Chapter 08

Trade and Payments

The current account deficit has significantly reduced, narrowing down to US $ 0.5 billion during July-March FY 2024, compared to US $ 4.1 billion in the same period last year. Despite an uncertain global economic environment during the period, the government's appropriate measures have improved the current account performance. This reduction in the current account deficit has made external pressures sustainable and mitigated the risks associated with external financing difficulties.

Despite the increase in services and income account deficits, a surge in secondary income surplus and a significantly smaller trade deficit in goods helped reduce the current account deficit (CAD). A strong decrease in goods imports, reflecting the impact of lower domestic demand, import management measures, and lower global commodity prices, contributed to the significant reduction in the trade deficit of goods. It is also important to note that exports rose primarily due to a substantial increase in food group exports. Furthermore, a positive worker remittance trend since October 2023 has also improved the external sector's performance. Additionally, the financial account received net inflows of US $ 4.2 billion, primarily from official inflows and inflows from friendly countries. Thus, the significant improvement in the external account stabilized the exchange rate and maintained foreign exchange reserves despite regular debt repayments. All these positive developments in the external sector helped strengthen investor confidence and improve market sentiments.

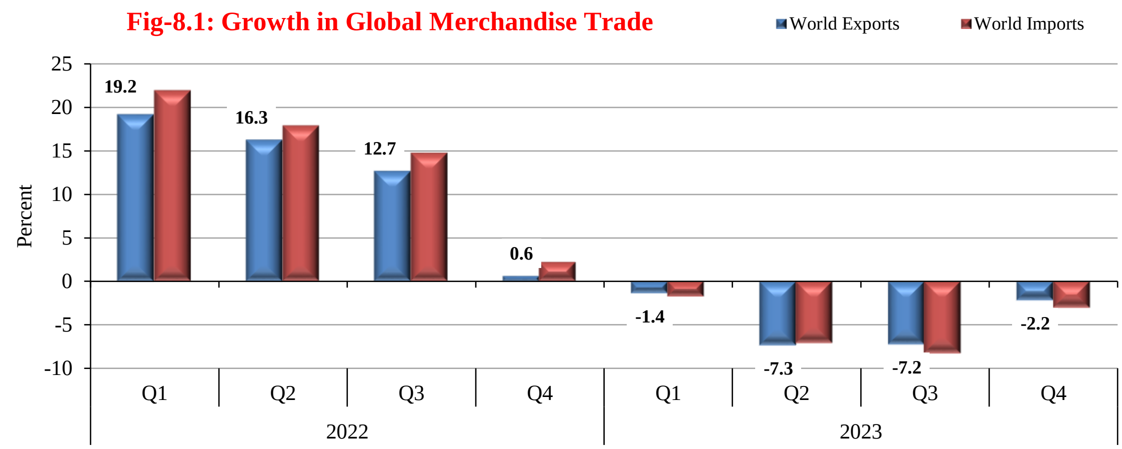
8.1 Global Scenario

Recent disruptions to global trade, known as the "Polycrisis," have included challenges such as the COVID-19 pandemic, supply chain issues, and increased trade policy uncertainty due to geopolitical conflicts. Despite these challenges, global merchandise trade showed notable resilience in Q4 of 2023, with a significant surge of 6.3 percent compared to pre-pandemic levels in Q3 of 2019. However, the overall performance of global merchandise trade in 2023 remained subdued, with a 5 percent decline to US $ 24.01 trillion. In 2023, there was a significant decline in exports from Russia (28 percent), China (5 percent), Japan (4 percent), and Korea (8 percent). The US also saw a slight decline in exports (2 percent). On the other hand, there was an increase in exports from Germany (1 percent), Mexico (3 percent), and the EU (2 percent). The drop in merchandise exports was due to lower commodity prices, reduced trade volumes, and exchange rate fluctuations. However, the rise in commercial services trade was attributed to the recovery of international trade and the increase in digital services delivery.

The WTO report "Global Trade Outlook and Statistics April 2024" predicts that the global merchandise trade volume will increase by 2.6 percent in 2024 and 3.3 percent in 2025. However, this forecast has potential risks, such as geopolitical tensions, growing protectionism, policy uncertainty, and supply disruptions, which could result in higher shipping costs and longer transit times. Recent disturbances in crucial shipping routes, especially in the Red Sea, have affected global oil and gas markets and shipping industries, leading to the rerouting of maritime trade through the Cape of Good Hope and causing an increase in freight charges and transit times.

Climate change has caused a 36 percent reduction in trade transit through the Panama Canal due to low freshwater levels, making the shipping industry more vulnerable. Disruptions at crucial maritime trade routes have decreased market capacity and increased freight charges, affecting global trade networks and economic stability.

The growth pattern of global merchandise trade can be depicted in Fig-8.1.



Source: WTO

Box-I: Red Sea Disruption and its Implication for Pakistan

Over 90 percent of Pakistan's trade volume passes through maritime routes, with land routes primarily serving China, Afghanistan, India, and Iran by truck. Air routes are mainly utilized for high-value and perishable goods. The recent disruption in the Red Sea, a critical trade route, poses severe consequences for Pakistan's trade and overall economy.

The Red Sea has historically been the shortest and most efficient trade pathway between Asia and Europe. Rerouting trade around the Cape of Good Hope extends the journey by over 3500 nautical miles and adds 10-12 days of sailing time, significantly inflating freight costs.

Pakistan's heavy reliance on the Red Sea route is evidenced by its trade statistics. Approximately 60 percent of Pakistan's exports, valued at US $ 16.3 billion, and 30 percent of its imports, US $ 23.2 billion, during FY 2023 are from the US, EU, and UK.

The repercussions of disruptions in this vital trade route are multifaceted. Delayed arrivals of essential goods, including raw materials and finished products, disrupt domestic supply chains. This delay, particularly in the supply of imported raw materials, has led to production slowdowns, exacerbating the deceleration of the LSM sector.

Pakistan's Merchandise Exports US $ billion

Regions /Countries	FY2022	FY2023	% Share	July-March	
				FY2023	FY2024
EU	8.5	8.4	30	6.4	6.0
UK	2.2	2.0	7	1.5	1.5
US	6.8	5.9	21	4.5	4.0
Other Countries	15.0	11.6	42	8.7	11.5
Total Exports	32.5	27.9	100	21.1	23.0

Source: SBP

The escalation in freight charges poses a significant threat to Pakistan's major export commodities, such as textiles, rice, and fruits. Notably, the textile sector, which accounts for around 60 percent of Pakistan's total exports, is under immense pressure. The timely availability of raw materials and machinery imports is crucial for textile and apparel producers. Any disruptions in shipping schedules result in production delays and increased costs.

For instance, in mid-January, shipping companies hiked freight charges by 140 percent, rising from US $ 750 to approximately US $ 1800. This not only impacts exporters but also affects the competitiveness of Pakistani products in international markets. Moreover, the escalating tensions in the Red Sea have led to a decline in demand for Pakistani rice from traditional buyers in the Middle East, the United States, and Europe.

The complexity of the Red Sea disruption underscores the severity of its consequences for Pakistan's economy. Prolonged disruptions will continue to disrupt supply chains, potentially stalling efforts to contain inflation. As such, addressing the challenges posed by these disruptions is imperative to safeguard Pakistan's economic stability and global competitiveness.

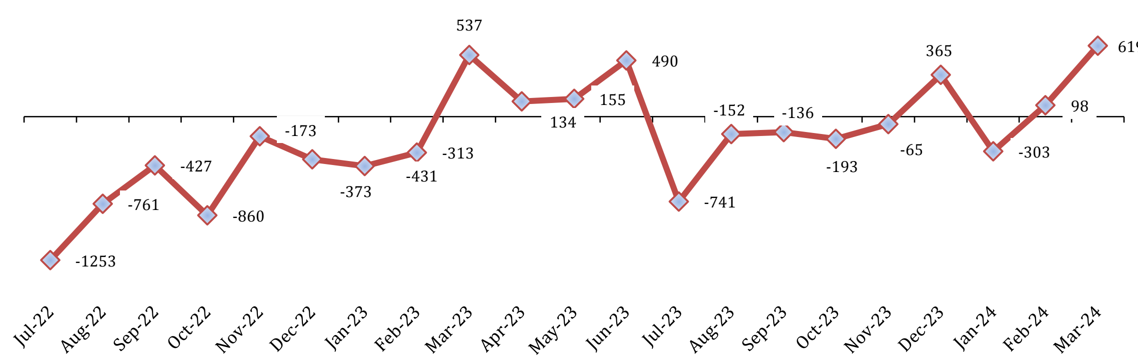
8.2 Balance of Payments

Pakistan's external account improved considerably during July-March FY 2024 as CAD narrowed down significantly by 87.5 percent to US $ 0.5 billion compared to US $ 4.1 billion last year. The financial account also witnessed net inflows of US $ 4.2 billion, mainly augmented by inflows from friendly countries and official inflows, in sharp contrast to net outflows of US $ 1.1 billion during July-March FY2023. The improved inflows in the financial account in July-March FY 2024 materialized amid the successful implementation of reforms agreed as part of the Stand-By Arrangement (SBA) with IMF. The increase in CAD and financial support from bilateral and multilateral development partners have resulted in the building of foreign reserves. Specifically, reserves increased to US $ 8.0 billion by the end of March 2024 from US $ 4.4 billion at the end of FY2023. The better performance of the external sector, coupled with the accumulation of foreign reserves, has instilled renewed confidence in the Pakistani rupee. Thus, the average monthly PKR against US $ was appreciated by 2.8 percent during July-March FY 2024.

8.2-1 Current Account

The current account recorded a deficit of US $ 0.5 billion during July-March FY 2024, against a deficit of US $ 4.1 billion in the same period last year. The predominant factor behind this improvement in CAD was the 25.2 percent decrease in the merchandise trade deficit, which resulted from a substantial decline in import payments to US $ 38.8 billion in July-March FY 2024 from US $ 42.1 billion during the same period last year.

Fig-8.2: Monthly Current Account Balance (US $ million)



Source: SBP

Table 8.1: Summary Balance of Payments US $ million

Items	July-June		July-Mar	
	2021-22	2022-23	2022-23	2023-24 P
Current Account Balance	-17481	-3275	-4054	-508
Trade Balance	-39050	-24819	-21079	-15757
Exports of Goods FOB	32493	27876	21065	23026
Imports of Goods FOB	71543	52695	42144	38783
Service Balance	-5840	-1042	-374	-1655
Exports of Services	7102	7596	5813	5808
Imports of Services	12942	8638	6187	7463
Income Account Balance	-5248	-5765	-4000	-5561
Income: Credit	652	652	555	611
Income: Debit	5900	6417	4555	6172
Balance on Secondary Income	32657	28351	21399	22465
Of which:				
Workers' Remittances	31279	27333	20845	21038

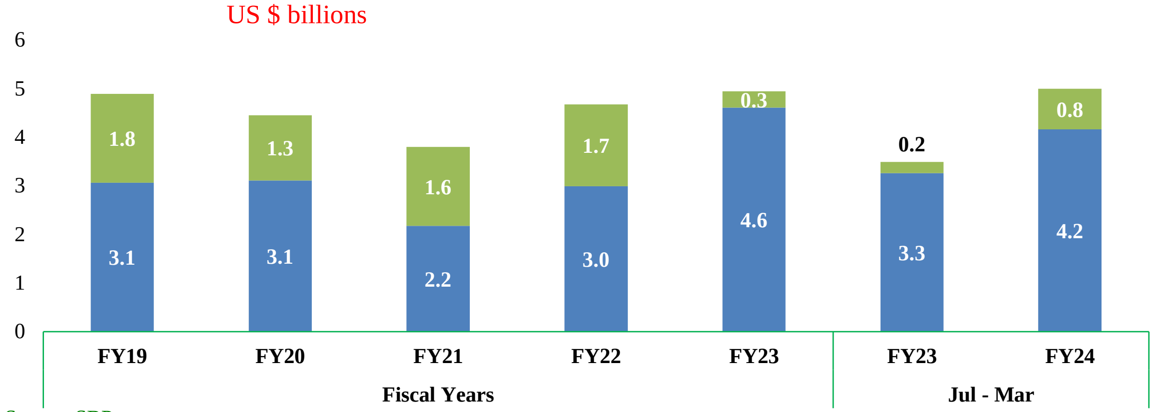
Source: State Bank of Pakistan

P: Provisional

The primary income account posted a deficit of US $ 5.6 billion during July-March FY 2024, compared to US $ 4.0 billion recorded in the same period last year. The deficit increase was mainly driven by higher interest payments and relatively higher profits and dividend repatriation.

Specifically, there has been a substantial increase in interest payments on external debt and liabilities, which rose by approximately US $ 0.9 billion to US $ 4.2 billion during July-March FY2024, compared to US$3.3 billion during the same period last year (See Fig-8.3 a). The surge in interest payments primarily shows the impact of rising global interest rates, which are also reflected in the higher Secured Overnight Financing Rate (SOFR). Moreover, some of the increases in debt servicing are attributed to the expiration of the Debt Servicing Suspension Initiative (DSSI), which resulted in the accumulation of both long and short-term debt servicing.

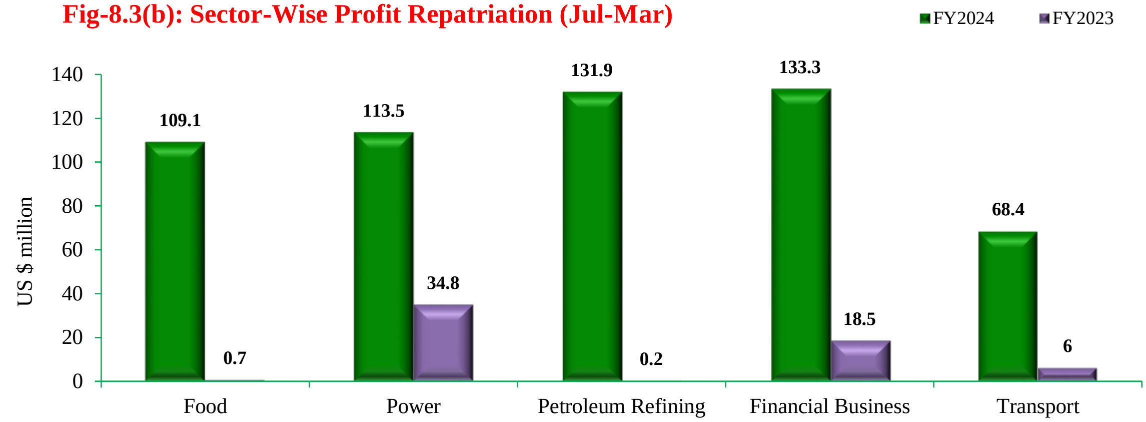
Fig-8.3(a): Primary Income Account
US $ billions



Source: SBP

The available data up to March 2024 also depicted a substantial increase in the repatriation of profits and dividends to US $ 830.5 million during July-March FY 2024 compared to just US $ 233.1 million for the same period last year. The relative ease in FX flows since September 2023 allowed SBP to ease restrictions on the repatriation of profit and dividends. This also reflects that the earnings of foreign investors have risen due to the revival of economic activities in the country. The sectoral decomposition of profit and dividend repatriation suggests that petroleum refining, power, food, financial services, and transportation sectors repatriated significantly more this year (See Figure 8.3b).

