

TRADE AND PAYMENTS

Pakistan has recorded laudable export performance during the last several years, with exports growing at an average rate of almost 16 percent per annum over the last four years (2002-03 to 2005-06). Given the importance of exports in the economic transformation of any nation, the ability to achieve strong export-led growth has become a recurring theme in policy making in Pakistan. The strong export growth in Pakistan benefited a great deal from the rapid improvement in the international trading environment, which in turn was the direct consequence of the most ambitious and successful round of multilateral trade negotiation in Uruguay under the aegis of the General Agreement on Tariffs and Trade (GATT). This trade negotiation succeeded to a great extent in bringing down tariff barriers, particularly in the industrial economies which are substantial markets for Pakistan. Despite improvements in the international trading environment, Pakistan's export growth witnessed abrupt and sharp deceleration to less than 4.0 percent in the first ten months (July-April) of the current fiscal year after growing at an impressive rate of 16.0 percent per annum in recent years. What has happened to Pakistan's export in 2006-07? Attempt is made to review the situation and suggests measures to revive its glory of recent years.

Pakistan's import growth slowed to a normal level in the current fiscal year after surging at an average rate of 29.0 percent per annum during the last four years. Four years of strong economic growth strengthened domestic demand which triggered a consequential pick up in investment. The rise in investment demand led to a massive surge in imports. Though Pakistan continued to maintain its strong growth momentum in the current fiscal year, import growth has decelerated to its trend level for a variety of reasons including the pursuance of tight monetary policy during the

year. The slower growth in imports is likely to improve trade deficit from 9.5 percent of GDP last year to 9.0 percent this year¹. However, current account deficit is expected to be around 5.0 percent of GDP as against 4.4 percent last year. As will be discussed later, the current deficit has started declining after the first quarter (July-September) of the current fiscal year. Expected improvement in export next year with declining trend in current account deficit this year, Pakistan's trade and current account deficits are likely to improve in the next fiscal year.

Exports

Exports were targeted at \$ 18.6 billion or 12.9 percent higher than last year. Exports during the first ten months (July-April) of the current fiscal year are up by 3.4 percent – rising from \$ 13457.0 million to \$ 13909.0 million in the same period last year (See Table 9.1). Export of food group declined by 3.5 percent. This decline is caused by a 2.6 percent and 14.3 percent decline in exports of rice and fruits. Export of rice declined due to lesser production caused by adverse weather condition which kept the domestic price higher. It was more profitable to sell within the country than to export. Exports of textile manufactures grew by 6.2 percent. Prominent among these are export of knitwear (13.9%), readymade garments (6.8%), made up articles (8.9%), cotton yarn (4.6%), and towels (2.6%). Exports of other textile materials registered a high double digit growth of 17.2 percent. Export of raw cotton, cotton cloth and bed wear on the other hand registered a decline.

¹ This projection is based on trade data released by the Federal Bureau of Statistics (FBS) on custom basis which recorded shipment. The State Bank of Pakistan (SBP) prepares balance of payments for the country and uses exports, imports and trade gap numbers on actual payment basis. Therefore, these number will differ with each other.

The rise in prima cotton price (a genetically modified version), which is imported from the USA and is a critical input for producing higher quality bed wear & fabrics, has made these items less competitive compared to its competitors. Further, the discriminating anti-dumping duty of 5.8 percent on the bed linen export to the European Union (EU) also adversely affected Pakistan's competitiveness. Raw cotton declined due to lower production as well as increased domestic prices. Poor quality of cotton on account of

contaminated cotton issue is adversely affecting the exports of spinning industry. Exports of engineering goods increased by 6.7 percent while exports of petroleum products declined by 2.7 percent. See Table 9.1]. In other manufactures' categories of exports, all items including carpets, rugs & mats, sports goods, leather products, surgical equipments and chemical & pharmaceutical products registered negative growth. Exports of most of these items have been on the decline for quite sometime.

Table 9.1: Structure of Exports (\$ Millions)

Particulars	July-April		% Change	Absolute Increase/Decrease	Percentage Contribution to Increase in Exports
	2006-07*	2005-06			
A. Food Group	1617.2	1676.5	-3.5	-59.3	-13.1
Rice	939.2	963.9	-2.6		
Fish & Fish Preparation	157.1	154.2	1.9		
Fruits	94.1	109.7	-14.3		
Spices	20.3	19.4	4.6		
Oil Seeds, Nuts & Kernels	15.2	9.3	64.3		
Meat & Meat Preparation	33.5	15.4	117.7		
All other Food Items	304.0	276.4	9.9		
B. Textile Manufactures	8866.6	8350.5	6.2	516.1	114.1
Raw Cotton	49.2	57.1	-13.8		
Cotton Yarn	1179.7	1127.1	4.6		
Cotton Cloth	1629.4	1744.6	-6.6		
Knitwear	1603.6	1407.5	13.9		
Bed Wear	1600.2	1666.7	-4.0		
Towels	490.4	478.0	2.6		
Readymade Garments	1145.2	1072.2	6.8		
Made-up Articles	377.0	345.9	9.0		
Other Textile Materials	257.8	219.9	17.2		
C. Petroleum Group	672.3	673.4	-0.2	-1.1	-0.24
Petroleum Crude	0.0	0.0	0.0		
Petroleum Products	274.2	281.8	-2.7		
Petroleum Top Naptha	397.5	389.6	2.0		
Solid Fuel (Coal)	0.537	1.9	-71.7		
D. Other Manufactures	2026.2	2322.8	-12.8	-296.6	-65.6
Carpets, Rugs & mats	190.1	213.4	-10.9		
Sports Goods	222.8	270.8	-17.7		
Leather Tanned	225.7	232.9	-3.1		
Leather Manufactures	427.1	603.4	-29.2		
Surgical G. & Med.Inst.	124.0	133.5	-7.1		
Chemicals & Pharma. Pro.	314.7	359.6	-12.5		
Engineering Goods	185.8	174.1	6.7		
E. All Other Items	726.7	433.5	67.6	293.2	64.8
Total	13909.0	13456.9	3.6	452.1	100.0

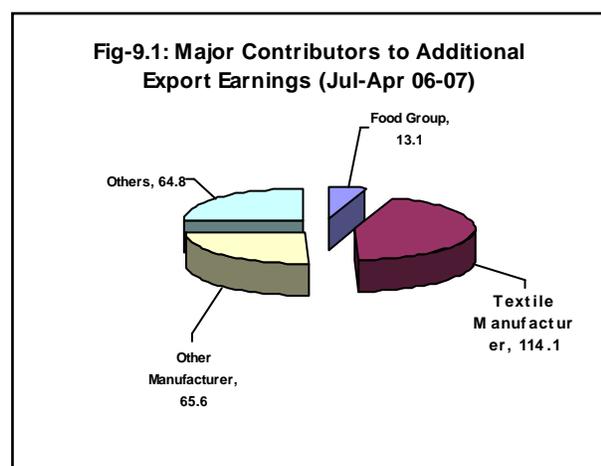
* Provisional

Source: Federal Bureau of Statistics

In absolute term the overall exports posted an increase of \$ 452.1 million in the first ten months of the current fiscal year over the same period last year. Of this increase, 114.1 percent or \$ 516.1

million was contributed by textile manufactures while 'all other items' increased by 64.8 percent or \$ 293.2 million. This increase of \$ 809 million was slashed due to a decline of exports of rice (\$ 59.3

million) and other manufacturers (\$ 296.6 million). (See Fig-9.1)



Pakistan's export this year has experienced a decline of a \$ 563 million because of the decline in the unit values of its exports in the international market. Although Pakistan's export in quantity term present a mixed picture, the general decline in its price in international market deprived Pakistan \$ 563 million in its export proceeds (See Table 9.2).

Table 9.2: Export Losses (Fall in Prices) (July-April 2006-07) (\$ Million)

Commodity	Actual Exports	Exports at Last Year's Prices	Gains/ Losses
Fish & Fish Prep.	157.2	151.1	-6.1
Cotton Cloth	1629.4	1339.8	-289.6
Bed wear	1600.2	1613.5	13.3
Knitwear	1603.6	1410.5	-193.1
Towels	490.4	475.7	-14.7
Synthetic Textiles	402.7	337.5	-65.2
Carpets	190.1	1182.6	-7.5
Total	6073.7	5510.7	-563.0

* Provisional Source: Federal Bureau of Statistics.

The less than satisfactory export performance of textile manufacturers can be attributed to a variety of factors. First, it appears that Pakistan's textile exporters could not compete with China, India and Bangladesh in the international market. Second, the discriminating and tied-dumping duty of 5.8 percent on the bed linen export also affected Pakistan's competitiveness. Third, poor quality of cotton on account of contaminated cotton issue has also adversely affected the export of spinning

industry. Fourth, the rise in prima cotton price (a genetically modified version) which is imported from the USA is a critical input for producing higher quality bed wear and fabrics, has made these items less competitive in the international market. These are specific issues facing Pakistan's textile exports during the financial year 2006-07, however, Pakistan's export suffers from serious structural issues which need to be addressed primarily by textile manufacturers with government playing its role of facilitating and providing financial support on temporary basis. Pakistan textile products are low value added and of poor quality therefore fetches low international price. The machinery installed in recent years are old relative to Pakistan's competitors therefore, these machines are power intensive, less productive and carry higher maintenance cost. Increased wastage of inputs also adds to their costs. Pakistan's labour are less productive because little or no efforts have been made to impart training or improving their skills. Pakistan's exporters spend little money on research and development. Pakistan export houses lack capacity to meet bulk orders as well as they are unable to meet requirements of consumers in terms of fashion and design. It is generally argued that Pakistan's exporters are uncompetitive in terms of adherence to contracted quality and delivery schedule. Pakistan's competitors are investing heavily and creating better economies of scale. These are structural issues and must be addressed by the industry itself with government playing its role of a facilitator and providing temporary financial assistance to address short term issues mentioned earlier.

Table 9.3: Monthly Exports

Month	(\$ Million)	
	2005-06	2006-07
July	1269.3	1220.5
August	1400.7	1507.5
September	1483.3	1416.1
October	1325.0	1282.1
November	1113.5	1380.0
December	1455.3	1517.4
January	1229.9	1197.3
February	1224.7	1229.0
March *	1512.8	1533.1
April	1443.2	1497.0
Total	13457.7	13780.0
Monthly Average	1345.8	1378.0

Source: Federal Bureau of Statistics.

Trends in Monthly Exports

The monthly exports for the period July-April, 2006-07 remained mostly above the corresponding months of last year, averaging \$ 1378 million per month as against an average of \$ 1346 million last year. [See Table 9.3]

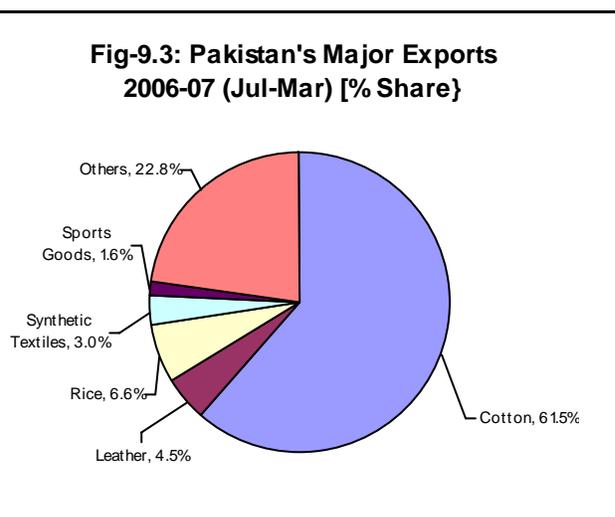
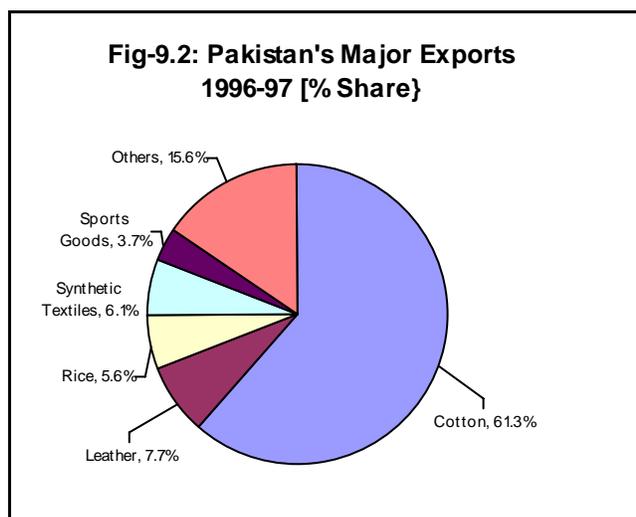
Concentration of Exports

Pakistan's exports are highly concentrated in a few items namely, cotton, leather, rice, synthetic textiles and sports goods. These five categories of

exports account for 77.2 percent of total exports during the first nine months of 2006-07 with cotton manufacturers alone contributing 61.5 percent, followed by leather (4.5%), rice (6.6%), synthetic textiles (3.0%) and sports goods (1.6%). The degree of concentration has changed little from last fiscal year. Further disaggregation reveals that almost all the export earnings have originated from textile manufactures. The annual percentage shares of the major export commodities are given in Table 9.4 as well as in Figs-9.2 & 9.3.

