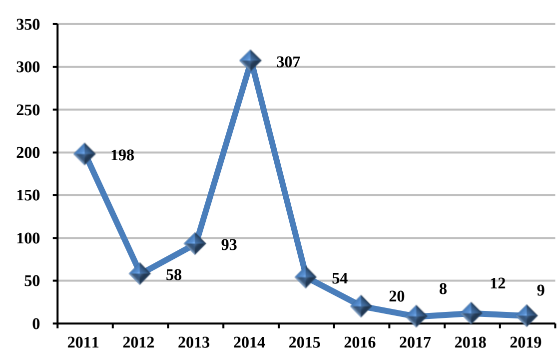


Root Cause Analysis (RCA) for a total of 1.5 million households revealed national coverage of 92 percent ranging between 87 percent to 98.1 percent for provinces and areas. During the campaign, 199,398 children missed vaccination. The highest number of missed children was reported from Balochistan (53,501) and lowest from AJK (109) while Gilgit Baltistan reported 100 percent coverage. The government has extended two supplementary days to catch up missed children. The overall wastage rate remained 9.95 percent with maximum wastage rate reported from Balochistan (15.51 percent) while the minimum wastage was reported from Punjab (8.92 percent). According to the independent assessment the coverage results lies around 94.5 percent.

v. Polio Eradication Initiative Program

Pakistan has made important progress towards eradications polio in the country. Case numbers are at the lowest and the immunity gaps continued to decline. However, in high-risk areas of the country, unvaccinated children remain vulnerable. An array of approaches and tools are being used to bring Pakistan to the finishing line, including tailoring vaccination approaches to children in high-risk mobile populations, emergency operations centers to coordinate the program effectively and a National Emergency Action Plan with a strong accountability framework, improved surveillance, fewer unvaccinated children and fewer strains of the virus. Pakistan has a real opportunity to end transmission this year, but it must remain focused on reaching children in high-risk areas of the country, increase and enhance surveillance quality, and conduct high-quality campaigns to close immunity gaps. Also critical to success will be working together with Afghanistan in fighting the virus. The remaining strongholds of wild poliovirus transmission are in areas linking the two countries, and country programs are jointly focused on improving the quality of immunization activities and surveillance in these areas.

Fig-11.5: Polio Cases in Pakistan



Source: End Polio Pakistan (www.endpolio.com.pk)

According to Planning and Development Division, during 2019-2021 Pakistan will invest US $ 347.22 million (PKR 46.8 billion) for polio eradication activities. Vaccine procurement and social mobilization is undertaken by UNICEF while WHO incurs expenditures on operational activities and environmental surveillance. 2nd Revision of the PC-I has been in principle approved in the CDWP meeting dated 03-01-2019.

Through polio eradication efforts, a substantial investment has been made in strengthening health service delivery systems in Pakistan. Thousands of health workers have been trained, hundreds of volunteers have been mobilized to support immunization campaigns, and cold-chain transport equipment has been refurbished. Consequently, Polio incidence has almost been eradicated in Pakistan. It is evident that during calendar year 2011 there were total 198 polio cases that were reduced to 12 in 2018 and during first quarter of 2019, 02 cases in Punjab, 01 case in Sindh, 03 cases in Khyber Pakhtunkhwa and 3 cases in Khyber Pakhtunkhwa Tribal District(KPTD) are observed. The detail is given in the following Table;

Table 11.6: Provinces Wise Polio Cases

Province	2011	2012	2013	2014	2015	2016	2017	2018	2019
Punjab	9	2	7	5	2	0	1	0	2
Sindh	33	4	10	30	12	8	2	1	1
Khyber Pakhtunkhwa	23	27	11	68	17	8	1	2	3
KPTD	59	20	65	179	16	2	0	6	3
Balochistan	73	4	0	25	7	2	3	3	0
Gilgit-baltistan	1	1	0	0	0	0	1	0	0
Azad jammu&kashmir	0	0	0	0	0	0	0	0	0
Total	198	58	93	306	54	20	8	12	9

Source: End Polio Pakistan (www.endpolio.com.pk)

vi. Safe Blood Transfusion Services Program

The government recognizes the significance of the preventive aspect in healthcare especially the pivotal role of strengthening healthcare services with backup support of provision of adequate and highest quality of safe blood transfusion services system in the country. The government appreciated the support provided by the German government through KFW Development Bank to create the new blood transfusion system in Pakistan and assured to take bilateral collaboration between Pakistan and German governments to sustain the successful continuation in improving health sector reforms agenda. Safe Blood Transfusion Services in Islamabad Capital Territory is one of the proposed project out of overall several ongoing projects of similar nature in all four provinces of the country. The establishment of streamlines service delivery in Safe Blood Transfusion Services has been strengthened by granting licenses to 18 public and private sector blood banks so far. The Islamabad Blood Transfusion Authority (IBTA) has been revived recently which has developed a very successful model of regulation based on constructive non-punitive approach. As a result now all the blood banks in Islamabad have all essential required equipment and trend of automation is increasing, all blood collected is processed into three blood components, there is 100 percent automated screening for Hepatitis B, C and HIV, automated cross-matching is performed in the larger blood banks and the documentation standards have improved considerably.

vii. Malaria Control Program

Malaria control has always been a main concern being a moderate malaria endemic country. The program targets to reduce the malaria burden by 60 percent in high and moderate endemic districts/agencies and eliminate malaria in low endemic districts by year 2018-19. The two highly prevalent parasitic species identified so far are Plasmodium Vivax and Plasmodium Falciparum. Plasmodium Vivax is the major parasite species account for more than 80 percent reported confirmed cases in the country. More than 90 percent of disease burden in the country is shared by

56 highly endemic districts, mostly located in Balochistan (17 out of 32 districts), erstwhile FATA (7 agencies), Sindh (12 districts) and Khyber Pakhtunkhwa (12 districts). Erstwhile FATA is the second highest malaria affected belt of the country which accounts for 12-15 percent of the total case load of the country. National strategy for Malaria Control is based on the key Result Based Monitoring (RBM) element which includes early diagnosis and prompt treatment, improved detection and response to epidemics, developing viable partnerships with national and international partners, multiple prevention, focused operational research and National commitment. National Guidelines for Prevention of Crimean Congo Hemorrhagic Fever (CCHF) is developed along with 5-Year Plan of Action (PoA/PC-I 2017-2022) for the control of Vector Borne Diseases (VBDs) in Pakistan. Moreover, following facilities are provided during FY2019;

a) Successful implementation of The Global Fund-Single Streamline Funding (SSF) Round-10 grant worth US$ 30.2 million
b) Secured Worth US$ 52 million to implement the Malaria Control interventions in 48 endemic districts of Pakistan
c) Securing US$ 42.0. million for malaria control intervention under New funding Request 2018-2020
d) Approval of PC-I for "Common Unit to Manage Global Fund to fight AIDS, Tuberculosis and Malaria (GFATM) Grant 2016-2018 costing Rs.169.148 million
e) Distribution of 3.1 million free of cost Long Lasting Insecticidal Nets (LLINs) in target districts of Pakistan during 2018 and plan to distribute same number of LLINs during 2019.
   i. Approximately 1.1 million houses registration using mobile apps. Onsite Data Kit (ODK) for distribution of LLINs during 2018
   ii. Distribution of free of cost 50,000 Glucan time Injection through the support of WHO for treatment of Cutaneous Leishmaniasis (CL) in Pakistan
   iii. 1.1 million rapid diagnostic tests utilized to diagnose the suspected malaria cases
   iv. 65,230 Artemisinin-based Combination Therapies (ACTs) for confirmed *Plasmodium* Falciparum variant of malaria cases.

viii. Human Immunodeficiency Virus (HIV)/ Acquired Immune Deficiency Syndrome (AIDS) Control Program

Pakistan to a large degree has controlled to remain comparatively protected from the increase in AIDS cases to date. It is known as a low-prevalence, high-risk country for the spread of HIV infection. HIV / AIDS Program aims for the Behavior Change Communication (BCC), services to high-risk population groups, treatment of sexually transmitted infections (STIs) and supply of safe blood for transfusions and capacity building of various stakeholders. Pakistan’s epidemic is primarily concentrated among two of the key population groups driving the epidemic in the country. These are two groups who are driving the epidemic of AIDS in the country. These are Patient Who Inject Drugs (PWID) with a national prevalence of 27.2 percent (weighted prevalence of 37.8 percent); Hijrha (Transgender) Sex Worker (HSW) standing at 5.2 percent and 1.6 percent among Male Sex Worker (MSW). However, the prevalence in Female Sex Workers still remains low at 0.6 percent. The program is technically supported by the UN agencies and Global Fund against AIDS, TB and Malaria.

The National AIDS Control Program as Principal Recipient of the Global Fund grant provided HIV treatment, care and support services to people living with HIV and their family members. In the New Funding Model (NFM) grant, National AIDS Control Program (NACP) managed 21 Community Home based Care Sites (CHBC) which provided care and support services to people living with HIV as well as their family members in the form of psycho-social support, empowerment/ toolkit support, food and nutrition support, school fee and package support, travel support as well as emergency medical care support. Another salient feature of the Community and Home Based Care (CHBC) model was its outreach and active case identification followed by linkages to respective ART centres for further case management. HIV treatment centres provide free of cost diagnostics and HIV treatment to people living with HIV. The major achievements of the national AIDS Control Program NACP in the year 2018-19 are as under;

- NACP provided antiretroviral medicines (ARVs) treatment, screening kits and medicines for opportunistic infections. In addition to provision of counseling services to individual spouse and family and group counseling. In-patient treatment facility through the established 26 treatment centers for People Living with HIV/AIDS (PLHIV) centers in Federal area and Provinces
- As of 31st December 2018, 22,333 People Living with HIV/AIDS (PLHIV) were registered in all the treatment centers and 12,046 PLHIV are on treatment
- HIV diagnostics through National Referral Laboratory, National AIDS Control Program
- Provision of CD4 machines for Punjab, Balochistan, Sindh and Khyber Pakhtunkhwa
- Approval of Global Fund grant for Pakistan of US $ 34.9 million for the period 1st January 2018 to 31st December 2020.

ix. Maternal & Child Health Program

Maternal and Child Health (MCH) Program was initiated to improve women's and children's health conditions through better service delivery and supported health systems. Mother and Child healthcare is one of the most important concerns of Public health sector. The program aspires to provide better access to Mother and Child health and Family Planning services with provision of comprehensive Emergency Obstetric and Neonatal Care (EmONC) services in 275 hospitals/health facilities, provision of basic EmONC services in 550 health facilities and family planning services in all health outlets. Pakistan has shown improvement in the Infant Mortality Rate (IMR) of 62 per thousand from 66 per thousand in 2015, but maternal mortality rate 170/100000 is still very high as compared to the other countries in the region. More efficient implementation of this scheme can bring these indicators in a range with better health status of mothers and children.

x. Prime Minister's Program for Prevention and Control of Hepatitis:

The program envisioned meeting the challenges caused by the elevated incidence of viral hepatitis in the nation. The program was launched to bear treatment of hepatitis B and C for patients who are unable to meet the expense of the treatment due to high cost of medicines and diagnostics along with promoting preventive interventions. The program also intends to decrease more than half of new cases of hepatitis B and C through advocacy and behavior change communication, hepatitis B vaccination of high risk groups, establishment of screening, diagnosis and treatment facilities in DHQ hospitals, Safe Blood Transfusion and prevention of hepatitis A and E. Safe Blood Transfusion project will bring down the incidence of hepatitis in the country.

Provincial Achievements in Health Sector

a) Government of Punjab

i. Improved Health Spending

Government of Punjab has aggressively working on strengthening the primary and secondary level of healthcare. The priority of the Government of Punjab has moved to the strengthening preventive and promotive pillars of primary health care to improve the healthcare service delivery. There is a drastic surge of health budget on strengthening of primary and secondary healthcare which is increased by 81 percent i.e. from Rs. 62 billion in 2015-16 to Rs. 112 billion in 2018-19.

ii. Launch of Health Insurance Scheme (Sehat Sahulat Cards)

The Government of Punjab is focusing to outreach marginalized segment of the society who are not able to meet expensive healthcare services from the private sector. The government envisaged benefiting 30 million people and 3.7 million families from launch of health insurance scheme the "Sehat Sahulat Cards". The launch of sehat sahulat cards in January 2019, envisaged distributing the cards among 50 percent population of the province in its initial phase. By the end of March 2019, 0.8 million cards will be distributed in four districts of the province. The government will complete the distribution of cards across the province by the end of year 2019. By that time, 7.2 million 'Sehat Sahulat Cards' will be provided to 35 million individuals of Punjab. Through sehat sahulat card scheme the cardholders are entitled to free medical treatment worth Rs. 720,000. Moreover, patients are also provided an additional Rs.1000 through the card so that they can travel to the hospital.

iii. Strengthening Healthcare Infrastructure

Government of Punjab has recently recruited doctors through public service commission and deployed 2,717 women medical officers across Punjab and 3,620 male medical officers. The government has also improved the physical infrastructure of healthcare services by revamping nine districts and tehsils hospitals including hospitals of Okara, NankaSahab, Shekhupura, Kasur, Hafizabad, Narowal, Jhelum, Kamonki and Daska.

b) Government of Khyber Pakhtunkhwa

i. Improvement of Health Insurance Scheme (Sehat Insaf Cards)

The Government of Khyber Pakhtunkhwa has improved the health insurance scheme "sehat sahulat cards" by increasing service delivery of health insurance scheme to 2.4 million households with provision of free treatment to 70 percent of the population of Khyber Pakhtunkhwa. The Khyber Pakhtunkhwa government granted empanelment to 106 public and private hospitals through health insurance scheme and about Rs. 2.64 billion spent so far for free treatment through this scheme.

ii. Strengthening Healthcare Infrastructure

The Government of Khyber Pakhtunkhwa has improved healthcare service delivery by increasing number of healthcare service providers. The provincial government increased recruitment many folds as compared to existing situation in 2013. Recently, during the 2018-19 the Khyber Pakhtunkhwa Government recruited 8,801 medical officers that is 142 percent more than it was in 2013. 931 doctors in District specialist cadre has been recruited in 2018 which is increased by 232 percent of 2013. 488 Managers about 50 percent increase and 397 Dental surgeons about 56 percent have been recruited in 2018.

c) Government of Balochistan

The health sector of Government of Balochistan is struggling to provide adequate healthcare services due to shortage of healthcare service providers who prefer to work in provincial capital Quetta and unwilling to stay in rural areas which has largely affected health status of rural population. The provincial health department has made robust arrangements to address this issue and developed Health Sector Strategy (2013-2018) which is ongoing in its last phase of implementation. Recently, in August 2018, the newly established provincial government decided to take strategic initiatives to address the challenges of healthcare service delivery, quality of care, lack of skilled health workforce and to ensure adequate health coverage for the poor and vulnerable population in the province.

d) Government of Sindh

The Government of Sindh has allocated Rs 96.38 billion for health sector in the budget for financial year 2018-19. The government has allocated Rs. 12.50 billion for 2018-19 for development of health sector. It envisaged new schemes of health sector under the provision of Rs 50 billion earmarked separately as block allocation in ADP 2018-19. Sindh Government has completed 68 new uplift schemes of Rs 5.12 billion, including RHCs, Trauma-cum-Emergency Centres and construction of warehouses at all divisional head quarters for cold storage facility; four schemes of up-gradation of RHC, to THQ Hospitals and establishment of Cancer Ward at Nuclear Institute of Medicine & Radiotherapy (NIMRA), Jamshoro at the cost of Rs 1.086 billion.

Nutrition Security

Global Nutrition Report (GNR) 2018 revealed unacceptably high level of malnutrition and every country is affected in one way or the other. More than half of the world's wasted children (26.9 million) live in South Asia and of the three countries are home to almost half (47.2 percent) of all stunted children, two are in Asia i.e. 46.6 million in India, 10.7 million in Pakistan and one in West Africa i.e. 13.9 million in Nigeria. The loss to Gross Domestic Product (GDP) in Pakistan is due to malnutrition which is estimated at 3 percent annually.

Improving nutrition can have a powerful and positive multiplier effect across multiple aspects of development, including poverty, environmental sustainability, peace and stability. The government has shown its commitment to overcome vicious cycle of malnutrition and has pin-pointed stunting as the major setback in the development of the nation. Pakistan Multi-sectoral Nutrition Strategy (PMNS) has been formulated following the bottom up approach to fill gaps in planning and implementation.

Nutrition and Food Consumption

I. Food Availability: Pakistan produces enough food to meet the domestic dietary needs of the population. During 2018-19, the availability of staple food items has been estimated as adequate because of appropriate timely import and exports but slightly varied compared to previous year 2017-18 (Table 11.8). The availability of calories through major food commodities was 2480 in 2017-18 and is estimated to improve to 2530 calories in 2018-19 (Figure 11.7)

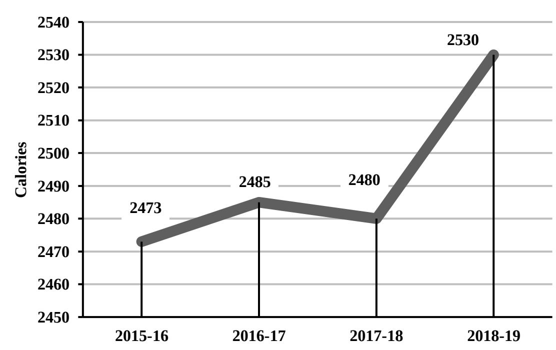
Table 11.7: Food Availability(Kg) Per Capita per Annum

Food Items	2015-16	2016-17	2017-18	2018-19 (P)
Cereals	155.1	150.6	148.0	150.0
Pulses	5.2	8.1	5.3	6.0
Sugar	32.2	33.3	28.2	28.8
Milk* (Ltr)	163.3	165.0	167.6	165.7
Meat (Beef, Mutton & Poultry)	19.8	20.4	21.0	21.1
Eggs (Dozen)	6.5	7.2	7.0	7.0
Edible Oil/Ghee (Ltr)	14.3	14.1	15.2	15.0

P: provisional * Milk availability has been revised according to FAO criteria
Source: Ministry of Planning, Development & Reform(Nutrition Section)

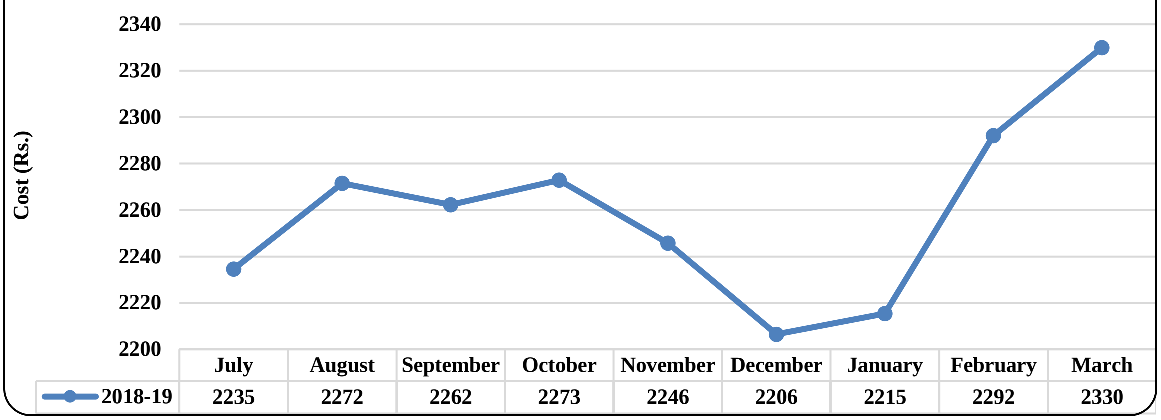
Cost of Food Basket: The cost of minimum food basket providing 2,100 calories/ day and 60 gm protein/ day, has been calculated on monthly basis, using food prices data from Pakistan Bureau of Statistics. The food expenditure was Rs. 2,235 in the month of July, 2018 which increased during August–October up to Rs. 2,273 and then decreased to Rs. 2,206 in December 2018. Thereafter, food cost sharply increased to Rs 2,330 by the month of March 2019. However, the average cost remained Rs. 2,259 per person per month during the period from July 2018 to March,

Fig 11.6: Availability of Calories per Capita per Day



2019 (Figure 2) which was almost the same during the previous year.

Fig 11.7: Cost of Food Basket (Rs.) per capita / month



Cancer Treatment Program:

Pakistan Atomic Energy Commission (PAEC) has given high priority to application of nuclear technology in health sector especially utilizing radiotherapy in treatment of cancer. Non communicable diseases are responsible for majority of global deaths and cancer is ranked second leading cause of death and single most important barrier to increasing life expectancy worldwide. Since the establishment of first nuclear medical center of PAEC in 1960 at Karachi, currently there are 18 Atomic Energy Cancer Hospital (AECHs) dedicated to serving poor cancer patients not only in major cities but also in remote areas like D.I Khan, Bannu, Swat, Nawabshah etc. They are diligently working to provide latest and comprehensive diagnostic and treatment facilities to cancer patients irrespective of stage of disease. AECHs are operated by skilled teams of more than 2,500 professionals, including doctors, scientists, engineers, paramedical, technical and other supportive staff. Construction of another AECH is underway at Gilgit which will be opened in next fiscal year while proposal for establishment of another two such centers are under consideration.

Nuclear Medicine & Oncology (NM&O) Division

Economic impact of cancer is significant and, on the rise, due increasing cancer burden. In Pakistan, there is no international standard cancer registry that can project cancer burden of country and in turn give insight to health sector to devise clear policy for cancer control and prevention. Since PAEC is catering major cancer burden of the country which is estimated to be around 75 percent of total cancer patients countrywide. NM&O Division of PAEC is working on establishing cancer registry representing data from all 18 AECHs.

Achievements:

In addition to management of patients, following targets have been achieved in current fiscal year:

i. Installation of new LINAC has been completed at AECH IRNUM, Peshawar for radiotherapy

ii. MRI based simulation for radiation therapy has been started for the first time in Pakistan at AECH INMOL, Lahore. While SPECT-CT has also been installed

iii. Up-gradation of AECH MINAR has been completed that include extensive civil work, purchase of Linac, SPECT-CT and Dual head SPECT

iv. CT simulator and LINAC has been purchased for AECH BINO, Bahawalpur

v. LINAC and Cobalt 60 in new bunkers has been installed at AECH CENAR, Quetta, dual head gamma camera has been purchased and functional while construction of residential blocks is almost complete

vi. SPECT-CT for AECH CENUM, Lahore and NORI Islamabad has been purchased.

vii. LINAC for AECH KIRAN, Karachi has been installed while purchase process for PET-CT is almost complete

viii. Research work continued on various IAEA TC/RCA Project and others in collaboration with different international/national organizations

ix. Provision of teaching and training facilities to about 500 post graduate medical students/fellows in fields of nuclear medicine, radiation & medical oncology, radiology and medical physics

x. Launching of cancer awareness and prevention/control campaign especially breast cancer awareness for early diagnosis and treatment leading to improved prognosis through arranging lectures, seminars and workshops in remote areas and mobile breast care clinics for screening

Special Projects:

PAEC, in order to provide better treatment facilities to the patients, continued working on the following projects:

i) Establishment of cancer hospital in Gilgit Baltistan for which civil work, construction and purchase of equipment is under way

ii) Establishment of cancer hospital in Azad Jammu and Kashmir for which land has been acquired

iii) Establishment of cancer hospital in Mardan for which land has been acquired

iv) Preparation for publication of first cancer registry based on data of all AECH for period 2015-17

v) Indoor ward facility is being constructed at AECH NIMRA, Jamshoro

vi) Cobalt 60 machine for radiotherapy is being purchased for AECH LINAR, Larkana

vii) Construction is under way for installation of new LINAC at AECH INOR, Abottabad

viii) Up-gradation of AECH GINUM, Gujranwala that includes addition of radiotherapy facilities is under way for which construction and civil work is almost complete

ix) Up-gradation of AECH NORI, Islamabad that include- LINAC, Cyber Knife and PET CT block for which civil work and construction of bunkers is under way while SPECT CT has been purchased

Table 11.8: Drug supply reduction activities

S.No.	Kind of narcotics	Qty of Drugs Seized
1	Cases registered	982
2	Persons arrested	1128
3	Opium	6319.640 Kgs
4	Morphine	3425.500 Kgs
5	Heroin	620.879 Kgs
6	Hashish	36780.810 Kgs
7	Cocaine	6.242 Kgs
8	Amphetamine	125.842 Kgs
9	Methamphetamine	90.262 Kgs
10	Ecstasy tablets	3.353 Kgs
11	Xanax tabs	18.441 Kgs
12	Nitrazepam tabs	0.012 Kgs
13	Valium tabs	0.863 Kgs
14	Rivotril tabs	0.036 Kgs
15	Alprazolam tabs	0.037 Kgs
16	Ampules intoxicant	8.000 Kgs
17	Sulphuric acid (H_2SO_4)	16886.000 Lits
18	Hydrochloric acid (HCI)	2135.000 Lits
19	Acetone	1287.000 Lits
20	Toluene	44.000 Lits
21	Ephedrine	80.000 Lits
22	Potassium permanganate	4850.000 Lits
23	Poppy straw	9.000 Kgs
24	Liquor	12.000 Lits
25	Canabis/ marijuana	3.100 Kgs

Source: Narcotics Control Division

Narcotics Control

Pakistan's counter narcotics efforts revolve around the three main strategy pillars highlighted in the government's Anti Narcotics Policy. These three pillars include Drug Supply Reduction, Drug

Demand Reduction and International Cooperation. The alarming drug production in Afghanistan is the main factor influencing the drug situation not only in Pakistan but world over. Afghanistan is producing more than 90 percent of the total world opium and is the largest producer of cannabis, about 40 percent of Afghan opiates/ drugs transit through Pakistan (World Drug Report of UNODC). Being a transit country, Pakistan is subjected to domestic spread/ use of drugs, as well. The flow/ smuggling of precursor chemicals to Afghanistan also pose serious challenges to Pakistan. Owing to porous border, loose border management and presence of numerous frequented and un-frequented routes, huge quantity of drugs are smuggled/ proliferated into Pakistan from Afghanistan. Cross-border drug trafficking can hardly be stopped, no matter how large a force is employed, unless optimum border control measures are put in place. The two strategic issues of drug production and loose border management between both the countries are of prime importance for effective control of narcotics trafficking. Moreover, Pakistan extends all-out support to the international community in the fight against the menace of drugs.

Anti-Narcotics Policy

The Anti-Narcotics Policy of Pakistan aims to re-energize existing national Drug Law Enforcement institutions, build the Anti Narcotics Force capacity, develop an effective coordination and control mechanism, and mobilize the people of Pakistan especially youth and institutions (national/international, private/public) to ensure their active participation in eradicating drugs. This policy also seeks to promote international cooperation for mutual support and partnership against narcotic drugs.

Drug Supply Reduction Activities

The Anti Narcotic Force Department (ANF) has taken numerous initiatives to fight drug hazards, various narcotic seizures were made and punishments were awarded to culprits during the period July-Dec 2018. Details are given in the following Tables:

Table 11.9: Detail of punishment awarded to culprits

Total decided cases	771
Convicted cases	631
Acquitted cases	54
Dormant / final order	86
Convicted persons	728
Acquitted persons	135
Conviction rate	92%

Source: Narcotics Control Division

The details of the operations conducted and seizures affected are as under:-

Table 11.10: Details of the operations conducted and seizures affected

Raids	Arrests	Narco Drug Seized (In Kgs)				
		Opium	Heroin	Hashish	Cocaine	Others
982	1128	6319.640	620.879	36780.810	6.242	• 125.842 Kgs Amph • 90.262 Kgs Meth • 18.441 Kgs Xanax Tabs • 3.353 Kgs Ecstasy Tabs • 16886 lits Sulphuric Acid • 2135.00 lits HCL

Source: Narcotics Control Division

i) Areas around educational institutions are being monitored on regular basis to stop/counter sale of drugs to students by peddlers/suppliers

ii) Launching of campaign/ crackdown against drug peddlers involving Police under IATF (Inter Agencies Task Force) forum

iii) Intelligence network of ANF has been expanded inside main cities to locate and hunt drug smugglers/peddlers

1. Awareness Activities

Mass awareness about harms of drugs amongst students, teachers and various administrative staff is being created while delivering lectures, talks in the Schools, Colleges & Universities. Details of total lectures delivered province wise for the period from 1st July, 2018 to 31st March, 2019 is as under:

Table 11.11: Awareness Activities

Activity	Balochistan	Sindh	Punjab	Khyber Pakhtunkhwa	North	Total
Awareness Lecture	77	24	76	73	73	323

Source: Narcotics Control Division

2. International Cooperation

Illicit trafficking of narcotics and drug abuse is a global challenge. Pakistan is acting as a front-line state in combating the menace of drugs. The government has taken number of initiatives to control spread and trafficking of illicit narcotics. However, Pakistan cannot fight this menace alone therefore; international cooperation is important pillar of Pakistan's strategy against drugs. Ministry of Narcotics Control has signed 34 MoUs with different countries.

From July, 2018 to March, 2019, Ministry of Narcotics Control has issued 1193 NOCs for import, export, local purchase, utilization and distribution of various precursor chemicals to different pharmaceutical and industrial firms. Narcotics Control Division has registered 157 firms for various precursor chemicals mentioned in Tables-I and II of the UN Convention 1988. 177 Pharmaceutical firms have been granted quota for different Narcotic Drugs and Psychotropic Substance.

3. Development Projects.

Following development projects are being implemented by Ministry of Narcotics Control.

Table 11.12: Development Projects

S#	Name of Projects	Duration	Estimated cost (Rs. million)
1.	Acquisition of land and construction of ANF police station at Pasni.	10-10-2017 to 30-06-2020	49.723
2.	Construction of ANF police station at Sust	10-10-2017 to 30-06-2020	49.816
3.	Construction of single men barrack at Korangi Karachi	10-10-2017 to 30-06-2019	29.318

Source: Narcotics Control Division

Conclusion

Health sector of the country faces tough challenges and there is a dire need to enhance the budget allocation for health aggressively by federal and all provincial governments, especially development expenditure so that increased and better quality health facilities may be available across the country. The present government is committed to increase the health coverage for the growing demand of increasing population. A number of efforts are underway to provide health facilities, increasing health expenditure and to meet goals under SDGs like Sehat Sahulat Program, Civil Registration & Vital Statistics, Deworm Islamabad Insensitive etc and taking expenses at health as investment rather considering it cost.

CHAPTER 12

Population, Labour Force and Employment

The population growth rate at 2.4 percent as depicted by the census 2017 was alarming. There had been moderate efforts in the past to address this high population growth rate along with lack of awareness among couples to maintain a moderate family size.

The Honorable Supreme Court of Pakistan, taking Family Planning as a human rights issue, took Suo Moto Notice on 4th July 2018 and constituted a Task Force to frame clear, specific and actionable recommendations to address matters relating to the alarming population growth. The Task Force, after a series of meetings, framed a set of recommendations aiming at enhancing contraceptive prevalence rate (CPR) to 55 percent, lowering total fertility rate (TFR) to 2.1 and bringing down population growth rate to 1.5 percent. These recommendations were placed before the Supreme Court Bench and were thereafter approved with the following key points:

1. Establish national and provincial task forces for steering, providing oversight and taking critical decisions to reduce population growth, decrease fertility rate and increase contraceptive prevalence rate
2. Ensure universal access to Family Planning /Reproductive Health services
3. Federal government to create a five-year non-lapsable special fund for reducing population growth rate with an annual allocation of Rs10 billion. The fund shall be set up exclusively from federal resources without any cut from provincial funds
4. Introduce and implement legislation for population growth control
5. Advocate and communicate a national narrative of reducing population growth rate and achieve socio-economic wellbeing for all
6. Introduce curriculum on health, hygiene and population control in the primary, secondary schools, college and universities
7. Contraceptive commodity security
8. Joint declaration of Ulema made at Population Summit-2015, Islamabad to be widely advocated

The Council of Common Interest (CCI) approved all the recommendations in principle and advised the Ministry of National Health Services Regulation and Coordination to prepare an Action Plan with financial modalities for operationalization of the recommendations in consultation with all relevant stakeholders. These recommendations would be implemented by the federal and provincial governments with active support from private sector, civil society organizations and international development partners.

In pursuance to the direction / decision of CCI, the recommendations have been translated into an Action Plan, prepared in consultation with provincial governments, relevant and other implementing partners in the private sector. The Action Plan will enable advancing towards the national and provincial program objectives and targets. At the same time, it will help in assessing the extent of progress towards various international commitments such as Family Planning 2020, International

Conference on Population and Development (ICPD) beyond 2014 and Sustainable Development Goals (SDGs) of the 2030 Agenda.

National Level Task Force for Population and Family Planning

The federal government formed a taskforce on Population and Family Planning on 4th December 2018. This taskforce is headed by the Prime Minister and has representation of Chief Ministers from four provinces. The main purpose of this task force is to devise Strategy/ Action Plan and its best implementation, to achieve the desired objectives and targets relating to population.

On similar lines, the provincial governments have also formed their respective taskforces which are headed by their Chief Minister along with other stakeholders as their members. The purpose is to have highest level commitment from the provinces so that a coordinated strategy is developed to tackle the population issue. The Punjab and Sindh Provincial Taskforces were formed on 30th November 2018, and the Khyber Pakhtunkhwa Provincial Taskforce was formed on 29th November 2018, while Baluchistan Taskforce formation is still in process.

Deliberation and Discussion on forthcoming 12th Five Year Plan

The federal government has initiated the process of developing 12th Five Year Plan for the period 2018-2023. After due thought process on the subject, following strategies have been agreed upon to be executed during the plan period:

- Develop political ownership and strong governance mechanism to reduce the growth rate
- Ensure Contraceptive Commodity Security and 100 percent coverage
- Develop Functional Integration of Health and Population Welfare Departments
- Reform high risk fertility behaviour and advocacy campaign
- Partnership and Involvement of Development Partners and Private Sector
- Instituting Research and Human Resource capacity building
- Enhancing Female education, Labour Participation and Utilizing Demographic Dividend

Demographic indicators

Demographic statistics of a country plays an important role in making the plans and frame work for economic policies. The Table 12.1 shows the selected demographic indicators of Pakistan.

Table 12.1: Demographic Indicators

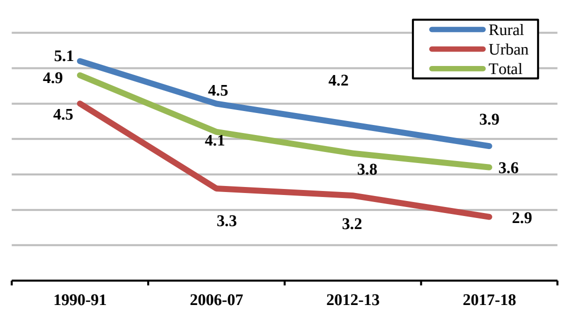
Indicator	2018
Total population	212.82 Million (Approx.)
Population growth rate	2.4%
Contraceptive prevalence rate	34.2%
Unmet need of family planning	17.3%
Total fertility rate	3.6
Crude birth rate (per 1000)	25.2

Source: NIPS, Pakistan Demographic and Health Survey 2017-18, Ministry of Planning, Development and Reform,

Total Fertility

The term "total fertility rate" is used to describe the total number of children an average women in a population is likely to have, based on current birth rates throughout her life. Total fertility rates are closely linked to growth rates of the countries and are key indicators of the future population growth rate. The Figure-1 given below illustrates the trends in fertility in Pakistan. According to

Fig-1: Trends in Fertility by Residence

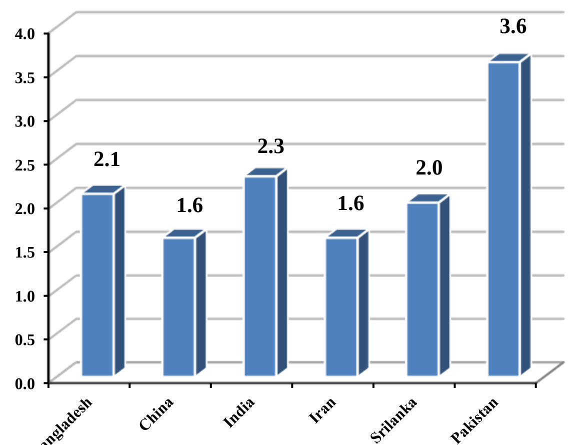


Source: Pakistan Demographic and Health Survey 2017-18

Pakistan Demographic and Health Survey (PDHS) 2017-18 the total fertility rate has dropped from 3.8 percent in 2012-13 to 3.6 percent in 2017-18.

The total fertility rate is higher in Pakistan as compare to other neighboring countries as shown in Fig-2. Iran and China has lowest fertility rate in region. Pakistan can learn several lessons from its neighboring countries. Religious leaders in Iran and Bangladesh fully support family planning as a social responsibility. These countries have established the link between women's education, empowerment and family planning usage.

Fig-2: Total Fertility Rate



Source: World Bank Indicators

Allocation for Population Welfare Departments (2018-19)

The Population Welfare Programs are being executed by the Population Welfare Departments of the provinces and the federal government supports the provinces in allocating significant funding through Public Sector Development Programs (PSDP). An amount of Rs 510.919 million has been allocated for Population Welfare Program in Punjab, Sindh, Balochistan, Khyber Pakhtunkhwa, Gilgit – Baltistan, AJK, and Merged Areas.

Table-2: PSDP and Provincial ADP Allocation (Rs.Million)

S. No	Province	PSDP Allocation	Provincial ADP Allocation
1	Population Welfare Department, Punjab	40.000	1000.000
2	Population Welfare Department, Sindh		400.000
3	Population Welfare Department, Khyber Pakhtunkhwa		149.000
4	Population Welfare Department, Balochistan		50.000
5	Population Welfare Department, GB	118.722	0.000
6	Population Welfare Department, AJK	273.356	0.000
7	Population Welfare Department, Merged Areas (Ex-FATA)	78.841	0.000
	Total	**510.919**	**1599.000**

Source: Ministry of Planning, Development and Reforms

Service Delivery Centers 2018-19

- Family Welfare Centers (FWCs) is one of the main service delivery networks of the program established in rural and urban areas for the provision of Mother Child Health Services (MCH), contraceptives and treatment of minor ailments. Presently, 4130 family welfare centers (FWC) are providing these facilities to the people.
- Reproductive Health Services-A Centers (RHS-A) are hospital based units which provide infertility treatment with full range of family planning methods including contraceptive surgery services. These centers would also assist in public health education campaigns and awareness raising on personal hygiene etc. There are 271 RHS-A centers functioning throughout the country.
- Mobile Service Units (MSU) provides reproductive health services and family planning services to villages through regular camping services. There are 303 MSU providing their services.

- Lady Health Workers (LHWs) go door to door for health issues like dengue, polio, measles, and other vaccinations for many other preventive health care problems. They are performing about 20 different duties but their focus on Family Planning and Reproductive Health (FP&RH) services is at minimum level. The Family Planning and Primary Health Care (FP &PHC) program so far has recruited more than 100,000 lady health workers (LHWs)
- Currently, 1678 Male Mobilzers and 600 Community Based Workers (Female) are promoting the objective of the family welfare programs and creating awareness among people. The physical progress under the Population Welfare Program (PWP) is shown in the Table below:

Table-3: Service Delivery Centres (as on 29-04-2019)

Sl.#	Service Delivery	ICT	GB	AJ&K	Balochistan	Khyber Pakhtunkhwa+ Merged Area	Sindh	Punjab	Total
1	Family Welfare Centre (FWCs)	31	110	55	191	632+50	961	2100	4130
2	Reproductive Health-A Centers	03	06	15	11	31+04	72	129	271
3	Mobile Service Units (MSUs)	01	10	07	55	34+07	72	117	303
4	Male Mobilizers	19	55	120	112	22		1350	1678
5	Community Based Workers(Female)							600	600

Source: Ministry of National Health Services, Regulations and Coordination

Gender and Women Development

Women empowerment and gender equality is important on the agenda of the government. The long term national planning framework commits to pursuing women empowerment as a key priority area across all sectors of planning and development. It focuses on providing an enabling environment to every woman to develop their full potential to equally reap the benefits of economic and social development.

The Sustainable Development Goals (SDGs) also recognizes the importance of empowering women and Goal 5 is dedicated to “achieve gender equality and empower all women and girls”. The targets for this goal aspire to end all forms of discrimination, eliminate violence against women and girls in all its manifestations such as; ensure health and reproductive rights, ensure political, social and economic participation of women. The other targets are of particular importance for enabling women’s economic empowerment.

Achievements

The government is fully cognizant of its constitutional responsibilities for protecting the rights of the women. Many initiatives have been taken for gender and women development. The initiatives include allocation of resources in Public Sector Development Program for promotion and protection of women through Human Rights and development initiatives. However, the impact of socio-cultural attitudes on women’s lives sometimes undermines their progress and status in society.

Federal Ombudsperson for Protection of Women against harassment at Workplace has been established and is functional at federal and provincial level. Help-Line (1099) for legal advice on human rights violation is operational and has provided legal aid services to more than 5000 beneficiaries of human rights violation cases till the present.

Benazir Income Support Program (BISP), a continued social protection program of the government is providing social assistance to women. Pakistan Bait-ul-Mal has established women empowerment centers/schools throughout the country including Azad Kashmir and Northern Areas. These schools are providing free training to widows, orphans and poor girls in different skills i.e. Drafting, Cutting, Sewing, Knitting, Hand & Machine Embroidery. Current strength of these schools is 155 (Punjab - 64, Sindh - 30, Khyber Pakhtunkhwa/ Erst while FATA - 32, Balochistan -18 & ICT/AJK/ N. Areas -11). Local skills are also being imparted in these schools. Through Individual Financial Assistance (IFA) the poor, widows, destitute women, orphans and disabled persons are being supported through general assistance, education, medical treatment and rehabilitation.

National Commission on the Status of Women

The National Commission on the Status of Women is mandated by the NCSW Act 2012 to promote social, economic, political and legal rights of women as provided in the Constitution of Pakistan and in accordance with its international commitments.

The NCSW has prepared a comprehensive roadmap defining goals, priorities and strategies for empowerment of women with special focus on issues of home based/informal sector workers and their inclusion in the labour force, affirmative actions for reservations of quotas in the government jobs including minority communities and initiatives for legislation.

Violence against women is an important thematic area for NCSW. Its activities in this area include:

i. Complaint mechanism to review and address complains of violence and abuse
ii. Tracking of high profile cases: In order to identify gaps in access to justice NCSW tracks select high profile cases.

   Cases tracked in this period include:

   a. Domestic violence case
   b. Honour killing
   c. Cyber Crime
   d. Disclosing in public
iii. Monitoring the implementation of Acid Crime (amended) Law and incidence of acid violence. Reported cases of acid crime are documented and followed up. By December, 2018 there has been a 50 percent decline in the incidence of acid crimes
iv. NCSW pursued its petition in the Honorable Supreme Court of Pakistan for the banning of jirgas panchayats and other such forums that give convictions and penalties outside the framework of law.
v. Follow up on Age of Marriage Bill:

   The Senate on 29th April, 2019 has passed the Child Marriage Restraint (Amendment) Bill, 2018 which proposes that the legal minimum age of marriage in the country be set at 18.

The women entrepreneurship initiatives have been promoted by Ministry of Planning, Development & Reform and by ensuring their participation through awareness seminars / workshops, pitch events, seed money grants and networking sessions under the project " Centre for Social Entrepreneurship "at a cost of Rs.178.43 million and Rs. 50.0 million has been allocated for FY 2018-19. The entrepreneurship initiatives included promotion of innovative business ideas based on social business plans leading to solution of social problems faced by the male and females in the society. The project is unique in addressing social issues through innovative business plans/ideas and women are equally provided opportunities to grow as a start up and entrepreneur and play their role as an active entrepreneur contributor in the society to address the social issues. The Centre has funded 9 social start-ups by granting seed money grant of Rs. 500,000/- each out of which 33 percent were led by women and generated employment opportunities for 179 people during last two quarters of 2018-19.

The federal and provincial governments, including NGOs and civil society organizations are implementing the plans, programs and projects for promoting gender equality and women empowerment through interventions comprised of awareness raising campaigns and allocation of resources under Annual Development Programs. The women development departments have envisaged initiatives for establishment of working women hostels, daycare centers for children of working mothers, women crises centers, guidelines & awareness on work place harassment and shelter homes for homeless people in the ICT and provinces. The helpline against human rights violations, crises centers in the ICT and Human Rights Directorate has been established in the provinces.

Labour force and Employment

Employment growth is a challenge for any developing, labour abundant economy. In the past the plans were designed to set growth targets but less priority was given to employment generation. The present government has taken special initiatives to fulfill its commitment to create 10 million jobs during its tenure. The other great initiative of the government is to construct 5 million houses which will substantially contribute to employment creation due to its forward and backward linkages with other allied industries. Strengthening of Small & Medium Enterprises (SMEs), Tourism and labour-intensive sectors will also be prioritized.

Box-1: Kamyab Jawan (SME) program: In order to generate more job opportunities for the youth, the government has launched a new program – the Kamyab Jawan program. Under this program, the National Bank of Pakistan, Bank of Punjab and Bank of Khyber will provide low cost loans to the youth (between 21 – 45 years) for establishing small businesses enterprises. These loans will be classified into three tiers.

Tier I: Loans between Rs 100,000 and 0.5 million, with a debt-equity ratio 90:10 at interest rate of 6 percent. The government will pay the difference between the applied interest rate and KIBOR + 500 bps.

Tier II: Loans between Rs 0.5 and 10 million; with a debt equity ratio of 80:20 and carrying an interest rate of 8 percent. The government will pay the difference between the applied interest rate and KIBOR + 400 bps.

Tier III: Loans between Rs 10 and 25 million; with a debt equity ratio defined by bank’s lending policy; and carrying an interest rate of 9 percent. The government will pay the difference between the applied interest rate and KIBOR + 400 bps.

Over the next 5 years, it is estimated, that 138 thousand youth will benefit from Kamyab Jawan program, with banks disbursing a cumulative sum of Rs 200 billion.

Source: Implementation and Economic Reform Unit

Employment Generation under CPEC Program

Huge inflow of US $60 billion investment under CPEC will generate massive economic activities and thereby employment opportunities. Apart from focusing on energy, infrastructure and Gwadar projects, 9 Special Economic Zones are being established under CPEC portfolio, which will create tremendous job opportunities and technological transformation. Priority will also be given to align technical institutions and training with CPEC related trades and demand of Special Economic Zones. The early harvest projects under China Pakistan Economic Corridor (CPEC) have created more than 75,000 direct jobs and 200,000 allied jobs for Pakistanis while the midterm and long projects under CPEC are poised to create more than 700,000 employment opportunities in the country.

Employable Skills through National Institute of Science and Technical Education (NISTE)

The National Institute of Science and Technical Education (NISTE) is an attached department of the Ministry of Federal Education and Professional Training, which aims at transforming the unskilled/semi-skilled manpower into skilled manpower. NISTE is playing a pivotal role in imparting employable skills training to youth in various trades. In order to address the shortage of skilled human resource at all levels in the country, NISTE has been upgraded into a National Skills University (NSU), Islamabad.

Skill Development Program

The government has accorded high priority to skill development. Earlier, through an Act of the Parliament, the NAVTTC was created as an apex body and a national regulatory authority to address the challenges of TVET. The details of the initiatives are as follows:

- Special emphasis has been laid on giving pivotal role to industry and private sector in TVET sector development. Three Sector Skill Councils (SSCs) have been established in the Construction, Hospitality and Textile sectors. National Skill Council (NSC) has been established to bring all the stakeholders on board. The concept of Institute Management Committees (IMCs) has been introduced for the first time in Pakistan at the TVET institute level, which gives greater representation to private sector in the management and training delivery in the TVET institutes.

- Pakistan is now a member of the World-Skills which is the collective voice for skills excellence and development in vocational, technological and service oriented careers around the globe.

- A large number of Pakistani youth acquires training through informal sector; known as the "Ustad-Shagird" system. In the absence of a formal certification for their skills, such youth do not get employment as skilled workers, in both national and international markets. To enhance employment prospects for such youth, a system “Recognition of Prior Learning” (RPL) has been launched as a tool to recognize/certify the skills acquired through informal/unregulated means.

- To collect latest market data on skills demands in the national and international job markets and create real time linkages with prospective employers, National Skills Information System (NSIS) has been established with state of the art technologies.

- For the first time in Pakistan, a National Job Portal has been introduced to link skilled workers with employers. Skill profiles of more than 550,000 youth are available on the National Job Portal. Additionally, NAVTTC has also established Job Placement Centres (JPCs) at Islamabad, Karachi and Lahore and more than 100 Job Placement and Vocational Counseling Centers (JP&VCCs) across the country for the benefit of youth.

- Internationally recognized, Competency based training (CBT) modules have been introduced in the country to replace the traditional mode of training. With the introduction of CBT, Pakistan is now able to deliver training in accordance with the internationally demanded and recognized requirements.

Labour Force Statistics

According to Labour Force Survey, 2017-18, the unemployment rate has decreased to 5.79 percent in 2017-18. Overall crude participation rate has decreased from 32.27 percent in 2014-15 to 31.70 percent in 2017-18, showing 0.57 percent decrease. In 2017-18 total civilian labour force was 65.50 million consisting of 50.74 million males and 14.76 million females. Out of this 61.71 million (94.21 percent) are employed persons and remaining 3.79 million (5.79 percent) are unemployed persons, as shown in Table 12.4 below.

Employment by Sector

The employment trend in major sectors shows that agriculture sector has the largest share but its trend is gradually decreasing.. The share of agriculture-related employment has declined from more than 48.42 percent in 1999-2000 to 38.5 percent by 2017-18. This shows almost 10 percentage points decline.

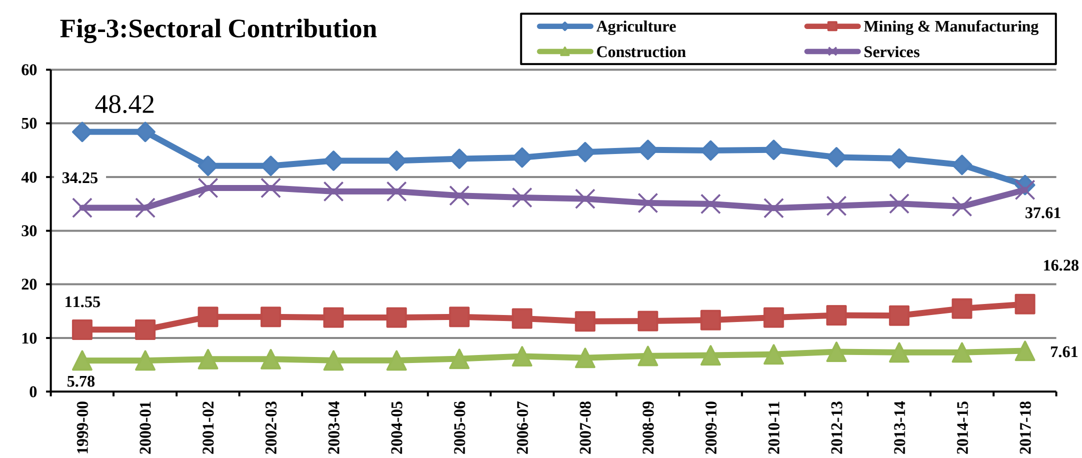
However, services and manufacturing sectors are major contributors, showing increasing trends of employment. The services sector is the largest growing sector of the economy and the share of employment in services sector is increasing as compared to other sectors. The employment ratio has increased from 34.25 percent in 1999-2000 to 37.6 percent in 2017-18 as this sector provide jobs which are diverse in nature such as unskilled, semi-skilled, skilled and high skilled which includes doctors, engineers, advocates, builders and financial consultants In these sectors the total participation rate has increased. The share of employment in industry sector (manufacturing and construction) has increased from 17.33 percent in 1999-2000 to 23.89 percent in 2017-18. Due to increasing share of the services and manufacturing sectors and declining share of agriculture in employment, the labour market in Pakistan is experiencing structural changes in its composition.

Table-12.4: Indicators of Labour Force

	2013-14	2014-15	2017-18
Labour Force	**60.10**	**61.04**	**65.50**
Male	45.65	46.38	50.74
Female	14.45	14.66	14.76
Employed labour force	**56.52**	**57.42**	**61.71**
Male	43.33	44.07	48.17
Female	13.19	13.35	13.54
Unemployed	**3.58**	**3.62**	**3.79**
Male	2.32	2.31	2.57
Female	1.26	1.31	1.22
Crude participation rate(%)	**32.3**	**32.3**	**31.7**
Male	48.0	48.1	48.3
Female	15.8	15.8	14.5
Un employment rate	**6.0**	**5.9**	**5.8**
Male	5.1	5.0	5.1
Female	8.7	9.0	8.3

Source: Labour Force Survey 2013-14, 2014-15 and 2017-18, Pakistan Bureau of Statistics

Fig-3:Sectoral Contribution



Source: Labour Force Surveys

Women's Employment

Pakistan had a Gender Inequality Index (GII) ranking of 133 in the 2017[1]. It is not an encouraging sign that female participating in the labour market is also decreasing with the passage of time, viz, from 15.8 percent in 2014-15 to 14.5 percent in 2017-18. The Labour Force Survey 2017-18, indicates that women are concentrated in agriculture with a share of 67 percent, while in manufacturing they have a share of 16 percent and in community and personal services they have a share of 14.6 percent. In the case of occupational groups, women are mostly working as skilled

[1]The 2018 Human Development Report (HDR) by UNDP

agricultural workers 55 percent, elementary/unskilled workers 18 percent, and craft and related trade workers 14 percent.

Table-12.5: Employed Distribution by Major Industry and Occupational Groups%

Major industry division	2014-15			2017-18		
	Total	Male	Female	Total	Male	Female
Agriculture/forestry/hunting & fishing	42.3	33.1	72.7	38.5	30.4	67.2
Manufacturing	15.3	15.7	14.1	16.1	16.1	16
Community/social &personal services	13.2	13.7	11.3	14.7	14.8	14.6
Crafts and related trade work	13.6	13.8	12.6	14.6	14.6	14.4
Skilled agricultural, forestry and fishery workers	37.1	29.7	61.7	31.6	25.2	54.6
Elementary Occupation	15.8	15.9	15.5	18.0	18.0	17.9

Source: Labour force survey 2017-18

Box-2:

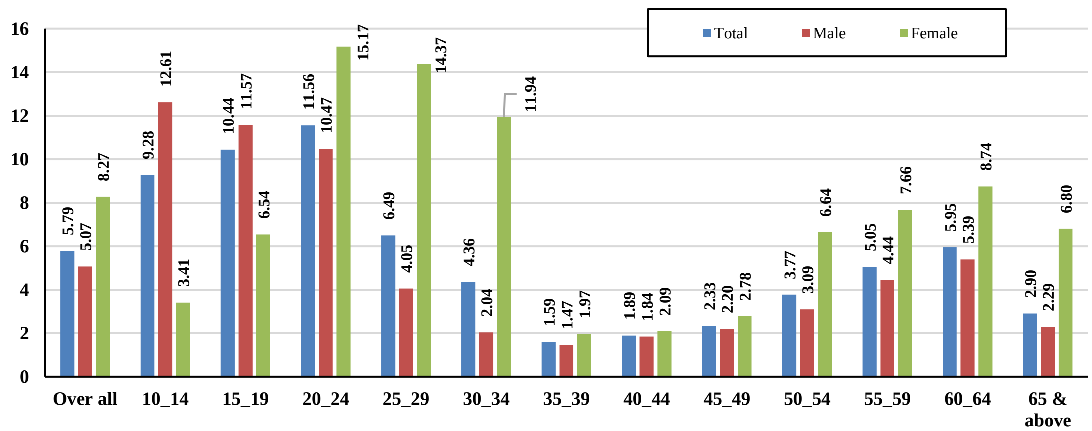
Job creation is one the key objective of the government economic reform program. As such, Ehsas program aims at creating employment opportunities by working in partnership with private sector. This entire agenda of Ehsas is heavily skewed towards the uplift of poor women—from the 6 million women who are estimated to benefit from the "Kifalat" to preferential support for women through "Tahafaz". More than 50 percent of the education vouchers and scholarships will be given to women. Insaf Card covers health conditions for women preferentially. Not just health and education, but jobs and economic empowerment is crucial for poor women. In this regard, the graduation initiative solely serves women.

Through the recommendations of the Labour Expert Group, the government will explore ways to recognize the work of all categories of non-agricultural informal economy workers and agricultural workers and pave the way for their coverage under labour legislation pertaining to wages and other conditions of work.

Unemployment by Age

According to Labour Force Survey 2017-18 the overall unemployment rate was 5.79 percent. In Fig-4 the age bracket of 20-24 shows highest unemployment rate of 15.17 percent for the females and 10.5 percent for male Moreover, youth unemployment rate is quite high as compared to the average unemployment rate.

Fig-4: Un-employment rates by age 2017-18

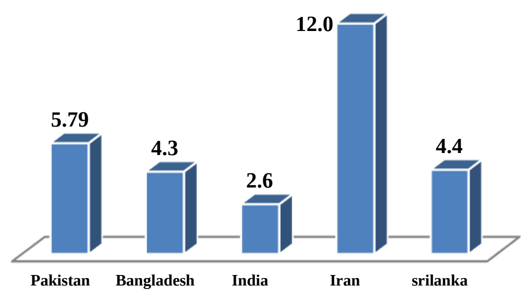


Source: Labour Force Survey (2017-18)

Regional analysis of Unemployment Rate

The unemployment situation in the region is comparatively better than in Pakistan except Iran. The unemployment statistics shows that Pakistan's unemployment rate at 5.79 percent is higher than that of India (2.6 percent), Bangladesh (4.3 percent), and Sri-Lanka (4.4 percent). Improvement in infrastructure and skill development programs have played important role to create employment opportunities in these countries

Fig-5: Regional Unemployment Rate



Source: World Development Indicators

Formal and Informal Employment

The informal sector plays an important and controversial role. The key sectors of employment in the informal economy are wholesale & retail trade, manufacturing, community/social and personal services, construction and transport. The informal workers are not regulated by labour laws or protected by the state. The informal economy provides jobs and help to reduce unemployment but in many cases jobs are low paid. This sector employs 72.0 percent in 2017-18. The employment ratio in rural informal sector is 76.0 percent which is higher as compared to that in urban areas (68.3 percent) in 2017-18.

Formal sector did not show considerable changes with respect to employment level during 2015-2018 period and total employment in this sector marginally increased from 27.4 percent to 28.0 percent.

Table-12.6: Formal and Informal Sectors – Employment Distribution of Non-Agriculture Workers

Sector	2014-15			2017-18		
	Total	Male	Female	Total	Male	Female
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
- Formal	27.4	27.5	26.5	28.0	28.0	28.2
- Informal	72.6	72.5	73.5	72.0	72.0	71.8
Rural	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
- Formal	23.9	24.3	22.0	24.0	24.3	22.3
- Informal	76.1	75.7	78.0	76.0	75.7	77.7
Urban	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
- Formal	30.8	30.7	31.5	31.7	31.4	33.9
- Informal	69.2	69.3	68.5	68.3	68.6	66.1

Source: Labour force survey 2017-18

Overseas Employment

Migration has an important role in respect of employment creation and poverty eradication. International migration creates significant financial and social benefits for migrants, for their families, and for the countries of origin and destination. Pakistan is one of the largest labour exporting countries of the region and since 1971 more than 10.61 million Pakistanis have proceeded abroad for employment.

It is evident from the Table 12.7 that there is a major decline in manpower export to Saudi Arabia where only 100910 emigrants proceeded for employment in year 2018 as compared to 2017, a drop of 42453 emigrants. On the other hand, manpower export to UAE also decreased in 2018. In recent years, Malaysia emerged as an important destination country for Pakistani workers as in 2018 an increase of 38 percent manpower export towards Malaysia was observed as compared to 2017. Due to the present government‘s efforts for enhancing manpower export, an increasing trend has been observed in Qatar which is a positive sign.

Table 12.7: Number of Pakistani Workers Registered Abroad

S. No.	Countries	2014	2015	2016	2017	2018
1	UAE	350,522	326,986	295,647	275436	208635
2	Bahrain	9,226	9,029	8,226	7,919	5745
3	Malaysia	20,577	20,216	10,625	7,174	9881
4	Oman	39,793	47,788	45,085	42,362	27202
5	Qatar	10,042	12,741	9,706	11,592	20993
6	Saudi Arabia	312,489	522,750	462,598	143,363	100910
7	UK	250	260	346	340	587

Source: Bureau of Emigration and Overseas Employment

The comparison among provinces in Table 12.8 shows that during 2018, the highest number of workers who went abroad was 185,902 from Punjab, followed by Khyber Pakhtunkhwa 88,361. From Northern areas the number of registered workers increased from 3417 in 2017 to 4185 in 2018. However, the situation in other provinces is not encouraging which shows that there is a need to understand the changing trends/dynamics of labour importing countries in order to meet the manpower demand in future.

Table 12.8 : Workers Registered for Overseas Employment During the period 2013-2017 Province Wise

YEAR	Federal	Punjab	Sindh	Khyber Pakhtun -khwa	Baloc-histan	Azad kashmir	N/areas	Tribal area	Total
2014	8943	383,533	89,703	167,424	7,258	52,120	2,073	41,412	752,466
2015	9028	478,646	116,935	220,993	7,686	64,586	2,899	45,798	946,571
2016	8472	446,566	85,326	206,929	6,378	43,093	2,961	39,628	839,353
2017	4635	261849	53590	107366	4528	33318	3417	27583	496286
2018	2471	185902	41551	88361	4781	30358	4185	24830	382439

Source: Pakistan Bureau of Emigration and Overseas Employment

Pakistan has a remarkable human resource which is classified into five occupational categories i.e highly qualified, highly skilled, skilled, semiskilled and un-skilled. During 2018, there has been a declining trend in all occupational groups except in the highly qualified category. The scope for low skilled workers is declining and competition among expatriates is increasing. The upskilling and certification of workforce is the pressing need of the time to meet the international standards and demand. In this regard the role of NAVTTC, TEVTAs and Higher Education Commission (HEC) is crucial to produce skilled and qualified workforce. Moreover, efforts are required at Government to Government (G2G) level to secure employment opportunities for the Pakistani workforce.

Table 12.9: Profession Wise Pakistani Workers Registered.

Year	Highly Qualified	Highly Skilled	Skilled	Semi skilled	Un skilled	Total
2014	14,647	6,216	287,649	120,204	323,750	752,466
2015	17,484	7,853	397,317	151,636	372,281	946,571
2016	16,510	8,172	335,671	152,235	326,765	839,353
2017	16029	9886	188745	85686	195940	496286
2018	16105	9770	142486	56208	157870	382439

Source: Pakistan Bureau of Emigration and Overseas Employment

The major factors behind recent decline in manpower export:

Internal Factors

- Lack of skills according to required standards
- Low productivity of majority of training institutes
- Lack of awareness about foreign job opportunities

- Shortage of internationally accredited technical institutes

External Factors

- Global economic slowdown
- Euro-zone crisis and Stringent US Immigration Policies

Gulf Cooperation Council (GCC) countries

- Reduction in oil prices and political instability
- Reduction in mega construction projects: major source of employment for Pakistani workers
- Gulfization Policy (Saudization, Emiratization, Qatarization etc.)
- Imposition of dependent fee and vat
- Reduction in employment categories
- Ministry of overseas has adopted multiple strategies for capturing international job market including:
- Signing of MoUs in the field of manpower and employment with potential labour receiving countries. The Ministry has signed revised MoU with Republic of Korea on sending and receiving workers under employment permit system and MoU with Oman in the field of labour and training
- Increasing the role of Community Welfare Attaches for procuring manpower demand for Pakistani workforce
- Realigning role of overseas employment corporation for enhancement of employment promotion abroad and facilitating overseas employment promoters and foreign employers for hiring Pakistani manpower
- NICOP condition which was a stumbling block in the easy access for the intending migrants have been removed to provide maximum facilitation and to reduce cost of emigration
- Overseas Employment Corporation has started to build National Database of Trained Workforce for Employment Abroad
- Qatar has established two visa facilitation centres in Islamabad and Karachi to accelerate hiring of 100,000 Pakistani workers

Conclusion

In Pakistan, financial and physical resources are inadequate and the growing population is putting increased pressure on these scarce sources. However, government is well aware of this problem and is making efforts to control the population growth rate through various population welfare programs which are expected to contribute in controlling population growth rate, fertility rate, infant mortality rate and maternal mortality rate. The size of the working age population is increasing and this working age population can be a productive asset for the country if properly trained through market demand led skill development programs. In this regard, the government has initiated various programs for their skill development and is also making sincere efforts to explore overseas employment opportunities which will help in addressing the unemployment issue.

CHAPTER 13

Transport and Communication

Sustainable economic development of Pakistan is dependent on a robust and low-cost transport and logistics sector. Enhanced export competitiveness is also contingent upon the efficient performance of the sector. The government is aware of the vital role the transport and logistics sector plays in national economic development and in improving the competitiveness in country's export. It is, therefore, committed to implement a comprehensive development initiative and modernizing the transport & logistics sector through a continuous process of reform supported by focused investments in all of its sub-sectors.

Road Linkage

National Highway Authority (NHA) is playing a vital role in improving the quality of Pakistan's road network, which entails in improving the quality and standard of life of the people apart from creating job opportunities. The present NHA network comprises of 47 national highways, motorways, expressways, and strategic roads. Current length of this network is 12,743 Km. NHA's existing portfolio consists of 38 on-going projects with an allocation of Rs.176,636.80 million in PSDP 2018-19 out of which 66,700.00 million is the Foreign Exchange Component (FEC) and Rs.109,936.80 million is the local component. There are also 08 new schemes in PSDP 2018-19 with total estimated cost of Rs. 8,561.00 million.

NHA and CPEC:

Through CPEC, NHA is connecting Khunjrab to Gwadar. Currently there are on-going CPEC projects worth Rs.700 billion related to NHA. Details are as under:

CPEC-Short, Medium and Long Term Projects:

- Short Term Projects (Eastern Alignment):

Table: 13.1 Eastern Alignment projects

Sr. No.	Project Name	Length (Km)	Status	Implementation Period
1	Khunjrab - Raikot including Atta Abad Lake	335	Completed	-
2	Raikot - Thakot (N-35)	270	Planning Stage	2018-23
3	Thakot - Havelian (E-35)	118	Under Construction	2016-20
4	Havelian - Burhan (E-35	59	Completed	2013- 19
5	Ml - Gojra (M-1, M-2, M4)	402	Completed	-
6	Gojra - Khanewal (M-4}	127	Under Construction	2013-20
7	Khanewal-Multan (M-4 Ext)	57	Completed	-
8	Multan - Sukkur (M-5)	392	Under Construction	2013-20
9	Sukkur - Hyderabad (M-6)	296	Under Procurement	2018-23
10	Hyderabad - Karachi (M-9)	136	Substantially Completed	2013-19 (June 2019)
11	Sukkur - Shikarpur (N-65)	40	Completed	-
12	Shikarpur - Ratodero (N-55)	49	Under Construction	2018-23
13	Ratodero- QubaSaeed Khan (M-8)	59	Completed	-

Table: 13.1 Eastern Alignment projects				
Sr. No.	**Project Name**	**Length (Km)**	**Status**	**Implementation Period**
14	Quba Saeed Khan - Wangu Hills (M-8)	42	Completed	-
15	Wangu Hills-Khuzdar (M-8}	113	Completed	-
16	Khuzdar - Basima (N -30)	110	PC-I approved	2019-22
17	Baasima-Hoshab-Gwadar	400	Completed	-

Source: NHA

- Short to Medium Term Projects (Western Alignment):

Table: 13.2 Western Alignment projects				
Sr. No.	**Project Name**	**Length (Km)**	**Status**	**Indicative Plan Period**
1	Hakla (Islamabad) - Yarik (DI Khan)	285	Under Construction	2013-20
2	Yarik - Zhob (N-50)	235	PC-I approved Detailed Design is in Process	20 18-23
3	Zhob - Quetta (N-50)	331	PC-I approved	20 18-23
4	Quetta - Khuzdar (N-25)	306	Detailed Design is in Progress	20 18-23
5	Surab-Hoshab (N-85)	449	Completed	
6	Hoshab- Gwadar (M-8)	193	Completed	-

Source: NHA

- Medium to Long Term Projects (Central Alignment):

Table: 13.3 Central Alignment projects				
Sr. No.	**Project Name**	**Length (Km)**	**Status**	**Indicative Plan Period**
1	DI Khan - D.G. Khan	229	Feasibility Study Plan in 2025	2025-30
2	D.G. Khan - DeraAllahyar	303	Feasibility Study Plan in 2025	2025-30
3	Den Allahyar - Wangu Hills	94	Feasibility Study Plan in 2025	2025-30

Source: NHA

Motorways:

NHA has already constructed four segments of Pakistan Motorway Network i.e., Peshawar - Islamabad Motorway (M-1), Islamabad - Lahore Motorway (M-2), Lahore - Abdul Hakeern Motorway (M-3) and Pindi Bhattian - Gojra Section and Khanewal - Multan Sections of Motorway (M-4) on a virgin corridor bringing remote areas on mainline and boosting economic activities. NHA is now constructing the remaining section of M-4 from Gojra - Khanewal. Work on Karachi - Hyderabad Motorway (M-9) on BOT basis is also substantially completed. Details of NHA Motorway network is as under:

Table: 13.4 Motorway network			
Sr. No.	**Motorway**	**Length (Km)**	**Status**
1	Peshawar- Islamabad, M-1	156	Completed
2	Islamabad - Lahore, M-2	357	Completed
3	Havelian - Mansehra	39	Under construction
4	Hazara Motorway (E-35)	59	Under construction
5	Hakla-D.I Khan	285	Completion: Jun, 2020
6	Sialkot - Lahore	91	Completion; Dec, 2019
7	Lahore - Abdul Hakeem, M-3	230	Completion: Mar, 2019
8	Pindi Bhattian - Faisalabad, M-4	57	Completed
9	Faislabad - Gojra, M-4	58	Completed

Table: 13.4 Motorway network			
Sr. No.	**Motorway**	**Length (Km)**	**Status**
10	Gojra- Shorkot, M-4	62	Completed
11	Shorkot - Khanewal, M-4	64	Completed
12	Khanewal - Multan, M-4	56	Completed
13	Sukkur - Multan (M-5)	392	Completion: Sep, 2019
14	Hyderabad - Sukkur, (M-6)	296	Procurement under process
15	Karachi-Hyderabad (M-9)	136	Completion: June 2019
		2362.3	

Source: National Highway Authority

The projects which are being financed by development partners are:

- Islamic Development Bank Assistance:
  - Multan - Khaneval Section (57 km) M-4 Extension (Completed)
- Japan JICA's Assistance:
  - Sehwan - Ratodero section (200 kin) of N-55 (Completed)
  - RakhiGajj - Bewata section (34 km) of N-70 (Under Construction)
- Korean Exim Bank Assistance:
  - Improvement and Widening of Chakdara - Chitral Section (141 km) of N-45 (In procurement stage)
  - Malakand Tunnel (In procurement stage for design consultancy)
- USAID Grant:
  - Quetta - Chaman Section of N-25 (120 km) (Completed)
  - Peshawar - Torkham Section of N-5 (45 km) (PC-I is in process of approval)
- Chinese Financing:
  - Raikot - Thakot Section of KKH (276 km) (Planning Stage)
  - Multan - Sukkur (M-5) (392 km) (Under Construction)
- Asian Development Bank Assistance:
  - Flood Emergency Rehabilitation 'Project - Phase-I (343 km) (Under Construction)
  - Construction of Gojra - Khanewal Motorway, M-4 (126 km) (Under Construction)
  - Flood Emergency Rehabilitation Project -Phase-II (335 km) (Under Construction)
  - Burhan - Havelian Expressway (E-35) 59 km (Completed).
  - Balochistan Package:
    - Zhob - Mughalkot Section of N-50 (80 km) (Under Construction)
    - QillaSaifullah - WaigurnRud Section of N-70 (124 krill (Under Construction)
  - CAREC Corridor Development Investment Program (Tranche-I):
    - Construction of Additional Carriageway Petaro - Sehwan Section of N-55 (128 km) (Under Construction)
    - Rehabilitation of Peshawar - Dara Adam Khel of N-55 (36.1 cm). (Under Construction).
    - Construction of Additional Carriageway Shikarpur - Ratodero of N-55 (44 km) (Under Construction).
  - CAREC Corridor Development Investment Program (Tranche-II):

- Construction of Additional Carriageway Shikarpur – Rajanpur Section of N-55 (222 km) (Planning Stage)

- CAREC Corridor Development Investment Program (Tranche-II):
  - Construction of Additional Carriageway Dera Ghazi Khan - Dera Ismail Khan Section of N-55 (315 km) (Planning Stagg).
  - Rehabilitation of Existing Carriageway Petaro - Schwan Section of N-55 (128 km) (Planning Stage)

BOT /PPP projects

NHA through its dedicated efforts took a lead in the road infrastructure development through the private sector participation. NHA successfully attracted private sector investment and has awarded/ supported five projects of worth over Rs. 90 billion. The projects under Build-Operate-Transfer (BOT) and Public Private Partnership (PPP) are:

- Lahore-Islamabad Motorway (M-2)

  Scope: Overlay &Modernization (357 Km)
  Project Cost: Rs. 46,007 million August 2016
  Status: Project successfully completed and operational since August 2016
- Habibabad Flyover on N-5

  Scope: Construction of Flyover on N-5(1.5 km)
  Project Cost: Rs. 831 million
  Status: Project successfully completed and operational since April 2015
- Karachi-Hyderabad Motorway (M-9):

  Scope: Conversion of Existing 4-lane Highway into 6-Lane Motorway (136 Km)
  Status: 96 percent substantially completed and opened for traffic.
- Lahore-Sialkot Motorway Project (LSMP)

  Scope: Construction of 4-Lane Motorway (91 km)
  Project Cost: Rs 43,847 million
  Status: 53 percent Successfully Completed (Completion August 2019)

Further, NHA has planned projects on PPP basis worth Rs. 210,000 million to be started in near future.

China Pakistan Economic Corridor (CPEC)

The "All-weather" friendship between Pakistan and China is based on shared principles and interests that form the foundation of cooperation in diverse fields. In the shape of CPEC, both governments have made a conscious effort to focus on expanding the economic dimension of the relationship and bring it up at par with the high level cooperation the two countries enjoy at the strategic and political level.

CPEC complements Pakistan's economic growth and socio economic development. It forms a significant part of the Chinese concept of developing Silk Road Economic Belt and the 21st century Maritime Silk route. Through CPEC, Pakistan is harnessing its Geo Strategic location into a Geo-Economic advantage and the region will be integrated into an economic hub promising a great future for its populace.

CPEC is the flagship and most actively implemented project of Belt & Road Initiative (BRI) where

Pakistan and China have successfully launched 22 projects on the ground, costing more than US $ 28.5 billion**.** Overall CPEC portfolio is as follow:

Table 13.5: CPEC portfolio

Projects	**Status**	**Cost(US$ M)**
Energy (IPP financing mode)	Completed	4,979
Cross Border Optical Fiber Project (GCL)	Completed	37.4
DTMB (Grant)	Completed	4
Energy (IPP financing mode)	Under Implementation	18,258
Transport and Infrastructure (GCL) 3 projects	Under Implementation	5,830
Eastbay Expressway Gwadar (Interest free Loan)	Under Implementation	166
Gwadar City Master Plan and Airport (Grant)	Under Implementation	257
		29,531.4
Energy (IPP financing mode)	In Pipeline	11,523
Main-Line-1 (ML-1) (GCL)	In Pipeline	8,250
Gwadar Projects (Grant) 6 projects	In Pipeline	357
Grand Total		**49,661.4**

Source: Ministry of Planning, Development and Reform

The CPEC is considered as a long-term development project as it has the potential to serve as a corridor with multiple doors connecting China with Central Asia, Middle East, Africa and Europe. The government is expanding the scope of CPEC so that it becomes a "Gateway of Prosperity" for both countries and the region at large. CPEC is being expanded in the following areas: trade & market access, industrial development & global value chains, socio-economic development & poverty alleviation, agriculture modernization & marketing, Gwadar oil city & blue economy and regional connectivity & third country participation. Moreover, Chinese and Pakistani workforce, in a large number, is employed to ensure timely completion of the infrastructure projects and launch new projects like ML-1, Eastbay Expressway and Airport Project at Gwadar.

Fiber Optic Connectivity

Pakistan and China are executing Cross-border Fiber optic project (Khunjerab-Rawalpindi). Completion of the 820 Kms long cable has materialized in July 2018. The project will surely support IT sector development in northern parts of the country besides connecting the Transit Europe-Asia Terrestrial Cable Network with Pakistan. A Pilot Project of Digital Television DTMB (Digital Terrestrial Multiband Broadcast) has also been completed under CPEC.

Rail Linkage

Pakistan Railway is a single major mode of transport in public sector contributing to economic growth and providing national integration. Pakistan Railways comprises of total 470 locomotives (458 Diesel Engine and 12 Steam Engines) for 7,791 kilometers length of route.

During FY 2019 (July-February), gross earning grew by 10.3 percent and amounted to Rs 34,0661 million against Rs 30891.1 million during the same period last year. During the period July-February FY 2019, number of passengers carried increased to 39.9 million against 35.9 million during the same period last year, which posted a growth of 11.0 percent. Likewise passenger traffic Km (million), freight carried tones million, and Freight tons Km (million) grew by 11.9 percent, 2.9 percent and 7.8 percent, respectively.

Table 13.6: Earning of Pakistan Railway

Fiscal Year	Earning (Rs in million)	% Change
2008-09	23,160	----
2009-10	21,886	-5.5
2010-11	18,740	-14.4
2011-12	15,444	-17.5
2012-13	18,070.55	17
2013-14	22,800.22	26.173
2014-15	31,924	40
2015-16	36,581.87	14.6
2016-17	40,064.95	9.5
2017-18	49,569.68	23.7
(July-Feb)		
2017-18	30,891.16	
2018-19	34,066.12	10.3

Source: Ministry of Railways

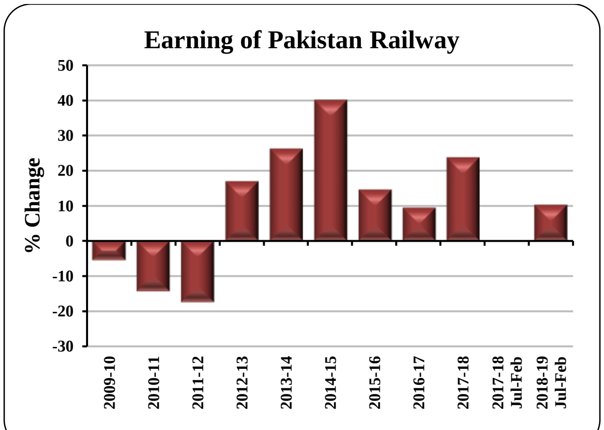
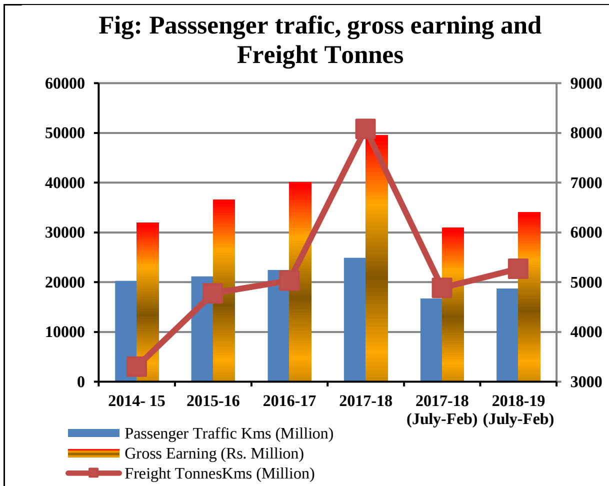
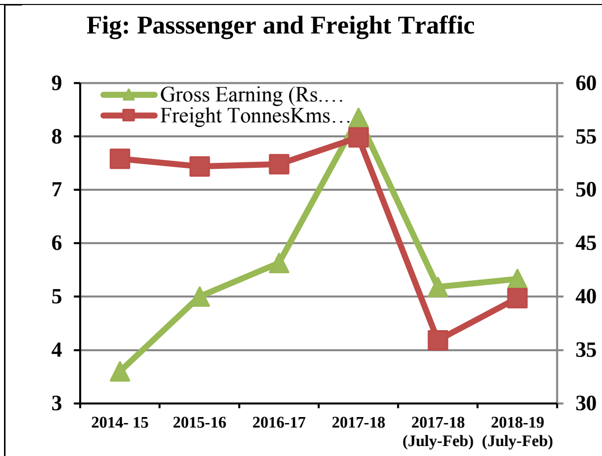


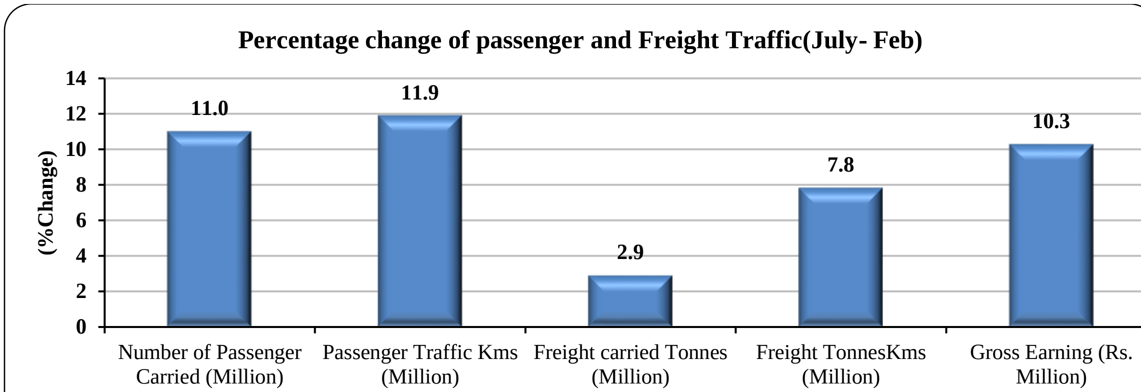
Table 13.7: Passenger and Freight Traffic

Subject	2015-16	2016-17	2017-18	(July-Feb) 2017-18	(July-Feb) 2018-19	%Change
Number of Passenger Carried (million)	52.2	52.4	54.9	35.9	39.9	11.0
Passenger Traffic Kms (million)	21201.0	22475.7	24903.8	16753.2	18745.8	11.9
Freight carried Tons (million)	5.0	5.6	8.4	5.2	5.3	2.9
Freight Tons Kms (million)	4773.5	5031.3	8080.0	4887.4	5269.6	7.8
Gross Earning (Rs. million)	36581.9	40065.0	49569.7	30891.2	34066.1	10.3

Source: Ministry of Railways







Air linkage

Pakistan International Airlines Corporation (PIAC) came into existence in 1955 as Public Sector organization. However, in April 2016 it was converted from a statuary organization to a company governed by Companies Act 1984, through Pakistan International Airlines Limited (PIAL conversion) Act 2016. At present PIA is passing through a dire financial state. However, the present government is very keen to make itself-reliant. Efforts are underway to improve the financial health of the corporation by reducing its losses through various means and modes. Stringent action is being taken against corruption and mismanagement.

PIA follows calendar year for financial and operational matters. The overall performance of PIA for 2018 is given below;

Table 13.8: PIA Performance

Indicators	Units	Year 2015	Year 2016	Year 2017	Year 2018
PIA Fleet	No. of planes	38	38	36	32
Route	Kms	367,251	382,057	360,937	332,303
Available Seat	millionKms	16,666	19,196	19,108	18,081
Passenger Load Factor	in percent	70.3	71.6	73.20	77.3
Revenue Flown	000 Kms	67,630	79,842	75,207	70,089
Revenue Hours Flown	Hours	111,455	131,838	122,081	110,050
Revenue Passengers Carried	000 nos.	4,393	5,487	5,342	5,203
Revenue Passengers	millionKms	11,711	13,751	13,988	13,975
Revenue Tonne	millionKms	1,191	1,375	1,469	1,472
Revenue Load Factor	in percent	48.9	49.2	55.2	58.4
Operating Revenue **	Rs. million	91.269	89,842	-	100,051
Operating Expenses **	Rs. million	121.222	125,961	-	170,447
Available Tonne	millionKms	2,435	2,798	2,659	2,521

* PIA financial year is based on calendar year i.e. January to December.
**Revenue & Cost is based on provisional / estimated & un-audited accounts
Source: Civil Aviation Authority

Despite financial constraints and tough and uneven competitive environment, PIACL gave a stable performance during 2018. To reduce losses, PIA had to take measures like route rationalization and suspended its loss making routes.

PIA is in the process of its Strategic Business Plan 2019-23 to improve its performance:

i. Launching of profitable new routes like Silakot-Sharjha, Lahore-Muscat, Islamabad-Doha and Lahore-Bangkok-Kualalalmpur. These routes are going very strong and economically viable
ii. More new routes have been started which include; Sialkot-Paris-Barcelona, Peshawar-Sharjha, Peshawar-Al Ain and Multan-Sharjha
iii. Increasing frequencies and capacity on profitable routes like Jeddah and Madinah coupled with closure of loss making routes like New York, Salalah (Oman), Kuwait, Mumbai
iv. Stoppage of all officiating and extra allowances given on additional assignments to officials
v. Ban on overtime allowances in all cadres along with monitoring of flights by senior officials
vi. Increasing regularity and punctuality of flights by assigning target to be achieved 90

percent

vii. Improvement in flight services, training of crew and regular monitoring

viii. Introduction of executive economy class on European and Gulf sectors which are attracting more customers

ix. Rationalization of fares according to market demand thus helping in increase of seat factor

x. Delays of flights have been cut down significantly by better planning in engineering, flight operation and ground handling departments

xi. Special emphasis on cargo business with monitoring of performance, rationalization of cargo fares and more effective liaison with all stakeholders

Future Plan:

- PIA is in process of acquiring new aircraft for its fleet. Presently, a tender has been floated for four narrow body aircrafts according to PPRA rules
- PIA has submitted its business plan to the federal government and now it is under consideration for approval of Federal Cabinet.