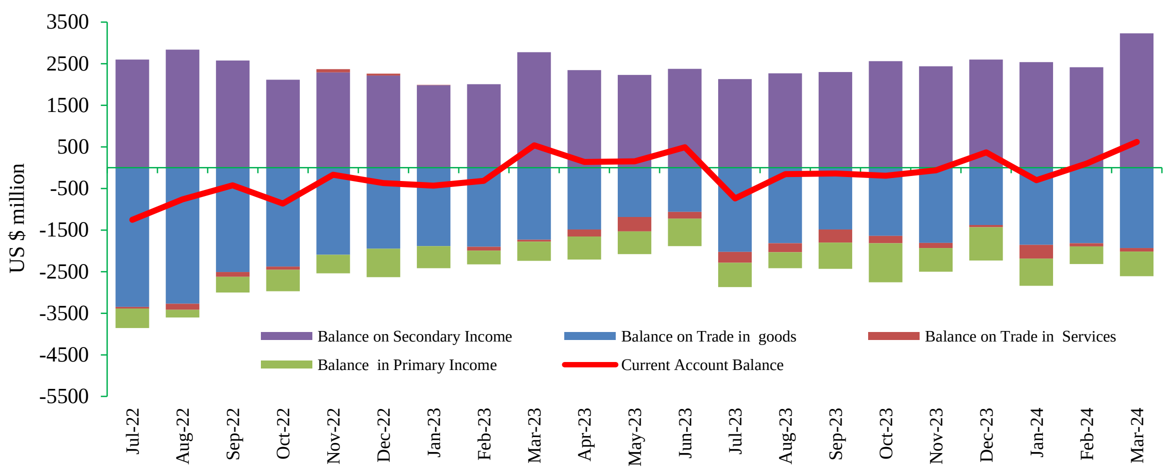
Fig-8.3(b): Sector-Wise Profit Repatriation (Jul-Mar)



Source: SBP

Although the primary income account deficit has increased, the improvement in other components of the current account, trade balance, and workers' remittances has compensated for these outflows during July-March FY 2023. As a result, the current account deficit narrowed substantially by 87.5 percent to US $ 508 million during July-March FY2024 from US$4.1 billion recorded during the corresponding period last year.

Fig-8.4: Trend and Composition of Current Account Balance

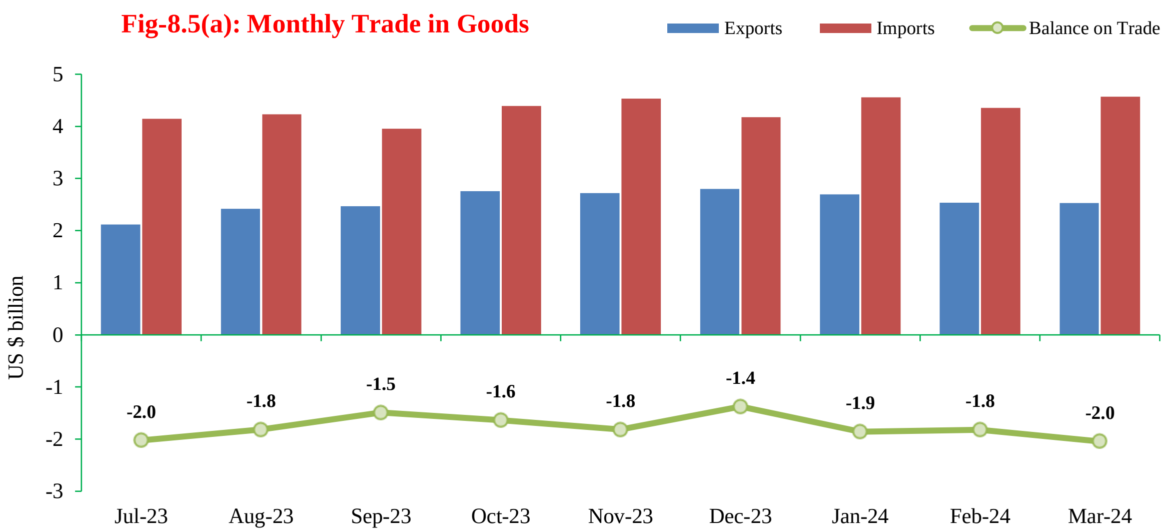


Source: SBP

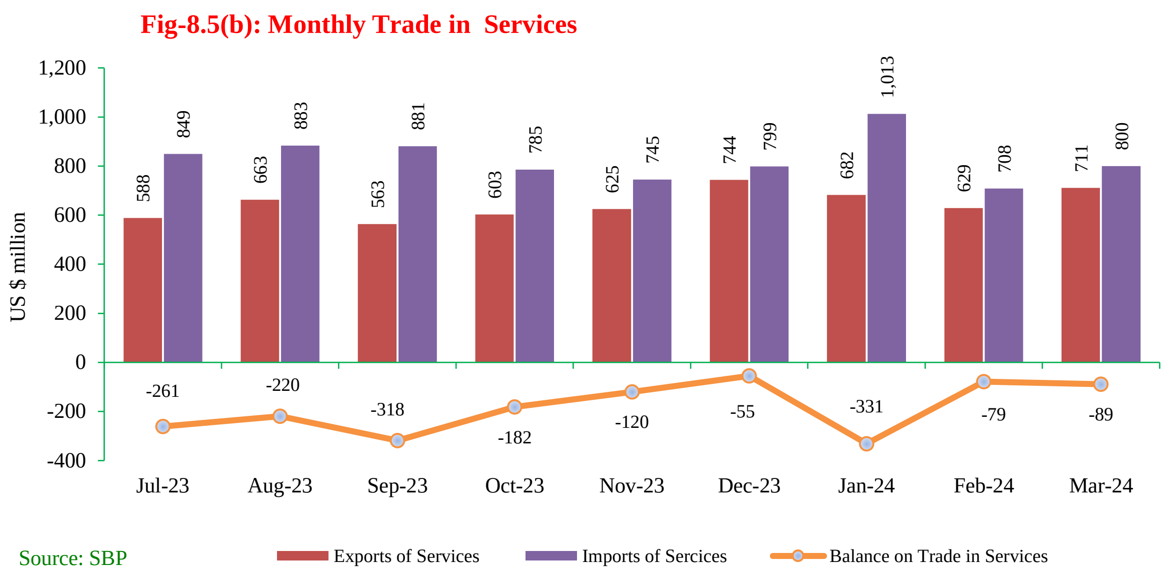
8.2-1(a) Trade Balance

Exports of goods increased by 9.3 percent and were recorded at US$23.0 billion during July-March FY 2024 compared to US $ 21.1 billion during the same period last year. However, imports of goods declined by 8.0 percent and stood at US $ 38.8 billion during July-March FY 2024 as compared to US $ 42.1 billion in the same period last year. The detailed discussion regarding merchandise exports and imports based on PBS data is in section 8.3. Presently, the trade-in goods deficit is contained at 25.2 percent to US $ 15.8 billion as compared to US $ 21.1 billion last year (see Fig 8.5 a). The services account deficit reached US $ 1655 million in July-March FY 2024 as against US $ 374 million last year.

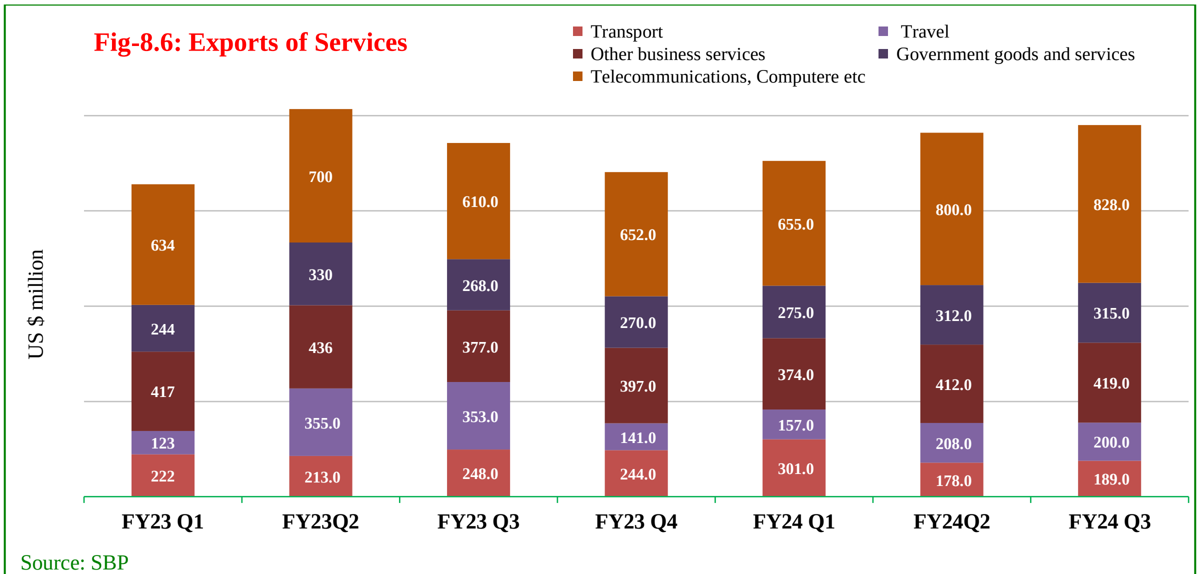
Fig-8.5(a): Monthly Trade in Goods



Source: SBP

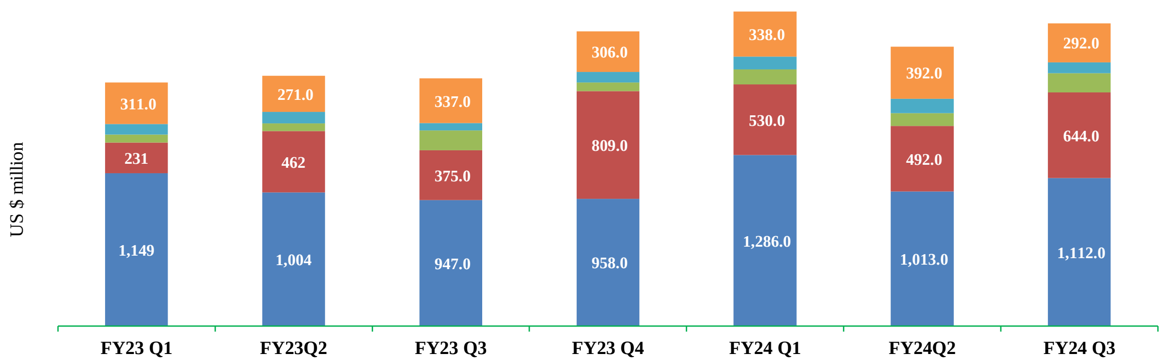


The export of information and communication technology (ICT) increased significantly by 17.4 percent. It reached US $ 2.3 billion during July-March FY 2024 as against US $ 1.9 billion during the same period last year on account of the increased permissible retention limit of IT exporters from 35 percent to 50 percent of their export proceeds in the Exporters' Specialized Foreign Currency Accounts (ESFCAs). Moreover, a new Framework for Freelancers has been introduced to further ease the opening of their bank accounts and allow higher retention of amounts in their foreign currency accounts.



On the other hand, the import of services soared by 20.6 percent during July-March FY 2024 and stood at US $ 7.5 billion compared to US $ 6.2 billion last year. The import of transport services increased by 10.0 percent and recorded US $ 3.4 billion during July-March FY 2024 as against US $ 3.1 billion in the same period the previous year. The surge in transport payments is attributed to increased fares for air passengers. The import of travel services increased by 56.0 percent to US $1.7 billion compared to US $ 1.1 billion last year. A hike in sea freight despite declining merchandise imports reflects an increase in shipping rates in the wake of Red Sea attacks and associated higher insurance premiums and the cost of re-routing. Other business services also increased by 11.2 percent during July-March FY2024 and reached US $ 1.0 billion compared to US $ 0.9 billion during the same period last year (See Fig 8.7).

Fig-8.7: Imports of Services



Source: SBP

Box-II: Information Technology Sector

The Ministry of Information Technology & Telecommunication (MoITT) is working on the vision of Digital Pakistan through multiple cross-sectoral digital transformation initiatives to enable the digital landscape. Following policy measures were taken by MoITT between Jul-Apr FY2024:

- **Computer Emergency Response Teams (CERT) Rules** (safeguard the national cyber security ecosystem).
- **Artificial Intelligence Policy**
- **National Freelancing Facilitation Policy**
- **Personal Data Protection Bill**
- **Digital Pakistan Policy 2024**
- **IT Skills training for 200,000 university graduates**
  - To attain the target of annual exports of US $15 billion in the next five years
  - The annual addition of at least 200,000 proficient and specialized IT professionals.
  - Estimated cost of Rs1,000 million.
  - Placement Programme for 20,000 students in the last semesters of their ICT disciplines.
  - A stipend of Rs 30,000 will be provided to support their commitment, whereas Rs 50,000 per intern will also be given to IT companies.
  - 16,000 individuals' IT certification through NAVTTC.

E Rozgaar centres:

- Establishing 10,000 E-Rozgar centres
- Facilitate 1 million freelancers.
- Free training.
- Interest-free loans of up to Rs 10 million.

- **Pakistan Start-up Fund (PSF):** PSF is a government-backed initiative aimed at supporting and promoting the growth of start-ups in Pakistan through encouraging investments in Pakistan by top-notch global as well as local Venture Capital (VC) funds.

  The GOP has recognized the necessity of intervention and has launched a program to mitigate the risks faced by Venture Capitalists through the Pakistan Startup Fund. The fund will offer 10 percent - 30 percent of the total investment made by a VC in a particular funding round with equity-free capital or a grant as the last cheque. The contribution of Rs 2 billion by the government of Pakistan is poised to catalyze a valuation of Rs 50 billion in the Pakistani startup ecosystem.

Source: Ministry of Information Technology & Telecommunication

8.2-1(b) Remittances

Worker remittances have been one of the critical sources of foreign exchange earnings over the years and have been the dominant force in keeping CAD manageable. Remittances posted a growth of 18.3 percent in Q3 and 9.0 percent in Q2, after a sharp decline in Q1 of 19.8 percent. A positive trend in remittances has been observed since October 2023 due to structural reforms related to exchange companies and consequent convergence in the exchange rate in the interbank and open market. During July-March FY 2024, remittances registered a marginal growth of 1.0 percent to US $ 21.0 billion against US $ 20.8 billion last year.

