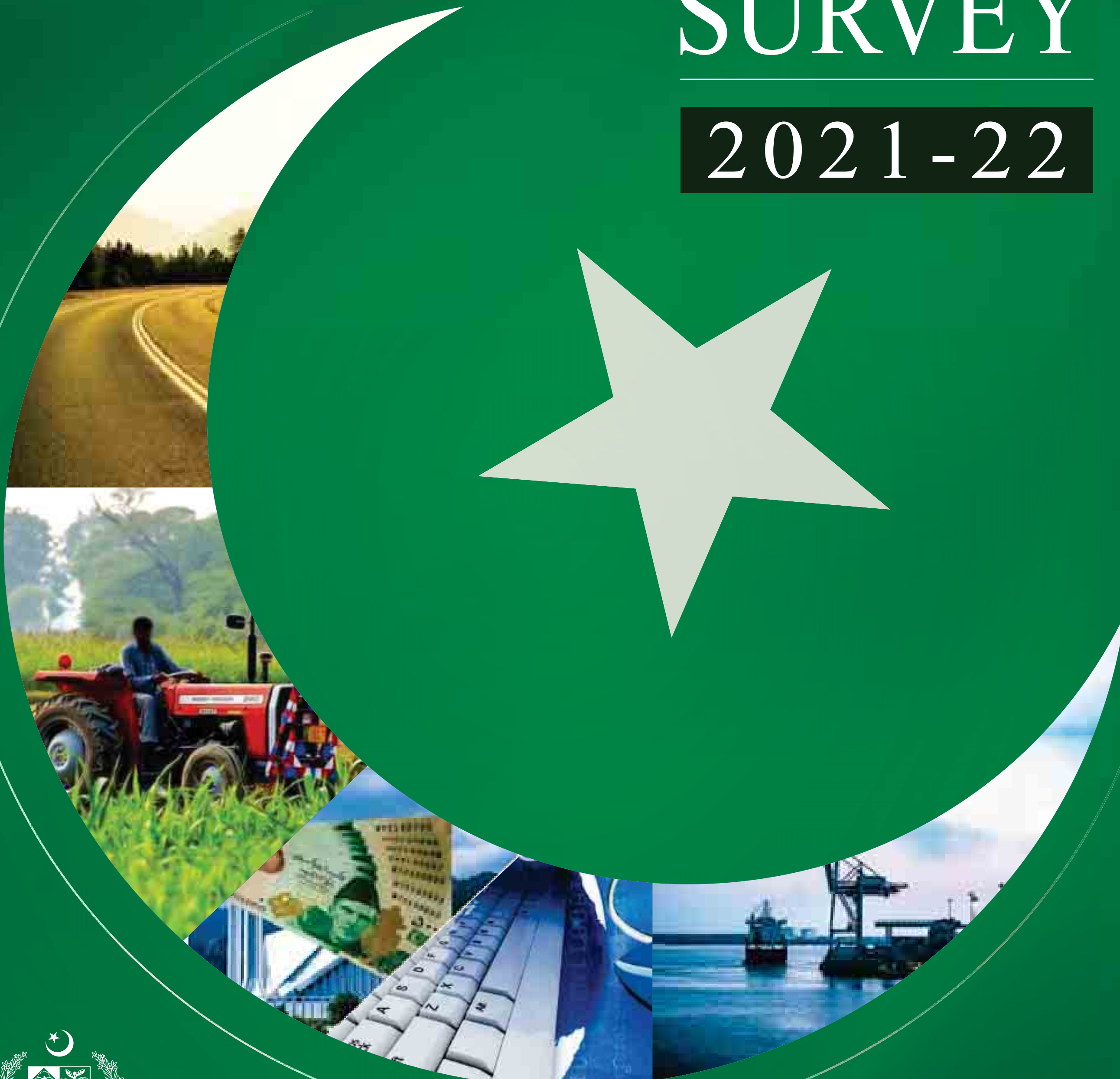
PAKISTAN ECONOMIC SURVEY 2021-22



FINANCE DIVISION
GOVERNMENT OF PAKISTAN

PAKISTAN ECONOMIC SURVEY 2021-22

Economic Adviser's Wing | Finance Division
Government of Pakistan | Islamabad

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FOREWORD

Global coordinated efforts gradually brought the pandemic under control and the world is recovering from the devastating effects of COVID-19. However, the Russia-Ukraine conflict has created new risks to economic growth and posed significant uncertainty about the economic outlook. The economic impact of the conflict is manifesting in terms of higher commodity prices, disrupted trade and supply chains, lower business confidence, and increased investors' uncertainty. The fallout of conflict will contribute to a significant slowdown in global growth in 2022 and 2023. The global economic growth is projected to slow from an estimated 6.1 percent in 2021-22 to 3.6 percent in 2022-23. The negative economic consequences of the war in Ukraine are spreading across the world and Pakistan is also among the vulnerable countries. The risk for Pakistan's economy has been elevated by high international commodity and oil prices, significant pressure on external side, and squeezed fiscal space.

According to provisional estimates, Pakistan's economy in FY2022 has witnessed an estimated GDP growth of 5.97 percent. This unsustainable growth has triggered macroeconomic imbalances. Unfortunately, the weak economic management of the previous government has resulted in the deterioration of the exchange rate, high inflation and widened the twin deficits, thus bringing Pakistan to the verge of a financial crisis.

The present coalition government has inherited a fragile economy with a current account deficit of $13.8 billion in the first 9-months of the year, a fiscal deficit of 3.8 percent of GDP expected to increase to 7.0 percent by June, total public debt at Rs 44,366 billion (end March 2022), inflation at 11.3 percent and depleting forex reserves. The present government is taking politically tough decisions to steer the economy through various crises. Prime Minister Shehbaz Sharif is taking CPEC forward with new vigor, promoting the multifaceted development of the flagship project of China's ambitious Belt and Road Initiative (BRI).

Besides growth, the government is also taking care of its solemn obligation towards the poor segments through a social safety program and targeted subsidies. The government is taking measures to extend relief to the less well-off citizens through Benazir Income Support Programme (BISP).

The Pakistan Economic Survey has reviewed the progress of the outgoing fiscal year based on the latest available data up to March-April 2021-22. As is customary, the Survey is launched just before the presentation of the Federal Budget 2022-23. Hence, the Economic Survey covered the latest available data for the outgoing fiscal year.

I wish to congratulate and thank the Economic Adviser and his team for preparing this important document. It will serve as an invaluable information tool for all stakeholders, including parliamentarians, policymakers, academia and international development partners.

Dr. Miftah Ismail
Minister for Finance and Revenue

Islamabad, the 09th June, 2022

PREFACE

Pakistan Economic Survey is a yearly flagship publication of the Ministry of Finance which highlights the trend of macro-economic indicators, development policies, strategies, as well as sectoral achievements of the economy. Pakistan Economic Survey 2021-22 is being launched at a difficult time when the economy is going through a recovery phase despite mounting uncertainty and ever increasing global prices risks. The survey has reviewed the drivers of this year's growth including the updated information on other economic variables and the socio-economic progress of first nine to ten months of the outgoing fiscal year. The document consists of analytical text and Statistical Appendix. The first part furnishes a comprehensive analysis of the performance by various sectors of the economy, while the second part provides the time series data of its different sectors.

The statistical data related to all the sectors has been provided by a number of organizations, provincial departments and ministries of the Government of Pakistan. I would like to appreciate them for providing valuable information. The completion of survey could not have been possible without their timely support.

I am highly indebted to EA Wing officers and officials, HRM Wing and Debt Office for their continued support and hard work that led to the completion of Economic Survey well on time. I would also offer my gratitude to worthy Minister for Finance & Revenue, Mr. Miftah Ismail, Minister of State for Finance & Revenue, Dr. Aisha Ghaus Pasha and Finance Secretary, Mr. Hamed Yaqoob Sheikh, for their support and guidance during compilation process.

Pakistan Economic Survey 2021-22 has greatly benefitted from the comments and insights of Dr. Aamer Irshad (FAO), Dr. Khalid Mehmood (PIDE), Dr. Saima Bashir (PIDE), Mr. Javed Sikandar (Planning Commission), Dr. Meraj ul Haq (IIU), Dr. Atif Ali Jaffery (Gujrat University), Dr. Imran Khan Jadoon (Comsats University), Mr. Saqib Jalil Malik (ISE), Dr. Syed Akhtar Hussain Shah and Dr. Muhammad Arshad Khan. I sincerely acknowledge their inputs/views/comments which improved the quality of Economic Survey. A continuous engagement, discussions and advice from the senior officers of the Finance Division, especially Mr. Awais Manzur Sumra, Mr. Tanvir Butt, Mr. Ali Tahir, Mr. Muhammad Anwar Sheikh, and Mr. Aamir Mehmood have been very much productive for the overall improvement of this national document.

Hopefully, the Survey will fulfill the expectations of policymakers, economists, academicians, business practioners, government agencies, students, researchers, the media personnel and those who are interested in developing deeper understanding of Pakistan's economy. Constructive comments and suggestions for the improvement of this document are always welcomed.

Dr. Imtiaz Ahmad
Economic Adviser

Islamabad, the 09th June, 2022

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Overview of the Economy

Global Economic Review

Unprecedented global crisis caused by the outbreak COVID-19 pandemic in early 2020 had led to equally unprecedented worldwide measures to protect lives and likelihoods. Governments and Central banks engaged in accommodative fiscal and monetary policy measures to protect the population from an economic meltdown. The imposed mobility and other necessary restrictive measures took a huge toll on social and economic prosperity. Nevertheless, a recession in 2020 could not be avoided due to the suspension of economic activities and resultant negative growth.

In 2021 vaccination programs, although unevenly spread among world regions, allowed to gradually relax economic restrictions. In the meantime, economic policies continued to support the strong economic revival across the globe that resulted in economic growth exceeding potential output growth in 2021. Supply-demand imbalances became apparent exacerbated by supply chain disruption and bottlenecks in the transport sector. International commodity prices responded abruptly to the economic rebound accelerated inflation in most parts of the world.

In early 2022, the Russian-Ukraine conflict elevated global commodity prices, fueled inflation and domestic inflation rates further. Threats from high inflation, rising interest rates, lingering supply constraints, and mounting uncertainties affected the global economic forecasts. The impact of war has revised the global growth forecast downward by 0.8 and 0.2 percentage points to 3.6 percent in both 2022 and 2023. The projection for economic growth of European Economies has been revised downwards by 1.1 percentage points to 2.8 percent. Similarly, the outlook for advanced and emerging economies also revised downwards by 0.6 and 1.0 percentage points, respectively. In the medium-term, the outlook is revised downwards for all groups, except commodity exporters who are benefitting from the surge in energy and food prices.

Central Banks around the world responded well to the overheated economies and reversed the expansionary monetary policy. Fed and other central banks raised the policy rate to slow the economy enough to tame inflation. On the fiscal side, policy space was already eroded in many countries by the pandemic. The surge in commodity prices and the increase in global interest rates will further reduce fiscal space, especially for oil and food-importing economies. The withdrawal of extraordinary fiscal support was projected to continue because of the overheated economies, shrinking fiscal space, and growing budget deficits. Clear communication and forward guidance on the outlook for monetary policy and greater support from the treasury will be essential to minimize the risk of disruptive adjustments and to ensure that medium and long-term inflation expectations remain well-anchored.

The weakening growth prospects, provision of relief to the vulnerable population, and supportive measures by governments will widen fiscal deficits. Several economies will need to consolidate their fiscal balances. This should not impede governments from providing well-targeted support for vulnerable populations, especially in the presence of high energy and food prices.

Summing up, the recurring economic crisis allowed governments across the globe to develop a strategic response to the crisis. The changing economic landscape brought a paradigm shift in economic policymaking. The focus has been shifted to knowledge-based and service economies where investment in human capital is of equal importance as an investment in machinery, equipment, and buildings.

Pakistan Economic Review

Though economy recovered from the pandemic (a 0.94 percent drop in FY2020) and maintained V-Shaped recovery by posting real GDP growth of 5.97 percent in the fiscal year 2022. This high growth, however, is unsustainable and has resulted in financial and macroeconomic imbalances.

Historically, Pakistan's economy had shown periodic 'boom-bust' growth cycles. The reasons for such volatile growth cycles include the wide-ranging economic challenges like shrinking fiscal space, exchange rate pressure, mounting current account deficit, inflation, energy sector bottlenecks, and the absence of a supportive environment for the private sector.

Political instability in the country also led to a huge increase in economic uncertainty. Uncertainty at individual, firm, and government levels is negatively affecting the economy. Political stability can reduce uncertainty by making clear policy statements to build the trust of domestic as well as foreign investors and the business community.

The coordinated monetary-fiscal policy approach after the COVID-19 outbreak has succeeded in reviving the real economic activity. Specifically, the fiscal-monetary stimulus packages have a cascading effect on growth through a revival in private investment. In addition, the accommodative monetary policy stance in FY2021, focused on the revival of the construction industry and mandatory housing finance targets by the SBP, together with the rebound in external demand has set the stage for stronger growth momentum in FY2022.

Further, growth momentum was observed on account of broad-based expansion in large-scale manufacturing (LSM) and improved crop production. However, the economy also started to show signs of excess demand and overheating through an increase in the import volume of capital and consumer goods, energy, and non-energy imports.

On the external front, the exports grew remarkable on account of policy supports provided-including regionally competitive energy tariff rates, Export Facilitation Scheme 2021, enhancement in coverage and loan limits under LTFF, Changes in FX regulations to facilitate exports, the launch of an e-Tijarat portal and tariff rationalized in various sectors in line with objectives of National Tariff Policy 2019-2024. In addition to this, STPF 2020-25 has been prepared to enhance the export competitiveness of Pakistan through a framework of interventions having an impact across the value chains. Furthermore, textile policy 2020-25 has also been approved to fully utilize the potential of home-grown cotton augmented by man-made fibers and filaments to boost value-added exports. Moreover, at the international level, World Trade Organization (WTO) has undertaken the Trade Policy Review (TPR) for Pakistan to achieve transparency and a better understanding of trade policies and practices.

However, a surge in global commodity prices is exerting pressure on imports by significantly pushing up import payments. Resultantly, the sizeable trade deficit of US$ 32.9 billion during July-April FY2022 was partially financed by significant workers' remittances. Thus, in the period under discussion, the current account posted a deficit of US$ 13.8 billion compared to a deficit of US$ 0.5 billion during the same period last year. The widening of the current account deficit together with a build-up in inflationary pressures in the backdrop of the geopolitical situation (especially the Russia-Ukraine conflict) has created significant challenges for sustainable economic growth. In addition, the recent emergence of domestic conditions (including political instability) is eroding business confidence. Thus, all in all, inflationary and external sector pressures have created macroeconomic imbalances in the economy.

To counter inflationary pressure and for sustainable economic recovery, SBP moved to monetary policy normalization in September 2021. Policy Rate increased by cumulative 675 bps between September-April, FY2022.

The CPI inflation for the period July-May FY2022 was recorded at 11.3 percent as against 8.8 percent during the same period last year. The pressures on headline inflation can fairly be attributed to adjustments in prices of electricity and gas, a significant increase in the non-perishable food prices, exchange rate depreciation along with a rapid increase in global fuel and commodity prices.

Shocks to the economy caused significant damage to Pakistan's public finances. In response, the Government formulated and implemented various policy initiatives which improved fiscal outcomes, especially on the revenue side. FBR has initiated various policy and administrative measures to facilitate the taxpayers to mobilize domestic resources and generate sufficient revenue without hurting growth momentum. FBR tax collection witnessed a substantial growth of 28.5 percent during July-April FY2022. However, higher grants and huge subsidies kept the expenditure side under intense pressure. The fiscal deficit increased to 3.8 percent of GDP in July-March FY2022 against 3.0 percent of GDP during the same period last year. Similarly, the primary balance posted a deficit of Rs 447.2 billion.

In the medium term, comprehensive measures are needed to strengthen and reliability of overall economic performance to reinvigorate the economy, spur growth, maintain price stability, provide jobs to the youth and rebuild the key infrastructure of the country. This will also require fiscal adjustments, and reforms in almost every sector of the economy to lay the foundation for higher, inclusive, and sustainable economic growth.

Executive Summary

1. Growth and Investment

In FY2022, the real GDP growth remained at 5.97 percent. However, underlying macroeconomic imbalances and associated domestic and international risks have dampened celebrations. The economy of Pakistan rebounded from the pandemic (0.94 percent contraction in FY2020) and continued to post a V-Shaped economic recovery which is higher than the 5.74 percent recorded last year (FY2021).

This high growth, however, is also accompanied by external and internal imbalances, as has been the case historically with Pakistan's economy. However, external circumstances also played a critical role this time. These circumstances have placed almost all economies of the world in shambles. A highly transmissible Omicron variety, changes in Afghanistan's government after the withdrawal of US troops sparked and the Russian-Ukraine conflict started in Feb 2022, all of these have upended the global economic picture. Financial and commodity markets have felt shockwaves. Thus, energy and food prices have surged rapidly and threaten to remain further elevated. The exceedingly uncertain outcome of the crisis is another challenge for developing economies, particularly for Pakistan.

Pakistan's economy has shown a strong recovery after being depressed due to the pandemic which resulted in lockdown. For FY2022, real GDP (GVA at basic prices 2015-16) posted a growth of 5.97 percent on account of 4.40 percent growth in Agriculture, 7.19 percent growth in the Industrial sector, and 6.19 percent growth in the Services sector. This growth is slightly above the growth of 5.74 percent recorded for FY2021.

For FY2022, GDP at current market prices stands at Rs 66,950 billion showed a growth of 20.0 percent over last year (Rs 55,796 billion). In the dollar term, it remained at US$ 383 billion. Gross National Income (GNI) is also used for measuring and tracking a nation's wealth which is calculated by adding Net Primary Income (NPI) to GDP (MP). Regarding per capita income in terms of dollar, there was a rebound seen in FY2021 which continued in FY2022. In FY2022, per capita income was recorded at US$1,798 which reflects an improvement in prosperity due to the fact that economic growth per person improved.

The Gross Fixed Capital Formation (GFCF) for FY2022 was recorded at Rs 8,992 billion against Rs 7,217 billion in FY2021, thus, posting a growth of 24.6 percent. The GFCF is comprised of Private, Public, and General governments. The GFCF in the private sector during FY2021 is estimated at Rs 6,704 billion against Rs 5,557 billion in FY2021, showing an increase of 20.6 percent. On the basis of data reported by PBS, GFCF in Public sector remained at Rs 481 billion during FY2022 compared to Rs 419 billion last year, registering an increase of 14.9 percent. The overall provisional GFCF in General Government services for FY2022 has been recorded at Rs 1808 billion compared to

Rs 1241 billion during FY2021, posting a growth of 45.6 percent. This time, PBS has also provided industry-wise disaggregation of GFCF of General Government. The data suggests that there was a 48, 34, and 25 percent increase in Public Administration & Social Security, Education, and Human Health & Social Work, respectively.

2. Agriculture

During FY2022, the agriculture sector recorded a remarkable growth of 4.40 percent and surpassed the target of 3.5 percent and last year's growth of 3.48 percent. This growth is mainly driven by high yields, attractive output prices and supportive government policies, better availability of certified seeds, pesticides, and agriculture credit.

The crops sector outperformed and posted a growth of 6.58 percent during FY2022 against 5.96 percent last year. At the sub-sector level, important crops, other crops, and cotton ginning depicted a significant growth of 7.24 percent, 5.44 percent, and 9.19 percent, respectively, against last year's growth of 5.83 percent, 8.27 percent, and -13.08 percent. The growth in production of important crops namely cotton, rice, sugarcane, and maize are estimated at 17.9 percent, 10.7 percent, 9.4 percent, and 19.0 percent, respectively. The cotton crop increased from 7.1 million bales reported last year to 8.3 million bales during 2021-22; rice production increased from 8.4 million tonnes to 9.3 million tonnes; sugarcane production increased from 81.0 million tonnes to 88.7 million tonnes; maize production increased from 8.9 million tonnes to 10.6 million tonnes respectively, while wheat production decreased from 27.5 million tonnes to 26.4 million tonnes. Other crops having a share of 13.86 percent in agriculture value addition and 3.14 percent in GDP, grew by 5.44 percent on the back of an increase in the production of pulses (29.82 percent), oilseeds (24.75 percent), vegetables (11.52 percent), fruits (1.53 percent) and fodders (0.36 percent).

Livestock having a share of 61.89 percent in agriculture and 14.04 percent in GDP, recorded a growth of 3.26 percent in 2021-22 compared to 2.38 percent during the same period last year. The fishing sector having a share of 1.39 percent in agriculture value addition and 0.32 percent in GDP grew at 0.35 percent compared to a growth of 0.73 percent in the same period last year. The forestry sector having a share of 2.14 percent in agriculture value addition and 0.49 percent in GDP posted a positive growth of 6.13 percent against the negative growth of 0.45 percent last year.

Water availability during Kharif 2021 was recorded at 65.1 million-acre feet (MAF) compared to 65.1 MAF of Kharif 2020. Rabi season 2021-22 stood at 27.4 MAF, showing a decrease of 12 percent over Rabi 2020-21.

The domestic production of fertilizers during FY2022 (July-March) increased by 1.9 percent over the same period of last year. This increase in domestic production of fertilizer is mainly due to the running of two LNG-based plants, FatimaFert and Agritech Limited, from September 2021 to March 2022. Although the import of fertilizer decreased by 6.2 percent, however, the total availability of fertilizer slightly increased by 0.5 percent. There was a decrease in the total offtake of fertilizer nutrients by 3.6 percent.

During July-March FY2022, total tractor production reached 41,871 compared to 36,900 produced last year, a 13.5 percent higher than the same period last year.

During FY2022 (July-March), banks disbursed Rs 958.3 billion which is 56.4 percent of the overall annual target and 0.5 percent higher than the disbursement of Rs 953.7 billion made during the same period last year. Further, the outstanding portfolio of agricultural loans has increased by Rs 30.9 billion i.e., from Rs 601.8 billion to Rs 632.7 billion at end of March 2022 as compared to the same period last year. In terms of outreach, the number of outstanding borrowers reached 3.2 million in March 2022.

During FY2022 (July-March), total fish production was recorded at 696.0 thousand MT (marine: 468 thousand MT and inland: 228 thousand MT) witnessing an increase of 0.8 percent over the same period of last year’s fish production of 690.6 thousand MT (marine: 465.2 thousand MT and inland: 225.4 thousand MT).

3. Manufacturing and Mining

The performance of Large-Scale Manufacturing (LSM) stood tremendous with 10.4 percent growth during July-March FY2022 as compared to growth of 4.2 percent same period last year. The prudent measures and continuous support along with rising global demand, easy access to credit, and partially subsidized energy supplies bode well in boosting the business sentiments and achieving higher growth of LSM.

On a year-on-year (y-o-y) basis, LSM grew by 26.6 percent in March FY2022 against 22.5 percent growth in the same month last year. However, on a month-on-month (m-o-m) basis LSM marked the growth of 8.2 percent in March 2022 against 3.7 percent in February 2022.

Out of 22 subsectors, 17 posted growth during July-March FY2022. The performance was broad-based on the back of strong growth of high weighted sectors such as Textile, Food, Wearing Apparel, Chemicals, Automobile, Tobacco, Iron & Steel Products along with Furniture, Wood Products, and Footballs.

The Mining and Quarrying sector remained negative at 4.47 percent during July-March FY2022 as against the growth of 1.21 percent last year. This sector is lagging behind despite huge potential, due to interconnected and cross-cutting issues like poor regulatory framework, insufficient infrastructure at mines sites, outdated technology installed, semi-skilled labor, low financial support, and lack of marketing. Production of major minerals such as Coal, Natural Gas, Chromite, Crude Oil, and Barytes witnessed a growth of 8.34, 3.45, 25.7, 4.48, and 162.5 percent, respectively. However, some witnessed negative growth during the period under review such as Magnesite 52.3 percent, Gypsum 36.9 percent, Lime stone 33.3 percent, Ocher 25.5, Rock Salt 24.2 percent, and Marble 22.9 percent.

4. Fiscal Development

Currently, the fiscal policy at the global level is functioning in a highly volatile environment and Pakistan is no exception. The conflict between Russia and Ukraine has potentially serious economic consequences for Pakistan’s economy as it has exacerbated difficult policy choices for the country. Thus, controlling inflation, strengthening the economic recovery, supporting the vulnerable, and rebuilding fiscal buffers, all became significantly important.

The conflict and resultantly its impact on higher international commodities prices especially energy and food brought a plethora of challenges to Pakistan's economy. To offset the impact of increasing oil prices, tax relief to the masses was provided in the shape of a reduction in the petroleum development levy (PDL) and the elimination of the sales tax on all POL products. These measures, combined with energy subsidies, have posed significant risks to fiscal sustainability in an already constrained fiscal environment.

Despite a significant rise in tax collection, higher current and development expenditures widened the fiscal deficit to 3.8 percent of GDP during July-March FY2022 against 3.0 percent in the previous period. Similarly, the primary balance posted a deficit of Rs 447.2 billion against a surplus of Rs 451.8 billion. On the expenditure side, total spending witnessed a sharp increase of 27.0 percent in July-March FY2022 against the contained growth of 4.2 percent in the same period of last year. Higher development and non-markup current spending contributed to an increase in total expenditures during the year.

Total revenues increased by 17.7 percent in July-March FY2022 against 6.5 percent in the same period of last year. A significant increase in tax collection was a key factor in boosting revenue growth, which more than offset the decline in non-tax revenues during the review period. During the first nine months of the current fiscal year, total tax collection (federal & provincial) grew by 28.1 percent, while non-tax revenues fell by 14.3 percent.

FBR outperformed the revenue target during the first ten months of FY2022. During July-April, FY2022, FBR has been able to collect Rs 4,855.8 billion (provisional) net tax revenues reflecting a growth of 28.5 percent. However, tax relief measures have impacted revenue collection by approximately Rs 73 billion during the month of April 2022.

5. Money and Credit

SBP had started to tighten its monetary policy stance from September 2021 after keeping the policy rate unchanged at 7 percent in all the MPC meetings held in FY2021. The monetary policy in Pakistan shifted direction in Q1-FY2022 in accordance with the changing economic outlook owing to a recovery in domestic demand, higher commodity prices, and persistent inflationary pressures. Consequently, the policy rate had increased by a cumulative 275 bps to 9.75 percent during consecutive three monetary policy decisions, within a span of three months.

Accordingly, the MPC in an unscheduled meeting on April 7, 2022, raised the policy rate by 250 basis points. The MPC was of the view that this action would help to safeguard external sector and price stability. During the monetary policy decision held on 23rd May 2022, the MPC decided to raise the policy rate by 150 basis points to 13.75 percent. The decision was based on the outcome of provisional growth estimates for FY2022 more than the target, showing excess aggregate demand, elevated external sector pressure, and a higher inflation outlook due to domestic and international factors.

During the period 01st July-29th April FY2022, broad money (M2) has increased by Rs 1,457.2 billion (growth of 6.0 percent) as compared with Rs 1,632.7 billion (growth of 7.8 percent) during the comparable period of last year. Contained growth in M2 mainly due to negative Net Foreign Assets (NFA) of the banking system, which has been contracted by Rs 1,327.7 billion as compared to an expansion of Rs 980.6 billion last year. This was contained due to pressure on the external front on account of high international commodity prices and expansion in domestic activities, transfers pressure on import bill, and current account deficit. Conversely, the Net Domestic Assets (NDA) of the banking sector observed an expansion of Rs 2,784.8 billion against Rs 652.1 billion last year. The expansion in NDA on account of significant expansion in private sector credit increased lending to Public Sector Enterprises (PSEs) and lending to government commodity procurement agencies.

Private sector credit witnessed an unprecedented expansion of Rs 1,312.9 billion during the period 1st July-29th April, FY2022 compared to Rs 454.4 billion during the same period last year, posting significant growth of 189 percent in flow terms. On a positive note, credit demand increased both for fixed investment and working capital loans. Businesses took advantage of SBP concessionary financing schemes, particularly TERF. As a result, fixed investment loans witnessed a significant expansion of Rs 333.1 billion during July-March, FY2022 as compared to Rs 137.0 billion during the same period last year. Similarly, working capital loans observed an expansion of Rs 608.7 billion during July-March, FY2022 as compared to an expansion of Rs 110.8 billion during the same period last year. This expansion is a signal for both continuation and expansion of economic activities, as evident from the significant economic growth of 5.97 percent in FY2022.

6. Capital Markets & Corporate Sector

The world stock indices started on a positive note during the current fiscal year. However, due to the geopolitical tensions especially the Russia-Ukraine war plummeted the global indices in the month of February and March 2022.

Pakistan stock market's performance has posted a boom-and-bust situation during the first nine months of the current fiscal year. During July-March FY2022, the benchmark KSE-100 index declined from 47,356 points to 44,929 points. During the period under review, the index closed at its highest level of 48,112 points on August 23, 2021. As of March 31, 2022, the total number of listed companies on the Pakistan Stock Exchange (PSX) stood at 532, with a total market capitalization of Rs 7,583 billion.

The major development of this year in the equity market is the issuance of Initial Public Offerings (IPOs). During July-March FY2022, five companies issued shares through a public offering on the main board of PSX (Citi Pharma limited, Pakistan Aluminium Beverages Cans Limited, Airlink Communications Limited, Octopus Digital Limited, and Adamjee Life Assurance Company Limited), while two companies were listed on the newly introduced Growth Enterprise Market (GEM) Board (Pak Agro Packaging Limited and Universal Network Systems Limited).

During July-March FY2022, corporations raised Rs 121.5 billion by issuing 32 debt securities, while 102 previous corporate debt securities worth Rs 749.82 billion remain outstanding. Moreover, during July-March FY2022, 2.31 million lots of various commodities futures contracts including gold, crude oil, and US equity indices worth Rs 2.65 trillion were traded on Pakistan Mercantile Exchange Limited.

7. Inflation

The CPI inflation for the period July-May FY2022 recorded at 11.3 percent as against 8.8 percent during the same period last year. The other inflationary indicators like Sensitive Price Indicator (SPI) recorded at 16.7 percent as against 13.5 percent last year. Wholesale Price Index (WPI) recorded at 23.6 percent in July-May FY2022 compared to 8.4 percent same period last year.

The pressures on headline inflation can fairly be attributed to adjustment in prices of electricity and gas, a significant increase in the non-perishable food prices, exchange rate depreciation along with rapid increase in global fuel and commodity prices.

However, there is also significant uncertainty around the outlook for international commodity prices as well which had been exacerbated by the Russia-Ukraine conflict. The government made best efforts to ensure smooth supply of essential domestic goods through vigilant monitoring of prices both at provincial and Federal level.

8. Trade and Payment

As COVID-19 disrupted economic activity worldwide. However, many policy measures were initiated to support export-oriented industries and facilitate these firms to increase export earnings.

During July-April FY2022, goods exports grew by 27.6 percent to US$ 26.8 billion, whereas services exports grew by 18.2 percent to US$ 5.8 billion. Around two-thirds of the increase came from the textile sector, especially from the high value-added segment. Pakistan's textile exporters capitalized on the policy support available-including the Export Facilitation Scheme 2021, SBP's concessionary refinances schemes for working capital and fixed investment, and the regionally competitive energy tariffs and managed to ship higher volumes to key destinations (such as the US, UK, and EU). Higher cotton prices also helped increase the export unit prices of both low and high-value-added textile products. Apart from textiles, rice exports also rebounded during July-April FY2022, mainly on the back of the non-basmati variety.

Despite the encouraging export performance, the country's imports have also risen significantly. The broad-based surge in global commodity prices, COVID-19 vaccine imports, and demand-side pressures, all contributed to the rising imports. Resultantly, the trade deficit grew by 49.6 percent to US$ 32.9 billion which is historically high. Remittances, which always supported in easing out the pressure of trade deficit of both goods and services, recorded at US$ 26.1 billion during July-April FY2022 and posted a growth of 7.6 percent. This ever-highest level of workers' remittances still not sufficient to offset the trade deficit. Thus, the current account deficit was recorded at US$ 13.8 billion during the period under discussion. Further, the low performance of the Financial Account during the period not only resulted in the depletion of foreign reserves but also brought the exchange rate under pressure. The interbank PKR-USD exchange rate depreciated 15.1 percent during July-April FY2022. The SBP's FX reserves also came under pressure from Q2 onwards, dropping from US$5.9 billion during the review period to US$ 10.5 billion by end-April 2022.

9. Public Debt

Total public debt was recorded at Rs 44,366 billion at end-March 2022. Domestic debt was recorded at Rs 28,076 billion, while external public debt was recorded at Rs 16,290 billion or US$ 88.8 billion at end-March 2022.

The public debt portfolio witnessed various positive developments during the first nine months of the ongoing fiscal year (July-March FY2022), some of them are highlighted as follows:

- Within domestic debt, the Government relied entirely on long-term domestic debt securities for the financing of its fiscal deficit and repayment of debt maturities. In fact, the Government retired/repaid a portion of Treasury Bills amounting to Rs 1.5 trillion which led to a reduction of short-term maturities in-line with the Government's commitment to reduce its Gross Financing Needs.
- The Government repaid Rs 569 billion against SBP debt. Cumulative debt retirement against SBP debt stood at Rs 2.3 trillion from July 2019 to March 2022.
- The Government successfully issued Shariah Compliant Sukuk instruments amounting to around Rs 1.1 trillion, in line with the target specified in the Medium Term Debt Management Strategy of Pakistan (2019/20 - 2022/23), to increase the share of Shariah-compliant securities within domestic debt stock;
- Debt from multilateral and bilateral sources cumulatively constituted around 79 percent of the external public debt portfolio at end-March 2022. A set of reforms initiated by the Government to improve the economy has brought strong support from multilateral development partners. This is expected to strengthen confidence and catalyze additional support from development partners in the coming years which will also help in reducing the pressure on domestic sources.
- Within external debt, inflows from multilateral and bilateral development partners remained major sources of funding. In addition, Pakistan successfully raised US$ 1 billion in July 2021 through multi-tranche tap issuance of 5, 10 and 30-year Eurobonds. These bonds were issued at a premium.
- In January 2022, the Government of Pakistan successfully raised US$ 1 billion through the issuance of International Sukuk under the 'Trust Certificate Issuance Program'. This was the first time that the Government has issued International Sukuk with 7 Year maturity and at a market-clearing price i.e., zero issuance premium. The

transaction was a success as healthy participation was witnessed from Middle Eastern and European investors and the books were oversubscribed 2.7 times.

- Government repaid US$ 1 billion against maturing International Sukuks in October 2021.
- Government utilized IMF allocated SDR equivalent to Rs 475 billion to support its budgetary operations.

Total interest servicing was recorded at Rs 2,118 billion during the first nine months of the current fiscal year against its annual budgeted estimate of Rs 3,060 billion. Out of this total, domestic interest payments were Rs 1,897 billion and constituted around 90 percent of total interest servicing during the first nine months of the current fiscal, which is mainly attributable to a higher volume of domestic debt in the total public debt portfolio.

Pakistan's strategy to reduce its debt burden to a sustainable level includes a commitment to run primary surpluses, maintain low and stable inflation, promote measures that support higher long-term economic growth and follow an exchange rate regime-based on economic fundamentals. With a narrower fiscal deficit, public debt is projected to enter a firm downward path, while the Government's efforts to improve maturity structure will enhance public debt sustainability.

10. Education

Pakistan is committed to transform its education system into a high-quality global market demand-driven system in accordance with Goal 4 of Sustainable Development Goals (SDGs) which pertains to the quality of education. The progress achieved by Pakistan so far on Goal 4 of the SDGs is as under:

- Primary, Lower, and Upper Secondary Education Completion Rate stood at 67 percent, 47 percent, and 23 percent, respectively, depicting higher Primary attendance than Lower and Upper Secondary levels.
- Parity Indices at Literacy, Youth Literacy, Primary, and Secondary are 0.71, 0.82, 0.88, and 0.89, respectively.
- Participation rate in organized learning (one year before the official primary entry age), by sex is 19 percent showing a low level of consideration of Pre-Primary Education.
- Percentage of population in a given age group achieving at least an affixed level of proficiency in functional; (a) literacy and (b) numeracy skills is 60 percent.

Various initiatives have been taken at federal and provincial levels to raise the standards of education in terms of quality education as part of our commitment to accomplish Goal 4 of SDGs. These initiatives include: i) enhancing access to education by establishing new schools, ii) upgrading the existing schools, iii) improving the learning environment by providing basic educational facilities, iv) digitization of educational institutions, v) enhancing the resilience of educational institutions to cater for unforeseen situations, vi) promoting distance learning, capacity building of teacher, and vii) improving hiring of teachers, particularly hiring of science teachers to address the issues of science education, etc.

A Single National Curriculum (SNC) has been introduced to minimize disparity in the country's education system where three main education systems are in place, i.e., Public schools, Private schools, and Deeni madaris. SNC is aimed at providing equal learning opportunities to all segments of society and will provide equal opportunity for learning and help the students and parents in case of inter provincial mobility.

The overall education situation based on the key indicators, such as enrolments, number of institutions, and teachers has shown a significant improvement. The total number of enrolments during 2019-20 was recorded at 55.7 million as compared to 53.1 million during 2018-19, which shows an increase of 4.9 percent. It is estimated to increase to 58.5 million during 2020-21. The number of institutions recorded at 277.5 thousand during 2019-20 as compared to 271.8 thousand during 2018-19. However, the number of institutions is estimated to increase to 283.7 thousand in 2020-21. Similarly, there were 1.83 million teachers in 2019-20 as compared to 1.79 million last year. The number of teachers is estimated to increase to 1.89 million during 2020-21.

During 2021-22, PSLM Survey was not conducted due to the upcoming Population & Housing Census 2022. However, according to Labour Force Survey 2020-21, literacy rate trends show 62.8 percent in 2020-21 (as compared to 62.4 percent in 2018-19), more in males (from 73.0 percent to 73.4 percent) than females (from 51.5 percent to 51.9 percent). Area-wise analysis suggests literacy increases in both rural (53.7 percent to 54.0 percent) and urban (76.1 percent to 77.3 percent). The male-female disparity seems to be narrowing down with time span. The literacy rate has gone up in all provinces, Punjab (66.1 percent to 66.3 percent), Sindh (61.6 percent to 61.8 percent), Khyber Pakhtunkhwa (52.4 percent to 55.1 percent), and Balochistan (53.9 percent to 54.5 percent).

Cumulative education expenditures by Federal and Provincial Governments in FY2021 remained at 1.77 percent of GDP (revised estimates). Expenditures on education-related expenditures during FY2021 witnessed an increase of 9.7 percent, reaching Rs 988 billion from Rs 901 billion.

11. Health and Nutrition

Considering, good health is essential for human progress and wellbeing, the Government remained committed to improve the health status of the population through the provision of Universal Health Coverage (UHC) to all segment of the society. To this end, the Sehat Sahulat Card was launched for reducing health inequality in the country and ameliorate the well-being of all, is a step towards achieving UHC. In 2022, the Government also expanded health infrastructure by increasing the number of hospitals, Rural Health Units (RHUs), Basic Health Units (BHUs), doctors, dentists, and dispensaries to meet the growing health services demand. However, COVID-19 had disrupted the major strides in the health sector as the resources were shifted to contain the spread of the fourth and fifth waves of the pandemic. It was a threat to the health system, lives, and livelihood which was successfully contained by the Government through timely procurement and a massive vaccination drive.

12. Population, Labour Force, and Employment

Pakistan is the 5th most populous country in the world. According to the National Institute of Population Studies (NIPS), the estimated population of Pakistan is 224.78 million in 2021 of which 82.83 million reside in urban areas whereas 141.96 million live in rural areas and the population density is 282 per Km.

Pakistan has a large labour force that stands among the top 10 largest labour forces in the world. According to the latest Labour Force Survey FY2021, the labour force increased from 65.5 million in FY2018 to 71.76 million in FY2021 and the number of employed persons increased from 61.71 million to 67.25 million during the same period. The unemployment rate decreased from 6.9 percent in FY2019 to 6.3 percent in FY2021. Overall employment to population ratio is 42.1 percent and this ratio is higher in male (64.1 percent) as compared to female (19.4 percent) in FY2021.

According to LFS FY2021, the share of employment in the agriculture sector decreased from 39.2 percent in FY2019 to 37.4 percent in FY2021. The share of employment in the construction sector has increased from 8.0 percent in FY2019 to 9.5 percent in FY2021. This increase shows that job opportunities are being created in the country. The wholesale and retail trade sector has shown 14.4 percent employment in FY2021.

Pakistan has some of the greatest demographic opportunities for development in the world as the growing youth population enters adulthood. The demographic dividend can only be achieved with adequate investments in the education and skills of youth, harvesting the fruits of long-term human capital development. The Government has started different programmes for improving employment opportunities for youth such as "Youth Entrepreneurship Scheme" and "Hunermand Programme-Skills for All".

13. Transport and communications

Presently, Pakistan has 48 national highways, motorways, and strategic roads with a total length of 14,480 Km. In the first quarter of 2022, PIA has added two airbuses A320 fleets.Pakistan Railways comprised a total of 466 Locomotives for a 7,791 Km route length. During FY2022, PEMRA issued 265 Licenses for FM Radio and 4,152 Cable TV Licenses. In addition to this, there are 9,522 post offices across Pakistan.

CPEC is a flagship and most actively implemented project of the Belt & Road Initiative (BRI) where Pakistan and China have successfully launched 56 projects on the ground. Out of these projects, 26 projects worth approximately US$17 billion have been completed so far and 30 projects worth US$8.5 billion are under construction. The Government is taking benefit of Pakistan's strategic location and has focused on developing an efficient and well-integrated transport and communication system by connecting remote regions of the country into one road one Asia chain. With the help of CPEC, roads and railways infrastructure will integrate Pakistan with the regional countries which will help in generating economic and business activities by integrating its markets with Central Asia, the Middle East, and other parts of the world.

14. Energy

The latest available data indicates that the import bill of oil increased to US$ 17.03 billion during July-April FY2022 compared to US$8.69 billion during the same period last year, showing increase of 95 percent. Crude oil imports rose by 75.34 percent in value and 1.4 percent in quantity. Similarly, liquefied natural gas witnessed an increase of 82.90 percent in value while liquefied petroleum gas imports also jumped by 39.86 percent during July-April FY2022. During July-February FY2022, 75.64 percent of gas is domestically produced while 24.36 percent of gas is being imported. Coal is also used for electricity generation in Pakistan. Currently, the overall electricity generation from coal has reached 5280 MW. Thar coal is contributing 1,320 MW, while imported coal's contribution to electricity generation is 3,960 MW which is around 75 percent of the total electricity generation from coal in the country.

The Government is also committed to the global agenda of SDGs goal 7 and investing in renewable and alternate sources of energy to cater to Pakistan's growing energy demand. Pakistan is rich in hydropower and has the enormous potential to generate electricity from water. Currently, the Hydro installed capacity is 10,251 MW which is around 25 percent of the total installed capacity. Pakistan has also wind corridors. The contribution of Wind to the total installed capacity is 4.8 percent and currently stood at 1,985 MW. The potential for solar power in Pakistan is also high. The installed capacity of solar is 600 MW which is around 1.4 percent of the total installed capacity. Pakistan is also producing energy from nuclear technology whose contribution is increasing gradually. Last year, the gross capacity of the nuclear power plants was 2,530 MW which supplied about 7,076 million units of electricity to the national grid during July-March FY2021. The gross capacity of nuclear power plants has increased by 39 percent and it stood at 3,530 MW.

15. Social Protection

The COVID-19 pandemic has significantly increased poverty and inequality globally, causing a substantial reversal in progress toward global SDGs. According to the latest estimates provided by the United Nations Department of Economic and Social Affairs in the report **"The World Economic Situation and Prospects 2022"**, progress in reducing extreme poverty has been set back by several years in most countries. An unprecedented 85 million more people entered extreme poverty in 2020 globally.

BISP is currently disbursing payments to around 5.7 million regular beneficiaries under its Ehsaas Kafaalat Programme. During FY2022, the number of regular beneficiaries has been enhanced to 8.0 million. BISP in coordination with Finance Division and World Bank has developed an institutional mechanism as well as a proposal to increase the cash assistance under Kafaalat @ Rs 166.33/- per month or Rs 500/- per quarter w.e.f 1st January 2022 has been approved by the Federal Cabinet.

The second phase of the Ehsaas Emergency Cash Programme (ECAP-II) has been launched in June 2021. As of 30-03-2022, an amount of Rs 30.18 billion has been disbursed to 2.50 million additional beneficiaries (other than UCT beneficiaries)

@ Rs 12,000/- per beneficiaries to ever-married women of the eligible families having valid CNIC.

Under Ehsaas Taleemi Wazaif Programme, 6.52 million children have been enrolled and 25 billion have been paid so far. During FY2022, 3.22 million children have been enrolled and Rs 5.0 billion have been disbursed.

Ehsaas undergraduate scholarship programme, 1,38,133 scholarships were awarded to deserving students, and Rs 13.2 billion were disbursed during FY2020 and FY2021. For FY2022, Rs 9.5 billion was allocated, 122,000 applications have been received and its screening process will soon begin.

50 Ehsaas Nashonuma Centres across 14 districts are being established countrywide at the district and tehsil level to provide health services and conditional cash transfers under two years old; Rs 1500/- for a boy child and mother, and Rs 2000/- for a girl child mainly to prevent children from stunting growth issue. So far, 99,190 beneficiaries have been enrolled and Rs 310.81 million has been disbursed till March FY2022.

Pakistan Poverty Alleviation Fund (PPAF) also helps in micro-credit, water, health, education, and livelihood. Since its inception in April 2000 till March 2022, PPAF has disbursed approximately Rs 237.56 billion to its Partner Organizations (POs) in 147 districts across the country. A total of 8.4 million microcredit loans have been disbursed with 60 percent loans to women and 80 percent financing extended to rural areas.

During July-March FY2022, PPAF disbursed Rs 2,112.70 million to its POs for various programmes funded by Donors and PPAF’s own resources.

Pakistan Baitul Mal (PBM) is providing financial assistance to the destitute, widows, orphans, and other needy persons at the district level. During FY2022, Rs 6.505 billion has been allocated to PBM for its core projects/schemes.

Workers Welfare Fund (WWF) during July-March, FY2022, disbursed Rs 1.43 billion on 15,004 scholarship cases, while Rs 244.07 million was utilized as marriage grants @ Rs 200,000 per worker, benefitting 1819 workers' families. The WWF has also disbursed Rs 420.4 million as a death grant @Rs 600,000 per worker covering 804 cases of mishaps all over the country.

EOBI provides monetary benefits to old age workers through various programmes such as Old Age Pension, Invalidity Pension, Survivors Pension, and Old Age Grant. EOBI has registered 9,429,281 employees. During FY2022, EOBI registered 307,296 new employees. During July-March FY2021, an amount of Rs 33.54 billion has been disbursed by EOBI.

16. Climate Change

In Pakistan, environmental degradation and climate change are adversely affecting the economy, livelihood of the poor, and sustainable development. On the one hand, a growing population, unplanned urban expansion, and decidedly dependence on natural resources puts immense pressure on the environment that triggering climate change.

The existing meager forest resources are crucial to environmental stability in Pakistan, which appeals for serious interventions supported by a commitment to adequate financial flows to improve and enhance the overall forestry, wildlife, and biodiversity sector. However, the TBTTP is helping to restore the ailing ecosystems and it will improve natural capital as well. The programme is being implemented by the Provincial Forest and Wildlife Departments through MoCC on a 50 percent cost-sharing basis except for AJ&K and GB which are 100 percent funded by the Federal Government through PSDP. The programme has achieved 579.093 million plants during July-March FY2022 and cumulatively has attained 1,586.18 million plants till March 2022.

GROWTH AND INVESTMENT

GDP Grew by

5.97%

Agriculture sector recorded growth of

4.40 %

Industrial sector recorded a growth of

7.19 %

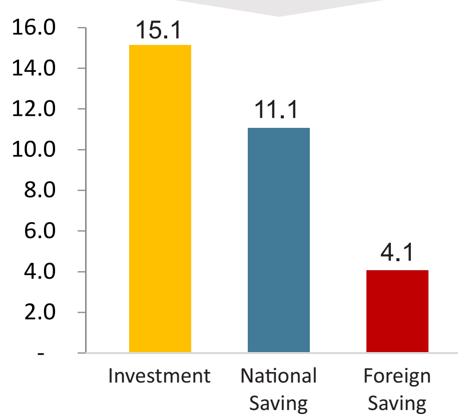
Services sector posted an increase of

6.19 %

Per Capita Income (US $)

FY 2021	FY 2022
1,676	1,798

As % of DGP



Chapter 1

Growth and Investment

Despite achieving a real GDP growth of 5.97 percent in FY2022, the underlying macroeconomic imbalances and associated domestic and international risks have dampened celebrations. The economy of Pakistan rebounded from the pandemic (0.94 percent contraction in FY2020) and continued to post a V-Shaped economic recovery which is higher than 5.74 percent recorded in last year (FY2021). This high growth, however, is also accompanied by external and internal imbalances, as has been the case historically with Pakistan economy. Historically, it has been observed that higher growth also accompanied with macroeconomic imbalances. However, external circumstances also played a critical role this time. These circumstances have placed almost all economies of the world in shambles. A highly transmissible Omicron variety began making things much worse in 2021, when the global economy had yet to recover from COVID-19's effects. Changes in Afghanistan's government after the withdrawal of US troops sparked a global discussion of misery and humanitarian crises, which further worsened due to the Russian-Ukraine conflict started in February 2022. The crisis has also upended the global economic picture and considerably increased the uncertainty for a global economy that was still struggling to recover from COVID-19 aftermath. Financial and commodity markets have felt shockwaves. Thus, energy and food prices have surged rapidly and threatens to remain further elevated. The exceedingly uncertain outcome of the crisis is another challenge for developing economies, particularly for Pakistan.

In Pakistan, during the outgoing fiscal year, inflationary pressures started rising initially due to broadly accommodative fiscal and monetary policies to cushion the impact of COVID-19 in 2020 and 2021. Further, global supply chain disruptions fueled inflation on account of a significant increase in the cost of freight. On the way, when the government was planning to start unwinding pandemic emergency measures and gradually shifting toward fiscal consolidation, the Russian-Ukraine conflict impacted the entire global economy with the prediction of slower growth and faster inflation. Impacts are transmitting through three main channels. First, increasing commodity prices, such as food and energy, driving up inflation further, diminishing the value of income. Thus, weighing on demand. Second, trading economies are grappling with disrupted trade, supply chains, and remittances. While, third, high uncertainty in international market is reducing business confidence and putting downward pressure on asset values. Further, tightening financial conditions may increase capital outflows from emerging markets. In Pakistan, CPI inflation (General) increased by 13.4 percent on a year-over-year basis in April 2022, compared to 12.7 percent in March 2022, while, it remained at 11.0 percent for July-April FY2022. Likewise, the WPI posted a growth of 23 percent during the period under discussion, which in turn intensified domestic inflationary pressure. Since the international commodity prices, especially oil and food are expressed in US dollars, therefore, the depreciation of the Rupee exchange rate vis-a-vis US dollar, also influenced the domestic prices of finished and intermediate products. It is a well-known fact that high prices erode benefits of high growth and adversely impacting the well-being of the society. Therefore, price stability is emphasized in government policies along with sustainable inclusive growth.

Contrary to significant rise in WPI, LSM which is used as proxy for domestic industrial production, posted a growth of 10.4 percent during July-March FY2022. The growth of LSM appears to be extensive, as 17 of 22 LSM sectors experienced positive growth. This significant growth in industrial sector boosted the exports growth by 28 percent during July-April FY2022. However, trade deficit in goods and services widened by 51 percent on account of 39 percent increase in imports of goods as well as 34 percent increase in imports of services according to SBP data. During this period, remittances reached US$26.1 billion posting a growth of 7.6 percent. Despite historically high remittances, trade deficit in goods and services could not be offset. Thus, current account deficit started ballooning up. Further, low performance of Financial Account, not only resulted in depletion of foreign reserves but also brought exchange rate under pressure.

On fiscal side, expenditures became unpredictable globally due to uncertain economic environment and same is the case in Pakistan as well. The significant increase in international prices of commodities especially energy and food are intensifying pressure public finances as well. Realizing the impact of inflation on masses in Pakistan, the Government attempted to protect the vulnerable segments of the society from the recent surge in international energy and food prices. The subsidy provided, thus increased government expenditures, adding fiscal costs. Though, within IMF program, Government is unable to borrow from SBP, commercial borrowing is significantly increased which crowd out the private investment. Historically, consumption always has highest share in GDP. Thus, on demand side, the share of Consumption in real and nominal GDP reached 99 and 96 percent respectively during FY2022, Thus, the imbalance between domestic production and aggregate demand caused inflation, which in turn adversely impacted price stability and sustainable growth.

To remove macroeconomic imbalances and to achieve long term sustainable and inclusive growth, there is need to focus on both the supply side and demand side management. The supply side strategy emphasizes on the extension of production capacity by stimulating and upgradation of domestic GFCF and attracting FDI. This requires conducive environment in which investors feel comfortable to take long term investment decisions. Such developments are expected to increase the growth rate of the country's potential output and employment. On the other hand, increase in productive capacity will enhance production of exportable, imports substitution, which in turn improve trade. Since Positive output gap is creating overheating situation in the economy which not only exerts pressure on domestic prices but also worsen balance of trade due to increase in imports.

Global Perspective

Soon after the recovery from COVID-19, the economic gains were threatened by the Russian-Ukraine conflict in start of 2022. due to the outbreak and evolvement of the COVID-19 pandemic. Initially, the global recovery momentum weakened due to the Delta variant followed by highly transmissible Omicron. The Russian-Ukraine conflict brought more economic damage predicting a significant slowdown in global growth in 2022 due to worldwide spillover effects through commodity markets, trade, and financial channels.

Keeping in view, the prevailing supply shocks for an unknown time length, every institution working on the global outlook has downgraded global growth. Especially IMF has downward revised global growth from early estimates made in January 2022 and October 2021. Global growth is projected to decline from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023 as well. This decline is 0.8 and 0.2 percentage points lower for 2022 and 2023 than in the January 2022, while in Oct 2021, IMF was projecting 4.9 percent global growth. The most worrisome is inflationary pressure. According to IMF, the conflict will broaden price pressures. Thus, inflation is expected to remain elevated a longer period than the previous forecasts. The conflict is likely to have a protracted impact on commodity prices, affecting oil and gas prices more severely in 2022 and food prices in 2023 (because of the lagged impact from the harvest in 2022). However, the intensity of impact varies across countries, depending on trade and financial linkages, exposure to commodity price increases, and the strength of the existing inflationary pressure.

However, sanctions imposed on Russia by the world community will hamper financial and trade linkages between Russia and other countries due to the fact that some countries in Eastern Europe and Central Asia have large trade and migration links with Russia. Thus, with a delay in conflict settlement, the repercussions will be far-reaching. Moreover, increased global polarization will also impede the cooperation essential for long-term prosperity. It is also mentionable that recent lockdowns in key manufacturing and trade hubs in China will likely compound supply disruptions elsewhere.

On the financial sector, an increase in core sovereign interest rates before the conflict had already placed pressure on borrowers in some emerging and developing economies. Markets have so far differentiated across countries depending on their debt exposures and trade linkages to advanced economies. Countries with higher debt levels and larger gross financing needs have usually been vulnerable to more extreme stress in such episodes. In these countries, increases in domestic long-term yields largely reflect increases in risk premia, over and above the effects of increases in domestic policy rates. To the extent that higher core rates may reflect more robust nominal demand in advanced economy trading partners, countries with stronger trade ties to advanced economies are less exposed. Summarizing, the global economy faces 'its biggest test' since WWII due to Russian-Ukraine conflict as concluded in World Economic Forum meeting held in Davos, recently. It was recorded in the meeting that rising interest rates are adding to pressure on countries, companies and households with big piles of debt. Further, market turbulence and ongoing supply chain constraints are also posing risks. Moreover, the other important risk is the climate change.

Impact of Global Economic Uncertainty on Pakistan's Economy

Economic activity in Pakistan is influenced by economic growth in its main trading partners. The cyclical position pf Pakistan's major trading partners, measured by the weighted average Composite Leading Indicators (CLI), showed a strong V-shaped recovery up till the end of 2021. In 2022, the cyclical position of Pakistan's trading partners gradually moved back to the normal position.

The cyclical position of Pakistan's manufacturing sector, which exerts positive multiplier effects on the rest of the economy, is known to be correlated with the foreign CLI. In Pakistan, potential output kept on growing in 2022 due to which Pakistan's growth performance remained up to the mark in FY2022.

However, higher overall commodity prices especially international inflation had negative consequences for Pakistan's economy. Inflation accelerated and the balance of trade in goods and services deteriorated significantly. As a result, Pakistan's international reserves depleted and currency depreciated significantly, feeding further into domestic inflation. The high rate of inflation eroded the real disposable income of the population, especially of its lower income segments. Fiscal measures were taken to protect against these income losses, which aggravated the fiscal deficit putting further pressure on inflation.

Furthermore, foreign interest rates started rising, because of inflationary expectations and Central banks' intentions to raise interest rates, especially in the US and the UK. And same was followed by other countries, especially Emerging Market and Developing Countries.

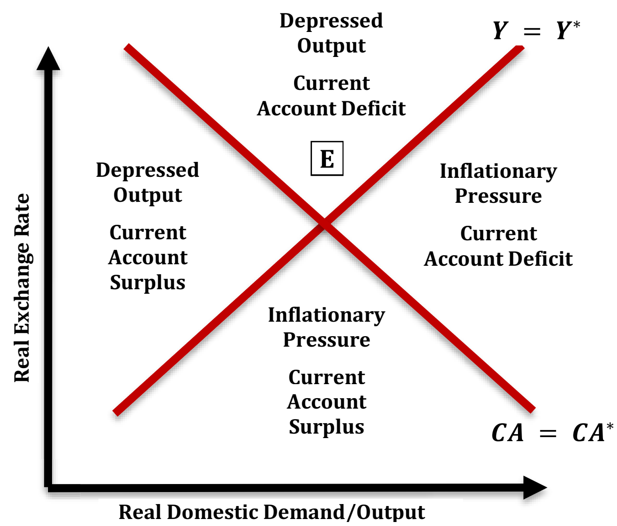
Thus, high inflation, external imbalances, excessive fiscal deficits, and higher interest rates may compromise Pakistan's future short-term growth prospects.

Box - I: Effects of Internal and External Imbalances on Prices and Economic Growth

Macroeconomic diagnostics of the economy help in assessing the state of the economy and gauge economic performance. It further allows us to map the risks and vulnerabilities faced by the economy. In this regard, it is important to understand:

Internal Balance: A situation in which real output is at or close to its capacity or potential level and the inflation rate is low and stable

External Balance: Current account position that can be sustained by capital flows on terms compatible with the growth prospects of the economy without resorting to restrictions on trade and payments (or depletion of reserves).



The internal balance schedule, where **Y=Y***, is upward sloping. Along this line the output gap is zero. This zero-output gap can be attained by different combinations between real demand and the exchange rate: higher demand would be inflationary, which can be overcome by exchange rate appreciation. The external balance schedule, **CA=CA***, is downward sloping. Along this line, the CA is equal to its target. This target can be reached by different combinations between real demand and the exchange rate. Too high demand worsens the CA, which can be compensated by exchange rate depreciation and vice versa.

Note: Y-axis: higher values = RER appreciation

Pakistan has been plagued by regular BOP crises and had to look for IMF assistance to help finance these external imbalances. External imbalances were mainly driven by trade deficit as imports of goods and services always remained higher than exports in magnitudes. Further, trade deficit could not be financed by remittances and other components of the current, capital and financial accounts of the BOP. The origins of the excessive trade balance deficits were either from external or internal sources or a combination of both. Regarding internal imbalance, over time, it was seen that observed economic growth exceeded the potential growth of the economy (driven by GFCF) mainly due to expansionary fiscal and monetary policies, which made real domestic demand higher than domestic production, and therefore economy was overheated. All these resulted in a significant increase in imports.

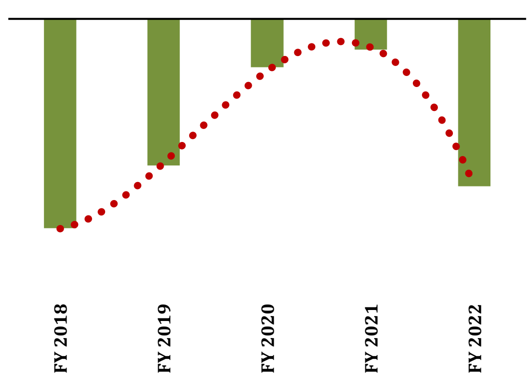
If a country like Pakistan is confronted with external imbalances, either its reserve assets will decline, or its exchange rate will depreciate or a combination of both will happen. From the monetary side, too low Net Foreign Assets (NFA) may lead to speculation and enhance currency depreciation which in turn fuel domestic inflation.

However, in such circumstances, a country can respond only with a restrictive stance on fiscal and monetary policies. But these restrictive monetary and fiscal policies will adversely affect the labor market. Thus, in the long run, there is intense need to implement structural measures that generate high potential economic growth accompanied with the necessary equilibrium stance of fiscal and monetary policies.

Pakistan Economic Performance FY2022

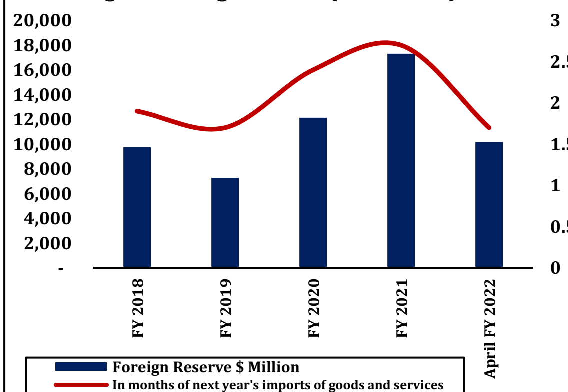
International Financial Institutions like IMF, WB, ADB, etc., appreciated various policy measures taken by the Government to contain the pandemic and put the economy on the path of the recovery. However, the economy started overheating on account of significant growth in workers' remittances translated into consumption, thus raising aggregate demand. Further, improvement in Financial Account was not enough to offset the current account deficit, which exerted severe pressure on the exchange rate. For July - April FY2022, the current account deficit reached to US$ 13.8 billion against the deficit of US$ 0.5 billion last year implying widening in the Saving-Investment Gap started which in turn depleted foreign exchange reserves. Currently, Pakistan foreign reserves are equal to 1.7 months of imports of goods and services.

Fig-1A: Saving - Investment Gap (US$ Billion)



Source: SBP

Fig-1B: Foreign Reserve (US$ Million)

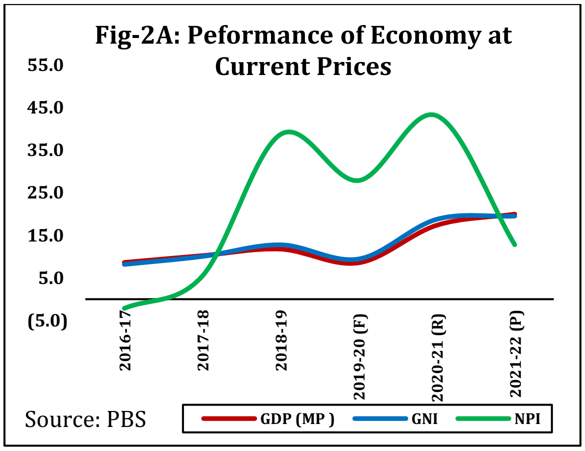


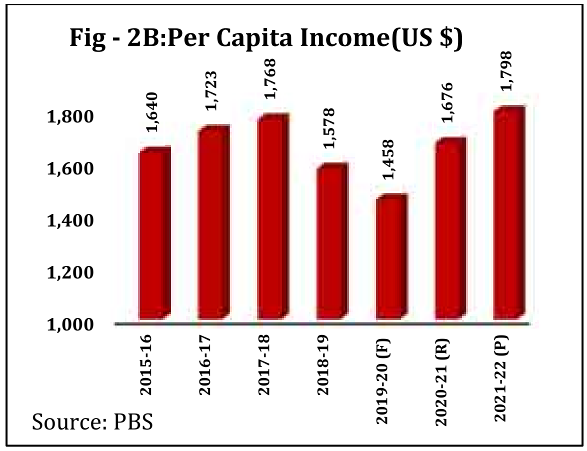
Source: SBP

As far as exchange rate is concerned, during July-May FY2022, the exchange rate depreciated significantly and was recorded at 1US$ = Rs 197.87 on June 1, 2022 compared to 1US$ = Rs 157.55 on June 30, 2021, showing 20 percent depreciation.

Aggregate Demand Analysis

For aggregate demand analysis, Nominal GDP (MP) i.e., GDP(MP) at current prices is used. For FY2022, GDP at current market prices stands at Rs 66,950 billion showing a growth of 20.0 percent over last year (Rs 55,796 billion). In dollar term, it remained US$ 383 billion, higher than GDP observed in FY2021 (US$349 billion). Gross National Income (GNI) is also used for measuring and tracking a nation's wealth which is calculated by adding Net Primary Income (NPI) to GDP (MP). Although movement of GNI and GDP (MP) follow similar pattern. However, after FY2018, significant growth was observed in Net Primary Income (NPI) mainly due to substantial growth in workers remittances on account of travel restrictions. During July-April FY2022, workers' remittances posted a growth of 7.6 percent, however, NPI in rupees term posted a growth of 13 percent compared to 43 percent growth recorded last year (Fig – 2A). Regarding per capita income in dollar terms, there was a rebound seen in FY2021 which continued in FY2022. In FY2022, per capita income was recorded at US$ 1,798 which reflects an improvement in prosperity due to the fact that economic growth per person significantly improved. (Fig – 2B).





Consumption: In Pakistan, household consumption is estimated on a residual basis due to the non-availability of National Accounts on Expenditures approach. The household consumption has a significantly large share in GDP. This implies that household consumption remained intact even during high inflation. The higher shares households spending fueled imports since domestic production could not meet growing consumers' demand. Thus, bringing imported inflation.

Table – 1, presents the components of Aggregate Demand. It is worth mentioning that final consumption expenditure of Non-Profit Institutions Serving Households (NPISH) has been estimated for the first time. The NPISH is covered under two categories i.e., Non-Profit Institutions (NPIs) and Membership Organizations. The PBS conducted a special survey namely NGOs Survey 2015-16, to assess the value-added contribution of NPIs engaged in education, health, social work, and other activities based on the frame provided by the Pakistan Centre for Philanthropy. In the NGOs survey. A total of 1,1781 NGOs were covered including 676 in the census part, 10,967 in the survey part and 138 international NGOs. It is usually one percent of GDP.

With regard to the household private consumption expenditures, it was observed that even an increase in interest rate and depreciation of Pak rupee exchange rate has not altered the consumption pattern in FY2022. This private consumption expenditures may happen on account of an increase in workers' remittances and cash transfer to the low segment of society through the Ehsaas Cash Emergency Programme. Similarly, a slight decrease in the share of the Public Consumption in GDP was observed. However, the growth rate in Public Consumption increased to 11.3 percent during FY2022 mainly due to increase in increase in government consumption expenditures as well as increase in interest payments.

Table 1: Composition of Aggregate Demand (at Current Prices)-

	2019-20	2020-21	2020-22	2019-20	2020-21	2020-22	2019-20	2020-21	2020-22
	As percent of GDP (MP)			Growth Rates (%)			Point Contribution		
Household Consumption	80.5	82.4	85.2	5.4	20.1	24.2	4.5	16.2	19.9
NPISH Consumption	1.0	1.0	0.9	12.2	12.1	5.3	0.1	0.1	0.1
General Government Consumption	11.8	10.9	10.1	19.0	8.9	11.3	2.0	1.0	1.2
Total Consumption [C]	**93.3**	**94.3**	**96.2**	**7.0**	**18.6**	**22.5**	**6.7**	**17.4**	**21.2**
Gross Fixed Investment	13.1	12.9	13.4	3.2	15.8	24.6	0.4	2.1	3.2
Private	10.3	10.0	10.0	4.7	13.7	20.6	0.5	1.4	2.1
Public including General Public	2.8	3.0	3.4	(2.1)	23.4	37.9	(0.1)	0.7	1.1

Table 1: Composition of Aggregate Demand (at Current Prices)-

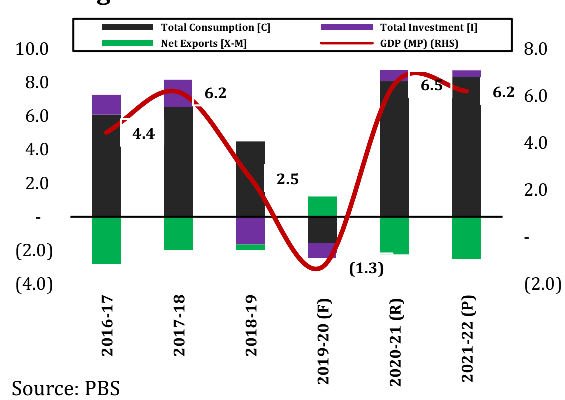
	2019-20	2020-21	2020-22	2019-20	2020-21	2020-22	2019-20	2020-21	2020-22
	As percent of GDP (MP)			Growth Rates (%)			Point Contribution		
Changes in Stock + Valuables	1.7	1.7	1.7	8.5	17.4	20.0	0.1	0.3	0.3
Total Investment [I]	**14.8**	**14.6**	**15.1**	**3.8**	**16.0**	**24.1**	**0.6**	**2.4**	**3.5**
Exports (Goods & Services) [X]	9.3	9.1	10.5	7.5	14.3	38.7	0.7	1.3	3.5
Imports (Goods & Services) (M]	17.4	18.0	21.9	(3.1)	21.2	45.7	(0.6)	3.7	8.2
Net Exports [X-M]	**(8.1)**	**(8.9)**	**(11.4)**	**(12.9)**	**29.1**	**52.9**	**1.3**	**(2.4)**	**(4.7)**
Aggregate Demand [C+I+X]	**120.3**	**117.4**	**118.2**	**6.6**	**17.9**	**23.9**	**7.9**	**21.1**	**28.2**
Domestic Demand [C + I]	**110.2**	**107.4**	**108.2**	**6.6**	**18.2**	**22.7**	**7.2**	**19.7**	**24.7**
GDP (MP)	**100**	**100**	**100**	**8.5**	**17.4**	**20.0**	**8.5**	**17.4**	**20.0**

NPISH: Non-profit institutions serving households

Source: Pakistan Bureau of Statistics

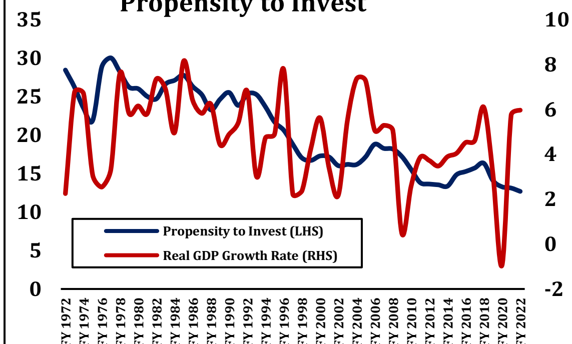
Investment: It is mentionable that increase in consumer spending can increase international trade, and businesses. This will in turn increase investment in capital spending which may positively impact the level of domestic production of goods and services which in turn result in economic growth. In Pakistan, the investment to GDP ratio is stuck between 14 to 15 percent, thus placing it 133 among 151 countries for year 2021[1]. Even in Bangladesh, the investment to GDP ratio is 30.5 percent. The contribution of investment to real GDP is shown in (Fig – 3A).

Fig-3A: Contribution in Real GDP



Source: PBS

Fig - 3B: Real GDP Growth & Propensity to Invest



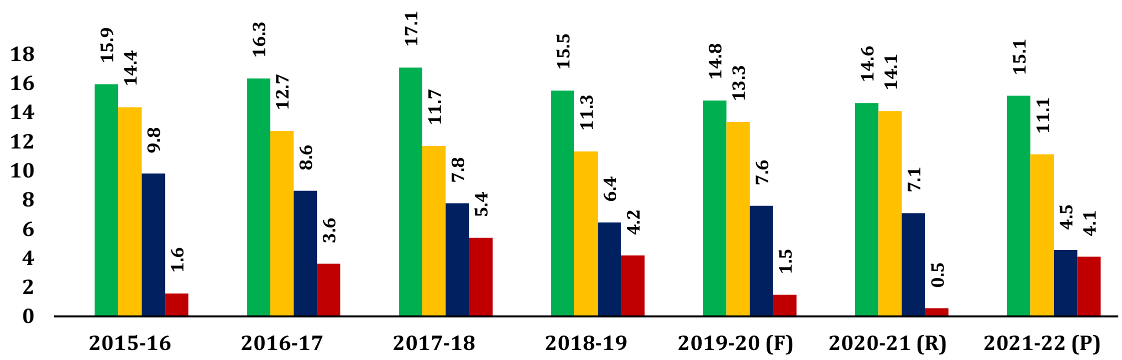
Source: EA Wing Calculation

It is well established fact that high growth in Pakistan determined by the propensity to investment. However, after the mid-1980s, the propensity to investment fell dramatically. One of the implications deduced is that the Total Gross Fixed Capital Formation (TGFCF) is not driver of economic growth. (Fig – 3B).

Thus, Pakistan remained trapped in a low-saving and low-investment situation, which has constraint its economic potential. It is also said that the economic conditions remained unable to attract investment both domestically and Foreign Direct Investment. Thus, Average of Incremental Capital Output Ratio of Pakistan became much lower compared to countries in the region. Further, low savings rate limits the volume of investible funds. In turn, low investments make growth unsustainable. In FY2022, high growth was due to high foreign savings (current account deficit) resulted in low domestic and national savings. Thus, current savings and investment level is insufficient to boost growth momentum (Fig -4)

[1] https://www.theglobaleconomy.com/rankings/investment_percent_of_gdp/

Fig - 4: Investment and Saving as % of GDP (%)



Source: PBS & M/o PD &SI

Total investment consists of Gross Fixed Capital Formation (GFCF), changes in inventories, and net acquisition of valuables. Changes in inventories refer to the value of physical change in the stocks of raw material, work-in-progress and finished goods held by industries and producers of government services. However, Valuables are not used primarily for purposes of production or consumption but are held as stores of value over time. Valuables are expected to appreciate or at least not decline in real value, nor deteriorate over time under normal conditions. These consist of precious metals and stones, jewelry, works of art, etc. GFCF is defined as the net acquisition of fixed assets, used in the production process for more than one year.

In FY2022, the Gross Fixed Capital Formation (GFCF) stood at Rs 8,992 billion against Rs 7,217 billion in FY2021, thus, posting a growth of 24.6 percent as compared to 16 percent growth in FY2021. During the same period, the GFCF in the private sector was estimated at Rs 6,704 billion against Rs 5,557 billion in FY2021 showing a growth of 20.6 percent. The GFCF in Public Sector remained at Rs 481 billion during FY2022 compared to Rs 419 billion last year registering a growth of 14.9 percent. Likewise, the GFCF in the General Government sector during FY2022 stood at Rs 1,808 billion compared to Rs 1,241billion during FY2021, posting a growth of 45.6 percent.

Private Sector GFCF: During FY2022, GFCF in Agriculture has the highest share of 27 percent in Private Sector GFCF which is almost consistent since FY2016. Within agriculture sector, livestock share is around 20 percent. Real Estate activities is having second-highest share of 18 percent in Private Sector GFCF as compared to 15 percent in FY2016. The share of Manufacturing in Private Sector GFCF declined from 20 percent in FY2016 to 16 percent in FY2022. However, within Manufacturing, the share of Large Scale stood at 12 percent, while it was 18 percent in FY2016. The share of Transport and Storage reached at 11 percent in FY2022 as compared to 7 percent in FY2020.

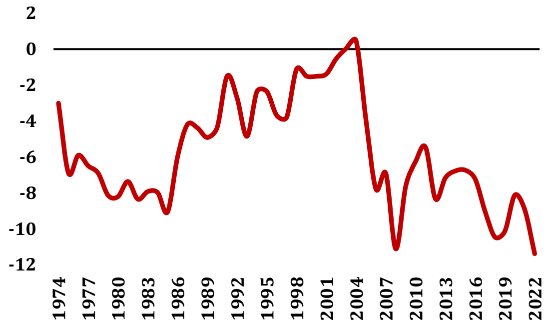
The private sector GFCF in agriculture, forestry, and fishing recorded at Rs 1,787 billion in FY2022 compared to Rs 1,513 billion in FY2021, posting a growth of 18.1 percent on account of an increase in imported agriculture machinery and increase in the value of stock in the livestock. In real estate activities, private sector GFCF has registered a growth of 35 percent on account of higher growth of deflator. The private sector GFCF in large scale manufacturing for FY2022 reached Rs 785 billion against Rs 761 billion during FY2021, showing a growth of 3.1 percent. The conservative reporting of provisional capital formation by private companies is the main reason behind this relatively slow growth. Regarding private sector GFCF in Transportation & Storage industry, it posted a growth of 38 percent as its value increased to Rs 751 billion in FY2022 from Rs 545 billion in FY2021 on account of higher imports as well as domestic sales of transportation equipment.

Public Sector Enterprises GFCF: During FY2022, the major industries showed an increase in GFCF compared to FY2021. For instance, construction (Rs 14.0 billion against Rs 9.8 billion due to Capital Development Authority and Lahore Development Authority), Transportation & Storage (Rs 117.0 billion against Rs 60.8 billion due to Port Qasim Authority, Pakistan National Shipping Corporation, and National Logistic Cell), Information & Communication (Rs 79.0 billion against Rs 34.2 billion due to PTCL and Ufone on machinery & equipment), and Finance & Insurance (Rs 18.8 billion against Rs 11.4 billion due to Nationalized Banks and EOBI). However, a decline was observed in Mining & Quarrying (Rs 13.8 billion against Rs 25.3 billion due to OGDC on machinery & equipment), Manufacturing (Rs 13.9 billion against Rs 14.4 billion due to Pak Arab Refinery), and Electricity Gas & Water Supply (Rs 224.2 billion against Rs 262.6 billion due to Water & Power Development Authority and companies relating to machinery & equipment).

General Government GFCF: For FY2022**,** GFCF related expenditure for the Federal Government has been recorded at Rs 566 billion compared to Rs 477 billion last year, posting a growth of 18.5 percent. Similarly, GFCF related expenditures by Provincial Governments were increased by 63 percent as these were recorded at Rs 1,064 billion in FY2022 compared to Rs 654 billion last year. These were mainly related to buildings and structures in Punjab (from Rs 254.2 to 423.7 billion), Sindh (from Rs 179.3 to 322.4 billion), KP (from Rs 154.2 to 201.3 billion) and Balochistan (from Rs 66.1 to 116.4 billion). Moreover, expenditure on GFCF incurred by District Governments also increased to Rs 178.2 billion in FY2022 from Rs 110.4 billion in FY2021, posting growth of 61.4 percent. Industry-wise disaggregation of GFCF of General Government suggests that there was 48.0, 34.2 and 25.1 percent increase in Public Administration & Social Security, Education and Human Health & Social Work, respectively during FY2022.

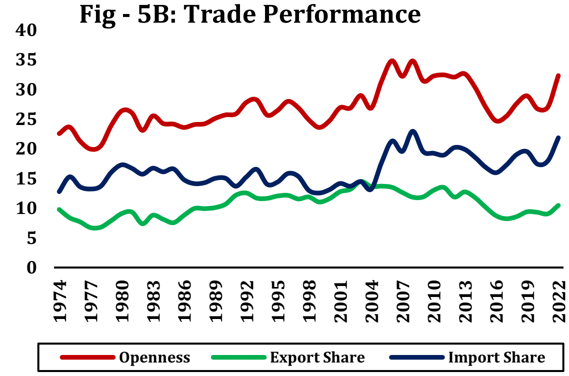
Net Exports: The contribution of Net Exports in aggregate demand, remained negative, mainly due to the massive decline in imports on account of the pandemic. As per National Accounts data, Exports of Goods and Services posted a growth of 39 percent, while Imports of Goods and Services posted a growth of 46 percent in FY2022. Since 1972, a dramatic decline has been seen in the share of Net Exports in GDP (Fig-5A). Usually, trade openness is frequently used to measure the importance of international transactions relative to domestic transactions. It is defined as the ratio of exports plus imports over GDP. Pakistan's openness to trade improved little after 2005, but reflecting two markedly divergent trends: import share rose and export share declined (Fig-5B).

Fig - 5A: Share of Net Exports in GDP



Source: EA Wing Calculation based on PBS Data

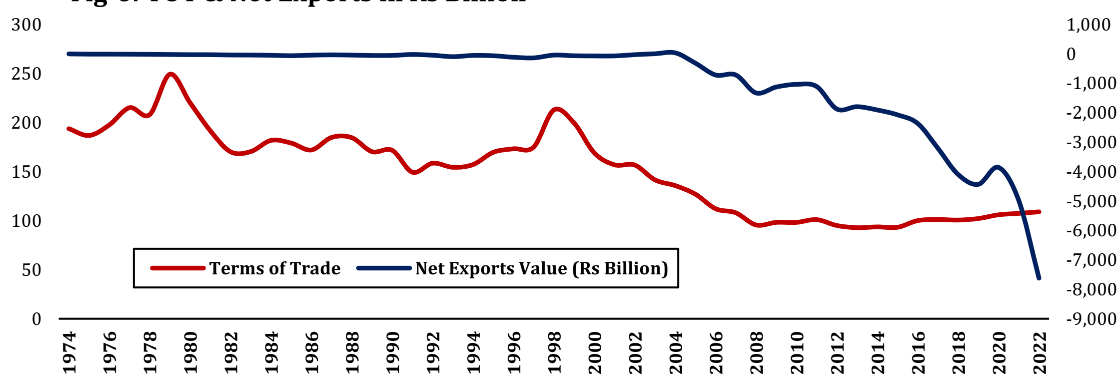
Fig - 5B: Trade Performance



Source: EA Wing Calculation based on PBS Data

A significant increase in imports caused to decrease the share of Net exports dramatically. However, due to a strong increase in consumption, both government and private households, Pakistan's economy was confronted with several BOP crises. Moreover, the Term of Trade (TOT) declined substantially, hence the value of net export fallen down dramatically, putting a severe limit on demand-driven growth, since the mid-2000's (Fig-6).

Fig-6: TOT & Net Exports in Rs Billion



Source: EA Wing Calculation based on PBS Data

Sectoral Growth Analysis – Production Side

Pakistan's economy has shown a strong recovery after being depressed due to the pandemic which resulted in lockdown. For FY2022, Real GDP (GVA at basic prices 2015-16) posted a growth of 5.97 percent on account of 4.40 percent growth in Agriculture, while 7.19 and 6.19 percent growth in Industry and Services respectively. This growth is slightly above the growth of 5.74 percent recorded for FY2021.

Box - II: Rebasing of National Accounts from basic prices of 2005-06 to 2015-16

Recently, the Pakistan Bureau of Statistics has revised National Accounts at basic prices of 2015-16.

Thus, rebasing of National Accounts Series means replacing the old base year used for compiling the constant price estimates with a new or more recent base year for computing constant price estimates

Real GDP is considered more important which is estimated with reference to some base year considered as constant prices. While constant price data have the advantage of being additive, the pattern of relative prices in the base period becomes increasingly irrelevant with the passage of time. As a result, the base period must be updated to reflect current conditions. Actually, the System of National Accounts (SNA) is a set of internationally agreed standards for measuring economic activity. SNA 2008 is presently in place. It is also mentionable that most of the countries, namely Bangladesh, Hong Kong China, India Nepal, Philippines, Sri Lanka, and Thailand undertake their rebasing exercise at a gap of 10 years.

Advantages of Rebasing

- It helps in getting the most reliable and accurate estimations of GDP (GDP). Further, estimates of new GFCF involve broadening of the scope and coverage of macroeconomic data. Thus, the estimates become in accordance with the System of National Accounts (SNA) standards.
- The rebasing of Pakistan's macroeconomic data is required by government, policymakers and decision makers, researchers, and other national and international users for appropriate policies implications

In Pakistan, prior to recent rebasing, the National Accounts of Pakistan had been estimated on current prices until the base was set as 1959-60, which was adopted in 1962-63. The first change of base took place in 1987 when the year 1980-81 was adopted as the base year. The next change of base was adopted in 2003 setting the base as 1999-2000. Then in 2013, the base year was changed to 2005-06.

	1980-81		1999-00		2005-06		2015-16	
Rs Million	**Base Year 1959-60**	**Base Year 1980-81**	**Base Year 1980-81**	**Base Year 1999-00**	**Base Year 1999-00**	**Base Year 2005-06**	**Base Year 2005-06**	**Base Year 2015-16**
Agriculture	71,699	71,399	779,692	923,609	1,457,222	1,775,346	6,749,966	7,306,957
Industry	61,495	56,013	676,369	830,865	1,923,698	1,616,157	5,308,368	5,939,635
Services	114,402	115,419	1,465,927	1,807,546	3,777,607	4,324,274	15,343,961	17,261,613
GDP at basic prices	**247,596**	**247,831**	**2,921,988**	**3,562,020**	**7,158,527**	**7,715,777**	**27,402,295**	**30,508,205**
GDP at market prices	**277,961**	**278,196**	**3,147,167**	**3,826,112**	**7,623,205**	**8,216,160**	**29,075,633**	**32,725,049**

Change in Key Macroeconomic Variables Ratios

Indicators	**Fiscal Year 2021**		**% Change**
	Base Year 2006	**Base Year 2016**	
	Real Sector		
GDP Size (current) (Rs mn)	47,709,325	55,795,515	16.9
GDP Size (current) (US$ mn)	298,650	348,678	16.8
Per Capita Income (US$)	1,542	1,676	8.7
Population	211.9	222.6	5.0

Indicators	**Fiscal Year 2021**		% Change
	Base Year 2006	Base Year 2016	
Fiscal Sector			
Total Revenue (Rs mn)	6,903,370	6,903,370	
Total Revenue (% of GDP)	14.5	12.4	↓
Tax Revenue (Rs mn)	5,272,699	5,272,699	
Tax Revenue (% of GDP)	11.1	9.4	↓
Total Expenditures (Rs mn)	10,306,691	10,306,691	
Total Expenditures (% of GDP)	21.6	18.5	↓
Current Expenditures (Rs mn)	9,084,010	9,084,010	
Current Expenditures (% of GDP)	19.0	16.3	↓
Fiscal Deficit (Rs mn)	3,403,321	3,403,321	
Fiscal Deficit (% of GDP)	7.1	6.1	↓
Public Debt (Rs bn)	39,861	39,861	
(% of GDP)	83.5	71.8	↓
Primary Deficit (Rs mn)	653,592	653,592	
Primary Deficit (% of GDP)	1.4	1.2	↓

Sectoral point contribution is given in Table – 2.

Table 2: Sectoral Point Contribution at Constant Prices 2015-16

	2019-20	2020-21	2021-22		2019-20	2020-21	2021-22		2019-20	2020-21	2021-22
	As percent of GDP				Growth Rates (%)				Point Contribution		
A. Agriculture	23.5	23.0	22.7		3.9	3.5	4.4		0.88	0.82	1.01
B. Industry	18.5	18.9	19.1		(5.7)	7.8	7.2		(1.1)	1.45	1.36
Commodity Producing Sector (A+B)	42.1	41.9	41.8		(0.6)	5.4	5.7		(0.2)	2.27	2.37
C. Services Sector	57.9	58.1	58.2		(1.2)	6.0	6.2		(0.7)	3.48	3.59
GDP (GVA)	**100**	**100**	**100**		**(0.94)**	**5.74**	**5.97**		**(0.94)**	**5.74**	**5.97**

Note: Figures in parenthesis indicates negative growth
Source: Pakistan Bureau of Statistics

Agricultural Sector: The agriculture sector posted growth of 4.4 percent mainly due to 6.6 percent growth in Crops and 3.3 percent growth in Livestock. The growth in crops was recorded on account of 7.2 percent growth in Important Crops, 5.4 percent growth in Other Crops, and 9.2 percent growth in Cotton Ginning.

The better performance of Agriculture is mainly due to 18.1 percent growth in Private Sector GFCF in agriculture, forestry, and fishing. Further, extensive outreach of the Prime Minister's Agriculture Package also helped significant agriculture growth. Important Crops has 56.2 percent share in Crops Value Addition. The growth in production of important crops namely Cotton, Rice, Sugarcane, and Maize is estimated at 17.9, 10.7, 9.4, and 19.0 percent, respectively. The cotton crop increased from 7.1 million bales to 8.3 million bales, while Rice production increased from 8.4 million tons to 9.3 million tons. Likewise, Sugarcane production increased from 81.0 million tons to 88.7 million tons, while Maize production increased from 8.9 million tons to 10.6 million tons. There was a decrease in Wheat production which decreased from 27.5 million tons to 26.4 million tons. Other crops showed growth of 5.4 percent mainly because of an increase in the production of pulses, vegetables, fodder, oilseeds, and fruits.

Livestock sector which constitutes almost 62 percent share in agriculture, posted a growth of 3.3 percent. The other components of agriculture, forestry and fishing posted growth of 6.1 and 0.3 percent, respectively.

Industrial Sector: Industrial sector recorded a growth of 7.2 percent in FY2022 compared to 7.8 percent growth in FY2021.

Industrial sector performance is more dependent on the Manufacturing sector which has a share of 65.0 percent in the industry. Within Manufacturing, Large-Scale Manufacturing (LSM) holds 74 percent while its share in the industry is 48 percent. However, LSM is reflected by Quantum Index Numbers (QIM) data. During July – March FY2022, the QIM index posted a growth of 10.4 percent. Major contributors to this growth remained Food (11.7%), Tobacco (16.7%), Textile (3.2%), Wearing Apparel (34.0%), Wood Products (157.5%), Chemicals (7.8%), Iron & Steel Products (16.5%), Automobiles (54.1%), Furniture (301.8%) and other manufacturing (37.8%).

The other components of Manufacturing, Small Scale, and Slaughtering posted growth of 8.9 and 6.2 percent, respectively. Thus, Manufacturing sector posted a growth of 9.8 percent.

It is mentionable that Mining and Quarrying which has a 9.0 percent share in Industry, posted negative growth of 4.5 percent. It is worth mentioning that during FY2022, GFCF in Mining and Quarrying posted a growth of 13 percent, while it posted negative growth of 5 percent in FY2021. Thus, there may be a lag effect of GFCF in this sector. It is also reported that the decline in Mining and Quarrying growth is mainly due to a decline in the production of other minerals such as limestone (-21.7%), marble (-3.4%), argi (-13.4%), and shale (-21.4%) clay, phosphate (-54.6) and rock salt (-19.9%).

Similarly, Electricity, Gas and Water Supply, the other sub-sector of Industry posted a growth of 7.9 percent. One reason being that there was 11 percent growth in Public GFCF during FY2021 in this sector. Further, there was an increase in subsidies from Rs 366.4 billion in FY2021 to Rs 567.0 billion in FY2022.

Finally, Construction has a 13.4 percent share in Industry, while value-added in the construction industry is mainly driven by construction-related expenditures by industries. Construction recorded a modest growth of 3.1 percent mainly due to an increase in general government spending. This moderate growth rate is due to an unusual increase of 30.1 percent in relevant deflator i.e., WPI building material.

Services Sector: Services sector still constitutes the largest share of 58 percent in GDP even in the new methodology used for the Change of Base of National Accounts on 2015-16. However, in the new methodology, the services sector has been divided into Ten sub-sectors. Sub-sectors of Services with respective shares in Services and GDP in Table – 3.

Table 3: Components of Services

	Share in Services	Share in GDP
1. Wholesale & Retail Trade	32.4	18.8
2. Transport & Storage	17.8	10.4
3. Accommodation and Food Services Activities (Hotels & Restaurants)	2.4	1.4
4. Information and Communication	4.6	2.7
5. Finance and Insurance Activities	3.2	1.9
6. Real Estate Activities (OD)	9.6	5.6
7. Public Administration and Social Security (General Government)	8.0	4.6
8. Education	5.1	3.0
9. Human Health and Social Work Activities	2.7	1.5
10. Other Private Services	14.3	8.3

Source: Pakistan Bureau of Statistics

During FY2022, the services sector continued to post a significant growth of 6.2 percent as it posted 6.0 percent growth last year.

Wholesale and Retail Trade industry posted a growth of 10.0 percent, mainly because its value addition is dependent on the output of agriculture, manufacturing, and imports.

The growth in trade value-added relating to agriculture, manufacturing, and imports stood at 4.0, 9.8, and 19.9 percent, respectively.

Transportation & Storage industry posted a growth of 5.4 percent due to an increase in railways (41.85%), air transport (26.56%), road transport (4.99%), and storage (10.01%).

Accommodation and food services activities showed growth of 4.1 percent. The growth of Information and communication remained at 11.9 percent due to improvements in telecommunication, computer programming, consultancy, and related activities.

Finance and insurance industry shows an overall growth of 4.9 percent mainly due to an increase in Financial Intermediation Services Indirectly Measured (FISIM) on deposits and loans.

Real Estate Activities posted a growth of 3.7 percent, while public administration and social security (General Government) activities posted a negative growth of 1.2 percent mainly due to high deflator.

Education has witnessed a growth of 8.7 percent due to increase in public sector expenditure. Human health and social work activities posted a growth of 2.2 percent due to the general government GFCF. Finally, other private services posted a growth of 3.8 percent.

Way Forward

Pakistan’s economy faces several severe challenges. Inflation is running too high, the prospects for future growth in potential output are challenging. Fiscal deficit is at a level where its financing is becoming challenging. Further, high trade deficit is leading to external imbalances putting extra pressure on foreign reserves and on the exchange rate. Economic growth seems to be slow down next year. Moreover, high uncertainties are restricting market confidence.

In the short run, Pakistan is confronted with the challenge to finance its external finance requirements stemming from current account deficits and foreign debt servicing. Successful conclusion of the seventh review of Pakistan’s reform program which is supported by an IMF Extended Fund Facility arrangement is on the right direction.

Government is very much committed to ensure the stability and confidence in the economy. Stable fiscal policy with a higher, growth promoting path for PSDP, based on physical and human capital development will be obligatory. Likewise, subsidies targeted to stimulate development of innovative industries and services will be essential. On the revenue side, growth-oriented revenue policies will be helpful.

There is intense need of creating an environment conducive for investments. Further, the investment must be capable of considerably augmenting the share of GFCF in GDP as well as increasing the efficiency to create additional welfare. Investors and consumers need to be convinced of a long term sustainable and inclusive growth project that inspires confidence in Pakistan’s economic future and that induces them to take initiatives in their own and in the country's interest. Thus, well-functioning competitive markets is required.

There is also need to continue policies which brought improvement in related sectors. For example, Prime Minister's Agriculture Package and related agricultural policies remained more effective for better agriculture performance. Likewise, policies related to energy mix and efficient energy supplies. Furthermore, there is also need of stable legislative and political culture.

As a result of these, it is expected that potential output growth will be upgraded, resulting in higher employment and real income growth. It will also create additional capacity for exports and import substitution and a stable exchange rate environment. Thus, demand management fiscal and monetary policies should on average be neutral and play their role of cyclical stabilizers when temporary shocks create deviations from the long-term growth path.

AGRICULTURE

Grew by

4.40%

The Crops Sector outperformed and posted a growth of

6.58 %

Livestock recorded a growth of

3.26 %

Fishing sector posted a growth of

0.35 %

Chapter 2

Agriculture

Sustainable growth of the agriculture sector stands vital for food security and rural development in Pakistan. It is a major contributor to the employment and foreign exchange earnings. In addition to that it provides industrial raw material, hence growth in this sector has multiple linkages with the overall economy. It contributes 22.7 percent to the GDP and provides employment to around 37.4 percent of the labour force, manager of rural landscape and environmental shield in protecting and upgrading the climate-resilient production and ecosystem. The improvement in agriculture production systems will increase farm income, reduce consumer prices and enhance diverse food supplies besides generating an exportable surplus. During the post COVID-19 period, the steep rise in the price of various commodities has further enhanced the importance of this sector, especially for the countries who are net importers of food items.

Realizing the importance of agriculture sector, the Government encourage financial inclusion activities in the agriculture sector to adopt new approaches in order to boost the productivity and exports, thus enhancing a rural development-driven economic growth.

Agriculture Performance during 2021-22

During 2021-22, agriculture sector recorded a remarkable growth of 4.40 percent and surpassed the target of 3.5 percent and last year's growth of 3.48 percent. This growth is mainly driven by high yields, attractive output prices and supportive government policies, better availability of certified seeds, pesticides and agriculture credit. The crops sector outperformed and posted a growth of 6.58 percent during 2021-22 against 5.96 percent last year. At sub sectors level, important crops, other crops and cotton ginning depicted a significant growth of 7.24 percent, 5.44 percent and 9.19 percent, respectively, against last year's growth of 5.83 percent, 8.27 percent and -13.08 percent. The growth in production of important crops namely cotton, rice, sugarcane and maize are estimated at 17.9 percent, 10.7 percent, 9.4 percent and 19.0 percent respectively. The cotton crop increased from 7.1 million bales reported last year to 8.3 million bales during 2021-22; rice production increased from 8.4 million tonnes to 9.3 million tonnes; sugarcane production increased from 81.0 million tonnes to 88.7 million tonnes; maize production increased from 8.9 million tonnes to 10.6 million tonnes respectively, while wheat production decreased from 27.5 million tonnes to 26.4 million tonnes. Other crops having share of 13.86 percent in agriculture value addition and 3.14 percent in GDP, grew by 5.44 percent on the back of increase in the production of pulses (29.82

percent), oilseeds (24.75 percent), vegetables (11.52 percent), fruits (1.53 percent) and fodders (0.36 percent).

Livestock having share of 61.89 percent in agriculture and 14.04 percent in GDP, recorded a growth of 3.26 percent in 2021-22 compared to 2.38 percent during same period last year. The fishing sector having share of 1.39 percent in agriculture value addition and 0.32 percent in GDP, grew at 0.35 percent compared to growth of 0.73 percent in same period last year. Forestry sector having share of 2.14 percent in agriculture value addition and 0.49 percent in GDP posted a positive growth of 6.13 percent against the negative growth of 0.45 percent last year (Table 2.1).

Table 2.1: Agriculture Growth (Base=2015-16) (%)

Sector	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 P
Agriculture	**2.22**	**3.88**	**0.94**	**3.91**	**3.48**	**4.40**
1. Crops (i+ii+iii)	1.37	4.61	-4.38	6.32	5.96	6.58
i) Important Crops	2.68	4.27	-8.59	5.24	5.83	7.24
ii) Other Crops	-1.24	4.65	3.62	9.21	8.27	5.44
iii) Cotton Ginning	5.24	8.27	-11.23	-4.06	-13.08	9.19
2. Livestock	2.89	3.59	3.65	2.80	2.38	3.26
3. Forestry	-2.92	2.24	7.22	3.36	-0.45	6.13
4. Fishing	1.22	1.57	0.78	0.63	0.73	0.35

P: Provisional
Source: Pakistan Bureau of Statistics

Water availability during Kharif 2021 recorded at 65.1 million acre feet (MAF) compared to 65.1 MAF of Kharif 2020. Rabi season 2021-22 stood at 27.4 MAF, showing a decrease of 12 percent over Rabi 2020-21. (Table 2.2).

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

Period	Kharif	Rabi	Total	% increase/decrease over the average system usage (103.5 MAF)
Average system usage	67.1	36.4	103.5	-
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
2019-20	65.2	29.2	94.4	-8.8
2020-21	65.1	31.2	96.3	-7.0
2021-22	65.1	27.4	92.5	-10.6

Source: Indus River System Authority

I. Crop Situation

The important crops contribute 19.44 percent to value addition in agriculture sector and 4.41 percent to GDP. Other crops account for 13.86 percent in value addition of agriculture sector and 3.14 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
2015-16	9,917	65,482	6,801	5,271	25,633
	-	-	-	-	-
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	9,861	67,174	7,202	6,826	24,349
	(-17.5)	(-19.4)	(-3.3)	(15.7)	(-2.9)
2019-20	9,148	66,380	7,414	7,883	25,248
	(-7.2)	(-1.2)	(2.9)	(15.5)	(3.7)
2020-21	7,064	81,009	8,420	8,940	27,464
	(-22.8)	(22.0)	(13.6)	(13.4)	(8.8)
2021-22(P)	8,329	88,651	9,323	10,635	26,394
	(17.9)	(9.4)	(10.7)	(19.0)	(-3.9)

P: Provisional Note: Figures in parentheses are growth/decline rates
Source: Pakistan Bureau of Statistics

a) Important Crops

i) Cotton

Pakistan is 5th largest producer of cotton in the world. Export of cotton and textile products have a share of around 60 percent in overall exports of the country. It contributes around 0.6 percent to GDP and 2.4 percent of the value added in agriculture. Over the last decade or so, area under cotton cultivation has been declined and replaced by its competing crops like sugarcane, maize, potato and rice. During 2021-22, the cropped area declined to 1,937 thousand hectares (6.8 percent) against last year's 2,079 thousand hectares. Cotton production increased to 8.329 million bales (17.9 percent) against last year's 7.064 million bales. (Table 2.4 and Figure 2.1). Despite decline in area sown, cotton production increased due to improved yield. The improvement in cotton yield was attributed to conducive weather conditions, smooth input supplies, better crop management practices and favorable cotton prices in international and domestic market.

Fig-2.1: Cotton Production

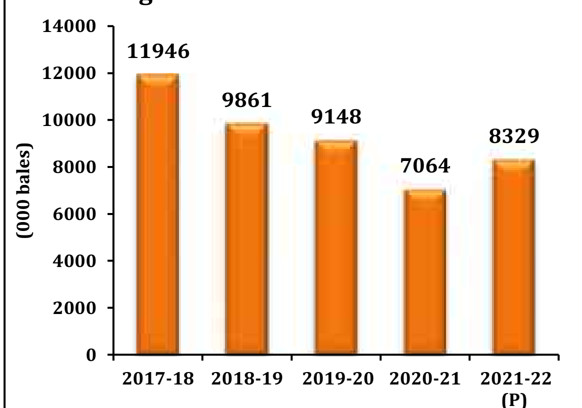
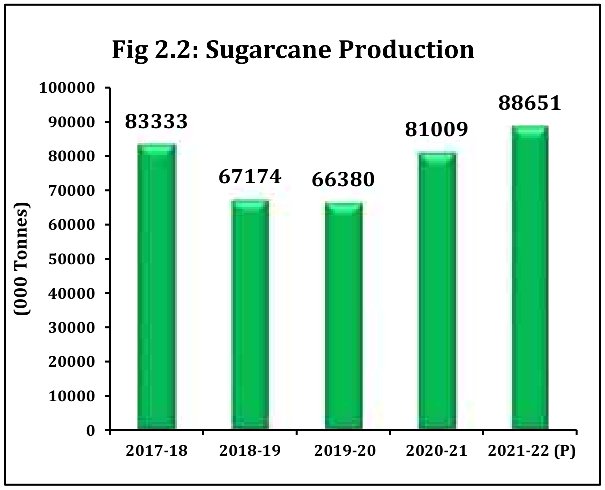


Table 2.4: Area, Production and Yield of Cotton

Year	Area		Production		Yield	
	(000 Hectare)	% Change	(000 Bales)	% Change	(Kgs/Hec)	% Change
2017-18	2,700	-	11,946	-	753	-
2018-19	2,373	-12.1	9,861	-17.5	707	-6.1
2019-20	2,517	6.1	9,148	-7.2	618	-12.6
2020-21	2,079	-17.4	7,064	-22.8	578	-6.5
2021-22(P)	1,937	-6.8	8,329	17.9	731	26.5

P: Provisional
Source: Pakistan Bureau of Statistics

ii) Sugarcane



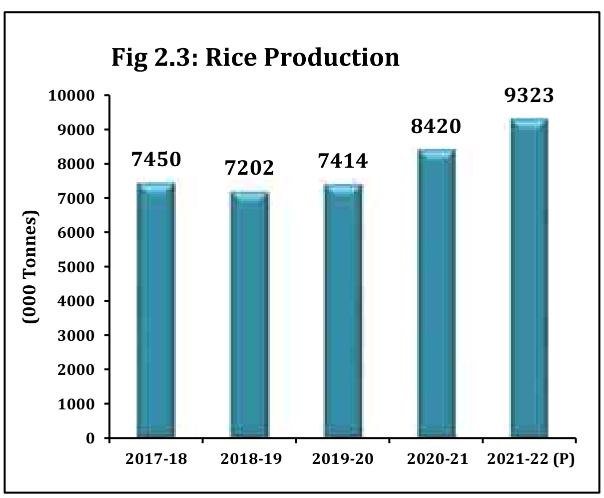
Sugarcane is of great significance for sugar related industries and 2nd largest agro-based industry after textile. Its production accounts for 3.7 percent in agriculture's value addition and 0.8 percent in GDP. During 2021-22, sugarcane was cropped on 1,260 thousand hectares recorded an increase of 8.2 percent compared to last year's sown area of 1,165 thousand hectares. A bumper sugarcane crop production recorded at 88.651 million tonnes during 2021-22, up by 9.4 percent over last year (81.009 million tonnes). The higher domestic sugar price and better sugarcane procurement price incentivized growers to dedicate more area to sugarcane, favourable weather conditions, better management and timely availability of quality inputs. The area, production, and yield of sugarcane during the last five years are given in Table 2.5 and Figure 2.2.

Table 2.5: Area, Production and Yield of Sugarcane

Year	Area		Production		Yield	
	(000 Hectare)	% Change	(000 Tonnes)	% Change	(Kgs/Hec.)	% Change
2017-18	1,342	-	83,333	-	62,096	-
2018-19	1,102	-17.9	67,174	-19.4	60,956	-1.8
2019-20	1,040	-5.6	66,380	-1.2	63,841	4.7
2020-21	1,165	12.0	81,009	22.0	69,534	8.9
2021-22(P)	1,260	8.2	88,651	9.4	70,341	1.2

P: Provisional
Source: Pakistan Bureau of Statistics

iii) Rice



Rice is an important cash crop and after wheat and it is 2nd major staple food item consumed in the country. Its production comprises of 34 percent of basmati (fine) types and 66 percent of coarse types. During the last few years, production of coarse types is increasing as the farmers are bringing more areas under coarse hybrid types. It contributes 2.4 percent of value added in agriculture and 0.5 percent in GDP. During 2021-22, the crop was sown on 3,537 thousand hectares, showing an increase of 6.1 percent as against 3,335 thousand hectares last year. The record high output of rice stood at 9.323 million tonnes during 2021-22, higher by 10.7 percent than last year's production of 8.420 million tonnes. From the last couple of years, area under rice cultivation is witnessing rising trend. As domestic rice production exceeds domestic annual requirement, the country often has exportable surplus. The area, production, and yield of rice during the last five years are shown in Table 2.6 and Figure 2.3.

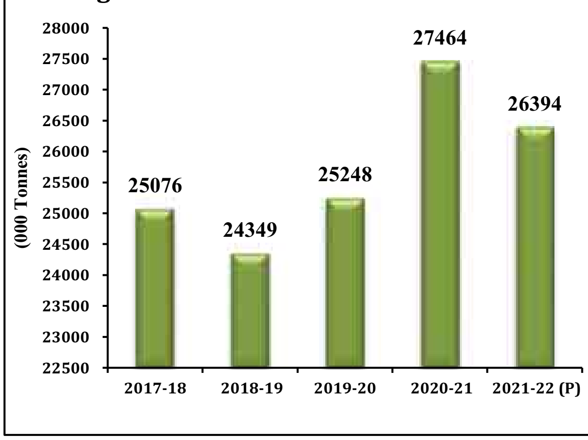
Table 2.6: Area, Production and Yield of Rice

Year	Area		Production		Yield	
	(000 Hectare)	% Change	(000 Tonnes)	% Change	(Kgs/Hec.)	% Change
2017-18	2,901	-	7,450	-	2,568	-
2018-19	2,810	-3.1	7,202	-3.3	2,563	-0.2
2019-20	3,034	8.0	7,414	2.9	2,444	-4.6
2020-21	3,335	9.9	8,420	13.6	2,525	3.3
2020-22(P)	3,537	6.1	9,323	10.7	2,635	4.4

P: Provisional
Source: Pakistan Bureau of Statistics

iv) Wheat

Fig 2.4: Wheat Production



Wheat is the staple crop and it ensures food security of the country. Wheat is cultivated over 22 million acres and accounts for 7.8 percent of the value added in agriculture and 1.8 percent of GDP. Self-sufficiency in wheat has been an objective of every Government and thus always challenges for the agriculture experts and policy makers. Wheat is a strategic crop and any shortfall in its production can create an awkward situation leading to political uncertainty, significant drainage of foreign reserves, rise in prices of wheat flour and pocket shortages in vulnerable areas. During 2021-22, area sown decreased to 8,976 thousand hectares (2.1 percent) against last year's of 9,168 thousand hectares. The production of wheat declined to 26.394 million tonnes (3.9 percent) compared to 27.464 million tonnes production of last year. Wheat production declined due to decline in area sown, shortfall in irrigation water and drought conditions at sowing, less fertilizers offtake and heat wave in March/April, though the government has increased Minimum Support Price to Rs 2200/40 kg this year is aligned to the cost of production. The wheat production position over the last five years is given in Table 2.7 and Figure 2.4.

Table 2.7: Area, Production and Yield of Wheat

Year	Area		Production		Yield	
	(000 Hectares)	% Change	(000 Tonnes)	% Change	(Kgs /Hec.)	% Change
2017-18	8,797	-	25,076	-	2,851	-
2018-19	8,678	-1.4	24,349	-2.9	2,806	-1.6
2019-20	8,805	1.5	25,248	3.7	2,868	2.2
2020-21	9,168	4.1	27,464	8.8	2,996	4.5
2021-22(P)	8,976	-2.1	26,394	-3.9	2,940	-1.9

P: Provisional
Source: Pakistan Bureau of Statistics

Box-I: Impacts of the Conflict between the Russia-Ukraine on Food and Agriculture Markets in Pakistan

Pakistan imports significant amounts of wheat, pulses, and oilseeds from the Russia and Ukraine. Last year, imports from Russia and Ukraine contributed for 77.3 percent of total wheat imports, 19.3 percent of total pulses imports, and 10.4 percent of total oilseed imports into the country. Moreover, although Pakistan is not primarily dependent on these two countries for fertilizers and fossil fuels, it is likely to bear the brunt of rising international prices for fertilizers and energy.

Due to high fertilizer prices and drought in some parts of the country, Pakistan has missed its wheat production target of 28.90 million metric tons (MMT) for 2021-22 season. Therefore, Pakistan will most likely need to import 3.0 MMT of wheat in the next few months. Wheat prices were already rising to historic levels, but with the ongoing conflict between the Russia and Ukraine, international wheat prices are now at their highest level in the last few decades. The increased cost of production domestically, due to increased fertilizer and energy prices, are expected to raise the price of wheat in the Pakistani market.

Cooking oil and ghee are also essential food commodities in Pakistan. The country's annual requirement for edible oil is around 4.1 MMT. In 2021, Pakistan produced only 11 percent of edible oil required for domestic consumption, and the rest of 89 percent was imported. Since the beginning of the conflict, the price of cooking oil in Pakistan has increased by 14.2 percent, and that of vegetable ghee has risen by 15.8 percent in just six weeks. This increasing trend is likely to persist as the international edible oils market may experience a considerable shortfall due to the conflict.

Source: Food and Agriculture Organization of the United Nations, Pakistan

v) Maize

During 2021-22, maize crop was sown on area of 1,653 thousand hectares and recorded increase of 16.6 percent over last year's cultivated area of 1,418 thousand hectares. Maize crop output recorded at 10.635 million tonnes witnessing significant growth of 19.0 percent over 8.940 million tonnes last year Maize contributes 3.2 percent value added in agriculture and 0.7 percent to GDP. The increase in production was mainly due to increased sown area, availability of improved high yield seed varieties, favourable weather conditions and better economic returns. Last five years production position maize is presented in Table 2.8 and Figure 2.5.

Fig 2.5: Maize Production

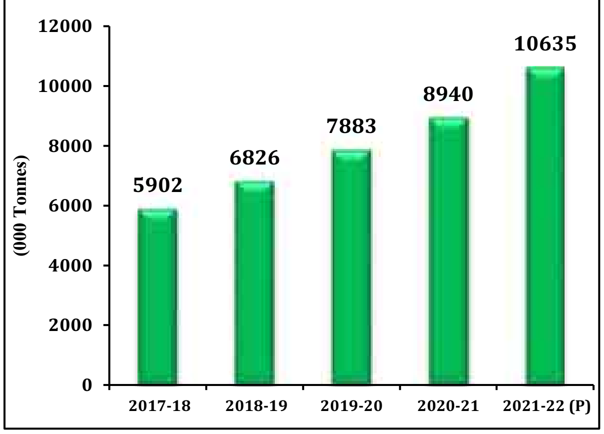


Table 2.8: Area, Production and Yield of Maize

Year	Area		Production		Yield	
	(000 Hectares)	% Change	(000 Tonnes)	% Change	(Kgs /Hec.)	% Change
2017-18	1,251	-	5,902	-	4,718	-
2018-19	1,374	9.8	6,826	15.7	4,968	5.3
2019-20	1,404	2.2	7,883	15.5	5,614	13.0
2020-21	1,418	1.0	8,940	13.4	6,305	12.3
2021-22 (P)	1,653	16.6	10,635	19.0	6,436	2.1

P: Provisional
Source: Pakistan Bureau of Statistics

b) Other Crops

During 2021-22, gram production grew by 36.3 percent and reached to 319 thousand tonnes on account of availability of certified seeds and favourable weather conditions compared to last year. The production of rapeseed & mustard increased by 26.7 percent while production of Jowar and Bajra witnessed a decrease of 33.3 percent and 15.0 percent, respectively, due to decline in area under cultivation. The production of Barley and Tobacco remained at the last year's production level. The area and production of other crops is given in Table 2.9.

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

Crops	2020-21		2021-22(P)		% Change in production over Last year
	Area (000 Hectares)	Production (000 Tonnes)	Area (000 Hectares)	Production (000 Tonnes)	
Bajra	350	266	227	226	-15.0
Jowar	126	96	77	64	-33.3
Gram	883	234	867	319	36.3
Barley	42	42	39	42	-
Rapeseed & Mustard	224	296	277	375	26.7
Tobacco	55	168	55	168	-

P: Provisional
Source: Pakistan Bureau of Statistics

During 2021-22, the production of chillies, potato and moong increased by 36.6 percent, 35.1 percent and 29.0 percent, respectively, as compared to same period of last year. However, the production of mash and onion declined by 11.6 percent and 8.5 percent, respectively, while production of masoor remained same over last year. The area and production of other crops is given in Table 2.10.

Table 2.10: Area and Production of Other Crops

Crops	2020-21		2021-22(P)		% Change in production over Last year
	Area (000 Hectares)	Production (000 Tonnes)	Area (000 Hectares)	Production (000 Tonnes)	
Masoor	6.9	4.1	5.8	4.1	-
Moong	231.1	204.5	301.8	263.8	29.0
Mash	11.0	6.9	8.0	6.1	-11.6
Potato	234.3	5,873.0	313.8	7,937.1	35.1
Onion	153.8	2,305.7	141.0	2,108.8	-8.5
Chillies	46.8	105.4	58.1	144.0	36.6

P: Provisional
Source: Pakistan Bureau of Statistics

i) Oilseeds

During FY2022 (July-March), 2.754 million tonnes of edible oil/oil from oilseed for crushing total value Rs 662.657 billion (US$ 3.681 billion) was imported. Local production of edible oil during this period is provisionally estimated at 0.460 million tonnes. Total availability of edible oil during this period is estimated at 3.214 million tonnes. The area and production of oilseed crops is given in Table 2.11.

Table 2.11: Area and Production of Major Oilseed Crops (000 Tonnes)

Crops	2020-21			2021-22 (July-March) (P)		
	Area (000 Acres)	Production		Area (000 Acres)	Production	
		Seed	Oil		Seed	Oil
Cottonseed	5,137	1,782	214	4,740	2,126	255
Rapeseed & Mustard	608	338	108	692	377	121
Sunflower	151	87	33	253	141	54
Canola	77	49	19	124	79	30
Total	**5,073**	**2,256**	**374**	**5,809**	**2,723**	**460**

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

For promotion of oilseed crops, Ministry of National Food Security & Research (M/o NFS&R) is executing a mega project "National Oilseed Enhancement Programme" with a total cost of Rs 10.964 billion under the National Agriculture Emergency Programme. Subsidy of Rs 5,000 per acre for seed/inputs for canola, sunflower and sesame and 50 percent on purchase of oilseed machineries is being provided to oilseed growers.

II. Farm Inputs

i) Fertilizer

Pakistan meets around 86 percent of its fertilizer requirement through domestic production while remaining 14 percent through imports.

The domestic production of fertilizers during FY2022 (July-March) increased by 1.9 percent over the same period of last year. This increase in domestic production of fertilizer is mainly due to running of two LNG based plants FatimaFert and Agritech Limited from September 2021 to March 2022. Although the import of fertilizer decreased by 6.2 percent, however the total availability of fertilizer slightly increased by 0.5 percent. There was decrease in total offtake of fertilizer nutrients by 3.6 percent. Nitrogen offtake witnessed slightly upward movement by 0.02 percent while Phosphate offtake decreased by 14.3 percent. However, Potash offtake increased by 10.7 percent during FY2022 (July-March). Major reasons for negative growth in Phosphate use is its high prices in international market and accordingly in domestic market. Price of urea increased by 10.4 percent, while that of DAP increased by 88.7 percent. Federal Government announced subsidy of Rs 1,000 per bag of DAP to compensate farming community.

Total availability of urea during Kharif 2021 was 3,404 thousand tonnes, comprising of 298 thousand tonnes of opening inventory and 3,106 thousand tonnes of domestic production (Table 2.12). Urea offtake was about 3,258 thousand tonnes, leaving inventory of 116 thousand tonnes for Rabi 2021-22. Availability of DAP was 1,232 thousand tonnes, comprising of 55 thousand tonnes of opening inventory, 733 thousand tonnes of imported supplies and 444 thousand tonnes of local production. DAP offtake was 889 thousand tonnes leaving an inventory of 353 thousand tonnes for the upcoming Rabi 2021-22.

Rabi 2021-22 started with an opening balance of 116 thousand tonnes of urea (Table 2.12). Domestic production during Rabi 2021-22 was estimated at 3,272 thousand tonnes. A quantity of 100 thousand tonnes arrived through import from China. Urea offtake during Rabi 2021-22 is projected around 3,195 thousand tonnes, against 3,489 thousand tonnes of total availability, leaving a closing balance of 294 thousand tonnes for upcoming season. DAP availability during Rabi 2021-22 is estimated about 1,181 thousand tonnes, which includes 353 thousand tonnes of opening inventory, 385 thousand tonnes of imported supplies and domestic production of 443 thousand tonnes. Offtake of DAP during Rabi season stood at 933 thousand tonnes, leaving a balance of 255 thousand tonnes for next season.

The total availability of urea during Kharif 2022 will be about 3,508 thousand tonnes, comprising of 294 thousand tonnes of opening balance and 3,214 thousand tonnes of domestic production (Table 2.12). Urea offtake is expected to be around 3,364 thousand tonnes, leaving a balance of 144 thousand tonnes. The total availability of DAP will be 705 thousand tonnes against expected offtake of 907 thousand tonnes. Supply and demand gap will be filled through imported supplies by the private sector.

Table 2.12: Fertilizer Supply Demand Situation (000 Tonnes)

Description	Kharif (Apr-Sep) 2021		Rabi (Oct-Mar) 2021-22		Kharif (Apr-Sep) 2022	
	Urea	DAP	Urea	DAP	Urea	DAP
Opening Stock	298	55	116	353	294	255
Imported Supplies	0	733	100	385	0	30
Domestic Production	3,106	444	3,272	443	3,214	420
Total Availability	3,404	1,232	3,489	1,181	3,508	705
Offtake/Demand	3,258	889	3,195	933	3,364*	907
Write on/off	-29.8	9	0	7	0	0
Closing Stock	116	353	294	255	144	-202

*: Offtake projections are based on demand received from Punjab province and three-year average offtake for rest of the provinces.
Source: National Fertilizer Development Centre

ii) Improved Seed

Seed is basic input for agriculture sector and has imperative role in enhancing agriculture productivity, food security and poverty alleviation. Certified seed is the starting point to a successful crop as well as an important risk management tool. Production of certified seed is carefully controlled under a quality assurance and regulation system right from the very beginning. Seed certification is a legally sanctioned system for quality control of seed multiplication and production. The purpose of seed certification is to maintain and make available to the public, through certification, high quality seeds and propagating materials of notified and registered varieties. It has been reckoned that countries round the world have focused on use of certified seed for enhancing agriculture productivity owning to its better profitability coupled with application of internationally acceptable quality parameters.

Seed Sector Achievements

1. International Collaboration

For seed sector development in Pakistan, Federal Seed Certification & Research Department (FSC&RD) International Cooperation section was in the process of deliberations during 2021-22 (July-March) through different cooperation proposals with the following countries and international organizations; D-8, SAARC, FAO, ECO, Turkey, Netherlands, Germany, UK, Middle east, Azerbaijan, USA, Japan, Russia, Korea, China and Turkmenistan.

2. Distinctness, Uniformity and Stability (DUS) Examination

A total of about 149 new candidate lines of Oilseeds, Vegetables, Pulses, Fruits, Paddy, Fodder & Forage, Medicinal plant, Maize, Wheat & Cotton have been examined for DUS trials during the subject period. DUS examination is under progress.

3. Track and Traceability of Certified Seed

FSC&RD collected traceability data from majority of seed companies which revealed that total wheat seed availability was 638,000 MT (before processing out of which companies processed 520,000 MT and 947,855 certified seed tags were issued for 474,000 MT after testing by FSC&RD. A total of 338,464 MT of certified seed was supplied by the seed companies to seed dealers depending on market demand and 206,680 MT of certified seed was sold to farmers i.e., 31 percent of total seed availability and 19 percent of total seed requirement (1,075,562 MT). This showed that certified seed replacement was 19 percent out of which 160,715 MT of new rust tolerant varieties have been given to farmers (i.e., 15 percent certified seed replacement of new varieties).

The area, seed requirement and seed availability during FY2022 (July-March), are given in Table 2.13.

Table 2.13: Area, Seed Requirement and Seed Availability (Metric Tonnes)

Crop	Sowing Area* (000 Ha)	Total Seed Requirement	Seed Availability			
			Public	Private	Imported	Total **
Wheat	9,210	1,137,435	76,309	561,300	0	637,609
Cotton	2,330	39,940	425	28,712	0	29,137
Paddy	3,070	44,148	965	40,037	4,145	45,167
Maize	1,331	32,868	88	2,494	15,615	18,198
Pulses	1,185	42,674	379	3,980	0	4,359
Oilseeds	830	10,790	2	1,031	467	1,500
Vegetables	280	8,400	0	1,058	2,828	3,886
Fodders	2,038	61,140	0	5,961	19,028	24,999
Potato	166	415,000	0	0	13,400	13,400
Total	**20,440**	**1,792,396**	**78,169**	**644,572**	**55,483**	**778,225**

*: Targeted area has been decided by the Federal Committee on Agriculture (FCA), M/o NFS&R.
**: The seed availability figures (excluding wheat) are provisional
Source: Federal Seed Certification & Registration Department, M/o NFS&R

iii) Farm Mechanization

Farm mechanization is an important element to accelerate agriculture productivity. Main constraint in increasing agriculture productivity includes non-availability of quality tractors and agricultural machinery in the appropriate time of need at affordable prices. The Federal Government continued the relief package that allowed on supply of imported farm machinery and equipment at reduced tariff (Custom Duty 0-2 percent and GST 05 percent) to encourage mechanized farming in the country.

The domestic tractor industry has played a significant role in fulfilling the requirements of tractors. The number of operational tractors in the country is around 670,000 resulting in availability of around 0.09 horsepower (HP) per acre against the required power of 1.4 HP per acre. During 2021-22 (July-March), total tractor production reached to 41,871 compared to 36,900 produced last year, a 13.5 percent higher than same period last year. The prices and production of locally manufactured tractors are given in Table 2.14.

Table 2.14: Prices and Production of Locally Manufactured Tractors 2021-22 (July-March)

Tractors Model – Horse Power (HP)	Base Price Excluding GST (Rs)	Total Price Including GST@ 5% (Rs)	Actual Production (in Nos.)	Actual Sale (in Nos.)
M/s Al-Ghazi Tractors Limited				
NH-480-S (55 HP)	1,170,000	1,228,500	3,720	3,725
NH-480 Power Plus (55 HP)	1,221,500	1,282,575	2,160	2,164
Ghazi (65 HP)	1,352,000	1,4,19,600	6,495	6,303
640 (75 HP)	1,733,000	1,819,650	3,208	3,078
Dabung (85 HP)	1,790,000	1,879,500	486	432
NH-70-56 4WD (85 HP)	2,355,000	2,472,750	36	35
Total			**16,105**	**15,737**
M/s Millat Tractors Limited				
MF-240 (50 HP)	1,192,000	1,251,600	5,318	5,346
MF-350 P.S (50 HP)	1,380,000	1,449,000	08	0
MF-260 (60 HP)	1,378,000	1,446,900	4,389	4,387
MF-360 P.S (60 HP)	1,455,000	1,527,750	307	329
MF-375 (85 HP)	1,787,000	1,876,350	1,259	1,279
MF-385 (85 HP)	1,860,000	1,953,000	13,692	13,739
MF-375 4WD (75 HP)	2,320,000	2,436,000	153	142
MF-385 4WD (85 HP)	2,410,000	2,530,000	625	644
Total			**25,766**	**25,866**
Grand Total			**41,871**	**41,603**

Source: Tractor Manufacturers, Federal Water Management Cell

iv) Irrigation

During the monsoon season (July-September) 2021, rainfall recorded at 125.0 mm showing a decline of 11.3 percent against the normal average rainfall of 140.9 mm. During post-monsoon season (October-December) 2021, rainfall stood at 23.5 mm against the normal average rainfall of 26.4, showing a decrease of 11.2 percent. During winter season (January-March) 2022, rainfall recorded at 72.7 mm against the normal average rainfall of 74.3 mm, showing a decrease of 2.2 percent. Rainfall recorded during the reference period is given in Table 2.15.

Table 2.15: Pakistan's Rainfall* Recorded During 2021-22 (in Millimetres)

	Monsoon Rainfall (Jul-Sep) 2021	Post Monsoon Rainfall (Oct-Dec) 2021	Winter Rainfall (Jan-Mar) 2022
Normal**	140.9	26.4	74.3
Actual	125.0	23.5	72.7
Shortage (-)/excess (+)	-15.9	-2.9	-1.6
% Shortage (-)/excess (+)	-11.3	-11.2	-2.2

*: Area Weighted **: Normal/Long Period Average of 1961-2010

Source: Pakistan Meteorological Department

Canal head withdrawals decreased by 0.05 percent during Kharif (April-September) 2021 and reached to 65.08 MAF compared to 65.11 MAF during the same season last year. During Rabi (October-March) 2021-22, it recorded a decline of 12 percent to 27.42 MAF compared to 31.21 MAF during the same season last year. The province-wise details are shown in Table 2.16.

Table 2.16: Canal Head Withdrawals (Below Rim Stations) (Million Acre Feet)

Province	Kharif (Apr-Sep) 2020	Kharif (Apr-Sep) 2021	% Change in Kharif 2021 Over 2020	Rabi (Oct-Mar) 2020-21	Rabi (Oct-Mar) 2021-22	% Change in Rabi 2021-22 Over 2020-21
Punjab	33.44	33.13	-1	17.42	14.65	-16
Sindh	28.80	28.96	1	12.01	11.08	-8
Balochistan	2.02	1.94	-4	1.22	1.00	-18
Khyber Pakhtunkhwa	0.85	1.05	23	0.57	0.70	23
Total	**65.11**	**65.08**	**-0.05**	**31.21**	**27.42**	**-12**

Source: Indus River System Authority

Pakistan has been blessed with a bounty of water resources. During its course, the Indus River and its Tributaries irrigates 48 million acres of land through one of the world largest contiguous Indus Basin Irrigation System having average annual withdrawal of 101 MAF water. It is estimated that approximately 50 MAF groundwater is pumped through 1.2 million tubewells. Water is essential to meet the food need for country's growing population. Rising population, reservoir sedimentation, dwindling river supplies and climate change impacts have put Pakistan's limited water resources under immense stress. The country is facing severe water stress gradually morphing into water scarcity.

The Government's existing strategy of "Integrated Water Resources Management" recognizes the need to introduce appropriate policy measures, institutional reforms, and knowledge-based interventions to make water infrastructure and management system more efficient and sustainable. Main targets for 2018-30 under National Water Policy (2018) are; 33 percent reduction in the 46 MAF river flows lost in conveyance through watercourses lining, live storage capacity enhancement of 10 MAF, 20 percent increase in water use efficiency through modern irrigation techniques, refurbishment of irrigation infrastructure, real-time monitoring of water distribution for transparent water accounting and development of unified authentic database to have reliable water resources assessment.

During FY2022, an amount of Rs 90.312 billion (10 percent of total PSDP) were allocated for 91 water sector's development projects/studies (including Mohmand Dam Rs 15 billion, Diamer Basha Dam Rs 8 billion, Diamer Basha Land acquisition Rs 7 billion and Kachhi Canal 12 billion). Out of this, Rs 57.544 billion have been released till 31st March, 2022 against which utilization is Rs 47.618 billion.

Key Achievement during FY2022

- Despite the continuing impacts of COVID-19, construction activities remained in progress on both national importance mega projects i.e., Diamer-Basha Dam and

Mohmand Dam projects. On completion, these dams will greatly mitigate water and power shortages in the country.

- Kachhi Canal (Phase-I) with 72,000 CCA in Balochistan remained operational. 55,000 of this command area has been developed.
- Work on Kachhi Canal Phase-I (Remaining works) having additional 30,000 acres CCA remained in full swing.
- Rainee Canal Phase-I has been completed and handed over to Irrigation Department, Government of Sindh.
- Initiation of about 30 new schemes of small dams/recharge/check having cost about Rs 28.60 billion with an allocation of Rs 2.74 billion in Balochistan.
- Works on Kurram Tangi Dam Phase-I (Kaitu Weir Diversion and allied works) remained in progress in North Waziristan. The project is planned to be completed in next financial year.
- Detailed engineering design of Chashma Right Bank Canal (Lift-cum-Gravity) Project completed, and PC-I submitted by MoWR is under approval process.
- Upon approval of PC-II, Expression of Interests were published for hiring of Consultants for Detailed engineering design of Kurram Tangi Dam Phase-II.
- Under **Karachi Transformation Plan** (Storm Water Drain Projects), Restoration & Revamping of Mehmoodabad Nullah was completed, while Restoration & Revamping of Gujjar Nullah & Orangi Nullah remained in progress.
- PC-I for Greater Karachi Bulk Water Supply Scheme K-IV approved by ECNEC on 31.01.2022.
- Under **Southern Balochistan Package**, approval of 17 water sector projects including Sunni Gar, Panjgur, Gish Kaur, Awaran & Shehznek dams and one umbrella PC-II covering 10 feasibility studies has been accorded.
- Under **Sindh Package** Feasibility study, detailed engineering design, Tender documents & PC-I of Jacobabad, Shikarpur & Kashmore drainage projects, Feasibility for construction of Drainage network in Taulka Ubauro, Daharki, Khangar, Mirpur Mathelo of District Ghotki and construction of small Storage Dams, Delay Action Dams, Recharge Weirs and I.S.S.O barriers have been initiated.
- Revised PC-I of Naulong Multipurpose Dam Project (Jhal Magsi, Balochistan) amounting to Rs 39.9 billion recommended to ECNEC by CDWP.
- Consultants for detailed engineering design of Hingol Dam Project having 65,000 acres CCA in Lasbela, Balochistan under finalization.
- Contractor re-mobilized at Nai Gaj Dam site and re-commenced the suspended works.
- Due to gradual decrease in the surface water inflow at Rim stations, water availability at canal head for Kharif season 2021-22 remained 67.14 MAF compared to 68.04 MAF in Kharif season 2020-21.
- In Balochistan, Sindh, Punjab and Khyber Pakhtunkhwa construction of medium/small/delay action dams and recharge dams remained in progress in FY2022. Province-wise detail is as under:

a)	Punjab	Ghabir & Papin dams.
b)	Sindh	Darawat & Nai Gaj Dams, Small dams in Kohistan, Thar & Nagarparkar.
c)	KP	Kurram Tangi, Kundal, Sanam, Baran dams & 20 small dams in Nowshera, Karak, Swabi, Hangu, Haripur & Kohat districts.
d)	Balochistan	Naulong, Garuk, Basool, Batozai, Mangi, Mara Tangi Dams and construction of 100 small dams (Package-II, III and IV).

Physical progress of major on-going projects is given Table 2.17.

Table 2.17: Major Water Sector Projects under Implementation

Project	Location	App. cost (Rs million)	Live Storage	Irrigated Area	Status
Basha Dam (Dam Part only)	Khyber Pakhtunkhwa & Gilgit Baltistan	479,686	6.40 MAF	1.23 Million Acres	ECNEC approved Dam part of the project on 14-11-2018 (out of Rs 479 billion Rs 237 billion will be federal grant, Rs 144 billion commercial financing, Rs 98 billion WAPDA equity). Physical progress is 7.47 percent. Financial progress is 12 percent.
Kachhi Canal (Phase-I)	Balochistan	80,352	-	72,000 Acres	Phase-I completed. Out of 102,000 acres CCA about 55,000 acres developed in Dera Bugti, Balochistan.
Nai Gaj Dam	Dadu, Sindh	46,980	160,000 (Acre Feet)	28,800 Acres (4.2 MW Power Gen.)	52 percent physical works completed
Kurram Tangi Dam (Phase-I,Kaitu Weir)	Khyber Pakhtunkhwa	21,059	0.90 MAF	16,400 Acre (18.9 MW Power Gen.)	70 percent physical works completed.
Naulong Dam	Jhal Magsi, Balochistan	39,900	0.20 MAF	47,000 Acres (4.4 MW Power Gen.)	Feasibility & Detailed engineering design completed. Updated 2nd revised PC-I under approval from ECNEC.
Mohmand Dam Hydropower Project (800 MW)	Mohmand District of Khyber Pakhtunkhwa	114,285 (dam part) cost	0.676 MAF	16,737 Acres	Phase-I ECNEC approved on 30-06-2018 at a Total cost of Rs 309.558 billion (dam part+ power generation cost). Physical progress is 16.73 percent. Financial progress is 16 percent.
Darawat Dam	Jamshoro, Sindh	9,300	89,192 (Acre Feet)	25,000 Acres	Physically completed. CAD to be expedited by Govt of Sindh.
Hingol Dam	Lasbela, Balochistan	-	0.816 (MAF)	65,000 Acres (1.37 MW Power Gen.)	Feasibility study completed. Detailed engineering design commenced.
Murunj Dam	Rajanpur, Punjab.	-	0.60 (MAF)	120,000 Acres (12 MW Power Gen.)	Feasibility study, detailed engineering design in progress.
Sindh Barrage	Thatta, Sindh.	-	1.80 (MAF)	-	Feasibility study near completion by WAPDA.

Source: Ministry of Planning, Development & Special Initiatives

Packages Announced by Federal Government

Key Initiative	Activity/action conducted	Results Achieved	Financial Expenditure
Karachi Transformation Plan (Storm Water Drain Projects)	Approval and releases of Rs 34,505.738 million to 4 projects namely i) Restoration & revamping of Mehmoodabad Nullah and its Tributaries ii) Restoration & revamping of Gujjar Nullah iii) Restoration & revamping of Orangi Nullah iv) Restoration & revamping of Liyari & Malir Rivers with associated Tributaries	➢ Restoration & revamping of Mehmoodabad Nullah and its Tributaries have been completed ➢ Restoration & revamping of Gujjar Nullah & Orangi Nullah are being implemented	Rs 8 billion have been expended till 28th Feb. as reported by Sponsors.
Karachi Transformation Plan (K-4 Greater Water Supply Scheme)	Approval of Revised PC-I	Projects is under implementation	3 percent funds released till 2nd quarter as reported by sponsors
Southern Balochistan Package	Approval of 17 water sector projects including Sunni Gar, Panjgur, Gish Kaur, Awaran & Shehzenic dams and one umbrella PC-II covering 10 feasibility studies. Total approved projects under SBDP: 27 New Projects: 10 On-going projects: 7 Feasibility studies: 10	New Projects are at tendering phase	-
Sindh Package (i) Nai Gaj Dam project, ii) Feasibility Study, Detailed Engineering Design, Tender Documents & PC-I of Jacobabad, Shikarpur & Kashmore Drainage projects, iii) Feasibility for construction of Drainage network in Taulka Ubauro, Daharki, Khangar, Mirpur Mathelo of District Ghotki iv) Construction of Small Storage Dams, Delay Action Dams, Recharge Weirs and I.S.S.O barriers in Sindh	Approval of projects under Sindh Package	Projects are under implementation	-

Source: Ministry of Planning, Development & Special Initiatives

iv) Agricultural Credit

SBP has allocated the indicative agriculture credit disbursement targets of Rs 1,700 billion for FY2022 which is 24.5 percent higher than last year's disbursement of Rs 1,366.0 billion. Currently, 50 formal financial institutions are providing agriculture loans to the farming community, which include 5 major commercial banks, 14 medium-sized domestic private banks, 5 Islamic banks, 2 specialized banks (ZTBL & PPCBL), 11 microfinance banks besides 13 Microfinance Institutions/Rural Support Programmes (MFIs/RSPs).

During FY2022 (July-March), banks have disbursed Rs 958.3 billion which is 56.4 percent of the overall annual target and 0.5 percent higher than the disbursement of Rs 953.7 billion made during the same period last year. Further, the outstanding portfolio of agricultural loans has increased by Rs 30.9 billion i.e., from Rs 601.8 billion to Rs 632.7 billion at end March 2022 as compared to same period last year. In terms of outreach, the number of outstanding borrowers has reached to 3.2 million in March 2022. The comparative disbursements of agriculture lending banks/institutions against their annual indicative targets during FY2022 (July-March) are given in Table 2.18

Table 2.18: Supply of Agriculture Credit by Institutions (Rs billion)

Banks	Target FY2021	FY2021 (July-March)		Target FY2022	FY2022 (July-March)		% Change over the Period
		Disbursed	Achieved (%)		Disbursed	Achieved (%)	
Major Commercial Banks (5)	800	554.2	69.3	900	525.7	58.4	-5.1
ZTBL	105	56.5	53.8	105	47.0	44.8	-16.8
PPCBL	13	5.2	39.8	13	4.8	36.9	-7.3
DPBs (14)	296	192.5	65.0	367	202.2	55.1	5.0
Islamic Banks (5)	63	35.9	57.0	80	47.9	59.8	33.3
MFBs (11)	182	92.8	51.0	195	112.1	57.5	20.8
MFIs/RSPs	41	16.6	40.5	40	18.6	46.6	12.1
Total	**1,500**	**953.7**	**63.6**	**1,700**	**958.3**	**56.4**	**0.5**

Source: State Bank of Pakistan

Analysis of the sector-wise disbursement reveals that out of the total disbursement of Rs 958.3 billion, the farm sector has received Rs 474 billion (49.5 percent) and Rs 484.3 billion (50.5 percent) has been disbursed to non-farm sector during FY2022 (July-March). However, the data of farm credit by land holdings reveals that Rs 170.5 billion has been disbursed to the subsistence farm size which witnessed 13.7 percent growth during the period. Moreover, Rs 66.2 billion has been disbursed to economic farm size and Rs 237.3 billion to the above economic farm size witnessing a decline of 21.3 percent. Under non-farm sector, agriculture lending institutions disbursed Rs 128.2 billion to small farms with positive growth mainly due to credit off take in non-farm sector activities especially in livestock/dairy and meat sector. Moreover, Rs 356.0 billion has been disbursed to large farms showing a growth of 3.6 percent during FY2022 (July-March). The sector-wise comparative details of credit disbursements are given below in Table 2.19.

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

	Sector (Land Holding/Farm size)	FY2021 (July-March)		FY2022 (July-March)		% Growth over the Period
		Disbursement	% Share in Total	Disbursement	% Share in Total	
A	**Farm Sector**	**507.9**	**53.3**	**474.0**	**49.5**	**-6.7**
1	Subsistence Holding[1]	150	15.7	170.5	17.8	13.7
2	Economic Holding[2]	56.2	5.9	66.2	6.9	17.8

[1] Landholding in acres (Punjab and KP up to 12.5, Sindh up to 16.0 and Balochistan up to 32.0)
[2] Landholding in acres (Punjab and KP 12.5-50.0, Sindh 16.0-64.0 and Balochistan 32.0-64.0)

Table 2.19: Credit Disbursement to Farm & Non-Farm Sectors						(Rs billion)
Sector (Land Holding/Farm size)		FY2021 (July-March)		FY2022 (July-March)		% Growth over the Period
		Disbursement	% Share in Total	Disbursement	% Share in Total	
3	Above Economic Holding[3]	301.7	31.6	237.3	24.8	-21.3
B	**Non-Farm Sector**	**445.8**	**46.7**	**484.3**	**50.5**	**8.6**
1	Small Farms	102.1	10.7	128.2	13.4	25.6
2	Large Farms	343.7	36	356	37.2	3.6
Total (A+B)		**953.7**	**100**	**958.3**	**100**	**0.5**

Source: State Bank of Pakistan

In terms of sectoral and purpose-wise performance of agriculture credit, the production loans of farm sector declined by 8.0 percent, whereas development loans increased by 15.5 percent during the period FY2022 (July-March). Further, under non-farm sector, the livestock/dairy & meat sector witnessed 7.8 percent growth and poultry sector recorded 6.9 percent growth during the period under review. The sector wise/purpose wise agricultural credit disbursements are shown in Table 2.20:

Table 2.20: Credit Disbursements by Sector & Purpose						(Rs billion)
Sector& Purpose		FY2021 (July-March)		FY2022 (July-March)		% Growth over the Period
		Amount Disbursed	% Share within Sector	Amount Disbursed	% Share within Sector	
A	**Farm Sector**	**507.9**	**53.3**	**474.0**	**49.5**	**-6.7**
1	Production Loans	452.4	89.1	441.3	93.1	-8.0
2	Development Loans	55.6	10.9	32.7	6.9	15.5
B	**Non-Farm Sector**	**445.8**	**46.7**	**484.3**	**50.5**	**8.6**
1	Livestock/Dairy & Meat	250.1	56.1	269.7	55.7	7.8
2	Poultry	158.0	35.4	168.9	34.9	6.9
3	Fisheries	5.3	1.2	9.6	2.0	81.0
4	Forestry	0.011	0.003	0.0	0.0	33.1
5	Others	32.4	7.3	36.1	7.5	11.4
Total (A+B)		**953.7**	**100**	**958.3**	**100**	**0.5**

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:

i. **Crop Loan Insurance Scheme (CLIS) & Livestock Insurance Scheme for Borrowers (LISB):** CLIS has enabled financial access for farmers, with premium for small farmers being borne by the government.

ii. **Credit Guarantee Scheme for Small & Marginalized Farmers (CGSMF):** With support from Federal Government, SBP is offering a CGSMF. This scheme can be availed by banks for providing loans to small farmers, with default protection of up to 50 percent. Under this scheme, loans of Rs 2.56 billion are outstanding as of 28th

[3] Landholding in acres (Punjab and KP above 50.0, Sindh and Balochistan above 64.0)

February, 2022. Since its inception, more than 131,000 farmers have benefitted through this scheme against Rs 1.1 billion funds released by the Federal Government.

iii. **Adoption of Electronic Land Record Management Information System (LRMIS) by banks for Agriculture Financing:** SBP is working in collaboration with Provincial Governments and financial institutions for implementing and mainstreaming electronic land verification records and charge creation for availing bank loans.

iv. **Promoting Electronic Warehouse Receipt Financing (EWRF):** EWRF is a form of credit, extended by banks to farmers, traders and processors against commodities/agricultural produce stored in accredited warehouses. In order to allow banks to start EWRF in line with Collateral Management Company (CMC) Regulations 2019, SBP has issued the necessary amendments in Prudential Regulations while allowing EWR as acceptable collateral for bank financing. Further, to sensitize banking industry and kick start of EWRF in Pakistan, SBP has formally launched EWRF in February, 2022 wherein 25 banks signed the System Usage Agreements (SUA) with CMC.

v. **Introduction of Scoring Model for Agriculture Credit Performance of Banks:** SBP has introduced the scoring model to promote fairness and transparency in gauging the individual performances of agriculture lending banks. The scoring model utilizes a multi-dimensional criteria based on various indicators, which are used to calculate an aggregate statistic reflective of each bank's agriculture credit performance.

vi. **Introduction of Champion Bank Concept:** To address the bottlenecks in agriculture credit outreach in underserved areas by introducing the concept of provincial/regional champion banks in underserved areas. The six regional champion banks will spearhead the efforts in their respective assigned province/region (Southern Punjab, Sindh, Khyber Pakhtunkhwa, Balochistan, AJK and GB) to enhance flow of credit and bring more borrowers into the fold of formal credit network.

III. Forestry

According to the latest findings of National Forest Reference Emissions Level (FREL), the country is maintaining 4.786 million hectare (5.45 percent) area under forest cover. Within the forest cover area, dry temperate forests hold the largest share (36 percent), followed by sub-tropical broadleaved shrub (19 percent), moist temperate (15 percent), Chir Pine (13 percent), Riverine (4 percent), irrigated plantation (4 percent), thorn (3 percent), mangrove (3 percent) and subalpine forests (2 percent). The inadequate forest cover area due to growing population and dependence on the natural resources coupled with deforestation have rendered the country one of the most vulnerable to climate change effects. As a result, natural resources are under tremendous pressure owing to change of land use and habitat destruction and consumption of fuel wood and timber extraction. Such pressures have rendered most of the forests of poor and medium density in need of drastic restocking on war footing.

IV. Livestock and Poultry

a) Livestock

Livestock is contributing approximately 61.9 percent of agriculture value added and 14.0 percent to the national GDP during 2021-22. Animal husbandry is the most significant economic activity of the dwellers of rural areas of Pakistan. More than 8 million rural families are engaged in livestock production and are deriving around 35-40 percent of their income from this sector. Gross value addition of livestock has increased from Rs 5,269 billion (2020-21) to Rs 5,441 billion (2021-22), showing an increase of 3.26 percent. (Base Year 2015-16)

The Government has renewed its focus on this sector for economic growth, food security, and poverty alleviation in the country. The overall livestock development strategy resolves to foster "private sector-led development with public sector providing enabling environment through policy interventions". The regulatory measures are aimed at enhancing per unit animal productivity by improving veterinary health coverage, husbandry practices, animal breeding practices, artificial insemination services, use of balanced ration for animal feeding, and controlling livestock diseases.

To address investment related issues in the value-added livestock export sector, Government is considering to develop this sector in the shape of export meat processing zones, disease free zones (for Foot & Mouth Disease (FMD), Peste des Petitis Ruminants (PPR), Highly Pathogenic Avian Influenza (HPAI), facilitate setting up of modern slaughter houses after assessing industry's requirements and provide various schemes through the financial sector support. The focus of present Government is on breed improvement for enhanced productivity, establishment of nucleus herd and identification of breeds that are well adapted to various agro ecological zone of Pakistan. The national herd population of livestock for the last three years is given in Table 2.21.

Table 2.21: Estimated Livestock Population (Million Nos.)

Species	2019-20[1]	2020-21[1]	2021-22[1]
Cattle	49.6	51.5	53.4
Buffalo	41.2	42.4	43.7
Sheep	31.2	31.6	31.9
Goat	78.2	80.3	82.5
Camels	1.1	1.1	1.1
Horses	0.4	0.4	0.4
Asses	5.5	5.6	5.7
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 position of milk and meat production for the last three years is given in Table 2.22.

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

Species	2019-20[1]	2020-21[1]	2021-22[1]
Milk (Gross Production)	**61,690**	**63,684**	**65,745**
Cow	22,508	23,357	24,238
Buffalo	37,256	38,363	39,503

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

Species	2019-20[1]	2020-21[1]	2021-22[1]
Sheep[2]	41	41	42
Goat	965	991	1,018
Camel[2]	920	932	944
Milk (Human Consumption)[3]	**49,737**	**51,340**	**52,996**
Cow	18,007	18,686	19,390
Buffalo	29,805	30,691	31,603
Sheep	41	41	42
Goat	965	991	1,018
Camel	920	932	944
Meat[4]	**4,708**	**4,955**	**5,219**
Beef	2,303	2,380	2,461
Mutton	748	765	782
Poultry meat	1,657	1,809	1,977

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 percent wastage (15 percent faulty transportation and lack of chilling facilities and 5 percent in suckling calf nourishment) of the gross milk production of cows and buffalo.
4: The figures for meat production are of red meat and do not include the edible offal's.

Source: Ministry of National Food Security & Research

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

Table 2.23: Estimated Livestock Products Production

Products	Units	2019-20[1]	2020-21[1]	2021-22[1]
Eggs	Million Nos.	20,133	21,285	22,512
Hides	**000 Nos.**	**18,139**	**18,751**	**19,384**
Cattle	000 Nos.	9,405	9,759	10,127
Buffalo	000 Nos.	8,622	8,878	9,142
Camels	000 Nos.	112	114	115
Skins	**000 Nos.**	**59,460**	**60,837**	**62,250**
Sheep Skin	000 Nos.	11,807	11,947	12,088
Goat Skin	000 Nos.	30,129	30,946	31,784
Fancy Skin	000 Nos.	17,524	17,945	18,377
Lamb Skin	000 Nos.	3,507	3,548	3,590
Kid Skin	000 Nos.	14,017	14,397	14,787
Wool	000 Tonnes	47.3	47.9	48.4
Hair	000 Tonnes	29.4	30.2	31.0
Edible Offal's	000 Tonnes	440	452	465
Blood	000 Tonnes	73.1	75.0	77.0
Casings	000 Nos.	60,069	61,461	62,888
Guts	000 Nos.	19,280	19,929	20,599
Horns & Hooves	000 Tonnes	64.3	66.2	68.2
Bones	000 Tonnes	961.0	990.3	1,020.7
Fats	000 Tonnes	304.5	313.6	322.9
Dung	000 Tonnes	1,362	1,405	1,448
Urine	000 Tonnes	413	425	437
Head & Trotters	000 Tonnes	274.6	282.4	290.4
Ducks, Drakes & Ducklings	Million Nos.	0.38	0.37	0.35

[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 important segments of livestock that provides employment to more than 1.5 million people in the country. With an investment of more than Rs 750 billion, this industry is growing at an impressive growth rate of approximately 7.5 percent per annum over the last decade that has enabled Pakistan to occupy 11th position among the largest poultry producer of the world and has ample space for further improvement.

Through farmer friendly policies/interventions, the Government has been encouraging rural as well as commercial poultry production. The estimated production of commercial and rural poultry products for the last three years is given in Table 2.24.

Table 2.24: Estimated Domestic/Rural & Commercial Poultry

Type	Units	2019-20[1]	2020-21[1]	2021-22[1]
Domestic Poultry	**Million Nos.**	**89.84**	**91.22**	**92.62**
Cocks	Million Nos.	12.51	12.85	13.20
Hens	Million Nos.	43.93	44.72	45.52
Chicken	Million Nos.	33.40	33.65	33.90
Eggs[2]	Million Nos.	4,393	4,472	4,552
Meat	000 Tonnes	124.72	127.22	129.76
Duck, Drake & Duckling	**Million Nos.**	**0.38**	**0.37**	**0.35**
Eggs[2]	Million Nos.	17.18	16.47	15.78
Meat	000 Tonnes	0.52	0.50	0.48
Commercial Poultry	**Million Nos.**	**1,353.24**	**1,486.09**	**1,632.06**
Layers	Million Nos.	59.82	64.01	68.49
Broilers	Million Nos.	1,279.76	1,407.73	1,548.51
Breeding Stock	Million Nos.	13.66	14.34	15.06
Day Old Chicks	Million Nos.	1,336.71	1,470.38	1,617.41
Eggs[2]	Million Nos.	15,723	16,797	17,944
Meat	000 Tonnes	1,531.60	1,681.64	1,846.48
Total Poultry				
Day Old Chicks	Million Nos.	1,370	1,504	1,651
Poultry Birds	Million Nos.	1,443	1,578	1,725
Eggs	Million Nos.	20,133	21,285	22,512
Poultry Meat	000 Tonnes	1,657	1,809	1,977

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

Ongoing Projects

The Federal Government has launched following programmes under the "Prime Minister's National Agriculture Emergency Programme":

Prime Minister Initiative for Backyard Poultry Projects: Under this project, five million pre-vaccinated high laying backyard birds will be distributed among public across the country at subsidized rates. The total cost of the project is Rs 1.6 billion, where 30 percent contribution by federal and provincial governments, while rest of the cost to be borne by the beneficiary. Since 2019, 2.927 million backyard poultry birds will be distributed by the 30th June 2022 in all over the Pakistan except Sindh.

Prime Minister Initiative for Safe the Calf Project: Under this project, 380,000 male calves are projected to be saved from early slaughter in 4 years period through financial incentive of Rs 6,500 per calf to farmers besides reducing mortality with improved nutrition and husbandry practices. This intervention is providing stock for feedlot fattening for enhanced productivity and quality beef which ultimately result in high profit margins for the farmers and reduced rural poverty. The total cost of the project is Rs 3.4 billion. The Federal Government is contributing 20 percent of total cost, while the remaining will be shared by provincial governments. Since 2019, 167175 calves would be saved by the 30th June 2022 in all over the Pakistan except Sindh and Balochistan.

Prime Minister Initiative for Calf Feedlot Fattening in Pakistan: Under this programme, Rs 4,000 for each calf has been allocated as financial incentive to persuade farmers to produce healthy and nutritious beef in the country. In Balochistan, Rs 1500 cash incentive is given for each fattened sheep/goat. The intervention is promoting feedlot fattening business in the country. The total cost of the project is Rs 2.4 billion. Since 2019, 191757 calves fattened in all over Pakistan except Sindh and Balochistan and 240,000 kid/lamb will be fattened in Balochistan by the 30th June 2022.

The following projects are also being launched by Federal Government:

i. **Antimicrobial Resistance (AMR).** The Fleming Fund Country Grant with the support of U.K. Department of Health and Social Care Programme to help low-and middle-income countries fight AMR has initiated a programme in collaboration of Government of Pakistan with the following objectives:
    - Improved policy environment for managing AMR-Data review and analysis
    - Enhance quality and quantity of sites reporting on AMR
    - Strengthening reference laboratories to strengthen AMR surveillance networks
    - Improve AMC and antimicrobial usage (AMU) data at country level
    - Support One Health Approach among human, livestock and environment sectors

In the animal health sector, the Fleming Fund Country Grant is providing support for strengthening AMR surveillance in food animals, diagnostic harmonization, capacity development of animal health laboratories, field surveys for AMU and Knowledge Attitudes Practices (KAP) surveys. To cope up with the scope in animal health sector, Fleming Fund through AHC office, M/o NFS&R has identified

- Two National Reference Points
    - National Veterinary Laboratories (NVL), Islamabad
    - National Reference Laboratory for Poultry Diseases (NRLPD), NARC Islamabad
- 9 Sentinel Labs from all provinces of Pakistan

To better coordinate AMR and AMU activities in the animal health sector alongside Human Health, (M/o NFS&R) has notified the establishment of the AMR Coordination Unit (AMR-CU) at the Animal Husbandry Commissioner (AHC) office.

i. **Support Development and Piloting Pakistan Animal Identification and Traceability System (PAITS).** This project is under execution with the technical and financial support of FAO-Pakistan. Pakistan currently does not have a reliable animal identification and traceability system to manage livestock identification and movements in the country. Lack of such a system poses significant challenges for Pakistan, specifically in export of livestock and their products, in the wake of limited resources and capacity of the animal health services to deliver effective animal health programmes. The project will be used as pilot demonstrations in cattle and buffaloes in limited geographic region in smallholder livestock farming and selected feedlot fattening dairy farms.

ii. **National PPR Eradication Programme**: Under this project, efforts will be made to move Pakistan into stage 3 of the progressive step-wise approach of Office International des Epizooties (OIE) for PPR eradication in next five years. The total cost of the project is Rs 1.8 billion.

Enhancement of FMD Control Programme in Pakistan: This project is under execution in collaboration of Government of Pakistan, JICA and FAO-Pakistan with the following objectives:

- Reporting of FMD outbreaks by stakeholders (veterinarians, veterinary assistants, and dairy farmers)
- Awareness of dairy farmers
- Rapid response of FMD outbreaks

Other Policy Measures

M/o NFS&R with its re-defined role under the 18th Constitutional Amendment undertook the following measures: i) Import of calf milk replacer and cattle fed premix by the corporate dairy/meat sub sectors at concessional tariff, ii) Import of high yielding dairy cattle breeds of Holstein Friesian and Jersey for enhanced milk production, iii) Semen and embryos of high yielding animals for the genetic improvement of indigenous low producing animals, and iv) Import of high quality feed stuff/micro ingredients for improving the nutritional quality of animals & poultry feed.