Maritime Linkage

Pakistan National Shipping Corporation (PNSC)

PNSC has achieved substantial growth in revenue of 35 percent (from Rs.1,272 million to Rs.1,717 million) in managed bulk carrier segment and growth of 28 percent (from Rs.3,001 million to Rs.3,833 million) in liquid cargo segment through its managed vessels. The present government encouraged the use of alternative energy, which is cost effective, and environment friendly as compared to furnace oil. Restrictions were imposed on import of furnace oil resulting in energy shift towards inexpensive Liquefied Natural Gas (LNG), which hampered the operational revenue of PNSC through foreign flag tankers chartering with a decline of 71 percent (from Rs.1,690 million to Rs.491 million). Likewise, there is a decline of 7 percent (from Rs.1,41 0 million to Rs.1,317 million) in slot charter segment, which is also primarily due to the reduction in the import of public sector cargoes. Cumulatively, PNSC achieved a turnover of Rs.7,478 million (including Rs.1,928 million from PNSC) as compared to Rs.7,522 million (including Rs. 3,249 million from PNSC) for the corresponding period last year. Fleet Direct operating expenses decreased to Rs. 5,500 million (including Rs.1,104 million from PNSC) from Rs.5,747 million (including Rs.1,738 million from PNSC), thereby resulting in gross profit of Rs.1,852 million as against Rs.1,656 million for the same period last year. Despite of some adverse factors, PNSC profitability has increased by 61 percent with profit after tax of Rs.1,402 million during this period against Rs.872 million in the same period last year ensuring the best utilization of resources. Earnings per share for the PNSC increased to Rs.10.62 against Rs.6.60 in previous corresponding period.

Two LR-1 tankers are added in PNSC's managed fleet namely "M.T. Bolan" and "M.T. Khairpur". These additions have increased the PNSC's managed fleet deadweight tonnage to 831,711 tons, which is largest in the history. The new inductions of oil tankers in managed fleet not only cater the demand of Motor Gasoline transportation but also impart modern technological advancements on board. These inductions will also curtail reliance on foreign-chartered vessels for oil transportation, to encounter the existing and foreseeable external challenges, and to gear up for current and future economic challenges.

1. Commercial and financial performance

The commercial and financial performance (un-audited) breakup covering nine months activities from 1st July 2018 - 31st March 2019 of PNSC are given in the following tables:-

a) Commercial performance:

Table 13.9: Commercial performance				
MONTH	**Tanker**	**Chartering**	**SLOT Consolidated**	
Total FY 2018-19	Liquid Cargo (MT)	Dry Cargo (MT)	TEUs	BB/LCL
	5,689,648	1,607,719	1722	26,165

b) Financial performance:

The current FY Jul 31st 2018 - Mar 31st 2019 (9 months) financials are as under:

Table 13.10: Financial performance	(Rupees in 000)
Financial Results	**July 18 - March 19**
Revenue	7,478,425
Expenses	(5,626,795)
Gross Profit	1,851,630
Other Income	1,052,091
Administrative, Other Expenses & Finance Cost	(1,338,544)
Profit before Tax	1,565,177

2. Future plans

PNSC has planned Fleet Development Program (FDP) into short, medium & long term. PNSC has recently acquired two (02) LR-1 product tankers, which will boost PNSC's cargo carrying capacity and would further contribute to increase in revenue generation of the Corporation. While, in medium term PNSC intends to expend its dry bulk and liquid fleet and also intended to get into transportation of LNG and LPG business. However, in long term the ultimate objective of corporation is to enhance and maintain deadweight carrying capacity of over 1.5 million tons by 2025.

3. Fleet strength:

PNSC's current fleet comprises of 11 vessels (4 Aframax tankers, 2 LR-1 product tankers and 5 bulk carriers) with a total deadweight (DWT) capacity of 831,711 metric tons and contributes significantly to Pakistan's imports and export volumes whereas on the other hand operate worldwide earning foreign exchange for the government exchequer.

Table 13.11: Fleet strength				
Vessel Name	**Bullt**	**Deadweight**	**Length Overall**	**Gross**
		MT	**M**	**MT**
M.TQUETTA	JAPAN 2003	107,215	240.80	58,119
M.TLAHORE	JAPAN 2003	107,018	246.80	58,157
M.TKARACHI	JAPAN 2003	107,081	216.80	58,127
M.T SHALAMAR	JAPAN 2006	105,315	228.00	55,894
M.TBOLAN	KOREA 2013	74,919	220.89	42,411
M.T KHAIRPUR	KOREA 2012	74,986	220.89	42,411
		Bulk Carriers		
M.VCHITRAL	JAPAN 2003	46,710	185.73	26,395
M.V MALAKANO	JAPAN 2004	76,860	225.00	40,040
M.V HYOERABAD	JAPAN 2004	62,951	188.50	29,385
M.VSIBI	JAPAN 2009	28,442	169.37	17,018
M.VMULTAN	JAPAN 2002	60,244	180.80	27,086
	Total	**831,711**		**455,043**

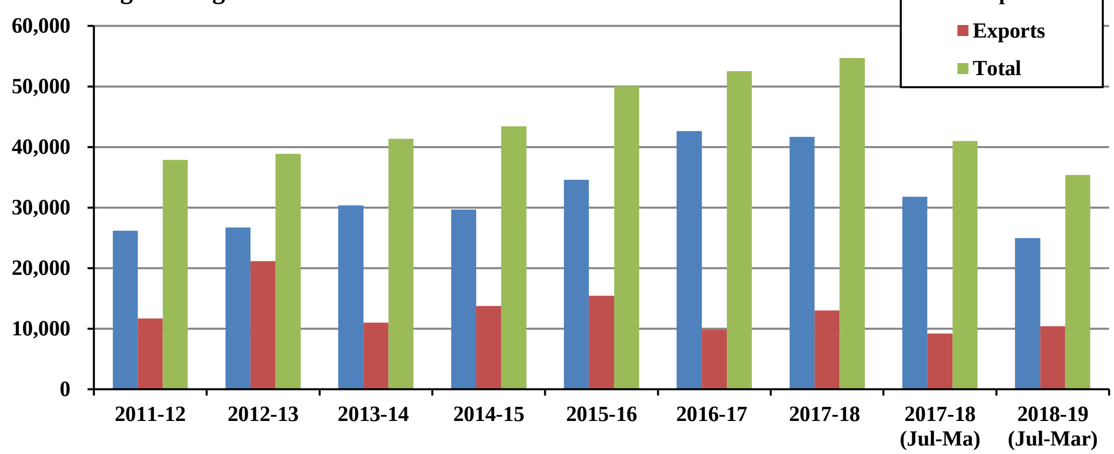
Karachi Port Trust

The Karachi Port Trust operational performance during FY 2018-19 (July-March) stood at 35,361,000 tones. The export cargo handled 10,415,000 tons as compared to 9,206,000 tons last year, showing a substantial increase of 13 percent, while volume of import cargo stood at 24,945,000 tons, as against the 31,379,000 tons handled last year, showing a decrease of 22 percent. The restricted import is due to government measures to discourage non essential imports. The details are as under;

Table 13.12: Cargo, Container Handling & Ship Movement At Karachi Port **(000 tons)**

Fiscal Year	Imports	Exports	Total	%Change		
				Imports	Exports	Total
2011-12	26,201	11,674	37,875			
2012-13	26,700	21,150	38,850	2	81	3
2013-14	30,343	11,007	41,350	14	-48	6
2014-15	29,672	13,750	43,422	-2	25	5
2015-16	34,594	15,451	50,045	17	12	15
2016-17	42,638	9,855	52,493	23	-36	5
2017-18	41,669	13,016	54,685	-2	32	4
2017-18 (Jul-Ma)	31,789	9,206	40,995			
2018-19 (Jul-Mar)	24,945	10,415	35,361	-22	13	-14

Fig-2: Cargo handled at KPT



Port Qasim Authority

The Port Qasim Authority achieved good results in the first nine months of the year posted a total growth of 12.6 percent in total traffic**.** The port operational performance during FY 2018-19 (July-March) stood at 36.580 million tonnes, showing an increase of 12.6 percent over the corresponding period of last nine months of 2017-18.

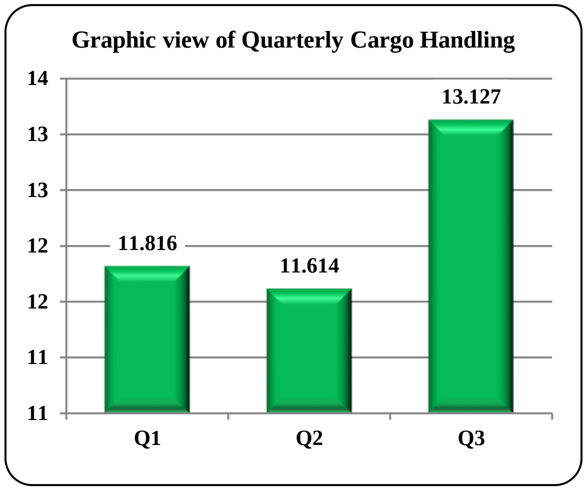
The growth of 12.6 percent in total traffic during the financial year 2018-19 is attributed in Coal, LNG, Chemicals, Cement, Palm oil and Mogas. Out of 36.580 million tons of total traffic, dry bulk cargo/break bulk cargo was 13.696 million tons (37.4 percent) liquid cargo was 11.852 million tons (32.4 percent), and containerized cargo was 11.032 million tons (30.2 percent). Port handled 0.797 million TEUs of container traffic during this year, showing an increase of 7.8 percent over the same period of last year container handling of 0.739 million TEUs. In terms of imports and exports, imports accounted for 85.5 percent and exports 14.5 percent of total trade.

Imports

The volume of import cargo during July-March 2018-19 stood at 31.293 million tons, as against the 27.342 million tons handled during corresponding period last year, showing an increase of 14.4 percent

Exports

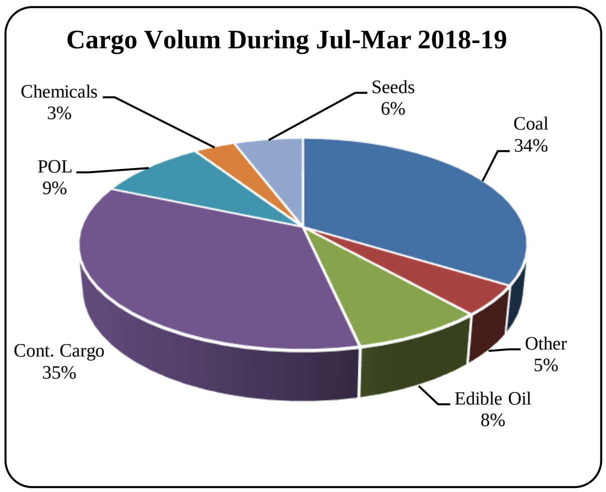
The export cargo handled 5.287 million tons during first nine months of financial year 2018-19, as compared to 5.127 million tons handled during corresponding period 2017-18, showing a substantial increase of 3.7 percent, export cargo comprised 4.229 million tons (80 percent) containerized traffic, 0.995 million tons (20 percent) non-containerized cargo.



View of graphic shows that the third quarter of fiscal year is the highest quarter of financial year 2018-19, reaching over 13.127 million tons, while average cargo handling remained at the port at 12.193 million tons per quarter during July-March.

Cargo Composition

Cargo composition graph shows that containerized cargo throughput is largest cargo which represented over 30 percent of total cargo, the second largest imported cargo was the coal represented 29 percent of total throughput, and third largest imported cargo was the LNC which represented 74 percent of total cargo throughput.



Ship Callings

Ship-Callings registered a slight growth of 1.15 percent during the under review period, where a total of 1,139 ships have been visited at Port, which is comprises 371 Container ships and 768 Non-Container ships.

Five Years Port Statistics

Table 13.13: Five Years Port Statistics (Figures in million Tons)

Period	Total	Imports	Exports
2013-14	25.775	18.076	7.699
2014-15	30.014	21.608	8.405
2015-16	33.0321	25.587	7.464
2016-17	37.358	30.995	6.363
2017-18	45.555	38.471	7.084
2018-19 Jul-Mar	36.580	31.293	5.287

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 (Jul-Mar)
Total	25.775	30.014	33.032	37.358	45.555	36.58
Import	18.076	21.608	25.587	30.995	38.471	31.293
Export	7.699	8.405	7.464	6.363	7.084	5.287

Gwadar Port

Gwadar Port is the Port on the southwestern Arabian Sea Coastline in Balochistan, province of Pakistan. It is the second greatest monument of Pak-China friendship after Karakoram Highway linking Pakistan and China. Gwadar Port is about 630 km away from Karachi and 120 km from the Iranian border. It is located at the mouth of the Persian Gulf, outside the Strait of Hormuz, near the key shipping routes in and out of the Persian Gulf.

Port Operators

The government has signed a concession agreement with Singapore Port Authority International (PSAI) in 2007. But there was no considerable progress till 2013.

In May 2013, the port's Concessional Rights were transferred to the new operator, viz China Overseas Ports Holding Company Limited (COPHCL). Since the concessions were handed-over to COPHCL, it has been working on improving port facilities, surrounding environment and port businesses. The port operator had invested more than $ 40 million for port facilities up-gradation. This is now fully operational and receiving commercial vessels on regular basis since March 2018.

Gwadar Port Free Zone

- The construction of Free Zone Phase-I has been completed with all infrastructures, including power, water, road, telecommunication, waste treatment, drainage systems are now in operation. More than 30 enterprises, involving the fields of banks, insurance, financial leasing, hotels, warehouses, fishery products processing, edible oil processing, pipe, furniture manufacturing, electric vehicle assembly, trade and logistics, have already been registered in Free Zone.

- Following 03 companies have completed the construction;
  - M/S China Communication Construction Company (Business Center)
  - M/S Linyi Trade City (Exhibition Center) and
  - M/S Yulin Company (Steel Tube Industry)

  02 companies have started the construction, namely as M/S Delight Food Industries (Extraction of edible oil) and M/S HK Sons (copper recycling & processing). However, despite the completion of their units these companies will not be able to start the operations in the absence of Free Zone rules and policy.

  They are unable to import raw materials due to non-availability of Free Zone incentives for businesses to be established in Gwadar Free Zone.

- Work on the main Free Zone on 2,220 acres of land will be started soon for which China Port Holding Company (COPHC) has completed the master planning and feasibility work.

Commercial Activities

Gwadar Port has handled last year around 7.156 Metric Ton cargo from 53 ships. The Chinese Operator is working on increasing the number of ship calls at the port. Two ship-liners (COSCO & Sino-Trans) are calling regularly at the port. From 7th March, 2018 weekly container service has been started by COSCO.

Table 13.14: Summary of trade/Cargo Data from March 2018 to February 2019

Total Cargo	7,156 Metric Ton
Total Import	375.482 Metric Ton
Total Export	3401.105 Metric Ton

Communication

Information and Communication Technology Sector

The telecommunication market in Pakistan is open and deregulated, offering level playing field to operators. The sector was de-regulated in 2003 after the promulgation of the de-regulation policy. Resultantly, two new cellular mobile licenses were awarded to M/s Telenor and M/s Warid through an open auction. Later on, China Mobile acquired Paktel and started providing mobile cellular services. In addition, multiple Long Distance & International (LDI) and Local Loop licenses were granted to local and international companies. Frequency spectrum was also auctioned to different companies for Wireless Local loop (WLL) operations.

1. Telecom Sector

A. Policy Interventions

i. Revision of Policies for Device Identification, Registration and Blocking System (DIRBS) 2018-19:

With the aim to curtail the counterfeit mobile phone market, deter mobile phones theft and to protect consumer interest in line with the duly approved Telecom Policy 2015 issued by Ministry of Information Technology & Telecommunication, PTA developed/established a "Device Identification Registration & Blocking System (DIRBS)"in collaboration with all Cellular Mobile Operators. DIRBS acts as a central system and database for all network operators to share and synchronize information about black listed mobile devices to deny operations to such unauthorized devices on any network. The system besides above mentioned benefits also enables a unique opportunity to eliminate smuggling of new and used mobile phones as only white listed devices i.e. those with valid IMEIs formally cleared by the PTA/Customs, will be allowed to operate on the networks, henceforth.

ii. Determination of underserved areas for the launch of Next Generation Broadband in under-served areas of Pakistan.

The Universal Services Fund Company (USF Co.) launched projects to provide telecommunication coverage to approximately 12,000 unserved Mauzas with a population of around 15 million, across all provinces of Pakistan. In these areas, provision of telecom services was not commercially viable for Telecom Operators and without intervention from USF Co., the general population would have remained deprived of telecom connectivity.

The new flagship program of USF Co. is the Next Generation Broadband for Sustainable Development (NG-BSD). This program provides enhanced Broadband data rates (512kbps) to Unserved and Underserved population of the country facing limited or no data coverage.

The Federal Cabinet approved the declaration of the following areas as Underserved for inclusion in USF's Program, aimed at the provision of Next Generation Broadband to a population of 30,435,725 in 11,915 Under-Served Mauzas of Pakistan: Pishin, Nasirabad, Mastung, Turbat, Sukkur, Dadu, Mirpurkhas, Larkana, Chitral, DG Khan, Bahawalpur, Bahawalnagar and Rahimyar Khan.

iii. Spectrum Plan

A comprehensive draft Spectrum Plan and Strategy is prepared by the close collaboration of stakeholder including MoITT, FAB, PTA and spectrum veterans. The draft has been improved during the year 2018 and approval process for same is being initiated during the current fiscal year.

iv. Cyber Governance

The formulation of Cyber Governance Policy is in process and all stakeholders are being taken on board.

B. Infrastructure Development in Unserved and Underserved Areas of the Country

Through the Universal Service Fund, this Ministry is committed to minimize the Information and communication gap between rural and urban communities. To connect the unconnected in the unserved and underserved areas of the country, projects are being designed under different categories each bridging the gap of necessary services and associated systems.

i. Broadband for Sustainable Development (BSD) Program

A flagship program to establish telecommunication infrastructure that provides coverage of Voice and Broadband Internet Services to unservedmauzas across the country. More than 7,000 unservedmauzas across the country have been provided with coverage through USF. In current Fiscal Year, 925 mauzas have been served by USF under previously running projects. Whereas, Rs. 3 billion have been disbursed upon completion of different project milestones.

Furthermore, USF has launched a new project to provide services in 401 unservedmauzas of North Waziristan Agency, FR Bannu and FR LakkiMarwat. Necessary codal formalities are being completed for signing of contract worth Rs.135 million.

ii. Next Generation – Broadband for Sustainable Development (BSD) Program

The program offers enhanced broadband services along with voice services and has recently been ratified by Cabinet. The target areas are unserved and underserved mauzas.

Approximately 30 million un/underserved population in 46 districts will benefit from this program in next 4 years.

5 Lots to be auctioned this year have been designed targeting 4,000 mauzas in 12 districts namely Dadu, Jamshoro, Thatta, Matiari, Hyderabad, Tando Allahyar, Tando Muhammad Khan, Badin, Sujawal, Bahawalpur, Rahimyar Khan and Bahawalnagar.

iii. Next Generation BSD Program for National Highways and Motorways

It is a new program which is evolved from BSD program and has been launched in current financial year. The program targets unserved areas along the national highways and motorways across the country. It is estimated that around 7,700 kms of routes are un-served. A salient feature of this program is national roaming that facilitates commuters to get seamless coverage irrespective of their originally subscribed networks. These will be first of their kind projects to offer this facility in Pakistan.

In current fiscal year, USF has successfully launched a project to provide coverage along the unserved segments, spanning 669 kms, on National Highway 10 and national highway 25 (partially).

iv. Optic Fiber Cable Program(OFC)

USF Optic Fiber Cable program is concentrating on connecting the unserved Tehsil Headquarters (THQs) and major town enroute 6,951 kms of OFC has been laid and 84 THQs and Towns have been provided with the connectivity.

In current fiscal year, 59 THQs and major towns will be connected under OFC Khyber Pakhtunkhwa and OFC FATA Packages by laying more than 1,200 kms of Optic Fiber Cable.

v. Broadband Program

The program was initiated in 2007 whereby urban areas of 2nd and 3rd tier cities were provided with the broadband infrastructure. Additionally, broadband centers were to be established in educational institution, called Educational Broadband Centers (EBCs) and in public places, called Community Broadband Centers (CBCs). These centers provide shared access points to the intended sections of society.

By March 31, 2019 USF has covered 479 cities and towns and established a customer base of more than 780,000 subscribers. Additionally, more than 1300 EBC and 360 CBCs have been established.

In current financial year around 700 subscribers have been established along with 19 EBCs and 4 CBCs.

2. Information Technology Sector

Government's incentives for IT industry include:

- Zero income tax on IT exports till June 2025
- 100 percent equity ownership allowed to foreign investors
- 100 percent repatriation of capital and dividends allowed
- Three-year tax holiday for PSEB registered IT startups Tax holiday for venture capital funds till 2024.

IT Exports and Remittances

There has been a consistent growth in IT &ITeS-BPO remittances over the last 5 years, with 151 percent growth in IT &ITeS-BPO remittances at a compound annual growth rate (CAGR) of 20 percent, the highest growth rate in comparison with all other industries and the highest in the region. Pakistan's IT &ITeS-BPO exports are estimated to have crossed US $ 3.3 billion a year at present. In addition, export remittances earned by MSMEs and freelancers are estimated to be $500 million, whereas annual domestic revenue exceeds $1 billion.

Pakistan's IT sector has a promising future, brimming with talent, and with potential to become the largest export industry of the country. Already, IT industry is among the top 5 net exporters of the country with the highest net exports in the services industries.

Pakistan is the 3rd most financially attractive location in the world for offshore services, according to A.T. Kearney's Global Services Location Index. More than 300 international companies including Global enterprises like Bentley (R), Ciklum (R), IBM (R), Mentor Graphics (R), S&P Global (R), Symantec (R), Teradata (R), and VMware (R) have established global consulting services centers, research & development facilities, and BPO support services centers in Pakistan.

Foreign Direct Investment (FDI) inflow in the ICT Sector (IT & Telecom)

The reported FDI inflow in the ICT sector (IT & Telecom) for the period July 2018- January 2019 is USD 114.4 million.

A. Policy Interventions

1. Digital Pakistan Policy 2018

Taking into account the increasingly transformed role of information technology across all sectors of socio-economic development coupled with accelerated digitization Digital Pakistan Policy 2018 has been approved by the federal government to rapidly transform the IT and other sectors of economy for an enhanced economic growth.

This policy will serve as the foundation for the construction of a holistic digital ecosystem with advanced concepts and components for the rapid delivery of next generation digital services, applications and content. It will also provide opportunities for local entrepreneurs and firms to acquire core competencies, experience and credibility and become better positioned to compete at the international level. The implementation of Digital Pakistan Policy 2018 is in process.

2. Establishment of .پاکستان internet registry

The Internet Assigned Numbers Authority (IANA) has approved the establishment of .پاکستان Internet registry for Pakistan. NTC being the .پاکستان registry operator has completed and tested all the operational procedures for setting-up of said registry. Moreover, the case for the re-delegation of National Internet Registry (.pk) is in process.

3. E-Commerce

MoIT in-consultation with relevant stakeholders has formulated the e-commerce regulatory framework for the proliferation of e-commerce eco-system to safeguard the users and merchants' trust and will resolve longstanding barrier to growth of Pakistani e-commerce. Now, this Ministry is providing technical assistance to Ministry of Commerce for consolidation of all working groups' including working group on e-commerce regulatory framework's feedback into a National E-commerce Policy document.

4. E-Governance

MoIT through NITB, is in process of rolling-out the e-Office suite in the federal government to ensure efficiency, accuracy, effectiveness, good governance, transparency and accountability in decision making and delivery of efficient and cost effective public services to citizens of Pakistan. In this regard, the access of e-office suite software has been provided to more than twenty four (24) Ministries/Divisions and twenty four (24) attached departments, whereby, more than 8000 staff has been trained on the said e-governance system. E-Office services are being provisioned to these departments through federal government's secure and dedicated optical fiber network. Currently, the MoITT, in consultation with relevant stakeholders, is in the process of rolling-out the e-office suite in the provinces through a Public Private Partnership model in collaboration with local IT industry. The projects in this regard are as follows:

- **Centralized Procurement Plan for Federal Government:** A special procurement committee has been constituted, a Special Procurement Committee for centralized procurement of the ICT infrastructure to ensure e-Readiness of Federal Government Program. The committee shall be responsible for procurement of items subject to quantity and quality. NITB will assess the need of each Division objectively and the allocation of funds for the same shall be taken up with Finance Division.

- **Replication of e-office suite:** Under this project, the currently under progress e-office system is to be replicated to remaining ministries and attached departments. NITB is in process of completing this project in the year 2018-19.

C. Infrastructure Development for IT Facilitation

Establishment of Information Technology Parks

The Software Technology Parks (STPs) are a major factor in facilitating the IT companies and play a major role in the development of the IT industry. STPs house IT companies and professionals and act as software factories generating software and IT exports for the country every year.

A new state of the art IT Park in Islamabad is being established under financing from Korea Eximbank through the Economic Development Cooperation Fund (EDCF), spreading over an area of 14.9 acres of land. The construction of IT Park will be undertaken in two phases. Cost estimate for first phase is US$ 88.25 million for which loan agreement has been signed. It is expected that design and construction of IT Park will be completed by 2022. In addition to the above, the Ministry is in process of planning for undertaking the feasibility study to establish such state of the art technology parks in Karachi.

3. National Initiatives for ICTs (It &Telecom)

A. Innovation and Entrepreneurship in ICTs

National Incubation Centers

The government has a vision of accelerated digitization and transformation of Pakistan into a knowledge based economy to spur economic growth through innovation and entrepreneurship. Keeping in mind the critical role played by startups in economic growth, job creation, financial inclusion, reducing the income divide, and building a knowledge economy ignite under the auspices of MoIT, launched a program to build a network of National Incubation Centers (NIC). IGNITE has successfully established 5 NIC in federal capital and all provincial capitals of the country.

Today five NICs (Islamabad, Lahore, Peshawar, Karachi & Quetta) house 179 promising startups, which have been provided mentorship and networking by leading entrepreneurs, corporate chieftains, top professionals, investors and global entrepreneurial organizations through numerous events and meet-ups. Other facilities includerent free office space, high speed broadband internet, makers lab, usability labs, fintech lab, design thinking lab etc. These centers also offer curriculum that teaches pitching and learning by doing. Legal assistance, coaches, vertical mentors, financial experts and trainers are also available to nurture Incubates.

B. Peoples Development Programs

i. Digital Skills Training Program for Freelancing

The digital skills training program was inaugurated in August 2018, to train one (1) million people across the country over a period of 2 years. The digi skills Program is aimed at equipping our youth, freelancers, students, professionals, etc. with knowledge, skills, tools & techniques necessary to seize the opportunities available internationally in online jobs market places and also locally to earn a decent living. The program aims at not only developing key specialized skills, but also imparting knowledge about various freelancing and other employment and entrepreneurial opportunities available internationally and locally. Due to limited employment opportunities, it is essential for upcoming workforce to have necessary knowledge and abilities to grab such opportunities. This is envisaged to be achieved through a national level program, which will train target audiences in freelancing and other specialized skills.

ii. ICT for Girls

Universal Service Fund's "ICTs for Girls" program is aimed at spurring the socio- economic uplift of girls through digital learning. As part of this program, 120 state of the art digital labs have been established throughout Pakistan at the women empowerment centers and 24 other educational institutions at a cost of PKR 260 million. 150 master trainers have been trained with the help of Microsoft, Facebook and UN-Women. Through this program around 15,000 girls will be trained annually

The second wave of this program, at a cost of Rs 810 million, has also been launched to train over 110,000 girls per year at 226 girls' schools of Islamabad being run by federal directorate of education. USF is also funding the hiring of 202 teachers for these computer labs. Under these projects, 6,372 computer terminals have been set up throughout the country. Through this mega project, the ultimate objective is to increase the employability potential of this disadvantageous section of society.

iii. Capacity Building of IT Industry

PSEB has assisted quality certification of 03 IT companies at ISO 27001:2015 and 02 at ISO20001. Whereas, certification of 06 IT companies is in progress on ISO 27001/20001. Moreover, PSEB has also assisted one IT company on CMMI Level-5

iv. ICT for Special Persons

USF has recently launched a special project to establish 6 state of art specialized Information Communication Technology (ICT) facilities at the national library and select institutions located in Islamabad Capital Territory. All these labs have been equipped with modern ICT equipment and relevant assistive technologies catering to the specific disability\disorder.

v. Digital Platforms for Underserved

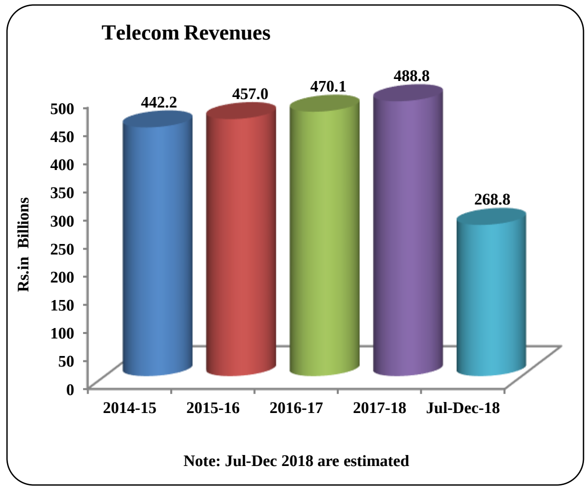
With advancement of technologies, proliferation of digital platforms and enabling apps, user behavior is shifting from voice and data centric services to app-centric centric services. Realizing this shift, USF is in process of establishing platforms for the un/underserved communities of Pakistan.

C. Funding Technical Innovative Products (ICT)

Technology startups are considered to be the epicenter of innovation and are fueling the growth of economies worldwide by creating new jobs, contributing to the GDP and raising the standard of living. Some of the success models around the world are South Korea and Singapore etc. The Government of Pakistan has also realized the importance of supporting an innovation and entrepreneurship culture in the country and has taken major strides in the past few years. This includes supporting cutting edge R&D and product development through supporting startups and joint industry-academia collaborations.

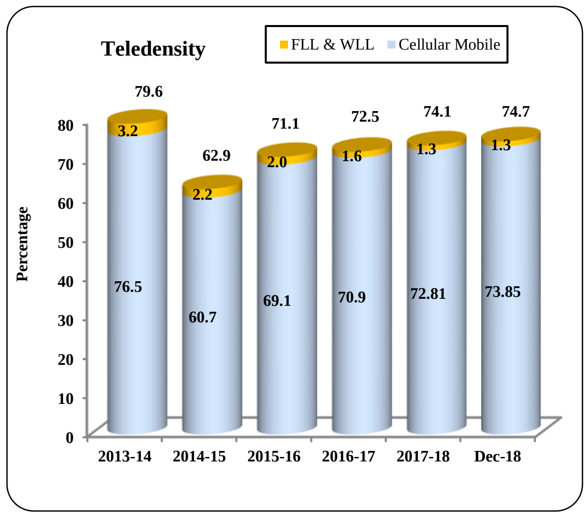
Ignite-National Technology Fund, under the Ministry of IT & Telecom has been focusing on 4th Industrial Wave Technologies over the past one year. This includes, but not limited to, the following areas:

- 3D/4D Printing
- Augmented Reality / Virtual Reality
- Big Data, Artificial Intelligence
- Blockchain
- Cloud
- Neurotech
- Robotics
- Shared economy
- The Internet of Things
- Wearables, Implantables



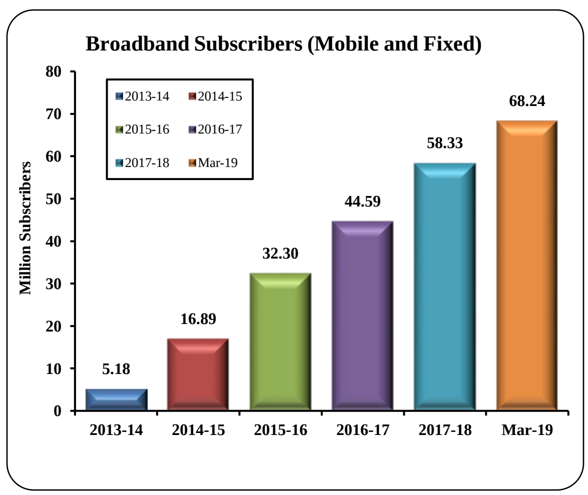
Telecom Sector

A brief account of progress achieved in the telecom sector in 2018-19 is reflected below with details of regulatory measure being taken by regulator during the year.



Telecom Sector Analysis

Telecom sector is playing pivotal role in Pakistan's economy where it is contributing directly and indirectly in employment generation, financial inclusion, attracting investment, providing innovation opportunities besides contribution of huge resources to national kitty in terms of taxes, duties and other levies. Telecom sector has emerged among the major foreign investment attracting sectors in the country. During the last 5 years, sector has attracted over US$ 2.6 billion FDI whereas a total of about US$ 4.5 billion have been invested by telecom players in Pakistan. In terms of overall investment in the telecom sector, the momentum that was started in FY 2012-13 for the up-gradation of telecom networks for 3G and 4G services has continued. Telecom operators have invested a significant amount of US$ 200.1 million during July-Dec 2018 to March. The main driver behind this investment is the cellular mobile sector, which has invested US $158.3 million during the first two quarters of FY 2018-19.

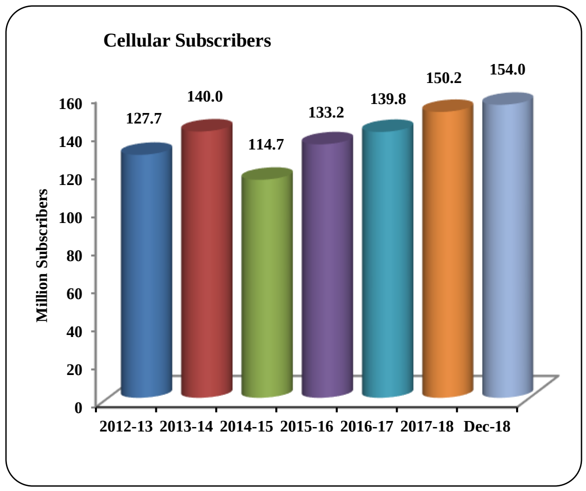


The commercial launch of 3G and 4G LTE services has opened new opportunities for revenue generation for the mobile operators. With a relatively difficult year, 2018 for Pakistan's economy, telecom sector stands tall in the overall economy and showed improvement in revenues during FY2018 whereby total telecom revenues stood at Rs. 488.8 billion during the year 2017-18. Revenues from telecom sector reached an estimated Rs. 268.8 billion during the first two quarters of FY 2018-19.

The progressive approach followed by PTA for providing ICT access to the citizens of Pakistan through international fibre optic cables, backhaul networks and wireless solution including 3G, 4G, LTE have resulted in more than 89 percent of the total population access to cellular mobile services of which 73 percent have access to 3G services and 69 percent have access to 4G services. Total teledensity reached 77.2 percent at the end of March, 2019 compared to 74.1 percent at the end of last fiscal year 2017-18. The prime driver of teledensity rise is the growth in cellular mobile subscribers.

Cellular Subscribers

By the end of March 2019, the total number of mobile subscriptions in Pakistan reached at 159 million with the net addition of 8.8 million subscribers during the July, 2018 to March 2019. Biometric re-verification of SIMs in 2014-15 had an adverse impact on the cellular subscriber base.

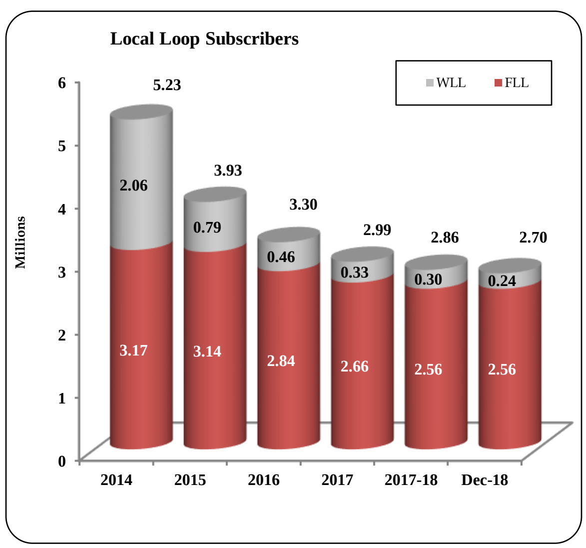


Broadband Subscribers

Mobile and Fixed Broadband subscriber base showed strong growth during July, 2018 to March, 2019. At the end of March 2019, broadband subscribers stood at 68.24 million as compared to 58.33 million at the end of last fiscal year 2017-18. The number of net subscriber additions during first nine months of 2018-19 stood at 10 million.

Local Loop Subscribers

The subscriber base of local loop segment has reached 2.70 million at the end of December 2018 as compared to 2.76 million as of June, 2018. FLL subscriber base has been steady as 2.56 million subscribers as of June and Dec, 2018) as reported by the operators. The closure of PTCL's WLL connections and the mobile substitution effect has resulted into gradual decline of the local loop subscriptions.



7th Highest Tax Paying Government Organization in Pakistan

PTA, has been ranked 7th largest tax paying organization among its peers in 2018 on its income to the Federal Board of Revenue. In addition, Telecom Regulator has generated over Rs. 209 billion during June 2013 to March 2019 through its levies, fee and other charges. The details of PTA contribution to government exchequer are given in Table.

Table 13.15: PTA Contributions (Rs. Billion)

Period	Federal Consolidated Fund (FCF)	Taxes Deposited with FBR	Total
2013-14	104.6	7.981	111.98
2014-15	7.0	7.284	14.28
2015-16	34.1	10.2	44.30
2016-17	33.3	11.429	44.73
2017-18	14.9	14.595	29.50
2018-19 (Jul –Mar)	15.1	1.84	16.94

PTA Elected as Chairman South Asian Telecom Regulators' Council (SATRC)

Pakistan held successful 19th meeting of SATRC, in December 2018 in Islamabad. Representatives from 9 countries of Asia Pacific Region, namely Afghanistan, Bangladesh, Bhutan, Iran, India, Maldives, Nepal, Sri Lanka as well as from United Kingdom, Indonesia, Malaysia and Thailand attended the meeting. During the meeting election for new chairman of SATRC was held and all member states unanimously elected chairman PTA as Chairman SATRC for next term. PTA has also been nominated as Chairman of Policy Regulations and Services (PRS) working group of STARC. The working group will be concentrating in the areas of regulatory approaches to enhance QoS of mobile operators, digital financial services and harmonizing ICT indicators in SATRC.

Local Manufacturing & Assembly of Mobile Handsets

In order to encourage development of local manufacturing of mobile handsets, PTA took an initiative by introducing a regime enabling PTA type approval holder companies to setup plants in Pakistan for manufacturing/assembly of mobile handsets. This initiative was first strategic step towards encouraging local manufacturing of mobile handsets in Pakistan. After introduction of this regime, over 16 companies have obtained permissions for local assembly of mobile handsets and have installed assembling plants that are fully operational. On average, a total of 3.3 million handsets are being assembled each month in Pakistan. This step of PTA has created over 3,200 jobs in the market and enabled young professionals to have skill development in this specialized field.

Reducing Retail Tariff for Mobile Services

Mobile Termination Rates (MTR) plays a critical role in driving the retail tariffs especially for off-net calls. In view of the changing market structure of the cellular mobile segment and considering that the last change in MTR was made in 2010, a review of the existing MTR @ Rs. 0.90/min was required in Pakistan. Based on the comments, hearing and meetings, the authority has reduced the MTR for all types of calls i.e. local, long distance and international incoming calls) terminated on mobile networks from other mobile networks or fixed networks from Rs. 0.90 to Rs. 0.80 from 1st January 2019 which will be further reduced to Rs. 0.70 by 2020. Subsequently, the MTR will be reviewed in coming years in line with international best practices.

Encouraging Financial Inclusion

NFIS council's approved Assan Mobile Account (AMA) scheme that requires establishment of a unified Unstructured Supplementary Services Data (USSD) platform through a Third Party Service Provider (TPSP). PTA has issued 2 licenses of TPSP that will be instrumental for interoperability and launch of AMA scheme aimed to bring huge unbanked population in banking channels. PTA held a series of meetings with industry and SBP for the integration of CMOs and TPSP. Currently, MoUs have been signed between TPSP licensee and all CMOs, and TPSP has completed Proof of

Concept (POC) activities with PMCL (Jazz), Telenor and Ufone. End-to-end testing has been completed. A successful live demo of AMA system was presented to Finance Minister on 17th October 2018. PTA expects that AMA scheme will be operational shortly in collaboration with State Bank of Pakistan.

In the mobile banking market, mobile wallet accounts and agents are playing instrumental role. The biometrically verified SIMs have facilitated the growth of m-wallet accounts during last few years and significant growth has been seen i.e. m-wallet accounts in Pakistan were only 20 million in 2016 which have grown to 39 million in 2018..

Quality of Service Surveys

PTA continuously strives to ensure that the consumers of telecom services get the best quality telecom services. PTA already issued QoS Regulations, therefore in order to monitor the compliance status, during the Jul-Dec 2018, PTA has conducted Quality of Service (QoS) survey jointly with Cellular Mobile Operators (CMOs) using NEMO automated QoS tools. During the period, a total of fifteen (15) cities of Pakistan (Bahrain, Madyan, Kalam, Naran, NathiaGali, MalamJabba, Peshawar, Quetta, Ziarat, Lodhran, Multan, Mirpurkhas and Badin) have been surveyed. The performance of data services of CMOs has been checked by measuring user data throughput and signal strength Key Performance Indicators(KPIs). The quality of data and voice exchange on the cellular mobile networks has been measured for all the CMOs under several indicators. It can be observed that all operators are meeting the standard for Signal Strength (RSCP) of 3G, network accessibility, service accessibility, call completion ratio, inter system handover of circuit switched voice, sms success rate and end-to-end SMS delivery time. Results of the survey are available for general public on PTA website.

Standardization of BVS Devices to Ensure Security Features of SIM Issuance Process

Pakistan Telecom Authority introduced Biometric Verification System (BVS) for mobile users back in the year 2014 and currently all users have been properly verified. However, PTA received a few complaints regarding misuse of the BVS devices. Analysis revealed that some BVS devices, being used for issuance of SIMs are substandard and lack security features. PTA took an initiative to conduct an on-ground check of BVS devices in the market for which, services of a 3rd Party vendor were sought. After thorough study, hardware and software specifications, Live Fingerprint Detection (LFD) functionality and device communication & physical security parameters were checked during the exercise. On the basis of activity observations/recommendations, the SOP for SIM sale and verification has been revised by PTA and the same is currently being finalized in consultation with stakeholders.

Public Wifi

PTA has recently laid down the regulations on "Data Retention of Internet extended to WiFi-Hotspots" aimed to expand wifi access on public places. These regulations are for the access providers and class licensing registration licensees with the mandate to register, maintain and retain information of person(s) using data services through Wi-Fi Hotspot at public places. The owners of public Wi-Fi Hotspot are required under these regulations to maintain a log of information of the users for ‘minimum six months’. We expect that service provider will be able to provide wifi services all across the country on public places that would be helpful for consumer to remain connected all the time.

Re-designed Complaint Management System

PTA has launched a new official mobile responsive consumer complaint management system in November 2018. The aim of the re-designed system is to provide ease and facilitation to the general public for lodging of online complaints through user-friendly interface. The system will resolve complaints within the stipulated turn-around time and consumers will also be able to check the online status of submitted complaints though centralized automated application. Consumers can lodge their complaints by providing necessary required information. The web system is also mobile responsive and user can easily access it through their mobile devices.

Fund raising for Diamer Bhasha and Mohmand Dam

Honorable Supreme Court of Pakistan took initiative to raise funds for construction of Diamer Bhasha and Mohmand Dam and vide its order dated 11th July 2018 directed to setup a Toll Free number and short code for fund raising through donations. Accordingly, PTA issued instructions to operators and extensive coordination among operators and Honorable Supreme Court of Pakistan was made for smooth functioning of the system. Under the arrangement, people can send SMS to 8000 to donate Rs. 10/- for Dams construction under which CMOs have collected so far an amount of Rs. 146.4 million through donations. Further PTA issued instructions to NTC, PTCL and all other operators to make SBP's UAN 021-111-727-273 as Toll Free. It happened first time that a UAN was made Toll Free with necessary technical and billing adjustments at the end of each FLL, CMO and WLL in Pakistan.

Table 13.16: FLL and WLL Subscribers

Financial Year	Telephones (FLL & WLL)	Broadband Connections (Mobile& Fixed)	Mobile Phones
2013-14	5,231,731	3,795,923	139,974,754
2014-15	3,931,296	16,885,518	114,658,434
2015-16	3,295,169	40,147,991	133,241,465
2016-17	2,986,310	44,586,733	139,758,116
2017-18	2,884,889	58,339,814	150,238,653
Mar-19	2,798,606	68,244,373	159,024,257

Note: FLL and WLL Subscribers as of December 2018

Pakistan Electronic Media Regulatory Authority

Pakistan Electronic Media Regulatory Authority (PEMRA) is now in its 17th years and during these years, the country has witnessed unprecedented growth in the number of TV channels and FM Radio stations as well as distribution networks i.e. cable TV, IPTV and MMDS in the private sector in the South Asian region.

The private electronic media has come a long way since 2002 when Pakistan was only dominated by the state-run Pakistan Television and Pakistan Broadcasting Corporation. Now with almost 88 Pakistani electronic media channels and more than 37 channels with landing rights permission in Pakistan, the role of PEMRA has never been more important. 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 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, locally and portraying progressive image of Pakistan, globally. A glance at the following facts and figures on licensing of media amply substantiates growth, which has taken place in electronic media in private sector in the last seventeen years:

Licensing Status:

Table 13.17: Licensing Status	
Satellite TV Licences Issued:	**88**
i. News & Current Affairs:	26
ii. Entertainment:	37
iii. Regional Languages;	18
iv. Specialized Subject :	04
v. Health:	01
vi. Sports:	01
vii. Agriculture:	01
FM Radio Licences Issued:	**240**
i. Commercial:	182
ii. Non Commercial:	58
Cable TV Licences Issued:	**4,007**
Landing Rights Permissions Issued:	**37**
Mobile TV (Video & Audio Content Provision)	
Service Licensing:	**5**
Internet Protocol TV (IPTV) Licences Issued:	**5**

Licensing During July 2018– March 2019

Table 13.18: Licensing During July 2018– March 2019

Category	Number of licenses
i. Landing Rights Permission to TV Channels	06
ii. FM Radio Licenses	14
iii. Cable TV Licenses	609
a). New Licenses	193
b). Renew	416
iv). Internet Protocol TV (IPT) Distribution Service Licenses	02
v). Mobile TV (Video & Audio Content Provision) Service Licensing	01

Financial Contributions

Besides collecting advance tax from licensees at the time of issuance of licenses and their renewal, PEMRA, has deposited significant amounts in the federal consolidated fund, year wise detail is as under:

Table 13.19: Financial Contributions of PEMRA

Financial Year	Fines & Penalties (in Rupees)	Surplus (in Rupees)	Total (in Rupees)
2012-2013	2,986,800	8,337,636	11,324,436
2013-2014	1,894,750	205,537	2,100,287
2014-2015	22,746,500	20,077,535	42,824,035
2015-2016	6,588,000	481,304	7,069,304
2016-2017	25,983,500	5,287,295	31,270,795
2017-2018	11,161,999	390,912	11,552,911
2018-2019 upto Feb-2019	3,187,000	-	3,187,000
Total	**74,548,549**	**34,780,219**	**109,328,768**

Economic Contribution

Media landscape of the country has grown manifold over the last few years. This sector is contributing significantly in building broadcasting apparatus in the major cities of Pakistan and generating sizeable jobs opportunities for the youth, aspirant to pursue carrier in electronic media. Over the period cumulative investment of approximately U.S. dollar 3.5 billion has been estimated in electronic media industry of Pakistan.

The sector is providing employment to more than 200,000 people in the field of journalism, management and technical. New licensing of Direct-to-Home (DTH), satellite TV channels, FM radios, teleport services would contribute in accommodating youth in different fields. In this regard, 3 licences for launching DTH in Pakistan have been approved by the authority. One of the company i.e. M/s. Shahzad Sky Pvt. Ltd. will start its operations by end of this year. Moreover, new licences would inject investment of approximately US $2 billion in various projects. PEMRA being the regulator for electronic media is exploring news regimes for licensing such rating services, OTT (Over the Top), Teleporting etc. which would generate more job opportunities for the people in Pakistan.

Pakistan Television Corporation Limited

At present PTV is operating 7 multiple channels like PTV Home, PTV News, PTV Sports, PTV Global, PTV National, PTV Bolan and PTV World. Pakistan Television covers 100 percent area of population on terrestrial network.

Modernization of Camera and Production Equipment of PTV

The old electronic equipment of one studio each at PTV Centre Karachi, Lahore, Islamabad, Peshawar and Quetta has been planned to be replaced with state of the art and technically updated equipment. A package of Rs 555.590 million has already been accorded by the government through PSDP program.

No of registered TV sets holders as on 31st March, 2019 are: - 19,138,693

Pakistan Broadcasting Corporation

Pakistan Broadcasting Corporation is one of the most important and effective electronic media organization for the projection of governmental policies and aspirations of the people of Pakistan at home and abroad. It aims to provide information, education and entertainment to the masses through radio news and programs of high standard. It also counters adverse foreign propaganda and negative perceptions. Radio is playing significant role in promoting islamic ideology and national unity with the principles of democracy, freedom, equality, tolerance and social justice. It promotes national and local languages, culture and value. It also helps in discouraging sectarianism, provincialism and terrorism.

An amount of Rs. 4,552,847,980/-budget was allocated to PBC to meet the employee’s related as well as operational expenditure for the year 2018-19 including Rs. 402,557,980/- as supplementary grant for pending liabilities of Pay/Pension/House Hiring/Operating Expenses.

1. Revival of Radio Pakistan

PBC emphasized revival of broadcast catering to the needs and aspirations of the masses. Some of the measures for revival of PBC include:

i. The construction of new building of broadcasting house at Dera Ismail Khan has been completed by Pak. PWD and functioning from 08.11.2018
ii. Establishment of a new vibrant and popular music channel “Dhanak”
iii. Re-broadcast of classic and famous radio dramas of the past
iv. Broadcast of special programs to pay tribute to legendary personalities
v. Radio Talent Hunt Shows for introduction of new, young and talented voices
vi. Music concerts to promote new singers and artists across the country

2. Special Audience Programs

PBC is addressing all segments of society and special audiences as well i.e. women, youth, children, labourer etc. to increase the scale of awareness about women & children health, education, security, social & legal rights, women empowerment issues etc. are also disseminated.

3. Audience Participated Programs

Audience participated music/children/youth/farmers/women programs are being arranged and broadcast in financial year 2018-19.

4. Introducing New Radio Formats

New Radio formats like radio shows, youth shows, road shows, morning/ evening/ night chitchat shows with phone-in, SMS/ phone request show, popular music & light musical programs have been launched from FM-93, FM-94 and FM-101.

5. Pakistan Day and Independence Day Celebration Programs:

PBC broadcast special programs in Urdu and all regional languages, special programs in connection with Pakistan Day and Independence Day 23rd March and 14th August from all stations and channels. These programs included talks, features, documentaries, national songs, and interviews of workers of Pakistan Movement, extracts from speeches of Quaid-e-Azam, dramas, special azadi shows, extensive lectures, seminars and mushaira.

6. Saut-ul-Quran Channel/Network

Recitation from the Holy Quraan and translation is aired from the Saut-ul-Quran Channel 19 hours daily to meet religious aspirations and love for Islam by the masses.

7. Special Programs with Rabi-ul-Awwal – 1440 Hijri (2018)

Special programs of around 205 hours were aired from 1st to 12th Rabi-ul-Awwal-1440 Hijri, which included special annual naat competition, provincial naat competitions in regional languages, live broadcast of National Seerat Conference, messages of the President, Prime Minister, Federal Ministers I&B and Religious Affairs and Interfaith Harmony, Naats, Features, Naatia Mushairas, Mahafil-e-Millad, Seminars etc.

Pakistan Post Office

Pakistan Post Office playing a vital role in the economic and social development of Pakistan through postal services broadly categorized as domestic and international postal services, financial services, savings bank, postal life insurance and agency functions such as collection of utility bills, payment of military pension, collection of provincial taxes, disbursement of funds under the Benazir Income Support Program (BISP) on behalf of federal and provincial government departments.

Pakistan Post's Recent Initiatives

Pakistan Post has recently taken important initiatives to provide the most efficient postal services to the people of Pakistan. The detail is under:

Same Day Delivery Service

The same day delivery services aims to facilitate the delivery of packets, documents within the city. Consignment is delivered the same day if booked before noon. The service was launched in November 2018 in 26 cities and would be extended to other cities in future.

Electronic Money Order (EMO)(Home Delivery)

EMO (Home Delivery) was launched in November 2018. An amount up to Rs. 50,000/- is delivered at the doorstep. The service is available through 83 General Post Offices (GPOs)EMO allows women and elderly to receive money at doorsteps without visiting post offices

EMS (Plus)

Pakistan Post has launched a specialized service for export sector. It aims to ensure delivery of parcel and packets worldwide in 72 hours. EMS Plus is modeled to compete with local and international courier companies. Rates are competitive with real time track and trace facility. The service will bring down business cost for small and medium exporters

Pakistan Post E-Shop

This initiative was launched in February 2019 to capitalize the fast growing E-commerce sector. Pakistan Post created its own web portal to register partners through launching of Pakistan Post Online E-Shop which offers partnership for delivery, collection and return services, counter booking and co-branding in selling products. Pakistan Post has registered 580 partners to date and more than 21000 packets have been booked and delivered.

Partnership with NADRA

Pakistan Post and NADRA have signed an agreement for "Renewal / Modification of CNIC through Post Offices" on 20th June, 2017. Pilot project was launched in 10 POs & extended to 100 Pos. It will be extended to other 1000 postal locations. An amount of rupees one million is earned as revenue. This initiative has facilitated people in remote areas.

Expansion of Franchise Post Offices with NADRA

Pakistan Post has partnered with NADRA to offer postal and financial services through 15000 NADRA outlets. This will add to 12,000 postal locations, further expanding postal footprints in the country. This will allow Pakistan Post to use NADRA I.T solutions and e-Sahulat platform to deliver its remittance services digitally

International Remittances

Pakistan Post is partnering with National Bank to join Pakistan Remittance Initiative (PRI) for the delivery of international remittances through post offices. Under PRI, the oversees workers will send their remittances free of services charges. Pakistan Post will make payments through its postal counters. Service will be initially launched in 256 post offices, which will gradually be expanded to more than 3,000 locations

Improvement of Pakistan Post Complaint Management System (CMS)

Pakistan Post already has a Complaint Management System (CMS) connecting all controlling and field offices across the country. Pakistan Post has also modified the process of following the overflow of Pakistan Citizen Portal (PCP). The responsibility has been decentralized that has enhanced efficiency.

Counter Automation System

Over one hundred GPOs, including renovated post offices / sub offices throughout Pakistan, have already been provided with counter computerization facility for the better service quality to the customers through a LAN based system.

Centralized Software Solution For Financial Services

Pakistan Post is disbursing pension to more than 1.33 million pensioners of Defense Force during the year 2018-19 through its wide network of Post Offices.

Pakistan Post introduced Complaints Management System (CMS) for handling complaints of Military Pensioners through mobile/Email on priority basis.

Computerized Pension Payment System

Over 1.4 million pensioners have been drawing pension from Pakistan Post through computerization of military pension payment system, which is available at all GPOs. The pensioners are receiving the pension in a hassle free environment. Pakistan Post is also disbursing pension to over 40,000 PTCL pensioners every month. In an effort to streamline payment of pension to PTCL pensioners, Pakistan Post has developed a separate system for PTCL pension disbursement. The same has been rolled out over to 83 GPOs.

Achievements of Postal Saving Bank

Pakistan Post is doing Savings Bank Business as an agent of the Ministry of Finance on commission under Savings Bank Act 1873. Finance Division is paying commission on Savings Bank work @ 0.5 percent Savings Certificates are issued under Post Office National Savings Certificates Act 1917 and National Savings Certificate Ordinance 1944. More than three thousand post offices are providing the following Savings Bank services to the people of Pakistan:

- Savings Bank Ordinary Accounts.
- Special Savings Accounts.
- Defence Savings Certificates.
- Special Savings Certificates.
- Regular Income Certificates.

a) The progress of Savings Bank during the period from 01-07-2018 to 31-12-2018 is as under:-

Table 13.20: Progress of Savings Bank

i	Total Number of Accounts on 31-12-2018	2,151,017
ii	Total closing balance on 31-12-2018	186,479.061 million
iii	Total commission on 31-12-2018	141.044 million

b) Field offices of Pakistan Post are playing a vital role in mobilization of financial resources through savings bank schemes. Savings Bank data has also been shifted from manual ledger to Centralized Software Solution (CSS), which has added value to the business.

Computerized PTCL Pension Payment System

i. The Pakistan Telecommunications Employees Trust (PTET) in a joint effort with Pakistan Post has developed Computerized PTCL Pension Disbursement System. This system facilitates the GPOs for the particulars and amount of payment of each & every pensioner.

ii. This system eliminates the manual filing of pension payment form (No. Code-15) voucher and now the same is auto generated by the system.

iii. The System automatically updates the record of PTET, once the payment of pension is disbursed to the PTCL pensioner.

iv. Disbursement software of PTCL pension has been deployed at GPOs.

Western Union Money Remittance Business

During the first six months (July to December) of the last fiscal year 2017-18 and current fiscal year 2018-19 Pakistan Post Office Department has received the foreign remittance as noted below:

Table 13.21: Western Union Money Remittance Business

S. No.	Period	US$ received in State Bank of Pakistan	Equivalent Amount received in Pak Rupees from SBP (Rs. In millions)
1	July-2017 to December 2017	34,666,740	3,670.298
2	July-2018 to December-2018	33,066,904	4,256.478

Benazir Income Support Program (BISP)

A complete web-enable tracking and monitoring system for disbursement of funds for Benazir Income Support Program (BISP) has been evolved that includes continuous processing, monitoring and reconciliation of the specialized money orders scheme.

The same is implemented at all 83 automated GPOs throughout Pakistan. Over, 49.447 million money orders have been issued up to 31st December, 2018 and an amount of around Rs. 139.214 billion has been disbursed.

During the first six months (July-2018 to December-2018) of the current Financial Year 2018-2019 total 174,431 BISP Money Orders along with required funds for Rs. 837.089 million were received from BISP authorities, out of which 93 percent Money Orders amounting to Rs.331.095 million have been paid within prescribed period of time.

International postal services

Pakistan Post has mail links with all countries of the world except Israel. Exchange of mail is carried out under rules and regulations of the Universal Postal Union. Direct mail links exists with 72 countries and rest of the mail is exchanged by utilizing the transit facilities of intermediary countries.

Achievements in International Postal Services

Pakistan Post received more volume of mail than it dispatches for delivery. Thus, it always remains net-creditor. Pakistan Post received an amount of Rs.26.138 million during the period from July 2018 to January 2019 on account of Terminal Dues for imbalance of international mails received from and dispatched to other countries.

First Micro Finance Banking (FMFB)

Pakistan Post has earned Rs. 4.418 million during the period from July to March 2019 through commission on disbursement/recovery of First Micro Finance Bank (FMFB) loan services/space provided to the FMFB operations. Detail break up is as under:

July 2018 – March 2019

FMFB Loan Disbursement	=	280.100 million
FMFB Loan Recovered	=	386.173 million

PPO Commission on Disbursement

Recoveries and Rent Charges	=	4.418 million
Total Revenue Earned	=	4.418 million

Postal Life Insurance (PLI)

The updates about Postal Life Insurance for the period from July, 2018 to December, 2018 is appended below:-

Fresh Policies:

No of Fresh Policies Issued	=	7,391
Fresh Premium Income	=	217.460 million
Sum Assured	=	2,990.874 million

Enforced Policies:

No of Policies	=	441,605
Premium Income	=	2,547.433 million
Sum Assured	=	78,312.680 million

Philately:

The following Commemorative Postage Stamps have been issued for the period from July-2018 to December-2018.

Table 13.22: Commemorative Postage Stamps

1	70 Years of Excellence State Bank of Pakistan	01-07-2018	Rs. 8/-
2	Kashmir Martyr's Day (Atrocities in IOK)	13-07-2018	Rs. 8/-
3	100 Years of Mama Parsi Girls Secondary School Karachi	24-07-2018	Rs.8/-
4	Jamsheed Marker Ex-Ambassador	24-11-2018	Rs. 8/-
5	10th International Defence Exhibition and Seminar IDEAS-2018	27-11-2018	Rs. 8/-
6	International Anti Corruption Day arranging Message "United against Corruption for prosperous Pakistan"	09-12-2014	Rs.10/-
7	Silver Jubilee Celebration GhulamIshaq Khan Institute of Engineering Sciences and Technology (1993-2018)	24-12-2018	Rs. 8/-
8	50 Years of Crescent Model Higher Secondary School, Lahore (1968-2018)	26-12-2018	Rs.8/-

Number of Post Office as on 2018-19

The requisite summary of Rural & Urban Post Offices is as under:-

Table 13.23: No. of Post Offices

Urban	Rural	Total
2046	8450	10496

CHAPTER 14

Energy

Energy is an integral part of the economic order of Pakistan because energy demand and economic growth share a tight bond. Pakistan is overcoming a severe energy crisis that has directly and indirectly affected all sectors of the economy especially in terms of the evolving energy-mix. The energy side bottlenecks have corroded the economy of the country in the past as well. To fix such congestions and bottlenecks for the smooth delivery of energy services, massive projects with great political optics were incorporated to the supply side in between years 2013-18, adding a cumulative capacity of 12,230 MW. Although the added capacity has helped ease the bottlenecks at generation side, yet the transmission and distribution side congestion and inefficiencies has hampered the sustained delivery of energy services. Additionally, the higher energy prices in the current times as well as in the near future, are a bi-product of such aggressive capacity additions during 2013-18.

Prime Minister (PM) formed task force on Energy to propose immediate, medium and long-term policy interventions with the aim to provide indigenous, affordable and sustainable energy for all. Further, National Transmission and Dispatch Company (NTDC) has prepared and submitted Indicative Generation Capacity Expansion Plan (IGCEP) 2018-40 to National Electric Power Regulatory Authority (NEPRA), the electricity regulator. This expansion plan is a part of the Integrated Energy Plan, which will include power, as well as petroleum demand and supply plans until 2047. Such evidence based policy instruments and documents are momentous achievements for the entire power sector of Pakistan. The plan envisaged transformation of power generation sector from thermal production to renewables and nuclear power. In this context, looking ahead until 2047 one can learn a lot from the previous few decades of primary energy supplies and how the energy mix of Pakistan has evolved over time.

In term of energy-mix, Pakistan reliance on oil reached 43.5 percent in FY1998 and FY2001. For the FY2018, oil reliance has reduced to 31.2 percent. Similarly, hydro had a 13.1 percent share in FY1998, which is standing at 7.7 percent in 2017-18. Though the declining share of oil is a welcoming sign due to less burden on the national exchequer, the diminishing share of hydro represents the shortsightedness of policy as well as the inability of successive governments to undertake such capital-intensive projects in a timely manner.

Pakistan dependence on natural gas reached an all-time high of 50.4 percent in FY2006 in the overall energy mix. For the FY2018, reliance on gas has reduced to 34.6 percent. This reduction of share in the energy mix is somewhat attributed to declining natural gas reserves as well as restricted consumption of gas in the transport industry and the induction of LNG since 2015. The share of imported LNG has increased from 0.7 percent in FY2015 to 8.7 percent in FY2018, which represent a magnanimous increase of the said fuel in an energy mix. The share of coal has remained in single digit percentages over the last two decades. However, this FY2018 has recorded a high of 12.7 percent coal consumption in the energy mix. Likewise, the share of renewables was recorded to be 0.3 percent in the year FY2015, which was steadily increased to 1.1 percent in FY2018. The share of nuclear on the other side has steadily increased to 2.7 percent in FY2018 compared to 0.2 percent in FY1997. Such historical variability for each energy source in the energy mix of the country has been used to formulate the Integrated Energy Plan. The Integrated Energy Plan will not only help in envisioning the energy demands and respective supply paths of the future but also to formulate evidence based long term policy options.

Global and Regional Perspective

A look at International Energy Agency (IEA) Global Energy forecast (World Energy Outlook 2018) highlights that the fastest energy growth will occur in Africa followed by Middle East and then Asia Pacific. The next in line is the Central and South America, which will experience tremendous growth. In contrast, electricity demand in Europe and North America are each expected to increase much lesser but still be in positive account with regard to a double-digit growth.

Regionally, primary energy demand in the Asia Pacific region is expected to grow by over 40% to 2040, based on the IEA’s central scenario, accounting for two-thirds of the global growth. China’s blue sky policy, the enforcement of coal-to-gas switching, and the structural shifting in China’s economy to a consumer base from an industrial base; all represent the shifting trends of the regional market leader.

In the western world, the increase in energy demand due to higher living standards is offset by energy efficiency gains borne by the use of energy efficient technology and energy conserving programs and policies. Thus, global energy supply is seeing a shift towards renewable energy growth and a transitioning and resilient grid. The developed countries are restructuring their energy systems to integrate distributed energy in general and renewable energy in particular, with visible changes being made on the technological front through switching to low carbon technology to mitigate and adapt to the climate change.

Vision of the government: A broader picture

Pakistan energy requirements are increasing rapidly. The government is focused to ensure availability and security of sustainable supply and delivery of energy service along with the development of natural resources and minerals. Ensuring energy security with affordability and universal access based on indigenous resources is the goal of the current government.

Pakistan is blessed with enormous hydro and coal potential, which, if carefully exploited, can ensure our future energy security on long-term basis. Utilizing distributed resources in indigenous capacity while meeting the demands of volatile economic sine curves of growth and development, require a perspective of sustainable energy utility with resilience and adaptive capacity at core and at large. The Ministry of Energy is tasked with expansion in the capacity of delivering energy, requiring supporting expansion in the transmission infrastructure for evacuation of the power. The government has encouraged local and foreign investment in the generation, transmission and distribution supply chains of the delivery of service to fuel the economy.

Anti-theft campaign

The immediate focus of the government has remained on reducing the losses and increasing effectiveness of the whole value chain. Launch of Anti-theft campaign with the formation of special task forces in Punjab and Khyber Pakhtunkhwa has been launched since 13th October, 2018. Within a short span of 3 months (September to November 2018). A total of 6880 cases were detected resulting in registration of 1441 FIRs with the amount of detection bill charged reaching PKR 267.571 Million.

Power Division, Ministry of Energy has given a target to DISCOs to recover PKR 80 billion from old receivables while freezing the receivable figures as they stood on 31st October 2018. Further, DISCOs have been given a target to recover another PKR 60 billion by controlling theft and improving governance and efficiency.

Activities boosting the efficiency of governance of the power sector has already started across Pakistan and showing positive results. Reducing losses, increasing efficiency and recovering the receivables provides much needed financial cushion to the already burdened power sector with subsidies. Along with other subsidies; Industrial support package (ISP) subsidy has been continued at PKR 3 per unit for industries while for five main exports oriented industries (zero rated industry), the tariff has been capped at the rate of US cents 7.5 per unit for electricity and USD 6.5 per MMBTU for RLNG. The government's support to Industrial sector aims to boost the manufacturing activity and help to enhance exports of value added products. It also aims to stimulate economic activity leading to greater job opportunities in the country. Additionally for our vulnerable farmers, agricultural tube well subsidy in Baluchistan has been extended until the end of calendar year 2019 while for the rest of the country the subsidy has been extended at a lesser rate of 5.35 PKR per unit.

The activities aimed at improving efficiency and reducing losses of the power sector, in the long run, will help in setting off of the impact of Industrial support package (ISP) subsidy, thus providing more flexibility to the national exchequer. The government has a policy understanding of pro-consumer tariff determination and on war footing has also released PKR 130 billion as subsidy for the agriculture and industrial sectors along with tariff differential subsidy.

As far as reducing losses and increasing effectiveness are concerned, advance technology is to be deployed as a policy measure. As such, advanced metering infrastructure is being launched with the help of $ 400 Million committed for the first phase by Asian Development Bank (ADB). Customer Complaint Management System has resolved 81,174 out of the 82,189 received complaints. Removing the constraints for efficient transmission, the ministry has identified 40 major areas and has divided the respective work into different phases. In addition to reducing losses, a massive sum of taxpayer money is being spent on the subsidy of 30,000 tube wells in the province of Baluchistan. A feasibility is being undertaken on the prospects of solarization of agri-tube wells thus providing off grid solutions and reducing the burden on taxpayers.

Long-term Policy frameworks for renewable energy, national electricity planning and forecasting the demands of energy until 2047 is being done for 100 Pakistan.

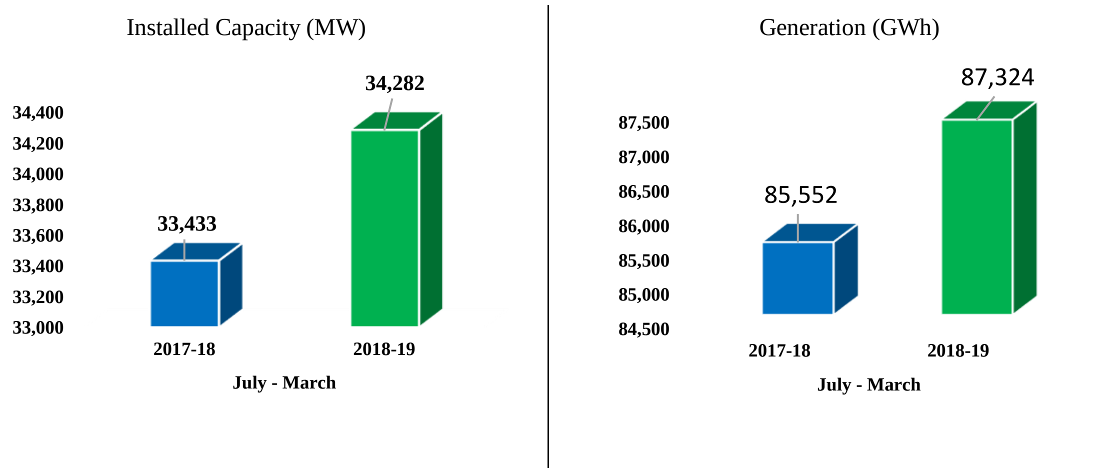
Generation Capacity and Energy Mix

Oil-based power generation plants which remained the face of the power sector of Pakistan for over three decades, have been planned to be phased out over the next few years and it is expected that the share of furnace oil-based energy will decline to single digit percentage in the overall energy mix in the coming years. On the other hand, Pakistan has large indigenous coal reserves estimated at over 186 billion tons which are sufficient to meet the energy requirements of the country on long-term basis. Apart from indigenous coal resources, there has been significant increase in import of coal as well due to commissioning of new power plants based on imported coal at Sahiwal and Port Qasim. However, domestic production of coal is expected to increase in the coming years with projects on Thar coal.

Hydropower plants are considered one of the most capital intensive projects and for a country like Pakistan, it is not possible to undertake such big projects without the financial support of international development agencies — a fact which brings in its own share of peculiarities and challenges.

During July - March FY2019, installed capacity of electricity reached 34,282 MW, which was 33,433 MW in corresponding period last year, thus, posting a growth of 2.5 percent. Although electricity generation varies due to availability of inputs and other constraints, the generation increased from 82,011 GWh to 84,680 GWh, posting a growth of 2.1 percent during the period under discussion. Figure-1 gives the comparison of installed capacity (MW) and generation (GWh).

Fig-1: Comparison of installed capacity (MW) and generation (GW/h)



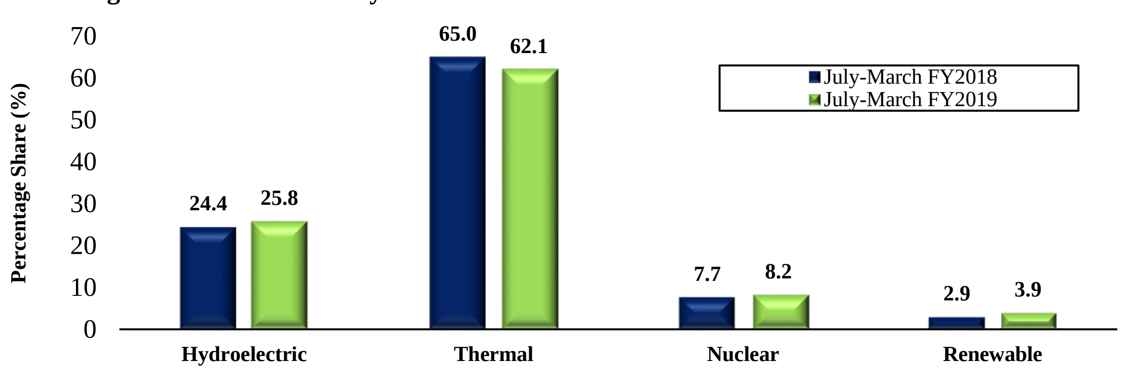
Source: Ministry of Energy, Hydrocarbon Development Institute of Pakistan (HDIP)

Share in Electricity Generation

As far as the share of different sources of electricity generation is concerned, it can be observed that the share of hydro in electricity generation has decreased over the last few decades. Availability of water is also one of the main reason for reduced generation from hydel power plants. Currently, thermal has the largest share in electricity generation. Gas and RLNG are other cheaper sources. RLNG tremendous growth in energy mix has helped supply the demand to various power plants (Bhikki, Haveli Bahadur Shah, Balloki, Halmore, Orient, Rousch, KAPCO, Saif and Sapphire) while, the remaining was supplied to fertilizer plants, industrial and transport sector.

As an alternate, the government showed commitment for electricity generation capacity through renewable energy sources. During July - March FY2019, there was an increase of 1 percent in share of renewables in electricity generation, and it is expected that the share will increase in coming years as well. The comparison of share of different sources of electricity generation is given in Figure-2:

Fig–2: Share in Electricity Generation

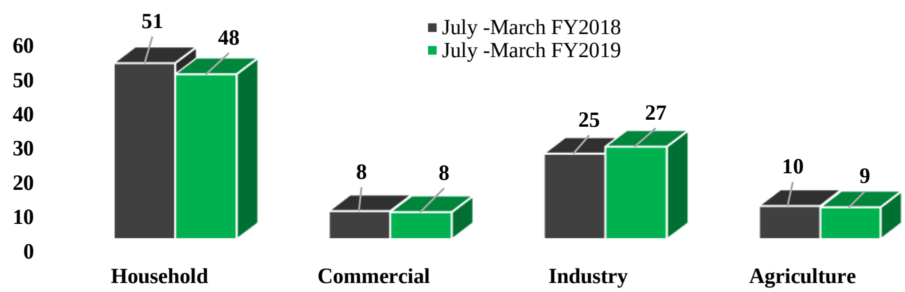


Source: Ministry of Energy, Hydrocarbon Development Institute of Pakistan (HDIP)

Electricity Consumption

Regarding consumption pattern, there is no significant change in the consumption pattern of electricity. However, during July-March FY 19, the share of household and agriculture in electricity consumption has been decreasing which is indicating that people are trying to rationalize the usage due to increase in its tariff. The increase in the share of industry in electricity consumption is a positive sign showing revival of industry which was suffering earlier due to load shedding. The comparison between consumption patterns of electricity during July - March FY2019 with corresponding period last year is shown below in Fig-3:

Fig-3: Share in Electricity Consumption



Source: Ministry of Energy, Hydrocarbon Development Insititute of Pakistan (HDIP)

Oil (Petroleum Product)

Pakistan mainly depends upon oil and gas resources to fulfill energy requirements. The domestic production of crude oil remained 24.6 million barrels during July - March FY2019 compared to 21.8 million barrels during the corresponding period last year. Indigenous resources of oil are not enough to quench energy thirst of a growing economy. As a result Pakistan has to import large quantity of oil as well as oil based products from Middle Eastern countries especially from Saudi Arabia. During July - March FY2019, the quantity of crude oil imported remained 6.6 million tones with value of US $ 3.4 billion compared to the quantity 7.8 million tones with value US $ 2.9 billion during the same period last year. The decline was mainly due to increase in international prices. The deferred payment on imported oil from Saudi Arabia will give an ease to the government on balance of payments.

Transport and power are the two major users of oil. During July - March FY2019, share of oil consumption in transport increased to 77 from 56 percent during the same period last year, while share of oil consumption in power decreased to 14 percent during July - March FY2019 which was 25 percent during the same period last year. Mainly, gas being the cheaper source, there is continuous shift of power sector from oil to gas.

The indigenous and imported crude is refined by six major and two small refineries.

Efforts to bring improvement in existing refineries as well as attracting foreign investment in this sector include but are not limited to:

- Byco Oil Pakistan Limited (Byco) has established an Oil Refinery at Hub, Balochistan with refinery capacity of 120,000 Barrel Per Day (5 million tons/annum) at cost of US$ 400 million. Byco has also installed Single Buoy Mooring (SBM) facilities for transportation of imported Crude Oil and petroleum products from ships to the storages tanks. The capacity of said facility is 12 M. tons per annum.
- Attock Refinery Limited (ARL) has started producing Euro-II (0.05 % Sulphur HSD) Further, the refinery has also installed isomerization plant and enhanced the production of Motor Gasoline.

- Pakistan Refinery Limited (PRL) has also installed isomerization plant in 2016 and since then has doubled its production of Motor Gasoline.

- Pak Arab Refinery Limited (PARCO) is implementing PARCO Coastal Refinery project at Khalifa Point, near Hub, Balochistan, which is a state of the art refinery having capacity of 250,000 barrels per day (over 11 Million tons per annum). Estimated cost of the project is over US$ 5 billion.

Natural Gas

Natural Gas is a clean, safe, efficient and environment friendly fuel. Its indigenous supplies contribute about 38% in total primary energy supply mix of the country. Pakistan has an extensive gas network of over 12,971 Km Transmission 139,827 KM Distribution and 37,058 Services gas pipelines to cater the requirement of more than 9.6 Million consumers across the country. Government of Pakistan is pursuing its policies for enhancing indigenous gas production as well as imported gas to meet the increasing demand of energy in the country. At present, the capacity of two Floating Storage and Regasification Unit (FRSU) to Re-gasified Liquefied Natural Gas (RLNG) is 1200 MMCFD and accordingly RLNG is being imported to mitigate gas demand-supply shortfall. The average natural gas consumption was about 3,865 Million Cubic Feet per day (MMCFD) including 785 MMCFD volume of RLNG during July 2018 to February 2019. During July 2018 to February 2019, the two Gas utility companies (SNGPL & SSGCL) have laid 69 Km Gas Transmission network, 3,232 Km Distribution and 1,366 Km Services lines and connected 165 villages/towns to gas network. During this period, 428,305 additional gas connections including 425,404 Domestic, 2,770 Commercial and 131 Industrial were provided across the country.

It is expected that Gas will be supplied to approximately 430,695 new consumers during the fiscal year 2019-20. Gas utility companies have planned to invest Rs. 7,161 Million on Transmission Projects, Rs. 48,288 Million on Distribution Projects and Rs. 18,556 Million on other projects bringing the total investment around Rs. 74 billion during the fiscal year 2019-20.

For viable growth of this sector, Government has approved provision of RLNG to this sector with fiscal incentives of gas infrastructure development cess (GIDC) at the rate of zero and Sales Tax at the rate of five percent.

Table – 1: Average Sector Wise Natural Gas Consumption in Million Cubic Feet per Day (Mmcfd) (July 2018 – Feb2019)

Sector	Gas Consumption in MMCFD	RLNG	Total
Power	865	546	**1,411**
Domestic	889	-	**889**
Commercial	84	5	**89**
Transport (CNG)	136	47	**183**
Fertilizer	621	24	**645**
General Industry	485	163	**648**
Total	**3,080**	**785**	**3,865**

Source: Ministry of Energy, Directorate General Gas

Nuclear Energy

Pakistan Atomic Energy Commission (PAEC) is the sole department in Pakistan engaged in electricity generation using nuclear technology. There are five nuclear power plants operating on two sites in the country, one unit namely, Karachi Nuclear power plant (KANUPP) at Karachi and four units of Chashma Nuclear power plants (C-1, C-2, C-3, C-4) at Chashma (Mainwali District of Punjab Province). The gross capacity of these five nuclear power plants is 1,430 MW that supplied about 7,267 million units of electricity to the national grid during 1st July, 2018 to 31st March, 2019.

KANUPP, the oldest of the nuclear power plants, has now completed 47 years of safe and successful operation. The four units of Chashma are amongst the best performing electricity generating plants in the country, in terms of endurance and availability. Some performance parameters of these operating plants are presented in the following table:

Table 3: PAEC's Performance Parameters

Plant	Capacity (MW)		Electricity sent to Grid (Million KWH)	
	Gross	Net	1st July 2018 to 31st March, 2019	Lifetime upto 31st March, 2019
KANUPP	100	90	88	14,472
C-1	325	300	1,501	37,129
C-2	325	300	1,926	17,888
C-3	340	315	1,822	5,646
C-4	340	315	1,930	3,695
Total	**1,430**	**1,320**	**7,267**	**78.830**

Source: PAEC

There are two more units being constructed near the KANUP site Karachi, the Karachi Nuclear Power Plants-2 &3 (K-2 & 3). First concrete of K-2 was poured on the 20th August, 2015 and that of K-3 on the 31st May, 2016. Work on the construction of these nuclear power plants is progressing according to schedule and the K-2/K-3 plants are likely to complete on time. In FY2021, PAEC is planning to intensify its activities to meet the nuclear electricity generation target of 8,800 MW by the year 2030 set through government's Energy Security Plan formulated in 2005. Completion of K-2/K-3 project will be a big step that will bring PAEC 2,200 closer to achieving this target. PAEC is planning to develop additional sites to house more nuclear power plants in future with the sites identified throughout the country being investigated and acquired for development.

Technical and engineering infrastructure is in place to support the existing, under construction and future nuclear power plants. This infrastructure is based on indigenous institutes imparting state of art training and education in all relevant disciplines and at all levels, from technical training to academic programs.

Coal

Massive energy resource in shape of coal exists in the country and further exploration in different areas is continued but only a fraction of it is being utilized. Shifting power generation to country's indigenous coal will help Pakistan gain momentum on the road to sustainable development. All four provinces have coal reserves but the significant deposits are located in Thar, Sindh. Coal mining currently being done in Balochistan, Sindh, Punjab and Khyber-Pakhtunkhwa mostly comprises small-scale operations. The country's first large-scale coal mine (3.8 million tons per annum) along-with integrated power generation plant (2x330 MW) has been recently made operational at Thar coalfield. The production and import data for the period from July 2018 to June, 2019 has been estimated for the first half of this financial year. Details are tabulated as under:

Financial Year	Domestic Coal Production		Coal Import		Total Supply	
	Million Tons	Million TOE	Million Tons	Million TOE	Million Tons	Million TOE
2017-18	4.30	1.92	13.70	9.00	18	10.92
2018-19 (Estimated)	5.50	2.46	15.50	10.19	21.00	12.65

Source: Ministry of Energy, Mineral Wing

In coming years, local coal use should be promoted to achieve larger contribution. Thar coal utilization is accorded strategic importance. Many coal mining and power generation projects are in process of development in Thar coalfield. Imported coal-fired power plants may also be required to consider mixing with Thar Coal. Spontaneous combustion is a potential problem for long distance transportation and long-term storage, and thus restricts Thar coal use as a downside.

Clean Energy

The Government of Pakistan is emphasizing on utilization of indigenous and environmentally clean energy generation resources. In this regard, the promotion of alternative and renewable technologies is amongst the top priorities of the Government. Several initiatives have been taken to create a conducive environment for the sustainable growth of the clean energy sector in Pakistan in order to harness the potential of indigenous renewable energy resources.

The development of large scale grid connected renewable energy based power generation projects are being pursued through private investors. The following progress has been achieved on development of renewable energy based projects during the fiscal year 2018-19 so far:

- Five (05) wind power projects of 246.6 MW capacity were completed and started supplying electricity to the national grid.
- Two (02) bagasse cogeneration projects of 58 MW capacity were completed.

In order to ensure sustainable supplies and energy security, the Government of Pakistan (GoP) is focusing on exploiting the abundant potential of wind and solar resources for power generation whilst keeping in view the best possible mode for benefiting with declining prices of renewable energy. Formulation of a new clean/renewable energy policy has been initiated with the aim of establishing a robust framework for creating a conducive environment for the sustainable growth of renewable and distributed energy resources in Pakistan. The GOP’s strategic objectives of Energy Security, Economic Benefits, Environmental Protection, Sustainable Growth and Social Equity with indigenous resources will further harnessed under the Renewable Energy Policy 2019.

Apart from on-grid, large scale renewable based power projects, smaller renewable energy applications are also being promoted for lighting purposes, water pumping, heating and power generation etc. As such, distributed energy generation and its synchronization with the grid includes our way forward.