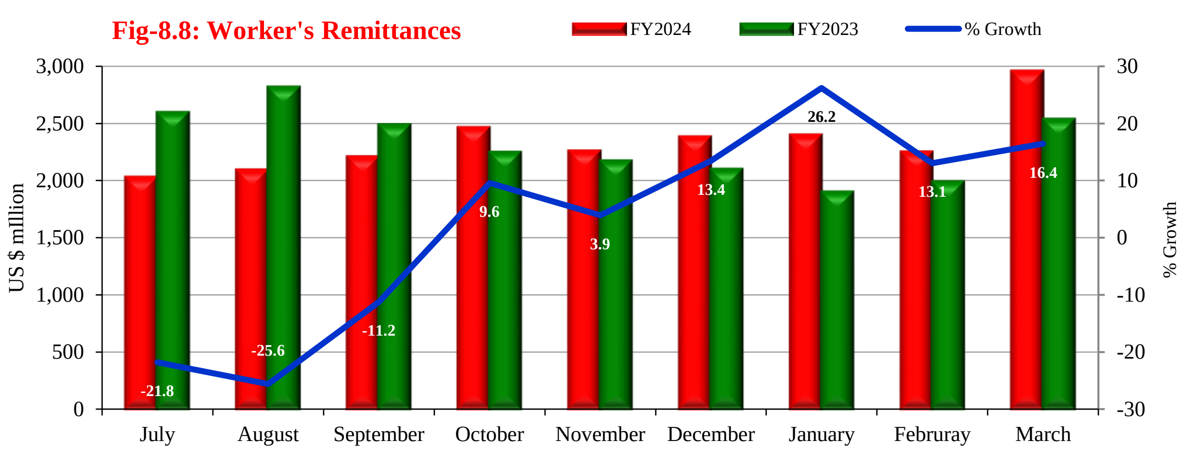
On Year-on-Year basis, remittances increased by 16.4 percent in March 2024 and recorded at US $ 3.0 billion) as compared to March 2023 US $ 2.5 billion, while on a month-on-month basis, remittances increased by 31.3 percent as compared to US $ 2.3 billion in February 2024, mainly due to the holy month of Ramadan and Eid ul Fitr as migrant workers remit more money to home for personal use, charity. During July-March FY 2024, the share of remittances from Saudi Arabia remained 24.2 percent ($ 5.1 billion), UAE 17.4 percent ($ 3.7 billion), UK 15.0 percent ($ 3.2 billion), USA 12.0 percent ($ 2.5 billion), other GCC countries 10.8 percent ($ 2.3 billion), EU 12.2 percent ($ 2.6 billion), Australia 2.2 percent ($ 0.5 billion), and other countries 6.2 percent ($ 1.3 billion).

Table 8.2: Country/Region Wise Worker's Remittances US $ billions

Country/ Region	July-March		% Change	% Share
	2022-23	2023-24		
Saudi Arabia	5.0	5.1	1.6	24.2
U.A.E.	3.6	3.7	1.5	17.4
USA	2.4	2.5	6.5	12.0
U.K.	3.1	3.2	2.9	15.0
Other GCC Country	2.4	2.3	-6.1	10.8
Australia	0.5	0.5	0.1	2.2
EU Countries	2.3	2.6	9.2	12.2
Others Countries	1.6	1.3	-16.2	6.2
Total	20.8	21.0	0.9	100.0

Source: State Bank of Pakistan

Fig-8.8: Worker's Remittances



Source: SBP

Government Initiatives to Increase Remittances

In addition to existing schemes for incentivizing the inflow of remittances (M-Wallet Scheme and Sohni Dharti Remittance Programme (SDRP) etc.), several new policy initiatives were taken in FY 2024 by the government to enhance the inflow of worker's remittances to Pakistan.

These include:

- Rs 80 billion has been allocated for various schemes to incentivize remittances from formal channels. **(Rs 27.9 billion have been released till Jan 2024).**

- The Arab Monetary Fund and the SBP signed an MoU to facilitate cross-border remittances between the Arab region and Pakistan. The MoU was meant to establish a cooperation framework between Buna, the cross-border payment system operated by the Arab Regional Payments Clearing and Settlement Organization (ARPCSO), and Raast, Pakistan's Instant Payment System. This initiative will benefit individuals and businesses.

- **Launch of Pre-Departure Briefing Programme at Protectorate of Emigrants Offices**: This is the critical initiative of domestic outreach to educate outgoing workers to use formal channels for sending remittances back home.

- **Incentive through partners like PIA, Utility Stores, FBR, etc., through Sohni Dharti Remittance Programme (SDRP):** SDRP allocates points to remitters based on the remittances sent by them to Pakistan through SBP, regulated entities. These points can be redeemed, and overseas Pakistanis and their beneficiaries can avail themselves of free products and services offered by Participating Public Sector Entities (PPSEs) while GoP reimburses PPSEs.

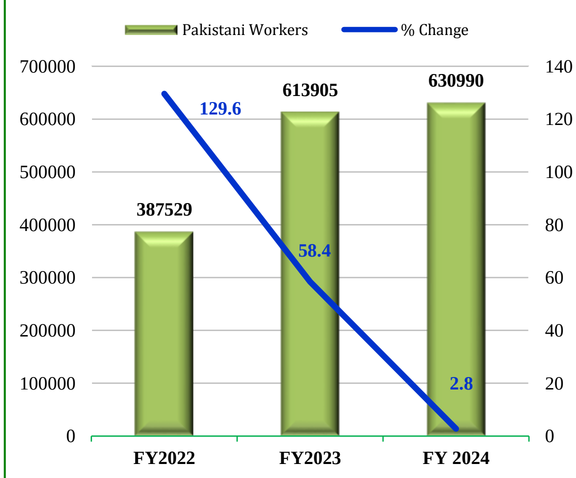
- **Increase in Reimbursement of TT Charges Scheme:** Domestic banks are now disbursing Saudi Riyal (SAR) 30 per remittance transaction of USD 100/- or above, subject to the condition, among other things, that the remitter and the beneficiary have not been charged any remittance fee or any other charges for executing the transaction.

- **Incentive Scheme for Marketing of Remittances:** A tier-based performance scheme has been developed to encourage domestic banks / microfinance banks / exchange companies to provide remittance disbursement services. Under this scheme, Financial Institutions (FIs) are reimbursed Rs 0.50 per USD for showing 5 percent or more growth, Rs 0.75 per USD for 10 percent to 15 percent growth, and Rs 1.00 per USD for more than 15 percent growth. The Government of Pakistan (GOP) reimburses these expenses to FIs through SBP.

- **The Bureau of Emigration & Overseas Employment (BE&OE)** created linkages between the Overseas Employment Corporation (OEC) and NAVTTC to match available jobs on BE&OE's official website with data of the trained job seekers maintained by NAVTTC (MOU signed between OEC and NAVTTC).

During July-March FY2024, registered Pakistanis with the Bureau of Emigration and Overseas Employment (BE&OE) grew by 2.8 percent and reached 630,990, as against 613,905 for overseas employment in different countries.

Fig-8.9: Number of Pakistani Registered for Overseas Employment (Jul-Mar)



Source: BE&OE

8.2-2 Financial Account

The financial account has seen a net inflow during July-March FY 2024 compared to a net outflow in the same period last year. At the beginning of the current financial year, Pakistan entered a Stand-By Arrangement (SBA) with the IMF. Following successful negotiation and completion of 1st and 2nd review, the financing from bilateral and multilateral agencies, including the IMF, was revived.

Whereas, in the preceding fiscal year, the outflow was observed in the financial account, owing to the delay in completion of the IMF's Extended Fund Facility (EFF) program and tight global financial conditions, other multilateral and bilateral creditors withheld their financing to Pakistan.

8.2-2(a) Foreign Direct Investment

Global FDI flows in 2023 are estimated at US $ 1.37 trillion, showing a marginal increase (+3 percent) over 2022, as recession fears early receded and financial markets performed well. However, economic uncertainty and higher interest rates adversely affected global investment[1]. In developed countries, FDI in the European Union jumped from negative US $ 150 billion in 2022 to positive US $ 141 billion because of large swings in Luxembourg and the Netherlands. Inflows to the rest of the EU were 23 percent down, with declines in several large recipients. Inflows in other developed countries also stagnated, with zero growth in North America and declines elsewhere.

Unlike in Pakistan, FDI fell in the period under consideration owing to political and economic instability. Apart from political and economic stability, a significant outflow of US $ 173.2 million was observed in January 2024 due to the aggressive pull-out of investment from power projects, mainly by China. Cumulatively, FDI inflows (including reinvested retained earnings) declined by 9.7 percent to US $ 1.1 billion during July-March FY 2024 compared to US $ 1.2 billion in the same period last year. In March 2024, FDI witnessed an increase of 89.3 percent and was recorded at US $ 258.0 million against an inflow of US $ 136.3 million last month as the newly elected government took charge. The inflows of FDI reached US $ 1.9 billion during July-March FY 2024 compared to US $ 2.0 billion last year, which decreased by 2.9 percent. The outflows of FDI during July-March FY 2024 increased by 7.5 percent and reached US $ 860.1 million compared to US $ 799.9 million in the same period last year.

Table 8.3: Foreign Investment US $ million

	FY2022	FY2023	July-March	
			FY2023	FY2024 P
A. Foreign Private Investment	1548.4	1610.9	1212.5	1163.9
Foreign Direct Investment	1935.9	1627.0	1216.9	1099.0
Inflow	2692.5	2568.0	2016.8	1959.1
Outflow	756.6	941.0	799.9	860.1
Portfolio Investment	-387.5	-16.1	-4.4	64.9
Equity Securities	-387.5	-16.1	-4.4	64.9
Debt Securities				
B. Foreign Public Investment	309.5	-1010.1	-1010.3	100.1
Portfolio Investment	309.5	-1010.1	-1010.3	100.1
Total Foreign Investment (A+B)	1857.8	600.7	202.2	1264.0

P: Provisional

Source: State Bank of Pakistan

Country-wise analyses suggest that Pakistan received the highest FDI from Hong Kong, US $ 264.0 million (24.0 percent), China, US $ 261.9 million (23.8 percent share), the UK, US $ 196.3 million (17.9 percent), US $ 100.7 million (9.2 percent), and the Netherland, US $ 67.2 million (6.1 percent).

[1]UNCTAD (Investment Monitor 46) January, 2024

Fig-8.10(a): Country-Wise FDI (Jul-Mar FY 2024)

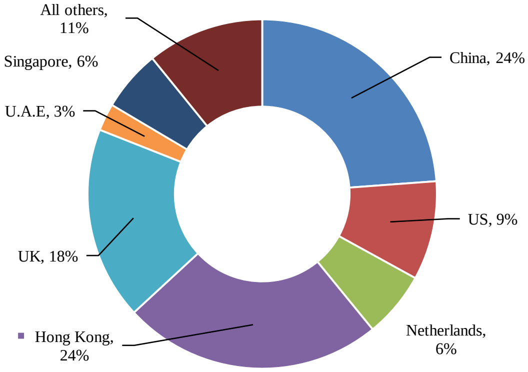
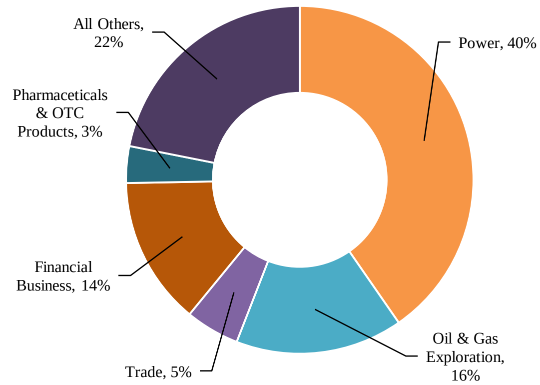


Fig-8.10(b): Sector-Wise FDI (Jul-Mar FY 2024)



Concerning the sector-wise inflow of FDI, the Power sector attracted the highest FDI, US $ 443.4 million (40.4 percent of total FDI), Oil and gas exploration US $ 171.1 million (15.6 percent), Financial Business US $ 151.3 million (13.8 percent), and Trade US $ 55.2 million (5.0 percent).

The Board of Investment (BOI) has taken several steps to increase FDI, which are listed below:

- **Pakistan Regulatory Modernization Initiative (PRMI):** Through PRMI, BOI has introduced 163 reforms in 32 sectors involving 92 departments nationwide. The reform journey is available at the online portal business.gov.pk.
  - In Phase-I, BOI facilitated the registration of IT and Solar Energy Sector businesses with the SECP e-Services portal. In Phase II, Provincial Revenue Authorities (PRAs) and the Khyber Pakhtunkhwa Asaan Karobar portal have been integrated with the SECP portal.
- **Pakistan Business Portal (PBP):** A significant deliverable of PRMI is the establishment of an online "One Stop Shop" called the Pakistan Business Portal, with the National Regulatory Delivery Office (NRDO) as its secretariat.
  - PBP will be a "system of systems" entailing automated business and regulatory portals facilitating businesses at 3-tiers of Government (Federal, Provincial, and local levels). This initiative will be implemented under the Digital Economy Enhancement Project (DEEP) to be funded by the World Bank
- **Asaan Karobar Bill:** BOI drafted the "**AsaanKarobar Act**" to institutionalize the reform activities under the regulatory reforms initiative, i.e., PRMI. Key features of the bill are the Institutionalization of reform activities, the Provision of Legal cover to the Pakistan Business Portal, and the Establishment of the National Regulatory Delivery Office (NRDO)
- **Invest Pakistan:** To run BOI on modern lines, the Federal Cabinet allowed BOI to Draft Legislation for "INVEST PAKISTAN" on 26 April 2023. BOI arranged an IT Readiness Survey of 65 Federal Government Regulators with the support of the World Bank Group. An e-registry for recording business regulations has been established and is ready to be piloted for SECP and DRAP.
- **Pakistan Regulator's Principles and Code of Practice:** The Federal Government has approved Regulatory Principles and Code of Practice to be followed by all Ministries/ Divisions/ Regulators performing any regulatory functions for businesses. The general principles of good regulation: Regulatory Delivery, Transparency, Risk Management, Efficiency and Effectiveness, Simplification, Proportionality and Pakistan Regulatory Guidebook
- **Industrial Cooperation under CPEC:** To attract Chinese investments within the Industrial Cooperation framework of CPEC, pivotal MoUs were inked during FY 2024. While their impact may not be immediate,

these agreements are poised to yield significant long-term benefits, which include the Young Workers' Exchange Programme, Research on the Roadmap of Industrial Cooperation and Mineral Development and Industrial Cooperation

- **Special Economic Zones (SEZs):** SEZs remain the most successful policy tool for boosting FDI. In FY 2024, the colonization of the existing SEZs continued despite economic turmoil and the protectionist measures taken by the government to curb imports. The major initiatives taken in FY 2024 included:
  - Establishment of New SEZs
  - Provision of Utilities from Federal PSDP
  - Colonization of SEZs:
  - Establishment of One Stop Service for SEZs
  - Completion of Phase I of Rashakai SEZ

FDI promotion relies on the government's comprehensive efforts, where investment and exports mutually support one another. The BOI initiatives focus on attracting local and foreign investment into the country and creating a conducive business environment. Based on the consistent 30 percent FDI component over the past four years, it is reasonable to expect this trend to continue strengthening as long as the economy maintains a stable growth trajectory and the investment outlook remains positive. Recently, a new political government has taken charge of managing the affairs of the state, with the primary objective of stabilizing the economy. BOI expects to attract approximately US $ 1.75 billion of FDI for FY 2024, with a projected increase of US $ 1.85 billion in FY 2025.