Commodity	96-97	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07*
Cotton										
Manufacturers	61.3	59.1	61.0	58.9	59.4	63.3	62.3	57.4	59.4	61.5
Leather	7.7	6.9	6.3	7.5	6.8	6.2	5.4	5.8	6.9	4.5
Rice	5.6	6.9	6.3	5.7	4.9	5.0	5.2	6.5	7.0	6.6
Synthetic Textiles	6.1	5.1	5.3	5.9	4.5	5.1	3.8	2.1	1.2	3.0
Sports Goods	3.7	3.3	3.3	2.9	3.3	3.0	2.6	2.1	2.1	1.6
Sub-Total	84.4	81.3	82.2	80.9	78.9	82.6	79.3	73.9	76.6	77.2
Others	15.6	18.7	17.8	19.1	21.1	17.4	20.7	26.1	23.4	22.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

*July-March (Provisional) Source: Ministry of Commerce & FBS.



Barring the performance of current fiscal year it appears that Pakistan is slowly moving towards higher value added exports in textile sector. The shares of bedwear, towels, and knitwear have

increased over the last seven years. The shares of other categories of textile exports either have remained stagnant or have changed marginally (See Table 9.5).

Item	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07*
Cotton Yarn	19.2	18.7	16.1	12.9	14.0	12.7	13.7	13.3
Cotton Cloth	19.6	17.9	19.6	18.6	21.3	23.3	21.6	18.5
Knitwear	15.9	15.8	14.6	15.9	18.1	18.9	17.6	18.3
Bed wear	12.7	12.9	15.9	18.4	17.2	16.4	20.8	18.1
Towels	3.5	4.2	4.6	5.2	5.0	5.9	5.8	5.5
Tents, Canvas & Tarpaulin	0.9	0.9	0.9	1.0	0.9	0.8	0.3	0.7
Readymade Garments	13.8	14.4	15.1	15.1	12.4	12.9	13.9	13.1
Synthetic Textiles	8.2	9.5	7.1	7.9	5.9	3.5	2.0	4.7
Made up Articles	5.5	5.7	6.1	5.0	5.2	5.5	4.3	4.1
Others	0.7	-	-	-	-	0.1	0.1	2.9
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

*July-March (Provisional) Source: FBS & Finance Division.

Composition of Exports

The composition of Pakistan's export s' has changed steadily over the years. During July-March of the current fiscal year (2006-07), the share of primary commodities remained at 11 percent, semi manufactured showed a slight decline of 1

percentage point and stood at 10 percent while manufactured goods reflected an increase from 78 to 79 percent due to large share of value added exports. The composition of exports suggests that Pakistan does not rely heavily on the exports of primary commodities (See Table 9.6).

Year	Primary Commodities	Semi-Manufactures	Manufactured Goods	Total
1990-91	19	24	57	100.0
1992-93	15	21	64	100.0
1994-95	11	25	64	100.0
1996-97	11	21	68	100.0
1998-99	12	18	70	100.0
99-2000	12	15	73	100.0
2000-01	13	15	72	100.0
2001-02	11	14	75	100.0
2002-03	11	11	78	100.0
2003-04	10	12	78	100.0
2004-05	11	10	79	100.0
2005-06	11	11	78	100.0
July-March				
2005-06	11	11	78	100.0
2006-07 *	11	10	79	100.0

* Provisional Source: Federal Bureau of Statistics

Direction of Exports

Although Pakistan trade with a large number of countries its exports are however highly concentrated in few countries including USA, Germany, Japan, UK, Hong Kong, Dubai and Saudi Arabia which account for one- half of its exports. The United States is the single largest export market for Pakistan, accounting for 28.4 percent of its exports followed by U.K and

Germany. Japan is fast vanishing as export market for Pakistan as its share in total exports has been on decline for one decade, reaching less than 1.0 percent from 5.7 percent a decade ago.

Pakistan needs to diversify its exports not only in terms of commodities but also in terms of markets. Heavy concentration of exports in few commodities and few markets can lead to export instability. Other issues which need to be

addressed include: low value added and poor quality; obsolete use of machinery and technology; higher wastage of inputs adding to the cost of production; low labour productivity; little spending on research and development; export

houses lacking capacity to meet bulk orders; inability to meet requirements of consumers in terms of fashion and design; non-adherence to contracted quality and delivery schedule, lack of marketing techniques etc.

Table 9.7: Major Exports Markets

(Percentage Share)

Country	96-97	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07*
USA	17.7	21.8	24.8	24.4	24.7	23.5	23.9	23.9	25.5	28.4
Germany	7.5	6.6	6.0	5.3	4.9	5.2	4.9	4.8	4.2	4.1
Japan	5.7	3.5	3.1	2.1	1.8	1.3	1.1	1.1	0.8	0.8
UK	7.2	6.6	6.8	6.3	7.2	7.1	7.6	6.2	5.4	5.8
Hong Kong	9.4	7.1	6.1	5.5	4.8	4.6	4.7	3.9	4.1	4.0
Dubai	4.6	5.4	5.7	5.3	7.9	9.0	7.3	3.3	5.6	4.0
Saudi Arabia	2.6	2.4	2.5	2.9	3.6	4.3	2.8	2.5	2.0	1.8
Sub-Total	54.7	53.4	55.0	51.8	54.9	55.0	52.3	45.7	47.6	48.9
Other	45.3	46.6	45.0	48.2	45.1	45.0	47.7	54.3	52.4	51.1
Countries										
Total	100.0									

*July - November

Source: Ministry of Commerce.

Imports

After growing at an average rate of 29 percent per annum during 2003-2006 Pakistan's import growth slowed to a moderate level in the current fiscal year. The surge in imports in recent years was mainly due to the strong growth momentum that Pakistan is witnessing over the last five years in a row. Such a prolonged period of strong growth strengthened domestic demand which triggered consequential pick up in investment. The rise in investment demand led to a massive surge in imports during the period 2003-06. Such a pace in import growth was not expected to continue for ever. It is in this perspective that imports were targeted to decline by 2.1 percent in 2006-07 to \$ 28.0 billion from last year's level of \$ 28.6 billion. As expected, growth in import decelerated to 8.9 percent during the first ten months (July-April) of the current fiscal year as against hefty increase of 40.4 percent in the same period last year. The deceleration in import growth is caused by several factors which include: the pursuance of tight monetary policy to shave off excess demand, softening of international price of oil, decline in imports of cars as a result of change in policy, decline in the imports of fertilizer because of large carryover stock of last year, and decline in the imports of iron & steel as Pakistan Steel coming back to its normal production level.

Disaggregation of total imports suggests that food imports grew by 5.3 percent - up from \$ 2241.5 million to \$ 2360.6 million. Major contributors to the rise in food imports include milk and milk products (36.9 percent), dry fruits (24.4 percent), pulses (60.6 percent) and Edible oil (Soya bean & Palm oil) (24.0 percent). Import of wheat unmilled on the other hand showed major decline of 68.3 percent. The surge in pulses import was mainly due to poor crop of pulses in Pakistan last year which forced government and the private sector to import to augment their supplies. The import of edible oil increased mainly on account of unprecedented increase in the price of palm oil and soyabean in the international markets. The decline in the import of wheat was mainly on account of good wheat harvest last year.

Imports of machinery rose by 18.6 percent - up from \$ 3303 million to \$ 3916 million. All categories machinery registered impressive growth with the exception of textile machinery and construction & mining machinery. Imports of petroleum group registered an increase of 12.0 percent. However, within the petroleum group, imports of petroleum products registered sharp increase of 38.6 percent on account of massive surge in furnace oil import primarily for electricity generation. Imports of crude petroleum declined by 6.7 percent because refineries were not operating at their full capacity.

The import of crude petroleum in quantity term also registered a decline of almost 10 percent.

It is important to note that since refineries were not operating at their full capacity, their import of crude was lower and accordingly their production of petroleum products was lower too. Low production of petroleum products within the country forced the government to import more petroleum products putting pressures on the country's balance of payments.

Imports of consumer durables registered a decline mainly on account of lower imports of automobiles. Imports of electrical machinery &

appliances (a component of consumer durables) however registered a hefty increase of 35 percent.

Imports of raw materials registered a marginal (2.4%) decline mainly on account of 49.4 percent decline in the import of fertilizer. Import of fertilizer declined this year because of the large carryover stock of last year. Import of iron & steel also declined because Pakistan steel gradually came back to its capacity production level after the repair of coke oven battery. Telecom imports continue to maintain its momentum, though at a slower pace this year. Imports of telecom (cell phone as well as equipments, towers etc.) grew by 17.3 percent this year as cellular companies continue to expand their network.

Table 9.8: Structure of Imports

(\$ Million)

	July-April		Absolute Increase	% Change	Share in total imports
	2005-06	2006-07			
A. Food Group	1585.5	1629.8	44.2	2.8	6.5
Milk & milk food	47.8	65.5	17.6	36.9	-
Wheat Unmilled	131.4	41.5	-89.8	-68.4	-
Dry fruits	45.4	56.5	11.1	24.4	-
Tea	187.7	184.2	-3.5	-1.8	-
Spices	44.0	44.9	0.9	2.1	-
Edible Oil (Soyabean & Palm Oil)	615.6	763.3	147.7	24.0	-
Sugar	378.0	256.0	-122.0	-32.3	-
Pulses	135.7	217.9	82.2	60.6	-
B. Machinery Group	3303.5	3916.3	612.8	18.6	15.7
Power Gen. Machines	416.0	594.7	178.6	42.9	-
Office Machines	238.9	259.6	20.7	8.6	-
Textile Machinery	656.6	427.8	-228.7	-34.8	-
Const. & Mining Mach.	155.3	153.3	-2.0	-1.3	-
Aircraft Ships and Boats	411.3	840.5	429.2	104.4	-
Agri. Machinery	93.4	137.1	43.8	46.9	-
Other Machinery	1332.0	1503.3	171.3	12.9	-
C. Petroleum Group	5251.5	5883.5	632.0	12.0	23.5
Petroleum Products	2170.2	3008.9	838.6	38.6	-
Petroleum Crude	3081.3	2874.6	-206.7	-6.7	-
D. Consumer Durables	1724.5	1687.2	-37.3	-2.2	6.8
Elect. Mach. & App.	394.8	532.8	138.0	35.0	2.1
Road Motor Veh.	1329.7	1154.4	-175.3	-13.2	4.6
E. Raw Materials	3880.3	3786.6	-93.8	-2.4	15.2
Synthetic fibre	205.9	193.2	-12.7	-6.2	-
Silk yarn (Synth & Arti)	193.6	194.5	0.9	0.5	-
Fertilizer	554.5	280.8	-273.7	-49.4	-
Insecticides	95.0	79.5	-15.5	-16.3	-
Plastic material	839.1	948.6	109.5	13.0	-
Iron & steel scrap	300.0	271.7	-28.3	-9.4	-
Other Chemical Products	1692.2	1818.4	126.1	7.5	-
F. Telecom	1563.4	1834.6	271.2	17.3	7.3
G. Others	5637.5	6255.2	617.7	11.0	25.0
Total Imports	22946.2	24993.1	2046.9	8.9	100.0
Non-oil Imports	17694.7	19109.6	1414.9	8.0	76.5
Non-food Non-oil imports	16109.2	17479.9	1370.6	8.5	69.9

Source: Federal Bureau of Statistics.

Major Contributors to Increase in Imports

Pakistan's imports grew by 8.9 percent or \$ 2047 million in the first ten months of the current fiscal year. Which categories of imports are the major contributors to this year's increase in imports? A cursory look at Table 9.9 is sufficient to see that almost 31 percent contribution alone came from petroleum group, mainly on account of the surge in imports of petroleum products both in value and quantity. Imports of machinery contributed

almost 30 percent to this year's rise in imports bills. This is followed by imports of telecom which accounted for 13 percent to the overall rise in imports. Almost three-fourth contribution came from three categories (machinery, petroleum and telecom) to this year's rise in imports. Interestingly, consumer durables' contribution was negative (-1.8%) mainly on account of a decline in the imports of cars. Therefore, contrary to the general perception, the contribution of consumer durables was negative.