Way forward

Pakistan has successfully removed bottlenecks on the generation side of electricity during previous government. However, congestion, inefficiency and lack of infrastructure on the transmission and distribution side of the supply chain has hampered sustained delivery of electricity and energy services. Furthermore, such aggressive capacity additions are now a fundamental part of our energy pricing mechanisms of near and medium term future. Contextualizing the aggressive capacity additions of previous governments will help us guide our way forward in addressing the capacity payment issues of near to medium term future.

Integrated Energy Plan, which details the demand projections from power as well as petroleum divisions, will help in foreseeing the evolving energy mix as well as keeping the focus on indigenous resources. Such detailed planning will help us avoid issues of circular debt and capacity payments for future with evidence based policy interventions. Foreseeing our energy mix and dependence of our energy security on indigenous resources will need to be synchronized with our international obligations under Nationally Determined Contributions (NDCs) and Sustainable Development Goals (SDGs).

It is the focus of the GoP to provide sustainable energy for all. Furthermore, improvement of access to energy and off grid solutions will be provided to masses under the new renewable energy policy.

For the sustainable provision of such services, market forces as well as policy levers need to be harmonized accordingly. As far as market forces are concerned, business models of energy services companies (ESCO) and sustainable energy utility (SEU) should be developed and incentivized. Such market forces should be encouraged since it will provide jobs to the masses. On the policy levers front, up-gradation and modernization of the grid is necessary. A transitioning grid is a reality among developing and developed economies, where distributed energy resources and advanced technology need to be incorporated and harmonized with the existing grid. Additionally, policy handles need to be designed and processed while transitioning from a single buyer model to competitive markets. Further segregation of distribution companies on the basis of rural and urban divide as well as for the ease of administration will help ease the burden on distribution chain of the electricity sector. Similarly, on regulatory fronts, further closer cooperation between regulatory authorities of petroleum and power is integral towards our path to advanced energy economics and further democratization of energy sector.

CHAPTER 15

Social Protection

Social protection schemes by the government help in mitigating vulnerability, reducing poverty, and providing affordable healthcare and insurance to low-income families. Constitution of Pakistan's Article 38 (d) obligates the state "to provide basic necessities of life such as food, clothing, housing, education and medical relief to the needy irrespective of sex, caste, creed or race".

The present government's vision for social protection is to develop an integrated and comprehensive social protection platform focused on the needs of the poorest and most vulnerable. Social Safety Nets (SSNs) are the core components of social protection which have emerged as an important policy option for reducing poverty. According to the World Bank Report on "The State of Social Safety Nets 2018", more than 77 percent countries have opted Unconditional Cash Transfer (UCT) programs while 42 percent have implemented Conditional Cash Transfer (CCT) programs.

To achieve "No Poverty" by 2030 is a part of a comprehensive SDG Agenda-1 that calls to end (extreme) poverty in all its manifestations by ensuring social protection for the poor and vulnerable, increase access to basic services, and support people from economic, social, and environmental shocks. According to national definitions, reduce at least by half the proportion of men, women and children from poverty in all dimensions by 2030.

Over the last decades, Pakistan's poverty headcount has witnessed a persistent decline both at national and regional levels as well as in urban and rural areas. In Pakistan, Cost of Basic Needs (CBN) approach is being used as the official measure of poverty. According to this approach, percentage of people living below poverty line has declined from 50.4 percent in 2005-06 to 24.3 percent in 2015-16 on the basis of well targeted poverty reduction programs.

The present government has taken protecting the poor and marginalised society from economic, social and environment shocks as the priority agenda by expanding the coverage of social safety net programs beyond their traditional areas, streamlining the conditional cash transfers and establishing appropriate graduation programs. Various steps taken in this sector include:

- Creation of a Poverty Alleviation Coordination Council to synergize the efforts of various organizations working for poverty alleviation in public and private sector, eliminate duplication and overlap, developing a framework to improve effectiveness and implementing plans for capacity building and performance enhancement of such organizations
- Establishment of Poverty Alleviation and Social Safety Division
- Opening the doors of socio-economic uplift through CPEC – signing MoU with China to learn from their experience in poverty reduction
- Re-prioritizing PSDP allocations to focus more on pro-poor projects and the projects for less developed areas
- Scaling up activities of BISP and Pakistan Poverty Alleviation Fund (PPAF), re-organizing Pakistan Bait ul Mal, to focus on poverty alleviation and asset transfer to the rural poor to graduate them out of poverty

- Approval of provision of $82.6 million funds (IFAD funded)as grant to PPAF for disbursement to 320,000 beneficiaries of BISP to help them graduate out of poverty
- Micro-credits for low cost housing to provide shelter to the homeless and providing free of cost shelters for the poorest homeless
- Employment creation through housing construction and increased access to microfinance under Prime Minister's Naya Pakistan Housing Scheme
- Expanding coverage of Prime Minister's Health Insurance scheme through Sehat Insaf Card scheme to provide free medical treatment to approximately 80 million people.

12th Five year Plan 2018-2023- Road Map

The (draft) 12th Five Year Development Plan (2018-23) also envisages a new direction towards a conducive macroeconomic environment with efficient financial markets, pro-poor taxation system, better governance and effective accountability that will provide resources and enabling conditions for poverty reduction strategy to bear fruits in the long run. The other three pillars of the Poverty Reduction Strategy are i) human resource development, ii) employment generation, and iii) integrated social protection system with appropriate safety nets for the poorest. The government has laid down the following important Targets/Milestones for the plan period:

- Approval of the national framework for developing social protection policies to guide provinces in policy formulation
- Reducing Cost of Basic Needs (CBN) based poverty from 24.3 percent in FY 2016 to 19.0 percent by 2023 while reducing multidimensional poverty headcount from 38.8 percent in FY 2015 to 30.0 percent during the plan period
- Alignment of provincial social protection policies according to the provision in the national framework for developing social protection policies
- Creation of database for vulnerable groups to ensure better targeting of poor
- Enhancing Corporate Social Responsibility (CSR) initiatives to reduce poverty in consultation with corporate and private sector. A CSR framework would be compiled in collaboration with all stakeholders to expand outreach of CSR programs for poverty reduction

The United Nations Development Program (UNDP)'s Human Development Report, 2018 ranks Pakistan at 150th out of 189 countries under the Human Development Index (HDI) based on Health (life expectancy at birth),Education (Expected years of schooling) and Gross National Income (GNI) per capita. Pakistan's HDI value is 0.562 out of 1 as against South Asia's average HDI value of 0.638 and World's average HDI value of 0.728. Overall, Pakistan has shown some progress in Human Development like other countries. However, this progress is very low when compared to other countries in South Asia.

Country/ Region	HDI Rank	Human Development Index (HDI) Value	Life Expectancy at Birth	Expected Years of Schooling	Gross National Income (GNI) per capita (2011 PPP $)
			SDG 3	SDG 4.3	SDG 8.5
World	-	**0.728**	**72.2**	**12.7**	**15,295**
South Asia	-	**0.638**	**69.3**	**11.9**	**6,473**
Srilanka	76	0.770	75.5	13.9	11,326
China	86	0.752	76.4	13.8	15,270
India	130	0.640	68.8	12.3	6,353
Bangladesh	136	0.608	72.8	11.4	3,677
Pakistan	**150**	**0.562**	**66.6**	**8.6**	**5,311**

Source: UNDP Human Development Indices and Indicators-2018

Box-I: Launching of Ehsaas Program

Prime Minister has launched a comprehensive Poverty Alleviation Program "Ehsaas" on 27th March, 2019 with its 4 focus areas and 155 policy actions to reduce inequality, invest in people and uplift lagging districts. Under this program, the government would allocate an additional amount of Rs.80 billion in the country's social protection spending in the forthcoming budget 2019-20 that would be raised to Rs.120 billion in 2021.

The program is for the extreme poor, orphans, widows, homeless, disabled, jobless, poor farmers, labourers, sick and undernourished; students from low-income backgrounds and for poor women and elderly citizens. This plan is also about lifting lagging areas where poverty is higher.

Four pillars include: addressing elite capture and making the government system work to create equality; safety nets for disadvantaged segments of the population; jobs and livelihoods; and human capital development.

The Prime Minister has also announced the establishment of a new Ministry of Social Protection/Poverty Alleviation to address the current fragmentation. Benazir Income Support Program, Pakistan Bait-ul-Mal, Zakat, Pakistan Poverty Alleviation Fund, Trust for Voluntary Organizations, the SUN Network, Centre for Social Entrepreneurship, Secretariats of the Poverty Alleviation Coordination Council and the Labor Expert Group would work under this ministry by developing a one-window operation for social protection of the poor and to facilitate citizens. A new constitutional amendment to move Article 38 (d) from the "Principles of Policy" section into the "Fundamental Rights" section will be made for provision of food, clothing, housing, education and medical relief for the citizens, who could not earn livelihood due to infirmity, sickness or unemployment, a state responsibility and it would be a first step towards the creation of a welfare state.

Tracking the Pro-Poor Expenditures

The government scrutinizes pro-poor expenditure in different sectors through the Medium Term Expenditure Framework (MTEF) under PRSP-II program. Expenditure on these pro-poor sectors is showing increasing trend in absolute terms as well as percent of GDP. In 2013-14 it stood at 7.7 percent of GDP, 8.3 percent of GDP in 2014-15, 9.3 percent in 2015-16, 9.5 percent in 2016-17 , while slightly dropped to 9.2 percent of GDP in 2017-18 but in absolute terms increased to Rs 3,167.92 billion as shown in Table 15.1 below:

Fig-1: Pro-Poor Expenditures

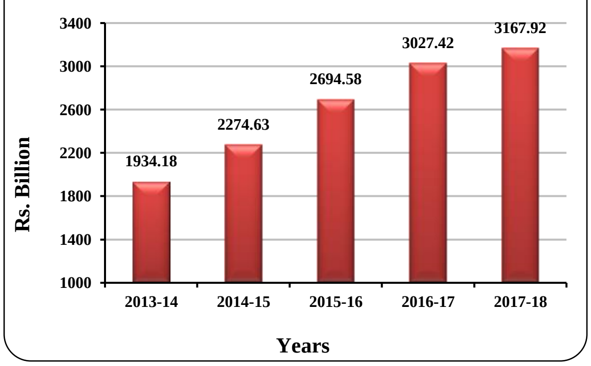


Table 15.1: PRSP Budgetary Expenditures by Sector (Rs million)

Sectors	2013-14	2014-15	2015-16	2016-17	2017-18
Roads, Highways & Bridges	96,504	190,984	397,506	526,356	452,463
Environment / Water Supply and Sanitation	32,000	54,093	63,554	72,031	77,932
Education	537,598	599,047	663,356	699,222	829,152
Health	201,986	231,172	267,953	328,962	416,467
Population Planning	12,609	13,943	10,894	20,338	20,451
Social Security & Welfare**	93,481	155,725	173,532	259,455	257,534
Natural Calamities & Other Disasters	18,404	40,525	59,204	27,461	19,062
Agriculture	157,894	199,903	239,019	258,396	277,867
Land Reclamation	4,796	5,184	4,601	2,558	2,730
Rural Development	14,727	29,122	37,419	30,934	42,127
Subsidies	502,098	459,325	437,087	403,139	327,767
Low Cost Housing	676	581	460	422	349
Justice Administration	24,378	26,041	33,255	41,926	53,461
Law and Order	237,027	268,983	306,738	356,217	390,556
Total	1,934,178	2,274,628	2,694,578	3,027,417	3,167,918
Total as% age of GDP (2005-06 base)	**7.7**	**8.3**	**9.3**	**9.5**	**9.2**

**: Social Security & Welfare includes the expenditure of BISP, SDGs and PBM.

Source: Ministry of Finance, External Finance Policy Wing

Social Safety Programs

Recognizing the need to protect the poor and the vulnerable, the government is carrying out several social safety net programs. The following social safety nets are the major initiatives to reinforce the government's efforts to reduce the adverse effects of poverty on the poor:

I. Benazir Income Support Program (BISP): BISP is a federal unconditional cash transfer Social Safety Net initiative of Government of Pakistan. Its long term objectives include meeting the targets set by Sustainable Development Goals (SDGs) to eradicate extreme & chronic poverty and empowerment of women through establishment of comprehensive social protection. BISP has a nationwide presence with headquarter in federal capital and 6 regional offices at provincial capitals, AJ&K and Gilgit-Baltistan. There are 6 regional, 34 divisional and 385 tehsil offices all across the country.

BISP's targeting performance falls in top five social safety net programs in the world. The quarterly cash grant has gradually been enhanced by the successive governments which currently stand at Rs. 5000/- per quarter per eligible beneficiary. The number of beneficiaries now stands at 5.8 million. Since inception, BISP has disbursed Rs 691.5 billion as cash transfers. BISP is following the path of automation and 98.5 percent of beneficiaries are being paid through technology based payment mechanisms. BISP financial achievements up to 15th April, 2019 are shown in the Table 15.2 below:

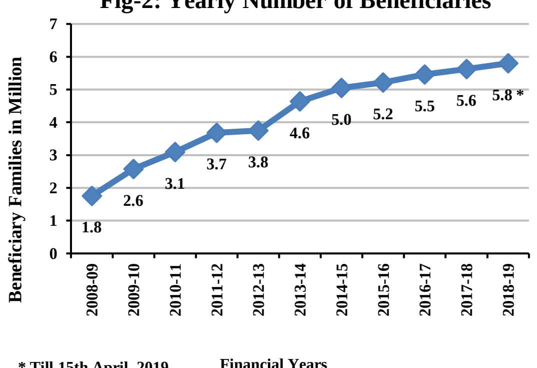
Table-15.2: BISP Financial Achievements — Rs billion

Financial Year	Released	Funds Transfer to Cash Grants			Number of Beneficiaries
		Conditional Cash Transfer (CCT)	Un-conditional Cash Transfer (UCT)	Total (UCT+CCT)	
2008-09	15.32	0.04	15.81	15.85	1.76
2009-10	39.94	2.89	31.94	34.83	2.58
2010-11	34.42	5.30	29.66	34.96	3.10
2011-12	49.53	4.28	41.60	45.88	3.68
2012-13	50.10	3.17	43.30	46.47	3.75
2013-14	69.62	1.20	65.11	66.31	4.64
2014-15	91.78	0.45	88.59	89.04	5.05
2015-16	102.00	1.88	96.65	98.53	5.21
2016-17	111.50	2.27	102.10	104.37	5.46
2017-18	107.00	3.20	99.00	102.2	5.63
2018-19*	91.52	1.02	52.00	53.02	5.78
Total	**762.73**	**25.7**	**665.76**	**691.46**	-

*Till 15th April, 2019

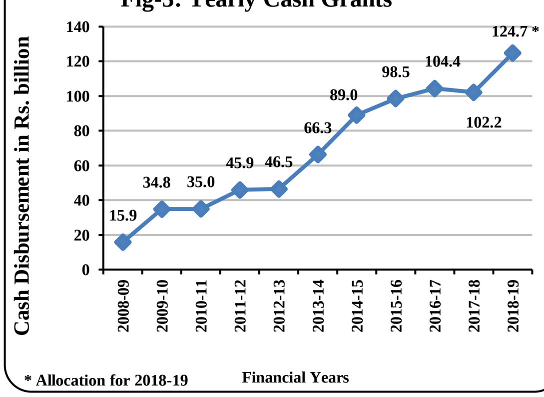
Source: Benazir Income Support Program (BISP)

Fig-2: Yearly Number of Beneficiaries



* Till 15th April, 2019

Fig-3: Yearly Cash Grants



* Allocation for 2018-19

Conditional Cash Transfer (Waseela-e-Taleem): The program was started in October, 2012 to create access for beneficiaries to social and productive services being provided by organizations in both private and public sectors. The program encourages beneficiary families with children in age group of 4-12 years to send their out of school children to schools for primary education (and in school children to continue their education) in return for cash transfer with long-term prospects of human capital formation. The CCT involves a cash transfer of Rs. 250 per month paid quarterly (Rs.750 per child) for children of each beneficiary family in age bracket of 4-12 years in return for their compliance with co-responsibilities of school admissions and a minimum of 70 percent quarterly attendance. As of April 2019, 3.1 million children have been enrolled and Rs. 9.8 billion has been disbursed for the said program.

BISP Graduation Program: BISP developed a model namely BISP Graduation Model (BGM) to provide a low-cost, high impact and sustainable solution for their possible exit from the poverty trap, sensitive to the local context. The Graduation Program will enable beneficiaries to earn income, through self-employment, wage employment and Public Works Programs. BISP Graduation Model (BGM) is based on the premise that it would enable cash grants recipients to eventually transform into income earning individuals through self-employment and/or wage employment with skills development and hand holding. BGM combines elements of three distinct approaches, social protection, livelihoods development and financial inclusion to move households out of extreme poverty and into sustainable livelihoods.

Business Incubation for Self Employment (BISE) Model: The key features of the BISE component of Graduation are as follows:

- Profiling targeted households on their potential for self-employment, Agreement by the BISP beneficiary that UCT will continue for only 1-2 years to provide protection against risks, giving specific technical skill trainings and business development support to selected program beneficiaries, Transfer of assets to start economic activities, providing income generating grants (working capital) to help the poor set up their business and if the beneficiary fails to graduate, he/she will be re-entered in BISP UCT system after the expiry of the graduation agreement/contract, for implementing BISE component, 5 districts (Bahawalpur, Charsadda, Jacobabad, Nasirabad and Ketch) have been selected.

Direct Cash Model: Direct Cash (DC) with business coaching for start-up businesses is based on premise that poor people can make economical rational investment decisions if they are provided some help for business development. Beneficiaries interested in this program will be asked to trade monthly Un-conditional Cash Transfer (UCT) payments they are entitled to in exchange for receiving a one-time lump-sum payment. The activities for implementing this PILOT program by visiting approximately 30,000 beneficiaries in Faisalabad and Chakwal pilot districts. Key features include beneficiary selection will be selected by balloting.

- From amongst the participating beneficiaries, approximately half will receive a graduation offer; this will mainly depend on the readiness of the business
- One Third of the participants (1000) will be asked for business plan and will be monitored. One third will only be provided cash with no requirements, for the research exercise
- The costs for DC program will be financed from the remaining funds of the ADB project in support of BISP, which are about US$ 5.0 million
- After the completion of the designated suspension time (3-4 years), and in case the business is not successful due to external risks (e.g. natural disasters or major unforeseen urgent family expenses for health), or other relevant changing conditions outside the business, the beneficiaries will be eligible for re-entry into BISP by undergoing a new survey similar to the National Socio-Economic Registry (NSER) that can be completed at the Tehsil Office. If they are found to be

under Proxy Means Test (PMT) cut-off as assessed by the survey, which may be subjected to an independent check to be determined later, they will be eligible to re-enroll into BISP

- For implementing the DC component, Faisalabad and Chakwal from Punjab and Laki Marwat from Khyber Pakhtunkhwa have been selected
- Impact Assessment of the DC model will be done by a team from Harvard, LSE and MIT which has agreed to do it on a separately financed basis (not paid by BISP)
- The evaluations results of the pilots will be used to scale up the programs gradually and implement additional graduation programs as proposed under the Business Graduation Framework (BGF). Scaling up and broadening will however, depend on possible funding options. BISP intends to develop into a comprehensive federal agency for livelihood promotion and social protection for the poor, the preparation for scaling-up can start as soon as possible.

BISP's Engagement with Development Partners

i). The World Bank: The International Development Association (IDA) provided a credit of $ 60 million to BISP for "Pakistan Social Safety Net TA Project" which was successfully concluded on 30th June 2017. The TA project supported the design of poverty scorecard and first ever comprehensive survey of the poor households. BISP received additional financing of $ 150 million for Pakistan Social Safety Net (PSSN) Project to launch a Co-responsibility Cash Transfer (CCT) program for primary education of children of BISP beneficiaries. The project is aimed to increase coverage of beneficiary families through delivery of cash grants and also co-responsibility Cash Transfers (CCT) attached with Disbursement Linked Indicators (DLIs) for primary education. BISP has successfully achieved in all 19 Disbursement Linked Indicators (DLIs) under World Band PSSN project.

A new project titled "Pakistan National Social Protection Program (NSPP)" was launched on 28th April 2017 with a total amount of US$ 100 million and it will end on June 30, 2021. The main objective of this project is to strengthen BISP service delivery for helping the poor to enhance their human capital and access to complementary services. The funds under this project are released after fulfillment of benchmarks/targets under a Disbursement Linked Indicators (DLIs) regime. BISP has received an amount of $ 63 million till 30th June, 2018.

ii). Department for International Development (DFID): DFID is supporting BISP to expand its cash transfers to eligible beneficiaries. Under Pakistan National Cash Transfer Program (PNCTP), DFID is providing up to GBP 300.3 million over a period of eight years from 2012 to 2020. Up to £279 million was results-based "non-budget support financial aid" to support expansion and systems strengthening of UCT and CCT programs. Overall performance rating of program was marked as "A". Most of the milestones have either been met or exceeded expectations. Up to £21.3 million comprised of Technical Assistance (TA) intended to strengthen BISP systems and support dialogue on poverty reduction and policy reforms to enhance social protection for poor and vulnerable.

DFID grant was made through a total of 18 DLIs, all of which have met the timelines agreed with the donor. The timely achievement of DLIs reflects the synergy between BISP and its development partners. DFID agreed with BISP on a new framework of 11 DLIs amounting to GBP £98.4 million to be achieved by March 2021. These DLIs pertains to usage of new NSER data for UCT disbursements, building and availability of dashboard for stakeholders to access NSER data, implementation of Biometric Verification System (BVS), capacity building of Tehsil offices, expansion of conditional Cash Transfer for primary education and increasing the number of BISP Beneficiaries Committee (BBCs) in Union Councils.

iii). Asian Development Bank (ADB): BISP and ADB signed a new soft loan project of $430 million titled "Social Protection Development Project" in November 2013 till end June 2020. The project aimed to finance un-conditional cash transfer payments to newly enrolled beneficiaries for 10 quarters. Key Project deliverables include Cash transfer program expanded coverage for new beneficiaries, Health insurance program refined and rolled out Graduation, Skills development strengthened Program, Financial management and control system and policy research.

Key Achievements of BISP

- BISP received consistent political patronage form the successive governments due to its neutral/apolitical data. Starting from an allocation of Rs. 72 billion, BISP today is at Rs.124 billion budget cross-cutting Program
- Successive governments remained receptive to the role BISP played in denting intergenerational poverty in Pakistan. The quarterly cash grant was gradually enhanced by successive governments which today stand at Rs. 5000/- per quarter
- BISP is following the path of automation and 98.5 percent of beneficiaries are being paid through the Biometric Verification System (BVS)
- BISP Endowment Fund (BEF) has been approved by BISP Board in its 29th meeting held on 29th January 2018. The core objective of BEF will be to cover BISP's operational cost in periods of budgetary constraints besides financing of additional pro-poor schemes/initiatives as approved by Fund's Board and financing on of any other activity decided by BISP Board
- A Center of Excellence is being established at BISP to commemorate 10 year of the existence of BISP. The Center will be the Think Tank for carrying out research to learn global best practices serving as knowledge sharing platform; conduct research, scholarship programs and internships etc. preliminary work in collaboration with PIDE/HEC
- BISP has signed a Memorandum of understanding (MOU) titled "1000 days of Partnership against Malnutrition" with the United Nations World Food Program (WFP).

Future Plans of BISP

a). Expanding Un-conditional Cash Transfer: BISP is extending financial assistance of Rs. 5000/- (US$45) quarterly to 5.8 million families. BISP is covering around 16 percent of population and could not extend support to remaining poor due to limited fiscal resources. Keeping in view, the present government's manifesto of expanding coverage of income support to 8 million families, fiscal space will have to be created. Unification of fragmented safety nets at the federal level and elimination of all non-targeted subsidies will result in substantial savings to the federal kitty where overlapping will be rectified. Digital mapping of the recipients under different programs will also end duplications – a beneficiary receiving cash and other CCT benefits from three programs at the same time needs to be weaned off the UCT.

b). Expanding Conditional Cash Transfer (Waseela-e-Taleem): BISP is currently implementing Conditional Cash Transfer Program linking with education in 50 districts. Top up of Rs. 750/- per quarter is distributed to beneficiary children enrolled in primary education on 70 percent attendance compliance. Expansion could not take place in all the districts due to financial constraints. BISP has so far disbursed Rs. 8.2 billion in CCT intervention amongst 2.7 million children of beneficiary families. BISP is optimistic to expand the CCT on education intervention in all districts of the country to cover all out of school children of BISP beneficiary families which is planning in next 3-5 years. There are 9 million children of BISP beneficiary families falling in primary school age as per BISP data. In order to enroll all 9 million children, BISP requires Rs. 34 billion annually. The stipend of Rs. 750/- per quarter is not substantial incentive to retain children in school as poorest of the poor usually engage their children in child labour.

II. Pakistan Poverty Alleviation Fund (PPAF): PPAF is the leading institution focused on eliminating poverty in Pakistan. PPAF facilitates public-private partnerships that have a mutual goal to achieve social and economic change by addressing the multi-dimensional issues of poverty.

Since its inception in April 2000 to March 2019, PPAF has disbursed an amount of approximately Rs. 222.037 billion to its Partner Organizations (POs) in 137 districts across the country. During the same period, 8.4 million microcredit loans have been disbursed with 60 percent loans to women and 80 percent financing extended to rural areas. Over 38,200 health, education, water and infrastructure projects have been completed; 440,000 credit groups and 133,000 community organizations formed, 430,500 individuals received skills / entrepreneurial trainings, 112,900 productive assets transferred to ultra and vulnerable poor households (46 percent women), over 500,800 interest free loans (67 percent women beneficiaries) disbursed through interest Free Loan (IFL) scheme, 26,000 individuals including women and youth trained on enterprise development under Waseela-e-Haq National &Waseela-e-Haq Sindh program of BISP and facilitated in establishing their successful ventures and 30,800 persons with disabilities rehabilitated.

During July 2018 to March, 2019, PPAF has disbursed Rs 756 million to its partner organizations (POs) under PPAF core interventions administered under various PPAF supported programs as shown in the Table-15.3 below:

Table:-15.3: PPAF Disbursement by Operating Units/Special Initiatives **Rs million**

S. No.	Program Components	Financial Progress
1.	Institutional Development and Social Mobilization (ID/SM)	245
2.	Livelihood Enhancement and Protection (LEP)	153
3.	Water and Infrastructure (W&I)	186
4.	Education, Health and Nutrition (EHN)	123
5.	Interest Free Loan (IFL)	49
	Total	**756**

During the same period, a total of 808 Community Organizations (COs) were formed and 3,591 community and PO staff members were trained (55 percent women) under Institutional Development and Social Mobilization component. Similarly, under Livelihood Enhancement and Protection (LEP) component, 2,310 individuals received skills/entrepreneurial trainings (40 percent women) and 556 productive assets were transferred to ultra and vulnerable poor (39 percent women). 169 water and infrastructure sub-projects were completed and benefitted 100,790 persons (54 percent women). Under health and education component, 6 educational facilities were supported during the reporting period 475 students (36 percent girls) were enrolled and 221,655 patients (57 percent women and girls) were treated under various ailments. 59,438 interest free loans (69 percent women) were disbursed through IFL scheme.

Overall, these projects and interventions benefitted around 388,310 poor and marginalized population including 58 percent women beneficiaries during the reporting period. Major achievements of PPAF are presented in Table-15.4 below:

Table-15.4: Major Achievements by Operating Units of PPAF **Numbers**

Program Components	Physical Progress
Institutional Development and Social Mobilization:	
• Community organizations formed	808
• Community and PO staff trainees (55 percent women)	3,591
Livelihood, Employment and Enterprise Development:	
• Individuals received skills/entrepreneurial training (40 percent women)	2,310
• Productive assets transferred to ultra and vulnerable poor (39 percent women)	556
Water and Infrastructure Sub-projects:	
• Sub-projects completed	169

Table-15.4: Major Achievements by Operating Units of PPAF	Numbers
Program Components	**Physical Progress**
• Sub-projects beneficiaries (55 percent women)	100,790
Education:	
• Educational facilities supported	6
• New students enrolled in program schools (36 percent girls)	475
Health	
• Health facilities supported	-
• Patients treated under program health facilities (57 percent women & girls)	221,655
Interest Free Loans Scheme- Number of loans (69 percent Women)	**59,438**
Source: Pakistan Poverty Alleviation Fund, Islamabad.	

Key Initiatives during FY 2018-19:

In addition to the above achievements, following key initiatives also were undertaken by the organization during the same period.

- The National Poverty Graduation Program (NPGP) a six year program started in 2017 amounting US $ 150 million duly approved by the IFAD Executive Board and PPAF to assist the ultra-poor and very poor in graduating out of poverty on a sustainable basis while simultaneously improving their overall food security, nutritional status and resilience to climate change. The program has been built on three main activities; asset transfers, interest free loans and social mobilization. With a nation-wide spread across all four provinces and three regions, the program will be implemented in 375 union councils of 22 of the poorest districts of Pakistan, and directly impact 313,511 household with 156,240 asset transfers and 157,271 households with access to finance.
- A three member European Union's identification & Formulation Mission of Balochistan Water Program visited PPAF to have consultation regarding its upcoming project focusing revival of Balochistan Water Resources. The mission took keen interest in PPAF's water footprint and overall experience of working in Balochistan.
- PPAF in partnership with National Incubation Center (NIC) Karachi has launched innovating for Poverty Alleviation 2018, through which collaboration avenues will be explored between PPAF and Start-ups incubated at NIC Karachi to alleviate poverty through its vast network and community to reach out to underprivileged areas for building social solutions.
- An MoU has been signed between PPAF and Lasbela University of Agriculture, Water & Marine Sciences (LUAWMS) for collaborating on PPAF's upcoming Balochistan water engagement 2019. They will collaborate in conducting research, conferences and workshops on the issue of water challenges in Balochistan and formulation of national and regional policies and poverty reduction programs.

III. Microfinance Initiatives: The Pakistan Microfinance Network (PMN) is the national association for retail players in the microfinance industry with a membership of 46 Microfinance Providers including Microfinance Banks (regulated by SBP) and Non-Bank Microfinance companies (regulated by SECP). PMN works in three principal areas:

i) **Serve as an Information Hub for the industry:** Over the years, PMN has established itself as a knowledge centre for the sector and has emerged as the first stop for information, data and analysis on microfinance and now increasingly on inclusive finance in Pakistan. Activities within this area include:

- Research and Publications

- Holding events and round-table discussions
- Data mining and business analytics
- Promoting benchmarks and international best practices on financial and social performance;

ii). **Promote an Enabling Environment:** As an industry body, PMN strives to work with different stakeholders to create and promote a healthy and vibrant environment for microfinance in Pakistan, through**:-**

- accelerating the industry's development through focused leadership and collective action
- Interaction with policy maker and regulators such as Securities and Exchange Commission of Pakistan (SECP) and State Bank of Pakistan (SBP)
- Creating linkages with both bilateral and multi-lateral donors
- Representing the sector at domestic and international forums
- Building strategic partnerships with local and international stakeholders
- Liaison with private and public-sector outfits to leverage expertise for various industry support infrastructure such as the Credit Bureau, Digitization of Microfinance, Consumer Protection Code & Grievance Redressal System
- Building sector image and tackling negative perceptions through a professionally managed Communications and Public Relations strategy
- Focusing on reducing barriers to investment to improve capital allocation by convening impact investors to facilitate knowledge exchange and highlighting innovative investment approaches.

iii). **Capacity Building:** PMN continues to play an active and significant role in creating training, exposure and human resource development opportunities for the sector through:

- International and local trainings, and exposure visits
- Building linkages with academic institutions.

The microfinance industry broadly provides services in three categories of micro-credit, micro-savings and micro-insurance. As shown in Table 15.5, the sector continued to exhibit upward trend. The micro-credit outreach witnessed 20 percent growth during 2018, while Gross Loan Portfolio registered a 36 percent growth during the same year. Micro-savings, on the other hand, posted a growth under active savers by 14 percent and value of savings by 28 percent, which is attributable to increase in m-wallet accounts and taping higher ticket size. Moreover, micro-insurance also remained positive wherein policy holders increased by 16 percent, whereas sum insured posted a hefty growth of 25 percent. This segment is primarily dominated by credit life and health insurance.

Table 15.5: Active Borrowers, Active Savers and Active Policy holders

Details	Micro-Credit		Micro-Savings		Micro-Insurance	
	Active Borrowers	Value (Rs million)	Active Savers	Value (Rs million)	Policy Holders	Sum Insured (Rs million)
2018*	6,936,554	274,707	35,293,602	239,963	8,456,430	248,783
2017*	5,800,457	202,699	30,984,717	186,941	7,313,029	198,680
Increase/decrease (Net)	1,136,097	72,008	4,308,885	53,022	1,143,401	50,103
Increase/Decrease (%)	20%	36%	14%	28%	16%	25%

*: Calendar Year

Source: Pakistan Microfinance Network (PMN)

Branchless Banking

Pakistan is one of the fastest developing markets for branchless banking in the world. Under SBPs encouraging policies and vigorous initiatives being undertaken by players in the market, the numbers indicate that the masses are becoming more aware of opening accounts via biometric verification systems placed at various agents and mobile locations. With NADRA is actively pursuing cost reduction techniques, Banks have also been persuaded to perform customer verifications when opening new customer accounts. The trend in the growth of branchless banking has been witnessing a fortifying growth in BB accounts. The number of Social Welfare Disbursements (BISP, EOBI Pensioners, IDP Payments, WFP etc.) during the year under review accounted for over 25 million transactions with an accumulated value of Rs. 132.8 billion.

Digital Credit

With the launch of the National Financial Inclusion Strategy (NFIS) and the Pakistan Financial Inclusion and Infrastructure Project, the aim of the regulators is to promote financial inclusion by increasing access to digital payments among businesses and households, as well as advancing access to credit for micro, small and medium-sized enterprises. It can also be witnessed that most of these digital offerings involve strategic partnerships between Mobile Network Operators and Microfinance Banks/financial institutions along-with new alliances that include third-party FinTechs which are also beginning to emerge. Examples include: Tez Financial Services – a mobile application that provides instant access to financial services by linking a client's mobile wallet with the app, and Credit-Fix also a mobile app that draws on alternative credit data to assess creditworthiness of unbanked consumers. These strategic partnerships between FinTechs and financial institutions are mutually beneficial as they thrive to scale up business and reach a wider customer base by offering scaled and innovative solutions that are analytics driven. Not only does this improve the efficiency of the product, but also leads to enhanced mitigation of risks.

The objective of the microfinance initiative is to provide liquidity to the microfinance providers in response to tighter liquidity conditions. It is provided as a package through microfinance banks (MFBs), microfinance institutions (MFIs), Rural Support Programs (RSPs), and others including Commercial Financial Institutions (CFIs) and Non-Government Organizations (NGOs). Table-15.6 presents the number of Micro-Credit beneficiaries with outstanding loan portfolio and disbursements by loan providers' upto December 2018.

Table 15.6: Micro credit beneficiaries, outstanding loans portfolio and loan disbursement as of Dec 2018

MFP	Active Borrowers	Outstanding Loans Portfolio (Rs)	Number of Loans Disbursed	Disbursements (Rs)
Total for Pakistan MF sector	**6,936,554**	**274,706,547,185**	**2,270,527**	**125,270,910,542**
MFBs				
Apna Microfinance Bank	98,508	10,088,648,035	101,734	12,476,219,060
Advans Pakistan	11,018	998,490,211	3,630	525,269,607
FINCA Microfinance Bank	235,632	20,868,934,992	82,223	9,032,220,884
First Microfinance Bank Limited	423,590	23,404,998,737	142,148	9,141,403,794
Khushhali Bank	784,327	43,449,706,356	304,408	18,859,820,657
Mobilink Microfinance Bank	157,262	12,813,704,871	54,042	4,517,201,190
NRSP Bank	399,358	23,777,632,753	190,794	12,894,187,008
Pak Oman Microfinance Bank	40,133	1,247,170,855	11,042	582,081,000
Sindh Microfinance Bank	37,254	589,829,795	12,197	120,388,000
Telenor Microfinance Bank Limited	691,982	34,080,861,048	235,767	10,230,359,020
U Microfinance Bank	287,320	17,225,243,659	108,802	7,148,243,030
Total for MFBS	**3,166,384**	**188,545,221,312**	**1,246,787**	**85,527,393,250**
MFIs				
AKHUWAT	998,142	16,812,463,472	201,997	6,569,306,900
ASA – Pakistan	419212	9370993207	130659	4958990000
Community Support Concern	36,972	1,271,945,139	12,433	636,032,000
DAMEN	107,299	3,417,449,857	29,228	1,516,470,000
Farmer Friend Organization	26,829	623,577,260	7,070	302,730,000
Kashf Foundation	471,001	12,787,784,540	136,885	6,243,843,000
MOJAZ Foundation	27,676	757,834,260	11,021	454,375,000

Table 15.6: Micro credit beneficiaries, outstanding loans portfolio and loan disbursement as of Dec 2018

MFP	Active Borrowers	Outstanding Loans Portfolio (Rs)	Number of Loans Disbursed	Disbursements (Rs)
Micro Options	4,142	80,598,942	1,643	40,180,000
Orangi Charitable Trust	23,311	418,074,802	6,139	192,840,000
SAFCO Support Fund	92,064	1,948,632,138	25,289	973,675,000
Soon Valley Development Program	10,042	305,869,591	2,805	135,905,000
Total for MFIs	**2,216,690**	**47,795,223,208**	**565,169**	**22,024,346,900**
RSPs				
National Rural Support Program	839,796	21,133,612,312	262,466	10,793,250,155
Ghazi BarotaTariqiati Idara	16,827	329,220,347	5,195	161,415,000
Punjab Rural Support Program	81,238	1,705,249,450	23,610	653,043,000
Sindh Rural Support Organization	5,428	41,066,900	1,441	20,716,000
Sarhad Rural Support Program	5,428	41,066,900	1,441	20,716,000
Thardeep Rural Support Program	161,708	3,377,088,476	43,878	1,370,714,000
Total for RSPs	**1,110,425**	**26,627,304,385**	**338,031**	**13,019,854,155**
Others				
AGAHE	21,613	391,726,421	6,166	196,645,680
BRAC	75,358	2,029,595,647	24,722	1,055,956,000
JWS Pakistan	87,840	2,132,075,897	23,002	1,080,150,000
Orix Leasing	22,828	522,765,729	4,173	194,058,000
Organization for Participatory Development	4,102	86,313,334	1,174	41,665,000
Rural Community Development Program	124,254	4,261,830,160	32,198	1,929,247,392
Shadab Rural Development Organization	2,465	82,354,750	0	0
Shah Sachal Sami Foundation	6,743	144,789,426	1,487	54,734,000
Support With Working Solutions	2,045	13,658,216	0	0
Villagers Development Organization	2,050	26,960,343	235	9,306,000
Total for Others	**349,298**	**9,692,069,923**	**93,157**	**4,561,762,072**

Source: Pakistan Microfinance Network (PMN)

IV. Zakat: Zakat plays an important role in poverty alleviation. Apart from support to the poor and needy, it helps in re-distribution of wealth which curtails unemployment and reduces chances of economic recession. Zakat funds are utilized for assistance to the needy, indigent, poor, orphans, widows, handicapped and disabled for their subsistence or rehabilitation. 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.

The subject of Zakat stood devolved to the provinces and federal areas. Ministry of Religious Affairs & Inter-Faith Harmony has been assigned the task of collection and disbursement of Zakat funds to the Provinces/Federal Areas till next NFC Award under the CCI approved formula. A total amount of Rs 7377.678 million was collected during FY 2017-18 and distributed in bulk amongst the Provinces/Federal Areas. During FY2018-19, Zakat funds disbursed to the provinces and federal areas during 2018-19 are given in Table 15.7:

Table 15.7: Disbursement of Zakat

Federal Areas/ Provinces	% Share	Allocated Budget 2018-19
Federal Areas	7% of total Zakat Collection has been distributed amongst federal Areas	
ICT	35.14% of 7%	181.476
Gilgit Baltistan	18.57 % of 7%	95.902
FATA	46.29 % of 7%	239.059
	Total Federal	**516.437**
Provincial	Share of provinces after deduction of above federal payment is as per their share	
Punjab	57.36 % of 93 %	3935.608
Sindh	23.71 % of 93 %	1626.800
Khyber Pakhtunkhwa	13.82% of 93 %	948.224
Balochistan	5.11 % of 93 %	350.609
	Total Provincial	**6861.241**
G. Total		**7377.678**

Source: Ministry of Religious Affairs and Inter-Faith Harmony

V. Pakistan Bait-ul-Mal (PBM):PBM is significantly contributing toward poverty alleviation through its various projects and schemes by providing assistance to destitute, widows, orphans, invalid, infirm and other needy persons irrespective of their gender, cast, creed and religion through its establishment at the district level. During July to March FY2019, PBM has disbursed an amount of Rs 2.562 billion through its following core projects / schemes:

a) Individual Financial Assistance (IFA): Through IFA, poor, widows, destitute women and orphans are supported for medical treatment, education and general assistance. PBM has envisioned providing wheel chairs to every disabled person in the country. A family having two or more special (disabled) children has been declared "special family" and is benefited with Rs.25,000/- annually, whereas the family with one special child is being provided financial assistance of Rs.10,000/- per annum. An amount of Rs 1,794 million has been disbursed during the period from July, 2018 to March, 2019 as given below:

S. #	Category	Amount Disbursed during July to March FY 2019 Rs million
1	IFA-Medical	1,705.287
2	IFA-Education	60.155
3	IFA-General / Special Friends	28.419
Total		**1,793.861**

b) Child Support Program (CSP): This is a conditional cash transfer program, in which cash incentive is provided to the parents for sending their children to schools. Rs 300 per month per family with one school going child and Rs 600 per month to the families with two or more school going children in (13) districts is disbursed. An amount of Rs 48 million has been paid so far during the period from July, 2018 to March, 2019 under this initiative.

c) Institutional Rehabilitation for NGOs: PBM provides grant-in-aid to registered non-governmental organizations (NGOs) having excellent track record aimed at institutional rehabilitation of the poor and deserving persons of the society. An amount of Rs 7 million has been disbursed during the period from July, 2018 to March, 2019.

d) School for Rehabilitation of Child Labour (SRCLs): PBM has established 159 National Centres for Rehabilitation of Child Labour countrywide since 1995 for primary (non-formal) education. Children (male & female) between the ages of 5-6 years are weaned away from hazardous labour and enrolled in these centres with free provision of uniform, books and stationery. An amount of Rs 266 million is utilized during the period from July, 2018 to March, 2019 under this initiative.

e) Women Empowerment Centres (WEC): Vocational Training Centres now called Women Empowerment Centres have been established throughout the country since 1995. 154 WECs are providing free training to widows, orphans and poor girls in different skills i.e. cutting, sewing, knitting, computers and embroidery along with other trades. The trainees are being provided with free training material. An amount of Rs 258 million is utilized from July, 2018 to March, 2019.

f) Pakistan Sweet Homes (Orphanage): 39 Pakistan Sweet Homes (orphanages) have been established for the orphan children where they are being provided free food, nutrition, medical treatment, boarding and lodging, as well as free education through well reputed educational institutes. An amount of Rs189 million has been spent for welfare of orphans during the period July, 2018 to March, 2019.

g) Pakistan Great Homes (Old Homes): Presently 01 Pakistan Great Home, in Lahore has been established on pilot basis. Thereafter, this initiative would be scaled-up to provincial headquarters level and at divisional/district level in phased manner. The enrolled seniors (above 60 years of age) are being provided free of cost boarding/lodging, messing and medical care of excellent standard at district level throughout the country.

VI. Employees Old Age Benefits Institution (EOBI): Employees Old Age Benefits Institution (EOBI) provides monetary benefits to old age workers through various programs such as Old Age Pension, Invalidity Pension, Survivors pension and Old Age Grants.

The EOBI Pensions (old-age, invalidity and survivors pensions) are paid on monthly basis. No pension is paid lesser than Rs 6,500/- per month being the current rate of minimum pension and maximum upto Rs 13,356/-. However, the insured persons retiring from the employers having the definite retirement age less than 60 years (55 years for female) are provided reduced pension. Pension of such insured persons is reduced by one-half percent for each month short of 60 years (55 years for female). Old-age grant is paid in lump sum equal to insured person's having less than fifteen years' insurable employment but attain the age of 60/55 years.

The EOBI benefits although not much handsome but it is sustainable source of income for the insured persons and their survivors who are generally live below the poverty line. In this way, the EOBI benefits are proved effective tools to prevent the insured persons and their survivors from falling into poverty and enabling them to escape from the poverty trap to some extent. The details of disbursed benefits during July 2018 to March 2019 are shown in Table-15.8.

Table-15.8: Achievements of EOBI

Benefits	July 2018- March 2019	
	Number of beneficiaries	**Amount of Benefits to be paid Rs millions**
Old-age Pension	245,870	14,241.98
Invalidity Pension	5,486	307.02
Survivors' Pension	146,050	8,484.52
Old-Age Grant	4,534	262.75
Total	**401,940**	**23,296.27**

Source: Employees' Old Age Benefits Institution (EOBI), Karachi

VII. Workers Welfare Fund (WWF): WWF is providing various services in the areas of housing, health and education to the industrial workers and financial assistance is also being extended in the form of death grant, marriage grant and scholarships. The main objective of WWF is to finance the following:

i) Finance the projects for the establishment of housing estates for the industrial workers which include the following:
   a) Construction of houses, flats and development of plots
   b) Establishment of health facilities like hospitals, wards and dispensaries
   c) Establishment of education facilities like schools, colleges, technical institutes and industrial homes
ii) Establishment of new higher secondary schools in all major industrial cities where either such facilities do not exist or these facilities are not sufficient to meet the existing demand of local workers
iii) Provide death grant @Rs 500,000/- to the widow/legal heir of the deceased workers as compensation
iv) Provide marriage grant @ Rs 100,000/- for the marriage of daughters of workers

During July-March, FY2019 expenditures amounted Rs 468.273 million have been incurred on 3,992 scholarship cases while Rs 1,985.38 million has been disbursed as Marriage Grant (@100,000/- which benefitted 19,854 workers' families. WWF has also disbursed Rs 1,597.55 million as Death Grant (@500,000/-) to 3,195 cases of mishaps of workers all over the country.

Conclusion

The comprehensive social protection framework is aimed at overcoming the challenges of poverty, health, stunted growth, education and would enable the youth to realize their potential and extricate themselves out of the generational poverty traps. SDGs have been widely regarded as the best vehicle to address poverty alleviation in Pakistan. CPEC will provide an opportunity for provision of affordable energy to all and upgrade connectivity around the country which will create more opportunities for all. The government is planning to establish enough social protection for all marginalized and vulnerable segments of the society. In this regard, effective monitoring mechanism for SDGs that will ensure the higher returns of investment along with greater contribution to SDGs targets.

Punjab government has decided to establish shelter-homes in all districts of the province for the homeless people. In this regard, shelter-homes will be constructed in all districts in phases so that the homeless people may not have to sleep under the open sky in harsh conditions. The state is fulfilling its responsibility in providing shelter and food to the needy people that were earlier forced to sleep on roads. The government is taking all necessary steps to support this poor destitute class and the establishment of a welfare project like the Panah Gah is an important step in this regard.

CHAPTER 16

Climate Change

Erratic weather patterns and climate change have emerged as the biggest environmental challenges that are affecting almost all the sectors of economy particularly water resources, energy, health, biodiversity with a major impact on agricultural productivity. In view of Pakistan's high vulnerability to the adverse impacts of climate change, the current government is committed to meet this challenge and the Prime Minister has constituted "Prime Minister's Committee on Climate Change" to provide high level strategic guidance and platform for coordinated efforts on the issues of climate change. Federal Forestry Board (FFB) has also been revived to rehabilitate forests and forest cover in the country. Ministry of Climate Change has adopted a comprehensive approach on the disaster risk reduction and management.

The government has also introduced climate budget coding and expenditure tracking system. This initiative has become a solid conduit for the climate change finance mainstreaming and will foster transparency in public investments. The monitoring of the expenditure will also give confidence to the international development partners in tracking expenditure under different funding streams to ensure that the finances are spent on the intended objectives.

Ministry of Climate Change (MoCC) has taken various initiatives in the area of climate change adaptation and mitigation in accordance with our National Climate Change Policy which are as under:

a) To ensure effective implementation of National Climate Change Policy and its Framework, meetings of National Climate Change Policy Implementation Committee are being held regularly.
b) MoCC has completed the process of ratification of Doha Amendment to Kyoto Protocol.
c) Pakistan Climate Change Council and Pakistan Climate Change Authority are being established to address the issues of climate change and meet Pakistan's obligations under international conventions relating to climate change.
d) Climate Change Council is being established and the mandate is to:
    i. Monitor implementation of international agreements
    ii. Approve and monitor implementation of comprehensive adaptation and mitigation policies, strategies, plans, programs & projects
    iii. Monitor implementation of National Adaptation Plan
    iv. Protection and conservation of renewable and non-renewable resources, species & habitats
e) Preparation of Pakistan's Second National Communication (SNC) on Greenhouse Gases (GHG) emissions is at final stage.
f) Biennial Update Report (BUR) is an extended report on National Communications which describes the status of GHG emissions and mitigation measures taken by the countries. MoCC has started preparatory work on Pakistan's first BUR.

All these are indicators of a shifting landscape in Pakistan under the present government towards a cleaner, greener and sustainable future aiming for lowering the emissions and ensuring climate resilient growth.

Water, Sanitation and Hygiene (WASH) Program

Pakistan is a signatory to the Sustainable Development Goals (SDGs). SDG 6 i.e. clean water and sanitation aims to provide safe drinking water to 95 percent of the population and access to safe sanitation to 72 percent of the population by the year 2030. Currently the national base line for safe drinking water is 36 percent and for sanitation is zero percent. The indicators in national data sets for WASH: Pakistan Social and Living Standard Measurement (PSLM) and Multiple Indicator Cluster Survey (MICS) were reviewed and aligned with Sustainable Development Indicators 6.1, 6.2 and 6.3.1.

Safely Managed Water

The access to improved drinking water sources (piped, hand pump, motorized pump and closed well) is 89 percentage, available when needed (24 hours available at premises) is 77.5 percent, basic service is 53 percent (basic services but not free from contamination) contamination is 36 percent. The lowest figure of all three that is free from contamination is 36 percent, which is the baseline figure of safely managed water in Pakistan in 2018[1].

Safely Managed Sanitation

Improved sanitation is 63 percent (it is 58 percent as per JMP), hand washing with soap is 60 percent and data regarding on-site and off-site treatment is not available or is less than 1 percent. The lowest of all figure of the three is On-Site and Off-Site treatment so baseline safely managed sanitation is zero.

Inclusion and Disparities

There is significant difference between access to piped water in urban areas with coverage of 48 percent and of rural areas with 13 percent only. Furthermore, only 10 percent of the poorest have access to piped water supply compared to 39 percent of the rich and 35 percent of the richest groups. Under sanitation, less than half of the rural population in Pakistan use improved sanitation. Only 20 percent of the poorest have access to improved sanitation compared to 82 percent of the richest. Similarly, 40 percent of the poorest have no toilets compared to only 1 percent of the richest.[2]

Sector Policies/Strategies

The Prime Minister of Pakistan has reinforced the commitment of government for creating an enabling environment for water and sanitation through launching of Clean Green Pakistan Movement (CGPM) in October 2018, showing the highest level of political commitment. The CGPM will seek institutional strengthening for effective service delivery and behavioural change for sustenance and continuity for the accessibility and availability of safe water and sanitation to the people of Pakistan.

Institutional Arrangements

The provincial and administrative units take a lead on the identification, planning and implementation of drinking water and sanitation policy along with budgetary allocations and spending in their jurisdictions. At federal level, Ministry of Climate Change has been entrusted the role of policy formulation, standards setting, reporting and coordination for regional and international commitments. In order to strengthen the institutional arrangements at the national level, the MoCC has created a Water, Sanitation and Hygiene (WASH) Strategic Unit in 2018 based on a

[1]Pakistan Country Preview Paper 2017
[2] PSLM 2015

capacity assessment done in 2016.

Capacity Development

The WASH Strategic Unit at the Ministry of Climate Change (MoCC) rolled out Joint Sector Reviews (JSRs) of WASH in 2016/2017 by arranging a training workshop of key provincial departments and sector partners. All four provinces organized JSRs in 2017-18, which culminated in a National JSR in December 2018 by the MoCC. The overall SDG 6.1 and 6.2 targets for WASH have been finalized along with a roadmap for next two years.

Planning, Monitoring and Review

There is no single regulatory and monitoring authority for carrying out M&E and reporting on WASH. Each province carries out WASH activities in its jurisdiction and also compiles data. Pakistan Bureau of Statistics (PBS) is the national custodian of tracking and reporting the progress on SDGs. The MoCC and PBS brought different stakeholders together in 2017 and 2018 for developing consensus on the indicators and methods of data collection for tracking and planning.

Sector Financing

The overall estimated financial layout of the sector for 2017-2018 was Rs 128,000 million. This includes:

i. Government /public sector expenditure on water and sanitation: Rs 80,000 million
ii. ODA and Voluntary transfers for WASH: Rs 4,200 million
iii. Repayable Financing :Rs 8,200
iv. Tariffs for services provided: Rs 25,100 million and Households' out of pocket expenditures: Rs 9,900 million. Currently, the contribution of private sector is not reflected in financial layout available for 2017-18.

Sustainable Development Targets for Pakistan

By using the SDG costing tools developed by SWA, Pakistan calculated annual investment needs for WASH Sector. Below calculations are based on current coverage of safely managed water i.e. 36 percent and safely managed for sanitation i.e. zero. Based on SDG costing tool, it is estimated that Pakistan needs Rs450 billion annually to meet SDG targets by 2030. Presently, Pakistan is spending PKRs 80 billion annually through public sector while overall financial layout of the sector is PKRs 130 billion. However, it is under-reported as many of the departments, providing water and sanitation services as integral component of their interventions do not report their spendings like school education, health, housing, works and communication, irrigation, etc.

Annual Financial Needs for Safely Managed WASH Services -PKRs Million

#	Description	Urban		Rural		Total
		Water	Sanitation	Water	Sanitation	Total
1	New Services: Basic Access	13,968	12,797	8,595	28,543	63,883
2	New Services: Safely Managed	62,630	48,904	113,736	123,099	348,369
3	Sustaining existing services: Basic Access	16,635	11,100	11,110	20,735	59,580
4	Sustaining existing services: Safely Managed	36,229	11,100	33,461	20,735	101,525
6	Overall Financing Needs	98,849	60,004	147,197	143,834	449,894

The current allocation for 2018-19 is Rs. 150 billion and Pakistan shall be able to make a growth of 2.1 percent annually. The country shall be able to cover 95 percent of safe water and 72 percent of safe sanitation (62 percent by investment and 10 percent with private sector).

Forests

According to the Pakistan Forestry Outlook Study total area of forests in the country is 4.34 million ha (5.01 percent), out of which 3.44 million ha forests exist on state-owned lands and remaining on communal and private lands. Annual consumption of wood (timber and fuel wood) is estimated at 44 million cubic meters whereas annual growth of natural forests is 14.4 mm^3, resulting in over-exploitation of forest resources. Moreover, sole dependence of forest-owning local communities on this resource for livelihood is reported as main cause of deforestation. The contribution of forest in GDP is 0.4 percent. Under Millennium Development Goals (Goal-7), Pakistan had committed to increase forest cover to 6 percent, which could not be achieved mainly due to financial constraints of federal and provincial governments. Overseas Development Assistance (ODA) from either bilateral or multilateral sources has also declined drastically impeding government policies and plans to bring additional lands under tree cover.

Ministry of Climate Change is implementing following initiatives towards achievement of objectives of above Conventions and Protocols with the technical and financial support of Global Environment Facility(GEF), UN agencies, World Bank, multilateral donors and NGOs including International Union for Conservation of Nature(IUCN) and WWF and PSDP.

- Mangrove for the Future (MFF) regional program in collaboration with IUCN-Pakistan
- Implementation of World Bank funded REDD+ Readiness Preparation Proposal (R-PP)
- Preparation and implementation of National Biodiversity Strategy and Action Plan
- Revival of forestry and wildlife resources in Pakistan (Green Pakistan Program)
- Up-scaling of GPP into Ten Billion Tree Tsunami (new initiative)
- Scaling-up of Glacial Lake Outburst Flood (GLOF) risk reduction in Northern Pakistan
- Reversing Deforestation and degradation in high conservation value pine forests in Pakistan
- Sustainable Land Management Program to combat desertification in Pakistan (SLMP II)
- Implementation of Federal Forest Policy 2015

Measures to Increase Forest Cover

Seasonal Tree Planting Campaigns

In order to enhance tree cover in the country, seasonal tree planting campaigns held each year and government, private departments, organizations actively involved in planting activities. During 2018 inter-provincial meetings on the onset of spring 2018 and Monsoon 2018 were held whereby achievement against target fixed for tree planting are as follows:

(Plants in Millions)

Season	Target	Achieve ment	Survival Rate
Spring 2018	102.4	84.32	76%
Monsoon 2018	47.44	55.195	78%
Spring 2019	141.72		

Mangroves for the Future (MFF)

Mangroves for the Future (MFF) initiative focuses on promotion of an integrated ocean wide approach to coastal zone management. Under this initiative more than 30 projects have been completed since the inception.

Participation in Reducing Emissions from Deforestation and forest Degradation (REDD+)

Reduced Emission from deforestation and Forest Degradation (REDD+) is a concept adopted by the countries under United Nations Framework convention on climate change (UNFCCC) in 2010. The concept relates to absorption of atmospheric carbon through forest resource. Due to accumulation of carbon in standing trees their financial value increases. Carbon stoked in forest is traded in carbon markets.

The REDD+ Readiness Preparation Proposal (R-PP)

R-PP is being implemented in Pakistan with a grant of$ 3 .8 million since July, 2015. Pakistan was awarded the grant through a competitive process by Forest Carbon Partnership Facility (FCPF) of World Bank. International and national consultants were hired to prepare documents required to complete the REDD+ readiness phase. Final documents have been prepared by the consultants and the project has been shared with the Forest Departments of provinces and territories for acceptance/concurrence in February, 2019.

Meanwhile in 2018, an additional grant of $ 4.01 million has also been awarded by FCPF to further support the preparedness activities in Pakistan till June, 2020.

Migratory Birds and Houbara Bustard Endowment Fund

This Fund was established in 2016 and it will provide support for developing and implementing programs for conservation of valuable migratory birds with an initial endowment of Rs. 250 million.

Green Pakistan Program – Revival of Forest Resources in Pakistan

The main objective of the program is to facilitate transition towards environmentally resilient Pakistan by mainstreaming notions of adaptation and mitigation through ecologically targeted initiatives covering afforestation, biodiversity conservation and enabling policy environment. The program towards reviving forestry resources in the country is being implemented through PC-I scheme titled, Green Pakistan Program-Revival of Forestry Resources in Pakistan (2016-2021). The estimated cost of the project is Rs. 3.652 million for a period of five years.

Ten Billion Trees Tsunami Program (TBTTP) is a full-fledged organized and an elaborated approach aiming at revival of forestry and wildlife resources in light of international conventions and national and provincial legislative frameworks has been initiated. The implementation modalities for TBTTP have been developed under the Chairmanship of Federal Advisor on Climate Change. Upon the consultation with provinces and federating units, it was decided to upscale the existing implementation framework of Green Pakistan Program in light of lessons learnt from KP-Billion Tree Tsunami Program under the PSDP funding mechanism. The Prime Minister of Pakistan inaugurated the Ten Billion Trees Tsunami Program on 2nd September, 2018 during “Plant for Pakistan Day” event.

Ten Billion Tree Tsunami Program, Phase-I

1. Time required for completion of Program 8-Years (2016-2024)
2. Capital cost of Program
   i. Forestry Component Rs. 98.051 billion
   ii. Wildlife Component Rs. 12.0316 billion
   Total: Rs 110.0826 billion
3. The Ten Billion Tree Tsunami Program, Phase-I will be implemented with an overall cost of Rs. 110.0826 billion. The Federal Government would make an allocation of Rs. 69.067 Billion on cost sharing basis for five years (2019-2024) to revive the forestry and an allocation of Rs.7.30 billion for wildlife resources of Pakistan.

Specific Objectives of TBTTP

The program has three components:

a) Enhancement of Forest Cover and management of plantations, state, guzara and reserve forests
b) Biodiversity Conservation and establishment of 725 acres of Zoo-cum Botanical Garden, Islamabad
c) Institutional Strengthening of Zoological Survey of Pakistan

A). Enhancement of Forest Cover

This component focuses on enhancement of the forest cover by adding 4.446 billion indigenous plants through afforestation, reforestation and regeneration over next five (05) years to curb the impacts of climate change.

The priority areas for the purpose are as under:

a. Conservation and enhancement of natural forests through assisted natural regeneration
b. Road and canal side plantation
c. Rehabilitation and re-stocking of historical plantations
d. Restoration and improvement of scrub forests
e. Increase in existing cover of mangrove forests
f. Watershed and soil conservation in hilly and river catchment areas (reserved as well as community forests)
g. Rehabilitation of guzara and protected forests
h. Protection and augmentation of dry temperate forests

Biodiversity Conservation

The Ministry of Climate Change based upon extensive discussions with all stakeholders recognized that challenges to wildlife protection and preservation could be overcome through improvement and effective implementation of wildlife legislations and institutional strengthening.

a. Enhanced management of Protected Areas (Biosphere Reserve/ National Parks) with special focus on Eco-tourism (at least one in each province/territory) on international standards including Margalla Hills, National Park, Islamabad
b. Establishment or Up gradation of existing Zoo on international standards (at least one in each province / territory)
c. Revival of Critically Endangered Habitats
d. Curbing of illegal wildlife trafficking through establishment of control desks in international/national airports
e. Rehabilitation/ Rescue Centers for Confiscated Wildlife in each province/ territory
f. Zero plastic in protected areas (All protected areas of Pakistan)
g. Improvements of Wildlife related Legislations and its implementation
h. Liaison between Wildlife Departments and Universities
i. Rehabilitation of forest cover in Man and the Biosphere (MAB) reserves and intervention for declaration of more MAB reserves, which are in pipeline

B). Institutional Strengthening

Zoological Survey of Pakistan (ZSP) is the pioneer research organization for multi-disciplinary zoological and wildlife related matters in the country. Therefore, to enhance its capacity following are the specific objectives:

a) Strengthening and capacity building of ZSP through establishment of its regional offices in each province
b) Inventory of Endangered Wildlife species and Habitat across Pakistan

Overall number of plants planted, sown and regenerated in plantations and enclosures and planting stock established in nurseries:

a. Total plants planted, sown and regenerated in plantations and enclosures are 33.065 million
b. Planting stock established in nurseries are 22.005 million

Watershed Management and Soil Conservation works

a) Intensive planting of suitable species on 22 ha of degraded slopes in Giglit Baltistan (66,655 plants)
b) 30.35 ha land treated with a combination of different bio-engineering structures consisting of layering, vegetated soft gabions, live brushwood check dams etc. in AJK
c) 2803 cubic meter of bio-engineering structures constructed in Rawalpindi North Forest Circle in Punjab
d) 3,913 cubic meter of loose stone check dams constructed with 566 cubic meters in Juniper and Chilghoza forests of Balochistan and 3,347 cubic meters in Scrub Forests of FATA
e) 991 cubic meter of Gabion structures constructed in Chilghoza Forests of Balochistan
f) 61 meter of gabion flood protection spurs constructed in Gilgit Baltistan
g) 254 meter of diversion channels constructed to divert water from streams to marginal waste lands for afforestation in Gilgit Baltistan
h) 72 water harvesting ponds constructed with 104140 plants planted in the immediate catchments of these ponds in Rawalpindi North and Rawalpindi South Forest Circles in Punjab

Convention on Biological Diversity

The government is firmly committed to take necessary steps in fulfilling its obligations on the issues related to Conservation of Biological Diversity. National consultation on Sixth National Report has been completed and the report will be submitted to Secretariat of Convention on Biological Diversity after approval. National Biodiversity Strategy and Action Plan (NBSAP) has been approved and submitted to the Secretariat of Convention on Biological Diversity. National actions towards implementation of NBSAP are well under way:

1) Access and Benefit Sharing (ABS) Law is in process of consultation for wider acceptance
2) Astola Island was declared as first marine protected area of the Pakistan. Consultation on other potential sites like Churna Island and MianiHorr is in process

Pakistan's compliance with Montreal Protocol

Pakistan is party to the Vienna Convention for the protection of the Ozone Layer and its Montreal Protocol. A dedicated National Ozone Unit is established in the Ministry of Climate Change for effective compliance of the Convention and its Protocol. Pakistan is successfully implementing the obligations of the Montreal Protocol and has phased out 10 percent Hydrochlorofluoro carbons (HCFCs) in January 2015 as per the given time line through multi-pronged actions including ozone depleting substances (ODS) trade restrictions, awareness and capacity building campaigns, and technology transfer. The implementation is a continuous process and at present Pakistan is successfully moving towards 35 percent reduction targets of the HCFCs till 1st January, 2020.

Persistent Organic Pollutants (POPs) management in Pakistan

Persistent Organic Pollutants (POPs) are highly toxic chemical considered as global threat to Human Health and environment. Stockholm Convention on POPs was ratified by Pakistan in 2008. The elimination of POPs pesticide stockpiles became more urgent after the 2010 floods damaged some of the storage sites of hazardous chemicals and pesticides resulting in a greater risk to human and environmental health. Pakistan is now on its way for comprehensive reduction and elimination of persistent organic pollutants aiming to reduce human health and environmental risks. The country is in process of development and implementation of a regulatory, policy and enforcement system to reduce POPs releases and to regulate POPs waste disposal; capacity building to reduce exposure and releases of POPs; and collection, transport and disposal of POPS Pesticides.

Sustainable Land Management Program(Phase-II)

On successful results from phase-I, Phase-II of SLMP is being implemented in 14 dry land districts of all four provinces since 2015. With funding support from UNDP, GEF, Federal PSDP, Provincial ADPs, SLMP-II is assisting the Government of Pakistan in implementation of United Nations Convention to Combat Desertification in order to achieve the long-term goals in Sustainable Land Management (SLM).

Pakistan Environmental Protection Agency (PAK-EPA)

Pakistan Environmental Protection Agency (Pak-EPA) is mandated to enforce the Pakistan Environmental Protection Act 1997 in the Islamabad Capital Territory. The following major activities are being undertaken by Pak-EPA:

Air and Water Quality

- Pak-EPA had fixed and mobile automatic air quality monitoring stations. Pak-EPA is capable of monitoring all the major parameters of air quality by mobilizing its mobile air quality station in Islamabad as well as any part of the country.
- Data surveillance room to monitor steel industries air pollution in I-9 and I-10 industrial areas during 2018-19. Three Steel industries installed state of art new air reverse bag houses system to reduce air pollution.
- Drinking water quality checked by chemical and microbiological analysis of 25 filtration water plants and municipal and waste water pollution monitoring of Industrial Effluent and other Environmental Related Samples in ICT.
- Pak-EPA has established an Integrated Surveillance System to monitor ESBL producing E Coli in the environment (water up streams, wet markets and sewerage system) of ICT
- Hospital Waste Management in Islamabad

Health-care facilities waste contains potentially harmful microorganisms that can infect hospital patients, health workers and the general public. Under Section 31 of PEP Act 1997, based on the Hospital Waste Management Rules, 2005, the current hospital waste management practices in both public and private health care facilities are inspected by Pak-EPA in ICT.

Geomatic Center for Climate Change and Sustainable Development Project

Climate change is a geographic problem and reducing the risks caused by climate change is an immense challenge. Presently, policy makers, developers, engineers, and many others around the world are using geographic information system (GIS) technology to understand a complex situation and offer some tangible solutions in environment and climate change scenarios.

Through the support of Geomatic Center for Climate Change and Sustainable Development project in Pakistan, Environmental Protection Agency Islamabad is one of the ventures under Ministry Climate Change which encourages application of Satellite Remote Sensing (SRS), Geographical Information System (GIS) and Geographical Positioning System (GPS) technologies in environmental monitoring and decision-making.

Achievements

1. Digital Environmental Atlas of Islamabad

The Digital Environmental Atlas of Islamabad was launched under this project. The basic objective of this Atlas is to enable the visualization of Islamabad's environmental information through maps. The spatial distribution of environmental indicators is extremely useful in several types of planning including environmental pollution control strategies. Most importantly, through GIS techniques used in preparing atlas maps, it is possible to combine various layers of information for identifying different types of soil, land use, vegetation distribution, stream network etc.

2. Glacier Monitoring of Pakistan

Geomatic Center has taken the initiative of Glacier monitoring of Pakistan using GIS and Remote sensing technology. Under this initiative, two glaciers i.e. Baltoro and Siachen were chosen for monitoring purpose. Detailed analysis including stream network analysis, terrain analysis and change detection was carried out for the years 1978 to 2018 using satellite imagery.

Achievements of Management Information System (MIS) 2018-19 are as follows:

- Establishment of Server room and deployment of Local Area Networking (LAN)
- Revamping of website through NITB, MoIT& Telecom
- Deployment of new Hi-tech server for Geomatic Center (Central Environmental Application)

Climate Change

GCISC shows that mean annual temperature has increased over Pakistan in the recent past with greater increase in Sindh and Balochistan. The observed increase is higher in winter when compared with summer. The month wise analysis shows that the maximum increase has been observed in December and February. During the last century, the average temperature over Pakistan has increased by 0.6°C, which is in conformity with the increase of average global temperature. Similarly, mean annual precipitation has also shown increase over most parts of the country. The increase is higher in summer as compared to winter with September and June showing the greatest increase. Future climate change projections based on all the four IPCC-AR5 RCPs scenarios show that the average rise in temperature over Pakistan by the end of the century will be about 1°C higher compared to global average. Within the country, the northern regions will experience relatively more warming than the south. This increase particularly in temperature is associated with a number of adverse impacts, including the increasing frequency of extreme events (floods, droughts, heat waves, and cyclonic activity), steady regression of most glaciers (except a small minority in the Karakorum Range) that supply the bulk of the country's water supply and changes in the rainfall patterns.

Impacts of Climate Change on Water Resources

The primary effect of climate change is the disruption of the water cycle and it is important to understand the impact that climate change is having on drinking water supplies, sanitation and food.

In many regions around the world, incidence of hydrological extreme events is rising day by day. However, in Pakistan it is in many different forms, especially flash flooding in mountainous streams in the north. Analysis of the available long-term record (1969-2014) of annual total flow volumes and annual maximum flows of the Indus River at Besham Qila (a flow gauging station upstream of Tarbela dam), shows no statistical evidence of a significant and sustained change in the aggregate average annual flows in the upper Indus Basin (UIB) upstream of Tarbela Dam. However, there is a significant increase in the annual maximum flows. This has specially been found in the water availability analysis of the Kabul River Basin, a snow melt-fed basin, where there is a sharper peak with a clear shift in the annual peak flow by a month. Also, more increased frequency of larger magnitude annual maximum flow events has come out as a key finding of this Kabul River Basin study. Another modeling work focused on the Gilgit River Basin, a glacier-fed basin, revealed that faster melting of glaciers under increased temperatures would bring more flows a month earlier but with a flattened peak. More rigorous modeling analysis is currently going on to gain more clear insight of the state and fate of Karakoram glaciers and associated impacts on the river flow regimes in Pakistan.

Impacts of Climate Change on Agriculture

Agriculture is one of the major sectors likely to be adversely affected by climate change. Climate change can disrupt food availability, reduce access to food, and affect food quality. Projected increases in temperatures, changes in precipitation patterns, changes in extreme weather events, and reductions in water availability may all result in reduced agricultural productivity. Crop simulation models-based studies depicted significant reductions in wheat and rice yields in the arid, semi-arid and rainfed areas of Pakistan under various IPCC climate change scenarios. In general, the increase in temperature leads to a shortening of the Growing Season Length (GSL) for wheat and rice crops in all regions of the country. The studies further report that South Eastern side of Pakistan is more vulnerable to consecutive heat days stress during flowering and ripening stages of wheat. This vulnerability is increasing both spatially and temporally to all the major wheat producing zones from Lower Sindh to Potohar till end of 21st century under both Representative Concentration Pathways (RCPs i.e. RCP 4.5 and RCP 8.5). In the absence of a change in management practices and technology, an overall reduction will be registered for all cereal crop yields.

Study on Smog in Punjab

Seasonal climatology plays a vital role in transport of different kinds of air pollutants affecting day-to-day human activities. Hybrid Single-Particle Lagrangian Integrated Trajectory(HYSPLIT) model based findings have indicated that buildup of anthropogenic aerosols mainly has been taking place in winter (December, January, February, March) and post-monsoon (October, November) for which region wise point source locations were identified. It was found that 65 percent of the sources were detected within Pakistan. Secondly, sectoral contribution of pollutants (NOx, SOx, PM 2.5, CO and NMVOCs) based on the data of last 10 years (2008-17) was determined using the Intergovernmental Panel on Climate Change (IPCC) methodologies. The outcomes demonstrate the transport sector as biggest contributor (43 percent) in total air pollutants emission in Punjab while the rice residue burning adds just 20 percent. Besides, Industry and Power sectors hold 25 percent and 12 percent, respectively. Overall, the energy sector occupies 80 percent of the total air pollutants emissions in Punjab. The emissions of NOx, being main pollutant responsible for smog formation, are highest from transport sector (58 percent). Industry and Power collectively holds 34 percent share in NOx emissions while rice residue burning is just at 9 percent.

Zoological Survey of Pakistan

During the current financial year the baseline surveys of Deosai NP (GB), Machiara NP (AJ&K), Lal Sohanra NP (Punjab) has been carried out. Wetlands of Punjab, Sindh and Khyber Pakhtunkhwa were visited for mid-winter waterfowl census during December and January in 2018- 2019. The data has been sent to Wetlands International. During the current financial year, the studies on Houbara bustard and Indus Blind Dolphin were carried out. Both these studies are part of national level survey, which will be completed in 2020.

Conclusion

Pakistan is facing environmental challenges, which include climate change impacts, loss of biological diversity, deforestation and degradation of air and water quality. The present government has launched Ten Billion Trees Tsunami Program (TBTTP) to lead the country towards aiming at revival of forestry and control air, weather, wildlife, forestation, watershed management and soil conservation to combat the negative impacts of climate change.

ANNEXURES

i. Contingent Liabilities

ii. Tax Expenditure

ANNEXURE-I

Contingent Liabilities

Introduction

Contingent liabilities are possible obligation that arises from past events and their existence will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the government. Contingent liabilities should be examined 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. Hence, 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. Similarly, reported debt levels of a sovereign may be understated owing to the non-inclusion of contingent liabilities, explicit or implicit, which may materialize in future.

Contingent liabilities of Pakistan are guarantees issued on behalf of Public Sector Enterprises (PSEs). The sovereign guarantee is normally extended to improve financial viability of projects or activities undertaken by the government entities with significant social and economic benefits. It allows public sector companies to borrow money at lower costs or on more favorable terms and in some cases allows to fulfill the requirement where sovereign guarantee is a precondition for concessional loans from bilateral/multilateral agencies to sub-sovereign borrowers.

During first nine months of current fiscal year, the government issued fresh/rollover guarantees aggregating to Rs 168 billion, while, outstanding stock of government guarantees as at end March, 2019 amounted to Rs 1,265 billion. The share of rupee guarantees accounted for 91 percent of the total guarantees stock as at end March 2019.

Table-1.1: Guarantees Outstanding as on March 31, 2019 (Rs in billion)

Outstanding Guarantees extended to Public Sector Enterprises (PSEs)	**1,265.1**
-Domestic Currency	1,151.4
-Foreign Currency	113.7
Memo:	
Foreign Currency (US$ in million)	807.8

Source: Debt Policy Coordination Office Staff Calculations, Ministry of Finance

The volume of new government guarantees issued during a financial year is limited under Fiscal Responsibility and Debt Limitation Act which stipulates that the government shall not give guarantees aggregating to an amount exceeding 2 percent of the GDP in any financial year including those for rupee lending, rate of return, outright purchase agreements and other claims and commitments provided the renewal of existing guarantees shall be considered as issuing a new guarantee. The limit of 2 percent of the GDP is applicable on guarantees issued both in local and foreign currencies. During July-March 2018-19, Government of Pakistan issued fresh/rollover guarantees aggregating to Rs 168 billion or 0.4 percent of GDP [as shown in Table 1.2].

Table-1.2: New Guarantees Issued

(Rs in billion)	2013	2014	2015	2016	2017	2018	2019*
New guarantees issued	136	106	156	191	368	324	168
(as percent of GDP)	0.6	0.4	0.6	0.7	1.2	0.9	0.4

*July – March 2019
Source: Debt Policy Coordination Office Staff Calculations, Ministry of Finance

The year wise outstanding stock of government guarantees from 2012-13 till March 31, 2019 is presented through Table 1.3:

Table-1.3: Guarantees Stock **(Rs in billion)**

	2013	2014	2015	2016	2017	2018	2019*
Outstanding guarantees extended to PSEs	**626**	**555**	**644**	**721**	**838**	**1,236**	**1,265**
-Domestic Currency	355	426	533	627	742	1,161	1,151
-Foreign Currency	271	129	111	95	95	76	113.7

*end March, 2019
Source: Debt Policy Coordination Office Staff Calculations, Ministry of Finance

Guarantees issued against commodity operations are not included in the stipulated limit of 2 percent of GDP as the loans are secured against the underlying commodity and are essentially self-liquidating and thus should not create a long term liability for the government. The quantum of these guarantees depends on the supply-demand gap of various commodities, their price stabilization objectives, volume procured, and domestic and international prices. The guarantees were issued against the commodity financing operations undertaken by TCP, PASSCO, and provincial governments.

ANNEX-II

Tax Expenditure

Tax expenditure for FY2019 has been estimated at Rs.972.4 billion. Detailed estimates are highlighted below:

Income Tax

Tax expenditure in respect of direct taxes during FY2019 has been reflected in Table 1:

Table-1:Tax Expenditure of Direct Taxes during FY2019 **(Rs. billion)**

S.#	Tax expenditure on various exemption/concessions	Estimated revenue loss FY2019
1.	Tax credit for charitable donations u/s 61	2.448
2.	Tax credits u/s 64A	1.191
3.	Tax credit u/s 64AB deductible allowance on education expenses	0.067
4.	Tax credit for employment generation by manufacturers u/s 64B	0.0096
5.	Tax credit for investment in balancing, modernization and replacement of plant & machinery u/s 65B	90.954
6.	Tax credit for enlistment u/s 65C	0.356
7.	Tax credit for newly established industrial undertakings u/s 65D	5.487
8.	Tax credit for industrial undertakings established before the first day of July, 2011 u/s 65E	6.458
9.	Tax credit u/s 100C	13.977
10.	Tax credit for investment in shares and insurance u/62	2.055
11.	Tax loss due to exempt business income claimed by IPPs under clause (132) of Part I of the Second Schedule	18.034
12.	Tax loss due to exemption to export of IT services under clause (133) of Part I of Second Schedule.	0.608
	Total	**141.645**

Sales Tax

Major exemptions in sales tax and their tax expenditures during FY2019 are presented in Table 2.

Table-2: Tax Expenditure of Sales Tax for FY201 9 **Rs. in Billion**

SRO	Loss of sales tax due to exemptions projected for FY2019, based On July-March figures
SRO 1125(1)/2011, dated 31.12.2011 (leather, textile, carpets, surgical goods etc.)	86.7
Import under 5th Schedule	0.59
Local supply under 5th Schedule	53.5
Imports under 6th Schedule.	53.7
Local supply under 6th Schedule	247.3
Imports under 8th Schedule	62.7
Local supply under 8th Schedule	93.3
Grand Total	**597.7**

Customs

Following is the break-up of estimates of tax expenditure of main exemptions in Customs Duties for FY2019.

Table-3: Cost of Customs Duty Exemption for FY2019 **Rs. in Million**

S.#	SRO No. & Date	Description	Cost of Exemption (Estimated)
FTAs/PTAs			
1.	558(I)/2004 01.07.2004	Concession of customs duty on goods imported from **SAARC** and **ECO** countries	348.8
2.	1296(I)/2005 31.12.2005	Exemption from customs duty on import into **Pakistan** from **China**	2.5
3.	894(I)/2006 31.08.2006	Exemption from customs duty on import into Pakistan from Iran under **Pak-Iran PTA**.	0.0
4.	1274(I)/2006 29.12.2006	Exemption from customs duty on imports into Pakistan from under **SAFTA** Agreement	1,614.8
5.	659(I)/2007 30.06.2007	Exemption from customs duty on import into Pakistan from **China**	31,620.7
6.	1151(I)/2007 26.11.2007	Exemption from customs duty on goods imported from **Mauritius**	6.0
7.	1261(I)/2007 31.12.2007	Exemption from customs duty on import into Pakistan from **Malaysia**	3,162.7
8.	741(I)/2013 28.08.2013	Exemption from customs duty on import into Pakistan from Indonesia under **Pak-Indonesia PTA.**	3,950.0
9.	280(I)/2014 08.04.2014	Exemption from customs duty on imports from **Sri Lanka**	2,401.6
General Concessions: Automobile sector, E&P Companies, CPEC, etc.			
10.	565(I)/2006 05.06.2006	Conditional exemption of customs duty on import of raw materials and components etc. for manufacture of certain goods (Survey based)	4,755.1
11.	678(I)/2004 12.6.2004	Exemption of customs duty and sales tax to Exploration and Production (E&P) companies on import of machinery equipment & vehicles etc.	5,725.7
12.	655(I)/2006 22.06.2006	Exemption from customs duty for vendors of Automotive Sector	26,604.4
13.	656(I)/2006 22.06.2006	Exemption from customs duty for OEMs of Automotive Sector	38,818.8
14.	39(I)/2017 23.01.2017	Exemption from Customs Duty on Cotton	2,275.9
15.	642(I)/2016 27.07.2016	Exemption from Customs Duty for CPEC	1,009.2
16.	40(I)/2017 25.01.2017	Exemption from Customs Duty for Lahore Orange Line Metro Train	749.1
17.	Chapter 99	Exemptions [Special Classification Provisions]	10,530.8
18.	5th Schedule	Exemptions/ concessions	99,558.0
		Total:	**233,134.0**

Following is the consolidated summary of tax expenditure for the FY 2019 in Table 4.

Table 4: Tax Expenditure of Federal Taxes for FY 2019 **(Rs. billion)**

S. #	Type of Tax	FY2019
1.	Income Tax	**141.6**
2.	Sales Tax	**597.7**
3.	Customs Duty	**233.1**
	Total :	**972.4**

Source: Federal Board of Revenue.

