Overview of the Economy

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The revival of growth that started in 2013-14 has accelerated in 2014-15 as per latest indicators released by the National Accounts Committee. The factors contributing this momentum in growth include the reform initiatives, commitment to a calibrated fiscal and monetary management and an overall improvement in macroeconomic situation. The impact of these factors was strengthened by a steep decline in oil prices, rise in foreign exchange buffers, growth in remittances and proceeds from privatization.

Fiscal year 2014-15 registered some remarkable achievements. Inflation hit the lowest level at 2.1 percent on YoY in April since 2003-04. The policy rate decelerated at 7 percent which was lowest in last 42 years, capital market created history, grading by international rating agencies improved, historical agreement with Chinese Government on China Pak Economic Corridor (CPEC), successfully reviews with IMF, issuance of Ijara Sakuk Bond after a period of 9 year, decline in unemployment rate from 6.2 to 6.0 percent etc. These achievements must be viewed in the backdrop of severe downside risk that prevailed at international and national economic landscape, security challenges for which the government and people are paying heavy price both in cash and kind, along with unprecedented weather behaviour. The initial months of the current fiscal year braved some headwinds due to Dharna and political turmoil. However, the economy was put back on track and economic indicators showed positive results.

The year 2014-15 ended with sharp improvement in the external account, as the sudden fall in international oil prices along with strong growth in remittances helped contain the current account deficit. The disbursement of tranches from the IMF and successful issue of Sukuk Bond in the international market swelled the foreign exchange reserves to a comfortable level. Before the present government took office, the ratings of S&P and Moody's were B- with stable outlook and Caa1 with negative outlook, respectively. Both credit rating agencies have upgraded rating on outlook from stable to positive.

Pakistan's current account deficit narrowed around 50 percent in the first 10 months of the current fiscal year as the country received higher remittances from its citizens living abroad, while low oil prices helped cushion the cost of imports. The current account deficit was curtailed to $ 1.364 billion in July-April 2014-15 from $ 2.931 billion in the same period last fiscal year. If this trend continues, the country can add more foreign currency reserves during the remaining months of the current fiscal year. So the government had projected the current account deficit of $ 2.8 billion for the entire fiscal year.

In fact the latest numbers indicate that the current account deficit can further be reduced. In April, current account surplus was recorded as $ 275 million. The current account deficit was 0.6 percent of GDP in July-April FY 15 period as compared to 1.3 percent of GDP in the corresponding period. However, trade deficit, widened to 0.7 percent in the period under review. Pakistan exported $ 20.176 billion of products in the 10 months of this fiscal year as against $ 20.834 billion a year ago. Imports amounted to $ 34.086 billion versus $ 34.645 billion. Financial account stood at US $ 2.836 billion during the period under discussion compared to US $ 3.481 billion in same period last year. The major difference is due to realization of US $ 2 billion through sale of Euro bond last year. In FY 15, there was realization of $ 1.0 billion through the issuance of sovereign Sukuk bonds in the international market, disbursement of loan tranches from the IMF and other multilateral foreign inflows. A narrowing deficit stabilized the country's foreign exchange reserves, as well as the value of Rupee, which has been hovering at Rs. 101/US dollars since January this year. The country's foreign exchanges reserves reached a comfortable level of $ 17.739 billion, while the forex reserves of the State Bank stood at $ 12.550 billion as of May 8.

In 2008, Pakistan had entered into a Standby Arrangement (SBA) amounting to US$ 7.6 billion. However the programme was discontinued, as the government was unable to meet its conditionalities. This government had negotiated US$ 6.67 billion Extended Fund Facility (EFF) Arrangement with IMF. Seven quarterly reviews have been successfully completed and the program is on track.

Successful engagements with IMF, World Bank and Asian Development Bank have declared Pakistan eligible for program loans. In appreciation of the reforms program, the World Bank has recommenced its program lending to Pakistan which was stopped since 2009. The IBRD lending to Pakistan, which was put on hold for several years, given an adverse balance of payments situation and drop of foreign exchange reserves to less than 2.5 months of exports has also been resumed and Pakistan is now an IBRD eligible country.

Fiscal data indicates that the government was able to contain its deficit due to low growth in expenditure. Also, the financing mix improved as increased external funding reduced the burden on the banking system, particularly on the central bank. Consequently, for the first time in the current IMF program, the country met all the quantitative (performance) targets for end-December 2014.

A stable exchange rate, and the fact that the government passed on the benefits of lower global oil prices to domestic consumers, not only softened inflationary expectations but also pulled down headline CPI inflation to a decade-low.

On the privatization front, PC has successfully concluded three Capital Market Transactions, in June, 2014 i.e. UBL offering (fetching proceeds of –PKR 38,223 million, including foreign exchange of –US$315 million) & PPL Offering (fetching proceeds of –PKR 15,342 million) and in December 2014, ABL Offering (fetching proceeds of –PKR 14,440 million, including foreign exchange of –US$19 million), thus re-launching the privatisation programme after a lapse of six years. In April, 2015, the Commission has concluded one (01) capital market transaction of HBL fetching proceeds of PKR-102 billion (including foreign exchange of US$-764 million). Strategic Sale of Heavy Electrical Complex is also expected to generate cash proceeds of Rs 250 million besides clearance of its liabilities amounting to approx: Rs. 850 million.

Appointment of Financial Advisor (FAs) for privatisation of Islamabad Electric Supply Co. (IESCO), National Power Generation Co. LTD (NPGCL), National Power Construction Corp. (NPCC) and PIA has been completed. Process for appointment of FAs for remaining power sector companies has been initiated. Expression of Interest (EOL) for Acquisition of a minimum of 88 percent shares of National Power Construction (Private) Limited (NPCC) has also been launched.

Growth & Investment: The economic growth remained broad based. The Commodities Producing Sector along with services sector performed better than last year amid gas shortages, power outages along with security related challenges and untoward environment behaviour.

For the fiscal year 2014-15, the GDP growth target was set at 5.1 percent on the back of growth of 3.3 percent from agriculture, 6.8 percent from industry 5.2 percent from services sector. The growth targets were consistent with assumptions of better production from agriculture important crops, improvement in energy supplies, normal weather condition, and better investment prospects.

According to provisional estimates the GDP growth during 2014-15 remained at 4.24 percent as compared to last year 4.03 percent revised estimates. The Agriculture posted growth of 2.9, industry 3.6 and services 5.0 percent as compared to 2.7, 4.5 and 4.4 percent respectively.

The floods hit the kharif crops in Punjab and afterward wheat productivity was also affected due to unprecedented rains and prolonged winter. Despite this adverse development, overall performance of agriculture presented a mix trend in growth as it marginally improved to 2.9 percent as compared to 2.7 percent last year. The production of wheat was projected at record 26 million tons,- the highest in last five years but actual production was below expectation at 25.47 million tons. Sugar crop also could not hit the target. The rice crop performed much better over the last 5 years registering 3.0 percent growth over last year production and 2.92 percent higher than the target. Maize production was 8.03 percent above the target but remained 5 percent behind last year's production. Cotton production registered a remarkable improvement of 13.98 million bales depicting a growth of 9.5 percent as compared to last year. The cotton production also remained highest in last 5 years.

The industrial sector showed moderate growth of 3.62 percent during first three quarters of the current fiscal year. The Large Scale Manufacturing sector which has a share of 11 percent in industry and 80 percent in manufacturing could not perform better as compared to last year. The growth in LSM remained at 2.5 percent during first three quarters of current fiscal year as compared to 4.6 percent of the corresponding period last year. LSM started with the declining trend at the start of current fiscal year, however, improvement witnessed in the following months but overall growth remained subdued against the target of 7 percent. Despite the persistent energy shortages especially gas, the activities in textile sector which on account of its high weight correspondingly impacted the growth. On the positive side, despite the iron and steel products growth which was below 4 percent last year remarkably increased to 36 percent on account of government’s supportive policies particularly the bale out package for PSM followed by automobile sector which was at less than one percent last year improved by 17 percent, pharmaceutical which declined by 0.39 percent last year improved by more than 6 percent.

Better growth has also been witnessed in construction relating industry which suggests improvement in construction activities in the country.

Some positivity has been witnessed in the LSM on YoY growth as it posted a growth of 4.5 percent against a negative growth of 1.0 percent last year. If this trend continue LSM sector likely to pick up its growth momentum in the remaining months of current fiscal year which will help in stimulating full year growth of GDP in general and industrial sector in particular. The small and medium manufacturing sub-sector grew at a constant annual rate at 8.2 percent. The PBS have started survey which will depict better growth position of this sector once the survey is completed in the coming year.

The services sector registered a growth of 5 percent against the target of 5.2 percent but remained higher compared to the last year growth of 4.4 percent. In the services sector major growth came from finance and insurance which posted a growth of 6.2 percent against the target of 5.8 percent and growth of 4.2 percent of last year. The performance of the banking sector, which dominates the financial sector of Pakistan, was impressive. Its asset base has increased tremendously over the year. The alignments of regulatory capital requirements in Pakistan with best international practices coupled with high profitability helped in achieving strong solvency with an overall Capital Adequacy Ratio (CAR) of 17.4 percent as of end March 2015; much higher than the minimum required level of 10 percent.

The transport and communication performance remained moderate as compared to the target and performance of the last year. The general government services sector has also shown improved performance at 9 percent higher than the target of 4.3 percent and growth of 2.9 percent during last year on account of increase in pay & pension as well as low growth in deflator.

The wholesale and retail sector grew respectively at a rate of 3.4 percent compared to 3.9 percent of last year and against the target of 6.1 percent. This sector is depended on agriculture and industrial sector output and imports. The moderate growth in the commodity producing sector impacted whole sale and retails trade while other private services sector contributed positively.

The total investment to GDP improved at 15.1 percent (Provisional Estimate) as compared to 13.9 percent (Provisional Estimate) of last year which have been revised to 14.9 percent during current fiscal year. Savings improved to 14.5 percent of the GDP as compared to revised rate of savings to GDP of 13.7 percent. This year the margin between the targets was not as wide as last year thus showing improvement.

The provisional estimate of Gross Fixed Capital Formation (GFCF) for the year 2014-15 stands at Rs. 3702 billion which increased by 10.3 percent as compared to 2013-14. GFCF in private sector in 2014-15 is estimated at Rs. 2644.9 billion as against Rs. 2513.4 billion of 2013-14, showing an increase of 5.2 percent. In public sector GFCF remained at Rs. 301.6 billon against Rs. 251.6 billion last year showing a positive growth of 20 percent. GFCF by General Government stood at Rs. 755.1 billion against Rs. 590 billion showing growth of 28 percent.

In June 2013, the government had inherited a projected fiscal deficit of 8.8 percent, which was brought down to 8.2 percent. In the following year 2013-14, the government further reduced the deficit to 5.5 percent. In the current fiscal year, fiscal deficit is likely to be 5.0 percent on account of revised GDP.

On the revenue side, the biggest challenge was extremely adverse impact of the declining oil prices adversely affecting the most important contributor to revenues from the oil and gas sector and its numerous upstream and downstream activities. The rapidly falling inflation and consequent decline in the projected nominal GDP further compounded the tax revenue problems. The combined effect of these factors was an estimated shortfall in FBR collections of Rs. 205 billion – a fall from Rs. 2810 billion to Rs. 2605 billion.

There were other revenue challenges on the tax side, most notably GIDC, which for a long time was suspended by Court Orders. However, the Honourable Supreme Court of Pakistan has set-aside restraining order and it is expected to recover stuck-up revenues from this source.

Despite a series of unforeseen expenditures on account of floods, enhancement of security and hosting and resettlement of IDPs, the government has largely succeeded in containing current expenditure to the budgeted level, through tight budgetary controls.

Commodity Producing Sector: Commodity producing sector contains agriculture and industry, which are playing central role in the economy and growth. The commodity producing sector accounted for 41.2 percent of GDP during the outgoing fiscal year as compared to 41.6 percent last year. Its contribution was 44 percent in GDP in fiscal year 2005-06, which is decreasing over time as the share of non-commodity producing sector has increased. The commodity producing sector has performed slightly lower in outgoing fiscal year as compared to last year; it grew at 3.24 percent during outgoing year as compared to 3.55 percent last year. Main reasons are damages to major crops due to flood, energy and gas shortages etc.

Agriculture Sector: Government is making multiple efforts to improve the agricultural sector by introducing modern techniques and scientific methods to improve the quality and quantity of the yield. Agriculture accounts for 20.88 percent of GDP and 43.5 percent of employment. The sector has direct and indirect linkages with other sectors of the economy and play significant role in socio-economic development of the country. The agriculture sector has four sub sectors including: crops, livestock, fisheries and forestry.

Crops: It consists of 39.6 percent of agriculture and 8.3 percent of GDP. Crops grew at the rate of 1.00 percent in outgoing fiscal year as compared to 3.20 percent of last year. The performance of crops mainly depends on weather along with government steps and efforts of the farmers. This sub-sector is further divided into important crops, other crops and cotton ginning. **Important Crops:** Important crops contain 25.6 percent of agricultural value addition and its contribution in GDP is 5.3 percent. Important crops have 64.5 percent share in overall crops. This sub-sector has recorded a growth of 0.28 percent compared to a growth of 7.96 percent last year. The important crops include all major crops like wheat, maize, rice, sugarcane and cotton. **Other Crops:** Other crops having share of 11.1 percent to value addition in overall agriculture sector and contribute 2.3 percent in the GDP. This sub-sector has grew mildly at 1.09 percent against the decline of 5.38 percent last year. The mild growth of other crops is mainly due to extreme weather conditions and heavy rains/floods in crop areas which damaged production of cultivated crops. Among the other crops production of onion increased by 1.31 percent, gram increased by 21.26 percent, moong increased by 6.24 percent, chillies increased by 0.27 percent, water melon decreased by 3.17 percent, mash and masoor declined by 12.7 percent and 5.81 percent respectively. The production of potatoes increased by 6.31 percent, tomatoes, banana, kino, orange, apple, peaches, guava and tobacco maintained the production level of last year. **Cotton Ginning:** Cotton Ginning has 7.4 percent share in crops sub-sector and 2.9 percent contribution in agriculture sector and 0.6 percent in GDP of the country. Cotton Ginning has witnessed a significant growth of 7.38 percent against the growth of -1.33 percent in the previous year.

Livestock: Livestock share in the agriculture value added stood at 56.3 percent while it is contributing 11.8 percents to the GDP. Livestock consists of cattle, buffalos, sheep, goat, camel, horses, asses, mules and poultry and their products. Livestock performed better in outgoing fiscal year as it recorded a growth of 4.12 percent as compared 2.76 percent last year. The production of livestock products, milk, poultry products and other livestock items increased at the rate of 2.95 percent, 3.25 percent, 7.49 percent and 1.28 percent, respectively.

Forestry: The contribution of this sub-sector in agriculture is 2.0 percent with main components of forestry, timber and fire wood. Growth of the forestry is registered at 3.15 percent as compared to -6.74 percent last year.

Fisheries: Fisheries sub-sector has 2.1 percent share in agriculture sector, it has recorded a growth of 5.75 percent against the growth of 0.98 percent last year. The sub-components of fisheries such as marine fishing and in-land fishing contributed to an overall increase in the value addition of this sub-sector.

During 2014-15, the availability of water for Kharif 2014 stood at 69.3 (MAF) showing an increase of 5.8 percent more than Kharif 2013 and 3.3 percent more than the normal supplies of 67.1 MAF. The water availability during Rabi season 2014-15 is estimated at 33.1 MAF, which is 1.8 percent higher than Rabi 2013-14 but 9.1 percent less than the normal availability of 36.4 MAF.

During July- March 2014-15, the banks have disbursed Rs 326.0 billion which is 65.2 percent of the overall annual target of Rs 500 billion and 27.5 percent higher than disbursement of Rs 255.7 billion made during the corresponding period last year. The banks were able to achieve 65 percent of their annual indicative targets of Rs 500 billion.

Kharif 2014 started with inventory of 386 thousand tonnes of urea. Total availability of urea (including 122 thousand tonnes of imported supplies and 2451 thousand tonnes of domestic production) was about 2959 thousand tonnes against the offtake of 2716 thousand tonnes, leaving an inventory of 184 thousand tonnes for Rabi 2014-15. Total availability of DAP during Kharif 2014 was 1023 thousand tonnes comprising 99 thousand tonnes of inventory, 524 thousand tonnes of imported supplies and 400 thousand tonnes of local production. DAP offtake was 586 thousand tonnes leaving closing balance of 430 thousand tonnes for coming Rabi 2014-15.

Rabi 2014-15 started with an opening balance of 184 thousand tonnes of urea. Domestic production during Rabi 2014-15 was estimated at 2493 thousand tonnes. Urea offtake during current Rabi 2014-15 is expected to be 3100 thousand tonnes, against 3253 thousand tonnes of total availability, leaving a closing balance of 151 thousand tonnes for next season. DAP availability in current season of Rabi is estimated as 1260 thousand tonnes, which included 430 thousand tonnes of inventory, 498 thousand tonnes of imported supplies and domestic production of 332 thousand tonnes. Off take of DAP during current Rabi season was about 1140 thousand tonnes, leaving a balance of 118 thousand tonnes for next season.

Industrial Sector: Government initiated comprehensive policy measures for the revival of industrial sector on fast track. The industrial sector contributes 20.30 percent in GDP of the country and in outgoing year it grew at 3.62 percent as compared to 4.45 percent last year. Industrial sector in Pakistan has four sub-sectors including mining & quarrying, manufacturing, electricity generation & distribution and gas distribution and construction. Each sub-sector of the industrial sector has its own role and significance in the economy, performance of these subsectors is presented below.

Manufacturing Sector

Manufacturing sector accounts 13.3 percent of GDP and 14.2 percent of total employed labor force. Large Scale Manufacturing (LSM) contains 10.6 percent of GDP dominates the overall sector, accounting 80 percent of the sectoral share followed by Small Scale Manufacturing, which accounts for 1.7 percent of total GDP and 13.0 percent of Manufacturing. The third component of the sector is Slaughtering and account 7.0 percent of overall Manufacturing sector. The industry specific data shows that five sub sectors recorded negative growth during the period July-March FY 2014-15 over corresponding period of last year i.e. Wood Product declined by 78.46 percent, Engineering Products 10.68 percent , Paper and Board 7.26 percent, Food Beverage and Tobacco 1.03 percent and Rubber products 0.56 percent .The sector showing growth during July-March 2014-15 such as Iron and Steel Products 35.63 percent, Automobiles 17.02 percent, Leather Products 9.62 percent, Electronics 8.21 percent, Pharmaceuticals 6.38 percent , Chemicals 5.94 percent , Non Metallic mineral products 2.56 percent, Coke & Petroleum Products 4.73 percent , Fertilizers 0.95 percent and Textile 0.50 percent.

Construction Sector: The contribution of construction in industrial sector is 12.0 percent and in GDP it contributes 2.4 percent and provides employment opportunities to 7.33 percent of labor force. This sub-sector is considered one of the potential components of industries. The construction sector has recorded a growth of 7.0 percent against the growth of 7.2 percent last year.

Mining and Quarrying: Pakistan has abundance of economically exploitable reserves of coal, rock salt, limestone and onyx marble, china clay, dolomite, fire clay, gypsum, silica sand and granite, as well as precious and semi-precious stones. This sub-sector contains 14.4 percent share of the industrial sector and contribute 2.9 percent in GDP of the country. Mining and quarrying has recorded a growth of 3.8 percent against the growth of 1.6 percent last year.

Electricity generation & distribution and Gas Distribution: This sub-sector of industry plays an important role in development of the country and also directly and indirectly contributes in growth of all sectors of the economy. Its share in industrial sector is 8.2 percent and contribution in the GDP is 1.7 percent. This sub-sector has recorded a growth of 1.9 percent in outgoing year as compared to 5.6 percent last year.

Services Sector: The services sector grew at 4.95 percent against the commodity producing sector growth of 3.24 percent. The contribution of the services sector has increased from 56.0 percent of GDP in 2008-09 to 58.82 percent in 2014-15. Services sector contains six sub-sectors including: Transport, Storage and Communication; Wholesale and Retail Trade; Finance and Insurance; Housing Services (Ownership of Dwellings); General Government Services (Public Administration and Defense); and Other Private Services (Social Services). Services sector has recorded a growth of 4.95 percent in outgoing fiscal year as compared to 4.37 percent last year. The growth performance of services sector is broad based, all components of services contributed positively in growth as Wholesale and Retail Trade grew at 3.38 percent, Transport, Storage and Communication at 4.21percent, Finance and Insurance at 6.18 percent, Housing Services at 4.0 percent, General Government Services at 9.44 percent and Other Private Services at 5.94 percent.

Per Capita Income: Per capita income is an important economic indicator which is mostly used to measure economic development of the country and also make comparison of well-being among various countries of the world. Per Capita Income in dollar terms has registered a significant growth of 9.25 percent in 2014-15 as compared to 3.83 percent last year. The per capita income in dollar terms has increased from $ 1,333 in 2012-13 to $ 1,512 in 2014-15. The main contributing factors, of this rapid increase in per capita income include acceleration in real GDP growth, relatively lower growth in population and the consistent of Pak Rupee.

Investment and Savings: Investment indicators in outgoing years have also recorded improvement over the previous years. Total investment has reached to 15.12 percent of GDP as compared to 14.98 percent of GDP last years, while fixed investment is at 13.52 percent of GDP against the 13.38 percent of GDP last year. Private investment is recorded at 9.66 percent of GDP as compared to 10.03 percent of GDP last year. Total Investment which was recorded at Rs. 3,756 billion in 2013-14 increased to Rs. 4,140 billion for 2014-15. It is evident that total investment recorded a growth of 10.21 percent in outgoing fiscal year, which is an indicator that investment activities are taking place on fast track and confidence of investors is improving due to government policies. Public investment has registered an impressive growth of 25.56 percent as compared to the growth 6.82 percent last year which is an indicator that government expenditure strategy is development oriented. Public Sector Investment which was recorded at Rs. 842 billion in 2013-14 is reported at Rs. 1,057 billion in 2014-15. This huge increase reflected that Public investment as a percent of GDP increased to 3.86 percent against 3.36 percent last year. National savings are very important to maintain higher level of investment which is a key determinant of economic growth. The foreign savings are needed to finance saving investment gap, reflects the current account deficit in the balance of payments. National savings have witnessed 14.5 percent of GDP in outgoing fiscal year against 13.7 percent last year. Domestic savings are recorded at 8.4 percent of GDP in 2014-15 as compared to 8.0 percent of GDP in last year. Net foreign resource inflows are financing the saving investment gap. Private investment recorded in last year was Rs. 2,513 billion and it expanded to Rs. 2,645 billion for the fiscal year 2014-15. This increase in private investment is the reflection that private investors are showing confidence on government policies and situation is improving, which will further encourage economic agents to take maximum benefits from emerging opportunities in the country.

Board of Investment (BOI) under Prime Minister Office is taking policy measures to provide more investment friendly environment to investors. BOI's mandate covers both domestic and foreign private investment. The FDI Strategy sets out roadmap to promote FDI and proposes broadly defined action programs for attracting FDI into Pakistan. To maximize the contributions of FDI to Pakistan's economic development, this FDI Strategy furthermore envisages special programs to promote the linkages between domestically and foreign-owned private enterprises, such as local supplier, sub-contractor or joint venture programs.

Number of factors like long march/dharna, energy shortages, and war against extremism remained obstacles in attracting FDI against potential of the country. Now situation is improving as the present government has launched comprehensive plan to create investment friendly environment & to attract foreign investors in the country. Consequently, revival of investor's confidence has been captured in better returns on investment in the Karachi stock market. The market continued its upward trend reaching to all time high. KSE 100 witnessed its highest level in the history and presently it is trading above 32,500. In terms of market capitalization, it improved from $51.3 billion in May 2013 to $71.8 billion by 30th April, 2015. During July-April, FDI inflows posted a growth of 10.2 percent and reached to $2,057.3 million against $1,866.3 million in the same period of FY14. During July-April, FY 15, foreign private investment increased to $1,666.2 million against $1,050.3 million in the comparable period of FY14 thus showing a sign of restoring investor's confidence which has set back due to dharna in first quarter of FY15. The major FDI inflows are from China, US, UAE, UK & Italy. Communications, oil & gas exploration, financial business, power and chemicals remained the main recipient of sectors of FDI.

Workers' Remittances: Remittances to South Asia grew despite concerns that lower oil prices might dampen remittance flows from the GCC countries. This may reflect the concentration of migrant workers in the construction and services sectors, which are relatively less affected by falling oil prices. Remittances growth in South Asian Region is projected to remain flat at 3.7 percent in 2015, supported by large scale construction activities (including preparations for the 2022 FIFA World Cup in Qatar) and fiscal expansion in GCC countries, and improving economic prospects in the United States.

Government of Pakistan's program Pakistan Remittances Initiative has also played a significant role to encourage inflows from Pakistani Diaspora. There is a continuous increase in Workers' Remittances, which is an indicator that they are also playing significant contribution in the development of the country. Workers' Remittances reached at $ 14,969.66 million in July-April of the 2014-15, against the $ 12,897.91 million in the same period of last fiscal year showed a growth of 16.06 percent over the same period last year.

Fiscal Development

During July-March 2014-15, fiscal deficit was contained at 3.8 percent against 3.9 percent in the same period of fiscal year 2013-14. Pakistan has received $1,452 million under CSF during first and second quarter of current fiscal year. These inflows have not only provided further comfort to fiscal accounts but also helped in maintaining the country's reserve position. Moreover, a healthy provincial surplus to the tune of Rs. 194.0 billion has also helped in containment of fiscal deficit. Pakistan has not only successfully contained the fiscal deficit but has also met end of March performance criteria on the budget deficit with IMF. Encouragingly, it will help to restrict the overall budget deficit at 5.0 percent of GDP for the entire fiscal year 2014-15.

Total revenue grew by 8.3 percent during July-March, 2014-15 and stood at Rs. 2,682.6 billion against Rs. 2,477.4 billion in the same period of 2013-14. Total tax collection amounted to Rs. 2,063.2 billion during July- March, 2014-15 against Rs. 1,786.2 billion in the same period of 2013-14, thus posted a growth of 15.5 percent. While during July-March, 2014-15 non tax revenues witnessed a decline and reached to Rs. 619.5 billion from Rs. 691.2 billion in the comparable period of 2013-14.

During July-April, 2014-15, FBR has collected Rs. 1972.4 billion as provisional tax revenues against Rs. 1744.9 billion reflecting a growth of 13.0 percent. During the current fiscal year, a number of compensatory measures were introduced to maintain the tax revenues at modest level after the significant fall in international oil prices and resultant decline in domestic retail fuel prices which has affected the tax revenues. Increase in GST rate on petroleum products from 17 percent to 22 percent and then to 27 percent , introduction of additional revenue measures at federal level to meet the shortfall including levying regulatory duties on imports of more than 300 items and levying a 2 percent withholding tax on non-filers service providers and importers. However, to achieve the fiscal sustainability, present government is stringently focusing on wide-ranging resource mobilization strategy with an aim to increase the tax to GDP ratio to 15 percent in next few years.

On expenditure side, total expenditure amounted to Rs. 3,731.6 billion during July-March, 2014-15 against Rs. 3,446.2 billion. Of which, current expenditure grew by 10.1 percent and amounted to Rs. 3,199.1 billion against Rs. 2,904.6 billion in the comparable period last year. Development expenditure and net lending grew by 6.9 percent during July-March, 2014-15 and reached to Rs. 594.0 billion against Rs. 555.8 billion in the same period last year.

One of the important development is a remarkable increase in PSDP which has witnessed a growth of 27.1 percent and reached at Rs. 499.4 billion against Rs. 393.0 billion in the comparable period of fiscal year 2013-14. Overall development expenditures registered a remarkable growth of 23.4 percent during the same period. Within PSDP, Federal and Provincial ADP grew by 7.6 and 46.0 percent, respectively, during first nine months of current fiscal year against. One of the significant development was decline in current subsidies as during July-March, 2014-15 it remained lower than last year and stood at Rs. 185.9 billion from Rs. 201.8 billion in the comparable period of 2013-14.

Money and Credit

Currently, Pakistan is following an accommodative monetary policy stance in order to reinvigorate the economy. During the current fiscal year, SBP slashed the policy rate by cumulative 300 bps to 7.0 percent which is the lowest in 42 years. Current policy stance is the reflection of improved macroeconomic conditions on the basis of which international agencies have upgraded outlook for Pakistan's economy which in turn will further improve the investor's confidence. The impact of this decline will be realized with lagged effect.

Broad Money (M2) witnessed an increase of 7.33 percent during July-8th May,2014-15 to stand at Rs. 730.5 billion against the expansion of 7.05 percent (Rs. 624.3 billion) in the comparable period last year mainly due to increase in net government borrowing specially from scheduled banks. While year on year growth in M2 was recorded at 12.8 percent as on May 8, 2015.

Net Foreign Assets (NFA) of the banking sector witnessed an increase and reached to Rs. 220.1 billion during July-8th May, 2014-15 as against the net expansion of Rs. 243.7 billion in the comparable period of fiscal year 2013-14. NDA of the banking sector grew at 5.45 percent (Rs. 510.5 billion) during July-8th May, 2014-15 as compared to net expansion of 4.43 percent (Rs. 380.6 billion) in the same period last year. It is encouraging to note that SBP's NDA target for end-March 2015, limit agreed with the IMF was met due to government's efforts to improve financing mix of budget deficit and lower its reliance on SBP borrowing.

Government borrowing for budgetary support stood at Rs. 601.1 billion during July-8thMay, 2014-15 against Rs. 240.2 billion in the same period of fiscal year 2013-14. Within the banking system, government has retired Rs. 532.4 billion to SBP during July-8thMay, 2014-15 against the retirement of Rs. 10.5 billion in the same period last year.

Credit to private sector increased to Rs. 161.7 billion during July- 8th May, 2014-15 against the expansion of Rs. 292.9 billion in the same period of last year, thus posted a growth of 4.3 percent as compared to 8.7 percent in the comparable period of last year. However, despite low expansion, credit to private sector posted a growth of 6.6 percent on year on year basis as on 8th May,2014-15 against the growth of 5.2 percent recorded in the same period last year. However, demand for credit to private sector is likely to pick up with lagged impact of cutting in cumulative discount rate by 300 bps in coming months.

Financial system indicators also remained robust as asset quality has slightly improved with a decline in the non performing loan (NPL) ratio to 12.3 percent and the capital adequacy ratio (CAR) increased to 17.1 percent by end-December 2014 due to accumulation of profits and fresh equity injection by some banks. While CAR increased to 17.4 percent as of end March, 2015.

Capital market

The year will also be remembered in the Pakistan capital market history for mega public offerings led by sale of shares by the Government of Pakistan, and in terms of money raised through these offerings. In 2014, the KSE-100 Index gained 6,870 points from 25,261 to 32,131 level, generating a handsome return of 27 percent (31 percent return in US$ terms) for the investors. During the first ten months (Jul-Apr, 2014-15) of current fiscal year, the Karachi Stock Exchange (KSE) benchmark-100 Index increased by 4,077 points and closed at 33,729.96 points on 30th April against 29,652.53 on June 30, 2014 showing a gain of 13.75 percent during first ten months of current fiscal year despite political turmoil during first half of the current year.

Auto sector remained top performer amid the list of top ten performing sectors in terms of market capital. "Automobile sector remained a standout performer in 2014 as its market capital increased by 133 percent during the year to date, depreciating Yen against US-Dollar and Pak-Rupee, introduction of new models by car assemblers and initiations of Punjab Taxi scheme were some of the key triggers driving sector performance during the year. China Shanghai Composite index showed a robust growth of 117 percent, Japan Nikkei improved by 28.7 percent while Hong Kong Hang Seng increased by 21.3 percent during the period under review. Whereas, India's Sensex increased only by 6.3 percent, US S&P by 6.4 percent and UK FTSE by 3.2 percent during July-April 2014-15. KSE growth of 13.7 percent during this period remained better than the regional and international markets.

During the period July 2014 to December 2014, five debt securities were issued which include two domestic Sukuk amounting of Rs. 26 billion, one international Sukuk of Rs. 100 billion (US$ one billion) and two Privately placed Term Finance Certificates amounting Rs. 6 billion. The total size of the Mutual Fund industry stood at Rs. 510.920 billion as of February 28, 2015 as compared to Rs. 447.62 billion on July 31, 2014, showing an increase of Rs. 63.3 billion or 14% over the period. The total number of funds stood at 165 on February 28, 2015 as compared to 160 on July 31, 2014.

The Central Directorate of National Savings (CDNS) is playing vital role of promoting savings culture in Pakistan side by side supporting the Government of Pakistan to finance the fiscal deficit through non bank borrowing. As of 31st March, 2015, the portfolio of NSS is Rs. 2,938,920.21 million which constitute the 25 percent share of overall domestic debt of GoP.

Inflation

Price stability remained a high priority of the government due to socio-economic cost of inflation. Inflation rate measured through Consumer Price Index (CPI) averaged at 4.8 percent during July-April 2014-15 against 8.7 percent in the same period of last year. This is the lowest level of inflation after 2003. Food and non-food inflation during July-April FY15 have been estimated at 3.6 percent and 5.7 percent as compared to 9.3 percent and 8.2 percent in the same period last year. The slower increase in food inflation over the last year is due to moderate increase in prices of major consumable food items. Such as wheat, wheat flour, edible oil and fresh vegetables and lower prices of oil and other commodities in international market. However, the core inflation remained quite subdued on account of pursuance of appropriate fiscal policy, exchange rate and monetary policies.

To contain inflation, the government has taken various measures. Throughout the year, the National Price Monitoring Committee (NPMC) kept a constant watch over prices and the supply of essential commodities in its regular meeting. Provincial Governments also took proactive measure during the year to maintain price stability through better price check. The appropriate fiscal and monetary policies persuaded by the government during the year also helped in maintaining price stability.

Trade and Payments

Pakistan's overall external account balance posted a surplus of US$ 2.12 billion during Jul-Apr, 2014-15 against US$ 1.95 billion in the corresponding period of last year due to marked improvement in the current account and substantial foreign exchange inflows. The current account deficit stood at US$ 1.4 billion in Jul-Apr 2014-15, which was 53.5 percent less than the deficit of US$ 2.9 billion in Jul-Apr 2013-14 showing marked improvement. Services account deficit remained lower and stood at $1,632 million during July-April 2014-15 as compared to $ 2,349 million during the same period last year. Lower services account deficit was due to inflows of US $ 1.5 billion under CSF. Lower freight expense (as shipping companies have started passing on the impact of cheaper oil) also provided some relief.

Pakistan's foreign exchange reserves improved by US$ 3.6 billion since July, 2014 and remained around US$ 17.8 billion at end April, 2015, a change of more than 25 percent. In respect of exchange rate, Pak Rupee recorded a depreciation of 3.1 percent during Jul-Apr 2015 due to delays in the 4th review of the IMF program and the political uncertainty in the country since mid-August. Pakistan's exports to EU have increased from US$ 6.21 billion during 2013 to US$ 7.54 billion in 2014. Pakistan's exports to EU registered an increase of US$ 1.32 billion in one year. This represents an increase of 21 percent.

Public Debt

Public debt was recorded at Rs. 16,936 billion or 61.8 percent of GDP as at end-March 2015 compared with 62 percent during the same period last year. Public debt recorded an increase of Rs. 940 billion during first nine months of current fiscal year as compared with Rs. 1,272 billion during the same period last year. The primary source of increase in public debt was in domestic debt that positioned at Rs. 11,932 billion representing an increase of Rs. 1,012 billion, whereas, external debt posed at Rs. 5,004 billion representing a decrease of Rs. 72 billion as compared to end June 2014. The external debt declined despite net external inflows which is mainly attributed to huge translational gain of around US$ 4.3 billion on account of appreciation of US Dollar against other major currencies.

Similar to the last year's trend, Pakistan's public debt dynamics continued to witness positive developments during first nine months of current fiscal year. An improvement was observed in most of the public debt sustainability indicators. In addition, composition of public debt further improved due to increased mobilization through medium to long term domestic debt instruments and higher disbursements from external sources. Some of the positive developments are as follow:

- Pakistan successfully returned to the International Islamic Bond market in

November 2014 with the issuance of US$ 1 billion Pakistan International Sukuk.

- Pakistan has become eligible for concessional IBRD funding which will be used to fund priority infrastructure / development projects.
- Government made progress in achieving the targets set under Pakistan's first Medium Term Debt Management Strategy (2013/14 - 2017/18) as the government was able to reduce its refinancing risk by re-profiling its domestic debt and increasing the external inflows.

During July-March, 2014-15, public debt servicing was recorded at Rs. 1,193 billion against the annual budgeted estimate of Rs. 1,686 billion. Public debt servicing consumed nearly 44.5 percent of total revenues during first nine months of current fiscal year against a ratio of 47 percent during the same period last year.

EDL stock was recorded at US$ 62.6 billion as at end March 2015 out of which external public debt was US$ 49.1 billion. Public external debt witnessed a decline of US$ 2.3 billion during first nine months of current fiscal year. The disbursements including loans and grants stood at US$ 4,001 million compared with US$ 2,301 million during the same period last year. Pakistan also received US$ 2,106 million from the IMF.

Servicing of EDL fell by US$ 1,282 million in first nine months of current fiscal year as compared to the same period last year and recorded at US$ 5,303 million. Out of this total, principal repayments were US$ 3,291 million and interest payments were US$ 812 million, whereas an amount of US$ 1,200 million was rolled over. Among the principal repayments, US$ 935 million of multilateral debt and US$ 1040 million of IMF accounted for most of the share.

Education

According to the latest Pakistan Social and Living Standards Measurement (PSLM) Survey 2013-14, literacy remained higher in urban areas (74 percent) than in rural areas (49 percent), and is more prevalent for men (81.0 percent) as compared to women (66.0 percent) in urban areas. Province wise data suggests that Punjab leads with 61 percent followed by Sindh with 56 percent, Khyber Pakhtunkhwa with 53 percent and Balochistan with 43 percent.

GER at the primary level excluding Katchi (prep) for the age group 5-9 years at national level during 2013-14 recorded at 90.0 percent as compared to 91 percent in 2012-13 while NER at the national level during 2013-14 remained at 57 percent.

The overall education situation based on key indicators such as likely enrolments, number of institutes and teachers, has depicted a slight improvement. The total number of enrolments during 2013-14 was recorded at 42.1 million as compared to 41.1 million during the same period last year, an increase of 2.4 percent. Under Prime Minister’s “Hunarmand Pakistan Program” short-term skill development training up to six-month duration courses was conducted in collaboration with public and private sector training institutes. It covers four priority sectors including: Construction, Agriculture (Dairy & Livestock), IT & Telecommunication and Skills for Women. So far, 116,776 trainees have been trained.

HEC is also contributing to play its role in running different scholarship programmes to enhance academic qualification at various levels on merit basis in line with specified criteria. During the period 2008-14, a total number of 10,376 Scholarships were awarded under different programmes of HEC. Under Prime Minister’s Fee Reimbursement Scheme for less developed areas, Reimbursement to around 50,000 students of less developed areas is being carried out during 2014-15. The Government of Pakistan has allocated Rs. 20.021 billion in PSDP 2014-15 for 191 development projects (136 ongoing and 55 new) with main focus on Human Resource Development through merit and Need based scholarships.

Health and Nutrition

The government is trying to improve the health and nutrition status of people through enhanced coverage and access to essential health services so as to translate the economic success into social benefits in Pakistan. The coverage of health facilities has improved over years and the present network of health services consists of 1,142 hospital, 5,499 dispensaries, 5,438 Basic Health Units (BHUs), 669 Rural Health Centres (RHCs) and availability of 118,041 beds in hospital. Apart from these, there are 175,223 doctors, 15,106 dentist and 90,276 nurses in the country. During the year the population and medical facilities ratio in term of doctor is estimated at 1,073 person per doctor, 12,447 persons per dentist and availability of one hospital bed for 1,593 persons.

The total expenditure on health during (Jul-March) 2014-15 is estimated Rs. 114.2 billion which works out as 0.4 percent of GDP. The new health facilities added to the overall health services system during 2014-15 include 3500 doctors, 350 dentists, 3,300 nurses and 3,900 hospital beds. To control the diseases and alleviate the suffering of various diseases, various health programs like TB, Malaria and AIDs control programs have been carried out. The calories intake per day person has increased from 2,484 to 2,490 in 2014-15 showing an increase of 0.24 percent over last year.

Population, Labour force and Employment

Pakistan is currently the sixth most populous country in the world with an estimated population of 191.71 million in 2015 and the population growth rate is 1.92 percent.

Pakistan has remarkable young age structure, which puts a considerable stress on the economy. These young people if not properly trained will only add marginally to the productive resources of the country but will put a large burden on health, education and jobs. This will worsen both the economic and social situation. Conversely with effective government policies for their education and training, these youth can become a powerful force for economic development.

According to the Labour Force Survey 2013-14, Pakistan has 60.09 million labour force. Out of this labour force, only 56.52 million people got employment and 3.58 million people are unemployed. The government is highly committed to improve employment level in the country and as a result unemployment rate has decreased from 6.24 percent in 2012-13 to 6.0 percent in 2013-14. Most of the labour force in Pakistan works in the rural areas where agriculture is the dominant activity. The total labour force working in the agricultural sector decreased from 43.7 percent in 2012-13 to 43.48 percent in 2013-14. In manufacturing sector the labour force participation rate has remained unchanged in 2013-14 and the share in transport sector has increased from 4.98 percent in 2012-13 to 5.44 percent in 2013-14.

Overseas employees are one of the most important features in national economic development and the government has never neglected this aspect. The government is committed on producing skilled workers in order to send them abroad to ensure higher foreign exchange. During 1971 - 2014 periods, almost 7.8 million Pakistanis proceeded abroad for employment through the Bureau of Emigration. The main concentration of Overseas Pakistanis is in the Middle East 49 percent, Europe 28.2 percent and United States of America 16 percent. More than two thousand licensed Overseas Employment Promoters are perpetually working to procure more and more manpower demands from man power importing countries. Resultantly, manpower export has increased from 0.622 million in 2013 to 0.752 million in 2014.

Transport and Communication

Modernized and efficient Transport and communication infrastructure is considered as a backbone for economic integration of different regions of the country, rural-urban links and market accessibility to the agriculture raw materials. It has direct as well indirect links among different sectors of the economy which ensure social and economic prosperity of the people. To achieve an accelerating growth targets National Highways Authority has spread over the country a sizable network of highways, expressways and motorways of about 12,131 km with active project portfolio of 72 projects costing Rs. 1,342 billion.

In the current year 2014-15 PSDP, the government has allocated Rs. 111.56 billion for these development projects which would add a sizable portion of roads to the existing network. Similarly Pakistan Railways have taken many new initiatives in line with the government's Vision 2025 objectives for development of railways infrastructure to increase its share in the overall transport sector from 4 percent to 20 percent by the end of 2025. Railway Board has been made functional, tariff is being regularly rationalized based on the market dynamics to improve occupancy and increase revenue of Pakistan Railways to transform it into a profitable organization.

HSD oil reserves availability has been enhanced to 12 days to streamline trains operation, public private partnership initiative has been taken, new air-conditioned train called Green Train Service with free meal, bedding, Wi-Fi and newspaper has been started from Islamabad to Karachi.

Under the new policy initiative of 'Revival of PIA' the PIA management has signed an agreement with the financing facility of EXIM Bank of USA and General Electronics to overhaul and carry out maintenance of the engines of PIA Boeing Air Crafts. Despite an over increasing financial cost, the Airline has been involved in taking various steps to reduce costs and improve productivity. These measures includes contracts re-negotiation, route rationalization by discontinuing loss making routes, re-deploying aircraft on more profitable routes and additional flights on high yield strategic international routes and additional flights on primary domestic routes have been operated after the addition of narrow body aircrafts acquired on lease basis. These steps under taken not only reduced PIA losses from Rs. 44.3 billion to Rs. 32.0 billion in 2014 but also increased its operating revenue from Rs. 95.771 billion in 2013 to Rs. 99.519 in 2014.

Performance of Ports and Shipping is also encouraging despite a depressed trading scenario worldwide. Pakistan National Shipping Corporation with a total deadweight capacity of 681,806 metric tons has improved its profitability and earned Rs. 11.424 billion during July-March, 2014-15, against Rs. 11.370 billion during corresponding period last year. Karachi Port Trust is operating on 11.5 km long approach channel, a depth of 12 meters and a turning basin of 600 meters. KPT provides safe navigation for vessels up to 75000 metric tons deadweight and handled 32.133 million tons of cargo during July-March, 2014-15 as compared to 30.677 million tons in the same period last year.

Total volume of import handled at Port Qasim was 15.198 million tons in July-March, 2014-15 against import of 13.084 million tons last year. The volume of export handled was also 6.420 million tons during July-March 2014-15, which was 9.1 percent higher than the same period last year. Gwadar port is the future centre piece of China Pakistan strategic partnership with its strategic location and potential for becoming the future economic and industrial hub. Phase-1 of it has been made operational in 2006 and in May, 2013 the Ports Concessional Rights were transferred from Port of Singapore Authority to the new operator viz, China Overseas Ports Holding Company Ltd. Currently all bulk cargo comprising urea, wheat and coal is imported/handled through Gwadar Port.

Due to rapidly changing landscape technology in telecom sector the cellular mobile and smart phone has been pinnacle of regulatory success in Pakistan. Today, total subscribers have reached to the level of 134 million by end of March, 2015 as compared to just 5 million in 2004. The proposed telecom policy envisages a boost of export in telecom sector from current level of US$ 1.4 billion to the level of US$ 4.0 billion by 2020 and an increase in telecom revenue to the tune of Rs. 800 billion in next five years.

Energy

The present government has attached high priority to energy sector. The government retired the circular debt (Rs. 480 billion) immediately after taking oath which added 1700 MW of electricity into the system. In FY 15, the current level of circular debt is around Rs. 250 billion including Current Payable. Further a long awaited National Power Policy 2013 focused on the current and future energy needs of the country.

Energy sector always remained a key component of dialogue between the government and multilateral and bilateral development partners. During the recent visit of the Prime Minister to Turkmenistan, apart from mutual cooperation on various fields like trade, education, etc., the review of Turkmenistan-Afghanistan-Pakistan-India (TAPI) Pipeline and energy security remained main focus of the meeting. As a major progress, the laying down of US $ 10 to 12 billion TAPI gas pipeline project is expected to be materialized by end of 2017 will be providing the gas of 1.3 billion cubic feet to Pakistan. Turkmenistan, Afghanistan, India and Pakistan linked the Transaction Advisory Services Agreement (TASA) with Asian Development Bank (ADB) to find leading, technically and financially sound company that could form a consortium to generate the finances for the project.

Asian Development Bank (ADB) has approved assistance packages to help Pakistan to undertake key reforms in the power sector. This included funding to ensure energy delivery to industrial and private consumers, and to build two vital power generation plants in Sindh Province. The Jamshoro Power Generation Project, which on completion in 2018, will add 1,300 megawatts (MW) to the country's electricity grid. Reliability of the power distribution network is also being enhanced through the investment of $167.2 million to upgrade 284 grid stations. The World Bank also approved a financing package from the International Development Association (IDA) to help expand hydro-electricity generation in Pakistan through the development of the Dasu Hydropower Stage-I Project (DHP-I). The package consists of an IDA Credit of $588.4 million and an IDA Partial Credit Guarantee (PCG) of $460 million to help mobilize commercial financing for the project. DHP-I would have 2,160 megawatt (MW) hydropower plant on the main Indus River, which can be expanded to 4,320 MW in future with less additional cost.

The government kept itself bound with its timelines related to energy projects, however undue sit-in by two political parties in August 2014 and disastrous flood witnessed by Kashmir region in September 2014 became significant hindrance. Many planned engagements with multilateral and bilateral donors were delayed, most importantly the visit of President of China was rescheduled. Floods delayed Neelum-Jhelum hydropower which is now expected to be complete in 2016.

During the recent visit of President of China, Pakistan and China signed 51 Memorandums of Understanding (MoUs) relating to diverse aspects of bilateral relations, including the Pakistan China Economic Corridor and series of energy projects. Thus almost $15.5 billion worth of coal, wind, solar and hydro energy projects will come online by 2017 and when mature will add 10,400 megawatts of energy to Pakistan's national grid.

The energy issue is top priority of the government and intend to fulfill its commitments realizing the fact that good governance and regulation will contribute to a sustainable, affordable and reliable energy system. The government is sincerely committed to add electricity generation of 10,400 megawatts to Pakistan's national grid by 2017-18 along with reduction in the cost of generation and transmission losses. Under the vision 2025, the government is committed in power generation to 45,000 MW with provision of uninterrupted, affordable and clean 'energy for all'. Thus the government is encouraging private investment to achieve power generation mix through development of indigenous energy resources particularly hydel, coal, shale gas, etc. to achieve zero load-shedding along with the reduction in average electricity rates

Social Safety Nets

The government is fully committed to follow a sustained poverty reduction strategy and allocate a minimum of 4.5 percent of GDP to social and poverty related expenditures. The government prioritized 17 pro-poor sectors through the Medium Term Expenditure Framework (MTEF) in the PRSP-II. Expenditure on pro-poor sectors in 2010-11 stood at 13.24 percent of GDP. In 2011-12, these were 11.55 percent of GDP and in 2012-13, 13.10 percent of GDP. During 2013-14, total expenditures for these sectors were slightly increased and amounted to Rs. 1,934.095 billion, which was 14.16 percent of GDP. During July-December of the current fiscal year 2014-15, Rs 667.47 billion expenditures have been made in these sectors.

BISP is continuing to eradicate extreme poverty through provision of cash transfers. Present government has not only continued the Benazir Income Support Programme (BISP) but has also increased the cash grant to Rs. 1200/ month and then to Rs 1500/month and also increased BISP budgetary allocation to Rs. 97 billion in 2014-15 from Rs. 75 billion in 2013-14. Total expenditure of BISP during the current fiscal year is projected to cross Rs. 90 billion. The number of BISP beneficiaries is expected to increase from 4.6 million in 2013-14 to 5.0 million by the end of this financial year. BISP is expected to enroll 500,000 children in school during the current financial year under its Waseela-e-Taleem initiative. The government has increased the monthly stipend under the Waseela-e-Taleem initiative to Rs. 250 per month per child from Rs. 200.

Pakistan Poverty Alleviation Fund (PPAF) also provides assistance in microcredit, water and infrastructure, drought mitigation, education, health and emergency response interventions. During the period of July 2014 to March 2015, Pakistan Poverty Alleviation Fund has managed to disburse an amount of Rs 9.8 billion to its various on-going projects. Under the 18^{th} constitutional Amendment, the subject of Zakat has been devolved to the Provinces/Federal Areas. A total amount of Rs. 4778.18 million is distributed in bulk amongst the provinces and other administrative areas for the year 2014-15. Pakistan Bait-ul-Mal (PBM) is also making efforts for eradication of poverty by providing assistance to destitute, widows, orphans, invalid, infirm and other needy persons through different initiatives. During July 2014 to March 2015, Pakistan Bait-ul-Mal (PBM) has managed to disburse an amount of Rs 2.28 billion to its core projects.

Environment

Sustainable use of resources and environmental concern has become increasingly important. The inability to address the situation will result in extremely high environmental and economic cost in future. Environmental factors are changing drastically and if left unchecked, pollution and environmental degradation will pose a monumental threat to social and economic growth of the country. Pollution on a wide scale is damaging the land, water, and air as unchecked economic activity has decreased the availability of fresh water resources along with clean air.

Air & Water

The key factors responsible for air pollution in Pakistan are rapidly growing energy demand due to relatively higher population growth rates, fast growing transport sector, unplanned infrastructure, and widespread use of low-quality fuel and above all are the alarming level of particulate matters (PM10 and PM25). National Impact Assessment Program (NIAP) conducted by Pakistan Environment Protection Agency is aimed to contribute to sustainable development in Pakistan through strengthening the environmental impact assessment process introducing Strategic Environmental Assessment (SEA) in national development planning.

According to Pakistan Council of Research in Water Resources (PCRWR), the majority of the population in the country is exposed to the hazards of drinking unsafe and polluted water from both surface and ground water sources. To address this issue of national importance, federal government through PCRWR has implemented several national water quality monitoring and surveillance activities. Access to an adequate supply of water is also one of the absolute priorities of Vision 2025. Top five goals for water security are:

- Increase water storage capacity, applicable to the requirements of each province in line with defined strategic needs and international benchmarks: from currently 30 days to 45 days by 2018, and 90 days by 2025.
- Invest in proven methods and technologies to minimize wastage (e.g. in the agriculture sector), promote conversation and gain efficiencies through rationalization of pricing.
- Enable more effective allocation with direct reference to national & provincial priorities and related social and economic considerations.
- Establish institutional mechanisms e.g. a National Water Commission to effectively manage all resources of water (surface, subsurface ,rain) and their sectoral and regional allocations
- Provision of access to a minimum baseline of suitable water to every person in Pakistan.

Solid Waste & Sanitation

The absence of a proper solid waste disposal system and huge amount of uncollected waste poses great threat to the public health. Only 30 percent of solid waste quantities generated are generally collected by government services. The recommendations that can be considered regarding solid waste management are:-

- Raising awareness about consequences caused by solid waste pollution.
- Collective role of government sector, NGO's, Private sector for solid waste management.
- Legislation should be done which would be effective and find ways to implement its effectively application of 3 R's (Reduce,

Recycle and Reuse) concept in solid waste management system.

- House to house collection of solid waste should be organized.
- Littering of solid waste should be prohibited in cities, towns and urban areas. Proper segregation would be vital for scientific disposal of waste.
- Developing legal framework and national guidelines for solid waste management that includes waste management and basic recycling rules.

Sanitation is one of the basic necessities of human life as it saves lives, resources and let human being live with dignity. In order to build the momentum and accelerate the progress on sanitation and hygiene in the country, Pakistan Conference on Sanitation (PACOSAN) was held in February, 2015. Pakistan government is committed to save its children from death, living with disabilities or not achieving their potential physical and mental growth to compete with other nations in the world.

Forest

Under Millennium Development Goals (Goal-7) Pakistan had committed to increase forest cover to 6% by the year 2015, which could not be achieved mainly due to financial constraints of federal and provincial governments. Slow Overseas Development Assistance (OSA) from bilateral or multilateral sources impedes government policies and plans to bring additional lands under tree cover. The developing countries need uninterrupted flow of pledged financial resources from developed countries to adapt to a changing global climate and reduce carbon emission to boost forest growth. However, in order to increase the forest cover, significant programs of forestation are operational in the country.

Climate Change

Further to national Climate Change policy-2012, its framework for implementation is developed keeping in view the current and future anticipated climate change threats to Pakistan's various sectors. Numbers of measures are in focus to address both mitigation and enhancing various ongoing efforts and initiating new activities such as Adaptation Strategies, Mitigation Strategies, Clean Development Mechanism and Nationally Appropriate Mitigation Actions.

- Green Climate Fund (GCF) is the future financial mechanism for the United Nations Framework Convention on Climate Change (UNFCCC). Ministry of Climate Change has started readiness activities. The Ministry is foreseeing to tap the GCF at an appropriate level.
- Technology Needs Assessments (TNA) is a systematic approach for conducting technology needs assessments in technological means for both mitigation and adaptation. It also provides processes and methodologies for uncovering gaps in enabling frameworks and capacities for formulating a national action plan to overcome them as part of overall climate change strategies.
- Project proposal of Pakistan's Second National Communication (SNC) on Greenhouse Gases (GHG) emission has been finalized and the same is under process with the United Nations Environment Program (UNEP) for funding.
- United Nations Conference of Parties on Climate Change (COP-21) to be held in Paris in December 2015 is supposed to produce a global agreement to cut greenhouse gas (GHG) emissions. It is likely to bring a Protocol with binding commitments on developing countries such as cutting down or at least slowing down their GHG emission.

Outlook:

Given the above macro stabilization achievements, it is expected better energy supply that with import of LNG likewise, some energy related fast track projects under CPEC are expected to be completed during next fiscal year. Based on these two factors, it is assumed that improved energy availability will play significant rule in the industrial growth during next year. The better energy supplies completed with historically low discount rate would encourage the private sector investors to expand their business and maximize capacity utilization. This will have a direct impact on investment to GDP ratio. The performance of industrial sector has not been impressive this fiscal year as it missed the growth target. It is expected that the industrial sector will grow on the back of better energy supply and planned investment under CPEC. The LSM will also benefit from the backward and forward linkages of huge infrastructure projects under CPEC and increasing demand for housing triggering sharp demand for iron, cement and related construction industries. Besides, private sector investment is expected to rise with improved energy availability, improving security situation and economy's stabilised international standing. The PSDP funding on real sector particularly agriculture, industry will further supplement the growth. The government on this score has already initiated number of agriculture related initiatives to help this sector which is the backbone of our economy.

Global Development:

The global economic environment appears poised for a change for the better with the recent sharp fall in the international prices of crude petroleum, which is expected to boost global aggregate demand, and the sharp recovery in the US economy in the face of gradual withdrawal from monetary accommodation. Following the global crisis of 2008, the global economy came under a cloud of uncertainty and the prolonged weakness in the euro area, particularly since 2011, led to the often revising global growth. Compared with the June 2014 Global Economic Prospects, global growth was revised down by 0.2 percentage point in 2014 to 2.6 percent, 0.4 percentage points to 3 percent in 2015. Downward revision are primarily due to a major GDP decline in Russia (from +0.8 to -3.5 percent) and moderate declines in the Euro Area (1.6 to 1.4 percent), Japan (1.1 to 0.6 percent), and Brazil (1.5 to 0.5 percent). Upward revisions include the United States (2.6 to 2.9 percent), Mexico (2.8 to 3.5 percent) and India (5.5 to 5.9 percent). High income countries are likely to see growth of 2.2 percent in 2015-17, up from 1.8 percent in 2014, on the back of gradually recovering labor markets, ebbing fiscal consolidation, and still low financing costs. In developing countries, as the domestic headwinds that held back growth in 2014 ease and the recovery in high-income countries slowly strengthen, growth is projected to gradually accelerate, rising from 4.4 percent in 2014 to 4.8 percent in 2015 and 5.4 percent by 2017.

Risks to this slow-moving global recovery are significant and tilted to the downside. Financial market volatility could sharply raise developing countries, borrowing costs, a unwelcome development after several years of heavy capital market issuance by some developing countries. Intensifying geopolitical tensions, bouts of volatility in commodity markets, or financial stress in a major emerging market could lead to a reassessment of risk assets. If the Euro Area or Japan slips into a prolonged period of stagnation or deflation, global trade could weaken even further. Although it is a low probability event given China's substantial policy buffers, a sharper decline in growth could trigger a disorderly unwinding of financial vulnerabilities and would have considerable implications for the global economy.

Growth remained robust in low income countries at about 6 percent in 2014 on the back of rising public investment, strong capital inflows, good harvests, and improving security conditions in a number of conflict countries. It is expected to remain around 6 percent in 2015-17. Soft commodity prices, especially for oil exporters, as well as weak growth in the Euro Area, an important trading partner are expected to hold back growth in many low-income countries. However, strong government consumption and investment growth is expected to mitigate these headwinds.

Growth and Investment

Introduction

Pakistan's economy has maintained higher and broad based economic growth in outgoing fiscal year 2014-15 despite a number of internal and external challenges. Government remained focused on the agenda aimed at reviving of the economy, resolving the energy crisis, improving security situation, and providing ample opportunities to all and sundry to boost up their socio-economic condition. Government has pursued growth oriented economic policies and introduced comprehensive structural reforms to achieve these objectives. Due to continuous efforts, the situation started improving as key economic indicators showing positive signals for economic agents. During first year, the government succeeded in averting fear of default in foreign exchange reserves and in second year achieved macroeconomic stability. The major economic achievement includes: picking up in economic growth, inflation contained at 4.8 percent during July-April 2015, which is lowest level of inflation since 2003. Government of Pakistan has also succeeded to pass on more benefits of decline in international oil prices to general public as compared to other regional countries, which has provided a relief to the common man, remarkable improvement in workers' remittances, build foreign exchange reserve buffer well around four months of imports, successful launching of Euro Bond and Sukuk Bond after 9 years, improvement in tax collection, containment of fiscal deficit, stock market created new history, and launching of Pak-China Economic Corridor which will create new history in economic development of the country.

During fiscal year 2014-15 economic environment in the country remained confronted with number of challenges such as war against extremism, energy shortages, settlement of IDPs and strengthening of state institutions. Moreover, political conditions started deteriorating in August 2014, due to street sit-ins/ dharnas followed by lengthy demonstrations nationwide until December. Concurrently, floods hit various areas of the country in September which impacted agriculture and infrastructure sectors and also damaged some major agricultural crops like sugar, rice and cotton along with other losses.

The economic recovery nurtured started undermining due to long march/dharnas. The economy has suffered both implicit and explicit losses due to sit-ins protest by the political parties from August. It is difficult to exactly estimate these losses in numerical term. However it has impacted on various dimensions. Finance Division has sanctioned supplementary grants amounting to Rs.760.5 million to Ministry of Interior/ICT police in connection for the security of long march/dharnas during current fiscal year 2014-15. The exchange rate which was 98.82 on Aug 5, 2014 depreciated to 103.19 on Aug 25, 2014 showing a depreciation of 4.4 percent which adversely affected import bill as well as capital loss on foreign liabilities due to rupee depreciation. The external public debt was US $ 51.4 billion (Rs. 5,077 billion at exchange rate 98.81) at the end of FY 14 and due to currency depreciation it increased to Rs. 5,302 billion showing a loss of almost Rs. 225 billion. Completion of 4^{th} Review under IMF program delayed, and high profile visit also postponed as well as erosion in investors' confidence. However, Pakistan and IMF successfully completed the negotiations on the Fourth Review as well as the Fifth Review in September, 2014. Pakistan received fourth and fifth tranche of worth US$ 1.1 billion, in December 2014. The position would have been much better, if it received earlier. High profile visit of Chinese President was postponed. However, PM visited China and signed agreements and memorandums of understanding (MoUs) mainly on projects relating to China-Pakistan Economic Corridor and electricity generation to further boost bilateral ties. Investors confidence was also shattered as they adopted the policy of wait and see. However, it has been revived on account of various positive developments adopted by the government to revive the investor's confidence such as calling International Investor's Conference where investors reposed their confidence in government policies and programs for the revival of business confidence.

The government has seriously focused on bringing improvement in the real sector growth through improvement in agriculture, industrial and services sectors. In this connection, a number of public sector development programs have been initiated in production and infrastructure sectors. Economic Co-ordination Committee of Cabinet has approved support price of wheat as Rs. 1300/- per 40 kg for the 2014-15 crop. The decision has been taken to facilitate the farmers' community in the country. During first ten months of current fiscal year (Jul-April 2015) the banks have disbursed agriculture credit amounted to Rs. 368.7 billion which is 73.74 percent of the overall annual target of Rs. 500 billion and 27.84 percent higher than disbursement of Rs. 288.387 billion made during the corresponding period last year. Efforts were also made to provide better supply of inputs including quality seeds, fertilizer, and pesticides etc in timely manners to increase agriculture produce and encourage small poor farmers. The government remained focused on improving vocational and technical education networks to provide more skilled labor to industrial sector also encouraged small and medium industries through the targeted loans. State Bank of Pakistan has also reduced discount rate gradually and reached at 7.0 percent which is the lowest in last 42 years, which is also a major incentive for business community to increase economic activities. ECC approved growth oriented Textile Policy 2014-19, which will facilitate additional investment of $5 billion in machinery and technology. It will also facilitate the creation of 3 million new jobs and promote skills and trainings for professionals. After achieving the GSP plus status, Government is working on fast track for the formulation of the Ex-Im Bank, all legal and procedural requirements have been completed and soon it will be established. The bank will be the ideal vehicle for scrutinizing investment proposals and would furnish a range of funding and non-funding instruments (e.g. guarantees) to those whose proposals are found to be feasible. State Bank of Pakistan has also reduced markup rate on Export Refinance from 9.4 percent to 6.0 percent and Long Term Financing Facility rates from 11.4 percent to 7.5 percent, which has reduced financial cost of exporters and will improve exports in coming months. The government has established Land Port Authority (LPA) to oversee cross-border movement of goods and people. This project is a part of an Integrated Transit Trade Management System (ITTMS) at border customs station to facilitate trade with neighboring countries. The LPA would act as a common platform for all regulatory agencies, including customs, immigration, terminal operator, security, quarantine, banks, shipping agencies freight forwarders etc. The successful implementation of the project will make Pakistan third country in South Asia after Bangladesh and India, having dedicated land ports for handling goods and passenger traffics at borders. It is a major step to transfer Pakistan into a regional trade hub. The National Action Plan against militancy has also provided an impetus to an evolving national consensus-building process for resolving major persisting economic problems with no easy solutions. Government remained focused on providing better security conditions and business friendly environment to attract foreign investment in the country and improve investment-GDP ratio on fast track in upcoming years. China and Pakistan has signed agreements of worth $ 45 billion. The focus of spending is on building a China-Pakistan Economic Corridor (CPEC) - a network of roads, railways and pipelines between the long-time allies. Both signed agreements worth $28 billion to immediately kick-start early harvest projects, while projects worth $17 billion, which are in pipeline, will follow as soon as required studies, processes and formalities are completed. The ground breaking and signing of financial agreements has demonstrated that there is a strong will on both sides to implement CPEC portfolio of $45 billion agreed under CPEC framework as early as possible to help Pakistan meet its energy needs.

The government also made efforts to manage the existing PSEs in a more efficient manner and has started implementing a holistic PSEs Reform Strategy. Main focus of PSEs Reform strategy is on improvement in corporate governance, restructuring of PSEs and strategic partnership through privatization. The government has embarked on strategic partnership/ disinvestment of 31 PSEs representing the most viable transactions. The strategy involves disinvestment of a mix of PSEs in the oil & gas, banking & finance, power, industrial, transport and real estate sectors. One of the main elements of the strategy is strategic partnerships entailing transfer of management to investors through partial sale of shares, depending on sectoral dynamics, PSEs economic size and status and market appetite.

The government has developed an Action Plan for Improving Pakistan's business environment, which was finalized in October 2014 after in-depth consultations with concerned federal and provincial stakeholders. The Plan is based on bringing improvement in Pakistan's Doing Business (DB) rankings, since a fundamental premise of World Bank's DB rankings is that economic activity requires good rules which establish and clarify property rights; reduce the cost of resolving disputes; increase the predictability of economic interactions; and provide contractual partners with certainty and protection against abuse.

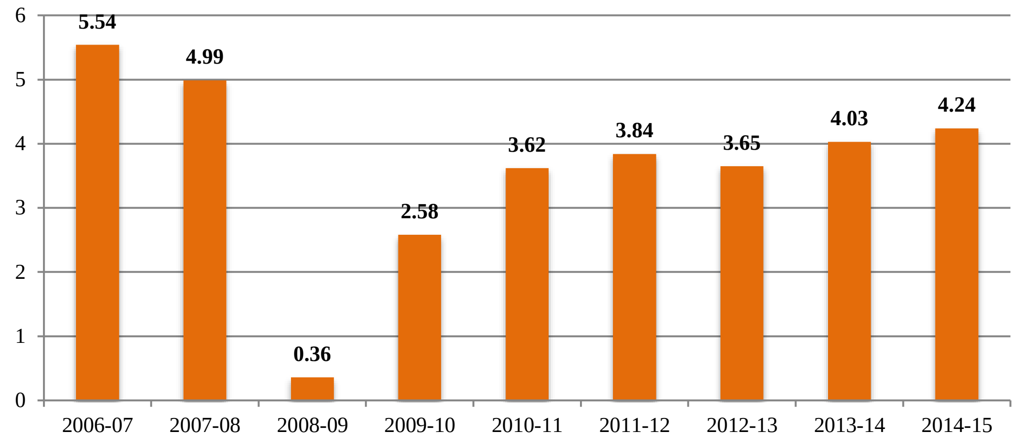
The Plan focused on short and medium term reforms to be implemented for reducing time and procedures as well as costs associated with fulfilling regulatory requirements for business firms under these areas. The objective is to design regulations which are efficient, accessible to all and simple in their implementation. The DB ranking of countries are closely monitored by global institutional investors and is an important determinant of investment inflows into emerging economies. In line with this imperative, the focus on DB rankings will serve as an important signaling device to the international business community about the government's resolve of improving the country's investment climate. Finance Minister has constituted a committee to develop a comprehensive plan for components of DB indicators and other investment climates which will further facilitate to create investment friendly environment.

Under the starting a business indicator, a virtual one stop shop (VOSS) for new business registration has been developed and made operational. The VOSS portal has integrated registration procedures for limited liability companies (LLCs) pertaining to the Securities and Exchange Commission of Pakistan (SECP), the Federal Board of Revenue and the Employees Old Age Benefits Institution (EOBI), through an online portal. It is expected that this will reduce the average time for registering a business by three days as well as result in the elimination of two procedures, which will improve Pakistan's DB rankings under this indicator. A Physical One Stop Shop (POSS) has been established at Lahore, while work is underway in establishing a similar POSS at Karachi.

In the modern world, the private sector has been acknowledged as the key participant in the process of economic growth, it drives the economic growth through its contribution to investment, employment and business creation. Over the years, Pakistan's private sector which remained the major contributor in economic growth, severely hindered due to various internal and external factors most notably energy crisis, war against extremism and slackness in institutional arrangements. Recognizing private sector as the engine of economic growth, government is making all possible efforts to encourage private sector and create a conducive business climate to boost exports and tax revenues. The initiatives are in right direction and will go a long way in boosting the country's socio-economic development.

Pakistan's economy has maintained the recovery path, GDP growth accelerated to 4.24 percent in 2014-15 against the growth of 4.03 percent recorded in the last year. The targeted growth rate 5.1 percent could not be achieved due to energy shortages, uncertainty created by protest of political parties which delayed planned activities, floods and heavy rains damaged agriculture especially major crops like sugarcane, wheat and maize etc. The lower production of crops also passed on negative affect to industrial sector as well as domestic commerce. However, the growth achieved in outgoing fiscal year is higher as compared to previous years since 2008-09 and growth momentum recorded is broad based and all the three major sectors namely agriculture, industry and services have contributed in the improvement of economic growth. The agriculture sector grew by 2.88 percent against the growth of 2.69 percent in the last year. The industrial sector accelerated by 3.62 percent against the expansion of 4.45 percent in last year, while large scale manufacturing posted nominal growth of 2.38 percent against 3.99 percent last year. The services sector recorded a growth of 4.95 percent as compared to 4.37 percent last year. The commodity producing sector on the whole grew by 3.24 percent as compared to 3.55 percent last year. Fig-1 provides an overview of GDP growth over the previous years.

Fig-1: GDP Growth (%)



The GDP growth recorded at 4.24 percent in the outgoing fiscal year 2014-15 as compared to 4.03 percent last year. Continuously achieving higher GDP growth during 2013-14 and 2014-15 is an indicator that government policies are working in better direction and providing incentives and necessary support in the picking up of economic activities in the country. These policy initiatives will boost business climate further in coming years and higher potential growth will be achieved soon. The government has initiated a number of steps like comprehensive power policy, security policy, privatization, ease of doing business, reforms in taxation system, youth training and employment program etc which are improving business environment and creating more friendly climate for business community and other economic agents to take maximum benefits from potential of the economy.

Global Developments

The global economic growth during the outgoing year has witnessed some continuing signs of improvement. Global GDP is forecasted to accelerate as compared to last year with a pick-up in high-income economies along with some improvement in developing countries. The global economy is expected to grow at a pace of 3.5 percent in 2015 and to further accelerate at 3.8 percent in 2016. The world economy started picking up by growth in advanced economies, including the US, the Euro area and also in some emerging economies. Growth in Japan has been boosted by a set of expansionary policy packages and it is expected to remain relatively stable in 2016. Growth prospects among emerging economies are mixed. China has been stabilized and growth is expected to be maintained at a pace of about 7 percent. China is the second largest economy in the world; many economies have taken direct and indirect benefits of its development and have risen in recent years with China's growth. China and Pakistan have made agreements to establish China Pakistan Economic Corridor between the two countries. The corridor will serve as a driver for connectivity between South Asia and East Asia. The trade in the world is expected to increase and Pakistan will take benefits through multiple dimensions.

US Economy is projected to see modest recovery in 2015 and also expected to sustain in 2016 with continuing improvement in labor market, consumer sector and business investment in projected year. Europe's economic recovery is forecasted to continue spreading and gaining strength gradually over 2015 and 2016. The euro area grew at 0.9 percent in 2014 and is projected to grow at 1.5 percent in 2015 and 1.6 percent in 2016. The recovery in Europe is projected to remain broad-based across EU member states as economic activities have started to build up in the vulnerable countries of the Euro-Area. Germany is expected to continue its recovery process mainly due to expansion in domestic demand and is forecasted to grow at 1.6 percent in 2015 and slightly improved at 1.7 percent in 2016. Economic recoveries in Netherlands and Italy are also expected to be driven by net exports, investment and better growth is also forecasted in the United Kingdom.

Middle East in previous years had benefited from the world's growth rates since the financial crisis of 2008. A further boost has been provided to some countries by significant investment in economic diversification. Particularly, Qatar's economy performed better with double-digit growth in most of the years, this improvement will continue as the country's hosting of the football world Cup may play the role to boost economic activities. Kuwait's economic recovery will continue, it grew at 1.3 percent in 2014 and forecasted to grow at 1.7 percent in 2015 and accelerate further at 1.8 percent in 2016. Saudi Arabia is expected to perform at stabilized growth rate and continue investment in economic diversification and infrastructure, Egyptian economy is also picking up as it grew at 2.2 percent in 2014 and expected to grow above 4 percent in coming year.

Hong Kong, Korea and Singapore are also picking up economic growth and expected to perform better in coming years. Developing countries need to continue the reform process to maintain the growing pace and to accelerate further. Growth momentum may derail if they slow down their reforms, investment in human capital, improvement in governance and technology up gradation. South Asian economies are also accelerating in coming years, economic performance of Pakistan is improving as it has maintained the growth momentum and achievements are broad based touching all sectors of the economy. The growth recorded for 2014-15 is 4.24 percent and will further accelerate in coming years as business climate is improving on fast track with better growth oriented policies of the government.

IMF has forecasted the better growth prospects for the African and South Asian countries for the year 2015 which will further accelerate in coming year. The country wise detail of projected GDP growth is presented in the Table 1.1. The improving performance of Europe is good for the world and it will also have better impact on the economy of Pakistan due to GSP plus status to Pakistan, which will certainly further enhance exports and the industrial performance of Pakistan as the country has a significant volume of trade with Euro area.

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

Region/Country	2009	2010	2011	2012	2013	2014	2015	2016(P)
World GDP	**0.0**	**5.4**	**4.2**	**3.4**	**3.4**	**3.4**	**3.5**	**3.8**
Euro Area	-4.5	2.0	1.6	-0.8	-0.5	0.9	1.5	1.6
United States	-2.8	2.5	1.6	2.3	2.2	2.4	3.1	3.1
Japan	-4.0	2.9	0.4	2.6	1.6	-0.1	1.0	1.2
Germany	-5.6	3.9	3.7	0.6	0.2	1.6	1.6	1.7
Canada	-2.7	3.4	3.0	1.9	2.0	2.5	2.2	2.0
Developing Countries	7.7	9.6	7.7	6.8	7.0	6.8	6.6	6.4
China	9.2	10.4	9.3	7.8	7.8	7.4	6.8	6.3
Hong Kong SAR	-2.5	6.8	4.8	1.7	2.9	2.3	2.8	3.1
Korea	0.7	6.5	3.7	2.3	3.0	3.3	3.3	3.5
Singapore	-0.6	15.2	6.2	3.4	4.4	2.9	3.0	3.0
Vietnam	5.4	6.4	6.2	5.2	5.4	6.0	6.0	5.8
	ASEAN							
Indonesia	4.7	6.4	6.2	6.0	5.6	5.0	5.2	5.5
Malaysia	-1.5	7.4	5.2	5.6	4.7	6.0	4.8	4.9
Thailand	-2.3	7.8	0.1	6.5	2.9	0.7	3.7	4.0
Philippines	1.1	7.6	3.7	6.8	7.2	6.1	6.7	6.3

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

Region/Country	2009	2010	2011	2012	2013	2014	2015	2016(P)
				South Asia				
India	8.5	10.3	6.6	5.1	6.9	7.2	7.5	7.5
Bangladesh	5.3	6.0	6.5	6.3	6.1	6.1	6.3	6.8
Sri Lanka	3.5	8.0	8.2	6.3	7.3	7.4	6.5	6.5
Pakistan*	**0.4**	**2.6**	**3.7**	**3.8**	**3.7**	**4.0**	**4.2**	**5.5**
				Middle East				
Saudi Arabia	1.8	4.8	10.0	5.4	2.7	3.6	3.0	2.7
Kuwait	-7.1	-2.4	9.6	6.6	1.5	1.3	1.7	1.8
Iran	2.3	6.6	3.7	-6.6	-1.9	3.0	0.6	1.3
Egypt	4.7	5.1	1.8	2.2	2.1	2.2	4.0	4.3
				Africa				
Algeria	1.6	3.6	2.8	3.3	2.8	4.1	2.6	3.9
Morocco	4.8	3.6	5.0	2.7	4.4	2.9	4.4	5.0
Tunisia	3.1	2.6	-1.9	3.7	2.3	2.3	3.0	3.8
Nigeria	9.0	10.0	4.9	4.3	5.4	6.3	4.8	5.0
Kenya	3.3	8.4	6.1	4.5	5.7	5.3	6.9	7.2
South Africa	-1.5	3.0	3.2	2.2	2.2	1.5	2.0	2.1

Source: World Economic Outlook (IMF), April 2015.
* : Finance Division, Government of Pakistan
P : Projected.

Pakistan is closely linked with rest of the world due to its strategic position and high external sector exposure. It is evident that global economy is picking up with projection to accelerate further in coming year; moreover, major trading partners of Pakistan are growing with better outlook, which will certainly have positive impact on the economy of Pakistan and provides an opportunity to uplift socio-economic condition of common man in the country.

Sectoral Analysis of Growth

Economy of Pakistan is characterized by diverse economy and broadly divided into three main sectors including agriculture, industry and services. Agriculture sector is further divided into four sub sectors including: crops (important crops, other crops and cotton ginning& misc.), livestock, forestry and fishing. Industry is also divided into mining and quarrying, manufacturing (large scale, small scale & slaughtering), electricity generation & distribution, gas distribution and construction. Services sector is divided into wholesale and retail trade, transport, storage & communication, finance and insurance, housing services, general government services and other private services. It is very important to study the performance of various sectors and subsectors of GDP to differentiate what is happening in various sub sectors and on the overall economic growth. The sectoral analysis provides useful understanding about performance of the economy as a whole as well as various segment of the economy and also identifies how various sectors are interrelated with each other and contribute in growth of the economy. The sectoral growth performance of GDP is presented below in Table-1.2.

Table 1.2: Growth Rate (%)

Sectors/Sub-Sectors	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 P
A. Agriculture	**1.8**	**3.5**	**0.2**	**2.0**	**3.6**	**2.7**	**2.7**	**2.9**
Crops	-1.0	5.2	-4.2	1.0	3.2	1.5	3.2	1.0
Important Crops	-4.1	8.4	-3.7	1.5	7.9	0.2	8.0	0.3
Other Crops	6.0	0.5	-7.2	2.3	-7.5	5.6	-5.4	1.1
Cotton Ginning	-7.0	1.3	7.3	-8.5	13.8	-2.9	-1.3	7.4
-Livestock	3.6	2.2	3.8	3.4	4.0	3.5	2.8	4.1
-Forestry	8.9	2.6	-0.1	4.8	1.8	6.6	-6.7	3.2
-Fishing	8.5	2.6	1.4	-15.2	3.8	0.7	1.0	5.8

Table 1.2: Growth Rate (%)								
Sectors/Sub-Sectors	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15 P**
B. Industrial Sector	**8.5**	**-5.2**	**3.4**	**4.5**	**2.6**	**0.6**	**4.5**	**3.6**
2. Mining & Quarrying	3.2	-2.5	2.8	-4.4	5.2	3.9	1.7	3.8
3. Manufacturing	6.1	-4.2	1.4	2.5	2.1	4.6	4.5	3.2
-Large Scale	6.1	-6.0	0.4	1.7	1.1	4.2	4.0	2.4
-Small Scale	8.3	8.6	8.5	8.5	8.4	8.3	8.3	8.2
-Slaughtering	3.3	3.8	3.2	3.7	3.5	3.6	3.4	3.3
Electricity Generation & Distribution & Gas Distt.	37.2	-12.1	16.7	63.9	1.4	-26.4	5.6	1.9
4. Construction	15.4	-9.9	8.3	-8.6	3.1	1.1	7.3	7.1
Commodity Producing Sector (A+B)	**5.1**	**-0.9**	**1.8**	**3.3**	**3.1**	**1.7**	**3.6**	**3.2**
Services Sector	**4.9**	**1.3**	**3.2**	**3.9**	**4.4**	**5.1**	**4.4**	**5.0**
7. Wholesale & Retail Trade	5.7	-3.0	1.8	2.1	1.7	3.5	4.0	3.4
6.Transport,Storage and Communication	5.5	5.0	3.0	2.4	4.6	4.0	4.6	4.2
8. Finance & Insurance	6.3	-9.6	-3.3	-4.2	1.6	8.3	4.2	6.2
Housing Services (Ownership of Dwellings	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
General Government Services	0.2	5.6	8.0	14.1	11.1	11.3	2.9	9.4
Other Private Services	5.4	6.5	5.8	6.6	6.4	5.3	6.3	5.9
GDP (fc)	**5.0**	**0.4**	**2.6**	**3.6**	**3.8**	**3.7**	**4.0**	**4.2**

Sources: Pakistan Bureau of Statistics
P: Provisional

Commodity Producing Sector

Commodity producing sector comprising agriculture and industry plays an important role in the economy. It has relatively stronger forward and backward linkages for economic wellbeing of the society and also key driver of progress in all macroeconomic indicators. The commodity producing sector accounted for 41.2 percent of GDP during the outgoing fiscal year as compared to 41.6 percent last year. Its contribution was 44.0 percent in GDP in fiscal year 2005-06, which is decreasing over time due to evolutionary stages of growth as the share of non-commodity producing sector has enhanced. The commodity producing sector has performed slight lower in outgoing fiscal year as compared to last year; it grew at 3.24 percent during outgoing year as compared to the growth of 3.55 percent last year. Main reasons are damages to major crops due to flood, energy crises, dharnas & agitation of political parties, and war against extremism also contributed in this regards.

Agriculture Sector

Pakistan is essentially an agriculture country and its economy largely depends on bumper harvest. The government is making efforts on multiple dimensions to improve the agricultural sector and bring it at par with the applications of modern techniques and scientific methods to improve the quality and quantity of the yield. Agriculture is performing a double role in Pakistan's development by feeding population and supporting economic growth by restricting imports of food items. On the other hand, agriculture is the major source of foreign exchange earnings for the country. It's a key sector of the economy as it also provides raw materials to main industrial units of the country and major share of our exports also come from agriculture. It accounts for 20.88 percent of GDP and 43.5 percent of employment; the sector has direct and indirect linkages with other sector of the economy and plays significant role in socio-economic development of the country. Government took various steps to increase agriculture produce like support price for production, significant increase in credit to agriculture sector, better arrangements for the provision of inputs like seed, fertilizers, insecticides and better arrangements for marketing but there is no doubt its performance is mostly weather dependent. Due to such characteristics of agriculture its performance remained volatile despite the supporting role of government. Although the province of Punjab was hard hit by the floods, which damaged infrastructure and crops in the province; in spite of this, performance of the agriculture sector in outgoing fiscal year improved as the sector grew at 2.9 percent as compared to 2.7 percent last year. There is a no doubt unfavorable weather conditions resulted in lower production of wheat, sugarcane and maize as compared to previous year. The agriculture sector has four sub sectors including: crops, livestock, fisheries and forestry.

Crops: The crops is most vibrant sub-sector of agriculture, it consist of 39.6 percent of agriculture and 8.3 percent of GDP. Crops grew at the rate of 1.00 percent in outgoing fiscal year as compared to 3.20 percent of last year. The performance of crops mainly depends on weather along with government steps and efforts of the farmers. This sub-sector is further divided into important crops, other crops and cotton ginning.

Important Crops: Important crops contribute 25.6 percent in agricultural value addition and its contribution in GDP is 5.3 percent. Important crops have 64.5 percent share in overall crops. This sub-sector has recorded a growth of 0.28 percent compared to a growth of 7.96 percent last year. The important crops include all major crops like wheat, maize, rice, sugarcane and cotton. The production of wheat declined by 1.93 percent as compared to increase of 7.3 percent last year. Production of sugarcane decline by 7.13 percent against the increase of 5.82 percent last year. Rice production increased by 3.05 percent as compared to 22.80 percent last year. The production of maize decreased by 5.04 percent as compared to 17.1 percent increase last year. Cotton production increased significantly at 9.50 percent as compared to decline of 2.01 percent last year. Main cause for the negative growth of wheat, maize and sugarcane remained less area under cultivation for the crops on account of farmers' preference to other cash crop for better price as well as unfavorable weather conditions and floods in growing areas of these crops.

Other Crops: Other crops having share of 11.1 percent to value addition in overall agriculture sector and contribute 2.3 percent in the GDP. This sub-sector grew by 1.09 percent against the decline of 5.38 percent last year. The mild growth of other crops is mainly due to extreme weather conditions and heavy rains/floods in crops areas which damaged production of cultivated crops. Among the other crops production of onion increased by 1.31 percent, gram increased by 21.26 percent, moong increased by 6.24 percent, chillies increased by 0.27 percent, water melon decreased by 3.17 percent, mash and masoor declined by 12.7 percent and 5.81 percent respectively. The production of potatoes increased by 6.31 percent, tomatoes, banana, kino, orange, apple, peaches, guava and tobacco maintained the production level of last year.

Cotton Ginning: Ginning is the primary mechanical process involved in the processing of cotton. Ginning is the procedure for separating lint from the seed to cotton. Cotton Ginning was included in agriculture sector after rebasing of National Accounts 2005-06; prior to this, it was a component of manufacturing sector. Cotton Ginning has a 7.4 percent share in crops sub-sector and 2.9 percent contribution in agriculture sector and 0.6 percent in GDP of the country. Cotton Ginning has witnessed a significant growth of 7.38 percent against the growth of -1.33 percent in the previous year. Better performance of cotton ginning is due to major improvement in the production of cotton as compared to last year.

Livestock: Food and Agriculture organization of the United States declared Pakistan's buffaloes as the best in the world and honoured this particular bread with the title of Black Gold of Asia in the year 1997. This title is still valid for Pakistan as we are the third largest milk Producer country in the world. Livestock share in the agriculture value added stood at 56.3 percent while it is contributing 11.8 percents to the GDP. The livestock sector is contributing significantly in poverty reduction strategies; this sector may be developed on fast track as all required inputs for this sector are available in sufficient quantity in the country. Livestock is relatively less volatile as compared to other subsectors of agriculture. It does not depend on heavy mechanical, energy and other developed infrastructure and being labour intensive and household nature contributing in socio-economic wellbeing of the rural population at large.

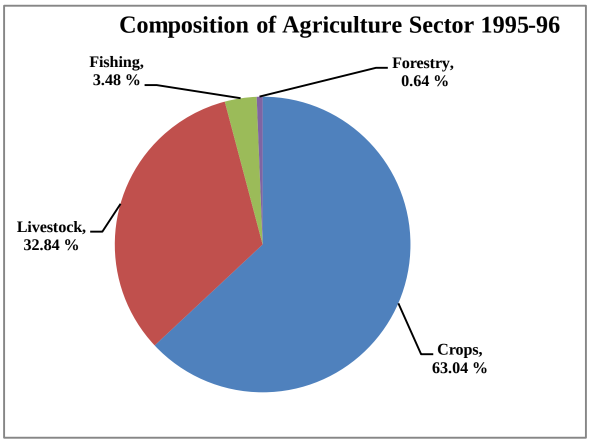
Livestock consist of cattle, buffalos, sheep, goat, camel, horses, asses, mules and poultry and their products. Scientific and technological advancements along with evolutionary stages of growth, the demand for livestock items has grown at an extraordinary pace. However, increasing trend in prices of livestock has provided incentive for greater production activities in this sub-sector. The importance of livestock may be recognized by the fact that the majority of people living in rural areas directly or indirectly depend on the livestock and dairy sector and is contributing in the wellbeing of small farmers and the landless rural poor.

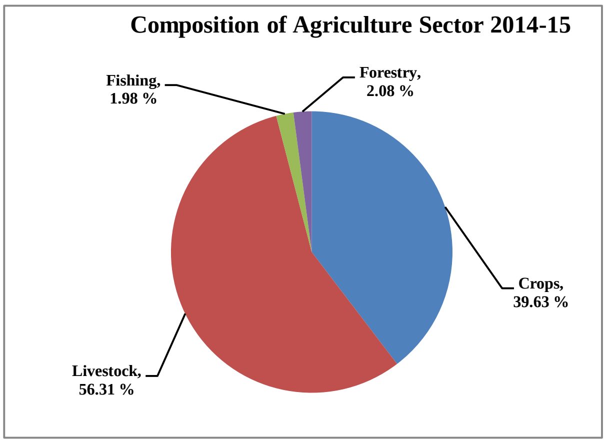
Livestock performed better in outgoing fiscal year as it recorded a growth of 4.12 percent as compared to 2.76 percent last year. The production of livestock products, milk, poultry products and other livestock items increased at the rate of 2.95 percent, 3.25 percent, 7.49 percent and 1.28 percent, respectively.

Forestry: Forests are recognized a key component of our safe and healthy environment and degradation of forests may create severe socio-economic challenges for the future generations. The contribution of this sub-sector in agriculture is 2.0 percent with main components of forestry, timber and fire wood. Growth of the forestry is registered at 3.15 percent as compared to -6.74 percent last year.

Fisheries: Fisheries sub-sector has 2.1 percent share in agriculture sector, it has recorded a growth of 5.75 percent against the growth of 0.98 percent last year. The sub-components of fisheries such as marine fishing and in-land fishing contributed to an overall increase in the value addition of this sub-sector. The Fig-2 provides variations in the composition of agriculture sector over the last two decades.

Fig-2: Composition of Agriculture Sector





Industrial Sector

Industrial sector play a significant role in uplifting the economy and to improve socio-economic condition of the people due to its multi-dimensional direct and indirect linkages, which spillovers benefits to non-industrial sectors of the economy. Industrial sector on one hand creates demand for agriculture produce by using it as raw materials and on the other hand provides latest machineries and equipments to modernize crop cultivation process and provides room to reinvest surplus and absorb surplus labor from the economy. Industrial sector also creates demand for various types of services and also provides appliances and other equipments to modernize the services sector. It is also a major source of tax revenues and also contributes significantly in the provision of job opportunities to skilled, semi skilled even unskilled labour. Present government initiated comprehensive policy measures for the revival of industrial sector on fast track. The industrial sector contributes 20.30 percent in GDP of the country and in outgoing year it grew at 3.62 percent as compared to 4.45 percent last year. Industrial sector in Pakistan has four sub-sectors including mining & quarrying, manufacturing, electricity generation & distribution and gas distribution and construction. Each sub-sector of the industrial sector has its own role and significance in the economy, performance of these subsectors are presented below.

Manufacturing Sector: Manufacturing is the most vital component of the industrial sector containing 65.4 percent contribution in the overall industrial sector and in GDP its share is 13.3 percent. Manufacturing sector has been suffered by domestic and external factors like power crises, unstable law and order situation, campaign against extremism during last few years. Due to these factors this sector could not operate at its optimal level of installed capacity. Present government in recent years took proactive policy measures and continued implementation on fast track to facilitate revival of manufacturing sector which has started picking up with broad base since last year. Manufacturing sector recorded growth at 3.17 percent in outgoing fiscal year as compared to 4.46 percent last year.

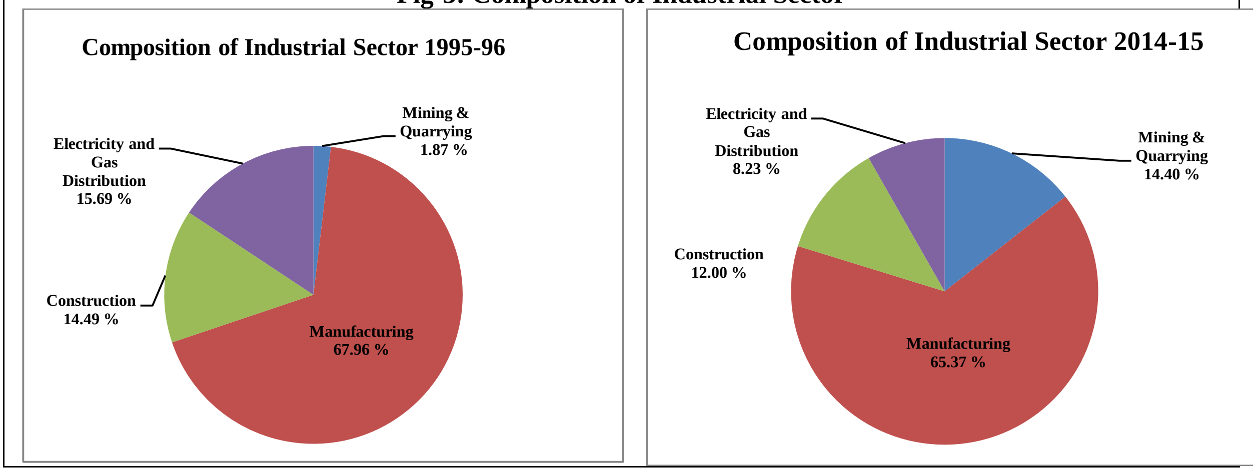
Manufacturing contains three sub-components including large-scale manufacturing (LSM) with the share of 80.0 percent in manufacturing and 52.3 percent in industrial sector, small scale manufacturing with the share of 13.0 percent in manufacturing and 8.5 percent in industrial sector as a whole and Slaughtering having share of 7.0 in manufacturing and 4.6 in industry. Small scale manufacturing recorded growth of 8.24 percent in outgoing year against the growth of 8.29 percent last year and slaughtering registered growth at 3.32 percent as compared to 3.40 percent last year. LSM has recorded a growth of 2.38 percent against the 3.99 percent last year. LSM performance remained low as compared to last year because gas companies could not provide gas to fertilizer plants and sugar crushing also delayed in Sindh and lower sugarcane production in Punjab due to floods and switching of farmers to other crops. However, LSM performance will improve in coming month due to better policy measures of the government, the main components of LSM industries which witnessed impressive growth during July-March 2014-15 include: Iron and Steel Products 35.63 percent (as compared to 3.38 percent last year), Automobiles 17.02 percent (as compared to 0.35 percent last year), Leather Products 9.62 percent (as compared to 12.70 percent last year), Electronics 8.21 percent (as compared to 7.02 percent last year), Pharmaceuticals 6.38 percent (as compared to -0.37 percent last year), Chemicals 5.94 percent (as compared to 6.74 percent last year), Non Metallic mineral products 2.56 percent (as compared to 0.19 percent last year), Coke & Petroleum Products 4.73 percent (as compared to 7.49 percent last year), Fertilizers 0.95 percent (as compared to 21.64 percent last year) and Textile 0.50 percent (as compared to 1.45 percent last year). The sub sectors recorded negative growth during the period July-March 2014-15 over corresponding period of last year includes Wood Product declined by 78.46 percent (-8.91 percent last year), Engineering Products declined by 10.68 percent (-20.15 percent last year), Paper and Board declined by 7.26 percent (9.3 percent last year), Food Beverage and Tobacco declined by 1.03 percent (8.24 percent last year) and Rubber products declined by 0.56 percent (9.41 percent last year).

Construction Sector: The contribution of construction in industrial sector is 12.0 percent and in GDP it contributes 2.4 percent and provides employment opportunities to 7.33 percent of labor force. This sub-sector is considered one of the potential components of industries. The construction sector has recorded a growth of 7.05 percent against the growth of 7.25 percent last year. The seven plus growth in this sub-sector is due to rapid execution of work on various projects, increased investment in small scale construction and rapid implementation of development schemes and other projects of federal and provincial governments although some plans/ works delayed due to dharnas and political issues in the country.

Mining and Quarrying: Pakistan has abundance of economically exploitable reserves of coal, rock salt, limestone and onyx marble, china clay, dolomite, fire clay, gypsum, silica sand and granite, as well as precious and semi-precious stones. This sub-sector contains 14.4 percent share of the industrial sector and contribute 2.9 percent in GDP of the country. Mining and quarrying has recorded a growth of 3.84 percent against the growth of 1.65 percent last year. The output of Chromite, Coal, Lime Stone, Crude Oil, Copper, and Soap Stone posted a positive growth of 3.6 percent, 4.1 percent, 3.7 percent, 14.0 percent, 0.9 percent, and 41.7 percent respectively. However some witnessed negative growth during the period under review such as the growth of Sulphur declined by 42.1 percent, followed by Barytes 0.3 percent, Rock Salt 1.4 percent, Dolomite 46.9 percent, Magnesite 7.4, Bauxite 25.7 percent, N.Gas 2.3 percent and Phosphate 47.8 percent, respectively.

Electricity generation & distribution and Gas Distribution: This sub-sector of industry plays most important role in development of the country and also directly and indirectly contributes in growth of all sectors of the economy. Its share in industrial sector is 8.2 percent and contribution in the GDP is 1.7 percent. This sub-sector has recorded a growth of 1.94 percent in outgoing year as compared to 5.57 percent last year. The output of electricity of the WAPDA component recorded 7.04 percent growth as compared to 3.67 percent last year, whereas KESC registered a negative growth of 19.99 percent as compared to negative growth of 6.92 percent growth last year. Fig-3 provides an overview of evolutionary process within industrial sector over the last two decades.

Fig-3: Composition of Industrial Sector



Services Sector:

The services sector has been growing at a much faster rate than commodity producing sector of the economy for quite some times. It has maintained the same trend in fiscal year 2014-15 and grew at 4.95 percent against the commodity producing sector growth of 3.24 percent. Services sector has emerged as the most significant driver of economic growth and contributing a major role in augmenting and sustaining economic growth in Pakistan. The contribution of the services sector has increased from 56.0 percent of GDP in 2008-09 to 58.8 percent in 2014-15. This sector of the economy has a enormous potential to grow at much higher rate and government is trying to tap this potential by providing an enabling environment. Services sector contains six sub-sectors including: Transport, Storage and Communication; Wholesale and Retail Trade; Finance and Insurance; Housing Services (Ownership of Dwellings); General Government Services (Public Administration and Defense); and Other Private Services (Social Services).

Services sector has recorded a growth of 4.95 percent in outgoing fiscal year as compared to 4.37 percent last year. The growth performance of services sector is broad based, all components of services contributed positively in growth as Wholesale and Retail Trade grew at 3.38 percent, Transport, Storage and Communication at 4.21percent, Finance and Insurance at 6.18 percent, Housing Services at 4.0 percent, General Government Services at 9.44 percent and Other Private Services at 5.94 percent.

Wholesale and Retail Trade Sector: Wholesale and retail trade having 18.3 percent share in GDP and is also the largest subsector of the services, with the contribution of 31.0 percent in the services. The wholesale and retail trade is based on the margins taken by traders on the transaction of commodities traded. It is dependent on agriculture and industrial sectors output and imports. This sub-sector registered a growth of 3.38 percent as compared to 3.98 percent last year. This sub-sector has great potential of growth, its performance will improve in coming years as energy and law and order situation are improving and more enabling environment is being provided.

Transport, Storage and Communication: This sub-sector of services is playing major role in boosting the business environment in the country. The value added in this sub sector is based primarily on the profits and losses of Pakistan Railways, Pakistan International Airlines and other airlines, Pakistan posts and courier services, Pak telecom and motor vehicles of different kinds on the road. This subsector has a contribution of 13.4 percent in the GDP and a share of 22.7 percent in services sector, but directly and indirectly contributes in the growth of all sectors of the economy. The TS&C sub-sector registered a growth of 4.21 percent as compared to 4.56 percent last year. Railways have maintained an impressive growth of 121.53 percent against the growth of 233.31 percent last year. This continuous impressive performance of Railways is the reflection that government is working in right direction to turn around the economy. Air transport also registered significant growth of 27.35 percent as compared to 12.67 percent last year and pipeline transport, water transport and communication declined by 7.92 percent, 4.05 percent and 0.04 percent respectively. Road transport and storage grew at 3.75 percent and 3.24 percent against the growth of 3.67 percent and 3.88 percent last year, respectively.

Finance and Insurance: This sub-sector contributes 5.3 percent in services sector and its share in GDP is 3.1 percent in outgoing fiscal year. This sub-sector comprises the State Bank of Pakistan; all scheduled banks (domestic and foreign), Development Financial Institutions (DFIs), all insurance (life and general) companies, Modaraba/Leasing companies, Money Changers and stock exchange brokers. The financial sub-sector consists of all resident corporations principally engaged in financial intermediations or in auxiliary financial activities related to financial intermediation. Finance and insurance grew at 6.18 percent as compared to 4.18 percent last year. This better performance of finance and insurance sector is contributed by central bank at 1.81 percent, banks (scheduled & non-scheduled) at 6.38 percent and financial leasing by 3.81percent. Insurance, reinsurance and pension funding component recorded the growth of 4.04 percent where as other credit granting declined by 1.03 percent. Outlook suggest that borrowing requirement of government will further decline in coming months and lending to private sector will increase, which suggest growth of this sub-sector will increase.

General Government Services: General government contributes 12.7 percent in services sector and its share in GDP is reported 7.4 percent in outgoing fiscal year. General Government Services (Public Administration and Defense) recorded a growth of 9.44 percent as compared to 2.86 percent last year. It is driven by increase in salaries and lower inflation.

Housing Services: Housing Services (Ownership of Dwellings) contributes 11.5 percent in services sector and its share in GDP is 6.8 percent during the outgoing fiscal year. This sub-sector has recorded the growth of 4.0 percent in fiscal year 2014-15.

Other Private Services (Social Services): Other private services have a share of 16.8 percent in services sector and its contribution in GDP is reported 9.9 percent in outgoing fiscal year. This sub-sector recorded a growth of 5.94 percent as compared to 6.32 percent last year. Growth in the other private services is mainly the outcome of the plans of the government, and other stakeholders including private sector and various non-government organizations and rehabilitation of rains and flood affected areas of the country.

Contribution to Real GDP Growth

(Production Approach)

The outgoing fiscal year also maintained the previous trend of last years that the contribution to economic growth is dominated by the services sector and the commodity producing sector also remained supporting to overall growth. The commodity producing sector contributed 31.84 percent to overall economic growth, out of which agriculture contributed 14.39 percent and the industry 17.45 percent. The services sector performance remained dominant as it shared the major chunk of 68.16 percent to the overall economic growth.

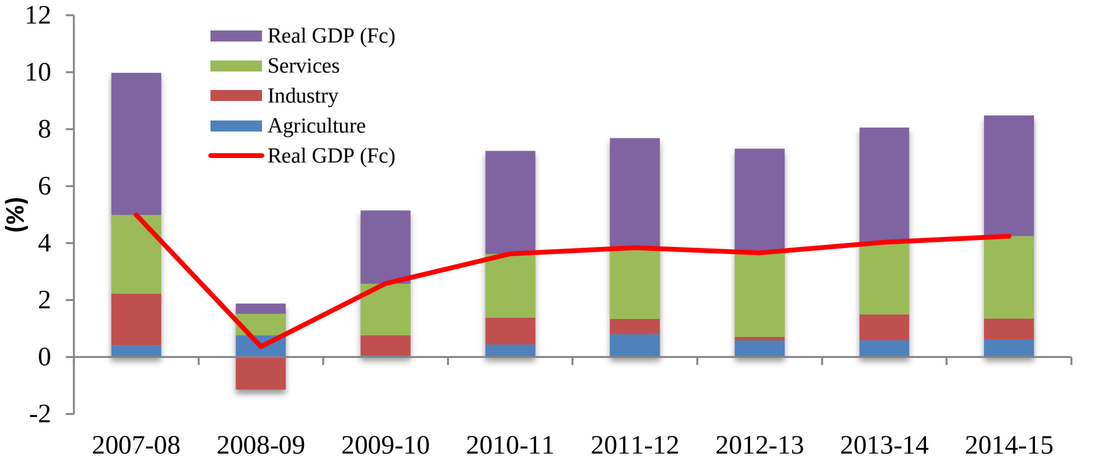
Overall growth of 4.24 percent is shared between the Commodity producing and Services sectors of the economy. Within the commodity producing sector, agriculture sector shared 0.61 percentage points to overall GDP growth as compared to 0.58 percentage points last year, while industry component contributed 0.74 percentage points as compared to 0.91 percentage points previous year, which is an indicator that industrial sector is contributing relatively more as compared to agriculture sector in overall growth. Services sector contributed most dominantly 2.89 percentage points as compared to 2.54 percentage in last year. The sectoral point contribution to the GDP growth is presented in Table-1.3.

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

Sector	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 P
Agriculture	**0.41**	**0.76**	**0.05**	**0.43**	**0.79**	**0.58**	**0.58**	**0.61**
Industry	**1.81**	**-1.15**	**0.71**	**0.95**	**0.54**	**0.13**	**0.91**	**0.74**
- Manufacturing	0.87	-0.60	0.19	0.34	0.28	0.61	0.60	0.43
Services	**2.77**	**0.75**	**1.81**	**2.24**	**2.51**	**2.95**	**2.54**	**2.89**
Real GDP (Fc)	**4.99**	**0.36**	**2.58**	**3.62**	**3.84**	**3.65**	**4.03**	**4.24**

Source: Pakistan Bureau of Statistics

Fig-4: Sectoral Contribution to the GDP growth (% Points)



Contribution to Real GDP Growth

(Aggregate Demand Side Analysis)

In the analysis of aggregate demand consumption, investment and exports are considered main drivers of economic growth. Consumption is recognized the largest and relatively smooth component of aggregate demand, other two components investment and exports are small and volatile as compared to consumption. In all economies of the world output is the sum of consumption (both private and public), investment (public and private) and net exports of goods and services. Pakistani society like most developing countries is a consumption oriented society, having high marginal propensity to consume; as a result private consumption is the major sub-component of aggregate demand.

Demand side provides more comprehensive and insight analysis of growth drivers including consumption, investment and exports. The private consumption expenditure in nominal terms reached to 79.20 percent of GDP in outgoing fiscal year as compared to 80.66 percent of GDP last year, whereas public consumption expenditures are 11.84 percent of GDP as compared to 10.81 percent last year. Total consumption expenditures have reached to 91.04 percent of GDP in outgoing fiscal year as compared to 91.46 percent last fiscal year. The same trend is observed in data analysis in the real terms. Total consumption has declined 0.42 percent of GDP, private consumption decreased by 1.46 percent of GDP, as it declined from 80.66 percent of GDP to 79.20 percent of GDP. While public consumption increased by 1.03 percent of GDP as it increased from 10.81 percent of GDP to 11.84 percent of GDP.

Economic growth in fiscal year 2014-15 maintained the trend of previous years and largely contributed by the private consumption on account of sustained growth in remittances, increase in rural income due to higher production of crops, better growth in small scale manufacturing and services. Consumption contributed 4.50 percentage points to overall economic growth, while the investment contributed 1.17 percentage points, and net exports contributed -0.13 percentage points. A positive aspect is that point contribution of investment is increasing relatively more in the overall growth. A number of factors like recovery in global business, improving energy supply and improving law and order situation along with other proactive government measures have contributed in this improvement. The contribution of net exports has been negative due to higher imports growth. On the positive note, it is observed that imports of machineries have increased which will increase productive capacity of the economy and boost economic growth in coming years. Domestic demand continued most significant driving force for economic growth just like previous years with major contribution from private consumption for sustaining aggregate demand. The point contribution to GDP growth is presented here in the Table-1.4.