Table 9.9 Major Contributors to Increase Imports July-April 2006-07 (\$ Million)

	July-April		Absolute Increase	% Change	Percentage Contribution
	2005-06	2006-07			
Total Imports	22946.2	24993.1	2046.9	8.9	100.0
A. Food Group	1585.5	1629.8	44.2	2.8	2.2
B. Machinery Group	3303.5	3916.3	612.8	18.6	29.9
C. Petroleum Group	5251.5	5883.5	632.0	12.0	30.9
D. Consumer Durables	1724.5	1687.2	-37.3	-2.2	-1.8
Elect. Mach. & App.	394.8	532.8	138.0	35.0	6.7
Road Motor Veh.	1329.7	1154.4	-175.3	-13.2	-8.6
E. Raw Materials	3880.3	3786.6	-93.8	-2.4	-4.6
F. Telecom	1563.4	1834.6	271.2	17.3	13.2
G. Others	5637.5	6255.2	617.7	11.0	30.2

Source: Federal Bureau of statistics.

Pakistan's import was inflated by \$ 295 million in the first ten months (July-April) of the current fiscal year on account of higher international price of commodities including oil. Had the unit values of the few items listed in Table 9.10 remained at

the last year's level, Pakistani total imports would have been lowered by \$ 295 million and import growth would have been 7.6 percent instead of 8.9 percent.

Table 9.10: Additional Import Bill as a Result of the Rise in Import Prices July April 2006-07* (\$ Million)

Commodity	Actual Imports	Imports at Last Year's Prices	Additional Bill (Gains/Losses)
Soya bean Oil	32.2	25.0	7.2
Palm Oil	731.1	649.7	81.4
Petroleum Products	3008.9	3216.5	-207.6
Petroleum Crude	2874.6	2778.2	96.4
Fertilizer	280.8	278.3	2.5
Plastic Material	948.6	824.3	124.3
Medicinal Products	349.3	319.7	29.7
Iron & Steel	986.4	825.5	160.9
Total	9211.8	8917.1	294.7

Source: FBS & E.A. Wing, Finance Division.

Table 9.11 Monthly Imports

Month	(\$ Million)	
	2005-06	2006-07
July	1996.3	2460.5
August	2233.8	2525.1
September	2321.8	2443.0
October	2325.3	2131.7
November	2299.0	2773.6
December	2474.7	2564.2
January	2144.3	2330.1
February	2210.4	2572.3
March *	2681.9	2622.6
April	2258.6	2573.4
Total	22946.1	24996.5
Monthly Average	2294.6	2499.6

*Provisional Source: Federal Bureau of Statistics.

Trends in Monthly Imports

The monthly imports during July-April, 2006-07 remained consistently higher compared to the same months of last year. Imports averaged \$ 2.5

billion per month during this period as against \$ 2.3 billion for the comparable period last year. Thus, on average, imports have risen by \$ 200 million per month during the period. The monthly imports are tabulated in Table 9.11.

Concentration of Imports

Like exports, Pakistan's imports are also highly concentrated in few items namely, machinery, petroleum & petroleum products, chemicals, transport equipments, edible oil, iron & steel, fertilizer and tea. These eight categories of imports account for 75.5 percent of total imports during 2006-07. Among these categories machinery, petroleum & petroleum products and chemicals accounted for 57.7 percent of total imports. Concentration of imports remained, by and large, unchanged over the last one decade.(See Table 9.12).

Table 9.12: Pakistan's Major Imports

(Percentage Share)

Commodities	94-95	96-97	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07*
Machinery **	22.8	23.1	17.9	13.9	19.3	17.1	18.5	17.8	22.5	18.0	22.5
Petroleum & Products	15.3	19.0	15.5	27.2	31.3	27.1	25.1	20.3	19.4	22.3	22.5
Chemicals @	14.0	13.4	16.6	17.5	20.0	15.9	15.1	16.1	15.5	13.4	12.7
Transport Equipments	5.9	4.7	5.7	5.5	4.0	4.8	5.6	5.6	6.2	7.7	8.0
Edible Oil	9.6	5.1	8.7	4.0	3.1	3.8	4.8	4.2	3.7	2.7	2.9
Iron & Steel	3.6	3.9	3.1	3.0	2.6	3.3	3.3	3.3	4.3	5.1	5.0
Fertilizer	1.2	3.2	2.8	1.9	1.6	1.7	2.1	1.8	2.0	2.4	1.2
Tea	1.8	1.1	2.4	2.0	1.9	1.5	1.4	1.2	1.1	0.9	0.7
Sub-Total	74.2	73.5	72.7	75.0	83.8	75.2	75.9	70.3	74.7	72.5	75.5
Others	25.8	26.5	27.3	25.0	16.2	24.8	24.1	29.7	25.3	27.5	24.5
Total	100.0										

* July-March (Provisional)

Source: Ministry of Commerce & FBS

** Excluding Transport Equipments, @ Excluding Fertilizer

Composition of Imports

The composition of Pakistan's import does not show any significant change over the years. During the first nine months of the current fiscal year (July-March, 2006-07) the share of consumer goods stood at 11 percent and capital goods stood

38 percent, while that of raw material for consumer goods increased by one percentage point from 44 to 45, due to higher domestic production. The share of raw material for capital goods stood at 7 percentage point during this period owing to higher level of investment. The details are given in Table 9.13.

Year	Capital Goods	Raw Material for		Consumer Goods	Total
		Capital Goods	Consumer Goods		
1990-91	33	7	44	16	100.0
1992-93	42	6	38	14	100.0
1994-95	35	5	46	14	100.0
1996-97	37	5	43	15	100.0
1998-99	31	6	47	16	100.0
99-2000	26	6	54	14	100.0
2000-01	25	6	55	14	100.0
2001-02	28	6	55	11	100.0
2002-03	31	6	53	10	100.0
2003-04	35	6	49	9	100.0
2004-05	36	8	46	10	100.0
2005-06	37	7	45	11	100.0
July-March					
2005-06	36	8	44	10	100.0
2006-07 *	38	7	45	11	100.0

* Provisional

Source: Federal Bureau of Statistics

Direction of Imports

Pakistan's imports are highly concentrated in few countries. Over 40 percent of them continue to originate from just seven countries namely, the

USA, Japan, Kuwait, Saudi Arabia, Germany, the UK and Malaysia. Saudi Arabia is emerging as a major supplier to Pakistan followed by the USA and Japan [See Table 9.14].

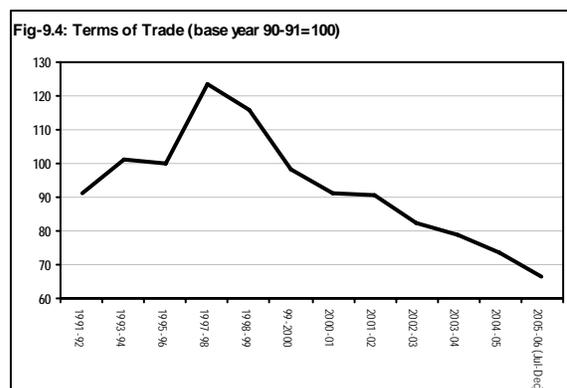
Country	96-97	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07*
U.S.A.	12.0	7.7	6.3	5.3	6.7	6.0	8.5	7.6	5.8	8.1
Japan	8.6	8.3	6.3	5.3	5.0	6.6	6.0	7.0	5.6	5.7
Kuwait	6.9	5.9	12.0	8.9	7.1	6.6	6.4	4.6	6.2	5.4
Saudi Arabia	6.0	6.8	9.0	11.7	11.6	10.7	11.4	12.0	11.2	11.5
Germany	5.6	4.1	4.1	3.5	4.3	4.6	3.9	4.4	4.7	4.1
U.K.	5.0	4.3	3.4	3.2	3.4	2.9	2.8	2.6	2.8	2.3
Malaysia	4.7	6.7	4.3	3.9	4.4	4.6	3.9	2.6	3.0	3.0
Sub-Total	48.8	43.8	45.4	41.8	42.5	42.0	42.9	40.8	39.3	40.1
Other Countries	51.2	56.2	54.6	58.2	57.5	58.0	57.1	59.2	60.7	59.9
Total	100.0									

*July-March

Source: Ministry of Commerce

Trade Balance

Despite sharp deceleration in imports the merchandise trade deficit widen on the back of abrupt and sharp deceleration in exports. The merchandise trade deficit widen to \$11.1 billion in the first ten months (July-April) of the current fiscal year as against \$9.5 billion in the same period last year. However, as percentage of GDP, trade deficit is likely to be 9.0 percent in 2006-07 as against 9.5 percent last year. Thus, trade deficit is expected to improve this year despite less than satisfactory performance of exports.



Terms of Trade

The terms of trade with base year 1990-91 (equal to 100) aggregated to 64.2 during 2006-07 as compared to 66.4 of 2005-06, showing a deterioration of 3.4 percent. The increase in unit prices of petroleum and machinery/transport

caused terms of trade to deteriorate. This declining trend has persisted and the terms of trade during the first half of the current fiscal year worsened by 11.6 percent down to 65.0 over the level of 73.6 recorded in the same period last year. [See Table 9.16]. The trend depicted by the terms of trade is also shown in Fig. 9.4.

Table 9.15: Unit Value Indices and Terms of Trade (Base year 1990-91 = 100)

Year	Unit Value Indices		Terms of Trade
	Exports	Imports	
1991-92	119.9	131.9	90.9
1993-94	142.9	141.2	101.2
1995-96	185.4	185.5	99.9
1997-98	245.6	198.9	123.5
1998-99	258.4	223.3	115.7
99-2000	253.8	259.0	98.0
2000-01	271.5	298.4	91.0
2001-02	271.2	298.6	90.8
2002-03	254.0	309.5	82.1
2003-04	279.6	355.4	78.7
2004-05	288.8	392.5	73.6
2005-06	299.3	460.4	65.0
July-December			
2005-06	296.10	448.5	66.4
2006-07 *	308.3	481.5	64.02

* Provisional.

Source: Federal Bureau of Statistics

Trade Policy of 2006-07

The rapid economic growth strategy (REGS) announced in 2005-06 continued in the Trade Policy 2006-07, the salient features of which are documented below:

- i. Increased market access through trade diplomacy.
- ii. Focus on trade with neglected regions of the world.
- iii. Strengthening of trade promotion Infrastructure including EPB/TDAP and trade mission abroad.
- iv. Emphasis on Skill Development in export oriented industry.
- v. Fast track development of State of the Art Infrastructure by the government.

Implementation status of Trade Policy (exports and imports)		
1.	Facilitation for leather exports.	Implemented
2.	R & D Support For Footwear Sector.	Implemented
3.	Provision of support for cool chain and cold storage for horticulture products.	Implemented
4.	Promotion of Agri-Business Exports.	Under Implementation
5.	Development of SME Sector.	Under Implementation
6.	Modified Freight Subsidy Scheme.	Implemented
7.	In-house/on-jobs skill development training.	Implemented
8.	Allowing re-Export of Imported Goods in Original and Un-Processed Form.	Implemented
9.	Establishment of Dazzle Park.	Under Implementation
10.	Establishment of Expo Centres at Islamabad, Peshawar and Quetta.	Under Implementation
11.	Establishment of Warehousing City.	Under Implementation

12.	Establishment of Carpet Cities.	Under Implementation
13.	Increasing capacity of Cement and Clinker Terminal in Karachi.	Under Implementation
14.	Providing Assistance for Quality Standards Certification.	Implemented
15.	Facilitation for temporary export for participations in fairs/exhibitions and for testing/processing abroad and its re-import.	Implemented
16.	Trade Organizations Ordinance.	Implemented

Current Focus under REGS

To bring a sharper focus on implementing the strategy; steps for coordination of industrial, agriculture & service base expansion and diversification were undertaken through the following measures;

- i. Holistic Export Promotion Strategy by synchronizing all related policies for major breakthrough in exports.
- ii. Improving Competitiveness and Productivity of Pakistan's exports and with specific focus on Domestic Commerce.
- iii. Better Market Access through accelerated multilateral, regional and bilateral trade diplomacy.
- iv. Product Focused REGS were pursued for enhancing identified/prioritized sectors' exports to over US\$ 1 billion each within 3 years. The focus was on leather products, engineering goods, chemical & pharmaceutical, towels, denim and services sector for enhancing their exports to US\$ 1 billion each within three years.