V. Fisheries

Fisheries sector plays significant role in the economy and food security of the country and it reduces pressure on demand for mutton, beef, and poultry. It is also considered to be an important source of livelihood for the coastal inhabitants. Apart from marine fisheries, inland fisheries (based in rivers, lakes, dams, etc.) are also a 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 FY2022 (July-March), total fish production recorded at 696.0 thousand MT (marine: 468 thousand MT and inland: 228 thousand MT) witnessing an increase of 0.8 percent over same period of last year's fish production of 690.6 thousand MT (marine: 465.2 thousand MT and inland: 225.4 thousand MT).

During FY2022 (July-March), a total of 116.514 thousand MT of fish and fishery preparation amounting US$ 310 million were exported. Pakistan's major buyers are China, Thailand, Malaysia, Middle East, Sri Lanka, and Japan. Several initiatives are being taken by federal and provincial fisheries departments which include, inter alia, strengthening of extension services, introduction of new fishing methodologies, development of value-added products, enhancement of per capita consumption of fish, up gradation of socio-economic conditions of the fishermen community and a review of Deep-Sea Fishing Policy of 2018.

Since resumption of exports to the EU countries different consignments of fish, cuttlefish and shrimps have been sent by 02 companies to the EU, after 100 percent laboratory analysis at EU borders. For further enhancement of seafood export to EU countries, six more processing plants are in pipeline and their cases for approval are under process with EU authorities. Export of seafood to EU countries is given in Table 2.25:

Table 2.25: Export of Seafood to EU Countries FY2022 (July-March)

Commodity / Country	Fish		Squids		Shrimp		Crabs		Total	
	Quantity (MT)	Value $ (000)	Quantity (MT)	Value $ (000)	Quantity (MT)	Value $ (000)	Quantity (MT)	Value $ (000)	Quantity (MT)	Value $ (000)
Belgium	318	786	-	-	1,425	6,892	-	-	1,743	7,678
Netherlands	85	206	-	-	45	186	-	-	130	392
Spain	-	-	96	203	-	-	-	-	96	203
UK	999	3,923	-	-	250	856	5	18	1,254	4,797
Total	**1,402**	**4,915**	**96**	**203**	**1,720**	**7,934**	**5**	**18**	**3,223**	**13,070**

Source: Marine Fisheries Department

Way Forward:

The available potential in agriculture sector needs to be exploited to boost economic growth, job creation and encourging country's exports. For this purpose synchronization of programmes, reforming of institutions and encouraging public-private partnership, simplification of laws and investment reforms is the need of the hour. As federal and provincial investment should be based on their mandate/role in agriculture sector and national issues could be co-financed. Effective mechanisation stands vital to enahnce productivity in this sector.

MANUFACTURING AND MINING

LSM Sector Grew by

10.4%

(Jul-Mar) FY 2022

On a Y-o-Y basis, LSM grew by 26.6 percent in March FY2022

On a M-o-M basis LSM marked the growth of 8.2 percent in March 2022

Out of 22 subsectors, 17 posted growth during July-March FY2022

Chapter 3

Manufacturing and Mining

In Pakistan, manufacturing with a share of 12.4 percent in GDP has a dominant presence within the industrial sector. Pakistan's national accounts capture manufacturing sector in three different components: Large Scale Manufacturing (LSM), Small Scale Manufacturing (SSM) and Slaughtering. Establishments having ten or more employees are covered under LSM. Quantum Index of Manufacturing (QIM) is a measure of LSM performance with 78.4 weight in overall LSM, derived from the Census of Manufacturing Industries (CMI) 2015-16 (Box-I). Similarly, Small Scale Manufacturing (SSM) information is also based on the survey[1] conducted in year 2015. It covers industrial and household units engaged in manufacturing activity having less than ten employees. While, slaughtering sector performance is estimated through a methodology which measures the value addition in output of the sector.

During FY2022, LSM with 9.2 percent of GDP dominates the overall manufacturing sector, accounting for 74.3 percent of the sectoral share followed by Small Scale Manufacturing, which accounts for 2.0 percent of total GDP and 15.9 percent sectoral share. The third component, slaughtering, accounts for 1.2 percent of GDP with 9.7 percent sectoral share.

3.1 Performance of Large-Scale Manufacturing

Unprecedented challenges posed by the COVID-19 pandemic exposed the vulnerabilities of global economies. Supply chains were disrupted due to business closures. The industry of Pakistan also experienced interlude in business activity leading to slowdown in its performance in FY2020. Nevertheless, LSM proved to be resilient and gained the growth momentum from the very start of FY2021 owing to gradual opening of economic activities and contingency measures from fiscal and monetary side in the form of industrial support package, construction package, auto policy, ultra-low policy rate, housing finance, and export financing facility coupled with vaccination drive.

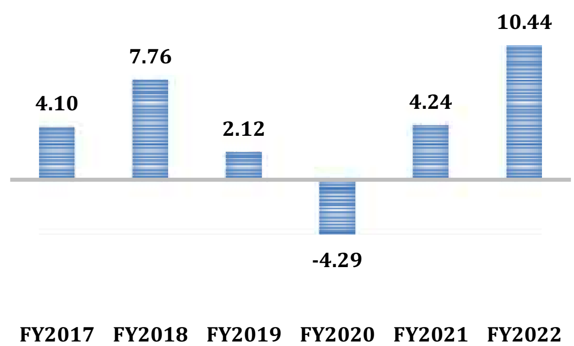
Although Pakistan has survived from the COVID-19 crisis, but it faced the daunting tasks in FY2022 such as controlling stimulus induced fiscal deficit, curtailing widening current account deficit, managing pressure on exchange rate along with achieving a sustainable post-pandemic recovery. Moreover, pent-up demand fueled by stimulus and pandemic disruptions accelerated inflation around the world. Additionally, Ukraine War continues

[1] A survey titles "Small and Household Manufacturing Industries (SHMI) 2015" was conducted by Pakistan Bureau of Statistics (PBS) for rebasing.

to stoke strong inflationary winds throughout the global economy resulting damage in the form of higher food and energy prices or new supply-chain disruptions. Thus, economic recovery from virus-induced economic recession would remain uncertain in the coming years because of uncertainty in pandemic resurgences as well as uncertain geopolitical tensions.

Nevertheless, well calibrated measures and continuous support along with surging global demand, easy credits, and partially subsidized energy supplies bode well in achieving higher growth of LSM in FY2022 (Fig-3.1).

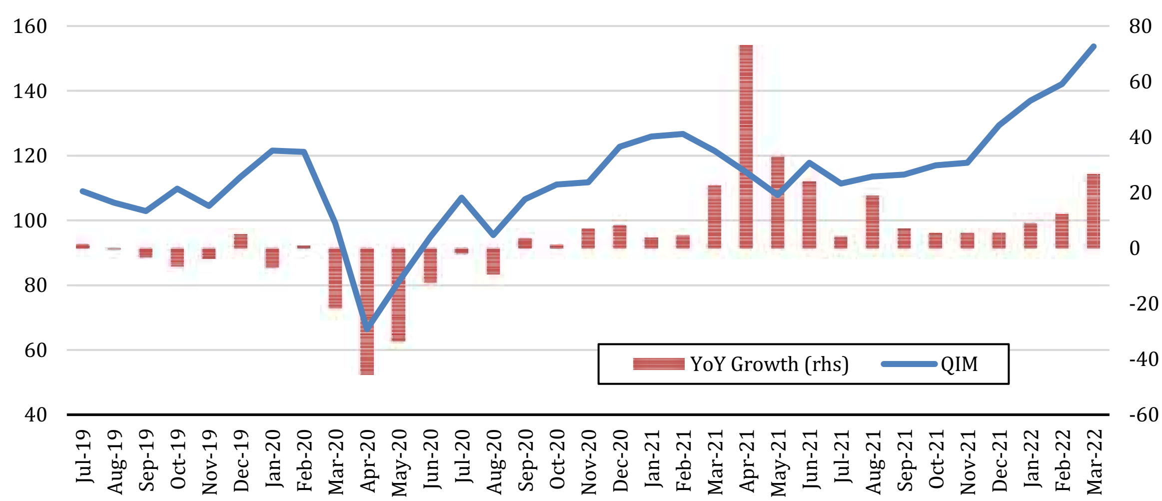
Fig 3.1: LSM Growth (%) Jul-Mar



Source: Pakistan Bureau of Statistics

During July-March FY2022, LSM staged the growth of 10.4 percent against 4.24 percent growth in the corresponding period last year. Production of 11 items under the Oil Companies Advisory Committee increased by 2.0 percent, 36 items under the Ministry of Industries and Production surged by 10.3 percent, while 76 items reported by the Provincial Bureaus of Statistics increased by 12.1 percent. The expansion of LSM is also appeared to be broad based, with 17 out of 22 sectors of LSM witnessed a positive growth. Furniture, Wood Products, Automobile, Footballs, Tobacco, Iron & Steel Products, Machinery and Equipment, and Chemical Products remained the top performing sectors of LSM.

Fig 3.2: Monthly Quantum Index Of Manufacturing (QIM)



Source: Pakistan Bureau of Statistics

Since September 2020, the LSM has rebounded after months of a downturn. On year-on-year (Y-o-Y) basis, LSM grew by 26.6 percent in March FY2022 against 22.5 percent growth in the same month last year (Fig. 3.2). Initially the pace was slow till December 2021, but rebounded from January 2022 onwards. While, Month-on-Month (M-o-M) basis, growth of LSM marked the growth of 8.2 percent in March 2022 as compared to 3.7 percent in February 2022.

Box-I: Rebasing of Quantum Index of Large Scale Manufacturing Industries (from 2005-06 to 2015-16)

Rebasing of Large Scale Manufacturing Industries has been conducted with the following objectives:

- To measure the structural changes in Large Scale Manufacturing Industries, new Census of Manufacturing Industries (CMI) is conducted on the base of 2015-16.
- Pakistan Standard Industrial Classification (PSIC) 2010, derived from UN International Standard Industrial Classification ISIC Rev-4, has been used to classify manufacturing activities.
- The current QIM is rebased on the basis of results of CMI 2015-16. Important changes can be gauged from the table below:

	QIM 2005-06		QIM 2015-16	
Sources	**No. of Items**	**Weights (%)**	**No. of Items**	**Weights (%)**
Total	112	70.30	123	78.40
Ministry of Industries & Production	36	49.56	36	40.54
Oil Companies Advisory Council	11	5.41	11	6.66
Provincial Bureaus of Statistics/PBS	65	15.37	76	31.17

Coverage

Previous censuses were conducted on the frame of Labour and Industries departments which had low coverage. To improve coverage, Business Register (BR) of PBS was utilized for the current census, which is based on different administrative sources like SECP, FBR, EOBI, PSX, Distribution companies of WAPDA, Provincial Labour and Industries departments, etc. which resulted to 390 percent increase in frame as understated below:

Number of Establishments	QIM 2005-06	QIM 2015-16
Frame	8,680	42,578
Respond	6,417	23,712
Major Groups	15	23

Source: - Pakistan Bureau of Statistics

3.2 Group Wise Analysis of LSM

Group-wise growth of LSM during the period of July-March FY2022 is given in Table 3.1.

Table 3.1: Group wise growth of LSM

S#	Groups	Weights	% Change (Jul-Mar)	
			2020-21	**2021-22**
1	Food	10.69	27.1	11.7
2	Beverages	3.84	0.2	0.7
3	Tobacco	2.07	17.8	16.7
4	Textile	18.16	8.0	3.2
5	Wearing Apparel	6.08	-35.6	34.0
6	Leather Products	1.23	-37.8	1.5
7	Wood Products	0.18	-46.2	157.5
8	Paper & Board	1.63	-0.6	8.5
9	Coke & Petroleum Products	6.66	12.3	2.0
10	Chemicals	6.48	9.0	7.8
	Chemicals Products	2.55	14.5	15.2
	Fertilizers	3.93	5.9	3.3
11	Pharmaceuticals	5.15	10.5	-0.4

Table 3.1: Group wise growth of LSM

S#	Groups	Weights	% Change (Jul-Mar)	
			2020-21	2021-22
12	Rubber Products	0.24	-13.1	-20.6
13	Non-Metallic Mineral Products	5.01	18.5	1.1
14	Iron & Steel Products	3.45	-8.6	16.5
15	Fabricated Metal	0.42	-0.7	-7.2
16	Computer, electronics and Optical products	0.03	-38.6	1.0
17	Electrical Equipment	2.05	-17.1	-1.1
18	Machinery and Equipment	0.39	50.8	8.9
19	Automobiles	3.10	21.6	54.1
20	Other transport Equipment	0.69	19.2	-10.2
21	Furniture	0.51	71.7	301.8
22	Other Manufacturing (Football)	0.32	-29.8	37.8

Source: Pakistan Bureau of Statistics

Textile sector weight has been reduced from 20.9 to 18.16 in QIM 2015-16 but still the highest among all sectors of LSM. The sector grew by 3.2 percent during July-March FY2022 as compared to 8.0 percent in the same period last year. Major growth originated from woolen segment production with highest surge of 38.9 percent in blankets, 27.9 percent growth in woolen & carpet yarn, and 19.1 percent in woolen & worsted cloth. Production of yarn and cloth showed marginal growth of 0.7 and 0.3 percent, respectively. Congruent production units, invariant capacity and elevated cotton prices owing to demand and supply gap disruptions have moderated the growth momentum of the cotton sector. Depreciation of rupee restrained the production of jute, as most of the raw material is imported from Bangladesh. However, surge in imports of textile machinery[2], rising demand for concessionary financing[3] from textile firms and high exports[4] of this sector showing a sizeable improvement in the textile sector.

Wearing apparel has been separated from textile sector with 6.08 weight in QIM showing the growth of 34 percent against the contraction of 35.6 percent. The sector has gained traction local as well as in international market as garments production grew at 34.0 percent during the period. The export of garments also escalated with 33.9 percent growth in terms of quantity during July-March FY2022.

Food group having second highest weight of 10.69 in QIM witnessed the growth of 11.7 percent during the period under review against 27.1 percent same period last year. Sugar, bakery and chocolate & sugar confectionary, tea blended, and starch came up with significant growth of 38.1, 11.9 and 10.6 percent respectively. Historic bumper crop of sugar cane and better international prices pushed up the production level of sugar in Pakistan. Production of cooking oil increased by 10.8 percent, while vegetable ghee down by 2.5 percent. Surging prices of palm oil and soyabean in international market

[2] As per PBS, textile machinery imports reached to US$ 621.7 million from US$ 377.5 million showing an increase of 64.7 percent during Jul-Mar FY2022.

[3] According to SBP, out of 202.9 billion of total financing of LTFF/TERF under fixed financing 94.6 billion has been borrowed by textile sector (i.e., 46.6 percent of total financing to private sector business).

[4] According to PBS, exports of textile group increased by 25.4 from 11.4 billion to 14.2 billion during Jul-Mar FY2022.

accompanied with the depreciating Pakistani currency against the dollar were the major factors responsible for lower level of production. Production of wheat & rice milling stood negative at 2.6 percent during the period under review.

Coke and Petroleum products marginally grew by 2.0 percent in July-March FY2022 against 12.3 percent same period last year. High global energy prices depressed the overall growth momentum. However, pickup in economic activities especially automobile and resultant increase in transportation activities and oil sales (which showed an increase of 14.9 percent during July-March FY2022 and clocked at 16.3 million tonnes) partially offset the impact of high fuel prices. Besides, production of jute batching oil, jet fuel oil, kerosene oil, diesel and Solvant Naptha remained encouraging as demand spurred from transportation.

Automobile sector marked a vigorous growth of 54.1 percent during July-March FY2022 against 21.6 percent growth last year. New Auto Policy, to promote new technologies including Electric Vehicles (EVs) and Hybrid, and accommodative monetary policy to promote auto financing paved the way to grew automobiles production. Besides, tax incentives to promote locally manufactured cars also pent-up the demand as well as the production of the given sector such as locally manufactured hybrid sales tax reduced from 12.5 percent to 8 percent and FED reduced by 2.5 percent upto 1300cc for locally manufactured cars. Moreover, during July-March FY2022 car production and sale increased by 56.7 and 53.8 percent, respectively. Trucks & Buses production and sale increased by 66.0 and 54.0 percent and tractor production and sale increased by 13.5 and 12.1 percent, respectively. Though the relief measures in form of waiving of taxes pushed up the sector, in the meanwhile reduced the revenues of national exchequer and built the pressure on imports besides creating uncertainty in market sentiments.

Iron & Steel production jumped by 16.5 percent during the period under review against the contraction of 8.6 percent in the same period last year. Billets/Ingots, mainly used in construction industry, grew by 32.8 and H/C.R.Sheets/Strips/Coils/plates increased by 7.9 percent. Both reflect the growth momentum in automobile and construction-allied sectors. Non-metallic Mineral Products inched up 1.1 percent as compared to 18.5 percent increase last year.

Chemicals is subdivided into two components i.e., chemical products and fertilizers with the total weight of 6.48 in QIM. The chemical products showed the growth of 15.2 percent against 14.5 percent same period last year. Sulphuric acid, hydrochloric acid, soda ash, and toilet soaps remained the major contributors to overall growth of chemicals. On the other hand, Fertilizers production showed a meager growth of 3.3 percent as compared to 5.9 percent growth during last year.

Pharmaceuticals growth witnessed a dip of 0.4 percent during July-March FY2022, against the growth 10.5 percent last year, triggered by hefty decline observed in capsules, injections, tablets and galenicals. Electrical equipment declined by 1.1 percent against the hefty shrink of 17.1 percent.

Paper and Board production increased by 8.5 percent during July-March FY2022 as compared to dip of 0.6 percent last year. Rubber Products nosedived by 20.6 percent during July-March FY2022 as compared to 13.1 percent growth in the same period last year. Wood Products jumped by 157.5 percent as compared to contraction of 46.2 percent last year. Production of Plywood remained the sole contributor to overall pick up in the output of wood. Furniture production drastically increased by 301.8 against 71.7 percent in the same period last year.

Other manufacturing, particularly footballs production substantially increased by 37.8 percent as compared to 29.8 decline in the corresponding period last year. The sector picked up the growth by pent-up demand in international market and marked a growth of 40.3 percent in exports.

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	% Point Contribution
				2020-21	2021-22		
1	Deepfreezers	(Nos.)	0.167	68,947	84,205	22.13	0.04
2	Jeeps and Cars	(Nos.)	2.715	114,617	177,757	55.09	1.41
3	Refrigerators	(Nos.)	0.246	928,170	1,024,335	10.36	0.02
4	Upper leather	(000 sq.m.)	0.398	13,324	10,966	-17.70	-0.06
5	Cement	(000 tonnes)	4.650	37,619	36,543	-2.86	-0.21
6	Liquids/syrups	(000 Litres)	1.617	86,212	144,638	67.77	1.30
7	Phos. fertilizers	(N tonnes)	0.501	545,612	601,184	10.19	0.06
8	Tablets	(000 Nos.)	2.725	20,380,940	14,695,108	-27.90	-0.85
9	Cooking oil	(tonnes)	1.476	334,107	370,181	10.80	0.21
10	Nit. fertilizers	(N tonnes)	3.429	2,450,066	2,505,757	2.27	0.09
11	Cotton cloth	(000 sq.m.)	7.294	786,042	788,285	0.29	0.02
12	Vegetable ghee	(tonnes)	1.375	1,087,827	1,060,111	-2.55	-0.05
13	Cotton yarn	(tonnes)	8.882	2,577,675	2,594,690	0.66	0.07
14	Sugar	(tonnes)	3.427	5,618,976	7,759,825	38.10	2.13
15	Tea blended	(tonnes)	0.485	100,566	112,544	11.91	0.06
16	Petroleum Products*	(000 Litres)	6.658	-	-	2.10	0.01
17	Cigarettes	(million No)	2.072	39,473	46,070	16.71	0.38

*Due to different weights within Petroleum products, total output cannot be calculated.
Source: Pakistan Bureau of Statistics (PBS)

3.3 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. This 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 61.24 percent in national exports. The export performance of textile sector during the period under review is given in Table 3.3.

Table 3.3: Export of Pakistan Textiles						(US$ millions)
	2016-17	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22 (Jul-Mar)**
Cotton & Cotton Textiles	12205	13220	13031	12211.703	15028.852	13890.824
Synthetic Textiles	187.587	309.681	297.809	314.768	370.421	343.591
Sub-Total Textiles	12392.587	13529.681	13328.807	12526.471	15400.077	14234.415
Wool & Woolen Textiles	78.506	75.852	67.265	54.211	74.201	60.993
Total Textiles	12529.002	13605.902	13396.140	12580.682	15474.278	14295.408
Pakistan`s Total Exports	20477.692	23221.968	22979.325	21393.860	25304.441	23354.901
Textile as %age of Export	61.35%	58.59%	58.30%	58.81%	61.15%	61.24%

Source: Textile Commissioner's Organization

3.3.1 Ancillary Textile Industry

The ancillary textile industry includes cotton spinning, cotton cloth, cotton yarn, cotton fabric, fabric processing, home textiles, towels, hosiery, 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 of 517 textile units (40 composite units and 477 spinning units) with 13.414 million spindles and 198,801 rotors installed and 11.338 million spindles and 126,583 rotors in operation with capacity utilization of 84.55 percent and 63.67 percent, respectively.

ii. Cloth Sector

This sector is producing comparatively low value-added grey cloth of mostly inferior quality. Problems of the power loom sector evolve mainly around poor technology and scarcity of quality yarn. Production of cotton cloth by mill sector has slightly increased by 0.29 percent, while non-mills performance remained subdued and recorded negative growth of 0.01 percent during July-March FY2022. However, the exports in term of quantity and value both increased by around 9 percent and 26.5 percent, respectively.

Table 3.4: Production and Export of Clothing Sector

Production	**July-March 2021-22**	**July-March 2020-21**	**% Change**
Mill Sector (000. Sq. Mtrs.)	788,285	786,042	0.29
Non Mill Sector (000. Sq. Mtrs.)	6,103,340	6,103,958	-0.01
Total	6,891,625	6,890,000	0.02
Cotton Cloth Exports			
Quantity (M.SqMtr.)	342.700	314.562	8.95
Value (M.US$)	1795.457	1419.181	26.51

Source: Textile Commissioner's Organization

iii. Textile Made-Up Sector

Being value added segment of textile industry made-up sector comprises different subgroups 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 FY2022 is presented in Table 3.5.

Table 3.5: Export of Textile Made-Ups

	(July-March) 2021-22	(July-March) 2020-21	% Change
Hosiery Knitwear			
Quantity (M.Doz)	120.946	127.104	-4.84
Value (M.US$)	3729.683	2780.896	34.12
Readymade Garments			
Quantity (M.Doz)	37.293	27.845	33.93
Value (M.US$)	2863.570	2268.389	26.24
Towels			
Quantity (M Kgs)	167.009	158.914	5.09
Value (M.US$)	819.589	692.110	18.42
Tents/Canvas			
Quantity (M Kgs)	29.281	32.908	-11.02
Value (M.US$)	82.144	89.160	-7.87
Bed Wears			
Quantity (000 MT)	394.996	343.436	15.01
Value (M.US$)	2448.859	2052.259	19.33
Other Made up			
Value (M.US$)	60.993	54.324	12.28

Source: Textile Commissioner's Organization

iv. Hosiery Industry

There is greater reliance on the development of this industry as there is substantial value addition in the form of knitwear. The industry provides directly and indirectly sustenance to well over a million people. Knitwear exports consists of knitted and processed fabrics knitted garments; knitted bed sheets, socks etc. and has the largest share, i.e., 16.55 percent of the nation's textile exports. The export of knitwear showed contraction of 4.8 percent in quantity terms, while it increased by 34.1 percent in terms of value during the period under review.

v. Readymade Garment Industry

Readymade garment industry has emerged as one of the important small-scale industries in Pakistan and is a good source of providing employment opportunities to many people at a very low capital investment. Owing to huge potential and demand, its exports show a massive growth of 33.9 percent in quantity and 26.2 percent in value from 27.8 million dozen to 37.3 million dozen worth US$ 2,863.57 million during July-March FY2022 as compared to US$ 2,268.38 million during July-March FY2021.

vi. Towel Industry

The existing towels manufacturing factories are upgraded to produce higher value towels. This industry is dominantly export-based and its growth depends on export outlets. Exports in this sector stood at US$ 819.6 million against US$ 692.1 million during July-March FY2022, thereby showing an increase of 18.4 percent in terms of value and 5.1 percent in terms of quantity.

vii. Canvas

The performance of canvas remained subdued both in term of quantity and value which shows decline of 11.02 percent and 7.87 percent, respectively, and recorded at 29.3 million Kgs during the period under review as compared to 32.9 million Kgs during the same period last year.

viii. Synthetic Textile Fabrics

Artificial silk such as 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. Synthetic textile fabrics worth US$ 343.59 million were exported as compared to US$ 269.20 million last year which is showing an increase of 27.6 percent. In Quantitative terms, the exports of synthetic textile decreased by 33.6 percent.

ix. Woolen Industry

The main products manufactured by the Woolen Industry are carpets and rugs. The exports of carpets during the period July-March FY2022 are given in the Table 3.6.

Table 3.6: Exports of Carpets and Rugs (Woolen)

	(July-March) 2021-22	(July-March) 2020-21	% Change
Quantity (Th.Sq.Mtr)	1.799	1.109	62.22
Value (M.US$)	60.993	54.324	12.28

Source: Textile Commissioner's Organization

x. 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 3.7.

Table 3.7: Installed and working capacity of Jute

	(July-March) 2021-22	(July-March) 2020-21	% Change
Total No. of Units	10	10	0
Spindles Installed	25060	25060	0
Spindles Worked	16973	21172	-19.8
Looms Installed	1102	1134	-2.8
Looms Worked	737	885	-16.7

Source: Textile Commissioner's Organization

3.4 Other Industries

3.4.1 Automobile Industry

Except sluggishness in some areas in case of Buses and two/three wheelers there has been robust growth in all-automobile sectors during July-March FY2022. The higher growth effectively manifest clearing up the pent-up demand of COVID-19 period, otherwise negativity or stagnation in growth was persisting for the last five years. During the year under consideration, there has been persistent supply chain interruptions due to Chip shortages, skyrocketing freight costs, unrelenting rupee weakening, galloping inflation and auto financing restriction on high-end vehicles to reduce the import bill. Further, the earlier reduced taxes at the time of budget 2021-22 were reversed in the subsequent mini-budget thus frustrating the possible impetus to growth.

New Auto Industry Development and Export Policy 2021-26 has been announced Besides Make in Pakistan notion, in the new policy, interalia, Meri Gari Scheme, New Product Policy and setting up of export targets have been introduced. All these measures are encouraging, and it is expected that these initiatives would soon see the light of day. However, in the forthcoming outlook the demand would weaken, as disposable incomes would decline with higher inflation, and higher exchange rates and increasing interest rates, amongst other factors.

The august performance has been observed in automobile sector during the period of July-March FY2022 (Table 3.8). It was the latent demand for motor vehicles that showed about 50 percent plus growth. Also, in the heavy commercial vehicles, there is substantial growth in trucks as the medium size trucks, around 5 ton, unexpectedly became popular due to affordability and expansion of e-commerce. Additionally, number of small trucks signed up at a reduced rate of 5 percent in response to Kamyab Jawan Scheme. More market expansion is expected owing to inbuilt confidence by the current investors as well as the new entrants in bringing locally produced hybrid vehicles. Therefore, all projections cast a positive outlook for the industry.

In case of passenger cars, the production and sales are up by 57 percent and 54 percent with 166,768 and 172,612 units, respectively. In this regard, higher growth has been observed in up to 800cc and up to 1000cc segments registering 77 percent and 65 percent growth, respectively. Growth in exceeding 1000cc segment was 35 percent. For similar reasons, the production and the sales of light commercial vehicles (LCV) and SUVs registered increase by 44 percent and 46 percent, respectively. In the SUV and SUV crossover segment two new products appear from Beijing Automotive Industry, BAIC BJ40L and BAIC X25 with modest numbers which are expected to grow in time.

Farm tractor sector has shown growth with production and the sales up by 13.5 percent and 12 percent respectively. This pleasant upward surge was due to overall growth in agriculture sector ensuing better crop prices and consequent more buying power of the farmers. However, these numbers are not even close to the highest numbers this industry had achieved in the past.

The two/three wheelers sector showed modest fall in production and the sales by 3.5 percent and 4.1 percent respectively. This fall is due intra-industry production losses by some units, while other units have shown their natural growth. Two/three wheelers offers most economical public transport alternate for the lower income group, however, at same time, it is extremely price sensitive. Massive exchange rate losses kicked off inflationary conditions resulting inevitable price increase. Still, this sector offers most preferred 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.

Table 3.8: Production of Automobiles

Category	Installed Capacity	No. of Units		
		2020-21 (July-March)	2021-22 (July-March)	% Change
CAR	341,000	106,439	166,768	56.7
LCV/JEEPS/SUV/Pickup	52,000	22,512	32,341	43.7
BUS	5,000	445	459	3.1
TRUCK	28,500	2,509	4,445	77.2
TRACTOR	100,000	36,900	41,872	13.5
2/3 WHEELERS	2,500,000	1,439,535	1,388,669	-3.5

Source: Pakistan Automotive Manufacturer Association (PAMA)

The auto sector constitutes about 15 percent to LSM, hence represents significant industrial output of the country. According to PBS, automobile recorded 54.1 percent upsurge during July-March FY2022. Despite robust growth during 9 months of FY2022, the higher numbers, to a great extent, fall short of installed capacities. Also, these numbers are far too meager against production projections made in the successive auto policies. Long-term policies attracting new players did indeed expand the market with new makes and models but volumes did not go across critical level that warrant broad-based localisation and import substitution. Auto industry heavily invested during the last four decades to establish engineering base in the country and undertook innumerable transfer technology agreements. All this holds a bright future for so far best performing auto-sector amongst the large-scale manufacturing.

Given Government support and removal of irritants would soon going to bear fruits in the wake of industrial expansion as many new investors have joined with commercial production while the existing players have already made huge investments and a lot more is in waiting. These investments by the new and the existing players is testimony to confidence in our market, at home and abroad. Given the macroeconomic stability in the country and the extraneous factors not to go out of hand, particularly in terms of unwanted tariffs and untoward policies, the latent demand would burst out and expansion of industry volumes would sure to take place.

Box-II: Tractor Industry a Success Story: Made in Pakistan

The tractor industry is a success story of Pakistan's manufacturing sector. The industry has established itself on firm footing by achieving more than 90 percent localization in the production of tractors. The country is not only meeting the local demand for tractors effectively but producing exportable surplus as well. Given the fact that Pakistan was a net importer of tractors a few years ago and imported US$ 195 million worth of tractors in 2017, it is a commendable feat that the country exported tractors to the tune of US$ 47 million in FY2021. During Jul-Mar FY2022, Pakistan's exports of tractors have been US$ 29.9 million.

Pakistan manufactures the world-renowned Massey Fergusson and New Holland Fiat Tractors under license from the parent companies. Due to high level of localization achieved, Pakistan's low-priced tractors are well- received in Afghanistan and African countries. Botswana, Nigeria and Kenya have emerged as the largest export destinations for tractors. Most of the tractors manufactured in Pakistan have engine power between 50-100 HP.

The burgeoning demand in the local market has spearheaded the production of tractors in Pakistan. During Jul-Apr FY2022, a total of 47,364 units of tractors were manufactured in Pakistan while in the same period last year 41,589 units were manufactured. A total of 50, 486 units were manufactured in the previous fiscal year. The tractor industry has also promoted the growth of allied industries. For example, the iron and steel sector are the major supplier of raw material to the tractor industry and its growth hinges on tractor production in Pakistan. Furthermore, tractor parts and raw material are also being exported worldwide as the allied industries are gradually finding their own feet.

The Agriculture Machinery sector, more specifically the tractor industry, is also promoting the development of SMEs in the engineering sector. Aside from a few big names, most of the manufacturers are small businesses that are successfully meeting the local demand. Some of these players have also established themselves in exports. They manufacture tools and implements that are attached with tractors such as front loaders etc. These implements are considered complementary parts of tractors and are essential for tillage and harvesting.

In the Engineering and Healthcare Show, organized by the MOC and TDAP in February 2022, Pakistan's tractors and agriculture machinery were in the limelight. The interest of foreign delegates could be gauged from the fact that two deals worth more than US$ 200,000 were finalized on the spot. It is expected that Pakistan's tractor exports will grow in the near future.

Source: Trade Development Authority of Pakistan

3.4.2 Fertilizer Industry

Fertilizer is an important and costly input responsible for 30 to 50 percent increase in the crop productivity. The overall objective is sustainability and growth in agricultural sector that should match the growing population for food security and the promotion of economic growth. There are nine urea manufacturing plants, one DAP, three NP, four SSP, two CAN, one SOP and two plants of blended NPKs having a total production capacity of 9,172 thousand tonnes per annum. Total fertilizer production during July-March FY2022 was 6,833 thousand tonnes which was 2.9 percent more as compared to the corresponding time of the last year. This increase in fertilizer production is attributed to supply of gas to Fauji Fertilizer Bin Qasim Limited (FFBL) Plant during winter season. Urea is main fertilizer having 70 percent share in total production. Installed production capacity of 6,307 thousand tonnes per annum is enough to meet local demand subject to the availability of uninterrupted gas and RLNG supply.

Nutrient offtake during July-March FY2022 remained 3,826 thousand tonnes which was 3.6 percent less than the corresponding period of the previous year. Nitrogen and phosphate offtake were 2,861 and 903 thousand tonnes, respectively, whereas Potash offtake was 63 thousand tonnes. Offtake of Nitrogen during current fiscal year increased slightly by 0.02 percent, while offtake of Phosphate decreased by 14.3 percent as compared to corresponding time frame of the last year.

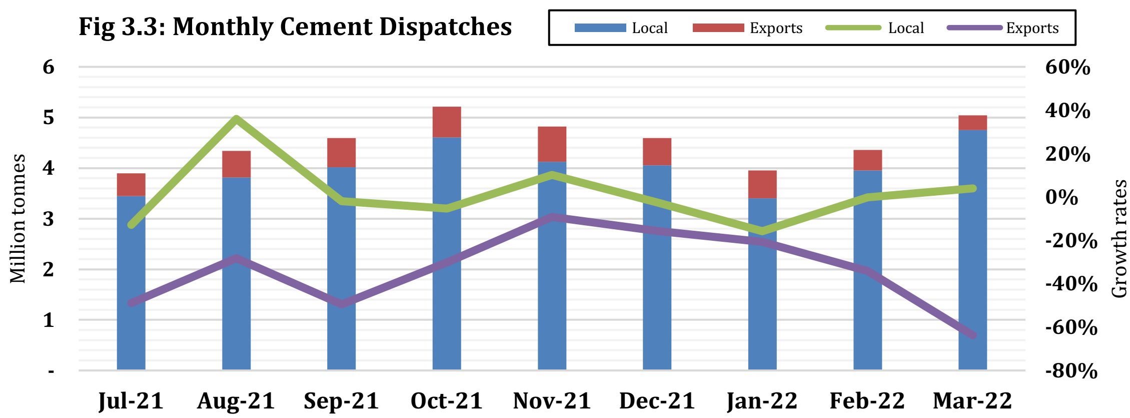
Urea and DAP offtake remained 5,076 thousand tonnes and 1,534 thousand tonnes, respectively. Urea offtake increased by 6.5 percent while DAP offtake decreased by 18.6 percent as compared to the same period of the previous year.

3.4.3 Cement Industry

Cement industry of Pakistan remained under pressure since the beginning of FY2022. This was largely attributed to a revival in construction activities in the second half of 2020 as COVID-19 lockdowns were eased. Since then, the demand for cement was said to be 'sluggish' due to inflation and high commodity prices. It also pinned its marked fall in exports on political and economic instability in Afghanistan.

Cement industry showed a decline of 6.3 percent in March FY2022 on Y-o-Y basis due to massive decline in exports. Total cement dispatches stood at 5.04 million tonnes (mt) as against 5.38 mt last year. Domestic consumption grew by 4.02 percent and reached 4.75 mt as compared to 4.56 mt in March FY2021. The largest hit was observed by exports which drastically decrease by 63.8 percent to 0.30 mt dispatches in March FY2022 as compared to 0.82 mt during same period last year. This was largely attributed to rising international freight rates, political and economic instability in Afghanistan and a trade ban with India.

Fig 3.3: Monthly Cement Dispatches



Source: All Pakistan Cement Manufacturer Association

Northern Region

Domestic consumption in the north recorded at 3.85 mt in March FY2022 as compared to 3.81 mt dispatches in the same month last year thus showing a slight growth of 1.07 percent. Exports from north plummeted by 71.3 percent and stood at 0.08 mt during the period as compared to 0.28 mt same period last year.

Southern Region

Domestic consumption in the south increased by 18.9 percent and reached to 0.90 mt in March FY2022 as compared to 0.75 mt in March FY2021. While exports from the region decreased by 59.8 percent, from 0.53 mt to 0.21 mt in March FY2022.

Cumulative Dispatches

Total local dispatches during July-March FY2022 slightly decreased by 0.03 percent to 36.17 mt from 36.18 mt last year. While, total exports clocked in at 4.64 mt (-35.04 percent) against 7.15 mt during the same period last year. Local dispatches from the northern region decreased by 2.27 percent, while southern region dispatches surged by 12.3 percent. Exports from the north nosedived by 64.5 percent, while south witnessed fall of 24.3 percent growth during the period.

Cumulative dispatches (local & exports) posted a decline of 5.8 percent and reached 40.82 mt during July-March FY2022 against 43.32 mt in the corresponding period.

Table 3.9: 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	48.66	94.31	41.15	4.75	45.89
2018-19	59.74	78.48	40.34	6.54	46.88
2019-20	63.63	75.14	39.97	7.85	47.81
2020-21	69.26	82.93	48.12	9.31	57.43
July-March					
2020-21	69.26	83.41	36.18	7.15	43.32
2021-22	51.94	78.58	36.17	4.64	40.82

Source: All Pakistan Cement Manufacturers Association (APCMA)

3.5 Small and Medium Enterprises

Small and Medium Enterprises (SMEs) are indispensable to the progress of the nation as it contributes significantly to the economic and social development of the country in a myriad way: create employment opportunities, foster human resource development and stimulate value addition to the economy.

To support SMEs to play their due role in economic development, Small and Medium Enterprises Development Authority (SMEDA) has taken various initiatives. The organization has an all-encompassing mandate of fostering growth of the SME sector through its portfolio of services including business development services, infrastructure development through establishing common facility centers, industry support for productivity enhancement and energy efficiency, human capital development through its training programs, and SME related projects with national and international development partners. Key activities / achievements of SMEDA during July-March FY2022 are shown in Table 3.10.

Table 3.10: SMEDA Over the Counter (OTC) Services

Sr. No.	Initiatives	July-March FY2022
1.	SME Facilitation	4,314
2.	Pre-feasibility Studies Development (New & Updated)	68
3.	Investment Facilitation (RS million)	579.5
4.	Business Plans	15
5.	Training Programs	203
6.	Theme Specific Helpdesks	74
7.	Cluster / District Profiles (New and Updated), Diagnostic / Value Chain Studies	16
8.	SMEDA Web Portal (Download Statistics)	366,995
9.	SME Observer	1 Issue
10.	SMEDA Newsletter	3 Issues

Source: SMEDA

National SME Policy 2021

Rapidly changing economic environment requires policy and institutional focus that can make SME sector of Pakistan competitive in international markets and fulfill the multiple agenda of employment creation, new enterprise development, increased exports, and enhanced contribution to GDP. In this regard, approval and launch of National SME Policy 2021 (Box-III) is an important milestone to revitalize and rejuvenate SME sector to realize the target of inclusive economic growth.

Box–III: National SME Policy 2021

Government has launched the National SME Policy 2021 in January 2022, underlining the importance of supporting small businesses and startups with **key performance targets** to be achieved by 2025 includes:

- Increasing the economic contribution of SMEs via sustaining a growth rate of small scale manufacturing by 9 percent, services sector SMEs by 10 percent, average employment by 5 percent and exports by 10 percent per annum.
- Making SMEs more competitive & productive via increasing credit to Rs 800 billion and number of borrowers from 172,893 to 700,000
- Number of registered businesses to grow by 10 percent per year.

Policy envisions to introduce following initiatives under key thematic areas:

1. **SME Definition:** Adoption of single definition for SMEs across Pakistan:

Enterprise Category	Criteria Annual Sales Turnover
Small Enterprise (SE)	Up to Rs 150 million
Medium Enterprise (ME)	Above Rs 150 million to Rs 800 million
Start-up	A small enterprise or medium enterprise up to 5 years old will be considered as Start-up SE or Start-up ME

The SME Definition enunciated in National SME Policy 2021 has been adopted by the State Bank of Pakistan through amendment in SME Prudential Regulations vide IH&SMEFD Circular No. 05 of 2022 dated March 29, 2022.

2. **Regulatory & Tax Environment**

   i. **SME Regulatory Reforms:** A total of 167 reform proposals have been identified and within a short span of time, 112 reform proposals have been implemented. Furthermore, no NOC regime for SMEs & Start-ups, BMR through a Risk Based Assessment Model, Self Declaration, Time Bound Approvals regime, E-inspection Portal and Sample Based Audits shall be instituted to simply regulatory regime for SMEs.

3. **Simplified Taxation Regime**: SMEs falling under particular size thresholds have been provided an option to opt for a presumptive tax regime and or normal tax regime with reduce taxation rates, minimal audit and reduced interface with the government. Other incentives include, single point collection of taxes and levies, progressive reduction in Withholding Tax with corresponding increase in formalization and Sales/ Income Tax receipts, no audit under presumptive regime, minimal audits under normal tax regime and Single Sales Tax Portal launched by the FBR to file single monthly Sales Tax returns instead of multiple returns.

4. **SMEs Access to Finance:** SBP's SME Aasan Finance Scheme (SAAF) scheme has been launched that provides, loans up to Rs 10 million for 3-year tenure with 40-60 percent Credit Risk Guarantee to SMEs. Other measures included in SME policy are to design, financing incentives for SMEs with tax

history, undertake specialized lending for micro and small enterprises, operationalization of Venture Capital and Credit Guarantee Company and such initiatives for promoting financial inclusion in the country.

5. **Skills, Human Resource & Technology:** A special focus has been placed on human resource development such as establishing National Skills Fund, undertaking skills mapping, support technology acquisition and research & development for technology upgradation, and developing model of labour market data management.

6. **Infrastructure:** Allocation of land in existing industrial estates on a land lease-based model is one of the pillars of the National SME Policy. For the purpose, 4,200 acres of land has been identified for SMEs with access to 19,500 plots to set-up business. Similarly, it is envisaged that identified plug and play infrastructure facilities will be made available to SMEs.

7. **Entrepreneurship, Innovation & Incubation:** To spur entrepreneurial activities, Policy focuses on creation and strengthening of legal frameworks for venture capital, equity financing, crowd-funding and other such avenues, scale-up incubation and acceleration programs and initiate entrepreneurship boot camps.

8. **Business Development Services:** Linking SMEs with Business Development Service Providers (BDSPs) on cost share basis and undertaking focused development initiatives for high growth SME sub-sectors will catalyze sectoral and cluster-based support for SMEs.

9. **Women Entrepreneurship Development:** A simplified taxation regime with 25 percent tax reduction in tax liability for income from business of women entrepreneurs has already been announced. Enhancing women's access to finance shall be ensured through implementation of State Bank of Pakistan's Banking on Equality Policy.

10. **Market Access:**

    i. Participation of SMEs shall be supported in trade fairs, exhibitions & trade delegations. Furthermore, capacity of SMEs will be enhanced to make them export ready and for adopting digitization to capitalize upon the opportunities of a growing E-commerce market. In this regard, E - Tijarat Platform has been launched on February 21st, 2022 to facilitate SMEs.

    ii. **Public Procurement:** Reservation in public procurement from SMEs, review of requirement of performance guarantees, bid bonds, securities and turnover restrictions, as well as Supplier/Contactors being bound to purchase a fixed percentage of business orders from SMEs are initiatives envisaged to be undertaken as part of implementation of the National SME Policy.

11. **Institutional Framework**

    i. **National Coordination Committee (NCC) on SMEs Development:** NCC has been constituted to lead the agenda of SME development and ensure effective implementation of the National SME Policy 2021. The NCC is supported by **Provincial Working Groups** set up in each of the provinces.

    ii. **Institutional Strengthening of SMEDA**

        a. **Institutional Reform of SMEDA:** SMEDA will be further strengthened to transform its organizational potential.
        b. **SME Registration Portal (SMERP)- Single Point Access to all Incentives:** An SME Registration Portal has been developed, which is integrated with NADRA, FBR, SECP and over time, other data gathering agencies. SMEs may register at the SME Registration Portal and apply for SME Size Certificate.
        c. **SME Development Fund:** An SME Development Fund to the tune of PKR 30 billion shall be established.
        d. **Census of Economic Establishments / SME Census:** Pakistan Bureau of Statistics (PBS) shall conduct Census of Economic Establishments.

e. **Advocacy:** SMEDA shall continue to take a central role in SME advocacy and coordination of SME related efforts across the country.
f. **Presence of SMEDA in Key Regulatory Arenas** as a voice of SMEs

Source: SMEDA

National Business Development Program for SMEs (NBDP):

NBDP has been developed, for providing SME start-up support & business improvement through practical, on-ground services to SMEs. The project provides support in establishing new enterprises and building the capacity of existing enterprises through provision of Business Development Services, such as; marketing, technology, incubation, research & development and organizational development services. The program envisages to facilitate 314,901 SMEs, over a period of five years. The total cost of project is Rs 1,954.978 million out of which an allocation of Rs 400 million has been made for FY2022.

In addition, Early-Stage Start-up (ESS) grant has been launched in October 2021 under which ESS grants up to Rs 500,000 will be provided to support SMEs & Start-ups. During July-March FY2022, 1600 applications were received and are under evaluation process. Furthermore, SMEDA's largest capacity building initiative comprising of 3,800 training programs during 5 years across Pakistan including Federal Capital, AJK & GB has also been launched under NBDP. Over 180 Theme & Sector-Specific training programs have been conducted with over 7,400 SME's participants. In addition, Demand-Based Training and On-Premises Training Programs for SMEs are also executed at their business locations. Certification Program for the capacity building of Individual Business Development Service Provider (IBDSPs) by offering subsidy to cover up to the 80 percent of the program cost per IBDSP has also been initiated during the period.

1000 Industrial Stitching Units, All Over Pakistan

SMEDA is executing PSDP project sponsored by the Ministry of Commerce and Textile (Textile Division) to boost value addition in the field of textile garments by establishing industrial stitching units across the country. Financial assistance through Matching Grants is provided for establishing "Industrial Stitching Units (ISUs)". Under this project, 60 percent of grant in the form of machinery is funded by the project and 40 percent cost is borne by the owner/entrepreneur of the stitching unit. The total cost of project is Rs 350.54 million out of which Rs 100 million has been allocated for FY2022. The target for the current Fiscal Year is to establish 50 ISUs. Grants application cycle has already been launched. Out of the total target of establishing 50 ISUs, 20 ISUs have been successfully established till 31st March, 2022 and the remaining ISUs are under process for completion.

UNDP-Small Business Interventions to Support Development of Clusters through CFCs

To develop clusters by establishing Common Facility Centers (CFCs), SMEDA and UNDP are jointly implementing Small Business Interventions Project. During the period, 4 and 3 CFCs were established at Khyber Pakhtunkhwa and Sindh respectively.

3.6 Mining and Quarrying

As per Pakistan Standard Industrial Classification (PSIC) 2010, the sector includes the extraction of minerals occurring naturally as solids (coal and ores), liquids (petroleum) or gases (natural gas). Apart from this, sector also includes services incidental to mining e.g., drilling services, derrick erection accompanied with other supplementary activities such as crushing, grinding, cleaning, drying, sorting, concentrating ores to prepare crude materials. The sector posted a negative growth of 4.5 percent during FY2022 against the positive growth of 1.2 percent last year.

3.6.1 Minerals

Owing to its unique geological condition, Pakistan is blessed with huge deposits of several minerals such as coal, copper, gold, chromite, mineral salt, bauxite, and several others. Despite of all huge potential, sector is lagging due to lack of infrastructure, poor technology and limited financial support.

During July-March FY2022, production of major minerals such as Coal, Natural Gas, Chromite, Crude Oil and Barytes witnessed the growth of 8.34, 3.45, 25.7, 4.48 and 162.5 percent, respectively. Further details of the extraction of principal minerals are given in the table 3.11.

Table 3.11: Extraction of Principal Minerals

Minerals	Unit of Quantity	2018-19	2019-20	2020-21	July-March		%Change
					2020-21	2021-22*	FY22/FY21
Coal	000 M.T	5,407	8,428	9,230	6,798	7,365	8.34
Natural Gas	000 M.CU.Mtr	40.68	37.29	36.22	27.25	28.2	3.45
Crude Oil	M.Barrels	32.50	28.09	27.56	20.77	21.70	4.48
Chromite	000 M.T	138	121	134	101	127	25.74
Magnesite	000 M.T	43	16	15	13	6	-52.30
Dolomite	000 M.T	472	302	388	335	325	-3.03
Gypsum	000 M.T	2,518	2,150	2527	955	1,232	-36.98
Lime Stone	000 M.T	75,596	65,810	76,632	59,366	39,581	-33.33
Rock Salt	000 M.T	3,799	3,369	3,366	2,686	2, 037	-24.16
Sulphur	000 M.T	21	20	19	15	12	-16.80
Barytes	000 M.T	116	55	52	32	84	162.50
Iron Ore	000 M.T	627	574	806	611	620	1.55
Soap Stone	000 M.T	157	150	289	241	259	7.47
Marble	000 M.T	7,736	5,797	7917	6,204	4,781	-22.94
Ocher	000 M.T	81	132	107	87	65	-25.46

*: Provisional
Source: Pakistan Bureau of Statistics (PBS)

Each province has its own Mines and Minerals Department which is responsible for exploration, exploitation, and investment promotion of mineral endowments in provinces. Besides, the departments also contribute to the tax and non-tax revenue[5] of the government. Efforts are being made for scientific exploration and exploitation of the

[5] Punjab has contributed a handsome amount of Rs 41.83 billion as non-tax revenue during last five years.

mineral resources in all provinces. Government has given prompt attention towards the development of minerals. Following initiatives have been taken during the period of July-March FY2022.

Major Initiatives of Punjab:

- Issuance of NOC(s) to 25 cement companies for grant of exploration licenses of limestone for installation of cement plants.
- 13 exploration licenses of rock salt have been granted for installation of Salt-based Industrial Plants.
- Establishment of Citizen Contact Center in collaboration with Punjab IT Board.
- Amendment in Punjab Mining Concession Rules 2002 in process.
- Drafting of Punjab Mines & Minerals Regulation Act 2022
- Initiatives/Project under Women in Mining.

Major Initiatives of Khyber Pakhtunkhwa

- Mining Cadastral System has been launched for online application process to enhance transparency in award of mineral titles, promote ease of doing business and facilitate investors in searching free mineral bearing areas.
- Under actions against idle leases, a total of 825 idle Mineral Titles has been identified against which legal proceedings have been started.
- Granite Zone Scheme in Dir Lower to be established and is in process of selecting/identifying a suitable site for granite zone.
- To undertake mapping across province, Geological mapping have been awarded to GSP.

Major Initiatives of Sindh

- Environmental Mapping of Mining areas of Sindh for the conservation of Minerals & Natural Resources has been initiated to develop a base map using high resolution latest satellite imageries.
- Feasibility study of Granite Deposits in District Tharparkar Sindh has been completed to explore and evaluate the resources to facilitate investors.
- The department intends to discover new minerals in Sind. For the purpose, a profile study for Identified Minerals for Reserves Estimation in Province of Sindh to be conducted in entire province.

Major Initiatives of Balochistan

- A project has been initiated in the name of *"Automation of Royalty Regime in Mining Sector"* to automate all the systems of the Department including License Management System, Rahdari/Challan Management System, Royalty Management System, Litigation and Inspection Module, etc. The online dash board will benefit investors and provide one window operation to thousands of investors and mine owners.

- Several Mineral Titles and Concessions were held without any development, exploration or mining activity. Therefore, the Department initiated action against such concessions/titles and cancelled more than 100 expired/idle concessions/titles which have now become free for serious investors.
- The Government of Balochistan has enacted two companies in the name of Balochistan Mineral Exploration Company (BMEC) and Balochistan Mineral Resources Limited (BMRL). Both companies have been granted exploration licenses. During the current fiscal year BMRL has been granted Reconnaissance License (RL) for Solar Salt for which international investor has approached the company for Joint Venture which will pave the way for mining of solar salt on large scale for the first time in the province.
- The Department has initiated project “Capacity Building of the Officers of Mines & Minerals Development Department” under which 24 officers were given financial and management training at IBA Karachi in October 2021.

3.7 Conclusion

Accommodative fiscal and monetary measures continued in FY2022 provided incentives to the businesses to perform better. Thus, LSM picked up the momentum and staged the overall growth of 10.4 percent during July-March FY2022. The performance was broad based on the back of strong growth of high weighted sectors such as textile, food, wearing apparel, chemicals, automobile, tobacco, and iron & steel products. It is also pertinent to mention here that operationalization of special economic zones under CPEC in Nowshera, Pishin and Faisalabad further paved the way for fast tracked industrial development which is pivotal to achieve inclusive and sustainable economic growth.

Supply-side disruptions which were originated from pandemic still in place due to emergence of new variants. Ukraine-Russia conflict has further escalated this disruption. Thus, internationally commodity prices are increasing significantly along with intense uncertainty in the market confidence. All these may result in severe challenges in LSM performance as industrial production is mainly dependent on import of capital goods. Thus, the future prospects of industrial sector are uncertain as risks still prevails owing to geopolitical environment, surge in energy prices, and new variants.

FISCAL DEVELOPMENT

Revenues increased by

17.7% - Rs. 5,874.2 billion

(8.8 % of GDP) in Jul-Mar FY 2022

Total tax collection (Federal & Provincial) grew by 28.1 percent to reach Rs.4,821.9 billion during July-March FY2022

Total expenditures grew by 27.0 percent to reach Rs 8,439.8 billion in July-March FY2022

Total development expenditure increased significantly by 54.6 percent to Rs.1,032.7 billion in July-March FY2022

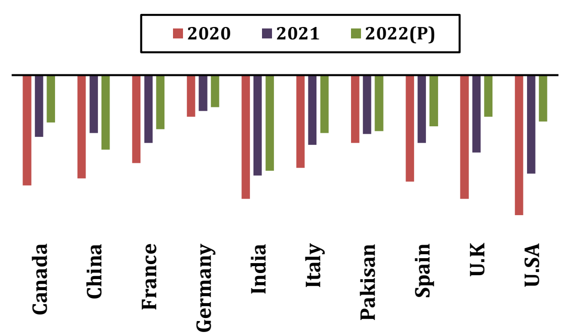
Chapter 4

Fiscal Development

Agile fiscal policy has played a decisive role in macroeconomic stabilization in the backdrop of the COVID-19 pandemic. When prices and demand plunged and the central banks in advanced countries were unable to lower interest rates any further, fiscal policy became more important. It provided significant impetus to businesses, assistance to vulnerable households, and minimized the impact of business closures on economic activity and employment. However, it did so at the cost of massive deficits, which added to the world's already high debt levels.

After a steep expansion in 2020, the fiscal deficit contracted in 2021, owing to economic recovery and the withdrawal of emergency aid from governments around the world (Fig:4.1). Deficits are projected to contract further in advanced countries, following the recovery's speed. Emerging markets and low-income developing countries are predicting a gradual shrink in their deficits in the medium term.

Fig: 4.1- General Government Overall Balance % of GDP



Source: IMF Fiscal Monitor, 2022

Currently, the fiscal policy at the global level is functioning in a highly volatile environment and Pakistan is no exception. Importantly, the uncertainty associated with COVID-19 was still not fully faded away, and the risks for the global economy renewed through the Russia-Ukraine conflict. The significant increase in international prices of commodities especially energy and food is intensifying pressure both on external accounts and public finances. Governments across the world are currently taking steps to protect their economies from the recent surge in international energy and food prices. While such measures would benefit the most vulnerable members of society and preserve social cohesiveness, they would incur high fiscal costs as well.

The conflict between Russia and Ukraine has potentially serious economic consequences for Pakistan's economy. In the second half of the current fiscal year, Pakistan faced greater inflationary pressures being an importer of crude oil and food commodities as well as palm oil, etc. The negative economic consequences of the conflict have exacerbated difficult policy choices for the country. Thus, controlling inflation, strengthening the economic recovery, supporting the vulnerable, and rebuilding fiscal buffers, all became significantly important. In striking a balance between these policy choices, the fiscal accounts have come under significant pressure during the current fiscal year.

A quick review of fiscal indicators shows that FY2021 witnessed a strong performance in fiscal indicators with a sizeable decline in fiscal deficit to 6.1 percent of GDP against 7.1 percent of GDP in FY2020. Nevertheless, additional spending under COVID-19 funds for vaccine procurement, IPPs circular debt payment, social sector spending, and higher development expenditures have kept the strain on this performance for the current fiscal year. Nonetheless, the sector fared well during the first half of the current fiscal year. The deficit contained to 2.0 percent of GDP which was similar to the deficit recorded in the last year. However, during the second half of the current fiscal year, the global economic challenges due to the Russia-Ukraine conflict and resultantly its impact on international commodities prices, especially energy and food brought a plethora of challenges to Pakistan's economy. Particularly, the fiscal accounts came under further pressure to provide relief to the masses. To offset the impact of increasing oil prices, tax relief to the masses was provided in the shape of a reduction in the Petroleum Development Levy (PDL) and the elimination of the sales tax on all POL goods. These measures, combined with energy subsidies, have posed significant risks to fiscal sustainability in an already constrained fiscal environment.

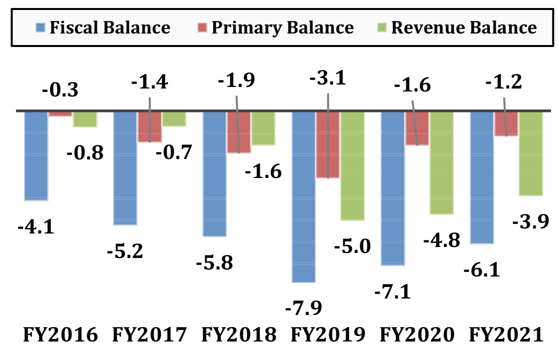
Although tax collection grew significantly during the period under review, however, higher current and development expenditures widened the fiscal deficit by 55.3 percent in July-March FY2022. In terms of GDP, the deficit has increased to 3.8 percent during the period, up from 3.0 percent in the previous period. Similarly, the primary balance posted a deficit of Rs 447.2 billion (0.7 percent of GDP) during July-March FY2022 as compared to a surplus of Rs 451.8 billion (0.8 percent of GDP) last year. On the revenue side, FBR was able to boost the collection by 28.5 percent to reach Rs 4,855.8 billion during July-April FY2022 against Rs 3,777.7 billion collections in the same period of last year. Total expenditure, on the other hand, increased by 27.0 percent and reached Rs 8,439.8 billion during July-March FY2022, against Rs 6,644.6 billion in the comparable period of last year.

Despite significant challenges on the fiscal side, the government is striving hard to restore fiscal sustainability by reducing the fiscal deficit in the medium to long term. However, this can only be done through effective revenue mobilization and a prudent expenditure strategy. In this regard, key priorities are to increase the tax to GDP ratio through various tax policy and administration reforms and to curtail unnecessary expenditures by adopting austerity measures. Furthermore, the focus is on the rationalization of untargeted subsidies and reducing the losses of public sector enterprises through better governance. These measures would provide significant support to control the slippages in expenditures and increase the revenues, hence lowering the fiscal deficit.

Fiscal Performance (FY2021)

In the fiscal year 2021, the fiscal deficit was reduced to 6.1 percent of GDP, down from 7.1 percent recorded in the preceding year, marking the second consecutive year of effective consolidation. Similarly, the primary balance was restricted to the deficit of Rs 653.6 billion (-1.2 percent of GDP) during FY2021 against the deficit of Rs 756.6 billion (-1.6 percent of GDP) in the same period of last year. Considerable growth in tax revenues, the slowdown in current spending, and a higher-than-expected provincial surplus were the driving forces behind this improvement.

Fig-4.2: Fiscal Indicators % of GDP



Source: Budget wing & EA Wing's calculations

Overall, the total revenue receipts grew at a slower pace of 10.1 percent in FY2021, compared to the significant increase of 28.0 percent in FY2020. This slowdown in revenue growth was attributed to the sharp decline in non-tax collection relative to tax revenues during the period under review.

Table: 4.1 Fiscal Indicators as percent of GDP

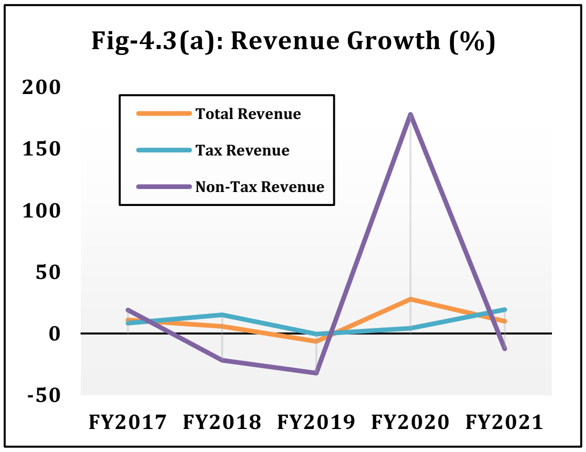
Year	Overall Fiscal Deficit	Expenditure			Revenue		
		Total	Current	Development/1	Total Rev.	Tax	Non-Tax
FY2008	7.3	21.4	17.4	4.0	14.1	9.9	4.2
FY2009	5.2	19.2	15.5	3.5	14.0	9.1	4.9
FY2010	6.2	20.2	16.0	4.4	14.0	9.9	4.1
FY2011	6.5	18.9	15.9	2.8	12.3	9.3	3.0
FY2012	8.8	21.6	17.3	3.9	12.8	10.2	2.6
FY2013	8.2	21.5	16.4	5.1	13.3	9.8	3.5
FY2014	5.5	20.0	15.9	4.9	14.5	10.2	4.3
FY2015	5.3	19.6	16.1	4.2	14.3	11.0	3.3
Year	**Overall Fiscal Deficit**	**Expenditure**			**Revenue**		
		Total	**Current**	**Development/1**	**Total Rev.**	**Tax/2**	**Non-Tax/1**
FY2016	4.1	17.7	14.3	4.0	13.6	10.4	3.2
FY2017	5.2	19.1	14.6	4.7	13.9	10.4	3.5
FY2018	5.8	19.1	14.9	4.1	13.3	10.8	2.5
FY2019	7.9	19.1	16.2	2.8	11.2	9.7	1.5
FY2020	7.1	20.3	17.9	2.5	13.2	9.3	3.9
FY2021	6.1	18.5	16.3	2.4	12.4	9.4	2.9
FY2022B.E	6.3	22.6	19.2	3.5	16.3	12.0	4.3

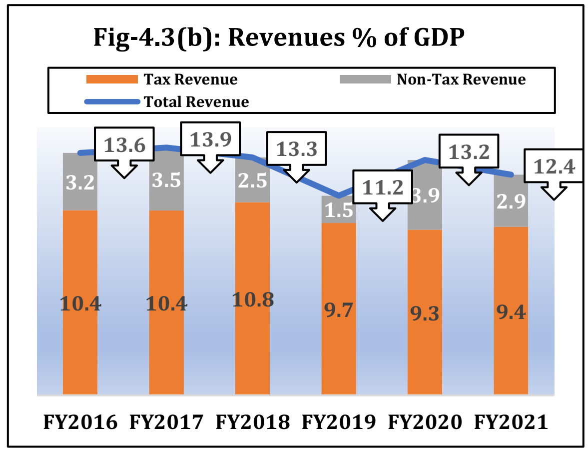
/1 including net lending

Note: Beginning from FY2016, Pakistan's GDP was rebased at 2015-16 prices from the old base of 2005-06. Therefore, wherever, GDP appears in the denominator the number prior to FY2016 are not comparable.

/2: During FY2021, the fiscal accounts have been reclassified in line with the implementation of PFM procedures. According to the reclassification, federal taxes other than FBR have now been included in non-tax revenue. To make the data comparable, the fiscal indicators since FY2016 have also been reclassified.

Source: Budget Wing and Economic Adviser Wing's Calculations, Finance Division



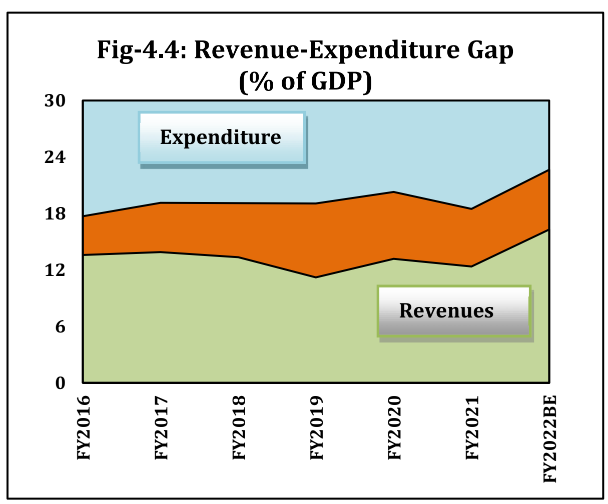


Note: In this chapter graphical representation of fiscal indicators as a percentage of GDP is based on revised data since FY2016

Tax collection increased by 19.5 percent (9.4 percent of GDP) in FY2021, up from 4.3 percent (9.3 percent of GDP) in FY2020. Both the Federal and Provincial Governments contributed to this improvement. Overall tax collection benefited from a revival in domestic economic activity during FY2021. Specifically, various policy and administrative measures to improve the tax collection, higher imports, and anti-smuggling measures supported FBR to achieve higher than expected revenue growth during FY2021. Non-tax revenues, on the other hand, fell by 12.4 percent in FY2021, primarily due to a decline in receipts from PTA profits, SBP profits, windfall levy against crude oil, and mark-up (PSEs and others).

During FY2021, total expenditures grew by 6.8 percent (18.5 percent of GDP) against the significant growth of 15.6 percent (20.3 percent of GDP) in the comparable period of FY2020. The slower pace in expenditure growth was realized on the back of 6.5 percent growth in current spending during FY2021 against a sharp rise of 20.1 percent in FY2020. In contrast, total development expenditures grew by 7.2 percent during FY2021 against a 2.0 percent decrease in FY2020. Overall, the expenditure management during FY2021 enabled the Government to use additional funds for spending on social safety nets, the Economic Stimulus Package, and targeted assistance to various sectors of the economy.

On the provincial side, all the four provinces posted a cumulative surplus of Rs 313.6 billion in FY2021 against Rs 224.9 billion, posting a growth of 39.4 percent. Thus, a higher-than-expected provincial surplus combined with double-digit growth in tax collection and contained current spending resulted in narrowing down the revenue expenditure gap during FY2021(Fig-4.4).



Review of Public Expenditures

In developing countries, Governments find it difficult to sufficiently allocate resources for development purposes and to create employment opportunities due to limited resources. It is, therefore, important to adopt a prudent expenditure management strategy that not only meets revenue shortfalls and creates ample fiscal space for priority sectors, but also aids in reducing pressures on public finances.

Historically, public spending in Pakistan always remained under pressure due to unproductive and rigid expenditures. During the last two years, unprecedented spending requirements for economic revival, health, and social relief to mitigate the impact of COVID-19 put additional strain on already constrained public finances. However, the cautious expenditure management strategy improved the fiscal accounts in FY2021. The fiscal year 2021 was the second consecutive year of consolidation that paid off in reducing the fiscal deficit to 6.1 percent of GDP against 7.1 percent of GDP recorded in FY2020.

The fiscal year 2021 witnessed a significant slowdown in expenditures growth as it grew by 6.8 percent against a 15.6 percent increase in FY2020. The slow pace in expenditure growth was largely attributed to sluggish growth in current expenditures, while development expenditures, after three years of consecutive decline, saw a significant improvement in FY2021. During the year, the current expenditures accounted for 88.1 percent of total expenditures.

Fig-4.5: Growth in Expenditure (%)

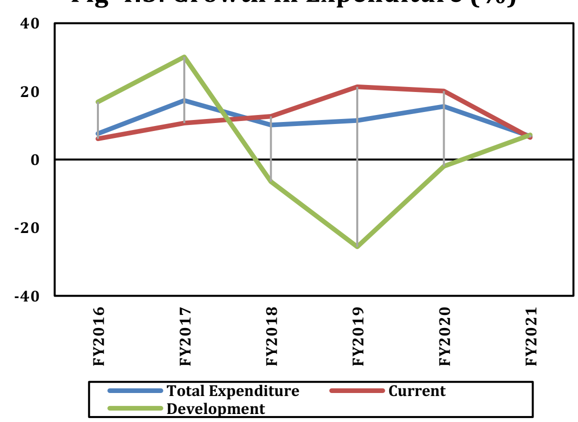


Table 4.2: Trends in Components of Expenditure (% of GDP)

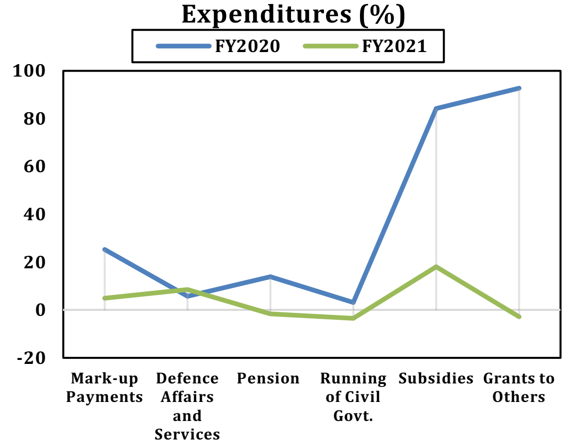
Year	Total Expen-diture	Current Expen-diture	Markup Payments	Defence	Development Expenditure*	Non Interest Non-Defence Exp	Fiscal Deficit	Revenue Deficit/ Surplus	Primary Balance
FY2008	21.4	17.4	4.6	2.6	4.2	14.2	7.3	-3.3	-2.7
FY2009	19.2	15.5	4.8	2.5	3.4	11.8	5.2	-1.4	-0.3
FY2010	20.2	16.0	4.3	2.5	4.1	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	17.7	14.3	3.9	2.3	4.0	11.5	4.1	-0.8	-0.3
FY2017	19.1	14.6	3.8	2.5	4.8	12.8	5.2	-0.7	-1.4
FY2018	19.1	14.9	3.8	2.6	4.0	12.7	5.8	-1.6	-1.9
FY2019	19.1	16.2	4.8	2.6	2.7	11.7	7.9	-5.0	-3.1
FY2020	20.3	17.9	5.5	2.6	2.4	12.2	7.1	-4.8	-1.6
FY2021	18.5	16.3	4.9	2.4	2.2	11.2	6.1	-3.9	-1.2
FY2022 B.E	22.6	19.2	5.7	2.5	3.6	14.4	6.3	-2.9	-0.7

* excluding net lending

Note: Indicators since FY2016 are based on revised GDP on a new base (2015-16). Therefore, the numbers prior to FY2016 are not comparable.
Source: Budget Wing, Finance Division, and EA Wing's Calculations

In FY2021, current expenditures increased by 6.5 percent down from 20.1 percent growth in the preceding year. Within total current expenditures, federal spending increased by only 4.1 percent in FY2021, compared to 26.0 percent growth in FY2020. The federal government was able to restrict the growth in non-mark-up expenditures to 7.1 percent in FY2021 from 17.9 percent in FY2020. Provinces, on the other hand, saw a significant rise in current spending, which increased by 12.1 percent in FY2021 from 8.1 percent in FY2020.

Fig-4.6: Growth in Federal Current Expenditures (%)



The component-wise analysis shows that the markup payments grew by 5.0 percent in FY2021 against a sharp rise of 25.3 percent in the year earlier. The major contribution to 5.0 percent growth during the year entirely came from 9.1 percent growth in domestic payments, while foreign payments contracted by 26.3 percent in the same period. Lower interest rates and debt relief through the Debt Service Suspension Initiative (DSSI) were the main reasons for the limited growth in markup payments in FY2021. Mark-up payments contributed 26.7 percent of total expenditures in FY2021, down from 27.2 percent in FY2020, while their share of current expenditure remained nearly the same at 30.3 percent in FY2021, down from 30.7 percent in the previous year.

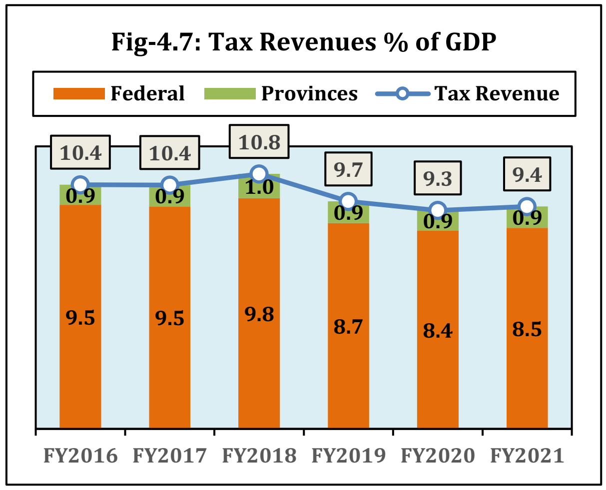
Defence expenditures grew by 8.5 percent in FY2021 against 5.8 percent growth in FY2020. Its contribution to total and current spending increased to 12.8 percent and 14.5 percent in FY2021 from 12.6 percent and 14.2 percent in FY2020, respectively. The running of civil government expenditures witnessed a decline of 3.5 percent in FY2021 against a 3.2 percent increase recorded in FY2020. The decline under this head is the outcome of various austerity measures that were adopted during the year. In FY2021, the expenditures under subsidies increased by 18.1 percent down from 84.2 percent recorded in FY2020. During FY2021, the power sector continued to be the largest beneficiary of high subsidies, receiving Rs 339.0 billion compared to Rs 269.8 million during the same period in FY2020. The contribution of subsidies to current expenditure increased to 4.7 percent in FY2021 from 4.2 percent in FY2020.

The development spending grew by 7.2 percent after witnessing a significant contraction for the past three consecutive years. Within total development expenditures, PSDP spending increased by 11.2 percent mainly due to higher provincial development expenditures which posted a significant growth (23.8 percent) during the second consecutive year. Federal PSDP (Net excluding development grants to provinces), on the other hand, was reduced by 5.7 percent during the year.

Structure of Tax Revenues

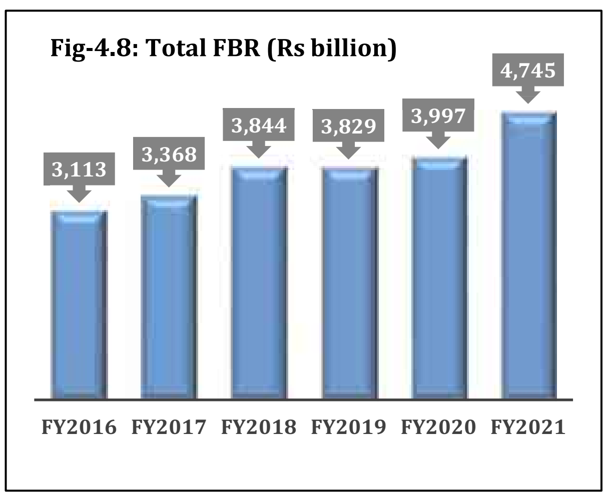
Tax revenue is an important and primary source of income for the Government to meet planned expenditures and achieve growth targets. In this regard, an effective tax system is imperative because it provides countries with the necessary fiscal space to finance various social and physical infrastructures required for achieving higher inclusive and sustainable economic growth.

The tax-to-GDP ratio is the real index for measuring tax compliance, capacity, and efficiency in the tax system. A higher tax-to-GDP ratio allows the government to rely more on domestic resources rather than external sources of revenue, while also ensuring the availability of sufficient funds to meet a country's development and social expenditures. Unfortunately, the tax-to-GDP ratio in Pakistan remains low over the years. There are a variety of factors responsible for the low tax to GDP ratio including a narrow tax base particularly agriculture contributing minimally to the tax collection, tax evasion, poor documentation, the informal economy, exemptions/concessions, smuggling, weak audit & enforcement, a lack of automation, and lengthy litigation[1]. As a result of insufficient tax revenues, the country has faced numerous challenges over the years in providing much-needed fiscal space for priority areas such as infrastructure, education, health, and targeted social assistance.



Overall tax revenues (federal & provincial) increased to 9.4 percent of GDP in FY2021 against 9.3 percent of GDP recorded in FY2020 (Fig-4.7). In total, FBR which collects a major part of tax revenues was able to increase the tax to GDP ratio to 8.5 percent in FY2021 against 8.4 percent of GDP in FY2020.

Total tax collection has been severely impacted over the last two years: first in FY2019 due to a slowdown in economic activity because of stabilization measures, a low tax rate on major petroleum products, import compression, suspension of withholding tax collection on mobile top-ups, and a reduced rate on salary income. Second, during FY2020, the COVID-19 crisis hampered tax collection. However, FBR's measures to improve the tax collection helped it to achieve a growth of 19 percent in FY2021 against a 4.4 percent rise in the preceding year. It is worth mentioning that FBR tax collection crossed the Rs 4 trillion mark for the first time



[1] FBR Biannual Review Jan-Jun 2020-21

in history. Nonetheless, during the last six years, the tax to GDP ratio remained lower within a range of 8.4 percent and 9.8 percent.

Table 4.3: Structure of Federal Tax Revenue (Rs billion)

Year	Total (FBR)	Tax Rev as % of GDP	Direct Taxes	Indirect Taxes			
				Customs	Sales	Excise	Total
FY2008	1,008.1	9.5	387.9	150.7	377.4	92.1	620.2
			[38.5]	{24.3}	{60.9}	{14.9}	[61.5]
FY2009	1,161.1	8.8	443.5	148.4	451.7	117.5	717.6
			[38.2]	{20.7}	{62.9}	{16.4}	[61.8]
FY2010	1,327.4	8.9	526.0	160.3	516.3	124.8	801.4
			[39.6]	{20.0}	{64.4}	{15.6}	[60.4]
FY2011	1,558.2	8.5	602.5	184.9	633.4	137.4	955.7
			[38.7]	{19.3}	{66.3}	{14.4}	[61.3]
FY2012	1,882.7	9.4	738.4	216.9	804.9	122.5	1,144.3
			[39.2]	{19.0}	{70.3}	{10.7}	[60.8]
FY2013	1,946.4	8.7	743.4	239.5	842.5	121.0	1,203.0
			[38.2]	{19.9}	{70.0}	{10.1}	[61.8]
FY2014	2,254.5	9.0	877.3	242.8	996.4	138.1	1,377.3
			[38.9]	{17.6}	{72.3}	{10.0}	[61.1]
FY2015	2,589.9	9.4	1,033.7	306.2	1,087.8	162.2	1,556.2
			[39.9]	{19.7}	{69.9}	{10.4}	[60.2]
FY2016	3,112.7	9.5	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	9.5	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	9.8	1,536.6	608.4	1,485.3	213.5	2,307.2
			[39.7]	{26.4}	{64.4}	{9.3}	[60.0]
FY2019	3,828.5	8.7	1,445.5	685.6	1,459.2	238.2	2,383.0
			[37.8]	{28.8}	{61.2}	{10.0}	[62.2]
FY2020	3,997.4	8.4	1,523.4	626.6	1,596.9	250.5	2,474.0
			[38.1]	{25.3}	{64.5}	{10.1}	[61.9]
FY2021	4,745.0	8.5	1,731.3	748.4	1,988.3	277.0	3,013.7
			[36.5]	{24.8}	{66.0}	{9.2}	[63.5]
FY2022 B.E	5,829.0	10.8	2,182.0	785.0	2,506.0	356.0	3,647.0

B.E: Budget Estimate
Note: FBR tax to GDP ratio since FY2016 is calculated on the basis of the revised GDP at the new base 2015-16.
[]as % of total taxes, {} as % of indirect taxes
Source: Federal Board of Revenue

Within FBR net tax collection, sales tax posted the highest growth of 24.5 percent followed by customs duty 19.4 percent, direct taxes 13.6 percent, and federal excise duty (FED) 10.6 percent in FY2021 against 9.4 percent, negative 8.6 percent, 5.4 percent, and 5.2 percent, respectively in FY2020. The share-wise analysis implies that Pakistan's tax system is mostly reliant on indirect taxes. For instance, sales tax remained the top revenue-generating source with a 42 percent share in total tax collection. Whereas direct taxes contributed 36.5 percent, customs duty 16 percent, and FED 6 percent in

FBR tax collection. It implies that indirect taxes, which are regressive in nature, account for the majority of tax revenue in Pakistan, contributing to more than 60 percent of total FBR tax collection. Direct taxes, on the other hand, are a more equitable way of increasing revenue because they make the system more progressive by narrowing down the inequality gap.

FBR has taken various steps over the last many years to increase the contribution of direct taxes in overall tax collection. The maximum statutory rates of customs duty have been reduced from 125 percent in FY1988 to currently 20 percent. Similarly, the contribution of customs duty in the total collection came down from 45.7 percent in FY1991 to 15.8 percent in FY2021. The tax base of FED contracted over the years and now is restricted to only a few commodities like cigarettes, cement, beverages, international travel, etc. The contribution of FED in the total collection also dropped from around 20 percent in FY1991 to 5.8 percent in FY2021. The sales tax was re-structured as a tax on consumption, which is in line with the principles of equity and progressivity.

Over the period, customs duty slabs have been reduced from 7 to 4 and the highest slab has been brought down from 30 percent to 20 percent. Accordingly, customs duty slabs have been reduced to four, i.e., 3 percent, 11 percent, 16 percent, and 20 percent, with a ceiling of 20 percent and a floor of 3 percent, with exception of a few goods like vehicles & alcoholic beverages. This significant reduction in tariff slabs has helped reduce the share of indirect taxes.

The FBR is working hard to increase revenue collection and the tax-to-GDP ratio through various tax policies and administrative reforms. In this regard, efforts are being made through maximum taxpayer facilitation, automation, ease of transactions, reducing human interface, minimizing procedural complications, increasing tax awareness, and improving the overall efficiency of the tax machinery.

Budget Strategy FY2022

The primary objectives of Budget FY2022 were to strike a balance between fiscal deficits caused by COVID-19 and economic growth, to maintain the primary balance at a sustainable level, to mobilize resources through tax reforms, to keep the development budget at an adequate level to stimulate sustainable economic growth, to implement austerity measures, to limit non-productive spending, etc.

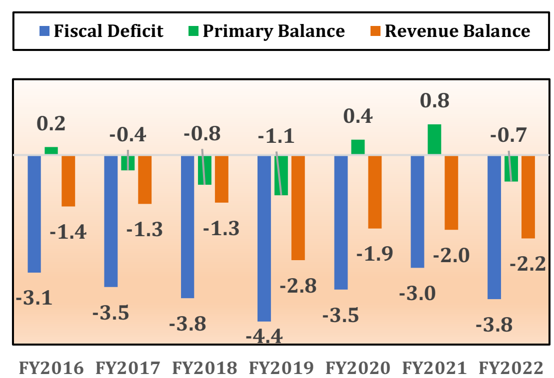
For FY2022, the fiscal deficit is budgeted to remain at 6.3 percent of GDP with total expenditure at 22.6 percent while revenues at 16.3 percent of GDP. Within expenditures, development spending is expected to be at 3.2 percent of GDP while current expenditure is budgeted to be 19.2 percent of GDP. The Budget FY2022 has enhanced the expenditure estimates while directing them towards more productive expenditure. Within revenues, total tax collection (federal and provincial) is expected to rise by 12.0 percent of GDP while non-tax collection is budgeted to be at 4.3 percent of GDP.

To achieve the set targets, the FY2022 budget introduced several fiscal measures on both the expenditure and revenue sides. However, during the first nine months of the current fiscal year, additional spending under COVID-19 funds for vaccine procurement, IPPs Circular debt payment, social sector spending, and higher development expenditures strained the fiscal sector, thus reversing the consolidation gains made over the last two years. All these factors in confluence with the global economic challenges resulting from the Russia-Ukraine conflict, as well as the impact on international commodities and oil prices, have increased the risk of fiscal slippages during the current fiscal year.

Fiscal Performance (July-March, FY2022)

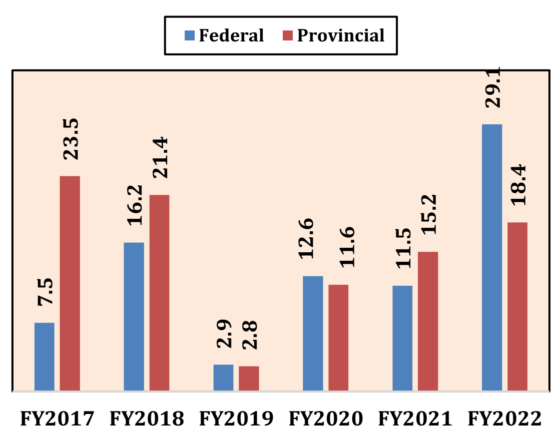
During July-March FY2022, the fiscal deficit increased to 3.8 percent of GDP (Rs 2,565.6 billion) against 3.0 percent of GDP (Rs 1,652.0 billion) in the same period of last year (Fig-4.9). Similarly, the primary balance posted a deficit of Rs 447.2 billion against the surplus of Rs 451.8 billion during the period under review. While revenue deficit also deteriorated to 2.2 percent of GDP in the first nine months of FY2022 against the deficit of 2.0 percent of GDP in the same period of FY2021.

Fig-4.9: Fiscal Indicators % of GDP (Jul-Mar)

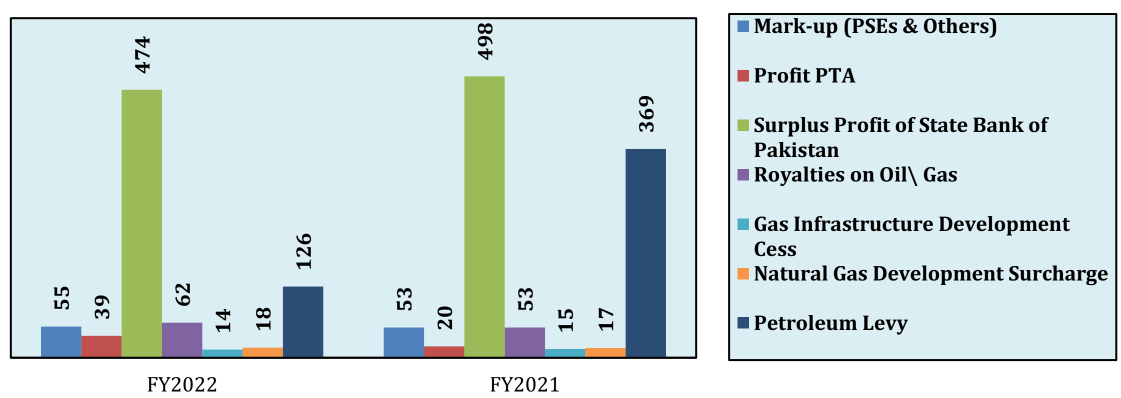


Total revenues increased by 17.7 percent and reached Rs 5,874.2 billion in July-March FY2022 against Rs 4,992.6 billion in the same period of last year. Revenue growth appears to be impressive when compared to the meager 6.5 percent growth recorded in the same period of FY2021. A significant increase in tax collection was a key factor in boosting revenue growth, which more than offset the decline in non-tax revenues during the review period. During the first nine months of the current fiscal year, total tax collection (federal & provincial) grew by 28.1 percent to reach Rs 4,821.9 billion as compared to Rs 3,765.0 billion in the comparable period of last year.

Fig-4.10: Growth in Tax Collection (%)



Non-tax revenues, on the other hand, fell 14.3 percent to Rs 1,052.2 billion in July-March FY2022, compared to Rs 1,227.6 billion in the same period the previous year. Within the total, federal non-tax revenue declined by 16.3 percent to Rs 958.5 billion in July-March FY2022 against Rs 1,145.4 billion in the same period of last year.



In contrast, provincial non-tax collection increased by 14.1 percent to reach Rs 93.7 billion during July-March FY2022 against Rs 82.2 billion last year. The decline in federal non-tax collection is largely attributed to the significant drop in receipts from petroleum levy, GIDC, and SBP profit. Petroleum levy receipts, in particular, fell by 66.0 percent (Fig-4.11). Due to higher international oil prices during the current fiscal year, the Government reduced the petroleum levy and sales tax to provide relief to the masses.

Table 4.4: Consolidated Revenue & Expenditure of the Government

	FY2022 B. E	Jul-Mar (Rs billion)		Growth (%)
		FY2022	FY2021	
A. Total Revenue	**8,776.0**	**5,874.2**	**4,992.6**	**17.7**
% of GDP	**16.3**	**8.8**	**8.9**	
a) Tax Revenue	6,484.0	4,821.9	3,765.0	28.1
% of GDP	12.0	7.2	6.7	
Federal (FBR Taxes)	5,829.0	4,383.6	3,394.9	29.1
% of GDP	10.8	6.5	6.1	
Provincial Tax Revenue	655.0	438.3	370.1	18.4
b) Non-Tax Revenue	2,292.0	1,052.2	1,227.6	-14.3
% of GDP	4.3	1.6	2.2	
B. Total Expenditure	**12,196.0**	**8,439.8**	**6,644.6**	**27.0**
% of GDP	**22.6**	**12.6**	**11.9**	
a) Current Expenditure	**10,321.0**	**7,378.0**	**6,085.4**	**21.2**
% of GDP	**19.2**	**11.0**	**10.9**	
Federal	7,417.0	5,209.9	4,157.3	25.3
Markup Payments	2,060.0	2,118.5	2,103.9	0.7
% of GDP	3.8	3.2	3.8	-12.7
Defence	1,370.0	881.9	784.0	12.5
% of GDP	2.5	1.3	1.4	
Provincial	2,904.0	2,168.2	1,928.1	12.4
b) Development Expenditure & net lending	1,875.0	1,051.1	722.9	45.4
% of GDP	**3.5**	**1.6**	**1.3**	**26.1**
PSDP	1,954.0	1,032.7	653.9	57.9
c) Net Lending	-79.0	18.4	55.0	
e) Statistical discrepancy	-	10.7	-163.8	
C. Overall Fiscal Balance	**-3,420.0**	**-2,565.6**	**-1,652.0**	**55.3**

Table 4.4: Consolidated Revenue & Expenditure of the Government

	FY2022 B. E	Jul-Mar (Rs billion)		Growth (%)
		FY2022	FY2021	
As % of GDP	**-6.3**	**-3.8**	**-3.0**	
Financing	**3,420.0**	**2,565.6**	**1,652.0**	**55.3**
i) External Sources	1,246.0	981.5	562.2	**74.6**
ii) Domestic	**2,174.0**	**1,584.2**	**1,089.9**	**45.4**
Bank	681.0	1,051.7	797.8	**31.8**
Non-Bank	1,241.0	532.4	292.1	**82.3**
Privatization Proceeds	252.0	-	-	
GDP at Market Prices	**53,867**	**66,950***	**55,796****	**15.3**

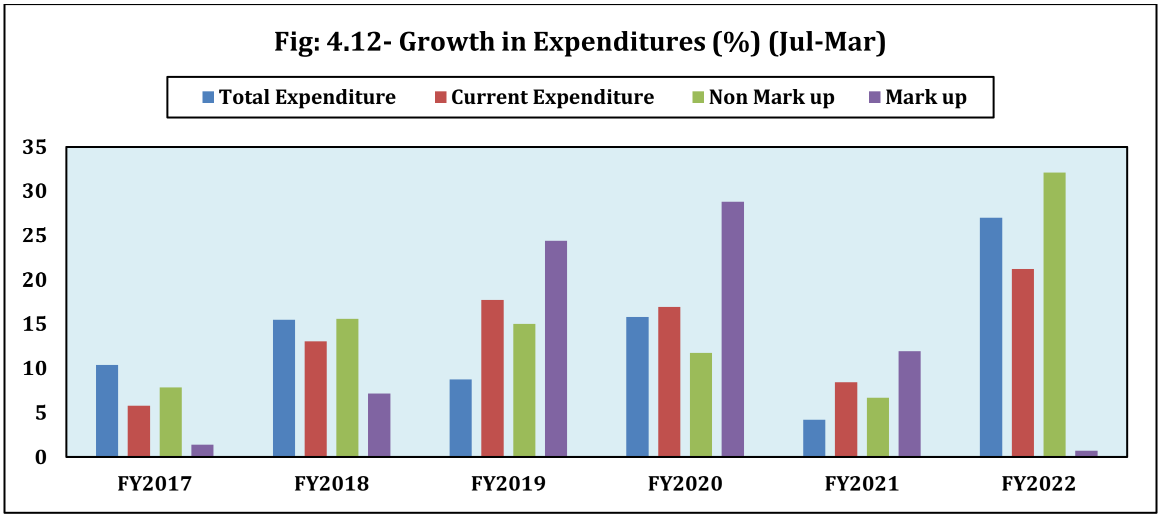
*Provisional GDP estimate for FY2022, **Revised GDP for FY2021

Source: Budget Wing, Finance Division

On the expenditure side, total spending witnessed a sharp increase of 27.0 percent in July-March FY2022 against the contained growth of 4.2 percent in the same period of last year. A significant rise in development and non-markup current spending contributed to an increase in total expenditures during the year. In absolute terms, it stood at Rs 8,439.8 billion during the first nine months of FY2022 against Rs 6,644.6 billion in the comparable period of last year.

Within the total expenditures, current expenditures grew by 21.2 percent to Rs 7,378.0 billion during July-March FY2022 as compared to Rs 6,085.4 billion in the comparable period of last year. Higher growth in non-markup expenditures lifted up the total current spending. During July-March, FY2022 non-mark-up expenditures grew by 32.1 percent to stand at Rs 5,259.5 billion against the contained growth of 6.7 percent (Rs 3,981.6 billion) last year. Under this head, subsidies and grants witnessed a sharp rise.

Mark-up payments, on the other hand, witnessed a restricted growth of 0.7 percent during July-March FY2022 against an 11.9 percent increase in the preceding year. In absolute terms, it stood at Rs 2,118.5 billion in July-March FY2022 as compared to Rs 2,103.9 billion in the comparable period of FY2021. The restricted growth in mark-up payments is largely attributed to the shift in a major portion of the PIB portfolio from fixed to floating rate bonds which were contracted at T-bill rate plus spread within a range of 30-90 Bps and is lower than the corresponding fixed-rate bonds. The issuance of floating-rate bonds also includes quarterly coupon payment frequencies. Moreover, almost Rs 1 trillion worth of additional Sukuks were issued during FY2022 majority of which are below the T-bill rate. In addition, considering the impact of the policy rate, more than Rs 350 billion worth of PIB at fixed rates were issued during July-March FY2021 while the policy rate remained lower, and the portion of their interest servicing was reflected in the year July-March FY2022 because the interest servicing/coupon payment for PIB fixed-rate bonds reflected with a lag of 6 months due to Semi-Annual Coupon Payment Frequencies.



The break-up of non-markup expenditures shows that defence expenses registered a growth of 12.5 percent to the tune of Rs 881.9 billion during July-March FY2022 against Rs 784.0 billion in the same period last year. Similarly, current subsidies amounted to Rs 575.2 billion in July-March FY2022 up from Rs 204.3 billion in the same period the previous year, representing a growth of 181.6 percent. During the first nine months of FY2022, the Government provided Rs 518.2 billion to the power sector which is 167.1 percent higher than Rs 194.0 billion in the same period last year. In the power sector, Rs 159.6 billion was provided for the settlement of IPPs circular debt and Rs 207.1 billion for inter DISCO tariff differential. Further break-up of subsidies shows that Rs 21.3 billion was provided for petroleum and Rs 11.0 billion for a fertilizer plant.

Another key component that has contributed to a sharp rise in non-mark up current expenditure is grants to others. During July-March FY2022, grants to others increased by 116.8 percent to reach Rs 920 billion against Rs 424.3 billion in the same period of FY2021. A major impetus in grants came from grants for COVID-19 vaccine procurement, HEC, DLTL (a drawback of taxes), BISP, and contingent liability.

Total development expenditure increased significantly by 54.6 percent during July-March FY2022 after a contraction of 11.1 percent in the same period of last year. In absolute terms, it increased to Rs 1,032.7 billion in July-March FY2022 against Rs 668.0 billion in the comparable period of last year. The federal PSDP (including development grants to the provinces) grew by 28.1 percent to Rs 452.3 billion during July-March FY2022 against Rs 353.0 billion last year.

With the widening of the fiscal deficit during July-March FY2022, total financing needs increased by 55.3 percent. Domestic and external resources fetched Rs 1,584.2 billion and Rs 981.5 billion, respectively, during July-March FY2022. Out of total domestic resources, financing from banks stood at Rs 1,051.7 billion and from non-bank Rs 532.4 billion.

FBR Tax Collection (July-April, FY2022)

In FY2021, FBR was able to collect Rs 4745.0 billion while exceeding the revised target of Rs 54 billion. Despite significant challenges, FBR not only maintained this momentum during the current fiscal year but outperformed the revenue target during the first ten months of FY2022. During July-April, FY2022, FBR has been able to collect Rs 4,855.8 billion as provisional tax revenues reflecting a growth of 28.5 percent. However, tax relief measures have impacted revenue collection by approximately Rs 73 billion during the month of April 2022. The Sales Tax on all POL products has been reduced to zero which cost FBR Rs 45 billion in April. In the month of April 2022, FBR provisional tax collection remained Rs 4.6 billion lower than the target of Rs 484.7 billion. The provisional net collection grew by 25.1 percent to Rs 480.1 billion against Rs 384.0 billion last year. By adding Rs 73 billion in April, the net provisional collection is 553.1 billion with a growth of 44 percent. Tax-wise details are presented in Table 4.5.

Table: 4.5- FBR Tax Collection (Rs million)

Revenue Heads	FY2021	July-April		% Change
	Actual	FY2021	FY2022 (P)	
Direct Tax				
Gross		1,375,445	1,754,218	27.5
Refund/Rebate		12,873	10,484	-18.6
Net	**1,731,254**	**1,362,572**	**1,743,734**	**28.0**
Indirect Tax				
Gross		2,605,403	3,365,740	29.2
Refund/Rebate		190,249	253,704	33.4
Net	**3,013,744**	**2,415,154**	**3,112,036**	**28.9**
Sales Tax				
Gross		1,766,905	2,289,151	29.6
Refund/Rebate		170,606	224,945	31.9
Net	**1,988,308**	**1,596,299**	**2,064,206**	**29.3**
Federal Excise				
Gross		223,432	256,052	14.6
Refund/Rebate		0	4	-
Net	**277,046**	**223,432**	**256,048**	**14.6**
Customs				
Gross		615,066	820,537	33.4
Refund/Rebate		19,643	28,755	46.4
Net	**748,390**	**595,423**	**791,782**	**33.0**
Total Tax Collection				
Gross	0	3,980,848	5,119,958	28.6
Refund/Rebate	0	203,122	264,188	30.1
Net	**4,744,998**	**3,777,726**	**4,855,770**	**28.5**

P: Provisional
Source: FBR

I. Direct Tax

The net collection of income tax has registered a growth of 28 percent during the first ten months of FY2022. The net collection has increased from Rs 1,362.8 billion to Rs 1,743.7 billion. The major contributors to income tax are withholding tax, voluntary payments, and collection on demand.

II. Sales Tax

The gross and net sales tax collection during July-April, FY2022 has been Rs 2289.2

billion and Rs 2064.2 billion, respectively, showing healthy growths of 29.6 percent and 29.3 percent respectively. Around 71.2 percent of total sales tax was contributed by sales tax on imports during July-April, 2021-22, while the rest was contributed by the domestic sector.

III. Federal Excise Duty

The collection of federal excise duties (FED) from July-April, FY2022 has recorded a growth of 14.6 percent. The net collection has stood at Rs 256.0 billion during July-April, FY2022 as against Rs 223.4 billion during the same period last year. The major revenue spinners of FED are cigarettes, cement, services, and beverages.

IV. Customs Duty

Customs duty has registered a growth of 33.4 percent and 33.0 percent in gross and net revenues, respectively. The net collection has increased from Rs 595.4 billion during July-April, FY2021 to Rs 791.8 billion during July-April, FY2022. The major revenue spinners of customs duty have been vehicles, mineral fuels, iron and steel, electrical machinery, plastic, edible fruits, etc.

To maintain the growth momentum and to further improve the revenue collection, FBR has initiated various measures to facilitate the taxpayers in order to create a congenial environment and to fetch sufficient tax revenues. (Box-I)

Box-I: Major Reforms Initiatives

A. <u>Inland Revenue</u>

i. **The Track and Trace System:** Track and Trace Solution has been rolled out for Tobacco & Sugar sectors and it's rolling out for Cement, Beverages, and Fertilizer sectors are in progress. The system is aimed at enhancing tax revenue, reducing counterfeiting, and preventing the smuggling of illicit goods through the implementation of a robust, nationwide, electronic monitoring system through the affixation of tax stamps on various products at the production stage. This enables FBR to trace the entire supply chain of manufacturing goods.

ii. **Point of Sales (POS):** Point of Sales (POS) Invoicing system is a pathway toward digitization. Responding to the growing need for digitization of economic transactions in Pakistan, FBR has launched POS Invoicing, which is a computerized system for recording sales data, managing inventory, and maintaining customer data. It is a real-time sales documentation system that links the electronic systems at the outlets of all tier-1 retailers with the FBR via the internet. The system is aimed to ensure that all sales are reported in real-time to FBR and are duly accounted for in the monthly sales tax returns of such retailers.

iii. **Automated Issuance of Refunds:** To facilitate taxpayers, a centralized automated refund system has been introduced with no requirement for manual application and verification. The system-based verification system issues refund directly into the bank accounts of taxpayers without any requirement for face-to-face interactions with tax authorities. Enabling legal framework has also been provided through the insertion of relevant provisions in tax laws.

iv. **Single Sales Tax Portal/Return:** Building further on its vision to facilitate taxpayers and ensure ease of doing business through automation, digitization, and minimization of human interaction with taxpayers, FBR has launched Singles Sales Tax Portal. This facility will enable taxpayers to file single monthly Sales Tax returns instead of multiple returns on different portals; thereby, significantly reducing the time and cost of compliance. The system will automatically apportion input tax adjustment as well as tax payments across the sales tax authorities, therefore eliminating the need for reconciliation and payment transfers.

v. **E-hearing:** To provide faceless tax administration, reduce compliance costs, and save precious time for the taxpayers the mechanism of E-hearing has been devised. Enabling legal provisions for admissibility of evidence collected during E-hearing has been introduced through 227E of the Income Tax Ordinance.

vi. **Electronic Filing of an Appeal:** The mechanism of online filing of appeals has been made available to the taxpayer. However, enabling legal provisions were lacking which have been introduced through section 127 of the Income Tax Ordinance.

vii. **Tax Asaan:** A mobile application to facilitate taxpayers, available free of cost for Android as well as iOS-based smartphones. It offers the following facilities for taxpayers:

- **a.** Registration of Income Tax
- **b.** Registration of Sales Tax
- **c.** Returns filing for Salaried Individuals
- **d.** Recovery of Password
- **e.** Creation of Tax payments PSIDs
- **f.** POS Invoice Verification

viii. **IREN and Joint Anti-smuggling Field Intelligence Exercise:** Establishment of Inland Revenue Enforcement Network (IREN) to check smuggling and counterfeit products. Inland Revenue Service and Pakistan Customs Service have joined hands for an anti-smuggling field intelligence exercise.

ix. **Risk-based Audit:** FBR has developed a centralized Risk-based Audit Management System (RAMS) for the selection of audit cases centrally on the basis of pre-determined risk parameters. Selection of scientific matrix allowing allocation and distribution of weightage to different parameters in Risk Grid will segregate the potential and high-risk cases for audit through parametric computer balloting. Subsequently, in September 2020, through Audit Policy, 2019, a total number of 12,533 cases were selected for audit for Tax Year 2018 through the Risk-based Audit Management System (RAMS).

x. **Transformation of Traditional Audit Processes through E-Audits:** FBR is also moving toward **Instituting Data analytics for E-Audit** through a transformation in the traditional audit processes. In this system, the correspondence between taxpayers and the tax department would totally be electronic till the conclusion of audit proceedings. The process will be technology-driven with the least human interference and system-based controls for ensuring transparency of the process.

xi. **Automation of Audit Monitoring System:** A software solution is under process to provide continuous monitoring of the audit cases with sufficient documentation and assistance to the auditors.

B. Customs

i. **Pakistan Single Window (PSW):** To achieve trade facilitation in an automated environment, reduce clearance times for legitimate trade, and improve compliance through increased access to regulatory information and functions, the system of Pakistan Single Window (PSW) has been launched. This ensures greater collaboration and coordination between Customs and other border regulatory agencies at the national and international level for coordination of border management and increases transparency in regulatory processes and decision-making.

ii. **Automated Process for Scanning of Cargo:** FBR's Pakistan Customs Wing has introduced a new automated process in the WeBOC system for scanning containerized import consignments of industrial raw materials for their speedy clearance at ports. The introduction of the Non-Intrusive Inspection System by Customs was a long-awaited initiative aimed at replacing the physical inspection of cargo and reducing the dwell time at ports by using the latest scanning technology in line with international practices.

iii. Removal of Requirement for I-form, E-form: Removal of the requirement for I-form, E-form, and other documents implemented since 31st December 2021. It would help reduce compliance time and documentation.

iv. Virtual Assessment Module: This is a system-based automated assessment of GD on the basis of selectivity criteria. The module has been developed and deployed. It will significantly facilitate the assessment process of GDs by reducing the clearance time.

v. Development of Authorized Economic (AEO) Module: The AEO Module has been developed. It will help to reduce port dwell time and customs clearance.

vi. The Threshold for Electronic/Digital Mode of Payment: The Threshold for Electronic/Digital Mode of Payment has been lowered from Rs 500,000 to Rs 200,000. The Module has been developed. It will streamline the payment process and would reduce the time.

vii. Common Bonded Warehousing Module: The Module developed and deployed will help streamline the matters relating to Common Bonded Warehouse.

Source: FBR

Provincial Budget

According to the overview of the provincial budget, total expenditures are expected to rise by 24.5 percent to reach Rs 5,010.7 billion in FY2022 against the revised estimates of Rs 4,023.7 billion in FY2021. During FY2022, the share of current and development expenditures in total expenditures is expected to remain at 71.1 percent and 28.9 percent, respectively. While provincial revenue receipts are budgeted to rise by 26.6 percent to stand at Rs 4,737.0 billion in FY2022 as compared to the revised estimate of Rs 3,740.6 billion in FY2021.

Table 4.6: Overview of Provincial Budgets (Rs billion)

Items	Punjab		Sindh		Khyber Pakhtunkhwa		Baluchistan		Total	
	2020-21 RE	2021-22 BE	2020-21 RE	2021-22 BE	2020-21 RE	2021-22 BE	2020-21 RE	2021-22 BE	2020-21 RE	2021-22 BE
A. Tax Revenue	**1,566.1**	**1,955.9**	**857.1**	**1,103.6**	**451.2**	**576.0**	**273.5**	**329.9**	**3,147.9**	**3,965.4**
Provincial Taxes	228.7	272.6	230.4	304.9	31.8	43.2	21.8	34.2	**512.6**	**654.9**
GST on Services (transferred by federal Govt)	16.6				1.3				**17.9**	
Share in Federal Taxes	1,320.8	1,683.3	626.7	798.7	418.1	532.8	251.7	295.7	**2,617.3**	**3,310.5**
B. Non-Tax Revenue	**90.3**	**130.0**	**74.2**	**73.9**	**47.3**	**58.3**	**18.1**	**86.6**	**229.9**	**348.8**
C. All Others	**84.8**	**83.7**	**66.5**	**82.3**	**193.2**	**220.0**	**18.3**	**36.8**	**362.8**	**422.9**
Total Revenues (A+B+C)	**1,741.2**	**2,169.6**	**997.8**	**1,259.8**	**691.7**	**854.3**	**309.9**	**453.3**	**3,740.6**	**4,737.0**
a) Current Expenditure	**1,314.9**	**1,427.9**	**954.4**	**1,089.4**	**619.3**	**724.9**	**269.0**	**319.5**	**3,157.7**	**3,561.7**
b) Development Expenditure	**375.2**	**560.0**	**160.3**	**329.0**	**250.0**	**370.8**	**80.5**	**189.2**	**866.0**	**1,449.0**
Total Exp (a+b)	**1,690.1**	**1,987.9**	**1,114.7**	**1,418.4**	**869.3**	**1,095.7**	**349.5**	**508.7**	**4,023.6**	**5,010.7**

Source: Provincial Finance Wing, Finance Division.

Allocation of Revenues between Federal Government and Provinces

According to the distribution of resources under the 7th NFC Award, federal transfers to provinces (divisible pool and straight transfers) are expected to increase by 26.2 percent to Rs 3,411.9 billion in FY2022 against the revised estimates of Rs 2,704.2 billion in FY2021. The province-wise share in federal transfers is as follows; Punjab (Rs 1,691.1

billion), Sindh (Rs 848.2 billion), Khyber Pakhtunkhwa (Rs 559.3 billion inclusive 1 percent war on terror), and Balochistan (Rs 313.3 billion).

Table: 4.7-Transfers to provinces (Rs billion)

	FY2021R.E	FY2022B.E
A. Divisible Pool	**2,600.0**	**3,310.5**
Income Tax	993.4	1,232.9
Capital Value Tax	0.4	0.3
Sales Tax (Excl. GST on Services)	1,063.1	1,435.6
Federal Excise (excl. Excise Duty on Natural Gas)	155.9	197.3
Customs Duties (excl. Export Development Surcharge)	387.2	444.4
B. Straight Transfers	**104.1**	**101.4**
Gas Development Surcharge	24.2	16.5
Royalty on Natural Gas	50.1	51.6
Royalty on Crude Oil	19.7	21.6
Excise Duty on Natural Gas	10.2	11.7
Total Transfers (A+B)	**2,704.2**	**3,411.9**

Source: Budget in Brief 2021-22

Provincial Fiscal Operations

Performance (FY2021)

Provincial revenues increased by 15 percent in FY2021, compared to 8.2 percent growth during FY2020. In absolute terms, total revenues in FY2021 were Rs 3,728.0 billion, up from Rs 3,241.0 billion in FY2020. Higher growth in revenues is stemmed from a sharp rise in both tax and non-tax collection, however, non-tax collection recorded a higher growth of 46.8 percent relative to 22.9 percent growth in provincial taxes. Within total revenues, provincial own revenue receipts grew significantly by 27.6 percent to reach Rs 658.7 billion in FY2021 against Rs 516.0 billion in FY2020. While transfers from the Federal Government under the NFC award increased by 9.5 percent to Rs 2,741.9 billion in FY2021 as compared to Rs 2,504.0 billion in the preceding year. Despite increased provincial revenue receipts, federal transfers remained higher in terms of contribution to total provincial revenues (Fig 4.13b).

Fig:4.13 (a)-Own revenues and Federal transfers (Growth %)

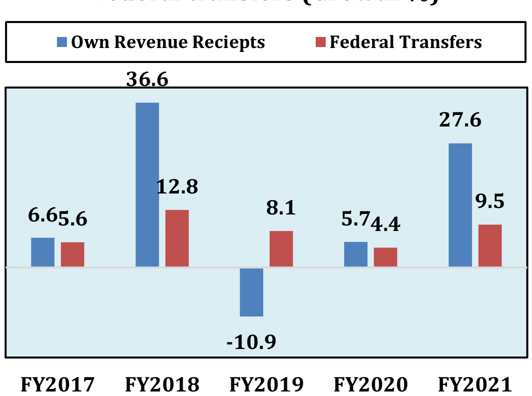
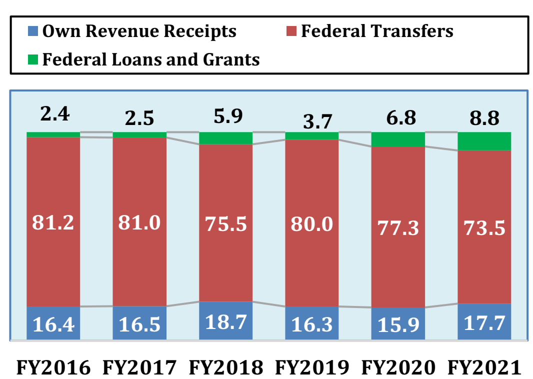


Fig: 4.13 (b)-Contribution in Total Provincial Revenues (%)



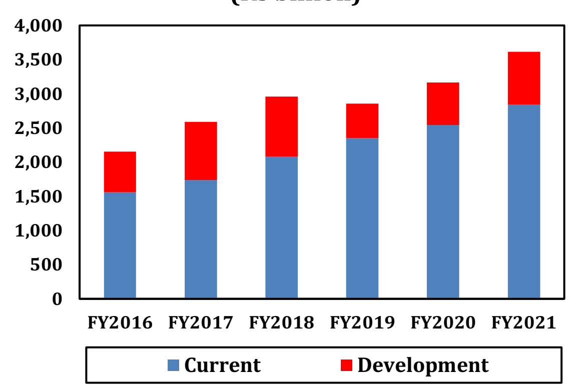
Within provincial own revenue receipts, tax collection stood at Rs 508.4 billion in FY2021, up from Rs 413.6 billion in FY2020, representing a 22.9 percent increase. A significant boost in tax collection came from a 26.0 percent increase in sales tax on services and motor vehicle tax, owing to a rebound in domestic economic activity, higher imports, and a rise in automobile sales. Similarly, non-tax collection reached Rs 150.3 billion during FY2021 against Rs 102.4 billion in FY2020, posting a growth of 46.8 percent. Significant growth in non-tax collection has been realized largely due to higher receipts from mark up and profits from hydroelectricity, during the period under review.

Table 4.8-Overview of Provincial Fiscal Operations (Rs billion)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	Jul-Mar	
							FY2022	FY2021
A. Tax Revenue	2,145.4	2,287.6	2,618.8	2,799.6	2,917.6	3,250.3	3,022.5	2,355.9
Provincial Taxes	283.3	321.8	401.4	401.8	413.6	508.4	438.3	370.1
Share in Federal Taxes	1,862.2	1,965.8	2,217.4	2,397.8	2,504.0	2,741.9	2584.2	1985.8
B.Non Tax Revenue	93.3	79.5	146.7	86.3	102.4	150.3	93.7	82.2
C.All Others	55.1	61.2	173.0	110.0	221.0	327.5	278.9	146.3
Total Revenue (A+B+C)	**2,293.9**	**2,428.2**	**2,938.5**	**2,995.9**	**3,241.0**	**3,728.0**	**3,395.2**	**2,584.3**
a. Current Expenditure	1,559.8	1,739.3	2,080.7	2,350.8	2,541.9	2,844.2	2192.4	1948.4
b. Development Expenditure	592.4	852.2	880.1	506.2	622.0	770.2	724.1	390.0
c. Statistical Discrepancy	-65.7	-147.4	-4.8	-51.1	-147.9	-200.0	-121.1	-166.8
Total Expenditure (a+b+c)	**2,086.5**	**2,444.1**	**2,956.0**	**2,805.9**	**3,016.1**	**3,414.4**	**2,795.4**	**2,171.6**
Overall Balance	**207.4**	**-15.9**	**-17.5**	**190.0**	**224.9**	**313.6**	**599.8**	**412.7**

In FY2021, provincial expenditure grew by 13.2 percent against the 7.5 percent growth recorded in FY2020. In absolute terms, the provincial expenditure stood at Rs 3,414.4 billion in FY2021 against Rs 3,016.1 billion in FY2020. Both current and development expenditures increased by 11.9 percent and 23.8 percent, respectively, in FY2021, compared to 8.1 percent and 22.9 percent growth recorded in FY2020. The spending priorities for the year remained focused on general public service, economic affairs, health, education affairs, housing and community, and public orders and safety.

Fig-4.14: Provincial Expenditure (Rs billion)

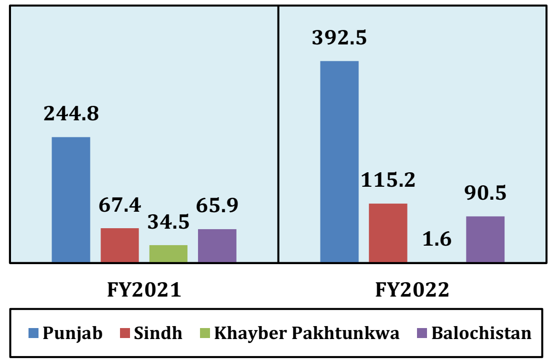


Overall, provinces posted a cumulative surplus of Rs 313.6 billion in FY2021, compared to Rs 224.9 billion in FY2021, which is not only higher than the estimated provincial surplus of Rs 242 billion but also represents a 39.4 percent increase over the previous year.

Performance (July-March FY2022)

During the first nine months of the current fiscal year, provinces recorded a combined surplus of Rs 599.8 billion against Rs 412.7 billion in the same period of last year. Punjab contributed the most to the surplus, followed by Sindh, Balochistan, and Khyber Pakhtunkhwa. A higher surplus was achieved because of strong growth in total revenues, which increased by 31.4 percent in July-March FY2022, compared to 4.7 percent in the same period last year. In absolute terms, provincial revenues stood at Rs 3,395.2 billion during July-March FY2022 against Rs 2,584.3 billion in the comparable period of last year. In total provincial revenues, tax collection (federal transfer and provincial tax) grew by 28.3 percent to Rs 3,022.5 billion in July-March FY2022 against Rs 2,355.9 billion in the same period of last year. Despite an increase in provincial taxes, transfers from the Federal Government under the NFC award remained the primary source of revenue for the provincial government, accounting for 76.1 percent of total provincial revenues.

Fig: 4.15- Province-wise Surplus (Rs billion)



Provincial tax grew by 18.4 percent during July-March FY2022 to reach Rs 438.3 against Rs 370.1 in the same period of last year. Higher growth in the collection from stamp duties and motor vehicle tax was largely attributed to raising the provincial tax collection drive during the period under review. Similarly, non-tax revenues grew by 14.1 percent to stand at Rs 93.7 billion during July-March FY2022 as compared to Rs 82.2 billion in the same period of last year. The main impetus in non-tax collection is stemmed from significant growth in a collection from hydro-electricity profits. Consequently, the province's own revenue receipts increased to Rs 532.0 billion in July-March FY2022 against Rs 452.3 billion in the same period of last year, representing a growth of 15.7 percent.

Total provincial expenditure increased by 28.7 percent to Rs 2,795.4 billion during July-March, FY2022, compared to Rs 2,171.6 billion during the same period last year. Higher expenditures were observed due to a sharp increase in provincial development spending that outpaced growth in current expenditures during the period under review. Development expenditures grew by 85.7 percent during July-March FY2022 to Rs 724.1 billion, compared to Rs 390.0 billion in the same period last year. While current expenditure increased by 12.5 percent to Rs 2,192.4 billion during July-March FY2022 against Rs 1,948.4 billion in the comparable period of last year. The significant rise in development expenditures has been witnessed mainly in the areas of health, recreational culture & religion, housing & community, economic affairs, social protection, environment protection, and general public services etc.

Public Financial Management Reforms (PFM)

Public Finance Management Act was promulgated in 2019 to strengthen the management of public finances with a view to improve the definition and implementation of fiscal policy for better macroeconomic management, clarify institutional responsibilities related to financial management, and strengthen budgetary management. Major development regarding the implementation of PFM Act during the year are mentioned below:

i. Financial Management and Powers of Principal Accounting Officers Regulations, 2021 was issued wherein the financial advisor's organization of the Finance Division has been disbanded. Now on completion of the transitory period, the Joint Secretaries or Deputy Secretaries Expenditures, Finance Division shall be reassigned official duties to be performed for various Ministries or Divisions forthwith.

ii. The office of Chief Finance and Account Officer headed by a senior level officer has been established who is responsible for assisting and supporting the Principal Accounting Officer in managing the financial affairs of the Division concerned or more Divisions if so allocated and all the organizations or departments or offices under the administrative control of that Division.

iii. Principal Accounting Officer has been empowered to utilize his one-liner Budget grant without endorsement by the Finance Division.

iv. Amendments have been made in Federal Treasury Rules to facilitate the pensioners.

v. Amendment in GFR 130(3) has been made to empower the head of an office to authorize any gazetted officer serving under him, or such other officials as are authorized by the Finance Division on this behalf, to incur expenditure.

vi. Amendment has been made in GFR 130, sub-rule 3 to authorize Police House Station Officers (SHOs) of Islamabad Capital Territory (ICT) as Drawing and Disbursing Officers (DDOs) for their respective jurisdictions in ICT.

vii. Receipt and Payment Rules, Grant in Aid Rules, and General Financial Rules have been drafted in consultation with stakeholders and are at final stage.

viii. Established TSA phase-I system in Ministries, Divisions, Attached Departments, and Sub-Ordinate Offices (MDAS).

ix. 163 Ministries, Divisions, Attached Departments, and Sub-Ordinate Offices (MDAS) have been notified under Treasury Single Account.

x. Closed over 4500 Commercial Bank Accounts of Government entities.

xi. Conducted awareness workshop on TSA phase-II system for Public Entities including Autonomous bodies, Regulatory Authorities, Funds, Civil Armed Forces, and Defence.

xii. Cash Forecasting Unit (CFU) has been established under the Budget Wing of the Finance Division to forecast Cash Flows and anticipate the cash needs of the Federal Government for improved liquidity management.

xiii. Special Assignment Account Procedure for Public Account of the Federation 2020 has been devised and circulated for the opening and operation of Public Account.

xiv. Financial Management and Powers of Principal Accounting Officers Regulations, 2021 has been reviewed in consultation with stakeholders for the incorporation of amendments in the said regulations.

xv. Amendment in Sr. No 24 & Sr. No.42 of the schedule of Financial Powers delegated to PAOs, Heads of Departments, and Sub-Ordinate Offices, have been made to enhance the powers of the PAOs, Heads of Departments, and Sub-Ordinate Offices.

xvi. Amendment in Sr. No. 4,41,43 & 81 of the schedule of Financial Powers delegated to PAOs, Heads of Departments, and Sub-Ordinate Offices have been made.

Conclusion

Despite a significant rise in tax collection during July-March FY2022, higher current and development expenditures widened the fiscal deficit to 3.8 percent of GDP against 3.0 percent in the previous period. Similarly, the primary balance posted a deficit of Rs 447.2 billion against a surplus of Rs 451.8 billion. Due to additional spending under COVID-19 funds for vaccine procurement, IPPs Circular debt payment, social sector spending, and higher development expenditures, the fiscal sector remained under tremendous pressure. All these factors, along with the global economic challenges posed by the Russia-Ukraine conflict, as well as the impact on international commodities and oil prices, have increased the risk of fiscal slippages during the current fiscal year. To offset the inflationary pressure, the government initially tried to provide relief to the masses by maintaining domestic oil prices. However, as international commodity and energy prices continued to rise, providing relief acted as a double-edged sword, potentially increasing the fiscal deficit, and reducing fiscal space. To avoid severe fiscal imbalances and to ensure that fiscal consolidation would remain on track, the government has reduced the subsidy by raising the price of petroleum products. At the same time, the government is providing targeted subsidies to protect vulnerable segments of society from rising oil and commodity prices.

The Government is determined to restore fiscal sustainability through effective revenue mobilization and prudent spending. In this regard, key priorities include increasing the tax-to-GDP ratio through various tax policy and administration reforms, as well as reducing unnecessary spending through austerity measures. Furthermore, the emphasis is on rationalizing untargeted subsidies and reducing the losses of public sector enterprises through improved governance. These measures would provide significant assistance in controlling expenditure slippages and increasing revenues, thereby lowering the fiscal deficit in the medium to long term.

MONEY AND CREDIT

Policy Rate increased by cumulative

675 bps

during Sep-May FY 2022

Private sector credit witnessed an unprecedented expansion of Rs 1,312.9 billion

Fixed investment loans witnessed a significant expansion of Rs 333.1 billion

Working Capital loans observed an expansion of Rs 608.7 billion

Chapter 5

Money & Credit

The outbreak of COVID pandemic in 2019 has led to a global macroeconomic shock of unprecedented magnitude. The central banks responded aggressively to avoid deep recession in the economies. Short-term interest rates, which were already low in most advanced economies, quickly fell to around zero in all advanced economies, outpacing their responses to Global Financial Crisis (GFC) in terms of both speed and scope.[1] Emerging markets also experienced sharp declines in short-term interest rates, approaching zero in several countries.

The central banks supported national government's expansionary fiscal policy measures in the form of tax cuts and higher government spending to boost aggregate demand and employment. The GFC and the COVID-19 pandemic have shifted the focus of monetary policy, which involves significant budgetary expansion even if it requires using the money-creation capacity of the central bank.

The global recovery was expected in 2021 after contraction in 2020, but the momentum slowed and fueled by the highly transmissible Delta and Omicron variant, along with emerging price pressures, due to unusual pandemic-related developments, soaring global commodity prices and pandemic-induced supply-demand imbalances during second half of 2021. Further, the Russia-Ukraine conflict raises immediate financial stability risks and questions about the longer-term impact on markets early in the 2022.

In a nutshell, the sharp rise in commodity prices combined with long-term supply disruptions, has exacerbated pre-existing inflationary pressures and shifted inflation risks to the upside. In many countries, inflation has become a central concern. In some advanced economies, including the United States and some European countries, it has reached its highest level in more than 40 years.

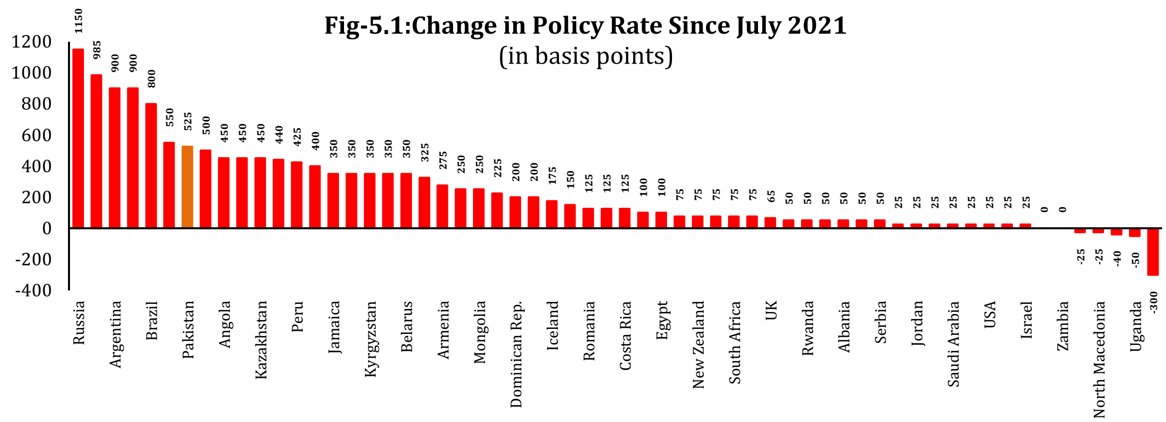
War-related supply shortages are expected to amplify these pressures, notably through increases in the price of energy, metals, and food. As a result, inflation is projected to remain elevated for longer than previously expected, in both advanced and emerging market and developing economies.[2]

In response, central banks around the world began to tighten monetary policy to keep inflationary expectations well anchored. Since July 2021, 53 central banks have

[1]https://voxeu.org/article/monetary-policy-and-central-banking-COVID-era-new-ebook
[2] Global Financial Stability Report, April 2022, IMF

increased their policy rates. The changes in policy rate in some selected countries is shown in Fig-5.1.

Fig-5.1:Change in Policy Rate Since July 2021
(in basis points)



Source: tradingeconomics.com; cbrates.com; upto April 15, 2022

In emerging and developing economies, increases in food and fuel prices can significantly increase the risk of poverty. A wider range of emerging market economies can come under pressure if the pace of global monetary tightening accelerates further, especially in the United States, or if financial markets start to reprice more aggressively, which would further weigh on the global outlook.

Global economic challenges like monetary tightening, high international commodity prices, and the Russia-Ukraine conflict have posed a potential risk for Pakistan's economy which is already struggling to maintain the Post COVID recovery. The impact of global challenges on the domestic economy has been transmitted through higher inflation, deterioration in external accounts, depletion of foreign reserves, which eventually exerts significant pressure on the exchange rate. Accordingly, SBP has moved to monetary policy tightening at the end of the first quarter of FY2022, which was kept unchanged since June 2020.

Monetary Policy Stance in Pakistan

Pakistan's economy has witnessed a V-shaped recovery in FY2021 after witnessing a contraction of 0.9 percent in FY2020. After the COVID outbreak, the policy rate was reduced by 625 bps within short span of less than three months, during Mar-Jun, 2020. This was the largest policy rate cut in emerging market economies. During FY2021, State Bank of Pakistan maintained an accommodative monetary policy stance, by keeping the policy rate unchanged at 7.0 percent throughout FY2021. Besides, SBP provided liquidity and regulatory support to businesses and households during the challenging times. The economic policy was implemented with a prudent mix which supported the economic recovery without putting any pressure on macroeconomic imbalances.

With heightened uncertainty due to COVID-19, the Monetary Policy Committee for the first time considered it appropriate to provide some forward guidance on monetary policy in its January 2021 meeting[3], to facilitate policy predictability and decision-

[3] The central bank communication is an important aspect of the monetary policy that aims to reduce economic and financial uncertainty. During unusual economic conditions, some central banks also communicate the future monetary policy stance which is referred to as

making by economic agents. In the absence of unforeseen developments, the MPC expected monetary policy settings to remain unchanged in the near term. Moreover, in the subsequent monetary policy decisions during FY2021, the MPC has maintained the policy rate of 7.0 percent to nurture the economic recovery.

Table-5.1:Policy Rate

w.e.f	Policy rate
21/5/2016	5.75
26/1/2018	6.0
25/5/2018	6.5
14/7/2018	7.5
1/10/2018	8.5
3/12/2018	10.0
1/2/2019	10.25
1/4/2019	10.75
21/5/2019	12.25
16/07/2019	13.25
18/03/2020	12.50
25/03/2020	11.00
16/04/2020	9.00
16/05/2020	8.00
26/06/2020	7.00
20/09/2021	7.25
22/11/2021	8.75
15/12/2021	9.75
7/4/2022	12.25
24/5/2022	13.75

Source: State Bank of Pakistan

At the end of first quarter FY2022, policy rate has increased by 25 bps to 7.25 percent. The decision was primarily based on observation of excess aggregate demand and more than expected economic recovery as reflected by rising high import bill and increasing current account deficit. The objective of monetary policy was shifted to ensuring the appropriate policy mix to protect the longevity of growth, keep inflation expectations anchored, and control the current account deficit.

In subsequent Monetary Policy decisions announced in November and December, 2021, policy rate was increased by 150 bps and 100 bps to 8.75 percent and 9.75 percent, respectively. The decision was made due to heightened risks associated with inflation and balances of payments, which stemmed from both global and domestic factors.

In Pakistan, high import prices have contributed to higher-than-expected inflation outturns. At the same time, there were also emerging signs of demand-side pressures on inflation from domestic administered prices.

In December, 2021 Monetary policy decision, MPC explained that the goal of mildly positive real interest rates was now close to being achieved. Looking ahead, the MPC expected monetary policy settings to remain broadly unchanged in the near-term. Resultantly, policy rate has kept unchanged at 9.75 percent in two successive decisions held on January and March, 2022.

However, policy rate was increased by 250 bps to 12.25 percent from 9.75 percent in an unscheduled meeting on 07th April 2022, to address significant uncertainty amidst rising global commodity prices and domestic political situation. The inflation outlook had deteriorated and risks to external stability had increased for FY2022. Externally, futures market suggests that global commodity prices, including oil, are likely to remain elevated for longer and the Federal Reserve is likely to increase interest rates more quickly than previously anticipated, likely leading to a sharper tightening of global

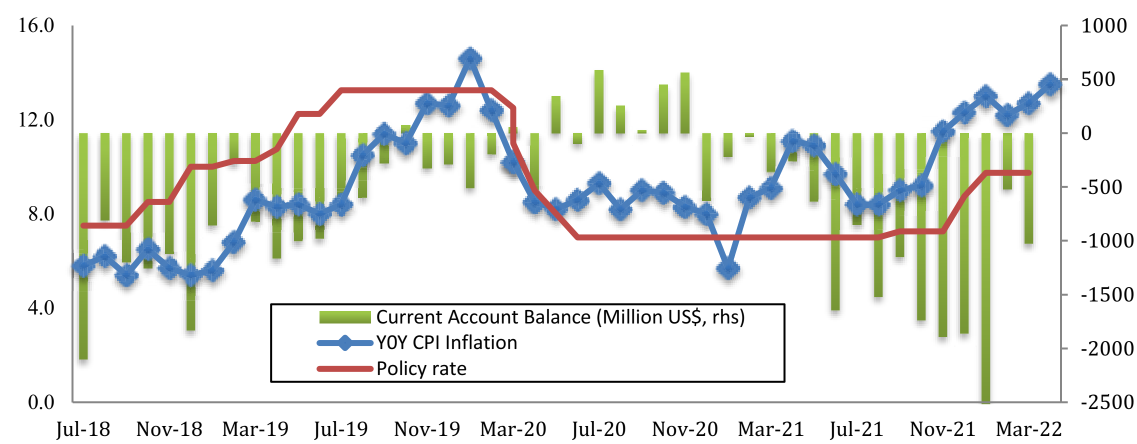
forward guidance. It is an unconventional monetary policy tool that is used by the central banks to minimize interest rate volatility and to manage interest rate expectations. In the aftermath of COVID-19 outbreak, some developed and emerging market central banks (included US Federal Reserve, Reserve Bank of Australia, Bank of Canada, Reserve Bank of India, Central Bank of Sri Lanka and Central Bank of Brazil) adopted this approach to give confidence to investors and other economic agents in the forward-looking decisions given heightened uncertainties (SBP Annual Report, FY2021).

financial conditions. Domestically, some macroeconomic indicators have deteriorated, as have SBP reserves as a result of debt repayment and political uncertainty. Fig-5.2 presents the trend in policy rate, CPI inflation and current account balance.

In monetary policy decision held on 23rd May, 2022 the MPC decided to raise the policy rate by 150 basis points to 13.75 percent. The decision was based on outcome of provisional growth estimates for FY2022 more than target, shows excess aggregate demand, elevated external sector pressure and the higher inflation outlook due to domestic and international factors.

In addition to policy rate increase, the interest rates on EFS and LTFF loans are also being raised. The MPC has informed that in future, these rates will be linked to the policy rate and will adjust automatically, while continuing to remain below the policy rate in order to incentivize exports.

Fig-5.2: Monetary Policy Performance



Box-I: Salient Changes in SBP Act[4]

- The role of the SBP as defined in the State Bank of Pakistan Act 1956 has undergone several changes over the years.[5] These legislative changes were carried out to bring the central bank functions in line with the international best practices so as to enable it to deal with the evolving challenges and issues effectively. In the similar manner, recent amendments in the SBP Act 2022 mainly clarifies the objectives of the SBP, along with enhancing operational and financial autonomy, accountability, and transparency.
- Overall, the amendments balance the provision of necessary operational and financial autonomy to the State Bank while enhancing transparency in decision making and strengthening accountability. More specifically, the amendments have six key purposes:

  1. to clearly define the objectives of the SBP to improve its accountability;
  2. to outline the SBP's functions in line with these objectives;
  3. to provide the SBP necessary financial resources to help achieve its objectives;
  4. to strengthen the functional and administrative autonomy of the SBP;
  5. to increase transparency in the operations of the SBP and strengthen its governance;

[4] https://www.sbp.org.pk/about/pdf/LF/Brief-1.pdf
[5] Major revisions in the SBP Act were introduced in 1994, 1997, 2012 and 2015

6. to enhance the SBP's accountability by strengthening oversight functions and increasing reporting requirements.

Key Amendments in SBP Act 2022

Scope of Amendment	**Rationale**
Definition of Objectives: The amendments identify domestic price stability as the primary objective of the SBP, followed by financial stability and support of the general economic policies of the Government. [6]	There is strong international evidence that countries with an independent, accountable and transparent central bank have lower and more stable inflation over long periods of time, which in turn, lays the foundation for sustainable growth. Across the world, the majority of central banks have price stability as their primary objective and these include emerging and developing economies like Indonesia, Malaysia, Philippines, Colombia, Mongolia, Bhutan, and Jordan.
SBP's Functions: The amendments suitably align the SBP's functions and collate them under a new section in order to achieve objectives.[7]	Given the inflationary nature of government borrowing from the Central Bank, the amendments propose to exclude provisions related to Government borrowing[8] as well as the quasi-fiscal operations of the State Bank. The State Bank would, however, continue to extend refinance facilities to financial institutions with appropriate checks and balances. Further, the lender of last resort function of the central bank has been further strengthened to enable it to provide temporary liquidity facility to banks against appropriate collateral.[9]
Provision of Resources: The amendments seek to provide the SBP with sufficient financial resources to achieve its objectives.[10]	If a central bank cannot continually avail for itself sufficient financial resources to fulfill its mandate, its autonomy remains vulnerable. The amendments allow SBP to be sufficiently capitalized and prescribe the necessary mechanism to achieve the desired level of capital over time, through both statutory reserves as well as retained earnings.[11]
Strengthening the Autonomy: The amendments strengthen the functional and administrative autonomy of the SBP.[12]	A key element of the functional independence of Central Banks is the protection of its officials for actions taken in good faith. Provisions for protection are not only a common practice in other central banks but also exist in other domestic laws. The amendments, therefore, propose to add a provision for a general protection to SBP officials for all actions undertaken in good faith.[13] In addition, the Monetary and Fiscal Policies Coordination Board has been abolished, as its terms of reference overlap with the work that has been assigned to the Monetary Policy Committee under the existing Act and such a mechanism for coordination goes beyond provisions in the acts of other central banks. Instead, a new mechanism for coordination is being proposed between the Finance Minister and the Governor, under which they would establish a close liaison and keep each other

[6] "Whereas it is necessary to provide for the constitution of State Bank to achieve domestic price stability by way of regulating the monetary and credit system of Pakistan and, without prejudice to said primary objective, contribute to the stability of the financial system of Pakistan and supporting the general economic policies of the Federal Government to foster development and fuller utilization of the country's productive resources;"

[7] Section 4C. Functions of the Bank

[8] Section 9C. Prohibition on the Government borrowing

[9] Section 17G. Lender of last resort

[10] Share capital. (1) The authorized capital of the Bank shall be five hundred billion Rupees, divided into five billion shares of one hundred Rupees each. The authorized capital may be increased by the resolution of the Board, subject to the approval of the Federal Government.

[11] Section 4A. Re-capitalization

[12] Section 52A, Section 9G

[13] Section 52A. Protection of action taken in good faith and indemnity

	informed of matters that jointly concern the Ministry of Finance and the State Bank.[14]
Increasing Transparency: The amendments increase transparency in the operations of the SBP and strengthen its governance.[15]	The amendments prescribe qualification and experience requirements,[16] tenure,[17] conflict of interest[18] and disqualification criteria[19] for all appointments[20], including the directors of the Board of State Bank, members of the Monetary Policy Committee, the Governor and the Deputy Governors. In addition, to introduce a collegial decision-making process, the amendments propose to establish an Executive Committee at State Bank consisting of the Governor, Deputy Governors, and Executive Directors.[21] This committee will be responsible for formulating policies related to the Bank's core functions as well as those related to administration and management matters, excluding those matters falling in the purview of the Monetary Policy Committee or the Board of Directors. All policy decisions will be taken by the Executive Committee.
Enhancing Accountability: The amendments enhance the SBP's accountability by strengthening oversight functions and increasing reporting requirements[22].	The amendments strengthen provisions related to accountability of the State Bank to the Parliament, constitution of an Audit Committee,[23] designation of a Chief Internal Auditor[24] and appointment of External Auditors.[25] In addition, it is proposed that the oversight role of the Board of Directors of State Bank be strengthened and its scope broadened, including by giving them explicit oversight over the affairs and functions of the Bank; the power to supervise the management, Bank's administration, operations; and right of access to all activities of the Bank.[26]
Source: https://www.sbp.org.pk/about/pdf/LF/Brief-1.pdf	

Recent Monetary and Credit Developments

Broad Money (M2) has increased by Rs 1,457.2 billion during the period 01st July-29th April, FY2022 as compared to Rs 1,632.7 billion during same period of last year, showing the growth of 6.0 percent. Contained growth in M2 has been observed mainly due to decrease in Net Foreign Assets (NFA) of banking system. NFA's point contribution has decreased to 5.5 percent as compared to positive contribution of 4.7 percent last year. Whereas Net Domestic Assets (NDA) point contribution stood at 11.5 percent as compared to 3.1 percent during same period last year. As a result, M2 growth reached at 6.0 percent during the period under review as compared 7.8 percent during same period last year (Table-5.2).

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[14] 9G. Governor and Minister of Finance to establish liaison
[15] 9F. Executive Committee. (1) An Executive Committee shall be established with the power to formulate policies related to the Bank's core functions as well as those related to administration and management matters, excluding those matters falling in the purview of the Monetary Policy Committee, or the Board of Directors.
[16] Section 9(5) Board of Directors
[17] Section 14. Terms of Office
[18] Section16A. Conflict of interest
[19] Section 13. Disqualifications of the Governor, Deputy Governors, Directors and members
[20] Section 11A. Appointments
[21] Section 9F. Executive Committee
[22] Section 39. Accountability (1) The Governor shall submit annual report before the Majlis-e-Shoora (Parliament) regarding the achievement of the Bank's objectives, conduct of monetary policy, state of the economy and the financial system.
[23] Section 45. Audit committee.
[24] Section 45A. Chief internal auditor
[25] 43. External Audit
[26] Section 9. Board of Directors and 9(A). Powers of the Board

Table-5.2: Profile of Monetary Indicators Rs billion

	FY21 (Stocks)	29/04/2022	30/04/2021
Net Foreign Assets (NFA)	724.7	-1327.7	980.6
Net Domestic Assets (NDA)	23,573.0	2784.8	652.1
Net Government Borrowing	16,265.1	1795.6	619.7
Borrowing for budgetary support	15,373.5	1586.8	642.6
From SBP	5,332.5	133.5	-1164.3
from Scheduled banks	10,041.0	1453.3	1807.0
Credit to Private Sector	7,629.1	1312.9	454.4
Credit to PSEs	1,436.7	14.6	-26.6
Broad Money	24,297.7	1457.2	1632.7
Reserve Money	8,663.5	1171.0	550.8
Growth in M2 (%)	16.2	6.0	7.8
Reserve Money Growth (%)	12.8	13.5	7.2

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

Within Broad Money, the NFA of the banking sector contracted by Rs 1,327.7 billion against expansion of Rs 980.6 billion in last year.

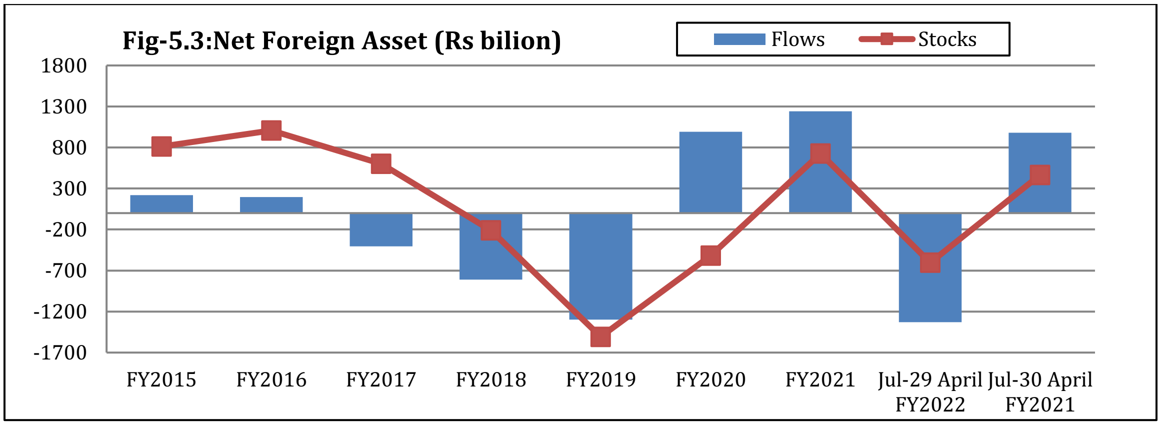
The NFA of SBP witnessed contraction of Rs 1,360.1 billion during the period under review against expansion of Rs 782 billion in last year. This was contained due to pressure on external front on account of high international commodity prices and expansion in domestic activities, transfers pressure on import bill and current account deficit. The higher foreign currencies outflows on account of debt repayment and foreign exchange operations more than offset the impact of inflows from issuance of Eurobonds and higher remittances received under Roshan Digital account during the period under review. Meanwhile, the allocation of SDRs amounting to US$ 2.75 billion under IMF's general SDR allocation had no effect on the NFA of SBP.[27] Whereas, NFA of scheduled bank increased by Rs 32.4 billion as compared Rs 198.4 billion in last year.

Conversely, NDA of banking sector observed expansion of Rs 2,784.8 billion against Rs 652.1 billion in last year. Within NDA, NDA of SBP increased by Rs 2,267.5 billion compared to contraction of Rs 557.1 billion in last year. On the other hand, NDA of scheduled banks increased by Rs 517.3 billion against expansion of Rs 1,209.3 billion in last year. The expansion in NDA on account of significant expansion in private sector credit, increased lending to Public Sector Enterprises (PSEs) and lending to government commodity procurement agencies.

Reserve Money (RM) grew by 13.5 percent (Rs 1,171.0 billion) during 1st Jul- 29th April, FY2022 as compared to growth of 7.2 percent (Rs 550.8 billion) during same period last year. High growth in RM is entirely stemmed from NDA of SBP which partially counter by negative NFA of SBP.

Therefore, M2 growth remained 6.0 percent, after expansion of 7.8 percent during same period last year. Contrary to last year, M2 growth totally emanated from growth in NDA which partially offset by contraction in NFA growth.

[27] First Quarterly Report, FY2022, SBP

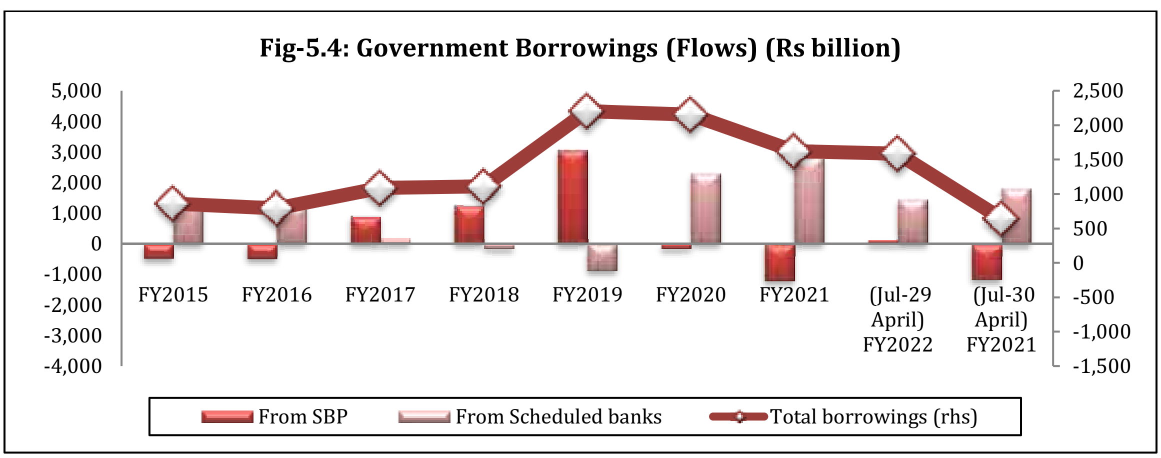


Credit to Public Sector Enterprises (PSEs) witnessed expansion of Rs 14.6 billion as compared to retirement of Rs 26.6 billion during same period last year.

Government Borrowing

The Government sector borrowing increased to Rs 1,586.8 billion for budgetary support during the period 01stJuly-29th April, FY2022 as compared to Rs 642.6 billion during same period last year. Domestic borrowing for budgetary support remained higher than last year due to pressure on the external front for high payments. Within budgetary support, Government has borrowed Rs 133.5 billion from SBP as compared to retirement of Rs 1,164.3 billion in the same period last year. On the other hand, Government has borrowed Rs 1,453.3 billion from scheduled banks as compared to borrowing of Rs 1,807.0 billion last year. As a result, net Government sector borrowing amounted to Rs 1,795.6 billion against the borrowing of Rs 619.7 billion during same period last year.

During first nine months of FY2022, Government has financed around 62 percent of fiscal deficit from domestic sources. Within domestic sources, bank and non-bank financing share remained 66 and 34 percent, respectively.

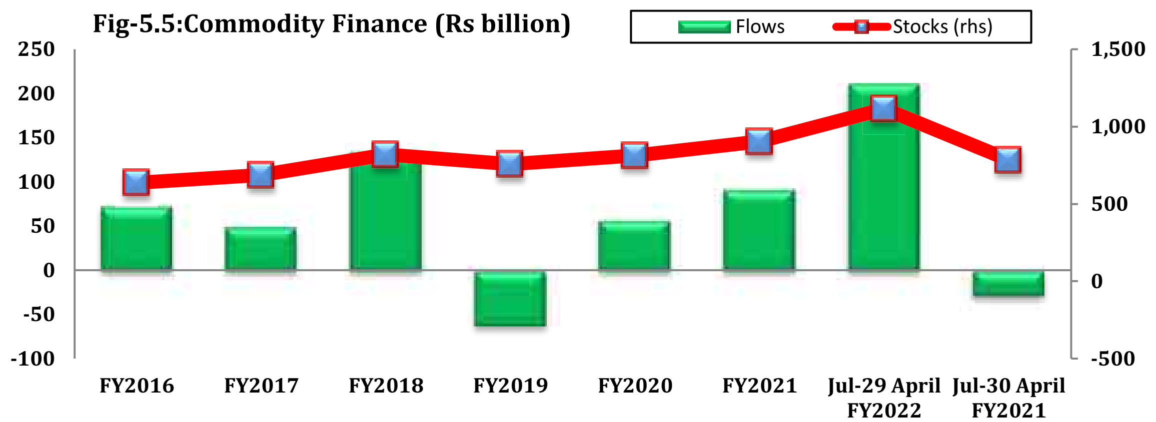


Commodity Finance

Commodity operation means advances provided either to Government, public sector corporations or private sector for the procurement of commodities such as cotton, rice, wheat, sugar, fertilizer, etc. Both federal and provincial governments borrow from scheduled banks to finance their purchases of commodities.[28] The proceeds from the sale of such commodities are subsequently used to retire commodity borrowing.

During FY2021, commodity finance observed net borrowing of Rs 90.6 billion (posted growth of 11.1 percent) against borrowing of Rs 57 billion (growth of 7.5 percent) in FY2020. The outstanding stock of commodity finance amounted to Rs 904.0 billion in FY2021 as compared Rs 813.4 billion in FY2020. The amount has been borrowed for commodity finance during FY2021 mainly reflected the borrowing of Rs 90.9 billion by wheat procurement agencies from banking system as compared to Rs 43.1 billion in FY2020.

Fig-5.5:Commodity Finance (Rs billion)



Loans for commodity finance observed a net borrowing of Rs 210.9 billion during 01st Jul-29th April, FY2022 as compared to net retirement of Rs 28.8 billion during same period last year. The outstanding stock of commodity finance reached at Rs 1,115 billion as on 29th April, FY2022, against Rs 785 billion during the same period last year.

During July-March, FY2022, loans for wheat financing observed a net retirement of Rs 45.6 billion against the retirement of Rs 110.8 billion during same period last year. Loans for sugar financing witnessed net retirement of Rs 8.6 billion during the period under review, before borrowing of Rs 1.1 billion in last year. Fertilizer financing observed net retirement of Rs 5.1 billion as compared to net retirement of Rs 2.9 billion last year. Fertilizer sector has paid its loans due to better liquidity situation on account of increased in sales revenues. Cotton financing witnessed net borrowing of Rs 82.0 million as compared to net borrowing of Rs 94.0 million last year. Rice financing shows net retirement of Rs 15 million against the net borrowing of Rs 8.0 million in last year.

Credit to Private Sector[29]

Private sector credit increased significantly to Rs 766.2 billion during FY2021 as compared to Rs 196.4 billion in last year. This unprecedented expansion was primarily due to an accommodative monetary policy stance throughout FY2021, with the policy

[28] Glossary, Monthly Statistical Bulletin, SBP

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

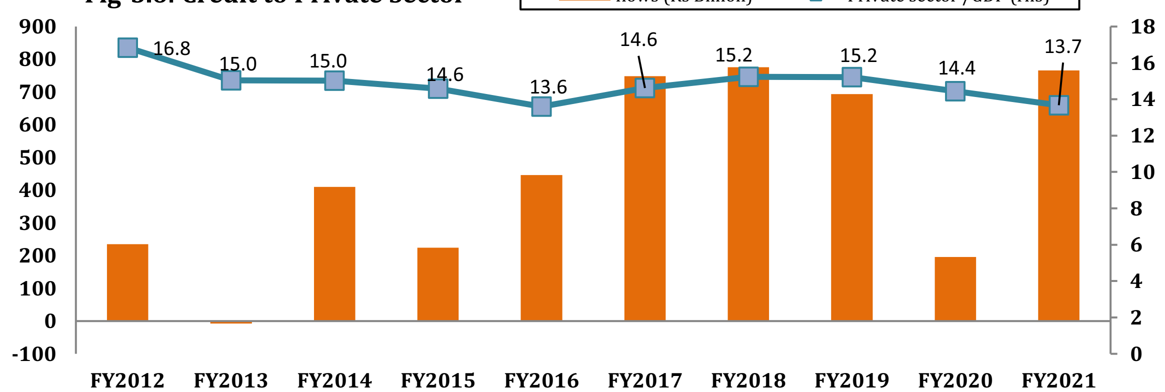
rate remaining unchanged at 7.0 percent, as well as the availability of SBP concessional finance schemes such as the Long-Term Finance Facility (LTFF) and the Temporary Economic Refinance Facility (TERF). Within loans to private sector businesses, fixed investment loans increased significantly during FY2021 to Rs 203.5 billion as compared retirement of Rs 27.9 billion in FY2020. On the other hand, working capital loans observed expansion of Rs 169.5 billion as compared Rs 23.3 billion in FY2020.

During the period 1st July-29th April, FY2022 private sector credit witnessed significant expansion of Rs 1,312.9 billion against Rs 454.4 billion during comparable period of last year, posted significant growth of 189.0 percent. On average, it has posted growth of 17.2 percent as compared to growth of 6.0 percent in last year. On Year on Year (YoY) basis, it has posted growth of 22.2 percent as on 29thApril, 2022.

Quarter-wise data revealed that the first quarter of FY2022 witnessed net expansion of Rs 177.4 billion credit to businesses as compared usual seasonal loan retirement of Rs 101.4 billion in last year. Factors contribute to this unusual expansion include continuation of accommodative policy environment, availability of concessionary financing schemes (mainly TERF), significant growth in LSM and increase in industrial activity and improved business confidence. Policy stance has been changed from accommodative to contractionary during second quarter of FY2022, it increased by 275 bps during second quarter, but high WALR cost has not been transmitted on borrowing pattern. Therefore, it has increased significantly to Rs 682.8 billion during second quarter of FY2022 against the expansion of Rs 320.9 billion during same quarter of last year.

Private Sector business loans increased to Rs 142.0 billion during third quarter of FY2022 against expansion of Rs 60.5 billion during comparable period last year.

Fig-5.6: Credit to Private Sector



Sectoral Analysis

Overall, private sector credit observed an expansion of Rs 1,162.6 billion (growth of 17.0 percent) during Jul-Mar, FY2022 against an increase of Rs 441.5 billion (growth of 7.1 percent) last year. Within private sector credit, loans to private sector businesses increased to Rs 1,002.2 billion (receive 86 percent share of total credit) compared Rs 280.0 billion (63.4 percent of credit) during same period last year. Sectors which posted higher credit expansion included Manufacturing Rs 789.0 billion (78.7 percent of business loans) of which Textile Rs 334.1 billion (42.3 percent of Manufacturing sector loans), followed by manufacturing of food products Rs 148.7 billion of which Rice processing Rs 62.4 billion and manufacturing of sugar Rs 98.6 billion. Information and Communication sector observed expansion of Rs 66.8 billion, followed by Wholesale and Retail trade Rs 46.1 billon, Construction Rs 31.0 billion and Transport and Storage availed Rs 14.0 billion.