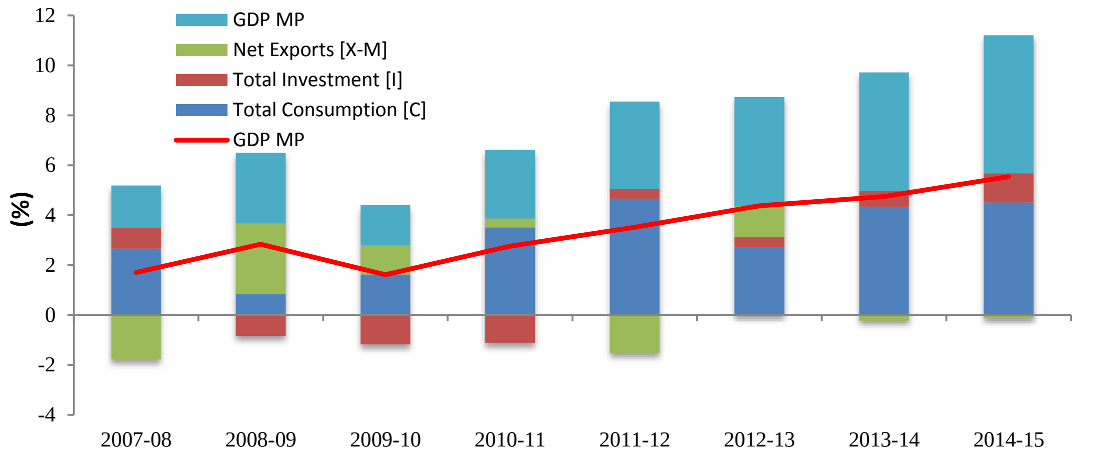
Table-1.4: Composition of GDP Growth

Point Contribution

Flows	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15 P**
Private Consumption	2.75	-0.38	1.68	3.51	3.92	1.66	4.17	2.80
Public Consumption	-0.09	1.21	-0.06	0.00	0.74	1.05	0.16	1.70
Total Consumption [C]	**2.66**	**0.84**	**1.62**	**3.51**	**4.66**	**2.71**	**4.34**	**4.50**
Gross Fixed Investment	0.79	-0.88	-1.21	-1.16	0.33	0.34	0.55	1.08
Change in Stocks	0.03	0.05	0.03	0.04	0.06	0.07	0.08	0.09
Total Investment [I]	**0.82**	**-0.84**	**-1.18**	**-1.11**	**0.38**	**0.41**	**0.63**	**1.17**
Exports (Goods & Serv.) [X]	-0.62	-0.43	1.90	0.33	-2.05	1.53	-0.20	-0.30
Imports (Goods & Serv.) [M]	1.16	-3.26	0.73	-0.02	-0.52	0.28	0.03	-0.17
Net Exports [X-M]	**-1.78**	**2.83**	**1.17**	**0.35**	**-1.54**	**1.24**	**-0.23**	**-0.13**
Aggregate Demand (C+I+X)	**2.86**	**-0.43**	**2.34**	**2.73**	**2.99**	**4.65**	**4.77**	**5.37**
Domestic Demand (C+I)	**3.48**	**0.00**	**0.44**	**2.40**	**5.04**	**3.12**	**4.97**	**5.67**
GDP MP	**1.70**	**2.83**	**1.61**	**2.75**	**3.51**	**4.37**	**4.74**	**5.54**

Source: Pakistan Bureau of Statistics

Fig-5: Sectoral Contribution to the GDP growth (% Points)



Composition of Gross Domestic Product

Pakistan's economy is passing through evolutionary stages of growth like other developing economies, its GDP structure has undergone considerable changes during last few decades. Various government's plans and policy measures along with scientific and technological developments have played their role in picking up all sectors of the economy. Like other countries of the world, manufacturing and services sectors in Pakistan grew at fast track and got relatively more benefits as compared to agriculture because agriculture sector has some structural, social and cultural obstacles along with weather dependence due to which its performance remained volatile and inconsistent. Composition of the economy has changed over time, the agriculture was the largest commodity producing sector with 34.4 percent share in GDP in FY 1975, which has come down to 20.9 percent indicating that the share of the agriculture has been declining over time against the non-agriculture sector. The share of services sector has increased to 58.8 percent in FY 2014-15 as compared to 44.5 percent in FY 1974-75 showing an increase in the services sector in the GDP over time. The share of all sectors and associated sub-sectors of GDP in recent years is presented in Table-1.5.

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

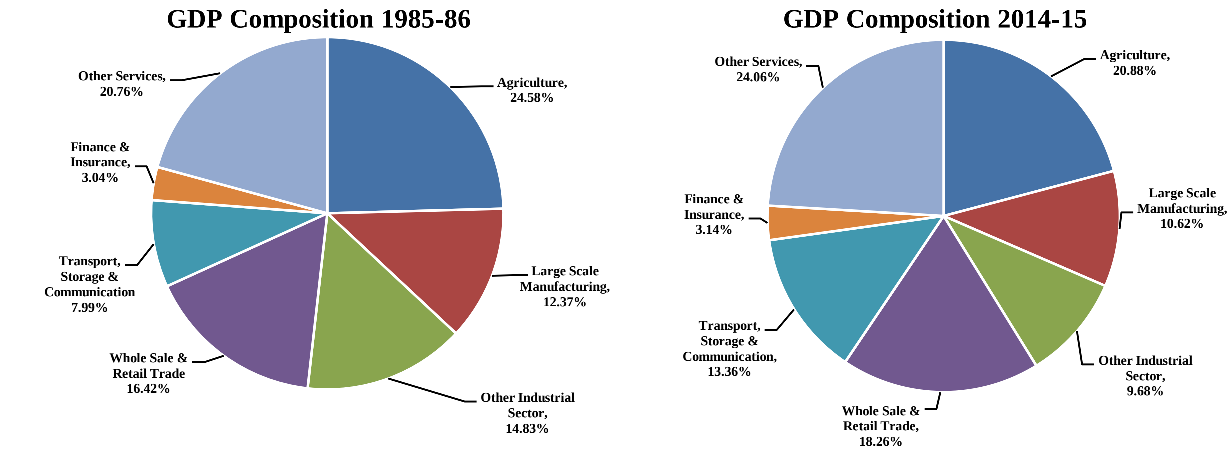
Sectors/Sub-Sectors	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 P
Commodity Producing Sector (A+B)	**44.0**	**43.4**	**43.1**	**42.9**	**42.6**	**41.8**	**41.6**	**41.2**
Agriculture	**21.9**	**22.5**	**22.0**	**21.7**	**21.6**	**21.4**	**21.2**	**20.9**
1. Crops	9.3	9.7	9.1	8.8	8.8	8.6	8.5	8.3
Important Crops	5.4	5.8	5.4	5.3	5.5	5.4	5.6	5.3
Other Crops	3.2	3.3	2.9	2.9	2.6	2.6	2.4	2.3
Cotton Ginning	0.7	0.7	0.7	0.6	0.7	0.6	0.6	0.6
2. –Livestock	11.6	11.8	11.9	11.9	11.9	11.9	11.8	11.8
3. –Forestry	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4
4. –Fishing	0.6	0.6	0.6	0.5	0.5	0.4	0.4	0.4
B. Industrial Sector	**22.1**	**20.9**	**21.0**	**21.2**	**21.0**	**20.3**	**20.4**	**20.3**
1. Mining & Quarrying	3.3	3.2	3.2	3.0	3.0	3.0	2.9	2.9
2. Manufacturing	14.4	13.8	13.6	13.4	13.2	13.4	13.4	13.3
-Large Scale	12.3	11.5	11.3	11.0	10.8	10.8	10.8	10.6
-Small Scale	1.2	1.3	1.4	1.5	1.5	1.6	1.7	1.7
-Slaughtering	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
3. Electricity Generation & Distribution & Gas Distt	1.5	1.3	1.5	2.4	2.4	1.7	1.7	1.7
4. Construction	2.8	2.5	2.7	2.4	2.4	2.3	2.4	2.4
C. Services Sector	**56.0**	**56.6**	**56.9**	**57.1**	**57.4**	**58.2**	**58.4**	**58.8**
1. Wholesale & Retail Trade	19.9	19.3	19.1	18.8	18.4	18.4	18.4	18.3
2.Transport,Storage and Communication	12.7	13.3	13.3	13.1	13.2	13.3	13.4	13.4
3. Finance & Insurance	3.8	3.5	3.3	3.0	2.9	3.1	3.1	3.1
4.Housing Services (Ownership of Dwellings	6.4	6.6	6.7	6.7	6.7	6.8	6.8	6.8
5. General Government Services	5.1	5.4	5.7	6.2	6.7	7.2	7.1	7.4
6. Other Private Services	8.1	8.6	8.9	9.1	9.4	9.5	9.7	9.9
GDP (fc)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100

Source: Pakistan Bureau of Statistics

The following Fig-6 shows the structural shift in the economy. During the last 20 years the sectoral share of the agriculture sector has declined from 24.58 percent to 20.88 percent. The sectoral share of the large scale manufacturing sector also decreased from 12.37

percent to 10.62 percent and the share of other industries has declined from 14.83 percent to 9.68 percent of the GDP over the last 20 years. Whereas the share of the various components of services sector has increased over the last two decades. The below figure indicates that structural transformation has turned the economy with major shares of services components over time as compared to commodity producing sectors, which is logical outcome of the process of economic growth.

Fig-6: GDP Composition

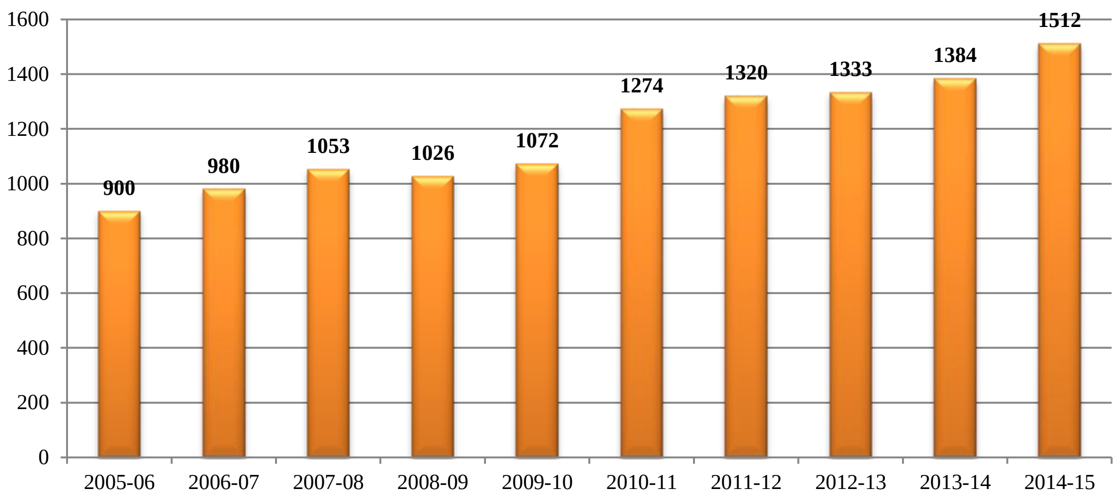


Per Capita Income:

Per capita income is an important economic indicator which is mostly used to measure economic development of the country and also make comparison of well-being among various countries of the world. Per capita income provides simple reflection of the average standards of living of the people in a country. Per capita income is defined as Gross National Product at market prices in dollar term divided by the country's population. Per Capita Income in dollar terms has registered a significant growth of 9.25 percent in 2014-15 as compared to 3.83 percent last year.

The per capita income in dollar terms has increased from $ 1,384 in 2013-14 to $ 1,512 in 2014-15. The main contributing factors, of this rapid increase in per capita income include acceleration in real GDP growth, relatively lower growth in population and the consistent appreciation of Pak Rupee. Fig-7 shows the improvement in per capita income during the last ten years.

Fig-7: Per Capita Income ($)



Investment and Savings

It is evident that Pakistan is highly suitable for all types of business because it is blessed with varying terrains ranging from snow covered peaks, fiery deserts, fertile mountain valleys and irrigated plains along with enjoyment of all the four seasons. Present government is well aware with needs of the Foreign Investors and very much supportive to investors and welcomes foreign investors with comprehensive and most friendly investment policy and regulatory framework. There are many sectors in which profitable ventures can be pursued. Hence, Pakistan has the essentials for investment attraction and investors are trying to hold these opportunities.

Internal and external factors had affected the investment during last few years; now situation has improved and macroeconomic environment has become more friendly for investment due to better policies of the government. Investment indicators in outgoing years have also recorded improvement over the previous years. Total investment has reached to 15.12 percent of GDP as compared to 14.98 percent of GDP last years, while fixed investment is at 13.52 percent of GDP against the 13.38 percent of GDP last year. Private investment is recorded at 9.66 percent of GDP as compared to 10.03 percent of GDP last year. Total Investment which was recorded at Rs. 3,756 billion in 2013-14 increased to Rs. 4,140 billion for 2014-15. It is an evident that total investment recorded a growth of 10.21 percent in outgoing fiscal year, which is an indicator that investment activities are taking place on fast track and confidence of investors is improving due to government policies. Public investment has registered an impressive growth of 25.56 percent as compared to the growth 6.82 percent last year which is an indicator that government expenditure strategy is development oriented. Certainly, it will encourage private sector to invest more to reap benefits in the economy. It generates spillover effects for private sector investment because private sector development is facilitated through public sector development spending particularly on infrastructure. Public Sector Investment which was recorded at Rs. 842 billion in 2013-14 is reported at Rs. 1,057 billion in 2014-15. This huge increase reflected that Public investment as a percent of GDP increased to 3.86 percent against 3.36 percent last year. Present government has launched a number of initiatives to create enabling environment in the country including steps to improve energy situation, law and order, auction of 3G and 4G licenses, and other investment incentives to create an enabling environment for revival of the confidence of investors and other economic agents.

Saving is a major determinant of attaining higher level of investment and economic growth. Higher saving provides more funds to carry on investment activities and consequently bring higher and sustainable growth in the economy. Household savings are considered the largest component of national savings in most countries. Domestic savings contribute a dominant role in increasing investment and economic growth of the country. Economic growth depends on investment which can be financed through domestic savings or from foreign capital inflows. Higher investment financed by domestic savings is necessary to ensure sustained economic growth which also helps to alleviate poverty in developing countries on permanent basis.

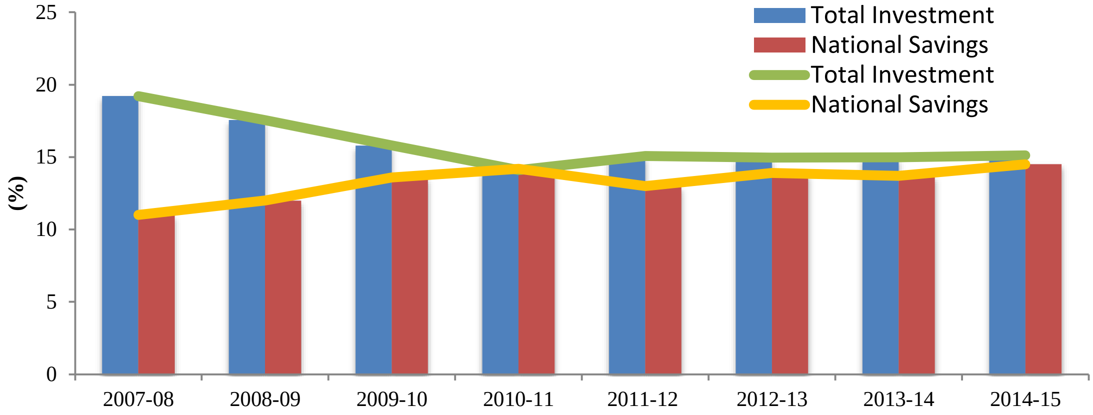
National savings are very much important to maintain higher level of investment which is a key determinant of economic growth. Contribution of national savings to domestic investment is indirectly the mirror image of foreign savings required to meet the investment demand. The foreign savings are needed to finance saving investment gap, reflects the current account deficit in the balance of payments. National savings are witnessed at 14.5 percent of GDP in outgoing fiscal year against 13.7 percent last year. Domestic savings are recorded at 8.4 percent of GDP in 2014-15 as compared to 8.0 percent of GDP in last year. Net foreign resource inflows are financing the saving investment gap. There are two options for improving the savings investment gap. One is through increasing savings and the other is through declining investment. Government is trying to gear up both savings and investment to increase resource availability for attaining required growth to absorb surplus labor force of the country. Table 1.6 shows saving and investment as percentage of GDP and Fig-8 indicates saving investment gap. Private investment recorded in last year was Rs. 2,513 billion and it expanded to Rs. 2,645 billion for the fiscal year 2014-15. This increase in private investment is the reflection that private investors are showing confidence on government policies and situation is improving, which will further encourage economic agents to take maximum benefits from emerging opportunities in the country.

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

Description	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 P
Total Investment	**19.21**	**17.55**	**15.80**	**14.11**	**15.08**	**14.96**	**14.98**	**15.12**
Changes in Stock	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Gross Fixed Investment	**17.61**	**15.9**	**14.20**	**12.51**	**13.48**	**13.36**	**13.38**	**13.52**
-Public Investment	4.8	4.3	3.7	3.2	3.75	3.52	3.36	3.86
-Private Investment	12.8	11.7	10.5	9.3	9.73	9.84	10.03	9.66
Foreign Savings	8.16	5.51	2.22	-0.10	2.07	1.08	1.28	0.60
National Savings	**11.0**	**12.0**	**13.6**	**14.2**	**13.00**	**13.9**	**13.7**	**14.5**
Domestic Savings	9.1	9.4	9.8	9.7	7.84	8.7	8.0	8.4

Source: EA Wing Calculations
P: Provisional

Fig-8: Sectoral Contribution to the GDP growth (% Points)



Foreign Direct Investment

The global integration of economies have forced developing countries to adopt liberalized policies to attraction foreign direct investment and to meet global competitiveness effectively and efficiently, creation of Special Economic Zones have also gained momentum. Investors tend to invest in countries and projects where they expect the highest returns and the lowest risks relative to alternative investment opportunities. Pakistan has a great potential of highest return to attract foreign investment due to abundant resources, large market and better geographical location relative to other countries.

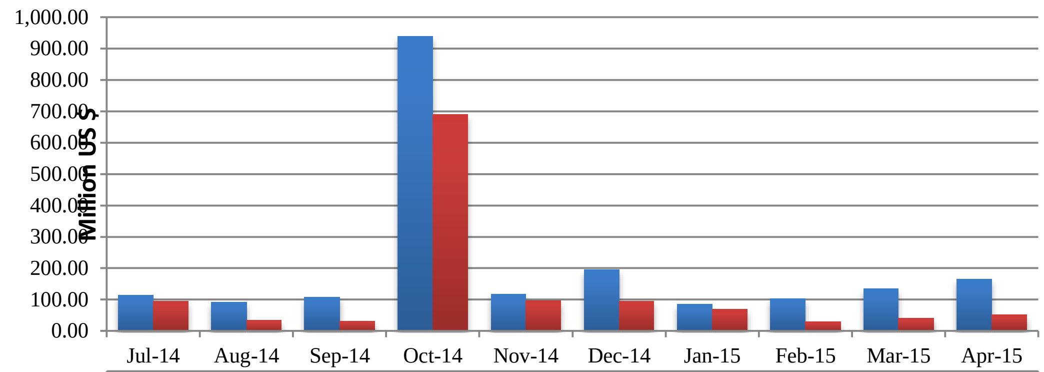
Board of Investment (BOI) under Prime Minister Office is taking policy measures to provide more investment friendly environment to investors. BOI's mandate covers both domestic and foreign private investment. The FDI Strategy sets out roadmap to promote FDI and proposes broadly defined action programs for attracting FDI into Pakistan. To maximize the contributions of FDI to Pakistan's economic development, this FDI Strategy furthermore envisages special programs to promote the linkages between domestically and foreign-owned private enterprises, such as local supplier, sub-contractor or joint venture programs.

Number of factors like long march/dharna, energy shortages, and war against extremism remained obstacles in attracting FDI against potential of the country. Now situation is improving as the present government has launched comprehensive plan to create investment friendly environment & to attract foreign investors in the country. Consequently, revival of investor's confidence has been captured in better returns on investment in the Karachi stock market. The market continued its upward trend reaching to all time high. KSE 100 witnessed its highest level in the history and presently it is trading above 32,500. In terms of market capitalization, it improved from 51.3 billion in 11th, May 2013 to $69.32 billion by 26th May, 2015.

The investment policy has been designed to provide a comprehensive framework for creating a conducive business environment for the attraction of FDI. In Pakistan the policy trends have been consistent with liberalization, de-regulation, Privatization and facilitation being its forecast cornerstones.

During July-April FY 15 FDI inflows posted a growth of 10.2 percent and reached to $2,057.3 million against $1,866.3 million in the same period of FY 14. During July-April FY 15 foreign private investment increased to $1,666.2 million against $1,050.3 million in the same period of FY14, thus showing a sign of restoring investor's confidence which has set back due to dharnas in first quarter of FY15. The major FDI inflows are from China, US, UAE, UK & Italy. Communications, oil & gas exploration, financial business, power and chemicals remained the main recipient of sectors of FDI. FDI inflows and outflows are presented during the outgoing fiscal year in below Fig-9.

Fig-9: Foreign Direct Investment



	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
FDI Inflow	113.60	92.00	108.80	938.80	118.10	195.60	85.90	103.50	135.00	166.00
FDI Outflow	95.20	33.90	31.90	690.00	97.50	94.20	69.60	28.60	40.30	51.20

Workers' Remittances

Remittances have been recognized as a key source of external resource inflows for developing countries, and have surged over the last few decades. World Bank's Migration and Remittances report 2015 mentioned that Remittance flows to developing countries are estimated to have reached $436 billion in 2014, an increase of 4.4 percent over a year ago. Flows to developing countries are projected to slow down to 0.9 percent growth in 2015, owing to a weak economic outlook in remittance source countries in Europe and Russia. Flows are expected to accelerate in 2016, and to reach $479 billion by 2017 in line with the more positive global economic outlook. Remittances remain a key source of funds for developing countries, far exceeding official development assistance and even foreign direct investment.

The fall in oil prices does not appear to have reduced remittances from Gulf Cooperation Council (GCC) members, especially to India, Bangladesh, Nepal, Pakistan, and several countries in the Middle East and North Africa. The substantial financial resources and long-term infrastructure development plans of the GCC countries imply that they will continue to demand migrant workers.

Remittances to South Asia rose by 4.5 percent in 2014, driven by sharp increases in remittances to Bangladesh, Pakistan, and Sri Lanka. Remittances to South Asian Region (SAR) are estimated to have risen by 4.5 percent in 2014, compared to 2.5 percent in 2013, reflecting soaring remittances to Pakistan (16.6 percent increase), and to a lesser extent, Sri Lanka (9.6 percent) and Bangladesh (8 percent). Pakistan's healthy remittance growth helped insulate the economy from external vulnerabilities.

Remittances to South Asia grew despite concerns that lower oil prices might dampen remittance flows from the GCC countries. This may reflect the concentration of migrant workers in the construction and services sectors, which are relatively less affected by falling oil prices. Remittance growth in South Asian Region is projected to remain flat at 3.7 percent in 2015, supported by large scale construction activities (including preparations for the 2022 FIFA World Cup in Qatar) and fiscal expansion in GCC countries, and improving economic prospects in the United States.

Government of Pakistan's program Pakistan Remittances Initiative has also played a significant role to encourage inflows from Pakistani Diaspora. Under the program flow of remittances is free of cost, documented, secure and efficient. SBP is making best efforts to bring additional remittances through PRI scheme through continuous improvement in payment system, infrastructure, tapping Pakistani Diaspora as well as strengthening PRI core team. The impacts of government's efforts are realized to explore new markets to export its manpower as well as incentives for the inflow of remittances to promote its growth. Increase in remittances is largely result of the higher demand of Pakistani workers in rest of the world due to worldwide acknowledgement of the skill, honesty and practical wisdom. Country wise overview of remittances is presented in Table 1.7.

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

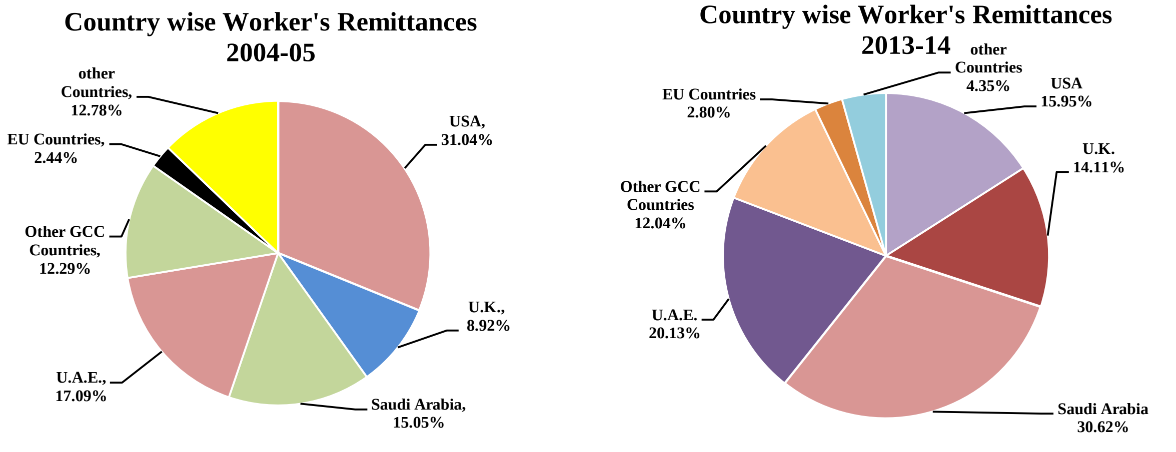
Country	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 July-April*
USA	1,762.03	1,735.87	1,771.19	2,068.67	2,334.47	2,186.24	2467.65	2,105.49
U.K.	458.87	605.59	876.38	1,199.67	1,521.10	1,946.01	2180.23	1,845.30
Saudi Arabia	1,251.32	1,559.56	1,917.66	2,670.07	3,687.00	4,104.73	4729.43	4,565.42
U.A.E.	1,090.30	1,688.59	2,038.52	2,597.74	28,48.86	2,750.17	3109.52	3,384.30
Other GCC Countries	983.39	1,202.65	1,237.86	1,306.18	1,495.00	1,607.88	1860.03	1,751.22
EU Countries	176.64	247.66	252.21	354.76	364.79	357.37	431.85	298.89
Other Countries	728.68	771.51	812.08	1003.88	935.40	969.26	1059.00	1,019.04
Total	6,451.24	7,811.43	8,905.90	11,200.97	13,186.62	13,921.66	15837.71	14,969.66

Source: SBP

* : Provisional

There is a continuous increase in Workers' Remittances, which is an indicator that they are playing significant contribution in the development of the country. Workers' Remittances reached at $ 14,969.66 million in July-April of the 2014-15, against the $ 12,897.91 million in the same period of last fiscal year, which shows a huge increase of 16.06 percent over the same period last year. The further analysis of available data suggested that on average per month inflow of the remittances for the period of July-April 2014-15 stood at $ 1,496.97 million compared to $ 1,289.79 million during the same period last year, which is very encouraging trend. Remittances from UAE recorded a substantial growth of 34.14 percent, Saudi Arabia 19.94, USA 3.80 percent and UK 2.61 percent during the period under discussion. The below figure provide the variations in the remittances from various countries over a period of one decade.

Fig-10: Structure of Remittances Inflows over time



Conclusion and the Way forward

Present government after coming into power started making best efforts to put the economy on a path of sustained long-term economic growth. In this context, focus remained on public-private partnership in the development process, improved productivity in agriculture sector, removal of energy shortage, enhanced industrial competitiveness, better service delivery system and upgraded human capital formation. The macroeconomic policies including monetary, fiscal and exchange rate policies are designed and co-ordinated to reinforce each other and create incentives for mobilization of saving for economic growth on sustainable basis. It is worth mentioning that economy has achieved macroeconomic stability, key economic indicators have reflected significant improvements.

Government is committed to achieve the potential growth rate to absorb the net annual additions to the labor force. For creating employment opportunities focus is initially made on relatively labor intensive sectors like housing, construction, communications, wholesale & retail, SMEs and information technology. Special attention is being paid to two economic sectors agriculture and commercial activity in urban areas to achieve robust and sustainable pro-poor growth. Government is also making continuous efforts to aware and makes realize all stakeholders to understand the cost of shutdown to trade, industry and labors which they face due to day long strike call by political and nonpolitical parties. Such activities hit the industrial business and exports as supply chain of products to the port and local markets become paralyzed. Due to absence of public transport, workers failed to mark their attendance in the production units while non-availability of fuel force many bike and car owners to stay home. The retail and whole sale markets in the city also remained close. Such situations provide losses of billions Rupees to the production, exports and workers (especially daily wagers were worst hit which comprises 50 percent of the industrial workforce) along with revenues to the government.

Current improved economic and financial situation provide an opportunity for Pakistan to reinforce and build on recent stability gains and work towards achieving higher, sustainable and inclusive economic growth and to protect the most vulnerable from direct and indirect impacts of economic reforms through continued expansion of targeted social assistance.

The game changer agreements have been signed between Pakistan and China of worth $45billion. The focus of spending is on building a China-Pakistan Economic Corridor (CPEC) - a network of roads, railway and pipelines between the long-time allies. The groundbreaking and signing of financial agreements has demonstrated that there is a strong will on both sides to implement CPEC portfolio of $45 billion agreed under CPEC framework as early as possible to help Pakistan meet its energy and other infrastructural needs. This is a great initiative which will open new avenues for prosperity and co-operation in the whole region and certainly it will uplift socio-economic condition of Pakistan on fast track with multiple dimensions.

Agriculture

Agriculture accounted for 20.9 percent of the Gross Domestic Product (GDP) in 2014-15 and is a source of livelihood of 43.5 percent of rural population. Increased agricultural production and high crops yield is essential for food security which make the farming systems less vulnerable to climate change. To make agriculture more effective in supporting sustainable higher economic growth trajectory and reducing poverty in Pakistan, a policy framework needs to be anchored coupled with favourable socio political climate, adequate governance, and sound macroeconomic fundamentals. The prime focus of the government is on high value agriculture including horticulture, livestock and fisheries. Concerted efforts are being made to improve farm level practices and developing linkages of farmers with markets and industry based on new technologies, ideas and future pathways for sustainable growth of agro industry.

Agriculture sector has traditionally sustained a satisfactory growth to ensure food security for our growing population. However, the major challenge faced has been low returns to farmers of their commodities because of higher costs of production. This calls for well-thought interventions to improve agriculture products value addition at the farm levels and industrial linkages, especially under the existing situation, when the agricultural commodities returns do not commensurate the increasing cost of production, a vibrant industrial sector understanding of these challenges may come forward to support the farm sector. The government is currently focusing to develop mechanisms for minimizing cost of production to increase farmers' interest in agriculture and livestock. As a policy, the government is committed to provide required infrastructure support to agro-processors with the aim to enhance value addition and job opportunities for growing young population.

Presently, the government is fully cognizant of the role of rural youth in developing services sector and entrepreneurship for value added growth of agriculture sector and its relevance to improvement in incomes as agriculture sector is a prime driver of agriculture-related industries and the rural nonfarm economy .The rural youth is being supported in acquiring the new skills for setting agro-based businesses for improving household livelihood. The Prime Minister's Youth Loan Programme, the areas like livestock, horticulture and fisheries as well as non farm sector would benefit and this would result in overall economic betterment of rural masses and generate raw material for our growing food industries.

Agricultural performance in Pakistan remained subdued. Major factors underlying this slow performance include slow rate of technological innovation, limited adoption of progressive farming techniques, problems with quality, quantity and timeliness of input supply, limited investment in construction and maintenance of infrastructure; marketing and trade restrictions, pest and livestock disease problems, and limited amounts of credit for agricultural production, processing and the lack of agriculture-specific financing.

Box-I: Vision 2025

"Pakistan Vision 2025" envisages seven priority areas of action termed as "Pillars" and the Pillar IV is titled as "Water, Energy and Food Security". It envisages vision and road map for future growth and development of Food and Agriculture sectors along with allied subsectors.

Energy, Water & Food Security

Pakistan Vision 2025 recognizes that sufficient, reliable, clean and cost-effective availability of energy, water and food – is indispensable in ensuring sustainable economic growth and development. These key sectors have suffered historically from severe failings of integrated policy and execution. Meeting this challenge has been further complicated due to the severe impact of ongoing climate change. However, we are proud to have a renewed national consensus on committing major new investments, through unprecedented public and private sector collaboration, to bridge very large gaps that threatened the wellbeing and progress of our country. While investments to ensure the needed additional supply are being made in creating and encouraging a culture of conservation and efficiency in the usage of energy and water.

Food Security:

Pakistan Vision 2025 seeks a Pakistan where "all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life". Pakistan Vision 2025 envisages food security in the context of the entire supply-chain from production, processing, storage and distribution to consumption.

Top 5 objectives for achieving food security are to:

1. Protect the most food-insecure segments of the population through effective relief measures, including long-term arrangements and adaptation mechanisms.
2. Create a modern, efficient and diversified agricultural sector – aligned with associated water and energy infrastructure – that can ensure a stable and adequate provision of basic food supplies for the country's population, and provide high quality products to its industries and for export.
3. Optimize production and supply mix in line with current and projected needs by leveraging our unique strengths.
4. Ensure that the entire supply-chain related to food security is geared towards provision of stable and affordable access to adequate, nutritious and safe food for a healthy life.
5. Use the resource base in an efficient and sustainable manner – with outcome based benchmarks agreed in line with regional and global standards.

Source: Ministry of Planning, Development and Reform

Recent Performance

During fiscal year 2014-15, the overall performance of agriculture sector recorded a growth of 2.9 percent compared to the growth of 2.7 percent during last year due to positive growth in all related agriculture sub sectors. Crops witnessed a growth of 1.0 percent, Livestock 4.1 percent, Forestry 3.2 percent and Fishing 5.8 percent. The agriculture's crop subsector component which includes important crops, other crops and cotton ginning showed growth of 0.3 percent, 1.1 percent and 7.4 percent, respectively. Important crops carry great significance by having a share of 25.6 percent in agricultural value added has experienced a meager growth of 0.3 percent in fiscal year 2014-15 against growth of 8.0 percent during the same period of last year on account of revised production estimates of wheat crop. The important crops performance remained weak as only cotton and rice production recorded positive growth of 9.5 percent and 3.0 percent, respectively while sugarcane, maize and wheat production recorded a negative growth of 7.1 percent, 5.0 percent and 1.9 percent, respectively with respect to last year estimates. Other crops contributed 11.1 percent in value addition of agriculture recorded an increase of 1.1 percent during 2014-15 against negative growth of 5.4 percent during the same period last year that is due to increase in production of pulses, vegetables and fruits which recorded positive growth of 13.0 percent, 2.5 percent and 0.9 percent, respectively against the negative growth of pulses and vegetable by 35.9 percent and 8.8 percent, respectively, on account of better water availability, more fertilizer offtake and relief in the prices of agriculture inputs and enhanced availability of agriculture credit.

The Livestock sector which contributes 56.3 percent in the agriculture recorded a positive growth of 4.1 percent in 2014-15 against 2.8 percent growth during the same period last year. The Fishing sector contributed 2.1 percent in agriculture value addition recorded a growth of 5.8 percent as against last year's growth of 1.0 percent. Forestry sector posted a growth of 3.2 percent this year as compared to the negative growth of 6.7 percent last year. (Table 2.1)

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

Sector	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 P
Agriculture	3.5	0.2	2.0	3.6	2.7	2.7	2.9
Crops	5.2	-4.2	1.0	3.2	1.5	3.2	1.0
i) Important Crops	8.4	-3.7	1.5	7.9	0.2	8.0	0.3
ii) Other Crops	0.5	-7.2	2.3	-7.5	5.6	-5.4	1.1
iii) Cotton Ginning	1.3	7.3	-8.5	13.8	-2.9	-1.3	7.4
Livestock	2.2	3.8	3.4	4.0	3.5	2.8	4.1
Forestry	2.6	-0.1	4.8	1.8	6.6	-6.7	3.2
Fishing	2.6	1.4	-15.2	3.8	0.7	1.0	5.8

Source: Pakistan Bureau of Statistics
P: Provisional

Pakistan has two crop seasons, "Kharif" being the first sowing season starting from April-June and harvested during October-December. Rice, sugarcane, cotton, maize, moong, mash, bajra and jowar are "Kharif" crops. "Rabi", the second sowing season, begins as on October-December and is harvested in April-May. Wheat, gram, lentil (masoor), tobacco, rapeseed, barley and mustard are "Rabi" crops. Pakistan's agricultural output is closely linked with the supply of irrigation water. During 2014-15, the availability of water for Kharif 2014 stood at 69.3 (MAF) showing an increase of 5.8 percent more than Kharif 2013 and 3.3 percent more than the normal supplies of 67.1 MAF. The water availability during Rabi season 2014-15 is estimated at 33.1 MAF, which is 1.8 percent higher than Rabi 2013-14 but 9.1 percent less than the normal availability of 36.4 MAF (Table 2.2).

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

Period	Kharif	Rabi	Total	%age increase/decrease. over the Avg.
Average system usage	67.1	36.4	103.5	-
2006-07	63.1	31.2	94.3	- 8.9
2007-08	70.8	27.9	98.7	- 4.6
2008-09	66.9	24.9	91.8	-11.3
2009-10	67.3	25.0	92.3	-10.8
2010-11	53.4	34.6	88.0	-15.0
2011-12	60.4	29.4	89.8	-13.2
2012-13	57.7	31.9	89.6	-13.4
2013-14	65.5	32.5	98.0	-5.3
2014-15	69.3	33.1	102.4	-1.1

Source: Indus River System Authority

I. Crop Situation

Important crops, such as wheat, rice, sugarcane maize and cotton account for 25.6 percent of the value added in overall agriculture and 5.3 percent of GDP. The other crops account for 11.1 percent of the value added in overall agriculture and 2.3 percent of GDP. Livestock contributes 56.3 percent to agricultural value added much more than the combined contribution of important crops, other crops and cotton ginning (39.6 percent). The production performance of important crops is given in Table 2.3.

Table 2.3: Production of Important Crops (Thousand Tonnes)

Year	Cotton (000 bales)	Sugarcane	Rice	Maize	Wheat
2008-09	11,819	50,045	6,952	3,593	24,033
	-	-	-	-	-
2009-10	12,914	49,373	6,883	3,261	23,311
	(9.3)	(-1.3)	(-1.0)	(-9.2)	(-3.0)
2010-11	11,460	55,309	4,823	3,707	25,214
	(-11.3)	(12.0)	(-29.9)	(13.7)	(8.2)
2011-12	13,595	58,397	6,160	4,338	23,473
	(18.6)	(5.6)	(27.7)	(17.0)	(-6.9)
2012-13	13,031	63,750	5,536	4,220	24,211
	(-4.1)	(9.2)	(-10.1)	(-2.7)	(3.1)
2013-14	12,769	67,460	6,798	4,944	25,979
	(-2.0)	(5.8)	(22.8)	(17.2)	(7.3)
2014-15 (P)	13,983	62,652	7,005	4,695	25,478
	(9.5)	(-7.1)	(3.0)	(-5.0)	(-1.9)

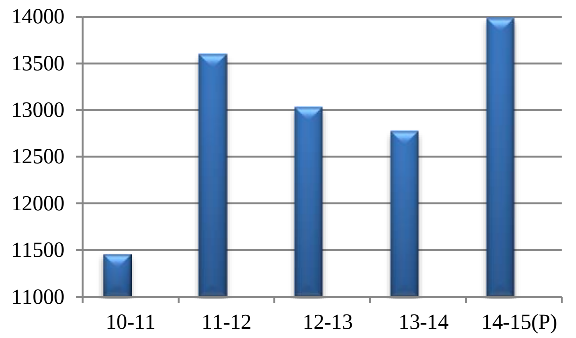
Source: Pakistan Bureau of Statistics
P: Provisional (July-March), Figures in parentheses are growth/decline rates

a) Important Crops

i) Cotton:

Cotton plays a major role in earning foreign exchange .The cotton crop production accounts for 1.5 percent in GDP and 7.1 percent in agriculture value addition. During July-March 2014-15, textile industry fetched foreign exchange of US$ 10.22 billion. During 2014-15, the cropped area of cotton stood at 2961 thousand hectares, showing an increase of 5.5 percent over last year's area of 2806 thousand hectares. Cotton production for the year 2014-15 stood at 13.983 million bales against 12.769 million bales last year showing an increase of 9.5 percent. The cotton production remained higher since 2004-05 on account of government's provision of aggressive farmer training for small farmers and extension services of PCCC, allowed Trading Corporation of Pakistan (TCP) to procure one million bales of cotton at the support price of Rs. 3000/- per 40 kg to benefit cotton growers and better economic returns received by the growers from the last year produce, it encouraged the grower to bring more area under cotton crop. The area, production and yield of cotton for the last five years are shown in Table 2.4 and Fig-1.

Fig-1: Cotton Production (000 bales)



Source: PBS

Table 2.4: Area, Production and Yield of Cotton

Year	Area		Production		Yield	
	(000 Hectare)	% Change	(000 bales)	% Change	(Kgs/Hec)	% Change
2010-11	2,689	-	11,460	-	725	-
2011-12	2,835	5.4	13,595	18.6	815	12.4
2012-13	2,879	1.6	13,031	-4.1	769	-5.6
2013-14	2,806	-2.5	12,769	-2.0	773	0.5
2014-15(P)	2,961	5.5	13,983	9.5	802	3.8

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

World Cotton Outlook

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

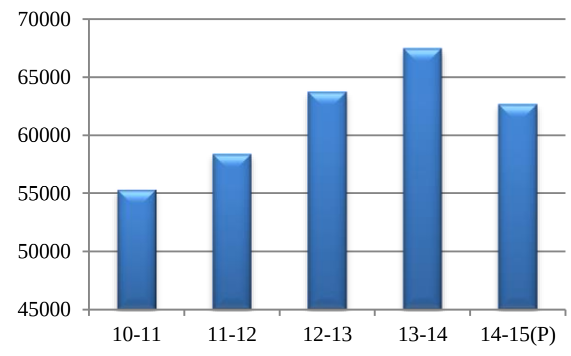
Table 2.5: Production and Consumption of Major Cotton Growing Countries			(Million Tonnes)
	2012-13 E	2013-14 E	2014-15 P
Production			
China	7.30	6.93	6.44
India	6.21	6.77	6.77
USA	3.77	2.81	3.50
Pakistan	2.00	2.08	2.30
Brazil	1.31	1.70	1.54
Uzbekistan	1.00	0.94	0.94
Others	5.09	5.05	4.86
World Total	26.68	26.28	26.35
Consumption			
China	8.29	7.53	7.91
India	4.82	5.04	5.24
Pakistan	2.42	2.27	2.31
East Asia/Australia	2.13	2.30	2.35
Europe & Turkey	1.55	1.61	1.52
Brazil	0.91	0.88	0.85
USA	0.76	0.77	0.79
Others	2.89	3.09	3.18
World Total	23.77	23.49	24.15

Source: Pakistan Central Cotton Committee, Ministry of Textile Industry
E: Estimated, P: Projected

ii) Sugarcane:

Sugarcane is an important cash crop of Pakistan. It is mainly cultivated for sugar and sugar-related production along with an input for paper and board industry. Sugarcane accounts for 3.1 percent in agriculture value addition and 0.6 percent in GDP. During July-March 2014-15, sugar export fetched foreign exchange of US$ 171.78 million. The cropped area for sugarcane stood at 1141 thousand hectares during 2014-15 against last year's area of 1173 thousand hectares showing a decrease of 2.7 percent. Sugarcane production for the year 2014-15 stood at 62.7 million tonnes against 67.5 million tonnes last year showing a decrease of 7.1 percent. The decrease in production is due to decrease in cropped area over last year as well competitive crop (rice and cotton) discouraged the growers to bring more area under cultivation and disposal problems of sugarcane and payments difficulties also restricted the acreage of sugarcane. The area, production and yield of sugarcane for the last five years are given in Table 2.6 and Fig-2.

Fig-2: Sugarcane Production (000 Tonnes)



Source: PBS

Table 2.6: Area, Production and Yield of Sugarcane

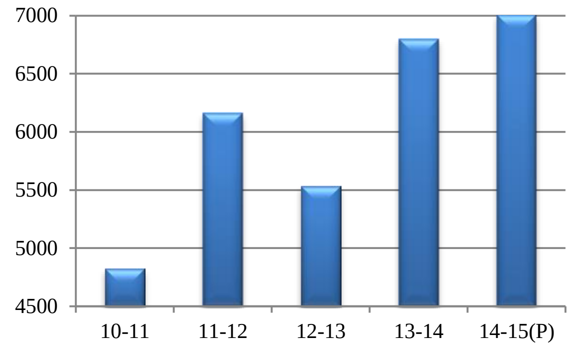
Year	Area		Production		Yield	
	(000 Hectare)	% Change	(000 Tonnes)	% Change	(Kgs/Hec.)	% Change
2010-11	988	-	55,309	-	55,981	-
2011-12	1,058	7.1	58,397	5.6	55,196	-1.4
2012-13	1,129	6.7	63,750	9.2	56,466	2.3
2013-14	1,173	3.9	67,460	5.8	57,511	1.8
2014-15 (P)	1,141	-2.7	62,652	-7.1	54,910	-4.5

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

iii) Rice:

Rice is the second largest staple food crop and is also an exportable item. It accounts for 3.2 percent in the value added in agriculture and 0.7 percent of GDP. During July-March 2014-15, rice export earned foreign exchange of US$ 1.53 billion. During 2014-15, rice was sown on an area of 2891 thousand hectares showing an increase of 3.6 percent over last year's area of 2789 thousand hectares. Rice recorded highest ever production at 7005 thousand tonnes, showing a growth of 3.0 percent over corresponding period of last year's production which was 6798 thousand tonnes. Rice production increased due to more area brought under cultivation, timely availability of irrigation water and more acreage under high yielding Hybrid rice varieties. The area, production and yield of rice for the last five years are shown in Table 2.7 and Fig-3.

Fig -3: Rice Production (000 Tonnes)



Source: PBS

Table 2.7: Area, Production and Yield of Rice

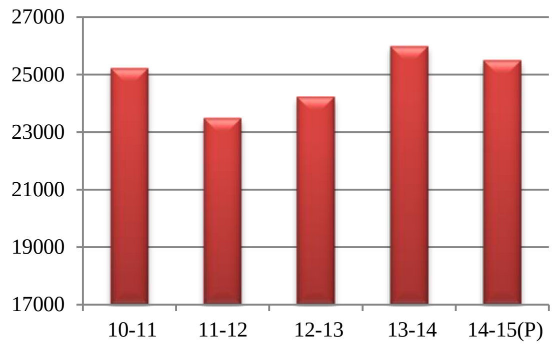
Year	Area		Production		Yield	
	(000 Hectare)	% Change	(000 Tonnes)	% Change	(Kgs/Hec.)	% Change
2010-11	2,365	-	4,823	-	2,039	-
2011-12	2,571	8.7	6,160	27.7	2,396	17.5
2012-13	2,309	-10.2	5,536	-10.1	2,398	0.1
2013-14	2,789	20.8	6,798	22.8	2,437	16.3
2014-15 (P)	2,891	3.6	7,005	3.0	2,423	-0.6

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

iv) Wheat:

Wheat is the leading food grain of Pakistan occupying the largest area under single crop. Wheat contributes 10.0 percent to the value added in agriculture and 2.1 percent to GDP. Area under wheat has decreased to 9180 thousand hectares in 2014-15 from last year's area of 9199 thousand hectares which shows a decrease of 0.2 percent. The production of wheat stood at 25.478 million tonnes during 2014-15, showing a decrease of 1.9 percent over the last year's production of 25.979 million tonnes. The production decreased due to prolonged winter season and unprecedented rains during April & May and caused damages to grain at harvesting time. The position is given in Table 2.8 and Fig-4.

Fig-4: Wheat Production (000 Tonnes)



Source: PBS

Table 2.8: Area, Production and Yield of Wheat

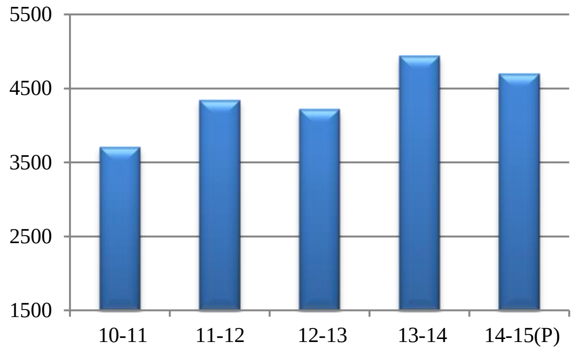
Year	Area		Production		Yield	
	(000 Hectares)	% Change	(000 Tonnes)	% Change	(Kgs /Hec.)	% Changes
2010-11	8,901	-	25,214	-	2833	-
2011-12	8,650	-2.8	23,473	-6.9	2714	-4.2
2012-13	8,660	0.1	24,211	3.1	2796	3.0
2013-14	9,199	6.2	25,979	7.3	2824	1.0
2014-15(P)	9,180	-0.2	25,478	-1.9	2775	-1.7

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

v) Maize:

Maize grain is an important food grain and produces an array of products as raw material for multi products and value additions. It contributes 2.1 percent to the value added in agriculture and 0.4 percent to GDP. Area under maize crop has decreased to 1130 thousand hectares in 2014-15, showing a decrease of 3.3 percent over last year's area of 1168 thousand hectares. The production of maize crop stood at 4.695 million tonnes during 2014-15, showing 5.0 percent decrease over the last year production of 4.944 million tonnes. The production decreased due to decrease in area sown. The position is presented in Table 2.9 and Fig-5.

Fig-5: Maize Production (000 Tonnes)



Source: PBS

Table 2.9: Area, Production and Yield of Maize

Year	Area		Production		Yield	
	(000 Hectares)	% Change	(000 Tonnes)	% Change	(Kgs /Hec.)	% Changes
2010-11	974	-	3,707	-	3,806	-
2011-12	1,087	11.6	4,338	17.0	3,991	4.9
2012-13	1,060	-2.5	4,220	-2.7	3,981	-0.3
2013-14	1,168	10.3	4,944	17.2	4,233	6.3
2014-15 (P)	1,130	-3.3	4,695	-5.0	4,155	-1.8

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

b) Other Crops

During 2014-15, the gram pulse, one of the major pulses grown in rainfed areas on marginal lands recorded production of 484 thousand tonnes against the production of 399 thousand tonnes during the same period last year, witnessed a growth of 21.3 percent due to increase in area and favorable weather condition. The production of Bajra, Jawar, Rapeseed & Mustard and Barley witnessed decrease in its production by 14.3 percent, 13.4 percent, 9.9 percent and 9.0 percent, respectively during 2014-15 as compared to the same period last year. The decrease in production is due to decrease in area sown. While the production of Tobacco remained same when compared to the production of same period last year. The area and production of other crops are given in Table 2.10.

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

Crops	2013-14		2014-15 (P)		% Change in production over Last year
	Area (000 Hectares)	Production (000 Tonnes)	Area (000 Hectares)	Production (000 Tonnes)	
Bajra	475	301	408	258	-14.3
Jowar	198	119	171	103	-13.4
Gram	950	399	960	484	21.3
Barley	71	67	66	61	-9.0
Rapeseed & Mustard	220	203	198	183	-9.9
Tobacco	49	130	49	130	0.0

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

i) Oilseeds

The major oilseed crops grown in the country include Sunflower, Canola, Rapeseed/Mustard and Cotton. During 2013-14 total availability of edible oil was 3.20 million tonnes. Local production of edible oil contributed 0.573 million tonnes while import of edible oil/oilseeds was 2.627 million tonnes. The edible oil import bill during 2013-14 was Rs. 246.895 billion (US$ 2.50 billion).

During 2014-15 (July-March), 1.789 million tonnes edible oil of value Rs. 139.344 (US$ 1.377 billion) has been imported showing an increase of 4.07 percent against the same period (July-March) 2013-14. Local production of edible oil during 2014-15 (July-March) is estimated at 0.546 million tonnes. Total availability of edible oil from all sources is provisionally estimated at 2.335 million tonnes during 2014-15 (July-March). The area and production of oilseed crops during 2013-14 and 2014-15 is given in Table 2.11.

Due to slump in international market of edible oil and oilseeds, the local traders offering Rs. 2,050/- to Rs. 2,100/- per 40 kg for canola crop produce in 2014-15. Low prices in local market discouraged the oilseeds growers resulting decline in edible oil production. Last year average price of oilseeds (Canola/sunflower) prevailed around Rs. 2,500/- to Rs. 2,800/- per 40 kg.

Table 2.11: Area and Production of Major Oilseed Crops

Crops	2013-14			2014-15 (P)		
	Area	Production		Area	Production	
	(000 Acres)	Seed (000 Tonnes)	Oil (000 Tonnes)	(000 Acres)	Seed (000 Tonnes)	Oil (000 Tonnes)
Cottonseed	6,700	3,592	431	7,579	3,450	414
Rapeseed/ Mustard	510	189	60	478	181	58
Sunflower	384	190	76	353	178	68
Canola	39	16	6	35	16	6
Total	7,633	3,987	573	8,445	3,825	546

Source: Pakistan Oilseed Development Board
P: Provisional/Targets (July-March)

During 2014-15, the production of Potatoes, Moong, Onions and Chillies recorded an increase of 6.3 percent, 6.2 percent, 1.3 percent and 0.3 percent, respectively, comparing to production of same period last year. The reason for increase in production is increase in area cultivated. However, the production of other pulses Mash and Masoor (Lentil) decreased by 12.7 and 5.8 percent, respectively. The area and production of other crops are given in Table 2.12.

Table 2.12: Area and Production of Other Crops

Crops	2013-14		2014-15(P)		% Change in Production
	Area (000 Hectares)	Production (000 Tonnes)	Area (000 Hectares)	Production (000 Tonnes)	
Masoor	18.2	8.6	17.1	8.1	-5.8
Moong	130.9	92.9	127.4	98.7	6.2
Mash	20.9	10.2	20.8	8.9	-12.7
Potatoes	159.8	2,901.1	169.8	3,084.3	6.3
Onions	133.9	1,740.2	135.1	1,763.0	1.3
Chillies	62.7	145.8	62.9	146.2	0.3

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

To overcome the production & consumption gap and removing price hike of pulses and other minor crops. A sub committee comprising Ministries of National Food Security & Research, Industries & Production, Commerce and Finance and other concerned Departments was constituted in a meeting of National Price Monitoring Committee (NPMC) to suggest measures for removing shortages and price hikes of pulses and other minor crops. Ministry of Food Security & Research is finalizing an Actionable Plan to remove disequilibrium between production & consumption on permanent basis and bring stability in prices of these items.

II. Farm Inputs

i) Fertilizers

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

The domestic production of fertilizers during July-March 2014-15, increased slightly by 0.2 percent over the same period of last year. The imported supplies of fertilizer increased by 15.4 percent; hence, the total availability of fertilizer reduced by 4.4 percent during July-March 2014-15.Total offtake of fertilizer nutrients witnessed a small increase of 1.1 percent. Nitrogen offtake decreased by 0.5 percent while phosphate increased by 5.6 percent. Potash offtake recorded a significant increase of 33.8 percent during July-March 2014-15. Major reason for increase in offtake of phosphate fertilizer is stability in prices of DAP.

Kharif 2014 started with inventory of 386 thousand tonnes of urea. Total availability of urea (including 122 thousand tonnes of imported supplies and 2451 thousand tonnes of domestic production) was about 2959 thousand tonnes against the offtake of 2716 thousand tonnes, leaving an inventory of 184 thousand tonnes for Rabi 2014-15. Total availability of DAP during Kharif 2014 was 1023 thousand tonnes comprising 99 thousand tonnes of inventory, 524 thousand tonnes of imported supplies and 400 thousand tonnes of local production. DAP offtake was 586 thousand tonnes leaving closing balance of 430 thousand tonnes for coming Rabi 2014-15.

Rabi 2014-15 started with an opening balance of 184 thousand tonnes of urea. Domestic production during Rabi 2014-15 was estimated as 2493 thousand tonnes. Urea offtake during current Rabi 2014-15 is expected to be 3100 thousand tonnes, against 3253 thousand tonnes of total availability, leaving a closing balance of 151 thousand tonnes for next season. DAP availability in current season of Rabi is estimated as 1260 thousand tonnes, which included 430 thousand tonnes of inventory, 498 thousand tonnes of imported supplies and domestic production of 332 thousand tonnes. Offtake of DAP during current Rabi season was about 1140 thousand tonnes, leaving a balance of 118 thousand tonnes for next season. Detail of fertilizer situation is given in Table 2.13.

The total availability of urea during Kharif 2015 was estimated to be about 2740 thousand tonnes comprising of 151 thousand tonnes of opening stock, 39 thousand tonnes of imported supplied and 2550 thousand tonnes of domestic production. Urea offtake is expected to be around 2900 thousand tonnes, reflecting a shortfall of 160 thousand tonnes which will be covered through imports. Total availability of DAP will be 484 thousand tonnes against expected offtake of 600 thousand tonnes. Supply/ Demand gap in DAP will be met by imports through private sector during Kharif 2015.

Table 2.13: Fertilizer Situation (000 Tonnes)

Description	Kharif (Apr-Sep) 2014		Rabi (Oct-Mar) 2014-15		Kharif (Apr-Sep)* 2015	
	Urea	DAP	Urea	DAP	Urea	DAP
Opening stock	386	99	184	430	151	118
Imports	122	524	576	498	39	0
Domestic production	2,451	400	2,493	332	2,550	366
Total availability	2,959	1023	3,253	1260	2,740	484
Offtake/Demand	2,716	586	3,100	1140	2,900	600
Write on/off	-59	-7	-2	-2	0	0
Closing stock	184	430	151	118	-160	-116

Source: National Fertilizer Development Center
*: Outlook

ii) Improved Seed

Seed is a key input in crop production on which efficiency of other inputs largely depends. Improving availability of certified seed provides sound base for sustainable agricultural production and national food security. Federal Seed Certification and Registration Department (FSC&RD) has taken policy measures/steps during July-March 2014-15, for improvement and is briefly given below:

1. Seed Certification Services

a) The department took steps to revive the systematic cotton seed production and a cotton seed production plan 2015 was firmed up with inclusive participation of breeders, seed producers and other key cotton seed stakeholders from public and private sectors to integrate Bt. Cotton varieties in the system to ensure availability of certified cotton seed. A brochure for improvement of germination of Bt. Cotton varieties was jointly drafted by public and private cotton seed stakeholders. 6000 copies of this brochure were distributed among cotton seed growers by FSC&RD. As a result of all these efforts, 27 percent certified cotton seed is available for the cotton crop to be sown during 2015-16 against 2.4 percent availability of cotton seed in the previous year.

b) To improve production of certified seed of Potato and Maize, a strong collaboration has been established among different stakeholders involved in these important crops.

c) Accreditation with International Seed Testing Association (ISTA) will give international acceptability to the seed testing results issued by the Central Seed Testing Laboratory (CSTL), Islamabad, of FSC&RD. Assessments by Pakistan National Accreditation Council (PNAC) was carried out in this regard. The recommendations made by PNAC are being actively pursued. Six officers got hands on training in an ISTA accredited laboratory at Australia to speed up the accreditation process of CSTL.

2. Registration of Seed Companies and Plant Varieties

a. During the period under report, a total of 29 new Seed Companies have been granted one year provisional approval to do seed business. Evaluation of Seed Companies was carried out and de-registration cases of 225 inefficient/dormant seed companies has been submitted to the Ministry of National Food Security and Research for the forthcoming meeting of its Working Group.

b. 135 new candidate plant varieties have been studied for distinctness, uniformity and stability (DUS) trails during the period under reported.

c. One hundred and twenty five cases are filed in the court of law as the result of Seed Act Enforcement during the reported time period.

d. The department carried out field inspection of 218080 acres and seed testing of 446191 M.Tonnes of various crops during July-March 2014-15.

3. Seed Regulatory Framework

The Seed (Amendment) Bill, 2014 has been passed by the National Assembly and is currently tabled in the Senate of Pakistan for approval and promulgation. Similarly, Ministry of Nation Food Security and Research is striving for passage of Plant Breeder Rights law from the parliament as soon as possible. The passage of this law will usher in a new era of research and development and will also attract investment worth billion of rupees in the seed sector.

4. Fruit Plant Certification

FSC&RD is focusing on capacity building of its offices to render Fruit Plant Certification services to help tap the export potential of horticultural products as well as improve availability of disease free certified fruit plants including pome and stone fruits. Fifteen new fruit plant nurseries got registered after July 2014 making the total figure of 180 registered fruit plant nurseries in Pakistan.

5. FSC&RD Developmental Initiatives

The project "Strengthening of Seed Certification Services for Food Security in Gilgit Baltistan" was approved by the DDWP during 2013. However, due to lack of finances, the project could not be implemented. Efforts are being made to get the fund released and start implementation of this project at earliest.

"Standing Committee on National Food Security and Research" in principally have cleared the following development schemes of the department.

a) Strengthening of seed testing laboratory of FSC&RD Karachi.
b) Monitoring of seed potato quality for food security in Pakistan.
c) Up-gradation of seed certification services in Balochistan.
d) Monitoring of the Seed Quality in the Market.

6. International Collaboration

For Seed Sector Development in Pakistan, FSC&RD International Cooperation Section is in the process of collaborations through different cooperation proposals with the following countries; China, France, Bulgaria, SAARC, Korea, Australia, Spain, D-8, Turkey, Turkmenistan and Belarus.

FSC&RD organized National Seed Workshop for developing National Seed Policy Document under the FAO-ECO project "Seed Sector Development in ECO countries" in Islamabad in November 2014. Stakeholders from public and private sector participated in the workshop and gave their valuable inputs for the National Seed Policy. Working group is being established to finalize the National Seed Policy document. In the recently concluded Regional Seed Workshop in Turkey, it was decided that final Seed Policy workshop would be held in Pakistan.

During July-March, 2014-15, the department carried out field inspection of 218.1 thousand acres and seed testing of 446.2 thousand tonnes of various crops .The detail is given in Table 2.14.

Table 2.14: Seed Availability* (Metric Tonnes)

Crop	Area Inspected (Acres)	Local	Imported	Total
Wheat	0	375332	0	375332
Cotton	136511	28389	0	28389
Paddy	68618	37955	897	38852
Maize	10217	3114	13512	16626
Pulses	2081	1215	0	1215
Oilseeds	506	73	3016	3089
Fodders	147	113	5124	5237
Vegetables	0	0	16693	16693
Potatoes	0	0	18674	18674
Total	218080	446191	57916	504107

Source: Federal Seed Certification & Registration Department
* : Provisional (July-March 2014-15)

iii) Mechanization

During July-March 2014-15 a total number of 31,963 tractors were locally manufactured compared to the production of 25,186 during same period last year showing an increase of 26.9 percent. The production and price of locally manufactured tractors are given in Table 2.15.

Table 2.15: Price and Production of Locally Manufactured Tractors 2014-15 (July-March)

Tractors Model - Horse Power (HP)	Price/Unit Excluding GST (Rs.)	Price/Unit Including GST (Rs.)	Production (in Nos.)	Actual Sale (in Nos.)
M/s Al-Ghazi Tractors				
NH 480-S (55 HP)	642,000	706,200	3,630	3,819
NH 480-S with power (55 HP)	652,000	717,200	1,285	1,453
Ghazi (65 HP)	714,000	785,400	5,641	5,849
NH 640 (75 HP)	908,000	998,800	1,182	1,254
NH 640 WBD (75 HP)	918,000	1,009,800	67	69
NH 640-S (85 HP)	999,000	1,098,000	34	40
NH 640-S WBD (85 HP)	1,014,000	1,115,400	31	37
NH 55-56 (55 HP)	688,000	756,800	3	3
NH 60-56 (60 HP)	765,000	841,500	-	1

Table 2.15: Price and Production of Locally Manufactured Tractors 2014-15 (July-March)

Tractors Model - Horse Power (HP)	Price/Unit Excluding GST (Rs.)	Price/Unit Including GST (Rs.)	Production (in Nos.)	Actual Sale (in Nos.)
NH 70-56 (85 HP)	1,295,000	1,424,500	45	53
M/s Millat Tractors Ltd				
MF-240 (50 HP)	650,000	715,000	8,668	8,970
MF-350 Plus(50 HP)	692,000	761,200	50	44
MF-260 (60 HP)	772,000	794,000	4,104	4,024
MF-360 (60 HP)	745,000	819,500	920	916
MF-375-S (75 HP)	945,000	1,039,500	2,892	2,679
MF-385 (85 HP)	1,055,000	1,160,500	920	916
MF-385 4WD (85 HP)	1600,000	1,760,000	171	168
Total			**31,963**	**32,543**

Source: Tractor Manufacturer Association, Federal Water Management Cell
Note: GST on Tractors announce by 10 percent

iv) Irrigation

During the monsoon season (July-September) 2014, the normal average rainfall was 140.9 mm, while the actual rainfall received was 106.2 mm, indicating a decrease of 24.6 percent. During the post-monsoon season (October-December) 2014, the normal average rainfall was 26.4 mm, while the actual rainfall received was 17.8 mm, indicating a decrease of 32.6 percent. During winter season (January-March) 2015, normal average rainfall was 74.3 mm and the actual rainfall received was 89.3 mm, indicating an increase of 20.2 percent under the normal rainfall average. Rainfall recorded during the monsoon, post monsoon and winter season is given in Table 2.16.

Table 2.16: Rainfall* Recorded During 2014-15 (in Millimeters)

	Monsoon Rainfall (Jul-Sep) 2014	Post Monsoon Rainfall (Oct-Dec) 2014	Winter Rainfall (Jan-Mar) 2015
Normal**	140.9 mm	26.4 mm	74.3 mm
Actual	106.2 mm	17.8 mm	89.3 mm
Shortage (-)/excess (+)	(-) 34.7 mm	(-) 8.6 mm	(+) 15.0 mm
% Shortage (-)/excess (+)	(-) 24.6 %	(-) 32.6 %	(+) 20.2 %

Source: Pakistan Meteorological Department
*: Area weighted. **: Long Period Average (1961-2010)

Canal head withdrawals during Kharif (April-September) 2014, increased by 6 percent and stood at 69.3 million acre feet (MAF) as compared to 65.5 MAF during corresponding period last year. During Rabi (October-March) 2014-15, the canal head withdrawals increased by 2.0 percent and stood at 33.1 MAF, compared to 32.5 MAF corresponding period last year. The province-wise detail is shown in Table 2.17.

Table 2.17: Canal Head Withdrawals (Below Rim Station) Million Acre Feet (MAF)

Provinces	Kharif (Apr-Sep) 2013	Kharif (Apr-Sep) 2014	% Change in Kharif 2014 over 2013	Rabi (Oct-Mar) 2013-14	Rabi (Oct-Mar) 2014-15	% Change in Rabi 2014-15 Over 2013-14
Punjab	33.83	35.15	4	17.44	17.08	-2
Sindh	29.16	31.31	7	13.55	14.50	7
Khyber Pakhtunkhwa	0.94	0.92	-2	0.46	0.49	6
Balochistan	1.61	1.89	17	1.08	1.03	-5
Total	65.53	69.27	6	32.54	33.10	2

Source: Indus River System Authority

During 2014-15, major programmes and goals in the water sectors were planned by keeping in view Vision 2025 and 11th Five Year Plan. Major strategy adopted to overcome the water sector's issues and investments in the sector were **a)** augmentation measures by construction of water storage small/medium dams and rain water Harvesting, Hill Torrents Management, **b)** conservation measures (lining of irrigation channels, modernization/rehabilitation of existing irrigation system) and efficiency enhancement by rehabilitation & better operation of existing system, **c)** Protection of Agriculture land, abides and infrastructure from onslaught of floods and Water Logging & Salinity, **d)** Formulation of an effective implementation monitoring system and comprehensive set of measures for the development and efficient management of water resources.

An amount of Rs. 43.557 billion were allocated for the above mentioned water sector's strategies/programmes during the year 2014-15, out of which it is expected that about Rs. 38.445 billion (88 % of total allocated budget) will be released up to June, 2015. The major water sector projects under implementation are shown in Table 2.18.

Table 2.18: Major Water Sector Projects under Implementation

Projects	Location	Total App. cost (Rs. in million)	Live Storage (MAF)	Irrigated Area (Acres)	Latest Status
Gomal Zam Dam	Khyber Pakhtunkhwa	22,480	0.892	163,100	Substantially completed.
Rainee Canal	Sindh	17,643	-	412,400 (Phases-I)	82% Physically completed. (Phase-I)
Kachhi Canal	Balochistan	57,562	-	713,000 (Phases-I)	About 97% Physically completed. (Phase-I)
Darawat Dam	Sindh	9,300	89,192 (Ac.Ft)	25,000 (0.45 MW Power Gen.)	96 % Physically completed.
Nai Gaj Dam	Sindh	26,236	160,000 (Ac.Ft)	28,800 (4.2 MW Power Gen.)	40 % Physical work completed
Naulong Dam	Balochistan	18,027	200,000 (Ac.Ft)	47,000 (4.4 MW Power Gen.)	Work at initial stage.
Right Bank Outfall Drain (RBOD)					
RBOD-I	Sindh	14,707	-	542,500	89% Physically Completed.
RBOD-II	Sindh	29,014	-	3,000,000	80% Physically Completed.
RBOD-III	Balochistan	6,535	-	694,796	85 % Physically Completed.

Source: Ministry of Planning, Development and Reform

v) Agricultural Credit:

Agriculture bears the potential to stimulate sustainable/broad based industrial and economic growth. Therefore, in line with Government of Pakistan's priority for agriculture, State Bank of Pakistan (SBP) is striving to ensure availability of desired credit to farmers. In this endeavour, SBP has adopted a multipronged strategy for agriculture whereby all out efforts are being made for achieving the annual indicative agriculture disbursement targets which inter alia include; sensitizing banks to adopt agriculture financing as a viable business line and following up on indicative targets and performance with top management of banks and their agriculture credit heads.

For 2014-15, in line with the government priority for agriculture sector, SBP has allocated indicative agricultural credit disbursement targets of Rs. 500 billion to 20 commercial banks, 2 specialized banks, 4 Islamic banks and 7 microfinance banks which are engaged in provision of production and development loans to farming community for agricultural activities. This indicative agriculture target is 31.5 percent higher than the last year's target of Rs. 380 billion and 28 percent higher than the actual disbursement of Rs. 391.4 billion for 2013-14. Out of the total target, Rs. 252.5 billion have been allocated to five major banks, Rs. 90.0 billion to ZTBL, Rs. 115.5 billion to 15 Domestic Private Banks, Rs. 11.5 billion to Punjab Provincial Cooperative Bank, Rs. 28.2 billion to 7 Microfinance Banks and Rs. 2.3 billion to 4 Islamic banks for 2014-15.

Agricultural Credit Disbursements Recent Trends

During July-March 2014-15, the banks have disbursed Rs. 326.0 billion which is 65.2 percent of the overall annual target of Rs. 500 billion and 27.5 percent higher than disbursement of Rs. 255.7 billion made during the corresponding period last year. The banks were able to achieve 65 percent of their annual indicative targets of Rs. 500 billion.

The outstanding portfolio of agriculture loans has also surged by Rs. 31.6 billion or 11.2 percent i.e. from Rs. 281.1 billion to Rs. 312.7 billion at end March 2015 as compared to same period last year. The increased in agriculture outstanding portfolio is mainly due to SBP's initiative of introduction of annual outstanding indicative targets for banks.

During July-March 2014-15, the five major commercial banks as a group have disbursed agriculture loans of Rs. 167.4 billion or 66.3 percent of their annual target which is higher by 25.4 percent from Rs. 133.5 billion during the corresponding period last year. Amongst the major banks, MCB has achieved 80.5 percent of its annual target; UBL achieved 76.7 percent, HBL 75.3 percent, NBP 55.3 percent while ABL could achieve only 45.2 percent of its individual annual target.

Under the specialized banks category, ZTBL disbursed Rs. 56.2 billion or 62.4 percent against its target of Rs. 90.0 billion while PPCBL disbursed Rs. 5.9 billion i.e. 50.9 percent against its target of Rs. 11.5 billion during July-March 2014-15.

Within Fifteen Domestic Private Banks, Bank of Khyber has achieved 90.4 percent, Faysal Bank achieved 81.1 percent , JS Bank 64.8 percent , NIB Bank 58.5 percent , Sindh Bank 56.3 percent , Bank Al Habib & Bank Alfalah 54.9 percent each, Soneri Bank 50.6 percent , Silk Bank 48.8 percent , Summit Bank 46.8 percent while Askari Bank and Bank of Punjab could achieve only 40.9 percent each of their annual targets during July-March 2014-15, however Standard Chartered Bank has already surpassed its annual target of Rs. 2.5 billion by disbursing Rs. 3.8 billion during July-March 2014-15.

Under Microfinance category, seven Microfinance banks as a group has disbursed Rs. 20.7 billion or 73.6 percent against their annual target of Rs. 28.2 billion while under Islamic Mode of Financing, 4 Islamic banks collectively disbursed Rs. 3.7 billion against their targets of Rs. 2.3 billion to agriculture borrowers. The actual disbursements of banks against the annual indicative targets during July-March 2014-15 is given in Table 2.19

Table 2.19 : Supply of Agricultural Credit by Institutions (Rs. in billion)

Banks	Target 2013-14	2013-14 (July-March)			Target 2014-15	2014-15 (July-March)		
		Flow	% age Achieved	% Share in Total		Flow	% age Achieved	% Share in Total
5 Major Commercial Banks	188.0	133.5	71.0	52.2	252.5	167.4	66.3	51.3
ZTBL	69.5	45.9	66.0	17.9	90.0	56.2	62.4	17.2
DPBs (15)	90.4	54.2	60.0	21.2	115.6	72.1	62.4	22.1
PPCBL	10.0	5.4	54.5	2.1	11.5	5.9	50.9	1.8
MFBs (7)	21.6	16.2	75.1	6.3	28.2	20.7	73.6	6.3
Islamic Banks (4)	0.5	0.5	94.6	0.2	2.3	3.7	162.2	1.1
Total	380.0	255.7	67.3	100	500.0	326.0	65.2	100.0

Source: State Bank of Pakistan

Box-II: Credit Disbursement to Farm and Non-Farm Sector

While analyzing the sector wise agriculture disbursement in depth, out of the total disbursement of Rs. 326.0 billion, the farm sector has received Rs. 170.0 billion while non farm sector absorbed Rs. 156.0 billion during July-March 2015. However, the share of farm sector has reduced from 54.4 percent to 52.1 percent while the share of non farm sector is gradually increasing from 45.6 percent to 47.9 percent as compared with the corresponding period last year. The continued increase in non-farm lending may be attributed as an outcome of SBP's successive pilot projects in selected districts across the country to encourage banks to diversify their agriculture credit portfolio.

Within farm sector disbursement of Rs. 170.0 billion, Rs. 94.1 billion or 55.4 percent were disbursed to subsistence holding, Rs. 41.0 billion or 24.1 percent to economic holding while Rs. 34.9 billion or 20.5 percent to above economic holding category. However, under non-farm sector disbursement of Rs. 156.0 billion, Rs. 102.2 billion or 65.5 percent were disbursed to large farm while Rs. 53.9 billion or 34.5 percent to small farm category. The comparison of farm and non-farm sector share is given in Table 2.20.

Table 2.20 : Credit Disbursement to Farm & Non-Farm Sectors (Rs. in billion)

Sector		2013-14 (July-March)		2014-15 (July-March)	
		Disbursement	**% Share in Total**	**Disbursement**	**% Share in Total**
A	**Farm Credit**	**139.0**	**54.4**	**170.0**	**52.1**
1	Subsistence Holding	80.6	31.5	94.1	28.9
2	Economic Holding	35.5	13.9	41.0	12.6
3	Above Economic Holding	23.0	9.0	34.9	10.7
B	**Non-Farm Credit**	**116.7**	**45.6**	**156.0**	**47.9**
1	Small Farms	39.4	15.4	53.9	16.5
2	Large Farms	77.4	30.2	102.0	31.3
	Total (A+B)	**255.7**	**100.0**	**326.0**	**100.0**

Source: State Bank of Pakistan

SBP Initiatives for the Promotion of Agriculture Financing during 2014-15

1. Issuance of Guidelines on Value Chain Contract Farmer Financing

State Bank of Pakistan issued Guidelines on Value Chain Contract Farmer Financing in October 2014 to encourage banks to extend credit to small and marginalized farmers by leveraging on the strengths of inter-relationships that exist in the agriculture value chain. The guidelines would benefit farmers in terms of enhanced productivity in variety of ways such as availing quality input facilities, adopting new technologies, insurance coverage for crop/non-crop activities and most importantly assurance of buyer in advance.

2. Credit Guarantee Scheme for Small and Marginalized Farmers (CGSSF)

SBP has finalized Credit Guarantee Scheme for Small and Marginalized Farmers (CGSSF) where SBP shares 40 percent of credit losses of lending banks on their loans to Small & Rural Enterprises. The scheme has been launched by the government to encourage banks to finance small farmers. The government through State Bank of Pakistan has ensured provision of guarantee to banks for up to 50 percent loss sharing which will benefit 300,000 farmers. The size of the total disbursement will be Rs. 30 billion.

3. SBP-FAO Technical Assistance Programme

SBP in collaboration with Food & Agriculture Organization (FAO) of United Nations arranged a programme on innovative agriculture and Value Chain financing to provide technical assistance to banks. This capacity building programme would enable banks to shift the business dynamics from conventional lending to innovative and globally acceptable value chain financing models.

4. Implementation of Livestock Loan Insurance Scheme

SBP has successfully implemented the Livestock Loan Insurance Scheme on the parameter announcements in the budget 2014-15. The scheme would safeguard the interest of farmers in case of loss of animals due to death and provide banks with a risk mitigating tool, thus encouraging them to enhance the flow of credit to this highly potential and underserved sector.

5. Enhancing the Scope of Crop Loan Insurance Scheme

Crop insurance is a risk management mechanism designed to even out agricultural risks and blunt the consequences of natural disasters to make losses, especially to the marginalized farmers, more bearable. After the successful implementation of Crop Loan Insurance Scheme for small farmers of subsistence land holding, the scope of the scheme has recently been enhanced upto 25 acres and government is bearing the cost of premium on account of farmer's upto 2 percent per crop per season for five major crops.

III. Livestock and Poultry

a) Livestock

Livestock is an important sector of agriculture and occupies a unique position in the National Agenda of the economic development of the present government. The sector meets the domestic demand of milk, meat and eggs. It also provides net source of foreign earnings. More than 8.0 million rural families are involved in raising livestock. It is central to the livelihood of the rural poor in the country and can play an important role in poverty alleviation and can uplift the socioeconomic conditions of our rural masses.

Livestock contributed to agriculture value added stood at 56.3 percent while it contributes 11.8 percent to the national GDP during 2014-15 compared to 55.6 percent and 11.8 percent during the same period last year, respectively. Gross value addition of livestock has increased from Rs. 778.3 billion (2013-14) to Rs. 801.3 billion (2014-15), recorded an increase of 3.0 percent as compared to previous year. The livestock population for the last three years is given in Table 2.21.

Table 2.21: Livestock Population (Million Nos.)

Species	2012-13[1]	2013-14[1]	2014-15[1]
Cattle	38.3	39.7	41.2
Buffalo	33.7	34.6	35.6
Sheep	28.8	29.1	29.4
Goat	64.9	66.6	68.4
Camels	1.0	1.0	1.0
Horses	0.4	0.4	0.4
Asses	4.9	4.9	5.0
Mules	0.2	0.2	0.2

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

The major products of livestock are milk and meat which for the last three years are given in Table 2.22.

Table:2.22 Milk and Meat Production (000 Tonnes)

Species	2012-13[1]	2013-14[1]	2014-15[1]
Milk (Gross Production)	**49,400**	**50,990**	**52,632**
Cow	17,372	18,027	18,706
Buffalo	30,350	31,252	32,180
Sheep[2]	37	38	38
Goat	801	822	845
Camel[2]	840	851	862
Milk (Human Consumption)[3]	**39,855**	**41,133**	**42,454**
Cow	13,897	14,421	14,965
Buffalo	24,280	25,001	25,744
Sheep	37	38	38
Goat	801	822	845
Camel	840	851	862

Table:2.22 Milk and Meat Production (000 Tonnes)

Species	2012-13[1]	2013-14[1]	2014-15[1]
Meat[4]	**3,379**	**3,531**	**3,696**
Beef	1,829	1,887	1,951
Mutton	643	657	671
Poultry meat	907	987	1074

Source: Ministry of National Food Security & Research

1: The figures for milk and meat production for the indicated years are calculated by applying milk production parameters to the projected population of respective years based on the inter census growth rate of Livestock Census 1996 & 2006.

2: The figures for the milk production for the indicated years are calculated after adding the production of milk from camel and sheep to the figures reported in the Livestock Census 2006.

3: Milk for human consumption is derived by subtracting 20% (15% wastage in transportation and 5% in calving) of the gross milk production of cows and buffalo.

4: The figures for meat production are of red meat and do not include the edible offal's.

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

Table: 2.23 Estimated Livestock Products Production

Species	Units	2012-13[1]	2013-14[1]	2014-15[1]
Eggs	Million Nos.	13,813	14,556	15,346
Hides	**000 Nos.**	**14,410**	**14,868**	**15368**
Cattle	000 Nos.	7,258	7,532	7,816
Buffalo	000 Nos.	7,050	7,232	7,447
Camels	000 Nos.	102	104	105
Skins	**000 Nos.**	**50,713**	**51,872**	**53,060**
Sheep Skin	000 Nos.	10,873	11,001	11,132
Goat Skin	000 Nos.	24,986	25,664	26,359
Fancy Skin	000 Nos.	14,854	15,207	15,569
Lamb skin	000 Nos.	3,229	3,268	3,306
Kid skin	000 Nos.	11,624	11,939	12,263
Wool	000 Tonnes	43.6	44.1	44.6
Hair	000 Tonnes	24.4	25.1	25.8
Edible Offal's	000 Tonnes	363	373	383
Blood	000 Tonnes	61.3	62.8	64.4
Guts	000 Nos.	51,232	52,403	53,603
Casings	000 Nos.	15,333	15,817	16,347
Horns & Hooves	000 Tonnes	52.5	54.0	55.5
Bones	000 Tonnes	780.5	802.9	827.2
Fats	000 Tonnes	248.8	255.8	263.3
Dung	000 Tonnes	1,104	1,136	1,171
Urine	000 Tonnes	338	348	358
Head & Trotters	000 Tonnes	226.3	232.3	238.8
Ducks, Drakes & Ducklings	Million Nos.	0.5	0.5	0.5

Source: Ministry of National Food Security & Research

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

The population growth, urbanization, increases in per capita income and export opportunities are few of the main factors to fuel the demand of livestock and livestock products in the country. The overall livestock development strategy revolves to foster "private sector-led development with public sector providing enabling environment through policy interventions and play capacity building role to improve livestock husbandry practices". The emphasis will be on improving per unit animal productivity and moving from subsistence to market oriented and then commercial livestock farming in the country to meet the domestic demand and surplus for export. The objective is to use livestock sector as engine for economic growth and food security for the country and further leading to rural socioeconomic uplift.

b) Poultry

Poultry sector is one of the organized and vibrant segments of agriculture industry of Pakistan. This sector generates employment (direct/indirect) and income for about 1.5 million people. Poultry meat contributes 28.0 percent of the total meat production in the country. The current investment in Poultry Industry is more than Rs. 200.00 billion. Poultry sector has shown a robust growth @ 8-10 percent annually which reflects its inherent potential. This sector has contributed 1.3 percent in GDP during 2014-15 while it's contribution in agriculture and livestock value added stood at 6.3 percent and 11.2 percent, respectively. The poultry value added at current factor cost has increased from Rs. 130.7 billion (2013-14) to 140.5 billion (2014-15) showing an increase of 7.5 percent as compared to previous year. The production of commercial and rural poultry and poultry products for the last three years is given in Table 2.24.

Table 2.24: Domestic/Rural & Commercial Poultry

Type	Units	2012-13[1]	2013-14[1]	2014-15[1]
Domestic Poultry	**Million Nos.**	**80.87**	**82.08**	**83.32**
Cocks	Million Nos.	10.38	10.66	10.95
Hens	Million Nos.	38.78	39.47	40.18
Chicken	Million Nos.	31.72	31.95	32.19
Eggs[2]	Million Nos.	3,878	3,947	4,018
Meat	000 Tonnes	108.62	110.79	112.99
Duck, Drake & Duckling	**Million Nos.**	**0.52**	**0.50**	**0.48**
Eggs[2]	Million Nos.	23.13	22.17	21.25
Meat	000 Tonnes	0.70	0.67	0.65
Commercial Poultry	**000 Tonnes**	**47.0**	**50.1**	**53.4**
Layers	Million Nos.	37.25	39.86	42.65
Broilers	Million Nos.	656.72	722.39	794.63
Breeding Stock	Million Nos.	9.71	10.19	10.70
Day Old Chicks	Million Nos.	685.94	754.54	829.99
Eggs[2]	Million No's	9,912	10,586	11,307
Meat	000 Tonnes	797.47	875.24	960.65
Total Poultry				
Day Old Chicks	Million Nos.	718	786	862
Poultry Birds	Million Nos.	785	855	932
Eggs	Million Nos.	13,813	14,556	15,346
Poultry Meat	000 Tonnes	907	987	1074

Source: Ministry of National Food Security & Research

1 : The figures for the indicated year is statistically calculated using the figures of 2005-06.

2 : The figures for Eggs (Desi) and Eggs (Farming) is calculated using the poultry parameters for egg production.

Government Policy Measure

Livestock Wing with its redefined role under 18th Constitutional Amendment continued regulatory measures that included allowing import of high yielding animals, semen and embryos for the genetic improvement of indigenous dairy animals, allowing import of high quality feed stuff/micro ingredients for improving the nutritional quality of animal & poultry feed and allowing duty free import of veterinary, dairy and livestock machinery / equipment in order to encourage establishment of value added industry in the country. Livestock insurance scheme for farmers having 10 animals or more have been introduced during 2014-15. Zero rating on processed valued added chicken products has been withdrawn.

Livestock Wing also provided facilitation for export of red meat. A total of 49.5 thousand tons of red meat was exported from July-March 2014-15. The export of meat fetched US$ 145.6 million. This meat was exported from 29 private sector slaughterhouses. During same period export facilitation was also provided for livestock by- products like animal casing, bones, horns and hooves, gelatin. Efforts are on way to access new markets like Russia, China, South Africa, and Indonesia for export of our meat and meat products.

Livestock Wing regulated import of superior quality semen and high yielding exotic dairy cattle of Holstein-Friesian & Jersey breeds for genetic improvement of indigenous dairy animals. During July-March 2014-15, 142.20 thousand doses of semen and 4,246 exotic dairy cows were imported. The exotic dairy cows added approximately 26,538 tonnes of milk per annum in the commercial milk chain/ system.

In order to facilitate dairy farmer, duty free import of calf milk replacer & cattle feed premix was allowed. During July-March 2014-15, 184.175 metric tonnes of calf milk replacer & 261.050 metric tonnes of cattle feed premix was imported. Similarly, to promote and encourage value added livestock processing industry in the country, duty free import of machinery for milk, beef, mutton & poultry processing was allowed.

During July-March 2014-15, the Animal Quarantine Department (AQD) provided quarantine services and issued 33,445 Health Certificates for the export of live animals, mutton, beef, eggs and other livestock products having value of US$ 340.518 million. The AQD generated non-tax revenue of Rs. 121.355 million during July-March 2014-15 as certificate / laboratory examination fee of animal and animal products exported during the year. The Animal Quarantine fee has been comprehensively revised after a period of 14 years on import and export of livestock and livestock products. Registration fee has been introduced on registration of livestock processing units with Animal Quarantine Department. This will help in increasing the revenue of Animal Quarantine Department. The Ministry will closely monitor increased fee impact on import and export of livestock and livestock products.

The National Veterinary Laboratory (NVL), Islamabad is a national institution for service and regulatory support to national livestock wealth with mission to promote greater productivity and profitability from the livestock industries in Pakistan. The surveillance and diagnostic at NVL remain unique and strategic facility designed to enable work to be conducted on highly contagious diseases of animals. NVL also houses National and Regional Projects on prevention and control of Transboundary Animal Diseases in Pakistan. During July - February 2014-15, 9282 samples were analyzed related to disease diagnosis, veterinary vaccines and residue testing. These samples arose from provincial livestock departments, development projects, ICT, AJK and FATA besides animal product exporters.

Livestock Wing also collaborated with international (Office International des Epizooties OIE, Food Agriculture Organization FAO) and regional organizations (South Asian Association for Regional Cooperation SAARC, Economic Cooperation Organization ECO, Animal Production & Health Commission for Asia APHCA, European Union EU) for Human Resource Development (HRD) and capacity building of national and provincial livestock institutions for diagnosis and control of animal diseases. Inter Provincial Coordination is being done by the Livestock Wing to implement the National Programme to Control Foot & Mouth Disease and Peste des Petits Ruminants (PPR) disease in Pakistan. Pakistan is progressing on OIE Foot and Mouth Disease (FMD) freedom pathway and moved to stage 02 of the 06 stage pathway. The Ministry, after consultation with provincial livestock departments, has endorsed "National Programme to Control Foot & Mouth Disease in Pakistan". This will help in improving animal health status of the country and assist in trade promotion of livestock and livestock products.

Ministry of National Food Security & Research made concerted efforts in order to lift ban on export of poultry and poultry products by Saudi Arabia. This was imposed on account of bird flu diseases in the country. Saudi Technical Delegation visited the country to inspect the processing facilities of some of the companies dealing with hatching eggs and day old chicks. The Saudi delegation, after inspection, allowed 11 Pakistani Companies for the export of hatching eggs and day old chicks to Saudi Arabia. Efforts are on way that UAE may also lift ban on import of poultry and poultry products from Pakistan.

Losses occurred to Livestock due to Flood

The flood hit the country in 2014. Punjab was the most affected area. Punjab Government took immediate measures to mitigate the losses in livestock sector. It established 642 emergency relief camps and 86 mobile dispensaries in the flood hit areas. The emergency vaccinations were done to 13.5 million large / small ruminants and 5.5 million rural poultry. Prophylactic treatment was provided to 14.5 million livestock. Since flood destroyed crops in many of the areas thus more than one lac Kgs Vanda was distributed in the flood affected areas to meet day to day need of livestock feeding. The economical losses to livestock sector were estimated to be more than Rs. 350 million.

Future Plans

The future plans include Inter-Provincial Coordination for development of livestock sector, Coordination with private sector to promote value addition livestock industry and diversification of livestock products, Controlling Trans-boundary Animal Diseases of trade and economic importance through provincial participation (FMD, PPR, Zoonotic diseases) & Exploring new markets for export of beef & mutton and poultry meat.

IV. Fisheries

Fishery plays an important role in Pakistan's economy and is considered to be a source of livelihood for the coastal inhabitants. A part from marine fisheries, inland fisheries (based in rivers, lakes, ponds, dams etc.) is also very important activity throughout the country. Fisheries share in GDP although very little but it adds substantially to the national income through export earnings.

During 2014-15 (July-March), total marine and inland fish production was estimated 499,000 m. tonnes out of which 365,000 m. tonnes was marine production and the remaining catch came from inland waters. Whereas the production for the period 2013-14 (July-March), was estimated to be 494,000 m. tons in which 345,000 m. tons was for marine and the remaining was produced by inland fishery sector.

Pakistan's major buyers are China, Thailand, Malaysia, Middle East, Sri Lanka, Japan, etc. During 2014-15 (July-March), a total of 100,321 m.tonnes of fish and fishery products were exported earning US$ 253.625 million. Whereas the export for 2013-14 (July-March), was 102,967 m.tonnes of fish and fishery products were exported earning US$ 254.728 million. The export of fish & fishery products has been decreased by 2.57 percent in quantity and in value have been decreased by 0.43 percent during 2014-15 (July-March).

Government of Pakistan is taking a number of steps to improve fisheries sector which includes inter alia strengthening of extension services, introduction of new fishing methodologies, development of value added products, enhancement of per capita consumption of fish, up-gradation of socio-economic conditions of the fishermen's community.

i) Biological and Hydrological Research

During July-March 2014-15, sample of seawater collected from coastal areas were analyzed to determine parameters which affect fish distribution. Fish samples of different species were examined for study of length-weight relationship, sex ratio, maturity, food and feeding habit and fecundity etc. Monitoring for fish landing to determine stock position was also carried out at Karachi Fish Harbour.

ii) Quality Control Services

Marine Fisheries Department is responsible to regulate quality and promote export of fish and fishery products and to prevent export of substandard quality of seafood products and for matters connected therewith and ancillary thereto. During July-March 2014-15, the Quality Control Section of MFD has issued 12,555 certificates of Quality & Origin and health for seafood commodities exported from Pakistan.

iii) Accreditation of Quality Control Laboratories Under ISO / IEC-17025 International Standards

Two (02) laboratories (namely Microbiology and Chemical) of MFD achieved international accreditation under ISO / IEC -17025 international standards. Thus the MFD has fulfilled the requirements of EU and other importing countries and now, the test reports issued by these laboratories are acceptable all over the world.

iv) Extension in Accreditation of Testing Laboratories

The Biochemical laboratory of MFD is planned for achievements of accreditation under ISO/17025 International Standards.

v) Export of Fish and Fishery Products to the European Union (EU) Countries

After the period of about six (06) years, with the efforts of MFD, Ministry of Ports and Shipping and other stakeholders, the EU has allowed resumption of export of Fish & Fishery products from Pakistan to the EU countries. It is recalled that the fish processing plants were delisted by EU in April, 2007. Two fish processing plants have been enlisted by EU and case of enlistment of five plants is in process with EU.Since resumption of export to the EU countries total 62 consignments of cuttle fish, Shrimps and fish sent from one company to the EU have also successfully been cleared after 100 percent laboratory analysis at EU border.

In order to meet the requirement of EU and other importing countries, two (02) laboratories of MFD (i.e. Microbiology & Chemical) were accredited from Pakistan National Accreditation Council upto 2016.

vi) Renovation of other Landing Sites / Auction Halls

The administration of Gwadar Fish Harbour, and Karachi Fish Harbour Karachi, has been approached by MFD to renovate the Harbour facility as per requisite hygienic standards.

vii) Turtle Exclusion Device (TED) and Trials of TED by Local Fishermen

Marine Fisheries Department, Government of Pakistan, where around 36 fishermen, including representatives of the other organizations participated in the training for fishermen for using TED. The primary purpose of TED is to reduce the mortality of sea turtles in fishing nets, while safeguarding the livelihood of the local fishermen. The fishermen would benefit from installation of a TED in the trawl net due to higher catch values and reduction of large by-catch which damages the shrimp, shortens sorting times, lowers fuel costs due to reduced net drag as the cord end would fill more slowly, and yield higher catches of shrimp .The turtles' eggs was the best option, which could be implemented with awareness of the masses. United States used to be our largest buyer for shrimps, but now China and UAE have overtaken it. There are 18 countries in the world that use TED. In the past any fishing boats with 5 persons onboard did not require TED, but now it is mandatory for all the fishing boats Government of Pakistan has taken decision to emphatically implement the TED. The TED is mandatory in the World Trade Organization's environmental clauses. Pakistan is also a signatory to the FAO's Code of Conduct for responsible fishing. The federal and provincial governments have assigned the task to the Maritime Security Agency for ensuring compliance with the TED on all the fishing boats in the sea.

viii) Modernized the Fishing Fleets

The traditional fishing fleet will be modernized by providing high-power engines, navigational and communication equipment and improvement of deck facilities, in order to enhance their capability to fish in relatively deeper waters as per requirements of EU. As a result of introduction of modular boats by MFD, the boat owners have started modification of their boats on their own expenses. This is a success story which shows that the fishermen community has accepted the technology of lining of fish holds with fibreglass coating.

ix) Conservation and Management of Marine Resources

MFD in collaboration with fisheries department of Government of Sindh, Fishermen's Cooperative Society Ltd, Karachi Fisheries Harbour Authority and other stakeholders undertook research / experimental surveys to test different sizes of the cod-end of trawl-net being used by local fishermen. The optimal mesh size, on the basis of results of the surveys, will be selected and notified for implementation by the fishermen to ensure escapement of juveniles / undersized fish from the trawl-net.

x) The Vision is to Promote Fisheries to Ensure Food Security through Availability of Quality Products at Competitive Prices. The Priorities for Future Development of Fisheries Sector includes:

- Improvement of marketing infrastructure for fishermen along coastal line i.e. providing technical assistance / guidelines to stake holders / provinces for improvement of landing sides/auction halls at different fish harbours.

- Continuation of providing guidelines for up gradation of fishing boats according to international standards and marketing facilities.
- Increase capability for fishery planning and management based on the sound knowledge of the state of the fishery resources and exploitation of these resources.
- Provide guideline/technical assistance for value addition and aquaculture to boost production volume wise as well as value wise.
- Upgrade, accreditate and strengthen the quality control laboratories of Marine Fisheries Department by adding the new testing parameters for monitoring Environmental Contaminants in fish & fishery products to satisfy the requirements of importing countries.
- Continuation of training and development of fishermen and fisheries related personal.
- The fishing licenses against 100 vacant slots will be issued to Pakistani companies for operation of Deep Sea fishing vessels in the Exclusive Economic Zone (EEZ) of Pakistan subject to the availability of tuna and tuna like species in the region.

Conclusion

The government is making all efforts to make Agriculture Sector more vibrant and in this sector have initiated a number of initiatives and also focusing on Agro-base industries and strengthening linkages with the agricultural research and development to play a role in transfer of technology and knowledge to the farming community.

Manufacturing and Mining

3.1 Introduction

The manufacturing sector is one of the key sectors of economy with multidimensional activities of various sub sectors. It has multiplier impact on growth through value additions. A stimulating growth in this sector means creation of more jobs and increased exports. This sector is most vulnerable to factors like government policies, trade agreements, infrastructure, Foreign Direct Investment (FDI), workforce and R&D activities, access to energy supply and innovations. Manufacturing sector accounts 13.3 percent of Gross Domestic Product (GDP) and 14.2 percent of total employed labor force. Large Scale Manufacturing (LSM) at 10.6 percent of GDP dominates the overall sector, accounting 80 percent of the sectoral share followed by Small Scale Manufacturing, which accounts for 1.7 percent of total GDP. The third component of the sector is Slaughtering and account 0.9 percent of overall GDP.

Large Scale Manufacturing (LSM) during July-March 2014-15 registered a growth of 2.5 percent as compared to 4.6 percent in the same period last year. The production data of Large Scale Manufacturing (LSM) received from the Oil Companies Advisory Committee (OCAC) comprising 11 items, Ministry of Industries and Production 36 items and Provincial Bureau of Statistics 65 items have contributed in LSM growth as 0.15 percent, 1.02 percent and 1.31 percent, respectively. The industry specific data shows that sub sectors recorded negative growth during the period July-March FY 2014-15 over corresponding period of last year i.e. Wood Product declined by 78.46 percent (as compared to -8.91 percent last year), Engineering Products 10.68 percent (as compared to -20.15 percent last year), Paper and Board 7.26 percent (as compared to 9.30 last year), Food Beverage and Tobacco 1.03 percent (as compared to 8.24 percent last year) and Rubber products 0.56 percent (as compared to 9.41 percent last year).The sector showing growth during July-March 2014-15 such as Iron and Steel Products 35.63 percent (as compared to 3.38 percent last year), Automobiles 17.02 percent (as compared to 0.35 percent last year), Leather Products 9.62 percent (as compared to 12.70 percent last year), Electronics 8.21 percent (as compared to 7.02 percent last year), Pharmaceuticals 6.38 percent (as compared to -0.37 percent last year), Chemicals 5.94 percent (as compared to 6.74 percent last year), Non Metallic mineral products 2.56 percent (as compared to 0.19 percent last year), Coke & Petroleum Products 4.73 percent (as compared to 7.49 percent last year), Fertilizers 0.95 percent (as compared to 21.64 percent last year) and Textile 0.50 percent (as compared to 1.45 percent last year).

The Year on Year performance of LSM sector over corresponding period of last year is given in graph below.

Fig-1: 2013-14 (LSM Year on Year Growth Rate)

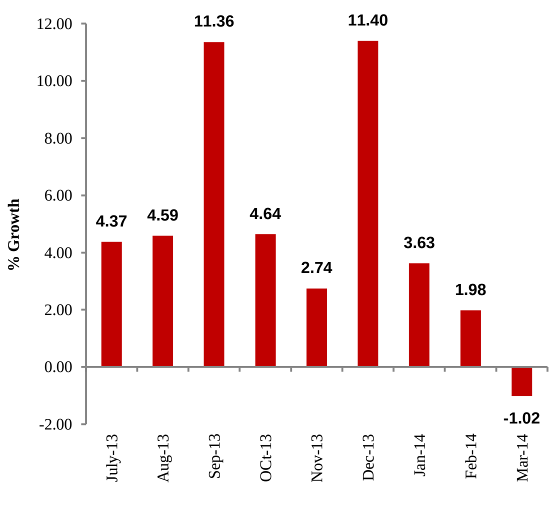
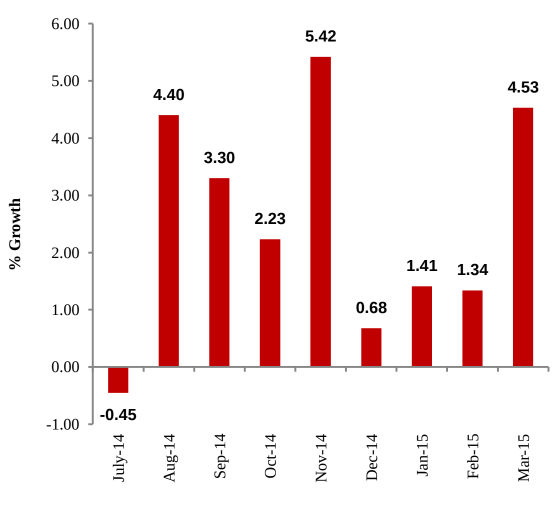


Fig-2: 2014-15 (LSM Year on Year Growth Rate)



LSM growth was hampered by a broad range of issues that include weak export of cotton yarn, gas shortages in number of industries and sector specific factors like closure of large chip board plant and substitution of domestic production of edible oil with imports. Cotton yarn production witnessed both demand and supply issues. On demand side, export demand for cotton yarn has remained low since last year especially after the reversal of cotton policy by China. China has been building cotton stocks since 2011 by offering higher than competitive prices to local farmers. The consequent widening of the gap between international and local cotton prices encouraged Chinese manufacturers to increase their imports of cotton yarn and its bi products. In March 2014, the Chinese Government introduced a major shift and would pay the price differential to farmers if market price falls from a target level, which was significantly smaller than the price at which the government was earlier buying from the market. On supply side, gas shortage was another drag of yarn manufacturing.

The Food Beverages and Tobacco performance can be well gauged that it has a share of 12.37 percent in LSM has shrunk by 1.0 percent in contrast to a growth of 8.2 percent last year as the performance of Sugar recorded a negative growth of 6.1 percent as compared to positive growth of 10.9 percent corresponding period July-March 2013-14. Sugar production fell on account of late commencement of the sugarcane crushing following the stand-off between cane growers and sugar mills over support prices. The ghee manufacturing declined by 1.4 percent primarily in response to large inventories from last year's production recorded growth at 5.1 percent. The fertilizer sector could not performed due to shortage of gas supply during last couple of months. The period average growth remained negative from September 2014 to January 2015 and posted a nominal growth of 0.9 percent during July-March 2014-15 as against robust growth of 21.6 percent on account of smooth gas supply during same period last year. It is expected that the sector will revive its performance in coming months due to smooth supply of gas in summer season. Textile having higher weight in Quantum Index of Manufacturing (QIM) remained subdued which further impacted the growth of LSM sector.

Group wise growth and points contribution rate of LSM for the period of July-March 2013-14 versus July-March 2014-15 are given in the following Table-3.1.

Table 3.1: Group wise growth and Point Contribution rate of LSM for the Period of July-Mar 2014-15 Vs July-Mar 2013-14

S.No.	Groups	Weights	% Change July-Mar		% Point Contribution July-Mar	
			2013-14	2014-15	2013-14	2014-15
1	Textile	20.915	1.45	0.50	0.30	0.11
2	Food, Beverages & Tobacco	12.370	8.24	-1.03	1.02	-0.13
3	Coke & Petroleum Products	5.514	7.49	4.73	0.41	0.26
4	Pharmaceuticals	3.620	-0.37	6.38	-0.01	0.23
5	Chemicals	1.717	6.74	5.94	0.12	0.10
6	Automobiles	4.613	0.35	17.02	0.02	0.79
7	Iron & Steel Products	5.392	3.38	35.63	0.18	1.92
8	Fertilizers	4.441	21.64	0.95	0.96	0.04
9	Electronics	1.963	7.02	8.21	0.14	0.16
10	Leather Products	0.859	12.70	9.62	0.11	0.08
11	Paper & Board	2.314	9.30	-7.26	0.22	-0.17
12	Engineering Products	0.400	-20.15	-10.68	-0.08	-0.04
13	Rubber Products	0.262	9.41	-0.56	0.02	0.00
14	Non-Metallic Mineral Products	5.364	0.19	2.56	0.01	0.14
15	Wood Products	0.588	-8.91	-78.46	-0.05	-0.46

Source: Pakistan Bureau of Statistics (PBS)

However, during current fiscal year 2014-15 the stability has been seen in LSM growth as number of groups performed remarkably well as compared to last year. Iron and steel product has shown improved performance on account of government bailout package likewise automobile flourished due to reduction in sales tax on tractors as well introduction of new models by automobile manufacturers.

The growth in iron & steel products was on account of growth recorded in pig iron 187.2 percent and Billets/Ingots 28.5 percent. The overall growth in steel production remained strong on account of expanding their existing capacities such as Mughal steel and International steel expanded their existing capacities.

In Automobile sector such as trucks, tractors, cars & jeeps and LCVs registered growth of 53.9 percent, 44.6 percent, 23.1 percent and 31.2 percent, respectively. Production of trucks has increased substantially compared to the same period last year mainly on account of leading manufacturers GHNL has established its assembling plant in Pakistan. Tractors production witnessed increased significantly after cut in general sales tax (GST) from 16 percent to 10 percent in the Federal Budget 2014-15. The demand for commercial vehicles increased on account of initiative started by the Punjab government namely Apna Rozgar Scheme under which process of distribution of 50 thousand vehicles among jobless youth.

In Leather Product, the growth mainly derived from footwear product recorded at 14.8 percent. In Electronics Products the growth of 8.2 percent arrived from the items like electric transformer 149.1 percent, electric meters 70.5 percent, storage batteries 17.6 percent and refrigerators 13.3 percent.

In Pharmaceuticals group, injections, capsules and tablets were the main contributors which managed to grew by 16.0 percent, 14.9 percent and 4.3 percent, respectively. The growth in Pharmaceuticals industry is heavily dependent on import of raw materials due to non availability of domestic inputs as well as no pharmaceuticals company has an Federal Drug Authority (FDA) approved manufacturing plant which is pre requisite for pharmaceutical exports to most of the countries.

In Non metallic mineral product, cement managed to grew by 2.7 percent as against 0.2 percent during July-March 2013-14 on account of impetus in the construction activities. Coke and Petroleum products growth mainly arrived from the production of coke 497.6 percent, kerosene oil 17.6 percent and solvant naptha 36.1 percent during the period under review.

The Food, Beverages & Tobacco in the Large Scale Manufacturing (LSM) remained negative during the period under review, however, some items showed positive growth in food, beverages & tobacco includes soft drinks 14.5 percent, juices, syrups & squashes 24.9 percent and tea blended 17.0 percent.

Item wise review of production of selected items of Large Scale Manufacturing during July-March 2014-15 is given in Table-3.2.

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

S.No.	Items	Unit	Weight	July-Mar 2013-14	July-Mar 2014-15	% Change (Jul-Mar) 2014-15	% Point Contribution (Jul-Mar) 2014-15
1	Deep Freezers	(Nos.)	0.162	60,034	54,089	-9.90	-0.016
2	Jeep & Cars	(Nos.)	2.818	86,187	106,135	23.15	0.652
3	Refrigerators	(Nos.)	0.239	874,534	991,254	13.35	0.032
4	Upper Leather	(000 sq.m.)	0.392	18,496	18,352	-0.78	-0.003
5	Cement	(000 tonnes)	5.299	22,804	23,428	2.74	0.145
6	Liquids/Syrups	(000 Liters)	1.136	69,197	72,743	5.12	0.058
7	Phosphatic Fertilizer	(N tonnes)	0.400	416,272	442,164	6.22	0.025
8	Tablets	(000 Nos)	1.914	18,865,495	19,684,768	4.34	0.083
9	Cooking Oil	(Tonnes)	2.227	268,536	267,837	-0.26	-0.006
10	Nitrogenous Fertilizer	(N tonnes)	4.041	1,934,304	1,940,098	0.30	0.012
11	Cotton Cloth	(000 sq.m.)	7.186	776,500	776,900	0.05	0.004
12	Vegetable Ghee	(000 tonnes)	1.144	885,759	873,171	-1.42	-0.016
13	Cotton Yarn	(Tonnes)	12.965	2,293,260	2,304,460	0.49	0.063
14	Sugar	(Tonnes)	3.545	5,124,540	4,812,408	-6.09	-0.216
15	Tea Blended	(Tonnes)	0.382	78,572	91,950	17.03	0.065
16	Petroleum products	(000 Liters)	5.410	9,996,469	10,244,097	2.48	0.134
17	Cigarettes	(Million Nos.)	2.125	47,114	46,789	-0.69	-0.015
18	Coke	(Tonnes)	0.104	31,924	190,794	497.65	0.520
19	Pig iron	(Tonnes)	1.584	68,161	195,741	187.17	2.965

Source: Pakistan Bureau of Statistics (PBS)

The Year on Year performance of LSM sector for March 2015 recorded a growth of 4.5 percent as compared to negative growth of 1.0 percent in March 2014. This can be well gauged from Food Beverages and Tobacco recorded a growth of 8.1 percent on account of better performance of sugar as it witnessed a growth of 18.7 percent over March 2014. Similarly in case of sugar if to compared with July-February 2014-15 recorded a negative growth 11.4 percent has to some extent improved by -6.1 percent during July-March 2014-15.

The other sectors performed well in March 2015 over March 2014 are Iron & Steel product 44.9 percent, Automobiles 30.2 percent, Coke & Petroleum product 13.6 percent, Pharmaceuticals 9.8 percent, Leather products 6.8 percent and Fertilizers 6.0 percent. The graphical representation of monthly production trends of major Large Scale Manufacturing (LSM) sector items during the July to March 2014-15 compared to corresponding period July to March 2013-14 is given below.