Export Initiatives for 2006-07

During 2006-07 the following initiatives/measures have been taken for the development of Exports. Research and Development support for the Textile & Footwear Sector, Cool chain and cold storage for horticulture products, Agri-Business Export, SME export house, Modified Freight Subsidy Scheme, Skill Development in Textile Sector, Re-Export of Imported Goods in Original and Un-Process Form, Dazzle park, Expo Centres, Warehousing City, Carpet Cities, Cement and Clinker Terminal in Karachi, Assistance for Quality Standards Certification, Exhibitions – Business Delegations, Temporary export for participation in

fairs/exhibitions and for testing/processing abroad and its re-export, and Long Term Financing for Export Oriented Project Import of used machinery for Construction and Petroleum Sector.

Import Initiatives 2006-07

Import of used machinery for construction and petroleum sector and parts by construction and petroleum sector companies, Import of ground handling equipment, Import by licensed call centers, Import of machinery by industrial users, Import of used machinery parts by industries and mobile clinics & medical equipments, Import of Medical Equipment by returning doctors, Import of used refrigerated lorries, Waste Disposal Trucks, Fire Engines and Security Equipment, Import by Government agencies etc., Import of Air Guns and Pistol, Aircraft, Chemicals, CKD Kits, Pharmaceutical Raw Material and Palm Stearin.

Bilateral and Regional Trade Agreements

The Government Pakistan has initiated market access negotiations with various trading partners for two fundamental reasons (i) Seeking maximum market share for Pakistani export in foreign markets (ii) Ensuring level playing fields for Pakistani exporters vis-à-vis other competing exporters who have bilateral or regional arrangement of free trade or preferential trade rights in these markets.

Presently, following Free Trade Agreements (FTAs) or Preferential Trade Agreement (PTAs) have been concluded/or in effect: Sri Lanka (June 2005), China (July 2007), SAFTA Agreement (January 2006), Early Harvest Program (a prelude to an FTA) with Malaysia (January 2006), PTA with Iran (October 2006) and D-8 countries (July

2007). In addition to these operational or concluded agreements, trade negotiations on following FTAs/PTAs are in the process and are expected to be concluded shortly: Malaysia, Singapore and Indonesia. Furthermore, Joint Studies to explore possibility of FTA/PTA with following countries are concluded/underway: Thailand, Brunei, ASEAN and Japan. The outcome of such agreements is always gradual and with the passage of time these arrangements would start showing their benefits. Apart from this, Ministry of Commerce is also currently negotiating PTAs/FTAs/ RTAs with the USA, OIC, GCC, Jordan, Yemen, Syria, Bahrain, Egypt, MERCOSUR and Mauritius. The following initiatives have been taken for increased market access in the European Union, which is Pakistan's single largest export market:

WTO related issues

Pakistan is a member of the World Trade Organization (WTO) since its inception in 1995. Currently there are 150 member countries of the WTO. Pakistan pursues both multilateralism and regionalism because this dual trade strategy is grounded in two fundamental ideas: Multilateralism is clearly beneficial in that it engages virtually every country in the World in a mutual process of trade reform. In contrast, regional trade agreements (RTAs) are exclusive and discriminatory, but they are capable of much deeper trade reforms since their adherents are fewer, more like-minded and committed and often linked geographically.

The WTO is playing a positive role in promoting trade among the member countries. Pakistan has been actively participating in all the Ministerial Conferences. As a result of liberalization of our economy, including our agricultural sector, we have started seeing the positive impact on our economy. Pakistan's GDP started growing from almost near stagnation to one of the fastest in Asia, averaging above 7%. Our international trade is growing at more than 15% per annum. Despite the reduction in revenue from tariffs, overall

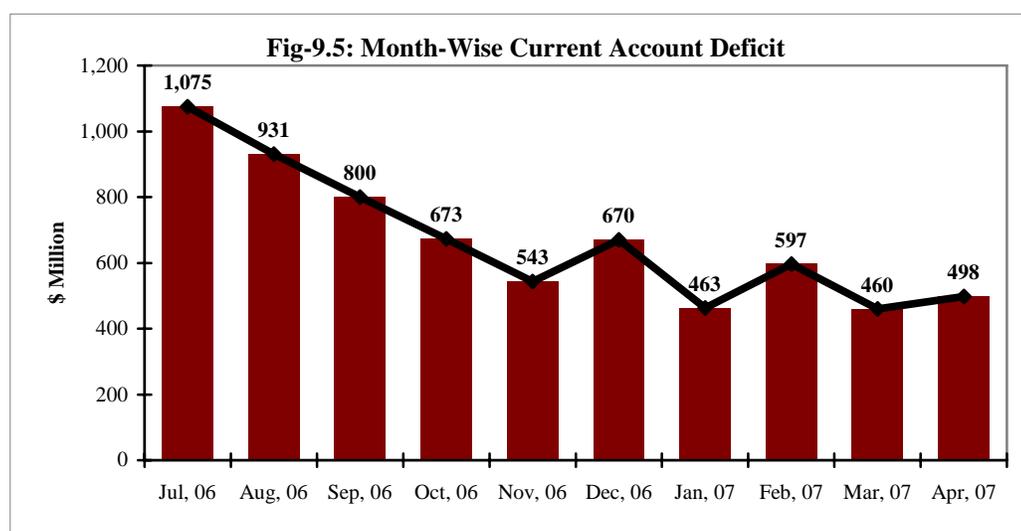
government revenue has been growing at almost 20% per annum. The Government is trying its best to improve market access for core export products such as textile/apparels through negotiations.

Balance of Payments

Current Account Balance

Pakistan's balance of payments shows a record increase in capital flows that has substantially offset a gradual widening of the current account deficit. The magnitude of the inflows has overwhelmed the State Bank of Pakistan and complicated monetary policy. Pakistan's current account deficit further widen to \$ 6.2 billion (4.3% of GDP) in the first nine months (July-March) of the current fiscal year from \$ 4.6 billion (3.6% of GDP) in the same period last year. A striking feature of this year's current account deficit is that it has widened even though the import growth has slowed to 10.2 percent but the performance of exports has been lack luster at best, resulting in widening of trade deficit. Deficit in services account also widened and as such even a robust growth of 7.8 percent in private transfers could not narrow the current account deficit (See Table 9.16)

Month wise trend in current account deficit suggests that much of the deterioration has taken place in the first quarter (July-September) of the current fiscal year when current account deficit averaged \$ 935 million per month. During the remaining period (October-March) the current account deficit has narrowed to an average of \$ 568 million per month – an improvement of 39.3 percent (See Fig-9.5) If this trend continues, the current account deficit for the year is likely to be around 5.0 percent of GDP as against 4.4 percent last year. The strong inflows in capital account will more than offset the current account deficit and add to the stock of foreign exchange reserves. The flow under long-term capital (net) has surged to \$ 5.7 billion in the first nine months (July-March) of the current fiscal year as against \$ 3.1 billion in the same period last year, showing an increase of 82 percent.

**Table 9.16: Balance of Payments**

(\$ Million)

Components	2004-05	2005-06	July-March	
			2005-06	2006-07(P)
Trade balance	-4352	-8259	-6097	-7419
Exports (fob)	14401	16388	11878	12390
Imports (fob)	-18753	-24647	-17975	-19809
Services (net)	-5841	-7304	-5370	-6241
Private transfers (net)	8440	9914	6911	7448
Workers remittances	4168	4600	3228	3936
Current account balance	-1753	-5649	-4556	-6212
Excluding official transfers				
Long term capital (net)	1706	4642	3157	5739
Changes in reserves (- ve = Increase)	-227	-675	-23	-262

P: Provisional

Source: State Bank of Pakistan

Workers' Remittances

Workers' remittances, the third largest source of foreign exchange inflows after exports and foreign investment, continue to maintain its rising trend. Workers' remittances totaled \$ 4.45 billion in the

first ten months (July-April) of the fiscal year as against \$ 3.6 billion in the same period last year, depicting an increase of 22.6 percent (See Table 9.17). If this trend is maintained workers' remittances are likely to touch \$ 5.5 billion for the year – the highest ever in country's history.

Table-9.17: Workers' Remittances

(\$ Million)

Monthly Cash Inflow *	2005-06	2006-07	% Change
July	313.1	377.0	20.4
August	348.4	434.8	24.8
September	341.1	421.7	23.6
October	372.5	410.6	10.2
November	308.9	448.6	45.3
December	371.2	475.2	28.0
January	391.3	391.3	0.0
February	358.1	457.2	27.7
March	423.6	520.2	22.8
April	401.5	513.4	27.9
July-April	3629.7	4450.1	22.6
Monthly average	363.0	445.0	22.6

* Including FEBCs and FCBCs

Source: State Bank of Pakistan

Country wise breakup of the data shows that major sources of remittances were USA, Saudi Arabia, UAE and UK (See Table 9.19). The United States continues to be the single largest source of cash workers' remittances accounting for 26.4

percent or \$ 1176.12 million, followed by Saudi Arabia (\$ 827.6 million or 18.6 percent), UAE (\$ 555.8 million or 15.1 Percent), UK (\$ 346.4 million or 8.0 percent) and other GCC countries \$ 573.7 million or 15.4 percent) (See Table 9.18).

Table-9.18: Country/Region Wise Cash Workers' Remittances (\$ Million)

Country / Region	July-Apr. 2005-06	July-Apr 2006-07	% Change	% Share
USA	994.78	1176.12	18.23	26.43
UK	346.40	354.60	2.37	7.97
Saudi Arabia	584.64	827.60	41.56	18.60
UAE	555.84	673.51	21.17	15.13
Other GCC Countries	477.30	609.88	27.78	13.70
EU Countries	97.06	123.08	26.81	2.77
Others Countries	573.66	685.33	19.47	15.40
Total	3629.6	4450.12	157.39	100.0

Source: State Bank of Pakistan

Foreign Exchange Reserves

Pakistan's total liquid foreign exchange reserves stood at \$ 13,738 million at the end of April 2007, considerably higher than the end-June 2006 level of US\$ 13,137 million. Of these, reserves held by the State Bank of Pakistan amounted to \$ 11561.5 million and that by banks stood at \$ 2,176.9 million. In terms of reserves adequacy, the amount of reserves as of end April 2007 is sufficient to meet over 6 months of imports. External inflows

are likely to continue during the remaining three months of the fiscal year and as such the foreign exchange reserves are likely to cross \$ 14 billion by end-June 2007.

A number of factors contributed towards the accumulation of reserves. The most prominent among these are; private transfers that include remittances, floatation of bonds, higher foreign investment and privatization proceeds. (See Fig-9.6).

Fig-9.6: Foreign Exchange Reserves (End Period)

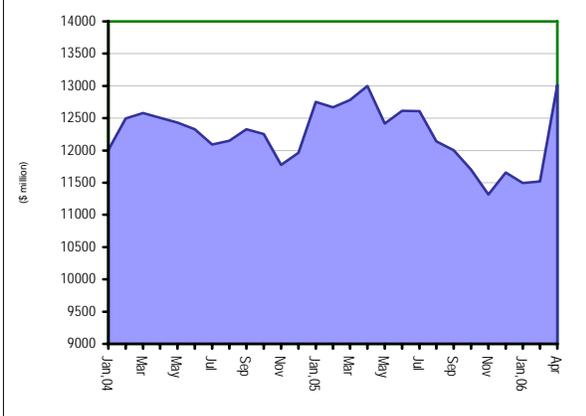
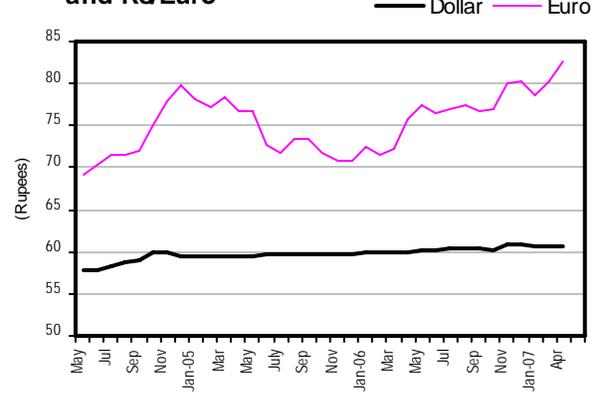


Fig-9.7: Average Exchange Rate Rs/\$ and Rs/Euro



Exchange Rate

Exchange rate remained more or less stable during the FY07. However, rupee depreciated only

marginally (0.7%) from Rs.60.2138 per dollars as at end June 2006 to Rs.60.6684 as of end April 2007. In the open market, rupee traded at 60.655 to a

dollar, that is at a discount of 0.02 percent as at end-April 2007 [See Table 9.20].