Table- 5.3 : Credit to Private Sector Rs billion

Sectors	End Month Stocks				Jul-Mar (Flows)		Average Growth Rates	
	June-20	March-21	June-21	March-22	2020-21	2021-22	2020-21	2021-22
Overall Credit (1 to 5)	**6,180.2**	**6,621.7**	**6,827.6**	**7,990.1**	**441.5**	**1,162.6**	**7.1**	**17.0**
1. Loans to Private Sector Business	**5,271.0**	**5,551.1**	**5,712.4**	**6,714.6**	**280.0**	**1,002.2**	**5.3**	**17.5**
Agriculture	280.2	281.8	292.3	314.6	**1.6**	**22.4**	**0.6**	**7.7**
Mining and Quarrying	83.0	84.6	67.2	68.3	**1.6**	**1.1**	**2.0**	**1.7**
Manufacturing	3,290.3	3,454.1	3,548.5	4,337.5	**163.8**	**789.0**	**5.0**	**22.2**
Textiles	1,088.4	1,126.3	1,114.7	1,448.8	**37.9**	**334.1**	**3.5**	**30.0**
Electricity, gas, steam and air conditioning supply	491.8	548.9	558.7	588.7	**57.0**	**30.0**	**11.6**	**5.4**
Water supply, sewerage, waste management and remediation activities	15.1	22.1	24.2	25.0	**7.0**	**0.8**	**46.3**	**3.5**
Construction	129.6	138.5	154.4	185.4	**8.9**	**31.0**	**6.9**	**20.0**
Wholesale and retail trade; repair of motor vehicles and motorcycles	429.3	442.9	452.6	498.6	**13.6**	**46.1**	**3.2**	**10.2**
Transportation and Storage	119.6	119.4	113.7	127.7	**-0.2**	**14.0**	**-0.1**	**12.3**
Accommodation and food service activities	37.0	43.3	42.9	41.3	**6.3**	**-1.6**	**17.0**	**-3.8**
Information and Communication	159.2	162.0	185.4	252.2	**2.7**	**66.8**	**1.7**	**36.0**
Real estate activities	29.4	26.9	30.9	36.8	**-2.6**	**5.9**	**-8.8**	**19.0**
Administrative and support service activities	62.2	59.6	64.6	60.6	**-2.6**	**-3.9**	**-4.2**	**-6.1**
Education	22.5	29.0	32.3	36.7	**6.5**	**4.4**	**29.0**	**13.7**
Human health and social work activities	14.6	18.1	19.9	19.1	**3.5**	**-0.8**	**23.7**	**-4.2**
Arts, entertainment, and recreation	2.5	3.4	3.1	2.9	**0.9**	**-0.2**	**34.8**	**-6.6**
Other service activities	53.5	62.8	71.1	69.1	**9.3**	**-2.0**	**17.5**	**-2.9**
2. Trust Funds and Non Profit Organizations	**17.9**	**15.7**	**15.0**	**14.6**	**-2.2**	**-0.4**	**-12.2**	**-2.8**
3. Personal	**675.7**	**836.3**	**885.9**	**1,057.7**	**160.6**	**171.8**	**23.8**	**19.4**
4. Others	**1.5**	**4.3**	**3.1**	**2.8**	**2.8**	**-0.3**	**178.3**	**-9.9**
5. Investment in Security & Shares of Private Sector	**214.0**	**214.3**	**211.1**	**200.4**	**0.3**	**-10.7**	**0.1**	**-5.1**

Source: State Bank of Pakistan

Sizeable increase in credit offtake has been observed during first nine months of current fiscal year, credit demand increased both for fixed investment and working capital loans. Businesses took advantage of SBP concessionary financing schemes, particularly TERF. As a result, fixed investment loans witnessed significant expansion of Rs 333.1 billion during Jul-Mar FY2022 as compared Rs 137.0 billion during same period last year. Sector-wise distribution shows that Manufacturing sector dominated the overall fixed investment loans to Rs 213.9 billion (share of 64%), of which textile sector borrowed major share to Rs 94.6 billion during Jul-Mar FY2022 as compared Rs 45.9 billion during same period last year. The sector availed long term loans facility and benefitted from SBP concessionary schemes as evident from data of textile machinery which posted significant growth of 65 percent during Jul-Mar, FY2022.

Within non-manufacturing sectors, information and communication has borrowed long term loans amounted to Rs 72.5 billion as compared to retirement of Rs 1.5 billion during same period last year. The sector has availed long term loans for expansion and up-gradation. Similarly, Electricity and Gas sector has availed fixed investment loans to Rs 26.4 billion, albeit lower than last year of Rs 41.3 billion.

Table-5.4: Loans Classified by Borrowers (By Type of Finance) P (Rs billion)

Data based on ISIC 4 Classifications of Private Sector Businesses	Total Credit		Working Capital		Fixed Investment		LTFF		EFS	
	Jul-Mar FY2021	Jul-Mar FY2022	Jul-Mar FY2021	Jul-Mar FY2022	Jul-Mar FY2021	Jul-Mar FY2022	Jul-Mar FY2021	Jul-Mar FY2022	Jul-Mar FY2021	Jul-Mar FY2022
Loans to Private Sector Business	280.0	1002.2	110.8	608.7	137.0	333.1	120.0	202.9	68.7	101.1
Agriculture, forestry and fishing	1.6	22.4	6.5	12.9	-4.9	8.5	0.2	0.6	0.3	0.1
Mining and quarrying	1.6	1.1	-3.6	-4.3	5.2	5.4	0.0	0.0	-0.2	-0.1
Manufacturing	163.8	789.0	60.9	566.3	99.9	213.9	102.8	194.9	64.1	99.4
Manufacture of food products	125.4	148.7	97.8	134.1	27.0	13.9	7.8	15.1	7.3	15.3
Manufacture of grain mill products	42.8	29.4	41.6	24.3	1.1	4.9	1.0	1.1	10.2	10.7
Wheat Processing	-1.9	-20.7	-2.4	-21.1	0.4	0.4	0.4	0.2	0.0	-0.1
Rice Processing	36.7	62.4	35.4	57.1	1.3	5.1	0.5	0.8	8.3	10.4
Manufacture of sugar	73.0	98.6	63.1	100.6	9.7	-2.1	1.2	3.4	-2.3	3.3
Manufacture of beverages	2.4	17.3	0.8	13.8	1.5	3.5	0.5	0.2	-0.4	0.2
Manufacture of textiles	37.9	334.1	-9.8	235.3	45.9	94.6	60.8	94.6	44.8	64.8
Manufacture of coke and refined petroleum products	2.4	25.5	1.3	21.1	1.1	4.5	0.4	1.4	0.3	0.0
Manufacture of refined petroleum products	2.2	25.9	1.1	21.3	1.1	4.6	0.4	1.4	0.3	0.0
Manufacture of chemicals and chemical products	-28.9	24.5	-8.6	3.9	-20.2	20.5	4.1	16.5	0.2	5.0
Electricity, gas, steam and air conditioning supply	57.0	30.0	16.0	3.7	41.3	26.4	1.1	-1.7	-0.1	-0.3
Electric power generation, transmission and distribution	56.4	29.3	14.6	3.6	42.1	25.8	0.9	-2.3	-0.1	0.0
Water supply; sewerage, waste management and remediation activities	7.0	0.8	5.7	1.4	1.3	-0.6	0.0	0.0	0.0	0.0
Construction	8.9	31.0	4.7	-1.2	-12.3	-5.7	3.5	-5.3	0.1	0.0
Wholesale and retail trade; repair of motor vehicles and motorcycles	13.6	46.1	7.0	38.2	6.2	6.0	4.2	0.1	0.6	0.7
Transportation and storage	-0.2	14.0	0.4	10.2	-0.6	3.1	0.9	1.8	0.0	0.0
Accommodation and food service activities	6.3	-1.6	0.8	-2.4	4.1	0.8	0.8	1.4	0.0	0.1
Information and communication	2.7	66.8	4.1	-5.7	-1.5	72.5	5.0	9.2	1.0	2.8
Telecommunications	-0.3	66.1	2.4	-3.8	-2.7	69.9	4.7	6.7	0.0	2.5
Real estate activities	-2.6	5.9	-0.9	0.8	-5.6	-0.2	0.0	0.1	0.0	0.0

Table-5.4: Loans Classified by Borrowers (By Type of Finance) P (Rs billion)

Data based on ISIC 4 Classifications of Private Sector Businesses	Total Credit		Working Capital		Fixed Investment		LTFF		EFS	
	Jul-Mar FY2021	Jul-Mar FY2022	Jul-Mar FY2021	Jul-Mar FY2022	Jul-Mar FY2021	Jul-Mar FY2022	Jul-Mar FY2021	Jul-Mar FY2022	Jul-Mar FY2021	Jul-Mar FY2022
Education	6.5	4.4	4.8	-1.4	-1.6	0.5	0.1	-0.2	0.0	0.0
Human health and social work activities	3.5	-0.8	1.4	-1.0	0.6	0.1	0.2	0.6	0.0	0.0

P : Provisional

Notes:

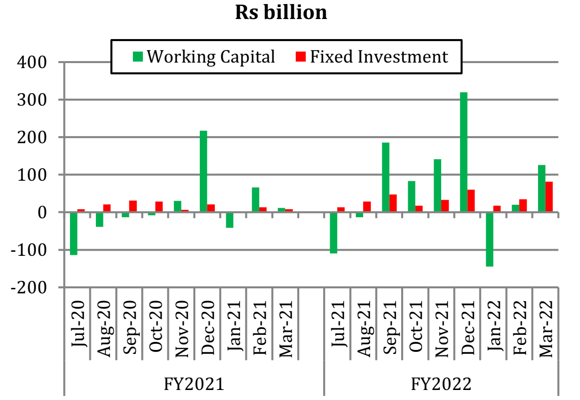
1. Classification of Private Sector - Business based on International Standard Industrial Classification (ISIC), Rev. 4 of United Nation adopted from June 2019.
2. Islamic Financings, Advances (against Murabaha etc) and Other related items previously reported under Other Assets has been reclassified as credit to private sector w.e.f June 2014.
3. With reference to Infrastructure, Housing & SME Finance Department Circular No. 10 of 2020 dated 15th July 2020 and Statistics & Data Warehouse Department circular No. DS.MFS. 013814/20 dated 4th December, 2020, a new category "Construction Finance" has been added to "Loans Classified (By Type of Finance)" from June 2020 onwards. This type of finance includes working capital and fixed investment loans provided by scheduled banks to private sector for construction purposes. Accordingly, release amount under construction financing increased to Rs 60.5 billion during Jul-Mar, FY2022 as compared to Rs 32.2 billion during same period last year.

Source: SBP

Working Capital loans observed expansion of Rs 608.7 billion during Jul-Mar, FY2022 as compared expansion of Rs 110.8 billion during same period last year. Demand for short term loans has increased on account of high exports proceed particularly in textile sector, expansion of economic activities and higher commodity prices at global level which transfers pressure on domestic prices. Accordingly, manufacturing sector credit offtake amounted to Rs 566.3 billion against the borrowing of Rs 60.9 billion during same period last year. Of which, textile sector is the dominant sector, credit demand increased to Rs 235.3 billion against retirement of Rs 9.8 billion during last year. The textile sector also benefitted from SBP Export Finance Scheme (EFS) at a concessional rate of 3.0 percent, being the major exporter and availed Rs 64.8 billion against Rs 44.8 billion in last year.

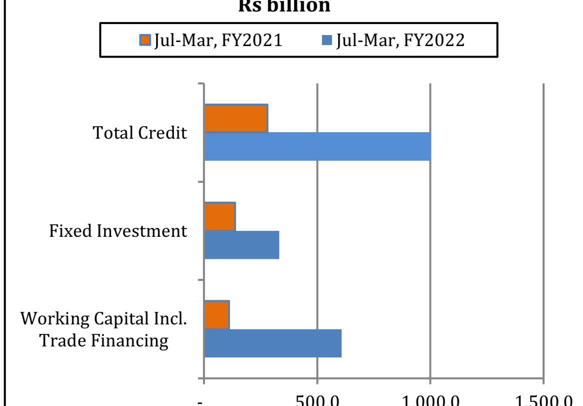
Higher international fuel prices and domestic demand on account of expansion in economic activities also reflects in petroleum sector credit demand for working capital loans, which increased to Rs 21.3 billion compared Rs 1.1 billion during same period last year. This also evident from 77.0 percent increase in Brent crude prices in March, 2022 on YoY basis and total oil sales by 23.0 percent.

Fig-5.7:Loans to Private Sector Businesses, Rs billion



Source: SBP

Fig-5.8:Loans to Private Sector Businesses, Rs billion



Source: SBP

Consumer financing continued to accelerate and major impetus came from housing and automobile sector (Table 5.5). Consumer financing increased to Rs 143.6 billion (growth of 20.3 percent) during Jul-Mar, FY2022 as compared to Rs 131.7 billion (growth of 24.7 percent) during same period last year. Banks consumer loans demand primarily stemmed from automobile sector, with dominant share of 39 percent in total portfolio. Increasing demand also evident from cars sales which increased by 54.0 percent during Jul-Mar, FY2022.

Table-5.5: Consumer Financing Rs billion

	July-March (Flows)		**Growth(%)***	
Description	**FY2021**	**FY2022**	**FY2021**	**FY2022**
Consumer Financing	131.7	143.6	24.7	20.3
1) For house building	13.8	66.6	17.2	64.3
2) For transport i.e. purchase of car	73.6	55.5	34.9	18.0
3) Credit cards	10.0	13.9	23.1	25.2
4) Consumers durable	-2.7	1.4	-33.6	23.5
5) Personal loans	37.2	6.2	19.4	2.6
6) Other	-0.1	0.2	-16.7	24.0

* Growth is calculated on the basis of Stocks.

Source: State Bank of Pakistan

House building sector has witnessed unprecedented growth of 64.3 percent (Rs 66.6 billion) during Jul-Mar FY2022 as compared growth of 17.2 percent (Rs 13.8 billion) in last year. This surge in house building loans demand primarily due to measures taken by Government and SBP to promote housing and construction financing in the country.

In October 2020, the Government of Pakistan augmented these efforts by introducing the Government Markup Subsidy Scheme (G-MSS) wherein, now commonly known as Mera Pakistan Mera Ghar (MPMG) Scheme. This scheme enables banks to provide financing for the construction and purchase of houses at very low financing rates for low to middle income segments of the population.

SBP also instructed banks to target housing and construction finance on July 15, 2020. Banks were required to increase their housing and construction finance portfolio to 5 percent of their domestic private sector advances by the end of 2021. As a result, banks' financing to housing and construction sector increased to Rs 367 billion as of December 31, 2021 from Rs148 billion as of June 30, 2020. For 2022, Banks have been directed to increase their housing and construction portfolio to 7 percent of their domestic private sector advances, i.e. up to Rs 560 billion[30].

Monetary Liabilities

Monetary Liabilities include currency in circulation, demand deposits, time deposits and Resident Foreign Currency Deposits.

[30]https://www.sbp.org.pk/press/2022/Pr1-14-Apr-2022.pdf

Currency in Circulation (CiC)

During the period 01st July-29th April, FY2022 CiC witnessed an expansion of Rs 991.7 billion (growth of 14.4 percent) as compared to expansion of Rs 673.0 billion (growth of 11.0 percent) during same period last year. Currency-to-M2 ratio reached 30.7 as on 29th April, 2022 against 30.2 percent during same period last year. Significant growth in CiC has been observed particularly in the month of April, 2022 on account of cash demand during Ramzan and Eid Festive.

Table-5.6: Monetary Aggregates Rs million

Items	End June		29th April	
	2020	**2021**	**2020-21**	**2021-22**
A.Currency in Circulation	6,142,016	6,909,937	6,814,968	7,901,646
Deposit of which:				
B. Other Deposits with SBP	41,218	68,004	61,403	95,272
C. Total Demand &Time Deposits incl.RFCDs	14,724,770	17,319,755	15,664,377	17,757,930
of which RFCDs	1,074,511	1,046,150	1,018,992	1,122,176
Monetary Assets Stock (M2) A+B+C	20,908,004	24,297,696	22,540,748	25,754,848
Memorandum Items				
Currency/Money Ratio	29.4	28.4	30.2	30.7
Other Deposits/Money ratio	0.2	0.3	0.3	0.4
Total Deposits/Money ratio	70.4	71.3	69.5	68.9
RFCD/Money ratio	5.1	4.3	4.5	4.4
Income Velocity of Money	2.3	2.5	_	_

Source: State Bank of Pakistan

Deposits

Bank deposits (including demand, time and Resident Foreign Currency Deposits (RFCD)) increased by Rs 438.2 billion (growth of 2.5 percent) during the period 01st July-29th April, FY2022 as compared Rs 939.6 billion (growth of 6.4 percent) during same period last year. Within deposits, demand deposits witnessed expansion of Rs 363.8 billion against Rs 1,172.1 billion in last year.

This slowdown in deposit growth was partly due to high base effect of deposits at end-June 2021. Accordingly, demand deposit increased by Rs 2,686.4 billion in FY2021 as compared Rs 1,494.0 billion in FY2020. On the other hand, time deposits decreased by Rs 1.6 billion as compared decline of Rs 177.0 billion in last year. On the contrary, RFCDs increased by Rs 76.0 billion as compared to contraction of Rs 55.5 billion last year, on account of massive PKR depreciation around 15.3 percent during Jul-Apr, FY2022 as compared appreciation of 8.0 percent during same period last year, reversing the position of foreign currency deposits. Resultantly, significant increase in CiC and reduction of deposits has led to increase in currency-to-deposits ratio to 44.5 percent as of 29th April, 2022 compared 43.5 during same period last year.

Monetary Management

During the period July-March, FY2022, average Open Market Operations (OMOs) stepup almost double to Rs 2,214.6 billion as compared Rs 1,291.1 billion during same period last year. Net injections have increased on account of increase in liquidity requirement, which primarily stem from significant increase in private sector credit offtake, increase in government budgetary borrowing and SBP's foreign exchange operations cumulatively increased the Rupee liquidity requirements of commercial banks. Meanwhile, deposit mobilization was not sufficient to bridge this short-term liquidity gap. In response to these requirements, SBP has increased its OMOs injections. Accordingly, the outstanding net injections has rose an average in each of first three quarters.

Table-5.7: Average Outstanding Open Market Operations1 Rs billion

	FY18	FY19	FY20	FY21	FY22
Full Year	**1,228.7**	**(23.8)**	**1,103.2**	**1,291.1**	**2,214.6**
Q1	1,440.9	1,035.2	1,337.7	1,048.3	2,127.2
Q2	1,530.5	-257.6	912.8	822.8	1,875.0
Q3	1,123.5	-641.2	892.4	1,158.0	2,641.8
Q4	813.1	-247.4	1,270.0	2,135.2	

1: The data does not include the impact of outright OMOs.

Note: (+) amount means net Injections. (-) amount means net mop-up.

Source: State Bank of Pakistan

Table-5.8: Market Treasury bills Auctions Rs million

	Jul-Jun			Jul-Mar					
	FY2021			Offered		Accepted		W.A.Rate*	
	Offered	Accepted	W.A Rate*	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022
3-Months	15,505,232	8,698,476	6.9	11,269,020	12,095,938	6,985,123	7,450,156	12.5	9.5
6-Months	9,989,084	5,585,878	7.1	4,341,280	10,515,444	2,608,950	4,661,527	12.6	9.8
12-Months	2,462,402	580,918	7.2	1,795,065	3,827,187	528,226	847,815	12.4	10.0
Total	**27,956,718**	**14,865,272**		**17,405,365**	**26,438,569**	**10,122,299**	**12,959,498**		

Source: State Bank of Pakistan

*Average of maximum and minimum rates

Market offered the total amount of Rs 26,438.6 billion for T-Bills during Jul-Mar, FY2022 as compared Rs 17,405.4 billion during same period last year. During current fiscal year, the Government has raised Rs 12,959.5 billion (49.0 percent of the offered amount) in the T-bill's auction compared to last year accepted amount of Rs 10,122.3 billion (58 percent of the offered amount). The acceptance for the tenors under T-Bills almost remained same during current fiscal year as compared to last year. During Jul-Mar FY2022, around 57.5 percent of outstanding T-bills comprised of 3 months, followed by 36.0 percent for 6.0 months and just 6.5 percent under 12 months, indicating market's expectation of bottoming out of interest rates.

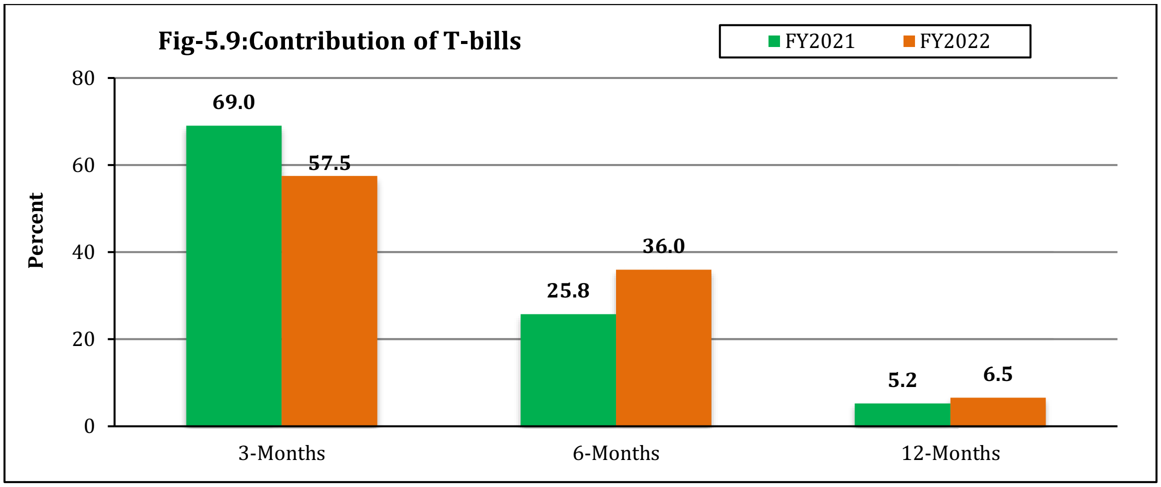


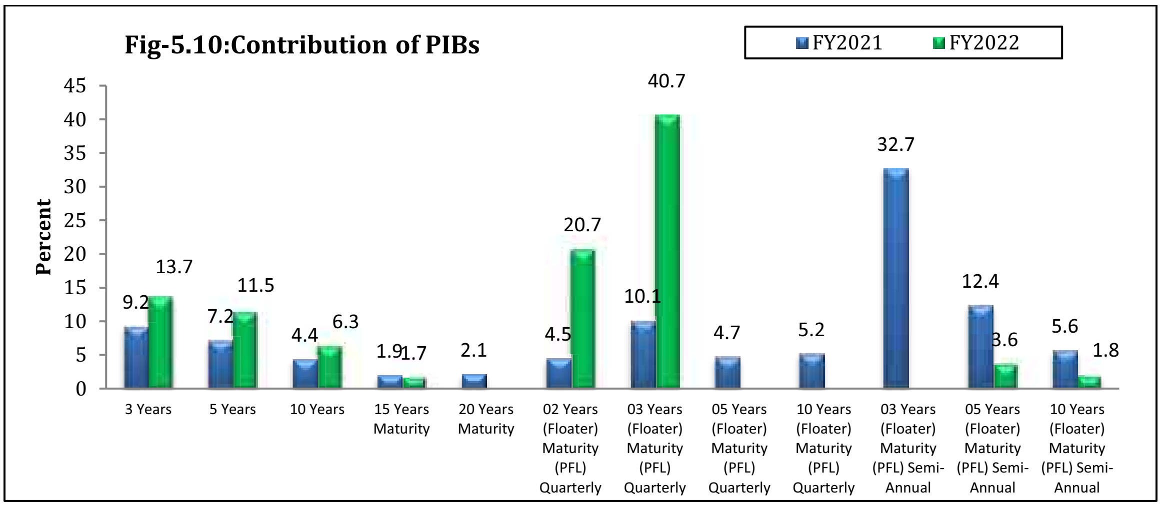
Table-5.9: Pakistan Investment Bonds Auctions — Rs million

PIBs	July-June			Jul-Mar				W.A Rate	
	Offered	Accepted	W.A Rate	Offered		Accepted			
	FY2021			FY2021	FY2022	FY2021	FY2022	FY2021	FY2022
3 Years	1,181,021	479,261	8.3	337,420	1,436,991	176,740	488,929	8.3	10.2
5 Years	866,330	301,239	9.0	450,548	1,316,745	136,716	408,456	9.0	10.4
10 Years	445,052	149,729	9.5	243,752	1,077,606	83,405	225,451	9.5	10.8
15 Years Maturity	96,589	64,000	9.9	54,549	73,978	37,000	59,000	9.9	10.4
20 Years Maturity	72,061	62,061	10.5	50,061	10,529	40,061		10.5	
02 Years (Floater) Maturity (PFL) Quarterly	213423	175664	99.585 3	120,025	1,067,462	86,282	738,404	99.6 Cut off price	99.4 Cut off price
03 Years (Floater) Maturity (PFL) Quarterly	365,931	228,976	99.1	287,756	1,948,458	193,776	1,449,403	99.1 cut off price	98.6 cut off price
05 Years (Floater) Maturity (PFL) Quarterly	107,600	90,500	98.0	107,600		90,500		98.0 cut off price	
10 Years (Floater) Maturity (PFL) Quarterly	130,050	98,542	95.3	130,050		98,542		95.3 cut off price	
03 Years (Floater) Maturity (PFL) Semi-Annual**	1,193,302	624,763	99.6	1,193,302		624,763		99.6 cut off price	
05 Years (Floater) Maturity (PFL) Semi-Annual**	776,785	306,271	99.3	577,020	318,000	236,261	129,562	100.3 cut off price	98.24 cut off price
10 Years (Floater) Maturity (PFL) Semi-Annual**	384,124	136,707	100.5	384,124	63,150	107,802	64,553	100.1 cut of price	100.0 cut of price
Total	**5,832,268**	**2,661,913**		**3,936,207**	**7,312,919**	**1,911,848**	**3,563,758**		

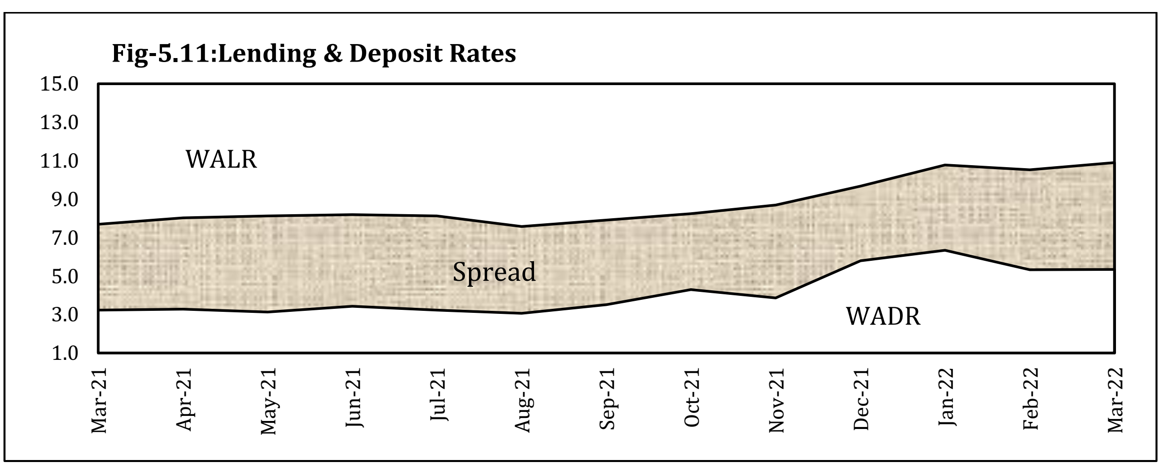
Note: Accepted amount include non-competitive bids as well as short sale accommodation.
* The banchmark for coupon rate is defined in clause 'B' of DMMD Circular No. 9 dated May 07, 2018.
** Margins quoted ober benchmark rate in fresh auctions of floating rate PIB (PFL)

Source: State Bank of Pakistan

During Jul-Mar, FY2022, Government remained inclined towards floating rate long-term debt instrument PIBs. Market offers Rs 3,915.8 billion under fixed rate PIBS which is 53.5 percent of offered amount, while for floaters, the market offered Rs 3,397.1 billion, 46 percent of the offered amount. Keeping in view higher yields demanded by the market compared to the prevailing cut- offs, the Government accepted only Rs 1,181 billion from fixed coupon PIBs (33 percent of the accepted amount). In this backdrop, floaters helped the Government to raise medium-to-long term debt. Given these favorable traits of floaters, the Government was able to raise Rs 2,382 billion via issuances of floating rate PIBs (67 percent of accepted amount). Moreover, 3Y quarterly coupon PIBs remained the market's most favored instrument floaters which contribute around 61 percent of floaters accepted amount.



Monetary policy has changed its direction from accommodating to tightening, the impact has been transferred on Weighted Average Lending Rate (WALR), which was 7.7 percent on gross disbursement in March, 2021 increased to 10.59 percent in March, 2022. Similarly, Weighted Average Deposit Rate (WADR) offered on fresh deposits also increased to 5.1 percent in March, 2022 from 3.2 percent in March, 2021. Accordingly, banking spread, which is the difference between the lending and deposit rates and the cost of channeling funds through intermediaries, increased from 4.5 percent in March, 2021 to 5.5 percent in March, 2022.



Financial Sector

To create conducive and thriving environment for the banking industry, the SBP continued to play its role within its regulatory and supervisory ambit during FY2022.

Financial Performance and Standing of Banking Sector

The banking sector performed reasonably well during CY21. The asset base of the banking sector expanded by 19.6 percent in CY21 (14.2 percent in CY20). The expansion was mostly driven by growth in advances and investments.

Advances (net) increased by 22.1 percent (YoY) in CY21 as compared to the COVID-induced minimal growth of 0.5 percent in CY20. The growth in advances was broad based, however, textile sector availed highest financing during CY21.

Banks' investments rose by 22.0 percent over the year to reach Rs 14.5 trillion by end Dec-2021. Around 95 percent of the expansion in total investments came from investments in Government securities, reflecting the increased needs of the government for bank credit.

Deposits of the banking sector surged by 17.3 percent over the year to Rs 21.7 trillion by end CY21 (16.1 percent increase in CY20). Current and Savings deposits together contributed 70.9 percent rise in total deposits in CY21. A number of factors, such as revival of economic activities, upbeat momentum of workers' remittances, sizeable increase in Roshan Digital Accounts (RDAs), increased use of digital payment modes and improvement in rate of return on deposits contributed to the rise in deposits during CY21.

Asset Quality indicators of the lending portfolio improved due to contained growth in NPLs as well as better provisioning. The infection ratios, on both gross as well as net basis declined over the year CY21. With high provisions coverage (provisions to NPLs) of 91.2 percent, net NPLs to net loans ratio declined to 0.7 percent by end Dec-2021 from 1.2 percent as of end Dec-2020.

Solvency indicators such as Capital Adequacy Ratio (CAR) moderated to 16.7 percent by end Dec-2021 (18.6 percent at end Dec-2020), largely due to healthy growth in advances. However, the prevailing CAR level remains well above the local and international minimum benchmarks of 11.5 percent and 10.5 percent, respectively.

Table-5.10: Highlights of the Banking Sector Industry

	CY15	CY16	CY17	CY18	CY19	CY20	CY21
Key Variables (Rs billion)							
Total Assets	14,143	15,831	18,342	19,682	21,991	25,124	30,058
Investments (net)	6,881	7,509	8,729	7,914	8,939	11,935	14,554
Advances (net)	4,816	5,499	6,512	7,955	8,249	8,292	10,121
Deposits	10,389	11,798	13,012	14,254	15,953	18,519	21,720
Equity	1,323	1,353	1,381	1,406	1,658	1,862	1,942
Profit Before Tax (ytd)	329	314	267	243	304	411	451
Profit After Tax (ytd)	199	190	158	149	171	244	264
Non-Performing Loans	605	605	593	680	761	829	860
Non-Performing Loans (net)	91	90	76	110	141	97	75

Table-5.10: Highlights of the Banking Sector Industry

	CY15	CY16	CY17	CY18	CY19	CY20	CY21
Key FSIs (Percent)							
NPLs to Loans (Gross)	11.4	10.1	8.4	8	8.6	9.2	7.9
Net NPLs to Net Loans	1.9	1.6	1.2	1.4	1.7	1.2	0.7
Net NPLs to Capital	7.7	7.3	5.8	7.8	8.9	5.3	4
Capital Adequacy Ratio (all banks)	17.3	16.2	15.8	16.2	17	18.6	16.7
Advances to Deposit Ratio	46.4	46.6	50.1	55.8	51.7	44.8	46.6

Source: State Bank of Pakistan

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

Financial Development

The relationship between financial development and economic growth has remained an important issue of debate. A well-developed financial system performs several critical functions to enhance the efficiency of intermediation by reducing information, transaction, and monitoring costs. A modern financial system promotes investment by identifying and funding good business opportunities, mobilizes savings, enables the trading, hedging, and diversification of risk, and facilitates the exchange of goods and services. These functions result in a more efficient allocation of resources, in a more rapid accumulation of physical and human capital.

Financial development (i.e. financial depth) can be measured by different macroeconomic variables such as domestic credit to the private sector as a percentage of GDP, money supply measures, and stock market indicators. In table 5.11, financial depth is measured by M2/GDP ratio, which is widely used as an indicator of financial sector deepening, where higher values represent a more developed financial sector. This ratio has witnessed substantial rise and increased from 36.6 percent in FY2011 to 43.5 percent in FY2021, indicating more developed and efficient financial sector due to SBP various initiatives for financial sector development. The increasing trend is continued in current fiscal year and the ratio stood at 38.5 percent as on 29thApril FY2022.

Table- 5.11: Financial Depth

Years	M2/GDP
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
2018-19	40.6
2019-20	44.0
2020-21	43.5
29th April	
2020-21	40.4
2021-22	38.5

Source: EA Wing Calculation, Finance Division

Box-II: Financial Sector Reforms during July-March FY2022

To enhance financial soundness and robust performance of the banking sector, SBP has taken various regulatory and policy reforms. The key policy reforms are highlighted below.

Strengthening of Regulatory and Supervisory Environment

SBP, in line with the international best practices, introduced a comprehensive set of reforms to enhance supervision and resilience of the banking system.

➢ **Supervisory Reforms**

1. **Supervisory Transition to Risk Based Supervisory Regime**

   SBP accomplished successful supervisory transition with the implementation of "Risk Based Supervisory (RBS) Framework" in order to improve the supervisory regime and align it with international best practices. Being a forward-looking framework, it will help better understand the risk profiles of regulated entities with respect to both external & internal risks and controls.

2. National Money Laundering/Terror Financing (ML/TF) Risk Assessment of Pakistan

The National ML/TF Risk Assessment of Pakistan – 2022 (NRA-22) is currently underway and SBP is member of a national level core committee for review and guidance on NRA-22. With respect to NRA-22, SBP conducted a comprehensive assessment of inherent ML/TF vulnerabilities of SBP regulated entities, i.e. Banks, Microfinance Banks, Exchange Companies and Development Finance Institutions.

3. Guidance and Technical Support to Central Directorate of National Savings (CDNS) and Pakistan Post

SBP has been providing guidance and support to CDNS and Pakistan Post to bridge gaps identified by Asia Pacific Group (APG) in Pakistan's Mutual Evaluation Report (MER). Senior officers of SBP are member of Supervisory Boards constituted for both the institutions.

- **Regulatory Reforms**

1. SBP has developed a licensing and regulatory framework for setting up digital banks in Pakistan. The primary aim of the framework, inter alia, include enhancement of financial inclusion, provision of affordable/cost effective digital financial services especially to unserved and underserved segments of the society and fostering a new set of customer experience.

2. Revision of Corporate Governance Regime

SBP has comprehensively updated the Corporate Governance Regulatory Framework (CGRF) for banks/DFIs (vide BPRD Circular No. 05 of 2021). The revised framework aims to align with the international standards and principles. The framework covers Fit and Proper Test (FPT) criteria and other corporate governance regulatory requirements for the sponsor shareholders **Issuance of Licensing and Regulatory Framework for Digital Banks** /beneficial owners, members of the Board of Directors (BoDs), Presidents/CEOs and key executives of banks/DFIs.

3. Customers' Digital On Boarding Framework

SBP has developed a "Customers' Digital on Boarding Framework" for banks/ MFBs which inter alia elaborates basic parameters for opening of bank accounts for Resident Pakistanis through digital channels.

4. Implementation of Regulatory Approval System (RAS)

In order to further strengthen the organizational efficiency, effectiveness and turnaround time of regulatory approval process, SBP has implemented Regulatory Approval System to digitize the end-to-end process of various request letters/ proposals received from banks/DFIs/MFBs, their approval process and dissemination of regulatory decisions there against.

5. Revised Prudential Regulations for Consumer Financing to Moderate Import Growth

SBP has revised Prudential Regulations (PRs) for Consumer Financing (vide BPRD Circular Letter No. 29 of 2021), to moderate the demand for imported items, particularly the automobiles and address associated prudential risks to the banks. The changes in the PRs effectively prohibit financing for imported vehicles, and tighten regulatory requirements for financing of domestically manufactured/ assembled vehicles of more than 1000 cc engine capacity and rationalize other Consumer Finance Facilities like personal loans and credit cards.

6. Women Branchless Banking Agents under Banking on Equality Policy

The introduction of Women Branchless Banking (BB) agents will facilitate women's adoption of digital financial services, especially in rural areas.

7. SBP Imposed 100 percent Cash Margin Requirement on Import of Additional 114 Items

SBP imposed 100 percent Cash Margin Requirements (CMR) on import of 114 items vide BPRD Circular Letter No. 30 of 2021, taking the total number of items subject to CMR to 525. In view of the building current account deficit in the context of fast economic growth, SBP has decided to adjust its policy by imposing CMR on additional import items. This will complement SBP's other policy measures to ease the pressure on import bill and help contain the current account deficit at sustainable levels.

- **Foreign Exchange (FX) Regime**

1. **International Trade**

SBP has taken following measures to facilitate E-Commerce, foreign trade, exporters of SME sectors and export proceeds realization. These measures will not only improve the foreign exchange flows into the country but also enhance the ease of doing business in Pakistan.

a. To promote e-Commerce exports from Pakistan and facilitate Pakistani exporters/entrepreneurs to sell their products through international digital market places including Amazon, e-Bay, Ali Baba, another framework of Business–to-Business-to-Consumer (B2B2C) e-Commerce has been introduced.

b. SBP in collaboration with Pakistan Single Window (PSW) project has developed Electronic Data interchange with Banks. PSW system allows parties involved in trade and transport to lodge standardized information and documents with a single-entry point to fulfil all import, export, and transit-related regulatory requirements. It will help reduce the time and cost of doing business by making trade related business processes more efficient, transparent and consistent.

c. With an objective to improve the timely inflow of foreign exchange from exports proceeds in the market, SBP amended foreign exchange regulations now require exporters to bring export proceeds within a maximum period of 120 days from date of shipment instead of earlier 180 days.

Financial Inclusion

SBP is pursuing financial inclusion as one of its strategic objectives to promote inclusive economic growth in the country by improving the access and usage of quality financial services among individuals and firms. In this connection, SBP is implementing National Financial Inclusion Strategy (NFIS) and pursuing headline targets to be achieved by end 2023.

Under NFIS, a total of 96 actions/sub-actions are being implemented by more than 30 partners envisaged in this multi-focal strategy to be completed by 2023. As of FY21-22 (upto March 2022), 52 actions/sub-actions have been completed while other tasks are in progress. In terms of progress under headline target of active accounts, as of December 2020, overall number of unique active accounts stood at 53.2 million of which 14.5 million were held by women.

Key Initiatives taken under NFIS are listed below:

- **Gender Mainstreaming Policy**: SBP launched a landmark gender mainstreaming Policy i.e. "Banking on Equality: Reducing the Gender Gap in Financial Inclusion" on September 17, 2021. The Policy aims to introduce a gender lens within the financial sector through five identified pillars and specific measures, to bring a shift towards women friendly business practices. Under the policy, actions are targeted towards improving institutional readiness, product diversification and development capability, customer acquisition and facilitation approaches towards women segments, robust collection of gender disaggregated data, and prioritizing gender focus in SBP's policies. The Policy is in implementation phase and most banks have already submitted board approved plans for ensuring compliance of BOE Policy, while actions plans are being implemented to achieve the below headline targets:

  i. 20 million women owned active accounts by 2023.

  ii. 20% of banks' workforce to be women by 2024.

  iii. 10% of Branchless Banking agents to be women by 2024.

  iv. 75% of bank access points to have trained women champions in place.

- **Asaan Mobile Account (AMA) Scheme**: In Dec. 2021, SBP launched the Asaan Mobile Account (AMA) Scheme to cater to the needs of those men and women who don't have access to a smart phone or internet facility. Under this scheme, anyone with a basic feature phone can open and use an account simply by dialing *2262# and following the steps on their screen. As of March 18, 2022 around 2.7 million AMA accounts have been opened.

- **Asaan Digital Accounts:** SBP has launched Asaan Digital Accounts as a revolutionary account category that can break barriers, for digital financial inclusion of men and women. The end-to-end digitized solution allows people to open a bank account digitally with a CNIC and no other documentation requirements, from anywhere using their phone or computer through the web portals/apps of banks/MFBs. This account is specifically useful for the female segments who find it challenging to visit bank branches. The account has a maximum balance limit of Rs 1 million, making it a smart choice for freelancers, and home-based workers.

Source: State Bank of Pakistan

Islamic Banking

During CY21, assets of Islamic banking Industry (IBI) witnessed significant YoY increase of Rs 1,308 billion to Rs 5,577.0 billion (growth of 30.6 percent) compared to growth of 30.3 percent in CY20. Deposits of IBI increased by Rs 822 billion to Rs 4,211 billion (growth of 24.2 percent) in CY21. It is pertinent to mention that this is the highest ever increase in assets and deposits of IBI in a year. Accordingly, market share of Islamic banking assets and deposits in the overall banking industry jumped to 18.6 percent and 19.4 percent, respectively by end December 2021 compared 17.0 and 18.3 percent, respectively in CY20. (Table-5.12).

Table- 5.12: Islamic Banking Industry

	CY16	CY17	CY18	CY19	CY20	CY21
Total Assets (Rs billion)	1,853.0	2,272.0	2,658.0	3,284	4,269	5,577
Total Deposits (Rs billion)	1,573.0	1,885.0	2,203.0	2,652	3,389	4,211
Share in Banks' Assets (Percent)	11.7	12.4	13.5	14.9	17	18.6
Share in Banks' Deposits (Percent)	13.3	14.5	15.5	16.6	18.3	19.4

* Provisional

Source: State Bank of Pakistan

Currently, 22 Islamic Banking Institutions (IBIs) (5 full-fledged Islamic banks, 17 conventional banks having Islamic Banking Branches) are providing Shariah compliant products and services through their network of 3,956 branches spread across 125 districts of the country. Further, the number of Islamic Banking windows (dedicated counters at conventional branches) operated by conventional banks having standalone Islamic Banking Branches stood at 1,442 as of December 31, 2021. Breakup of the data between IBs and IBBs shows that assets of IBs posted an annual rise of 21.2 percent (Rs 529 billion), while IBBs observed significant increase of 44.0 percent (Rs 779 billion).

Table -5.12 (a): Financing Products by Islamic banks — **Percent share**

Mode of Financing	CY16	CY17	CY18	CY19	CY20	CY21
Murabaha	15.8	13.2	13.6	12.9	13.7	13.6
Ijara	6.8	6.4	6.2	5.7	4.8	4.4
Musharaka	15.6	22.0	19.9	19.8	22.7	24.9
Mudaraba	0.0	0.0	0.0	0.0	0.0	0.0
Diminishing Muskaraka	34.7	30.7	33.3	34.1	33.6	33.8
Salam	4.4	2.8	2.4	2.6	1.9	2.0
Istisna	8.4	8.2	9.1	9.5	8.3	8.3
Qarz/Qarz-e-Hasna	0.0	0.1	0.0	0.0	0.0	0.0
Others	14.3	16.7	15.5	15.4	15.0	13.0
Total	100.0	100.1	100.0	100.0	100.0	100.0

Source: State Bank of Pakistan

Investments (net) made by IBI registered significant increase of 46.7 percent (Rs 589 billion) in CY21 and reached to Rs 1,852 billion in CY21. This increase in investments (net) was mainly due to funds invested by IBIs in multiple Government of Pakistan (GoP) domestic Ijarah Sukuk (GIS).

Mode-wise financing breakup in CY21 revealed that Diminishing Musharaka has highest share in overall financing of IBI followed by Musharaka and Murabaha.

Microfinance

The Microfinance Banks (MFBs) are set to conclude on a positive note by registering all-round growth in FY2022; although a significant number of microcredit borrowers continue to struggle and recover from the adversities inflicted by the COVID-19 pandemic. Many of these borrowers were unable to honor their debt obligations, which in turn placed MFBs under considerable financial stress owing to escalated loan loss provisioning and charging off overdue facilities.

The GoP and SBP worked in tandem to provide support to vulnerable groups. SBP remained proactive to respond to emerging challenges by actively engaging the microfinance industry. To this end, a number of policy interventions were made to support both MFBs and their vulnerable clients.

Table-5.13: Microfinance Industry Major Indicators (Rs billions)

Indicators	FY21	FY22*	Annual Growth
Number of Branches	3,782	3,823	1.1%
No. of Borrowers	8,031,941	8,122,085	1.1%
Gross loan portfolio	355.7	392.6	10.4%
Average Loan Balance (in Rs)	44,286	48,335	9.1%

*up to December 2021

Source: PMN MicroWatch , various issues

As of December-2021, around 36 institutions reported provision of microfinance services. These included eleven deposits taking MFBs, one Islamic Banking Institution, while the rest were non-bank microfinance providers.[31]

Altogether, the microfinance industry witnessed 10.4 percent growth in its aggregate microcredit portfolio, but the number of borrowers increased by just over 1.1 percent to register 8.1 million at end of the reporting period.

As of December 2021, the microfinance industry players operated through 3,823 branches spread in 138 districts across the country. The course of microfinance industry performance is presented in Figure-5.12 which depicts an increasing trend in number of borrowers and gross loan portfolio over the past few years apart from the impact of prevailing pandemic.

As of March 2022, eleven MFBs and MCB – Islamic Bank[32] were involved in extending micro-banking services to the low-income segments of the country.

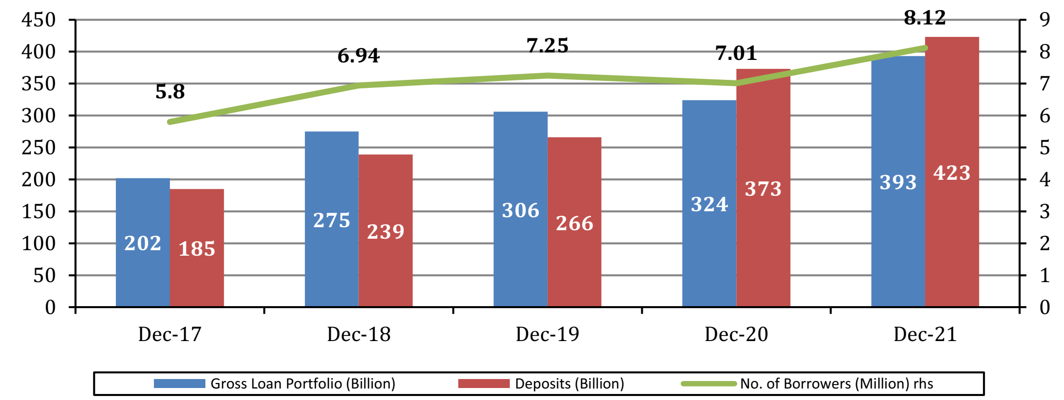
In 3rd quarter of FY22, the combined asset base of MFBs, witnessed a growth of 14.9 percent (Rs 76 billion) since June 30, 2021. MFBs reported an increase in Non-

[31] Include Non-Bank Microfinance Companies (NB-MFCs), specialized microfinance institutions, rural support programs besides organizations running microfinance, as a part of their multi-dimensional service offering.

[32] Since October/November 2017, MCB Islamic Bank is extending microfinance banking services by establishing counters at its existing branches in line with IBD Circular No. 5 of 2007.

Performing Loans (NPLs) from 5.4 percent to around 6.0 percent. Among other factors that underpin the current rise in portfolio infection, the lack of credit discipline of borrowers remains primary challenge faced by the sector. The deposit base of MFBs registered an impressive growth of 13.7 percent to reach Rs 430.3 billion, compared to Rs 378.4 billion over June 30, 2021.

Fig-5.12: Microfinance Industry Performance



Key Initiatives for promotion of Microfinance in the Country

SBP promotes microfinance as a tool for financial inclusion and poverty reduction by making formal financial services accessible to low income segments in order to facilitate asset creation and investments primarily in income generating activities at the bottom of the pyramid. In this regard, SBP took the following measure during FY2022:

Table -5.14: Microfinance Banking Indicators (Rs billions)

Indicators	FY21	FY22 (Mar '22P)	Annual Growth
No. of Borrowers	4,630,716	4,763,310	2.9%
Gross Loan Portfolio	262.5	305.5	16.4%
Average Loan Balance (in Rs)	56,693	64,126	13.1%
Deposits	378.4	430.3	13.7%
No. of Depositors	66,687,601	81,055,082	21.5%
Equity	54.7	54.9	0.4%
Assets	513.8	590.2	14.9%
Borrowings	33.9	60.1	77.3%
NPL	5.4%	6.0%	10.4%

Source: Financial Soundness Indicators, SBP.

1. **Relaxation on COVID-19 Relief Portfolio**

   Enabling MFBs in extending relief to the beneficiaries, criteria for classification of assets and provisioning requirements was relaxed for Deferred and Restructured Portfolio (DRP) up to March 31, 2022.[33] As a result of this relief:

   - DRP loans were classified if overdue by 60 days instead of 30 days,
   - Outstanding DRP was re-classified as per the extended timelines,

[33]Circular Letter No. 1/December 1, 2021

- Interest/profit/mark-up/service charges already suspended were reversed for the extended period.

2. **Simplified Documentation and Requirements to Report & Obtain Credit Information**

   To streamline requirement for obtaining Credit Information Report (CIR) and simplifying documentary requirements, following changes have been made;

   - Obligations to obtain written declaration about existing facilities has been withdrawn.
   - MFBs' obligation towards reporting to SBP's eCIB has also been simplified.
   - Mandatory requirement to obtain credit report from SBP's eCIB for credit facilities exceeding Rs 30,000 has been withdrawn.[34]

   These regulatory updates correspond to the developments that have taken place after promulgation of Credit Bureau Act (CBA) 2015 and establishment of Licensed Credit Bureaus that are offering comprehensive CIRs to financial institutions on individuals/borrowers to make informed decisions about borrowers' credit worthiness and debt carrying capacity.

3. **Promotion of Micro Housing and Enterprise Financing**

   To encourage financing for low cost housing finance and microenterprise lending, following instructions were issued:

   - Guidance for MFBs to underwrite housing loans.
   - Detailed guidance in respect of property assessment, mortgage creation, risk management, etc. to ensure prudent housing and microenterprise financing.
   - Separate requirements for classification/provisioning and charging-off non-performing loans for each loan category.
   - Extension in classification cycle from 180 DPDs to 2 years.
   - Extension in time to charge-off overdue facilities from 210 DPDs to 5 years.[35]

   These revisions are expected to play a crucial role in enabling MFBs to reach out to the low-income segments of the economy that generally remain financially underserved.

Branchless Banking (BB) Performance

During the period under review, all key indicators of Branchless Banking (BB) exhibited an encouraging growth following the COVID-19 pandemic and ensuing lockdowns. SBP's measures regarding limiting the spread of COVID-19 virus by promoting the use of Digital Payment Services have further pushed the growth trajectory. The number of agents, mobile wallets and deposits witnessed a boost in numbers. Notable growth was witnessed in the number and value of transactions during the period.

[34] Circular Letter No. 2/December 11, 2021
[35] Circular No. 2/March 16, 2022

Table -5.15: Branchless Banking Indicators			
BB Indicators	**CY20**	**CY21**	**Growth**
Number of Agents	481,837	587,547	22%
Number of Accounts	62,755,479	78,809,751	26%
Deposits (Rs In millions)	51,671	65,580	27%
No. of transactions ('000')	1,819,184	2,501,293	37%
Value of transactions (Rs in millions)	6,785,764	8,971,352	32%

Source: Agricultural Credit & Microfinance Department, SBP.

Conclusion

SBP had initiated to tighten monetary policy stance from September 2021 after keeping the policy rate unchanged at 7 percent in all the MPC meetings held in FY2021. The monetary policy in Pakistan shifted direction in Q1-FY2022 in accordance with the changing economic outlook owing to recovery in domestic demand, higher commodity prices and persistent inflationary pressures. Consequently, policy rate had increased by cumulative 275 bps to 9.75 percent during consecutive three monetary policy decision, within a span of three months.

The outlook for inflation improved following the reduction in fuel prices and electricity tariffs announced by the Government's relief package, while data also suggest a moderation in growth. As a result, MPC kept the policy rate unchanged in January and March 2022 meetings.

However, the Russia-Ukraine conflict has created significant uncertainty about the outlook for international commodity prices and global financial conditions. Consequently, the outlook for inflation worsened. Accordingly, the MPC in an unscheduled meeting on April 7, 2022, raised policy rate by 250 basis points to 12.25 percent. The MPC was of the view that this action would help to safeguard external and price stability.

In monetary policy decision held on 23rd May, 2022 the MPC decided to raise the policy rate by 150 basis points to 13.75 percent. The decision was based on outcome of elevated external sector pressure and the higher inflation outlook due to domestic and international factors.

Notwithstanding of monetary policy decisions, private sector credit witnessed unprecedented expansion. On positive note, credit demand increased both for fixed investment and working capital loans. Businesses took advantage of SBP concessionary financing schemes, particularly TERF. As a result, fixed investment and working capital loans witnessed significant expansion. The expansion is a signal for both continuation and expansion of economic activities, which is evident from significant growth of 5.97 percent economic growth for FY2022, surpass the target of 4.8 percent.

CAPITAL MARKETS & CORPORATE SECTOR

Various Commodities Future Contracts worth

2.65 trillion

were traded on PMEL in Jul-Mar FY2022

PSE performance has posted a boom-and-bust situation during the first nine months of the current fiscal year

The total number of listed companies on the PSE stood at 532, with a total market capitalization of Rs 7,583 billion

Chapter 6

Capital Markets and Corporate Sector

Capital market is an organized market where both individuals and business entities can trade various financial instruments such as bonds, stocks, government securities etc. Capital market is a key source of funds for an entity whose securities are permitted by a corporate regulatory authority to be traded, since it can readily sell its debt obligations and equity to investors. Capital market offers a variety of financial instruments that enable economic agents to pool, price and exchange risk. Through assets with attractive yields, liquidity and risk characteristics, it encourages savings in the financial form.

A well-developed capital market creates a sustainable low-cost distribution mechanism for multiple financial products and services which enhance efficient financial intermediation. It increases mobilization of savings and, therefore, improves efficiency, volume of investments and economic development. Capital market can create greater financial inclusion by introducing new products and services tailored to suit investors' preferences for risk and return as well as borrowers' project needs and risk appetite.

Considering its role in the economy, the capital market has an important place, through its specific mechanisms, succeeding to give its contribution to the economic development of the country. In consequence, the government must notice the importance of the capital market in the national economy and to make efforts for ensuring the necessary framework for the normal functioning of its specific mechanisms.

The chapter will cover the performance of the equity market, debt market, commodity futures market, non-banking financial companies, corporate sector, Islamic finance and insurance sector for FY2022. The chapter will also be covering the capital markets reforms and development activities introduced by the Securities and Exchange Commission of Pakistan (SECP), the apex regulator of the capital markets in Pakistan.

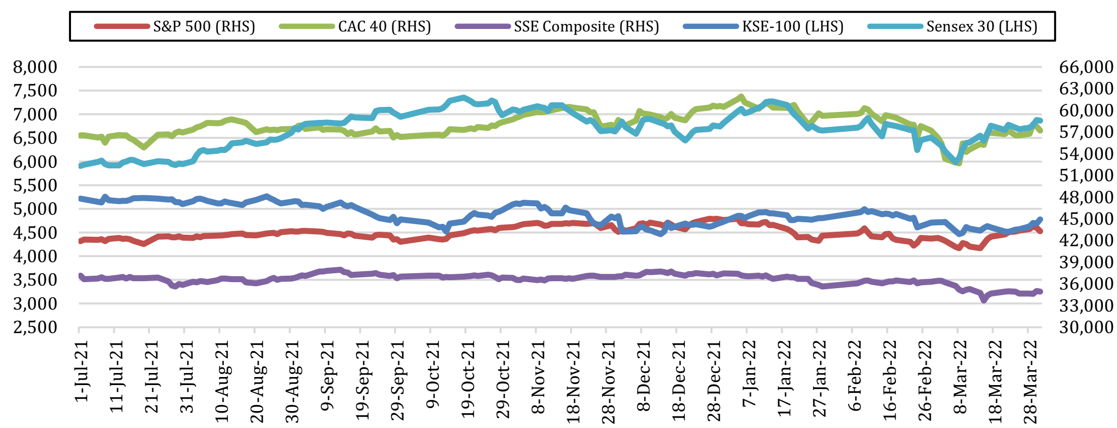
I – Equity Market

An equity market, also known as a stock market, is a market in which shares of listed companies are issued and traded. The shares that are traded in an equity market are either over the counter or at stock exchanges. Equity market mobilizes financial resources and connecting savers and investors. It also plays a key role in linking real and monetary sectors of the economy.

Global Equity Markets[1]

The performance of major world equity indices during the first nine months of current fiscal year is depicted in Figure 6.1. As shown in the Figure, all indices started with the positive growth but faced short-run fluctuations during the current fiscal year. The dip has been observed in February and March 2022 due to the geo-political tension, especially war between Russia and Ukraine which plummeted the global indices.

Fig 6.1: Major World Indices



Source: Investing.com

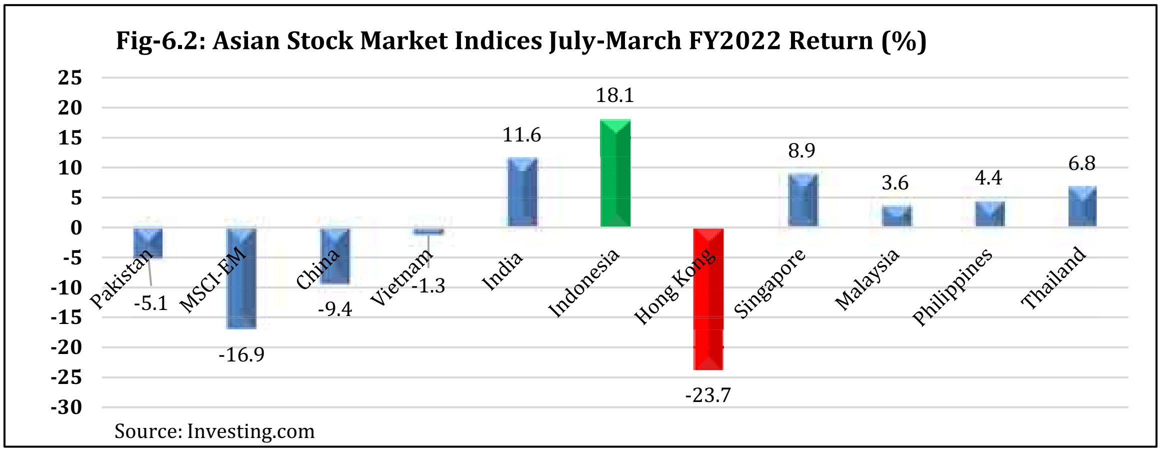
Major Asian stock market indices presented a mix picture during the first nine month of FY2022 (Fig-6.2 & Table 6.1). Jakarta Composite Index has seen the highest growth of 18.1 percent, while Hong Kong's Hang Seng Index declined by 23.7 percent, revealing the highest decline during the period July 2021 to March 2022.

Table 6.1: Major Asian Stock Market Indices (July-March FY2022)

Country	Index	Index On 30.06.2021	Index On 31.03.2022	% Change
Pakistan	KSE 100 Index	47,356.02	44,928.83	-5.13
MSCI-EM	MSCI Emerging Market Index	1,374.64	1,141.79	-16.94
China	Shanghai Composite	3,591.20	3,252.66	-9.43
Vietnam	VN30 Index	1,529.00	1,508.53	-1.34
India	BSE Sensex 30	52,482.71	58,568.51	11.60
Indonesia	Jakarta Composite Index	5,985.49	7,071.44	18.14
Hong Kong	Hang Seng	28,827.95	21,996.85	-23.70
Singapore	Straits Times Singapore	3,130.46	3,408.52	8.88
Malaysia	Kuala Lumpur Composite Index	1,532.63	1,587.36	3.57
Philippines	PSEi Composite	6,901.91	7,203.47	4.37
Thailand	SET Index	1,587.79	1,695.24	6.77

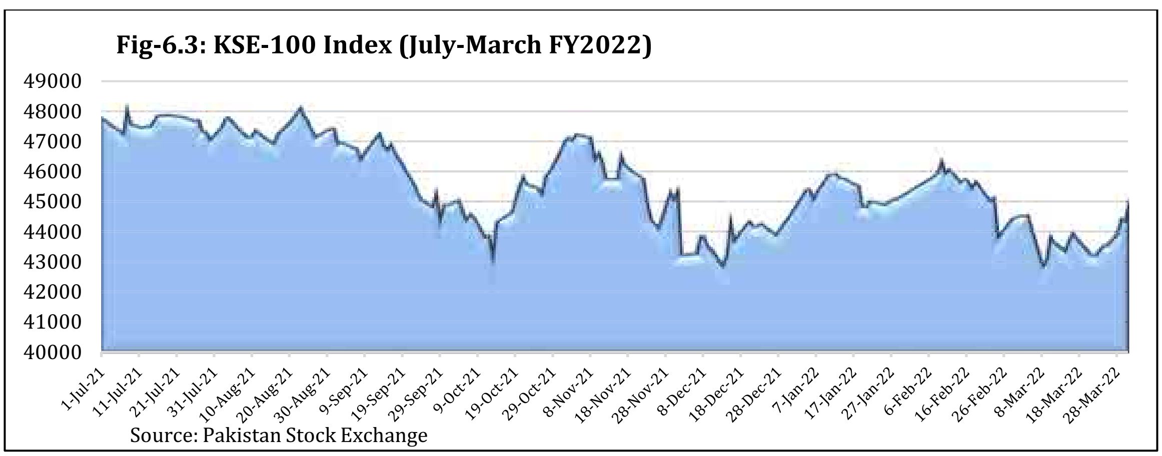
Source: Investing.com

[1] S&P 500 is a stock market index tracking the performance of 500 large companies listed on stock exchange in the US
SSE composite index is a stock market index of all stocks that are traded at the Shanghai Stock Exchange.
Sensex 30 is a free-float market-weighted stock market index of 30 well established companies on the Bombay Stock Exchange
The CAC 40 is a benchmark French stock market index, represents a capitalization-weighted measure of the 40 most significant stocks among the 100 largest market caps on the Euronext Paris
The KSE-100 index is a stock index acting as a benchmark to compare prices on the Pakistan Stock Exchange over a period.



Pakistan's Equity Market (Developments during FY2022)

Pakistan's stock market's performance has posted a boom-and-bust situation during FY2022 due to geo-political tension especially Russian Ukraine conflict and domestic political uncertainty. During July 2021 to March 2022, the benchmark KSE-100 index declined from 47,356 points to 44,929 points (Fig-6.3). During this period, the index closed at its highest point of 48,112 points on August 23, 2021. As of March 31, 2022, number of listed companies stood at 532, with total market capitalization of Rs 7,583 billion (Table 6.3).



The turnover in shares reached its peak in September 2021, indicating that investors were actively investing in the market. However, the market activity slowed down in February and March 2022 due to the geo-political and domestic political uncertainty.

Table 6.2: Month-wise performance of KSE-100 Index

Months	2020 – 2021			Months	2021 – 2022		
	KSE 100 index	Market Capitalization (Rs billion)	Turnover in shares (billions)		KSE 100 index	Market Capitalization (Rs billion)	Turnover in shares (billions)
Jul-20	39,258.44	7,294.27	3.68	**Jul-21**	47,055.29	8,242.71	8.75
Aug-20	39,868.55	7,418.38	3.94	**Aug-21**	47,419.74	8,290.43	7.29
Sep-20	40,571.48	7,643.09	4.73	**Sep-21**	44,899.60	7,804.49	9.12
Oct-20	39,888.00	7,399.62	5.41	**Oct-21**	46,184.71	7,953.39	5.51
Nov-20	40,807.09	7,519.25	3.97	**Nov-21**	45,072.38	7,553.51	6.95

Table 6.2: Month-wise performance of KSE-100 Index

Months	2020 – 2021			Months	2021 – 2022		
	KSE 100 index	Market Capitalization (Rs billion)	Turnover in shares (billions)		KSE 100 index	Market Capitalization (Rs billion)	Turnover in shares (billions)
Dec-20	43,755.38	8,035.36	5.78	**Dec-21**	44,596.07	7,684.64	5.43
Jan-21	46,385.54	8,398.45	8.40	**Jan-22**	45,374.68	7,755.93	5.56
Feb-21	45,865.02	8,207.14	4.79	**Feb-22**	44,461.01	7,612.65	4.54
Mar-21	44,587.85	7,892.19	4.43	**Mar-22**	44,928.83	7,582.98	4.54
Apr-21	44,262.35	7,718.74	7.79				
May-21	47,896.34	8,267.65	11.61				
Jun-21	47,356.02	8,297.31	20.09				

Source: Pakistan Stock Exchange

The major development of this year in the equity market is the issuance of Initial Public Offerings (IPOs). During July-March FY2022, five companies issued shares through IPOs on the main board of Pakistan Stock Exchange (PSX), while two companies were listed on the newly introduced Growth Enterprise Market (GEM) Board. Their detail is given in Box-I.

Box-I: Initial Public Offerings in FY2022

Main Board

In FY2022, the first IPO was the Citi Pharma limited, manufacturer of pharmaceuticals, medical chemicals and botanical products. The company was listed on 09th July, 2021 and raised funds of Rs 2,326.1 million.

The second IPO was the Pakistan Aluminium Beverages Cans Limited. The principal activity of the Company is manufacturing and sale of aluminium cans. The company was listed on 16th July, 2021 and raised funds of Rs 4,600.5 million.

The third IPO was Airlink Communications Limited. The company imports, exports IT related products and services. The company listed on 22nd September, 2021, raised fund of Rs 6,435 million.

The fourth IPO was Octopus Digital Limited, listed on 05th October, 2021 and raised funds of Rs 1,110 million.

The fifth IPO during FY2022 was the Adamjee Life Assurance Company Limited, listed on 4th March 2022 and successfully raised Rs 700 million.

GEM Board

The first IPO on GEM board was Pak Agro Packaging Limited engaging in the manufacturing of agricultural textile products. The company listed on 26th November, 2021 and raised Rs 198 million.

The second IPO on GEM board was Universal Network Systems Limited with the principal activity of domestic and international courier and allied services. The company listed on 06th December, 2021 and raised Rs 445.7 million.

Source: SECP

The total number of companies listed in PSX till March 2022 stood at 532. Total listed capital with PSX increased from Rs 1,442.64 billion in FY2021 to Rs 1,502.13 billion during the first nine months of current fiscal year. Five new companies were listed with the PSX during July-March 2022 as compared to five companies in the fiscal year 2020-21. The profile of PSX from 2018 to March 2022 is reported in table 6.3.

Table 6.3 Profile of Pakistan Stock Exchange

	2018	2019	2020	2021	2022 (Till 31st March 2022)
Total No. of Listed Companies	546	534	531	532	532
Total Listed Capital - Rs in billion	1,322.74	1,386.59	1,421.09	1,442.64	1,502.13
Total Market Capitalization – Rs in billion	7,692.78	7,811.81	8,035.36	8,297.31	7,582.98
New Companies Listed during the year	3	1	3	5	5
Average Daily Shares Volume - (Shares in Mn) (YTD)	194.03	163.98	323.51	527.50	305.19
Total Volume Traded - (Rs in Mn) (YTD)	62,324	57,645	108,426	131,354	57,682

Source: Pakistan Stock Exchange

Sector-wise Market Capitalization at Pakistan Stock Exchange as of 31st March 2022

During July-March FY2022, a total of Rs 714.3 billion was wiped out from the market capitalization of the PSX. The detail of each sector is given in table 6.4.

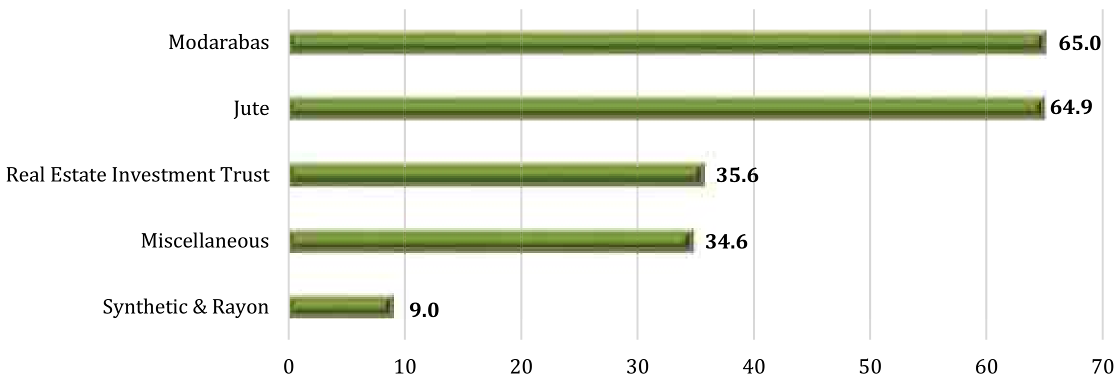
Table 6.4: Sector-Wise Market Capitalization

Sectors	Market Cap On 30/06/2021 (Rs million)	Market Cap On 31/03/2022 (Rs million)	% Change
Automobile Assembler	361,448.43	314,465.25	-13.0
Automobile Parts & Accessories	80,036.05	56,611.33	-29.3
Cable & Electrical Goods	38,221.11	25,466.05	-33.4
Cement	702,506.46	535,882.96	-23.7
Chemical	404,117.21	406,477.57	0.6
Close - End Mutual Fund	3,281.22	2,556.07	-22.1
Commercial Banks	1,308,754.05	1,362,896.96	4.1
Engineering	171,409.78	124,043.87	-27.6
Fertilizer	509,383.64	552,742.34	8.5
Food & Personal Care Products	744,128.43	753,305.13	1.2
Glass & Ceramics	80,095.90	68,244.09	-14.8
Insurance	170,003.13	145,318.52	-14.5
Inv. Banks / Inv. Cos. / Securities Cos.	143,914.70	119,352.21	-17.1
Jute	129.97	214.38	64.9
Leasing Companies	5,403.17	478.90	-91.1
Leather & Tanneries	52,866.06	51,914.72	-1.8
Miscellaneous	82,228.73	110,707.30	34.6
Modarabas	14,489.79	23,912.47	65.0
Oil & Gas Exploration Companies	960,135.45	897,468.13	-6.5
Oil & Gas Marketing Companies	234,967.91	172,767.90	-26.5
Paper & Board	94,242.51	72,099.83	-23.5
Pharmaceuticals	314,189.81	271,728.36	-13.5
Power Generation & Distribution	316,235.56	262,830.67	-16.9
Refinery	146,563.70	66,048.85	-54.9
Sugar & Allied Industries	76,431.61	68,293.14	-10.6
Synthetic & Rayon	76,659.25	83,531.74	9.0
Technology & Communication	280,200.75	259,809.11	-7.3
Textile Composite	310,874.28	296,506.57	-4.6
Textile Spinning	71,964.98	68,025.90	-5.5
Textile Weaving	4,935.26	3,857.21	-21.8
Tobacco	432,246.12	311,316.81	-28.0
Transport	78,127.48	59,120.29	-24.3
Vanaspati & Allied Industries	2,122.21	1,433.31	-32.5
Woolen	476.07	323.21	-32.1
Real Estate Investment Trust	24,505.17	33,222.08	35.6
Exchange Traded Funds	9.27	7.08	-23.7
Total	**8,297,305.22**	**7,582,980.29**	**-8.6**

Source: Pakistan Stock Exchange

In terms of market capitalization, five top sectors are shown in Fig 6.4.

Fig-6.4: Top Five Sectors (% change) July-March FY2022



Source: Pakistan Stock Exchange

Total Market Capitalization of Top 15 Companies Listed at Pakistan Stock Exchange as on March 31, 2022

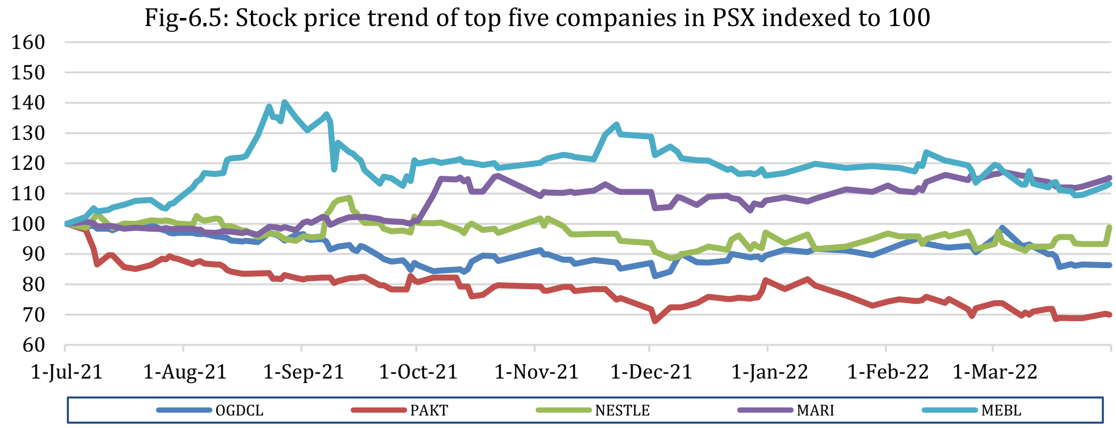
The list of selected blue-chip companies based on market capitalization are depicted in table 6.5.

Table 6.5: Market Capitalization of Selected Blue Chips

Scrip	Company	Shares (million)	Price (Rs)	Amount (Rs in million)
OGDC	Oil & Gas Development	4,300.93	83.13	357,536
PAKT	Pakistan Tobacco Ltd.	255.49	1053	269,035
NESTLE	Nestle Pakistan Ltd.	45.35	5821.73	264,013
MARI	Mari Petroleum Co.	133.40	1769.52	236,058
MEBL	Meezan Bank Ltd.	1,626.93	130.96	213,063
LUCK	Lucky Cement	323.38	636.35	205,780
PPL	Pakistan Petroleum	2,720.97	72.8	198,086
MCB	MCB Bank Ltd.	1,185.06	145.66	172,616
COLG	Colgate Palmolive	72.80	2300	167,430
UBL	United Bank Limited	1,224.18	136.39	166,966
HBL	Habib Bank Ltd.	1,466.85	112.91	165,622
ENGRO	Engro Corporation	576.16	267.6	154,181
UPFL	Unilever Pak. Food	6.37	24000	152,878
FFC	Fauji Fertilizer Company	1,272.24	113.72	144,679
SCBPL	Standard Char. Bank	3,871.59	34.73	134,460

Source: Pakistan Stock Exchange

It is evident from table 6.5 that out of five major companies in the PSX, Meezan Bank Limited and Mari Petroleum Company Limited share price has a positive growth. Fall in the share price of Pak Tobacco is partly explained by the negative growth of 28 percent in the Tobacco industry. Share price of Nestle has dropped as Food & Personal Care Products companies posted a modest growth of 1.2 percent. The stock price trend of top five companies registered at the PSX is also presented in Fig 6.5.



Source: ksestocks.com

II- Debt markets

Debt market is the market where investors trade debt instruments, mostly in the form of bonds. A well-developed corporate bond market is essential for the growth of the economy, as it provides an additional avenue to government and the corporate sector to raise funds for meeting their financial needs. During July-March FY2022, 32 debt securities were reported, and the break-up is given in table 6.6.

Table 6.6: Debt Securities

Sr. No.	Type of Security	No. of Issues	Amount (Rs in billion)
i.	Privately Placed Term Finance Certificates	6	17.2
ii.	Privately Placed Sukuk	12	48.5
iii.	Privately Placed Commercial Papers	14	55.8
	Total	**32**	**121.5**

Source: Securities and Exchange Commission of Pakistan

Corporate Debt Securities Outstanding: As of March 31, 2022, 102 corporate debt securities remain outstanding, amounting to Rs 749.8 billion. Category-wise break-up is shown in table 6.7.

Table 6.7: Corporate Debt Securities (Outstanding)

Sr. No.	Name of security	No. of issues	Amount outstanding (Rs in billion)
i.	Term Finance Certificates (TFCs)	56	164.45
ii.	Sukuk	40	576.07
iii.	Commercial Papers (CPs)	6	9.30
	Total	**102**	**749.82**

Source: Securities and Exchange Commission of Pakistan

National Saving Schemes

The Central Directorate of National Savings (CDNS) is playing a vital role in mobilizing saving and promoting financial inclusion by extending social security net to all the deserving sections of the society. The purpose of National Savings is to sell government securities/debt instruments in shape of National Savings Scheme (NSS) to support the government to finance the fiscal deficit through non-bank borrowing.

The product basket of the NSS ranges from three months Short-Term Savings Certificates (STSC) to ten years long term Defence Savings Certificates. The detail is given in table 6.8.

Table 6.8: Product basket of the National Savings Scheme

S. No	Rate of profit on National Savings Schemes w.e.f. 25-03-2022			
	Name of Scheme	**Rate of Return (per annum)**	**Maturity Period**	**Tax Status**
1	Defence Savings Certificates	10.92%	10 Years	Taxable
2	Special Savings Certificates/Accounts	11.13% (Average)	3 Years	Taxable
3	Regular Income Certificates	11.04%	5 Years	Taxable
4	Savings Account	8.25%	Running Account	Taxable
5	Pensioners' Benefit Account	12.72%	10 Years	Tax exempt
6	Bahbood Savings Certificates	12.72%	10 Years	Tax exempt
7	Shuhada Family Welfare Account	12.72%	10 Years	Tax exempt
8	National Prize Bonds (Bearer)	10.00%	Perpetual	Taxable
9	Premium Prize Bonds (Registered) *	8.79%	Perpetual	Taxable
10	Short Term Savings Certificates (STSC)			
	STSC 3 Months	10.40%	3 Months	Taxable
	STSC 6 Months	10.60%	6 Months	Taxable
	STSC 12 Months	10.70%	12 Months	Taxable

*Effective from 10.09.2021
Source: Central Directorate of National Savings

Due to discontinuation of highest domination prize bonds i.e., Rs 40,000, Rs 15,000 and Rs 7,500, the net proceeds of NSS have been counted at Rs -86.4 billion as of March 31, 2022. Scheme-wise net investment is presented in table 6.9.

Table 6.9: National Savings Schemes (Net Investment) (Rs in million)

S #	Name of Scheme	2017-18	2018-19	2019-20	2020-21	(Jul-21 to Mar-22)
1	Defence Savings Certificates	10,743.61	57,171.04	92,783.09	(9,132.62)	(6,771.61)
2	National Deposit Scheme	0.05	(0.03)	-	(0.00)	(0.35)
3	Khaas Deposit Scheme	(0.19)	(0.04)	(0.05)	(0.24)	(0.02)
4	Special Savings Certificates (Regd)	(51,180.06)	31,842.49	13,945.72	(6,327.88)	(22,611.79)
5	Special Savings Certificates (Bearer)	(0.55)	-	(0.01)	(0.50)	-
6	Regular Income Certificates	8,726.28	142,088.06	83,232.25	26,711.24	19,812.64
7	Bahbood Savings Certificates	45,395.28	119,573.11	83,379.96	2,549.42	8,816.55
8	Pensioners' Benefit Account	21,504.37	43,367.37	33,875.95	16,347.15	15,710.21
9	Savings Accounts	3,412.99	(166.22)	4,536.97	1,083.53	6,442.79
10	Special Savings Accounts	59,939.19	(132,393.53)	200,770.58	(39,659.08)	(37,415.75)
11	Mahana Amdani Accounts	(46.70)	(73.84)	(60.42)	(47.52)	(48.84)
12	Prize Bonds	101,575.66	40,432.08	(171,109.88)	(315,531.72)	(82,941.39)
13	National Savings Bonds	-	-	(137.00)	-	-
14	Short Term Savings Certificates	560.55	761.00	19,254.58	(20,362.16)	(89.71)

Table 6.9: National Savings Schemes (Net Investment)						(Rs in million)
S #	Name of Scheme	2017-18	2018-19	2019-20	2020-21	(Jul-21 to Mar-22)
15	Premium Prize Bonds (Registered)	2,323.20	2,819.96	11,322.72	25,147.19	12,675.27
16	Postal Life Insurance	875.45	1,248.42	627.96	(1,311.91)	-
17	Shuhda Welfare Accounts	-	42.14	27.02	24.19	13.90
Grand Total		203,829.13	306,712.00	372,449.41	(320,510.91)	(86,408.11)

Note: Figures in parenthesis indicates negative value.
Source: Central Directorate of National Savings

III- Commodity Futures Market

Pakistan Mercantile Exchange Limited (PMEX) is the only company which is providing a centralized and regulated place for commodity futures trading. PMEX offers diverse range of futures contracts based on different commodities, including gold, silver, crude oil, currency pairs, as well as local agricultural products including cotton, wheat, rice and spices.

During July-March FY2022, 2.31 million lots of various commodities futures contracts including gold, crude oil and US equity indices worth Rs 2.65 trillion were traded on PMEX.

IV. Non-Banking Finance Companies

Non-Bank Finance Companies (NBFCs) are the entities that provide services similar to banking and financial services, but do not hold a banking license.

Mutual Funds: As of December 31, 2021, assets under management of mutual funds stood at Rs 1,191.6 billion. Money market funds dominated the industry with the largest share i.e., 49 percent of the mutual fund industry, followed by income funds comprising of 21 percent and equity funds having industry share of 20 percent, respectively.

Investment Advisory: At present, 25 NBFCs have licenses to conduct investment advisory business, which includes 19 asset management companies and 6 NBFCs having exclusive license for conducting investment advisory services. As of December 31, 2021, the total assets of discretionary/non-discretionary portfolios held by all of the investment advisors amounted to Rs 374.3 billion. Major highlights of the mutual fund industry are stated in table 6.10.

Table 6.10: Mutual Fund Industry

Description	Total number of Entities	Total Assets (Rs in billion)
Asset management / Investment advisory Companies	26	45.7
Mutual Funds / Plans	285	1,191.6
Discretionary / non-discretionary portfolio	-	374.3
Total size of the industry	**311**	**1,611.6**

Source: Securities and Exchange Commission of Pakistan

Box-II: NBFC Reforms and Developmental Activities

To facilitate the growth of the mutual fund industry and to protect the investor's interest, the SECP has taken the following initiatives during the outgoing fiscal year:

- Prescribed new eligibility requirements to register as trustee of open end or closed end schemes
- Prescribed regulatory framework for Fixed Rate Mutual Fund which will contribute towards expanding investor base and leads to availability of a low-cost investment product
- Prescribed regulatory framework for account opening by Asset Management Companies (AMCs) to promote digitization and micro-savings and allowed Roshan Digital Account (RDA) eligible banks to distribute units of CIS/VPS of multiple AMCs without obtaining license
- SECP has proposed reforms to the NBFC Rules 2003, to eliminate regulatory bottlenecks by introducing the concept of perpetual licensing, reducing documentation requirements, removing multiple regulatory approvals and allowing the group companies to undertake different business activities under one license
- NBFC regulations 2008 have been amended to introduce improved governance structure, liquidity & risk management requirements for non-banking microfinance companies and credit underwriting standards for housing finance and allowed premature redemption of Certificate of Deposits (CODs) by deposit taking NBFCs
- Amendments to the Corporate Restructuring Companies (CRC) Act, 2016 have been approved, which will allow CRC to facilitate business of acquisition of non-performing assets of financial institutions and help in revival of businesses through restructuring schemes
- Facilitated inclusion of NBMFCs as executing agency for Kamyab Pakistan Program and housing finance companies in Government mark-up subsidy scheme, for housing finance
- The government has approved Non-Banking Finance Companies Bill, 2021, which provides a modernized, dedicated and consolidated parent regulatory framework for the NBFC sector. It will enhance growth, provide facilitation, innovation and overall strengthening of the NBFC sector coupled with stronger governance and investor protection mechanisms.

Source: Securities & Exchange Commission of Pakistan

Private Equity and Venture Capital Funds Management Services

As on March 31, 2022, the number of NBFCs licensed by the SECP to undertake the business of private equity and venture capital fund management services stand at eight. These NBFCs, have so far successfully launched five private equity and venture capital funds, with four funds focused on private equity investment and one fund targeting venture capital investments. The combined size of these funds stands at Rs 9,873 million.

Voluntary Pension Schemes: The assets under management of the voluntary pension industry currently stand at Rs 39.6 billion as of December 31, 2021. Highlights of the pension fund industry are provided in table 6.11.

Table 6.11: Voluntary Pension Schemes

Description	Status as of December 31, 2021
Total assets of pension industry (Rs billion)	39.6
Total number of pension funds	21
Total number of pension fund managers	13

Source: Securities and Exchange Commission of Pakistan

Lending NBFCs

Lending NBFCs include leasing companies, investment finance companies, housing finance companies, discount houses and non-bank microfinance companies. Highlights of each category as of December 31, 2021 is stated in table 6.12.

Table 6.12: List of Lending NBFCs

S.No	Lending NBFC	No. of companies	Asset Base (Rs billion)
1	Leasing Companies	4	5.36
2	Investment Banks	16	78.22
3	Non-Bank Microfinance Companies	30	146.11
4	Housing Finance Companies	3	0.216

Source: Securities and Exchange Commission of Pakistan

Real Estate Investment Trusts (REITs)

REITs are investment schemes that own, actively manage income-producing real estate. Through such schemes, investors may own, operate, or finance income-generating property across various real estate categories. The REIT invests in physical real estate and distributes profits from rental income and/or capital gains to its unit holders.

Currently, three REIT schemes have offered units to the investors and acquired property(ies) i.e., Dolmen City REIT, Silk Islamic Developmental REIT and Silk World Islamic REIT. As of December 31, 2021, the aggregate fund size of these REIT Schemes was Rs 67.15 billion. Stakeholders continue to express interest in REIT as a viable option for investing in real estate projects, as evidenced from the number of companies licensed to undertake REIT management services increasing to eleven and receipt of twelve fresh applications for formation of REIT management company/grant of REIT management services licenses.

V- Corporate Sector

Company incorporation trend: Facilitation extended during the pandemic coupled with availability of uninterrupted online services has helped in registration of companies. During July-March FY2022, a total of 19,929 new companies were registered, out of which around 99 percent companies were incorporated through online process.

Digital Portal for Banks: In pursuit of its agenda to promote ease of doing business and digitalization, SECP in coordination with SBP, had launched an exclusive digital portal in March, 2021, enabling banks to open corporate accounts without seeking physically certified copies of statutory documents. Presently, 47 financial institutions have joined the portal, during the period of July-March FY2022.

Biannual Online Reporting System for Employees Contribution Fund: SECP has successfully lunched "Online Reporting System for Filing Biannual Returns" through e-Services platform, the module is related to Employees Contributory Funds (Investment in Listed Securities) Regulations, 2018 (the "Regulations") which were previously filed by the companies/trusts in physical form. Automation of the sector will help in digitization, bring transparency and protection of employees' investment.

Integration with SMEDA: SECP has successfully integrated with SME Registration Portal (SMERP) of Small and Medium Enterprises Development Authority (SMEDA), which is a web-based interactive platform for SMEs registration and requested SECP to extend its integration services to SEMDA and enabling it to verify company registration status for companies applying to register as SME at SMERP.

Launch of online process for Companies Easy Exit Regulations (CEER): SECP has launched online process for processing easy-exit applications under Companies Easy-Exit Regulations, 2016 to provide automated platform for easy-exit of companies. It will facilitate exit of companies without manually applying by simply signing up to e-Services portal which will improve end-users experience and optimize the exit process.

Box-III: ADB's $ 300 million Loan to Further Develop Pakistan's Capital Markets

The Asian Development Bank (ADB) approved a $ 300 million loan on 22nd March 2022 to further develop the Pakistan's capital markets, promote private investment in the country and help to mobilize domestic resources to finance sustainable growth. The program aims to catalyze institutional investor demand and increase the range of alternative financial instruments such as derivatives and commodity futures that are available to investors. It will also help to mobilize more domestic resources which support the government's efforts to finance sustainable growth and respond effectively to crises, by making the country's capital markets more robust and strengthening government debt management.

ADB's program supports policy actions that will strengthen market stability and attract investor capital to Pakistan. It supports measures that will strengthen the government debt market and enhance market surveillance systems to facilitate information exchange. The program also promotes an enabling environment to expedite access to financing for growth companies and state-owned enterprises.

These reforms will help to mobilize financial resources for productive investment, especially by the private sector, and help facilitate economic growth by developing the bond and equity capital markets. This will also help to reduce cost of financial intermediation and help stabilize systemic vulnerabilities in the bank-dominated finance system.

Source: Securities and Exchange Commission of Pakistan

VI- Islamic Finance Sector

Shariah Governance Regulations, 2018: During July-March FY2022, SECP has issued one certificate of Shariah compliant company and twenty certificates of Shariah compliant securities in terms of the Shariah Governance Regulations, 2018, for the development of the Islamic capital market. During the said period, SECP has issued certificates of Shariah compliance for the Shariah compliant securities/sukuk worth Rs 92.5 billion.

Modarabas: Modarabas are the pioneer Islamic financial institutions in Pakistan, governed under the Modaraba Companies and Modaraba Ordinance, 1980. Till March 31, 2022, the registered Modaraba companies are thirty-one, while twenty-eight Modarabas companies are currently operating and are listed at PSX.

As of December 31, 2021, the aggregate paid-up capital, equity and total assets of Modaraba sector stood at Rs 20.7 billion, Rs 24.1 billion and Rs 57.3 billion respectively.

Out of total twenty-five profit making Modarabas, nineteen Modarabas declared cash dividend and/or bonus for the year 2021.

VII- Insurance Sector

The insurance sector in Pakistan comprises of 10 life insurers, 40 non-life insurers and 1 state-owned national reinsurer. Major achievements in insurance sector during July-March FY2022 are as follows:

Distribution of Insurance Products through Digital Platforms: To enhance access and usage of financial services, SECP has facilitated the signing of an MoU between the insurance industry association and the digital portal for the distribution of insurance products. The objective of expanding the scope of this digital portal is to increase financial inclusion.

Draft Insurance Ordinance (Amendment) Bill, 2020: The Draft Insurance Ordinance (Amendment) Bill, 2020 has been formulated with the objective to introduce significant reforms in primary insurance law.

Amendment to Insurance Companies (Sound & Prudent Management) Regulations, 2012: The amendments have the objective of facilitating the industry by removal of redundancies and reducing documentary submission requirements as well as to ease out the regulatory burden associated with the processing of approvals.

Master Circular of Insurance Division: The circular is consolidated set of all regulatory instructions relating to insurance sector issued from 2005 to 2021 and will significantly contribute to ease of doing business.

Capital Market Reforms and Developmental Activities

1) **Operationalization of Professional Clearing Member (PCM):** In order to promote transparent corporate structures, enhance confidence of investors and ensure organized development of the stock market, the PCM framework has been launched as a major milestone for the implementation of the new broker regime. Previously, all brokerage houses were allowed to retain custody of investor assets and subject to the same compliance requirements regardless of their size or financial capacity. However, under the new PCM regime, the brokers who are unable to meet financial resource requirements, shall only focus on the core competency of trading and investment advice, while the clearing and settlement services shall be provided by the PCM.
2) **Capital Adequacy Measures:** To ensure maintenance of specified capital requirements for the securities brokers, the new liquid capital regime has been implemented in line with the new brokerage regime from October 01, 2021. The liquid capital provides a more detailed and sophisticated approach towards determining capital adequacy of brokers in line with international best practices.
3) **Introduction of Long Maturity Deliverable Future Contracts (DFC):** DFC contracts with longer maturity of 60 days and 90 days were successfully launched as continuation of efforts to develop derivative segment in line with international

best practices. The new contracts provided investors with more flexibility with respect to their trading strategies and eliminated the rollover week.

4) **Shared KYC Information System:** Benefitting from the successful implementation of online opening system in capital markets, a new mechanism has been introduced for facilitating resident Pakistanis in opening trading accounts with securities broker by allowing sharing of KYC information already submitted to the banks with the brokers.

5) **Reforms in Dividend Payment:** In order to facilitate shareholders of listed companies and to make dividend distribution process more efficient; amendments in Companies (Distribution of Dividend) Regulations, 2017 were approved by the Commission to reduce turnaround time for payment of cash dividend from 15 working days to 10 working days from the date of its declaration.

6) **Risk Management Regime for Custodian Clearing Members:** Risk management regime for Custodian Clearing Members (CCMs) has been implemented. The new mechanism allows collection of acceptable collateral from CCMs against margin requirements in respect of trades of foreign investors. This will improve efficiency of risk management system while improving the capacity of local brokers.

7) **Revision in Fee, Charges and Deposits Schedule of CDC and NCCPL:** In order to provide benefit to unit holders of mutual fund industry; the SECP has approved to rationalized NCCPL's tariff structures of security deposit requirement for Collective Investment Schemes (CIS) and Capital Gain Tax (CGT) fee in a progressive manner. Further, the security deposit shall not be applicable on Asset Management Companies admitted for only using single UIN facility for all CISs under its management.

8) **CDC's Tariff Structure** has also been rationalized on account of multiple fee heads, i.e., waiver for online transactions, reduction in annual fee for multiple accounts, significant reduction in fee for fresh issue of shares and redeemable securities especially for short term redeemable securities. Such reduction would be beneficial for corporate sector to issue bonds with substantially reduced induction fee and investors shall be able to have lesser cost to maintain CDC investor and sub-account.

9) **Promotion of ETFs:** In order to encourage launch of more ETFs at PSX, the SECP has approved reduction in minimum brokerage rates for trading in fixed income ETFs. Further, to promote and develop ETF market, incentives provided previously by PSX, CDC and NCCPL in respect of ETFs, have been further extended for one year.

10) **Account Facilitation and Customer Help Centre:** In a bid to enhance investor base of capital market, regulatory framework for opening and operations of account facilitation/ customer help centres by securities brokers has been implemented. These centres shall enhance physical presence of securities brokers and facilitate in account opening for new investors in the capital market through utilization of branch networks of Commercial Banks, Asset Management Companies and Insurance Companies, in addition to allowing specially trained sales staff of brokers to carry out permissible marketing activities in public places.

Development of Primary Capital Market: Following measures have been taken for development of primary capital market**:**

i. **Deployment of online system "PRIDE"** for submission of prospectus and listing applications. This system would make the submission of listing application and supporting documents digital and will be beneficial for PSX and SECP. Further, it would also reduce the turnover time for the processing of listing applications and make it robust and efficient.

ii. **Introduction of Special Purpose Acquisition Companies (SPACs):** SECP has introduced concept of SPAC, allowing capital market professionals to issue securities and raise capital by forming a special purpose company for entering into merger or acquisition transaction.

iii. **Publication of Guidelines for SPAC:** Subsequent to amendments in Public Offering Regulations, 2017 regarding SPACs, SECP published guidelines for SPAC to help issuers as well as investors to understand the process of registering and investing in SPACs.

iv. **Amendments in the Companies (Asset Backed Securitization) Rules, 1999:** Securitization is one of the important segments of debt market, which enable corporates to raise funds through capital market by monetizing their illiquid assets. To enable issuers to issue mortgage-backed securities and covered bonds, certain amendments in the Companies (Asset Backed Securitization) Rules, 1999 have been proposed.

Conclusion

The performance of stock markets remained volatile during the first three quarters of the current fiscal year. The KSE-100 index showed an encouraging trend from the start of July 2021, which is also evident from the listing of significant number of IPOs. However, the index witnessed a declining trend from 24^{th} February 2022 till end March 2022 due to the geo-political tensions, i.e., war between Russia and Ukraine and domestic political uncertainty.

The reforms and development activities introduced by the SECP will not only help the capital markets to regain its momentum but also neutralize the associated risks. However, the performance of Pakistan's capital market will depend on the domestic as well as international economic conditions in the future.

INFLATION

Increase is observed in all indicators

CPI inflation was recorded at **11.0** percent as against 8.6 percent last year

SPI recorded at **16.9** percent against 12.9 percent last year

WPI recorded at **22.9** percent as compared to 7.4 percent last year

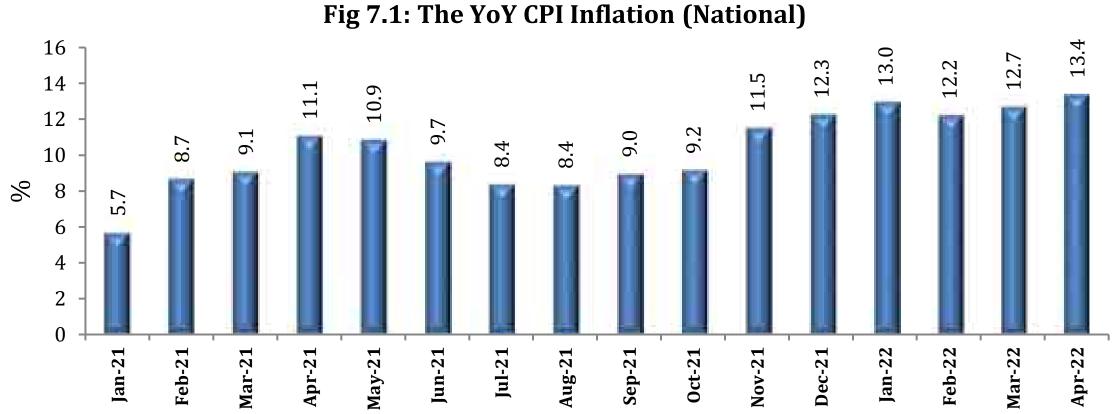
Chapter 7

Inflation

Inflation is a key economic indicator that provides important insight on general cost of living and price movements. Price stability is essential for all kind of economic decision making that leads not only to economic growth, but also uplifts the poor and fixed income citizens who are the most vulnerable segment of the society. For a developing country like Pakistan, stable inflation environment is necessary to ensure productive investments and savings to achieve sustainable and inclusive growth.

For the outgoing fiscal year, the inflation target was set at 8.0 percent, but abnormal increase in global commodity prices especially crude oil and the edible oil has soared the domestic prices since Pakistan is net importer of these essential items. It is the 6th consecutive month when inflation rate has remained in double digit. Consumer Price Index (CPI) in April 2022 stood at 13.4 percent on a year-on-year (YoY) basis which was up from 12.7 percent in the previous month and 11.1 percent in April 2021. The pace of food inflation surged 15.6 percent in Urban and 17.7 percent in Rural during the month of April 2022. The CPI Inflation, recorded at 11.0 percent on average during July-April FY2022 as against 8.6 percent in same period last year.

Fig 7.1: The YoY CPI Inflation (National)



Source: Pakistan Bureau of Statistics

The pressures on headline inflation during the period can be attributed to adjustment in prices of electricity and gas, a significant increase in the non-perishable food prices, exchange rate depreciation along with rapid increase in global fuel and commodity prices. The drivers of global price hike highlight that demand for goods was already strong but supply side limitations due to global logistics (transportation congestion) constraints added stress to already swelling prices. It is also recorded that the Wholesale Price Index (WPI) continued its upward trajectory, indicating persistent cost push inflationary pressure in the economy.

The government made best efforts to ensure smooth supply of essential domestic goods through vigilant monitoring of prices both at provincial and federal level. A Ramazan package of Rs 8.2 billion was provided through Utility Store Corporation (USC) for providing essential items to general public at affordable prices. Government has already approved import of three million metric tonnes of wheat to ease the supply in the country. Further, continuous relief to the lower strata of the society from global inflationary pressure, the ECC granted approval to revise prices of wheat flour and sugar from Rs 950/20kg to Rs 800/20kg and Rs 85/kg to Rs 70/kg, respectively, and also directed that discount of Rs 190/kg on vegetable ghee will be continued. The government will continue to absorb the cost of subsidy for the benefit of the common man.

Box I: The Impact of War in Ukraine on Commodity Markets

The conflict between Russia and Ukraine has caused major disruptions to the supply of commodities. Both countries are major exporters of energy and agricultural products. The disruptions have exacerbated existing stresses in commodity markets following sluggish recovery from the COVID-19 pandemic, which saw rebounding global demand and constrained supplies after 2020. As a result, commodity price volatility has intensified, with food prices reaching unprecedented levels not seen since the 2007-08 price spikes. Beyond their broader impact on inflation, supply disruptions of key commodities could severely affect a wide range of industries, including food, construction, petrochemicals, and transport.

World Bank Commodities Price Forecast (nominal US $)

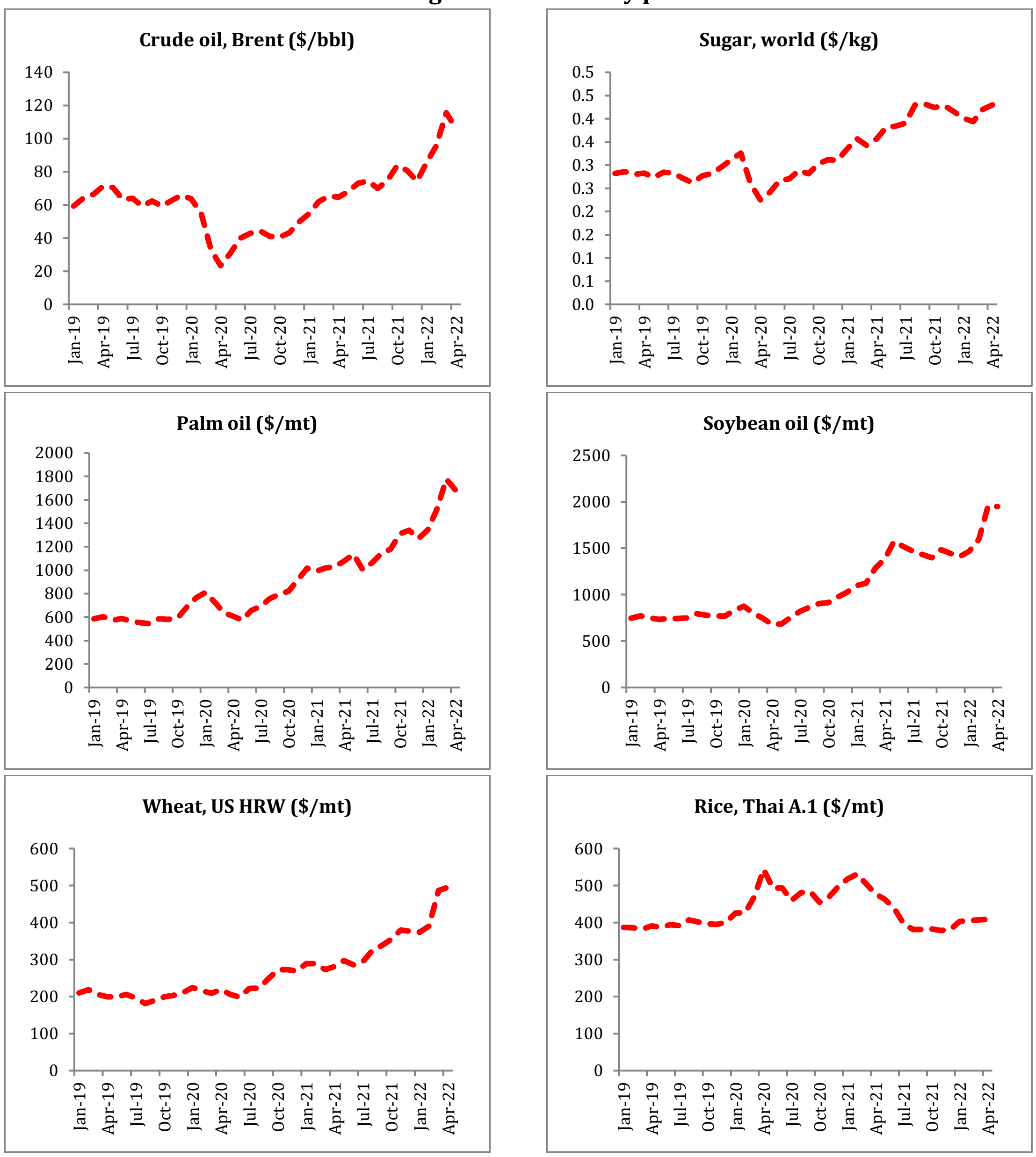
Commodity	Unit	2021	2022F	2023F	2024F	% change from previous year			
						2021	2022F	2023F	2024F
Crude oil, Brent	$/bbl	70.4	100.0	92.0	80.0	66.4	42.0	-8.0	-13.0
Natural gas, Europe	$/mmbtu	16.1	34.0	25.0	22.3	403.1	111.0	-26.5	-10.8
Natural gas, U.S.	$/mmbtu	3.9	5.2	4.8	4.7	95.0	35.0	-7.7	-2.1
Liquefied natural gas, Japan	$/mmbtu	10.8	19.0	14.0	13.3	30.1	76.6	-26.3	-5.0
Palm oil	$/mt	1131.0	1650.0	1400.0	1372.0	50.4	45.9	-15.2	-2.0
Soybean oil	$/mt	1385.0	1800.0	1400.0	1400.0	65.3	30.0	-22.2	0.0
Maize	$/mt	260.0	310.0	280.0	278.0	57.6	19.4	-9.7	-0.7
Rice, Thailand, 5%	$/mt	458.0	425.0	415.0	423.0	-7.8	-7.3	-2.4	1.9
Wheat, U.S., HRW	$/mt	315.0	450.0	380.0	370.0	35.8	42.7	-15.6	-2.6
Sugar, World	$/kg	0.4	0.4	0.4	0.4	39.3	0.1	-2.6	0.0
DAP	$/mt	601.0	900.0	800.0	650.0	92.6	49.8	-11.1	-18.8
Urea, E. Europe	$/mt	483.0	850.0	750.0	600.0	110.9	76.0	-11.8	-20.0

F: forecast

Source: WB, Commodity Markets Outlook (April 2022)

In response to price hikes, policymakers have often sought to provide relief to consumers via subsidies or lower taxes; however, these are ineffective remedies particularly at this point in time and may exacerbate supply shortages. Policymakers can better mitigate the impact of higher prices on low-income households through targeted measures, including cash transfers. Past commodity price shocks induced policy and market responses that led to increased sources of supply and, for oil price shocks, greater consumption efficiency and substitution away from oil. Over time, the recent spike in prices will likely once again spur more efficient energy consumption and a faster transition away from fossil fuels, particularly if supported by appropriate policy responses. Food production, at the global level, will also respond to changes in relative prices. However, the uncertainties for food supply availability stemming from the war are high, and low-income countries may have urgent needs for international assistance for a prolonged period.

Trend of global Commodity prices



Source: World Bank, Pink sheet and Commodity market outlook, April 2022

7.2 Consumer Price Index (CPI)

The headline inflation measured by the CPI is recorded at 11.0 percent during July-April FY2022 as against 8.6 percent during the same period last year. The group-wise breakdown indicates that major contributions to headline inflation are Transport group followed by Furnishing & household equipment maintenance and Housing, water, electricity & gas group. Transport group inflation stood at 19.4 percent against the decline of 1.3 percent during July-April FY2021. Similarly, Housing, Water, Electricity, Gas & other Fuel have recorded an increase of 11.0 percent during July-April FY2022 as against 5.7 percent during the same period last year.

Non-Perishable food items are the main contributory factor in jacking up the food inflation. Non-perishable food items recorded at 13.1 percent against the increase of 16.0 percent during the same period last year. Among non-perishable food items, the upward pressure came from Edible oil followed by Pulses and Chicken. In case of edible oil and ghee products, manufacturers have been struggling with rising international prices of palm and soyabean oil since July 2020. The high prices of poultry bird mainly attributed to low production, weather variations and more than doubled rate of soybean (main ingredient of poultry feed).

Inflation in perishable food items was increased by 4.1 percent against the slight increase of 0.1 percent during same period last year. CPI movements by major groups are given in Table 7.1.

Table 7.1: Composition of CPI-National Inflation (July-April)

Group	Weights	% Change	
		2020-21	2021-22
CPI National	100.0	8.6	11.0
Food & Non-alcoholic Beverages	34.6	13.4	11.8
i) Non- perishable Food Items	29.6	16.0	13.1
ii) Perishable Food Items	5.0	0.1	4.1
Alcoholic Beverages & Tobacco	1.0	5.7	2.4
Restaurant & Hotels	6.9	8.5	11.3
Clothing & Foot wear	8.6	10.0	10.0
Housing, Water, Electricity, Gas & other Fuel	23.6	5.7	11.0
Furnishing & Household Equipment maintenance	4.1	8.1	11.6
Health	2.8	8.3	9.1
Transport	5.9	-1.3	19.4
Communication	2.2	0.5	2.5
Recreation & culture	1.6	4.2	7.7
Education	3.8	1.2	3.8
Miscellaneous	4.9	11.7	9.8

Source: Pakistan Bureau of Statistics

In Q1-FY2022, CPI was brought down to 8.6 percent from 8.8 percent in corresponding quarter last year on account of lower pace of inflation in Non-perishable food items than the same quarter of last year. CPI in Q1 also remained lower due to negative growth in perishable items compared to double digit in the Q1- FY2021. Low inflation in Q1 FY2022 resulted from the timely decisions of National Price Monitoring Committee (NPMC) meetings where provincial governments were directed to look into profit margins i.e. gap between wholesale and retail prices and take proactive measures to minimize it. Furthermore, M/o National Food Security & Research and M/o Industries & Production also remained vigilant on wheat and sugar stock in the country and make arrangements for timely import of wheat & sugar as per ECC direction.

In Q2-FY2022, main drivers of CPI inflation remained Transport, Housing, water, electricity, gas & other fuel and Non-perishable items. In Q3-FY2022, CPI inflation further increased on account of exorbitant increase in prices of perishable food items due to high transportation cost and massive increase in global commodity prices owing to conflict between Russia and Ukraine.

Table 7.2: Quarter wise CPI National (%)

Group	2020-21			2021-22		
	Q1	Q2	Q3	Q1	Q2	Q3
CPI National	**8.8**	**8.4**	**7.8**	**8.6**	**11.0**	**12.6**
Food & Non- Alcoholic Beverages	15.1	15.0	9.3	9.5	9.7	14.3
i) Non- perishable	15.2	17.2	14.8	12.2	13.3	13.1
ii) Perishable	13.7	5.3	-18.8	-5.0	-8.0	23.3
Alcoholic Beverages & Tobacco	5.6	6.0	5.8	2.4	1.9	2.0
Restaurant & Hotels	7.9	9.3	8.3	7.9	10.6	14.0
Clothing & Foot wear	9.5	9.4	10.5	9.3	10.1	10.2
Housing, Water, Electricity Gas & other Fuel	5.4	2.9	7.6	9.0	14.4	10.9
Furnishing & Household Equipment Maintenance	7.7	7.8	8.3	9.6	10.6	13.4
Health	7.9	7.8	8.8	8.3	8.6	9.8
Transport	-3.1	-3.0	-0.3	9.2	20.9	24.8
Communication	0.3	0.5	0.6	2.8	2.6	2.6
Recreation & culture	3.8	4.2	4.7	6.4	7.6	8.4
Education	1.0	1.3	1.2	2.5	2.5	5.0
Miscellaneous	12.5	11.8	11.5	7.5	9.7	10.9

Source: Pakistan Bureau of Statistics

Box II: Inflationary Pressure and Role of the SBP

- The role of the State Bank of Pakistan (SBP) as defined in the SBP Act 1956 has undergone several changes over the years. The recent amendments in the SBP Act 2022 mainly address the objectives of the SBP, along with operational and financial autonomy, accountability and transparency.
- Over the last two decades, price stability emanating from low and stable inflation, has become one of the most important objectives of monetary policy across the globe. One of the key factors to achieve this objective is central bank's ability to anchor inflation expectations effectively. In this backdrop, greater independence helps the central bank to build credibility and anchor inflation expectations to the medium term inflation target. With the given perspective, amendments in SBP Act 2022 will have effects on the inflation in the following ways:
- **Clarity in Objective:** International experience has shown that price stability is a necessary condition for sustained growth and development. Countries where price stability is a primary objective of a central bank, they tend to have lower inflation as well as less volatility in both inflation and growth.
  - The clear specification of objectives (price stability) will make the SBP more accountable for achieving them. In addition, it would help the SBP to prioritize its policy actions appropriately to ensure sustainable economic growth in Pakistan.
  - Clear specification of the objective will also lead to credibility of a Central Bank (CB); as more credible a CB is, more effective will be its monetary policy in achieving goal of low and stable inflation.
- **Exclusion of provisions related to Government borrowing:** It is generally argued that government borrowing from the central bank can lead to inflation and balance of payments

difficulties.[1] To curb these harmful tendencies, some countries have included legal provisions to limit government borrowing from the central bank.[2]

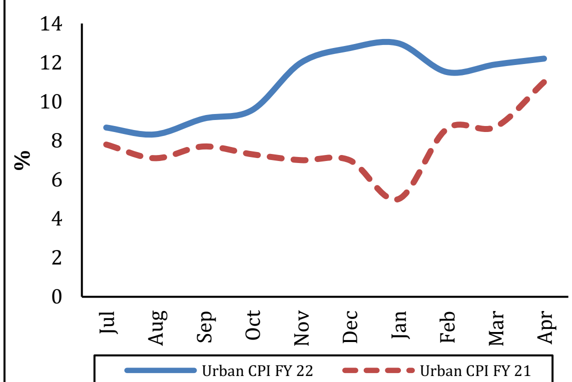
A similar restriction would be beneficial for Pakistan, as this clause will restrict money printing to finance budget deficit.

- **Enhanced Accountability:** SBP will remain accountable for its actions. First, by defining its objectives more clearly so that its performance can be better assessed. Second, by requiring that the Governor submit an annual report to Parliament on the extent to which these objectives were met and a separate report on financial stability, as well as explicitly giving the right to Parliament to ask for senior officials to appear before it as many times as needed. Enhanced accountability clauses will lead to more vigilant policy actions by the SBP.
- **Scope of SBP Functions:** Under the amended Act, formulation and implementation of the exchange rate policy will be covered under SBP functions. Under the new system, the exchange rate is determined by market forces, with intervention only when exchange conditions become disorderly. A market-based exchange rate system also means that the exchange rate is not kept artificially high as this eventually leads to balance of payments crises, and owing to sharp depreciation, results in higher inflation. Going forward, two-way exchange rate movement will prevent economy from high and sudden currency depreciation and allied inflationary impacts.

Source: State Bank of Pakistan

CPI inflation-Urban increased by 12.2 percent on YoY basis in April 2022 as compared to 11.0 percent in April 2021. The Urban Food and Non-Food inflation recorded at 15.6 percent and 10.2 percent, respectively, as compared to 15.7 percent and 8.2 percent in the same month last year. During the period July-April FY2022, CPI-Urban recorded at 10.9 percent as against 7.7 percent during the same period last year.

Fig 7.2: Year On Year Urban CPI



Source: Pakistan Bureau of Statistics

On YoY basis, the food commodities that contributed to urban food inflation during April 2022 over the same month of last year include Tomatoes (124.68 percent) followed by Mustard oil (61.72 percent), Onion (61.64 percent), Cooking oil (60.07 percent), Vegetable ghee (58.71 percent), Masoor pulse (40.29 percent), Gram whole (30.85 percent), Fruits (30.64 percent), Meat (25.64 percent), Vegetables (19.15 percent), Wheat flour (18.34 percent) and Wheat (14.69 percent), respectively. The food commodities that witnessed decline in prices include Moong pulse (25.94 percent), Potatoes (20.73 percent), Eggs (19.42 percent), condiments and spices (16.31 percent) and Sugar (9.67 percent).

The non-food commodities that witnessed increase in prices include Liquefied hydrocarbons (78.96 percent), Motor fuel (39.23 percent), Cleaning and laundering

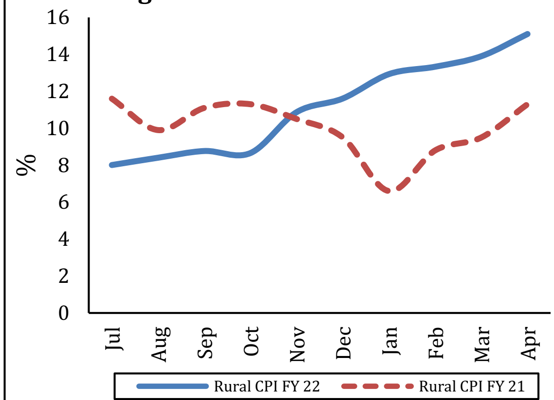
[1] When the government borrows from the central bank, it is equivalent to printing money. Simply printing money does not create more real resources in the economy rather will induce inflation.

[2]Alagidede, P. (2016), "Central bank deficit financing in a constrained fiscal space", Working Paper, International Growth Center (IGC): S-33306-GHA-1

(23.65 percent), Washing soap/detergents/match box (17.22 percent), Motor vehicle accessories (15.95 percent) and Household equipment (15.06 percent).

CPI inflation-Rural increased by 15.1 percent on a YoY basis in April 2022 as compared to 11.3 percent in April 2021.

Fig 7.3: Year On Year Rural CPI



Source: Pakistan Bureau of Statistics

Food and Non-Food inflation recorded at 17.7 percent and 12.8 percent as compared to 14.1 percent and 8.9 percent, respectively, in the same month last year. During the period July-April FY2022, CPI-Rural recorded at 11.2 percent as against 10.0 percent during the same period last year. The inflation differential in Rural and Urban may be attributed to relatively loose price checks in rural areas. The high food (other than fruits and vegetables) and non-food inflation in rural areas can be attributed to the transportation cost.

In rural YoY inflation, the food commodities that contributed to upward growth of CPI include Tomatoes (169.87 percent), Onions (77.72 percent), Cooking oil (63.94 percent), Vegetable ghee (62.22 percent), Mustard oil (59.23 percent), Masoor pulse (45.30 percent), Gram whole (39.49 percent), Fruits (39.20 percent), Vegetables (27.14 percent), Meat (26.19 percent), Beans (21.49 percent), Wheat flour (18.82 percent), Besan (16.30 percent) and Wheat (14.10 percent). The food commodities that witnessed decrease in prices included Moong pulse (26.93 percent), Eggs (19.50 percent), Potatoes (18.97 percent), Condiments and spices (14.82 percent) and Sugar (8.09 percent).

The non-food commodities that contributed to rural inflation include Liquefied hydrocarbons (64.64 percent), Motor fuels (38.47 percent), Washing soaps/detergents/match box (20.15 percent), Cleaning and laundering (19.86 percent), Motor vehicles accessories (17.28 percent), Hosiery (17.04 percent), Solid fuel (15.74 percent) and Woolen readymade garments (15.03 percent).

7.3: Core Inflation

Core inflation is defined as Non Food and Non Energy (NFNE) inflation which is calculated by excluding the food group and energy items (Kerosene oil, petrol, diesel, CNG, electricity, and natural gas) from the CPI basket. Core inflation continued to follow moderate trajectory due to containment of domestic demand and muted pass-through of higher food prices into core goods and services prices.

Core inflation for Urban and Rural recorded at 7.6 percent and 8.3 percent respectively during July-April FY2022 as compared to 5.8 percent and 7.6 percent during the same period last year. The YoY core inflation remained higher in both Urban and Rural as compared to the same months last year. The spike witnessed in YoY increase in core inflation due to higher domestic demand, lagged impact of exchange rate depreciation and revision of taxes (vehicles and postal services) which were kept unchanged in previous budget on account of COVID-19 related relief. Table 7.3 shows the core inflation trend YoY basis.

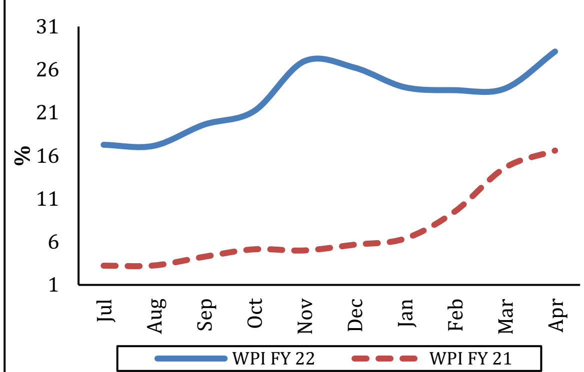
Table 7.3: Core Inflation												(%)
Months		**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**Jul-Apr**
2020-21	Urban	5.3	5.6	5.5	5.6	5.6	5.6	5.4	6.4	6.3	7.0	**5.8**
	Rural	7.8	7.6	7.8	7.6	7.4	7.7	7.8	7.7	7.3	7.7	**7.6**
2021-22	Urban	6.9	6.3	6.4	6.7	7.6	8.3	8.2	7.8	8.9	9.1	**7.6**
	Rural	6.9	6.2	6.2	6.7	8.2	8.9	9.0	9.4	10.3	10.9	**8.3**

Source: Pakistan Bureau of Statistics

7.4: Wholesale Price Index (WPI)

Wholesale prices of 419 items included are being collected from 19 cities. During the outgoing Fiscal year, WPI is moving towards an upward trajectory since the start of FY2022. Last year it followed a same pattern but remained far below than the current year upward trajectory. The YoY WPI for April 2022 is recorded at 28.1 percent against 23.8 percent in the previous month and 16.6 percent in the same month last year. The index on period average basis during July-April FY2022 has been recorded at 22.9 percent as against 7.4 percent during the same period last year.

Fig 7.4: WPI movment Year on Year



Source: Pakistan Bureau of Statitics

Further categorization of the index into 5 constituent groups reveals the highest inflationary pressure is recorded in other transportable goods i.e. 38.0 percent as against a decline of 3.1 percent during the same period FY2021. The group-wise comparison is given in table 7.4.

Table 7.4: Wholesale Price Index (WPI)			**(%)**
Group	**Weights**	**Jul-Apr**	
		2020-21	**2021-22**
General (WPI)	**100.0**	7.4	22.9
Agriculture Forestry& Fishery	25.8	11.9	23.8
Ores/Minerals, electricity, gas & water	12.0	2.4	9.4
Food, Beverages, Tobacco, Textiles and Leather Products	31.1	12.8	18.4
i) Food Products, Beverages & Tobacco	20.1	15.7	16.0
ii) Textiles & Apparel	10.3	7.7	24.1
iii) Leather Products	0.7	5.9	4.7
Other Transportable Goods	22.4	-3.1	38.0
Metal Products, Machinery & Equipment	8.7	14.9	18.2

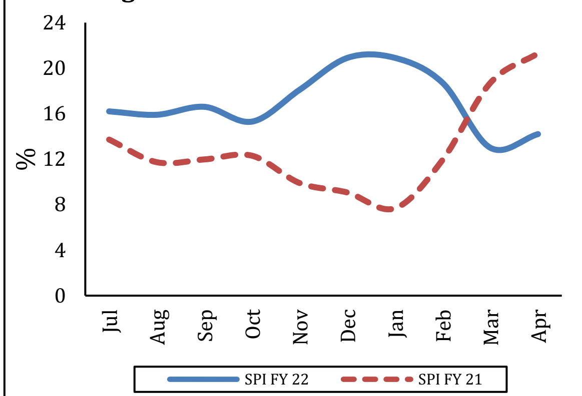
Source: Pakistan Bureau of Statistics

7.5: Sensitive Price Indicator (SPI)

SPI is computed on weekly basis to assess the price movements of essential commodities at a shorter interval of time to review the price situation in the country. SPI comprises of 51 essential items and the prices are collected from 50 markets in 17 cities of the country.

The trend of this index is monitored regularly by the NPMC, and immediate measures are being taken to control fluctuation in prices. The SPI YoY basis in FY2022 remained volatile as presented in the Figure 7.5.

Fig 7.5: SPI Year on Year



Source: Pakistan Bureau of Statistics

The annualized increase in SPI during July-April FY2022 was recorded at 16.9 percent against 12.9 percent in the same period last year. Twenty-five (25) major food items including wheat flour, rice, tomatoes, onions, pulses, chicken, sugar, red chilies, etc. having a weight of 59 percent, influenced SPI by 10.6 percent.

Table 7.5: Change in prices of major food items of SPI (%)

Items	Units	Weights (Combined)	Change Apr-22/ Apr-21	Contributions
Wheat Flour Bag	20 Kg	4.0	8.1	0.3
Rice Basmati Broken	1 Kg	1.3	13.0	0.2
Bread plain	Each	0.6	14.4	0.1
Beef with Bone	1 Kg	3.4	25.9	0.9
Mutton	1 Kg	2.4	24.2	0.6
Chicken	1 Kg	3.9	5.3	0.2
Milk fresh (Un-boiled)	1 Ltr	18.4	9.8	1.8
Curd	1 Kg	1.8	9.0	0.2
Powdered Milk	390 gm	0.4	8.3	0.0
Eggs Hen	1 Dozen	1.4	-17.0	-0.2
Cooking Oil DALDA	5 litre	3.1	58.6	1.8
Vegetable Ghee	2.5 kg	1.5	58.2	0.9
Vegetable Ghee	1kg	1.5	57.2	0.8
Bananas	1 Dozen	0.9	13.6	0.1
Pulse Masoor	1 Kg	0.5	41.8	0.2
Pulse Moong	1 Kg	0.5	-27.5	-0.1
Pulse Mash	1 Kg	0.3	3.6	0.0
Pulse Gram	1 Kg	0.5	11.1	0.1
Potatoes	1 Kg	2.1	-19.6	-0.4
Onions	1 Kg	1.7	93.2	1.6
Tomatoes	1 Kg	1.4	115.4	1.7
Sugar	1 Kg	3.2	-11.5	-0.4
Chilies Powder Packet	200 gm	0.8	-39.5	-0.3
Garlic	1 Kg	0.6	76.7	0.4
Tea Lipton Packet	190 gm	2.4	12.7	0.3
Total		**58.5**		**10.6**

Source: Pakistan Bureau of Statistics

7.6: Global Prices Trend

The Russia-Ukraine conflict has caused major disruptions to the supply of commodities. Both countries are key exporters of energy and agricultural products. The disruptions have exacerbated existing stresses in commodity markets following the recovery from the COVID-19 pandemic, which saw rebounding global demand and constrained supplies after 2020. Oil price rose to nearly US$105.8/bbl in April 2022 and has shown an increase by 63.3 percent on YoY basis while the month on month basis showing a decline of 8.5 percent.

Table 7.6: International Prices of Major Commodities

Months	Sugar ($/Mt)	Palm Oil ($/Mt)	Soyabean oil ($/Mt)	Crude oil ($/Brl)	Wheat ($/Mt)	Rice ($/Mt)	Tea ($/Mt)	DAP ($/Mt)	Urea ($/Mt)
Apr-21	360.0	1078.0	1401.0	64.8	281.0	477.4	2670.0	543.4	328.1
May-21	380.0	1156.0	1554.0	68.0	297.3	462.8	2710.0	574.6	331.6
Jun-21	380.0	1004.0	1518.0	73.1	285.6	438.6	2700.0	604.8	393.3
Jul-21	390.0	1063.0	1468.0	74.4	294.3	397.0	2650.0	613.0	441.5
Aug-21	430.0	1142.0	1434.0	70.0	324.5	381.0	2720.0	603.1	446.9
Sep-21	430.0	1181.0	1399.0	74.6	337.6	381.3	2730.0	643.8	418.8
Oct-21	420.0	1310.0	1484.0	83.7	354.7	382.9	2780.0	672.9	695.0
Nov-21	430.0	1341.0	1443.0	80.8	379.5	378.6	2830.0	726.7	900.5
Dec-21	420.0	1270.0	1411.0	74.3	376.8	381.0	2820.0	745.0	890.0
Jan-22	400.0	1345.0	1470.0	85.5	374.2	403.2	2860.0	699.4	846.4
Feb-22	390.0	1522.0	1596.0	95.8	390.5	406.0	2790.0	747.1	744.2
Mar-22	420.0	1777.0	1957.0	115.6	486.3	407.1	2610.0	938.1	872.5
Apr-22	430.0	1683.0	1948.0	105.8	495.3	409.1	3270.0	954.0	925.0
% Change									
Apr22/ Apr21	19.4	56.1	39.0	63.3	76.3	-14.3	22.5	75.6	181.9
Apr22/ Mar22	2.4	-5.3	-0.5	-8.5	1.9	0.5	25.3	1.7	6.0

Source: Commodities Price Pink Sheet, WB

The food prices have risen globally because of shortage of the supply of commodities and high demand. Pakistan has also been affected as the country is a net importer of food items, especially wheat, sugar, pulses and edible oil. The impact of global price movement is realized on domestic prices. However, the government made best efforts to minimize the impact of global increase in prices on domestic consumers.

Table 7.7: National Average prices

Months	Sugar Refined (Rs/Kg)	Cooking Oil (Rs/5Kg)	Vegetable Ghee (Rs/Kg)	Wheat Flour (Rs/20Kg)	Petrol (Rs/Litre)	Hi-Speed Diesel (Rs/Litre)	Rice (Rs/kg)	Tea (Rs/190 gm)
Apr-21	97.1	1536.7	302.6	1011.5	110.7	113.2	92.1	230.0
Mar-22	87.6	2258.2	451.2	1167.4	150.6	144.9	103.0	257.6
Apr-22	85.9	2437.9	475.7	1092.1	150.6	144.9	104.0	259.1
% Change								
Apr-22/Apr-21	**-11.6**	**58.6**	**57.2**	**8.0**	**36.1**	**28.0**	**13.0**	**12.7**
Apr-22/Mar-22	**-2.0**	**8.0**	**5.4**	**-6.5**	**0.0**	**0.0**	**1.0**	**0.6**

Source: Pakistan Bureau of Statistics

The drop in the FAO Food Price Index (FFPI) in April, 2022 was led by a significant downturn in the vegetable oil sub-index, along with a slight decline in the cereal price sub-index, whereas sugar, meat and dairy price sub-indices are sustained and showing moderate increases.

Fig 7.6: FAO Food Commodity Prices

Source: Food and Agriculture Organization

Prices of wheat largely driven by conflict-related export disruptions from Ukraine and to a lesser extent from the Russian Federation. The expected loss of exports from the Black Sea region exacerbated the already tight global availability of wheat. Hence, the world wheat prices rose sharply in March 2022, soaring by 19.7 percent while in April it marginally increased by 0.2 percent. International rice prices in April 2022, went up 2.3 percent from their March levels, sustained by a combination of strong local demand in various Asian exporters, purchases by Chinese buyers and weather setbacks in the Americas.

International palm oil prices dropped moderately in April, mainly weighed by subdued global import purchases amid high costs as well as a weakening demand outlook in China. Nevertheless, uncertainties about export availabilities out of Indonesia, the world's leading palm oil exporter, contained further decline in international prices.

The April 2022 rebound in international sugar price quotations was mainly prompted by the sharp increase in international crude oil prices, which raised expectations of a greater use of sugarcane for ethanol production in Brazil in the upcoming season. However, the good harvest progress and favourable production prospects in India, a major sugar exporter, contributed to easing the price hike and prevented larger monthly price increases.

7.8: Way Forward

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 outgoing fiscal year. There is significant uncertainty around the outlook for international commodity prices as well which had been exacerbated by the Russia-Ukraine conflict. The impact will be more visible in non-food prices, while the food prices are likely to remain stable due to effective monitoring of prices and smooth supply of essential items by the federal and provincial governments. As a result of these developments, average inflation forecasts have been revised upwards and will remain 11.5-12.0 percent in FY2022.

TRADE AND PAYMENT

Exports Grew by

27.6%

in FY 2022

Exports of services sector registered a growth of 18.2 percent during Jul-Apr FY 2022

Textile sector, especially the high value-added segment brings two-third of the total growth

Remittances posted a growth of 7.6 percent amounting to $ 26.1 billion

Chapter 8

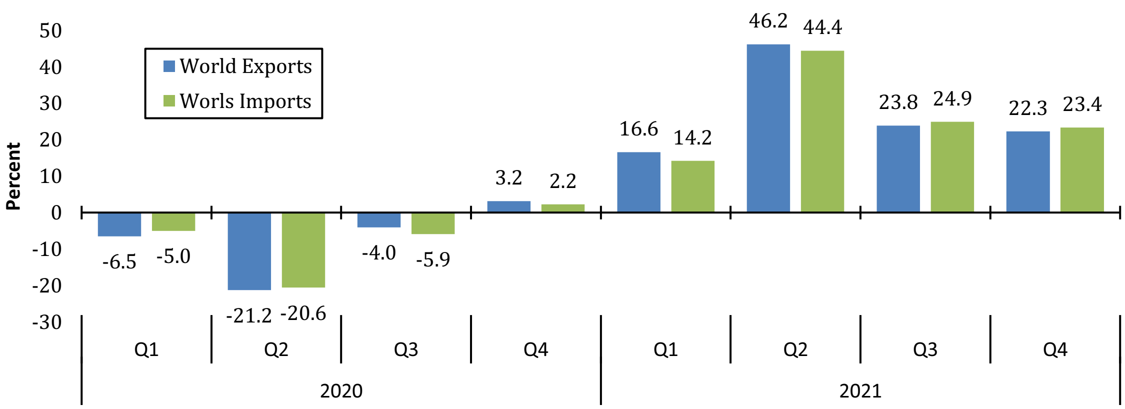
Trade and Payments

Introduction

The global economy has faced multiple headwinds during Jul-Mar FY2022. The post-COVID growth rebound had contributed to higher consumer demand for many products and commodities, thereby stressing supply chains and leading to a commodity price 'super cycle'. From late February 2022 onwards, geopolitical tensions between two major commodity producers – Russia and Ukraine – significantly added onto the commodity price spiral, pushing up prices of energy and food commodities even further. Just as the higher commodity prices were pressuring external accounts of emerging markets (EMs), higher inflation outturns in the US and other advanced economies resulted in central banks adopting a tightening monetary policy stance.

The revival of global economic activity in the first half of 2021 has boosted merchandise trade over its pre-pandemic peak, as global merchandise trade volume has increased by 9.8 percent in 2021. The global trade grew by 26 percent and reached US$ 22.4 trillion, while services trade grew by 15 percent and reached US$ 5.7 trillion. World merchandise trade volume is projected to grow by 3.0 percent in 2022 and 3.4 percent in 2023 provided the Ukraine-Russia war does not expand further. Fig 8.1 depicts the growth pattern of global merchandise trade.

Fig:8.1 Growth in Global Merchandise Trade

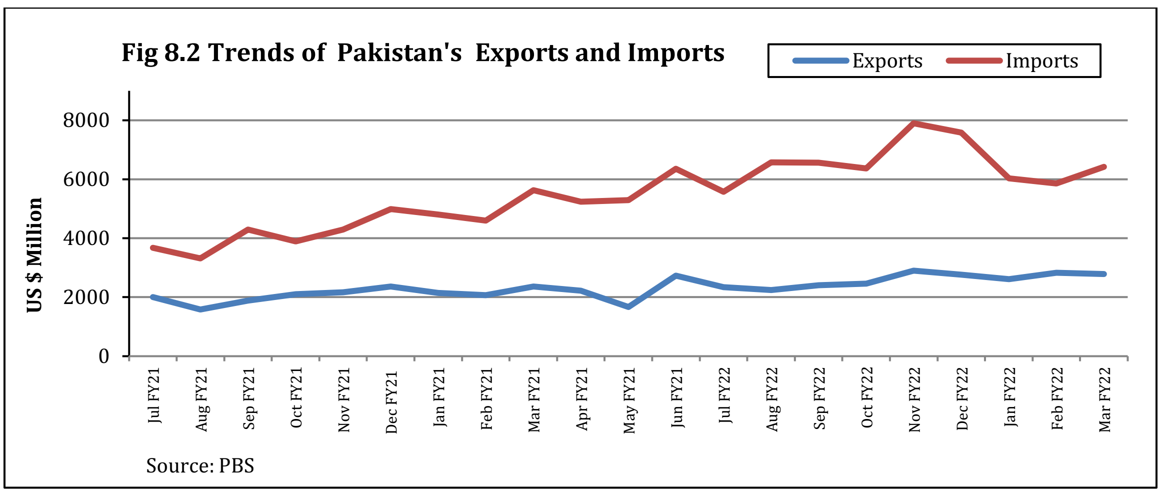


Source: WTO

Pakistan External Sector Performance

As COVID-19 disrupted economic activity worldwide. Thus, in Pakistan, after a slight contraction of real GDP in FY2020, Pakistan's economy rebounded in FY2021 and FY2022. Many policy measures were initiated to support export-oriented industries and facilitating these firms to increase export earnings.

During Jul-Mar FY2022, goods exports grew by 26.6 percent and amounted to US$ 23.7 billion, whereas services exports grew by 17.1 percent and amounted to US$ 5.1billion. Despite the encouraging export performance, the country's imports have also risen significantly. The broad-based surge in global commodity prices, COVID-19 vaccine imports, and demand-side pressures, all contributed to the rising imports. Resultantly, trade deficit grew by 55.5 percent amounted to US$ 30.1 billion which is historically high. Remittances which always supported in easing out pressure of trade deficit of both goods and services recorded at US$ 22.9 billion during Jul-Mar FY2022 and posted a growth of 7.1 percent. This ever-highest level of workers remittances was not sufficient to offset trade deficit. Thus, current account deficit recorded at US$ 13.2 billion during FY2022. Further, low performance of financial account during the period not only resulted in depletion of foreign reserves but also brought exchange rate under pressure.



Exports

Due to pro-business measures and recent rupee depreciation, (as per PBS data) exports marked an impressive growth of 25.0 percent during Jul-Mar FY2022 amounting to US$ 23.3 billion as compared to US$ 18.7 billion in the same period last year. Around two-thirds of the increase came from the textile sector, especially from the high value-added segment. Pakistan's textile exporters capitalized on the policy support available – including the SBP's concessionary refinance schemes for working capital and fixed investment, and the regionally competitive energy tariffs – and managed to ship higher volumes to key destinations (such as the US, UK and EU). Higher cotton prices also helped to increase the export unit prices both low and high value-added textile products. Apart from textiles, rice exports also rebounded during Jul-Mar FY2022, mainly due to the non-basmati variety.

Measures to Boost Export

The economy had stabilized after the lifting of lockdowns at the start of FY2021, various policy measures were taken to support industrial activity and resume the growth momentum. The policy incentives taken to increase exports included:

- Supply of energy to export oriented sectors including textile at regionally competitive rates i.e. electricity at US cents 9/kWh all- inclusive and RLNG at US$ 6.5/MMBtu all- inclusive during FY 2022. However existing tariff of US$ 6.5 /MMBtu for Captive Power (self-power generation) revised to US$ 9/MMBtu w.e.f.15.11.2021 to 31.03.2022.
- Release of Rs 16 billion under Duty Drawback of Taxes and Levies (textiles & non-textile) till third quarter of FY2022.
- Continuation of duty-free import of textile machinery to encourage investment in the textile sector and enhance capacities
- **Enhancement in coverage and loan limits under LTFF**: The SBP opened up LTFF for all sectors (as per Export Policy Order of MOC, as amended from time to time) in January 2020. To encourage new projects, the SBP doubled the maximum loan size for a single project to Rs 5 billion from Rs 2.5 billion. Subsequently, the SBP reduced the mark-up rate on LTFF for non-textile firms to 5 percent, aligning the rates charged to textile firms.
- **Introduction of incentives for exporters to bring FX proceeds in timely manner**: In February 2022, the SBP allowed Rupee-based discounting of export bills for exporters availing Exports Finance Scheme (EFS), at very attractive rates. The FX proceeds being discounted have to be converted and sold in the interbank at the time of discounting. The measure is expected to encourage timely arrival of FX proceeds into the interbank market, and also facilitating exporters to retain access to concessionary working capital.
- **Changes in FX regulations to facilitate exports**: The SBP introduced a range of changes to FX regulations, to simplify export procedures and encourage diversification in the country's exports of goods and services. To facilitate exporters, particularly SMEs, to sell to customers worldwide via digital/online platforms (including Amazon, eBay, etc), the SBP introduced a new framework for exports under business-to-business-to-consumer (B2B2C) mechanism. The SBP also updated regulations to facilitate exports of information and communications technology (ICT), including from freelancers, and to help start-ups attract foreign investment.
- To facilitate micro small and medium businesses, an e-Taijarat portal is developed and launched on 21st February 2022. The portal will provide the freelancers educational opportunities and marketplace opportunities to help them grow and flourish as business owners.

In line with the objectives of the National Tariff Policy (2019-2024), tariffs on different items are rationalized during Jul-Mar FY2022. Details are given below:

i) Addressed the tariff anomalies identified during the budget exercise for the Financial Year 2021-22, and subsequently rationalized Customs Duty (CD), Additional Customs Duty (ACD) and Regulatory Duty (RD) on different tariff lines.

ii) Addressed tariff anomaly under SRO 655 (1)/2006 by the removal/reduction of ACD for vendors and on the import of Heavy Commercial Vehicles in CKD condition.

iii) The tariff rationalization in the Auto sector are as follows:

   a) Imposition of 10 percent RD on import of EVs in Complete Built Unit (CBU) Condition of more than 50 KWH battery pack excluding commercial buses and trucks.

   b) RD on import of all type of Hybrid vehicles in CBU condition, exceeding 1500cc but not exceeding 1800cc, would be increased from 15 percent to 50 percent.

   c) RD on import of vehicles having spark/compression ignition engine (conventional engines) in CBU condition exceeding 850cc but not exceeding 1800cc, would be increased from 15 percent to 50 percent.

   d) The matter regarding increase in FED rate, from current 5 percent to 10 percent, on locally assembled/manufactured cars/SUVs, etc. as well as on import in CBU condition, of above 1500cc.

iv) Examined the tariff structure on the import of key products from Afghanistan to facilitate and support economic stability in Afghanistan. Tariff Policy Board (TPB) has approved reduction/removal in CD, ACD and RD on 11 items.

Box-I: Export Facilitation Scheme, 2021

Federal Board of Revenue has notified rules for new Export Facilitation Scheme (EFS) 2021 which is effective since 14th August, 2021 This Scheme runs parallel with existing schemes like Manufacturing Bond, DTRE and Export Oriented Schemes till August, 2023. Rules of EFS 2021 can be accessed at official website of FBR.

Users of this Scheme include Exporters (Manufacturers cum Exporters, Commercial Exporters, Indirect Exporters), Common Export Houses, Vendors and International Toll Manufacturers. Users of this Scheme are subject to authorization of inputs by the Collector of Customs and Director General Input-Output Organization (IOCO). Inputs include all goods (imported or procured local) for manufacture of goods to be exported. These include raw materials, spare parts, components, equipment, plant and machinery. No duty and taxes are levied on inputs imported by the authorized users and local supplies of inputs to the authorized users are zero rated. Through this new Scheme, Common Export House can import inputs duty and tax free for subsequent sale to the authorized users especially SMEs. This Scheme also allows International Toll Manufacturing within Pakistan. Under the said scheme, minimum but necessary documentation and securities based on category and profile of the applicant, user or exporter are required. This scheme encourages new entrants and SMEs. This Scheme is completely automated under WeBOC and PSW where users of the Scheme and regulators (IOCO, Regulator Collector, PCA etc.) are integrated through WeBOC and PSW and communicate through these systems. The focus of the Scheme is on post clearance compliance checks and audits.

Since its inception, the response to EFS is encouraging and so far, 29 new units have opted for EFS besides switching over to EFS from existing schemes which include 11 from Manufacturing Bond Scheme, 9 from DTRE Scheme and 4 from Export Oriented Units. It is expected that EFS 2021 shall reduce cost of doing business and cost of tax compliance, improve ease of doing business, reduce liquidity problems of exporters by eliminating Sales Tax refunds and Duty Drawback for the users of Scheme and shall attract more users and shall ultimately promote exports.

Source: Federal Board of Revenue

Performance of Merchandised Exports

Analysis of group wise data suggests that all groups of exports registered an impressive growth (Table 8.1). Food group increased by 18.9 percent and reached US$ 3.9 billion during Jul-Mar FY2022 as against US$ 3.3 billion to the same period last year. Within the food group, rice exports increased both in quantity and value by 22.8 percent and 15.0 percent, respectively. Exports of rice were recorded at US$ 1.8 billion during Jul-Mar FY2022 as compared to US$ 1.5 billion same period last year.

Table 8.1: Structure of Exports

Particulars		Units	July-March Values in US$ million			July-March Quantity		% Change in Quantity
			2020-21	2021-22 (P)	% Change	2020-21	2021-22 (P)	
	Total		18687.2	23354.9	25.0			
A.	**Food Group**		3331.3	3961.5	18.9			
	Rice	M.T	1560.4	1793.9	15.0	2883013	3540090	22.8
	Sugar	M.T	0.0	0.0		0	0	
	Fish & Fish Preparation	M.T	303.8	310.0	2.0	136352	116514	-14.5
	Fruits	M.T	378.6	394.5	4.2	829369	514516	-37.9
	Vegetables	M.T	245.7	248.4	1.1	700518	703172	0.4
	Wheat	M.T	0.0	0.0		0	0	
	Spices	M.T	70.5	83.3	18.0	17940	20218	12.7
	Oil Seeds, Nuts & Kernels	M.T	76.3	176.7	131.4	68945	130138	88.8
	Meat & Meat Preparation	M.T	247.0	249.9	1.2	72467	56732	-21.7
	Other Food Items		424.1	665.3	56.9			
B.	**Textile Manufactures**		11355.5	14242.6	25.4			
	Raw Cotton	M.T	0.6	6.6	1009.1	499	2752	451.5
	Cotton Yarn	M.T	721.2	908.5	26.0	293161	260284	-11.2
	Cotton Cloth	TH.SQM	1419.2	1795.5	26.5	314562	342700	8.9
	Knitwear	TH.DOZ	2780.9	3729.7	34.1	127104	120946	-4.8
	Bedwear	M.T	2052.3	2448.9	19.3	343436	394996	15.0
	Towels	M.T	692.1	819.6	18.4	158914	167009	5.1
	Readymade Garments	TH.DOZ	2268.4	2863.6	26.2	27845	37293	33.9
	Made-up articles		565.7	627.0	10.8			
	Other Textile Manufactures		855.1	1043.4	22.0			
C.	**Petroleum Group**		116.1	236.0	103.3			
	Petroleum Products	M.T	20.8	57.3	175.6	46702	80746	72.9
	Petroleum Top Neptha	M.T	32.5	0.0	-100.0	96033	0	-100.0
D.	**Other Manufactures**		2566.1	2982.6	16.2			
	Carpets, Rugs & Mats	TH.SQM	54.3	61.0	12.3	1109	1799	62.2
	Sports Goods	TH.DOZ	192.2	259.9	35.2			
	Leather Tanned	TH.DOZ	113.3	154.5	36.3	7859	11754	49.6
	Leather Manufactures		427.7	463.9	8.5			
	Surgical Goods. & Med. Inst.		324.3	307.7	-5.1			
	Chemical & Pharma. Pro.		844.2	1093.7	29.6			
	Engineering Goods		163.8	168.3	2.8			
	Jewellery		6.5	10.0	53.3			
	Cement	M.T	210.0	199.4	-5.1	6247086	5227877	-16.3
	Guar & Guar Products	M.T	25.8	32.7	26.7	21410	19125	-10.7
	All Other Manufactures		204.0	231.6	13.5			
E.	**All Other items**		1318.3	1932.2	46.6			

P : Provisional

Source: PBS

The Basmati rice exports increased both in quantity and value by 26.1 percent and 21.6 percent respectively, during Jul-Mar FY2022. One major contributor to this increase is exports to Kazakhstan, which grew by over 200 percent during Jul-Feb FY2022. Besides, there was higher demand from Madagascar, Somalia and Malaysia. Price of Pakistan's basmati rice remained lower than last year, making it more competitive in the international market.

The other varieties under rice group during Jul-Mar FY2021 witnessed a growth of 12.6 percent in value and 22.2 percent in quantity. Higher shipments could be traced to China, where demand was strong, as underscored by growth in consumption and import of rice amidst Asian origin quotes being lower than domestic prices.

Exports of oil seeds, nuts & Kernels witnessed a growth of 88.7 percent in quantity and 131.4 percent in value during Jul-MarFY2022. The export of spices also increased both in quantity and value by 12.7 percent and 18.0 percent, respectively during Jul-Mar FY2022.

Meat and meat preparation increased in value by 1.2 percent; however, its quantity declined by 21.7 percent during Jul-Mar FY2022. Pakistan has the opportunity to harness the Halal meet market in Muslim African and East Asian countries. The major challenges being faced by exporters include: credit risk, under-invoicing, over-supply of chilled meat, new entrants, lack of fair play in domestic market, Foot and Mouth Disease (FMD) and lack of technical expertise. Further, establishment of FMD free zones, livestock feedlot farms, and efficient traceability mechanism are necessary required actions to enhance meat exports.

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

During current fiscal year, Textile policy 2020-25 has been approved by the Cabinet. Textiles and Apparel Policy, 2020-25 aims to fully utilize potential of home-grown cotton augmented by Manmade Fibers/Filaments to boost value-added exports and become one of the major players in global textiles and apparel supply chain. The policy aims to provide conducive business environment, consistent, predictable and foreseeable measures and level playing field for the domestic and export-oriented textiles and apparel value-chain industries.

Textile group witnessed a growth of 25.4 percent during Jul-Mar FY2022 and reached US$ 14.2 billion compared to US$ 11.3 billion during the corresponding period last year. Pakistan received higher foreign orders for finished goods, which consequently increased demand of textile intermediaries', i.e. cotton fabric and yarn and led to enhancing capacity development as well as the value chain. Increased international prices of cotton helped in increased export unit values of Pakistan's major textile products. Some competitor countries like Bangladesh have witnessed the same surge in exports unit values. According to the US Department of Agriculture (USDA) world cotton market updates, strong global demand and lower supplies due to logistical challenges, led to prices rising consistently until the middle of February 2022.[1]Besides China, Cotton is witnessing strong demand from Pakistan, Bangladesh and Vietnam as well.

Global logistical crisis and rising freight cost elevated the landed cost of imported cotton in Pakistan, which is eventually being factored into exports unit prices of finished goods like apparel and textile. Containers freight rates increased dramatically between January 2019 and March 2022. The year 2021 saw an especially steep increase in global freight rates, reaching a record price of over US$10,800 in September 2021. Whereas, on YOY the global freight rate index increased by 68.3 percent to US$ 8200 in March 2022 as against US$ 4872 in March 2021.[2]

In case of home textiles, bedwear exports increased both in quantity and value by 15.0 percent and 19.3 percent, respectively, whereas towels exports increased in both quantity and value by 5.1 percent and 18.4 percent in Jul-Mar FY2022. Knitwear exports grew by 34.1 percent in value despite a decline of 4.8 percent in quantity during Jul-Mar FY2022. The exports of readymade garments increased both in quantities by 33.9 percent and in value by 26.2 percent during Jul-Mar FY2022. This increase is mainly due to increase in the demand for formal wear bouncing back as the COVID-related mobility restrictions generally eased around the globe in 2021, and many workers returned to their workplaces.

The exports of intermediate commodities like cotton yarn witnessed an increase in value by 26.0 percent, while the quantity witnessed a decline of 11.2 percent. Cotton cloth export increased both in quantity and value by 8.9 percent and 26.5percent, respectively during Jul-Mar FY2022.

The Petroleum group's exports posted an increase of 103.3 percent during Jul-Mar FY2022. Furthermore, petroleum crude exports also soared 184.9 percent to US$ 178.7 million during Jul-Mar FY2022.

Export of leather tanned grew remarkably both in quantity and value by 49.6 percent and 36.3 percent, respectively. The leather industry witnessed a steady recovery on account of prudent government policies and significant relaxations in lockdown at various export destinations.

In the case of sports goods, Gloves exports increased both in quantity and value 132.5 percent and 16.4 percent, respectively during Jul-Mar FY2022. Gloves exports were recorded at US$ 56.7 million. Other major sports goods is football witnessed an increase both in quantity and value by 37.8 percent and 40.3 percent, respectively.

Pakistan has been the official makers of match-ball since the 1982 FIFA World Cup. The nowcasts for the football exports is very remarkable as FIFA World Cup is set to commence in Doha, Qatar in November, 2022.The ball named 'Al-Rihla' has been manufactured in Pakistan by Adidas.

[1] Fibre2Fashion.com

[2]https://www.statista.com/statistics/1250636/global-container-freight-index/

Export of carpets, rugs, and mats registered a growth both in quantity and value by 62.2 percent and 12.3 percent, respectively during Jul-Mar FY2022.The export of cement witnessed a decline both in quantity and value by 16.3 percent and 5.1 percent, respectively during Jul-Mar FY0222. Increased production cost, rising international freight rates, soaring coal prices are the main reasons of reduction in cements exports. Moreover, Iranian cement replaced Pakistani cement in Bangladeshi market, as the former is economical due to low cost of energy.

Exports of Chemicals and pharmaceuticals product grew by 29.6 percent and clocked in at US$ 1093.7 million during Jul-Mar FY2022. Chemicals, other than the ones used in pharmaceutical and plastic products, had the highest share.

To tap the huge potential for pharmaceutical products in the global market, the MOC closely coordinated efforts with Ministry of National Health Services, Regulations & Coordination (MNHSR&C) and Drug Regulations Authority of Pakistan (DRAP) to implement the following:

a. **One-Window Facility for grant of GMP[3] and cGMP[4]:** DRAP has decentralized the process of issuance of cGMP certificates, which are now issued by DRAP's field offices on priority basis. Moreover, the validity period of the GMP certificate for export purpose has also been extended by DRAP for 3 years.

b. **Active Pharmaceutical Ingredient:** API is substances used in a finished pharmaceutical product. Pakistan imports over 90 percent of the APIs/pharmaceutical raw material from abroad especially from India and China. In order to decrease reliance on imported raw material and develop indigenous capabilities, the MNHSR&C has finalized draft of the API Policy, which is in the process of approval by the Cabinet.

Surgical industry is an important sector of the economy having an annual export of US$ 426 million in FY2021, providing employment to hundreds of thousands of skilled and semi-skilled workforces in the country. During Jul-Mar FY2022, Surgical goods & Medical Instruments exports were recorded at US$ 307.7 million. The European Union Medical Device Regulation (MDR)/Regulation (EU) 2017/745 (EU MDR) entered into force on 26th May 2021, impacting manufactures which were previously exempt from medical device regulation. The new regulations will be fully implemented from May 2024.

Box-II: International Engineering and Healthcare Show, 2022

The Trade Development Authority of Pakistan (TDAP) organized Pakistan's first ever Engineering and Healthcare Show, 2022 (EHCS) at Expo Centre Lahore from 25th to 27th February, 2022. In the 1st edition of EHCS, 325 foreign delegates from 27 African countries and 05 Central Asian Republics visited the stalls of 170 exhibitors to get first-hand experience of the whole range of engineering and healthcare products being offered by Pakistan.

[3] A Good Manufacturing Practices (GMP) certification scheme

[4] Current Good Manufacturing Practice (cGMP)

The purpose of the event was to provide opportunity to Pakistani SMEs to showcase their products in African and Central Asian markets, to explore opportunities for investments, JVs & brand franchising, and to promote soft image of Pakistan as manufacturing hub of Engineering & its allied products.

Prominent sectors exhibited in the show included Agricultural machinery, Mobile devices, Pharmaceutical, Surgical instruments, Sports goods, Musical instruments, Auto-parts, Electrical machinery, Cutlery, Cookware, Marble, Minerals, Steel & Iron, Construction materials, Gems & Jewelry, Furniture, Mattresses, Rubber & its other products, Packaging, Plastic and its implements, Stationery, Paperboard, Handicrafts, Safety Equipment& Chemicals.

The reported outcome of business deals which have been materialized so far amounts to approximately USD 47 million, based on which it is expected that the actual business generated may exceed USD 150 million.

During the event, TDAP organized around 2100 sector-specific B2B meetings of foreign buyers with local exhibitors in which extensive discussion was held related to business generation and future collaboration. In order to create awareness regarding ease of doing business, investment and financial matters, three seminars were organized by Pakistan Single Window (PSW), BOI and SBP, respectively.

The President of Pakistan formally launched the Pakistan Trade Portal on the sideline event of the show. Pakistan Trade Portal is an initiative of TDAP to cater the need of Pakistan Businesses relating to having a free of cost, cross boarder B2B matchmaking portal. Keeping in view the success of the 1st Edition of EHCS, it has been decided to make Engineering and Healthcare Show a permanent feature of Annual Business Plan of TDAP.