Fig-3: Monthly Production trends of major Large Scale Manufacturing (LSM) sector items during the July-March 2014-15 compared to corresponding period July-March 2013-14

Pak-China Economic Corridor will lead to greater investment and rapid industrialization in Pakistan. Successful implementation of this tie will be a game-changer for the people of Pakistan in terms of new economic opportunities leading to higher incomes and significant improvements in the living standards of a ordinary Pakistanis. Moreover, government has commenced renewable energy projects and some 10400 MW would be added to the national grid by 2018. It will drive the sector expansion by supporting the growth of economic clusters; facilitating access to technology; expanding the capital market and improving its efficiency; disseminating knowledge of markets; upgrading labour's technical skills; ensuring adequate incentives for research and development and encouraging movement of the value chain. A Corporate Synergy Development Centre comprising of industrial experts and professionals in the government will implement the manufacturing/ industry component of Vision 2025. Development of industrial parks for small, medium and large enterprises has been initiated, and will be expanded particularly in less developed/under-served areas.

3.2 Textile Industry

Pakistan has inherent advantage of being 4th largest producer of cotton in the world with a huge potential to further increase crop yield. For success of any export led industry, local availability of basic raw material is considered to be an added advantage as being a key factor in reducing cost of doing business. It is encouraging that Pakistan rank 3rd in the world in the field of yarn production. The textile value chain consists of ten industrial sub-sectors. The value chain is quite long starting from cotton picking to a finished garment of the latest fashion. The end product of one sub-sector is the basic raw material for the other. Each sub-sector in the value change contributes to value addition and employment generation. As the change moves downstream, each link creates larger number of jobs with relatively lower investments.

Global Overview

Global textiles and clothing trade has increased substantially since the post quota regime. However, Pakistan share in the global textiles and clothing trade has remained stagnant due to changes in the distribution chain as well as the creation of an uneven playing field by the importing countries through preferential trade agreements and special access given to different competitor countries.

According to international statistics report the export of textile and clothing trade has increased from US $ 709 billion in 2012 to US $ 766 billion in 2013 showing an increase of 8.03 percent. The exports of Pakistani textile and clothing trade has also increased from US$ 12.9 billion in 2012 to US$ 13.8 billion in 2013 with the increase of about 6.97 percent. The top ten exporters witnessed positive growth. The highest growth was seen by India, with 23 percent and the lowest was recorded by the Republic of Korea, with 2 percent. The top exporters remain in the same positions, with the exception of Vietnam which overtook the United States in 2013 as the sixth-largest exporter of textiles and clothing world exports. The European Union is the largest importer of clothing account for 38 percent of world imports in 2013 followed by the United States with 19 percent of world imports.

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013
World Textile	202.4	220.4	240.4	250.2	209.9	250.7	294.0	286.0	306.0
World Clothing	276.8	309.1	345.8	361.9	315.1	351.5	412.0	423.0	460.0
Total:-	479.5	529.5	586.2	612.0	524.0	602.2	706.0	709.0	766.0
Pakistan Textile	7.0	7.5	7.4	7.2	6.5	7.8	9.1	8.7	9.3
Pakistan Clothing	3.6	3.9	3.9	3.9	3.4	3.9	4.6	4.2	4.5
Total	10.6	11.4	11.2	11.0	9.9	11.8	13.7	12.9	13.8
Percentage of World Trade	2.23	2.15	1.91	1.81	1.88	2.00	1.94	1.81	1.8

Source: World Trade Organization (WTO)

Domestic Overview

The textiles sector in Pakistan has remained stagnant over the last decade due to a number of exogenous and indigenous factors such as subsidies given to cotton farmers and other textiles products by several countries which distorted prices, marketing constraints, global recession, and increasingly stringent buyers conditionality. On the domestic side, cotton production has remained stagnant at about 13 million bales per annum and the resistance to grading and standardization of cotton bales by ginners and spinners alike has consistently lowered the value of Pakistani cotton by around 10 cents per pound in the international market. On the other hand, the value-added garments sector has grown marginally due to its limited product range, low usage of manmade fibers and inability of manufacturing units to restructure in order to meet changing international requirements.

Federal government has announced textile policy 2014-19. The package carries special duty-drawback rates, duty exemption on plants and machinery, subsidy on long-term loans and development subsidies. The Policy offered about Rs. 64.15 billion cash subsidy to the textile and clothing sector to boost exports to $26 billion by 2019 from $13 billion. The Finance Division will provide Rs. 40.6 billion over the five years for duty drawback, technology up-gradation and brand development etc., while another Rs. 23.5 billion will be provided for skill development, dedicated textile exhibitions, establishment of world textile centre, weaving city, incubators, apparel house, and mega textile awards. Around 120,000 peoples will be trained through skill development program and 50 small companies from the sector will be picked each year for the next three years for government support and the proposed measures will promote value-addition and generate employment for more than 5 million people.

Performance of Textile Industry

Textiles is the most important manufacturing sector of Pakistan and has the longest production chain, with inherent potential for value addition at each stage of processing, from cotton to ginning, spinning, fabric, dyeing and finishing, made-ups and garments. The sector contributes nearly one-fourth of industrial value-added, provides employment to about 40 percent of industrial labor force, and consumes about 40 percent of banking credit to manufacturing sector. Barring seasonal and cyclical fluctuations, textiles products have maintained an average share of about 54 percent in national exports. The export performance during the period under review is given in the Table 3.4.

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

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 (Jul-Mar)
Cotton & Cotton textiles	10,071	9,308	9,754	13,147	11,778	12,652	13,143	9,785
Synthetic textiles	490	319	446	608	546	406	383	274.292
Wool & woolen textiles	216	145	137	132	121	122	125	92.902
Total textiles	10,777	9,772	10,337	13,887	12,445	13,180	13,857	10,294.193
Total exports	19,224	17,782	19,290	24,810	23,624	24,515	25,131	17,930.897
Textile as % of Exports	56	55	54	56	53	54	55	57

Source: Ministry of Textile

3.2.1Ancillary Textile Industry

The ancillary textile industry includes cotton spinning, cotton cloth, cotton yarn, cotton fabric, fabric processing, home textiles, towels, hosiery and knitwear and readymade garments. These components are being produced both in the large scale organized sector as well as in the unorganized cottage / small and medium units. The performance of these various ancillary textile industries is illustrated as under:-

i. Cotton Spinning Sector

The Spinning Sector is the backbone in the ranking of textile production. At present, as per record of Textile Commission Organization (TCO), it is comprised of 523 textile units (40 composite units and 483 spinning units) with 13.269 million spindles and 185 thousand rotors installed and 11.083 million spindles and 140 thousands rotors in operation with capacity utilization of 84 percent (92 percent corresponding period last year) and 76 percent (82 percent corresponding period last year) respectively, during July –March, 2014-15.

ii. Cloth Sector

There are three different sub-sectors in weaving viz, Integrated, Independent Weaving Units, and Power loom units. The power loom sector modernized and registered a phenomenal growth over the last two decades. The growth of power loom sector is due to favorable government policies as well as market forces. Production of cloth in mill sector is reported. The production in non-mills sector is not reported and therefore is estimated. The Table 3.5 showed production and export of clothing during the period under review.

Table 3.5 Production and export of Clothing Sector

Production	July-March 2014-15	July-March 2013-14	% Change
Mill Sector (M. Sq. Mtrs.)	776.900	776.500	0.052
Non Mill Sector (M. Sq. Mtrs.)	6063.949	6064.100	-0.003
Total	6840.849	6840.600	0.005
Cloth Exports			
Quantity (M.SqMtr.)	1450.945	1973.821	-26.49
Value (M.US$)	1859.722	2128.216	-12.62

Source: Ministry of Textile

iii. Textile Made-Up Sector

Being value added segment of textile industry made-up sector comprises different sub groups namely towels, tents & canvas, cotton bags, bed-wear, hosiery& knitwear & readymade garments including Fashion Apparels. Export performance of made-up sector during the period July-Mar 2014-15 is presented in Table 3.6.

Table 3.6: Export of Textile Made-Ups

	July-March 2014-15	July-March 2013-14	% Change
Hosiery Knitwear			
Quantity (M.Doz)	81.650	80.310	1.67
Value (M.US$)	1,791.789	1,666.143	7.54
Readymade Garments			
Quantity (M.Doz)	22.843	21.434	6.57
Value (M.US$)	1,548.282	1,426.826	8.51
Towels			
Quantity (M.Doz)	120.862	123.394	-2.05
Value (M.US$)	579.588	569.614	1.75
Tents/Canvas			
Quantity (M.Doz)	36.466	21.691	68.12
Value (M.US$)	105.614	58.028	82.01
Bed Wears			
Quantity (M.Doz)	238.277	240.251	-0.82
Value (M.US$)	1,569.602	1,608.247	-2.40
Other Made up			
Value (M.US$)	485.761	488.021	-0.46

Source: Ministry of Textile

a) Hosiery Industry

There are about 13,372 circular knitting machines, 10,646 flat knitting and 23,241 socks knitting machines spread all over the country. The capacity utilization is approximate 70 percent. There is greater reliance on the development of this industry as there is substantial value addition in the form of knitwear. Besides locally manufactured machinery, liberal import of machinery under different modes is also being made and the capacity based on exports is being developed. The performance of this sector during July-March 2014-15 worth $ 1791.789 million was exported as compared to $ 1666.143 million which shows an increase of 7.54 percent in comparable period of last year. Even in quantity terms the export of knitwear industry has increased by 1.67 percent. The export performance of knitwear during the period under review is given below in Table.3.7.

Table 3.7: Export of Knitwear

	July-March 2014-15	July-March 2013-14	% Change
Quantity (000.Doz)	81.650	80.310	1.67
Value (M.US$)	1791.789	1666.143	7.54

Source: Ministry of Textile

b) Readymade Garment Industry

Readymade garment industry has emerged as one of the important small scale industries in Pakistan. Its products have large demand both at home and abroad. The local requirements of readymade garments are almost met by this industry. Garment industry is also a good source of providing employment opportunities to a large number of people at a very low capital investment. It mainly uses locally produced raw materials. Most of the machines used by this industry are imported or locally made and assembled.

Production of garments by units depends on export orders directly or indirectly. These orders have somewhat risen in terms of value, but they have fluctuated widely in terms of quantity. Generally export earnings from garments have increased significantly. Exports increased from 21.434 million dozens in various types of readymade garments worth US$ 1426.826 million in July-March 2013-14 as compared to 22.843 million dozens worth $1548.282 million in July -March 2014-15, thus showing an increase of 8.51 percent in terms of value.

Table 3.8: Export of Readymade Garments

	July-March 2014-15	July-March 2013-14	% Change
Quantity (M.Doz)	22.843	21.434	6.57
Value (M.US$)	1548.282	1426.826	8.51

Source: Ministry of Textile

c) Towel Industry

There are about 10,000 towel looms including shuttle and shuttle less in the country in both organized and unorganized sector. This industry is dominantly export based and its growth has all the time depended on export outlets. The existing towels manufacturing factories are upgraded to produce higher value towels. Export performance of towel sector during the period is given below in Table 3.9.

Table 3.9: Export performance of Towel sector

	July-March 2014-15	July-March 2013-14	% Change
Quantity (M.Kgs)	120.862	123.394	-2.05
Value (M.US$)	579.588	569.614	1.75

Source: Ministry of Textile

d) Canvas

The production capacity of this sector is more than 100 million Sq. meters. This sector is also known as Raw Cotton Consuming sector. This value-added sector has also great potential for export. The 60 percent of its production is exported while 40 percent is consumed locally by Armed Forces Food Department. Pakistan is the cheapest source of supply of Tents and Canvas. The export performance of this sector during July-March 2014-15 recorded at $ 105.614 million as compared to the $ 58.028 million in comparable period last year, thus showing as increase of 82.01 percent.

Table 3.10: Export performance of Tent and Canvas Sector

	July-March 2014-15	July-March 2013-14	% Age Change over
Quantity (000.Doz)	36.466	21.691	68.12
Value (M.US$)	105.614	58.028	82.01

Source: Ministry of Textile

iv) Synthetic textile fabrics

During July-March 2014-15, synthetic textile fabrics worth $ 274.29 million were exported as compared to $ 284.19 million showing a decrease of 3.48 percent in comparable period of last year. Even in Quantity term the export of synthetic decreased by 17.15 percent.

v) Woolen Industry

The main products manufactured by the woolen industry are carpets and rugs. The exports of carpet during the period July-March 2014-15 is given in the Table 3.11.

Table 3.11: Exports of Carpets and Rugs (Woollen)

	July-March 2014-15	July-March 2013-14	% Change
Quantity (M.Sq.Mtr)	2.002	2.591	-22.73
Value (M.US$)	92.902	97.280	-4.50

Source: Ministry of Textile

vi) Jute Industry

The main products manufactured by the Jute Industries are Jute Sacks and Hessian cloth, which are used for packing and handling of Wheat, Rice and Food Grains. The installed and working capacity of jute industry is given in the Table 3.11.

Table 3.12: Installed and working capacity of Jute

	July-March 2014-15	July-March 2013-14	% Change
Total No. of Units	10	10	0%
Spindles Installed	24,544	25,715	-5%
Spindles Worked	22,305	23,443	-5%
Looms Installed	1,092	1,175	-7%
Looms Worked	871	1,016	-14%

Source: Ministry of Textile

The production of the Jute goods for the period of July – March 2014-15 and 2013-14 is 71,670 and 78,683 metric tons, respectively showing a decrease of 9 percent.

Box-I: Textiles Policy 2014-19

The Textiles Policy 2014-19 is based on actionable plans to make the textiles sector competitive and sustainable. The government will make sure that the benefits of Textiles Policy 2014-19 are spread at the national level and have a positive impact on small and medium enterprises through various measures including development of clusters. The main theme of the current Policy is to increase dependence on special factors which give comparative advantage and to increase the use of new technologies especially ICT options, for improving competitiveness of the entire textiles value chain.

Vision

To become a leading country in the field of export of value-added textile products

Mission

To develop and implement a textiles policy which ensures consistency, predictability and transparency in government actions and programmes, while building the reputation of the country as a reliable source of high quality textile goods

Goals

- To double value-addition from $1billion per million bales to $2 billion per million bales in five years
- To double textiles exports from $13 billion per annum to $26 billion per annum in next five years
- To facilitate additional investment of $5 billion in machinery and technology
- To improve fibres mix in favour of non-cotton i.e. 14 percent to 30 percent
- To improve product mix especially in the garment sector from 28 percent to 45 percent
- To strengthen existing textile firms and establish new ones
- SME sector will be main focus of attention to enhance growth in value-added products through support and incentives schemes
- Schemes and initiatives will be launched for increasing usage of ICT
- The textiles sector will be made domestically and internationally compliant especially with respect to labour and environment rules and conventions
- Textiles units will be encouraged to use modern management practices for improving efficiency and reducing wastages
- Clusters would be systematically developed and existing clusters will be strengthened
- Vocational training of workers for capacity building, internships and different programmes for enhancement of skills and higher per capita productivity would be introduced
- Facilitate the creation of three million new jobs
- Promotion of specialty skills training for professionals and supervisory levels.
- Adopt measures to increase ease of doing business and reducing cost of doing business

Source: Ministry of Textile

3.3 Other Industries

3.3-1 Engineering Sector

Engineering Development Board (EDB) is an apex government body under Ministry of Industries & Production entrusted to strengthen engineering base in Pakistan. Engineering Development Board has so far taken the following initiatives.

i. Capacity Building and International Linkages

EDB has developed linkages with various international organizations to provide short term expert services to local industry with the objective to improve production process, quality of product, managerial capabilities, accounting system improvement etc. EDB has so far arranged Dutch and German experts for 38 companies while cases of 5 companies are in pipeline. These experts are providing professional and technical services in the areas of energy efficiency, product and product quality improvement, productivity & process improvement, international certification, international marketing, improvement in accounting system and improving product design. For upgrading the technical & vocational institutes, following four institutes of TEVTA have been enrolled under PUM's Vocational Education for Higher Categories and Levels (VEHICLE) Programme.

- Woodworking service Centre-Rawalpindi
- Wood Working Service Centre-Gujrat
- Cutlery and small tools Centre-Wazirabad
- Light engineering Service Centre-Gujranwala

ii. Organizing Engineering Pavilion at 9th Edition of Expo Pakistan February 26th to March 1st 2015

Based on the successful experience and excellent response of all the stakeholders on organizing 8th Edition of Expo Pakistan 2013, EDB was again invited by TDAP to organize engineering pavilion for the 9th edition of expo Pakistan which was scheduled in October, 2014. Preparatory work was initiated but due to security concerns, the expo being held from February 26th 2015 to March 1st, 2015. An overwhelming response received from the local business communities, investors, importers and traders who witnessed a wide range of modern, high quality products and machines on show.

iii. Coordination with Ministry of Commerce for Development of National Export Growth Strategy

In order to realize the vision of the Prime Minister of Pakistan to double the exports level, MOC has initiated an exercise to develop National Export Growth Strategy with active involvement of all the related organizations. EDB pursuance of its mission to promote engineering sector of Pakistan for its global integration resubmitted the relevant proposals from National Engineering Export Development Strategy (NEEDS) which is a comprehensive study carried out by EDB with involvement of all stakeholders.

iv. Engineering Goods and Services Exporters Directory 2014-2015

In order to project Engineering Image of Pakistan, EDB is in the process of updating the Engineering Goods Exporter Directory of Pakistan. The Directory would be having complete profiles of more than 150 leading Exporters of Pakistan in various engineering sub sectors and is being circulated to Pakistan's Foreign Missions, Foreign and local Chambers of Commerce, Associations and EDB's international support partners in the potential markets.

3.3-2 Automobile Industry

In Automobile sector, there has been surge in productions of all its sub sectors except buses and two/three wheelers during the period July-March 2014-15.The passenger cars and jeeps have registered a growth of 23 percent and 4.5 percent, respectively. Although there has been negative growth in most of the existing models of passenger cars and jeeps but it was offset by recently introduced models in this category. Similarly in case of Light Commercial Vehicles (LCVs) there is recovery with sizeable growth of 31 percent. In addition, local production of trucks gone up by 54 percent which the industry owes to certain praiseworthy measures taken by the government such as combination of stringent enforcement actions and policy interventions whereby disguised imports of trucks could be curbed. In case of tractors, its production suffered a lot after imposed heavy tax (16 percent) in 2012. The present government levy finally settled at 10 percent in the second half of 2014, hence the revival is the evidence with 44.6 percent growth during July-March 2014-15. The overall performance of the automobile industry during the year July-March 2014-15 and 2013-14 has been given in Table 3.13.

Table 3.13. Production of Automotive Industry (No of units produced)

Category	Installed Capacity	2013-14 (July-Mar)	2014-15 (July-Mar)	% Change
Cars	240,000	85,681	105,267	23
LCVs	43,900	13,355	17,521	31
Jeeps	5,000	830	868	4.5
Buses	5,000	445	410	-8.0
Trucks	28,500	1,807	2,781	54
Tractors	65,000	24,714	35,753	44.6
Two/Three Wheelers	2,500,000	586,580	544,864	-7.0

Source: Pakistan Automotive Manufacturer Association

During July-March 2014-15, there is downturn in local production of buses on account of preferring import of CBU buses in the provinces and local bus industry kept out of that growing demand in favour of imports without regard to massive idle capacity in local commercial vehicle (HCV). The local produced buses are being offered at far cheaper price of Rs. 11 to 13 million compared to the price of Rs. 28 million at which purchased from China.

Pakistan one of the tenths largest bikes market in the world. The two/three wheelers sector offers most preferred and economical means of transport and best alternate in the absence of public transport and thus holds out considerable opportunities of growth. The reason for the fall in overall growth essentially rests with the two wheelers who remained negative 8.4 percent during 2014-15 however, significant growth of 14.2 percent in three wheelers mitigates the impact. Yamaha Motor Pakistan (YMPK) has recently established the Pakistan Motorcycle Manufacturing Base (PMMB) at Bin Qasim Industrial Park (BQIP), Karachi and it would expect to enhance the production as well as manpower skills through technology transfer (Box-II).

The Auto Industry Development Programme (AIDP) expired on 30th June 2012. Currently, new Automotive Development Policy (ADP) is under preparation/approval of the concerned authorities. ADP has following policy objectives and strategic interventions to promote automotive sector in Pakistan.

Policy Objectives

1. Facilitate higher volumes, more investment, better quality and latest technology
2. Creating a balance between industrial growth and tariffs
3. Stimulating growth and streamlining trading activities
4. Ensuring consumer welfare; quality, safety, choice and value for money
5. Policy developments consistency, predictability and review mechanism to cater for merging

Strategic Interventions

1. Lower entry threshold for New Investment
2. Create enabling Tariff structure for development
3. Rationalize automobiles import policy
4. Provide regulatory and enforcement mechanisms for Quality, Safety and Environmental standards
5. Create R&D, design and testing infrastructure
6. Develop human resource and training infrastructure
7. Introduce technology acquisition support scheme
8. Ensure consumer welfare

Box-II: Yamaha Motor's Pakistan Motorcycle Manufacturing Base(PMMB) at Bin Qasim Industrial Park (BQIP), Karachi

Yamaha Motor Pakistan (YMPK) has established the Pakistan Motorcycle Manufacturing Base (PMMB) at Bin Qasim Industrial Park (BQIP), Karachi and was inaugurated by Finance Minister along with Japanese Ambassador Hiroshi Inomata, Minister of State and Chairman Board of Investment, Minster of State for Privatization, President Yamaha and Managing Director Yamaha Pakistan. BQIP had already been approved and Yamaha was the first enterprise, which had 100 percent ownership in BQIP and PMMB was based on new technology and it would produce bikes having capacity of 125CC and above. Yamaha was importing 75 percent parts from Japan while rest of the 25 percent parts were being manufactured locally so Yamaha has bright prospects in Pakistan as bikes demand in the country stood around two million. YMPK has big market in Pakistan as country's middle class would increase to 100 million from 70 million by 2025. The new factory with a total floor area of 17000 square meter, was built on a 203,456 Square meter piece of land in the BQIP with 200 employees. In 2015, the first year of production, the new factory is expected to produce 30,000 units and will target the production between 300,000 to 4000,000 units by 2020.

The policy of incumbent government is more liberal and friendly compared to past tenures which compelling many countries and several Japanese firms to reconsider Pakistan for investment.

3.3-3 Fertilizer Industry

The fertilizer industry is provider of one of the key inputs for crop production contributing from 30 to 50 percent in crop production. In Pakistan, there are nine urea manufacturing plants, one DAP, three NP, three SSP, two CAN and one plant of blended NPKs having a total production capacity of 8,983 thousand product tonnes per annum. Although, the installed production capacity for all products is around 8,983 thousand tonnes per annum, the actual production for all products remained 6,765 thousand product tonnes during 2013-14 which is less by 25 percent of the installed production capacity. Fertilizer production is estimated to increase slightly during 2014-15 and will reach to level of 6,900 thousand tonnes. The main reason for this low fertilizer production in country is the gas curtailment to fertilizer industry which started since May 2010 and is still continuing.

Fertilizer sector is the second largest consumer of gas after the power sector, however, on account of the energy crisis in the country like others sectors, fertilizer sector has also affected badly. The decision of curtailment in the gas supply to the national fertilizer industry bore severe consequences like low production, undue price hike and increase in import and subsidy especially in case of urea. Smooth supplies of natural gas to urea plants are essential to run the plants at 100 percent of their installed capacity for making urea available (as per requirement) at stable/affordable price and avoiding its import. At least minimum required gas supply for feedstock purpose may be ensured to fertilizer manufacturing plants. It is estimated that for 2013-14, the implicit cross subsidy (un-budgeted) on natural gas being used as feedstock for urea manufacturing was as Rs. 41.30 billion.

At present, the installed production capacity (6323 thousand tonnes) of urea fertilizer is more than national demand of 6,200 thousand tonnes per annum but the actual production is much below than required level. The annual production of urea for 2014-15 is estimated at 5100 thousand tonnes, which is less by 19 percent of installed capacity of urea fertilizer. The situation will improve in coming months due to smooth supply of gas to fertilizer industry.

3.3-4 Cement Industry

Pakistan stands among the top 20 cement producers in the world and among the top 5 exporters of cement. Strong public sector development funding and growing private sector construction present solid growth opportunities in the sector. During July-April 2014-15, cement industry dispatched 22.99 million tons in the local market, posting a growth of 7.97 percent as compared to the local dispatches during the same period last year. During July-April 2014-15 total dispatched was 29 million tonnes as against 28 million tonnes during the same period last year owing to rising domestic demand. Cement dispatches to domestic markets during April 2015 increased by 4.57 percent to 2.65 million tonnes compared with 2.54 million tonnes during same month last year. Exports during April were 640,000 tonnes against 672,000 tonnes during April 2014, down by 4.72 percent. Total dispatches in April 2015 were 3.29 million tonnes compared to 3.21 million tonnes during the same month last year, up by 2.62 percent. The cement industry is still operating at a little over 76 percent capacity which translates into idle capacity of 8.94 million tones.

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

Years	Production Capacity	Capacity Utilization (%)	Local Dispatches	Exports	Total Dispatches
2006-07	30.50	79.56	21.03	3.23	24.26
2007-08	37.68	80.40	22.58	7.72	30.30
2008-09	42.28	74.05	20.33	10.98	31.31
2009-10	45.34	75.46	23.57	10.65	34.22
2010-11	42.37	74.17	22.00	9.43	31.43
2011-12	44.64	72.83	23.95	8.57	32.52
2012-13	44.64	74.89	25.06	8.37	33.43
2013-14	44.64	76.79	26.15	8.14	34.28
July-April					
2013-14	44.64	75.23	21.30	6.69	27.99
2014-15	45.62	76.49	22.99	6.08	29.08

Source: All Pakistan Cement Manufacturers Association (APCMA)

Demand of cement in Afghanistan has been declining and hampering exports by northern manufacturers on account of withdrawal of NATO forces and increased supply from the Iranian side. On the other hand Southern exports are improving with greater market reach through via sea route. An upside remains ample foreign assistance for development in Afghanistan; however, growth in this market rests on government commitment to development and magnitude of competition from Iran.

Reductions in input costs stand to improve gross margins and ultimately allow manufacturers to reduce prices, however, some stress of this aspect is seen in gas dependant manufacturers. In larger companies, LUCKY, DG Khan Company Limited (DGKC), Kohat Cement Company Limited (KOHC) and Fauji Cement Company Limited (FCCL) appeared favourable while smaller firms such Cherat Cement Company Limited (CHCC), Pioneer Cement Limited (PIOC), Fecto Cement Limited (FECTC), Gharibwal Cement (GWLC) and Power Cement limited also show potential.

3.5: Small and Medium Enterprises

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

Salient activities/achievements of SMEDA during July-March 2014-15 are given below:-

i. Prime Minister's Youth Business Loans (PMYBL)

- At the launch of PMYBL in 2013, Eighty Five (85) Business Pre-feasibility Studies were developed along with information resources and tools including, FAQs on Pre-feasibility studies, financial calculators, guidelines/template on developing business plan, and training video documentaries developed on various aspects of business.
- Rs. 13.78 million pre-feasibility studies and resources were downloaded from SMEDA website and 22,317 prospective loan applicants facilitated through SMEDA helpdesks after the launch of PMYBL. (727 prospective loan applicants have been facilitated during July-March 2014-15 and 1.65 million downloads were recorded).
- Business Development needs and handholding requirements of loan beneficiaries indentified through a multi ministerial national outreach program, coordinated by SMEDA.

ii. Special Projects with Internationals Development Partners

a) Economic Revitalization of Khyber Pakhtunkhwa and FATA(ERKF)

The Multi Donor Trust Fund (MDTF) project "Economic Revitalization of Khyber Pakhtunkhwa and Federally Administered Tribal Areas (FATA)" is a joint initiative for both Khyber Pakhtunkhwa and FATA to provide support to SMEs, attract diaspora investment, and strengthen institutional capacities to foster investment and implement regulatory reforms. The project is a response to the priority interventions indentified under the donor-supported Post Crisis Needs Assessment (PCNA) Report. The MDTF for Khyber Pakhtunkhwa, FATA and Balochistan was established to support the recommendations made in the PCNA report, and is being administered by the World Bank on behalf of 10 donors.

The Project is divided in three components:

Component 1: SME development
Component 2: Investment Mobilization
Component 3: Capacity Building to Foster Investment and Implement Reforms

The total cost of the project is US$ 20 million. Since July 2014, around 203 SMEs have been facilitated through the project that has resulted in rehabilitation of businesses and employment creation that has been adversely affected due to the security issue in the region.

b) Industry Support Services

SMEDA in collaboration with Japan International Cooperation agency (JICA), German Technical Cooperation (GIZ) and local experts, is providing technical assistance to SMEs across a range of industries to upgrade their skills and improve systems. Since July 2014, 20 industrial units have been direct beneficiaries of this program in the areas of efficiency and productivity. Major sectors facilitated under this program during current fiscal year are chemical and auto parts sectors. In order to broaden the scope of productivity, improvement activities across the value chain of auto sector and subsequently improving the share of localization of auto parts, SMEDA requested JICA for initiating a technical support program of Japanese way of improving productivity and quality. Subsequent to the visit of JICA detailed planning mission to Pakistan from September 22, 2014 till October 10, 2014, JICA has approved a 4 years project for Technical Support to Auto Parts Manufacturing Industry of Pakistan to be implemented by SMEDA under the guidelines of JICA technical experts. Under this program, technical support will be extended to 50 auto parts manufacturing units of Pakistan through five JICA technical experts. Out of 50 SMEs, around 10 SMEs would be developed as modal factories in the field of productivity and quality. Furthermore, development support system through capacity building programs of partner organizations and local experts is prime consideration of the project. Record of discussion was signed at Economic Affairs Division on January 29, 2015.

c) Revival of Investment Promotion Unit

Investment Promotion Unit in Collaboration with UNIDO revived at SMEDA for investment promotion in Pakistan SMEs and channelizing investment in high growth sectors. Feasibility study for establishing credit guarantee scheme for SMEs in Pakistan was conducted.

iii. SME Development Projects under Public Sector Development Program (PSDP)

In Pakistan, lack of infrastructure and technology are major constraints that hinder SME productivity and competitiveness in the global market. To cope with the challenges, SMEDA initiated efforts in infrastructural development and technological up gradation under Public Sector Development Program (PSDP). During 2014-15, SMEDA continued with its portfolio of PSDP projects where currently, SMEDA is working on eight PSDP projects with a total cost of Rs. 586.61 million.

3.6: Mineral Sector

Pakistan is bestowed with all kinds of resources which also include mineral resources. Pakistan possesses a large number of industrial rocks, metallic and non-metallic minerals which have not yet evaluated. The mineral wealth of Pakistan contributes meagerly to its GDP. This is due to application of outdated management techniques, inadequate capital and antique technical know-how besides unsatisfactory law & order situation in the areas where major bulk of our mineral resources lie.

The ongoing schemes in PSDP 2014-15 includes "Appraisal of newly discovered coal resources of Badin coal field and its adjoining areas of Southern Sindh and "Exploration of tertiary coal in central salt range, Punjab" having total estimated cost of Rs. 170 million and 43.35 million respectively. One new scheme also included namely "Exploration and Evaluation of coal in Raghni area Tehsil Shahrig, Balochistan" having total cost of Rs. 56.78 million.

The Mining and Quarrying sector grew by 3.8 percent in 2014-15 as against 1.6 percent last year. Soap stone, Crude oil, Gypsum, Coal and Lime Stone posted a positive growth rate of 41.68 percent, 14.03 percent, 8.11 percent, 4.12 percent and 3.73 percent. However, some witnessed negative growth rate during the period under review such as Phosphate 47.75 percent, Dolomite 46.87 percent, Sulphur 42.06 percent, Bauxite 25.69 percent and Magnesite 7.44 percent (Table 3.15).

Table 3.15: Extraction of Principal Minerals

Minerals	Unit of Quantity	2012-13	2013-14	2014-15	% Change
Coal	M.T	2,813,079	3,140,439	3,269,846	4.12
Natural Gas	MMCFT	1,505,838	1,493,686	1,458,989	-2.32
Crude Oil	JSB(000)	27,840	31,583	36,015	14.03
Chromite	M.T	136,443	83,507	86,506	3.59
Magnesite	M.T	6,705	3,725	3,448	-7.44
Dolomite	M.T	335,819	673,042	357,576	-46.87
Gypsum	M.T	1,249,967	1,322,059	1,429,284	8.11
Lime Stone	M.T	38,932,472	36,463,310	37,822,871	3.73
Rock Salt	M.T	2,159,939	2,220,347	2,190,060	-1.36
Sulphur	M.T	20,610	35,672	20,670	-42.06
Barytes	M.T	118,471	132,379	132,046	-0.25
Bauxite	M.T	25,288	31,156	23,152	-25.69
Calcite	M.T	550	436	420	-3.67
Soap Stone	M.T	93,214	72,234	102,340	41.68
Marble	M.T	2,360,114	2,591,401	2,371,620	-8.48
Cooper	M.T	12,285	8,864	8,946	0.93
Phosphate	M.T	104,961	87,806	45,880	-47.75

Source: Pakistan Bureau of Statistics (PBS)

Balochistan

Balochistan has a rich endowment of mineral and energy resources. It possesses deposits of copper and gold, among other bulk minerals (lead, zinc, iron-ore), as well as construction materials, dimensional stone and gemstones, coal, and hydrocarbons. Development of the minerals sector has been identified as one of the most important levers to diversify the economy, create employment and raise government revenues. Chagai District in western Balochistan is on the Tethyan belt-a global geological trend extending from Europe to Asia which is home to many copper, gold and allied mineral developments. Within Pakistan, the Tethyan belt is best known where it passes through the northern half of Balochistan. While the eastern-most portions of the belt are extensively explored in Asia, the portion of the belt crossing Pakistan and neighboring Afghanistan is far less explored. Indeed, the global investment community recognizes the potential in Pakistan, but sites limited access to geological data available on which exploration can be centered. So, while the resource potential is clearly understood, it is widely recognized that Pakistan has largely missed a generation of modern prospecting, and that this represents an anomaly from a global exploration perspective.

The Mines and Mineral Development Department of the Government of Balochistan is promoting the resources of this area, responding to increased investor interest from high global commodity prices. Exploration results over the past decade indicate the presence of world-class copper/gold deposits and thus the potential for a resource corridor development approach.

Punjab

Mines and Minerals Department, Government of the Punjab is responsible for grant, surveys, exploration and development of mineral resources in addition to collection of rents, royalties and fees from the mining concessionaires. Other responsibilities include infrastructure development in mining areas and safety, health, welfare of mine workers. Pakistan is blessed with abundant natural resources. Punjab, being second largest (area-wise) province of the country, has vast mineral potential like coal, salt, iron ore, limestone, gypsum, silica sand and fire clay etc. Mines and Minerals Department is striving hard to follow a road map on mineral exploration projects planned by the Government of Punjab. Future vision of the Mines & Minerals Department is outlined as follows.

- To enhance the contribution of mineral sector to GDP through improved production
- To expand mining sector by focusing on exploration and evaluation of mineral resources
- To enhance public sector investment on Resource Mapping, Geo-database Development and provision of physical infrastructure, roads and electricity etc. in the potential areas
- To promote facilitation role of the government for the prospecting investor
- To encourage and support exploration of minerals, particularly through private sector
- To promote environment friendly mining practices and to take measures for mitigation of environmental hazards for sustainable development of mineral sector
- To concentrate on the Development of Safety, Health and Welfare of Mine Workers

Achievements

Followings are the landmark achievements of the Mines & Minerals Department Government of the Punjab during the financial year 2014-15.

i. Revenue Receipts and Mineral Production

Mines & Minerals Department was given a target of Rs. 3000 millions and Rs. 320 millions in lieu of collection of royalty and excise duty on minerals. By the end of April, 2015, mines & minerals department has collected Rs. 2754 million and Rs. 289.385 million in lieu of royalty and excise duty, respectively and the department is on its path to achieve the given targets successfully.

ii. Local Coal Fired Power Plant

Mines and Minerals Department has shaped up integrated mine-mouth model for local and foreign investors who intend to invest in indigenous coal fired power plants. The coal quantity justifies the production of 1500 MW electricity in salt range in the shape of 1 × 300 MW plants in five zones. China Machinery and Engineering Corporation (CMEC) has been granted LOI by Pakistan Power Infrastructure Board (PPIB) on 19th November, 2014 under its fast track policy for establishment of 1 × 300 MW local coal fired power plant on integrated mine-mouth model at Khewra Pind Dadan Khan, district Jhelum. The Mines & Minerals Department has initially granted a coal exploration license to the company which will subsequently be converted into mining lease. Financial component of the project will be around $ 800 million with $ 500 million as Power Plant Component and $ 300 million as mining component. In this regard, a facilitation agreement has been signed during the current visit of President of China to Pakistan. The project is included in the priority list of projects of China-Pak Economic Corridor (CPEC).

iii. Chiniot-Rajoa Iron Ore

Mines & Minerals Department through an international competitive bidding process has awarded “Exploration and resource estimation of Iron ore and associated minerals at Chiniot Rajoa” project to M/S MCC,a Chinese company for resource estimation of iron ore and associated metallic minerals at international standards. The project commenced on 02.4.2014 and likely to complete within 18 months as per agreement. During the course of the project, successful discoveries of iron ore, copper and other precious metals has taken place and the results are encouraging for installation of a steel mill in the future. Prime Minister of Pakistan also graced the occasion of successful exploration of iron ore, copper and other precious metals at Chiniot. The resource estimation for potential iron ore of high quality and copper near Chiniot &Rajoa , respectively is being undertaken and the project is likely to be completed by December 2015. The high quality iron ore and copper ascertained by world highly accredited labs signify a new age of metallic exploration and the installation of steel mill based upon these resources will prove to be a game changer for the province and the country at large vis-à-vis its GDP growth and energy constraints.

iv. Geophysical Survey of Metallic Mineral Deposits

Mines & Minerals department has engaged Geological Survey of Pakistan (GSP) to undertake geophysical surveys and drilling to identify the anomalous zones of metallic minerals in the sub surface Pre-Cambrian shield rocks in Punjab plains, falling in districts Chiniot, Sargodha, Faisalabad, Nanakana Sahib, Kasur & Lahore etc. The essence of the project is to determine the metallic minerals potential as a future resource for the iron/metallic mineral based industries. Semi detailed magnetic survey of about 16000 sq.km area out of total 18000 sq.km area in the above districts is completed . Detailed magnetic, gravity and integrated geophysical surveys are in progress. The initial results revealed during the progress of the project are very promising as 32 promising anomalies have been detected during the semi detailed survey. A report regarding outcome of the geophysical surveys, drilling, sample testing etc. will be generated with the recommendations for the future resource estimation/development of the iron ore and associated metallic minerals in the Pre-Cambrian Indian Shield Rocks. The project is likely to completed in 2017.

v. Kalabagh Iron Ore

According to the historical estimates and past studies, vast iron ore deposits exists near Kalabagh, District Mianwali. The Government of Punjab is intended to establish an economical and viable process for making steel using Kalabagh Iron Ore. For this purpose, M/s IMC & SGA,a German Consortium is engaged through a competitive bidding process and subsequent revision in cost agreed is about Rs.142 million.

Development Programme

Following are the ongoing development schemes initiated by the Mines & Minerals department.

- Capacity Building of office of the Director General Mines & Minerals, Punjab, Lahore
- Geophysical Survey Of Sub Surface Pre-Cambrian Shield Rocks in Punjab for metallic mineral deposits
- Extension of Punjab School of Mines, Katas District Chakwal
- Establishment of 10 Bedded Mines Labour Welfare Hospital Chak No.119 S.B Sargodha
- Establishment of Mines Labour Welfare Girls Higher Secondary School at Chak No. 119/S.B Tehsil Silanwali District Sargodha
- Up gradation of Mines Rescue & Safety sub Station, Choa Saiden Shah
- Strengthening of Central Mines Rescue & Safety Station, Khushab

Benchmarks for 2015-16

- Implementation of installation of local coal fired mine mouth model power plant
- Finalization of “Exploration and resource estimation of Iron ore and Associated Minerals at Chiniot Rajoa” project
- Up scaling of SNOWDEN studies to the level of Business Pre-feasibility
- Defining and mapping resource corridor
- Establishment of Model Mines
- Establishment of Mineral Data Bank

Khyber Pakhtunkhwa (KPK)

The total area of Khyber Pakhtunkhwa is 74521 Sq Km out of which 70 percent consist of mountains and rocks. The formation of these rocks contains huge prospects of different metallic/non-metallic minerals and various precious/semi-precious gemstones minerals. It has vast mineral resources which were not been exploited to its full potential. Based on the exploration done so far, excellent prospects of findings and discovering other valuable deposits exist.

The major achievements of minerals development department during year 2014-15 were:

a) Provision of Scholarship to the children of Mine Labours

During the current financial year 2014-15 scholarship to at least 300 deserving children of the mine labour studying in the following classes will be paid upto 30.06.2015 at the below mentioned rates:

Primary Classes (1st to 5th)	Rs. 600/-pm
Middle Class (6th to 8th)	Rs. 800/-pm
Matric Class (9th to 10th)	Rs.1000/-pm
Intermediate/Diploma Class	Rs. 1200/-pm
Bachelor Degree Classes	Rs. 1500/-pm
Master Degree Classes	Rs. 2000/-pm
Medical/Engineering & other Professional Classes	Rs. 3000/-pm

b) Water Supply Scheme (Tubewell)

To provide fresh drinking water to mine labours, 01. Water supply scheme is under completion at Bampokha District Buner. Establishment of 04 other water Supply Schemes for mine labours at different mining areas are under process.

Plan, Strategies and targets for 2015-16

- To initiate work on up gradation of mines labour welfare dispensaries to medical centres at Bampokha district Buner, Ghundo Tarako district Swabi and Jabba Khushk district Nowshera
- Establishment of new dispensaries at Beer district Haripur and Spinkai/Palo Dheri district Mardan
- Establishment of water supply schemes (Tube Wells) at Chungi No. 2 District Karak, Cherat Cement Factory District Nowshera and provision of water tankers for supply of water to labour engaged in coal mines at Jabba Khushk, Jabba Tar and Shakot areas of district Nowshera
- Grant in Aid to the Inspectorate of Mines for establishment of Mobile X-Ray Unit
- To initiate work on establishment of recreational center for mine labours at Bampokha District Buner, Cherat area district Nowshera and Ghundo Tarako district Swabi
- Reimbursement of expenditure incurred on medical treatment and subsistence allowance to mine labours throughout Khyber Pakhtunkhwa for patients of cancer, tuberculosis, hear diseases, kidney transplantation and other chronic diseases
- Continuation of award of scholarships to children of mines labour in Khyber Pakhtunkhwa
- Initiate work on establishment of housing scheme (Bachelor Barracks) at Cherat Cement Factory District Nowshera, Dewan Cement Factory District Haripur and at Laki cement Factory District Laki Marwat
- Grant in Aid to Mine Owners/Lease Holders for maintenance of standards dispensary services
- Reimbursement of expenditure for purchase of spectacles by the mine labours
- Full reimbursement of expenditure for artificial limbs to mine labours who lose limbs during work in mines

Sindh

The Mines and Mineral Department of Government of Sindh is the regulating & monitoring mining operations & activities in the mineral sector and also promote joint ventures especially with foreign investors for development of coal resources of the province. Government of Sindh has initiated safety oriented training facilities to mine workers to make them safety like rescue training facilities to mine workers to meet the challenges of rescue operation at the time of any mishap in the mines for the recovery of men and material. In this connection the government has approved four development schemes which are going on during the year 2014-15.

i. Establishment of central rescue station at Tharparkar

The scheme has been approved having total cost of Rs. 113.43 million with the objective to conduct rescue operation at the time of any mishap in the mine and provider rescue training to about 500 mine personnel annually. An expenditure of Rs. 75.65 million has been made and now the same is under revision, due to escalation in price of construction material and machinery equipment besides including some additional civil work in the schemes.

ii. Establishment of mine polytrade training center at Lakhra

The scheme has been approved having total cost of Rs. 186.583 million with the objective to conduct short certificate courses for 50-100 mid level supervisor staff and on job training to 500 mine personnel as per provision of mining labour laws. The building of the center has been completed and during July -March 2014-15, the purchase of equipment and machinery amounting Rs. 3.65 million has been initiated.

iii. Establishment of central rescue station & occupational disease detection center at Lakhra

The scheme has been approved having total cost of Rs. 207.932 million with the objective to conduct rescue operation at the time of any misshape in the mine and provide training to about 500 mine personnel annually, besides detecting occupational diseases in the mine personnel. The building of the center has been completed and during July-March 2014-15, the purchase of equipment and machinery amounting Rs. 13.12 million has been initiated.

iv. Environmental impact assessment due to mining activities in Sindh

The scheme has been approved having total cost of Rs. 20.00 million with the aim to conduct through contractor environmental impact assessment due to mining activities in Sindh and mitigating measure to provide guideline for the mine operators. During the period July-March 2014-15, hiring of the consultant to conduct the said study have been completed and contract of Rs. 15 million have been awarded.

Conclusion:

Pakistan is well endowed with energy and minerals. To reap the benefit, government is focusing on a number of initiatives including specialized training, incentives for extraction and value addition; development of adequate infrastructure facilities near mining sites; learning from best practices in other countries regarding development of the mineral sector.

Fiscal Development

Significance of sound fiscal policies and prudent expenditure management has become an important part of the policy debate in the fallout of the global financial crisis. The prudent expenditure management not only accommodates shortfall in revenues, creates buffers but also help in easing pressures on public finances.

Managing fiscal deficit in Pakistan has always remained a daunting task together with unexpected high government expenditures. Due to unfavorable climatic behavior, along with security situation posed serious threats to fiscal sustainability efforts. Consequently, the economy marked growth at 3.9 percent on average over the past five years.

When the present government came into power in mid-June 2013, it particularly focused to balance the external account, contract the fiscal imbalance, contain the inflationary pressure, revive the economy through short term policy measures by resolving all structural issues. Government's efforts started to reap the benefits as evidenced from initial gains in macroeconomic recovery. During fiscal year 2013-14, all major indicators showed significant improvement, real GDP grew at 4.03 percent, average CPI inflation remained in single digit, fiscal deficit contained at 5.5 percent and foreign exchange reserves improved significantly. More importantly, fiscal year 2013-14 witnessed considerable decline in government borrowing for budgetary purpose from the banking system which was the evidence of improved fiscal accounts. Better economic performance in the midst of difficult domestic environment on account of security and energy related issues can be credited to commendable efforts of government through better monetary and fiscal policies coordination.

High fiscal deficit since 2009-10, was reduced to 5.5 percent of GDP in 2013-14 if to compare with 8.2 percent of GDP in 2012-13. The deficit was effectively brought down through prudent expenditure management strategy as total expenditures reduced from 21.5 percent of GDP in fiscal year 2012-13 to 20.0 percent of GDP in 2013-14. While total revenues increased to 14.5 percent of GDP in fiscal year 2013-14 from 13.3 percent during 2012-13.Similarly, FBR tax collection posted a growth of 15.8 percent during fiscal year 2013-14 and stood at 9.0 percent of GDP against 8.7 percent of GDP in preceding year.

With the onset of the current fiscal year, the economy faced some headwinds due to political unrest followed by security related operations, legal challenges to privatization, taxation and energy sector reforms. In spite of all these challenges economy showed resilience on account of government's efforts to contain expenditures through expenditure management strategy and revenue building measures. Furthermore, decline in international oil prices also helped in reducing the pressures on external and fiscal sector.

During July-March 2014-15, fiscal deficit was contained at 3.8* percent against 3.9* percent in the same period of fiscal year 2013-14. Similarly, total expenditures reduced to 13.6 percent of GDP against 13.7 percent of GDP during the period under review. Following the fiscal discipline in the last three quarters, overall fiscal deficit is expected to remain at 5.0 percent of GDP for the entire fiscal year 2014-15.This shows that consolidation efforts of present government are focused on containing expenditure along with broadening the tax base, improving tax collection and strengthening tax administration.

*On the basis of revised GDP

Fiscal Policy Development

Fiscal policy as an important part of economic framework can play an important role in influencing the economic direction of the country as it can bolster economic growth and human development through efficient utilization of resources and prudent expenditure management.

Over the years, Pakistan has faced formidable challenges on fiscal front due to inefficient utilization of resources and ineffective expenditure management strategy in the wake of less efficient tax system and unplanned expenditures.

A review of Table 4.1 suggests fiscal deficit reached to its highest level at 8.2 percent of GDP in 2012-13 from 5.2 percent in 2008-09 owing to delays in implementation of tax reforms and expenditure overrun due to loss making PSEs security related expenditures, untargeted subsidies and higher interest payments.

Due to persistently high fiscal deficits, endeavors to achieve fiscal policy objectives such as sustained economic growth along with declining debt services, alleviating poverty and investing in physical and human infrastructure were severely hampered in the past owing to absence of enough fiscal space to cover the rising public expenditures.

The fiscal deficit which was projected at 8.8 percent of GDP in fiscal year 2012-13 brought down to 8.2 percent. It was further contained at 5.5 percent of GDP in fiscal year 2013-14 through prudent expenditure management and revenue measures.

Table: 4.1 Fiscal Indicators as Percent of GDP

Year	Real GDP Growth	Overall Fiscal Deficit	Expenditure			Revenue		
			Total	Current	Development[/1]	Total Rev.	Tax	Non-Tax
2005-06	5.8	4.0	17.1	12.6	4.5	13.1	9.8	3.3
2006-07	5.5	4.1	18.1	14.9	4.6	14.0	9.6	4.4
2007-08	5.0	7.3	21.4	17.4	4.0	14.1	9.9	4.2
2008-09	0.4	5.2	19.2	15.5	3.7	14.0	9.1	4.9
2009-10	2.6	6.2	20.2	16.0	4.4	14.0	9.9	4.1
2010-11	3.6	6.5	18.9	15.9	2.8	12.3	9.3	3.0
2011-12	3.8	6.8	19.6	15.6	3.7	12.8	10.2	2.6
2012-13	3.7	8.2	21.5	16.4	5.1	13.3	9.8	3.5
2013-14	4.0	5.5	20.0	16.0	4.9	14.5	10.2	4.3
2014-15 (B.E)	5.1	5.0	19.4	15.3	4.1	14.5	11.5	3.0

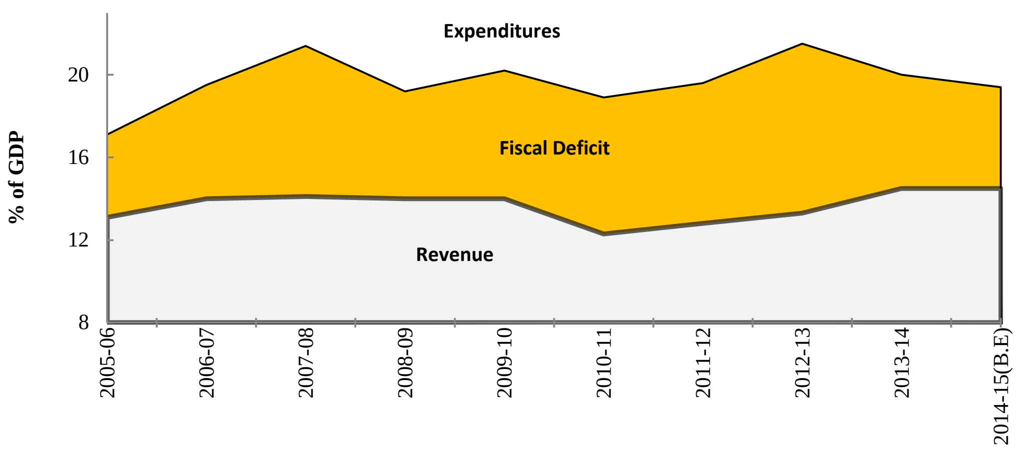
[/1] including net lending
Note: Estimated growth during fiscal year 2014-15 is 4.24 percent.

The government succeeded in reducing the deficit on account of 22.0 percent growth in total revenue in 2013-14 against 16.2 percent increase in 2012-13 on account of increase in tax and non-tax revenues during the same period. While as percent of GDP, it grew by 14.5 percent of GDP in 2013-14 against 13.3 percent of GDP in 2012-13.

On expenditure side, due to prudent expenditure management strategy, growth in total expenditures significantly reduced to 4.4 percent in 2013-14 against 22.4 percent in 2012-13. As percent of GDP it reduced to 20.0 percent of GDP in 2013-14 from 21.5 percent of GDP in 2012-13. Growth in current expenditures reduced to 9.4 percent in 2013-14 against the growth of 17.2 percent in fiscal year 2012-13. While, it reduced to 16.0 percent of GDP in 2013-14 against 16.4 percent of GDP in 2012-13. On the other hand development expenditures which grew at 6.2 percent in 2012-13 increased to 46.2 percent in 2013-14. As percent of GDP it increased by 4.5 percent of GDP in fiscal year 2013-14 against 3.5 percent of GDP in 2012-13[2]

[2] Development expenditures and net lending reduced to 4.9 percent of GDP in 2013-14 from 5.1 percent of GDP in 2012-13

Fig-1 Revenue-Expenditure Gap (% of GDP)



During fiscal year 2013-14, all the four provinces posted a surplus of Rs.196.9 billion against Rs. 52.7 billion in 2012-13. Moreover, availability of enough external resources including CSF worth $1.05 billion in 2013-14 also helped in containing the deficit.

On positive note, fiscal indicators started to improve in fiscal year 2013-14 as evidenced from Table 4.1. The improvement signifies government's commitment to create fiscal buffer through raising tax revenues and expenditure management. Moreover, the present government has identified various areas which needed improvement and embarked on agenda of economic reforms focusing on energy reforms, PSEs reform **(Box-I)**, better resource mobilization, eliminating militancy, bridging fiscal deficits and price stability.

With various steps to control the expenditures and to increase the revenues, fiscal deficit is expected to reduce at 5.0 percent of GDP in fiscal year 2014-15. Total expenditures are expected to remain at 19.4 percent of GDP of which current expenditures are budgeted to reduce at 15.3 percent and development expenditure and net lending at 4.1 percent of GDP. Similarly, total revenues are expected to reach at 14.5 percent of GDP in fiscal year 2014-15 on account of expected increase in tax revenues at 11.5 percent of GDP (12.2 percent on the basis of revised GDP) from the current level of 10.2 percent of GDP while non-tax revenues are budgeted to remain at 3.0 percent of GDP in fiscal year 2014-15. Recently Gas Infrastructure Development Cess (GIDC) bill have been approved. The legislation will not only play a vital role in raising overall revues but will also be important for energy development.

Box: I - Public Sector Enterprise (PSE) Reforms

- To manage the existing PSEs, the government has implemented a holistic PSE Reform Strategy with an aim to improve corporate governance, restructuring of PSEs and Strategic Partnership through Privatization.
- To institutionalize corporate governance initiatives for PSEs, the Public Sector Companies Rules 2013 have been approved by the government. The Rules would help clarify the roles of different stakeholders involved in the management of PSEs.
- Government has embarked on strategic partnership/disinvestment of 31 PSEs representing the most viable transactions. The Strategy involves disinvestment of a mix of PSEs in the oil & gas, banking & finance, power, industrial, transport and real estate sectors.
- Transactions of UBL , PPL and HBL have been completed so far.
- Financial Advisors have been appointed for Islamabad Electric Supply Company (IESCO), Lahore Electric Supply Company (LESCO) and Faisalabad Electric Supply Company (FESCO). FESCO's transaction is planned to be completed by end July 2015, while transaction of IESCO and LESCO are expected to be

completed by end December, 2015.

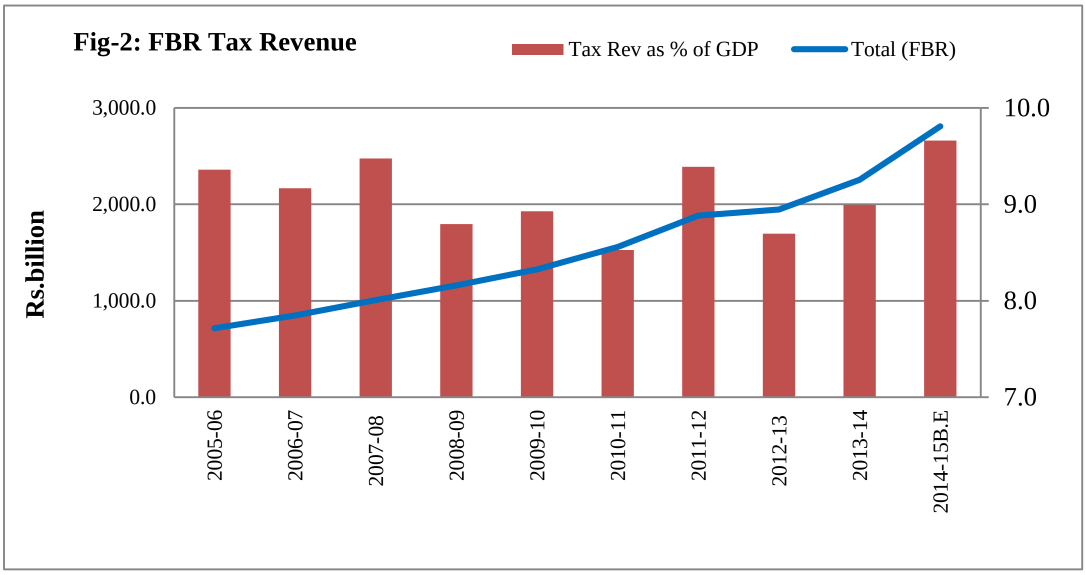
- Financial advisors have been appointed for Pakistan International Airlines (PIA) to seek potential options for restructuring and strategic private sector participation in the core airline business by end December, 2015.
- The Board of Pakistan Steel Mills (PSM) has approved a comprehensive restructuring plan to prepare for potential strategic private sector participation in the company.
- In this regard appointment of financial advisors, which was advertised in January 2015, was disqualified during the evaluation process. It has been re-advertised on February 15, 2015 and the appointment of financial advisors is expected to be completed soon so that the due diligence process can be initiated.
- A comprehensive Railway restructuring plan has been finalized, which envisages improvements in governance and internal business processes, service delivery, financial management and investment planning.
- The roadmap revolves around short, medium and long term reform measures in the above five areas to facilitate achievement of optimum results.

Power Sector Reforms

- National Power Policy 2013-18 focuses on improved governance structure, supportive legal framework, financial stability, supply demand side management and promoting private sector participation in the sector.
- In an effort to move to full cost recovery, the current government has rationalized tariffs.
- The differential, between the NEPRA determined tariff (NDT) and proposed tariff for fiscal year 2013-14 has decreased substantially and subsidies are being targeted to vulnerable consumers in the residential and agriculture categories.
- Mechanisms are under consideration to cap the overdue payments to a minimum sustainable level.
- Mechanism of at source deduction of public sector overdue payables is being implemented and a feeder to feeder monitoring to curtail losses is being pursued. New Electricity Act will help improve litigation mechanism for power sector receivables.
- Revenue based load management is being carried out in order to ensure smooth recovery of payables. An effort is underway to incorporate all costs to reflect in the tariff structure to arrest buildup circular debt.
- Operationalization of Central Power Purchase Authority (CPPA) as an effective financial manager of the system is a significant step in this regard.
- To increase transparency in the system, monthly amount due and payment by the DISCOs to CPPA and by CPPA to the generators will be made available on the website of CPPA.
- Efforts are underway to improve power sector fuel mix in the country to reduce the price of power basket and improve financial viability. Under the reforms, large capacity addition is planned from wind, solar, nuclear, hydel and coal power projects in the medium term.
- Three hydel plants Tarbela 4th extension, Chashma, Neelum Jehlum and few other small dams are expected to provide additional generation within next three years.
- IPPs and GENCOs are also being encouraged to convert from oil to coal based power generation.
- Development of supportive infrastructure to import 1000MW under CASA is also included in the plan.
- Power sector has been given priority in terms of allocation of gas for power generation.
- All these efforts will improve the energy mix whereby reducing dependence on oil for power generation and ensure reasonable tariffs for consumers ultimately leading for financial sustainability.

Structure of Tax Revenues

Taxes are the most important source of public revenues and fundamental to strengthen the successful functioning of the government. In this regard strengthening resource mobilization is imperative for designing an efficient tax system which can promote inclusive growth, encourages good governance, ensures the delivery of public services and promotes social justice.



Inefficient tax system in developing countries has long been a major concern. Pakistan has also witnessed numerous tax policy challenges to establish efficient tax system. Resultantly narrow tax base lead not only lower tax to GDP ratio but also posed serious threats to fiscal sustainability. Despite the increase in tax revenues in absolute term, FBR tax to GDP ratio varied between 8.5 to 9.7 percent during the past 10 years.

However to achieve the fiscal sustainability present Government is stringently focusing on wide-ranging resource mobilization strategy with an aim to increase the tax to GDP ratio to 15 percent in next few years (Box-II).

Table 4.2: Structure of Federal Tax Revenue (Rs. Billion)

Year	Total (FBR)	Tax Rev as % of GDP	Direct Taxes	Indirect Taxes			
				Customs	Sales	Excise	Total
2005-06	713.5	9.4	225.0	138.4	294.8	55.3	488.5
			[31.5]	{28.3}	{60.3}	{11.3}	[68.5]
2006-07	847.2	9.2	333.7	132.3	309.4	71.8	513.5
			[39.4]	{25.8}	{60.3}	{14.0}	[60.6]
2007-08	1,008.1	9.5	387.9	150.7	377.4	92.1	620.2
			[38.5]	{24.3}	{60.9}	{14.9}	[61.5]
2008-09	1,161.1	8.8	443.5	148.4	451.7	117.5	717.6
			[38.2]	{20.7}	{62.9}	{16.4}	[61.8]
2009-10	1,327.4	8.9	526.0	160.3	516.3	124.8	801.4
			[39.6]	{20.0}	{64.4}	{15.6}	[60.4]
2010-11	1,558.2	8.5	602.5	184.9	633.4	137.4	955.7
			[38.7]	{19.3}	{66.3}	{14.4}	[61.3]
2011-12	1,882.7	9.4	738.4	216.9	804.9	122.5	1,144.3
			[39.2]	{19.0}	{70.3}	{10.7}	[60.8]
2012-13	1,946.4	8.7	743.4	239.5	842.5	121.0	1,203.0
			[38.2]	{19.9}	{70.0}	{10.1}	[61.8]

Table 4.2: Structure of Federal Tax Revenue (Rs. Billion)

Year	Total (FBR)	Tax Rev as % of GDP	Direct Taxes	Indirect Taxes			
				Customs	Sales	Excise	Total
2013-14	2,254.5	9.0	877.3	242.8	996.4	138.1	1,377.3
			[39.0]	{17.6}	{72.3}	{10.0}	[61.1]
2014-15 B.E	2,810.0*	9.7	1,180.0	281.0	1,171.0	178.0	1,630.0
			[42.0]	{17.2}	{71.8}	{10.9}	[58.0]

Source: Source: Federal Board of Revenue

{} as % of indirect taxes. [ ]as % of total taxes

*: Target revised downward at Rs.2605 on account of losses incurred due to decline in International Oil and Commodity Prices.

A brief look at Table 4.2 indicates the significant changes in its tax structure when share of direct tax in total tax collection increased from 31.5 percent in 2005-06 to 39.0 percent in fiscal year 2013-14 and budgeted to reach at 42.0 percent in fiscal year 2014-15. On the other hand share of sales tax in total taxes increased from 41.3 percent in 2005-06 to 44.2 percent in 2013-14 and projected to reduce at 41.7 percent in 2014-15.

Box-II - Major Initiatives taken by FBR

Broadening of Tax Base

- For broadening of tax base several initiatives have been taken and some are in pipeline. Initially the objective is to incorporate 300,000 new taxpayers. In this regard, more than 171,000 notices upto February 2015 have already been issued. Similarly, a detailed plan for outreach program including provisional assessment, collection procedures, penal actions and prosecution proceedings has been chalked out and is being implemented.
- Moreover, a landmark measure to bring a larger number of tax payers into the tax net is the announced merger of the existing database of 3.6 million individuals holding the National Tax Number (NTN) with the Computerized National Identity Card (CNIC) database comprising 150 million.

Withdrawal of Exemptions/Concessions

- In order to remove distortions and discrimination in the income tax structure and to abolish unnecessary concessions a plan for withdrawal of exemptions has been chalked out.
- First tranche has been withdrawn in the Budget 2014-15 and remaining will be withdrawn phase-wise in a couple of years. The FBR has granted no new tax concessions or exemptions through statutory Regulatory Orders (SROs).

Taxpayers Facilitation

- Introduction of an e-filling process accessible to taxpayers for income tax, sales tax and excise at e-FBR portal has been ensrued. Automation of systems has helped in minimizing the contact between taxpayer and tax officers and as a consequence the complaints of harassment have been reduced accordingly.

Strengthening Tax Audit

- A risk based audit has been reintroduced to accompany the self-assessment scheme and to overcome weak tax compliance. Substantial progress has been achieved for infrastructure up gradation and development with the introduction of the integrated tax management system (ITMS), which is available to all the field formations.

Human Resources Management

- Human Resources Management has been improved and major structural initiatives are being taken by FBR in its organizational reform program.

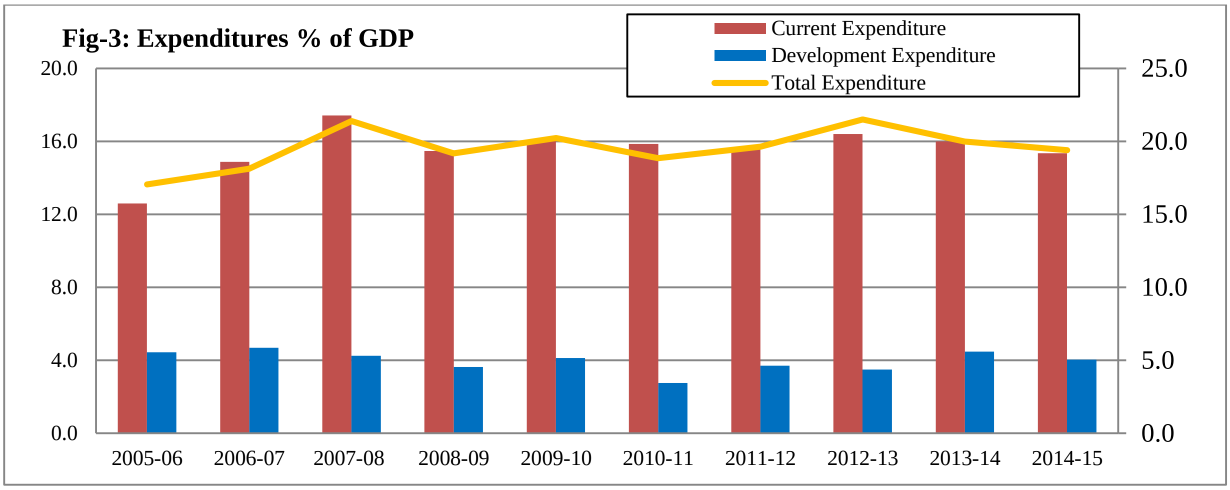
Source: FBR

Custom duty in indirect tax reduced from 28.3 percent in 2005-06 to 17.6 percent in 2013-14 and it is budgeted to reduce further to 17.2 percent in 2014-15. Going forward, share of federal excise in indirect taxes decreased from 11.3 percent in 2005-06 to 10.0 percent in 2013-14 and budgeted to reach at 10.9 percent in 2014-15.

Review of Public Expenditures

Public expenditure management is important for any government to have control over its expenditures particularly when revenue receipts are not enough to cover its development projects. It is therefore imperative to create harmony between revenue receipts and expenditures to help the governments to evade high deficits.

In Pakistan considerably high expenditures on account of unplanned expenditures incurred due to floods, security related issues, high interest payment, untargeted subsidies particularly to loss making PSEs, energy subsidies, non-development projects and less than expected tax collection has dominated the scene of fiscal management. Consequently, fiscal deficit rose by 6.6 percent on average during the past five years.



However, during fiscal year 2013-14 Pakistan has made substantial progress in expenditure management through prudent expenditure management (Box-III). Fiscal year 2013-14 witnessed decline in total expenditure as its growth reduced to 4.4 percent against 22.4 percent in 2012-13. While as percent of GDP it reduced to 20.0 percent in 2013-14 from 21.5 percent recorded in 2012-13 and reached to Rs. 5,026.0 billion in fiscal year 2013-14 from Rs. 4,816.3 billion in 2012-13. During current fiscal year, total expenditures are expected to decline further at 19.4 percent of GDP with an aim to contain the fiscal deficit within reasonable limits.

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

Year	Total Expenditure (A)	Current Expenditure (B)	Interest Payments (C)	Defence (D)	Development Expenditure (E)	Non Interest Non-Defence Exp (A-C-D)	Fiscal Deficit	Revenue Deficit/ Surplus (TR-Total CE)	Primary deficit (TR-NI Exp)
2005-06	17.1	12.6	2.9	2.9	4.4	11.2	4.0	0.5	-1.1
2006-07	18.1	14.9	4.0	2.7	4.7	11.4	4.1	-0.8	-0.1
2007-08	21.4	17.4	4.6	2.6	4.2	14.2	7.3	-3.3	-2.7
2008-09	19.2	15.5	4.8	2.5	3.6	11.8	5.2	-1.4	-0.3
2009-10	20.2	16.0	4.3	2.5	4.1	13.4	6.2	-2.1	-1.9
2010-11	18.9	15.9	3.8	2.5	2.8	12.6	6.5	-3.5	-2.7
2011-12	19.6	15.6	4.4	2.5	3.7	12.7	6.8	-2.8	-2.4
2012-13	21.5	16.4	4.4	2.4	3.5	14.7	8.2	-3.0	-3.8
2013-14	20.0	16.0	4.6	2.5	4.5	13.0	5.5	-1.5	-1.0
2014-15 B.E	19.4	15.3	4.6	2.4	4.0	12.4	5.0	-0.8	-0.3

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

Current expenditure has reduced to 16.0 percent of GDP in 2013-14 from 16.4 percent of GDP in 2012-13. It amounted to Rs. 4,004.6 billion in 2013-14 against Rs. 3,660.4 billion in 2012-13, thus posted a growth of 9.4 percent against the growth of 17.2 percent in preceding year. In fiscal year 2014-15, it is expected to reduce further at 15.3 percent of GDP.

Notwithstanding high growth in interest payments and defense expenditure, reduced growth in current expenditure during fiscal year 2013-14 was achievable due to decline in subsidies. In fiscal year 2013-14, subsidies registered a significant decline and stood at Rs. 305.7 billion against Rs. 358.0 billion in the same period of fiscal year 2012-13 on account of increased power tariffs for all categories of consumers, however subsidies are being targeted to vulnerable consumers in the residential and agriculture categories.

Interest payments increased from Rs.991.0 billion in 2012-13 to Rs.1,147.8 billion in 2013-14. While as percent of GDP it increased to 4.6 percent in fiscal year 2013-14 against 4.4 percent in the comparable period of fiscal year 2012-13. By the end of current fiscal year it is expected to reach at 4.6 percent of GDP.

Defense expenditures witnessed a slight increase of 2.5 percent of GDP in fiscal year 2013-14 against 2.4 percent of GDP in 2012-13 and reached to Rs.623.1billion against Rs. 540.6 billion in fiscal year 2012-13. During current fiscal year, defense expenditures are expected to remain at 2.4 percent of GDP slightly lower than the level witnessed in fiscal year 2013-14.

Despite the fact that government is taking all possible efforts to restrict the non development expenditures to create a fiscal buffer for development spendings, there are some mandatory non development expenditures like interest payments, defence and law and order which cannot be avoided in any circumstances. Therefore government is making its best efforts to manage these expenditures within the available fiscal space.

During fiscal year 2013-14, development expenditures witnessed marked improvement as it grew by 46.2 percent against the growth of 6.2 percent and reached to Rs. 1,135.9 billion in 2013-14 against Rs. 777.1 billion in 2012-13. As percent of GDP it increased to 4.5 percent in 2013-14 from 3.5 percent of GDP in 2012-13. Together with net lending it posted a growth of 8.5 percent to reach at Rs. 1,236.5 billion in fiscal year 2013-14. Development expenditures are expected to reach at Rs.1,172.8 billion in fiscal year 2014-15.

Within development expenditure, Public Sector Development Program (PSDP) increased significantly both at federal as well as provincial level. In absolute term, Federal PSDP increased to Rs. 434.9 billion in 2013-14 against Rs.323.5 billion in 2012-13, thus posted a growth of 34.4 percent. On the other hand Provincial ADP amounted to Rs. 430.5 billion in 2013-14 against Rs. 371.5 in 2012-13 thus witnessed a growth of 15.9 percent. During fiscal year 2014-15, Rs. 1,175 billion have been allocated in the PSDP as compared to Rs.1,155billion in 2013-14.

Fiscal Performance (July-March, 2014-15)

Pakistan's economy remained resilient despite significant challenges at the onset of current fiscal year when political uncertainty due to long march/dharna and floods in September, 2014 undermined the nascent stage of recovery.

Table: 4.4 Consolidated Revenue & Expenditure of the Government

	2014-15 B.E	July-March		Growth
		2014-15	2013-14	
A. Total Revenue	4,220.6	2,682.6	2,477.4	8.3
a) Tax Revenue	3,337.2	2,063.2	1,786.2	15.5
Federal	3,129.2	1,918.0	1,650.0	16.2
of which FBR Revenues	2,810.0	1,775.1	1,574.8	12.7
Provincial Tax Revenue	208.0	145.2	136.2	6.6
b) Non-Tax Revenue	883.3	619.5	691.2	-10.4
B. Total Expenditure	5,642.4	3,731.6	3,446.2	8.3
a) Current Expenditure	4,462.3	3,199.1	2,904.6	10.1
Federal	3,097.3	2,255.8	2,083.2	8.3
Markup Payments	1,325.2	974.5	909.1	7.2
Defence	700.1	485.9	451.7	7.6

Table: 4.4 Consolidated Revenue & Expenditure of the Government

	2014-15 B.E	July-March		Growth
		2014-15	2013-14	
Provincial	1,365.0	943.2	821.4	14.8
b) Development Expenditure & net lending	1,180.1	594.0	555.8	6.9
c) Statistical discrepancy	-	-61.4	-14.1	-
C. Overall Fiscal Deficit	1,421.8	1,048.9	968.9	-
As % of GDP	5.0	3.8	3.9	-
Financing of Fiscal Deficit	1,421.8	1,048.9	968.9	8.3
i) External Sources	508.0	137.8	107.1	28.7
ii) Domestic	913.9	911.1	861.7	5.7
- Bank	227.9	469.4	436.9	7.4
- Non-Bank	686.0	426.5	424.8	0.4
GDP at Market Prices	29,078	27,384	25,068	9.2

Source: Budget Wing, Finance Division

Government's concerted endeavors helped the economy in coming back on track as key macroeconomic indicators have improved during ongoing fiscal year 2014-15. Additionally, favorable decline in international oil prices, private and financial sector developments, improved social protection and revenue mobilization further supported the economic recovery.

On fiscal front, consolidation efforts are on track despite challenges on revenue side, since government has successfully curtailed the fiscal deficit at 3.8 percent of GDP during July-March, 2014-15 against 3.9 percent during the same period last year on account of prudent expenditure management. Furthermore, Pakistan has received $1,452 million under CSF during first and second quarter of current fiscal. These inflows have not only provided further comfort to fiscal accounts but also helped in maintaining the country's reserve position. Moreover, a healthy provincial surplus to the tune of Rs.194.0 billion has also helped in containment of fiscal deficit. Pakistan has not only successfully contained the fiscal deficit but has also met end of March performance criteria on the budget deficit with IMF. Encouragingly, it will help to restrict the overall budget deficit at 5.0 percent of GDP for the entire fiscal year 2014-15.

According to consolidated revenue and expenditure statement of the government, total revenue grew by 8.3 percent during July-March, 2014-15 and stood at Rs. 2,682.6 billion against Rs. 2,477.4 billion in the same period of 2013-14. Within total revenues, total tax collection amounted to Rs. 2,063.2 billion during July-March, 2014-15 against Rs. 1,786.2 billion in the same period of 2013-14, thus posted a growth of 15.5 percent. Tax revenues witnessed a considerable growth on account of 16.2 percent growth in federal tax collection, of which FBR tax collection during the same period grew by 12.7. During first nine months of current fiscal year, FBR tax collection reached to Rs. 1,775.1 billion against Rs. 1,574.8 billion in the comparable period last year. While it stood at 6.5 percent of GDP during July-March 2014-15 against 6.3 percent of GDP in the same period of fiscal year 2013-14.

However, during July- March, 2014-15 non tax revenue witnessed a decline and reached to Rs. 619.5 billion from Rs. 691.2 billion in the comparable period of 2013-14. Of which Rs. 222.5 billion were accumulated as SBP profit followed by Rs. 154.3 billion under defence, Rs. 61.0 billion under royalties on oil/gas, Rs. 54.8 billion as dividend and Rs. 26.7 billion as foreign grants.

On expenditure side, total expenditure amounted to Rs. 3,731.6 billion during July-March, 2014-15 against Rs. 3,446.2 billion. Of which, current expenditure grew by 10.1 percent and amounted to Rs. 3,199.1 billion against Rs. 2,904.6 billion in the comparable period last year. During first nine months of current fiscal year, total expenditure as percent of GDP reduced to 13.6 percent against 13.7 percent of GDP in the same period last year.

Within current expenditure, expenditure on markup payments amounted to Rs.974.5 billion during July-March, 2014-15 against Rs.909.1 billion in the same period last year. While defence expenditure stood at Rs. 485.9 billion against Rs. 451.7 billion during the period under review. Similarly, current subsidies reached to Rs. 185.9 billion during July-March, 2014-15. Of which electricity subsidies stood at Rs.178.7 billion. In this regard it is important to mention that in an effort to move to full cost recovery, the government rationalized the tariffs. The tariff differential between the NEPRA determined tariff (NDT) and proposed tariff for fiscal year 2013-14 decreased substantially and subsidies were targeted to vulnerable consumers in the residential and agriculture categories. The resolve is to continue to protect this group.

Development expenditure and net lending grew by 6.9 percent during July-March, 2014-15 and reached to Rs.594.0 billion against Rs. 555.8 billion in the same period last year. One of the important development is a remarkable increase in PSDP which has witnessed a growth of 27.1 percent and reached at Rs. 499.4 billion against Rs. 393.0 billion in the comparable period of fiscal year 2013-14. Overall development expenditures registered a remarkable growth of 23.4 percent during the same period. Within PSDP, Federal and Provincial ADP grew by 7.6 and 46.0 percent, respectively, during first nine months of current fiscal year against.

Another important development witnessed during the current fiscal year is the improved pattern in financing of fiscal deficit, from domestic non-bank and external resources have been increased. Going forward, the inflows from external resources, particularly, successful issuance of Sukuk, seven tranches from IMF and inflows from other international financial institutions on account of improved economic performance, privatization proceeds of Rs. 15.2 billion has also helped the government in financing the deficit.

FBR Tax Collection (July-April, 2014-15)

During fiscal year 2013-14, FBR has collected Rs. 2,254.5 billion against the target of Rs. 2,275 billion and compared to the collection of Rs. 1,946 billion during 2012-13, thus posted a growth of 15.8 percent. Consequently, the tax GDP ratio has enhanced to 9.0 percent from 8.7 percent which itself a significant indicator of the government reform agenda. During July-April, 2014-15, FBR has collected Rs. 1972.4 billion as provisional tax revenues against Rs.1744.9 billion reflecting a growth of 13.0 percent.

During the current fiscal year, a number of compensatory measures were introduced to maintain the tax revenues at modest level after the significant fall in international oil prices and resultant decline in domestic retail fuel prices which has severely affected the tax revenues, like increase in GST rate on petroleum products from 17 percent to 22 percent and then to 27 percent , introduction of additional revenue measures at federal level to meet the shortfall including levying regulatory duties on imports of more than 300 items and levying a 2 percent withholding tax on non-filers service providers and importers.

Table 4.5: FBR Tax Revenues (Rs. Billion)

Revenue Heads	July-April		% Change
	2013-14	2014-15	
A. DIRECT TAXES			
Gross	708.9	837.5	18.1
Refund/Rebate	50.9	61.5	
Net	**658.1**	**775.9**	17.9
B. INDIRECT TAXES			
Gross	1,125.3	1,245.0	10.6
Refund/Rebate	38.5	48.5	
Net	**1,086.9**	**1,196.5**	10.1
B.1 SALES TAX			
Gross	825.7	882.3	6.9
Refund/Rebate	30.5	40.3	
Net	**795.2**	**842.1**	5.9
B.2 FEDERAL EXCISE			
Gross	104.0	119.6	15.0
Refund/Rebate	0.0	0.0	

Table 4.5: FBR Tax Revenues (Rs. Billion)

Revenue Heads	July-April		% Change
	2013-14	2014-15	
Net	**104.0**	**119.6**	15.0
B.3 CUSTOM			
Gross	195.6	243.0	24.2
Refund/Rebate	8.0	8.2	
Net	**187.7**	**234.8**	25.1
TOTAL TAX COLLECTION			
Gross	1,834.3	2,082.4	13.5
Refund/Rebate	89.4	110.0	
Net	**1,744.9**	**1,972.4**	13.0

Source: Federal Board of Revenue

Direct Taxes

The net collection of direct taxes has registered a growth of 17.9 percent during the first ten months of fiscal year 2014-15. The net collection has increased from Rs. 658.1 billion during July-April, 2013-14 to Rs. 775.9 billion in the same period of current fiscal year. Bulk of the tax revenues of direct taxes is realized from income tax. The components of income tax are withholding tax, voluntary payments and collection on demand.

Indirect Taxes

Sales Tax

Gross and net collection of sales tax has increased from Rs. 825.7 billion and Rs. 795.2 billion to Rs.882.3 billion and Rs. 842.1 billion respectively, thus registered a growth of 6.9 and 5.9 percent, respectively. In fact, 53.1 percent of total sales tax has been contributed by sales tax on import while the rest has been contributed by domestic sector. Within net domestic sales tax collection, the major contribution emanated from POL products, fertilizers, natural gas, cement, electrical energy, beverages, cigarettes, sugar etc. On the other hand, POL products, plastic, edible oil, vehicles, machinery, chemicals, oilseeds etc contributed significantly to the collection of sales tax from imports.

Customs Duty

Customs duty collection has registered growth of 24.2 percent and 25.1 percent in both gross and net terms, respectively. The gross and net collection have increased from Rs.195.6 billion and Rs.187.7 billion during July-April 2013-14 to Rs. 243.0 billion and Rs. 234.8 billion, respectively. The major revenue spinners of custom duty have been vehicles, automobiles, edible oil, petroleum products, machinery, plastic, iron and steel, paper and paperboard etc.

Federal Excise Duty

The collection of Federal Excise Duties (FED) during July-April, 2014-15 has recorded 15.0 percent growth. The net collection stood at Rs. 119.6 billion during July-April, 2014-15 as against Rs. 104.0 billion during the same period last year. The major revenue spinners of FED are cigarettes, cement, beverages, natural gas and international travel.

Provincial Budget

The total outlay of the four provincial budgets for 2014-15 stood at Rs. 2,257.1 billion, 29.9 percent higher than the outlay of Rs. 1,737.7 billion last year.

Table 4.6: Overview of Provincial Budgets (Rs Billion)

Items	Punjab		Sindh		KPK		Baluchistan		Total	
	2013-14 RE	2014-15 BE	2013-14 RE	2014-15 BE	2013-14 RE	2014-15 BE	2013-14 RE	2014-15 BE	2013-14 RE	2014-15 BE
A. Tax Revenue	**746.3**	**968.5**	**387.5**	**488.4**	**217.4**	**273.9**	**127.6**	**146.6**	**1,478.8**	**1,877.4**
Provincial Taxes	96.4	164.7	79.1	107.0	11.7	19.5	2.8	3.5	190.0	**294.7**
GST on Services (transferred by federal govt)	0.0	0.0	0.0	0.0	0.0	0.0	1.5	1.9	1.5	**1.9**
Share in Federal Taxes	649.9	803.8	308.4	381.4	205.7	254.4	123.3	141.2	1,287.3	**1,580.8**
B. Non-Tax Revenue	**34.1**	**32.6**	**77.3**	**101.7**	**46.9**	**82.8**	**17.8**	**22.1**	**176.1**	**239.2**
C. All Others	**42.4**	**35.3**	**19.1**	**36.0**	**36.4**	**17.8**	**36.7**	**31.3**	**134.6**	**120.3**
Total Revenues (A+B+C)	**822.8**	**1,036.4**	**483.9**	**626.1**	**300.7**	**374.5**	**182.1**	**200.0**	**1,789.5**	**2,236.9**
a) Current Expenditure	**569.3**	**699.9**	**328.2**	**436.0**	**187.1**	**249.9**	**120.3**	**120.9**	**1,204.9**	**1,506.7**
b) Development Expenditure	**224.0**	**345.0**	**152.0**	**215.0**	**104.8**	**139.7**	**52.0**	**50.7**	**532.8**	**750.4**
Total Exp (a+b)	**793.3**	**1,044.9**	**480.2**	**651.0**	**291.9**	**389.6**	**172.3**	**171.6**	**1,737.7**	**2,257.1**

Source: Provincial Finance, Finance Division

The total budget outlay of Rs. 2,257.1 billion is shared in the ratio of 66.8 percent and 33.2 percent between current and development expenditures, respectively. The allocation for development expenditure is 40.8 percent higher than last year and current expenditure is higher by 25.0 percent.

Allocation of Revenues between the Federal Government and Provinces

Currently, 7th National Finance Commission (NFC) Award (2009) is operative. Through this Award, the financial autonomy of the provinces has been strengthened by increasing their share in the Divisible Pool (taxes) from 50 percent to 56 percent in fiscal year 2010-11 and to 57.5 percent from fiscal year 2011-12 onwards. Under 7th NFC award, multiple indicators were adopted for distribution of provincial shares in the divisible pool whereas in all the previous awards, population remained as sole criterion for distribution of provincial share in the divisible pool with special grants (subventions) to smaller provinces.

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

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 B.E
Divisible Pool	574.1	834.7	1,063.1	1,117.5	1,287.4	1,580.8
Straight Transfer	81.2	163.0	145.6	103.5	124.4	137.5
Special Grants/ Subventions	82.0	54.1	53.9	61.2	53.8	32.7
Project Aid	16.0	21.9	47.8	71.3	85.2	103.6
Program Loans	0.0	0.0	4.6	4.2	59.1	48.1
Japanese Grant	0.0	0.1	0.1	0.0	0.0	0.1
Total Transfer to Province	**753.3**	**1,073.7**	**1,315.0**	**1,441.5**	**1,611.5**	**1,904.7**
Interest Payment	18.7	18.5	12.9	14.8	14.1	13.0
Loan Repayment	24.0	32.4	36.1	32.1	38.7	39.4
Transfer to Province(Net)	**710.6**	**1,022.8**	**1,266.0**	**1,394.5**	**1,558.8**	**1,852.3**

Source: Various issue of Budget in Brief.

During fiscal year 2014-15, net transfers to provinces are projected to increase to Rs. 1,852.3 billion, an increase of 18.8 percent over the revised transfer of Rs. 1,558.8 billion in 2013-14.

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

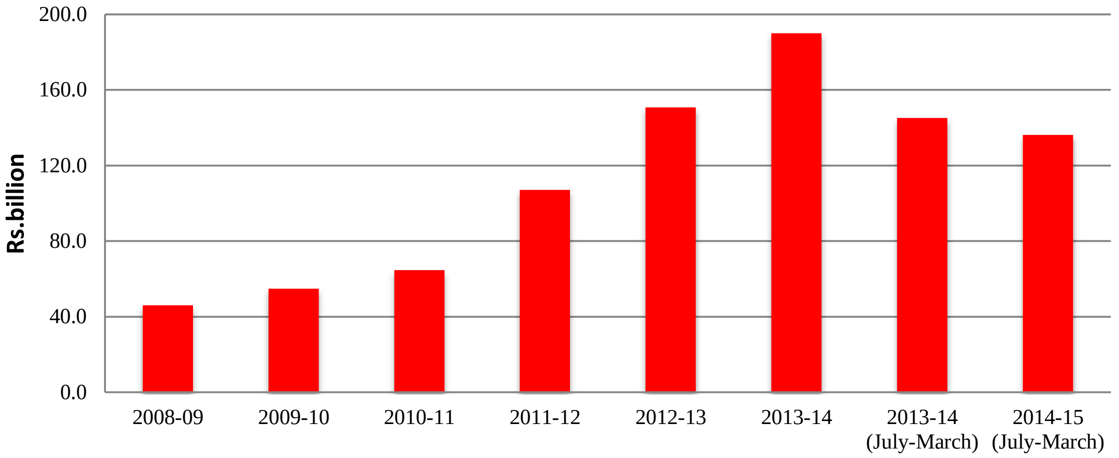
Items	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	July-March	
							2014-15	2013-14
A. Tax Revenue	571.7	688.3	1,063.9	1,197.1	1,365.7	1,596.2	1,252.8	1,153.9
Provincial Taxes	46.1	54.8	64.6	107.2	150.7	190.0	145.2	136.2
Share in Federal Taxes	525.6	633.5	999.3	1,089.9	1,215.0	1,406.3	1,107.6	1,017.8
B. Non-Tax Revenue	83.8	67.9	62.3	48.0	71.3	49.4	36.9	34.7
C. All Others	95.0	120.0	85.1	88.6	107.4	121.8	71.5	59.4
Total Revenues (A+B+C)	750.5	876.2	1,211.3	1,333.7	1,544.4	1,767.4	1,361.2	1,248.0
a) Current Expenditure	564.2	646.2	831.2	980.6	1,110.0	1,187.4	953.0	831.4
b) Development Expenditure	201.8	258.4	245.6	375.4	371.5	430.5	291.5	199.7
Total Exp (a+b)	766.0	904.6	1,076.8	1,356.0	1,481.6	1,617.9	1,244.4	1,031.1

Source: Fiscal Operations (various issues), Budget Wing

A cursory look at Table 4.8 reveals that provincial tax revenues shows significant growth in post devolution period. During 2013-14, overall tax revenues increased by 16.9 percent against 14.1 percent in 2012-13. The increase in tax revenue during 2013-14 was shared by 26.1 percent rise in provincial taxes and 15.7 percent increase in federal transfers. About 80 percent of provincial revenues came from their shares in the divisible pool during fiscal year 2013-14. However, provinces' own revenue receipts are also on continuous rise mainly due to GST collection on services. The share of provincial tax collection in total revenues has increased from 5.3 percent in fiscal year 2010-11 (before the 18th Amendment), to 10.8 percent during fiscal year 2013-14.

During July-March, 2014-15, tax collection witnessed modest increase as provincial taxes stood at Rs.1,252.8 billion against Rs.1,153.9 billion in the comparable period of 2013-14, while federal transfers to provinces reached to Rs.1,107.6 billion against Rs.1,017.8 billion during the same period under review. Hence, following a growth of 8.6 percent in provincial taxes and 8.8 percent in federal transfers, provincial surplus amounted to Rs.194.0 billion.

Fig-4: Provincial Taxes



On the other hand expenditure witnessed sharp rise as it posted a growth of 20.7 percent and reached to Rs.1,244.4 billion during the first nine months of current fiscal year against Rs.1,031.1 billion in the same period of fiscal year 2013-14. Increase in total expenditures was mainly driven by higher growth in the development expenditures as it grew by 46.0 percent during the period under review.

Medium Term Budgetary Framework (MTBF)

The annual budget of the federal government is based on a Medium Term Budgetary Framework (MTBF). The MTBF is an approach to budgeting that integrates policy-making, planning and budgeting within a medium-term framework.

The MTBF has provided the framework for budget preparation in all ministries/division and departments of the federal government since 2009. The MTBF has introduced three innovations:

- The Budget Strategy Paper
- Performance Based Budget (also known as MTBF Green Book) and
- Government Performance Monitoring Report

Through the MTBF reform, the budget preparation and monitoring processes have been strengthened. The MTBF Green Book is the key mechanism of the government to define performance (goals, outcomes, outputs etc) in the shape of performance indicators and targets. Processes are being put in place to monitor service delivery of ministries on regular basis.

For the next year, the Finance Division plans to work on Result Based Management (RBM) system in consultation with the Planning Commission. The RBM system will align planning, budget preparation, budget implementation with execution and monitoring processes to focus on achievement of result. In addition, the Finance Division is planning to start work on development of a comprehensive Public Financial Management reforms strategy to strengthen further fiscal reforms.

Way Forward:

Despite the headwinds at the onset of new fiscal year due to political unrest, security related operations, legal challenges to privatization; taxation and energy sector reform Pakistan's economy remained resilient. Particularly, economy has successfully followed the path of fiscal discipline due to strenuous efforts by the government in order to contain expenditures through expenditure management strategy and revenue building measures. Furthermore decline in international oil prices also helped in reducing the pressures on external and fiscal sector.

Fiscal development during the first nine months of current fiscal year has laid down the foundation of long term economic growth. Fiscal deficit has been successfully curtailed to 3.8 percent of GDP during July-March, 2014-15 from 3.9 percent of GDP in the comparable period last year. Pakistan has not only successfully contained the fiscal deficit but has also met end March performance criteria on the budget deficit with IMF. Encouragingly, it will help to restrict the overall budget deficit at 5.0 percent of GDP for the entire fiscal year 2014-15.

Money and Credit

Money and Credit

Monetary Policy is an influential tool to attain medium term objectives for macroeconomic developments. Furthermore, it ensures financial stability which is in fact a key foundation for long-term economic growth and stability. It has not only a broad effect on financing conditions in the economy but it additionally affects the cost and accessibility of credit by controlling inflation.

Since the start of the global financial crisis in 2008, central banks around the globe especially in major advanced economies have followed accommodative monetary policy to support the economic recovery. Recent growth estimates suggests that world economic growth is projected to increase from 3.4 percent in 2014 to 3.5 percent in 2015 and further to 3.8 percent in 2016 on the basis of rebound in advance economies supported by the decline in oil prices.[1] On the other hand growth in emerging market and developing economies is projected to be lower at 4.3 percent in 2015 owing to weaker prospects for some large emerging market economies and oil-exporting countries.

In the wake of rapid decline in international oil and commodity prices, international economic developments have important ramifications for Pakistan, particularly, with the significant reduction in oil prices, trade balance is expected to improve on account of reducing import bill. Additionally, it will be helpful to further stabilize the exchange rate.

Over the past few years, Pakistan's economy has gone through many ups and down as the economic strategies were concentrated on short term measures to spur growth. In fact, economic reforms which were imperative for sustainable economic growth particularly in the wake of multifaceted challenges owing to security and energy related issues and global economic downturn were not given due care. Consequently, the growth rate remained significantly below our potential. When present government came into power, there was plethora of challenges due to long standing structural and security related issues whose immediate solution was the top priority. Therefore, soon after assuming the charge government embarked on a wide-ranging agenda of economic reforms focusing on energy reforms, better resource mobilization, eliminating militancy, PSEs reforms, bridging fiscal deficits and price stability.

Consequently, better strategies started to garner benefits as Pakistan achieved 4.03 percent GDP growth in fiscal year 2013-14, whereas the growth for fiscal year 2014-15 stood at 4.24 percent which is the highest level during last 7 years**.** Current economic conditions are indicating noticeable improvement as inflation indicators are on descending direction, remittances are showing momentous performance, FBR revenue collections are on track, stock exchange is performing excellent, foreign exchange reserves have been improved, and fiscal deficit is contained through prudent expenditure management. Similarly, in net terms government gradually reduced its borrowing from SBP with an aim to adhere the zero limit borrowing at the end of each quarter.

Moreover, financial system indicators also remained robust as asset quality has slightly improved with a decline in the non performing loan (NPL) ratio to 12.3 percent and the capital adequacy ratio (CAR) increased to 17.1 percent by end-December 2014 due to accumulation of

[1] World Economic Outlook, IMF. April,2015

profits and fresh equity injection by some banks. While CAR increased to 17.4 percent as of end March,2015. Keeping in view the improvement in key macroeconomic indicators, SBP has adopted an accommodative policy stance during the current fiscal year.

Monetary Policy Stance

Accommodative monetary policy stance during current fiscal year continues to signal improved key macroeconomic indicators like contained fiscal deficit, contracted current account deficit, low inflationary pressure, improvement in FX market sentiments as issuance of Sukuk Bond contributed to improvement in overall Balance of Payment (BOP) position and external accounts. Furthermore, receipts of Coalition Support Fund (CSF) during current fiscal year and successful completion of 7th review with the IMF in May 2015 has also helped in improving the market sentiments.

On the back of these developments, international agencies have upgraded outlook for Pakistan's economy from stable to positive which in turn will further improve the investor's confidence.

Table:5.1- Policy Rate

w.e.f	Policy rate
Oct-11	12.0
Nov-11	12.0
Feb-12	12.0
Apr-12	12.0
Jun-12	12.0
Aug-12	10.5
Oct-12	10.0
Dec-12	9.5
Feb-13	9.5
Apr-13	9.5
Jun-13	9.0
Sep-13	9.5
Nov-13	10.0
Nov-14	9.5
Jan-15	8.5
Mar-15	8.0
May-15	7.0

Source: State Bank of Pakistan

SBP adopted easy monetary policy stance during fiscal year 2012-13 keeping in view the significant decline in inflationary pressures and to stimulate the growth in credit to private sector. However, fiscal year 2013-14 witnessed a gradual shift in monetary policy stance from easy to tight keeping in view the resurgence of inflationary pressures in the medium term. Policy rate was increased by a cumulative 100 bps from 9.0 percent in June 2013 to 10.0 percent in November, 2013. While it remained unchanged at 10 percent during second half of fiscal year 2013-14 till November, 2014 due to improvement in some of the major macroeconomic indicators.

In November 2014, SBP reversed its stance from tight to accommodative due to improved economic environment and stable outlook. It reduced the policy rate by 50 bps to 9.5 percent in the second quarter of current fiscal year, further cut in policy rate by 100bps to 8.5 percent in January, 2015 and then by 50 bps to 8.0 percent in March 2015. Recently, Policy rate has been reduced further by 100 bps to 7.0 percent w.e.f 25th May,2015 which is the lowest rate in last 42 years reflecting improved macroeconomic conditions towards the end of fiscal year 2014-15. In this way, SBP has reduced the policy rate by a cumulative 300 basis points since the start of current fiscal year.

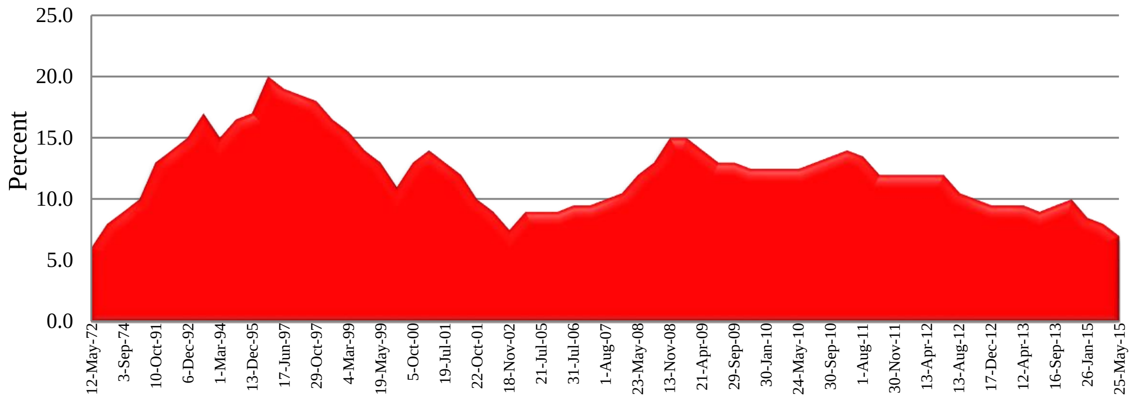
In February, 2015 SBP announced its time-bound plan to improve its interest rate corridor with an objective to enhance the effectiveness of monetary policy, better manage liquidity in the interbank market, and conduct open market operations rate of the corridor. In this regard, SBP has decided to introduce a "Target Rate" for overnight money market repo rate as a new "Policy Rate" to unambiguously signal SBP's stance of monetary policy. A new "SBP target rate" is set at 50 bps below ceiling rate. SBP will ensure that the overnight rate remains close to this target rate. This will be the main Policy Rate of SBP. Moreover, width of the interest rate corridor is reduced by 50 bps from 250 to 200 bps. Consequently, the floor rate is set at 5.0 percent[2].

Similarly, SBP has recently started conducting OMOs through GOP Ijara Sukkuk (GIS) to manage liquidity of the Islamic Banks, which will also help in improving monetary policy

[2]Monetary Policy Statement. May 23,2015

transmission along with keeping SBP's NDA target under IMF program.

Fig: 5.1 SBP Reverse Repo Rate



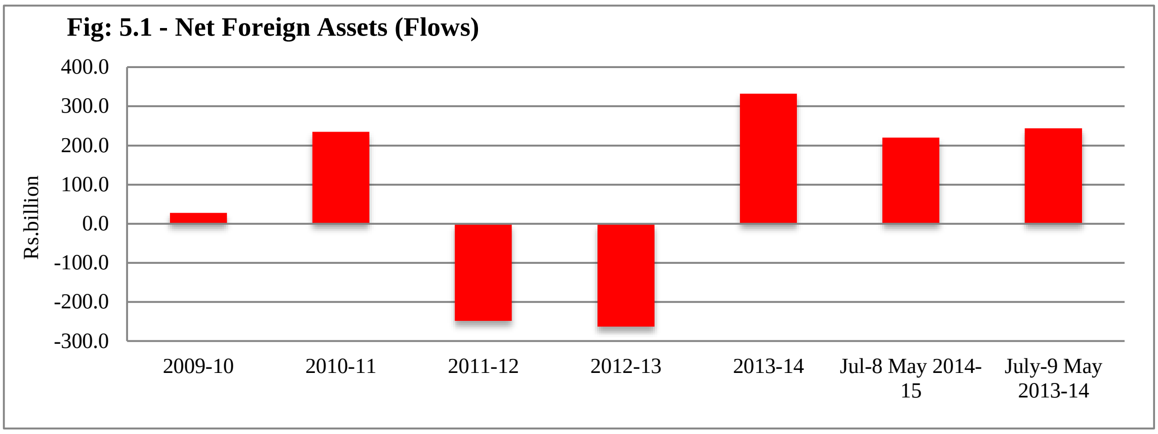
Recent Monetary and Credit Developments

Broad Money (M2) witnessed an increase of 7.33 percent during July-8th May, 2014-15 to stand at Rs. 730.5 billion against the expansion of 7.05 percent (Rs. 624.3 billion) in the comparable period last year mainly due to increase in net government borrowing specially from scheduled banks. While year on year growth in M2 was recorded at 12.8 percent as on May 8, 2015.

Table: 5.2- Profile of Monetary Indicators		(Rs Billion)
	Jul-8 May	Jul-9 May
	2014-15	2013-14
1.Net government sector Borrowing(a+b+c)	**579.7**	**175.1**
a .Borrowing for budgetary support	601.1	240.2
b.Commodity operations	-20.8	-65.0
c.Others	-0.70	-0.2
2.Credit to Non-government Sector (d+e+f+g)	**223.8**	**348.1**
d.Credit to Private Sector	161.7	292.9
e.Credit to Public Sector Enterprises (PSEs)	62.1	55.1
f. PSEs Special Account-Debt repayment with SBP	0.0	0.0
g.Other Financial Institutions(SBP credit to NBFIs)	0.0	0.0
3.Other Items(net)	**-293.0**	**-142.5**
4.Net Domestic assets (NDA)	**510.5 (5.45%)**	**380.6(4.43%)**
5.Net Foreign Assets (NFA)	**220.1**	**243.7**
6.Monetary Assets(M2)	**730.5(7.33%)**	**624.3 (7.05 %)**
Source: Weekly Profile of Broad Money, State Bank of Pakistan		

On the other hand Reserve Money (RM) grew at 11.51 percent during July-8th May, 2014-15 against the growth of 9.84 percent in the comparable period last year. Net Foreign Assets (NFA) of SBP remained the main driver of reserve money growth during the current fiscal year.

Within Broad Money, Net Foreign Assets (NFA) of the banking sector witnessed an increase and reached to Rs. 220.1 billion during July-8th May, 2014-15 as against the net expansion of Rs. 243.7 billion in the comparable period of fiscal year 2013-14. There is a substantial contribution of NFA in the expansion of M2 during the period under review. NFA started to improve during second quarter of current fiscal year when it saw an expansion of Rs. 78.7 billion against the net contraction of Rs. 31.1 billion during first quarter of current fiscal year. While third quarter has witnessed further improvement when it expanded by Rs. 86.8 billion. This turnaround in NFA during the current fiscal year was mainly due to official financial inflows, divesture of ABL, HBL and UBL and issuance of Sukuk bonds in the international market.



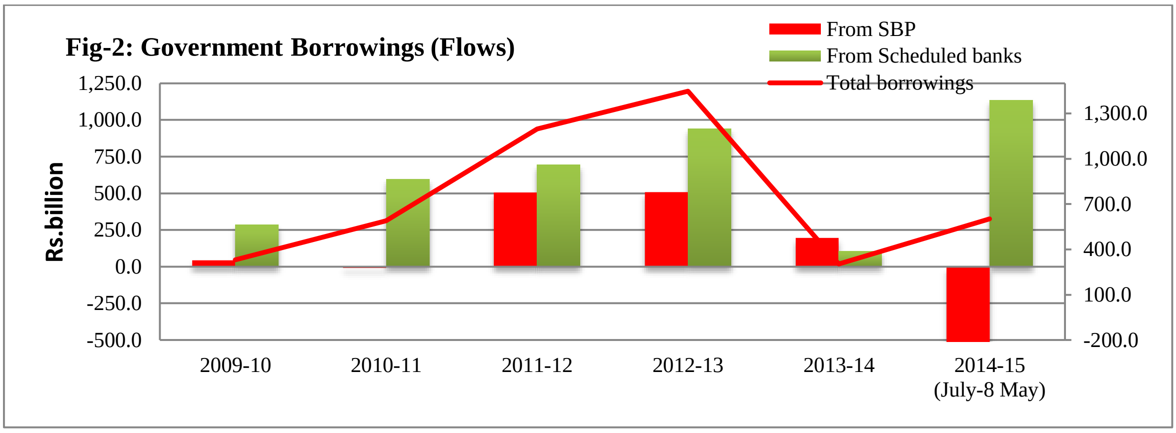
On the other hand growth in Net Domestic Asset (NDA) had increased due to increase in government borrowing from the banking system. NDA of the banking sector grew at 5.45 percent (Rs. 510.5 billion) during July-8th May, 2014-15 as compared to net expansion of 4.43 percent (Rs. 380.6 billion) in the same period last year. It is encouraging to note that SBP's NDA target for end-March 2015, limit agreed with the IMF was met due to government's efforts to improve financing mix of budget deficit and lower its reliance on SBP borrowing. It shows government's commitment with the IMF under its EFF program to meet its end quarter quantitative target of budgetary borrowing from SBP.

During July-8th May, 2014-15, credit to public sector enterprises (PSEs) witnessed an expansion of Rs. 62.1 billion against the expansion of Rs. 55.1 billion in the comparable period of fiscal year 2013-14.

Government Bank Borrowing

The government borrowing from the banking system for budgetary support and commodity operations stood at Rs. 579.7 billion during July-8thMay, 2014-15 as compared to Rs. 175.1 billion in the comparable period last year. Government borrowing for budgetary support stood at Rs. 601.1 billion during July-8thMay, 2014-15 against Rs. 240.2 billion in the same period of fiscal year 2013-14. Within banking system, large part was financed by commercial banks as it amounted to Rs. 1,133.6 billion as compared to Rs. 250.6 billion last year.

Significant borrowing from scheduled banks for budgetary support during the current fiscal year reflects a major shift from the central bank to scheduled banks because of State Bank of Pakistan (SBP) Amendment Act 2012, which required net zero government borrowing from the SBP at the end of each quarter. Therefore, net government borrowing from the banking system reached to Rs. 579.7 billion from Rs. 175.1 billion over the previous year. However, encouraging consideration occurred in government borrowing from SBP as government retired Rs. 532.4 billion to SBP during July-8thMay, 2014-15 against the retirement of Rs. 10.5 billion in the same period last year.



Commodity Finance

Despite the considerable rise in loans for commodity finance over the previous years, government borrowing for commodity finance recorded a net retirement of Rs.20.8 billion during July-8thMay, 2014-15 which were lower against the retirement of Rs. 65.0 billion witnessed in the same period last year, hence the outstanding stock of commodity financing amounted to Rs. 471.7 billion against Rs. 402.8 billion.

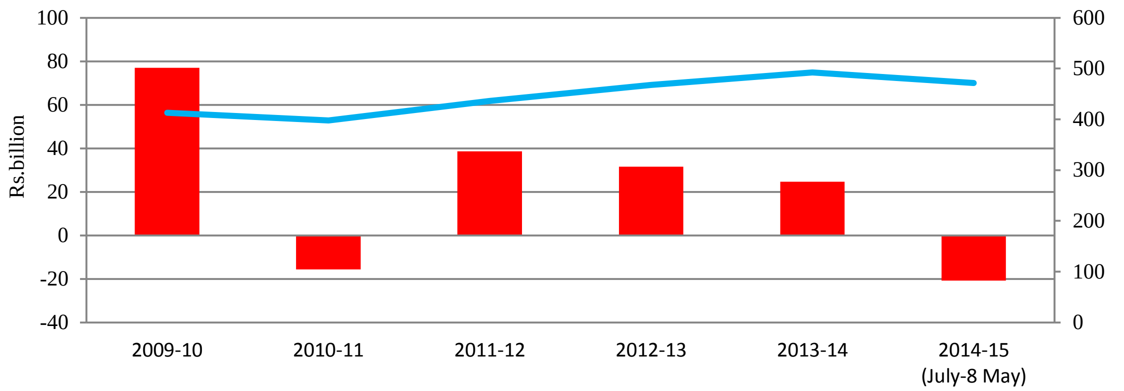
The outstanding stock of commodity financing has increased considerably to Rs.492.4 billion in fiscal year 2013-14 from Rs.467.7 billion in the comparable period of fiscal year 2012-13, posting a growth of 5.3 percent.