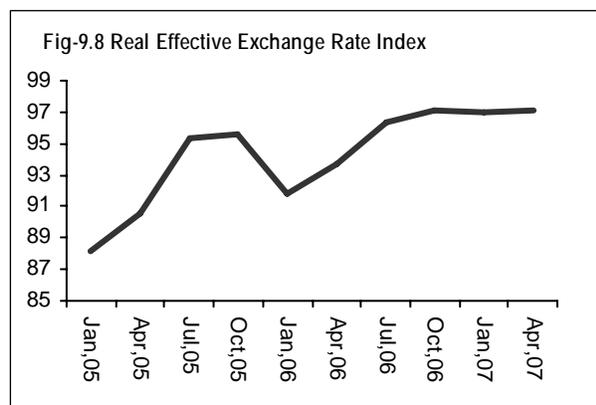
Euro continued to gain strength against Pak-rupees during Jul-April FY07. In July 2006, Euro on average traded at Rs.77.02, while in April 2007, the parity increased to Rs.82.76. Thus Pak-rupee

depreciated vis-à-vis the Euro by 7.0 percent during Jul-April FY07, mainly due to strengthening of Euro against US dollar in the international market. The movement of the Pak rupee exchange rate versus US dollar and Euro is given Table 9.19 and Fig.9.7.

Table 9.19: Average Exchange Rates and Premium

	Inter Bank Rate Rs / \$	Open Market Rate Rs/\$	Premium (%)	Rs/ Euro
January, 2005	59.361	59.425	0.11	77.27
July, 2005	59.638	60.400	1.28	72.59
January, 2006	59.857	59.805	-0.09	72.42
July, 2006	60.352	60.825	0.78	77.02
August	60.393	60.445	0.09	77.47
September	60.561	60.695	0.22	76.77
October	60.620	60.595	-0.04	77.08
November	60.846	60.875	0.05	80.13
December	60.897	60.600	-0.49	80.37
January, 2007	60.737	60.895	0.26	78.71
February	60.700	60.655	-0.07	80.22
March	60.730	60.655	-0.12	81.11
April	60.668	60.655	-0.02	82.76

Source: State Bank of Pakistan



Real Effective Exchange Rate

The Real Effective Exchange Rate (REER) is used as an indicator of trade competitiveness that captures the behavior of the Pak-rupee against a basket of currencies. The REER showed a real appreciation of 2.06 percent during July-April FY07. The real appreciation resulted mainly due to higher domestic inflation compared to major competitors and trading partner countries.

However, rupee succeeded in shedding some of its real gains during Feb-March period largely due to nominal depreciation of Pak-rupee. (See Table 9.20 & Fig- 9.8).

**Table 9.20: Real Effective Exchange Rate Index
(Rupee Price of a Basket of 15 Currencies)**

(2000 = 100)

End Month Position

July, 2005	95.3774
January, 2006	96.4484
July, 2006	96.3488
August	96.6996
September	97.0792
October	97.4822
November	96.1686
December	96.0685
January, 2007	97.0920
February	97.5293
March	97.5339
April	97.0983

Source: State Bank of Pakistan

TABLE 8.1

BALANCE OF PAYMENTS

Items	(US \$ Million)										
	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	July-March	
										2005-06	2006-07 (P)
1. Trade Balance	-1867	-2085	-1412	-1269	-294	-444	-1208	-4352	-8259	-6097	-7419
Exports (f.o.b)	8434	7528	8190	8933	9140	10889	12396	14401	16388	11878	12390
Imports (f.o.b)	-10301	-9613	-9602	-10202	-9434	-11333	-13604	-18753	-24647	-17975	-19809
2. Services (Net)	-3264	-2618	-2794	-3142	-2617	-2128	-3594	-5841	-7304	-5370	-6241
Receipts	1708	1409	1501	1464	2027	2967	2894	3837	4718	3402	3562
Payments	-4972	-4027	-4295	-4606	-4644	-5095	-6488	-9678	-12022	-8772	-9803
Shipment	(921)	(844)	(802)	(877)	(809)	(951)	(1,253)	(1,713)	(2,203)	(1,616)	(1756)
Investment Income	(2,454)	(1,903)	(2,135)	(2,274)	(2,430)	(2,381)	(2,394)	(2,823)	(3,451)	(2,411)	(3276)
Others	(1,597)	(1,280)	(1,358)	(1,455)	(1,405)	(1,763)	(2,841)	(5,142)	(6,368)	(4,745)	(4771)
3. Private Unrequited Transfers (net) (Workers Remittances)	3210 (1,490)	2274 (1,060)	3063 (983)	3898 (1,087)	4249 (2,389)	5737 (4,237)	6116 3,871	8440 4,168	9914 4,600	6911 3,228	7448 3936
4. Current Account Balance	-1921	-2429	-1143	-513	1338	3165	1314	-1753	-5649	-4556	-6212
5. Long-term Capital (net)	1707	1836	525	171	1280	1035	-201	2562	6016	3833	5448
Private Capital (net)	617	466	277	-68	-177	225	691	1221	4153	2868	4505
Official Capital (net)@	1090	1370	248	239	1457	810	-892	1341	1863	965	943
6. Basic Balance	-214	-593	-618	-342	2618	4200	1113	809	367	-723	-764
7. Errors and Omissions (net)'	-514	-1375	-2282	313	961	909	-137	-854	36	379	74
8. Balance Requiring Official Financing	-728	-1968	-2900	-29	3579	5109	976	-45	403	-344	-690
9. Official Assistance & Debt Relief	422	-1174	-996	338	-925	-520	-95	472	470	522	915
Medium and Short-Term Capital	390	-863	-221	431	-334	-180	-317	147	-193	-181	-58
Other Short-Term Assets/ Liabilities FEBC, DBC FEBC, Euro & Special US \$ Bonds (Net)	32	-311	-775	-93	-591	-340	222	335	663	703	973
10. Exceptional Financing	0	3966	3966	692	138	620	-55	-55	-55	-55	100
11. Change in Reserves (-ve = increase)	306	-824	-71	-1001	-2792	-5209	-826	-372	-818	-123	-325

@ Includes Official Unrequited Transfers

Source : State Bank of Pakistan

* Includes Private Short-term Capital

(P) Provisional

TABLE 8.2

COMPONENTS OF BALANCE OF PAYMENTS (AS PERCENT OF GDP)

Year	Exports ^	Imports ^	Trade Deficit ^	Worker's Remittances #	Current Account Deficit #
1980-81	10.5	19.3	8.7	7.5	3.7
1981-82	8.0	18.3	10.3	7.2	5.0
1982-83	9.4	18.7	9.3	10.1	1.8
1983-84	8.9	18.3	9.4	8.8	3.2
1984-85	8.0	19.0	11.0	7.9	5.4
1985-86	9.6	17.7	8.0	8.1	3.9
1986-87	11.1	16.1	5.1	6.8	2.2
1987-88	11.6	16.7	5.0	5.2	4.4
1988-89	11.7	17.6	5.9	4.7	4.8
1989-90	12.4	17.4	4.9	4.9	4.7
1990-91	13.5	16.7	3.3	4.1	4.8
1991-92	14.2	19.1	4.8	3.0	2.8
1992-93	13.3	19.4	6.1	3.0	7.2
1993-94	13.1	16.6	3.4	2.8	3.8
1994-95	13.5	17.2	3.7	3.1	4.1
1995-96	13.8	18.7	4.9	2.3	7.2
1996-97	13.4	19.1	5.7	2.3	6.2
1997-98	13.9	16.3	2.4	2.4	3.1
1998-99	13.3	16.1	2.8	1.8	4.1
1999-00	11.7	14.1	2.4	1.3	1.6
2000-01	12.9	15.1	2.1	1.5	0.7
2001-02	12.8	14.4	1.7	3.3	+1.9
2002-03	13.5	14.8	1.3	5.1	+3.8
2003-04	12.5	15.9	3.3	3.9	+1.3
2004-05	13.0	18.5	5.5	3.7	1.6
2005-06	13.0	22.5	9.5	2.9	4.5
<u>Jul-April</u>					
2005-06 *	9.4	16.0	6.6	2.5	3.6
2006-07 *	9.7	17.4	7.7	3.1	4.3 ~

^ Based on the data compiled by FBS.

Source: FBS, SBP & E.A.Wing, Finance Division.

Based on the data compiled by SBP.

*: Provisional

~: July-March

TABLE 8.3

EXPORTS, IMPORTS AND TRADE BALANCE

Year	(Rs million)						(US \$ million)					
	Current Prices			Growth Rate (%)			Current Prices			Growth Rate (%)		
	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance
1980-81	29,280	53,544	-24264	25.07	14.10	3.17	2,958	5,409	-2451	25.07	14.11	3.20
1981-82	26,270	59,482	-33212	-10.28	11.09	36.88	2,464	5,622	-3158	-16.70	3.94	28.85
1982-83	34,442	68,151	-33709	31.11	14.57	1.50	2,694	5,357	-2663	9.33	-4.71	-15.67
1983-84	37,339	76,707	-39368	8.41	12.55	16.79	2,768	5,685	-2917	2.75	6.12	9.54
1984-85	37,979	89,778	-51799	1.71	17.04	31.58	2,491	5,906	-3415	-10.01	3.89	17.07
1985-86	49,592	90,946	-41354	30.58	1.30	-20.16	3,070	5,634	-2564	23.24	-4.61	-24.92
1986-87	63,355	92,431	-29076	27.75	1.63	-29.69	3,686	5,380	-1694	20.07	-4.51	-33.93
1987-88	78,445	112,551	-34106	23.82	21.77	17.30	4,455	6,391	-1936	20.86	18.79	14.29
1988-89	90,183	135,841	-45658	14.96	20.69	33.87	4,661	7,034	-2373	4.62	10.06	22.57
1989-90	106,469	148,853	-42384	18.06	9.58	-7.17	4,954	6,935	-1981	6.29	-1.41	-16.52
1990-91	138,282	171,114	-32832	29.88	14.96	-22.54	6,131	7,619	-1488	23.76	9.86	-24.89
1991-92	171,728	229,889	-58161	24.19	34.35	77.15	6,904	9,252	-2348	12.61	21.43	57.80
1992-93	177,028	258,643	-81615	3.09	12.51	40.33	6,813	9,941	-3128	-1.32	7.45	33.22
1993-94	205,499	258,250	-52751	16.08	-0.15	-35.37	6,803	8,564	-1761	-0.15	-13.85	-43.70
1994-95	251,173	320,892	-69719	22.23	24.26	32.17	8,137	10,394	-2257	19.61	21.37	28.17
1995-96	294,741	397,575	-102834	17.35	23.90	47.50	8,707	11,805	-3098	7.01	13.58	37.26
1996-97	325,313	465,001	-139688	10.37	16.96	35.84	8,320	11,894	-3574	-4.44	0.75	15.36
1997-98	373,160	436,338	-63178	14.71	-6.16	-54.77	8,628	10,118	-1490	3.70	-14.93	-58.31
1998-99	390,342	465,964	-75622	4.60	6.79	19.70	7,779	9,432	-1653	-9.84	-6.78	10.94
1999-00	443,678	533,792	-90114	13.66	14.56	19.16	8,569	10,309	-1740	10.15	9.30	5.26
2000-01	539,070	627,000	-87930	21.50	17.46	-2.42	9,202	10,729	-1527	7.39	4.07	-12.24
2001-02	560,947	634,630	-73683	4.06	1.22	-16.20	9,135	10,340	-1205	-0.73	-3.63	-21.09
2002-03	652,294	714,372	-62078	16.28	12.57	-15.75	11,160	12,220	-1060	22.17	18.18	-12.03
2003-04	709,036	897,825	-188789	8.70	25.68	204.12	12,313	15,592	-3279	10.33	27.59	209.34
2004-05	854,088	1,223,079	-369621	20.46	36.23	95.79	14,391	20,598	-6207	16.88	32.11	89.30
2005-06	984,841	1,711,158	-726317	15.31	39.91	96.50	16,469	28,581	-12112	14.43	38.76	95.13
<u>July-April</u>												
2005-06	804,844	1,372,419	-567575	17.74	41.30	97.28	13,457	22,946	-9489	16.71	40.15	95.97
2006-07	843,296	1,515,412	-672116	4.78	10.42	18.41	13,909	24,993	-11084	3.36	8.92	16.80

P: Provisional

Source: FBS & E. A. Wing, Finance Division.