Source: TDAP

Concentration of Exports

The trend of Pakistan's export of major items remains more or less the same having concentrated on three items namely cotton manufactures, leather and rice (Table 8.2). These three categories account for 69.9 percent of total exports during Jul-Mar FY2022.

Within these few items, cotton manufactures remain the major contributor with 59.2 percent in total exports. Almost all the export earnings have originated from textile manufactures. This pattern shows that Pakistan's export is still concentrated in a few items. The annual percentage shares of the major export commodities are shown in Table: 8.2.

Table 8.2: Pakistan's Major Exports — **Percentage Share**

Commodity	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	July-March	
							2020-21	2021-22 P
Cotton Manufactures	55.0	56.5	61.7	56.4	56.6	59.0	58.8	59.2
Leather**	4.9	4.1	4.2	3.7	3.6	3.3	3.3	3.0
Rice	8.8	8.8	7.7	9.0	10.2	8.1	8.4	7.7
Sub-Total of three Items	**68.7**	**69.4**	**73.6**	**69.1**	**70.4**	**70.4**	**70.5**	**69.9**
Other items	31.3	30.6	26.4	30.9	29.6	29.6	29.5	30.1
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

P: Provisional, ** Leather & Leather Manufactured.
Source: PBS

Direction of Exports

In so far as the top export destinations are concerned, USA remains the largest export market for Pakistan during Jul-Mar, FY2022. Exports to USA have moderately increased from 20 percent in Jul-Mar FY2021 to 21 percent in Jul- Mar FY2022. Similarly, Chinese share in exports has increased from 10 percent to 11 percent during the period under review. Detailed bifurcation of major export markets have shown in the Table 8.3.

Table 8.3: Major Exports Markets (Rs billion & Percentage share)

Country	2018-19		2019-20		2020-21		July-March 2020-21		July-March 2021-22 P	
	Rs.	% Share	Rs.	% Share	Rs.	% Share	Rs.	% Share	Rs.	% Share
USA	532.8	17	585.4	17	823.6	20	593.6	20	854.3	21
China	259.6	8	273.4	8	388.0	10	292.9	10	428.4	11
Afghanistan	176.4	6	134.3	4	163.8	4	126.9	4	90.2	2
United Kingdom	226.8	7	239.6	7	324.7	8	245.3	8	277.1	7
Germany	173.4	6	199.0	6	241.2	6	187.7	6	220.0	5
U.A.E	125.8	4	178.9	5	160.9	4	118.9	4	174.6	4
Bangladesh	101.8	3	102.6	3	104.1	3	78.3	3	125.1	3
Italy	107.4	3	115.0	3	125.9	3	92.6	3	138.6	3
Spain	126.5	4	130.3	4	140.3	3	108.1	4	159.3	4
France	53.9	2	87.1	3	101.8	3	49.8	2	60.5	2
All Other	1,243.8	40	1,324.2	39	1,467.8	36	1,126.1	37	1,490.6	37
Total	3,128.2	100	3,369.8	100	4,041.9	100	3,020.2	100	4,018.8	100

Source: PBS

Box- III: STRATEGIC TRADE POLICY FRAMEWORK (STPF) 2020-25

The Ministry of Commerce (MOC) has prepared the STPF 2020-25 that aims to enhance export competitiveness of Pakistan through a framework of interventions having an impact across the value chains. The policy has been formulated after holding extensive consultations with the private and public sector stakeholders after critically analysing the deficiencies of the previous trade policies. The STPF intends to make the policy implementation unidirectional by correcting the chronic policy fragmentation related issues. Overall, it aims to enhance the ability of Pakistani enterprises' capacity to produce, distribute and sell products and services as or more efficiently than is done by the competitors.

A. Pillars of STPF 2020-25

- i) Rendering exports, a national priority and the primary driver of economic growth, that is both inclusive and sustainable, and is the main viable source of foreign exchange earnings;
- ii) Enhancement of exports via a collaborative and cohesive national effort engaging all relevant ministries, departments, government agencies and private sectors so as to ensure policy coherence;
- iii) Introduction of strategic interventions in priority sectors under 'Make in Pakistan' initiative. Alignment of Trade Policy in tandem with macro-economic framework and other national policies such as Taxation, Revenue, Textiles & Industrial Policy, etc.

B. Guiding Principles of STPF 2020-25

- i) No element of any duties and taxes on exports.
- ii) Regionally competitive energy prices for export-oriented sectors.
- iii) The export enhancement support and incentive initiatives should be made simplified, certain and automated performance oriented and time-bound.
- iv) An institutionalized mechanism for robust monitoring and implementation of the STPF in order to minimize the policy implementation gaps.

C. Critical Enablers of STPF 2020-25

Following major Critical Enablers (CEs) that would help achieve the objectives of STPF 2020-25:

i) **Competitiveness Enhancement** through a**.** Reduction in Cost of Doing Business, b. Tariff Rationalization, c. Productivity Enhancement, d. Enhancement of Quality of Products: Trade Related Investment

ii) **Integration into Global Value Chains (GVCs)**

iii) **Export Ecosystem**

D. Identification of Priority Sectors under STPF 2020-25

The priority sectors have been identified after studying the international demand trends, on one hand, and on the other, the capacity and capabilities of different export sectors of Pakistan. The guiding principle was to divert the most of efforts and interventions in those sectors that promise greater export opportunities and larger returns. Following priority sectors have been identified in STPF 2020-25 which have been bifurcated into traditional and developmental categories:

Traditional Sectors	Developmental Sectors
1. Textile & Apparel	1. Engineering Goods (incl. Auto Parts)
2. Leather	2. Pharmaceutical
3. Surgical Instruments	3. Marble & Minerals
4. Sports Goods	4. Processed Food & Beverages
5. Carpets	5. Footwear
6. Rice	6. Gems & Jewellery
7. Cutlery	7. Chemicals
	8. Meat & Poultry
	9. Fruits & Vegetables
	10. Sea Food
	11. Services Sector (Special focus on IT, Transport, Logistics & Tourism)

E. National Export Development Board (NEDB)

In order to oversee the implementation of STPF 2020-25, a cross functional National Export Development Board has been constituted under the chairmanship of the Prime Minister, comprising of senior public sector officials of relevant organizations and private sector representatives.

Source: Ministry of Commerce

Bilateral Relation

Pakistan attaches great importance to its trade relations with other trading partners. Engagements of Pakistan with its trading partners in the outgoing fiscal year are mentioned below:

China-Pakistan

Pakistan is engaged with China through a bilateral agreement in addition to other commercial agreements.

1. During the period July-March FY2022, the MOC, in consultation with the TDAP, launched an awareness campaign for the un-utilized tariff lines for exports under CPFTA-II. The campaign is extended over two FYs (21-22 & 22-23).

CARs Region

Pak-Uzbekistan Preferential Trade Agreement (PTA): To enhance market access, MOC signed Pak-Uzbekistan PTA on 3rd March, 2022. Under the PTA, both sides have provided tariff concessions to each other on seventeen items, by reducing duties from 20-100 percent. This would help in enhancing exports to Uzbekistan.

a) **Pakistan-Uzbekistan Business Forum 2021:** 1st Pakistan-Uzbekistan Business Forum was held on 15-17th July, 2021 at Tashkent. More than 2000 business meetings took place during the forum where overall 14 MOUs worth approximately US$ 50 million were signed.

b) **Pakistan-Tajikistan Business Forum 2021:** Pak-Tajikistan Business Forum was held on 16th September, 2021 at Dushanbe. B2B meetings for 67 Pakistani companies from diverse sectors of pharmaceutical, textile, logistics, fruits & vegetables, mining etc. were organized with Tajik companies. More than 150 Tajik companies participated in the B2B meetings where Eight Agreements/ MOUs signed and several are under negotiation stage.

c) **Pakistan-Uzbekistan Business Forum 2022:** 2nd Pakistan-Uzbekistan Business Forum was organized on 2nd March 2022 at Islamabad in which 46 Uzbek companies and 150 Pakistani companies participated and B2B meetings were held and at least six MOUs were signed.

The exports in the non-traditional market of Central Asian Republics, increased by 101 percent during Jul-Mar FY2022

DEVELOPMENT OF ECONOMIC CORRIDOR

MOC has taken following actions to develop Economic Corridor and enhance regional connectivity with landlocked CARs:

- **Signing of Transit Trade Agreement with Uzbekistan:** MOC has signed Agreement between Uzbekistan and Pakistan on Transit Trade (AUPTT) on 15th July, 2021
- **Transit Trade Agreement proposed with Tajikistan:** Pakistan and Tajikistan decided to start negotiations on Transit Trade Agreement during the meeting of Joint Working Group on 12th August 2021.
- **Transit Trade Agreement proposed with Kazakhstan:** Pakistan and Kazakhstan decided to start negotiations on Transit Trade Agreement during the meeting of Joint Working Group on 15th November 2021.

Middle East Region

The exports of traditional markets of Middle East, have increased by 24 percent during July-March FY2022. The major events in these markets are as follows:

1. **EXPO 2020:** Pakistan participated in EXPO 2020 from 1st October 2021 to 31stMarch 2022. It has been reported that over one million visitors visited Pakistan Pavilion during first 82 days of the EXPO 2020. Federal & Provincial departments have organized multiple events during the mega EXPO. Pakistan Pavilion was rated among top-15 National Pavilions in EXPO 2020 by CNN. At the end of the EXPO, Pakistan Pavilion was presented Silver Award by International jury, which is a huge achievement.
2. **Pakistan-GCC FTA Negotiations:** Pak-GCC FTA is a comprehensive agreement covering goods, services, cooperation in investment and various other fields. Pakistan & GCC have resumed FTA negotiations after thirteen years.

3. **Establish of JWG on Trade with Syria:** Pakistan and Syria signed a MOU to establish a Joint Pakistan-Syrian Working Group on Trade & Economic Affairs on 31st of Oct, 2021 in Damascus, Syria. . In this regard, first technical level meeting of JWG was held on 23rd Dec, 2021 to discuss various aspects of trade cooperation.

Africa Region

To enhance exports to the non-traditional market of Africa, MOC launched its Look Africa Policy in 2017/18 to increase commercial presence of Pakistan in Africa, establishment of institutional linkages and strengthening of B2B relations. The exports increased by 12 percent during July-March FY2022.The following initiative has been taken to diversify exports to Africa:

a) **2nd Pakistan Africa Trade Development Conference and Single Country Exhibition:** 2nd Pakistan Africa Trade Development Conference and Single Country Exhibition were successfully organized in Lagos, Nigeria from 23-25 November 2021. Efficient coordination with Pahic Abuja, TDAP, TIA Lagos and Nigerian High Commission in Islamabad ensured participation of more than 240 business persons from Pakistan representing 103 companies and around 75 delegates from other ECOWAS countries. Business deals worth around US$ 32 million were finalized during the event.

United States

The USA is the largest exports market for Pakistan's products with 20 percent share in Pakistan's total export in 2020-21. Pakistan's main exports to USA are in articles of apparel & home textiles (78percent), intermediate textile (6percent), leather apparels (3percent), sugar confectionary, rice, spices etc. (3percent), surgical goods (2percent), plastics and rubber (2percent), and furniture & sports goods (2percent).

Russia

The balance of trade is in favour of Russia with Pakistan trade deficit balance of US$ 191.7 million in July-Feb FY2022. The 3rd Joint Working Group meeting on Trade & Investment of the 7th Pakistani-Russian Intergovernmental Commission on Trade, Economic, Scientific and Technical Cooperation was held in Yekaterinburg, Russia on November 24-26, 2021.

United Kingdom

The balance of trade is in favour of Pakistan with a trade balance of US$ 911.13 million in July-Feb FY 2021-22. Post Brexit, UK has given a firm commitment to Pakistan that it will continue to grant similar market access to the Pakistani products which it currently enjoys under EU GSP plus regime. The Government of UK is going to commence its own GSP scheme called Developing Countries Trading Scheme effective from 2022. The new scheme will replace the UK's current Generalized Scheme of Preferences. Consultation process for the new scheme concluded on 12 September 2021. From Pakistan, the representatives of public sector, private sector and academia participated in the consultation process.

Box- IV: 5th Trade Policy Review of Pakistan

The Trade Policy Review (TPR) is a mandatory exercise undertaken by Trade Policy Review Board (TPRB) of the World Trade Organization (WTO). The review is undertaken every seven years for Pakistan and engages in surveillance of national trade and economic policies from view point of multilateralism. Pakistan being one of founding members of WTO has undergone four such reviews in the past and the 5th Trade Policy review stretched over May 2021 to April 2022. Main objectives of TPR are to achieve transparency, better understanding of the reviewed Member's trade policies and practices and contributing to improved adherence by all Members to rules, disciplines and commitments made under the Multilateral Trade Agreements. The review culminates into two reports: 'Government Report' and 'Secretariat Report' which are circulated amongst all WTO Members and hence have an international audience.

Ministry of Commerce served as focal Ministry for the entire process and liaised with all public sector stakeholders to respond to all queries of the TPRB and to compile such reports as are effective to represent the progressive nature of Pakistan's economic and investment potentials. Scope of 'Secretariat Report' is extensive as it relays detailed analytical information regarding economic environment, trade regime, investment regime, trade policies and practices. 'Government Report' comprises of a precise and forward-looking statement from the government focusing on future economic policy aims of the country. After extensive data gathering, analyses and inter-ministerial consultations both the reports were shared with WTO Secretariat and were circulated to all the WTO members.

The Reports were discussed at concluding meetings of TPRB where all WTO Members noted Pakistan's resilience and effective policies in tackling economic shocks of COVID -19 and subsequent economic recovery. Pakistan was commended largely for quick implementation of the Trade Facilitation Agreement (TFA). The Members unanimously appreciated Pakistan's active engagement at the WTO upholding the values and fundamental principles of the WTO and support for developing countries & invited Pakistan to join other international agreements on various trade pertinent matters for further integration into multilateralism.

Source: Ministry of Commerce

Imports

The total imports during Jul-Mar FY2022 clocked at US$ 58.9 billion as compared to US$ 39.5 billion in the same period last year, showing a growth of 49.1 percent (Table 8.4). The increase in imports is recorded in all the major groups. Multiple factors have contributed to the steep rise in imports during Jul-Mar FY2022. Rising global commodity prices contributed significantly to the increasing import volume.

Disaggregated data on imports indicates that the energy group is the largest source of the increase in imports, contributing over one-third to the YoY increase in imports during the period. Similarly, price-led pressures were also noted across non-energy commodities imported by Pakistan, such as edible oil (palm and soybean), sugar, tea, fertilizer, and steel. At the same time, the domestic demand for imported raw materials (such as cotton and steel) and capital goods was also elevated in the wake of the policy-induced economic rebound.

Measures to Curtail Unnecessary Imports

The broad-based up surge in global commodity prices, COVID-19 vaccine imports, and demand-side pressures, all contributed to the rising imports. While the PKR exchange rate acted as a shock absorber and depreciated, in response to external payments pressure. Following regulatory measures were taken to curtail the import burden:

- **Imposition of 100 percent cash margin requirements**: In September 2021, the SBP decided to impose 100 percent cash margin requirement (CMR) on the import of 114 non-essential items. The SBP imposed CMRs on a further 177 items in April 2022. As of April 15, 2022, CMRs are applicable on a total of 702 items, covering 22 percent of overall imports in the country.
- **Tightening in prudential regulations for auto and consumer financing**: To moderate domestic demand and the import burden from the transport segment, the SBP made the following changes to prudential regulations for auto financing.
  - Maximum tenure of auto finance reduced from seven to five years;
  - Maximum tenure of personal loans reduced from five to four years;
  - Maximum debt-burden ratio, allowed to a borrower, decreased from 50 to 40 percent;
  - All auto financing limits availed by one person from all banks/DFIs, in aggregate, not to exceed Rs 3 million at any point in time; and
  - Minimum down payment for auto financing increased from 15 percent to 30percent;
- **Increase in cash reserve requirement for banks**: The SBP increased the average cash reserve requirement (CRR), to be maintained by banks during a two-week period, from 5 percent to 6 percent, and the minimum CRR to be maintained each day from 3 percent to 4 percent. The measure is expected to moderate domestic demand, and also encourage banks to actively pursue deposit mobilization efforts.
- Imported motor cars, SUVs and other motor vehicles
  - of cylinder capacity exceeding 1800cc to 3001cc has been increased FED from 25 percent to 30 percent ad val.
  - of cylinder capacity exceeding 3001cc FED has been increased from 30 percent to 40 percent ad val.
- Imported double cabin (4x4) pick-up vehicles, FED has been increased from 25 percent to 30 percent ad val.
- Rate of sales tax on imported EV in CBU condition has been enhanced from 5 percent to 12.5 percent.
- The sale tax @ 17 percent ad valorem has been introduced for imported mobile devices valuing more than US$ 200.

- Eighth Schedule has now been streamlined and a number of reduced rates and concessionary regimes have been withdrawn, bringing these goods under standard regime.

Table 8.4 : Structure of Imports

Particulars		Units	July-March Value in US$ million		% Change in Value	July-March Quantity		% Change in Quantity
			2020-21	2021-22 (P)		2020-21	2021-22 (P)	
	Total		39,489.3	58,867.6	49.1			
A.	**Food Groups**		6,121.4	7,067.7	15.5			
	Milk & Milk food	M.T	76.8	74.3	-3.3	43,675	35,796	-18.0
	Wheat Un milled	M.T	938.3	795.3	-19.1	3,612,638	2,206,880	-38.9
	Dry Fruits	M.T	69.7	54.0	-22.5	66,766	77,902	16.7
	Tea	M.T	435.1	487.1	12.0	194,961	199,807	2.5
	Spices	M.T	157.6	176.0	11.7	138,407	115,414	-16.6
	Edible Oil (Soyabean& Palm)	M.T	1,909.3	2,834.0	48.4	2,516,070	2,325,117	-7.6
	Sugar	M.T	127.5	190.9	49.7	279,604	311,031	11.2
	Pulses	M.T	448.4	477.7	6.5	842,643	720,433	-14.5
	Other Food Items		1,913.8	1,978.6	3.4			
B.	**Machinery Group**		4,481.0	5,565.7	24.2			
	Power generating Machines		1,356.1	1,235.9	-8.9			
	Office Machines		332.7	464.0	39.5			
	Textile Machinery		381.9	624.8	63.6			
	Const. & Mining Machines		104.6	138.5	32.4			
	Aircrafts, Ships and Boats		373.4	532.9	42.7			
	Agriculture Machinery		66.0	90.6	37.3			
	Other Machinery Items		1,866.4	2,479.1	32.8			
C.	**Petroleum Group**		5,471.0	10,944.7	100.0			
	Petroleum Products	M.T	3,447.6	7,290.0	111.4	10,439,837	12,532,860	20.0
	Petroleum Crude	M.T	2,023.4	3,687.7	82.3	6,422,166	6,647,166	3.5
D.	**Consumer Durables**		2,623.6	4,181.5	59.4			
	Road Motor Vehicles		1,545.6	2,693.8	74.3			
	Electric Mach.& Appliances		1,077.9	1,487.7	38.0			
E.	**Raw Materials**		7,160.7	9,596.6	34.0			
	Raw Cotton	M.T	1,032.1	1,205.5	16.8	624,945	533,871	-14.6
	Synthetic Fibre	M.T	441.0	562.3	27.5	346,248	291,364	-15.9
	Silk Yarn (Synth &Arti)	M.T	499.8	650.2	30.1	317,440	293,191	-7.6
	Fertilizer Manufactured	M.T	440.2	675.2	53.4	1,256,943	1,231,926	-2.0
	Insecticides	M.T	129.9	135.7	4.0	28,509	24,379	-14.5
	Plastic Material	M.T	1,771.1	2,324.9	31.3	1,449,276	1,452,426	0.2
	Iron & steel Scrap	M.T	1,418.8	1,856.1	30.8	3,830,128	3,128,070	-18.3
	Iron & steel	M.T	1,427.8	2,186.7	53.1	2,309,097	2,782,458	20.5
F.	**Telecom**		1,913.7	2,125.4	11.1			
G.	**All Other Items**		11,718.0	19,353.5	65.2			

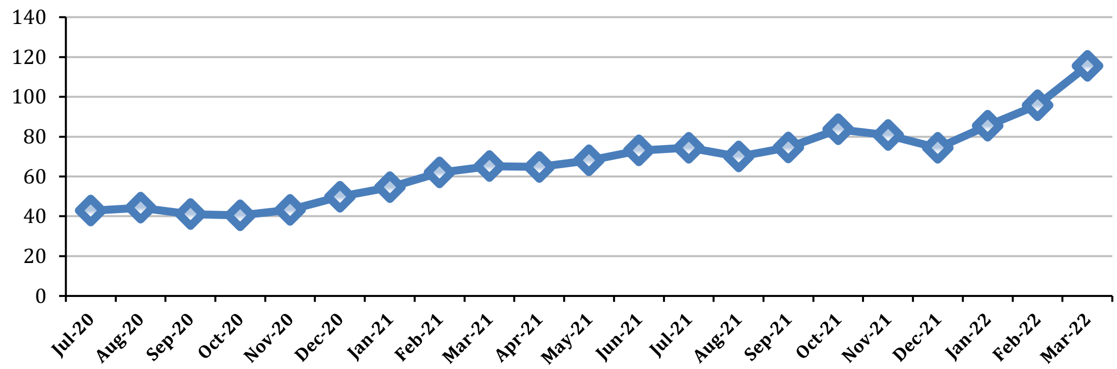
P : Provisional

Source : PBS

The food group with a share of 12.2 percent in total imports, increased by 15.5 percent during Jul-Mar FY2022, and its import clocked at US$ 7067.7 million as against US$ 6121.3 million during the comparable period last year. Within food group, surge has been observed in the import of tea, sugar, palm oil, soya bean oil and pluses.

The import of petroleum group increased by 96.1 percent during Jul-Mar FY2022 and reached US$ 14812.5 million as compared to the US$ 7553.9 million corresponding period last year, mainly due to historically high global oil prices. Within the petroleum group, the petroleum products increased both in quantity and value by 20.0 percent and 111.4 percent, respectively. Petroleum crude increased tremendously in value by 82.2 percent and quantity increased meagerly by 3.5 percent during Jul-Mar FY2022 as compared to the same period last year, despite a huge increase in unit prices internationally.

Fig-8.4: Monthly Trend in Internation Prices of Crude Brent ($/bbl)



Source: Pink Sheet World Bank May 2022

Machinery Group is vital engine of growth for successful industrial and manufacturing sector development. Its import increased substantially by 21.7 percent and reached US$ 8684.5 million during Jul-Mar FY2022 as compared to US$ 7132.8 million the same period last year. Within this group, import bill of power generating machinery decreased by 8.9 percent and reached US$ 1235.8 million as compared to US$ 1356.0 same period last year. The import bill of textile machinery registered an increase of 64.7 percent (US$ 621.7 million) during Jul-Mar FY2022 against (US$ 377.5 million) last year. The textile sector availed Rs 94.6 billion loans under TERF and LTFF during Jul-Mar FY 2022 as against Rs 68.8 billion, which may have augmented the demand for textile machinery.

Electrical machinery & Apparatus imports registered a growth of 37.5 percent (US$ 1515.2 million) during Jul-Mar FY2022 over (US$1101.7 million) in the same period last year. The ongoing increase in industrial activity, specifically in textile industry and transport sector, raised the demand for switch gears and other electrical equipment leading to the increased demand of electrical machinery.

Within the machinery group, telecom sector imports accelerated by 11.1 percent (US$ 2136.5 million) during Jul-Mar FY2022 compared to (US$ 1923.4 million) last year. Mobile phone imports in Pakistan increased by 3.9 percent during Jul-Mar FY2022 and reached US$ 1596.3 million as compared to US$ 1535.9 million same period last year.

The import of transport group surged by 67.5 percent and reached US$ 3367.4 million during Jul-Mar FY2022 as compared to US$ 2010.3 million last year. The import of road motor vehicle increased by 73.2 percent of which CBU increased by 94.3 percent and CKD/SKD increased by 78.7 percent.

Metal group import increased by 38.4 percent and reached US$ 5011.9 million. The reviving activity in the construction and automobile sectors led to an increase in import of iron and steel by 53.1 percent in value and 20.5 percent in quantity during Jul-Mar FY2022. Imports of iron and steel scrap increased in value by 30.8 percent despite a decline of 18.3 percent in quantity during Jul-Mar FY2022 mainly due to rising prices internationally.

In the textile group, import of raw cotton witnessed an increase in value by 16.8 percent and its quantity declined by 14.6 percent during Jul-Mar FY2022 as compared to the same period last year on account of higher international prices.

Direction of Imports

Pakistan imports from countries like China, Saudi Arabia, UAE, and Indonesia constitute around 50 percent of the total imports. The share of imports from China has increased from 27 percent to 28 percent during Jul-Mar FY2022. Share of imports from USA has decreased from 6 percent to 5 percent during the period under review. Change in Pakistan's import pattern in subsequent years is shown in Table 8.5

Table 8.5: Major Import Markets (Rs billion & Percentage share)

Country	2018-19		2019-20		2020-21		July-March			
							2020-21		2021-22 P	
	Rs.	% Share	Rs.	% Share	Rs.	% Share	Rs.	% Share	Rs.	% Share
China	1734.3	23	1909.2	27	2473.8	28	1728.8	27	2828.7	28
UAE	1020.1	14	812.7	12	878.6	10	601.1	9	983.6	10
Saudi Arabia	401.3	5	273.6	4	426	5	301.9	5	567.1	6
Kuwait	185.8	2	178.7	3	247.4	3	167.0	3	334.7	3
Indonesia	327.3	4	339.6	5	506.9	6	360.6	6	594.6	6
India	204.8	3	59.95	1	50.67	1	38.3	1	47.7	0
U.S.A	368.9	5	396.7	6	459.4	5	351.1	6	551	5
Japan	246.1	3	174.7	2	249	3	173.8	3	304.6	3
Germany	142.6	2	124.2	2	162.2	2	122.2	2	134.1	1
Malaysia	145.5	2	148.8	2	175.8	2	134.3	2	179.9	2
All Other	**2666.5**	36	**2611.5**	37	**3352.6**	37	**2400.1**	38	**3593**	36
Total	**7443.3**	100	**7029.8**	100	**8982.4**	100	**6376.1**	100	**10119**	100

P : Provisional

Source: Pakistan Bureau of Statistics

Balance of Payment

Amidst the challenging present global environment, Pakistan's external account also came under strain during Jul-Mar FY2022 and the trade deficit widened substantially over last year. On one hand, export receipts and workers' remittances both reached record-high levels during the nine-month period. On the other hand, however, the import payments also registered a sizable, broad-based increase. As a result, the current account deficit widened considerably over last year. These payment pressures manifested on the interbank PKR-USD exchange rate, which depreciated 14.1 percent during Jul-Mar FY2022. The SBP's FX reserves also came under pressure from Q2 onwards, dropping US$ 5.9 billion during Jul-Mar FY2022 to US$ 11.4 billion by end-March 2022.

Current Account

During Jul-Mar FY2022, current account posted a deficit of US$ 13169 million against a deficit of US$ 275 million last year. The major contributor to the higher current account deficit was the 55.5 percent increase in the merchandise trade deficit during Jul-Mar FY2022.

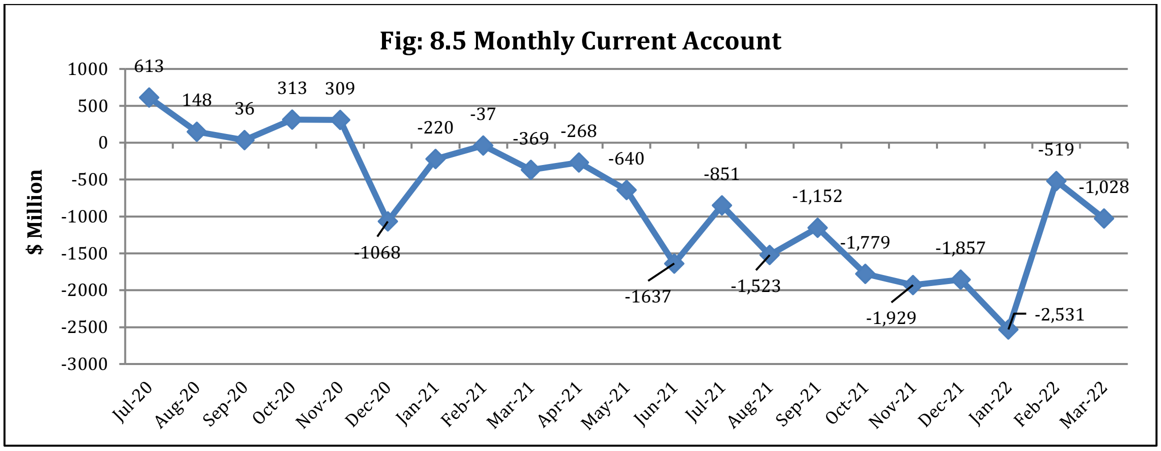


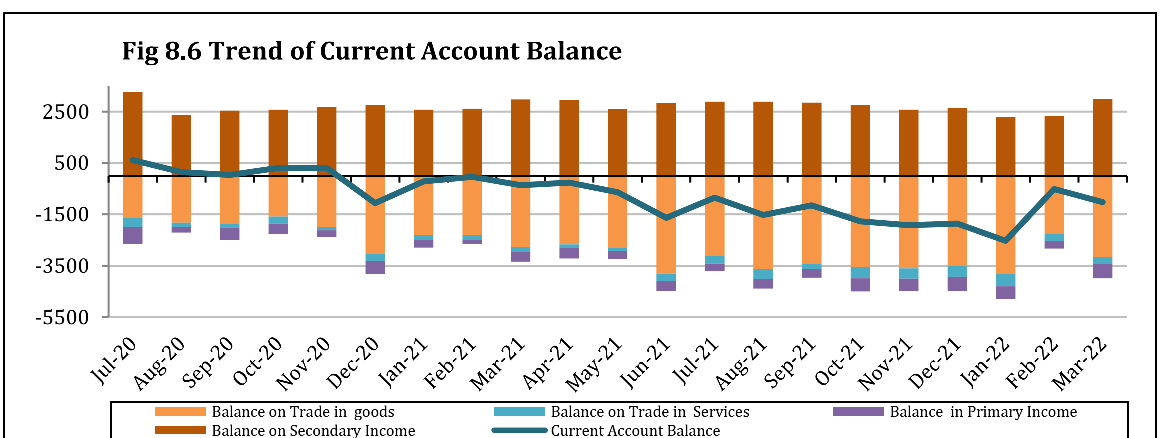
Table 8.6: Summary Balance of Payments US$ million

Items	July-June		July-March	
	2019-20	2020-21	2020-21	2021-22 P
Current Account Balance	-4449	-2820	-275	-13,169
Trade Balance	-21109	-28634	-19349	-30097
Exports of Goods FOB	22536	25639	18,713	23,699
Imports of Goods FOB	43645	54273	38,062	53,796
Service Balance	-3316	-2516	-1943	-3179
Exports of Services	5437	5945	4,404	5,156
Imports of Services	8753	8461	6,347	8,335
Income Account Balance	-5459	-4400	-3318	-3905
Income: Credit	479	508	355	488
Income: Debit	5938	4908	3,673	4,393
Balance on Secondary Income	25435	32730	24,335	24,012
Of which:				
Workers' Remittances	23131	29450	21,436	22,952

Source: State Bank of Pakistan

P: Provisional

In the primary income account, the deficit rose to US$ 3.9 billion (17.7 percent) in Jul-Mar FY2022, mainly due to a 20.7 percent uptick in interest payments during the period. Interest payments on official debt (including sovereign bonds) rose significantly during the period, partly reflecting the impact of rising global interest rate benchmarks on floating rate debt. Furthermore, profit and dividend repatriations also rose 12.2 percent during the period, contributing to deteriorate primary income account deficit.



Balance in Trade of Goods and Services

During Jul-Mar FY2022, export of goods grew by 26.6 percent and reached US$ 23.7 billion as compared to US$ 18.7 billion the same period last year. Import of goods grew by 41.3 percent to US$ 53.8 billion during Jul-Mar FY2022 as compared to US$ 38.1 billion the same period last year. Consequently, the trade deficit increased by 55.5 percent to US$ 30.1 billion as compared to US$ 19.3 billion last year.

The exports of services grew by 17.1 percent and reached US$ 5.2 billion during Jul-Mar FY2022 as compared to US$ 4.4 billion last year. This increase may be attributed due to 29.3 percent increase in net information and communication technology (ICT) services export, as higher earnings from call centre, and software development and consultancy services.

Fig: 8.7 Monthly Exports and Imports of Services

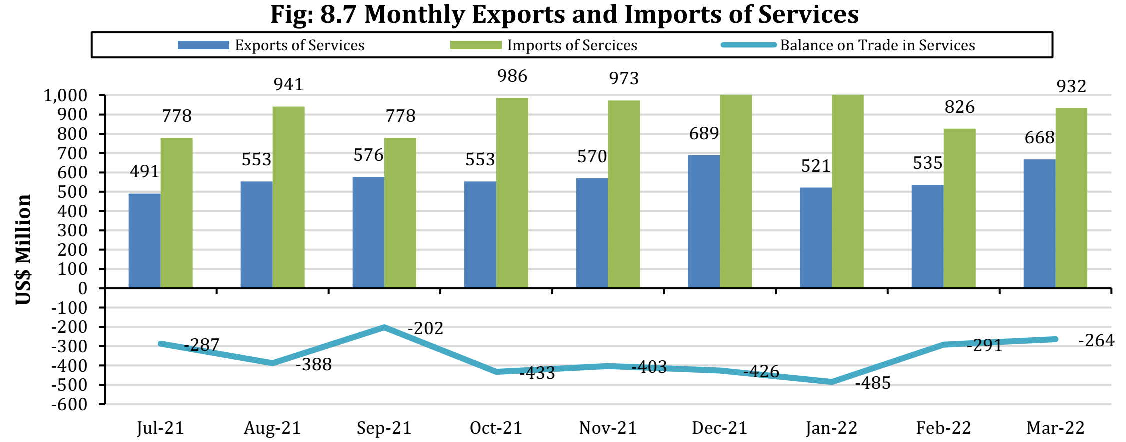
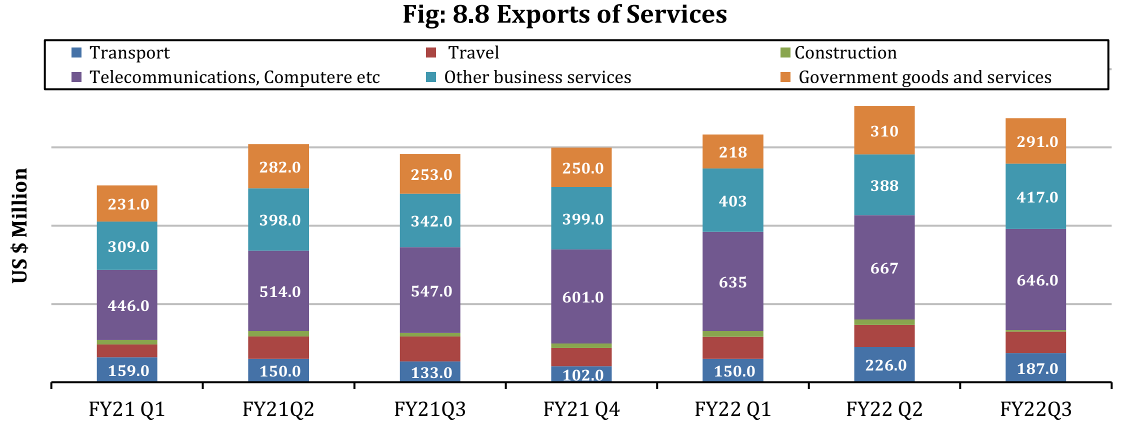
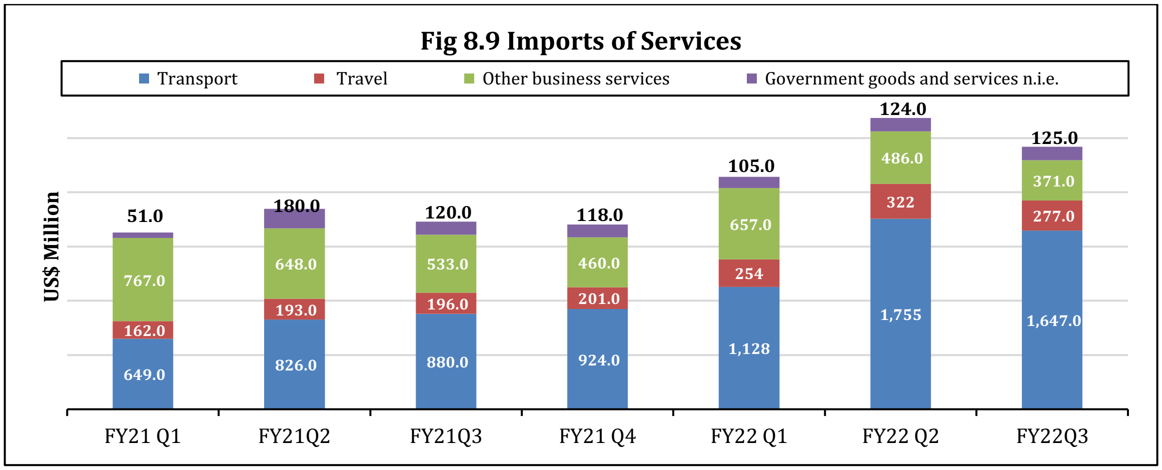


Fig: 8.8 Exports of Services



On the other side, import of services increased by 31.3 percent during Jul-Mar FY2022 and stood at US$ 8.3 billion as compared to US$ 6.3 billion last year. The higher goods imports had a spill over effect on the services account that led to a YoY doubling in freight import charges during Jul-MarFY2022. The resumption of international air travel also led to an increase in air transport and travel services imports. However, due to the rise in transport and travel services imports, the overall services account posted a deficit of US$ 3.2 billion in Jul-Mar FY2022 as against a deficit of US$ 1.9 billion same period last year.

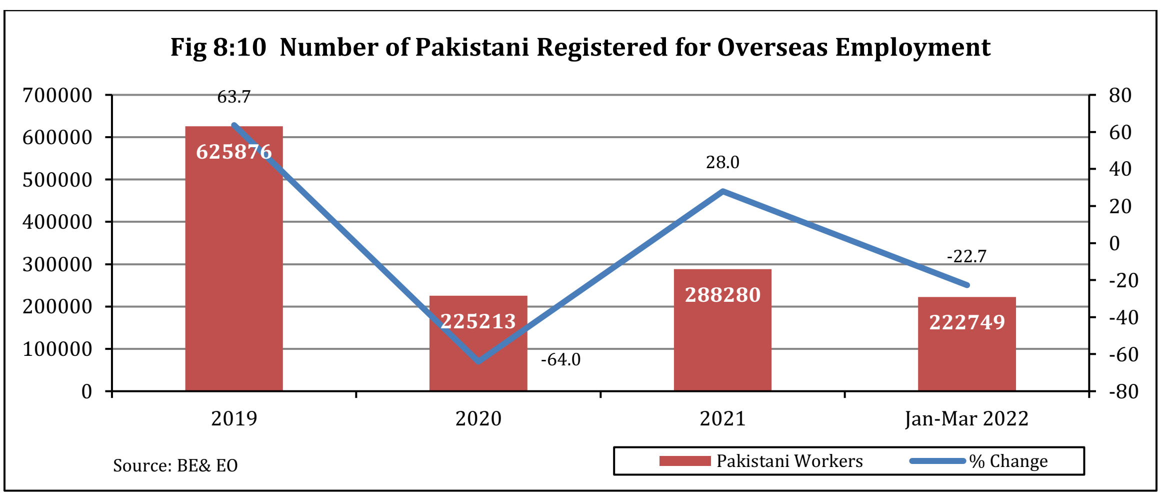


Remittances

Worker remittances have remained an important source of foreign exchange earnings over the years and are considered to be the dominant force to keep current account deficit at a manageable level.

According to the World Migration Report 2022, the number of international migrants has grown to 281 million (3.6 percent of world's population) in 2020 as compared to 272 million in 2019. The number of air passengers globally dropped 60 percent in 2020 on account of COVID-19 travel restriction to 1.8 billion (down from 4.5 billion in 2019) while at the same time internal displacement increased to 40.5 million (up from 31.5 million in 2019) due to disaster, conflict and violence.

Out of all international migrants over 40 percent in 2020 were born in Asia, primarily originating from India, China and South Asian countries such as Bangladesh, Pakistan and Afghanistan. During 2021 Bureau of Emigration and Oversee Employment (BE&OE) and Oversee Employment Corporation (OEC) have registered 288,280 workers for overseas employment. During Jan-Mar 2022 number of Pakistanis registered 222749.



In case of Pakistan, workers' remittances have been rising consistently since FY2018 and the trend continued in FY2022 with a commendable growth of 7.1 percent and reached to US$ 22.9 billion during the Jul-Mar FY2022.On MoM basis, remittances increased by 28.3 percent in March (US$ 2.8 billion) compared to February (US$ 2.2 billion). On YoY basis, remittances increased by 3.2 percent to US$ 2.8 billion in March 2022 (US$ 2.7 billion in March 2021). The increase in remittances mainly due to Holy month of Ramadan as money is sent home for donation, charity, and Zakat and Eid festivals. Workers' remittances continued their unprecedented run of remaining above US$2 billion since June 2020.

The data of Workers' Remittances has been revised upward to reflect inflows into Roshan Digital Accounts (RDA) that are related to local consumption (like payment of utility bills, transfer to local PKR account, etc.) from November 2021 and onward. Since data on these conversions were not previously available by country, hence, these were reported under 'other private transfers' in the balance of payments statistics.

Table 8.7: Country/Region Wise Cash Worker's Remittances

Country/Region	July-March		(US$ billions)	
	2020-21	2021-22	% Change	Share
Saudi Arabia	5738.9	5809.9	1.2	25.3
U.A.E.	4524.8	4283.9	-5.3	18.7
USA	1830.5	2211.3	20.8	9.6
U.K.	2905.6	3187.3	9.7	13.9
Other GCC Country	2461.6	2665.5	8.3	11.6
Malaysia	154.6	106.4	-31.2	0.5
EU Countries	1951.7	2504.8	28.3	10.9
Others Countries	1868.8	2182.9	16.8	9.5
Total	21436.5	22952.0	7.1	100.0

Source: State Bank of Pakistan

During Jul-Mar FY2022, the share of remittances from Saudi Arabia stood at 25.3 percent (US$ 5809.9 million), U.A.E 18.7 percent (US$ 4283.9 million), USA 9.6 percent (US$ 2211.3 million), U.K 13.9 percent (US$ 3187.3 million), other GCC countries 11.6 percent (US$ 2665.5 million), EU 10.9 percent (US$ 2504.8 million), Malaysia 0.7 percent (US$ 106.4 million) and other countries 9.5 percent.

Several measures were taken to increase Workers Remittances:

- **SOHNI DHARTI REMITTANCE PROGRAM (SDRP):** The Sohni Dharti Remittance Program (SDRP) offered jointly by the SBP, MoF and Financial Institutions (FIs) launched on November 25, 2021. SDRP is an innovative program designed to incentivize Pakistani workers abroad to send remittances to Pakistan through banks and exchange companies and earn reward points.
- **Rationalization of Reimbursement of TT Charges Scheme:** Under the Scheme, domestic banks are now being disbursed Saudi Riyal (SAR) 20 per remittance transaction of USD 100/- or above subject to the condition, inter alia, that the remitter and the beneficiary have not been charged any remittance fee or any other charges for execution of remittance transaction.

- **Incentive Scheme for Marketing of Remittances:** In order to encourage domestic banks/microfinance banks/exchange companies providing remittance disbursement services, a tier-based performance scheme has been developed; in which FIs were reimbursed Rs 0.50 per USD on showing 5 percent or more growth, Rs 0.75 per USD on 10 percent to 15 percent growth and Rs 1.00 per USD on more than 15 percent growth. The Government of Pakistan (GOP) reimburses these expenses to FIs through SBP.
- **Mobile Wallet Scheme:** The 'Promotion of Remittance Scheme through M Wallet', the incentive of airtime was offered Rs 2 against each USD received as remittances.
- **Increase in Outreach:** SBP/PRI have been making continuous efforts to increase domestic and overseas outreach through expansion in bilateral arrangements.
- **Changes in Income Tax Ordinance:** In order to further facilitate remitters and beneficiaries, advance tax has been exempted on cash withdrawal from Pak Rupees Accounts to the extent of foreign remittances credited into such account. This measure has been enacted through Finance Bill 2020.
- **Awareness session through Pakistan Embassies:** SBP in collaboration with Pakistan Embassies/High Commissions have conducted awareness and facilitation sessions for non-resident Pakistanis to send remittances to Pakistan through formal channels across the globe.
- Ministry of Health Saudi Arabia has resumed its operation for taking manpower in the medical field from Pakistan after the pandemic. Two delegations have visited Pakistan in November- December 2021 for recruitment of medical professionals (Doctors & Nurses) in different specialties. Selection of 105 doctors and 103 Nurses has been received from M/o Health Saudi Arabia.

Financial Account

The financial account recorded net an inflow of US$ 8.5 billion during Jul-Mar FY2022, which were sharply higher than inflows of US$ 2.3 billion received in the same period last year. Still, these were not sufficient to offset current account deficit. The major inflows included US$ 3 billion in deposits from Saudi Arabia and US$ 2.8 billion in additional SDR allocation from IMF(August 2021), and US$ 1 billion in net proceeds from sovereign bonds. The country also received sizable financing from multilaterals, including the World Bank, ADB and Islamic Development Bank, and from commercial banks.

Foreign Direct Investment (FDI)

In 2021, global FDI recuperate robustly and grew by 77 percent to US$ 1.65 trillion as compared to US$ 929 billion last year exceeding their pre- COVID 19 level. The recovery remained highly uneven in infrastructure and green field projects, as due to stimulus package the former attract more FDI while in later it remained weak, globally. FDI in developed economies saw the biggest rise by far, with FDI reaching an estimated US$777 billion in 2021 – three times the exceptionally low level in 2020.FDI flows in developing economies increased by 30 percent to nearly US$870 billion, with a growth acceleration in East and South-East Asia (+20 percent), a recovery to near pre-pandemic levels in

Latin America and the Caribbean, and an uptick in West Asia. Developing economies, especially the least developed countries (LDCs) saw more modest recovery growth. [5]

Similarly, in Pakistan, net FDI inflows rose 6.1 percent to US$ 1.25 billion till February 2022 as against US$ 1.18 billion last year. In March 2022, net outflow was recorded at 30.4 million on account of political instability and ultimate change of regime. The FDI during Jul-Mar FY2022 declined by 2.0 percent to 1.28 billion as compared to US$ 1.31 billion same period last year. The inflows of FDI reached US$ 1.96 billion during Jul-Mar FY2022 compared to US$ 2.33 billion million same period last year, declined by 15.6 percent. The outflows of FDI during Jul-Mar FY2022 decreased by 33.2 percent and reached US$ 682.4 million compared to US$ 1021.0 million same period last year.

Table 8.8: Foreign Investment (US$ million)

	FY2020	FY2021	July-March	
			FY2021	**FY2022 P**
A. Foreign Private Investment	2,315.8	2,027.1	1048.4	943.4
Foreign Direct Investment	2,597.5	1,820.5	1311.1	1285.1
Inflow	3,322.1	3,061.4	2332.1	1967.5
Outflow	724.6	1,240.9	1021	682.4
Portfolio Investment	-281.7	206.6	-262.7	-341.7
Equity Securities	-281.7	-293.4	-262.7	-341.7
Debt Securities		500		
B. Foreign Public Investment	-241.3	2555.3	-3.50	502.6
Portfolio Investment	-241.3	2555.3	-3.5	502.6
Total Foreign Investment (A+B)	2074.5	4582.4	1044.8	1446

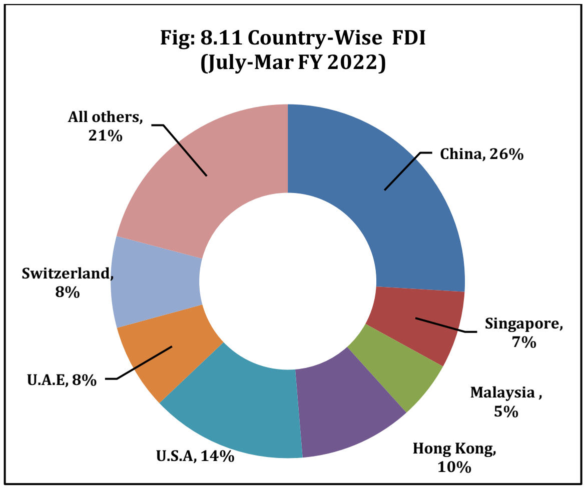
P: Provisional

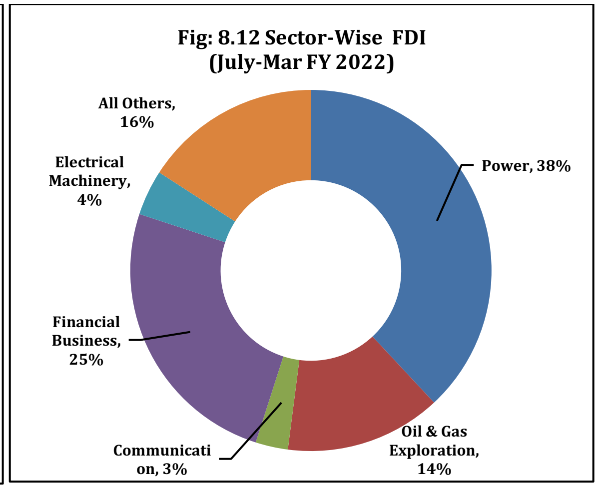
Source: State Bank of Pakistan

The sectoral breakdown shows that the telecom sector attracted a net FDI inflow US$ 92.3 million till February 2022. The inflow this year went into a cellular company, which made a partial spectrum license payment to the Government. However, in March 2022, net outflow of US$ 179.5 was recorded on account of divided paid by the cellular companies to their international owners. The information technology (IT) sector also attracted substantially higher inflows of US$ 118.5 million as compared to US$ 50.6 million last year; reflecting foreign investors' interest in the country's export- oriented IT services firms, whose recent export performance has been quite encouraging.

Country wise analyses suggests that, highest FDI received from China during Jul-Mar FY2022 US$333.5 million (26.0 percent of total FDI), United States US$ 183.1 million (14.2 percent), Hong Kong US$ 133.0 million (10.3percent of total FDI), Switzerland US$ 107.4 million (8.3 percent) U.A.E US$ 100.8 million (7.8 percent) and Singapore US$ 90.5 million (7.0percent).

[5]Investment Trend Monitor, Issue 40, January 2022, UNCTAD.





Considering sector-wise bifurcation Power sector attracted highest FDI of US$ 489.1 million (38.1 percent of total FDI) declined by 34.4 percent from US$ 746.2 million last year; as most of the power projects under the CPEC has already completed, FDI into power sector has been trending downwards over the past couple of years. Financial business with FDI US$322.8 million (25.1 percent), Oil & Gas exploration US$ 179.7 million (14.0 percent) and Information Technology US$ 118.5 million (9.2 percent).

BOI has taken several steps to increase FDI which are listed below:

- Improving business climate through initiatives such as Ease of Doing Business, Pakistan Regulatory Modernization Initiatives and other such reforms
- Supporting the establishment of SEZs to promote industrialization in the country.
- Online Investment Facilitation Services- like facilitating the issuance of Work Visa, approval of Branch/Liaison Office, Security Clearance and Issuance of Airport Entry Passes.
- Creation of Projects portal and Incentives portal on the BOI's website for the facilitation of potential investors.

Foreign Portfolio Investment (FPI)

The Foreign portfolio investment during Jul-Mar FY2022 witnessed a net inflow of US$162 million as against outflow of US$ 266.2 million the same period last year. The quarterly breakdown shows that Pakistan had raised US$ 1 billion from the tap issuance of a Eurobond in the first quarter (July 2021); repaid an older maturing Sukuk of US$ 1 billion in the second quarter (October 2021); and raised another US$ 1 billion by issuing a new Sukuk in Q3 (January 2022). However, in the wake of multiple adverse global and domestic developments – such as the outbreak of the Russia-Ukraine conflict; the US Fed's indications of more rapid monetary tightening; and domestic political uncertainty – around US$ 0.4 billion FPI outflows were recorded from local government securities (i.e. T-bills and PIBs) in March 2022. These outflows partially offset the inflows from the new Sukuk issued in January 2022. Meanwhile, FPI outflows from equities accelerated to US$ 341 million during Jul-Mar FY2022 from US$ 263 million last year, amidst intensifying external account challenges and domestic political uncertainty.

Reserves and Exchange Rate

The country's total foreign exchange reserves decreased by US$ 7.0 billion during Jul-Mar FY2022 and reached US$ 10.9 billion by end-March 2022. Most of the decline was noted in the SBP's reserves, which fell by US$ 5.9 billion to US$ 11.4 billion by end-March. SBP's reserves were marginally up during the Jul-Dec FY2022 period, mainly due to the sizable inflow of official loans and liabilities during this period, including the US$ 2.7 billion additional SDR allocations and US$ 3 billion in bilateral deposits from Saudi Arabia. Thereafter, a significant decline in the SBP's reserves was noted in Q3, mainly due to net official debt repayments; an elevated current account gap; and arbitration settlement payment for a mining case.

On the other hand, commercial banks' reserves declined by US$ 1.1 billion during Jul-Mar FY2022, with the reserves dropping during all three quarters. This was mainly due to an increase in trade financing extended by banks to exporters and importers, as well as a decline in FE-25 deposits.

The pressures in the external sector –reflected via the current account deficit – contributed to a weakening in the exchange rate, with the PKR depreciating 14.1 percent against the US Dollar during Jul-Mar FY2022. Importantly, currencies of many other emerging markets as well as advanced economies have been under pressure against the US Dollar in FY2022.The pressure of emerging market currencies intensified in Q3, as the US Federal Reserve raised its policy rate by 0.25 percent in March 2022 and signalling further monetary tightening in the coming months of 2022. As a result, the US Dollar Index rose by 6.4 percent during Jul-Mar FY2022.

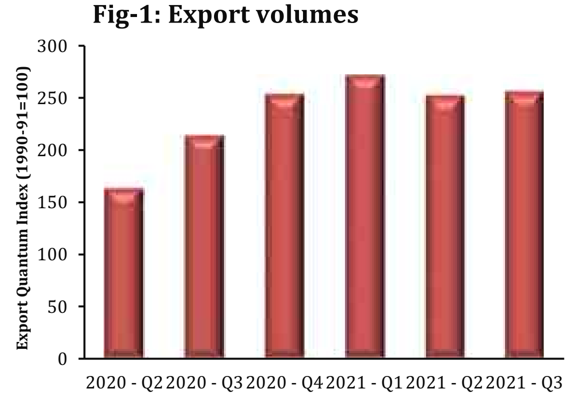
Box V: Recent Exchange Rate Developments

(i) Improvement in exports competitiveness.

Export competitiveness of Pakistan has remained intact during FY2022, because of which exports have grown by 26.6 percent during Jul-Mar FY2022 on Y/Y basis. The nominal as well as real exchange rate has depreciated. Particular, the Real Effective Exchange Rate (REER) depreciated by about 1.9 percent in Jul-Feb FY2022, which is an important determinant to support export volumes. This has helped to improve competitiveness as reflected by increase in volumes **(Fig-1)**.

The flexibility in exchange rate allowed for competitiveness of REER that helped lift exports despite surge in global oil prices. The elevated international commodity prices generally affect Pakistan negatively as surge in price increases input cost due to high import content in our exports. This could only be countered by a flexible exchange rate as adjustment in exchange rate according to market dynamics helps to improve competitiveness. Resultantly, the export volumes can be sustained or even improved. This is evident from the fact that Pakistan's exports volume steadily rose after Q2-2020[6]

Fig-1: Export volumes



Source: Volumes are from PBS

[6] Export volume data is available on quarterly basis till Q3-2021

(Fig-1), implying that market based exchange rate regime helped improved competitiveness.

Exports prices have also increased. Consequently, exports rose to US$23.7 billion in Jul-Mar FY2022 as compared with US$18.7 billion in the corresponding period of last year. Higher momentum in textiles contributed to increase exports, within which major contribution came from HVA items.

(ii) Qualitative and Quantitative Impact of Recent Depreciation on BoP and Overall, Economy

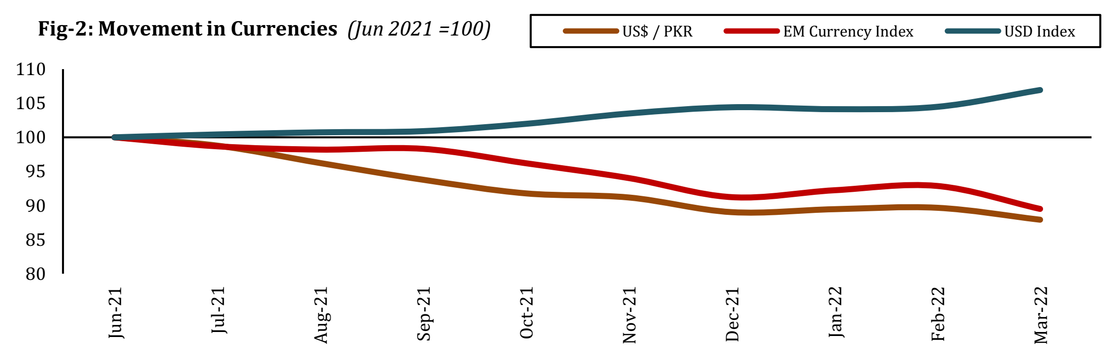
SBP has announced to embark on the market based flexible exchange rate regime from May 2019. This has helped SBP not only to build foreign exchange reserves from US$ 7.3 billion in June 2019 to US$ 16.4 billion at end March 2022 but also to reduce size of its forward swap book from US$ 8.0 billion in June 2019 to US$ 4.4 billion at end January 2022.

Despite the uncertainties of the COVID-19, market-based exchange rate regime helped the external sector to record marked improvement during FY2021.The current account deficit fell to US$1.9 billion (0.6 percent of the GDP) in FY21 from US$4.4 billion (1.7 percent of GDP) in FY20. This is the lowest deficit in 10 years with all-time high exports (US$25.6 billion) and workers remittances (US$29.4 billion). With the sharp rise in global commodity prices amid supply chain disruptions, however, current account deficit widened to US$12.1 billion during Jul-Feb FY2022. Exchange rate is continuing to play its role of shock absorber and as of 28th March 2022 is depreciated by around 13.5 percent since end June 2021. This depreciation together with other policy actions are expected to contain the current account deficit in the rest of FY2022 and FY2023. Despite adverse terms of trade shock, current account deficit (CAD) narrowed sharply to US$0.5 billion in February 2022, almost one fifth of US$ 2.5 billion in January 2022. This is a broad-based improvement as indicated by reduction of deficits in balances of goods and services, primary income and increase in secondary income[7].

(iii) A Comparative Analysis of Regional Countries' Exchange Rates

The Emerging Market (EM) currencies' strength highly depends on whether the country is a net commodity exporter or importer. In emerging economies, depreciation pressures continue to persist **(Fig-2)** in the wake of inflationary pressures emanating from commodity markets, pandemic induced supply chain issues and expectations of interest rate hikes by central banks of Advanced Economies. Higher interest rates induce reversal of capital flows and increase depreciating pressures on emerging market economies. High global commodity prices are translating into higher food prices and putting additional pressure on EM currencies.

Fig-2: Movement in Currencies *(Jun 2021 =100)*

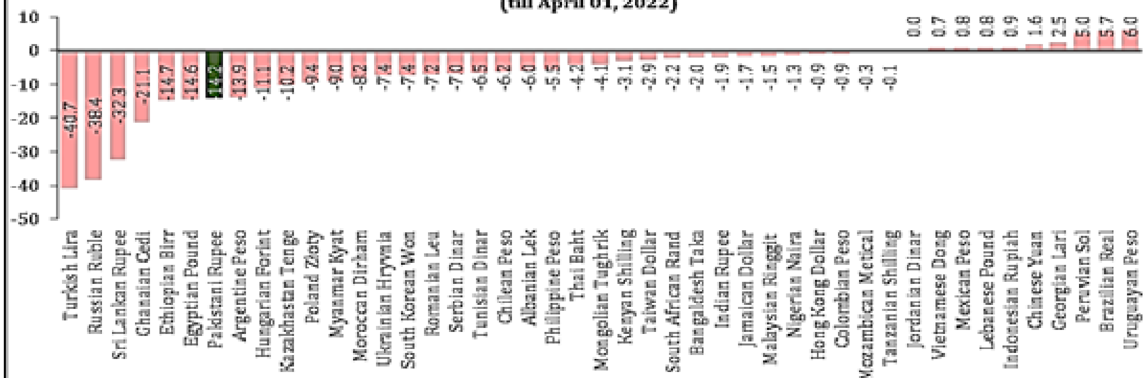


Source: Bloomberg, SBP staff calculation

Pakistan as a small open economy is no exception as during this fiscal year the Pak Rupee has depreciated by around 14 percent till 1st April 2022 like many other emerging market economies **(Fig-3)**.

[7]Mainly led by significant and broad-based contraction in imports and double-digit growth in exports, trade deficit fell to $2.3 billion in February 2022, around $1.5 billion lower compared with $3.8 billion in January 2022. Likewise, deficits in services and primary income narrowed to $284 million and $287 million in February 2022, from $485 million and $504 million in the preceding month. Secondary income (net) increased to $2,307 million from $ 2,275 million in the previous month.

Figure 3: Percentage Change in Exchange Rates during FY22 (till April 01, 2022)



Source: Bloomberg

(iv) Future Outlook of the REER and NEER in the Case of Exchange Rate Volatility

Outlook for REER generally depends on macroeconomic fundamentals and their deviation from equilibrium level as well as inflation differential between Pakistan and its trading partners. Given that inflation is also rising in our trading partners, the inflation differential is expected to narrow going forward. This will keep relative prices under check and NEER close to its current level. This means the REER may remain close to its current level. On the other hand, a balanced output gap that equates aggregate demand to aggregate supply in the economy and the fiscal deficit close to Pakistan's trading partners' average would also help keep REER competitive and supportive for exports in the medium term.

Source: State Bank of Pakistan

Conclusion

Though supportive measures helped in encouraging export performance during Jul-Mar FY2022. However, significant rise in imports bill due to broad-based surge in global commodity prices, COVID-19 vaccine imports, and demand-side pressures, all contributed in widening trade deficit by 55.5 percent (US$ 30.1 billion). Even ever-highest remittances of US$ 22.9 billion were unable to offset the highest trade deficit. Thus, Current account deficit recorded at US$ 13.2 billion during Jul-Mar FY2022 which was not been able to be financed by Financial Account. This in turn putting pressure on foreign reserves and exchange rate.

At on going inflation rate, there is still acceleration in the domestic demand. The high consumption expenditure and government spending has led to massive surge in imports. The depletion of foreign reserves is becoming vulnerable. The present government has to take difficult decisions specially to address structural issues, mobilized additional financing from friendly countries in the form of short- to medium-term loans, deferred payment on imported oil, etc. Further, resuming IMF program will expected to build market confidence.

PUBLIC DEBT

Public debt	Domestic debt	External public debt
44,366	**28,076**	**16,290**
billion	billion	billion

Treasury Bills amounting to Rs. 1.5 trillion retired/repaid to reduce GF needs

SBP debt amounting to 569 billion was paid, cumulative debt retirement stood at 2.3 trillion

Total interest servicing was recorded at Rs. 2,118 billion over the period

Chapter 9

Public Debt

9.1 Introduction

The primary objective of public debt management is to establish and execute a multi-pronged debt strategy to efficiently bridge the gap between the Government's revenues and expenditures at the lowest possible cost while ensuring a sustainable level of risk. In addition, the development of efficient and liquid domestic debt capital market is also a key objective of public debt management.

The conduct of public debt management varies from country to country due to different institutional setup, macro-dynamics, behaviour of economic fundamentals, legal frameworks, and governance structures. Nevertheless, the objective is to ensure that both the level and rate of growth in public debt is fundamentally sustainable while safeguarding that the debt portfolios are efficiently structured in terms of currency composition, maturity profile, interest rates, and prudent levels of contingent liabilities.

Public debt portfolio witnessed various developments during first nine months of ongoing fiscal year (Jul-Mar 2021-22), some of them are highlighted as follows:

- Within domestic debt, the Government relied entirely on long-term domestic debt securities for the financing of its fiscal deficit and repayment of debt maturities. Infact, Government retired Treasury Bills amounting to Rs 1.5 trillion which led to a reduction of short-term maturities in-line with the Government's commitment to reduce its Gross Financing Needs (GFN);
- The Government re paid Rs 569 billion against its debt owed to SBP. The cumulative debt retirement against SBP debt stood at Rs 2.3 trillion from July 2019 to March 2022;
- The Government successfully issued Shariah Compliant Sukuk instruments amounting to around Rs 1.1 trillion, in line with the target specified in Medium Term Debt Management Strategy of Pakistan (2019/20 - 2022/23), to increase the share of Shariah compliant securities within domestic debt stock;
- Debt from multilateral and bilateral sources cumulatively constituted around 79 percent of the external public debt portfolio at end-March 2022. A set of reforms initiated by the Government to improve the economy has brought strong support from multilateral development partners. This is expected to strengthen confidence and catalyse additional support from development partners in the coming years which will also help in reducing the pressure on domestic sources;

- Successful completion of the 6th review of the IMF Extended Fund Facility (EFF) led to the disbursement of US$ 1,053 million;
- Government received US$ 3,000 million deposit from Saudi Arabia which was utilized towards budgetary support;
- Within external debt, inflows from multilateral and bilateral development partners remained major sources of funding. In addition, Pakistan successfully raised US$ 1 billion in July 2021 through multi-tranche tap issuance of 5-, 10- and 30-year Eurobonds and at a premium;
- In January 2022, the Government of Pakistan successfully raised US$ 1 billion through the issuance of International Sukuk under the 'Trust Certificate Issuance Program'. This was the first time that Government has issued International Sukuk with 7 Year maturity and at market-clearing price i.e., zero issuance premium. The transaction was very successful as healthy participation was witnessed from Middle Eastern and European investors and as the books were oversubscribed 2.7 times;
- Government repaid US$ 1 billion against maturing International Sukuks in October 2021;
- Government utilized IMF allocated SDR equivalent to Rs 475 billion to support its budgetary operations.

Over the medium-term, the Government objective is to reduce its Gross Financing Needs (GFN) through various measures mainly including (i) better cash flow management; (ii) lengthening of debt maturity profile; (iii) development of regular Islamic based lending programs; and (iv) availing maximum concessional financing from bilateral and multilateral development partners.

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.

Table 9.1: Total Public Debt

(Rs in billion)	Jun-13	Jun-18	Jun-19	Jun-20	Jun-21	Mar-22
Domestic Debt	9,520	16,416	20,732	23,283	26,265	28,076
External Debt	4,771	8,537	11,976	13,116	13,601	16,290
Total Public Debt	**14,292**	**24,953**	**32,708**	**36,399**	**39,866**	**44,366**
Total Debt of the Government[1]	**13,457**	**23,024**	**29,521**	**33,235**	**35,669**	**39,882**
(In percent of GDP)						
Domestic Debt	42.5	41.9	47.3	49.0	47.1	-
External Debt	21.3	21.8	27.3	27.6	24.4	-
Total Public Debt	**63.8**	**63.7**	**74.7**	**76.6**	**71.5**	**-**
Total Debt of the Government[1]	**60.1**	**58.7**	**67.4**	**69.9**	**63.9**	**-**
(Memorandum Items)						
GDP (current market price)	22,386	39,190	43,798	47,540	55,796	66,950
US Dollar, last day average exchange rates	99.1	121.5	163.1	168.2	157.3	183.5

[1] 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.
Note: PBS has changed the National Accounts base year from 2005/06 to 2015/16. The new GDP numbers are available from 2015/16

Source: State Bank of Pakistan and Debt Policy Coordination Office, Ministry of Finance

Total public debt was recorded at Rs 44,366 billion at the end-March 2022 (Table 9.1), registering an increase of Rs 4,500 billion during first nine months of current fiscal year. Apart from financing of Federal fiscal deficit, the depreciation of Pak Rupee against US Dollar by around 26 percentage points led to significant increase in the value of external public debt when converted into Pak Rupees. The main reasons for increase in total public debt during first nine months of ongoing fiscal year vis-à-vis corresponding period of last year are presented in table 9.2.

Table 9.2: Increase in Total Public Debt (Rs billion)

	Jul-Mar FY21	Jul-Mar FY22
Increase / (Decrease) in Total Public Debt	**1,607**	**4,500**
of which:		
Federal Primary Deficit / (Surplus)	(39)	1,047
Interest on Debt	2,104	2,118
Currency Depreciation / (Appreciation)	(1,133)	1,744
Increase / (Decrease) in Government Cash Balance	675	(409)

Source: Budget Wing and Debt Policy Coordination Office, Ministry of Finance

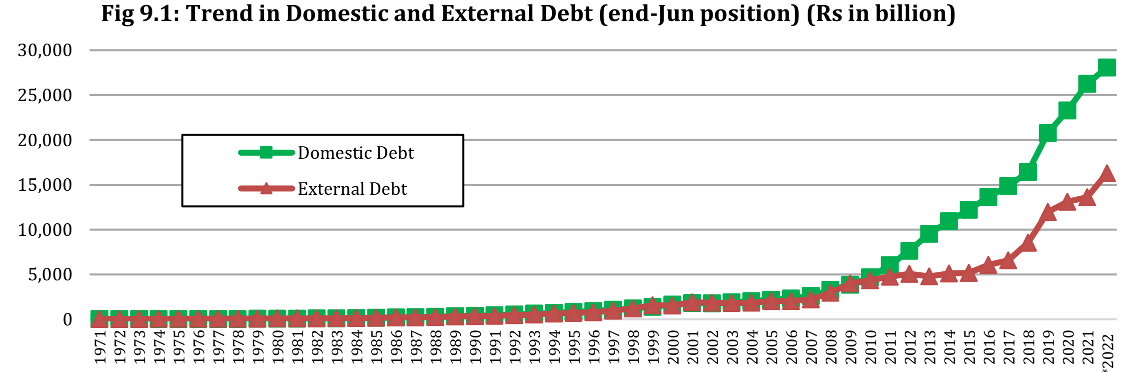
The trend in total public debt since 1971 is presented in Box-I.

Box-I: Trend in Total Public Debt (end-June position)

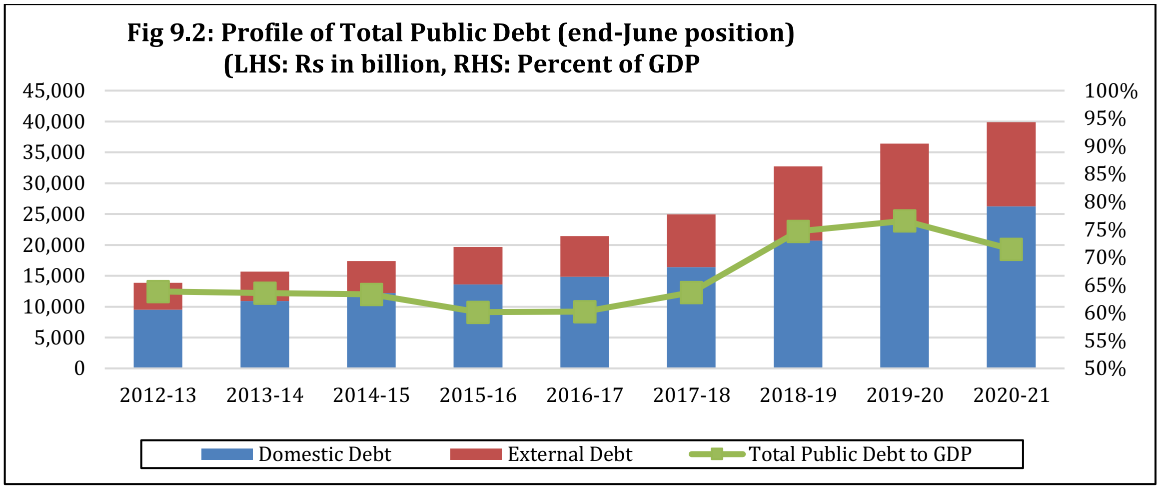
Year	Domestic Debt	External Debt	Public Debt	Year	Domestic Debt	External Debt	Public Debt	Year	Domestic Debt	External Debt	Public Debt
					(Rs in billion)						
1971	14	16	30	**1989**	333	300	634	**2007**	2,601	2,201	4,802
1972	17	38	55	**1990**	381	330	711	**2008**	3,274	2,853	6,127
1973	20	40	60	**1991**	448	377	825	**2009**	3,860	3,871	7,731
1974	19	44	62	**1992**	532	437	969	**2010**	4,653	4,357	9,010
1975	23	48	70	**1993**	617	519	1,135	**2011**	6,014	4,756	10,771
1976	28	57	85	**1994**	716	624	1,340	**2012**	7,638	5,059	12,697
1977	34	63	97	**1995**	809	688	1,497	**2013**	9,520	4,771	14,292
1978	41	71	112	**1996**	920	784	1,704	**2014**	10,907	5,085	15,991
1979	52	77	130	**1997**	1,056	939	1,995	**2015**	12,193	5,188	17,380
1980	60	86	146	**1998**	1,199	1,193	2,392	**2016**	13,626	6,051	19,677
1981	58	87	145	**1999**	1,389	1,557	2,946	**2017**	14,849	6,559	21,409
1982	81	107	189	**2000**	1,645	1,527	3,172	**2018**	16,416	8,537	24,953
1983	104	123	227	**2001**	1,799	1,885	3,684	**2019**	20,732	11,976	32,708
1984	125	132	257	**2002**	1,775	1,862	3,636	**2020**	23,283	13,116	36,399
1985	153	156	309	**2003**	1,895	1,800	3,694	**2021**	26,265	13,601	39,866
1986	203	187	390	**2004**	2,028	1,839	3,866				
1987	248	209	458	**2005**	2,178	2,034	4,211	**2022** (end March)	28,076	16,290	44,366
1988	290	233	523	**2006**	2,322	2,038	4,359				

Source: State Bank of Pakistan, Debt Policy Coordination Office

Fig 9.1: Trend in Domestic and External Debt (end-Jun position) (Rs in billion)



*End March



9.3 Progress on Medium Term Debt Management Strategy (2019/20 - 2022/23)

Government remained within the benchmarks and thresholds defined in the Medium-Term Debt Management Strategy (MTDS)[1]at end-December 2021 as depicted in the table 9.3.

Table 9.3: Key Debt Risk Indicators

Risk Exposure	Indicators	End Dec-2020	End Dec-2021
Currency Risk	Share of External Debt in Total Public Debt (%)	35.1	37.4
Refinancing Risk	ATM of Domestic Debt (Years)	4.1	4.0
	ATM of External Debt (Years)	7.0	6.7
	Share of Debt Maturing within 1 Year (% of GDP)	21.4	19.0
Refixing Risk	ATR of Domestic Debt (Years)	1.7	1.9
	ATR of External Debt (Years)	6.1	5.7
Share of Shariah Compliant Instruments in Government Securities (%)		3.8	6.4
Share of Fixed Rate Debt in Government Securities (%)		32.4	25.5

ATM: Average Time to Maturity; ATR: Average time to Refix;

Source: Debt Policy Coordination Office, Ministry of Finance

9.4 Servicing of Public Debt

Interest servicing was recorded at Rs 2,118 billion during the first nine months of the current fiscal year against its annual budgeted estimate of Rs 3,060 billion. Domestic interest payments were recorded at Rs 1,897 billion and constituted around 90 percent of total interest servicing which is mainly attributable to a higher volume of domestic debt in the total public debt portfolio.

Table 9.4: Public Debt Servicing FY2021-22 (Rs billion)

	Budgeted (2021-22)	Actual (Jul-Mar 2021-22)	Percent of Revenue	Percent of Current Expenditure
Servicing of External Debt	303	221	3.8	3.0
Servicing of Domestic Debt	2,757	1,897	32.3	25.7
Total Interest Servicing	**3,060**	**2,118**	**36.1**	**28.7**

Source: Budget Wing and Debt Policy Coordination Office Staff Calculations, Ministry of Finance

[1] https://www.finance.gov.pk/publications/MTDS_FY20_FY23.pdf

9.5 Domestic Debt

Domestic debt comprises of three main categories; (i) permanent debt (medium and long-term); (ii) floating debt (short-term); and (iii) unfunded debt (primarily made up of various instruments available under National Savings Schemes).

Inline with the Public Debt Act 1944, the Government issues three broad types of marketable securities to raise debt i.e., Treasury Bills (T-bills), Pakistan Investment Bonds (PIBs),and Government Ijara Sukuk (GIS).

- T-bills are short-term securities and have maturities of 12-Months or less at the time of issuance.
- PIBs are longer-term securities and have maturities of more than 12-Months at the time of issuance. PIBs pay the entire face value on maturity and also pay profits at regular intervals until maturity. PIBs can be further categorized as Fixed-rate PIBs and Floating-rate PIBs.
  - Fixed-rate PIBs pay a fixed amount of profit on each profit payment date.
  - Floating-rate PIBs pay a variable amount of profit on each profit payment date. The profit rate is determined by adding a spread to an underlying reference rate such as 3- or 6- Month T-bills yield.
- Shariah-compliant Government securities program has also been in place since 2008-09. However, it still constitutes a small proportion of overall Government domestic securities portfolio. Government is aiming to increase the share of Shariah-compliant securities to at-least 10 percent in total Government securities portfolio by the end-June 2023 as stipulated in Medium Term Debt Strategy of Pakistan. Government has issued ample amount of Sukuks during the ongoing fiscal year, which led to increase in share of Sukuk in total Government securities portfolio to 8 percent at end-March 2022, while it was only 4 percent at end-June 2021.

9.5.1 Domestic Borrowing Operations

Domestic debt was recorded at Rs 28,076billion at end-March 2022, registering an increase of Rs 1,811 billion during the first nine months of the current fiscal year. Following are the highlights of domestic borrowing operations during the ongoing fiscal year:

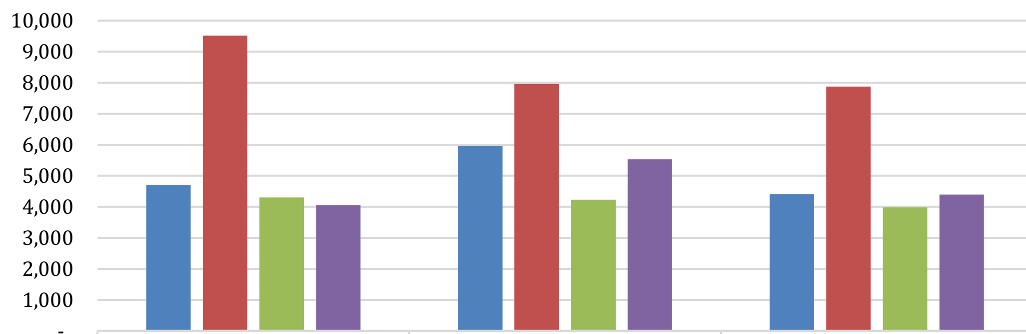
- Domestic borrowing was made entirely from the financial markets;
- Government borrowed entirely through medium-to-long-term domestic debt instruments for financing of its fiscal deficit and retirement of short-term debt maturities i.e., the Government retired a portion of Treasury Bills stock amounting to Rs 1.5 trillion which led to a reduction of short-term maturities in-line with the Government's commitment to reduce its Gross Financing Needs;
- An amount of Rs 569 billion was repaid to SBP; and
- Government successfully issued Shariah Compliant Sukuks amounting to around Rs 1.1 trillion. This was the highest ever issuance of Shariah Compliant Securities in any

financial year. Government has further issued around Rs 0.4trillion worth of Sukuks during April and May 2022 and total issuance of Sukuk accordingly stood at around Rs 1.5trillion during first eleven months of ongoing fiscal year.

9.5.2 Domestic Borrowing Pattern

Medium-to-long-term domestic debt securities remained the main source of funding during first nine months of ongoing fiscal year. Healthy participation was witnessed in the auction of Government securities during the first nine months of FY2021-22, as depicted in figures 9.3-9.6.

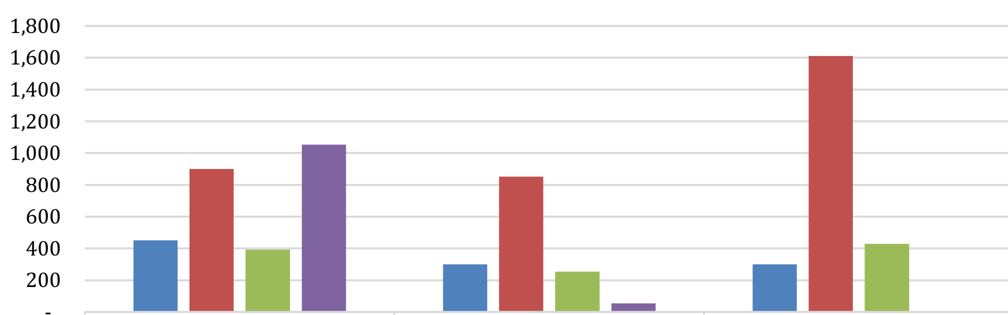
Fig 9.3: Auction Profile of Treasury Bills FY2021-22 (Rs billion)



	Jul-Sep	Oct-Dec	Jan-Mar
Target	4,700	5,950	4,400
Participation	9,521	7,960	7,877
Acceptance	4,302	4,227	3,982
Maturity	4,051	5,534	4,397

Target Participation Acceptance Maturity

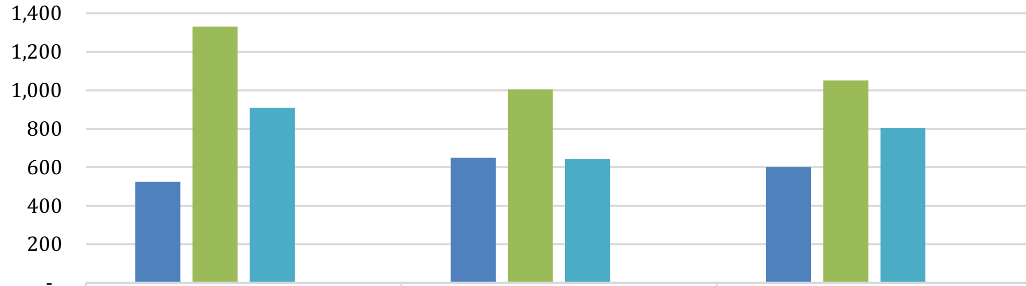
Fig-9.4: Auction Profile of Fixed Rate PIBs FY 2021-22 (Rs billion)



	Jul-Sep	Oct-Dec	Jan-Mar
Target	450	300	300
Participation	900	852	1,611
Acceptance	392	254	428
Maturity	1,053	55	-

Target Participation Acceptance Maturity

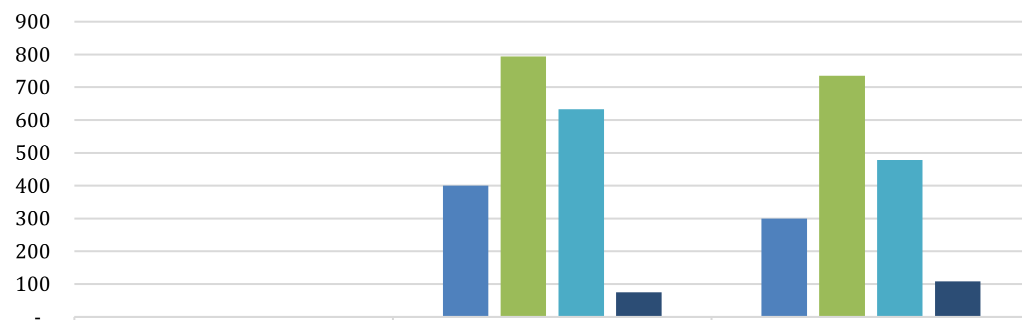
Fig-9.5: Auction Profile of Floating Rate PIBs FY2021-22 (Rs billion)



	Jul-Sep	Oct-Dec	Jan-Mar
Target	525	650	600
Participation	1,331	1,004	1,051
Acceptance	909	644	804
Maturity	-	-	-

Target Participation Acceptance Maturity

Fig-9.6: Auction Profile of Government Ijara Sukuk FY2021-22(Rs billion)



	Jul-Sep	Oct-Dec	Jan-Mar
Target	-	400	300
Participation	-	795	736
Acceptance	-	633	479
Maturity*	-	75	108

*Bai-Muajjal maturity

Target Participation Acceptance Maturity*

9.5.3 Component-Wise Analysis of Domestic Debt

This section highlights the developments in various components of domestic debt during the first nine months of the current fiscal year:

I. Permanent Debt

Permanent debt mainly comprises medium to long-term instruments like PIBs, Government Ijara Sukuks, and Prize Bonds. Permanent debt constituted 67 percent of the domestic debt portfolio and was recorded at Rs 18,714 billion at end-March 2022, representing an increase of Rs 2,803 billion during the first nine months of the ongoing fiscal year. The bifurcation of this increase reveals that Government net mobilization through the issuance of PIBs and GIS was Rs 1,939 billion[2]and Rs 1,111 billion

[2]excluding PIBs held by non-residents amounting to Rs 20 billion, which are recorded as external public debt.

respectively, whereas a net retirement amounting to Rs 178 billion and Rs 70 billion was observed in stock of Bai-Muajjal Sukuk and Prize Bonds, respectively.

II. Floating Debt

Floating debt was recorded at Rs 5,241 billion or around 19 percent of the total domestic debt portfolio at the end-March 2022. During the first nine months of the ongoing fiscal year, a reduction of Rs 1,486 billion was witnessed in the stock of T-bills[3].

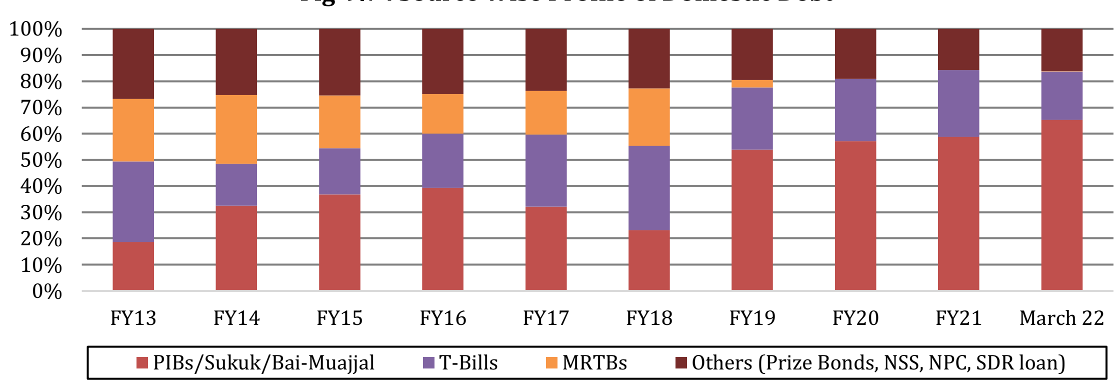
III. Unfunded Debt

The stock of unfunded debt stood at Rs 3,609 billion at end-March 2022, constituting around 13 percent of the total domestic debt portfolio. Unfunded debt recorded a net reduction of Rs 37 billion during the first nine months of the current fiscal year.

In addition to the above, the domestic debt also comprises of; (i) Naya Pakistan Certificates (held by residents only), which amounted to Rs 37 billion at the end-March 2022; and (ii) SBP on-lending to Federal Government against IMF SDR allocation, which amounted to Rs 475 billion at the end-March 2022.

Figure 9.7 summarizes the source wise break-up of domestic debt stock:

Fig-9.7 : Source Wise Profile of Domestic Debt



NSS: National Saving Schemes; NPC: Naya Pakistan Certificates; SDR loan: SBP's SDR on-lending to Federal Government

Table 9.5: Outstanding Domestic Debt (Rs billion)

	Jun-13	Jun-18	Jun-19	Jun-20	Jun-21	Mar-22
Permanent Debt	**2,179.0**	**4,659.2**	**12,087.0**	**14,030.7**	**15,910.8**	**18,714.0**
Market Loans	2.8	2.8	2.8	2.8	2.8	2.8
Government Bonds	1.3	1.3	1.3	1.3	1.3	1.3
Prize Bonds	389.6	851.0	893.9	734.1	443.7	373.5
Foreign Exchange Bearer Certificates	0.1	0.1	0.1	0.1	0.1	0.1
Bearer National Fund Bonds	0.0	0.0	0.0	0.0	0.0	0.0
Federal Investment Bonds	0.0	0.0	0.0	0.0	0.0	0.0
Foreign Currency Bearer Certificates	0.0	0.0	0.1	0.1	0.1	0.1
U.S. Dollar Bearer Certificates	0.1	0.1	0.1	0.1	0.1	0.1
Special U.S. Dollar Bonds	4.3	5.1	6.7	6.9	6.5	7.5
Pakistan Investment Bonds (PIBs)*	1,321.6	3,413.3	10,933.2	12,886.0	14,590.0	16,529.1
GOP Ijara Sukuk	459.2	385.4	71.0	198.2	665.3	1,776.3
Bai-Muajjal of Sukuk	-	-	177.8	201.0	201.0	23.2

[3]excluding T-bills held by non-residents amounting to Rs 24 billion, which are recorded as external public debt.

Table 9.5: Outstanding Domestic Debt						(Rs billion)
	Jun-13	Jun-18	Jun-19	Jun-20	Jun-21	Mar-22
Floating Debt	**5,194.9**	**8,889.0**	**5,500.6**	**5,578.3**	**6,680.4**	**5,241.6**
Market Treasury Bills*	2,919.7	5,294.8	4,930.5	5,575.5	6,676.9	5,190.6
MTBs for Replenishment	2,275.2	3,594.2	570.2	2.8	3.5	50.9
Bai Muajjal	0.0	0.0	-	-	0.0	0.0
Unfunded Debt	**2,146.5**	**2,868.1**	**3,144.1**	**3,673.6**	**3,645.9**	**3,608.5**
Defence Saving Certificates	271.7	336.2	393.4	486.2	477.2	470.4
National Deposit Certificates	0.0	0.0	0.0	0.0	0.0	0.0
Khass Deposit Certificates	0.3	0.2	0.2	0.2	0.2	0.2
Special Savings Certificates (Reg.)	388.2	381.9	413.7	427.7	421.4	398.7
Special Savings Certificates (Bearer)	0.3	0.3	0.3	0.3	0.3	0.3
Regular Income Certificates	262.6	347.5	489.6	572.9	599.6	619.4
Premium Saving Certificates	0.0	0.0	0.0	0.0	0.0	0.0
Bahbood Savings Certificates	528.4	794.9	914.5	997.8	1,000.4	1,009.2
Short Term Savings Certificates	4.0	4.3	5.1	24.3	4.0	3.9
Khass Deposit Accounts	0.3	0.3	0.3	0.3	0.3	0.3
Savings Accounts	22.3	38.3	38.2	42.7	43.2	50.8
Special Savings Accounts	346.2	549.0	416.6	617.3	581.4	542.8
MahanaAmdani Accounts	2.0	1.7	1.6	1.5	1.5	1.5
Pensiones' Benefit Account	179.9	274.9	318.3	352.2	368.5	384.2
Shuhadas Family Welfare Account	-	-	0.0	0.1	0.1	0.1
National Savings Bonds	0.2	0.1	0.1	-	-	-
Postal Life Insurance Schemes	67.1	46.7	47.9	48.5	47.2	47.2
GP Fund	73.1	91.7	104.3	101.5	100.8	79.5
Naya Pakistan Certificate	**-**	**-**	**-**	**-**	**28.2**	**37.2**
SBP SDR on-lending to GOP	**-**	**-**	**-**	**-**	**-**	**474.9**
Total Domestic Debt	**9,520.4**	**16,416.3**	**20,731.8**	**23,282.5**	**26,265.4**	**28,076.3**

*Government Securities held by non-residents are deducted from PIBs and T-bills and are reflected in External Public Debt due to remain consistent with international reporting standard.

Source: State Bank of Pakistan

9.5.4 Secondary Market Activities in the Marketable Government Securities

The secondary market of Government domestic securities is liquid and well developed. During the first nine months of FY2021-22, outright trading volumes clocked in at around Rs 32 trillion, showing a marginal decrease of 1 percent compared to the corresponding period of last year. This translates into the average daily trading volume of Rs 171.1 billion (Table 9.6).

Table 9.6: Secondary Market Outright Trading Volume				(Rs billion)
Security	**2019-20**	**2020-21**	**Jul-Mar 2020-21**	**Jul-Mar 2021-22**
3 Month T-Bills	14,260	11,942	8,305	9,749
6 Month T-Bills	3,660	7,080	5,389	10,514
12 Month T-Bills	6,914	5,400	5,129	686
Sub Total (A)	**24,835**	**24,421**	**18,823**	**20,948**
2 Year PIBs	-	39	28	473
3 Year PIBs	3,024	8,527	7,122	7,006
5 Year PIBs	1,430	2,626	2,221	996
10 Year PIBs	1,910	1,692	1,479	829
15 Year PIBs	15	40	25	45
20 Year PIBs	17	44	32	4
Sub Total (B)	**6,396**	**12,968**	**10,908**	**9,354**
Govt. Ijara Sukuk (C)	**4,817**	**3,542**	**2,469**	**1,694**
Grand Total (A+B+C)	**36,047**	**40,932**	**32,199**	**31,996**
Daily Average volume	**146.5**	**165.7**	**171.3**	**171.1**

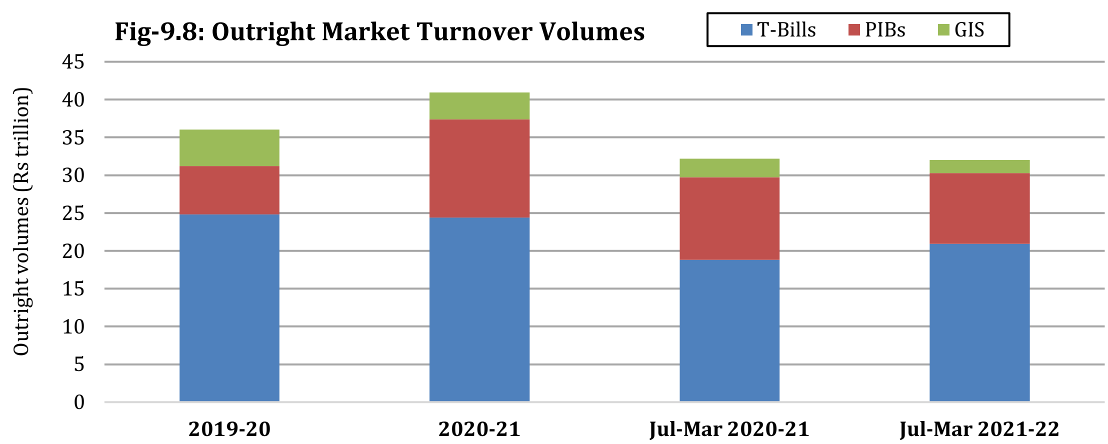
Source: State Bank of Pakistan

Due to a significant increase in the interest rate during FY2021-22, notable changes in security-wise outright volumes were witnessed. The volume of T-Bills increased, while overall volumes of PIBs (fixed and floating) declined. Among PIBs, floating-rate PIBs witnessed a robust increase as outright trade of 2-year floating-rate PIBs increased on the back of strong primary issuance. Out of Rs 7 trillion outright trades in 3-year PIBs, Rs 4.9 trillion (70 percent) was in floating-rate instruments. Higher primary market issuance and large outstanding stocks contributed to high trading volumes. On the longer end, secondary market trading volume of 5- and 10-year PIBs decreased by 55 percent and 44 percent, respectively. Among 5-Year and 10-Year PIBs, primary issuance of floaters remained minimum, while consistent issuance of fixed-rate PIBs contributed to relatively higher outright volumes in the fixed-rate instruments;

T-Bills outright volume during the first nine months of FY2021-22 continued to constitute a major share (65 percent) of total outright volume. T-Bills outright trade volume clocked in at Rs 21 trillion during the period, exhibiting an increase of 11 percent compared to that of the same period of the preceding year. Tenor-wise outright volumes, however, changed drastically during the period under review as 3- and 6-Month T Bills outright volumes increased by around 17 percent and 95 percent, while that of 12-Month decreased by 87 percent.

Outright trade-in GoP Ijara Sukuks (GISs) continue to decline despite strong primary market issuances during the current fiscal year. GIS worth Rs 1.7 trillion were outright traded during the first nine months of FY2021-22, reflecting a decline of 31 percent compared to volumes registered during the same period of the preceding year. The significant drop in GIS outright volume indicates Islamic banks' preference to buy and hold securities.

Fig-9.8: Outright Market Turnover Volumes



9.5.5 Repo Market and Secondary Market Yield

During the first nine months of FY2021-22, repo market volumes averaged Rs 33 trillion showing a growth of 40 percent compared to the corresponding period of the preceding year. Banks heavily rely on the repo market to manage their short-term liquidity. Overnight repo deals accounted for 81 percent of total repo trade volumes, while 1- and 2-week tenor deals accounted for 12 percent and 4 percent of the volumes, respectively.

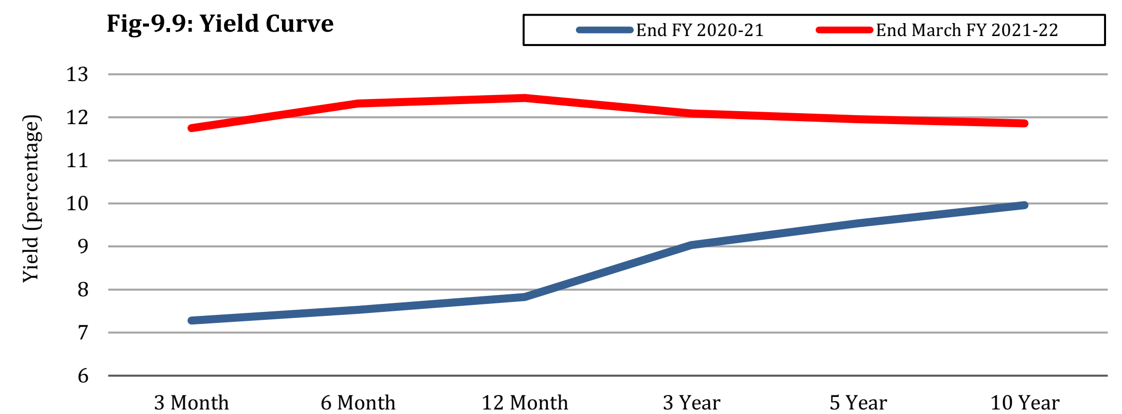
Table-9.7: Government Security-Based Transactions

Type	Volume (Rs in billion)				Market Share (Percentage)			
	2019-20	2020-21	Jul-Mar 2020-21	Jul-Mar 2021-22	2019-20	2020-21	Jul-Mar 2020-21	Jul-Mar 2021-22
Repo	35,182	32,111	23,743	33,306	49	44	42	51
Outright	36,047	40,932	32,199	31,996	51	56	58	49
Total	**71,229**	**73,043**	**55,942**	**65,302**	**100**	**100**	**100**	**100**

Source: State Bank of Pakistan

At the beginning of FY2021-22, the yield curve was upward sloping. SBP policy rate had anchored the left end of the yield curve (short-term rates) to around 7 percent while the term structure of long-term rates was normal with a 10-year rate at 10 percent. During the first nine months of FY2021-22, SBP increased the policy rate by a cumulative 275 bps. This resulted in an upward shift in the yield curve with an increase more pronounced in short-term rates and long-term rates being flat at around 12 percent. However, short-term rates (up to 1 year) continue to be positively sloped.

Fig-9.9: Yield Curve



9.6 External Public Debt

External public debt was recorded at US$ 88.8 billion at end-March 2022, increasing by around US$ 2.3 billion during the first nine months of the current fiscal year. This increase reveals the following:

- The debt stock of multilateral and bilateral sources increased by US$ 2.9 billion. Gross inflows of around US$ 1 billion were recorded from the IMF under the Extended Fund Facility (EFF), US$ 0.8 billion from Development Bank (IDB), and US$ 3 billion in form of Saudi time deposits. Overall, multilateral and bilateral loans are mostly contracted on concessional terms (low cost and longer tenor);
- The debt stock of commercial loans registered a net decrease of around US$ 1.5 billion. It was mainly due to repayment of maturity from Chinese commercial banks amounting of US$ 2.3 billion in March 2022. However, this amount is expected to be received in June 2022;
- The Government raised US$ 2 billion through international bond issuances (US$ 1 billion Eurobonds in July 2021 and US$ 1 billion Sukuk in January 2022) while it also repaid US$ 1 billion against maturing Sukuk. Therefore, stock of Eurobonds/Sukuks

witnessed net increase of US$ 1 billion during first nine months of ongoing fiscal year;

- The stock of Pakistan Banao Certificates and Naya Pakistan Certificates cumulatively increased by US$ 0.5 billion; and
- The stock of non-resident investment in Government securities (T-bills & PIBs) decreased by US$ 0.6 billion.

Pakistan's external public debt is derived from four key sources, with around 49 percent coming from multilateral loans, 30 percent from bilateral loans, 11 percent from commercial loans[4], and 10 percent from Eurobonds/Sukuk. Figure 9.10 summarizes the component-wise break-up of external public debt stock:

Fig 9.10: Source Wise Profile of External Public Debt (end-June position)

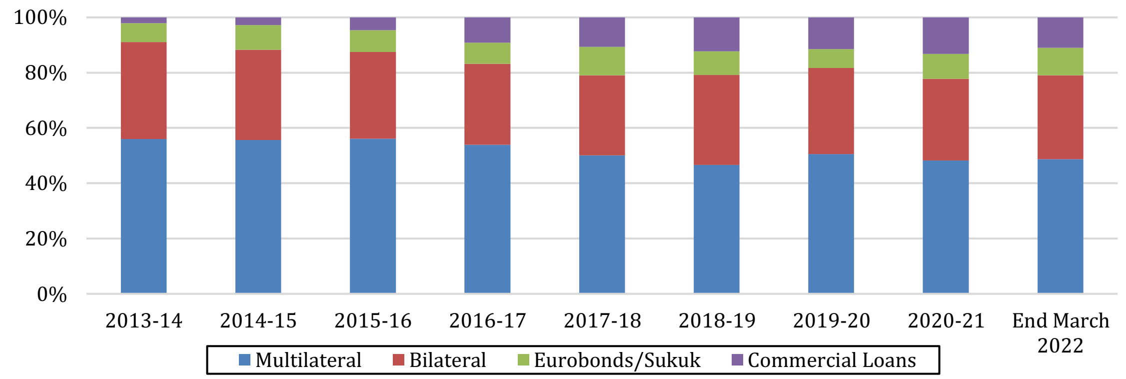


Table-9.8: External Public Debt

(US$ in million)	Jun-13	Jun-18	Jun-19	Jun-20	Jun-21	Mar-22
A. External Public Debt (1+2)	**48,139**	**70,237**	**73,449**	**77,994**	**86,457**	**88,765**
1. Government External Debt (i+ii)	**43,752**	**64,142**	**67,800**	**70,314**	**79,073**	**81,294**
i) Long term (>1 year)	**43,488**	**62,525**	**66,536**	**68,773**	**78,215**	**79,863**
Paris Club	13,548	11,643	11,235	10,924	10,726	9,708
Multilateral	24,198	28,102	27,788	30,898	33,836	34,513
Other Bilateral	3,939	8,674	12,717	13,428	14,821	17,151
Euro/Sukuk Global Bonds	1,550	7,300	6,300	5,300	7,800	8,800
Military Debt	71	-	-	-	-	-
Commercial Loans/Credits	0	6,806	8,470	8,068	9,696	8,210
Local Currency Securities (PIBs)	2	-	-	96	463	96
Saudi Fund for Development (SFD)	180	-	-	-	-	-
NBP/BOC deposits/PBC*	0	-	26	59	65	58
Naya Pakistan Certificate*	0	-	-	-	809	1,327
ii) Short term (<1 year)	**264**	**1,617**	**1,264**	**1,542**	**858**	**1,431**
Multilateral	256	961	778	814	506	1,301
Local Currency Securities (T-bills)	8	0	0	586	352	130
Commercial Loans/Credits	0	655	486	141	-	-
2. From IMF	**4,387**	**6,095**	**5,648**	**7,680**	**7,384**	**7,471**
i) Federal Government	1,519	-	-	2,833	3,437	4,368
ii) Central Bank	2,868	6,095	5,648	4,847	3,947	3,103

*: Naya Pakistan Certificate and Pakistan Banao Certificates (PBC) are issued by Government of Pakistan for overseas Pakistanis.

Source: Ministry of Economic Affairs, State Bank of Pakistan and Debt Policy Coordination Office, Ministry of Finance

[4] Including non-resident investments in domestic Government securities, Naya Pakistan Certificates and Pakistan Banao Certificates.

9.6.1 External Public Debt Inflows and Outflows

(a) Inflows

Gross external loan disbursements were recorded at US$ 12,779 million[5] during the first nine months of FY2021-22, the details of which are as follows:

- Disbursements from multilateral sources amounted to US$ 4,929 million and accounted for 39 percent of the total disbursements. The main contributors were Asian Development Bank (ADB), Islamic Development Bank (IDB), World Bank, and IMF. The disbursements from the IMF were part of the ongoing EFF program while inflows from ADB and World Bank were targeted towards energy, finance, and infrastructure development and to address the pandemic repercussions;
- Bilateral sources contributed US$ 3,228 million or 25 percent in total disbursements. Out of this, the Saudi deposits amounted to US$ 3,000 million;
- Disbursements through international bonds amounted to US$ 2,000 million; and
- Commercial loans contributed US$ 2,623 million in total disbursements. These inflows were mostly taken for refinancing the existing commercial maturities.

(b) Outflows

External public debt repayments were recorded at US$ 8,139 million during the first nine months of FY2021-22 as compared with US$ 5,148 million during the same period last year. This increase in repayments is primarily due to; (i) resumption of debt repayment to bilateral creditors in the third quarter of FY2021-22, which were deferred under Debt Service Suspension Initiative (DSSI); (ii) US$ 1,000 million International Sukuk maturity in October 2021; and (iii) higher repayment of commercial loans maturities as stated above.

Interest payments were recorded at US$ 1,297 million during the first nine months of FY2021-22 as compared to US$ 1,080 million during the same period of the preceding year. The main factors which increased the external interest servicing during the ongoing fiscal year were (i) resumption of interest payments to bilateral creditors in the third quarter of FY2021-22, which were deferred under DSSI; (ii) increase in global interest rates; and (iii) higher interest servicing against commercial loan portfolio and Eurobonds. The source wise details of external public debt inflows and outflows over the last few years are depicted in table 9.11.

Table 9.9: Source Wise External Public Debt Inflows and Outflows (Fiscal Year-wise)

(US$ in million)	2015	2016	2017	2018	2019	2020	2021	Jul-Mar 22
DISBURSEMENTS								
Multilateral	5,435	5,766	3166	2,813	2,021	8,329	4,810	4,929
Bilateral	867	1,040	1,941	1,971	4,377	1,398	1,275	3,228
Bonds	1,000	500	1,000	2,500	-	-	2,500	2,000
Commercial / Other	150	1,387	4,426	3,716	4,098	3,347	4,721	2,623
Total Inflows (A)	**7,452**	**8,693**	**10,533**	**11,000**	**10,496**	**13,074**	**13,306**	**12,779**
REPAYMENTS								
Multilateral	2,407	1,274	1,255	1,403	1,750	2,199	3,391	2,482
Bilateral	407	440	1,200	793	970	783	100	497

[5] Excluding disbursement from Pakistan Banao Certificates, NPCs and non-resident investment in Government securities.

Table 9.9: Source Wise External Public Debt Inflows and Outflows (Fiscal Year-wise)

(US$ in million)	2015	2016	2017	2018	2019	2020	2021	Jul-Mar 22
Bonds	-	500	750	-	1,000	1,000	0	1,000
Commercial / Other	686	1000	1922	1995	3634	5061	3,444	4,160
Total Repayments (B)	**3,500**	**3,213**	**5,127**	**4,190**	**7,355**	**9,043**	**6,936**	**8,139**
Net Inflows (A-B)	**3,952**	**5,480**	**5,406**	**6,809**	**3,140**	**4,031**	**6,370**	**4,640**
				INTEREST PAYMENTS				
Multilateral	258	290	381	485	584	637	639	446
Bilateral	385	380	441	444	541	484	115	230
Bonds	300	354	366	423	503	396	362	340
Commercial / Other	32	102	124	332	475	515	337	282
Total Interest Payments (C)	**975**	**1,127**	**1,313**	**1,684**	**2,103**	**2,032**	**1,453**	**1,297**
Total Debt Servicing (B+C)	**4,475**	**4,340**	**6,440**	**5,874**	**9,458**	**11,075**	**8,389**	**9,436**

Note: Above data excludes disbursements from Naya Pakistan Certificate, Pakistan Banao Certificates, and non-resident investment in Government domestic securities

Source: Ministry of Economic Affairs and State Bank of Pakistan

9.6.2 Impact of Exchange Rate Fluctuations

External loans are contracted in various currencies; however, disbursements are effectively converted into Pak Rupee. Since Pak Rupee is not an internationally traded currency, other international currencies are bought and sold via selling and buying of the US Dollar. Hence, the currency exposure of foreign debt originates from two sources: US Dollar/other foreign currencies and Pak Rupee/US Dollar. Thus, any movement in international currencies (in which debt is contracted) and PKR vis-à-vis US Dollar can change the dollar and Pak Rupee value of external debt respectively. It must, however, be taken into account that domestic debt does not carry currency risk since it is denominated in Pak Rupee.

In addition to net external inflows, the following factors influenced the movement in external public debt stock during the first nine months of the current fiscal year:

- In US Dollar terms, revaluation gain owing to appreciation of the US Dollar against other international currencies decreased the external public debt stock by around US$ 1.6billion. This decrease was mainly driven by an appreciation of the US Dollar against the Japanese Yen by 10 percent, the Euro by 7 percent, the Pound Sterling by 6 percent, and Special Drawing Right (SDR) by 3 percent;
- The above-mentioned translational gain on account of the appreciation of the US Dollar against other international currencies was offset by the depreciation of the Pak Rupee against the US Dollar by around 17 percent which led to increasing the Rupee value of external debt by around Rs 2.3 trillion.

9.6.3 International Capital Markets Issuances

In July 2021, Pakistan successfully raised US$ 1 billion through multi-tranche tap issuance of 5-, 10- and 30-year Eurobonds under the 'Euro Medium Term Note Program'.

Furthermore, in January 2022, the Government of Pakistan raised US$ 1 billion through the issuance of International Sukuk under the 'Trust Certificate Issuance Program. This is the first time that Government has issued International Sukuk with 7 Year maturity and at market-clearing price i.e., zero issuance premium. The transaction was a success as healthy participation was witnessed from Middle Eastern and European investors as the books were oversubscribed 2.7 times.

Government plans to diversify its International Capital Market instrument base through issuance of various bonds under its Environmental, Social, and Governance (ESG) Framework and also would like to tap the Chinese Capital Market through issuance of Panda Bonds.

Table 9.10 depicts the outstanding position of GoP's international bonds:

Table 9.10: Pakistan Sovereign Bonds

Bond	Issue	Maturity	Size (US$ Mn)	Tenor Years	Coupon (%)
Sukuk	05-Dec-17	05-Dec-22	1,000	5	5.625
Sukuk	31-Jan-22	31-Jan-29	1,000	7	7.950
Eurobond	30-Mar-06	31-Mar-36	300	30	7.875
Eurobond	15-Apr-14	15-Apr-24	1,000	10	8.250
Eurobond	30-Sept-15	30-Sept-25	500	10	8.250
Eurobond	05-Dec-17	05-Dec-27	1,500	10	6.875
Eurobond	08-Apr-21	08-Apr-26	1,300	5	6.000
Eurobond	08-Apr-21	08-Apr-31	1,400	10	7.375
Eurobond	08-Apr-21	08-Apr-51	800	30	8.875
Total			**8,800**		

Source: Bloomberg, May24, 2022

9.7 Conclusion

The Government's strategy to reduce its debt burden to a sustainable level includes adherence to run primary budget surpluses, maintain low and stable inflation, promote measures that support long-term sustainable economic growth and follow an exchange rate regime based on economic fundamentals. In addition, the Government is committed to ensuring fiscal discipline through revenue mobilization and expenditure rationalization. With a narrower fiscal deficit, public debt is projected to enter a firm downward path while the Government's efforts to improve maturity structure will enhance public debt sustainability.

EDUCATION

Expenditures Grew by

9.7%

Primary, Lower, and Upper Secondary Education Completion Rate stood at 67%, 47%, and 23 %, respectively

Parity Indices at Literacy, Youth Literacy, Primary, & Secondary are 0.71, 0.82, 0.88, and 0.89, respectively

A Single National Curriculum has been introduced to minimize disparity in the country's education system

Chapter 10

Education

Education is one of the key factors for changing the existing state of a nation into a distinguished position in the community of nations. The educational advancements which have taken place so far and the skills which have been acquired in due course of time are not only benefiting Pakistan but also the surrounding regions. For a country like Pakistan, it becomes even more indispensable for its socio-economic development through effective transition of its huge proportion of population i.e youth. Transformation of 63 percent youth into a real wealth requires optimum capitalization through establishing a high-quality and market demand driven basic, secondary and higher Education.

Pakistan is committed to transform its education system into a high-quality global market demand driven system in accordance with the Goal 4 of Sustainable Development Goals (SDGs) which pertains to quality of education. The progress achieved by Pakistan so far on Goal 4 of SDGs is as under:

- Primary, Lower and Upper Secondary Education Completion Rate stood at 67 percent, 47 percent and 23 percent, respectively, depicting higher Primary attendance than Lower and Upper Secondary levels.
- Parity Indices at Literacy, Youth Literacy, Primary and Secondary are 0.71, 0.82, 0.88 and 0.89, respectively.
- Participation rate in organized learning (one year before the official primary entry age), by sex is 19 percent showing a low level of consideration of Pre-Primary Education.
- Percentage of population in a given age group achieving at least affixed level of proficiency in functional; (a) literacy and (b) numeracy skills is 60 percent.

Various initiatives have been taken at federal and provincial levels to raise the standards of education in terms of quality education as part of our commitment to accomplish Goal 4 of SDGs. These initiatives include: i) enhancing access to education by establishing new schools, ii) upgrading the existing schools, iii) improving learning environment by providing basic educational facilities, iv) digitization of educational institutions, v) enhancing resilience of educational institutions to cater for unforeseen situations, vi) promoting distance learning, capacity building of teacher, and vii) improving hiring of teachers, particularly hiring of science teachers to address the issues of science education, etc.

Box-I: Single National Curriculum

- Single National Curriculum (SNC) has been introduced to minimize disparity in country's education system where three main education systems are in place, i.e. Public schools, Private schools and Deeni madaris. These systems are poles apart and often result is different mind-sets thus fractured psyche of the nation. SNC is aimed at providing equal learning opportunities to all segments of society and will provide equal opportunity of learning, help the students and parents in case of inter provincial mobility.
- Development of SNC is driven by key considerations like teachings of Quran and Sunnah, Constitutional Framework, National Policies, Aspirations and National Standards, Alignment with the SDG-4 goals and targets, vision of Quaid and Iqbal, focus on values, Life Skills Based and Inclusive Education, respect & appreciation for different cultures & religions in local and global context, focus on project, inquiry and activity-based learning, development of 21st century skills including analytical, critical and creative thinking.
- Single National Curriculum is being implemented in three phases:
  - Phase I: SNC and textbooks **Pre I-V** (Academic Year 2021-22)
  - Phase II: SNC and textbooks **VI-VIII** (Academic Year 2022-23)
  - Phase III: SNC and textbooks **IX-XII** (Academic Year 2023-24)
- In first phase, quality textbooks, teachers training, modules and assessment frameworks for Grade Pre I-V have been developed on the basis of SNC which have already been shared with all federating units.
- SNC has been implemented in all streams of education for the students from Grades Pre I-V from academic year 2021-22.
- Implementation has already been started in Islamabad, Punjab, Khyber Pakhtunkhwa and Gilgit-Baltistan from Academic year 2021. In Balochistan and Azad Jammu & Kashmir, implementation will start form the academic year 2022.
- Sindh was an active part of the development of the SNC. However, for implementation, discussions are going on with Sindh government.

Key Features

- English has always been taught as a subject in public schools. Now English will be taught as a language with focus on skills. Islamiat used to be started from Grade 3 onwards. At Grade 1 & 2 Islamiat was a part of General Knowledge. Now Islamiat be taught as a separate subject from Grade 1. In Islamiat curriculum, a complete framework of Seerat un Nabi (PBUH) is ensured focusing on practical aspects of the blessed life of Rasulullah (PBUH).
- For students from minorities, a separate curriculum with the title Religious Education has been developed for seven religions, i.e Christianity, Hinduism, Sikhism, Baha'i, Kalasha, Zoroastrianism and Buddhism. Social Studies is developed to encourage patriotism and global citizenship. Human rights and peace education are important areas focused in the curriculum and textbooks. Mathematics and Science are updated as per modern trends in teaching and learning.
- Teacher Training modules and Assessment framework, based on SNC, are developed for Grades Pre I-V to ensure proper implementation of SNC.

Challenges

Since the SNC is a major reform in the country, there are a few challenges in order to implement it in true letter and spirit. These challenges include:

- Capacity building of the existing teachers
- Induction of new teachers as per the requirements
- Uplifting of the educational facilities in the far-flung areas of Pakistan

Source: Ministry of Federal Education and Professional Training

Educational Institutions and Enrolment Data[1]

i) Pre-Primary Education

Pre-Primary education is the basic component of Early Childhood Education (ECE). Prep classes are for children between 3 to 5 years of age. At national level, a rise of 6.1 percent in pre-primary enrolment (13.5 million) in 2019-20 over 2018-19 (12.7 million) has been observed and it is further estimated to increase by 6.4 percent to 14.4 million in 2020-21 (Table 10.1).

ii) Primary Education (Classes I-V)

In 2019-20, there were a total of 183.9 thousand functional primary schools with 507.6 thousand corresponding teachers recorded in the country. An increase of 4.2 percent in primary enrolment is witnessed as the total enrolled students increased to 24.6 million in 2019-20 against 23.6 million in 2018-19. However, it is projected to further increase to 25.7 million in 2020-21 (4.4 percent).

iii) Middle Education (Classes VI-VIII)

During 2019-20, total number of middle institutes stood at 48.3 thousand with 466.4 thousand employed teachers in the country. An increase of 3.9 percent in middle enrolment is observed. The total enrolled students reached to 7.9 million in 2019-20 against 7.6 million in 2018-19 and it is projected to increase by 4.0 percent (from 7.9 million to 8.3 million) in 2020-21.

iv) Secondary/High School Education (Classes IX-X)

During the 2019-20, a total of 32.0 thousand secondary schools were functional, with a total number of 582.3 thousand teachers recorded in the country. An increase of 6.2 percent in secondary school enrolment is observed at the national level as the total enrolment increased to 4.2 million in 2019-20 against 4.0 million in 2018-19. However, it is estimated to further increase by 6.5 percent (i.e., from 4.2 million to 4.5 million) during 2020-21.

v) Higher Secondary/Inter Colleges (Classes XI-XII)

During 2019-20, 6.0 thousand higher secondary schools/inter colleges with 136.7 thousand teachers were functional at national level. The overall enrolment of students in higher secondary education witnessed an increase of 8.8 percent in 2019-20. The enrolment registered during 2019-20 was 2.33 million as compared to 2.14 million in 2018-19. For 2020-21, it is projected to reach at 2.55 million.

vi) Technical & Vocational Education

During 2019-20, 3.8 thousand technical and vocational institutes with 18.6 thousand teachers were functional at the national level. The enrolment increased to 0.46 million in 2019-20 from 0.43 million compared to 2018-19. However, it is estimated to increase by 7.7 percent (i.e., from 0.46 million to 0.50 million) in 2020-21.

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[1]According to Academy of Educational Planning & Management (AEPAM), the estimated data for enrolment, number of institutions and teachers for the year 2021-22 is not available. However, the said data will be available in July 2022 which will be incorporated in the Statistical Supplement of Pakistan Economic Survey, 2021-22. Therefore, the estimated data for the year 2019-20 and 2020-21 is considered for analysis.

vii) Degree Colleges (Classes XIII-XIV)

An enrolment of 0.76 million students is expected during 2020-21 in degree colleges as against the enrolment of 0.74 million in 2019-20. A total of 3,320 degree colleges with 64,293 teachers were functional during 2019-20.

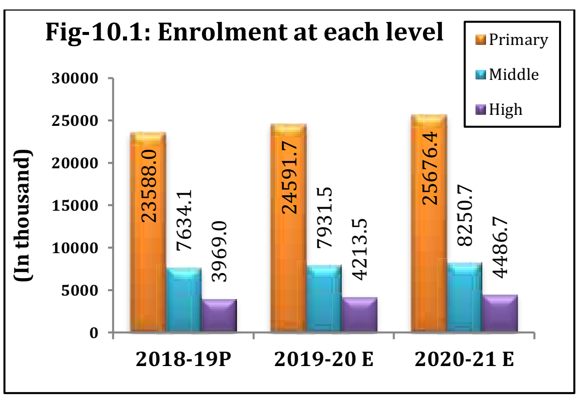
viii) Universities

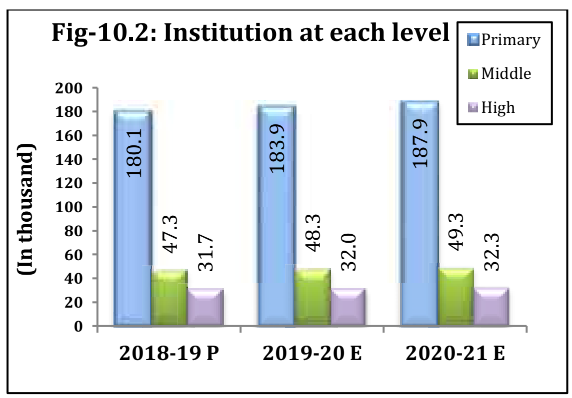
There are 218 universities with 58.0 thousand teachers in both public and private sectors functional in 2019-20. The overall enrolment of students in higher education institutions (universities) increased to 1.91 million in 2019-20 from 1.86 million in 2018-19. The enrolment is expected to increase from 1.91 million in 2019-20 to 1.96 million (i.e., 2.8 percent) in 2020-21.

Overall Assessment

The overall education situation based on the key indicators, such as enrolments, number of institutions and teachers have shown a significant improvement. The total number of enrolments during 2019-20 was recorded at 55.7 million as compared to 53.1 million during 2018-19, which shows an increase of 4.9 percent. It is estimated to increase to 58.5 million during 2020-21. The number of institutions recorded at 277.5 thousand during 2019-20 as compared to 271.8 thousand during 2018-19. However, the number of institutions are estimated to increase to 283.7 thousand in 2020-21.

Similarly, there were 1.83 million teachers in 2019-20 as compared to 1.79 million last year. The number of teachers is estimated to increase to 1.89 million during 2020-21.





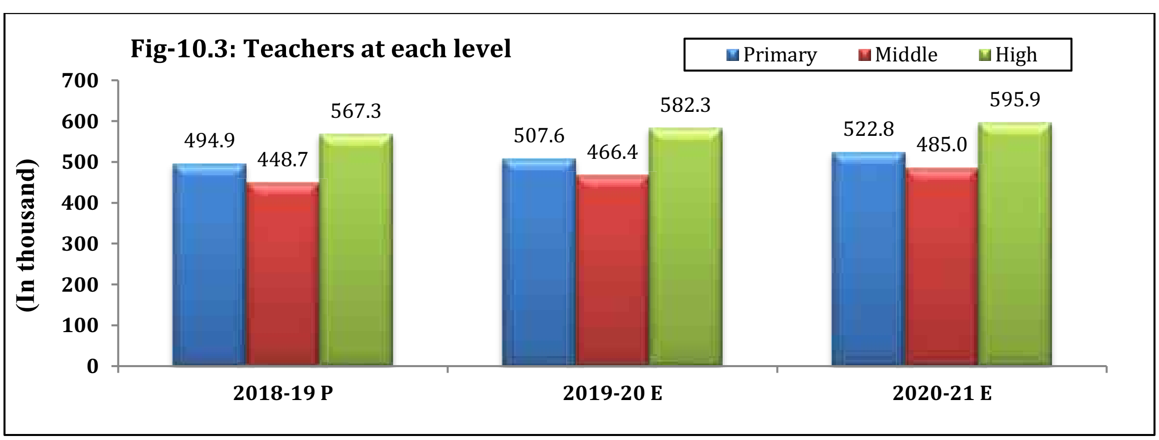


Table 10.1: Number of Mainstream Enrolment, Institutions and Teachers by Level (Thousands)

	Years	Pre-Primary	Primary ^	Middle	High	Higher Sec./ Inter	Degree Colleges	Technical & Vocational Institutes	Universities	Total
Enrolment	2013-14	9267.7	19441.1	6460.8	3109.0	1233.7	465.4	308.6	1594.6	41880.9
	2014-15	9589.2	19846.8	6582.2	3500.7	1665.5	510.6	319.9	1299.2	43314.1
	2015-16	9791.7	21550.6	6922.3	3652.5	1698.0	518.1	315.2	1355.6	45804.0
	2016-17	11436.6	21686.5	6996.0	3583.1	1594.9	537.4	344.8	1463.3	47642.6
	2017-18	12574.3	22931.3	7362.1	3861.3	1687.8	604.6	433.2	1575.8	51030.4
	2018-19*	12707.1	23588.0	7634.1	3969.0	2139.9	725.6	433.2	1858.7	53055.6
	2019-20**	13487.9	24591.7	7931.5	4213.5	2328.3	741.5	464.5	1910.0	55668.9
	2020-21**	14360.2	25676.4	8250.7	4486.7	2548.9	758.0	500.2	1964.0	58545.1
Institutions	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	-	172.5	46.7	31.4	5.8	1.7	3.7	0.186	262.0
	2018-19*	-	180.1	47.3	31.7	5.9	2.9	3.7	0.202	271.8
	2019-20**	-	183.9	48.3	32.0	6.0	3.3	3.8	0.218	277.5
	2020-21**	-	187.9	49.3	32.3	6.2	3.9	3.9	0.233	283.7
Teachers	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	1726.3
	2017-18	-	522.4	448.1	563.3	123.2	41.2	18.2	56.9	1773.3
	2018-19*	-	494.9	448.7	567.3	136.0	61.6	18.2	60.3	1787.0
	2019-20**	-	507.6	466.4	582.3	136.7	64.3	18.6	58.0	1833.9
	2020-21**	-	522.8	485.0	595.9	138.6	77.9	19.0	56.0	1895.2

*: Provisional, **: Estimated, ^: Including Pre-Primary, Mosque Schools, BECS and NCHD
Source: Ministry of Federal Education & Professional Training, AEPAM, Islamabad

Literacy, Gross Enrolment Rate (GER) and Net Enrolment Rate (NER)

Literacy

During 2021-22, PSLM Survey was not conducted due to upcoming Population and Housing Census 2022. Therefore, the figures for the latest available survey regarding GER and NER may be considered for the analysis. However, according to Labour Force Survey 2020-21, literacy rate trends shows 62.8 percent in 2020-21 (as compared to 62.4 percent in 2018-19), more in males (from 73.0 percent to 73.4 percent) than females (from 51.5 percent to 51.9 percent). Area-wise analysis suggest literacy increase in both rural (53.7 percent to 54.0 percent) and urban (76.1 percent to 77.3 percent). Male-female disparity seems to be narrowing down with time span. Literacy rate gone up in all provinces, Punjab (66.1 percent to 66.3 percent), Sindh (61.6 percent to 61.8 percent), Khyber Pakhtunkhwa (52.4 percent to 55.1 percent) and Balochistan (53.9 percent to 54.5 percent). [Table10.2].

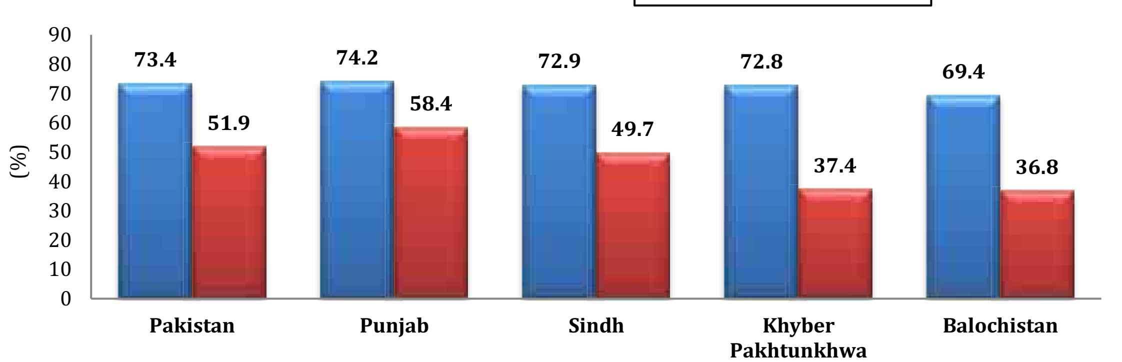
Table 10.2: Literacy Rate (10 Years and Above) (Percent)

Province/Area	2018-19			2020-21		
	Male	Female	Total	Male	Female	Total
Pakistan	73.0	51.5	62.4	73.4	51.9	62.8
Rural	67.1	40.4	53.7	67.2	40.8	54.0
Urban	82.2	69.7	76.1	83.5	70.8	77.3
Punjab	74.3	58.1	66.1	74.2	58.4	66.3

Table 10.2: Literacy Rate (10 Years and Above)						(Percent)
Province/Area	**2018-19**			**2020-21**		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**
Rural	69.2	48.4	58.5	69.0	48.9	58.8
Urban	82.2	74.3	78.3	82.5	74.3	78.5
Sindh	72.5	49.5	61.6	72.9	49.7	61.8
Rural	60.0	26.5	44.4	58.8	26.8	43.3
Urban	82.8	67.7	75.6	85.2	69.9	77.9
Khyber Pakhtunkhwa	70.1	35.5	52.4	72.8	37.4	55.1
Rural	68.1	31.8	49.4	70.1	33.5	51.7
Urban	79.4	53.2	66.2	85.8	57.8	72.3
Balochistan	70.7	32.7	53.9	69.4	36.8	54.5
Rural	66.3	27.2	49.1	65.0	31.1	49.5
Urban	81.8	46.8	66.4	80.0	50.9	66.8

Source: Labour Force Survey, 2020-21, Pakistan Bureau of Statistics

Fig-10.4: Literacy Rates



During 2021-22, PSLM Survey was not conducted due to upcoming Population and Housing Census 2022. Therefore, the figures for the latest available survey are reported here.

Table 10.3: National and Provincial GER (Age 6 -10 years) at Primary Level (Classes1-5)						(Percent)
Province/Area	**2014-15**			**2019-20**		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**
Pakistan	**98**	**82**	**91**	**89**	**78**	**84**
Punjab	103	92	98	93	90	92
Sindh	88	69	79	78	62	71
Khyber Pakhtunkhwa (Including Merged Areas)	-	-	-	96	73	85
Khyber Pakhtunkhwa (Excluding Merged Areas)	103	80	92	98	79	89
Balochistan	89	54	73	84	56	72

Source: Pakistan Social and Living Standards Measurement (PSLM) District Level Survey, 2019-20, Pakistan Bureau of Statistics.

Table 10.4: National and Provincial NER (Age 6 -10 years) at Primary Level (Classes1-5)						(Percent)
Province/Area	**2014-15**			**2019-20**		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**
Pakistan	**72**	**62**	**67**	**68**	**60**	**64**
Punjab	73	67	70	71	89	70

Table 10.4: National and Provincial NER (Age 6 -10 years) at Primary Level (Classes1-5) (Percent)

Province/Area	2014-15			2019-20		
	Male	Female	Total	Male	Female	Total
Sindh	67	54	61	60	49	55
Khyber Pakhtunkhwa (Including Merged Areas)	-	-	-	72	56	65
Khyber Pakhtunkhwa (Excluding Merged Areas)	78	62	71	73	59	66
Balochistan	67	42	56	65	45	56

Source: Pakistan Social and Living Standards Measurement (PSLM) District Level Survey, 2019-20, Pakistan Bureau of Statistics.

Expenditure on Education

Cumulative education expenditures by federal and provincial governments in FY2021 remained at 1.77 percent of GDP (revised estimates). Expenditures on education-related expenditures during FY2021 witnessed an increase of 9.7 percent, reaching Rs 988 billion from Rs 901 billion. The education related expenditure details are given in Table 10.5 and Figure 10.5.

Table 10.5: Expenditure on Education (Rs million)

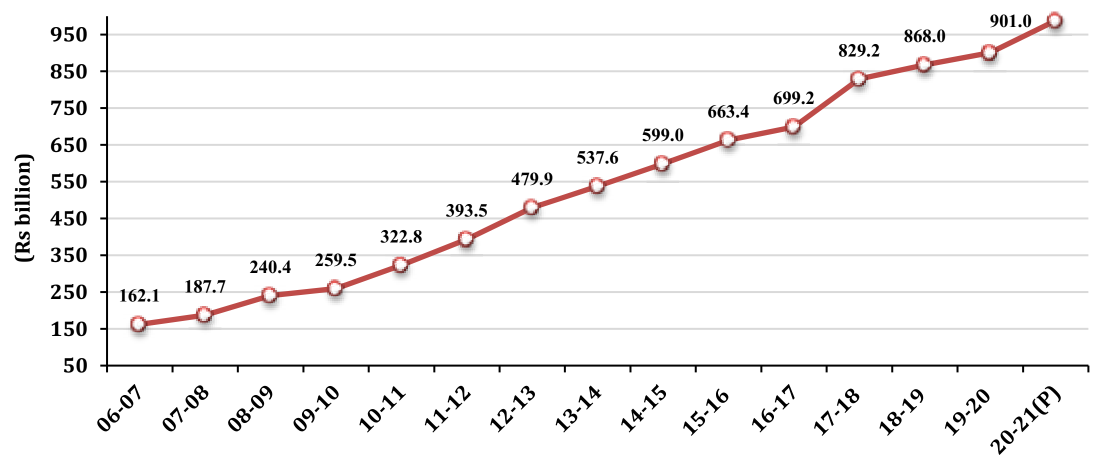
Years		Current Expenditure	Development Expenditure	Total Expenditure	As percent of GDP
2015-16	Federal	84,496	34,665	119,161	**2.02**
	Punjab	224,608	26,863	251,471	
	Sindh	123,855	11,153	135,008	
	Khyber Pakhtunkhwa	92,306	19,925	112,231	
	Balochistan	36,121	9,364	45,485	
	Pakistan	**561,386**	**101,970**	**663,356**	
2016-17	Federal	91,139	16,890	108,029	**1.97**
	Punjab	221,049	39,593	260,642	
	Sindh	134,650	12,082	146,732	
	Khyber Pakhtunkhwa	109,482	26,639	136,121	
	Balochistan	40,571	7,127	47,698	
	Pakistan	**596,891**	**102,331**	**699,222**	
2017-18	Federal	100,428	26,495	126,923	**2.12**
	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**	**107,277**	**829,152**	
2018-19	Federal	103,787	21,780	125,567	**1.98**
	Punjab	339,402	32,413	371,815	
	Sindh	153,492	9,110	162,602	
	Khyber Pakhtunkhwa	132,516	20,195	152,711	
	Balochistan	49,298	6,029	55,327	
	Pakistan	**778,495**	**89,527**	**868,022**	

Table 10.5: Expenditure on Education (Rs million)

Years		Current Expenditure	Development Expenditure	Total Expenditure	As percent of GDP
2019-20	Federal	83,266	31,300	114,566	**1.90**
	Punjab	337,562	35,378	372,940	
	Sindh	165,028	5,427	170,455	
	Khyber Pakhtunkhwa	162,778	18,523	181,301	
	Balochistan	53,640	8,111	61,751	
	Pakistan	**802,274**	**98,739**	**901,013**	
2020-21 (P)	Federal	90,974	34,305	125,279	**1.77**
	Punjab	352,278	32,964	385,242	
	Sindh	183,718	11,310	195,028	
	Khyber Pakhtunkhwa	188,246	28,377	216,623	
	Balochistan	55,924	9,936	65,860	
	Pakistan	**871,140**	**116,892**	**988,032**	

P: Provisional
Source: PRSP Budgetary Expenditures, External Finance Policy Wing, Finance Division, Islamabad

Fig-10.5: Expenditure on Education



Development Programmes FY2022

Federal Public Sector Development Programme (PSDP) FY2022

An amount of Rs 9.7 billion was allocated in PSDP FY2022 for 24 on-going and 4 new development projects of the Ministry of Federal Education and Professional Training. While, an amount of Rs 2.8 billion was also allocated for 6 on-going and 3 new education related development projects sponsored by Finance, Defence, Housing & Works and Kashmir Affairs & Gilgit Baltistan Divisions.

Provincial Annual Development Programmes (ADPs) FY2022

The provincial governments have prioritized education sector and intervened to provide missing facilities, improvement of the physical infrastructure, establishment of

IT/Science labs, 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 other scholarship schemes.

Punjab

During FY2022, an amount of Rs 54.3 billion was allocated by Government of Punjab for 110 on-going and 405 new development projects of education sector. Out of which Rs 35.5 billion was allocated for school education, Rs 15.1 billion for higher education, Rs 0.8 billion for special education and Rs 2.9 billion for literacy and non-formal education.

Sindh

During FY2022, the Sindh government dedicated Rs 30.3 billion for 225 on-going and 283 new development projects of education sector. Out of which an amount of Rs 18.3 billion was allocated for school education, Rs 4.0 billion for college education, Rs 0.8 billion for Empowerment of Persons with Disabilities, Rs 1.2 billion for Sindh TEVTA and Rs 6.0 billion for Universities & Boards.

Khyber Pakhtunkhwa

The government of Khyber Pakhtunkhwa has allocated Rs 24.6 billion in FY2022 for 172 on-going and 39 new development projects. Out of which, an amount of Rs 4.3 billion was allocated for primary education, Rs 12.1 billion for secondary education, Rs 1.2 billion for elementary & secondary education and Rs 7.0 billion for higher education. This amount is 94 percent higher than the last year allocation.

Balochistan

The Balochistan government allocated Rs 31.4 billion for FY2022 for 510 on-going and 380 new development projects. Out of the total allocation, an amount of Rs 2.3 billion was allocated for primary education, Rs 1.9 billion for middle education, Rs 8.6 billion for secondary education, Rs 8.5 billion for college education, Rs 9.5 billion for university education, Rs 0.2 billion for general education and 0.4 billion for technical education.

Technical and Vocational Education

National Vocational & Technical Training Commission (NAVTTC)

NAVTTC executed nation-wide targeted skill development programme which is focused on preparing skilled human resource for local & international labour market and primarily for national mega projects, like CPEC and other energy-related projects.

NAVTTC's prime focus is to engage youth in the economic development of the country by imparting the most demanded marketable skills. Socio-economic progress of youth through skill development & infrastructure upgradation in Human Resource Development, especially youth through skill development in Technical and Vocational Education and Training (TVET) sector is included in Vision 2025 and the globally approved 17 SDGs. Federal TVET/Skill Building Strategy has strong provisions for recommended activities/National Skill for All Strategy, based on recommendations of Task Force on Education.

Skill development is the quickest and most effective method of youth empowerment and channelizing their energies for socio-economic development of the country. NAVTTC under the umbrella of Ministry of Federal Education and Professional Training, promoting linkages among various stakeholders; improving TVET image; uplift TVET sector; and improves employability. NAVTTC accords a high priority to address the issues being faced by neglected geographical areas, marginalized segments of the society; and uplift TVET sector in the country. A comprehensive skill development programme, i.e., Prime Minister's Special Package to implement "Skills for All" Strategy as a catalyst for TVET Sector Development, is being implemented by NAVTTC. NAVTTC with the vision of "Skills for Employability, Skills for All" is imparting the youth of country with employable technical and vocational hands-on skills to prepare them for decent employment and self-employment in the shortest possible time.

The TVET landscape of Pakistan has taken its shape as a result of consequent policies, measures and interventions taken by the government, which are highlighted as under:

National Skills for All Strategy

Implementation of Prime Minister's "Skills for All Strategy"-Hunarmand Pakistan Programme under Kamyab Jawan Initiative

Government of Pakistan constituted a Task Force under the Ministry of Federal Education and Professional Training to devise a comprehensive strategy for skill development in the country. NAVTTC spearheaded the proceedings of this initiative and developed the National Skill Strategy, which is aligned with the National agenda and National TVET Policy. The strategy has been developed under a framework that aims to revamp and uplift the entire TVET sector by identifying key issues and taking qualitative and quantitative measures to address them, for skill development in the country. Based on the notified terms of reference, the Task Force identified (08) key areas that required immediate Government interventions for proceeding towards a vibrant, responsive and productive TVET system. These eight areas are mentioned below:

- Improving Governance to remove fragmentation/duplications leading to systemic wastages
- Exploring Multi-Source Funding to pursue a broad-based reform agenda
- Capacity Enhancement to create more and more training opportunities
- Quality Assurance to bring quality of skills at par with national-international requirements
- Access and Equity for providing equal opportunities to such marginalized segments of society as females, orphans, special people, youth from less developed areas, etc.
- Industry Ownership to enhance both relevance of training and youth employability
- Skill Development for international market for increasing foreign remittances
- TVET Communication Plan to increase image of skill sector

On-going TVET interventions in TVET Sector through "Skill for All" Programme (PSDP) in the light of National Skills Strategy 2018

Subsequent to National Education Policy 2017 and National Skills for All Strategy 2018, the government is executing the "Skill for All Programme" in 14 areas of interventions, which is aimed at total transformation of Pakistan TVET landscape on the international standards under the PSDP project Prime Minister's "Skills for All Strategy"-Hunarmand Pakistan Programme under Kamyab Jawan Initiative, a comprehensive skill development programme is prepared and being implemented by NAVTTC to implement the above recommendations of the Task Force. Fourteen (14) components/areas of interventions covered under this programme include:

- Development & Standardization of 200 TVET Qualifications
- International Accreditation of 50 Pakistani TVET Institutes and Initiation of Joint Degree Programmes in TVET
- Extension of NAVTTC's Job Portal into National Employment Exchange (NEX) Portal and refurbishing & connecting all existing job placement facilities across the country to NEX
- Establishing 75 Smart Tech Labs for virtual skill development programmes including distant learning programmes in the TVET sector
- Establishing 10 countries of destination-specific facilitation centers in 10 major manpower exporting cities across Pakistan
- Establishing 70 labs/workshop in madrassa(s) to introduce skill development and TVET activities across Pakistan
- The skill development programme for 50,000 youth belonging to less developed areas of the country, especially Balochistan, GB, AJK and newly merged districts of Khyber Pakhtunkhwa (Ex-FATA), Southern Punjab & Rural Sindh
- Skill development training of 50,000 youth in High-End technologies in reputed Universities of Pakistan and TVET Institutes
- Apprenticeship training of 20,000 youth in the industry under Apprenticeship Act-2018 (formal & informal apprenticeship)
- Recognition of Prior Learning (RPL) of 50,000 youth to certify informally acquired skills inside the country and abroad and training of 4,000 Assessors
- Establishing the National Accreditation Council, placed at ICT
- Accreditation of 2,000 TVET Institutes across the country
- Transfer of Technology through collaboration with technologically advanced countries for bringing the TVET system in Pakistan at par with international standards and Master Training of 500 TVET Teachers in Technology
- Establishment of 50 Business Incubation Centers to promote self-employment and entrepreneurship in skilled youth

NAVTTC has made major contribution to national human resource development and has generated a large number of employment for the skilled youth, overseas and nationally, benefitting the individuals as well as the national economy. Some key achievements of NAVTTC are;

- 379,350 youth trained as certified skilled professionals
- 170,000 trained in year 2021, in 720 institutes, with 71 percent employed
- 40,361 trained in High-Tech skills including Artificial Intelligence, Robotics, Cyber Security & IT and other 104 trades
- Developed National Skills Information System (NSIS) and established NEXT Skilled Youth & Job Portal with Databank of 311,734 certified skilled youth available in real time;
- 18,627 personnel certified and mainstreamed through RPL (Recognition of Prior Learning)
- Developed National Vocational Qualifications Framework (NVQF)
- Competency Based Training & Assessment (CBT&A)/outcome based Curriculum has been developed in 102 demand driven trades in accordance with international and national job market. Designing of TVET Curriculum to Cater Attitude and Personality Grooming of Skilled Work Force to cater technical skills, professional/work ethics, confidence building, practical tasking, Introduction of CBT&A in TVET sector, i.e. (80 percent practical and 20 percent theory) in all TVET institutes
- Matric-Tech Programme has been launched in 15 schools of ICT, GB & AJK in 08 discipline to mainstream TVET in formal education
- 50 Smart Labs and 500 Class Rooms set up with the Chinese CPEC support;
- 577 national institutes accredited; International Accreditation, etc
- 10 TVET institute Internationally Accredited by International accreditation agencies
- Saudi Takamol Skills Verification Programme (SVP) system has been established for Pakistani Skilled workforce to seek employment in KSA

Higher Education Commission (HEC)

HEC is not only plays a central role for the promotion of quality education and development of the higher educational institutions in Pakistan but also promote universities to become world-class centers of education, and produce quality research in the field of science and technology.

HEC has prepared and launched its Vision 2025, presenting a broader landscape of Higher Education Sector and future strategic frameworks.

HEC Vision Plan 2025 focuses on improving quality education, faculty development, and maximizing the research and development opportunities in higher education sector. Major areas of higher education have restructured to enhance the reach and effectiveness by prioritizing equitable access, improved learning and increased assurance of the attainment regardless of background. Only the gains in education results in increased and sustained socio-economic development

To enhance the equitable access to quality higher education, the total number of universities in the country both in Public Sector & Private Sector has been increased to 233 (Public Sector: 141 & Private Sector: 92). Similarly, the number of sub-campuses of these universities has also been expanded to 115 (Public Sector: 82 & Private Sector: 33). Ultimately, the total enrolment has also been increased to around 2.0 million.

Quality of Higher Education

HEC through its Ordinance, has established Quality Assurance Agency (QAA) in 2005. The agency is a policymaking and monitoring body for enhancement and assurance of quality in Higher Education Institutions. It is involved in the systematic implementation of quality enhancement procedures/criteria to attain improved levels of international compatibility and competitiveness at the institutional and programme level.

Internal Quality Assurance [IQA]

The objective of IQA processes is to enhance and institutionalize the quality culture in institutions of higher learning. For this purpose, the IQA processes relate to the activities with respect to establishing new QEC and strengthening the implementation of QA parameters. To reinforce its objective, IQA holds periodic progress review meetings, capacity building workshops and performs monitoring visits. The quality of the IQA mechanism in an HEI is measured quantitatively, on annual basis, by means of a scorecard. The major outcome of the IQA mechanism is to prepare an HEI for external evaluations.

Currently, 227 QEC are functional in the HEIs across the country. The establishment of QEC is a requirement for every new university established in public as well as private sector HEIs. During FY2022**,** new QECs have been established in 21 HEIs across Pakistan. Also progress review meetings and capacity building workshops of 227 QECs are conducted in all regions, across the country, i.e. Lahore, Peshawar, Karachi, Islamabad, Bahawalpur, Hyderabad, Quetta and Swat.

External Quality Assurance (EQA)

Institution Level [Institution Performance Evaluation (IPE)

This is an umbrella activity that evaluates the performance of an HEI through a peer review process from all aspects, i.e. quality of teaching & learning, research, the effectiveness of leadership and governance. The main objective is to evaluate the overall performance of an HEI. For this purpose, the QAA plans are administers the activities of IPE against eleven defined standards. The standards are namely, Mission Statement and Goals, Planning and Evaluation, Organization and Governance, Integrity, Faculty, Students, Institutional Resources, Academic Programmes and Curricula, Public Disclosure and Transparency, Assessment & Quality Assurance, and Student Support Service.

So far, 140 HEIs are reviewed across the country, which includes 22 HEIs in the FY2022. Also, capacity building and consultative sessions were held with the 227 HEIs across Pakistan.

Undergraduate-Level Programme

HEC has established five Accreditation Councils in the areas of Agriculture, Business, Computing, Teacher and Technology Education in addition to already existing nine professional Councils, i.e., Pakistan Council for Architects and Town Planners (PCATP), Pakistan Bar Council (PBC), Pakistan Engineering Council (PEC), Pakistan Medical and Dental Council (PM&DC), Pakistan Nursing Council (PNC), Pakistan Veterinary Medical Council (PVMC), National Council for Tibb (NCT), Pharmacy Council of Pakistan (PCP) and National Council for Homeopathy (NCH).

These Councils worked with universities for accreditation of undergraduate programme in the relevant fields and continuously engaged in improving the quality of programmes offered by them. HEC closely work with these Councils in improving their accreditation standards and processes, capacity building of programme evaluators through training workshops, etc.

So far 1800 professional programmes, across Pakistan, are accredited by the councils established by QAA-HEC.

Postgraduate-Level (Ph.D. & MS/MPhil) Programme

The review of MS/M.Phil./Ph.D. or equivalent Programme is one of the key initiatives of QAA. Under this programme, the Postgraduate programmes (i.e. levels 07 and 08) are reviewed through expert committees to assure the compliance of HEC's minimum criteria/guidelines.

For this purpose, QAA reviews the MS/MPhil and Ph.D. Programmes of HEIs through expert committees to make them internationally compatible. So far, programmes of 121 universities have been reviewed covering more than 2500 MS/MPhil and Ph.D. programmes. Capacity building of reviewers is a regular feature of the programme. So far around 130 reviewers have benefited from QAA Programme Review training workshops.

International Liaison:

HEC Pakistan is experiencing a paradigm shift in terms of QAA aiming at excellence in teaching, learning and research. In order to incorporate international best practices in the context of quality assurance, a liaison has been developed with QAA-UK, international Networks on QA. Membership of the Asia Pacific Quality Network (APQN), CHEA, International Network of Quality Assurance in Higher Education (INQAAHE) and Quality Assurance Agencies of the Islamic World has been earned.

HEC's officials have been participating in the annual conferences organized by International QA Networks from time to time. The learning outcomes of participation in these networks and exchange of ideas have been incorporated in the QA system of HE sector of Pakistan.

Human Resource Development

The HEC is investing a handsome amount on different Scholarship Schemes as well as teaching faculty to meet their aspirations of obtaining highest qualifications through development and recurring projects/programmes of scholarships.

Overseas Scholarships: A total number of **623** scholars proceeded abroad for their PhD, MS and Under-Graduate studies and 146 has completed their studies during FY2022 (Jul-Apr).

In addition, **292** scholars have been awarded whereas **230 scholars** completed 6-month PhD research fellowship abroad under International Research Support Initiative Programme (IRSIP) during the said period. HEC of Pakistan is offering six-month research fellowship abroad to full time PhD students enrolled in Pakistan to enhance their research capabilities.

Indigenous Scholarships: A total number of **977** indigenous scholarships were awarded for Under-Graduate, Post-Graduate and PhD studies under various schemes and **327** scholars completed their studies during FY2022 (Jul-Apr).

Foreign Students in Pakistan: Government of Pakistan has offered scholarships to students of Afghanistan, Sri Lanka and least developed countries of OIC. During FY2022 (Jul-Apr) a total 469 scholarships awarded to nationals of these countries, whereas 10 scholars completed their studies.

Need-Based Scholarships: A total number of **2,878** needs-based scholarships were awarded during FY2022 (Jul-Apr) under different need-based programmes, whereas **2,899** scholars completed their studies. It includes:

i. HEC Need-based scholarships

ii. USAID-funded Merit & Need-based Scholarship Programme

Research & Development

HEC aims motivating and facilitating the HEIs to make research a top priority for a sustainable economic growth and future knowledge economy. By putting all efforts in tailoring programmes and formulating policies, it reassures relevant research to address the significant societal issues as well as internationally compatible research for sustainable and progressive research ecosystem in the county.

HEC focused on research activities those have direct impact on community wellbeing and economy of the country. These are:

a. The performance evaluation of HEC recognized 75 ORICs was carried out by the RFI Section, through which 06 ORICs were categorized in the “X” category.

b. HEC R&D Division recognized 04 ORICs who fulfilled the minimum criteria in accordance with the HEC ORIC Policy. These include Karachi Institute of Economics and Technology, Karachi, Muhammad Nawaz Shareef University of Agriculture, Multan, University of Balochistan, Quetta and University of Central Punjab, Lahore – taking the total number of recognized ORICs to 76. (information till March 2022)

c. HEC in collaboration with the British Council conducted 03 training workshops for ORIC Management in Karachi, Islamabad, and Faisalabad in which Director ORICs of different HEIs of Pakistan participated

d. HEC initiated the call for proposals from interested HEIs for Establishment of Business Incubation Centers (BICs). In response to the call, 23 HEIs submitted their proposals out of which 08 HEIs have been shortlisted for physical evaluation and final award (information till March 2022)

e. HEC in collaboration with SMEDA initiated the Establishment of National Idea Labs at HEC established BICs. 05 BICs (NUST, NED, NTU, IMSciences, BUITEMS) have been shortlisted for the pilot phase and NIL Agreement Signing Ceremony will be held in March 2022. The NIL will provide facilitation service to final year students to convert their ideas into sustainable businesses (information till March 2022)

f. Innovator Seed Fund Pre-Launch Webinars were organized for the facilitation and wider outreach of information of different stakeholders. 09 Webinars were held in total targeting different thematic areas.

g. A one-day rigorous training of BIC Managers was organized in December 2021 on Innovator Seed Fund. BIC Managers of 29 BICs across Pakistan participated in the training.

h. HEC announced call for Concept Notes against HEDP funded Innovator Seed Fund Programme. The deadline for submission of concept notes was 31st January 2022. HEC has finally received 186 applications, endorsed by the partnering BICs for further evaluation process (information till March 2022)

i. Under Innovation Seed Fund Programme of HEDP, Mapping and Needs Assessment Exercise for ORICs and BICs was carried out. The final report has been approved and disseminated with ORICs and BICs virtually.

j. HEC held a series of consultative virtual meetings with Chambers of Commerce and Industries to improve the university-industry linkages. 10 consultative online meetings were held and 04 round table sessions were held for active coordination between industry and academia.

k. HEC relaunched its Access to Scientific Instrumentations Programmes for the facilitation and support of Research Students to have analytical facilities from scientific instruments/laboratories not available in their HEIs. Against first call for applications, HEC R&D Division has received 129 applications so far for grant of Rs 200,000/- per applications as sample analysis funding. The applications are in process of final award and around 150 more applications are anticipated to be awarded by close of FY2022.

   l. Key achievements of National Centers' are given as under:

      a. National Centre on Cyber-Security won Erasmus+ Collaborative Project (worth of € 1 million)

      b. Beta versions of products started deploying at key strategic partners for validation includes FIA, Military, PTA, MoST, MoIT and others

c. NCCS completed Cyber Security audit of federal ministries and departments
d. Delivered Smart City Project brief for PSDP to MoST through HEC P&D
e. Nations' 1st Bachelor and Master levels curriculum of Cyber Security and Artificial Intelligence
f. National Center for Robotics and Automation (NCRA) was approached by Prime Minister of Pakistan through MoST to develop Pakistan's 1st National Drone Policy and Civil Drone Regulatory Authority
g. On PM's instruction, NCRA developed PC-I for "Development of Indigenous UAV Technology in Pakistan"
h. 1st time, in Pakistan these National Centers started holding international IEEE and other conferences on themes of these centers
i. All National Centers further funded 38 (each worth of Rs 15 million) specialized R&D projects to develop products with industry partners other than their PC-I domain to cover wider areas under these centers
j. National Center for Big Data and Cloud Computing established Pakistan's first Big Data Open Portal and integrated with national needs of the different departments
k. National Center for GIS and Space Application hold the annual conference and was attended by President of Pakistan as a chief guest
l. National Center for GIS and Space application awarded further 12 projects on competitive basis from its research fund
m. Two new national centers, established through PSDP, were operationalized
n. Centers, NCs and USPCASs were bi-annually evaluated through progress reports
o. Standard Operating Procedures (SOP) for the different statutory functions of the centers enshrined and procedures for reporting and evaluation, were worked out
p. Proposal for "Establish a Center of Excellence on Digital Learning to enhance productivity in Higher Education" was submitted to Asian Productivity Organization, Japan in collaboration with National Productivity Organization, Pakistan, Virtual University and National Academy of Higher Education, HEC
q. Concepts for establishment of Endowment Fund Framework of the National Center for Livestock Breeding Genetics and Genomics were worked out.
r. Area Study Centers (6) have been successfully connected with the Strategic Policy Planning Cell, National Security Division for Policy inputs on quarterly basis for the consideration in National/ Regional Foreign Policy of the country.