The commodity wise breakup reveals that during July-March, 2014-15 with net retirement of Rs. 55.7 billion, the outstanding loans for commodity finance reached to Rs. 492.4billion. Of which, loans for wheat finance witnessed a net retirement of Rs. 47.6 billion against the retirement of Rs. 146.0 billion during the same period of 2013-14. Higher amount of retirement during fiscal year 2013-14 was due to aggressive offloading of wheat stocks by the provincial food departments to stabilize wheat prices.

During the first half of current fiscal year, the private sector imported 0.7 million tons of wheat despite the available stocks with public procurement agencies with an aim to reap the benefits from lower global prices. Consequently, due to inability to offload additional wheat stock by these agencies, seasonal retirement of loan to commercial banks was reduced.

On the other hand loans for fertilizer finance registered a net retirement of Rs.8.9 billion during July-March, 2014-15 against the borrowing of Rs. 9.3 billion in the same period last year. While borrowing for sugar finance has also witnessed a retirement of Rs. 0.8 billion against the borrowing of Rs. 3.0 billion in the comparable period last year.

Fig-3: Commodity Finance



Credit to Private Sector

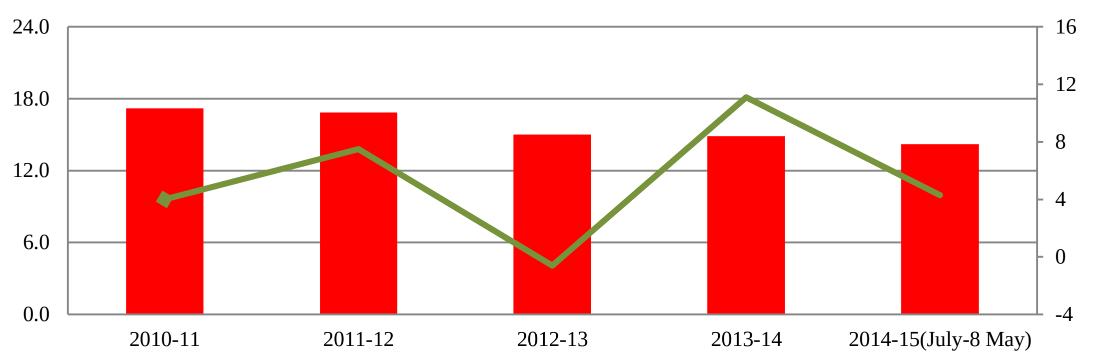
Private sector in Pakistan has been recognized as the key player in economic development due to its contribution to investment, employment and business creation. Usually, public resources are not enough to address the development challenges alone, therefore private sector investment is imperative to supplement the public resources in order to fuel the economic growth along with providing better employment opportunities.

Fiscal year 2013-14 has witnessed a momentous increase in credit to private sector despite the tight monetary policy stance, as it registered a net expansion of Rs. 371.4 billion in 2013-14, against the net retirement of Rs. 19.0 billion in 2012-13. On year on year basis, it posted a growth of 11.1 percent which is the highest level in past five years.

In contrast, recent data specified that credit to private sector increased to Rs. 161.7 billion during July-8th May, 2014-15 against the expansion of Rs. 292.9 billion in the same period of last year, thus posted a growth of 4.3 percent as compared to 8.7 percent in the comparable period of last year. However, despite low expansion, credit to private sector posted a growth of 6.6 percent on year on year basis as on 8th May, 2014-15 against the growth of 5.2 percent recorded in the same period last year.

Slow pace in credit to private sector during the current fiscal year 2014-15 may be attributed to change in trend of government borrowing from SBP to commercial banks that constricted the quantum of loanable funds with the banks. Additionally, shortage of energy and decline in international commodity prices also restricted the demand for bank credit. However, demand for credit to private sector is likely to pick up with lagged impact of cutting in cumulative discount rate by 300 bps in coming months.

Fig-4: Credit to Private Sector



Ratio of credit to private sector to GDP is one of important indications of economic development and prosperity. Higher ratio implies not only increased financing to the private sector but it also reflects greater opportunity and space for the private sector to develop and grow. Considering Pakistan, credit to private sector as percentage of GDP has not been significant and stood at 14.2 percent during July-8th May, 2014-15. Historically, the private sector in Pakistan has faced multifaceted challenges on various fronts like finance, infrastructure, employee skills and the investment climate. Moreover, less external inflows, low tax to GDP ratio, higher expenditure and consequently rapidly rising public borrowing to finance the budget deficit resulted in crowding out of private sector. Hence, the flow of money or credit diverted away from the most productive sectors. The situation further aggravated due to energy crisis, resultantly the private sector could not gain the momentum as it was required to boost the economic growth.

However, recognizing the private sector as the engine of economic growth, Pakistan is striving to tap private sector initiatives and investment in order to achieve the potential growth and alleviating poverty. In this context, the present government is taking all possible efforts to create a conducive business environment by removing major bottlenecks like energy shortages, bleeding PSEs along with creating conducive investment climate to boost exports and tax revenues. In this perspective, recently Pakistan and China has signed agreements of worth $ 45billion with an aim to build a China-Pakistan Economic Corridor (CPEC) - a network of roads, railway and pipelines between the long-time allies, which will go a long way to build better infrastructure and will create conducive environment to facilitate the private sector.

Sectoral Analysis

Sector wise growth demonstrates that loans to private sector business recorded a significant growth of 12.1 percent during fiscal year 2013-14 as compared to 0.7 percent in 2013-14. Whereas, overall credit grew by 6.9 percent during July-March, 2014-15 as compared to 10.2 percent in the same period of last year. Despite an increase in absolute term, lower growth in credit to private sector and various subsectors can be attributed to lower demand from the manufacturing sector, agriculture sector and commerce and trade. Specifically textiles, food and beverages and the sugar sector which were the main contributors in the credit off take last year, have witnessed less demand this year.

In flow terms, credit expansion to private business increased to Rs. 185.1 billion during July-March, 2014-15 as against Rs. 271.7 billion in the same period of fiscal year 2013-14. Among all major sectors, credit off take remained high in Construction (21.1 percent), followed by Mining and Quarrying (21.0 percent) and Transport, Storage and Communication (8.4 percent). Manufacturing sector received share 56.5 percent of private sector loan (Rs. 104.6 billion), followed by textile (15.93 percent or Rs. 29.5 billion), agriculture (7.73 percent or Rs. 14.3 billion), commerce and trade (6.0 percent or Rs. 11.1 billion), construction (5.94 percent or Rs. 11.0 billion) and transport, storage and communication (5.34 percent or Rs. 9.9 billion).

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

Sectors	End June Stocks		March-14	March-15	July-March (Flows)		Growth Rates	
	Jun-13	Jun-14			2013-14	2014-15	2013-14	2014-15
Overall Credit (1 to 5)	**2,976.3**	**3,313.8**	**3,281.3**	**3,542.0**	305.0	228.2	10.2	6.9
1. Loans to Private Sector Business	**2,467.2**	**2,765.2**	2,738.9	2,950.3	271.7	185.1	11.0	6.7
A. Agriculture	222.0	252.7	238.6	267.0	16.6	14.3	7.5	5.7
B. Mining and Quarrying	20.8	18.9	23.0	22.9	2.3	4.0	10.9	21.0
C. Manufacturing	1,448.9	1,636.0	1,664.0	1,740.6	215.1	104.6	14.8	6.4
Textiles	514.9	558.1	583.5	587.6	68.6	29.5	13.3	5.3
D. Electricity, gas and water supply	228.9	278.6	255.6	275.5	26.8	-3.2	11.7	-1.1
E. Construction	53.4	52.3	51.7	63.3	-1.6	11.0	-3.1	21.1
F. Commerce and Trade	206.9	223.3	227.2	234.4	20.3	11.1	9.8	5.0
G. Transport, storage and communications	89.9	117.1	85.8	126.9	-4.1	9.9	-4.5	8.4
H. Other private business n.e.c	42.1	36.2	43.1	37.0	1.0	0.7	2.3	2.1
2. Trust Funds and NPOs	**17.0**	**8.2**	7.3	9.0	-9.7	0.8	-56.9	9.6
3. Personal	**305.8**	**337.6**	327.5	361.5	21.7	23.9	7.1	7.1
4. Others	**14.2**	**15.3**	20.6	13.5	6.4	-1.8	45.3	-12.1
5. Investment in Security & Shares of Private Sector	**172.2**	**187.5**	187.0	207.8	14.8	20.3	8.6	10.8

Source: State Bank of Pakistan

Notwithstanding, a well-diversified growth in credit has witnessed during July-March, 2014-15 in its type of finance. As major sectors of the economy like agriculture, manufacturing and services availed credit both for working capital and for fixed investment. Advances to private sector businesses in fixed investment expanded to Rs. 84.4 billion in July-March, 2014-15 from Rs. 50.3 billion in the same time of a year ago. While working capital requirement credit declined to Rs. 90.3 billion in July-March, 2014-15 from Rs. 223.8 billion in the same period of fiscal year 2013-14 owing primarily to decrease in commodity prices.

Fig: 5.4- Consumer Financing (Rs. Billion)

	July-March (Flows)		Growth(%)	
Description	**2013-14**	**2014-15**	**2013-14**	**2014-15**
Consumer Financing	21.5	16.0	9.8	6.4
1) For house building	-0.1	0.1	-0.3	0.2
2) For transport i.e. purchase of car	9.0	12.7	17.8	20.0
3) Credit cards	-0.5	-0.5	-2.1	-2.0
4) Consumers durable	0.2	-0.1	88.1	-14.5
5) Personal loans	13.9	4.9	13.9	4.2
6) Other	-0.9	-1.1	-11.1	-13.8

Source: State Bank of Pakistan

During July-March, 2014-15 consumer financing posted a growth of 6.4 percent (Rs. 16.0 billion) as compared to 9.8 percent (Rs. 21.5 billion) in the same period of last year. Within consumer financing, auto loans increased by 20.0 percent as compared to 17.8 percent in same period of last year. Increase in auto financing is largely due to amendment in regulations for car financing, which allowed banks to finance cars up to 9 years old and high demand for the new model of car. Contrary to it, the decreasing trend in personal loans has been witnessed owing to high base impact of “introduced innovative personal loans products, especially designed to cater to the need of the middle and high income groups in previous years like Salary Loan Scheme, Cash for Gold scheme and Enhanced-gold Scheme, etc.

Table-5.5: Targets and Actual Disbursement of Agriculture Loans

	Target		Flows (July-March)	
Name Of Banks	**2013-14**	**2014-15**	**2013-14**	**2014-15**
5 Big Commercial Banks	188.0	252.5	133.5	167.4
ZTBL	69.5	90.0	45.9	56.2
DPBs	90.4	115.6	54.2	72.1
PPCBL	10.0	11.5	5.4	5.9
MFBs	21.6	28.2	16.2	20.7
Islamic Banks	0.5	2.3	0.5	3.7
Total	380.0	500.0	255.7	326.0

Source: State Bank of Pakistan

For fiscal year 2014-15, agriculture credit disbursement target is set at Rs. 500.0 billion against the target of Rs. 380.0 billion in fiscal year 2013-14 which actually disbursed at higher than target i.e Rs. 391.4 billion. During July-March, 2014-15, overall credit disbursement increased to Rs. 326.0 billion as compared to Rs. 255.7 billion in the corresponding period of last year, thus posting a growth of 27.5 percent against the growth of 10.7 percent. While, agri credit disbursement accounted for 65.2 percent of the annual indicative target during July-March of current fiscal year. Five major commercial banks disbursed agri loans of Rs. 167.4 billion or 66.3 percent of its annual target which is 25.4 percent higher from Rs. 133.5 billion during the same period of last fiscal year.

Monetary Assets

Monetary assets (M2) include currency in circulation, demand deposits, time deposits and resident's foreign currency. Monetary aggregate have started to increase in the fourth quarter of current fiscal year. Money supply (M2) posted a growth of 7.33 percent during 1st July – 8th May 2014-15 against the growth of 7.05 percent in the comparable period last year, while y-o-y basis it stood at 12.8 percent as on 8th May, 2014-15. Higher growth in M2 is largely stemmed from increase in currency in circulation and total time and demand deposits.

Currency in Circulation (CIC)

Currency in circulation (CIC) accelerated by 15.1 percent during July-8th May, 2014-15 against the growth of 14.2 percent during the same period of fiscal year 2013-14, whereas y-o-y growth recorded at 13.3 percent as on 8th May, 2014-15.

Despite a persistent decline in inflation and lower credit expansion, increase in currency in circulation may be attributed to higher government borrowing from scheduled banks. Similarly, during July-8th May, 2014-15 currency in circulation (CIC) as percent of money supply has also been increased to 23.4 percent from 23.3 percent in the same period last year.

Table-5.6 Monetary Aggregates (Rs Million)

Items	**End June**		**July-8 May**	
	2013	**2014**	**2013-14**	**2014-15**
A. Currency in Circulation	1,938,222	2,177,873	2,213,406	2,506,695
Deposit of which:				
B. Other Deposits with SBP	10,523	13,147	13,982	15,620
C. Total Demand &Time Deposits incl. RFCDs	6,909,066	7,777,021	7,254,746	8,176,268
of which RFCDs	514,988	590,384	578,312	593,963
Monetary Assets Stock (M2) A+B+C	8,857,812	9,968,041	9,482,136	10,698,584
Memorandum Items				
Currency/Money Ratio	21.9	21.8	23.3	23.4
Other Deposits/Money ratio	0.1	0.1	0.1	0.1
Total Deposits/Money ratio	78.0	78.0	76.5	76.4
RFCD/Money ratio	5.8	5.9	6.1	5.6
Income Velocity of Money	2.9	2.9	2.7	2.7

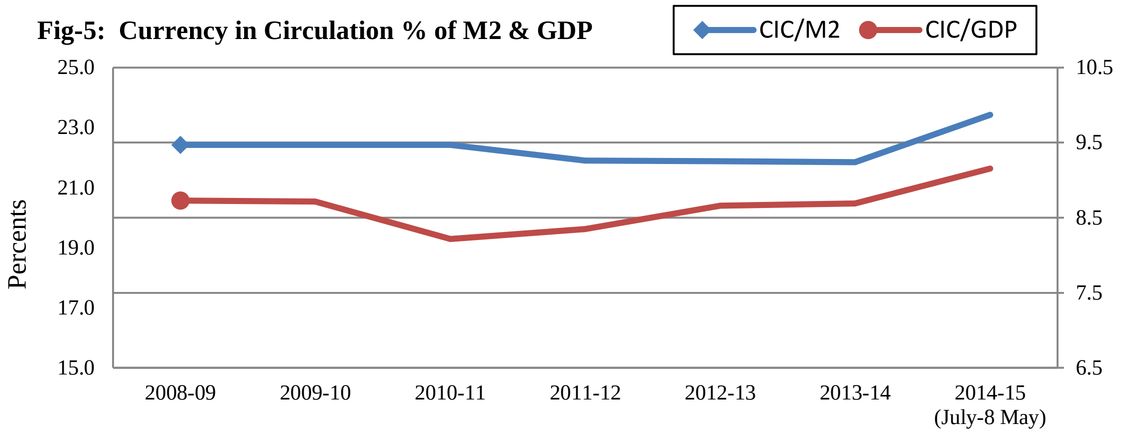
Source: State Bank of Pakistan

Deposits

During July-8th May, 2014-15 demand and time deposits stood at Rs. 399.2 billion against Rs. 345.7 billion in the same period last year. Thus it witnessed a slight increase as it grew by 5.1 percent during July-8th May, 2014-15 against the growth of 5.0 percent in the same period last year. However, during July-8th May, 2014-15 demand deposits stood at Rs. 357.5 billion against Rs. 379.4 billion in the same period last year. On the other hand, time deposits increased to Rs. 38.2 billion during July-8th May,2014-15 against the contraction of Rs.97.3 billion in the comparable period last year.

While Resident Foreign Currency Deposits (RFCD) has reduced to Rs. 3.6 billion during July-8th May, 2014-15 from Rs.63.6 billion in the same period last year. Impact of Rupee appreciation during the current fiscal year has been translated into this decline in RFCD.

Fig-5: Currency in Circulation % of M2 & GDP



Monetary Management

SBP conducts its liquidity management operations with an aim to contain the monetary expansion within the safe limits in order to achieve the objective of price stability.

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

	Injections		Absorptions	
	2013-14	**2014-15**	**2013-14**	**2014-15**
July	631.3	342.65	142.4	166.7
August	-	183.3	725.2	-
September	-	414.7	689.8	-
October	136.25	603.75	54.0	-
November	121.5	1,161.05	668.0	-
December	241.1	2,147.73	-	-
January	262.95	3,007.4	-	-
February	348.1	2,850.7	129.1	122.6
March	520.05	4,290.6	69.0	-
Total	**2,261.3**	**15,001.8**	**2,477.4**	**289.3**

Source: State Bank of Pakistan

Recently, due to change in composition of government borrowing from SBP to scheduled banks resulted in considerable liquidity shortage in the system[3]. Thus in order to overcome liquidity shortage, SBP has been injecting

[3] Government has retired significant amount of its borrowing from SBP during the current fiscal year.

liquidity through its open market operations in accordance with its policy stance. During July-March, 2014-15, SBP mopped up Rs. 289.3 billion against the injections of Rs. 15,001.8 billion. While in the same period of fiscal year 2013-14, it mopped up Rs. 2,477.4 billion against the injections of Rs. 2,261.3 billion.

Liquidity conditions have improved considerably towards the end of current fiscal year on account of overall improvement in balance of payments. Money market overnight repo rate on average remained 49 bps lower than the SBP's policy rate in the post March 2015 policy decision as against 33 BPS in the post January decision. Other market interest rates, such as KIBOR and the weighted average lending rate (WALR), have largely followed the policy rate reductions. Consequently, these developments augur well for smooth transmission of changes in policy rate to other market interest rates along with implementation of the revised interest rate corridor framework.[4]

During July-March, 2014-15 market offered the total amount of Rs. 4,430.6 billion against Rs. 6,173.0 billion in the comparable period last year. In the T-bill's auction during current fiscal year, so far the government has raised less than the targeted amount which implies an increase appetite for PIBs.

Table 5.8 Market Treasury bills Auctions (Rs. Million)

	JUL-JUN			Jul-March					
	2013-14			Offered		Accepted		W.A.Rate	
	Offered	**Accepted**	**W.A Rate**	**2013-14**	**2014-15**	**2013-14**	**2014-15**	**2013-14**	**2014-15**
3-Months	5,555,952	5,031,692	9.4	5,248,579	1,041,500	4,730,455	986,557	9.4	9.1
6-Months	1,024,910	950,189	9.5	650,866	1,250,739	583,060	855,834	9.5	8.9
12-Months	915,273	894,465	9.5	273,557	2,138,389	252,939	954,892	9.5	8.9
Total	**7,496,135**	**6,876,346**		**6,173,002**	**4,430,628**	**5,566,454**	**2,797,283**		

Source: State Bank of Pakistan

During the first nine months of current fiscal year, T-bills accounted for 35.3 percent of the total accepted amount in 3 months followed by 34.1 percent in 12-months.

Market offered total amount of Rs.1,837.5 billion during July-March, 2014-15 under PIB auctions as compared to Rs. 1,336.3 billion in the same period last year. PIBs witnessed heavy investment in 3 years as it contributed 46.1 percent of total accepted amount followed by 29.4 percent in 5 years. In the PIBs auction held so far in fiscal year 2014-15, government has raised greater amount than the target.

Fig-6: Contribution of T-bills

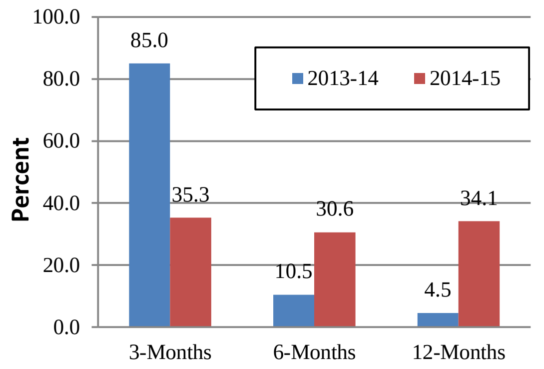


Table-5.9 Pakistan Investment Bonds Auctions (Rs Million)

PIBs	July-June			July-March				W.A Rate	
	Offered	Accepted	W.A Rate	Offered		Accepted			
	2013-14			2013-14	2014-15	2013-14	2014-15	2013-14	2014-15
3 Years	1,231,992	1,171,806	11.2	615,509	936,316	560,908	396,809	11.2	10.4
5 Years	465,286	426,111	11.7	321,945	462,036	285,020	252,760	11.7	10.8
10 Years	512,925	420,755	12.2	385,532	430,328	296,012	202,572	12.2	11.4
15 Years				-	-	-	-	-	-
20 Years	22,368	20,323	13.1	13,333	8,775	12,323	8,000	13.1	12.3
30 Years	-	-	-	-	-	-	-	-	-
Total	**2,232,571**	**2,038,995**		**1,336,319**	**1,837,455**	**1,154,263**	**860,141**		

Source: State Bank of Pakistan

[4] Monetary Policy Statement, May 23,2015

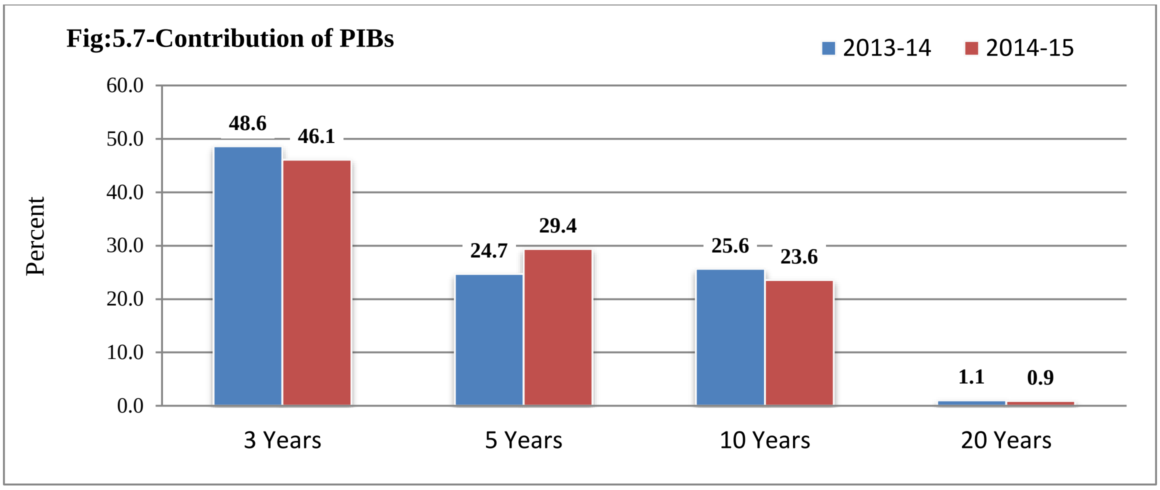
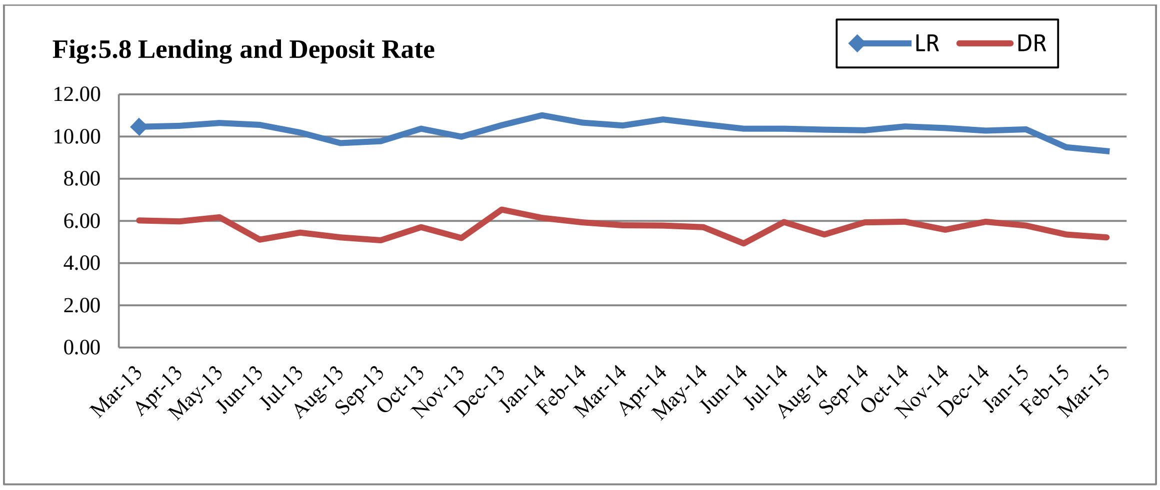


Table-5.10 Lending & Deposit Rates(W.A)			
	LR	DR	Spread
Mar-14	10.53	5.80	4.73
Apr-14	10.81	5.78	5.03
May-14	10.59	5.70	4.89
Jun-14	10.37	4.93	5.44
Jul-14	10.38	5.95	4.43
Aug-14	10.33	5.36	4.97
Sep-14	10.30	5.93	4.37
Oct-14	10.48	5.96	4.52
Nov-14	10.41	5.59	4.82
Dec-14	10.28	5.97	4.31
Jan-15	10.35	5.78	4.57
Feb-15	9.50	5.36	4.14
Mar-15	9.31	5.22	4.09

Following a decline in policy rate, weighted average lending rate on gross disbursements has also reduced from 10.53 percent in March, 2014 to 9.31 percent in March, 2015. Similarly, weighted average deposit rate offered on fresh deposits also reduced from 5.80 percent in March, 2014 to 5.22 percent in March, 2015. Resultantly, banking spread which is the difference between the lending and deposit rates fell to 4.09 per cent in March 2015 from 4.73 percent in March 2014.

Likewise, the average lending rate on outstanding loans also reduced to 10.47 in March,2015 from 11.10 percent recorded in March,2014. Weighted average deposit rate reduced from 5.05 percent in March,2014 to 4.55 percent in March,2015.



Financial Sector

The fragile global financial system, sovereign debt crises in Euro Zone and non-conducive economic conditions during end of last decade affected different countries of the world directly or indirectly. The economy of Pakistan also faced numerous challenges during last few years on account of BOP crises, energy shortfall, law & order concerns, mounting fiscal deficit and high inflationary pressures. However, various macroeconomic challenges and structural issues in, the banking and financial sector of Pakistan performed remarkably well and emerged as a highly profitable financial backbone of the country. Significant improvement of banking system and financial sector was mainly due to conducive macroeconomic condition since last one and half year due to better energy supply, increase in manufacturing activities, low inflation and reduced pressure on external front which translated into unprecedented profits before tax of Rs. 80 billion during first quarter of CY15 (Rs. 247 billion during CY14).

Further, the alignment of regulatory capital requirements in Pakistan with best international practices coupled with high profitability helped banking sector in achieving strong solvency with an overall Capital Adequacy Ratio (CAR) of 17.1 percent as of end December 2014. While it increased to 17.4 percent during first quarter of CY15, hence it remained strong and much higher than minimum required level of 10 percent. It is pertinent to mention that the CAR of the banking sector has remained well above this benchmark during the last seven years.

Similarly, asset quality has also improved and NPLs to loans ratio gradually came down from 16.7 percent in September 2011 to 12.3 percent in December 2014. Net NPLs to loans ratio reduced from 3.4 percent to 2.7 percent year on year basis. While Gross NPLs to loans ratio recorded at 12.3 percent in December, 2014 against 13.3 percent in same period of last year. However, the asset quality observed a marginal setback during first quarter of CY15 as NPLs to Loans ratio increased by 50 bps to reach 12.8 percent and net NPLs to Net Loans by 9 bps to 2.8 percent.

Table 5.11: Highlights of the Banking Industry* (Rs. in billion)

	2010	2011	2012	2013	2014	Mar-15
Total Assets	7,117	8,171	9,720	10,487	12,106	12,528
Investments (net)	2,157	3,055	4,013	4,313	5,310	5,954
Advances (net)	3,358	3,349	3,805	4,110	4,447	4,336
Deposits	5,451	6,244	7,291	8,311	9,230	9,236
Equity	695	784	873	943	1,207	1,248
Profit Before Tax (ytd)	105	170	176	162	247	80
Profit After Tax (ytd)	65	112	117	112	163	52
Non-Performing Loans	556	592	618	607	605	620
Non-Performing Loans (net)	185	182	176	139	122	123
In percent						
Capital Adequacy Ratio (all banks)	13.9	15.1	15.6	14.9	17.1	17.4

Source: State Bank of Pakistan
*: On the basis of calendar year
Note: Statistics of profits are on year-to-date (ytd) basis.

The asset base of the banking sector and its key components recorded significant growth, as it grew by 15.4 percent in 2014 and amounted to Rs.12.1 trillion. However, significant increase in asset base was duly supported by 11.0 percent growth in deposits. Whereas, asset base reached to Rs.12.5 trillion by end March, 2015.

Financial Development

Well-functioning financial system is a fundamental feature of economic development because it effectively channelizes the resources to their best productive use in order to enhance the aggregate saving and investment rate. Additionally, it prompts higher degree of financial development through wider availability of financial services which in turn bolsters economic growth and reduces poverty and inequality.

Financial depth or deepening is generally a measure of the health and soundness of financial institutions in a country. When it comes to measuring financial development, it can be usefully examined through the ratio of broad money to GDP as it captures the overall size of the financial sector. Increasing M2/GDP ratio is defined as more developed and efficient financial sector and also a benchmark for the position of financial development.

Table: 5.12 Financial Depth	
Years	M2/GDP
2008-09	38.9
2009-10	38.9
2010-11	36.6
2011-12	38.1
2012-13	39.6
2013-14	39.8
July-8 May	
2013-14	37.8
2014-15	39.1

In Pakistan the ratio M2/GDP remained low however, the ratio has shown increasing trend since 2010-11 due to several policy initiatives and financial reforms initiated by SBP to reshape the financial sector. A cursory look at Table 5.12 indicates that monetary assets which were at 36.6 percent of GDP in fiscal year 2010-11 rose to 39.8 percent in 2013-14. Whereas, during July-8thMay, 2014-15, it increased to 39.1 percent against 37.8 percent during the corresponding period of last year. The ratio is expected to increase further in coming years on account of ongoing financial reforms with an aim to attain more financial depth. Recently, National Financial Inclusion Strategy (NFIS) has been approved which will not only help in achieving optimal economic growth and financial stability but it will also serve as a critical pathway for millions of unserved poor people to rise out of poverty. The strategy is consistent with the Government of Pakistan's Vision 2025 which requires enhancing access to credit for Small and Medium Enterprises and focuses on financial inclusion and deepening.

Furthermore, SBP has also been striving for attaining many targets in financial sector including financial inclusion, SME finance, housing finance, infrastructure finance, consumer protection, regulatory development and strengthening of financial market infrastructure etc (Box-II).

Box-II: Financial Reforms

- Measures have been taken by SBP for the development of SME finance through its various initiatives some of which are; (a) Flexible Regulatory Framework for SME Financing, (b) Credit Guarantee Scheme, (c) Development of Secured Transaction Framework, (d) SBP Finance and Refinance Schemes, (e) Export Finance Scheme and Long Term Finance Facility (LTFF), (f) Export Finance Facility for Locally Manufactured Machinery (EFF-LMM), etc. Moreover, in order to promote the financing to this important segment and improve the capacity of the related human resources, SBP is conducting Primary Survey of 21 SMEs, and conducting SME Finance Grass Root Cluster Training Programs.
- SBP is also supervising and monitoring the Prime Ministers Youth Business Loans Program, which is meant for providing loans to unemployed youth, especially educated youth for establishing or extending business enterprises in order to promote self-employment in the country. In first year of the Program, loans amounting to Rs 100 billion would be extended to 100,000 borrowers. As of February 28, 2015 more than 60,000 applications were received by both public sector banks, while 15,275 applications have been approved.
- With the support and initiatives taken by SBP, Housing Finance has been increasing since July 2014 which is contributing towards growth of 40 allied industries. Housing finance portfolio of banks/ DFIs with an increase of 5.62 percent on Y-o-Y basis stood at Rs.54.5 billion as of March,2015. NPLs has also reduced from Rs.16.21 billion in March 2014 to Rs.14.16 billion in March 2015.
- To promote housing finance in the country, SBP is facilitating an establishment of Mortgage Refinance Company (MRC) to develop secondary mortgage market through securitization and Mortgage Backed Securities, Bond Market and creating long term funding facility for mortgage lenders. The creation of a MRC would help to address the long term funding constraint hindering the growth of the primary mortgage market.
- Cognizant of the pivotal role of infrastructure in economic development, State Bank is continuing with its efforts to improve financing of banks/ DFI for infrastructure. In view of the ongoing energy crisis, State Bank has picked up its efforts for promotion of green banking & finance, which broadly includes concepts like renewable energy/ energy efficiency financing, resource efficiency & sustainable development. SBP has held consultations with various stakeholders including multilateral agencies to design and implement policies on green banking. With simultaneous development of human capital through trainings and other awareness/capacity building measures.
- For financial consumer's protection, a dedicated Consumer Protection Department (CPD) is functioning at SBP. In order to provide for the incorporation, functioning and regulation of the existing and new credit

bureaus in private sector, enactment of Credit Bureau Act is presently under process.

- In order to strengthen the financial sector, SBP implement the regulatory development like (a) Privatization transactions/merger/acquisition transactions, (b) Strengthening the AML/CFT regime in Pakistan, (c) Macro Prudential Reforms, (d) Capital Adequacy, and (e) Computerized Reporting System for Derivatives Market
- The coverage of the Branchless Banking (BB) network, consisting of 8 players, is also expanding with persistent double-digit growth, as nearly 204,073 agents are now spread across the country. BB transactions crossed 71 million during Oct-Dec 2014 showing a rise of 8 percent and transaction value has reaching Rs 372 billion with average size of transaction of Rs 5,181.
- During the period under review, 701,510 new accounts were opened and the cumulative BB accounts have reached to 5.4 million with Rs.6.6 billion deposits, showing strong role of the segment in broader digital financial inclusion.
- In order to enhance the growth of Branchless Banking, agreement was signed between SBP and NADRA for reducing biometric verification cost to Rs 10 for each m-wallet account opening to reduce transaction costs and strengthen customer identification & verification procedure in opening of mobile accounts.
- As things stand; two banks have been given approval to pilot test their branchless banking services. Hence the number of banks who have SBP's approval has reached to twelve. Eight banks are commercially live in the market currently and the rest are on pilot test phase. In line with country's requirements and global trends, SBP has been collaborating with the World Bank (WB) Group to develop a broader National Financial Inclusion Strategy (NFIS) for Pakistan.
- Robust payment mechanisms are a pre-requisite for improving financial inclusion in the country. SBP is ensuring safety and efficiency of payment systems using the following three essential roles in the payments industry: (a) Cheque Truncation, (b) International Bank Account Number (IBAN), (c) Rules for Payment System Operators and Payment Service Providers.

Source: State Bank of Pakistan

Islamic Banking

Islamic Banking industry in Pakistan is currently spread across 89 districts of the country comprising more than 10 percent share in overall banking industry. 22 Islamic banking institutions (IBIs) (5 full-fledged Islamic banks and 17 Islamic banking branches of conventional banks) are operating in the country with a network of nearly 1,600 branches. Owing to its vibrant outlooks, SBP 5 year's strategic plan (2014-18) forecasts 15 percent market share of Islamic banking in total banking industry in next five years. The future outlook of the industry is also very positive with bright prospects of doubling its market share by 2020.

Keeping in view the huge potential of Islamic Banking, several initiatives have been taken by SBP in order to provide necessary legal, regulatory and supervisory infrastructure and awareness & capacity building programs.

The Islamic banking industry witnessed significant growth in CY14 with both assets and deposits contributing in this expansion. As of March 2015, the asset base of the Islamic banking industry reached to Rs.1.3 trillion while deposits reached to Rs. 1.1 trillion. Consequently, the market share of Islamic banking assets and deposits in the overall banking industry increased to 10.4 percent and 12.2 percent, respectively by end March 2015.

Table 5.13: Islamic Banking Industry

	CY 10	CY 11	CY 12	CY 13	CY 14	15-Mar
Total Assets (Rs. billion)	477	641	837	1,014	1,259	1,302
Total Deposits (Rs. billion)	390	521	706	868	1,070	1,122
Share in Banks' Assets (percent)	6.7	7.8	8.6	9.6	10.4	10.4
Share in Banks' Deposits (percent)	7.2	8.4	9.7	10.4	11.6	12.2

Source: State Bank of Pakistan

Net Investments of Islamic Banking institutions stood at Rs. 357 billion by end December 2014 from Rs 354 billion by end September 2014. However, on year on year (YoY) basis, net investments of the Islamic banking industry declined by 9.5 percent which can be associated with fall in investment in federal government securities by 1.6 percent compared to the previous quarter and by 9.8 percent compared to December 2013 owing to maturity of GoP Sukuk of Rs. 90 billion while the availability of new GoP Ijara Sukuk was only of Rs. 49.5 billion during CY14. In terms of profitability, an increase of Rs. 3.95 billion has been witnessed in the last quarter of CY14 to reach above Rs. 15 billion as against Rs. 9.4 billion profit earned by end December 2013. High profit earned during the quarter is also reflected in improving both Return on Assets (ROA) and Return on Equity (ROE) compared to the same quarter last year. ROA has seen marginal improvement while ROE showed significant increase. Keeping with the usual trend, ROA of Islamic banking industry is less than that of overall banking industry while ROE is higher than the overall industry average[5].

All mode of financing except Murabaha witnessed increase during CY14. Gross financing of Islamic banking industry grew from Rs. 330.2 billion by end December 2013 to Rs. 422.1 billion by end December 2014, reflecting y-o-y growth of 27.8 percent.

Table 5.14 Financing Products by Islamic banks %age

Mode of Financing	CY10	CY11	CY12	CY13	CY14
Murabaha	44.9	43.8	39.7	40.6	30.1
Ijara	12.7	10.4	9.2	7.7	7.7
Musharaka	2.9	2.4	0.8	6.7	11
Mudaraba	0.2	0.1	0.2	0.2	0.1
Diminishing Musharaka	29.3	32	35.7	30.8	32.6
Salam	1.4	2.4	3	4	4.5
Istisna	5.8	4.4	7.2	5.6	8.3
Others	2.6	4.4	4.3	4.4	5.6

Source: State Bank of Pakistan

Despite 63 percent collective contribution by Murabaha and Diminishing Musharaka, share of both in overall financing declined during the quarter ending December 2014 mainly due to relatively higher growth in financing modes like Musharaka, Salam and Istisna.

Box-III: Key initiatives for the promotion of Islamic Banking Industry in Pakistan

a. Constitution of Steering Committee for Promotion of Islamic Banking

The Government of Pakistan (GOP) has demonstrated strong commitment for supporting development of Islamic finance in the country. To this end, a high level Steering Committee for promotion of Islamic banking was set up in December 2013 which is chaired by Deputy Governor SBP. The Steering Committee comprises renowned Shariah scholars, senior government officials, industry experts (local and international) and business leaders aiming to develop proposals and recommendations for transforming the financial system in conformity with Shariah principles.

b. Establishment of Centre of Excellence for Islamic Finance:

The SBP in collaboration with Government of Pakistan (GOP), industry and other stakeholders is planning to develop a Centre of Excellence for Islamic Banking and Finance education to ensure adequate supply of trained human resources to the industry. Moreover, the Center will also act as an incubator for research on contemporary issues.

c. Rationalization of Minimum Capital Requirement (MCR) for Islamic banking subsidiary:

With the objective of encouraging banks to move towards a subsidiary based model, SBP has revised the initial MCR for an Islamic banking subsidiary from Rs. 10 billion to Rs. 6 billion in October, 2014.

[5] Islamic Banking Bulletin Oct-Dec 2014

d. Commencement of Open Market Operations for IBIs:

In order to facilitate Islamic Banking industry in their liquidity management and more effective transmission of monetary policy, SBP decided to conduct outright purchase or sale Government of Pakistan IjaraSukuk (GIS) either on deferred payment basis (Bai-Muajjal) or on ready payment basis through Open Market Operations (OMOs) based on a price competitive auction process.

e. Awareness Creation

State Bank of Pakistan launched a nationwide media campaign in collaboration with the industry to improve Islamic finance literacy. The first phase focused on creating awareness and improving visibility of Islamic banking in the country, while the second phase is focused on improving the understanding of the masses about Islamic banking.

f. Completion of Knowledge, Attitude and Practices (KAP) Study:

SBP launched a survey based study to estimate demand for Islamic banking in the country. The main objectives of the project; "Knowledge, Attitude and Practices of Islamic Banking in Pakistan" were (a) quantification of the demand for Islamic Banking and its nature in the country (b) incidence of financial exclusion based on religious beliefs and (c) identification of critical areas requiring financing. The study was based on first hand information collected from both banked (Islamic and conventional) and un-banked sectors of the country. According to the study there is an overwhelming demand for Islamic banking in Pakistan in both retail and corporate sectors.

g. Collaboration between SBP and SECP

To promote Islamic finance in the country, SBP is collaborating with Securities and Exchange Commission of Pakistan (SECP), the capital markets regulator. Both the regulators are working on developing proposals for facilitating development of an Islamic capital market. SECP has also created a dedicated Islamic Finance Department and has started taking initiatives for development of necessary infrastructure for an Islamic capital market. These initiatives include:

(a). Review of Modaraba guidelines to align those with overall regulatory framework of Islamic finance in the country, (b). Issuance of Sukuk guidelines, (c).Issuance of Takaful rules.

Source: State Bank of Pakistan

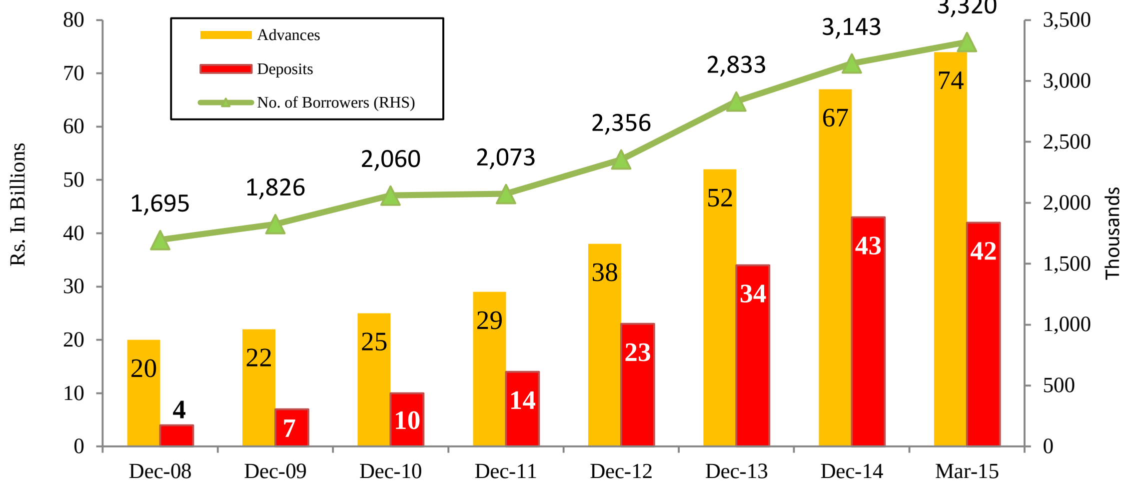
Microfinance

The State Bank of Pakistan (SBP) has been encouraging microfinance banks (MFBs) to increase their outreach for greater usage of micro-banking services by financially under privileged segments especially those living in the rural and remote areas. The microfinance banking sector is expanding fast with ten privately-owned MFBs operating in the country. Eight of them are operating at national level, while two at the provincial level (Sindh province). All the MFBs are privately owned with both foreign and national investors.

The microfinance sector (MFBs and MFIs) witnessed a 29.2 percent growth in its aggregate loan portfolio which grew by Rs. 16.7 billion; reaching to Rs. 73.7 billion against a total of 3.3 million borrowers as of March, 2015 compared to loans worth Rs. 57 billion to 2.9 million borrowers in the corresponding period last year.

At the close of 3rd quarter of fiscal year 2014-15, the total loan portfolio of MFBs grew by 30.3 percent, reaching to Rs. 41.2 billion as compared to Rs. 31.6 billion in the corresponding period last year. The number of borrowers served also registered a growth of 17.5 percent, increasing from 1,063,571 in March, 2014 to 1,249,857 in March, 2015. The asset base of MFBs also registered an impressive growth of 24.1 percent rising to Rs.71.4 billion in March, 2015 from Rs.57.5 billion in the corresponding period last year. The NPLs of MFBs were restricted to around 1.9 percent as of end March, 2015, which points to prudent lending practices by MFBs. The deposits' growth also remained impressive with a total of Rs. 9.3 billion (28.0 percent) added to the MFBs' deposit base which stood at Rs 42.4 billion as of end March, 2015, compared to Rs. 33.1 billion in corresponding period last year. The progress of the industry remained satisfactory despite macroeconomic challenges and law & order situation, facing the country. The sector was able to expand its branch/service center network to 2,587 as of March, 2015 adding 274 new business locations across the country compared to position of March, 2014.

Fig-9: Growth of Microfinance Industry



In line with the impressive growth in microfinance banking, the coverage of the branchless banking network is also expanding significantly with persistent double-digit growth, as nearly 204,073 agents are now spread out across most of the country's districts. Branchless banking transactions crossed 71.8 million mark during July-December 2014, which led total value of transactions to reach Rs 372 billion. During the period under review, 701,510 new accounts were opened and the cumulative BB accounts grew to 5.4 million.

SBP Policy Initiatives during the Year 204-15

Key policy developments during fiscal year 2014-15 so far are;

- The Consultative Group to Assist the Poor (CGAP) and SBP have jointly organized a one day workshop on "Inclusion-Effective Interoperability" on October 22, 2014 at Mariot Hotel, Karachi. The conference aimed to share the findings of the global research study conducted by CGAP on topics like: solution relating to account interoperability, how agent interoperability might assist financial inclusion, effective use of national payment infrastructure, priority use case and key impediments.
- SBP in collaboration with CGAP and DFID organized a one day International Branchless Banking Conference on November 17, 2014 at Serena Hotel, Islamabad. During the BB conference, the following two MOUs were signed to advance the digital financial inclusion in Pakistan.

  i. Between Governor SBP and Chairman NADRA for reducing the biometric verification cost to Rs.10 for each m-wallet account opening at industry level.

  ii. Between Gates Foundation and DFID to set up a Digital Financial Inclusion Unit in Karandaaz which is a newly incorporated company to support small and growing businesses in Pakistan.

- SBP has been collaborating with the World Bank (WB) Group for a broader National Financial Inclusion Strategy (NFIS) for Pakistan. The NFIS covers priority areas like Branchless Banking, Digital Payment Systems, Agri. & MSME Finance, Housing Finance, Islamic Finance, Consumer Protection and Financial Literacy, Insurance and Pensions etc. Based on an exhaustive and comprehensive exercise including in-depth consultation with all the stakeholders, the strategy has now been finalized and its implementation will start soon.
- SBP has recently launched 3rd Financial Innovation Challenge Fund (FICF) Round on promoting Excellence in Islamic Finance. FICF designed under Financial Inclusion Programme (FIP) for promoting Islamic Financial services to meet the growing demands for Shariah compliant products and services in Pakistan.

Insurance Sector

The insurance industry in Pakistan is relatively small compared to other developing countries and economies in the region. However, the sector possesses huge potential for expansion and growth but remained underdeveloped relative to its prospects. For the calendar year, 2013, the industry's total premium revenue was over Rs.174 billion (USD 1.74 billion) as compared to Rs.145 billion (US$ 1.45 billion) as of CY12. The insurance penetration and density have also witnessed an upward trend to 0.73 percent and US$ 9.26 for CY13, compared with 0.67 percent and US$ 7.64 for CY12.

The non-life insurance sector comprises 42 insurers, including three general Takaful operators and one state-owned insurer, the National Insurance Company Limited (NICL), with an exclusive mandate to underwrite public property and one state-owned reinsurer, the Pakistan Reinsurance Company Limited (PRCL). During the period under review, the non-life insurance market remained dominated by top four players with over 62 percent of the market share, while the remaining 38 percent market was shared among the 36 insurers. The sector witnessed a growth of 13 percent during CY13 with total premium underwritten of over Rs. 62 billion.

Conversely, in the life insurance sector, there are nine life insurance companies, including two, "Family Takaful Operators" and one state-owned insurer, the State Life Insurance Corporation of Pakistan (SLIC). The SLIC having a dominant market share of 62 percent while the remaining 38 percent of the market is shared among the private life insurers. In CY13, the life insurance sector grew by 30 percent, with total premium of Rs.112 billion.

The only reinsurer of the industry-the government-owned Pakistan Reinsurance Company Limited (PRCL) continues to enjoy the mandatory minimum 35 percent share in the area of non-life Treat Reinsurance.

Achievements:

SECP aiming to protect the interests of policyholders and facilitating orderly development of the insurance industry has undertaken a number of initiatives which include:

- A comprehensive project for review and revision of the existing insurance regulatory framework has been initiated, with technical assistance from the World Bank and FIRST Initiative.
- Takaful rules were introduced in 2012, allowing the conventional insurers to obtain authorization under these rules before commencing their window takaful operations, enabling the conventional insurers to offer Sharia complaint products through these windows in addition to the conventional products, subject to the conditions that window operations are segregated in all respects including the capital. However, with resolution of the dispute in May 2014, SECP granted Window Takaful authorization to 5 entities during the current fiscal year.
- Bancassurance business has shown tremendous growth in last couple of years. SECP has carried out a survey of bancassurance business in 2012 to assess the bancassurance market, to provide a sustainable regulatory framework. Recently the SECP has completed the consultation process including consultation with the State Bank of Pakistan and the final Bancassurance regulation, shall be issued in the forthcoming financial year after the due legal process of approval.
- During the financial year, the SECP renewed the licenses of 8 direct insurance brokers and issued fresh licenses to two insurance brokers, which raised the total number of registered direct insurance brokers to 11.
- During the period under review, SECP has initiated rulemaking process in order to streamline and standardize the course outline for all insurance agents as well as a testing mechanism to be conducted by an institution duly approved and accredited by the SECP. The testing mechanism has been introduced to assess the agents' basic level of competence to act as the insurance agents.
- During the period under consideration, SECP has initiated process to prescribe increase in the minimum paid up capital requirements for the insurers, as Rs. 500 million for non-life insurers and Rs. 700 million for life insurers.

- The SECP specified growth rate scenarios for life insurance and family takaful illustration for year 2014 whereby the life insurers and family takaful operators use three growth rate scenarios to demonstrate projected benefits to the potential life insurance or family takaful policyholders. The SECP specifies these scenarios based on long-term interest rate outlook prevalent in Pakistan after consultation with the Pakistan Society of Actuaries (PSOA).
- The SECP, upon the advice of the Ministry of Finance, worked on the course of implementation of provisions of Foreign Account Tax Compliance Act (FATCA) so as to avoid the negative repercussions of its non-compliance, which essentially include the withholding of 30 percent of payment from US-source income resulting in financial losses to the financial institution along with the reputational damages.
- A Circular has recently been issued guiding the insurers about FATCA, its requirements, implications and directing them to assess the status of their entities on their own or through formal consulting services, as deemed appropriate.
- During the period under review, with the addition of wholly-owned subsidiary of provincial government, the total number of active non-life insurers in Pakistan will reach 41, while the total number of active insurers (life and non-life), including Pakistan Reinsurance Company Limited (PRCL), will reach 50. The applications for licenses by 2 insurers consecutively for the last 2 years indicate an encouraging trend for the non-life insurance industry.

Conclusion

Currently, Pakistan is following an accommodative monetary policy stance in order to reinvigorate the economy. During the current fiscal year, SBP slashed the policy rate by cumulative 300 bps to 7.0 percent which is the lowest in 42 years. Current policy stance is the reflection of improved macroeconomic conditions on the basis of which international agencies have upgraded outlook for Pakistan's economy which in turn will further improve the investor's confidence.

Liquidity conditions have improved considerably during the second half of current fiscal year on account of overall improvement in balance of payments. Other market interest rates, such as KIBOR and the weighted average lending rate (WALR), have largely followed the policy rate reductions. Consequently, these developments augur well for smooth transmission of changes in policy rate to other market interest rates along with implementation of the revised interest rate corridor framework.

Capital Markets

Capital Market is the market where securities are traded and channels savings and investment between suppliers of capital such as retail investors and institutional investors, and users of capital like businesses, government and individuals and an economy. It plays a significant role in the national economy. A developed, dynamic and vibrant capital market can immensely contribute for speedy economic growth and development. The lack of an advanced and vibrant capital market can lead to underutilization of financial resources. The developed capital market also provides access to the foreign capital for domestic industry. Thus it definitely plays a constructive role in the overall development of an economy.

Capital market is an important source for mobilizing idle savings from the economy. It mobilizes funds from people for further investments in the productive channels. In that sense it activate the ideal monetary resources and puts them in proper investments and helps in capital formation. Capital formation is net addition to the existing stock of capital in the economy. Through mobilization of ideal resources it generates savings; the mobilized savings are made available to various segments such as agriculture, industry, etc. This helps in increasing capital formation. Thus it provides an investment avenue for people who wish to invest resources for a long period of time. It provides suitable interest rate returns also to investors. Instruments such as bonds, equities, units of mutual funds, insurance policies, etc., definitely provides diverse investment avenue for the public. Capital market enhances production and productivity in the national economy. As it makes funds available for long period of time, the financial requirements of business houses are met by the capital market. It helps in research and development. This helps in, increasing production and productivity in economy by creation of employment and development of infrastructure.

Capital markets in Pakistan play a crucial role in mobilizing domestic resources and channeling them efficiently to productive uses, thus raising national productivity. The level of capital market development is an important determinant of level of savings, efficiency of investment and ultimately rate of economic growth. The major Pakistani capital market institutions include the three stock exchanges: Karachi Stock Exchange (KSE), Lahore Stock Exchange (LSE), Islamabad Stock Exchange (ISE); the central and geographically neutral clearing house ─National Clearing Company of Pakistan Limited (NCCPL)─ the Central Depository Company of Pakistan Limited (CDC) and the Pakistan Mercantile Exchange Limited (PMEX).

The capital market in Pakistan is being regulated through the 1969 Securities and Exchange Ordinance. The Senate passed the new Securities Law on April 16, 2015. After its approval by the National Assembly, it will replace the 1969 law. The new law contains provisions for promoting public confidence in the market, including full disclosure at the time of the initial offering, continuous disclosure requirements and an inclusive compliance regime. While disclosure requirements are essential to investor protection, they are not sufficient to protect against activities such as insider trading and market manipulation. The new law has been developed in an effort to curtail these types of activities. The SECP has to ensure that all investors have access to the same information at the same time.

Pakistan Equity Market

Over the past few years, the capital markets of

Pakistan have witnessed significant development in terms of introduction of high-tech infrastructure, efficient trading mechanisms, proficient processes and comprehensive regulations. The Securities & Exchange Commission of Pakistan (SECP) has taken number of measures to restore and maintain confidence of both foreign and domestic investors by endeavoring to ensure that the market functions in a smooth and transparent manner. Its regulatory mechanism is aimed at minimizing the elements systematic risk on the one hand and promoting institutional strengthening/capacity building of various segments of the capital markets on the other. The SECP has actively perused a capital market reform programme geared towards the development of a modern and efficient corporate sector and capital market, based on sound regulatory principles that provide the impetus for high economic growth.

The year 2014-2015 has been termed as a turbulent year for Pakistani Stock Market. The KSE100 Index demonstrated an overall positive performance during the period from July 2014 – December 2014. The land mark performance of the stock market during current fiscal year can be attributed to a number of positive factors including a stable macroeconomic environment, stable exchange rate, acceleration in the privatization process, downward inflationary trend, prudent monetary policies and strengthened economic growth. The positive inclination of the index continued till January 2015, touching all time high level of 34,826.51 points. However, afterwards the benchmark index slithered downward. The downward continued till end of March 2015. The decline in the third quarter of the year 2014-2015 could be attributed to number of factors including recession in oil prices internationally, uncertain political situation at local and international fronts, stringent enforcement policy by the regulators of capital markets, etc.

Performance of Karachi Stock Exchange during 2014-15

During the first ten months (Jul-Apr, 2014-15) of current fiscal year, the Karachi Stock Exchange (KSE) benchmark-100 index increased by 4,077 points and closed at 33,729.96 points on 30th April against 29,652.53 points on June 30, 2014. During the period Foreign Investors Portfolio Investment (FIPI) remained at $385.92 million, slightly below to $397.50 million same period last year. Similarly market capitalization has increased by 4.03 percent or from Rs. 7,022.70billion on June 30, 2014 to Rs. 7,305.81 billion on April 30, 2015. Market players and analysts believed that market could have performed better but protests sit-ins by some political parties against alleged rigging in general election have chocked further gains. (Table: 6.1 and Fig-1)

Pakistan ranked third in calendar year 2014 amongst the top ten best performing markets in the world. Pakistan was able to secure a place in the top ten for the third consecutive year now. In the MSCI Asian Frontier Markets, Pakistan ranked number one – outpacing Sri Lanka, Vietnam and Bangladesh by a big margin. In 2014, the KSE-100 index gained 6,870 points, generating a handsome return of 27 per cent (31pc return in US$ terms) for the investors. The year will also be remembered in the Pakistani capital market history for mega public offerings led by sale of shares by the Government of Pakistan, and in terms of money raised through these offerings. Total offerings in the year reached 9 as compared to 3 in the previous year. After a gap of seven years, Rs73 billion was raised through offerings as compared to a meager Rs. 4 billion raised in 2013.

Higher foreign inflows during the year can also be counted as a major market impetus. Foreign investors – who hold US$6.1 billion worth of Pakistani shares or 33 percent of the free-float (9pc of market capitalization) – remained net buyers in 2014.

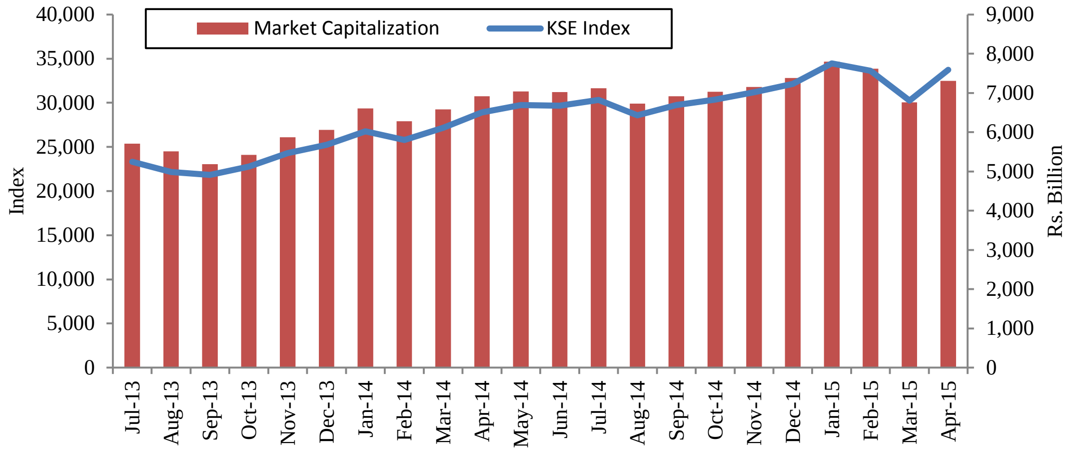
Table 6.1: Leading Stock Market Indicator on KSE (KSE-100 Index: November (1991=1000)

Months	2013-14			2014-15		
	KSE Index (End Month)	Market Capitalization (Rs Billion)	Turnover of shares (Billion)	KSE Index (End Month)	Market Capitalization (Rs Billion)	Turnover of shares (Billion)
July	23,313.00	5,711.70	6.6	30,314.07	7,120.67	2.6
August	22,161.00	5,514.20	3.8	28,567.74	6,726.93	3.1
September	21,833.00	5,185.00	4.7	29,726.39	6,914.10	4.0

Table 6.1: Leading Stock Market Indicator on KSE (KSE-100 Index: November (1991=1000)						
Months	**2013-14**			**2014-15**		
	KSE Index (End Month)	**Market Capitalization (Rs Billion)**	**Turnover of shares (Billion)**	**KSE Index (End Month)**	**Market Capitalization (Rs Billion)**	**Turnover of shares (Billion)**
October	22,776.00	5,423.10	2.3	30,376.53	7,033.70	4.1
November	24,302.00	5,874.50	2.9	31,197.98	7,152.18	5.2
December	25,261.00	6,056.50	4.8	32,131.28	7,380.53	6.3
January	26,784.00	6,607.30	7.2	34,443.87	7,798.41	7.6
Febraury	25,783.28	6,279.20	4.7	33,632.19	7,615.59	6.2
March	27,159.91	6,579.10	4.8	30,233.87	6,760.76	4.3
April	28,912.98	6,920.10	6.7	33,729.96	7,305.81	7.3
May	29,737.69	7,042.82	4.10	-	-	-
June	29,652.53	7,022.69	4.90	-	-	-

Source: Karachi Stock Exchange

Fig-1: Movement in KSE Index and Market Capitalization



This positive performance of the capital market could be attributed to a number of favorable factors, both at the political and economic front. Substantial foreign investments in equity markets which captured considerable free float of the market, declining dollar-rupee disparity, and Government of Pakistan's secondary market offerings played a major role Other key factors which could be seen as contributing to the market's bull-run were the government's business-friendly reforms, improved macro-economic indicators including record forex reserve levels, increased confidence shown by international donor agencies, government's energy sector initiatives, significant interest shown by China to invest in Pakistan, and the government's plans and initiatives towards fast-track privatization.

A total of, 560 companies were listed at Karachi Stock Exchange with the listed capital of Rs. 1,177.77 billion (US $ 11.77 billion) with the market capitalization of Rs. 7,305.81 billion (US$ 71.82 billion) as at end-April, 2015. KSE 100 Index opened at 29,653 points on July 1, 2014 and closed at 32,131 points at the end of calendar year 2014, showing a gain of 8.4 percent over this period despite political turmoil during first half of current year. . The bullish trend in KSE is also continuing in 2015 with further gains. The KSE 100 index closed at 33,730 level points April, 30 2015, showing a cumulative gain of 13.75 percent during first ten months of current fiscal year. The benchmark 100 index closed historical high level of 34,826.57 points on February 03, 2015. The market also witnessed above 35,000 level of 35,053.72 during intraday trading on 4th February, 2015. After witnessing 35,000 level, the Karachi stock market witnessed downward trend and KSE-100 index closed below 29000 level on 30th March, 2015. Between first week of February and end March period the KSE index slipped down by around 6,000 points or

17 percent. The reasons behind the sharp fall included profit taking, recession in oil prices, SECP's investigation against some of the brokers for alleged involvement in inside trading, etc. The total traded volume in the Ready market for the July – April period was 48 billion shares. The average daily volume has been recorded at 185.237 million shares in Jul-March, 2014-15 as against the average daily turnover of 229 million shares in 2013-14.

Table 6.2: Profile of Karachi Stock Exchange

Description	2010-11	2011-12	2012-13	2013-14	2014-15 (end March, 2015)
Total Listed Companies	639	591	569	557	560
New Companies Listed	1	3	4	5	6
Fund Mobilized (Rs. In Billion)	31.0	115.1	29.5	47.6	29.1
Total Listed Capital (Rs. In Million)	943,732.9	1,069,840.0	1,116,005.0	1,100,340.9	1,177,765.5
Total Market Capitalization (Rs. In Million)	3,288,657.3	3,518,140.0	5,154,738.0	6,655,294.8	6,760,759.5
Total Shares Volume (Million)	28,018.1	38,100.0	54,319.0	56,580.6	38,382.3
Average Daily Shares Volume (Million)	111.6	150.0	221.0	229.1	185.7

Source: Karachi Stock Exchange

Sector Wise Performance of Karachi Stock Exchange

Performance of KSE is generally influenced by some major sectors as compared to others. During current financial year some of the sectors played vital role for driving the index upward. Performance of some of the key sectors are discussed below:

Automobile and Parts

Auto sector remained top performer amid the list of top ten performing sectors in terms of market capital. "Automobile sector remained a standout performer in 2014 as its market capital increased by 133 percent during the year to date, depreciating Yen against US-Dollar and Pak-Rupee, introduction of new models by car assemblers and initiation of Punjab Taxi scheme were some of the key triggers driving sector performance during the year. The sector comprises of 15 companies with the total paid up capital of Rs. 7,114.91 million and the total market capitalization of Rs. 242,444.53 million. The profit after tax of this sector was Rs. 11,028.42 million in 2014 which was Rs. 8,665.75 million in year 2013.

Pharma and Bio Tech

This was followed by pharma sector whose market capital increased by 91 percent due to hike in drug pricing and stability of Pak-Rupee against US-Dollar. Investors also rest their hopes on expected change in drug pricing policy to reference based pricing, which could improve gross margins of pharmaceutical companies. The sector comprises of 9 listed pharmaceutical companies with the paid up capital of Rs. 5,839.11 million and Rs. 172,846.16 million market capitalization. This total profit after tax of this sector was Rs. 6,049.05 million in year 2014 which was Rs. 5,120.54 million in year 2013.

Construction & Materials

This sector comprises of 34 companies including cement manufacturing companies, with total listed capital of Rs.4,247.598 million and the market capitalization of Rs.529,814.29 million. Cement sector posted impressive performance due to improved profitability, registering growth of 86 percent. On the back of higher consumption and good exports, the sector showed tremendous growth which translated into good financial results compared to last year. The sector recorded the profit after tax of Rs. 42,320.36 million in 2014 compared to Rs. 38,910.87 million profit in year 2013. Earnings outlook of cement sector also improved due to lower coal and oil prices and increase in construction activity

Electricity

Power sectors also posted decent performance as investors pinned their hopes on declining interest rates. The sector comprises of 19 companies with the listed capital of Rs. 147,302.67 million and market capitalization of

Rs. 326,214.18 million in 2014. The profit after tax of the sector was Rs. 38,985.40 million which was Rs. 28,825.54 million in year 2013.

Commercial Banks

Performance of banking sector (weight of 24 percent in benchmark KSE-100 Index) remained in line with the index performance as banking sector is expected to be a key beneficiary of economic recovery. The sector’s outlook has also improved due to increased exposure in higher yielding PIBs. The sector comprises of 23 listed banks with the listed capital of Rs. 394,287.04 million and Market Capitalization of Rs. 1,485,295.76 million. The profit after tax of the sector was Rs. 152,434.03 in 2014 which was Rs. 109,325.46 million in previous year 2013.

Oil & Gas

In this sector 13 companies are listed at Karachi Stock Exchange. It is the most dominant sector in the KSE. In addition to Oil and Gas exploration companies, Oil marketing companies and Refineries are also listed in this sector. Due to sharp fall in oil prices, the market capitalization of this sector has shown a decrease of 30% from June 30, 2014. In 2014 total profit after tax was Rs. 214,612.95 million against Rs. 165,911.25 million in 2013. As on 30th April, 2015 the total market capitalization of this sector was Rs. 1,503,231.37 million.

Personal Goods

In this Sector 174 companies are listed at Karachi Stock Exchange, having total paid up capital of Rs. 53,930.76 million with market capitalization of Rs. 346,901.00 million. In 2014 sector showed profit of Rs. 22,139.14 million as against Rs. 39,413.20 millions in year 2013. The sector comprises of 164 textile related companies. Textile sector underperformed the market posting returns of only 12 percent as compared to KSE-100 Index return of 27 percent in 2014 on account of energy shortfalls and sluggish exports.

Chemicals

In this sector 33 companies are listed, having total paid up capital of Rs. 108,320.06 million and the market capitalization of Rs. 759,993.93 million. In this sector Fertilizer manufacturing companies are also quoted. The profit after tax was Rs. 42,743.15 in 2014 as compared to Rs. 45,265.26 million in 2013.

Fixed Line Communication

The sector comprises of 4 companies which includes PTCL with capital of Rs. 51,000 million and market capitalization of Rs. 81,233.04 million. The profit after tax was Rs. 2,579.36 million in 2014 whereas this sector showed profit of Rs. 10,033.74 million in 2013.

Food Producers

The sector comprises of 49 companies with the dominance of sugar related companies. The total paid up capital was Rs. 19,786.78 million with market capitalization of Rs.796,522.97 million. The profit after tax of this sector was Rs. 14,617.58 million in year 2014 as against Rs. 12,544.90 million in 2013. Food sector also underperformed the market as performance of Engo Foods remained lackluster. Increased competition in tea whitening brands and lower gross margins kept profitability of Engro Foods under pressure during 2014.

Performance of top Companies

Some big companies such as OGDCL, PPL, Lucky Cement, NBP, Engro Corporation, MCB Bank, Hub Power Co. etc primarily influenced the KSE index. During the first three quarters of the current fiscal year 2014-15, the combined paid-up capital of fifteen big companies (Table-6.3) was Rs. 190.24 billion, which constituted 16.15 percent of the total listed capital at KSE. These fifteen companies earned a profit after taxation of Rs. 370.74 billion in the fiscal year upto April 2015. Out of total profit after tax, the share of OGDCL and Pakistan Petroleum Limited stood at Rs.174.78 billion representing 47.14 percent of the fifteen big companies. For the period end-April, 2015, Fauji Fertilizer Company, Habib Bank Limited and MCB Bank Limited’s after-tax profit were Rs. 34.64 billion, Rs. 31.82 billion and Rs. 24.33 billion, respectively. Earnings per share of the top rated companies ranged from 1.13 in the case of Engro Foods to 174.84 in respect of Nestle Pakistan Ltd. This indicates that the business environment in the fiscal year 2014-15 continued to improve at least for the blue chip companies. (Table 6.3)

Table 6.3: Price Earning Ratio of Top Fifteen Companies

	Profit After Tax in (Rs. Billion)	Paid up Capital (Rs. Billion)	EPS	Market Price (Rs) April 30, 2015	PE ratio	Market Capitalization (Rs. Billion)
Oil & Gas Dev.Co	123.92	43.01	28.81	182.84	6.35	786
Nestle Pakistan Ltd.	7.93	0.45	174.84	10000.00	57.19	453
Pak Petroleum Ltd.	50.86	19.72	25.79	180.11	6.98	355
MCB Bank Limited	24.33	11.13	21.85	276.28	12.64	308
Habib Bank Ltd	31.82	14.67	21.69	200.6	9.25	294
Pakistan Tobacco Co. Ltd.	4.85	2.55	18.98	858.95	45.25	219
United Bank Ltd.	24.03	12.24	19.63	177.68	9.05	218
Fauji Fertilizer Co. Ltd.	34.64	12.72	27.23	142.45	5.23	181
Engro Corporation Limited	7.80	5.24	14.89	316.54	21.25	166
Lucky Cement Limited	12.57	3.23	38.88	487.22	12.53	158
Allied Bank Limited	15.02	11.45	13.11	113.85	8.68	130
National Bank of Pakistan	16.07	21.28	7.55	57.03	7.55	121
Engro Fertilizer Limited	8.21	13.31	6.17	87.03	14.11	116
Hub Power Company Limited	7.82	11.57	6.76	97.37	14.41	113
Engro Foods Ltd.	0.87	7.67	1.13	146.28	129.21	112

Source: Karachi Stock Exchange

Leading Global Stock Markets Trends

During July- April, 2014-15 most of the leading stock markets of the world witnessed moderate to high growth. China Shanghai Composite index performed robustly and showed a growth of 117 percent during this period. Japan's Nikkei improved by 28.7 percent while Hong Kong Hang Seng increased by 21.3 percent. KSE 100 index showed a growth of 13.7 percent during July-April, 2014-15 period despite some political turmoil during first half of 2014-15 and profit taking seen during end-February and March, 2015 due to high growth in previous year. Among other markets India's Sensex increased only by 6.3 percent, US S&P by 6.4 percent and UK FTSE by 3.2 percent (Table:6.4) .

Table 6.4: Global Stock indices during July-April 2014-15

Sr.no	Country	Stock Name	Date		Change July –April 2014-15	
			1-Jul-14	30-Apr-15	Points	%
1	Pakistan	KSE-100	29,653.00	33,730.00	4,077.0	13.7
2	US	S & P 500	1,960.23	2,085.51	125.3	6.4
3	India	Sensex	25,413.78	27,011.31	1,597.5	6.3
4	Australia	AORD	5,382.00	5,635.00	253.0	4.7
5	New Zealand	NZX 50	5,141.48	5,791.34	649.9	12.6
6	UK	FTSE 100	6,743.90	6,960.60	216.7	3.2
7	Taiwan	T.weighted	9,393.07	9,820.05	427.0	4.5
8	Hong Kong	Hang Seng	23,190.72	28,133.00	4,942.3	21.3
9	Kuala Lumpur	KLSE Composite	1,882.71	1,818.27	-64.4	-3.4
10	Tokyo	Nikkei 225	15,162.10	19,520.01	4,357.9	28.7
11	Singapore	FSSTI index	3,255.67	3,487.39	231.7	7.1
12	China	Shanghai Composite	2,048.00	4,442.00	2,394.0	116.9
13	Seoul	Composite	2,002.21	2,127.17	125.0	6.2
14	Thailand	Set (Bangkok)	1,486.00	1,527.00	41.0	2.8
15	Philippines	PCOMP index	6,844.00	7,715.00	871.0	12.7
16	Sri Lanka	CSEALL index	6,378.62	7,179.00	800.4	12.5
17	Indonesia	JCI index	4,878.58	5,086.42	207.8	4.3

Source: Karachi Stock Exchange

Lahore Stock Exchange

The top indicators observed varied movements at the LSE. The turnover of shares on the exchange during July-March 2014-15 was 239.6 million shares. Total listed capital with the LSE increased from Rs. 1,042.2 billion in June 2014 to Rs. 1,096.1 billion in March 2015. The LSE-25 index, which was 5,612.83 points in June 2014 slightly increased to 5,623.61 points in April 2015. The market capitalization of the LSE has increased from Rs. 6,771.76 billion in June 2014 to Rs. 6,922.15 billion (2.2 percent) in April 2015. Eight new companies were listed with the LSE during July-March 2014-15, as compared to four companies in the fiscal year 2013-14 (Table 6.5).

Table 6.5: Profile of Lahore Stock Exchange

Description	2010-11	2011-12	2012-13	2013-14	2014-15 (End March 2015)
Total Listed Companies	496	459	440	432	433
New Companies Listed	9	2	2	4	8
Fund Mobilized (Rs. In Billion)	18.1	13.3	7.7	40.4	4.3
Total Listed Capital (Rs. In Billion)	888.2	989.4	1,042.2	1,042.2	1,096.1
Turnover of Shares (Billion)	1.1	0.9	1.0	0.7	0.2
LSE 25 Index	3,051.1	3,707.6	4,370.7	5,612.8	5,031.1
Aggregate Market Capitalization (Rs. Billion)	3,166.0	3,279.1	4,852.8	6,771.8	6,395.0

Source: Lahore Stock Exchange

Islamabad Stock Exchange

The Islamabad Stock Exchange (ISE) witnessed a bearish trend during July-April, 2014-15. ISE-10 index which is the principal index of the Exchange was 4,572.31 points on June 30, 2014 decreased to 3,677.81 points as on end April, 2014 recording a decrease of 20.1 percent during first 10 months of current fiscal year. The highest level of index 4,800.33 was witnessed on July 24, 2014 as compared to the lowest level of 3,314.05 as on March 30, 2015. The average daily turnover of shares in the ISE during July-March, 2014-15 was 0.099 million shares.

The number of listed companies decreased from 270 in June 2014 to 218 as on end March 2015. The total listed capital grew to Rs.894.4 billion during this period. The market capitalization also increased to Rs. 5,020.68 billion which was 24.75 percent high as compared to last year (Table 6.6).

Table 6.6: Profile of Islamabad Stock Exchange

Description	2010-11	2011-12	2012-13	2013-14	2014-15 (End March 2015)
Total Listed Companies	236	218	210	210	218
New Companies Listed	-	-	1	1	7
Fund Mobilized (Rs. In Billion)	17.8	12.8	8.1	8.1	6.9
Total Listed Capital (Rs. In Billion)	727.0	830.5	871.1	871.1	894.4
Turnover of Shares (Billion)	0.04	0.03	0.03	0.03	0.02
ISE 10 Index	2,722.8	2,871.1	3,904.6	4,572.31	3,437.3
Aggregate Market Capitalization (Rs. Billion)	2,621.1	2,824.4	4,017.2	4,017.2	5,020.7

Source: Islamabad Stock Exchange

During the period July 2014 to May 2015, approval was granted by the SECP to 7 companies under Section 57(1) and 62 of the Companies Ordinance, 1984 i.e. offer for sale for 40.475 million shares by Engro Powergen, Qadirpur Limited; 48.308 million ordinary shares by Saif Power Limited; 13 million ordinary shares by systems Limited; 19.349 ordinary shares by Synthetic Products Enterprises Limited, 131.275 million shares of Allied Bank Limited by the Privatization Division, Government of Pakistan and 27.350 million shares of Mughal Iron and Steel industries Limited to the general public, institutional investors and high-net-worth individuals and disinvestment of 609.317 million shares of Habib Bank Limited by Privatization Division, Government of Pakistan.

Further, during the same period Sindh Modaraba Management issued 13.500 million Modaraba Certificates of Sindh Modaraba to the general public. Detail in the following Table.

S. No.	Name of Company	Book Building Date	Retail Portion Subscription Date	No. of Shares offered (million)			Offer Price/ Strike	No. of Shares Subscribed (million)			Times Subscribed	
				Book Building	General Public	Total		Book Building	General Public	Total	Book Building	General Public
1	Engro Powergen Qadirpur Limited (Offer for Sale)	-	22-24 Sep, 2014	-	40.475	40.475	30.02	-	91.22	91.220	-	2.25
2	Saif Power Limited (Offer for Sale)	30 Sept,2014	11-12 Nov, 2014	36.232	12.077	48.309	30	115.02	23.64	138.660	3.17	1.96
3	Systems Limited	5 Dec, 2014	29-30 Dec, 2014	9.75	3.25	13.000	40	29.59	10.3	39.890	3.03	3.17
4	Syntehetic Products Enterprise Limited	8-Dec, 2014	6-7 Jan, 2015	14.512	4.837	19.349	30	20.26	10.44	30.7	1.4	2.16
5	Allied Bank Limited (Offer for Sale)	10-11 Dec, 2014	-	131.275	-	131.275	110	185.138	-	185.138		-
6	Mughal Iron and Steel Industries Limited	16-Feb, 2015	16-17 march	20.512	6.837	27.35	34	68.487	23.38	91.867	3.34	3.42
	Habib Bank Limited	7-April, 2015	-	609.317	-	609.307	168	162353.4	-	162353.4	1.59	
	Total			**821.598**	**67.476**	**889.074**		**162771.895**	**158.98**	**162930.875**		

Capital market transaction by the Privatization Commission

Pakistan's privatization program is one of the most successful program in the region as it successfully managed to complete 171 privatization transactions, generating revenue of Rs. 646.091 billion.

In June 2014, the new government announced one of its high priorities to turn around the loss making Public Sector Enterprises by restructuring the entities with the assistance of strategic sector partnership, which has the capacity to invest and provide capable management.

Accordingly, in October, 2013, the Cabinet Committee on Privatization (CCoP) earmarked a list of 31 PSEs in Banking & Finance, Oil & Gas Sector, Power, Industries, Transport and Real Estate, for early implementation, out of a list of 69 units of broad-based privatization programme. The list of 31 was enhanced in June, 2014 by addition of 08 Power Sector Entities and the Privatization Commission initiated the process for various PSEs.

Out of the initiated transactions, PC has successfully concluded three Capital Market Transactions, in June, 2014 i.e. UBL Offering (fetching proceeds of PKR.38,223 million, including foreign exchange of US$315 million) and Pakistan Petroleum Ltd.(PPL) Offering (fetching proceeds of PKR.15,342 million)and in December, 2014, Allied Bank Ltd ABL). Offering (fetching proceeds of PKR.14,440 million, including foreign exchange of US$19 million) were concluded, thus re-launching the privatization programme after a lapse of six years. It is to be noted that due to sit-ins by some political parties in August-October 2014, Privatization of OGDCL gone through a major set back as timeline for its transaction was to be extended which was scheduled to be completed by September 2014. OGDCL share price was trading at Rs. 270/- per share in September, 2014. Extension in timeline together with falling oil prices resulted in OGDCL share price to drop from Rs. 270/- to Rs. 230/- in November, 2014 and as a result PC could not complete US$ 800 million OGDCL offering. In April, 2015, the Commission has concluded one capital market transaction of Habib Bank (HBL) fetching proceeds of PKR 102 billion (including foreign exchange of US$ 764 million). Moreover, Strategic Sale of Heavy Electrical Complex is also expected to generate cash proceeds of Rs.250 million besides clearance of the entities liabilities, amounting to approx. Rs 850 million.

Work in Progress

Appointment of Financial Advisors (FAs) for privatization of Islamabad Electric Supply Co. (IESCO), Lahore Electric Supply Co. (LESCO), Faisalabad Electric Supply Co. (FESCO), National Power Generation Co. Ltd. (NPGCL), National Power Contraction Corp. (NPCC), and PIA has been completed. Moreover, process for appointment of FAs for remaining power sector companies has been initiated. Expression of Interest (EOI) for Acquisition of a minimum of 88% Shares of National Power Construction (Private) Limited (NPCC) has also been launched.

Success of the privatization program is contingent upon the support of all the stakeholders including various government agencies, departments, organizations and most importantly the people of Pakistan.

Issue of Securities outside Pakistan

During the period July 2014 to May 2015 approval was granted by the SECP to the Second Pakistan International Sukuk Company Limited under section 62A of the Companies Ordinance, 1984 to issue and / or list Sukuk outside Pakistan. The company successfully raised US$ 1 billion from the international market.

Commodities Market

During the period July-March, 2014-15, the trading activity of Pakistan Mercantile Exchange (PMEX) mainly concentrated in futures contracts of crude oil, gold, silver and cotton. The Table below depicts the trading statistics for the period stated:

Commodity	Traded Contracts (1st July-March 30,2015)	Traded Value in PKR Contracts (1st July-March 30,2015)
Gold	586,608	168,608,940.394
Silver	202,232	18,837,883,317
Crude	2,022,141	331,418,573,272
Cotton	274	87,186,597
Total	2,811,255	518,952,583,580

Debt Capital Markets

A well-developed corporate bond market is essential for the growth of economy as it provides an additional avenue to corporate sector for raising funds for meeting their financial requirements. During the period July 2014 to December 2014 five debt securities were issued. The break-up of these debt issues are as follows:

Sr. No.	Name of Security	No. of Issues	Amount (in billion rupees)
i.	Privately placed term Finance Certificates	2*	6
	Sukuk (inside Pakistan)	2**	26
ii.	Sukuk (outside Pakistan)	1***	100
	Total	5	132

*(by Askari Bank Limited and Al-Baraka Bank Limited); ** (Engro Fertilizaers Ltd.;and K-Electric Limited); ***(Pakistan Second International Sukuk Company Limited,)

As of May, 2015 a total of 97 corporate debt securities were outstanding with an amount of Rs. 515.43 billion as per following detail:

Sr. No.	Name of Security	No. of Issues	Amount outstanding (in billion rupees)
i.	Listed Term Finance Certificates (L-TFCs)	20	30.36
ii.	Privately placed Term Finance Certificates (PP-TFCs)	33	68.86
iii.	Sukuk	43	415.127
iv.	Participation Term Certificates (PTCs)	01	1.08
	Total	106	515.43

Source: SECP

Capital Market Reforms and Development Activities

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

National Custodial Services offered by NCCPL: In order to promote secure alternatives to investors for safeguarding their assets, regulatory framework has been approved for launch of National Custodial Services (NCS) from the platform of the National Clearing company of Pakistan Limited (NCCPL). Under NCS, the NCCPL will act as the custodian and clearing agent of the investors and will offer investors an opportunity of centralized clearing, settlement and custodial services without the involvement of brokers as these functions were previously being performed by the Broker Clearing Members. The introduction of NCS will minimize the chances of misuse of investor's assets by the brokers.

Asset under Custody Regime: To enhance investors' confidence and curtail unlimited custody of investors' assets with the brokers, regulatory framework has been approved for the CDC to introduce Asset under Custody regime, considering the threat and uncertainty faced by an investor in the event of default by the broker. Under the said regime, a broker shall be allowed to keep client assets up to 25 times of its Capital Adequacy Level. Non-compliance with the said regime will result in disciplinary proceedings against the said broker which may lead to restriction and suspension.

Introduction of SME Board at KSE: The SECP has approved the regulations for a Small and Medium Enterprises Board (SME) to be introduced at the Karachi Stock Exchange (KSE) to facilitate listing of companies with small capital requirements. The SME regulations rationalize the listing process for smaller companies while ensuring appropriate safeguards for capital market investors.

Revised Pre-open Modalities: Considering the risk of manipulation during the pre-open session, amendments have been approved in the regulatory framework of KSE in order to ensure smooth opening of the market. The new amendments will ensure that orders placed during pre-open session shall not be deleted within three minutes of opening of market.

Regulations for Research Analysts: To address the need to bring standardization and enhance integrity in the research, analysis and insight offered by analysts, the SECP has framed a set of regulations for regulating activities of research analysts and persons disseminating investment recommendations to the general public. The objective is to make such activities subject to pre-defined standards, policies and procedures that enable a greater level of reliance, accountability and enhanced investor confidence. The regulations have been placed on the SECP's website to solicit public comments / feedback.

Launch of web-based investor complaint system: In order to enable the investors to lodge and keep track of their complaints through the internet, a web-based investor complaint system has been launched through the platform of the stock exchanges. This will not only facilitate investors but will also create transparency and efficiency in the process of resolution of investor complaints.

Book Building Regulations

The equity capital market is an important segment of our capital market and is considered a viable and efficient alternative for fund raising. In order to promote the Primary Market, the SECP had introduced the Book Building mechanism in IPOs in the year 2008 through amendments in the Listing Regulations of the Stock Exchanges. Since its introduction, 17 Issues have been offered through Book Building, out of total 29 issues. In order to bring further efficiency and transparency in the Book Building process, SECP has reviewed the existing framework for book building and has drafted the Book Building Regulations, 2015 (the Regulations). The draft Regulations were published in the official gazette on January 15, 2015 for seeking public comments.

Introduction and implementation of e-IPO:

In order to facilitate the general public during IPOs, SECP has introduced the concept of 3-IP i.e. electronic submission of subscription form e-IP facility will:

- Enable the investors to make application for subscription of shares via internet (e-Banking/ATMs).
- Facilitate simultaneously both the companies that intend to raise fund from the capital market through IP and the general public applying for subscription of shares.
- Bring transparency and efficiency in the IP process.

The e-IPO facility was first used successfully in the offer for sale of shares of Aisha Steel Mills Ltd, where United Bank Limited for the first time provided e-IP facility to its account holders. Later the same bank has successfully offered e-IPO facility in the IPOs of Lalpir Power Limited, Engro Fertilizers Limited, Avanceon Limited, Hoscol Petroleum Limited, Engro Powergen Qadirpur Limited, Saif Power Limited, Systems Limited and Synthetic Products Enterprises Limited.

For further development, of the e-IPO facility, SECP in coordination with Central Depository company (CDC) is working on developing a centralized e-IPO system.

Sukuk Regulations

The SECP has issued Sukuk Regulations, 2015 under Section 506A of the Companies Ordinance, 1984 which require appointment of Shariah Advisor and Investment Agent. An efficient, broad-based and well-regulated Sukuk market will greatly help in the development of our capital market. The purpose of making the Sukuk regulations is to facilitate the issuers for fund raising from the capital market.

Development of new regulatory framework

The following new Rules, Regulations and Guidelines are being formulated/revamped for the development of the capital market.

- Amendments in the Credit Rating Rules, 1995;
- Amendments in the Companies (Issue of Capital) Rules, 1996;
- Regulations for Electronic Initial Public Offerings;
- The Underwriters Rules; and
- The Balloters and Transfer Agents Rules.

Future Roadmap

The future roadmap for the capital market, as outlined below, envisages introduction of key structural and regulatory reforms, development of new products, and measures for improving governance, risk management, transparency and investor protection in the capital market operations:

- **Code of Corporate Governance for Brokers:** As per the requirements of the Stock Exchanges (Corporatization, Demutualization and Integration Act, 2012, each broker is required to comply with the Code of Corporate Governance prescribed by the SECP. The Code of Corporate Governance in place for listed companies is not considered suitable for application on unlisted brokerage houses. Accordingly, a Code of Corporate Governance for brokerage houses is being introduced to improve corporate governance framework of such entities.
- **Improvements in the Leverage Market products:** Under the current regulatory framework, brokers can extend financing to their clients through Margin Financing System and Margin trading system. Improvement will be made in the operational and regulatory structure of these products to remove practical difficulties and ensure that financing to clients by brokers is extended only in a regulated and transparent manner.
- **Attainment of Central Counter Party (CCP) status by NCCPL and introduction of Settlement Guarantee Fund:** Amendments will be made to the regulations of NCCPL and the current default management process to introduce the concept of a Central Counter Party. Further a Settlement Guarantee Fund of appropriate size in accordance with actuarial valuations will be implemented to ensure a robust and efficient default management regime in accordance with international best practices.
- **Introduction of revised settlement model in the GDS to promote trading in government debt securities:** The trading of Government Securities at stock exchanges commenced in February 2014 which is a significant breakthrough for the secondary debt market. The current settlement system will be further refined through requisite system development and regulatory changes to eliminate practical difficulties and facilitate retail investors in trading Government securities at the stock exchanges.
- **Global Inspections Regime:** A concept of global inspection of brokers is being introduced whereby multiple inspections of brokers by the SECP, System Auditors and CDC will be replaced by a single inspection regime. This will not only eradicate redundancies and duplications in the current inspection regime but will also ensure a comprehensive and more focused approach towards detecting non-compliances with laws and taking time enforcement actions.
- **Commodities Market development:** The SECP has embarked upon developing a

roadmap for the growth of commodity markets in Pakistan. For further diversification of the product portfolio in the commodities market, PMEX is deliberating upon launch of products which include contracts based on energy products and Euro denominated gold futures contracts. Also, the SECP envisages having in place warehousing facilities for commodities to provide farmers with access to market to aid in price discovery and risk-hedging. Warehousing shall provide producers/ farmers/traders standardized storage and smooth delivery of agricultural products such as wheat, rice, sugar, etc. Receipts issued by warehouses convert inventories held by farmers/producers into a readily tradable item at the commodity exchanges. Warehouse receipt can be traded on used as collateral to support borrowing of accepted for delivery against a futures contract.

- **Post-demutualization reforms:** The SECP in collaboration with the stock exchanges is in the process of introducing consequential reforms which are essential for taking the exchanges forward in the demutualized setup. The stock exchanges are in the process of bringing in strategic investors which will enable the exchanges to benefit from their extensive expertise and technological assistance, apart from bringing foreign investment and broadening the investor base. Simultaneously, efforts will be made for listing of the stock exchanges so their shares are offered to the general public in terms of the demutualization law.
- **Broadening of investor base:** The SECP will take measures to increase the depth of capital markets and broaden the investor base, typically the largely untapped retail segment. For this purpose outreach of capital market infrastructure and related services will be pursued and options of using the banking network to increase the outreach of depository services and other innovative idea such as using the post office network will be explored and evaluated.
- **Development of new Products and Systems:** Efforts will be made to revive the derivative market segments to provide alternate venues of investment for the investors in the capital market. Further, the possibility of introducing latest risk management techniques including introduction of the Standardized Portfolio analysis of Risk (SPAN) margining regime in the derivative market segments is being explored.

Investor Education and Awareness

Pakistan's capital market, non-bank financial and insurance sectors have immense potential; however, this is not fully realized due to low levels of investors' involvement on account of lack of education and awareness. To address this and fulfill its regulatory mandate, the SECP has market investors' education as a priority area and approved a comprehensive Investor Education Plan which is in implementation phase. Under the program knowledge is being imparted about financial markets and products to different segments of the society.

The main theme of the Plan is financial planning and budgeting, market setup and operations, product features and risks, rights and obligations of user and providers of financial products, and dispute resolution. The IEP envisions two approaches in terms of delivery – to entire Pakistan through digital means (i.e. through web portal, mobile massaging, social media marketing, electronic & other media) and targeted to specific segments through physical interaction (i.e. by means of organizing events like seminars, workshops, investor and insurance day, and financial expose in selected cities. The Web portal and Value Added SMS service will be launched within a month.

To further its endeavor of protecting retail investors, raising awareness about savings and investment, financial markets and products, and building investor confidence, the SECP has embarked upon a country wide series of investor awareness seminars, conducted in collaboration with various capital market infrastructure institutions, association of intermediaries etc. A number of seminars have been conducted in Karachi, Lahore and Islamabad and more such seminars have been planned to take place according to a pre-set schedule. These seminars are part of the overall investor education program, which is aimed at enhancing financial literacy and providing easy access to financial instruments through setting up a capital market business hubs across major cities of Pakistan. The basic idea behind the concept capital market business hubs is to provide all services related to the capital market to investors at one place.

Legal reforms

A strong legal and regulatory framework is critical for the development of financial markets, as it provides the basic structure for product innovation and market integrity. It also enables regulators to maintain investor confidence in the financial markets. Therefore, in order to bring our legal and regulatory framework at par with the international standards, the SECP has sought to revamp its key laws pertaining to capital markets and corporate sector. In addition to above mentioned Securities Law, the SECP has drafted the following bills, which are various stages of approval:

- SECP (Amendment) Bill, 2015
- Futures Trading Bill
- Corporate Restructuring Companies Bill, 2015
- Limited Liability Partnership bill, 2015.
- Companies Ordinance (Amendment) Bill, 2015
- Unclaimed Dividend and Insurance Benefits and investor Education Awareness Fund Amendment Bill, 2015

Mutual Funds

The total size of the industry stood at Rs. 510.920 billion as of February 28, 2015 as compared to Rs. 447.62 billion on July 31, 2014, showing an increase of Rs. 63.3 billion or 14 percent over the period. The total number of funds stood at 165 on February 28, 2015 as compared to 160 on July 31, 2014.

Equity funds (both Conventional and Shariah Compliant) dominated the AUMs of the industry with the largest share of the mutual fund industry i.e. 37 percent. Income funds (both Conventional and Shariah Compliant) held the second largest industry share i.e. 26.6 percent, followed by Money Market Funds (both Conventional and Shariah Compliant) with industry share of 22.3 percent.

The position as on February 28,2015 in comparison to June 30, 2014, is as under;

(Rs. in million)

Description	February 28, 2015	July 31, 2014
Total Assets under Management of Industry	510,920	447,624
Total Number of Funds	165	160
Total Number of MCs/IAs	25	24
Asset Size of AMCs/IAs	32,128	27,110
Discretionary/Non-discretionary portfolio	85,101	71,847

To facilitate further growth of the Mutual Fund Industry and to safeguard the investor interest SECP has prescribed detailed requirement for Asset Management Companies (AMCs) to advertise open end Collective Investment Schemes (CIS). It applies to T.V. interviews, (including Videos on You Tube), emails, public speeches, presentations in seminars and workshops, or any other forum used by the AMC, so long it markets or conveys the performance of a CIS.

- The Commission reduced the liquidity requirement of maintaining 25 percent of the net assets in cash and near cash instruments to 10 percent for income schemes holding 70 percent investment in government securities to enhance the investment opportunities for sovereign funds.

Modarabas

Pakistan's modaraba concept dates back to the 1980s as the first Islamic business model set up with a statutory framework and dedicated regulations. This sector, based on Islamic principles is an important component of Pakistani financial market. Since inception, the modarabas have played a vital role in the development and growth of Islamic modes of financing in the country in terms of declaration of highest dividend percentage to their certificate holders. Under the regulatory and monitoring supervision of the SECP, modarabas are providing a wide range of Islamic financial products and services to the masses in line with the Shari'ah principles.

As of February 28, 2015 there were 40 modaraba companies and 27 modarabas were registered with the SECP, respectively. During the period from July 1, 2014 to February 28, 2015, three new modaraba companies were registered while one new modaraba was floated and listed on the stock exchange. As of December 31, 2014 the aggregate equity of modarabas was Rs.14,060 million as compared to the total equity of Rs.15,297.00 million as on February 28, 2015. Similarly, as of February 28, 2015 total assets of the modaraba sector stood at Rs. 30,105 million as compared to the total assets of Rs. 30,192 million for the period ending December 31, 2014. Out of the total 26 operational modarabas, 19 modarabas declared cash dividend including stock dividend by one modaraba. One modaraba issued Right modaraba certificates also.

Keeping in view the practical difficulties and to bring operational flexibilities, the Modaraba Rules, 1981 and Prudential Regulations for Modaraba are being reviewed in line with international best practices. The rights of the modaraba certificates holders are being enhanced by introducing the concept of annual general meeting of the modaraba certificate holders. Moreover, possibilities for introducing new fund raising products are underway to address the issues of resource mobilization for the modaraba sector. The exercise is expected to be completed during the financial year 2014-15.

Non-Banking Financial Services

Non-banking finance services are being provided by leasing companies, investment finance companies (investment banks) and housing finance companies. As on July 31st 2014, there were 9 leasing companies and 7 investment banks. Currently no NBFC is operating as housing, finance company. The asset size of these NBFCs was Rs. 49.27 billion as of February 28, 2015 as compared to Rs. 46.78 billion as on July 31st, 2014. This increase in asset size of the sector is mainly attributed to increase in asset size of leasing companies.

Financials of NBFCs engaged in non-banking financial services as on February 28th 2015 in comparison to July 31st, 2014, is as under;

(Rs. in million)

Particulars	February 28, 2015	July 31, 2014
Total Assets	49,270	46,784
Total Liabilities	39,597	38,163
Total Equity	9,466	8,449
Total Deposits	12,196	12,260

The SECP in order to ensure the development of these entities has carried out review of the whole business model and prevalent regime of non-banking financial services taking into account global best practices, as well as the interests of all the stakeholders. Consequently SECP has embarked on the momentous task of revamping the entire regulatory structure for these NBFCs in line with best international practices. SECP is introducing new concepts in the revised regulatory regime which include significantly reduced equity requirements for non-deposit taking NBFCs, a comprehensive regulatory framework for NBFCs which desire to conduct their business in accordance with Islamic Sharia principles, a regulatory framework for NBFCs intending to engage in micro lending business, broadening the scope of housing finance companies to undertake commercial housing finance activities, and introduction of various measures such as capital adequacy ratio, capping of deposit taking activities, reduction in exposure limits, rationalizing leveraging capacity, etc. to protect interest of general public.

Real Estate Investment Trusts (REITs)

Real Estate Investment Trusts (REITs) provide investors with a small capital base to take advantage of the investment potential Real Estate sector offers. RIT Regulations which provide the regulatory structure for securitization of property were notified in year 2008. As the individual investor does not have enough market knowledge to take the decision at the right time as investing in real estate is cyclic in nature and the investor sometimes lacks holding capacity. Through REITs, Investors have the option to take exposure in Rental as well as Developmental REITs. SECP provided the regulatory framework to ensure investor protection, bring transparency and price discovery in the real estate sector. Furthermore, SECP endeavors to provide a regulatory framework which is relevant in the current economic conditions. REIT Regulations were amended in year 2010 to address industry challenges. To overhaul the whole NBF sector an NBF reform Committee was formed and REIT Regulations were also reviewed.

The recommendations of committee were debated and draft regulations are being shared with the stakeholders to get their feedback on the key issues. The new REIT Regulations are likely to bring in multiple changes in the Regulatory structure like reduction in the fund size, reduction of equity requirements and mandatory stake of RMC in a REIT Scheme. These regulations are likely to attract new players and invite well maintained buildings into REITs. It is expected that with these amendments will provide investors a new investment avenue, provide real estate sector a mechanism of raising funds and give boost to the capital markets activities.

Voluntary Pension Scheme

The SECP regulates the Voluntary Pension System (VPS) in Pakistan through the VPS Rules. The regulatory regime envisages a trust structure for the protection of the investors. The VPS envisages voluntary contributions by Pakistani nationals in a pension fund approved by the SECP. The amount accumulated in a pension fund during working life can be used to avail regular stream of income at retirement. The government has given tax incentives to individuals under the current tax regime to encourage savings for reared life.

Private pension funds under the 2005 Voluntary Pension system (VPS) Rules were introduced in 2007. The size of pension funds remained stagnant during the initial years mainly due to adverse market conditions, lack of awareness about the product and fiscal inconsistencies. However, since 2010 onwards, the pension funds have shown significant growth which can be attributed to favorable market conditions, positive changes in the tax regime, launch of new pension funds and increase in number of participants (investors). In last 6 months one new pension fund manager was added to the VPS industry. It is expected that with the entry of a new player in the market the potential investors will see better customer service and a better awareness of the financial product. The total assets of Pension Schemes have crossed Rs.11 billion as of February 2015.

CORPORATE SECTOR

Establishment of Virtual One-Stop Shop

In order to promote investment climate in the country, a Virtual One Stop Shop (VOSS) for business registration is being launched shortly on the basis of a Memorandum of Understanding (MoU) signed between the SECP, the Federal Board of Revenue (FBR), and the Employees Old-Age Benefits Institution (EOBI). Pakistan Revenue Automation Pvt. Limited, a wholly-owned subsidiary of FBR, is developing the project with active assistance provided by SECP, VOSS would reduce the turnaround time for business start-up, facilitate investors, and would result in enhanced coordination of activities between the three authorities by enabling mutual sharing of information through a unified web portal. The date provided by the promoters to SECP for incorporation of their companies will be routed through VOSS to other authorities for NTN registration with FBR and employers' registration with EOBI, without going into hassle of providing the date separately and visiting each authority individually. The project would also result in merging of three processes at SECP (name availability, incorporation of company and issuance of certified true copies) into one, which will further reduce the turnaround time and hassle for the promoters. To make the public aware of its underlying benefits, an awareness campaign on VOSS was launched in the print media and the advertisements were issued in newspapers.

In addition to the VOSS, the launch of a Physical One-Stop Shop (POSS) in provinces has also been planned, which is being steered by GoP and for which SECP has already committed to provide its due support. MoU for the first POSS at Lahore Chamber of Commerce & Industry has been signed in September 2014 between SECP, FBR, EOBI and LCCI.

Online Payment

To facilitate the general public, simplify the process of starting a business and further reduction in time and cost SECP has introduced an "On-line Fund Transfer (OFT)" facility whereby its depositors can register with MCB Bank in Pakistan for on-line fund transfer from their MCB Bank account, without the need to visit a branch for physically depositing the amount. Furthermore, an additional online payment option in e-services has been introduced through which stakeholders can pay the fee through Credit Card and submit forms / returns online without any need to visit bank or SECP offices.

Companies (Easy Exit) Regulations, 2014

In order to weed out large number of defunct/document companies, has time and again launched Companies Easy Exit Scheme (CEES) thereby provided such companies with an opportunity to get their names struck off from the register under section 439 of the Companies Ordinance 1984, on filing certain documents and payment of the prescribed fee,. Besides, during the year 2013, a of large number of defunct companies, which have failed to avail the scheme, were struck off the register by the registrar suo moto after following the procedure prescribed under section 439 of the Ordinance.

In order to make the CEES a permanent feature and acknowledging the continuous demand from various quarters, this Regulations was issued, which is applicable to all the defunct private and public unlisted companies with certain conditionally. The proposed regulations shall provide the companies having no assets or liabilities and not carrying on any business, with an opportunity to get their name struck off from the register under section 439 of the Ordinance, without going into lengthy winding up process. Accordingly, only healthy and functional companies will remain on the register, thereby increasing the rate of compliance of provisions of the Ordinance, particularly with respect to filing of returns.

National Savings Schemes (NSS)

The Central Directorate of National Savings (CDNS) is playing vital role of promoting savings culture in Pakistan side by side supporting the Government of Pakistan to finance the fiscal deficit through non bank borrowing. The product basket of National Savings Schemes (NSS) from three months Short Term Savings Certificates to ten years long term Pensioners Benefit Accounts. As of 3Ist March, 2015, the portfolio of NSS is Rs. 2,938,920.21 million which constitute the 25 percent share of overall domestic debt of GoP. Scheme wise Net investment is as under:-

Table 6.7: National Saving Schemes (Net Investment) (Rs. Million)

	Name of Scheme	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 (July-Mar)
1	Defence Savings Certificates	(32,493.2)	9,748.1	7,295.5	29,892.0	12,970.8	11,008.0
2	National Deposit Scheme	(0.1)	(1.0)	(0.9)	(0.6)	(0.3)	(0.62)
3	Khaas Deposit Scheme	(3.8)	(2.6)	(0.6)	(1.2)	(0.8)	(4.30)
4	Special Savings Certificates (R)	61,856.6	43,960.6	(52,834.2)	46,401.5	57,619.6	34,627.8
5	Special Savings Certificates (B)	(0.3)	(0.7)	(0.9)	(0.3)	(0.8)	-
6	Regular Income Certificates	44,538.3	46,946.8	43,971.6	36,047.0	62,783.3	47,294.2
7	Bahbood Saving Certificates	59,267.2	61,731.6	52,254.5	47,622.7	53,963.0	38,189.0
8	Pensioners' Benefit Account	18,166.9	17,940.3	16,359.5	17,538.9	18,471.2	13,153.5
9	Savings Accounts	1,021.3	(625.3)	3,978.5	1,098.9	283.2	2,499.5
10	Special Savings Accounts	31,375.5	14,240.8	61,098.8	150,836.0	(53,463.7)	72,181.5
11	Mahana Amdani Accounts	(195.7)	(77.9)	(90.5)	(78.9)	(72.5)	(53.3)
12	Prize Bonds	38,556.7	41,083.4	56,324.2	56,175.4	57,058.4	49,849.3
13	National Savings Bonds	3,625.2	-	-	(3,425.6)	-	(62.6)
14	Short Term Saving Certificates	-	-	-	3,969.7	(2,628.9)	288.1
	Grand Total	**225,714.5**	**234,944.1**	**188,355.6**	**386,075.9**	**206,982.4**	**268,970.1**

Source : Central Directorate of National Savings
Figures in Parenthesis represent negative growth
R : Registered, B : Bearer, - : Not available

Conclusion

The performance of stock markets presented an up and down cyclical variations during the current fiscal year. On negative side, various factors such as instability on political front on account of sit-ins during first quarter, delays in privatization process on account of these sit-ins, rumours regarding SECP's inquiry against some of the brokers for alleged inside trading, etc affected the market sentiments downward. On positive side, constant improvement in macroeconomic variables, successful reviews with the IMF, rating improvement and other international agencies positive assessment regarding economy, easing of monetary policy by the central bank, etc. drived the market upward especially during 2nd quarter and start of third quarter of current fiscal year. In overall terms KSE remain bullish and KSE-100 index increased by 13.8 percent during Jul-Apr 2013-14. During this period SECP, introduced various structural, legal and fiscal reforms aimed at strengthening risk management, increasing transparency, improving governance of capital market infrastructure institutions and enhancing investor protection. On the other hand Privatization Commission successfully undertaken the process of divestment of some government holdings in HBL, ABL, PPL, etc. through capital market transactions

Inflation

Continuous efforts of the government along with proactive policy measures with favourable trend in global commodity prices, the inflation is on downward trajectory since the start of the FY 2014-15. In April 2015, it has reached at the level of 2.1 percent the lowest since September 2003 on year on year basis. Achievement of lowest inflation rate is contributed by stability in exchange rate, better production of minor crops as compared to last year and vigilant monitoring of prices both at federal and provincial level as well better supply of commodities. A high powered committee under the chairmanship of the Finance Minister called National Price Monitoring Committee (NPMC) has played a very active role on this score which reviewed the prices and supply of essential consumer goods and took proactive measures during the year to ease supply position of essential items and maintained the price stability.

Provincial governments also kept a constant watch on prices and supply of essential items and took various proactive measures to ease the prices for the benefit of common man in the country. District Price Control Committees were activated to check and maintained the price stability and established Sasta Bazars for the consumers where they were provided essential food items at reasonable rates. The government is working on revival of Executive Magistracy System, which will further help to ensure price stability through better price check.

Prudent expenditure management in containing the budget deficit, appropriate fiscal and monetary policies also helped in bringing down the inflation. Decline in global prices of imported items significantly impacted domestic price level and bring down inflation rate. Global Oil prices have fallen by nearly 30 percent over the last six months. The government reduced the petrol and diesel prices in the wake of falling global market oil prices to pass on its benefit to the general consumer. Its impact has become visible in domestic market prices where prices of essential consumer items declined substantially and common man got significant relief in their cost of living. The CPI headline inflation recorded at 4.8 percent for first ten months (July-Apr) of the fiscal year 2014-15 which is the lowest since 2003. Other price indices also followed the same pattern of downward movements and provided relief to the common man at large.