TABLE 8.4

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

Groups	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	(Indices)	
									July-December	
									2005-06	2006-07
All Groups										
Exports	258.40	253.77	271.47	271.18	254.02	279.65	288.84	299.31	296.10	308.26
Imports	223.32	259.03	298.44	298.56	309.52	355.43	392.45	460.38	446.01	481.53
T.O.T.	115.71	97.97	90.96	90.83	82.07	78.68	73.60	65.01	66.39	64.02
Food & Live Animals										
Exports	221.84	234.95	249.32	260.55	258.11	267.55	303.93	327.47	317.01	344.48
Imports	225.64	248.38	278.82	277.41	259.76	282.18	314.36	323.95	294.69	408.66
T.O.T.	98.32	94.59	89.42	93.92	99.36	94.82	96.68	101.09	107.57	84.25
Beverages & Tobacco										
Exports	106.30	143.34	171.44	169.82	146.52	175.33	162.96	191.13	198.76	222.30
Imports	561.35	532.21	698.92	790.14	598.00	521.88	561.23	621.67	631.28	672.27
T.O.T.	18.94	26.93	24.53	21.49	24.50	33.60	29.04	30.74	31.49	33.07
Crude Materials (inedible except fuels)										
Exports	214.68	169.85	192.12	158.90	171.58	218.86	195.64	209.97	203.01	224.99
Imports	198.56	198.06	218.95	228.14	232.37	245.01	293.06	329.71	330.71	346.26
T.O.T.	108.12	85.76	87.75	69.65	73.84	89.33	66.76	63.88	61.39	64.98
Minerals, Fuels & Lubricants										
Exports	166.47	283.63	373.65	314.40	365.14	416.09	525.75	644.33	600.87	719.26
Imports	108.55	206.30	276.87	249.66	297.20	306.38	389.16	615.00	578.93	654.97
T.O.T.	153.36	137.48	134.96	125.93	122.86	135.81	135.10	104.77	103.79	109.82
Chemicals										
Exports	263.37	276.51	282.36	281.54	270.05	265.61	277.23	312.89	292.40	359.47
Imports	196.20	208.54	228.06	239.29	245.60	313.15	334.10	372.17	342.67	377.97
T.O.T.	134.23	132.59	123.81	117.66	109.96	84.82	82.98	84.07	85.33	95.11
Animal & Vegetable Oils, Fats & Waxes										
Exports	-	-	-	-	-	-	-	-	-	-
Imports	326.86	229.68	195.10	224.82	300.36	347.94	358.48	341.40	371.11	389.03
T.O.T.	-	-	-	-	-	-	-	-	-	-
Manufactured Goods										
Exports	275.59	266.96	279.04	281.83	248.93	274.02	284.72	289.58	284.73	299.35
Imports	226.26	224.61	251.50	244.97	240.82	287.80	301.00	340.71	328.28	366.85
T.O.T.	121.80	118.86	110.95	115.05	103.37	95.21	94.59	84.99	86.73	81.60
Machinery and Transport Equipment										
Exports	291.07	396.34	453.20	579.13	572.31	396.09	342.97	414.01	438.76	450.60
Imports	355.79	417.87	470.20	481.18	450.67	537.55	561.15	538.14	535.57	511.21
T.O.T.	81.81	94.85	96.38	120.36	126.99	73.68	61.12	76.93	81.92	88.14
Miscellaneous Manufac- tured Articles										
Exports	259.80	263.04	292.47	298.40	294.67	318.55	324.17	342.71	350.46	339.85
Imports	240.08	278.99	323.02	320.35	299.60	333.22	343.13	404.94	403.19	384.02
T.O.T.	108.21	94.28	90.54	93.15	98.35	95.60	94.47	82.59	86.92	88.50

- Not applicable

* Provisional

Source: Federal Bureau of Statistics.

TABLE 8.5

ECONOMIC CLASSIFICATION OF EXPORTS AND IMPORTS (A. EXPORTS)

Year							(Rs million)
	Primary Commodities		Semi-Manufactures		Manufactured Goods		Total Value
	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share	
1970-71	650	33	472	24	876	44	1,998
1971-72	1,510	45	914	27	947	28	3,371
1972-73	3,366	39	2,583	30	2,602	30	8,551
1973-74	4,007	39	2,294	23	3,860	38	10,161
1974-75	4,933	48	1,308	13	4,047	39	10,286
1975-76	4,902	44	2,068	18	4,283	38	11,253
1976-77	4,622	41	1,888	17	4,783	42	11,294
1977-78	4,633	36	1,912	15	6,435	50	12,980
1978-79	5,475	32	3,489	21	7,963	47	16,925
1979-80	9,838	42	3,519	15	10,053	43	23,410
1980-81	12,824	44	3,320	11	13,136	45	29,280
1981-82	9,112	35	3,507	13	13,651	52	26,270
1982-83	10,326	30	4,618	13	19,498	57	34,442
1983-84	10,789	29	5,172	14	21,378	57	37,339
1984-85	10,981	29	6,664	17	20,334	54	37,979
1985-86	17,139	35	7,892	16	24,561	49	49,592
1986-87	16,796	26	13,214	21	33,345	53	63,355
1987-88	22,163	28	15,268	20	41,012	52	78,445
1988-89	29,567	33	16,937	19	43,679	48	90,183
1989-90	21,641	20	25,167	24	59,661	56	106,469
1990-91	25,820	19	33,799	24	78,663	57	138,282
1991-92	32,645	19	36,731	21	102,352	60	171,728
1992-93	26,133	15	36,507	21	114,388	64	177,028
1993-94	21,321	10	48,748	24	135,430	66	205,499
1994-95	28,113	11	62,624	25	160,436	64	251,173
1995-96	47,852	16	63,802	22	183,087	62	294,741
1996-97	36,452	11	66,889	21	221,972	68	325,313
1997-98	47,357	13	64,683	17	261,120	70	373,160
1998-99	45,143	12	70,288	18	274,911	70	390,342
1999-00	53,833	12	68,208	15	321,637	73	443,678
2000-01	67,783	13	81,288	15	389,999	72	539,070
2001-02	60,346	11	80,438	14	420,163	75	560,947
2002-03	71,194	11	71,323	11	509,777	78	652,294
2003-04	70,716	10	83,361	12	554,959	78	709,036
2004-05	92,018	11	86,483	10	675,586	79	854,088
2005-06	112,268	11	106,029	11	766,543	78	98,414
<u>Jul-Mar</u>							
2005-06	82,060	11	76,409	11	559,784	78	71,853
2006-07 (P)	81,346	11	76,100	10	590,667	79	74,813

P : Provisional

(Contd.)

TABLE 8.5

ECONOMIC CLASSIFICATION OF EXPORTS AND IMPORTS (B. IMPORTS)

(Rs million)

Year	Capital Goods		Industrial Raw Material For				Consumer Goods		Total Value
	Value	Percentage Share	Capital Goods		Consumer Goods		Value	Percentage Share	
			Value	Percentage Share	Value	Percentage Share			
1970-71	1,885	52	382	11	950	26	385	11	3,602
1971-72	1,482	42	367	11	851	24	795	23	3,495
1972-73	2,499	30	830	10	2,584	31	2,485	30	8,398
1973-74	3,975	30	904	7	5,386	40	3,214	24	13,479
1974-75	6,152	29	1,802	9	8,257	40	4,714	23	20,925
1975-76	7,158	35	1,261	6	7,709	28	4,337	21	20,465
1976-77	8,750	38	1,463	6	9,148	40	3,651	16	23,012
1977-78	9,316	34	1,921	7	11,023	40	5,555	20	27,815
1978-79	10,970	30	2,160	6	15,416	42	7,842	22	36,388
1979-80	16,679	36	2,916	6	19,834	42	7,500	16	46,929
1980-81	14,882	28	4,055	8	26,832	50	7,775	15	53,544
1981-82	17,504	30	4,861	8	28,710	48	8,407	14	59,482
1982-83	21,135	31	4,040	6	33,383	49	9,593	14	68,151
1983-84	24,419	32	4,525	6	37,017	48	10,746	14	76,707
1984-85	28,968	32	4,859	6	41,579	46	14,372	16	89,778
1985-86	33,195	37	4,966	5	36,353	40	16,432	18	90,946
1986-87	33,841	37	6,150	7	36,227	39	16,213	17	92,431
1987-88	40,350	36	8,021	7	48,153	43	16,027	14	112,551
1988-89	49,498	37	9,929	7	53,055	39	23,359	17	135,841
1989-90	48,420	33	10,439	7	61,562	41	28,432	19	148,853
1990-91	56,303	33	11,621	7	76,290	44	26,900	16	171,114
1991-92	96,453	42	15,167	7	88,791	38	29,478	13	229,889
1992-93	108,993	42	14,304	6	99,290	38	36,056	14	258,643
1993-94	97,301	38	15,692	6	110,291	43	34,966	13	258,250
1994-95	112,305	35	16,754	5	148,419	46	43,414	14	320,892
1995-96	140,405	35	22,541	6	180,539	45	54,090	14	397,575
1996-97	169,774	37	22,259	5	202,379	43	70,589	15	465,001
1997-98	139,618	32	23,344	5	195,528	45	77,848	18	436,338
1998-99	146,450	31	25,646	6	220,563	47	73,305	16	465,964
1999-00	140,045	26	30,712	6	287,801	54	75,234	14	533,792
2000-01	157,091	25	34,371	6	345,770	55	89,768	14	627,000
2001-02	176,702	28	39,038	6	346,865	55	72,025	11	634,630
2002-03	220,942	31	41,216	6	380,035	53	72,179	10	714,372
2003-04	316,082	35	57,310	7	441,586	49	82,847	9	897,825
2004-05	441,528	36	101,719	8	557,226	46	122,607	10	1,223,079
2005-06	631,644	37	124,480	7	769,336	45	185,698	11	1,71,158
<u>Jul-Mar</u>									
2005-06	454,358	37	95,554	8	556,682	45	130,311	10	1,236,905
2006-07 (P)	510,401	38	96,396	7	610,431	45	141,805	10	1,359,033

P : Provisional

Source: Federal Bureau of Statistics.

TABLE 8.6

MAJOR IMPORTS

Items	(Rs. Million)									
	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	Jul-Mar	
									2005-06	2006-07
1. Chemicals	57,613	72,797	80,106	82,263	90,953	119,683	160,711	176,200	133,981	143,065
2. Drugs and medicines	13,027	13,429	13,965	13,988	12,964	15,812	17,343	20,091	14,993	18,263
3. Dyes and colours	6,535	6,950	7,346	7,775	8,419	9,218	11,101	13,272	9,785	10,809
4. Chemical Fertilizers	13,311	10,227	9,842	10,904	14,068	16,405	24,794	40,787	32,487	15,777
5. Electrical goods	7,435	8,026	7,695	7,835	12,661	14,862	21,121	30,463	20,878	33,272
6. Machinery (non-electrical)	75,703	66,206	88,551	96,832	119,256	140,907	254,452	334,445	239,194	271,966
7. Transport equipments	27,208	29,202	24,918	30,587	39,984	87,374	75,981	133,480	98,082	109,027
8. Paper, board and stationery	5,880	6,352	7,646	8,608	10,451	12,138	14,850	19,135	11,291	13,531
9. Tea	11,150	10,895	12,030	9,611	10,095	11,078	13,202	13,336	10,392	10,188
10. Sugar-refined	153	769	14,488	1,485	153	189	5,229	37,366	16,669	14,986
11. Art-silk yarn	2,241	2,460	3,509	5,054	5,375	6,793	7,730	14,204	10,708	10,491
12. Iron, steel & manufactures thereof	18,370	18,864	20,267	24,633	28,813	35,942	62,444	96,043	75,368	67,517
13. Non-ferrous metals	4,502	5,016	5,964	6,757	8,430	10,544	15,547	20,665	14,489	20,008
14. Petroleum & products	68,896	145,238	195,611	172,578	179,317	182,332	237,387	399,667	276,848	306,152
15. Edible oils	40,536	21,402	19,045	24,034	34,288	37,917	44,975	44,212	33,875	39,557
16. Grains, pulses & flours	22,274	19,639	7,987	11,636	9,290	6,338	26,117	20,910	16,660	15,290
17. Other imports	91,130	96,320	108,030	120,050	129,855	190,293	391,573	296,882	221,205	259,134
Grand Total	465,964	533,792	627,000	634,630	714,372	897,825	1,223,079	1,711,158	1,236,905	1,359,033