STATISTICAL APPENDIX

CONTENTS

ECONOMIC AND SOCIAL INDICATORS

ECONOMIC AND

INDICATORS	1960s	1970s	1980s	1990s	2000s	2005-06	2006-07
						Base Year 2005-06	
	Average (Annual)						
FINANCIAL SECTOR:							
GROWTH RATE (at constant fc) %							
GDP	6.8	4.8	6.5	4.6	4.5	5.6	5.5
Agriculture	5.1	2.4	5.4	4.4	2.8	1.3	3.4
Manufacturing	9.9	5.5	8.2	4.8	7.3	9.4	9.0
Commodity Producing Sector	6.8	3.9	6.5	4.6	4.8	12.4	5.5
Services Sector	6.7	6.3	6.7	4.6	5.2	8.2	5.6
GROWTH RATES (at current mp) %							
Total Investment	-	21.8	4.2	8.1	15.6	36.1	9.3
Fixed Investment	14.8	20.5	3.7	7.8	15.7	38.0	9.0
Public Investment	14.0	25.3	2.6	7.3	12.5	30.3	21.0
(including general govt.)							
Private Investment	20.9	17.0	5.1	8.8	17.5	40.5	5.2
(as % of Total Investment)			5.1				
National Savings	-	67.5	79.2	75.4	89.9	78.8	74.3
Foreign Savings	-	32.5	20.8	24.6	10.1	21.2	25.7
(as % of GDP current mp)							
Total Investment	-	17.1	18.7	18.3	17.9	19.3	18.8
Fixed Investment	-	15.9	17.0	16.6	16.4	17.7	17.2
Public Investment	-	10.3	9.2	7.5	4.6	4.2	4.6
Private Investment	-	5.6	7.8	9.1	11.8	13.5	12.6
National Savings	-	11.2	14.8	13.8	15.9	15.2	14.0
Foreign Savings**	-	5.8	3.9	4.5	2.0	4.1	4.8
Domestic Savings	-	7.4	7.7	14.0	14.6	13.4	12.3
Per Capita Income (mp-US $)**	-	-	-	-	746.0	897.4	979.9
GDP DEFLATOR (growth %)	-	-	2.3	8.3	8.4	10.5	7.2
CONSUMER PRICE INDEX (CPI)							
(growth %)	3.2	12.5	7.2	9.7	7.3	7.9	7.8
FISCAL POLICY							
(as % of GDP mp)							
Total Revenue	13.1	16.8	17.3	17.1	13.9	13.1	14.0
Tax Revenue	-	-	13.8	13.4	10.3	9.8	9.6
Non-Tax Revenue	-	-	3.5	3.7	3.6	3.3	4.4
Total Expenditure	11.6	21.5	24.9	24.1	18.3	17.1	18.1
Current Expenditure	-	-	17.6	19.4	15.1	12.6	14.9
Defence	-	-	6.5	5.6	3.1	2.9	2.7
Markup Payments	-	-	3.8	6.8	4.9	3.2	4.2
Others	-	-	7.3	7.0	7.2	6.5	8.0
Development Expenditure	-	-	7.3	4.7	3.3	4.5	4.6
Overall Deficit	2.1	5.3	7.1	6.9	4.4	4.0	4.1
MONEY & CREDIT (growth %)							
Monetary Assets (M2)	16.3	21.0	13.2	16.8	15.0	15.1	19.3
Domestic Assets	15.0	20.5	15.4	12.2	14.1	15.8	14.2
STOCK EXCHANGE (growth %)							
PSX 100 Index	-	-	0.1	4.1	27.2	34.1	37.9
Aggregate Market Capitalization	-	-	2.5	13.4	29.1	35.8	45.3

- : Not available mp : Market prices fc : Factor cost P: Provisional, R: Revised, F: Final

***: July-April **: At average exchange rate used in National Accounts Committee meeting**

SOCIAL INDICATORS

Base Year 2005-06											
2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 F	2017-18 R	2018-19 (Jul-Mar) P
5.0	0.4	2.6	3.6	3.8	3.7	4.1	4.1	4.6	5.2	5.5	3.3
1.8	3.5	0.2	2.0	3.6	2.7	2.5	2.1	0.2	2.2	3.9	0.9
6.1	-4.2	1.4	2.5	2.1	4.9	5.7	3.9	3.7	5.8	5.4	-0.3
5.1	-0.9	1.8	3.2	3.1	1.7	3.5	3.6	2.9	3.4	4.5	1.1
4.9	1.3	3.2	3.9	4.4	5.1	4.5	4.4	5.7	6.5	6.3	4.7
17.7	13.4	1.4	9.8	17.1	10.8	10.0	17.0	5.8	13.0	12.4	2.8
17.9	12.4	0.3	8.4	18.1	10.7	9.7	18.0	5.8	13.4	12.8	1.9
21.0	11.2	-2.1	6.6	27.2	4.9	1.2	29.0	7.0	30.5	16.8	-7.9
16.8	12.9	1.2	9.0	14.9	12.9	12.8	14.5	5.4	7.1	11.1	6.5
57.5	68.6	85.9	100.7	86.3	92.8	91.3	93.4	88.9	74.4	62.3	69.6
42.5	31.4	14.1	-0.7	13.8	7.2	8.7	6.6	11.1	25.6	37.7	30.4
19.2	17.5	15.8	14.1	15.1	15.0	14.6	15.7	15.7	16.2	16.7	15.4
17.6	15.9	14.2	12.5	13.5	13.4	13.0	14.1	14.1	14.6	15.1	13.8
4.8	4.3	3.7	3.2	3.7	3.5	3.2	3.7	3.8	4.5	4.8	4.0
12.8	11.7	10.5	9.3	9.7	9.8	9.9	10.4	10.3	10.1	10.3	9.8
11.0	12.0	13.6	14.2	13.0	13.9	13.4	14.7	13.9	12.0	10.4	10.7
8.2	5.5	2.2	-0.1	2.1	1.1	1.3	1.0	1.7	4.1	6.3	4.7
9.1	9.4	9.8	9.7	7.8	8.7	7.7	8.6	7.8	6.5	5.1	4.2
1053.2	1026.1	1072.4	1274.1	1320.5	1333.7	1388.8	1514.0	1529.4	1630.1	1652.0	1497.3
12.9	20.7	10.7	19.5	5.7	7.1	7.4	4.3	0.5	4.0	2.4	7.5
12.0	17.0	10.1	13.7	11.0	7.4	8.6	4.5	2.9	4.2	3.9	7.0 *
14.1	14.0	14.0	12.3	12.8	13.3	14.5	14.3	15.3	15.5	15.1	9.3
9.9	9.1	9.9	9.3	10.2	9.8	10.2	11.0	12.6	12.4	12.9	8.2
4.2	4.9	4.1	3.0	2.6	3.5	4.3	3.3	2.7	3.0	2.2	1.1
21.4	19.2	20.2	18.9	21.6	21.5	20.0	19.6	19.9	21.3	21.6	14.3
17.4	15.5	16.0	15.9	17.3	16.4	15.9	16.1	16.1	16.3	16.9	12.5
2.6	2.5	2.5	2.5	2.5	2.4	2.5	2.5	2.6	2.8	3.0	2.0
4.8	5.0	4.4	3.9	4.5	4.5	4.6	4.8	4.3	4.2	4.3	3.8
10.0	8.0	9.2	9.6	10.3	9.5	8.9	8.8	9.2	9.3	9.6	6.7
4.0	3.5	4.4	2.8	3.9	5.1	4.9	4.2	4.5	5.3	4.7	1.8
7.3	5.2	6.2	6.5	8.8	8.2	5.5	5.3	4.6	5.8	6.5	5.0
15.3	9.6	12.5	15.9	14.1	15.9	12.5	13.2	13.7	13.7	9.7	5.1
33.6	15.4	12.7	13.1	20.2	20.9	9.1	11.7	12.9	18.3	15.9	8.8
-10.8	-41.7	35.7	28.5	10.4	52.2	41.2	16.0	9.8	23.2	-10.0	-7.8
-6.0	-43.9	28.8	20.3	6.2	47.6	36.2	5.7	2.3	25.5	-9.0	-9.2

As per PBS Per Capita Income during 2016-17 is Rs 162,230/- based on provisional figures of population census 2017 held in March 2017 i.e. 207,774,520. The revise series of Per Capita Income will be compiled after finalization of 6th Housing and Population Census results.

(Contd...)

ECONOMIC AND

INDICATORS		1960s	1970s	1980s	1990s	2000s	2004-05	2005-06	2006-07
		Average (Annual)							
TRADE AND PAYMENTS (growth %)									
Exports (fob)		-	13.5	8.5	5.6	9.9	16.2	13.8	4.5
Imports (fob)		-	16.6	4.5	3.2	13.7	37.8	31.4	8.0
Workers' Remittances		-	-	1.9	-5.3	26.8	7.7	10.4	19.4
As % of GDP (mp)									
Exports (fob)		-	-	9.8	13.0	12.3	13.2	13.0	11.2
Imports (fob)		-	-	18.7	17.4	16.2	17.1	19.4	17.5
Trade Deficit		-	-	8.9	4.4	3.9	4.0	6.5	6.2
Current Account Deficit		-	-	3.9	4.5	3.8	1.6	4.4	4.8
COMMODITY SECTOR:									
Agriculture									
Total Cropped Area	mln. hectares	-	-	20.3	22.4	22.9	22.8	23.1	23.6
Production									
Wheat	mln. tons	-	-	12.5	17.0	20.8	21.6	21.3	23.3
Rice	mln. tons	-	-	3.3	3.9	5.2	5.0	5.5	5.4
Sugarcane	mln. tons	-	-	33.1	44.6	50.4	47.2	44.7	54.7
Cotton	mln. bales	-	-	6.3	9.7	11.6	14.3	13.0	12.9
Fertilizer Offtake	mln.N/tons	-	-	1.4	2.3	3.3	3.7	3.8	3.7
Credit Disbursed	bln. Rs.	-	-	11.2	23.8	112.9	108.7	137.4	168.8
Manufacturing									
Cotton Yarn	mln. Kg.	5.6	3.4	10.0	1884.4	2236.2	2290.0	2556.3	2727.6
Cotton Cloth	mln. sq. mtr.	3.1	-5.2	-1.1	487.8	763.3	925.0	903.8	1012.9
Fertilizer	mln. tons	27.5	13.2	10.7	4.9	5.4	5.9	6.1	6.5
Sugar	mln. tons	34.3	2.2	14.4	3.6	3.4	3.0	2.9	3.5
Cement	mln. tons	10.7	2.5	8.6	11.2	16.4	16.4	18.5	22.8
Soda Ash	000 tons	12.0	2.6	6.7	269.0	292.6	297.3	318.7	330.6
Caustic Soda	000 tons	24.4	5.0	6.6	147.2	195.0	206.7	219.3	242.2
Cigarettes	bln. nos.	10.7	4.9	-0.4	55.4	60.0	61.0	64.1	66.0
Jute Goods	000 tons	-	3.4	9.5	101.1	105.0	104.8	104.5	118.1
INFRASTRUCTURE:									
Energy									
Crude Oil Extraction	mln. barrels	-	2.8	10.9	26.1	23.3	24.1	23.9	24.6
Gas (supply)	mcf	-	165.4	385.2	908.0	1186.8	1344.9	1400.0	1413.6
Electricity (installed capacity)	000 MW	-	1.3	3.1	12.9	18.7	19.4	19.4	19.4
Transport & Communications									
Roads	000 km	70.5	74.1	123.8	279.3	255.6	258.2	259.0	261.8
Motor Vehicles on Roads	mln. nos.	-	0.4	1.4	4.6	6.4	6.0	7.1	8.1
Post Offices	000 nos.	7.1	9.0	11.8	15.8	12.3	12.3	12.3	12.3
Telephones	mln. nos.	0.1	0.2	0.6	3.3	4.2	5.1	5.1	4.8
Mobile Phones	mln. nos.	-	-	-	-	30.3	12.8	34.5	63.2

- : Not available P: Provisional, R: Revised, F: Final

SOCIAL INDICATORS

2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 F	2017-18 R	2018-19 (Jul-Mar) P
18.0	-6.4	2.9	28.9	-2.6	0.3	1.1	-3.9	-8.8	0.1	12.5	-1.3
31.6	-10.3	-1.7	14.9	12.8	-0.6	3.8	-0.8	-0.3	18.0	16.5	-4.9
17.4	21.1	14.0	25.8	17.7	5.6	13.7	18.2	6.4	-2.8	2.9	8.7
12.0	11.4	11.1	11.9	11.0	10.7	10.2	8.9	7.9	7.2	7.9	6.3
20.8	18.9	17.5	16.7	18.0	17.4	17.0	15.3	14.8	16.0	18.0	13.7
8.8	7.5	6.5	4.9	7.0	6.6	6.8	6.4	6.9	8.8	10.1	7.4
8.2	5.5	2.2	+0.1	2.1	1.1	1.3	1.0	1.7	4.1	6.3	3.3
23.9	24.1	23.9	22.7	22.5	22.6	23.2	23.3	23.7	22.6	22.6	22.6
20.9	24.0	23.3	25.2	23.5	24.2	26.0	25.1	25.6	26.7	25.1	25.2
5.6	6.9	6.9	4.8	6.2	5.5	6.8	7.0	6.8	6.8	7.4	7.2
63.9	50.0	49.4	55.3	58.4	63.8	67.5	62.8	65.5	75.5	83.3	67.2
11.7	11.8	12.9	11.5	13.6	13.0	12.8	14.0	9.9	10.7	11.9	9.9
3.6	3.7	4.4	3.9	3.9	3.6	4.1	4.3	3.7	5.0	4.8	3.5
211.6	233.0	248.1	263.0	293.9	336.2	391.4	515.9	598.3	704.5	972.6	804.9
2809.4	2913.0	2787.3	2939.5	2954.6	3017.9	3066.0	3360.0	3405.6	3428.1	3430.1	2574.7
1016.4	1016.9	1009.4	1020.3	1023.4	1029.1	1036.1	1036.1	1039.2	1043.3	1043.7	785.2
6.2	6.4	6.7	6.8	6.6	5.8	5.9	6.9	8.0	8.1	7.2	5.7
4.7	3.2	3.1	4.2	4.6	5.1	5.6	5.1	5.1	7.0	6.6	4.9
26.7	28.4	31.3	28.8	29.5	31.1	31.4	32.2	35.4	37.0	41.1	29.5
365.0	365.3	409.6	378.0	370.7	366.2	409.1	437.1	468.5	479.7	509.8	415.8
248.3	245.3	182.3	172.0	179.1	182.9	167.5	184.0	225.3	223.9	270.1	185.9
67.4	75.6	65.3	65.4	62.0	67.4	64.5	62.7	53.5	34.3	59.1	48.9
129.0	137.4	106.2	93.2	94.1	102.8	101.7	94.3	55.3	59.8	74.2	47.9
25.6	24.0	23.7	24.0	24.6	27.8	31.6	34.5	31.7	32.3	32.6	24.7
1454.2	1460.7	1482.8	1471.6	1559.0	1505.8	1493.5	1465.8	1481.6	1471.9	1458.9	1080.7
19.4	19.8	20.9	22.5	22.8	22.8	23.5	23.8	25.9	29.9	33.6	34.3
258.4	260.2	260.8	259.5	261.6	263.4	263.8	265.4	265.9	267.0	268.9	271.0
8.8	9.4	9.8	10.4	11.5	11.6	13.2	13.9	15.6	21.9	24.4	25.2
12.4	12.3	12.0	12.0	12.0	12.8	12.1	12.1	11.7	11.5	11.5	10.5
4.5	3.5	3.4	5.7	5.8	6.4	5.2	3.9	3.3	3.0	2.9	2.8
88.0	94.3	99.2	108.9	120.2	128.9	140.0	114.7	133.2	139.8	150.2	159.0

(Contd...)

ECONOMIC AND

INDICATORS		1960s	1970s	1980s	1990s	2000s	2004-05	2005-06	2006-07
		Average (Annual)							
HUMAN RESOURCES:									
Population*	million	-	-	96.3	124.6	150.9	152.5	155.4	158.2
Crude Birth Rate	per 1000 person	-	-	-	-	27.4	28.0	26.1	26.1
Crude Death Rate	per 1000 person	-	-	-	-	7.9	8.1	8.2	7.1
Infant Mortality Rate	per 1000 person	-	-	-	-	79.6	82.0	77.0	76.7
Labour Force & Employment**									
Labour Force	million	-	-	11.6	35.1	45.5	45.9	46.8	50.5
Employed Labour Force	million	-	-	11.2	33.1	42.4	42.4	43.2	47.3
Un-employed Labour Force	million	-	-	0.4	2.0	3.6	3.6	3.6	3.1
Un-employment Rate	% per annum	-	-	1.4	5.7	6.8	7.7	7.6	6.2
SOCIAL DEVELOPMENT:									
Education									
Primary Schools	000 nos.	-	-	88.8	143.5	155.2	157.2	157.5	158.7
Male	000 nos.	-	-	64.6	96.4	96.6	98.5	97.7	97.8
Female	000 nos.	-	-	24.2	47.1	58.6	58.7	59.8	60.9
Middle Schools	000 nos.	-	-	6.8	15.3	31.9	30.4	39.4	40.1
Male	000 nos.	-	-	4.6	8.8	16.7	15.6	20.1	22.6
Female	000 nos.	-	-	2.2	6.5	15.2	14.8	19.3	17.5
High Schools	000 nos.	-	-	5.4	10.6	18.6	16.6	22.9	23.6
Male	000 nos.	-	-	3.9	7.4	12.2	11.3	14.8	14.6
Female	000 nos.	-	-	1.5	3.2	6.3	5.3	8.1	9.0
Technical / Vocational Institutions	nos.	-	-	508.6	572.2	1623.8	747.0	3059.0	3090.0
Male		-	-	282.2	328.7	874.8	419.0	1584.0	1599.0
Female		-	-	235.2	243.5	749.0	328.0	1475.0	1491.0
Literacy Rate	percent	-	-	29.5	40.7	52.6	53.0	54.0	55.0
Male		-	-	39.0	51.6	65.7	65.0	65.0	67.0
Female		-	-	18.7	28.6	41.4	40.0	42.0	42.0
Expenditure on Education (as % of GDP)		1.4	1.7	2.3	2.0	1.7	1.8	1.7	1.8
Health*									
Registered Doctors	000 nos.	2.0	6.3	28.1	68.9	110.5	113.2	118.0	123.1
Registered Nurses	000 nos.	-	2.9	9.9	24.1	49.0	48.4	51.2	57.7
Registered Dentists	000 nos.	0.2	0.7	1.4	2.8	6.1	6.1	6.7	7.4
Hospitals	nos.	380.0	521.0	651.0	823.0	912.6	916.0	919.0	924.0
Dispensaries	000 nos.	1.7	2.8	3.5	4.3	4.6	4.6	4.6	4.7
Rural Health Centers	nos.	-	1.0	127.0	330.0	494.0	552.0	556.0	560.0
TB Centres	nos.	-	90.0	122.0	245.0	283.3	289.0	289.0	288.0
Beds in Hospitals & Dispensaries	000 nos.	25.5	38.4	55.6	83.8	99.1	99.9	101.5	102.1
Expenditure on Health (as % of GDP)		-	0.6	0.8	0.7	0.6	0.6	0.5	0.6

P: Provisional, R: Revised, F: Final **- : Not available** **^ : NIPS Projection**
*** : on Calendar Year basis** ****: Labour Force Survey 2017-18**
Note : Total may differ due to rounding off

SOCIAL INDICATORS

2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 F	2017-18 R	2018-19 (Jul-Mar) P
161.0	163.8	173.5	177.1	180.7	184.4	188.0	191.7	195.4	199.1	207.8	212.8 ^
26.1	24.3	28.0	27.5	27.2	26.8	26.4	26.1	25.6	25.2	25.4	25.2 ^
7.1	7.3	7.4	7.3	7.2	7.0	6.9	6.8	6.7	6.6	6.4	6.3 ^
76.7	68.2	72.0	70.5	69.0	67.5	66.1	64.6	63.2	61.8	-	62.0 ^
50.8	52.2	53.7	58.1	59.3	60.3	60.1	61.04	-	-	-	65.5
48.1	49.5	50.8	54.7	55.8	56.6	56.5	57.4	-	-	-	61.7
2.7	2.7	2.9	3.5	3.5	3.8	3.6	3.62	-	-	-	3.8
5.2	5.2	5.5	6.0	6.0	6.2	6.0	5.9	-	-	-	5.8
157.4	156.7	157.5	155.5	154.6	159.7	157.9	165.9	164.6	169.6	172.2	174.9
92.5	93.3	96.9	93.6	93.6	99.6	97.6	99.9	99.3	110.5	105.6	107.2
64.9	63.4	60.6	58.2	57.0	60.1	60.3	66.0	65.3	59.1	66.6	67.7
40.8	40.9	41.3	41.6	42.0	42.1	42.9	44.8	45.7	49.1	46.8	47.8
20.2	20.5	21.8	21.9	21.6	20.7	21.8	22.4	18.7	21.1	19.7	20.1
20.6	20.4	19.5	20.4	21.0	21.4	21.1	22.4	27.0	28.0	27.1	27.7
24.0	24.3	24.8	25.2	28.7	29.9	30.6	31.3	31.7	31.6	31.0	31.2
15.0	15.1	14.2	14.4	14.3	17.6	18.0	18.2	16.1	16.9	16.9	17.0
9.0	9.2	10.6	9.5	11.6	12.3	12.6	13.1	15.6	14.7	14.1	14.2
3125.0	3159.0	3192.0	3224.0	3257.0	3290.0	3323.0	3579.0	3746.0	3798.0	3740.0	3842.0
1618.0	1636.0	1010.0	1018.0	1028.0	1037.0	1047.0	1760.0	2232.0	2262.0	2617.0	2688.0
1507.0	1523.0	2182.0	2206.0	2229.0	2253.0	2276.0	1819.0	1514.0	1536.0	1123.0	1154.0
56.0	57.0	57.7	58.0	58.0	60.0	58.0	60.0	58.0	-	62.3 **	-
69.0	69.0	69.5	69.0	70.0	71.0	70.0	70.0	70.0	-	72.5 **	-
44.0	45.0	45.2	46.0	47.0	48.0	47.0	49.0	48.0	-	51.8 **	-
1.8	1.8	1.7	1.8	2.0	2.1	2.1	2.2	2.3	2.2	2.4	-
128.0	133.9	139.5	144.9	152.4	160.9	167.8	175.2	184.7	195.9	208.0	220.8
62.6	65.4	69.3	73.2	77.7	82.1	86.2	90.3	94.8	99.2	103.8	108.5
8.2	9.0	9.8	10.5	11.6	12.7	13.7	15.1	16.7	18.3	20.5	22.6
945.0	948.0	968.0	972.0	980.0	1092.0	1113.0	1143.0	1172.0	1243.0	1264.0	1279.0
4.7	4.8	4.8	4.8	5.0	5.2	5.4	5.5	5.7	6.0	5.7	5.7
562.0	561.0	572.0	577.0	579.0	640.0	667.0	669.0	684.0	668.0	688.0	686.0
290.0	293.0	293.0	304.0	345.0	326.0	329.0	334.0	339.0	345.0	431.0	441.0
103.2	103.0	103.7	104.1	107.5	111.8	118.4	118.2	119.5	124.8	131.0	132.2
0.6	0.5	0.5	0.2	0.3	0.6	0.7	0.7	0.8	0.9	1.0	0.5

GROWTH AND INVESTMENT

TABLE 1.1

GROSS NATIONAL PRODUCT AT CONSTANT BASIC PRICES OF 2005-06

Rs Million

Sectors	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 F	2017-18 R	2018-19 P	% Change 2017-18 / 2016-17	% Change 2018-19/ 2017-18
A AGRICULTURE	2,048,794	2,103,600	2,156,117	2,202,043	2,205,433	2,253,565	2,342,373	2,362,209	3.94	0.85
1. Crops	832,128	844,860	867,133	868,494	822,689	832,744	871,516	832,919	4.66	-4.43
Important Crops	523,936	524,839	562,707	553,568	521,125	534,659	553,682	517,410	3.56	-6.55
Other Crops	245,007	258,670	243,890	250,006	251,005	244,703	259,756	264,833	6.15	1.95
Cotton Ginning	63,185	61,351	60,536	64,920	50,559	53,382	58,077	50,676	8.80	-12.74
2. Livestock	1,130,740	1,169,712	1,198,671	1,246,512	1,288,373	1,326,948	1,375,021	1,430,044	3.62	4.00
3. Forestry	42,874	45,695	46,555	40,761	46,592	45,505	46,679	49,699	2.58	6.47
4. Fishing	43,052	43,333	43,758	46,276	47,779	48,368	49,157	49,547	1.63	0.79
B. INDUSTRIAL SECTOR	1,984,316	1,999,207	2,089,776	2,198,027	2,323,169	2,428,902	2,548,496	2,584,105	4.92	1.40
1. Mining & Quarrying	283,727	294,727	298,856	313,707	333,121	331,121	356,667	349,684	7.72	-1.96
2. Manufacturing	1,252,670	1,313,365	1,387,556	1,441,461	1,494,591	1,581,680	1,667,540	1,663,118	5.43	-0.27
Large Scale	1,018,706	1,064,185	1,122,266	1,159,052	1,193,569	1,260,836	1,325,442	1,298,161	5.12	-2.06
Small Scale	144,713	156,691	169,677	183,607	198,652	214,839	232,385	251,442	8.17	8.20
Slaughtering	89,251	92,489	95,613	98,802	102,370	106,005	109,713	113,515	3.50	3.47
3. Electricity Generation & Distribution & Gas Distribution	224,490	165,275	164,054	186,174	203,661	198,180	180,185	253,239	-9.08	40.54
4. Construction	223,429	225,840	239,310	256,685	291,796	317,921	344,104	318,064	8.24	-7.57
COMMODITY PRODUCING SECTOR (A+B)	4,033,110	4,102,807	4,245,893	4,400,070	4,528,602	4,682,467	4,890,869	4,946,314	4.45	1.13
C. SERVICES SECTOR	5,437,145	5,716,248	5,971,163	6,231,579	6,588,200	7,014,467	7,452,631	7,803,812	6.25	4.71
1. Wholesale & Retail Trade	1,746,511	1,808,124	1,894,410	1,943,612	2,035,509	2,187,751	2,331,439	2,404,045	6.57	3.11
2. Transport, Storage & Communication	1,254,126	1,304,697	1,355,570	1,424,255	1,493,830	1,557,639	1,590,474	1,643,625	2.11	3.34
3. Finance & Insurance	279,171	302,392	315,428	335,448	356,981	396,669	424,554	446,364	7.03	5.14
4. Housing Services (Ownership of Dwellings)	639,003	664,542	691,093	718,674	747,343	777,140	808,175	840,525	3.99	4.00
5. General Government Services	632,130	703,717	723,823	758,746	832,505	882,015	986,125	1,064,917	11.80	7.99
6. Other Private Services	886,204	932,776	990,839	1,050,844	1,122,032	1,213,253	1,311,864	1,404,336	8.13	7.05
GDP {Total of GVA at bp (A + B + C)}	9,470,255	9,819,055	10,217,056	10,631,649	11,116,802	11,696,934	12,343,500	12,750,126	5.53	3.29
Indirest Taxes	533,424	519,054	556,679	616,350	724,998	795,386	862,628	905,497	8.45	4.97
Subsidies	269,772	176,255	136,844	107,861	85,976	83,545	73,891	85,164	-11.56	15.26
GDP {GVA + T - S}	9,733,907	10,161,854	10,636,891	11,140,138	11,755,824	12,408,775	13,132,237	13,570,459	5.83	3.34
Net Factor Income from Abroad	386,559	403,132	474,006	548,903	675,096	669,191	673,876	864,920	0.70	28.35
Gross National Income	10,120,466	10,564,986	11,110,897	11,689,041	12,430,920	13,077,966	13,806,113	14,435,379	5.57	4.56
Population (in million)	178.91	182.53	186.19	189.87	193.56	197.26	200.96	204.65	1.88	1.84

P: Provisional, R: Revised, F: Final

Source : Pakistan Bureau of Statistics

TABLE 1.2

SECTORAL SHARE IN GDP (%)

%

Sector	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 F	2017-18 R	2018-19 P
A. AGRICULTURE	21.6	21.4	21.1	20.7	19.8	19.3	19.0	18.5
1. Crops	8.8	8.6	8.5	8.2	7.4	7.1	7.1	6.5
Important Crops	5.5	5.3	5.5	5.2	4.7	4.6	4.5	4.1
Other Crops	2.6	2.6	2.4	2.4	2.3	2.1	2.1	2.1
Cotton Ginning	0.7	0.6	0.6	0.6	0.5	0.5	0.5	0.4
2. Livestock	11.9	11.9	11.7	11.7	11.6	11.3	11.1	11.2
3. Forestry	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4
4. Fishing	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4
B. INDUSTRIAL SECTOR	21.0	20.4	20.5	20.7	20.9	20.8	20.6	20.3
1. Mining & Quarrying	3.0	3.0	2.9	3.0	3.0	2.8	2.9	2.7
2. Manufacturing	13.2	13.4	13.6	13.6	13.4	13.5	13.5	13.0
Large Scale	10.8	10.8	11.0	10.9	10.7	10.8	10.7	10.2
Small Scale	1.5	1.6	1.7	1.7	1.8	1.8	1.9	2.0
Slaughtering	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
3. Electricity Generation & Distribution & Gas Distribution	2.4	1.7	1.6	1.8	1.8	1.7	1.5	2.0
4. Construction	2.4	2.3	2.3	2.4	2.6	2.7	2.8	2.5
COMMODITY PRODUCING SECTOR (A+B)	42.6	41.8	41.6	41.4	40.7	40.0	39.6	38.8
C. SERVICES SECTOR	57.4	58.2	58.4	58.6	59.3	60.0	60.4	61.2
1. Wholesale & Retail Trade	18.4	18.4	18.5	18.3	18.3	18.7	18.9	18.9
2. Transport, Storage & Communication	13.2	13.3	13.3	13.4	13.4	13.3	12.9	12.9
3. Finance & Insurance	2.9	3.1	3.1	3.2	3.2	3.4	3.4	3.5
4. Housing Services (Ownership of Dwellings)	6.7	6.8	6.8	6.8	6.7	6.6	6.5	6.6
5. General Government Services	6.7	7.2	7.1	7.1	7.5	7.5	8.0	8.4
6. Other Private Services	9.4	9.5	9.7	9.9	10.1	10.4	10.6	11.0
GDP {Total of GVA at bp (A + B + C)}	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

P: Provisional, R: Revised, F: Final

Source: Pakistan Bureau of Statistics

TABLE 1.3

GROWTH RATES (%)

%

Sector	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 F	2017-18 R	2018-19 P
A. Agriculture	3.62	2.68	2.50	2.13	0.15	2.18	3.94	0.85
1. Crops	3.22	1.53	2.64	0.16	-5.27	1.22	4.66	-4.43
Important Crops	7.87	0.17	7.22	-1.62	-5.86	2.60	3.56	-6.55
Other Crops	-7.52	5.58	-5.71	2.51	0.40	-2.51	6.15	1.95
Cotton Ginning	13.83	-2.90	-1.33	7.24	-22.12	5.58	8.80	-12.74
2. Livestock	3.99	3.45	2.48	3.99	3.36	2.99	3.62	4.00
3. Forestry	1.79	6.58	1.88	-12.45	14.31	-2.33	2.58	6.47
4. Fishing	3.77	0.65	0.98	5.75	3.25	1.23	1.63	0.79
B. INDUSTRIAL SECTOR	2.55	0.75	4.53	5.18	5.69	4.55	4.92	1.40
1. Mining & Quarrying	5.16	3.88	1.40	4.97	6.19	-0.60	7.72	-1.96
2. Manufacturing	2.08	4.85	5.65	3.88	3.69	5.83	5.43	-0.27
Large Scale	1.13	4.46	5.46	3.28	2.98	5.64	5.12	-2.06
Small Scale	8.35	8.28	8.29	8.21	8.19	8.15	8.17	8.20
Slaughtering	3.53	3.63	3.38	3.34	3.61	3.55	3.50	3.47
3. Electricity Generation & Distribution & Gas Distribution	1.41	-26.38	-0.74	13.48	9.39	-2.69	-9.08	40.54
4. Construction	3.08	1.08	5.96	7.26	13.68	8.95	8.24	-7.57
COMMODITY PRODUCING SECTOR (A+B)	3.09	1.73	3.49	3.63	2.92	3.40	4.45	1.13
C. SERVICES SECTOR	4.40	5.13	4.46	4.36	5.72	6.47	6.25	4.71
1. Wholesale & Retail Trade	1.66	3.53	4.77	2.60	4.73	7.48	6.57	3.11
2. Transport, Storage & Communication	4.61	4.03	3.90	5.07	4.89	4.27	2.11	3.34
3. Finance & Insurance	1.64	8.32	4.31	6.35	6.42	11.12	7.03	5.14
4. Housing Services (Ownership of Dwellings)	3.99	4.00	4.00	3.99	3.99	3.99	3.99	4.00
5. General Government Services	11.06	11.32	2.86	4.82	9.72	5.95	11.80	7.99
6. Other Private Services	6.40	5.26	6.22	6.06	6.77	8.13	8.13	7.05
GDP {Total of GVA at bp (A + B + C)}	3.84	3.68	4.05	4.06	4.56	5.22	5.53	3.29

P: Provisional, R: Revised, F: Final

Source: Pakistan Bureau of Statistics

TABLE 1.4

EXPENDITURE ON GROSS NATIONAL PRODUCT AT CONSTANT PRICES OF 2005-06

Rs Million

Flows	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 F	2017-18 R	2018-19 P	% Change 2017-18 / 2016-17	2018-19/ 2017-18
Household Final Consumption Expenditure	7,700,707	7,865,407	8,304,881	8,545,418	9,196,738	9,978,329	10,659,937	11,101,050	6.83	4.14
General Government Final Consumption Expenditure	1,010,601	1,112,404	1,129,117	1,220,931	1,321,395	1,390,837	1,510,860	1,661,397	8.63	9.96
Total Investment	1,454,831	1,495,238	1,536,447	1,760,001	1,887,998	2,073,722	2,218,301	2,047,090	6.97	-7.72
Gross Fixed Capital Formation	1,299,089	1,332,648	1,366,256	1,581,759	1,699,905	1,875,181	2,008,186	1,829,962	7.09	-8.87
A. Private Sector	964,142	1,005,526	1,062,261	1,190,708	1,278,275	1,334,422	1,398,669	1,332,499	4.81	-4.73
B. Public Sector	74,993	122,621	82,094	110,647	93,165	142,146	127,016	117,399	-10.64	-7.57
C. General Govt.	259,954	204,501	221,902	280,404	328,466	398,614	482,500	380,064	21.04	-21.23
Change in Inventories	155,743	162,590	170,190	178,242	188,093	198,540	210,116	217,127	5.83	3.34
Export of Goods and Non-Factor Services	1,094,756	1,243,433	1,225,028	1,147,318	1,128,923	1,121,671	1,238,727	1,401,783	10.44	13.16
Less Imports of Goods and Non-Factor Services	1,526,988	1,554,628	1,558,582	1,533,530	1,779,230	2,155,784	2,495,588	2,640,861	15.76	5.82
Expenditure on GDP at Market Prices	9,733,907	10,161,854	10,636,891	11,140,138	11,755,824	12,408,775	13,132,237	13,570,459	5.83	3.34
Plus Net Factor Income from the Rest of the World	386,559	403,132	474,006	548,903	675,096	669,191	673,876	864,920	0.70	28.35
Expenditure on GNP at at Market Prices	10,120,466	10,564,986	11,110,897	11,689,041	12,430,920	13,077,966	13,806,113	14,435,379	5.57	4.56
Less Indirect Taxes	533,424	519,054	556,679	616,350	724,998	795,386	862,628	905,497	8.45	4.97
Plus Subsidies	269,772	176,255	136,844	107,861	85,976	83,545	73,891	85,164	-11.56	15.26
GNP at Factor Cost	9,856,814	10,222,187	10,691,062	11,180,552	11,791,898	12,366,125	13,017,376	13,615,046	5.27	4.59

P: Provisional, R: Revised, F: Final

Source: Pakistan Bureau of Statistics

TABLE 1.5

GROSS NATIONAL PRODUCT AT CURRENT PRICES

Rs Million

Sectors	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 F	2017-18 R	2018-19 P	% Change 2017-18 / 2016-17	% Change 2018-19/ 2017-18
A. Agriculture	4,753,075	5,334,976	5,976,217	6,536,122	6,749,966	7,318,465	7,910,922	8,279,814	8.1	4.7
1. Crops	1,966,610	2,192,554	2,612,933	2,690,102	2,620,390	2,826,463	2,964,029	2,824,410	4.9	-4.7
Important Crops	1,236,453	1,411,388	1,760,329	1,735,888	1,718,029	1,827,252	1,890,526	1,778,254	3.5	-5.9
Other Crops	586,669	639,078	695,138	769,867	739,842	811,971	873,557	873,215	7.6	0.0
Cotton Ginning	143,488	142,087	157,467	184,347	162,519	187,240	199,946	172,941	6.8	-13.5
2. Livestock	2,610,408	2,933,384	3,129,682	3,612,244	3,846,646	4,180,531	4,615,565	5,100,770	10.4	10.5
3. Forestry	113,103	136,500	153,722	142,902	170,706	172,578	183,196	199,643	6.2	9.0
4. Fishing	62,954	72,538	79,880	90,873	112,223	138,893	148,132	154,992	6.7	4.6
B. INDUSTRIAL SECTOR	4,269,666	4,525,694	5,040,094	5,239,146	5,308,368	5,683,545	6,226,687	7,275,304	9.6	16.8
1. Mining & Quarrying	642,205	696,976	741,022	707,236	652,814	644,686	755,223	978,560	17.1	29.6
2. Manufacturing	2,809,684	3,037,311	3,408,468	3,510,536	3,512,556	3,830,210	4,217,749	4,770,504	10.1	13.1
Large Scale	2,362,410	2,519,037	2,824,463	2,853,222	2,801,169	3,044,603	3,331,363	3,768,783	9.4	13.1
Small Scale	241,951	283,107	327,030	373,595	406,648	457,088	506,842	571,021	10.9	12.7
Slaughtering	205,323	235,167	256,975	283,719	304,739	328,520	379,545	430,700	15.5	13.5
3. Electricity Generation & Distribution & Gas Distribution	439,637	368,040	406,192	480,515	541,909	529,040	480,960	722,881	-9.1	50.3
4. Construction	378,140	423,367	484,412	540,859	601,089	679,609	772,755	803,359	13.7	4.0
COMMODITY PRODUCING SECTOR (A+B)	9,022,741	9,860,670	11,016,311	11,775,268	12,058,334	13,002,010	14,137,609	15,555,118	8.7	10.0
C. SERVICES SECTOR	10,338,770	11,642,671	13,012,586	14,314,423	15,343,961	16,975,549	18,247,686	20,397,301	7.5	11.8
1. Wholesale & Retail Trade	4,006,835	4,369,465	4,924,462	5,045,262	5,104,854	5,792,701	6,232,724	6,868,209	7.6	10.2
2. Transport, Storage & Communication	1,905,704	2,311,796	2,474,818	3,107,785	3,518,864	3,697,932	3,522,417	3,739,044	-4.7	6.1
3. Finance & Insurance	570,503	522,327	584,074	595,961	544,301	594,362	680,741	874,474	14.5	28.5
4. Housing Services (Ownership of Dwellings)	984,148	1,092,749	1,229,110	1,371,443	1,506,385	1,668,521	1,848,600	2,063,155	10.8	11.6
5. General Government Services	1,244,687	1,486,115	1,660,434	1,818,477	2,050,560	2,263,393	2,629,924	3,040,050	16.2	15.6
6. Other Private Services	1,626,893	1,860,219	2,139,688	2,375,495	2,618,997	2,958,640	3,333,280	3,812,369	12.7	14.4
GDP {Total of GVA at bp (A + B + C)}	19,361,511	21,503,341	24,028,897	26,089,690	27,402,295	29,977,559	32,385,295	35,952,419	8.0	11.0
Indirest Taxes	1,221,540	1,275,990	1,480,099	1,633,881	1,901,743	2,170,448	2,435,629	2,855,486	12.2	17.2
Subsidies	536,551	393,674	340,191	280,549	228,405	225,704	202,348	249,136	-10.3	23.1
GDP {GVA + T - S}	20,046,500	22,385,657	25,168,805	27,443,022	29,075,633	31,922,303	34,618,576	38,558,769	8.4	11.4
Net Factor Income from Abroad	1,035,707	1,161,607	1,428,227	1,674,811	1,782,860	1,743,643	1,846,151	2,513,111	5.9	36.1
Gross National Product (mp)	21,082,207	23,547,264	26,597,032	29,117,833	30,858,493	33,665,946	36,464,727	41,071,880	8.3	12.6
Population (in million)	178.91	182.53	186.19	189.87	193.56	197.26	200.96	204.65	1.9	1.8
Per Capita Income(Rs)	117,837	129,005	142,849	153,357	159,426	170,672	181,453	200,693	6.3	10.6
Per Capita Income(US $)	1,320.4	1,333.7	1,388.8	1,514.0	1,529.4	1,630.1	1,652.0	1,497.3	1.3	-9.4
GDP Deflator Index	204.45	219.00	235.18	245.40	246.49	256.29	262.37	281.98	2.4	7.5
GDP Deflator (Growth %)	5.66	7.12	7.39	4.34	0.45	3.97	2.37	7.47		

P: Provisional, R: Revised, F: Final

Source : Pakistan Bureau of Statistics

TABLE 1.6

EXPENDITURE ON GROSS NATIONAL PRODUCT AT CURRENT PRICES

Rs Million

Flows	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 F	2017-18 R	2018-19 P	% Change 2017-18 / 2016-17	% Change 2018-19/ 2017-18
Household Final Consumption Expenditure	16,527,831	18,091,829	20,391,214	21,890,279	23,266,454	26,148,647	28,561,902	31,670,577	9.23	10.88
General Government Final Consumption Expenditure	2,102,628	2,463,120	2,708,918	3,011,195	3,287,930	3,599,000	4,054,823	4,871,495	12.67	20.14
Total Investment	3,022,202	3,348,297	3,683,523	4,310,484	4,560,840	5,155,623	5,794,841	5,956,896	12.40	2.80
Gross Fixed Capital Formation	2,701,458	2,990,126	3,280,822	3,871,396	4,095,630	4,644,866	5,240,944	5,339,956	12.83	1.89
A. Private Sector	1,950,349	2,202,307	2,483,817	2,843,159	2,995,889	3,209,360	3,563,992	3,796,096	11.05	6.51
B. Public Sector	155,813	285,094	207,012	284,912	238,143	347,770	314,612	345,328	-9.53	9.76
C. General Govt.	595,296	502,725	589,993	743,325	861,598	1,087,737	1,362,340	1,198,532	25.25	-12.02
Change in Inventories	320,744	358,171	402,701	439,088	465,210	510,757	553,897	616,940	8.45	11.38
Export of Goods and Non-Factor Services	2,485,097	2,972,178	3,081,312	2,910,171	2,659,178	2,635,927	3,043,923	3,733,088	15.48	22.64
Less Imports of Goods and Non-Factor Services	4,091,258	4,489,767	4,696,162	4,679,107	4,698,769	5,616,894	6,836,912	7,673,286	21.72	12.23
Expenditure on GDP at Market Prices	20,046,500	22,385,657	25,168,805	27,443,022	29,075,633	31,922,303	34,618,576	38,558,769	8.45	11.38
Plus Net Factor Income from the Rest of the World	1,035,707	1,161,607	1,428,227	1,674,811	1,782,860	1,743,643	1,846,151	2,513,111	5.88	36.13
Expenditure on GNP at at Market Prices	21,082,207	23,547,264	26,597,032	29,117,833	30,858,493	33,665,946	36,464,727	41,071,880	8.31	12.63
Less Indirect Taxes	1,221,540	1,275,990	1,480,099	1,633,881	1,901,743	2,170,448	2,435,629	2,855,486	12.22	17.24
Plus Subsidies	536,551	393,674	340,191	280,549	228,405	225,704	202,348	249,136	-10.35	23.12
GNP at Factor Cost	20,397,218	22,664,948	25,457,124	27,764,501	29,185,155	31,721,202	34,231,446	38,465,530	7.91	12.37

P: Provisional, R: Revised, F: Final

Source: Pakistan Bureau of Statistics

TABLE 1.7

GROSS FIXED CAPITAL FORMATION (GFCF) IN PRIVATE, PUBLIC, AND GENERAL GOVERNMENT SECTORS BY ECONOMIC ACTIVITY AT CURRENT MARKET PRICES

Rs Million

Sector	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 F	2017-18 R	2018-19 P	% Change 2017-18 / 2016-17	% Change 2018-19/ 2017-18
GFCF (A+B+C)	2,701,458	2,990,126	3,280,822	3,871,396	4,095,630	4,644,866	5,240,944	5,339,956	12.8	1.9
A. Private Sector	1,950,349	2,202,307	2,483,817	2,843,159	2,995,889	3,209,360	3,563,992	3,796,096	11.0	6.5
B. Public Sector	155,813	285,094	207,012	284,912	238,143	347,770	314,612	345,328	-9.5	9.8
C. General Govt.	595,296	502,725	589,993	743,325	861,598	1,087,737	1,362,340	1,198,532	25.2	-12.0
Private & Public (A+B)	2,106,162	2,487,401	2,690,829	3,128,071	3,234,032	3,557,129	3,878,604	4,141,424	9.0	6.8
SECTOR-WISE:										
1. Agriculture	624,512	698,903	725,388	820,391	850,088	929,275	1,044,927	1,148,271	12.4	9.9
2. Mining and Quarrying	51,993	44,417	70,138	74,361	105,418	97,825	70,774	57,775	-27.7	-18.4
3. Manufacturing (A+B)	285,010	372,582	381,421	429,484	485,495	548,025	547,045	549,740	-0.2	0.5
A. Large Scale	266,844	351,715	357,556	403,087	456,222	514,830	510,723	506,741	-0.8	-0.8
B. Small Scale (including Slaughtering)	18,166	20,867	23,865	26,397	29,273	33,195	36,322	42,999	9.4	18.4
4. Electricity Generation & Distribution & Gas Distribution	132,760	162,755	104,926	218,447	178,264	163,917	243,208	210,518	48.4	-13.4
5. Construction	24,453	30,220	49,042	39,700	49,009	88,241	59,512	80,661	-32.6	35.5
6. Wholesale and Retail Trade	57,954	64,422	73,000	74,712	77,462	86,643	95,558	110,035	10.3	15.1
7. Transport & Communication	268,177	351,980	436,682	538,926	507,856	564,504	635,642	626,506	12.6	-1.4
8. Finance & Insurance	36,096	47,461	40,770	49,559	57,775	66,920	63,442	60,489	-5.2	-4.7
9. Housing Services (Ownership of Dwellings)	408,562	468,463	525,816	568,524	577,278	622,467	680,241	795,459	9.3	16.9
10. Other Private Services	216,645	246,198	283,646	313,967	345,387	389,312	438,255	501,969	12.6	14.5

P: Provisional, R: Revised, F: Final

(Contd.)

TABLE 1.7 a

GROSS FIXED CAPITAL FORMATION (GFCF) IN PRIVATE SECTOR BY ECONOMIC ACTIVITY AT CURRENT MARKET PRICES

Rs Million

Sector	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 F	2017-18 R	2018-19 P	% Change 2017-18 / 2016-17	% Change 2018-19/ 2017-18
PRIVATE SECTOR	1,950,349	2,202,307	2,483,817	2,843,159	2,995,889	3,209,360	3,563,992	3,796,096	11.0	6.5
1. Agriculture	624,418	698,810	725,292	820,265	849,943	929,152	1,044,746	1,147,908	12.4	9.9
2. Mining and Quarrying	33,919	29,214	48,205	42,658	77,365	35,296	46,600	35,022	32.0	-24.8
3. Manufacturing (A+B)	282,127	366,804	375,567	427,724	483,781	519,820	538,644	534,126	3.6	-0.8
A. Large Scale	263,961	345,937	351,702	401,327	454,508	486,625	502,322	491,127	3.2	-2.2
B. Small Scale (including Slaughtering)	18,166	20,867	23,865	26,397	29,273	33,195	36,322	42,999	9.4	18.4
4. Electricity Generation & Distribution & Gas Distribution	61,388	9,590	20,855	55,220	23,156	17,298	75,241	7,836	335.0	-89.6
5. Construction	13,076	14,219	29,122	30,128	43,831	82,429	52,906	74,968	-35.8	41.7
6. Wholesale and Retail Trade	57,954	64,422	73,000	74,712	77,462	86,643	95,558	110,035	10.3	15.1
7. Transport & Communication	223,175	267,704	366,473	465,937	466,875	476,971	535,009	541,330	12.2	1.2
8. Finance & Insurance	29,085	36,883	35,841	44,024	50,811	49,971	56,792	47,442	13.6	-16.5
9. Housing Services (Ownership of Dwellings)	408,562	468,463	525,816	568,524	577,278	622,467	680,241	795,459	9.3	16.9
10. Other Private Services	216,645	246,198	283,646	313,967	345,387	389,312	438,255	501,969	12.6	14.5

P: Provisional, R: Revised, F: Final

(Contd.)

TABLE 1.7 b

GROSS FIXED CAPITAL FORMATION (GFCF) IN PUBLIC AND GENERAL GOVERNMENT SECTORS BY ECONOMIC ACTIVITY AT CURRENT MARKET PRICES

Rs Million

Sector	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 F	2017-18 R	2018-19 P	% Change 2017-18 / 2016-17	% Change 2018-19/ 2017-18
Public Sector and General Govt. (A+B)	751,109	787,819	797,005	1,028,237	1,099,741	1,435,507	1,676,952	1,543,860	16.8	-7.9
A. Public Sector (Autonomous & Semi Auto-Bodies)	155,813	285,094	207,012	284,912	238,143	347,770	314,612	345,328	-9.5	9.8
1. Agriculture	94	93	96	126	145	123	181	363	47.2	100.6
2. Mining and Quarrying	18,074	15,203	21,933	31,703	28,053	62,529	24,174	22,753	-61.3	-5.9
3. Manufacturing	2,883	5,778	5,854	1,760	1,714	28,205	8,401	15,614	-70.2	85.9
4. Electricity Generation & Distribution & Gas Distribution	71,372	153,165	84,071	163,227	155,108	146,619	167,967	202,682	14.6	20.7
5. Construction	11,377	16,001	19,920	9,572	5,178	5,812	6,606	5,693	13.7	-13.8
6. Transport & Communication	45,002	84,276	70,209	72,989	40,981	87,533	100,633	85,176	15.0	-15.4
Railways	4,265	24,478	8,767	6,196	5,825	39,407	8,627	5,031	-78.1	-41.7
Post Office & PTCL	14,146	12,600	18,137	18,232	13,644	16,376	15,450	20,105	-5.7	30.1
Others	26,591	47,198	43,305	48,561	21,512	31,750	76,556	60,040	141.1	-21.6
7. Finance & Insurance	7,011	10,578	4,929	5,535	6,964	16,949	6,650	13,047	-60.8	96.2
B. General Govt.	595,296	502,725	589,993	743,325	861,598	1,087,737	1,362,340	1,198,532	25.2	-12.0
Federal	144,806	147,751	164,736	208,953	229,128	312,699	362,287	419,804	15.9	15.9
Provincial	372,721	288,464	358,791	442,650	527,461	686,665	909,116	643,778	32.4	-29.2
District Governments	77,769	66,510	66,466	91,722	105,009	88,373	90,937	134,950	2.9	48.4

P: Provisional, R: Revised, F: Final

Source: Pakistan Bureau of Statistics

TABLE 1.8

GROSS FIXED CAPITAL FORMATION (GFCF) IN PRIVATE, PUBLIC, AND GENERAL GOVERNMENT SECTORS BY ECONOMIC ACTIVITY AT CONSTANT PRICES (2005-06)

Rs Million

Sector	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 F	2017-18 R	2018-19 P	% Change 2017-18 / 2016-17	% Change 2018-19/ 2017-18
GFCF (A+B+C)	1,299,089	1,332,648	1,366,256	1,581,759	1,699,905	1,875,181	2,008,186	1,829,962	7.1	-8.9
A. Private Sector	964,142	1,005,526	1,062,261	1,190,708	1,278,275	1,334,422	1,398,669	1,332,499	4.8	-4.7
B. Public Sector	74,993	122,621	82,094	110,647	93,165	142,146	127,016	117,399	-10.6	-7.6
C. General Govt.	259,954	204,501	221,902	280,404	328,466	398,614	482,500	380,064	21.0	-21.2
Private & Public (A+B)	1,039,135	1,128,147	1,144,354	1,301,355	1,371,440	1,476,568	1,525,685	1,449,898	3.3	-5.0
SECTOR-WISE:										
1. Agriculture	289,469	301,042	296,850	315,526	315,864	331,977	351,196	353,310	5.8	0.6
2. Mining and Quarrying	25,235	18,656	25,880	26,868	38,002	35,837	25,833	18,449	-27.9	-28.6
3. Manufacturing (A+B)	125,389	152,586	144,694	163,023	185,697	201,304	194,452	175,259	-3.4	-9.9
A. Large Scale	116,526	143,072	134,480	152,057	173,925	188,665	180,883	160,692	-4.1	-11.2
B. Small Scale (including Slaughtering)	8,863	9,514	10,215	10,966	11,773	12,639	13,569	14,567	7.4	7.4
4. Electricity Generation & Distribution & Gas Distribution	64,438	68,359	38,716	78,930	64,262	60,049	88,772	67,224	47.8	-24.3
5. Construction	14,398	16,140	24,268	18,897	23,893	41,492	26,631	32,101	-35.8	20.5
6. Wholesale and Retail Trade	25,308	26,206	27,456	28,184	29,531	31,751	33,844	34,893	6.6	3.1
7. Transport & Communication	122,203	153,081	180,484	242,486	263,083	297,844	306,393	249,266	2.9	-18.6
8. Finance & Insurance	15,762	19,307	15,334	18,695	22,025	24,524	22,469	19,182	-8.4	-14.6
9. Housing Services (Ownership of Dwellings)	240,571	250,194	260,202	270,610	281,434	292,691	304,399	316,575	4.0	4.0
10. Other Private Services	116,362	122,576	130,470	138,136	147,647	159,097	171,697	183,639	7.9	7.0

P: Provisional, R: Revised, F: Final

(Contd.)

TABLE 1.8 a

GROSS FIXED CAPITAL FORMATION (GFCF) IN PRIVATE SECTOR BY ECONOMIC ACTIVITY AT CONSTANT PRICES (2005-06)

Rs Million

Sector	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 F	2017-18 R	2018-19 F	% Change 2017-18 / 2016-17	% Change 2018-19/ 2017-18
PRIVATE SECTOR	964,142	1,005,526	1,062,261	1,190,708	1,278,275	1,334,422	1,398,669	1,332,499	4.8	-4.7
1. Agriculture	289,415	300,990	296,800	315,461	315,789	331,915	351,106	353,141	5.8	0.6
2. Mining and Quarrying	16,463	12,270	17,787	15,413	27,889	12,930	17,009	11,183	31.5	-34.3
3. Manufacturing (A+B)	124,130	150,236	142,493	162,359	185,044	190,968	191,476	170,308	0.3	-11.1
A. Large Scale	115,267	140,722	132,278	151,393	173,271	178,329	177,908	155,740	-0.2	-12.5
B. Small Scale (including Slaughtering)	8,863	9,514	10,215	10,966	11,773	12,639	13,569	14,567	7.4	7.4
4. Electricity Generation & Distribution & Gas Distribution	29,796	4,028	7,695	19,952	8,348	6,337	27,463	2,502	333.4	-90.9
5. Construction	7,699	7,594	14,411	14,341	21,368	38,759	23,675	29,836	-38.9	26.0
6. Wholesale and Retail Trade	25,308	26,206	27,456	28,184	29,531	31,751	33,844	34,893	6.6	3.1
7. Transport & Communication	101,697	116,428	151,467	209,645	241,854	251,660	257,885	215,378	2.5	-16.5
8. Finance & Insurance	12,701	15,004	13,480	16,607	19,371	18,312	20,114	15,044	9.8	-25.2
9. Housing Services (Ownership of Dwellings)	240,571	250,194	260,202	270,610	281,434	292,691	304,399	316,575	4.0	4.0
10. Other Private Services	116,362	122,576	130,470	138,136	147,647	159,097	171,697	183,639	7.9	7.0

P: Provisional, R: Revised, F: Final

(Contd.)

TABLE 1.8 b

GROSS FIXED CAPITAL FORMATION (GFCF) IN PUBLIC AND GENERAL GOVERNMENT SECTORS BY ECONOMIC ACTIVITY AT CONSTANT PRICES (2005-06)

Rs Million

Sector	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 F	2017-18 R	2018-19 P	% Change 2017-18 / 2016-17	2018-19/ 2017-18
Public Sector and General Govt. (A+B)	334,947	327,122	303,996	391,051	421,630	540,759	609,516	497,463	12.7	-18.4
A. Public Sector (Autonomous & Semi Auto-Bodies)	74,993	122,621	82,094	110,647	93,165	142,146	127,016	117,399	-10.6	-7.6
1. Agriculture	54	52	50	65	75	62	90	169	45.2	87.8
2. Mining and Quarrying	8,772	6,386	8,093	11,455	10,113	22,907	8,824	7,266	-61.5	-17.7
3. Manufacturing	1,259	2,350	2,202	664	653	10,336	2,975	4,951	-71.2	66.4
4. Electricity Generation & Distribution & Gas Distribution	34,642	64,331	31,021	58,978	55,915	53,712	61,309	64,722	14.1	5.6
5. Construction	6,699	8,546	9,857	4,556	2,524	2,733	2,956	2,266	8.2	-23.3
6. Transport & Communication	20,506	36,653	29,017	32,841	21,229	46,184	48,507	33,889	5.0	-30.1
Railways	1,943	10,646	3,623	2,788	3,018	20,792	4,158	2,002	-80.0	-51.9
Post Office & PTCL	6,446	5,480	7,496	8,203	7,068	8,640	7,447	7,999	-13.8	7.4
Others	12,117	20,527	17,898	21,850	11,144	16,752	36,902	23,888	120.3	-35.3
7. Finance & Insurance	3,061	4,303	1,854	2,088	2,655	6,211	2,355	4,137	-62.1	75.7
B. General Govt.	259,954	204,501	221,902	280,404	328,466	398,614	482,500	380,064	21.0	-21.2
Federal	63,234	60,103	61,959	78,823	87,350	114,592	128,311	133,123	12.0	3.8
Provincial	162,760	117,343	134,945	166,981	201,083	251,636	321,982	204,147	28.0	-36.6
District Governments	33,960	27,055	24,998	34,600	40,032	32,385	32,207	42,794	-0.5	32.9

P: Provisional, R: Revised, F: Final

Source: Pakistan Bureau of Statistics

AGRICULTURE

TABLE 2.1 A

INDEX OF AGRICULTURAL PRODUCTION

Fiscal	1999-2000 Base				2005-06 Base				
Year					Food crops			Cash crop	Fibre crop
	All major crops	Food crops	Fibre crops	Other crops	Wheat	Maize	Rice	Sugarcane	Cotton
2000-01	93.0	91.2	95.0	94.0	-	-	-	-	-
2001-02	97.0	85.2	94.4	103.6	-	-	-	-	-
2002-03	104.0	91.8	90.8	112.1	-	-	-	-	-
2003-04	107.0	94.9	89.4	115.1	-	-	-	-	-
2004-05	104.0	106.4	126.9	101.9	-	-	-	-	-
2005-06	101.0	107.0	116.0	95.6	100.0	100.0	100.0	100.0	100.0
2006-07	117.0	115.0	114.0	118.0	109.5	99.3	98.0	122.6	98.7
2007-08	126.0	108.0	104.0	138.0	98.5	115.9	100.3	143.1	89.5
2008-09	114.0	124.0	105.0	108.0	113.0	115.5	125.3	112.0	90.8
2009-10	111.0	119.0	115.0	106.0	109.6	104.9	124.1	110.5	99.2
2010-11	119.0	120.0	102.0	119.0	118.5	119.2	87.0	123.8	88.0
2011-12	123.0	120.0	121.0	125.0	110.3	139.5	111.1	130.7	104.4
2012-13	-	-	-	-	113.8	135.7	99.8	142.7	100.1
2013-14	-	-	-	-	122.1	159.0	122.6	151.0	98.1
2014-15	-	-	-	-	117.9	158.7	126.2	140.7	107.2
2015-16	-	-	-	-	120.5	169.5	122.6	146.6	76.2
2016-17	-	-	-	-	125.4	197.2	123.5	169.0	82.0
2017-18	-	-	-	-	117.9	189.8	134.3	186.6	91.8
2018-19 P	-	-	-	-	118.4	202.9	129.8	150.4	75.7

P: Provisional -: Not available 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)	Tubewells Public & Private (Number in 000)
2000-01	22.04	193.80	134.77	2,964.00	44,790	659.3
2001-02	22.12	191.57	134.63	2,929.00	52,314	707.3
2002-03	21.85	172.02	134.48	3,020.00	58,915	769.0
2003-04	22.94	178.77	134.78	3,222.00	73,446	950.1
2004-05	22.78	218.12	135.68	3,694.04	108,733	984.3
2005-06	23.13	226.07	137.98	3,804.00	137,474	999.6
2006-07	23.56	218.60	137.80	3,672.00	168,830	1,025.8
2007-08	23.85	264.67	137.80	3,581.00	211,561	1,016.1
2008-09	24.12	314.63	131.51	3,711.00	233,010	1,070.0
2009-10	23.87	312.63	133.70	4,360.00	248,120	1,088.0
2010-11	22.72	331.02	137.16	3,933.00	263,022	1,103.4
2011-12	22.50	346.38	135.86	3,861.00	293,850	997.7
2012-13	22.56	327.08	137.51	3,621.00	336,247	1,220.4
2013-14	23.16	359.18	137.51	4,089.00	391,353	1,317.3
2014-15	23.26	481.00	138.59	4,316.00	515,875	1,332.9
2015-16	23.66	473.15	133.00	3,699.00	598,287	1,357.0
2016-17	22.63	428.17	132.70	5,040.00	704,488	1,385.0
2017-18	22.63	476.61	133.40	4,763.00	972,606	1,385.0 P
2018-19 P	22.63	497.40	127.40	3,497.00	804,924	-

(Contd.)

TABLE 2.1 B (Continued)

BASIC DATA ON AGRICULTURE

Fiscal Year	Production of Tractors (Nos)	Production of meat (000 Tonnes)	Milk (000 Tonnes)	Fish Production (000 Tonnes)	Total Forest Production (000 cu.mtr.)
2000-01	32,553	2,015	26,284	629.6	472
2001-02	24,311	2,072	27,031	637.8	487
2002-03	27,101	2,132	27,811	566.2	266
2003-04	36,059	2,188	28,624	573.5	313
2004-05	44,095	2,271	29,438	580.6	282
2005-06	49,642	2,515	31,970	604.9	265
2006-07	54,431	2,618	32,986	640.0	373
2007-08	53,598	2,728	34,064	885.0	363
2008-09	60,561	2,843	35,160	914.1	347
2009-10	71,607	2,965	36,299	925.8	356
2010-11	71,550	3,094	37,475	699.9	352
2011-12	48,120	3,232	38,617	724.8	354
2012-13	48,871	3,379	39,855	728.8	354
2013-14	34,521	3,531	41,133	735.0	-
2014-15	45,860	3,696	42,454	765.0	-
2015-16	33,883	3,873	43,818	788.0	-
2016-17	53,499	4,061	45,227	797.0	-
2017-18	52,551	4,262	46,682	807.0	-
2018-19 P	37,399	4,478	48,185	575.0	-

P : Provisional - : Not available Source: Pakistan Bureau of Statistics
^: At farm gate Ministry of National Food Security and Research

TABLE 2.2

LAND UTILIZATION

(Million hectares)

Fiscal Year	Total Area	Reported Area	Forest Area	Not Available for Cultivation	Culturable Waste	Cultivated Area: Current Fallow	Cultivated Area: Net Area Sown	Cultivated Area: Total Area Cultivated (6+7)	Area Sown more than once	Total Cropped Area (7+9)
	1	2	3	4	5	6	7	8	9	10
2000-01	79.61	59.44	3.77	24.37	9.17	6.73	15.40	22.13	6.64	22.04
2001-02	79.61	59.33	3.80	24.31	8.95	6.60	15.67	22.27	6.45	22.12
2002-03	79.61	59.45	4.04	24.25	8.95	6.61	15.60	22.21	6.25	21.85
2003-04	79.61	59.46	4.01	24.23	9.10	6.23	15.89	22.12	7.05	22.94
2004-05	79.61	59.48	4.02	24.39	8.94	6.86	15.27	22.13	7.51	22.78
2005-06	79.61	57.22	4.03	22.87	8.21	6.72	15.39	22.11	7.74	23.13
2006-07	79.61	57.05	4.19	22.70	8.30	5.72	16.16	21.87	7.40	23.56
2007-08	79.61	57.08	4.21	23.41	8.19	4.93	16.34	21.17	7.51	23.85
2008-09	79.61	57.21	4.21	23.47	8.15	5.04	16.34	21.38	7.78	24.12
2009-10	79.61	57.21	4.23	23.49	8.09	5.20	16.20	21.40	7.67	23.87
2010-11	79.61	57.64	4.26	23.37	7.98	6.38	15.65	22.03	7.07	22.72
2011-12	79.61	57.73	4.26	23.25	8.19	7.05	14.98	22.03	7.52	22.50
2012-13	79.61	57.78	4.26	23.06	8.21	7.04	15.22	22.26	7.34	22.56
2013-14	79.61	57.99	4.55	25.56	8.27	6.68	15.40	22.06	7.76	23.16
2014-15	79.61	57.99	4.54	25.54	8.30	6.66	15.46	23.24	7.82	23.26
2015-16	79.61	58.11	3.99	25.53	8.27	7.43	15.38	22.79	7.76	23.66
2016-17	79.61	58.00	4.47	25.51	8.37	6.80	15.35	22.16	7.32	22.63
2017-18 P	79.61	58.00	4.47	25.51	8.37	6.80	15.35	22.16	7.32	22.63
2018-19 R	79.61	58.00	4.47	25.51	8.37	6.80	15.35	22.16	7.32	22.63

P: Provisional R: Repeated

Source: Pakistan Bureau of Statistics
Ministry of National Food Security & Research

Note:

1. Total Area Reported is the total physical area of the villages/deh, tehsils or districts etc.
3. Forest Area is the area of any land classed or administered as forest under any legal enactment dealing with forests. Any cultivated area which may exist within such forest is shown under heading "cultivated area".
4. Area Not Available for Cultivation is that uncultivated area of the farm which is under farm home-steads, farm roads and other connected purposes and not available for cultivation.
5. Culturable Waste is that uncultivated farm area which is fit for cultivation but was not cropped during the year under reference nor in the year before that.
6. Current Fallow (ploughed but uncropped) is that area which is vacant during the year under reference but was sown at least once during the previous year

   Cultivated Area is that area which was sown at least during the year under reference or during the previous year.

   Cultivated Area = Net Area sown + Current Fallow.
7. Net Area Sown is that area which is sown at least once during (Kharif & Rabi) the year under reference.
9. Area Sown more than once is the difference between the total cropped area and the net area sown.
10. Total Cropped Area means the aggregate area of crops raised in a farm during the year under reference including the area under fruit trees.

TABLE 2.3

AREA UNDER IMPORTANT CROPS

(000 Hectares)

Fiscal Year	Wheat	Rice	Bajra	Jowar	Maize	Barley	Total Food Grains	Gram	Sugar-cane	Rapeseed and Mustard	Sesa-mum	Cotton	Tobacco
2000-01	8,181	2,377	390	354	944	113	12,359	905	961	273	101	2,927	46
2001-02	8,058	2,114	417	358	942	111	12,000	934	1,000	269	136	3,116	49
2002-03	8,034	2,225	349	338	935	108	11,989	963	1,100	256	88	2,794	47
2003-04	8,216	2,461	539	392	947	102	12,657	982	1,074	259	60	2,989	46
2004-05	8,358	2,520	343	308	982	93	12,603	1,094	966	243	66	3,193	50
2005-06	8,448	2,621	441	254	1,042	90	12,896	1,029	907	217	82	3,103	56
2006-07	8,578	2,581	504	292	1,017	94	13,066	1,052	1,029	256	71	3,075	51
2007-08	8,550	2,515	531	281	1,052	91	13,020	1,107	1,241	224	76	3,054	51
2008-09	9,046	2,963	470	263	1,052	86	13,880	1,081	1,029	233	91	2,820	50
2009-10	9,132	2,883	476	248	935	84	13,758	1,067	943	178	80	3,106	56
2010-11	8,901	2,365	548	229	974	77	13,094	1,054	988	212	78	2,689	51
2011-12	8,650	2,571	458	214	1,087	72	13,052	1,008	1,058	201	76	2,835	46
2012-13	8,660	2,309	461	198	1,060	73	12,761	992	1,129	224	71	2,879	50
2013-14	9,199	2,789	475	198	1,168	71	13,900	950	1,173	220	82	2,806	49
2014-15	9,204	2,891	462	195	1,142	68	13,962	943	1,141	214	83	2,961	54
2015-16	9,224	2,739	486	274	1,191	66	13,980	940	1,131	201	79	2,902	53
2016-17	8,972	2,724	469	256	1,348	61	13,830	971	1,218	190	80	2,489	47
2017-18	8,797	2,901	489	255	1,251	58	13,751	977	1,343	199	83	2,700	46
2018-19 P	8,740	2,810	456	242	1,318	55	13,621	944	1,102	263	83	2,373	46

P: Provisional

Source: Pakistan Bureau of Statistics

Note: 1 ha = 2.47 acres

TABLE 2.4

PRODUCTION OF IMPORTANT CROPS

(000 Tonnes)

Fiscal Year	Wheat	Rice	Bajra	Jowar	Maize	Barley	Total Food Grains	Gram	Sugar-cane	Rapeseed and Mustard	Sesa-mum	Cotton (000 tonnes)	Cotton (000 Bales)	Tob-acco
2000-01	19,024	4,803	199	218	1,643	99	25,987	397	43,606	230	50.7	1,826	10,732	85
2001-02	18,226	3,882	216	222	1,664	100	24,311	362	48,042	221	69.6	1,805	10,613	94
2002-03	19,183	4,478	189	203	1,737	100	25,889	675	52,056	215	19.3	1,737	10,211	88
2003-04	19,500	4,848	274	238	1,897	98	26,855	611	53,419	221	25.0	1,709	10,048	86
2004-05	21,612	5,025	193	186	2,797	92	29,905	868	47,244	203	30.0	2,426	14,265	101
2005-06	21,277	5,547	221	153	3,110	88	30,396	480	44,666	172	35.0	2,215	13,019	113
2006-07	23,295	5,438	238	180	3,088	93	32,337	838	54,742	212	30.0	2,187	12,856	103
2007-08	20,959	5,563	305	170	3,605	87	31,198	475	63,920	176	32.8	1,982	11,655	108
2008-09	24,033	6,952	296	165	3,593	82	35,121	741	50,045	188	41.0	2,010	11,819	105
2009-10	23,311	6,883	293	154	3,261	71	33,973	562	49,373	151	33.4	2,196	12,914	119
2010-11	25,214	4,823	346	141	3,707	71	34,302	496	55,309	188	31.0	1,949	11,460	103
2011-12	23,473	6,160	304	137	4,338	66	34,478	284	58,397	164	30.2	2,310	13,595	98
2012-13	24,211	5,536	311	123	4,220	67	34,468	751	63,750	205	29.2	2,214	13,031	108
2013-14	25,979	6,798	301	119	4,944	67	38,208	399	67,460	203	32.4	2,170	12,769	130
2014-15	25,086	7,003	294	115	4,937	63	37,498	379	62,826	196	33.1	2,372	13,960	120
2015-16	25,633	6,801	300	161	5,271	61	38,227	286	65,482	185	31.8	1,688	9,917	116
2016-17	26,674	6,849	305	148	6,134	58	40,168	330	75,482	181	34.1	1,815	10,671	100
2017-18	25,076	7,450	339	153	5,902	55	38,975	323	83,333	225	35.2	2,032	11,946	107
2018-19 P	25,195	7,202	350	149	6,309	55	39,260	438	67,174	225	35.7	1,677	9,861	107

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 2.5

YIELD PER HECTARE OF MAJOR AGRICULTURAL CROPS

(Kg/Hectare)

Fiscal Year	Wheat	Rice	Sugarcane	Maize	Gram	Cotton
2000-01	2,325	2,021	45,376	1,741	439	624
2001-02	2,262	1,836	48,042	1,766	388	579
2002-03	2,388	2,013	47,324	1,858	701	622
2003-04	2,375	1,970	49,738	2,003	622	572
2004-05	2,568	1,995	48,906	2,848	793	760
2005-06	2,519	2,116	49,246	2,985	467	714
2006-07	2,716	2,107	53,199	3,036	797	711
2007-08	2,451	2,212	51,507	3,427	429	649
2008-09	2,657	2,346	48,634	3,415	685	713
2009-10	2,553	2,387	52,357	3,487	527	707
2010-11	2,833	2,039	55,981	3,806	471	725
2011-12	2,714	2,396	55,196	3,991	282	815
2012-13	2,796	2,398	56,466	3,981	757	769
2013-14	2,824	2,437	57,511	4,233	420	774
2014-15	2,726	2,422	55,062	4,323	402	802
2015-16	2,779	2,483	57,897	4,426	304	582
2016-17	2,973	2,514	61,972	4,550	340	729
2017-18	2,851	2,568	62,050	4,718	331	753
2018-19 P	2,883	2,562	60,956	4,787	464	707

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 2.6

PRODUCTION AND EXPORT OF FRUIT

Fiscal Year	Production of Important Fruit (000 tonnes)								Export	
	Citrus	Mango	Apple	Banana	Apricot	Almonds	Grapes	Guava	(000 tonnes)	Value (Mln. Rs)
2000-01	1,898	990	439	139	126	33	51	526	260	4,575
2001-02	1,830	1,037	367	150	125	26	53	539	290	5,084
2002-03	1,702	1,035	315	143	130	24	52	532	263	4,815
2003-04	1,760	1,056	334	175	211	24	51	550	354	5,913
2004-05	1,944	1,671	352	148	205	23	49	571	281	5,408
2005-06	2,458	1,754	351	164	197	23	49	552	455	7,508
2006-07	1,472	1,719	348	151	177	23	47	555	343	6,894
2007-08	2,294	1,754	442	158	240	27	75	539	411	9,085
2008-09	2,132	1,728	441	157	238	26	76	512	469	12,519
2009-10	2,150	1,846	366	155	194	22	65	509	687	20,094
2010-11	1,982	1,889	526	139	190	22	64	547	669	25,017
2011-12	2,147	1,700	599	97	189	21	64	495	737	32,068
2012-13	2,002	1,680	556	116	179	22	64	500	718	38,085
2013-14	2,168	1,659	606	119	178	22	66	496	784	45,196
2014-15	2,395	1,717	617	118	171	22	66	488	682	44,375
2015-16	2,344	1,637	621	135	173	22	66	523	677	44,607
2016-17	2,180	1,784	670	137	166	22	66	548	646	39,878
2017-18	2,351	1,734	565	135	142	21	67	586	697	43,842
2018-19 P	2,351	1,722	553	136	142	21	68	566	698	49,355

P: Provisional

Source: Pakistan Bureau of Statistics

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TABLE 2.7
CROP WISE COMPOSITION OF OUTPUT OF IMPORTANT AGRICULTURAL CROPS

(% Share)

Fiscal Year/ Crops	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 P
Important Crops	100	100	100	100	100	100	100	100	100
Food Crops	61.92	58.94	58.79	61.21	59.94	65.26	64.22	61.14	66.04
Wheat	44.07	38.92	40.21	40.29	38.63	42.24	40.95	37.69	40.49
Maize	7.50	8.32	8.09	8.88	8.83	10.08	10.98	10.33	11.81
Rice	10.34	11.69	10.49	12.04	12.49	12.94	12.29	13.12	13.74
Cash Crop	12.03	11.83	13.15	13.09	12.11	13.51	14.48	15.56	13.41
Sugarcane	12.03	11.83	13.15	13.09	12.11	13.51	14.48	15.56	13.41
Fibre Crop	26.05	29.23	28.06	25.70	27.95	21.22	21.29	23.30	20.56
Cotton	26.05	29.23	28.06	25.70	27.95	21.22	21.29	23.30	20.56

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 2.8

CREDIT DISBURSED BY AGENCIES

(Rs million)

Fiscal Year	ZTBL	Domestic Private Banks	PPCBL	Commercial Banks	MFBs	Islamic Banks*	MFIs/RSPs **	Total
2000-01	27,610	-	5,124	12,056	-	-	-	44,790
2001-02	29,108	593	5,128	17,486	-	-	-	52,314
2002-03	29,270	1,421	5,485	22,739	-	-	-	58,915
2003-04	29,933	2,702	7,564	33,247	-	-	-	73,446
2004-05	37,409	12,407	7,607	51,310	-	-	-	108,733
2005-06	47,594	16,023	5,889	67,967	-	-	-	137,474
2006-07	56,473	23,976	7,988	80,393	-	-	-	168,830
2007-08	66,939	43,941	5,931	94,749	-	-	-	211,561
2008-09	75,139	41,626	5,579	110,666	-	-	-	233,010
2009-10	79,012	43,777	5,722	119,609	-	-	-	248,120
2010-11	65,361	50,187	7,162	140,312	-	-	-	263,022
2011-12	66,068	60,876	8,520	146,271	12,115	-	-	293,850
2012-13	67,068	69,271	8,304	172,833	18,770	-	-	336,247
2013-14	77,920	84,813	8,809	195,488	22,796	1,527	-	391,353
2014-15	95,827	108,708	10,486	262,912	32,951	4,991	-	515,875
2015-16	90,977	123,097	10,335	311,401	53,938	8,540	-	598,287
2016-17	92,451	139,061	10,880	342,068	87,772	12,326	19,930	704,488
2017-18	83,187	184,863	10,724	523,930	124,756	16,392	28,754	972,606
2018-19 P	45,098	143,249	5,452	450,014	114,679	22,364	24,069	804,924

P: Provisional (Jul-Mar) - : Not available Source: State Bank of Pakistan
ZTBL: Zarai Taraqiati Bank Limited
PPCBL: Punjab Provincial Corporative Bank Limited
Commercial Banks: Include ABL, HBL, MCB, NBP & UBL
MFBs: 11 Microfinance Banks
*: 5 Islamic Banks
**: 15 Microfinance Institutions / Rural Support Programmes

TABLE 2.9

FERTILIZER OFFTAKE AND IMPORTS OF FERTILIZERS & PESTICIDES

Fiscal Year	Fertilizer Offtake (000 N/Tonnes) Nitrogen	Phosphorus	Potash	Total	Import of Fertilizers 000 N/Tonnes	Import of Insecticides Quantity (Tonnes)	Value (Mln Rs.)
2000-01	2,264	677	23	2,966	580	21,255	3,477
2001-02	2,285	625	19	2,929	626	31,783	5,320
2002-03	2,349	650	20	3,020	766	22,242	3,441
2003-04	2,527	674	22	3,222	764	41,406	7,157
2004-05	2,796	864	33	3,694	784	41,561	8,281
2005-06	2,926	851	27	3,804	1,268	33,954	6,804
2006-07	2,650	979	43	3,672	796	29,089	5,848
2007-08	2,925	630	27	3,582	876	27,814	6,330
2008-09	3,034	651	25	3,710	568	28,839	8,981
2009-10	3,476	860	24	4,360	1,444	38,227	13,473
2010-11	3,134	767	32	3,933	645	36,183	13,178
2011-12	3,207	633	21	3,861	1,177	32,152	12,255
2012-13	2,853	747	21	3,621	735	17,882	8,507
2013-14	3,185	881	24	4,089	1,148	23,546	12,572
2014-15	3,309	975	33	4,316	984	23,157	14,058
2015-16	2,672	1,007	20	3,699	901	17,386	15,974
2016-17	3,730	1,269	41	5,040	961	18,088	16,680
2017-18	3,435	1,279	50	4,763	1,191	26,480	19,162
2018-19 P	2,551	900	46	3,497	988	21,175	17,893

P: Provisional, (Jul-Mar)

Source: Pakistan Bureau of Statistics
National Fertilizer Development Centre

TABLE 2.10

AVERAGE RETAIL SALE PRICES OF FERTILIZERS

(Rs per bag of 50 Kgs)

Fiscal Year	Urea	AN/CAN	AS	NP	SSP(G)	DAP	SOP
2000-01	363.0	233.0	300.0	468.0	253.0	670.0	682.0
2001-02	394.0	268.0	308.0	519.0	280.0	710.0	765.0
2002-03	411.0	282.0	344.0	539.0	287.0	765.0	780.0
2003-04	420.0	208.0	373.0	622.0	329.0	913.0	809.0
2004-05	468.0	353.0	405.0	704.0	373.0	1,001.0	996.0
2005-06	509.0	395.0	744.0	710.0	407.0	1,079.0	1,170.0
2006-07	527.0	396.0	779.0	670.0	334.0	993.0	985.0
2007-08	581.0	471.0	867.0	1,267.0	572.0	1,934.0	1,497.0
2008-09	751.0	704.0	1,330.0	1,700.0	874.0	2,578.0	2,091.0
2009-10	799.0	701.0	1,223.0	1,452.0	726.0	2,267.0	2,370.0
2010-11	1,035.0	843.0	1,124.0	2,108.0	896.0	3,236.0	2,807.0
2011-12	1,719.0	1,392.0	-	2,691.0	1,260.0	4,054.0	3,797.0
2012-13	1,799.0	1,443.0	-	2,524.0	1,172.0	3,902.0	3,945.0
2013-14	1,827.0	1,566.0	-	2,513.0	1,050.0	3,640.0	4,233.0
2014-15	1,883.0	1,606.0	-	2,584.0	1,012.0	3,677.0	4,904.0
2015-16	1,860.0	1,564.0	-	2,339.0	973.0	3,343.0	5,131.0
2016-17	1,378.0	1,198.0	-	1,869.0	886.0	2,596.0	4,100.0
2017-18	1,386.0	1,241.0	-	2,175.0	890.0	2,882.0	3,659.0
2018-19 P	1,718.0	1,542.0	-	2,822.0	996.0	3,505.0	3,831.0

P: Provisional (Jul-Mar) -: Not available
AN/CAN: Ammonium Nitrate/Calcium Ammonium Nitrate
AS: Ammonium Sulphate DAP: Diammonium Phosphate
NP: Nitrophosphate SOP: Sulphate of Potash
SSP: Single Super Phosphate

Source: Pakistan Bureau of Statistics
National Fertilizer Development Centre

TABLE 2.11

AREA IRRIGATED BY DIFFERENT SOURCES

(Million hectares)

Fiscal Year	Canals	Wells	Canal Wells	Tubewells	Canal Tubewells	Others	Total
2000-01	6.98	0.16	0.10	3.19	7.22	0.17	17.82
2001-02	6.81	0.20	0.16	3.45	7.24	0.18	18.04
2002-03	7.06	0.21	0.17	3.42	7.17	0.20	18.22
2003-04	7.22	0.22	0.15	3.49	7.47	0.21	18.76
2004-05	7.00	0.25	0.19	3.46	7.70	0.24	18.84
2005-06	7.06	0.28	0.20	3.58	7.78	0.22	19.12
2006-07	6.78	0.67	0.22	3.89	7.78	0.25	19.59
2007-08	6.52	0.31	0.17	3.83	7.79	0.28	19.29
2008-09	6.42	0.31	0.20	3.82	7.94	0.24	19.39
2009-10	6.39	0.31	0.26	3.88	7.07	0.28	20.06
2010-11	6.00	0.36	0.25	3.92	7.60	0.72	19.16
2011-12	5.59	0.35	0.19	4.03	7.86	0.72	18.99
2012-13	5.22	0.30	0.19	3.81	7.86	0.19	18.68
2013-14	5.55	0.38	0.27	3.71	8.15	0.17	19.28
2014-15	5.55	0.38	0.27	3.71	8.15	0.17	19.28
2015-16	5.59	0.35	0.30	4.48	8.19	0.26	19.33
2016-17	5.56	0.10	0.30	3.57	7.89	0.21	18.91
2017-18 P	5.66	0.43	0.28	3.57	8.19	0.21	19.32

P: Provisional

Source: Pakistan Bureau of Statistics
Ministry of National Food Security & Research

TABLE 2.12

PROCUREMENT/SUPPORT PRICES OF AGRICULTURAL COMMODITIES

(Rs per 40 Kg)

Fiscal	Wheat	Rice		Paddy			Sugarcane (at factory gate)**				Seed Cotton (Phutti)
Year		Basmati 385	Irri-6 (F.A.Q)	Basmati 385	Basmati Super 2000	Irri-6	Khyber Pakhtunkhwa	Punjab	Sindh	Baloch-istan	B-557 149-F
2000-01	300.0	-	-	385.0	460.0	205.0	35.0	35.0	36.0	36.0	725.0 @
2001-02	300.0	-	-	385.0	460.0	205.0	42.0	42.0	43.0	43.0	780.0 ^
2002-03	300.0	-	-	385.0	460.0	205.0	42.0	42.0	43.0	43.0	800.0 ^
2003-04	350.0	-	-	400.0	485.0	215.0	42.0	42.0	43.0	43.0	850.0 ^
2004-05	400.0	-	-	415.0	510.0	230.0	42.0	42.0	43.0	43.0	925.0 ^
2005-06	415.0	-	-	460.0	560.0	300.0	48.0	45.0	60.0	-	975.0 ^
2006-07	425.0	-	-	-	-	306.0	65.0	60.0	67.0	-	1025.0
2007-08	625.0	-	-	-	-	-	65.0	60.0	63.0	-	1025.0
2008-09	950.0	2,500.0	1,400.0	1,250.0	1,500.0 *	700.0	80.0	80.0	81.0	-	1465.0
2009-10	950.0	-	-	1,000.0	1,250.0 *	600.0	100.0	100.0	102.0	-	-
2010-11	950.0	-	-	-	-	-	125.0	125.0	125.0	-	-
2011-12	1,050.0	-	-	-	-	-	150.0	150.0	154.0	-	-
2012-13	1,200.0	-	-	-	-	-	170.0	170.0	172.0	-	-
2013-14	1,200.0	-	-	-	-	-	170.0	170.0	172.0	-	-
2014-15	1,300.0	-	-	-	-	-	180.0	180.0	182.0	-	3000.0
2015-16	1,300.0	-	-	-	-	-	180.0	180.0	172.0	-	3000.0 ^
2016-17	1,300.0	-	-	-	-	-	180.0	180.0	182.0	-	-
2017-18	1,300.0	-	-	-	-	-	180.0	180.0	182.0	-	-
2018-19	1,300.0	-	-	-	-	-	180.0	180.0	182.0	-	-

F.A.Q : Fair Average Quality - : Not available (Contd.)