8.2-2(b) Foreign Portfolio Investment

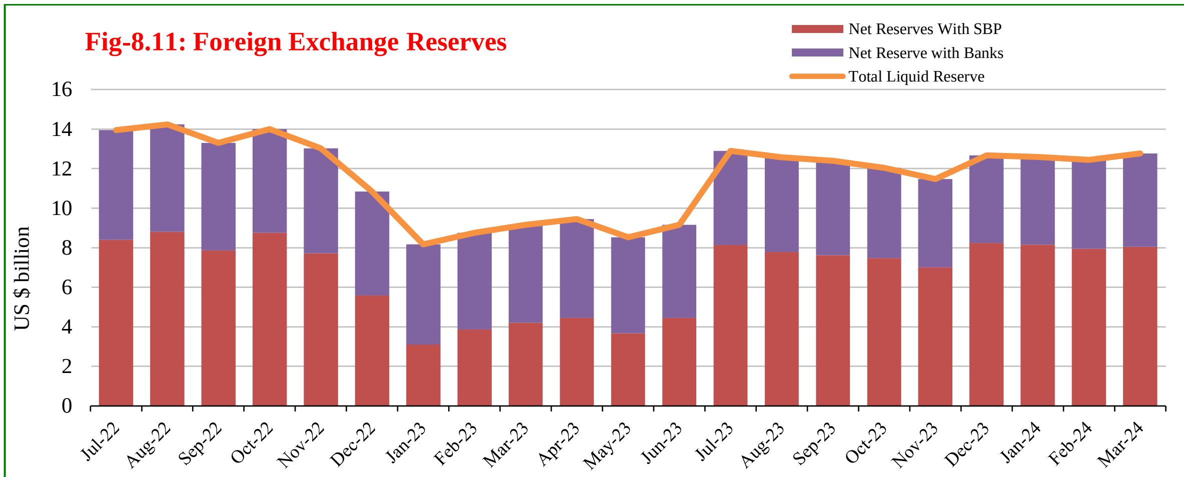
During July-March FY 2024, there was a net inflow of US $ 165.0 million in the Foreign Portfolio Investment (FPI), compared to an outflow of US $ 1014.7 million in the corresponding period of the previous year. There has been an increase in recent months due to the positive performance of the stock market.

8.2-3. Reserves and Exchange Rate

Following the successful negotiation of SBA, official inflows led to unlocking external financing besides IMF disbursement of 1st IMF tranche, 2nd IMF tranche, and 3rd tranche in July 2023, January 2024, and April 2024, respectively. Subsequently, financing from friendly countries, including KSA and UAE, to US $ 3.0 billion, and multilateral development banks, including US $ 1.4 billion from the World Bank and US $ 0.6 billion from the ADB, materialized during Jul-Feb FY 2024.

SBP's net liquid reserves had deteriorated to US $ 4.4 billion at the end of FY 2023. The sharp contraction in the current account deficit during July-March FY 2024, supported by official inflows, helped reserves increase to US $ 8.0 billion as of the end of March 2024 despite the debt payment.

Fig-8.11: Foreign Exchange Reserves



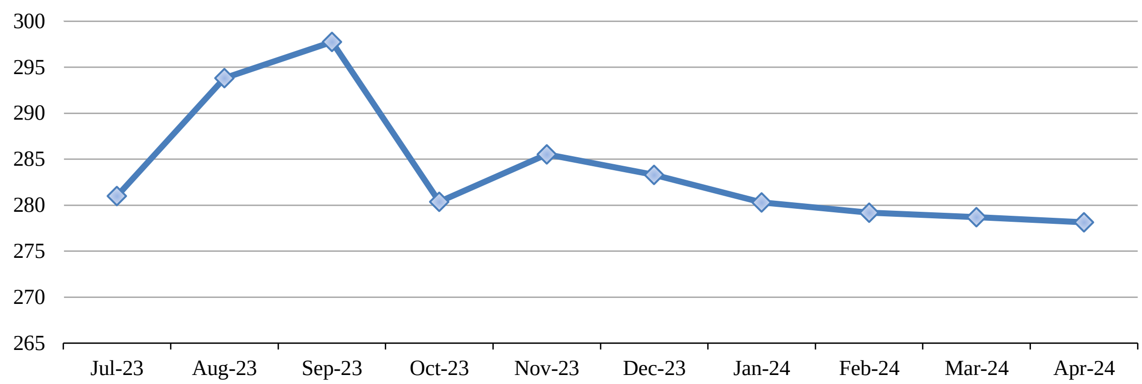
Source: SBP

Due to an improved external account position, PKR appreciated by around 3.0 percent against USD from a June 2023 exchange rate of 285.9 to 277.95 at the end of March 2024.

The gap between interbank and open market rates widened in early September 2023 and reached 21 rupees owing to speculative activities. As per IMF SBA conditionality, the interbank-open market premium should remain within a ±1.25 percent range on average. The Government took various administrative and regulatory measures to curb illegal activities in the foreign exchange market. Prudent demand management with effective administrative control helped discourage speculative activities and minimize the gap between open market and interbank rates.

Remarkable evidence is that at the end of March 2024, the average open market exchange rate was 279.07, whereas the average interbank exchange rate was 277.95. This depicts a minimal difference of 0.4 percent, which is normal and a healthy sign of stability in the country's foreign currency supply and demand.

Fig-8.12: Monthly Average Exchange Rates (Interbank Rs/$)



Source: SBP

Box-III: Recent Exchange Rate Developments

REER has appreciated during July-March FY2024, mainly due to an increase in RPI

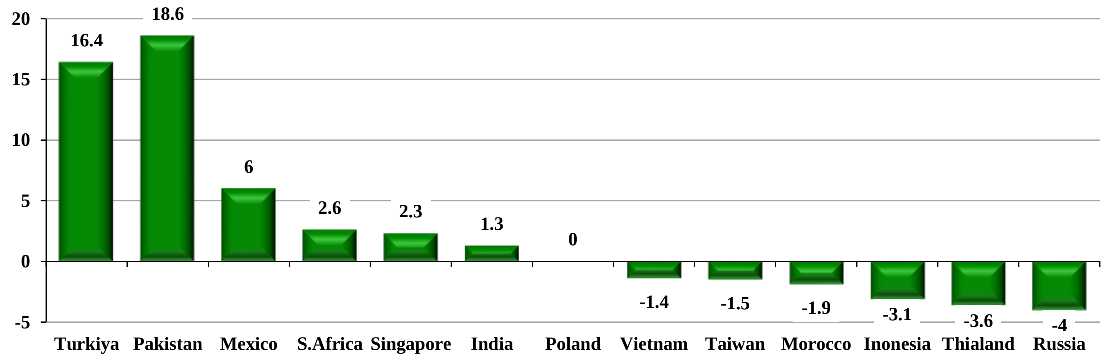
After sharp depreciation in the first quarter, PKR appreciated in Q2-FY2024. Improving external account position – on the back of disbursements from IMF's Stand-By Arrangement and other multilateral and bilateral sources, lower current account deficit, and reforms related to exchange companies – led the PKR to appreciate by 2.8 percent between End-June 2023 and End-April 2024. This translated into 4.1 percent appreciation in Pakistan's NEER during July-March FY 2024. However, higher domestic inflation vis-à-vis trading partners', i.e., relative price index (RPI) increasing by 13.9 percent resulted in REER appreciating by 18.6 percent.

a. **Impact on the competitiveness of our exports: The impact of improved competitiveness, mainly during FY2023, is reflected in increased exports during FY2024 so far despite a** slowdown in external demand. More specifically, export volumes of textiles increased during July-March FY 2024. As per PBS data, on a cumulative basis during July-March FY24, export volumes of cotton yarn have recorded a growth of 58.2 percent, cotton cloth 16.4 percent, knitwear 41.4 percent, and bed-wear 15.2 percent.

b. **Qualitative and quantitative impact of the recent appreciation on BOP and overall economy:** A competitive exchange rate driven by an adjustment in the inflation differential and its real level by economic fundamentals ensures that any unprecedented growth in imports is discouraged, in addition to encouraging exports. While the exchange rate has appreciated recently, a tight monetary and fiscal policy stance and an expected decline in inflationary pressures may offset the unfavourable impact of the recent appreciation on the trade balance.

c. Comparative analysis of the regional countries: The comparison in Fig-1 shows that most emerging markets' currencies are adjusted in real terms, reflecting domestic and global developments.

Fig-1: Change in REER



* JP Morgan Effective Exchange Rate (deflated by CPI)
Source: Haver Analytics

Source: State Bank of Pakistan

8.3-1 Merchandise Exports as Per PBS

Goods exports increased by 8.9 percent during July-March FY 2024, amounting to US $ 22.9 billion, compared to US $ 21.0 billion in the same period last year. The increase was due to higher agricultural output and higher food exports. The government has also implemented policy incentives to boost exports.

Government Initiatives to Increase Exports

Following are government initiatives to increase exports:

i. Supply of RLNG on Competitive Tariff: Supply of RLNG to five export-oriented sectors covering textiles (including jute), carpets, leather, sports goods, and surgical goods at the blended ratio of 50 percent indigenous gas and 50 percent RLNG.

ii. Enhancement of Market Access:

- Finalization of negotiations on trade of goods under Pakistan Gulf Cooperation Council Free Trade Agreement (Pak-GCC FTA)
- Finalization of Indicative Offer and Request Lists for Pakistan-United Arab Emirates Comprehensive Economic Partnership Agreement (Pak-UAE CEPA)
- Initiating negotiations with Canada to include value-added textiles (apparel, home textiles, and technical textiles) and footwear products under the proposed GPT Plus program and further trade liberations on the items under the existing GPT scheme.

iii. Operationalization of EXIM bank for export facilitation: The Export-Import Bank of Pakistan ("EXIM Bank") is established under section 3 of the Export-Import Bank of Pakistan Act., 2022 ("The Act"). The EXIM Bank operationalized in December 2023. The main objectives are as follows:

- Encouraging, advancing, and fostering global commerce, investment in trade, export-driven enterprises, and domestic industries that substitute imports, aligning with the Act's mandates and the national trade policies set forth by the Federal Government.
- Overseeing, executing, and managing international trade initiatives delegated or contracted to the Bank by the Federal Government, its agencies, or the State Bank, acting as a trustee, agent, or service provider under stipulated terms and conditions outlined in the Act's regulations.

iv. Capacity Development Programmes for Textile Industry, Trade Associations, and

Chambers: G2G negotiations and coordination with the German Agency for International Cooperation (GIZ) to finalize two new projects for the textiles and apparel sector for three years (2024-26):

- Labor and Environmental Standards in Pakistan's Textile Industry
- Promoting Employment through Women Empowerment in Pakistan

v. **Establishment of Export Advisory Council-Textiles:** The Ministry of Commerce has constituted the Export Advisory Council-Textiles to devise a set of recommendations to resolve matters affecting exports and propose measures for export enhancement.

8.3-1(a) Group-wise Exports' Performance

An analysis of group-wise data suggests that all groups registered positive growth except for textiles owing to market demand contractions and lower international prices (see Table 8.4). Food exports increased by 48.0 percent and reached US $ 5.6 billion during July-March FY 2024, against US $ 3.8 billion during the same period last year. Within the food group, rice, fruits, spices, oil seeds, nuts & kernels registered positive growth. The increase in Food exports is attributed to enhanced productivity, better prices, and higher global demand.

Table 8.4: Structure of Exports

	Particulars	Units	July-March Values in US $million			July-March Quantity		% Change
			2022-23	2023-24 (P)	% Change	2022-23	2023-24 (P)	
	Total		21036.2	22904.4	8.9			
A.	**Food Group**		3814.5	5644.2	48.0			
	Rice	M.T	1598.4	2927.8	83.2	2939225	4550753	54.8
	Sugar	M.T	83.1	21.1	-74.6	172182	33101	-80.8
	Fish & Fish Preparation	M.T	355.0	298.5	-15.9	149872	146375	-2.3
	Fruits	M.T	226.4	265.6	17.3	532764	782155	46.8
	Vegetables	M.T	235.5	336.2	42.8	1030966	906836	-12.0
	Wheat	M.T	0	0	0.0	0	0	0.0
	Spices	M.T	72.8	87.3	19.9	16586	29011	74.9
	Oil Seeds, Nuts & Kernels	M.T	166.9	386.5	131.6	151883	229329	51.0
	Meat & Meat Preparation	M.T	301.7	386.9	28.2	69504	93508	34.5
	Other Food Items		774.6	934.2	20.6			
B.	**Textile Manufactures**		12476.4	12443.6	-0.3			
	Raw Cotton	M.T	13.0	56.1	331.9	11371	31027	172.9
	Cotton Yarn	M.T	573.1	791.8	38.2	186233	294697	58.2
	Cotton Cloth	TH.SQM	1538.0	1422.7	-7.5	239483	278626	16.3
	Knitwear	TH.DOZ	3390.3	3240.0	-4.4	127121	179694	41.4
	Bedwear	M.T	2031.7	2088.1	2.8	302774	348737	15.2
	Towels	M.T	745.3	783.7	5.2	144580	166400	15.1
	Readymade Garments	TH.DOZ	2657.3	2596.7	-2.3	57748	55942	-3.1
	Made-up articles		534.8	535.6	0.2			
	Other Textile Manufactures		993.0	929.0	-6.4			
C.	**Petroleum Group**		45.9	199.4	334.9			
	Petroleum Products	M.T	45.8	173.1	277.7	98992	382600	286.5
	Petroleum Top Neptha	M.T	0.0	26.3	-	0	40108	-
D.	**Other Manufactures**		4306.5	4415.9	2.5			
	Carpets, Rugs & Mats	TH.SQM	56.6	44.6	-21.2	2032	2500	23.0
	Sports Goods		306.1	287.6	-6.0			
	Leather Tanned	TH.DOZ	126.8	100.7	-20.6	7821	7552	-3.4
	Leather Manufactures		442.3	410.4	-7.2			
	Surgical Goods. & Med. Inst.		335.8	331.2	-1.4			
	Chemical &Pharma. Pro.		1072.3	1097.6	2.4			
	Engineering Goods		186.8	255.5	36.8			
	Jewellery		5.6	6.9	22.7			
	Cement	M.T	135.4	179.5	32.5	2909302	4637735	59.4
	Guar & Guar Products	M.T	33.6	40.3	19.7	19916	25869	29.9
	All Other Manufactures		1605.1	1661.5	3.5			
E.	**All Other items**		393.0	201.3	-48.8			

P: Provisional

Source: Pakistan Bureau of Statistics

The food group analysis revealed that rice exports increased in quantity and value by 54.8 percent and 83.2 percent, respectively. Exports of rice were recorded at US $2.9 billion during July-March FY2024 compared to US $1.6 billion in the same period last year, registering an increase of 83.2 percent. The significant growth of 83.2 percent in rice exports can be attributed to multiple factors. Firstly, heightened demand from importing nations, particularly in response to India's ban on white rice, played a key role. Further, favourable market conditions, enhanced production, and government-led initiatives fostering rice export contributed significantly to this surge. Measures such as registering more rice export companies for markets like Russia and China, implementing Minimum Export Prices for different rice varieties with the help of stakeholders, and introducing rigorous testing mechanisms for rice exports all contributed significantly to this impressive growth.