*: Provisional

Source: Federal Bureau of Statistics

TABLE 8.7

DESTINATION OF EXPORTS AND ORIGIN OF IMPORTS

	(% Share)									
REGION	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
1. Developed Countries										
Exports	60.8	56.7	57.1	60.3	58.9	55.6	60.0	59.4	59.9	61.0
Imports	58.3	62.2	58.6	52.6	49.3	49.9	48.7	46.5	42.2	36.7
a. OECD										
Exports	57.2	54.9	56.7	60.0	58.6	55.3	59.7	59.5	59.6	60.6
Imports	55.7	58.7	57.0	52.1	48.5	49.0	48.1	46.1	41.6	36.1
b. Other European Countries										
Exports	0.6	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.4
Imports	0.8	0.5	0.3	0.5	0.8	0.9	0.6	0.4	0.6	0.6
2. CMEA*										
Exports	3.0	1.5	1.0	0.5	0.4	0.5	0.7	0.6	0.4	0.4
Imports	1.8	3.0	1.3	1.6	2.1	1.9	1.3	0.9	1.0	1.2
3. Developing Countries										
Exports	39.2	44.3	41.9	39.2	40.7	43.9	39.3	39.6	39.7	38.6
Imports	41.7	37.8	41.4	45.8	48.6	48.2	50.0	52.6	56.8	62.1
a. OIC										
Exports	12.7	14.6	16.0	13.7	12.9	12.9	11.8	12.5	12.7	14.1
Imports	17.9	16.5	16.9	20.9	21.3	22.4	26.0	23.3	24.3	35.2
b. SAARC										
Exports	3.5	4.7	3.8	3.1	3.4	2.7	2.5	3.5	5.0	3.2
Imports	1.5	1.5	1.5	1.6	1.4	1.5	2.4	2.3	2.2	1.9
c. ASEAN										
Exports	5.1	5.6	5.2	3.7	4.0	5.3	2.5	3.2	3.2	2.8
Imports	8.9	7.3	8.5	9.5	12.6	11.2	9.0	12.6	14.1	10.2
d. Central America										
Exports	0.1	0.2	0.3	0.5	0.4	0.3	0.5	0.7	0.8	0.9
Imports	0.2	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.3	0.2
e. South America										
Exports	0.2	0.5	0.5	0.9	1.0	1.4	1.2	1.6	1.2	1.1
Imports	1.6	1.3	1.6	1.0	1.4	1.2	1.7	1.1	2.1	1.0
f. Other Asian Countries										
Exports	14.6	14.3	13.0	14.0	14.9	17.1	15.6	12.9	12.8	12.4
Imports	9.6	9.5	11.1	10.8	9.5	9.4	8.7	10.7	10.3	10.3
g. Other African Countries										
Exports	3.0	4.4	3.0	2.9	3.6	3.8	4.4	4.3	3.5	3.8
Imports	2.0	1.6	1.7	1.9	2.2	2.3	1.9	2.5	2.8	3.0
h. Central Asian States										
Exports	-	-	0.1	0.4	0.5	0.9	0.8	0.9	0.5	0.3
Imports	-	-	-	-	0.1	..	0.1	--	0.7	0.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

(Contd.)

TABLE 8.7

DESTINATION OF EXPORTS AND ORIGIN OF IMPORTS

REGION	(% Share)							
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	Jul-Mar	
							2005-06	2006-07
1. Developed Countries								
Exports	56.7	58.1	56.1	58.2	55.9	54.7	54.6	55.3
Imports	31.0	34.3	34.4	35.5	38.0	34.2	34.8	34.1
a. OECD								
Exports	56.3	57.6	55.6	57.5	55.2	53.8	53.7	54.4
Imports	30.5	33.7	33.5	34.7	34.7	32.4	32.9	32.3
b. Other European Countries								
Exports	0.4	0.5	0.5	0.7	0.7	0.9	0.9	0.9
Imports	0.5	0.6	0.9	0.8	3.3	1.8	1.9	1.8
2. CMEA*								
Exports	0.4	0.5	0.6	0.7	0.9	0.9	0.9	0.9
Imports	0.9	1.1	0.8	1.2	2.1	2.2	2.5	2.5
3. Developing Countries								
Exports	42.9	41.4	43.3	41.1	43.2	44.4	44.5	43.8
Imports	68.1	64.6	64.8	63.3	59.9	63.6	62.7	63.5
a. OIC								
Exports	16.5	19.2	22.3	20.7	21.9	23.3	22.9	22.7
Imports	39.3	36.0	35.2	33.7	29.2	33.7	32.0	32.5
b. SAARC								
Exports	2.9	2.5	2.4	3.2	4.6	4.4	4.4	4.3
Imports	2.9	2.4	1.9	3.1	3.2	3.3	2.7	2.6
c. ASEAN								
Exports	3.6	2.7	2.9	2.7	2.1	1.7	1.7	1.7
Imports	10.6	11.7	12.2	11.1	10.0	9.1	9.4	9.5
d. Central America								
Exports	0.8	1.0	0.9	0.9	0.9	0.9	0.9	0.9
Imports	0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.2
e. South America								
Exports	1.2	0.9	0.7	0.8	0.9	1.0	1.0	1.0
Imports	1.6	0.7	0.6	0.6	1.1	1.4	1.5	1.5
f. Other Asian Countries								
Exports	13.0	11.4	9.9	9.4	8.7	8.9	9.1	8.9
Imports	10.6	10.9	12.5	12.3	13.7	13.7	14.6	15.1
g. Other African Countries								
Exports	4.3	3.5	4.0	3.2	4.0	4.1	4.4	4.2
Imports	2.8	2.7	2.3	2.3	2.4	2.2	2.2	2.0
h. Central Asian States								
Exports	0.3	0.2	0.2	0.2	0.1	0.1	0.1	0.1
Imports	0.1	0.1	..	0.1	0.2	0.1	0.1	0.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

.. not available

Source: Federal Bureau of Statistics

* Council for Mutual Economic Assistance.

TABLE 8.8

WORKERS REMITTANCES

(US\$ Million)

COUNTRY	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
I. Cash Flow	1,626.92	1,252.45	1,238.51	1,093.36	1,317.73	1,227.28	1,078.05	1,237.68	875.55
Bahrain	37.20	27.75	25.42	25.92	35.90	33.23	29.16	34.31	33.31
Canada	11.26	9.86	7.54	5.65	4.91	5.67	3.59	4.14	3.46
Germany	32.62	33.12	40.64	28.88	27.71	26.06	18.98	16.62	11.93
Japan	26.84	12.96	11.62	7.13	6.90	3.65	3.05	2.65	3.09
Kuwait	15.12	44.24	60.22	47.85	57.86	45.43	38.38	52.40	106.36
Norway	21.28	16.25	15.18	11.85	13.40	11.72	7.97	7.16	5.26
Qatar	24.27	12.87	10.91	7.57	11.52	14.08	9.68	12.17	12.94
Saudi Arabia	681.97	516.16	525.94	493.65	554.08	503.22	418.44	474.86	318.49
Sultanat-e-Oman	74.98	60.35	51.67	46.07	61.49	64.44	46.11	61.97	44.67
U.A.E.	172.03	105.07	97.76	99.36	178.26	161.93	164.39	207.70	125.09
Abu Dhabi	75.71	38.74	32.47	29.32	51.99	48.98	44.91	75.13	38.07
Dubai	68.72	49.07	47.79	51.12	90.09	81.19	93.07	101.01	70.57
Sharjah	27.60	17.26	17.50	16.73	28.96	28.95	22.90	28.54	14.69
Others	-	-	-	2.19	7.22	2.81	3.51	3.02	1.76
U.K.	180.05	137.02	114.02	101.19	109.96	109.74	97.94	98.83	73.59
U.S.A	190.23	150.34	157.80	122.49	141.09	141.92	146.25	166.29	81.95
Other Countries	159.07	126.46	119.79	95.75	114.65	106.19	94.11	98.58	55.41
II. Encashment*	221.37	215.03	323.73	352.20	548.37	233.89	331.42	251.87	184.64
Total (I+II)	1,848.29	1,467.48	1,562.24	1,445.56	1,866.10	1,461.17	1,409.47	1,489.55	1,060.19

* Encashment and Profit in Pak Rs. of Foreign Exchange Bearer

Certificates (FEBCs) & Foreign Currency Bearer Certificates (FCBCs)

(Contd.)

TABLE 8.8

WORKERS REMITTANCES

(% Share)

COUNTRY	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
<u>Cash Flow</u>									
Bahrain	2.29	2.22	2.05	2.37	2.72	2.71	2.70	2.77	3.80
Canada	0.69	0.79	0.61	0.52	0.37	0.46	0.33	0.33	0.40
Germany	2.01	2.64	3.28	2.64	2.10	2.12	1.76	1.34	1.36
Japan	1.65	1.03	0.94	0.65	0.52	0.30	0.28	0.21	0.35
Kuwait	0.93	3.53	4.86	4.38	4.39	3.70	3.56	4.23	12.15
Norway	1.31	1.30	1.23	1.08	1.02	0.95	0.74	0.58	0.60
Qatar	1.49	1.03	0.88	0.69	0.87	1.15	0.90	0.98	1.48
Saudi Arabia	41.92	41.21	42.47	45.15	42.05	41.00	38.81	38.37	36.38
Sultanat-e-Oman	4.61	4.82	4.17	4.21	4.67	5.25	4.28	5.01	5.10
U.A.E.	10.57	8.39	7.89	9.09	13.53	13.19	15.25	16.78	14.29
Abu Dhabi	4.65	3.09	2.62	2.68	3.95	3.99	4.17	6.07	4.35
Dubai	4.22	3.92	3.86	4.68	6.84	6.62	8.63	8.16	8.06
Sharjah	1.70	1.38	1.41	1.53	2.20	2.36	2.12	2.31	1.68
Others	-	-	-	0.20	0.55	0.23	0.33	0.24	0.20
U.K.	11.07	10.94	9.21	9.25	8.34	8.94	9.08	7.99	8.41
U.S.A	11.69	12.00	12.74	11.20	10.71	11.56	13.57	13.44	9.36
Other Countries	9.78	10.10	9.67	8.76	8.70	8.65	8.73	7.96	6.33
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Contd.

TABLE 8.8

WORKERS REMITTANCES

(US \$ Million)

COUNTRY	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	July-April	
								2005-06	2006-07
I. Cash Flow	913.49	1,021.59	2,340.79	4,190.73	3,826.16	4,152.29	4,588.03	3,618.87	4447.88
Bahrain	29.36	23.87	39.58	71.46	80.55	91.22	100.57	80.41	108.64
Canada	3.86	4.90	20.52	15.19	22.90	48.49	81.71	64.94	69.62
Germany	10.47	9.20	13.44	26.87	46.52	53.84	59.03	47.46	64.45
Japan	1.58	3.93	5.97	8.14	5.28	6.51	6.63	5.26	3.52
Kuwait	135.25	123.39	89.66	221.23	177.01	214.78	246.75	198.39	231.66
Norway	5.60	5.74	6.55	8.89	10.19	18.30	16.82	12.99	16.60
Qatar	13.29	13.38	31.87	87.68	88.69	86.86	118.69	92.43	136.79
Saudi Arabia	309.85	304.43	376.34	580.76	565.29	627.19	750.44	584.64	827.60
Sultanat-e-Oman	46.42	38.11	63.18	93.65	105.29	119.28	130.45	106.07	132.79
U.A.E.	147.79	190.04	469.49	837.87	597.48	712.61	716.30	555.84	673.51
Abu Dhabi	47.30	48.11	103.72	212.37	114.92	152.51	147.89	114.91	153.52
Dubai	87.04	129.69	331.47	581.09	447.49	532.93	540.24	420.15	496.09
Sharjah	12.80	12.21	34.05	42.60	34.61	26.17	26.87	19.70	22.90
Others	0.65	0.03	0.25	1.81	0.46	1.00	1.30	1.08	1.00
U.K.	73.27	81.39	151.93	273.83	333.94	371.86	438.65	346.40	354.60
U.S.A	79.96	134.81	778.98	1,237.52	1,225.09	1,294.08	1,242.49	994.78	1176.12
Other Countries	56.79	88.40	293.28	727.64	567.93	507.27	679.50	529.26	651.98
II. Encashment*	70.24	64.98	48.26	46.12	45.42	16.50	12.09	10.81	2.24
Total (I+II)	983.73	1,086.57	2,389.05	4,236.85	3,871.58	4,168.79	4,600.12	3,629.68	4450.12