National Academy of Higher Education (NAHE)

NAHE is the academic arm of HEC, envisioned to establish itself as an apex learning institution that will institute and lead broader national discourse around the purpose, perspectives and policy in Higher Education and held develop high quality human capital to achieve excellence in the academic milieu.

NAHE works as centre of excellence for capacity building, skills development, and promotion of academic research, governance, and leadership competencies. NAHE was established with the mandate to offer generic as well as needs-based capacity building programmes for HEC employees and HEIs.

- The NAHE conducted three cohorts of its flagship National Faculty Development Programme (200+ contact hours), providing intensive training to 498 Interim Placement for Fresh PhDs (IPFP) fellows.
- NAHE also conducted a series of consultative and capacity building workshops, awareness sessions, and top-up trainings engaging a total of 3,370 participants from faculty and HEC employees during FY2022 (July-April) in 10 training areas.

So far, NAHE trained total 3,868 participants in above mentioned training programme during FY2022 (July-March).

Planning & Development of Higher Education

HEC plans continue reforms that are in line with GoP Vision 2025 mainly to implement a process of developing human capital and to take higher education opportunities at the district level throughout the country.

During FY2022, the government initially allocated Rs 42.450 billion to HEC for implementation of 168 development projects (128 ongoing & 40 new approved projects) of Public Sector Universities/HEIs. However, later on, the PSDP FY2022 was rationalized/curtailed by government to Rs 32.338 billion. During FY2022 (July-April), Rs 24.242 billion around 62 percent of the funds allocation) has been released to HEC/Public Sector Universities/HEIs for meeting expenditure against ongoing projects for various activities.

Annual Status of Education Report (ASER)

Annual Status of Education Report (ASER-Rural) 2021, is the largest citizen-led household-based learning survey across all provinces/areas: Sindh, Balochistan, Punjab, Khyber Pakhtunkhwa (KP), Gilgit Baltistan (GB), Islamabad Capital Territory (ICT) and Azad Jammu Kashmir (AJK). According to the ASER 2021, 10,000 trained volunteer/enumerators surveyed 87,415 households in 4,420 villages across 152 rural districts of Pakistan. Detailed information of 247,978 children aged 3-16 has been collected (57 percent male and 43 percent female), and of these, 212,105 children aged 5-16 years were assessed for language and arithmetic competencies. Moreover, 585 transgenders were also a part of the surveyed sample. Major findings of ASER 2021 and its comparison with 2019 is given in Box-II

Box-II: Summary of Key Findings of ASER 2021(National Rural)

Enrolment

In 2021, 81 percent of 6-16 year old children in rural Pakistan were enrolled in schools whereas 19 percent children were out-of-school. Amongst the enrolled, 81 percent of children were in government schools and 19 percent were in non-state institutions (18 percent private schools, 1 percent Madrassah, 0 percent others).

- In ASER 2021, amongst the 19 percent out-of- school children (age 6-16 years), 10 percent were males and 9 percent were females. This gap has narrowed compared to the last ASER cycle (7 percent males and 9 percent females). However, this time more boys are out of school as compared to girls.
- AJK, GB and Punjab all recorded fall in enrolment ranging between 2 percent to 5 percent. ASER rural results over the years illustrate a decline in the number of children going to non-state schools; 19 percent children of age 6-16 are enrolled in private sector in 2021, while in 2019 the percentage was 30 percent.
- Pre-school enrolment (3-5 years) in 2021 stands at 38 percent as compared to 39 percent in 2019.

Quality of Learning

- Learning levels in two competencies, i.e. Language (Urdu/Sindhi/Pashto) and Arithmetic have declined since 2019. However, English learning levels have improved marginally.
- In ASER 2021, 55 percent of Class 5 students were reported as being able to read a story in Urdu/Sindhi/Pashto. Similarly, 51 percent of Class 5 students were able to do 2-digit division. For English this year, 56 percent of class 5 students could read Class 2 level English sentences as compared to 55 percent of Class 5 students who could do so in 2019.
- The top scorers for Language: Urdu are AJK (72 percent), Punjab (68 percent), Islamabad-ICT, (74 percent), GB (52 percent), and Khyber Pakhtunkhwa (50 percent); English: AJK (86 percent), Punjab (73 percent), GB (65 percent) and Islamabad-ICT (62 percent), and for Arithmetic: Punjab (69 percent), AJK (72 percent), GB (61 percent), and Khyber Pakhtunkhwa (50 percent).
- ASER Rural Survey 2021 highlights as per past trends, children enrolled in private schools are performing better in literacy compared to government counterparts, whilst for numeracy they performed at par.
- Mothers' Education (National Rural): In 2021, the percentage of mothers' having completed primary education has declines (32 percent) as compared to 2019 (35 percent).

School Facilities & Other Indicators

- ASER 2021 surveyed 4,096 Government and 1,602 Private schools in 152 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 90 percent compared to 92 percent in private schools. Overall student attendance in government schools was 80 percent compared to 87 percent in private schools.
- 32 percent teachers of government schools have done bachelors compared to 37 percent teachers of private schools. Whereas, 52 percent teachers of government schools have done Masters as compared to 38 percent teachers of private schools.
- 70 percent of the surveyed government primary schools have toilets in 2021 compared to 59 percent in 2019. Similarly, 71 percent surveyed private primary schools have toilet facility in 2021 compared to 89 percent in 2019.
- 57 percent of the surveyed government primary schools have drinking water facility in 2021 compared to 61 percent in 2019; 77 percent of the surveyed private primary schools have drinking water facility in 2021 as compared to 93 percent in 2019.
- Multi-grade Teaching: The trends in multi-grade teaching across schools are as follows. ASER 2021 National-Rural reveals that 40 percent of government and 23 percent of private schools have multi-grade teaching at Class II level; whilst at the Class VIII level, multi-grade teaching is stood at 6 percent in government schools and 19 percent in private sector schools.

ASER Findings on Technological Access and Learning Support Received During COVID-19

ASER 2021 also included a wide range of questions from the households on technological access, recipient of social safety nets, earning and psychological well-being affected during COVID-19, learning support received by children during COVID-19, etc. Few important findings are shared below:

- 77 percent of households across all rural districts of Pakistan have mobile phones and 62 percent have smart phones. Amongst mobile users, 89 percent use WhatsApp services, whilst 64 percent use SMS facility.
- 23 percent have internet connection and 18 percent have computer/laptops. 65 percent households have TV and 18 percent have radio.
- Only 16 percent of the households stated that they have received support from social safety nets (Categories: Ehsaas, BISP, PSPA, Akhuwat, etc.)
- 30 percent of the households stated that their psychological well-being was substantially affected during COVID-19.
- 16 percent of the households stated that their earning during COVID-19 got affected by more than 50 percent.
- From a high of 68 percent support from family members, 57 percent availed PTV TeleSchool sessions, 37 percent had access to smart phones, followed by 29 percent with access to computer, 27 percent to paid tuition, 14 percent digital learning resources and 6 percent accessed radio programmes for learning support.

Source: ASER 2021

Conclusion

Pakistan's literacy, enrolment and other educational indicators have been improving over last couple of years. Government is very much focusing on improving both the quality and coverage of education through effective policy interventions and enhancing allocation of resources, but the required reforms and improvement in education sector cannot be achieved without active participation of private sector.

HEALTH & NUTRITION

Expenditures Grew by

30%

249 million COVID-19 doses were administered with 135 million partially & 123 million fully vaccinated till May 2022

There are 60 health sector projects in PSDP 2022 to the tune of total cost of Rs. 137.6 billion

Sehat Sahulat Programme is providing health insurance (UHC) to 44.6 million families across the country

Chapter 11

Health and Nutrition

Health and wellbeing are central to Sustainable Development Goals (SDGs). SDG 3 is to ''Ensure healthy lives and promote well-being for all at all ages''. No one must be left behind slogan entails to reduce the health inequalities and vulnerabilities that leave people behind and undermine the potential of individuals and of humanity as a whole. The Government remained committed to improve health status of population through provision of Universal Health Coverage (UHC) to all through Sehat Sahulat Card, which was launched for reducing health inequality in the country and ameliorate the well-being of all, a step towards achieving UHC. In 2022, the Government also expanded health infrastructure by increasing number of hospitals, Rural Health Units (RHUs), Basic Health Units (BHUs), doctors, dentists, and dispensaries to meet the growing health services demand. However, COVID-19 had disrupted the major strides in health sector as the resources were shifted to contain the spread of fourth and fifth waves of the Pandemic. It was a threat to the health system, lives and livelihood which was successfully contained by the Government through timely procurement and massive vaccination drive.

Health Status

SDGs Index claims to track a country's performance on the 17 SDGs. Overall, Pakistan's SDGs Index score has increased from 53.11 in 2015 to 63.5 in 2020 i.e. 19.5 percent up from the baseline of 2015. This is a composite score. There are sectoral achievements at different levels. Considerable decline in extreme poverty, improvement in access to energy, increased industrial activities, reduction in maternal mortality, improvement in undernourishment, food insecurity, wash and housing, and finally, climate action. (Pakistan SDGs Status Report 2021).

Pakistan is on track for 3 out of 14 indicators including Maternal Mortality Rate (per 100,000 live births), New HIV infections (per 1,000 uninfected population) and births attended by skilled health personnel. Downward trend can be seen for 1 indictor that is subjective well-being. All other indicators are either moderately improving or stagnating.

Infant Mortality Rate (IMR) in Pakistan has declined to 54.2 deaths per 1,000 live births in 2020 from 55.7 in 2019, while Neonatal Mortality Rate declined to 40.4 deaths per 1,000 live births in 2020 from 41.2 in 2019. Percentage of birth attended by skilled health personnel increased to 69.3 percent in 2020 from 68 percent in 2019 (DHS &

UNICEF). Maternal Mortality Ratio fell to 186 maternal deaths per 100,000 births in 2020, from 189 in 2019 (Table 11.1).

With a population growing at 2 percent per annum, Pakistan's contraceptive prevalence rate in 2020 decreased to 33 percent from 34 percent in 2019 (Trading Economics). Pakistan's tuberculosis incidence is 259 per 100,000 population and HIV prevalence rate is 0.12 per 1,000 population in 2020.

Table 11.1: Health Indicators of Pakistan

	2019	2020
Maternal Mortality Ratio (Per 100,000 Births)*	189	186
Neonatal Mortality Rate (Per 1,000 Live Births)	41.2	40.4
Mortality Rate, Infant (Per 1,000 Live Births)	55.7	54.2
Under-5 Mortality Rate (Per 1,000)	67.3	65.2
Incidence of Tuberculosis (Per 100,000 People)	263	259
Incidence of HIV (Per 1,000 Uninfected Population)	0.12	0.12
Life Expectancy at Birth, (Years)	67.3	67.4
Births Attended By Skilled Health Staff (% of Total)**	68.0 (2015)	69.3 (2018)
Contraceptive Prevalence, Any Methods (% of Women Ages 15-49)	34.0	33

Source: WDI, UNICEF, Trading Economics & Our World in data

In order to make substantial progress on SDG 3 of (Good Health and Wellbeing), Government of Pakistan has given priority to strengthen health sector to further resolve and address the outbreak of COVID-19 pandemic. Enhanced effective coverage of skilled birth attendants, improved public sector health facilities, increased number of BHUs and RHCs equipped with essential services are reflection of these priorities. To enable effective family planning, pre and post pregnancy care and neonatal care, the Lady Health Workers (LHW) programme revitalized through adequate training, support and a revised service structure.

In response to increasing demand of public health service delivery, the health services delivery infrastructure has expanded significantly. During 2021, national health infrastructure comprised of 1,276 hospitals, 5,558 BHUs, 736 RHCs, 5,802 Dispensaries, 780 Maternity & Child Health Centers and 416 TB centers, while the total availability of beds in these health facilities have been estimated at 146,053. In addition to this, there are 266,430 registered doctors, 30,501 registered dentists and 121,245 registered nurses in these facilities together. The detail is presented in Table 11.2:

Table 11.2: Registered Medical and Paramedical Personnel **(in Nos.)**

Health Manpower	2014	2015	2016	2017	2018	2019	2020	2021(P)
Doctors	175,223	184,711	195,896	208,007	220,829	233,261	245,987	266,430
Dentists	15,106	16,652	18,333	20,463	22,595	24,930	27,360	30,501
Nurses	90,276	94,766	99,228	103,777	108,474	112,123	116,659	121,245
Midwives	33,687	34,668	36,326	38,060	40,272	41,810	43,129	44,693
Lady Health workers	15,325	16,448	17,384	18,400	19,910	20,565	21,361	22,408

Note: Above data is given in a calendar year, P: Provisional
Source: Pakistan Bureau of Statistics 2021

Health Expenditures

The health-related expenditure increased by 30 percent from Rs 505.4 billion in FY2020 to Rs 657.2 billion in FY2021. This increase in expenditures is mainly driven by COVID-19 related expenses such as procurement of vaccines, establishment of vaccine centers, testing kits and vaccine storage facilities, etc. Public sector expenditure on health are estimated at 1.2 percent of GDP in 2020-21, as compared to 1.1 percent in 2019-20. The health expenditure details are given in Table 11.3 and Fig-1:

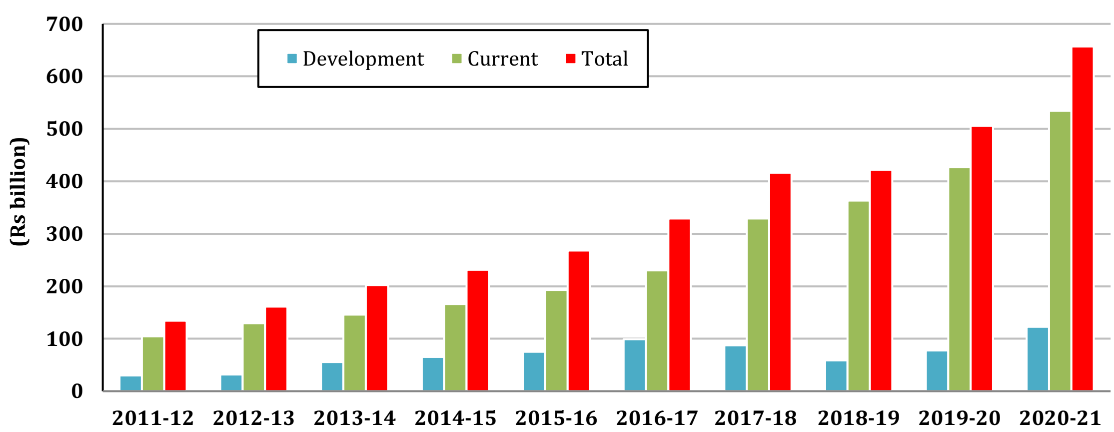
Table 11.3: Federal and Provincial Governments Health Expenditure

Fiscal Years	Public Sector Expenditure (Federal and Provincial) Rs million			Health Expenditure as % of GDP
	Current Expenditure	Development Expenditure	Total Health Expenditures	
2015-16	192,704	75,249	267,953	0.8
2016-17	229,957	99,005	328,962	0.9
2017-18	329,033	87,434	416,467	1.1
2018-19	363,154	58,624	421,778	1.0
2019-20 (R)	427,915	77,496	505,411	1.1
2020-21 (P)	534,318	122,867	657,185	1.2

P: Provisional R: Revised

Source: PRSP Budgetary Expenditures, (EF-Policy Wing), Finance Division, Islamabad.

Fig-1: Total Public Sector Expenditures on Health



Health Sector Projects of Federal PSDP during FY2022

After the passage of 18th constitutional amendment, provision of health services is the mandate of the Provincial Governments. However, the Federal Government has supported various health related projects through Public Sector Development Programme (PSDP), for fulfillment of SDGs and overall health status in the country. During FY2022, PSDP allocations of Rs 19336.668 million were made for 60 health sector projects. The details are given in Table 11.4:

Table 11.4: Health Sector Projects in PSDP FY2022 (Rs millions)

Name of Ministry /Organisation	No. of Projects	Total Estimated Cost	2020-2021 PSDP Allocation	Expenditure up to 30-06-2021
Ministry of National Health Services, Regulation and Coordination	45	89361.52	21722.506	9777.748
Finance Division	03	16295.149	2000.000	0.000
Defense Division	01	25.000	25.000	0.000
Ministry of Kashmir Affairs & Gilgit Baltistan Division	06	19910.322	4400.000	6195.282
Pakistan Atomic Energy Commission	05	11967.003	2849.161	3363.658
Total	60	137558.994	19336.688	30996.667

Source: M/o PD&SI

There are 60 health sector projects in PSDP FY2022 to the tune of total cost of Rs 137.6 billion and the expenditure up to 30-06-2021 is Rs 31.0 billion. Total foreign funding share for health sector in this year's PSDP FY2022 is 4.4 percent amounting to Rs 6.1 billion. About 45 health sector projects are being implemented by M/o NHSR&C with an estimated total cost of Rs 89 billion.

The salient features of PSDP programmes related to health sector are as follows:

i) Sehat Sahulat Programme (SSP)

SSP is a health insurance initiative of the Federal Government of Pakistan in collaboration with the Provincial Governments. SSP initially provided social health protection to families living below poverty line only, and now gradually moving towards Universal Health Insurance. As of 2022, the programme has been implemented in 36 districts of Punjab, 35 districts of Khyber Pakhtunkhwa, 10 districts of AJ&K, 10 districts of GB, Islamabad Capital Territory and District Tharparker, Sindh covering approximately 44.6 million families. In Federal, SSP is financed completely through PSDP and it is responsible for premium contribution of ICT, AJK, GB, x. FATA and district Tharparker. However, Punjab and KP are financing 100 percent premium contributions from different sources.

Box-I: SEHAT SAHULAT PROGRAM

Globally more than 100 million people are pushed into extreme poverty due to health-related expenditures. In Pakistan major portion of all new entrant in poverty are because of catastrophic health expenditure. In Pakistan out-of-Pocket (OOP) expenditure on health are more than 60 percent and one out of every three living in extreme poverty, Pakistan has been ranked as one of the most exposed nation to poverty risk among 43 countries of Asia-Pacific region.

To address this challenge, Sehat Sahulat Programme (SSP) is designed to provide financial health protection not only to the poor families and bring them out of poverty but also to families above poverty line. Currently, the programme is providing financial protection for indoor health care coverage only.

SSP is a public sector funded social health protection initiative of Federal Government, Provincial and Regional Governments working to provide financial health protection to targeted families against catastrophic (extra-ordinary) health care expenditure. The program is a landmark health care initiative and considered as an important step to lead a path towards Universal Health Insurance Coverage (UHIC).

The programme is being implemented in a phased manner, starting from below poverty families and eventually targeting universal families and providing coverage to more than two hundred million population across Pakistan. As of today, the programme is providing services to more than 44 million families (approximately 154 million lives) across the country.

The programme is managed under the administrative control of Ministry of National Health Services, Regulations and Coordination and currently financed through PSDP. In each participating province (Punjab and Khyber Pakhtunkhwa) the programme is managed by health department with different sources of financing.

SSP only provide services to families which requires indoor health care services. The services include, but not limited to, cardiac treatments (stents, open heart, valvular replacement etc), oncological (cancer) management, burn management, organ failure management (dialysis, etc), complication of diabetes mellitus, accident/trauma management, neurosurgical procedures, abdominal surgeries, fracture management and other medical & surgical interventions.

For the identification of universal, vulnerable and marginalized families, SSP is using NADRA database. Permanent resident families are identified using permanent address on CNIC, while families are identified using "B" form information. Information related to Transgender and Disabled is also extracted using NADRA database.

SSP has a wide network of more than 1030 paneled hospitals across Pakistan. Beneficiary from any district can avail treatment from any of these paneled hospitals.

In SSP each participating province (Punjab and Khyber Pakhtunkhwa) is contributing/paying health insurance premium for its respective covered families. However Federal Government, on one hand, provide finances for program implementation to ICT, AJK, GB, Tribal districts of KP and Tharparkar district (Sindh), and on other hand play coordination role in defining benefit package and provide technical support to provinces for programme implementation. Details are provided in table below.

Province / Region:	**Current Status**	**Families Covered**
Islamabad	Universal	249,177
AJK	Universal	1,341,888
GB	Below Poverty and Universal	363,692
Punjab	Below Poverty and Universal	31,705,290
Khyber Pakhtunkhwa	Universal	9,353,009
Tribal Districts	Universal	1,342,537
Balochistan	NIL	-
Tharparkar (District)	Universal	313,436
Rest of Sindh	NIL	-
Total:		**44.66 million**

Source: Ministry of National Health Services, Regulations & Coordination

ii) Expanded Programme on Immunization (EPI)

EPI was launched in Pakistan in 1978 to protect children by immunizing against childhood tuberculosis, poliomyelitis, diphtheria, pertussis, tetanus and measles. Later, with the support of development partners, a number of new vaccines e.g. hepatitis B, haemophilus influenzae type b (Hib) and pneumococcal vaccine (PCV) were introduced in 2002, 2009 and 2012, respectively, and inactivated polio vaccine in 2015. Rota vaccine was introduced in 2017 and typhoid conjugated vaccine (TCV) in 2019 in Sindh and Punjab and Islamabad in 2021. Measles vaccine is being replaced by Measles Rubella (MR) which also protects against rubella and congenital rubella syndrome (CRS). The programme targets almost 7.5 million children annually across the country and approximately same number of pregnant women against tetanus. Immunizing children with these vaccines may avert up to 17 percent of childhood mortality in Pakistan, and thus help contribute towards achieving SDG 3, which is reducing child morbidity and mortality.

In 2022, Federal Directorate of Immunization (FDI) shifted EPI from developmental side to recurrent side. Refurbishment of 49 FDI centers completed. Typhoid vaccine was introduced in a phased manner along with second dose of inactivated polio vaccine. Disbursements under National Immunization Support Project (NISP) were made equivalent to US$23.6 million. 91 Walk in Cold Rooms (WICRs) and Walk in Freezer Rooms (WIFRs) were allocated to different provinces to enhance their cold chain capacity under Non-CCEOP. Overall, 72 out of 91 units are installed in the country while the installation of 19 equipment is in process.

iii) Polio Eradication Initiative (PEI) Programme

More than 43 million children were vaccinated during March, 2022 through the National Immunization Day (NID) campaign across the country. Pakistan is one of only 2 remaining countries in the world with ongoing wild poliovirus transmission, along with Afghanistan. The number of polio cases declined from 306 in 2014 to 54 in 2015, 20 in 2016, 8 in 2017 and 12 in 2018. However, in 2019, the programme witnessed a significant spread of the virus and reported 147 polio cases across the country. In 2020, 84 cases have been reported (Punjab 14, Sindh 22, Khyber Pakhtunkhwa 22 and Balochistan 26). One active case of polio was reported in 2021, it was a major milestone of polio eradication history. The Government is fully committed for polio eradication efforts to ensure that Pakistan achieves polio-free status. Province-wise detail of Polio cases is reported in Table 11.5.

Table 11.5: Province Wise Polio Cases **(Nos)**

Provinces/Region	2016	2017	2018	2019	2020	2021	2022
Punjab	0	1	0	12	14	0	0
Sindh	8	2	1	30	22	0	0
Khyber Pakhtunkhwa	10	1	8	93	22	0	1
Balochistan	2	3	3	12	26	1	0
Gilgit-Baltistan	0	1	0	0	0	0	0
Azad Jammu & Kashmir	0	0	0	0	0	0	0
ICT	0	0	0	0	0	0	0
Total	**20**	**8**	**12**	**147**	**84**	**1**	**1**

Source: Pakistan Polio Eradication program

iv) National Health Information System (NHIS)

M/o NHSR&C initiated the development of a national health information system to improve the overall quality of health services. NHIS is required for collection, analysis and preparation of informed policies with the help of health related data. In this regard, various initiatives were taken i) Pakistan Health Information System Dashboard was developed, ii) Establishing Pakistan Health System Information System Action Plan (2020-2024), iii) Development of National Digital Health Framework, iv) Establishment of Pakistan Health Knowledge HUB, iv) Establishment of Tech center at National Institute of Health, v) Electronic Data Management System implemented in sixteen health facilities of Islamabad and vi) Facility based Maternal Deaths information collected via MPDSR application in KP and Balochistan.

v) Malaria Control Programme (MCP)

Malaria has been a major public health problem in Pakistan and a leading cause of morbidity and mortality in Pakistan since decades. In Pakistan, 1.5 million estimated and 300,000 confirmed cases are reported annually. Current National strategy for Malaria Control and Elimination (2021-2035) 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 and provincial Malaria and Other Vector-Borne Diseases (VBD) control programs are playing an active and effective role for the control malaria and other VBDs. Major achievements of Directorate of Malaria control during 2020 are, 1.5 million free of cost Long Lasting Insecticide Nets (LLINs) distributed in 9 targeted districts; distribution of 80 free of cost microscopes, 3.6 million malaria rapid diagnostics test utilized, 97,805 ACTS for confirmed Plasmodium Falciparum variant of malaria cases and 2,634,500 Chloroquin tables for confirmed Plasmodium Vivak malaria cases. In addition, 7,242,2500 Primaquin 7.5 mg tablets for radical cure of malaria, 6492 Artesunate injections for the treatment of sever malaria cases and 2,565 Deltamethrin sachet were provided for indoor residual sprays (IRS) in response to malaria outbreaks.

National and Provincial Strategic plans (2021-2035) for Malaria Elimination and National Plan of Action (PoA) for Management (VBDs) 2020-2024 were also developed. More than three hundred malaria microscopy centers have been strengthened and made functional in 38 districts of the country with project support. Culture and DST network has been expanded to six DST laboratories and 17 culture laboratories.

vi) Tuberculosis (TB) Control Programme

TB is one of the major health problems in Pakistan. The estimated burden is 570,000 TB cases and 25,000 Drug Resistant TB cases every year. Around 42000 people die due to TB every year. The National TB control programme functions under the M/o NHSR&C which is responsible for overall coordination, policy direction, and technical guidance for TB control while implementation is the responsibility of provincial TB program. TB care services structure in Pakistan includes 1743 diagnostics centres, 33 specialized centres for DRTB management, 361 GeneXpert sites are functional for DRTB, 44 TB HIV centre for management of co-infections and over 8000 GPs are engaged in TB control programme. Private sector has also been engaged to boost case finding. Till date, the TB treatment coverage is 339256 with success rate of 94 percent and 2881 cases of DTRB have been treated.

In order to improve awareness of general public related to TB and its preventive measures, M/o NHSR&C developed 40 TB-HIV collaboration sites. Further, policy guidance for TB culture and DST services'' 2021 was also developed along with National and Provincial strategic plan for tuberculosis control (2020-23).

vii) Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Syndrome (AIDS) Control Programme

National AIDS Control Program (NACP) is part of the Common Management Unit for AIDS, TB and Malaria which works under M/o NHSR&C. All four provinces have dedicated HIV control programme. Using different modelling techniques, it is estimated that in Pakistan 240,000 people are living with HIV/AIDS. HIV response comprises of prevention and treatment. There are 49 HIV treatment centers across Pakistan, 4 in KP, 2 in Balochistan, 2 in Islamabad, 16 in Sindh, and 25 in Punjab. Till December 2021, 29,626 HIV patients are taking Antiretroviral Viral (ARV) medicines and 7,056 people who inject drugs are on ARV therapy.

NACP established 17 community-based organizations. Over the course of programme implementation, 49,584 people living with HIV have been registered at the 51 ART treatment centers. HIV treatment centers provide free of cost HIV testing, diagnostics and treatment to people living with HIV. Almost, 29, 626 patients are in 51 ART treatment centers till December 2021.

viii) Civil Registration and Vital Statistics (CRVS)

Vital Events Registration Information is also critical for monitoring many Sustainable Development Goals, Targets and Indicators. The CRVS project by M/o PD&SI aims to create a revamped model of registration of all vital events (births, deaths, marriage, etc), in model ICT. This would be ensured by instituting improved vital events registration processes and flows using appropriate digital technologies, main streaming health sector information, demand generation and linking of social services with vital events registration. This would be achieved through enabling environment and formulation of legislation/SOPs to bridge the existing gaps to achieve Universal Vital Events Registration in ICT. Until now 35 CRVS counters in health facilities are established in ICT, 33 CRVS counter in UC offices are established, 170 ICT staff (Health and UCs) are oriented on CRVS Reforms/ Revamped Mechanisms, IEC material is developed and awareness campaign are planned during FY2022.

Challenge of COVID-19 Outbreak

In Pakistan, the first two cases of COVID-19 were notified on 26th February 2020. One case was notified in Karachi, while the other case was reported in ICT. To date, Pakistan has experienced five waves of the pandemic. The Government successfully contained COVID-19 through various initiatives taken under Pakistan Preparedness and Response Plan (PPRP) 2021-22, which is a continuation of the first PPRP, launched on 23 April 2020 in response to the detection of COVID-19 in Pakistan on 26 February 2020. The PPRP 2020, was worth US$595 million. The PPRP 2021-22 highlights the achievements in the implementation of PPRP 2020, the challenges and lessons learned, and the proposed priority intervention to be implemented from June 2021 to July 2022. This plan has been developed by the M/o NHSR&C in consultation with all provinces (Punjab, Sindh, KP, Balochistan and GB) and Federating Areas (AJK and ICT). The Plan outlines the international assistance required to support the Government of Pakistan to respond to COVID-19 from July 2021 to June 2022.

The Achievements of PPRP are as follows:

- The overall coordination has been under the National Coordination Committee (NCC) and chaired by the Prime Minister, the NCC was operationalized by the national command and operation center. There was creation of the cabinet committee on vaccines following introduction of vaccines and National Disaster Management Authority (NDMA) as the leading operational agency.
- During the period, a national risk communication and community engagement strategy was developed and rapid behavioral assessment and studies were undertaken by Government and partners. This have been useful in provision of information, education, and communication on COVID-19 response, including uptake of new technologies like vaccines. The "Sehat Tahafuz" helpline was established to provide technical advice and helpline number 1166 also provided information for registration for vaccine and healthcare facility.
- COVID-19 guidelines and SOPs were updated and disseminated. Influenza-Like illness (ILI) and Severe Acute Respiratory Infections (SARI) sentinel surveillance was activated and enhanced. Effective implementation of non-pharmaceutical interventions such as smart lock downs, wearing of masks based on positivity rate was done. Existing Polio Eradication Surveillance systems was used, and an Integrated Disease Information Management System (IDIMS) was developed by National Emergency Operation Centre (NEOC).
- Pakistan COVID-19 laboratory testing capacity was enhanced from under 100 test per day as of February 2020 to over 79,749 tests/day as of 30th June 2021. Public private partnership for COVID-19 testing was established and, MoU were signed with private laboratories/hospital facilities for requisitioning additional testing capacity at subsidized prices across the country.
- Treatment guidelines were developed or adapted and disseminated, health facilities were equipped, and health workers capacity were enhanced, including in use of PPE and management of COVID-19 cases. The health systems capacities were continuously monitored including daily ICU bed and ventilator occupancy by COVID-19 cases.
- The Government through the NDMA supported the quantification of supplies and with the support of partners COVID-19 supplies were procured, distributed to points of use, and tracked using the Logistics Management Information System. The Federal Government relaxed the public procurement regulatory authority rules and the Ministry of Justice put in place the indemnity and liability agreements for COVID-19 vaccines though COVAX and bilateral agreements. These effort by Government is part of effort to ensure enabling environment for vaccine availability.
- COVID-19 disrupted the delivery of other Essential Health Services (EHS), necessitating efforts to maintain and enhance its provision; assessments from SARS1, Health Resources and Services Availability Mapping System (HeRAMS3) in Balochistan, and health facility readiness assessment for COVID-19 report enhanced planning for continuity of EHS and guidelines were produced. Various aspects were enhancing such as in access to RMNCH including GBV using telemedicine, use of

courier and NDMA logistic structures to deliver commodities for chronic care and family planning respectively, enhancement of immunization services through enhanced outreach services and digitization of health tools in predicting pandemic trends and monitoring health system capacities.

- As on 28th May 2022, the total number of COVID-19 vaccine doses administered are recorded at 249 million with 135 million partially and 123 million fully vaccinated. (As per NCOC data).

From January 2020 to March 2022, 51,546 flights screened to trace COVID-19 cases, a total of 8.42 million passengers were tested from which 3122 were COVID-19 positive with a positivity rate of 0.21 percent. All the flights were screened for two category of tests, that is, PCR C/UK Pax and RAT Pax90, 288 and 1.50 million respectively (Table 11.6).

Table 11.6: COVID-19 Screening Tests Performed at Airports

23rd Jan 2020-24th March 2022	Counts
Total Flights Screened	51,546
Total passengers screened	8.42 million
PCR tested Category C/UK Pax	90,288
RAT Tested Pax	1.50 million
COVID-19 Positive	3122
Percentage positivity	0.21%

Source: Central Health Establishment M/o NHSR&C

The statistics during January 2020 to May 2022 on screening tests are administered at four seaports (See, Table 11.7).

Table 11.7 Detail of COVID-19 Screening tests administered at Seaports

S. #	Port Names	Total Vessels inspected	Total Crew screened	Suspects	Positive
1	Karachi Port	4,188	93,711	0	1
2	Bin Qasim port	3,480	78,293	38	16
3	Gwadar port	163	764	0	0
	Grand Total	7,831	172,768	38	17

Source: Central Health Establishment M/o NHSR&C

Detail of screening tests administered at four borders during the period from January 2020 to May 2022 on provided in (Table 11.8).

Table 11.8 Detail of Screening tests conducted at four borders, Land Crossing

S. #		Total pedestrian Crossing	Total RAT	COVID Positive
1	Chaman	785,356	78,000	3
2	Taftan	12,083	5,600	1
3	Wagah	21,196	10,312	36
4	Torkhum	982,136	183,860	912
	Total	1,800,771 (1.8 million)	277,772	952

Source: Central Health Establishment M/o NHSR&C

Box-II: Vaccine Rollout and Procurement Strategy

The first half of FY2022 remained challenging for the Government because of 4th and 5th waves of COVID-19. Outbreak of new variant omicron was effectively minimized by the Government through mass vaccination drive including booster doses and timely procurement of vaccine for making it widely available across all vaccination centers in the country.

Further, NCOC imposed smart lockdown by restricting indoor dining, strict compliance of SOPS in educational institutions along with travel restrictions. National positivity rate declined significantly to 1.77 percent as on 08-03-2022 from 4.49 percent in the same period last year. 45.5 percent of total population has been fully vaccinated till 08-03-2022.

Despite supply constraints of vaccine in international market and funding issues, the NDMA ensured timely and sufficient supply of vaccine to contain the spread of virus. NDMA procured vaccines worth of US$1.4 billion for 174.68 million vaccine doses (enough for 98 million population) through 17x contracts with various manufacturers/suppliers and freighters in the most transparent manner was completed within stipulated timeframe. In addition, NDMA also coordinated and ensured transportation of 6 million doses of vaccine provided on gratis/ donation basis. Detail of Vaccine imports is present in table below

Table: COVID-19 Vaccine Import **(US$ million)**

Details	Jul-Dec 2020	Jan-June 2021	Jul-Dec 2021	Jan 1st- 24th Jan 2022	Jan 25th-30th June 2022*
Import of Vaccines (Total)	0	333.02	1,695.42	48.85	559.59
GoP through its own resources	0	299.07	542.18	17.1	
GoP financed by multilaterals and Bilateral	0	0	615.62	0	61.6
ABD			487.8		
WB			127.82		
ISDB					61.6
Donations		33.95	537.61	28.75	497.99
Covax		6.95	498.21	28.75	497.99
Chinese Donations		27	39.4		

*(Forecast)
Source: Ministry of National Health Services, Regulation & Coordination

Procurement of Testing Kits, Dry Ice and Cryogenic Tanks

In compliance to the directions of NCOC and Ministry of Health Services, Regulations and Coordination, following items were procured by NDMA during FY2022 for dealing with the COVID-19 Pandemic (Table 11.10).

Table: Procurement Testing Kits, Dry Ice and Cryogenic Tanks

Items	Quantity (NOS)	Amount (Rs)
Variants of Concern (Voc) PCR Detection kits	72000	95,195,0000
Rapid Antigen Diagnostic Kits	1634500	299,610,500
PCR Kits	300,000	168,000,000
Dry Ice for Sputnik Vaccines	-	52,729,965
Cryogenic Tanks	03	51,600,000
Total		**667,135,465**

Oxygen Ramp-up Plan

NDMA has undertaken the procurement of 10 x oxygen generation plant and 7 x oxygen storage tanks for enhancing oxygen storage and generation capacity in public sector hospitals of ICT, AJ&K and GB. A total of 10 oxygen generation plant amounting Rs 737,184,503 along with 07 oxygen storage tanks with a cost of Rs 76,241,417 were procured in the FY2022.

Establishment of Mass vaccination Centres

In order to ensure smooth administration of COVID-19 vaccination, 10 x mass vaccination centres (5 x GB & 5 x AJ&K @ Rs 145.168 million) were established during the FY2022.

Source: M/o NHSR&C & NDMA

Provincial Government Achievements/Initiatives in Health Sector

i) Government of Punjab

During FY2022, Government of Punjab allocated Rs 107.004 and Rs 23.098 billion for Specialized Healthcare & Medical Education Department and Primary & Secondary Healthcare Department, respectively. This will help in the smooth and timely implementation of 185 development projects, which includes establishment of Tertiary Care Hospital (Nishtar-II) in Multan, establishment of Dera Ghazi Khan Institute of Cardiology, establishment of Mother & Child Block in Sir Ganga Ram Hospital Lahore and establishment of Sheikh Zayed-II Hospital. Additionally, under Primary and Secondary Health Care Department, major initiatives includes establishment of 200 bedded Mother & Child Hospital in three districts, Attock, Rajanpur and Bahawalnagar along with provision of 300 Ultra Sonography Machines to 300 BHUs of South and Punjab. Government of Punjab launched (UHC) Program through the provision of Sehat Insaf Card aiming to provide health insurance to 30 million families of the province under this initiative and 100 percent population is covered till March, 2022.

ii) Government of Sindh

Government of Sindh has allocated Rs 199.72 billion for investment on construction, strengthening, upgrading and rehabilitation of health facilities. This includes provision of healthcare services, and increased accessibility in line with UHC, rehabilitation and expansion of various level of health facilities (DHQs, THQ, RHCs, etc.). For enhancing Human Resource for Health in Sindh, 6 Medical Colleges are being constructed. Latest equipment (MRI, LINAC, etc.) is being provided to existing hospitals. Surveillance system in Sindh is being strengthen with the USAID support. These initiatives would ultimately improve access to quality health care services and better health care coverage to the people of Sindh.

iii) Government of Khyber Pakhtunkhwa

Khyber Pakhtunkhwa (KP) increased its health allocation in the provincial budget 2021-22 to Rs 142 billion from Rs 124 billion. KP has led social health insurance development in the country. This year the province also announced providing universal health insurance (SehatPlus Card). They have also added organ transplantation and outpatient health services in the insurance coverage. KP has already started working on an ambitious reform agenda. Some of the key interventions currently being implemented by the health department includes services delivery improvement in PHC and SHC levels, implementing PPP framework, Human Resource Management, Sehat Card Plus, and improvements in Medical Teaching Institutions (MTIs). Services delivery improvement intervention for PHC includes strengthening conversion of 200 BHUs in 24/7 SBA facilities with total cost of Rs 1,652 million.

Moreover, rehabilitation of all RHC across KP and conversion of 50 RHCs into 24/7 facilities at total cost of Rs 934 million. For secondary health care facilities, 6 DHQs have been selected to bring operational improvement such as equipment and medicine, increasing staff presence, etc. In addition, Health Management Cadre have been constituted in KP with financial celling of up to Rs 2 million to cater for top medicines, repair and maintenance and filling HR shortages for 3 months.

iv) Government of Balochistan

Government of Balochistan has increased its budget from Rs 31.4 billion in 2020-21 to Rs 44.6 billion in the FY2022. Balochistan Cabinet in April 2022 approved the launching of health card for more than 1.8 million families across the province. Under the health card, every family would be given a universal Rs 1 million coverage to get quality and timely health treatment at public and private sector hospitals. There are total of 191 development schemes for the health sector in Balochistan PSDP FY2022 with total cost of Rs 48 billion. Out of these projects, 86 are new schemes and 105 are ongoing.

Health department of the province declared eleven DHQ hospitals as Teaching DHQs along with the creation of new posts for Assistant Professors and Senior Registrars for these hospitals in the regular budget. Moreover, the production of doctors in the province has been enhanced, with 470 MBBS qualified doctors expected to start graduating from the public sector medical colleges of Balochistan by 2026. This has been made possible by increasing the MBBS seats of Bolan Medical College from 192 to 320 (with the permission of PMC), and the recognition of Jhalawan, Loralai and Mekran Medical Colleges by PMC (each has an annual strength of 50 MBBS seats).

Cancer Treatment Program by Atomic Energy Cancer Hospitals

With the advent of modern technology in medicine, mortality associated with communicable diseases has been significantly decreased. Today, non-communicable diseases are responsible for majority of global deaths and cancer is ranked second leading cause of death worldwide. Pakistan Atomic Energy Commission has given high priority to application of nuclear technology in health sector, i.e. utilizing radiation sources in diagnosis and treatment of cancer.

There are 19 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 with aim to provide latest and comprehensive diagnostic and treatment facilities to cancer patients irrespective of stage of disease. Construction of one more AECHs is underway at Muzaffarabad, Azad Jammu & Kashmir. AECHs are operated by skilled team of more than 2,500 professionals, including doctors, scientists, engineers, paramedical, technical and other supportive staff.

Routine Services

AECHs are equipped with advanced, sophisticated and modern diagnostic /therapeutic facilities. Major services provided at these hospitals are diagnostic and therapeutic Nuclear Medicine, Theranostics, Radiotherapy, Chemotherapy; Indoor wards facilities, Cancer screening/Filter clinics, Hormonal assays, Biochemistry, Hematology, Histopathology and diagnostic Radiology. Seminars, conferences and symposium for creating public awareness regarding cancer prevention and importance of early diagnosis are integral part of services at all AECHs.

Achievements

In addition to management of patients, following targets have been achieved in current fiscal year:

- Research work continued on various IAEA TC/RCA Projects and others in collaboration with different international/national organizations.
- Provision of teaching and training facilities to about 400 post graduate medical students/fellows in fields of nuclear medicine, radiation & medical oncology, radiology and medical physics.
- Events for cancer awareness and campaigns for cancer prevention/control are a regular feature at all AECH. Over 40 such events were organized throughout Pakistan which included seminars, workshops and walks for general public education. Mobile breast care clinics are also functional for screening at Jamshoro, Bahawalpur and Gujranwala.

Current Projects

- PAEC, in order to provide better treatment facilities to the patients, continued working on the following projects:
- Establishment of cancer hospital in AJK for which land has been acquired and PC-1 has been approved
- Up-gradations of AECHs,. GINUM (Gujranwala), NORI (Islamabad), BINO (Bahawalpur), INMOL (Lahore), and KIRAN (Karachi) are underway.
- Various projects are being carried out in collaboration with IAEA with aim to transfer technology in developing Theranostics in the treatment of cancer through radio labelled receptor specific bimolecular conjugates in Pakistan.
- Pakistan Atomic Energy Cancer Registry (PAECR) report for 2020-21 is also being published.

Nutrition Security

Healthy diets provide a foundation to support physical, cognitive, social and productive individuals leading to a more economically productive and socially active nation. Inadequate and unhealthy dietary practices are associated with impaired physical growth, sub-optimal cognitive development, low educational attainment, low labor productivity, reduced earning potential, compromised health and increased risk of diseases. The impact of poor diets and nutrition risk lock individuals and countries into long-term disadvantages. Globally, 149.2 million children under 5 years are stunting affected in 2020 and Pakistan accounts for 6.9 percent share of the global burden.

Improving nutrition requires effective and sustained multi-sectoral nutrition programme over the long-term. Nutrition interventions geared towards access to adequate, diverse and safe food; optimal health; and a healthy environment ensuring safe water, hygiene and sanitation services are the critical pathways to prevent malnutrition and improve the potential of country's most valuable asset, humans.

Pakistan nutrition commitments expressed in the Nutrition for Growth (N4G) Summit, 2020, signal the country's pledge to combat malnutrition and fast actions towards achieving the WHA targets set for 2025 and SDGs for 2030. Special multi-sectoral nutrition initiatives are being taken at Federal and Provincial levels in multiple sectors to address malnutrition on sustainable basis using a system reforms approach.

Food Availability and Consumption

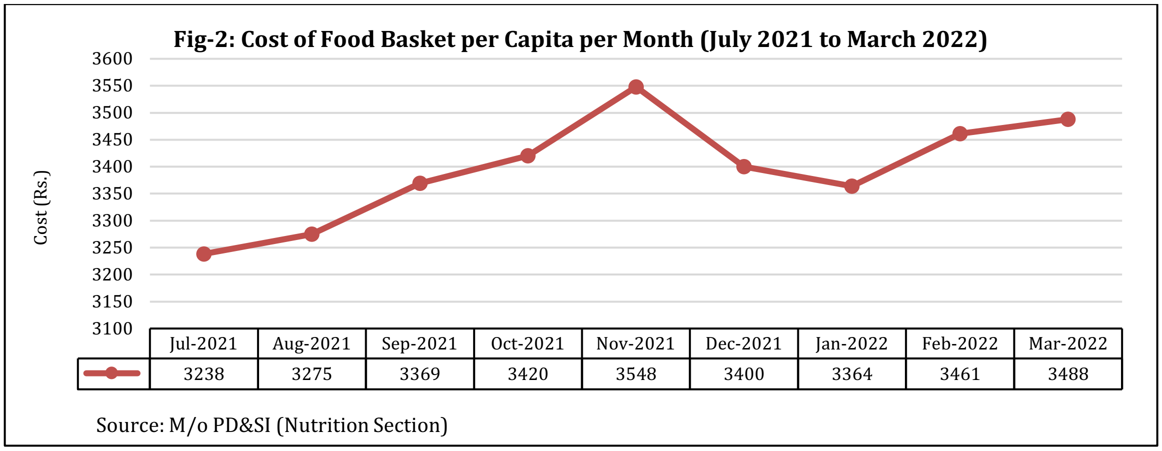
Food availability, the foremost pillar of food security, depicts a complete picture of the country's food supply potentially available for human consumption during a specified time period. Pakistan produces enough food to meet its population's food requirements, with adjustments in import and exports. During FY2022, the availability of major food items remained almost consistent (Table 11.9). A slight decrease in the availability of cereals, milk and edible oils was observed, whereas the availability of fruits and vegetables increased significantly as compared to previous years. Eggs, fish and sugar availability almost remained constant. The availability of per capita calories remained above the minimum calorie needs of the general population, likewise the previous years.

Table 11.9: Availability of Major Food Items per annum (Kg per capita)

Food Items	2019-20	2020-21	2021-22 (P)**
Cereals	139.9	170.8	164.7
Pulses	7.8	7.6	7.3
Sugar	23.3	28.5	28.3
Milk (Liter)	168.7	171.8	168.8
Meat (Beef, Mutton, Chicken)	22.0	22.9	22.5
Fish	2.9	2.9	2.9
Eggs (Dozen)	7.9	8.2	8.1
Edible Oil/ Ghee	14.8	15.1	14.5
Fruits & Vegetables	53.6	52.4	68.3
Calories/day	2457	2786	2735

Source: M/o PD&SI (Nutrition Section)

Our minimum food basket comprising of basic food items (cereals, pulses, fruits, vegetables, meat, milk, edible oils and sugar) provides 2150 kcal and 60gram protein/day per capita. The cost of food basket per capita per month, calculated on the basis of Monthly Price Indices (PBS data), showed an increasing trend from July to November, 2021 (Figure 2). Following a slight decrease in December 2021 and January 2022, the cost increased again in February and March 2022, though not to the level observed in November 2021.



The cost gradually increased form Rs 3238 in July 2021 to Rs 3548 in November 2021, then sharply reduced to Rs 3400 in December 2021 and Rs 3364 in January 2022, and increased again to Rs 3461 in February 2022 and Rs 3488 in March 2022. On average, 7.7 percent increase in the cost of food basket has been observed during the period Jul-Mar 2021-22.

Nutrition support programs/ initiatives

During the FY2022, following nutrition support programs/activates undertaken to curtail malnutrition at both national and provincial levels.

- A nutrition specific project “Tackling Malnutrition Induced Stunting in Pakistan” prepared by M/o NHSR&C, to reduce the prevalence of malnutrition among the most vulnerable population of 67 districts, costing Rs 312 billion, is in process.
- In consultation with relevant ministries, provinces/ areas, and nutrition partners, a Multisectoral National Nutrition Action Plan (MS-NNAP) has been drafted and is in process for costing.
- The revised National Agro-Ecological Based Food Composition Table data has been validated and the report is being finalized.
- Early Childhood Development (ECD) Policy Mapping Report, National Policy Dialogue Report, and Key Family Care Practices Package have been disseminated. The governance structure at provincial/ area level have been started. The preparation of ECD Policy Framework is under process. The provinces are finalizing activities for the upcoming ADPs.
- Nutrition interventions titled “Improving Food Security and Nutrition, minimizing the impact of COVID-19 on livelihoods of poorest households in South Punjab” under the Rural Poor Stimulus Facility programme with the support of nutrition partner for three districts of Southern Punjab i.e., Bhakkar, Khushab and Mianwali, has been launched.
- Nutrition interventions titled “Improving nutrition and food security through kitchen gardening, advocacy, awareness & capacity building under “Gwadar-Lasbela Livelihoods Support Project Phase-II (GLLSP-II)” have been initiated in Balochistan.

- The nutrition interventions (direct and indirect) implemented/ being implemented by federal and provincial departments have been consolidated and unified national nutrition commitments presented at N4G Summit 2021 hosted by the Government of Japan for showcasing to the donors for investments.
- The conditional cash transfer under Ehsaas Nashonuma Programme is operational in 14 districts which is being expanded to additional 50 districts of the country to increase the uptake of health and nutrition services of Pregnant and Lactating Women (PLWs) and children (0-23 months).
- Urdu translation of Pakistan Dietary Guidelines for Better Nutrition (PDGN) has been reviewed and being finalized for dissemination.
- Nutrition Awareness and Advocacy Training sessions have been conducted at PPMI to raise nutrition awareness and advocacy among mid-career officers of various federal and provincial departments.
- Scaling up Nutrition (SUN) Joint Assessment Report 2021 complied/submitted to monitor the progress of SUN Networks.
- The session of high-level National Nutrition Forum (NNF) at Planning Commission has been conducted to review the country's nutrition status & progress, identify gaps and provide the way forward. The major decisions of NNF are as under:
    - Tracking information on the expenditure or financial resources for nutrition interventions in order to assess the progress and effectiveness of the interventions.
    - Costing of the Multi-sectoral National Nutrition Action Plan (MS-NNAP)
    - Establishment of Multi-Sectoral National Nutrition Information System (MNNIS)
    - Preparation of National Food Safety Policy and endorsement.
    - Initiation of Multi-sectoral National Nutrition Thought Management Coordination Programme
    - Research study on "Impact of Climate Change on the Nutrients of Cereals, Pulses, Meat, Fruits and Vegetables" to determine the changes in food composition resulting from climate change.

Provincial Initiatives

- Punjab
    - Chief Minister's Stunting Reduction Programme for 11 Districts of Southern Punjab
    - Multi Sectoral Nutrition Strategy for WASH including Water Supply, Sanitation, Hygiene and Waste water
    - Integrated Reproductive Maternal Newborn & Child Health (IRMNCH) & Nutrition Programme (Phase-III)
    - Establishment of Multi Sectoral Nutrition Center in P&D Board as a governing body for coordination and implementation

- Khyber Pakhtunkhwa
  - Khyber Pakhtunkhwa Stunting Prevention and Rehabilitation Integrated Nutrition Gain (KP SPRING) project being implemented in four districts i.e. D.I.Khan, Tank, Bannu and Nowshera
  - Integration of Health Services Delivery with Special Focus on MNCH, LHW and Nutrition Programme
  - Health Nutrition Program in merged areas
  - Poverty alleviation through development of Rural Poultry in Khyber Pakhtunkhwa
- Sindh
  - Accelerated Action Plan (AAP) for "Stunting Reduction and Malnutrition" consisting of nutrition sensitive and specific interventions implemented in 13 districts
  - EU-PINS – Programme for improved nutrition covering sensitive and specific interventions in 10 districts
  - Implementation of People's Poverty Reduction Programme (PPRP) in Ghotki and Sukkur, and expanded to Khairpur, Badin, Mirpurkhas, Umerkot, Sanghar and Thatta.
- Balochistan
  - Nutrition Program in 132 primary schools - 4 primary schools from each district (concept paper approved)
- Gilgit Baltistan (GB)
  - Scaling Up Nutrition Program (SUN) GB with the collaboration of P&DD
  - Provision of specialized nutritious food to under 5 children and PLW
  - Targeting Blue Revolution towards Food Nutrition & Livelihood Security through conservation of local Species
  - Food Fortification Programme of Food Department
  - Provision of ECD facilities in existing Government P/S of GB
  - Social Health Protection Phase-II
  - Provision of Specialized Nutrition Food for Ultra poor Pregnant and Lactating Women in all 10 districts
- Azad Jammu & Kashmir (AJ&K)
  - Early Childhood Development Programme (ECD) in 300 Middle and 275 High and Higher Secondary Schools
  - Agro-Ecological Based Fruit, Vegetable & Agriculture Development as enterprise in AJ&K

Narcotics Control

Pakistan's counter narcotics efforts revolve around the three main pillars highlighted in the National Anti-Narcotics Policy, 2019. These three pillars include i) Drug Supply Reduction, ii) Drug Demand Reduction and iii) International Cooperation. Counter narcotics efforts not only encompass the law enforcement side for drug supply reduction but also value equally importance of reducing the domestic demand for drugs.

Anti-Narcotics Policy

The Anti-Narcotics Policy of Pakistan aims to re-energize existing national drug law enforcement agencies, build the Anti-Narcotics Force (ANF) capacity, develop an effective coordination and control mechanism and mobilize the people of Pakistan especially youth and institutions to ensure their active participation in eradicating drugs. This policy also seeks to promote international cooperation for mutual support and partnership against narcotics.

Policy Objectives

1. Drug Supply Reduction

The main focus of drug supply reduction activities is to strengthen Law Enforcement Agencies (LEAs) at the federal, provincial and district levels to combat drug trafficking and to reduce the flow of drugs in Pakistan. The capacity of LEAs all over Pakistan and particularly in the provinces of Khyber Pakhtunkhwa and Balochistan is being improved so that they could effectively assist in disrupting illegal drug trafficking, money laundering and seizing drug generated assets.

1.1 Drug Supply Reduction Activities

Table 11.10 depicts the narcotics type and quantity seized by ANF during Jul-Dec 2021.

In addition to this, assets of worth Rs 306.56 million were frozen while assets amounting Rs 0.448 million were fortified by ANF to reduce the supply of drugs from Jul-Dec 2021.

Details of various drug addicted patients treated under different Model Addicts Treatment & Rehabilitation Centre (MATRCs) throughout the country from Jul-Dec 2021 is given in Table 11.11.

11.10 Various Narcotics Items seized by ANF (Kgs/Ltr)

S#	Seizure	Quantity
A.	Opium	4235.370
B.	Morphine	1657.670
C.	Heroin	2641.606
D.	Hashish	17555.327
E.	Cocaine	18.924
F.	Amphetamine	109.752
G.	Meth	426.872
H.	Xanax Tabs	136.478
I.	Ecstasy Tabs	117.100
J.	Prazolam / Benzo Diazepam	78.000
K.	Alprazolam Tabs	3.290
L.	Pranax Tabs	25.000
M.	Cannabis/ Marijuana	0.100
N.	Ketamine	50.000
O.	AA	1026.000
P.	Poppy Straw	2245.000
Q.	LSD Stickers	0.010
R.	Suspected substance	131.215
S.	Weed	1.145
Total		**30458.859**

Source: M/o Narcotics Control

11.11 City wise Detail of Patients Treated at MATRCs

Months	MATRC Karachi	MATRC Islamabad	MATRC Sukkur	MATRC Hyderabad	Total
Jul	61	34	10	24	129
Aug	45	26	10	23	104
Sep	66	24	10	22	122
Oct	70	23	12	37	142
Nov	75	28	10	26	139
Dec	80	21	17	36	154
Total	**397**	**156**	**69**	**168**	**790**

Source: M/o Narcotics Control

2. Drug Demand Reduction

ANF used a number of drug demand reduction activities from July-Dec 2021. Various modes were used to spread anti-drug awareness among students and general public. Lectures, social medial posts, seminars, visits, meetings, anti-drug sport activities, free medical camps, anti-drug awareness painting competition, workshops and conferences, etc. (Table 11.12)

Table 11.12: Total Anti-Drug Awareness Activities at Regional Directorates

RD Punjab	RD Khyber Pakhtunkhwa	RD Sindh	RD Balochistan	RD North	RD HQ	Total
101	85	33	78	95	1974	2366

Source: M/o Narcotics Control

3. International Cooperation

Illicit trafficking of narcotics and drug abuse is a global challenge. Pakistan is acting as a front line country in combating the menace of drugs. Government of Pakistan has taken number of initiatives to control spread and trafficking of illicit narcotics. However, country 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 on unlawful narcotics, while 30 MoUs are under process.

In 2021, ANF seized various types of drugs smuggled through Airport, Sea port and parcels. Details are presented in Table 11.13.

Table 11.13: Types of Drugs Seized

Category	Cases	Drugs Seized (Kg)				
		Opium	Heroin	Hashish	Cocaine	Others
Airport	43	0.00	30.874	2.393	-	Amph 29.628 Kg Meth 19.998 Kg
Sea Port	4	0.00	114.700	0.00	0.00	Meth 9.500 kg Xanax Tabs -134 kg Valium Diazepam Tab - 78 Kg Alprazolam Tabs -28 kg
Parcels	86	2.750	90.854	0.653	0.00	Amph – 0.455 kg Meth 109.774 Kg Valium Diazepam Tabs – 0.10 kg Suspected Powder 18.765 Kg MDMA – 1.650 kg
Total:	**133**	**2.750**	**236.428**	**3.046**	**0.0**	**-**

Source: M/o Narcotics Control

Additionally, 40 foreign nationals were arrested in Pakistan who were involved in drug trafficking in year 2021. Pakistan extended its support for Australia, Canada, South Africa, South Korea, Interpol, UAE, USA, Iran, Qatar, KSA and UK in a total of 123 drug related inquires 2021 (Table 11.14).

11.14: Airport, Parcel, Seaport Seizures.			
Country	Cases during Jul – Dec 2021		
	Airports	Parcel	Seaport
UAE	10		1
Australia		10	
Canada		3	1
Bahrain	21	2	
Italy		3	
KSA	3	2	1
Netherlands		5	
New Zealand		3	
UK		41	1
USA		2	
Qatar	7	1	
Maldives	1	5	
Oman	1		
Belgium		1	
France		1	
Greece		4	
Hong Kong		2	
South Korea		1	
Total	**43**	**86**	**4**

Source: M/o Narcotics Control

Development of New Projects

A list of narcotics control development projects, at pre-feasibility level, is given in Table 11.15. The purpose of these projects is to impose an effective check in drug infested areas.

Table 11.15: Narcotics Control Projects			
Serial#	Name of Project	Duration	Estimated Cost (Rs in million)
a.	Construction of Model Addiction Treatment & Rehabilitation Center (MATRC) at Islamabad	1-7-2021 to 31-12-2023	456.378
b.	Acquisition of 2 x Acres Land for ANF Police Station at Hub	1-7-2021 to 30-6-2022	4.5
c.	Acquisition of 2 x Plots for Establishment of Training Components for ANF Academy at H-11/I Islamabad	1-7-2021 to 30-6-2022	353.119

Source: M/o Narcotics Control

Conclusion

Healthy population can productively contribute in the progress of a nation. Health sector development to meet the rising demand of population is necessary condition for socio-economic development of Pakistan. Despite having an overburdened and underequipped health system, Pakistan contained the COVID-19 outbreak successfully. The Government remained focused on upgrading health system in response to the challenges faced. In FY2022, health expenditures increased to 30 percent because of timely procurement and deployment of vaccines to contain the spread of COVID-19.

In order to provide quality health care services to masses especially the poor, Government extended Universal health coverage through Sehat Sahulat Card for reducing health inequality in the country. The Government is committed to pragmatically implement SDG 3 by developing inclusive health system, reducing malnutrition and expanding basic health care in the country. However, low financial allocation for health, weak governance, excessive focus on tertiary rather than primary health care are the problems that need to be addressed for achieving long term sustainable economic development.

POPULATION LABOUR FORCE AND EMPLOYMENT

Estimated Population	Urban Population	Rural Population
224.78 Million	**82.83** Million	**141.96** Million

According to the Labour Force Survey 2020-21, total labour force is 71.76 million out of which 67.25 million are employed

Unemployment rate decreased from 6.9 percent in 2018-19 to 6.3 percent in 2020-21

Under Kamyab Jawan Youth Entrepreneurship Scheme (PMKJ-YES) the government has disbursed Rs. 44,972 million till April 2022 for businesses

Chapter 12

Population, Labour Force and Employment

The human resource of a country plays a vital role not only in the economic development but also for the social well-being of the people. However, proper management of human resource can boost economic performance and reduce social distress. Pakistan is 5^{th} most populous country in the world. According to the National Institute of Population Studies (NIPS), the estimated population of Pakistan is 224.78 million in 2021 of which 82.83 million reside in urban areas, whereas 141.96 million live in rural areas and the population density is 282 per Km^2.

Pakistan has a large labour force that stands among the top 10 largest labour forces in the world. To generate sufficient employment opportunities for such a large labour force is a huge challenge. In addition to this, skills gap makes it difficult for individuals to find jobs and for employers to find appropriate trained workers for their industries. Skills development enhances both people's capacities to work and their opportunities at work, offering more scope for creativity and satisfaction at work. The future prosperity of a country depends ultimately on the number of persons in employment and how productive they are at work. In Pakistan, skills development can play a key role in the alleviation of poverty.

Labour Force Statistics

The labour force increased from 65.5 million in 2017-18 to 71.76 million in 2020-21 and the number of employed persons increased from 61.71 million to 67.25 million during the same period. The unemployment rate slightly decreased from 6.9 percent in 2018-19 to 6.3 percent in 2020-21. This shows that 4.51 million people from labour force could not get job in FY2021.

Table 12.1: Labour Force and Employment Indicators **(million)**

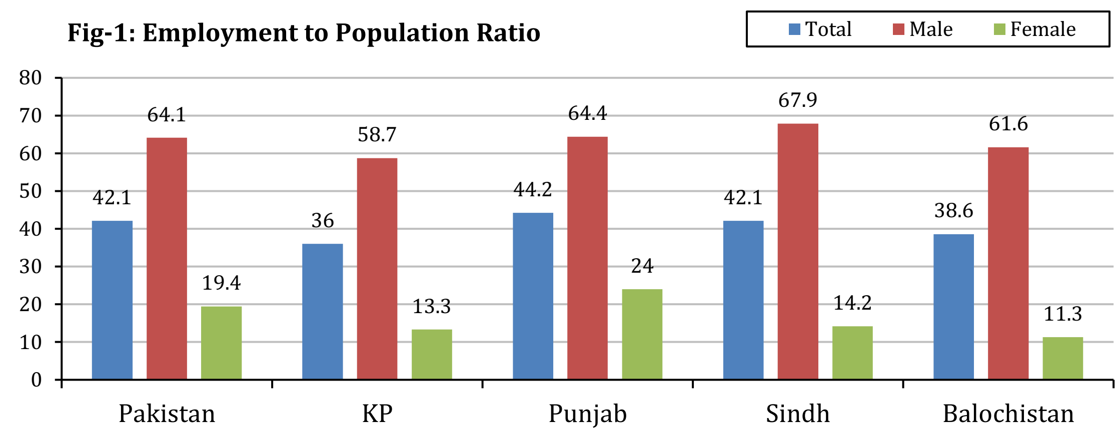
	2017-18	2018-19	2020-21
Labour Force	65.5	68.75	71.76
Employed Labour Force	61.71	64.03	67.25
Unemployed	3.79	4.71	4.51
Unemployment rate (%)	5.8	6.9	6.3

Source: - Pakistan Bureau of Statistics

Employment to Population Ratio

The employment to population ratio is defined as, number of employed persons expressed as a percentage of working age population (10 Years & above). According to the Labour Force Survey (LFS) 2020-21, overall employment to population ratio is 42.1 percent and this ratio is higher in male (64.1 percent) as compared to female (19.4 percent). The province-wise comparison also shows the same pattern. In Punjab employment to population ratio is 44.2 percent, followed by Sindh (42.1 percent), Balochistan (38.6 percent) and KP (36 percent), respectively. Fig 1 depicts employment to population ratio.

Fig-1: Employment to Population Ratio

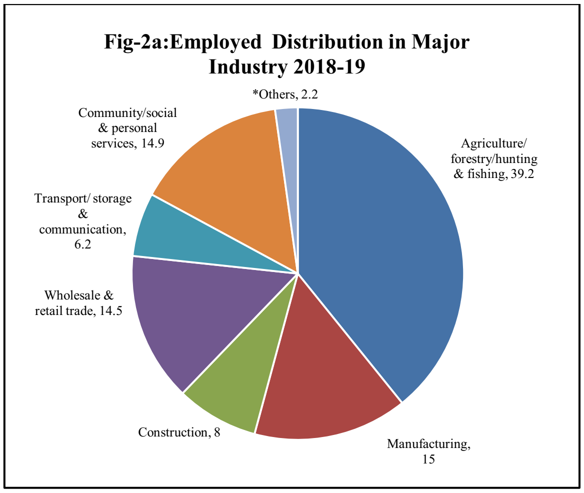


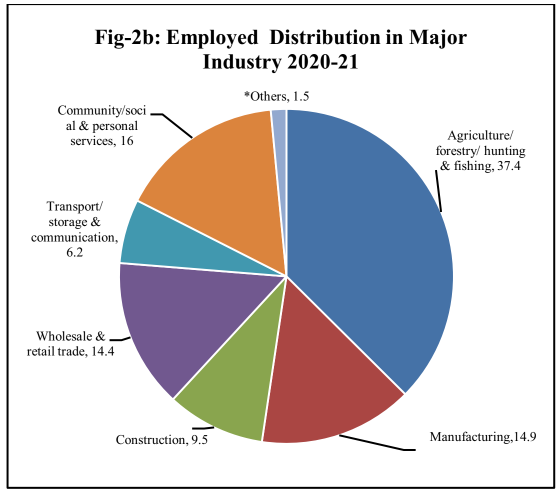
Source: Labour Force Survey 2020-21

Employment by Sectors

Being a major contributor to the GDP agriculture sector plays an important role in development of the economy. According to the Labour Force Survey 2020-21, the share of employment in agriculture sector decreased from 39.2 percent in 2018-19 to 37.4 percent in 2020-21. This sector is the key source of supply of raw material to the other sectors of the economy, especially industrial sector. The significant share of employment from agriculture sector is shifted to industry and services sector due to technological transformation. The services sector is the largest growing sector of the economy and the share of employment in services sector is 37.2 percent in 2020-21.

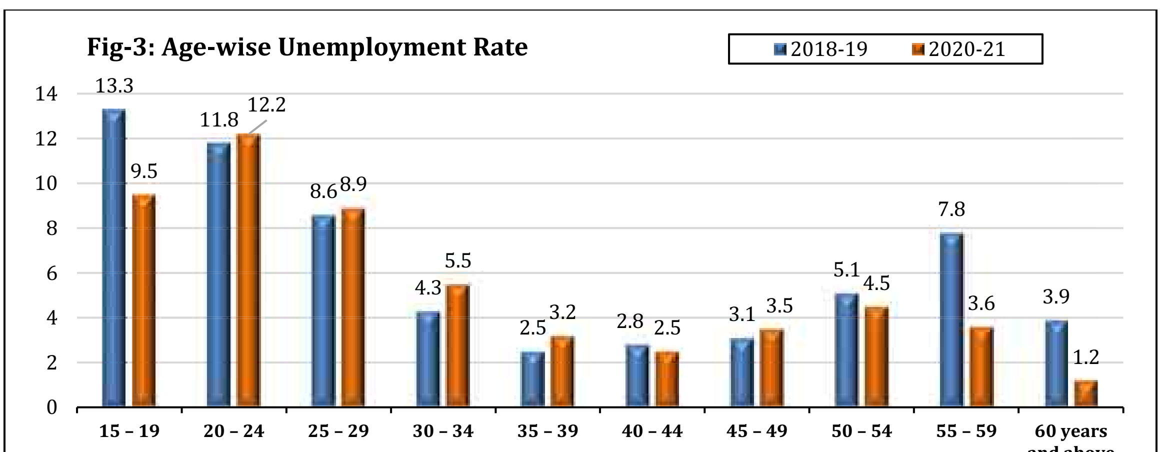
The construction and manufacturing sectors are considered as major source of the economic growth and development. Expansion of these sectors can generate millions of jobs for unskilled, semi skilled and skilled workforce. Further, these sectors also play an important role in generating income in formal and informal sectors. Share of employment in construction sector has increased from 8.0 percent in 2018-19 to 9.5 percent in 2020-21. This increase shows that job opportunities are being created in the country. Wholesale and retail trade sector has shown 14.4 percent employment in 2020-21. The employment level in transport/storage & communication remained same in the period under review and share of employment in community/social & personal service sectors increased from 14.9 percent in 2018-19 to 16.0 percent in 2020-21. A comparison of employment by sector in 2018-19 and 2020-21 is given in Fig 2a & 2b.





Youth Employment

According to the Labour Force Survey 2020-21, the overall unemployment rate is 6.3 percent with prevalence of higher unemployment rate 12.2 percent among 20-24 years compared with 11.8 percent in 2018-19. Youth unemployment rate is quite high as compared to the average unemployment rate. Improvement in infrastructure and skill development programmes can play an important role to create employment opportunities in the country. Age -wise break up of unemployment rate reflected in Fig-3.



Source: Ministry of Planning, Development & Special Initiatives

Initiatives for Employment Generation

Construction Sector: Labour Force Survey 2020-21 indicated that employment in construction sector reached to 6.4 million as compared to 5.13 million in 2018-19, showing an increase of 1.28 million of employed people. Construction sector on account of both backward & forward linkages boost approximately 40 allied industries simultaneously. Therefore, expansion of construction activities not only results in substantial increase in GDP growth but also create thousands of jobs in industrial sector.

Skill Development

In pursuance of Goal 8 of Sustainable Development Goals (SDGs), i.e. Decent Work and Economic Growth, the government has developed a broader roadmap for youth development under National Skill Strategy (NSS) which emphasizes on improving governance, exploring multi-source funding, capacity enhancement through employable skills, quality assurance, access and equity, industry ownership and skill development for international market for increasing foreign remittances. The emphasis is also made on re-skilling the existing workers through Recognition of Prior Learning (RPL) and provision of subsidized loan to unemployed youth. Further, the introduction of Competency Based Training and Assessment (CBT&A) is an important element of the National Skills Strategy (NSS), which is the basis of the ongoing Technical and Vocational Education and Training (TVET) sector reform in Pakistan. It also provides the basis for the implementation of the National Vocational Qualifications Framework (NVQF).

The roadmap also urges on public- private partnership; increasing the private sector role in the governance of TVET and encouraging linkages with the informal sector through RPL. Further, youth empowerment and productivity has been given priority in National Youth Development Framework (NYDF). In order to implement the said interventions, following special initiatives under PSDP have been taken in 2021-22:

Table-12.2: Initiatives under PSDP 2021-22

Sr. No	Projects	Amount (Rs in millions)
1	Introducing Matric-Tech Pathways for Integrating Technical and Vocational Education &Training (TVET) and Formal Education	215.0
2	Establishment of Polytechnic Institute for Boys at Skardu	197.819

Source: PSDP 2021-22

Through aforementioned interventions, 27 TVET Labs for 15 selected schools in ICT, AJK and GB have been established so far. Further, two newly constructed technical &vocational institutes, located at Gwadar and Skardu, will be operationalized soon. In addition, 25% quota is specified for women under these schemes.

Kamyab Jawan Programme

Kamyab Jawan Programme is the medium of change to empower youth and harness their potential for human development and transformation of the future of Pakistan. The government launched Kamyab Jawan Programme to uplift the youth of the country by offering opportunities to utilize their entrepreneurial potential. Under this programme, young people will launch 10,000 start-ups by 2023 to create jobs and economic activities. Around 68,873 jobs[1] have created under this programme .This programme has following sub –components:

a) **Hunarmand Pakistan-Skill for All Programme**

Skills for All (Hunarmand Pakistan) programme was initiated to strengthen the quality of technical and vocational education and training. The purpose of the programme is to

[1] https://kamyabjawan.gov.pk/

equip youth with market-driven conventional and high-tech skills required for career progression.

This programme will also expand the pool of skilled workforce in all sectors of the economy, and bridging demand and supply gap of skilled workforce. Women will also be able to meet their domestic expenses subsequently. This project is being implemented all over the country. The physical progress of the programme is as follows:

- Almost 74,737 youth have been imparted employable skills (35,268 youth in High-TECH technologies (Cyber Security, Artificial Intelligence, Cloud Computing, Internet of Things, Digital Marketing, etc.) and 39,469 youth have been trained in conventional technologies (Electrician, Welder, Plumber, Beautician, Domestic Tailoring, etc.). Additionally, 25% quota is specified for women.
- About 23,000 youth formally skill tested and certified under RPL.
- NAVTTC has established 10 Country Specific Destination Facilitation Centers.
- Developed National Employment Exchange tool and workforce database and fully functional at: jobs.gov.pk, database: (413,197 skilled work force and 411,735 jobs posted)
- Established National Accreditation Council for TVET Stream (NAC-TVS).
- Developed 200 TVET qualifications developed and accredited 535 TVET institutes nationally

In addition, National Youth Council (NYC) is actively engaged to ensure young people representation and participation and nurture youth leadership by recognizing young people's achievements through publicly valuing them as part of our society. Besides, development of Pakistan first ever Youth Development Index (YDI) for focused interventions to improve the ranking of Pakistan on Global Youth Development Index is under process of completion.

b) **Youth Entrepreneurship Scheme (YES)**

Youth Entrepreneurship Scheme, for young entrepreneurs and existing businesses between the age group of 21-45 years (18 Years for IT sector), is designed to provide subsidized financing through 21 Commercial, Islamic and SME banks under the guidance and supervision of the SBP. The loans are being disbursed to SME beneficiaries across Pakistan, covering; Punjab, Sindh, Khyber Pakhtunkhwa, Balochistan, Gilgit Baltistan and Azad Jammu & Kashmir. Under this programme subsidized loans amounting Rs 44,972 million have been disbursed to 27,387 beneficiaries including 3,115 women.

c) **National Youth Council (NYC)**

NYC is an official national platform for young enthusiasts to play their essential role for the development of youth. Young people between the age of 15 to 29 years with exceptional performance and achievements on their part can become the member of NYC which is reconstituted every year with new talented & capable volunteers.

d) Kamyab Jawan Talent Hunt Youth Sports League

The national youth sports league, aimed to provide opportunities for youth to get involved in physical activities not only as a participant but as a professional player, coaches, leaders and volunteer. The talent hunt and sport league is required to provide equal opportunities to both men and women for performance optimization. The purpose is to encourage participants to play an active part in promoting a genuine and lasting culture of peace, human rights and democracy using sport as a catalyst for change. As part of ongoing activities, HEC targets to develop these young people to become equipped with the knowledge, skills and attitudes needed to live together in peace and harmony and empower them to discover their talent and make the most of their potential. The initiative will also help in revenue generation and robust sports and tourism.

e) Kamyab Jawan Markaz

Kamyab Jawan Markaz is a standardized one stop shop for university students that will provide necessary information, counseling and recourses through single widow system.

Overseas Employment

More than 11.7 million Pakistanis have proceeded abroad for employment to over 50 countries through official procedures as of December 2021. The migration of Pakistani workers is mostly concentrated to Gulf Cooperation Council countries (96 percent) with Saudi Arabia and the United Arab Emirates hosting the majority. They are contributing in the development of economy of Pakistan by sending remittances, which is the second largest source of foreign exchange after the exports. Table 12.3 presents detail of Pakistani workers registered for overseas employment.

Table12.3: Number of Pakistani Workers Registered for Overseas Employment

Countries	2018	2019	2020	2021
Saudi Arabia	100,910	332,713	136,339	155,771
U.A.E.	208,635	211,216	53,676	27,442
Oman	27,202	28,391	10,336	38,349
Qatar	20,993	19,327	7,421	37,985
Bahrain	5,745	8,189	7,843	12,977
Malaysia	9,881	11,323	2,296	106
Others	9,073	14,044	6,794	14,018
Total	382,439	625,203	224,705	286,648

Source: Bureau of Emigration and Overseas Employment (BE&OE)

During 2021, Bureau of Emigration & Overseas Employment (BE&OE) has registered 286,648 workers for overseas employment, showing an increase of 27.6 percent as compared to the last year. Saudi Arabia (54 percent), Oman (13.4 percent) and Qatar (13.2 percent) are the main destinations for unskilled migrant workers from Pakistan in 2021. Overall increasing trend was observed in terms of emigrants registered in 2021 as compared to 2020. Province wise distribution of workers registered during 2018-2021 is reflected in Table 12.4.

Table 12.4: Pakistani Workers Registered for Overseas Employment during the period 2018-2021 Province Wise

Year	Federal	Punjab	Sindh	Khyber Pakhtun -khwa	Baloc-histan	Azad Kashmir	N/Areas	Tribal Area	Total
2018	2,471	185,902	41,551	88,361	2,930	33,028	2,760	25,436	**382,439**
2019	4,295	312,439	57,171	186,176	5,103	30,151	2,554	27,314	**625,203**
2020	1,814	118,818	16,950	68,299	1,869	7,685	244	9,026	**224,705**
2021	2,275	156,877	21,121	76,213	2,470	10,671	989	16,032	**286,648**

Source: BE&OE

It is evident from the Table 12.4 that during 2021, the highest number of workers went abroad were156, 877 from Punjab, followed by Khyber Pakhtunkhwa 76,213**.**

The situation of the human resource exports is likely to improve in the coming months with the reopening of business with SOPs and various preventive measures like vaccination, the work opportunities in various host countries, etc.

Ministry of Overseas Pakistani & Human Resource Development (M/o OP&HRD) has taken the following steps to boost the manpower export and to ensure regular emigration:

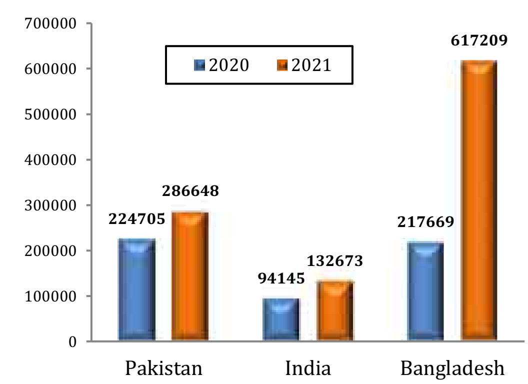
- Draft "National Emigration and Welfare Policy for Overseas Pakistanis" has been developed and is at final stages of approval.
- M/o OP&HRD has signed bilateral agreements / MoUs with destination countries. In this regard, a bilateral Agreement / MoU on manpower export was signed with Saudi Arabia in 2021. BE&OE is actively pursuing the matter of signing the bilateral MoUs on manpower export with other potential countries too.
- BE&OE prepared Country Specific Strategies on Saudi Arabia, UAE & Malaysia, suggesting the responsibilities of each relevant stakeholder in boosting Manpower Export to these countries.
- BE&OE developed a comprehensive reintegration strategy for returned migrant workers to accommodate them in local and international markets.
- BE&OE is actively working to explore job opportunities for Pakistani workers in non-traditional countries. In this regard, a comprehensive diversification strategy has been developed for top five priority countries i.e. Saudi Arabia, UAE, Malaysia, Qatar & Oman along with other five potential/non-traditional countries such as Kuwait, South Korea, Japan, Germany and China to promote the export of manpower to these countries.
- To facilitate Pakistani emigrants going abroad, an initiative 'Worker's Foree Remittance Account' with a full feature bank account available in current and PLS were inaugurated at all 09 Protectorate Offices across Pakistan.
- Collection of registration fee, welfare fund & insurance premium on single deposit slip and provide emigrants one window facility. The desks are operational at all Protector Offices.

- BE&OE created linkages between Overseas Employment Corporation (OEC) and NAVTTC for matching of available jobs at BE&OE official website and data of the trained job seekers maintained by NAVTTC (MOU signed between OEC & NAVTTC).
- Awareness Campaigns to guide intending emigrants through print, electronic and social media.
- Campaign against illegal Overseas Job Advertisements in close coordination with newspapers, FIA, PTA and other relevant departments.
- BE&OE started registration of foreign employers on its website so that the intending emigrants may be hired either directly or through OEPs by registered employers depending upon their requirements.
- The Cooperation Agreement between OEC and the Ministry of Health, Kuwait for supply of medical professionals, initially signed in 2020 for the one year has been renewed till 3rd July, 2023. Total of 1,943 medical professionals have so far proceeded to Kuwait for employment since October, 2020. Further recruitment is under process. Following Kuwaiti employers are also procuring manpower through OEC:
  - Al-Essa Medical & Scientific Equipment Co.
  - Gulf Glass Manufacturing Co.
  - Al-Ahleia Switchgear Co.
  - Al-Homaiza Food Stuff Co.
  - Ministry of Interior-Kuwait
- Ministry of Health Saudi Arabia has resumed its operation for taking manpower in the medical field from Pakistan after the pandemic. Two delegations have visited Pakistan in November- December 2021 for recruitment of medical professionals (Doctors, Nurses) in different specialties. Selection of 105 doctors and 103 Nurses has been received from M/o Health Saudi Arabia.
- The workers were demanded by M/s. Fiki-Bal, a construction company in Nigeria.
- In order to empower the Pakistani skilled workers to obtain jobs in Japan, OEC is going to start Japanese language classes for the potential candidates from Feb 2022. Two Japanese language instructors have been hired for the purpose.
- OEC convenes Korean language training for those persons who are interested to go to Korea for employment purpose and 799 persons have obtained Korean language training.
- Total of 1632 persons have proceeded abroad for employment purpose through OEC during 2021.

Regional Comparison of Manpower Export

The COVID-19 pandemic hampered the manpower export not only from Pakistan but other regional countries as well. The fig4 below indicates that a total of 286,648 emigrants were registered for overseas employment from Pakistan in 2021 as compared to 224,705 registered in 2020 which shows an increase of 61,943 emigrants. Similarly, India and Bangladesh witnessed an increase of 38,528 and 399,540, respectively in terms of emigrants registered for overseas employment during 2021 as compared to 2020 upon normalization of post COVID-19 situation in 2021.

Fig-4: Regional Comparison of Manpower Export (2020 & 2021)



Source: BE&OE

Women Empowerment

The 2030 agenda for sustainable development emphasizes on the gender equality through women empowerment. The SDG 5 calls to end all forms of discrimination, eliminate violence against women and girls in all its manifestations, ensure health and reproductive rights and bolster political, social and economic participation of women.

Pakistan is committed to Committee on the Elimination of Discrimination Against Women (CEDAW), the Beijing Platform for Action, ILO conventions and Child Rights Conventions, all directed to ensure women's rightful place in the society. In the past few years, there has been considerable progress, attributable to more deliberate investments in improving the lives and well-being of girls and women.

Gender inequality remains a major barrier to human development. Girls and women have made major strides since 1990, but they have not yet gained gender equity. The disadvantages facing women and girls are a major source of inequality. All too often, women and girls are discriminated in health, education, political representation, labour market, etc.—with negative consequences for development of their capabilities and their freedom of choice.

One of the main reasons of lower female labour force participation and lower employment in the public sector, is the overall environment which is not conducive for females to work. It includes inadequate rooms, washroom, parking, etc. The year 2022 has been declared by the Planning Commission as the year of respecting female employees at workplace.

Gender Gap in Pakistan – Women and Employment

Women constitute 48.4 percent of Pakistan's population. The government recognizes the relevance of gender equality to the national mandate of achieving growth and prosperity and the responsibility to ensure that the national policies and programmes serve women and men equitably. Through multiple consultations and following the dismal national standing on international gender development indices, the government has highlighted gender equality as a high priority goal.

Compared to 2020, Pakistan's rankings have particularly dropped in terms of economic participation and opportunities. This sub-category is further explored in terms of labor force participation, wage equality, estimated income, and percentages of professional and technical workers and of legislators and senior officials. Pakistan's score is significantly lower than the global average in terms of all of the sub-categories, signifying cause for concern.

Table12.5: Indicators and Pakistan's Ranking

Category	2020		2021	
	Rank	Pakistan's Score	Rank	Pakistan's Score
Labour force participation rate,(%)	147	0.298	149	0.267
Wage equality for similar work, 1-7 (best)	102	0.592	113	0.575
Estimated earned income, int'l US$ 1,000	148	0.181	151	0.163
Legislators, senior officials and managers, (%)	146	0.052	150	0.052
Professional and technical workers, (%)	140	0.304	140	0.339

Source: World Economic Forum Global Gender Gap Report 2020- Country Profile
https://www.weforum.org/docs/WEF_GGGR_2020.pdf
World Economic Forum Global Gender Gap Report 2021- Country Profile
https://www.weforum.org/docs/WEF_GGGR_2021.pdf

COVID-19 and Gender Vulnerabilities

COVID-19 pandemic has had calamitous effects on countless aspects of the world. According to ILO, 5 percent of employed women lost their jobs due to the pandemic as compared to 3.9 percent of the men.

While men reportedly had a higher fatality rate, women and girls have also been affected by the economic and social fallout. Women were affected across the board. They lost their livelihoods faster because they are more exposed to hard-hit economic sectors. In addition, the school closures, economic stress and service disruptions put the health, wellbeing and futures of the most vulnerable girls at risk. Moreover, recent studies also highlighted an increased Gender Based Violence (GBV) during the pandemic. Informal jobs were hit the most during COVID-19, whereby women are expected to hit disproportionately, especially the home based workers.

Gender Discrimination

Pakistan's sustainable socio-economic, political and cultural development wholly lies in the equality, empowerment, participation and representation of women in all walks of life. Despite that the status of women is below par. Women in Pakistan encounter multidimensional problems such as honour killing, acid throwing, harassment, sexual assaults and domestic violence and so on. Gender inequality is a deep-rooted menace in Pakistan that is potentially hampering its socio-economic advancement and progress. Women's participation in social processes remains constrained due to the norms that persist though there are variations in their application determined by rural-urban and geographical location and class. Their engagement in formal political processes has steadily improved though still not commensurate with their share of the population (UN Women Pakistan, 2020).

Women and Healthcare

Gender disparity in Pakistan healthcare system contributes to dismal health of women. The women in Pakistan are unable to access proper healthcare due to numerous reasons. Some of the major health problems faced by Pakistani women include anemia, pregnancy related complications, cancer and mental health. In addition to service delivery interventions, strategies are required to counter factors influencing health status and restricting access to and utilization of services. Improvement in women's health is bound to have positive influences on their children and wider family's health, education and livelihood; and in turn on a society's health and economy.

Limited Role in Decision Making

Women have a very limited role in decision making. The vast majority of women depend on their male family members for any decision related to their lives, i.e. education, economic opportunities, marriage, healthcare, household purchases, etc. The degree of dependency varies across regions and rural/urban locations and rigidity of social/cultural norms.

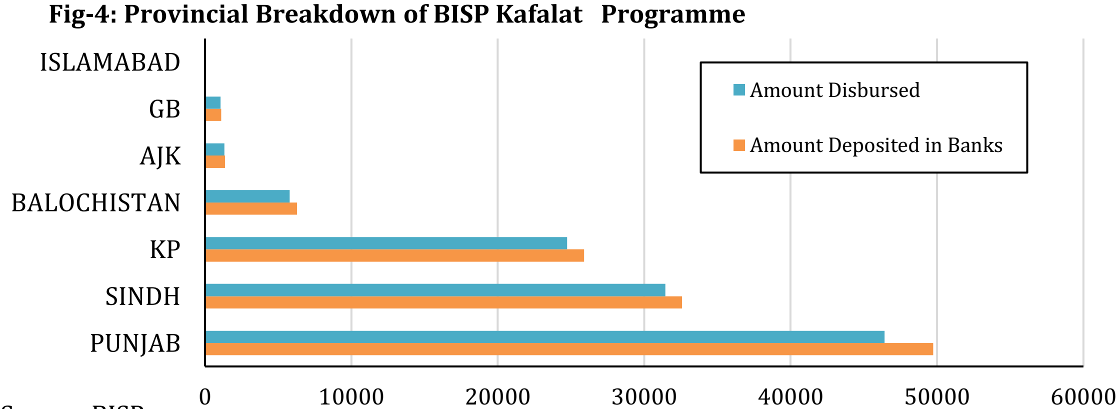
Even at the national level, the representation of women is dismal. The proportion of seats held by women in national parliament (as a percentage of total seats) is around 20.2 percent[2]. This is why women concerns hardly get due attention. In addition, women in democratic spaces are rare.

Initiatives taken by the Government during 2021-22

The government has prioritised gender equality as a high priority goal. A few important initiatives adopted during 2021-22 include:

- Ministry of Planning, Development & Special Initiatives (PD&SI) launched the National Gender Policy Framework-2022 on March 8, 2022. The framework was developed in active coordination with the Ministry of Human Rights and all key institutions, while engaging federal and provincial stakeholders, development partners, sectoral and subject experts, meaningfully engaging the youth, and deliberating on the strategic priorities for bridging the gender gap in education, employment and making workplaces conducive for women across the country.
- During July-May FY2022, 8.23 million beneficiaries were served under the Ehsaas Kafalat programme. The total amount disbursed was Rs 110.80 billion.

Fig-4: Provincial Breakdown of BISP Kafalat Programme



Source: BISP

2 https://data.unwomen.org/country/pakistan

- In the budget allocation for 2021-22, Rs260 billion were allocated for the Ehsaas Programme to provide relief to 14 different categories of low-income groups including students. Some 50 percent of the beneficiaries of all initiatives under the Ehsaas Programme are stated to be women.
- Under KamyabJawan Programme Rs 25 billion funding allocated for women. The government has so far disbursed around Rs 1 billion among the female entrepreneurs, qualified under the Youth Entrepreneurship Scheme (YES) of KamyabJawan Programme (KJP).
- In February 2022, the six-month stipend for deserving women under Ehsaas Kafaalat was increased from Rs 12,000 to Rs 13,000 each.
- By December 2021, 50 centers had been setup in 15 districts for extending Ehsaas Nashonuma support to deserving women and the aim is to extend this programme nationwide.
- Provinces have been requested to develop a gender-based programme in upcoming ADP 2022-2023 aligned to the endorsed National Gender Policy Framework and have their Gender M&E frameworks in place to ensure additional investments and focused efforts in this domain

Legislative measures

Some of the recent legislative measures to promote gender equality are listed below:

- The Protection Against Harassment of Women at the Workplace (Amendment) Act, 2022
- Islamabad Capital Territory Senior Citizens Act, 2021
- The National Commission on the Rights of Child (Amendment) Bill, 2021
- The Islamabad Capital Territory Child Protection (Amendment) Bill, 2021
- The definition of rape under Section 375 has also been expanded and gang rape penalized.
- ICT Rights of Persons with Disability Act, 2020
- Legal Aid and Justice Authority Act, 2020
- The Zainab Alert, Response and Recovery Act, 2020
- Protection of Journalist and Media Professionals Bill, 2021
- Domestic Violence (Prevention and Protection) Bill, 2020
- Torture, Custodial Death and Custodial Rape (Prevention and Punishment) Bill 2020

Besides, the Ministry of Human Rights has drafted a Model Policy on violence against women to address all forms of violence which women faces during their daily life along with an implementation strategy for legislations and policy already enacted to safeguards rights of women.

Box1: Population and Housing Census

- The Population and Housing Census is a vital national exercise linked with provision of data for key policy making matters regarding development programmes, political representation and resource allocation which has far reaching impact.
- A national census is mandated by the Constitution of Pakistan to be held every 10 years. After the independence of Pakistan in 1947, the first census took place in 1951. Since 1951, there have been only 6 nationwide censuses (1951, 1961, 1972, 1981, 1998 and 2017).
- The first census was conducted from 9th February to 28th February, 1951. The Dominion of Pakistan (both West and East Pakistan) had a population of 75.7 million, in which West Pakistan had a population of 33.7 million and East Pakistan (today Bangladesh) had a population of 42 million
- The second population census was conducted from 12th January to 31st January, 1961. The population was 93 million, with 42.9 million residing in West Pakistan and 50 million residing in East Pakistan.
- The third census of Pakistan was held in 1972. According to the 1972 census, the population of Pakistan was 65.3 million.
- The fourth decennial Population Census of Pakistan was conducted in March, 1981. According to the 1981 census, the population of Pakistan was 84.3 million.
- The 1998 Census of Pakistan was the fifth Pakistan national census and the population of Pakistan was 132.4 million.
- The sixth census was conducted in two phases in 2017. According to Census-2017, the country's total population was 207.7 million, with an annual growth rate of 2.4 per cent.

7th Population and Housing Census – 2022 (Digital Census)

Pakistan Bureau of Statistics (PBS) has started preparatory work to conduct first ever Digital Population and Housing Census. The main recommendations of the Census Advisory Committee are as follows:

- Census must be conducted Digitally with real-time online monitoring & geo-tagging of all structures
- Ensure Universality: Counting of whole population residing in country at the time of the census irrespective of its Status/ Holder of CNIC or not
- De-jure Method of enumeration is recommended (person is enumerated at usual place of residence).
- Single Census questionnaire may be administered which should be strictly in relevance to the objectives of Census.
- Law enforcement agencies may be used for security but not for enumeration / verification.
- Field data collection / monitoring may be carried out by Provincial Governments staff. Comprehensive trainings and involvement of graduate students in the enumeration process is recommended.
- Involvement of stakeholders (especially provinces / political parties) from start to end (planning to finalization of results)
- Establishment of National Census Coordination Center (N3C) with representation of Provincial Governments for effective monitoring, coordination and policy decisions.
- Effective publicity campaign with effective use of social media for clarity regarding the primary objective of census which may begin early and extend right up to the release of the first initial results
- Conduct of Pilot Census for checking the whole process and conduct of Post Enumeration Survey for assessing reliability of data and coverage.

The Census process shall tentatively be completed **in 18 months/ 540 days.** Results of the 7th Population & Housing Census will be handed over to the Election Commission for delimitation for the next General Elections due to be held in 2023. As per recommendations of the Census Advisory Committee, the census questionnaire has been finalized and "Census Monitoring Committee" has also been proposed for monitoring, coordination and policy decisions for smooth conduct of 7th Population & Housing Census.

The Government has been allocated Rs **5 billion** in FY-2021-22; the maximum budget will be spent for procurement of hardware for 7th Population and Housing Census-2022.

Source: Pakistan Bureau of Statistics

PSDP Allocation on Population Programmes

The Public Sector Development Programme (PSDP) is an important policy instrument for achieving socio-economic objectives of the government. It also creates spillover impact for the private sector and leverages potential of the economy for creation of greater social good. The allocation on population activities during 2021-22 is as under:

Table 12.6: PSDP Allocation on Population Programmes

Sr. #	Project	PSDP Allocation
1	Population Welfare Programme, GB	Rs 107.800 million
2	Implementation of National Action Plan on Population (2021-26)	Rs 250.000 million

Source: Ministry of Planning, Development and Special Initiatives

Key Initiatives

a. Three Years Rolling Growth Strategy (3YRGS)

- Planning Commission has constituted a Working Group on "Inter Provincial Augmentation on Population Programmes" to lower growth rate for "Three-Year Rolling Growth Strategy (3YRGS) – Agenda for Economic Diversification, Transformation on Jobs-led Growth". One of the key pillars of this 3YRGS is "Inter-provincial Augmentation on Population Control Programmes".

b. Pakistan Demographic Resource Center (PDRC)

In alignment with the government's vision, efforts are being made to strengthen data generation and population statistics to identify priority population factions before rolling out contextualized reform programmes. In this regard, the PDRC is also envisioned in collaboration with all stakeholders and international consultants. The project is an initiative to collect, analyse and making use of population data in policy making. The center is proposed to be working with concerned stakeholders including provincial population and health departments, National Institute of Population Studies, Pakistan Bureau of Statistics, development partners etc. So far, two meetings have been organized with Data and Research organizations and representatives of Population Welfare Departments. The initiative has been backed and supported by UNFPA and Ministry of Planning Development & Special Initiatives.

c. Revision and Updating of Curriculum for RTIs

The Regional Training Institutes (RTIs), all over Pakistan, are responsible for capacity building training of the health personnel for providing Family Planning (FP) /Reproductive Health (RH) services to the communities. The Training Curriculum used by the RTIs has been revised and updated with technical assistance from World Health Organization (WHO).

d. Revision and Updating of Standardized In-Service Training Package on Family Planning for Facility-based Providers

Health care providers play a crucial role in delivering high-quality family planning services with respect and dignity to people in need. Family planning services require availability of a range of FP modern methods, logistics system in place to ensure a sustainable supply of FP commodities, method-specific counseling for informed choice, and trained providers for appropriate counseling of clients and necessary technical skills to deliver FP service. With this understanding, the Government has updated Training Package on Family Planning to strengthen its services. The package is specifically designed for health care providers. It is a comprehensive package that addresses all components of FP services and comprises of Facilitator Guide and Participant Module.

Conclusion

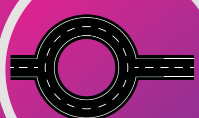
Pakistan has some of the greatest demographic opportunities for development in the world as growing youth population enters adulthood. The demographic dividend can only be achieved with adequate investments in the education and skills of youth, harvesting the fruits of long-term human capital development. The Government is also providing young people with skill-training and access to finance for setting up businesses to further promote youth entrepreneurship. Skill development institutes are making all efforts to improve youth employability. Moreover, focused efforts are required for providing equal opportunities of health, education and skills for women to achieve the goal of inclusive and balanced growth.

TRANSPORT & COMMUNICATION

Projects worth

$17 billion

completed under BRI



Pakistan has 48 national highways, motorways and strategic roads with a total length of 14,480 Km

National Carrier (PIA) has added two airbuses A320 to its fleets

Pakistan Railways comprised of a total 466 Locomotives for a 7,791 Km route length

Chapter 13

Transport and Communications

A modernized transportation and communication network promotes regional connectivity, domestic trade, and social uplift and passenger mobility requirements in timely and cost effective way along with export competitiveness. Pakistan is blessed with a very unique geo-strategic location where opportunities and potential can be realized by exploring its critical connectivity of land routes, coastal lines and pass through air routes. The country offers the most effective, economical and viable transit routes throughout the seasons to the land locked Central Asian countries and other neighboring states while providing them a very convenient trade corridor.

CPEC is a flagship and most actively implemented project of the Belt & Road Initiative where Pakistan and China have successfully launched 56 projects on the ground. The Government is taking benefits of its strategic location and has focused on developing efficient and well integrated transport and communication system by connecting remote regions of the country into one road one Asia chain.

Modes of Transportation

Users of the transport network have a wider range of modes to choose from, however, most common and extensively used at present are highlighted below:

Air Linkage

Performance of the Pakistan International Airlines Corporation (PIAC)

Table 13.1: PIAC Performance

Indicators	Units	2017	2018	2019	2020	2021
PIAC Fleet	No. of Planes	36	32	32	30	30
Route	Km	360,937	332,303	389,725	778,609	374,054
Available Seat	Million Km	19,108	18,081	18,372	8,902	7,682
Passenger Load Factor	Percent	73.20	77.3	81.3	74.5	66.9
Revenue Flown	000 Km	75,207	70,089	70,515	38,114	34,544
Revenue Hours Flown	Hours	122,081	110,050	110,640	58,519	55,710
Revenue Passengers Carried	000 nos.	5,342	5,203	5,290	2,541	2,657
Revenue Passengers	Million Km	13,988	13,975	14,938	6,629	5,138
Revenue Load Factor	Percent	55.2	58.4	58.6	51.3	53.7
Operating Revenue *	Rs million	-	100,051	146,097	94,683	86,185
Operating Expenses *	Rs million	-	170,447	160,037	102,912	101,212

PIAC financial year is based on calendar year.
*: Revenue & Cost is based on provisional/estimated & un-audited accounts
Source: Pakistan International Airlines

PIA has taken following measures for revamping its operation in FY2022:

- PIA has started its fleet replenishment and is adding on new aircrafts in its fleet. PIA has added two A320 in first quarter of 2022 and plans to add four more Airbuses A320s during 2022. The decision of induction of fuel efficient narrow body aircraft overall fits perfectly in PIA's new direction to capitalize and consolidate itself on the productive domestic and regional routes, paving the way for expansion back on the medium and long haul routes of Europe, UK and North America.
- PIA Engineering & Maintenance (E&M) capability was enhanced to handle state of art modern fleet including Boeing 787 Dreamliner and Airbus A350/A330/A320 NEO fleet.
- PIA commissioned an ATR shed in North Wing of Pakistan, i.e. Islamabad providing maintenance service level up to check 'A' level on Airbus A320/Boeing B777 and up to maintenance check 'C' level on ATR fleet.
- MRO IT, an ERP solution for maintenance activities are being implemented in PIA Engineering.
- PIA (E&M) regulatory approval-base has considerably increased. In addition to approval from PCAA, PIA hold regulatory approvals from foreign civil aviation authorities like QCAA (Qatar), PACA (Oman), GACA (Saudi Arabia), BCAA (Bahrain) and CAASL (Sri Lanka)
- As a part of route rationalization process, loss making routes were closed and frequencies were increased on profit making routes. Upon acquisition of more aircraft, PIA will certainly avail opportunities to expand its network.
- In order to ensure on-time departures and to avoid delays, special public awareness campaigns were created using mainstream and social media specially consequent to the prevailing COVID-19 related SOPs/PCR testing and delays due to adverse weather conditions / fog, etc.
- PIA sent over 15 million flight information SMS to its valued customers to save them from any hassle especially when flight is delayed due to some reason. The SOP to send SMS for flight details/schedule confirmation and/or for any delay in disruption has resulted in tremendously reducing customer complaints and annoyance.
- A very effective baggage identification system WTR (World Tracer Management) has been introduced through which the misplaced baggage is delivered to the passengers in a very short time.
- Manpower rationalization has been achieved. Cabin crew strength has been brought down from 1500 plus (2019) to 1025(2021).
- Maximum flight assignments are being done from base-to-base in order to reduce domestic travel and hotel accommodation.
- Flight operation (cabin crew) of Multan, Sialkot and Faisalabad is being supported by LHE and ISB bases.

- Passengers Services System (Hitit) was operationalized and implemented which resulted in significant savings.
- Increase in global distribution and sales network by brining Sabre, Travel port and Amadeus on board without exclusivity.
- The efforts of PIA in the largest repatriation operations consequent to COVID-19 outbreak and uplifting of more than 100 million vaccines from China to Pakistan to strengthen the efforts of NCOC and NDMA were also highlighted to the nation.
- A detailed study was carried out which revealed that HR ratio is higher than available aircraft in the fleet. Further, Voluntary Separation Scheme was launched and as a result 1816 employees benefitted from this scheme.
- PIA reduced its workforce by nearly 40 percent from 14,500 regular employees to 8,156 bringing per aircraft ratio from 550 to 250, it will come down to 230 by the end of the year.
- Removal of positioning flights and dead-legs from aircraft and network operations.

Road Linkage

National Highway Authority (NHA)

NHA is committed to provide safe, modern and efficient transportation system. Pakistan is geographically bisected into two halves by River Indus. Eastern segment is historically well developed. To bring the Western segment at par with the Eastern half, NHA is improving East-West connectivity through construction of numerous bridges across river Indus in addition to investing and paying extra attention to the development of west. The present NHA network comprises of 48 national highways, motorways and strategic roads. Current length of this network is 14,480 kms.

Development Projects in FY2022

NHA portfolio in PSDP FY2022 consists of a total of 68 projects with a total budget of Rs 155,416.67 million. Out of these 68 projects, 47 are on-going with an allocation of Rs 99,375 million in PSDP FY2022. Out of this amount, 20,741.528 million is FEC component and Rs 78,633.472 million is the local component. Further, 15 new schemes are in PSDP FY2022 with an allocation of Rs 14,375.0 million. In addition to that, 06 BOT Schemes are also in PSDP FY2022 with an allocation of Rs 41,666.67 million.

List of PC-Is approved by ECNEC in FY2022

1. A total of 02 PC-Is have been approved by ECNEC in FY2022. The detail of these projects is given in Table 13.2.

Table 13.2: List of PC-I Approved by ECNEC in FY2022

Sr. No	Project Name	Length (Km)	Cost (Rs million)	Approved by	Current Status
1	PC-I for Construction of Gilgit-Shandoor Road (216 Km)	216	49,946.070	ECNEC 04.06.2021	Pkg-1,2&3 contractors mobilized.
2	Dualization of Khuzdar-Kuchlak Section (330 Km) N-25	330	81,582.219	ECNEC 04.06.2021	Pkg-1:Awarded Pkg-2:Awarded Pkg-3&4:under process Pkg-5:realignment in progress

List of PC-I processed by NHA for approval of DDWP in FY2022

2. 02 PC-Is processed by NHA in the FY2022, out of which 01 PC-I has been presented/approved in Departmental Development Working Party (DDWP) meetings and 2nd PC-I has to be presented before DDWP. The detail is given in Table 13.3.

Table 13.3: List of PC-I processed by NHA for approval of DDWP in FY2022

Sr. No	Project Name	Length (km)	PC-I Cost (Rs million)	Approved by	Current Status
1	PC-I for Construction of Bhong Interchange on Sukkur – Multan Motorway (M-5) at its Intersection with Bhong – Sadiqabad Road (Km 520+130)	-	1263.25	DDWP 11.02.2022	PC-I approved by DDWP in its meeting held on 11-02-22 at a cost of Rs 1,200.67 million.
2	PC-I for Construction of Flyover at the Junction of N-5 & N-65 at Sukkur 4-Lane Along with Approach Roads	-	1351.547	To be presented before DDWP	

List of PC-II Processed / approved by DDWP in FY2022

1. 20 PC-IIs processed by NHA in the FY2022 for approval of DDWP, out of which 06 PC-II's have been presented/approved in DDWP meetings.

Project Approved by DDWP

i) PC-II for feasibility study and detailed design for road tunnel across Babusar pass and its link access roads

ii) PC-II for feasibility study and detailed design for development of rest areas along major highways in Balochistan including M-8 (41 Nos rest area approx.)

iii) PC-II for feasibility study and detailed design and preparation of PC-I for construction of road between Shounter to Rattu along with tunnel at Shounter

iv) PC-II/TOR for feasibility study and detailed design for construction of Shadadkot bypass on (N-55)

v) PC-II for Riverine Survey, Hydrology study and coordination for Hydraulic Model Study for construction of additional bridge over river Indus at Ghazi Ghat on N-70

vi) PC-II for feasibility study and detailed design for construction of Wangu Hills tunnel on M-8

China-Pakistan Economic Corridor (CPEC)

CPEC is a flagship and most actively implemented project of the Belt & Road Initiative (BRI) where Pakistan and China have successfully launched 56 projects on the ground. Out of these projects, 26 projects worth approximately US$17 billion have been completed so far and 30 projects worth US$8.5 billion are under construction. Moreover, 36 projects having an estimated cost of US$28.4 billion are also under different stages of negotiations for inclusion in the CPEC framework. This tremendous progress is a sign of great efforts and achievement of both the nations and realization of the dream of connectivity and inclusive economic growth.

CPEC is being expanded in the following areas:

- Trade & Market Access
- Industrial Development & Global Value Chains
- Socio-Economic Development & Poverty Alleviation
- Agriculture Modernization & Marketing
- Sciences & Technology Cooperation
- Blue Economy
- Regional Connectivity & Third Country Participation

The Government of Pakistan considers CPEC 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. Government is expanding the scope of CPEC so that it becomes a "Gateway of Prosperity" for both countries and the region at large. Moreover, the Chinese and Pakistani workforce, in a large number, is employed to ensure timely completion of the Infrastructure projects and launch new projects such as Sukkur-Hyderabad Motorway (M-6), Peshawar-D.I.Khan Motorway (M-14), KKH Alternative Route (Gilgit-Shandor-Chitral), Swat Expressway (Phase-II), Dir Expressway, Karachi Circular Railways.

Transport Infrastructure

In the Transport Infrastructure sector, remarkable progress has been achieved so far. On the Eastern Alignment, Sukkar-Hyderabad (M-6) section has been proposed on Public-Private Partnership (PPP) mode. The following new projects have been proposed for inclusion in the CPEC framework in the 10th Joint Coordination Committee Meeting held on 23rd September 2021.

(i) D.I. Khan-Peshawar Motorway (365 Km)
(ii) Swat Expressway Phase-II (82 Km)
(iii) Dir Expressway (26 Km)

In addition to the road projects, construction work on (NGIA) is well under way and likely to be completed by October 2023.

Maritime Linkage

Pakistan National Shipping Corporation (PNSC)

Despite the prevailing unfavorable macroeconomic condition of the country, the PNSC Group has managed to achieve (98 percent) increase in profit after tax to Rs 2,446 million as against Rs 1,235 million in the corresponding period last year. Group earnings per share increased to Rs 18.52 million as against Rs 9.35 million in the comparable period last year. Cumulatively, the Group achieved a turnover of Rs 16,223 million (including Rs 6,295 million from PNSC) as compared to Rs 9,633 million (including Rs 1,978 million from PNSC) for the same period last year. The major increase was seen in the Dry Cargo segment (including slot charter) which was increased by Rs 3,036 million.

The revenue from Liquid Cargo segment increased by Rs 3,543 million mainly due to increase of Rs 2,980 million from Foreign flagged vessels. The controlled strategies implemented by management caused other expenses at the group level to fall by Rs 188 million (52 percent). During the nine months of FY2022, the cost on long-term financing decreased by Rs 46 million (11 percent). At present, PNSC fleet comprises of 11 vessels of various type/size (05 Bulk carriers, 04 Aframax tankers and 02 LR-1 Clean Product tankers) with a total deadweight capacity (cargo carrying capacity) of 831,711 metric tons, i.e. highest ever carrying capacity since inception of PNSC.

Commercial and Financial Performance

The breakup of commercial and financial performance of PNSC (un-audited) covering July–March FY2022 of PNSC is given Tables 13.4-13.5.

Table 13.4: Commercial Performance

FY2022	Tanker	Chartering	SLOT Consolidated	
	Liquid Cargo (MT)	Dry Cargo (MT)	TEUs	Slot BB/LCL
	7,715,057.624	961,690.6	1,802	18,409.5

Table 13.5: Financial Performance (Amount Rs '000)

S.No.	Financial Results	FY2022	FY2021
1	Revenue	16,222,688	9,632,731
2	Expenses	(12,325,171)	(7,388,157)
3	Gross Profit/(Loss)	3,897,517	2,244,574
4	Administrative, Impairment & Other Expenses	(1,355,950)	(1,108,806)
5	Other Income	634,262	654,062
6	Operating Profit	3,175,829	1,789,830
7	Finance Cost	(380,760)	(427,115)
8	**Profit before Taxation**	**2,795,069**	**1,362,715**

Source: Pakistan National Shipping Corporation

Karachi Port Trust

During July-March FY2022, Karachi Port Trust managed a total cargo container volume of 39,713 million tonnes (Table 13.6). It recorded 1 percent increase in total cargo and container handling over the last year. While import cargo container decreased by 2 percent and export increased by 7 percent in the period under review.

Table 13.6: Cargo & Container Handling at Karachi Port (000 tonnes)

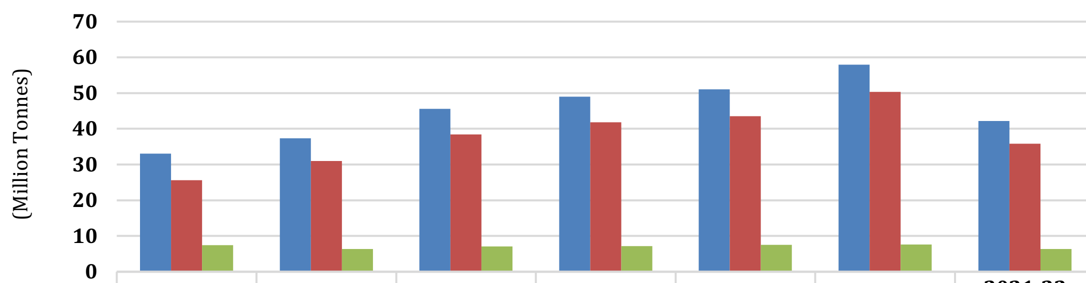
Fiscal Year	Imports	Exports	Total	%Change		
				Imports	Exports	Total
2015-16	34,594	15,451	50,045	-	-	-
2016-17	42,638	9,855	52,493	23	-36	5
2017-18	41,669	13,016	54,685	-2	32	4
2018-19	32,863	14,031	46,893	-21	8	-14
2019-20	27,206	14,634	41,840	-17	4	-11
2020-21	36,469	15,810	52,279	34	8	25
(July-March)						
2019-20	21,076	11,527	32,603	-16	11	-8
2020-21	27,546	11,878	39,424	31	3	21
2021-22	27,008	12,705	39,713	-2	7	1

Source: Karachi Port Trust

Port Qasim Authority

Port Qasim Authority handled a total cargo volume of 42.199 million tonnes in first nine months of FY2022. Out of which 35.834 million tonnes were imported and 6.365 million tonnes were exported, as illustrated in Figure 1.

Fig-1: Year-wise Trade Activity of Port Qasim Authority



	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 Jul-Mar
Total	33.032	37.358	45.555	49.031	51.017	57.993	42.199
Import	25.587	30.995	38.471	41.878	43.509	50.339	35.834
Export	7.464	6.363	7.084	7.153	7.508	7.654	6.365

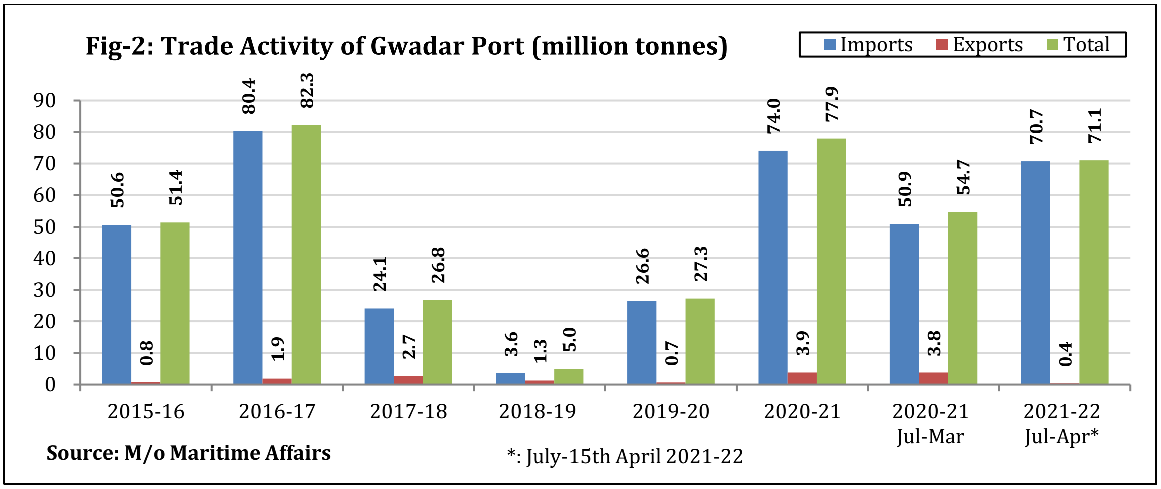
Source: M/o Maritime Affairs

Gwadar Port Authority

Gwadar City Development

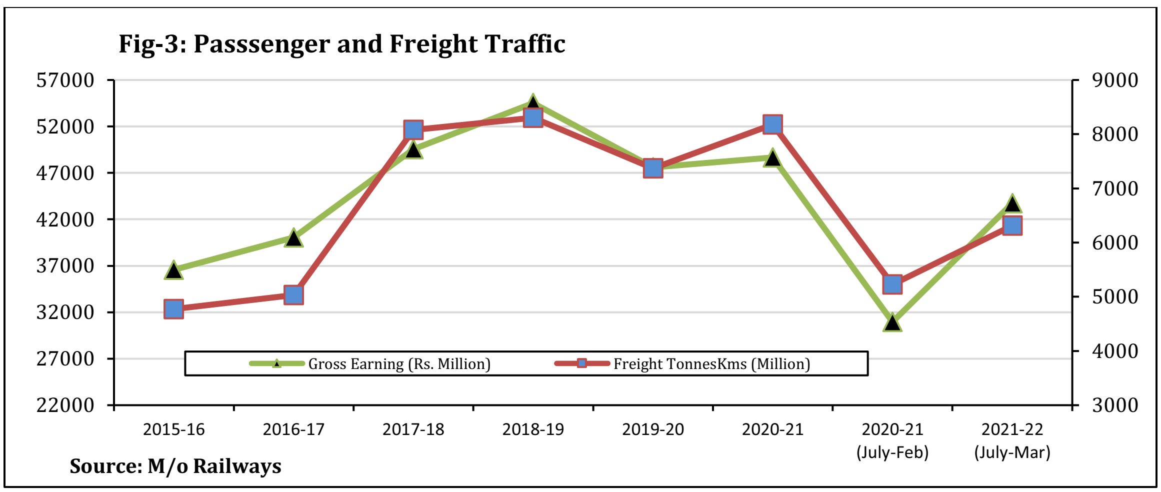
The development of Gwadar is a priority for the Government of Pakistan (GoP). The commercial, political, socio-economic, and regional connectivity related benefits that can be realized once the port (and the city) reaches its full potential. Lying at the mouth of the Persian Gulf, Gwadar is a strategic warm water deep seaport being developed under CPEC.

In the win-win cooperation framework between China and Pakistan, Gwadar projects have achieved significant progress. For a sustainable way forward, the Federal Government and Provincial Government of Balochistan are making all-out efforts to realize the planned CPEC projects in Gwadar at the earliest. The master plan of Gwadar city has been approved in the FY2020. Also, the land use regulations notified by GDA and the project for implementation of the plan is in progress. Work on NGIA is underway. Eastbay Expressway project is substantially completed and it will be inaugurated in June 2022. Moreover, Pak-China Vocational & Technical Institute in Gwadar was inaugurated in September 2021. Work on Pak-China Friendship Hospital project at Gwadar is underway and likely to achieve CoD by November 2022. Also, projects related to the provision of drinking water such as "Necessary Facilities of Fresh Water Treatment, Water Supply and Distribution" & "1.2 MGD Desalination Plant" are in construction process. Measures are also underway to expedite Gwadar 300 MW Coal Power Plant, Construction of breakwater and dredging of berthing areas and channels.



Railways Linkage

Pakistan Railways is one of the key modes of transport in the public sector which promotes national integration and economic growth. Pakistan Railways comprised of a total of 466 Locomotives for 7,791 Km route length. During July-March FY2022, the gross earnings of railways are recorded at Rs 43,731.59 million.



Pakistan Electronic Media Regulatory Authority

Pakistan Electronic Media Regulatory Authority (PEMRA) has been established under PEMRA Ordinance 2002, as amended by the PEMRA (Amendment) Act 2007, to facilitate and regulate private electronic media in Pakistan, to improve the standards of information, entertainment and to enlarge the choice available to the people of Pakistan including news, current affairs, religious knowledge, art and culture as well as science and technology. The Authority is responsible for facilitating and regulating the operation of all types of broadcast media and distribution services in Pakistan.

PEMRA is now in its 20th 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, DTH and MMDS in 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 123 Pakistani Satellite TV Channels and 42 channels with Landing Rights Permission in Pakistan. This boom is owed to the government's unequivocal commitment to a free media and the proactive role played by PEMRA in facilitating the growth of the electronic media. The 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. Following facts and figures on licensing of media amply substantiates growth which has taken place in electronic media in private sector in the last twenty one years (Table 13.7).

Table 13.7(a): Licensing Status (Till 16th April, 2022)	(Nos.)
Satellite TV Licenses Issued:	123
i. News & Current Affairs:	32
ii. Entertainment:	47
iii. Regional Languages;	23
iv. Health:	3
v. Sports:	5
vi. Education:	8
vii. Specialized subject Channel (Non-Commercial/ Education)	5
FM Radio Licenses Issued:	265
i. Commercial:	197
ii. Non Commercial:	68
Cable TV Licenses Issued:	4,152
Landing Rights Permissions Issued:	42
Mobile TV (Video & Audio Content Provision) Service Licensing:	6
Internet Protocol TV (IPTV) Licences Issued:	21
Direct-to-Home (DTH):	1
Teleport (Broadcast) License:	1
Provisionally Registered Television Audience Measurement (TAM)/ Television Rating Point (TRP) Companies in Pakistan	5
Source: PEMRA	

Table 13.7(b): Licensing During July-April FY2022

Category	**Number of licenses**
i. Satellite TV Channel Licences:	9
a) News & Current Affairs	1
b) Entertainment	5
c) Sports	2
d) Education	1
ii. FM Radio Licences:	4
a) Commercial:	1
b) Non-Commercial:	3
iii. Cable TV Licences:	394
a) New Licences:	47
b) Renew:	347
iv. Internet Protocol TV (IPTV) Licences Issued:	9

Source: PEMRA

Financial Contributions

Besides collecting advance tax from licensees at the time of issuance of licenses and their renewal, PEMRA has deposited Rs 2,214,000 in the Federal Consolidated Fund (FCF) upto December, 2021 (Table 13.8).

Table 13.8: Financial Contributions (in Rupees)

Financial Year	Surplus	Fine & Penalty	Total
2020-21	5,097,122	6,068,000	**11,165,122**
2021-22 (upto December, 2021)	-	2,214,000	**2,214,000**
Total:	**976,999,598**	**90,685,549**	**1,067,685,147**

*: Year wise detail may be seen in previous surveys.

Source: PEMRA

Economic Contribution

The growth of Media Industry in Pakistan has multiplied rapidly during last decade and now this sector is contributing considerably in building broadcasting apparatus in the major cities of Pakistan and generating a large number of job opportunities for the youth, aspirant to pursue carrier in Electronic Media. Over the period, cumulative investment of approximately US$4 to US$5 billion has been estimated in Electronic Media industry of Pakistan.

The Media Industry in Pakistan is providing employment to more than 300,000 people in the field of journalism, management and technical. However, with the growing landscape of media industry, significant employment opportunities are expected in coming 3 to 5 years. New licensing of Direct-to-Home (DTH), satellite TV channels, FM radios and 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 company, i.e. M/s Shahzad Sky (Pvt.) Ltd. is going to start its DTH services. This would be a huge project and help in giving impetus to Pakistani media in terms of technology and revenues. Moreover, new licences would inject investment of approximately US$ 2 to US$ 3 billion in various projects. PEMRA, being the regulator for Electronic Media and its distribution services in Pakistan, is exploring new regimes for licensing such as Television Audience Measurement (TAM) services, OTT (Over the Top), Teleporting, etc. All these ventures would generate more job opportunities for the people in Pakistan.

Pakistan Television Corporation Limited

Pakistan Television Corporation Limited (PTV) is the only public sector broadcasting channel which telecast national and international programs in metro cities and also remote and economically backward areas of the country in order to keep the masses aware of current affairs of the country as well as the whole world. At present, PTV is operating 7 channels like PTV Home, PTV News, PTV Sports, PTV Global, PTV National, PTV Bolan and PTV World. Only PTV English News channel in Pakistan is telecasting the information about Pakistan domestically as well as internationally. Pakistan Television covers 100 percent area of population on terrestrial network. The total of registered TV Set holders in year 2021 are 23,214,967.

Major Development Activities Proposed for the First Half of FY2022.

Government of Pakistan has kept Rs 699.069 million for 06 PSDP Projects of PTVC in FY2022 as per following detail.

Table 13.9: Major Development Activities Proposed for the First Half of FY2022

PSDP Projects of PTVC	Amount (millions)
RBS Ziarat	7.72
RBS KotliSattian	20.243
RBS Kharan	25.312
RBS Bar Khan	19.663
Modernization of Camera and Production Equipment of PTV	121.481

Source: PTV

The four of above projects are ongoing and will be completed till 30th June 2022. While, the work on RBS-Ziarat has stopped due to arbitration with contractor.

PTV is trying its level best to improve signal quality of terrestrial network in the less develop areas of Pakistan, for which DTMB-A project through grant in aid is in the pipe line with the help of Chinese grant. The work on RBS-Murree, Cherat and Kala Shah Kaku is under process for the upgradation of transformers and new power connections.

Pakistan Broadcasting Corporation (PBC)

PBC is another most important and effective electronic media, for the projection of government policies and aspirations of the people of Pakistan within the country and abroad. It aims to provide information on education and entertainment to the masses through radio news and programs of high standard. It also counters adverse foreign propaganda and negative perceptions.

An amount of Rs 4,473.751 million budget was allocated to PBC to meet the employee's related as well as operational expenditure for the FY2022 and Rs 3,355.313 million released to PBC from for the expenditure of first three quarters of FY2022.

Achievements of PBC (July-March FY2022)

1. **Religious programmes**

   Radio Pakistan has started new series of seminars titled "کائنات کی افضل ترین ہستیاں" to highlight the life history, messages and sacrifices of the Prophets of Allah to guide the listeners to act upon the teachings of Allah and to create environment of harmony and cohesion for sustainable peace and security in the society.

2. **COVID-19 related Awareness**

   Radio Pakistan aired special promos & messages to educate the people, relating vaccination and booster dose at nearby vaccination centers. The messages were produced in Urdu, Punjabi, Sindhi, Balochi, Pashto, Kashmiri, Saraiki, Brahvi, Pehari, Shina, Khowar and Gojri languages to raise awareness about precautionary measures among the masses.

3. Wide Spread Publicity and Coverage of new Government's Initiatives

Radio Pakistan also playing an effective role in wide spreading the government initiatives to update masses on latest government development on regular basis.

4. Highlighting Kashmir Issue

Broadcast of special exclusive transmission for the Indian Illegally Occupied Jammu & Kashmir (IIOJ&K) started after imposition of curfew and communication blockade by the Indian Oppressing forces in the aftermath of changing the status of Kashmir in August, 2019 was continued as a special cause. All Government's initiatives to highlight Kashmir issue on international forums were specially highlighted in key programmes.

5. Special Programmes on Climate Change and its Effects

To highlight the dangerous impacts of deforestation and environmental pollution, Radio Pakistan continued broadcast of special weekly programme to sensitize general masses regarding the core issue of global warming. The flagship programmes are "Sarsabz Pakistan", "Maholiati Tabdiliaur Pakistan", etc.

6. Laptop Scheme for Youth

PBC broadcast a weekly programme to highlight the initiatives of new Government to create opportunities for youth to empower them in the process of decision making and encourage their representation in all spheres of life and to restart Laptop Scheme for the talented youth of Pakistan.

7. Prime Minister's Special Focus to Uplift Deprived Communities

Prime Minister is very much focused to promote deprived communities and to safeguard their rights will be highlighted in all national and regional languages programmes from all stations.

8. Rule of Law

All PBC Stations/Channels are highlighting and supporting the determination of Prime Minister to take measures for the establishment of rule of law and to highlight also the efforts of government to curb victimization in future.

9. Special Audience Programmes

PBC is addressing all segments of society and special audiences as well i.e. women, youth, children, laborer and playing its role in enhancing the scale of awareness on social and legal issues, etc.

10. Continuation of Agricultural Programme "Zarkhaiz Pakistan"

Radio Pakistan has launched special agricultural program "Zarkhaiz Pakistan" in collaboration with PARC. In this program, experts from PARC and other agricultural departments are participating to disseminate information to farmer community.

11. Diamond Jubilee Celebrations regarding 75th Anniversary of Pakistan

As Pakistan is going to celebrate its 75th anniversary in August, 2022. Radio Pakistan has started Diamond Jubilee celebrations from August 2021. In this regard, Radio

Pakistan has scheduled different series of programs from August, FY2022.

12. Saut-ul-Quran Channel/Network

Recitation from the Holy Quran and translation is aired from the Saut-ul-Quran Channel for 19 hours daily to meet religious aspirations and love for Islam by the masses.

14. Special Programmes in Ramadan-ul-Mubarak

Programme "پارہ بہ پارہ" is the special flagship programme of Ramadan-ul-Mubarak to highlight the main features of every para of Quran. The programme is broadcast from all stations/units of PBC on daily basis in their respective transmission.

Special Sehr & Iftar transmission is also one of the other prominent features of Ramadan transmission for general masses to observe Sehri and Iftar timings according to the most authenticated mechanism of Met Office and all religious sects of Pakistan.

15. Special Seminars Titled "جشن نزول قرآن"

It is the permanent feature to broadcast special seminars during the Holy month of Ramadan-ul-Mubarak to highlight the teachings of Holy Quran by all prominent religious scholars of the country.

16. Revival of Humorous Programmes

Radio Pakistan is going to broadcast humorous programmes to meet the demand of listeners and to address the social evils of the society in a lighter mode to combat petty quarrel and to create peaceful environment for all.

17. Continuation of PBC Podcast Service

Considering the popularity and effectiveness of social media platform, Radio Pakistan has also started its Podcast service, which has earned wide spread popularity. The same will be continued and more result oriented programmes will be uploaded for global listening for Radio Pakistan.

18. Broadcast of Flagship Programmes on Social Media Platforms:

Radio Pakistan started sharing its flagship programmes on different social media platforms (Facebook, Twitter, Youtube, Instagram), as social media is a popular medium among the masses.

Work Progress of Approved Projects:

i. PSDP project titled "Establishment of 100 KW Medium Wave Radio Station in Gwadar" at an estimated cost of Rs 462.908 million. Revised PC-I is under submission.

ii. Rehabilitation of Medium Wave Services from Muzaffarabad (AJK) at an estimated cost of Rs 354.079 million. Revised PC-I is under submission.

iii. PSDP project titled "Replacement of Medium Wave Transmitter at Mirpur" at an estimated cost of Rs 338.558 million. Revised PC-I is under submission.

iv. PSDP project titled “Installation of Passenger Elevator (Lift) at Radio Pakistan, Multan” at an estimated cost of Rs 13.639 million. Funds released and work is in progress.

v. PSDP project titled “Construction of Auditorium for 200 people at Radio Pakistan, Multan” at an estimated cost of Rs 37.119 million. Funds released and work is in progress.

vi. PSDP project titled “Up-gradation of Studios and Master Control Rooms” at an estimated cost of Rs 254.945 million.

Pakistan Post Office

Pakistan Post Office is one of the oldest government departments in the Sub-Continent. In 1947, it began functioning as the Department of Post & Telegraph. In 1962, it was separated from the Telegraph & Telephone and started working as an independent attached department of Ministry of Communications. Pakistan Post Office is 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, Postal Life Insurance Company Limited and Savings Bank, collection of utility bills, disbursement of funds and Foreign Remittances Payment.

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 is available in 29 cities and would be extended to other cities in future.

Electronic Money Order (EMO)

The “Electronic Money Order” service is one of the most promising services which are provided by an electronic transfer of Money. Provision of such services is becoming more and more important, as the concept of electronic Money Transfer is gaining popularity with each passing day. Presently, EMO service is available in all 85 GPO’s in the country, 186 Sub Post Offices of Higher/Lower Selection Grade (HSG/LSG) and also extended to newly established 812 Institutional/Digital Franchise Post Offices (IFPO’s/DFPO’s) throughout the country.

Pakistan Post Mobile App

Pakistan Post launched its own Mobile App. The App offers postal services tariffs, post codes, post office locator complaint registration, Track and Trace & Pick-up facility.

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–HBL Alliance

(Digitization of Pakistan Post Financial and Remittance Service)

HBL has been selected after bidding process under PPR-2004. The HBL will invest for deployment of Hardware & Software. HBL will provide training to Pakistan Post's employees as well as provide ERP Solution, liquidity and invest to improve Look & Feel of GPOs/Post Offices. The HBL will also provide E-Commerce portal and consultancy services for development of PPOD operations. The draft agreement between Pakistan Post and HBL has been vetted by Ministry of Law & Justice and the same is in process of finalization. The following will be co-products of PPO-HBL alliance:

a. Savings Accounts
b. Current Accounts
c. Salary Accounts
d. Pension Accounts
e. Collection of All Utility Bills
f. Domestic Remittances
g. International Remittances
h. Social Disbursements
i. Collection of Premium under Postal Life Insurance
j. Other Collections being offered by HBL
k. Any other co-product mutually agreed

Partnership with NADRA

Pakistan Post and NADRA signed an agreement for "Renewal/Modification of CNIC through Post Offices" on 20th June, 2017. Pilot project was launched in 10 Post & extended to 100 post offices. In Phase-I, 40 more Pak ID locations has been established under 2nd Phase. Pak-ID counters have also been established in all 85 GPOs to facilitate general public.

Collaboration between Pakistan Post and M/S Khushali Microfinance Bank Limited

Pakistan Post has earned Rs 2,606,425 as rent of space provided to M/S Khushali Microfinance Bank Limited (KMBL) and disbursed Rs 57,567,461/ recovered Rs 79,974,368 to KMBL clients on commission of Rs 70/. The total commission earned on disbursement/recovery of KMBL loan is Rs 1,655,819/-. The Pakistan Post and KMBL has recently agreed upon increase in rent of space provided to KMBL and addendum of agreement has been issued.

Transaction Advisor for Up-Gradation / Revamping / Re-Engineering of Pakistan Post Logistics Express and Mail Business on PPP Basis

Pakistan Post has hired a qualified Transaction Advisor to assist Pakistan Post in developing, structuring and procuring the Project on PPP basis. The Transaction Advisor will be perform the following tasks:

a. Carrying-out full-scope feasibility study of the Project and devise transaction structure capable of:
    i. Providing financially viable and bankable structure to the private party, and
    ii. Offering VFM solution to the public sector
b. Prepare complete bidding documentation package for the Project, including Request for Proposal (RFP), Request for Qualification (RFQ), PPP Contract/Concession Agreement, Project Information Memorandum, etc.
c. Assist Pakistan Post in soliciting technically qualified and financially sound private party through carrying-out transparent and efficient international competitive bidding; and;
d. Assist Pakistan Post in facilitating private party in smooth implementation of the Project including achieving its financial close by the private party, transferring assets and resources under the Project, etc.

Improvement of Pakistan Post Complaint Management System (CMS)

Pakistan Post already has a 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.

Pakistan Post's Facebook Page

Pakistan Post is maintaining a Face Book Page to receive feedback and suggestions for improvement in postal operations from general public and takes immediate appropriate remedial steps for further improvement https://www.facebook/pakistan.postoffice

Achievement of Savings Bank

Savings Bank work has been stopped by Pakistan Post Office Department and existing accounts are under transfer to CDNS on the direction of Finance Division.

Western Union (WU) Money Transfer Service:

Pakistan Post, under an Agency Agreement with Western Union, provides international remittance service under the Western Union Money Transfer Service through 2,000 Post Offices in the country. Details of WU remittance paid through PPOD during July-March FY2022 are as follows:

- Amount paid = Rs 7,469.231 million
- Number of transactions processed = 123,849 transactions
- Revenue earned = Rs 67.954 million

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 dispatched for delivery. Thus, it always remains net-creditor. Pakistan Post received an amount of Rs 610 million during the period from July-March FY2022 on account of Terminal Dues for imbalance of international mail received from and dispatched to other countries.

PPOD-NBP International Remittance Service

Pakistan Post, in collaboration with the National Bank of Pakistan (NBP), provides payment of/disburses foreign remittances under NBP's remittance service, through 500 designated Post Offices across the country. Details of NBP remittances paid through PPOD during July-March FY2022 are as follows:

- Amount paid = Rs 813.862 million
- Number of transactions processed = 11.632 transactions
- Revenue earned = Rs 0.279 million

Postal Life Insurance Company Limited (PLICL)

In order to comply with Financial Action Task Force (FATF) recommendations, Postal Life Insurance an integral part of Pakistan post has been decided to be placed under the regulatory Framework of Securities and Exchange Commission of Pakistan (SECP). Postal Life Insurance Company Limited (PLICL) has been incorporated as Public Limited Company with SECP on 10thMarch-2020.

The information relating to Insurance / PLICL may be sought directly from Chief Executive Officer (CEO) PLICL, 2nd Floor, ECO Postal Staff College Building Islamabad.

No. of Post Offices as on March-2022

The requisite summary of Rural & Urban Post Offices is given in Table 13.10.

Table 13.10: Number of Post Offices

Urban	Rural S.O	Total
1,510	8,012	9,522

Conclusion

Modern transportation and communication system is one of the key inputs for achieving sustainable economic growth. A network of roads, highways, motorways, sea ports, and airlines in a country makes it a center of economic activity by attracting investment, raising productivity and reducing cost of doing business. Government of Pakistan is committed to upgrade the transportation and communication system with the development of new roads, highways motorways, railway tracks and airports to improve connectivity. CPEC is pragmatic step for converting unique geo-strategic location of Pakistan into geo-economics through various transport related projects that will transform road infrastructure of Pakistan and improve access to central Asian, African and European states.

ENERGY

Oil import bill surged by

95.9%

Crude oil imports rose by 75.34 percent in value and 1.4 percent in quantity

Liquefied natural gas witnessed an increase of 82.90 percent in value

The contribution of imported coal in electricity generation from coal remained 75 percent

Chapter 14

Energy

Energy and Economy

Energy sector plays a vital role in the economic development of a country. The recent decades witnessed a manifold increase in the demand for energy. The three principal drivers of increase in energy demand are the surge in economic activities, population growth and rapid technological transformation in the world.

The surge in commodity prices in 2021 and during the initial months of 2022 mainly lifted by the global economic rebound, improved growth prospects and conflict between Russia and Ukraine. According to the International Energy Agency (IEA), the economic recovery from the COVID-19 pandemic, combined with unusual weather conditions led to a sudden jump in electricity demand by more than 6 percent in 2021. The cost of fuel and electricity has enhanced cost of overall production, consequently higher prices have substantially increased cost of living which further eroded the purchasing power of households across the world.

Currently, global economy faces higher energy prices which may remain intact due to the Russian-Ukraine war. The war has led to significant disruptions to the production and trade of commodities for which Russia and Ukraine are key exporters. World Bank's (WB) latest forecasts indicated that war in Ukraine is set to trigger the largest commodity shock. This would contribute to huge price surge for energy related goods including oil and natural gas. The WB report further revealed that energy prices are set to increase more than 50 percent, pushing up cost for households and businesses. This situation has raised concerns at global level, particularly for the developing economies where provision of energy subsidy has become a major challenge due to weak fiscal position.

Pakistan Energy Profile

Government of Pakistan (GoP) has announced different policies to ensure the smooth supply of energy to the general public and to boost economic growth. These polices include "The National Power Policy 2013", "The Power Generation Policy 2015" and "Alternative and Renewable Energy Policy 2019". The National Power Policy 2013 aimed to develop an efficient and consumer-centric power generation, transmission and distribution system that could meet the needs of the people and boost the economy of the country in a sustainable and affordable manner. The main targets included complete elimination of load shedding, decreasing the average cost of electricity generation, decrease in the transmission & distribution losses, increase in the revenue collection and a reduction in the time required for decision making at the ministry level or other related departments.

In 2015, Government introduced "Power Generation Policy 2015" to facilitate private investment in the power sector. The policy offered incentives to the private sector to set up new power generation projects as well as invest in public sector power generation projects in a different phases of development. The main focus of power generation policy 2015 was to have sufficient least cost power generation capacity in the country, prioritizing utilization of indigenous resources, facilitating all stakeholders involved in the transaction and safeguarding the environment.

In 2019, the Alternative and Renewable Energy Policy was introduced to assist and promote the development of renewable resources in the country. The main objective of the policy was to provide supportive environment for renewable power projects, increase the share of green energy capacity to 20 percent by 2025 and 30 percent by 2030 through attracting private capital in the area of green energy.

Energy sector is prone to certain challenges. For instance, the problem of circular debt in the energy sector is a long awaited issue. Successive governments have strived hard to bring circular debt down but the issue largely remained uncontrolled. In FY2013, circular debt was around Rs 450 billion which reached to Rs 1148 billion in 2018. According to the data of the Central Power Purchasing Authority (CPPA), circular debt stood at Rs 2467 billion by March 2022. This implies that circular debt is equivalent to 3.8 percent of Pakistan's GDP and represents 5.6 percent of Pakistan's government debt. Growing at the current pace and if it is allowed to grow unaddressed, it is estimated to reach Rs 4 trillion by 2025, demanding the urgency of reforms in the power sector.

Pakistan's dependence on liquefied natural gas (LNG) has increased in recent years due to depleting indigenous natural gas deposits. Over the past three years, the stock of circular debt in the gas sector has nearly doubled to Rs 650 billion increased from Rs 350 billion in 2018. The inappropriate response of the government created problems in the import of LNG by the private sector which led to gas crisis in the country, especially in winter. This led to a suspension of gas supply to the captive power plants industries and compressed natural gas (CNG) stations.

Pakistan Energy Mix

Pakistan is producing very limited percentage of oil to meet the overall demand of the country. The indigenous oil production is constrained by technological, technical and financial constraints. This necessitates import of crude oil and other oil products in large quantities to meet significant share of the total demand. Latest data indicates that import bill of oil increased by 95.9 per cent to US$17.03 billion during July-April FY2022 compared to US$8.69 billion during the same period last year. Higher oil prices in the global market and massive depreciation of the Pakistani rupee is making oil more expensive, triggering external sector pressure and widening trade deficit of the country. The surge in oil import bill is attributed to increases in value as well as increase in demand as the import of petroleum products went up by 121.15 percent in value and

24.18 percent in quantity. The Crude oil imports rose by 75.34 percent in value and 1.4 per cent in quantity during the period under review. Similarly, liquefied natural gas witnessed an increase of 82.90 percent in value, while liquefied petroleum gas (LPG) imports also jumped by 39.86 percent during July-April FY2022.

The scarce natural gas reserves of the country are quickly depleting due to substantial increase in the demand for gas, putting huge pressure on the limited natural gas reserves of the country. Government is looking for both short as well as long-term alternatives solutions to respond effectively to the substantial energy requirements. Keeping in view the rising demand for energy, Government is focusing to develop new exploratory wells to increase the supply of national gas. In addition to that, LNG and piped gas are being imported. In the FY2021, around 373 million MMBTU of LNG gas worth around US$3.4 billion was imported. This corresponds to around 30 percent of the total natural gas consumption in the country. During July-Feb FY2022, 75.64 percent gas is domestically produced, while 24.36 percent of gas is being imported.

Coal is also used for electricity generation in Pakistan. Thar has the largest coal reserves in the country which has been actively developed in recent years. The first Thar plant, having capacity of 660 MW, became operational in the first quarter of FY2020. Currently, the overall electricity generation from coal has reached to 5280 MW. Thar coal is contributing 1,320 MW, while imported coal contribution in electricity generation is 3,960 MW which is around 75 percent of the total electricity generation from coal in the country. Electricity generation configuration is relying heavily on the imported coal and this trend is likely to change as units based on the Thar field are added to the electricity generation mix.

Pakistan is very rich in hydropower and has the enormous potential to generate electricity from water. The estimated total hydropower potential of Pakistan is around 60,000 MW. The country is not utilizing full potential and using nearly 16 percent of the total hydropower potential. The high investment cost for the installation of hydroplants, development of electricity transmission network and resettlement of the affected population are few reasons for hydropower not being exploited to its full capacity. Currently, the Hydro installed capacity is 10,251 MW which is around 25 percent of the total installed capacity.

Pakistan has wind corridors as well and there is huge potential to generate electricity from wind. It is estimated that Pakistan can generate 50,000 MW from wind. The contribution of Wind in the total installed capacity is 4.8 percent and currently stood at 1,985 MW. The potential for solar power in Pakistan is also high. The sunlight is available abundantly almost throughout the country. Currently, the capacity share of these renewable resources is small, but it is expected to increase sharply, as reflected in the Alternative and Renewable Energy Policy 2019. The installed capacity of solar is 600 MW which is around 1.4 percent of the total installed capacity.

Pakistan is also producing energy from the nuclear technology whose contribution is increasing gradually. The gross capacity of the nuclear power plants was 2,530 MW that supplied about 7,076 million units of electricity to the national grid during July-March FY2021. The gross capacity of nuclear power plants has increased by 39 percent and it stood at 3,530 MW that supplied 12,885 million units of electricity to the national grid during July-March FY2022.

Pakistan's Electricity Generation Capacity

The total electricity generation capacity during July-April 2022 has increased by 11.5 percent and it reached 41,557 MW from 37261 MW during the same period last fiscal year.

Table 14.1: Installed Capacity (MW)

	FY2020-21 (July-April)	FY2021-22 (July-April)
Installed Capacity (MW)	37,261	41,557

Source: Ministry of Energy, (Power Division)

Fuel-wise Installed Capacity

The percentage share of Hydel in total installed fuel-wise capacity has marginally reduced to 24.7 percent during July-April FY2022 as compared to its share in FY2021. The contribution of RLNG in the installed capacity has increased to 23.8 percent in July-April 2022 from 19.66 percent. The percentage share of coal remained the same, although there is an increase in the installed MW from 4,770 MW during July-April 2021 to 5,332 during July-April 2022. The percentage contribution of gas has declined from 12.15 percent during July-April 2021 to 8.5 percent in July-April 2022. There is an increase in the percentage share of renewable energy which is a good sign for the economy as well as for the environment. The percentage contribution of Nuclear has increased to 8.8 percent during July-April FY2022 from 6.68 percent during July-April FY2021. The share of wind has increased from 3.31 percent to 4.8 percent while the percentage share of solar has increased from 1.07 percent in July-April FY2021 to 1.4 percent during July-April FY2022.

Fig-1: Percentage share of Fuel-Wise Installed Capacity (MW)

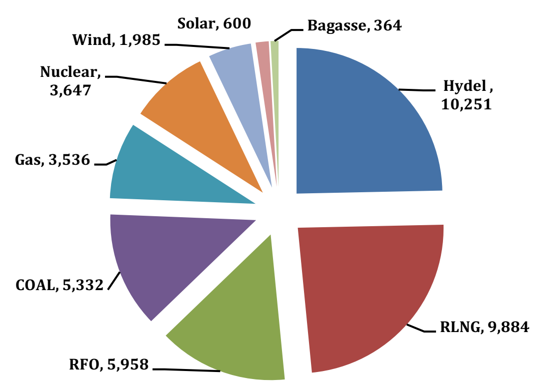


Table 14.2: Fuel-wise Installed Capacity Breakup JULY-April FY2022

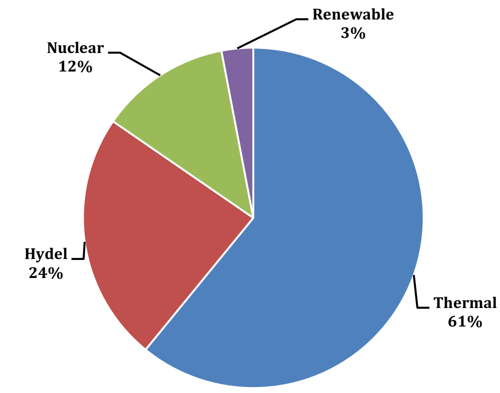
	Installed (MW)	Percentage (%) Share
Hydel *	10,251	24.7
RLNG**	9,884	23.8
RFO	5,958	14.3
COAL	5,332	12.8
Gas	3,536	8.5
Nuclear***	3,647	8.8
Wind****	1,985	4.8
Solar	600	1.4
Bagasse	364	0.9
Total	41,557	100.0%

*Karot Hydel Power 2 Units of 360 MW Capacity are running on Commissioning test and are included in Installed Capacity.
**All KE power plants are operated on Indigenous gas and RLNG as the same is supplied by SSGC on co-mingled basis.
***Supply from KANUPP was discontinued from August 2021
****Two Wind Power Plants 100 MW Capacity are running on Commissioning test and are included in Installed Capacity.

Source: Ministry of Energy, (Power Division)

Share in Electricity Generation

Fig-2: Share in Electricity Generation



Source: Ministry of Energy, (Power Division)

There is a slight shift in the percentage share of different sources in electricity generation. Thermal has still the largest share in electricity generation in the country, although its percentage contribution has declined from 62.5 percent during Jul-April FY2021 to 60.9 percent during Jul-April FY2022. Similarly, the percentage contribution of Hydel in electricity generation has also reduced from 27.8 percent in Jul-April FY2021 to 23.7 percent during Jul-April FY2022. The percentage share of Nuclear has increased from 7.2 percent during Jul-April FY2021 to 12.35 percent during Jul-April FY2022. The contribution of renewable in the electricity generation has increased from 2.4 percent during Jul-April FY2021 to 3.02 percent in the first ten months of FY2022.

Table 14.3 Share in Electricity Generation in (GWh)				**Percentage share**		
	FY2020 (Jul-Apr) (GWH)	**FY2021 (Jul-Apr)** (GWH)	**FY2022 (Jul-Apr)** (GWH)	**FY2020 (Jul-Apr)** (%)	**FY2021 (Jul-Apr)** (%)	**FY2022 (July-April)** (%)
Thermal	65,317	71,178	74,862	61.43	62.52	60.9
Hydel	30,136	31,730	29,181	28.34	27.87	23.7
Nuclear	8,101	8,218	15,182	7.62	7.22	12.4
Renewable	2,768	2,715	3,709	2.60	2.38	3.0
Total	106,322	113,842	122,934	100	100	100

The Electricity Generation is inclusive of K-Electric System.

Source: Ministry of Energy, (Power Division)

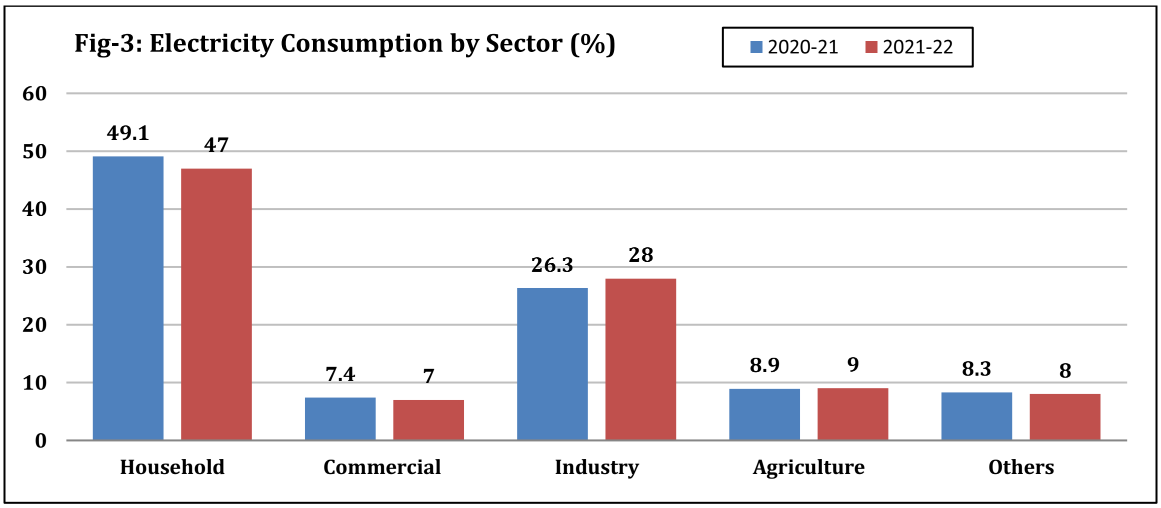
Electricity Consumption

The first ten months of the current fiscal year has not seen any major shift in the consumption pattern of electricity. The share of household in electricity consumption has slightly declined from 49.1 percent in FY2021 to 47.0 percent in FY2022. Electricity consumption in the commercial sector has also witnessed a decline and stood at 7 percent in FY2022, down from 7.4 percent in FY2021. However, the share of Industry in electricity consumption has increased to 28 percent during July-April FY2022 from 26.3 percent during July-April FY2021. The use of electricity in agriculture sector has slightly increased to 9 percent from 8.9 percent. The share of electricity consumption in other sectors, including public lighting, general services and other government traction has decreased to 8 percent from 8.3 percent.

Table 14.4: Share in Electricity Consumption

Sector	Units sold (GWh)		Percentage share	
	FY2020-21 (Jul-Mar)	FY2021-22 (Jul-Mar)	FY2020-21 (Jul-Mar)	FY2021-22 (Jul-Mar)
Household	41,508	42,055	49.1	47
Commercial	6,246	6,648	7.4	7
Industry	22,280	25,160	26.3	28
Agriculture	7,558	8,151	8.9	9
Others	7,008	7,347	8.3	8
Grand Total	84,600	89,361	100	100

Source: HDIP



Oil Sector

Pakistan generates its power from an energy mix that includes oil, gas including natural gas and LNG, coal, renewable sources including solar, wind and hydro energy, nuclear, and biomass. The energy sector is heavily dependent on imported fuel including oil and LNG and will continue to rely on its imports because of the low domestic capacity. Higher oil prices in the global market and massive depreciation of the Pakistani rupee making oil imports more expensive, triggering external sector pressure and is widening trade deficit of the country. The surge in oil import bill is attributed to increases in value as well as increase in quantity demanded. Oil import bill increased by 95.9 percent to US$17.03 billion July-April FY2022 compare to US$8.69 billion during the corresponding period last year. Further breakup showed that the import of petroleum products went up by 121.15 percent in value and 24.18 percent in quantity. During July-April FY2022, the import of petroleum products increased to US$8.55 billion in July-April FY2022 compared to US$3.87 billion during July-April 2021. The crude oil imports rose by 75.1 percent in value and 1.4 per cent in quantity during the period under review. Petroleum crude reached to US$4.22 billion July-April FY2022 against US$2.41 billion in the same period in FY2021. During July-March FY2022, the total processed imported crude stood at million metric tons while processed local crude recorded at 2.31 million metric tons. Similarly, the import of LNG has increased by 39.86 percent during

July-April FY2022. It is important to note that increase in LPG is largely triggered by increase in value which stood at 82.90 percent.

Gas Sector

The indigenous supply of natural gas witnessed a decline of around 5 percent and its contribution recorded at 33.1 percent in the total primary energy supply mix of the country. The available statistics for July-March FY2022 indicate that Pakistan has an extensive gas network of over 13,513 KM transmission,155,679KM distribution and 41,231KM services gas pipelines to cater the requirement of millions of consumers. The number of consumer has increased from 10.3 million to more than 10.7 million across the country. Government's policies to enhance indigenous gas production to meet increasing demand of energy in the country proved effective. At present, the capacity of two Floating Re-gasification Storage Units (FRSU) to Re-gasified Liquefied Natural Gas (RLNG) is 1200 MMCFD. RLNG is being imported to bridge the widening gap between demand and supply of gas in the country. The average natural gas consumption has declined from 3,723 MMCFD to about 3,565 MMCFD during July-March FY2022. This also includes 863 MMCFD volume of RLNG during July 2021 to March 2022. During July 2021 to March 2022, the two Gas utility companies (SNGPL & SSGCL) have laid 67 km Gas Transmission network, 3,244 Km Mains and 829 Km Services lines and connected 108 villages/towns to gas network. During July-March FY2022, 259,212 additional gas connections including 257,644 domestic, 1473 commercial and 95 industrial were provided across the country compared to 304,573 additional gas connections provided during the same period in last fiscal year.

It is expected that gas will be supplied to approximately 736,060 new consumers (this target is subject to approval/revision by OGRA) during FY2023. Gas utility companies have planned to invest Rs 27,669 million on Transmission projects, Rs 77,484 million on distribution projects and Rs 8,746 million on other projects bringing the total investment of Rs 113,899 million during the fiscal year 2022-23.

Table 14.5: Sector Wise Natural Gas Consumption in million Cubic Feet Per Day (Mmcfd)

Sector	Gas Consumption	RLNG	Total
Power	560	555	**1,115**
Domestic	907	1	**908**
Commercial	62	8	**70**
Transport(CNG)	49	23	**72**
Cement	1	0	**1**
Fertilizer	684	51	**735**
General Industry	439	225	**664**
Total	**2,702**	**863**	**3,565**

Sources: Ministry of Energy (Petroleum Division)

The consumption of natural gas in power sector has reduced from 610 MMCFD to 560 MMCFD. The use of gas in domestic sector has also decreased to 907 MMCFD during July-March FY2022 from 915 MMCFD in the same period last year. Commercial sector witnessed a decline in the use of gas and its consumption registered at 62 MMCFD during July-March FY2021-22. Earlier it was 65 MMCFD during the first nine months of FY2021-22. The use of gas (CNG) in the transport sector has declined to 49 MMCFD from 63 MMCFD. The consumption of gas in fertilizer sector has reduced from 687 MMCFD to 684 MMCFD while the consumption in general industry has increased to 439 MMCFD from 433 MMCFD. However, total consumption of gas has reduced to 2,702 MMCFD during July-March FY2022 from 2,773 MMCFD during the same period in FY2021.

Nuclear Energy

Government has formulated several policies for the development of the power sector in the past. The aims of these policies were elimination of inefficiencies in existing generation, transmission and distribution systems, as well as diversification of the energy generation mix with maximum utilization of indigenous energy resources to supply reliable, affordable and clean electricity.