The basmati rice exports increased in quantity and value by 26.6 percent and 36.4 percent, respectively, during July-March FY2024. Likewise, the other varieties under the rice group witnessed a surge of 102.2 percent in value and 59.7 percent in quantity during July-March FY2024.The increase in rice exports is mainly due to the rise in rice production by 34.8 percent (to 9.9 million tonnes against 7.3 million tonnes last year).

Following rice, oil seeds, nuts & kernels increased in quantity and value by 51.0 percent and 131.6 percent, respectively. The higher production of sesame seeds and increased demand from China, Korea, and Japan increased oil seed exports. The export of spices increased in quantity and value by 74.9 percent and 19.9 percent, respectively, during the period.

Moreover, Meat and meat preparation exports increased in quantity and value by 34.5 percent and 28.2 percent, respectively, during July-March FY2024. The increase can be attributed to introducing new markets (Jordan, Egypt, and Uzbekistan) and registering new firms to export meat to the UAE, KSA, and GCC regions. Furthermore, Malaysia cleared three more slaughterhouses for export/ processing, and China granted access to one meat exporting company for heat-treated meat shipments.

A significant decline has been observed in the fish & fish preparation subgroup. During July-March FY 2024, fish & fish preparation witnessed a decrease in quantity and value by 2.3 percent and 15.9 percent, respectively. The US ban on Pakistani shrimp exports due to non-compliance with Turtle Excluder Device (TED) regulations is a significant challenge for Pakistani seafood exports. The EU has also imposed a similar ban. Moreover, the quality of seafood exports is affected by many constraints like insufficient storage capacity, mishandling of fish catches, non-compliance with SPS measures, and lack of modern machinery for processing.

The textile sector, a cornerstone of Pakistan's export economy, faced challenges amidst global and domestic shifts. Textile group exports experienced a slight decline by 0.3 percent, reaching US $12.4 billion, attributed to various factors, including the aftermath of the Ukraine war, market demand contractions, and IMF conditionalities leading to the withdrawal of incentives and support measures.

Specifically, in the home textiles segment, bedwear and towels saw promising growth in quantity (value) by 15.2 percent (2.8 percent) and 15.1 percent (5.2 percent), respectively. In comparison, knitwear exports surged in quantity by 41.4 despite a slight dip in value by 4.4 percent. Conversely, readymade garment exports experienced a decline, highlighting areas for potential improvement.

However, Pakistan lags behind regional competitors like Bangladesh and Vietnam in value-added textile exports, disproportionately focusing on home textiles over garments. Bangladesh's strategic emphasis on garments, with significantly more garment units than Pakistan, underscores the missed opportunities in diversification.

Despite challenges, Pakistan’s textile sector holds immense potential for growth through diversification, strategic alignment with global trends, and targeted policy interventions to enhance competitiveness in value-added exports.

The Petroleum group's exports rose 334.9 percent from July-March FY 2024. Furthermore, petroleum product exports soared by 277.7 percent, reaching US $ 173.1 million.

In other manufacturing groups, an increase has been observed in Carpets, rugs and mats, cement, Guar and guar products, chemicals, and pharmaceutical products. In contrast, leather-tanned footwear, Surgical goods, and medical Instruments declined during July-March FY 2024.

The export of carpets, rugs, and mats registered an increase of 23.0 percent in quantity, whereas its value declined by 21.2 percent during July-March FY 2024. Pakistan's hand-made carpet industry had lost its footing in the global market on account of elevated prices of raw materials, costly labour, and higher freight charges.

Cement exports increased in quantity and value by 59.4 percent and 32.5 percent, respectively, during July-March FY 2024 because of eased production costs, such as the decline in coal prices at the pre-pandemic level, and new export orders, mostly from African countries.

Guar and guar products exports registered growth in quantity and value by 29.9 percent and 19.7 percent during July-March FY2024. Pakistan exports guar and guar products to over 60 countries worldwide. The world's most guar is grown in the tropical deserts of the Indo-Pak Subcontinent (India produces 75 percent of guar, Pakistan 20 percent, and only 5 percent is produced by the US, South Africa, Sudan, and Australia).

Exports of chemicals and pharmaceutical products soared by 2.4 percent and clocked in at US $ 1.1 billion during July-March FY 2024. Pakistan's pharmaceutical industry can offer its wide range of medicines for exports to developing countries, including Africa, Central Asia, and the Far East. The regulatory requirements in these countries are not as stringent as those in the developed countries, and they can be attractive export destinations for Pakistani pharmaceutical products.

In the case of sports goods, football witnessed an increase in quantity and value by 0.3 percent and 2.3 percent, respectively. Pakistan produces high-quality hand-stitched footballs with an uncompromised quality of the football, its price, and its performance. Other significant exports of sports goods, such as gloves, decreased in quantity and value by 61.0 percent and 20.5 percent, respectively, during July-March FY2024 and were recorded at US $41.7 million.

Exports of leather tanned declined in quantity and value by 3.4 percent and 20.6 percent, respectively. Footwear exports decreased in quantity and value by 1.7 percent and 11.3 percent, respectively, during July-March FY 2024, mainly due to a significant decline in leather footwear exports. According to the World Footwear 2023 Yearbook, the Pakistani footwear industry is predominantly geared toward the domestic market and is the 7th largest in the world.

During July-March FY 2024, Surgical goods & Medical Instruments exports declined by 1.4 percent and were recorded at US $ 331.2 million. During Q1 FY 2024, Surgical goods & Medical Instruments exports increased by 1.0 percent; in Q2 FY 2024, they plunged by 0.8 percent.

8.3-1(b) Concentration of Exports

Pakistan's major export trends remain mostly the same, concentrating on three items: cotton manufacturing, leather, and rice (See Table 8.5). These three categories account for 68.2 percent of total exports during July-March FY 2024.

Among these few items, cotton manufacturers remain significant contributors with a 52.8 percent share in total exports, followed by rice (12.8 percent), leather (2.6 percent), and other items (31.8 percent). Almost 60 percent of export earnings have been originated from textile manufacturers. This pattern shows that Pakistan's export is still exporting a few items.

Table 8.5: Pakistan's Major Exports Percent Share

Commodity	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	July-March	
							2022-23	2023-24 P
Cotton Manufactures	61.7	56.4	56.6	59.0	59.0	57.3	57.3	52.8
Leather**	4.2	3.7	3.6	3.3	3.0	3.2	3.2	2.6
Rice	7.7	9.0	10.2	8.1	7.9	7.7	7.6	12.8
Sub-Total of three Items	**73.6**	**69.1**	**70.4**	**70.4**	**69.9**	**68.5**	**68.1**	**68.2**
Other items	26.4	30.9	29.6	29.6	30.1	31.5	31.9	31.8
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

P: Provisional ** Leather & Leather Manufactured.

Source: Pakistan Bureau of Statistics

8.3-1(c) Direction of Exports

Regarding the top export destinations, the USA remained Pakistan's most significant market during July-March FY 2024. Exports to the USA moderately decreased to 17 percent in July-March FY 2024, compared to 19 percent last year. Similarly, the Chinese export share increased to 9 percent during the period under review. Table 8.6 presents a detailed bifurcation of significant export markets.

Table 8.6: Major Exports Markets Rs billion & percentage share

Country	2020-21		2021-22		2022-23		July-March			
							2022-23		2023-24 P	
	Rs.	% Share	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share
USA	823.6	20	1,201.9	21	1280.7	19	924.6	19	1108.0	17
China	388.0	10	567.1	10	549.8	8	380.5	8	590.8	9
Afghanistan	163.8	4	143.4	3	241.6	4	179.9	4	225.7	3
United Kingdom	324.7	8	382.7	7	478.8	7	337.1	7	430.2	7
Germany	241.2	6	308.3	5	384.4	6	283.8	6	323.1	5
UAE	160.9	4	246.9	4	344.2	5	259.7	5	328.6	5
Bangladesh	104.1	3	166.6	3	179.3	3	135.3	3	153.5	2
Italy	125.9	3	204.8	4	288.3	4	194.4	4	231.5	4
Spain	140.3	3	227.1	4	348.9	5	250.3	5	301.4	5
France	66.0	2	90.5	2	122.6	2	86.2	2	97.3	1
All Other	**1,503.7**	**37**	**2,122.0**	**37**	**2640.7**	**38**	**1916.8**	**39**	**2722.4**	**42**
Total	**4,041.9**	**100**	**5,661.1**	**100**	**6859.2**	**100**	**4948.5**	**100**	**6512.5**	**100**

Source: Pakistan Bureau of Statistics

8.3-2 Bilateral and Multilateral Trade Relation: Pakistan has always attributed great importance to its trade relations with other trading partners. Engagements of Pakistan with its trading partners in the current financial year are mentioned below:

China:

- Pakistan joined the Chinese Initiative on International Trade and Economic Cooperation Framework for Digital Economy and Green Development. So far, 37 countries have joined this initiative.
- Signed a MOU on the Enhancement of Trade between Pakistan and China.
- Pakistani Business delegation to China in December 2023 to materialize the opportunities to enhance Pakistan's exports, attract investments, and form Joint Ventures.
- Signing of the protocols on exporting heated beef and dried chili from Pakistan to China and the agreement reached on the export access of Pakistani dairy products and animal hides to China.

Iran:

Pakistan and Iran signed a **Five-Year Strategic Trade Cooperation Plan (2023-2028)** in August 2023. Under the plan, the two sides agreed to address issues hampering bilateral trade, effectively implement market access initiatives, including Pakistan-ran PTA, and expedite the finalization of the Pakistan-Iran FTA. The two sides also agreed to work on barter trade mechanisms and the establishment /operationalization of Joint Border Sustenance Marketplaces.

First Trilateral Meeting of Pakistan, Uzbekistan & Afghanistan on Trade & Transit:

Pakistan hosted the first trilateral meeting on Trade & Transit on 14th November, 2023. The three countries decided to establish a Trilateral Joint Working Group on Trade & Transit to streamline and harmonize procedures for the passage of Transit Cargo vehicles, customs clearance at Border Crossing Points, and removal of trade barriers.

South America:

A National Agro-Alimentary Health, Safety, and Quality Service (SENASICA) official delegation, NPPO, Mexico, visited Pakistan in July 2023 to oversee the fumigation services in rice export facilities and establishments. The Department of Plant Protection (DPP) is in the final stages of implementing SENASICA's recommendations. Hopefully, after compliance with all the recommendations and suggestions, the ban on rice export to Mexico will be lifted shortly.

European Union:

EU's **'Special Incentive Arrangement for Good Governance and Sustainable Development' (GSP Plus)** is a pivotal mechanism for improving economic relations between Pakistan and the EU. Under this arrangement, Pakistan is given zero-rated tariff preference on two-thirds of its tariff lines, which cover almost 91 percent of its exports to the EU market.

The EU GSP Plus is linked with implementing 27 UN Conventions on human rights, labour rights, climate change, governance, and narcotics control. After every two years, a review is carried out by the European Union to ensure the commitment of the beneficiary countries to implement these 27 UN Conventions effectively. Pakistan has remained compliant with most of the conventions under Pakistan EU-GSP Plus. The current scheme has been extended till 31st December 2027. Since it's the rollover of the previous scheme, no new compliance requirements have been added.

Box-IV: Engagements with World Trade Organization (WTO)

Following are the significant engagements with WTO during FY2024:

13th WTO Ministerial Conference (MC-13) of the WTO: The thirteenth WTO Ministerial Conference (MC-13) occurred in Abu Dhabi, UAE, in February 2024. MC is the highest decision-making body of the WTO and takes place biennially, marking a significant gathering of all WTO members to address matters across multilateral trade agreements. Pakistan, guided by its National Stance, maintained a steadfast position that safeguarded national interests while upholding the fundamental tenets of the WTO. Throughout MC-13, Pakistan actively participated in negotiations, leading to decisions in the following areas:

i. Dispute Settlement Reform

ii. E-Commerce Moratorium

iii. Crisis Response Mechanism

Transports Internation aux Routers (TIR) Operationalization through Sust Border

- Pakistani truck departed from Kashgar, China, in August 2023 and entered Pakistan through the Sust Border under the TIR Convention and reached Kabul, Afghanistan, in September 2023;
- Similarly, two trucks departed from Lahore in November 2023, crossed Sust and Khunjerab, and delivered goods in Almaty, Kazakhstan, via the Turgat border between China and Kyrgyzstan. Being the first TIR operation transiting China, it has also made the Quadrilateral Agreement on Traffic in Transit (QATT) operational under TIR.

Inauguration of TIR Multimodal Regime: In January 2024, the first-ever multimodal TIR consignment completed its transit through Pakistan. This consignment originated in Nasha, China, reached Pakistan by sea and was transited to Ashgabat, Turkmenistan, by road.

Revised TIR Rules by the Federal Board of Revenue: Under the revised TIR Rules, a few significant amendments to facilitate transit trade are as follows:

i. The facility of multimodal transport has been incorporated to facilitate transit through the ports in Pakistan;

ii. The registration process for TIR operators has been simplified by removing the representatives of M/o Communication, M/o Commerce, and M/o Interior.

iii. The financial burden on transport operators has also been lessened by waiving off conditions to submit additional guarantees for bonded carriers already registered under Customs Rules to register as transport operators under TIR.

iv. The number of registered TIR operators has increased from 7 to 13 as of February 2024.

Source: Ministry of Commerce

8.3-3(a) Merchandise Imports as Per PBS

The total imports during July-March FY2024 amounted to US $ 39.9 billion compared to US $ 43.7 billion in the same period last year, declining by 8.7 percent, reflecting the impact of policy tightening and other administrative measures. The contraction in imports was broad-based, with all significant groups recording declines. On a year-over-year basis, imports increased by 29.8 percent in March 2024 and stood at US $ 4.9 billion against US $ 3.8 billion in March 2023.