Measures of Inflation

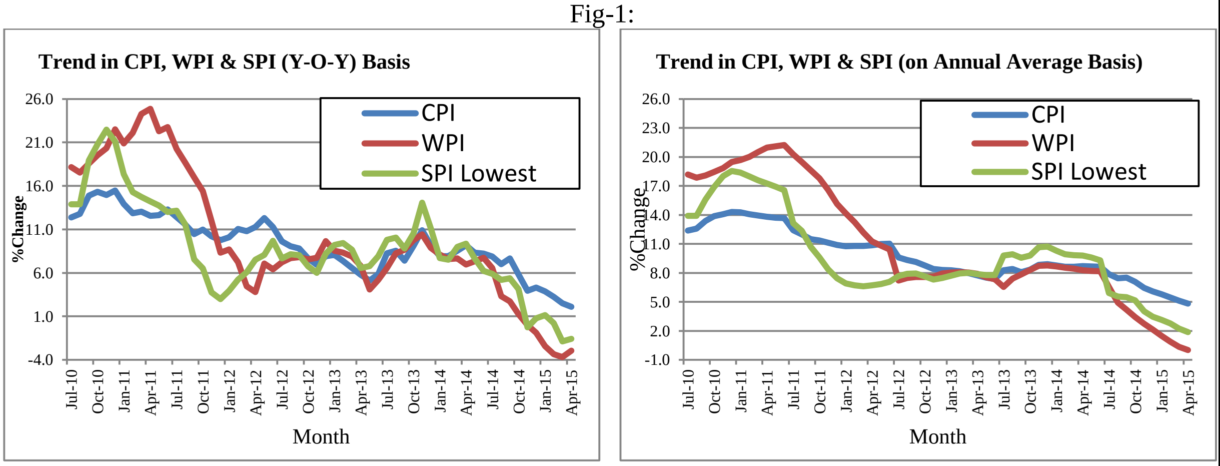
Various parameters are used to measures inflation like Consumer Price Index (CPI), Wholesale Price Index (WPI) and Sensitive Price Indicator (SPI). These important parameters of prices indicate a substantial deceleration in inflation. Average inflation measured through Consumer Price Index (CPI) at 4.8 percent in July-April 2014-15 against 8.7 percent in the same period last year while Wholesale Price Index (WPI) inflation at 0.03 percent as compared to 8.3 percent last year. Similar is the trend in Sensitive Price Indicator (SPI) for 53 essential items which registered a rise of 1.9 percent against 9.8 percent in the same period last year. The divergent trend in the price indices is due to their composition, coverage and nature of items. Wholesale price covers the items which are offered for sale in bulk by the producers and manufacturers in primary market. Its prices are influenced immediately by trend in imports prices and local productivity. WPI inflation stayed in negative zone for the last five months in a row which is the reflection that inflationary pressure will further ease out in coming months. The overall improvement in price situation reflects the combined effect of better supply position of essential items and lower fuel prices which has transmitted into domestic prices through transport and imports costs that has caused declaration in WPI.

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

Period	CPI	WPI	SPI
Jul-14	7.9	6.6	5.9
Aug-14	7.0	3.3	5.2
Sep-14	7.7	2.7	5.4
Oct-14	5.8	1.3	4.1
Nov-14	4.0	0.0	-0.3
Dec-14	4.3	-0.9	0.8
Jan-15	3.9	-2.4	1.1
Feb-15	3.2	-3.4	0.2
Mar-15	2.5	-3.7	-1.9
Apr-15	2.1	-2.9	-1.6
Jul-Apr (2013-14)	**8.7**	**8.3**	**9.8**
Jul-Apr (2014-15)	**4.8**	**0.03**	**1.9**

Source: Pakistan Bureau of Statistics (PBS)

Fig-1:



In Pakistan oil prices has been on downward trajectory since September 2014 and its pass on effect has been realized in domestic prices. However, the passing on impact of reduction in oil prices to the general consumer differs considerably across the regional countries depending on state taxes and imports location and policies of the government. The comparative trend of fuel prices in Pakistan VS regional countries shows the most marked decrease in oil prices in Pakistan. Variation in the prices of oil affect prices of all goods and services which are even produced domestically, the sharp decline in global fuel prices had pulled down inflation in Pakistan as well as across the region. Government of Pakistan adopted more friendly policy towards the pass on benefit of decline in global oil prices to general consumer and succeeded to provide maximum benefit to common man as compared to regional countries as shown below in the Table 7.2. In view of falling global oil prices, the Prime Minister wrote letter to Provincial Chief Ministers to extend the benefit of reduction in oil prices domestically to the people by lowering the transportation fares and the prices of essential commodities.

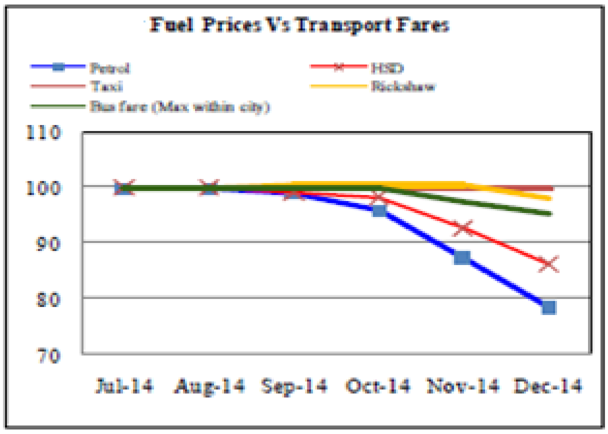
Table 7.2: Price of Petrol

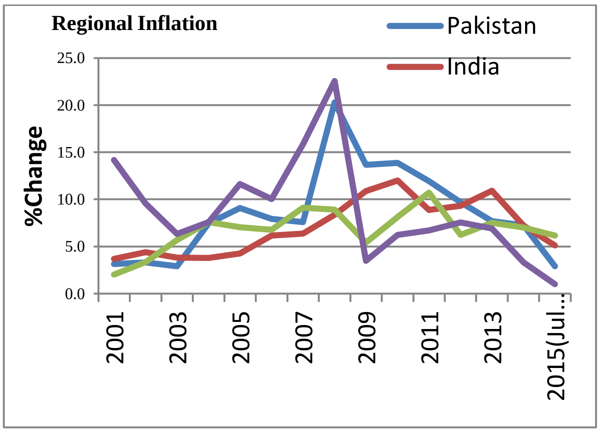
Date	Pakistan Petrol (Pak Rs / Liter)	India Petrol (Pak Rs/Liter)	Sri Lanka Petrol (Pak Rs/Liter)	Nepal Petrol (Pak Rs/Liter)
1-Jan-14	112.76	115.71	123.67	129.71
1-Feb-14	112.76	115.71	123.67	129.71

Table 7.2: Price of Petrol

Date	Pakistan Petrol (Pak Rs / Liter)	India Petrol (Pak Rs/Liter)	Sri Lanka Petrol (Pak Rs/Liter)	Nepal Petrol (Pak Rs/Liter)
1-Mar-14	110.03	116.88	123.67	139.69
1-Apr-14	108.31	115.44	123.67	139.69
1-May-14	107.97	115.44	123.67	139.69
1-Jun-14	107.97	114.25	123.67	139.69
1-Jul-14	107.97	117.58	123.67	139.69
1-Aug-14	107.97	115.84	123.67	139.69
1-Sep-14	106.56	115.84	119.85	132.77
1-Oct-14	103.62	108.41	119.85	130.18
1-Nov-14	94.19	102.63	119.85	127.72
1-Dec-14	84.53	101.18	114.51	122.73
1-Jan-15	78.28	94.12	114.51	113.25
1-Feb-15	70.29	90.25	89.32	108.76
1-Mar-15	70.29	96.64	-	-
1-Apr-15	74.29	95.86	-	-

Fig-2:





Historically viewed, Pakistan's experience in inflation rate over the last 25 years can be expressed in four distinctive phases as reported in Table 7.3. Inflation was at double digit in the first seven years during 1990s. In the next 10 years from 1997 - 2007, inflation was contained to single digit in the range of 3 percent to 9 percent. However, it remained very volatile during 2008 to 2012 and remained almost at double digit with varying magnitudes. Since 2013 till now April 2015, inflation moved at slow pace despite some policy adjustments. The decline in international commodity prices in 2014-15 has been in the order of crude oil (-)45 percent followed by wheat (-)31 percent, palm oil (-)27 percent , Sugar (-)26 percent, Soybean oil (-)25 percent, Urea (-)11 percent and Tea (-)8 percent which has fed into domestic prices.

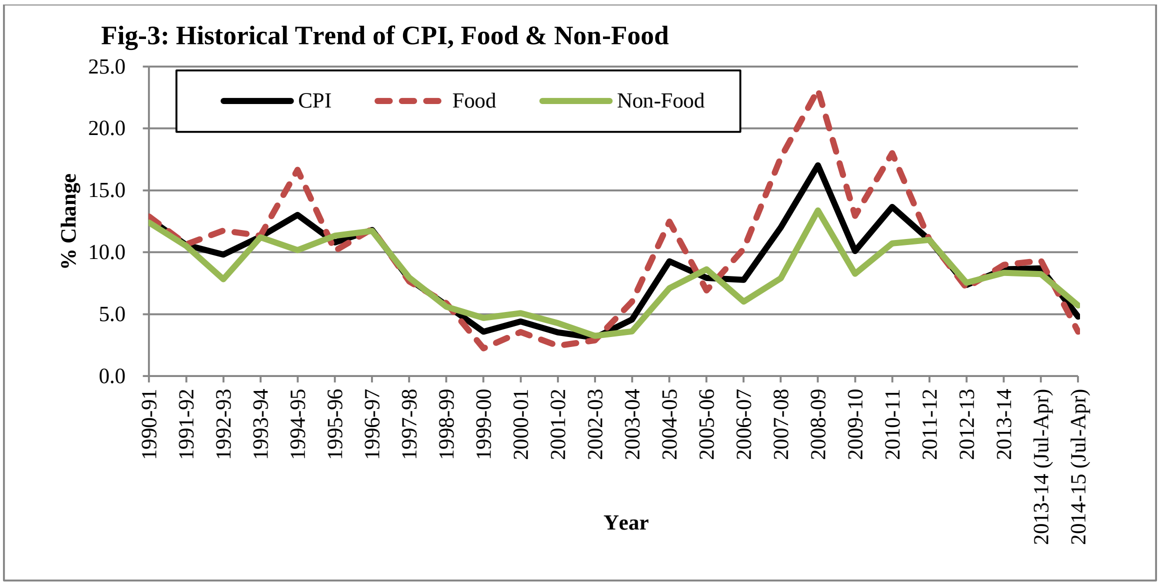
Table 7.3: Historical Trend in Headline Inflation

	CPI	Food	Non-Food
1990-91	12.70	12.90	12.40
1991-92	10.58	10.64	10.52
1992-93	9.83	11.74	7.81
1993-94	11.27	11.34	11.22
1994-95	13.02	16.67	10.17
1995-96	10.79	10.13	11.34
1996-97	11.80	11.89	11.73
1997-98	7.81	7.65	7.94
1998-99	5.74	5.90	5.61
1999-00	3.58	2.23	4.69

Table 7.3: Historical Trend in Headline Inflation

	CPI	Food	Non-Food
2000-01	4.41	3.56	5.09
2001-02	3.54	2.44	4.28
2002-03	3.10	2.89	3.24
2003-04	4.57	6.01	3.62
2004-05	9.28	12.48	7.10
2005-06	7.92	6.92	8.63
2006-07	7.77	10.28	6.02
2007-08	12.00	17.65	7.90
2008-09	17.03	23.13	13.37
2009-10	10.10	12.93	8.26
2010-11	13.66	18.02	10.71
2011-12	11.01	11.03	11.00
2012-13	7.36	7.12	7.53
2013-14	8.62	9.00	8.35
(Jul-Apr)			
2013-14	8.69	9.34	8.23
2014-15	4.81	3.59	5.69

Source: Pakistan Bureau of Statistics (PBS)



Consumer Price Index (CPI)

Consumer Price Index (CPI) capture prices of 487 items prevailing in 76 markets in 40 big cities. These 487 items has further been categorized 139 as food items and the remaining 348 items as non-food items while the CPI component Core inflation comprise of 43 commodities which are mainly non-food non-energy items. Consumer price index, the most frequently used indicator of inflation averaged at 4.8 percent during (July-April) 2014-15. Food and non food inflation during the period was recorded at 3.6 percent and 5.7 percent. Their contribution to the overall CPI inflation worked out at 1.3 percent and 3.5 percent, respectively. The comparatively slower movement in food prices inflation versus non food is attributed to a pronounced decrease in price indices of 11 major food items i.e. potatoes (-67%),vegetable ghee (-10.3%),chicken (-9.4%),cooking oil (-9.3%), wheat (-9.2%), rice (-8.2%), Mustard Oil (-2.6%), Fish (-2.4%), Egg (-2.4%) and Fresh Fruits (-0.9%). The deflationary impact of these 11 food items to the overall CPI inflation is estimated as (-1.31%). Within the food items, the prices of perishable food items has declined significantly as is evident from its current year index reduction to 2.2 percent against 17 percent last year.

The sub indices constituting the non food group of CPI behaved differently. The biggest increase came from education where it increased by 15 percent in current year which is much more against the increase of 8.8 percent witnessed in the same period last year. In the housing and household operational groups, it increased by 7 percent as compared to 8 percent. Clothing and footwear group increased by 8.4 percent while the remaining other non-food prices groups with exception of transport registered increase in the range of 0.2—5 percent. The sharp reduction in transport group -3.1 percent over corresponding increase of 5.0 percent has been mainly due to reduction in domestic fuel prices and corresponding decline in buses fares and taxi services. The trend of Consumer Price Index (CPI) by commodity groups are given in Table 7.4.

Both POL prices and PKR exchange rate anchor inflation expectations. Successive downward revisions in POL prices and a stable PKR along with subdued global commodity prices are, therefore, expected to keep inflation low in months ahead.

Table 7.4: Composition of CPI Inflation (July-Apr)

Commodity	Weights	% Change Inflation		Point Contribution	
		2013-14	2014-15	2013-14	2014-15
General (CPI)	**100.00**	**8.69**	**4.81**	**8.7**	**4.8**
Food Group	**37.47**	**9.34**	**3.59**	**3.5**	**1.3**
a) Food Products, Beverages and Tobacco	34.83	9.00	2.69	3.1	0.9
i) Non- perishable	29.84	7.73	2.78	2.3	0.8
ii) Perishable	4.99	16.81	2.21	0.8	0.1
b) Alcoholic Beverages	1.41	15.27	21.29	0.2	0.3
c) Restaurant & Hotels	1.23	12.04	7.54	0.2	0.1
Non-Food	**62.53**	**8.23**	**5.70**	**5.2**	**3.5**
Clothing & Foot wear	7.57	13.10	8.43	1.0	0.6
Housing, Water, Elec. Gas & other Fuel	29.41	8.58	6.57	2.5	1.9
Furnishing & Household Equip.	4.21	8.73	7.08	0.4	0.3
Health	2.19	6.62	5.84	0.1	0.1
Transport	7.20	4.67	-3.08	0.3	-0.2
Communication	3.22	3.25	0.24	0.1	0.0
Recreation & culture	2.03	9.18	3.80	0.2	0.1
Education	3.94	8.79	14.61	0.4	0.6
Miscellaneous	2.07	5.16	5.53	0.1	0.1
Non-Food Non Energy	**53.52**	**8.26**	**6.93**	**4.4**	**3.7**

Source: Pakistan Bureau of Statistics (PBS)

Table 7.5: Price Indices of Major food Items in CPI

	Items	Weight	%Change	Impact
			Apr15/ Apr 14	
1	Potatoes	0.48	-66.47	-0.32
2	Vegetable Ghee	2.07	-10.34	-0.21
3	Chicken	1.36	-9.38	-0.13
4	Cooking Oil	1.75	-9.33	-0.16
5	Wheat	0.35	-9.21	-0.03
6	Rice	1.58	-8.02	-0.13
7	Wheat Flour	4.16	-7.08	-0.30
8	Mustard Oil	0.10	-2.60	0.00
9	Fish	0.30	-2.44	-0.01
10	Egg	0.46	-2.41	-0.01
11	Fresh Fruits	1.86	-0.91	-0.02
	Total	**14.47**		**-1.31**

Source: Pakistan Bureau of Statistics (PBS)

Core Inflation

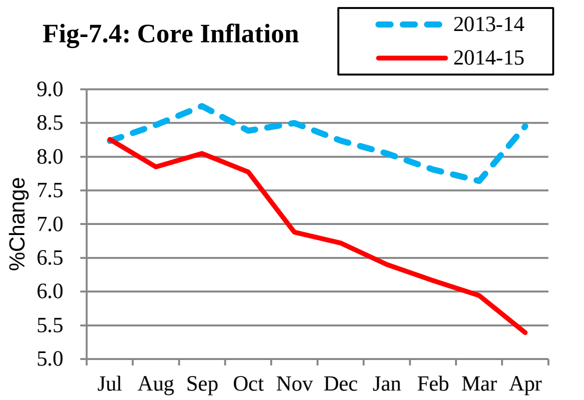
Core inflation is measured through the indices of 43 commodities and represents the rate of increase in cost of goods and services excluding food and energy prices. It is effected by monetary policy and is mostly relevant to SBP. Core inflation remained quite subdued since November 2014 onward owing to the lag impact of tight monetary policy which continued to prevail till November 2014. Other reason for slow pace of core inflation is that with reduction in food and fuel prices, the prices of 43 commodities measuring core inflation has also been reduced which has pushed down core inflation significantly over corresponding increase of last year.

Table 7.6: Core Inflation

Month	2013-14	2014-15
Jul	8.2	8.3
Aug	8.5	7.9
Sep	8.7	8.1
Oct	8.4	7.8
Nov	8.5	6.9
Dec	8.2	6.7
Jan	8.1	6.4
Feb	7.8	6.2
Mar	7.6	5.9
Apr	8.5	5.4
Average (Jul-Apr)	8.3	6.9

Source: Pakistan Bureau of Statistics (PBS)

Fig-7.4: Core Inflation



Monthly Inflation Trend

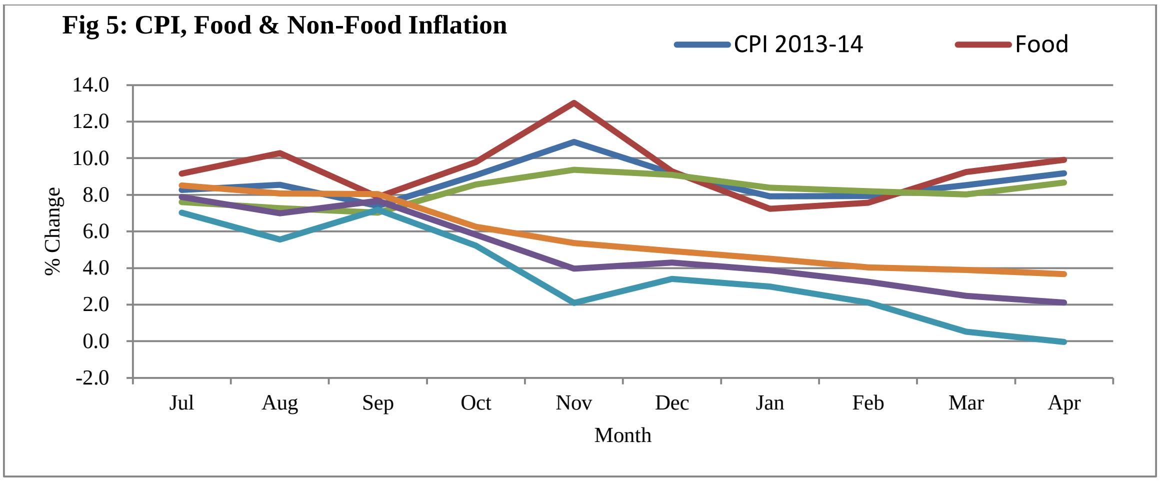
Inflation rate on month to month basis (Y-o-Y) for the period July-April 2014-15 as documented in Table 7.7 suggests that overall inflation continued to exhibit a declining trend since July 2014. On year-on-year basis the overall inflation stood at 7.9 percent in July 2014 and declined to 2.1 percent in April 2015.

The food inflation during the period increased at much lower rate against non-food and overall CPI inflation because of significant decline in prices of food items. Food inflation decelerated from 7.0 percent to -0.03 percent in April 2015. The non-Food inflation decelerated from 8.5 percent in July 2014 to 3.7 percent in April 2015.

Table 7.7: CPI , Food and Non-Food Inflation

	CPI	Food	Non-food	CPI	Food	Non-food
	2013-14			2014-15		
Jul	8.3	9.2	7.6	7.9	7.0	8.5
Aug	8.5	10.3	7.3	7.0	5.6	8.1
Sep	7.4	7.9	7.0	7.7	7.2	8.0
Oct	9.1	9.8	8.6	5.8	5.2	6.3
Nov	10.9	13.0	9.4	4.0	2.1	5.4
Dec	9.2	9.3	9.1	4.3	3.4	4.9
Jan	7.9	7.2	8.4	3.9	3.0	4.5
Feb	7.9	7.6	8.2	3.2	2.1	4.0
Mar	8.5	9.3	8.0	2.5	0.5	3.9
Apr	9.2	9.9	8.7	2.1	-0.03	3.7
May	8.3	7.4	9.0	-	-	-
Jun	8.2	7.4	8.9	-	-	-
Average (Jul-Apr)	**8.7**	**9.3**	**8.2**	**4.8**	**3.6**	**5.7**

Source: Pakistan Bureau of Statistics (PBS)



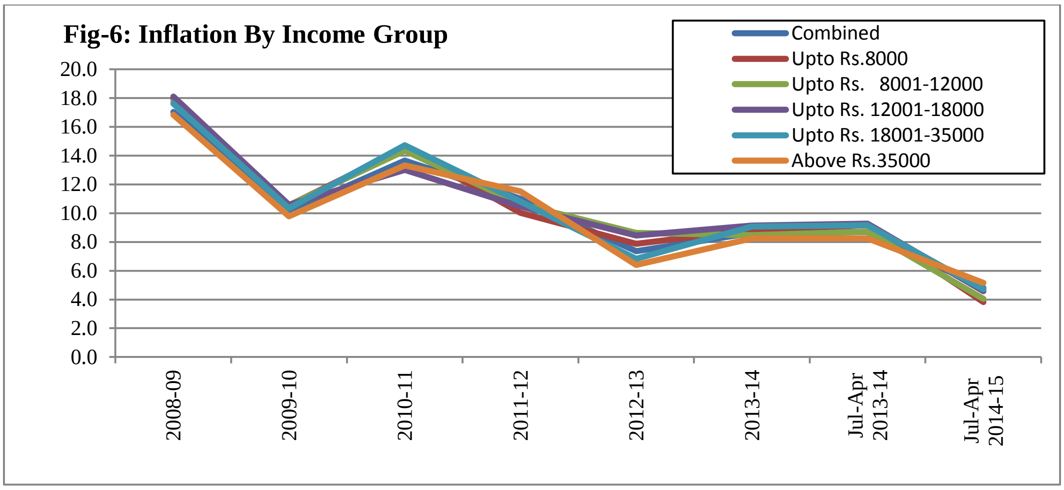
Inflation by Income Group

Inflation effects all segment of society but the degree of impact varies in scale and intensity, depending upon the economic status of individual. Analysis of ten months (July-Apr) inflationary trend across five income groups indicates the highest inflation at 5.2 percent for the highest income groups while rest of the four income groups experienced almost the same level of inflation rate. In Pakistan, majority of the population spend about half of their income on food. Hence food takes a greater share in total expenditure for poor than the other income groups. The inflation for various income groups during Jul-April 2014-15 is document in the Table 7.8.

Table:7.8 Inflation by Consumer Income Groups (Base Year 2007-08=100)

	Combined	Upto Rs.8000	Upto Rs. 8001-12000	Upto Rs. 12001-18000	Upto Rs. 18001-35000	Above Rs.35000
2008-09	17.0	18.0	17.8	18.1	17.6	16.8
2009-10	10.1	10.5	10.5	10.6	10.3	9.8
2010-11	13.7	14.5	14.3	13.0	14.7	13.3
2011-12	11.0	10.0	10.6	10.5	10.8	11.5
2012-13	7.4	7.9	8.6	8.4	6.8	6.4
2013-14	8.6	8.8	8.5	9.1	9.1	8.3
Jul-Apr						
2013-14	8.7	9.2	8.7	9.3	9.2	8.2
2014-15	4.8	3.8	4.0	4.6	4.7	5.2

Source: Pakistan Bureau of Statistics (PBS)



Global Inflation

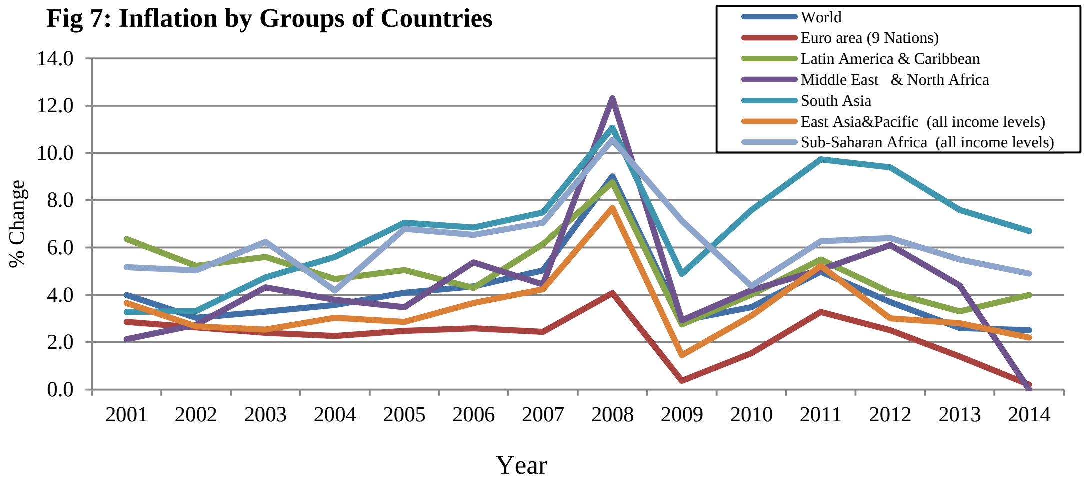
Currently owing to openness of economies and flow of foreign goods, services, capital and business, trade has surged within and across countries and the cost of many goods has been internationally integrated and the increasing global integration of markets, cost and production has helped to reduce domestic inflation. Global inflation has received a substantial attention in recent years. It provides an insight in making trade and financial decisions. Consumer price inflation differs considerably across the regions. The chart below shows the six regions inflation for the period 2001-2015. The period is characterized by high inflation rates in South Asian, Latin America and the poor region of Africa.

Table 7.9: Inflation By Regional Groups And Level Of Economic Development

Year	World	Euro area (9 Nations)	Latin America & Caribbean	Middle East & North Africa	South Asia	East Asia & Pacific (all income levels)	Sub-Saharan Africa (all income levels)
2001	4.0	2.9	6.4	2.1	3.3	3.7	5.2
2002	3.0	2.6	5.2	2.7	3.3	2.7	5.0
2003	3.3	2.4	5.6	4.3	4.7	2.5	6.2
2004	3.6	2.3	4.7	3.8	5.6	3.0	4.2
2005	4.1	2.5	5.0	3.5	7.0	2.9	6.8
2006	4.4	2.6	4.3	5.4	6.8	3.7	6.5
2007	5.0	2.4	6.1	4.4	7.5	4.2	7.1
2008	9.0	4.1	8.8	12.3	11.1	7.7	10.6
2009	2.9	0.4	2.8	2.9	4.9	1.4	7.1
2010	3.5	1.5	4.0	4.2	7.6	3.1	4.4
2011	5.0	3.3	5.5	5.1	9.7	5.2	6.3
2012	3.7	2.5	4.1	6.1	9.4	3.0	6.4
2013	2.6	1.4	3.3	4.4	7.6	2.8	5.5
2014	2.5	0.2	4.0	-	6.7	2.2	4.9

Source: World Bank

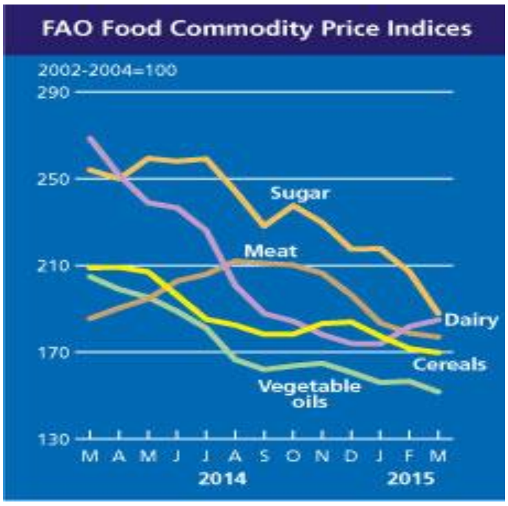
Fig 7: Inflation by Groups of Countries



FAO food Index

According to FAO, global food prices fell across all commodities with dairy and sugar prices experiencing the most drastic decline. The drop in dairy products prices reflect the impact of abolition of the milk quota system which raised expectation of abundant supply. Dairy prices were also influenced by imports prohibition imposed by the Russian Federation. The decrease in sugar prices was mainly due to the report of higher than expected sugar cane production in Brazil, the world's largest sugar producer and exporter. India's recently announcement of raising sugar import tariff from 25 percent to 40 percent in bid to support falling domestic prices, weighted on international sugar quotation. Rising production of palm oil, wheat, and corn have resulted in excess supply globally. International palm oil prices continued to ease as higher than expected output in Indonesia and Malaysia with weak global demand. While decline in Wheat prices was due to large supply and slow trade activity.

Fig-8:



Source: Food and Agriculture Organization (FAO)

Wholesale Price Index

The wholesale price index is designed to measure the directional movement of prices. The index recorded an increase of 0.03 percent during July-Apr 2014-15 against a rise of 8.3 percent during the same period last year which is the most appreciated development and a significant abatement of price pressure over the course of year. The trend of wholesale price index by commodity groups indicates that highest rate of decrease witnessed in the non-food group -1.26 percent, against a corresponding increase of 9 percent last year.16 out of 67 non –food items in various sub groups of WPI has registered decline in their prices. Their deflationary impact to the overall WPI movement is estimated as -4.8 percent. A pronounced decline has been noted in fuel and fuel related items-- furnace oil -1.4%, diesel -1.75 % and kerosene -0.1%.

Table 7.10: Wholesale Price Index

Commodity	Weights	(%) Change July –Apr 2013-14	(%) Change July –Apr 2014-15	Impact	
General (WPI)	100.00	8.28	0.03	8.28	0.03
Agriculture Forestry & Fishery	25.77	10.74	0.87	2.77	0.22
Non-Food	68.89	8.94	-1.26	6.16	-0.87
Ores & Minerals	12.04	13.96	2.30	1.68	0.28
Food Products, Beverages	31.11	6.74	3.08	2.10	0.96
Other Transportable Goods	22.37	5.16	-7.17	1.15	-1.60
Metal Products Machinery	8.71	5.66	2.91	0.49	0.25

Source: Pakistan Bureau of Statistics (PBS)

Table 7.11: Price Indices of Major Items In WPI

	Items Non-Food Items	Weight	%Change Apr-15/ Apr-14	Impact
1	Furnace Oil	3.27	-42.8	-1.40
2	Kerosene Oil	0.22	-37.9	-0.08
3	Diesel Oil	5.27	-33.2	-1.75
4	Other Leather N.E.C	0.26	-32.4	-0.08

Table 7.11: Price Indices of Major Items In WPI

	Items Non-Food Items	Weight	%Change Apr-15/ Apr-14	Impact
5	Motor Sprit	1.53	-31.4	-0.48
6	Insecticides	0.13	-19.4	-0.02
7	Cotton Yarn	5.25	-15.4	-0.81
8	Hard Board	0.16	-13.6	-0.02
9	Nylon Yarn	0.17	-10.6	-0.02
10	Printing Paper	0.43	-8.5	-0.04
11	Blended Yarn	0.17	-5.6	-0.01
12	Cultivators	0.06	-3.1	0.00
13	Soaps & Detergent	0.82	-2.0	-0.02
14	Natural Gas Liquefied	5.74	-1.3	-0.07
15	Motor Cycles	0.26	-0.5	0.00
16	Cement	1.81	-0.3	-0.01
	Total	**25.50**		**-4.8**

Source: Pakistan Bureau of Statistics (PBS)

Sensitive Price Indicator (SPI)

SPI covering 53 essential items of daily use increased by 1.9 percent during July-April 2014-15 compared to 9.8 percent in the same period last year. The 53 essential items in SPI to be further bifurcated into categories of food, non-food and items of utilities indicates a significant decline in prices of potatoes, vegetable ghee, chicken, wheat, rice etc. The declining impact of 10 food items with decrease in their prices has been estimated (-) 3.2 percent while that of four items of utility contributed as (-)1.8 percent.

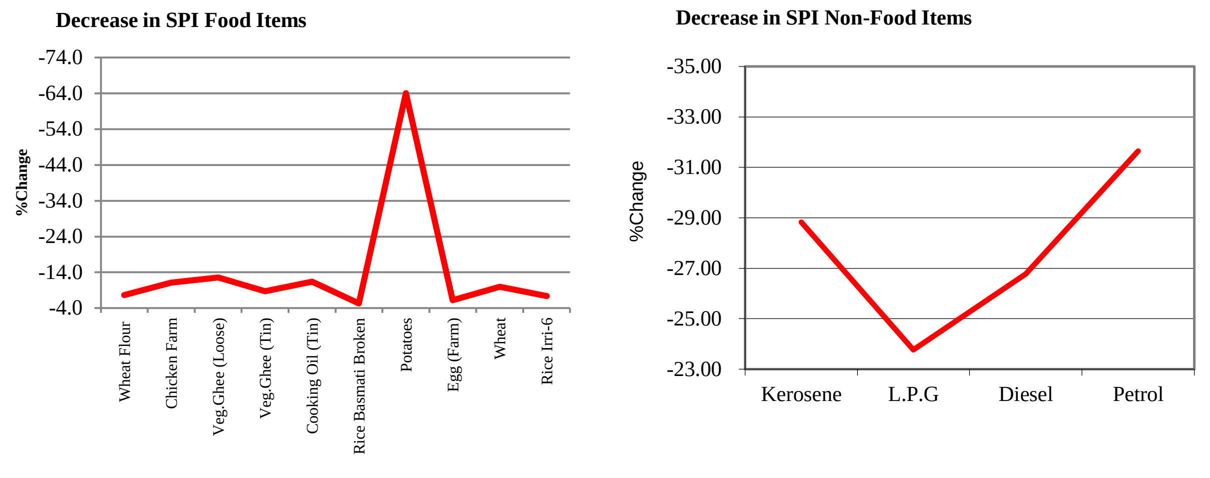
Following the general improvement in supply of essential items and their easy availability, the SPI recorded a substantial slow growth for six months of the current year with a pronounced decrease (-)2.0 percent in the months of March and April 2015.

Table 7.12: (%) Change in prices of major items of SPI

Items	Weight SPI	(% CHANGE) Apr-15/ Apr-14	Impact
Decrease in Food Items			
Potatoes	1.25	-64.01	-0.80
Veg.Ghee (Loose)	2.71	-12.61	-0.34
Cooking Oil (Tin)	2.30	-11.36	-0.26
Chicken Farm	3.56	-11.17	-0.40
Wheat	0.91	-9.99	-0.09
Veg.Ghee (Tin)	2.71	-8.68	-0.24
Wheat Flour	10.90	-7.65	-0.83
Rice Irri-6	0.19	-7.34	-0.01
Egg (Farm)	1.19	-6.25	-0.07
Rice Basmati Broken	1.90	-5.36	-0.10
Total	**27.63**		**-3.15**
Decrease in Non-Food Items			
Petrol	5.12	-31.65	-1.62
Kerosene	0.02	-28.83	0.00
Diesel	0.28	-26.78	-0.07
L.P.G	0.27	-23.77	-0.06
Total	**5.68**		**-1.76**

Source: Pakistan Bureau of Statistics (PBS)

Fig-9: Decrease in SPI Food and Non Food Items



National Price Monitoring Committee

National Price Monitoring Committee (NPMC) has been constituted on 24th January, 2011 under the chairmanship of Secretary Finance Division, comprising Ministry of Commerce, Ministry of Industries, Ministry of National Food Securities & Research and Secretaries of the concerned departments of provincial governments. NPMC has mandated to (i) assess the demand and supply of key commodities (ii) to take/ propose corrective measures as necessary. The present government is keeping a close watch on the movement of the prices of essential consumer items which is evident that Federal Minister for Finance chairs the NPMC meeting regularly. The Committee since July 2014- April 2015 has also played an active role to control prices and ensure smooth supply of essential items. The committee has made following deliberations:

- A sub committee comprising Ministries of National Food Security & Research, Industries & Production, Commerce and Finance was constituted to develop actionable plan/measures for removing hike in the prices of pulses, milk powder, tomatoes and other minor crops.
- Competition Commission of Pakistan (CCP) to take measures to control hoarding, profiteering and breaking cartelization in order to pass on the benefits to general consumers.
- Ministry of IPC was instructed to expedite the process of revival of the Executive Magistracy System.

Following of the above Decisions are discussed as follow:

- Ministry of National Food Security & Research has prepared the report on the actionable plan and would brief the NPMC.
- Competition Commission of Pakistan (CCP) has initiated a large scale country wide probe into the essential food commodities. Letter were sent to DCOs of 19 districts across the country to get data on mechanism for determining prices and to identify main undertakings/ associations that are involved in trade of essential food items. The Commission, on conclusion will take strict action to counter anti-competitive activities. CCP would brief the meeting on the progress of the decision of NPMC.
- The Council of Common Interest (CCI) approved in principle on 29th May 2015, the proposed Amendments in the Code of Criminal Procedure (CrPc) 1898 for restoration of Executive Magistracy and to place the draft bill in this regard before the Parliament. Ministry of Law, Justice and Human Rights and all three provincial government of Sindh, KPK & Punjab have supported the proposal and have shown their consent to become a party in the appeal filed in the Honorable Supreme Court of Pakistan by Government of Balochistan.

Sasta Bazaar Prices

A review of prices trend of 19 selected items prevailing in the first week of May 2015 in Sasta Bazaar of the country including Islamabad reveals a wide variation in their prices to be compared with open market prices. Items with significant decline in their prices at Sasta Bazar include potatoes, onion, tomatoes, red chilies, garlic, pulses and chicken farm etc. as may be seen from the Table given below.

Table 7.13: Comparison of Prices of Kitchen Items in Sasta Bazar and Open Market

SL. NO.	COMMODITY	UNIT	ISLAMABAD Sasta/Itwar/ Sahulat Bazar Price 10.05.2015	ISLAMABAD Open Mareket Prices 07.05.2015	ISLAMABAD Difference (Sasta bazar-Open market)	PUNJAB Sasta/Itwar/ Sahulat Bazar Price 10.05.2015	PUNJAB Open Mareket Prices 07.05.2015	PUNJAB Difference (Sasta bazar-Open market)	SINDH Sasta/Itwar/ Sahulat Bazar Price 10.05.2015	SINDH Open Mareket Prices 07.05.2015	SINDH Difference (Sasta bazar-Open market)	K.P.K Sasta/Itwar/ Sahulat Bazar Price 10.05.2015	K.P.K Open Mareket Prices 07.05.2015	K.P.K Difference (Sasta bazar-Open market)	BALOCHISTAN Prices Notified by DC Quetta on 10-02-2015	BALOCHISTAN Open Mareket Prices 07.05.2015	BALOCHISTAN Difference (Prices Notified by DC - Open market)	NATIONAL AVG. Sasta/Itwar / Sahulat Bazar Price 10.05.2015	NATIONAL AVG. Open Mareket Prices 07.05.2015	NATIONAL AVG. Difference
1	WHEAT FLOUR AV. QLT.	10 KG	380.00	384.38	-4.38	363.13	371.07	-7.95	N.A	403.08	N.A	NA	370.83	NA	405.00	410.00	-5.00	382.71	387.87	-5.16
2	RICE BASMATI BROKEN	KG	76.25	83.75	-7.50	55.05	69.73	-14.68	71.00	73.08	-2.08	65.00	68.33	-3.33	80.00	80.00	0.00	69.46	74.98	-5.52
3	RICE IRRI-6	KG	55.00	61.25	-6.25	50.00	53.47	-3.47	49.00	51.54	-2.54	40.00	42.50	-2.50	N.A	46.00	N.A	48.50	50.95	-2.45
4	CHICKEN FARM	KG	145.00	167.13	-22.13	143.20	158.60	-15.40	N.A	157.50	N.A	156.00	174.00	-18.00	N.A	180.00	N.A	148.07	167.45	-19.38
5	EGG (FARM)	DOZ	68.00	72.50	-4.50	64.13	67.33	-3.20	N.A	65.92	N.A	80.00	79.17	0.83	N.A	90.00	N.A	70.71	74.98	-4.28
6	COOKING OIL (TIN)	2.5 Ltr.	465.00	465.00	0.00	456.50	465.57	-9.07	N.A	468.00	N.A	455.00	455.00	0.00	N.A	490.00	N.A	458.83	468.71	-9.88
7	VEG.GHEE (TIN)	2.5 KG	460.00	460.00	0.00	451.00	457.00	-6.00	N.A	453.00	N.A	450.00	450.00	0.00	N.A	480.00	N.A	453.67	460.00	-6.33
8	VEG.GHEE (LOOSE)	KG	140.00	146.25	-6.25	133.96	137.80	-3.84	140.00	141.54	-1.54	150.00	153.33	-3.33	160.00	170.00	-10.00	144.79	149.78	-4.99
9	BANANAS	DOZ	95.00	145.00	-50.00	66.07	75.93	-9.86	60.00	63.08	-3.08	75.00	78.33	-3.33	N.A	75.00	N.A	74.02	87.47	-13.45
10	MASOOR PULSE WASHED	KG	140.00	154.38	-14.38	128.79	145.51	-16.72	130.00	133.08	-3.08	125.00	128.75	-3.75	100.00	145.00	-45.00	124.76	141.34	-16.59
11	MOONG PULSE WASHED	KG	172.50	183.13	-10.63	146.38	170.20	-23.83	165.00	173.08	-8.08	162.50	165.00	-2.50	130.00	180.00	-50.00	155.28	174.28	-19.01
12	MASH PULSE WASHED	KG	185.00	193.75	-8.75	159.21	187.41	-28.20	155.00	163.08	-8.08	180.00	186.67	-6.67	150.00	210.00	-60.00	165.84	188.18	-22.34
13	GRAM PULSE WASHED	KG	82.50	97.19	-14.69	73.43	87.17	-13.74	90.00	93.08	-3.08	90.00	95.00	-5.00	80.00	110.00	-30.00	83.19	96.49	-13.30
14	POTATOES	KG	16.00	31.88	-15.88	14.57	19.69	-5.12	15.00	16.54	-1.54	22.50	25.83	-3.33	N.A	18.00	N.A	17.02	22.39	-5.37
15	ONIONS	KG	56.00	69.38	-13.38	45.21	56.05	-10.83	50.00	53.08	-3.08	40.00	55.00	-15.00	N.A	35.00	N.A	47.80	53.70	-5.90
16	TOMATOES	KG	68.00	93.13	-25.13	51.29	68.13	-16.84	45.00	53.08	-8.08	60.00	60.83	-0.83	N.A	40.00	N.A	56.07	63.03	-6.96
17	SUGAR	KG	60.50	62.44	-1.94	57.36	59.07	-1.71	58.00	58.62	-0.62	58.00	60.00	-2.00	N.A	60.00	N.A	58.46	60.03	-1.56
18	RED CHILLIES POWDERED	KG	280.00	307.50	-27.50	220.29	256.14	-35.85	295.00	296.15	-1.15	220.00	230.00	-10.00	N.A	290.00	N.A	253.82	275.96	-22.14
19	GARLIC	KG	110.00	186.25	-76.25	130.71	148.64	-17.92	135.00	159.23	-24.23	80.00	103.33	-23.33	N.A	125.00	N.A	113.93	144.49	-30.56

Source: Pakistan Bureau of Statistics (PBS)

Provincial governments also monitor the prices and supply of essential items and taking various proactive measures to ease the prices for the benefit of common man in the country. The provincial governments have also activated their District Price Control Committees to check and maintain the prices and established Sasta Bazars for the consumers where they can get essential food items at reasonable rates. In the National Price Monitoring Committee meetings provincial governments were urged to continue the efforts to address the price disparities among the provinces and to monitor the prices minutely and focus on its rising trend, investigate and take necessary steps to control undue price hike so that the benefits may reach to the consumers.

Table 7.14: SPI Prices of 28 Items (Province Wise)

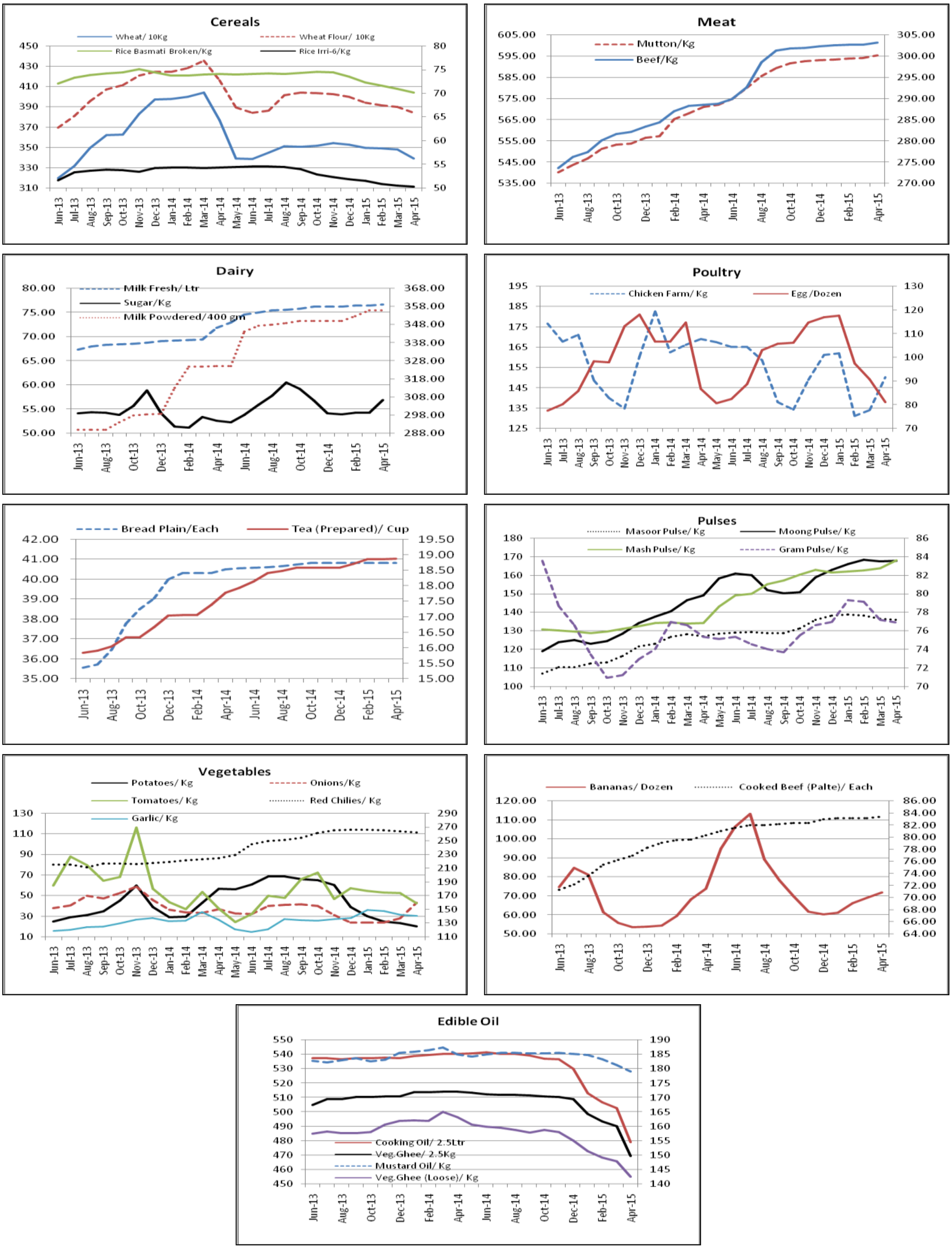
SL.No.	COMMODITY	UNIT	Islamabad AVG	Punjab AVG	Sindh AVG	KPK AVG	Balochistan AVG	National Avg. AVG
-		PRICES ON 07-05-2015						
1	Wheat	10 KG	342.50	321.92	308.75	326.25	407.50	330.61
2	Wheat Flour Av. Qlt.	10 KG	384.38	368.44	382.02	370.42	430.00	380.05
3	Rice Basmati Broken	KG	83.75	67.58	75.93	59.67	67.50	69.55
4	Rice Irri-6	KG	61.25	53.04	46.01	47.50	45.50	50.33
5	Bread Plain Med.Size	EACH	40.00	41.25	44.75	35.00	37.50	40.82
6	Beef	KG	321.25	291.18	309.04	280.84	360.00	304.03
7	Mutton	KG	686.25	609.46	600.10	550.00	560.00	598.96
8	Chicken Farm	KG	167.13	162.09	199.52	167.00	195.00	175.64
9	Milk Fresh	LTR	89.38	72.36	79.75	77.50	85.00	77.19
10	Milk Powdered (Nido)	400GM	360.00	358.75	355.00	350.00	350.00	355.88
11	Egg (Farm)	DOZ	72.50	67.16	72.23	79.59	95.00	73.40
12	Mustard Oil	KG	240.00	172.16	156.01	201.67	190.00	177.92
13	Cooking Oil (Tin)	2.5 Ltr.	465.00	465.19	480.00	465.00	487.50	471.26
14	Veg.Ghee (Tin)	2.5 KG	460.00	458.31	465.00	460.00	487.50	463.62
15	Veg.Ghee (Loose)	KG	146.25	136.83	139.14	156.67	150.00	141.81
16	Bananas	DOZ	145.00	73.31	60.77	76.04	70.00	74.51
17	Masoor Pulse Washed	KG	154.38	148.57	133.27	124.38	122.50	139.40
18	Moong Pulse Washed	KG	183.13	170.18	170.93	162.50	160.00	169.02
19	Mash Pulse Washed	KG	193.75	187.73	163.58	169.59	170.00	178.18
20	Gram Pulse Washed	KG	97.19	86.90	83.27	91.25	95.00	88.11
21	Potatoes	KG	31.88	19.11	13.20	22.92	19.00	18.90
22	Onions	KG	69.38	55.29	48.58	53.75	30.00	51.38
23	Tomatoes	KG	93.13	67.11	42.96	55.42	42.50	58.69
24	Sugar	KG	62.44	58.93	57.78	59.00	57.50	58.71
25	Red Chilies Powdered	KG	307.50	263.50	270.60	235.00	245.00	262.23
26	Garlic	KG	186.25	147.56	136.68	127.92	137.50	143.78
27	Cooked Beef (Plate)	EACH	88.75	74.23	78.51	103.34	110.00	83.73
28	Tea (Prepared)	CUP	20.00	18.62	20.28	15.00	20.50	18.89

Source: Pakistan Bureau of Statistics (PBS)

Movement in Prices of 28 Essential Items

The movement of 28 essential items from Jun 2013 to April 2015 is presented graphically, which reflect the variation in prices of these items over time. On the whole, it is observed that prices of essential items are easing out over time.

Fig-10: Graphs of 28 Essential Items of SPI



Regional Situation of Prices

Prices of essential consumer items prevailing on 30th April 2015 in Pakistan indicates that in comparison with the regional countries Pakistan is the lowest in the prices of Wheat, Wheat Flour, Chicken farm, Gram Pulse, Petrol, Eggs and Red Chilies than those of other regional countries. The variation in 24 items in Pakistan as against other regional countries are indicated in the Table below. The large variation in prices of some specific items like meat and poultry products is due to different consumption pattern and socio cultural variation.

Table 7.15: Prices of Essential Items in Neighbouring Countries

Items	Units	Islamabad 30-04-2015	New Delhi 22-04-2015	Dhaka 27-04-2015	Ranking
Wheat	Kg	34.25	57.00	45.00	1
Wheat Flour	Kg	38.44	57.00	53.00	1
Chicken farm	Kg	152.38	260.00	210.00	1
Gram Pulse	Kg	90.00	146.00	105.00	1
Petrol	Ltr	74.55	103.00	130.00	1
Eggs	Doz	75.63	81.00	126.00	1
Red Chilies	Kg	307.50	325.00	421.00	1
Diesel	Ltr	83.92	83.00	89.00	2
Sugar	Kg	61.00	57.00	62.00	2
Beef	Kg	321.25	293.00	447.00	2
Rice Basmati	Kg	83.75	81.00	210.00	2
Milk Fresh	Ltr	89.38	81.00	99.00	2
Masoor Pulse	Kg	150.63	146.00	151.00	2
Potatoes	Kg	31.88	20.00	33.00	2
Tomatoes	Kg	50.63	65.00	26.00	2
Mutton	Kg	686.25	683.00	657.00	3
Vegetable ghee	Kg	146.25	146.00	-	2
DAP	50 Kg	3701.54	1953.00	1643.00	3
Urea	50 Kg	1851.00	472.00	1051.00	3
Onion	Kg	69.38	49.00	46.00	3
Moong Pulse	Kg	183.13	179.00	170.86	3
Mash Pulse	Kg	186.25	179.00	158.00	3
Tea	Kg	747.35	667.00	591.00	3
Garlic	Kg	185.00	163.00	171.00	3

Outlook of Inflation

The government targeted annual inflation for 2015 at 8.0 percent. However, the inflation during first ten months Jul-Apr 2014-15 increased by 4.8 percent, therefore in view of current trend it is expected that average inflation will be contained much below the target.

Trade and Payments

The global economy continued to expand during 2014 at a moderate and uneven pace, as the prolonged recovery process from the global financial crisis was still hindered with partial post-crisis adjustments. Global recovery was also hampered by some new challenges, including a number of unexpected shocks, such as the heightened geopolitical conflicts in various areas of the world. Six years after the global financial crisis, Gross Domestic Product (GDP) growth for a majority of the world economies has shifted to a noticeably lower path compared to pre-crisis levels.

According to UN report, Growth of World Gross Product (WGP) is estimated to be 2.6 per cent in 2014, marginally better than the growth of 2.5 per cent registered in 2013.The global economy is expected to strengthen in 2015 and 2016, with WGP projected to grow by 3.1 and 3.3 percent, respectively.

Slow and uneven recovery in major developed countries and moderate growth in developing countries have led to sluggish trade growth in the past few years. World trade is estimated to have expanded by 3.4 per cent in 2014, still well below pre-crisis trends. In the near future period, trade growth is expected to pick up moderately along with improvement in global output, rising to 4.5 percent, in 2015 and 4.9 percent, in 2016.

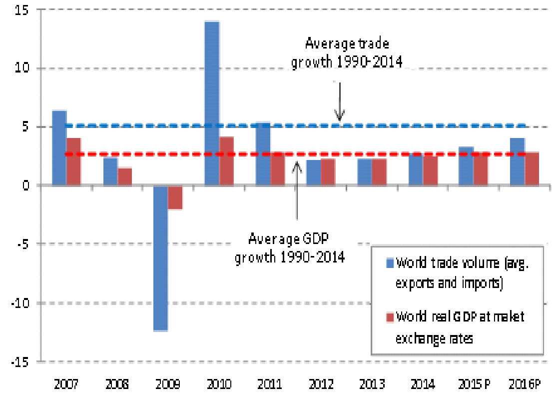
International prices of primary commodities have been on the slide for past two years, and no upturn is visible on the horizon. The Brent oil price is projected to continue its downward journey in 2015 and 2016, as the gap between demand growth and supply growth is not expected to be bridged. Oil demand growth has been slowing down throughout 2014, following sluggish economic growth in key economies, including Western Europe and Japan. The weaker-than-expected GDP growth in China has also weighed heavily on weaker demand, particularly during the second quarter of 2014. As a result, growth in oil demand was at its lowest level in more than two years. In 2015 and 2016, increasing demand in the United States is expected to partially offset the weaker demand from other developed economies. However, global demand growth for crude oil should continue at a moderate pace.

Non-oil commodity markets strengthened slightly during the first quarter of 2014, led by a surge in food prices, but eased thereafter. The Non-oil Nominal Commodity Price Index of UNCTAD increased from 245 points in January to 252 points in March 2014 and decreased afterwards by 3 per cent to reach 244 points in August. The average value of the index over the period of January–August was about 6 per cent lower than a year ago, but remains high relative to its long-term trend of the past decades. Compared to 2013, major commodity groups registered an overall decline in their prices.

International trade growth has been disappointing in recent years and it appears that recovery would continue to be slow. With economic growth still fragile and continued geopolitical tensions, this trend could easily be undermined. WTO has projected that growth in the volume of world merchandise trade will pick up only slightly over the next two years, rising from 2.8 percent in 2014 to 3.3 percent in 2015 and eventually to 4.0 percent in 2016, well below the annual average of 5.1 percent posted since 1990.The modest gains in 2014, marked the third consecutive year in which the trade grew less than 3 percent. Trade growth averaged just 2.4 percent between 2012 and 2014, the slowest rate on record for a three year period when trade was expanding (i.e. excluding years like 1975 and 2009 when world trade actually declined).

In the short-term at least, trade expansion is not expected to outstrip overall economic growth as had been the general pattern for decades. The 2.8 percent rise in world trade in 2014 barely exceeded the increase in world GDP for the year, and forecasts for trade growth in 2015 and 2016 only surpass expected output growth by a small margin (Fig-1).

Fig-1: Growth in volume of world merchandise trade and real GDP, 2007-16P (Annual % change)



Source: WTO

Several factors contributed to the sluggish output in 2014 and at the start of 2015, including slowing GDP growth in emerging economies, an uneven recovery in developed countries, and rising geopolitical tensions, among others. Strong exchange rate fluctuations, including a 14 percent appreciation of the US dollar against other currencies between July, 2014 and March, 2015 have further complicated the trade situation and outlook.

Geopolitical tensions and natural phenomena also weighed on trade growth last year. The crisis in the Ukraine persisted throughout the year, straining trade relations between Russia on the one hand and the United States and European Union on the other. Further, conflict in the Middle East also stoked regional instability.

In case of Pakistan, given continued energy shortfalls, overall security challenges, international regional currencies depreciation, sluggish world economic growth and trade, Pakistan's external sector performance remained satisfactory. Overall balance remained surplus despite slow export performance. Pak Rupee remained stable during July-April 2014-15 and FE reserves have been maintained equivalent to more than three months import bill and therefore restoring eligibility of IBRD concessional loans. This situation is admitted by the international agencies like S&P, Moody's Investors, Bloomberg and international donors like World Bank and ADB. The external sector performance is discussed in ensuing paras.

Balance of Payments

Thanks to marked improvement in the current account and substantial foreign exchange inflows, Pakistan's overall external account balance posted a surplus of US$ 2.12 billion during July-April, 2014-15 against US$ 1.95 billion in the corresponding period last year (Table:8.1).

The current account deficit almost halved to US$ 1.4 billion during July-April 2014-15 from US$ 2.9 billion in July-April 2013-14. A combination of factors helped this marked improvement including declining oil prices, larger inflows under Coalition Support Fund (CSF), lower freight charges on imports and steady growth in workers' remittances.

Capital and financial account, on the other hand, recorded a lower surplus of US$ 3.2 billion during July-April 2014-15 compared to US$ 5.3 billion during the same period last financial year. The financial account, also recorded a lower inflow during July-April 2014-15 compared to the last year, despite disbursement from the IMF under Extended Fund Facility (EFF); issuance of Sukuk bonds in international market; and disbursement of bilateral and multilateral flows.

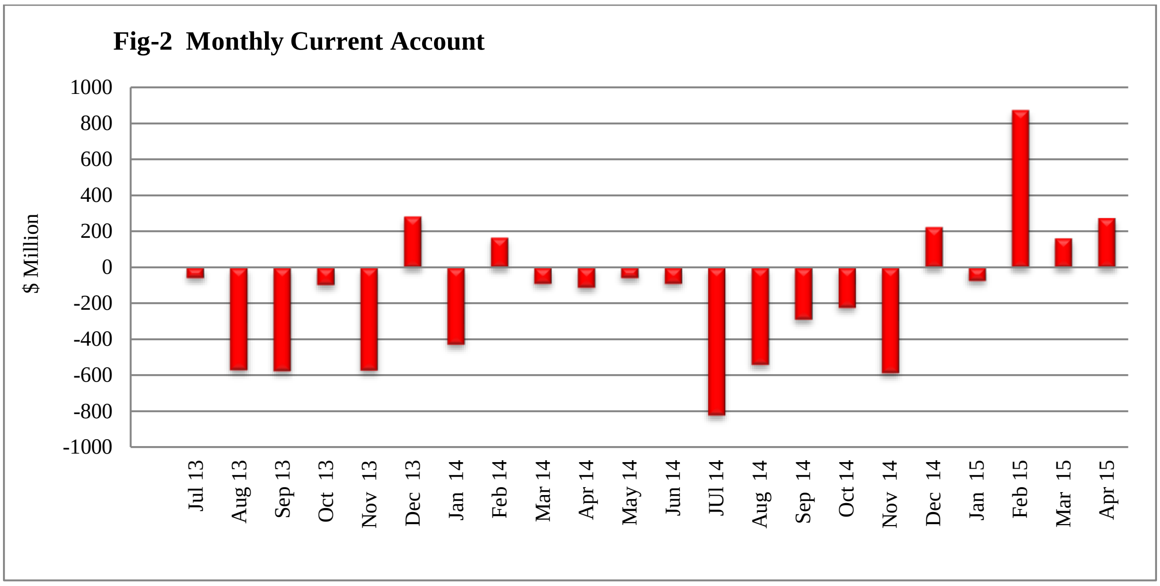
Finally, this improvement in the external account helped country's FX reserves to reach around US$ 17.8 billion by end April, 2015 from end June 2014 level of US$ 14.1 billion and therefore, Pak rupee- dollar parity remained stable when compared with end June, 2014.

Table 8.1: Summary Balance of Payments				US $ Million
Items	July-June		July-April P	
	2012-13	2013-14	2013-14	2014-15
Current Account Balance	-2,496	-3,130	-2,931	-1,364
Trade Balance	-15,431	-16,701	-13,811	-13,910
Goods: Exports	24,795	25,068	20,834	20,176
Goods: Imports	40,226	41,769	34,645	34,086
Service Balance	-1,472	-2,551	-2,349	-1,632
Services: Credit	6,733	5,322	4,197	5,026
Services: Debit	8,205	7,873	6,546	6,658
Income Account Balance	-3,685	-3,943	-3,169	-3,576
Income: Credit	488	541	453	476
Income: Debit	4,173	4,484	3,622	4,052
Current Transfers Net	18,092	20,065	16,398	17,754
Of which:				
Workers' Remittances	13,922	15,837	12,898	14,970
Capital & Financial Account	813	7,379	5,263	3,182
Capital Account	264	1,857	1,782	346
Financial Account	549	5,522	3,481	2,836
Direct Investment in Pakistan	1,456	1,669	898	826
Portfolio Investment (net)	224	2,718	2,241	1,823
Other Investment	-107	799	438	247
Net Errors and Omissions	-309	-391	-382	300
Overall Balance	-1,992	3,858	1,950	2,118

Source: State Bank of Pakistan
P: Provisional

Current Account

The current account deficit stood at US$ 1.4 billion in July-April 2014-15, which was 53.5 percent less than the deficit of US$ 2.9 billion in July-April 2013-14. Although the major contribution came from the CSF inflows, the lower freight payments and a sustained growth in workers' remittances also helped towards improving the current account. Furthermore, monthly data shows the current account surplus in the months of December 2014, February, March and April 2015 (Fig-2).



The trade deficit posted a marginal increase of around 0.7 percent during July-April FY15, primarily due to decline in exports. On the other hand, higher imports of metal, machinery, agriculture & other chemicals, and transport, nearly offset the gain in import bill from a sharp fall in international POL prices.

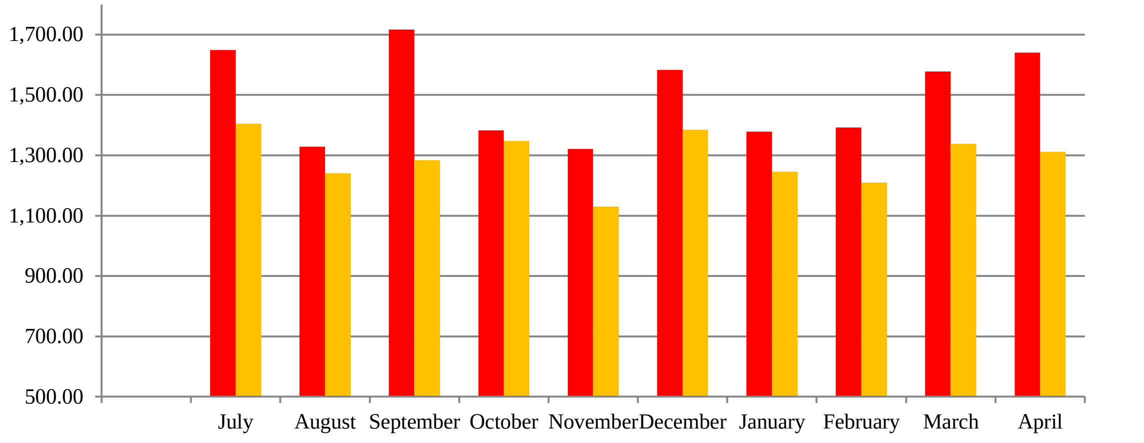
Due to inflows of US$ 1.5 billion under CSF, services account showed a lower deficit of US$ 1.6 billion during July-April 2014-15, compared to a deficit of US$ 2.3 billion during the corresponding period last year. Lower freight expenses (as shipping companies have apparently started passing on the impact of cheaper oil) also provided some relief.

In the case of income account, the deficit increased marginally from US$ 3.2 billion in July-April 2013-14 to US$ 3.6 billion during July-April 2014-15, mainly due to higher interest payments. Specifically, interest payments on external debt during July-April 2014-15 were US$252 million higher than that in the same period last year.

Workers' Remittances

Following the impressive growth of 13.7 percent during 2013-14, inflows under worker's remittances gained further momentum and recorded an increase of 16.1 percent during July-April 2014-15 when compared with corresponding period last year. Most of the rise came from the GCC countries, especially the UAE and Saudi Arabia, mainly reflecting the vibrant non-oil sector in this region. According to the IMF, the GCC is expected to post 4.4 percent growth during 2014, on the back of expansion in the infrastructure (Table: 8.2 and Fig-3 and 4).

Fig-3: Monthly Workers' Remittances ($ Million)



At the same time, Pakistan is making efforts to promote the use of formal channels for the remittance transfer. Besides banks, microfinance institutions (MFIs) are now being tied up with global money transfer organizations. Since MFIs are more agile and responsive to the need of customers, their inclusion would improve the remittance delivery mechanism. Moreover, under the Pakistan Remittance Initiative (PRI), opening of bank accounts by departing workers is mandatory. Having a bank account would also address the negative perception of migrants and their families about the financial sector, which is one of the major reasons behind the use of informal means to send money.

Fig-4: Worker's Remittances 2014-15

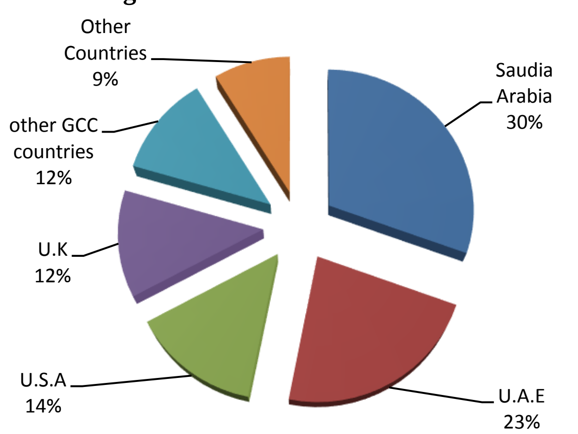


Table: 8.2 Country/Region Wise Cash workers' Remittances				($ Million)
Country/ Region	**July-April**			
	FY14	**FY15 P**	**% Change**	**% Share**
USA	2,028.5	2,105.5	3.8	14.1
U.K.	1,798.4	1,845.3	2.6	12.3
Saudi Arabia	3,806.4	4,565.4	19.9	30.5
UAE	2,523.0	3,384.3	34.4	22.6
Other GCC Countries	1,527.4	1,751.2	14.7	11.7
EU Countries	355.4	298.9	-15.9	2.0
Other Countries	858.8	1,019.1	18.7	6.8
Total	**12,897.9**	**14,969.7**	**16.1**	**100**

P: Provisional
Source: State Bank of Pakistan

Capital & Financial Account

Capital and financial accounts posted a surplus of US$ 3.2 billion during July-April 2014-15, compared to US$ 5.3 billion during the same period last year. Capital account showed a surplus of US$ 346 million during July-April 2014-15 as compared to corresponding period last year. The financial account, on the other hand, posted a surplus of US$ 2.8 billion during July-March 2014-15, compared to US$ 3.5 billion last year.

During July-April 2014-15, net foreign investment recorded US$ 2.6 billion inflow compared to US$ 3.1 billion last year (Table 8.3). The rise in foreign investment was largely explained by the foreign public investment that witnessed net inflows of US$0.94 billion during the period under review. Issuance of Sukuk by the government was the major contributory factor in higher public investment. In case of Foreign Direct Investment (FDI), telecom, power, textiles and food packing sectors recorded higher inflows during the period under review. On the other hand, pharmaceuticals, metal and food sector witnessed net outflows in FDI during July-April 2014-15. China, USA, UAE and Norway were the major contributors in net foreign investment in Pakistan.

Table 8.3: Foreign Investment			**($ Million)**
	July-April		**% Change**
	2013-14	**2014-15 P**	
A. Foreign Private Investment	1,050.3	1,666.2	58.6
Foreign Direct Investment	897.0	824.9	(8.0)
Portfolio Investment	153.4	841.3	448.5
B. Foreign Public Investment	2,059.9	936.9	(54.5)
Total Foreign Investment (A+B)	3,110.3	2,603.1	(16.3)

P : Provisional

Foreign Exchange Reserves and Exchange Rate

Pakistan's foreign exchange reserves reached US$ 17.8 billion by end-April 2015, from US$ 14.2 billion at end-June 2014, largely due to improvement in the current account, disbursement of IMF loan under the EFF, and mobilization of Sukuk by the government in the international capital market. The increase was mainly concentrated in reserves held by the central bank, as foreign exchange reserves of the commercial banks remained almost stagnant.

Quarterly data shows that the FX market remained under pressure during Q1-2014-15 when the country's FX reserves declined by US$ 630 million, and the PKR posted a depreciation of 3.7 percent. This was mainly due to turmoil on political front in the country and resultant delay in the conclusion of quarterly IMF review. However, after the successful conclusion of the 4th and 5th reviews of the IMF, the reserves improved to comfortable levels. The historical background of cash foreign reserves for the last 37 years is given in Box.1.

Box-I: Trends in Foreign Exchange Reserves

End Period	Net Reserves With SBP	Total Liquid Reserve
FY 78	641.0	641.0
FY 79	317.0	317.0
FY 80	672.3	672.3
FY 81	1,000	1,000
FY 82	780	780
FY 83	1,735	1,735
FY 84	1,529	1,529
FY 85	561	561
FY 86	862	862
FY 87	796	796
FY 88	457	457
FY 89	389	389
FY 90	529	529
FY 91	583	583
FY 92	1,012	1,012
FY 93	461	461
FY 94	2,305	2,305
FY 95	2,743	2,743
FY 96	2,065	2,065
FY 97	1,219	1,219
FY 98	930	930

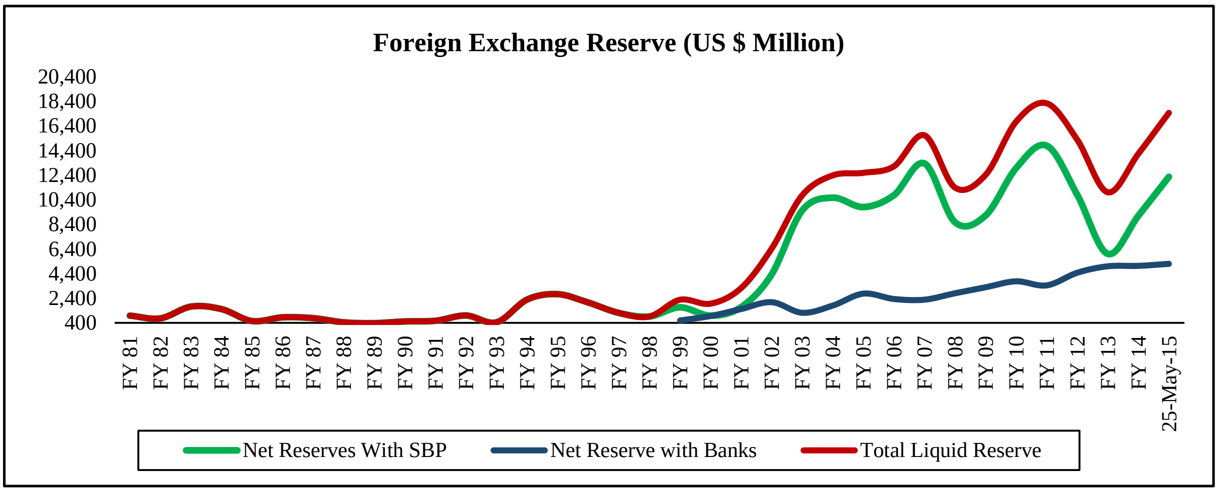
End Period	Net Reserves With SBP	Net Reserve with Banks	Total Liquid Reserve
FY 99[1]	1,672.7	616.5	2,289.2
FY 00	997.0	976.6	1,973.6
FY 01	1,688.9	1,542.6	3,231.5
FY 02	4,337.4	2,098.2	6,435.6
FY 03	9,529.1	1,240.0	10,769.1
FY 04	10,563.9	1,825.0	12,388.9
FY 05	9,804.7	2,792.9	12,597.6
FY 06	10,765.2	2,357.2	13,122.4
FY 07	13,345.4	2,301.8	15,647.2
FY 08	8,577.0	2,821.7	11,398.7
FY 09	9,117.9	3,307.3	12,425.2
FY 10	12,958.2	3,792.2	16,750.4
FY 11	14,783.6	3,460.2	18,243.8
FY 12	10,803.3	4,485.3	15,288.6
FY 13	6,008.4	5,011.2	11,019.6
FY 14	9,097.5	5,043.6	14,141.1
25-May-15	12,258.9	5,209.8	17,468.7

[1] The compilation of bank reserves started since FY 99. Earlier, banks accepting foreign currency were required to surrender the foreign exchange to SBP. On June 20, 1998, through a circular on FE-25, banks were exempted to surrender foreign exchange component to SBP.

Foreign Exchange Reserves are often taken as a yardstick to gauge a country's financial strength. Credit rating agencies like Moody's, S & P etc. give significant importance to country's foreign exchange reserves.

In Pakistan, a consistent volatility had seen in Net Reserves With SBP and thus in total Foreign Exchange Reserves. During FY 11, country's Foreign Exchange Reserves reached at US $ 18.2 billion. However unluckily these were not maintained and thus started depleting. By end June FY 12 and FY 13, these were depleted by 16 percent and 28 percent respectively thus entered into dangerous zone.

With consistent effort of the present government, in FY 14, there was 28 percent growth in foreign exchange reserves, thus entering safe territory and no longer existence of any risk to the economy. Both credit rating agencies Moody's and S & P has upgraded credit rating of the country. Due to better polices of the government foreign exchange reserves are continuously increasing and stood at US $ 17.5 billion and it is expected to increase more than $22 billion at the end of 2016-17.



Due to the improved current account position and higher foreign exchange inflows, average exchange rate remained at Rs 101.5 per US$ during July-April 2014-15, compared to Rs 104.7 per US$ last year. Monthly data shows that Pak rupee posted a depreciation of 3.1 percent during July-April 2014-15, compared to a depreciation of 0.9 percent during the same period last year. This pressure came from delays in the 4th review of the IMF program and the political uncertainty in the country since mid-August. However, after the disbursement of two tranches by IMF in December 2014, the pressure on PKR eased. The PKR appreciated in the second quarter of 2014-15, and then stabilized at just below Rs 102 per US$.

Trends in Exports

Pakistan's exports have been stagnant for the last few years, wavering around US$ 24-25 billion. During July-April, 2014-15, exports stood at US$ 19,926 million against US$ 20,979 million during corresponding period last year. Bangladesh's exports, for instance, surpassed the $30 billion-mark last year and is set to hit the current year's target of $34.5 billion. According to a UN study covering a 30-year period (1980-2011), India's share of world exports improved from 0.43 percent to 1.7 percent; Bangladesh's from 0.04 percent to 0.14 percent; Malaysia's from 0.74 percent to 1.34 percent, and Thailand's from 0.37 percent to 1.35 percent. Pakistan's share, however, remained stagnant at 0.15 percent. However, since January 2014, when duty-free access under the GSP Plus was granted, Pakistan's exports to Europe spiked 21 percent, but this was at the cost of other markets.

Pakistan's exports base and markets are extremely narrow. Over 55 percent of its exports earning are contributed by the cotton group alone. The other three items namely leather, synthetic made ups and rice contribute about 14 percent of total exports. Unfortunately, the above four items are relatively low value added product. Pakistan has not made much progress in increasing the number of products. Pakistan is also yet to enter in hi-tech exports. Similarly, in addition to diversification of products, new markets of our exports needs to be explored in African countries, South America, ASEAN region, Russia, Eastern Europe etc. Presently, our exports are concentrated to few markets in North America, European Union, and Middle East countries.

Experts assign number of reasons for the slowdown in exports which include:

- **Decrease in International prices of commodities:-**There has been a global trend of decrease in prices of cotton and rice. These commodities have seminal importance in Pakistan's exports and the decrease in prices has adversely affected Pakistan's exports. The average unit price (AUP) of non-basmati rice, which constitutes 70 percent of Pakistan's rice exports by value, declined by 2 percent; similarly, the AUP of cotton and yarn have declined by 78 percent and 10 percent respectively.[1]
- **Increase in Cost of Production:** While the prices of agricultural commodities have declined, the cost of production in Pakistan has increased due to increased energy and other input costs. Pakistan's ranking in Global Competitiveness Index decreased from 128th in 2013-14 to 129th in 2014-15.[2]
- **Energy Crises:-**The energy deficit and the bias in energy distribution policy in favour of domestic consumers vis-à-vis industrial consumers are seriously affecting the supply capacities of exporting enterprises.
- **Lack of Research & Development:-** Research and development has traditionally been a low priority both in the public and private sectors. For instance, there is near absence of development of new high yielding varieties of cotton and rice. India has developed many basmati and basmati-look-alike (non-basmati) varieties during the last few years whereas Pakistan has failed to develop any basmati variety during the last 30 years. Consequently, the traditional markets of basmati rice are being gradually grabbed by India with high yielding basmati varieties. Though lack of R&D is a long term issue, its adverse impact is becoming increasingly pronounced.

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[1] Source: Pakistan Bureau of Statistics

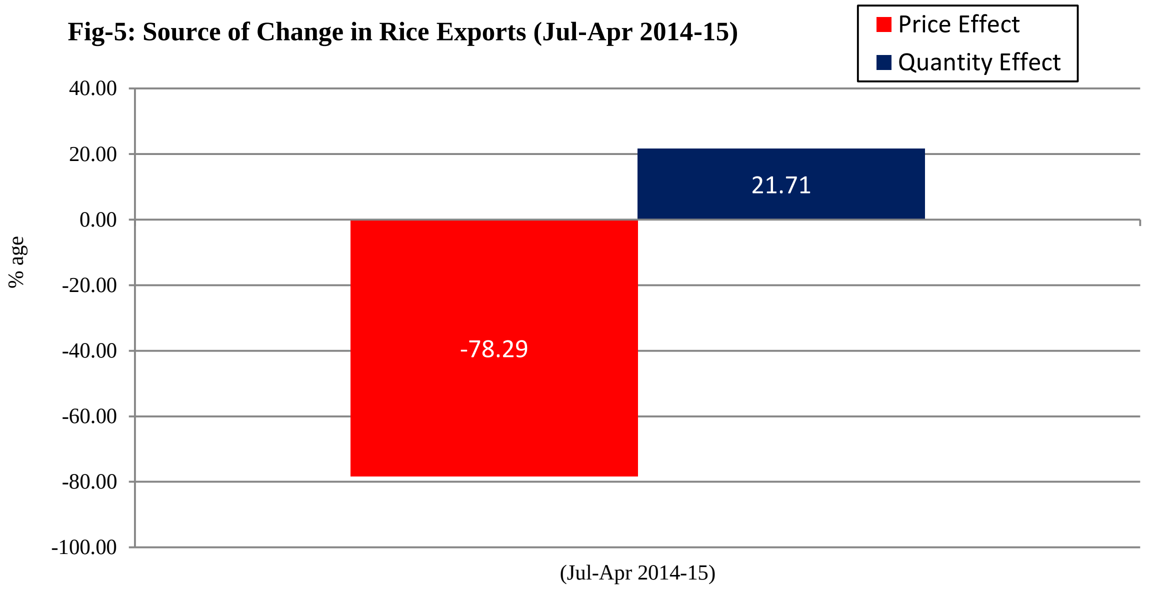
[2] The Global Competitiveness Report 2014-15 by World Economic Forum

- Pakistan's major export markets – the United States, the European Union, China and the Middle East are experiencing an economic slowdown. Further, ongoing energy situation is no doubt a severe impediment to various exports related industries in particular textile and causing exporters to struggle to meet the demand from importers. The international commodity price slump is another reason for the anemic export growth. Some experts are of the view that Preferential Trade Agreements (PTAs) and Free Trade Agreements (FTAs) with trading partners which were drafted in haste are another cause of stagnant export growth and did not help the economy either.

As per Annual Plan 2014-15, Exports were targeted to grow by 5.8 percent to reach to US$ 27.0 billion. The target was set on account of momentum building in exports due to GSP Plus status, underlying assumption of improvement in energy situation and increase in trade with regional partners, etc. Export, due to the factors discussed in preceding paras, remained sluggish during the current fiscal year (July-April 2014-15) and amounted to US$ 19,921.5 million as against US$ 20,979.1 million, thereby showing a decline of 5.0 percent. Security problems, non-availability of utilities at competitive rates, competitiveness in the international markets are the major problems for the Pakistani exporters, Pakistan's textile exports that constitute more than 50 percent of the total exports is effectively stagnant at around US$13 billion for the past many years because industrialists are busy producing raw-materials or basic unfinished products that do not fetch desired margins. With over $19 billion in textile exports, Bangladesh – Pakistan's main competitor in the textile industry – has already gone too far by investing in quality readymade garments. After China, Bangladesh is the second biggest textile exporter as it has doubled its exports in the last 10 years leaving both its traditional competitors – Pakistan and India – far behind in the competition.

Decline in exports has been observed across the board where all the major categories of exports registered a negative growth. Food group as a whole witnessed a decline of around 2.0 percent during July-April 2014-15 as compared to corresponding last year. Major decline within this group came from the export of Basmati rice which witnessed a decline of 22.5 percent in quantity term. However, due to favorable prices of Basmati rice its exported value remained 18.5 percent down. On the other hand export quantity of other brand of rice witnessed a growth of 7.1 percent but due to less favorable prices its earning could only grew by 1.0 percent. Export of rice as a whole, therefore grew negatively by 5.4 percent despite its export quantity improved by 2.2 percent. The negative price effect in case of rice export is so dominating over weak positive quantity effect that overall net effect on value of export of rice remained negative by 56.6 percent. Source in decline in export value of rice decomposed in quantity and price effects is described in Fig-5.

Fig-5: Source of Change in Rice Exports (Jul-Apr 2014-15)



All other major items in food group witnessed a positive growth except Fish & fish preparations which shows a nominal decline both in quantity and value terms. Export of sugar witnessed a growth of 1.6 percent despite its quantity export declined by 2.2 percent showing better international prices as compared to last year. However due to less surplus available in sugar export we could not be benefitted by the better prices. Similarly export earnings from fruits and vegetables grew positively. Specially fruits export earnings grew marginally by 0.5 percent despite marked decrease in its quantity exported by 13.9 percent showing strong positive price effect. Our fruit exporters could not take advantage of the favorable prices may be due to capacity lacking. On the other hand vegetables export increased by 20 percent in quantity and 5 percent in value term.(Tables 8.4 and 8.5)

Table 8.4: Source of Change in Exports (July-April, 2014-15)

#	Commodity	% Share in total Exports*	% Change in Quantity	% Change in $ Value	Price Effect in %*	Quantity Effect in %*
1	Rice	8.78	2.2	(5.4)	-78.29	21.71
	a) Basmati	2.52	(22.5)	(18.4)	16.60	-83.40
	b) Others	6.27	7.1	1.0	-45.96	54.04
2	Fish &Fish preparations	1.44	(3.5)	(2.4)	23.77	-76.23
3	Fruits	2.01	(13.9)	0.5	50.80	-49.20
4	Sugar	1.26	(2.2)	1.6	62.98	-37.02
5	Meat and Meat preparations	1.02	0.1	5.5	97.40	2.60
6	Raw Cotton	0.73	(14.2)	(26.2)	-49.59	-50.40
7	Cotton Yarn	7.97	0.8	(7.5)	-91.27	8.73
8	Cotton Cloth	10.48	(23.1)	(11.0)	35.82	-64.18
9	Knitwear	9.95	1.4	7.8	80.89	19.11
10	Bed wear	8.77	1.2	(1.1)	-66.52	33.48
11	Towels	3.26	(0.9)	3.2	81.19	-18.81
12	Readymade Garments	8.64	5.8	9.1	35.11	64.89
13	Carpets,Rugs &Mats	0.51	(21.6)	(3.7)	45.88	-54.12
14	Leather Tanned	2.05	(23.8)	(7.2)	42.16	-57.84
15	Leather Garments	1.55	(29.4)	(9.3)	41.99	-58.01
16	Leather Gloves	0.89	(16.5)	6.9	57.76	-42.24
17	Electric Fans	0.13	(20.3)	(8.5)	37.91	-62.09
18	Cement	1.92	(7.6)	(7.6)	-0.07	-99.94

Source: Pakistan Bureau of Statistics
*: Calculated by Economic Adviser's Wing, Finance Division, GoP

Though the Textile group’s exports as a whole witnessed a decline of 1.2 percent during July-April 2014-15 as compared to same period last year, however its major value added items except cotton cloth witnessed a positive growth. The export of primary commodities like raw cotton, cotton yarn registered negative growth by 26.2 percent and 7.5 percent respectively. Negative growth in cotton cloth is highly alarming particularly after attaining GSP plus status from EU. Cotton cloth export declined by 23.1 percent in quantity and 11.0 percent in value term showing stronger negative quantity effect. In short decline in Textile sector exports comes from these two items i-e cotton yarn and cotton cloth. Export of bed-wear also declined during July-April 2014-15 marginally by 1.1 percent due to price effect though its export quantity increased by 1.2 percent. During July-April 2014-15, export earnings of readymade garments, knitwear, towels and other made-up articles grew handsomely by 9.1 percent, 7.8

percent, 3.2 percent and 1.0 percent, respectively over the same period last year. The strong price effect over quantity effect is the major reason for export growth of these items during current fiscal year (Tables 8.4 and 8.5).

Table 8.5 : Structure of Exports ($ Million)

	Particulars	July-April			
		2013-14	2014-15 P	% Change	Absolute Change
	Total	**20,979.1**	**19,921.5**	**-5.0**	**-1057.6**
A.	**Food Group**	**3,942.5**	**3,862.1**	**-2.0**	**-80.4**
	Rice	1,850.3	1,749.7	-5.4	-100.6
	Sugar	247.5	251.5	1.6	4.0
	Fish & Fish Preparation	294.1	287.0	-2.4	-7.1
	Fruits	398.0	399.9	0.5	1.9
	Vegetables	186.7	196.0	5.0	9.3
	Wheat	7.0	3.0	-57.4	-4.0
	Spices	45.1	54.0	19.7	8.9
	Oil Seeds, Nuts & Kernels	76.9	61.5	-20.0	-15.4
	Meat & Meat Preparation	191.8	202.3	5.5	10.5
	Other Food items	645.0	657.2	1.9	12.2
B.	**Textile Manufactures**	**11,420.1**	**11,281.6**	**-1.2**	**-138.6**
	Raw Cotton	196.1	144.7	-26.2	-51.4
	Cotton Yarn	1,715.8	1,587.1	-7.5	-128.7
	Cotton Cloth	2,345.8	2,088.1	-11.0	-257.7
	Knitwear	1,839.2	1,981.9	7.8	142.7
	Bedwear	1,767.3	1,747.4	-1.1	-20.0
	Towels	629.9	650.1	3.2	20.2
	Readymade Garments	1,577.9	1,722.1	9.1	144.2
	Made-up articles	542.1	542.6	0.1	0.5
	Other Textile Manufactures	806.0	817.7	1.4	11.6
C.	**Petroleum Group**	**601.3**	**538.6**	**-10.4**	**-62.7**
	Petroleum Products	58.6	302.3	415.8	243.7
	Petroleum Top Neptha	542.7	236.3	-56.5	-306.4
D.	**Other Manufactures**	**3,867.3**	**3,213.1**	**-16.9**	**-654.2**
	Carpets, Rugs & Mats	106.5	102.6	-3.7	-3.9
	Sports Goods	290.4	271.9	-6.4	-18.5
	Leather Tanned	439.3	407.9	-7.2	-31.5
	Leather Manufactures	520.5	498.2	-4.3	-22.3
	Surgical G. & Med. Inst.	284.9	284.1	-0.3	-0.8
	Chemical & Pharma. Pro.	968.8	809.2	-16.5	-159.6
	Engineering Goods	255.6	188.7	-26.2	-66.9
	Jewellery	318.3	5.8	-98.2	-312.5
	Cement	413.7	382.4	-7.6	-31.3
	Guar & Guar Products	58.3	49.9	-14.5	-8.5
	All Other Manufactures	210.8	212.4	0.8	1.6
E.	**All Other items**	**1,147.9**	**1,026.1**	-10.6	-121.8

P : Provisional
Source : PBS

Petroleum & Coal Group's exports witnessed a decline of 10.4 percent during July-April 2014-15 over corresponding period of 2013-14 mainly due to the 56.5 percent decline in the export of Petroleum top Naphta from US$ 542.7 million during July-April 2013-14 to US$ 236.3 million during July-April 2014-15. Export of crude oil during July-April 2014-15 brought a handsome earning of US$ 237.8 billion against no export of this item during corresponding period last year.

Other Manufactures Group also registered a marked 16.9 percent decline in exports during July-April 2014-15 against same period last year. Almost all major and mentionable items in this group witnessed negative growth both in terms of quantity and value earning. Export value of Leather Tanned declined from US$ 439.3 million during July-April 2013-14 to US$ 407.9 million (7.2 percent) in current year July-April period mainly due to quantity effect despite higher international price of this item. Other leather manufacturing items also witnessed negative growth including leather garments (9.3 percent decline). However, export growth of leather gloves and leather footwear remained positive by 6.9 percent and 14.4 percent, respectively, mainly due to price effect.

Export of chemical & pharmaceutical Products witnessed a decline of 16.5 percent and engineering goods by 26.2 percent. All items in these sub group witnessed decline mostly due to quantity effect. Export of jewellary came down from US$ 318.3 million during July-April 2013-14 to just US$ 5.8 million during current year. Whereas export of Cement declined by 7.6 percent during this period mostly due to less demand abroad. (Tables 8.4 and 8.5)

Trends in Monthly Exports

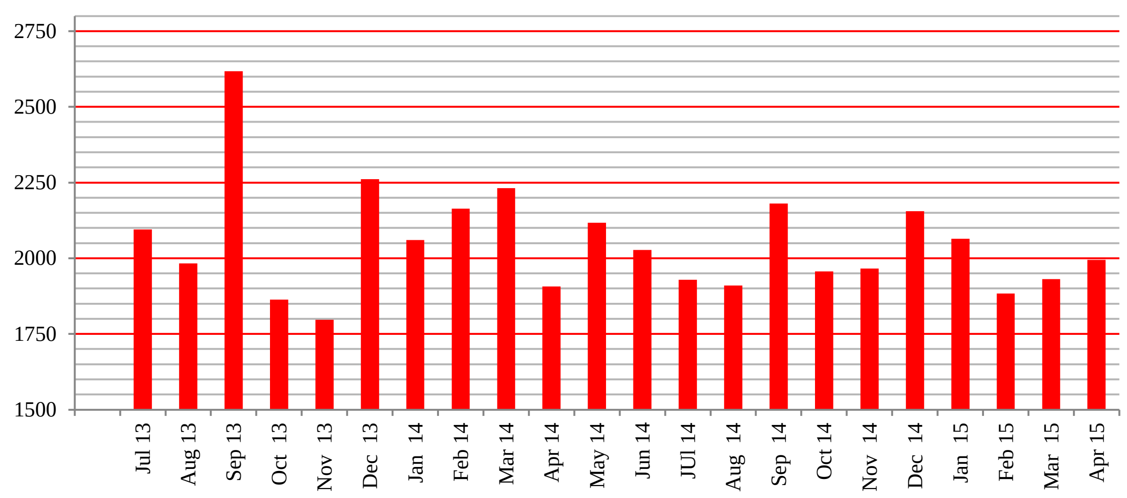
The monthly exports for the period July-April, 2014-15 shows mostly mixed trend and remained for some months above the corresponding months of last year and for some months below the corresponding month of last year, averaging $ 1,997 million per month as against an average of $ 2,098 million during July-June last year. (See Table 8:6 and Fig-6)

Table 8.6: Monthly Exports

Month	($ million)	
	2013-14	2014-15 P
July	2,095	1,930
August	1,983	1,910
September	2,617	2,181
October	1,864	1,957
November	1,796	1,966
December	2,261	2,156
January	2,061	2,064
February	2,163	1,884
March	2,232	1,932
April	1,907	1,995
May	2,117	
June	2,027	
Monthly Average	**2,098**	**1,997**

Source: PBS
P : Provisional

Fig-6: Monthly Exports ($ million)



Concentration of Exports

Pakistan's exports are highly concentrated in few items namely, cotton and cotton manufactures, leather, rice, chemicals & pharma products and sports goods. These five categories of exports accounted for about 69.3 percent of total exports during July-March 2014-15 with cotton manufactures alone contributing 55.4 percent, followed by rice (8.8 percent) and leather (5.1 percent). The degree of concentration further increased in favour of these items during current financial year.

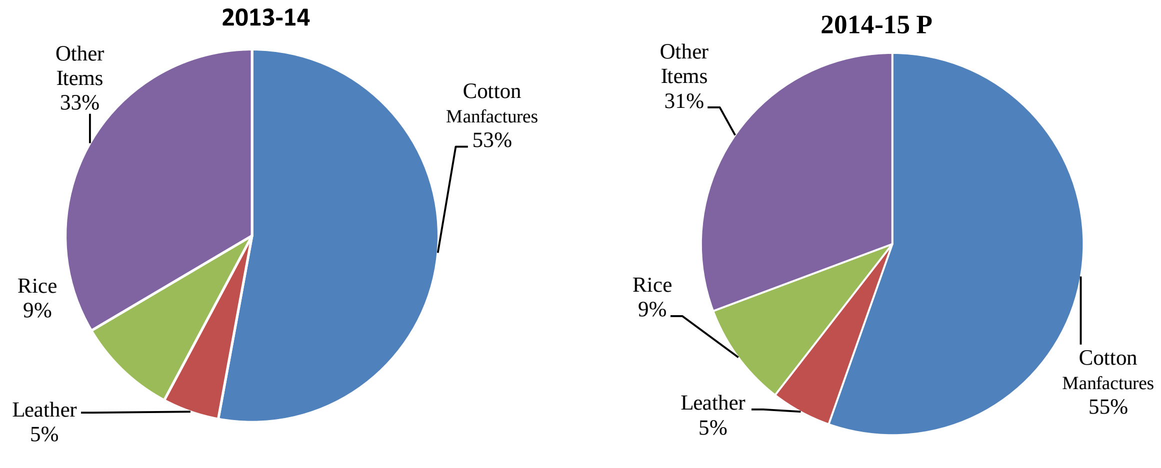
Further disaggregation reveals that products exports in a few items are a major cause of instability in export earnings. The annual percentage shares of the major export commodities are given in Table 8.7 as well as in Fig-7.

Table 8.7 : Pakistan's Major Exports (Percentage Share)

Commodity	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	July-March 2013-14	July-March 2014-15 P
Cotton Manufactures	52.6	50.6	52.9	49.6	51.6	53.1	52.9	55.4
Leather**	5.4	4.5	4.4	4.4	4.7	5.1	4.9	5.1
Rice	11.2	11.3	8.7	8.7	7.8	7.6	8.7	8.8
Sub-Total of three Items	**69.2**	**66.4**	**66.0**	**62.7**	**64.1**	**65.8**	**66.5**	**69.3**
Other items	30.8	33.6	34.0	37.3	35.9	34.2	33.5	30.7
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

Fig-7: Concentration of Exports



Direction of Exports

Although Pakistan trades with a large number of countries, its exports nevertheless are highly concentrated in few countries. About 60 percent of Pakistan's exports' destinations are to ten countries namely, USA, China, UAE, Afghanistan, UK and Germany, France, Bangladesh. Italy and Spain. Further, among these countries, the maximum export earnings come from USA (15 percent) and European countries (20 percent) making up approximately one-third of the total. China with its share (9 percent) in total exports has become our regional trading partner. The share of export to Afghanistan in total exports, however, witnessed a decline in recent years from 10 percent in 2011-12 to 8 percent during current year. The share of exports to EU countries like France, Italy, Spain, etc. remained relatively stagnant. However, it is expected that with the grant of GSP plus status, Pakistan exports to EU countries will gain momentum in coming days. Pakistan exports to Bangladesh, UAE and some other Asian countries also could not show much growth despite existence of FTAs (Table 8.8, Fig-8).

Fig-8: % Share of Exports 2014-15

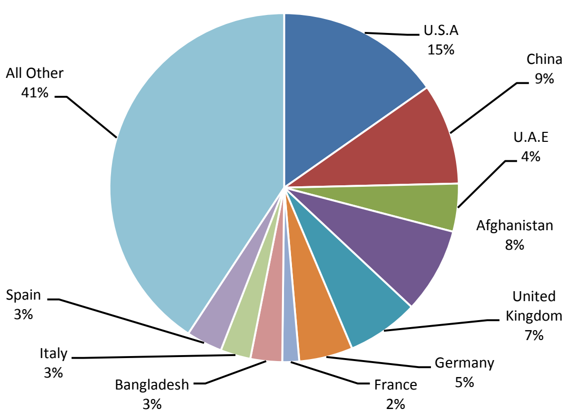


Table 8.8 : Major Exports Markets (Rs. billion & Percentage Share)

Country	2009-10		2010-11		2011-12		2012-13		2013-14		July-March 2014-15 P	
	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share
U.S.A	281.7	17	338.3	16	315.3	15	341.3	14	381.5	15	276.5	15
China	96.7	6	139.7	7	195.9	9	252.5	11	249.0	10	169.9	9
U.A.E	144.2	9	154.6	7	205.6	10	205.4	9	180.0	7	80.5	4
Afghanistan	131.7	8	199.6	9	200.6	10	200.0	8	192.5	7	143.6	8
United Kingdom	86.1	5	103.1	5	105.7	5	121.2	5	161.5	6	120.7	7
Germany	66.5	4	108.8	5	94.0	4	93.6	4	117.9	5	90.1	5
France	26.7	2	34.1	2	29.8	1	93.7	4	42.7	2	28.3	2
Bangladesh	40.6	3	86.8	4	56.6	3	68.7	3	71.8	3	53.2	3
Italy	50.8	3	67.6	3	51.6	2	52.2	2	75.6	3	50.6	3
Spain	36.4	2	48.9	2	43.7	2	51.0	2	72.0	3	60.6	3
All Other	655.9	41	839.3	51	811.9	38	887.0	37	1,039.0	40	738.8	41
Total	**1,617.5**	100	**2,120.8**	100	**2,110.6**	100	**2,366.5**	100	**2,583.5**	**100.0**	**1,812.8**	100

Source: Pakistan Bureau of Statistics
P: Provisional

Box-II: Evaluation of Pakistan's exports to European Union (EU) under the GSP Plus regime

Pakistan's exports to EU Calendar year 2005 – 2014

Pakistan's exports to EU member states increased from US$ 4.25 billion in 2005 to US$ 6.21 billion in 2013. The Compound Annual Growth Rate (CAGR) of exports to EU has been 4.85 % only. However as a result of grant of GSP Plus to Pakistan by EU, Pakistan's exports to EU during the year 2014 amounted to US$ 7.54 billion.

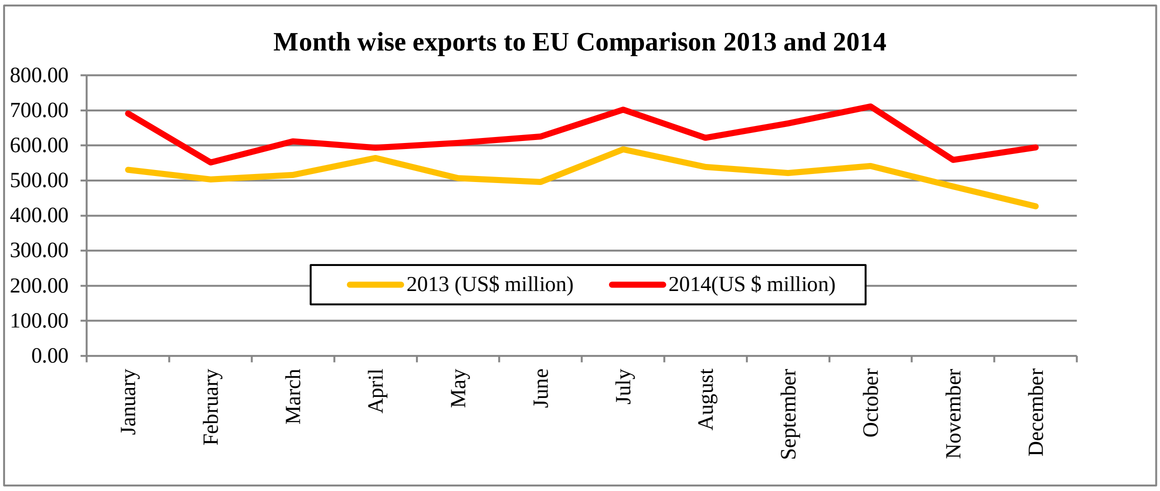
(US$ billion)

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	**2014**
Exports	4.25	4.55	4.76	5.00	4.59	5.31	6.40	5.67	6.21	**7.54**

Impact of GSP Plus on Pakistan's exports to EU

As a result of GSP Plus Pakistan's exports to EU have increased from US$ 6.21 billion during 2013 to US$ 7.54 billion in 2014. Thus as a result of GSP Plus Pakistan's exports to EU registered an increase of US$ 1.32 billion in one year. This represents an increase of 21 percent.

Month/Year	**Pak exports to EU 2013 (USD million)**	**Pak exports to EU 2014 (USD million)**	**Increase in exports to EU in 2014 (USD million)**	**%age increase**
January	533.88	694.98	161.10	30.17
February	502.65	552.21	49.57	9.86
March	514.63	611.48	96.85	18.82
April	564.52	593.45	28.94	5.13
May	506.03	606.79	100.76	19.91
June	495.73	625.42	129.68	26.16
July	588.48	703.29	114.81	19.51
August	538.72	622.44	83.72	15.54
September	521.12	664.14	143.02	27.44
October	541.62	711.29	169.67	31.33
November	483.37	558.37	75.00	15.52
December	426.61	594.06	167.45	39.25
Total	**6,217.36**	**7,537.93**	**1,320.57**	**21.24**



Analysis of Competitors

Countries	Exports to EU 2013 (US$ million)	Exports to EU 2014 (US$ million)	Increase or Decrease (US$ billion)	Increase/Decrease (%)
Pakistan	**6.22**	**7.54**	**1.32**	**21.24**
India	50.47	50.78	0.31	0.61
Turkey	69.40	74.34	4.94	7.13
Vietnam	29.12	30.24	1.12	3.85
Bangladesh	14.93	16.86	1.93	12.95

1. Impact of GSP Plus on exports of Textile products to EU

Pakistan's exports of Textile products to EU in 2014 amounted to US$ 5.33 billion. This represents an increase of US$ 1.02 billion as Pakistan's exports of Textiles to EU as in 2013 it amounted to US$ 4.31 billion. This represents an increase in exports by 23.61%. Sector wise break up is given below:

Sector	Pak exports to EU 2013 (US$ million)	Pak exports to EU 2014 (US$ million)	Increase (US$ million)	Increase (%)
Total Textiles increase	**4,312.19**	**5,330.16**	**1,017.97**	**23.61**
Textile Garments	1,915.96	2,501.26	585.30	30.55
Home Textiles	1,141.35	1,489.44	348.09	30.50
Towels	201.23	250.01	48.79	24.24
Cotton and intermediate goods of Textiles	1,012.13	1,046.10	33.97	3.36
Carpets and Rugs	41.51	43.34	1.83	4.40

2. Impact of GSP Plus on exports of Footwear to EU

Sector	Pak exports to EU 2013 (US$ million)	Pak exports to EU 2014 (US$ million)	Impact of GSP Plus (US$ million)	%change increase
Footwear	77.12	99.73	22.61	29.32

3. Impact of GSP Plus on exports of Leather to EU

Sector	Pak exports to EU 2013 (US$ million)	Pak exports to EU 2014 (US$ million)	Impact of GSP Plus (US$ million)	%change increase/decrease
Leather	573.41	628.73	55.32	9.65

Impact of GSP Plus on exports of Intermediary goods of Leather to EU

Sector	Pak exports to EU 2013 (US$ million)	Pak exports to EU 2014 (US$ million)	Impact of GSP Plus (US$ million)	%change increase/decrease
Raw Hides and Intermediary goods of Leather	136.28	151.92	15.64	11.48

Impact of GSP Plus on exports of articles of Leather to EU

Sector	Pak exports to EU 2013 (US$ million)	Pak exports to EU 2014 (US$ million)	Impact of GSP Plus (US$ million)	%change increase/decrease
Articles of Leather	437.13	476.81	39.68	9.08

4. Impact of GSP Plus on exports of Plastics to EU

Sector	Pak exports to EU 2013 (US$ million)	Pak exports to EU 2014 (US$ million)	Impact of GSP Plus (US$ million)	%change increase/decrease
Plastics	44.45	77.68	33.23	74.76

Imports

Pakistan like other developing countries benefited by the sharp decline in global oil prices during current financial year as far as their import bill is concerned. Almost one third of Pakistan import bill constituted by petroleum products including crude oil. Between July, 2014 and April, 2015, International crude oil price has been dropped around 44 percent from US$ 107 per barrel to US$ 60 per barrel in April, 2015. Similarly international prices of some of the important commodities have fallen down. For instance palm oil prices is on declining side. Same for tea prices. This trend of international prices impacted the import bill of Pakistan during July-April, 2014-15 considerably. The imports target for current financial year was set at US$44.2 billion for 2014-15. Pakistan imports were up by only 1.8 percent in the first ten months of the current fiscal year compared to corresponding period last year, rising from US $37,084.81 million during 2013-14(July-April) to 37,763.08 million during first ten months of current financial year, showing an increase of US$ 678.27 million in absolute term (Table:8.9).

The curtailment of import bill mainly comes from Petroleum group which as a whole down by US $ 2,366.1 million (19.4 percent). Import of Petroleum crude declined by 24.3 percent (US $ 1,150.9 million) during July-April 2014-15 compared to corresponding period last year. While import of Petroleum products remained down by16.2 percent (US$ 1,215.2 million). It is expected that by the end of the current financial year, in absolute term, the import bill of petroleum group would remain US$ 3.0 billion down what it was in 2013-14 due to decline in petroleum prices. It is worth mentioning to note that despite considerable decrease in prices of Petroleum products including crude oil and closure of CNG sector during current year, the imported quantity of petroleum products did not increase. In fact import of Petroleum crude declined by 6.3 percent in quantity terms as compared to corresponding period last year.