*: Price of Basmati Super (Paddy) Rs. 1500/40kg for 2008-09 and Rs. 1250 for 2009-10

** : Sugarcane prices are fixed by the respective Provincial Governments

@: Niab-78, CIM ^: As recommended by API

TABLE 2.13

PROCUREMENT, RELEASES AND STOCKS OF WHEAT

(000 tonnes)

Fiscal Year	Wheat (May-April) Procurement	Releases	Stocks As on 1st May
2000-01	8,582.0	5,537.0	3,552.0
2001-02	4,081.0	3,376.0	3,683.0
2002-03	4,045.0	5,130.0	992.0
2003-04	3,514.0	4,104.0	161.0
2004-05	3,939.0	4,500.0	350.0
2005-06	4,514.0	2,088.4	2,107.4
2006-07	4,422.0	6,003.0	501.0
2007-08	3,918.0	6,320.0	136.0
2008-09	9,200.0	5,784.4	821.9
2009-10	6,715.0	5,985.0	4,223.0
2010-11	6,150.0	6,404.0	3,186.0
2011-12	5,792.0	5,820.0	3,506.0
2012-13	7,910.0	6,363.0	1,681.0
2013-14	5,948.0	6,149.0	7,566.0
2014-15	6,139.0	3,380.0	6,447.0
2015-16	5,806.0	4,468.1	6,284.0
2016-17	6,516.0	-	4,531.0
2017-18	5,989.0	-	5,942.0
2018-19 P	6,900.0 *	-	4,473.0 **

P: Provisional - : Not available Source: Ministry of National Food Security & Research

*: Procurement Targets for 2018-19

**: As on 02-04-2019

TABLE 2.14

LIVESTOCK POPULATION

(Million Numbers)

Fiscal Year	Buffalo	Cattle	Goat	Sheep	Poultry	Camels	Asses	Horses	Mules
2000-01	23.3	22.4	49.1	24.2	292.4	0.8	3.9	0.3	0.2
2001-02	24.0	22.8	50.9	24.4	330.0	0.8	3.9	0.3	0.2
2002-03	24.8	23.3	52.8	24.6	346.1	0.8	4.1	0.3	0.2
2003-04	25.5	23.8	54.7	24.7	352.6	0.7	4.1	0.3	0.2
2004-05	26.3	24.2	56.7	24.9	372.0	0.7	4.2	0.3	0.3
2005-06*	27.3	29.6	53.8	26.5	433.8	0.9	4.3	0.3	0.2
2006-07	28.2	30.7	55.2	26.8	477.0	0.9	4.3	0.3	0.2
2007-08	29.0	31.8	56.7	27.1	518.0	1.0	4.4	0.3	0.2
2008-09	29.9	33.0	58.3	27.4	562.0	1.0	4.5	0.4	0.2
2009-10	30.8	34.3	59.9	27.8	610.0	1.0	4.6	0.4	0.2
2010-11	31.7	35.6	61.5	28.1	663.0	1.0	4.7	0.4	0.2
2011-12	32.7	36.9	63.1	28.4	721.0	1.0	4.8	0.4	0.2
2012-13	33.7	38.3	64.9	28.8	785.0	1.0	4.9	0.4	0.2
2013-14	34.6	39.7	66.6	29.1	855.0	1.0	4.9	0.4	0.2
2014-15	35.6	41.2	68.4	29.4	932.0	1.0	5.0	0.4	0.2
2015-16	36.6	42.8	70.3	29.8	1016.0	1.0	5.1	0.4	0.2
2016-17	37.7	44.4	72.2	30.1	1108.0	1.1	5.2	0.4	0.2
2017-18	38.8	46.1	74.1	30.5	1210.0	1.1	5.3	0.4	0.2
2018-19	40.0	47.8	76.1	30.9	1321.0	1.1	5.4	0.4	0.2

*: Actual figures of Livestock Census 2006 Source: Ministry of National Food Security & Research

Note: Estimated figures based on inter census growth rate of Livestock Census 1996 & 2006

TABLE 2.15

LIVESTOCK PRODUCTS

(000 Tonnes)

Fiscal Year	Milk*	Beef	Mutton	Poultry Meat	Wool	Hair	Bones	Fats	Blood	Eggs (Mln.Nos.)	Hides (Mln.Nos.)	Skins (Mln.Nos.)
2000-01	26,284	1,010	666	339	39.2	18.6	331.4	123.5	41.8	7,505	7.8	38.2
2001-02	27,031	1,034	683	355	39.4	19.3	339.4	126.5	42.9	7,679	7.9	39.2
2002-03	27,811	1,060	702	370	39.7	19.9	347.6	129.7	44.0	7,860	8.2	40.3
2003-04	28,624	1,087	720	378	39.9	20.7	356.2	132.9	45.2	8,102	8.4	42.4
2004-05	29,438	1,115	739	384	40.0	20.7	365.1	136.3	45.2	8,529	8.6	42.6
2005-06**	31,970	1,449	554	512	40.1	20.3	633.5	203.3	51.4	9,712	11.4	43.3
2006-07	32,996	1,498	566	554	40.6	20.8	652.5	209.2	52.7	10,197	11.8	44.3
2007-08	34,064	1,549	578	601	41.0	21.4	672.2	215.3	54.1	10,711	12.2	45.3
2008-09	35,160	1,601	590	652	41.5	22.0	692.4	221.6	55.4	11,258	12.6	46.3
2009-10	36,299	1,655	603	707	42.0	22.6	713.4	228.1	56.8	11,839	13.0	47.4
2010-11	37,475	1,711	616	767	42.5	23.2	735.1	234.8	58.3	12,857	13.5	48.5
2011-12	38,617	1,769	629	834	43.0	23.8	757.5	241.7	59.8	13,114	13.9	49.6
2012-13	39,855	1,829	643	907	43.6	24.4	780.5	248.8	61.3	13,813	14.4	50.7
2013-14	41,133	1,887	657	987	44.1	25.1	802.9	255.8	62.8	14,556	14.9	51.9
2014-15	42,454	1,951	671	1074	44.6	25.8	827.2	263.3	64.4	15,346	15.4	53.1
2015-16	43,818	2,017	686	1170	45.1	26.5	852.3	271.0	66.1	16,188	15.9	54.3
2016-17	45,227	2,085	701	1276	45.7	27.2	878.2	279.0	67.8	17,083	16.4	55.5
2017-18	46,682	2,155	717	1391	46.2	27.9	904.9	287.3	69.5	18,037	17.0	56.8
2018-19	48,185	2,227	732	1518	46.8	28.6	932.5	295.8	71.3	19,052	17.5	58.1

*: Human Consumption

Source: Ministry of National Food Security & 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

MANUFACTURING AND MINING

TABLE 3.1

RESERVES AND EXTRACTION OF PRINCIPAL MINERALS

Minerals in 000 tonnes	Antimony (tonnes)	Argonite/ Marble (000 tonnes)	China Clay (000 tonnes)	Celestite (tonnes)	Chromite (000 tonnes)	Coal (000 tonnes)	Dolomite (tonnes)	Fire Clay (000 tonnes)	Fullers Earth (000 tonnes)	Gypsum Anhydrite (000 tonnes)	Lime Stone (000 tonnes)
Years											
2000-01	95	620	47	807	22	3,285	352,689	164	13	364	10,870
2001-02	37	685	54	382	24	3,512	312,886	171	16	402	10,820
2002-03	-	1,066	40	402	31	3,609	340,864	117	15	424	11,880
2003-04	-	994	25	570	29	3,325	297,419	193	14	467	13,150
2004-05	5	1,280	38	1,855	56	3,367	199,653	254	17	552	14,857
2005-06	91	1,836	53	3,160	65	3,881	183,952	333	16	601	18,428
2006-07	119	1,980	31	1,530	104	3,702	342,463	347	12	624	25,512
2007-08	245	1,537	32	1,310	115	4,066	359,994	330	11	660	31,794
2008-09	75	1,145	17	470	90	3,679	249,918	389	10	800	33,186
2009-10	25	1,065	23	160	257	3,536	130,408	329	11	854	37,137
2010-11	25	1,133	16	-	148	3,292	240,111	274	4	885	32,021
2011-12	12	1,751	22	-	179	3,179	198,392	408	7	1,260	35,016
2012-13	89	2,360	23	-	136	2,813	335,819	455	4	1,250	38,932
2013-14	979	2,920	16	-	86	3,340	720,633	465	6	1,326	38,787
2014-15	114	2,874	19	-	102	3,408	222,378	405	8	1,417	40,470
2015-16 F	21	4,747	21	-	69	3,749	669,920	551	14	1,872	46,123
2016-17 R	65	4,906	29	-	105	3,954	301,124	584	18	2,080	52,149
2017-18 P	-	8,813	19	-	97	4,478	488,825	842	9	2,476	70,819
Jul-Feb											
2017-18	-	5,281	11	-	63	2,889	284,498	588	7	1,564	44,335
2018-19 P	-	5,043	11	-	255	2,453	190,589	469	16	1,889	47,480

- : Not available P : Provisional (Contd.)

TABLE 3.1

RESERVES AND EXTRACTION OF PRINCIPAL MINERALS

Minerals in 000 tonnes	Magne-site (tonnes)	Rock Salt (000 tonnes)	Silica Sand (000 tonnes)	Ochre (tonnes)	Sulphur (tonnes)	Soap Stone (000 tonnes)	Baryte (000 tonnes)	Bauxite/ Laterite (tonnes)	Iron Ore (tonnes)	Crude Oil (m. barrels)	Natural Gas (000 m.cu.mtr.)
Years											
2000-01	4,645	1,394	155	4,691	17,428	47	28	35,114	24,765	21.08	24.78
2001-02	4,637	1,423	157	5,064	22,580	39	21	37,182	4,942	23.19	26.16
2002-03	2,645	1,426	185	6,733	19,402	66	41	67,536	11,483	23.46	28.11
2003-04	6,074	1,640	259	7,861	23,873	53	44	88,044	84,946	22.62	34.06
2004-05	3,029	1,648	309	18,686	24,158	21	42	78,288	104,278	24.12	38.08
2005-06	1,161	1,859	411	34,320	24,695	21	52	60,370	131,259	23.94	39.65
2006-07	3,445	1,873	402	61,665	27,710	45	47	150,842	150,695	24.62	40.03
2007-08	3,940	1,849	403	46,215	29,485	38	54	174,223	286,255	25.48	41.17
2008-09	2,639	1,917	370	56,617	25,784	14	63	137,485	320,214	24.03	41.37
2009-10	5,159	1,944	411	55,352	26,641	54	57	190,077	447,541	23.71	41.99
2010-11	4,908	1,954	301	36,078	27,645	48	32	308,027	329,100	24.04	41.68
2011-12	5,444	2,136	270	42,107	25,560	56	49	323,848	384,893	24.57	44.15
2012-13	6,705	2,160	356	37,769	20,610	93	118	353,355	412,108	27.84	42.65
2013-14	4,130	2,220	298	32,634	35,672	89	134	480,054	197,074	31.58	42.30
2014-15	4,581	2,136	268	33,909	19,730	116	205	451,818	328,702	34.49	41.51
2015-16 F	35,228	3,553	387	68,352	14,869	126	158	773,289	432,156	31.65	41.96
2016-17 R	19,656	3,534	338	86,080	23,740	152	92	719,030	501,664	32.27	41.68
2017-18 P	23,596	3,654	376	75,939	22,040	142	89	995,855	677,206	32.56	41.32
Jul-Feb											
2017-18	15,547	2,361	243	51,769	14,050	104	56	618,968	444,318	21.75	27.71
2018-19 P	40,242	2,712	302	64,357	13,935	81	71	704,869	478,035	21.86	27.16

P : Provisional

Source : Pakistan Bureau of Statistics

TABLE 3.2

PRODUCTION INDEX OF MINING AND MANUFACTURING

Year	Mining	Manufacturing
	Base Year 1999-2000 = 100	
2000-01	105.6	101.0
2001-02	112.5	114.8
2002-03	119.6	123.1
2003-04	134.8	146.4
2004-05	148.7	173.0
	Base Year 2005-06=100	
2005-06	100.0	100.0
2006-07	103.7	109.5
2007-08	108.9	116.1
2008-09	108.1	109.1
2009-10	110.2	109.6
2010-11	108.0	111.1
2011-12	113.7	112.4
2012-13	115.3	117.4
2013-14	118.5	123.7
2014-15	120.5	127.9
2015-16	121.6	131.9
2016-17 F	123.2	139.5
2017-18 R	129.8	147.6
2018-19 (Jul-Mar) P	132.3 *	145.5

P : Provisional R: Revised F: Final Source: Pakistan Bureau of Statistics

*: Jul - Feb

TABLE 3.3

COTTON TEXTILES STATISTICS

Year	No. of Mills	Installed Capacity No. of Spindles (000)	Installed Capacity No. of Looms (000)	Working at the end of the period No. of Spindles (000)	Working at the end of the period No. of Looms (000)	Spindle Hours Worked (Million)	Loom Hours Worked (Million)	Consumption of Cotton (mln kg)	Total Yarn Produced (mln.kg)	Surplus Yarn (tonnes)	Total Production of Cloth (mln. sq mtr.)
2000-01	353	8,601	10	6,913	4	59,219	34.1	2,078.3	1,721.0	1,652.7	490.2
2001-02	350	9,060	10	7,440	5	61,877	36.3	2,165.2	1,808.6	1,731.2	568.4
2002-03	453	9,260	10	7,676	5	67,519	38.7	2,372.7	1,924.9	1,833.7	582.1
2003-04	456	9,499	10	7,934	4	70,214	32.6	2,407.7	1,938.9	1,845.7	683.4
2004-05	518	10,941	9	8,852	4	72,254	30.3	2,622.8	2,290.3	2,184.3	925.0
2005-06	524	11,292	9	9,754	4	74,884	24.8	2,932.6	2,546.5	2,460.5	903.8
2006-07	521	11,266	8	10,057	4	76,892	21.7	3,143.5	2,845.2	2,623.2	977.8
2007-08	521	11,834	8	9,960	4	76,000	21.5	3,169.2	2,914.6	2,704.4	1,016.4
2008-09	521	11,366	8	9,968	4	75,325	24.0	3,195.6	2,913.4	2,753.3	1,016.9
2009-10	526	11,392	7	10,632	5	74,654	22.4	3,372.4	2,787.3	2,703.9	1,009.5
2010-11	524	11,762	7	10,757	5	76,835	22.9	3,405.7	2,939.5	2,851.2	1,029.5
2011-12	512	11,762	7	10,653	5	76,933	22.6	3,427.1	2,954.6	2,857.3	1,020.3
2012-13	526	11,946	8	10,872	5	76,757	23.4	3,539.3	3,017.9	2,960.9	1,029.1
2013-14	538	13,269	8	10,999	6	78,207	23.5	3,675.5	3,333.4	2,669.5	1,036.1
2014-15	411	13,184	8	11,058	5	79,184	24.2	2,732.7	3,369.7	3,256.2	1,036.9
2015-16	408	13,142	8	11,263	5	78,548	28.0	2,732.5	3,415.3	3,301.6	1,039.2
2016-17	408	13,409	9	11,338	6	77,213	29.7	2,733.1	3,428.1	3,315.3	1,043.3
2017-18	408	13,409	9	11,313	6	51,280	19.3	1,825.0	3,430.1	2,190.3	1,044.1
2018-19 P	408	13,409	9	11,338	6	60,630	22.2	2,054.3	2,287.2	2,199.0	697.6

P : Provisional (Jul-Mar)

Source : Textile Commissioner Organization

TABLE 3.4

PRODUCTION OF FERTILIZERS, VEGETABLE GHEE, SUGAR AND CEMENT

(000 tonnes)

Year	Fertilizers					Vegetable Ghee	Sugar	Cement
	Urea	Super Phos-phate	Ammo-nium Nitrate	Ammo-nium Sulphate	Nitro Phos-phate			
2000-01	4,005.1	159.6	374.4	-	282.5	835	2,956	9,672
2001-02	4,259.6	161.0	329.4	-	305.7	797	3,247	9,935
2002-03	4,401.9	147.2	335.3	-	304.9	772	3,686	10,845
2003-04	4,431.6	167.7	350.4	-	363.5	888	4,021	12,862
2004-05	4,606.4	163.1	329.9	-	338.9	1,048	3,116	16,353
2005-06	4,806.4	160.8	327.9	-	356.6	1,151	2,960	18,564
2006-07	4,732.5	148.9	330.8	-	325.8	1,180	3,527	22,739
2007-08	4,925.0	157.7	343.7	-	329.7	1,137	4,733	26,751
2008-09	4,918.4	187.4	344.3	-	305.7	1,060	3,190	28,380
2009-10	5,056.5	148.7	345.5	-	304.4	1,075	3,143	31,358
2010-11	4,552.1	173.3	275.1	-	252.3	1,091	4,169	28,716
2011-12	4,470.1	114.7	432.3	-	337.6	1,102	4,634	29,557
2012-13	4,215.1	79.3	401.3	-	291.9	1,138	5,073	31,055
2013-14	4,930.3	87.8	519.1	-	447.1	1,185	5,582	31,418
2014-15	5,073.1	63.6	569.2	-	501.9	1,185	5,149	32,185
2015-16	5,846.9	89.5	647.4	-	594.6	1,241	5,115	35,432
2016-17	5,912.7	81.6	664.7	-	630.2	1,280	7,049	37,022
2017-18	5,405.2	65.2	518.9	-	471.4	1,358	6,566	41,148
Jul-Mar								
2017-18	4,067.9	51.6	410.0	-	377.9	1,023	5,654	31,228
2018-19 P	4,378.4	65.0	343.2	-	337.0	1,031	4,899	29,527

P : Provisional - : Not available Source: Pakistan Bureau of Statistics

TABLE 3.5

PRODUCTION OF SELECTED INDUSTRIAL ITEMS

Year	Food and Tobacco		Jute	Rubber			
	Beverages (Million litres)	Cigarettes (Million Nos)	Textiles (000 tonnes)	Motor Tyres (000 Nos)	Motor Tubes (000 Nos)	Cycle Tyres (000 Nos)	Cycle Tubes (000 Nos)
2000-01	2,542	58,259	89	2,439	3,387	4,056	5,892
2001-02	2,492	55,100	82	2,694	3,419	4,652	7,058
2002-03	2,289	49,365	96	3,360	4,091	5,330	8,942
2003-04	2,691	55,399	104	5,175	4,964	4,768	8,270
2004-05	3,424	61,097	105	5,336	6,279	4,900	9,612
2005-06	1,161	64,137	105	5,942	7,164	5,287	10,204
2006-07	1,550	65,980	118,0	7,027	10,277	5,182	10,420
2007-08	1,841	67,446	129	6,990	9,627	4,243	9,224
2008-09	1,894	75,609	137	7,089	14,515	3,213	6,876
2009-10	1,554	65,292	106	8,672	20,152	3,405	7,273
2010-11	1,490	65,403	93	9,222	19,108	2,879	6,534
2011-12	1,812	61,954	94	7,011	20,338	3,431	6,846
2012-13	2,077	67,377	103	7,864	20,269	3,429	7,746
2013-14	2,550	64,482	102	8,802	20,825	4,038	8,061
2014-15	2,954	62,667	94	9,058	22,001	4,633	8,391
2015-16	3,137	53,522	55	9,735	24,467	4,205	7,285
2016-17	3,565	34,341	60	9,710	24,635	3,930	7,577
2017-18	3,456	59,058	74	10,400	24,668	3,792	7,774
Jul-Mar							
2017-18	2,424	45,627	56	7,807	18,506	2,876	5,905
2018-19 P	2,365	48,931	48	8,066	19,037	3,344	7,174

P : Provisional

(Contd.)

TABLE 3.5

PRODUCTION OF SELECTED INDUSTRIAL ITEMS

Year	Chemicals						Transport, Machinery & Electrical Appliances		
	Soda Ash (000 tonnes)	Sulphuric Acid (000 tonnes)	Caustic Soda (000 tonnes)	Chlorine Gas (000 tonnes)	Paints & Varnishes (tonnes)	Polishes & Creams for Footwear (mln. grams)	Bicycles (000 Nos.)	Sewing Machines (000 Nos.)	Total TV Sets (000 Nos.)
2000-01	217.9	57.1	145.5	14.5	10,922	906.7	569.6	26.9	97.4
2001-02	215.2	59.4	150.3	15.1	10,341	920.9	553.4	24.0	450.0
2002-03	280.3	56.0	164.4	15.9	3,899	935.3	629.7	30.6	764.6
2003-04	286.5	64.7	187.5	17.2	5,406	950.1	664.1	35.0	843.1
2004-05	297.3	91.3	206.7	19.1	15,023	959.6	587.9	36.1	908.8
2005-06	318.7	94.4	219.3	18.3	17,147	969.2	589.6	39.1	935.1
2006-07	330.6	96.3	242.2	17.2	23,936	978.8	486.3	52.2	608.6
2007-08	364.9	102.8	248.3	18.2	26,308	988.6	535.5	57.3	716.1
2008-09	365.3	97.1	245.3	16.5	29,831	998.5	419.9	50.8	402.3
2009-10	409.6	84.7	182.3	16.1	30,749	1,008.5	447.2	48.6	342.9
2010-11	378.0	114.7	172.0	15.1	25,673	1,018.6	345.2	47.0	425.5
2011-12	370.7	100.4	179.1	15.8	23,026	1,028.8	262.1	39.6	268.8
2012-13	366.2	89.4	182.8	15.5	28,048	1,039.0	232.9	32.8	462.9
2013-14	409.1	85.3	167.4	14.9	37,236	1,049.4	203.7	19.8	426.6
2014-15	437.1	70.2	183.5	17.4	48,631	975.7	210.9	19.3	428.1
2015-16	468.5	75.1	225.3	16.4	53,651	985.5	199.0	13.5	453.2
2016-17	479.7	56.0	223.9	16.3	49,173	995.3	200.2	18.3	438.9
2017-18	509.8	48.6	270.1	16.8	52,082	1,005.3	200.6	23.4	400.3
Jul-Mar									
2017-18	370.0	37.5	195.1	13.2	39,304	695.6	150.0	15.8	298.9
2018-19 P	415.8	40.8	185.9	13.7	37,763	702.5	131.2	26.4	291.8

P : Provisional (Contd.)

TABLE 3.5

PRODUCTION OF SELECTED INDUSTRIAL ITEMS

Year	Electrical Appliances		Paper & Board		Steel Products		
	Electric Bulbs (Mln.Nos)	Electric Tubes (000 metres)	Paper Board (000 tonnes)	Paper (All Types) (000 tonnes)	Coke (000 tonnes)	Pig Iron (000 tonnes)	Billets (000 tonnes)
2000-01	55.2	10,548.0	246.3	531.1	717.3	1,071.2	1,664.7
2001-02	52.8	10,441.0	165.1	137.9	694.6	1,042.9	1,874.2
2002-03	58.3	10,844.0	203.8	148.0	775.2	1,140.2	1,874.2
2003-04	139.4	14,630.0	225.7	156.8	785.5	1,179.9	2,118.9
2004-05	146.7	19,819.0	236.5	163.7	772.8	1,137.2	2,430.1
2005-06	143.6	19,992.0	286.1	167.7	182.3	768.0	3380,6
2006-07	145.0	21,400.0	280.4	161.7	326.3	1,008.8	3677,8
2007-08	129.8	19,524.0	227.6	192.0	290.9	993.4	2873,8
2008-09	91.8	11,101.0	168.8	252.5	423.7	791.1	1,943.4
2009-10	75.5	2,914.0	178.1	248.7	342.8	483.3	1,663.8
2010-11	79.6	1,180.0	206.1	228.7	301.7	433.1	1,628.9
2011-12	79.0	1,266.0	283.0	246.3	192.9	249.1	1,616.4
2012-13	79.7	-	381.9	232.4	203.3	201.5	1,638.5
2013-14	75.1	-	465.8	218.7	31.9	89.4	2,128.3
2014-15	64.6	-	415.7	204.0	275.8	265.5	2,730.9
2015-16	73.9	-	376.9	233.1	57.4	1.5	3,183.3
2016-17	72.4	-	404.6	263.9	0.0	0.0	4,099.0
2017-18	76.4	-	457.3	273.9	0.0	0.0	5,186.0
Jul-Mar							
2017-18	58.2	-	342.7	204.1	0.0	0.0	3,973.0
2018-19 P	49.0	-	329.9	195.8	0.0	0.0	2,991.0

P : Provisional -: Not available Source: Pakistan Bureau of Statistics

TABLE 3.6

PERCENT GROWTH OF SELECTED INDUSTRIAL ITEMS

(in %)

	Cotton Yarn	Cotton Cloth	Jute Goods	Veg.Ghee	Cigarettes	Fertilizers	Cement	Soda Ash	Caustic Soda	Sugar
2000-01	3.10	12.10	4.60	19.60	24.02	11.10	3.80	(11.30)	3.00	21.70
2001-02	5.10	16.00	(8.70)	(4.50)	(5.40)	(1.80)	2.70	(1.20)	3.30	9.80
2002-03	5.90	2.40	16.90	(3.20)	(10.40)	2.50	9.20	30.30	9.30	13.50
2003-04	0.70	17.40	8.90	15.10	12.20	9.00	18.60	2.20	14.10	9.10
2004-05	18.20	35.30	0.80	18.00	10.30	7.50	27.10	3.80	10.20	(22.50)
2005-06	11.73	(2.30)	(0.30)	9.90	5.00	4.30	13.50	7.20	6.10	(5.00)
2006-07	11.73	8.18	12.97	2.45	2.87	(2.76)	22.49	3.74	10.45	19.16
2007-08	2.44	3.95	9.29	(3.63)	2.22	3.27	17.64	10.37	2.50	34.20
2008-09	(0.04)	0.05	6.50	(6.75)	12.10	1.58	6.09	0.11	(1.18)	(32.61)
2009-10	(4.33)	(0.74)	(22.68)	1.38	(13.65)	3.58	10.49	12.12	(25.70)	(1.44)
2010-11	5.46	1.08	(12.30)	1.57	0.17	(8.88)	(8.43)	(7.70)	(5.62)	32.62
2011-12	0.52	0.30	0.98	1.01	(5.27)	0.08	2.93	(1.93)	4.11	11.16
2012-13	3.57	0.56	9.28	3.25	8.75	(4.02)	5.07	(1.22)	2.11	9.48
2013-14	8.62	0.68	(1.07)	4.08	(4.30)	16.50	1.17	11.72	(8.42)	10.03
2014-15	1.09	0.08	(7.21)	(0.40)	(2.81)	4.56	2.44	6.83	9.85	(7.75)
2015-16	1.36	0.22	(41.33)	4.78	(14.59)	13.87	10.09	7.18	22.45	(0.68)
2016-17	0.66	0.40	8.15	3.12	(35.84)	1.66	4.49	2.39	(0.62)	37.80
2017-18	0.06	0.04	23.86	6.07	71.98	(9.88)	11.14	6.26	20.67	(6.85)
Jul-Mar										
2017-18	0.06	0.05	33.36	7.41	84.90	(8.30)	12.42	3.30	21.12	(11.68)
2018-19 P	0.02	0.07	(14.06)	0.75	7.24	4.50	(5.45)	12.36	(4.69)	(13.35)

Note : Figures in parenthesis represent negative growth

Source: Pakistan Bureau of Statistics

FISCAL DEVELOPMENT

TABLE 4.1

FEDERAL GOVERNMENT OVERALL BUDGETARY POSITION

(Rs million)

Fiscal Year / Item	2017-18	2018-19 (Jul-Mar) P
A. REVENUE		
FBR Tax Revenue (1 +2)	3,842,148 *	2,704,528
1. Direct Taxes	1,536,636	997,411
2. Indirect Taxes	2,305,512	1,707,117
i. Customs	608,325	507,186
ii. Sales Tax	1,491,310	1,048,465
iii. Federal Excise	205,877	151,466
Others**	223,640	169,896
Non-Tax Revenue	630,379	368,892
Gross Revenue Receipts	4,696,167	3,243,316
B. EXPENDITURE		
Current Expenditure	3,814,468	3,202,418
i. Defence	1,030,407	774,708
ii. Mark-up payments	1,499,922	1,459,211
iii. Grants	408,461	248,576
vi. Others***	875,678	719,923
Development Expenditure and Net Lending	889,835	452,775
Total Expenditure	4,704,303	3,655,193

P : Provisional

Source: Budget Wing, Finance Division, Islamabad

* : Revised FBR tax collection 2017-18 is Rs. 3,843.755 million.

** : Includes Petroleum Levy, Airport tax , other taxes of ICT, Gas Infrastructure Development Cess and Natural Gas Development Surcharge

*** : Includes other categories not shown here

TABLE 4.2

SUMMARY OF PUBLIC FINANCE (CONSOLIDATED FEDERAL & PROVINCIAL GOVERNMENTS)

(Rs million)

Fiscal Year / Items	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 (Jul-Mar) P
Total Revenues (i+ii)	2,566,514	2,982,436	3,637,297	3,931,042	4,446,979	4,936,723	5,228,014	3,583,737
Federal	2,411,297	2,760,436	3,397,954	3,649,604	4,070,392	4,535,452	4,679,945	3,230,729
Provincial	155,217	222,000	239,343	281,438	376,587	401,271	548,069	353,008
i) Tax Revenues	2,052,886	2,199,232	2,564,509	3,017,596	3,660,418	3,969,248	4,467,160	3,162,132
Federal	1,945,697	2,048,509	2,374,540	2,811,773	3,377,145	3,647,476	4,065,788	2,874,424
Provincial	107,189	150,723	189,969	205,823	283,273	321,772	401,372	287,708
ii) Non-Tax Revenues	513,628	783,204	1,072,788	913,446	786,561	967,475	760,854	421,605
Federal	465,600	711,927	1,023,414	837,831	693,247	887,976	614,157	356,305
Provincial	48,028	71,277	49,374	75,615	93,314	79,499	146,697	65,300
Total Expenditures (a+b+c+d)	4,327,185	4,816,300	5,026,016	5,387,767	5,796,302	6,800,520	7,488,394	5,506,217
a) Current	3,468,487	3,660,434	4,004,582	4,424,747	4,694,294	5,197,854	5,854,266	4,798,350
Federal	2,500,717	2,565,222	2,831,249	3,037,584	3,144,276	3,472,150	3,789,767	3,180,916
Provincial	967,770	1,095,212	1,173,333	1,387,163	1,550,018	1,725,704	2,064,499	1,617,434
b) Development	776,850	777,096	1,135,918	1,113,223	1,301,473	1,693,474	1,584,057	655,854
c) Net Lending to PSE's	12,019	362,783	100,610	27,381	12,631	-12,817	37,625	28,303
d) Statistical Discrepancy	69,829	15,987	-215,094	-177,584	-212,096	-77,991	12,446	23,710
Overall Deficit	-1,760,671	-1,833,864	-1,388,719	-1,456,725	-1,349,323	-1,863,797	-2,260,380	-1,922,480
Financing (net)	1,760,671	1,833,864	1,388,719	1,456,725	1,349,323	1,863,797	2,260,380	1,922,480
External (net)	128,650	-1,676	511,727	181,032	370,465	541,390	785,166	524,457
Domestic (i+ii+iii)	1,632,021	1,835,540	876,992	1,275,693	978,858	1,322,407	1,475,214	1,398,023
i) Non-Bank	529,384	378,040	553,330	366,138	191,843	276,629	352,719	610,369
ii) Bank	1,102,637	1,457,500	323,662	892,057	787,015	1,045,778	1,120,495	787,654
iii) Privatization Proceeds	0	0	0	17,498	0	0	2,000	-
Memorandum Item								
GDP (mp) in Rs. Billion	20,047	22,386	25,169	27,443	29,076	31,922	34,619	38,559
	(As Percent of GDP at Market Price)							
Total Revenue	12.8	13.3	14.5	14.3	15.3	15.5	15.1	9.3
Tax Revenue	10.2	9.8	10.2	11.0	12.6	12.4	12.9	8.2
Non-Tax Revenue	2.6	3.5	4.3	3.3	2.7	3.0	2.2	1.1
Expenditure	21.6	21.5	20.0	19.6	19.9	21.3	21.6	14.3
Current	17.3	16.4	15.9	16.1	16.1	16.3	16.9	12.5
Development Expenditure & net Lending	3.9	5.1	4.9	4.2	4.5	5.3	4.7	1.8
Overall Deficit	8.8	8.2	5.5	5.3	4.6	5.8	6.5	5.0

P : Provisional -: Not available Source: Budget Wing, Finance Division, Islamabad

TABLE 4.3

CONSOLIDATED FEDERAL & PROVINCIAL GOVERNMENT REVENUES

(Rs million)

Fiscal Year/ Item	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 (Jul-Mar) P
Total Revenue (I+II)	2,566,514	2,982,436	3,637,297	3,931,042	4,446,979	4,936,723	5,228,014	3,583,737
Federal	2,411,297	2,760,436	3,397,954	3,649,604	4,070,392	4,535,452	4,679,945	3,230,729
Provincial	155,217	222,000	239,343	281,438	376,587	401,271	548,069	353,008
I. Tax Revenues (A+B)	2,052,886	2,199,232	2,564,509	3,017,596	3,660,418	3,969,248	4,467,160	3,162,132
Federal	1,945,697	2,048,509	2,374,540	2,811,773	3,377,145	3,647,476	4,065,788	2,874,424
Provincial	107,189	150,723	189,969	205,823	283,273	321,772	401,372	287,708
A. Direct Taxes (1+2)	739,775	742,488	893,351	1,040,038	1,195,462	1,350,233	1,542,187	1,005,016
1 Federal	731,941	735,758	884,118	1,029,244	1,191,602	1,343,197	1,536,636	997,411
2 Provincial	7,834	6,730	9,233	10,794	3,860	7,036	5,551	7,605
B. Indirect Taxes								
(3+4+5+6+7)	1,313,111	1,456,744	1,671,158	1,977,558	2,464,956	2,619,015	2,924,973	2,157,116
3. Excise Duty	126,209	124,349	144,540	170,004	197,461	205,205	214,431	158,611
Federal	122,014	119,453	139,084	163,969	190,581	198,570	205,877	151,466
Provincial	4,195	4,896	5,456	6,035	6,880	6,635	8,554	7,145
4. Sales Tax*	809,310	841,324	1,002,110	1,088,823	1,323,685	1,323,261	1,491,310	1,048,465
5. Taxes on Interna-								
tional Trade	218,215	239,608	240,997	306,140	406,180	496,018	608,325	507,186
6. Surcharges*	83,329	141,837	142,064	157,231	181,944	239,959	203,086	146,177
6.1 Gas	22,960	32,171	38,530	25,874	32,654	73,262	24,212	4,808
6.2 Petroleum	60,369	109,666	103,534	131,357	149,290	166,697	178,874	141,369
7. Other Taxes **	99,008	141,797	179,977	255,360	355,686	354,572	407,821	296,677
7.1 Sales Tax on services GST	-	-	-	-	129,752	170,791	223,860	142,339
7.2 Stamp Duties	16,527	18,306	21,790	29,476	35,484	38,167	62,754	50,188
7.3 Motor Vehicle Taxes	11,140	13,975	15,565	15,872	19,077	21,282	24,123	19,638
7.4 Gas Infrastructure Development Cess*	-	-	-	57,021	79,771	42,149	15,176	17,664
7.5 Others***	71,341	109,516	142,622	152,991	91,602	82,183	81,908	66,848
II. Non-Tax Revenues	513,628	783,204	1,072,788	913,446	786,561	967,475	760,854	421,605
Federal	465,600	711,927	1,023,414	837,831	693,247	887,976	614,157	356,305
Provincial	48,028	71,277	49,374	75,615	93,314	79,499	146,697	65,300

P: Provisional -: Not Available Source: Budget Wing, Finance Division

* : Revenues under these heads are exclusively Federal

** : Mainly includes Provincial Revenues

*** : Includes Federal tax revenues (Other Taxes (ICT), Airport Tax) and other provincial tax revenues

TABLE 4.4

CONSOLIDATED FEDERAL & PROVINCIAL GOVERNMENT EXPENDITURES

(Rs million)

Fiscal Year/ Item	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 (Jul-Mar) P
Current Expenditure	3,468,487	3,660,434	4,004,582	4,424,747	4,694,294	5,197,854	5,854,266	4,798,350
Federal	2,500,717	2,565,222	2,831,249	3,037,584	3,144,276	3,472,150	3,789,767	3,180,916
Provincial	967,770	1,095,212	1,173,333	1,387,163	1,550,018	1,725,704	2,064,499	1,617,434
Defence	507,159	540,595	623,085	697,821	757,653	888,078	1,030,407	774,708
Mark-up Payments	889,044	990,967	1,147,793	1,303,767	1,263,368	1,348,435	1,499,922	1,459,211
Current Subsidies	512,961	357,991	305,748	241,593	207,161	153,717	114,194	96,839
Others	578,678	660,838	740,540	781,473	916,094	1,081,920	1,145,244	850,158
Development Expenditure	776,850	777,096	1,135,918	1,113,223	1,301,473	1,693,474	1,584,057	655,854
Net Lending to PSEs	12,019	362,783	100,610	27,381	12,631	-12,817	37,625	28,303
Statistical Discrepancy	69,829	15,987	-215,094	-177,584	-212,096	-77,991	12,446	23,710
Expenditure Booked excl discrepency	4,257,356	4,800,313	5,241,110	5,565,351	6,008,398	6,878,511	7,475,948	5,482,507
Total Expenditure	4,327,185	4,816,300	5,026,016	5,387,767	5,796,302	6,800,520	7,488,394	5,506,217
Memorandum Items:	(Percent Growth over preceding period)							
Current Expenditure	19.6	5.5	9.4	10.5	6.1	10.7	12.6	
Defence	12.5	6.6	15.3	12.0	8.6	17.2	16.0	
Mark-up Payments	24.1	11.5	15.8	13.6	-3.1	6.7	11.2	
Current Subsidies	34.8	-30.2	-14.6	-21.0	-14.3	-25.8	-25.7	
Development Expenditure	53.5	0.0	46.2	-2.0	16.9	30.1	-6.5	
Expenditure Booked excl discrepency	24.7	12.8	9.2	6.2	8.0	14.5	8.7	
Total Expenditure	25.5	11.3	4.4	7.2	7.6	17.3	10.1	
	As % of total expenditures							
Current Expenditure	80.2	76.0	79.7	82.1	81.0	76.4	78.2	87.1
Defence	11.7	11.2	12.4	13.0	13.1	13.1	13.8	14.1
Mark-up Payments	20.5	20.6	22.8	24.2	21.8	19.8	20.0	26.5
Current Subsidies	11.9	7.4	6.1	4.5	3.6	2.3	1.5	1.8
Development Expenditure*	18.2	23.7	24.6	21.2	22.7	24.7	21.7	12.4

P: Provisional   *: Inculding net lending   Source: Budget Wing, Finance Division

TABLE 4.5

DEBT SERVICING

(Rs million)

Fiscal Year / Item	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 (Jul-Mar) P
A. Mark-up Payments	889,044	990,967	1,147,793	1,303,767	1,263,368	1,348,435	1,499,922	1,459,211
Servicing of Domestic Debt	821,115	920,353	1,072,813	1,208,105	1,150,809	1,220,265	1,322,645	1,276,781
Servicing of Foreign Debt	67,929	70,614	74,980	95,662	112,559	128,170	177,277	182,430
B. Repayment/Amortization of Foreign Debt	135,286	217,872	312,112	285,193	335,307	544,314	450,189	515,537
C. Total Debt Servicing (A+B)	1,024,330	1,208,839	1,459,905	1,588,960	1,598,675	1,892,749	1,950,111	1,974,748
MEMORANDUM ITEMS	(As Percent of GDP)							
Servicing of Domestic Debt	4.1	4.1	4.3	4.4	4.0	3.8	3.8	3.3
Servicing of Foreign Debt	0.3	0.3	0.3	0.3	0.4	0.4	0.5	0.5
Repayment/Amortization of Foreign Debt	0.7	1.0	1.2	1.0	1.2	1.7	1.3	1.3
Total Debt Servicing	5.1	5.4	5.8	5.8	5.5	5.9	5.6	5.1

P; Provisional

Source: Budget Wing, Finance Division

MONEY AND CREDIT

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TABLE 5.1

COMPONENTS OF BROAD MONEY (M2)

(Rs million)

Stock	End June					End March
	2014	2015	2016	2017	2018	2019
1. Currency Issued	2,317,891	2,715,556	3,563,749	4,176,915	4,644,900	4,961,510
2. Currency held by SBP	529	508	634	973	1,181	1,128
3. Currency in title of Scheduled Banks	139,490	160,299	229,331	264,627	255,891	222,883
4. Currency in circulation (1-2-3)	2,177,873	2,554,749	3,333,784	3,911,315	4,387,828	4,737,499
5. Other deposits with SBP*	11,689	13,747	18,756	22,692	26,962	27,394
6. Scheduled Banks Total Deposits**	7,777,021	8,713,648	9,472,313	10,646,875	11,582,372	12,045,171
7. Resident Foreign Currency Deposits (RFCD)	599,384	597,760	587,258	655,340	829,355	938,268
8. Broad Money (4+5+6)	9,966,583	11,282,144	12,824,853	14,580,882	15,997,162	16,810,064
9. Growth rate (%)	12.5	13.2	13.7	13.7	9.7	5.1
Memorandum						
1. Currency / Money ratio	21.9	22.6	26.0	26.8	27.4	28.2
2. Demand Deposits / Money ratio	65.3	65.6	63.9	64.3	63.0	62.6
3. Time Deposits / Money ratio	6.7	6.4	5.4	4.2	4.2	3.5
4. Other Deposits / Money ration	0.1	0.1	0.1	0.2	0.2	0.2
5. RFCD / Money ration	6.0	5.3	4.6	4.5	5.2	5.6
6. Income Velocity of Money***	2.7	2.6	2.4	2.3	2.3	-

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 BROAD MONEY (M2)

(Rs million)

	2014	2015	2016	2017	2018	March 2019
	A. Stock End June					
1. Public Sector Borrowing (net)						
(i + ii + iii)	6,025,228	6,958,215	7,819,545	8,955,597	10,199,670	10,863,190
i. Net Budgetary Support	5,542,534	6,403,559	7,194,814	8,282,074	9,392,960	10,221,756
ii. Commodity Operations	492,439	564,459	636,574	686,508	819,680	653,600
iii. Zakat Fund etc.	-9,745	-9,803	-11,843	-12,985	-12,971	-12,167
2. Non-Government Sector	4,152,542	4,456,001	5,012,588	6,011,267	7,033,598	7,957,098
i. Autonomous Bodies**	130,283	142,179	200,760	250,244	324,787	293,573
ii. Net Credit to Private Sector &PSCEs *	4,022,260	4,313,822	4,811,828	5,761,023	6,708,811	7,663,526
a. Private Sector*	3,779,236	4,003,083	4,449,547	5,197,473	5,972,968	6,584,465
b. Public Sector Corp. other than 2(i)	248,501	316,561	367,297	572,553	743,413	1,084,830
c. PSEs Special Account Debt Repayment	-24,075	-24,075	-24,244	-24,244	-24,244	-24,244
d. Other Financial Institutions (NBFIs)	18,597	18,252	19,228	15,241	16,675	18,475
3. Counterpart Funds	-530	-530	-530	-530	-530	-10,688
4. Other Items (Net)*	-803,699	-944,289	-1,014,348	-987,502	-1,027,153	-1,177,382
5. Domestic Credit (1+2+3+4)	9,373,541	10,469,398	11,817,255	13,978,833	16,205,586	17,632,218
6. Foreign Assets (Net)	593,042	812,747	1,007,598	602,049	-208,423	-822,154
7. Broad Money (5+6)	9,966,583	11,282,144	12,824,853	14,580,882	15,997,162	16,810,064
	B. Changes over the year (July-June)					Jul-Mar
8. Public Sector Borrowing (net)						
(i+ii+iii)	327,117	932,986	861,330	1,136,052	1,244,073	663,520
i. Net Budgetary Support	302,971	861,025	791,255	1,087,260	1,110,887	828,796
ii. Commodity Operations	24,733	72,019	72,115	49,934	133,172	-166,080
iii. Zakat Fund etc.	-587	-58	-2,040	-1,142	14	804
9. Non-Government Sector	488,558	303,459	556,587	998,679	1,022,331	923,500
i. Autonomous Bodies**	23,322	11,897	58,581	49,484	74,543	-31,214
ii. Net Credit to Private Sector & PSCEs	465,236	291,562	498,006	949,195	947,788	954,715
a. Private Sector*	421,885	223,847	446,463	747,926	775,495	611,497
b. Public Sector Corp. other than 2(i)	43,291	68,060	50,736	205,256	170,859	341,417
c. PSEs Special Account Debt Repayment	0	0	-169	0	0	0
d. Other Financial Institutions (NBFIs)	60	-345	975	-3,987	1,433	1,800
10. Counterpart Funds	0	0	0	0	0	-10,159
11. Other Items (Net)*	-35,762	-140,589	-70,060	26,846	-39,651	-150,229
12. Domestic Credit Expansion (8+9+10+11)	779,913	1,095,856	1,347,857	2,161,578	2,226,753	1,426,632
13. Foreign Assets (Net)	330,306	219,705	194,851	-405,549	-810,473	-613,731
14. Monetary Expansion (12+13)	1,110,219	1,315,561	1,542,708	1,756,029	1,416,280	812,902

P : Provisional R: Revised Source: State Bank of Pakistan

*: Note:Islamic Financing , Advances (against Murabaha etc) and other related items previously reported under other Assets has been reclassified as credit to private sector.

** : Autonomous bodies are WAPDA (PEPCO), OGDCL, SSGC, SNGPL, PIA, Pakistan Steel and Pakistan Railway.

TABLE 5.3
SCHEDULED BANK's CONSOLIDATED POSITION BASED ON LAST WEEKEND POSITION OF LIABILITIES & ASSETS (All Banks)

(Rs million)

Item Description	2014	2015	2016	2017	2018	March 2019
ASSETS						
Cash & Balances with Treasury Banks	685,570	784,202	781,400	1,122,866	1,349,450	1,269,715
Balances with other Banks	149,403	132,575	126,065	185,623	186,038	186,747
Lending to Financial Institutions	346,851	403,958	262,861	503,760	612,681	1,824,208
Investments	4,360,507	5,812,496	7,542,990	8,166,143	8,178,723	5,750,987
Advances – Net of Provision	3,851,990	4,120,356	4,653,056	5,719,604	6,897,850	7,407,392
Gross Advances	4,285,955	4,576,806	5,113,688	6,176,306	7,361,622	7,888,973
Less: Provision for Non- Performing Advances	433,965	456,450	460,632	456,701	463,772	481,581
Operating Fixed Assets	260,372	298,267	317,857	345,652	417,591	446,216
Deferred Tax Assets	73,758	58,564	54,749	47,428	52,835	50,638
Other Assets	692,733	792,164	626,331	711,952	715,125	767,987
Total Assets	10,421,185	12,402,583	14,365,309	16,803,027	18,410,293	17,703,890
LIABILITIES						
Bills Payable	209,410	192,405	223,062	201,124	230,357	255,823
Borrowings	692,015	1,262,884	2,245,107	2,654,899	3,014,680	1,701,521
Deposits and other Accounts	8,082,412	9,141,126	10,060,188	11,980,697	13,062,787	13,456,273
Sub-ordinated Loans	30,452	33,634	47,696	46,910	79,460	112,564
Liabilities Against Assets Subject to Finance Lease	33	27	48	35	20	2
Deferred Tax Liabilities	9,595	38,510	44,774	35,556	22,070	22,325
Other Liabilities	407,984	465,429	411,820	446,232	577,934	669,564
Total Liabilities	9,431,901	11,134,013	13,032,696	15,365,453	16,987,306	16,218,071
Net Assets	989,283	1,268,570	1,332,613	1,437,574	1,422,987	1,485,820
Represented by:						
Paid up Capital / Head Office Capital Account	497,119	485,985	538,631	651,359	525,796	541,925
Reserves	160,761	282,032	227,497	199,217	285,610	323,888
Un-appropriated / Un-remitted Profit	207,192	275,770	337,664	392,033	440,846	467,846
Surplus/ (Deficit) on Revaluation of Assets	124,212	224,783	228,821	194,964	170,736	152,160
Total	989,283	1,268,570	1,332,613	1,437,574	1,422,987	1,485,820

Source: State Bank of Pakistan

TABLE 5.4

INCOME VELOCITY OF MONEY

(Rs Billion)

End June Stocks	Narrow Money M1	Monetary Assets (M2)	Growth Percentage	Income Velocity of Monetary Assets (M2)
2000-01	1,275.61	1,526.04	9.0	2.6
2001-02	1,494.14	1,751.88	14.8	2.5
2002-03	1,797.36	2,078.48	18.6	2.3
2003-04	2,174.74	2,485.49	19.6	2.3
2004-05	2,512.21	2,960.64	19.1	2.4
2005-06	2,720.68	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	2.7
2009-10	-	5,777.23	12.5	2.7
2010-11	-	6,695.19	15.9	2.9
2011-12	-	7,641.79	14.1	2.8
2012-13	-	8,856.36	15.9	2.7
2013-14	-	9,966.58	12.5	2.7
2014-15	-	11,282.14	13.2	2.6
2015-16	-	12,824.85	13.7	2.4
2016-17	-	14,580.88	13.7	2.3
2017-18	-	15,997.16	9.7	2.3
March-19	-	16,810.06	5.1	-

P : Provisional   - : Not available   Source: State Bank of Pakistan

Explanatory Notes:

1. It may be noted that data series of M1 from 2000-01 is not comparable as compilation of M1 based on weekly data has been discontinued by the SBP. Now M1 is being compiled on the basis of monthly returns and as reported in the monthly Statistical Bulletin of the SBP beginning from April 2008 in its table 2.1

2. The stock data of M2 has been revised since June 2002 due to treatment of privatization commission deposits with NBP as government deposits. These deposits were previously included in private sector deposits which have now being included in

3. Compilation of data on M1 has been discontinued.

TABLE 5.5

LIST OF DOMESTIC, FOREIGN BANKS AND DFIs (As on 31-03-2019)

Public Sector Commercial Banks

1. First Women Bank Ltd.
2. National Bank of Pakistan
3. Sindh Bank Limited
4. The Bank of Khyber
5. The Bank of Punjab

Specialized Scheduled Banks

1. The Punjab Provincial Co-operative Bank
2. Industrial Development Bank Limited (IDBL
3. SME Bank Limited
4. Zarai Taraqiati Bank Limited

Private Local Banks

1. Allied Bank Limited
2. Albarka Bank Pakistan Limited
3. Askari Bank Limited
4. Bank Al Falah Limited
5. Bank Al Habib Limited
6. Bank Islami Pakistan Limited
7. Dubai Islamic Bank Pakistan Limited
8. Faysal Bank Limited
9. Habib Bank Limited
10. Habib Metropolitan Bank Limited
11. JS Bank Limited
12. MCB Bank Limited
13. MCB Islamic Bank
14. Meezan Bank Limited
15. Samba Bank Limited
16. Silk Bank Limited
17. Soneri Bank Limited
18. Standard Chartered Bank (Pakistan) Limited
19. Summit Bank Limited
20. United Bank Limited

Foreign Banks

1. Citibank N.A.
2. Deutsche Bank A.G.
3. Industrial and Commercial Bank of China Limited
4. MUFG Bank Limited
5 Bank of China Limited

Development Financial Institutions

1. House Building Finance Company Limited
2. Pak-Brunai Investment Company Ltd
3. Pak-China Investment Co. Ltd
4. PAIR Investment Company Limited
5. Pak Kuwait Investment Company of Pakistan (Pvt) Limited
6. Pak Libya Holding Company (Pvt) Limited
7. Pak Oman Investment Company (Pvt) Limited
8. Saudi Pak Industrial & Agricultural Investment Company (Pvt) Limited
9. Pakistan Mortgage Refinance Company Limited

Micro Finance Banks

1. Advans Pakistan Microfinance Bank
2. FINCA Microfinance Bank Ltd
3. The First Microfinance Bank
4. Khushhali Bank
5. Apna Microfinance Bank (Formerly Network Microfinance Bank)
6. NRSP Microfinance Bank Ltd
7. Pak Oman Microfinance Bank Limited
8. Telenor Microfinance Bank (Formaly Tameer Microfinance Bank)
9. U Microfinance Bank Ltd
10. Mobilink Microfinance Bank (Formerly Waseela Microfinance Bank)
11. Sindh Microfinance Bank Limited

Source: State Bank of Pakistan

TABLE 5.6
SECURITY AND NATURE WISE WEIGHTED AVERAGE LENDING RATES
(All Scheduled Banks)

(In percentage)

As at the End of		Precious Metal	Stock Exchange Securities	Merchan-dise	Machinery	Real Estate	Financial Obli-gations	Others	Total Advances*
I. INTEREST BEARING									
2005	Jun	8.51	6.86	6.09	4.59	6.68	6.76	8.86	7.01
		(8.51)	(8.29)	(6.01)	(4.07)	(6.68)	(6.70)	(9.02)	(7.01)
2006	Jun	11.58	14.84	8.68	8.55	10.23	10.31	9.59	9.71
		(11.58)	(14.09)	(8.51)	(8.55)	(10.23)	(10.31)	(9.99)	(9.66)
2007	Jun	10.87	11.37	10.73	11.07	12.30	11.05	10.76	11.25
		(10.87)	(12.11)	(10.68)	(11.06)	(12.30)	(11.05)	(10.81)	(11.30)
	Dec	11.45	10.36	9.82	11.09	12.85	10.02	11.93	11.64
		(11.45)	(10.42)	(9.82)	(11.09)	(12.85)	(10.02)	(11.98)	(11.66)
2008	Jun	13.62	12.37	11.78	13.16	12.21	13.32	13.02	12.53
		(13.62)	(12.60)	(11.77)	(13.16)	(12.21)	(13.32)	(13.14)	(12.57)
	Dec	14.64	13.88	13.83	12.05	13.60	16.55	13.74	13.60
		(14.64)	(14.11)	(13.83)	(12.04)	(13.60)	(16.55)	(13.52)	(13.66)
2009	Jun	14.86	12.15	13.45	11.91	14.14	15.30	13.21	13.54
		(14.86)	(10.11)	(13.07)	(11.91)	(13.75)	(15.27)	(13.10)	(13.54)
	Dec	14.07	11.62	12.38	12.78	13.70	12.43	12.35	12.66
		(14.07)	(10.28)	(12.17)	(12.78)	(13.70)	(11.87)	(11.99)	(12.48)
2010	Jun	14.85	13.86	10.90	9.63	12.77	12.07	13.02	12.20
		(14.85)	(14.30)	(9.77)	(9.63)	(12.77)	(12.07)	(13.20)	(12.03)
	Dec	14.72	13.36	11.69	12.02	12.48	13.45	12.92	12.36
		(14.72)	(12.30)	(11.32)	(11.95)	(12.47)	(13.45)	(12.81)	(12.19)
2011	Jun	15.78	12.42	11.33	11.11	12.01	11.04	12.85	12.01
		(15.78)	(13.26)	(10.50)	(11.11)	(12.01)	(11.04)	(12.69)	(11.72)
	Dec	14.78	10.20	11.53	8.89	11.46	13.12	12.90	11.81
		(14.78)	(9.95)	(11.27)	(8.85)	(11.46)	(13.12)	(12.88)	(11.68)
2012	Jun	12.80	12.86	11.89	11.07	12.49	12.30	13.29	12.43
		(12.80)	(15.01)	(11.48)	(11.02)	(12.49)	(12.30)	(13.24)	(12.28)
	Dec	15.40	12.28	10.55	8.31	10.20	8.40	11.41	10.77
		(15.40)	(12.25)	(10.15)	(8.28)	(10.20)	(8.40)	(11.92)	(10.81)
2013	Jun	14.86	11.72	8.71	8.45	10.80	9.40	10.64	9.97
		(14.86)	(11.95)	(8.61)	(8.42)	(10.80)	(9.40)	(10.58)	(9.89)
	Dec	9.66	11.65	10.77	9.67	11.11	7.79	11.49	10.91
		(9.66)	(11.97)	(10.50)	(9.66)	(11.11)	(7.79)	(12.22)	(11.04)
2014	Jun	15.46	12.03	10.11	9.92	11.61	7.10	11.72	11.20
		(15.46)	(12.49)	(9.66)	(9.92)	(11.61)	(7.10)	(11.72)	(11.10)
	Dec	15.32	11.93	9.58	9.64	11.65	7.39	12.33	11.30
		(15.32)	(12.73)	(9.07)	(9.64)	(11.65)	(7.39)	(12.33)	(11.20)
2015	Jun	12.99	11.15	9.13	8.64	9.91	7.32	11.51	10.27
		(12.99)	(11.06)	(8.73)	(8.64)	(9.91)	(7.32)	(11.51)	(10.14)
	Dec	14.45	9.44	8.69	8.79	9.29	6.65	11.38	9.90
		(14.45)	(10.49)	(8.92)	(8.79)	(9.29)	(6.65)	(11.38)	(10.07)
2016	Jun	11.60	8.30	8.76	8.59	8.80	9.58	10.03	9.25
		(11.60)	(9.40)	(8.18)	(8.80)	(8.80)	(9.58)	(10.72)	(9.44)
	Dec	11.35	9.18	7.94	8.44	8.49	4.76	10.92	9.28
		(11.35)	(9.50)	(7.94)	(8.44)	(8.49)	(4.76)	(11.21)	(9.36)
2017	Jun	14.51	7.31	7.11	8.38	8.67	4.52	11.03	8.88
		(14.51)	(9.56)	(7.85)	(8.38)	(8.67)	(4.52)	(11.55)	(9.35)
	Dec	14.13	7.40	7.16	8.33	8.31	8.89	10.35	8.67
		(14.13)	(9.31)	(7.16)	(8.33)	(8.77)	(8.89)	(11.62)	(9.17)
2018	Jun	11.95	8.18	7.81	9.42	9.34	4.88	11.86	9.71
		(11.93)	(9.88)	(7.83)	(9.37)	(9.34)	(4.88)	(11.88)	(9.79)
	Dec	11.96	9.98	10.76	10.19	10.37	8.67	13.08	11.47
		(11.96)	(10.85)	(10.76)	(10.19)	(10.37)	(8.67)	(13.10)	(11.52)

* : Weighted average rates shown in parentheses represent Private Sector

TABLE 5.6

SECURITY AND NATURE WISE WEIGHTED AVERAGE LENDING RATES

(All Scheduled Banks)

(In percentage)

As at the End of		Precious Metal	Stock Exchange Securities	Merchan-dise	Machinery	Real Estate	Financial Obli-gations	Others	Total Advances*
II. ISLAMIC MODES OF FINANCING									
2005	Jun	9.03	7.15	7.93	7.80	10.16	8.21	10.15	8.94
		(9.03)	(7.17)	(7.95)	(7.88)	(10.22)	(8.19)	(10.67)	(9.13)
2006	Jun	10.66	10.03	9.63	9.14	11.23	9.25	12.37	10.68
		(10.66)	(10.20)	(9.66)	(9.20)	(11.26)	(9.25)	(12.90)	(10.83)
2007	Jun	12.04	11.26	10.11	10.80	11.92	10.43	13.02	11.57
		(12.04)	(11.34)	(10.03)	(10.84)	(11.92)	(10.49)	(13.40)	(11.68)
	Dec	9.70	11.27	10.26	10.76	11.80	10.58	12.93	11.55
		(9.70)	(11.41)	(10.23)	(10.82)	(11.79)	(10.62)	(13.26)	(11.65)
2008	Jun	11.75	12.87	11.53	12.26	12.11	11.23	13.90	12.48
		(11.75)	(12.93)	(11.55)	(12.22)	(12.12)	(11.23)	(14.21)	(12.55)
	Dec	15.02	15.76	14.42	14.62	13.51	15.00	15.89	14.72
		(15.02)	(15.66)	(14.19)	(14.67)	(13.49)	(15.02)	(15.96)	(14.72)
2009	Jun	14.18	15.01	14.19	14.20	13.27	15.83	15.08	14.31
		(14.18)	(15.03)	(13.73)	(14.10)	(13.30)	(16.79)	(15.20)	(14.30)
	Dec	14.18	13.61	12.10	12.72	12.71	11.93	14.88	13.22
		(14.14)	(14.02)	(12.18)	(12.70)	(12.71)	(11.55)	(14.96)	(13.10)
2010	Jun	15.08	14.26	13.16	13.81	12.25	13.59	14.83	13.73
		(15.74)	(14.34)	(12.80)	(13.79)	(12.24)	(13.67)	(14.94)	(13.52)
	Dec	15.20	13.80	13.01	13.10	12.24	12.86	14.59	13.43
		(15.20)	(13.59)	(12.69)	(13.18)	(12.23)	(12.79)	(14.82)	(13.23)
2011	Jun	16.24	11.04	12.81	13.74	12.57	12.81	14.73	13.55
		(16.24)	(14.41)	(12.36)	(14.22)	(12.53)	(12.83)	(14.43)	(13.32)
	Dec	13.50	13.06	13.40	14.18	12.46	12.42	15.04	13.83
		(13.50)	(13.21)	(13.17)	(14.14)	(12.46)	(12.51)	(14.92)	(13.62)
2012	Jun	9.46	11.63	12.84	12.51	11.84	14.11	13.68	12.84
		(9.63)	(12.89)	(12.43)	(13.17)	(11.81)	(14.10)	(13.52)	(12.72)
	Dec	9.53	11.10	11.19	12.10	12.43	13.30	12.80	12.02
		(9.53)	(11.67)	(10.91)	(12.03)	(12.40)	(13.21)	(13.02)	(11.93)
2013	Jun	12.80	11.65	11.02	11.74	12.05	13.80	12.20	11.78
		(13.69)	(11.44)	(10.92)	(11.46)	(12.04)	(12.57)	(12.88)	(11.81)
	Dec	14.20	10.80	10.52	11.14	11.23	9.10	11.79	11.20
		(15.26)	(10.99)	(10.48)	(11.03)	(11.29)	(10.67)	(12.59)	(11.37)
2014	Jun	14.22	11.27	10.12	9.48	12.03	10.65	12.29	11.18
		(15.12)	(11.25)	(10.44)	(11.16)	(11.71)	(10.65)	(12.90)	(11.58)
	Dec	13.73	11.00	10.35	10.72	11.50	10.22	11.94	11.11
		(15.03)	(11.01)	(10.31)	(11.04)	(11.50)	(10.19)	(12.91)	(11.28)
2015	Jun	11.59	8.83	8.48	8.22	10.49	10.19	9.48	9.13
		(12.22)	(8.79)	(8.68)	(8.62)	(10.56)	(9.58)	(10.46)	(9.54)
	Dec	13.15	8.42	7.32	8.16	9.12	9.70	8.76	8.33
		(13.85)	(7.94)	(7.43)	(8.18)	(9.20)	(8.57)	(10.05)	(8.65)
2016	Jun	11.28	6.73	7.44	8.01	9.56	10.17	8.94	8.34
		(11.28)	(8.21)	(7.48)	(8.24)	(9.75)	(9.37)	(10.69)	(8.85)
	Dec	11.18	7.75	6.47	7.10	8.07	4.84	8.42	7.51
		(11.19)	(7.58)	(6.88)	(7.00)	(9.03)	(7.94)	(9.71)	(8.05)
2017	Jun	8.25	7.40	6.93	5.88	8.79	6.74	8.43	7.41
		(8.25)	(7.24)	(6.90)	(7.11)	(8.99)	(6.74)	(9.58)	(7.98)
	Dec	7.87	7.17	6.94	7.21	8.69	6.99	8.32	7.71
		(7.87)	(7.82)	(7.04)	(7.37)	(8.91)	(6.99)	(9.74)	(8.12)
2018	Jun	10.98	7.74	7.19	7.85	8.75	7.17	8.46	8.00
		(12.10)	(7.63)	(7.16)	(7.95)	(8.88)	(7.17)	(9.92)	(8.36)
	Dec	9.48	9.81	8.70	9.53	10.24	8.65	10.39	9.67
		(9.48)	(10.14)	(8.80)	(9.30)	(10.29)	(8.52)	(11.05)	(9.71)

* : Weighted average rates shown in parentheses represent Private Sector

Source: State Bank of Pakistan

TABLE 5.7

SALE OF MARKET TREASURY BILLS THROUGH AUCTION

(Rs mllion)

No	Securities	2014	2015	2016	2017	2018	Jul-Mar 2018-19
Market Treasury Bills*							
A.	Three Months Maturity						
	Amount Offered						
	i) Face value	5,555,952	1,697,279	2,726,618	5,287,269	19,826,420	14,960,868
	ii) Discounted value	5,435,437	1,658,957	2,681,109	5,223,172	19,549,300	14,655,742
	Amount Accepted						
	i) Face value	5,031,692	1,231,906	1,457,485	3,824,534	16,231,950	13,802,533
	ii) Discounted value	4,922,517	1,206,378	1,436,402	3,772,951	16,005,555	13,520,509
	Weighted Average Yield						
	i) Minimum % p.a.	8.8870	6.6055	5.8998	5.7873	5.9902	6.7573
	ii) Maximum % p.a.	9.9740	9.9701	6.9308	5.9910	6.7595	10.5498
B.	Six Months Maturity						
	Amount Offered						
	i) Face value	1,024,910	2,157,339	2,873,573	4,632,304	1,620,207	111,444
	ii) Discounted value	973,520	2,071,487	2,780,740	4,495,594	1,560,051	93,423
	Amount Accepted						
	i) Face value	950,189	1,251,489	1,629,803	2,974,251	1,271,001	6,527
	ii) Discounted value	906,276	1,200,353	1,579,538	2,888,666	1,233,895	6,240
	Weighted Average Yield						
	i) Minimum % p.a.	8.9440	6.6350	5.8910	5.8214	6.0093	7.8526
	ii) Maximum % p.a.	9.9790	9.9791	6.9511	6.0109	6.8322	10.5953
C.	Twelve Months Maturity						
	Amount Offered						
	i) Face value	915,273	2,955,465	3,656,106	1,708,636	86,406	8,870
	ii) Discounted value	830,313	2,725,976	3,434,144	1,611,283	78,882	-
	Amount Accepted						
	i) Face value	894,465	1,226,861	1,821,670	936,611	47,687	-
	ii) Discounted value	813,625	1,130,052	1,712,268	884,431	44,979	-
	Weighted Average Yield						
	i) Minimum % p.a.	8.9570	6.7168	5.9101	5.8370	6.0273	-
	ii) Maximum % p.a.	9.9900	9.9900	6.9710	6.0499	6.0386	-

- : Not avaialbe

Source: State Bank of Pakistan

* : MTBs were introduced in 1998-99

Note : Amount includes Non-competitive Bids as well

TABLE 5.8

SALE OF PAKISTAN INVESTMENT BONDS THROUGH AUCTION

(Rs million)

No.	Securities	2014	2015	2016	2017	2018	Jul-Mar 2018-19
	Pakistan Investment Bonds						
A.	Amount Offered (Face Value)	2,232,571	2,175,106	2,559,922	1,761,044	348,935	1,600,643
	03 Years Maturity	1,231,992	1,104,978	1,315,268	1,039,668	235,367	520,617
	05 Years Maturity	465,286	577,463	982,167	451,788	48,467	268,914
	07 Years Maturity	-	-	-	-	-	-
	10 Years Maturity	512,925	483,891	262,487	266,846	65,101	328,538
	10 Years (Floater) Maturity (PFL)						477,574
	15 Years Maturity	-	-	-	-	-	-
	20 Years Maturity	22,368	8,775	-	2,743	-	5,000
	30 Years Maturity	-	-	-	-	-	-
B.	Amount Accepted (Face Value)	2,038,994	1,014,437	963,600	894,017	101,732	647,443
	(a) 03 Years Maturity.						
	(i) Amount Accepted (Face Value)	1,171,806	495,486	484,812	522,756	37,915	180,322
	(ii) Weighted Average Yield						
	(1) Minimum % p.a.	10.3261	7.3650	6.2948	6.1444	6.4029	12.0002
	(2) Maximum % p.a.	12.0862	12.5393	8.0647	6.4043	7.4677	12.2209
	(a) 05 Years Maturity						
	(i) Amount Accepted	426,111	287,494	407,561	239,114	14,932	128,451
	(ii) Weighted Average Yield						
	(1) Minimum % p.a.	10.7762	8.0111	6.8824	6.6364	6.8960	9.2500
	(2) Maximum % p.a.	12.5587	12.9646	8.9652	6.8998	8.4795	12.6997
	(a) 7 Years Maturity						
	(i) Amount Accepted	-	-	-	-	-	-
	(ii) Weighted Average Yield						
	(1) Minimum % p.a.	-	-	-	-	-	-
	(2) Maximum % p.a.	-	-	-	-	-	-
	(a) 10 Years Maturity						
	(i) Amount Accepted	420,755	223,457	71,227	132,147	48,885	132,237
	(ii) Weighted Average Yield						
	(1) Minimum % p.a.	11.5270	9.1369	7.9981	7.7222	7.9359	12.8267
	(2) Maximum % p.a.	12.9209	13.4392	9.4007	7.9414	8.6999	13.1245
	(a) 10 Years (Floater) Maturity (PFL)						
	(i) Amount Accepted	-	-	-	-	-	206,434
	(ii) Weighted Average Yield*	-	-	-	-	-	
	(1) Minimum % p.a.	-	-	-	-	-	Benchmark + 70 bps
	(2) Maximum % p.a.	-	-	-	-	-	Benchmark + 70 bps
	(a) 15 Years Maturity						
	(i) Amount Accepted	-	-	-	-	-	-
	(ii) Weighted Average Yield						
	(1) Minimum % p.a.	-	-	-	-	-	-
	(2) Maximum % p.a.	-	-	-	-	-	-
	(a) 20 Years Maturity			-			
	(i) Amount Accepted	20,323	8,000	-	-	-	-
	(ii) Weighted Average Yield						
	(1) Minimum % p.a.	12.9000	10.9995	-	-	-	-
	(2) Maximum % p.a.	13.2894	13.5905	-	-	-	-
	(a) 30 Years Maturity						
	(i) Amount Accepted	-	-	-	-	-	-
	(ii) Weighted Average Yield	-	-	-	-	-	-
	(1) Minimum % p.a.	-	-	-	-	-	-
	(2) Maximum % p.a.	-	-	-	-	-	-

- : Not available

Source: State Bank of Pakistan

PIBs were introduced in 2000-01

* The benchmark for coupon rtae is defined in clause 'B' of DMMD Circular No. 9 dated May 07, 2018.

CAPITAL MARKETS
&
CORPORATE SECTOR

TABLE 6.1

NATIONAL SAVINGS SCHEMES (NET INVESTMENT)

(Rs million)

	Name of Scheme	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 (Jul-Mar)
1	Defence Savings Certificates	(32,493.2)	9,748.1	7,295.5	29,892.0	12,970.8	16,183.3	8,053.0	16,620.0	10,743.6	44,557.5
2	National Deposit Scheme	(0.1)	(1.0)	(0.9)	(0.6)	(0.3)	(1.0)	(0.3)	(0.7)	0.1	(0.02)
3	Khaas Deposit Scheme	(3.8)	(2.6)	(0.6)	(1.2)	(0.8)	(4.3)	(2.0)	(51.4)	(0.2)	(0.1)
4	Special Savings Certificates (R)	61,856.6	43,960.6	(52,834.2)	46,401.5	57,619.6	28,547.1	(1,932.8)	(39,344.6)	(51,180.1)	33,138.9
5	Special Savings Certificates (B)	(0.3)	(0.7)	(0.9)	(0.3)	(0.8)	-	-	(0.8)	(0.6)	-
6	Regular Income Certificates	44,538.3	46,946.8	43,971.6	36,047.0	62,783.3	50,582.1	(16,223.0)	(20,950.7)	8,726.3	102,872.3
7	Bahbood Saving Certificates	59,267.2	61,731.6	52,254.5	47,622.7	53,963.0	45,927.8	63,761.1	57,432.1	45,395.3	89,549.1
8	Pensioners' Benefit Account	18,166.9	17,940.3	16,359.5	17,538.9	18,471.2	15,701.9	20,645.1	18,716.7	21,504.4	31,058.9
9	Savings Accounts	1,021.3	(625.3)	3,978.5	1,098.9	283.2	3,859.4	3,807.7	4,684.4	3,413.0	(1,141.9)
10	Special Savings Accounts	31,375.5	14,240.8	61,098.8	150,836.0	(53,463.7)	100,124.9	30,924.1	65,246.6	59,939.2	(75,414.5)
11	Mahana Amdani Accounts	(195.7)	(77.9)	(90.5)	(78.5)	(72.5)	(73.0)	(63.0)	(55.2)	(46.7)	(57.2)
12	Prize Bonds	38,556.7	41,083.4	56,324.2	56,175.4	57,058.4	75,884.6	123,901.9	97,791.6	101,575.7	96,564.5
13	Postal Life Insurance	-	-	-	-	-	-	-	2,529.8	875.5	(295.3)
14	National Savings Bonds	3,625.2	-	-	(3,425.6)	-	(62.6)	-	-	-	-
15	Short Term Saving Certificates	-	-	-	3,969.7	(2,628.9)	389.1	157.9	2,077.4	560.6	686.6
16	Premium Prize Bonds (R)	-	-	-	-	-	-	-	2,921.7	2,323.2	622.4
17	Shuhda Welfare Accounts	-	-	-	-	-	-	-	-	-	40.8
	Grand Total	225,714.5	234,944.0	188,355.6	386,075.9	206,982.4	337,059.3	233,029.6	207,617.0	203,829.1	322,181.8

- : Not available B : Bearer R : Registered Source : Central Directorate of National Savings (CDNS)

Figures in Parenthesis represent negative growth

TABLE 6.2

MARK UP RATE/PROFIT RATE ON DEBT INSTRUMENTS CURRENTLY AVAILABLE IN THE MARKET

S.No.	Schemes	Markup/Profit Rate	Maturity Period	Tax Status
1.	Special US$ Bonds			
a)	3 year maturity	LIBOR+1.00%	The rates are effective from Sept.1999. All the special US$ Bonds have now matured, but some have not been encashed.	
b)	5 year maturity	LIBOR+1.50%		
c)	7 year maturity	LIBOR+2.00%		
2.	Pakistan Investment Bonds (PIBs)			
	Tenor	Rate of Profit		
	3-Year Maturity	7.25 % p.a	These coupon rates are applicable w.e.f. July 12, 2018 to date	
	5-Year Maturity	8.00 % p.a		
	10-Year Maturity	8.75 % p.a		
	20-Year Maturity	10.75 % p.a		
3.	Unfunded Debt			
	Defence Saving Certificates	12.47 % p.a	10 Years	Taxable
	Special Saving Certificates (R)	11.57 % p.a (Average)	3 Years	Taxable
	Regular Income Certificates	12.00 % p.a	5 Years	Taxable
	Saving Accounts	8.50 % p.a	Running Account	Taxable
	Pensioners' Benefit Account	14.28 % p.a	10 Years	Tax Exempt
	Bahbood Savings Certificate	14.28 % p.a	10 Years	Tax Exempt
	Shuhada Family Welfare Account	14.28 % p.a	10 Years	Tax Exempt
	National Prize Bonds (B)	10.00 % p.a	Perpetual	Taxable
	Premium Prize Bonds (R)	8.93 % p.a *	Perpetual	Taxable
	Short Term Savings Certificate (STSC)			
	STSC 3 Months	9.80 % p.a	3 Months	Taxable
	STSC 6 Months	9.88 % p.a	6 Months	Taxable
	STSC 12 Months	9.98 % p.a	12 Months	Taxable

p.a : Per annum R : Registered B: Bearer

* : Effective from 10-09-2018

STSC: Short Term Savings Certificate

Source: State Bank of Pakistan and Central Directorate of National Savings

INFLATION

BLANK PAGE

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, Equip-ments etc.	Transport & Commu-nication	Recreation Enter-tainment	Education	Cleaning, Laun-dry & Personal Appearance	Medicare
2000-01	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
2001-02	103.54	102.50	103.23	102.80	107.76	103.80	103.80	106.30	104.97	102.50	102.37
2002-03	106.75	105.40	106.75	103.80	118.39	105.29	105.29	107.21	109.72	103.37	105.59
2003-04	111.63	111.74	109.69	108.20	120.26	115.72	115.72	106.08	114.19	111.29	106.89
2004-05	121.98	125.69	112.98	120.42	128.46	117.33	120.18	105.86	117.55	115.90	107.94
2005-06	131.64	134.39	117.58	132.36	147.24	124.25	130.99	105.65	125.03	119.49	110.66
2006-07	141.87	148.21	123.70	141.21	156.65	131.64	134.63	105.76	133.82	124.55	120.91
2007-08	158.90	174.36	133.79	154.47	165.17	141.08	138.66	107.86	140.88	138.28	132.23
2008-09	191.90	215.69	152.82	180.90	198.92	159.58	192.55	120.00	165.27	163.17	147.25
2009-10	214.41	242.59	162.49	205.88	226.90	169.76	204.15	127.09	185.74	180.52	157.02
2010-11	244.26	286.15	181.97	220.90	261.67	187.04	233.52	139.63	197.14	203.16	180.67

(Base Year : 2007-08 = 100)

Groups/ Fiscal Year	General	Food & Non Alcholic Beverages	Beverages & Tobaco	Clothing & Foot wear	Housing, Water, Elec.Gas & Fuel	Household Equipment & Repair Maintenance	Health	Transport	Commu-nication	Recreation & Culture	Eduction	Restaurant & Hotels	Miscellan-eous
2008-09	117.03	123.13	113.64	111.74	112.01	115.97	108.03	125.15	105.59	114.27	108.15	123.53	117.65
2009-10	128.85	139.05	136.71	119.22	122.14	123.93	114.33	132.79	109.65	127.87	119.39	140.36	133.63
2010-11	146.45	164.10	151.64	133.35	135.27	135.59	123.79	149.01	122.47	134.62	128.17	164.04	152.45
2011-12	162.57	182.20	165.01	153.45	146.17	160.28	137.97	171.39	122.94	145.35	143.83	185.82	181.47
2012-13	174.53	195.18	191.02	175.58	151.34	179.87	156.56	186.43	126.16	169.07	156.69	203.63	199.49
2013-14	189.58	212.74	223.38	198.01	164.60	195.85	167.15	195.15	129.76	183.77	172.57	228.61	210.15
2014-15	198.16	220.20	269.93	213.82	174.93	208.68	176.19	187.22	130.09	190.29	196.40	244.58	221.13
2015-16	203.82	219.42	329.25	224.18	183.90	217.38	182.69	174.25	130.56	194.21	213.02	256.79	228.22
2016-17	212.29	226.59	368.88	233.36	192.91	223.90	201.82	172.93	131.79	196.31	235.72	256.79	240.23
2017-18	220.62	232.95	310.09	244.45	202.50	233.06	218.13	182.18	133.26	200.24	264.79	285.88	254.99
Jul-Apr													
2017-18	221.63	232.20	312.93	246.88	204.09	235.03	219.67	183.46	133.40	202.78	270.35	287.41	257.81
2018-19	234.90	240.25	340.25	259.23	219.63	249.35	233.66	209.38	140.63	214.45	288.51	300.27	274.27

Note: (Contd.)

i) CPI 2000-01base year series converted into base year 2007-08.

ii) The base for price indices have been changed as 2007-08 new base year and different new groups have been included. Therefore, data may differ from the previous one.

TABLE 7.1 (B)

PRICE INDICES (HEADLINE & CORE INFLATION)

Year	Indices				Headline & Core Inflation			
	General	Food	Non-Food	*Core	General	Food	Non-Food	*Core
	(Base Year : 2000-01 = 100)							
2000-01	100.00	100.00	100.00	100.00	4.41	3.56	5.09	4.2
2001-02	103.54	102.50	104.28	103.76	3.54	2.44	4.28	2.0
2002-03	106.75	105.40	107.66	106.43	3.10	2.89	3.24	2.5
2003-04	111.63	111.74	111.55	110.43	4.57	6.01	3.62	3.8
2004-05	121.98	125.69	119.47	117.95	9.28	12.48	7.10	6.8
2005-06	131.64	134.39	129.77	126.82	7.92	6.92	8.63	7.5
2006-07	141.87	148.21	137.58	134.35	7.77	10.28	6.02	5.9
2007-08	158.90	174.36	148.45	145.60	12.00	17.65	7.90	8.4
2008-09	191.90	215.69	175.81	171.18	20.77	23.70	18.45	17.6
2009-10	214.41	242.59	195.36	190.03	11.73	12.47	11.12	11.0
2010-11	244.26	286.15	215.94	208.42	13.92	17.95	10.53	9.7
	(Base Year : 2007-08 = 100)							
2008-09	117.03	123.13	113.37	111.38	17.03	23.13	13.37	11.38
2009-10	128.85	139.05	122.73	119.79	10.10	12.93	8.26	7.55
2010-11	146.45	164.10	135.87	131.03	13.66	18.02	10.71	9.38
2011-12	162.57	182.20	150.81	144.78	11.01	11.03	11.00	10.49
2012-13	174.53	195.18	162.16	158.62	7.36	7.12	7.53	9.56
2013-14	189.58	212.74	175.69	171.82	8.62	9.00	8.35	8.32
2014-15	198.16	220.20	184.95	183.08	4.53	3.50	5.27	6.55
2015-16	203.82	224.78	191.25	190.71	2.86	2.08	3.41	4.17
2016-17	212.29	233.37	199.65	200.61	4.16	3.82	4.39	5.19
2017-18	220.62	237.59	210.45	212.34	3.92	1.81	5.41	5.85
Jul-Apr								
2017-18	219.54	237.04	209.04	210.84	3.77	1.77	5.17	5.60
2018-19	234.90	245.99	228.25	227.94	7.00	3.78	9.19	8.11

Note :

i) CPI 2000-01 base year series converted into base year 2007-08.

ii) Core Inflation is defined as overall inflation adjusted for food and energy.

iii) The base for price indices have been changed as 2007-08 new base year and different new groups have been included. Therefore, data may differ from the previous one.

TABLE 7.1 (C)

PRICES INDICES

Groups/ Fiscal Year	B. Wholesale Price Index by Groups						Sensitive Price Indi-cator	GDP Deflator
	General	Food	Raw Materials	Fuel, Lighting & Lubricants	Manufac-tures	Building Materials		
	(Base Year : 2000-01 = 100)							
2000-01	100.00	100.00	100.00	100.00	100.00	100.00	100.00	108.02
2001-02	102.01	101.95	100.31	103.14	101.87	101.10	103.37	110.71
2002-03	107.77	105.62	115.51	115.95	103.67	102.90	107.06	115.61
2003-04	116.29	112.99	135.12	119.23	111.83	126.48	114.38	124.55
2004-05	124.14	125.03	110.44	138.01	113.05	143.79	127.59	133.30
2005-06	136.68	133.78	121.93	174.57	116.27	144.18	136.56	100.00
2006-07	146.17	145.67	138.85	184.10	119.91	151.93	151.35	107.28
2007-08	170.15	173.27	156.57	223.34	128.33	177.18	176.78	121.13
2008-09	201.10	213.54	184.45	258.96	140.67	213.00	218.16	146.18
2009-10	226.49	239.01	238.11	296.48	154.94	201.40	247.22	161.89
2010-11	279.30	285.93	374.44	348.19	197.39	226.63	292.16	193.52
	(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	159.48	193.50
2011-12	181.28	185.03	182.74	176.07	194.64	152.55	170.77	204.45
2012-13	194.61	198.23	211.17	188.39	203.93	159.29	184.04	219.00
2013-14	210.48	219.00	240.37	200.70	214.59	168.31	201.15	235.18
2014-15	209.85	220.56	245.47	206.76	197.12	172.72	205.18	245.40
2015-16	207.65	226.43	245.91	213.58	171.21	171.46	207.35	246.49
2016-17	216.02	248.00	242.08	225.59	168.07	174.40	210.59	256.29
2017-18	223.52	256.02	242.99	229.90	198.27	184.00	212.44	262.37
Jul-Apr								
2017-18	224.52	257.02	242.91	230.53	186.24	179.83	212.51	262.37
2018-19	247.59	273.09	277.73	251.91	218.42	190.03	221.11	281.98

Note: **Source: Pakistan Bureau of Statistics**

i) WPI 1990-91 base year series converted into base year 2000-01 then into 2007-08.

ii) The base for price indices have been changed and different new groups have been included. Therefore, data may differ from the previous one.