Government Initiatives/Measures for Imports

The Government had removed all import restrictions to continue the smooth supply of raw materials to export-oriented industries following measures were undertaken.

- Continuation of duty-free import of textile machinery and spare parts.
- Continuation duty-free import of cotton to bridge the gap between domestic production and consumption of textiles and the apparel industry.
- Continuation of duty-free imports of raw materials not being produced locally

SBP has continued tightening prudential regulations for auto and consumer financing and increased the cash reserve requirement for banks to ease the pressures on the import bill and to contain CAD at a sustainable level.

Table 8.7: Structure of Imports

	Particulars	Units	July-March Value in US $million		% Change in Value	July-March Quantity		% Change in Quantity
			2022-23	2023-24 (P)		2022-23	2023-24 (P)	
	Total		**43,724.6**	**39,906.9**	-8.7			
A.	**Food Groups**		**7,333.7**	**6,289.7**	-14.2			
	Milk & Milk food	M.T	63.7	41.3	-35.2	35752	23839	-33.3
	Wheat Un milled	M.T	997.5	1,004.9	0.8	2531425	3449436	36.3
	Dry Fruits	M.T	29.1	56.9	95.4	38380	84281	119.6
	Tea	M.T	434.9	495.2	13.8	177553	200191	12.7
	Spices	M.T	116.2	132.8	14.3	114578	113413	-1.0
	Edible Oil (Soybean& Palm)	M.T	3,164.6	2,200.2	-30.5	2554200	2371419	-7.2
	Sugar	M.T	4.4	2.7	-39.2	5010	2794	-44.2
	Pulses	M.T	757.8	637.2	-15.9	1052691	971976	-7.7
	Other Food Items		1,765.5	1,718.6	-2.7			
B.	**Machinery Group**		**2,630.1**	**2,204.2**	-16.2			
	Power generating Machines		398.1	296.1	-25.6			
	Office Machines		249.2	352.0	41.3			
	Textile Machinery		286.4	104.0	-63.7			
	Const. & Mining Machines		66.2	63.3	-4.5			
	Aircraft, Ships, and Boats		129.7	77.8	-40.1			

Table 8.7: Structure of Imports

	Particulars	Units	July-March Value in US $million 2022-23	2023-24 (P)	% Change in Value	July-March Quantity 2022-23	2023-24 (P)	% Change in Quantity
	Agriculture Machinery		30.2	61.1	102.0			
	Other Machinery Items		1,470.2	1,250.0	-15.0			
C.	**Petroleum Group**		**9,697.3**	**8,472.5**	-12.6			
	Petroleum Products	M.T	5,836.5	4,609.2	-21.0	8285934	7177472	-13.4
	Petroleum Crude	M.T	3,860.7	3,863.2	0.1	5801417	6477361	11.7
D.	**Consumer Durables**		**2,515.1**	**3,160.9**	25.7			
	Road Motor Vehicles		1,267.2	1,056.3	-16.6			
	Electric Mach. & Appliances		1,247.9	2,104.7	68.7			
E.	**Raw Materials**		**7,122.8**	**5,891.6**	-17.3			
	Raw Cotton	M.T	1,402.4	250.7	-82.1	565935	111193	-80.4
	Synthetic Fibre	M.T	357.8	359.7	0.5	148025	213111	44.0
	Silk Yarn (Synth &Arti)	M.T	448.1	451.7	0.8	154212	268733	74.3
	Fertilizer Manufactured	M.T	536.1	553.1	3.2	787309	1123734	42.7
	Insecticides	M.T	147.4	144.5	-2.0	29523	26384	-10.6
	Plastic Material	M.T	1,766.0	1,727.4	-2.2	1258325	1423334	13.1
	Iron & steel Scrap	M.T	972.4	935.0	-3.8	1910917	2064101	8.0
	Iron & steel	M.T	1,492.6	1,469.6	-1.5	1716029	2081622	21.3
F.	**Telecom**		**745.0**	**1,623.1**	117.9			
G.	**All Other Items**		**13,680.7**	**12,264.8**	-10.3			

P: Provisional

Source: PBS

8.3-3(b) Group-wise Imports' Performance

An analysis of group-wise data suggests that all groups registered a negative growth except for Consumer durables. The food group, with a share of 15.8 percent in total imports, decreased by 14.2 percent during July-March FY 2024, and its imports were recorded at US $ 6289.7 million against US $ 7333.7 million during the comparable period last year. Within the food group, a surge has been observed in the imports of Dry Fruits, wheat un-milled, tea, and spices.

The import of Dry Fruits increased substantially by 95.4 percent and was recorded at US $ 56.9 million during July-March FY 2024. The increase in dry fruits was due to the reduction of duties on imports from Afghanistan (major source of dry fruits).

The imports of edible oil (Soybeans and palm) remained significant in the food group, decreasing in quantity and value by 7.2 percent and 30.5 percent, respectively. The decrease in the import bill of edible oil was mainly attributed to the decline in international prices of palm oil and soybeans. For similar reasons, the import bill of pulses declined in quantity and value by 7.7 percent and 15.9 percent, respectively.

The import of petroleum products declined by 12.6 percent during July-March FY2024 and reached US $ 8.5 billion, compared to the US $ 9.7 billion corresponding period last year. This was due to lower global crude oil prices, continued subdued economic activity, and a change in the energy mix for electricity generation.

Liquefied Natural Gas (LNG) imports increased by 2.0 percent in value, and Liquefied Petroleum Gas (LPG) imports surged by 8.6 percent during July-March FY2024 compared to the corresponding period last year. The LNG imports increased as Pakistan LNG Limited allowed procuring 12 spot cargoes of LNG during Jan-Jun FY2024. LNG is essential for Pakistan, as one-third of power is generated from natural gas, and domestic gas is inadequate to fulfil the growing electricity demand.

Within the petroleum group, the import of Petroleum crude increased in quantity and value by 11.7 percent and 3.3 percent, respectively. During the period under review, crude oil prices oscillated between US $ 77.86 and US $ 91.06 per barrel but were still above the pre-pandemic level.

Petroleum product imports decreased in quantity and value by 13.4 percent and 21.0 percent, respectively. Pakistan is diversifying its energy supplies and has recently started importing gas and oil from Russia. Russian crude oil is heavy, whereas Gulf crude oil is light. Pakistan does not have sufficient technical capacity to refine heavy Russian crude oil. Pakistan tried to blend Russian heavy crude oil with light crude oil from the Gulf, but the experiment was unsuccessful.

Machinery Group is a vital engine of growth for developing the industrial and manufacturing sectors. Its imports decreased substantially by 16.2 percent and reached US $ 2.2 billion during July-March FY 2024, compared to US $ 2.6 billion in the same period last year. Within this group, Electrical Machinery and apparatus and agricultural machinery witnessed surge in import.

Agricultural machinery increased by 102.0 percent and recorded at US $ 61.1 million during July-March FY 2024, on account of government focus on farm mechanization to adopt new technology like combined harvest, etc., moreover, reduction of duties on agricultural machinery. Furthermore, Electrical Machinery & Apparatus imports also increased by 68.7 percent (US $ 2104.7 million) during July-March FY 2023 against (US $ 1247.9 million) in the same period last year.

Within the machinery group, the import bill of power-generating machinery decreased by 25.6 percent and reached US $ 296.1 million compared to US $398.1 last year. The import bill for textile machinery registered a decline of 63.7 percent and reached US $ 104.0 million during July-March FY2024, which was against US $ 286.4 million last year. The textile machinery imports declined as textile industries had already expanded their operations during COVID-19, which was later driven by the state bank's subsidized financing. (Temporary Economic Refinancing Facility)

The telecom sector imports soared by 117.9 percent (US $ 1623.1 million) during July-March FY2024 (US $ 745.0 million) last year. Mobile phone imports in Pakistan increased by 181.3 percent during July-March FY2024 and reached US $ 1301.4 million compared to US $ 462.7 million in the same period the previous year. The removal of import restrictions, in concurrence with PKR appreciation since September 2023, created a favourable environment, leading to higher imports of mobile phones.

The transport group's imports receded by 19.2 percent and reached US $1239.9 million during July-March FY2024, compared to US $1533.9 million last year. The import of road motor vehicles decreased by 15.7 percent, of which CBU increased by 53.4 percent, and CKD/SKD decreased by 27.4 percent.

Metal group imports decreased by 5.3 percent and reached US $ 3165.9 million. Iron and steel imports declined by 1.5 percent in value despite an increase of 21.3 percent in quantity. Iron and steel scrap imports decreased in value by 3.8 percent and increased in quantity by 8.0 percent during July-March FY 2024.

In the textile group, raw cotton imports decreased in quantity and value by 80.4 percent and 82.1 percent, respectively, during July-March FY2024 compared to the same period last year. The decline in raw cotton imports is due to higher production of 10.2 million bales in 2023-24 compared to 4.9 million bales last year.

8.3-3(c) Direction of Imports

Like exports, Pakistan's imports are also highly concentrated in a few countries. 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 21 percent to 26 percent during July-March FY2024, while the share of imports from the USA has decreased from 4 percent to 3 percent during the period under review. The change in Pakistan's import pattern in subsequent years is shown in Table 8.8.

Table 8.8: Major Import Markets — Rs billion & Percentage Share

Country	2020-21		2021-22		2022-23		July-March 2022-23		July-March 2023-24 P	
	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share
CHINA	2473.8	28	3734.0	26	2899.8	22	2167.9	21	2954.8	26
UAE	878.6	10	1582.4	11	1403.8	10	1025.9	10	949.3	8
SAUDI ARABIA	426	5	928.2	7	1050.2	8	762.5	7	1027.3	9
KUWAIT	247.4	3	561.9	4	538.4	4	400.9	4	404.0	4
INDONESIA	506.9	6	822.7	6	1049.4	8	800.1	8	723.2	6

Table 8.8: Major Import Markets — Rs billion & Percentage Share

Country	2020-21		2021-22		2022-23		July-March 2022-23		July-March 2023-24 P	
	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share
INDIA	50.67	1	60.83	0	68.8	1	49.1	0	58.0	1
USA	459.4	5	717.3	5	534.2	4	422.1	4	301.2	3
JAPAN	249	3	406.4	3	238.9	2	205.6	2	241.3	2
GERMANY	162.2	2	180.6	1	189.0	1	138.5	1	167.5	1
MALAYSIA	175.8	2	234.2	2	216.2	2	169.9	2	192.6	2
All Other	**3352.6**	37	**5045.0**	**35**	**5264.3**	**39**	**4051.8**	40	**4325.6**	38
Total	**8982.4**	100	**14273.4**	**100**	**13473.0**	**100**	**10194.4**	100	**11344.7**	100

Source: Pakistan Bureau of Statistics

P: Provisional

Box-V: Impact Analysis of National Tariff Policy NTP (2019-24) and takeaways for upcoming NTP 2025-30

The overarching objective of the First Tariff Policy was to rationalize the tariff to spur industrial and economic growth. The purpose was to decrease the number of interventions made during previous years, such as imposing Additional Customs Duties, mainly for revenue purposes and not as Trade Policy measures. Despite slow economic recovery after the pandemic, some positive spinoffs inspire us to continue the process of tariff rationalization. The experiences, outcomes, and lessons learned from the NTP 2019-24 provide guidelines to follow a strategic approach towards formulating NTP 2025-30. It further aims to rationalize tariffs and bring them down, simplify complex concessionary regimes, and provide a conducive environment that encourages import substitution, export growth, consumer welfare, employment, and positive effects on other relevant economic factors.

Besides adhering to the principles of the previous tariff policy, such as tariff simplification, cascading, and strategic protection, the following policy framework would be adopted for the next phase:

i) Reforming the Regulatory Duty Regime.

ii) Targeted Import Substitution.

iii) Sectoral Tariff Adjustments.

iv) Tariff Incentives for Infant, Nascent, and Green Industries

To address the contemporary challenges and needs of the economy, the upcoming tariff policy shall be targeted to attract investment, stimulate higher productivity, increase consumer welfare, improve trade in value-added manufacturing, and discourage anti-export bias.

Source: National Tariff Commission

Concluding Remarks

Pakistan's external account has shown resilience over the past two years. The outlook for export growth in the coming years looks promising, driven by improved global trade conditions, renewed growth in trading partners, and enhanced global and domestic supply chains. Additionally, the anticipated import growth is expected to stimulate domestic economic activities. Remittances are also likely to increase significantly due to the improved economic situation in host countries. These factors are expected to be reflected in the current account balance of FY2025. Moreover, the IMF has acknowledged in its recent country report (May 2024) that Pakistan's external position aligns with medium-term fundamentals and desirable policies.

The government is optimistic about securing a long-term IMF program in the future. This program would provide additional external financing and enable the implementation of structural reforms to address deep-rooted economic issues. Furthermore, the government is committed to supporting the improved performance of the external sector and the restoration of reserves. Geopolitical factors, such as rising commodity prices, shipping disruptions, and tighter global financial conditions, pose downside risks to the external sector's stability.