The major chunk of saving of US$ 2,366.1 million realized from import of petroleum group is paid off by increase in import bill of the machinery group (US$ 880.9 million), Food group (US$ 751.4 million), Transport Group (US$ 275.7 million) followed by Agriculture and Chemicals (US$587.4 million) and Textile group (US$558.3 million), etc However, the worrisome indicator is that there is a dip in imports of textile related machinery, suggesting that the sector is not expanding. As against $493.4 million textile machinery import in July-April period of the previous fiscal year, the imports amounted to $367.8 million, showing 25.8 percent decline in dollar terms. Similarly Textile Group imports, which mostly consists of raw material items also witnessed declining trend by 7.1 percent during July-April 2014-15 compared to same period last year down from US$ 2,252.6 million during July-April 2013-14 to US$ 2,091.9 million during same period current year (Table:8.9)

Table 8.9 : Structure of Imports ($ Million)

	Particulars	July-April		% Change	Absolute Change
		2013-14	2014-15 P		
	Total	**37,084.8**	**37,763.1**	**1.8**	**678.3**
A.	**Food Groups**	**3,454.0**	**4,205.4**	**21.8**	**751.4**
	Milk & Milk food	134.3	218.7	62.8	84.4
	Wheat Unmilled	107.2	185.4	72.9	78.2
	Dry Fruits	84.2	94.9	12.4	10.4
	Tea	248.0	290.9	17.3	42.9
	Spices	71.6	87.3	21.9	15.7
	Edible Oil (Soyabean& Palm)	1,608.6	1,494.9	-7.1	-113.7
	Sugar	5.1	5.7	11.3	0.6
	Pulses	239.8	322.0	34.3	82.2
	Other food items	954.9	1,505.6	57.7	550.7
B.	**Machinery Group**	**4,035.1**	**4,626.5**	**14.7**	**591.4**
	Power generating Machines	872.9	1,098.3	25.8	225.3
	Office Machines	176.4	338.4	91.8	162.0
	Textile Machinery	493.4	367.8	-25.4	-125.5
	Const. & Mining Machines	230.3	220.1	-4.4	-10.2
	Aircrafts, Ships and Boats	754.4	655.9	-13.1	-98.5
	Agriculture Machinery	57.1	90.5	58.4	33.4
	Other Machinery items	1,450.6	1,855.4	27.9	404.8
C.	**Petroleum Group**	**12,221.1**	**9,855.0**	**-19.4**	**-2366.1**
	Petroleum Products	7,482.4	6,267.2	-16.2	-1215.2
	Petroleum Crude	4,738.7	3,587.8	-24.3	-1150.9
D.	**Consumer Durables**	**1,951.1**	**2,239.3**	14.8	288.2
	Road Motor Vehicles	1,031.1	1,280.8	24.2	249.8
	Electric Mach. & Appliances	920.0	958.4	4.2	38.4
E.	**Raw Materials**	**5,146.8**	**5,923.3**	15.1	776.5
	Raw Cotton	516.3	267.7	-48.1	-248.6
	Synthetic Fibre	351.7	441.6	25.6	90.0
	Silk Yarn (Synth &Arti)	517.6	552.5	6.8	35.0
	Fertilizer Manufactured	595.4	743.1	24.8	147.6
	Insecticides	96.0	114.1	18.9	18.1
	Plastic Material	1,357.2	1,468.7	8.2	111.6
	Iron & steel Scrap	589.5	847.6	43.8	258.1
	Iron & steel	1,123.2	1,487.9	32.5	364.7
F.	**Telecom**	**1,026.9**	**1,179.5**	**14.9**	**152.6**
G.	**All other items**	**9,249.8**	**9,734.0**	**5.2**	**484.2**

P : Provisional
Source : PBS

Food Group imports stood at US $ 4,205.4 million during first ten months of current fiscal year as against import of US$ 3,454.0 million during comparable last year. The import bill growth of Palm Oil, the heaviest item in this group, however witnessed a decline 4.7 percent despite its imported quantity increased by 4.1 percent showing lower international prices of this item as compared to last year. Other mentionable items in this group are the import of pulses, tea and milk & related items whose import surged by 34.3 percent, 17.3 percent and

62.8 percent, respectively. Pakistan's import of pulses surged to US$322.0 million from July 2014 to April 2015, higher by over 34 percent. A weak local production last year may be the reason that pushed the country for more import of pulses to satisfy local demand. Pakistan depends on Australia, Burma, Tanzania and Ethiopia for its pulses import. The country demand for pulses stands at about 0.6 million metric tons a year. Traders believe the good local crop always helps the country to reduce its import. Import value of pulses increased due to higher import quantity of this item by 34 percent where there prices mostly remained at last year's level. Surge in import bill of tea also comes from demand side rather than price effect. In value terms it increased by 17.3 percent against rise in import quantity by 21.1 percent showing some stability or rather downward trend in its international prices. Import bill of Milk products, however, increased mostly due to higher international prices as import bill went up to US$ 218.7 million during July-April 2014-15 from US$ 134.3 million during corresponding period of 2013-14, a rise of 62.8 percent, whereas in quantity term it rose to 27.6 percent (Table 8.9)

Growth in Import of all types of machinery shows the acceleration of economic activity in the country. Despite slow growth in overall import bill, import of Machinery group remained higher at 16.9 percent during July-April, 2014-15 over the same period last fiscal year. Import bill of power generating machinery witnessed a growth of 25.8 percent when compared with July-April 2013-14 showing activity in power sector. Import of telecom machinery remained higher 14.9 percent during July-April 2014-15 compared to corresponding period last year. Similarly import growth of Electrical machinery & Apparatus and Office machinery remained higher by 4.2 percent 91.8 percent, respectively during this period. However, import of textile machinery remained sluggish and witnessed a decline of 25.4 percent during July-April 2014-15 showing a deceleration in textile industry of the country.

Within machinery group import, telecom sector import increased by 14.9 percent during first ten months of current fiscal year compared with corresponding period last year. The imports of mobile handsets increased to reach to US$ 595.8 million during the period of July-April 2014-15 from US$ 516.2 million during same period last year, a surge of 15.4 percent. Import bill of other apparatus of telecom sector also increased by 14.3 percent during this period from US$ 510.7 million during July-April 2012-13 to US$ 583.8 million during current year. The rapid development of 3G/4G infrastructure and rising demand of smart phone may have hiked the imports of telecom sector. Import of Power generating machinery and Electrical machinery & apparatus also witnessed an increase of 25.8 percent and 4.2 percent respectively during current financial year over last financial year. Energy and electricity shortfall in the country is the major cause of constant rise in import bill of power generating machinery which mostly consist of power generators. Other sub items in machinery group such as office machinery, agricultural machinery, etc. also witnessed positive growth in their imports. However, import of construction & mining machinery witnessed a decline during July-April 2014-15 against import during corresponding period last year (Table 8.9).

Transport group import bill remained higher by 14.8 percent rising to US$ 2,138.1 million during July-April 2014-15 from US $ 1,862.4 million during July-April 2013-14.Import of road motor vehicle, CKD/SKD of buses, motor cars and motor cycles and CBU of buses, motor cars and motor cycles increased by 24.2 percent, 40.6 percent and 12.1 percent respectively during first ten months of current fiscal year over corresponding period last year showing manufacturing activity in the country. Import bill of all other major items in this group also remained on higher side except import of aircraft, boats & ships which decreased by 13.1 percent during July-April 2014-15 period against corresponding period last year.

Import of Metal group has also surged by 22.6 percent from US$ 2,466.3 million during July-April 2013-14 to US$ 3,024.6 million during July-April 2014-15 mainly due to surge in the import of iron & steel and iron & steel scrap which increased by 32.5 percent and 43.8

percent respectively showing rising construction activity in the country (Table:8.9).

Trends in Monthly Imports

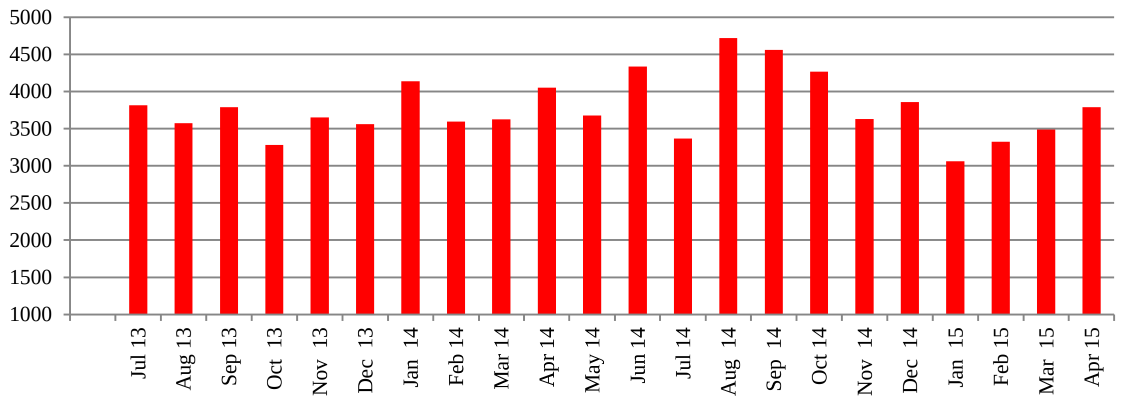
The monthly imports during July-April, 2014-15 witnessed mostly flat with the exception for the months of August, September and October. Imports averaged $ 3,806 million per month during this period as against $ 3,758 million during July-June 2013-14. Thus, on average, imports have risen only by US $ 48.0 million per month during the period. The monthly imports are tabulated in Table 8.10.and Fig-9.

Table 8.10: Monthly Imports

Month	($ Million)	
	2013-14	2014-15 P
July	3,814	3,365
August	3,572	4,718
September	3,791	4,561
October	3,281	4,266
November	3,651	3,630
December	3,561	3,859
January	4,137	3,063
February	3,597	3,323
March	3,621	3,488
April	4,053	3,790
May	3,675	-
June	4,338	-
Monthly Average	**3,758**	**3,806**

P: Provisional
Source : PBS

Fig-9: Monthly Imports ($ Million)



Direction of Imports

Like exports, Pakistan's imports are also highly concentrated in few countries. Based on current year data, around 50 percent of Pakistan imports originate from just few countries like China, Kuwait, Saudi Arabia, UAE, India, Indonesia, etc. It is worth mentioning to note that during current fiscal year, share of imports from China has sharply increased from 17 percent in last fiscal year to 23 percent during July-March 2014-15. The imbalance of trade in favour of China is highly alarming. The FTAs signed with some of the countries appears to have been playing their role for this imbalance. By and large, the relative shares of imports from other countries have remained almost same over the years. However, share of imports from Malaysia has witnessed a decline to only 2 percent which was 5-6 percent few years back. Whereas share of imports from Indonesia have been increased gradually from 2 percent few years back to around 5 percent during 2014-15. It shows some change in Pakistan's imports patterns. (Table 8.11)

Table 8.11 : Major Imports Markets (Rs. billion & Percentage Share)

Country	2009-10		2010-11		2011-12		2012-13		2013-14		July-March 2014-15 P	
	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share
U.A.E	422.0	14	469.5	14	685.1	17	837.4	19	757.1	16	515.1	15
China	370.2	13	494.9	14	685.1	17	642.4	15	793.0	17	776.0	23
Kuwait	201.8	7	284.8	8	358.8	9	392.5	9	346.7	7	196.0	6
Saudi Arabia	283.6	10	388.8	11	449.6	11	334.5	8	459.1	10	262.1	8

Table 8.11 : Major Imports Markets (Rs. billion & Percentage Share)

Country	2009-10		2010-11		2011-12		2012-13		2013-14		July-March 2014-15 P	
	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share
Malaysia	146.3	5	210.3	6	216.9	5	202.9	5	174.4	4	70.7	2
Japan	128.8	4	142.2	4	171.4	4	197.3	5	182.6	4	123.2	4
India	102.9	4	149.0	4	134.8	3	175.5	4	210.5	5	134.1	4
U.S.A	135.0	5	154.7	4	132.0	3	156.6	4	180.1	4	127.9	4
Germany	98.7	3	80.2	2	100.1	2	131.0	3	126.1	3	71.5	2
Indonesia	53.8	2	68.8	2	104.4	3	125.3	3	162.7	4	157.1	5
All Other	967.9	33	1,012.2	29	970.9	24	1,154.4	27	1,238.2	27	1,004.3	29
Total	**2,911.0**	100	**3,455.3**	100	**4,009.1**	100	**4,349.9**	100	**4,630.5**	**100.0**	**3,438.0**	**100.0**

Source: Pakistan Bureau of Statistics
P: Provisional

Conclusion

After initial gains in external sector during last financial year 2013-14, Pakistan balance of payments further improved considerably during July-April 2014-15. Current account narrowed by more than 50 percent against corresponding period last year. Country's foreign Exchange reserves posted an increase of around US$ 3.6 billion during July-April 2014-15. Exchange rate remained stable. While workers' remittances during this period posted remarkable growth of 16.1 percent. Due to a slump witnessed in international petroleum prices and some other commodities, country's import bill remained within the target. However, our exports faced many challenges during current financial year due to in-competitiveness of our exporters in regional competition, slow-down in international trade, energy shortfalls in the country, falling international prices of commodities, etc. Despite sluggish performance of exports, trade deficit remained within limits and witnessed marginal increase.

Trade and Payments

The global economy continued to expand during 2014 at a moderate and uneven pace, as the prolonged recovery process from the global financial crisis was still hindered with partial post-crisis adjustments. Global recovery was also hampered by some new challenges, including a number of unexpected shocks, such as the heightened geopolitical conflicts in various areas of the world. Six years after the global financial crisis, Gross Domestic Product (GDP) growth for a majority of the world economies has shifted to a noticeably lower path compared to pre-crisis levels.

According to UN report, Growth of World Gross Product (WGP) is estimated to be 2.6 per cent in 2014, marginally better than the growth of 2.5 per cent registered in 2013.The global economy is expected to strengthen in 2015 and 2016, with WGP projected to grow by 3.1 and 3.3 percent, respectively.

Slow and uneven recovery in major developed countries and moderate growth in developing countries have led to sluggish trade growth in the past few years. World trade is estimated to have expanded by 3.4 per cent in 2014, still well below pre-crisis trends. In the near future period, trade growth is expected to pick up moderately along with improvement in global output, rising to 4.5 percent, in 2015 and 4.9 percent, in 2016.

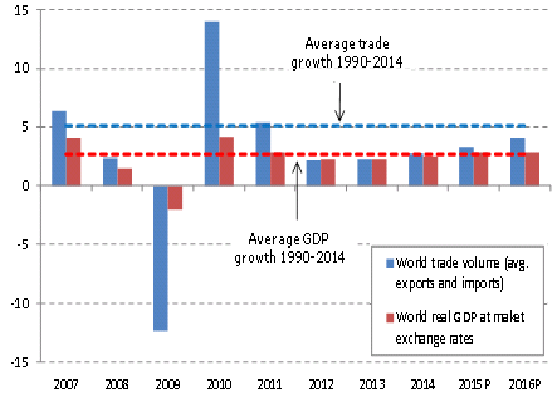
International prices of primary commodities have been on the slide for past two years, and no upturn is visible on the horizon. The Brent oil price is projected to continue its downward journey in 2015 and 2016, as the gap between demand growth and supply growth is not expected to be bridged. Oil demand growth has been slowing down throughout 2014, following sluggish economic growth in key economies, including Western Europe and Japan. The weaker-than-expected GDP growth in China has also weighed heavily on weaker demand, particularly during the second quarter of 2014. As a result, growth in oil demand was at its lowest level in more than two years. In 2015 and 2016, increasing demand in the United States is expected to partially offset the weaker demand from other developed economies. However, global demand growth for crude oil should continue at a moderate pace.

Non-oil commodity markets strengthened slightly during the first quarter of 2014, led by a surge in food prices, but eased thereafter. The Non-oil Nominal Commodity Price Index of UNCTAD increased from 245 points in January to 252 points in March 2014 and decreased afterwards by 3 per cent to reach 244 points in August. The average value of the index over the period of January–August was about 6 per cent lower than a year ago, but remains high relative to its long-term trend of the past decades. Compared to 2013, major commodity groups registered an overall decline in their prices.

International trade growth has been disappointing in recent years and it appears that recovery would continue to be slow. With economic growth still fragile and continued geopolitical tensions, this trend could easily be undermined. WTO has projected that growth in the volume of world merchandise trade will pick up only slightly over the next two years, rising from 2.8 percent in 2014 to 3.3 percent in 2015 and eventually to 4.0 percent in 2016, well below the annual average of 5.1 percent posted since 1990.The modest gains in 2014, marked the third consecutive year in which the trade grew less than 3 percent. Trade growth averaged just 2.4 percent between 2012 and 2014, the slowest rate on record for a three year period when trade was expanding (i.e. excluding years like 1975 and 2009 when world trade actually declined).

In the short-term at least, trade expansion is not expected to outstrip overall economic growth as had been the general pattern for decades. The 2.8 percent rise in world trade in 2014 barely exceeded the increase in world GDP for the year, and forecasts for trade growth in 2015 and 2016 only surpass expected output growth by a small margin (Fig-1).

Fig-1: Growth in volume of world merchandise trade and real GDP, 2007-16P (Annual % change)



Source: WTO

Several factors contributed to the sluggish output in 2014 and at the start of 2015, including slowing GDP growth in emerging economies, an uneven recovery in developed countries, and rising geopolitical tensions, among others. Strong exchange rate fluctuations, including a 14 percent appreciation of the US dollar against other currencies between July, 2014 and March, 2015 have further complicated the trade situation and outlook.

Geopolitical tensions and natural phenomena also weighed on trade growth last year. The crisis in the Ukraine persisted throughout the year, straining trade relations between Russia on the one hand and the United States and European Union on the other. Further, conflict in the Middle East also stoked regional instability.

In case of Pakistan, given continued energy shortfalls, overall security challenges, international regional currencies depreciation, sluggish world economic growth and trade, Pakistan's external sector performance remained satisfactory. Overall balance remained surplus despite slow export performance. Pak Rupee remained stable during July-April 2014-15 and FE reserves have been maintained equivalent to more than three months import bill and therefore restoring eligibility of IBRD concessional loans. This situation is admitted by the international agencies like S&P, Moody's Investors, Bloomberg and international donors like World Bank and ADB. The external sector performance is discussed in ensuing paras.

Balance of Payments

Thanks to marked improvement in the current account and substantial foreign exchange inflows, Pakistan's overall external account balance posted a surplus of US$ 2.12 billion during July-April, 2014-15 against US$ 1.95 billion in the corresponding period last year (Table:8.1).

The current account deficit almost halved to US$ 1.4 billion during July-April 2014-15 from US$ 2.9 billion in July-April 2013-14. A combination of factors helped this marked improvement including declining oil prices, larger inflows under Coalition Support Fund (CSF), lower freight charges on imports and steady growth in workers' remittances.

Capital and financial account, on the other hand, recorded a lower surplus of US$ 3.2 billion during July-April 2014-15 compared to US$ 5.3 billion during the same period last financial year. The financial account, also recorded a lower inflow during July-April 2014-15 compared to the last year, despite disbursement from the IMF under Extended Fund Facility (EFF); issuance of Sukuk bonds in international market; and disbursement of bilateral and multilateral flows.

Finally, this improvement in the external account helped country's FX reserves to reach around US$ 17.8 billion by end April, 2015 from end June 2014 level of US$ 14.1 billion and therefore, Pak rupee- dollar parity remained stable when compared with end June, 2014.

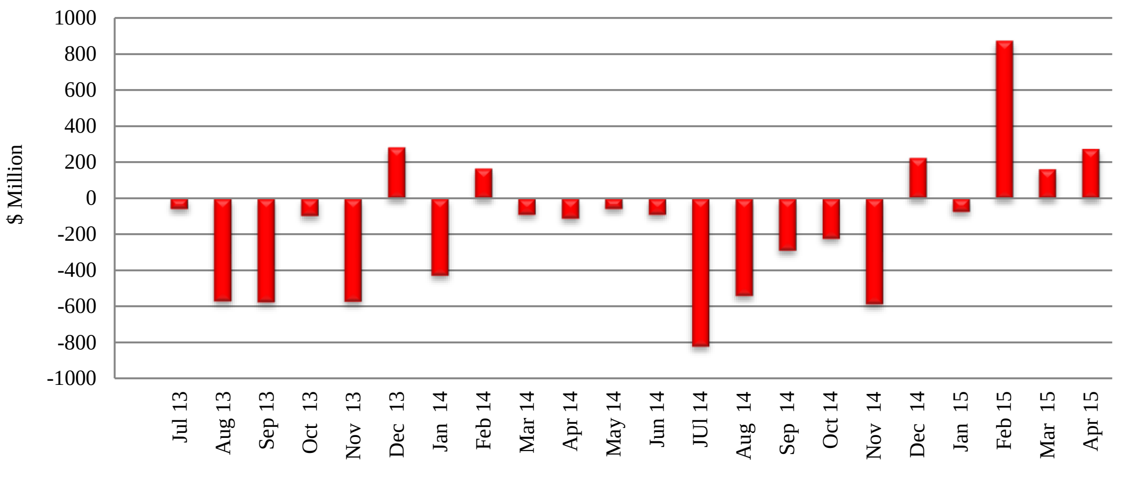
Table 8.1: Summary Balance of Payments				US $ Million
Items	**July-June**		**July-April P**	
	2012-13	**2013-14**	**2013-14**	**2014-15**
Current Account Balance	-2,496	-3,130	-2,931	-1,364
Trade Balance	-15,431	-16,701	-13,811	-13,910
Goods: Exports	24,795	25,068	20,834	20,176
Goods: Imports	40,226	41,769	34,645	34,086
Service Balance	-1,472	-2,551	-2,349	-1,632
Services: Credit	6,733	5,322	4,197	5,026
Services: Debit	8,205	7,873	6,546	6,658
Income Account Balance	-3,685	-3,943	-3,169	-3,576
Income: Credit	488	541	453	476
Income: Debit	4,173	4,484	3,622	4,052
Current Transfers Net	18,092	20,065	16,398	17,754
Of which:				
Workers' Remittances	13,922	15,837	12,898	14,970
Capital & Financial Account	813	7,379	5,263	3,182
Capital Account	264	1,857	1,782	346
Financial Account	549	5,522	3,481	2,836
Direct Investment in Pakistan	1,456	1,669	898	826
Portfolio Investment (net)	224	2,718	2,241	1,823
Other Investment	-107	799	438	247
Net Errors and Omissions	-309	-391	-382	300
Overall Balance	-1,992	3,858	1,950	2,118

Source: State Bank of Pakistan
P: Provisional

Current Account

The current account deficit stood at US$ 1.4 billion in July-April 2014-15, which was 53.5 percent less than the deficit of US$ 2.9 billion in July-April 2013-14. Although the major contribution came from the CSF inflows, the lower freight payments and a sustained growth in workers' remittances also helped towards improving the current account. Furthermore, monthly data shows the current account surplus in the months of December 2014, February, March and April 2015 (Fig-2).

Fig-2 Monthly Current Account



The trade deficit posted a marginal increase of around 0.7 percent during July-April FY15, primarily due to decline in exports. On the other hand, higher imports of metal, machinery, agriculture & other chemicals, and transport, nearly offset the gain in import bill from a sharp fall in international POL prices.

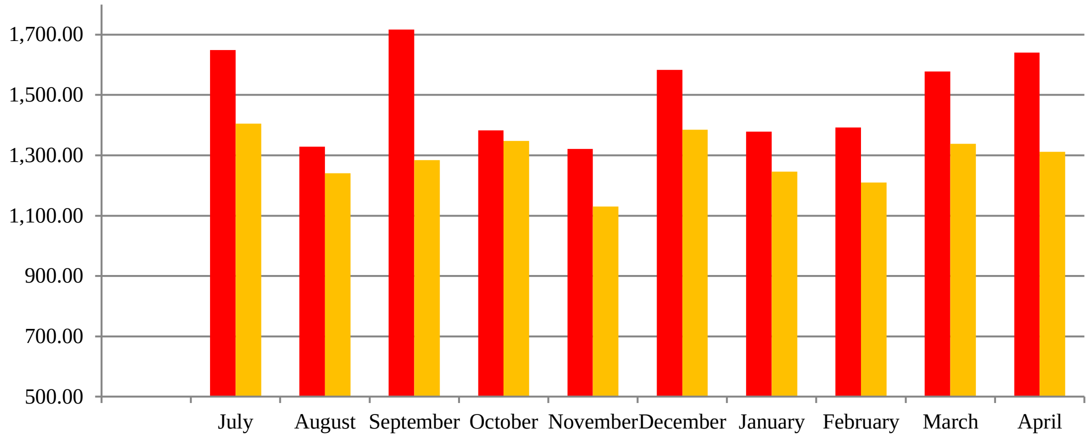
Due to inflows of US$ 1.5 billion under CSF, services account showed a lower deficit of US$ 1.6 billion during July-April 2014-15, compared to a deficit of US$ 2.3 billion during the corresponding period last year. Lower freight expenses (as shipping companies have apparently started passing on the impact of cheaper oil) also provided some relief.

In the case of income account, the deficit increased marginally from US$ 3.2 billion in July-April 2013-14 to US$ 3.6 billion during July-April 2014-15, mainly due to higher interest payments. Specifically, interest payments on external debt during July-April 2014-15 were US$252 million higher than that in the same period last year.

Workers' Remittances

Following the impressive growth of 13.7 percent during 2013-14, inflows under worker's remittances gained further momentum and recorded an increase of 16.1 percent during July-April 2014-15 when compared with corresponding period last year. Most of the rise came from the GCC countries, especially the UAE and Saudi Arabia, mainly reflecting the vibrant non-oil sector in this region. According to the IMF, the GCC is expected to post 4.4 percent growth during 2014, on the back of expansion in the infrastructure (Table: 8.2 and Fig-3 and 4).

Fig-3: Monthly Workers' Remittances ($ Million)



At the same time, Pakistan is making efforts to promote the use of formal channels for the remittance transfer. Besides banks, microfinance institutions (MFIs) are now being tied up with global money transfer organizations. Since MFIs are more agile and responsive to the need of customers, their inclusion would improve the remittance delivery mechanism. Moreover, under the Pakistan Remittance Initiative (PRI), opening of bank accounts by departing workers is mandatory. Having a bank account would also address the negative perception of migrants and their families about the financial sector, which is one of the major reasons behind the use of informal means to send money.

Fig-4: Worker's Remittances 2014-15

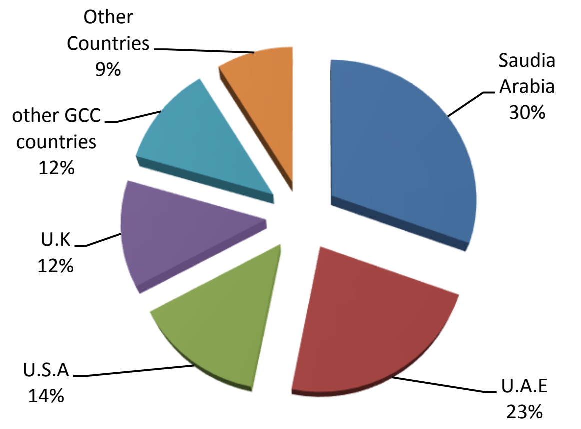


Table: 8.2 Country/Region Wise Cash workers' Remittances				($ Million)
Country/ Region	July-April			
	FY14	FY15 P	% Change	% Share
USA	2,028.5	2,105.5	3.8	14.1
U.K.	1,798.4	1,845.3	2.6	12.3
Saudi Arabia	3,806.4	4,565.4	19.9	30.5
UAE	2,523.0	3,384.3	34.4	22.6
Other GCC Countries	1,527.4	1,751.2	14.7	11.7
EU Countries	355.4	298.9	-15.9	2.0
Other Countries	858.8	1,019.1	18.7	6.8
Total	**12,897.9**	**14,969.7**	**16.1**	**100**

P: Provisional
Source: State Bank of Pakistan

Capital & Financial Account

Capital and financial accounts posted a surplus of US$ 3.2 billion during July-April 2014-15, compared to US$ 5.3 billion during the same period last year. Capital account showed a surplus of US$ 346 million during July-April 2014-15 as compared to corresponding period last year. The financial account, on the other hand, posted a surplus of US$ 2.8 billion during July-March 2014-15, compared to US$ 3.5 billion last year.

During July-April 2014-15, net foreign investment recorded US$ 2.6 billion inflow compared to US$ 3.1 billion last year (Table 8.3). The rise in foreign investment was largely explained by the foreign public investment that witnessed net inflows of US$0.94 billion during the period under review. Issuance of Sukuk by the government was the major contributory factor in higher public investment. In case of Foreign Direct Investment (FDI), telecom, power, textiles and food packing sectors recorded higher inflows during the period under review. On the other hand, pharmaceuticals, metal and food sector witnessed net outflows in FDI during July-April 2014-15. China, USA, UAE and Norway were the major contributors in net foreign investment in Pakistan.

Table 8.3: Foreign Investment			($ Million)
	July-April		% Change
	2013-14	2014-15 P	
A. Foreign Private Investment	1,050.3	1,666.2	58.6
Foreign Direct Investment	897.0	824.9	(8.0)
Portfolio Investment	153.4	841.3	448.5
B. Foreign Public Investment	2,059.9	936.9	(54.5)
Total Foreign Investment (A+B)	3,110.3	2,603.1	(16.3)

P : Provisional

Foreign Exchange Reserves and Exchange Rate

Pakistan's foreign exchange reserves reached US$ 17.8 billion by end-April 2015, from US$ 14.2 billion at end-June 2014, largely due to improvement in the current account, disbursement of IMF loan under the EFF, and mobilization of Sukuk by the government in the international capital market. The increase was mainly concentrated in reserves held by the central bank, as foreign exchange reserves of the commercial banks remained almost stagnant.

Quarterly data shows that the FX market remained under pressure during Q1-2014-15 when the country's FX reserves declined by US$ 630 million, and the PKR posted a depreciation of 3.7 percent. This was mainly due to turmoil on political front in the country and resultant delay in the conclusion of quarterly IMF review. However, after the successful conclusion of the 4th and 5th reviews of the IMF, the reserves improved to comfortable levels. The historical background of cash foreign reserves for the last 37 years is given in Box.1.

Box-I: Trends in Foreign Exchange Reserves

End Period	Net Reserves With SBP	Total Liquid Reserve
FY 78	641.0	641.0
FY 79	317.0	317.0
FY 80	672.3	672.3
FY 81	1,000	1,000
FY 82	780	780
FY 83	1,735	1,735
FY 84	1,529	1,529
FY 85	561	561
FY 86	862	862
FY 87	796	796
FY 88	457	457
FY 89	389	389
FY 90	529	529
FY 91	583	583
FY 92	1,012	1,012
FY 93	461	461
FY 94	2,305	2,305
FY 95	2,743	2,743
FY 96	2,065	2,065
FY 97	1,219	1,219
FY 98	930	930

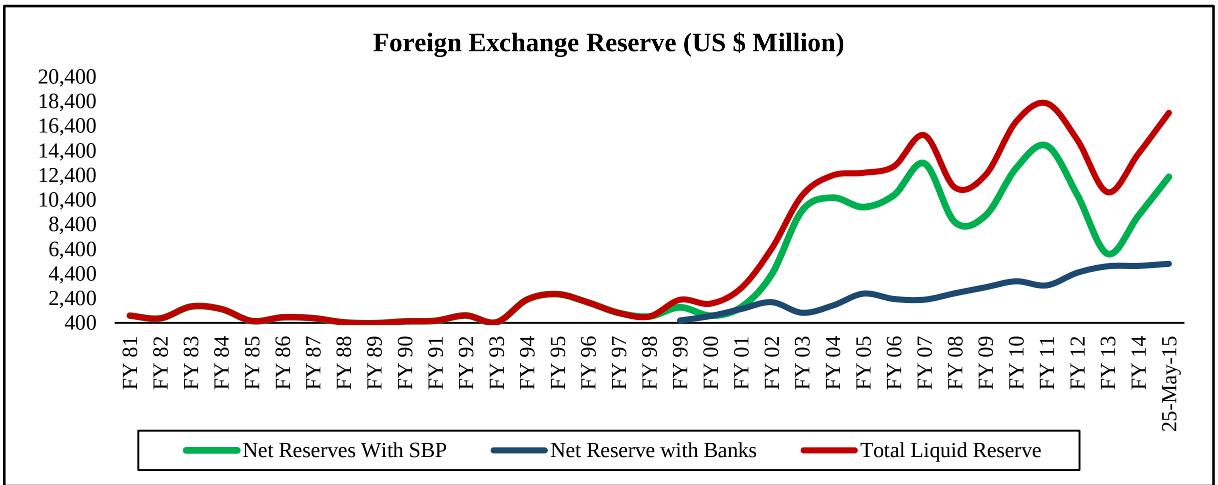
End Period	Net Reserves With SBP	Net Reserve with Banks	Total Liquid Reserve
FY 99[1]	1,672.7	616.5	2,289.2
FY 00	997.0	976.6	1,973.6
FY 01	1,688.9	1,542.6	3,231.5
FY 02	4,337.4	2,098.2	6,435.6
FY 03	9,529.1	1,240.0	10,769.1
FY 04	10,563.9	1,825.0	12,388.9
FY 05	9,804.7	2,792.9	12,597.6
FY 06	10,765.2	2,357.2	13,122.4
FY 07	13,345.4	2,301.8	15,647.2
FY 08	8,577.0	2,821.7	11,398.7
FY 09	9,117.9	3,307.3	12,425.2
FY 10	12,958.2	3,792.2	16,750.4
FY 11	14,783.6	3,460.2	18,243.8
FY 12	10,803.3	4,485.3	15,288.6
FY 13	6,008.4	5,011.2	11,019.6
FY 14	9,097.5	5,043.6	14,141.1
25-May-15	12,258.9	5,209.8	17,468.7

[1] The compilation of bank reserves started since FY 99. Earlier, banks accepting foreign currency were required to surrender the foreign exchange to SBP. On June 20, 1998, through a circular on FE-25, banks were exempted to surrender foreign exchange component to SBP.

Foreign Exchange Reserves are often taken as a yardstick to gauge a country's financial strength. Credit rating agencies like Moody's, S & P etc. give significant importance to country's foreign exchange reserves.

In Pakistan, a consistent volatility had seen in Net Reserves With SBP and thus in total Foreign Exchange Reserves. During FY 11, country's Foreign Exchange Reserves reached at US $ 18.2 billion. However unluckily these were not maintained and thus started depleting. By end June FY 12 and FY 13, these were depleted by 16 percent and 28 percent respectively thus entered into dangerous zone.

With consistent effort of the present government, in FY 14, there was 28 percent growth in foreign exchange reserves, thus entering safe territory and no longer existence of any risk to the economy. Both credit rating agencies Moody's and S & P has upgraded credit rating of the country. Due to better polices of the government foreign exchange reserves are continuously increasing and stood at US $ 17.5 billion and it is expected to increase more than $22 billion at the end of 2016-17.



Due to the improved current account position and higher foreign exchange inflows, average exchange rate remained at Rs 101.5 per US$ during July-April 2014-15, compared to Rs 104.7 per US$ last year. Monthly data shows that Pak rupee posted a depreciation of 3.1 percent during July-April 2014-15, compared to a depreciation of 0.9 percent during the same period last year. This pressure came from delays in the 4th review of the IMF program and the political uncertainty in the country since mid-August. However, after the disbursement of two tranches by IMF in December 2014, the pressure on PKR eased. The PKR appreciated in the second quarter of 2014-15, and then stabilized at just below Rs 102 per US$.

Trends in Exports

Pakistan's exports have been stagnant for the last few years, wavering around US$ 24-25 billion. During July-April, 2014-15, exports stood at US$ 19,926 million against US$ 20,979 million during corresponding period last year. Bangladesh's exports, for instance, surpassed the $30 billion-mark last year and is set to hit the current year's target of $34.5 billion. According to a UN study covering a 30-year period (1980-2011), India's share of world exports improved from 0.43 percent to 1.7 percent; Bangladesh's from 0.04 percent to 0.14 percent; Malaysia's from 0.74 percent to 1.34 percent, and Thailand's from 0.37 percent to 1.35 percent. Pakistan's share, however, remained stagnant at 0.15 percent. However, since January 2014, when duty-free access under the GSP Plus was granted, Pakistan's exports to Europe spiked 21 percent, but this was at the cost of other markets.

Pakistan's exports base and markets are extremely narrow. Over 55 percent of its exports earning are contributed by the cotton group alone. The other three items namely leather, synthetic made ups and rice contribute about 14 percent of total exports. Unfortunately, the above four items are relatively low value added product. Pakistan has not made much progress in increasing the number of products. Pakistan is also yet to enter in hi-tech exports. Similarly, in addition to diversification of products, new markets of our exports needs to be explored in African countries, South America, ASEAN region, Russia, Eastern Europe etc. Presently, our exports are concentrated to few markets in North America, European Union, and Middle East countries.

Experts assign number of reasons for the slowdown in exports which include:

- **Decrease in International prices of commodities:-**There has been a global trend of decrease in prices of cotton and rice. These commodities have seminal importance in Pakistan's exports and the decrease in prices has adversely affected Pakistan's exports. The average unit price (AUP) of non-basmati rice, which constitutes 70 percent of Pakistan's rice exports by value, declined by 2 percent; similarly, the AUP of cotton and yarn have declined by 78 percent and 10 percent respectively.[1]
- **Increase in Cost of Production:** While the prices of agricultural commodities have declined, the cost of production in Pakistan has increased due to increased energy and other input costs. Pakistan's ranking in Global Competitiveness Index decreased from 128th in 2013-14 to 129th in 2014-15.[2]
- **Energy Crises:-**The energy deficit and the bias in energy distribution policy in favour of domestic consumers vis-à-vis industrial consumers are seriously affecting the supply capacities of exporting enterprises.
- **Lack of Research & Development:-** Research and development has traditionally been a low priority both in the public and private sectors. For instance, there is near absence of development of new high yielding varieties of cotton and rice. India has developed many basmati and basmati-look-alike (non-basmati) varieties during the last few years whereas Pakistan has failed to develop any basmati variety during the last 30 years. Consequently, the traditional markets of basmati rice are being gradually grabbed by India with high yielding basmati varieties. Though lack of R&D is a long term issue, its adverse impact is becoming increasingly pronounced.

[1] Source: Pakistan Bureau of Statistics

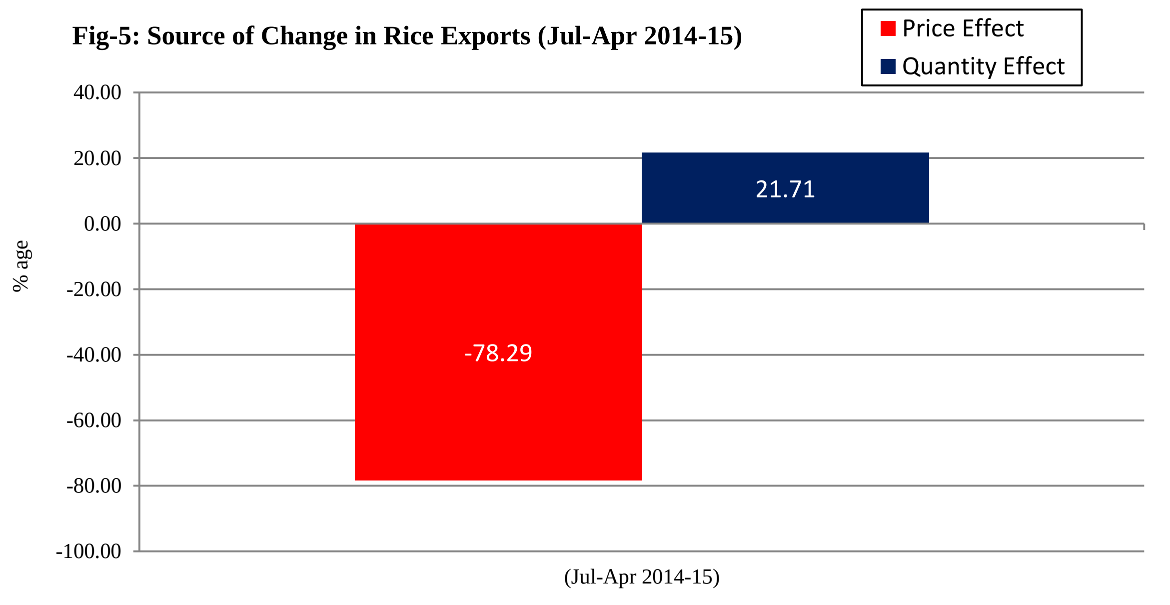
[2] The Global Competitiveness Report 2014-15 by World Economic Forum

- Pakistan's major export markets – the United States, the European Union, China and the Middle East are experiencing an economic slowdown. Further, ongoing energy situation is no doubt a severe impediment to various exports related industries in particular textile and causing exporters to struggle to meet the demand from importers. The international commodity price slump is another reason for the anemic export growth. Some experts are of the view that Preferential Trade Agreements (PTAs) and Free Trade Agreements (FTAs) with trading partners which were drafted in haste are another cause of stagnant export growth and did not help the economy either.

As per Annual Plan 2014-15, Exports were targeted to grow by 5.8 percent to reach to US$ 27.0 billion. The target was set on account of momentum building in exports due to GSP Plus status, underlying assumption of improvement in energy situation and increase in trade with regional partners, etc. Export, due to the factors discussed in preceding paras, remained sluggish during the current fiscal year (July-April 2014-15) and amounted to US$ 19,921.5 million as against US$ 20,979.1 million, thereby showing a decline of 5.0 percent. Security problems, non-availability of utilities at competitive rates, competitiveness in the international markets are the major problems for the Pakistani exporters, Pakistan's textile exports that constitute more than 50 percent of the total exports is effectively stagnant at around US$13 billion for the past many years because industrialists are busy producing raw-materials or basic unfinished products that do not fetch desired margins. With over $19 billion in textile exports, Bangladesh – Pakistan's main competitor in the textile industry – has already gone too far by investing in quality readymade garments. After China, Bangladesh is the second biggest textile exporter as it has doubled its exports in the last 10 years leaving both its traditional competitors – Pakistan and India – far behind in the competition.

Decline in exports has been observed across the board where all the major categories of exports registered a negative growth. Food group as a whole witnessed a decline of around 2.0 percent during July-April 2014-15 as compared to corresponding last year. Major decline within this group came from the export of Basmati rice which witnessed a decline of 22.5 percent in quantity term. However, due to favorable prices of Basmati rice its exported value remained 18.5 percent down. On the other hand export quantity of other brand of rice witnessed a growth of 7.1 percent but due to less favorable prices its earning could only grew by 1.0 percent. Export of rice as a whole, therefore grew negatively by 5.4 percent despite its export quantity improved by 2.2 percent. The negative price effect in case of rice export is so dominating over weak positive quantity effect that overall net effect on value of export of rice remained negative by 56.6 percent. Source in decline in export value of rice decomposed in quantity and price effects is described in Fig-5.

Fig-5: Source of Change in Rice Exports (Jul-Apr 2014-15)



All other major items in food group witnessed a positive growth except Fish & fish preparations which shows a nominal decline both in quantity and value terms. Export of sugar witnessed a growth of 1.6 percent despite its quantity export declined by 2.2 percent showing better international prices as compared to last year. However due to less surplus available in sugar export we could not be benefitted by the better prices. Similarly export earnings from fruits and vegetables grew positively. Specially fruits export earnings grew marginally by 0.5 percent despite marked decrease in its quantity exported by 13.9 percent showing strong positive price effect. Our fruit exporters could not take advantage of the favorable prices may be due to capacity lacking. On the other hand vegetables export increased by 20 percent in quantity and 5 percent in value term.(Tables 8.4 and 8.5)

Table 8.4: Source of Change in Exports (July-April, 2014-15)

#	Commodity	% Share in total Exports*	% Change in Quantity	% Change in $ Value	Price Effect in %*	Quantity Effect in %*
1	Rice	8.78	2.2	(5.4)	-78.29	21.71
	a) Basmati	2.52	(22.5)	(18.4)	16.60	-83.40
	b) Others	6.27	7.1	1.0	-45.96	54.04
2	Fish &Fish preparations	1.44	(3.5)	(2.4)	23.77	-76.23
3	Fruits	2.01	(13.9)	0.5	50.80	-49.20
4	Sugar	1.26	(2.2)	1.6	62.98	-37.02
5	Meat and Meat preparations	1.02	0.1	5.5	97.40	2.60
6	Raw Cotton	0.73	(14.2)	(26.2)	-49.59	-50.40
7	Cotton Yarn	7.97	0.8	(7.5)	-91.27	8.73
8	Cotton Cloth	10.48	(23.1)	(11.0)	35.82	-64.18
9	Knitwear	9.95	1.4	7.8	80.89	19.11
10	Bed wear	8.77	1.2	(1.1)	-66.52	33.48
11	Towels	3.26	(0.9)	3.2	81.19	-18.81
12	Readymade Garments	8.64	5.8	9.1	35.11	64.89
13	Carpets,Rugs &Mats	0.51	(21.6)	(3.7)	45.88	-54.12
14	Leather Tanned	2.05	(23.8)	(7.2)	42.16	-57.84
15	Leather Garments	1.55	(29.4)	(9.3)	41.99	-58.01
16	Leather Gloves	0.89	(16.5)	6.9	57.76	-42.24
17	Electric Fans	0.13	(20.3)	(8.5)	37.91	-62.09
18	Cement	1.92	(7.6)	(7.6)	-0.07	-99.94

Source: Pakistan Bureau of Statistics
*: Calculated by Economic Adviser's Wing, Finance Division, GoP

Though the Textile group's exports as a whole witnessed a decline of 1.2 percent during July-April 2014-15 as compared to same period last year, however its major value added items except cotton cloth witnessed a positive growth. The export of primary commodities like raw cotton, cotton yarn registered negative growth by 26.2 percent and 7.5 percent respectively. Negative growth in cotton cloth is highly alarming particularly after attaining GSP plus status from EU. Cotton cloth export declined by 23.1 percent in quantity and 11.0 percent in value term showing stronger negative quantity effect. In short decline in Textile sector exports comes from these two items i-e cotton yarn and cotton cloth. Export of bed-wear also declined during July-April 2014-15 marginally by 1.1 percent due to price effect though its export quantity increased by 1.2 percent. During July-April 2014-15, export earnings of readymade garments, knitwear, towels and other made-up articles grew handsomely by 9.1 percent, 7.8

percent, 3.2 percent and 1.0 percent, respectively over the same period last year. The strong price effect over quantity effect is the major reason for export growth of these items during current fiscal year (Tables 8.4 and 8.5).

Table 8.5 : Structure of Exports ($ Million)

	Particulars	July-April			
		2013-14	**2014-15 P**	**% Change**	**Absolute Change**
	Total	**20,979.1**	**19,921.5**	**-5.0**	**-1057.6**
A.	**Food Group**	**3,942.5**	**3,862.1**	**-2.0**	**-80.4**
	Rice	1,850.3	1,749.7	-5.4	-100.6
	Sugar	247.5	251.5	1.6	4.0
	Fish & Fish Preparation	294.1	287.0	-2.4	-7.1
	Fruits	398.0	399.9	0.5	1.9
	Vegetables	186.7	196.0	5.0	9.3
	Wheat	7.0	3.0	-57.4	-4.0
	Spices	45.1	54.0	19.7	8.9
	Oil Seeds, Nuts & Kernels	76.9	61.5	-20.0	-15.4
	Meat & Meat Preparation	191.8	202.3	5.5	10.5
	Other Food items	645.0	657.2	1.9	12.2
B.	**Textile Manufactures**	**11,420.1**	**11,281.6**	**-1.2**	**-138.6**
	Raw Cotton	196.1	144.7	-26.2	-51.4
	Cotton Yarn	1,715.8	1,587.1	-7.5	-128.7
	Cotton Cloth	2,345.8	2,088.1	-11.0	-257.7
	Knitwear	1,839.2	1,981.9	7.8	142.7
	Bedwear	1,767.3	1,747.4	-1.1	-20.0
	Towels	629.9	650.1	3.2	20.2
	Readymade Garments	1,577.9	1,722.1	9.1	144.2
	Made-up articles	542.1	542.6	0.1	0.5
	Other Textile Manufactures	806.0	817.7	1.4	11.6
C.	**Petroleum Group**	**601.3**	**538.6**	**-10.4**	**-62.7**
	Petroleum Products	58.6	302.3	415.8	243.7
	Petroleum Top Neptha	542.7	236.3	-56.5	-306.4
D.	**Other Manufactures**	**3,867.3**	**3,213.1**	**-16.9**	**-654.2**
	Carpets, Rugs & Mats	106.5	102.6	-3.7	-3.9
	Sports Goods	290.4	271.9	-6.4	-18.5
	Leather Tanned	439.3	407.9	-7.2	-31.5
	Leather Manufactures	520.5	498.2	-4.3	-22.3
	Surgical G. & Med. Inst.	284.9	284.1	-0.3	-0.8
	Chemical & Pharma. Pro.	968.8	809.2	-16.5	-159.6
	Engineering Goods	255.6	188.7	-26.2	-66.9
	Jewellery	318.3	5.8	-98.2	-312.5
	Cement	413.7	382.4	-7.6	-31.3
	Guar & Guar Products	58.3	49.9	-14.5	-8.5
	All Other Manufactures	210.8	212.4	0.8	1.6
E.	**All Other items**	**1,147.9**	**1,026.1**	-10.6	-121.8

P : Provisional
Source : PBS

Petroleum & Coal Group's exports witnessed a decline of 10.4 percent during July-April 2014-15 over corresponding period of 2013-14 mainly due to the 56.5 percent decline in the export of Petroleum top Naphta from US$ 542.7 million during July-April 2013-14 to US$ 236.3 million during July-April 2014-15. Export of crude oil during July-April 2014-15 brought a handsome earning of US$ 237.8 billion against no export of this item during corresponding period last year.

Other Manufactures Group also registered a marked 16.9 percent decline in exports during July-April 2014-15 against same period last year. Almost all major and mentionable items in this group witnessed negative growth both in terms of quantity and value earning. Export value of Leather Tanned declined from US$ 439.3 million during July-April 2013-14 to US$ 407.9 million (7.2 percent) in current year July-April period mainly due to quantity effect despite higher international price of this item. Other leather manufacturing items also witnessed negative growth including leather garments (9.3 percent decline). However, export growth of leather gloves and leather footwear remained positive by 6.9 percent and 14.4 percent, respectively, mainly due to price effect.

Export of chemical & pharmaceutical Products witnessed a decline of 16.5 percent and engineering goods by 26.2 percent. All items in these sub group witnessed decline mostly due to quantity effect. Export of jewellary came down from US$ 318.3 million during July-April 2013-14 to just US$ 5.8 million during current year. Whereas export of Cement declined by 7.6 percent during this period mostly due to less demand abroad. (Tables 8.4 and 8.5)

Trends in Monthly Exports

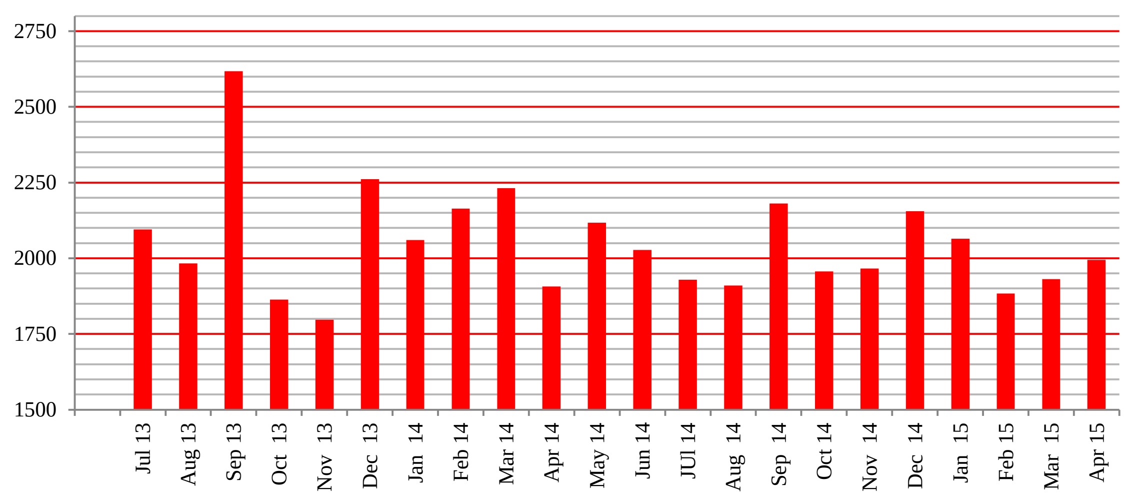
The monthly exports for the period July-April, 2014-15 shows mostly mixed trend and remained for some months above the corresponding months of last year and for some months below the corresponding month of last year, averaging $ 1,997 million per month as against an average of $ 2,098 million during July-June last year. (See Table 8:6 and Fig-6)

Table 8.6: Monthly Exports

Month	($ million)	
	2013-14	2014-15 P
July	2,095	1,930
August	1,983	1,910
September	2,617	2,181
October	1,864	1,957
November	1,796	1,966
December	2,261	2,156
January	2,061	2,064
February	2,163	1,884
March	2,232	1,932
April	1,907	1,995
May	2,117	
June	2,027	
Monthly Average	**2,098**	**1,997**

Source: PBS
P : Provisional

Fig-6: Monthly Exports ($ million)



Concentration of Exports

Pakistan's exports are highly concentrated in few items namely, cotton and cotton manufactures, leather, rice, chemicals & pharma products and sports goods. These five categories of exports accounted for about 69.3 percent of total exports during July-March 2014-15 with cotton manufactures alone contributing 55.4 percent, followed by rice (8.8 percent) and leather (5.1 percent). The degree of concentration further increased in favour of these items during current financial year.

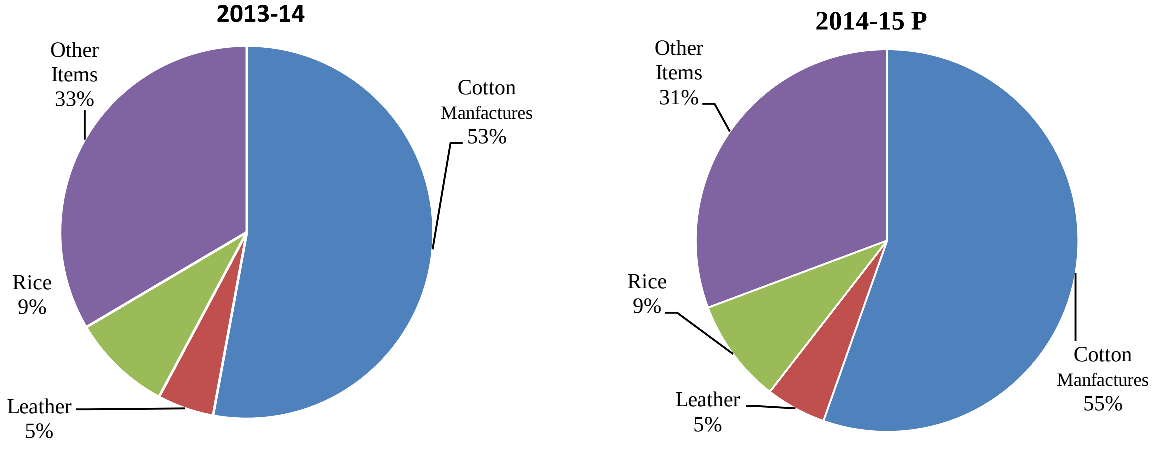
Further disaggregation reveals that products exports in a few items are a major cause of instability in export earnings. The annual percentage shares of the major export commodities are given in Table 8.7 as well as in Fig-7.

Table 8.7 : Pakistan's Major Exports (Percentage Share)

Commodity	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	July-March	
							2013-14	2014-15 P
Cotton Manufactures	52.6	50.6	52.9	49.6	51.6	53.1	52.9	55.4
Leather**	5.4	4.5	4.4	4.4	4.7	5.1	4.9	5.1
Rice	11.2	11.3	8.7	8.7	7.8	7.6	8.7	8.8
Sub-Total of three Items	**69.2**	**66.4**	**66.0**	**62.7**	**64.1**	**65.8**	**66.5**	**69.3**
Other items	30.8	33.6	34.0	37.3	35.9	34.2	33.5	30.7
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

Fig-7: Concentration of Exports



Direction of Exports

Although Pakistan trades with a large number of countries, its exports nevertheless are highly concentrated in few countries. About 60 percent of Pakistan's exports' destinations are to ten countries namely, USA, China, UAE, Afghanistan, UK and Germany, France, Bangladesh. Italy and Spain. Further, among these countries, the maximum export earnings come from USA (15 percent) and European countries (20 percent) making up approximately one-third of the total. China with its share (9 percent) in total exports has become our regional trading partner. The share of export to Afghanistan in total exports, however, witnessed a decline in recent years from 10 percent in 2011-12 to 8 percent during current year. The share of exports to EU countries like France, Italy, Spain, etc. remained relatively stagnant. However, it is expected that with the grant of GSP plus status, Pakistan exports to EU countries will gain momentum in coming days. Pakistan exports to Bangladesh, UAE and some other Asian countries also could not show much growth despite existence of FTAs (Table 8.8, Fig-8).

Fig-8: % Share of Exports 2014-15

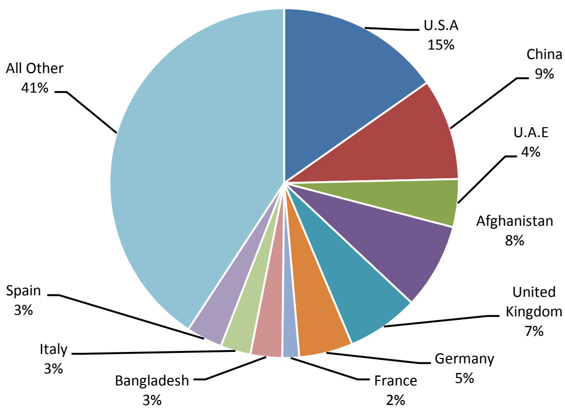


Table 8.8 : Major Exports Markets (Rs. billion & Percentage Share)

Country	2009-10		2010-11		2011-12		2012-13		2013-14		July-March 2014-15 P	
	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share
U.S.A	281.7	17	338.3	16	315.3	15	341.3	14	381.5	15	276.5	15
China	96.7	6	139.7	7	195.9	9	252.5	11	249.0	10	169.9	9
U.A.E	144.2	9	154.6	7	205.6	10	205.4	9	180.0	7	80.5	4
Afghanistan	131.7	8	199.6	9	200.6	10	200.0	8	192.5	7	143.6	8
United Kingdom	86.1	5	103.1	5	105.7	5	121.2	5	161.5	6	120.7	7
Germany	66.5	4	108.8	5	94.0	4	93.6	4	117.9	5	90.1	5
France	26.7	2	34.1	2	29.8	1	93.7	4	42.7	2	28.3	2
Bangladesh	40.6	3	86.8	4	56.6	3	68.7	3	71.8	3	53.2	3
Italy	50.8	3	67.6	3	51.6	2	52.2	2	75.6	3	50.6	3
Spain	36.4	2	48.9	2	43.7	2	51.0	2	72.0	3	60.6	3
All Other	655.9	41	839.3	51	811.9	38	887.0	37	1,039.0	40	738.8	41
Total	**1,617.5**	100	**2,120.8**	100	**2,110.6**	100	**2,366.5**	100	**2,583.5**	**100.0**	**1,812.8**	100

Source: Pakistan Bureau of Statistics
P: Provisional

Box-II: Evaluation of Pakistan's exports to European Union (EU) under the GSP Plus regime

Pakistan's exports to EU Calendar year 2005 – 2014

Pakistan's exports to EU member states increased from US$ 4.25 billion in 2005 to US$ 6.21 billion in 2013. The Compound Annual Growth Rate (CAGR) of exports to EU has been 4.85 % only. However as a result of grant of GSP Plus to Pakistan by EU, Pakistan's exports to EU during the year 2014 amounted to US$ 7.54 billion.

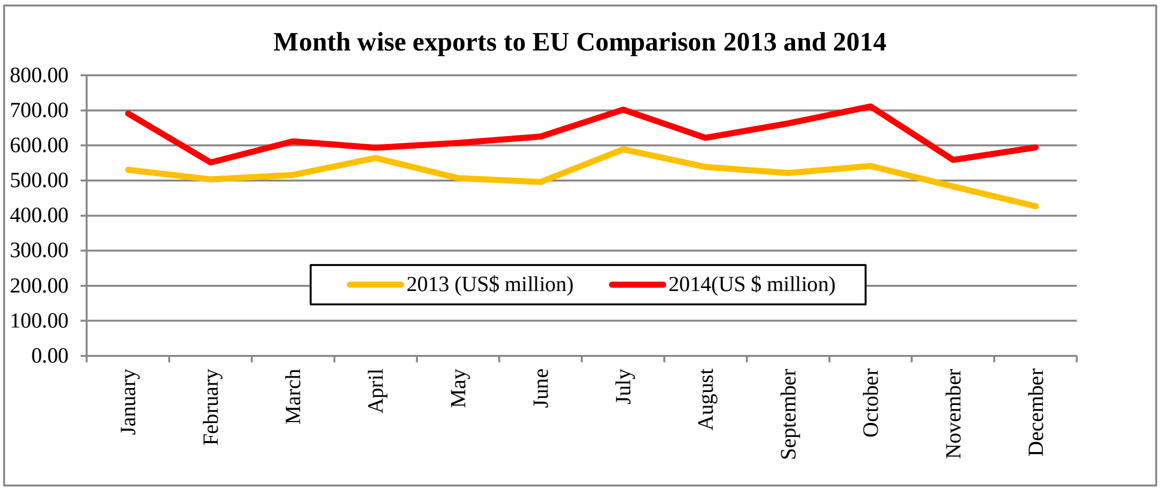
(US$ billion)

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	**2014**
Exports	4.25	4.55	4.76	5.00	4.59	5.31	6.40	5.67	6.21	**7.54**

Impact of GSP Plus on Pakistan's exports to EU

As a result of GSP Plus Pakistan's exports to EU have increased from US$ 6.21 billion during 2013 to US$ 7.54 billion in 2014. Thus as a result of GSP Plus Pakistan's exports to EU registered an increase of US$ 1.32 billion in one year. This represents an increase of 21 percent.

Month/Year	**Pak exports to EU 2013 (USD million)**	**Pak exports to EU 2014 (USD million)**	**Increase in exports to EU in 2014 (USD million)**	**%age increase**
January	533.88	694.98	161.10	30.17
February	502.65	552.21	49.57	9.86
March	514.63	611.48	96.85	18.82
April	564.52	593.45	28.94	5.13
May	506.03	606.79	100.76	19.91
June	495.73	625.42	129.68	26.16
July	588.48	703.29	114.81	19.51
August	538.72	622.44	83.72	15.54
September	521.12	664.14	143.02	27.44
October	541.62	711.29	169.67	31.33
November	483.37	558.37	75.00	15.52
December	426.61	594.06	167.45	39.25
Total	**6,217.36**	**7,537.93**	**1,320.57**	**21.24**



Analysis of Competitors

Countries	Exports to EU 2013 (US$ million)	Exports to EU 2014 (US$ million)	Increase or Decrease (US$ billion)	Increase/Decrease (%)
Pakistan	**6.22**	**7.54**	**1.32**	**21.24**
India	50.47	50.78	0.31	0.61
Turkey	69.40	74.34	4.94	7.13
Vietnam	29.12	30.24	1.12	3.85
Bangladesh	14.93	16.86	1.93	12.95

1. Impact of GSP Plus on exports of Textile products to EU

Pakistan's exports of Textile products to EU in 2014 amounted to US$ 5.33 billion. This represents an increase of US$ 1.02 billion as Pakistan's exports of Textiles to EU as in 2013 it amounted to US$ 4.31 billion. This represents an increase in exports by 23.61%. Sector wise break up is given below:

Sector	Pak exports to EU 2013 (US$ million)	Pak exports to EU 2014 (US$ million)	Increase (US$ million)	Increase (%)
Total Textiles increase	**4,312.19**	**5,330.16**	**1,017.97**	**23.61**
Textile Garments	1,915.96	2,501.26	585.30	30.55
Home Textiles	1,141.35	1,489.44	348.09	30.50
Towels	201.23	250.01	48.79	24.24
Cotton and intermediate goods of Textiles	1,012.13	1,046.10	33.97	3.36
Carpets and Rugs	41.51	43.34	1.83	4.40

2. Impact of GSP Plus on exports of Footwear to EU

Sector	Pak exports to EU 2013 (US$ million)	Pak exports to EU 2014 (US$ million)	Impact of GSP Plus (US$ million)	%change increase
Footwear	77.12	99.73	22.61	29.32

3. Impact of GSP Plus on exports of Leather to EU

Sector	Pak exports to EU 2013 (US$ million)	Pak exports to EU 2014 (US$ million)	Impact of GSP Plus (US$ million)	%change increase/decrease
Leather	573.41	628.73	55.32	9.65

Impact of GSP Plus on exports of Intermediary goods of Leather to EU

Sector	Pak exports to EU 2013 (US$ million)	Pak exports to EU 2014 (US$ million)	Impact of GSP Plus (US$ million)	%change increase/decrease
Raw Hides and Intermediary goods of Leather	136.28	151.92	15.64	11.48

Impact of GSP Plus on exports of articles of Leather to EU

Sector	Pak exports to EU 2013 (US$ million)	Pak exports to EU 2014 (US$ million)	Impact of GSP Plus (US$ million)	%change increase/decrease
Articles of Leather	437.13	476.81	39.68	9.08

4. Impact of GSP Plus on exports of Plastics to EU

Sector	Pak exports to EU 2013 (US$ million)	Pak exports to EU 2014 (US$ million)	Impact of GSP Plus (US$ million)	%change increase/decrease
Plastics	44.45	77.68	33.23	74.76

Imports

Pakistan like other developing countries benefited by the sharp decline in global oil prices during current financial year as far as their import bill is concerned. Almost one third of Pakistan import bill constituted by petroleum products including crude oil. Between July, 2014 and April, 2015, International crude oil price has been dropped around 44 percent from US$ 107 per barrel to US$ 60 per barrel in April, 2015. Similarly international prices of some of the important commodities have fallen down. For instance palm oil prices is on declining side. Same for tea prices. This trend of international prices impacted the import bill of Pakistan during July-April, 2014-15 considerably. The imports target for current financial year was set at US$44.2 billion for 2014-15. Pakistan imports were up by only 1.8 percent in the first ten months of the current fiscal year compared to corresponding period last year, rising from US $37,084.81 million during 2013-14(July-April) to 37,763.08 million during first ten months of current financial year, showing an increase of US$ 678.27 million in absolute term (Table:8.9).

The curtailment of import bill mainly comes from Petroleum group which as a whole down by US $ 2,366.1 million (19.4 percent). Import of Petroleum crude declined by 24.3 percent (US $ 1,150.9 million) during July-April 2014-15 compared to corresponding period last year. While import of Petroleum products remained down by16.2 percent (US$ 1,215.2 million). It is expected that by the end of the current financial year, in absolute term, the import bill of petroleum group would remain US$ 3.0 billion down what it was in 2013-14 due to decline in petroleum prices. It is worth mentioning to note that despite considerable decrease in prices of Petroleum products including crude oil and closure of CNG sector during current year, the imported quantity of petroleum products did not increase. In fact import of Petroleum crude declined by 6.3 percent in quantity terms as compared to corresponding period last year.

The major chunk of saving of US$ 2,366.1 million realized from import of petroleum group is paid off by increase in import bill of the machinery group (US$ 880.9 million), Food group (US$ 751.4 million), Transport Group (US$ 275.7 million) followed by Agriculture and Chemicals (US$587.4 million) and Textile group (US$558.3 million), etc However, the worrisome indicator is that there is a dip in imports of textile related machinery, suggesting that the sector is not expanding. As against $493.4 million textile machinery import in July-April period of the previous fiscal year, the imports amounted to $367.8 million, showing 25.8 percent decline in dollar terms. Similarly Textile Group imports, which mostly consists of raw material items also witnessed declining trend by 7.1 percent during July-April 2014-15 compared to same period last year down from US$ 2,252.6 million during July-April 2013-14 to US$ 2,091.9 million during same period current year (Table:8.9)

Table 8.9 : Structure of Imports ($ Million)

	Particulars	July-April		% Change	Absolute Change
		2013-14	2014-15 P		
	Total	**37,084.8**	**37,763.1**	**1.8**	**678.3**
A.	**Food Groups**	**3,454.0**	**4,205.4**	**21.8**	**751.4**
	Milk & Milk food	134.3	218.7	62.8	84.4
	Wheat Unmilled	107.2	185.4	72.9	78.2
	Dry Fruits	84.2	94.9	12.4	10.4
	Tea	248.0	290.9	17.3	42.9
	Spices	71.6	87.3	21.9	15.7
	Edible Oil (Soyabean& Palm)	1,608.6	1,494.9	-7.1	-113.7
	Sugar	5.1	5.7	11.3	0.6
	Pulses	239.8	322.0	34.3	82.2
	Other food items	954.9	1,505.6	57.7	550.7
B.	**Machinery Group**	**4,035.1**	**4,626.5**	**14.7**	**591.4**
	Power generating Machines	872.9	1,098.3	25.8	225.3
	Office Machines	176.4	338.4	91.8	162.0
	Textile Machinery	493.4	367.8	-25.4	-125.5
	Const. & Mining Machines	230.3	220.1	-4.4	-10.2
	Aircrafts, Ships and Boats	754.4	655.9	-13.1	-98.5
	Agriculture Machinery	57.1	90.5	58.4	33.4
	Other Machinery items	1,450.6	1,855.4	27.9	404.8
C.	**Petroleum Group**	**12,221.1**	**9,855.0**	**-19.4**	**-2366.1**
	Petroleum Products	7,482.4	6,267.2	-16.2	-1215.2
	Petroleum Crude	4,738.7	3,587.8	-24.3	-1150.9
D.	**Consumer Durables**	**1,951.1**	**2,239.3**	14.8	288.2
	Road Motor Vehicles	1,031.1	1,280.8	24.2	249.8
	Electric Mach. & Appliances	920.0	958.4	4.2	38.4
E.	**Raw Materials**	**5,146.8**	**5,923.3**	15.1	776.5
	Raw Cotton	516.3	267.7	-48.1	-248.6
	Synthetic Fibre	351.7	441.6	25.6	90.0
	Silk Yarn (Synth &Arti)	517.6	552.5	6.8	35.0
	Fertilizer Manufactured	595.4	743.1	24.8	147.6
	Insecticides	96.0	114.1	18.9	18.1
	Plastic Material	1,357.2	1,468.7	8.2	111.6
	Iron & steel Scrap	589.5	847.6	43.8	258.1
	Iron & steel	1,123.2	1,487.9	32.5	364.7
F.	**Telecom**	**1,026.9**	**1,179.5**	**14.9**	**152.6**
G.	**All other items**	**9,249.8**	**9,734.0**	**5.2**	**484.2**

P : Provisional
Source : PBS

Food Group imports stood at US $ 4,205.4 million during first ten months of current fiscal year as against import of US$ 3,454.0 million during comparable last year. The import bill growth of Palm Oil, the heaviest item in this group, however witnessed a decline 4.7 percent despite its imported quantity increased by 4.1 percent showing lower international prices of this item as compared to last year. Other mentionable items in this group are the import of pulses, tea and milk & related items whose import surged by 34.3 percent, 17.3 percent and

62.8 percent, respectively. Pakistan's import of pulses surged to US$322.0 million from July 2014 to April 2015, higher by over 34 percent. A weak local production last year may be the reason that pushed the country for more import of pulses to satisfy local demand. Pakistan depends on Australia, Burma, Tanzania and Ethiopia for its pulses import. The country demand for pulses stands at about 0.6 million metric tons a year. Traders believe the good local crop always helps the country to reduce its import. Import value of pulses increased due to higher import quantity of this item by 34 percent where there prices mostly remained at last year’s level. Surge in import bill of tea also comes from demand side rather than price effect. In value terms it increased by 17.3 percent against rise in import quantity by 21.1 percent showing some stability or rather downward trend in its international prices. Import bill of Milk products, however, increased mostly due to higher international prices as import bill went up to US$ 218.7 million during July-April 2014-15 from US$ 134.3 million during corresponding period of 2013-14, a rise of 62.8 percent, whereas in quantity term it rose to 27.6 percent (Table 8.9)

Growth in Import of all types of machinery shows the acceleration of economic activity in the country. Despite slow growth in overall import bill, import of Machinery group remained higher at 16.9 percent during July-April, 2014-15 over the same period last fiscal year. Import bill of power generating machinery witnessed a growth of 25.8 percent when compared with July-April 2013-14 showing activity in power sector. Import of telecom machinery remained higher 14.9 percent during July-April 2014-15 compared to corresponding period last year. Similarly import growth of Electrical machinery & Apparatus and Office machinery remained higher by 4.2 percent 91.8 percent, respectively during this period. However, import of textile machinery remained sluggish and witnessed a decline of 25.4 percent during July-April 2014-15 showing a deceleration in textile industry of the country.

Within machinery group import, telecom sector import increased by 14.9 percent during first ten months of current fiscal year compared with corresponding period last year. The imports of mobile handsets increased to reach to US$ 595.8 million during the period of July-April 2014-15 from US$ 516.2 million during same period last year, a surge of 15.4 percent. Import bill of other apparatus of telecom sector also increased by 14.3 percent during this period from US$ 510.7 million during July-April 2012-13 to US$ 583.8 million during current year. The rapid development of 3G/4G infrastructure and rising demand of smart phone may have hiked the imports of telecom sector. Import of Power generating machinery and Electrical machinery & apparatus also witnessed an increase of 25.8 percent and 4.2 percent respectively during current financial year over last financial year. Energy and electricity shortfall in the country is the major cause of constant rise in import bill of power generating machinery which mostly consist of power generators. Other sub items in machinery group such as office machinery, agricultural machinery, etc. also witnessed positive growth in their imports. However, import of construction & mining machinery witnessed a decline during July-April 2014-15 against import during corresponding period last year (Table 8.9).

Transport group import bill remained higher by 14.8 percent rising to US$ 2,138.1 million during July-April 2014-15 from US $ 1,862.4 million during July-April 2013-14.Import of road motor vehicle, CKD/SKD of buses, motor cars and motor cycles and CBU of buses, motor cars and motor cycles increased by 24.2 percent, 40.6 percent and 12.1 percent respectively during first ten months of current fiscal year over corresponding period last year showing manufacturing activity in the country. Import bill of all other major items in this group also remained on higher side except import of aircraft, boats & ships which decreased by 13.1 percent during July-April 2014-15 period against corresponding period last year.

Import of Metal group has also surged by 22.6 percent from US$ 2,466.3 million during July-April 2013-14 to US$ 3,024.6 million during July-April 2014-15 mainly due to surge in the import of iron & steel and iron & steel scrap which increased by 32.5 percent and 43.8

percent respectively showing rising construction activity in the country (Table:8.9).

Trends in Monthly Imports

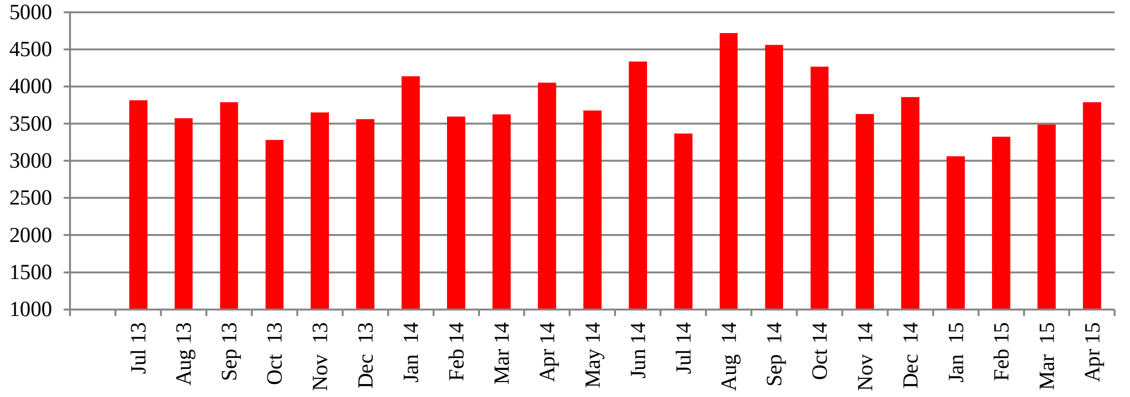
The monthly imports during July-April, 2014-15 witnessed mostly flat with the exception for the months of August, September and October. Imports averaged $ 3,806 million per month during this period as against $ 3,758 million during July-June 2013-14. Thus, on average, imports have risen only by US $ 48.0 million per month during the period. The monthly imports are tabulated in Table 8.10.and Fig-9.

Table 8.10: Monthly Imports

Month	($ Million)	
	2013-14	2014-15 P
July	3,814	3,365
August	3,572	4,718
September	3,791	4,561
October	3,281	4,266
November	3,651	3,630
December	3,561	3,859
January	4,137	3,063
February	3,597	3,323
March	3,621	3,488
April	4,053	3,790
May	3,675	-
June	4,338	-
Monthly Average	**3,758**	**3,806**

P: Provisional
Source : PBS

Fig-9: Monthly Imports ($ Million)



Direction of Imports

Like exports, Pakistan's imports are also highly concentrated in few countries. Based on current year data, around 50 percent of Pakistan imports originate from just few countries like China, Kuwait, Saudi Arabia, UAE, India, Indonesia, etc. It is worth mentioning to note that during current fiscal year, share of imports from China has sharply increased from 17 percent in last fiscal year to 23 percent during July-March 2014-15. The imbalance of trade in favour of China is highly alarming. The FTAs signed with some of the countries appears to have been playing their role for this imbalance. By and large, the relative shares of imports from other countries have remained almost same over the years. However, share of imports from Malaysia has witnessed a decline to only 2 percent which was 5-6 percent few years back. Whereas share of imports from Indonesia have been increased gradually from 2 percent few years back to around 5 percent during 2014-15. It shows some change in Pakistan's imports patterns. (Table 8.11)

Table 8.11 : Major Imports Markets (Rs. billion & Percentage Share)

Country	2009-10		2010-11		2011-12		2012-13		2013-14		July-March 2014-15 P	
	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share
U.A.E	422.0	14	469.5	14	685.1	17	837.4	19	757.1	16	515.1	15
China	370.2	13	494.9	14	685.1	17	642.4	15	793.0	17	776.0	23
Kuwait	201.8	7	284.8	8	358.8	9	392.5	9	346.7	7	196.0	6
Saudi Arabia	283.6	10	388.8	11	449.6	11	334.5	8	459.1	10	262.1	8

Table 8.11 : Major Imports Markets (Rs. billion & Percentage Share)

Country	2009-10		2010-11		2011-12		2012-13		2013-14		July-March 2014-15 P	
	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share
Malaysia	146.3	5	210.3	6	216.9	5	202.9	5	174.4	4	70.7	2
Japan	128.8	4	142.2	4	171.4	4	197.3	5	182.6	4	123.2	4
India	102.9	4	149.0	4	134.8	3	175.5	4	210.5	5	134.1	4
U.S.A	135.0	5	154.7	4	132.0	3	156.6	4	180.1	4	127.9	4
Germany	98.7	3	80.2	2	100.1	2	131.0	3	126.1	3	71.5	2
Indonesia	53.8	2	68.8	2	104.4	3	125.3	3	162.7	4	157.1	5
All Other	967.9	33	1,012.2	29	970.9	24	1,154.4	27	1,238.2	27	1,004.3	29
Total	**2,911.0**	100	**3,455.3**	100	**4,009.1**	100	**4,349.9**	100	**4,630.5**	**100.0**	**3,438.0**	**100.0**

Source: Pakistan Bureau of Statistics
P: Provisional

Conclusion

After initial gains in external sector during last financial year 2013-14, Pakistan balance of payments further improved considerably during July-April 2014-15. Current account narrowed by more than 50 percent against corresponding period last year. Country's foreign Exchange reserves posted an increase of around US$ 3.6 billion during July-April 2014-15. Exchange rate remained stable. While workers' remittances during this period posted remarkable growth of 16.1 percent. Due to a slump witnessed in international petroleum prices and some other commodities, country's import bill remained within the target. However, our exports faced many challenges during current financial year due to in-competitiveness of our exporters in regional competition, slow-down in international trade, energy shortfalls in the country, falling international prices of commodities, etc. Despite sluggish performance of exports, trade deficit remained within limits and witnessed marginal increase.

Public Debt

9.1 Introduction

Public debt management is the process of establishing and executing an effective policy for managing public debt portfolio in order to raise required amount of funding, achieve cost and risk objectives and to meet other goals such as developing and maintaining an efficient debt market. Prudent management of public debt can help countries reduce their borrowing cost, mitigate the risks of refinancing, exchange rate fluctuations and debt accumulation. The absence of such prudence has forced myriad countries to give priority to debt servicing instead of pursuing their social and development goals. Given Pakistan's developing status, the need for comprehensive, dynamic and rule based debt policy is of utmost importance which ensures the right choices among several options, addresses financial constraints and ensures intergenerational welfare impact.

Similar to the last year's trend, Pakistan's public debt dynamics continued to witness positive developments during first nine months of current fiscal year. An improvement was observed in most of the public debt sustainability indicators. In addition, composition of public debt further improved due to increased mobilization through medium to long term domestic debt instruments and higher disbursements from external sources. Some of the positive developments are as follow:

- Pakistan successfully returned to the International Islamic Bond market in November 2014 with the issuance of US$ 1 billion Pakistan International Sukuk. The success of this transaction highlights the growing confidence of the international investors towards the economic policies of the government being implemented to enhance the economic performance of the country.
- The health of economy could be gauged from the fact that Pakistan has crossed US$ 17 billion foreign exchange reserves mark and qualified for concessional IBRD funding which will be used to fund priority infrastructure / development projects.
- Government made progress in achieving the targets set under Pakistan's first Medium Term Debt Management Strategy (2013/14 - 2017/18) as the government was able to reduce its refinancing risk by re-profiling its domestic debt and increasing the external inflows.
- Government was able to rationalize the cost of domestic debt by aligning the rates on domestic debt instruments with the market yields.
- The government has started revamping its debt management function and taking advantage of numerous opportunities to diversify its public debt portfolio. It should lead to savings in, and more effective decision-making for government borrowing.

9.2 Public Debt

The portion of total debt which has a direct charge on government revenues as well as the debt obtained from the IMF is defined as public debt. Pakistan's public debt has two main components, namely domestic debt (which is incurred principally to finance fiscal deficit) and external debt (which is raised primarily to finance development expenditure). Each of these types of debt has its own benefits and drawbacks, with a trade-off between costs of borrowing and exposure to various types of risks that needs to be balanced in order to ensure ample and timely access to cost efficient funding.

Public debt was recorded at Rs. 16,936 billion or 61.8 percent of GDP as at end-March 2015 compared with 62 percent during the same period last year. Public debt recorded an increase of Rs. 940 billion during first nine months of current fiscal year as compared with Rs. 1,272 billion during the same period last year. The primary source of increase in public debt was in domestic debt that positioned at Rs. 11,932 billion representing an increase of Rs. 1,012 billion, whereas, external debt posed at Rs. 5,004 billion representing a decrease of Rs. 72 billion as compared to end June 2014. The external debt declined despite net external inflows which is mainly attributed to huge translational gain of around US$ 4.3 billion on account of appreciation of US Dollar against other major currencies. The trend in public debt since 1971 is depicted in Box-1.

Box-1 - Trend in Public Debt

Table-9.1: Year Wise Public Debt Position

Year	Public Debt	Domestic Debt	External Debt	Year	Public Debt	Domestic Debt	External Debt	Year	Public Debt	Domestic Debt	External Debt
					(Rs. in billion)						
1971	30	14	16	1986	390	203	187	2001	3,684	1,799	1,885
1972	55	17	38	1987	458	248	209	2002	3,636	1,775	1,862
1973	60	20	40	1988	523	290	233	2003	3,694	1,895	1,800
1974	62	19	44	1989	634	333	300	2004	3,866	2,028	1,839
1975	70	23	48	1990	711	381	330	2005	4,211	2,178	2,034
1976	85	28	57	1991	825	448	377	2006	4,359	2,322	2,038
1977	97	34	63	1992	969	532	437	2007	4,802	2,601	2,201
1978	112	41	71	1993	1,135	617	519	2008	6,126	3,275	2,852
1979	130	52	77	1994	1,340	716	624	2009	7,731	3,860	3,871
1980	146	60	86	1995	1,497	809	688	2010	9,006	4,654	4,352
1981	145	58	87	1996	1,704	920	784	2011	10,767	6,017	4,750
1982	189	81	107	1997	1,995	1,056	939	2012	12,695	7,638	5,057
1983	227	104	123	1998	2,392	1,199	1,193	2013	14,293	9,522	4,771
1984	257	125	132	1999	2,946	1,389	1,557	2014	15,996	10,920	5,076
1985	309	153	156	2000	3,172	1,645	1,527	2015 (Mar)	16,936	11,932	5,004

Fig-9.1: Trends in Domestic and External Debt

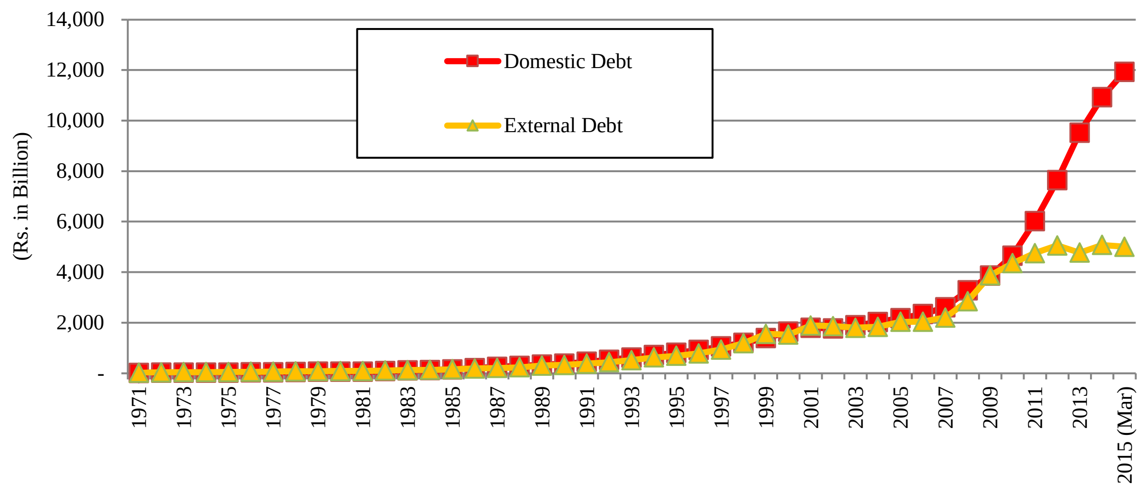


Table-9.2: Public Debt

	2010	2011	2012	2013(P)	2014(P)	2015(P)*
			(Rs. in billion)			
Domestic Debt	4,654.3	6,016.5	7,638.1	9,521.9	10,920.0	11,932.2
External Debt	4,351.9	4,750.2	5,057.2	4,771.0	5,076.5	5,004.3
Total Public Debt	**9,006.2**	**10,766.9**	**12,695.3**	**14,292.9**	**15,996.5**	**16,936.5**

Table-9.2: Public Debt

	2010	2011	2012	2013(P)	2014(P)	2015(P)*
(In percent of GDP)						
Domestic Debt	31.3	32.9	38.1	42.5	43.6	43.6
External Debt	29.3	26.0	25.2	21.3	20.3	18.3
Total Public Debt	**60.6**	**58.9**	**63.3**	**63.9**	**63.8**	**61.8**
(In percent of revenues)						
Domestic Debt	224.0	267.1	297.6	319.3	300.2	---
External Debt	209.4	210.9	197.0	160.0	139.6	---
Total Public Debt	**433.4**	**477.9**	**494.7**	**479.2**	**439.8**	**---**
(In percent of total debt)						
Domestic Debt	51.7	55.9	60.2	66.6	68.3	70.5
External Debt	48.3	44.1	39.8	33.4	31.7	29.5
Memo:						
Foreign Currency Debt (US$ in billion)	50.9	55.3	53.5	47.9	51.4	49.1
Exchange Rate (Rs./US$, End of Period)	85.5	86.0	94.5	99.7	98.8	101.9
GDP (Rs. in billion)	14,867	18,276	20,047	22,379	25,068	27,384
Total Revenue (Rs. in billion)	2,078	2,253	2,567	2,982	3,637	---

P:Provisional
*end-March, 2015
Source: State Bank of Pakistan, Economic Affairs Division, Budget Wing and Debt Policy Coordination Office Staff Calculations

As envisioned in Medium Term Debt Management Strategy (MTDS), the government was able to substantially improve the composition of public debt due to substitution of short term Treasury Bills (T-bills) with medium to long term Pakistan Investment Bonds (PIBs) and increase in external inflows during 2013-14 (Box-2). The composition of public debt further improved during first nine months of current fiscal year mainly due to increased mobilization through PIBs as share of permanent debt increased to 41 percent of total domestic debt as at end March 2015 as compared with 37 percent at the end of last fiscal year. Government was able to reduce its rollover / re-financing risk significantly through lengthening of maturity profile of its domestic debt i.e. share of short term floating debt decreased to around 38 percent of total domestic debt as at end March 2015 compared with around 55 percent at the end of 2012-13.

Box-2 - Progress on Medium Term Debt Management Strategy (2014-18)

Government developed its first Medium Term Debt Management Strategy (2013/14 - 2017/18) which contains policy advice on an appropriate mix of financing from different sources with the spirit to uphold the integrity of the Fiscal Responsibility & Debt Limitation (FRDL) Act, 2005. In accordance with the approved strategy, the government was required to lengthen the maturity profile of its domestic debt and mobilize sufficient external inflows.

Table-9.3: Public Debt Cost and Risk Indicators*

Risk Indicators		**External Debt**		**Domestic Debt**		**Public Debt**	
		2013	**2014**	**2013**	**2014**	**2013**	**2014**
Cost of Debt	Weighted Average IR (%)	1.7	2.1	10.7	11.3	7.7	8.4
Refinancing Risk	Average Time to Maturity (ATM) - Years	10.1	10.5	1.8	2.3	4.5	4.9
	Debt Maturing in 1 Year (% of total)	8.9	7.7	64.2	52.1	46.0	38.2
Interest Rate Risk	Average Time to Re-Fixing (ATR) - Years	9.2	9.7	1.8	2.3	4.2	4.6
	Debt Re-Fixing in 1 year (% of total)	22.2	20.3	67.2	53.4	52.4	43.1
	Fixed Rate Debt (% of total)	83.4	83.3	39.6	54.1	54.0	63.2
Foreign Currency Risk (FX)	Foreign Currency Debt (% of total debt)					32.9	31.3
	Short Term FX Debt (% of reserves)					68.5	42.8

* As per MTDS scope
Source: Debt Policy Coordination Office Staff Calculations, Finance Division

As depicted in the table above, almost all public debt indicators improved in 2013-14 as compared with 2012-13 except for weighted average cost of debt. The weighted average cost of debt increased owing to implicit borrowing strategy of the government to reduce the refinancing / rollover risk by lengthening the maturity profile of domestic debt and increasing the external inflows.

Refinancing risk was probably the most significant in Pakistan's public debt portfolio, driven primarily by the concentration of domestic debt in short maturities at the end of 2012-13. The refinancing risk of the domestic debt reduced significantly at the end of 2013-14 as indicated by percentage of debt maturing in one year reduced to 52 percent compared with 64 percent at the end of 2012-13. Accordingly, Average Time to Maturity of domestic debt increased to 2.3 years at the end of 2013-14 as compared with 1.8 years at the end of 2012-13. Similarly, Average Time to Maturity of external debt also increased to 10.5 years at the end of 2013-14 as compared with 10.1 years at the end of 2012-13. Overall, Average Time to Maturity of public debt increased to 4.9 years at the end of 2013-14 as compared with 4.5 a year earlier.

Exposure to interest rate risk reduced as percentage of debt re-fixing in one year decreased to 43 percent at the end of 2013-14 as compared with 52 percent a year earlier. Accordingly, Average Time to Re-fixing increased to 4.6 years at the end of 2013-14 as compared with 4.2 years at the end of 2012-13. This number is a combination of Average Time to Re-fixing of 9.7 years on external debt and around 2.3 years on domestic debt. Further, fixed rate debt as a percentage of total debt increased to 63 percent at the end of 2013-14 as compared with 54 percent at the end of 2012-13 indicating reduced exposure to interest rate changes i.e. while external debt having fixed rate slightly reduced in proportion at the end of 2013-14 compared with 2012-13, domestic debt carrying fixed rate increased to 54 percent at the end of 2013-14 as compared with 40 percent a year earlier as the government mobilized more through issuance of PIBs and retired some of its T-bills.

Around 31 percent of total public debt stock was denominated in foreign currencies, exposing Pakistan's debt portfolio to exchange rate risk. Adjusted for Special Drawing Rights (SDR), around 91 percent of total external public debt is contracted in 3 currencies i.e. main exposure of exchange rate risk comes from USD denominated loans (46 percent of total external debt), followed by Euro (23 percent) and Japanese Yen (22 percent). The amount of foreign loans maturing in 2014-15 was equal to 43 percent of official liquid reserves as compared with 69 percent a year earlier indicating reduction in exposure to exchange rate risk.

One of the objectives of MTDS was to facilitate the development of debt capital market. A well developed debt market for long term investment is essential for the growth of economy as it provides additional avenues for raising funds besides providing investment opportunities to the investors. In accordance with the commitment of the government to develop debt capital market, the government debt securities (T-bills, PIBs and Government Ijara Sukuk) are made available for trading at the stock exchanges. Further, the government is taking various steps to provide an efficient and liquid secondary debt market to the investors (Box-3).

Box-3 - Development of Debt Capital Market

Sukuk Regulations

The Securities and Exchange Commission of Pakistan (SECP) has notified issue of Sukuk Regulations, 2015 under Section 506A of the Companies Ordinance, 1984 which requires appointment of Shariah Advisor and Investment Agent. An efficient, broad-based and well-regulated Sukuk market will greatly help in the development of capital market. The purpose of making the Sukuk regulations is to facilitate the issuers for fund raising from the capital market and to provide Shariah compliant investment avenue to the prospective investors.

Future Plans With Regard to Development of Debt Capital Market

Following are some of the measures in pipeline for development of the domestic debt capital market:

Introduction of revised settlement model to promote trading in the government debt securities i.e. the current settlement system will be further refined through elimination of practical difficulties and regulatory changes which will facilitate retail investors in trading government securities at the stock exchanges;

- Integration of National Savings Scheme instruments into the mainstream capital market;
- Formulation of the regulations for listing of debt securities issued through public offer;
- Review of the regulations for listing of debt securities issued to the Qualified Institutional Buyers (QIBs);

- Regulations for issuance of Convertible Securities;
- Review of the companies (Asset Backed Securitization) Rules, 1999;
- Utilization of the stock exchanges for primary market/auction of the government debt securities to enable wider outreach and improve participation of retail segment.

The public debt may be understated without reporting contingent liabilities. Contingent liabilities are conditional obligations that arise from past events that may require an outflow of resources embodying economic benefits based on the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the government. Contingent liabilities are not added to the overall debt of the country, therefore, public disclosure of information about guarantees is an essential component of fiscal transparency.

Contingent liabilities of Pakistan include, explicit and implicit guarantees issued to Public Sector Enterprises (PSEs). During first nine months of current fiscal year, the government issued fresh/rollover guarantees aggregating to Rs.67 billion or 0.2 percent of GDP. The outstanding stock of government guarantees as at end March, 2015 was recorded at Rs.600 billion.

9.2.1 Dynamics of Public Debt Burden

The debt burden can be described with many parameters and there is no single threshold for debt ratios that can delineate the "bad" from the "good". Debt burden can be expressed in terms of the stock ratio i.e. debt to GDP, external debt to GDP or flow ratios i.e. debt to revenue, external debt to foreign exchange earnings etc. The more important rule about limiting public debt growth must be expressed in relation to revenue growth. If the primary balance (fiscal deficit before interest payments) is zero and the growth in revenue is higher than the cost of invested funds, the debt burden will ease. Bridging the gap between revenues and non-interest expenditure and ensuring reduction (generation) in primary deficit (surplus) is an essential pre-requisite that facilitates debt management efforts. Similarly, if the growth in foreign exchange earnings exceeds the growth in external debt and liabilities, the ratio of external debt and liabilities to foreign exchange earnings will continue to decline.

Table-9.4: Selected Public Debt Indicators (in percentage)

	2010	2011	2012	2013	2014
Revenue Balance / GDP*	(1.7)	(3.3) [(a)]	(4.5) [(b)]	(2.9) [(c)]	(0.7)
Primary Balance / GDP*	(1.6)	(2.5) [(a)]	(4.2) [(b)]	(3.6) [(c)]	(0.2)
Fiscal Balance / GDP	(6.2)	(6.5) [(a)]	(8.8) [(b)]	(8.2) [(c)]	(5.5)
Public Debt / GDP	60.6	58.9	63.3	63.9	63.8
Public Debt / Revenue	433.4	477.9	494.7	479.2	439.8
Debt Service / Revenue	40.4	38.0	39.9	40.5	40.1
Debt Service / GDP	5.6	4.7	5.1	5.4	5.8

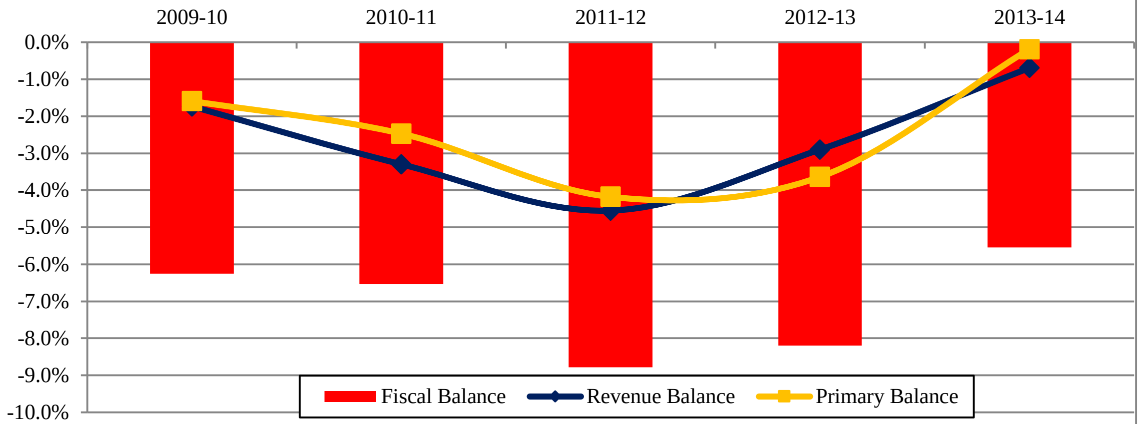
*Adjusted for grants
[(a)]includes arrears of electricity subsidies amounting to Rs.120 billion or 0.7 percent of GDP
[(b)]includes "one off" payment of Rs.391 billion on account of debt consolidation or 2 percent of GDP
[(c)] includes payment for the resolution of the circular debt amounting to Rs.322 billion or 1.4 percent of GDP
Source: Debt Policy Coordination Office Staff Calculations, Finance Division

Revenue balance is the total revenues minus current expenditure. The persistence of revenue deficit indicates that the government is not only borrowing to finance its development expenditure, but partially to finance its current expenditure. Revenue deficit reduced in 2013-14 and recorded at Rs.173 billion or 0.7 percent of GDP as compared with Rs.649 billion or 2.9 percent in 2012-13. During first nine months of current fiscal year, revenue deficit was recorded at Rs.497 billion or 1.8 percent of GDP. There is a need to bring revenue deficit to nil as envisaged under Fiscal Responsibility and Debt Limitation Act, 2005 so that borrowing is used to supplement development activities which will enhance repayment capacity of the country.

Primary balance is the total revenues minus non-interest expenditure or fiscal deficit before interest payments. Primary balance is an indicator of current fiscal efforts since interest payments are predetermined by the size of previous deficits. Primary deficit improved significantly in 2013-14 and recorded at Rs.47 billion or 0.2 percent of GDP compared with Rs.814 billion or 3.6 percent in 2012-13. During first nine month of current fiscal year, primary deficit was recorded at Rs.55 billion or 0.2 percent of GDP. Achieving a primary surplus is normally viewed as important, being usually necessary for reduction in public debt to GDP ratio.

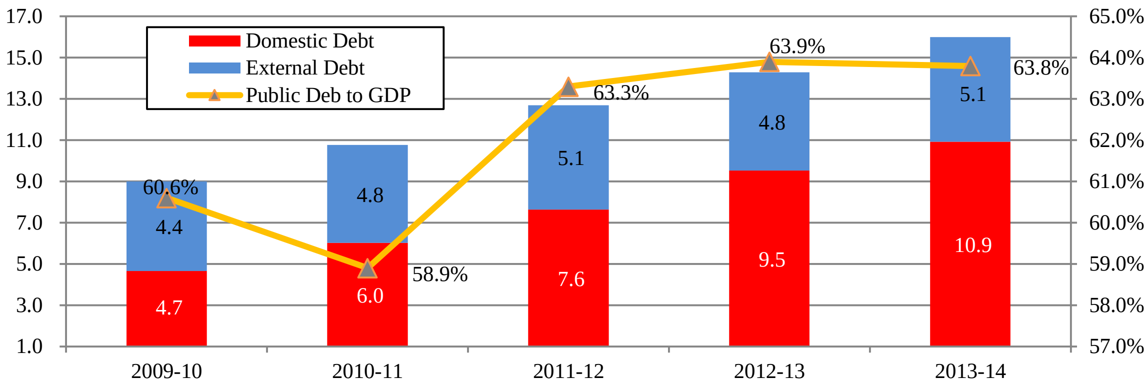
Pakistan's fiscal balance improved significantly in 2013-14 as compared with 2012-13. The actual fiscal deficit of 5.5 percent was not only lower than 8.2 percent last year but also lower than its budgeted target of 6.6 percent. This improvement in fiscal deficit slowed down the pace of public debt accumulation. Apart from this reduction in fiscal deficit, another positive development was shift in financing mix of fiscal deficit i.e. around 37 percent of fiscal deficit was financed from external sources which not only reduced the pressure on the banking system, but also left space for commercial banks to finance the private sector. During July-March, 2014-15, fiscal deficit was recorded at 3.8 percent of GDP. Government financed around 13 percent of its fiscal deficit from external sources during first nine months of current fiscal year as compared with net external retirement witnessed during the same period last year.

Fig-9.2: Trends in Fiscal, Revenue and Primary Balance (In Percent of GDP)



Public debt as a percent of GDP stood at 61.8 percent of GDP by end March 2015 compared with 62 percent during the same period last year. Government is committed to reduce its public debt to GDP ratio in the medium term to bring it below 60 percent as prescribed in Fiscal Responsibility and Debt Limitation Act, 2005.

Fig-9.3: Profile of Public Debt
(in trillion of PKR and percent of GDP)



It is a common practice to measure the public debt burden as a percentage of GDP, a better approach is to scale public debt levels against actual government revenues as this ratio measures debt repayment capacity of the country. The public debt to revenue ratio stood at 440 percent during 2013-14 and witnessed 39 percentage point improvement as compared with last fiscal year, indicating some easing in government indebtedness. Government is committed to reduce this ratio to a generally acceptable threshold of 350 percent by increasing its revenues and rationalizing current expenditures which will reduce the debt burden and improve the debt carrying capacity of the country to finance the growing development needs.

9.2.2 Servicing of Public Debt

A rising debt burden has implications for the economy in the shape of a greater amount of resource allocation towards debt servicing in the future. In order to meet debt servicing obligations, an extra burden is placed on limited government resources and may costs in the shape of foregone public investment or expenditure in other sectors of the economy. Comparing debt service to a country's repayment capacity yields the best indicator for analyzing whether a country is likely to face debt-servicing difficulties in a given period.

During July-March, 2014-15, public debt servicing was recorded at Rs.1,193 billion against the annual budgeted estimate of Rs.1,686 billion. Public debt servicing consumed nearly 44.5 percent of total revenues during first nine months of current fiscal year against a ratio of 47 percent during the same period last year. Ideally, this ratio should be below 30 percent to allow government to allocate more resources towards social and poverty related expenditures.

Table-9.5: Public Debt Servicing (Rs. in billion)

	2014-15*			
	Budgeted	**Actual**	**Percent of Revenue**	**Percent of Current Expenditure**
Servicing of External Debt	100.6	64.1	2.4	2.0
Repayment of External Debt	360.7	218.5	8.1	6.8
Servicing of Domestic Debt	1,224.6	910.5	33.9	28.5
Servicing of Public Debt	**1,685.9**	**1,193.0**	**44.5**	**37.3**

Source: Budget Wing and Debt Policy Coordination Office Staff Calculations, Finance Division
*: July-March

Domestic interest payments constituted around 76 percent of total debt servicing which is due to increasing volume of domestic debt in overall public debt portfolio. Domestic interest payments were recorded at Rs.911 billion during first nine months of current fiscal year as compared with Rs.855 billion during the same period last year. Further analysis of domestic debt servicing revealed that large portion was paid against PIBs (Rs.384 billion), Market Related Treasury Bills (Rs.227 billion), T-Bills (Rs.93 billion) etc.

9.3 Domestic Debt

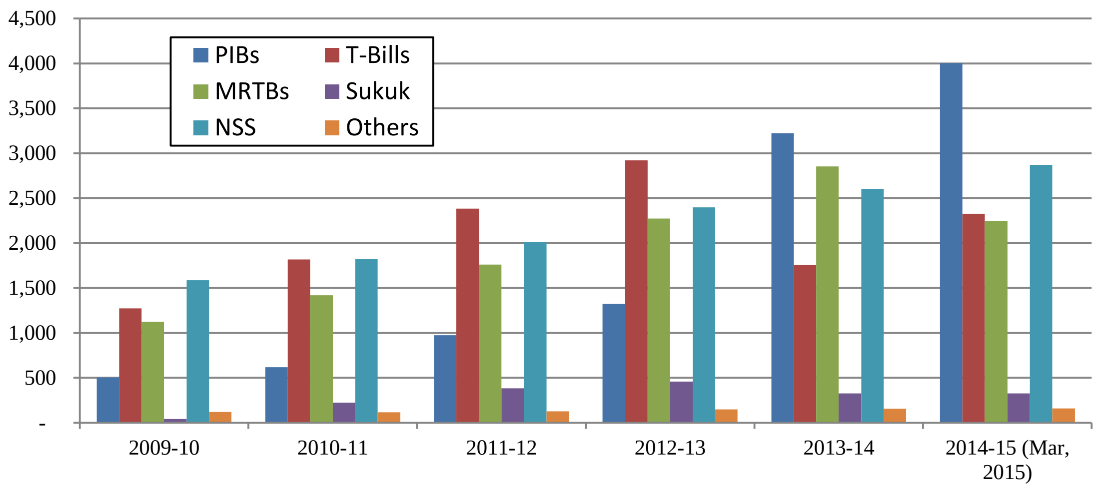
Domestic debt has always been fundamental part of a government's borrowing strategy. Government borrowing through domestic sources is vital in stimulating investment and private savings, as well as strengthening domestic financial markets, since it provides depth and liquidity to the markets. The downside risks include higher interest rates which might stunt growth, the creation of inflationary pressure in an economy, and the possible crowding-out of the private sector. Therefore, any debt strategy should balance the risks to its debt stock by focusing on a mix of both domestic and external sources while borrowing funds.

Pakistan's domestic debt comprises permanent debt (medium and long-term), floating debt (short-term) and unfunded debt (primarily made up of the various instruments available under the National Savings Schemes). Domestic debt represents a charge on Pakistan's budget and is serviced through government revenues and government borrowings. The pace of domestic debt accumulation slowed down during first nine months of current fiscal year as compared with the similar period last year as around 13 percent of the fiscal deficit was financed through external sources compared with last fiscal year where onus of entire financing fell on domestic sources i.e. government borrowing from domestic sources in first nine months of 2012-13 was actually higher than the overall fiscal deficit as net external debt payments had to be paid from domestic sources owing to insufficient fresh external inflows.

The maturity profile of domestic debt improved further during first nine months of current fiscal year mainly due to increased mobilization through medium to long term PIBs. This lengthening of maturity profile of domestic debt was facilitated by declining interest rate environment as it is more practicable and cost effective for the government to lengthen the maturity profile of its domestic debt in declining interest rate environment. In rising interest rate environment, the lengthening of domestic debt maturities could be more difficult and costly owing to lower appetite for medium to longer duration maturities. Thus, re-profiling of domestic debt in downward sloping yield curve environment has actually helped the government in attaining a much lower cost than what the government would have incurred in an upward sloping market. This is evident from the fact that the term premium between one year T-bills and 3 Years PIBs which went to a high of 2.08 percent in June 2014 was subsided to around 0.99 percent in December 2014 and further reduced to 0.42 percent in March 2015 owing to effective and efficient execution of MTDS. The narrowing of the term premium to such a historic low reflects appreciatively on the part of the government and depicts that the government is in a much better position with respect to rollover/refinancing risk.