TABLE 7.2

MONTHLY PERCENTAGE CHANGES IN CPI, WPI AND SPI

(Percent)

Months	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Jul-Apr '2018-19
	A. CONSUMER PRICE INDEX (C.P.I) converted into Base year 2000-01					New Base Year 2007-08=100										
Jul	0.57	1.38	1.62	1.61	1.01	-	1.51	2.07	1.27	-0.25	2.02	1.70	0.43	1.34	0.34	0.94
Aug	0.66	0.58	0.04	1.25	1.32	1.75	1.81	2.19	1.40	0.90	1.16	0.33	0.24	-0.30	0.19	0.21
Sep	0.60	0.38	0.50	0.32	2.13	0.80	0.17	2.03	1.03	0.79	-0.29	0.35	-0.10	0.20	0.63	-0.06
Oct	1.47	1.19	0.94	0.36	1.23	1.39	0.60	0.98	1.44	0.38	1.97	0.21	0.49	0.81	0.75	2.33
Nov	0.60	1.12	0.76	0.73	0.14	-0.32	1.32	0.99	0.29	-0.39	1.27	-0.51	0.59	0.21	0.37	0.11
Dec	0.90	-0.85	-0.27	0.47	0.58	-0.24	-0.73	-0.30	-0.70	0.23	-1.32	-1.01	-0.57	-0.68	-0.10	-0.41
Jan	-0.09	0.97	1.20	-0.88	1.91	0.24	2.59	1.21	1.54	1.67	0.49	0.08	0.21	0.18	0.03	1.00
Feb	-0.34	0.99	0.33	1.04	0.49	1.37	0.38	-0.56	0.30	-0.34	-0.32	-0.92	-0.25	0.28	-0.31	0.64
Mar	1.02	1.29	0.23	0.49	3.08	0.36	1.24	1.40	1.17	0.41	0.96	0.23	0.15	0.84	0.31	1.42
Apr	0.96	1.74	1.02	0.31	3.04	1.00	1.83	1.40	1.83	1.09	1.70	1.32	1.55	1.40	1.82	1.26
May	0.69	-0.44	0.45	0.92	2.69	-0.07	0.13	0.23	1.15	0.51	-0.26	0.76	-0.21	0.01	0.51	
Jun	1.12	0.10	0.59	0.20	2.10	0.87	0.36	0.96	0.04	0.72	0.61	0.62	0.64	-0.41	0.56	
	B. WHOLESALE PRICE INDEX (W.P.I.) converted into Base year 2000-01					New Base Year 2007-08=100										
Jul	1.31	-1.00	1.99	1.42	1.70		1.75	1.66	-0.40	0.36	1.65	0.54	-0.38	2.34	-0.24	2.41
Aug	0.98	-1.08	1.04	0.78	1.17	1.90	2.47	1.91	0.55	1.02	2.65	-0.48	-0.49	-0.03	0.33	0.79
Sep	0.34	0.40	0.54	0.44	1.62	0.49	0.81	1.70	0.25	0.35	0.71	0.15	-0.46	-0.53	0.06	-1.52
Oct	2.72	1.42	0.77	-0.49	1.82	-1.08	0.93	1.74	0.37	0.11	1.13	-0.31	0.53	-0.04	0.61	4.17
Nov	1.10	0.39	0.18	0.89	1.63	-3.24	1.83	2.54	-0.53	-0.37	0.25	-0.99	0.01	-0.21	0.36	0.70
Dec	1.39	-0.25	-0.13	0.37	-0.06	-0.32	0.18	1.97	-1.33	0.43	-0.99	-1.89	-0.65	-0.14	0.36	-0.88
Jan	0.21	1.53	1.28	-1.20	1.78	-0.04	3.26	1.91	2.26	1.25	0.53	-1.03	-0.53	0.51	1.81	-0.21
Feb	0.40	1.52	0.77	0.51	1.24	0.95	0.94	1.96	0.56	0.34	-0.14	-1.09	-0.59	0.47	-0.15	0.90
Mar	1.77	1.39	0.07	1.02	3.99	0.44	1.51	3.31	0.67	0.26	0.34	0.01	-0.40	0.66	0.25	1.70
Apr	0.32	1.61	1.23	1.16	4.30	1.68	1.95	2.45	1.80	0.77	0.10	0.86	1.30	0.89	1.27	0.89
May	0.98	-0.59	0.35	1.09	4.97	1.31	1.15	-0.96	2.15	-0.43	-0.08	1.10	0.55	-0.20	1.28	
Jun	0.59	0.71	63.00	1.10	2.98	1.23	0.17	0.57	-0.05	1.00	1.37	1.18	1.38	-0.46	1.48	
	C. SENSITIVE PRICE INDEX (S.P.I.) converted into Base year 2000-01					New Base Year 2007-08=100										
Jul	1.34	2.43	1.35	1.36	1.46	-	2.77	2.26	2.38	0.51	2.27	1.95	0.34	1.32	-0.45	1.17
Aug	0.70	1.18	0.26	2.18	1.67	2.38	2.28	2.26	0.83	1.29	1.54	0.83	-0.19	0.23	0.54	0.22
Sep	0.75	0.29	0.23	0.41	2.63	0.39	0.66	5.11	1.34	1.25	0.06	0.24	0.46	0.11	2.13	-0.06
Oct	2.34	0.53	0.05	0.56	1.47	1.82	0.20	1.76	0.76	-0.45	1.17	-0.03	1.18	0.67	0.86	1.15
Nov	2.64	1.94	0.88	2.34	0.85	-0.69	1.97	3.40	0.74	0.03	3.22	-1.13	1.00	0.33	0.34	0.26
Dec	1.31	-0.98	-0.24	0.76	1.45	-1.19	-0.18	-1.27	-2.01	0.05	-2.54	-1.52	-0.71	-0.78	-0.67	0.02
Jan	-0.69	0.91	0.80	-1.32	2.67	-2.38	3.28	0.07	1.00	1.92	-2.54	-0.87	-0.67	-0.80	-1.04	0.61
Feb	-0.61	0.54	1.46	0.09	-1.33	1.03	0.45	-1.33	-0.12	0.07	-0.09	-0.99	-0.52	0.21	-1.21	1.48
Mar	1.30	1.07	0.84	-0.01	3.42	0.80	1.14	0.66	1.49	0.78	2.15	0.00	-0.15	1.79	-0.60	1.66
Apr	-0.51	1.29	1.33	0.09	5.48	0.89	0.77	0.31	1.67	-0.29	0.07	0.39	-0.12	-0.91	0.45	2.33
May	2.14	-1.02	0.65	1.37	5.41	1.43	-0.24	-0.66	-0.14	0.07	-1.51	1.31	-0.96	-0.89	-0.15	
Jun	1.31	0.70	0.45	1.48	1.56	1.41	0.56	-0.08	1.39	2.45	1.11	0.99	1.12	0.14	1.78	

Note: Source: Pakistan Bureau of Statistics

i) CPI, SPI and WPI 1990-91 base year series converted into Base Year 2000-01 then into 2007-08

ii) The base for price indices have been changed and different new groups have been included. Therefore, data may differ from the previous one.

TABLE 7.3 (A)

PRICE INDICES BY CONSUMER INCOME GROUPS

Income Group/ Fiscal Year	All Income Groups	Upto Rs 3000	Rs 3001 to 5000	Rs 5001 to 12000	Above Rs 12,000	
			Base Year 2000-01 = 100			
2000-01	100.00	100.00	100.00	100.00	100.00	
2001-02	103.54	102.97	104.88	103.44	103.64	
2002-03	106.75	105.95	106.70	106.68	106.83	
2003-04	111.63	111.61	112.18	111.72	111.39	
2004-05	121.98	123.01	123.16	122.26	121.35	
2005-06	131.64	132.47	132.44	131.51	131.45	
2006-07	141.87	143.52	143.42	142.05	141.19	
2007-08	158.90	163.98	163.64	160.24	156.32	
2008-09	191.90	200.20	199.83	194.91	186.86	
2009-10	214.41	224.33	223.81	218.07	208.34	
2010-11	244.26	258.35	257.12	249.10	236.38	
			Spliced with Base Year 2007-08 = 100			
Income Group/ Fiscal Year	**All Income Groups**	**Upto Rs 8000**	**Rs 8001 to 12000**	**Rs 12000 to 18000**	**Rs 18001 to - 35000**	**Above Rs 35,000**
2008-09	117.03	117.95	117.77	118.11	117.61	116.83
2009-10	128.85	130.39	130.19	130.61	129.77	128.25
2010-11	146.45	149.04	148.56	147.59	148.91	145.34
2011-12	162.57	164.00	164.37	163.06	165.01	162.09
2012-13	174.53	176.93	178.55	176.83	176.28	172.48
2013-14	189.58	192.57	193.69	193.00	192.26	186.72
2014-15	198.16	199.60	201.15	201.33	200.80	195.76
2015-16	203.82	204.45	206.72	206.14	206.80	201.65
2016-17	212.29	212.28	214.84	214.22	215.25	210.42
2017-18	220.62	218.23	221.44	221.15	222.70	220.09
Jul-Apr						
2017-18	221.63	218.47	221.91	221.78	223.56	221.47
2018-19	238.09	230.58	234.66	234.86	240.28	241.02

Source: Pakistan Bureau of Statistics

Note:
i) CPI 1990-91 Base Year series have been converted into Base Year 2000-01 and then into 2007-08
ii) The base for price indices have been changed and different new groups have been included.
Therefore, data may differ from the previous one.

TABLE 7.3 (B)

ANNUAL CHANGES IN PRICE INDICES AND GDP DEFLATOR

Fiscal Year	Consumer Price Index	Wholesale Price Index	Sensitive Price Indicator	Annual GDP Deflator
	Base Year 2000-01 = 100			
2000-01	4.41	6.21	4.84	6.72
2001-02	3.54	2.08	3.37	2.49
2002-03	3.10	5.57	3.58	4.42
2003-04	4.57	7.91	6.83	7.74
2004-05	9.28	6.75	11.55	7.02
2005-06	7.92	10.10	7.02	10.49
2006-07	7.77	6.94	10.82	7.28
2007-08	12.00	16.64	16.81	12.91
2008-09	20.77	18.19	23.41	20.68
2009-10	11.73	12.63	13.32	10.75
2010-11	13.92	23.32	18.18	19.54
	(Base Year : 2007-08 = 100)			
2008-09	17.0	18.9	21.1	20.68
2009-10	10.1	13.8	12.9	10.75
2010-11	13.7	21.2	16.6	19.52
2011-12	11.0	10.4	7.1	5.66
2012-13	7.4	7.4	7.8	7.12
2013-14	8.6	8.2	9.3	7.39
2014-15	4.5	-0.3	1.7	4.34
2015-16	2.9	-1.0	1.3	0.45
2016-17	4.2	4.0	1.6	3.97
2017-18	3.9	3.5	0.9	2.37
Jul-Apr				
2017-18	3.7	4.0	-0.5	2.37
2018-19	7.0	11.7	4.1	7.47

Source: Pakistan Bureau of Statistics

Note:

i) WPI, CPI & SPI Base Year = 1990-91 series have been converted into Base Year 2000-01 & then into 2007-08.

ii) The base for price indices have been changed and different new groups have been included. Therefore, data may differ from the previous one.

TABLE 7.4

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

(Price in Rs.)
(Weight in Kg.)

Fiscal Year	Wheat (Av.Qlty)	Wheat Flour (Av.Qlty)	Basmati* Rice (Broken	Moong Pulse (Washed)	Gram Pulse (Av.Qlty)	Beef (Cow/ Buffalo with bone)	Chicken (Farm)	Mutton (Goat) (Av.Qlty)	Eggs Hen (Farm) Doz.	Potato (Av.Qlty)	Dry Onion (Av.Qlty)	Tomato (Av.Qlty)
					Base Year 2000-01 = 100							
2000-01	8.67	9.80	15.35	30.30	29.52	56.01	50.65	109.38	26.35	9.74	10.72	17.24
2001-02	8.29	9.67	15.49	34.36	34.89	55.19	52.04	111.53	28.57	11.43	9.59	17.12
2002-03	8.73	10.14	18.07	30.46	31.13	61.21	54.01	124.95	30.69	9.43	8.70	13.30
2003-04	10.25	11.71	19.04	27.98	24.17	75.45	57.50	154.31	30.03	8.58	11.09	19.10
2004-05	11.68	13.28	20.19	31.66	29.35	94.83	66.43	185.19	37.45	14.94	13.82	25.03
2005-06	11.55	13.06	20.16	47.28	31.12	106.84	66.08	202.10	35.07	18.18	12.05	19.48
2006-07	11.96	13.64	23.11	56.53	41.38	117.87	74.16	224.07	38.31	17.22	20.95	27.43
2007-08	16.44	18.07	37.77	52.67	44.78	123.30	83.39	236.49	49.45	15.22	16.28	28.50
2008-09	23.87	25.64	47.12	50.10	57.15	143.82	103.12	262.03	58.80	20.35	25.77	29.67
2009-10	25.40	28.77	43.92	78.02	53.34	174.49	126.22	316.52	65.67	23.74	25.56	27.72
2010-11	25.79	29.56	50.32	136.49	70.25	215.42	130.98	411.48	72.78	27.59	33.27	44.86
					(Base Year : 2007-08 = 100)							
2008-09	240.7*	255.34*	47.12	50.10	57.15	143.82	103.13	262.03	58.80	20.36	25.77	29.70
2009-10	255.11	287.32	43.92	78.02	53.34	174.49	126.22	316.52	65.67	23.74	25.56	27.72
2010-11	259.75	294.05	50.32	136.49	70.25	215.42	130.98	411.48	72.78	27.58	33.28	44.86
2011-12	267.39	302.59	60.36	127.90	83.32	252.41	150.07	482.04	86.95	25.33	32.24	46.46
2012-13	306.07	345.26	69.01	115.95	99.70	268.38	143.93	517.83	92.02	26.09	36.71	49.80
2013-14	370.22	409.84	74.09	137.64	74.77	283.99	161.40	559.49	97.61	42.79	41.63	58.36
2014-15	345.59	392.78	72.38	161.94	79.33	301.55	153.64	592.56	98.71	42.49	35.80	55.05
2015-16	339.18	385.73	63.00	160.30	123.53	316.37	151.95	627.94	89.84	25.75	44.29	49.14
2016-17	337.74	379.91	63.90	139.93	149.85	327.52	145.88	662.65	101.86	34.09	30.08	51.82
2017-18	331.11	374.48	72.07	118.15	118.76	348.64	158.87	733.68	103.17	33.89	48.59	59.62
Jul-Apr												
2017-18	332.61	377.81	71.57	119.12	119.80	345.48	151.98	726.33	105.78	34.90	52.15	64.15
2018-19	344.47	391.40	77.45	123.32	121.63	387.68	157.32	804.24	105.38	27.86	35.15	66.98

* : Price for 10 Kg. (Contd.)

Note:

i) WPI, CPI & SPI Base Year = 1990-91 series have been converted into Base Year 2000-01 & then into 2007-08.
ii) The base for price indices have been changed and different new groups have been included.
Therefore, data may differ from the previous one.

TABLE 7.4 (a)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

(Price in Rs.)
(Weight in Kg.)

Fiscal Year	Mustard Oil (Mill)	Vegeta-ble Ghee (Loose)	Rock Salt (Powder)	Red Chilies (Av.Qlty)	Sugar (Open Market)	Gur (Sup. Qlty)	Milk Fresh Ltr.	Tea in* Packet (Sup.Qlty) 250 grams
				Base Year 2000-01 = 100				
2000-01	56.92	44.82	3.43	66.75	27.11	26.31	18.23	53.73
2001-02	59.01	49.20	3.19	78.34	22.87	23.12	17.92	57.00
2002-03	60.80	55.25	3.21	75.87	20.77	20.45	18.35	61.50
2003-04	63.51	59.84	3.22	73.80	19.01	19.79	19.21	64.68
2004-05	65.63	59.60	3.50	76.64	23.45	23.98	21.28	61.99
2005-06	66.70	58.95	3.94	70.79	31.16	35.90	23.90	62.62
2006-07	76.71	70.81	4.68	94.66	31.85	39.26	26.72	68.39
2007-08	119.71	108.43	5.12	147.84	27.92	32.87	30.45	68.28
2008-09	142.25	110.63	6.08	145.32	38.72	43.65	36.62	97.94
2009-10	133.56	112.04	6.69	152.38	57.11	70.74	42.32	120.77
2010-11	156.56	150.31	7.23	230.27	72.72	83.86	50.10	139.17
				(Base Year : 2007-08 = 100)				
2008-09	142.25	110.62	6.09	145.32	38.72	43.65	36.62	88.89
2009-10	133.55	112.04	6.69	152.38	57.11	70.74	42.32	108.98
2010-11	156.56	150.31	7.28	230.27	72.72	83.86	50.10	123.19
2011-12	178.29	166.26	8.13	299.42	60.99	78.27	58.17	135.15
2012-13	185.88	160.73	8.74	254.06	53.25	74.50	65.24	146.01
2013-14	184.48	160.57	9.37	221.33	53.82	82.83	69.86	154.58
2014-15	183.08	151.90	9.98	261.42	57.14	83.95	76.21	133.80
2015-16	179.67	138.35	10.43	274.03	62.60	89.28	78.24	172.76
2016-17	181.15	143.34	10.64	272.60	64.94	88.20	80.59	177.24
2017-18	183.83	146.22	11.10	266.58	53.70	81.49	82.75	189.44
Jul-Apr								
2017-18	183.59	145.73	11.01	260.23	53.80	81.98	82.42	187.28
2018-19	189.44	155.04	12.16	346.13	57.55	86.14	86.35	211.62

(Contd.)

*: Tea packet prices in Bases year 2007-08=100 is quoted of 200 grams packet price.

TABLE 7.4 (b)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

(Rs/unit)

Fiscal Year	Cigarettes Pkt	Coarse Latha Mtr.	Voil Printed Mtr.	Shoes Gents Concord Bata	Firewood (Kikar/ Babul) 40 Kgs.	Match Box (40/ 50 Sticks) Each	Washing Soap 707/555 Cake	Lifebuoy Soap Cake
				Base Year 2000-01 = 100				
2000-01	5.01	24.11	33.04	399.00	104.04	0.50	6.90	9.50
2001-02	5.82	26.81	33.30	399.00	99.30	0.51	7.37	10.02
2002-03	6.06	26.84	33.74	428.17	104.20	0.51	7.48	11.00
2003-04	6.08	28.80	34.52	499.00	118.40	0.51	7.48	10.82
2004-05	6.90	32.08	36.13	492.33	135.96	0.53	7.47	14.00
2005-06	7.23	34.26	36.74	399.00	166.03	0.62	7.73	13.93
2006-07	7.98	35.05	37.90	429.00	191.72	0.71	8.13	14.18
2007-08	8.38	39.04	40.29	499.00	220.74	0.92	9.78	17.38
2008-09	9.11	44.69	46.02	499.00	264.12	1.00	12.51	21.59
2009-10	11.55	47.25	48.91	499.00	296.64	1.00	12.87	22.00
2010-11	13.72	57.52	56.67	499.00	354.29	1.00	15.14	25.47
				(Base Year : 2007-08 = 100)				
2008-09	18.19	135.35	59.29	499.00	264.12	1.00	12.51	21.59
2009-10	23.11	135.69	63.31	499.00	296.64	1.00	12.87	22.00
2010-11	27.44	148.57	72.35	499.00	354.29	1.00	15.14	25.47
2011-12	29.10	111.21	88.07	499.00	441.74	1.06	18.39	30.50
2012-13	32.34	151.14	101.61	549.00	491.55	1.10	21.00	32.29
2013-14	38.45	176.59	112.40	671.92	538.12	1.42	23.34	35.86
2014-15	45.85	200.22	122.90	699.00	566.85	1.74	24.33	36.06
2015-16	57.75	203.29	123.29	699.00	593.42	1.99	24.74	36.16
2016-17	64.85	206.13	124.12	699.00	604.81	2.14	25.74	38.06
2017-18	50.86	215.80	127.34	699.00	621.24	2.24	26.39	40.67
Jul-Apr								
2017-18	50.79	213.40	126.51	699.00	620.24	2.23	26.12	40.97
2018-19	56.88	243.86	133.56	699.00	636.75	2.41	29.11	40.41

Note:
Prices of Long Cloth and Georgerette have been quoted in base year 2007-08 instead of prices of Coarse Latha and Voil Printed in previous base year.

(Contd.)

TABLE 7.4 (C)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

(Rs/unit)

Fiscal Year	Electric Bulb (60-W)	Cooked Beef Plate	Cooked Dal Plate	Rice Irri-6 Kg	Masoor Pulse Kg	Mash Pulse Kg	Garlic Kg	Cooking Oil Dalda 2.5 Ltr	Vegetable Ghee 2.5 Kg
	Base Year 2000-01 = 100								
2000-01	14.10	18.53	11.87	11.56	36.97	48.38	28.07	155.64	153.43
2001-02	14.00	18.58	12.42	11.51	38.41	44.25	39.93	170.97	169.24
2002-03	13.30	18.88	13.09	12.23	38.41	37.56	34.11	199.68	196.77
2003-04	12.69	20.95	13.86	13.06	35.40	35.57	32.82	203.98	200.28
2004-05	12.07	24.21	14.71	15.41	43.11	38.52	44.22	204.99	204.15
2005-06	11.43	26.07	15.65	16.05	45.01	52.91	58.09	204.41	203.63
2006-07	11.95	29.80	17.84	17.59	44.54	70.51	61.81	224.48	224.06
2007-08	12.68	33.26	20.46	29.32	71.41	71.36	46.18	316.32	312.97
2008-09	14.83	40.18	25.59	39.35	122.16	77.31	41.64	371.38	356.44
2009-10	19.79	44.82	28.07	34.43	121.92	129.88	131.52	359.05	356.58
2010-11	24.07	52.88	33.65	38.87	117.72	163.16	198.92	435.88	435.98
	(Base Year : 2007-08 = 100)								
2008-09	112.96	40.18	25.59	39.35	122.16	77.31	41.68	371.38	356.44
2009-10	118.78	44.82	28.07	34.43	121.92	129.88	131.52	359.05	356.58
2010-11	124.75	52.88	33.65	38.87	117.72	163.16	198.92	435.88	435.98
2011-12	139.93	60.54	37.27	45.68	102.64	145.82	107.89	502.66	501.91
2012-13	151.82	68.55	40.16	49.90	100.39	132.72	123.18	535.55	519.06
2013-14	162.69	77.84	45.46	54.05	120.49	134.21	129.71	538.73	511.77
2014-15	165.49	82.86	48.41	51.99	135.32	163.82	139.00	513.55	495.00
2015-16	166.95	87.19	52.62	47.16	146.36	238.59	200.32	457.61	448.92
2016-17	167.79	92.56	56.70	48.71	140.36	223.70	273.46	460.79	452.68
2017-18	168.98	101.49	58.83	51.53	118.44	164.91	166.10	471.26	464.46
Jul-Apr									
2017-18	169.13	99.64	58.31	51.22	119.77	168.40	173.75	470.17	463.17
2018-19	171.27	115.42	62.47	55.39	117.61	148.65	146.61	497.92	484.09

Note: (Contd.)

Prices of Energy Saver (14-volts) have been quoted in new base year 2007-08 instead of Electric Bulb (60 volts) prices in previous base year.

TABLE 7.4 (d)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

(Rs/Unit)

Fiscal Year	Curd Kg	Tea Pre-pared Cup	Banana Doz.	Lawn Hussain Mtr.	Shirting Hussain Mtr.	Shoes Lady Bata	Chappal Gents Spang	Bread Plain M.Size	Milk Pow-der Nido 500 grams
	Base Year 2000-01 = 100								
2000-01	22.43	4.03	22.11	77.77	59.10	319.00	79.00	11.17	114.03 *
2001-02	21.90	4.18	22.14	70.79	55.17	319.00	79.00	11.14	116.00
2002-03	23.35	4.46	21.96	69.92	55.59	342.23	79.00	11.16	88.00
2003-04	23.33	4.72	23.01	69.96	56.78	364.00	79.00	11.77	94.75
2004-05	25.75	5.12	25.11	72.61	59.94	252.33	86.53	13.25	102.62
2005-06	28.38	5.77	28.18	76.42	62.36	299.00	89.00	14.23	108.50
2006-07	31.34	6.31	32.51	79.69	65.45	299.00	92.00	15.34	121.47
2007-08	35.76	6.91	35.43	83.45	71.01	299.00	101.50	18.43	145.93
2008-09	43.38	8.41	39.62	91.00	78.38	372.33	127.33	24.17	168.48
2009-10	49.74	10.07	40.94	96.46	81.55	379.00	129.00	26.42	183.31
2010-11	58.41	12.66	49.15	110.53	88.80	397.33	138.17	28.24	204.38
	(Base Year : 2007-08 = 100)								
2008-09	43.38	8.41	39.62	126.32	78.38	372.33	129.00	24.17	168.48
2009-10	49.74	10.07	40.94	137.48	81.55	379.00	129.00	26.42	183.31
2010-11	58.41	12.66	49.16	150.31	88.80	397.33	139.00	28.24	204.38
2011-12	68.19	14.25	65.10	166.26	108.37	399.00	152.08	31.23	247.85
2012-13	75.74	15.30	68.83	166.52	124.22	449.00	179.00	34.23	289.78
2013-14	81.88	16.97	70.63	198.05	144.91	499.00	179.00	39.17	310.50
2014-15	89.48	18.70	76.77	239.61	157.72	499.00	179.00	40.78	251.69
2015-16	92.10	19.36	75.70	244.90	162.32	500.61	179.02	40.82	372.70
2016-17	94.66	20.28	78.87	251.98	164.85	502.39	179.09	41.11	378.43
2017-18	99.15	21.23	81.04	260.65	171.58	524.53	183.65	42.07	379.46
Jul-Apr									
2017-18	98.71	21.18	74.10	257.38	170.37	109.64	180.58	41.97	378.39
2018-19	102.56	22.31	73.84	295.17	180.19	599.00	199.00	43.17	397.11

Source: Pakistan Bureau of Statistics

* : The unit has changed from 500 gms to 400 gms in base year 2000-01

TABLE 7.4 (e)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS (Average of 17 Centers)

Fiscal Year	Kerosene (per ltr.)	Gas Charges (100 cf)*	Elect Charges (upto 50 units)	Petrol Super (per ltr.)	Tele Local Call Charges (per Call)
			Base Year 2000-01 = 100		
2000-01	16.84	248.55	1.46	29.34	2.22
2001-02	18.58	259.26	2.18	31.60	2.31
2002-03	22.48	259.35	2.45	33.08	2.31
2003-04	24.95	79.45	2.54	33.69	2.31
2004-05	29.11	84.60	2.47	40.74	2.31
2005-06	36.19	88.92	2.14	55.12	2.31
2006-07	39.09	99.79	2.49	56.00	2.31
2007-08	43.44	97.17	2.76	57.83	2.31
2008-09	66.79	96.91	3.18	67.68	2.38
2009-10	72.65	106.81	3.64	67.56	2.62
2010-11	84.88	115.40	4.32	75.70	3.59
			(Base Year : 2007-08 = 100)		
2008-09	66.79	94.57	1.40	67.68	2.38
2009-10	72.65	103.87	1.53	67.56	2.62
2010-11	84.89	110.20	1.84	75.70	3.59
2011-12	104.84	132.73	1.89	92.93	3.59
2012-13	116.07	119.58	2.00	101.26	3.74
2013-14	123.45	124.18	2.00	110.99	3.94
2014-15	100.94	124.18	2.00	88.58	3.94
2015-16	80.62	127.79	2.00	72.31	3.94
2016-17	77.48	128.66	2.00	69.09	3.94
2017-18	98.74	128.70	2.00	80.70	3.94
Jul-Apr					
2017-18	94.85	128.70	2.00	78.81	3.94
2018-19	122.43	139.76	2.00	95.39	4.37

*: The unit has been changed from 100 CM to 100 CF in base year 2000-01.

Source: Pakistan Bureau of Statistics

TABLE 7.5

INDICES OF WHOLESALE PRICES OF SELECTED COMMODITIES

Fiscal Year	Wheat	Rice	Gram (Whole)	Sugar Refined	Vegetab-le Ghee	Tea	Meat	Vegeta-bles	Fresh Milk	Cotton	Motor Fuels
	(Base Year 2000-01 = 100)										
2000-01	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
2001-02	96.10	109.64	84.23	82.36	114.12	99.28	102.04	107.57	99.79	91.31	102.90
2002-03	101.12	126.09	71.40	75.32	130.34	96.93	111.10	101.65	100.50	110.46	106.80
2003-04	191.89	138.50	74.17	67.72	141.44	96.94	137.55	116.00	105.41	144.44	111.03
2004-05	137.24	153.40	95.52	85.18	137.41	93.78	169.19	144.06	113.43	95.23	134.78
2005-06	135.61	154.78	127.43	120.70	136.94	93.99	185.95	160.14	122.83	103.91	181.46
2006-07	139.21	175.54	147.79	118.80	164.73	100.48	201.01	161.14	133.31	110.92	181.38
2007-08	190.75	285.63	139.22	98.78	249.36	100.92	207.99	163.85	154.42	136.71	192.88
2008-09	277.87	356.43	181.83	142.52	254.49	134.83	242.43	204.04	184.75	153.12	216.16
2009-10	300.58	317.20	215.86	209.50	262.63	160.82	292.57	267.37	206.54	203.26	219.11
2010-11	301.21	365.48	242.04	267.79	354.09	179.71	370.99	370.80	242.21	386.09	244.87
	(Base Year : 2007-08 = 100)										
2008-09	148.02	125.90	126.16	142.39	97.19	129.05	115.53	132.22	119.35	121.12	113.68
2009-10	157.54	111.40	144.32	209.80	94.75	151.22	139.74	151.74	135.32	144.08	119.93
2010-11	159.53	123.39	169.24	251.13	118.21	165.31	174.86	173.43	157.40	171.48	126.84
2011-12	163.44	149.45	-	229.24	141.37	192.23	214.40	211.52	190.29	189.55	155.00
2012-13	188.52	165.42	-	201.93	141.75	203.24	228.80	216.66	213.81	168.92	168.70
2013-14	227.13	177.67	-	206.98	141.51	215.49	238.93	254.41	225.98	185.58	184.99
2014-15	209.29	172.20	-	189.35	147.13	145.16	236.14	255.40	249.87	208.86	167.79
2015-16	209.07	147.58	-	237.16	119.85	242.82	267.79	258.45	255.23	249.16	120.71
2016-17	208.21	154.49	-	242.70	124.63	243.24	282.23	280.77	266.08	268.07	115.52
2017-18	202.02	172.15	-	201.60	127.22	261.70	311.25	294.16	275.05	262.92	134.99
Jul-Apr											
2017-18	203.33	170.79	-	202.22	126.69	259.08	307.83	305.09	273.37	-	131.64
2018-19	210.15	188.71	-	218.08	134.15	283.60	345.88	286.04	286.48	266.12	160.01

-: Not available (Contd.)

Note:
In the new base year 2007-08 prices of Motor Spirit has been quoted instead of Motor Fuel prices in previous base year 2000-01.

TABLE 7.5 (a)

INDICES OF WHOLESALE PRICES OF SELECTED COMMODITIES

Fiscal Year	Other Oils	Fire Wood	Cotton Yarn	Matches	Soaps	Ferti-lizers	Trans-port	Leather	Timber	Cement
					Base Year 2000-01 = 100					
2000-01	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
2001-02	103.59	101.33	95.35	100.55	103.89	102.26	106.66	100.00	101.45	100.42
2002-03	128.10	103.94	98.06	100.55	109.00	113.59	106.82	95.23	101.25	102.77
2003-04	139.86	115.41	121.03	105.61	110.68	123.64	108.70	93.64	121.75	102.45
2004-05	169.56	127.94	106.36	107.66	122.81	140.95	110.39	102.77	140.93	104.82
2005-06	227.55	152.23	108.07	107.67	122.05	156.16	111.71	110.65	142.05	122.67
2006-07	237.63	176.28	112.66	107.67	127.73	147.70	114.94	111.86	162.09	127.42
2007-08	264.00	205.70	112.15	111.86	147.59	215.18	114.99	121.84	170.93	111.61
2008-09	372.04	247.76	104.21	124.26	176.29	310.97	123.95	129.83	201.11	139.83
2009-10	434.55	273.93	138.40	124.26	182.99	296.52	128.03	134.14	210.60	129.35
2010-11	511.36	322.67	222.84	131.38	203.92	357.86	159.78	216.90	227.95	132.15
					(Base Year : 2007-08 = 100)					
2008-09	126.68	118.08	106.00	122.07	111.35	147.58	109.26	103.63	114.01	129.08
2009-10	122.94	129.86	150.86	108.52	117.69	143.70	113.20	104.89	118.75	117.30
2010-11	141.73	151.43	182.87	110.37	130.52	174.65	116.77	107.07	127.27	140.80
2011-12	166.98	190.47	196.06	118.84	151.04	258.65	-	109.08	139.00	162.19
2012-13	177.67	215.48	208.38	132.57	167.01	261.38	-	111.60	149.51	185.77
2013-14	178.30	238.11	213.03	143.20	180.26	266.33	-	168.48	170.36	203.42
2014-15	179.03	252.59	246.11	175.76	160.21	235.83	-	216.67	200.60	225.95
2015-16	162.08	263.90	173.44	162.62	183.87	260.00	-	220.42	214.44	212.15
2015-16	161.99	263.88	173.41	162.62	183.87	260.10	-	220.40	214.35	212.23
2016-17	178.77	272.97	198.86	165.53	189.10	219.37	-	222.98	225.62	214.45
2017-18	186.98	282.43	216.99	171.36	191.32	222.52	-	215.78	233.96	217.99
Jul-Apr										
2017-18	154.04	282.21	212.49	171.36	191.42	220.90	-	216.40	233.35	216.01
2018-19	226.78	289.61	263.66	171.97	197.58	256.19	-	223.84	242.63	237.47

-: 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

TRADE AND PAYMENTS

TABLE 8.1

SUMMARY BALANCE OF PAYMENTS AS PER BPM6

(Million US$)

ITEM	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 R	(Jul-Mar) FY19 (P)
Current Account Balance	-4,658	-2,496	-3,130	-2,795	-4,867	-12,621	-19,897	-9,588
Current Account Balance without off. transfers	-5,243	-2,898	-3,464	-3,121	-5,451	-13,131	-20,773	-10,055
Exports of Goods FOB	24,718	24,802	25,078	24,090	21,972	22,003	24,768	18,008
Imports of Goods FOB	40,370	40,157	41,668	41,357	41,255	48,683	56,592	39,314
Balance on Trade in Goods	-15,652	-15,355	-16,590	-17,267	-19,283	-26,680	-31,824	-21,306
Exports of Services	5,013	6,724	5,345	5,878	5,459	5,555	5,288	3,945
Imports of Services	8,318	8,288	7,995	8,848	8,865	9,894	11,356	6,479
of which								
Transportation	3,516	3,297	3,874	4,160	3,286	3,878	4,046	2,517
Travel	1,367	1,233	1,073	1,518	1,839	2,000	2,289	1,085
Balance on Trade in Services	-3,305	-1,564	-2,650	-2,970	-3,406	-4,339	-6,068	-2,534
Balance on Trade in Goods and Services	-18,957	-16,919	-19,240	-20,237	-22,689	-31,019	-37,892	-23,840
Primary Income credit	826	488	508	644	608	662	679	511
Primary Income debit	4,071	4,157	4,463	5,243	5,955	5,710	6,163	4,398
of which: Interest Payments	1,633	1,240	1,344	1,625	1,763	2,059	2,780	2,338
Balance on Primary Income	-3,245	-3,669	-3,955	-4,599	-5,347	-5,048	-5,484	-3,887
Balance on Goods, Services and Primary Income	-22,202	-20,588	-23,195	-24,836	-28,036	-36,067	-43,376	-27,727
Secondary Income credit	17,686	18,183	20,222	22,305	23,297	23,647	23,708	18,298
of which: Workers' Remittances	13,186	13,922	15,837	18,721	19,917	19,351	19,914	16,095
Secondary Income debit	142	91	157	264	128	201	229	159
Balance on secondary Income	17,544	18,092	20,065	22,041	23,169	23,446	23,479	18,139
Capital Account Balance	183	264	1,857	375	273	375	376	165
Capital Account credit	186	266	1,857	375	279	375	376	165
Capital Account debit	3	2	0	0	6	0	0	0
Net lending (+) / Net borrowing (–) (Current and Capital Accounts)	-4,475	-2,232	-1,273	-2,420	-4,594	-12,246	-19,521	-9,423
Financial Account	-1,280	-549	-5,553	-5,074	-6,790	-10,198	-14,300	-10,995
Direct investment	-744	-1,258	-1,572	-915	-2,286	-2,663	-3,461	-1,266
Direct Investment Abroad	77	198	128	73	19	86	10	6
Direct Investment in Pakistan	821	1,456	1,700	988	2,305	2,749	3,471	1,272
Portfolio investment	144	-26	-2,762	-1,886	429	250	-2,257	276
Portfolio Investment Abroad	32	99	-23	-44	100	-1	-48	-122
Portfolio Investment in Pakistan	-112	125	2,739	1,842	-329	-251	2,209	-398
Financial Derivatives (other than reserves) and ESOs*	0	0	2	-2	0	0	0	0
Other Investment	-680	735	-1,221	-2,271	-4,933	-7,785	-8,582	-10,005
Net Acquisition of Financial Assets	-9	314	-211	-71	96	1,180	273	533
Net Incurrence of Liabilities	671	-421	1,010	2,200	5,029	8,965	8,855	10,538
of which								
General Government	998	248	1,610	1,400	3,445	5,040	4,894	3,750
Disbursements	2,633	2,530	4,349	4,243	6,159	9,414	8,507	5,637
Other Long Term	2,633	2,274	3,617	3,088	4,498	8,251	6,782	4,849
Short Term	0	256	732	1,155	1,661	1,163	1,725	788
Amortization	1,577	2,282	2,734	2,841	2,714	4,374	4,107	3,887
Other Long Term	1,477	1,530	1,834	1,696	1,927	2,981	2,619	2,510
Short Term	100	391	0	582	734	1,393	1,488	1,377
Other Liabilities (Net)	-58	0	-5	-2	0	0	494	2,000
Net Errors and Omissions	-80	-309	-422	-8	456	102	-920	-234
Overall Balance	3,275	1,992	-3,858	-2,646	-2,652	1,946	6,141	-1,338
Reserves and Related Items	-3,275	-1,992	3,858	2,646	2,652	-1,946	-6,141	1,338
Reserve Assets	-4,430	-4,530	3,285	4,595	4,661	-1,844	-6,227	1,087
Use of Fund Credit and Loans	-1,155	-2,538	-573	1,949	2,009	102	-86	-251
Exceptional Financing	0	0	0	0	0	0	0	0
SBP Gross Reserves	11,905	7,198	10,509	14,836	19,446	17,550	11,341	12,376

P: Provisional R: Revised

Source: State Bank of Pakistan

*: Employee Stock Options

TABLE 8.2

COMPONENTS OF BALANCE OF PAYMENTS (AS PERCENT OF GDP)

Year	Exports *	Imports *	Trade Deficit *	Worker's Remittances #	Current Account Balance #
2000-01	12.9	15.1	2.1	1.5	-0.7
2001-02	12.8	14.4	1.7	3.3	1.9
2002-03	13.5	14.8	1.3	5.1	4.9
2003-04	12.6	15.9	3.3	3.9	1.8
2004-05	13.0	18.6	5.6	3.8	-1.4
2005-06**	12.0	20.9	8.9	3.4	-4.1
2006-07	11.1	20.0	8.9	3.6	-4.8
2007-08	11.2	23.5	12.3	3.8	-8.2
2008-09	10.5	20.7	10.2	4.6	-5.5
2009-10	10.9	19.6	8.7	5.0	-2.2
2010-11	11.6	18.9	7.3	5.2	0.1
2011-12	10.5	20.0	9.5	5.9	-2.1
2012-13	10.6	19.4	8.9	6.0	-1.1
2013-14	10.3	18.4	8.2	6.5	-1.3
2014-15	8.7	16.9	8.2	6.9	-1.0
2015-16	7.5	16.0	8.6	7.1	-1.7
2016-17	6.7	17.4	10.7	6.3	-4.1
2017-18	7.4	19.3	11.9	6.3	-6.3
<u>Jul-Mar</u>					
2017-18	5.4	14.0	8.6	4.7	-4.3
2018-19 (P)	6.0	14.2	8.3	5.6	-3.3

P : Provisional

Source: PBS, SBP & E.A.Wing, Finance Division

* : Based on the data compiled t by PBS

**: Based on revised GDP base year since 2005-06 onwards

: Based on the data compiled by SBP

TABLE 8.3

EXPORTS, IMPORTS & TRADE BALANCE

Year	Rs. million Current Prices			Growth Rate (%)			US $ million Current Prices			Growth Rate (%)		
	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance
2000-01	539,070	627,000	-87,930	21.50	17.46	-2.42	9,202	10,729	-1,527	7.39	4.07	-12.24
2001-02	560,947	634,630	-73,683	4.06	1.22	-16.20	9,135	10,340	-1,205	-0.73	-3.63	-21.09
2002-03	652,294	714,372	-62,078	16.28	12.57	-15.75	11,160	12,220	-1,060	22.17	18.18	-12.03
2003-04	709,036	897,825	-188,789	8.70	25.68	204.12	12,313	15,592	-3,279	10.33	27.59	209.34
2004-05	854,088	1,223,079	-368,991	20.46	36.23	95.45	14,391	20,598	-6,207	16.88	32.11	89.30
2005-06	984,841	1,711,158	-726,317	15.31	39.91	96.84	16,451	28,581	-12,130	14.31	38.76	95.42
2006-07	1,029,312	1,851,806	-822,494	4.52	8.22	13.24	16,976	30,540	-13,564	3.19	6.85	11.82
2007-08	1,196,638	2,512,072	-1,315,434	16.26	35.66	59.93	19,052	39,966	-20,914	12.23	30.86	54.19
2008-09	1,383,718	2,723,570	-1,339,852	15.63	8.42	1.86	17,688	34,822	-17,134	-7.16	-12.87	-18.07
2009-10	1,617,458	2,910,975	-1,293,517	16.89	6.88	-3.46	19,290	34,710	-15,420	9.06	-0.32	-10.00
2010-11	2,120,847	3,455,287	-1,334,440	31.12	18.70	3.16	24,810	40,414	-15,604	28.62	16.43	1.19
2011-12	2,110,605	4,009,093	-1,898,488	-0.48	16.03	42.27	23,624	44,912	-21,288	-4.78	11.13	36.43
2012-13	2,366,478	4,349,880	-1,983,402	12.12	8.50	4.47	24,460	44,950	-20,490	3.54	0.08	-3.75
2013-14	2,583,463	4,630,521	-2,047,058	9.17	6.45	3.21	25,110	45,073	-19,963	2.66	0.27	-2.57
2014-15	2,397,513	4,644,152	-2,246,639	-7.20	0.29	9.75	23,667	45,826	-22,159	-5.75	1.67	11.00
2015-16	2,166,846	4,658,749	-2,491,903	-9.62	0.31	10.92	20,787	44,685	-23,898	-12.17	-2.49	7.85
2016-17	2,138,186	5,539,721	-3,401,535	-1.32	18.91	36.50	20,422	52,910	-32,488	-1.76	18.41	35.94
2017-18	2,555,043	6,694,897	-4,139,854	19.50	20.85	21.71	23,212	60,795	-37,583	13.66	14.90	15.68
2018-19 P	2,263,648	5,371,142	-3,107,494	23.10	12.63	19.93	17,071	40,679	-23,608	0.04	-8.13	-2.41

P : Provisional

Source: Pakistan Bureau of Statistics

TABLE 8.4 A

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

Groups	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
All Groups										
Exports	271.47	271.18	254.02	279.65	288.84	299.31	310.03	350.40	450.40	478.07
Imports	298.44	298.56	309.52	355.43	392.45	460.38	495.33	632.30	790.82	839.60
T.O.T.	90.96	90.83	82.07	78.68	73.60	65.01	62.59	55.42	56.95	56.94
Food & Live Animals										
Exports	249.32	260.55	258.11	267.55	303.93	327.47	350.75	496.58	758.42	693.35
Imports	278.82	277.41	259.76	282.18	314.36	323.95	431.20	551.25	622.23	689.76
T.O.T.	89.42	93.92	99.36	94.82	96.68	101.09	81.34	90.08	121.89	100.52
Beverages & Tobacco										
Exports	171.44	169.82	146.52	175.33	162.96	191.13	208.44	202.67	431.15	629.08
Imports	698.92	790.14	598.00	521.88	561.23	621.67	675.14	635.41	884.26	961.43
T.O.T.	24.53	21.49	24.50	33.60	29.04	30.74	30.87	31.02	48.76	65.43
Crude Materials (inedible except fuels)										
Exports	192.12	158.90	171.58	218.86	195.64	209.97	225.52	328.53	494.08	573.05
Imports	218.95	228.14	232.37	245.01	293.06	329.71	350.19	445.35	613.16	677.43
T.O.T.	87.75	69.65	73.84	89.33	66.76	63.68	64.40	73.77	80.58	84.59
Minerals, Fuels & Lubricants										
Exports	373.65	314.40	365.14	416.09	525.75	644.33	733.54	979.83	840.28	1115.54
Imports	276.87	249.66	297.20	306.38	389.16	615.00	632.08	877.47	982.09	975.40
T.O.T.	134.96	125.93	122.86	135.81	135.10	104.77	116.05	111.67	85.56	114.37
Chemicals										
Exports	282.36	281.54	270.05	265.61	277.23	312.89	362.50	397.29	480.24	534.75
Imports	228.06	239.29	245.60	313.15	334.10	372.17	392.87	471.77	659.24	725.54
T.O.T.	123.81	117.66	109.96	84.82	82.98	84.07	92.27	84.21	72.85	73.70
Animal & Vegetable Oils, Fats & Waxes										
Exports	-	-	-	-	-	-	-	-	-	-
Imports	195.10	224.82	300.36	347.94	358.48	341.40	406.00	647.28	793.22	881.02
T.O.T.	-	-	-	-	-	-	-	-	-	-
Manufactured Goods										
Exports	279.04	281.83	248.93	274.02	284.72	289.58	300.76	318.97	387.90	411.00
Imports	251.50	244.97	240.82	287.80	301.00	340.71	375.06	427.60	559.24	612.77
T.O.T.	110.95	115.05	103.37	95.21	94.59	84.99	80.19	74.60	69.36	67.07
Machinery & Transport Equipment										
Exports	453.20	579.13	572.31	396.09	342.97	414.01	430.91	518.62	806.33	988.72
Imports	470.20	481.18	450.67	537.55	561.15	538.14	580.85	639.86	897.86	965.15
T.O.T.	96.38	120.36	126.99	73.68	61.12	76.93	74.19	81.05	89.81	102.44
Miscellaneous Manufactured Articles										
Exports	292.47	298.40	294.67	318.55	324.17	342.71	340.99	351.77	442.64	498.40
Imports	323.02	320.35	299.60	333.22	343.13	414.94	418.65	605.24	763.29	964.44
T.O.T.	90.54	93.15	98.35	95.60	94.47	82.59	81.45	58.12	57.99	51.68

- : Not available

(Contd...)

TABLE 8.4 B

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

Groups	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 P
All Groups									
Exports	593.19	679.44	715.45	752.86	759.21	705.02	701.43	735.50	786.25
Imports	1013.10	1,233.49	1,329.56	1,387.15	1,394.75	1,215.80	1,199.54	1,261.25	1324.28
T.O.T.	58.55	55.08	53.81	54.27	54.43	57.99	58.47	58.32	59.37
Food & Live Animals									
Exports	747.72	800.09	884.48	954.07	1,057.47	944.46	923.60	1,134.29	1216.47
Imports	743.82	791.79	802.28	838.74	891.28	839.11	829.56	943.23	864.24
T.O.T.	100.52	101.05	110.25	113.75	118.65	112.55	111.34	120.26	140.76
Beverages & Tobacco									
Exports	804.61	935.29	1,052.54	1,127.89	1,148.80	1,217.42	1,225.01	1,061.25	837.63
Imports	1060.35	1,230.10	1,339.47	1,446.20	1,620.65	1,700.77	1,762.07	1,656.22	1288.07
T.O.T.	75.88	76.03	78.58	77.99	70.89	71.58	69.52	64.08	65.03
Crude Materials (inedible except fuels)									
Exports	647.55	848.74	958.74	1,009.57	999.87	920.79	888.69	1,043.30	1101.26
Imports	803.59	881.00	995.65	1,046.35	1,048.08	1,031.47	1,019.86	1,020.56	1079.54
T.O.T.	80.58	96.34	96.29	96.48	95.40	89.27	87.14	102.23	102.01
Minerals, Fuels & Lubricants									
Exports	1333.56	1,500.63	1,615.08	1,682.81	1,713.20	1,092.25	1,126.22	1,485.92	1989.18
Imports	1255.86	1,651.93	1,720.77	1,757.91	1,511.85	919.48	811.76	1,030.32	1543.01
T.O.T.	106.19	90.84	93.86	95.73	113.32	118.79	138.74	144.22	128.92
Chemicals									
Exports	620.91	739.66	876.11	939.50	935.18	1,000.41	1,017.19	1,054.28	1124.31
Imports	796.89	897.56	994.50	1,098.60	1,256.50	1,193.67	1,277.08	1,264.05	1320.88
T.O.T.	77.92	82.41	88.10	85.52	74.43	83.81	79.65	83.40	85.12
Animal & Vegetable Oils, Fats & Waxes									
Exports	-	-	-	-	-	-	-	-	-
Imports	1005.72	1,240.29	1,103.29	1,054.13	1,037.83	1,011.65	1,090.65	1,010.73	990.55
T.O.T.	-	-	-	-	-	-	-	-	-
Manufactured Goods									
Exports	559.56	641.15	689.62	698.49	667.05	607.38	595.81	580.96	611.49
Imports	747.32	823.33	887.02	899.66	1,026.39	920.53	927.03	939.97	1086.57
T.O.T.	74.88	77.87	77.75	77.64	64.99	65.98	64.27	61.81	56.28
Machinery & Transport Equipment									
Exports	1286.13	1,517.96	1,603.48	1,650.17	1,789.37	1,873.58	1,741.77	1,838.42	1426.65
Imports	1183.62	1,407.29	1,738.91	1,866.32	1,985.27	1,913.99	1,872.19	1,913.85	1465.76
T.O.T.	108.66	107.86	92.21	88.42	90.13	97.89	93.03	96.06	97.33
Miscellaneous Manufactured Articles									
Exports	558.25	650.31	657.15	700.75	728.76	774.38	786.63	820.87	874.86
Imports	1174.99	1,274.46	1,342.66	1,458.63	1,854.42	2,376.63	2,494.45	2,652.61	2140.31
T.O.T.	47.61	51.03	48.94	48.04	39.30	32.58	31.54	30.95	40.88

P : Provisional

Source: Pakistan Bureau of Statistics

TABLE 8.5 A

ECONOMIC CLASSIFICATION OF EXPORTS

(Value in Rs million)

Year	Primary Commodities		Semi-Manufactured		Manufactured Goods		
	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share	Total Value *
2000-01	67,783	13	81,288	15	389,999	72	539,070
2001-02	60,346	11	80,438	14	420,163	75	560,947
2002-03	71,194	11	71,323	11	509,777	78	652,294
2003-04	70,716	10	83,361	12	554,959	78	709,036
2004-05	92,018	11	86,483	10	675,586	79	854,088
2005-06	112,268	11	106,029	11	766,543	78	984,841
2006-07	113,954	11	121,930	12	793,428	77	1,029,312
2007-08	171,670	14	127,090	11	897,877	75	1,196,638
2008-09	224,873	16	130,693	10	1,028,151	74	1,383,718
2009-10	287,491	18	170,609	10	1,159,358	72	1,617,458
2010-11	377,536	18	274,500	13	1,468,811	69	2,120,847
2011-12	362,404	17	261,831	12	1,486,370	71	2,110,605
2012-13	364,127	15	391,151	17	1,611,199	68	2,366,478
2013-14	420,496	16	369,066	14	1,793,901	70	2,583,463
2014-15	402,750	17	352,074	15	1,642,689	68	2,397,513
2015-16	356,584	16	254,329	12	1,555,933	72	2,166,846
2016-17	331,040	15	246,319	12	1,560,826	73	2,138,186
2017-18	454,351	18	307,567	12	1,793,125	70	2,555,043
2018-19 P	411,274	18	212,172	9	1,640,202	72	2,263,648

P : Provisional

* : Total may differ due to rounding off figure

Source: Pakistan Bureau of Statistics

TABLE 8.5 B

ECONOMIC CLASSIFICATION OF IMPORTS

(Rs million)

Year	Capital Goods		Industrial Raw Material For: Capital Goods		Industrial Raw Material For: Consumer Goods		Consumer Goods		Total
	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share	Value *
2000-01	157,091	25	34,371	6	345,770	55	89,768	14	627,000
2001-02	176,702	28	39,038	6	346,865	55	72,025	11	634,630
2002-03	220,942	31	41,216	6	380,035	53	72,179	10	714,372
2003-04	316,082	35	57,310	7	441,586	49	82,847	9	897,825
2004-05	441,528	36	101,719	8	557,226	46	122,607	10	1,223,079
2005-06	631,644	37	124,480	7	769,336	45	185,698	11	1,711,158
2006-07	670,539	36	134,519	7	864,736	47	182,011	10	1,851,806
2007-08	731,017	29	202,538	8	1,322,329	53	256,187	10	2,512,072
2008-09	790,327	29	246,600	9	1,337,986	49	348,657	13	2,723,570
2009-10	812,016	28	209,051	7	1,509,081	52	380,827	13	2,910,975
2010-11	829,005	24	239,525	7	1,826,243	53	560,512	16	3,455,285
2011-12	911,561	23	262,212	7	2,292,309	57	543,011	14	4,009,093
2012-13	1,049,775	24	293,733	7	2,353,818	54	652,553	15	4,349,880
2013-14	1,081,329	23	306,810	7	2,462,189	53	780,192	17	4,630,521
2014-15	1,233,341	27	388,167	8	2,214,664	48	807,980	17	4,644,152
2015-16	1,482,878	31	417,210	9	1,887,884	41	870,977	19	4,658,748
2016-17	1,887,928	34	470,891	9	2,199,168	40	981,733	18	5,539,721
2017-18	2,084,584	31	660,986	10	2,878,788	43	1,070,539	16	6,694,897
2018-19 P	1,470,357	27	563,709	10	2,363,344	44	973,732	18	5,371,142

P : Provisional

Source: Pakistan Bureau of Statistics

* : Total may differ due to rounding off figures

TABLE 8.6

MAJOR IMPORTS

(Rs million)

Items	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 P
1. Chemicals	395,889	435,801	447,521	498,340	532,197	540,558	579,959	719,354	617,689
2. Drugs & medicines	58,870	62,268	80,736	81,399	96,183	96,135	102,110	118,122	109,310
3. Dyes and colours	28,283	29,129	29,932	38,601	40,221	43,345	47,334	55,255	50,777
4. Chemical Fertilizers	45,947	110,626	63,277	73,058	92,641	75,667	67,063	90,879	92,856
5. Electrical goods	67,851	72,608	81,728	114,784	122,183	187,163	243,082	240,424	173,470
6. Machinery (non-electrical)	387,463	435,139	473,258	551,829	633,733	712,920	996,128	1,041,974	723,880
7. Transport equipments	184,075	192,247	228,987	219,877	263,622	297,225	332,549	462,630	256,535
8. Paper, board & stationery	44,845	38,081	38,970	44,362	56,130	56,930	59,960	69,096	59,516
9. Tea	28,560	31,292	35,632	30,827	34,532	53,491	54,839	60,368	58,980
10. Sugar-refined	58,669	1,167	501	635	631	645	535	554	395
11. Art-silk yarn	46,703	52,939	52,328	63,596	69,028	64,612	66,478	72,996	64,444
12. Iron, steel & manu-factures thereof	135,363	156,683	193,543	180,530	226,030	261,291	228,719	344,595	293,432
13. Non-ferrous metals	39,420	35,370	37,693	44,389	44,709	51,722	55,534	67,736	47,319
14. Petroleum & products	1,033,497	1,361,511	1,447,531	1,527,753	1,195,025	794,698	982,619	1,289,222	1,054,035
15. Edible oils	178,424	216,387	196,776	206,955	186,010	195,200	212,327	238,563	192,203
16. Grains, pulses & flour	44,858	48,691	45,239	52,710	71,742	77,525	110,483	72,603	61,035
17. Other imports	676,570	729,154	896,228	900,876	979,535	1,149,622	1,340,002	1,750,526	1,515,266
Grand Total	3,455,287	4,009,093	4,349,880	4,630,521	4,644,152	4,658,749	5,479,721	6,694,897	5,371,142

P : Provisional

Source: Pakistan Bureau of Statistics

TABLE 8.7

MAJOR EXPORTS

(Rs million)

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 P
1. Rice	183,557	184,405	186,304	222,906	206,266	194,246	168,244	224,739	199,844
2. Fish and Fish preparations	25,319	28,590	30,755	37,918	35,429	33,918	41,214	49,755	39,246
3. Fruits	23,138	32,068	37,772	45,196	44,375	44,607	39,878	43,842	49,355
4. Wheat	49,746	11,178	6,064	732	291	17	109	27,109	15,512
5. Sugar	-	2,576	51,643	29,638	32,686	13,818	16,867	56,379	15,165
6. Meat and Meat Preparations	13,027	15,522	20,362	23,650	24,657	28,036	23,103	24,920	20,839
7. Raw Cotton	30,734	41,393	14,882	21,353	14,931	7,948	4,559	6,184	2,026
8. Cotton Yarn	186,601	162,004	217,123	205,660	187,376	131,700	130,216	151,063	110,257
9. Cotton Fabrics	219,065	218,160	260,347	285,130	248,431	230,757	223,675	242,374	211,203
10. Hosiery	196,110	176,682	196,408	235,564	243,719	246,267	247,242	298,374	285,040
11. Bedwear	178,290	155,108	172,538	219,962	213,018	210,543	223,812	248,538	227,309
12. Towels	64,978	61,326	75,060	78,889	80,778	83,681	83,819	87,633	77,967
13. Readymade	152,858	144,269	175,662	196,198	212,210	228,861	242,782	283,498	259,763
14. Art Silk and Synthetic Textiles	57,103	48,817	39,369	39,508	33,485	30,005	19,638	34,069	29,168
15. Carpets, Carpeting Rugs & Mats	11,285	10,757	11,839	12,935	12,098	10,186	8,219	8,317	6,719
16. Sports Goods excl. Toys	27,839	30,240	31,888	37,256	34,294	33,862	32,285	37,710	29,386
17. Leather Excluding Reptile Leather (Tanned)	39,569	39,841	48,378	56,496	49,583	37,803	36,180	36,330	24,847
18. Leather Manufactures	46,178	46,536	54,000	64,360	60,429	54,788	51,421	57,422	47,440
19. Foot wear	9,296	8,860	10,037	12,209	13,304	11,453	10,024	11,913	11,948
20. Medical & Surgical Instruments	21,995	27,126	29,316	34,725	34,576	37,408	35,574	41,618	37,038
21. Chemicals and Pharmaceuticals	77,816	96,009	84,213	120,391	99,339	83,752	92,176	114,350	111,192
22. Engineering goods	21,650	24,726	28,030	33,487	22,675	19,645	18,238	22,882	16,719
23. Jewellery	34,588	82,774	112,419	33,844	668	833	610	644	504
24. Cement and cement Products	38,191	44,619	55,878	52,147	44,943	33,468	24,896	24,420	29,186
25. All other items	411,914	417,019	421,592	483,309	447,952	359,244	363,405	420,960	405,975
Total Exports	2,120,847	2,110,605	2,371,879	2,583,463	2,397,513	2,166,846	2,138,186	2,555,043	2,263,648

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 8.8 A

DESTINATION OF EXPORTS & ORIGIN OF IMPORTS

(% Share)

REGION	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1. Developed Countries										
Exports	58.1	56.1	58.2	55.9	55.9	54.7	54.7	51.0	46.4	43.7
Imports	34.3	34.4	35.5	38.0	38.0	34.2	33.3	30.2	29.1	26.3
a. OECD										
Exports	57.6	55.6	57.5	55.2	55.2	53.8	53.8	50.0	45.5	42.8
Imports	33.7	33.5	34.7	34.7	34.7	32.4	31.5	27.1	27.8	25.3
b. Other European Countries										
Exports	0.5	0.5	0.7	0.7	0.7	0.9	0.9	1.0	0.9	0.9
Imports	0.6	0.9	0.8	3.3	3.3	1.8	1.8	3.1	1.3	1.0
2. CMEA*										
Exports	0.5	0.6	0.7	0.9	0.9	0.9	1.1	1.2	1.2	1.2
Imports	1.1	0.8	1.2	2.1	2.1	2.2	1.8	1.4	3.1	1.2
3. Developing Countries										
Exports	41.4	43.3	41.1	43.2	43.2	44.4	44.2	47.8	52.4	55.1
Imports	64.6	64.8	63.3	59.9	59.9	63.6	64.9	68.4	67.8	72.5
a. OIC										
Exports	19.2	22.3	20.7	21.9	21.9	23.3	21.6	26.4	30.4	29.1
Imports	36.0	35.2	33.7	29.2	29.2	33.7	32.0	33.4	33.9	37.4
b. SAARC										
Exports	2.5	2.4	3.2	4.6	4.6	4.4	4.8	4.4	5.0	5.4
Imports	2.4	1.9	3.1	3.2	3.2	3.3	4.5	5.0	3.8	3.9
c. ASEAN										
Exports	2.7	2.9	2.7	2.1	2.1	1.7	1.9	1.7	2.1	2.8
Imports	11.7	12.2	11.1	10.0	10.0	9.1	9.5	9.9	10.4	11.4
d. Central America										
Exports	1.0	0.9	0.9	0.9	0.9	0.9	1.1	1.0	1.0	0.9
Imports	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.2	0.2
e. South America										
Exports	0.9	0.7	0.8	0.9	0.9	1.0	1.4	1.6	1.4	1.2
Imports	0.7	0.6	0.6	1.1	1.1	1.4	0.8	1.8	1.2	0.6
f. Other Asian Countries										
Exports	11.4	9.9	9.4	8.7	8.7	8.9	9.2	8.4	8.5	11.2
Imports	10.9	12.5	12.3	13.7	13.7	13.7	15.9	15.7	15.2	16.3
g. Other African Countries										
Exports	3.5	4.0	3.2	4.0	4.0	4.1	4.1	4.2	4.0	4.4
Imports	2.7	2.3	2.3	2.4	2.4	2.2	1.9	2.2	3.0	2.5
h. Central Asian States										
Exports	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	-	0.1
Imports	0.1	-	0.1	0.2	0.2	0.1	0.1	0.3	0.1	0.2
Total	100	100	100	100	100	100	100	100	100	100

- : Not available

* : Council for Mutual Economic Assistance

Source: Pakistan Bureau of Statistics

TABLE 8.8 B

DESTINATION OF EXPORTS & ORIGIN OF IMPORTS

(% Share)

REGION	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 P
1. Developed Countries									
Exports	43.3	40.3	41.5	44.7	46.7	51.6	53.4	52.2	53.7
Imports	22.7	21.0	21.5	20.5	20.9	23.3	22.5	22.0	21.0
a. OECD									
Exports	42.3	39.2	40.4	43.5	45.5	50.5	52.2	50.8	52.4
Imports	21.6	19.9	20.5	18.5	18.4	20.9	20.6	20.1	19.1
b. Other European Countries									
Exports	1.0	1.1	1.1	1.2	1.1	1.1	1.2	1.3	1.3
Imports	0.6	1.1	1.0	2.0	2.5	2.4	1.9	1.9	1.9
2. CMEA*									
Exports	1.3	1.4	1.5	1.6	1.7	1.9	2.1	2.0	2.3
Imports	1.1	1.1	1.0	1.0	1.3	0.9	1.3	1.0	1.0
3. Developing Countries									
Exports	55.4	58.3	57.0	53.7	51.6	46.6	44.6	45.8	44.0
Imports	76.7	77.9	77.6	78.5	77.8	75.8	76.2	77.0	78.0
a. OIC									
Exports	28.3	28.8	26.5	23.3	20.9	18.6	17.2	17.5	15.8
Imports	38.0	40.8	40.5	39.4	33.2	24.7	26.2	28.2	31.1
b. SAARC									
Exports	6.5	5.4	5.6	5.5	5.6	6.0	6.1	6.1	6.4
Imports	4.7	3.7	4.3	4.8	4.0	4.3	3.5	3.4	3.1
c. ASEAN									
Exports	2.3	3.0	2.8	2.6	3.6	2.6	2.8	3.7	3.6
Imports	11.9	11.8	11.0	11.0	10.7	10.2	9.8	10.2	10.5
d. Central America									
Exports	0.8	0.8	0.8	0.7	0.8	0.8	0.8	0.7	0.7
Imports	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.3	0.2
e. South America									
Exports	1.5	1.4	1.4	1.4	1.3	1.2	1.2	1.2	1.1
Imports	1.1	0.6	0.8	0.8	1.3	2.2	1.4	1.5	0.8
f. Other Asian Countries									
Exports	11.8	14.5	15.4	14.9	14.1	12.1	11.5	11.3	11.5
Imports	17.8	18.3	18.2	20.2	25.6	30.7	31.6	29.3	27.1
g. Other African Countries									
Exports	4.1	4.3	4.4	5.2	5.2	5.0	4.7	4.8	4.4
Imports	2.9	2.6	2.6	2.2	2.9	3.4	3.4	4.1	5.0
h. Central Asian States									
Exports	0.1	-	0.1	0.1	0.1	0.2	0.3	0.4	0.5
Imports	0.2	0.1	-	-	-	0.1	0.1	0.1	0.0
Total	100	100	100	100	100	100	100	100	100

P : Provisional   - : Not available   Source: Pakistan Bureau of Statistics

* : Council for Mutual Economic Assistance

TABLE 8.9 A

WORKERS' REMITTANCES

(US $ million)

COUNTRY	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
I. Cash Flow	1,021.59	2,340.79	4,190.73	3,826.16	4,152.29	4,588.03	5,490.97	6,448.84	7,810.95	8,904.9
Bahrain	23.87	39.58	71.46	80.55	91.22	100.57	136.28	140.51	153.27	151.4
Canada	4.90	20.52	15.19	22.90	48.49	81.71	87.20	100.62	79.07	115.1
Germany	9.20	13.44	26.87	46.52	53.84	59.03	76.87	73.33	100.71	81.2
Japan	3.93	5.97	8.14	5.28	6.51	6.63	4.26	4.75	5.10	5.7
Kuwait	123.39	89.66	221.23	177.01	214.78	246.75	288.71	384.58	432.05	445.1
Norway	5.74	6.55	8.89	10.19	18.30	16.82	22.04	28.78	24.94	34.7
Qatar	13.38	31.87	87.68	88.69	86.86	118.69	170.65	233.36	339.51	354.2
Saudi Arabia	304.43	376.34	580.76	565.29	627.19	750.44	1,023.56	1,251.32	1,559.56	1,917.7
Sultanat-e-Oman	38.11	63.18	93.65	105.29	119.28	130.45	161.69	224.94	277.82	287.3
U.A.E.	190.04	469.49	837.87	597.48	712.61	716.30	866.49	1,090.30	1,688.59	2,038.5
Abu Dhabi	48.11	103.72	212.37	114.92	152.51	147.89	200.40	298.80	669.40	1,130.3
Dubai	129.69	331.47	581.09	447.49	532.93	540.24	635.60	761.24	970.42	851.5
Sharjah	12.21	34.05	42.60	34.61	26.17	26.87	28.86	28.58	47.84	54.6
Others	0.03	0.25	1.81	0.46	1.00	1.30	1.63	1.68	0.93	2.1
U.K.	81.39	151.93	273.83	333.94	371.86	438.65	430.04	458.87	605.59	876.4
U.S.A.	134.81	778.98	1,237.52	1,225.09	1,294.08	1,242.49	1,459.64	1,762.03	1,735.87	1,771.2
Other Countries	88.40	293.28	727.64	567.93	507.27	679.50	763.54	695.45	808.87	826.6
II. Encashment*	64.98	48.26	46.12	45.42	16.50	12.09	2.68	2.40	0.48	1.0
Total (I+II)	1,086.57	2,389.05	4,236.85	3,871.58	4,168.79	4,600.12	5,493.65	6,451.24	7,811.43	8,905.9

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

(Contd…)

TABLE 8.9 A

WORKERS' REMITTANCES

(% Share)

COUNTRY	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Cash Flow										
Bahrain	2.34	1.69	1.71	2.11	2.20	2.19	2.48	2.18	1.96	1.70
Canada	0.48	0.88	0.36	0.60	1.17	1.78	1.59	1.56	1.01	1.29
Germany	0.9	0.57	0.64	1.22	1.30	1.29	1.40	1.14	1.29	0.91
Japan	0.38	0.26	0.19	0.14	0.16	0.14	0.08	0.07	0.07	0.06
Kuwait	12.08	3.83	5.28	4.63	5.17	5.38	5.26	5.96	5.53	5.00
Norway	0.56	0.28	0.21	0.27	0.44	0.37	0.40	0.45	0.32	0.39
Qatar	1.31	1.36	2.09	2.32	2.09	2.59	3.11	3.62	4.35	3.98
Saudi Arabia	29.8	16.08	13.86	14.77	15.10	16.36	18.64	19.40	19.97	21.53
Sultanat-e-Oman	3.73	2.7	2.23	2.75	2.87	2.84	2.94	3.49	3.56	3.23
U.A.E.	18.6	20.06	19.99	15.62	17.16	15.61	15.78	16.91	21.62	22.89
Abu Dhabi	4.71	4.43	5.07	3.00	3.67	3.22	3.65	4.63	8.57	12.69
Dubai	12.69	14.16	13.87	11.70	12.83	11.77	11.58	11.80	12.42	9.56
Sharjah	1.2	1.45	1.02	0.90	0.63	0.59	0.53	0.44	0.61	0.61
Others	0	0.01	0.04	0.01	0.02	0.03	0.03	0.03	0.01	0.02
U.K.	7.97	6.49	6.53	8.73	8.96	9.56	7.83	7.12	7.75	9.84
U.S.A.	13.2	33.28	29.53	32.02	31.17	27.08	26.58	27.32	22.22	19.89
Other Countries	8.65	12.53	17.36	14.84	12.22	14.81	13.91	10.78	10.36	9.28
Total	100	100	100	100	100	100	100	100	100	100

(Contd…)

TABLE 8.9 B

WORKERS' REMITTANCES

(US $ million)

COUNTRY	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 R	2018-19 P
I. Cash Flow	11,200.9	13,186.6	13,921.6	15,837.7	18,719.8	19,916.8	19,351.3	19,913.6	16,096.3
Bahrain	167.3	211.0	282.8	318.8	389.0	448.4	396.4	355.7	243.6
Canada	184.6	177.7	177.2	160.0	171.0	176.0	187.4	211.1	149.3
Germany	106.6	88.7	83.2	85.6	78.1	93.7	94.1	127.8	92.3
Japan	8.1	9.0	5.2	7.1	7.8	13.2	14.3	22.8	13.5
Kuwait	495.2	582.6	619.0	681.4	748.1	774.0	763.8	774.2	540.7
Norway	37.0	38.5	37.8	30.8	27.6	34.9	41.3	47.8	31.5
Qatar	306.1	318.8	321.3	329.2	350.2	380.9	404.4	371.1	281.7
Saudi Arabia	2,670.1	3,687.0	4,104.7	4,729.4	5,630.4	5,968.3	5,469.8	4,858.8	3,747.5
Sultanat-e-Oman	337.6	382.7	384.8	530.5	685.7	819.4	760.9	657.3	476.4
U.A.E.	2,597.7	2,848.9	2,750.2	3,109.5	4,231.8	4,365.3	4,328.0	4,359.0	3,414.5
Abu Dhabi	1,328.8	1,367.6	1,485.0	1,512.5	1,750.7	1,418.3	1,426.8	1,132.7	1,089.3
Dubai	1,201.2	1,411.3	1,213.8	1,550.0	2,412.0	2,877.7	2,845.3	3,173.7	2,287.8
Sharjah	63.8	67.3	49.8	45.5	67.6	66.5	50.5	47.6	27.1
Others	4.0	2.7	1.5	1.5	1.5	2.8	5.5	5.0	10.3
U.K.	1,199.7	1,521.1	1,946.0	2,180.2	2,376.2	2,579.7	2,341.7	2,892.4	2,475.5
U.S.A	2,068.7	2,334.5	2,186.2	2,467.7	2,702.7	2,524.7	2,452.9	2,838.0	2,516.8
Other Countries	1,022.2	986.2	1,023.2	1,207.4	1,321.3	1,738.4	2,096.2	2,397.7	2,113.0
II. Encashment*	0.1	0.0	0.1	0.0	0.2	-	0.0	0.0	0.0
Total (I+II)	11,201.0	13,186.6	13,921.7	15,837.7	18,720.0	19,916.8	19,351.3	19,913.6	16,096.3

Source: State Bank of Pakistan

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

TABLE 8.9 B

WORKERS' REMITTANCES

(% Share)

COUNTRY	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 R	2018-19 P
Cash Flow									
Bahrain	1.49	1.60	2.03	2.01	2.08	2.25	2.05	1.8	1.51
Canada	1.65	1.35	1.27	1.01	0.91	0.88	0.97	1.1	0.93
Germany	0.95	0.67	0.60	0.54	0.42	0.47	0.49	0.6	0.57
Japan	0.07	0.07	0.04	0.04	0.04	0.07	0.07	0.1	0.08
Kuwait	4.42	4.42	4.45	4.30	4.00	3.89	3.95	3.9	3.36
Norway	0.33	0.29	0.27	0.19	0.15	0.18	0.21	0.2	0.20
Qatar	2.73	2.42	2.31	2.08	1.87	1.91	2.09	1.9	1.75
Saudi Arabia	23.84	27.96	29.48	29.86	30.08	29.97	28.27	24.4	23.28
Sultanat-e-Oman	3.01	2.90	2.76	3.35	3.66	4.11	3.93	3.3	2.96
U.A.E.	23.19	21.60	19.75	19.63	22.61	21.92	22.37	21.9	21.21
Abu Dhabi	11.86	10.37	10.67	9.55	9.35	7.12	7.37	5.7	6.77
Dubai	10.72	10.70	8.72	9.79	12.88	14.45	14.70	15.9	14.21
Sharjah	0.57	0.51	0.36	0.29	0.36	0.33	0.26	0.2	0.17
Others	0.04	0.02	0.01	0.01	0.01	0.01	0.03	0.0	0.06
U.K.	10.71	11.54	13.98	13.77	12.69	12.95	12.10	14.5	15.38
U.S.A	18.47	17.70	15.70	15.58	14.44	12.68	12.68	14.3	15.64
Other Countries	9.13	7.48	7.35	7.62	7.06	8.73	10.83	12.0	13.13
Total	100	100	100	100	100	100	100	100	100

P: Provisional

Source: State Bank of Pakistan

TABLE 8.10

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

(Rs million)

	Total				Cash [2]				Gold [1]			
Period	Jun*	Dec.*	Low	High	Jun*	Dec.*	Low	High	Jun*	Dec.*	Low	High
2001	170,786	252,249	100,825	252,249	134,587	216,050	65,083	216,050	36,199	36,199	34,015	36,199
2002	326,715	501,291	259,497	501,291	286,695	461,271	223,298	461,271	40,020	40,020	36,199	40,020
2003	616,683	662,663	532,661	662,673	576,640	620,734	492,641	620,744	40,043	41,929	40,020	41,929
2004	691,051	638,332	634,239	702,725	642,746	590,027	585,934	660,742	48,305	48,305	41,929	48,305
2005	669,957	653,680	676,803	649,495	615,236	599,713	573,421	652,465	54,721	53,967	49,296	54,721
2006	771,157	772,963	646,033	772,963	694,840	695,786	592,016	716,000	76,317	77,177	54,017	77,177
2007	992,439	954,189	785,296	1,031,030	911,162	847,828	708,325	931,848	81,277	106,361	76,873	106,361
2008	779,699	761,683	478,641	930,998	648,728	619,968	355,009	811,326	130,971	141,715	116,314	143,112
2009	992,653	1,276,214	789,906	1,276,214	835,109	1,083,632	632,399	1,083,632	157,544	192,582	147,291	203,346
2010	1,411,545	1,537,974	1,205,160	1,537,264	1,191,632	1,288,061	1,011,134	1,288,061	219,913	249,203	189,365	249,203
2011	1,696,182	1,584,975	1,556,925	1,775,643	1,428,228	1,299,849	1,294,186	1,445,662	267,954	285,126	235,433	329,981
2012	1,438,698	1,314,155	1,299,786	1,584,430	1,125,621	980,592	954,440	1,257,965	313,077	333,563	303,074	348,805
2013	963,392	774,197	753,136	1,302,120	717,295	512,038	471,447	965,052	246,097	262,159	246,097	337,068
2014	1,307,510	1,449,882	754,644	1,449,882	1,038,202	1,200,107	481,286	1,200,107	269,308	249,275	248,274	288,264
2015	1,757,849	2,034,391	1,452,365	2,034,391	1,510,698	1,803,668	1,188,267	1,803,668	247,151	230,723	230,723	264,097
2016	2,325,799	2,312,350	2,001,893	2,404,776	2,038,628	2,060,269	1,759,993	2,128,176	287,170	252,081	241,900	291,829
2017	2,110,682	2,037,749	1,789,701	2,229,859	1,840,320	1,740,610	1,509,347	1,966,073	270,361	297,139	263,786	297,139
2018 R	1,693,453	1,632,577	1,590,720	1,906,897	1,377,842	1,262,858	1,262,858	1,598,188	315,611	369,719	306,447	308,710

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

1 : Gold excludes unsettled claims of Gold on RBI

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

TABLE 8.11 A

EXCHANGE RATE POSITION

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

Country	Currency	(Average During the Year)							
		2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Australia	Dollar	32.1607	34.2101	41.0626	44.7141	44.7564	47.6760	56.1958	58.2931
Bangladesh	Taka	1.0826	1.0108	0.9842	0.9774	0.9121	0.8723	0.9088	1.1423
Canada	Dollar	39.1719	38.8234	42.8526	47.5567	51.4986	53.5778	61.9742	67.5867
China	Yuan	7.4149	7.0613	6.9497	7.1676	7.4161	7.7526	8.6128	11.4930
Hong Kong	Dollar	7.8720	7.4990	7.3970	7.6176	7.7127	7.7772	8.0273	10.1246
India	Rupee	1.2787	1.2219	1.2682	1.3253	1.3389	1.3746	1.5417	1.6468
Iran	Rial	0.0307	0.0073	0.0069	0.0067	0.0066	0.0066	0.0067	0.0081
Japan	Yen	0.4884	0.4888	0.5203	0.5558	0.5216	0.5122	0.5711	0.8012
Kuwait	Dinar	200.7861	194.5677	194.3681	202.3816	205.3258	209.8118	228.2954	281.2742
Malaysia	Ringgit	16.1621	15.3944	15.1532	15.6244	16.0515	17.0649	18.9021	22.3290
Nepal	Rupee	0.8033	0.7515	0.7802	0.8169	0.8296	0.8575	0.9593	1.0285
Norway	Krone	7.0288	8.1021	8.2191	9.1841	9.2141	9.7161	11.6417	12.4113
Singapore	Dollar	33.9503	33.3406	33.5098	35.6797	36.4149	39.1651	43.6846	53.5502
Sri Lanka	Rupee	0.6624	0.6057	0.5920	0.5813	0.5872	0.5649	0.5676	0.7024
Sweden	Krona	5.9117	6.691	7.5195	8.2949	7.7867	8.6143	9.8890	10.4330
Switzerland	Franc	37.1824	41.4643	44.2489	49.0657	46.8551	49.2385	56.6736	70.0527
S. Arabia	Riyal	16.3792	15.5961	15.3488	15.8027	15.9608	16.1656	16.6973	20.9341
Thailand	Baht	1.4000	1.3742	-	1.4763	1.5005	1.6789	1.8786	2.2651
UAE	Dirham	16.7231	15.9261	15.6727	16.1586	16.2972	16.5107	17.0391	21.3856
UK	Pound	88.5691	92.7433	100.1672	110.2891	106.4344	117.1852	125.2948	126.0915
USA	Dollar	61.4258	58.4995	57.5745	59.3576	59.8566	60.6342	62.5465	78.4983
EMU	Euro	54.9991	61.3083	68.6226	75.5359	72.8661	79.1763	92.1700	107.4327
IMF	SDR	78.0627	79.3198	83.2470	88.5631	86.9594	90.7726	98.6265	119.9599

- : Not available (Contd…)

TABLE 8.11 B

EXCHANGE RATE POSITION

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

Country	Currency	(Average During the Year)									
		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 P
Australia	Dollar	73.9643	84.6185	91.8961	99.2813	94.4043	84.6706	75.8551	78.9703	85.1230	95.2304
Bangladesh	Taka	1.2118	1.2101	1.1385	1.2059	1.3232	1.3045	1.3327	1.3263	1.3414	1.5784
Canada	Dollar	79.4785	85.4711	88.8631	96.3207	96.1939	86.6031	78.6541	78.9236	86.5105	100.2705
China	Yuan	12.2840	12.9120	14.0507	15.5063	16.7639	16.3639	16.1983	15.4059	16.9332	19.4161
Hong Kong	Dollar	10.8074	11.0019	11.4768	12.4764	13.2668	13.0664	13.4416	13.5015	14.0663	16.9026
India	Rupee	1.7995	1.8881	1.7836	1.7658	1.6757	1.6354	1.5735	1.5778	1.6903	1.8706
Iran	Rial	0.0084	0.0082	0.0079	0.0079	0.0041	0.0037	0.0035	0.0033	0.0030	0.0031
Japan	Yen	0.9164	1.0301	1.1352	1.1116	1.0180	0.8865	0.8959	0.9611	0.9965	1.1870
Kuwait	Dinar	291.6604	304.4159	322.3284	342.4219	364.0262	346.1203	345.2872	345.0024	364.9610	436.6700
Malaysia	Ringgit	24.8037	27.7427	28.9142	31.3927	31.6823	29.3817	25.2457	24.4675	27.0716	32.1647
Nepal	Rupee	1.1251	1.1800	1.1164	1.1044	1.0477	1.0222	0.9838	0.9861	1.0565	1.1693
Norway	Krone	14.0698	14.7356	15.5404	16.8037	17.0596	14.2794	12.4110	12.4644	13.7701	15.7298
Singapore	Dollar	59.6004	66.1304	70.7611	78.0767	81.6310	77.3079	74.9776	75.1927	81.9160	96.9155
Sri Lanka	Rupee	0.7336	0.7694	0.7625	0.7524	0.7862	0.7701	0.7372	0.7031	0.7107	0.7696
Sweden	Krona	11.5692	12.8272	13.2669	14.6811	15.7629	13.1103	12.4006	11.8827	13.2473	14.6278
Switzerland	Franc	78.9664	89.9297	99.3752	102.7673	113.7726	107.4720	106.3904	105.5866	113.2043	133.3027
S. Arabia	Riyal	22.3482	22.8047	23.7943	25.8099	27.4313	27.0040	27.7996	27.9260	29.2998	35.2926
Thailand	Baht	2.5326	2.7963	2.8943	3.1909	3.2278	3.1076	2.9393	3.0034	3.3964	4.0872
UAE	Dirham	22.8216	23.2883	24.2894	26.3384	28.0070	27.5787	28.3865	28.5170	29.9164	36.0360
UK	Pound	132.4866	135.9640	141.1402	151.5965	167.2207	159.4351	154.4878	132.7123	148.0433	171.5452
USA	Dollar	83.8017	85.5017	89.2359	96.7272	102.8591	101.2947	104.2351	104.6971	109.8444	132.3306
EMU	Euro	116.4991	116.5981	119.1998	125.1227	139.4950	121.6726	115.6294	114.0341	131.0859	151.5772
IMF	SDR	129.7431	133.3407	138.9409	147.2259	158.0043	146.9546	145.8777	143.8126	156.7849	184.7736

P: Provisional

Source: State Bank of Pakistan

PUBLIC DEBT

TABLE 9.1

PUBLIC & PUBLICLY GUARANTEED DEBT DISBURSED & OUTSTANDING AS ON 31-03-2019

Country/Creditor	$ Million
I. BILATERAL	Amount
a. Paris Club Countries	
AUSTRIA	26
BELGIUM	19
CANADA	393
FINLAND	4
FRANCE	1,624
GERMANY	1,369
ITALY	164
JAPAN	5,672
KOREA	372
THE NETHERLANDS	86
NORWAY	11
RUSSIA	77
SPAIN	65
SWEDEN	98
SWITZERLAND	80
UNITED KINGDOM	5
UNITED STATES	1,195
Sub Total I.a. Paris Club Countries	11,261
b. Non Paris Club Countries	
CHINA	14,039
KUWAIT	165
LIBYA	4
SAUDI ARABIA	211
UNITED ARAB EMIRATES	33
Sub Total I.b. Non-Paris Club Countries	14,453
c. Commercial Banks	9,570
Total I. (a+b+c)	35,284
II. MULTILATERAL & Others	
ASIAN DEVELOPMENT BANK (ADB)	10,728
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)	1,319
INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)	13,840
Other	1,482
ASIAN INFRASTRUCTURE INVESTMENT BANK (AIIB)	59
EUROPEAN INVESTMENT BANK (EIB)	3
ISLAMIC DEVELOPMENT BANK (IDB)	1,040
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)	242
NORDIC DEVELOPMENT FUND	8
OPEC FUND	87
ECO TRADE BANK	43
Sub Total II. Multilateral & Others	27,369
III. BONDS	7,300
IV. DEFENCE	-
V. IDB (SHORT TERM CREDIT)	625
VI. LOCAL CURRENCY BONDS (TBs & PIBs)	-
VII. PAKISTAN BANAO CERTIFICATES	10
Grand Total: (I+II+III+IV+V+VI+VII)	70,588

Source: Economic Affairs Division

TABLE 9.2

COMMITMENTS AND DISBURSEMENTS OF LOANS AND GRANTS (BY TYPE)

($ Million)

Fiscal Year	Project Aid		Non-Project Aid								Total*	
			Non-Food		Food		BOP		Relief			
	Comm-itment	Disburse-ment	Comm-itment	Disburse-ment	Comm-itment	Disburse-ment	Comm-itment	Disburse-ment	Comm-itment	Disburse-ment	Comm-itment	Disburse-ment
2000-01	396	1,030	-	-	91	23	1,128	1,128	21	5	1,637	2,186
2001-02	973	741	-	-	40	114	2,589	1,880	0	21	3,603	2,756
2002-03	700	846	-	-	-	9	1,089	1,057	11	8	1,800	1,920
2003-04	1,214	622	-	-	-	-	1,263	755	2	3	2,479	1,380
2004-05	2,089	918	-	-	-	-	1,202	1,803	-	2	3,291	2,723
2005-06	3,250	2,084	-	-	22	10	1,225	1,262	1	1	4,498	3,357
2006-07	1,365	1,308	133	-	-	12	2,649	2,058	3	3	4,151	3,381
2007-08	2,440	1,565	-	80	-	-	1,309	2,013	2	2	3,751	3,660
2008-09	2,296	1,272	125	175	18	-	3,947	3,238	2	2	6,389	4,688
2009-10	3,729	1,213	100	100	-	-	2,846	2,305	68	49	6,744	3,668
2010-11	2,384	1,076	-	-	-	-	397	648	1,799	895	4,580	2,620
2011-12	3,341	1,753	100	73	-	-	1,135	949	103	314	4,679	3,089
2012-13	1,848	2,071	100	51	-	-	708	466	4	268	2,660	2,855
2013-14	9,809	2,015	125	80	-	-	5,019	4,612	4	133	14,957	6,840
2014-15	2,038	2,449	-	10	-	-	2,671	3,163	12	134	4,721	5,756
2015-16	12,325	2,337	-	-	-	-	5,069	5,199	6	15	17,400	7,551
2016-17	4,257	3,609	-	-	-	-	7,803	7,072	11	1	12,071	10,682
2017-18	3,510	4,460	-	-	-	-	8,566	8,173	2	45	12,078	12,678
2018-19 (Jul-Mar)	757	2,704	-	-	-	-	5,457	5,765	0.37	1.36	6,215	8,471

*: Exclusive of IMF Loans

Source: Economic Affairs Division

Notes:

Project Aid includes commitments and disbursements for Earthquake Rehabilitation & Construction

BOP includes commitment and disbursement for Bonds, Commercial Banks, BOP Programme Loans, IDB Short-term credit and Tokyo Pledges

Relief includes commitment and disbursement for Afghan Refugees, IDPs, Earthquake and Flood Assistance

TABLE 9.3

ANNUAL COMMITMENTS, DISBURSEMENTS, SERVICE PAYMENTS AND EXTERNAL DEBT OUTSTANDING

($ Million)

Fiscal Year	Debt Outstanding @		Transactions during period					Debt Servicing as % of		
					Service Payments***					
	Disbursed*	Undisbursed*	Commit-ment**	Disburse-ment**	Principal	Interest	Total	Export Receipts	Foreign Exchange Earning	GDP
2000-01	25,608	2,860	1,167	1,846	1,004	663	1,668	18.7	11.7	2.3
2001-02	27,215	3,504	3,293	2,423	772	538	1,309	14.3	8.5	1.8
2002-03	28,301	3,811	1,747	1,729	971	613	1,583	14.4	8.1	1.9
2003-04	28,900	5,392	2,125	1,372	2,513	702	3,215	25.8	15.0	3.3
2004-05	30,813	4,975	3,113	2,452	1,072	669	1,742	12.0	6.5	1.6
2005-06	33,033	5,838	4,507	3,163	1,424	712	2,136	12.9	6.9	1.6
2006-07	35,673	6,277	4,059	3,356	1,203	822	2,025	11.7	6.1	1.3
2007-08	40,770	6,540	3,398	3,160	1,133	983	2,116	10.4	5.7	1.2
2008-09	42,567	7,451	5,792	4,032	2,566	873	3,439	18.0	9.7	2.0
2009-10	43,187	9,634	6,171	3,099	2,339	756	3,095	15.7	8.1	1.7
2010-11	46,642	9,797	4,580	2,620	1,925	762	2,687	10.6	5.6	1.3
2011-12	46,391	10,316	4,679	3,089	1,534	717	2,251	9.1	4.7	1.0
2012-13	44,353	9,954	1,278	2,486	1,903	709	2,612	10.5	5.2	1.1
2013-14	48,984	15,770	11,263	3,760	2,074	736	2,810	11.2	5.5	1.1
2014-15	47,867	18,559	3,621	3,601	2,262	949	3,211	13.3	6.1	1.2
2015-16	52,978	20,669	14,215	4,693	3,202	1,092	4,294	19.5	8.4	1.5
2016-17	57,643	21,524	5,651	4,859	5,195	1,242	6,437	29.3	12.4	2.1
2017-18	65,526	19,573	4,120	4,320	4,175	1,636	5,811	23.5	10.7	1.8
2018-19 (Jul-Mar)	70,588	17,711	638	2,648	3,955	1,459	5,414	30.0	13.3	1.9

* : Excluding grants

Source: Economic Affairs Division

** : Excluding IMF, Short Term Credit, Commercial Credits and Bonds

*** : Excluding IMF, Short Term Credit, Commercial Credits and Bonds up to the year 2003-04. From the Years 2004-05 onwards, debt servicing in respect of short-term borrowings and Eurobonds is included

@: Public and Publically Guaranteed Loans

TABLE 9.4

DEBT SERVICE PAYMENTS OF FOREIGN LOANS (Paid in Foreign Exchange)

US$ Million

Fiscal Year	Kind	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 (Jul-Mar)
I. PARIS CLUB COUNTRIES										
1. Australia	Principal	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-	-
2. Austria	Principal	3.581	2.760	3.664	4.923	3.767	3.768	3.989	3.926	1.366
	Interest	3.466	2.950	2.976	3.006	2.312	1.992	1.765	1.687	0.755
3. Belgium	Principal	0.711	0.901	1.014	1.223	1.222	1.318	1.497	1.836	0.981
	Interest	1.702	1.836	1.746	1.773	1.492	1.335	1.243	1.238	0.562
4. Canada	Principal	2.075	2.372	2.717	3.118	3.563	4.084	4.679	5.358	2.958
	Interest	1.018	0.965	0.989	0.754	0.674	0.799	1.164	1.339	0.916
5. Denmark	Principal	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-	-
6. France	Principal	31.301	34.169	39.776	52.270	53.406	57.914	79.264	109.596	61.05
	Interest	87.466	81.713	77.533	79.165	66.812	60.554	57.907	58.563	28.18
7. Finland	Principal	0.136	0.156	0.179	0.206	0.424	0.268	0.308	0.352	0.195
	Interest	0.067	0.062	0.064	0.051	0.069	0.052	0.076	0.087	0.059
8. Germany	Principal	18.138	23.629	17.883	14.458	16.847	15.988	39.515	66.745	33.042
	Interest	18.619	17.290	16.513	26.691	25.119	24.761	22.365	22.92	10.553
9. Italy	Principal	22.712	0.576	0.652	0.764	0.826	0.924	1.054	1.241	0.676
	Interest	0.285	0.317	0.222	0.163	0.143	0.156	0.193	0.219	0.143
10. Japan	Principal	56.651	64.135	61.458	55.903	51.160	62.491	175.517	281.787	167.105
	Interest	129.489	134.327	117.640	103.270	88.094	90.449	93.757	89.944	46.909
11. Korea	Principal	11.068	12.656	14.492	16.626	19.009	22.177	25.847	30.198	16.666
	Interest	6.836	6.750	6.907	5.932	5.480	6.062	7.957	9.334	5.831
12. Norway	Principal	1.504	0.497	0.570	0.648	0.717	0.797	0.887	1.082	0.576
	Interest	0.346	0.304	0.273	0.202	0.179	0.172	0.220	0.258	0.164
13. The Netherlands	Principal	0.354	0.375	0.345	0.514	0.507	0.540	2.44	4.653	2.283
	Interest	3.244	3.285	2.970	3.221	2.959	2.587	2.54	2.691	2.278
14. Russia	Principal	2.831	3.238	3.707	4.255	4.863	5.573	6.385	7.312	4.037
	Interest	6.027	5.895	5.709	5.514	5.403	5.052	4.744	4.416	2.069
15. Sweden	Principal	3.578	4.092	4.681	5.366	6.130	7.028	8.053	9.222	5.091
	Interest	1.683	1.597	1.630	1.225	1.102	1.318	1.944	2.251	1.543
16. Spain	Principal	0.610	0.697	0.822	0.960	1.093	1.246	2.566	3.911	2.037
	Interest	1.987	1.905	1.846	1.782	1.753	1.780	1.736	1.875	0.994
17. Switzerland	Principal	2.235	2.554	2.878	3.431	3.722	4.097	5.225	6.408	3.459
	Interest	1.339	1.299	1.229	3.886	1.087	0.981	0.961	0.913	0.434
18. USA	Principal	4.078	4.663	5.339	6.124	7.004	8.028	25.505	43.148	22.482
	Interest	29.111	28.928	28.665	28.414	29.404	27.684	27.259	26.107	12.577
19. UK	Principal	0.223	0.250	0.282	0.342	0.370	0.403	0.395	0.476	0.254
	Interest	0.143	0.157	0.161	0.066	0.094	0.090	0.067	0.06	0.032
TOTAL (I)	Principal	161.786	157.720	160.459	171.131	174.630	196.644	383.126	577.251	324.258
	Interest	292.828	289.580	267.073	265.115	232.176	225.824	225.898	223.902	113.999
II. NON-PARIS CLUB COUNTRIES										
1. China	Principal	139.269	151.630	72.734	121.257	127.994	170.391	712.298	216.087	334.335
	Interest	76.892	43.799	74.575	103.488	139.299	141.463	205.754	240.341	377.596
2. Czecho-Slovakia	Principal	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-	-
3. Kuwait	Principal	7.983	7.990	8.072	7.057	7.551	10.281	9.477	11.228	11.443
	Interest	2.760	2.797	2.842	3.121	3.061	3.200	3.794	4.097	3.807
4. Libya	Principal	0.100	0.100	-	-	-	-	-	-	-
	Interest	0.006	0.003	-	-	-	-	-	-	-
5. Saudi Arabia	Principal	180.009	103.851	76.116	166.669	121.934	111.221	167.129	30.731	16.742
	Interest	13.976	6.502	4.200	7.547	5.701	5.394	7.83	4.29	2.612
6. UAE	Principal	0.538	3.801	4.114	4.513	4.513	6.346	6.346	6.346	6.004
	Interest	1.845	2.095	1.879	3.025	1.697	1.723	1.55	1.377	0.964
7. EXIM Bank (FE)	Principal	5.594	5.523	6.324	7.257	8.297	9.509	10.896	12.477	6.888
	Interest	0.628	1.239	1.201	1.167	1.113	1.059	1.147	1.933	1.654
8. PL-480	Principal	1.153	1.153	1.154	1.154	1.154	1.153	3.147	5.14	2.788
	Interest	2.976	2.962	2.936	2.916	1.533	2.885	2.858	2.748	1.312
9. CCC	Principal	6.463	7.390	8.462	9.708	11.099	12.722	14.577	16.692	9.216
	Interest	16.623	16.258	15.746	15.209	14.594	13.927	13.084	12.158	5.707
TOTAL (II)	Principal	341.109	281.438	176.976	317.615	282.542	321.623	923.870	298.701	387.416
	Interest	115.706	75.655	103.379	136.473	166.998	169.651	236.017	266.944	393.652

(Contd..)