TABLE 8.1

SUMMARY BALANCE OF PAYMENTS AS PER BPM6

US $ million

ITEM	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 R	2023-24 Jul-Mar P
Current Account Balance	-4,961	-12,270	-19,195	-13,434	-4,449	-2,820	-17,481	-3,275	-508
Current Account Balance without off. transfers	-5,546	-12,844	-20,165	-14,177	-4,898	-3,079	-17,823	-3,642	-805
Exports of Goods FOB	21,972	22,003	24,768	24,257	22,536	25,639	32,493	27,876	23,026
Imports of Goods FOB	41,118	48,001	55,671	51,869	43,645	54,273	71,543	52,695	38,783
Balance on Trade in Goods	-19,146	-25,998	-30,903	-27,612	-21,109	-28,634	-39,050	-24,819	-15,757
Exports of Services	5,456	5,915	5,851	5,966	5,437	5,945	7,102	7,596	5,808
Imports of Services	9,002	10,576	12,277	10,936	8,753	8,461	12,942	8,638	7,463
of which									
Transportation	3,272	3,808	3,956	3,639	3,036	3,279	7,405	4,058	3,411
Travel	1,839	2,000	2,289	1,709	1,229	752	1,413	1,877	1,666
Balance on Trade in Services	-3,546	-4,661	-6,426	-4,970	-3,316	-2,516	-5,840	-1,042	-1,655
Balance on Trade in Goods and Services	-22,692	-30,659	-37,329	-32,582	-24,425	-31,150	-44,890	-25,861	-17,412
Primary Income credit	610	696	726	578	479	508	652	652	611
Primary Income debit	5,955	5,710	6,163	6,188	5,938	4,908	5,900	6,417	6,172
of which: Interest Payments	1,733	1,993	2,600	3,066	3,109	2,176	2,994	4,612	4,165
Balance on Primary Income	-5,345	-5,014	-5,437	-5,610	-5,459	-4,400	-5,248	-5,765	-5,561
Balance on Goods, Services and Primary Income	-28,037	-35,673	-42,766	-38,192	-29,884	-35,550	-50,138	-31,626	-22,973
Secondary Income credit	23,204	23,604	23,800	24,990	25,802	33,027	32,949	28,665	22,811
of which: Workers' Remittances	19,917	19,351	19,914	21,740	23,131	29,450	31,279	27,333	21,038
Secondary Income debit	128	201	229	232	367	297	292	314	346
Balance on secondary Income	23,076	23,403	23,571	24,758	25,435	32,730	32,657	28,351	22,465
Capital Account Balance	273	375	376	229	285	224	205	375	132
Capital Account credit	279	375	376	229	288	224	205	375	136
Capital Account debit	6	0	0	0	3	0	0	0	4
Net lending (+) / Net borrowing (–)	-4,688	-11,895	-18,819	-13,205	-4,164	-2,596	-17,276	-2,900	-376
(Current and Capital Accounts)									
Financial Account	-6,878	-9,855	-13,611	-11,759	-9,313	-8,768	-11,261	468	-4,192
Direct investment	-2,374	-2,320	-2,772	-1,436	-2,652	-1,648	-1,702	-670	-980
Direct Investment Abroad	19	86	10	-74	-54	171	234	957	118
Direct Investment in Pakistan	2,393	2,406	2,782	1,362	2,598	1,819	1,936	1,627	1,098
Portfolio investment	429	250	-2,257	1,274	409	-2,774	55	1,012	-168
Portfolio Investment Abroad	100	-1	-48	-144	-115	-12	-24	-14	-2
Portfolio Investment in Pakistan	-329	-251	2,209	-1,418	-524	2,762	-79	-1,026	166
Financial Derivatives (other than reserves) and ESOs*	0	0	0	0	-8	0	-1	-9	0
Other Investment	-4,933	-7,785	-8,582	-11,597	-7,062	-4,346	-9,613	135	-3,044
Net Acquisition of Financial Assets	96	1,180	273	-67	-127	1,345	2,613	-964	153
Net Incurrence of Liabilities	5,029	8,965	8,855	11,530	6,935	5,691	12,226	-1,099	3,197
of which									
General Government	3,445	5,040	4,894	4,294	5,919	5,738	6,117	-2,085	1,646
Disbursements	6,159	9,414	8,507	8,255	13,181	9,808	11,256	9,891	3,494
Credit and Loans with the IMF (Other than Reserves)	0	0	0	0	2,834	500	1,053	1,166	0
Other Long Term	4,498	8,251	6,782	6,610	8,736	8,060	7,989	7,382	2,699
Short Term	1,661	1,163	1,725	1,645	1,611	1,248	2,214	1,343	795
Amortization	2,714	4,374	4,107	5,982	7,299	5,855	8,343	11,660	4,005
Credit and Loans with the IMF (Other than Reserves)	53	0	0	0	0	0	0	0	508
Other Long Term	1,927	2,981	2,619	4,444	6,117	5,071	7,811	10,333	3,335
Short Term	734	1,393	1,488	1,538	1,182	784	532	1,327	162
Other Liabilities (Net)	0	0	494	2,021	37	1,785	3,204	-316	2,157
Net Errors and Omissions	462	94	-933	-58	150	-619	-303	-850	-1,365
Overall Balance	-2,652	1,946	6,141	1,504	-5,299	-5,553	6,318	4,218	-2,451
Reserves and Related Items	2,652	-1,946	-6,141	-1,504	5,299	5,553	-6,318	-4,218	2,451
Use of Fund Credit and Loans	2,009	102	-86	-376	-745	-1,080	-1,015	-967	1,176
Exceptional Financing	0	0	0	0	0	0	0	0	0
SBP Gross Reserves	19,446	17,550	11,341	9,301	13,724	18,716	11,090	5,669	9,258

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	8.4	-0.8
2021-22	8.5	21.3	12.9	8.3	-4.7
2022-23	8.2	16.3	8.1	8.1	-1.0
July-March					
2022-23	6.2	12.9	6.7	6.2	-1.2
202324 P	6.1	10.6	4.5	5.6	-0.1

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
2021-22	5,661,127	14,273,394	-8,612,267	40.06	58.90	74.32	31,782	80,136	-48,354	25.60	42.14	55.60
2022-23	6,859,254	13,473,952	-6,614,698	21.16	-5.60	-23.19	27,724	55,202	-27,478	-12.77	-31.12	-43.17
July- March												
2022-23	4,948,514	10,194,382	-5,245,868	23.14	0.76	-13.98	21,036	43,725	-22,688	-9.91	-25.71	-36.10
2023-24 P	6,512,458	11,344,676	-4,832,218	31.60	11.28	-7.89	22,904	39,907	-17,003	8.88	-8.73	-25.06

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	2021-22	2022-23	July-March	
									2022-23	2023-24 P
All Groups										
	Exports	703.39	735.40	794.77	841.44	903.14	1,217.87	1,438.17	1,383.79	1,819.45
	Imports	1,199.54	1,261.25	1,342.30	1,369.71	1,450.51	1,982.41	1,943.99	1,963.64	2,171.62
	T.O.T.	58.47	58.32	59.21	61.43	62.26	61.43	73.98	70.47	83.78
Food & Live Animals										
	Exports	923.60	1,134.29	1,229.51	1,280.54	1,355.88	1,534.26	1,734.23	1,670.16	2,245.41
	Imports	829.56	943.23	908.93	1,172.18	1,179.43	1,411.26	1,439.01	1,426.55	1,756.33
	T.O.T.	111.34	120.26	135.27	109.24	114.96	108.72	120.52	117.08	127.85
Beverages & Tobacco										
	Exports	1,225.01	1,061.25	860.48	830.28	776.77	1,114.17	1,276.94	1,274.41	1,370.25
	Imports	1,762.07	1,656.22	1,325.61	1,287.99	1,488.28	1,414.25	1,488.78	1,461.08	1,685.21
	T.O.T.	69.52	64.08	64.91	64.46	52.19	78.78	85.77	87.22	81.31
Crude Materials(inedible except fuels)										
	Exports	888.69	1,043.30	1,119.52	1,327.78	1,210.79	1,406.95	1,563.57	1,540.74	1,824.76
	Imports	1,019.86	1,020.56	1,102.13	1,228.58	1,284.58	1,691.15	1,598.32	1,615.86	1,782.17
	T.O.T.	87.14	102.23	101.58	108.07	94.26	83.19	97.83	95.35	102.39
Minerals, Fuels & Lubricants										
	Exports	1,126.22	1,485.92	2,016.59	1,894.55	1,624.56	2,675.19	2,837.53	2,851.23	2,561.74
	Imports	811.76	1,030.32	1,564.46	1,411.00	1,259.52	2,353.30	2,424.41	2,448.51	2,676.37
	T.O.T.	138.74	144.22	128.90	134.27	128.98	113.68	117.04	116.45	95.72
Chemicals										
	Exports	1,017.19	1,054.28	1,129.18	1,252.79	1,256.13	1,212.00	1,276.68	1,262.05	1,498.75
	Imports	1,277.08	1,264.05	1,335.10	1,455.62	1,426.78	1,731.89	1,658.35	1,679.63	1,905.22
	T.O.T.	79.65	83.40	84.58	86.07	88.04	69.98	76.99	75.14	78.67
Animal & Vegetable Oils, Fats & Waxes										
	Exports	-	-	-	-	–	–	–	–	–
	Imports	1,090.65	1,010.73	995.35	1,133.53	1,451.50	2,245.99	2,259.90	2,330.38	2,505.34
	T.O.T.	-	-	-	-	–	–	–	–	–
Manufactured Goods										
	Exports	595.81	580.96	616.90	647.03	669.74	1,056.33	1,346.41	1,271.07	1,782.64
	Imports	927.03	939.97	1,110.15	1,289.64	1,333.21	1,571.32	1,602.43	1,600.28	1,795.55
	T.O.T.	64.27	61.81	55.57	50.17	50.24	67.23	84.02	79.43	99.28
Machinery, Transport & Equipment										
	Exports	1,741.77	1,838.42	1,466.32	1,129.99	1,393.65	2,215.54	2,292.64	2,383.09	2,198.17
	Imports	1,872.19	1,913.85	1,458.64	1,387.32	1,895.14	2,109.52	1,912.05	1,932.67	2,063.33
	T.O.T.	93.03	96.06	100.53	81.45	73.54	105.03	119.90	123.31	106.53
Miscellaneous Manufactured Articles										
	Exports	786.63	820.87	887.27	982.56	1,185.14	1,371.75	1,459.74	1,437.70	1,722.69
	Imports	2,494.45	2,652.61	2,186.14	2,019.53	1,989.64	2,127.27	1,717.37	1,727.32	1,785.25
	T.O.T.	31.54	30.95	40.59	48.65	59.57	64.48	85.00	83.23	96.50

- : Not available

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 8.5 A

ECONOMIC CLASSIFICATION OF EXPORTS

Rs million

Year	Primary Commodities		Semi-Manufactured		Manufactured Goods		Total
	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share	Value*
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	8	2,457,457	73	3,369,782
2020-21	629,971	16	284,605	7	3,127,350	77	4,041,927
2021-22	907,361	16	375,011	7	4,378,756	77	5,661,127
2022-23	1,095,386	16	453,174	7	5,310,693	77	6,859,254
July-March							
2022-23	803,899	16	306,679	6	3,837,937	78	4,948,514
2023-24P	1,456,460	22	432,072	7	4,623,926	71	6,512,458

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 Capital Goods		Industrial Raw Material For Consumer Goods		Consumer Goods		Total Value *
	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
2021-22	1,936,014	14	2,394,057	17	6,258,549	44	3,684,774	26	14,273,394
2022-23	1,373,483	10	2,037,718	15	7,262,621	54	2,800,105	21	13,473,952
July-March									
2022-23	1,049,490	10	1,562,170	15	5,501,633	54	2,081,091	20	10,194,382
2023-24 P	1,329,534	12	1,706,639	15	5,920,814	52	2,387,688	21	11,344,676

P: Provisional

Source: Pakistan Bureau of Statistics

* : Total may differ due to rounding off figures

TABLE 8.6

MAJOR IMPORTS

Rs million

	Items	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	July-March 2022-23	July-March 2023-24 P
1	Chemicals	498,340	532,197	540,558	579,959	719,354	865,613	851,989	1,063,394	1,536,017	1,646,033	1,200,375	1,366,275
2	Drugs & medicines	81,399	96,183	96,135	102,110	118,122	148,428	157,763	221,027	706,716	287,840	228,215	199,735
3	Dyes and colours	38,601	40,221	43,345	47,334	55,255	72,491	65,958	87,948	104,987	103,134	75,578	86,138
4	Chemical Fertilizers	73,058	92,641	75,667	67,063	90,879	105,162	89,580	114,521	148,331	141,501	121,982	156,319
5	Electrical goods	114,784	122,183	187,163	243,082	236,896	239,618	349,334	259,081	334,345	413,005	291,157	595,576
6	Machinery (non-electrical)	551,829	633,733	712,920	996,128	1,045,502	984,410	1,042,935	1,365,097	1,602,932	1,022,334	763,747	1,081,173
7	Transport equipment	219,877	263,622	297,225	332,549	462,630	397,772	229,955	455,168	760,449	392,825	334,415	327,834
8	Paper, board & stationery	44,362	56,130	56,930	59,960	69,096	78,298	66,947	75,259	89,788	113,099	86,268	97,480
9	Tea	30,827	34,532	53,491	54,839	60,368	77,367	84,354	92,834	110,985	139,454	101,129	140,861
10	Sugar-refined	635	631	645	535	554	534	608	20,893	32,371	1,375	1,011	758
11	Art-silk yarn	63,596	69,028	64,612	66,478	72,996	94,611	79,126	104,697	156,194	142,600	104,059	128,436
12	Iron, steel & Manu-factures thereof	180,530	226,030	261,291	228,719	344,595	401,045	319,554	390,487	615,788	552,923	419,793	499,789
13	Non-ferrous metals	44,389	44,709	51,722	55,534	67,736	61,698	49,606	77,951	116,661	122,831	91,427	98,790
14	Petroleum & Products	1,527,753	1,195,025	794,697	982,619	1,289,222	1,475,012	1,171,969	1,316,909	3,201,993	3,083,693	2,260,834	2,413,586
15	Edible oils	206,955	186,010	195,200	212,327	238,563	265,430	300,008	440,317	662,889	963,908	737,683	626,057
16	Grains, pulses & flour	52,710	71,742	77,525	110,483	72,603	84,754	112,183	286,736	271,562	520,069	432,474	487,930
17	Other imports	900,876	979,535	1,149,622	1,340,002	1,750,526	2,091,010	2,057,949	2,610,122	3,821,385	3,827,328	2,944,235	3,037,939
	Grand Total	4,630,521	4,644,152	4,658,749	5,539,721	6,694,897	7,443,253	7,029,818	8,982,441	14,273,394	13,473,952	10,194,382	11,344,676