The share of permanent debt in total domestic debt increased significantly to 41 percent of total domestic debt at the end of March 2015 as compared with 23 percent at the end of 2012-13. Government was able to reduce its rollover / re-financing risk significantly through lengthening of maturity profile of its domestic debt i.e. share of short term floating debt decreased to around 38 percent of total domestic debt as compared with around 55 percent at the end of 2012-13. The trend in domestic debt are discussed in the following graph:

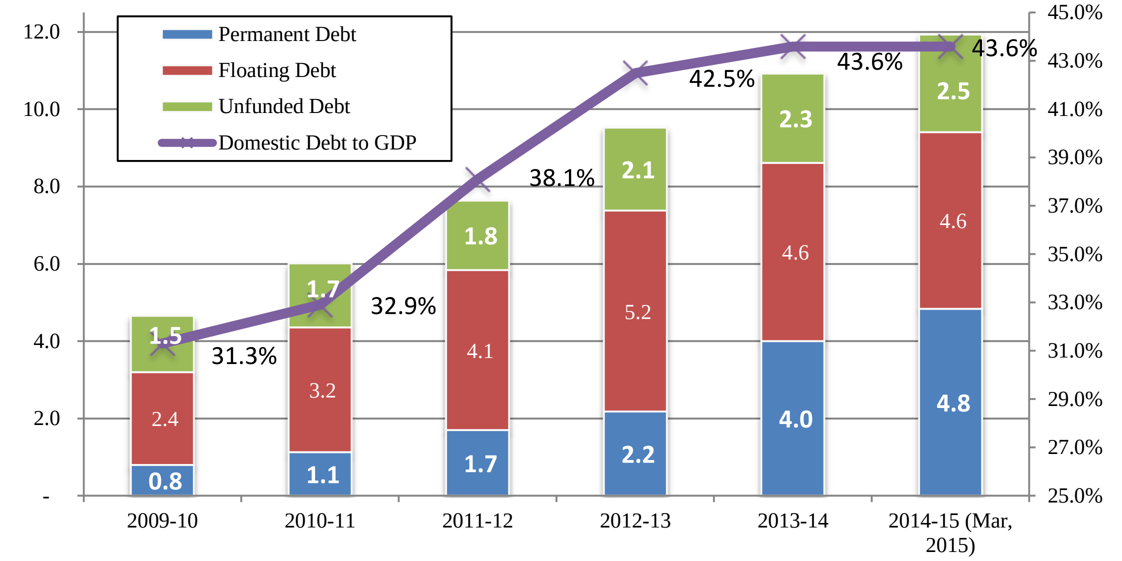
Fig-9.4: Evolution of Domestic Debt - (Rs. in billion)



9.3.1 Outstanding Domestic Debt

Domestic debt increased by Rs.1,012 billion during first nine months of current fiscal and recorded at Rs.11,932 billion at end March 2015. This increase mainly stems from net issuance of PIBs and T-bills amounting to Rs.781 billion and Rs.566 billion respectively, while the stock of Market Related Treasury Bills (MRTBs) amounting to Rs.605 billion was retired during first nine months of current fiscal year. In relation to GDP, the domestic debt stood at 43.6 percent as at end March 2015. The component wise detail of domestic debt is depicted through following graph:

Fig-9.5: Component Wise Details of Domestic Debt (in trillion of PKR and percent of GDP)



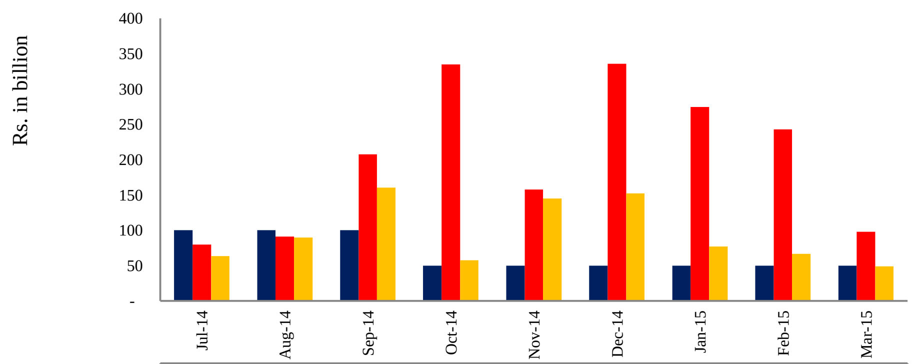
The following section highlights the developments in the various components of domestic debt during first nine months of outgoing fiscal year:

I. Permanent Debt

Permanent debt mainly consists of medium to long term instruments including PIBs, Government Ijara Sukuk, Prize Bond etc. PIBs are non-callable instruments with fixed and semi-annual coupon payment. PIBs are issued in tenors of 3, 5, 10 and 20 years maturity. The 3, 5 and 10 years tenors are most liquid. Government Ijara Sukuk are medium term Shariah compliant bonds currently issued in 3 years tenor. The purpose of issuance was to raise money from Islamic banking which has grown substantially in Pakistan in past few years.

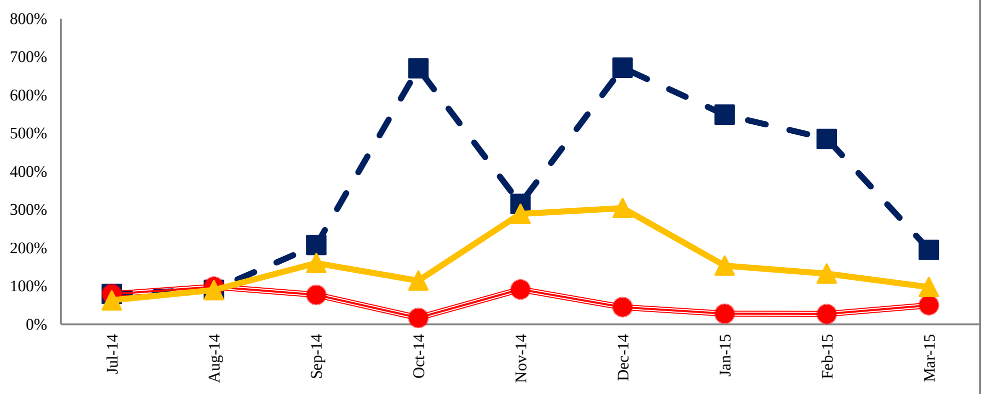
The total amount of permanent debt in the total domestic debt stood at Rs. 4,836 billion as at end March 2015, representing an increase of Rs.830 billion or 21 percent higher than the stock at the end of last fiscal year. Around 82 percent of the total increase in domestic debt stock was contributed by permanent debt during July-March, 2014-15. Out of total mobilization of Rs. 830 billion through permanent debt, the government mopped up net of retirement Rs. 781 billion through successful auctions of PIBs in first nine months of current fiscal year. The auctions wise details and relevant ratios related to PIBs are depicted through following graphs:

Fig-9.6: PIBs Auction Profile - 2014-15 (July - March)



	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
Auction Target (Rs. in billion)	100	100	100	50	50	50	50	50	50
Auction Participation (Rs. in billion)	80	91	207	335	158	336	274	243	98
Amount Accepted (Rs. in billion)	63	90	160	57	145	152	77	66	49

Fig-9.7: PIBs Auction Ratios - 2014-15 (July - March)

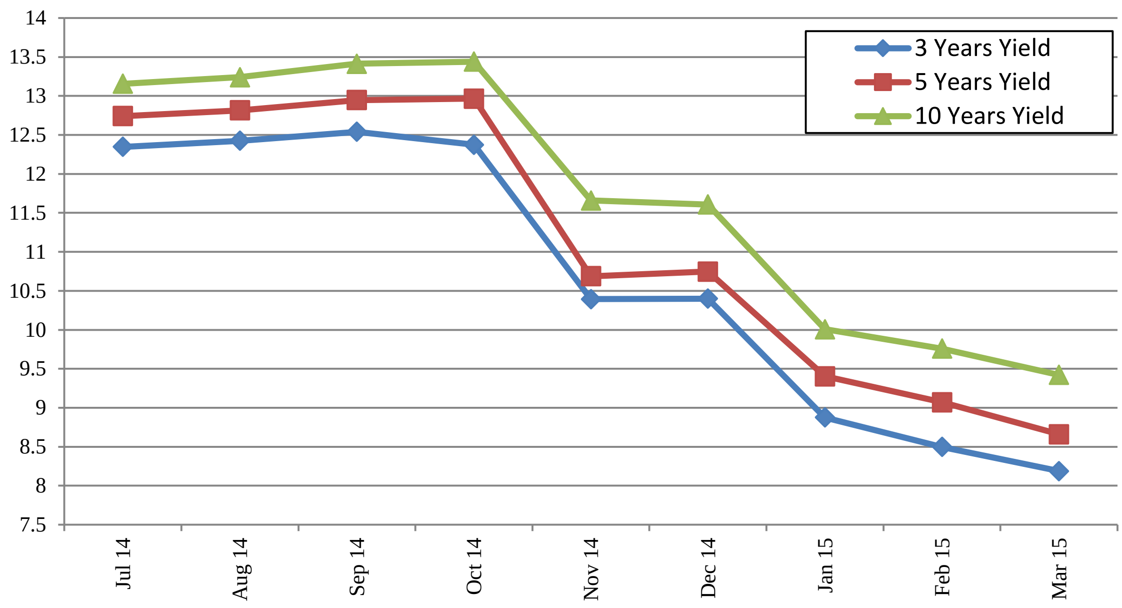


	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
Bid Coverage	80%	91%	207%	670%	316%	672%	549%	486%	195%
Acceptance Ratio	79%	99%	77%	17%	92%	45%	28%	27%	50%
Acceptance/ Target	63%	90%	160%	115%	289%	305%	154%	133%	98%

Bid Coverage = Auction Target /Auction Participation
Acceptance Ratio = Auction Participation / Amount Accepted
Acceptance / Target = Amount Accepted / Auction Target

As depicted in the graph above, against the target of Rs.600 billion, government received massive participation of Rs. 1,821 billion against which government accepted Rs.860 billion during first nine months of current fiscal year. The yields on PIBs started declining from October 2014 and accordingly for the first time since Aug 2008, PIBs coupon rates were cut by 2 percent to 2.25 percent in February 2015 to have an alignment in coupon rates and market yields. The conducive economic environment coupled with supportive monetary policy provided an ideal opportunity for the government to revise coupon rates on PIBs. The yields on 3, 5 and 10 years PIBs from July 2014 to March 2015 are depicted through following graphs:

Fig-9.8: PIBs Yields (3 Years, 5 Years & 10 Years) - In Percent

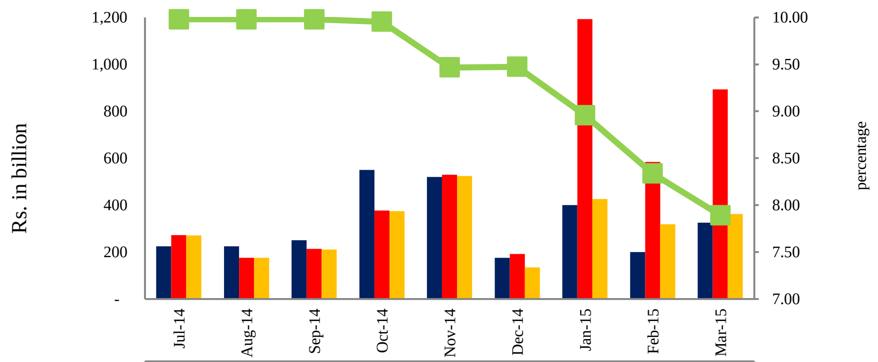


II. Floating Debt

Floating debt consists of short term domestic borrowing instruments such as Treasury Bills and State Bank borrowing through the purchase of Market Related Treasury Bills (MRTBs). Treasury Bills are zero coupon or discounted instruments issued in tenors of 3 months (introduced in 1997), 6 months (introduced in 1990) and 12 months (introduced in 1997). The share of 3 months, 6 months and 12 months maturity in total Treasury Bills portfolio was 5 percent, 32 percent and 64 percent respectively as at end March 2015. In order to raise short term liquidity, the government borrows from the domestic banks through auction in the form of Treasury Bills. The auction of Treasury Bills is arranged by the State Bank of Pakistan (SBP) twice a month.

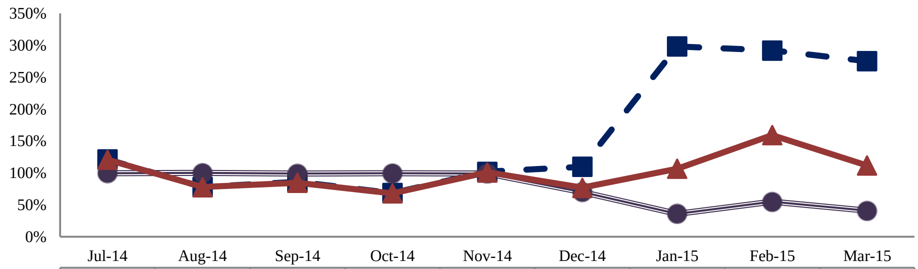
Floating debt recorded a decrease of Rs.38 billion during first nine months of current fiscal year and stood at Rs. 4,573 billion at end March 2015. The share of floating debt in overall public debt and domestic debt stood at 27 percent and 38 percent respectively at end March 2015, while, it was at 36 percent and 55 percent respectively at the end of 2012-13. During July-March, 2014-15, net mobilization through T-bills stood at Rs. 566 billion, whereas, the stock of MRTBs was retired by Rs. 605 billion. The auctions wise details and relevant ratios related to T-bills are depicted through following graphs:

Fig-9.9: T-Bills Auction Profile - 2014-15 (July - March)



	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
Auction Target (Rs. in billion)	225	225	250	550	520	175	400	200	325
Auction Participation (Rs. in billion)	272	175	214	377	529	192	1,193	584	894
Amount Accepted (Rs. in billion)	271	175	212	374	524	134	426	318	362
6 month T-Bill Yield (%)	9.98	9.98	9.98	9.95	9.47	9.47	8.96	8.34	7.89

Fig-9.10: T-Bills Auction Ratios - 2014-15 (July - March)



	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
Bid Coverage	121%	78%	86%	69%	102%	110%	298%	292%	275%
Acceptance Ratio	100%	100%	99%	99%	99%	70%	36%	55%	41%
Acceptance/ Target	121%	78%	85%	68%	101%	77%	107%	159%	112%

Bid Coverage = Auction Target /Auction Participation
Acceptance Ratio = Auction Participation / Amount Accepted
Acceptance / Target = Amount Accepted / Auction Target

III. Unfunded Debt

Pakistan's unfunded debt, primarily comprised of the National Savings Schemes (NSS), saw an expansion of Rs. 220 billion in first nine months of current fiscal year, which was almost double the increase seen in the same period last year. Most of the incremental mobilization went into Special Savings Certificates and Accounts (Rs. 107 billion), Regular Income Certificates (Rs. 47 billion) and Bahbood Savings Certificates (Rs.38 billion). The total share of unfunded debt in the government's domestic debt stood at Rs. 2,524 billion or 21 percent at end March, 2015. The rates on NSS revised three times during first nine months of current fiscal year to have them aligned with the market rates.

Over past few years, government took various measures to rationalize the NSS including linkage of profit rates on major NSS instruments with PIBs yield, levy of withholding tax on profits, service charges/penalty on early redemption and introduction of several new schemes to meet the diverse investor base demand. However, the rate setting on NSS should be more dynamic and closely aligned to the domestic market yield curve. Further, there is a need to weigh the cost of scheme in term of higher debt servicing and implication for the development of the financial sector especially the bond market. In this context, NSS instruments need to be integrated into mainstream capital markets by making them tradable and by withdrawing the implicit put option which is a potential source of liquidity problem for the government.

Table-9.6: Outstanding Domestic Debt - (Rs. in billion)

	2010	2011	2012	2013 (P)	2014 (P)	2015 (P)*
Permanent Debt	**797.7**	**1,125.6**	**1,696.9**	**2,179.2**	**4,005.3**	**4,835.7**
Market Loans	2.9	2.9	2.9	2.9	2.9	2.9
Government Bonds	7.2	0.7	0.7	0.7	0.7	0.7
Prize Bonds	236.0	277.1	333.4	389.6	446.6	496.5
Foreign Exchange Bearer Certificates	0.1	0.1	0.1	0.1	0.1	0.1
Bearer National Fund Bonds	0.0	0.0	0.0	0.0	0.0	0.0
Federal Investment Bonds	0.0	0.0	0.0	0.0	0.0	0.0
Special National Fund Bonds	0.0	0.0	0.0	0.0	0.0	0.0
Foreign Currency Bearer Certificates	0.0	0.0	0.0	0.0	0.0	0.0
U.S. Dollar Bearer Certificates	0.0	0.0	0.0	0.0	0.0	0.0
Special U.S. Dollar Bonds	2.7	1.0	0.9	4.2	4.4	4.4
Government Bonds Issued to SLIC	0.6	0.6	0.6	0.6	0.6	0.6
Pakistan Investment Bonds (PIBs)	505.9	618.5	974.7	1,321.8	3,223.5	4,004.1
Government Bonds issued to HBL	-	-	-	-	-	-
GOP Ijara Sukuk	42.2	224.6	383.5	459.2	326.4	326.4
Floating Debt	**2,399.1**	**3,235.4**	**4,143.1**	**5,196.2**	**4,610.9**	**4,572.5**
Treasury Bills through Auction	1,274.1	1,817.6	2,383.4	2,921.0	1,758.6	2,324.9
Rollover of Treasury Bills discounted SBP	0.5	0.5	0.5	0.5	0.5	0.5
Market Related Treasury Bills (MRTBs)	1,124.4	1,417.3	1,759.2	2,274.7	2,851.8	2,247.1
Unfunded Debt	**1,457.5**	**1,655.8**	**1,798.0**	**2,146.5**	**2,303.8**	**2,524.0**
Defence Savings Certificates	224.7	234.5	241.8	271.7	284.6	295.7
Khas Deposit Certificates and Accounts	0.6	0.6	0.6	0.6	0.6	0.6
National Deposit Certificates	0.0	0.0	0.0	0.0	0.0	0.0
Savings Accounts	17.8	17.2	21.2	22.3	22.6	25.1
Mahana Amdani Account	2.2	2.1	2.0	2.0	1.9	1.8
Postal Life Insurance	67.1	67.1	67.1	67.1	67.1	67.1
Special Savings Certificates and Accounts	470.9	529.1	537.4	734.6	738.8	845.6
Regular Income Scheme	135.6	182.6	226.6	262.6	325.4	372.7
Pensioners' Benefit Account	128.0	146.0	162.3	179.9	198.4	211.5
Bahbood Savings Certificates	366.8	428.5	480.8	528.4	582.4	620.6
National Savings Bonds	3.6	3.6	3.6	0.2	0.2	0.1
G.P. Fund	39.9	44.3	54.5	73.1	80.5	81.5
Short Term Savings Certificates	-	-	-	4.0	1.3	1.6
Total Domestic Debt	**4,654.3**	**6,016.7**	**7,638.1**	**9,521.9**	**10,920.0**	**11,932.2**

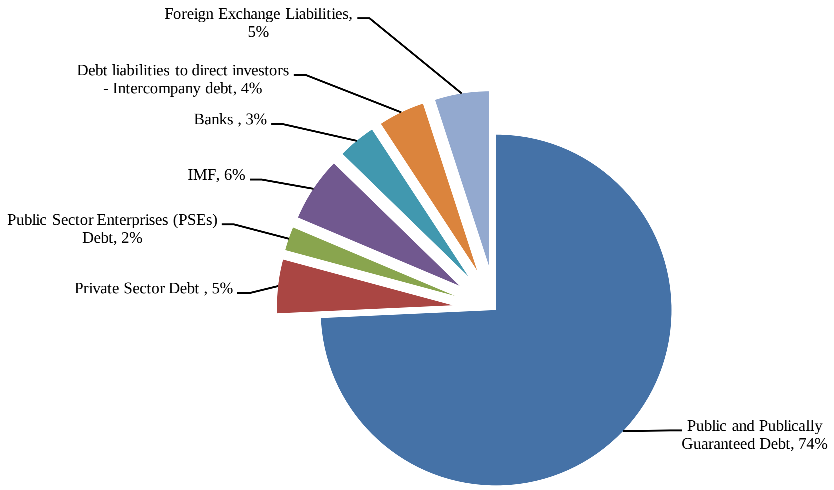
P:Provisional
*end-March, 2015
Source: Budget Wing, Finance Division

9.4 External Debt and Liabilities

Pakistan's External Debt and Liabilities (EDL) include all foreign currency debt contracted by the public and private sector as well as foreign exchange liabilities of SBP. EDL is serviced from foreign exchange earnings, drawdown from foreign exchange reserves and additional borrowings. There is an inherent capital loss associated with the debt denominated in foreign currency, however, it is mitigated by the strong concessionality element (low cost and long tenors). The impact of any currency shock should not be looked in isolation, but rather be analyzed in the context of interest rate differential.

As at end March 2015, EDL was dominated by Public and Publically Guaranteed (PPG) debt having share of around 74 percent. These loans were mainly obtained from multilateral and bilateral donors. Borrowing from IMF contributed 6 percent in EDL stock while debt obligations of the private sector was fairly limited and have been a minor proportion of EDL (5 percent). The composition and structure of EDL as at end March, 2015 is depicted through following graph:

Fig-9.11: Composition of External Debt and Liabilities - March 31, 2015



EDL stock was recorded at US$ 62.6 billion as at end March 2015 out of which external public debt was US$ 49.1 billion. Public external debt witnessed a decline of US$ 2.3 billion during first nine months of current fiscal year despite net positive disbursements. This reduction in external debt was mainly contributed by translational gain on account of appreciation of US Dollar against other major currencies by US$ 4.3 billion.

During first nine months of 2014-15, disbursements including loans and grants stood at US$ 4,001 million compared with US$ 2,301 million during the same period last year. Pakistan also received US$ 2,106 million from the IMF. Importantly, net inflows from the IMF stood at US$ 1,041 million during first nine months of current fiscal year compared with net outflow of US$ 861 million during the same period last year. The pace of external inflows is likely to continue in future as the government has signed number of fresh financing agreements with international development partners.

Table-9.7: Pakistan External Debt and Liabilities

	2010	2011	2012	2013(P)	2014(P)	2015(P)*
			(US Dollar in billion)			
1. Public and Publically Guaranteed Debt	**43.1**	**46.5**	**46.4**	**44.4**	**49.0**	**46.5**
i) Public Debt	**42.9**	**46.4**	**46.2**	**43.5**	**48.5**	**45.5**
A. Medium and Long Term(>1 year)	**42.1**	**45.7**	**45.6**	**43.5**	**47.8**	**45.0**
Paris Club	14.0	15.5	15.0	13.5	13.6	11.6

Table-9.7: Pakistan External Debt and Liabilities

	2010	2011	2012	2013(P)	2014(P)	2015(P)*
Multilateral	23.7	25.8	25.3	24.2	25.8	23.2
Other Bilateral	1.8	1.9	2.5	2.9	3.5	4.2
Euro Bonds/Saindak Bonds	1.6	1.6	1.6	1.6	3.6	4.6
Military Debt	0.2	0.1	0.1	0.1	0.0	0.0
Commercial Loans/Credits	-	-	-	-	0.2	0.2
Local Currency Bonds	0.0	0.0	-	0.0	0.0	0.0
Saudi Fund for Development	0.2	0.2	0.2	0.2	0.1	0.1
SAFE China Deposits	0.5	0.5	1.0	1.0	1.0	1.0
NBP/BOC Deposits	0.2	0.1	-	-	-	-
B. Short Term (<1 year)	**0.9**	**0.6**	**0.5**	**0.0**	**0.7**	**0.4**
Commercial Loans/Credits	-	-	-	-	0.2	-
IDB	0.8	0.6	0.5	-	0.4	0.4
Local Currency Securities	0.1	0.0	0.0	0.0	0.1	0.1
ii) Publicly Guaranteed Debt	**0.2**	**0.1**	**0.2**	**0.9**	**0.5**	**1.1**
A. Medium and Long Term(>1 year)	**0.2**	**0.1**	**0.2**	**0.9**	**0.5**	**1.1**
Paris Club	-	-	-	-	-	-
Multilateral	0.1	0.0	0.0	0.3	0.1	0.6
Other Bilateral	0.0	0.0	0.2	0.6	0.4	0.4
Commercial Loans/Credits	0.1	-	-	-	-	-
Saindak Bonds	-	-	-	-	-	-
B. Short Term (<1 year)	-	-	-	-	-	-
2. Private Non-Guaranteed Debt (>1 year)	**3.8**	**4.4**	**3.6**	**3.1**	**3.0**	**3.1**
3. Public Sector Enterprises (PSEs Debt)	**1.4**	**1.3**	**1.3**	**1.2**	**1.7**	**1.4**
4. IMF	**8.1**	**8.9**	**7.3**	**4.4**	**3.0**	**3.7**
of which Central Government	1.1	2.0	1.9	1.7	0.7	0.1
Monetary Authorities	7.0	6.9	5.4	2.7	2.4	3.6
5. Banks	**0.7**	**1.1**	**1.8**	**1.6**	**2.0**	**2.2**
Borrowing	0.2	0.4	0.9	0.7	1.1	1.3
Nonresident Deposits (LCY & FCY)	0.6	0.7	1.0	0.8	0.9	0.9
6. Debt liabilities to direct investors - intercompany debt	**1.9**	**1.6**	**2.7**	**3.1**	**3.4**	**2.7**
Total External Debt (1 through 6)	**59.0**	**63.8**	**63.1**	**57.8**	**62.1**	**59.5**
7. Foreign Exchange Liabilities	**2.6**	**2.6**	**2.4**	**3.1**	**3.3**	**3.1**
Total External Debt & Liabilities (1 through 7)	**61.6**	**66.4**	**65.5**	**60.9**	**65.4**	**62.6**
(of which) Public Debt	**50.9**	**55.3**	**53.5**	**47.9**	**51.4**	**49.1**
Official Liquid Reserves	13.0	14.8	10.9	6.0	9.1	11.6
(In percent of GDP)						
Total External Debt (1 through 6)	**33.2**	**29.8**	**28.1**	**25.0**	**25.5**	**22.0**
1. Public and Publically Guaranteed Debt	24.3	21.7	20.6	19.2	20.1	17.2
A. Medium and Long Term(>1 year)	23.7	21.4	20.3	18.8	19.6	16.6
B. Short Term (<1 year)	0.5	0.3	0.2	0.0	0.3	0.2
2. Private Sector Debt	2.1	2.0	1.6	1.4	1.3	1.1
3. Public Sector Enterprises (PSEs) Debt	0.8	0.6	0.6	0.5	0.7	0.5
4. IMF	4.6	4.2	3.3	1.9	1.2	1.4
5. Banks	0.4	0.5	0.8	0.7	0.8	0.8
6. Debt liabilities to direct investors - Intercompany debt	1.1	0.8	1.2	1.3	1.4	1.0
7. Foreign Exchange Liabilities	1.5	1.2	1.1	1.3	1.3	1.2
Total External Debt & Liabilities (1 through 7)	**34.7**	**31.0**	**29.2**	**26.3**	**26.8**	**23.2**
Official Liquid Reserves	7.3	6.9	4.8	2.6	3.7	4.3
Memo:						
GDP (Rs. in billion)	14,867	18,276	20,047	22,379	25,068	27,384
Exchange Rate (Rs./US$, Period Average)	83.8	85.5	89.2	96.7	102.9	101.2

Table-9.7: Pakistan External Debt and Liabilities						
	2010	**2011**	**2012**	**2013(P)**	**2014(P)**	**2015(P)***
Exchange Rate (Rs./US$, End of Period)	85.5	86.0	94.5	99.7	98.8	101.9
GDP (US$ in billion)	177	214	225	231	244	271

P:Provisional
*end-March, 2015
Source: State Bank of Pakistan, Economic Affairs Division & Debt Policy Coordination Office Staff Calculations

9.4.1 Composition of Foreign Economic Assistance

The total amount of US$ 4,001 million was received in the first nine months of current fiscal year against foreign economic assistance. The composition of this assistance is as follows:

I. Commitments

The commitments of foreign economic assistance were US$ 14,957 million during 2013-14, while during July-March, 2014-15, total commitments amounted to US$ 3,220 million. About 46 percent of total commitments were in the shape of project aid while the remaining comprised non-project aid. In non-project aid, almost all commitments were against BOP/budgetary support.

II. Disbursements

During July-March, 2014-15, disbursements of US$ 4,001 million were for different purposes like Project Aid (US$ 1,760 million), Non-Food Aid (US$ 9 million), BOP/Budgetary Support (US$ 1,747 million) and relief (US$ 105 million). Project aid accounted for 44 percent of the total disbursements.

9.4.2 External Debt Servicing

Annual debt obligations have increased since 2008-09 and stood at US$ 8,697 million in 2013-14. An amount of US$ 1,528 million of multilateral debt, together with US$ 3,182 million of the IMF loans, accounted for most of these obligations. This was the first time Pakistan made such large repayments of debt in a single year.

Servicing of EDL fell by US$ 1,282 million in first nine months of current fiscal year as compared to the same period last year and recorded at US$ 5,303 million. Out of this total, principal repayments were US$ 3,291 million and interest payments were US$ 812 million, whereas an amount of US$ 1,200 million was rolled over. Among the principal repayments, US$ 935 million of multilateral debt and US$ 1040 million of IMF accounted for most of the share.

Table-9.8: Pakistan's Public External Debt Servicing (US Dollar in million)

Years	Actual Amount Paid	Amount Rolled Over	Total
2008-09	4,747.2	1,600.0	6,347.2
2009-10	4,607.0	1,723.0	6,330.0
2010-11	3,947.7	1,488.0	5,435.7
2011-12	4507.7	1,543.0	6,050.7
2012-13	6,485.1	1,200.0	7,685.1
2013-14	6,996.5	1,700.0	8,696.5
2014-15*	4,102.9	1,200.0	5,302.9

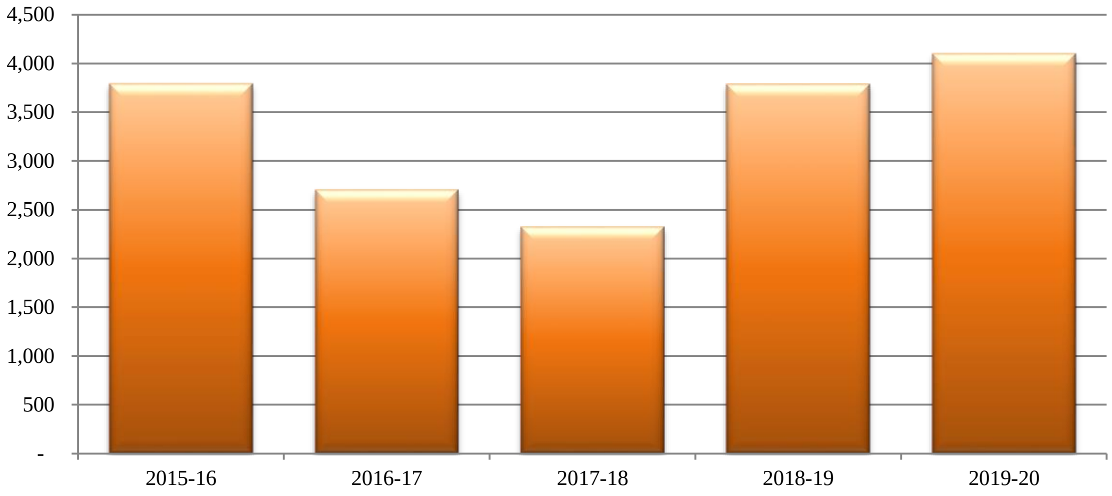
Source: State Bank of Pakistan and Debt Policy Coordination Office Staff Calculations
*July-March

While the significant portion of the IMF loans has already been repaid, this decline will be somewhat offset by an increase in debt servicing costs over the medium-term, arising from:

- Maturity of 10 years Eurobonds issued in 2005-06 (US$ 500 million) and 2006-07 (US$ 750 million) is due in 2015-16 and 2016-17 respectively;
- Repayment of rescheduled Paris Club debt under Official Development Assistance (ODA) will start from 2016-17;
- The 5-year Eurobond issued in April 2014 (US$ 1 billion) will mature in 2018-19;

- The 5-years Pakistan International Sukuk issued in November 2014 (US$ 1 billion) will mature in 2019-20.

Fig-9.12: Medium Term Public External Debt Repayments



9.4.3 Impact of Exchange Rate Fluctuations

External loans are contracted by Pakistan in various currencies and disbursements are effectively converted into Pak Rupee. As the Pak Rupee is not an internationally traded currency, other currencies are bought and sold by buying and selling US Dollars. Hence, the currency exposure of foreign debt originates from two sources: US Dollar/other foreign currencies and Pak Rupee/US Dollar. This two-pronged exchange rate risk has been a major source of increase in the stock of EDL over a period of time in contrast to actual inflows.

The Pak Rupee depreciated against the US Dollar on average by 3.8 percent per annum between 2009-10 and 2013-14 which resulted in increase in Pakistan's external debt in local currency. Pakistan's loss on foreign currency debt is mitigated by the concessional terms (low cost and longer maturities) associated with its external loans i.e. the cost of adverse currency movements and existing external debt rates is still lower than the cost of domestic debt by approximately 5.3 percent over the last five years. Accordingly, policy of the government is to borrow more through these channels. The principal exchange rate risk for Pakistan is mainly from loans denominated in US Dollars, Euro and Japanese Yen. As at end March, 2015, 91 percent of total external debt is contracted in 3 major currencies (adjusted for Special Drawing Rights) as depicted in the following graph:

Fig-9.13: Currency Wise Composition of External Debt - March 31, 2015

External public debt witnessed a huge translational gain of around US$ 4.3 billion during first nine months of current fiscal year on account of appreciation of US Dollar against other major currencies, however, depreciation of Pak Rupee against US Dollar by around 3 percent during the same period reduced this gain in rupee term. Appreciation of US Dollar against Euro and Japanese Yen contributed in translational gain of around US$ 2,539 million and US$ 1,808 million, respectively.

9.4.4 External Debt Sustainability

Managing the levels of external debt and the risks associated with them pose a different set of challenges for policy makers. A key component of external debt sustainability analysis is to estimate the path of a country's external debt stock over time. The increase in interest rates, depreciation of exchange rate and higher external account deficit can increase stock of external debt. In crisis situations, countries can have recourse to debt restructuring or reduction, but such actions cannot be regular means of dealing with external financing problems, as these affect access to new financing. Thus, a good tracking system in the form of debt sustainability analysis based on key macroeconomic indicators can predict and prevent debt problems.

External debt and liabilities expressed as a percentage of GDP might be a common means of measuring the indebtedness of an economy, but repayment capacity is more accurately captured through expressing the levels of debt as a percentage of the economy's foreign exchange earnings and foreign exchange reserves. In this case, if the growth in FEE exceeds the growth in EDL, the ratio of EDL-to-FEE will continue to decline.

Table-9.9: External Debt Sustainability Indicators

(In percent)	2010	2011	2012	2013	2014	2015*
EDL/FEE (times)	1.6	1.4	1.4	1.2	1.3	1.6
EDL/FER (times)	3.7	3.6	4.3	5.5	4.6	3.8
EDL/GDP	34.7	31.0	29.2	26.3	26.8	23.2
EDL Servicing/FEE	16.6	11.4	12.5	14.3	15.0	10.9

*: end March, 2015
FEE: Foreign Exchange Earnings; **EDL:** External Debt and Liabilities; **FER:** Foreign Exchange Reserves
Source: Debt Policy Coordination Office Staff Calculations, Finance Division

EDL as a percentage of FEE gives a measure of a country's debt repayment capacity. EDL at 2 times of FEE and EDL servicing below 20 percent of FEE are generally believed to be within the bounds of sustainability. Pakistan's EDL and its servicing in terms of FEE stood at 1.3 times and 15 percent respectively during 2013-14 compared with 1.2 times and 14.3 percent respectively last year. The erosion in EDL to FEE ratio suggests that stock of EDL witnessed more growth than foreign exchange earnings during 2013-14. Further, EDL Servicing to FEE ratio also weakened primarily due to hefty repayments to the IMF during 2013-14. During first nine months of current fiscal year, EDL and its servicing in terms of FEE stood at 1.6 times and 10.9 percent respectively.

A decrease in EDL in relation to foreign exchange reserves reflects the consolidation of foreign exchange reserves and a general improvement of the country's repayment capacity or vice versa. On the onset of IMF-SBA, the ratio declined to 3.7 times in 2009-10 as EDL growth slowed and foreign exchange reserves shored up. The ratio improved slightly in 2010-11 mainly because of lower growth in EDL stock and improvement in reserves. However, it showed downward trend during 2011-12 and 2012-13 and recorded at 4.3 times and 5.5 times respectively, mainly because of drawdown on reserves owing to repayments of the IMF loans and other lower non-debt creating inflows. During 2013-14, this ratio improved and recorded at 4.6 times mainly due to increased external inflows (both debt and non-debt creating) and accordingly foreign exchange reserves shored up. During first nine months of current fiscal year, this ratio was further improved and recorded at 3.8 times owing to further increase in foreign exchange reserves and decrease in the stock of EDL.

EDL as a percent of GDP stood at 26.3 percent at end of June 2013 compared with 29.2 percent in 2011-12. This improvement was mainly due to hefty repayments against the IMF loans and translational gain on account of US Dollar appreciation against other major currencies. By end June 2014, this ratio marginally increased and stood at 26.8 percent mainly due to successful launching of Eurobonds, fresh financing from World Bank, ADB and some bilateral inflows along with translational loss on account of US Dollar depreciation against other major currencies. By end March 2015, this ratio reduced and stood at 23.2 percent mainly due to translational gain of US$ 4.3 billion on account of appreciation of US Dollar against other major currencies.

9.5 Pakistan's Link with International Capital Market

Pakistan successfully returned to the international Islamic bond market in November 2014 with the issuance of Sukuk for US$ 1 billion. Similar to Eurobonds issued in April 2014, investors' response was overwhelming as order-books oversubscribed by almost five times i.e. against the initial expectations of raising US$ 500 million, there were offers worth US$ 2.3 billion. The success of this Sukuk transaction highlights the growing confidence of the international investors towards the economic policies of the government being implemented to enhance the economic performance of the country. Encouragingly, the government was able to get even a lower rate compared to Eurobonds i.e. 6.75 percent for 5 year Sukuk compared with 7.25 percent on the same tenor Eurobonds issued in April 2014. This profit rate of 6.75 percent on the Sukuk also marks the lowest pricing achieved by Pakistan in the international conventional and Islamic bond market in last 7 years.

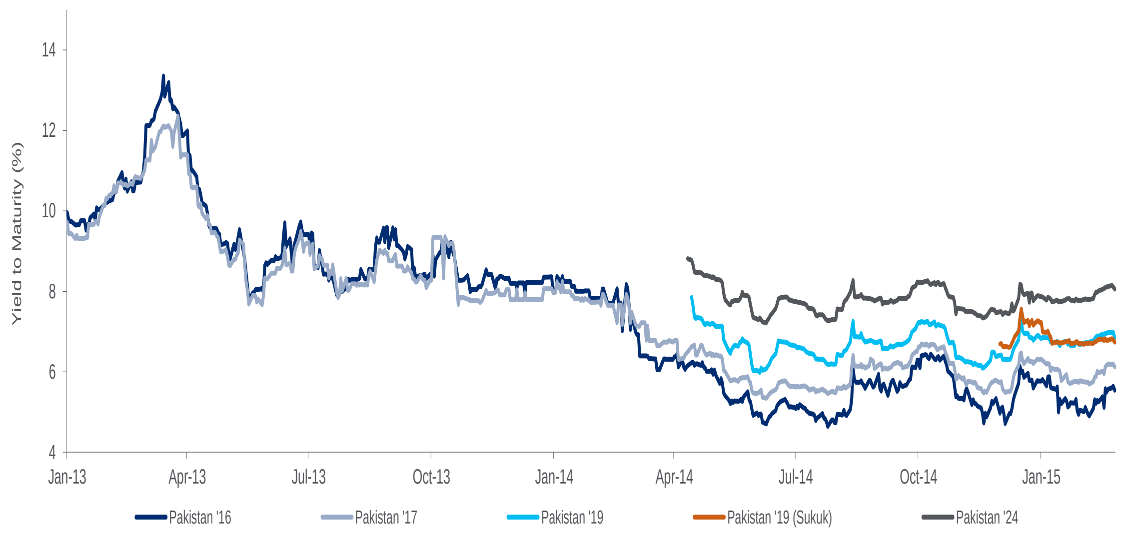
Pakistan's international Eurobonds have performed well since issuance and levels have remained relatively stable since the start of 2015. The 2016s, 2017s, 2019s and 2024s Eurobonds broadly traded at a premium since May 2014 with yields dropping significantly to 3.5 percent range for 2016s, 4.7 percent range for 2017s, 5.6 percent range for 2019s and 7 percent range for 2024s as of mid-April 2015.

Table-9.10: Selected Secondary Market Benchmarks

Issuer	Ratings (Moody's/S&P)	Maturity	Issue Size (US$ in million)	Coupon (%)	Yield (%)	Bid Spread Vs. BM	Bid Spread Vs. MS
Pakistan	Caa1/B-	March 2016	500	7.125	3.57	337 bps	315 bps
Pakistan	Caa1/B-	June 2017	750	6.875	4.73	420 bps	397 bps
Pakistan	Caa1/B-	April 2019	1,000	7.250	5.68	462 bps	447 bps
Pakistan	Caa1/B-	April 2024	1,000	8.250	7.07	525 bps	529 bps
Pakistan	Caa1/B-	March 2036	300	7.875	8.18	593 bps	606 bps

Source: Bloomberg, as of April 17, 2015

Fig-9.14: Historical Yield Performance



9.6 Conclusion

Pakistan's public debt dynamics witnessed various positive developments during first nine months of current fiscal year. The composition of public debt further improved and the cost and risks of public debt portfolio reduced. The government is committed to accomplish objectives outlined in Fiscal Responsibility and Debt Limitation Act, 2005. Going forward, the prime objectives of public debt management include: (i) fulfilling the financing needs of the government keeping in view cost-risk tradeoffs; (ii) development of domestic debt capital market (iii) lengthening of maturities of domestic debt instruments at a reasonable cost; and (iv) stimulation of concessional external financing with reference to its impact on macroeconomic stability and debt sustainability.

Education

Introduction

Education plays a pivotal role in the development of the country. High literacy rate ensures sustainable economic development, labour productivity and economic prosperity. Equalization of educational levels eliminates regional inequalities and gender discrimination. It also strengthens to meet the emerging challenges of the modern world through upgrading the intellectual level and adoption of the new technologies. It is important for developing countries, where majority of the world's population exists, need to redesign educational policies in line with the advanced nations for enhancing productivity through highly skilled manpower.

The Educational institutions required to develop guidelines, tools and resources that would in turn help to educators, students, parents, guardians, education managers and civil society in creating safe, more supportive and conducive educational environment to attain the organizational goals like developing skills and knowledge in order to produce responsible citizens for community, knowledge based society / economy and capacity building towards making the country welfare state as a whole.

Similar to many developing countries, Pakistan has not made progress adequately in the field of education with literacy rate of only 58 percent i.e. 42 percent of its population remains unable to read or write. This limits the opportunity considerably towards acquiring skills and technical knowledge for higher productivity and better earning levels. School enrolments are low and school drop-out rates are too high. The budgetary allocation to education has remained static around 2.0 percent of GDP for the past decade, with a big chunk being spent on recurrent heads mainly salaries, leaving a small amount for quality enhancement such as teachers training, curriculum development, provision of school facilities and monitoring and supervision of education.

According to Pakistan Education for All (EFA) review report 2015, there is a large stock of 6.7 million out of school children; of which 55 percent are girls which for years have posed a major obstacle in achieving EFA targets. A National Plan of Action for MDGs Acceleration Framework (MAF) 2013-16 is designed to accelerate progress towards education related goals and targets identified by MDG for 2015-16 by Ministry of Federal Education & Professional Training. The National Plan envisages enhancing its net primary enrolment ratio to 91 percent by 2015-16. This would imply, besides retention of existing students through a variety of quality-improving measures and cash stipends, enrolment of an additional 5.06 million children in primary classes at a total additional cost of Rs. 189 billion over the 3-year period. The National Plan expects to enroll an additional 5.1 million (2.4 million boys and 2.7 million girls) by 2015-16.

Millennium Development Goals (MDGs) of Education:

The U.N. has identified as one of the MDGs to be achieved by 2015. The Government of Pakistan is fully committed towards the achievement of the MDGs Goal 2 and Goal 3 which focus towards development of education.

Goal 2: To Achieve Universal Primary Education (UPE)

Target: MDG 2 aims at achieving 100 percent primary school enrolment, 100 percent completion of education from grades 1-5 and an 88 percent overall literacy rate by 2015. The achievements made up to 2013-14 are given in the Table 10.1 and 10.2.

Table10.1:Progress towards Goal 2 at National Level (Percentage)

Indicator	1990-91 (Bench Mark)	2001-02	2004-05	2007-08	2010-11	2011-12	2012-13	2013-14	MDG Target 2015
Net Primary Enrolment Ratio (5-9 Years)	46	42	52	55	56	57	57	57	100
Completion/Survival rate Grade 1 to 5	50	57	67	52	49	50	-	-	100
Literacy Rate (%) 10 years and above	35	45	53	56	58	58	60	58	88

Source: Pakistan Social and Living Standards Measurement (PSLM) Survey 2013-14.

Fig-1: Targets & Achievements- Net Primary Enrolment Ratio

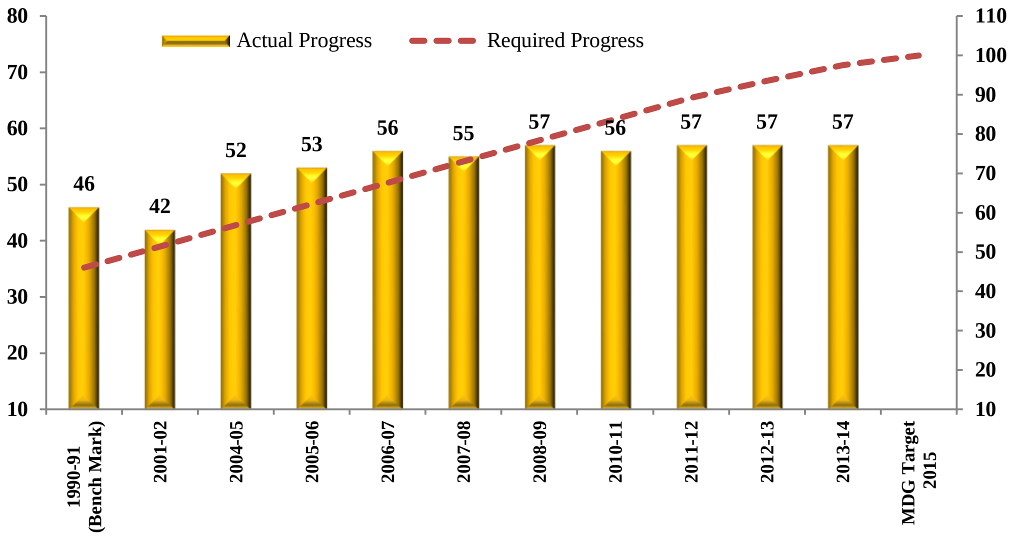


Table 10.2: Progress towards Goal 2 by 2013-14 at Provincial Level (percentage)

Indicators	National	Punjab	Sindh	KPK	Balochistan
Net Primary Enrolment Rate (5-9 Years)	**Total: 57** Male:60 Female:53	**Total: 64** Male:66 Female:63	**Total:48** Male:53 Female:43	**Total:54** Male:62 Female:46	**Total:39** Male:46 Female:30
Completion/Survival Rate 1 grade to 5	-	-	-	-	-
Literacy Rate (%) 10 years and above	**Total:58** Male:70 Female:47	**Total:61** Male:71 Female:52	**Total:56** Male:67 Female:43	**Total:53** Male:72 Female:36	**Total:43** Male:59 Female:25

Source: Pakistan Social and Living Standards Measurement (PSLM) Survey 2013-14

Goal 3: Promoting Gender Equality and Women Empowerment

Target: MDG 3 promotes gender equality in education and aims to eliminate gender disparity in primary and secondary education by 2005, and at all levels of education by 2015. MDG 3 focuses upon the key challenges faced by women in three major areas; education, employment and political participation. Gender parity index show some improvement over the years but pronounced gaps between male and female indicators persist, especially in rural and remote (particularly in tribal and feudal) areas. With provision of more middle and high schools, it is anticipated that demand for middle and upper secondary education for girls will increase. The targets to be achieved by 2015 and achievements made up to 2013-14 are given in the Table 10.3 and 10.4

Table10.3: Progress towards Goal 3 at National Level (percentage)

Indicators	1990-91 (Bench Mark)	2001-02	2005-06	2008-09	2010-11	2011-12	2012-13	2013-14	MDG Target 2015
Primary Education (Age 5-9 Years)	0.73	0.82	0.85	0.88	0.88	0.90	0.89	0.88	1.00
Secondary Education (Age 14-15 Years)	n/a	0.75	0.78	0.81	0.85	0.81	0.89	0.84	0.94
Youth Literacy (Age 15 years and above)	0.51	0.65	0.74	0.78	0.63	0.81	0.82	0.80	1.00

Source: Pakistan Social and Living Standards Measurement (PSLM) Survey 2013-14.

Fig-2 : Targets & Achievements- GPI Youth Literacy

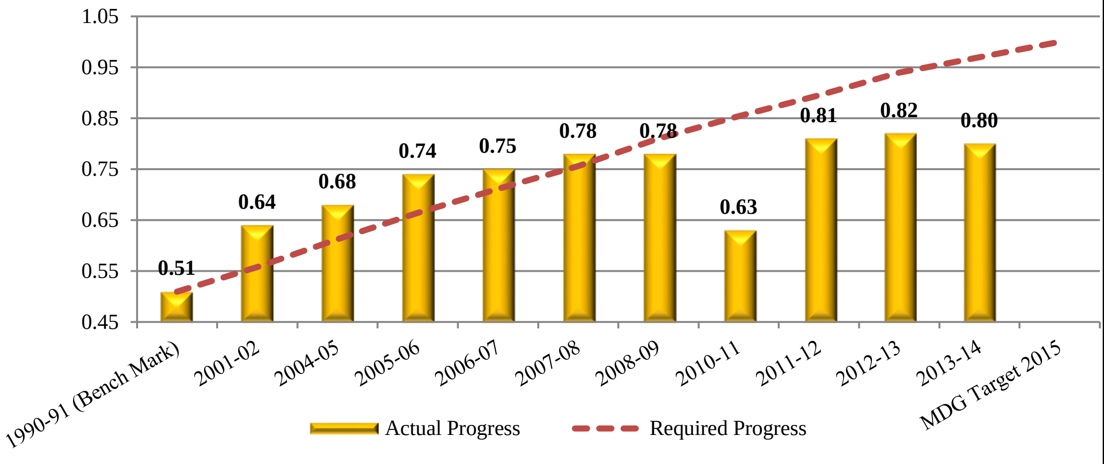


Table 10.4: Progress towards Goal 3 by 2013-14 at Provincial Level (percentage)

Indicators	Punjab	Sindh	KPK	Balochistan
Primary Education (Age 5-9 Years)	0.95	0.81	0.74	0.65
Secondary Education (Age 14-15 Years)	0.95	0.84	0.62	0.45
Youth Literacy (Age 15 years and above)	0.87	0.77	0.60	0.51

Source: Pakistan Social and Living Standards Measurement (PSLM) Survey 2013-14.

Critical Analysis of MDGs (Education):

i. The Table-10.1 shows increase of literacy rate at merely 23 percent during the period of last 24 years from 1990-91 to 2013-14 which is not encouraging at national level. The table reflects encouraging trend of increase from 35 percent in 1990-91 to 45 percent in 2001-02 and 53 percent in 2004-05. Afterwards it slightly increased to 56 percent in 2007-08. The trend shows some stagnancy at 58 percent both in 2010-11 and 2011-12 and with only 2 percent increase in 2012-13. During 2013-14, literacy rate recorded at 58 percent showing a decline of 2.0 percent which shows that Pakistan will miss the EFA goals and MDGs targets.

ii. The picture of gender disparity is also very clear with 47 percent of female literacy rate and 70 percent male literacy rate in 2013-14 which shows that more human and financial resources are required to attain the gender parity. The MDG target by 2015 is 88 percent which gives a clear message that ultimate goal is far away at national level in Pakistan.

iii. The indicator of Net Primary Enrolment Ratio (%) reflects very slight increase with 46 percent in 1990-91 to 57 percent in 2013-14 whereas the target is to be achieved 100 percent till 2015 while only 11 percent has been increased during last 24 years from 1990 to 2014.

iv. Provincial progress for the year 2013-14 shows that so far as the Net Primary Enrolment Ratio of provinces is concerned, Punjab is the highest with 64 percent (Male: 66 & Female: 63 percent) followed by KPK 54 percent (Male: 62 & Female: 46 percent), Sindh 48 percent (Male: 53 & Female: 43 percent) and Balochistan is at the lowest with 39 percent (Male: 46 & Female: 30 percent). The increase in gender disparity in Balochistan and Sindh is mainly due to tribal and feudal social systems, not supportive of education for female and poor classes. This shows very critical situation regarding issue of parity in education at primary level. This needs thorough consultation process at national level to address the issue which has long run impact on the human development and socio economic conditions of Pakistan. The commitment gap, implementation gap and lack of good governance may be major reasons behind the low level of achieving the Millennium Development Goals

Box-I: New Education Policy 2016

Implementation status of National Education Policy 2009 is to be completed before June 2015 and Ministry of Federal Education and Professional Training is in process of implementing “New Education Policy 2016” next year after completing the consultation and review process. The government is set to upgrade and review the last education policy which was made in 2006 by the end of this year and implement it from January 2016. The new policy will be uniformly implemented in all provinces including Azad Jammu Kashmir and Gilgit-Baltistan. The National Education Policy was placed under the 3rd Inter Provincial Education Minister's Conference (IPEMC) which approved formation of NEP 2009 Review Committee to suggest changes in the policy in view of 18th Amendment scenario and global modern trends in the education sector.

Source: Ministry of Federal Education & Professional Training

Vision 2025:

Pakistan Vision 2025 aims at substantial expansion in levels of education as well as improvements in the quality of education, increase public expenditure on education to reach 4.0 percent of GDP by 2018. Education development will be led by the provinces as it is a devolved function, however the federal government will play the role of a catalyst in partnership with the provinces to transform the education system in the country. The government at all levels will ensure that individuals are able to pursue their economic, social, and intellectual objectives in the best possible way. The provincial governments are committed to achieve Millennium Development Goals for education. In order to achieve these goals the provincial governments are determined to increase their education budgets significantly. The federal government will not only help them in achieving MDGs at provincial levels but also perform an active role in reducing educational inequities across the four provinces. This will increase geographic and economic mobility within the country thus strengthening national spirit and solidarity.

Literacy:

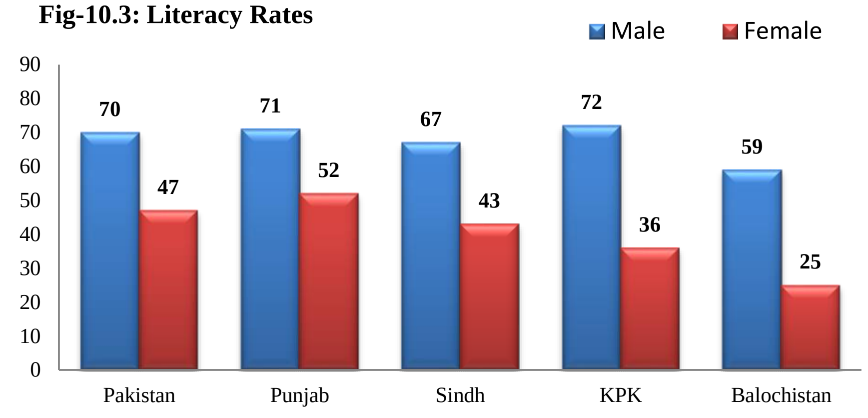
Literacy rate is one of the important indicator of education as its improvement is likely to have a long run impact on other important indicators of national welfare. According to the latest Pakistan Social and Living Standards Measurement (PSLM) Survey 2013-14, the literacy rate of the population (10 years and above) is 58 percent as compared to 60 percent in 2012-13 showing a decline of 2.0 percent. The data shows that literacy remains higher in urban areas (74 percent) than in rural areas (49 percent), and is more prevalent for men (81.0 percent) compared to women (66.0 percent) in urban areas. Province wise data suggests that Punjab leads with 61 percent followed by Sindh with 56 percent, Khyber Pakhtunkhwa with 53 percent and Balochistan with 43 percent. The details are given in Table 10.5.

Table 10.5: Literacy Rate (10 Years and Above)-Pakistan and Provinces (Percent)

Province/Area	2012-13			2013-14		
	Male	Female	Total	Male	Female	Total
Pakistan	**71**	**48**	**60**	**70**	**47**	**58**
Rural	64	37	51	63	36	49
Urban	82	69	76	81	66	74
Punjab	**71**	**54**	**62**	**71**	**52**	**61**
Rural	66	45	55	65	43	53
Urban	82	72	77	82	71	76
Sindh	**72**	**47**	**60**	**67**	**43**	**56**
Rural	59	22	42	53	21	37
Urban	84	70	77	80	63	72
KPK	**72**	**35**	**52**	**72**	**36**	**53**
Rural	69	31	49	70	32	49
Urban	78	52	66	81	55	68
Balochistan	**62**	**23**	**44**	**59**	**25**	**43**
Rural	55	15	37	54	17	36
Urban	81	47	65	74	45	59

Source: Pakistan Social and Living Standards Measurement Survey, 2013-14

Fig-10.3: Literacy Rates



Primary Enrolment Rates:

A. Gross Enrolment Rates:

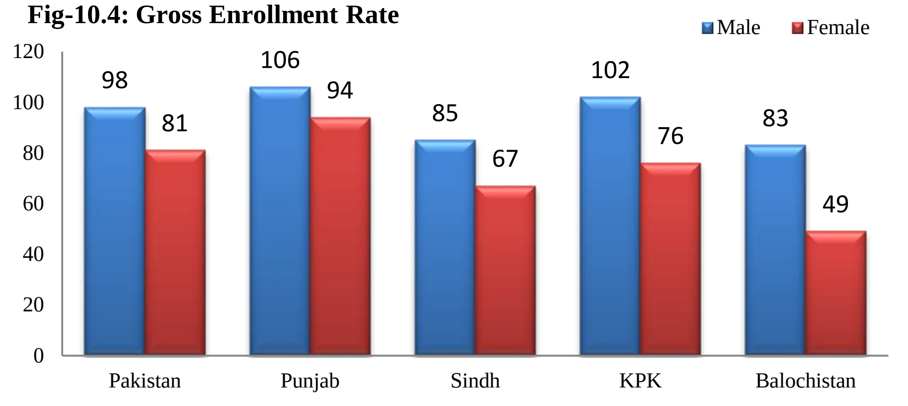
Gross Enrolment Rates (GER) referred to the participation rate of children attending primary schools divided by the number of children aged 5 to 9 years. GER at the primary level excluding Katchi (prep) for the age group 5-9 years at national level during 2013-14 recorded at 90.0 percent as compared to 91 percent in 2012-13. This decline is largely due to stagnant allocations at 2.0 percent of GDP; shortage of schools especially for girls in remote and far flung areas; shortage and absenteeism of teachers; lack of trained teachers, especially female teachers; missing facilities such as water, toilets and boundary walls; weak supervision and monitoring; and a host of factors such as conservative and tribal culture; insecurity and lawlessness; and poverty, compelling a large number of children to work rather than to attend school. A cursory look at the table GER indicates that the only Punjab has shown significant performance by achieving Primary level GER at 100.0 percent against 98 percent in 2012-13 while other provinces have performed negatively i.e. Sindh GER declined to 76 percent in 2013-14 against 81 percent in 2012-13 and Khyber Pakhtunkhwa also declined to 89 percent in 2013-14 against 91 percent in 2012-13 while Balochistan GER also declined from 67 percent in 2013-14 as compared to 73 percent in 2012-13. The details are given in Table 10.6.

Table 10.6: National and Provincial GER (Percent)

Province/Area	2012-13			2013-14		
	Male	Female	Total	Male	Female	Total
Pakistan	**98**	**83**	**91**	**98**	**81**	**90**
Punjab	102	94	98	106	94	100
Sindh	89	71	81	85	67	76
Khyber Pakhtunkhwa	103	77	91	102	76	89
Balochistan	91	52	73	83	49	67

Source: Pakistan Social and Living Standards Measurement Survey, 2013-14

Fig-10.4: Gross Enrollment Rate



B. Net Enrolment Rates:

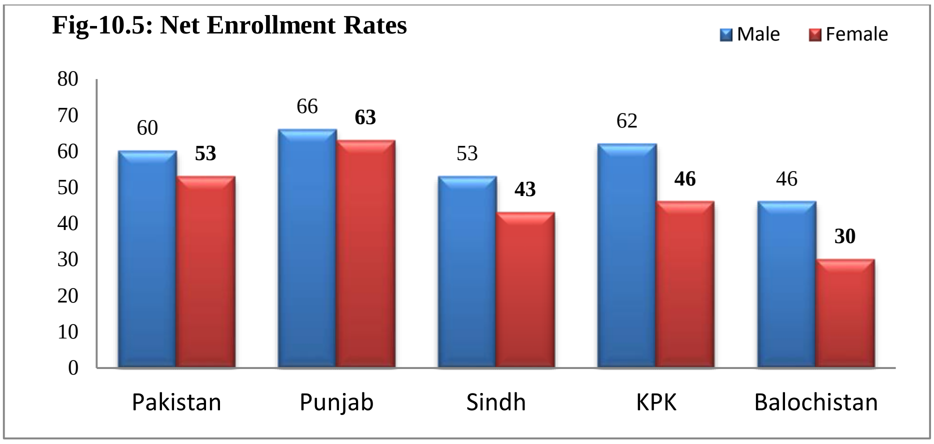
Net Enrolment Rates (NER) at the primary level refers to the number of students enrolled in primary schools of age 5 to 9 years divided by the number of children in the same age group for that level of education. In Pakistan, the official primary NER is the number of children aged 5 to 9 years attending primary level (1-5) divided by the total number of children aged 5 to 9 years.

Table 10.7 show the net primary level enrolment rates at the national/provincial (excluding prep/Katchi class) level for the age group 5-9 years. NER at the national level during 2013-14 remained at 57 percent. Province wise comparison reveals that Punjab NER slightly improved to 64 percent in 2013-14 as compared to 62 percent in 2012-13 while NER of Khyber Pakhtunkhwa remained at 54 percent. Sindh NER declined to 48 percent in 2013-14 as compared to 52 percent in 2012-13; while Balochistan also witnessed a declined to 39 percent in 2013-14 as compared to 45 percent in 2012-13. The decline in Balochistan and Sindh enrolment rates is probably due to tribal and feudal social systems, not supportive of education for female and poor classes.

Table 10.7: National and Provincial NER at Primary Level (Percent)

Province/Area	2012-13			2013-14		
	Male	Female	Total	Male	Female	Total
Pakistan	**61**	**54**	**57**	**60**	**53**	**57**
Punjab	64	60	62	66	63	64
Sindh	56	48	52	53	43	48
Khyber Pakhtunkhwa	59	48	54	62	46	54
Balochistan	54	35	45	46	30	39

Source: Pakistan Social and Living Standards Measurement Survey, 2013-14.



Educational Institutions and Enrolment:

i). Pre-Primary Education

Pre-Primary education is the basic step for Early Childhood Education (ECE). Prep or Katchi class is meant for children between 3 to 4 years of age. At national level, a minor decline of 0.1 percent was observed in Pre-Primary enrolment as it dropped to 9.27 million in 2013-14 as compared to 9.28 million in 2012-13. However, it is estimated to further decline by 0.5 percent i.e. from 9.27 million to 9.22 million during 2014-15. [Table 10.8].

ii). Primary Education (Classes I-V)

At national level, 157.9 thousands Primary Schools with 420.1 thousands teachers were functional in 2013-14. An increase of 3.5 percent in primary enrolment is witnessed as it increased to 19.4 million in 2013-14 against 18.8 million in 2012-13 and it is estimated to increase by 2.6 percent i.e. from 19.4 million to 19.9 million during 2014-15. [Table 10.8].

iii). Middle Education (Classes VI-VIII)

A number of 42.8 thousand middle institutes with 364.8 thousand teachers were functional in 2013-14. An increase of 4.8 percent in middle enrolment is observed as it increased to 6.5 million in 2013-14 against 6.2 million in 2012-13 and it is estimated to increase by 4.6 percent i.e. from 6.5 million to 6.8 million during 2014-15. [Table 10.8].

iv). Secondary Education (Classes IX-X)

A total of 30.4 thousand secondary schools with 500.5 thousand teachers were functional in 2013-14. At national level, an increase of 6.9 percent in secondary enrolment is witnessed as it increased to 3.1 million in 2013-14 against 2.9 million in 2012-13 and it is estimated to increase by 6.4 percent i.e. from 3.1 million to 3.3 million during 2014-15. [Table 10.8].

v). Higher Secondary / Inter Colleges (Classes XI-XII)

At national level, 5.2 thousand higher secondary schools and inter colleges with 124.3 thousand teachers were functional in 2013-14 as compared to 5.0 thousand institutions with 132 thousand teachers in 2012-13. The overall enrollment of students in higher secondary education witnessed a decline of 14.3 percent in 2013-14 as compared to 2012-13. The enrolment registered during 2013-14 was 1.23 million as compared to 1.40 million during 2012-13. For 2014-15, it is estimated to increase to 1.25 million. Number of institutes is expected to increase to 6.0 thousands in 2014-15 as compared to 5.2 thousands in 2013-14. [Table 10.8].

vii). Technical & Vocational Institutes

During 2013-14, 3.3 thousand technical and vocational institutes with 16.4 thousand teachers were functional at national level. An increase of 3.3 percent enrolment was recorded as it increased to 0.31 million in 2013-14 against 0.30 million in 2012-13. However, it is estimated to increase by 3.2 percent i.e. from 0.31 million to 0.32 million during 2014-15. [Table 10.8].

vii) Degree Colleges Education (Classes XIII-XIV)

A number of 1.1 thousand degree colleges with 26.0 thousand teachers were functional during 2013-14. An increase of 4.7 percent enrolment was observed as it increased to 0.67 million in 2013-14 against 0.64 million in 2012-13. However, it is estimated to increase by 19.4 percent i.e. from 0.67 million to 0.80 million during 2014-15. [Table 10.8].

viii) Universities Education (Classes XV onwards)

There are 161 universities with 77.6 thousand teachers in both private and public sectors were functional during 2013-14. During 2013-14, the overall enrolment of students in higher education (universities) remained stable at 1.60 million over the corresponding period of last year and it is estimated to increase by 12.5 percent i.e. from 1.6 million to 1.8 million during 2014-15. [Table 10.8].

Overall Assessment

The overall education situation based on key indicators such as likely enrolments, number of institutes and teachers, has depicted a slight improvement. The total number of enrolments during 2013-14 was recorded at 42.1 million as compared to 41.1 million during the same period last year. This indicates an increase of 2.4 percent and it is estimated to increase to 43.4 million during 2014-15. The number of institutes which stood at 240.9 thousands during 2013-14 as compared to 241.5 thousands during last year. This shows a slightly decline of 0.2 percent. However, the number of institutes is estimated to increase to 244.9 thousands during 2014-15. The number of teachers during 2013-14 was recorded at 1.53 million as compared to 1.55 million during last year showing a decline of 1.2 percent. This number of teachers is estimated to increase further to 1.57 million during the year 2014-15. [Table 10.8].

Fig-10.6: Enrolment at each level

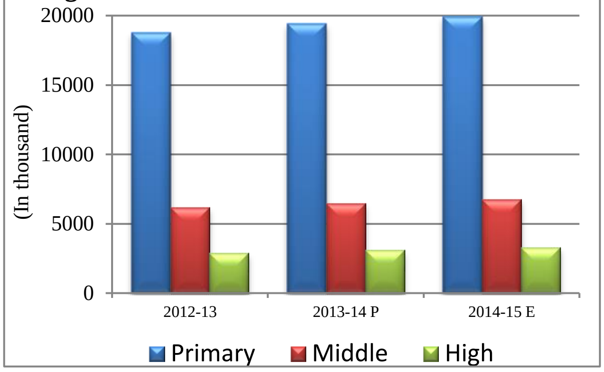


Fig-10.7: Institution at each level

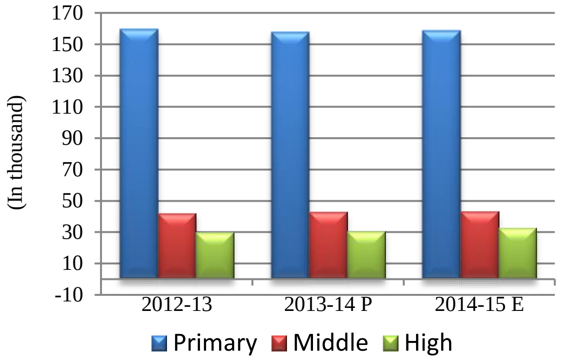


Fig-10.8: Teachers at each level

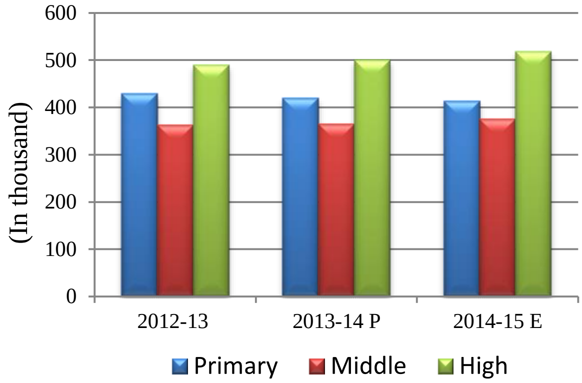


Table 10.8: Number of Mainstream Institutions, Enrolment and Teachers by Level (Thousands)

Year	Enrolment			Institutions			Teachers		
	2012-13	2013-14 (P)	2014-15 (E)	2012-13	2013-14 (P)	2014-15 (E)	2012-13	2013-14 (P)	2014-15 (E)
Pre-Primary	9284.3	9267.7	9220.2	-	-	-	-	-	-
Primary*	18790.4	19441.1	19935.4	159.7	157.9	158.7	428.7	420.1	413.6
Middle	6188.0	6460.8	6772.6	42.1	42.8	43.2	362.6	364.8	375.7
High	2898.1	3109.0	3297.6	29.8	30.4	32.6	489.6	500.5	518.0
Higher Sec./ Inter	1400.0	1233.7	1249.6	5.0	5.2	6.0	132.0	124.3	146.4
Degree Colleges	641.5	674.4	801.3	1.5	1.1	1.0	48.8	26.0	23.5
Technical & Vocational Institutes	302.2	308.6	318.7	3.3	3.3	3.4	16.1	16.4	16.6
Universities	1594.6	1594.6	1828.3	0.147	0.161	-	77.6	77.6	83.2
Total	**41099.1**	**42089.9**	**43423.7**	**241.5**	**240.9**	**244.9**	**1555.4**	**1529.7**	**1577**

Source: Ministry of Professional & Technical Training, AEPAM, Islamabad
E: Estimated, P: Provisional, *: Including Pre-Primary & Mosque Schools

Expenditure on Education:

Public Expenditure on Education as percentage to GDP is lowest in Pakistan as compared to other countries of the South Asian region. The total expenditure on education has remained around 2.0 percent of GDP for the past decade, with a high proportion being spent on recurrent heads mainly salaries, leaving a small amount for education sector development. According to UNESCO's EFA Global Monitoring report 2015, the Public Sector expenditure on Education as percentage of GDP, in other countries of the region was 2.1 percent of Bangladesh, 4.9 percent in Bhutan, 3.2 percent in India, 4.7 percent in Iran and 8.0 percent in Maldives. The Table-10.9 shows that expenditure on education increasing gradually since 2006-07. An increase of 12.03 percent on education related expenditure recorded as it was Rs. 537.60 billion in 2013-14 as compared to Rs. 479.85 billion in 2012-13.

The Government of Pakistan is determined to enhance the allocated resources to education sector by ensuring proper and timely utilization of funds in order to achieve the UNESCO target of 4.0 percent of GDP by 2018. The provincial governments are also spending sizeable amount of their Annual Development Plans (ADPs) on education to achieve the targets.

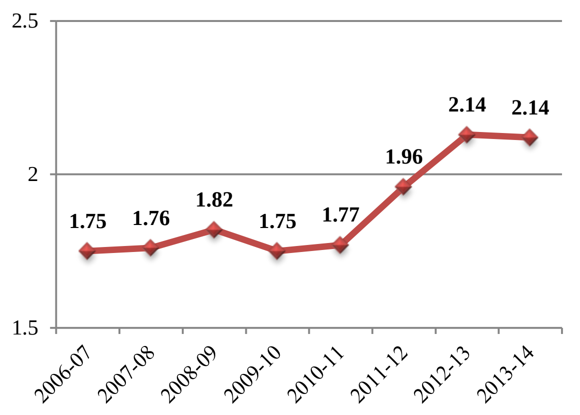
Table-10.9: Expenditure on Education (Rs. million)

Year	Current	Development	Total Expenditure	As % of GDP
2006-07	130,313	31,771	162,084	1.75
2007-08	155,622	32,034	187,656	1.76
2008-09	197,723	42,655	240,378	1.82
2009-10	219,933	39,592	259,525	1.75
2010-11	276,239	46,572	322,811	1.77
2011-12	330,228	63,295	393,523	1.96
2012-13	428,944	50,909	479,853	2.14
2013-14	453,735	83,863	537,598	2.14
2014-15 *	219,880	17,556	237,436	-

*July-December (Provisional)

Source: PRSP Budgetary Expenditures, External Finance Policy Wing, Finance Division, Islamabad

Fig-10.9: Education Expenditure as % of GDP



Development Programme 2014-15
Federal Public Sector Development Program (PSDP) 2014-15.

In Public Sector Development program 2014-15, an amount of Rs. 3.45 billion has been provided for on-going & new projects of the Ministry of Federal Education & Professional Training while Rs.1.13 billion has also been allocated for education related projects being handled by Cabinet, Defence, Finance and Capital Administration & Development Divisions.

Provincial Annual Development Programs (ADPs) 2014-15
Punjab:

During 2014-15, Punjab government has allocated Rs.48.31 billion against last year Rs.23.31 billion, a increase of 107 percent for 532 development projects (325 on-going & 207 new schemes) for education which includes school education Rs.28.10 billion, Higher Education Rs.14.05 billion, Special Education Rs.0.80 billion, Literacy Rs.2.40 billion and Sports & Youth Affairs Rs.2.96 billion.

Sindh:

During 2014-15, Sindh government has allocated Rs.15.05 billion as compared to Rs.14.99 billion last year showing an increase of 0.4 percent for 524 development projects (220 on-going and 304 new schemes) of education which includes Rs.1.93 billion for Elementary Education, Rs.0.15 billion for Teacher Education, Rs. 0.02 billion for Sindh Education Foundation, Rs.7.43 billion for Secondary Education, Rs.2.34 billion for College Education, Rs.1.61 billion for Higher Education and Rs.1.57 billion for Miscellaneous expenditure.

Khyber Pakhtunkhwa:

Government of Khyber Pakhtunkhwa has allocated Rs. 12.38 billion in 2014-15 as compared to Rs. 11.66 billion in 2013-14 showing an increase of 6.17 percent for 95 development projects (64 on-going & 31 new development schemes) for the development of education. It includes Primary Education Rs.1.61 billion, Secondary Education Rs.6.52 billion, archives and libraries Rs. 0.28 billion and College Education Rs. 3.97 billion.

Balochistan:

Balochistan government has allocated Rs. 11.52 billion against Rs. 10.15 billion last year, an increase of 13.50 percent for 217 development projects (56 on-going & 161 new schemes) for development of education which includes Rs. 2.98 billion for 66 projects of Primary Education, Rs. 1.62 billion for 41 Projects of Middle/Elementary Education, Rs. 1.73 billion for 38 projects of Secondary Education, Rs. 2.37 billion for 52 Projects of College Education, Rs. 0.97 billion for 11 projects of University Education and Rs.1.85 billion for 9 Projects of General Education during 2014-15.

Technical and Vocational Education: NAVTTC:

The National Vocational and Technical Training Commission (NAVTTC) is the apex body and a national regulatory authority to address the challenges of Technical and Vocational Training in the country. It is a major policy making, strategy formulation and regulating body responsible for revamping of TVET system. The Commission establishes and promotes linkages among various stake holders at national as well as international level. NAVTTC has evolved a National Skills Strategy 2009-13 in consultation with all provincial and regional stake holders. During the fiscal year 2014-15, federal government has allocated Rs. 350 million for NAVTTC to its 28 on-going sub-projects throughout the country. Out of which Rs. 140 million (40 percent) has been released up to March, 2015 to its on-going projects throughout the country.

Achievements:

- NAVTTC established 130 vocational training centers/ institutes in 79 uncovered tehsils of Sindh, Punjab, Khyber Pakhtunkhwa, Balochistan, Azad Jammu & Kashmir and Gilgit-Baltistan, where no TVET institutes existed earlier. Under the program 37,521 trainees have been trained.
- NAVTTC in the light of Prime Minister of Pakistan’s directions took the initiative of offering short-term skill development programmes under “Hunarmand Pakistan Program” up to six month duration courses in collaboration with public and private sector training institutes. It covers four priority sectors including: Construction, Agriculture (Dairy & Livestock), IT & Telecommunication and Skills for Women. The other sectors being addressed are Hospitality, Light Engineering, Paramedics, Services, Traditional trades (Cottage Crafts etc.) and Textile. The geographic spread covers whole of Pakistan including Azad Jammu and Kashmir, FATA and Gilgit-Baltistan. Under this program 116,776 trainees have been trained.
- So far, 54 institutions/192 TVET programs have been accredited whereas more than 40 TVET institutions and 200 programs are in the process.
- The first ever national vocational qualification framework of the country has been launched on March 04, 2015. The framework provides principles and guidelines for identification, equivalence and assessment of TVET qualifications, equivalence and assessment of TVET qualifications for competency-based training. The document also provides guidelines for recognition of prior learning and current competencies besides defining the roles and responsibilities of TVET organizations in implementation of a competency-based training regime in the country.
- Establishment of National Accreditation Council for Technical & Vocational Stream (NAC-TVS) Council Regulation 2014-15 for establishing an independent council for TEVT sector in Pakistan have been framed; meanwhile an interim arrangement has been made by establishing TVET Accreditation & Quality Evaluation Committee (TA&QEC). The committee is comprised of senior member from mostly all TVET stakeholders at national and provincial level who thoroughly appraise and award

decisions regarding accredited institutes/program.

- NAVTTC has verified/attested more than 7000 certificates uptill now throughout Pakistan.
- NAVTTC has issued more than 80000 certificates and maintained the data base of the trainees who have got training under NAVTTC sponsored courses.
- NAVTTC has submitted the proposal for establishing a Federal Board of Technical Education and Vocational Training (FBTEVT) which will be an independent, autonomous body for conducting trade testing, affiliation of TVET institutions and to conduct assessment/ examination as third party assessor within its jurisdiction (ICT, FATA, AJK & GB).
- In order to formulate and evolve TVET Policies well informed, NAVTTC established National Skill Information Cell at its HQs. The cell is now operational and responsible for developing & providing reliable information for workforce development in employable skills, which will serve as base for provision of vocational guidance and placement services for graduate and employers.
- NAVTTC drafted the "TVET Regulatory Framework" which is under submission to the Ministry of Federal Education & Professional training for its implementation/notification.
- To promote skills development in the country, NAVTTC has developed a "National TVET Policy" document. It forms the basis for defining the political priorities for TVET sector. The policy document aims at skill development of 1.0 million youth per annum and targeting 20 percent by 2025 through competency- based training. The policy focuses on a reform-based approach envisaging new public-private partnership, matching with international standard and establishment of credible and sustainable links with informal sector to facilitate sustained reform of public TVET provision.

Box-2: Prime Minister's Youth Skill Development Program (Phase-II)

The present government has shown keen interest in the empowerment of youth in the country and launched different programs for youth. Out of these programs, Prime Minister's Youth Skill Development Program is being implemented by NAVTTC. This program focuses to produce 25,000 Pakistani Skill workforce to cater demands of local and international markets and to enhance the employability of Pakistani Youth in the light of directives by the Prime Minister. 25,000 training slots were allocated to all provinces/regions in Pakistan in accordance with their respective population in highly demand-driven trades in important sectors such as; Construction, Light Engineering, IT & Telecom, Services (Including women skills), Health and Agriculture. Wide publicity is given in national and local newspapers to attract unemployed youth between the ages of 18 to 35 years having minimum qualification of middle. The salient features of this program is as follows:

- PC-I approved by CDWP on: 31st March, 2015
- Total Cost: Rs. 1,180 million
- Target Trainees 25,000
- No. of Trades 195
- Training Duration 6 months
- Start Date 1st June, 2015
- End Date 30th Nov, 2015
- Partner institute are being selected through EOI/prequalification.
- Stipend is being increased from Rs. 2,000/- to Rs. 2,500/- and for FATA trainees, from Rs. 3,000/- to Rs. 3,500/-
- Monitoring will be carried out by NAVTTC and Monitoring Unit of Planning Commission, whereas evaluation of the program at its completion will be conducted by a reputed third party.

Source: National Vocational and Technical Training Commission

Higher Education Commission:

Human Resources Development:

HEC's HRD programmes provide financial assistance to improve qualification in foreign universities of technologically advanced countries, fellowships to pursue higher studies in local universities, on merit and need base scholarships for students from less developed areas of the country. Following are the HRD schemes for award of scholarships. The projects/ programmes of HEC during 2014-15 are given in Table-10.10 below.

Table 10.10: HRD Schemes during 2014- 15 (Numbers)

Scholarships	Awarded	Completed Studies
Foreign (PhD)	1237	248
Indigenous (PhD)	1122	314
Need Based Graduate/Undergraduate	3538	895
PhD graduates placed under Interim Placement of Fresh PhD Program (IPFP)	413	Continued

Source: Higher Education Commission (HEC)

- Prime Minister's Fee Reimbursement Scheme for less developed areas (selected regions) was successfully executed and is continued for 2014-15. Reimbursement to around 50,000 students of less developed areas is being carried out this year
- Under the project 1000 Cuban Medial Scholarship Program, 537 Pakistani doctors graduated from Cuban Medical Universities in February, 2015.
- The Project "An Initiative of Aghaz-e-Haqooq-e-Balochistan" was successfully executed by awarding PhD Scholarships (Indigenous and Overseas) for the students of Balochistan.
- New Documents of Understanding are under process to be signed with RMIT University, Australia; University of Melbourne, Australia; University of Wollongong, Australia; University of Western Sydney, Australia; University of DEAKIN, Australia,; University of WAIKATO, New Zealand; University of Canterbury, New Zealand; Izmir University, Turkey and the universities of Malaysia.

HRD Schemes for 2015-16:

- Overseas Scholarship Scheme for MS/MPhil leading to PhD, Phase-III for 1500 scholarships.
- Post-Doctoral Fellowship Program - Phase-III for 1200 fellowships.
- Faculty Development Program for Pakistani universities (Split PhD) for 1000 faculty members.
- As a goodwill gesture and to reciprocate the Cuban offer of 1000 scholarships, Government of Pakistan has to award 100 scholarships for Cuban students in the next financial year.
- Hungarian Government's offer to award 80 scholarships per year for coming three years to Pakistan shall be implemented and as a goodwill gesture to reciprocate the Hungarian's offer Pakistan will award 10 scholarships to Hungary per year for next three years.
- Expected placement of fresh PhD graduates in Pakistani universities during coming three years will be 2500.

Accreditation & Attestation (A&A):

Accreditation of Universities

- Overall, thirty five (35) proposals for establishment of new universities/institutes were received during the period and are under process at different stages. As such, establishment of following 11 new Higher Education Institutions (HEIs), with six (6) campuses have increased Tertiary enrollment and Literacy rates besides enhancing access to higher education:
- Nur International University, Lahore has been allowed to run Master of Public Health Degree in collaboration with University of

Louisville, Louisville KY, United States of America;

- CAMS, Karachi got renewal of its foreign collaborative program;
- 23750 cases for equivalence of foreign/ Pakistani degrees and Deeni Asnad received, processed and finalized.
- Fostering Attestation Services throughout Pakistan for the facilitation of general public at large, now the attestation of local degrees has been started in the Higher Education Commission's Regional Centres at the Lahore, Peshawar and Karachi.

Research and Development (R&D):

Higher Education Commission (HEC) executes programs and projects which ensure sustainable and progressive research culture. HEC has taken several initiatives during 2014-15 to enhance the role of research and development in higher education. The details are given below:

- **Access to Scientific Instrumentation:** 138 researchers were facilitated for sample Analysis under this program. Total cost of the program is for the year 2014-15 is Rs.10, 015,456/-. It is anticipated that about 300 applications are expected next year; hence, demand for the 2015-16 is Rs.20,000,000/-.
- **Patent Filing:** Under this program nine (09) patents were filed at USPTO. Cost of the program during 2014-15 is Rs. 4,604,050/-. It is expected that about fourteen (14) patent requests are expected in the upcoming year; hence, demand for the 2015-16 is Rs. 7,000,000/-.
- **HEC-BC INSPIRE:** Under this program, 16 projects have been completed. Cost of the program during 2014-15 is Rs. 1,395,080/-.
- **Knowledge Exchange Partnerships (KEP) - (HEC-British Council new collaborative program):** A total of 14 projects were approved during this year, and 1st installment to all projects released. Total cost of the projects for the 2014-15 was Rs. 24,740,381/-, while the demand for the upcoming 2015-16 is Rs. 20,000,000/-. The demand is to release the second installment and review cost of 14 approved projects.
- **Researchers link Initiative. (HEC-British council new collaborative program):** Under this program, five international workshops were funded this year; and an amount of Rs. 11,698,425/- was incurred. However, demand for the 2015-16 is Rs. 13,000,000/-, which is to establish new links through workshop as per agreement for second year under researcher link Initiative.
- **Office of Research Innovation and Commercialization:** Three for Academia Industry Networking events for promotion of entrepreneurship and research show casing were conducted for an amount of Rs. 633,100 during the current fiscal year. Whereas, for the next year, two capacity building trainings for ORIC research showcasing events will be conducted and an amount of Rs. 4,000,000 will be required.
- **Pakistan Program Collaborative Research:** During the 2014-2015, this program was at halt due to policy revision hence no case was received or processed. However, with the resumption of the activities about 29 applications, costing Rs. 13,000,000, are expected in next year.
- **Best out stand Research Awards:** During 2014-15, 27 awards were conferred and an amount of Rs.3.16 million was utilized for this purpose. For FY 2015-16, 59 awards will be conferred and an amount of Rs.11.40 million will be required for distribution of best Research Awards.
- **Pak US Science and Technology Program:** During fiscal year 2014-15, phase-6 of Pak US Science and Technology Program was launched with a total commitment of Rs. 250 million for a total period of three year.

Information Technology (IT)

Strategic initiatives

- **Laptop Local Assembly Line:** First Laptops Assembly facility of Pakistan has now been established with the support of M/s Haier Electrical Appliance Corp. China as a byproduct of the initiative of Prime Minister's Laptop Scheme. This facility is envisaged to help in knowledge transfer along with the technology; gradual job creations; manufacturing of laptops and other appliances; and would also be helpful in creating an enabling environment for the IT manufacturing industry in Pakistan. At present the assembling facility has the capacity production up-to 25,000 laptop units per month. The facility is scalable to enhance the overall capacity by manifolds as per requirements.

- **Smart Universities:** Higher Education Commission has announced launch of Smart Universities Project to complement the PM's Laptop Scheme, and provide enabling environment to the students helping them in their research and learning opportunities through ubiquitous access of internet. As a pilot project, seven (07) universities of the country (one from each province, Gilgit-Baltistan, AJ&K and Federal Capital) are being transformed into Smart Universities with the technical support and sponsorship of PTCL (Pakistan Telecommunication Company Limited).
- **E-HEC Services:** HEC under the Tertiary Education Support Program (TESP) has vigorously worked on the development of online applications to automate HEC internal as well as external processes and streamline financial, project management/ execution, funding, information management, grant approval, HR management, communications, etc. while integrating with the Enterprise Resource Planning system already deployed at HEC. The project has been strategically phased in batches to implement the most critical and public-demanded services be made available online. A total of thirty (30) processes have been addressed and are being launched for user's facilitation.
- **Video Lecturing @ Colleges:** Realizing the success of Virtual Education Project, Pakistan under which over 800 events including lectures, conferences, and workshops are organized annually, HEC intends to take this facilitation to the next tier of higher education, that is, degree colleges across the country. Under this pilot initiative, a total of fifty (50) colleges will be provided video conferencing solution and necessary training to operate the same.
- **Higher Education Internet TV:** Setting up a web/ internet TV channel of HEC bridged with universities' video conferencing to have sessions delivered related to the issues faced to public towards higher education in Pakistan and the services HEC/ HEIs offer.

Planning and Development Department:

Progress during 2014-15:

The Government of Pakistan has allocated Rs. 20.021 billion in PSDP 2014-15 for 191 development projects (136 ongoing and 55 new) with main focus on Human Resource Development through merit and Need based scholarships. Total approximately 10376 Scholarships for the talented youth of the country are currently studying in local and foreign universities.

New Initiatives:

- One Lac (100,000) Laptops will be provided to Ph.D and MS Students studying in Public Sector Universities to enhance their research capabilities.
- Under Aghaz-e-Haqooq-e-Balochistan Package, 600 MS Leading to PhD Scholarships (200 foreign + 400 Indigenous) for the students of Balochistan at a capital cost of Rs. 3.139 billion has been provided by the federal government.
- After successful implementation of phase-I, 3000 more scholarships will be provided to the needy students under the USAID support program.

Financial Scenario of HEC:

For 2014-15, Rs. 43.00 billion have been allocated by the government with special grant of Rs.1.50 billion for the Prime Minister's Tuition Fee Reimbursement Scheme for less developed areas of the country. During 2014-15, 86.6 percent of recurring budget has been allocated as annual recurring grant to universities/ institutions and salary of tenure track faculty. About 12.2 percent of the recurring budget has been distributed to universities/ institutions through National Programs for Universities for promotion of research and academic activities. The financial achievements of HEC during 2014-15 are given in Table-10.11 below:-

Table 10.11: Financial Achievements during 2014-15

Pillars	Outcome	Service/Support by Finance Division during 2014-15
Faculty Dev.	To improve the quality of teaching and research in institutions through programmes to improve faculty pedagogical skills and qualifications of faculty members.	• Funds allocation and release for Tenure Track. During 2014-15, salary has been released to more than 2,000 tenure track faculty members in public sector Universities/ HEIs. • Funds Allocation for Interim Placement for Fresh PhDs
Quality Assurance	To establish and implement stringent quality criteria developed against international standards to assess the performance at both the programme and institutional level.	• Allocation of funds for Accreditation Councils established by HEC • Provision of funds for QECs established at Public Sector Universities by QAA
Research, Innovation & Entrepreneurship	To ensure that all higher education students benefit from a high-quality learning experience as well as to increase the capacity of higher education institutions to carry out cutting-edge research in all areas.	• Provision of funds for 'National Program of Digital Library', Nation Research Program for Universities, ORICS, and several other programs, being executed under the fund 'Promotion of Research' and 'Inter-University Academic Activities'. • Providing annual recurring grant to Centre of Excellence and other public specialized institutions.
Improving Equitable Access	To maximize opportunities for acquisition of quality higher education for the 17–23 year old age group in Pakistan.	• Collection of enrolment information to take decision regarding allocation of funds. • Provision of recurring grant to Distance Education univ. • Inclusion of new Univs. in HEC recurring stream funds allocation for need based scholarships
Excellence in Leadership & Governance	To support excellence in the higher education sector's leadership as well as excellence in the governance and management of institutions of higher learning.	• Allocation of funds for programs like 'Modern University Governance' and 'University Management Development Program' designed to build capacity of 1st and 2nd tier of university management.
Financial Management	To enhance transparency, quality and reliability of financial information and comprehensiveness and timeliness in financial reporting. To review tertiary education expenditures that would include; Institutional productivity to ensure equitable distribution of financial resources amongst the Higher Education Institutions.	• Training workshop conducted for the Treasurer/Director Finance of all Public Sector universities relating to Financial Management and Accounting. • Provision of funds for Financial Aid offices at public sector universities

Source: Higher Education Commission (HEC)

Education Survey:

Annual Status of Education Report (ASER), 2014 is the largest citizen led household based learning survey mostly in all rural and selected urban areas. It measures learning levels of children 5-16 years the same age group as identified for compulsory education in Article 25-A of the Constitution of Pakistan. ASER is conducted each year across Pakistan and it is led by the Idara-e-Taleem-o-Aagahi (ITA) in collaboration with the National Commission for Human Development (NCHD), Sindh Education Foundation and many other Civil Society Organizations (CSOs). The ASER's specifically trained 10,000 member volunteer team has surveyed 93,096 households in 4,698 villages and blocks across 144 rural and 21 urban districts of Pakistan in 2014. Detailed information of 279,427 children aged 3-16 has been collected (59 percent male and 41 percent female), amongst which 195,723 children aged 5-16 years were tested for language and arithmetic competencies (out of which 20,947 were from urban districts). 21 urban districts surveyed includes Bahawalpur, Faisalabad, Gujranwala, Hyderabad, Islamabad, Karachi Central, Karachi East, Karachi Malir, Karachi South, Karachi West, Khuzdar, Lahore, Larkana, Mardan, Multan, Peshawar, Quetta, Rawalpindi, Rahim Yar Khan, Sukkur, Swat.

Box-3: ASER 2014 National Summary

A. Rural Trends:

Enrollment:

- In 2014, 78 percent of 5-16 year old children in rural Pakistan were enrolled in schools whereas 22 percent children were out-of-school. Compared to last year, percentage of out of school children in rural Pakistan has remained the same.
- Nationally, there is a constant gender gap in out-of-school children but still with more girls than boys not being enrolled or have dropped out of school. In ASER 2014 and 2013, amongst the 22 percent out-of-school children (age 5-16 years), 10 percent were males and 12 percent were females.
- In 2014, 21percent of children (age 6-16) were reported to be out-of-school. 15 percent children have never been enrolled in a school and 6 percent have dropped out of school for various reasons.
- 79 percent of all school-aged children within the age bracket of 6-16 years were enrolled in schools. Amongst these, 70 percent of children were enrolled in government schools whereas 30 percent of children were going to non-state institutions (27 percent private schools, 2 percent Madrassah, 1 percent others).
- Significant shift has been witnessed in terms of enrollment from government to private school. In 2013, 74 percent of the enrolled children (age 6-16) were going to government school and 26 percent of the enrolled children (age 6-16) were going to private school. This year, 70 percent of the enrolled children are seen to be going to government schools while 30 percent are going to private schools. Similar trend is witnessed in rest of the provinces where private sector is observed to be growing.
- Pre-school enrollment (3-5 years) in 2014 stands at 39 percent as compared to 41 percent in 2013. 61 percent children of age 3-5 are currently not enrolled in any early childhood program/schooling. Highest enrollment in this age group was 76 percent in Islamabad-ICT and the lowest in Balochistan with 28 percent. In urban areas, it was 58 percent.

Quality of Learning:

- Learning levels in all three competencies i.e. Language (Urdu/Sindhi/Pashto), English and Arithmetic have fallen since last year and still remain poor. Half of the children from Class 5 still cannot read Class 2 Urdu/Sindhi/Pashto story.
- In ASER 2014, 46 percent of Class 5 students were reported as being able to read a story (Urdu/Sindhi/Pashto) compared to 50 percent of Class 5 students who could do so in 2013. For English this year, 42 percent of class 5 students were reported to read Class 2 level English sentences as compared to 43 percent of Class 5 students who could do so in 2013. Similarly, 40 percent of Class 5 students were able to do 2-digit division sums compared to 43 percent of children in 2013.
- Punjab for Language (Urdu) and Gilgit- Baltistan for English and Arithmetic were found to be the best in terms of assessment results**.** 63 percent of children were able to read a story in Urdu while 62 percent were able to read sentences in English and 57 percent could solve sums of 2-digit division.
- Balochistan and Sindh were identified as the least satisfactory regions amongst all when compared for the assessment results for class 5 children. Only 24 percent of the Class 5 children in Balochistan were able to accomplish Class 3 level tasks (2-digit division) in Arithmetic and 33 percent of Class 2 level tasks for Language (Urdu, reading story). While in Sindh, only 24 percent of Class 5 children were able to read sentences in English.

Similar Pattern For Basic Reading Levels Can Be Seen For Children In Class 3

- Only 16 percent of the children of class 3 could read a story in Urdu/Pashto/Sindhi which is the highest competency level. The proportion of children achieving this competency level has fallen by 1 percent when compared to the previous year.
- Similarly, 14 percent of the children of class 3 could read sentences in English this year whereas 86 percent could not do so. In 2013, the percentage of children in class 3 who were able to read sentences was 15 percent.
- Eleven percent of children of class 3 could do 2-digit division as compared to 12 percent in 2013.

Private Tuition Trends:

- Private tuition incidence and uptake is more prevalent among private than government school students like that seen in previous years. Around 25 percent of all private school-going children were found taking paid tuition compared to only 6 percent of all government school children.

Multi Grade in 2 and 8:

- Almost half of all government schools surveyed nationally had Class 2 students sitting with other classes. It was found that 43 percent of the surveyed government schools and 25 percent of the surveyed private schools had Class 2 sitting with other classes. Also, 10 percent of surveyed government schools and 17 percent of surveyed private schools had Class 8 sitting with other classes.

Parental Education

- It was also found that only 24 percent of mothers in the sampled households had completed at least primary schooling against 48 percent of fathers.

School Facilities (Rural):

- ASER 2014 surveyed 3,968 government and 1,532 private schools in 144 rural districts of Pakistan.
- Overall teacher attendance in government schools was 88 percent and 93 percent in private school.
- Overall student attendance in government schools stood at 85 percent whereas it was 90 percent in private schools.

More Qualified Teachers in Private Schools as Compared to Government Schools:

- Thirty-three percent teachers of government schools have done graduation as compared to 39 percent teachers of private schools.
- In terms of professional qualification, 36 percent of surveyed government and private school teachers had Bachelors in Education degrees.

Overall, Punjab and ICT were found with the highest percentage of primary schools with useable water and toilet facilities. Eighty- nine percent of all surveyed government primary schools in ICT while 88% of all surveyed government primary schools in Punjab had useable water facility.

B. Urban Trends:

- In 2014, overall 94 percent children aged 6-16 years were found to be enrolled in 21 urban districts surveyed whereas 6 percent (3 percent of girls and 3 percent of boys) children were found to be out-of-school.
- Private schools absorb a large share of school aged children. Sixty-three percent of all school going children are enrolled in non-state schools in urban areas.
- Forty-four percent of the children enrolled in private schools are girls and 56 percent are boys.
- This year, the proportion of children in class 5 who were able to read a class 2 level Urdu/Sindhi/Pashto story text were reported to be 60 percent as compared to 55 percent in 2013. For English, 56 percent of Class 5 students were reported as being able to read Class 2 English sentences compared to 59 percent of Class 5 students in 2013. Similarly, 53 percent of Class 5 students were able to do 2-digit division sums in 2014 as compared to 51 percent in 2013.
- It was also found that private tuition incidence was more prevalent among private than government school students. Around 42 percent of all private school-going children take paid tuition as compared to 21 percent of all government school children.
- 334 government and 401 private schools were surveyed in 21 urban districts.
- Percentage of primary schools having useable water and toilet facilities in urban areas is twice more than rural areas. Only 16 percent of the surveyed government primary schools in urban districts did not have functional toilets as compared to 49 percent of the surveyed government primary schools in rural districts. Also, 19 percent of the surveyed government primary schools in urban districts did not have useable water facility as compared to 43 percent of the surveyed government primary school in rural districts.
- The percentage of private primary schools found with useable water facility was 98 percent and 99 percent had functional toilets in 2014.

Source: ASER, 2014 Annual Report.

Conclusion

Education needs to be delivered inclusively, effectively and equitably across the country to ensure that it is a driver of social cohesion and resilience. The government is making all efforts to recuperating both the quality and the coverage of education through effective policy interventions and expenditure allocations. After the post 18th Amendment, provincial governments will have to take all necessary steps towards educational reforms and delivery of educational services at gross root level.

Education

Introduction

Education plays a pivotal role in the development of the country. High literacy rate ensures sustainable economic development, labour productivity and economic prosperity. Equalization of educational levels eliminates regional inequalities and gender discrimination. It also strengthens to meet the emerging challenges of the modern world through upgrading the intellectual level and adoption of the new technologies. It is important for developing countries, where majority of the world's population exists, need to redesign educational policies in line with the advanced nations for enhancing productivity through highly skilled manpower.

The Educational institutions required to develop guidelines, tools and resources that would in turn help to educators, students, parents, guardians, education managers and civil society in creating safe, more supportive and conducive educational environment to attain the organizational goals like developing skills and knowledge in order to produce responsible citizens for community, knowledge based society / economy and capacity building towards making the country welfare state as a whole.

Similar to many developing countries, Pakistan has not made progress adequately in the field of education with literacy rate of only 58 percent i.e. 42 percent of its population remains unable to read or write. This limits the opportunity considerably towards acquiring skills and technical knowledge for higher productivity and better earning levels. School enrolments are low and school drop-out rates are too high. The budgetary allocation to education has remained static around 2.0 percent of GDP for the past decade, with a big chunk being spent on recurrent heads mainly salaries, leaving a small amount for quality enhancement such as teachers training, curriculum development, provision of school facilities and monitoring and supervision of education.

According to Pakistan Education for All (EFA) review report 2015, there is a large stock of 6.7 million out of school children; of which 55 percent are girls which for years have posed a major obstacle in achieving EFA targets. A National Plan of Action for MDGs Acceleration Framework (MAF) 2013-16 is designed to accelerate progress towards education related goals and targets identified by MDG for 2015-16 by Ministry of Federal Education & Professional Training. The National Plan envisages enhancing its net primary enrolment ratio to 91 percent by 2015-16. This would imply, besides retention of existing students through a variety of quality-improving measures and cash stipends, enrolment of an additional 5.06 million children in primary classes at a total additional cost of Rs. 189 billion over the 3-year period. The National Plan expects to enroll an additional 5.1 million (2.4 million boys and 2.7 million girls) by 2015-16.

Millennium Development Goals (MDGs) of Education:

The U.N. has identified as one of the MDGs to be achieved by 2015. The Government of Pakistan is fully committed towards the achievement of the MDGs Goal 2 and Goal 3 which focus towards development of education.

Goal 2: To Achieve Universal Primary Education (UPE)

Target: MDG 2 aims at achieving 100 percent primary school enrolment, 100 percent completion of education from grades 1-5 and an 88 percent overall literacy rate by 2015. The achievements made up to 2013-14 are given in the Table 10.1 and 10.2.

Table10.1:Progress towards Goal 2 at National Level (Percentage)

Indicator	1990-91 (Bench Mark)	2001-02	2004-05	2007-08	2010-11	2011-12	2012-13	2013-14	MDG Target 2015
Net Primary Enrolment Ratio (5-9 Years)	46	42	52	55	56	57	57	57	100
Completion/Survival rate Grade 1 to 5	50	57	67	52	49	50	-	-	100
Literacy Rate (%) 10 years and above	35	45	53	56	58	58	60	58	88

Source: Pakistan Social and Living Standards Measurement (PSLM) Survey 2013-14.

Fig-1: Targets & Achievements- Net Primary Enrolment Ratio

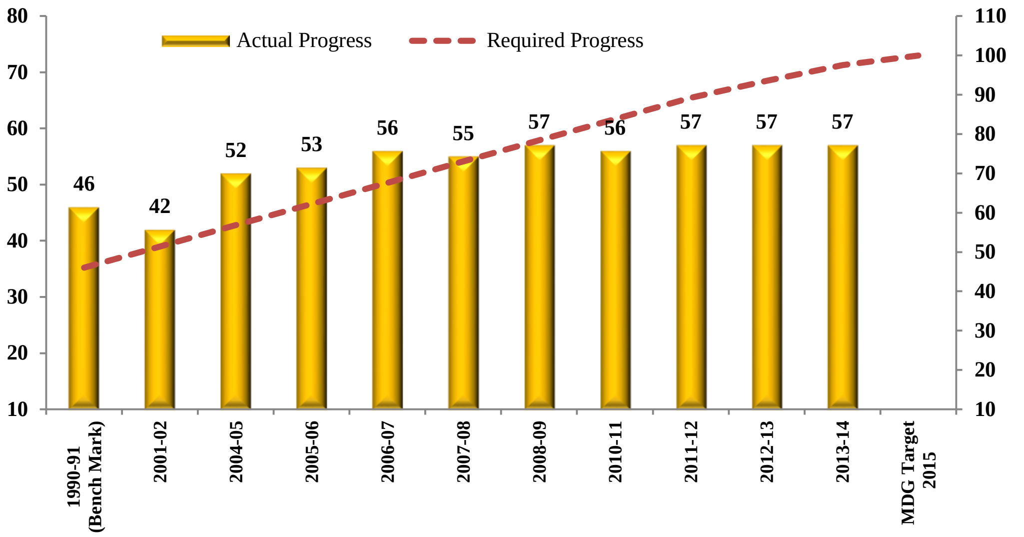


Table 10.2: Progress towards Goal 2 by 2013-14 at Provincial Level (percentage)

Indicators	National	Punjab	Sindh	KPK	Balochistan
Net Primary Enrolment Rate (5-9 Years)	**Total: 57** Male:60 Female:53	**Total: 64** Male:66 Female:63	**Total:48** Male:53 Female:43	**Total:54** Male:62 Female:46	**Total:39** Male:46 Female:30
Completion/Survival Rate 1 grade to 5	-	-	-	-	-
Literacy Rate (%) 10 years and above	**Total:58** Male:70 Female:47	**Total:61** Male:71 Female:52	**Total:56** Male:67 Female:43	**Total:53** Male:72 Female:36	**Total:43** Male:59 Female:25

Source: Pakistan Social and Living Standards Measurement (PSLM) Survey 2013-14

Goal 3: Promoting Gender Equality and Women Empowerment

Target: MDG 3 promotes gender equality in education and aims to eliminate gender disparity in primary and secondary education by 2005, and at all levels of education by 2015. MDG 3 focuses upon the key challenges faced by women in three major areas; education, employment and political participation. Gender parity index show some improvement over the years but pronounced gaps between male and female indicators persist, especially in rural and remote (particularly in tribal and feudal) areas. With provision of more middle and high schools, it is anticipated that demand for middle and upper secondary education for girls will increase. The targets to be achieved by 2015 and achievements made up to 2013-14 are given in the Table 10.3 and 10.4

Table10.3: Progress towards Goal 3 at National Level (percentage)

Indicators	1990-91 (Bench Mark)	2001-02	2005-06	2008-09	2010-11	2011-12	2012-13	2013-14	MDG Target 2015
Primary Education (Age 5-9 Years)	0.73	0.82	0.85	0.88	0.88	0.90	0.89	0.88	1.00
Secondary Education (Age 14-15 Years)	n/a	0.75	0.78	0.81	0.85	0.81	0.89	0.84	0.94
Youth Literacy (Age 15 years and above)	0.51	0.65	0.74	0.78	0.63	0.81	0.82	0.80	1.00

Source: Pakistan Social and Living Standards Measurement (PSLM) Survey 2013-14.

Fig-2 : Targets & Achievements- GPI Youth Literacy

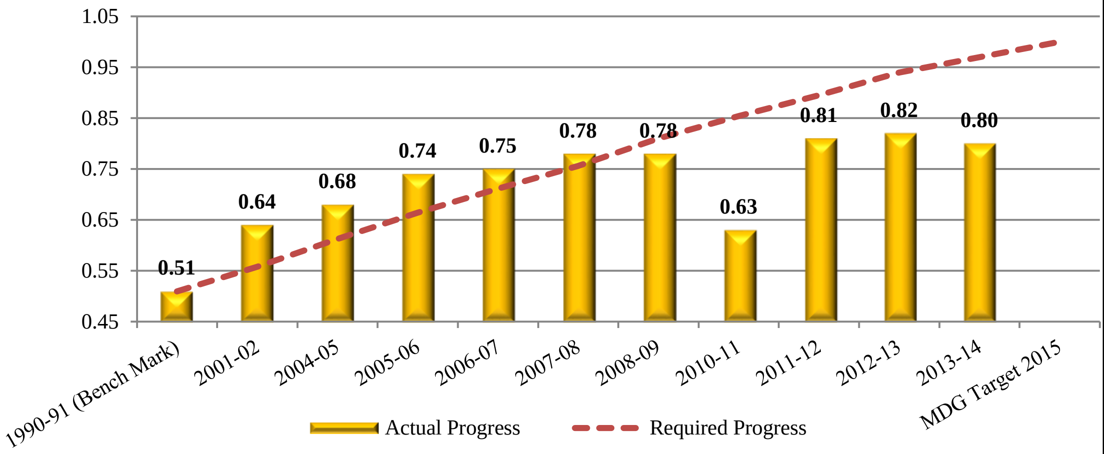


Table 10.4: Progress towards Goal 3 by 2013-14 at Provincial Level (percentage)

Indicators	Punjab	Sindh	KPK	Balochistan
Primary Education (Age 5-9 Years)	0.95	0.81	0.74	0.65
Secondary Education (Age 14-15 Years)	0.95	0.84	0.62	0.45
Youth Literacy (Age 15 years and above)	0.87	0.77	0.60	0.51

Source: Pakistan Social and Living Standards Measurement (PSLM) Survey 2013-14.