TABLE 9.4

DEBT SERVICE PAYMENTS OF FOREIGN LOANS (Paid in Foreign Exchange)

US$ Million

Fiscal Year	Kind	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 (Jul-Mar)
III. MULTILATERAL										
1. ADB	Principal	626.773	714.870	737.087	728.130	721.223	755.354	778.363	757.571	577.303
	Interest	104.161	103.125	101.564	82.581	80.625	84.764	107.428	138.847	134.912
2. IBRD	Principal	172.956	156.078	177.063	165.637	156.074	147.323	128	136.753	117.242
	Interest	15.464	13.925	13.877	8.111	5.921	8.033	13.409	17.081	31.683
3. IDA	Principal	168.576	192.606	222.629	236.291	253.490	256.755	278.964	344.821	309.462
	Interest	82.377	92.352	92.770	96.215	113.079	125.357	151.118	173.966	139.653
4. IFAD	Principal	7.775	11.532	8.112	4.803	5.277	5.454	6.601	7.942	5.498
	Interest	1.721	1.798	1.698	1.618	1.649	1.670	1.701	1.808	1.184
5. IDB	Principal	9.488	7.025	17.440	23.604	31.612	44.580	50.782	58.515	61.923
	Interest	5.599	4.197	4.832	10.203	13.649	16.382	18.11	20.74	20.941
6. IDB (ST)	Principal	325.127	-	390.290	412.952	409.093	734.531	877.887	836.261	921.499
	Interest	28.614	23.028	11.185	15.737	18.368	47.592	51.46	61.249	38.418
TOTAL (III)	Principal	1,310.695	1,082.111	1,552.621	1,571.417	1,576.769	1,943.997	2,120.597	2,141.863	1,992.927
	Interest	237.936	238.425	225.926	214.465	233.291	283.798	343.226	413.691	366.791
IV. DEVELOPMENT FUNDS										
1. NORDIC	Principal	2.447	2.486	1.869	1.586	0.836	0.569	0.565	0.611	0.393
	Interest	0.203	0.171	0.137	0.117	0.060	0.074	0.066	0.071	0.043
2. OPEC Fund	Principal	3.298	2.666	3.016	3.016	4.453	6.354	6.076	6.118	5.636
	Interest	0.526	0.580	0.833	1.239	1.613	2.043	2.371	3.094	1.417
3. Turkey (EXIM Bank)	Principal	-	-	-	0.667	31.336	1.334	1.334	1.333	40.667
	Interest	-	0.212	0.215	0.190	0.877	0.696	1.472	1.644	1.749
4. E.I.Bank	Principal	5.277	7.816	8.083	8.365	8.167	6.959	5.461	5.000	2.5
	Interest	1.223	1.170	0.853	0.633	0.400	0.330	0.356	0.337	0.233
5. ANZ Bank / Standard Charted Bank	Principal	-	-	-	-	172.500	225.000	1003.793	1138.865	1199.999
	Interest	-	-	-	6.946	12.291	55.010	65.884	284.178	296.665
TOTAL (IV)	Principal	11.022	12.968	12.968	13.634	217.292	240.216	1,017.229	1,151.927	1,249.195
	Interest	1.952	2.133	2.038	9.125	15.241	58.153	70.149	289.324	300.107
V. GLOBAL BONDS										
1. Euro Bonds	Principal	-	-	-	-	-	500.000	750	-	-
	Interest	110.904	110.872	110.852	110.816	301.426	354.328	366.946	422.829	284.22
2. Saindak Bonds	Principal	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-	-
3. US Dollar Bonds (NHA)	Principal	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-	-
TOTAL (V)	Principal	-	-	-	-	-	500.000	750.000	-	-
	Interest	110.904	110.872	110.852	110.816	301.426	354.328	366.946	422.829	284.220
TOTAL (I+II+III+IV+V)	Principal	1,824.612	1,534.237	1,903.024	2,073.797	2,251.233	3,202.480	5,194.822	4,169.742	3,953.796
	Interest	759.326	716.665	709.268	735.994	949.132	1,091.754	1,242.236	1,616.690	1,458.769
	Total (P+I)	2,583.938	2,250.902	2,612.292	2,809.791	3,200.365	4,294.234	6,437.058	5,786.432	5,412.565
VI. OTHERS										
1. NBP	Principal	3.055	-	-	-	-	-	-	-	-
	Interest	0.048	-	-	-	-	-	-	-	-
2. Bank of Indosuez	Principal	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-	-
3. NBP Bahrain	Principal	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-	-
4. ANZ Bank	Principal	75.000	-	-	-	-	-	-	-	-
	Interest	2.784	-	-	-	-	-	-	-	-
5. US Dollar Bonds	Principal	21.903	-	-	-	-	-	-	-	-
	Interest	0.301	-	-	-	-	-	-	-	-
6. Cash (ST)	Principal	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-	-
7. OTF	Principal	-	-	-	-	-	-	-	-	-
	Interest	-	-	0.192	0.160	-	-	-	-	-
8 Exchange Loss	Principal	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	19.354	-
9 Unspent Balance	Principal	-	-	-	-	10.686	0.000		5.278	1.649
	Interest	-	-	-	-	-	-	-	-	
TOTAL (VI)	Principal	99.958	-	-	-	10.686	-	-	5.278	1.649
	Interest	3.133	-	0.192	0.160	-	-	-	19.354	-
TOTAL (I+II+III+IV+V+VI)	Principal	1,924.570	1,534.237	1,903.024	2,073.797	2,261.919	3,202.480	5,194.822	4,175.020	3,955.445
	Interest	762.459	716.665	709.460	736.154	949.132	1,091.754	1,242.236	1,636.044	1,458.769
Grand Total (P+I)		2,687.029	2,250.902	2,612.484	2,809.951	3,211.051	4,294.234	6,437.058	5,811.064	5,414.214

Note: Exclusive of IMF Loans

Source: Economic Affairs Division

TABLE 9.5

TERMS OF FOREIGN LOANS/CREDITS CONTRACTED BY PAKISTAN

Lending Country/Agency		2008-09 Amount ($ Million)	2008-09 Interest Rate/ Commission(%)	2008-09 Amortization (years)	2009-10 Amount ($ Million)	2009-10 Interest Rate/ Commission(%)	2009-10 Amortization (years)
A.	Paris Club Countries						
	1. Germany	138.3	0.75	40	20.3	0.75	40
	2. Japan				249.4	1.2	30
	3. France	98.3	LIBOR EURO 6 Months + 200bps	20	103.6	1.6	20
	4.Italy						
	Sub-Total (A):	236.6			373.3		
B.	Non-Paris Club						
	1. China	800.0	0-5	10-15	1,979.8	6 and LIBOR 3 Months + 1.1	19-25
	2. Kuwait				49.9	1 Fixed	25
	3. Saudi Arabia	125.2	3.25	3	380.0	2 and LIBOR 3 Months + 0.5	3-20
	4. Korea	205.2	1.50	30-40			
	5. UAE						
	Sub-Total (B):	1,130.4			2,409.7		
C.	Multilateral						
	1. IDB (ST)	596.5	LIBOR+2.5	1	572.3	LIBOR + 2.5	1
	2. IDB	287.8	LIBOR + 0.55 and 1.5	18-26	362.2	5.1 US SWAP RATE 15 YRS +1.2	15-20
	3. IDA	1,528.7	0.75	35	508.4	0.75 Fixed	35
	4. ADB	1,759.7	1.5 and LIBOR 6 Months + 0.6	20-30	711.8	1.5 and LIBOR 6 Months + 0.6	20-30
	5. OPEC	66.3	LIBOR + 1.85	20	31.1	1.75 Fixed	20
	6. IBRD	173.4	LIBOR 6 Months + 0.75	30			
	7. IFAD				18.8	0.75 Fixed	26
	8. EIB				149.5	LIBOR 6 Months + 0.15	35
	Sub-Total (C):	4,412.4			2,354.1		
	Total (A+B+C)	5,779.4			5,137.1		

Lending Country/Agency		2010-11 Amount ($ Million)	2010-11 Interest Rate/ Commission(%)	2010-11 Amortization (years)	2011-12 Amount ($ Million)	2011-12 Interest Rate/ Commission(%)	2011-12 Amortization (years)
A.	Paris Club Countries						
	1. Germany						
	2. Japan	237.4	.01 Fixed	30	62.8	0.01 Fixed	30
	3.France	103.9	LIBOR 6 Months + 0.25	15-18			
	4. Italy	53.5	-	19	72.7	Free	40
	Sub-Total (A)	394.8			135.5		
B.	Non-Paris Club						
	1. China	213.7	2 Fixed	18-20	851.1	2 Fixed	12-14
	2. Kuwait	42.6	1 Fixed	25			
	3. Saudi Arabia	100.0	LIBOR 12 Months +0.85	1	100.0	LIBOR 12 months + 1.25	10
	4. Korea						
	Sub-Total (B)	356.3			951.1		
C.	Multilateral						
	1. IDB Short-term				256.0		
	2. IDB	220.0	1 Fixed	15			
	3. IDA	603.0	3.95 and 0.75 Fixed	25	1,703.3	1.68 Fixed	25
	4. ADB	892.6	1.5 and LIBOR 6 Months + 0.6	18-30	504.9	1.5 and LIBOR 6 months + 0.6	16
	5. OPEC						
	6.IBRD	261.4	LIBOR 6 Months + 0.75	25	500.0	LIBOR 6 months + 1	
	7. IFAD				40.0	0.75	40
	8. EIB						
	9. E.C.O. T / BANK	10.0	LIBOR 6 Months + 1.5	7			
	Sub-Total (C)	1,987.0			3,004.2		
	Total (A+B+C)	2,738.1			4,090.7		

(Contd.)

TABLE 9.5

TERMS OF FOREIGN LOANS/CREDITS CONTRACTED BY PAKISTAN

Lending Country/Agency	2012-13			2013-14		
	Amount	Interest Rate/	Amortization	Amount	Interest Rate/	Amortization
	$ Million	Commission(%)	years	$ Million	Commission(%)	years
A. Paris Club Countries						
1. Germany				27.3	0.75 Fixed	40
2. Japan				49.3	LIBOR Yen 6 Month + 0.34	40
3.France				83.3	EIBOR+0.93	20
4. Italy	88.9	LIBOR 6 months + 0.93	15			
Sub-Total A	88.9			159.9		
B. Non-Paris Club						
1. China	448.0	LIBOR 6 months + 2.8	10	6,493.8	1 , 2 and 6 Fixed	28 to 30
2. Kuwait						
3. Saudi Arabia	100.0	LIBOR 12 months + 1.25	10	282.8	LIBOR 12 months + 1.25 and 2 Fixed	For Fixed 6 and for LIBOR 25
4. Korea						
Sub-Total B	548.0			6,776.6		
C. Multilateral						
1. IDB Short-term				1,006.5	5.25 Fixed, LIBOR 12 Months + 4.5, LIBOR 6 Months + 4.5, LIBOR Euro 12 Months+2.3	1
2. IDB	227.0	LIBOR 6 months + 1.35	24	264.4	2 to 2.5 Fixed	25
3. IDA	242.9	1.25 Fixed	25	1,554.1	1.25 to 2 Fixed	30
4. ADB	170.8	1.5 & LIBOR 6 months + 0.6	20-28	2,148.8	2 Fixed & LIBOR 6 months + 0.6	30
5. OPEC				50.0	1.75 Fixed	25
6.IBRD						
7. IFAD						
8. EIB				136.5	LIBOR + spread, Euribor + spread and Fixed (multiple rates for multiple tranches)	30
9. E.C.O BANK				30.0	LIBOR 6 MONTHS + 2	1
Sub-Total C	640.7			5,190.3		
D. Commercial Banks						
1. SCB (London)				172.5	LIBOR 3 Months + 4	1
2. SUISSE AG, UBL, ABL				200.0	LIBOR 3 Months + 4	1
Sub-Total (D)	-			372.5		
E. Commercial Banks						
1. Bonds 2019				1,000.0	7.25 Fixed	5
2. Bonds 2024				1,000.0	8.25 Fixed	10
3. Sukuk 2019				-		
Sub-Total (E)	-			2,000.0		
Total (A+B+C+D+E)	1,277.6			14,499.2		

Lending Country/Agency	2014-15			2015-16		
	Amount	Interest Rate/	Amortization	Amount	Interest Rate/	Amortization
	$ Million	Commission(%)	years	$ Million	Commission(%)	years
A. Paris Club Countries						
1. Germany				44.6	0.75 Fixed	40
2. Japan				109.8	LIBOR Yen 6 Months + 0.1	30 to 40
3.France				46.3	EIBOR + 0.25	20
4. Italy						
5. Korea				139.8	0.10 Fixed	40
Sub-Total A	-			340.4		
B. Non-Paris Club						
1. China	37.7	Fixed 2	20	9,422.7	2 and 5.2 Fixed	18 to 20
2. Kuwait						
3. Saudi Arabia				55.0	2 Fixed	20
Sub-Total B	37.7			9,477.7		
C. Multilateral						
1. IDB Short-term	488.8	5.0126 Fixed, LIBOR 6 Months 4.5, LIBOR EURO 12 Months	1	1,237.0	4.9 Fixed, LIBOR 12 months + 4.5 to 5.5	1
2. IDB				100.0	2 Fixed, LIBOR 6 months +1.35	16
3. IDA	1,425.4	1.25 to 2 Fixed	30	1,598.6	1.83 to 2 Fixed	24
4. ADB	762.1	2 Fixed & LIBOR 6 Months + 0.6	30	1,713.1	2 Fixed & LIBOR 6 months + 0.6	6 to 24
5. OPEC						
6. IBRD				100.0	LIBOR 6 months + 0.75	18
7. IFAD	31.6	Fixed 0.75		67.9		8
8. EIB						
9. E.C.O BANK				35.0	LIBOR 6 months + 2.5	1
10. AIIB				100.0	LIBOR 6 months + 0.75	20
Sub-Total C	2,707.9			4,951.6		
D. Commercial Banks						
1. SCB (London)	100.1	LIBOR 3 Months + 4.25	4			
2. SUISSE AG, UBL, ABL				983.0	LIBOR 3 months +2.66 & 3.25	1
3. DUBAI BANK				125.0	LIBOR 6 months + 2.5	1
4. NOOR BANK PJSC				340.0	LIBOR 3 months + 3.75 & 4.1	1
Sub-Total (D)	100.1			1,448.0		
E. Commercial Banks						
1. Bonds 2019						
2. Bonds 2024						
3. Sukuk 2019	1,000.0	6.75 Fixed	5			
4. Bonds 2025				500.0	8.25 Fixed	10
Sub-Total (E)	1,000.0			500.0		
Total (A+B+C+D+E)	3,845.7			16,717.7		

Source: Economic Affairs Division

TABLE 9.5

TERMS OF FOREIGN LOANS/CREDITS CONTRACTED BY PAKISTAN

Lending Country/Agency	2016-17			2017-18		
	Amount	Interest Rate/	Amortization	Amount	Interest Rate/	Amortization
	$ Million	Commission(%)	years	$ Million	Commission(%)	years
A. Paris Club Countries						
1. Germany						
2. Japan	23.8	Fixed 0.1 & LIBOR Yen 06 Months + 0.1	30			
3.France	114.0	LIBOR EURO 06 Months + 0.52	20	192.1	LIBOR EURO 06 Months + 0.47 & 0.52	20
4. Italy						
5. Korea	76.3	Fixed 0.1	40			
Sub-Total A	214.1			192.1		
B. Non-Paris Club						
1. China*	729.4	Fixed 2 & LIBOR 06 Months + 2.8	20	500.0	LIBOR 12 Months + 1	2
2. Kuwait				14.9	Fixed 2.5	21
3. Saudi Arabia						
Sub-Total B	729.4			514.9		
C. Multilateral						
1. IDB Short-term	700.0	LIBOR 12 Months + 2.22	1	694.4	Fixed 4 & LIBOR 12 Months + 2.22	1
2. IDB						
3. IDA	761.2	1.88 to 3.2 Fixed	25	1,386.3	Fixed 2 to 3.36	25
4. ADB	2,001.0	2 Fixed & LIBOR 6 Months + 0.6	25	1,589.6	Fixed 2 & LIBOR 6 Months + 0.6	24
5. OPEC						
6. IBRD	690.0	LIBOR 6 Months + 0.5 & 0.75	21	855.0	LIBOR 6 Months + 0.75	21
7. IFAD	50.0	Fixed 1.75	20	82.6	Fixed 0.75	40
8. EIB						
9. E.C.O BANK	40.0	LIBOR 6 Months + 1.9	2			
10.AIIB	300.0	LIBOR 6 Months + 0.75	20			
Sub-Total C	4,542.2			4,607.9		
D. Commercial Banks						
1. SCB (London)	700.0	Fixed 4.47	10	200.0	LIBOR 12 Months + 1.4	1
2. SUISSE AG, UBL, ABL	1,000.0	LIBOR 6 Months + 2 to 3	1 & 9	1,200.0	LIBOR 3 Months + 2	1
3. DUBAI BANK				80.0	LIBOR 3 Months + 2.6	2
4. NOOR BANK PJSC	445.0	LIBOR 3 Months + 2.3 to 2.5	2	220.0	LIBOR 3 Months + 2	1
5. BANK OF CHINA SR.BD.	300.0	LIBOR 3 Months + 2.93	3	200.0	LIBOR CHF 3 MONTHS + 2	3
6. CHINA DEV BANK	1,700.0	LIBOR 6 Months + 3.02	3	1,000.0	LIBOR 3 Months + 3	3
7. CITI BANK	275.0	LIBOR 3 Months + 2.7	2	267.0	LIBOR 3 Months + 2.7	2
8. ICBC-CHINA	300.0	LIBOR 3 Months + 2.75	2	1,000.0	LIBOR 3 Months + 3.25	3
Sub-Total (D)	4,720.0			4,167.0		
E. Bonds						
1. Sukuk 2021	1,000.0	Fixed 5.5	5			
2. Bonds 2027				1,500.0	Fixed 6.875	10
3. Sukuk 2022				1,000.0	Fixed 5.625	5
Sub-Total (E)	1,000.0			2,500.0		
Total (A+B+C+D+E)	11,205.7			11,981.9		

* China SAFE Deposit

Source: Economic Affairs Division

TABLE 9.5

TERMS OF FOREIGN LOANS/CREDITS CONTRACTED BY PAKISTAN

Lending Country/Agency	2018-19 (Jul-Mar)		
	Amount	Interest Rate/	Amortization
	$ Million	Commission(%)	years
A. Paris Club Countries			
1.France	146.0	LIBOR EURO 6 MONTH +0.25	20
Sub-Total A	146.0		
B. Non-Paris Club			
1. China *	2,000.0	LIBOR 12 Months +1	1
Sub-Total B	2,000.0		
C. Multilateral			
1. IDB Short-term	375.0	LIBOR 12 Months + 2.7	1
2. IDA	96.6		
3. ADB	355.0	LIBOR 6 Months + 0.6	25
4. E.C.O BANK	40.0	LIBOR 12 Months + 1.9	1
Sub-Total C	866.6		
D. Commercial Banks			
1. SUISSE AG, UBL, ABL	245.0	LIBOR 3 Months + 3.25	1
2. DUBAI BANK	185.0	LIBOR 12 Months + 2	1
3. CHINA DEV BANK	2,235.1	SHIBOR 6 Months + 2.5	3
4. ICBC-CHINA	300.0	LIBOR 6 Months + 2.75	2
5. AJMAN BANK PJSC	77.0	LIBOR 6 Months + 2.20	1
Sub-Total (D)	3,042.1		
Total (A+B+C+D)	6,054.7		

* China SAFE Deposit

Source: Economic Affairs Division

TABLE 9.6

GRANT ASSISTANCE AGREEMENTS SIGNED

($ Million)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 (Jul-Mar)
I. Paris Club Countries											
1. Australia	-	-	-	-	-	-	-	-	-	-	-
2. Austria	-	-	-	-	-	-	-	-	-	-	-
3. Canada	5.5	-	-	-	-	-	-	-	-	-	-
4. France	-	-	-	-	0.5	3.4	-	6.5	-	-	-
5. Germany	-	68.4	11.3	28.8	13.1	18.4	9.0	56.8	1.1	11.6	5.6
6. Japan	41.6	39.8	67.8	13.6	28.4	19.2	79.7	38.1	10.7	26.2	3.0
7. The Netherlands	-	-	-	-	-	-	-	-	-	-	-
8. Norway	-	4.4	5.0	-	12.4	-	-	-	-	-	-
9. Korea	-	1.5	5.0	-	-	-	-	-	-	-	-
10. Switzerland	-	-	1.3	-	-	-	-	-	-	-	-
11. UK	142.5	363.4	89.0	408.9	1,173.3	-	534.4	-	49.8	-	-
12. USA	377.4	1,046.1	1,215.3	-	70.0	150.0	-	43.0	677.3	-	-
13. Italy	-	-	-	-	-	-	-	-	-	-	-
14. Denmark	-	-	24.8	-	-	-	-	-		-	-
Sub-Total (I)	567.0	1,523.6	1,419.5	451.4	1,297.6	191.0	623.0	144.5	738.9	37.8	8.6
II. Non Paris Club Countries											
1. China	-	-	249.5	20.7	11.4	-	123.9	4.5	-	21.2	-
2. Iran	-	-	-	-	-	-	-	-	-	-	-
3. UAE	-	-	-	-	-	-	-	-	-	-	-
4. Oman	-	-	-	-	-	-	-	-	-	-	-
5. Saudi Arabia	-	-	-	-	-	26.7	-	53.5			16.10
Sub-Total (II)	-	-	249.5	20.7	11.4	26.7	123.9	58.0	-	21.2	16.10
III. Multilateral											
1. ADB	-	-	3.0	3.0	-	-	-	247.6	3.5	19.2	4.0
2. EEC / EU	25.2	80.2	144.6	37.7	19.6	200.7	-	230.2			129.2
3. Islamic Development Bank	-	-	0.3	-	-	-	-	0.6	0.3		-
4. IDA	5.5	-	18.5	8.0	-	9.0	-	-			2.00
5. IBRD	-	-	-	61.0	39.4	18.1	127.2	-	111.2	15.6	-
6. IFAD	-	-	-	-	-	-	0.5	-	-	-	-
7. UN and Specialised Agencies	-	-	-	-	-	2.4	-	-	-	-	-
8. UNDP Special Grant	-	-	-	-	-	-	-	-	-	-	-
9. World Food Programme	-	-	-	-	-	-	-	-	-	-	-
10. UNFPA	-	-	-	-	-	-	-	-	-	-	-
Sub-Total (III)	30.7	80.2	166.4	109.7	59.0	230.2	127.8	478.3	114.9	34.8	135.2
IV. Relief Assistance for											
A. Afghan Refugees	2.2	2.7	6.1	6.4	4.2	-	1.0	1.3	1.1	1.9	0.37
B. Earthquake								-	-	-	-
1. Afghanistan	-	-	-	-	-	-	-	-	-	-	-
2. Algeria	-	-	-	-	-	-	-	-	-	-	-
3. Austria	-	-	-	-	-	-	-	-	-	-	-
4. Azerbaijan	-	-	-	-	-	-	-	-	-	-	-
5. Bhutan	-	-	-	-	-	-	-	-	-	-	-
6. Brunei	-	-	-	-	-	-	-	-	-	-	-
7. China	-	-	-	-	-	-	-	-	-	-	-
8. Cyprus	-	-	-	-	-	-	-	-	-	-	-
9. Indonesia	-	-	-	-	-	-	-	-	-	-	-
10. Jordan	-	-	-	-	-	-	-	-	-	-	-
11. Malaysia	-	-	-	-	-	-	-	-	-	-	-
12. Morocco	-	-	-	-	-	-	-	-	-	-	-
13. Oman	-	-	-	-	-	-	-	-	-	-	-
14. Pak-Turk foundation	-	-	-	-	-	-	-	-	-	-	-
15. Saudi Arabia	-	-	-	-	-	-	-	-	-	-	-
16. South Korea	-	-	-	-	-	-	-	-	-	-	-
17. Thailand	-	-	-	-	-	-	-	-	-	-	-
18. Turkey for FATA TDPs	10.0	-	-	-	-	-	-	-	10.0	-	-
19. UK	-	-	-	-	-	-	-	-	-	-	-
20. ADB	-	-	-	-	-	-	-	-	-	-	-
21. WB (IDA)	-	-	-	-	10.0	-	-	-	-	-	-
22. Germany	-	-	-	-	-	-	-	-	-	-	-
23. IDB	-	-	-	-	-	-	-	-	-	-	-
24. Mauritius	-	-	-	-	-	-	-	-	-	-	-
Sub-Total (IV)	12.2	2.7	6.1	6.4	14.2	-	1.0	1.3	11.1	1.9	0.37
Grand Total (I+II+III+IV)	609.9	1,606.5	1,841.6	588.3	1,382.3	447.9	875.6	682.1	864.9	95.7	160.2

Source : Economic Affairs Division

TABLE 9.7

TOTAL LOANS AND CREDITS CONTRACTED

($ Million)

Lending Country/Agency	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 (Jul-Mar)
A. Paris Club Countries											
1. Austria	-	-	-	-	-	-	-	-	-	-	-
2. Australia	-	-	-	-	-	-	-	-	-	-	-
3. Belgium	-	-	-	-	-	-	-	-	-	-	-
4. Canada	-	-	-	-	-	-	-	-	-	-	-
5. France	98.0	103.6	103.9	-	88.9	83.3	-	46.3	114.0	192.1	146.0
6. Germany	138.0	20.3	-	-	-	27.3	-	44.6		-	5.6
7. Japan	-	249.4	237.4	62.8	-	49.3	-	109.8	23.8	-	3.0
8. Korea	205.0	-	-	-	-	-	-	139.8	76.3	-	-
9. Netherlands	-	-	-	-	-	-	-	-	-	-	-
10. Norway	-	-	-	-	-	-	-	-	-	-	-
11. Spain	-	-	-	-	-	-	-	-	-	-	-
12. UK	-	-	-	-	-	-	-	-	-	-	-
13. USA	-	-	-	-	-	-	-	-	-	-	-
14. Italy	-	-	53.5	72.7	-	-	-	-	-	-	-
15. Sweden	-	-	-	-	-	-	-	-	-	-	-
Sub-Total (A)	441.0	373.3	394.8	135.5	88.9	159.9	-	340.4	214.1	192.1	154.6
B. Non-Paris Club Countries											
1. China	800.0	1,979.8	213.7	851.1	448.0	6,493.8	37.7	9,422.7	729.4	500.0	2,000.0 *
2. Kuwait	-	49.9	42.6	-	-	-	-	-	-	14.9	
3. Saudi Arabia	125.0	380.0	100.0	100.0	100.0	282.8	-	55.0	-	-	16.10
4. Turkey (EXIM Bank)	-	-	-	-	-	-	-	-	-	-	-
5. Abu Dhabi Fund	-	-	-	-	-	-	-	-	-	-	-
Sub-Total (B)	925.0	2,409.7	356.3	951.1	548.0	6,776.6	37.7	9,477.7	729.4	514.9	2,016.1
C. Multilateral											
1. IBRD	173.4	-	261.4	500.0	-	-	-	100.0	690.0	855.0	-
2. IDA	1,529.0	508.4	603.0	1,703.3	242.9	1,554.1	1,425.4	1,598.6	761.2	1,386.3	129.2
3. ADB	1,760.0	711.8	892.6	504.9	170.8	2,148.8	762.1	1,713.1	-	1,589.6	359.0
4. IFAD	-	18.8	-	40.0	-	-	31.6	67.9	-	82.6	-
5. European Investment Bank	-	149.5	-	-	-	136.5	-	-	-	-	98.6
6. ECOTDB	-	-	10.0	-	-	30.0	-	35.0	40.0	-	40.0
7. OPEC Fund	66.0	31.1	-	-	-	50.0	-	-	50.0	-	-
8. IDB	288.0	362.2	220.0	-	227.0	264.4	-	100.0	-	-	-
9. SCB (Singapore)	-	-	-	-	-	-	-	-	-	-	-
10.IDB (ST)	597.0	572.3	-	256.0	-	1,006.5	488.8	1,237.0	700.0	694.4	375.0
11.AIIB	-	-	-	-	-	-	-	100.0	300.0	-	-
12.ADB	-	-	-	-	-	-	-		2,001.0	-	-
Sub-Total (C)	4,413.4	2,354.1	1,987.0	3,004.2	640.7	5,190.3	2,707.9	4,951.6	4,542.2	4,607.9	1,001.8
D. Bonds											
1. Bonds	-	-	-	-	-	2,000.0	1,000.0	500.0	1,000.0	2500	-
Sub-Total (D)	-	-	-	-	-	2,000.0	1,000.0	500.0	1,000.0	2500	-
E. Commercial Banks											
1. SCB London	-	-	-	-	-	172.5	100.1	-	700.0	200.0	-
2. Dubai Bank	-	-	-	-	-	-	-	125.0		80.0	185.0
3. Noor Bank	-	-	-	-	-	-	-	340.0	445.0	220.0	-
4. SUISSE AG, UBL, ABL	-	-	-	-	-	200.0	-	983.0	1000.0	1,200.0	245.0
5. BANK OF CHINA SR.BD	-	-	-	-	-	-	-	-	300.0	200.0	-
6. CHINA DEV BANK	-	-	-	-	-	-	-	-	1700.0	1,000.0	2,235.1
7. ICBC-CHINA	-	-	-	-	-	-	-	-	300.0	1,000.0	300.0
8. CITI BANK	-	-	-	-	-	-	-	-	275.0	267.0	-
9. AJMAN BANK PJSC	-	-	-	-	-	-	-	-	-	-	77.0
Sub-Total (E)	-	-	-	-	-	372.5	100.1	1,448.0	4,720.0	4,167.0	3,042.1
Grand-Total (A+B+C+D+E)	5,779.4	5,137.1	2,738.1	4,090.7	1,277.6	14,499.2	3,845.7	16,717.7	11,205.7	11,981.9	6,214.5

* China SAFE Deposit

Source : Economic Affairs Division

Note: Total may differ due to rounding off

EDUCATION

TABLE 10.1

NUMBER OF EDUCATIONAL INSTITUTIONS BY KIND, LEVEL & SEX

Numbers

Year	Primary* Schools (000)		Middle Schools (000)		High Schools (000)		Technical & Vocational Institutions		Higher Sec/ Inter Colleges		Degree Colleges		Univer-sities
	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total
2000-01	147.7	54.3	25.5	12.0	14.8	4.6	630	236	1,710	691	366	171	59
2001-02	149.1	55.3	26.8	12.8	15.1	4.6	607	239	1,784	731	376	177	74
2002-03	150.8	56.1	28.0	13.5	15.6	4.8	585	230	1,855	768	386	186	96
2003-04	155.0	57.6	28.7	13.9	16.1	5.1	624	228	1,989	822	426	206	106
2004-05	157.2	58.7	30.4	14.8	16.6	5.3	747	328	1,604	684	677	331	108
2005-06	157.5	59.8	39.4	19.3	22.9	8.1	3,059	1,475	2,996	1,484	1,135	664	111
2006-07	158.4	60.9	40.1	17.5	23.6	9.0	3,090	1,491	3,095	1,420	1,166	631	120
2007-08	157.4	64.9	40.8	20.6	24.0	9.0	3,125	1,507	3,213	1,642	1,202	700	124
2008-09	156.7	63.4	40.9	20.4	24.3	9.2	3,159	1,523	3,242	1,707	1,336	733	129
2009-10	157.5	60.6	41.3	19.5	24.8	10.6	3,192	2,182	3,329	1,763	1,439	821	132
2010-11	155.5	58.2	41.6	20.4	25.2	9.5	3,224	2,206	3,435	1,690	1,558	814	135
2011-12	154.7	57.0	41.9	21.0	28.7	11.6	3,257	2,229	4,515	2,184	1,384	643	139
2012-13	159.7	60.1	42.2	21.4	29.9	12.3	3,290	2,253	5,030	2,410	1,534	683	147
2013-14	157.9	60.3	42.9	21.1	30.6	12.6	3,323	2,276	5,179	2,462	1,086	518	161
2014-15	165.9	66.0	44.8	22.4	31.3	13.1	3,579	1,819	5,393	2,567	1,410	308	163
2015-16	164.6	65.3	45.7	27.0	31.7	15.6	3,746	1,514	5,470	1,437	1,418	260	163
2016-17	168.9	59.1	49.1	27.9	31.6	14.7	3,798	1,536	5,130	2,689	1,431	344	185
2017-18 (P)	172.2	66.6	46.8	27.1	31.0	14.1	3,740	1,123	5,231	2,490	1,657	839	186
2018-19 (E)	174.9	67.7	47.8	27.7	31.2	14.2	3,842	1,154	5,273	2,510	1,684	852	-

P : Provisional E: Estimated *: Including Pre-Primary, Mosque Schools and Non-Formal Education

Notes:

1. All figures include Public and Private Sector data
2. Figures of 2018-19 are based on estimation
3. Female institution includes percentage of mixed institutions

Sources:

1. Figures of Primary, Middle, High and Higher Sec. From 2000-01 to 2017-18 is based on Annual Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad.
2. Figures of Inter Colleges and Degree Colleges from 2000-01 to 2003-04 is based on Pakistan Economic Survey.
3. Figures of Private School data from 2004-05 onward is based on Annual Pakistan Education, Statistics Reports NEMIS, AEPAM, Islamabad.
4. Figures of Private School data from 2000-01 to 2004-05 is based on 'Census of Private Education Institution 1999-2000', Federal Burea of Statistics, Islamabad.
5. Figures of Pravate Schools data from 2005-06 is based on 'National Education Census, 2005', NEMIS, AEPAM, Islamabad.
6. Figures of Technical and Vocational from 2000-01 to 2002-03 is based on Pakistan Economic Survey.
7. Figures and Technical and Vocational from 2003-04 onward is based on Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad.
8. Figures of Universities is provided by Higher Education Commission (HEC), Islamabad.

TABLE 10.2

ENROLMENT IN EDUCATIONAL INSTITUTIONS BY KIND, LEVEL & SEX

Year	Primary Stage I-V in 000		Middle Stage VI-VIII in 000		High Stage IX-X in 000		Technical & Vocational in 000		Higher Sec/ Inter Colleges in 000		Degree Colleges Numbers		Universities Numbers	
	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female
2000-01	14,105	5,559	3,759	1,706	1,565	675	83	14	582	283	305,200	149,600	124,944	36,699
2001-02	14,560	5,871	3,821	1,506	1,574	644	83	15	582	285	300,400	148,000	276,274	101,770
2002-03	15,094	6,132	3,918	1,551	1,589	658	94	19	625	306	320,800	158,400	331,745	128,066
2003-04	16,207	6,606	4,321	1,737	1,800	709	105	14	691	338	329,007	163,059	423,236	178,723
2004-05	18,190	7,642	4,612	1,885	1,936	780	114	21	307	141	453,275	220,118	471,964	195,555
2005-06	17,757	7,710	5,322	2,191	2,188	905	239	90	891	444	355,705	209,806	521,473	212,997
2006-07	17,993	7,848	5,431	2,264	2,373	974	251	94	942	473	380,012	224,263	605,885	255,695
2007-08	18,360	8,032	5,427	2,279	2,484	1,022	256	96	960	452	383,810	226,517	741,092	342,125
2008-09	18,468	8,144	5,414	2,298	2,556	1,071	265	99	1,074	508	366,518	222,850	803,507	356,233
2009-10	18,772	8,320	5,504	2,337	2,583	1,078	273	102	1,166	495	383,954	217,621	935,599	426,323
2010-11	18,063	7,971	5,644	2,421	2,630	1,103	281	106	1,188	408	431,180	218,374	1,107,682	521,284
2011-12	18,677	7,905	6,020	2,573	2,753	1,155	290	109	1,294	367	497,152	222,098	1,319,799	642,198
2012-13	18,790	8,278	6,188	2,653	2,898	1,215	302	113	1,400	395	641,539	234,006	1,594,648	805,062
2013-14	19,441	8,567	6,461	2,798	3,109	1,303	309	117	1,234	497	674,451	326,858	1,594,648	805,062
2014-15	19,847	8,778	6,582	2,843	3,501	1,493	320	112	1,665	662	1,144,826	171,324	1,299,160	602,550
2015-16	21,551	9,534	6,922	3,026	3,653	1,580	315	112	1,698	675	937,132	86,134	1,355,649	602,509
2016-17	21,686	9,660	6,996	3,088	3,583	1,541	345	120	1,595	618	956,395	89,512	1,463,279	667,912
2017-18 (P)	22,886	10,064	7,343	3,263	3,850	1,687	433	148	1,752	798	503,858	283,182	1,575,793	695,028
2018-19 (E)	23,884	10,502	7,617	3,385	4,103	1,798	471	161	1,840	838	482,231	271,027	1,572,067	693,384

P : Provisional E : Estimated

Notes:
1. All figures include Public and Private Sector data
2. Figures of 2018-19 is based on estimation
3. Enrolment of Deeni Madaris and Non-Formal Education are included.

Sources:
1. Figures of Primary, Middle, High and Higher Sec. From 2000-01 to 2017-18 is based on Annual Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad.
2. Figures of Inter Colleges and Degree Colleges from 2000-01 to 2003-04 is based on Pakistan Economic Survey.
3. Figures of Private School data from 2004-05 onward is based on Annual Pakistan Education, Statistics Reports NEMIS, AEPAM, Islamabad.
4. Figures of Private School data from 2000-01 to 2004-05 is based on 'Census of Private Education Institution 1999-2000', Federal Burea of Statistics, Islamabad.
5. Figures of Pravate Schools data from 2005-06 is based on 'National Education Census, 2005', NEMIS, AEPAM, Islamabad.
6. Figures of Technical and Vocational from 2000-01 to 2002-03 is based on Pakistan Economic Survey.
7. Figures and Technical and Vocational from 2003-04 onward is based on Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad.
8. Figures of Universities is provided by Higher Education Commission (HEC), Islamabad.

TABLE 10.3

NUMBER OF TEACHERS IN EDUCATIONAL INSTITUTIONS IN PAKISTAN, BY KIND, LEVEL & SEX

Year	Primary Schools* in 000		Middle Schools in 000		High Schools in 000		Technical & Vocational Institutions Numbers		Higher Sec/ Inter Colleges Numbers		Degree Colleges Numbers		Universities Numbers
	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total
2000-01	408.9	183.6	209.7	127.8	260.3	125.3	9,441	1,959	48,054	21,506	11,019	4,218	5,988
2001-02	413.9	183.5	230.1	139.3	270.2	126.1	7,192	1,863	55,146	23,016	10,598	4,164	5,160
2002-03	433.5	191.7	236.3	145.8	278.0	131.9	7,273	1,623	57,681	24,146	11,164	4,410	6,180
2003-04	432.2	195.3	239.4	146.6	276.9	134.2	7,042	1,325	57,881	24,190	11,245	4,505	37,428
2004-05	450.1	206.5	246.7	151.5	282.1	138.6	7,356	1,450	57,661	24,366	15,653	6,690	37,469
2005-06	454.2	210.6	310.8	201.6	417.1	209.9	14,565	4,658	69,425	33,959	20,568	10,485	37,509
2006-07	456.0	212.6	313.5	203.3	421.7	213.0	14,622	4,676	71,246	34,996	20,768	10,587	44,537
2007-08	452.6	216.0	320.6	208.2	429.9	219.7	14,914	4,770	74,223	36,162	20,971	10,690	46,893
2008-09	465.3	216.2	320.5	209.0	439.3	225.5	15,264	5,061	76,184	37,149	21,176	10,794	52,833
2009-10	441.7	208.9	331.5	216.6	447.1	230.4	15,338	4,905	77,248	37,595	30,754	14,313	57,780
2010-11	440.5	210.1	335.0	220.3	452.8	235.3	15,591	4,993	81,183	39,378	36,349	16,181	63,557
2011-12	427.4	198.6	351.4	233.9	458.7	271.3	15,847	5,079	97,633	52,746	40,191	16,815	70,053
2012-13	428.8	209.1	362.6	241.5	489.6	287.2	16,109	5,168	132,011	71,121	48,809	19,319	77,557
2013-14	420.1	209.5	364.8	243.6	500.5	296.3	16,377	5,259	124,336	58,867	25,964	7,599	77,557
2014-15	430.9	218.9	380.8	256.1	514.2	306.2	19,393	5,353	118,079	63,569	36,587	7,239	88,288
2015-16	444.6	226.3	394.2	270.3	529.5	318.0	18,157	4,384	123,061	66,528	37,082	7,379	83,375
2016-17	475.2	258.9	455.4	325.7	560.6	342.6	18,207	4,304	120,336	63,386	37,857	7,541	58,733
2017-18 (P)	519.0	271.3	438.6	314.0	556.6	339.0	18,207	4,304	121,946	65,562	42,061	9,858	56,885
2018-19 (E)	540.8	282.7	457.0	327.2	571.8	348.3	18,681	4,416	120,086	62,593	40,898	9,585	53,853

P : Provisional **E : Estimated** *** : Including Pre-primary, Mosque Schools, BECS and NCHD**

Notes:
1. All figures include Public and Private Sector data
2. Figures of 2018-19 is based on estimation

Sources:
1. Figures of Primary, Middle, High and Higher Sec. From 2000-01 to 2017-18 is based on Annual Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad.
2. Figures of Inter Colleges and Degree Colleges from 2000-01 to 2003-04 is based on Pakistan Economic Survey.
3. Figures of Private School data from 2004-05 onward is based on Annual Pakistan Education, Statistics Reports NEMIS, AEPAM, Islamabad.
4. Figures of Private School data from 2000-01 to 2004-05 is based on 'Census of Private Education Institution 1999-2000', Federal Burea of Statistics, Islamabad.
5. Figures of Pravate Schools data from 2005-06 is based on 'National Education Census, 2005', NEMIS, AEPAM, Islamabad.
6. Figures of Technical and Vocational from 2000-01 to 2002-03 is based on Pakistan Economic Survey.
7. Figures and Technical and Vocational from 2003-04 onward is based on Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad.
8. Figures of Universities is provided by Higher Education Commission (HEC), Islamabad.

HEALTH AND NUTRITION

TABLE 11.1
NATIONAL MEDICAL AND HEALTH ESTABLISHMENTS, Progressive (Calendar Year Basis)

Number

Year	Hospitals	Dispen-saries	BHUs Sub Health Centres	Maternity & Child Health Centres	Rural Health Centres	TB Centres	Total Beds	Population per Bed
2000	876	4,635	5,171	856 *	531	274	93,907	1,456
2001	907	4,625	5,230	879 *	541	272	97,945	1,427
2002	906	4,590	5,308	862	550	285	98,264	1,454
2003	906	4,554	5,290	907	552	289	98,684	1,479
2004	916	4,582	5,301	906	552	289	99,908	1,492
2005	919	4,632	5,334	907	556	289	101,490	1,483
2006	924	4,712	5,336	906	560	288	102,073	1,508
2007	945	4,755	5,349	903	562	290	103,285	1,544
2008	948	4,794	5,310	908	561	293	103,037	1,575
2009	968	4,813	5,345	906	572	293	103,708	1,592
2010	972	4,842	5,344	909	577	304	104,137	1,701
2011	980	5,039	5,449	851	579	345	107,537	1,647
2012	1,092	5,176	5,478	628	640	326	111,802	1,616
2013	1,113	5,413	5,471	687	667	329	118,378	1,557
2014	1,143	5,548	5,438	670	669	334	118,170	1,591
2015	1,172	5,695	5,478	733	684	339	119,548	1,604
2016	1,243	5,971	5,473	755	668	345	124,821	15,65
2017	1,264	5,654	5,505	727	688	431	131,049	15,85
2018	1,279	5,671	5,527	747	686	441	132,227	1,608

P : Provisional data in respect of Punjab province

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

TABLE 11.2

REGISTERED MEDICAL AND PARAMEDICAL PERSONNEL (Progressive) AND EXPENDITURE ON HEALTH, (Calendar Year Basis)

Number

Year	Regis-tered Doctors *	Regis-tered Dentists *	Regis-tered Nurses *	Register-ed Mid-wives	Register-ed Lady Health Visitors	Population per		Expenditure (Mln. Rs)**	
						Doctor	Dentist	Develop-ment	Non-Deve-lopment
2000	92,838	4,165	37,528	22,525	5,443	1,529	33,629	5,944	18,337
2001	97,260	4,612	40,019	22,711	5,669	1,516	31,579	6,688	18,717
2002	102,644	5,058	44,520	23,084	6,397	1,466	29,405	6,609	22,205
2003	108,164	5,531	46,331	23,318	6,599	1,404	27,414	8,500	24,305
2004	113,309	6,128	48,446	23,559	6,741	1,359	25,107	11,000	27,000
2005	118,113	6,734	51,270	23,897	7,073	1,310	25,297	16,000	24,000
2006	123,146	7,438	57,646	24,692	8,405	1,254	20,839	20,000	30,000
2007	128,042	8,215	62,651	25,261	9,302	1,245	19,417	27,228	32,670
2008	133,925	9,012	65,387	25,534	10,002	1,212	18,010	32,700	41,100
2009	139,488	9,822	69,313	26,225	10,731	1,184	16,814	37,860	41,000
2010	144,901	10,508	73,244	27,153	11,510	1,222	16,854	18,706	23,382
2011	152,368	11,649	77,683	30,722	12,621	1,162	15,203	26,250	28,870
2012	160,880	12,692	82,119	31,503	13,678	1,123	14,238	33,471	92,486
2013	167,759	13,716	86,183	32,677	14,388	1,099	13,441	58,736	114,680
2014	175,223	15,106	90,276	33,687	15,325	1,073	12,447	69,134	130,188
2015	184,711	16,652	94,766	34,668	16,448	1,038	11,513	78,071	147,260
2016	195,896	18,333	99,228	36,326	17,384	997	10,658	101,726	190,170
2017	208,007	20,463	103,777	38,060	18,400	957	9,730	88,270	248,020
2018***	220,829	22,595	108,474	40,272	19,910	963	9,413	24,025	179,717

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 2018 = 2018-19
*** : Expenditure figure for the year 2018 are for the period (Jul-Mar) 2018-19

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 (0-4 YEARS), (Calendar Year Basis)

Nos. in 1000

Vaccine/doze.	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
B.C.G.	6,133.4	5,924.9	5,813.3	6,062.0	6,186.4	6,150.8	5,848.5	6,233.7	6,356.5	6,608.4
POLIO 0	3,650.0	3,773.1	3,844.4	4,200.3	4,464.2	4,746.2	4,796.7	5,120.1	5,420.8	5,818.8
I	5,884.9	5,852.6	5,698.5	5,822.8	5,905.2	5,838.7	5,743.6	5,990.7	6,001.4	6,138.1
II	5,402.7	5,526.7	5,356.0	5,445.9	5,538.9	5,494.8	5,387.8	5,537.9	5,618.4	6,138.1
III	5,277.4	5,422.4	5,218.1	5,330.5	5,398.0	5,369.4	5,257.4	5,378.7	5,455.2	5,672.4
IV	-	-	-	-	-	-	-	-	-	-
BR	35.8	81.3	86.1	-	-	-	-	-	-	-
COMBO										
I	-	-	-	-	-	-	-	-	-	-
II	-	-	-	-	-	-	-	-	-	-
III	-	-	-	-	-	-	-	-	-	-
D.P.T										
I	-	-	-	-	-	-	-	-	-	-
II	-	-	-	-	-	-	-	-	-	-
III	-	-	-	-	-	-	-	-	-	-
BR	-	-	-	-	-	-	-	-	-	-
H.B.V										
I	-	-	-	-	-	-	-	-	-	-
II	-	-	-	-	-	-	-	-	-	-
III	-	-	-	-	-	-	-	-	-	-
Pentavalent										
I	5,925.0	5,862.9	5,606.3	5,773.2	5,921.6	5,843.5	5,713.7	5,933.6	6,009.0	5,526.7
II	5,461.3	5,555.1	5,266.8	5,400.2	5,552.8	5,491.0	5,353.2	5,532.2	5,625.0	6,139.5
III	5,338.5	5,407.3	5,129.2	5,275.6	5,411.6	5,370.8	5,225.9	5,371.7	5,472.0	5,676.0
T.T										
I	4,919.8	5,050.2	5,089.9	5,361.9	5,157.2	4,536.5	5,048.2	4,569.7	4,690.3	4,874.9
II	3,791.7	4,065.1	4,121.0	4,279.0	4,235.0	3,708.5	4,063.1	3,934.9	3,993.8	4,103.6
III	937.8	897.0	812.9	815.1	783.2	577.7	586.7	398.5	191.4	192.5
IV	284.9	268.2	234.4	229.8	312.3	185.4	157.9	97.8	51.9	57.9
V	168.9	165.0	127.2	128.4	130.1	105.8	86.6	56.8	27.5	30.7
MEASLES	5,297.4	5,299.6	8,211.3	9,085.8	4,490.3	5,370.8	5,192.1	5,516.8	5,606.5	5,455.4
II	1,806.3	2,799.7	2,799.7	-	5,622.7	4,536.5	4,193.5	4,684.7	4,710.9	4,734.0
Pneumococcal (PCV10)										
I	-	-	-	-	3,588.7	5,526.3	5,641.8	5,884.3	5,994.4	5,528.7
II	-	-	-	-	3,195.3	5,197.4	5,388.6	5,505.8	5,605.1	6,135.8
III	-	-	-	-	3,008.4	5,072.4	5,175.9	5,374.9	5,470.6	5,673.4

Source: Ministry of Health
Pakistan Bureau of Statistics

- : not available

B.C.G. Bacilus+Calamus+Guerin

D.P.T Diphteira+Perussia+Tetanus

T.T Tetanus Toxoid

Note: The DPT from the year 2007 onward has discontinued and is replaced by Combo - a combination of DPT and HBV

TABLE 11.4

DOCTOR CONSULTING FEE IN VARIOUS CITIES

In rupees

Period*	Faisal-abad	Gujran-wala	Hyder-abad	Islam-abad	Karachi	Lahore	Pesha-war	Quetta	Rawal-pindi	Sukkur	Average
AVERAGE DOCTOR CALL FEE IN VARIOUS CITIES											
2000	40.00	40.00	33.75	33.13	32.40	38.93	30.00	107.50	32.92	30.00	41.86
2001	40.00	40.00	33.75	33.13	33.00	41.96	43.33	107.50	33.75	30.00	43.64
2002	40.00	50.00	30.00	33.13	35.00	41.25	43.33	95.00	33.96	30.00	43.17
2003	40.00	50.00	31.25	45.00	36.35	41.96	50.00	100.00	38.75	30.00	46.33
2004	41.25	50.00	33.00	45.00	36.25	41.96	50.00	100.00	38.75	30.00	46.62
2005	41.25	50.00	33.75	46.25	38.08	44.29	50.00	100.00	42.08	30.00	47.57
2006	41.25	50.00	33.75	55.00	41.73	52.68	50.00	100.00	43.75	50.00	51.81
2007	43.75	50.00	50.00	55.00	55.00	52.68	50.00	120.00	43.75	75.00	59.52
2008	75.00	65.00	50.00	75.00	80.00	63.21	100.00	130.00	61.67	75.00	77.49
2009	75.00	65.00	50.00	75.00	93.85	68.93	100.00	120.00	61.67	75.00	78.45
2010	75.00	75.00	60.00	90.00	93.85	68.93	125.00	130.00	71.67	100.00	88.95
2011	80.00	75.00	68.75	100.00	93.85	70.00	166.67	180.00	85.00	100.00	101.93
2012	90.00	75.00	80.00	200.00	100.00	70.36	191.61	200.00	110.00	100.00	121.70
2013	90.00	75.00	100.00	146.25	100.00	100.00	225.00	200.00	135.00	100.00	127.13
2014	90.00	75.00	100.00	175.00	100.00	100.00	220.83	200.00	166.67	100.00	132.75
2015	125.00	75.00	100.00	175.00	100.00	100.00	266.67	200.00	166.67	100.00	140.83
2016	125.00	75.00	100.00	175.00	100.00	100.00	266.67	200.00	166.67	100.00	140.83
2017**	135.42	77.08	100.00	220.83	141.28	100.00	266.67	200.00	212.50	100.00	155.38
2018**	250.00	100.00	100.00	225.00	173.39	118.75	266.67	200.00	216.67	135.42	178.59

* : These estimates are of the month of November of the respective year

Source: Pakistan Bureau of Statistics

POPULATION LABOUR FORCE & EMPLOYMENT

TABLE 12.1

POPULATION

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)	Growth Rate
2000	139.55	28.97	40.38	37.22	-	-	-	2.60
2001	142.76	28.48	41.23	38.00	-	-	-	2.61
2002	146.02	29.61	43.01	39.45	27.03	8.20	85.00	-
2003	149.32	29.61	43.88	40.25	27.30	8.00	83.00	1.90
2004	152.66	30.41	45.95	42.42	27.80	8.70	79.90	-
2005	156.04	30.41	46.82	43.22	-	-	-	-
2006	159.46	32.22	50.50	47.37	26.10	7.10	76.70	-
2007	162.91	31.82	50.78	48.07	25.50	7.90	72.40	1.76
2008	166.41	32.17	52.23	49.52	25.00	7.70	70.20	1.73
2009	169.94	32.81	55.76	52.71	28.40	7.60	73.50	2.08
2010	173.51	32.98	57.22	54.05	28.00	7.40	72.00	2.05
2011	177.10	32.98	58.41	55.17	27.50	7.30	70.50	2.03
2012	180.71	32.83	59.33	55.80	27.20	7.20	69.00	2.00
2013	184.35	32.88	60.35	56.58	26.80	7.00	67.50	1.97
2014	188.02	32.28	60.09	56.52	26.40	6.90	66.10	1.95
2015	191.71	32.30	61.04	57.42	26.10	6.80	64.60	1.92
2016	195.40	-	-	-	25.60	6.70	63.20	1.89
2017	207.77	-	-	-	25.40	6.40	-	2.40 ^
2018	212.82 *	31.70 **	65.50 **	61.71 **	25.20 *	6.30 *	62.00 *	2.40 *

- : Not available

* : Projected Data (NIPS)

** : Data taken from Labour Force Survey 2017-18

^ : 2.40 is average annual growth rate covering period of 1998-2017

Note: Labour Force Survey has not been conducted for the last two years (2015-16 and 2016-17) due to Population Census

Sources : Pakistan Bureau of Statistics
Ministry of Planning, Development & Reforms

TABLE 12.2

POPULATION IN RURAL / URBAN AREAS

Population in Million

Year	All Areas	Male	Female	Rural areas	Urban areas
2000	139.96	72.65	67.11	93.63	46.13
2001	142.86	74.23	68.63	95.36	47.50
2002	146.02	75.69	70.33	97.76	48.26
2003	149.32	77.38	71.93	99.74	49.57
2004	152.66	79.10	73.57	101.34	51.33
2005	156.04	80.83	75.21	102.12	53.92
2006	159.46	82.57	76.88	103.66	55.80
2007	162.91	84.34	78.57	105.20	57.72
2008	166.41	86.13	80.28	106.73	59.68
2009	169.94	87.94	82.01	108.08	61.87
2010	173.51	89.76	83.75	109.41	64.09
2011	177.10	91.59	85.51	110.73	66.37
2012	180.71	93.43	87.28	112.02	68.69
2013	184.35	95.29	89.06	113.28	71.07
2014	188.02	97.16	90.86	115.52	72.50
2015	191.71	99.04	92.67	116.52	75.19
2016	195.40	100.92	94.49	117.48	77.93
2017*	207.77	106.44	101.31	132.18	75.58
2018	212.82	109.03	103.77	135.39	77.42

Source: Ministry of Planning, Development & Reforms
National Institute for Population Studies (NIPS)

* : Provisional results of Census Year 2017

TABLE 12.3

POPULATION IN URBAN, RURAL AREAS 1972, 1981, 1998 AND 2017 CENSUS

In Thousands

Region/ Province	Population* Total Both Sexes	Male	Female	Urban Both Sexes	Male	Female	Rural Both Sexes	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	28,424	15,232	13,192	183
Sindh	14,156	7,574	6,582	5,726	3,131	2,595	8,430	4,443	3,987	100
Khyber Pakhtunkhwa	8,388	4,363	4,026	1,196	647	549	7,193	3,716	3,477	113
Balochistan	2,429	1,290	1,139	399	218	181	2,029	1,071	958	7
FATA	2,491	1,266	1,225	13	8	5	2,478	1,258	1,220	92
					1981 CENSUS					
PAKISTAN	84,253	44,232	40,021	23,841	12,767	11,074	60,412	31,465	28,947	106
Islamabad	340	185	155	204	113	91	136	72	64	376
Punjab	47,292	24,860	22,432	13,052	6,952	6,100	34,241	17,909	16,332	230
Sindh	19,029	9,999	9,030	8,243	4,433	3,810	10,786	5,566	5,220	135
Khyber Pakhtunkhwa	11,061	5,761	5,300	1,665	898	767	9,396	4,863	4,533	148
Balochistan	4,332	2,284	2,048	677	371	306	3,655	1,913	1,742	13
FATA	2,199	1,143	1,056	-	-	-	2,199	1,143	1,056	81
					1998 CENSUS					
PAKISTAN	132,352	68,874	63,478	43,036	22,752	20,284	89,316	46,122	43,194	166
Islamabad	805	434	371	529	291	238	276	143	133	889
Punjab	73,621	38,094	35,527	23,019	12,071	10,948	50,602	26,023	24,579	359
Sindh	30,440	16,098	14,342	14,840	7,904	6,935	15,600	8,193	7,407	216
Khyber Pakhtunkhwa	17,744	9,089	8,655	2,994	1,589	1,405	14,750	7,500	7,250	238
Balochistan	6,566	3,057	3,059	1,569	849	719	4,997	2,657	2,340	19
FATA	3,176	1,652	1,524	85	46	39	3,091	1,606	1,485	117
					2017 CENSUS^					
PAKISTAN	207,774	106,449	101,314	75,584	39,149	36,428	132,189	67,300	64,886	-
Islamabad	2,006	1,055	951	1,014	540	475	992	516	475	-
Punjab	110,012	55,958	54,046	40,387	20,760	19,621	69,625	35,197	34,425	-
Sindh	47,886	24,927	22,956	24,910	13,008	11,900	22,975	11,919	11,056	-
Khyber Pakhtunkhwa	30,523	15,467	15,054	5,730	2,972	2,757	24,793	12,495	12,298	-
Balochistan	12,344	6,483	5,860	3,401	1,794	1,607	8,944	4,690	4,253	-
FATA	5,001	2,556	2,445	142	74	67	4,860	2,481	2,378	-

- : Not available

Source: Pakistan Bureau of Statistics

* : This population does not include the population of AJK and Gilgit Baltistan

** : Adjusted due to transfer of some mouzas from Rawalpindi to Islamabad district

^ : Provisional results of Census Year 2017

Note : Total may differ due to rounding off figures

TABLE 12.4

POPULATION BY AGE, IN URBAN, RURAL AREAS 1981 AND 1998 CENSUS

In Thousands

Age (in years)	Total			Rural			Urban		
	Both	Male	Female	Both	Male	Female	Both	Male	Female
	1981 Census								
All ages	82,055	43,090	38,965	58,214	30,323	27,891	23,841	12,767	11,074
0- 4	12,574	6,200	6,373	8,995	4,387	4,608	3,579	1,813	1,766
5- 9	13,142	6,811	6,331	9,591	4,973	4,618	3,552	1,839	1,713
10-14	10,803	5,857	4,946	7,684	4,204	3,480	3,119	1,653	1,467
15-19	7,763	4,193	3,571	5,223	2,828	2,395	2,540	1,365	1,175
20-24	6,228	3,270	2,958	4,119	2,111	2,008	2,108	1,159	950
25-29	5,479	2,891	2,588	3,760	1,948	1,812	1,719	944	776
30-34	4,617	2,388	2,229	3,226	1,631	1,595	1,391	757	634
35-39	4,197	2,121	2,077	2,922	1,452	1,469	1,276	668	608
40-44	3,865	1,937	1,928	2,733	1,332	1,402	1,132	606	526
45-49	3,076	1,610	1,466	2,194	1,121	1,074	882	490	392
50-54	2,966	1,638	1,328	2,170	1,179	991	796	459	337
55-59	1,611	859	751	1,187	618	569	424	242	182
60-64	2,216	1,299	917	1,667	973	695	549	327	222
65-69	987	555	431	755	420	334	232	135	97
70-74	1,161	678	484	900	526	374	261	152	109
75 and above	1,369	782	588	1,088	622	466	281	160	121
	1998 Census*								
All ages	129,176	67,222	61,954	86,225	44,516	41,709	42,951	22,705	20,245
0- 4	19,118	9,761	9,357	13,534	6,907	6,627	5,584	2,854	2,730
5- 9	20,215	10,571	9,644	14,211	7,466	6,745	6,004	3,105	2,899
10-14	16,732	8,909	7,822	11,106	5,973	5,133	5,625	2,935	2,690
15-19	13,400	6,909	6,490	8,553	4,396	4,158	4,846	2,514	2,333
20-24	11,588	5,815	5,773	7,402	3,610	3,791	4,186	2,205	1,981
25-29	9,521	4,879	4,643	6,092	3,024	3,067	3,429	1,854	1,575
30-34	8,040	4,232	3,807	5,083	2,604	2,479	2,956	1,628	1,328
35-39	6,167	3,254	2,912	3,846	1,984	1,862	2,320	1,270	1,050
40-44	5,745	2,931	2,815	3,660	1,812	1,848	2,086	1,119	967
45-49	4,563	2,360	2,203	2,995	1,512	1,483	1,569	849	720
50-54	4,148	2,201	1,948	2,776	1,459	1,318	1,372	742	630
55-59	2,777	1,505	1,272	1,868	1,001	867	909	504	405
60-64	2,637	1,418	1,219	1,838	987	851	799	431	368
65-69	1,554	850	704	1,076	585	491	478	265	214
70-74	1,408	778	631	1,022	564	458	386	214	172
75 and above	1,563	849	714	1,162	632	531	400	217	183

* : Figures regarding FATA is not included

Source: Pakitan Bureau of Statistics

Note: Figures will be updated after the release of final result of Population Census 2017

TABLE 12.5

POPULATION OF PAKISTAN BY PROVINCE, LAND AREA AND PERCENTAGE DISTRIBUTION 1951-2017

	Area	Population (In thousand)					
	Sq km	1951	1961	1972	1981	1998	2017
PAKISTAN	796,096	33,740	42,880	65,309	84,254	132,352	207,774
	(100)	(100)	(100)	(100)	(100)	(100)	(100)
Khyber Pakhtunkhwa	74,521	4,557	5,731	8,388	11,061	17,744	30,523
	(9.4)	(13.5)	(13.4)	(12.8)	(13.1)	(13.4)	(15.0)
FATA	27,220	1,332	1,847	2,491	2,199	3,176	5,001
	(3.4)	(3.9)	(4.3)	(3.8)	(2.6)	(2.4)	(2.0)
Punjab	205,345	20,541	25,464	37,607	47,292	73,621	110,012
	(25.8)	(60.9)	(59.4)	(57.6)	(56.1)	(55.6)	(53.0)
Sindh	140,914	6,048	8,367	14,156	19,029	30,440	47,886
	(17.7)	(17.9)	(19.5)	(21.7)	(22.6)	(23.0)	(23.0)
Balochistan	347,190	1,167	1,353	2,429	4,332	6,566	12,344
	(43.6)	(3.5)	(3.2)	(3.7)	(5.1)	(5.0)	(6.0)
Islamabad	906	96	118	238	340	805	2,006
	(0.1)	(0.3)	(0.3)	(0.4)	(0.4)	(0.6)	(1.0)

Note : Percentage distribution is given in parenthesis

Source: Pakistan Bureau of Statistics

TABLE 12.6

LITERACY RATIOS OF POPULATION BY SEX, REGION AND URBAN/RURAL AREAS, 1998 AND 1981 CENSUS

	Total			Urban			Rural		
	1998		1981	1998		1981	1998		1981
Sex	15 Years & Above	10 Years & Above	10 Years & Above	15 Years & Above	10 Years & Above	10 Years & Above	15 Years & Above	10 Years & Above	10 Years & Above
Pakistan									
Both	41.0	43.9	26.2	60.5	63.1	47.1	30.4	33.6	17.3
Male	53.0	54.8	35.1	68.7	70.0	55.3	44.0	46.4	26.2
Female	28.0	32.0	16.0	51.0	55.2	37.3	16.2	20.1	7.3
Islamabad									
Both	69.7	72.4	47.8	75.2	77.3	57.6	58.4	62.5	32.5
Male	79.5	80.6	59.1	82.2	83.2	65.8	73.2	75.1	48.1
Female	57.7	62.4	33.5	65.9	69.7	46.8	42.1	48.8	14.7
Punjab									
Both	43.4	46.6	27.4	61.9	64.5	46.7	34.5	38.0	20.0
Male	55.2	57.2	36.8	69.8	70.9	55.2	47.9	50.4	29.6
Female	30.8	35.1	16.8	53.0	57.2	36.7	20.5	24.8	9.4
Sindh									
Both	43.9	45.3	31.4	62.6	63.7	50.8	23.9	25.7	15.6
Male	54.5	54.5	39.7	70.0	69.8	57.8	37.2	37.9	24.5
Female	32.0	34.8	21.6	54.9	56.7	42.2	9.8	12.2	5.2
Khyber Pakhtunkhwa									
Both	31.5	35.4	16.7	51.0	54.3	35.8	27.2	31.3	13.2
Male	48.2	51.4	25.9	65.5	67.5	47.0	44.1	47.7	21.7
Female	14.6	18.8	6.5	33.9	39.1	21.9	10.6	14.7	3.8
Balochistan									
Both	22.4	24.8	10.3	43.4	46.9	32.2	15.2	17.5	6.2
Male	32.5	34.0	15.2	55.9	58.1	42.4	24.0	25.8	9.8
Female	11.0	14.1	4.3	28.0	33.1	18.5	5.6	7.9	1.7
FATA									
Both	-	17.4	6.4	-	39.3	-	-	16.8	6.4
Male	-	29.5	10.9	-	59.7	-	-	28.6	10.9
Female	-	3.0	0.8	-	12.0	-	-	2.8	0.8

FATA: Federally Administered Tribal Areas **Source: Pakistan Bureau of Statistics**

- : Not available

Note: Literacy Ratio will be updated after the release of final result of Population Census 2017

TABLE 12.7

LAND AREA, POPULATION AND PERCENTAGE DISTRIBUTION

Population in Thousand

Region / Years		Area Sq. Kms	1951	1981	1998	2013	2014	2015	2016	2017	2017 (Census)	2018
Pakistan		796,096	33,740	84,254	132,352	184,349	188,019	191,708	195,390	199,110	207,774	212,821
		100	100	100	100	100	100	100	100	100	100	100
i.	Punjab	205,345	20,541	47,292	73,621	100,174	102,005	103,837	105,670	107,490	110,012	112,380
		25.79	60.88	56.13	55.63	54.34	54.25	54.16	54.08	53.98	53.0	52.8
ii.	Sindh	140,914	6,048	19,029	30,440	44,080	45,032	45,988	46,960	47,910	47,886	49,054
		17.70	17.93	22.59	23.00	23.91	23.95	23.98	24.03	24.06	23.0	23.0
iii.	Khyber Pakhtunkhwa	74,521	4,556	11,061	17,744	24,788	25,308	25,836	26,360	26,900	30,523	31,418
		9.36	13.50	13.13	13.41	13.45	13.46	13.47	13.49	13.51	15.0	14.8
iv.	Balochistan	347,190	1,167	4,332	6,566	9,495	9,717	9,942	10,160	10,410	12,344	17,291
		43.61	3.46	5.14	4.96	5.15	5.17	5.18	5.19	5.22	6.0	8.1
v.	FATA	27,220	1,332	2,199	3,176	4,410	4,516	4,623	1,510	4,840	5,001	5,123
		3.42	3.95	2.61	2.40	2.39	2.40	2.41	0.77	2.43	2.0	2.4
vi.	Islamabad	906	96	340	805	1,401	1,441	1,479	4,730	1,560	2,006	2,107
		0.11	0.28	0.40	0.61	0.76	0.77	0.77	2.42	0.78	1.00	1.00

Sources : Ministry of Planning, Development & Reforms
Pakistan Bureau of Statistics
National Institute for Population Studies (NIPS)

TABLE 12.8

PERCENTAGE DISTRIBUTION OF POPULATION OF 10 YEARS AND ABOVE AND CIVILIAN LABOUR FORCE BY GENDER YEAR 2017-18

Percent Share

	Population			Civilian Labour Force								
				Total Civilian Labour Force			Employed			Unemployed		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
PAKISTAN	100	50.45	49.55	44.28	34.30	9.98	41.72	32.56	9.16	2.56	1.74	0.82
Rural	100	49.80	50.20	47.14	34.29	12.85	44.77	32.67	12.10	2.37	1.62	0.75
Urban	100	51.49	48.51	39.71	34.33	5.38	36.84	32.40	4.44	2.87	1.93	0.94
Punjab	100	49.25	50.75	47.89	34.44	13.45	45.03	32.58	12.45	2.86	1.86	1.00
Rural	100	48.55	51.45	52.12	34.48	17.64	49.32	32.68	16.64	2.80	1.80	1.00
Urban	100	50.38	49.62	41.10	34.37	6.73	38.15	32.43	5.73	2.95	1.94	1.00
Sindh	100	53.51	46.49	42.27	36.64	5.63	40.19	35.20	4.99	2.08	1.44	0.64
Rural	100	53.50	46.50	46.06	38.20	7.86	44.81	37.33	7.48	1.25	0.87	0.38
Urban	100	53.51	46.49	38.85	35.23	3.62	36.03	33.28	2.75	2.82	1.95	0.87
Khyber Pakhtunkhwa	100	48.43	51.57	35.42	29.57	5.85	32.88	27.55	5.33	2.54	2.02	0.52
Rural	100	48.13	51.87	35.53	29.26	6.27	33.07	27.28	5.80	2.46	1.98	0.47
Urban	100	49.75	50.25	34.96	30.95	4.01	32.07	28.81	3.26	2.89	2.14	0.75
Balochistan	100	55.60	44.40	38.98	35.48	3.50	37.39	34.48	2.91	1.59	1.00	0.60
Rural	100	56.24	43.76	40.54	36.86	3.68	39.12	35.50	3.63	1.42	1.36	0.05
Urban	100	53.94	46.06	34.96	31.91	3.05	32.91	30.85	2.06	2.05	1.06	0.99

Source: Pakistan Bureau of Statistics
Labour Force Survey 2017-18

TABLE 12.9

LABOUR FORCE AND EMPLOYMENT

In Million

Mid Year	2007-08	2008-09	2009-10	2010-11	2011-12*	2012-13	2013-14	2014-15	2017-18
Population	165.45	168.99	172.57	176.20	180.71	183.57	186.19	189.19	206.62
Rural	103.08	104.38	105.70	107.00	120.10	121.66	121.56	123.36	131.19
Urban	62.37	64.61	66.87	69.20	60.61	61.91	64.63	65.83	75.43
Working Age Population	117.83	121.42	124.06	126.60	129.84	132.07	132.24	134.99	147.91
Rural	76.28	78.28	80.08	81.77	83.87	84.96	83.62	85.60	91.02
Urban	41.55	43.14	43.98	44.83	45.97	47.11	48.62	49.39	56.89
Labour Force	53.22	55.91	56.92	57.84	59.33	59.74	60.10	61.04	65.50
Rural	37.19	38.82	39.56	40.12	41.15	41.23	41.14	41.95	42.91
Urban	16.03	17.09	17.36	17.72	18.18	18.15	18.96	19.09	22.59
Employed Labour Force	50.45	52.86	53.76	54.40	55.80	56.01	56.52	57.42	61.71
Rural	35.44	36.99	37.66	38.24	39.22	39.14	39.07	39.85	40.75
Urban	15.01	15.87	16.10	16.16	16.58	16.87	17.45	17.57	20.96
Unemployed Labour Force	2.77	3.05	3.16	3.44	3.53	3.73	3.58	3.62	3.79
Rural	1.75	1.83	1.90	1.88	1.93	2.09	2.06	2.10	2.15
Urban	1.02	1.22	1.26	1.56	1.60	1.64	1.52	1.52	1.64
Unemployment Rate (%)	5.20	5.46	5.55	5.95	5.95	6.24	6.00	5.90	5.80
Rural	4.71	4.73	4.82	4.68	4.68	5.08	5.01	5.00	5.00
Urban	6.34	7.11	7.21	8.84	8.84	8.83	8.02	8.00	7.20
Labour Force Partici-pation Rates (%)	32.17	32.81	32.98	32.83	32.83	32.88	32.28	32.30	31.70
Rural	33.84	34.29	34.50	34.26	34.26	34.23	33.84	34.00	32.70
Urban	28.87	29.87	29.99	29.99	29.99	30.21	29.35	29.00	30.00

* : Data supplied by Ministry of Planning, Development & Reforms

Source : Pakistan Bureau of Statistics (Labour Force Survey) Ministry of Planning, Development & Reforms

Note: Labour Force Survey has not been conducted for the last two years (2015-16 and 2016-17) due to Population Census

TABLE 12.10

POPULATION AND LABOUR FORCE

In Million

Years	Population	Crude Activity Rate(%)	Labour Force	Unemployed Labour Force	Employed Labour Force	Agriculture	Mining & Manufacturing	Construction	Electricity & Gas Distribution	Transport Storage & Communication	Whole-Sale & Retail Trade	Others
2000-01	142.86	28.97	41.38	3.24	38.14	18.47	4.40	2.21	0.26	1.92	5.15	5.73
2001-02	145.96	28.97	43.21	3.57	39.64	16.68	5.51	2.40	0.32	2.34	5.89	6.50
2002-03	149.03	28.97	44.12	3.65	40.47	17.03	5.63	2.45	0.33	2.39	6.01	6.63
2003-04	150.47	30.41	45.76	3.52	42.24	18.18	5.83	2.46	0.28	2.42	6.25	6.82
2004-05	153.96	30.41	46.82	3.60	43.22	18.60	5.96	2.52	0.29	2.48	6.39	6.98
2005-06	156.77	32.22	50.50	3.13	47.37	20.54	6.60	2.91	0.31	2.72	6.95	7.34
2006-07	161.98	31.82	51.55	2.75	48.80	21.29	6.66	3.21	0.37	2.63	7.03	7.61
2007-08	165.45	32.17	53.22	2.77	50.45	22.52	6.61	3.18	0.36	2.75	7.38	7.65
2008-09	168.99	32.81	55.91	3.05	52.86	23.63	6.89	3.46	0.36	2.74	8.63	7.15
2009-10	172.57	32.98	56.92	3.16	53.76	24.18	7.17	3.62	0.43	2.82	8.75	6.79
2010-11	176.20	32.83	57.84	3.44	54.40	24.51	7.51	3.78	0.26	2.78	8.78	6.78
2011-12*	180.71	32.83	59.33	5.95	55.80	25.14	7.70	3.88	0.27	2.85	8.28	7.68
2012-13	183.57	32.88	60.34	3.76	56.58	24.73	8.03	4.21	0.30	2.82	8.14	8.35
2013-14	186.19	32.28	60.10	3.58	56.52	24.57	8.00	4.15	0.27	3.07	8.24	8.21
2014-15	189.19	32.30	61.04	3.62	57.42	24.27	8.89	4.20	0.45	3.11	8.41	8.09
2017-18	206.62	31.70	65.50	3.79	61.71	23.76	10.05	4.70	0.45	3.50	9.21	10.05

* : Data supplied by Ministry of Planning, Development & Reforms

Note: Labour Force Survey was not conducted in the years 2000-01, 2002-03, 2004-05, 2011-12, 2015-16 and 2016-17.