Development of nuclear power remained the responsibility of the Pakistan Atomic Energy Commission (PAEC). PAEC is generating electricity through nuclear power in the country.

PAEC started operation of its first nuclear power plant, Karachi Nuclear Power Plant (KANUPP) on August 01, 1971. KANUPP completed 50 years of safe operation on August 01, 2021 and was shut down permanently for decommissioning. It is a true symbol of success and pride for Pakistan by generating and providing cheap electricity to the general public.

At present, there are six nuclear power plants (NPPs) operating on two sites in the country. Among these six NPPs, two units of Karachi Nuclear Power Plant (K-2, K-3) at Karachi and four units of Chashma Nuclear Power Plants (C-1, C-2, C-3 & C-4) at Chashma, Mianwali Punjab. Last year, the gross capacity of these nuclear power plants was 2,530 MW that supplied about 7,076 million units of electricity to the national grid during July-March 2020-21. The capacity of these nuclear power plants has increased this year and the gross capacity of NPPs stood at 3530 MW that supplied 12,885 million of electricity to the National grid during 1st July 2021 to 31st March 2022. This shows in increase of 39 percent in terms of MW and 82 percent increase terms of units supplied.

Despite COVID-19 difficulties, NPPs performed effectively in these difficult times by supplying uninterrupted and continuous power at highest capacity factors. One of these plants, K-2 has made a new record in Pakistan's history by operating for 100 days continuously since its commercial operation date, becoming the first nuclear power generation plant to achieve this milestone. K-3 was connected to the national grid on 4th March 2022. The provincial acceptance of K-3 is expected on 15th April 2022.

PAEC is planning for the construction of another nuclear power plant at Chashma near Mianwali. The site is already home to four operating nuclear plants. This unit, named as C-5, will replicate the design characteristics of K-2 and K-3.

Table 14.5: Performance of Nuclear Power Plants

Plant	Capacity (MW)		Electricity sent to Grid (million kWh)	
	Gross	Net	FY2021-2022 July-March	Lifetime up to March 2022
KANUPP*	100	90	45	14,972
C-1	325	300	1,861	43,919
C-2	325	300	1,779	24,709
C-3	340	315	1,681	12,716
C-4	340	315	1,500	10,539
K-2	1,100	1,017	5,874	6,887
K-3	1,100	1,017	145	145

* KANUPP permanently shut down for decommissioning on August 01, 2021

Source: Pakistan Atomic Energy Commission

Mineral Sector

Coal is an important source of energy and power sector uses significant share of coal for the generation of electricity. Generally, indigenous coal is consumed in brick kilns and cement factories while imported coal is used for power generation, cement manufacturing and other industries like steel making, etc. During FY2021, domestic coal production figured around 9.3 million tonnes, and about 18.9 million tonnes of coal were imported. During July-Feb FY2022, the import of coal stood at 12.21 million metric tons. The consumption of coal in cement and other industry has significantly declined from 37.6 percent July-March FY2021 to 24.1 percent during July-March FY2022. The consumption of coal has increased from 19.7 percent in July-March FY2021 to 31.4 percent during July-March FY2022. Power sector uses most of the coal and the share has increased to 44.5 percent during July-March FY2022 from 42.7 percent during the corresponding period last year.

Private Power and Infrastructure Board (PPIB)

PPIB is struggling to embrace the profound economic changes and associated goals of access to affordable energy for sustainable economy. PPIB is well aware of the existed challenges of the energy sector and its transformation needed for the energy system. As a long term vision, PPIB strives hard to respond effectively to successfully meet the growing and changing energy paradigm. Since its inception in 1994, PPIB has a track record of attracting around US$23 billion of investment with the establishment of forty IPPs totalling 18,211 MW and a mega High-Voltage Direct Current (HVDC) transmission line project in the country. This constitutes around 50 percent of installed power generation capacity in the country.

Table 14.6: Consumption of Coal by Sector

(000 metric ton)

Sectors	2020-21	2021-22
Cement/Other Industry	7,875.0 (37.6%)	5,300.0 (24.1%)
Brick kiln Industry	4,125.0 (19.7%)	6,900.0 (31.4%)
Power (WAPDA &IPPs)	8,925.0 (42.7%)	9,800.0 (44.5%)
Total	20,925.0 (100%)	22,000.0 (100%)

Source: Petroleum Division, Ministry of Energy

Table 14.7: Installed power generation capacity

Completed Projects: Fuel/Technologies						
Total 18,211 MW	**Hydro**	**Thar Coal**	**Natural/Low BTU Gas**	**RLNG**	**Imported Coal**	**Oil**
	333 MW	1,320 MW	5,372 MW	3,633 MW	3,960 MW	3,593 MW

Source: Private Power and Infrastructure Board

At present, PPIB is implementing two robust policy frameworks having market competitive incentives and simplified procedures for the investors. The "Power Generation Policy 2015" and the "Policy Framework for Private Sector Transmission Line Projects 2015" were launched to attract new investments for development of new power generation projects and augmentation of transmission network in the country. These policy frameworks have so far received overwhelming market response, by attracting many renowned local and international investors and lenders.

Portfolio of the Upcoming Projects

Government of Pakistan and subsequently PPIB are fully cognizant of the climate change agenda. Therefore, maximum attention has been paid to all projects including coal to ensure that these projects are strictly complying with international environmental standards of WB/IFC. PPIB is also working on 21 different projects ranging from Hydro, Thar coal, RLNG to imported coal. Details of these projects are given in table 14.8.

Table 14.8: Portfolio of the Upcoming 21 Projects of 11,386 MW

	FC achieved/Under Construction	**LOS Issued**	**Candidate Projects in the IGCEP portfolio**	**To be processed as per the requirement of new capacity in the IGCEP**
Hydro	2 IPPs of 1604 MW	4 IPPs of 1839 MW	4 IPPs of 1,472 MW	4 IPPs of 1, 260 MW
Thar Coal	3 IPPs of 1,980 MW	1 IPPs of 330 MW	1 IPP of 1,320 MW	–
RLNG	1 IPP of 1,263 MW	–	–	–
Imported Coal	–	1 IPPs of 300 MW	–	–
Total	6 IPPs of 4,847 MW	6 IPPs of 2,469 MW	5 IPPs of 2,792 MW	4 IPPs of 1, 260 MW

Source: Private Power and Infrastructure Board

Commissioning of 660 MW Thar Coal based Lucky Electric Power Project

Recently, PPIB declared successful completion of the commissioning of a 660 MW Lucky Electric Power Plant at Bin Qasim. This critical power plant was earlier synchronized with the national grid towards the end of 2021 and after its extensive testing and relevant inspections since then led to its commercial operation on 21st March ,2022.

China-Pakistan Economic Corridor (CPEC)

CPEC benefits Pakistan through development of multi-sector infrastructure projects including various projects in the energy sector. Overall, thirteen power generation projects of 11,648 MW are being facilitated by PPIB under CPEC. These include four hydropower projects of 3,428 MW, five Thar-coal based projects of 3,960 MW, four imported coal-based projects of 4,260 MW and a 660 kV High-Voltage Direct Current (HVDC) Transmission Line Project. Out of these, three imported coal-based power projects of 3,960 MW and one Thar coal-based power project of 660 MW have been commissioned, while ±660 kV Matiari-Lahore HVDC Transmission Line Project has also started operations on commercial basis with effect from 1st September 2021. This is not only the first transmission line project developed by the private sector but the first ever HVDC transmission line in Pakistan as well. Furthermore, another nine IPPs of 7,028 MW which include four hydro IPPs of 3,428 MW, four Thar coal based IPPs of 3,300 MW and one imported coal based IPP of 300 MW are at different stages of processing.

Fig-4: CPEC Energy Projects-PPIB (11,648 MW)

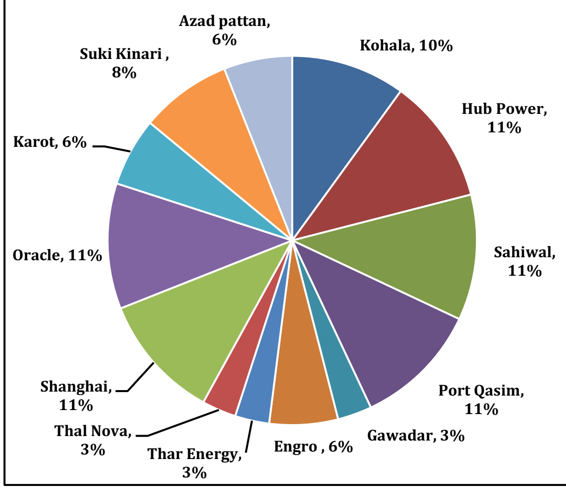


Fig-5: Commissioned Projects PPIB-CPEC (4,620 MW-40%)

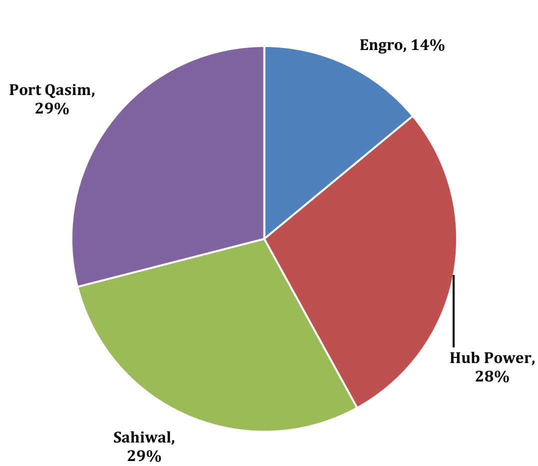
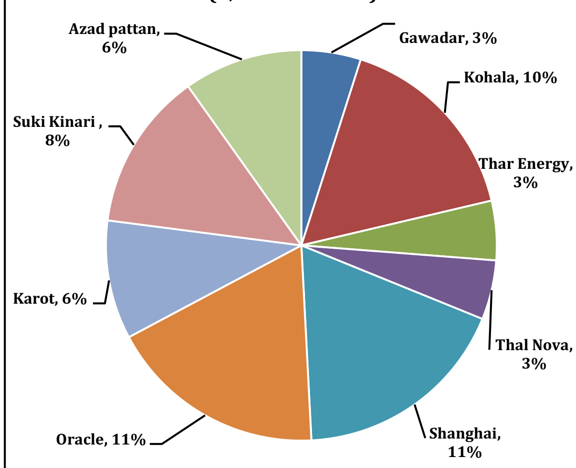


Fig-6: Under Implementation Projects PPIB-CPEC (7,028 MW-60%)



Besides the paramount advantage of generating much needed electricity, these projects would play instrumental role in promoting economic development, creating employment opportunities and improving livelihoods through social and development works at their respective locations.

PPIB Amendment Bill 2022: Merger of AEDB into PPIB

Originally, the Alternative and Renewable Energy (ARE) project development was within the mandate of PPIB. However, in order to build more focus on ARE in line with the government's international commitments for environment friendly energy development the Alternative Energy Development Board (AEDB) was established in 2003. From the administrative perspective, the AEDB was essentially tasked with the similar functions as that of PPIB's, except that its scope is limited to development of ARE projects, resulting in duplication of functions, resources and efforts. Therefore, it has been decided by the Government that the mandate of AEDB may be brought back to the fold of the PPIB by merging AEDB with PPIB. This will also dovetail with the Competitive Trading Bilateral Contract Market (CTBCM) which envisions an Independent Auction Agent (IAA) that will be assigned the task of conducting the auctions/biddings on behalf of DISCOs; where PPIB as single entity will act as IAA. In this regard, after due process, the Private Power Infrastructure Board (Amendment) Bill 2022 has been introduced in the National Assembly on 21st January 2022.

Short Term Targets

In line with the Government priorities, PPIB is targeting to continue prioritizing indigenous and renewable-resource based generation of power and is processing a portfolio which is largely dominated by hydro and Thar-coal based generation. Since majority of pipeline power generation projects are at advance stages, they require attention for accomplishing critical milestones. Accordingly, PPIB's is focusing on handling upcoming IPPs efficiently. The central focus of PPIB is the timely completion of these projects. In this regard, PPIB is targeting to complete eleven IPPs of around 6,000 MW mostly based on hydro and Thar coal based electric power plants during 2022-24. Summary is given in table 14.9.

Table 14.9: PPIBs Upcoming IPP Electricity Generation Projects (MW)

Year	Hydro	Thar Coal	Imported Coal	RLNG	Total
2022	720	2,640*	-	1,263	4,623
2023	7.08	-	-	-	7.08
2024	892	330	-	-	1,222
Grand Total	1,619	2,970	-	1,263	5,852

* includes 660 MW Lucky Electric Project which has achieved COD with effect from 21st March 2022
Note: Due to the COVID-19 Pandemic, the scheduled dates of the commissioning of some projects may be slightly revised.

Source: Private Power and Infrastructure Board

Other Future Plans of PPIB

- In the backdrop of AEDB-PPIB merger, the mandate of PPIB is going to be expanded in the near future, as a result, power generation projects based on all fuels/technologies (except nuclear) would be processed by a single entity i.e. PPIB. In this regard, the gigantic target would be to add 37,339 MW of renewable energy projects (Wind, Solar, Bagasse and Hydro) by 2030.
- In near future, PPIB would be playing a critical role as Independent Auction Administrator (IAA) under Competitive Trading Bilateral Contract Market (CTBCM)

of the Government for turning the existing market from single buyer model to a Competitive Wholesale Power Market.

- PPIB is aiming to undertake small hydropower projects under Tripartite Letter of Support (TLOS) regime so that share of clean and green electricity is increased in the overall energy-mix of country.
- For overcoming transmission constraints, PPIB is planning to undertake additional transmission line projects in the private sector to make this segment reliable and efficient.

For the first time, comprehensive planning has been carried out in Pakistan in the form of the Indicative Generation Capacity Expansion Plan (IGCEP), which includes expansion planning studies which is updated annually in order to retain accuracy in the wake of changing dynamics. PPIB is planning to process new hydro-based IPPs under International Competitive Bidding (ICB) mode in accordance with the findings of IGCEP study so that there is no situation of deficit or excess generation in the country.

Renewable Sector

The GoP is striving hard to embrace the transformational changes in power system. AEDB is taking steps to ensure affordability, sustainability, energy security and energy access for all. Government is taking initiatives for the promotion of alternative and renewable technologies and emphasizing on utilization of indigenous and environmentally clean energy generation resources.

Development of IPP Based Projects

In compliance of the Cabinet Committee on Energy (CCoE), decision, Alternative Energy Development Board has actively been facilitating different projects. The development of large scale grid connected ARE based power generation project is being pursued through private investors. The objective of projects under the umbrella of ARE is to exploit clean energy resources and increase the share of ARE in the energy mix. In compliance of the CCoE's decisions, AEDB has actively been facilitating these projects. These projects are placed under different categories.

Category- I: Projects under this category are in the pipeline and significant work has been done on these projects. 19 projects of 531 MW that have already been issued LOS subject to revision of tariff in case tariff determination has been done since more than one year or if the tariff validity period has lapsed

Category- II: Four solar PV projects of 250 MW capacities, listed under Category-II of the CCoE decisions, achieved Financial Closing in 2021 and were facilitated to carry out the construction of the projects. Six wind power projects of 300 MW capacity achieved Commercial Operation Date and started supplying electricity to the national grid. Another six wind power projects of 310 MW capacity were under construction and expected to achieve COD by April, 2022.

Category- III: AEDB prepared the Request For Proposal (RFP) package for carrying out competitive bidding for wind and solar projects falling under category-III and carried out the revisions in the RFP documents as per the determination of NEPRA. RFP Packages are ready to be floated upon receipt of information pertaining to Interconnection Ready Zones (IRZs) by NTDC/DISCOs. The competitive bidding is planned to be initiated by June/July 2022.

Distributed Generation (Net Metering)

Apart from large scale renewable projects, Government is also encouraging utilization of renewable energy technology at consumer ends across domestic, commercial, industrial sectors. AEDB has been promoting the renewable energy based net-metering deployments under the NEPRA (Alternative & Renewable Energy) Distributed Generation and Net Metering Regulations, 2015.

AEDB has also been carrying certification of service providers, vendors and installers of solar systems under AEDB (Certification) Regulations, 2018 in order to facilitate the consumers and DISCOs. The regulations were revised in August, 2021 with the aim of simplification under Government's vision of 'Ease of Doing Business'. AEDB issued certificates to one hundred one installers during July-Mar FY2022. As of March, 2022, the total number of active AEDB certified installers reached up to one hundred sixty two compare to 104 last year which shows an increase of 55 percent.

During July-Mar FY2022, a total of 10,783 net metering based systems of 196.77 MW capacity were installed by different segments of consumers. As of 31st December, 2021, the number of net-metering based solar installations had reached up to 17,950 with a cumulative capacity of 305.79 MW.

Major Activities to be Undertaken in Short-term

i. Facilitating remaining projects under Cat-I and Cat-II of the CCoE's decision in achievement of their Financial Closing.
ii. Carry out competitive bidding for wind and solar power projects falling under Category-III of the CCoE decision, planned to be initiated by June/July 2022.
iii. Preparation of Annual ARE Procurement Plan by the AEDB Board's Steering Committee on the basis of approved IGCEP.
iv. Development of RFP package for carrying out competitive bidding in accordance with the approved Annual ARE Procurement Plan.
v. Initiation of competitive bidding process for procurement of new ARE capacity under the ARE Policy 2019 by end of 2022.

Other Initiatives in FY2022

Additional measures to promote ARE technologies and to attract private sector investments are taken. The supportive measures taken by AEDB are as follows:

i. AEDB proactively engaged with WB for carrying out the Pakistan Renewable Energy Competitive Bidding Study that will provide strategic analysis and advice to the AEDB and other relevant sector agencies on the implementation of competitive bidding for the contracting of renewable energy capacity to achieve the 2025 and 2030 targets in line with the ARE Policy 2019.

ii. Carried out revision of AEDB (Certification) Regulations aimed to simplify the procedures laid therein in order to ensure the implement the present Government's policy of Ease of Doing Business.

iii. AEDB promoted the net metering concept and facilitated the concerned stakeholders in implementation Net Metering systems under NEPRA's regulations. For mass deployment of net metering-based systems, several supportive steps have been taken including simplifying the process of acquiring generation license and other approvals/ permissions and shortening the time period required for the same.

iv. Developed the Request for Proposal (RFP) package after stakeholder consultation for carrying out competitive bidding amongst pipeline wind and solar projects are per the decisions of the CCoE.

v. AEDB assisted State Bank of Pakistan in revision of SBP's Financing Scheme for Renewable Energy in order to make financing available for broader consumer categories and swift implementation.

vi. Assisted NTDC in carrying out the feasibility study of solar water pumping in Balochistan.

vii. Supported Government of Balochistan in preparation of PC-IIs for renewable energy based off-grid electrification projects in districts of southern Balochistan.

Concluding Remarks

Historically, Pakistan's economic growth is constrained by bottlenecks in the energy sector. Pakistan's energy requirements are increasing and demand for energy in the coming decades will rise substantially. Energy demand on this scale will put increasing pressure on energy resources and distribution networks. This is unsustainable without a fundamental transformation of the energy system. Dependency on the dominant fossil energy resources, especially oil is risky. Energy security is essential because the kind of disruption we have seen is a potential threat to our economic well-being. Exploration of the more indigenous and renewable resources is key to have energy security.

The Government has been endeavoring to bring in transformational changes in power system by exploring alternate sources of energy in the country. Government is also focusing on the renewable sources of energy to make access to energy affordable. The exploration of alternate and renewable sources of energy will also help to ensure energy security and sustainability. In this connection, Pakistan is actively following the policy of a shift from conventional sources of energy to the utilization of indigenous renewable and environment friendly clean energy generation resources. There is a significant transformation and the contribution of alternate and renewable sources of energy is increasing.

SOCIAL PROTECTION

Globally

85 million

more people fall

5.7 million beneficiaries currently receiving regular payments under Ehsaas Kafaalat Programme. During Fy2022, the number of beneficiaries enhanced by 8.0 million

2.50 million additional beneficiaries received Rs. 30.18 billion in COVID 19 (3rd wave) under ECAP-II till 31st March

6.52 million children received 25 billion so far under Ehsaas Taleemi Wazaif Programme

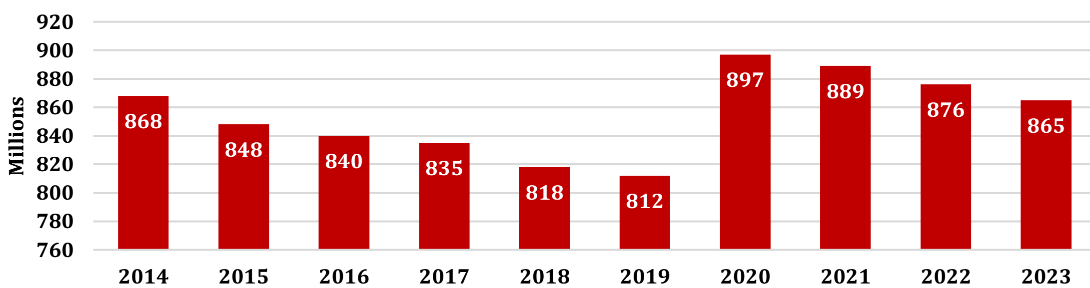
Chapter 15

Social Protection

The COVID-19 pandemic has significantly increased poverty and inequality globally, causing a substantial reversal in progress towards global Sustainable Development Goals (SDGs). According to latest estimates provided by the United Nations Department of Economic and Social Affairs in the report **"The World Economic Situation and Prospects 2022"**, progress in reducing extreme poverty has been set back by several years in most countries. An unprecedented 85 million more people entered extreme poverty in 2020 globally. The number is projected to remain well above pre-pandemic levels for the next several years, likely at record high for the last decade (figure 15.1). Only slight decline is expected in 2022, to about 876 million people. Fast-developing economies in East and South Asia as well as developed economies will likely see a reduction in poverty in the near term. But it is anticipated to increase further in the world's most vulnerable economies.

In addition, the capacity to reduce poverty will be largely constrained by insufficient fiscal space across the developing world, the slow recovery of employment in some countries and tightening of global monetary conditions. Extreme weather, wars & conflicts and political fragility could also further affect poverty prospects. The uneven pace of recovery between developed and developing countries will widen income inequality across countries and make it all but impossible to reduce global inequality by 2030, as targeted in the global SDGs.

Fig-1: Global Number of People Living in Extreme Poverty



Source: UN DESA
Note: Estimates were derived using the latest growth forecasts from the World Economic Forecasting Model. Extreme poverty refers to US$ 1.90 per day (in 2011 PPP).

The rise in global fuel and commodity prices has also severely impacted Pakistan's economy when it was already facing a balance of payments crisis stemming from high food and fuel prices in the world markets. The combined effects of the global food and fuel crises adversely affected the economy resulting in unsustainable current account and fiscal deficits and unprecedented high inflation. The macro-economic crisis in the country necessitated making social protection an urgent priority for the poor and vulnerable segments of society. With the objectives to attain both growth and equity, social protection is the best mechanism available to transfer the benefits of economic progress to the extremely poor and vulnerable people in order to make them part of the overall development process.

Pakistan's poverty reduction efforts have been widely acknowledged. According to the World Bank report **"Global Social Protection Responses to COVID-19**" Pakistan ranks 4th globally in terms of the number of people covered and 3rd globally in terms of the percentage of population covered amongst those that covered over 100 million people; the World Bank has stated that only "selected countries have attained impressive six-digit levels" in this regard. Pakistan's Ehsaas Emergency Cash is one of them that demonstrated how cash transfer programmes can be deployed to counter socio-economic fallouts due to external shocks like COVID-19 which present a long-term predicament. The approach can also address rising inequality and advance attainment of SDGs in a post COVID-19 world.

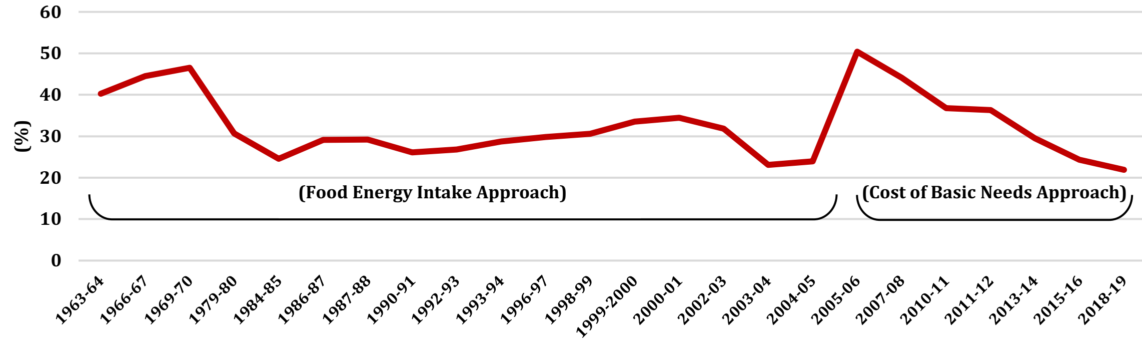
Pakistan is striving to make progress towards SDGs amid challenges of ensuring quality education, gender equality, skill development, health & sanitation, infrastructure development and job creation. Pakistan is committed to alleviate poverty in line with the SDGs target Goal-1 "No Poverty" in all its manifestations everywhere by 2030. Planning Commission's poverty estimation is based on Cost of Basic Need approach (CBN) estimated poverty line at Rs 3757.85 per adult equivalent per month. According to this methodology, 21.9% of the population lives below poverty line in FY2019 as compared to 24.3% in FY2016 as per latest Household Integrated Economic Survey 2018-19 used for the poverty estimation. Poverty in both rural and urban areas has also declined as poverty headcount of 11.0% in Urban and 28.2% in rural areas is estimated as given in table-15.1:

Table -15.1: National Poverty Line and Headcount

Year	Poverty Line	National	Urban	Rural
2005-06	1277.74	50.4	36.6	57.4
2007-08	1543.51	44.1	32.7	49.7
2010-11	2333.35	36.8	26.2	42.1
2011-12	2600.15	36.3	22.8	43.1
2013-14	3030.32	29.5	18.2	35.6
2015-16	3250.28	24.3	12.5	30.7
2018-19	3757.85	21.9	11.0	28.2

Source: Ministry of Planning, Development & Special Initiatives

Fig-2: Poverty Head Count Trend



Income Inequalities:

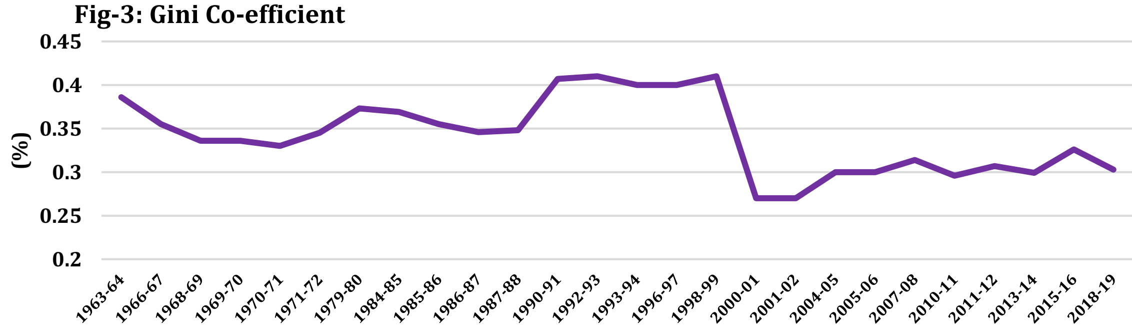
Income distribution also matters in poverty alleviation. A highly unequal income distribution makes it harder to reduce poverty. Reducing income inequality will increase the numbers who benefit from the same rate of economic growth. Conversely, higher inequality will require even more growth to yield the same reduction in poverty. Over the years, the pattern of income distribution in Pakistan, measured in terms of Gini Coefficient and household income share of the lowest and the highest 20 percent for rural and urban areas has been mixed and moderate. The Household Income and Expenditure Surveys (HIES) undertaken periodically since 1961-64 to 2018-19, provides data for the selected years. The Gini Coefficient of household income had been around 0.35 or below since the 1960s, reaching 0.407 in 1990-91, 0.410 in 1998-99, and after that it started decreasing due to improved poverty situation and reached to 0.30 in 2018-19 as compared to 0.33 in 2005-06. The persistent declined in poverty owing to well targeted poverty reduction programmes by the government as shown in the Table-15.2:

Table -15.2: Gini Co-efficient adjusted by Hh weigths

Years	Pakistan	Urban	Rural
2005-06	0.330	0.376	0.265
2007-08	0.314↓	0.354↓	0.264↓
2010-11	0.296↓	0.334↓	0.253↓
2011-12	0.307↑	0.351↑	0.250↓
2013-14	0.299↓	0.323↓	0.259↑
2015-16	0.326↑	0.356↑	0.266↑
2018-19	0.303↓	0.328↓	0.248↓

Source: Ministry of Planning, Development & Special Initiatives

Fig-3: Gini Co-efficient



Tracking the Pro-Poor Expenditures:

Expenditure on 14 pro-poor sectors is showing increasing trend in absolute terms in pro-poor public expenditure. In 2016-17 it stood at 8.5 percent of GDP, 8.1 percent of GDP in 2017-18, 7.1 percent in 2018-19, 7.9 percent in 2019-20, while it slightly dropped to 7.7 percent of GDP in 2020-21. However, in absolute term it increased to Rs 4,282.14 billion as compared to Rs 3760.50 billion in 2019-20. The PRSP expenditures as percentage of GDP varies due to rebasing of National Accounts from 2005-06 to 2015-16 as shown in Table 15.3 below:

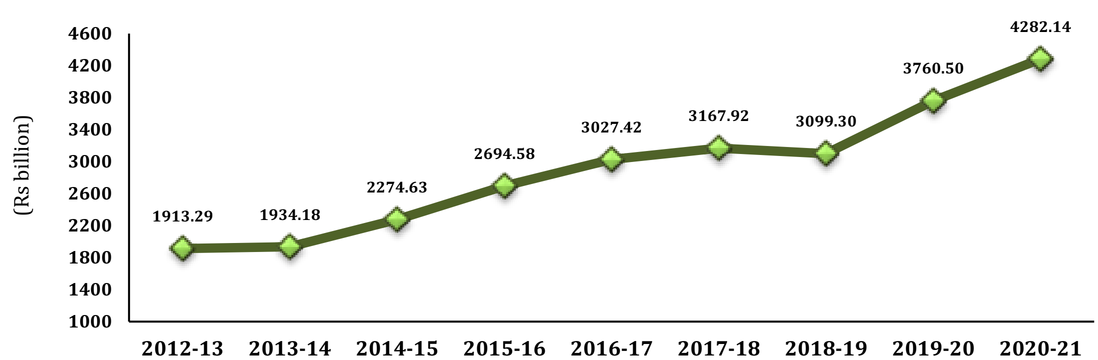
Table-15.3: PRSP Budgetary Expenditures by Sector (Rs million)

Sectors	2016-17	2017-18	2018-19	2019-20	2020-21*
Roads, Highways & Bridges	526,356	452,463	400,623	342,689	383,961
Environment / Water Supply and Sanitation	72,031	77,932	45,186	70,337	87,149
Education	699,222	829,152	868,022	901,013	988,032
Health	328,962	416,467	421,778	505,411	657,185
Population Planning	20,338	20,451	14,328	11,381	12,761
Social Security & Welfare**	259,455	257,534	173,443	280,258	257,031
Natural Calamities & Other Disasters	27,461	19,062	20,933	72,353	90,683
Agriculture	258,396	277,867	256,697	377,093	328,441
Land Reclamation	2,558	2,730	2,538	2,418	3,054
Rural Development	30,934	42,127	11,958	29,738	49,703
Subsidies	403,139	327,767	387,092	635,816	857,789
Low Cost Housing	422	349	704	1,766	2,242
Justice Administration	41,926	53,461	65,937	72,737	83,397
Law and Order	356,217	390,556	430,063	457,487	480,712
Total	**3,027,417**	**3,167,918**	**3,099,302**	**3,760,497**	**4,282,140**
Total as % age of GDP (2015-2016 base)	**8.5**	**8.1**	**7.1**	**7.9**	**7.7**

*: Provisional,
**: Social Security & Welfare includes the expenditure of BISP, SDGs, and PBM.

Source: External Finance Wing, Ministry of Finance

Fig-4: Pro-Poor Expenditures



Social Safety Programmes

Social safety net Programmes provide minimal safeguard to the poor and vulnerable which form an essential element of our poverty reduction strategy. These programmes are in the form of direct cash transfers and other services which include both budgetary and non- budgetary programmes. Budgeted social safety net programmes include Benazir Income Support programme (BISP), Pakistan Bait-ul-Mal (PBM) while Zakat, Employees Old-age Benefit Institution (EOBI), Workers Welfare Fund (WWF) and Pakistan Poverty Alleviation Fund (PPAF) is the non-budgetary part of the programme. Microfinance through specialized financial institutions also provides micro finance services to the needy poor.

I. Benazir Income Support Programme (BISP): BISP, a targeted unconditional cash transfer programme, was implemented by focusing on poor women with an immediate objective of consumption smoothing and meeting the targets of SDGs to eradicate extreme & chronic poverty and empowerment of women. BISP provides an extremely important social safety to the poorest segments of the society and its carefully designed schemes add value to the overall mission of empowering women.

Key Policy Measures/Steps Taken:

A. Un-Conditional Cash Transfer (UCT) Programme:

i) **Expansion of Ehsaas Kafaalat Programme:** BISP is currently disbursing payments to around 5.7 million regular beneficiaries under its Ehsaas Kafaalat Programme. During FY2022, the number of regular beneficiaries has been enhanced to 8.0 million.

ii) **Ehsaas Cash Assistance Programme Phase-II:** Keeping in view the increase in economic hardships due to the 3rd wave of COVID-19, second phase of Ehsaas Emergency Cash Programme (ECAP-II) has been launched in June, 2021. As of 30-03-2022, an amount of Rs 30.18 billion has been disbursed to 2.50 million additional beneficiaries (other than UCT beneficiaries) @ Rs 12,000/- per beneficiaries to ever-married women of the eligible families having valid CNIC.

iii) **Emergency Relief Assistance to AJ&K Line of Control (LOC) Affectees:** Families living along the LOC are being provided cash assistance by BISP. Under this programme, additional beneficiaries (other than UCT beneficiaries) are being provided emergency cash assistance @ Rs 24,000/- in two installments of Rs 12,000/- each. As on 31-03-2022, an amount of Rs 251.26 million has been disbursed as 1st installment of Rs 12,000/- each to 20,938 beneficiary families.

iv) **Harnai Earthquake Relief Programme:** In order to mitigate the effects of recent earthquake, BISP provided one-time cash assistance of Rs 12,000/- each, to families belonging to District Harnai appearing in the new database of NSER Survey. Rs 151.88 million was provided to 12,657 beneficiary families @ Rs 12,000/- per beneficiary.

v) **Emergency Relief Package for Tirah Valley, Khyber District, KPK:** BISP has provided one-time cash assistance of Rs 20,000/- per family to temporary displaced families of Tirah Valley, Khyber District, KPK due to increased militancy/unrest and subsequent operations by Pakistan Army against the terrorists. Under this relief package, Rs 86.86 million was distributed to around 4,343 beneficiary families of

Tirah Valley.

vi) **Payments Related Grievance Redressal System:** BISP has developed an automated Payment Complaint Management System (PCMS) through which payments related complaints can be launched and resolved in an automated manner. It is used by the BISP's Tehsil offices to register and resolve complaints of the beneficiaries. PCMS has been refined to process all types of complaints reported during field activities. Moreover, the PCMS has also been integrated with Complaint Resolution Mechanisms (CRMs) of BISP partner banks to further enhance the efficiency of complaints resolution mechanism**.**

vii) **Financial Inclusion and Financial Literacy Programmes:** In pursuance of Ehsaas Financial Inclusion Strategy, BISP has designed and launched a pilot project for opening of Savings Accounts (Mobile Wallets) and provision of Financial Literacy to Ehsaas Kafaalat beneficiaries. After evaluating the pilot, a detailed road map and action plan will be prepared and Mobile Wallet and Financial Literacy programmes will be launched across the country which will pave the way for formal interaction of Kafaalat beneficiaries with the economy.

viii) **Hybrid Social Protection Programme (HSP):** BISP is also working on HSP Programme which will blend social assistance with social risk mitigation elements to promote savings that informal sector workers can fall back on in case of shocks, while also providing a platform through which the government can more rapidly deploy additional support during a crisis. The basic model, drawn from global experiences, will be a contributory savings scheme with matching incentives, with a short-to-medium term horizon for withdrawals. The HSP scheme will allow exiting BISP beneficiaries to receive support by way of fiscal incentives to save in a platform created to meet their needs. The scheme will rely on existing institutional capacity and digital for efficient delivery and promoting behavioral change. The programme is currently in design phase with the technical assistance of World Bank, Asian Development Bank and other stakeholders.

ix) **Indexation of Cash Transfer:** In pursuance to fulfill the requirement under IMF's Extended Fund Facility Program, 2019-20 as well as World Bank's Second Securing Human Investments to Foster Transformation (SHIFT-II) Policy Reform Framework, BISP in coordination with Finance Division and World Bank has developed an institutional mechanism as well as proposal to increase the cash assistance under Kafaalat @ Rs 166.33/- per month or Rs 500/- per quarter w.e.f 1st January, 2022 has been approved by the Federal Cabinet.

x) **Designing of a New Innovated Payment Model:** BISP is striving continuously for improving its payment model and incorporating innovative solutions and new technologies to further improve the service delivery at the beneficiary level. In this regard, BISP has initiated the work for designing a new payment model in consultation with key stakeholders as well as various national and international organizations with experience in designing and executing payment systems, especially in the Social Protection Programmes with particular emphasis on G2P payments.

xi) **Imported Service Delivery:** BISP is providing assistance and guidance to its beneficiaries regarding all initiatives at tehsil level. BISP has a dedicated call center to improve service delivery and also address the grievances of the beneficiaries facilitated through Interactive Voice Response System for solution of complaints timely. The call center can be accessed at Toll free number (080026477) from 9 A.M to 5 P.M.

B. Conditional Cash Transfer (CCT) Programme:

i) **Conditional Cash Transfer-Education:** The overall objective of this programme is to encourage education of BISP beneficiary families and households through regular cash transfers to invest in human capital development. Since 1st July 2021, the scope of work of programme expanded from Primary to Secondary and Higher Secondary level and currently operational in all over the country. Attendance of at least 70 percent for a beneficiary child is mandatory in school/college within a quarter to receive cash transfer from 2nd quarter and onwards. So far, 6.52 million children have been enrolled and Rs 25 billion have been paid through Ehsaas Taleemi Wazaif Programme since inception and 3.22 million children have been enrolled and Rs 5.0 billion have been disbursed during FY2022. An amount of stipend rate of students is given as below:

Description	Age Criteria	Per Boy/per quarter (Rs)	Per Girl/Per Quarter (Rs)
Primary Level	4-12 Years	1,500	2,000
Secondary Level	8-18 Years	2,500	3,000
Higher Secondary Level	13-22 Years	3,500	4,000

ii) **Ehsaas Undergraduate Scholarship Project (EUSP):** Aiming to provide higher education opportunities for 200,000 students (50 percent girls) coming from under-privileged backgrounds having family income of Rs 45,000/- per month or less of the applicant student, the 4-year Ehsaas undergraduate scholarship programme worth Rs 24 billion was launched in 2019. The project envisages providing merit and need based scholarships over 4-5 years of under-graduate education including tuition fees and stipends to cover living expenses, to study in HEC recognized 135 public sector Higher Education Institutions. During FY2020 and FY2021, Rs 13.2 billion were disbursed against 1,38,133 scholarships awarded to deserving students. For FY2022, Rs 9.5 billion were allocated and 122,000 applications have been received and its screening process will soon begin.

iii) **Conditional Cash Transfer (CCT)- Health & Nutrition:** BISP has designed a CCT intervention in August, 2020 to increase the uptake of Health & Nutrition services of its beneficiaries. The primary objectives of the programme is to prevent stunting in children under two years of age, improved weight gain of pregnant women during pregnancy, reduce anemia and micronutrient deficiencies and prevent low birth weight. World Food Programme is the lead implementing partner for Ehsaas Nashonuma. 50 Ehsaas Nashonuma Centres across 14 districts are being established countrywide at the district and tehsil level to provide health services and conditional cash transfers under two years old; Rs 1500/- for a boy child and mother, and Rs 2000/- for a girl child mainly to prevent children from stunting growth issue. The total budget of the three-year program is approximately Rs 8.52 billion. Since the inception of this programme, 99,190 beneficiaries have been enrolled and Rs 310.81 million has been disbursed till March FY2022.

National Socio-Economic Registry (NSER): BISP has completed a nationwide assessment of socio-economic and poverty condition of households through data collection of door-to-door (D2D) during the current fiscal year. BISP has enumerated approximately 34 million households depicting 104% coverage based on the 2017 National Census caseload. After completing D2D survey, now BISP is transitioning this NSER registry into a Dynamic Registry capable of updating the existing database with regular registration and updating household information of existing households. The Dynamic Registry is cost-effective as it evades the cumbersome cost of D2D Surveys for carpet coverage of households.

The registry is currently being validated against NADRA citizen registry records. As of now, all household records have been validated from NADRA through API-based validation mechanism. All CNICs are validated for the authenticity of the information. Once, the records are validated, poverty scores for households are calculated using Proxy Means Test (PMT) approach, and households with scores of 32 and below are considered potential beneficiaries.

During the outgoing fiscal year, the operationalization of NSER Registration Desks network has been increased to over 500 NSER Registration Centres, which are established at the Tehsil level in the entire country. These centres are established to redress citizens' grievances, including households who were missed out during the door-to-door coverage or households who are required to provide additional information/update existing data based on identified discrepancies.

BISP Financial Progress:

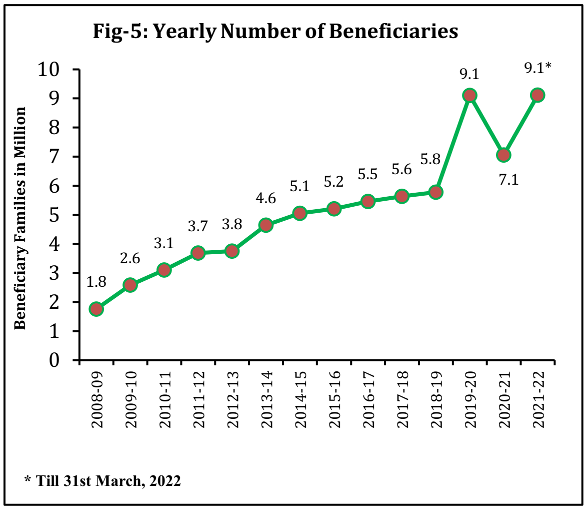
Since its inception, BISP has managed to disburse Rs 1,326.27 billion to UCT and conditional cash grants. The year- wise released and disbursement on CCT and UCT grants are reflected in Table- 15.4 and Fig-5 & Fig-6:

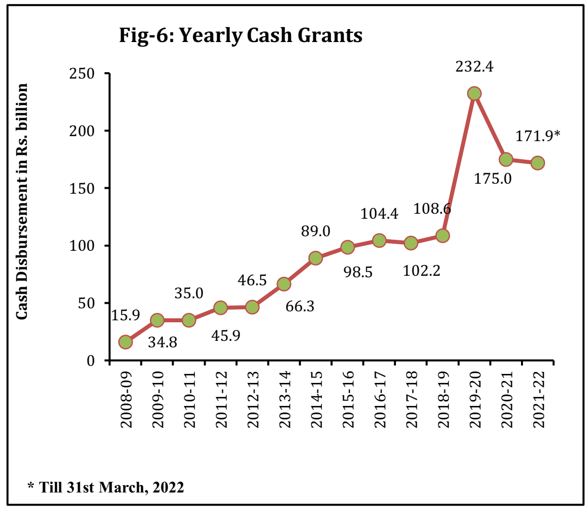
Table-15.4: BISP Financial Achievements (Rs in billion)

Year	Released	Funds Transfer to Cash Grants			Number of Beneficiaries (million)
		Conditional Cash Transfer (CCT)	Unconditional 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	102.20	5.63
2018-19	116.50	4.01	104.60	108.61	5.78
2019-20	243.71	3.70	228.67	232.37	9.10
2020-21	194.29	5.57	169.40	174.97	7.06
2021-22*	187.50	7.96	163.93	171.88	9.11
Total	**1,413.21**	**45.91**	**1,280.36**	**1,326.27**	-

*Till 31st March, 2022

Source: Benazir Income Support Programme (BISP)





II. Pakistan Poverty Alleviation Fund (PPAF): PPAF's mission is to transform the lives of the poor to create a more equitable and prosperous Pakistan. It has outreach in 147 districts across all four provinces and regions of the country, supporting communities to access improved infrastructure, energy, health, education, livelihoods, finance, and develop resilience to disasters. PPAF's approach to graduating households out of poverty contributes directly to SDGs-1 & 8, with the underlying policy objectives being to mainstream the graduation approach as part of the government poverty alleviation agenda, and ensure greater access to finance, especially for women.

Since its inception in April 2000 till March 2022, PPAF has disbursed approximately Rs 237.56 billion to its Partner Organizations (POs) in 147 districts across the country. A total of 8.4 million microcredit loans have been disbursed with 60 percent loans to women and 80 percent financing extended to rural areas. Following are the key achievements under the PPAF:

i) 38,800 health, education, water, and infrastructure projects completed;

ii) 440,000 credit groups and 146,900 community organizations formed;

iii) 1,156,000 individuals (49% women) received managerial and livelihood trainings;

iv) 196,000 productive assets transferred to ultra and vulnerable poor households (64% women);

v) Over 2,327,500 interest-free loans (53% women) disbursed through Interest-Free Loan (IFL) Programme;

vi) 26,000 individuals including women and youth trained on enterprise development under Waseela-e-Haq National & Waseela-e-Haq Sindh programmes of the BISP facilitated in establishing their successful ventures;

vii) 30,800 persons with disabilities rehabilitated.

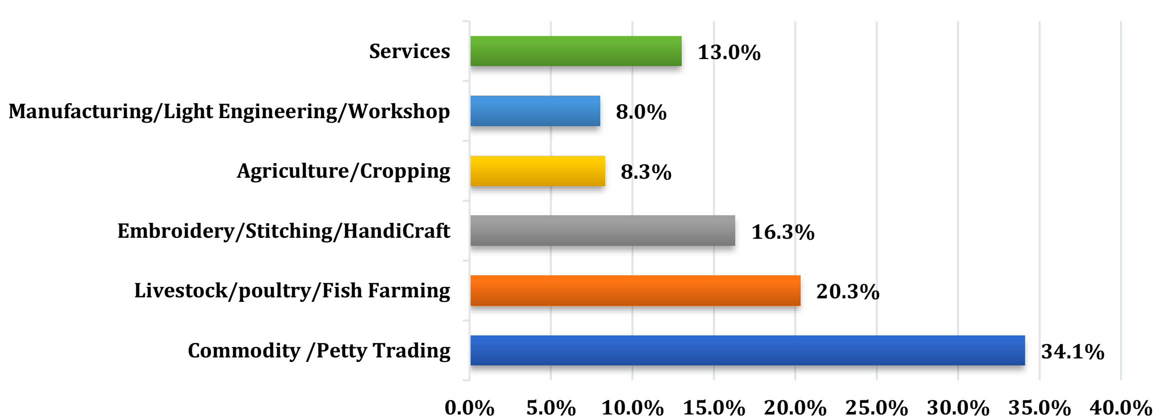
Interest-Free Loan (IFL) Programme under PPAF: The IFL is one of the major components of the initiative being implemented by the PPAF through its 21 partners organisations. The range of interest-free loans is Rs 20,000 – Rs 75,000. As many as 2.8 million interest-free loans will be provided (50,000 loans a month) for the next 4 years to 1.7 million households.

Since inception of the programme in July 2019 till March 2022, a total of 1,805,297 loans (49 percent loans to women) have been disbursed Rs 64.87 billion. During July 2021-March 2022, a total of 389,238 interest free loans (61% loans to women) amounting Rs 14.41 billion have been disbursed to the borrowers. The programme is being executed through 768 Loan Centers/Branches in about 75 districts by 21 partners organisations across the country. The detail of physical progress of IFL programme is given in table below:

Sr. #	Particulars	Progress for July–March FY2022			Cumulative as of March 2022		
		Men	Women	Total	Men	Women	Total
1	Number of loans disbursed to borrowers	153,436	235,802	389,238	919,474	885,823	1,805,297
2	Amount disbursed to borrowers (Rs billion)	5.74	8.67	14.41	35.13	29.78	64.87
3	Number of Loan Centers	768					

The diversity of loans disbursed shows that 34.1% of loans are for commodity/ petty trading, 20.3% for livestock/ poultry/ fish farming, 16.3% for embroidery/ stitching/ handicrafts, 13% for services (barber, carts etc.), 8.3% for agriculture/ cropping, and 8% for manufacturing/ light engineering/ workshop:

Fig-7: Diversity of Disbursed Loans (July- March FY2022)



During the reporting period, 85.28 percent loans provided in Punjab, 6.53 percent in Sindh, 6.09 percent in KP, 1.31 percent in Balochistan, 0.53 percent in Gilgit-Baltistan and 0.27 percent in Azad Jammu and Kashmir (AJK). Provincial breakdown of loans and amount disbursed is mentioned in table-15.5:

Table-15.5: Province/Region wise Interest Free Loan (IFL) Progress (July 2021 to March 2022)						
Province / Region Name	No. of Loans			Amount Disbursed (Rs million)		
	Male	Female	Total	Male	Female	Total
AJK	66	730	796	3.00	35.21	38.21
Balochistan	3,061	754	3,815	160.88	27.71	188.59
GB	537	901	1,438	28.39	47.48	75.87
Khyber Pakhtunkhwa	13,674	11,227	24,901	541.57	336.29	877.86
Punjab	130,772	202,892	333,664	4,793.69	7,498.78	12,292.47
Sindh	5,326	19,298	24,624	216.44	724.60	941.04
Total	**153,436**	**235,802**	**389,238**	**5,743.96**	**8,670.07**	**14,414.03**

Source: Pakistan Poverty Alleviation Fund, Islamabad.

Financial Progress of the PPAF

During July-March FY2022, PPAF disbursed Rs 2,112.70 million to its Partner Organizations for various programmes funded by Donors and PPAF's own resources. The component-wise financial progress update is given in the table-15.6:

Table-15.6: PPAF Disbursement by Operating Units/Special Initiatives		(Rs million)
Sr #	Programme Components	Amount Disbursed
1	Institutional Development/Social Mobilization (ID/SM)	191.15
2	Livelihood Enhancement and Protection (LEP)	1,606.35
3	Water and Infrastructure (W&I)	156.74
4	Education, Health and Nutrition (EHN)	19.34
5	Interest Free Loans (IFL)	139.12
	Total	**2,112.70**

Source: Pakistan Poverty Alleviation Fund, Islamabad.

During the reporting period, a total of 1,626 community institutions were formed and 8,804 community and PO staff members were trained (74% women) under the ID/SM component. Similarly, under the LEP component, 24,176 individuals (85% women) received skills and entrepreneurial trainings and 15,551 productive assets (95% to women) were transferred to ultra and vulnerable poor households. A total of 09 Water and Infrastructure sub-projects were completed benefitting 10,040 persons (including 51% women). A total of 389,238 (61% loans to women) loans were disbursed through the IFL Programme.

Overall, these projects and interventions benefitted around 389,238 poor and marginalized segments of the society during the July-March FY2022. The highlights of physical progress are given in table-15.7:

Table-15.7: Physical Progress Update (July - March FY2022)	(Numbers)
Programme Components	**Physical Progress**
Institutional Development and Social Mobilization:	
▪ Community Institutions Formed	1,626
▪ Community and PO staff trainees (74% women)	8,804
Livelihoods Enhancement and Protection	
▪ Individuals received skills/entrepreneurial training (85% women)	24,176
▪ Productive assets transferred to ultra and vulnerable poor (95% women)	15,551

Table-15.7: Physical Progress Update (July - March FY2022)	(Numbers)
Programme Components	**Physical Progress**
Water and Infrastructure Sub-projects:	
▪ Sub-projects completed	9
▪ Sub-projects beneficiaries (51% women)	10,040
Interest Free Loans Scheme	
▪ Number of Interest Free Loans (61% women)	389,238
Source: Pakistan Poverty Alleviation Fund, Islamabad.	

Other Key Achievements and Initiatives during FY2022

In addition to the above, following key achievements were made by the organization during the reporting period:

- PPAF qualified for the Pakistan Centre for Philanthropy (PCP) certification, valid for three years, for demonstrating excellence in its programme delivery and management.
- The United Nations High Commissioner for Refugees (UNHCR) has awarded Pre-Qualified for Procurement (PQP) status to PPAF. Valid till December 31, 2025, the status authorizes PPAF to carry out procurement activities for UNHCR funded programmes at the national level.
- PPAF dedicated Rs 9.0 million of its own resources to provide immediate relief assistance to the poorest communities severely affected by the earthquake in District Harnai. Emergency assistance included food, non-food items and shelter to 100 families in the worst-hit areas in the district.
- PPAF signed an agreement with the Planning and Development Department, Government of Gilgit-Baltistan (GB), to reduce poverty and enhance socioeconomic development in far flung areas of GB under collaborated development initiatives.
- A 120 KW solar lighting system was recently inaugurated by First Secretary, Embassy Federal Republic of Germany, Director, KfW Islamabad along-with PPAF's partner organization implementing the project in village Jabba of district Swabi.
- PPAF signed MoUs with top financial institutions (FIs) to ease access to financing for Micro, Small and Medium Enterprises under the EU funded Growth for Rural Advancement and Sustainable Progress programme. MoUs were signed with Asia Insurance Company, Askari Bank Limited, Mobilink Microfinance Bank Limited, The First Microfinance Bank Limited and the Zarai Taraqiati Bank Limited in December 2021.

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).

The microfinance industry broadly provides services in three categories of micro-credit, micro-savings, and micro-insurance. As shown in Table 15.8, the sector continued an upward trend. The micro-credit outreach witnessed 16 percent growth with active borrowers touching 8.1 million during the year 2021, while the gross loan portfolio registered 21 percent growth reaching Rs 393 billion during the same year. Micro-savings, on the other hand, posted a growth of 23 percent under active savers increased to over 78.7 million and the value of their savings reached to Rs 422.5 billion, an increase of 13 percent over the corresponding year. Moreover, micro-insurance also remained positive wherein the number of policyholders increased by 12 percent touched to 8.2 million, whereas sum insured posted a robust growth of 30 percent reached to Rs 319 billion.

Table 15.8: Active Borrowers, Active Savers, and Active Policyholders

Details	Micro-Credit		Micro-Savings		Micro-Insurance	
	Active Borrowers	Value (Rs million)	Active Savers	Value (Rs million)	Policy Holders	Sum Insured (Rs million)
2021*	8,122,085	392,585	78,731,952	422,547	8,228,178	319,255
2020*	7,005,885	324,155	64,112,657	374,362	7,324,379	244,650
Increase/decrease (Net)	1,116,200	68,429	14,619,295	48,185	903,799	74,604
Increase/Decrease (%)	16%	21%	23%	13%	12%	30%

*: Calendar Year

Source: Pakistan Microfinance Network

The microfinance sector in Pakistan has been dedicated towards improving access to economic opportunities and growth for the marginalized segments of the population. Improving access to financial services is inadequate without considering social and developmental areas of improvement. These areas have been a priority for Microfinance Providers (MFPs) as evidenced by their engagement in a number of social and development initiatives like increasing access to financial services, development of start-up and existing enterprises, poverty alleviation, employment generation, and promoting gender equality.

It is provided as a package through Microfinance Banks (MFBs), Microfinance Institutions (MFIs), Rural Support Programmes (RSPs) and Others including Commercial Financial Institutions (CFIs) and Non-Government Organizations (NGOs). Table-15.9 presents the number of micro-credit beneficiaries with outstanding loan portfolios and disbursements by loan providers upto December 2021.

Table 15.9: Micro credit beneficiaries, outstanding loans portfolio and loan disbursement as of Dec. 2021

MFP	Active Borrowers	Outstanding Loans Portfolio (Rs)	Number of Loans Disbursed	Disbursements (Rs)
Total for Pakistan MF sector	**8,122,085**	**392,584,787,202**	**4,758,134**	**134,615,948,880**
MFBs				
Apna Microfinance Bank	111,177	11,997,793,718	118,474	15,413,106,287
Advans Pakistan	15,059	2,494,002,192	4,275	956,096,984
FINCA Microfinance Bank	202,094	19,695,729,435	31,639	4,525,373,263
HBL Microfinance Bank Limited	554,520	59,244,623,755	129,828	19,096,480,461
Khushhali Bank	806,434	72,513,039,269	111,582	16,889,052,839
Mobilink Microfinance Bank	2,018,447	38,369,832,811	3,180,599	13,382,574,633
NRSP Bank	316,231	30,847,512,808	76,508	8,447,299,810
Pak Oman Microfinance Bank	55,981	5,583,519,184	16,662	1,784,763,722
Sindh Microfinance Bank	53,993	962,406,040	14,037	431,250,532
Telenor Microfinance Bank Limited	177,987	11,796,070,764	136,670	4,154,411,381
U Microfinance Bank	346,390	36,411,344,571	25,659	4,579,787,369
Total for MFBS	**4,658,313**	**289,915,874,547**	**3,845,933**	**89,660,197,282**

Table 15.9: Micro credit beneficiaries, outstanding loans portfolio and loan disbursement as of Dec. 2021

MFP	Active Borrowers	Outstanding Loans Portfolio (Rs)	Number of Loans Disbursed	Disbursements (Rs)
MFIs				
Agahe Pakistan	41,940	1,116,906,322	13,894	572,686,705
Akhuwat Islamic Microfinance	725,633	21,611,817,412	137,407	6,057,430,900
CSC Empowerment & Inclusion Programme	45,628	1,676,869,596	10,737	598,327,662
Damen Support Programme	125,013	4,135,515,772	30,825	2,065,600,000
FFO Support Program	38,197	907,878,721	10,292	535,344,060
JWS Pakistan	105,342	3,348,096,049	32,461	1,847,865,000
Kashf Foundation	574,996	17,952,336,037	178,235	8,830,035,000
Mojaz Support Program	40,080	893,381,021	6,097	353,690,000
Organization for Poverty Reduction &Chartiable Trust	20,677	480,126,914	5,062	234,470,000
OPD Support Program	5,215	90,863,449	1,001	42,080,000
Rural Community Development Programs	154,553	5,530,032,110	38,262	2,476,981,880
Sayya Microfinance Company	7,489	206,556,983	3,261	126,110,000
Safco Support Foundation	110,773	3,164,509,110	22,418	1,354,486,600
Shah Sachal Sami Foundation	3,629	148,500,250	420	39,800,000
Soon Valley Development Program	10,125	286,134,375	2,045	108,222,700
Taleem Finance Company	305	163,526,792	327	213,299,691
Villagers Development Organization	1,872	31,920,356	172	9,092,000
Total for MFIs	**2,011,467**	**61,744,971,269**	**492,916**	**25,465,522,198**
RSPs				
Ghazi BarothaTaraqiatiIdara	23,527	347,640,858	4,938	134,265,000
National Rural Support Programme	698,689	19,626,620,078	195,037	9,358,855,100
Punjab Rural Support Programme	42,818	1,137,756,893	11,997	507,375,000
Sindh Rural Support Organization	80,716	1,995,522,561	21,682	797,400,000
Sarhad Rural Support Programme	6,737	153,794,000	2,080	81,529,000
Thardeep Microfinance Foundation	86,666	3,483,863,227	13,937	1,016,172,300
Total for RSPs	**939,153**	**26,745,197,617**	**249,671**	**11,895,596,400**
Others				
ASA Pakistan	512,309	13,994,789,802	169,614	7,594,633,000
MCB Islamic Bank	843	183,953,968	-	-
Total for Others	**513,152**	**14,178,743,770**	**169,614**	**7,594,633,000**

Source: Pakistan Microfinance Network

IV. Zakat: Zakat is an important institution in an Islamic economic framework for poverty alleviation and economic welfare. In Islam, Zakat is a religious obligation to pay a part of wealth and production to the government. Zakat has emerged as the government's central programme of social safety instruments. However, its potential and scope in fighting poverty is yet to be fully realized. The federal government is responsible for the collection of Zakat and its distribution to the provinces/federal areas in accordance with the Zakat distribution formula approved by the Council of Common Interests (CCI). A total amount of Rs 6,190.37 million has been distributed during FY2022 as per details given in Table 15.10:

Table 15.10: Disbursement of Zakat		(Rs million)
Federal Areas/ Provinces	**% Share**	**Allocated/Released Budget2020-21**
Federal Areas	7% of total Zakat Collection is distributed amongst federal Areas	
ICT	35.14% of 7%	152.271
Gilgit-Baltistan	18.57 % of 7%	80.469
KPK (FATA)	46.29 % of 7%	200.587
	Total Federal	**433.327**
Provincial	Share of provinces after deduction of above federal payments	
Punjab	57.36 % of 93 %	3,302.240
Sindh	23.71 % of 93 %	1,364.995
Khyber Pakhtunkhwa	13.82% of 93 %	795.623
Balochistan	5.11 % of 93 %	294.185
	Total Provincial	**5,757.043**
G. Total		**6,190.370**
Source: Poverty Alleviation and Social Safety Division		

V. Pakistan Bait-ul-Mal (PBM): The PBM was established for assistance to destitute and needy widows, orphan, invalid, infirm and such other persons and thereby save from hardship and suffering and to enable them to lead an honorable life in the society. During FY2022, Rs 6.505 billion has been allocated to PBM for its following core projects/schemes is as under.

a). **Individual Financial Assistance (IFA):** Through IFA, poor, widows, destitute 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 30,000/- annually, whereas the family with two special children are being provided financial assistance of Rs 60,000/- per annum. From July-March FY2022, an amount of Rs 1.5 billion has been disbursed.

b). **Schools for Rehabilitation of Child Labour (SRCLs):** PBM has established 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 centers with free provision of uniform, books and stationery. An amount of Rs 524.080 million has been utilized for the period July-March, FY2022.

c). **Women Empowerment Centres (WEC):** Vocational Training Centres now called Women Empowerment Centres have been established throughout the country since 1995. 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 335.797 million has been utilized during July to March FY2022.

d). **Darul Ehsaas (Orphanages):** PBM has established Dar-ul-Ehsaas (orphanages) 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 Rs 441.649 million has been spent up to month of March FY2022.

e). **Ehsaas Kada (for shelter less senior citizen):** Presently 02 centers have been established thereafter, this initiative would be up-scaled in phased manner. The enrolled senior citizens (above 60 years of age) are being provided free of cost boarding/lodging, messing and medical care of excellent standard. An amount of Rs 7.100 million has been utilized for the period from July-March, FY2022.

f). **Ehsaas Panahgahs:** PBM has established Panahgahs under Ehsaas Programme, mainly focus on quality service delivery to the shelter-less persons, by taking care of multiple aspects including health care, safe /secure living environment, hygienic food etc. in a respectable manner. Since inception of the Programme, 39 Ehsaas Panahgahs are functional. So far, an amount of Rs 183.015 million has been utilized up to March FY2022.

g). **Ehsaas Koi Bhooka Na Soye (EKBNS):** PBM has procured food vehicles to deliver the foods by donors, since inception of the Programme, 40 EKBNS food vehicles are functional. So far, an amount of Rs 161.088 million has been utilized till March FY2022.

h). **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 22.174 million has been disbursed till March FY2022.

VI. Employees Old-Age Benefits Institution (EOBI): The EOBI is playing a vital role in poverty alleviation by paying pension and grants to retired workers and their families. EOBI is the only national pension scheme for employees working in industrial and commercial establishments with at least ten employees. Currently, EOBI has registered 450,375 Old-age pensioners, 234,881 Survivors' pensioners and 11,837 Invalidity pensioners. EOBI have 137,288 total registered employers out of which 89,840 are active employers. Overall 9,429,281 employees are registered with EOBI. During FY2022, EOBI registered 307,296 new employees.

Main Features of the EOBI Schemes:

- **Old-age pension** on attaining the age of 60 years in case of male workers and 55 years in case of female and mine workers.
- **Invalidity pension** on sustaining invalidity affecting insured person's earning more than one third of normal.
- **Survivors' pension** to the following in case of death of insured person/pensioner:
  - Surviving spouse 100% pension till life, or
  - Surviving male children till 18 years of age, or
  - Surviving female children till 18 years of age or their marriage, whichever is earlier, or
  - Surviving parents for 5 years, if any insured person/pensioner not survived by spouse or children.

- **Old-Age Grant**: paid in lump sum to insured persons having less than fifteen years' insurable employment but attain the age of 60/55 years.

The details of disbursed benefits during July-March FY2022 are shown in Table-15.11.

Table-15.11: Achievements of EOBI during July- March FY2022 **(Rs million)**

Benefits	Pension Disbursement Type-Wise									Total Disbursement
	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
Old-age Pension	2189.13	2189.33	2189.18	2189.39	2189.82	2189.52	2206.92	2256.98	2238.11	19,838.38
Invalidity Pension	45.52	45.63	45.52	45.72	45.55	45.52	46.58	47.01	45.65	412.7
Survivors' Pension	1415.57	1415.77	1415.50	1416.18	1416.86	1415.61	1446.47	1509.74	1505.51	12,957.21
Old-Age Grant	32.29	31.27	32.34	32.11	32.31	32.50	35.49	54.35	48.25	330.91
Total	**3682.51**	**3682.00**	**3682.54**	**3683.40**	**3684.54**	**3683.15**	**3735.46**	**3868.08**	**3837.52**	**33,539.20**

Source: Employees' Old Age Benefits Institution (EOBI), Karachi

VII. Workers Welfare Fund (WWF): The WWF was established under the Workers Welfare Fund Ordinance, 1971 to take initiatives for the industrial workers by providing service in health, education and low-cost housing sector which includes provision of Marriage Grants, Death Grants, Talent Scholarships, establishment & maintenance of labour Colonies and establishment & operations of Workers Welfare Schools at various priority locations throughout the country. The main objectives of WWF are as under:

a) Financing of projects connected with the establishment of housing estates or construction of houses for the industrial workers.
b) Other measures for the welfare of workers.

The WWF derives its receipts from the following three sources:

i) An industrial establishment contributes 2% of its assessable income under WWF Ordinance 1971, when it exceeds Rs 500,000/- in an accounting year.
ii) The left-over amount under Companies Profit Workers Participation (CPWP) Act, 1968 after distribution amongst workers.
iii) Income from investments.

During July-March, FY2022, expenditures amounting to Rs 1.43 billion were incurred on 15,004 scholarship cases, while Rs 244.07 million disbursed as marriage grants @ Rs 200,000 per worker benefitting 1819 workers' families. The WWF has also disbursed Rs 420.4 million as death grant @Rs 600,000 per worker– covering 804 cases of mishaps all over the country.

Way forward

Toward promoting sustainable and inclusive development, a fundamental role of government is to provide essential public goods and services and, where necessary, direct support to households to tackle poverty and meet redistribution goal. Development can only thrive when there is investment in people and where governments are responsive and accountable to their citizen's social and economic security. The pandemic brought substantial changes to every aspect of people's lives, setbacks have already been observed in some dimensions of human development. The most strongly affected areas are income, health, and education.

Government is committed towards making real improvements in people's lives and implement policies that are aligned with poverty alleviation and SDGs indicators. The proper implementation of poverty alleviation programmes and social safety net coupled with reduction in the cost of living would go a long way in mitigating poverty and providing relief to the needy in the short run. Their impact, however, needs to be closely monitored to ensure access to the target group. The long-term remedy, however, remains to be sustained high economic growth with equity. The government is making strenuous efforts to achieve higher economic growth with emphasis on human resource development.

CLIMATE CHANGE

Under TBTTP total number of Plants till March 2022 were

1,586.18

million

TBTTP is helping to restore the ailing ecosystems and it will improve natural capital as well

TBTTP is being implemented in all Provinces on 50 percent cost-sharing.

TBTTP has achieved 579.093 million plants during July-March FY 2021-22

Chapter 16

Climate Change

Climate change is caused by an increase of carbon dioxide and other greenhouse gases in earth's atmosphere mostly from fossil fuel emissions. In Pakistan, the environmental degradation and climate change are adversely affecting the economy, livelihood of the poor and sustainable development. On the one hand, growing population, unplanned urban expansion and dependence on natural resources puts immense pressure on environment that triggered climate change. Moreover, lack of public awareness regarding environmental issues and mismanagement of water and solid waste has aggravated the situation. Consequently, Pakistan continues to suffer from a plethora of natural and human induced hazards that threaten the lives and livelihood of its citizens – natural disasters including floods, earthquakes, landslides, cyclones and drought.

The Government of Pakistan has evolved policy frameworks backed by strategy to address various aspects of the climate change including major policy and climate related interventions. In this context, the Ministry of Climate Change (MoCC) has taken different initiatives to mitigate the effects of environment and climate.

Forests, Wildlife & Biodiversity Resources in Pakistan

According to the National Forest Reference Emissions Level (FREL) findings, the country is maintaining 4.786 million-hectare (5.45 percent) area under forest cover. Within the forest cover area, dry temperate forests hold the largest share (36 percent), followed by sub-tropical broadleaved shrub (19 percent), moist temperate (15 percent), Chir Pine (13 percent), Riverine (4 percent), irrigated plantation (4 percent), thorn (3 percent), mangrove (3 percent) and subalpine forests (2 percent). The meager forest cover area due to growing population, and dependence on the natural resources coupled with deforestation have rendered the country one of the most vulnerable to climate change effects. As a result, natural resources are under tremendous pressure owing to change of land use and habitat destruction and consumption of fuel wood and timber extraction. Such pressures have rendered most of the forests of poor and medium density in need of drastic restocking on war footing.

Ten Billion Tree Tsunami Programme (TBTTP)

The implementation of the TBTTP was initiated in 2019 with a total cost of Rs 125.1843 billion for four years (2019-2023) to plant / regenerate 3.296 billion plants across the country. The programme is being implemented by the provincial forest and wildlife departments through MoCC on 50 percent cost sharing basis except AJ&K and GB which are 100 percent funded by the Federal Government through PSDP. The programme has achieved 579.093 million plants during July-March FY2022 and cumulatively has attained 1586.18 million plants till March 2022. Through this programme 327,877 man months have been employed uptil March 2022.

Digital Progress Reporting System for TBTTP

MoCC developed a robust digital reporting system to ensure the transparency of TBTTP activities. The system captures all activities including block plantation, linear plantation, assisted natural regeneration and nursery management system performed under forest component of TBTTP. In addition, Geographic Information Centre (GIS) team of TBTTP developed a web-GIS monitoring portal which is capable to visualize the plantation sites geographically with detailed information of the site and processed satellite imagery of pre & post plantation status. Table1 shows the details of Plants, planted or regenerated under TBTTP.

Table- 16.1: Plantation / Regeneration / Distribution of plants under TBTTP (2019-20 to 2021-22) (In millions)

S.No.	Province/Territory	Plantation / Regeneration / Distribution Progress and Targets				Anticipated Progress Till 30th June 2022
		2019-20	2020-21	Monsoon 2021 Progress	Spring 2022 Target Presented	
1	Khyber Pakhtunkhwa	167.880	223.060	107.230	194.000	692.170
2	Punjab	58.000	10.675	46.242	74.000	188.917
3	Sindh	177.030	231.360	206.980	140.000	755.370
4	Balochistan	2.900	3.202	2.334	13.500	21.936
5	AJK	69.087	41.503	13.217	98.757	222.564
6	GB	4.690	17.700	11.060	20.642	54.092
	Total	479.587	527.500	387.063	540.899	1935.049

Source: MoCC

Protected Areas Initiative

The initiative was launched to improve management and governance of 23 protected areas with a total estimated cost of Rs 3.89 billion. The initiative will result in preserving rare fauna / flora and promote eco-tourism. The potential gain of this programme will be reaped with 5,500 new green jobs. Nanga Parbat National Park and Himalayan National Park in GB was inaugurated to achieve the targets envisaged under this initiative. Besides, Tilla Joggian Park and Salt Range National Park are in progress in the Punjab province, whereas the Khyber Pakhtunkhwa has notified new protected areas to support implementation of this initiaties.

Billion Tree Honey Initiative

This initiative is launched as a coherent effort of different Ministries/ Agencies to promote apiculture in the country. It is estimated that the existing forest resource will increase to about 5.5 million hectares after addition of new areas being planted/regenerated under TBTTP by FY2022-23. It was estimated that about 10,000 bee keepers were using 300,000 colonies for producing 7,500 metric tons of honey annually. The potential can be enhanced to produce 70,000 metric tons of honey from the same harvest by using modern bee keeping gears, training on latest techniques, standardization/ certification of the product and intensive marketing. It is anticipated that marketing of 70,000 metric tons of honey will generate an income of about Rs 20-25 billion in the national economy and provide about 87,000 green jobs.

The available forest resource shall be used by the bee keepers to produce honey specific to particular flora and shall be branded accordingly. The NAVTTC will provide training to the selected beekeepers along with technical support, follow-up of on-ground activities and product extraction. The certified bee keepers will be provided financial support. The Ministry of Science and Technology shall be responsible for certifying the honey produced under the programme, whereas the Ministry of Commerce shall patent the market brand of 'Ten Billion Tree Honey'.

REDD+ Readiness and Preparation Project

Reducing Emissions from Deforestation and forest Degradation, conservation of existing forest carbon stocks, sustainable forest management and enhancement of forest carbon stocks 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 stocked in forests is traded in carbon markets.

M/o CC is implementing REDD+ Readiness Preparation Project with financial grant of US$7.81 million received under the Forest Carbon Partnership Facility (FCPF) of the World Bank to complete following four essential elements of the REDD+ in order to fulfill the requirements of accessing result-based payments under REDD+ mechanism. The progress made under the project is as under:

i. National Forest Reference Emissions Level (FREL) of deforestation was prepared with the technical assessment of the panel of UNFCCC over the period 2004 to 2012, which endorsed by UNFCCC.
ii. Protocols have been developed for National Forest Monitoring System (NFMS) and Monitoring, Reporting and Verification (MRV) system.
iii. Framework has been developed for Safeguards Information System (SIS) for REDD+ along with Strategic Environmental and Social Assessment, Environmental and Social Management and Feedback Grievance Redressal Mechanism.
iv. Draft National REDD+ Strategy has been prepared.
v. Design of Payment for Ecosystem Services (PES) has been completed for two ecosystems i.e., Mangroves and temperate forests.

Reversing Deforestation and Forest Degradation in High Chilgoza Pine Forests Pakistan - Balochistan Progress

Some of the major achievements of the project over the last two years are given below:

- 8,443 households (includes 6,679 men and 1,764 women) have directly benefited from the project out of the total 25,000 households targeted in the project.
- Assisted Natural Regeneration on 2153 ha in 14 valleys through 48 enclosures (4 million seedlings) achieved out of the 3,600 ha targeted in the project.
- Four Chilgoza Processing units provided to different communities.
- Total of 600 sets of Chilgoza cone collection and storage tools procured against the target of 100 sets.

- Gasifiers and 2,100 fuel efficient stoves are distributed.
- Different communities have planted fruit and forest seedlings on 653 ha (653,000 plants).
- Management plans for Chilgoza forests over 26,000 ha have been prepared.

Declaration of Marine Protected Areas

Astola Island was declared as first marine protected area of the Pakistan. In this context, consultative process continued on management planning of Astola Island with the involvement of all stakeholders. Moreover, active consultation is in process with other Ministries like Defense, Maritime Affairs and the Provincial Governments to increase Marine Protected Areas in the country.

Membership of International Network on Bamboo and Rattan

INBAR is an Inter-Governmental Organization established in 1997 to promote environmentally sustainable use of Bamboo and Rattan. President of Pakistan signed the Letter of Accession to become 48th state member of INBAR in 2021. The network will support Pakistan in propagation and value chain development of Bamboo in the country with effect from 1st July, 2021. In this association, a cross sectoral working group has been constituted to steer activities of INBAR in Pakistan.

Bio-safety Clearing House Project

National level consultative and capacity building project on Biosafety Clearing House is already in progress. However, the UNEP led process could not be initiated due to COVID-19 outbreak. The first National Capacity Building Workshop was held on 28th Feb to March 2nd, 2022.

Box: Living Indus Initiative–Ecological Restoration of the Indus Basin for a Climate Resilient Future

More than 80% of Pakistan's population living on the Indus Basin, it has served as the core of the region's socio-cultural and economic life for over a documented 5,000 years. However, the question needs to be addressed; does it be able to do so even for another 100 years? Indus Basin is facing multiple threats ranging from Climate Change due to poor resource management, environmental hazards and unsustainable use of this valuable resource. Unaddressed, the economic cost to Pakistan of poor water resource management is estimated to be USD $12 billion per annum (4% of GDP). In addition, the Indus Basin faces an existential threat in the wake of Climate Change, which is the biggest longer-term and currently unmitigated external risk to Pakistan's water endowment. Climate change is expected to bring about an increase in the frequency and intensity of extreme weather events, coupled with the increased variability in South Asian Summer Monsoon (SASM) rains causing frequent and intense floods and droughts in the country (IPCC 2013).

United Nations in Pakistan is assisting the Ministry of Climate Change, Government of Pakistan in developing a vision and agenda which aspires to an Indus Basin that can sustain a thriving civilization from its sources to the ocean whose natural resources and ecosystems have been repaired and restored, and are resilient in the face of climate change. Through this initiative, it is intended to establish the health of the Indus Basin at a higher level of urgency and ambition, both through the implementation of a series of new and innovative interventions in the short term and through the identification and deployment of as-yet-untried approaches drawn from and adapting approaches tried in other parts of the world.

Source: Food and Agriculture Organization of the United Nations, Pakistan

Water, Sanitation and Hygiene (WASH)

M/o CC revised the National Climate Change Policy in 2021 that included alignment of WASH related interventions. The National Water Policy 2018 also underpins drinking water and sanitation as key priority over all other usages, that emphasized on the provinces to develop their guideline and strategies for drinking water and sanitation. In this connection, the Government of Punjab developed Water Policy 2018 that includes WASH for an alignment with SDGs and developed as WASH strategy 2021. Similarly, the Government of Khyber Pakhtunkhwa has prepared new drafts of the revised drinking water and sanitation policies 2020 in accordance with SDGs 6.

Besides, the provincial governments have developed their WASH Sector Development Plans and these are being periodically reviewed. Further, MoCC supported all provinces through UNICEF to organize WASH Joint Sector Reviews (JSRs) to determine the key challenges and identify consensus for a way forward through consultative meetings and workshops. This culminated with a national WASH JSR in February 2022 by MoCC.

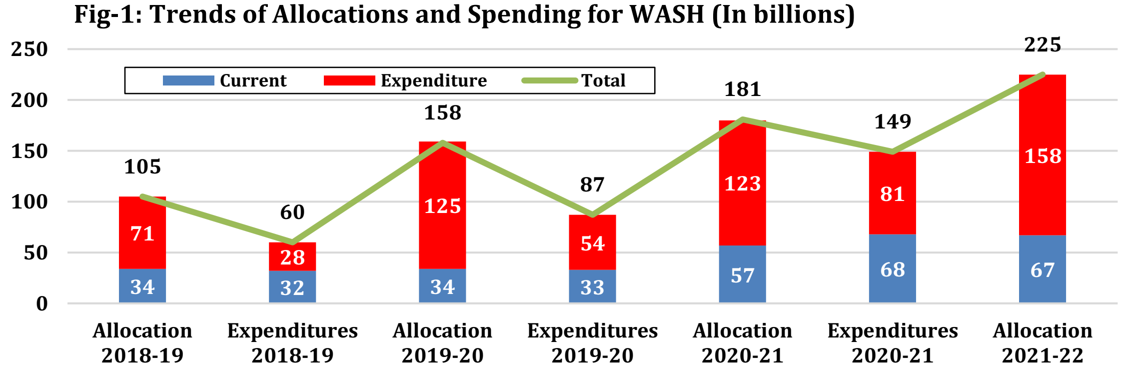
Planning, Monitoring and Review and SDG Reporting

Pakistan Bureau of Statistics (PBS) is the national custodian of tracking and reporting the progress on sustainable development goals in the country. The MoCC and PBS brought different stakeholders together in order to streamline all federal and provincial surveys for consistency and timeframe against the indicators. However, at present there is a need for a single monitoring body or institution in Pakistan for carrying out M&E and reporting on drinking water, sanitation and hygiene. Hence, the MoCC developed online web portal that includes Clean Green Pakistan Index (CGPI) dashboard to track and record the progress of performance indicators.

Financing for Water Sanitation and Hygiene

The Government has allocated Rs 225 billion for 2021-22 for WASH services in provincial and federal budgets of Pakistan. A review of the budget documents showed an upward trend of WASH allocations from FY2019 to FY2022. There is an increase of 114 percent budgetary allocations for WASH in 2021-2022 as compared to 2018-2019. Similarly, as compared to 2018-19, during 2020-21 WASH expenditure increased by more than 100 percent. Trends of allocation and spending for WASH (FY 19-FY 22) depicted in the Fig-1.

Fig-1: Trends of Allocations and Spending for WASH (In billions)



Source: Ministry of Climate Change

In 2020-2021, overall utilization was recorded 83 percent compare to 55 percent and 57 percent in 2019-20 and 2018-19, respectively. For last three years, the utilization of current budget is more than 93 percent.

A review of the 2020-21 budgetary allocations and expenditures shown in Table-16.2 reveal that highest level of spending was reported by Sindh province (88 percent), followed by Punjab (86 percent), Balochistan (84 percent), and KP (69 percent), respectively.

Table-16.2: Budget and Expenditure for FY2021 (Rs million)

Provinces/ Region	Budget 2020-2021			Expenditures 2020-2021			Spending (%)
	Current	Development	Total	Current	Development	Total	
Balochistan	5,759	16,596	22,355	5,706	12,982	18,688	84
Sindh	15,304	40,504	55,808	24,415	24,643	49,058	88
Punjab	24,700	38,189	62,889	24,561	29,390	53,951	86
Khyber Pakhtunkhwa	11,688	24,188	35,876	13,390	11,295	24,685	69
Federal	0	3,739.84	3,740	0	2,672.87	2,673	71
Total	57,450	123,217	180,667	68,071	80,982	149,054	83

Source: M/o CC

The budgetary allocations for Water, Sanitation and Hygiene in 2021-2022 (including federal and provincial budgets) are Rs 225.159 billion includes Rs 126.897 billion under development expenditures and Rs 67.133 billion under current expenditures. The provincial and federal budget breakup of WASH programme for 2021-2022 is given in Table-16.3.

Table-16.3: Budget for WASH FY2022 (Rs millions)

Province	Current	Development	PSDP	Total	Rs Per Capita
Balochistan	7,409	19,330	1,500	28,239	2,139
Sindh	17,995	36,822	22,532	77,349	1541
Punjab	28,063	54,329	500	82,892	723
Khyber Pakhtunkhwa (Including NMDs)	13,666	16,416	730	30,812	822
Federal	0	0	5,867	5,867	
Pakistan	67,133	126,897	31,129	225,159	1,034

Source: M/o CC

The per capita WASH allocation in Pakistan is Rs 1,034. The Table 16.3 shows the highest per capita WASH allocation is in Balochistan with Rs 2,139, whereas Punjab holds the lowest per capita WASH allocation of Rs 723.

Pakistan WASH Strategic Planning and Coordination Cell

Establishment of Pakistan WASH Strategic Planning and Coordination Cell was a PSDP project with total cost Rs 41.136 million executed and sponsored by MoCC. The project was completed on 31st December 2021 with the following achievements:

- Establishment of coordination mechanism as National Coordination Committee.
- Establishment of research caucus for WASH.

- Regular reporting on SDG-6 that includes reporting on WASH in health care facility, GLAAS survey, JMP reports in close coordination with PBS.
- Development of policy guidelines for drinking water and sanitation.
- Behavior Change Communication (BCC) strategy for WASH addressing all the thematic area of clean green Pakistan has been developed.

Capacity Building on Water Quality Monitoring and SDG 6 (6.1) Reporting under the KOICA Grant

The project will provide support in water quality infrastructure and equipment uplift in the 36 labs of Punjab and 8 divisional labs of KP. The complete staff of water quality labs will be trained on water quality monitoring and compliances frameworks in Punjab, KP, Sindh and Baluchistan. The total cost of the project is Rs 1289.206 million with Rs 102.006 and Rs 1187.2 share of federal and KOICA, respectively.

COVID Response for Hygiene and WASH

Hand washing with soap appeared the most cost-effective approach for COVID-19 response. The Ministry of Climate Change developed and launched a national roadmap for Hand Hygiene for All (HH4A). The provinces have been supported to develop detailed action plans for HH4A.

Climate Resilient WASH

The Ministry of Climate Change has conducted a national study to determine the impact of climate change on children that covers the vulnerability of climate change for different regions of Pakistan along with overall impact of key climate hazards in Pakistan. Findings of the study indicated that the total economic cost of climate change in Pakistan ranges from US$1.3 to US$1.9 billion which is equivalent to 0.5 to 0.7percent of GDP of Pakistan. Air pollution has the highest share in economic costs (30-34 percent), followed by water-related costs (26-27 percent), malnutrition (15-17 percent), temperature related diarrhea (9-17 percent), agricultural productivity (5-7 percent), deaths due to excess heat (2.8-3.2 percent), decrease in exports (1.6-2.3 percent), sanitation-related diarrhea (1.2-1.9 percent), and maternal mortality (0.3-0.4 percent). Based on this work the WASH Strategic unit has worked with sector partners to bring climate resilient WASH services. In this regard, a climate risk and vulnerability assessment of WASH has been conducted in 2021.

International Cooperation

Ministry of Climate Change is responsible for coordination with international environmental agencies on environmental issues, signing & implementation of MOUs. Moreover, it also represents Pakistan at international forums with respect to the signed Conventions and Protocols. In this regard, the MoCC has taken the following initiative during the 2021-22:

- Pakistan Green Diplomacy Initiative (PGDI) document, as policy tool was developed in consultation with Ministry of Foreign Affairs.

- Study on plastic waste in Pakistan conducted and disseminated findings of the same to all federal and provincial stakeholders.
- Integration of Mobile App on "Ban on Polythene Bags" into the city of Islamabad application initiated and launched.
- Organized First National Dialogue and Stakeholder Convening at Islamabad with the Collect and Recycle (CoRe) Alliance on the topic "Collective action approach to deal with Packaging waste in Pakistan".
- Signed MOUs with TEVTA Punjab, Sindh, KPK, Balochistan and Punjab Vocational Training Council for transfer to tools and equipment related to Refrigeration and Air Conditioning (RAC) trade. All the TEVTAs nominated 56 institutes for receiving RAC tools and equipment.
- Ratification process for Kigali Amendment is underway and the hired consultancy firm has submitted the initial draft Country Assessment Report (CAR).
- Funds were approved for Pakistan amounting US$ 287,318/- for Phase-XI of the Institutional Strengthening Project for the Implementation of Montreal Protocol preparation in 87th Executive Committee Meeting of the Ozone Secretariat held in July, 2021.
- Working on developing PCT codes for import of HFCs in Pakistan in collaboration with FBR and Ministry of Commerce for consideration in upcoming IPO Amendment 2022.
- Draft legal document including the rules for implementation of Montreal Protocol in Pakistan has been drafted and are under initial review.
- MoU signed with the Government of the Uzbekistan on Cooperation in the field of Environment and Climate Change
- Developed draft National Hazardous Waste Management Policy in Pakistan.
- Issued HCFCs import licenses for 2022. It will enable Pakistan to keep the imports under the scale target of Ozone Secretariat

Policies and Strategies

Updated National Climate Change Policy (2021)

M/o CC updated National Climate Change Policy of Pakistan. The goal of this policy is to steer Pakistan towards climate resilient and low carbon development. Thus, it would provide a comprehensive framework in order to address the issues that Pakistan faces and will face in future due to changing climate. This policy document will be reviewed and updated regularly to address emerging concepts and issues in the ever-evolving science of climate change.

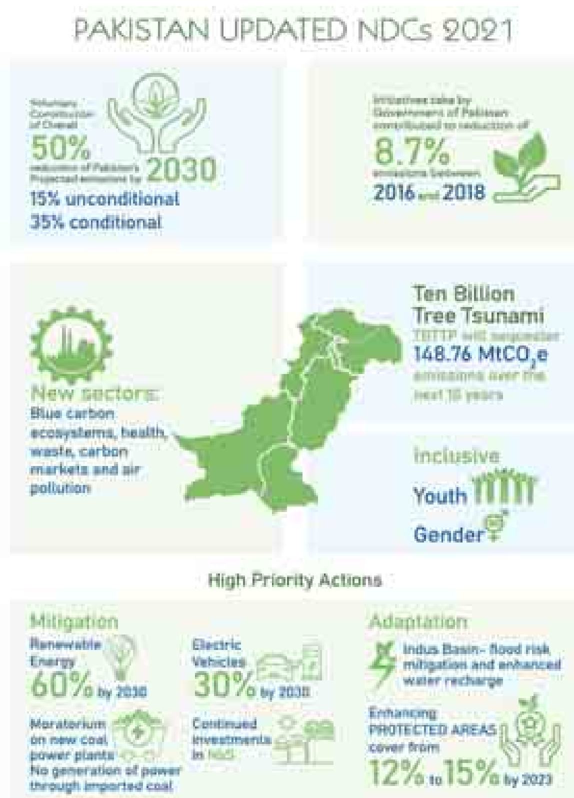
Keeping in view national and international requirements, the updated policy document has been designed in accordance with the requirements of Paris Agreement on climate change, SDGs and Sendai Framework for Disaster Risk Reduction. Hence, appropriate measures relating to disaster preparedness, capacity building, institutional strengthening; technology transfer and international cooperation have also been incorporated as important components of the policy.

The implementation of National Climate Change Policy has been assessed, which shows landmark achievements gained by MoCC, Provincial line Departments in various development sectors i.e., agriculture, transport, energy, industries, forestry and biodiversity through adaptation and mitigation measures. Number of projects has been initiated by the Federal Government and Provincial departments i.e., Ten Billion Tree Tsunami, Clean Green Pakistan Index, Ecosystem Restoration, WASH, Climate resilient Urban Development and Green Building Code are the major initiatives in addressing climate change in the country.

Pakistan Nationally Determined Contributions (NDC) revised 2021

Aimed at achieving reduced poverty and ensuring stable economy, the updated NDCs commit to abate overall 50 percent of Pakistan's projected GHG emissions by 2030. This commitment will be contributed by the shift to 60 percent renewable energy for electricity generation, and 30 percent to electric vehicles by 2030 and complete ban on the use of imported coal. The success of restoring the forest cover and conservation efforts was corroborated when the latest GHG inventory of 2018 reported an 8.7 percent decline in projected GHG emissions for 2018 (sequestration of 8.4 Mt CO_2e). Encouraged by these analytics, Pakistan commits to enhance its reliance on Nature-based Solutions (NbS) underpinned by the fact that TBTTP will alone sequester 148.76 $MtCO_2e$ if fully implemented.

Fig-2: Summary of Pakistan NDCs 2021



Source: M/oCC

To achieve these commitments, it is estimated that transition to renewable energy will cost Pakistan US$ 101 billion by 2030 plus additional US$ 65 billion by 2040 given costs involved in completing in-progress renewable energy projects, building additional hydropower (US$50 billion by 2030 and US$80 billion by 2040) and transmission lines (US$ 20 billion), and phasing out coal (US$ 18 billion to buy out Pakistan's coal power plants and US$ 13 billion to replace the energy production capacity of coal power plants with solar). Pakistan's adaptation cost ranges of between US$ 7–14 billion per annum to 2050. Financing these initiatives is considered a challenge in NDCs and Pakistan in the NDCs commits to employing the instruments on enhanced ambition provided in Article 6 of the Paris Agreement, public-private partnerships and international climate finance opportunities including Green Climate Fund (GCF) and Global Environment Fund (GEF). A summary of Pakistan NDCs 2021 is shown in Fig-2.

National Adaptation Plan

Pakistan is in the process of developing National Adaptation Plan (NAP) for building resilience to climate change. NAP is widely seen as one of the most important mechanisms to cope with the challenges of climate change. The core objective is to reduce vulnerabilities to climate impacts by creating comprehensive medium and long-term plans including the integration of adaptation measures into the national policy. Pakistan will use the NAP process and its outcomes to enhance the adaptation elements of the Nationally Determined Contributions (NDCs), which is the central aspect of the Paris Agreement. The NAP Process will be in place by June 2023.

First Biennial Update Report (BUR)

M/o CC has finalized its First Biennial Update Report (BUR) which will be submitted to UNFCCC Secretariat. The scope of the BURs is to provide an update of the most recently submitted National Communication and to provide additional information. This initiative proves beneficial for mitigation actions taken or envisaged to undertake as well as support needed and received. Pakistan's BUR1 has been developed using the expertise from renowned technical institutions working on the respective themes of climate change. This arrangement has been put in place for strengthening the national reporting process under United Nations Framework Convention on Climate Change (UNFCCC), which was established under previously executed project for preparation of Pakistan's Second National Communication (SNC).

Gender dimension in Climate action

Pakistan acknowledges that advancing gender-sensitive commitments in climate adaptation and mitigation are synonymous with enhancing adaptive capacity of women, families, and communities, eventually building and achieving the country's resilience to climate change. Hence, the updated Pakistan's NDC have a separate chapter on gender reflecting how the harnessing of knowledge and capacity of women is an important tool to design and implement effective solutions. The role of women in decision-making and implementation is proposed to deliver results across various policy sectors.

In addition, Canadian Embassy is supporting MoCC in developing a report for mainstreaming gender into revised policies and also develops gender reporting mechanism within MoCC. The Government with support from International Union for Conservation of Nature (IUCN) will build capacities and innovative approaches through development of a national Climate Change Gender Action Plan (CCGAP). The project will finalize and validate a national CCGAP, anchored around the country's priority sectors.

Green Jobs

In a green economy, development of green jobs becomes the basis of sustainable economic development. Green jobs are central to sustainable development and respond to the global challenges of environmental protection, economic development, and social inclusion. The ILO defines green jobs as "being decent jobs, either in traditional sectors or in the new green ones, which contribute to preserving or restoring a sustainable environment". In the context of Pakistan, the following interventions can be termed as green jobs:

- Protection of ecosystems and biodiversity
- Minimization of waste pollution and enactment of stringent waste management practices
- Reduced consumption of energy and raw materials
- Minimized GHG emissions

Pakistan, through the MoCC, has increased its reliance on nature-based solutions in recent years, such as the TBTTP, which has also shown an increase in 'Green Jobs.' Following the pandemic, the MoCC also launched a 'Green Stimulus' to assist daily wage earners, particularly women and youth, in earning a living through green jobs in a dignified manner. MoCC has also launched a number of interventions to promote green occupations such as protected area management and eco-tourism through the Protected Areas Initiative, Clean Green Pakistan Champions through the Clean Green Pakistan Movement, and so on. MoCC with the support from development sector partners is also developing green jobs roadmap for priority sectors.

In line with the Government's commitment for socio-economic and gender responsive green economy, UNDP Pakistan is supporting MoCC to promote green jobs in Pakistan. The support includes baseline assessment of green jobs future in Pakistan based on existing legislative environment, gaps and challenges to leveraging the potential benefits of green economy and opportunities (like public-private partnerships) to catalyze national green jobs efforts. In addition, the gender analysis is also included in the efforts to create a gender responsive green job strategy for future. The ultimate goal is to formulate green jobs roadmap focusing on guiding relevant stakeholders on creating and promoting green jobs and green skills especially suitable for women, youth and excluded groups.

Climate and Clean Air Initiatives

With rapid population growth and urbanization, Pakistan is facing the worst air quality for many years. Air pollution and climate change result from same sources i.e., fossil fuel burning, industrial processes, transport and agriculture activities. However, anthropogenically induced climate change further increases the threat of exposures to air pollutants by changing the concentrations, transport process and lifetime of local and regional pollutants. These pollutants also include a major category of Short-Lived Climate Pollutants (SLCP) including black carbon and methane. Another significant problem that has emerged in recent years is smog. There is no doubt that urgent and collective action is required in order to tackle the issue of air quality and greenhouse gas emissions. In this connection, following measures have been initiated under the umbrella of the MoCC.

Pakistan Clean Air Programme (PCAP)

Revision was initiated by MoCC that is endeavored to develop the targets for improving air quality as realistic as possible so that they are specific, measurable, achievable, realistic, and time-bound. The revision process highlighted the need for an inventory that will not only help in the development of a roadmap for short, medium, and long-term action plan but also to track the implementation of PCAP targets. Therefore, MoCC in partnership with Clean Air Asia (CAA) and Stockholm Environment Institute (SEI) initiated Integrating Short-Lived Climate Pollutants (SLCPs) reduction in the Pakistan's Air Quality Plans and Programme to substantially reduce SLCPs in Pakistan by strengthening the capacity of national partners through training on the use of Low Emissions Analysis Platform system including the Integrated Benefits Calculator (LEAP-IBC[1]), supporting national partners in the development of the Pakistan LEAP-IBC analysis, and through the development of the LEAP-IBC analysis, identifying and evaluating those mitigation actions, at national and provincial scale, which are most effective at simultaneously improving air quality and mitigating climate change.

In addition, Pakistan recently signed joined Global Methane Pledge initiated by EU and US governments in October 11th, 2021 to slash methane emission and initiate focused intervention. The parties joining the pledge are committing to a goal of reducing global methane emissions by at least 30 percent from 2020 levels by 2030 and moving towards using best available inventory methodologies to quantify methane emissions, with a particular focus on high emission sources.

Pakistan Environmental Protection Agency

Pakistan Environment Protection Agency (Pak-EPA) is mandated to enforce the Pakistan Environmental Protection Act 1997 in the Islamabad Capital Territory. The following major activities have been undertaken:

Water Quality

Pak-EPA constituted an Inspection Committee and sampling team collected 15 up and down stream nullah water samples with nullah flows of KachiAbadis and analyzed in EPA water lab. As EPA mandated for reservoir water quality surveillance and regularly monitored the Islamabad’s natural streams, Simli dam, Rawal lake catchment area and river sides, 13 water samples were collected and analyzed, along with, Margallah hills. Four water samples collected from industrial effluent treatment, slaughter and housing society’s sewage treatment plant. Six water samples collected from CDA filtration plants along with microbial testing. Two Bore water samples received from public Gulberg green and I-8. From July-December 2021, Lab/NEQS Directorate collected 88 water samples and tested in EPA laboratory. From January-March 2022, Lab/NEQS Directorate has also tested 40 water samples in EPA water quality laboratory.

Air quality

Lab/NEQS Directorate reported daily air quality data, for the year 2021-22 and air quality monitoring reports are available on the Pak-EPA website. Pak-EPA has established an active and reliable monitoring system to routinely monitor air emissions of tyre burning units, asphalt plants, steel, aluminum, food industries, brick kilns and construction sites.

At the end of December 2021 to January 2022, Director General EPA-KPK requested

[1] LEAP-IBC tool is an integrated modelling and scenario planning tool to help governments jointly assess the emission reduction potential of greenhouse gases, short-lived climate pollutants and other air pollutants emissions in their country.

Federal Environmental Protection Agency (Islamabad) to mobilize the Mobile Air Quality Monitoring Station (AQMS) along with EPA team to Peshawar. EPA AQMS system deployed at six different locations for four days and monitored smog and air pollution in Peshawar city.

Pak-EPA Islamabad gathered data on air quality and analyzed on 24-hourly basis and disseminated to the public through Pak-EPA website (wwww.environment.gov.pk), official social and print media accounts. Highest concentrations of $PM_{2.5}$ were recorded in January. During January-March, especially in winter months, air quality is badly deteriorated and unhealthy due to smog season, agriculture waste burning and Transboundary air pollution.

Hospital Waste Management of ICT

Hospital wastes include different kinds of wastes such as infectious, radioactive, chemical, heavy metals and regular municipal wastes. Pak EPA implemented the HWM Rules 2005 in the ICT and proper management of hospital wastes through an appropriate method of separation from the source, transportation and disposal can prevent environmental pollution. Total 120+ health facilities are under observation within ICT and more than 78 health facilities submitting their monthly waste-management reports to Pak-EPA. Environmental monitoring team visited more than 10 hospital/health facilities during January- March 2022.

National Bio-safety Centre (Cartagena Protocol)

Pakistan ratified Cartagena Protocol on March 02, 2009 under which it is obligatory to devise implementation mechanism for regulating Genetically Modified Organisms (GMOs) and their products. The National Bio-safety Centre (NBC) is working under Pak-EPA. The two committees i.e., Technical Advisory Committee (TAC) and National Bio-safety Committee (NBC) functions for the purpose of granting licenses to the extent of Cartagena Protocol on Bio-safety.

Global Change Impact Studies Centre

The Global Change Impact Studies Centre (GCISC) is governed by the Board of Governors, with the mandate of conducting research on climate change and its impacts and possible remedies. The Centre undertakes and commissions scientific investigations on climate change at regional and sub-regional levels. Specific research themes include the climate change profiles of Pakistan, impacts on critical socio-economic sectors and identification of appropriate adaptation/mitigation strategies. In addition, it arranges capacity building opportunities for young scientists in climate related subjects and engages in outreach and dissemination of research outputs.

Impacts of Climate Change on Water Resources

Globally the incidences of hydrological extreme events are rising. 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. Other modelling work focused on the Gilgit River Basin, a glacier-fed basin, revealed that faster melting of glaciers under increased temperatures would bring more flow a month earlier but with a flattened peak.

Another highly damaging event is a drought. Climate change has increased its likelihood and spread in Pakistan. The analysis is in progress to devise a computational framework for efficiently monitoring and predicting the future drought events so that appropriate steps are taken in advance so as to minimize loss of human lives and economy.

Impacts of Climate Change on Agriculture

Agriculture is one of the major sectors which is being 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 and reductions in water availability may reduce agricultural productivity. Crop simulation models-based studies depict significant reductions in wheat, rice and maize yields in the arid, semi-arid and rainfed areas of Pakistan under various IPCC climate change scenarios by the mid and end of the century.

Recent findings of GCISC study reveals an increasing trend in the average maximum temperature for the future projections for both RCPs, with 1-2.0 ^{0}C for RCP 4.5 & 5-6 ^{0}C for RCP 8.5 during Rabi and kharif seasons. Temperature in the South Eastern part of Pakistan exceeds the thresholds at the times of flowering and ripening thereby causing wheat yield losses. Further, increase in temperature is projected to have serious implications for these growing areas. Due to rise in temperature, an increase of 1000 Growing Degree Days (GDDs) between historical and late century extreme scenarios have been observed in case of wheat, implying that South Eastern side of Pakistan are likely to become unsuitable for wheat production.

APSIM Crop Simulation Model, disclosed that wheat production in the arid areas of Pakistan is likely to suffer to the tune of 17 percent in 2020s in case of RCP 4.5, whereas 21 percent and 40 percent in case of RCP 8.5 for 2020s and 2080s, respectively. Aqua Crop Model projected 34 percent and 41 percent decline in Maize yields in case of scenario RCP8.5 by the end of the century in the KPK province, respectively. The results suggest that the aggregate impact of climatic parameters i.e., changes in temperature and rainfall exerted negative impact on cereal crop yields, given that the management practices and use of technology remain unchanged. Studies suggest an imminent need of adaptation interventions to cope with the negative impacts of climate change.

Another study reported that agriculture is the second largest sector contributing to GHG emissions (174 out of 406 Mt CO_2 Eq). Baseline emission (of 2015) projections till 2030 under future scenarios of agricultural growth are expected to increase up to 271.9 (56 percent) Mt, 314.3(80 percent) Mt and 362.9 (108 percent) Mt of CO2-equivalent under Business As Usual (BAU), Food Security (FS) and Enhanced Consumption Pattern (ECP) scenarios, respectively. Besides the fact that agricultural emissions are expected to increase in future, it is also true that presently Pakistan has yet to produce more to meet the future needs and preferences of the masses which will lead to emissions at faster rates. Till now, Pakistan has not devoted much of its efforts in curtailing the emissions from agriculture due to limited awareness and low confidence in monitoring/estimation of these emissions. Since agriculture sector offers a lot of opportunities in GHG reduction, the present estimates will aid in designing the future agriculture policy, especially for emission reductions from livestock sector and soils.

Pakistan Biennial Update Report (BUR1)

GCISC has contributed to the preparation of national GHGs inventory and chapters on National Circumstances and Development of Measurement Reporting Verification (MRV) framework for climate change reporting.

Monitoring, Reporting and Verification (MRV) System Development

As a signatory to the Paris Agreement, Pakistan is deeply committed to its implementation. Under Enhanced Transparency Framework (ETF) the countries are required to regularly track the progress on contributions and put in place methodological tools necessary to account for GHG emissions. Further, under the ETF, parties are expected to submit their first Biennial Transparency Reports (BTRs) and National Inventory Reports till 31st December 2024.

In this context, a broader GHG MRV system (RISQ – a web platform for the compilation of the national MRV System database) has been developed by GCISC to establish historical baselines, validate data quality, analysis of mitigation policies implementation and reporting compliance. Efforts are underway to develop the national adaptation M&E system by developing a roadmap for its future setup based on pilot experimentation in the agriculture sector.

Adaptation is a critical concern for developing countries and in particular for Pakistan owing to the fragility of its ecosystems and its vulnerability to the impacts of climate change. Reducing the vulnerability of counties and communities to climate change by increasing their ability to absorb impacts and remain resilient – is a key pillar of the Paris Agreement. The Agreement requires all of its signatories to plan and implement adaptation measures through national adaptation plans, studies, monitoring of climate change effects and investment in a green future. Building resilience to climate change is a key focus of NCCP. Given this, GCISC has taken a step in developing an adaptation tracking mechanism which will not only aid in the national climate change adaptation planning process but also will support in preparing the Adaptation Communication (ADCOM) to the UNFCCC. The platform (on pilot basis) is ready for Agriculture Sector, whereas the platform is being extended for other sectors viz. water and health.

Third National Communication

In accordance with the provision of UNFCCC, each party has an obligation to submit its National Communication which includes the national greenhouse inventory measures taken and to be taken for the implementation of the convention as well as other information that the party considers relevant. In this context, Pakistan submitted its Initial National Communication in 2003, and the second National Communication (SNC) in 2019. Pakistan also prepared its First Biennial Update Report which is at its final stage of approval and expected to be submitted in the second quarter of 2022. The work on the 3rd National Communication has just been started to update the Greenhouse Gas Inventory (for 2020-21) coupled with specified outcomes that will be prepared over the course of next 28 months.

Research Activities underway

- Drought is a highly damaging but slow on-set extreme event and climate change has increased its likelihood and spread in Pakistan. For this reason, an analysis is in progress to devise a computational framework to cope challenges and consequences of drought in the future.
- In the Transboundary Indus Basin (TIB) data support process-based hydrological models are limited. Hence, research study is being carried out to use Machine-Learning methods for hydrological modeling a useful complement to physical hydrologic models in the TIB, to make streamflow forecast at 10-day lead time at four sub-catchments; Indus, Jhelum, Chenab and Kabul watersheds in the Indus Basin.
- Assessment of the impact of future growing degree days as simulated by CMIP6 models over major wheat growing areas of Pakistan.

Conclusion

Pakistan is facing growing environmental challenges, which have an obvious socio-economic consequence. Heat waves, impacting crop cycles, floods, drought and degradation of water and air quality posing negative impact quality of life. To cope with the challenge of climate change matters should be addressed on both mitigations and remedies front. In this context, the Government has taken multiple measures. Plantation is the most appealing strategy to expand forest cover area in the country. Forestation will increase the absorption capacity of greenhouse gases, regulate water flows and protect coastal communities from extreme events and sea level rise. In addition, they provide migrating plant and animal species routes to resilient habitats. In Pakistan, the existing meager forest resources being crucial to environmental stability, which appeal for serious interventions supported with commitment for adequate financial flows to improve and enhance the overall forestry, wildlife and biodiversity sector. However, the TBTTP is helping to restore the ailing ecosystems and it will improve natural capital as well.

ANNEXURES

I Contingent Liabilities

II Tax Expenditure

III Information Technology

Annex-I

Contingent Liabilities

Contingent liabilities are possible obligation that arises from past events and their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the government.

Contingent liabilities 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.

Contingent liabilities of Pakistan are primarily 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 favourable terms and in some cases allows to fulfil the requirement where sovereign guarantee is a precondition for concessional loans from bilateral/multilateral agencies to sub-sovereign borrowers.

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 two 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.

Summary of Outstanding Government Guarantees (Rs. bn; unless otherwise stated)	
Domestic Guarantees (A)	1,587
External Guarantees (B)	1,113
Total Guarantees (A+B)	**2,700**
Memo:	
External (US$ in million)	6,066
Exchange Rate (Pak Rupee/US Dollar)	183
Source: Debt Policy Coordination Office, Ministry of Finance	

During Jul-Mar FY 2021-22, the government issued fresh/rollover guarantees/Letter of Comforts (LoCs) aggregating to Rs.344 billion or 0.5 percent of GDP. The outstanding stock of guarantees was Rs. 2,700 billion at end-March 2022.

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. These guarantees are issued against the commodity financing operations undertaken by Trading Corporation of Pakistan (TCP), Pakistan Agriculture Storage & Services Corporation (PASSCO), and Provincial Governments. The outstanding stock of commodity operations was Rs.845 billion at end-March 2022.

Annex-II

Tax Expenditure

Tax Expenditure Estimates – FY2022

Tax expenditure for FY2022 has been estimated at Rs 1,757.035 billion. Detailed estimates are highlighted below:

Income Tax

Tax expenditure in respect of income taxes during FY2022 has been reflected in Table 1:

Table 1: Income Tax Expenditure Summary

Exemption Heads	Tax Expenditure (Rs million)		Growth Rate (%)
	FY2021	FY2022	
Allowances	37,318	10,625	-72
Tax Credits	105,342	65,465	-38
Exemptions from Total Income	267,115	232,852	-13
Reduction in Tax Rates	124	195	57
Reduction in Tax Liability	2,839	3,285	16
Exemption from Specific Provisions	2,687	61,076	2,173
Others / Miscellaneous	32,621	26,164	-20
Total Income Tax Expenditure	**448,046**	**399,662**	**-11**

Source: Federal Board of Revenue

Sales Tax

Major exemptions in sales tax and their tax expenditures during FY2022 are presented in Table 2.

Table 2: Sales Tax Expenditure Summary

Exemption Heads	Tax Expenditure (Rs million)		Growth Rate (%)
	FY2021	FY2022	
Zero Rating under 5th Schedule to Sales Tax Act 1990	12,887	11,367	-12
Exemption under 6th Schedule on (Imports)	173,808	527,002	203
Exemption under 6th Schedule on Local supplies	156,134	233,541	50
Reduced Rates Under 8th Schedule (1%)	330	6	-98
Reduced Rates Under 8th Schedule (1.5%)	0	413	
Reduced Rates Under 8th Schedule (2%)	90,288	95,460	6
Reduced Rates Under 8th Schedule (5%)	27,108	24,097	-11
Reduced Rates Under 8th Schedule (7%)	496	49	-90
Reduced Rates Under 8th Schedule (7.5%)	0	613	

Table 2: Sales Tax Expenditure Summary			
Exemption Heads	**Tax Expenditure (Rs million)**		**Growth Rate (%)**
	FY2021	**FY2022**	
Reduced Rates Under 8th Schedule (8%)	1396	972	-30
Reduced Rates Under 8th Schedule (10%)	69,592	53,402	-23
Reduced Rates Under 8th Schedule (12%)	19,321	17,670	-9
Sales Tax on cellular Mobile Phones under 9th Schedule	27,096	49,891	84
Total Sales Tax Expenditure	**578,456**	**1,014,483**	**75**

Source: Federal Board of Revenue

Customs

Following is the break-up of estimates of tax expenditure of main exemptions in Customs Duties for FY2022.

Table 3: Customs Duty Expenditure Summary			
Exemption Heads	**Tax Expenditure (Rs million)**		**Growth Rate (%)**
	FY2021	**FY2022**	
Chapter-99 Exemptions	12,635	15,963	26
FTA & PTA Exemptions	34,210	46,105	35
5th Schedule Exemptions & Concessions	137,418	168,754	23
General Concessions: Automobile sector, E&Ps, CPEC, etc.	55,877	60,987	9
Export Related Exemptions	47,631	51,081	7
Total Customs Expenditure	**287,771**	**342,890**	**19**

Source: Federal Board of Revenue

Following is the consolidated summary of tax expenditure for FY2022 in Table 4.

Table 4: Tax Expenditure of Federal Taxes for FY2022 (Rs billion)			
S.#	**Types of Tax**	**FY2021**	**FY2022**
1	Income Tax	448.046	399.662
2	Sales Tax	578.456	1,014.483
3	Customs Duty	287.771	342.890
Total Tax expenditure Estimates		**1,314.273**	**1,757.035**

Source: Federal Board of Revenue

Annex-III

Information Technology (IT)

Rapid expansion of information Technology (IT) is of crucial importance for economic growth because it enables various participants in economic and social life to have quick and easy access to information and knowledge. IT help companies to reduce cost of information and communication and improve their productivity. It also allow access to new markets, lower capital costs of financial markets. Moreover, the use of IT, in particular, Internet access, can promote entrepreneurial and small and micro business activities which in turn enhance sustainable economic development.

Ministry of Information Technology and Telecommunication (MoITT) is taking concrete steps for the adoption of latest IT tools for the improvement of national IT infrastructure that can be used to raise national productivity and growth.

IT Strategy

Pakistan's vision 2025 lay special emphasis on Knowledge economy. It is well understood that if Pakistan has to come out of its economic recession, it has to best utilize its youth bulge. Utilizing the 4IR technologies Pakistan economy can be transformed to digital economy. Through Digital Economy, GOP wants to ensure economic prosperity and citizen empowerment.

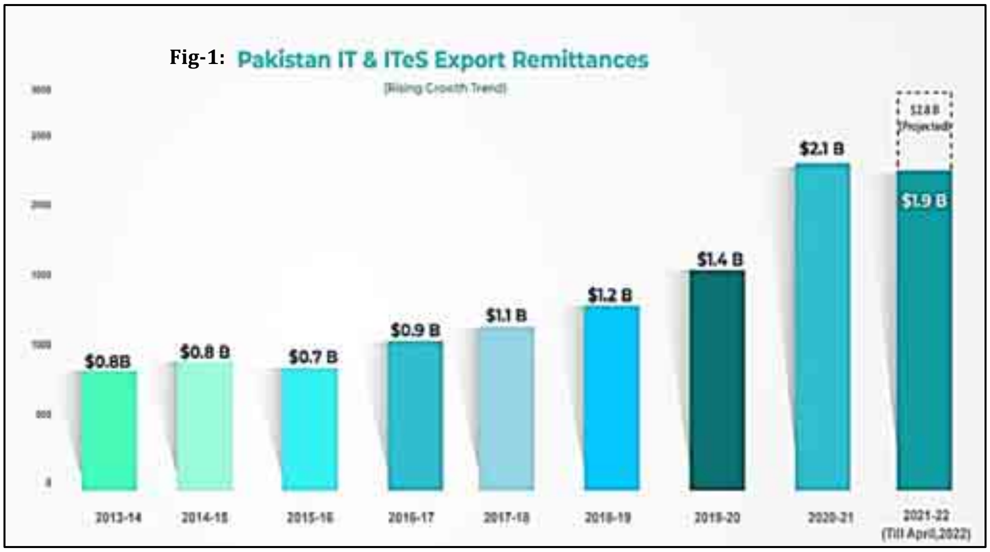
To achieve above objectives, MoITT has adopted a multipronged strategy that focuses on building the capacity of public and private sector besides establishing of requisite infrastructure and platforms. Key pillars of this strategy are:

1. E-governance
2. IT Infrastructure
3. Human Capital Development
4. Innovation and Entrepreneurship
5. IT/ITeS Development and Export
6. Fintech, E-commerce and Digital Platforms
7. Privacy and Security
8. Partnership and Collaboration

E-Governance remained the key pillar for MoITT's strategy to assist Federal Government in reshaping the governance structure. Through number of initiatives, MoITT successfully handheld the governance structure in various Federal Ministries/Divisions/ Organizations.

- Access to Information
- Equal Opportunity
- Service Delivery
- Informed Decision Making

Economic Growth can be targeted through the use of IT ecosystem which may provide enabling environment to business growth, help job creation and enhance citizen empowerment through E-governance.



IT Exports & Earnings

According to the SBP data, IT exports during July-March FY2022 surged to US $1.948 billion at a growth rate of 29.26 percent in comparison to US $1.5 billion in the same period last year. These include telecommunication, computer and information services.

Trade Surplus of the IT Industry compared to the rest of the Services Sector

Pakistan's IT Industry is the largest net services exporter with exports to 169 countries as reflected in Table 17.1.

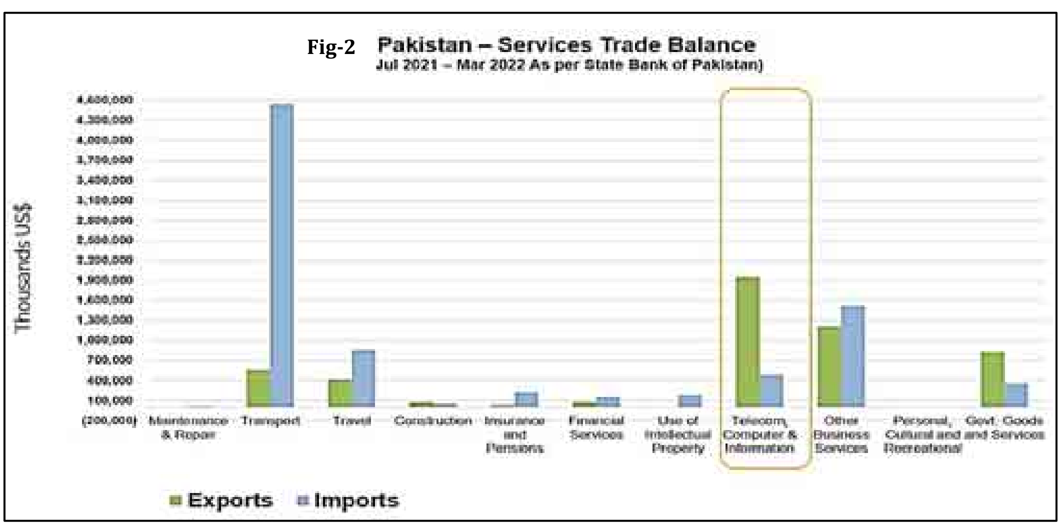


Table 17.1: Growth of IT Exports during Period (July 2021 – March 2022)			US$ (billion)
Period	**Net Exports**	**% of Total Exports**	**Total Exports-IT Sector**
July-March FY2022	1.47	75.56	1.948
July-March FY2021	1.12	74.72	1.5

Source: Ministry of Information Technology & Telecommunication

Incentives for the Industry Growth

The MoITT supports all credible private sector initiatives aimed at bolstering the local IT industry and attracting foreign investment. Government realizes that it has an important role in terms of providing a conducive environment to IT industry through infrastructure and HR development. Government's incentives for IT industry include:

a. 100 percent tax credit on export income from IT and IT-enabled services until 30th June, 2025.

b. 100 percent tax credit on profits and gains derived by the IT start-ups for the tax year in which a start-up is certified by Pakistan Software Export Board (PSEB) and for the next two years.

c. 100 percent equity ownership allowed to foreign investors, 100 percent repatriation of capital and dividends allowed, and tax holiday for venture capital funds till 2024.

d. Growth Driven Financial Incentive on IT & ITeS export remittances: The main purpose of financial incentive scheme, is to encourage IT & ITeS export remittances through formal banking channels and improve reporting of export remittance receipts in correct IT & ITeS purpose codes, assigned by the State Bank of Pakistan. The government has allocated Rs. 4 billion to PSEB for the first ever financial incentive on IT & ITeS export remittances to be disbursed on the basis of export remittance receipts in FY2021.

Policy Intervention

1. Infrastructure Development

a. Establishment of Software Technology Parks (STPs)

STPs have been a major factor in facilitating IT &ITeS companies. There is a strong demand for STPs in the country due to the booming of IT industry. To meet the demand, STPs are being setup on public-private sector partnership basis. PSEB is also setting up STPs through conversion of unused buildings into state of the art STPs with particular focus on secondary and tertiary cities of Pakistan. This would expand Pakistan's tech eco system beyond Islamabad, Lahore and Karachi, thus contributing to the local economies through expansion of tech industry, export earnings growth and employment generation. As of December 2021, PSEB has 21 operational STPs with 1.25 million sqft of space serving 170 IT &ITeS companies.

b. Establishment of IT Park

A loan agreement was signed between Economic Affairs Division and EXIM Bank of Korea worth US$ 158 million for establishment of Pakistan's largest IT Park in

Karachi. The total cost of the project is estimated at US$ 186 million and would take 48 months to complete. The IT Park building would have 14 floors with a gross floor area of 106,449m^2 Park with latest state of the art facilities to ensure that IT companies can operate 24/7 providing services to clients around the globe. In addition to office space, the park would have software testing labs, business incubation centers, technology commercialization centers, exhibition halls, auditorium, day care center and other ancillary facilities.

Digital Economy Enhancement Project (DEEP)

Following initiatives are taken by National Technology Council (NTC) for digitizing the economy of Pakistan from Jul-December FY2022.

Pakistan Emergency Helpline (PEHEL-911)

On initiate of Prime Minister of Pakistan, a centralized service “PEHEL-911” has been envisaged wherein, it has been directed to launch Pakistan’s first toll-free helpline number that will be accessed by people of Federal, Provinces including AJK & GB. The citizens can report emergencies of all natures to this single helpline. The PEHEL-911 will be up front to existing major emergency helplines, i.e. Police 15, Rescue 1122, Fire Brigade and Motorway Police 130, etc. After maturity, all help lines will be merged in 911. This strategy has been framed to avoid existing helplines functions affected.

Inauguration of Disaster Recovery Centre for National Data Centre

Federal Minister for IT & Telecom virtually inaugurated the Disaster Recovery Centre (DRC) Lahore for National Data Centre (NDC) of National Telecommunication Corporation (NTC) on 31st December 2020. The new site is a full-fledged Data center which will not only work as back up for existing Data center facility but will also provide enhanced capacity for provision of cloud-based services to Government of Pakistan with advanced features and security.

Financial Performance

(i) Profit & Loss

Table 17.2: Profit & Loss (Rs million)

Particulars	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21 (Un-audited)**
Revenue	3,252.42	3,234.15	3,558.25	4,084.35	4,228.96
Operating Cost	3,265.91	3,623.21	3,877.48	3,930.46	4,282.70
Operating Profit/(Loss)	**-13.49**	**-389.06**	**-319.24**	**153.89**	**53.74**
Other Income	338.85	465.62	379.78	358.13	336.35
Profit/(Loss) before bank charges	**325.36**	**76.56**	**60.54**	**512.03**	**282.6**
Bank Charges	8.4	7.6	8.2	8.26	7.76
Profit/(Loss) before Taxation	**316.96**	**68.96**	**52.35**	**503.77**	**274.85**

Source: National Telecommunication Corporation

(ii) Detail of Data Centre Revenue

Table 17.3: Detail of Data Centre Revenue (Rs million)

Revenue	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Data Centre Revenue Including VDS	32.7	38.95	183.8	232.62	315.16	483	1,286.23

Source: National Telecommunication Corporation

(iii) Average Revenue Per Users (With Out STC)

Table 17.4: Average Revenue Per Users (With Out STC) (Rs million)

Particulars	As on 30-06-2017	As on 30-06-2018	As on 30-06-2019	As on 30-06-2020	As on 30-06-2021
Telephone Connection	122,659	121,464	119,935	120,765	120,477
DSL/EVO Connection	22,004	25,443	27,354	29,350	27,665
Total	**144,663**	**146,907**	**147,289**	**150,115**	**148,142**

Source: National Telecommunication Corporation

IGNITE (National Technology Fund)

Innovation and Entrepreneurship in ITS

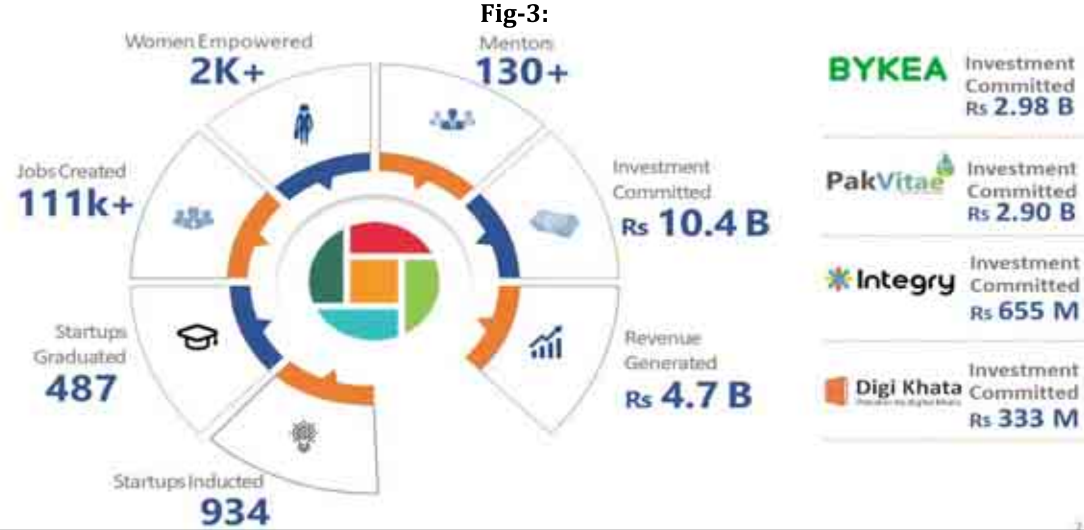
National Incubation Centers

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 MoITT, launched a program to build a network of National Incubation Centers (NIC). IGNITE has successfully established 5 National Incubation Centers (NIC) in Federal Capital and all Provincial Capitals of the Country. From July-December FY2022, more than 930 startups have been inducted in five NICs (Islamabad, Lahore, Peshawar, Karachi & Quetta). RFPs of the two new NICs in Faisalabad and Hyderabad have been published and these NICs will be operational by the end of FY2022.

Overall Achievement

Overall achievements can be seen in Figure 3.

Fig-3:



Achievements during July to December FY2021

Table 17.5: Achievements	
Applications Received	2373
Startups Inducted	126
Startups Graduated	24
Female Founders	30+
Source: IGNITE	

NICs have been Declared a Champion Project by ITU:

International Telecommunication Union, a United Nations agency for digital tech, has announced IGNITE's National Incubation Centers as one of the champion projects in enabling environment category at World Summit on the Information Society Prizes 2021.

NIC Startup MyTM Wins Pitching Event at GITEX Future Stars:

- 700+ startups took part in the competition in 12 categories in October 2021.
- Only 24 startups made it to the final with MyTM being the only Pakistani Fintech Startup to win in the category of Creative Economy.

Following NIC startups/IGNITE projects raised funding in 2021 (Table 17.6):

Table 17.6: NIC startups/Ignite projects raised funding in 2021

Startup	Amount (USD)	Vertical	NIC
Digikhata	$2,000,000	Fintech	NIC Islamabad
Walee	$2,700,000	Marketing	Ignite Funded Project
Ailaaj	$1,600,000	Healthtech	NIC Islamabad
Integry	$3,000,000	Middleware	NIC Islamabad
Total	**$9,300,000**		

People's Development Programs

Digital Pakistan Cyber Security Hackathon 2021

IGNITE, conducted Pakistan's first nationwide Digital Pakistan Cybersecurity Hackathon 2021, which was aimed in improving cybersecurity readiness, protection, and incident response capabilities of the country by conducting cyber drills at the national level. There were 3 preliminary rounds in Islamabad, Lahore, and Karachi. Teams were competed in five categories including application exploitation, mobile device exploitation, network attacks and exploitation, operating systems exploitation, and speed programming. A total of 1176 teams registered for the hackathon including university students, freelancers, professionals, and hackers from all over the country, out of which 475 teams were shortlisted for qualifier rounds in Karachi, Lahore, and Islamabad followed by the final competition in Islamabad. Cash awards of Rs 6 million were given to the top 3 teams in 5 categories in a grand finale event in Islamabad.

National Grassroots IT Research Initiative (NGIRI)

The program is aimed to promote R&D and Innovation at grassroots level by providing financial support to selected Final Year Projects (FYP) of undergraduate students, enrolled in IT related disciplines of public and private sector institutions. Disbursements of Rs. 201 million have been made against 3,929 approved FYP. Whereas, disbursements against approved 978 FYPs of NGIRI FY2021 are under process. Program highlights from 2012 to 2022 are summarized in table 17.7.

Table 17.7: National Grassroots IT Research Initiative (NGIRI)

Program Year	Participating Institutes	FYP Submitted	FYP Approved	FYP Funded	Disbursements (Rs. In million)
2011-12	68	785	272	272	15.27
2012-13	78	1,017	418	418	31.78
2013-14	72	1,247	430	430	25.13
2014-15	75	1,324	436	436	29.59
2015-16	76	1,166	512	360	18.14
2017-18	89	1,623	569	439	21.45
2018-19	136	2,124	815	677	30.72
2019-20	156	2,832	1,042	857	29.02
2020-21	159	3,417	1,155	978	In Process
Total	**-**	**15,535**	**5,649**	**3,929**	**201**

Source: IGNITE

NGIRI FY2022 has been launched on December 2021 and last date to submit FYP is 2nd May 2022.

Universal Service Fund (USF)

USF programmes can be categorized into two broad categories:

1. **Voice and Highspeed Broadband Data Services:** It focuses on establishment of infrastructure and provision of voice and highspeed broadband data services to the unserved and underserved mauzas across the country. Under different variations of this programme coverage is also being extended on unserved Road segment along National Highways & Motorways and to the tourist locations.
2. **Backhaul Services:** Backhaul services focuses on laying of Optic Fiber Cable up to the unserved Tehsil Headquarters/ Union Councils and major towns and to establish points of connectivity (Nodes) which can be utilized by telecom operators for expansion of their services.

NG-BSD for Tourist Destinations

This new initiative has been launched to provide quality voice and enhanced data services at the underserved tourist destinations thereby enhancing the user experience in these tourist locations. USF is continuously identifying such locations and designing/launching appropriate projects. In FY2022, 2 projects worth ~ Rs. 2 billion have been awarded targeting 27 tourist destinations and 154 Kms of unserved access roads in the districts of Mansehra, Abbotabad, Swat and Upper Dir.

Next Generation BSD Program for National Highways and Motorways:

It is a new program, an evolved form of BSD program that has been launched in current Financial Year. The program targets unserved road segments of the National Highways and Motorways across the country. A continuous assessment of unserved road segments is being done by USF. As of now, approximately 2,400 Kms of unserved road segments have been identified. A salient feature of this program is National Roaming that facilitates computers to get seamless coverage irrespective of the originally subscribed networks. These will be first of their kind projects to offer this facility in Pakistan. In FY2022, 2 project contracts worth Rs. 295 million have been awarded, targeting 133 Kms of unserved road segments on Motorways M3 & M5. Whereas, USF has completed provision of NG-BSD services along 1757.51 Kms of un/underserved road segments. Rs 6.4 billion have been disbursed in current FY for NG-BSD Projects including NH&MW.

Legislative Measures of ITS

Personal Data Protection Bill

In view of increase in Cyber crimes and growing importance of protection of personal data, the Ministry of IT and Telecom is in the process of finalizing a "Personal Data Protection Bill". The Bill aims to provide security to all citizens and businesses against breach of data and has been submitted to the Federal Cabinet for approval by virtue of Rules 16(1)(a) and 27 of the Rules of Business, 1973.

Special Communications Organization (SCO)

1. During last 45 years of continued devotion, SCO has been able to extend comprehensive IT services to the people of the harsh terrain of AJ&K and Gilgit Baltistan. During this journey, SCO has always strived to further improve the C&IT eco system. Moreover, quality of C&IT services being extended to the local populace are comparable to those being provided in other parts of the country.
2. SCO extensive footprint has cutting edge innovative solution that has improved network coverage and capacity across different areas of AJK and GB by adopting the following strategy:
   a. Expansion of 3G/4G cellular services in whole area of responsibility including KKH.
   b. Compatibility/adaptability with futuristic 4.5/5 G techniques.
   c. Migration from tradition DSL to Fiber to Home in major cities.
   d. Setting up of Technical Training Institutes, Technology Parks and Incubation Centers to ensure digital inclusivity of under developed areas.
   e. Transformation of legacy power systems with Hybrid/green energy system.
   f. Undertake strategic communication projects like Pak-China connectivity.
   g. Establishment of regional Data Centers to promote Digital Pakistan Vision.
   h. Upgradation of transmission network to 100 G Dense Wavelength Division Multiplexing (DWDM) technology.

National Information Technology Board (NITB)

Digital Solution

NITB is committed to providing multi-layered technical support-backup to various federal and provincial departments by transforming them digitally.

Initiative	Injection into Economy
Automation of Cabinet Procedures	52 .0 million per annum.

A centralized portal powered by NITB to automate manual system for Cabinet agenda meetings with digital submission of summaries, agenda compilation and notification to ministries, along with approvals and other details.

Economic Indicators 2020-22

i) Save 80 percent time and brings transparency by automation of agenda items of business process.

Initiative	Injection into Economy
Islamabad City app	0.70 billion per year approx.

An App developed by NITB ensures online provision of more than 40 government services including registration process of domicile, international driving permit, court cases, excise and taxation, arms license, etc.

Economic Indicators 2020-22

i) 1.4 billion revenues generated through this app till date.
ii) Transparency in citizen services.
iii) Timely delivery of services.
iv) Savings to exchequer by delivery of service at doorstep.
v) 51,426 Jobs creation

Initiative	Injection into Economy
National Job Portal	Approx. 8 million saving per annum.

Developed by NITB, National Job Portal provides a centralized job portal for job hunters to have a chance to work with the Government of Pakistan Ministries and its attached department.

Economic Indicators 2020-22:

i) Single window for all Government Jobs
ii) 0.33 million registered users.
iii) Saves exchequers by eliminating paper based apply and evaluation process.

Initiative	Injection into Economy
E-Office	600 million per annum.

An indigenous E-Government ERP/GRP is developed and being implemented in all the 40 federal ministries/divisions along with underlined 140 departments. E-Office is a complete back-office automation suite.

Economic Indicators 2020-22

i) Up to 25 percent savings on POL
ii) Up to 70 percent savings on annual stationery cost (approx. 600 million)
iii) 100 percent Transparent, accountable system with executive dashboard for decision making.
iv) 80 percent of time savings in process time.
v) Increase government efficiency.

Initiative	Injection into Economy
Kamyab Jawan	39.4 billion Transparent distribution.

A youth-centric platform that ensures a smooth online process from submission of loan applications to provision of loan grants for the people of Pakistan under Prime Minister's Kamyab Jawan Program.

Economic Indicators 2020-22:

i) 46.9 billion allocations.
ii) 39.4 billion loan distribution to create entrepreneurs.
iii) 5426 Jobs created.

All data publicly available at (https://kamyabjawan.gov.pk/kjhome/dashboarddetails).

1. Pass Track

a) Pass Track app by the NITB, as part of Management for traveler coming over to Pakistan.

b) It aids in recording and tracking of passengers' basic information. The application comes with scanning option of National Identity Card and Passport of Pakistan.

2. Think-Tank

Think-Tank Portal is developed for National Security Division (NSD), in which NSD will make/finalize national policies or decisions on the basis of data/queries provided to them.

3. SPPC Treaty Portal

SPPC Treaty Portal ID being developed for NSD in which all agreements and treaty with other countries are listed and also their status is shown.

4. FM Portal

FM Portal is a Complaint Management System for foreigners. Foreigners can file their complaints regarding foreign issues in this portal/application and track their status.

5. EAD Portal

EAD Portal is online portal for NGO's in which different NGO's register themselves for one year initially. After registering NGO's will be given a certificate, though they can perform their task and achieve their goals.

6. Bait-Ul-Mal Portal

Bait-Ul-Mal Portal is being developed for Bait-Ul-Mal Headquarter and its regional officers located across the country. The purpose of software/portal is to get registration of students, specially females of backward areas for technical education.

7. Demand Driven Industry Quality and Capacity Enhancement Program

This Project defines the Standards & Policies, Testing & Audit, Training, and Product Certification mechanism for government departments to conceive, plan, design, procure, develop or deploy and implement IT solutions. It will provide an adequate level of confidence that government IT/software RFP complies with minimum quality standards. It will also help local Industry to increase their level of quality and competitiveness to international standards.

8. President Initiative For Cyber Efficient Parliament (PICEP)

The major objectives of PICEP Project are to enhance the institutional capacities of the Parliamentary System including MoPA, Senate, and National Assembly (NA) to perform their functions. This shall be done through the use of IT with the help of the latest tools and technologies. This will also help Parliament to evolve towards a paperless environment with reduced carbon footprints.

Telecom Sector Performance

The telecommunication sector being the frontrunner for Pakistan's economy over the last couple of years has played a pivotal role in the country's digitalization. International connectivity, bandwidth capacity, fiber footprint, and network redundancies are being improved to meet the ever-increasing demand for telecom and related services. In extending modern telecom services, conscious efforts are made to offer an effective governance and regulatory environment that would safeguard the interests of telecom users, service providers, investors, and the Government of Pakistan (GoP). Highlights of telecom sector performance during the period under review are provided below in Table 17.8.

Table 17.8: Telecom Investment US$ (Million)

	2017-18	2018-19	2019-20	2020-21	Jul-Feb FY2022
FDI (inflow)	288.5	235.5	763.3	202.3	107.9
Telecom Investment (Local)	860.8	677.8	1,128.7	1,093.9	822.2
Total	1,149.3	913.3	1,892	1,296.2	930.1

Note: FDI from Jul-21 to Feb-22 and Telecom Local Investment for the period of Jul-Dec 2021.
Source: State Bank of Pakistan, (FDI Inflow)

Fig-4: Pakistan Cellular and Internet Connectivity Index

Fig-5: Monthly Cellular Subscribers

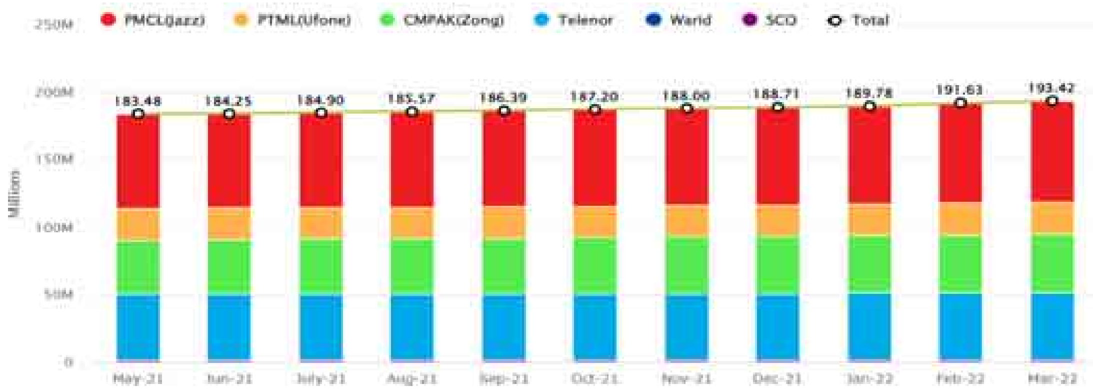


Fig-6: Commercial Imports VS manufacturing/Assembling Trends (millions)

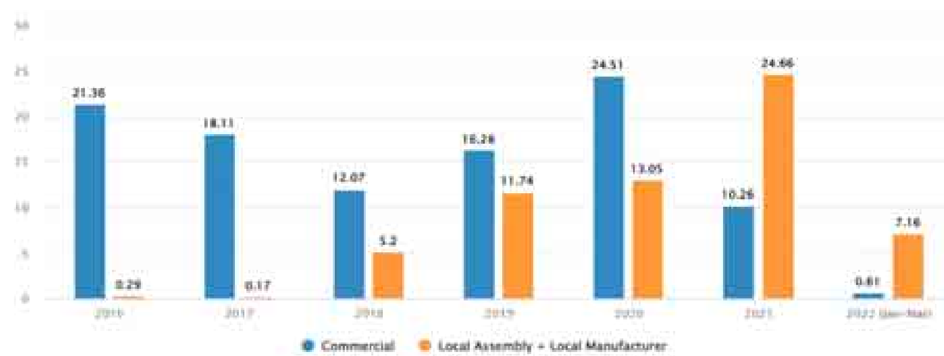
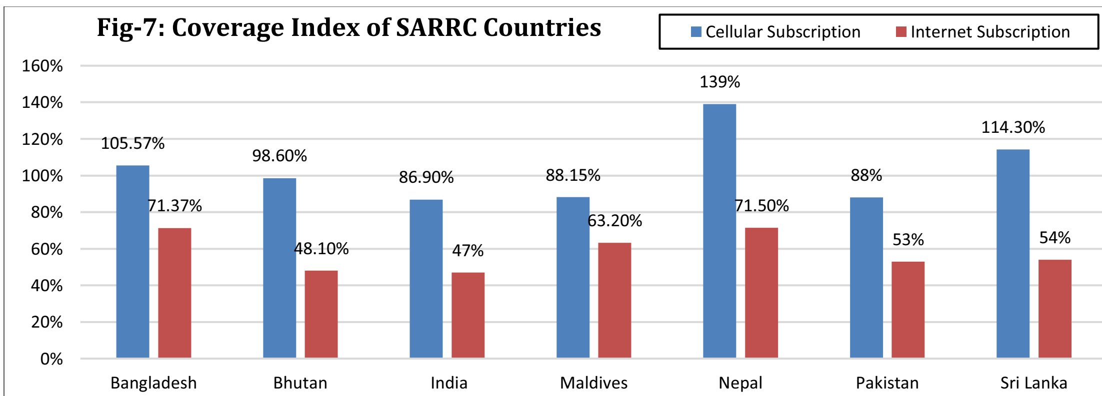


Fig-7: Coverage Index of SARRC Countries



Telecom Sector Analysis

Telecom sector has emerged as one of the vibrant sector of Pakistan economy. Increasing revenues, growing investment and enhanced contributions to national exchequer are hallmark of the sector for many years now. During July 2018 to March 2022, telecom sector has attracted over $6.1 billion FDI (inflow) by telecom players in Pakistan. FDI (inflow) in telecom during July to Feb FY2022 were $107.9 million. Local investments made by telecom operators during July to Dec FY2021 reached to a significant amount of $ 822.2 million. The main driver behind this investment is the mobile sector which has invested $605.2 million during the period. In terms of overall investment (FDI & Local) in the telecom sector during July to Feb FY2022 crossed $930.1million.

Telecom Contribution

Telecom sector is a significant source of revenue generation for the national exchequer. During July to March FY2022, telecom sector contributed Rs 163.3 billion to the national exchequer in terms of taxes, regulatory fees, initial and annual license fees, activation tax, and other taxes.

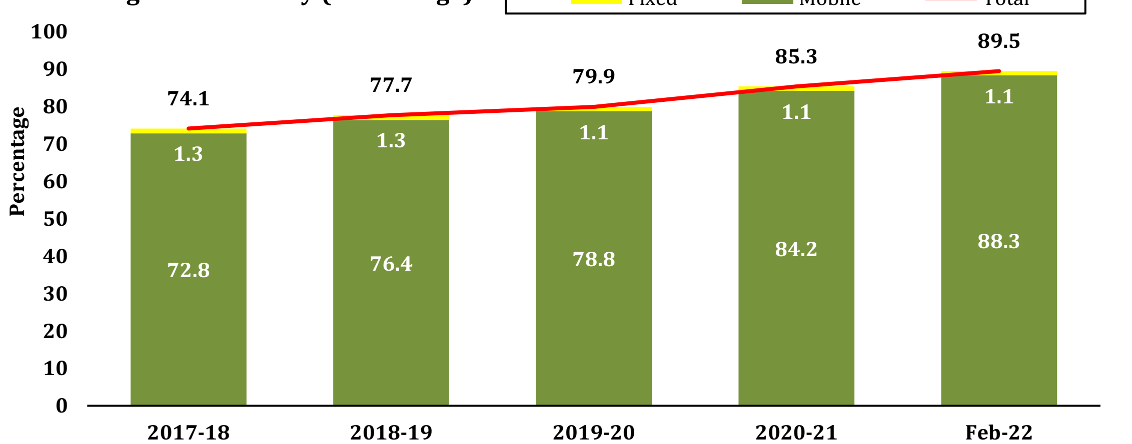
Telecom Revenues

Telecom sector revenue during July to March FY2022 recoded at Rs 423 billion.

Teledensity

At the end of Feb 2022, total teledensity in the country reached to 89.5 percent, registering a growth of 3.23 percent during July to Feb FY2022. Cellular mobile segment was the main contributor towards overall growth in teledensity.

Fig-8: Teledensity (Percentage)

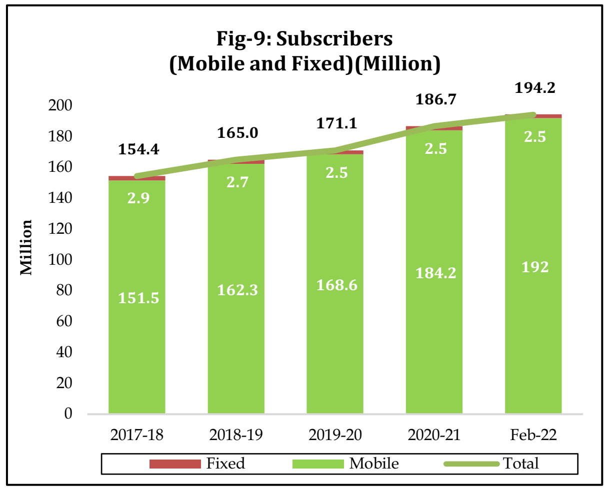


Subscribers

By the end of February 2022, the total number of subscriptions (Mobile and Fixed) in Pakistan reached 194.2 million. Net addition of 6.7 million subscribers has been reported translating into a growth of 3.64 percent during (July-Feb FY2022) which is a healthy sign.

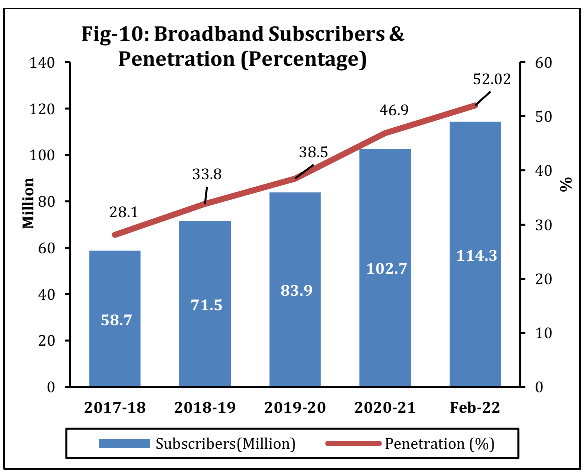
Broadband Subscribers and Penetration

Broadband subscribers (mobile and fixed) have reached at 114.3 million at the end of February, 2022 as compared to 102.7 million in June 2021 which shows that on average, there have been more than 1.45 million subscriptions added to broadband networks per month during Jul to Feb FY2022. More coverage and reduced tariffs will further increase the pace of broadband subscription. The total broadband penetration (fixed and mobile) in Pakistan stood at 52.0 percent in February-2022.



Mobile Data Usage

Data usage by CMOs during July to Feb FY2022 (eight months) reached 5,674 Petabytes which is indicating a huge increase in eight months. In comparison with FY2021, data usage which was 6,855 Petabytes in 12 months.



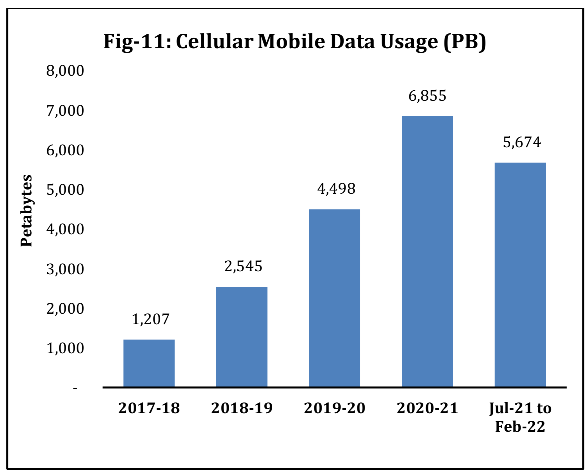


Table 17.9: Mobile Data Usage (Nos)

Financial Year	Telephones (FLL & WLL)	Broadband Connections (Mobile& Fixed)	Mobile Phones
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
2018-19	2,574,937	71,026,087	161,021,628
2019-20	2,417,195	83,205,589	167,268,871
2020-21	2,540,102	102,699,967	184,249,899
Feb-22	2,540,254	114,341,302	191,625,904

Note: FLL and WLL Subscribers are till Feb-22 and provisional.
Source: PTA

Regulatory Activities

National Broadband Forum

Fiberization plays an important role in a world heading towards broadband technologies. In Pakistan, relatively lower speed of fixed broadband networks is causing staggered growth of broadband subscribers and lower Internet speed. To address this issue, PTA and Huawei Technologies Pakistan jointly organized a national broadband network forum themed 'Broadband for All,' where local and foreign stakeholders shared their insight on transformative technologies and viable solutions to challenges impeding broadband proliferation in Pakistan. In the forum Pakistan's Progress was linked to extensive digitalization of all sectors. The forum was followed by a panel discussion on challenges and issues confronting operators in the expansion of fiber networks across the country. The effectiveness of Fiber to the Home (FTTH) and wireless technologies for spread of broadband were highlighted in relation to different geographical areas. The private sector underlined the importance of Government support as efforts to improve the footprint continue. The broadband network forum was the first of its kind arranged by the regulator, and will now be convened on a regular basis to expedite broadband proliferation in the country.

Spectrum Auction in Pakistan

The process for cellular mobile spectrum auction teed off in September 2020. In accordance with timelines mentioned in the 'Information Memorandum (IM) for the spectrum auction for NGMS in Pakistan 2021', the opening of applications and sealed bid offers from prospective applicants was completed on September 9, 2021. PTML (Ufone) won the auction upon scrutiny of its submitted bid by PTA. Total spectrum won by Ufone is 9 MHz in 1800 MHz band, which is 70.3 percent of the total offered spectrum in the said band during the current auction. This addition will increase Ufone spectrum holdings from 6 MHz to 15 MHz in 1800 MHz band, thereby enhancing quality and increasing its coverage footprint for voice and data services. This auction has generated revenue of US$ 279 million.

Spectrum Auction in AJ&K and GB

The first-ever cellular spectrum auction for Next Generation Mobile Services (NGMS) in AJ&K and GB successfully concluded at the PTA Headquarters on September 28, 2021. Two operators CMPak (Zong) and PMCL (Jazz) participated in the electronic auction for 1800 MHz band. After 18 rounds, Zong was declared winner of 10 MHz (2 blocks of 5 MHz) in 1800 MHz band against a price of US$ 14.398 million. The spectrum sold in 1800 MHz band constituted 85 percent of the total offered spectrum in the said band for AJ&K and GB. Furthermore, Telenor, Ufone, and Zong also won 1.2 MHz in 1800 MHz band. Telenor Pakistan was declared winner in 2100 MHz band for a spectrum of 15 MHz against the set base price. The spectrum sold in 2100 MHz band constituted 50 percent of the total offered spectrum in the said band. The total revenue generated from the spectrum auction for AJK & GB stood at over US$ 30 million. New licenses were issued to CMPak (Zong), Telenor Pakistan, and Pakistan Telecommunications Mobile Limited (PTML; Ufone) for the spectrum secured in the auction process for AJ&K and GB. The award of licenses for NGMS in the two regions will contribute towards strengthening uninterrupted provision of better telecom services to the people of AJ&K and GB in line with GoP's 'Digital Pakistan' vision.

Mobile Termination Rate

In the review of 2019, Mobile Termination Rate (MTR) were fixed at Rs. 0.70 per minute from January 2020 onwards. Still on the higher side while benchmarking, the 2021 review of the MTR determined the rate to be at Rs. 0.50 for Jan 2022- June 2022, which will be further reduced to Rs. 0.40 for period of July 2022 to June 2023 and will be finally set at Rs. 0.30 from July 2023 onwards. PTA issued determination on above rates of MTR on November 24, 2021 and determined these MTR for Pakistan and AJ&K and GB 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.

4G Data Sites in Waziristan

PTA conducted a QoS survey in South Waziristan to check the status of telecom services. CMOs were asked to not only improve their services but also upgrade their 3G data sites. Accordingly, Jazz and Ufone which were providing 3G data services in South Waziristan, upgraded all of their 3G sites to 4G, allowing subscribers to enjoy high-speed data services. PTA is continuously following up with CMOs to install more sites in the area so that better voice and data services can be extended to subscribers in line with the vision of the Prime Minister of Pakistan.

National Telecom Computer Emergency Readiness and Response Team (NTCERT)

In its role as a regulator, PTA has been mandated to establish sector-level cyber security capabilities i.e., the National Telecom Security Operations Center and the National Telecom Computer Emergency Response Team Threat Intelligence Center (NTSOC/NTCERT) to safeguard critical telecom infrastructure and to contribute to combatting cyber security threats at the national level. In line with its legal, regulatory, and official mandate, PTA established sector-specific NTCERT in 2020 for coordination with the industry on cyber security and threat intelligence. To automate the CERT processes, a web portal was established in early 2021 for two-way coordination with the industry. The licensee can utilize this portal to share security information, threat intelligence information, and incident/data breach related information, etc.

Table 17.10: PTA Internal NTCERT Advisories

Year	Q1	Q2	Q3	Q4	Total
2018-19	9	11	9	10	39
2019-20	11	9	10	10	40
2020-21	11	14	12	11	48
2021-22	8	9	8	-	25
Total	39	43	39	31	152

Source: PTA

The following steps have been taken as part of NTCERT functioning so far (Table 17.20).

- As part of local advisory services of Telecom CERT, PTA's cyber security team issued approximately 152 security advisories and more than 160 security alerts to telecom operators on latest cyber threats and vulnerabilities.

- The portal's secure access was shared with all licensees. Many telecom operators are currently using the portal for threat intelligence information exchange, security readiness, and compliance.

Device Identification, Registration and Blocking System (DIRBS)

Table 17.11: Commercial Imports Trends

Calendar Year	Commercial Import + Local Manufactured Quantity (million)
2016	21.60
2017	19.80
2018	17.20
2019	28.02
2020	38.06
2021	34.92
2022 (Jan-Mar)	7.76

Source: PTA

Following is the impact of DIRBS on the status of blocked, banned, and barred devices in Pakistan:

- 29.18 million fake/replica mobile devices blocked.
- 175,000 International Mobile Equipment Identity(IMEI) devices (reported stolen) banned.
- 880,780 IMEI devices identified as cloned/duplicated against 5.28 million MSISDN barred on networks.
- Local manufacturing in 2021 surpassed the finished device import for the 1st time in countries history

Local Assembly and Manufacturing Trends

Table 17.12: Local Assembly and Manufacturing Trends

Calendar Year	Local Manufacturing Quantity (million)	DIRBS Impact	Job Creation (approx)	No. of Companies
2016	0.3		200	3
2017	1.7		600	3
2018	5.2		3000	9
2019	11.7	Increase by 125% from 2018	8000	11
2020	13.1	2.16 Million 4G Smart Phones assembled in Pakistan	600	3
2021	24.7	10.06 Million Smart Phones Manufactured in Pakistan	2,000	30
2022 (Mar)	7.16	2.83 Million 4G smart Phones Manufactured in Pakistan	22,000	30

Source: PTA

DIRBS has created a level playing field for all entities in Pakistan, resulting in establishment of local assembly plants. In view of the successful development of this industry, PTA issued MDM Regulations, 2021, in accordance with the Mobile

Manufacturing Policy issued by GoP in June 2020. The policy offers incentives including tax exemptions, etc., for all entities that establish manufacturing plants in Pakistan.

As many as 30 local and foreign companies both stand alone and joint ventures have obtained 10-year MDM authorization from PTA and have established manufacturing plants for the purpose. Leading brands including Samsung, Xiaomi, Oppo, Vivo, Nokia, Techno, and Infinix, ZTE, among others, have established their plants in Pakistan. Local manufacturing has enabled smart phone manufacturing in Pakistan, created job opportunities in skilled areas, and promoted affordability for consumers. Table 17.12 provides a summary of local manufacturing and its impact on job creation, and reliability of locally manufactured 4G phones.

Complaint Management System

PTA received 165,610 complaints against Mobile, ISPs, Basic Telephony (fixed line) and Wireless Telephony (WLL) during the 9 months period FY 2021-22with 97.7 percent of the complaints being addressed. Approximately 30 percent of the consumer complaints against CMOs were related to fraudulent Call/SMS reporting.