* Encashment and Profit in Pak Rs. of Foreign Exchange Bearer

Source: State Bank of Pakistan

Certificates (FEBCs) & Foreign Currency Bearer Certificates (FCBCs)

TABLE 8.8

WORKERS REMITTANCES

(% Share)

COUNTRY	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	July-April	
								2005-06	2006-07
<u>Cash Flow</u>									
Bahrain	3.21	2.34	1.69	1.71	2.11	2.20	2.19	2.22	2.44
Canada	0.42	0.48	0.88	0.36	0.60	1.17	1.78	1.79	1.57
Germany	1.15	0.90	0.57	0.64	1.22	1.30	1.29	1.31	1.45
Japan	0.17	0.38	0.26	0.19	0.14	0.16	0.14	0.15	0.08
Kuwait	14.81	12.08	3.83	5.28	4.63	5.17	5.38	5.48	5.21
Norway	0.61	0.56	0.28	0.21	0.27	0.44	0.37	0.36	0.37
Qatar	1.45	1.31	1.36	2.09	2.32	2.09	2.59	2.53	3.08
Saudi Arabia	33.92	29.80	16.08	13.86	14.77	15.10	16.36	16.16	18.61
Sultanat-e-Oman	5.08	3.73	2.70	2.23	2.75	2.87	2.84	2.93	2.99
U.A.E.	16.18	18.60	20.06	19.99	15.62	17.16	15.61	15.36	15.14
Abu Dhabi	5.18	4.71	4.43	5.07	3.00	3.67	3.22	3.18	3.45
Dubai	9.53	12.69	14.16	13.87	11.70	12.83	11.77	11.61	11.15
Sharjah	1.40	1.20	1.45	1.02	0.90	0.63	0.59	0.54	0.51
Others	0.07	0.00	0.01	0.04	0.01	0.02	0.03	0.03	0.02
U.K.	8.02	7.97	6.49	6.53	8.73	8.96	9.56	9.57	7.97
U.S.A	8.75	13.20	33.28	29.53	32.02	31.17	27.08	27.49	26.44
Other Countries	6.22	8.65	12.53	17.36	14.84	12.22	14.81	14.63	14.66
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: State Bank of Pakistan

TABLE 8.9

GOLD AND CASH FOREIGN EXCHANGE RESERVES HELD AND CONTROLLED BY STATE BANK OF PAKISTAN

(US \$ Million)

Period	Total		Cash		Gold	
	June*	December*	June*	December*	June*	December*
1960	246	272	194	220	52	52
1961	257	238	204	185	53	53
1962	237	249	184	196	53	53
1963	302	279	249	226	53	53
1964	259	219	206	166	53	53
1965	200	208	147	155	53	53
1966	265	197	212	144	53	53
1967	167	159	114	106	53	53
1968	182	239	128	185	54	54
1969	299	311	245	257	54	54
1970	287	184	233	130	54	54
1971	199	171	144	116	55	55
1972	285	286	225	226	60	60
1973	463	489	396	422	67	67
1974	403	472	336	405	67	67
1975	486	418	419	351	67	67
1976	614	539	546	471	68	68
1977	431	534	363	466	68	68
1978	1010	832	696	444	314	388
1979	904	1210	414	279	490	931
1980	2019	1815	831	627	1188	1188
1981	1866	1589	1080	803	786	786
1982	1460	1527	862	971	598	598
1983	2758	2770	1975	2010	783	760
1984	2489	1715	1788	1074	701	641
1985	1190	1452	585	847	605	605
1986	1638	1446	968	793	670	653
1987	1784	1405	919	545	865	860
1988	1326	1258	479	440	847	818
1989	1227	1419	502	705	725	714
1990	1451	958	766	277	685	681
1991	1390	1208	674	500	716	708
1992	1761	1629	1069	950	692	679
1993	1369	2061	604	1371	765	690
1994	3337	3922	2545	3132	792	790
1995	3730	2758	2937	2039	793	719
1996	3251	1780	2465	1092	786	688
1997	1977	2200	1287	1567	690	633
1998	1737	1737	1125	1122	612	615
1999	2371	2080	1828	1536	543	543
2000	2149	1998	1547	1396	602	603
2001	2666	4161	2100	3595	566	566
2002	5439	8569	4772	7902	667	667
2003	10700	11532	9975	10807	725	725
2004	11883	10756	11052	9925	831	831
2005 **	11227	10976	10310	10059	917	917
2006	12939	12972	11651	11681	1288	1288

* Last day of the month.

** December 2005

Source: State Bank of Pakistan

TABLE 8.10

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

Country	Currency	(Average During the Year)								
		1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
Australia	Dollar	17.6004	19.1123	18.2623	20.8851	22.9083	25.4912	30.5300	29.3472	29.3962
Austria	Schilling	2.0077	2.1433	3.3550	2.5433	2.9358	3.2639	3.4694	3.4242	3.8557
Bangladesh	Taka	0.6281	0.6518	0.6628	0.7536	0.7673	0.8204	0.9128	0.9513	0.9686
Belgium	Franc	0.6860	0.7327	0.8061	0.8559	1.0045	1.1185	1.1854	1.1683	1.2952
Canada	Dollar	19.4207	21.3864	20.7982	22.5554	22.3750	24.6581	28.5449	30.4828	31.0445
China	Yuan	4.4467	4.5781	4.5996	4.3316	3.6803	4.0354	4.6988	5.2154	5.6548
Denmark	Krone	3.6852	3.8958	4.3059	4.5298	5.2534	5.9354	6.3775	6.3310	7.0348
France	Franc	4.1819	4.4402	4.8939	5.2027	5.9623	6.6921	7.2196	7.1856	7.9685
Germany	Mark	14.1248	15.0838	16.5751	17.9039	20.6804	22.9718	24.4163	24.0995	26.7081
Holland	Guilder	12.5333	13.3928	14.7394	15.9401	18.4547	20.5247	21.7451	21.3938	23.7008
Hong Kong	Dollar	2.8828	3.2047	3.3574	3.9011	3.9902	4.3345	5.0391	5.5762	6.0440
India	Rupee	1.1980	0.9611	0.9405	0.9609	0.9814	0.9783	1.0894	1.1285	1.0935
Iran	Rial	0.3357	0.3699	0.3507	0.0179	0.0176	0.0192	0.0225	0.0246	0.0266
Italy	Lira	0.0189	0.0201	0.0190	0.0185	0.0198	0.0212	0.0250	0.0246	0.0271
Japan	Yen	0.1639	0.1896	0.2177	0.2843	0.3277	0.3281	0.3376	0.3411	0.3797
Kuwait	Dinar	..	86.4030	87.2127	101.5740	104.3749	112.5264	129.6859	141.7916	153.8993
Malaysia	Ringgit	5.2463	9.3259	10.1692	11.5288	12.1848	13.2905	15.5861	12.5285	12.1327
Nepal	Rupee	0.7143	0.5832	0.5741	0.6121	0.6178	0.6102	0.6837	0.7034	0.6858
Norway	Krone	3.6301	3.8505	4.0096	4.1305	4.6915	5.3528	6.0509	5.8345	6.1371
Singapore	Dollar	12.7847	14.8944	15.9865	19.0212	21.2485	23.6411	27.4575	27.0557	27.6043
Sri Lanka	Rupee	0.5539	0.5831	0.5660	0.6120	0.6201	0.6281	0.6823	0.7038	0.6869
Sweden	Krona	3.8414	4.1506	3.9886	3.8009	4.1543	5.0484	5.5230	5.5260	5.8006
Switzerland	Franc	16.6698	16.9154	18.3825	20.8077	24.7362	28.0734	28.8164	29.3698	32.5174
S.Arabia	Riyal	5.9959	6.6442	6.9407	8.0642	8.2475	9.0606	10.4440	11.5178	12.4882
Thailand	Baht	0.8627	0.9626	1.0028	1.1567	1.2174	1.2176	1.2176	1.1562	1.2313
UAE	Dirham	6.1231	6.7874	7.0923	8.2415	8.4214	9.2329	10.6639	11.7623	12.7583
UK	Pound	41.5778	43.7454	42.0315	45.1600	48.6951	51.9192	63.0683	71.1450	76.8085
USA	Dollar	22.4228	24.8441	25.9598	30.1638	30.8517	33.5684	38.9936	43.1958	46.7904
EMU	Euro	-	-	-	-	-	-	-	-	-
IMF	SDR	31.1323	34.1379	35.6217	42.2162	46.1616	49.6416	55.2477	58.4654	63.6850

(50.0546) *

(Contd...)

TABLE 8.10
EXCHANGE RATE POSITION (Pakistan Rupees in Terms of One Unit of Foreign
Currency)

Country	Currency	(Average during the Year)							Average July-April	
		1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2005-06	2006-07
Australia	Dollar	32.5665	31.3747	32.1607	34.2101	41.0626	44.7141	44.7564	44.6625	47.0955
Austria	Schilling	3.7715	3.7942	3.9960	na	na	54.8940	na	na	na
Bangladesh	Taka	1.0285	1.0794	1.0826	1.0108	0.9842	0.9774	0.9121	0.9184	0.8727
Belgium	Franc	1.2866	1.2934	1.3633	na	na	na	na	1.7885	1.9502
Canada	Dollar	35.1611	38.4434	39.1719	38.8234	42.8526	47.5567	51.4986	50.9835	53.0591
China	Yuan	6.2470	7.0601	7.4149	7.0613	6.9497	7.1676	7.4161	7.3992	7.7191
	Krone	6.9724	6.9916	7.3987	8.2524	9.2250	10.1527	9.7699	9.6726	10.5551
France	Franc	7.9156	7.9536	8.3867	na	na	na	na	na	na
Germany	Mark	26.5372	26.6543	28.1084	na	na	na	na	na	na
Holland	Guilder	23.5571	23.6655	24.9556	na	na	na	na	na	na
Hong Kong	Dollar	6.6573	7.4906	7.8720	7.4990	7.3970	7.6176	7.7127	7.7058	7.7807
India	Rupee	1.1862	1.2529	1.2787	1.2219	1.2682	1.3253	1.3389	1.3437	1.3521
Iran	Rial	0.0295	0.0332	0.0307	0.0073	0.0069	0.0067	0.0066	0.0066	0.0066
Italy	Lira	0.0268	0.0269	0.0284	na	na	na	na	na	na
Japan	Yen	0.4809	0.5109	0.4884	0.4888	0.5203	0.5558	0.5216	0.5195	0.5149
Kuwait	Dinar	169.4791	190.4592	200.7861	194.5677	194.3681	202.3816	205.3258	204.8685	209.7138
Malaysia	Ringgit	13.6289	15.3871	16.1621	15.3944	15.1532	15.6244	16.0515	15.9572	16.9348
Nepal	Rupee	0.7503	0.7893	0.8033	0.7515	0.7802	0.8169	0.8296	0.8316	0.8434
Norway	Krone	6.3421	6.4483	7.0288	8.1021	8.2191	9.1841	9.2141	9.1026	9.6385
Singapore	Dollar	30.5305	33.1605	33.9503	33.3406	33.5098	35.6797	36.4149	36.1040	39.0598
Sri Lanka	Rupee	0.7144	0.7026	0.6624	0.6057	0.5920	0.5813	0.5872	0.5880	0.5684
Sweden	Krona	6.0786	5.9379	5.9117	6.6910	7.5195	8.2949	7.7867	7.6945	8.5722
Switzerland	Franc	32.5626	34.1098	37.1824	41.4643	44.2489	49.0657	46.8551	46.4067	49.1958
S.Arabia	Riyal	13.8125	15.5868	16.3792	15.5961	15.3488	15.8027	15.9608	15.9471	16.1648
Thailand	Baht	1.3490	1.3438	1.4000	1.3742	-	1.4763	1.5005	1.4852	1.6642
UAE	Dirham	14.0979	15.9133	16.7231	15.9261	15.6727	16.1586	16.2972	16.2828	16.5089
UK	Pound	82.4937	84.7395	88.5691	92.7433	100.1672	110.2891	106.4344	105.3926	116.5412
USA	Dollar	51.7709	58.4378	61.4258	58.4995	57.5745	59.3576	59.8566	59.8050	60.6313
EMU	Euro	-	-	54.9991	61.3083	68.6226	75.5359	72.8661	72.1481	78.6722
IMF	SDR	70.1077	74.7760	78.0627	79.3198	83.2470	88.5631	86.9594	86.5159	90.5531

* Composite Rate

Source: State Bank of Pakistan

* na : Common currency Euro is in use of these countries