Source: Ministry of Planning, Development & Reforms
Pakistan Bureau of Statistics
(Labour Force Survey)

TABLE 12.11

DISTRIBUTION OF EMPLOYED PERSONS OF 10 YEARS AGE AND ABOVE BY MAJOR INDUSTRIES

in Percentage

Years	Agricul-ture	Mining & Manu-facturing	Const-ruction	Electricity & Gas Distri-bution	Transport Storage & Commu-cation	Whole-Sale & Retail Trade	Others
2000-01	48.42	11.55	5.78	0.70	5.03	13.50	15.02
2001-02	42.09	13.91	6.05	0.81	5.90	14.85	16.39
2002-03	42.09	13.91	6.05	0.81	5.90	14.85	16.39
2003-04	43.05	13.80	5.83	0.67	5.73	14.80	16.12
2004-05	43.05	13.80	5.83	0.67	5.73	14.80	16.12
2005-06	43.37	13.93	6.13	0.66	5.74	14.67	15.49
2006-07	43.61	13.65	6.56	0.75	5.39	14.42	15.60
2007-08	44.65	13.11	6.29	0.70	5.46	14.62	15.17
2008-09	45.08	13.14	6.62	0.69	5.23	16.47	12.77
2009-10	44.96	13.34	6.74	0.80	5.24	16.28	12.64
2010-11	45.05	13.80	6.95	0.48	5.11	16.15	12.46
2011-12 *	-	-	-	-	-	-	-
2012-13	43.71	14.20	7.44	0.53	4.98	14.39	14.75
2013-14	43.48	14.16	7.33	0.48	5.44	14.58	14.53
2014-15	42.27	15.49	7.31	0.79	5.00	14.64	14.09
2017-18	38.50	16.28	7.61	0.73	5.67	14.92	16.29

- : Not available Source: Pakistan Bureau of Statistics

*: Labour Force Survey 2011-12 was not conducted

Note: Labour Force Survey has not been conducted for the last two years (2015-16 and 2016-17) due to Population Census

TABLE 12.12
PERCENTAGE DISTRIBUTION OF EMPLOYED PERSONS OF 10 YEARS AGE AND ABOVE BY MAJOR INDUSTRY 2017-18

In Percentage

	Major Industry Division	Pakistan			Punjab			Sindh			Khyper Pakhtunkhwa			Balochistan		
		Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban
	Total	100.0	66.03	33.97	100.0	67.48	32.52	100.0	52.84	47.16	100.0	81.80	18.20	100.0	75.39	24.61
1.	Agriculture, Forestry and Fishing	38.49	36.44	2.06	40.01	38.17	1.84	37.21	34.47	2.74	32.62	31.32	1.30	40.03	36.43	3.60
2.	Mining and Quarrying	0.23	0.21	0.03	0.04	0.02	0.01	0.23	0.20	0.03	0.30	0.27	0.03	2.95	2.76	0.19
3.	Manufacturing	16.05	7.37	8.68	17.74	8.82	8.91	15.48	3.56	11.92	12.03	8.96	3.07	5.55	2.93	2.62
4.	Electricity, Gas Steam and Air Conditioning Supply	0.41	0.15	0.26	0.32	0.12	0.19	0.62	0.09	0.52	0.34	0.23	0.11	0.79	0.59	0.20
5.	Water Supply, Sewerage, Waste, Management & Remediation Activity	0.32	0.14	0.17	0.23	0.07	0.16	0.42	0.20	0.22	0.47	0.34	0.13	0.62	0.38	0.24
6.	Construction	7.61	5.38	2.23	6.99	4.90	2.09	6.20	3.30	2.90	13.74	12.04	1.69	7.60	5.57	2.03
7.	Wholesale and Retail Trade, Repair of Motor Vehicles, Motorcycles	14.92	6.30	8.62	14.16	6.19	7.97	16.39	3.94	12.44	15.12	10.18	4.94	17.27	10.44	6.84
8.	Transport, storage	5.67	3.19	2.49	4.92	2.73	2.20	6.09	2.25	3.84	8.35	6.82	1.53	6.86	5.18	1.69
9.	Accomodation and Food Services Activities	1.97	0.90	1.07	1.94	0.91	1.04	2.11	0.64	1.47	1.52	0.95	0.57	2.97	2.22	0.75
10.	Information and Communication	0.52	0.09	0.42	0.53	0.09	0.44	0.64	0.06	0.58	0.32	0.17	0.15	0.23	0.09	0.13
11.	Financial and Insurance Activities	0.53	0.14	0.39	0.51	0.16	0.35	0.73	0.07	0.66	0.37	0.21	0.15	0.16	0.06	0.10
12.	Real Estate Activities	0.46	0.12	0.34	0.48	0.14	0.34	0.51	0.05	0.47	0.30	0.15	0.15	0.34	0.18	0.16
13.	Professional, Scientific and Technical Activities	0.53	0.21	0.32	0.63	0.25	0.38	0.35	0.07	0.28	0.50	0.32	0.19	0.16	0.07	0.09
14.	Administrative and Support Service Activities	0.53	0.20	0.34	0.49	0.18	0.31	0.65	0.12	0.53	0.61	0.42	0.19	0.34	0.22	0.12
15.	Public Administration and Defence Compulsory Scocial Security	2.49	1.00	1.49	1.98	0.73	1.26	3.24	0.89	2.35	2.56	1.80	0.77	5.65	3.48	2.17
16.	Education	4.05	1.91	2.14	3.52	1.47	2.05	4.33	1.69	2.64	5.98	4.38	1.60	4.82	2.67	2.15
17.	Human Health and Social Work Activities	1.56	0.65	0.90	1.36	0.58	0.78	1.79	0.48	1.31	2.03	1.26	0.77	1.78	0.97	0.81
18.	Arts, Entertainment & Recreation	0.18	0.08	0.10	0.24	0.11	0.13	0.07	0.03	0.04	0.14	0.04	0.10	0.03	0.01	0.02
19.	Other Services Activities	2.10	1.09	1.01	2.24	1.24	1.00	1.87	0.52	1.35	2.07	1.52	0.55	1.44	0.90	0.54
20.	Activities of Households as Employer; Undifferentiated Goods & Services - Producing Activities of Household for own use	1.34	0.47	0.88	1.64	0.59	1.06	1.08	0.21	0.87	0.61	0.42	0.19	0.39	0.24	0.14
21.	Activities Extraterritorial Organizations and Bodies	0.03	-	0.03	0.04	-	0.03	0.02	-	0.02	0.03	0.01	0.02	-	-	-

- : Not available

Source: Pakistan Bureau of Statistics
(Labour Force Survey 2017-18)

TABLE 12.13

AGE SPECIFIC LABOUR FORCE PARTICIPATION RATE

In Percentage

Age Group	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2012-13	2013-14	2014-15	2017-18
10 years & over										
Both Sexes	46.01	45.18	45.17	45.66	45.89	45.69	45.70	45.45	45.22	44.30
Male	71.97	70.14	69.54	69.31	68.83	68.70	68.89	68.07	67.78	68.00
Female	18.93	19.10	19.59	20.66	21.51	21.67	21.50	22.17	22.02	20.10
10-14										
Male	20.68	16.92	17.09	16.20	15.42	14.27	14.46	12.62	11.22	9.80
Female	9.21	9.18	9.69	9.48	9.24	8.83	7.98	8.37	7.71	6.40
15-19										
Male	60.87	56.29	53.94	52.74	52.68	51.59	51.16	49.68	47.55	47.60
Female	16.91	16.60	17.61	18.90	19.17	19.58	18.19	19.32	18.01	15.60
20-24										
Male	87.63	86.76	85.12	85.39	84.54	84.27	82.38	81.71	82.32	84.60
Female	20.67	20.66	20.98	22.76	23.88	24.20	24.41	25.14	25.74	23.30
25-34										
Male	97.03	97.16	96.90	97.19	96.89	97.42	96.73	96.91	97.33	97.00
Female	21.62	21.66	21.87	23.63	25.48	25.44	26.01	26.57	27.15	25.57
35-44										
Male	97.57	98.01	97.87	98.37	97.53	98.34	98.45	98.06	98.33	98.38
Female	25.07	25.93	26.75	27.67	27.88	29.46	28.72	30.00	29.43	27.97
45-54										
Male	96.37	96.62	96.65	96.69	96.96	97.29	97.02	97.13	97.24	96.77
Female	24.78	25.01	24.42	25.86	29.41	28.35	29.11	29.37	30.75	26.07
55-59										
Male	90.62	92.20	92.54	93.71	93.26	92.24	92.61	92.78	93.80	91.70
Female	22.84	22.45	25.53	26.37	27.98	26.27	26.60	27.48	27.29	23.40
60+										
Male	59.38	58.52	59.46	56.38	55.49	54.95	52.42	53.33	55.16	51.30
Female	14.69	15.70	15.50	15.22	13.54	14.62	13.58	12.77	11.95	11.50

Note: Labour Force Survey has not been conducted for the last two years (2015-16 and 2016-17) due to Population Census

Source: Pakistan Bureau of Statistics (Labour Force Surveys)

TABLE 12.14

DAILY WAGES OF CONSTRUCTION WORKERS IN DIFFERENT CITIES

In Pak Rupees

Category of workers and cities	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Carpenter										
Islamabad	625.00	650.00	687.50	775.00	900.00	1,000.00	1,200.00	1,200.00	1,250.00	1,300.00
Karachi	600.00	600.00	632.92	700.00	700.00	792.31	861.54	861.54	861.54	1,292.31
Lahore	527.00	582.00	611.17	682.14	682.14	780.36	830.36	830.36	925.00	1,100.00
Peshawar	500.00	500.00	508.33	608.33	666.67	741.67	800.00	800.00	1,000.00	1,000.00
Quetta	600.00	650.00	691.67	750.00	900.00	900.00	900.00	900.00	900.00	1,000.00
Mason (Raj)										
Islamabad	625.00	650.00	685.42	775.00	900.00	1,000.00	1,200.00	1,200.00	1,250.00	1,300.00
Karachi	650.00	650.00	662.50	800.00	800.00	861.54	1,061.54	1,061.54	1,061.54	1,430.77
Lahore	557.00	589.00	618.17	689.29	689.29	826.79	926.79	926.79	1,025.00	1,150.00
Peshawar	508.00	575.00	579.17	733.33	850.00	900.00	900.00	1,000.00	1,200.00	1,200.00
Quetta	600.00	750.00	816.67	900.00	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00	1,200.00
Labour (Unskilled)										
Islamabad	325.00	350.00	387.50	450.00	525.00	600.00	700.00	700.00	800.00	825.00
Karachi	375.00	375.00	410.42	500.00	500.00	530.00	630.77	663.46	719.23	932.69
Lahore	300.00	375.00	389.58	475.00	475.00	600.00	600.00	600.00	725.00	850.00
Peshawar	275.00	300.00	308.33	400.00	466.67	483.33	500.00	500.00	600.00	600.00
Quetta	300.00	350.00	397.92	425.00	550.00	550.00	550.00	550.00	550.00	700.00

Data pertains to month of November each year

Source: Pakistan Bureau of Statistics

TRANSPORT AND COMMUNICATIONS

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TABLE 13.1 A

LENGTH OF ROADS

In kilometers

Fiscal Year	Total	High Type	Low Type
2000-01	249,972	144,652	105,320
2001-02	251,661	148,877	102,784
2002-03	252,168	153,225	98,943
2003-04	256,070	158,543	97,527
2004-05	258,214	162,841	95,373
2005-06	259,021	167,530	91,491
2006-07	259,197	172,827	86,370
2007-08	259,038	175,000	84,038
2008-09	260,200	177,060	83,140
2009-10	260,040	180,190	79,850
2010-11	259,463	180,866	78,597
2011-12	261,595	181,940	79,655
2012-13	263,415	182,900	80,515
2013-14	263,755	184,120	79,635
2014-15	265,404	188,430	76,974
2015-16	265,905	190,355	75,550
2016-17	267,002	193,871	73,131
2017-18	268,935	197,452	71,483
2018-19 P	270,971	201,100	69,872

E : Estimated P: Provisional Data Source: National Transport Research Centre

TABLE 13.1 B

RAILWAYS

Fiscal Year	Locomo-tives (Nos.)	Freight Wagons (Nos.)	Route (Kms.)	Number of Passengers carried (Million)	Freight carried (Million Tonnes)	Freight Tonne (Million Kms.)	Gross Earnings (Rs. Million)
2000-01	610	23,893	7,791	68.80	5.89	4,520	11,938
2001-02	577	23,460	7,791	69.00	5.90	4,573	13,346
2002-03	577	23,722	7,791	72.40	6.18	4,830	14,810
2003-04	592	21,812	7,791	75.70	6.14	5,336	14,635
2004-05	557	21,556	7,791	78.18	6.41	5,532	18,027
2005-06	544	20,809	7,791	81.43	6.03	5,916	18,184
2006-07	544	19,638	7,791	83.89	6.42	5,453	19,195
2007-08	555	18,638	7,791	79.99	7.23	6,178	19,973
2008-09	551	17,259	7,791	82.54	6.94	5,896	23,160
2009-10	528	16,499	7,791	74.93	5.83	4,847	21,886
2010-11	528	18,468	7,791	64.90	2.61	1,757	18,740
2011-12	522	17,611	7,791	41.90	1.30	403	15,444
2012-13	493	16,635	7,791	42.00	1.00	419	18,071
2013-14	421	16,179	7,791	48.00	1.00	1,090	22,800
2014-15	458	15,452	7,791	52.90	3.60	3,301	31,924
2015-16	460	15,164	7,791	52.19	5.00	4,774	36,582
2016-17	455	16,085	7,791	52.39	5.63	5,031	40,065
2017-18	472	16,159	7,791	54.91	8.35	8,080	49,570
2018-19 Jul-Feb (P)	470	16,142	7,791	39.87	5.33	5,270	34,066

P : Provisional

Source: Ministry of Railways

TABLE 13.1 C

PAKISTAN NATIONAL SHIPPING CORPORATION (PNSC)

Fiscal Year	No. of Vessels	Dead Wt. Tonnes	Gross Earnings (Rs. Million)
2000-01	14	243,802	5,458.7
2001-02	14	243,749	4,555.5
2002-03	13	229,579	5,405.0
2003-04	14	469,931	6,881.9
2004-05	14	570,466	7,860.0
2005-06	15	636,182	7,924.6
2006-07	14	636,821	9,089.1
2007-08	14	636,821	10,753.5
2008-09	14	477,238	11,474.0
2009-10	10	633,273	8,738.8
2010-11	11	646,666	9,293.0
2011-12	9	610,167	8,875.3
2012-13	9	642,207	12,252.9
2013-14	9	642,207	15,726.5
2014-15	9	681,806	15,536.3
2015-16	9	681,806 *	12,543.0
2016-17	9	681,806	12,477.0
2017-18	9	681,806	10,070.2
2018-19 Jul-Mar	11	831,711	7,478

P: Provisional

Source: Pakistan National Shipping Corporation

* : Highest carring capacity since 1979 inception of PNSC

TABLE 13.1 D

PORTS-Cargo Handled

Fiscal	Karachi Port (000 tonnes)			Port Qasim (000 tonnes)			Gwadar Port (000 tonnes)		
Year	Total	Imports	Exports	Total	Imports	Exports	Total	Imports	Exports
2000-01	25,981	20,063	5,918	13,588	11,841	1,747	-	-	-
2001-02	26,692	20,330	6,362	13,317	10,932	2,385	-	-	-
2002-03	25,852	19,609	6,244	15,109	11,980	3,129	-	-	-
2003-04	27,813	21,732	6,081	14,123	11,264	2,859	-	-	-
2004-05	28,615	22,100	6,515	19,437	16,006	3,431	-	-	-
2005-06	32,270	25,573	6,697	21,573	17,588	3,985	-	-	-
2006-07	30,846	23,329	7,517	24,350	19,511	4,839	-	-	-
2007-08	37,192	25,517	11,675	26,424	21,607	4,817	-	63.6	-
2008-09	38,732	25,367	13,364	25,030	19,443	5,286	-	1,496.5	-
2009-10	41,420	27,892	13,528	25,626	19,226	6,380	-	1,261.8	-
2010-11	41,431	28,589	12,842	26,168	19,511	6,657	-	476.0	-
2011-12	37,875	26,201	11,674	24,025	18,075	5,950	-	1,426.0	-
2012-13	38,850	26,700	21,150	24,801	17,754	7,047	-	507.6	-
2013-14	41,350	30,343	11,007	25,775	18,076	7,699	-	649.0	-
2014-15	43,422	29,672	13,750	30,014	21,608	8,405	-	438.9	-
2015-16	50,045	34,594	15,451	33,321	25,857	7,464	-	50.6	-
2016-17	52,493	42,638	9,855	37,358	30,995	6,363	-	80.4	-
2017-18	54,685	41,669	13,016	45,555	38,471	7,084	-	24.1	-
2018-19 Jul-Mar (P)	35,361	24,945	10,415	36,580	31,293	5,287	7.3 *	4.0 *	3.3 *

P : Provisional - : Not available

*: July-December

Source: Karachi Port Trust
Port Qasim Authority
Gawardar Port Authority

TABLE 13.2

PAKISTAN INTERNATIONAL AIRLINES CORPORATION-Operational

Year	PIA Fleet No. of Planes	Available Seat (Million Kms.)	Route Kms.	Passenger Load Factor %	Available Tonne (Million Kms.)	Operating Expenses (Million Rs.)
2001	45	17,756	265,643	66.0	2,541	43,242
2002	44	15,776	257,858	68.0	2,242	38,097
2003	43	17,259	290,129	70.0	2,476	42,574
2004	42	20,354	354,664	66.0	2,973	55,872
2005	42	20,816	343,525	70.0	3,103	67,075
2006	42	22,092	446,570	69.0	3,369	79,164
2007	39	20,313	383,574	67.0	3,126	76,415
2008	44	18,528	311,131	71.0	2,934	120,499
2009	42	19,859	380,917	70.0	2,933	98,629
2010	40	21,219	424,570	74.0	3,091	106,811
2011	40	21,726	460,719	72.0	2,972	135,023
2012	38	19,850	448,120	70.0	2,859	133,930
2013	38	17,412	411,936	70.0	2,471	129,588
2014	34	16,537	389,455	72.0	2,396	114,944
2015	34	16,666	367,251	70.0	2,436	108,478
2016	37	19,201	382,057	72.0	2,798	121,863
2017	36	19,108	360,937	73.2	2,659	122,193
2018	32	18,081	332,303	77.3	2,521	170,447

(Contd.)

TABLE 13.2

PAKISTAN INTERNATIONAL AIRLINES CORPORATION-Revenue

Year	Revenue Passengers (Million Kms.)	Revenue Passengers Carried (000)	Revenue Load Factor (%)	Revenue Kilometers Flown (000)	Revenue Tonne (Million Kms.)	Revenue Hours Flown	Operating Revenue (Million Rs.)
2001	11,652	4,877	57.0	70,958	1,438	121,860	43,608
2002	10,780	4,166	59.0	61,921	1,331	105,553	43,674
2003	12,009	4,556	59.0	68,851	1,448	115,017	47,951
2004	13,520	5,120	55.0	80,087	1,635	130,977	57,786
2005	14,506	5,499	56.0	82,550	1,729	134,039	64,074
2006	15,124	5,732	54.0	88,302	1,801	141,479	70,587
2007	13,681	5,415	51.0	80,759	1,593	132,416	70,481
2008	13,925	5,617	54.0	79,580	1,581	132,378	88,863
2009	13,891	5,535	52.0	80,108	1,525	132,155	94,564
2010	15,657	5,538	56.0	81,588	1,746	142,940	107,532
2011	15,664	5,953	56.0	84,898	1,678	141,727	116,551
2012	13,874	5,236	53.0	75,750	1,513	127,268	112,130
2013	12,237	4,449	55.0	63,144	1,351	106,476	95,771
2014	11,903	4,202	52.0	61,389	1,242	101,556	99,519
2015	11,711	4,394	49.0	67,630	1,191	111,455	91,269
2016	13,751	5,486	49.0	79,842	1,375	131,838	88,998
2017	13,988	5,342	55.2	75,207	1,469	122,081	90,288
2018	13,975	5,203	58.4	70,089	1,472	110,050	100,051

*: PIA Financial Year has changed to Calendar Year

Source: Pakistan International Airlines Corporation

TABLE 13.3

NUMBER OF MOTOR VEHICLES REGISTERED

(Nos.)

Calendar Year	Motor Cycle (2 Wheels)	Motor Cycle (3 Wheels)	Motor Cars Jeeps & Station Wagons	Motor Cabs/ Taxis	Buses	Trucks	Others	Total
2006	2,757,842	136,394	1,372,191	105,373	175,589	189,950	896,014	5,633,353
2007	2,895,734	143,215	1,440,801	103,397	184,368	199,447	940,851	5,907,813
2008	3,039,815	156,068	1,549,854	104,431	187,367	202,574	961,646	6,201,755
2009	3,215,583	167,910	1,657,860	106,463	195,163	210,944	1,005,441	6,559,364
2010	4,305,121	201,827	1,726,347	122,882	198,790	216,119	1,081,916	7,853,002
2011	5,781,953	266,390	1,881,560	124,651	202,476	225,075	1,178,890	9,660,995
2012	7,500,182	323,189	2,094,289	143,859	215,374	240,888	1,270,788	11,788,569
2013 (R)	9,169,528	380,579	2,281,083	145,234	220,347	247,197	1,340,963	13,784,931
2014 (R)	11,006,421	466,185	2,437,735	145,424	224,403	253,574	1,406,819	15,940,561
2015 (P)	12,571,554	545,919	2,580,922	164,045	228,959	262,288	1,472,361	17,826,048
2016 (P)	14,501,024	646,939	2,776,588	167,067	232,181	266,763	1,536,388	20,126,950
2017 (P)	15,664,098	698,059	2,889,500	167,086	233,884	272,934	1,581,080	21,506,641
2018 (P)	17,465,880	761,890	3,043,593	167,209	236,461	277,416	1,635,819	23,588,268

P : Provisional

Source: Pakistan Bureau of Statistics

TABLE 13.4

MOTOR VEHICLES ON ROAD-LCV

(In 000 Nos.)

Year	Mcy/ Scooter	Motor Car	M. Cab/ Taxi	Motor Rickshaw	D.Van	Pickup	Jeep	Station Wagon
2000-01	2,218.9	928.0	79.8	72.4	72.4	68.4	18.3	93.8
2001-02	2,481.1	1,040.0	96.4	80.8	116.9	78.3	43.4	122.7
2002-03	2,656.2	1,110.0	104.1	80.9	120.3	80.6	44.4	126.4
2003-04	2,882.5	1,193.1	112.6	81.0	121.3	84.4	47.8	132.4
2004-05	3,063.0	1,264.7	120.3	81.3	121.9	87.6	51.8	140.5
2005-06	3,791.0	1,999.2	122.1	77.8	143.3	93.5	65.7	140.8
2006-07	4,463.8	1,682.2	119.1	79.0	148.9	104.5	85.4	169.1
2007-08	5,037.0	1,853.5	129.8	89.3	163.5	115.3	82.9	163.2
2008-09	5,368.0	2,029.1	138.6	88.4	167.2	125.5	79.0	155.6
2009-10	5,412.1	2,387.2	146.4	89.1	170.4	130.3	78.3	171.4
2010-11	5,468.8	2,822.2	154.6	89.8	173.6	135.3	78.5	175.2
2011-12	4,463.6	3,205.0	158.7	102.4	176.6	141.3	78.6	178.3
2012-13	5,550.0	3,600.0	160.7	120.5	180.0	150.2	78.7	180.1
2013-14	6,100.0	4,600.0	168.8	108.0	181.0	150.0	60.0	185.0
2014-15	6,405.0	4,820.0	178.0	112.0	190.0	158.0	64.0	191.0
2015-16	6,669.3	6,131.7	186.5	118.1	191.4	166.3	54.2	192.0
2016-17	11,975.3	6,954.0	197.4	122.0	204.2	176.4	69.6	201.9
2017-18 R	14,060.9	7,183.5	197.7	128.1	210.1	187.2	80.0	206.6
2018-19 P	14,623.3	7,470.8	205.6	133.2	218.5	194.7	83.2	214.9

(Contd.)

TABLE 13.4

MOTOR VEHICLES ON ROAD-HCV

(In 000 Nos.)

Year	Ambu- lance	Buses	Trucks	Tractor	Tankers (Oil & Water)	Others	Total
2000-01	1.7	86.6	132.3	579.4	8.0	89.0	4,471.0
2001-02	4.1	96.6	145.2	630.5	8.4	71.5	5,016.0
2002-03	4.3	98.3	146.7	663.2	8.4	71.4	5,315.0
2003-04	4.4	100.4	149.2	722.7	8.6	71.3	5,711.9
2004-05	4.5	102.4	151.8	778.1	8.5	69.4	6,048.3
2005-06	4.5	103.6	151.8	822.3	8.6	60.2	7,084.5
2006-07	4.6	108.4	173.3	877.8	8.8	38.6	8,063.6
2007-08	5.2	109.9	177.8	900.5	9.8	40.7	8,878.4
2008-09	5.6	111.1	181.9	911.7	10.8	41.3	9,413.7
2009-10	4.0	123.3	200.5	940.8	11.1	21.8	9,886.4
2010-11	4.5	125.6	209.5	970.9	11.4	24.0	10,443.8
2011-12	5.0	138.2	230.5	1,068.0	12.5	26.4	11,488.2
2012-13	3.7	130.2	220.5	1,128.7	12.3	60.5	11,576.1
2013-14	4.0	140.0	240.0	1,228.0	12.6	65.0	13,242.4
2014-15	4.0	148.0	252.0	1,283.0	12.6	68.0	13,885.6
2015-16	3.8	150.6	263.8	1,351.6	14.0	75.5	15,568.8
2016-17	5.7	156.3	276.2	1,430.1	14.8	74.7	21,858.6
2017-18 R	6.9	159.2	280.0	1,460.2	15.2	92.4	24,389.5
2018-19 P	7.2	165.6	291.2	1,518.6	15.8	96.1	25,238.7

P: Provisional

Source: Ministry of Communication (NTRC)

TABLE 13.5

MOTOR VEHICLES-PRODUCTION

(In Nos.)

Fiscal Year	Motor Cycle/Rickshaw	Cars & Jeeps	L.C.Vs	Buses	Trucks	Tractors
2000-01	117,858	39,573	6,960	1,332	948	32,556
2001-02	133,334	41,171	8,491	1,099	1,141	24,331
2002-03	176,591	63,267	12,174	1,340	1,950	26,501
2003-04	327,446	100,070	14,089	1,380	2,022	36,103
2004-05	571,145	128,381	23,613	1,762	3,204	43,746
2005-06	751,667	163,114	29,581	825	4,518	49,439
2006-07	839,224	179,314	19,672	993	4,410	54,610
2007-08	1,057,751	166,300	21,354	1,146	4,993	53,607
2008-09	917,628	85,240	16,158	657	3,135	60,107
2009-10	1,389,047	122,819	15,568	628	3,425	71,730
2010-11	1,638,457	134,855	19,142	490	2,810	70,855
2011-12	1,649,532	154,706	20,929	568	2,597	48,152
2012-13	1,675,071	121,807	14,517	522	1,923	50,871
2013-14	1,728,137	117,498	17,477	559	2,674	34,524
2014-15	1,777,251	153,633	28,189	575	4,039	48,883
2015-16	2,071,123	180,717	35,836	1,070	5,666	34,914
2016-17	2,500,650	190,466	24,265	1,118	7,712	53,975
2017-18	2,825,071	231,138	29,055	784	9,187	71,894
2018-19 Jul-Mar (P)	1,862,401	175,863	19,536	649	5,027	37,457

Source: Pakistan Bureau of Statistics

TABLE 13.6

MOTOR VEHICLES-IMPORTS

in Nos.

Fiscal Year	Bicycle	Motorised Cycles	Motor Cycles	Motor Rickshaw	Rickshaw chassis with Engine	Cars	Passengers M. Cars (NES)	Car Chassis with Engine	Pickup	Jeeps
2004-05	61,187	4,143	189,721	3	144	66,338	244	-	5,394	5,409
2005-06	52,022	9,472	167,626	15	315	36,563	1,587	-	23,303	2,108
2006-07	28,509	12,467	164,078	1,727	421	202,785	1,174	6	21,898	1,938
2007-08	38,249	18,512	209,098	1,029	187	540,025	690	-	8,169	210
2008-09	42,966	20,726	200,745	125	6	425,721	557	20	1,871	14
2009-10	99,349	33,596	175,577	10,816	84	750,888	176	1	21,096	27
2010-11	184,023	103,694	216,080	14,746	-	675,810	344	163	35,462	27
2011-12	199,876	29,645	246,332	51,142	-	874,386	137	2	63,786	35
2012-13	211,535	36,839	275,931	19,043	-	671,531	923	-	35,101	29
2013-14	260,532	42,840	213,466	32,745	-	778,073	54	-	29,459	14
2014-15	386,981	58,270	291,882	97,591	-	1,854,622	10	2	65,751	21
2015-16	541,381	102,593	327,001	44,911	1	1,384,775	5	-	69,146	13
2016-17	715,496	106,048	323,290	30,811	192	1,588,723	-	-	110,247	3
2017-18	1,351,813	140,778	393,790	33,489	161	1,855,488	-	2	200,900	24
2018-19 P (Jul-Mar)	581,547	93,433	285,085	19,570	-	2,043,364	-	21	90,474	38

(Contd.)

Fiscal Year	Station Wagon	Delivery Van	Lorries Trucks Ambulance	Passenger Vehicles Public	Special Lorries Trucks & Vans	Bus etc. Chassis	Buses, Trolly Buses	Motor Vehicles for Goods	Spl. Truck etc. Chassis	Road Tractors for Trailers
2004-05	37	178	2,616	1,519	1,544	18	411	269	-	117
2005-06	284	2,586	13,463	5,228	551	7	2,104	3,844	38	498
2006-07	2,817	1,583	16,610	2,123	573	24	652	297	48	997
2007-08	345	311	4,331	836	875	314	217	22	335	2,409
2008-09	28	37	2,405	363	1,203	1,017	232	2	9	2,149
2009-10	109	2	12,819	364	5,325	671	285	-	12	2,154
2010-11	29	4	24,728	225	3,371	1,553	861	5	233	1,345
2011-12	73	1	11,942	441	563	1,828	1,555	2	16	1,598
2012-13	42	735	31,027	16,947	2,832	1,586	668	-	9	1,252
2013-14	8	2,732	23,946	1,282	1,406	3,997	425	7	17	1,309
2014-15	18	5,477	33,489	2,810	927	4,818	847	-	3,063	9,991
2015-16	126	8,707	47,645	3,036	1,398	9,136	1,234	1	3,267	4,442
2016-17	4	10,553	50,380	2,649	1,929	21,046	720	10	81	1,836
2017-18	4	12,810	38,095	3,316	1,098	12,103	685	13	52	1,307
2018-19 P (Jul-Mar)	-	8,492	16,339	25,121	373	692	598	1	54	1,775

(Contd.)

Fiscal Year	Tractor Agricul-tural	Tractor Cater-pillar	Tractor Heavy Duty for const.	Tractor Roads	Tractor (NES)	Electric Vehicles	Electric Bikes	Sport Utility Vehicle	3-Wheel Loader
2004-05	6,543	232	563	1,646	2,167		-	-	-
2005-06	20,769	12	632	2,284	3,378		-	-	-
2006-07	30,588	1	845	904	7,213		-	-	-
2007-08	8,914	1	744	1,892	19,623		-	-	-
2008-09	2,636	-	402	434	14,205		-	-	-
2009-10	12,052	-	245	165	6,189		-	-	-
2010-11	905	-	148	144	12,208		-	-	-
2011-12	3,684	-	68	0	12,930		-	-	-
2012-13	1,988	-	131	225	18,773		-	-	-
2013-14	2,088	-	347	157	16,796	13	15	1	-
2014-15	3,086	-	476	434	28,743	13	104	14	100
2015-16	1,843	4	369	675	30,464	25	64	10	10,202
2016-17	318	-	843	703	66,946	-	-	42	2,956
2017-18	261	44	643	713	63,638	-	-	11	8,627
2018-19 P (Jul-Mar)	1,779	-	85	347	26,557	-	-	9	2,176

P : Provisional - : Not Available Source: Pakistan Bureau of Statistics

TABLE 13.7

POST AND TELECOMMUNICATIONS

Fiscal Year	No. of Post Offices			Telephones (000 Nos.)		Broad Band Subscribers (000 Nos.)		Mobile Phones (000 Nos.)
	Urban	Rural	Total					
2000-01	2,302	9,932	12,233	3340		-		742.6
2001-02	1,983	10,284	12,267	3656		-		1,698.5
2002-03	1,808	10,446	12,254	4940		-		2,404.4
2003-04	2,267	9,840	12,107	4460		-		5,022.9
2004-05	1,831	10,499	12,330	5191		-		12,771.2
2005-06	1,845	10,494	12,339	5128		26.6		34,506.6
2006-07	1,849	10,494	12,343	4806		45.2		63,160.9
2007-08	1,849	10,493	12,342	4546		168.0		88,019.8
2008-09	1,852	10,514	12,366	3523		413.8		94,342.0
2009-10	1,580	10,455	12,035	3417		688.4		99,185.8
2010-11	1,580	10,455	12,035	5,720	*	1,491.5		108,894.5
2011-12	1,797	10,238	12,035	5,803	*	2,101.3		120,151.2
2012-13	2,178	10,650	12,828	6,371	*	2,723.7		128,933.6
2013-14	1,813	10,264	12,077	5,232	*	3,795.9	@	139,974.8
2014-15	1,813	10,264	12,077	3,931		16,885.5		114,658.4
2015-16	1,782	9,962	11,744	3,295		40,148.0		133,241.5
2016-17	2,046	9,450	11,496	2,986		44,586.7		139,758.1
2017-18	2,046	9,450	11,496	2,885		58,339.8		150,238.7
2018-19 (July-Mar)	2,046	8,450	10,496	2,799		68,244.4		159,024.3

Source: (i) : Pakistan Post Office
(ii) : Pakistan Telecommunications Company Ltd

- : Not Available
@ : Includes dial-up and broadband connection
* : Including Fixed Local Loop and Wireless Local Loop

ENERGY

TABLE 14.1

COMMERCIAL ENERGY CONSUMPTION

	1. Oil/Petroleum (tons)						
Fiscal Year	Households	Industry	Agricul-ture	Transport	Power	Other Govt.	Total
2000-01	450,960	1,924,048	254,833	8,157,893	6,487,988	372,176	17,647,898
2001-02	334,501	1,611,995	225,742	8,018,777	6,305,419	463,654	16,960,088
2002-03	282,521	1,604,068	196,747	8,082,273	6,019,958	266,387	16,451,954
2003-04	231,459	1,493,080	183,506	8,464,042	2,739,763	309,263	13,421,113
2004-05	192,750	1,542,398	142,062	9,024,783	3,452,581	316,686	14,671,260
2005-06	128,651	1,681,517	81,896	8,156,831	4,218,982	358,807	14,626,684
2006-07	106,148	1,595,981	97,232	7,981,893	6,740,559	325,318	16,847,131
2007-08	120,961	1,071,191	109,351	9,384,482	7,083,933	310,501	18,080,419
2008-09	97,332	969,193	69,793	8,837,197	7,570,418	367,266	17,911,199
2009-10	90,312	984,690	58,072	8,860,880	8,814,274	323,472	19,131,700
2010-11	85,449	1,355,443	40,597	8,892,268	8,138,956	373,794	18,886,507
2011-12	79,448	1,419,125	23,297	9,265,883	7,594,663	295,847	18,678,263
2012-13	97,847	1,379,096	31,828	9,817,546	7,749,007	317,805	19,393,129
2013-14	100,679	1,297,035	46,655	10,299,718	9,006,085	358,512	21,108,684
2014-15	89,017	1,300,190	37,235	11,372,924	8,995,231	365,471	22,160,068
2015-16	74,357	2,023,377	14,512	13,022,573	7,765,629	386,232	23,286,680
2016-17	77,169	1,990,398	12,671	14,582,925	8,531,825	366,958	25,561,946
2017-18	66,075	1,784,781	14,527	16,047,392	6,377,388	387,801	24,677,964
Jul-Mar							
2017-18	53,719	1,406,315	10,895	11,916,067	4,638,980	285,312	18,311,288
2018-19*	39,950	852,618	10,059	9,739,626	1,817,837	259,302	12,719,392

P : Provisional (Contd...)

(a): HSD consumption in agricultural sector is not available seprately and is included under transport sector. Agricultural sector represents LDO only.

*Consumption of POL products available till February 2019.

Source : Oil Companies Advisory Committee.

TABLE 14.1

COMMERCIAL ENERGY CONSUMPTION

Fiscal Year	2. Gas (mm cft)*							
	Households	Commercial	Cement	Fertilizer	Power	Industry	Transport CNG**	Total
2000-01	140,899	20,618	6,977	175,393	281,255	138,503	4,423	768,068
2001-02	144,186	22,130	7,063	177,589	314,851	151,416	7,369	824,604
2002-03	153,508	22,776	3,445	180,611	335,636	164,968	11,320	872,264
2003-04	155,174	24,192	7,711	185,350	469,738	193,395	15,858	1,051,418
2004-05	172,103	27,191	13,383	190,409	507,398	226,116	24,443	1,161,043
2005-06	171,109	29,269	15,335	198,175	491,766	278,846	38,885	1,223,385
2006-07	185,533	31,375	14,686	193,682	433,672	306,600	56,446	1,221,994
2007-08	204,035	33,905	12,736	200,063	429,892	322,563	72,018	1,275,212
2008-09	214,113	35,536	7,305	201,100	404,140	319,003	88,236	1,269,433
2009-10	219,382	36,955	1,944	220,124	366,906	333,508	99,002	1,277,821
2010-11	232,244	36,466	1,378	228,460	337,401	291,667	113,055	1,240,671
2011-12	261,915	39,627	1,266	211,828	358,381	296,181	119,000	1,288,198
2012-13	291,917	40,689	586	188,020	362,262	284,278	100,228	1,267,980
2013-14	269,135	38,117	522	216,518	349,535	259,032	87,634	1,220,493
2014-15	278,069	35,187	831	225,512	371,562	247,214	66,517	1,224,892
2015-16	271,302	33,633	497	262,923	440,593	231,517	64,455	1,304,920
2016-17	290,868	32,858	583	276,805	446,941	262,006	67,245	1,377,307
2017-18	284,428	32,096	886	248,104	544,654	274,074	70,455	1,454,697
Jul-Mar								
2017-18*	158,240	16,192	-	114,080	246,008	136,344	35,144	706,008
2018-19**	163,576	16,376	-	118,680	259,624	119,232	33,672	711,160

P : Provisional - : Not available (Contd…)

* Sector wise natural gas consumption is available till February 2018.

** Sector wise natural gas consumptionis available till Feb-2019.

TABLE 14.1

COMMERCIAL ENERGY CONSUMPTION

Fiscal Year	3. Electricity (Gwh)								4. Coal (000 metric ton)					
	Traction	Household	Commercial	Industrial	Agricultural	Street Lights	Other Govt.	Total	Household	Power	Brick Kilns	Cement	Other Govt.	Total
2000-01	13	22,765	2,774	14,349	4,924	213	3,547	48,585	1.0	205.8	2,837.9	1,000.0	-	4044.7
2001-02	11	23,210	2,951	15,141	5,607	212	3,490	50,622	1.1	249.4	2,577.5	1,580.6	-	4408.6
2002-03	10	23,624	3,218	16,181	6,016	244	3,363	52,656	1.1	203.6	2,607.0	2,078.2	-	4,889.9
2003-04	9	25,846	3,689	17,366	6,669	262	3,650	57,491	1.0	184.9	2,589.4	3,289.2	-	6,064.5
2004-05	12	27,601	4,080	18,591	6,988	305	3,750	61,327	-	179.9	3,906.7	3,807.2	-	7,893.8
2005-06	13	30,720	4,730	19,803	7,949	353	4,035	67,603	-	149.3	4,221.8	3,342.8	-	7,714.0
2006-07	12	33,335	5,363	21,066	8,176	387	4,373	72,712	1.0	164.4	3,277.5	4,451.2	-	7,894.1
2007-08	8	33,704	5,572	20,729	8,472	415	4,500	73,400	1.0	162.0	3,760.7	6,186.9	-	10,110.6
2008-09	5	32,282	5,252	19,330	8,795	430	4,277	70,371	0.8	112.5	3,274.8	5,001.8	-	8,389.9
2009-10	2	34,272	5,605	19,823	9,689	458	4,499	74,348	-	125.5	3,005.2	5,007.8	-	8,138.5
2010-11	1	35,885	5,782	21,207	8,971	456	4,797	77,099	-	96.5	3,003.6	4,617.1	-	7,717.1
2011-12	1	35,589	5,754	21,801	8,548	478	4,590	76,761	-	104.6	3,108.2	4,456.9	-	7,669.7
2012-13	-	36,116	6,007	22,313	7,697	457	4,199	76,789	-	63.0	2,696.0	4,129.9	-	6,889.0
2013-14	-	39,549	6,375	24,356	8,290	458	4,381	83,409	-	160.7	2,727.6	3,669.2	-	6,557.5
2014-15	-	41,450	6,512	24,979	8,033	441	4,403	85,818	-	151.2	3,010.4	5,553.8	-	8,715.4
2015-16	-	44486	7181	25035	8526	459	4742	90431	-	204.4	3337.1	5485.3	-	9,026.8
2016-17	-	48698	7856	24010	9221	484	5260	95530	-	859.6	2855.3	7470.8	-	11,185.8
2017-18	-	54028	8606	27468	10128	475	6222	106927	-	4436.1	3941.7	9603.3	-	17,981.1
Jul-Mar														
2017-18*	-	31,538	5019	15,311	5,935	271	3,411	61,485	-	3,753.0	4,830.4	3,000.0	-	11,583.4
2018-19**	-	34,718	5680	19,460	6,698	320	5,346	72,222	-	8,857.0	2,155.0	1,500.0	-	12,512.0

.. Not available

* Consumption of coal for the period Jul-15 to Mar-16 is estimated.

** Consumption of electricity from AJK Hydro Electric Board is not yet received while electricity consumption from WAPDA is uptill Feb-2019. Consumption of coal is estimated.

Source: Ministry of Energy, Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.2

COMMERCIAL ENERGY SUPPLIES (ELECTRICITY)

Fiscal Year	Installed Capacity MW	Generation GW/h (a)	Hydroelectric		Thermal		Nuclear		Renewable		Imported (GW/h)
			Installed Capacity (MW) (b)	Generation (GW/h)	Installed Capacity (MW)	Generation (GW/h)	Installed Capacity (MW)	Generation (GW/h)	Installed Capacity (MW)	Generation (GW/h)	
2000-01	17,498	68,117	4,867	17,194	12,169	48,926	462	1,997	-	-	-
2001-02	17,799	72,406	5,051	18,941	12,286	51,174	462	2,291	-	-	-
2002-03	17,798	75,682	5,051	22,351	12,285	51,591	462	1,740	-	-	0.36
2003-04	19,257	80,826	6,496	26,944	12,299	52,122	462	1,760	-	-	73
2004-05	19,384	85,737	6,499	25,671	12,423	57,162	462	2,795	-	-	109
2005-06	19,450	93,775	6,499	30,862	12,489	60,283	462	2,484	-	-	146
2006-07	19,419	98,384	6,479	31,953	12,478	63,972	462	2,288	-	-	171
2007-08	19,420	95,860	6,480	28,707	12,478	63,877	462	3,077	-	-	199
2008-09	19,786	91,843	6,481	27,784	12,843	62,214	462	1,618	-	-	227
2009-10	20,921	95,607	6,481	28,093	13,978	64,371	462	2,894	-	-	249
2010-11	22,477	94,653	6,481	31,811	15,209	59,153	787	3,420	-	-	269
2011-12	22,797	95,364	6,556	28,517	15,454	61,308	787	5,265	-	-	274
2012-13	22,812	96,496	6,773	29,857	15,289	61,711	750	4,553	-	-	375
2013-14	23,530	104,089	6,893	31,873	15,887	66,707	750	5,090	-	-	419
2014-15	23,759	96,997	7,030	32,563	15,541	58,635	750	4,996	438	803	443
2015-16	25,889	101,123	7,122	34,272	17,115	61,448	750	3,854	902	1,549	463
2016-17	29,944	107,059	7,129	31,786	20,488	66,468	1,090	5,868	1,237	2,937	496
2017-18	33,553	120,715	7,139	28,239	23,347	79,849	1,430	8,720	1,637	3,907	556
Jul-Mar											
2017-18*	33,433	85,552	7,293	20,904	23,289	55,593	1,430	6,572	1,421	2,483	322
2018-19**	34,282	87,324	8,239	22,539	22,740	54,195	1,295	7,178	1,760	3,412	343

P : Provisional — - : Not Available — Source: Ministry of Energy

(a) GWh: Giga Watt hour — (b) MW: Mega Watt

TABLE 14.3

COMMERCIAL ENERGY SUPPLIES (OIL, GAS, PETROLEUM, COAL)

Fiscal Year	Oil: Crude Oil Imports 000 barrels	Oil: Local Crude Extraction 000 barrels	Gas: Produc-tion mcf*	Gas: Imports mcf	Petroleum Products: Imports 000 tons	Petroleum Products: Produc-tion 000 tons	Coal: Imports 000 tons	Coal: Produc-tion 000 tons
2000-01	52,505	21,084	857,433	-	10,029	8,337	950	3,095
2001-02	51,982	23,195	923,758	-	9,023	9,028	1,081	3,328
2002-03	52,512	23,458	992,589	-	8,437	9,084	1,578	3,312
2003-04	57,699	22,625	1,202,750	-	5,170	9,740	2,789	3,275
2004-05	61,161	24,119	1,344,953	-	5,676	10,474	3,307	4,587
2005-06	63,546	23,936	1,400,026	-	6,009	10,498	2,843	4,871
2006-07	60,694	24,615	1,413,581	-	8,330	10,314	4,251	3,643
2007-08	64,912	25,603	1,454,194	-	9,025	10,754	5,987	4,124
2008-09	62,115	24,033	1,460,679	-	9,974	9,828	4,652	3,738
2009-10	53,081	23,706	1,482,847	-	11,178	8,996	4,658	3,481
2010-11	51,306	24,041	1,471,591	-	12,371	8,911	4,267	3,450
2011-12	47,104	24,573	1,558,959	-	11,507	8,395	4,057	3,613
2012-13	57,037	27,841	1,505,841	-	10,489	9,914	3,710	3,179
2013-14	61,933	31,585	1,493,508		11,523	10,926	3,119	3,438
2014-15	64,208	34,490	1,465,760	20,191	13,347	11,253	5,004	3,712
2015-16	66,855	31,652	1,481,551	102,735	13,550	11,021	4,885	4,142
2016-17	66,737	32,269	1,471,855	190,406	15,145	11,513	7,021	4,165
2017-18	79,607	32,557	1,458,936	320,180	13,344	12,929	13,684	4,297
Jul-Mar								
2017-18*	60,374	21,754	978,246	192,226	7,749	7,937	8,197	3,386
2018-19**	51,470	24,657	1,080,721	269,246	6,492	8,096	11,000	1,512

P : Provisional * : Million cubic feet
LNG import is available till September 2015.
-: Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)
Ministry of Energy

TABLE 14.4

SCHEDULE OF ELECTRICITY TARIFFS

DESCRIPTION	Fixed Charge Rs./kW/M	Variable Charge w.e.f 22-03-2018 (Rs./kWh)										GOP Applicable Rate (Rs./kWh)
		IESCO	GEPCO	FESCO	LESCO	MEPCO	PESCO	HESCO	QESCO	SEPCO	TESCO	
Residential												
Up to 50 Units		4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	2.00
For peak load requirement less than 5 kW						-	-	-	-	-	-	
01-100 Units		9.31	8.60	10.72	9.52	10.67	13.82	16.46	9.71	14.26	11.93	5.79
101-200 Units		12.71	10.61	14.23	11.32	12.17	17.31	19.96	12.12	15.56	14.23	8.11
201-300 Units		14.23	11.92	14.96	12.33	13.59	17.41	20.36	12.17	18.26	15.23	10.20
301-700Units		15.54	14.78	15.40	14.08	16.21	18.76	20.97	14.12	20.11	15.62	16.00
Above 700 Units		17.27	15.41	16.51	16.04	17.73	19.86	21.97	16.12	22.46	16.43	18.00
For peak load requirement exceeding 5 kW)						-	-	-	-	-	-	
Time of Use (TOU) - Peak		16.63	15.36	16.51	16.04	16.37	19.82	21.96	16.12	22.45	16.43	18.00
Time of Use (TOU) - Off-Peak		9.30	8.86	9.36	9.54	10.67	14.27	16.46	9.72	16.50	11.93	12.50
Temporary Supply		16.93	15.36	16.51	15.19	17.17	19.82	22.26	16.12	20.10	16.43	22.26
Total Residential												
Commercial - A2												
For peak load requirement less than 5 kW		15.68	14.36	15.41	15.73	15.77	19.82	21.26	16.12	22.35	16.43	18.00
For peak load requirement exceeding 5 kW												
Regular	400.00	12.68	10.86	15.26	11.76	13.77	15.27	19.26	12.12	20.35	14.43	16.00
Time of Use (TOU) - Peak		16.63	15.36	16.51	16.04	16.37	19.82	21.96	16.12	22.45	16.43	18.00
Time of Use (TOU) - Off-Peak	400.00	9.33	8.86	9.36	9.54	10.67	14.27	16.46	9.72	16.50	11.93	12.50
Temporary Supply		15.68	14.36	16.51	15.74	15.77	19.82	21.26	16.12	22.35	16.43	22.35
Total Commercial												
General Services-A3		14.58	12.51	14.01	13.84	15.47	15.77	17.86	13.07	17.68	16.23	14.75
Industrial												
B1		12.73	10.00	12.53	11.74	13.27	15.32	18.76	11.62	19.85	12.43	14.50
B1 Peak		16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	18.00
B1 Off Peak		9.43	8.86	8.46	9.59	10.67	14.27	16.46	9.72	16.50	11.93	12.50
B2	400.00	12.23	9.36	12.03	11.24	12.77	14.82	18.26	11.12	19.35	11.93	14.00
B2 - TOU (Peak)		16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	18.00
B2 - TOU (Off-peak)	400.00	9.23	8.66	8.36	9.36	10.47	14.07	16.26	9.52	16.30	11.73	12.29
B3 - TOU (Peak)		16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	18.00
B3 - TOU (Off-peak)	380.00	9.03	8.56	8.26	9.16	10.37	13.97	16.06	9.42	16.20	11.63	12.20
B4 - TOU (Peak)		16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	18.00
B4 - TOU (Off-peak)	360.00	8.83	8.46	8.16	9.04	10.27	13.87	15.96	9.32	16.10	11.53	12.10
Temporary Supply		12.73	9.86	16.51	11.74	13.27	15.32	18.76	11.62	19.85	12.43	19.85
Total Industrial												
Single Point Supply for further distribution												
C1(a) Supply at 400 Volts-less than 5 kW		13.23	10.36	13.03	12.24	13.77	15.82	19.26	12.12	20.35	12.93	15.00
C1(b) Supply at 400 Volts-exceeding 5 kW	400.00	12.73	9.86	12.53	11.74	13.27	15.32	18.76	11.62	19.85	12.43	14.50
Time of Use (TOU) - Peak		16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	18.00
Time of Use (TOU) - Off-Peak	400.00	9.30	8.86	8.46	9.59	10.67	14.27	16.46	9.72	16.50	11.93	12.50
C2 Supply at 11 kV	380.00	12.53	9.66	12.33	11.54	13.07	15.12	18.56	11.42	19.65	12.23	14.30
Time of Use (TOU) - Peak		16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	18.00
Time of Use (TOU) - Off-Peak	380.00	9.10	8.66	8.26	9.36	10.47	14.07	16.26	9.52	16.30	11.73	12.30
C3 Supply above 11 kV	360.00	12.43	9.56	12.23	11.44	12.97	15.02	18.46	11.32	19.55	12.13	14.20
Time of Use (TOU) - Peak		16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	18.00
Time of Use (TOU) - Off-Peak	360.00	8.88	8.56	8.16	9.16	10.37	13.97	16.06	9.42	16.20	11.63	12.20
Total Single Point Supply												
Agricultural Tube-wells - Tariff D												
Scarp		13.63	10.86	12.33	13.14	13.82	15.32	18.76	12.32	18.95	12.43	12.00
Time of Use (TOU) - Peak		16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	15.00
Time of Use (TOU) - Off-Peak	200.00	8.95	8.56	8.36	9.14	10.37	14.27	16.06	9.42	16.20	11.63	8.85
Agricultual Tube-wells	200.00	11.58	9.86	12.33	13.44	15.02	14.82	18.26	11.84	18.50	11.93	11.50
Time of Use (TOU) - Peak		16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	10.35
Time of Use (TOU) - Off-Peak	200.00	9.03	8.56	8.36	9.14	10.37	14.27	16.06	9.42	16.20	11.63	8.85
Total Agricultural												
Public Lighting - Tariff G		14.62	9.36	12.26	14.84	13.77	14.82	20.26	11.12	19.35	12.43	15.00
Residential Colonies		14.62	9.36	12.26	14.84	13.77	14.82	20.26	11.12	19.35	12.43	15.00
Tariff K - AJK	360.00	11.85	9.36	-	-	-	14.82	-	-	-	-	12.23
Time of Use (TOU) - Peak		16.52	15.36	-	-	-	19.82	-	-	-	-	18.00
Time of Use (TOU) - Off-Peak	360.00	8.82	10.06	-	-	-	14.27	-	-	-	-	12.20
Railway Traction		-	-	-	14.84	13.77	-	-	-	-	-	15.00
Tariff K -Rawat Lab		14.63	-	-	-	-	-	-	-	-	-	15.00
Sub-Total												
Special Contract - Tariff-J												
J-1 For Supply at 66 kV & above	360.00	12.43	9.56	12.23	11.44	12.97	15.02	18.46	11.32	19.55	12.13	
Time of Use (TOU) - Peak	-	16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	
Time of Use (TOU) - Off-Peak	360.00	8.88	8.56	8.16	9.16	10.37	13.97	16.06	9.42	16.20	11.63	
J-2 (a) For Supply at 11, 33 kV	380.00	12.53	9.66	12.33	11.54	13.07	15.12	18.56	11.42	19.65	12.23	
Time of Use (TOU) - Peak	-	16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	
Time of Use (TOU) - Off-Peak	380.00	9.10	8.66	8.26	9.36	10.47	14.07	16.26	9.52	16.30	11.73	
J-2 (b) For Supply at 66 kV & above	360.00	12.43	9.56	12.23	11.44	12.97	15.02	18.46	11.32	19.55	12.13	
Time of Use (TOU) - Peak	-	16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	
Time of Use (TOU) - Off-Peak	360.00	8.88	8.56	8.16	9.16	10.37	13.97	16.06	9.42	16.20	11.63	
J-3 (a) For Supply at 11, 33 kV	380.00	12.53	9.66	12.33	11.54	13.07	15.12	18.56	11.42	19.65	12.23	
Time of Use (TOU) - Peak	-	16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	
Time of Use (TOU) - Off-Peak	380.00	9.10	8.66	8.26	9.36	10.47	14.07	16.26	9.52	16.30	11.73	
J-3 (b) For Supply at 66 kV & above	360.00	12.43	9.56	12.23	11.44	12.97	15.02	18.46	11.32	19.55	12.13	
Time of Use (TOU) - Peak	-	16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	
Time of Use (TOU) - Off-Peak	360.00	8.88	8.56	8.16	9.16	10.37	13.97	16.06	9.42	16.20	11.63	

Source: NEPRA

i. No Subsidy or Srucharges where intimated by GoP for Category "Special Contract - Tariff-J" therefore tariff determined by NEPRA for each DISCO is applicable

ii. Incase of FESCO and GEPCO the GoP of applicable rate for the Category "Agricultural Tube-wells - Tariff D" is lower than rest of the DISCO

iii. In addition to above mentioned GoP applicable rate, the fixed charges applicable to private agriculture consumers under tariff D-2 and D-1 (b) is also picked by GoP as Subsidy.

Note:

"Neelum-Jhelum Surcharge" at the rate of Rs. 0.10/kWh applicable on all electricity consumers except lifeline domestic consumers of the category "Residential A-1" for electrcity sold.

"Financing Cost Surcharge" at the rate of Rs. 0.43/kWh applicable to all the of electricity consumers except lifeline domestic consumers of the category "Residential A-1" for electrcity sold.

TABLE 14.4

CONSUMER-END TARIFF

Description	Fixed Charges	*Notified Tariff 01-01-2019 Tariff Payable by Consumers Variable Charges	Notified Tariff 22-03-2018 Tariff Payable by Consumers Variable Charges
	Rs./ kW/M	Rs./ kWh	Rs./ kWh
Residential			
Up to 50 Units		2.00	2.00
For peak load requirement less than 5 kW			
01-100 Units		5.79	5.79
101-200 Units		8.11	8.11
201-300 Units		10.20	10.20
301-700Units		17.60	16.00
Above 700 Units		20.70	18.00
For peak load requirement exceeding 5 kW)			
Time of Use (TOU) - Peak		20.70	18.00
Time of Use (TOU) - Off-Peak		14.38	12.50
Temporary Supply		20.84	22.26
Total Residential			
Commercial - A2			
For peak load requirement less than 5 kW		18.00	18.00
For peak load requirement exceeding 5 kW			
Regular	400	19.68	16.00
Time of Use (TOU) - Peak		21.60	18.00
Time of Use (TOU) - Off-Peak	400	15.63	12.50
Temporary Supply		18.39	22.35
Total Commercial			
General Services-A3		17.56	14.75
Industrial			
B1		15.28	14.50
B1 Peak		18.84	18.00
B1 Off Peak		13.28	12.50
B2	400	14.78	14.00
B2 - TOU (Peak)		18.78	18.00
B2 - TOU (Off-peak)	400	13.07	12.29
B3 - TOU (Peak)		18.78	18.00
B3 - TOU (Off-peak)	380	12.98	12.20
B4 - TOU (Peak)		18.78	18.00
B4 - TOU (Off-peak)	360	12.88	12.10
Temporary Supply		16.36	19.85
Total Industrial			
Single Point Supply for further distribution			
C1(a) Supply at 400 Volts-less than 5 kW		18.68	15.00
C1(b) Supply at 400 Volts-exceeding 5 kW	400	18.18	14.50
Time of Use (TOU) - Peak		21.60	18.00
Time of Use (TOU) - Off-Peak	400	15.00	12.50
C2 Supply at 11 kV	380	17.98	14.30
Time of Use (TOU) - Peak		21.60	18.00
Time of Use (TOU) - Off-Peak	380	14.80	12.30
C3 Supply above 11 kV	360	17.88	14.20
Time of Use (TOU) - Peak		21.60	18.00
Time of Use (TOU) - Off-Peak	360	14.70	12.20
Total Single Point Supply			
Agricultural Tube-wells - Tariff D			
Scarp		15.68	12.00
Time of Use (TOU) - Peak		18.60	15.00
Time of Use (TOU) - Off-Peak	200	11.35	8.85
Agricultual Tube-wells	200	5.35	11.50
Time of Use (TOU) - Peak		5.35	10.35
Time of Use (TOU) - Off-Peak	200	5.35	8.85
Total Agricultural			
Public Lighting - Tariff G		18.68	15.00
Residential Colonies		18.68	1.78
Tariff K - AJK	360	15.90	12.23
Time of Use (TOU) - Peak		21.60	18.00
Time of Use (TOU) - Off-Peak	360	14.70	12.20
Tariff K -Rawat Lab		18.68	15.00
Sub-Total			
Speical Contract - Tariff - J			
J-1 For Supply at 66 kV & above	360	17.88	13.51
Time of Use (TOU) - Peak		21.60	17.74
Time of Use (TOU) - Off-Peak	360	14.70	11.24
J-2 (a) For Supply at 11, 33 kV	380	17.98	13.61
Time of Use (TOU) - Peak		21.60	17.74
Time of Use (TOU) - Off-Peak	380	14.80	11.37
J-2 (b) For Supply at 66 kV & above	360	17.88	13.51
Time of Use (TOU) - Peak		21.60	17.74
Time of Use (TOU) - Off-Peak	360	14.70	11.24
J-3 (a) For Supply at 11, 33 kV	380	17.98	13.61
Time of Use (TOU) - Peak		21.60	17.74
Time of Use (TOU) - Off-Peak	380	14.80	11.37
J-3 (b) For Supply at 66 kV & above	360	17.88	13.95
Time of Use (TOU) - Peak		21.60	18.01
Time of Use (TOU) - Off-Peak	360	14.70	11.54
Total Revenue			

Source:

*In addition the Federal Government vide SRO.12(I)/2019 dated January 01, 2019 notified that payment for the industrial consumers of all XWDISCOs & K-Electric be reduced Rs.3/kWh which shall be inclusive of any downward revision of Fuel Price Adjustment notified from time to time. Further to rationalize the payments for zero rated industrial consumer, XWDISCOs and K-Electric are to receive from such zero rated industrial consumer per above, it is hereby notified that payment from such zero rated industrial consumer shall be reduced upto the rate of 7.5 cent /kWh (inclusive of special relief package)

TABLE 14.5
OIL SALE PRICES

Rs/Ltrs

Date	22-11-2012	22-12-2012	22-01-2013	01-03-2013	04-03-2013	01-07-2013	01-08-2013	01-09-2013
EX-NRL/PRL KARACHI								
Motor Gasoline	102.65	101.42	103.07	106.60	103.07	69.40	71.74	75.52
HOBC (Automotive 100 Octane)	-	-	-	-	-	87.68	92.52	97.47
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)								
Kerosene	99.03	98.81	99.90	103.69	99.90	72.28	76.54	80.30
HSD	109.77	110.13	109.21	113.56	109.21	78.49	82.33	85.27
LDO	93.89	94.34	94.33	98.26	94.78	71.47	74.84	76.99
Aviation gasoline (100LL)								
JP-1:								80.57
i) For sale to PIA Domestic Flight	88.22	88.04	89.24	93.52	93.52	72.54	76.8	
ii) For sale to PIA foreign flights & foreign airline								
iii) For Cargo & Technical Landing Flights								
JP-4	-	-	-	-	-	-		
JP-8	87.90	87.72	88.80	93.21	93.21	72.28	76.54	80.30

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5
OIL SALE PRICES

Rs/Ltrs

Date	01-10-2013	01-11-2013	01-12-2013	01-01-2014	01-02-2014	02-03-2014	01-04-2014	01-05-2014
EX-NRL/PRL KARACHI								
Motor Gasoline	80.05	77.82	78.26	80.83	78.31	75.43	74.02	73.68
HOBC (Automotive 100 Octane)	102.19	99.84	104.30	107.38	103.55	100.97	95.87	94.25
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)								
Kerosene	82.11	82.05	82.98	85.31	81.13	81.33	75.97	73.88
HSD	87.54	81.40	82.36	84.43	80.79	80.86	77.53	73.93
LDO	78.75	79.48	80.13	81.63	78.07	78.47	74.07	72.83
Aviation gasoline (100LL)								
JP-1:	82.39	82.33	83.26	-	-	-	-	-
i) For sale to PIA Domestic Flight								
ii) For sale to PIA foreign flights & foreign airline								
iii) For Cargo & Technical Landing Flights								
JP-4								
JP-8	82.11	82.05	82.98	-	-	-	-	-

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5
OIL SALE PRICES

Rs/Ltrs

Date	01-06-2014	01-07-2014	01-08-2014	01-09-2014	01-10-2014	01-11-2014	01-12-2014	01-01-2015
EX-NRL/PRL KARACHI								
Motor Gasoline	74.89	107.97	107.97	106.56	103.62	94.19	84.53	78.28
HOBC (Automotive 100 Octane)	96.45							
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)								
Kerosene	74.19	97.40	97.05	96.99	95.68	87.52	83.18	71.92
HSD	75.30	109.34	109.34	108.34	107.39	101.21	94.09	86.23
LDO	73.67	94.13	93.27	92.08	91.94	83.37	77.98	67.50
Aviation gasoline (100LL)								
JP-1:	-	86.71	86.74	84.84	85.00	77.60	73.05	59.10
i) For sale to PIA Domestic Flight								
ii) For sale to PIA foreign flights & foreign airline								
iii) For Cargo & Technical Landing Flights								
JP-4								
JP-8	-	87.06	86.42	85.52	84.66	77.01	72.72	58.76

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5
OIL SALE PRICES

Rs/Ltrs

Date	01-02-2015	01-03-2015	01-07-2015	01-08-2015	01-09-2015	01-10-2015	01-11-2015	01-12-2015
EX-NRL/PRL KARACHI								
Motor Gasoline	70.29	70.29	77.79	76.76	73.76	73.76	76.26	76.26
HOBC (Automotive 100 Octane)			83.81	82.79	79.79	79.79	79.79	80.66
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)								
Kerosene	61.44	61.44	64.94	60.11	57.11	57.11	57.11	56.32
HSD	80.61	80.61	87.11	85.05	82.04	82.04	83.79	83.79
LDO	57.94	57.94	61.51	56.59	53.59	53.59	53.59	53.23
Aviation gasoline (100LL)								
JP-1:	47.30	53.59	55.81	49.33	42.65	45.31	46.12	45.24
i) For sale to PIA Domestic Flight								
ii) For sale to PIA foreign flights & foreign airline								
iii) For Cargo & Technical Landing Flights								
JP-4								
JP-8	46.96	53.25	55.47	48.99	42.31	44.96	45.77	44.90

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5
OIL SALE PRICES

Rs/Ltrs

Date	01-01-2016	01-02-2016	01-03-2016	01-04-2016	01-05-2016	01-06-2016	01-07-2016	01-08-2016
EX-NRL/PRL KARACHI								
Motor Gasoline	76.25	71.25	62.77	64.27	64.27	64.27	64.27	64.27
HOBC (Automotive 100 Octane)	80.66	75.66	72.68	72.68	72.68	72.68	72.68	72.68
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)								
Kerosene	48.25	43.25	43.25	43.25	43.25	43.25	43.25	43.25
HSD	80.79	75.79	71.12	72.52	72.52	72.52	72.52	72.52
LDO	44.94	39.94	37.97	37.97	37.97	37.97	43.35	43.35
Aviation gasoline (100LL)								
JP-1:	37.50	29.66	32.67	36.35	38.87	38.87	48.82	45.19
i) For sale to PIA Domestic Flight								
ii) For sale to PIA foreign flights & foreign airline								
iii) For Cargo & Technical Landing Flights								
JP-4								
JP-8	37.15	29.31	31.36	36.01	37.37	37.37	44.81	42.27

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5
OIL SALE PRICES

Rs/Ltrs

Date	01-09-2016	01-10-2016	01-11-2016	01-12-2016	01-01-2017	16-01-2017	01-02-2017	16-02-2017
EX-NRL/PRL KARACHI								
Motor Gasoline	64.27	64.27	64.27	66.27	67.27	68.04	70.29	71.29
HOBC (Automotive 100 Octane)	72.68	72.68						
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)								
Kerosene	43.25	43.25	43.25	43.25	43.25	43.25	43.25	43.25
HSD	72.52	72.52	72.52	75.22	75.22	77.22	49.48	80.48
LDO	43.34	43.34	43.34	43.34	43.34	43.34	43.34	43.34
Aviation gasoline (100LL)								
JP-1:	40.51	42.19	46.67	44.61				
i) For sale to PIA Domestic Flight								
ii) For sale to PIA foreign flights & foreign airline								
iii) For Cargo & Technical Landing Flights								
JP-4								
JP-8	40.17	41.84	46.33	43.47				

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5

OIL SALE PRICES

Rs/Ltrs

Date	01-03-2017	01-04-2017	01-05-2017	01-06-2017	01-07-2017	01-08-2017	06-08-2017
EX-NRL/PRL KARACHI							
Motor Gasoline	73.00	74.00	74.00	72.80	71.30	71.30	69.50
HOBC (Automotive 100 Octane)							
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)							
Kerosene	44.00	44.00	44.00	44.00	44.00	44.00	44.00
HSD	82.00	83.00	83.00	81.40	79.90	79.90	77.40
LDO	44.00	44.00	44.00	44.00	44.00	44.00	44.00
Aviation gasoline (100LL)							
JP-1:					44.40	45.98	45.98
i) For sale to PIA Domestic Flight							
ii) For sale to PIA foreign flights & foreign airline							
iii) For Cargo & Technical Landing Flights							
JP-4							
JP-8					44.05	45.63	45.63

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5

OIL SALE PRICES

Rs/Ltrs

Date	01-09-2017	01-10-2017	01-11-2017	01-12-2017	01-01-2018	01-02-2018	01-07-2018
EX-NRL/PRL KARACHI							
Motor Gasoline	71.50	73.50	75.99	77.47	81.53	84.51	99.50
HOBC (Automotive 100 Octane)							
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)							
Kerosene	44.00	48.00	53.19	57.58	64.32	70.18	87.70
HSD	77.40	79.40	84.59	85.95	89.91	95.83	119.31
LDO	44.00	46.00	49.00	52.12	58.37	64.30	80.91
Aviation gasoline (100LL)							
JP-1:	48.77	52.26	52.91	57.22	62.35	65.85	76.18
i) For sale to PIA Domestic Flight							
ii) For sale to PIA foreign flights & foreign airline							
iii) For Cargo & Technical Landing Flights							
JP-4							
JP-8	48.41	51.91	52.96	56.87	59.41	65.48	76.16

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5

OIL SALE PRICES

Rs/Ltrs

Date	08-07-2018	01-08-2018	01-09-2018	01-10-2018	01-11-2018
EX-NRL/PRL KARACHI					
Motor Gasoline	95.24	95.24	92.83	92.83	97.83
HOBC (Automotive 100 Octane)					
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)					
Kerosene	83.96	83.96	83.50	863.50	86.50
HSD	112.94	112.94	106.57	106.57	112.94
LDO	75.37	75.37	75.96	75.96	82.44
Aviation gasoline (100LL)					
JP-1:	76.18	81.44	80.94	84.83	92.34
i) For sale to PIA Domestic Flight					
ii) For sale to PIA foreign flights & foreign airline					
iii) For Cargo & Technical Landing Flights					
JP-4					
JP-8	76.16	81.24	80.75	84.64	92.15

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5

OIL SALE PRICES

Rs/Ltrs

Date	01-12-2018	01-01-2019	01-02-2019	01-03-2019
EX-NRL/PRL KARACHI				
Motor Gasoline	95.83	90.97	90.38	92.89
HOBC (Automotive 100 Octane)				
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)				
Kerosene	83.50	82.98	82.31	86.31
HSD	110.94	106.68	106.68	111.43
LDO	77.44	75.28	75.03	77.54
Aviation gasoline (100LL)				
JP-1:	84.42	73.59	73.39	73.48
i) For sale to PIA Domestic Flight				
ii) For sale to PIA foreign flights & foreign airline				
iii) For Cargo & Technical Landing Flights				
JP-4				
JP-8	84.23	73.41	73.20	73.29

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.6

GAS SALE PRICES

Unit: Rupees/MMbtu.

Category	1-1-2013	23-8-13	1-1-14	1-9-2015	1-1-2016	1-4-2016	1-7-2016	15-12-16
DOMESTIC (Slab)								
i) Upto 1.77 M cu.ft./month								
ii) Upto 1.77 to 3.55 M cu.ft./month	106.14	106.14	106.14	110.00			110.00	110.00
iii) Upto 3.55 to 7.10 M cu.ft./month								
iv) Upto 7.10 to 10.64 Mcu.ft./month	212.28	212.28	212.28	220.00			220.00	220.00
v) Upto 10.64 to 14.20 M cu.ft./month	530.00	530.69	530.69	600.00			600.00	600.00
vi) Upto 14.20 to 17.75 M cu.ft./month								
vii) All over 17.75								
BULK METER	530.00	530.69	530.69	600.00			600.00	600.00
COMMERCIAL	636.83	636.83	636.83	700.00				
SPECIAL COMMERCIAL ROTI TANDOOR*								
Upto 50								
Over 50 upto 100	106.14	106.14	106.14	110.00			110.00	110.00
Over 100 upto 200								
Over 200 upto 300	212.28	212.28	212.28	220.00			220.00	220.00
Over 300	636.83	636.83	636.83	700.00				
ICE FACTORIES	636.83	636.83	636.83	700.00			700.00	700.00
General Industry	488.23	488.23	488.23	700.00			600.00	600.00
Cement	742.97	742.97	742.97	750.00			750.00	750.00
CNG Station	656.32	656.32	656.32	700.00			700.00	700.00
Pakistan Steel								
Captive Power	488.23	573.28	573.28	600.00			600.00	600.00
Independent Power Projects	488.23	488.23	488.23	600.00		613.00	613.00	400.00
FERTILIZER								
SNGPL'S SYSTEM								
(i) For Feed Stock								
Pak American Fertilizer Ltd.	123.41	123.41	123.41	200.00		123.41	123.00	123.00
F.F.C Jorden								
Engro Fertilizer Ltd.	67.38	*-69.10	73.17	70.61	72.73		72.72	72.72
Dawood Hercules/ Pak Arab	123.41	123.41	123.41	200.00		123.41	123.00	123.00
Pak China /Hazara	123.41	123.41	123.41	200.00		123.41	123.00	123.00
SSGCL'S SYSTEM								
F.F.Bin Qasim Ltd.	123.41	123.41	123.41	200.00		123.41	123.00	123.00
F.F.Bin Qasim Ltd. (Add. 10mmcfd FS)	67.38	69.10	73.17	70.61	72.73		72.72	72.72
(ii) For Fuel Generation all Fertilizer Co.	488.23	488.23	488.23	600.00			600.00	600.00
FOR MARI GAS CO. SYSTEM								
(i) For Feed Stock								
(a) Engro Chemical	123.41	123.41	123.41	200.00		123.41	123.00	123.00
FFC (Goth Machi)	123.41	123.41	123.41	200.00		123.41	123.00	123.00
Fatima Fertilizer	67.38	69.10	73.17	70.61	72.73		72.72	72.72
FFC (Mirpur M)	123.41	123.41	123.41				123.00	123.00
Foundation Power Company	488.23	488.23	488.23				613.00	400.00
(ii) For Power Generation	488.23	488.23	488.23					
POWER Stations								
SNGPL & SSGCL'S SYSTEM	488.23	488.23	488.23	600.00				
Liberty Power Limited	1,505.20	1,505.20	1,505.20	713.89	648.52		443.58	443.58
GAS DIRECTLY SOLD TO								
WAPDA'S GUDDU POWER STATION								
SUI FIELD (917 BTU)	488.23	488.23	488.23	600.00		613.00		
KANDKOT FIELD (866 BTU)	488.23	488.23	488.23	600.00		613.00		
MARI FIELD (754 BTU)	488.23	488.23	488.23	600.00		613.00	613.00	400.00
SARA /SURI FIELDS								
Foundation Power Company	488.23	488.23	488.23	600.00		613.00	613.00	400.00

Source : Directorate General of Gas.

TABLE 14.6

GAS SALE PRICES

Category	w.e.f 27-09-2018
1. DOMESTIC	
Upto 50 M^3 per month	121.00
Upto 100 M^3 per month	127.00
Upto 200 M^3 per month	264.00
Upto 300 M3 per month	275.00
Upto 400 M3 per month	780.00
Upto 500 M3 per month	1,460.00
Over 500 M3 per month	1,460.00
2. BULK CONSUMERS	
3. SPECIAL COMMERCIAL (ROTI TANOOR)	780.00
SPECIAL COMMERCIAL ROTI TANDOOR*	
Upto 50 M^3 per month	121.00
Upto 100 M^3 per month	127.00
Upto 200 M^3 per month	264.00
Upto 300 M^3 per month	275.00
Upto 400 M^3 per month	780.00
Over 400 M^3 per month	980.00
4. COMMERCIAL	980.00
5. ICE FACTORIES	980.00
6. TEXTILE (including Jute) carpets, leather, sports and surgical goods	600.00
7. INDUSTRIAL	780.00
8. CAPITIVE POWER	780.00
9. COMPRESSED NATURAL GAS(CNG)	980.00
10. CEMENT	975.00
11. FERTILIZER COMPANIES	
ON SNGPL'S SYSTEM	
(a) For Feed Stock	
(i) Pak Amercian Fertilizer Limited	
(ii) Dawood Hercules Cheical Limited	
(iii) Pak Arab Fertilizer Limited	185.00
(iv) Pak China Fertilizer Limited	185.00
(v) Hazara Phosphoale Fertilizer Limited	185.00
(vi) FFC Jordan Fertilizer	185.00
(vii) ENGRO Fertilizer Limited	US$0.70
ON SSGCL'S SYSTEM	
(a) Fauji Fertilizer Bin Qasim Limited	185.00
(b) FFBQL - additional 10 MMCFD leed stock	
(c) For Fuel - All Fertilizer Companies	780.00
ON MARI's SYSTEM	
(a) For Feed Stock	
(i) Engro Fertilizer Company Limited	185.00
(ii) Fauji Fertizer Company Limited (Goth Machi/Mirpur Matheolo)	185.00
(iii) Fatima Fertilizer Company Limited (Mirpur Mathelo, District Ghotki	US$0.70
(iv) Fauji Fertilizer Company Limited Mirpur Mathelo District Ghotki	
(b) For Fuel	780.00
12. POWER STATION (WAPDA's AND KESC's	
(i) WAPDA & KESCS's POWER AND STATION	629.00
(ii) WAPDA's Gas Turbine Power Station Nishatabad, Faislabad	629.00
(iii) LIBERTY POWER LIMITED*	1,005.19
13. INDEPENDENT POWER PRODUCERS	629.00

*: The rate will be 1,283.5 w.e.f 01-01-2019

Source : Directorate General of Gas.

WEIGHTS AND MEASURES

RUPEES

One Lakh	=One hundred thousand	=100,000
Ten Lakh	=One million	=1,000,000
One Crore	=Ten million	=10,000,000
One Billion	=One thousand million	
One Trillion	=One thousand billion	

CURRENCY EQUIVALENT

Prior to 1972

One Rupee = US$ 0.21 One US$ = Rs. 4.76

With effect from 8th January, 1982, Rupee is floating against Dollar and is linked to a basket of currencies.

WEIGHTS

One Gram	=0.035 Ounce	=0.0857 Tola	
One Pound	=16 ounces	=453.592 grams	
One Kilogram	=1000 grams	=1.07 seers	=2.205 pounds
One Metric tonne	=1000 Kilograms	=0.9842 ton	=26.792 Maunds
One Maund	=37.3242 Kilograms		
One Tonne	=2240 pounds	=1.016 metric tonnes	
One cotton bale	=375 Ibs.	=170.2 kg	
One bushel	=0.73 mds	=27.25 kg	

LENGTH

One yard	=3 feet =36 inches	=0.914 metre
One mile	=1760 yards	=1.609 kilometres
One sq. yard	=0.83613 sq. metres	
One sq. metre	=1.196 sq. yards	
One Acre	=4840 sq. yards	=0.4049 hectare
One Hectare	=2.47 Acres	

VOLUME

One cubic metre	=35.315 cubic feet

LIQUID MEASURE

One barrel	=36 gallons (imperial)	=163.656 litres

YEAR

Fiscal/Trade/Agriculture Year in Pakistan starts from 1stJuly and ends on 30th June every year

CROPPING SEASONS

Kharif – Crop sowing from April to June and harvested during October-December

Rabi – Crops sowing from October to December and harvested during April-May

ABBREVIATIONS

AJK	Azad Jammu Kashmir
AMCs	Assets Management Companies
APHCA	Animal Production & Health Commission for Asia
AQD	Animal Quarantine Department
BATS	Bonds Automated Trading System
BISP	Benazir Income Support Programme
BOT	Build Own and Transfer
BPA	Bond Pricing Agency
CBOs	Community Based Organizations
CBR	Crude Birth Rate
CCI	Council of Common Interest
CDNS	Central Directorate of National Savings
CDR	Crude Death Rate
CFIs	Commercial Financial Institutions
CGT	Capital Gain Tax
CiC	Currency in Circulation
CMOs	Cellular Mobile Operators
CPEC	China-Pak Economic Corridor
CPI	Consumer Price Index
CPR	Contraceptive Prevalence Rate
CRR	Cash Reserve Requirement
CSC	Customer Services Centers
CSF	Coalition Support Fund
CSP	Child Support Programme
CVT	Capital Value Tax
DGPC	Directorate General Petroleum Concessions
DNA	Damage and Needs Assessment
DRS	Disaster Risk Management
DSNGS	Digital Satellite News Gathering System
ECB	External Commercial Borrowings
ECNEC	Executive Committee of the National Economic Council
ECO	Economic Cooperation Organization
EDL	External Debt and Liabilities
EFA	Education for All
EMO	Expanding Microfinance Outreach
EMOs	Electronic Money Order Services
EOBI	Employees Old Age Benefits Institution
EPA	Environment Protection Agency
EPS	Earning per Share
EU	European Union
FAO	Food Agriculture Organization
FATA	Federally Administrated Tribal Areas
FATE	Facilitation and Taxpayers Education
FCA	Federal Committee on Agriculture
FDI	Foreign Direct Investment
FEE	Foreign Exchange Earnings
FEL	Foreign Exchange Liabilities
FER	Foreign Exchange Reserves
FLL	Fixed Local Loop
FMD	Foot and Mouth Disease
FWC	Family Welfare Center
GCC	Gulf Co-operation Council
GDP	Gross Domestic Product
GDR	Global Depository Receipts
GNP	Gross National Product
GPI	Gender Parity Index
GST	General Sales Tax
HDI	Human Development Index
HEC	Higher Education Commission
HIES	Household Income and Expenditure Survey
HPEHPs	High Priority Early Harvest Projects
HRD	Human Resource Development

IAEA	International Atomic Energy Agency
IBFT	Inter Bank Fund Transfer
ICT	Islamabad Capital Territory
IFA	Individual Financial Assistance
IFIs	International Financial Institutions
IMF	International Monetary Fund
IMR	Infant Mortality Rate
IPPs	Independent Power Producers
ITMS	Integrated Tax Management System
KIBOR	Karachi Interbank Offer Rate
KPT	Karachi Port Trust
KSE	Karachi Stock Exchange
KYE	Know Your Customer
LFS	Labour Force Survey
LSM	Large Scale Manufacturing
MDG	Millennium Development Goals
MFBs	Microfinance Banks
MMR	Maternal Mortality Rate
MRTB	Market Related Treasury Bills
MSU	Mobile Service Unit
MTBF	Medium Term Budgetary Framework
MTEF	Medium Term Expenditure Framework
NAVTEC	National Vocational and Technical Education Commission
NBFCs	Non Banking Financial Companies
NBFIs	Non Banking Financial Institutions
NCCPL	National Clearing Company of Pakistan Limited
NCEL	National Commodity Exchange Limited
NCHD	National Commission for Human Development
NCRCL	National Center for Rehabilitation of Child Labour
NDMA	National Disaster Management Authority
NEP	National Education Policy
NEQ	National Environment Quality Standards
NFC	National Finance Commission
NGMS	Next Generation Mobile Services
NHA	National Highways Authority
NICL	National Insurance Company Limited
NID	National Immunization Day
NPLs	Non Performing Loans
NSDWQ	National Standards for Drinking Water Quality
NTCP	National Trade Corridor Programme
NVL	National Veterinary Laboratories
OBB	Output Based Budget
OECD	Organization for Economic Cooperation & Development
OGRA	Oil & Gas Regulatory Authority
OIE	Office International des Epizooties
OLP	Outstanding Loans Portfolio
OMC	Oil Marketing Companies
OMOs	Open Market Operations
OPHI	Oxford Poverty and Human Development Initiative
PAEC	Pakistan Atomic Energy Commission
PBC	Pakistan Broadcasting Corporation
PBM	Pakistan Bait-ul-Mal
PDMA	Provincial Disaster Management Authority
PDS	Pakistan Demographic Survey
PEMRA	Pakistan Electronic Media Regulatory Authority
PER	Price Earning Ratio
PFFPS	Pakistan Fertility & Family Planning Survey
PGR	Population Growth Rate
PIBs	Pakistan Investment Bonds
PMEX	Pakistan Mercantile Exchange Limited

PNSC	Pakistan National Shipping Corporation
PPAF	Pakistan Poverty Alleviation Fund
PPAF	Pakistan Poverty Elevation Fund
PPCBL	Punjab Provincial Corporative Bank Limited
PPIB	Private Power Infrastructure Board
PPR	Peste des Petits Ruminants
PRISM	Pakistan Real-Time Inter Bank Settlement
PSDF	Punjab Skills Development Fund
PSDP	Public Sector Development Programme
PSEs	Public Sector Enterprises
PSLM	Pakistan Social and Living Standard Measurement Survey
PSM	Pakistan Steel Mill
PTA	Pakistan Telecommunication Authority
QIM	Quantum Index Manufacturing
RAR	Refined Activity Rate
RBM	Roll Back Malaria
REER	Real Effective Exchange Rate
REIT	Real Estate Investment Trusts
RHS	Reproductive Health Services
RSP	Rural Support Program
SAARC	South Asia
SBAs	Skilled Birth Attendants

SBP	State Bank of Pakistan
SDR	Special Drawing Rights
SECP	Security & Exchange Commission of Pakistan
SLIC	State Life Insurance Corporation
SLR	Statutory Liquidity Requirement
SME	Small & Medium Enterprise
SOEs	State Owned Enterprises
SPI	Sensitive Price Index
T-bill	Treasury Bills
	Technologies
	Technologies
TFC	Term Finance Certificate
TFR	Total Fertility Rate
TS&C	Transport, Storage &Communication
UAE	United Arab Emirates
VPS	Voluntary Pension System
WALR	Weighted Average Lending Rate
WAPDA	Water and Power Development Authority
WLL	Wireless Local Loop
WPI	Whole Sale Price Index
WWF	Workers' Welfare Fund
ZTBL	Zarai Taraqiati Bank Limited
3G	3rd Generation of Mobile Cellular
4G	4th Generation of Mobile Cellular

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PCPPI – 3877(19) Fin.Div.—25-05-2019—3000

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Cover Designed by: Faheem Anwar, Webmaster, Finance Division
Printed by: Printing Corporation of Pakistan Press, Islamabad