P : Provisional

Source: Pakistan Bureau of Statistics

TABLE 8.7

MAJOR EXPORTS

Rs million

		2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	July-March	
												2022-23	2023-24 P
1	Rice	222,907	206,266	194,246	168,244	224,739	285,031	343,916	325,585	450,159	541,148	383,875	828,052
2	Fish and Fish preparations	37,918	35,429	33,918	41,214	49,755	60,405	64,118	66,040	77,386	124,841	84,494	84,959
3	Fruits	45,196	44,375	44,607	39,878	43,842	56,272	67,769	76,846	84,358	68,762	52,458	75,465
4	Wheat	732	291	17	109	27,109	20,124	1,815	-	-		-	-
5	Sugar	29,638	32,686	13,818	16,867	56,379	31,147	11,063	..	..	29104	22987	6,146
6	Meat and Meat Preparations	23,650	24,657	28,036	23,103	24,920	33,438	48,021	52,978	60,682	107,256	71,555	109,922
7	Raw Cotton	21,353	14,931	7,948	4,559	6,184	2,709	2,669	131	1,160	3,064	2,926	15,944
8	Cotton Yarn	205,660	187,376	131,700	130,216	151,063	152,726	155,158	161,781	214,144	212,451	134,944	225,993
9	Cotton Fabrics	285,130	248,431	230,757	223,675	242,374	285,625	287,877	307,157	433,902	499,035	360,769	404,844
10	Hosiery (Knitwear)	235,564	243,719	246,267	247,242	298,374	394,748	440,104	609,576	912,042	1,088,860	789,866	922,023
11	Bed wear	219,962	213,018	210,543	223,812	248,538	307,202	338,750	443,286	584,811	664,017	789,866	594,113
12	Towels	78,889	80,778	83,681	83,819	87,633	107,043	111,969	149,783	197,792	248,142	175,489	222,803
13	Readymade Garments	196,198	212,210	228,861	242,782	283,498	362,320	401,355	485,061	695,737	861,249	622,741	737,937
14	Art Silk and Synthetic Textiles	39,508	33,485	30,005	19,638	34,069	40,433	49,548	59,106	81,742	102,301	72,918	77,769
15	Carpets, Carpeting Rugs & Mats	12,935	12,098	10,186	8,219	8,317	9,147	8,516	11,844	14,843	17,830	13,217	12,708
16	Sports Goods excl. Toys	37,260	34,294	33,862	32,285	37,710	41,995	41,286	44,443	65,191	100,178	71,984	81,820
17	Leather Excluding Reptile Leather (Tanned)	56,496	49,583	37,803	36,180	36,330	34,269	29,001	25,791	37,043	41,368	29,711	28,663
18	Leather Manufactures	64,368	60,429	54,788	51,421	57,422	66,146	74,588	41,563	110,159	141,860	103,259	116,911
19	Foot wear	12,208	13,304	11,453	10,024	11,913	16,734	19,839	21,125	27,914	44,043	32,599	34,954
20	Medical & Surgical Instruments	34,726	34,576	37,408	35,574	41,618	52,970	55,960	68,506	75,164	110,954	79,054	94,257
21	Chemicals and Pharmaceuticals	120,391	99,339	83,752	92,176	114,350	154,532	159,377	183,253	281,018	342,187	252,265	312,524
22	Engineering goods	33,487	22,675	19,645	18,238	22,882	23,518	27,229	36,042	42,418	61,903	43,891	72,653
23	Jewelry	33,844	668	833	610	644	661	506	2,162	2,592	1,863	1,279	1,984
24	Cement and cement Products	52,147	44,943	33,468	24,896	24,420	36,550	40,849	42,959	39,296	47,819	32,263	51,244
25	All other items	483,295	447,952	359,244	363,405	420,960	552,485	588,499	826,909	1,171,573	1,399,018	724,104	1,398,771
	Total Exports	2,583,463	2,397,513	2,166,846	2,138,186	2,555,043	3,128,230	3,369,782	4,041,927	5,661,127	6,859,254	4,948,514	6,512,458

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 8.8

DESTINATION OF EXPORTS & ORIGIN OF IMPORTS

% Share

REGION	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	July-March 2022-23	July-March 2023-24 P
1 Developed Countries												
Exports	44.7	46.7	51.6	53.4	52.2	53.6	54.5	57.8	58.1	57.8	57.4	51.7
Imports	20.5	20.9	23.3	22.5	22.0	21.8	21.0	20.5	18.0	16.6	17.3	14.8
a. OECD												
Exports	43.5	45.5	50.5	52.2	50.8	52.3	53.0	56.5	56.9	56.8	56.4	50.7
Imports	18.5	18.4	20.9	20.6	20.1	19.9	19.3	18.3	15.8	15.2	15.9	13.3
b. Other European Countries												
Exports	1.2	1.1	1.1	1.2	1.3	1.3	1.4	1.3	1.2	1.0	1.1	1.0
Imports	2.0	2.5	2.4	1.9	1.9	1.8	1.7	2.3	2.2	1.4	1.5	1.5
2 CMEA*												
Exports	1.6	1.7	1.9	2.1	2.0	2.2	2.3	2.5	2.1	2.2	2.1	2.3
Imports	1.0	1.3	0.9	1.3	1.0	0.9	1.1	1.9	1.1	2.5	2.6	3.1
3 Developing Countries												
Exports	53.7	51.6	46.6	44.6	45.8	44.2	43.3	39.7	39.8	40.0	39.6	45.2
Imports	78.5	77.8	75.8	76.2	77.0	77.3	77.9	77.6	80.9	80.9	79.9	81.9
a. OIC												
Exports	23.3	20.9	18.6	17.2	17.5	16.7	17.6	14.7	13.1	15.8	15.9	17.0
Imports	39.4	33.2	24.7	26.2	28.2	30.8	27.3	25.7	31.6	35.4	34.4	33.7
b. SAARC												
Exports	5.5	5.6	6.0	6.1	6.1	5.8	4.6	3.7	4.2	3.7	3.9	3.7
Imports	4.8	4.0	4.3	3.5	3.4	3.0	1.1	0.8	0.6	0.8	0.8	0.7
c. ASEAN												
Exports	2.6	3.6	2.6	2.8	3.7	3.4	3.3	3.1	3.8	3.4	3.6	5.9
Imports	11.0	10.7	10.2	9.8	10.2	10.3	10.4	10.9	10.9	13.0	13.2	11.9
d. Central America												
Exports	0.7	0.8	0.8	0.8	0.7	0.7	0.7	0.6	0.6	0.9	0.0	0.0
Imports	0.1	0.1	0.2	0.2	0.3	0.2	0.4	0.2	0.2	0.2	0.0	0.0
e. South America												
Exports	1.4	1.3	1.2	1.2	1.2	1.1	1.0	1.1	1.3	1.1	1.1	1.1
Imports	0.8	1.3	2.2	1.4	1.5	1.2	2.0	2.7	2.3	2.1	2.4	0.9
f. Other Asian Countries												
Exports	14.9	14.1	12.1	11.5	11.3	11.9	10.6	11.9	12.4	10.3	10.0	11.7
Imports	20.2	25.6	30.7	31.6	29.3	27.0	31.6	32.4	29.7	24.4	24.2	29.3
g. Other African Countries												
Exports	5.2	5.2	5.0	4.7	4.8	4.2	4.9	4.0	3.6	3.9	4.0	5.0
Imports	2.2	2.9	3.4	3.4	4.1	4.8	5.1	4.8	5.5	4.9	4.9	5.2
h. Central Asian States												
Exports	0.1	0.1	0.2	0.3	0.4	0.5	0.4	0.6	0.8	0.9	1.0	0.8
Imports	-	-	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.1
Total	100	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	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	July-March	
											2022-23	2023-24 P
I. Cash Flow	15,837.7	18,719.8	19,916.8	19,351.3	19,913.6	21,739.4	23,132.3	29,449.9	31,278.8	27,332.8	20,844.8	21,036.9
Bahrain	318.8	389.0	448.4	396.4	355.7	340.2	417.1	470.8	529.5	454.3	347.3	316.5
Canada	160.0	171.0	176.0	187.4	211.1	213.0	313.4	594.8	708.1	552.1	421.8	362.0
Germany	85.6	78.1	93.7	94.1	127.8	123.5	392.2	431.9	508.9	553.0	418.8	425.2
Japan	7.1	7.8	13.2	14.3	22.8	23.0	66.4	85.2	78.9	74.8	58.9	38.4
Kuwait	681.4	748.1	774.0	763.8	774.2	725.8	738.6	861.6	935.5	815.2	617.4	577.1
Norway	30.8	27.6	34.9	41.3	47.8	43.5	69.7	111.8	145.7	111.4	86.8	79.2
Qatar	329.2	350.2	380.9	404.4	371.1	385.9	760.2	910.7	1,028.5	915.5	698.8	650.8
Saudi Arabia	4,729.4	5,630.4	5,968.3	5,469.8	4,858.8	5,003.0	6,613.5	7,726.3	7,754.2	6,532.8	5,002.8	5,084.4
Sultanat-e-Oman	530.5	685.7	819.4	760.9	657.3	667.2	994.3	1,088.6	1,131.9	1,013.0	761.8	732.4
U.A.E.	3,109.5	4,231.8	4,365.3	4,328.0	4,359.0	4,617.3	5,611.8	6,164.8	5,846.2	4,656.1	3,615.4	3,669.4
Abu Dhabi	1,512.5	1,750.7	1,418.3	1,426.8	1,132.7	1,488.0	810.4	944.8	1,208.2	1,029.7	785.9	878.2
Dubai	1,550.0	2,412.0	2,877.7	2,845.3	3,173.7	3,075.5	4,768.2	5,116.0	4,558.3	3,569.7	2,784.9	2,751.0
Sharjah	45.5	67.6	66.5	50.5	47.6	37.2	25.1	79.4	59.8	37.9	29.8	19.3
Others	1.5	1.5	2.8	5.5	5.0	16.7	8.1	24.6	19.8	18.8	14.8	20.8
U.K.	2,180.2	2,376.2	2,579.7	2,341.7	2,892.4	3,412.3	2,569.0	4,091.0	4,492.9	4,073.2	3,069.8	3,157.8
U.S.A	2,467.7	2,702.7	2,524.7	2,452.9	2,838.0	3,309.1	1,742.8	2,599.6	3,087.4	3,167.8	2,365.7	2,519.9
Other Countries	1,207.4	1,321.3	1,738.4	2,096.2	2,397.7	2,875.7	2,843.3	4,313.0	5,031.3	4,413.6	3,379.5	3,423.7
II. Encashment*	0	0.2	-	0	0	0	0	0	0		0	0
Total (I+II)	15,837.7	18,720.0	19,916.8	19,351.3	19,913.6	21,739.5	23,132.3	29,449.9	31,278.8	27,332.8	20,844.8	21,036.9

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	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	July-March	
											2022-23	2023-24 P
<u>Cash Flow</u>												
Bahrain	2.0	2.1	2.3	2.1	1.8	1.6	1.8	1.6	1.7	1.7	1.7	1.5
Canada	1.0	0.9	0.9	1.0	1.1	1.0	1.4	2.0	2.3	2.0	2.0	1.7
Germany	0.5	0.4	0.5	0.5	0.6	0.6	1.7	1.5	1.6	2.0	2.0	2.0
Japan	0.0	0.0	0.1	0.1	0.1	0.1	0.3	0.3	0.3	0.3	0.3	0.2
Kuwait	4.3	4.0	3.9	4.0	3.9	3.3	3.2	2.9	3.0	3.0	3.0	2.7
Norway	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.4	0.5	0.4	0.4	0.4
Qatar	2.1	1.9	1.9	2.1	1.9	1.8	3.3	3.1	3.3	3.3	3.4	3.1
Saudi Arabia	29.9	30.1	30.0	28.3	24.4	23.0	28.6	26.2	24.8	23.9	24.0	24.2
Sultanat-e-Oman	3.4	3.7	4.1	3.9	3.3	3.1	4.3	3.7	3.6	3.7	3.7	3.5
U.A.E.	19.6	22.6	21.9	22.4	21.9	21.2	24.3	20.9	18.7	17.0	17.3	17.4
Abu Dhabi	9.6	9.4	7.1	7.4	5.7	6.8	3.5	3.2	3.9	3.8	3.8	4.2
Dubai	9.8	12.9	14.5	14.7	15.9	14.2	20.6	17.4	14.6	13.1	13.4	13.1
Sharjah	0.3	0.4	0.3	0.3	0.2	0.2	0.1	0.3	0.2	0.1	0.1	0.1
Others	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1
U.K.	13.8	12.7	13.0	12.1	14.5	15.7	11.1	13.9	14.4	14.9	14.7	15.0
U.S.A	15.6	14.4	12.7	12.7	14.3	15.2	7.5	8.8	9.9	11.6	11.3	12.0
Other Countries	7.6	7.1	8.7	10.8	12.0	13.2	12.3	14.6	16.1	16.1	16.2	16.3
Total	100	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	3,045,363	2,247,688	2,247,688	3,862,595	2,271,726	1,394,657	1,394,657	3,169,933	773,637	853,031	659,413	872,393
2023	2,758,249	3,879,426	2,144,007	3,993,662	1,621,275	2,661,509	1,072,688	2,759,887	1,136,974	1,217,917	991,822	1,233,775
2024 P			3,754,351	3,853,222			2,565,740	2,615,115			1,188,611	1,279,863

- : 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
		2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24 P
Australia	Dollar	94.4043	84.6706	75.8551	78.9703	85.123	97.175	105.9281	119.388	128.550	167.004	186.085
Bangladesh	Taka	1.3232	1.3045	1.3327	1.3263	1.3414	1.6203	1.8636	1.886	2.081	2.503	2.610
Canada	Dollar	96.1939	86.6031	78.6541	78.9236	86.5105	102.763	117.6982	124.710	140.085	185.030	210.560
China	Yuan	16.7639	16.3639	16.1983	15.4059	16.9332	19.9618	22.4714	24.183	27.488	35.692	39.405
Hong Kong	Dollar	13.2668	13.0664	13.4416	13.5015	14.0663	17.3843	20.2849	20.644	22.759	31.677	36.392
India	Rupee	1.6757	1.6354	1.5735	1.5778	1.6903	1.9323	2.1845	2.173	2.355	3.040	3.430
Iran	Rial	0.0041	0.0037	0.0035	0.0033	0.003	0.0032	0.0038	0.004	0.004	0.006	0.007
Japan	Yen	1.018	0.8865	0.8959	0.9611	0.9965	1.2257	1.4617	1.503	1.511	1.811	1.937
Kuwait	Dinar	364.0262	346.1203	345.2872	345.0024	364.961	448.8278	516.4404	526.259	585.647	807.908	922.457
Malaysia	Ringgit	31.6823	29.3817	25.2457	24.4675	27.0716	33.0115	37.551	38.793	41.929	55.283	60.705
Nepal	Rupee	1.0477	1.0222	0.9838	0.9861	1.0565	1.207	1.377	1.355	1.484	1.924	2.148
Norway	Krone	17.0596	14.2794	12.411	12.4644	13.7701	16.0675	16.9236	18.290	19.855	24.120	26.838
Singapore	Dollar	81.631	77.3079	74.9776	75.1927	81.916	99.7173	114.168	118.788	130.423	182.238	211.154
Sri Lanka	Rupee	0.7862	0.7701	0.7372	0.7031	0.7107	0.7853	0.8669	0.841	0.786	0.725	0.900
Sweden	Krona	15.7629	13.1103	12.4006	11.8827	13.2473	14.8779	16.3999	18.678	19.356	23.527	26.811
Switzerland	Franc	113.7726	107.472	106.3904	105.5866	113.2043	136.7574	161.7409	175.805	190.129	265.249	322.597
S. Arabia	Riyal	27.4313	27.004	27.7996	27.926	29.2998	36.2985	42.1047	42.654	47.294	66.056	75.817
Thailand	Baht	3.2278	3.1076	2.9393	3.0034	3.3964	4.2335	5.0949	5.189	5.314	7.070	8.028
UAE	Dirham	28.007	27.5787	28.3865	28.517	29.9164	37.0585	43.0181	43.560	48.314	67.529	77.441
UK	Pound	167.2207	159.4351	154.4878	132.7123	148.0433	175.9308	199.0651	215.279	235.592	299.303	357.918
USA	Dollar	102.8591	101.2947	104.2351	104.6971	109.8444	136.0901	158.0253	160.022	177.451	248.039	284.439
EMU	Euro	139.495	121.6726	115.6294	114.0341	131.0859	155.071	174.5851	190.739	199.492	260.522	308.105
IMF	SDR	158.0043	146.9546	145.8777	143.8126	156.7849	189.5557	217.2951	228.283	246.993	328.800	378.123

P: Provisional

Source: State Bank of Pakistan