Table 17.13: Summary/Status of Consumer Complaints Received at PTA (July 2021-March 2022)

Service Type	Total Complaints	Addressed Complaints	Redressal/Disposal %
Mobile	158411	154,816	97.73
Internet	3,714	3,637	97.93
FLL	3,344	3,302	98.74
WLL	141	134	95.04
Total	165,610	161,889	97.7

Source: PTA

Pakistan Citizen Portal

Prime Minister of Pakistan inaugurated online mobile Application named Pakistan Citizen Portal (PCP), respond in the specific timeline to address their PM Office is overseeing the progress on the Pakistan Citizen Portal (PCP). PTA is in receipt of complaints through PCP since November 12, 2018. To handle these complaints, a dedicated section is available and working to resolve the complaints from concerned telecom operator/licensee on top priority. Status of complaints is given Table 17.14.

Table 17.14: Status of Complaints received at PTA through PCP Portal from 12 November 2018 to 31 March, 2022

Total Complaints Received	61,066
Total Complaints Resolved/ Addressed	60,123
Redressal/ Disposal %	98.4%
Positive Feedback/ Satisfaction %	60%

Source: PTA

Raids on Illegal Gateways

To curb the menace of grey traffic (illegal call termination), PTA with the support of FIA carried out a number of successful raids across Pakistan. During Jan–Dec FY2021, as many as 08 raids were conducted, leading to confiscation of 18 illegal gateways and arrest of 02 persons, against whom further proceedings in the court of law are being carried out by FIA.

Conclusion

The latest information system helps a country integrating domestically and globally by enhancing its capacity in the areas of fast internet access, software development, app development, adoption of technological gadgets, and digitization of economy. Modern IT infrastructure is the corner stone for realizing economic development because it improves access to information, connectivity and ameliorate entrepreneurial efficiency and growth.

STATISTICAL APPENDIX

CONTENTS

ECONOMIC AND

INDICATORS	1960s	1970s	1980s	1990s	2000s	2007-08	2008-09	2009-10	2010-11
	Average (Annual)					Base Year 2005-06			
FINANCIAL SECTOR:									
GROWTH RATE (at constant fc) %									
GDP	6.8	4.8	6.5	4.6	4.5	5.0	0.4	2.6	3.6
Agriculture	5.1	2.4	5.4	4.4	2.8	1.8	3.5	0.2	2.0
Manufacturing	9.9	5.5	8.2	4.8	7.3	6.1	-4.2	1.4	2.5
Commodity Producing Sector	6.8	3.9	6.5	4.6	4.8	5.1	-0.9	1.8	3.2
Services Sector	6.7	6.3	6.7	4.6	5.2	4.9	1.3	3.2	3.9
GROWTH RATES (at current mp) %									
Total Investment	-	21.8	4.2	8.1	15.6	17.7	13.4	1.4	9.8
Fixed Investment	14.8	20.5	3.7	7.8	15.7	17.9	12.4	0.3	8.4
Public Investment	14.0	25.3	2.6	7.3	12.5	21.0	11.2	-2.1	6.6
(including general govt.)									
Private Investment	20.9	17.0	5.1	8.8	17.5	16.8	12.9	1.2	9.0
(as % of Total Investment)			5.1						
National Savings	-	67.5	79.2	75.4	89.9	57.5	68.6	85.9	100.7
Foreign Savings	-	32.5	20.8	24.6	10.1	42.5	31.4	14.1	-0.7
(as % of GDP current mp)									
Total Investment	-	17.1	18.7	18.3	17.9	19.2	17.5	15.8	14.1
Fixed Investment	-	15.9	17.0	16.6	16.4	17.6	15.9	14.2	12.5
Public Investment	-	10.3	9.2	7.5	4.6	4.8	4.3	3.7	3.2
Private Investment	-	5.6	7.8	9.1	11.8	12.8	11.7	10.5	9.3
National Savings	-	11.2	14.8	13.8	15.9	11.0	12.0	13.6	14.2
Foreign Savings*	-	5.8	3.9	4.5	2.0	8.2	5.5	2.2	-0.1
Domestic Savings	-	7.4	7.7	14.0	14.6	9.1	9.4	9.8	9.7
Per Capita Income (mp-US $)*	-	-	-	-	746.0	1053.2	1026.1	1072.4	1274.1
GDP DEFLATOR (growth %)	-	-	2.3	8.3	8.4	12.9	20.7	10.7	19.5
CONSUMER PRICE INDEX (CPI)									
(growth %)	3.2	12.5	7.2	9.7	7.3	12.0	17.0	10.1	13.7
FISCAL POLICY									
(as % of GDP mp)									
Total Revenue	13.1	16.8	17.3	17.1	13.9	14.1	14.0	14.0	12.3
Tax Revenue	-	-	13.8	13.4	10.3	9.9	9.1	9.9	9.3
Non-Tax Revenue	-	-	3.5	3.7	3.6	4.2	4.9	4.1	3.0
Total Expenditure	11.6	21.5	24.9	24.1	18.3	21.4	19.2	20.2	18.9
Current Expenditure	-	-	17.6	19.4	15.1	17.4	15.5	16.0	15.9
Defence	-	-	6.5	5.6	3.1	2.6	2.5	2.5	2.5
Markup Payments	-	-	3.8	6.8	4.9	4.8	5.0	4.4	3.9
Others**	-	-	7.3	7.0	7.2	10.0	8.0	9.2	9.6
Development Expenditure	-	-	7.3	4.7	3.3	4.0	3.5	4.4	2.8
Overall Deficit	2.1	5.3	7.1	6.9	4.4	7.3	5.2	6.2	6.5
MONEY & CREDIT (growth %)									
Monetary Assets (M2)	16.3	21.0	13.2	16.8	15.0	15.3	9.6	12.5	15.9
Domestic Assets	15.0	20.5	15.4	12.2	14.1	33.6	15.4	12.7	13.1
STOCK EXCHANGE (growth %)									
KSE 100 Index	-	-	0.1	4.1	27.2	-10.8	-41.7	35.7	28.5
Aggregate Market Capitalization	-	-	2.5	13.4	29.1	-6.0	-43.9	28.8	20.3

- : Not available   mp : Market prices   fc : Factor cost   P: Provisional,   R: Revised,   F: Final

*: At average exchange rate used in National Accounts Committee meeting

**: also include provincial expenditure

Note: From 2016-17, CPI is estimated on 2015-16=100 as base year

■ : In 2015-16 base year and composition of sub sectors of GDP has been changed, therefore growth rate in respective variable is onward from 2016-17 is provided on new base.

SOCIAL INDICATORS

Base Year 2005-06				Base Year 2015-16						
2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 ■	2017-18	2018-19	2019-20 F	2020-21 R	2021-22 (Jul-Mar) P
3.8	3.7	4.1	4.1	4.6	4.6	6.1	3.1	-0.9	5.7	6.0
3.6	2.7	2.5	2.1	0.2	2.2	3.9	0.9	3.9	3.5	4.4
2.1	4.9	5.7	3.9	3.7	4.9	7.1	4.5	-7.8	10.5	9.8
3.1	1.7	3.5	3.6	2.9	3.3	6.3	0.6	-0.6	5.4	5.7
4.4	5.1	4.5	4.4	5.7	5.6	6.0	5.0	-1.2	6.0	6.2
17.1	10.8	10.0	17.0	5.8	11.3	15.2	1.5	3.8	16.0	24.1
18.1	10.7	9.7	18.0	5.8	11.6	15.8	0.3	3.2	15.8	24.6
27.2	4.9	1.2	29.0	7.0	29.7	24.4	-24.0	-2.1	23.4	37.9
14.9	12.9	12.8	14.5	5.4	5.9	12.4	10.8	4.7	13.7	20.6
86.3	92.8	91.3	93.4	90.1	77.9	68.5	73.1	90.0	96.2	73.1
13.8	7.2	8.7	6.6	9.3	22.1	31.5	26.9	10.0	3.8	26.9
15.1	15.0	14.6	15.7	15.9	16.3	17.1	15.5	14.8	14.6	15.1
13.5	13.4	13.0	14.1	14.2	14.6	15.4	13.8	13.1	12.9	13.4
3.7	3.5	3.2	3.7	3.4	4.1	4.6	3.1	2.8	3.0	3.4
9.7	9.8	9.9	10.4	10.8	10.5	10.7	10.7	10.3	10.0	10.0
13.0	13.9	13.4	14.7	14.4	12.7	11.7	11.3	13.3	14.1	11.1
2.1	1.1	1.3	1.0	1.6	3.6	5.4	4.2	1.5	0.5	4.1
7.8	8.7	7.7	8.6	9.8	8.6	7.8	6.4	7.6	7.1	4.5
1320.5	1333.7	1388.8	1514.0	1639.7	1723.0	1767.9	1577.6	1457.6	1676.5	1797.5
5.7	7.1	7.4	4.3	0.5	4.0	3.7	9.2	9.9	10.4	13.3
11.0	7.4	8.6	4.5	2.9	4.8	4.7	6.8	10.7	8.9	11.0
12.8	13.3	14.5	14.3	13.6	13.9	13.3	11.2	13.2	12.4	8.8
10.2	9.8	10.2	11.0	10.4	10.4	10.8	9.7	9.3	9.4	7.2
2.6	3.5	4.3	3.3	3.2	3.5	2.5	1.5	3.9	2.9	1.6
21.6	21.5	20.0	19.6	17.7	19.1	19.1	19.1	20.3	18.5	12.6
17.3	16.4	15.9	16.1	14.3	14.6	14.9	16.2	17.9	16.3	11.0
2.5	2.4	2.5	2.5	2.3	2.5	2.6	2.6	2.6	2.4	1.3
4.5	4.5	4.6	4.8	3.9	3.8	3.8	4.8	5.5	4.9	3.2
10.3	9.5	8.9	8.8	8.2	8.3	8.5	8.8	9.9	9.0	6.5
3.9	5.1	4.9	4.2	4.0	4.8	4.0	2.7	2.4	2.2	1.5
8.8	8.2	5.5	5.3	4.1	5.2	5.8	7.9	7.1	6.1	3.8
14.1	15.9	12.5	13.2	13.7	13.7	9.7	11.3	17.5	16.2	4.6
20.2	20.9	9.1	11.7	12.9	18.3	15.9	19.1	11.0	10.0	9.7
10.4	52.2	41.2	16.0	9.8	23.2	-10.0	-19.1	0.1	39.5	-5.1
6.2	47.6	36.2	5.7	2.3	25.5	-9.0	-20.5	-6.8	29.2	-8.6

(Contd...)

ECONOMIC AND

INDICATORS		1960s	1970s	1980s	1990s	2000s	2006-07	2007-08	2008-09	2009-10
		Average (Annual)								
TRADE AND PAYMENTS (growth %)										
Exports (fob)		-	13.5	8.5	5.6	9.9	4.5	18.0	-6.4	2.9
Imports (fob)		-	16.6	4.5	3.2	13.7	8.0	31.6	-10.3	-1.7
Workers' Remittances		-	-	1.9	-5.3	26.8	19.4	17.4	21.1	14.0
As % of GDP (mp)										
Exports (fob)		-	-	9.8	13.0	12.3	11.2	12.0	11.4	11.1
Imports (fob)		-	-	18.7	17.4	16.2	17.5	20.8	18.9	17.5
Trade Deficit		-	-	8.9	4.4	3.9	6.2	8.8	7.5	6.5
Current Account Deficit		-	-	3.9	4.5	3.8	4.8	8.2	5.5	2.2
COMMODITY SECTOR:										
Agriculture										
Total Cropped Area	mln. hectares	-	-	20.3	22.4	22.9	23.6	23.9	24.1	23.9
Production										
Wheat	mln. tons	-	-	12.5	17.0	20.8	23.3	20.9	24.0	23.3
Rice	mln. tons	-	-	3.3	3.9	5.2	5.4	5.6	6.9	6.9
Sugarcane	mln. tons	-	-	33.1	44.6	50.4	54.7	63.9	50.0	49.4
Cotton	mln. bales	-	-	6.3	9.7	11.6	12.9	11.7	11.8	12.9
Fertilizer Offtake	mln.N/tons	-	-	1.4	2.3	3.3	3.7	3.6	3.7	4.4
Credit Disbursed	bln. Rs.	-	-	11.2	23.8	112.9	168.8	211.6	233.0	248.1
Manufacturing										
Cotton Yarn	mln. Kg.	5.6	3.4	10.0	1884.4	2236.2	2727.6	2809.4	2913.0	2787.3
Cotton Cloth	mln. sq. mtr.	3.1	-5.2	-1.1	487.8	763.3	1012.9	1016.4	1016.9	1009.4
Fertilizer	mln. tons	27.5	13.2	10.7	4.9	5.3	5.9	6.1	6.3	6.5
Sugar	mln. tons	34.3	2.2	14.4	3.6	3.4	3.5	4.7	3.2	3.1
Cement	mln. tons	10.7	2.5	8.6	11.2	16.4	22.8	26.7	28.4	31.3
Soda Ash	000 tons	12.0	2.6	6.7	269.0	292.6	330.6	365.0	365.3	409.6
Caustic Soda	000 tons	24.4	5.0	6.6	147.2	195.0	242.2	248.3	245.3	182.3
Cigarettes	bln. nos.	10.7	4.9	-0.4	55.4	60.0	66.0	67.4	75.6	65.3
Jute Goods	000 tons	-	3.4	9.5	101.1	105.0	118.1	129.0	137.4	106.2
INFRASTRUCTURE:										
Energy										
Crude Oil Extraction	mln. barrels	-	2.8	10.9	26.1	23.3	24.6	25.6	24.0	23.7
Gas (production)	mcf	-	165.4	385.2	908.0	1186.8	1413.6	1454.2	1460.7	1482.8
Electricity (installed capacity)	000 MW	-	1.3	3.1	12.9	18.7	19.4	19.4	19.8	20.9
Transport & Communications										
Roads	000 km	70.5	74.1	123.8	279.3	255.6	261.8	258.4	260.2	260.8
Motor Vehicles on Roads	mln. nos.	-	0.4	1.4	4.6	6.4	8.1	8.8	9.4	9.8
Post Offices	000 nos.	7.1	9.0	11.8	15.8	12.3	12.3	12.4	12.3	12.0
Telephones	mln. nos.	0.1	0.2	0.6	3.3	4.2	4.8	4.5	3.5	3.4
Mobile Phones	mln. nos.	-	-	-	-	30.3	63.2	88.0	94.3	99.2

- : Not available P: Provisional, R: Revised, F: Final *: July - April

SOCIAL INDICATORS

2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
									F	R	(Jul-Mar) P
28.9	-2.6	0.3	1.1	-3.9	-8.8	0.1	12.6	-2.1	-7.1	13.7	27.8 *
14.9	12.8	-0.6	3.8	-0.8	-0.6	16.7	16.0	-6.8	-15.9	24.3	39.0 *
25.8	17.7	5.6	13.7	18.2	6.4	-2.8	2.9	9.2	6.4	27.3	7.6 *
11.9	11.0	10.7	10.2	8.9	7.0	6.5	6.9	7.5	7.5	7.4	7.0 *
16.7	18.0	17.4	17.0	15.3	13.1	14.1	15.6	16.1	14.5	15.6	15.6 *
4.9	7.0	6.6	6.8	6.4	6.1	7.7	8.7	8.6	7.0	8.2	8.6 *
+0.1	2.1	1.1	1.3	1.0	1.8	3.6	5.4	4.2	1.5	0.8	3.6 *
22.7	22.5	22.6	23.2	23.3	24.0	23.0	23.5	23.5	24.1	24.1	-
25.2	23.5	24.2	26.0	25.1	25.6	26.7	25.1	24.3	25.2	27.5	26.4
4.8	6.2	5.5	6.8	7.0	6.8	6.8	7.5	7.2	7.4	8.4	9.3
55.3	58.4	63.8	67.5	62.8	65.5	75.5	83.3	67.2	66.4	81.0	88.7
11.5	13.6	13.0	12.8	14.0	9.9	10.7	11.9	9.9	9.1	7.1	8.3
3.9	3.9	3.6	4.1	4.3	3.7	5.0	4.8	4.6	4.5	5.0	3.8
263.0	293.9	336.2	391.4	515.9	598.3	704.5	972.6	1174.0	1214.7	1365.9	958.3
2939.5	2954.6	3017.9	3066.0	3360.0	3405.6	3428.1	3430.7	3431.3	3049.6	3441.6	2594.7
1020.3	1023.4	1029.1	1036.1	1036.1	1039.2	1043.3	1043.7	1046.0	931.0	969.8	788.3
5.9	6.0	5.7	6.7	7.0	8.0	8.1	7.2	7.7	8.1	8.8	6.7
4.2	4.6	5.1	5.6	5.1	5.1	7.0	6.6	5.3	4.9	5.7	7.8
28.8	29.5	31.1	31.4	32.2	35.4	37.0	41.1	39.9	39.1	49.8	36.5
378.0	370.7	366.2	409.1	437.1	468.5	479.7	509.8	572.1	550.6	594.3	493.7
172.0	179.1	182.9	167.5	184.0	225.3	223.9	270.1	246.6	342.4	394.1	296.2
65.4	62.0	67.4	64.5	62.7	53.5	34.3	59.1	60.7	46.1	51.5	46.1
93.2	94.1	102.8	101.7	94.3	55.3	59.8	74.2	67.1	65.0	70.0	44.1
24.0	24.6	27.8	31.6	34.5	31.7	32.3	32.6	32.5	28.1	27.6	24.1
1471.6	1559.0	1505.8	1493.5	1465.8	1481.6	1471.9	1458.9	1436.5	1316.6	1279.2	962.4
22.5	22.8	22.8	23.5	23.8	25.9	29.9	33.6	35.1	36.1	37.2	41.6
259.5	261.6	263.4	263.8	265.4	265.9	267.0	268.9	271.0	501.4	500.7	500.8
10.4	11.5	11.6	13.2	13.9	15.6	21.9	24.3	25.2	30.0	32.2	33.6
12.0	12.0	12.8	12.1	12.1	11.7	11.5	11.5	10.1	10.1	10.1	9.6
5.7	5.8	6.4	5.7	4.2	3.3	2.6	2.6	2.6	2.4	2.5	2.5
108.9	120.2	128.9	140.0	114.7	133.2	139.8	150.2	161.0	168.5	184.3	191.7

(Contd...)

ECONOMIC AND

INDICATORS		1960s	1970s	1980s	1990s	2000s	2005-06	2006-07	2007-08	2008-09
		Average (Annual)								
HUMAN RESOURCES:										
Population*	million	-	-	96.3	124.6	150.9	155.4	158.2	161.0	163.8
Crude Birth Rate	per 1000 person	-	-	-	-	27.4	26.1	26.1	26.1	24.3
Crude Death Rate	per 1000 person	-	-	-	-	7.9	8.2	7.1	7.1	7.3
Infant Mortality Rate	per 1000 person	-	-	-	-	79.6	77.0	76.7	76.7	68.2
Labour Force & Employment* **										
Labour Force	million	-	-	11.6	35.1	45.5	46.8	50.5	50.8	52.2
Employed Labour Force	million	-	-	11.2	33.1	42.4	43.2	47.3	48.1	49.5
Un-employed Labour Force	million	-	-	0.4	2.0	3.6	3.6	3.1	2.7	2.7
Un-employment Rate	% per annum	-	-	1.4	5.7	6.8	7.6	6.2	5.2	5.2
SOCIAL DEVELOPMENT:										
Education										
Primary Schools	000 nos.	-	-	88.8	143.5	155.2	157.5	158.7	157.4	156.7
Male	000 nos.	-	-	64.6	96.4	96.6	97.7	97.8	92.5	93.3
Female	000 nos.	-	-	24.2	47.1	58.6	59.8	60.9	64.9	63.4
Middle Schools	000 nos.	-	-	6.8	15.3	31.9	39.4	40.1	40.8	40.9
Male	000 nos.	-	-	4.6	8.8	16.7	20.1	22.6	20.2	20.5
Female	000 nos.	-	-	2.2	6.5	15.2	19.3	17.5	20.6	20.4
High Schools	000 nos.	-	-	5.4	10.6	18.6	22.9	23.6	24.0	24.3
Male	000 nos.	-	-	3.9	7.4	12.2	14.8	14.6	15.0	15.1
Female	000 nos.	-	-	1.5	3.2	6.3	8.1	9.0	9.0	9.2
Technical / Vocational Institutions	nos.	-	-	508.6	572.2	1623.8	3059.0	3090.0	3125.0	3159.0
Male		-	-	282.2	328.7	874.8	1584.0	1599.0	1618.0	1636.0
Female		-	-	235.2	243.5	749.0	1475.0	1491.0	1507.0	1523.0
Literacy Rate	percent	-	-	29.5	40.7	52.6	54.0	55.0	56.0	57.0
Male		-	-	39.0	51.6	65.7	65.0	67.0	69.0	69.0
Female		-	-	18.7	28.6	41.4	42.0	42.0	44.0	45.0
Expenditure on Education (as % of GDP)		1.4	1.7	2.3	2.0	1.7	1.7	1.8	1.8	1.8
Health*										
Registered Doctors	000 nos.	2.0	6.3	28.1	68.9	109.7	123.1	128.0	133.9	139.5
Registered Nurses	000 nos.	-	2.9	9.9	24.1	48.7	57.6	62.6	65.4	69.3
Registered Dentists	000 nos.	0.2	0.7	1.4	2.8	6.0	7.4	8.2	9.0	9.8
Hospitals	nos.	380.0	521.0	651.0	823.0	917.5	924.0	945.0	948.0	968.0
Dispensaries	000 nos.	1.7	2.8	3.5	4.3	4.7	4.7	4.7	4.8	4.8
Rural Health Centers	nos.	-	1.0	127.0	330.0	494.0	560.0	562.0	561.0	572.0
TB Centres	nos.	-	90.0	122.0	245.0	283.7	288.0	290.0	293.0	293.0
Total Beds	000 nos.	25.5	38.4	55.6	83.8	99.3	102.1	103.3	103.0	103.7
Expenditure on Health (as % of GDP)		-	0.6	0.8	0.7	0.6	0.5	0.6	0.6	0.5

P: Provisional, R: Revised, F: Final **- : Not available**
*** : on Calendar Year basis** ****: Labour Force Survey 2017-18 ***: Labour Force Survey 2020-21**

Notes:

Total may differ due to rounding off

Note: Total Population is revised from 2018 onward on the basis of Census 2017 by NIPS

SOCIAL INDICATORS

2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20 F	2020-21 R	2021-22 (Jul-Mar) P
173.5	177.1	180.7	184.4	188.0	191.7	198.8	207.7	211.8	216.1	220.4	224.78	-
28.0	27.5	27.2	26.8	26.4	26.1	27.8	27.3	26.7	26.1	25.4	-	-
7.4	7.3	7.2	7.0	6.9	6.8	7.0	7.6	7.8	6.7	6.6	-	-
72.0	70.5	69.0	67.5	66.1	64.6	62.4	67.2	67.2	59.5	58.5	-	-
53.7	58.1	59.3	60.3	60.1	61.04	-	-	65.5	68.8	71.8	-	-
50.8	54.7	55.8	56.6	56.5	57.4	-	-	61.7	64.0	67.3	-	-
2.9	3.5	3.5	3.8	3.6	3.62	-	-	3.8	4.7	4.5	-	-
5.5	6.0	6.0	6.2	6.0	5.9	-	-	5.8	6.9	6.3	-	-
157.5	155.5	154.6	159.7	157.9	165.9	164.6	168.9	172.5	180.1	183.9	187.9	-
96.9	93.6	93.6	99.6	97.6	99.9	99.3	102.8	99.0	99.4	98.6	97.5	-
60.6	58.2	57.0	60.1	60.3	66.0	65.3	66.1	73.5	80.7	85.3	90.4	-
41.3	41.6	42.0	42.1	42.9	44.8	45.7	49.1	46.7	47.3	48.3	49.3	-
21.8	21.9	21.6	20.7	21.8	22.4	18.7	21.2	23.2	23.6	24.2	24.8	-
19.5	20.4	21.0	21.4	21.1	22.4	27.0	27.9	23.5	23.7	24.1	24.5	-
24.8	25.2	28.7	29.9	30.6	31.3	31.7	31.6	31.4	31.7	32.0	32.3	-
14.2	14.4	14.3	17.6	18.0	18.2	16.1	16.9	17.9	18.0	18.1	18.1	-
10.6	9.5	11.6	12.3	12.6	13.1	15.6	14.7	13.5	13.7	13.9	14.2	-
3192.0	3224.0	3257.0	3290.0	3323.0	3579.0	3746.0	3798.0	3740.0	3740.0	3825.0	3914.0	-
1010.0	1018.0	1028.0	1037.0	1047.0	1760.0	2232.0	2262.0	2410.0	2410.0	2586.0	2754.0	-
2182.0	2206.0	2229.0	2253.0	2276.0	1819.0	1514.0	1536.0	1330.0	1330.0	1239.0	1160.0	-
57.7	58.0	58.0	60.0	58.0	60.0	58.0	-	62.3 **	60.0	60.0	62.8 ***	-
69.5	69.0	70.0	71.0	70.0	70.0	70.0	-	72.5 **	71.0	70.0	73.4 ***	-
45.2	46.0	47.0	48.0	47.0	49.0	48.0	-	51.8 **	49.0	50.0	51.9 ***	-
1.7	1.8	2.0	2.1	2.1	2.2	2.0	2.0	2.1	2.0	1.9	1.8	-
144.9	152.4	160.9	167.7	175.2	184.7	195.9	208.0	220.8	233.3	246.0	266.4	-
73.2	77.7	82.1	86.1	90.3	94.8	99.2	103.8	108.5	112.1	116.7	121.3	-
10.5	11.6	12.7	13.7	15.1	16.7	18.3	20.5	22.6	24.9	27.4	31.0	-
972.0	980.0	1092.0	1113.0	1143.0	1172.0	1243.0	1264.0	1279.0	1282.0	1289.0	1276.0	-
4.8	5.0	5.2	5.4	5.5	5.7	6.0	5.6	5.7	5.7	5.8	5.8	-
577.0	579.0	640.0	667.0	669.0	684.0	668.0	688.0	686.0	670.0	719.0	736.0	-
304.0	345.0	326.0	329.0	334.0	339.0	345.0	431.0	441.0	412.0	410.0	416.0	-
104.1	107.5	111.8	118.4	118.2	119.5	124.8	131.0	132.2	133.7	147.1	147.0	-
0.5	0.2	0.7	0.6	0.7	0.7	0.8	0.9	1.1	1.0	1.1	1.2	-

GROWTH AND INVESTMENT

TABLE 1.1

GROSS NATIONAL PRODUCT AT CONSTANT BASIC PRICES OF 2015-16

Rs million

Sectors	2015-16	2016-17	2017-18	2018-19	2019-20 F	2020-21 R	2021-22 P	% Change 2020-21/ 2019-20	% Change 2021-22/ 2020-21
A. AGRICULTURE	7,306,957	7,468,900	7,758,432	7,831,296	8,137,860	8,420,705	8,791,447	3.48	4.40
1. Crops	2,497,153	2,531,438	2,648,128	2,532,070	2,692,121	2,852,578	3,040,265	5.96	6.58
i). Important Crops	1,462,455	1,501,621	1,565,723	1,431,198	1,506,263	1,594,031	1,709,421	5.83	7.24
ii). Other Crops	912,388	901,099	943,042	977,166	1,067,179	1,155,393	1,218,208	8.27	5.44
iii). Cotton Ginning	122,310	128,718	139,363	123,706	118,679	103,154	112,636	(13.08)	9.19
2. Livestock	4,531,885	4,662,846	4,830,324	5,006,731	5,146,701	5,269,009	5,440,778	2.38	3.26
3. Forestry	161,737	157,022	160,541	172,129	177,917	177,111	187,970	(0.45)	6.13
4. Fishing	116,182	117,594	119,439	120,366	121,121	122,007	122,434	0.73	0.35
B. INDUSTRIAL SECTOR	5,939,635	6,213,295	6,783,864	6,800,675	6,409,967	6,910,608	7,407,709	7.81	7.19
1. Mining & Quarrying	691,258	685,104	734,818	738,791	685,844	694,134	663,084	1.21	(4.47)
2. Manufacturing	3,668,779	3,847,353	4,119,706	4,305,977	3,970,245	4,387,842	4,817,690	10.52	9.80
i). Large Scale	2,841,709	2,957,914	3,162,576	3,274,235	2,906,578	3,240,668	3,580,206	11.49	10.48
ii). Small Scale	494,949	538,401	585,867	638,626	647,374	705,450	768,204	8.97	8.90
iii). Slaughtering	332,121	351,038	371,263	393,116	416,293	441,723	469,280	6.11	6.24
3. Electricity, Gas and Water Supply	681,030	690,618	745,548	786,907	814,703	866,129	934,188	6.31	7.86
4. Construction	898,569	990,220	1,183,792	969,000	939,174	962,503	992,747	2.48	3.14
COMMODITY PRODUCING SECTOR (A+B)	13,246,592	13,682,195	14,542,296	14,631,971	14,547,827	15,331,313	16,199,156	5.39	5.66
C. SERVICES SECTOR	17,261,613	18,232,012	19,317,324	20,284,070	20,038,838	21,241,331	22,555,934	6.00	6.19
1. Wholesale & Retail Trade	5,380,330	5,727,275	6,114,661	6,331,734	5,998,707	6,633,542	7,299,219	10.58	10.04
2. Transport & Storage	3,448,607	3,589,252	3,707,938	3,990,773	3,634,152	3,817,868	4,024,673	5.06	5.42
3. Accommodation and Food Services Activities (Hotels & Restaurants)	425,666	442,789	460,952	479,936	499,522	520,024	541,196	4.10	4.07
4. Information and Communication	610,952	675,174	703,443	763,216	868,338	933,478	1,044,594	7.50	11.90
5. Finance and Insurance Activities	530,185	573,828	624,079	662,149	647,435	685,878	719,687	5.94	4.93
6. Real Estate Activities (OD)	1,735,453	1,798,794	1,863,846	1,932,853	2,006,873	2,079,996	2,156,863	3.64	3.70
7. Public Administration and Social Security (General Government)	1,458,465	1,547,990	1,717,130	1,776,775	1,830,153	1,820,093	1,797,778	(0.55)	(1.23)
8. Education	954,556	939,569	972,853	991,899	1,024,760	1,058,068	1,149,604	3.25	8.65
9. Human Health and Social Work Activities	419,645	470,322	497,098	535,541	568,638	584,633	597,779	2.81	2.25
10. Other Private Services	2,297,754	2,467,019	2,655,324	2,819,194	2,960,260	3,107,751	3,224,541	4.98	3.76
GDP {Total of GVA at bp (A + B + C)}	30,508,205	31,914,207	33,859,620	34,916,041	34,586,665	36,572,644	38,755,090	5.74	5.97
Indirect Taxes	2,442,880	2,483,605	2,610,793	2,555,422	2,449,628	2,894,190	3,215,037	18.15	11.09
Subsidies	226,036	222,184	192,402	287,359	325,947	375,056	459,289	15.07	22.46
GDP {GVA + T - S}	32,725,049	34,175,628	36,278,011	37,184,104	36,710,346	39,091,778	41,510,838	6.49	6.19
Net Primary Income (NPI)*	1,492,194	1,479,873	1,484,165	1,934,448	2,424,050	3,276,052	2,931,447	35.15	(10.52)
Gross National Income	34,217,243	35,655,501	37,762,176	39,118,552	39,134,396	42,367,830	44,442,285	8.26	4.90
Population (in million)	200.19	205.17	209.75	213.95	218.24	222.59	227.00	1.99	1.98

P: Provisional, R: Revised, F: Final

Source: Pakistan Bureau of Statistics

* : As per PBS, Net Primary Income (NPI) = Net Factor Income (NFI)

Note: Figure in parenthesis indicate negative growth.

TABLE 1.2

SECTORAL SHARE IN GDP (%)

(%)

Sector	2015-16	2016-17	2017-18	2018-19	2019-20 F	2020-21 R	2021-22 P
A. AGRICULTURE	23.95	23.40	22.91	22.43	23.53	23.02	22.68
1. Crops	8.19	7.93	7.82	7.25	7.78	7.80	7.84
Important Crops	4.79	4.71	4.62	4.10	4.36	4.36	4.41
Other Crops	2.99	2.82	2.79	2.80	3.09	3.16	3.14
Cotton Ginning	0.40	0.40	0.41	0.35	0.34	0.28	0.29
2. Livestock	14.85	14.61	14.27	14.34	14.88	14.41	14.04
3. Forestry	0.53	0.49	0.47	0.49	0.51	0.48	0.49
4. Fishing	0.38	0.37	0.35	0.34	0.35	0.33	0.32
B. INDUSTRIAL SECTOR	19.47	19.47	20.04	19.48	18.53	18.90	19.11
1. Mining & Quarrying	2.27	2.15	2.17	2.12	1.98	1.90	1.71
2. Manufacturing	12.03	12.06	12.17	12.33	11.48	12.00	12.43
Large Scale	9.31	9.27	9.34	9.38	8.40	8.86	9.24
Small Scale	1.62	1.69	1.73	1.83	1.87	1.93	1.98
Slaughtering	1.09	1.10	1.10	1.13	1.20	1.21	1.21
3. Electricity, Gas & Water Supply	2.23	2.16	2.20	2.25	2.36	2.37	2.41
4. Construction	2.95	3.10	3.50	2.78	2.72	2.63	2.56
COMMODITY PRODUCING SECTOR (A+B)	43.42	42.87	42.95	41.91	42.06	41.92	41.80
C. SERVICES SECTOR	56.58	57.13	57.05	58.09	57.94	58.08	58.20
1. Wholesale & Retail Trade	17.64	17.95	18.06	18.13	17.34	18.14	18.83
2. Transport & Storage	11.30	11.25	10.95	11.43	10.51	10.44	10.38
3. Accommodation and Food Services Activities (Hotels & Restaurants)	1.40	1.39	1.36	1.37	1.44	1.42	1.40
4. Information and Communication	2.00	2.12	2.08	2.19	2.51	2.55	2.70
5. Finance and Insurance Activities	1.74	1.80	1.84	1.90	1.87	1.88	1.86
6. Real Estate Activities (OD)	5.69	5.64	5.50	5.54	5.80	5.69	5.57
7. Public Administration and Social Security (General Government)	4.78	4.85	5.07	5.09	5.29	4.98	4.64
8. Education	3.13	2.94	2.87	2.84	2.96	2.89	2.97
9. Human Health and Social Work Activities	1.38	1.47	1.47	1.53	1.64	1.60	1.54
10. Other Private Services	7.53	7.73	7.84	8.07	8.56	8.50	8.32
GDP {Total of GVA at bp (A + B + C)}	100.00	100.00	100.00	100.00	100.00	100.00	100.00

P: Provisional, R: Revised, F: Final

Source: Pakistan Bureau of Statistics

TABLE 1.3

Growth Rates (%)

(%)

Sector	2016-17	2017-18	2018-19	2019-20 F	2020-21 R	2021-22 P
A. AGRICULTURE	2.22	3.88	0.94	3.91	3.48	4.40
1. Crops	1.37	4.61	(4.38)	6.32	5.96	6.58
Important Crops	2.68	4.27	(8.59)	5.24	5.83	7.24
Other Crops	(1.24)	4.65	3.62	9.21	8.27	5.44
Cotton Ginning	5.24	8.27	(11.23)	(4.06)	(13.08)	9.19
2. Livestock	2.89	3.59	3.65	2.80	2.38	3.26
3. Forestry	(2.92)	2.24	7.22	3.36	(0.45)	6.13
4. Fishing	1.22	1.57	0.78	0.63	0.73	0.35
B. INDUSTRIAL SECTOR	4.61	9.18	0.25	(5.75)	7.81	7.19
1. Mining & Quarrying	(0.89)	7.26	0.54	(7.17)	1.21	(4.47)
2. Manufacturing	4.87	7.08	4.52	(7.80)	10.52	9.80
Large Scale	4.09	6.92	3.53	(11.23)	11.49	10.48
Small Scale	8.78	8.82	9.01	1.37	8.97	8.90
Slaughtering	5.70	5.76	5.89	5.90	6.11	6.24
3. Electricity, Gas & Water Supply	1.41	7.95	5.55	3.53	6.31	7.86
4. Construction	10.20	19.55	(18.14)	(3.08)	2.48	3.14
COMMODITY PRODUCING SECTOR (A+B)	3.29	6.29	0.62	(0.58)	5.39	5.66
C. SERVICES SECTOR	5.62	5.95	5.00	(1.21)	6.00	6.19
1. Wholesale & Retail Trade	6.45	6.76	3.55	(5.26)	10.58	10.04
2. Transport & Storage	4.08	3.31	7.63	(8.94)	5.06	5.42
3. Accommodation and Food Services Activities (Hotels & Restaurants)	4.02	4.10	4.12	4.08	4.10	4.07
4. Information and Communication	10.51	4.19	8.50	13.77	7.50	11.90
5. Finance and Insurance Activities	8.23	8.76	6.10	(2.22)	5.94	4.93
6. Real Estate Activities (OD)	3.65	3.62	3.70	3.83	3.64	3.70
7. Public Administration and Social Security (General Government)	6.14	10.93	3.47	3.00	(0.55)	(1.23)
8. Education	(1.57)	3.54	1.96	3.31	3.25	8.65
9. Human Health and Social Work Activities	12.08	5.69	7.73	6.18	2.81	2.25
10. Other Private Services	7.37	7.63	6.17	5.00	4.98	3.76
GDP {Total of GVA at bp (A + B + C)}	4.61	6.10	3.12	(0.94)	5.74	5.97

P: Provisional, R: Revised, F: Final

Source: Pakistan Bureau of Statistics

Note: Figure in parenthesis indicate negative growth.

TABLE 1.4

GROSS NATIONAL PRODUCT AT CURRENT PRICES

Rs million

Sectors	2015-16	2016-17	2017-18	2018-19	2019-20 F	2020-21 R	2021-22 P	% Change 2020-21/ 2019-20	% Change 2021-22/ 2020-21
A. Agriculture	7,306,957	7,808,538	8,485,078	9,056,577	10,389,544	12,650,937	14,896,781	21.77	17.75
1. Crops	2,497,153	2,814,824	2,997,673	3,026,409	3,704,256	4,728,105	5,782,886	27.64	22.31
Important Crops	1,462,455	1,665,727	1,724,508	1,692,431	2,015,035	2,731,874	3,387,606	35.57	24.00
Other Crops	912,388	995,393	1,096,907	1,152,141	1,502,853	1,804,768	2,077,865	20.09	15.13
Cotton Ginning	122,310	153,704	176,258	181,837	186,368	191,463	317,415	2.73	65.78
2. Livestock	4,531,885	4,681,073	5,163,098	5,681,368	6,301,160	7,504,838	8,660,910	19.10	15.40
3. Forestry	161,737	159,493	165,288	184,508	197,771	225,869	258,805	14.21	14.58
4. Fishing	116,182	153,148	159,019	164,292	186,357	192,125	194,180	3.10	1.07
B. INDUSTRIAL SECTOR	5,939,635	6,434,821	7,285,014	8,568,673	8,837,507	10,487,430	13,271,324	18.67	26.55
1. Mining & Quarrying	691,258	706,614	847,753	1,156,829	1,230,493	1,258,716	1,371,712	2.29	8.98
2. Manufacturing	3,668,778	4,017,236	4,547,093	5,513,025	5,427,248	6,646,410	8,855,634	22.46	33.24
Large Scale	2,841,709	3,083,146	3,499,175	4,266,145	4,026,236	4,916,269	6,743,961	22.11	37.18
Small Scale	494,949	575,507	633,065	772,543	851,921	1,038,424	1,280,298	21.89	23.29
Slaughtering	332,121	358,582	414,852	474,337	549,090	691,717	831,376	25.98	20.19
3. Electricity, Gas & Water Supply	681,030	684,635	601,438	723,614	936,384	1,198,052	1,196,379	27.94	(0.14)
4. Construction	898,569	1,026,336	1,288,730	1,175,205	1,243,382	1,384,252	1,847,599	11.33	33.47
COMMODITY PRODUCING SECTOR (A+B)	13,246,592	14,243,359	15,770,092	17,625,250	19,227,051	23,138,367	28,168,105	20.34	21.74
C. SERVICES SECTOR	17,261,613	18,931,611	20,744,074	23,484,914	25,519,825	29,074,932	34,509,450	13.93	18.69
1. Wholesale & Retail Trade	5,380,330	5,910,874	6,647,619	7,719,369	7,827,884	9,575,067	12,743,775	22.32	33.09
2. Transport & Storage	3,448,607	3,605,358	3,413,093	3,663,539	3,976,118	4,666,915	4,377,831	17.37	(6.19)
3. Accommodation and Food Services Activities (Hotels & Restaurants)	425,666	474,246	537,789	587,976	620,711	726,385	812,493	17.02	11.85
4. Information and Communication	610,952	672,357	687,372	764,469	929,777	991,997	1,147,333	6.69	15.66
5. Finance and Insurance Activities	530,185	573,387	673,401	904,881	1,088,992	929,339	1,758,413	(14.66)	89.21
6. Real Estate Activities (OD)	1,735,453	1,951,033	2,133,802	2,356,250	2,572,654	2,806,149	3,083,344	9.08	9.88
7. Public Administration and Social Security (General Government)	1,458,465	1,622,405	1,891,699	2,102,445	2,385,741	2,567,759	2,831,319	7.63	10.26
8. Education	954,556	1,031,740	1,228,677	1,373,330	1,494,309	1,556,051	1,764,782	4.13	13.41
9. Human Health and Social Work Activities	419,645	506,166	608,073	701,212	792,130	881,480	974,059	11.28	10.50
10. Other Private Services	2,297,754	2,584,045	2,922,549	3,311,443	3,831,509	4,373,790	5,016,101	14.15	14.69
GDP {Total of GVA at bp (A + B + C)}	30,508,205	33,174,970	36,514,166	41,110,164	44,746,876	52,213,299	62,677,555	16.69	20.04
Indirect Taxes	2,442,880	2,603,563	2,876,571	3,015,143	3,184,272	4,068,363	5,013,528	27.76	23.23
Subsidies	226,036	225,714	200,927	326,906	390,739	486,147	741,176	24.42	52.46
GDP {GVA + T - S}	32,725,049	35,552,819	39,189,810	43,798,401	47,540,409	55,795,515	66,949,907	17.36	19.99
Net Primary Income (NPI)*	1,492,194	1,460,043	1,539,673	2,135,631	2,730,935	3,908,330	4,408,309	43.11	12.79
Gross National Income	34,217,243	37,012,862	40,729,483	45,934,032	50,271,344	59,703,845	71,358,216	18.76	19.52
Population (in million)	200.2	205.2	209.8	214.0	218.2	222.6	227.0	1.99	1.98
Per Capita Income (Rs)	170,924	180,401	194,181	214,695	230,349	268,223	314,353	16.44	17.20
Per Capita Income(US $)	1,639.7	1,723.0	1,767.9	1,577.6	1,457.6	1,676.2	1,797.5	14.99	7.24
GDP Deflator Index	100.00	103.95	107.84	117.74	129.38	142.77	161.73	10.35	13.28
GDP Deflator (Growth %)		3.95	3.74	9.18	9.88	10.35	13.28		

P: Provisional, R: Revised, F: Final

Source: Pakistan Bureau of Statistics

* : As per PBS, Net Primary Income (NPI) = Net Factor Income (NFI)

Note: Figure in parenthesis indicate negative growth.

TABLE 1.5

EXPENDITURE ON GROSS NATIONAL PRODUCT AT CONSTANT PRICES OF 2015-16

Rs million

Flows	2015-16	2016-17	2017-18	2018-19	2019-20 F	2020-21 R	2021-22 P	% Change 2020-21/ 2019-20	2021-22/ 2020-21
Household Final Consumption Expenditure	26,106,974	27,915,885	29,915,812	31,583,262	30,674,157	33,545,348	36,948,148	9.36	10.14
NPISH Final Consumption Expenditure	296,722	317,125	352,015	370,679	374,912	388,667	368,944	3.67	(5.07)
General Government Final Consumption Expenditure	3,471,786	3,627,594	3,826,636	3,766,290	4,086,774	4,161,026	4,019,571	1.82	(3.40)
Total Investment	5,214,981	5,601,582	6,153,971	5,557,257	5,220,581	5,465,991	5,625,516	4.70	2.92
Gross Fixed Capital Formation	4,657,149	5,017,178	5,533,617	4,921,409	4,592,834	4,797,521	4,915,681	4.46	2.46
A. Private Sector	3,537,220	3,621,176	3,879,013	3,812,927	3,627,468	3,717,184	3,698,625	2.47	(0.50)
B. Public Sector	252,053	353,002	418,721	404,028	257,481	273,532	261,167	6.23	(4.52)
C. General Govt.	867,876	1,043,000	1,235,883	704,454	707,885	806,805	955,888	13.97	18.48
Change in Inventories	523,601	546,810	580,448	594,946	587,366	625,468	664,173	6.49	6.19
Valuable	34,231	37,593	39,906	40,903	40,381	43,001	45,662	6.49	6.19
Export of Goods and Non-Factor Services	2,859,095	2,929,753	3,223,918	3,648,583	3,703,874	3,945,411	4,277,537	6.52	8.42
Less Imports of Goods and Non-Factor Services	5,224,509	6,216,310	7,194,340	7,741,968	7,349,952	8,414,664	9,728,877	14.49	15.62
Expenditure on GDP at Market Prices	32,725,049	34,175,628	36,278,011	37,184,104	36,710,346	39,091,778	41,510,838	6.49	6.19
Plus Net Primary Income*	1,492,194	1,479,873	1,484,165	1,934,448	2,424,050	3,276,052	2,931,447	35.15	(10.52)
Expenditure on GNP at Market Prices	34,217,243	35,655,501	37,762,176	39,118,552	39,134,396	42,367,830	44,442,285	8.26	4.90
Less Indirect Taxes	2,442,880	2,483,605	2,610,793	2,555,422	2,449,628	2,894,190	3,215,037	18.15	11.09
Plus Subsidies	226,036	222,184	192,402	287,359	325,947	375,056	459,289	15.07	22.46
GNP at Factor Cost	32,000,399	33,394,080	35,343,785	36,850,489	37,010,715	39,848,696	41,686,537	7.67	4.61

P: Provisional, R: Revised, F: Final — Source: Pakistan Bureau of Statistics

* : As per PBS, Net Primary Income (NPI) = Net Factor Income (NFI)

Note: Figure in parenthesis indicate negative growth.

TABLE 1.6

EXPENDITURE ON GROSS NATIONAL PRODUCT AT CURRENT PRICES

Rs million

Flows	2015-16	2016-17	2017-18	2018-19	2019-20 F	2020-21 R	2021-22 P	% Change 2020-21/ 2019-20	2021-22/ 2020-21
Household Final Consumption Expenditure	26,106,974	28,800,377	31,906,384	36,301,307	38,265,131	45,959,938	57,065,160	20.11	24.16
NPISH Final Consumption Expenditure	296,722	332,379	386,231	434,362	487,348	546,349	575,331	12.11	5.30
General Government Final Consumption Expenditure	3,471,786	3,823,258	4,308,381	4,708,220	5,604,444	6,102,658	6,794,114	8.89	11.33
Total Investment	5,214,981	5,806,803	6,689,031	6,788,597	7,043,368	8,171,193	10,137,272	16.01	24.06
Gross Fixed Capital Formation	4,657,149	5,198,850	6,018,885	6,039,644	6,230,427	7,217,090	8,992,429	15.84	24.60
A. Private Sector	3,537,220	3,745,750	4,211,187	4,665,930	4,885,372	5,556,780	6,703,572	13.74	20.64
B. Public Sector	252,053	363,686	448,598	475,183	349,556	418,892	481,283	19.84	14.89
C. General Govt.	867,876	1,089,414	1,359,100	898,531	995,499	1,241,418	1,807,574	24.70	45.61
Change in Inventories	523,601	568,845	627,037	700,774	760,647	892,728	1,071,199	17.36	19.99
Valuable	34,231	39,108	43,109	48,178	52,294	61,375	73,645	17.36	19.99
Export of Goods and Non-Factor Services	2,859,095	2,923,015	3,363,191	4,113,048	4,420,573	5,054,072	7,008,316	14.33	38.67
Less Imports of Goods and Non-Factor Services	5,224,509	6,133,012	7,463,408	8,547,132	8,280,456	10,038,695	14,630,286	21.23	45.74
Expenditure on GDP at Market Prices	32,725,049	35,552,819	39,189,810	43,798,401	47,540,409	55,795,515	66,949,907	17.36	19.99
Plus Net Primary Income*	1,492,194	1,460,043	1,539,673	2,135,631	2,730,935	3,908,330	4,408,309	43.11	12.79
Expenditure on GNP at Market Prices	34,217,243	37,012,862	40,729,483	45,934,032	50,271,344	59,703,845	71,358,216	18.76	19.52
Less Indirect Taxes	2,442,880	2,603,563	2,876,571	3,015,143	3,184,272	4,068,363	5,013,528	27.76	23.23
Plus Subsidies	226,036	225,714	200,927	326,906	390,739	486,147	741,176	24.42	52.46
GNP at Factor Cost	30,508,205	33,174,970	36,514,166	41,110,164	44,746,876	52,213,299	62,677,555	16.69	20.04

P: Provisional, R: Revised, F: Final — Source: Pakistan Bureau of Statistics

* : As per PBS, Net Primary Income (NPI) = Net Factor Income (NFI)

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	2015-16	2016-17	2017-18	2018-19	2019-20 F	2020-21 R	2021-22 R	% Change 2020-21/ 2019-20	% Change 2021-22/ 2020-21
GFCF (A+B+C)	4,657,149	5,198,850	6,018,885	6,039,644	6,230,427	7,217,090	8,992,429	15.84	24.60
A. Private Sector	3,537,220	3,745,750	4,211,187	4,665,930	4,885,372	5,556,780	6,703,572	13.74	20.64
B. Public Sector	252,053	363,686	448,598	475,183	349,556	418,892	481,283	19.84	14.89
C. General Govt.	867,876	1,089,414	1,359,100	898,531	995,499	1,241,418	1,807,574	24.70	45.61
Private & Public (A+B)	3,789,273	4,109,436	4,659,785	5,141,113	5,234,928	5,975,672	7,184,855	14.15	20.24
SECTOR-WISE:									
1. Agriculture, Forestry & Fishing	904,250	965,529	1,050,711	1,138,639	1,251,854	1,513,149	1,787,577	20.87	18.14
2. Mining and Quarrying	122,166	100,586	71,969	73,327	90,144	85,759	96,691	(4.86)	12.75
3. Manufacturing (A+B)	723,845	755,058	810,934	891,741	870,779	987,687	1,074,191	13.43	8.76
A. Large Scale	633,494	649,780	694,141	749,597	699,962	775,052	798,536	10.73	3.03
B. Small Scale (including Slaughtering)	90,351	105,278	116,793	142,144	170,817	212,635	275,655	24.48	29.64
4. Electricity Gas and Water Supply	201,651	191,259	387,511	461,987	314,993	335,661	291,097	6.56	(13.28)
5. Construction	64,882	111,621	84,984	44,489	50,961	50,710	74,937	(0.49)	47.78
6. Wholesale and Retail Trade	202,799	231,144	301,783	430,297	408,671	458,047	472,404	12.08	3.13
7. Accommodation and Food Services Activities (Hotels & Restaurants)	74,922	92,968	85,589	85,772	57,994	57,050	59,726	(1.63)	4.69
8. Transport and Storage	416,691	492,166	610,512	558,132	364,876	605,736	868,244	66.01	43.34
9. Information and Communication	158,036	157,208	143,185	155,142	368,840	230,361	324,444	(37.54)	40.84
10. Finance and Insurance Activities	56,520	65,697	61,650	72,956	78,146	95,670	113,570	22.42	18.71
11. Real Estate Activities (OD)	523,819	562,916	613,462	709,639	803,990	901,064	1,215,696	12.07	34.92
12. Public Administration and Defence; compulsory social security	750,084	967,642	1,229,418	804,220	888,918	1,070,774	1,584,815	20.46	48.01
13. Education	179,991	182,153	190,376	198,774	217,294	284,049	373,782	30.72	31.59
14. Human Health and Social Work Activities	92,531	108,840	128,714	118,991	146,936	180,997	223,956	23.18	23.73
15. Other Private Services	184,962	214,063	248,085	295,537	316,032	360,375	431,299	14.03	19.68

P: Provisional, R: Revised, F: Final (Contd…)

Note: Figure in parenthesis indicate negative growth.

TABLE 1.7 a

GROSS FIXED CAPITAL FORMATION (GFCF) IN PRIVATE SECTOR BY ECONOMIC ACTIVITY AT CURRENT MARKET PRICES

Rs million

Sector	2015-16	2016-17	2017-18	2018-19	2019-20 F	2020-21 R	2021-22 P	% Change 2020-21/ 2019-20	% Change 2021-22/ 2020-21
PRIVATE SECTOR	3,537,220	3,745,750	4,211,187	4,665,930	4,885,372	5,556,780	6,703,572	13.74	20.64
1. Agriculture	904,045	965,346	1,050,469	1,138,425	1,251,552	1,512,886	1,786,989	20.88	18.12
Crops	176,622	212,925	233,258	237,615	240,929	304,518	382,585	26.39	25.64
Cotton Ginning	1,042	1,097	1,150	1,274	1,487	1,748	2,106	17.55	20.48
Livestock	689,165	712,747	776,275	855,920	958,893	1,148,427	1,333,399	19.77	16.11
Forestry	1,392	1,468	1,542	1,712	2,000	2,355	2,843	17.75	20.72
Fishing	35,824	37,109	38,244	41,904	48,243	55,838	66,056	15.74	18.30
2. Mining and Quarrying	94,113	38,057	47,723	55,204	65,017	60,464	82,905	(7.00)	37.11
3. Manufacturing (A+B)	722,512	726,853	802,299	889,976	862,159	973,292	1,060,254	12.89	8.93
A. Large Scale	632,161	621,575	685,506	747,832	691,342	760,657	784,599	10.03	3.15
B. Small Scale (including Slaughtering)	90,351	105,278	116,793	142,144	170,817	212,635	275,655	24.48	29.64
4. Electricity Gas and Water Supply	46,543	44,640	126,854	86,747	78,541	73,065	66,860	(6.97)	(8.49)
5. Construction	59,704	105,809	78,378	43,519	46,805	40,935	60,972	(12.54)	48.95
6. Wholesale and Retail Trade	202,799	231,144	301,783	430,297	408,671	458,047	472,404	12.08	3.13
7. Accommodation and Food Services Activities (Hotels & Restaurants)	74,922	92,968	85,589	85,772	57,994	57,050	59,726	(1.63)	4.69
8. Transport and Storage	389,786	422,421	495,270	515,888	340,198	544,854	751,285	60.16	37.89
9. Information and Communication	129,729	123,564	116,808	126,389	326,496	196,113	245,424	(39.93)	25.14
10. Finance and Insurance Activities	49,556	48,748	55,057	65,082	70,269	84,232	94,779	19.87	12.52
11. Real Estate Activities (OD)	523,819	562,916	613,462	709,639	803,990	901,064	1,215,696	12.07	34.92
12. Education	99,588	108,127	121,144	139,770	160,611	182,254	237,152	13.48	30.12
13. Human Health and Social Work Activities	55,142	61,094	68,266	83,685	97,037	112,149	137,827	15.57	22.90
14. Other Private Services	184,962	214,063	248,085	295,537	316,032	360,375	431,299	14.03	19.68

P: Provisional, R: Revised, F: Final

(Contd…)

Note: Figure in parenthesis indicate negative growth.

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	2015-16	2016-17	2017-18	2018-19	2019-20 F	2020-21 R	2021-22 P	% Change 2020-21/ 2019-20	% Change 2021-22/ 2020-21
Public Sector and General Govt. (A+B)	1,119,929	1,453,100	1,807,698	1,373,714	1,345,055	1,660,310	2,288,857	23.44	37.86
A. Public Sector (Autonomous & Semi Auto-Bodies)	252,053	363,686	448,598	475,183	349,556	418,892	481,283	19.84	14.89
1. Agriculture, Forestry & Fishing	205	183	242	214	302	263	588	(12.91)	123.57
2. Mining and Quarrying	28,053	62,529	24,246	18,123	25,127	25,295	13,786	0.67	(45.50)
3. Manufacturing (Large Scale)	1,333	28,205	8,635	1,765	8,620	14,395	13,937	67.00	(3.18)
4. Electricity, Gas & Water Supply	155,108	146,619	260,657	375,240	236,452	262,596	224,237	11.06	(14.61)
5. Construction	5,178	5,812	6,606	970	4,156	9,775	13,965	135.20	42.86
6. Transport & Storage	26,905	69,745	115,242	42,244	24,678	60,882	116,959	146.71	92.11
Railways	5,825	39,407	8,627	14,612	6,261	4,239	1,979	(32.30)	(53.31)
Post Office & PTCL	-	1	-	997	1,539	2,422	1,005	57.37	(58.51)
Others	21,080	30,337	106,615	26,635	16,878	54,221	113,975	221.25	110.20
7. Information and Communication	28,307	33,644	26,377	28,753	42,344	34,248	79,020	(19.12)	130.73
8. Finance & Insurance	6,964	16,949	6,593	7,874	7,877	11,438	18,791	45.21	64.29
B. General Govt.	867,876	1,089,414	1,359,100	898,531	995,499	1,241,418	1,807,574	24.70	45.61
Federal	235,406	314,376	359,047	354,495	387,225	477,178	565,630	23.23	18.54
Provincial	527,461	686,665	909,116	463,854	527,970	653,800	1,063,748	23.83	62.70
District Governments	105,009	88,373	90,937	80,182	80,304	110,440	178,196	37.53	61.35
General Government (By industries)	867,876	1,089,414	1,359,098	898,530	995,500	1,241,418	1,807,574	24.70	45.61
i) Public Administration and Social Security (General Government)	750,084	967,642	1,229,418	804,220	888,918	1,070,774	1,584,815	20.46	48.01
ii) Education	80,403	74,026	69,232	59,004	56,683	101,795	136,630	79.59	34.22
iii) Human health and social work activities	37,389	47,746	60,448	35,306	49,899	68,848	86,129	37.98	25.10

P: Provisional, R: Revised, F: Final

Source: Pakistan Bureau of Statistics

Note: Figure in parenthesis indicate negative growth.

TABLE 1.8

GROSS FIXED CAPITAL FORMATION (GFCF) IN PRIVATE, PUBLIC, AND GENERAL GOVERNMENT SECTORS BY ECONOMIC ACTIVITY AT CONSTANT PRICES (2015-16)

Rs million

Sector	2015-16	2016-17	2017-18	2018-19	2019-20 F	2020-21 R	2021-22 P	% Change 2020-21/ 2019-20	% Change 2021-22/ 2020-21
GFCF (A+B+C)	4,657,149	5,017,178	5,533,617	4,921,409	4,592,834	4,797,521	4,915,681	4.46	2.46
A. Private Sector	3,537,220	3,621,176	3,879,013	3,812,927	3,627,468	3,717,184	3,698,625	2.47	(0.50)
B. Public Sector	252,053	353,002	418,721	404,028	257,481	273,532	261,167	6.23	(4.52)
C. General Govt.	867,876	1,043,000	1,235,883	704,454	707,885	806,805	955,888	13.97	18.48
Private & Public (A+B)	3,789,273	3,974,178	4,297,734	4,216,955	3,884,949	3,990,716	3,959,792	2.72	(0.77)
SECTOR-WISE:									
1. Agriculture, Forestry & Fishing	904,250	954,120	988,985	996,522	996,479	1,037,227	1,074,961	4.09	3.64
2. Mining and Quarrying	122,166	101,274	71,341	57,706	55,167	51,178	52,739	(7.23)	3.05
3. Manufacturing (A+B)	723,845	720,981	739,446	706,175	627,453	645,739	577,816	2.91	(10.52)
A. Large Scale	633,494	622,096	631,209	587,689	497,732	503,705	422,282	1.20	(16.16)
B. Small Scale (including Slaughtering)	90,351	98,885	108,237	118,486	129,721	142,034	155,534	9.49	9.50
4. Electricity Gas and Water Supply	201,651	183,994	363,600	399,832	239,057	220,276	164,355	(7.86)	(25.39)
5. Construction	64,882	107,742	78,075	36,618	38,333	35,276	40,063	(7.98)	13.57
6. Wholesale and Retail Trade	202,799	221,295	274,423	337,356	290,600	297,684	249,817	2.44	(16.08)
7. Accommodation and Food Services Activities (Hotels & Restaurants)	74,922	89,007	77,829	67,246	41,238	37,077	31,584	(10.09)	(14.82)
8. Transport and Storage	416,691	471,198	555,163	437,579	259,458	393,667	459,145	51.73	16.63
9. Information and Communication	158,036	150,510	130,204	121,632	262,277	149,712	171,573	(42.92)	14.60
10. Finance and Insurance Activities	56,520	62,897	56,060	57,198	55,568	62,175	60,058	11.89	(3.40)
11. Real Estate Activities (OD)	523,819	543,355	563,585	584,065	604,777	626,827	649,931	3.65	3.69
12. Public Administration and Defence; compulsory social security	750,084	926,416	1,117,958	630,514	632,097	695,903	838,088	10.09	20.43
13. Education	179,991	175,242	174,250	161,297	161,121	192,943	199,038	19.75	3.16
14. Human Health and Social Work Activities	92,531	104,203	117,045	93,289	104,484	117,631	118,433	12.58	0.68
15. Other Private Services	184,962	204,944	225,651	234,380	224,726	234,207	228,079	4.22	(2.62)

P: Provisional, R: Revised, F: Final

(Contd…)

Note: Figure in parenthesis indicate negative growth.

TABLE 1.8 a

GROSS FIXED CAPITAL FORMATION (GFCF) IN PRIVATE SECTOR BY ECONOMIC ACTIVITY AT CONSTANT PRICES (2015-16)

Rs million

Sector	2015-16	2016-17	2017-18	2018-19	2019-20 F	2020-21 R	2021-22 P	% Change 2020-21/ 2019-20	% Change 2021-22/ 2020-21
PRIVATE SECTOR	3,537,220	3,621,176	3,879,013	3,812,927	3,627,468	3,717,184	3,698,625	2.47	(0.50)
1. Agriculture	904,045	953,943	988,757	996,336	996,250	1,037,054	1,074,634	4.10	3.62
Crops	176,622	206,283	219,931	206,156	182,757	200,445	213,116	9.68	6.32
Cotton Ginning	1,042	1,063	1,084	1,106	1,128	1,150	1,173	1.95	2.00
Livestock	689,165	709,222	730,231	751,233	774,253	797,154	821,965	2.96	3.11
Forestry	1,392	1,423	1,453	1,485	1,517	1,550	1,584	2.18	2.19
Fishing	35,824	35,952	36,058	36,356	36,595	36,755	36,796	0.44	0.11
2. Mining and Quarrying	94,113	38,317	47,307	43,443	39,790	36,083	45,219	(9.32)	25.32
3. Manufacturing (A+B)	722,512	693,978	731,594	704,791	621,324	636,384	570,446	2.42	(10.36)
A. Large Scale	632,161	595,093	623,357	586,305	491,603	494,350	414,912	0.56	(16.07)
B. Small Scale (including Slaughtering)	90,351	98,885	108,237	118,486	129,721	142,034	155,534	9.49	9.50
4. Electricity Gas and Water Supply	46,543	41,949	117,837	74,272	59,696	47,425	39,446	(20.56)	(16.82)
5. Construction	59,704	102,132	72,006	35,819	35,207	28,476	32,597	(19.12)	14.47
6. Wholesale and Retail Trade	202,799	221,295	274,423	337,356	290,600	297,684	249,817	2.44	(16.08)
7. Accommodation and Food Services Activities (Hotels & Restaurants)	74,922	89,007	77,829	67,246	41,238	37,077	31,584	(10.09)	(14.82)
8. Transport and Storage	389,786	404,424	450,369	404,459	241,910	354,100	397,295	46.38	12.20
9. Information and Communication	129,729	118,300	106,218	99,089	232,167	127,454	129,785	(45.10)	1.83
10. Finance and Insurance Activities	49,556	46,671	50,065	51,025	49,967	54,742	50,121	9.56	(8.44)
11. Real Estate Activities (OD)	523,819	543,355	563,585	584,065	604,777	626,827	649,931	3.65	3.69
12. Education	99,588	104,370	111,295	115,037	120,815	126,785	126,785	4.94	(0.00)
13. Human Health and Social Work Activities	55,142	58,491	62,077	65,609	69,002	72,886	72,886	5.63	0.00
14. Other Private Services	184,962	204,944	225,651	234,380	224,726	234,207	228,079	4.22	(2.62)

P: Provisional, R: Revised, F: Final (Contd…)
Note: Figure in parenthesis indicate negative growth.

TABLE 1.8 b

GROSS FIXED CAPITAL FORMATION (GFCF) IN PUBLIC AND GENERAL GOVERNMENT SECTORS BY ECONOMIC ACTIVITY AT CONSTANT PRICES (2015-16)

Rs million

Sector	2015-16	2016-17	2017-18	2018-19	2019-20 F	2020-21 R	2021-22 P	% Change 2020-21/ 2019-20	% Change 2021-22/ 2020-21
Public Sector and General Govt. (A+B)	1,119,929	1,396,002	1,654,604	1,108,482	965,366	1,080,337	1,217,055	11.91	12.66
A. Public Sector (Autonomous & Semi Auto-Bodies)	252,053	353,002	418,721	404,028	257,481	273,532	261,167	6.23	(4.52)
1. Agriculture, Forestry & Fishing	205	177	228	186	229	173	327	(24.45)	89.02
2. Mining and Quarrying	28,053	62,957	24,034	14,263	15,377	15,095	7,520	(1.83)	(50.18)
3. Manufacturing (Large Scale)	1,333	27,003	7,852	1,384	6,129	9,355	7,370	52.64	(21.22)
4. Electricity, Gas & Water Supply	155,108	142,045	245,763	325,560	179,361	172,851	124,909	(3.63)	(27.74)
5. Construction	5,178	5,610	6,069	799	3,126	6,800	7,466	117.51	9.79
6. Transport & Storage	26,905	66,774	104,794	33,120	17,548	39,567	61,850	125.48	56.32
Railways	5,825	37,729	7,845	11,456	4,452	2,755	1,047	(38.12)	(62.00)
Post Office & PTCL	0	1	0	782	1,094	1,574	531	43.88	(66.26)
Others	21,080	29,044	96,949	20,882	12,002	35,238	60,272	193.60	71.04
7. Information and Communication	28,307	32,210	23,986	22,543	30,110	22,258	41,788	(26.08)	87.74
8. Finance & Insurance	6,964	16,226	5,995	6,173	5,601	7,433	9,937	32.71	33.69
B. General Govt.	867,876	1,043,000	1,235,883	704,454	707,885	806,805	955,888	13.97	18.48
Federal	235,406	300,982	326,495	277,926	275,350	310,121	299,119	12.63	(3.55)
Provincial	527,461	657,410	826,695	363,664	375,432	424,909	562,535	13.18	32.39
District Governments	105,009	84,608	82,693	62,863	57,103	71,776	94234.286	25.69	31.29
General Government (By industries)	867,876	1,043,000	1,235,881	704,453	707,886	806,805	955,888	13.97	18.48
i) Public Administration and Social Security (General Government)	750,084	926,416	1,117,958	630,514	632,097	695,903	838,088	10.09	20.43
ii) Education	80,403	70,872	62,955	46,260	40,306	66,157	72,253	64.14	9.21
iii) Human health and social work activities	37,389	45,712	54,968	27,680	35,482	44,745	45,547	26.10	1.79

P: Provisional, R: Revised, F: Final Source: Pakistan Bureau of Statistics
Note: Figure in parenthesis indicate negative growth.

AGRICULTURE

TABLE 2.1 A

PRODUCTION INDEX OF IMPORTANT CROPS

Fiscal Year	Food crops			Cash crop	Fiber crop
	Wheat	Maize	Rice	Sugarcane	Cotton
	Base Year 2005-06				
2005-06	100.0	100.0	100.0	100.0	100.0
2006-07	109.5	99.3	98.0	122.6	98.7
2007-08	98.5	115.9	100.3	143.1	89.5
2008-09	113.0	115.5	125.3	112.0	90.8
2009-10	109.6	104.9	124.1	110.5	99.2
2010-11	118.5	119.2	87.0	123.8	88.0
2011-12	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
	Base Year 2015-16				
2015-16	100.0	100.0	100.0	100.0	100.0
2016-17	104.1	116.4	100.7	115.3	107.6
2017-18	97.8	112.0	109.5	127.3	120.5
2018-19	95.0	129.5	105.9	102.6	99.4
2019-20	98.5	149.1	109.0	101.4	92.2
2020-21 R	107.1	169.6	123.8	123.7	71.3
2021-22 P	103.0	201.8	137.1	135.4	84.0

P: Provisional R: Revised Source: Pakistan Bureau of Statistics

TABLE 2.1 B

BASIC DATA ON AGRICULTURE

Fiscal Year	Cropped Area (million hectares)	Improved Seed distribution (000 Tonnes)	Water ^ Availability (MAF)	Fertilizer Offtake (000 N/T)	Credit Disbursed (Rs million)	Tubewells Public & Private (Number in 000)
2010-11	22.72	331.02	137.16	3,933	263,022	1,103.4
2011-12	22.50	346.38	135.86	3,861	293,850	997.7
2012-13	22.56	327.08	137.51	3,621	336,247	1,220.4
2013-14	23.16	359.18	137.51	4,089	391,353	1,317.3
2014-15	23.26	481.30	138.59	4,316	515,875	1,332.9
2015-16	24.04	431.79	133.00	3,699	598,287	1,357.0
2016-17	23.01	554.95	132.70	5,040	704,488	1,382.2
2017-18	23.45	604.58	133.40	4,763	972,606	1,391.3
2018-19	23.45	554.13	127.40	4,614	1,173,990	1,285.8
2019-20	23.45	550.77	130.00	4,549	1,214,684	1,285.8
2020-21	24.10 P	616.76	131.50	5,008	1,365,870	1,285.8
2021-22 P	-	778.22	131.02	3,826	958,269	1,285.8

(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.)
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	37,457	4,478	48,185	799.0	-
2019-20	32,451	4,708	49,737	804.0	-
2020-21	36,900	4,954	51,340	690.6	-
2021-22 P	41,871	5,220	52,996	696.0	-

P : Provisional - : Not available
^: At farm gate

Source: Pakistan Bureau of Statistics
Ministry of National Food Security and Research
Ministry of Planning, Development & Special Initiatives

TABLE 2.2

LAND UTILIZATION

Million Hectares

Fiscal Year	Total Area	Reported Area	Forest Area	Not Avail-able for Cultivation	Culturable Waste	Cultivated Area			Area Sown more than once	Total Cropped Area (7+9)
						Current Fallow	Net Area Sown	Total Area Cultivated (6+7)		
	1	2	3	4	5	6	7	8	9	10
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	25.56	8.27	10.14	15.62	22.74	7.90	24.04
2016-17	79.61	58.00	4.47	25.54	8.37	9.51	15.59	22.11	7.46	23.01
2017-18	79.61	58.02	4.47	25.60	8.29	9.40	15.74	22.15	7.75	23.45
2018-19	79.61	57.90	4.47	23.00	8.29	9.40	15.74	22.15	7.75	23.45
2019-20	79.90	57.90	3.90	23.10	8.20	10.10	15.74	15.70	8.40	24.10
2020-21 P	79.90	57.90	3.90	23.10	8.20	10.10	15.74	15.70	8.40	24.10

P: Provisional

Source: Pakistan Bureau of Statistics
Ministry of National Food Security and Research

Note:

1. Total Area Reported is the total physical area of the villages/deh, tehsils or districts, etc.

2. 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".

3. 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.

4. 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.

5. 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.

6. Net Area Sown is that area which is sown at least once during (Kharif & Rabi) the year under reference.

7. Area Sown more than once is the difference between the total cropped area and the net area sown.

8. 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
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	1,342	199	83	2,700	46
2018-19	8,678	2,810	456	241	1,374	57	13,616	943	1,102	237	83	2,373	45
2019-20	8,805	3,034	522	199	1,404	49	14,013	944	1,040	353	139	2,517	51
2020-21	9,168	3,335	350	126	1,418	42	14,439	883	1,165	224	170	2,079	55
2021-22 P	8,976	3,537	227	77	1,653	39	14,509	867	1,260	277	200	1,937	55

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	Rape-seed and Mustard	Sesa-mum	Cotton		Tob-acco
												(000 tonnes)	(000 Bales)	
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	24,349	7,202	350	149	6,826	55	38,931	447	67,174	302	35.7	1,677	9,861	104
2019-20	25,248	7,414	384	120	7,883	48	41,097	498	66,380	488	64.4	1,556	9,148	133
2020-21	27,464	8,420	266	96	8,940	42	45,228	234	81,009	296	102.2	1,202	7,064	168
2021-22 P	26,394	9,323	226	64	10,635	42	46,688	319	88,651	375	128.0	1,417	8,329	168

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
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	62,096	4,718	331	753
2018-19	2,806	2,563	60,956	4,968	474	707
2019-20	2,868	2,444	63,841	5,614	528	618
2020-21	2,996	2,525	69,534	6,305	265	578
2021-22 P	2,940	2,635	70,341	6,436	368	731

P: Provisional **Source: Pakistan Bureau of Statistics**

TABLE 2.6

PRODUCTION AND EXPORT OF FRUIT

000 Tonnes

Fiscal Year	Production of Important Fruit								Export	
	Citrus	Mango	Apple	Banana	Apricot	Almonds	Grapes	Guava	Quantity	Value (Mln. Rs)
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	1,636	620	135	173	22	66	523	677	44,607
2016-17	2,180	1,784	670	137	166	21	66	548	646	39,878
2017-18	2,351	1,734	565	135	142	21	67	586	697	43,842
2018-19	2,469	1,723	544	136	108	20	68	548	756	56,272
2019-20	2,369	1,639	604	151	94	20	82	706	798	67,769
2020-21	2,451	1,714	672	142	124	21	89	963	975	76,846
2021-22 P	2,422	1,843	666	142	125	21	89	963	515	67,931

P: Provisional (Jul-Mar) **Source: Pakistan Bureau of Statistics**

TABLE 2.7

CROP WISE COMPOSITION OF OUTPUT OF IMPORTANT AGRICULTURAL CROPS (AT CONSTANT BASIC PRICES)

% Share

Fiscal Year/ Crops	Base Year 2005-06			Base Year 2015-16						
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 P
Important Crops	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Food Crops	58.79	61.21	59.94	66.04	65.07	61.56	66.21	68.43	70.65	68.61
Wheat	40.21	40.29	38.63	46.25	44.97	41.41	43.09	43.63	44.14	40.12
Maize	8.09	8.88	8.83	9.65	10.47	9.87	12.24	13.76	14.50	16.39
Rice	10.49	12.04	12.49	10.14	9.63	10.28	10.88	11.04	12.01	12.10
Cash Crop	13.15	13.09	12.11	16.27	17.13	18.92	16.47	15.92	18.08	18.81
Sugarcane	13.15	13.09	12.11	16.27	17.13	18.92	16.47	15.92	18.08	18.81
Fibre Crop	28.06	25.70	27.95	17.70	17.79	19.53	17.32	15.66	11.26	12.58
Cotton	28.06	25.70	27.95	17.70	17.79	19.53	17.32	15.66	11.26	12.58

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 2.8

CREDIT DISBURSED BY AGENCIES

Rs Million

Fiscal Year	ZTBL	DPBs	PPCBL	Commercial Banks	MFBs	Islamic Banks*	MFIs/ RSPs **	Total
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	71,478	211,942	9,677	653,531	153,998	39,379	33,984	1,173,990
2019-20	62,286	224,970	8,825	708,245	139,298	42,143	28,917	1,214,684
2020-21	78,500	274,525	8,205	801,472	132,070	47,815	23,281	1,365,870
2021-22 P	46,999	202,170	4,800	525,699	112,116	47,856	18,627	958,269

P: Provisional (Jul-Mar) - : Not available

Source: State Bank of Pakistan

ZTBL: Zarai Taraqiati Bank Limited

DPBs: 14 Domestic Private Banks

PPCBL: Punjab Provincial Corporative Bank Limited

Commercial Banks: Include ABL, HBL, MCB, NBP & UBL

MFBs: 11 Microfinance Banks

*: 5 Islamic Banks

**: 13 Microfinance Institutions / Rural Support Programmes

TABLE 2.9

FERTILIZER OFFTAKE AND IMPORTS OF FERTILIZERS & PESTICIDES

000 N/Tonnes

Fiscal Year	Fertilizer Offtake				Import of Fertilizers	Import of Insecticides	
	Nitrogen	Phosphorus	Potash	Total		Quantity (Tonnes)	Value (Mln Rs.)
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	3,408	1,153	53	4,614	1,093	29,117	25,909
2019-20	3,415	1,084	50	4,549	890	32,089	29,572
2020-21	3,711	1,228	69	5,008	884	37,441	30,083
2021-22 P	2,861	903	63	3,826	586	24,151	23,296

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
2010-11	1,035	843	1,124	2,108	896	3,236	2,807
2011-12	1,719	1,392	-	2,691	1,260	4,054	3,797
2012-13	1,799	1,443	-	2,524	1,172	3,902	3,945
2013-14	1,827	1,566	-	2,513	1,050	3,640	4,233
2014-15	1,883	1,606	-	2,584	1,012	3,677	4,904
2015-16	1,860	1,564	-	2,339	973	3,343	5,131
2016-17	1,378	1,198	-	1,869	886	2,596	4,100
2017-18	1,386	1,241	-	2,175	890	2,882	3,659
2018-19	1,745	1,571	-	2,829	1,002	3,518	3,945
2019-20	1,850	1,700	-	2,695	1,068	3,558	4,299
2020-21	1,698	1,547	-	3,144	1,249	4,432	4,462
2021-22 P	1,862	1,644	-	5,087	1,809	7,701	6,876

P: Provisional (Jul-Mar) -: Not available

Source: Pakistan Bureau of Statistics
National Fertilizer Development Centre

AN/CAN: Ammonium Nitrate/Calcium Ammonium Nitrate

AS: Ammonium Sulphate DAP: Diammonium Phosphate

NP: Nitrophosphate SOP: Sulphate of Potash

SSP: Single Super Phosphate

TABLE 2.11

AREA IRRIGATED BY DIFFERENT SOURCES

Million Hectares

Fiscal Year	Canals	Wells	Canal Wells	Tubewells	Canal Tubewells	Others	Total
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	5.66	0.43	0.28	3.57	8.19	0.21	19.32
2018-19	5.42	0.27	0.28	3.75	8.23	0.16	18.11
2019-20	5.55	0.26	0.25	4.04	8.51	0.25	18.86
2020-21 P	5.55	0.26	0.25	4.04	8.51	0.25	18.86

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 Year	Wheat	Sugarcane* (at factory gate)			Seed Cotton (Phutti)
		Khyber Pakhtunkhwa	Punjab	Sindh	
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	-
2019-20	1,400.0	190.0	190.0	192.0	-
2020-21	1,800.0	200.0	200.0	202.0	-
2021-22	2,200.0	225.0	225.0	250.0	5000.0

* : Sugarcane prices are notified by the respective Provincial Governments

Source: Ministry of National Food Security & Research

TABLE 2.13

PROCUREMENT, RELEASES AND STOCKS OF WHEAT

000 Tonnes

Fiscal Year	Wheat (May-April)		
	Procurement	Releases	Stocks
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	5,942.0	-	9,858.0
2018-19	4,034.0	-	3,777.0
2019-20	6,596.0	1,846.3	602.2
2020-21	5,810.5	3,894.0	8,144.1
2021-22 P	6,326.6	7,052.1*	1,805.4**

P: Provisional - : Not available Source: Ministry of National Food Security & Research

*: As on 13-04-2022 **: As on 01-05-2022 (carry forward)

TABLE 2.14

LIVESTOCK POPULATION

Million Numbers

Fiscal Year	Buffalo	Cattle	Goat	Sheep	Poultry	Camels	Asses	Horses	Mules
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	1,016.0	1.0	5.1	0.4	0.2
2016-17	37.7	44.4	72.2	30.1	1,108.0	1.1	5.2	0.4	0.2
2017-18	38.8	46.1	74.1	30.5	1,210.0	1.1	5.3	0.4	0.2
2018-19	40.0	47.8	76.1	30.9	1,321.0	1.1	5.4	0.4	0.2
2019-20	41.2	49.6	78.2	31.2	1,443.0	1.1	5.5	0.4	0.2
2020-21	42.4	51.5	80.3	31.6	1,578.0	1.1	5.6	0.4	0.2
2021-22 P	43.7	53.4	82.5	31.9	1,725.0	1.1	5.7	0.4	0.2

P: Provisional 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.)
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
2019-20	49,737	2,303	748	1657	47.3	29.4	961.0	304.5	73.1	20,133	18.1	59.5
2020-21	51,340	2,380	765	1809	47.9	30.2	990.3	313.6	75.0	21,285	18.8	60.8
2021-22 P	52,996	2,461	782	1977	48.4	31.0	1,020.7	322.9	77.0	22,512	19.4	62.3

P: Provisional **Source: Ministry of National Food Security & Research**

***: Human Consumption**

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)	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										
2011-12	**12**	**1,751**	**22**	**179**	**3,179**	**198,392**	**408**	**7**	**1,260**	**35,016**
2012-13	**89**	**2,360**	**23**	**136**	**2,813**	**335,819**	**455**	**4**	**1,250**	**38,932**
2013-14	**979**	**2,920**	**16**	**86**	**3,340**	**720,633**	**465**	**6**	**1,326**	**38,787**
2014-15	**114**	**2,874**	**19**	**102**	**3,408**	**222,378**	**405**	**8**	**1,417**	**40,470**
2015-16	**21**	**4,747**	**21**	**69**	**3,749**	**669,920**	**551**	**14**	**1,872**	**46,123**
2016-17	**65**	**4,906**	**29**	**105**	**3,954**	**301,124**	**584**	**18**	**2,080**	**52,149**
2017-18	**-**	**8,813**	**19**	**97**	**4,478**	**488,825**	**842**	**9**	**2,476**	**70,819**
2018-19	**-**	**7,736**	**21**	**138**	**5,407**	**472,474**	**671**	**11**	**2,518**	**75,596**
2019-20	**-**	**5,797**	**15**	**121**	**8,428**	**302,045**	**884**	**3**	**2,150**	**65,810**
2020-21		**7,917**	**12**	**134**	**9,230**	**387,958**	**1,010**	**2**	**2,527**	**76,632**
Jul-Mar										
2020-21	**-**	**6,204**	**8**	**101**	**6,798**	**334,792**	**804**	**1**	**1,955**	**59,366**
2021-22 P	**-**	**4,781**	**16**	**127**	**7,365**	**324,654**	**491**	**2**	**1,232**	**39,581**

- : 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											
2011-12	**5,444**	**2,136**	**270**	**42,107**	**25,560**	**56**	**49**	**323,848**	**384,893**	**24.57**	**44.15**
2012-13	**6,705**	**2,160**	**356**	**37,769**	**20,610**	**93**	**118**	**353,355**	**412,108**	**27.84**	**42.65**
2013-14	**4,130**	**2,220**	**298**	**32,634**	**35,672**	**89**	**134**	**480,054**	**197,074**	**31.58**	**42.30**
2014-15	**4,581**	**2,136**	**268**	**33,909**	**19,730**	**116**	**205**	**451,818**	**328,702**	**34.49**	**41.51**
2015-16	**35,228**	**3,553**	**387**	**68,352**	**14,869**	**126**	**158**	**773,289**	**432,156**	**31.65**	**41.96**
2016-17	**19,656**	**3,534**	**338**	**86,080**	**23,740**	**152**	**92**	**719,030**	**501,664**	**32.27**	**41.68**
2017-18	**23,596**	**3,654**	**376**	**75,939**	**22,040**	**142**	**89**	**995,855**	**677,206**	**32.56**	**41.32**
2018-19	**42,996**	**3,799**	**805**	**81,502**	**20,715**	**157**	**116**	**779,118**	**627,464**	**32.50**	**40.68**
2019-20	**16,165**	**3,369**	**780**	**132,144**	**19,948**	**150**	**55**	**639,890**	**573,695**	**28.09**	**37.29**
2020-21	**15,120**	**3,366**	**461**	**106,704**	**19,398**	**289**	**52**	**1,085,913**	**805,696**	**27.56**	**36.22**
Jul-Mar											
2020-21	**13,435**	**2,686**	**341**	**87,272**	**14,955**	**241**	**32**	**951,209**	**610,506**	**20.77**	**27.25**
2021-22 P	**6,409**	**2,037**	**425**	**65,055**	**12,442**	**259**	**84**	**344,753**	**619,957**	**21.70**	**28.2**

P : Provisional **Source : Pakistan Bureau of Statistics**

TABLE 3.2

PRODUCTION INDEX OF MINING AND MANUFACTURING

Year	Mining	Manufacturing
	Base Year 2005-06 = 100	
2010-11	108.1	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
	Base Year 2015-16 = 100	
2016-17	101.9	104.2
2017-18	108.3	111.4
2018-19	109.4	115.2
2019-20	101.0	102.4
2020-21	104.1	114.1
Jul-Mar		
2020-21	105.0	114.3
2021-22 P	99.0	126.2

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 3.3

COTTON TEXTILES STATISTICS

Year	No. of Mills	Installed Capacity		Working at the end of the period		Spindle Hours Worked (Million)	Loom Hours Worked (Million)	Consumption of Cotton (mln kg)	Total Yarn Produced (mln.kg)	Surplus Yarn (000 tonnes)	Total Production of Cloth (mln. sqmtr.)
		No. of Spindles (000)	No. of Looms (000)	No. of Spindles (000)	No. of Looms (000)						
2010-11	524	11,762	7	10,757	5	76,835	23.0	3,405.7	2,939.5	2,851.2	1,020.3
2011-12	212	11,762	7	10,653	5	76,933	23.0	3,427.1	2,954.6	2,857.3	1,023.4
2012-13	526	11,946	8	10,872	5	76,757	23.0	3,539.3	3,060.0	2,960.9	1,029.1
2013-14	538	13,269	8	10,999	6	78,207	24.0	3,675.5	3,323.7	2,669.5	1,036.1
2014-15	411	13,184	8	11,058	5	79,184	24.0	2,732.7	3,360.0	3,256.2	1,037.0
2015-16	408	13,142	8	11,263	5	78,548	28.0	2,732.5	3,405.6	3,301.6	1,039.2
2016-17	408	13,409	9	11,338	6	77,213	30.0	2,733.1	3,428.1	3,315.3	1,043.3
2017-18	408	13,409	9	11,313	6	51,280	19.0	1,825.0	3,430.1	2,190.3	1,043.7
2018-19	408	13,409	9	11,338	6	86,871	29.6	2,735.2	3,431.4	3,314.4	1,046.0
2019-20	408	13,409	9	11,338	6	19,897	9.0	2,467.3	3,059.9	2,945.6	934.5
2020-21	408	13,409	9	11,338	6	80,315	30.15	2,743.1	3,441.6	3,324.7	969.8
2021-22 P	408	13,409	9	11,338	6	60,561	23.4	2,046.1	2,594.7	2,505.6	788.3

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 Phosphate	Ammonium Nitrate	Dia-Ammonium phosphate	Nitro Phosphate			
2010-11	4,552.1	173.3	275.1	663.8	252.3	1,092	4,169	28,716
2011-12	4,470.7	114.7	432.3	622.6	337.6	1,103	4,634	29,557
2012-13	4,215.1	79.3	401.3	729.9	291.9	1,139	5,074	31,055
2013-14	4,930.3	87.8	519.1	693.1	447.2	1,185	5,582	31,418
2014-15	5,073.1	63.6	569.2	754.9	501.9	1,185	5,150	32,185
2015-16	5,846.9	89.5	647.4	787.6	594.6	1,241	5,115	35,432
2016-17	5,912.7	81.6	664.7	802.4	630.2	1,280	7,049	37,022
2017-18	5,405.2	65.2	518.9	758.4	471.4	1,347	6,566	41,148
2018-19	5,957.9	78.1	448.9	785.1	443.9	1,392	5,260	39,924
2019-20	6,159.8	55.8	545.7	737.7	602.7	1,454	4,881	39,121
2020-21	6,294.9	104.6	786.1	788.7	876.4	1,455	5,694	49,803
Jul-Mar								
2020-21	4,632.6	82.8	582.5	567.3	654.2	1,088	5,619	37,619
2021-22 P	4,753.7	73.5	615.5	670.2	618.7	1,060	7,760	36,543

P: Provisional - : Not available Source: Pakistan Bureau of Statistics

TABLE 3.5

PRODUCTION OF SELECTED INDUSTRIAL ITEMS

Year	Food and Tobacco		Jute Textiles (000 tonnes)	Rubber			
	Beverages (Million liters)	Cigarettes (Million Nos)		Motor Tyres (000 Nos)	Motor Tubes (000 Nos)	Cycle Tyres (000 Nos)	Cycle Tubes (000 Nos)
2010-11	1,492	65,403	93	9,222	19,108	2,879	6,534
2011-12	1,813	61,954	94	7,011	20,338	3,431	6,846
2012-13	2,079	67,377	103	7,864	20,269	3,429	7,746
2013-14	2,552	64,482	102	8,802	20,825	4,038	8,061
2014-15	2,956	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	3,440	59,058	74	10,392	24,665	3,753	7,717
2018-19	3,459	60,729	67	10,807	25,514	4,584	9,907
2019-20	3,232	46,085	65	11,128	24,550	4,438	9,058
2020-21	3,449	51,554	70	9,458	22,447	3,519	6,795
Jul-Mar							
2020-21	2,625	39,473	53	7,535	16,915	2,641	5,144
2021-22 P	2,513	46,070	44	5,940	16,739	2,829	5,181

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.)
2010-11	378.0	114.8	172.0	15.2	25,673	1,018.6	345.3	47.0	425.6
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	182.9	15.5	28,048	1,039.1	233.0	32.9	462.9
2013-14	409.1	85.3	167.5	15.0	37,236	1,049.5	203.7	19.8	426.6
2014-15	437.1	70.2	184.0	17.4	48,631	975.7	210.9	19.3	428.2
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	49.0	270.1	16.6	51,930	1,005.3	200.3	23.4	400.3
2018-19	572.1	49.4	246.6	17.5	52,265	1,015.3	173.5	35.4	380.7
2019-20	550.6	40.3	342.4	15.8	51,761	1,025.5	141.1	28.6	282.1
2020-21	594.3	72.5	394.1	17.1	90,166	1,035.7	79.3	20.2	209.7
Jul-Mar									
2020-21	439.4	50.8	292.0	13.0	70,848	716.6	53.1	15.2	159.3
2021-22 P	493.7	77.4	296.2	14.8	66,079	723.8	103.2	12.6	160.9

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)
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	203.4	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	2,731.0
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
2018-19	63.7	-	447.3	256.7	0.0	0.0	3,874.0
2019-20	57.8	-	448.9	257.6	0.0	0.0	3,164.0
2020-21	51.3	-	501.2	229.0	0.0	0.0	4,777.0
Jul-Mar							
2020-21	41.4	-	379.9	172.9	0.0	0.0	3,564.0
2021-22 P	41.3	-	406.7	192.8	0.0	0.0	4,733.0

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
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)	(0.04)	(2.81)	4.56	2.44	6.83	9.85	(7.75)
2015-16	-	-	-	-	-	-	-	-	-	-
2016-17	0.66	0.40	8.15	3.12	(35.84)	1.68	4.49	2.39	(0.62)	37.80
2017-18	0.06	0.04	23.86	5.21	71.98	(9.87)	11.14	6.26	20.67	(6.85)
2018-19	0.04	0.22	(9.54)	3.34	2.83	7.59	(2.97)	12.22	(8.70)	(19.89)
2019-20	(10.83)	(10.66)	(3.08)	4.50	(24.11)	4.32	(2.01)	(3.75)	38.85	(7.20)
2020-21	12.47	12.19	7.33	0.07	11.87	7.41	27.31	7.93	15.10	16.66
Jul-Mar										
2020-21	3.17	3.00	1.66	(1.24)	17.76	5.91	25.13	1.01	7.92	16.66
2021-22 P	0.66	0.29	(16.28)	(2.55)	16.71	3.29	(2.86)	12.35	1.44	38.10

P : Provisional

Source: Pakistan Bureau of Statistics

Note : Figures in parenthesis represent negative growth

FISCAL DEVELOPMENT

TABLE 4.1

FEDERAL GOVERNMENT OVERALL BUDGETARY POSITION

Rs million

Fiscal Year / Item	2020-21	2021-22 P July-March
A. REVENUE		
FBR Tax Revenue (1 +2)	4,764,302*	4,383,610
1. Direct Taxes	1,731,860	1,578,584
2. Indirect Taxes	3,032,442	2,805,026
i. Customs	765,184	714,778
ii. Sales Tax	1,990,186	1,866,123
iii. Federal Excise	277,072	224,125
Non-Tax Revenue	1,505,423	982,700
Gross Revenue Receipts	6,269,725	5,366,310
B. EXPENDITURE		
Current Expenditure	6,348,670	5,280,691
i. Defence	1,316,418	881,885
ii. Mark-up payments	2,749,729	2,118,481
iii. Grants	911,572	990,788
vi. Others**	1,370,951	1,289,537
Development Expenditure and Net Lending	789,060	535,146
Statistical Discrepancy	107,036	131,718
Total Expenditure	7,244,766	5,947,555

P : Provisional

Source: Budget Wing, Finance Division, Islamabad

* : Revised FBR tax collection 2020-21 is Rs 4,744,998 million

** : Includes other categories not shown here

TABLE 4.2

SUMMARY OF PUBLIC FINANCE (CONSOLIDATED FEDERAL & PROVINCIAL GOVERNMENTS)

Rs million

Fiscal Year / Items	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 P July-March
Total Revenues (i+ii)	4,446,979	4,936,723	5,228,014	4,900,724	6,272,168	6,903,370	5,874,151
Federal	4,070,392	4,535,452	4,679,945	4,412,625	5,756,162	6,244,698	5,342,113
Provincial	376,587	401,271	548,069	488,099	516,006	658,672	532,038
i) Tax Revenues	3,395,321	3,682,818	4,243,520	4,231,272	4,411,538	5,272,699	4,821,904
Federal	3,112,048	3,361,046	3,842,148	3,829,469	3,997,921	4,764,302	4,383,610
Provincial	283,273	321,772	401,372	401,803	413,617	508,397	438,294
ii) Non-Tax Revenues	1,051,658	1,253,905	984,494	669,452	1,860,630	1,630,671	1,052,247
Federal	958,344	1,174,406	837,797	583,156	1,758,241	1,480,396	958,503
Provincial	93,314	79,499	146,697	86,296	102,389	150,275	93,744
Total Expenditures (a+b+c+d)	5,796,302	6,800,520	7,488,395	8,345,640	9,648,488	10,306,691	8,439,793
a) Current	4,694,294	5,197,854	5,854,267	7,104,030	8,532,020	9,084,010	7,378,029
Federal	3,144,276	3,472,150	3,789,767	4,776,150	6,016,192	6,264,821	5,209,862
Provincial	1,550,018	1,725,704	2,064,500	2,327,880	2,515,828	2,819,189	2,168,167
b) Development	1,301,473	1,693,474	1,584,057	1,178,442	1,155,213	1,238,738	1,032,672
c) Net Lending to PSE's	12,631	-12,817	37,625	40,750	48,528	76,938	18,427
d) Statistical Discrepancy	-212,096	-77,991	12,446	22,418	-87,273	-92,995	10,665
Overall Balance	-1,349,323	-1,863,797	-2,260,381	-3,444,916	-3,376,320	-3,403,321	-2,565,642
Primary Balance	-85,955	-515,362	-760,459	-1,353,790	-756,581	-653,592	-447,161
Financing (net)	1,349,323	1,863,797	2,260,380	3,444,916	3,376,320	3,403,321	2,565,642
External (net)	370,465	541,390	785,166	416,706	895,510	1,338,091	981,460
Domestic (i+ii+iii)	978,858	1,322,407	1,475,214	3,028,210	2,480,810	2,065,230	1,584,182
i) Non-Bank	191,843	276,629	352,719	764,986	540,250	196,189	532,448
ii) Bank	787,015	1,045,778	1,120,495	2,263,224	1,940,561	1,869,041	1,051,734
iii) Privatization Proceeds	-	-	2,000	-	-	-	
Memorandum Item							
GDP (mp) in Rs billion	32,725	35,553	39,190	43,798	47,540	55,796	66,950
	(As Percent of GDP at Market Price)						
Total Revenue	13.6	13.9	13.3	11.2	13.2	12.4	8.8
Tax Revenue	10.4	10.4	10.8	9.7	9.3	9.4	7.2
Non-Tax Revenue	3.2	3.5	2.5	1.5	3.9	2.9	1.6
Expenditure	17.7	19.1	19.1	19.1	20.3	18.5	12.6
Current	14.3	14.6	14.9	16.2	17.9	16.3	11.0
Development Expenditure & net Lending	4.0	4.7	4.1	2.8	2.5	2.4	1.6
Overall Balance	-4.1	-5.2	-5.8	-7.9	-7.1	-6.1	-3.8
Primary Balance	-0.3	-1.4	-1.9	-3.1	-1.6	-1.2	-0.7

P : Provisional

Source: Budget Wing, Finance Division, Islamabad

Note: Beginning from FY2016, Pakistan's GDP was rebased at 2015-16 Prices from the old base of 2005-06. Therefore, wherever, GDP appears in the denominator the number prior to FY2016 are not comparable.

/1: During FY2021, the fiscal accounts have been reclassified in line with the implementation of PFM procedures. According to the reclassification, federal taxes other than FBR have now been included in non-tax revenue. To make the data comparable, the fiscal indicators since FY2016 have also been reclassified.

TABLE 4.3

CONSOLIDATED FEDERAL & PROVINCIAL GOVERNMENT REVENUES

Rs million

Fiscal Year/Items	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 P July-March
Total Revenue (I+II)	4,446,979	4,936,723	5,228,014	4,900,724	6,272,168	6,903,370	5,874,151
Federal	4,070,392	4,535,452	4,679,945	4,412,625	5,756,162	6,244,698	5,342,113
Provincial	376,587	401,271	548,069	488,099	516,006	658,672	532,038
I. Tax Revenues	3,395,321	3,682,818	4,243,520	4,231,272	4,411,538	5,272,699	4,821,904
Federal (A+B)	3,112,048	3,361,046	3,842,148	3,829,469	3,997,921	4,764,302	4,383,610
A. Direct Taxes	1,191,602	1,343,197	1,536,636	1,445,594	1,524,252	1,731,860	1,578,584
B. Indirect Taxes	1,920,446	2,017,849	2,305,512	2,383,875	2,473,669	3,032,442	2,805,026
i. Excise Duty	190,581	198,570	205,877	233,591	250,470	277,072	224,125
ii. Sales Tax	1,323,685	1,323,261	1,491,310	1,464887	1,596,821	1,990,186	1,866,123
iii. Customs	406,180	496,018	608,325	685,397	626,378	765,184	714,778
Provincial	283,273	321,772	401,372	401,803	413,617	508,397	438,294
Sales Tax on services GST	129,752	170,791	223,860	202,881	232,969	293,645	251,503
Excise Duty	6,880	6,635	8,554	9,274	7,643	8,218	6,728
Stamp Duties	35,484	38,167	62,754	70,396	59,148	55,217	50,298
Motor Vehicle Taxes	19,077	21,282	24,123	24,850	17,979	26,779	27,276
Others*	92,080	84,897	82,081	94,402	95,878	124,538	102,489
II. Non-Tax Revenues	1,051,658	1,253,905	984,494	669,452	1,860,630	1,630,671	1,052,247
Federal	958,344	1,174,406	837,797	583,156	1,758,241	1,480,396	958,503
Provincial	93,314	79,499	146,697	86,296	102,389	150,275	93,744
Surcharges**	181,944	239,959	203,086	211,612	306,037	447,177	143,096
i. Gas	32,654	73,262	24,212	5,304	12,356	22,532	17,532
ii. Petroleum	149,290	166,697	178,874	206,308	293,681	424,654	125,564

P: Provisional

Source: Budget Wing, Finance Division

* : It also includes property tax

** : Non-Tax Revenues under these heads are exclusively Federal

Note: According to the re-classification, of data as per PFM procedures, federal taxes other than FBR have now been included under Non tax revenues

TABLE 4.4

CONSOLIDATED FEDERAL & PROVINCIAL GOVERNMENT EXPENDITURES

Rs million

Fiscal Year/Items	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 P July-March
Current Expenditure	4,694,294	5,197,854	5,854,267	7,104,030	8,532,020	9,084,010	7,378,029
Federal	3,144,276	3,472,150	3,789,767	4,776,150	6,016,192	6,264,821	5,209,862
Defence	757,653	888,078	1,030,407	1,146,793	1,213,281	1,316,189	881,885
Mark-up Payments	1,263,368	1,348,435	1,499,922	2,091,126	2,619,739	2,749,729	2,118,481
Subsidies	207,161	153,717	114,194	195,345	359,923	425,023	575,233
Others	916,094	1,081,920	1,145,244	1,342,886	1,823,249	1,773,651	1,634,263
Provincial	1,550,018	1,725,704	2,064,500	2,327,880	2,515,828	2,819,189	2,168,167
Development Expenditure	1,301,473	1,693,474	1,584,057	1,178,442	1,155,213	1,238,738	10,322,672
Net Lending to PSEs	12,631	-12,817	37,625	40,750	48,528	76,938	18,427
Statistical Discrepancy	-212,096	-77,991	12,446	22,418	-87,273	-92,995	10,665
Expenditure Booked excl discrepancy	6,008,398	6,878,511	7,475,949	8,323,222	9,735,761	10,399,686	8,429,128
Total Expenditure	5,796,302	6,800,520	7,488,395	8,345,640	9,648,488	10,306,691	8,439,793
Memorandum Items:	(Percent Growth over preceding period)						
Current Expenditure	6.1	10.7	12.6	21.3	20.1	6.5	
Defence	8.6	17.2	16.0	11.3	5.8	8.5	
Mark-up Payments	-3.1	6.7	11.2	39.4	25.3	5.0	
Current Subsidies	-14.3	-25.8	-25.7	71.1	84.2	18.1	
Development Expenditure	16.9	30.1	-6.5	-25.6	-2.0	7.2	
Expenditure Booked excl discrepancy	8.0	14.5	8.7	11.3	17.0	6.8	
Total Expenditure	7.6	17.3	10.1	11.4	15.6	6.8	
	As % of total expenditures						
Current Expenditure	81.0	76.4	78.2	85.1	88.4	88.1	87.4
Defence	13.1	13.1	13.8	13.7	12.6	12.8	10.4
Mark-up Payments	21.8	19.8	20.0	25.1	27.2	26.7	25.1
Current Subsidies	3.6	2.3	1.5	2.3	3.7	4.1	6.8
Development Expenditure*	22.7	24.7	21.7	14.6	12.5	12.8	12.5

P: Provisional

Source: Budget Wing, Finance Division

* : Include Net Lending

TABLE 4.5

DEBT SERVICING

Rs million

Fiscal Year / Item		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 P July-March
A.	Mark-up Payments	1,263,368	1,348,435	1,499,922	2,091,126	2,619,739	2,749,729	2,118,481
	Servicing of Domestic Debt	1,150,809	1,220,265	1,322,645	1,820,821	2,313,133	2,523,811	1,897,248
	Servicing of Foreign Debt	112,559	128,170	177,277	270,305	306,606	225,918	221,233
B.	Repayment/Amortization of Foreign Debt	335,307	544,314	450,189	974,001	1,362,353	940,278	1,300,894
C.	Total Debt Servicing (A+B)	1,598,675	1,892,749	1,950,111	3,065,127	3,982,092	3,690,007	3,419,375
MEMORANDUM ITEMS		(As Percent of GDP)						
	Servicing of Domestic Debt	3.5	3.4	3.4	4.2	4.9	4.5	2.8
	Servicing of Foreign Debt	0.3	0.4	0.5	0.6	0.6	0.4	0.3
	Repayment/Amortization of Foreign Debt	1.0	1.5	1.1	2.2	2.9	1.7	1.9
	Total Debt Servicing	4.9	5.3	5.0	7.0	8.4	6.6	5.1

P: Provisional

Source: Budget Wing, Finance Division

MONEY AND CREDIT

TABLE 5.1

COMPONENTS OF BROAD MONEY (M2)

Rs million

Stock	End June					
	2017	2018	2019	2020	2021	2021-22 (Mar)
1. Currency Issued	4,176,915	4,644,900	5,294,754	6,468,725	7,288,807	7,626,781
2. Currency held by SBP	973	1,181	1,199	1,201	568	346
3. Currency in tills of Scheduled Banks	264,627	255,891	343,516	325,508	378,302	365,277
4. Currency in circulation (1-2-3)	3,911,315	4,387,828	4,950,039	6,142,016	6,909,937	7,261,158
5. Other deposits with SBP*	22,692	26,962	33,636	41,218	68,004	85,801
6. Scheduled Banks Total Deposits**	10,646,875	11,582,372	12,814,820	14,724,770	17,319,755	18,060,814
7. Resident Foreign Currency Deposits (RFCD)	655,340	829,355	1,109,780	1,074,511	1,046,150	1,122,176
8. Broad Money (4+5+6)	14,580,882	15,997,162	17,798,494	20,908,003	24,297,697	25,407,772
9. Growth rate (%)	13.7	9.7	11.3	17.5	16.2	4.6
<u>Memorandum</u>						
1. Currency / Money ratio	26.8	27.4	27.8	29.4	28.4	28.6
2. Demand Deposits / Money ratio	64.3	63.0	62.8	60.6	63.2	63.3
3. Time Deposits / Money ratio	4.2	4.2	3.0	4.7	3.8	3.3
4. Other Deposits / Money ratio	0.2	0.2	0.2	0.2	0.3	0.3
5. RFCD / Money ratio	4.5	5.2	6.2	5.1	4.3	4.4
6. Income Velocity of Money***	2.4	2.4	2.3	2.3	2.5	

P : Provisional   R : Revised   Source: State Bank of Pakistan

* : The deposits of other institutions are part of 'other deposits' from July 03, 2020 onwards.

** : Excluding inter banks deposits and deposits of federal and provincial governments, foreign constituents and international organization etc.

*** : Income velocity of money is estimated using GDP (from PBS) at current prices (with latest base)/ Average of two periods monetary assets (M2)-only in case where full year monetary data is available.

TABLE 5.2

CAUSATIVE FACTORS ASSOCIATED WITH BROAD MONEY (M2)

Rs million

		2017	2018	2019	2020	2021	2021-22 (Mar)
				A. Stock End June			
1.	Public Sector Borrowing (net)						
	(i + ii + iii)	8,955,597	10,199,670	12,336,664	14,547,233	16,265,119	17,375,590
	i. Net Budgetary Support	8,282,074	9,392,960	11,596,468	13,748,309	15,373,463	16,541,925
	ii. Commodity Operations	686,508	819,680	756,416	813,435	903,999	844,776
	iii. Zakat Fund etc.	-12,985	-12,971	-16,220	-14,510	-12,344	-11,112
2.	Non-Government Sector	6,011,267	7,033,598	8,072,803	8,372,428	9,114,395	10,417,332
	i. Autonomous Bodies*	250,244	324,787	285,745	258,059	266,372	295,987
	ii. Net Credit to Private Sector &PSEs	5,761,023	6,708,811	7,787,058	8,114,369	8,848,024	10,121,345
	a. Private Sector	5,197,473	5,972,968	6,666,505	6,862,862	7,629,069	8,923,430
	b. Public Sector Corp. other than 2(i)	572,553	743,413	1,108,476	1,232,463	1,170,373	1,143,442
	c. PSEs Special Account Debt Repayment	-24,244	-24,244	-24,244	-24,244	-24,244	-24,244
	d. Other Financial Institutions (NBFIs)	15,241	16,675	36,321	43,288	72,825	78,717
3.	Counterpart Funds	-530	-530	-560	-534	-534	-531
4.	Other Items (Net)	-987,502	-1,027,153	-1,103,333	-1,494,971	-1,806,007	-1,937,405
5.	Domestic Credit (1+2+3+4)	13,978,833	16,205,586	19,305,575	21,424,157	23,572,973	25,854,987
6.	Foreign Assets (Net)	602,049	-208,423	-1,507,081	-516,153	724,723	-447,214
7.	Broad Money (5+6)	14,580,882	15,997,162	17,798,494	20,908,003	24,297,696	25,407,772
				B. Changes over the year (July-June)			
8.	Public Sector Borrowing (net)						
	(i+ii+iii)	1,136,052	1,244,073	2,136,994	2,210,569	1,717,885	1,110,471
	i. Net Budgetary Support	1,087,260	1,110,887	2,203,507	2,151,841	1,625,155	1,168,462
	ii. Commodity Operations	49,934	133,172	-63,264	57,019	90,565	-59,223
	iii. Zakat Fund etc.	-1,142	14	-3,249	1,709	2,166	1,233
9.	Non-Government Sector	998,679	1,022,331	1,039,205	299,625	741,967	1,302,937
	i. Autonomous Bodies*	49,484	74,543	-39,042	-27,686	8,313	29,616
	ii. Net Credit to Private Sector & PSCEs	949,195	947,788	1,078,247	327,311	733,654	1,273,321
	a. Private Sector*	747,926	775,495	693,537	196,357	766,207	1,294,361
	b. Public Sector Corp. other than 2(i)	205,256	170,859	365,064	123,987	-62,090	-26,932
	c. PSEs Special Account Debt Repayment	0	0	0	0	0	0
	d. Other Financial Institutions (NBFIs)	-3,987	1,433	19,646	6,967	29,537	5,892
10.	Counterpart Funds	0	0	-30	25	0	4
11.	Other Items (Net)	26,846	-39,651	-76,180	-391,638	-311,036	-131,398
12.	Domestic Credit Expansion (8+9+10+11)	2,161,578	2,226,753	3,099,989	2,118,582	2,148,817	2,282,014
13.	Foreign Assets (Net)	-405,549	-810,473	-1,298,658	990,928	1,240,876	-1,171,938
14.	Monetary Expansion (12+13)	1,756,029	1,416,280	1,801,332	3,109,510	3,389,693	1,110,076

P : Provisional R: Revised Source: State Bank of Pakistan

* : Autonomous bodies are WAPDA (PEPCO), OGDCL, SSGC, SNGPL, PIA, Pakistan Steel and Pakistan Railway.

TABLE 5.3

SCHEDULED BANKS' CONSOLIDATED POSITION BASED ON LAST WEEKEND POSITION OF LIABILITIES & ASSETS

Rs million

Item Description	2017	2018	2019	2020	2021	2021-22 (Mar)
Assets						
Cash & Balances with Treasury Banks	1,122,866	1,349,450	1,966,692	1,408,559	1,528,246	1,745,293
Balances with other Banks	185,623	186,038	195,992	212,150	213,911	303,755
Lending to Financial Institutions	503,760	612,681	717,249	843,513	966,673	639,671
Investments	8,166,143	8,178,723	7,624,217	10,681,288	13,615,840	14,954,199
Gross Advances	6,176,306	7,361,622	8,096,771	8,202,328	8,831,088	10,089,586
Less: Provision for Non- Performing Advances	456,701	463,772	488,093	546,797	629,039	665,392
Advances – Net of Provision	5,719,604	6,897,850	7,608,677	7,655,531	8,202,049	9,424,194
Operating Fixed Assets	345,652	417,591	468,981	567,753	635,575	684,274
Deferred Tax Assets	47,428	52,835	59,834	56,161	70,764	101,732
Other Assets	711,952	715,125	943,951	950,083	908,754	1,071,753
Total Assets	16,803,028	18,410,293	19,585,594	22,375,037	26,141,812	28,294,870
Liabilities						
Bills Payable	201,124	230,357	299,737	245,363	322,389	340,368
Borrowings	2,654,899	3,014,680	2,412,023	2,865,768	4,097,113	5,529,717
Deposits and other Accounts	11,980,697	13,062,787	14,458,307	16,229,036	18,695,178	19,802,304
Sub-ordinated Loans	46,910	79,460	108,670	126,296	112,732	122,914
Liabilities Against Assets Subject to Finance Lease	35	20	0	2,134	1,823	9,822
Deferred Tax Liabilities	35,556	22,070	22,591	47,329	17,288	8,757
Other Liabilities	446,232	577,934	803,227	964,493	997,101	1,094,091
Total Liabilities	15,365,453	16,987,306	18,104,555	20,480,420	24,243,625	26,907,974
Net Assets	1,437,575	1,422,987	1,481,039	1,894,617	1,898,187	2,016,896
Represented by:						
Paid up Capital / Head Office Capital Account	651,359	525,796	546,922	556,465	561,451	569,555
Reserves	199,217	285,610	340,060	357,675	379,965	428,606
Un-appropriated / Un-remitted Profit	392,033	440,846	480,816	618,864	696,938	839,566
Sub total	1,242,609	1,252,252	1,367,798	1,533,004	1,638,354	1,837,727
Surplus/ (Deficit) on Revaluation of Assets	194,964	170,736	113,241	361,613	259,833	179,169
Total	1,437,573	1,422,988	1,481,039	1,894,617	1,898,187	2,016,896

Source: State Bank of Pakistan

TABLE 5.4

LIST OF DOMESTIC, FOREIGN BANKS AND DFIs

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. Bank of China Limited

Development Financial Institutions

1. House Building Finance Company Limited
2. PAIR Investment Company Limited
3. Pak Kuwait Investment Company of Pakistan (Pvt) Limited
4. Pak Libya Holding Company (Pvt) Limited
5. Pak Oman Investment Company (Pvt) Limited
6. Pak-Brunai Investment Company Ltd
7. Pak-China Investment Co. Ltd
8. Pakistan Mortgage Refinance Company Limited
9. Saudi Pak Industrial & Agricultural Investment Company (Pvt) Limited

Micro Finance Banks

1. Advans Pakistan Microfinance Bank
2. Apna Microfinance Bank Ltd
3. FINCA Microfinance Bank Ltd
4. Khushhali Microfinance Bank
5. Mobilink Microfinance Bank (Formerly Waseela Microfinance Bank)
6. NRSP Microfinance Bank Ltd
7. Pak Oman Microfinance Bank Ltd
8. Sindh Microfinance Bank Limited
9. Telenor Microfinance Bank Ltd
10. The First Microfinance Bank
11. U Microfinance Bank Limited

*** : Full fledged Islamic Banks** **Source: State Bank of Pakistan**

TABLE 5.5

SECURITY AND NATURE WISE WEIGHTED AVERAGE LENDING RATES / FINANCING RATES (ALL SCHEDULED BANKS)

(Percent)

As at the End of		Precious Metal	Stock Exchange Securities	Merch-andise	Machi-nery	Real Estate	Financial Oblig-ations	Others	Unse-cured Advances	Total Advances *
Conventional Banking										
2019	Jun	11.20	12.34	10.32	11.74	11.09	10.74	11.88	28.12	11.64
		(11.20)	(12.41)	(10.19)	(11.58)	(11.09)	(10.74)	(12.00)	(28.12)	(11.56)
	Dec	12.67	14.08	11.20	12.89	11.55	12.01	14.08	26.14	12.92
		(12.67)	(13.79)	(10.99)	(12.64)	(11.53)	(11.65)	(13.80)	(26.14)	(12.42)
2020	Jun	14.13	10.79	8.87	9.60	9.25	8.65	10.96	28.20	10.30
		(14.13)	(10.73)	(8.60)	(9.69)	(9.25)	(8.71)	(10.96)	(28.20)	(10.10)
	Dec	10.58	7.85	6.91	7.83	7.24	7.01	8.06	27.42	8.03
		(10.58)	(7.83)	(6.84)	(7.80)	(7.24)	(6.90)	(7.80)	(27.42)	(7.96)
2021	Jun	10.40	8.38	6.63	7.85	6.80	7.19	8.78	28.30	8.16
		(10.40)	(8.37)	(6.51)	(7.68)	(6.80)	(7.07)	(9.51)	(28.30)	(8.13)
	Dec	11.30	9.06	7.48	8.67	7.86	8.60	8.94	28.77	8.83
		(11.30)	(9.04)	(7.49)	(8.52)	(7.86)	(8.48)	(9.31)	(28.77)	(8.88)
Islamic Banking										
2019	Jun	-	11.26	10.99	11.07	10.87	9.31	11.34	5.76	11.13
		-	(8.00)	(10.95)	(10.90)	(10.87)	(9.31)	(11.23)	(5.24)	(10.99)
	Dec	-	10.95	11.59	12.63	12.14	10.35	12.92	12.92	12.40
		-	(7.13)	(11.53)	(12.63)	(12.16)	(10.35)	(11.85)	(10.52)	(11.96)
2020	Jun	-	13.12	9.55	11.10	10.30	9.30	10.56	10.81	10.38
		-	(11.43)	(9.46)	(11.16)	(10.25)	(8.83)	(10.20)	(10.74)	(10.19)
	Dec	-	7.96	7.50	8.41	7.75	6.57	7.40	9.82	7.68
		-	(9.56)	(7.51)	(8.42)	(7.71)	(6.48)	(7.32)	(9.82)	(7.72)
2021	Jun	-	8.90	6.84	8.01	7.59	5.03	7.71	16.06	7.53
		-	(8.93)	(6.79)	(7.99)	(7.48)	(5.03)	(7.66)	(16.06)	(7.44)
	Dec	-	7.12	7.55	9.08	8.46	5.20	7.93	16.45	8.14
		-	(7.02)	(7.54)	(9.04)	(8.33)	(5.20)	(7.68)	(16.45)	(8.14)

R: Revised

Source: State Bank of Pakistan

* : Weighted average rates shown in parentheses represent Private Sector

TABLE 5.6

SALE OF MARKET TREASURY BILLS THROUGH AUCTION

Rs million

No.	Securities	2017	2018	2019	2020	2021	2022 (Jul-Mar)
Market Treasury Bills							
A.	**Three Months Maturity**						
	Amount Offered						
	i) Face value	5,287,269	19,826,420	23,757,544	14,913,709	15,505,232	12,095,938
	ii) Discounted value	5,223,172	19,549,300	23,222,877	14,486,853	15,250,389	11,842,832
	Amount Accepted						
	i) Face value	3,824,534	16,231,950	18,866,489	8,811,853	8,698,476	7,450,156
	ii) Discounted value	3,772,951	16,005,555	18,448,036	8,554,064	8,556,387	7,293,499
	Weighted Average Yield						
	i) Minimum % p.a.	5.7873	5.9902	6.7575	7.6896	6.4267	7.2103
	ii) Maximum % p.a.	5.9910	6.7595	12.7454	13.7490	7.4418	11.7506
B.	**Six Months Maturity**						
	Amount Offered						
	i) Face value	4,632,304	1,620,207	120,484	4,345,673	9,989,084	10,515,444
	ii) Discounted value	4,495,594	1,560,051	101,275	4,115,593	9,627,168	10,052,700
	Amount Accepted						
	i) Face value	2,974,251	1,271,001	8,928	1,705,828	5,585,878	4,661,527
	ii) Discounted value	2,888,666	1,233,895	8,502	1,613,386	5,384,224	4,457,900
	Weighted Average Yield						
	i) Minimum % p.a.	5.8214	6.0093	7.8526	7.4786	6.4666	7.4293
	ii) Maximum % p.a.	6.0109	6.8322	12.6958	13.9498	7.7463	12.2450
C.	**Twelve Months Maturity**						
	Amount Offered						
	i) Face value	1,708,636	86,406	29,073	14,210,931	2,462,402	3,827,187
	ii) Discounted value	1,611,283	78,882	15,431	12,653,509	2,287,089	3,462,803
	Amount Accepted						
	i) Face value	936,611	47,687	500	4,649,744	580,918	847,815
	ii) Discounted value	884,431	44,979	443	4,133,139	542,086	759,986
	Weighted Average Yield						
	i) Minimum % p.a.	5.8370	6.0273	13.1500	7.2892	6.5475	7.6000
	ii) Maximum % p.a.	6.0499	6.0386	13.1500	14.2169	7.7908	12.4626

Note : Amount includes Non-competitive Bids. **Source: State Bank of Pakistan**

TABLE 5.7

SALE OF PAKISTAN INVESTMENT BONDS THROUGH AUCTION

Rs million

No.	Securities	2017	2018	2019	2020	2021	2022 (Jul-Mar)
Pakistan Investment Bonds							
A.	Amount Offered (Face Value)	1,761,044	348,935	3,156,891			
	02 Years (Floater) Maturity (PFL) Quarterly					213,423	1,067,462
	03 Years Maturity	1,039,668	235,367	976,869	2,389,228	1,181,021	1,436,991
	05 Years Maturity	451,788	48,467	653,189	1,643,278	866,330	1,316,745
	07 Years Maturity	-	-	-	-	-	
	10 Years Maturity	266,846	65,101	815,509	1,216,358	445,052	1,077,606
	03 Years (Floater) Maturity (PFL) Semi-Annual				84,100	1,193,302	--
	05 Years (Floater) Maturity (PFL) Semi-Annual				48,500	776,785	318,000
	10 Years (Floater) Maturity (PFL) Semi-Annual			706,324	1,445,471	384,124	63,150
	03 Years (Floater) Maturity (PFL) Quarterly					365,931	1,948,458
	05 Years (Floater) Maturity (PFL) Quarterly					107,600	--
	10 Years (Floater) Maturity (PFL) Quarterly					130,050	--
	15 Years Maturity	-	-	-	22,925	96,589	73,978
	20 Years Maturity	2,743	-	5,000	22,659	72,061	10,529
	30 Years Maturity	-	-	-	-	-	
B.	Amount Accepted (Face Value)	894,017	101,732	1,183,510			
	(a) 02 Years (Floater) Quarterly Maturity (PFL)						
	(i) Amount Accepted					175,664	738,404
	(ii) Cut-Off Price						
	(1) Minimum Cut-Off Price					99.5239	99.1149
	(2) Maximum Cut-Off Price					99.6467	99.6516
	(b) 03 Years Maturity.						
	(i) Amount Accepted	522,756	37,915	418,859	1,102,152	479,261	488,929
	(ii) Weighted Average Yield						
	(1) Minimum % p.a.	6.1444	6.4029	12.0002	7.5239	7.2359	8.6626
	(2) Maximum % p.a.	6.4043	7.4677	13.6770	14.1519	9.3344	11.7223
	(c) 03 Years (Floater) Maturity (PFL) Semi-Annual**						
	(i) Amount Accepted				60,552	624,763	
	(ii) Margin* / Cut-Off Price						
	(1) Minimum bps / Cut-Off Price				45bps	98.8132	
	(2) Maximum bps / Cut-Off Price				45bps	100.4413	
	(d) 03 Years (Floater) Quarterly Maturity (PFL)						
	(i) Amount Accepted					228,976	1,449,403
	(ii) Cut-Off Price						
	(1) Minimum Cut-Off Price					98.9923	98.0033
	(2) Maximum Cut-Off Price					99.2323	99.2531
	(e) 05 Years Maturity						
	(i) Amount Accepted	239,114	14,932	199,680	612,849	301,239	408,456
	(ii) Weighted Average Yield						
	(1) Minimum % p.a.	6.6364	6.8960	9.2500	7.8740	8.2139	9.1602
	(2) Maximum % p.a.	6.8998	8.4795	13.7687	13.7740	9.8296	11.6460

(Contd…)

TABLE 5.7

SALE OF PAKISTAN INVESTMENT BONDS THROUGH AUCTION

Rs million

No.	Securities	2017	2018	2019	2020	2021	2022 (Jul-Mar)
	(f) 05 Years (Floater) Maturity (PFL) Semi-Annual**						
	(i) Amount Accepted				34,500	306,271	129,562
	(ii) Margin* / Cut-Off Price						
	(1) Minimum bps / Cut-Off Price				49bps	98.1794	98.2095
	(2) Maximum bps / Cut-Off Price				49bps	100.4845	98.266
	(g) 05 Years (Floater) Quarterly Maturity (PFL)						
	(i) Amount Accepted					90,500	
	(ii) Cut-Off Price						
	(1) Minimum Cut-Off Price					97.9779	
	(2) Maximum Cut-Off Price					98.0119	
	(h) 7 Years Maturity						
	(i) Amount Accepted	-	-	-			
	(ii) Weighted Average Yield						
	(1) Minimum % p.a.	-	-	-			
	(2) Maximum % p.a.	-	-	-			
	(i) 10 Years Maturity						
	(i) Amount Accepted	132,147	48,885	253,195	332,797	149,729	225,451
	(ii) Weighted Average Yield						
	(1) Minimum % p.a.	7.7222	7.9359	12.8267	8.4767	8.8570	9.8230
	(2) Maximum % p.a.	7.9414	8.6999	13.6820	13.4548	10.2140	11.7436
	(j) 10 Years (Floater) Maturity (PFL) Semi-Annual**						
	(i) Amount Accepted	-	-	-	723,417	136,707	64,553
	(ii) Margin* / Cut-Off Price						
	(1) Minimum bps / Cut-Off Price	-	-	-	70 bps	100	100
	(2) Maximum bps / Cut-Off Price	-	-	-	75 bps	101.0536	100
	(k) 10 Years (Floater) Quarterly Maturity (PFL)						
	(i) Amount Accepted	-	-	-	-	98,542	
	(ii) Cut-Off Price						
	(1) Minimum Cut-Off Price	-	-	-	-	95.2412	
	(2) Maximum Cut-Off Price	-	-	-	-	95.2853	
	(l) 15 Years Maturity						
	(i) Amount Accepted	-	-	-	16,800	64,000	59,000
	(ii) Weighted Average Yield						
	(1) Minimum % p.a.	-	-	-	9.6640	9.7020	10.4000
	(2) Maximum % p.a.	-	-	-	10.4540	10.0000	10.4000
	(m) 20 Years Maturity	-					
	(i) Amount Accepted	-	-	-	6,113	62,061	
	(ii) Weighted Average Yield						
	(1) Minimum % p.a.	-	-	-	10.5100	10.3400	
	(2) Maximum % p.a.	-	-	-	11.7999	10.5624	
	(n) 30 Years Maturity						
	(i) Amount Accepted	-	-	-	-	-	-
	(ii) Weighted Average Yield	-					
	(1) Minimum % p.a.	-	-	-	-	-	-
	(2) Maximum % p.a.	-	-	-	-	-	-

Source: State Bank of Pakistan

* : The benchmark for coupon rate is defined in clause 'B' of DMMD Circular No. 9 dated May 07, 2018.

** : Margins quoted ober benchmark rate in fresh auctions of floating rate PIB (PFL)

Note:

1: A special issuance in PFL-SA 10 Years Issued by GoP to Independent Power Producer (IPPs) against their receivables from GoP on 4th June, 2021 (Rs 28,905.1 Million) and on 29-Nov-21 (Rs 43,322.80 Million)

2: Amounts include non-competitive bids & short sale accommodation as well.

CAPITAL MARKETS
&
CORPORATE SECTORS

TABLE 6.1

NATIONAL SAVINGS SCHEMES (NET INVESTMENT)

Rs million

	Name of Scheme	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 (Jul-Mar)
1	Defence Savings Certificates	16,183.3	8,053.0	16,620.0	10,743.6	57,171.0	92,783.1	(9,132.6)	(6,771.6)
2	National Deposit Scheme	(1.0)	(0.3)	(0.7)	0.1	(0.03)	-	(0.00)	(0.35)
3	Khaas Deposit Scheme	(4.3)	(2.0)	(51.4)	(0.2)	(0.04)	(0.05)	(0.24)	(0.02)
4	Special Savings Certificates (R)	28,547.1	(1,932.8)	(39,344.6)	(51,180.1)	31,842.5	13,945.7	(6,327.9)	(22,611.8)
5	Special Savings Certificates (B)	-	-	(0.8)	(0.6)	-	(0.01)	(0.50)	-
6	Regular Income Certificates	50,582.1	(16,223.0)	(20,950.7)	8,726.3	142,088.1	83,232.3	26,711.2	19,812.6
7	Bahbood Saving Certificates	45,927.8	63,761.1	57,432.1	45,395.3	119,573.1	83,380.0	2,549.4	8,816.6
8	Pensioners' Benefit Account	15,701.9	20,645.1	18,716.7	21,504.4	43,367.4	33,876.0	16,347.2	15,710.2
9	Savings Accounts	3,859.4	3,807.7	4,684.4	3,413.0	(166.2)	4,537.0	1,083.5	6,442.8
10	Special Savings Accounts	100,124.9	30,924.1	65,246.6	59,939.2	(132,393.5)	200,770.6	(39,659.1)	(37,415.8)
11	Mahana Amdani Accounts	(73.0)	(63.0)	(55.2)	(46.7)	(73.8)	(60.4)	(47.52)	(48.8)
12	Prize Bonds	75,884.6	123,901.9	97,791.6	101,575.7	40,432.1	(171,109.9)	(315,531.7)	(82,941.4)
13	Postal Life Insurance	-	-	2,529.8	875.5	1,248.4	628.0	(1,311.9)	-
14	National Savings Bonds	(62.6)	-	-	-	-	(137.0)	-	-
15	Short Term Saving Certificates	389.1	157.9	2,077.4	560.6	761.0	19,254.6	(20,362.2)	(89.7)
16	Premium Prize Bonds (R)	-	-	2,921.7	2,323.2	2,820.0	11,322.7	25,147.2	12,675.3
17	Shuhda Welfare Accounts	-	-	-	-	42.1	27.0	24.2	13.9
	Grand Total	337,059.3	233,029.6	207,617.0	203,829.1	306,712.0	372,449.4	(320,510.9)	(86,408.1)

- : Not available

Source: Central Directorate of National Savings (CDNS)

Figures in Parenthesis represent negative value

TABLE 6.2

MARK UP RATE/PROFIT RATE ON FEDERAL GOVERNMENT'S DEBT INSTRUMENTS

S. No.	Name of Securities	Coupon/Profit Rates	Remarks	Tax Status
1	Pakistan Investment Bonds (PIBs)			Profit taxable
	Fixed-rate PIBs			
	3-years maturity	7.00%	3-years PIB first issued on 02-Aug-21	
	5-Years maturity	7.50%	5-Years PIB first issued on 15-Oct-20	
	10-Years maturity	8.00%	10-Years PIB first issued on 10-Dec-20	
	15-Years maturity	10.50%	15-Years PIB first issued on 16-Apr-20	
	20-Years maturity	11.00%	20-Years PIB first issued on 19-Sep-19	
	30-Years maturity	11.00%	30-Years PIB first issued on 07-Jan-21	
	Floating-rate PIBs			
	2-years maturity	coupon rate linked to 3M t-bill auction's weighted-average yield	fortnightly coupon reset and quarterly coupon payment; first issued on 30-Dec-21	
	3-years maturity		Quarterly coupon reset and payment; issued on 07-Oct-21	
	5-Years maturity	coupon rate linked to 6M t-bill auction's weighted-average yield	For 5- and 10- year floating rate PIBs, coupon reset and payment are half yearly; 5- and 10-year floating-rate PIBs were issued on 06-May-21 and 04-Nov-2021, respectively.	
	10- Years maturity			
2	Government Ijara Sukuk			Profit taxable
	5-year Variable Rental Rate (VRR) Sukuk	rental rate is benchmardked to 6-month t-bill's auction weighted-average yield	Cut-off margin is -10 BPs; first issued on 29-Oct-2021	
	5-year Fixed Rental Rate (FRR) Sukuk	11.40%	First Issued on 15-Dec-2021	

Note: Federal Government debt securities auctioned by DMMD, SBP
The Securities issuance status is as of end March, 2022

Source: State Bank of Pakistan

INFLATION

TABLE 7.1 (A)

PRICE INDICES

A. COMBINED CONSUMER PRICE INDEX BY GROUPS

(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	Education	Restaurant & Hotels	Miscellan-eous
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
2018-19	236.81	242.62	345.33	260.88	221.07	251.44	235.29	211.50	141.29	215.90	289.97	302.04	276.48

Base Year 2015-16=100

	General	Food & Non-Alcoholic Beverages	Alcoholic Beverages Tobaco	Clothing and Footwear	Housing, Water, Elec., Gas and other fuels feuls	Furnishing and Household Equipment Maintenance	Health	Transport	Commu-nication	Recreation & Culture	Education	Restau-ants and hotels	Misc. goods and services
2016-17	104.83	110.24	110.76	105.29	105.98	102.34	107.97	99.26	100.03	102.27	110.83	106.04	104.39
2017-18	110.18	117.60	100.83	110.94	111.23	106.00	114.98	108.04	100.65	104.91	123.88	113.15	109.93
2018-19	117.99	112.24	112.26	118.13	120.08	114.00	122.92	125.31	103.27	111.54	134.74	119.10	118.86
2019-20	129.99	129.59	135.80	129.56	128.33	125.70	136.81	138.71	106.84	118.70	141.90	127.78	132.96
2020-21	140.58	146.74	143.36	142.61	136.35	136.23	148.36	140.38	107.62	123.99	143.71	138.66	148.34
July-April													
2020-21	140.56	146.02	143.10	141.33	135.66	135.16	147.33	139.86	107.41	123.48	143.50	137.82	147.49
2021-22	154.99	162.40	155.43	152.44	150.32	148.98	161.14	168.64	112.44	129.62	151.42	152.56	160.65

(Contd.)

Note: i) On the adoption of each new base year the data for the common periods may not be matched

ii) July to April cumulative indices

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 : 2007-08 = 100)							
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
2018-19	236.81	248.44	229.84	229.21	7.34	4.57	9.21	7.94

	CPI Indices (Base Year : 2015-16 = 100)						
	National	Urban			Rural		
	CPI	Food	Non-food	Core	Food	Non-food	Core
2016-17	104.81	104.32	105.13	106.10	105.11	104.48	105.60
2017-18	109.72	108.33	111.25	112.27	107.57	110.29	111.05
2018-19	117.18	113.35	120.70	120.34	112.68	118.74	118.55
2019-20	129.76	128.74	130.72	129.38	130.62	128.41	128.83
2020-21	141.31	144.74	138.17	137.13	147.74	137.89	138.62
July-April							
2020-21	140.56	143.67	137.41	136.39	147.35	137.16	137.90
2021-22	156.08	161.11	151.43	146.79	163.58	152.76	149.35

	Growth (%) (Base Year : 2015-16 = 100)						
	National	Urban			Rural		
	CPI	Food	Non-food	Core	Food	Non-food	Core
2016-17	4.81	4.32	5.13	6.10	5.11	4.48	5.60
2017-18	4.68	3.84	5.82	5.82	2.34	5.56	5.16
2018-19	6.80	4.63	8.49	7.19	4.75	7.66	6.75
2019-20	10.74	13.58	8.30	7.51	15.92	8.14	8.67
2020-21	8.90	12.43	5.70	5.99	13.11	7.38	7.60
July-April							
2020-21	8.62	12.29	5.12	5.83	13.49	6.96	7.63
2021-22	11.04	12.14	10.20	7.63	11.01	11.37	8.30

***: Core Inflation is defined as overall inflation adjusted for food and energy.**

Note: On the adoption of each new base year the data for the common periods may not be matched

TABLE 7.1 (C)

PRICES INDICES

B. Wholesale Price Index by Groups

Groups/ Fiscal Year	(Base Year : 2007-08 = 100) 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
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	262.33
2018-19	250.28	276.64	279.87	254.78	220.88	190.87	223.34	284.88

	Base Year 2015-16=100										
	General	Agriculture Forestry & Fishery	Ores/Minerals, Elec., gas & water	Food, Beverages Tobacco, Textiles, Textiles, Leather	Food Products Beverages & Tobacco	Textiles Apparels	Leather Products	Other Transpor- table Goods	Metal Product Machinery & Equipment	Sensitive Price Indicator	GDP Deflator
2016-17	104.45	108.15	99.32	105.63	103.82	109.42	101.83	101.69	103.22	107.62	103.95
2017-18	109.97	113.34	100.88	107.08	104.00	115.64	101.40	115.52	106.06	110.28	107.84
2018-19	127.55	124.35	127.07	119.30	112.45	133.41	107.72	147.71	115.26	115.92	117.74
2019-20	140.63	137.80	163.40	131.68	126.74	141.64	113.65	147.95	131.83	131.85	129.38
2020-21	153.87	155.69	167.57	149.24	146.95	155.76	119.27	151.61	150.09	150.09	142.77
July-April											
2020-21	151.97	153.44	167.78	147.13	145.26	152.67	119.26	149.15	150.36	148.17	142.77
2021-22	186.76	189.98	183.57	174.18	168.25	189.11	124.86	205.78	177.67	173.25	161.73

Source: Pakistan Bureau of Statistics

Note: On the adoption of each new base year the data for the common periods may not be matched

TABLE 7.2

MONTHLY PERCENTAGE CHANGES IN CPI, WPI AND SPI

(Percent)

Months		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
		Base Year 2007-08=100								Base Year 2015-16=100					
Jul	A. CONSUMER PRICE INDEX (C.P.I)	1.27	-0.25	2.02	1.70	0.43	1.34	0.34	0.94	-	0.57	1.51	1.83	2.50	1.33
Aug		1.40	0.90	1.16	0.33	0.24	-0.30	0.19	0.21	-0.36	0.15	-0.31	1.64	0.63	0.58
Sep		1.03	0.79	-0.29	0.35	-0.10	0.20	0.63	-0.06	0.42	0.69	-0.03	0.77	1.54	2.12
Oct		1.44	0.38	1.97	0.21	0.49	0.81	0.75	2.33	0.93	1.09	2.12	1.82	1.70	1.90
Nov		0.29	-0.39	1.27	-0.51	0.59	0.21	0.37	0.11	0.47	0.66	-0.12	1.34	0.82	2.98
Dec		-0.70	0.23	-1.32	-1.01	-0.57	-0.68	-0.10	-0.41	-0.58	-0.03	-0.30	-0.34	-0.68	-0.02
Jan		1.54	1.67	0.49	0.08	0.21	0.18	0.03	1.00	0.43	0.08	0.25	1.97	-0.21	0.39
Feb		0.30	-0.34	-0.32	-0.92	-0.25	0.28	-0.31	0.64	0.48	-0.26	0.87	-1.04	1.80	1.15
Mar		1.17	0.41	0.96	0.23	0.15	0.84	0.31	1.42	1.05	0.22	2.00	0.04	0.36	0.79
Apr		1.83	1.09	1.70	1.32	1.55	1.40	1.82	1.26	0.72	1.08	0.73	-0.84	1.03	1.61
May		1.15	0.51	-0.26	0.76	-0.21	0.01	0.51	0.78	-0.52	0.46	0.60	0.32	0.10	
Jun		0.04	0.72	0.61	0.62	0.64	-0.41	0.56	0.36	0.17	0.83	0.48	0.82	-0.24	
										Base Year 2015-16=100					
Jul	URBAN CONSUMER PRICE INDEX (U.C.P.I)	-	-	-	-	-	-	-	-		0.59	1.41	1.98	2.15	1.29
Aug		-	-	-	-	-	-	-	-	-0.46	0.20	-0.31	1.46	0.81	0.48
Sep		-	-	-	-	-	-	-	-	0.32	0.42	-0.08	0.75	1.26	2.01
Oct		-	-	-	-	-	-	-	-	0.79	0.89	2.23	1.59	1.27	1.67
Nov		-	-	-	-	-	-	-	-	0.47	0.63	-0.09	1.00	0.64	2.86
Dec		-	-	-	-	-	-	-	-	-0.59	0.05	-0.32	-0.37	-0.35	0.32
Jan		-	-	-	-	-	-	-	-	0.82	0.18	0.43	1.68	-0.16	0.06
Feb		-	-	-	-	-	-	-	-	0.51	-0.15	0.86	-1.09	2.27	0.93
Mar		-	-	-	-	-	-	-	-	1.01	0.28	1.87	0.13	0.27	0.65
Apr		-	-	-	-	-	-	-	-	0.96	1.37	0.83	-0.68	1.34	1.60
May		-	-	-	-	-	-	-	-	-0.32	0.53	0.68	0.30	0.19	
Jun		-	-	-	-	-	-	-	-	0.21	0.72	0.34	0.69	-0.37	
										Base Year 2015-16=100					
Jul	RURAL PRICE INDEX (R.P.I)	-	-	-	-	-	-	-	-	-	0.54	1.67	1.60	3.02	1.40
Aug		-	-	-	-	-	-	-	-	-0.21	0.07	-0.30	1.91	0.35	0.72
Sep		-	-	-	-	-	-	-	-	0.57	1.10	0.04	0.79	1.95	2.29
Oct		-	-	-	-	-	-	-	-	1.15	1.40	1.96	2.17	2.35	2.25
Nov		-	-	-	-	-	-	-	-	0.48	0.72	-0.17	1.86	1.09	3.15
Dec		-	-	-	-	-	-	-	-	-0.56	-0.14	-0.29	-0.30	-1.17	-0.51
Jan		-	-	-	-	-	-	-	-	-0.14	-0.07	-0.02	2.41	-0.29	0.89
Feb		-	-	-	-	-	-	-	-	0.45	-0.45	0.87	-0.97	1.12	1.48
Mar		-	-	-	-	-	-	-	-	1.12	0.13	2.19	-0.10	0.51	1.00
Apr		-	-	-	-	-	-	-	-	0.36	0.64	0.58	-1.08	0.57	1.63
May		-	-	-	-	-	-	-	-	-0.82	0.35	0.47	0.34	-0.03	
Jun		-	-	-	-	-	-	-	-	0.12	1.01	0.70	1.02	-0.06	
		Base Year 2007-08=100								Base Year 2015-16=100					
Jul	B. WHOLESALE PRICE INDEX (W.P.I.)	-0.40	0.36	1.65	0.54	-0.38	2.34	-0.24	2.41	-	-0.70	3.69	3.05	5.41	2.28
Aug		0.55	1.02	2.65	-0.48	-0.49	-0.03	0.33	0.79	0.06	0.19	0.55	1.25	1.27	1.17
Sep		0.25	0.35	0.71	0.15	-0.46	-0.53	0.06	-1.52	-0.40	0.28	-1.51	0.07	1.05	3.17
Oct		0.37	0.11	1.13	-0.31	0.53	-0.04	0.61	4.17	-0.09	0.88	4.40	2.03	2.88	4.24
Nov		-0.53	-0.37	0.25	-0.99	0.01	-0.21	0.36	0.70	0.54	1.05	1.04	-0.82	-0.94	3.79
Dec		-1.33	0.43	-0.99	-1.89	-0.65	-0.14	0.36	-0.88	0.20	0.49	-1.34	-0.30	0.34	-0.24
Jan		2.26	1.25	0.53	-1.03	-0.53	0.51	1.81	-0.21	0.83	2.60	-0.82	1.83	2.50	0.65
Feb		0.56	0.34	-0.14	-1.09	-0.59	0.47	-0.15	0.90	0.81	0.41	1.62	-0.80	2.20	1.91
Mar		0.67	0.26	0.34	0.01	-0.40	0.66	0.25	1.70	0.42	-0.08	2.23	-0.88	3.72	3.86
Apr		1.80	0.77	0.10	0.86	1.30	0.89	1.27	2.33	0.43	1.28	1.76	-2.04	-0.36	3.16
May		2.15	-0.43	-0.08	1.10	0.55	-0.20	1.28	1.43	-0.15	2.02	1.47	-2.08	0.30	
Jun		-0.05	1.00	1.37	1.18	1.38	-0.46	1.48	0.33	-0.08	2.46	0.25	-0.32	0.91	
		Base Year 2007-08=100								Base Year 2015-16=100					
Jul	C. SENSITIVE PRICE INDEX (S.P.I.)	2.38	0.51	2.27	1.95	0.34	1.32	-0.45	1.17		0.00	1.39	1.03	3.03	1.80
Aug		0.83	1.29	1.54	0.83	-0.19	0.23	0.54	0.22	-0.25	1.06	-0.20	2.72	0.92	0.70
Sep		1.34	1.25	0.06	0.24	0.46	0.11	2.13	-0.06	0.21	2.06	-0.42	1.87	2.09	2.72
Oct		0.76	-0.45	1.17	-0.03	1.18	0.67	0.86	1.15	0.49	0.94	2.27	2.66	3.36	2.15
Nov		0.74	0.03	3.22	-1.13	1.00	0.33	0.34	0.26	0.68	0.20	-0.69	3.71	1.10	3.58
Dec		-2.01	0.05	-2.54	-1.52	-0.71	-0.78	-0.67	0.02	-1.25	-0.88	-0.25	-1.97	-2.71	-0.43
Jan		1.00	1.92	-2.54	-0.87	-0.67	-0.80	-1.04	0.61	-1.00	-1.52	0.36	0.45	-0.82	-0.79
Feb		-0.12	0.07	-0.09	-0.99	-0.52	0.21	-1.21	1.48	0.42	-1.16	2.45	-0.79	3.14	1.27
Mar		1.49	0.78	2.15	0.00	-0.15	1.79	-0.60	1.56	2.75	-0.91	2.13	-0.31	5.70	0.64
Apr		1.67	-0.29	0.07	0.39	-0.12	-0.91	0.45	0.89	-0.69	0.86	0.48	-1.77	0.41	1.48
May		-0.14	0.07	-1.51	1.31	-0.96	-0.89	-0.15	1.24	-0.38	0.71	0.58	2.15	0.79	
Jun		1.39	2.45	1.11	0.99	1.12	0.14	1.78	1.57	0.00	1.45	0.90	1.37	-0.44	

Source: Pakistan Bureau of Statistics

Note: On the adoption of each new base year the data for the common periods may not be matched

TABLE 7.3 (A)

PRICE INDICES BY CONSUMER INCOME GROUPS

Income Group/ Fiscal Year	Spliced with Base Year 2007-08 = 100					
	All Income Groups	Upto Rs 8000	Rs 8001 to 12000	Rs 12000 to 18000	Rs 18001 to 35000	Above Rs 35,000
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
2018-19	236.81	230.11	234.06	234.21	238.88	239.16
Consumption Group/ Fiscal Year	**Base Year 2015-16 = 100**					
	Urban					
	Combined	(Upto Rs. 17,732)	(Rs. 17,733 to 22,888)	(Rs. 22,889 to 29,517)	(Rs. 29,518 to 44,175)	(Above Rs. 44,175)
2016-17	104.83	104.21	104.38	104.49	104.60	105.05
2017-18	110.18	108.00	108.52	108.90	109.39	110.98
2018-19	117.99	113.92	115.00	115.57	116.31	119.90
2019-20	129.99	126.97	127.47	129.29	129.29	131.60
2020-21	140.58	140.81	140.22	141.34	140.74	141.11
Jul-April						
2020-21	141.05	142.35	141.44	141.19	140.43	140.85
2021-22	154.99	156.39	155.21	156.16	155.35	155.17
	Rural					
	Combined	(Upto Rs. 17,732)	(Rs. 17,733 to 22,888)	(Rs. 22,889 to 29,517)	(Rs. 29,518 to 44,175)	(Above Rs. 44,175)
2016-17	104.77	104.54	104.66	104.69	104.84	104.95
2017-18	109.04	108.25	108.54	108.77	109.11	109.50
2018-19	115.95	114.33	114.94	115.31	115.83	118.02
2019-20	129.42	129.30	129.08	128.87	128.85	130.65
2020-21	142.42	144.61	143.31	142.26	141.40	141.82
July-April						
2020-21	141.85	143.98	142.77	141.69	140.82	141.24
2021-22	157.73	160.13	158.51	157.60	156.68	157.15

Source: Pakistan Bureau of Statistics

Note: On the adoption of each new base year the data for the common periods may not be matched

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
	National	Urban	Rural			
	(Base Year : 2007-08 = 100)					
2010-11	13.66	-	-	21.25	16.57	19.52
2011-12	11.01	-	-	10.42	7.08	5.66
2012-13	7.36	-	-	7.35	7.77	7.12
2013-14	8.62	-	-	8.15	9.30	7.39
2014-15	4.53	-	-	-0.30	1.75	4.34
2015-16	2.86	-	-	-1.05	1.31	0.45
	(Base Year : 2015-16 = 100)					
2016-17	4.81	5.10	4.08	4.45	7.62	3.95
2017-18	4.68	7.08	6.34	3.90	7.38	3.74
2018-19	6.80	7.09	6.34	15.99	5.11	9.18
2019-20	10.74	10.17	11.62	10.24	13.74	9.88
2020-21	8.90	8.15	10.04	9.41	13.83	10.35
July-April						
2020-21	8.62	7.72	9.99	7.36	12.86	10.35
2021-22	11.04	10.94	11.19	22.89	16.93	13.28

Source: Pakistan Bureau of Statistics

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 : 2007-08 = 100)											
2010-11	25.98	29.41	50.32	136.49	70.25	215.42	130.98	411.48	72.78	27.58	33.28	44.86
2011-12	26.74	30.26	60.36	127.90	83.32	252.41	150.07	482.04	86.95	25.33	32.24	46.46
2012-13	30.61	34.53	69.01	115.95	99.70	268.38	143.93	517.83	92.02	26.09	36.71	49.80
2013-14	37.02	40.98	74.09	137.64	74.77	283.99	161.40	559.49	97.61	42.79	41.63	58.36
2014-15	34.56	39.28	72.38	161.94	79.33	301.55	153.64	592.56	98.71	42.49	35.80	55.05
2015-16	33.92	38.57	63.00	160.30	123.53	316.37	151.95	627.94	89.84	25.75	44.29	49.14
2016-17	33.77	37.99	63.90	139.93	149.85	327.52	145.88	662.65	101.86	34.09	30.08	51.82
2017-18	33.11	37.45	72.07	118.15	118.76	348.64	158.87	733.68	103.17	33.89	48.59	59.62
2018-19	34.95	39.36	76.82	128.64	123.10	376.47	163.06	783.88	102.93	27.21	36.91	64.85
	Base Year 2015-16=100											
2019-20	-	897.48	81.92	213.44	142.21	431.29	169.73	896.00	106.71	44.57	59.90	56.83
2020-21	-	1010.32	90.41	231.42	143.81	482.26	207.39	1004.05	153.10	53.41	43.01	61.38
July-April												
2020-21	-	987.54	89.91	233.85	142.91	474.40	199.51	988.38	154.08	54.67	46.18	70.07
2021-22	-	1162.54	98.90	171.63	154.82	573.39	222.84	1167.70	162.32	46.06	44.95	80.99

(Contd.)

Note: i) On the adoption of each new base year the data for the common periods may not be matched
ii) In the new base year 2015-16, dissemination of prices started w.e.f July, 2019

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) 200 grams
				(Base Year : 2007-08 = 100)				
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
2018-19	195.43	161.85	12.29	335.21	59.84	85.75	86.74	210.27
				Base Year 2015-16=100				
2019-20	208.50	225.75	29.90	157.44	76.60	115.20	93.43	225.54
2020-21	254.12	269.95	30.01	318.56	94.21	128.82	105.17	230.17
July-April								
2020-21	246.75	263.58	30.01	307.51	93.50	128.39	104.41	230.20
2021-22	363.10	382.88	31.63	317.47	96.15	138.37	113.85	245.63

(Contd.)

*: Tea packet prices in bases year 2015-16=100 is quoted of 190 grams packet price.
In the new base year 2015-16, prices are disseminated started w.e.f July, 2019.

TABLE 7.4 (B)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

(Rs/unit)

Fiscal Year	Cigarettes Pkt	Long Cloth Mtr.	Georgerette Mtr.	Shoes Gents Concord Bata*	Firewood (Kikar/ Babul) 40 Kgs.	Match Box (40/ 50 Sticks) Each	Washing Soap 707/555 Cake	Life-buoy Soap Cake
				(Base Year : 2007-08 = 100)				
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
2018-19	57.29	268.31	154.69	699.00	566.61	2.42	36.35	46.66
				Base Year 2015-16=100				
2019-20	81.24	306.67	146.50	899.00	668.45	2.51	45.13	44.66
2020-21	83.42	359.53	165.77	1013.60	716.92	3.11	53.78	47.04
July-April								
2020-21	83.41	355.22	164.46	980.12	713.54	3.06	52.85	46.52
2021-22	83.85	391.72	180.42	1242.01	778.17	3.53	70.46	53.59

(Contd.)

Note: In the new base year 2015-16, dissemination of prices started w.e.f July, 2019.

*Prices of Gents Sandal Bata has been quoted in base year 2015-16 instead of prices of Shoes Gents Concord Bata in previous base year.

TABLE 7.4 (C)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

(Rs/unit)

Fiscal Year	Energy Saver (14-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 : 2007-08 = 100)					
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
2018-19	173.40	113.60	64.17	54.59	107.55	152.18	157.72	497.94	483.96
				Base Year 2015-16=100					
2019-20	185.73	133.64	68.75	62.54	141.16	211.13	280.43	1199.22	586.30
2020-21	199.66	148.96	75.60	71.09	156.48	250.28	216.42	1374.94	690.38
July-April									
2020-21	199.13	147.30	74.97	70.80	156.23	249.25	225.25	1343.50	674.86
2021-22	208.38	167.28	83.04	73.91	191.18	257.04	286.73	1947.02	970.30

(Contd.)

* : The unit of cooking oil Dalda has changed from 2.5 Ltr. to 5 Ltr. in base year 2015-16. In the new base year 2015-16, dissemination of prices started w.e.f July, 2019.

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 400 grams*
				(Base Year : 2007-08 = 100)					
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
2018-19	101.24	22.28	77.11	316.04	206.01	599.00	199.00	44.10	401.08
				Base Year 2015-16=100					
2019-20	108.22	25.81	78.82	355.16	201.32	599.00	199.00	47.82	448.85
2020-21	121.53	28.35	86.09	389.20	234.43	599.00	218.48	55.55	478.05
July-April									
2020-21	120.53	28.18	79.15	384.70	230.75	599.00	212.84	54.92	476.15
2021-22	131.67	32.14	86.17	416.24	261.92	641.10	269.88	62.84	502.90

(Contd.)

* : The unit has changed from 400 gms to 390 gms in base year 2015-16
In the new base year 2015-16, dissemination of prices started w.e.f July, 2019.

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 : 2007-08 = 100)		
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
2018-19	119.97	140.99	2.00	97.00	4.47
			Base Year 2015-16=100		
2019-20	-	141.57	3.90	106.49	1.55
2020-21	-	141.57	4.63	107.12	1.60
July-April					
2020-21	-	141.57	4.39	106.53	1.56
2021-22	-	141.57	6.53	137.53	1.79

-: Not available Source: Pakistan Bureau of Statistics

In the new base year 2015-16, prices are disseminated w.e.f July, 2019.

TABLE 7.5

INDICES OF WHOLESALE PRICES OF SELECTED COMMODITIES

Fiscal Year	Wheat	Rice	Gram (Whole)	Sugar Refined	Vegetable Ghee	Tea	Meat	Vegetables	Fresh Milk	Cotton	Motor Spirit
					(Base Year : 2007-08 = 100)						
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
2018-19	211.14	191.38	-	226.24	135.10	285.16	348.60	293.46	287.20	269.50	164.47
					(Base Year 2015-16=100)						
2019-20	119.09	145.34	-	123.16	138.46	126.36	139.45	178.87	116.22	127.20*	150.35
2020-21	158.62	166.97	-	150.78	167.12	129.72	162.32	161.91	141.12	138.85*	148.00
July-April											
2020-21	159.92	165.39	-	149.19	162.54	129.68	159.73	115.03	140.64	138.32*	147.57
2021-22	171.53	179.12	-	155.99	246.91	140.37	189.42	196.26	146.76	144.20*	194.62

-: Not available (Contd.)

*: In the base year 2015-16 prices of Cotton Seeds has been quoted instead of Cotton prices.

TABLE 7.5

INDICES OF WHOLESALE PRICES OF SELECTED COMMODITIES

Fiscal Year	Kerosene Oils	Fire Wood	Cotton Yarn	Matches	Soaps	Ferti-lizers	Trans-port	Leather	Timber	Cement
	(Base Year : 2007-08 = 100)									
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
2018-19	232.43	290.68	267.72	172.07	198.37	258.49	-	224.79	243.08	236.62
	Base Year 2015-16 = 100									
2019-20	169.85	111.12	164.90	1164.79	110.25	101.84	-	106.04	111.87	113.42
2020-21	141.77	124.41	179.14	1172.40	113.18	102.06	-	119.27	152.12	122.71
July-April										
2020-21	138.56	123.72	174.27	1172.22	112.47	100.18	-	119.26	151.59	121.65
2021-22	212.79	133.23	231.06	1201.34	127.65	137.48	-	124.86	161.37	145.31

-: Not available

Source: Pakistan Bureau of Statistics

Note: In the base year 2007-08 and 2015-16 prices of kerosene Oil has been quoted instead of other oils.

TRADE AND PAYMENTS

TABLE 8.1

SUMMARY BALANCE OF PAYMENTS AS PER BPM6

US $ million

ITEM	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 R	2021-22 Jul-Mar P
Current Account Balance	-3,130	-2,815	-4,961	-12,270	-19,195	-13,434	-4,449	-2820	-13169
Current Account Balance without off. transfers	-3,464	-3,141	-5,546	-12,844	-20,165	-14,177	-4,898	-3079	-13426
Exports of Goods FOB	25,078	24,090	21,972	22,003	24,768	24,257	22,536	25639	23699
Imports of Goods FOB	41,668	41,357	41,118	48,001	55,671	51,869	43,645	54273	53796
Balance on Trade in Goods	-16,590	-17,267	-19,146	-25,998	-30,903	-27,612	-21,109	-28634	-30097
Exports of Services	5,345	5,872	5,456	5,915	5,851	5,966	5,437	5945	5156
Imports of Services	7,995	8,848	9,002	10,576	12,277	10,936	8,753	8461	8335
of which									
Transportation	3,874	4,160	3,272	3,808	3,956	3,639	3,036	3279	4530
Travel	1,073	1,518	1,839	2,000	2,289	1,709	1,229	752	853
Balance on Trade in Services	-2,650	-2,976	-3,546	-4,661	-6,426	-4,970	-3,316	-2516	-3179
Balance on Trade in Goods and Services	-19,240	-20,243	-22,692	-30,659	-37,329	-32,582	-24,425	-31150	-33276
Primary Income credit	508	644	610	696	726	578	479	508	488
Primary Income debit	4,463	5,243	5,955	5,710	6,163	6,188	5,938	4908	4393
of which: Interest Payments	1,323	1,605	1,733	1,993	2,600	3,066	3,109	2176	2257
Balance on Primary Income	-3,955	-4,599	-5,345	-5,014	-5,437	-5,610	-5,459	-4400	-3905
Balance on Goods, Services and Primary Income	-23,195	-24,842	-28,037	-35,673	-42,766	-38,192	-29,884	-35550	-37181
Secondary Income credit	20,222	22,291	23,204	23,604	23,800	24,990	25,802	33027	24239
of which: Workers' Remittances	15,837	18,721	19,917	19,351	19,914	21,740	23,131	29450	22952
Secondary Income debit	157	264	128	201	229	232	367	297	227
Balance on secondary Income	20,065	22,027	23,076	23,403	23,571	24,758	25,435	32730	24012
Capital Account Balance	1,857	375	273	375	376	229	285	224	169
Capital Account credit	1,857	375	279	375	376	229	288	224	169
Capital Account debit	0	0	6	0	0	0	3	0	0
Net lending (+) / Net borrowing (–)									
(Current and Capital Accounts)	-1,273	-2,440	-4,688	-11,895	-18,819	-13,205	-4,164	-2596	-13000
Financial Account	-5,553	-5,119	-6,878	-9,855	-13,611	-11,759	-9,313	-8768	-8496
Direct investment	-1,572	-960	-2,374	-2,320	-2,772	-1,436	-2,652	-1,648	-1260
Direct Investment Abroad	128	73	19	86	10	-74	-54	171	26
Direct Investment in Pakistan	1,700	1,033	2,393	2,406	2,782	1,362	2,598	1,819	1286
Portfolio investment	-2,762	-1,886	429	250	-2,257	1,274	409	-2774	-183
Portfolio Investment Abroad	-23	-44	100	-1	-48	-144	-115	-12	-21
Portfolio Investment in Pakistan	2,739	1,842	-329	-251	2,209	-1,418	-524	2762	162
Financial Derivatives (other than reserves) and ESOs*	2	-2	0	0	0	0	-8	0	-2
Other Investment	-1,221	-2,271	-4,933	-7,785	-8,582	-11,597	-7,062	-4346	-7051
Net Acquisition of Financial Assets	-211	-71	96	1,180	273	-67	-127	1,345	2435
Net Incurrence of Liabilities	1,010	2,200	5,029	8,965	8,855	11,530	6,935	5691	9486
of which									
General Government	1,610	1,400	3,445	5,040	4,894	4,294	5,919	5738	5019
Disbursements	4,349	4,243	6,159	9,414	8,507	8,255	13,181	9808	7780
Credit and Loans with the IMF (Other than Reserves)	0	0	0	0	0	0	2,834	500	1053
Other Long Term	3,617	3,088	4,498	8,251	6,782	6,610	8,736	8060	4933
Short Term	732	1,155	1,661	1,163	1,725	1,645	1,611	1248	1794
Amortization	2,734	2,841	2,714	4,374	4,107	5,982	7,299	5855	6394
Credit and Loans with the IMF (Other than Reserves)	900	563	53	0	0	0	0	0	0
Other Long Term	1,834	1,696	1,927	2,981	2,619	4,444	6,117	5071	5983
Short Term	0	582	734	1,393	1,488	1,538	1,182	784	411
Other Liabilities (Net)	-5	-2	0	0	494	2,021	37	1,785	3633
Net Errors and Omissions	-422	-33	462	94	-933	-58	150	-619	-608
Overall Balance	-3,858	-2,646	-2,652	1,946	6,141	1,504	-5,299	-5553	5112
Reserves and Related Items	3,858	2,646	2,652	-1,946	-6,141	-1,504	5,299	5553	-5112
Use of Fund Credit and Loans	-573	1,949	2,009	102	-86	-376	-745	-1080	-734
Exceptional Financing	0	0	0	0	0	0	0	0	0
SBP Gross Reserves	10,509	14,836	19,446	17,550	11,341	9,301	13,724	18716	12899

P: Provisional R: Revised

Source: State Bank of Pakistan

* : Employee Stock Options

TABLE 8.2

COMPONENTS OF BALANCE OF PAYMENTS (AS PERCENT OF GDP)

Year	Exports *	Imports *	Trade Deficit *	Worker's Remittances #	Current Account Balance #
2010-11	11.6	18.9	7.3	5.2	0.1
2011-12	10.5	20.0	9.5	5.9	-2.1
2012-13	10.6	19.4	8.9	6.0	-1.1
2013-14	10.3	18.4	8.2	6.5	-1.3
2014-15	8.7	16.9	8.2	6.9	-1.0
2015-16**	6.6	14.2	7.6	6.3	-1.6
2016-17	6.0	15.6	9.6	5.7	-3.6
2017-18	6.5	17.0	10.5	5.6	-5.4
2018-19	7.1	17.0	9.9	6.8	-4.2
2019-20	7.1	14.8	7.7	7.7	-1.5
2020-21	7.3	16.2	8.9	8.5	-0.8
July-March					
2020-21	5.4	11.3	6.0	6.2	-0.08
2021-22 P	6.1	15.4	9.3	6.0	-3.4

P : Provisional Source: PBS, SBP & EA Wing, Finance Division
* : Based on the data compiled by PBS
**: Based on revised GDP base year since 2015-16 onwards
: MoF Calculation based on data compiled by SBP

TABLE 8.3

EXPORTS, IMPORTS & TRADE BALANCE

Year	Rs. million Current Prices			Growth Rate (%)			US $ million Current Prices			Growth Rate (%)		
	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance
2010-11	2,120,847	3,455,287	-1,334,440	31.12	18.70	3.16	24,810	40,414	-15,604	28.62	16.43	1.19
2011-12	2,112,140	4,009,093	-1,896,953	-0.48	16.03	42.27	23,624	44,912	-21,288	-4.78	11.13	36.43
2012-13	2,366,478	4,349,880	-1,983,402	12.12	8.50	4.47	24,460	44,950	-20,490	3.54	0.08	-3.75
2013-14	2,583,463	4,630,521	-2,047,058	9.17	6.45	3.21	25,110	45,073	-19,963	2.66	0.27	-2.57
2014-15	2,397,513	4,644,152	-2,246,639	-7.20	0.29	9.75	23,667	45,826	-22,159	-5.75	1.67	11.00
2015-16	2,166,846	4,658,749	-2,491,903	-9.62	0.31	10.92	20,787	44,685	-23,898	-12.17	-2.49	7.85
2016-17	2,138,186	5,539,721	-3,401,535	-1.32	18.91	36.50	20,422	52,910	-32,488	-1.76	18.41	35.94
2017-18	2,555,043	6,694,897	-4,139,854	19.50	20.85	21.71	23,212	60,795	-37,583	13.66	14.90	15.68
2018-19	3,128,230	7,443,253	-4,315,023	22.43	11.18	4.23	22,958	54,763	-31,805	-1.09	-9.92	-15.37
2019-20	3,369,782	7,029,819	-3,660,037	7.72	-5.55	-15.18	21,394	44,553	-23,159	-6.81	-18.64	-27.18
2020-21	4,041,927	8,982,441	-4,940,514	19.95	27.78	34.99	25,304	56,380	-31,076	18.28	26.55	34.19
July- March												
2020-21	3,020,244	6,376,138	-3,355894	10.83	17.33	23.87	18,687	39,489	-20,802	7.13	13.51	19.92
2021-22 P	4,018,802	10119,009	-6100207	33.06	58.70	81.78	23,350	58,868	-35,518	24.95	49.07	70.74

P : Provisional Source: Pakistan Bureau of Statistics

TABLE 8.4

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

Groups	2016-17	2017-18	2018-19	2019-20	2020-21	July-March	
						2020-21	2021-22 P
All Groups							
Exports	703.39	735.40	794.77	841.44	903.14	903.54	1189.97
Imports	1,199.54	1,261.25	1342.30	1369.71	1450.51	1418.76	1818.16
T.O.T.	58.47	58.32	59.21	61.43	62.26	63.69	65.45
Food & Live Animals							
Exports	923.60	1,134.29	1229.51	1280.54	1355.88	1355.92	1522.91
Imports	829.56	943.23	908.93	1172.18	1179.43	1208.55	1352.08
T.O.T.	111.34	120.26	135.27	109.24	114.96	112.19	112.63
Beverages & Tobacco							
Exports	1,225.01	1,061.25	860.48	830.28	776.77	784.56	954.45
Imports	1,762.07	1,656.22	1325.61	1287.99	1488.28	1529.54	1409.99
T.O.T.	69.52	64.08	64.91	64.46	52.19	51.29	67.69
Crude Materials(inedible except fuels)							
Exports	888.69	1,043.30	1119.52	1327.78	1210.79	1234.64	1422.61
Imports	1,019.86	1,020.56	1102.13	1228.58	1284.58	1263.92	1591.49
T.O.T.	87.14	102.23	101.58	108.07	94.26	97.68	89.39
Minerals, Fuels & Lubricants							
Exports	1,126.22	1,485.92	2016.59	1894.55	1624.56	1556.44	2424.30
Imports	811.76	1,030.32	1564.46	1411.00	1259.52	1176.60	1980.39
T.O.T.	138.74	144.22	128.90	134.27	128.98	132.28	122.42
Chemicals							
Exports	1,017.19	1,054.28	1129.18	1252.79	1256.13	1324.48	1202.64
Imports	1,277.08	1,264.05	1335.10	1455.62	1426.78	1426.06	1633.80
T.O.T.	79.65	83.40	84.58	86.07	88.04	92.88	73.61
Animal & Vegetable Oils, Fats & Waxes							
Exports	-	-	-	-	-	-	-
Imports	1,090.65	1,010.73	995.35	1133.53	1451.50	1410.51	1987.37
T.O.T.	-	-	-	-	-	-	-
Manufactured Goods							
Exports	595.81	580.96	616.90	647.03	669.74	670.55	1045.49
Imports	927.03	939.97	1110.15	1289.64	1333.21	1335.18	1472.37
T.O.T.	64.27	61.81	55.57	50.17	50.24	50.22	71.01
Machinery, Transport & Equipment							
Exports	1,741.77	1,838.42	1466.32	1129.99	1393.65	1393.90	1664.05
Imports	1,872.19	1,913.85	1458.64	1387.32	1895.14	1881.00	2111.36
T.O.T.	93.03	96.06	100.53	81.45	73.54	74.10	78.81
Miscellaneous Manufactured Articles							
Exports	786.63	820.87	887.27	982.56	1185.14	1191.24	1300.53
Imports	2,494.45	2,652.61	2186.14	2019.53	1989.64	2021.81	2344.45
T.O.T.	31.54	30.95	40.59	48.65	59.57	58.92	55.47

- : Not available

Source: Pakistan Bureau of Statistics

P: Provisional

TABLE 8.5 A

ECONOMIC CLASSIFICATION OF EXPORTS

Rs million

Year	Primary Commodities		Semi-Manufactured		Manufactured Goods		Total Value*
	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share	
2010-11	377,536	18	274,500	13	1,468,811	69	2,120,847
2011-12	362,404	17	261,831	12	1,486,370	71	2,110,605
2012-13	364,127	15	391,151	17	1,611,199	68	2,366,478
2013-14	420,496	16	369,066	14	1,793,901	70	2,583,463
2014-15	402,750	17	352,074	15	1,642,689	68	2,397,513
2015-16	356,584	16	254,329	12	1,555,933	72	2,166,846
2016-17	331,040	15	246,319	12	1,560,826	73	2,138,186
2017-18	454,351	18	307,567	12	1,793,125	70	2,555,043
2018-19	567,876	18	307,322	10	2,253,032	72	3,128,230
2019-20	629,112	19	283,213	08	2,457,457	73	3,369,782
2020-21	629,971	16	284,605	07	3,127,350	77	4,041,927
July-March							
2020-21	478,712	16	206,180	07	2,335,352	77	3,020,244
2021-22 P	634,719	16	269,255	07	3,114,827	78	4,018,802

P : Provisional

Source: Pakistan Bureau of Statistics

* : Total may differ due to rounding off figure

TABLE 8.5 B

ECONOMIC CLASSIFICATION OF IMPORTS

Rs million

Year	Capital Goods		Industrial Raw Material For				Consumer Goods		Total Value *
			Capital Goods		Consumer Goods				
	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share	
2010-11	829,005	24	239,525	7	1,826,243	53	560,512	16	3,455,285
2011-12	911,561	23	262,212	7	2,292,309	57	543,011	14	4,009,093
2012-13	1,049,775	24	293,733	7	2,353,818	54	652,553	15	4,349,880
2013-14	1,081,329	23	306,810	7	2,462,189	53	780,192	17	4,630,521
2014-15	1,233,341	27	388,167	8	2,214,664	48	807,980	17	4,644,152
2015-16	1,482,878	31	417,210	9	1,887,884	41	870,977	19	4,658,748
2016-17	1,887,928	34	470,891	9	2,199,168	40	981,733	18	5,539,721
2017-18	2,084,584	31	660,986	10	2,878,788	43	1,070,539	16	6,694,897
2018-19	2,062,358	28	747,761	10	3,301,354	44	1,331,780	18	7,443,253
2019-20	2,016,700	29	757,355	11	2,978,352	42	1,277,412	18	7,029,818
2020-21	2,497,994	28	980,837	11	3,844,593	43	1,659,015	18	8,982,441
July-March									
2020-21	1,772,940	28	685,728	11	2,701734	42	1,215735	19	6,376,138
2021-22 P	2,507,941	25	1,055,315	10	4,351,304	43	2,204,449	22	10,119,009

P: Provisional

Source: Pakistan Bureau of Statistics

* : Total may differ due to rounding off figures

TABLE 8.6

MAJOR IMPORTS

Rs million

Items	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	July-March 2020-21	July-March 2021-22 P
1. Chemicals	447,521	498,340	532,197	540,558	579,959	719,354	865,613	851,989	1,063,394	758,404	1,076,381
2. Drugs & medicines	80,736	81,399	96,183	96,135	102,110	118,122	148,428	157,763	221,027	135,173	642,697
3. Dyes and colours	29,932	38,601	40,221	43,345	47,334	55,255	72,491	65,958	87,948	64,287	79,260
4. Chemical Fertilizers	63,277	73,058	92,641	75,667	67,063	90,879	105,162	89,580	114,521	71,307	114,762
5. Electrical goods	81,728	114,784	122,183	187,163	243,082	236,896	239,618	349,334	259,081	173,974	255,530
6. Machinery (non-electrical)	473,258	551,829	633,733	712,920	996,128	1,045,502	984,410	1,042,935	1,365,097	982,849	1,246,193
7. Transport equipment	228,987	219,877	263,622	297,225	332,549	462,630	397,772	229,955	455,168	309,548	556,090
8. Paper, board & stationery	38,970	44,362	56,130	56,930	59,960	69,096	78,298	66,947	75,259	55,648	69,922
9. Tea	35,632	30,827	34,532	53,491	54,839	60,368	77,367	84,354	92,834	70,424	83,888
10. Sugar-refined	501	635	631	645	535	554	534	608	20,893	20,710	32,208
11. Art-silk yarn	52,328	63,596	69,028	64,612	66,478	72,996	94,611	79,126	104,697	80,711	111,601
12. Iron, steel &Manu-factures thereof	193,543	180,530	226,030	261,291	228,719	344,595	401,045	319,554	390,487	289,708	450,336
13. Non-ferrous metals	37,693	44,389	44,709	51,722	55,534	67,736	61,698	49,606	77,951	52,949	77,302
14. Petroleum & products	1,447,531	1,527,753	1,195,025	794,697	982,619	1,289,222	1,475,012	1,171,969	1,316,909	885,217	1,888,165
15. Edible oils	196,776	206,955	186,010	195,200	212,327	238,563	265,430	300,008	440,317	308,488	487,124
16. Grains, pulses & flour	45,239	52,710	71,742	77,525	110,483	72,603	84,754	112,183	286,736	238,954	233,406
17. Other imports	896,228	900,876	979,535	1,149,622	1,340,002	1,750,526	2,091,010	2,057,949	2610,122	1,877,788	2,714,144
Grand Total	4,349,880	4,630,521	4,644,152	4,658,749	5,539,721	6,694,897	7,443,253	7,029,818	8,982,441	6,376,138	10,119,009

P : Provisional

Source: Pakistan Bureau of Statistics

TABLE 8.7

MAJOR EXPORTS

Rs million

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	July-March	
										2020-21	2021-22 P
1. Rice	186,304	222,907	206,266	194,246	168,244	224,739	285,031	343,916	325,585	251,312	310,336
2. Fish and Fish preparations	30,755	37,918	35,429	33,918	41,214	49,755	60,405	64,118	66,040	48,972	53,813
3. Fruits	37,772	45,196	44,375	44,607	39,878	43,842	56,272	67,769	76,846	61,079	67,931
4. Wheat	6,064	732	291	17	109	27,109	20,124	1,815	-	-	-
5. Sugar	51,643	29,638	32,686	13,818	16,867	56,379	31,147	11,063	-	-	-
6. Meat and Meat Preparations	20,362	23,650	24,657	28,036	23,103	24,920	33,438	48,021	52,978	39,937	43,000
7. Raw Cotton	14,882	21,353	14,931	7,948	4,559	6,184	2,709	2,669	131	98	1,160
8. Cotton Yarn	217,123	205,660	187,376	131,700	130,216	151,063	152,726	155,158	161,781	116,119	156,067
9. Cotton Fabrics	260,347	285,130	248,431	230,757	223,675	242,374	285,625	287,877	307,157	229,679	308,842
10. Hosiery (Knitwear)	196,408	235,564	243,719	246,267	247,242	298,374	394,748	440,104	609,576	449,952	641,198
11. Bed wear	172,538	219,962	213,018	210,543	223,812	248,538	307,202	338,750	443,286	332,181	420,355
12. Towels	75,060	78,889	80,778	83,681	83,819	87,633	107,043	111,969	149,783	111,896	141,139
13. Readymade Garments	175,662	196,198	212,210	228,861	242,782	283,498	362,320	401,355	485,061	366,997	492,800
14. Art Silk and Synthetic Textiles	39,369	39,508	33,485	30,005	19,638	34,069	40,433	49,548	59,106	43,470	59,093
15. Carpets, Carpeting Rugs & Mats	11,839	12,935	12,098	10,186	8,219	8,317	9,147	8,516	11,844	8,777	10,493
16. Sports Goods excl. Toys	31,888	37,260	34,294	33,862	32,285	37,710	41,995	41,286	44,443	31,130	44,738
17. Leather Excluding Reptile Leather (Tanned)	48,378	56,496	49,583	37,803	36,180	36,330	34,269	29,001	25,791	18,295	26,617
18. Leather Manufactures	54,000	64,368	60,429	54,788	51,421	57,422	66,146	74,588	90,110	69,300	79,519
19. Foot wear	10,037	12,208	13,304	11,453	10,024	11,913	16,734	19,839	21,125	16,023	20,054
20. Medical & Surgical Instruments	29,316	34,726	34,576	37,408	35,574	41,618	52,970	55,960	68,506	52,485	52,813
21. Chemicals and Pharmaceuticals	84,213	120,391	99,339	83,752	92,176	114,350	154,532	159,377	183,253	136,133	187,990
22. Engineering goods	28,030	33,487	22,675	19,645	18,238	22,882	23,518	27,229	36,042	26,440	28,917
23. Jewellery	112,419	33,844	668	833	610	644	661	506	2,162	1,060	1,752
24. Cement and cement Products	55,878	52,147	44,943	33,468	24,896	24,420	36,550	40,849	42,959	34,051	34,418
25. All other items	421,592	483,295	447,952	359,244	363,405	420,960	552,485	588,499	778,362	574,856	835,757
Total Exports	2,371,879	2,583,463	2,397,513	2,166,846	2,138,186	2,555,043	3,128,230	3,369,782	4,041,927	3,020,244	4,018,802

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 8.8

DESTINATION OF EXPORTS & ORIGIN OF IMPORTS

% Share

REGION	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	July-March 2020-21	July-March 2021-22 P
1. Developed Countries											
Exports	41.5	44.7	46.7	51.6	53.4	52.2	53.6	54.5	57.8	57.5	57.3
Imports	21.5	20.5	20.9	23.3	22.5	22.0	21.8	21.0	20.5	21.4	19.7
a. OECD											
Exports	40.4	43.5	45.5	50.5	52.2	50.8	52.3	53.0	56.5	56.2	56.1
Imports	20.5	18.5	18.4	20.9	20.6	20.1	19.9	19.3	18.3	18.8	17.0
b. Other European Countries											
Exports	1.1	1.2	1.1	1.1	1.2	1.3	1.3	1.4	1.3	1.3	1.2
Imports	1.0	2.0	2.5	2.4	1.9	1.9	1.8	1.7	2.3	2.6	2.7
2. CMEA*											
Exports	1.5	1.6	1.7	1.9	2.1	2.0	2.2	2.3	2.5	2.6	2.2
Imports	1.0	1.0	1.3	0.9	1.3	1.0	0.9	1.1	1.9	2.1	1.1
3. Developing Countries											
Exports	57.0	53.7	51.6	46.6	44.6	45.8	44.2	43.3	39.7	39.9	40.5
Imports	77.6	78.5	77.8	75.8	76.2	77.0	77.3	77.9	77.6	76.5	79.2
a. OIC											
Exports	26.5	23.3	20.9	18.6	17.2	17.5	16.7	17.6	14.7	15.0	12.8
Imports	40.5	39.4	33.2	24.7	26.2	28.2	30.8	27.3	25.7	25.2	27.7
b. SAARC											
Exports	5.6	5.5	5.6	6.0	6.1	6.1	5.8	4.6	3.7	3.8	4.5
Imports	4.3	4.8	4.0	4.3	3.5	3.4	3.0	1.1	0.8	0.9	0.7
c. ASEAN											
Exports	2.8	2.6	3.6	2.6	2.8	3.7	3.4	3.3	3.1	3.0	3.7
Imports	11.0	11.0	10.7	10.2	9.8	10.2	10.3	10.4	10.9	11.0	11.3
d. Central America											
Exports	0.8	0.7	0.8	0.8	0.8	0.7	0.7	0.7	0.6	0.5	0.7
Imports	0.1	0.1	0.1	0.2	0.2	0.3	0.2	0.4	0.2	0.2	0.2
e. South America											
Exports	1.4	1.4	1.3	1.2	1.2	1.2	1.1	1.0	1.1	1.0	1.3
Imports	0.8	0.8	1.3	2.2	1.4	1.5	1.2	2.0	2.7	2.0	1.8
f. Other Asian Countries											
Exports	15.4	14.9	14.1	12.1	11.5	11.3	11.9	10.6	11.9	11.9	12.9
Imports	18.2	20.2	25.6	30.7	31.6	29.3	27.0	31.6	32.4	32.2	31.6
g. Other African Countries											
Exports	4.4	5.2	5.2	5.0	4.7	4.8	4.2	4.9	4.0	4.1	3.7
Imports	2.6	2.2	2.9	3.4	3.4	4.1	4.8	5.1	4.8	4.9	5.9
h. Central Asian States											
Exports	0.1	0.1	0.1	0.2	0.3	0.4	0.5	0.4	0.6	0.5	0.9
Imports	-	-	-	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.2
Total	100	100	100	100	100	100	100	100	100	100	100

P: Provisional - : Not available Source: Pakistan Bureau of Statistics

*: Council for Mutual Economic Assistance

TABLE 8.9

WORKERS' REMITTANCES

US $ million

COUNTRY	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	July-March	
										2020-21	2021-22 P
I. Cash Flow	13,921.6	15,837.7	18,719.8	19,916.8	19,351.3	19,913.6	21,739.4	23,132.3	29,449.9	21,436.5	22,952.0
Bahrain	282.8	318.8	389.0	448.4	396.4	355.7	340.2	417.1	470.8	353.8	390.8
Canada	177.2	160.0	171.0	176.0	187.4	211.1	213.0	313.4	594.8	395.4	510.3
Germany	83.2	85.6	78.1	93.7	94.1	127.8	123.5	392.2	431.9	312.5	377.5
Japan	5.2	7.1	7.8	13.2	14.3	22.8	23.0	66.4	85.2	65.8	56.8
Kuwait	619.0	681.4	748.1	774.0	763.8	774.2	725.8	738.6	861.6	635.6	692.3
Norway	37.8	30.8	27.6	34.9	41.3	47.8	43.5	69.7	111.8	78.9	107.2
Qatar	321.3	329.2	350.2	380.9	404.4	371.1	385.9	760.2	910.7	667.0	751.9
Saudi Arabia	4,104.7	4,729.4	5,630.4	5,968.3	5,469.8	4,858.8	5,003.0	6,613.5	7,726.3	5,738.9	5,809.9
Sultanat-e-Oman	384.8	530.5	685.7	819.4	760.9	657.3	667.2	994.3	1,088.6	805.1	830.6
U.A.E.	2,750.2	3,109.5	4,231.8	4,365.3	4,328.0	4,359.0	4,617.3	5,611.8	6,164.8	4,524.8	4,283.9
Abu Dhabi	1,485.0	1,512.5	1,750.7	1,418.3	1,426.8	1,132.7	1,488.0	810.4	944.8	644.8	857.7
Dubai	1,213.8	1,550.0	2,412.0	2,877.7	2,845.3	3,173.7	3,075.5	4,768.2	5,116.0	3,807.7	3,370.0
Sharjah	49.8	45.5	67.6	66.5	50.5	47.6	37.2	25.1	79.4	52.3	43.1
Others	1.5	1.5	1.5	2.8	5.5	5.0	16.7	8.1	24.6	20.1	13.1
U.K.	1,946.0	2,180.2	2,376.2	2,579.7	2,341.7	2,892.4	3,412.3	2,569.0	4,091.0	2,905.6	3,187.3
U.S.A	2,186.2	2,467.7	2,702.7	2,524.7	2,452.9	2,838.0	3,309.1	1,742.8	2,599.6	1,830.5	2,211.3
Other Countries	1,023.2	1,207.4	1,321.3	1,738.4	2,096.2	2,397.7	2,875.7	2,843.3	4,313.0	3,122.60	3,742.2
II. Encashment*	0.1	0.0	0.2	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total (I+II)	13,921.7	15,837.7	18,720.0	19,916.8	19,351.3	19,913.6	21,739.5	23,132.3	29449.9	21436.5	22,952.0

Source: State Bank of Pakistan

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

TABLE 8.9

WORKERS' REMITTANCES

% Share

COUNTRY	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	July-March	
										2020-21	2021-22 P
Cash Flow											
Bahrain	2.03	2.01	2.08	2.25	2.05	1.8	1.56	1.80	1.6	1.7	1.7
Canada	1.27	1.01	0.91	0.88	0.97	1.1	0.98	1.35	2.0	1.8	2.2
Germany	0.60	0.54	0.42	0.47	0.49	0.6	0.57	1.70	1.5	1.5	1.6
Japan	0.04	0.04	0.04	0.07	0.07	0.1	0.11	0.29	0.3	0.3	0.2
Kuwait	4.45	4.30	4.00	3.89	3.95	3.9	3.34	3.19	2.9	3.0	3.0
Norway	0.27	0.19	0.15	0.18	0.21	0.2	0.20	0.30	0.4	0.4	0.5
Qatar	2.31	2.08	1.87	1.91	2.09	1.9	1.78	3.29	3.1	3.1	3.3
Saudi Arabia	29.48	29.86	30.08	29.97	28.27	24.4	23.01	28.59	26.2	26.8	25.3
Sultanat-e-Oman	2.76	3.35	3.66	4.11	3.93	3.3	3.07	4.30	3.7	3.8	3.6
U.A.E.	19.75	19.63	22.61	21.92	22.37	21.9	21.24	24.26	20.9	21.1	18.7
Abu Dhabi	10.67	9.55	9.35	7.12	7.37	5.7	6.84	3.50	3.2	3.0	3.7
Dubai	8.72	9.79	12.88	14.45	14.70	15.9	14.15	20.61	17.4	17.8	14.7
Sharjah	0.36	0.29	0.36	0.33	0.26	0.2	0.17	0.11	0.3	0.2	0.2
Others	0.01	0.01	0.01	0.01	0.03	0.0	0.08	0.03	0.1	0.1	0.1
U.K.	13.98	13.77	12.69	12.95	12.10	14.5	15.70	11.11	13.9	13.6	13.9
U.S.A	15.70	15.58	14.44	12.68	12.68	14.3	15.22	7.53	8.8	8.5	9.6
Other Countries	7.35	7.62	7.06	8.73	10.83	12.0	13.23	12.29	14.6	14.5	16.3
Total	100	100	100	100	100	100	100	100	100	100	100

P: Provisional

Source: State Bank of Pakistan

TABLE 8.10

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

Rs million

	Total				Cash [2]				Gold [1]			
Period	Jun*	Dec.*	Low	High	Jun*	Dec.*	Low	High	Jun*	Dec.*	Low	High
2011 R	1,696,181	1,584,975	1,556,926	1,775,642	1,428,227	1,299,849	1,294,186	1,445,662	267,954	285,126	235,433	329,980
2012	1,438,697	1,314,155	1,299,786	1,584,430	1,125,621	980,592	954,440	1,257,965	313,077	333,563	303,074	348,805
2013	963,392	774,197	753,136	1,302,120	717,295	512,038	471,447	965,052	246,097	262,159	246,097	337,068
2014	1,307,687	1,449,882	754,644	1,449,882	1,038,379	1,200,107	481,286	1,200,107	269,308	249,775	248,274	288,264
2015	1,757,189	2,034,391	1,452,365	2,034,391	1,510,039	1,803,668	1,188,267	1,803,668	247,151	230,723	230,723	264,097
2016	2,325,799	2,307,147	2,001,893	2,404,776	2,038,628	2,055,633	1,759,993	2,128,176	287,170	251,514	241,900	291,829
2017	2,110,682	2,037,749	1,789,701	2,229,859	1,840,320	1,740,610	1,509,347	1,966,073	270,361	297,139	263,786	297,139
2018	1,693,453	1,631,886	1,590,720	1,906,897	1,377,842	1,262,167	1,258,993	1,598,188	315,611	369,719	302,540	369,719
2019	1,957,315	2,546,110	1,766,630	2,546,110	1,488,690	2,056,041	1,386,208	2,056,041	468,625	490,069	376,650	498,191
2020	2,923,806	3,006,317	2,546,494	3,021,459	2,306,312	2,379,318	1,960,582	2,379,318	617,495	626,999	508,578	681,860
2021	3,525,879	4,031,780	2,813,795	4,210,904	2,948,523	3,364,010	2,276,950	3,583,263	577,356	667,770	536,845	667,770
2022 P	-	-	3,107,319	3,862,595	-	-	2,366,656	3,169,933	-	-	659,413	740,663

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

1: Gold excludes unsettled claims of Gold on RBI

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

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

TABLE 8.11

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

Country	Currency	(Average During the Year)									July-March
		2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 P
Australia	Dollar	99.2813	94.4043	84.6706	75.8551	78.9703	85.1230	97.1750	105.9281	119.3876	125.0998
Bangladesh	Taka	1.2059	1.3232	1.3045	1.3327	1.3263	1.3414	1.6203	1.8636	1.8864	2.0187
Canada	Dollar	96.3207	96.1939	86.6031	78.6541	78.9236	86.5105	102.7630	117.6982	124.7096	135.9614
China	Yuan	15.5063	16.7639	16.3639	16.1983	15.4059	16.9332	19.9618	22.4714	24.1827	26.8375
Hong Kong	Dollar	12.4764	13.2668	13.0664	13.4416	13.5015	14.0663	17.3843	20.2849	20.6442	22.0592
India	Rupee	1.7658	1.6757	1.6354	1.5735	1.5778	1.6903	1.9323	2.1845	2.1727	2.2999
Iran	Rial	0.0079	0.0041	0.0037	0.0035	0.0033	0.0030	0.0032	0.0038	0.0038	0.0041
Japan	Yen	1.1116	1.0180	0.8865	0.8959	0.9611	0.9965	1.2257	1.4617	1.5034	1.5142
Kuwait	Dinar	342.4219	364.0262	346.1203	345.2872	345.0024	364.9610	448.8278	516.4404	526.2587	568.6324
Malaysia	Ringgit	31.3927	31.6823	29.3817	25.2457	24.4675	27.0716	33.0115	37.5510	38.7926	40.9896
Nepal	Rupee	1.1044	1.0477	1.0222	0.9838	0.9861	1.0565	1.2070	1.3770	1.3550	1.4439
Norway	Krone	16.8037	17.0596	14.2794	12.4110	12.4644	13.7701	16.0675	16.9236	18.2895	19.5785
Singapore	Dollar	78.0767	81.6310	77.3079	74.9776	75.1927	81.9160	99.7173	114.1680	118.7881	126.7882
Sri Lanka	Rupee	0.7524	0.7862	0.7701	0.7372	0.7031	0.7107	0.7853	0.8669	0.8409	0.8555
Sweden	Krona	14.6811	15.7629	13.1103	12.4006	11.8827	13.2473	14.8779	16.3999	18.6777	19.2105
Switzerland	Franc	102.7673	113.7726	107.4720	106.3904	105.5866	113.2043	136.7574	161.7409	175.8046	186.2771
S. Arabia	Riyal	25.8099	27.4313	27.0040	27.7996	27.9260	29.2998	36.2985	42.1047	42.6535	45.7523
Thailand	Baht	3.1909	3.2278	3.1076	2.9393	3.0034	3.3964	4.2335	5.0949	5.1892	5.1937
UAE	Dirham	26.3384	28.0070	27.5787	28.3865	28.5170	29.9164	37.0585	43.0181	43.5597	46.7435
UK	Pound	151.5965	167.2207	159.4351	154.4878	132.7123	148.0433	175.9308	199.0651	215.2793	232.6702
USA	Dollar	96.7272	102.8591	101.2947	104.2351	104.6971	109.8444	136.0901	158.0253	160.0219	171.6739
EMU	Euro	125.1227	139.4950	121.6726	115.6294	114.0341	131.0859	155.0710	174.5851	190.7393	196.9029
IMF	SDR	147.2259	158.0043	146.9546	145.8777	143.8126	156.7849	189.5557	217.2951	228.2827	241.9621

P: Provisional

Source: State Bank of Pakistan

PUBLIC DEBT

TABLE 9.1

PUBLIC & PUBLICLY GUARANTEED DEBT OUTSTANDING (AS ON 31-03-2022)

Country/Creditor				US$ million
I.	I. BILATERAL			Amount
	a.	Paris Club Countries		
		AUSTRIA		24
		BELGIUM		17
		CANADA		50
		FINLAND		3
		FRANCE		1,598
		GERMANY		1,299
		ITALY		161
		JAPAN		4,632
		KOREA		415
		THE NETHERLANDS		78
		NORWAY		10
		RUSSIA		72
		SPAIN		63
		SWEDEN		88
		SWITZERLAND		79
		UNITED KINGDOM		5
		UNITED STATES		1,113
			Sub Total I.a. Paris Club Countries	9,708
	b.	Non Paris Club Countries		
		CHINA		14,503
		KUWAIT		143
		LIBYA		1
		SAUDI ARABIA		982
		UNITED ARAB EMIRATES		26
			Sub Total I.b. Non-Paris Club Countries	15,656
	c.	Commercial Banks		8,770
	d.	SAFE/TIME Deposit		7,000
			Total I. (a+b+c+d)	41,134
II.	MULTILATERAL & Others			
		ASIAN DEVELOPMENT BANK (ADB)		14,028
		INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)		1,875
		INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)		16,274
	Other			2,336
		ASIAN INFRASTRUCTURE INVESTMENT BANK (AIIB)		867
		ISLAMIC DEVELOPMENT BANK (IDB)		1,007
		INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)		316
		NORDIC DEVELOPMENT FUND		6
		OPEC FUND		99
		ECO TRADE BANK		40
			Sub Total II. Multilateral & Others	34,513
III.	BONDS			8,800
IV.	IDB (SHORT TERM CREDIT)			1,301
V.	LOCAL CURRENCY BONDS (TBs & PIBs)			226
VI.	PAKISTAN BANAO CERTIFICATES (PBCs), NAYA PAKISTAN CERTIFICATES (NPCs)			1,385
			Grand Total: (I+II+III+IV+V+VI)	87,359

Note: Excluding IMF Loans

Source: Economic Affairs Division

TABLE 9.2

COMMITMENTS AND DISBURSEMENTS OF LOANS AND GRANTS (BY TYPE)

US$ million

Fiscal Year	Project Aid		Non-Project Aid								Total*	
			Non-Food		Food		BOP		Relief			
	Commit-ment	Disburse-ment	Commit-ment	Disburse-ment	Commit-ment	Disburse-ment	Commit-ment	Disburse-ment	Commit-ment	Disburse-ment	Commit-ment	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	1,280	3,466	-	-	-	-	7,129	7,352	1	1	8,410	10,819
2019-20	1,962	3,117	-	-	-	-	7,922	8,783	-	-	9,884	11,900
2020-21	4,332	3,376	-	-	-	-	12,127	10,908	-	2	16,459	14,285
2021-22 (Jul-Mar)	1,810	2,550	-	-	-	-	10,087	10,217	-	0	11,897	12,767

*: Excluding 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

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%	7.7%	1.9%
2003-04	28,900	5,392	2,125	1,372	2,513	702	3,215	25.8%	14.6%	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%	6.7%	1.6%
2006-07	35,673	6,277	4,059	3,356	1,283	819	2,102	12.2%	6.4%	1.4%
2007-08	40,770	6,540	3,398	3,160	1,130	949	2,079	10.2%	5.6%	1.2%
2008-09	42,567	7,451	5,792	4,032	2,566	873	3,439	18.0%	9.7%	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	46,458	9,797	4,580	2,620	1,925	762	2,687	10.6%	5.6%	1.3%
2011-12	46,349	10,316	4,679	3,089	1,534	717	2,251	9.1%	4.7%	1.0%
2012-13	44,350	9,954	1,278	2,486	1,903	709	2,612	10.5%	5.2%	1.1%
2013-14	48,978	15,770	11,263	3,760	2,074	736	2,810	11.2%	5.5%	1.1%
2014-15	47,832	18,559	3,621	3,601	2,262	949	3,211	13.3%	6.1%	1.2%
2015-16	52,979	20,669	14,215	4,693	3,202	1,092	4,294	19.5%	8.4%	1.4%
2016-17	57,643	21,524	5,651	4,859	5,195	1,242	6,437	29.3%	12.3%	1.9%
2017-18	65,526	19,573	4,120	4,320	4,175	1,636	5,811	23.5%	10.5%	1.6%
2018-19	70,601	17,739	3,119	5,578	7,054	2,067	9,121	37.6%	16.3%	2.8%
2019-20	74,558	19,032	5,803	7,327	8,569	1,985	10,554	46.8%	19.5%	3.5%
2020-21	84,424	21,867	6,931	6,168	5,913	1,381	7,294	28.4%	11.2%	2.1%
2021-22 (Jul-Mar)	87,359	17,762	3,383	3,718	7,459	1,305	8,764	37.0%	16.3%	2.3%

*** : Excluding grants** **Source: Economic Affairs Division**

**** : Excluding IMF, Short Term Credit, Commercial Credits and Bonds**

***** : Excluding IMF Loans**

@: Public and Publicly Guaranteed Loans (Excluding IMF)

Note: PBS has changed the National Accounts base year from 2005/06 to 2015/16. The new GDP numbers are available from 2015/16

TABLE 9.4

DEBT SERVICE PAYMENTS OF FOREIGN LOANS (Paid in Foreign Exchange)

US$ million

	Fiscal Year	Kind	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 (Jul-Mar)
I.	PARIS CLUB COUNTRIES											
1.	Australia	Principal	-	-	-	-	-	-	-	-	-	-
		Interest	-	-	-	-	-	-	-	-	-	-
2.	Austria	Principal	3.7	4.9	3.8	3.8	4.0	3.9	2.8	1.5	-	-
		Interest	3.0	3.0	2.3	2.0	1.8	1.7	1.4	0.7	-	0.1
3.	Belgium	Principal	1.0	1.2	1.2	1.3	1.5	1.8	2.0	1.1	-	-
		Interest	1.7	1.8	1.5	1.3	1.2	1.2	1.1	0.5	-	-
4.	Canada	Principal	2.7	3.1	3.6	4.1	4.7	5.4	6.1	3.4	-	-
		Interest	1.0	0.8	0.7	0.8	1.2	1.3	1.9	0.8	-	-
5.	Denmark	Principal	-	-	-	-	-	-	-		-	-
		Interest	-	-	-	-	-	-	-		-	-
6.	France	Principal	39.8	52.3	53.4	57.9	79.3	109.6	115.6	66.6	-	7.2
		Interest	77.5	79.2	66.8	60.6	57.9	58.6	52.7	25.7	0.3	0.9
7.	Finland	Principal	0.2	0.2	0.4	0.3	0.3	0.4	0.4	0.5	-	-
		Interest	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-	-
8.	Germany	Principal	17.9	14.5	16.8	16.0	39.5	66.7	67.8	34.5	0.2	0.3
		Interest	16.5	26.7	25.1	24.8	22.4	22.9	19.9	10.1	0.5	-
9.	Italy	Principal	0.7	0.8	0.8	0.9	1.1	1.2	1.4	0.8	-	-
		Interest	0.2	0.2	0.1	0.2	0.2	0.2	0.3	0.1	-	-
10.	Japan	Principal	61.5	55.9	51.2	62.5	175.5	281.8	294.0	179.6	0.6	28.1
		Interest	117.6	103.3	88.1	90.4	93.8	89.9	86.2	48.2	0.1	4.0
11.	Korea	Principal	14.5	16.6	19.0	22.2	25.8	30.2	34.0	22.3	8.4	5.0
		Interest	6.9	5.9	5.5	6.1	8.0	9.3	11.8	5.9	0.6	0.3
12.	Norway	Principal	0.6	0.6	0.7	0.8	0.9	1.1	1.2	0.7	-	-
		Interest	0.3	0.2	0.2	0.2	0.2	0.3	0.3	0.2	-	-
13.	The Netherlands	Principal	0.3	0.5	0.5	0.5	2.4	4.7	4.6	2.3	-	-
		Interest	3.0	3.2	3.0	2.6	2.5	2.7	2.5	2.1	-	0.9
14.	Russia	Principal	3.7	4.3	4.9	5.6	6.4	7.3	8.4	4.6	-	-
		Interest	5.7	5.5	5.4	5.1	4.7	4.4	4.0	1.9	-	-
15.	Sweden	Principal	4.7	5.4	6.1	7.0	8.1	9.2	10.6	5.8	-	-
		Interest	1.6	1.2	1.1	1.3	1.9	2.3	3.2	1.4	-	-
16.	Spain	Principal	0.8	1.0	1.1	1.2	2.6	3.9	4.1	2.2	-	-
		Interest	1.8	1.8	1.8	1.8	1.7	1.9	2.0	1.0	-	-
17.	Switzerland	Principal	2.9	3.4	3.7	4.1	5.2	6.4	7.1	4.0	-	-
		Interest	1.2	3.9	1.1	1.0	1.0	0.9	0.8	0.4	-	-
18.	USA	Principal	5.3	6.1	7.0	8.0	25.5	43.1	45.0	23.8	-	-
		Interest	28.7	28.4	29.4	27.7	27.3	26.1	24.7	11.8	-	-
19.	UK	Principal	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.3	-	-
		Interest	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.0	-	-
	TOTAL (I)	Principal	160.5	171.1	174.6	196.6	383.1	577.3	605.5	353.8	9.1	40.6
		Interest	267.1	265.1	232.2	225.8	225.9	223.9	213.1	110.7	1.4	6.2
II.	NON-PARIS CLUB COUNTRIES											
1.	China	Principal	72.7	121.3	128.0	170.4	712.3	216.1	342.0	421.6	135.5	385.7
		Interest	74.6	103.5	139.3	141.5	205.8	240.3	388.2	450.8	169.8	234.8
2.	Czecho-Slovakia	Principal	-	-	-	-	-	-	-		-	-
		Interest	-	-	-	-	-	-	-		-	-
3.	Kuwait	Principal	8.1	7.1	7.6	10.3	9.5	11.2	12.1	12.0	11.5	14.1
		Interest	2.8	3.1	3.1	3.2	3.8	4.1	4.0	3.5	3.4	3.5
4.	Libya	Principal	-	-	-	-	-	-	-		-	-
		Interest	-	-	-	-	-	-	-		-	-
5.	Saudi Arabia	Principal	76.1	166.7	121.9	111.2	167.1	30.7	32.8	30.0	-	81.6
		Interest	4.2	7.5	5.7	5.4	7.8	4.3	5.1	10.7	-	38.6
6.	UAE	Principal	4.1	4.5	4.5	6.3	6.3	6.3	6.3	6.3	-	1.8
		Interest	1.9	3.0	1.7	1.7	1.6	1.4	1.0	0.8	-	0.6
7.	EXIM Bank (FE)	Principal	6.3	7.3	8.3	9.5	10.9	12.5	14.3	7.9	-	-
		Interest	1.2	1.2	1.1	1.1	1.1	1.9	3.5	1.8	-	-
8.	PL-480	Principal	1.2	1.2	1.2	1.2	3.1	5.1	4.8	2.4	-	-
		Interest	2.9	2.9	1.5	2.9	2.9	2.7	2.6	1.3	-	-
9.	CCC	Principal	8.5	9.7	11.1	12.7	14.6	16.7	19.1	10.6	-	-
		Interest	15.7	15.2	14.6	13.9	13.1	12.2	11.1	5.1	-	-
	TOTAL (II)	Principal	177.0	317.6	282.5	321.6	923.9	298.7	431.5	490.7	147.0	483.2
		Interest	103.4	136.5	167.0	169.7	236.0	266.9	415.5	474.0	173.3	277.4

(Contd..)

TABLE 9.4

DEBT SERVICE PAYMENTS OF FOREIGN LOANS (Paid in Foreign Exchange)

US$ million

Fiscal Year	Kind	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 (Jul-Mar)
III. MULTILATERAL											
1. ADB	Principal	737.1	728.1	721.2	755.4	778.4	757.6	744.0	803.0	846.6	663.0
	Interest	101.6	82.6	80.6	84.8	107.4	138.8	184.1	201.8	174.4	101.4
2. IBRD	Principal	177.1	165.6	156.1	147.3	128.0	136.8	117.2	85.0	87.9	99.3
	Interest	13.9	8.1	5.9	8.0	13.4	17.1	42.0	40.6	22.4	13.9
3. IDA	Principal	222.6	236.3	253.5	256.8	279.0	344.8	370.2	452.3	512.3	459.0
	Interest	92.8	96.2	113.1	125.4	151.1	174.0	178.4	187.2	213.3	179.0
4. IFAD	Principal	8.1	4.8	5.3	5.5	6.6	7.9	7.8	7.8	9.2	6.1
	Interest	1.7	1.6	1.6	1.7	1.7	1.8	1.8	1.9	2.3	1.6
5. IDB	Principal	17.4	23.6	31.6	44.6	50.8	58.5	80.8	93.1	87.7	64.1
	Interest	4.8	10.2	13.6	16.4	18.1	20.7	29.8	39.8	30.1	20.0
6. IDB (ST)	Principal	390.3	413.0	409.1	734.5	877.9	836.3	1,082.1	836.7	757.2	439.4
	Interest	11.2	15.7	18.4	47.6	51.5	61.2	52.0	48.4	40.8	24.8
TOTAL (III)	Principal	1,552.6	1,571.4	1,576.8	1,944.0	2,120.6	2,141.9	2,402.1	2,277.8	2,301.0	1,730.8
	Interest	225.9	214.5	233.3	283.8	343.2	413.7	488.2	519.7	483.2	340.7
IV. DEVELOPMENT FUNDS											
1. NORDIC	Principal	1.9	1.6	0.8	0.6	0.6	0.6	0.6	0.3	0.6	0.4
	Interest	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.0
2. OPEC Fund	Principal	3.0	3.0	4.5	6.4	6.1	6.1	9.5	9.4	9.4	5.4
	Interest	0.8	1.2	1.6	2.0	2.4	3.1	2.5	2.4	2.1	1.1
3. Turkey (EXIM Bank)	Principal	-	0.7	31.3	1.3	1.3	1.3	41.3	1.3	1.3	-
	Interest	0.2	0.2	0.9	0.7	1.5	1.6	1.8	2.0	2.0	1.0
4. E.I.Bank	Principal	8.1	8.4	8.2	7.0	5.5	5.0	5.0	-	-	-
	Interest	0.9	0.6	0.4	0.3	0.4	0.3	0.3	0.1	0.1	-
5. ANZ Bank / Standard	Principal	-	-	172.5	225.0	1,003.8	1,138.9	2,552.0	4,434.7	3,444.1	4,186.2
Charted Bank	Interest	-	6.9	12.3	55.0	65.9	284.2	443.2	485.3	357.2	294.3
TOTAL (IV)	Principal	13.0	13.6	217.3	240.2	1,017.2	1,151.9	2,608.4	4,445.8	3,455.5	4,192.0
	Interest	2.0	9.1	15.2	58.2	70.1	289.3	447.9	489.8	361.4	296.5
V. GLOBAL BONDS											
1. Euro Bonds	Principal	-	-	-	500.0	750.0	-	1,000.0	1,000.0	-	1,000.0
	Interest	110.9	110.8	301.4	354.3	366.9	422.8	502.7	395.8	361.8	339.7
2. Saindak Bonds	Principal	-	-	-	-	-	-	-	-	-	
	Interest	-	-	-	-	-	-	-		-	
3. US Dollar Bonds (NHA)	Principal	-	-	-	-	-	-	-		-	
	Interest	-	-	-	-	-	-	-		-	
TOTAL (V)	Principal	-	-	-	500.0	750.0	-	1,000.0	1,000.0	-	1,000.0
	Interest	110.9	110.8	301.4	354.3	366.9	422.8	502.7	395.8	361.8	339.7
TOTAL (I+II+III+IV+V)	Principal	1,903.0	2,073.8	2,251.2	3,202.5	5,194.8	4,169.7	7,047.4	8,568.0	5,912.5	7,446.7
	Interest	709.3	736.0	949.1	1,091.8	1,242.2	1,616.7	2,067.3	1,990.0	1,381.0	1,260.4
	Total (P+I)	2,612.3	2,809.8	3,200.4	4,294.2	6,437.1	5,786.4	9,114.8	10,558.0	7,293.5	8,707.1
VI. OTHERS											
1. NBP	Principal	-	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-	-	-
2. Bank of Indosuez	Principal	-	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-	-	-
3. NBP Bahrain	Principal	-	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-	-	-
4. ANZ Bank	Principal	-	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-	-	-
5. US Dollar Bonds	Principal	-	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-	-	-
6. Cash (ST)	Principal	-	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-	-	-
7. OTF	Principal	-	-	-	-	-	-	-	-	-	-
	Interest	0.2	0.2	-	-	-	-	-	-	-	-
8 Exchange Loss	Principal	-	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	19.4	-	-	-	-
9 Unspent Balance	Principal	-	-	10.7	-	-	5.3	6.7	1.1	0.1	11.8
	Interest	-	-	-	-	-	-	-	-	-	-
TOTAL (VI)	Principal	-	-	-	-	-	-	6.7	1.1	0.1	11.8
	Interest	0.2	0.2	-	-	-	19.4	-	-	-	-
10 SAFE Deposit (VII)	Principal	-	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-	-	44.6
TOTAL (I+II+III+IV+V+VI+VII)	Principal	1,903.0	2,073.8	2,261.9	3,202.5	5,194.8	4,175.0	7,054.2	8,569.2	5,912.6	7,458.5
	Interest	709.5	736.2	949.1	1,091.8	1,242.2	1,636.0	2,067.3	1,985.0	1,381.0	1,305.0
Grand Total (P+I)		2,612.5	2,810.0	3,211.1	4,294.2	6,437.1	5,811.1	9,121.5	10,554.2	7,293.6	8,763.5

Note: Excluding IMF Loans

Source: Economic Affairs Division

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	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. International Bonds						
1. Eurobonds				1,000.0	7.25 Fixed	5
2. Eurobonds				1,000.0	8.25 Fixed	10
3. International Sukuk				-		
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	0.0			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				340.0	LIBOR 3 months + 3.75 & 4.1	1
Sub-Total (D)	100.1			1,448.0		
E. International Bonds						
1. International Sukuk	1,000.0	6.75 Fixed	5			
2. Eurobonds				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		

*Excluding IMF Loans

(Contd.)

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	445.0	LIBOR 3 Months + 2.3 to 2.5	2	220.0	LIBOR 3 Months + 2	1
5. Bank of China	300.0	LIBOR 3 Months + 2.93	3	200.0	LIBOR CHF 3 MONTHS + 2	3
6. China Development 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. International Bonds						
1. Bonds 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		

Lending Country/Agency	2018-19			2019-20		
	Amount	Interest Rate/	Amortization	Amount	Interest Rate/	Amortization
	$ million	Commission(%)	years	$ million	Commission(%)	years
A. Paris Club Countries						
1. Germany						
2. Japan						
3.France	148.0	LIBOR EURO 6 MONTH +0.25	20			
4. Italy				23.0	Interest Free	28
5. Korea				80.0	Fixed +1.5	25
Sub-Total A	148.0			103.0		
B. Non-Paris Club						
1. China**	2,000.0	LIBOR 12 Months +1	1			
2. Kuwait						
3. Saudi Arabia						
Sub-Total B	2,000.0			0.0		
C. Multilateral						
1. IDB Short-term	926.0	LIBOR 12 Months + 2.7	1	555.8	LIBOR 12 Months + 2.7	1
2. IDB				200.0		
3. IDA	615.6	Fixed 1.25	30	1,449.0	Fixed 1.25	30
4. ADB	355.0	LIBOR 6 Months + 0.6	25	2,823.3	LIBOR 6 Months + 0.6	25
5. OPEC						
6. IBRD				652.0	LIBOR 6 Months + 0.5	25
7. IFAD				36.0		
8. EIB						
9. E.C.O BANK	40.0	LIBOR 12 Months + 1.9	1			
10.AIIB				540.0	LIBOR 6 MONTHS +0.6	16
Sub-Total C	1,936.6			6,256.1		
D. Commercial Banks						
1. SCB (London)				200.0		
2. SUISSE AG, UBL, ABL	495.0	LIBOR 3 Months + 3.25	1	200.0	LIBOR 3 Months + 3.25	1
3. Dubai Bank	685.0	LIBOR 12 Months + 2	1	445.0	LIBOR 3 Months + 2.2	1
4. Noor Bank	225.0	LIBOR 12 Months + 2.25				
5. Bank of China				500.0	LIBOR 6 Months + 2.93 and 2.65	2 and 3
6. China Development Bank	2,183.7	SHIBOR 6 Months + 2.5	3	1,700.0	LIBOR 6 Months +3	3
7. Citi Bank				150.0	LIBOR 3 Months + 2.2	
8. ICBC China	300.0	LIBOR 6 Months + 2.75	2			
9. Ajman Bank	274.0	LIBOR 6 Months + 2.20	1	267.5	LIBOR 6 Months + 2.20	1
Sub-Total (D)	4,162.7			3,462.5		
Total (A+B+C+D)	8,247.2			9,821.6		

*Excluding IMF Loans ** Including SAFE Deposits

Source: Economic Affairs Division

TABLE 9.5

TERMS OF FOREIGN LOANS/CREDITS CONTRACTED BY PAKISTAN*

	Lending Country/Agency	2020-21			2021-22 (Jul-Mar)		
		Amount	Interest Rate/	Amortization	Amount	Interest Rate/	Amortization
		$ million	Commission(%)	years	$ million	Commission(%)	years
A.	Paris Club Countries						
	1. Germany	32.1	Fixed 0.75	40			
	2.France	77.3	Fixed 0.25				
	Sub-Total A	109.4					
B.	Non-Paris Club						
	1. China **	1,000.0	LIBOR 12 Months + 1.0	1			
	2. CATIC				534.5		
	3. Saudi Arabia				1,200.0	Fixed 3.8	1
	Sub-Total B	1,000.0			1,734.5		
C.	Multilateral						
	1. IDB Short-term	951.5	LIBOR 12 Months + 2.7	1	761.5	LIBOR 12 Months + 2.4	1
	2. IDB				252.5	Fixed 2	20
	3. IDA	3,633.6	Fixed 2	30	95.8	Fixed 1.5	30
	4. ADB	900.0	Fixed 2 & LIBOR 6 Months + 0.6	15, 25	1,105.0	Fixed 2	25
	5. OPEC	50.0	Fixed 2	11			
	6. IBRD	854.0	LIBOR 6 Months + 0.5, 0.25	25	195.0	LIBOR 6 Months + 0.5	30
	7. IFAD	62.3	Fixed 1.25				
	8.AIIB	321.8	LIBOR 6 MONTHS +0.6, 0.25	16, 23			
	Sub-Total C	6,773.2			2,409.8		
D.	Commercial Banks				-		
	1. SCB (London)	600.0	LIBOR 12 Months + 2.4	1	400.0	LIBOR 12 Months + 2.4	1
	2. SUISSE AG, UBL, ABL	215.0	LIBOR 12 Months + 2.0	1	343.5	LIBOR 12 Months + 2	1
	3. DUBAI BANK	825.0	LIBOR 12 Months + 2.05	1	1,140.0	LIBOR 12 Months + 2.05	1
	4. CHINA DEV BANK	1,000.0	LIBOR 12 Months + 3.0	1			
	5. ICBC-CHINA	1,300.0	LIBOR 3 Months + 2.75	2			
	6. EMIRATES NBD	370.0	LIBOR 12 Months + 2.05	1	600.0	LIBOR 12 Months + 2	1
	7. AJMAN BANK PJSC	350.0	LIBOR 12 Months + 2.0	1			
	8. NBP Bahrain	142.0	LIBOR 3 Months + 4.5	2			
	Sub-Total (D)	4,802.0			2,484		
E.	International Bonds						
	1. Eurobond	1,000.0	Fixed (6.0 percent)	5	300.0	Fixed (6.0 percent)	5
	2. Eurobond	1,000.0	Fixed (7.375 percent)	10	400.0	Fixed (7.375 percent)	10
	3. Eurobond	500.0	Fixed (8.875 percent)	30	300.0	Fixed (8.875 percent)	30
	4. International Sukuk				1,000.0	Fixed (7.95 percent)	7
	Sub-Total (E)	2,500.0			2,000.0		
F.	SFD TIME Deposit				3,000.0	Fixed (4 percent)	1
	Total (A+B+C+D+E+F)	15,184.6			11,627.8		

* Excluding IMF

** China SAFE Deposit

Source: Economic Affairs Division

TABLE 9.6

GRANT ASSISTANCE AGREEMENTS SIGNED

(US$ million)

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 (Jul-Mar)
I. Paris Club Countries										
1. Australia	-	-	-	-	-	-	-	-	-	-
2. Austria	-	-	-	-	-	-	-	-	-	-
3. Canada	-	-	-	-	-	-	-	-	-	-
4. France	0.5	3.4	-	6.5	-	-	-	-	-	-
5. Germany	13.1	18.4	9.0	56.8	1.1	11.6	5.7	13.5	5.9	-
6. Japan	28.4	19.2	79.7	38.1	10.7	26.2	3.0	-	71.5	30.9
7. The Netherlands	-	-	-	-	-	-	-	-	-	-
8. Norway	12.4	-	-	-	-	-	-	-	-	-
9. Korea	-	-	-	-	-	-	-	-	-	-
10. Switzerland	-	-	-	-	-	-	-	-	-	-
11. UK	1,173.3	-	534.4	-	49.8	-	-	-	-	-
12. USA	70.0	150.0	-	43.0	677.3	-	-	-	-	-
13. Italy	-	-	-	-	-	-	-	-	-	-
14. Denmark	-	-	-	-		-	-	-	-	-
Sub-Total (I)	1,297.6	191.0	623.0	144.5	738.9	37.8	8.7	13.5	77.4	30.9
II. Non Paris Club Countries										
1. China	11.4	-	123.9	4.5	-	21.2	-	-	-	166.2
2. Iran	-	-	-	-	-	-	-	-	-	-
3. UAE	-	-	-	-	-	-	-	-	-	-
4. Oman	-	-	-	-	-	-	-	-	-	-
5. Saudi Arabia	-	26.7	-	53.5			16.1	-	-	-
Sub-Total (II)	11.4	26.7	123.9	58.0	-	21.2	16.1	-	-	166.2
III. Multilateral										
1. ADB	-	-	-	247.6	3.5	19.2	4.0	5.0	2.0	-
2. EEC / EU	19.6	200.7	-	230.2			130.9	14.6	-	-
3. Islamic Development Bank	-	-	-	0.6	0.3		-	-	-	-
4. IDA	-	9.0	-	-			2.0	10.2	117.7	-
5. IBRD	39.4	18.1	127.2	-	111.2	15.6	-	15.0	69.9	30.0
6. IFAD	-	-	0.5	-	-	-	-	2.9	3.1	-
7. AIIB	-	-	-	-	-	-	-	1.5	4.1	-
8. UN and Specialised Agencies	-	2.4	-	-	-	-	-	-	-	-
9. UNDP Special Grant	-	-	-	-	-	-	-	-	-	-
10. World Food Programme	-	-	-	-	-	-	-	-	-	-
11. UNFPA	-	-	-	-	-	-			-	-
Sub-Total (III)	59.0	230.2	127.8	478.3	114.9	34.8	136.9	49.1	196.8	30.0
IV. Relief Assistance for										
A. Afghan Refugees	4.2	-	1.0	1.3	1.1	1.9	0.9	0.3	-	-
B. Earthquake				-	-	-	-	-	-	-
1. Afghanistan	-	-	-	-	-	-	-	-	-	-
2. Algeria	-	-	-	-	-	-	-	-	-	-
3. Austria	-	-	-	-	-	-	-	-	-	-
4. Azerbaijan	-	-	-	-	-	-	-	-	-	-
5. Bhutan	-	-	-	-	-	-	-	-	-	-
6. Brunei	-	-	-	-	-	-	-	-	-	-
7. China	-	-	-	-	-	-	-	-	-	-
8. Cyprus	-	-	-	-	-	-	-	-	-	-
9. Indonesia	-	-	-	-	-	-	-	-	-	-
10. Jordan	-	-	-	-	-	-	-	-	-	-
11. Malaysia	-	-	-	-	-	-	-	-	-	-
12. Morocco	-	-	-	-	-	-	-	-	-	-
13. Oman	-	-	-	-	-	-	-	-	-	-
14. Pak-Turk foundation	-	-	-	-	-	-	-	-	-	-
15. Saudi Arabia	-	-	-	-	-	-	-	-	-	-
16. South Korea	-	-	-	-	-	-	-	-	-	-
17. Thailand	-	-	-	-	-	-	-	-	-	-
18. Turkey for FATA TDPs	-	-	-	-	10.0	-	-	-	-	-
19. UK	-	-	-	-	-	-	-	-	-	-
20. ADB	-	-	-	-	-	-	-	-	-	-
21. WB (IDA)	10.0	-	-	-	-	-	-	-	-	-
22. Germany	-	-	-	-	-	-	-	-	-	-
23. IDB	-	-	-	-	-	-	-	-	-	-
24. Mauritius	-	-	-	-	-	-	-	-	-	-
Sub-Total (IV)	14.2	-	1.0	1.3	11.1	1.9	0.9	0.3	-	-
V. International Bonds	-	-	-	-	-	-	-	-	-	41.7
Sub-Total (V)	-	-	-	-	-	-	-	-	-	41.7
Grand Total (I+II+III+IV+V)	1,382.3	447.9	875.6	682.1	864.9	95.7	162.6	62.9	274.2	268.7

Source : Economic Affairs Division

TABLE 9.7

TOTAL LOANS AND CREDITS CONTRACTED

(US$ million)

Lending Country/Agency	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 (Jul-Mar)
A. Paris Club Countries										
1. Austria	-	-	-	-	-	-	-	-	-	-
2. Australia	-	-	-	-	-	-	-	-	-	-
3. Belgium	-	-	-	-	-	-	-	-	-	-
4. Canada	-	-	-	-	-	-	-	-	-	-
5. France	88.9	83.3	-	46.3	114.0	192.1	148.0	-	77.3	-
6. Germany	-	27.3	-	44.6	-	-	-	-	32.1	-
7. Japan	-	49.3	-	109.8	23.8	-	-	-	-	-
8. Korea	-	-	-	139.8	76.3	-	-	80.0	-	-
9. Netherlands	-	-	-	-	-	-	-	-	-	-
10. Norway	-	-	-	-	-	-	-	-	-	-
11. Spain	-	-	-	-	-	-	-	-	-	-
12. UK	-	-	-	-	-	-	-	-	-	-
13. USA	-	-	-	-	-	-	-	-	-	-
14. Italy	-	-	-	-	-	-	-	23.0	-	-
15. Sweden	-	-	-	-	-	-	-	-	-	-
Sub-Total (A)	88.9	159.9	-	340.4	214.1	192.1	148.0	103.0	109.4	-
B. Non-Paris Club Countries										
1. China	448.0	6,493.8	37.7	9,422.7	729.4	500.0	2,000.0	-	1,000.0	-
2. Kuwait	-	-	-	-	-	14.9	-	-	-	534.5
3. Saudi Arabia	100.0	282.8	-	55.0	-	-	-	-	-	-
4. Turkey (EXIM Bank)	-	-	-	-	-	-	-	-	-	1,200.0
5. Abu Dhabi Fund	-	-	-	-	-	-	-	-	-	-
Sub-Total (B)	548.0	6,776.6	37.7	9,477.7	729.4	514.9	2,000.0	-	1,000.0	1,734.5
C. Multilateral										
1. IBRD	-	-	-	100.0	690.0	855.0	-	652.0	854.0	195.0
2. IDA	242.9	1,554.1	1,425.4	1,598.6	761.2	1,386.3	615.6	1,449.0	3,633.6	95.8
3. ADB	170.8	2,148.8	762.1	1,713.1	2,001.0	1,589.6	355.0	2,823.3	900.0	1,105.0
4. IFAD	-	-	31.6	67.9	-	82.6	-	36.0	62.3	-
5. European Investment Bank	-	136.5	-	-	-	-	-	-	-	-
6. ECOTDB	-	30.0	-	35.0	40.0	-	40.0	-	-	-
7. OPEC Fund	-	50.0	-	-	50.0	-	-	-	50.0	-
8. IDB	227.0	264.4	-	100.0	-	-	-	200.0	-	252.5
9.IDB (ST)	-	1,006.5	488.8	1,237.0	700.0	694.4	926.0	555.8	951.5	-
10.AIIB	-	-	-	100.0	300.0	-	-	540.0	321.8	761.5
Sub-Total (C)	640.7	5,190.3	2,707.9	4,951.6	4,542.2	4,607.9	1,936.6	6,256.1	6,773.2	2,409.8
D. International Bonds										
1. Eurobonds / Sukuks	-	2,000.0	1,000.0	500.0	1,000.0	2,500.0	-	-	2,500.0	2,000.0
Sub-Total (D)	-	2,000.0	1,000.0	500.0	1,000.0	2,500.0	-	-	2,500.0	2,000.0
E. Commercial Banks										
1. SCB London	-	172.5	100.1	-	700.0	200.0	-	200.0	600.0	400.0
2. Dubai Bank	-	-	-	125.0	-	80.0	685.0	445.0	825.0	1,140.0
3. Noor Bank	-	-	-	340.0	445.0	220.0	225.0	-	-	-
4. SUISSE AG, UBL, ABL	-	200.0	-	983.0	1,000.0	1,200.0	495.0	200.0	215.0	343.5
5. Bank of China	-	-	-	-	300.0	200.0	-	500.0	-	-
6. China Development Bank	-	-	-	-	1,700.0	1,000.0	2,183.7	1,700.0	1,000.0	-
7. ICBC-China	-	-	-	-	300.0	1,000.0	300.0	-	1,300.0	-
8. Citi Bank	-	-	-	-	275.0	267.0	-	150.0	-	-
9. Emirates NBD	-	-	-	-	-	-	-	-	370.0	600.0
10. Ajman Bank	-	-	-	-	-	-	274.0	267.5	350.0	-
11. NBP Bahrain	-	-		-	-	-	-	-	142.0	-
Sub-Total (E)	-	372.5	100.1	1,448.0	4,720.0	4,167.0	4,162.7	3,462.5	4,802.0	2,483.5
F. SFD TIME Deposit	-	-	-	-	-	-	-	-	-	3,000.0
Grand-Total (A+B+C+D+E+F)	1,277.6	14,499.2	3,845.7	16,717.7	11,205.7	11,981.9	8,247.3	9,821.6	15,184.6	11,627.8

Note: Total may differ due to rounding off

Source : Economic Affairs Division

EDUCATION

TABLE 10.1

NUMBER OF EDUCATIONAL INSTITUTIONS BY KIND, LEVEL & SEX

Numbers

Year	Primary* Schools (000)		Middle Schools (000)		High Schools (000)		Technical & Vocational Institutions		Higher Sec/ Inter Colleges		Degree Colleges		Universities
	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total
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	66.1	49.1	27.9	31.6	14.7	3,798	1,536	5,130	2,689	1,431	344	185
2017-18	172.5	73.5	46.7	23.5	31.4	13.5	3,740	1,330	5,754	2,654	1,659	834	186
2018-19 (P)	180.1	80.7	47.3	23.7	31.7	13.7	3,740	1,330	5,876	2,634	2,893	1,425	202
2019-20 (E)	183.9	85.3	48.3	24.1	32.0	13.9	3,825	1,239	6,041	2,675	3,320	1,683	218
2020-21 (E)	187.9	90.4	49.3	24.5	32.3	14.2	3,914	1,160	6,214	2,717	3,872	2,035	233

P : Provisional E: Estimated *: Including Pre-Primary, Mosque Schools and Non-Formal Basic Education

Notes:
1. All figures include Public & Private Sector data
2. Female institution includes percentage of mixed institutions

TABLE 10.2

ENROLMENT IN EDUCATIONAL INSTITUTIONS BY KIND, LEVEL & SEX

Numbers

Year	Primary Stage I-V (000)		Middle Stage VI-VIII (000)		High Stage IX-X (000)		Technical & Vocational (000)		Higher Sec/ Inter Colleges (000)		Degree Colleges		Universities	
	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female
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	465,435	240,585	1,594,648	805,062
2014-15	19,847	8,778	6,582	2,843	3,501	1,493	320	112	1,665	662	510,588	82,479	1,299,160	602,550
2015-16	21,551	9,534	6,922	3,026	3,653	1,580	315	112	1,698	675	518,144	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	537,407	89,512	1,463,279	667,912
2017-18	22,931	10,093	7,362	3,273	3,861	1,692	433	148	1,688	765	604,614	294,388	1,575,793	695,028
2018-19 (P)	23,588	10,625	7,634	3,426	3,969	1,755	433	148	2,140	984	725,631	402,603	1,858,704	832,299
2019-20 (E)	24,592	11,127	7,931	3,593	4,214	1,885	465	155	2,328	1,071	741,483	411,398	1,910,001	836,992
2020-21 (E)	25,676	11,674	8,251	3,775	4,487	2,033	500	164	2,549	1,332	757,986	455,951	1,963,960	841,734

P : Provisional E : Estimated

Notes:
1. All figures include Public & Private Sector data
2. Enrolment of Deeni Madaris and Non-Formal Basic Education are included.

TABLE 10.3

NUMBER OF TEACHERS IN EDUCATIONAL INSTITUTIONS IN PAKISTAN, BY KIND, LEVEL & SEX

Numbers

Year	Primary Schools* (000)		Middle Schools (000)		High Schools (000)		Technical & Vocational Institutions		Higher Sec/ Inter Colleges		Degree Colleges		Universities
	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total
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	522.4	284.0	448.1	319.8	563.3	342.9	18,207	4,304	123,154	64,320	41,233	17,803	56,885
2018-19 (P)	494.9	276.5	448.7	322.0	567.3	348.5	18,207	4,304	136,008	70,818	61,602	27,260	60,279
2019-20 (E)	507.6	291.4	466.4	339.8	582.3	360.9	18,602	4,184	136,694	70,768	64,293	29,128	58,041
2020-21 (E)	522.8	307.7	485.0	359.0	595.9	372.2	18,963	4,062	138,635	72,812	77,852	40,916	55,954

P : Provisional E : Estimated * : Including Pre-primary, Mosque Schools and Non-Formal Basic Education

Notes: All figures include Public & Private Sector data

Sources:
1. Figures of Primary, Middle, High and Higher Sec. from 2010-11 to 2018-19 is based on Annual Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad.
2. 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)

(Numbers)

Year	Hospitals	Dispen-saries	BHUs Sub Health Centres	Maternity & Child Health Centres	Rural Health Centres	TB Centres	Total Beds	Population per Bed
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	1,565
2017	1,264	5,654	5,505	727	688	431	131,049	1,585
2018	1,279	5,671	5,527	747	686	441	132,227	1,608
2019	1,282	5,743	5,472	752	670	412	133,707	-
2020	1,289	5,849	5,561	752	719	410	147,112	-
2021 (P)	1,276	5,802	5,558	780	736	416	146,053	-

P: Provisional - : Not Available Source: Pakistan Bureau of Statistics

TABLE 11.2

REGISTERED MEDICAL AND PARAMEDICAL PERSONNEL (Progressive) AND EXPENDITURE ON HEALTH, (Calendar Year Basis)

(Numbers)

Year	Regis-tered Doctors *	Regis-tered Dentists *	Regis-tered Nurses *	Register-ed Mid-wives	Register-ed Lady Health Visitors	Population per		Expenditure (Rs. Million)**	
						Doctor	Dentist	Develop-ment	Non-Deve-lopment
2011	152,368	11,649	77,683	30,722	12,621	1,162	15,203	27,658	78,359
2012	160,880	12,692	82,119	31,503	13,678	1,123	14,238	29,898	104,284
2013	167,759	13,716	86,183	32,677	14,388	1,099	13,441	31,781	129,421
2014	175,223	15,106	90,276	33,687	15,325	1,073	12,447	55,904	146,082
2015	184,711	16,652	94,766	34,668	16,448	1,038	11,513	65,213	165,959
2016	195,896	18,333	99,228	36,326	17,384	997	10,658	75,249	192,704
2017	208,007	20,463	103,777	38,060	18,400	957	9,730	99,005	229,957
2018	220,829	22,595	108,474	40,272	19,910	963	9,413	87,434	329,033
2019	233,261	24,930	112,123	41,810	20,565	-	-	58,624	363,154
2020	245,987	27,360	116,659	43,129	21,361	-	-	77,496	427,915
2021	266,430	30,501	121,245	44,693	22,408	-	-	122,867	534,318

- : Not available

* : Registered with Pakistan Medical and Dental Council and Pakistan Nursing Council.

** : Expenditure figures are for respective Financial Year

Source: Pakistan Medical & Dental Council (PMDC)
Pakistan Nurses Council. (PNC)
Pakistan Bureau of Statistics
PRSP Budgetary Expenditure, External Finance (Policy wing), Finance Division

TABLE 11.3

DATA ON EXPANDED PROGRAMME OF IMMUNIZATION VACCINATION PERFORMANCE

Nos. in 000

Vaccine/doze.	2013	2014	2015	2016	2017	2018	2019	2020	2021
B.C.G.	6,186.4	6,150.8	5,848.5	6,233.7	6,356.5	6,608.4	7,261.5	7,019.4	7141.2
POLIO									
0	4,464.2	4,746.2	4,796.7	5,120.1	5,420.8	5,818.8	6,220.4	6,339.8	6239.7
I	5,905.2	5,838.7	5,743.6	5,990.7	6,001.4	6,138.1	6,618.3	6,607.1	6593.4
II	5,538.9	5,494.8	5,387.8	5,537.9	5,618.4	6,138.1	6,249.3	6,239.1	6172.1
III	5,398.0	5,369.4	5,257.4	5,378.7	5,455.2	5,672.4	6,115.9	6,124.0	6128.9
PENTAVALENT									
I	5,921.6	5,843.5	5,713.7	5,933.6	6,009.0	5,526.7	6,725.8	6,145.7	6650.3
II	5,552.8	5,491.0	5,353.2	5,532.2	5,625.0	6,139.5	6,360.6	5,766.4	6224.7
III	5,411.6	5,370.8	5,225.9	5,371.7	5,472.0	5,676.0	6,231.3	5,665.8	6167.6
T.T									
I	5,157.2	4,536.5	5,048.2	4,569.7	4,690.3	4,874.9	5,272.2	4,993.8	4966.7
II	4,235.0	3,708.5	4,063.1	3,934.9	3,993.8	4,103.6	4,560.7	4,366.7	4323.6
III	787.2	577.7	586.7	398.5	191.4	192.5	260.7	225.1	207.0
IV	312.3	185.4	157.9	97.8	51.9	57.9	70.8	60.1	58.0
V	130.1	105.8	86.6	56.8	27.5	30.7	37.0	27.6	26.3
MEASLES									
I	5,622.7	5,370.8	5,192.1	5,516.8	5,606.5	5,455.4	6,216.6	6,284.2	5504.6
II	4,193.5	4,684.7	4,684.7	4,684.7	4,710.9	4,734.0	5,492.7	5,617.2	5492.6
PNEUMOCOCCAL (PCV10)									
I	3,588.7	5,526.3	5,641.8	5,884.3	5,994.4	5,528.7	6,724.8	6,590.8	6576.3
II	3,195.3	5,197.4	5,388.6	5,505.8	5,605.1	6,135.8	6,356.5	6,225.8	6145.0
III	3,008.4	5,072.4	5,175.9	5,374.9	5,470.6	5,673.4	6,228.7	6,127.0	6083.2

B.C.G. Bacilus+Calamus+Guerin   D.P.T Diphteira+Perussia+Tetanus   Source: National Institute of Health (NIH)
T.T Tetanus Toxoid   Pakistan Bureau of Statistics

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	Pakistan
AVERAGE DOCTOR CALL FEE IN VARIOUS CITIES											
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
2019	250.00	100.00	100.00	225.00	197.43	125.00	266.67	200.00	216.67	150.00	228.16
2020	264.47	100.00	100.00	334.56	210.18	160.14	462.83	212.09	305.87	185.38	254.29
2021	300.00	183.33	109.63	389.13	226.41	195.33	589.43	216.94	354.74	200.00	289.61
2022	314.64	200.00	138.01	495.76	240.45	208.70	640.45	271.91	460.71	242.61	330.80

*: Fiscal Year   Source: Pakistan Bureau of Statistics

Note: In the new base year 2015-16, prices are disseminated w.e.f July, 2019

POPULATION, LABOUR FORCE AND EMPLOYMENT

TABLE 12.1

POPULATION

Year	Population* (mln)	Labour Force Participation Rate (%)	Civilian Labour Force (mln)	Employed Total (mln)	Crude Birth Rate**	Crude Death Rate**	Infant Mortality Rate**	Growth Rate**
					(per 1000 persons)			
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	198.78	-	-	-	27.80	7.00	62.40	2.08
2017	207.68	-	-	-	27.30	7.80	67.20	2.40
2018	211.82	31.70	65.50	61.71	26.70	6.80	60.50	1.99
2019	216.08	32.20	68.75	64.03	26.10	6.70	59.50	1.94
2020	220.40	-	-	-	25.40	6.60	58.50	1.80
2021	224.78	32.30	71.76	67.25	-	-	-	-

- : Not available **Source: Pakistan Bureau of Statistics**

*** : Total Population is revised from 2018 onward on the basis of Census 2017 by NIPS**

****: NIPS has not estimated the population indicators from 2018 onward on the basis of Census 2017. However, the given estimates are based on Census 1998**

TABLE 12.2

POPULATION IN RURAL / URBAN AREAS

Population in Million

Year	All Areas	Male	Female	Rural areas	Urban areas
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	198.79	102.69	96.10	115.85	82.93
2017	207.68	106.34	101.34	131.94	75.75
2018	211.82	108.41	103.41	134.37	77.45
2019	216.08	110.54	105.53	136.87	79.20
2020	220.40	112.71	107.69	139.39	81.01
2021	224.78	114.90	109.88	141.96	82.83

Source: Ministry of Planning, Development & Special Initiatives

Note: Total Population is revised from 2018 onward on the basis of Census 2017 by NIPS

TABLE 12.3

POPULATION IN URBAN, RURAL AREAS 1972, 1981, 1998 AND 2017 CENSUS

In Thousands

Region/ Province	Population*									Density (Per sq. km)
	Total			Urban			Rural			
	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female	
				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	144	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	207,685	106,340	101,345	75,671	39,163	36,508	132,014	67,177	64,837	261
Islamabad	2,003	1,053	951	1,009	536	473	994	517	478	2,211
Punjab	109,990	55,922	54,067	40,547	20,829	19,719	69,442	35,094	34,349	536
Sindh	47,855	24,882	22,972	24,833	12,952	11,881	23,022	11,930	11,092	340
Khyber Pakhtunkhwa	30,509	15,446	15,062	5,735	2,975	2,760	24,773	12,471	12,302	409
Balochistan	12,335	6,485	5,851	3,407	1,798	1,608	8,928	4,686	4,242	36
FATA	4,993	2,552	2,441	140	73	66	4,853	2,479	2,375	183

- : 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

Note : Total may differ due to rounding off figures

TABLE 12.4

POPULATION BY AGE, IN URBAN, RURAL AREAS 1981, 1998 AND 2017 CENSUS

In Thousands

Age	Total			Rural			Urban		
(in years)	Both	Male	Female	Both	Male	Female	Both	Male	Female
				1981 Census					
All ages	**82,055**	**43,090**	**38,965**	**58,214**	**30,323**	**27,891**	**23,841**	**12,767**	**11,074**
0- 4	12,574	6,200	6,373	8,995	4,387	4,608	3,579	1,813	1,766
5- 9	13,142	6,811	6,331	9,591	4,973	4,618	3,552	1,839	1,713
10-14	10,803	5,857	4,946	7,684	4,204	3,480	3,119	1,653	1,467
15-19	7,763	4,193	3,571	5,223	2,828	2,395	2,540	1,365	1,175
20-24	6,228	3,270	2,958	4,119	2,111	2,008	2,108	1,159	950
25-29	5,479	2,891	2,588	3,760	1,948	1,812	1,719	944	776
30-34	4,617	2,388	2,229	3,226	1,631	1,595	1,391	757	634
35-39	4,197	2,121	2,077	2,922	1,452	1,469	1,276	668	608
40-44	3,865	1,937	1,928	2,733	1,332	1,402	1,132	606	526
45-49	3,076	1,610	1,466	2,194	1,121	1,074	882	490	392
50-54	2,966	1,638	1,328	2,170	1,179	991	796	459	337
55-59	1,611	859	751	1,187	618	569	424	242	182
60-64	2,216	1,299	917	1,667	973	695	549	327	222
65-69	987	555	431	755	420	334	232	135	97
70-74	1,161	678	484	900	526	374	261	152	109
75 and above	1,369	782	588	1,088	622	466	281	160	121
				1998 Census*					
All ages	**129,176**	**67,222**	**61,954**	**86,225**	**44,516**	**41,709**	**42,951**	**22,705**	**20,245**
0- 4	19,118	9,761	9,357	13,534	6,907	6,627	5,584	2,854	2,730
5- 9	20,215	10,571	9,644	14,211	7,466	6,745	6,004	3,105	2,899
10-14	16,732	8,909	7,822	11,106	5,973	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
				2017 Census					
All ages	**207,685**	**106,340**	**101,345**	**132,014**	**67,177**	**64,837**	**75,671**	**39,163**	**36,508**
00-04	29,163	14,944	14,219	19,821	10,156	9,665	9,342	4,788	4,554
05-09	30,026	15,643	14,384	20,473	10,701	9,772	9,553	4,942	4,611
10-14	24,527	12,947	11,580	16,193	8,586	7,607	8,334	4,360	3,974
15-19	21,367	11,097	10,269	13,449	6,968	6,481	7,918	4,130	3,788
20-24	18,496	9,248	9,248	11,132	5,480	5,652	7,364	3,768	3,596
25-29	16,401	7,940	8,462	9,863	4,672	5,191	6,538	3,268	3,270
30-34	14,152	6,948	7,203	8,410	4,029	4,381	5,741	2,919	2,822
35-39	12,049	6,091	5,958	7,267	3,614	3,653	4,782	2,476	2,305
40-44	9,627	4,849	4,778	5,692	2,793	2,899	3,935	2,056	1,879
45-49	7,932	4,062	3,869	4,795	2,411	2,383	3,137	1,651	1,486
50-54	6,946	3,645	3,301	4,146	2,159	1,987	2,799	1,486	1,314
55-59	4,975	2,648	2,327	3,003	1,573	1,430	1,972	1,075	897
60-64	4,312	2,248	2,064	2,670	1,372	1,298	1,642	876	765
65-69	2,952	1,558	1,394	1,918	1,004	913	1,034	554	480
70-74	2,134	1,132	1,002	1,406	746	660	728	386	342
75 and above	2,627	1,339	1,288	1,775	912	863	852	427	425

* : Figures regarding FATA are not included

Source: Pakistan Bureau of Statistics

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	207,685
	(100)	(100)	(100)	(100)	(100)	(100)	(100)
Khyber Pakhtunkhwa	74,521	4,557	5,731	8,389	11,061	17,744	30,509
	(9.4)	(13.5)	(13.4)	(12.8)	(13.1)	(13.4)	(14.7)
FATA	27,220	1,332	1,847	2,491	2,199	3,176	4,993
	(3.4)	(3.9)	(4.3)	(3.8)	(2.6)	(2.4)	(2.4)
Punjab	205,345	20,541	25,464	37,607	47,292	73,621	109,990
	(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	47,855
	(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	12,335
	(43.6)	(3.5)	(3.2)	(3.7)	(5.1)	(5.0)	(5.9)
Islamabad	906	96	118	238	340	805	2,003
	(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, 1981 TO 2017 CENSUS

Sex	Total					Urban					Rural				
	2017		1998		1981	2017		1998		1981	2017		1998		1981
	15 Years & Above	10 Years & Above	15 Years & Above	10 Years & Above	10 Years & Above	15 Years & Above	10 Years & Above	15 Years & Above	10 Years & Above	10 Years & Above	15 Years & Above	10 Years & Above	15 Years & Above	10 Years & Above	10 Years & Above
Pakistan															
Both	56.1	58.9	41.0	43.9	26.2	71.3	73.2	60.5	63.1	47.1	46.4	50.1	30.4	33.6	17.3
Male	65.8	67.8	53.0	54.8	35.0	76.7	78.0	68.7	70.0	55.3	58.6	61.3	44.0	46.4	26.2
Female	46.2	49.7	28.0	32.0	16.0	65.6	68.1	51.0	55.2	37.3	34.2	38.6	16.2	20.1	7.3
Islamabad															
Both	80.4	81.5	69.7	72.4	47.8	80.3	81.1	75.2	77.2	57.6	80.5	81.8	58.4	62.5	32.5
Male	86.1	86.5	79.5	80.6	59.1	85.7	85.9	82.2	83.2	65.8	86.5	87.2	73.2	75.1	48.1
Female	74.0	75.8	57.7	62.4	33.5	74.1	75.6	65.9	69.7	46.8	73.9	76.0	42.1	48.8	14.7
Punjab															
Both	60.9	64.0	43.4	46.6	27.4	74.6	76.6	61.9	64.5	46.7	52.3	56.2	34.5	38.0	20.0
Male	68.9	71.2	55.2	57.2	36.8	78.7	80.1	69.8	70.9	55.2	62.6	65.5	47.9	50.4	29.6
Female	52.8	56.7	30.8	35.1	16.8	70.3	73.0	53.0	57.2	36.7	42.1	46.9	20.5	24.8	9.4
Sindh															
Both	53.1	54.6	43.9	45.3	31.4	69.0	70.4	62.6	63.7	50.8	32.6	35.2	23.9	25.7	15.6
Male	61.7	62.5	54.5	54.5	39.7	74.3	75.1	70.0	69.8	57.8	45.1	46.9	37.2	37.9	24.5
Female	43.8	45.9	32.0	34.8	21.6	63.2	65.3	54.9	56.7	42.2	19.5	22.6	10.2	12.2	5.2
Khyber Pakhtunkhwa															
Both	49.7	54.0	31.5	35.4	16.7	64.0	67.1	51.0	54.3	35.8	46.1	50.8	27.2	31.3	13.2
Male	66.3	69.2	48.2	51.4	25.9	76.1	78.0	65.5	67.5	47.0	63.6	67.0	44.1	47.7	21.7
Female	33.5	38.7	14.6	18.8	6.5	50.9	55.4	33.9	39.1	21.9	29.3	34.8	10.6	14.7	3.8
Balochistan															
Both	40.5	43.6	23.1	24.8	10.3	56.3	59.6	43.4	46.9	33.2	33.7	37.0	15.2	17.5	6.2
Male	52.1	54.1	33.3	34.0	15.2	68.4	70.3	55.9	58.1	42.4	45.1	47.4	24.0	25.8	9.8
Female	27.9	31.9	11.8	14.1	4.3	43.0	47.6	20.8	33.1	18.5	21.6	25.5	5.6	7.9	1.7
FATA															
Both	31.4	36.1	-	17.4	6.4	50.3	54.1	-	39.3	-	30.8	35.5	-	16.8	6.4
Male	51.7	56.0	-	29.5	10.9	71.6	73.4	-	59.7	-	51.0	55.5	-	28.6	10.9
Female	11.4	15.7	-	3.0	0.8	26.9	32.7	-	12.0	-	10.9	15.3	-	2.8	0.8

- : Not available **Source: Pakistan Bureau of Statistics**

FATA: Federally Administered Tribal Areas

TABLE 12.7

LAND AREA, POPULATION AND PERCENTAGE DISTRIBUTION

Population in Thousand

Region / Years		Area Sq. Kms	2014	2015	2016	2017	2018	2019	2020	2021
Pakistan		796,096	188,019	191,708	198,785	207,685	211,821	216,075	220,399	224,781
		100	100	100	100	100	100	100	100	100
i.	Punjab	205,345	102,005	103,837	107,959	109,989	111,995	114,048	116,130	118,235
		25.79	54.25	54.16	54.31	52.96	52.87	52.78	52.69	52.60
ii.	Sindh	140,914	45,032	45,988	46,568	47,855	49,237	50,647	52,073	53,511
		17.70	23.95	23.98	23.43	23.04	23.24	23.43	23.62	23.80
iii.	Khyber Pakhtunkhwa	74,521	25,308	25,836	27,714	35,502	35,944	36,412	36,895	37,392
		9.36	13.46	13.47	13.94	17.09	16.96	16.85	16.74	16.63
iv.	Balochistan	347,190	9,717	9,942	10,408	12,335	12,568	12,818	13,078	13,346
		43.61	5.17	5.18	5.24	5.93	5.93	5.93	5.93	5.93
v.	FATA	27,220	4,516	4,623	4,927	FATA merged in Khyber Pakhtunkhwa				
		3.42	2.40	2.41	2.48					
vi.	Islamabad	906	1,441	1,479	1,207	2,003	2,077	2,150	2,224	2,297
		0.11	0.77	0.77	0.60	0.96	0.98	0.99	1.00	1.02

Note: Total Population is revised from 2018 onward on the basis of Census 2017 by NIPS

Sources : Ministry of Planning, Development & Special Initiatives
Pakistan Bureau of Statistics
National Institute of Population Studies (NIPS)

TABLE 12.8

PERCENTAGE DISTRIBUTION OF POPULATION OF 10 YEARS AND ABOVE AND CIVILIAN LABOUR FORCE BY GENDER AND AREA 2020-21

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	50.63	49.37	44.90	34.36	10.54	42.07	32.48	9.60	2.82	1.88	0.94
Rural	100	50.12	49.88	48.56	34.61	13.95	45.75	32.83	12.92	2.81	1.78	1.03
Urban	100	51.48	48.52	38.79	33.93	4.86	35.95	31.88	4.06	2.85	2.05	0.80
Punjab	100	49.85	50.15	47.38	34.21	13.17	44.18	32.12	12.06	3.20	2.09	1.11
Rural	100	49.29	50.71	52.26	34.72	17.54	49.01	32.71	16.30	3.25	2.01	1.24
Urban	100	50.75	49.25	39.45	33.39	6.06	36.32	31.17	5.16	3.12	2.22	0.90
Sindh	100	52.01	47.99	43.83	36.52	7.31	42.14	35.31	6.83	1.69	1.21	0.48
Rural	100	51.76	48.24	49.71	37.79	11.92	48.69	37.05	11.64	1.02	0.74	0.28
Urban	100	52.23	47.77	38.68	35.41	3.27	36.40	33.79	2.61	2.28	1.63	0.66
Khyber Pakhtunkhwa	100	50.08	49.92	39.51	31.65	7.86	36.02	29.39	6.63	3.49	2.26	1.23
Rural	100	49.74	50.26	40.07	31.52	8.55	36.55	29.32	7.23	3.52	2.20	1.32
Urban	100	51.82	48.18	36.65	32.27	4.38	33.35	29.73	3.62	3.30	2.54	0.76
Balochistan	100	54.33	45.67	40.39	34.94	5.45	38.65	33.47	5.18	1.75	1.48	0.27
Rural	100	54.15	45.85	42.75	35.86	6.88	41.39	34.66	6.73	1.36	1.21	0.15
Urban	100	54.78	45.22	34.68	32.71	1.97	31.98	30.58	1.40	2.70	2.13	0.57

Source : Pakistan Bureau of Statistics
Labour Force Survey 2020-21

TABLE 12.9

LABOUR FORCE AND EMPLOYMENT

In million

Mid Year	2009-10	2010-11	2011-12*	2012-13	2013-14	2014-15	2017-18	2018-19	2020-21
Population	172.57	176.20	180.71	183.57	186.19	189.19	206.62	214.49	222.44
Rural	105.70	107.00	120.10	121.66	121.56	123.36	131.19	135.39	142.09
Urban	66.87	69.20	60.61	61.91	64.63	65.83	75.43	79.10	80.35
Working Age Population	124.06	126.60	129.84	132.07	132.24	134.99	147.91	153.49	159.83
Rural	80.08	81.77	83.87	84.96	83.62	85.60	91.02	94.14	99.88
Urban	43.98	44.83	45.97	47.11	48.62	49.39	56.89	59.35	59.95
Labour Force	56.92	57.84	59.33	59.74	60.10	61.04	65.50	68.75	71.76
Rural	39.56	40.12	41.15	41.23	41.14	41.95	42.91	45.85	48.50
Urban	17.36	17.72	18.18	18.15	18.96	19.09	22.59	22.90	23.26
Employed Labour Force	53.76	54.40	55.80	56.01	56.52	57.42	61.71	64.03	67.25
Rural	37.66	38.24	39.22	39.14	39.07	39.85	40.75	42.94	45.70
Urban	16.10	16.16	16.58	16.87	17.45	17.57	20.96	21.10	21.55
Unemployed Labour Force	3.16	3.44	3.53	3.73	3.58	3.62	3.79	4.71	4.51
Rural	1.90	1.88	1.93	2.09	2.06	2.10	2.15	2.91	2.81
Urban	1.26	1.56	1.60	1.64	1.52	1.52	1.64	1.80	1.71
Unemployment Rate (%)	5.55	5.95	5.95	6.24	6.00	5.90	5.80	6.90	6.3
Rural	4.82	4.68	4.68	5.08	5.01	5.00	5.00	6.40	5.8
Urban	7.21	8.84	8.84	8.83	8.02	8.00	7.20	7.90	7.3
Labour Force Participation Rates (%)	32.98	32.83	32.83	32.88	32.28	32.30	31.70	32.20	32.3
Rural	34.50	34.26	34.26	34.23	33.84	34.00	32.70	33.90	34.1
Urban	29.99	29.99	29.99	30.21	29.35	29.00	30.00	28.90	29.0

Source : Pakistan Bureau of Statistics (Labour Force Survey)
*Ministry of Planning, Development & Special Initiatives

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
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	3.53	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
2018-19	214.49	32.10	68.75	4.71	64.03	25.07	9.76	5.13	0.50	3.98	9.28	10.30
2020-21	222.44	32.30	71.76	4.51	67.25	25.18	10.25	6.39	0.43	4.19	9.66	11.13

Source: Pakistan Bureau of Statistics (Labour Force Survey)
*Ministry of Planning, Development & Special Initiatives

TABLE 12.11

DISTRIBUTION OF EMPLOYED PERSONS OF 10 YEARS AGE AND ABOVE BY MAJOR INDUSTRIES

in Percentage

Years	Agriculture	Mining & Manufacturing	Construction	Electricity & Gas Distribution	Transport Storage & Communication	Whole-Sale & Retail Trade	Others
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
2018-19	39.16	15.25	8.01	0.78	5.76	14.50	16.54
2020-21	37.40	15.20	9.50	0.60	6.30	14.40	16.60

- : Not available
* : Labour Force Survey was not conducted in 2011-12

Source: Pakistan Bureau of Statistics

TABLE 12.12

PERCENTAGE DISTRIBUTION OF EMPLOYED PERSONS OF 10 YEARS AGE AND ABOVE BY MAJOR INDUSTRY 2020-21

In Percentage

Major Industry Division	Pakistan			Punjab			Sindh			Khyber Pakhtunkhwa			Balochistan		
	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban
Total	100	68	32	58.1	39.9	18.2	22.8	12.3	10.5	14	11.9	2.1	5.1	3.9	1.2
1. Agriculture, Forestry and Fishing	37.4	35.4	2	22.6	21.5	1.1	8.3	7.7	0.6	4.4	4.3	0.1	2.1	1.9	0.1
2. Mining and Quarrying	0.3	0.3	0.1	0.1	0.1	0	0.1	0	0	0.1	0.1	0	0.1	0.1	0
3. Manufacturing	14.9	7.4	7.5	9.6	5	4.6	3.5	1	2.5	1.6	1.2	0.3	0.3	0.2	0.1
4. Electricity, Gas Steam and Air Conditioning Supply	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0	0	0	0	0	0	0	0
5. Water Supply, Sewerage, Waste, Management & Remediation Activity	0.4	0.2	0.3	0.2	0.1	0.1	0.1	0	0.1	0	0	0	0	0	0
6. Construction	9.5	6.7	2.8	5	3.6	1.4	1.9	1	1	2.1	1.9	0.3	0.5	0.3	0.1
7. Wholesale and Retail Trade, Repair of Motor Vehicles, Motorcycles	14.4	6.3	8	8.1	3.6	4.5	3.5	0.8	2.7	2	1.5	0.5	0.7	0.4	0.3
8. Transport, storage	5.8	3.4	2.3	3	1.8	1.3	1.3	0.5	0.8	1.1	0.9	0.2	0.4	0.3	0.1
9. Accommodation and Food Services Activities	1.9	1	0.9	1	0.5	0.5	0.5	0.2	0.3	0.2	0.2	0.1	0.2	0.1	0
10. Information and Communication	0.5	0.1	0.4	0.3	0.1	0.2	0.1	0	0.1	0	0	0	0	0	0
11. Financial and Insurance Activities	0.5	0.1	0.4	0.3	0.1	0.2	0.2	0	0.2	0	0	0	0	0	0
12. Real Estate Activities	0.5	0.1	0.3	0.3	0.1	0.2	0.1	0	0.1	0.1	0	0	0	0	0
13. Professional, Scientific and Technical Activities	0.6	0.2	0.4	0.4	0.1	0.3	0.1	0	0.1	0	0	0	0	0	0
14. Administrative and Support Service Activities	0.8	0.3	0.5	0.4	0.2	0.3	0.2	0.1	0.2	0.1	0.1	0	0	0	0
15. Public Administration and Defence Compulsory Social Security	2.9	1.3	1.6	1.3	0.5	0.7	0.9	0.3	0.6	0.5	0.4	0.2	0.3	0.2	0.1
16. Education	3.8	2	1.8	2.1	1	1.1	0.6	0.2	0.4	0.8	0.6	0.2	0.2	0.1	0.1
17. Human Health and Social Work Activities	1.3	0.6	0.7	0.7	0.3	0.4	0.3	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0
18. Arts, Entertainment & Recreation	0.2	0.1	0.1	0.1	0.1	0.1	0	0	0	0	0	0	0	0	0
19. Other Services Activities	2.5	1.4	1.1	1.4	0.8	0.6	0.6	0.2	0.4	0.3	0.3	0	0.2	0.1	0.1
20. Activities of Households as Employer; Undifferentiated Goods & Services - Producing Activities of Household for own use	1.6	0.8	0.7	1	0.5	0.5	0.3	0.1	0.2	0.2	0.2	0	0	0	0
21. Activities Extraterritorial Organizations and Bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note: Total may not tally due to rounding

Source: Pakistan Bureau of Statistics (Labour Force Survey 2020-21)

TABLE 12.13

AGE SPECIFIC LABOUR FORCE PARTICIPATION RATE

In Percentage

Age Group	2007-08	2008-09	2009-10	2010-11	2012-13	2013-14	2014-15	2017-18	2018-19	2020-21
10 years & over										
Both Sexes	45.17	45.66	45.89	45.69	45.70	45.45	45.22	44.30	44.80	44.9
Male	69.54	69.31	68.83	68.70	68.89	68.07	67.78	68.00	67.70	67.86
Female	19.59	20.66	21.51	21.67	21.50	22.17	22.02	20.10	21.50	21.35
10-14										
Male	17.09	16.20	15.42	14.27	14.46	12.62	11.22	9.80	8.80	5.44
Female	9.69	9.48	9.24	8.83	7.98	8.37	7.71	6.40	5.60	4.3
15-19										
Male	53.94	52.74	52.68	51.59	51.16	49.68	47.55	47.60	44.90	47.89
Female	17.61	18.90	19.17	19.58	18.19	19.32	18.01	15.60	17.20	16.65
20-24										
Male	85.12	85.39	84.54	84.27	82.38	81.71	82.32	84.60	81.20	85.99
Female	20.98	22.76	23.88	24.20	24.41	25.14	25.74	23.30	26.80	27.72
25-34										
Male	96.90	97.19	96.89	97.42	96.73	96.91	97.33	97.00	98.30	97.59
Female	21.87	23.63	25.48	25.44	26.01	26.57	27.15	25.57	27.20	28.55
35-44										
Male	97.87	98.37	97.53	98.34	98.45	98.06	98.33	98.38	99.40	98.52
Female	26.75	27.67	27.88	29.46	28.72	30.00	29.43	27.97	29.20	29.78
45-54										
Male	96.65	96.69	96.96	97.29	97.02	97.13	97.24	96.77	99.20	96.19
Female	24.42	25.86	29.41	28.35	29.11	29.37	30.75	26.07	29.90	28.95
55-59										
Male	92.54	93.71	93.26	92.24	92.61	92.78	93.80	91.70	94.80	84.21
Female	25.53	26.37	27.98	26.27	26.60	27.48	27.29	23.40	24.40	18.05
60+										
Male	59.46	56.38	55.49	54.95	52.42	53.33	55.16	51.30	48.60	43.00
Female	15.50	15.22	13.54	14.62	13.58	12.77	11.95	11.50	8.90	7.58

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	(Base Year : 2007-08= 100)							(Base Year : 2015-16 = 100)		
	2013	2014	2015	2016	2017	2018	2019	2019-20	2020-21	2021-22 July-March
Painter*										
Islamabad	900.00	1,000.00	1,200.00	1,200.00	1,250.00	1,300.00	1,432.57	1,425.27	1,432.57	1,448.32
Karachi	700.00	792.31	861.54	861.54	861.54	1,292.31	1,359.76	1,357.23	1,426.70	1,520.85
Lahore	682.14	780.36	830.36	830.36	925.00	1,100.00	1,232.45	1,232.45	1,232.45	1,237.16
Peshawar	666.67	741.67	800.00	800.00	1,000.00	1,000.00	1,200.00	1,205.27	1,314.31	1,500.00
Quetta	900.00	900.00	900.00	900.00	900.00	1,000.00	1,297.43	1,289.08	1,355.87	1,397.61
Mason (Raj)										
Islamabad	900.00	1,000.00	1,200.00	1,200.00	1,250.00	1,300.00	1,440.83	1,440.83	1,490.14	1,532.18
Karachi	800.00	861.54	1,061.54	1,061.54	1,061.54	1,430.77	1,500.00	1,500.00	1,500.00	1,654.09
Lahore	689.29	826.79	926.79	926.79	1,025.00	1,150.00	1,232.45	1,274.93	1,428.17	1,500.00
Peshawar	850.00	900.00	900.00	1,000.00	1,200.00	1,200.00	1,200.00	1,227.10	1,437.65	1,500.00
Quetta	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00	1,200.00	1,497.77	1,489.42	1,597.89	1,898.24
Labour (Unskilled)										
Islamabad	525.00	600.00	700.00	700.00	800.00	825.00	965.49	965.49	994.25	1,051.65
Karachi	500.00	530.00	630.77	663.46	719.23	932.69	981.03	990.78	1,000.00	1,129.83
Lahore	475.00	600.00	600.00	600.00	725.00	850.00	832.03	869.14	921.10	1,000.00
Peshawar	466.67	483.33	500.00	500.00	600.00	600.00	631.64	656.80	800.00	800.00
Quetta	550.00	550.00	550.00	550.00	550.00	700.00	996.66	988.30	1,021.74	1,096.96

Source: Pakistan Bureau of Statistics

Data pertains to month of November each year

*: Painter is included while Carpenter is excluded in Base Year 2015-16

Note : From 2019-20 the data pertains to fiscal year

TRANSPORT AND COMMUNICATIONS

TABLE 13.1 A

TRANSPORT (Roads)

(in kilometers)

Years	Expressway	Highway	Local Road	Metro Road	Motorway	National Highway	Primary Road	Secondary Road	Total
2019-20	460	20,089	373,423	86	3,210	12,122	4,387	87,647	501,424
2020-21	225	18,577	373,772	77	2,337	9,662	2,318	86,119	493,088
2021-22	428	32,097	373,525	76	2,471	-	4,388	87,766	500,750

Source: National Transport Research Center

TABLE 13.1 B

RAILWAYS

Fiscal Year	Locomotives (Nos.)	Freight Wagons (Nos.)	Route (Km)	Number of Passengers carried (Million)	Freight carried (Million Tonnes)	Freight Tonne (Million Km)	Gross Earnings (Rs. Million)
2010-11	528	18,468	7,791	64.90	2.61	1,757	18,612
2011-12	522	17,611	7,791	41.10	1.30	403	15,444
2012-13	493	16,635	7,791	42.00	1.00	419	18,070
2013-14	421	16,179	7,791	48.00	1.60	1,090	22,800
2014-15	458	15,452	7,791	53.00	3.60	3,301	31,924
2015-16	460	15,164	7,791	52.20	5.00	4,773	36,582
2016-17	455	16,085	7,791	52.40	5.63	5,031	40,065
2017-18	478	16,159	7,791	55.00	8.40	8,080	49,570
2018-19	472	14,327	7,791	60.40	8.30	8,304	54,508
2019-20	473	14,448	7,791	44.30	7.41	7,369	47,584
2020-21	467	14,448	7,791	28.40	8.20	8,179	48,649
2021-22 (Jul-Feb) P	466	14,314	7,791	26.15	6.33	6,312	43,732

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)
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	10,070.0
2018-19	11	831,711	10,862.5
2019-20	11	831,711	13,803.0
2020-21	11	831,711	12,788.5
2021-22 (Jul- Mar) P	11	831,711	16,222.7

P: Provisional

Source: Pakistan National Shipping Corporation

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
2010-11	41,431	28,589	12,842	26,168	19,511	6,657	476.0	476.0	-
2011-12	37,875	26,201	11,674	24,025	18,075	5,950	1,426.0	1,426.0	-
2012-13	38,850	26,700	21,150	24,801	17,754	7,047	507.6	507.6	-
2013-14	41,350	30,343	11,007	25,775	18,076	7,699	649.0	649.0	-
2014-15	43,422	29,672	13,750	30,014	21,608	8,405	439.2	438.9	0.3
2015-16	50,045	34,594	15,451	33,321	25,857	7,464	51.4	50.6	0.8
2016-17	52,493	42,638	9,855	37,358	30,995	6,363	82.3	80.4	1.9
2017-18	54,685	41,669	13,016	45,555	38,471	7,084	26.8	24.1	2.7
2018-19	46,893	32,863	14,031	49,031	41,878	7,153	5.0	3.6	1.3
2019-20	41,840	27,206	14,634	51,017	43,509	7,508	27.3	26.6	0.7
2020-21	52,279	36,469	15,810	57,993	50,339	7,654	77.9	74.0	3.9
2021-22 (Jul-Mar) P	39,713	27,008	12,705	42,199	35,834	6,365	71.1*	70.7*	0.4*

P : Provisional - : Not available
* : July-April

Source: Karachi Port Trust
Port Qasim Authority
Gwadar Port Authority

TABLE 13.2

PAKISTAN INTERNATIONAL AIRLINES CORPORATION-Operational

Year	PIA Fleet No. of Planes	Available Seat (Million Km)	Route Km	Passenger Load Factor %	Available Tonne (Million Km)	Operating Expenses (Million Rs.)
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
2019	31	18,372	389,725	81.3	2,610	166,917
2020	30	8,902	705,820	74.5	1,327	95,670
2021	30	7,682	374,054	66.9	1,020	101,212

(Contd.)

PAKISTAN INTERNATIONAL AIRLINES CORPORATION-Revenue

Year	Revenue Passengers (Million Km)	Revenue Passengers Carried (000)	Revenue Load Factor (%)	Revenue Kilometers Flown (000)	Revenue Tonne (Million Km)	Revenue Hours Flown	Operating Revenue (Million Rs.)
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
2019	14,938	5,290	59.0	70,515	1,539	110,640	147,500
2020	6,629	2,541	52.4	37,403	695	57,370	94,989
2021	5,138	2,657	53.7	34,544	547	55,710	86,185

Note: 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
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	9,169,528	380,579	2,281,083	145,234	220,347	247,197	1,340,963	13,784,931
2014	11,006,421	466,185	2,437,735	145,424	224,403	253,574	1,406,819	15,940,561
2015	13,081,400	559,114	2,715,322	167,678	229,290	261,845	1,487,460	18,502,109
2016	15,230,960	671,403	2,933,668	170,759	235,614	269,471	1,555,975	21,067,850
2017	17,518,365	763,076	3,196,542	170,890	242,194	278,120	1,643,489	23,812,676
2018	19,796,577	843,300	3,495,581	171,117	249,198	284,949	1,725,445	26,566,167
2019	22,001,277	919,020	3,703,649	171,179	253,996	288,652	1,799,789	29,137,562
2020 (P)	23,407,865	951,425	3,833,616	171,462	255,409	293,460	1,844,302	30,757,539
2021 (P)	24,777,728	977,781	4,014,060	171,638	256,829	295,485	1,890,051	32,383,572

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
2010-11	5,468.8	2,822.2	154.6	89.8	173.6	135.3	78.5	175.2
2011-12	6,015.7	3,104.4	170.0	98.8	191.0	148.8	86.4	192.7
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	14,060.9	7,183.5	197.7	128.1	210.1	187.2	80.0	206.6
	Base Year 2018-19							
2018-19	21,268.8	3,813.2	115.5	638.1	137.2	498.1	143.6	88.7
2019-20	22,808.8	3,960.2	116.1	721.3	139.9	513.5	150.9	90.3
2020-21	24,722.3	4,141.9	116.5	759.5	151.7	527.4	175.7	90.5
2021-22 (Jul-Mar)	25,963.1	4,315.9	116.6	779.1	163.3	540.2	195.4	90.7

(Contd.)

TABLE 13.4

MOTOR VEHICLES ON ROAD-HCV

(In 000 Nos.)

Year	Ambu-lance	Buses	Trucks	Tractor	Tankers (Oil & Water)	Others	Total
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	6.9	159.2	280.0	1,460.2	15.2	92.4	24,268.0
				Base Year 2018-19			
2018-19	8.3	159.9	301.9	610.7	20.3	283.1	28,087.4
2019-20	8.8	193.7	325.6	628.0	24.3	287.4	29,968.8
2020-21 E	9.1	164.6	313.2	648.1	21.1	287.9	32,129.6
2021-22	9.4	166.2	316.4	666.6	21.7	287.4	33,631.9

E: Estimated

Source: Ministry of Communication (NTRC)

Note: NTRC conducted a comprehensive data collection exercise from source i.e. all provincial registration authorities. As a result, actual data for the year 2018-19 was provided for publication in Economic Survey of Pakistan

TABLE 13.5

MOTOR VEHICLES-PRODUCTION

(In Nos.)

Fiscal Year	Motor Cycle/ Rickshaw	Cars & Jeeps	L.C.Vs	Buses	Trucks	Tractors
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	2,459,849	216,780	24,453	913	6,035	49,902
2019-20	1,813,448	97,889	12,068	532	2,945	32,608
2020-21	2,475,894	163,122	19,744	570	3,808	50,486
(Jul-Mar)						
2020-21	1,875,594	114,617	14,334	445	2,509	36,653
2021-22	1,677,006	177,757	21,182	454	4,488	39,992

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
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	106,046	323,290	30,811	192	1,568,723	-	-	110,247	3
2017-18	1,351,813	140,778	393,790	33,489	161	1,855,468	-	2	251,019	76
2018-19	692,174	124,283	290,091	30,823	-	2,119,541	-	-	88,945	38
2019-20	262,867	108,502	332,732	28,089	-	1,212,456	-	-	89,340	1
2020-21	377,087	69,457	398,502	35,155		1,493,580		4	84,911	4
(Jul-Mar)										
2020-21	264,024	47,415	289,326	28,155	-	1,252,580	-	2	54,123	4
2021-22 P	225,329	69,797	347,479	14,700	-	1,693,446	-	-	236,971	1

(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
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	2,152	685	1,313	152	1,307
2018-19	-	8,596	20,872	1,335	518	1,568	611	1	85	1,278
2019-20	-	2,361	10,701	227	197	494	404	7	406	1,493
2020-21	-	3,812	12,549	1,353	187	1,409	314	5	24	4,262
(Jul-Mar)										
2020-21	-	2,772	18,359	787	164	829	189	5	21	3,772
2021-22 P	-	4,121	26,780	1,225	141	953	444	-	88	7,382

(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
2010-11	905	-	148	144	12,208		-	-	-
2011-12	3,684	-	68	-	12,930		-	-	-
2012-13	1,988	-	131	225	18,773		-	-	-
2013-14	2,088	-	347	157	16,796	13	15	1	-
2014-15	3,086	-	476	434	28,743	13	104	14	100
2015-16	1,843	4	369	675	30,464	25	64	10	10,202
2016-17	4,831	-	843	703	66,946	12	59	42	2,956
2017-18	3,796	44	643	713	63,638	-	-	11	16,929
2018-19	2,270	-	95	867	2,468	-	-	9	2,180
2019-20	1,366	-	86	488	6,913	-	-	19	47
2020-21	2,244	-	105	166	2,466	-	-	4	2
(Jul-Mar)									
2020-21	1,334	-	101	149	1,481	-	-	2	2
2021-22 P	3,429	-	162	186	10,874	-	-	5	5

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			
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	5,713*	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	1,717	8,352	10,069	2,575	71,026.1	161,021.6
2019-20	1,519	8,626	10,145	2,417	83,205.6	167,268.9
2020-21	1,514	8,072	9,586	2,540	102,699.9	184,249.9
2021-22 (Jul-Mar)	1,510	8,012	9,522	2,540	114,341.3	191,625.9

- : Not Available
@ : Includes dial-up and broadband connection
* : Including Fixed Local Loop and Wireless Local Loop

Source: (i) : Pakistan Post Office
(ii) : Pakistan Telecommunications Company Ltd

ENERGY

TABLE 14.1

COMMERCIAL ENERGY CONSUMPTION

Fiscal Year	1. Oil/Petroleum (tons)						
	Households	Industry	Agricul-ture	Transport	Power	Other Govt.	Total
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
2018-19	60,557	1,299,437	15,021	14,673,564	2,759,465	409,132	19,217,176
2019-20	45,844	1,221,474	11,993	13,861,073	1,526,796	371,303	17,038,484
2020-21	29,816	1,472,777	12,134	15,779,499	2,364,586	306,961	19,965,773
(July-March)							
2020-21*	21,754	1,114,336	9,828	11,386,867	1,819,877	222,984	14,575,646
2021-22	24,792	1,025,448	9,738	12,789,549	2,423,462	276,316	16,549,305

P : Provisional (Contd...)

Note: HSD consumption in agricultural sector is not available separately and is included under transport sector. Agricultural sector represents LDO only.
*: Consumption of POL products available till February 2020.
Source : Oil Companies Advisory Committee.

TABLE 14.1

COMMERCIAL ENERGY CONSUMPTION

Fiscal Year	2. Gas (mm cft)*								
	Households	Commercial	Cement	Fertilizer	Power	SSGC*	Industry	Transport CNG**	Total
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
2018-19	311,887	31,205	387	233,834	511,140	53,261	246,706	65,099	1,453,517
2019-20	325,348	26,999	266	248,204	424,579	26,222	225,660	46,448	1,323,725
2020-21	312,688	27,316	932	314,536	434,878	56,503	262,370	53,780	1,463,002
(July-March)									
2020-21	249,795	19,929	-	197,652	324,324	-	194,649	30,030	1,016,379
2021-22	247,884	19,110	273	200,655	304,395	-	181,272	19,656	973,245

P : Provisional - : Not available (Contd…)

* RLNG withheld by SSGCL.
** Sector wise natural gas consumption is available till Feb-2019.

TABLE 14.1

COMMERCIAL ENERGY CONSUMPTION

Fiscal Year	3. Electricity (Gwh)									4. Coal (000 metric ton)					
	Trac-tion	House-hold	Comm-ercial	Indus trial	Agricul-tural	Street Lights	General Services*	Other Govt.	Total	House-hold	Power	Brick Kilns	Cement	Other Govt.	Total
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	-	44,486	7,181	25,035	8,526	459	-	4,744	90,431	-	204.4	3,541.1	5,485.3	-	9,230.8
2016-17	-	48,698	7,856	24,010	9,221	484	-	5,260	95,529	-	859.6	2,855.3	7,470.8	-	11,185.8
2017-18	-	54,028	8,606	27,468	10,128	475	-	6,222	106,927	-	4,436.1	3,941.7	9,603.3	-	17,981.1
2018-19	-	53,685	8,513	28,760	9,809	451	1	8,240	109,461	-	5,901.5	5,391.2	10,234.3	-	21,527.1
2019-20	-	55,963	7,975	25,708	9,757	385	256	8,328	108,371	1.3	10,897.0	8,183.8	6,074.8	-	25,156.9
2020-21	-	58,722	8,501	29,954	10,238	413	368	8,621	116,816	1.5	9,215.5	8,678.1	10,184.2	-	28,079.3
(July-March)															
2020-21	-	41,508	6,246	22,280	7,558	318	254	6,436	84,600	-	8,925.0	4,125.0	7,875.0	-	20,925.0
2021-22	-	39,833	6,217	22,734	7,222	281	298	6,346	82,931	-	9,800.0	6,900.0	5,300.0	-	22,000.0

- : Not available P: Provisional 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)	
2010-11	22,477	94,653	6,481	31,811	15,209	59,153	787	3,420	-	-	269
2011-12	22,797	95,365	6,556	28,517	15,454	61,308	787	5,265	-	-	274
2012-13	22,812	96,497	6,773	29,857	15,289	61,711	750	4,553	-	-	375
2013-14	23,531	104,089	6,893	31,873	15,887	66,707	750	5,090	-	-	419
2014-15	23,759	107,408	7,030	32,474	15,541	67,886	750	5,804	438	802	443
2015-16	25,889	111,763	7,122	34,633	17,115	70,512	750	4,605	902	1,549	463
2016-17	29,944	123,614	7,129	32,183	20,488	81,268	1,090	6,999	1,237	2,668	496
2017-18	33,554	131,275	7,139	27,925	23,347	89,614	1,430	9,880	1,637	3,857	556
2018-19	35,114	128,532	8,639	27,339	23,347	86,602	1,430	9,909	1,698	4,682	487
2019-20	36,701	128,673	8,668	33,585	24,682	80,121	1,430	10,815	2,047	4,152	514
2020-21	36,485	135,073	8,673	33,556	24,461	87,847	1,430	9,346	1,921	3,323	505
(July-March)											
2020-21	37,183	92,371	9,874	28,543	22,898	53,550	2,490	6,915	1,921	3,007	356
2021-22	41,557	122,934	10,251	29,181	24,710	74,862	3,647	15,182	2,949	3,709	314

- : 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		Gas		Petroleum Products		Coal	
	Crude Oil Imports 000 barrels	Local Crude Extraction 000 barrels	Production mcf*	Imports mcf	Imports 000 tons	Production 000 tons	Imports 000 tons	Production 000 tons
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
2018-19	66,833	32,496	1,436,455	380,879	8,807	11,839	15,686	5,841
2019-20	50,022	28,087	1,316,635	355,559	7,539	9,353	16,422	8,735
2020-21	65,075	27,568	1,279,242	234,957	10,117	10,070	18,850	9,230
(July-March)								
2020-21***	48,180	20,768	962,397	346,750	7,313	7,402	12,183 *	6,375 **
2021-22	49,705	20,407	925,107	301,809	9,346	8,181	12,209 **	4,847 @

P : Provisional - : Not available Ministry of Energy

(a) MW: Mega Watt (b) GWh: Giga Watt hour

* : Million cubic feet

** : Figure of coal production and import are available till February 2021

*** : Production of crude oi, gas and coal is available till February 2020

@ : Figures for coal production are estimated on the basis of available data.

TABLE 14.4

Consumer-End Applicable Tariff

Description	Fixed Charges	Notified Tariff w.e.f. 01-01-2019	* Industrial Support Package w.e.f. July 01, 2019	Qtr. Adjust. for 1st & 2nd quarter, Notified w.e.f 1-07-2019	Qtr. Adjust. for 3rd & 4th quarter and interim increase on account Distribution Margin, notified w.e.f. 1-10-2019	Quarterly Uniform Tariff 1st Qtr 2019-20 w.e.f. 1-12-2019	Total Applicable Tariff
		Variable Charges	Variable Charges	Variable Charges	Variable Charges	Variable Charges	Variable Charges
	Rs./ kW/M	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh
	A	B	C	D	E	F	G= B+C+D+E+F
A1- 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		10.2		-	-	-	10.20
301-700Units		17.6		0.75	0.83	0.07	19.25
Above 700 Units		20.7		0.75	0.83	0.07	22.35
For peak load requirement exceeding 5 kW)							
Time of Use (TOU) - Peak		20.7		0.75	0.83	0.07	22.35
Time of Use (TOU) - Off-Peak		14.38		0.75	0.83	0.07	16.03
Temporary Supply		20.84		1.80	0.83	0.07	23.54
A2- Commercial							
For peak load requirement less than 5 kW		18		0	0.83	0.26	19.09
For peak load requirement exceeding 5 kW							
Regular	400	19.68		1.8	0.83	0.26	22.57
Time of Use (TOU) - Peak		21.6		1.8	0.83	0.26	24.49
Time of Use (TOU) - Off-Peak	400	15.63		1.8	0.83	0.26	18.52
Temporary Supply		18.39		1.8	0.83	0.26	21.28
A3- General Services		17.56		1.8	0.83	0.26	20.45
B- Industrial							
B1		15.28		1.8	0.83	0.26	18.17
B1 Peak		18.84	(3.00)	1.80	0.83	0.26	18.73
B1 Off Peak		13.28		1.80	0.83	0.26	16.17
B2	400	14.78		1.80	0.83	0.26	17.67
B2 - TOU (Peak)		18.78	(3.00)	1.80	0.83	0.26	18.67
B2 - TOU (Off-peak)	400	13.07		1.80	0.83	0.26	15.96
B3 - TOU (Peak)		18.78	(3.00)	1.80	0.83	0.26	18.67
B3 - TOU (Off-peak)	380	12.98		1.80	0.83	0.26	15.87
B4 - TOU (Peak)		18.78	(3.00)	1.80	0.83	0.26	18.67
B4 - TOU (Off-peak)	360	12.88		1.80	0.83	0.26	15.77
Temporary Supply		16.36		1.80	0.83	0.26	19.25
C - Single Point Supply							
C1(a) Supply at 400 Volts-less than 5 kW		18.68		1.80	0.83	0.26	21.57
C1(b) Supply at 400 Volts-exceeding 5 kW	400	18.18		1.80	0.83	0.26	21.07
Time of Use (TOU) - Peak		21.6		1.80	0.83	0.26	24.49
Time of Use (TOU) - Off-Peak	400	15		1.80	0.83	0.26	17.89
C2 Supply at 11 kV	380	17.98		1.80	0.83	0.26	20.87
Time of Use (TOU) - Peak		21.6		1.80	0.83	0.26	24.49
Time of Use (TOU) - Off-Peak	380	14.8		1.80	0.83	0.26	17.69
C3 Supply above 11 kV	360	17.88		1.80	0.83	0.26	20.77
Time of Use (TOU) - Peak		21.6		1.80	0.83	0.26	24.49
Time of Use (TOU) - Off-Peak	360	14.7		1.80	0.83	0.26	17.59
D- Agricultural							
Scarp		15.68		1.80	0.83	0.26	18.57
Time of Use (TOU) - Peak		18.6		1.80	0.83	0.26	21.49
Time of Use (TOU) - Off-Peak	200	11.35		1.80	0.83	0.26	14.24
Agricultual Tube-wells	200	5.35		1.49	0.83	0.26	7.934
Time of Use (TOU) - Peak		5.35		1.49	0.83	0.26	7.934
Time of Use (TOU) - Off-Peak	200	5.35		1.49	0.83	0.26	7.934
Public Lighting - Tariff G		18.68		1.80	0.83	0.26	21.57
Residential Colonies - Tariff H		18.68		1.80	0.83	0.26	21.57
Railway Traction Tariff I		18.68		1.80	0.83	0.26	21.57
Tariff K - AJK	360	15.9		1.80	0.83	0.26	18.79
Time of Use (TOU) - Peak		21.6		1.80	0.83	0.26	24.49
Time of Use (TOU) - Off-Peak	360	14.7		1.80	0.83	0.26	17.59
Tariff K -Rawat Lab		18.68		1.80	0.83	0.26	21.57
J- Special Contract							
J-1 For Supply at 66 kV & above	360	17.88		1.80	0.83	0.26	20.77
Time of Use (TOU) - Peak		21.6		1.80	0.83	0.26	24.49
Time of Use (TOU) - Off-Peak	360	14.7		1.80	0.83	0.26	17.59
J-2 (a) For Supply at 11, 33 kV	380	17.98		1.80	0.83	0.26	20.87
Time of Use (TOU) - Peak		21.6		1.80	0.83	0.26	24.49
Time of Use (TOU) - Off-Peak	380	14.8		1.80	0.83	0.26	17.69
J-2 (b) For Supply at 66 kV & above	360	17.88		1.80	0.83	0.26	20.77
Time of Use (TOU) - Peak		21.6		1.80	0.83	0.26	24.49
Time of Use (TOU) - Off-Peak	360	14.7		1.80	0.83	0.26	17.59
J-3 (a) For Supply at 11, 33 kV	380	17.98		1.80	0.83	0.26	20.87
Time of Use (TOU) - Peak		21.6		1.80	0.83	0.26	24.49
Time of Use (TOU) - Off-Peak	380	14.8		1.80	0.83	0.26	17.69
J-3 (b) For Supply at 66 kV & above	360	17.88		1.80	0.83	0.26	20.77
Time of Use (TOU) - Peak		21.6		1.80	0.83	0.26	24.49
Time of Use (TOU) - Off-Peak	360	14.7		1.80	0.83	0.26	17.59

Source: NEPRA

* Industrial Support Package (ISP) reduction shall be inclusive of any downward revision of Fuel Price Adjustment notified from time to time.
Note: FC Surcharge @ Rs. 0.43/kWh and NJ Surcharge @ 0.10/kWh are applicable in addition to above on all consumer categories except life line.

TABLE 14.4

Consumer-End Applicable Tariff

Description	Fixed Charges	Notified Base Tariff w.e.f. 01-11-2021	Uniform Applicable Quarterly adjustment 4th Qtr. FY 2019-20, 1st & 2nd Qtr. FY 2020-21 & Surcharge w.e.f. 01.10.2021	Total Applicable Tariff
		Variable Charges	Variable Charges	Variable Charges
	Rs./ kW/M	Rs./kWh	Rs./kWh	Rs./kWh
	A	B	C	D= B+C
A1- Residential				
For peak load requirement less than 5 kW				
Protected				
Up to 50 Units - Life Line		3.95		3.95
51-100 units - Life Line		7.74	(0.0673)	7.67
0-100 Units		7.74	(0.0673)	7.67
101-200 Units		10.06	(0.0673)	9.99
Un-Protected				
01-100 Units		9.42	(0.0673)	9.35
101-200 Units		11.74	(0.0673)	11.67
201-300 Units		13.83	(0.0673)	13.76
301-400 Units		21.23	1.6527	22.88
401-500 Units		21.23	1.6527	22.88
501-600 Units		21.23	1.6527	22.88
601-700Units		21.23	1.6527	22.88
Above 700 Units		24.33	1.6527	25.98
For peak load requirement exceeding 5 kW)				
Time of Use (TOU) - Peak		24.33	1.6527	25.98
Time of Use (TOU) - Off-Peak		18.01	1.6527	19.66
Temporary Supply		24.47	1.6527	26.12
A2- Commercial				
For peak load requirement less than 5 kW		21.34	1.1327	22.47
For peak load requirement exceeding 5 kW				
Regular	440	23.02	2.9027	25.92
Time of Use (TOU) - Peak		24.94	2.9027	27.84
Time of Use (TOU) - Off-Peak	440	18.97	2.9027	21.87
Temporary Supply		21.73	2.9027	24.63
A3- General Services		20.90	2.9027	23.80
B- Industrial				
B1 (upto 25kW)		18.62	2.9027	21.52
B1 - TOU (Peak)		16.62	2.9027	19.52
B1 Off Peak		16.62	2.9027	19.52
B2 (25-500 kW)	440	18.12	2.9027	21.02
B2 - TOU (Peak)		16.41	2.9027	19.31
B2 - TOU (Off-peak)	440	16.41	2.9027	19.31
B3 - TOU (Peak)		16.32	2.9027	19.22
B3 - TOU (Off-peak)	420	16.32	2.9027	19.22
B4 - TOU (Peak)		16.22	2.9027	19.12
B4 - TOU (Off-peak)	400	16.22	2.9027	19.12
Temporary Supply		19.70	2.9027	22.60
C - Single Point Supply				
C1(a) Supply at 400 Volts-less than 5 kW		22.02	2.9027	24.92
C1(b) Supply at 400 Volts-exceeding 5 kW	440	21.52	2.9027	24.42
Time of Use (TOU) - Peak		24.94	2.9027	27.84
Time of Use (TOU) - Off-Peak	440	18.34	2.9027	21.24
C2 Supply at 11 kV	420	21.32	2.9027	24.22
Time of Use (TOU) - Peak		24.94	2.9027	27.84
Time of Use (TOU) - Off-Peak	420	18.14	2.9027	21.04
C3 Supply above 11 kV	400	21.22	2.9027	24.12
Time of Use (TOU) - Peak		24.94	2.9027	27.84
Time of Use (TOU) - Off-Peak	400	18.04	2.9027	20.94
D- Agricultural				
Scarp		19.02	2.9027	21.92
Time of Use (TOU) - Peak		21.94	2.9027	24.84
Time of Use (TOU) - Off-Peak	200	14.69	2.9027	17.59
Agricultual Tube-wells	200	8.69	2.5927	11.28
Time of Use (TOU) - Peak		8.69	2.5927	11.28
Time of Use (TOU) - Off-Peak	200	8.69	2.5927	11.28
Public Lighting - Tariff G		22.02	2.9027	24.92
Residential Colonies - Tariff H		22.02	2.9027	24.92
Railway Traction Tariff I		22.02	2.9027	24.92
Tariff K - AJK	400	19.24	2.9027	22.14
Time of Use (TOU) - Peak		24.94	2.9027	27.84
Time of Use (TOU) - Off-Peak	400	18.04	2.9027	20.94
Tariff K -Rawat Lab		22.02	2.9027	24.92

Note: In addition to above, Monthly FCA is also applicable

FC Surcharge @ Rs. 0.43/kWh is applicable in addition to above on all consumer categories except life line.

TABLE 14.5

OIL SALE PRICES

Rs/Ltrs

Date	01-09-2018	01-10-2018	01-11-2018	01-12-2018	01-01-2019	01-02-2019	01-03-2019	01-04-2019
EX-NRL/PRL KARACHI								
Motor Gasoline	92.83	92.83	97.83	95.83	90.97	90.38	92.89	98.89
HOBC (Automotive 100 Octane)								
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)								
Kerosene	83.50	863.50	86.50	83.50	82.98	82.31	86.31	89.31
HSD	106.57	106.57	112.94	110.94	106.68	106.68	111.43	117.43
LDO	75.96	75.96	82.44	77.44	75.28	75.03	77.54	80.54
Aviation gasoline (100LL)								
JP-1:	80.94	84.83	92.34	84.42	73.59	73.39	73.48	81.95
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	80.75	84.64	92.15	84.23	73.41	73.20	73.29	81.92

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5

OIL SALE PRICES

Rs/Ltrs

Date	01-05-2019	05-05-2019	01-06-2019	01-07-2019	1-8-2019	1-9-2019	1-10-2019	1-11-2019
EX-NRL/PRL KARACHI								
Motor Gasoline	98.89	108.42	112.68	112.68	117.83	113.24	113.24	114.24
HOBC (Automotive 100 Octane)								
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)								
Kerosene	89.31	96.77	98.46	98.46	103.84	99.57	99.57	97.18
HSD	117.43	122.32	126.82	126.82	132.47	127.14	127.14	127.41
LDO	80.54	86.94	88.62	88.62	97.52	91.89	91.89	85.33
Aviation gasoline (100LL)								
JP-1:	85.75	85.75	87.45	83.99	92.30	87.90	89.33	86.15
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	85.73	85.73	87.42	83.97	92.28	87.68	89.31	86.12

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5

OIL SALE PRICES

Rs/Ltrs

Date	1-12-2019	1-1-2020	1-2-2020	1-3-2020	25-3-2020	27-6-20	1-8-2020	1-9-2020
EX-NRL/PRL KARACHI								
Motor Gasoline	113.99	116.60	116.60	111.59	96.58	100.11	103.97	103.97
HOBC (Automotive 100 Octane)								
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)								
Kerosene	96.35	99.45	99.45	92.45	77.45	59.32	65.29	65.29
HSD	125.01	127.26	127.26	122.25	107.25	101.46	106.46	106.46
LDO	82.43	84.51	84.51	77.51	62.51	56.24	62.86	62.86
Aviation gasoline (100LL)								
JP-1:	85.34	93.02	93.02	80.92	77.37	49.05	24.85	48.64
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	85.32	87.09	87.09	74.06	51.46	19.31	24.84	48.61

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5

OIL SALE PRICES

Rs/Ltrs

Date	16-9-2020	1-10-2020	16-10-2020	1-11-2020	16-11-2020	1-12-2020	16-12-2020	1-1-2021
EX-NRL/PRL KARACHI								
Motor Gasoline	103.97	103.97	102.4	100.69	101.69	103.69	106.00	109.20
HOBC (Automotive 100 Octane)								
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)								
Kerosene	65.29	65.29	65.29	65.29	65.29	65.29	70.29	73.65
HSD	106.46	106.06	104.06	103.22	101.43	105.43	108.44	110.24
LDO	62.86	62.86	62.86	62.86	62.86	62.86	67.86	71.81
Aviation gasoline (100LL)								
JP-1:	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5

OIL SALE PRICES

Rs/Ltrs

Date	16-1-2021	1-2-2021	16-2-2021	1-3-2021	16-3-2021	1-4-2021	16-4-2021	1-5-2021
EX-NRL/PRL KARACHI								
Motor Gasoline	111.90	111.90	111.90	111.90	110.35	108.56	108.56	108.56
HOBC (Automotive 100 Octane)								
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)								
Kerosene	76.65	80.19	80.19	80.19	83.61	82.06	80.00	80.00
HSD	113.19	116.08	116.08	116.08	116.08	113.08	110.76	110.76
LDO	76.23	79.23	79.23	79.23	81.42	79.86	77.65	77.65
Aviation gasoline (100LL)								
JP-1:	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5

OIL SALE PRICES

Rs/Ltrs

Date	16-5-2021	1-6-2021	16-6-2021	1-7-2021	16-7-2021	1-8-2021	16-8-2021	1-9-2021
EX-NRL/PRL KARACHI								
Motor Gasoline	108.56	108.56	110.69	112.69	118.09	119.80	119.80	118.33
HOBC (Automotive 100 Octane)								
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)								
Kerosene	80.00	80.00	81.89	85.75	87.14	87.49	88.30	86.80
HSD	110.76	110.76	112.55	113.99	116.53	116.53	116.53	115.03
LDO	77.65	77.65	79.68	83.40	84.67			
Aviation gasoline (100LL)								
JP-1:	-	-	-	91.04	90.58	90.59	91.48	91.48
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	-	-	-	89.05	90.56	90.57	91.46	91.46

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5

OIL SALE PRICES

Rs/Ltrs

Date	16-9-2021	1-10-2021	16-10-2021	1-11-2021	5-11-2021	6-11-2021	1-12-2021	16-12-2021
EX-NRL/PRL KARACHI								
Motor								
Gasoline	123.30	127.30	137.79	137.79	145.82	145.82	145.82	140.82
HOBC (Automotive 100 Octane)								
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)								
Kerosene	92.26	99.31	110.26	110.26	116.53	116.53	116.53	109.53
HSD	120.04	122.04	134.48	134.48	142.62	142.62	142.62	137.62
LDO								
Aviation gasoline (100LL)								
JP-1:	93.45	100.63	112.64	112.64	120.71	117.05	113.50	105.83
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	93.42	100.61	112.61	112.61	120.69	117.02	113.48	105.80

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5

OIL SALE PRICES

Rs/Ltrs

Date	1-1-2022	16-1-2022	1-2-2022	16-2-2022	1-3-2022	16-3-2022	1-4-2022	16-4-2022
EX-NRL/PRL KARACHI								
Motor								
Gasoline	144.82	147.83	147.83	159.86	149.86	149.86	149.86	149.86
HOBC (Automotive 100 Octane)								
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)								
Kerosene	113.48	116.48	116.48	126.56	125.56	125.56	125.56	125.56
HSD	141.62	144.62	144.62	154.15	144.15	144.15	144.15	144.15
LDO								
Aviation gasoline (100LL)								
JP-1:	111.21	114.54	114.54	123.97	118.31	118.31	118.31	118.31
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	110.07	116.87	116.87	135.72	140.41	140.41	140.41	140.41

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.6

GAS SALE PRICES

Sectors	w.e.f 27-09-18	w.e.f 01-01-2019		* w.e.f 01-07-2019		* w.e.f 01-09-2020
1. DOMESTIC			**1. DOMESTIC**		**1. DOMESTIC**	
Upto 50 M^3 per month	121		Upto 50 M^3 per month	121	Upto 0.5 hm3 per month	121
Upto 100 M^3 per month	127		Upto 100 M^3 per month	300	Upto 1 hm3 per month	300
Upto 200 M^3 per month	264		Upto 200 M^3 per month	553	Upto 2 hm3 per month	553
Upto 300 M^3 per month	275		Upto 300 M^3 per month	738	Upto 3 hm3 per month	738
Upto 400 M^3 per month	780		Upto 400 M^3 per month	1107	Upto 4 hm3 per month	1107
Upto 500 M^3 per month	1460		Above 400 M^3 per month	1460	Above 4 hm3 per month	1460
Over 500 M^3 per month	1460					
2. Bulk Consumers	780			780	**2. Bulk Consumers**	780
3. Special Commercial (Roti Tanoor)		revert back on 14-12-2018			**3. Special Commercial (Roti Tanoor)**	
Upto 50 M^3 per month	121				Upto 0.5 hm3 per month	110
Upto 100 M^3 per month	127	Upto 1 hm3 = 110	Upto 100 M^3 per month	110	Upto 1 hm3 per month	110
Upto 200 M^3 per month	264				Upto 2 hm3 per month	220
Upto 300 M^3 per month	275	Upto 3 hm3 = 220	Upto 300 M^3 per month	220	Upto 3 hm3 per month	220
Upto 400 M^3 per month	780				Over 3 hm3 per month	700
Over 400 M^3 per month	980	Above 3 hm3 = 700	Over 400 M^3 per month	700		
4. Commercial	980			1283	4. Commercial	1283
5. Ice Factories	980			1283	5. Ice Factories	1283
6. Textile (Including Jute), carpets, leather, sports and surgical goods					6.General Indusries	1054
	600			786		
7 Industrial	780			1021	7. Export Oriented (General Industrial)	819
8. Captive Power	780			1021	8. Export Orinted (Captive)	852
9. Compressed Natural Gas(CNG)	980			1283	8. Capitive Power (General Industry)	1087
10. Cement	975			1277	CNG Region-I	1371
					CNG Region-II	1350
					Cement	1277
11. Fertilizer Companies					**11. Fertilizer Companies**	
On SNGPL's System					On SNGPL's System	
(a) For Feed Stock					(a) For Feed Stock	
i. Pak American Fertilizer Limited.	185			300	i. Pak American Fertilizer Limited.	302
ii. Dawood Hercules Chemical Limited	185			300	ii. Dawood Hercules Chemical Limited	302
iii. Pak Arab Fertilizer Limited	185			300	iii. Pak Arab Fertilizer Limited	302
iv. Pak China Fertilizer Limited	185			300	iv. Pak China Fertilizer Limited	302
v. Hazara Phosphate Fertilizer Plant Limited				300	v. Hazara Phosphate Fertilizer Plant Limited	302
	185					
vi. FFC Jordan Fertilizer						
vii. ENGRO Fertilizer Limited	US$ 0.70			US$ 0.70	vii. ENGRO Fertilizer Limited	US$ 0.70
On SSGCL's System						
Fauji Fertilizer Bin Qasim Limited	185			300	On SSGCL's System	
FFBQL - additional 10 MMCFD feed stock						
					(i) a) Fauji Fertilizer Bin Qasim Limited	302
(b) For Fuel - All Fertilizer Companies	780			1021	(b) For Fuel - All Fertilizer Companies	1023
On MARI's SYSTEM					On MARI's SYSTEM	
(a) For Feed Stock					(a) For Feed Stock	
i. Engro Fertilizer Company Limited	185			300	i. Engro Fertilizer Company Limited	302
ii. Fauji Fertilizer Company Limited					ii. Fauji Fertilizer Company Limited	302
(Goth Machi/Mirpur Mathelo)	185			300	(Goth Machi/Mirpur Mathelo)	
iii. Fatima Fertilizer Company Limited	US$ 0.70			US$ 0.70	iii. Fatima Fertilizer Company Limited	US$ 0.70
iv. Fatima Fertilizer Company Limited, Mirpur Mathelo, District Gholki					iv. Foundation Power Company (Dharki) Limited	857
(b) For Fuel						
	780			1021	(b) For Fuel	1023
12. Power Station (WAPDA's and KESCS's					**12. Power Station (WAPDA's and KESCS's**	
i. WAPDA & KESC Power Station	629			824	i. WAPDA & KESC Power Station	857
ii. WAPDA's Gas Turbine Power Station Nishatabad, Faislabad	629			824	ii. WAPDA's Gas Turbine Power Station Nishatabad, Faislabad	857
iii. Liberty Power Limited	1005.19	1283.47		1283.47		
13. Independent Power Producers	629			824	**13. Independent Power Producers**	857
14. On MARI's System						
(a) For Feed Stock						
i. Engro Fertilizer Company Limited	185			300		
ii. Fauji Fertilzer Company Limited (Goth Machi/Mirpur Mathelo)	185			300		
iii. Fatima Fertilizer Company Limited	US$ 0.70			US$ 0.70		
iv. Fatima Fertilizer Company Limited, Mirpur Mathelo, District Gholki						
(b) For Fuel						
	780			1021		
15. RAW Gas Sold to WAPDA's GUDDU Power Station						
i. Sui Field (917 BTU) and Kanhkot (866 BTU)-PPL	629			824		
ii. Mari (754)-MGCL	629			824		
iii. Foundation Power Company (Dharki) Limited	629			824		
iv. Sara/Suri Fields-Tullow						

*: Effective till to date

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 1st July and ends on 30th June every year

CROPPING SEASONS

Kharif – Crop sowing from April to June and harvested during October-December

Rabi – Crops sowing from October to December and harvested during April-May

ABBREVIATIONS

A & P	Assessment & Processing
ACD	Additional Custom Duty
ADB	Asian Development Bank
ADP	Annual Development Programmes
ADS	Assets Declaration Scheme
AECHs	Atomic Energy Cancer Hospitals
AEDB	Alternative Energy Development Board
AEPAM	Academy of Educational Planning & Management
AGHA	Agha Steel Industries
AIDS	Acquired Immunodeficiency Syndrome
AIIB	Asian Infrastructure Investment Bank
AJK	Azad Jammu & Kashmir
AMA	Asaan Mobile Account
APCMA	All Pakistan Cement Manufacturer Association
APTTCA	Afghanistan-Pakistan Transit Trade Coordination Authority
ARE	Alternative Renewable Energy
ASER	Annual Status of Education Report
ATL	Active Taxpayer List
AUM	Assets Under Management
B2C	Business-to-Consumer
BB	Branchless Banking
BHUs	Basic Health Units
BINO	Bahawalpur Institute of Nuclear Oncology
BISP	Benazir Income Support Program
BMEC	Baluchistan Mineral Exploration Company Limited
BMR	Balancing, Modernization and Replacement
BMRL	Baluchistan Minerals Resource Company Limited
BOT	Built-Operate-Transfer
CAD	Current Account Deficit
CAGR	Compound Annual Growth Rate
CAN	Calcium Ammonium Nitrate
CAR	Capital Adequacy Ratio
CBU	Completely Built Up
CCI	Council of Common Interests
CCOE	Cabinet Committee on Energy
CCTs	Conditional Cash Transfers
CDNS	Central Directorate of National Savings
CFAO	Chief Finance and Accounts Officer
CFIs	Commercial Financial Institutions
CGPM	Clean Green Pakistan Movement
CIA	Chief Internal Auditor
CiC	Currency in Circulation
CIIE	China International Import Expo
CKD	Completely Knocked Down
CKO	Centralized Know Your Customer Organization
CM & TSA	Cash Management and Treasury Single Account
CMI	Census of Manufacturing Industries
CMS	Complaint Management System

COPHCL	China Overseas Ports Holding Company Limited
CPEC	China Pakistan Economic Corridor
CPFTA	China-Pakistan Free Trade Agreement
CPI	Consumer Price Index
CPPA	Central Power Purchasing Agency
CRC	Corporate Restructuring Company
CRMs	Complaint Resolution Mechanisms
CRVS	Civil Registration and Vital Statistics
CSC	Consumer Support Center
CSR	Corporate Social Responsibility
DAP	Diammonium phosphate
DCCI	Dhaka Chamber of Commerce and Industry
DPB	Domestic Private Bank
DR	Disaster Recovery
DSSI	Debt Services Suspension Initiative
ECC	Economic Coordination Committee
ECE	Early Childhood Education
EDCF	Economic Development Cooperation Fund
EDI	Electronic Data Interchange
EFS	Export Finance Scheme
EFS	Exports Finance Scheme
EMDEs	Emerging Markets and Developing Economies
EOBI	Employees Old-Age Benefits Institution
EPI	Expanded Programme for Immunization
ERC	Ehsaas Registration Centers
ESWs	Ehsaas Saving Wallets
EU	Europe Union
EV	Electric Vehicle
FAO	Food and Agriculture Organization
FASTER	Fully Automated Sales Tax e-Refund
FATF	Financial Action Task Force
FBR	Federal Board of Revenue
FCA	Federal Committee on Agriculture
FCVA	Foreign Currency Value Account
FDI	Foreign Direct Investment
FED	Federal Excise Duty
FRSU	Floating Re-gasification Storage Units
FX	Foreign Exchange
FXs	Foreign Exchange
GCF	Green Climate Fund
GCISC	Global Change Impact Studies Centre
GDP	Gross Domestic Product
GEM	Growth Enterprise Market
GER	Gross Enrolment Rate
GI	Geographical Indication
GIDC	Gas Infrastructure Development Cess
GIS	Geographical Information System
GLOFs	Glacial Lake Outburst Floods
G-MSS	Government’s Mark-Up Subsidy Scheme
GMTN	Global Medium-Term Note

GNI	Gross National Income
GSP	Geological Survey of Pakistan
GST	General Sales Tax
HCV	Heavy Commercial Vehicle
HDI	Human Development Index
HEC	Higher Education Commission
HEDP	Higher Education Development Programme
HEIs:	Higher Education Institutes
HIV	Human Immunodeficiency Virus
I & P	Investigation & Prosecution Unit
IBB	Islamic Banking Branches
IBI	Islamic Banking Industry
ICAC	International Cotton Advisory Committee
ICTs	Information and Communication Technologies
IFA	Individual Financial Assistance
IFIs	International Financial Institutions
IFL	Interest Free Loan
IGCEP	Indicative Generation Capacity Expansion Plan
IMR	Infant mortality rate
INMOL	Institute of Nuclear Medicine & Oncology Lahore
IPOs	Initial Public Offerings
IREN	Inland Revenue Enforcement Network
ITeS	Information Technology enabled Services
ITU	International Telecommunications Union
JHPIEGO	Johns Hopkins Program for International Education in Gynecology and Obstetrics
JP&VCCs	Job Placement and Vocational Counseling Centres
JPCs	Job Placement Centres
JPHLEPD	Japan-Pakistan High Level Economic Policy Dialogue
KANUPP	Karachi Nuclear Power Plant
KPEC	Khyber Pass Economic Corridor
LCV	Light Commercial Vehicles
LEAs	Law Enforcement Agencies
LEG	Labour Expert Group
LHW	Lady Health Workers
LLITN	Long Lasting Insecticide Treated Nets
LMA	Limited Mandate Accounts
LMC	Lubricant Marketing Company
LPG	Liquefied Petroleum Gas
LSM	Large Scale Manufacturing
LTFF	Long Term Finance Facility
LTFF	Long Term Financing Facility
MDAS	Ministries, Divisions, Attached Departments, Sub-Ordinate Offices
MDM	Mobile Device Manufacturing
MFBs	Micro-Finance Banks
MFIs	Microfinance Institutions
MMCFD	Million Cubic Feet per day
MMF	Man Made Fiber
MNFS&R	Ministry of National Food Security and Research
MOU	Memorandum Of Understanding
MSCI	Morgan Stanley Capital International

NAP	National Adaptation Plan
NAVTTC	National Vocational and Technical Training Commission
NBFCs	Non-Bank Finance Companies
NCC	National Coordination Committee
NCDs	Non-Communicable Diseases
NCSP	National Cyber Security Policy
NDA	Net Domestic Assets
NDC	National Data Center
NDCs	Nationally Determined Contributions
NER	Net Enrolment Rate
NFA	Net Foreign Assets
NFC	National Finance Commission
NFIS	National Financial Inclusion Strategy
NFNE	Non Food and No Energy
NHA	National Highway Authority
NID	National Immunization Day
NM&O	Nuclear Medicine &Oncology
NMDC	National Minerals Data Center
NNS	National Nutrition Survey
NOU	National Ozone Unit
NP	Nitrophosphate
NPA	Non-Performing Assets
NPGI	National Poverty Graduation Initiative
NPK	Nitrogen, Phosphorus, And Potassium
NPLs	Non-Performing Loans
NPMC	National Price Monitoring Committee
NPPs	Nuclear Power Plants
NRPs	Non-Resident Pakistanis
NRV Account	Non-Resident Pakistani Rupee Value Account
NRVA	NRP Rupee Value Account
NSER	National Socio-Economic Registry
NSS	National Savings Schemes
NSS	National Skill Strategy
NVQF	National Vocational Qualification Framework
NYDF	National Youth Development Framework
OECD	Organization for Economic Cooperation and Development
OFC	Optic Fiber Cable
PAEC	Pakistan Atomic Energy Commission
Pak-EPA	Pakistan Environmental Protection Agency
PAMA	Pakistan Automotive Manufacturer Association
PARC	Pakistan Agriculture Research Council
PASSCO	Pakistan Agriculture Storage & Services Corporation Ltd
PASSD	Poverty Alleviation and Social Safety Division
PCM	Professional Clearing Member
PCMS	Payment Complaint Management System
PCRCL	Pakistan Corporate Restructuring Company Limited
PF	Proliferation Financing
PFL	Floating rate PIBS
PFM	Public Finance Management
PHEIC	Public Health Emergency of International Concern

PIBs	Pakistan Investment Bonds
PITE	Provincial Institutes of Teacher Education
PMDC	Pakistan Mineral Development Corporation
PMEX	Pakistan Mercantile Exchange Limited
PMKJ-YES	Prime Minister's Kamyab Jawan Youth Entrepreneurships Scheme
PMN	Pakistan Microfinance Network
PNSC	Pakistan National Shipping Corporation
POC	Pakistan Origin Card
PODB	Pakistan Oilseed Development Board
POs	Partner Organizations
POS	Point of Sales
PPCBL	Punjab Provincial Cooperative Bank Limited
PPIB	Private Power and Infrastructure Board
PPP	Public-Private Partnership
PPR	Programme for Poverty Reduction
PR	Pakistan Railways
PSDP	Public Sector Development program
PSEs	Public Sector Enterprises
PSIC	Pakistan Standard Industrial Classification
PSLM	Pakistan Social and Living Standards Measurement
PSX	Pakistan Stock Exchange
PTL	Panther Tyres Limited
QEC	Quality Enhancement Cell
QIM	Quantum Index of Manufacturing
RAMS	Risk based Audit Management System
RAS	Regulatory Approval System
RBOD	Right Bank Outfall Drain
RBS	Risk Based Supervision
RD	Regulatory Duty
RDA	Roshan Digital Accounts
REER	Real Effective Exchange Rate
REITs	Real Estate Investment Trusts
RFCC	Refinance Facility for Combating COVID-19
RFCD	Resident Foreign Currency Deposits
RFI	Rapid Financing Instrument
RHCs	Rural Health Clinics
RLNG	Re-gasified Liquefied Natural Gas
RSPs	Rural Support Programmes
RYE	Revitalizing Youth Enterprise
SBP	State Bank of Pakistan
SBTS	Safe Blood Transfusion Services
SDGs	Sustainable Development Goals
SECP	Security and Exchange Commission of Pakistan
SKD	Semi Knocked Down
SMEDA	Small and Medium Enterprises Development Authority
SNC	Single National Curriculum
SOP	Sulphate of Potash
SOPs	Standard Operating Procedures
SPI	Sensitive Price Indicator
SRCLs	Schools for Rehabilitation of Child Labour

SSM	Small Scale Manufacturing
SSP	Single Super Phosphate
STPs	Software Technology Parks
STSC	Short-Term Savings Certificates
SWIT	Saylani Welfare International Trust
TBTTP	Ten Billion Tree Tsunami Programme
TCO	Textiles Commissioner's Organization
TDAP	Trade Development Authority of Pakistan
TERF	Temporary Economic Refinance Facility
THQs	Tehsil Headquarters
TOMCL	The Organic Meat Company
TPLT	TPL Trakker
TPSP	Third Party Service Provider
TSA	Treasury Single Account
TVET	Technical & Vocational Education and Training
TY	Tax year
UAN	Universal Account Number
UIN	Unique Identification Number
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNHCR	United Nation High Commission for Refugees
US	United States
USF	Universal Service Fund
USSD	Unstructured Supplementary Service Data
VPS	Voluntary Pension System
WADR	Weighted Average Deposit Rate
WALR	Weighted Average Lending Rate
WASH	Water, Sanitation and Hygiene
WDI	World Development Indicators
WeBOC	Web Based One Customs
WECs	Women Empowerment Centres
WHO	World Health Organization
WPI	Wholesale Price Index
WWF	Workers Welfare Fund
YoY	Year on Year
ZTBL	Zarai Taraqiati Bank Limited

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