Critical Analysis of MDGs (Education):

i. The Table-10.1 shows increase of literacy rate at merely 23 percent during the period of last 24 years from 1990-91 to 2013-14 which is not encouraging at national level. The table reflects encouraging trend of increase from 35 percent in 1990-91 to 45 percent in 2001-02 and 53 percent in 2004-05. Afterwards it slightly increased to 56 percent in 2007-08. The trend shows some stagnancy at 58 percent both in 2010-11 and 2011-12 and with only 2 percent increase in 2012-13. During 2013-14, literacy rate recorded at 58 percent showing a decline of 2.0 percent which shows that Pakistan will miss the EFA goals and MDGs targets.

ii. The picture of gender disparity is also very clear with 47 percent of female literacy rate and 70 percent male literacy rate in 2013-14 which shows that more human and financial resources are required to attain the gender parity. The MDG target by 2015 is 88 percent which gives a clear message that ultimate goal is far away at national level in Pakistan.

iii. The indicator of Net Primary Enrolment Ratio (%) reflects very slight increase with 46 percent in 1990-91 to 57 percent in 2013-14 whereas the target is to be achieved 100 percent till 2015 while only 11 percent has been increased during last 24 years from 1990 to 2014.

iv. Provincial progress for the year 2013-14 shows that so far as the Net Primary Enrolment Ratio of provinces is concerned, Punjab is the highest with 64 percent (Male: 66 & Female: 63 percent) followed by KPK 54 percent (Male: 62 & Female: 46 percent), Sindh 48 percent (Male: 53 & Female: 43 percent) and Balochistan is at the lowest with 39 percent (Male: 46 & Female: 30 percent). The increase in gender disparity in Balochistan and Sindh is mainly due to tribal and feudal social systems, not supportive of education for female and poor classes. This shows very critical situation regarding issue of parity in education at primary level. This needs thorough consultation process at national level to address the issue which has long run impact on the human development and socio economic conditions of Pakistan. The commitment gap, implementation gap and lack of good governance may be major reasons behind the low level of achieving the Millennium Development Goals

Box-I: New Education Policy 2016

Implementation status of National Education Policy 2009 is to be completed before June 2015 and Ministry of Federal Education and Professional Training is in process of implementing "New Education Policy 2016" next year after completing the consultation and review process. The government is set to upgrade and review the last education policy which was made in 2006 by the end of this year and implement it from January 2016. The new policy will be uniformly implemented in all provinces including Azad Jammu Kashmir and Gilgit-Baltistan. The National Education Policy was placed under the 3rd Inter Provincial Education Minister's Conference (IPEMC) which approved formation of NEP 2009 Review Committee to suggest changes in the policy in view of 18th Amendment scenario and global modern trends in the education sector.

Source: Ministry of Federal Education & Professional Training

Vision 2025:

Pakistan Vision 2025 aims at substantial expansion in levels of education as well as improvements in the quality of education, increase public expenditure on education to reach 4.0 percent of GDP by 2018. Education development will be led by the provinces as it is a devolved function, however the federal government will play the role of a catalyst in partnership with the provinces to transform the education system in the country. The government at all levels will ensure that individuals are able to pursue their economic, social, and intellectual objectives in the best possible way. The provincial governments are committed to achieve Millennium Development Goals for education. In order to achieve these goals the provincial governments are determined to increase their education budgets significantly. The federal government will not only help them in achieving MDGs at provincial levels but also perform an active role in reducing educational inequities across the four provinces. This will increase geographic and economic mobility within the country thus strengthening national spirit and solidarity.

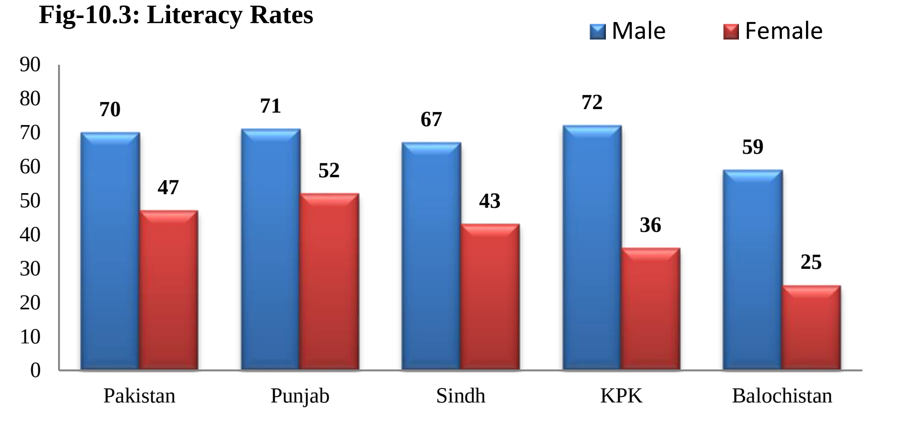
Literacy:

Literacy rate is one of the important indicator of education as its improvement is likely to have a long run impact on other important indicators of national welfare. According to the latest Pakistan Social and Living Standards Measurement (PSLM) Survey 2013-14, the literacy rate of the population (10 years and above) is 58 percent as compared to 60 percent in 2012-13 showing a decline of 2.0 percent. The data shows that literacy remains higher in urban areas (74 percent) than in rural areas (49 percent), and is more prevalent for men (81.0 percent) compared to women (66.0 percent) in urban areas. Province wise data suggests that Punjab leads with 61 percent followed by Sindh with 56 percent, Khyber Pakhtunkhwa with 53 percent and Balochistan with 43 percent. The details are given in Table 10.5.

Table 10.5: Literacy Rate (10 Years and Above)-Pakistan and Provinces						(Percent)
Province/Area	**2012-13**			**2013-14**		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**
Pakistan	**71**	**48**	**60**	**70**	**47**	**58**
Rural	64	37	51	63	36	49
Urban	82	69	76	81	66	74
Punjab	**71**	**54**	**62**	**71**	**52**	**61**
Rural	66	45	55	65	43	53
Urban	82	72	77	82	71	76
Sindh	**72**	**47**	**60**	**67**	**43**	**56**
Rural	59	22	42	53	21	37
Urban	84	70	77	80	63	72
KPK	**72**	**35**	**52**	**72**	**36**	**53**
Rural	69	31	49	70	32	49
Urban	78	52	66	81	55	68
Balochistan	**62**	**23**	**44**	**59**	**25**	**43**
Rural	55	15	37	54	17	36
Urban	81	47	65	74	45	59

Source: Pakistan Social and Living Standards Measurement Survey, 2013-14

Fig-10.3: Literacy Rates



Primary Enrolment Rates:

A. Gross Enrolment Rates:

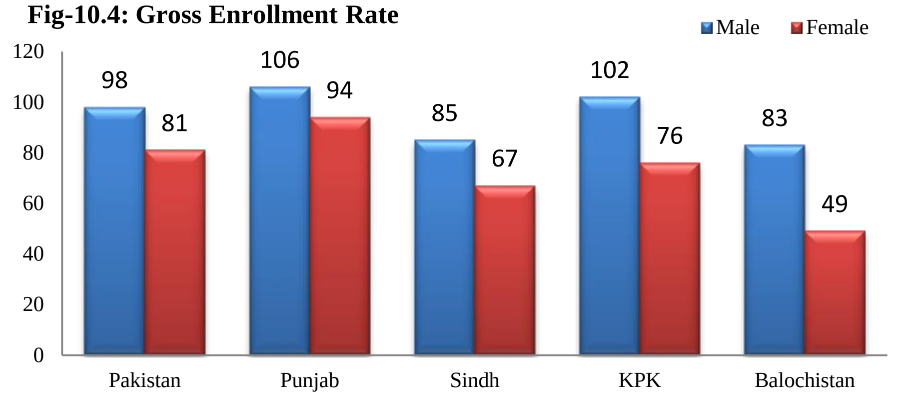
Gross Enrolment Rates (GER) referred to the participation rate of children attending primary schools divided by the number of children aged 5 to 9 years. GER at the primary level excluding Katchi (prep) for the age group 5-9 years at national level during 2013-14 recorded at 90.0 percent as compared to 91 percent in 2012-13. This decline is largely due to stagnant allocations at 2.0 percent of GDP; shortage of schools especially for girls in remote and far flung areas; shortage and absenteeism of teachers; lack of trained teachers, especially female teachers; missing facilities such as water, toilets and boundary walls; weak supervision and monitoring; and a host of factors such as conservative and tribal culture; insecurity and lawlessness; and poverty, compelling a large number of children to work rather than to attend school. A cursory look at the table GER indicates that the only Punjab has shown significant performance by achieving Primary level GER at 100.0 percent against 98 percent in 2012-13 while other provinces have performed negatively i.e. Sindh GER declined to 76 percent in 2013-14 against 81 percent in 2012-13 and Khyber Pakhtunkhwa also declined to 89 percent in 2013-14 against 91 percent in 2012-13 while Balochistan GER also declined from 67 percent in 2013-14 as compared to 73 percent in 2012-13. The details are given in Table 10.6.

Table 10.6: National and Provincial GER (Percent)

Province/Area	2012-13			2013-14		
	Male	Female	Total	Male	Female	Total
Pakistan	**98**	**83**	**91**	**98**	**81**	**90**
Punjab	102	94	98	106	94	100
Sindh	89	71	81	85	67	76
Khyber Pakhtunkhwa	103	77	91	102	76	89
Balochistan	91	52	73	83	49	67

Source: Pakistan Social and Living Standards Measurement Survey, 2013-14

Fig-10.4: Gross Enrollment Rate



B. Net Enrolment Rates:

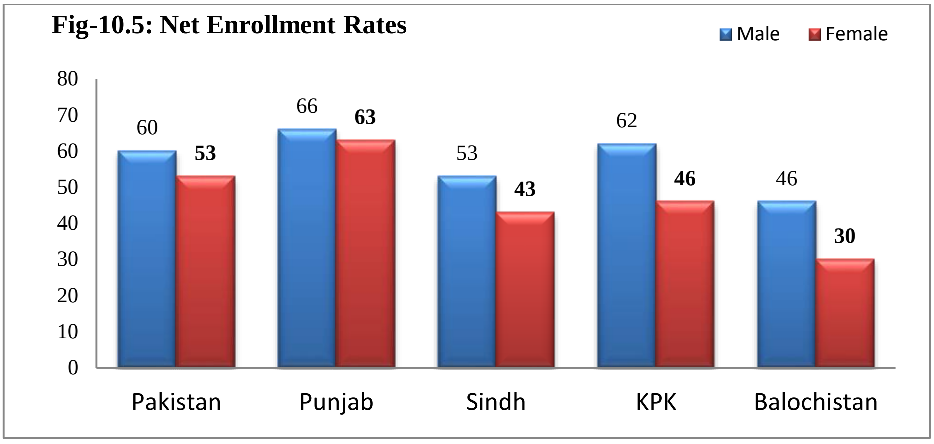
Net Enrolment Rates (NER) at the primary level refers to the number of students enrolled in primary schools of age 5 to 9 years divided by the number of children in the same age group for that level of education. In Pakistan, the official primary NER is the number of children aged 5 to 9 years attending primary level (1-5) divided by the total number of children aged 5 to 9 years.

Table 10.7 show the net primary level enrolment rates at the national/provincial (excluding prep/Katchi class) level for the age group 5-9 years. NER at the national level during 2013-14 remained at 57 percent. Province wise comparison reveals that Punjab NER slightly improved to 64 percent in 2013-14 as compared to 62 percent in 2012-13 while NER of Khyber Pakhtunkhwa remained at 54 percent. Sindh NER declined to 48 percent in 2013-14 as compared to 52 percent in 2012-13; while Balochistan also witnessed a declined to 39 percent in 2013-14 as compared to 45 percent in 2012-13. The decline in Balochistan and Sindh enrolment rates is probably due to tribal and feudal social systems, not supportive of education for female and poor classes.

Table 10.7: National and Provincial NER at Primary Level (Percent)

Province/Area	2012-13			2013-14		
	Male	Female	Total	Male	Female	Total
Pakistan	**61**	**54**	**57**	**60**	**53**	**57**
Punjab	64	60	62	66	63	64
Sindh	56	48	52	53	43	48
Khyber Pakhtunkhwa	59	48	54	62	46	54
Balochistan	54	35	45	46	30	39

Source: Pakistan Social and Living Standards Measurement Survey, 2013-14.



Educational Institutions and Enrolment:

i). Pre-Primary Education

Pre-Primary education is the basic step for Early Childhood Education (ECE). Prep or Katchi class is meant for children between 3 to 4 years of age. At national level, a minor decline of 0.1 percent was observed in Pre-Primary enrolment as it dropped to 9.27 million in 2013-14 as compared to 9.28 million in 2012-13. However, it is estimated to further decline by 0.5 percent i.e. from 9.27 million to 9.22 million during 2014-15. [Table 10.8].

ii). Primary Education (Classes I-V)

At national level, 157.9 thousands Primary Schools with 420.1 thousands teachers were functional in 2013-14. An increase of 3.5 percent in primary enrolment is witnessed as it increased to 19.4 million in 2013-14 against 18.8 million in 2012-13 and it is estimated to increase by 2.6 percent i.e. from 19.4 million to 19.9 million during 2014-15. [Table 10.8].

iii). Middle Education (Classes VI-VIII)

A number of 42.8 thousand middle institutes with 364.8 thousand teachers were functional in 2013-14. An increase of 4.8 percent in middle enrolment is observed as it increased to 6.5 million in 2013-14 against 6.2 million in 2012-13 and it is estimated to increase by 4.6 percent i.e. from 6.5 million to 6.8 million during 2014-15. [Table 10.8].

iv). Secondary Education (Classes IX-X)

A total of 30.4 thousand secondary schools with 500.5 thousand teachers were functional in 2013-14. At national level, an increase of 6.9 percent in secondary enrolment is witnessed as it increased to 3.1 million in 2013-14 against 2.9 million in 2012-13 and it is estimated to increase by 6.4 percent i.e. from 3.1 million to 3.3 million during 2014-15. [Table 10.8].

v). Higher Secondary / Inter Colleges (Classes XI-XII)

At national level, 5.2 thousand higher secondary schools and inter colleges with 124.3 thousand teachers were functional in 2013-14 as compared to 5.0 thousand institutions with 132 thousand teachers in 2012-13. The overall enrollment of students in higher secondary education witnessed a decline of 14.3 percent in 2013-14 as compared to 2012-13. The enrolment registered during 2013-14 was 1.23 million as compared to 1.40 million during 2012-13. For 2014-15, it is estimated to increase to 1.25 million. Number of institutes is expected to increase to 6.0 thousands in 2014-15 as compared to 5.2 thousands in 2013-14. [Table 10.8].

vii). Technical & Vocational Institutes

During 2013-14, 3.3 thousand technical and vocational institutes with 16.4 thousand teachers were functional at national level. An increase of 3.3 percent enrolment was recorded as it increased to 0.31 million in 2013-14 against 0.30 million in 2012-13. However, it is estimated to increase by 3.2 percent i.e. from 0.31 million to 0.32 million during 2014-15. [Table 10.8].

vii) Degree Colleges Education (Classes XIII-XIV*)*

A number of 1.1 thousand degree colleges with 26.0 thousand teachers were functional during 2013-14. An increase of 4.7 percent enrolment was observed as it increased to 0.67 million in 2013-14 against 0.64 million in 2012-13. However, it is estimated to increase by 19.4 percent i.e. from 0.67 million to 0.80 million during 2014-15. [Table 10.8].

viii) Universities Education (Classes XV onwards)

There are 161 universities with 77.6 thousand teachers in both private and public sectors were functional during 2013-14. During 2013-14, the overall enrolment of students in higher education (universities) remained stable at 1.60 million over the corresponding period of last year and it is estimated to increase by 12.5 percent i.e. from 1.6 million to 1.8 million during 2014-15. [Table 10.8].

Overall Assessment

The overall education situation based on key indicators such as likely enrolments, number of institutes and teachers, has depicted a slight improvement. The total number of enrolments during 2013-14 was recorded at 42.1 million as compared to 41.1 million during the same period last year. This indicates an increase of 2.4 percent and it is estimated to increase to 43.4 million during 2014-15. The number of institutes which stood at 240.9 thousands during 2013-14 as compared to 241.5 thousands during last year. This shows a slightly decline of 0.2 percent. However, the number of institutes is estimated to increase to 244.9 thousands during 2014-15. The number of teachers during 2013-14 was recorded at 1.53 million as compared to 1.55 million during last year showing a decline of 1.2 percent. This number of teachers is estimated to increase further to 1.57 million during the year 2014-15. [Table 10.8].

Fig-10.6: Enrolment at each level

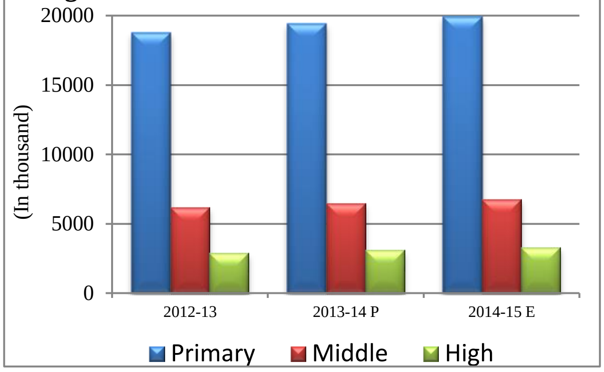


Fig-10.7: Institution at each level

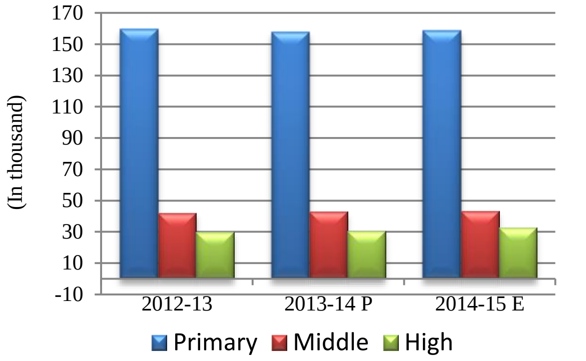


Fig-10.8: Teachers at each level

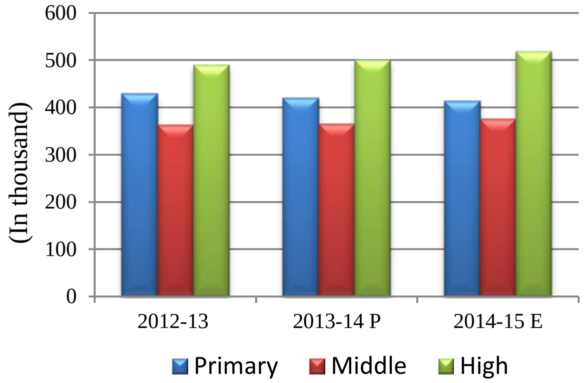


Table 10.8: Number of Mainstream Institutions, Enrolment and Teachers by Level (Thousands)

Year	Enrolment			Institutions			Teachers		
	2012-13	2013-14 (P)	2014-15 (E)	2012-13	2013-14 (P)	2014-15 (E)	2012-13	2013-14 (P)	2014-15 (E)
Pre-Primary	9284.3	9267.7	9220.2	-	-	-	-	-	-
Primary*	18790.4	19441.1	19935.4	159.7	157.9	158.7	428.7	420.1	413.6
Middle	6188.0	6460.8	6772.6	42.1	42.8	43.2	362.6	364.8	375.7
High	2898.1	3109.0	3297.6	29.8	30.4	32.6	489.6	500.5	518.0
Higher Sec./ Inter	1400.0	1233.7	1249.6	5.0	5.2	6.0	132.0	124.3	146.4
Degree Colleges	641.5	674.4	801.3	1.5	1.1	1.0	48.8	26.0	23.5
Technical & Vocational Institutes	302.2	308.6	318.7	3.3	3.3	3.4	16.1	16.4	16.6
Universities	1594.6	1594.6	1828.3	0.147	0.161	-	77.6	77.6	83.2
Total	**41099.1**	**42089.9**	**43423.7**	**241.5**	**240.9**	**244.9**	**1555.4**	**1529.7**	**1577**

Source: Ministry of Professional & Technical Training, AEPAM, Islamabad
E: Estimated, P: Provisional, *: Including Pre-Primary & Mosque Schools

Expenditure on Education:

Public Expenditure on Education as percentage to GDP is lowest in Pakistan as compared to other countries of the South Asian region. The total expenditure on education has remained around 2.0 percent of GDP for the past decade, with a high proportion being spent on recurrent heads mainly salaries, leaving a small amount for education sector development. According to UNESCO's EFA Global Monitoring report 2015, the Public Sector expenditure on Education as percentage of GDP, in other countries of the region was 2.1 percent of Bangladesh, 4.9 percent in Bhutan, 3.2 percent in India, 4.7 percent in Iran and 8.0 percent in Maldives. The Table-10.9 shows that expenditure on education increasing gradually since 2006-07. An increase of 12.03 percent on education related expenditure recorded as it was Rs. 537.60 billion in 2013-14 as compared to Rs. 479.85 billion in 2012-13.

The Government of Pakistan is determined to enhance the allocated resources to education sector by ensuring proper and timely utilization of funds in order to achieve the UNESCO target of 4.0 percent of GDP by 2018. The provincial governments are also spending sizeable amount of their Annual Development Plans (ADPs) on education to achieve the targets.

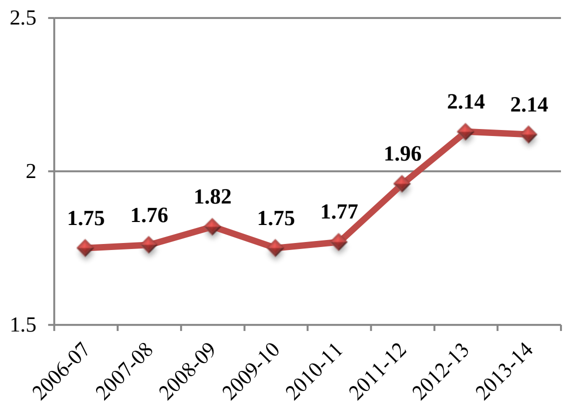
Table-10.9: Expenditure on Education (Rs. million)

Year	Current	Development	Total Expenditure	As % of GDP
2006-07	130,313	31,771	162,084	1.75
2007-08	155,622	32,034	187,656	1.76
2008-09	197,723	42,655	240,378	1.82
2009-10	219,933	39,592	259,525	1.75
2010-11	276,239	46,572	322,811	1.77
2011-12	330,228	63,295	393,523	1.96
2012-13	428,944	50,909	479,853	2.14
2013-14	453,735	83,863	537,598	2.14
2014-15 *	219,880	17,556	237,436	-

*July-December (Provisional)

Source: PRSP Budgetary Expenditures, External Finance Policy Wing, Finance Division, Islamabad

Fig-10.9: Education Expenditure as % of GDP



Development Programme 2014-15
Federal Public Sector Development Program (PSDP) 2014-15.

In Public Sector Development program 2014-15, an amount of Rs. 3.45 billion has been provided for on-going & new projects of the Ministry of Federal Education & Professional Training while Rs.1.13 billion has also been allocated for education related projects being handled by Cabinet, Defence, Finance and Capital Administration & Development Divisions.

Provincial Annual Development Programs (ADPs) 2014-15
Punjab:

During 2014-15, Punjab government has allocated Rs.48.31 billion against last year Rs.23.31 billion, a increase of 107 percent for 532 development projects (325 on-going & 207 new schemes) for education which includes school education Rs.28.10 billion, Higher Education Rs.14.05 billion, Special Education Rs.0.80 billion, Literacy Rs.2.40 billion and Sports & Youth Affairs Rs.2.96 billion.

Sindh:

During 2014-15, Sindh government has allocated Rs.15.05 billion as compared to Rs.14.99 billion last year showing an increase of 0.4 percent for 524 development projects (220 on-going and 304 new schemes) of education which includes Rs.1.93 billion for Elementary Education, Rs.0.15 billion for Teacher Education, Rs. 0.02 billion for Sindh Education Foundation, Rs.7.43 billion for Secondary Education, Rs.2.34 billion for College Education, Rs.1.61 billion for Higher Education and Rs.1.57 billion for Miscellaneous expenditure.

Khyber Pakhtunkhwa:

Government of Khyber Pakhtunkhwa has allocated Rs. 12.38 billion in 2014-15 as compared to Rs. 11.66 billion in 2013-14 showing an increase of 6.17 percent for 95 development projects (64 on-going & 31 new development schemes) for the development of education. It includes Primary Education Rs.1.61 billion, Secondary Education Rs.6.52 billion, archives and libraries Rs. 0.28 billion and College Education Rs. 3.97 billion.

Balochistan:

Balochistan government has allocated Rs. 11.52 billion against Rs. 10.15 billion last year, an increase of 13.50 percent for 217 development projects (56 on-going & 161 new schemes) for development of education which includes Rs. 2.98 billion for 66 projects of Primary Education, Rs. 1.62 billion for 41 Projects of Middle/Elementary Education, Rs. 1.73 billion for 38 projects of Secondary Education, Rs. 2.37 billion for 52 Projects of College Education, Rs. 0.97 billion for 11 projects of University Education and Rs.1.85 billion for 9 Projects of General Education during 2014-15.

Technical and Vocational Education: NAVTTC:

The National Vocational and Technical Training Commission (NAVTTC) is the apex body and a national regulatory authority to address the challenges of Technical and Vocational Training in the country. It is a major policy making, strategy formulation and regulating body responsible for revamping of TVET system. The Commission establishes and promotes linkages among various stake holders at national as well as international level. NAVTTC has evolved a National Skills Strategy 2009-13 in consultation with all provincial and regional stake holders. During the fiscal year 2014-15, federal government has allocated Rs. 350 million for NAVTTC to its 28 on-going sub-projects throughout the country. Out of which Rs. 140 million (40 percent) has been released up to March, 2015 to its on-going projects throughout the country.

Achievements:

- NAVTTC established 130 vocational training centers/ institutes in 79 uncovered tehsils of Sindh, Punjab, Khyber Pakhtunkhwa, Balochistan, Azad Jammu & Kashmir and Gilgit-Baltistan, where no TVET institutes existed earlier. Under the program 37,521 trainees have been trained.
- NAVTTC in the light of Prime Minister of Pakistan's directions took the initiative of offering short-term skill development programmes under "Hunarmand Pakistan Program" up to six month duration courses in collaboration with public and private sector training institutes. It covers four priority sectors including: Construction, Agriculture (Dairy & Livestock), IT & Telecommunication and Skills for Women. The other sectors being addressed are Hospitality, Light Engineering, Paramedics, Services, Traditional trades (Cottage Crafts etc.) and Textile. The geographic spread covers whole of Pakistan including Azad Jammu and Kashmir, FATA and Gilgit-Baltistan. Under this program 116,776 trainees have been trained.
- So far, 54 institutions/192 TVET programs have been accredited whereas more than 40 TVET institutions and 200 programs are in the process.
- The first ever national vocational qualification framework of the country has been launched on March 04, 2015. The framework provides principles and guidelines for identification, equivalence and assessment of TVET qualifications, equivalence and assessment of TVET qualifications for competency-based training. The document also provides guidelines for recognition of prior learning and current competencies besides defining the roles and responsibilities of TVET organizations in implementation of a competency-based training regime in the country.
- Establishment of National Accreditation Council for Technical & Vocational Stream (NAC-TVS) Council Regulation 2014-15 for establishing an independent council for TEVT sector in Pakistan have been framed; meanwhile an interim arrangement has been made by establishing TVET Accreditation & Quality Evaluation Committee (TA&QEC). The committee is comprised of senior member from mostly all TVET stakeholders at national and provincial level who thoroughly appraise and award

decisions regarding accredited institutes/program.

- NAVTTC has verified/attested more than 7000 certificates uptill now throughout Pakistan.
- NAVTTC has issued more than 80000 certificates and maintained the data base of the trainees who have got training under NAVTTC sponsored courses.
- NAVTTC has submitted the proposal for establishing a Federal Board of Technical Education and Vocational Training (FBTEVT) which will be an independent, autonomous body for conducting trade testing, affiliation of TVET institutions and to conduct assessment/ examination as third party assessor within its jurisdiction (ICT, FATA, AJK & GB).
- In order to formulate and evolve TVET Policies well informed, NAVTTC established National Skill Information Cell at its HQs. The cell is now operational and responsible for developing & providing reliable information for workforce development in employable skills, which will serve as base for provision of vocational guidance and placement services for graduate and employers.
- NAVTTC drafted the "TVET Regulatory Framework" which is under submission to the Ministry of Federal Education & Professional training for its implementation/notification.
- To promote skills development in the country, NAVTTC has developed a "National TVET Policy" document. It forms the basis for defining the political priorities for TVET sector. The policy document aims at skill development of 1.0 million youth per annum and targeting 20 percent by 2025 through competency- based training. The policy focuses on a reform-based approach envisaging new public-private partnership, matching with international standard and establishment of credible and sustainable links with informal sector to facilitate sustained reform of public TVET provision.

Box-2: Prime Minister's Youth Skill Development Program (Phase-II)

The present government has shown keen interest in the empowerment of youth in the country and launched different programs for youth. Out of these programs, Prime Minister's Youth Skill Development Program is being implemented by NAVTTC. This program focuses to produce 25,000 Pakistani Skill workforce to cater demands of local and international markets and to enhance the employability of Pakistani Youth in the light of directives by the Prime Minister. 25,000 training slots were allocated to all provinces/regions in Pakistan in accordance with their respective population in highly demand-driven trades in important sectors such as; Construction, Light Engineering, IT & Telecom, Services (Including women skills), Health and Agriculture. Wide publicity is given in national and local newspapers to attract unemployed youth between the ages of 18 to 35 years having minimum qualification of middle. The salient features of this program is as follows:

- PC-I approved by CDWP on: 31st March, 2015
- Total Cost: Rs. 1,180 million
- Target Trainees 25,000
- No. of Trades 195
- Training Duration 6 months
- Start Date 1st June, 2015
- End Date 30th Nov, 2015
- Partner institute are being selected through EOI/prequalification.
- Stipend is being increased from Rs. 2,000/- to Rs. 2,500/- and for FATA trainees, from Rs. 3,000/- to Rs. 3,500/-
- Monitoring will be carried out by NAVTTC and Monitoring Unit of Planning Commission, whereas evaluation of the program at its completion will be conducted by a reputed third party.

Source: National Vocational and Technical Training Commission

Higher Education Commission:

Human Resources Development:

HEC's HRD programmes provide financial assistance to improve qualification in foreign universities of technologically advanced countries, fellowships to pursue higher studies in local universities, on merit and need base scholarships for students from less developed areas of the country. Following are the HRD schemes for award of scholarships. The projects/ programmes of HEC during 2014-15 are given in Table-10.10 below.

Table 10.10: HRD Schemes during 2014- 15 (Numbers)

Scholarships	Awarded	Completed Studies
Foreign (PhD)	1237	248
Indigenous (PhD)	1122	314
Need Based Graduate/Undergraduate	3538	895
PhD graduates placed under Interim Placement of Fresh PhD Program (IPFP)	413	Continued

Source: Higher Education Commission (HEC)

- Prime Minister's Fee Reimbursement Scheme for less developed areas (selected regions) was successfully executed and is continued for 2014-15. Reimbursement to around 50,000 students of less developed areas is being carried out this year
- Under the project 1000 Cuban Medial Scholarship Program, 537 Pakistani doctors graduated from Cuban Medical Universities in February, 2015.
- The Project "An Initiative of Aghaz-e-Haqooq-e-Balochistan" was successfully executed by awarding PhD Scholarships (Indigenous and Overseas) for the students of Balochistan.
- New Documents of Understanding are under process to be signed with RMIT University, Australia; University of Melbourne, Australia; University of Wollongong, Australia; University of Western Sydney, Australia; University of DEAKIN, Australia,; University of WAIKATO, New Zealand; University of Canterbury, New Zealand; Izmir University, Turkey and the universities of Malaysia.

HRD Schemes for 2015-16:

- Overseas Scholarship Scheme for MS/MPhil leading to PhD, Phase-III for 1500 scholarships.
- Post-Doctoral Fellowship Program - Phase-III for 1200 fellowships.
- Faculty Development Program for Pakistani universities (Split PhD) for 1000 faculty members.
- As a goodwill gesture and to reciprocate the Cuban offer of 1000 scholarships, Government of Pakistan has to award 100 scholarships for Cuban students in the next financial year.
- Hungarian Government's offer to award 80 scholarships per year for coming three years to Pakistan shall be implemented and as a goodwill gesture to reciprocate the Hungarian's offer Pakistan will award 10 scholarships to Hungary per year for next three years.
- Expected placement of fresh PhD graduates in Pakistani universities during coming three years will be 2500.

Accreditation & Attestation (A&A):

Accreditation of Universities

- Overall, thirty five (35) proposals for establishment of new universities/institutes were received during the period and are under process at different stages. As such, establishment of following 11 new Higher Education Institutions (HEIs), with six (6) campuses have increased Tertiary enrollment and Literacy rates besides enhancing access to higher education:
- Nur International University, Lahore has been allowed to run Master of Public Health Degree in collaboration with University of

Louisville, Louisville KY, United States of America;

- CAMS, Karachi got renewal of its foreign collaborative program;
- 23750 cases for equivalence of foreign/ Pakistani degrees and Deeni Asnad received, processed and finalized.
- Fostering Attestation Services throughout Pakistan for the facilitation of general public at large, now the attestation of local degrees has been started in the Higher Education Commission's Regional Centres at the Lahore, Peshawar and Karachi.

Research and Development (R&D):

Higher Education Commission (HEC) executes programs and projects which ensure sustainable and progressive research culture. HEC has taken several initiatives during 2014-15 to enhance the role of research and development in higher education. The details are given below:

- **Access to Scientific Instrumentation:** 138 researchers were facilitated for sample Analysis under this program. Total cost of the program is for the year 2014-15 is Rs.10, 015,456/-. It is anticipated that about 300 applications are expected next year; hence, demand for the 2015-16 is Rs.20,000,000/-.
- **Patent Filing:** Under this program nine (09) patents were filed at USPTO. Cost of the program during 2014-15 is Rs. 4,604,050/-. It is expected that about fourteen (14) patent requests are expected in the upcoming year; hence, demand for the 2015-16 is Rs. 7,000,000/-.
- **HEC-BC INSPIRE:** Under this program, 16 projects have been completed. Cost of the program during 2014-15 is Rs. 1,395,080/-.
- **Knowledge Exchange Partnerships (KEP) - (HEC-British Council new collaborative program):** A total of 14 projects were approved during this year, and 1st installment to all projects released. Total cost of the projects for the 2014-15 was Rs. 24,740,381/-, while the demand for the upcoming 2015-16 is Rs. 20,000,000/-. The demand is to release the second installment and review cost of 14 approved projects.
- **Researchers link Initiative. (HEC-British council new collaborative program):** Under this program, five international workshops were funded this year; and an amount of Rs. 11,698,425/- was incurred. However, demand for the 2015-16 is Rs. 13,000,000/-, which is to establish new links through workshop as per agreement for second year under researcher link Initiative.
- **Office of Research Innovation and Commercialization:** Three for Academia Industry Networking events for promotion of entrepreneurship and research show casing were conducted for an amount of Rs. 633,100 during the current fiscal year. Whereas, for the next year, two capacity building trainings for ORIC research showcasing events will be conducted and an amount of Rs. 4,000,000 will be required.
- **Pakistan Program Collaborative Research:** During the 2014-2015, this program was at halt due to policy revision hence no case was received or processed. However, with the resumption of the activities about 29 applications, costing Rs. 13,000,000, are expected in next year.
- **Best out stand Research Awards:** During 2014-15, 27 awards were conferred and an amount of Rs.3.16 million was utilized for this purpose. For FY 2015-16, 59 awards will be conferred and an amount of Rs.11.40 million will be required for distribution of best Research Awards.
- **Pak US Science and Technology Program:** During fiscal year 2014-15, phase-6 of Pak US Science and Technology Program was launched with a total commitment of Rs. 250 million for a total period of three year.

Information Technology (IT)

Strategic initiatives

- **Laptop Local Assembly Line:** First Laptops Assembly facility of Pakistan has now been established with the support of M/s Haier Electrical Appliance Corp. China as a byproduct of the initiative of Prime Minister's Laptop Scheme. This facility is envisaged to help in knowledge transfer along with the technology; gradual job creations; manufacturing of laptops and other appliances; and would also be helpful in creating an enabling environment for the IT manufacturing industry in Pakistan. At present the assembling facility has the capacity production up-to 25,000 laptop units per month. The facility is scalable to enhance the overall capacity by manifolds as per requirements.

- **Smart Universities:** Higher Education Commission has announced launch of Smart Universities Project to complement the PM's Laptop Scheme, and provide enabling environment to the students helping them in their research and learning opportunities through ubiquitous access of internet. As a pilot project, seven (07) universities of the country (one from each province, Gilgit-Baltistan, AJ&K and Federal Capital) are being transformed into Smart Universities with the technical support and sponsorship of PTCL (Pakistan Telecommunication Company Limited).
- **E-HEC Services:** HEC under the Tertiary Education Support Program (TESP) has vigorously worked on the development of online applications to automate HEC internal as well as external processes and streamline financial, project management/ execution, funding, information management, grant approval, HR management, communications, etc. while integrating with the Enterprise Resource Planning system already deployed at HEC. The project has been strategically phased in batches to implement the most critical and public-demanded services be made available online. A total of thirty (30) processes have been addressed and are being launched for user's facilitation.
- **Video Lecturing @ Colleges:** Realizing the success of Virtual Education Project, Pakistan under which over 800 events including lectures, conferences, and workshops are organized annually, HEC intends to take this facilitation to the next tier of higher education, that is, degree colleges across the country. Under this pilot initiative, a total of fifty (50) colleges will be provided video conferencing solution and necessary training to operate the same.
- **Higher Education Internet TV:** Setting up a web/ internet TV channel of HEC bridged with universities' video conferencing to have sessions delivered related to the issues faced to public towards higher education in Pakistan and the services HEC/ HEIs offer.

Planning and Development Department:

Progress during 2014-15:

The Government of Pakistan has allocated Rs. 20.021 billion in PSDP 2014-15 for 191 development projects (136 ongoing and 55 new) with main focus on Human Resource Development through merit and Need based scholarships. Total approximately 10376 Scholarships for the talented youth of the country are currently studying in local and foreign universities.

New Initiatives:

- One Lac (100,000) Laptops will be provided to Ph.D and MS Students studying in Public Sector Universities to enhance their research capabilities.
- Under Aghaz-e-Haqooq-e-Balochistan Package, 600 MS Leading to PhD Scholarships (200 foreign + 400 Indigenous) for the students of Balochistan at a capital cost of Rs. 3.139 billion has been provided by the federal government.
- After successful implementation of phase-I, 3000 more scholarships will be provided to the needy students under the USAID support program.

Financial Scenario of HEC:

For 2014-15, Rs. 43.00 billion have been allocated by the government with special grant of Rs.1.50 billion for the Prime Minister's Tuition Fee Reimbursement Scheme for less developed areas of the country. During 2014-15, 86.6 percent of recurring budget has been allocated as annual recurring grant to universities/ institutions and salary of tenure track faculty. About 12.2 percent of the recurring budget has been distributed to universities/ institutions through National Programs for Universities for promotion of research and academic activities. The financial achievements of HEC during 2014-15 are given in Table-10.11 below:-

Table 10.11: Financial Achievements during 2014-15

Pillars	Outcome	Service/Support by Finance Division during 2014-15
Faculty Dev.	To improve the quality of teaching and research in institutions through programmes to improve faculty pedagogical skills and qualifications of faculty members.	• Funds allocation and release for Tenure Track. During 2014-15, salary has been released to more than 2,000 tenure track faculty members in public sector Universities/ HEIs. • Funds Allocation for Interim Placement for Fresh PhDs
Quality Assurance	To establish and implement stringent quality criteria developed against international standards to assess the performance at both the programme and institutional level.	• Allocation of funds for Accreditation Councils established by HEC • Provision of funds for QECs established at Public Sector Universities by QAA
Research, Innovation & Entrepreneurship	To ensure that all higher education students benefit from a high-quality learning experience as well as to increase the capacity of higher education institutions to carry out cutting-edge research in all areas.	• Provision of funds for 'National Program of Digital Library', Nation Research Program for Universities, ORICS, and several other programs, being executed under the fund 'Promotion of Research' and 'Inter-University Academic Activities'. • Providing annual recurring grant to Centre of Excellence and other public specialized institutions.
Improving Equitable Access	To maximize opportunities for acquisition of quality higher education for the 17–23 year old age group in Pakistan.	• Collection of enrolment information to take decision regarding allocation of funds. • Provision of recurring grant to Distance Education univ. • Inclusion of new Univs. in HEC recurring stream funds allocation for need based scholarships
Excellence in Leadership & Governance	To support excellence in the higher education sector's leadership as well as excellence in the governance and management of institutions of higher learning.	• Allocation of funds for programs like 'Modern University Governance' and 'University Management Development Program' designed to build capacity of 1st and 2nd tier of university management.
Financial Management	To enhance transparency, quality and reliability of financial information and comprehensiveness and timeliness in financial reporting. To review tertiary education expenditures that would include; Institutional productivity to ensure equitable distribution of financial resources amongst the Higher Education Institutions.	• Training workshop conducted for the Treasurer/Director Finance of all Public Sector universities relating to Financial Management and Accounting. • Provision of funds for Financial Aid offices at public sector universities

Source: Higher Education Commission (HEC)

Education Survey:

Annual Status of Education Report (ASER), 2014 is the largest citizen led household based learning survey mostly in all rural and selected urban areas. It measures learning levels of children 5-16 years the same age group as identified for compulsory education in Article 25-A of the Constitution of Pakistan. ASER is conducted each year across Pakistan and it is led by the Idara-e-Taleem-o-Aagahi (ITA) in collaboration with the National Commission for Human Development (NCHD), Sindh Education Foundation and many other Civil Society Organizations (CSOs). The ASER's specifically trained 10,000 member volunteer team has surveyed 93,096 households in 4,698 villages and blocks across 144 rural and 21 urban districts of Pakistan in 2014. Detailed information of 279,427 children aged 3-16 has been collected (59 percent male and 41 percent female), amongst which 195,723 children aged 5-16 years were tested for language and arithmetic competencies (out of which 20,947 were from urban districts). 21 urban districts surveyed includes Bahawalpur, Faisalabad, Gujranwala, Hyderabad, Islamabad, Karachi Central, Karachi East, Karachi Malir, Karachi South, Karachi West, Khuzdar, Lahore, Larkana, Mardan, Multan, Peshawar, Quetta, Rawalpindi, Rahim Yar Khan, Sukkur, Swat.

Box-3: ASER 2014 National Summary

A. Rural Trends:

Enrollment:

- In 2014, 78 percent of 5-16 year old children in rural Pakistan were enrolled in schools whereas 22 percent children were out-of-school. Compared to last year, percentage of out of school children in rural Pakistan has remained the same.
- Nationally, there is a constant gender gap in out-of-school children but still with more girls than boys not being enrolled or have dropped out of school. In ASER 2014 and 2013, amongst the 22 percent out-of-school children (age 5-16 years), 10 percent were males and 12 percent were females.
- In 2014, 21percent of children (age 6-16) were reported to be out-of-school. 15 percent children have never been enrolled in a school and 6 percent have dropped out of school for various reasons.
- 79 percent of all school-aged children within the age bracket of 6-16 years were enrolled in schools. Amongst these, 70 percent of children were enrolled in government schools whereas 30 percent of children were going to non-state institutions (27 percent private schools, 2 percent Madrassah, 1 percent others).
- Significant shift has been witnessed in terms of enrollment from government to private school. In 2013, 74 percent of the enrolled children (age 6-16) were going to government school and 26 percent of the enrolled children (age 6-16) were going to private school. This year, 70 percent of the enrolled children are seen to be going to government schools while 30 percent are going to private schools. Similar trend is witnessed in rest of the provinces where private sector is observed to be growing.
- Pre-school enrollment (3-5 years) in 2014 stands at 39 percent as compared to 41 percent in 2013. 61 percent children of age 3-5 are currently not enrolled in any early childhood program/schooling. Highest enrollment in this age group was 76 percent in Islamabad-ICT and the lowest in Balochistan with 28 percent. In urban areas, it was 58 percent.

Quality of Learning:

- Learning levels in all three competencies i.e. Language (Urdu/Sindhi/Pashto), English and Arithmetic have fallen since last year and still remain poor. Half of the children from Class 5 still cannot read Class 2 Urdu/Sindhi/Pashto story.
- In ASER 2014, 46 percent of Class 5 students were reported as being able to read a story (Urdu/Sindhi/Pashto) compared to 50 percent of Class 5 students who could do so in 2013. For English this year, 42 percent of class 5 students were reported to read Class 2 level English sentences as compared to 43 percent of Class 5 students who could do so in 2013. Similarly, 40 percent of Class 5 students were able to do 2-digit division sums compared to 43 percent of children in 2013.
- Punjab for Language (Urdu) and Gilgit- Baltistan for English and Arithmetic were found to be the best in terms of assessment results**.** 63 percent of children were able to read a story in Urdu while 62 percent were able to read sentences in English and 57 percent could solve sums of 2-digit division.
- Balochistan and Sindh were identified as the least satisfactory regions amongst all when compared for the assessment results for class 5 children. Only 24 percent of the Class 5 children in Balochistan were able to accomplish Class 3 level tasks (2-digit division) in Arithmetic and 33 percent of Class 2 level tasks for Language (Urdu, reading story). While in Sindh, only 24 percent of Class 5 children were able to read sentences in English.

Similar Pattern For Basic Reading Levels Can Be Seen For Children In Class 3

- Only 16 percent of the children of class 3 could read a story in Urdu/Pashto/Sindhi which is the highest competency level. The proportion of children achieving this competency level has fallen by 1 percent when compared to the previous year.
- Similarly, 14 percent of the children of class 3 could read sentences in English this year whereas 86 percent could not do so. In 2013, the percentage of children in class 3 who were able to read sentences was 15 percent.
- Eleven percent of children of class 3 could do 2-digit division as compared to 12 percent in 2013.

Private Tuition Trends:

- Private tuition incidence and uptake is more prevalent among private than government school students like that seen in previous years. Around 25 percent of all private school-going children were found taking paid tuition compared to only 6 percent of all government school children.

Multi Grade in 2 and 8:

- Almost half of all government schools surveyed nationally had Class 2 students sitting with other classes. It was found that 43 percent of the surveyed government schools and 25 percent of the surveyed private schools had Class 2 sitting with other classes. Also, 10 percent of surveyed government schools and 17 percent of surveyed private schools had Class 8 sitting with other classes.

Parental Education

- It was also found that only 24 percent of mothers in the sampled households had completed at least primary schooling against 48 percent of fathers.

School Facilities (Rural):

- ASER 2014 surveyed 3,968 government and 1,532 private schools in 144 rural districts of Pakistan.
- Overall teacher attendance in government schools was 88 percent and 93 percent in private school.
- Overall student attendance in government schools stood at 85 percent whereas it was 90 percent in private schools.

More Qualified Teachers in Private Schools as Compared to Government Schools:

- Thirty-three percent teachers of government schools have done graduation as compared to 39 percent teachers of private schools.
- In terms of professional qualification, 36 percent of surveyed government and private school teachers had Bachelors in Education degrees.

Overall, Punjab and ICT were found with the highest percentage of primary schools with useable water and toilet facilities. Eighty- nine percent of all surveyed government primary schools in ICT while 88% of all surveyed government primary schools in Punjab had useable water facility.

B. Urban Trends:

- In 2014, overall 94 percent children aged 6-16 years were found to be enrolled in 21 urban districts surveyed whereas 6 percent (3 percent of girls and 3 percent of boys) children were found to be out-of-school.
- Private schools absorb a large share of school aged children. Sixty-three percent of all school going children are enrolled in non-state schools in urban areas.
- Forty-four percent of the children enrolled in private schools are girls and 56 percent are boys.
- This year, the proportion of children in class 5 who were able to read a class 2 level Urdu/Sindhi/Pashto story text were reported to be 60 percent as compared to 55 percent in 2013. For English, 56 percent of Class 5 students were reported as being able to read Class 2 English sentences compared to 59 percent of Class 5 students in 2013. Similarly, 53 percent of Class 5 students were able to do 2-digit division sums in 2014 as compared to 51 percent in 2013.
- It was also found that private tuition incidence was more prevalent among private than government school students. Around 42 percent of all private school-going children take paid tuition as compared to 21 percent of all government school children.
- 334 government and 401 private schools were surveyed in 21 urban districts.
- Percentage of primary schools having useable water and toilet facilities in urban areas is twice more than rural areas. Only 16 percent of the surveyed government primary schools in urban districts did not have functional toilets as compared to 49 percent of the surveyed government primary schools in rural districts. Also, 19 percent of the surveyed government primary schools in urban districts did not have useable water facility as compared to 43 percent of the surveyed government primary school in rural districts.
- The percentage of private primary schools found with useable water facility was 98 percent and 99 percent had functional toilets in 2014.

Source: ASER, 2014 Annual Report.

Conclusion

Education needs to be delivered inclusively, effectively and equitably across the country to ensure that it is a driver of social cohesion and resilience. The government is making all efforts to recuperating both the quality and the coverage of education through effective policy interventions and expenditure allocations. After the post 18th Amendment, provincial governments will have to take all necessary steps towards educational reforms and delivery of educational services at gross root level.

Health and Nutrition

Better health and healthy living environment contribute to the improvement of family life, human welfare and ultimately contributes to economic growth. To attain productive human capital resources, the federal government has shown its commitment to prevent the spread of diseases and save the lives and cost of health care. Public sector expenditures in preventive measures and health facilities are progressive at provincial and regional levels. The government subsidizes the health care facilities for people and pays whole or part of the cost of health care services. In order to achieve a substantial improvement in health sector, a number of vertical programmes are operative in Pakistan. These federally funded vertical programs include Lady Health Worker Programme, Malaria, TB and AIDs Control Programmes, Food and Nutrition programmes. The government's spending in these sub sectors is more effective as these facilities are free for all and there is no household out of pocket expense involved. However, despite a lot of efforts and investment, the desired health outcomes has not been achieved as yet and the gap between availability and requirements still remain large due to some specific socio-economic factors like faster urbanization, industrialization, growing immigration of people to cities, poverty, uneven distribution of health benefits and unhygienic environmental condition. However, the seventh National Finance Commission Award and 18th Amendment to the Constitution are now in place and provincial and local governments now with their empowered status render huge responsibilities to develop their own policies, streamline functions, raising funds and to ensure that existing facilities run smoothly. The rising population pressure on state health institution has allowed the private sector to bridge the gap between rising demand and public provision of health care. The private sector role in the provision of services delivery has increased enormously.

The federal government is also in the process of launching a "Prime Minister's National Health Insurance Program" to improve the health status of the population in the country by ensuring access to quality health care especially enhancing coverage and access to secondary and priority treatments of the poor and vulnerable population with the objectives of reducing out-of-pocket catastrophic health expenditures by insured families for impatient care. In Phase-I, the project would cover 3.3 million families in 23 districts at national level followed by another 3.3 million families in 23 districts in Phase-II followed by universal coverage in all districts of Pakistan of 189.00 million population in 22 million families. The scheme would cover secondary healthcare including daycare and maternity services. Priority treatment list for inclusion consists of cardio vascular diseases, diabetes, burns, road traffic accidents, renal diseases and dialysis, TB, hepatitis, treatment of HIV chronic liver diseases, chemotherapy, radiotherapy and surgical oncology.

Millennium Development Goals (MDGs)

MDGs provide countries with time bound objectives for achieving human development. Less than half year is short of the deadline 2015, Pakistan's progress on health related MDGs vary across different goals. Leady health workers coverage to be universalized by 2015 has increased significantly and the target seems to achievable. The under five mortality rate has declined moderately to 85.5 versus its targeted reduction of 52/1000 deaths. However, Pakistan's progress on maternal and child mortality rates is not suffice to meet the MDGs targets on account of a number of factors like illiteracy, food insecurity, inadequate nutrition and low financial allocation. The overall lack of progress can also be traced back to specific problems. Rising security expenditures and IDPs exerted high cost on the economy. However, Pakistan remained steadfast to its MDGs commitment.

Table: 11.1 Pakistan Progress on MDGs

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Target 2015
Life Expectancy at birth , total (year)	64.7	64.9	65.2	65.4	65.6	65.8	66.0	66.1	66.3	66.4	66.6	-
Infant Mortality Rate (Per 1000)	83.0	81.6	80.1	78.8	77.5	76.1	74.8	73.4	72.1	70.6	69.0	40.0
Under 5 Mortality Rate (Per 1000)	105.5	103.4	101.4	99.4	97.5	95.6	93.6	91.8	89.9	87.8	85.5	52.0
Maternal Mortality Rate Per 100000	-	-	230.0	-	-	-	-	190.0	-	-	170.0	140.0
Population Growth Rate (%)	1.8	1.8	1.8	1.8	1.9	1.9	1.8	1.8	1.7	1.7	1.9	-

Source: World Bank.

Health Indicator

Human development indicator are associated with variety of socio-economic factors like education, environment and economic. The table below reflects the comparative position of regional countries health development. Although life expectancy and living standard have improved in the last decade but this growth is not uniform across countries and there exists stake disparities in the health outcome.

Table: 11.2 Regional Countries Human Development Indicator

Country	Life Expectancy 2013	Infant Mortality Rate Per 1000 2013	Under 5 Mortality Rate Per 1000 2013	Maternal Mortality Rate Per 100000 2013	Population Growth Rate(%) 2013
Pakistan	66.6	69.0	85.5	170.0	1.92
India	66.5	41.4	52.7	190.0	1.24
Bangladesh	70.7	33.2	41.1	170.0	1.22
Sri Lanka	74.2	8.2	9.6	29.0	0.76
Nepal	68.4	32.2	39.7	190.0	1.17
Bhutan	68.3	29.7	36.2	120.0	1.62
China	75.4	10.9	12.7	32.0	0.49
Malaysia	75.0	7.2	8.5	29.0	1.62
Indonesia	70.8	24.5	29.3	190.0	1.21
Philippines	68.7	23.5	29.9	120.0	1.73
Thailand	74.4	11.3	13.1	26.0	0.34

Source: World Bank

Health Expenditure

The share of health expenditure in total public sector expenditure is the most significant variable effecting health status in a country. Cross countries analysis shows that infant and child mortality become lowest in a country with a high share of health care spending devoted to primary health care. Public sector expenditures in health facilities are progressive across the country. An amount of Rs.20.48 billion was provided to Health sector in Federal PSDP 2014-15 and utilization of approx. Rs.22.4 billion (This includes Rs: 10.8 billion as foreign Aid for Program for elimination of Polio) by the end of March 2015. Currently Pakistan is spending 0.42 percent of its GDP on health care services

Table 11.3: Health & Nutrition Expenditures (2000-01 to 2014-15) (Rs. billion)

Fiscal Years	Public Sector Expenditure (Federal and Provincial)			Percentage Change	Health Expenditure as % of GDP
	Total Health Expenditures	Development Expenditure	Current Expenditure		
2000-01	24.28	5.94	18.34	9.98	0.58
2001-02	25.41	6.69	18.72	4.63	0.57
2002-03	28.81	6.61	22.21	13.42	0.59

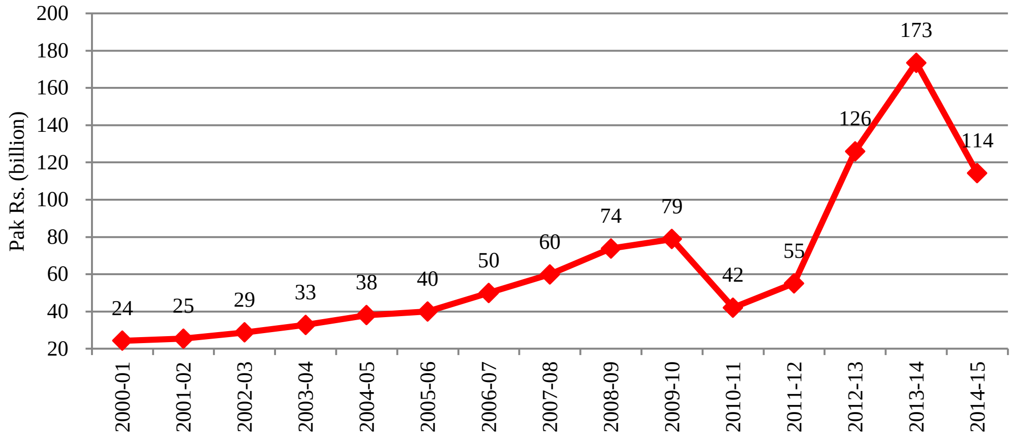
Table 11.3: Health & Nutrition Expenditures (2000-01 to 2014-15) (Rs. billion)

Fiscal Years	Public Sector Expenditure (Federal and Provincial)			Percentage Change	Health Expenditure as % of GDP
	Total Health Expenditures	Development Expenditure	Current Expenditure		
2003-04	32.81	8.50	24.31	13.85	0.58
2004-05	38.00	11.00	27.00	15.84	0.58
2005-06	40.00	16.00	24.00	5.26	0.49
2006-07	50.00	20.00	30.00	25.00	0.54
2007-08	59.90	27.23	32.67	19.80	0.56
2008-09	73.80	32.70	41.10	23.21	0.56
2009-10	78.86	37.86	41.00	6.86	0.53
2010-11	42.09	18.71	23.38	-46.63	0.23
2011-12	55.12	26.25	28.87	30.96	0.27
2012-13	125.96	33.47	92.49	128.51	0.56
2013-14	173.42	58.74	114.68	37.68	0.69
2014-15*	114.22	31.93	82.29	11.62	0.42

*Expenditure figure for the year 2014 are for the period (Jul-Mar 2014-15)

Source: Finance Division (PF Wing)

Fig-1: Total Public Sector Expenditure on Health



Health System

The health system in Pakistan consists of public and private sectors. The private health care sector has developed considerably and has spread across the country and provides a varying level of care. While the subject of Pakistan public health sector was devolved to the provinces with passage of 18th Amendment, along with necessary resources through NFC award as well as allocation of funds through Federal PSDP for health programme.

Health Facilities

The health system in Pakistan is comprised of a mix of publicly financed health delivery with privately financed market delivery. Pakistan's public health care system comprises health work force, physical infrastructure, equipments, supplies and a host of health activities .At present, there are 118041 hospital beds in the country which give a population-bed ratio of 1593. The number of registered doctors 175223 whereas the number of dentists available in the country is 15106 while the number of nurses and qualified health visitors 90276 and 15325.Thus there is one doctor for 1073 and one dentist for 12447 person. The number of hospitals is 1142 while the number of dispensaries and other outlets 5499. Since majority of hospitals and doctors are located in big cities, the rural population has much lower health facilities.

Table 11.4: Healthcare Facilities				
Health Manpower	**2011-12**	**2012-13**	**2013-14**	**2014-15**
Registered Doctors	152,368	160,880	167,759	175,223
Registered Dentists	11,649	12,692	13,716	15,106
Registered Nurses	77,683	82,119	86,183	90,276
Population per Doctor	1,162	1,123	1,099	1,073
Population per Dentist	15,203	14,238	13,441	12,447
Population per Bed	1,647	1,616	1,557	1,593

Source: Pakistan Bureau of Statistics

Physical Targets and Achievements during 2014-15

The achievements for the health sector during 2014-15 included 3500 new doctor, 350 dentist, 3300 Nurses, 4500 paramedics and 450 Traditional Birth Attendants. Under the preventive program, about 6 million children were targeted to be immunized and 20 million packets of ORS were to be distributed during 2014-15. Till date 4500 HIV positive cases have been reported to the National and Provincial AIDS Control Programs. The total numbers of TB cases are 63470, whereas the absolute number of cases is 211500 up to the third quarter of 2014 and the treatment success rate remained 91%.

Table 11.5: Physical Targets/Achievements 2013-14 **(Nos.)**

Sub Sector	2014-15			Targets (2015-16)
	Targets	Achievements	(%)	
A. Hospital Beds	5000	3900	97.5	2500
B. Health Human Resource				
Doctors	5000	3500	70	9000
Dentists	500	350	70	1000
Nurses	4000	3300	73	4500
Paramedics	5500	4500	82	5500
TBAs	550	450	90	500
Training of LHWs	10000	8000	80	10000
C. Preventive Programme				
Immunization (Million)	8	6	75	8
Oral Rehydration Salt (ORS) (Million Packet)	23	20	87	23

Source: Ministry of Planning, Development & Reforms

Health Programmes

To improve health status of the people and to reduce burden of disease a series of programs and projects are on track. Although vertical programmes in health sector have been devolved to the provinces. However, in pursuance to decision of Council of Common Interest (CCI) and upon request of the provinces, funding for these vertical programmes during the currency of 7th NFC Award shall be catered by federal government. Following programs and projects are funded through the Federal PSDP and implemented by the provincial and area governments:

i) Programme for Family Planning and Primary Health Care (LHWs Programme)

The program has recruited more than 100,000 Lady Health Workers (LHWs). The total population covered under this program spread over 60% in Balochistan to more than 80% in Punjab. LHWs services have visible impact on the health status of women and children in particular through improved hygiene birth spacing, iron supplementation, greater immunization coverage and through Ante-natal and post-natal coverage of the pregnant women. A new PC-I of provincial as well as area governments are under the process of approval in which salary packages of the staff of this program have been increased through regularization of their services in compliance of the orders of the Supreme Court of Pakistan. These proactive steps will definitely lead towards greater commitment and better health service delivery at the door steps of the vulnerable. Still overarching issues of governance and monitoring needs attention at the district and sub districts level.

Expanded Programme of Immunization

EPI program provides immunization to children against the seven vaccine-preventable diseases under one year of age i.e. childhood tuberculosis, poliomyelitis, diphtheria, pertussis, neonatal tetanus, measles and hepatitis B. New vaccines like pentavalent vaccine have been introduced with the help of UNICEF. Though after devolution this has become largely the responsibility of the provincial governments but Federal EPI cell currently took the responsibility of the procurements, coordination and technical guidance where provincial EPI cell are largely responsible for implementation of the program. World Bank along with other financial partners i.e. WHO and JICA have largely contributed towards smooth implementation of the program. Still the issues of routine immunization in the out reached areas of FATA and Baluchistan needs attentions.

ii) Malaria Control Programme

Malaria, the 2nd most prevalent and devastating communicable disease in the country, has been the major cause of morbidity in Pakistan. More than 90% of disease burden in the country is shared by 56 highly endemic districts, that are located in Baluchistan (17 out of 29 districts), FATA (7 agencies), Sindh (12 districts) and Khyber Pakhtunkhwa (12 districts). Most of the reported cases from these districts are due to flaciparum malaria which is the most dangerous form of malaria. Federally Administrated Tribal Areas (FATA) is the second highest malaria affected belt of the country which accounts for 12-15% of the total case load of the country. National strategy for Malaria Control is based on the following 6 key RBM elements:

- Early diagnosis and prompt treatment
- Multiple prevention
- Improved detection and response to epidemics
- Developing viable partnerships with national and international partners.
- Focused operational research and
- National commitment

iii) TB Control Programme

Pakistan is ranked 6th amongst 22 high disease burden countries of the world. 40% of the burden of disease in Pakistan is in the form of communicable diseases such as malaria and TB. Incidence of TB stands all at 231/100,000 population and prevalence of about 300 cases per 100,000 population. TB Control Program has achieved over 80% Directly Observed Treatment System (DOTS) coverage in public sector and in the last five years the programme has provided care to more than half a million TB patients in Pakistan. The programme is moving steadily to achieve the global targets of 70% case detection. There are areas where NTP has to improve suspect management, contact management, quality bacteriology services, engaging all care providers through public private partnership, inter-sectoral collaboration, monitoring and supervision, research for evidence based planning and advocacy communication and social mobilization (ASCM).

iv) HIV/ AIDS Control Programme

The number of injecting drug users has posed a threat of increasing number of total cases of HIV/AIDs in Pakistan. Still the prevalence of HIV/ AIDs is considered to be as low as 1%, hence not consider a high risk country. The focus of the program is on behavior change communication (BCC), services to high-risk population groups, treatment of sexually transmitted infection (STIs), supply of safe blood and capacity building of various stakeholders. Till date 4500 HIV positive cases have been reported to the AIDS Control Programs at federal and provincial levels. The program is technically supported by the UN agencies and Global Fund against AIDs, TB and Malaria.

v) Maternal and Child Health Programme

Mother and Child health has been one of the priority areas of Public health in Pakistan. This program has been launched by the government in order to improve Maternal and Neonatal Health services for all particularly the poor and the disadvantaged at all levels of health care delivery system. It aims to provide improved access to high quality Mother and Child Health and Family Planning services, train 10,000 community midwives comprehensive Emergency Obstetric and Neonatal Care (EmONC) services in 275 hospitals/ health facilities, basic EmONC services in 550 health facilities, and family planning services in all health outlets. Despite these modalities, Pakistan has shown a modest improvement in this segment and the infant mortality rate and child mortality rates are still very high as compared to the other countries in the region. It is envisaged that successful implementation of this project will bring these indicators in a respective range with improved health status of mothers and children.

vi) Prime Minister's Programme for Prevention and Control of Hepatitis in Pakistan

All forms of hepatitis are of concern within a public health framework. The program envisages meeting the challenges posed by the high prevalence of viral hepatitis in the country. The program aims at 50% reduction in new cases of hepatitis B and C by 2015 through advocacy and behavior change communication, hepatitis B vaccination of high risk groups, establishment of screening, diagnosis and treatment facilities in 150 teaching and DHQ hospitals, Safe Blood Transfusion and prevention of hepatitis A and E. A long awaited Safe Blood Transfusion project with the technical cooperation of GIZ and KfW has been revived and is in the implementation process in all four provinces that will bring down the incidence of hepatitis in the country.

vii) Cancer Treatment Programme

Cancer has been considered as one of the deadliest forms of non-communicable disease and the number of cases is increasing alarmingly. Pakistan Atomic Energy Commission (PAEC) Cancer Hospitals in four provinces are already providing diagnosis and treatment facilities to cancer patients. Up till now, PAEC has established eighteen (18) nuclear medical centers throughout the country, while, few more are in planning phase. Advance state-of-the-art facilities are available at these nuclear medical centers for diagnostic and treatment of the patients. Recently, Positron Emission Tomography (PET/CT) and Cyclotron facility have been added at Institute of Nuclear Medicine and Oncology (INMOL), Lahore in nuclear medicine department. Mobile Breast Care clinics are not only providing diagnostic services in remote areas, but also pursuing a public awareness campaign as cancer being a curable disease.

Nuclear medical centers aim to provide best quality care to the patients with cancer and committed to eliminating cancer through research, education, advocacy and service. Teaching programs are being organized for undergraduates and postgraduates medical students as well as other health care workers, run research projects in various aspects of cancer and conduct cancer awareness and outreach activities to provide information and education about all cancers, especially high incidence of breast cancer at these centers.

Awareness programs arranged/observed throughout the year in collaboration with national and international organizations/ agencies to raise awareness about cancer, to share information about the disease and to provide greater access to service. Literature/pamphlets containing information about cancer symptoms, preventive measures and treatment are distributed among general public at large. PAEC in collaboration with IAEA, WHO and other national and international organizations through Programme of Action for Cancer Therapy (PACT) is focusing on establishing national cancer control program and has established PAEC Cancer Registry Programme at nuclear medical centers and head office. During the period July-December, 2014, nuclear medical centers had the following to report;

a) About 4,17,180 patients were provided nuclear medicine, radiotherapy and diagnostic treatment.

b) 22 research projects with national/ international universities/organizations were continued.

c) 67 professionals attended national/ international trainings.

d) 33 research papers were published in different national and international journals.

e) Various programs for awareness of health care providers and general public such as World Cancer Day, Mammography Day, No Smoking Day etc were arranged.

Drug Abuse

The drug production in Afghanistan is the main factor influencing the drug situation, not only in Pakistan but world over. Afghanistan is producing almost 74% of the total world opium and is the second largest producer of cannabis. 40% of Afghan drugs transit through Pakistan. Being a transit country, Pakistan is subjected to domestic spread/ use of drugs.

About 25% of the illicit drugs traded through Pakistan are either retained or consumed within the country. The misuse of sedatives and tranquilizer is of particular concern, and so is the illicit use of drugs a major public health concern.

To address the narcotic drugs, issue, National Anti-Narcotics Policy 2010 was prepared and is being implemented in collaboration with provincial government, law enforcement agencies (LEAS), NGOs and Community Organizations.

The Anti-Narcotics Force Department of Narcotics Control Division has taken numerous initiatives to fight drug hazards, including, increase in ANF Police stations from 25 to 28 at various places, establishment of canine brigade and state of the art ANF academy for the training of Law Enforcement Agencies (LEAs).

Narcotics Control is currently implementing the following 06 development projects including 5 Area Development Projects with total capital cost of development projects Rs.6153.544 million.

Table 11.6: Narcotics Control Development Projects (Rs. Million)

S.No.	Name of Project	Total Capital Cost
1	Establishment of Drug Demand Reduction Cell in the Ministry of Narcotics Control.	59.975
2	Kala Dhaka Area Development Project	1,770.968
3	Kohistan Area Development Project	1,317.155
4	Khyber Area Development Project	1,235.351
5	Mohmand Area Development Project	859.079
6	Bajaur Area Development Project	911.016
	Total	**6,153.544**

a. Narcotics Seizures

Various narcotics seizures made during the period July, 2014 to March, 2015 are as under:-

Table 11.7: Narcotics Seizures

Details	July, 2014 to March, 2014
Cases Registered	152
Persons Arrested	167
Opium	8330.200 Kgs
Heroin/ Morphine	8697.513 Kgs
Hashish	49327.995 Kgs
Cocaine	1.180 Kgs
Amphetamine (Ice)	5.340Kgs
Mathamphetamine (Ice)	3.140 Kgs
Acetic Anhydride (AA)	993.500 Liters
Marijuana	0.360 Kg
Xanax Tabs	3000x (0.380 Kg)
Apocyum	13.5 Kg

Polio

Polio is the most notorious and fatal disease and spreads from person to person. There is no cure but there are safe and effective vaccines. Therefore, the strategy to eradicate polio is based on preventing infection by immunizing every child to stop transmission and ultimately make the World Polio Free. Polio incidence has dropped more than 99 percent since the launch of global polio eradication efforts in 1988. According to global polio surveillance data, 23 cases have been reported in 2015; 22 from Pakistan and 1 from Afghanistan.

Polio incidence has almost stopped around the world. However, Pakistan, Nigeria and Afghanistan are the only three countries in the world where polio remains endemic. According to WHO 22 cases have been reported in Pakistan in 2015. Tribal Areas have recorded six polio cases in the current year. The repeated immunization indicates that the programme (Immunization) is going in right direction and the situation has improved a lot. World Health Organization (WHO) in collaboration with Government of Pakistan is trying to ensure vaccination of all children below five years of age. The only solution to eradicate polio is mass immunization. FATA and KPK has been declared hub of polio virus. The UAE, Bill and Melinda Foundation and other donors are helping FATA and KPK in eradication of polio.

Food & Nutrition

Food is a basic need of every human being for growth and development and is one of fundamental right. Pakistan being an agricultural country is producing sufficient food to meet food and nutrition security requirements. According to National Nutrition Survey 2011 multiple factors that involve several sectors contribute to food insecurity and under nutrition with different levels of causalities: immediate, underlying and structural causes. Specific interventions for food security, along with nutritional awareness and safety nets required to address the nutritional issues. Pakistan Vision 2025 seeks a healthy and hunger–free Pakistan; the target is to reduce malnutrition up to 50 percent. To decrease the level of malnutrition in the country, Pakistan joined Scaling up Nutrition (SUN) Movement in 2013 to overcome malnutrition problem along with UN and other countries efforts. A multi-sectoral strategy has been adopted by provinces to reduce malnutrition.

The availability of essential food items trend is assessed through food balance sheets every year. The availability of essential food items for last five years is given in the following Table:

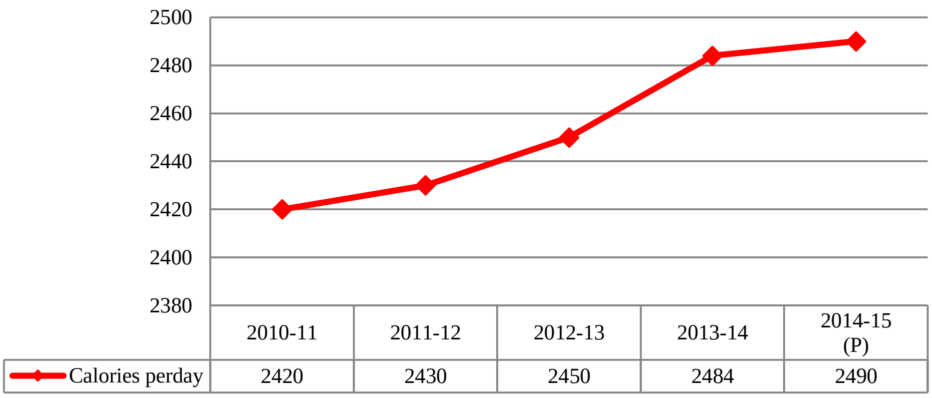
Table 11.8: Food Availability Kg Per Capita per Annum

Items	Year/ Units	2010-11	2011-12	2012-13	2013-14	2014-15 (P)
Cereals	Kg	159	160	160	161	162
Pulses	Kg	7	7	7	6.5	7.0
Sugar	Kg	27	30	31	32	32.5
Milk*	Ltr	113	97.0	100	135	170
Meat	Kg	21	22	19	21	21.5
Eggs	Dozen	6	6	6	6	6
Edible Oil/Ghee	Ltr	13.0	13.0	13.5	12.6	13.0

Source: Ministry of Planning, Development & Reforms
P: provisional, * Milk availability has been revised according to FAO criteria

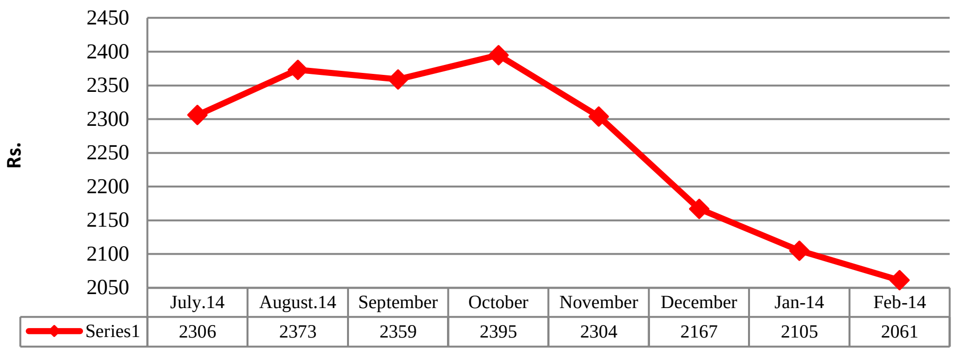
The average calories estimated based on food availability has been 2490 per capita per day during 2014-15 year detailed is given bellow:

Fig-2:Calories per capita perday



A food basket is maintained as a tool, based on minimum essential food items drawn from the consumption surveys. The average cost of food basket based on minimum 2150 calories for the fiscal year 2014-15 (July 2014- February, 2015) remained fluctuating and gradually decreased from Rs.2306 to Rs.2061 at national level detail is given below:

Fig-3: Cost of Food Basket



Source: Ministry of Planning, Development & Reforms

The nutrition related activities/programs are summarized as:

- UN Scaling up Nutrition (SUN) is a Global Nutrition Movement providing a single combined platform to the government and relevant stakeholders for enhanced mutual coordination, collaboration, resource allocation, and monitoring & evaluation mechanism to overcome malnutrition.
- In the light of Pakistan Vision 2025 and SUN Movement, Multi-sectoral strategy has been adopted by the provinces to reduce malnutrition.
- The Government of Punjab and Khyber Pakhtunkhwa (KP) developed and approved integrated PC-Is in Health Sector having Nutrition component. Nutrition Support Programme for Sindh (NSP) costing Rs.4117.92 million for 9 districts has been approved and going to start implementation. Baluchistan Nutrition Programme for Mothers and Children (BNPMC) costing Rs.1492.620 million for 7 districts also approved for implementation. The overall objectives of these projects are to improve the nutritional status of male and female children under 5 years age, including reproductive age women by improving the coverage of effective nutrition interventions.
- Wheat flour fortification program (iron and folic acid) is being revitalized in Pakistan and in AJK. This activity has been launched by the National Food Fortification Alliance through private sector with the support of WFP and Micronutrient Initiative (MI).
- Universal Salt Iodization (USI) program has been expanded up to 110 districts throughout the country with necessary Quality Management System (QMS) and sustainability of Potassium Iodate through private sector with the support of MI, Global Alliance for Improved Nutrition (GAIN), WFP and UNICEF.
- Micronutrient supplementation to address Anemia, Vitamin-A deficiency in children under five, women of child bearing age, growth monitoring, counseling of breastfeeding & weaning practices and awareness has been streamlined in health sector.
- Benazir Income Support Program (BISP) services are effective as Social Safety Net Measures by providing cash incentives to the poor segments of the population to improve household food security.
- M/o. National Food Security and Research started National Zero Hunger Program with the collaboration of UN agencies particularly WFP to overcome hunger and malnutrition in the country. In this regard, a PC-II is going to be prepared to start pilot implementation.
- National Nutrition Strategy is going to be devised on the basis of approved provincial strategies to overcome malnutrition.

Population, Labour Force and Employment

Population dynamics and trends play an influential role in the development and policy decisions of a country. Population size and structure impact a country's economy as well as its ability to provide social protections and access to health care, education, housing, sanitation, water, food and energy.

The population growth is one of the key factors that have a strong effect on Pakistan's performance in achieving economic development and MDGs targets. Specifically, a high population growth not only puts a country's economic resources under stress, but also increase dependency ratio of young people and thereby constrain the productivity growth in the economy. Thus, achieving the MDGs would require more efforts and resources when the population is growing at a higher rate. The government has realized these concerns and has undertaken a number of initiatives to check population growth. However, despite continuous fall, in fertility rate it is still highest among South Asian region except Afghanistan and therefore Pakistan continues to be the sixth most populous country in the world with 191.71 million projected population. More importantly, the falling population growth rate is yet to translate into lower proportion of dependent population thereby yielding productivity gains to the economy.

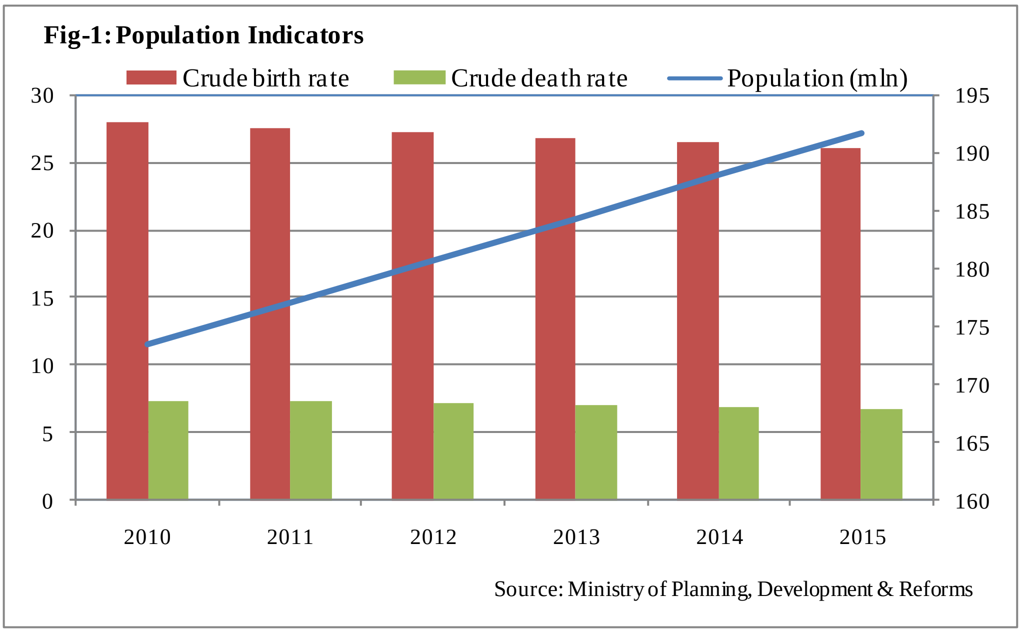
Demography is another important factor for the development of the country. Technically sound and well educated youth is one of the main economic assets for a country or a region and a declining proportion of children and a simultaneous increase in the share of the youth and working-age adult population lowers dependency ratios and opens a window of opportunity for economic growth as age structures mature and a larger share of the population enters the workforce. This "demographic dividend" can be reaped through sound policies, which ensure that when large waves of young people enter the labor market, they must be educated and decent jobs exist for them. Education, proper training and a well-functioning labor market are prerequisites to reap the benefits of progress through the demographic transition. Formal education as well as vocational training programs for men and women in the growing sectors of a country's economy can increase the opportunities for families to earn stable incomes and this investment in human capital contributes to macroeconomic growth and also to gender equity. Education and employment empower women to act on their fertility choices. The synergy of stable employment prospects and conscious fertility choices creates a positive dynamic that encourages families to make plans for the future.

Table 12.1: Selected Demographic Indicators

	2013	2014	2015
Total Population (Million)	184.35	188.02	191.71
Urban Population (Million)	69.87	72.50	75.19
Rural Population (Million)	114.48	115.52	116.52
Total Fertility Rate (TFR)	3.3	3.2	3.2
Crude Birth Rate (Per thousand)	26.8	26.4	26.1
Crude Death Rate (Per thousand)	7.0	6.90	6.80
Population Growth Rate (Percent)	1.97	1.95	1.92
Life Expectancy (Year)			
- Females	66.5	66.9	67.3
- Males	64.6	64.9	65.2

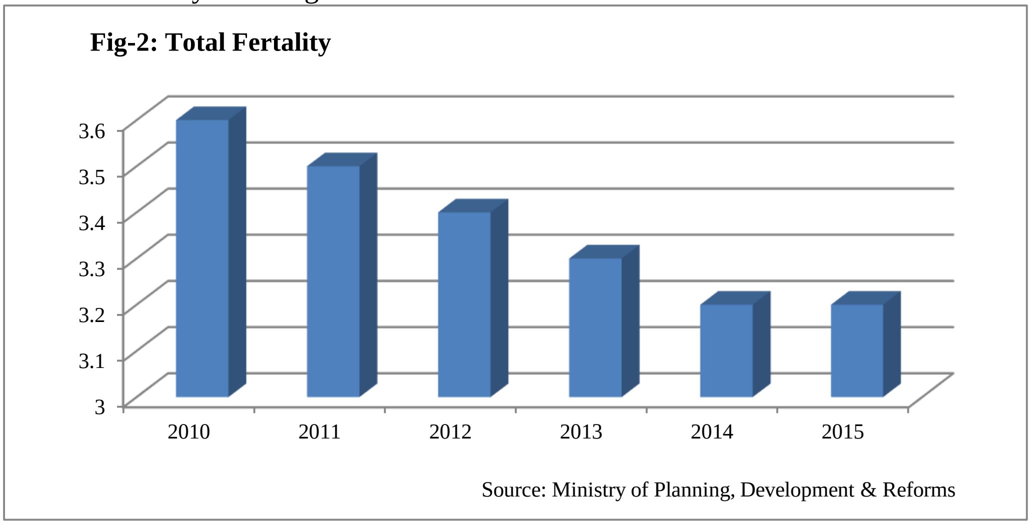
Source: Ministry of Planning ,Development and Reforms (Population Projections For the Year 2007-2030)

Table 12.1 enlists the selected demographic indictors of Pakistan. Among these indicators crude birth rate and death rate are most important measures in demography. Their importance is not limited to just demographers, but also has an effect on public policy and budgeting for education and health systems, and can have major impacts on the well-being of a country's population. Crude birth rate in Pakistan has been marginally improved from 26.4 per thousands in 2014 to 26.1 per thousand in 2015 while the crude death rate has declined from 6.90 per thousand in 2014 to 6.80 per thousand in 2015.



Total Fertility Rate

The term "total fertility rate" is used to describe the total number of children an average women in a population is likely to have, based on current birth rates throughout her life. Total fertility rates are closely tied to growth rates of the countries and are key indicators of the future population growth rate. Figure given below illustrates the trends in fertility during 2010-2015 in Pakistan. The total fertility rate has dropped off from 3.6 percent in 2010 to 3.2 percent in 2015.



Population Growth

Population growth plays a crucial role in achieving access to reproductive health, including basic health services such as antenatal care, skilled healthcare at child birth, contraceptive method information, counselling and supplies. In Pakistan population growth rate has shown improvement and it decreased from 1.95 percent in 2014 to 1.92 percent in 2015.

Life Expectancy

Life expectancy is mostly used to describe population health and it reflects the overall mortality level of a population. Globally, women can expect to live four years longer than men and this range varies with the development status of countries. In Pakistan, the life expectancy for both male and female improved considerably during last couple of years, mainly due to better health facilities and awareness campaigns regarding prevention of poor health. The average life expectancy for males has improved from 64.9 year in 2014 to 65.2 year in 2015 whereas for females it has improved from 66.9 year in 2014 to 67.3years in 2015.

Mortality Rate

Mortality rate is an important indicator to judge the health situation in the country. It includes infant mortality, child mortality and maternal mortality. Infant mortality refers to number of death of children less than one year of age per one thousand live births. In the past, Pakistan had a very high infant mortality rate. However, due to continuous improvement in health facilities and introduction of vaccination programme regarding fatal diseases for new born and children and its promotion with effective mass media campaign, contributed significantly in controlling infant and child mortality. As a result, it is decreasing continuously. The current estimates show that the infant mortality rate declined from 73 per thousand infants in 2010 to 69 per thousand infants in 2013 while the child mortality rate has decreased from 92 per thousand children in 2010 to 86 per thousand children in 2013 as shown in the Table 12.2.

Maternal mortality refers to deaths due to complications during pregnancy or childbirth. According to UN inter-agency estimates globally, this ratio declined by 45 percent from 380 deaths to 210 deaths per 100,000 live births between 1990 and 2013. Some developing countries like (Bhutan,Bangladesh,Maldives and Nepal) have made remarkable progress,whereas many countries have not yet met the UN target for Millennium Development Goal 5which is : to reduce, by three-quarters, between 1990 and 2015, the number of maternal deaths. In Pakistan maternal mortality rate has improved from 190 in 2010 to 170 in 2013 due to elimination of epidemic diseases, expansion of public health services and the increased proportion of births attended by Skilled Birth Attendants. The decline in maternal mortality rate is slow as compared to neighboring countries and further efforts are needed to end these preventable maternal deaths.

Table 12.2: Mortality Rate

Mortality Rate	2010	2011	2012	2013
Maternal mortality	190	-	-	170
Infant mortality	73	72	71	69
Child mortality rate	92	90	88	86

Source: World Bank Indicator 2013
- :Not available

Age Composition of Population

Age composition of a country's population has significant implication on the current and future development of the country and it determines the potential for future growth of specific age groups. Therefore, the most important demographic characteristic of a population is its age structure or the proportion of people at each age, by sex. Population of any country can be categorized into three broad groups. These are children, young and senior citizen. The population in the group of children between 0 to 14 years of age is economically unproductive and need family care, paly grounds, education and medical care. They depend upon working population for their necessities. Countries with young population need to invest more in schools colleges and technical institutes.

The young population is considered an asset of a nation. This age structure of a population affects a nation's key socioeconomic issues. These people are economically productive and they comprise the working population. Nevertheless, the rapid growth in this group can become problematic, if they are unable to find employment. However, the government with appropriate polices can utilize this youth bulge for the development of the economy. The senior citizens also belong to dependent group and needs medical facilities and old age benefit system.

It is apparent from the Table12.3 that 33 percent population is under the age group of 15 years and 7 percent population is in the age group of 60 years and above in 2015.This 40 percent population is economically dependent and needs food, and medical facilities. Pakistan has a remarkable young age structure and it can be observed from the table that 60 percent population belongs to the age group of working class that is 15-59 years. This dynamic group is the main source to raise the economic growth and can create an opportunity for the country to boost its productive capacity. However, this demographic dividend is dependent on the investment being made in the human development, education, training and health.

Table 12.3: Population by Age Groups (Millions)

Age Group	1998	2014	2015	2020	2025	2030
00-04	19.59	22.59	22.76	23.28	22.44	20.35
05-09	20.72	21.10	21.33	22.35	22.95	22.18
10-14	17.14	19.82	20.07	21.24	22.98	22.88
15-19	13.73	20.42	20.12	20.01	21.19	22.24
20-24	11.88	19.31	19.8	20.05	19.95	21.14
25-29	9.76	16.64	17.13	19.71	19.98	19.89
30-34	8.24	14.28	14.72	17.04	19.62	19.91
35-39	6.32	11.97	12.4	14.62	16.94	19.53
40-44	5.89	10.03	10.36	12.27	14.49	16.81
45-49	4.68	8.16	8.49	10.2	12.01	14.31
50-54	4.26	6.65	6.88	8.26	9.95	11.84
55-59	2.86	5.34	5.53	6.57	7.93	9.60
60-64	2.72	4.17	4.31	5.13	6.14	7.45
65+	4.64	7.54	7.82	9.39	11.39	13.93
Total	132.43	188.02	191.72	210.12	227.26	242.06

Source: National Institute of Population Studies, Planning & Development Division, June 2010

Women Empowerment

Women empowerment is the ability of women to recognize their rights and the role in economic and social development by fully participation in the decisions that brings a change in their lives and socities as well. Women empowerment can play very effective role in socio-economic development through participation in economic system of the country and at the same time can contribute in health and productivity of the families and communities.

The government is committed to ensure empowerment of women as their participation in all walks of life is necessary for sustainable development. Women representation in the government ensures that work is done for the overall good of both genders. The political representation of women in Pakistan is higher than neighboring countries like India, Sri Lanka and Iran. Pakistan is listed as 64th in the Inter Parliamentary Union's (IPU) list of women in national parliaments and stood ahead of several developed democracies. In Pakistan, representation of women in the National Assembly, the Senate and Provincial Assemblies is relatively higher in comparison to other neighbouring countries. Of the 342 seats in the National Assembly, women now comprise 70 seats. In the Senate, women make up 17 percent of the parliamentary seats.

The government being a state party to the Convention on Elimination of All Forms of Discrimination Against Women (CEDAW) is committed to implement its provisions in true spirit and has taken many steps to ensure women's rights as envisaged in the CEDAW. In continuation to the efforts of empowering women, government has allocated 50 percent share for women in the Prime Minister Youth Loan Scheme, which reflects the government's dedication and commitment to provide maximum opportunities to the women.

Government has focused on gender equality and women's empowerment not only as human rights, but also because they are a pathway in achieving the Millennium Development Goals and sustainable development. The main objective of the government is to ensure that women have a real voice in all governance institutions, from the judiciary to the civil service, as well as in the private sector and civil society, so that they can participate equally with men in public dialogue and decision-making and influence the decisions that will determine the future of their families and Pakistan.

Reproductive Health and Family Planning

Reproductive health is a state of complete mental, physical, and social well-being and does not mean the mere absence of disease or infirmity. It implies that people are able to have safe sex life, capability of reproduction and freedom of decision about reproduction. It is an important component of general health and central future of human development.

Family planning is also vital to gender equality and women's empowerment. Every human being has the right to access safe, voluntary family planning programmes and make their own choices about their sexual and reproductive health. To maintain the reproductive health, people need access to accurate information and the safe, effective, affordable and acceptable contraception method of their choice. They must be informed and empowered to protect themselves from sexually transmitted infections and when they decide to have children, women must have access to services that can help them to have a fit pregnancy, safe delivery and healthy baby.

Almost 225 million women in the world who intend to use safe and effective family planning methods are unable to do so because they lack access to information, services, or the support of their partners or communities. Most of these women with an unmet need for contraceptives live in 69 of the poorest countries of the world.

The Government of Pakistan is well aware of the importance of family planning and its significant contribution in achieving MDGs. Currently the government with the corporation of United Nation Population Fund (UNFPA) is working to support family planning by: advocating for family planning, ensuring a steady, reliable supply of quality contraceptives, strengthening national health systems, and gathering data to support this work. To overcome financial constraints in the way of implementing different family planning related programs, the government has allocated considerable funds under PSDP 2014-15. The detail of funds is given in Box-1.

Box-1: Federal PSDP 2014-15, Releases As On 15-May-2015 (Million Rupees)

Name of Project	Cost		Expenditure	Allocation 2014-15			Releases (Rupee Component Only)
	Total	Foreign Aid	Up to June 2014	Rupees	Foreign Aid	Total	
National Program for Family Planning & Primary Health Care	53,405.9	0.0	15,602.0	11,000.0	0.00	11000.0	11000.0
Population Welfare Program AJK (2010-15)	1,245.3	0.0	558.6	223.356	0.00	223.356	223.356
Population Welfare Program Balochistan (2010-15)	5,330.0	0.0	1,330.6	805.736	0.00	805.736	805.736
Population Welfare Program FATA (2010-15)	997.3	0.0	139.4	78.841	0.00	78.841	78.841
Population Welfare Program GB (2010-15)	663.1	0.0	175.7	118.722	0.00	118.722	118.722
Population Welfare Program Khyber Pakhtunkhwa (201-15)	5,946.5	0.0	3,738.5	1,283.447	0.00	1283.447	1283.447
Population Welfare Program Punjab (2010-15)	18,745.6	0.0	9,935.5	3,633.589	0.00	3633.589	3633.589
Population Welfare Program Sindh (2010-15)	13,336.0	0.0	6,414.3	2,082.373	0.00	2082.373	2082.373

Source: Ministry of Planning, Development and Reforms

Family Welfare Centres

The Family Welfare Centers (FWCs) are crucial part of successful family planning program and are the keystone of Pakistan's Population Welfare Programme. These centers constitute the most wide-ranging institutional network in the country for promoting and delivering family planning services in both urban and rural areas. It serves a population of about 7000, while operating through its satellites clinics and outreach facility, an FWC covers almost 12000 people.

Reproductive Health Services Centers

The Reproductive Health Service (RHS) Centers are the major clinical component of the

Pakistan's Population Welfare Programme. They provide services through RHS A Centers and RHS B Centers. The RHS A and RHS B centers are hospital -based service delivery units. They provide contraceptive surgery facilities for women and men with safe and effective backup medical support. Well - established hospitals and clinics with fully-equipped operating facilities (operation theatre facilities, beds for admission, post operative care, sterilization and emergency resuscitation equipment, etc.) and trained work force.

Mobile Service Units

The Mobile Service Units (MSUs) are the flagship of the Population Welfare Programme. These provide a package of quality Family Planning/Reproductive Health (FP/RH) services to the people of those remote villages and rural communities where no other health facility exists. The MSUs operate from specially designed vehicles which carry all the facilities of a mini clinic ensuring complete privacy for simple gynecological procedures.

Regional Training Institutes

Regional Training Institutes (RTIs) provide skill based training in Family Planning/Reproductive Health for all categories of health care providers i.e. Doctors, medical students, nurses, student nurses, lady health visitors and other paramedics. The RTIs also undertake activities focused on raising the awareness level of hakims, homeopaths, community health workers, teachers and college students.

Table-12.4: Physical and Contraceptive Users Targets

(Cumulative Number) Name of Service Outlet / Unit	2013-14 (Target)	2013-14 (Achievement)	2014-15 (Target)
Public Sector			
Family Welfare Centers (FWCs)	3,427	2,891	3,500
Reproductive Health-A Centers	269	207	300
Mobile Service Units (MSUs)	300	292	350
Private Sector			
RHS-B Centers	184	133	184
Registered Medical Practitioners (RMPs)	27,576	9,297	27,576
Hakeems and Homeopaths	14,009	8,071	14,009

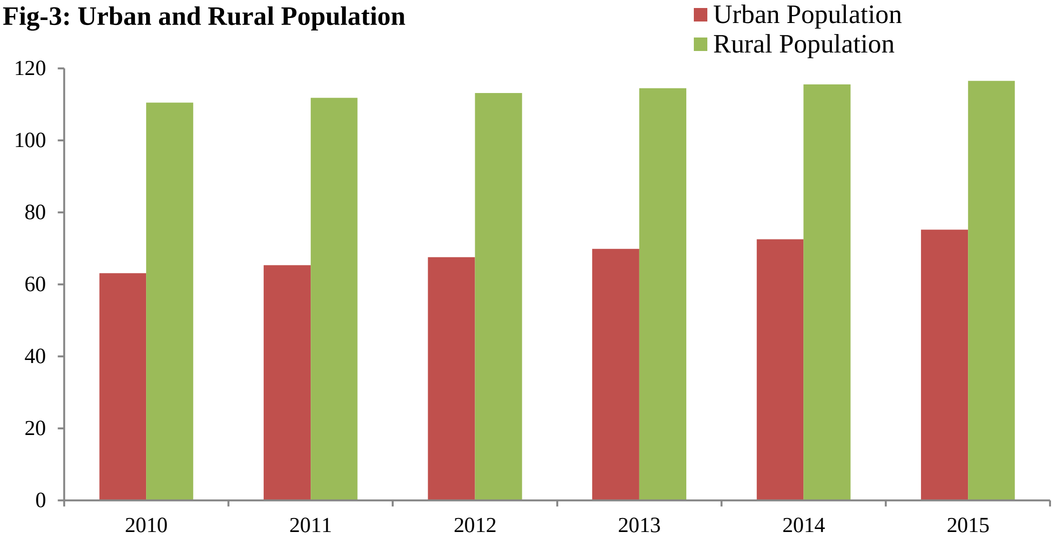
Source: Ministry of Planning and Development Reforms.

Urbanization

Urbanization plays a key role in the development process of any country. It is the expansion of cities due to natural increase in general population and due to social, economic and demographic aspects, which include internal migration, mergers of adjoining areas in the city and by the excess of birth rates over death rates. Internal migration is caused due to the attractive opportunities in city life for the rural people along with better living standards and better wages.

Pakistan is one of the fastest urbanizing countries in South Asia and the share of urban population is increasing significantly. The population in rural areas decreased from 61.4 percent in 2014 to 60.8 percent in 2015 whereas the population in urban areas increased from 38.5 percent in 2014 to 39.2 percent in 2015. In Pakistan, rural population is moving towards cities due to reduction in the work opportunities in agriculture sector because of modern technology used in the sector and to search better work openings especially in informal sector in cities. For these reasons, small and medium sized cities of Pakistan are growing at a higher rate and are serving as hubs of business and trade. Fig.3 presents the details of urban and rural population.

Fig-3: Urban and Rural Population



Source: Ministry of Planning , Development & Refroms

Urbanization in Pakistan is producing both positive and negative impacts on the social and economic conditions of the country. Positive impacts include expansion of industries service sector and thereby more work opportunities and better economic growth. Major negative impacts are congestion, pollution, high crime rate and sanitation problems. Proper and long term planning is therefore required to make the urban centers more productive for the country.

Special Box.

The population census is the principal source of records and is used as a sampling frame for the household surveys during the years between censuses. Since population size and characteristics influence socio-economic indicators. It provides important data for the analysis and appraisal of the changing patterns of rural/urban movement and concentration. Thus there is need that new information about population must be gathered. In case of Pakistan, the last census of population was done in 1998 and only estimated values were used wherever required. The information cannot be used accurately for designing appropriate economic policies related to economic problems faced by the country.The government has decided to hold general census of population and housing units from March, 2016 and will be completed within 3 months. For this purpose the government has allocated Rs.14.5 billion.The population census would greatly help to identify the migrants secretly living in Pakistan under fake identities.It will also help in rephrasing the government's policies in light of the population in each province. Moreover, following the census, different segments of the society would be able to attract attention of the policymakers as per their numbers. The census will provide basic data on demographic, social and economic variables about each person and each housing unit. It will serves as benchmark for all socio-economic development plans, administrative activities, demographic research and projection of population to meet future needs.

Employment Scenario

Pakistan has the 10th largest labour force in the world. According to the Labour Force Survey 2013-14, the total labour force in the country is 60.09 million. Out of this, 3.58 million people are unemployed and 56.52 million people are employed. Pakistan being the 6th most populous country in the world, with population growth rate of around 1.92 percent per annum, is adding a large number of people to the labour force. Youth employment has remained one of the major concerns of the government. Youth in Pakistan face various disadvantages including limited job search expertise, a mismatch between education, aspirations and employers' requirements and a lack of mobility, among other factors. The government envisions long-term investment in human capital through formal and informal education as well as strategically strengthening the links between education and the labor market. Furthermore, entrepreneurial activities among youth shall be increased by providing business wisdom, inspiration and motivation by stressing on the importance of business opportunities. Demand-driven technical education along with entrepreneurial education in curriculum shall address the youth unemployment.

The government is fully committed to improve the employment level in the country. For this purpose many programmes and projects for youth's employment has been introduced. As a result, the unemployment rate has decreased from 6.24 percent in 2012-13 to 6.0 percent in 2013-14. The detail of labour force and unemployment status is presented in the following Table. 12.5.

Table-12.5:Civilian Labour Force, Employed and Unemployed in Pakistan **(Million)**

Year	**2012-13**	**2013-14**
Labour Force	60.34	60.09
Employed	56.58	56.52
Unemployed	3.76	3.58
Unemployment rate (%)	6.24	6.0

Source: Pakistan Bureau of Statistics (Labour Force Surveys)

Youth Development Program is one of the major initiatives taken by the government to generate employment opportunities among youth through different modes of business operations. It aims to provide various opportunities to the youth including micro interest free loans, small business loans for entrepreneurial activities, youth training and skill development facilities. In addition, the government is also providing fee assistance to students of less developed areas and laptops to the talented youth to encourage for higher studies.

Employment by Sectors

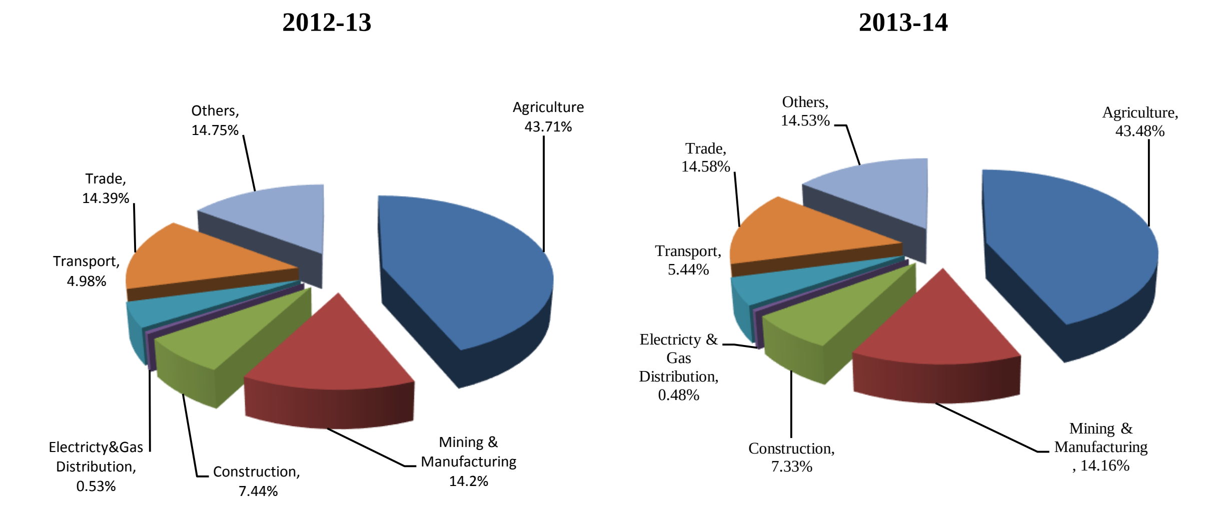
Agricultural sector is the most significant sector of the economy and is major source of inputs for agro based industry. It provides employment to 43.5 percent of the population. However, share of agriculture sector in total employment reduced marginally from 43.7 percent in 2012-13 to 43.5 percent in 2013-14.The main reason of this change is due to technical transformation, labour is being replaced by machines, thus limiting work opportunities in agricultural sector and this coupled with natural calamities in the form of droughts and floods have led reduction in the income levels and thereby has led to decline in its employment. On the other hand, services sector showed improvement in economic activity and provided more employment opportunities, due to which the share of employed labour force in transport and trade sectors increased to 5.4 percent and 14.6 percent respectively, in 2013-14. The share of employed labour force in manufacturing and mining sectors is stagnant during the period under review.

Table 12.6: Distribution of Employed Persons by Major Industry (Percentage)

Year	**Agriculture**	**Mining & Manufacturing**	**Construction**	**Electricity & Gas Distribution**	**Transport**	**Trade**	**Others**
2012-13	43.71	14.20	7.44	0.53	4.98	14.39	14.75
2013-14	43.48	14.16	7.33	0.48	5.44	14.58	14.53

Source: Pakistan Bureau of Statistics

Fig-4: Distribution of Employed Persons by Major Industries



Strategy for Employment Generation

The employment generation relies upon either employment expansion strategy or employment activation strategy. The employment expansion strategy focuses on sustainable growth and development through increasing productivity, supporting innovative entrepreneurship, private sector development, increasing energy generation to meet demand, gender equality, regional connectivity, developing the cities as engine of growth, promoting small scale industries, and micro entrepreneurship. The employment activation strategy emphasizes to improve labour skills endowment in general, paying particular attention to identify specific skill gaps and taking effective steps to fill them. The employment expansion policies are helpful for generating demand for labor, while employment policies are a main source of improving the supply side of labor force.

Keeping in view the thrust of labour supply in the country, the government strategizes to utilize the potential of young labor force by offering different schemes which comes under the umbrella of Youth Development Programme. Another approach by the government to produce capable labour force is the skill development programmes through which new training areas are being introduced under existing training institutes.

Government's Initiatives for Youth

Prime Minister of Pakistan has launched a Youth Development Program in September 2013 with the aim to provide various opportunities to the youth including skilled education, trainings, employment and scholarships so that they could contribute positively in their fields. Under this program, six schemes have been announced which include Micro Interest Free Loans, Small Business Loans, Youth Training, Youth Skill Development, Fee Assistance and PM's Scheme for Laptops Provision.

The details of employment generation schemes are given below:

Small Business Loans Scheme: This scheme has focused on unemployed youth, especially skilled trained looking for establishing new enterprises. These are generally interest free loans and are offered to all skilled youth interested in establishing themselves as entrepreneurs. Table 12.7 shows the detail of amount distributed among youth for their business.

Interest Free Loan Scheme: The government is determined to provide opportunities to the people so that they could play their effective role in national development. For this purpose, government has provided an option to the youth to set up their own enterprises through Prime Minister's Interest-Free Loan Scheme. The detail of applicants and amount distributed among youth is given below in Table 12.7.

Table 12.7:Prime Minister's Loan Schemes

Prime Ministers' Schemes	No of Applications received.	No of loans approved	Total amount disbursed
i)Small business loan schemes	66,732	15,487	4,408.094 million
ii)Interest free loan scheme	43,967	35,545	729.37 million

Source: Finance Division (ii) Poverty Alleviation Fund

Youth Training Scheme: Under this scheme, young individuals with 16 years of education from recognized institutions will be provided on job training/internships at private and public sector offices.

National internship programme Office placed 3349 interns in phase-V (2012). The last batch has completed internship in April 2015. In 2014-15 Rs. 70 million were allocated for stipend to interns of National Internship Programme. Nearly a sum of Rs. 3,146,710/- expenditure incurred as of April 2015.

Youth Skill Development Scheme: The present government is paying greater attention for the empowerment of youth in the country and launched Prime Minister's youth skill development programme, 2014, which is being implemented by NAVTTC. This programme focuses to produce 25,000 skilled work force to commensurate with needs of local and international market. The duration of this programme is 3 to 6 months and 21,934 trainees have completed their training. In order to achieve the target of 25,000 trainees, further training programmes have been initiated in March, 2015.

Fee Reimbursement Scheme for Students from Less Developed Areas: This scheme was successfully executed and is continued for 2014-15.Reimbursement of fee to around 50,000 students of less developed areas is being carried out this year.

Provision of Laptop Scheme: The aim of this scheme is to enhance the scope of research and quality education in the country and increase the access to information technology. For this purpose the government has distributed 55,697 laptops as of April 2015 among students studying in public sector universities to enhance their research capabilities.

Technical and Vocational Education and Training (TVET)

Skill development is an important area to be focused upon in order to train young people to meet the needs of emerging market dynamics. Only 64 out of every 1000 citizens in Pakistan have acquired some vocational skill formally or informally. To promote skill development 08 TVET institutes has been developed and upgraded to Centre of Excellence at Lahore, Karachi, Multan, Peshawar and Islamabad.

National Vocational & Technical Training Commission (NAVTTC)

The government has accorded high priority to skill development, acknowledging supply of skilled labour force as a mandatory input in the growth process. The Commission is establishing and promoting linkages among various stakeholders at national as well as International level. NAVTTC is currently finalizing the work-plan for imparting training to 100,000 youth under the TVET Reforms Support Programme in collaboration with GIZ (German Society for International Cooperation). Similarly around 12,500 youth will be trained annually under the Prime Minister's Hunermand Pakistan Programme and President Fanni Maharat Programme in priority areas i.e. Construction, Agriculture (livestock & Dairies), Information Technology and Telecommunication, Hospitality, Paramedics, Services, Light Engineering and Traditional Trades (Cottage Craft).

Prime Minister s Hunermand Pakistan Programme

In the light of Prime Minister s' directions, NAVTTC initiated short term skill development programmes of mostly up to six months duration courses in collaboration with public and private sector training institutes. It covers four priority sectors including: Construction, Agricultural, Information Technology and Telecommunication and Skills for Women. Under this programme 116,294 trainees are trained of which 1,782 trainees were trained during 2013-14.

President s "Fanni Maharat Programme"

Under Presidential directive NAVTTC established 130 vocational training centres in 79 tehsils of Sindh, Punjab, Khber Pakhtunkhwa, Balochistan, Azad Jammu & Kashmir and Gilgit-Baltistan. Under this programme 37,521 people have been trained till date.

National Training Bureau (NTB)

National Training Bureau (NTB) is implementing some important interventions to expand the TVET Sector through active participation of Skill Development Councils (SDCs), affiliated institutes, NGOs, expanding the base of Trade Testing & Certification/Informal Training through Public-Private Partnership. NTB has entered into agreements with the following foreign companies on Public Private Partnership (PPP) basis for setting up the infrastructure and to arrange Training courses in various skills at its Campus in Islamabad.

- **a.** M/s. Ali Hazza Company- (Saudi Arabia Based Company) for the establishment of additional training facilities at NTB Campus at a cost of Rs. 1.258 billion being invested by the Company for the period of fifteen years. Six Workshops are near completion to train 2,200 trainees annually with facilitates of employment abroad.
- **b.** M/s MAKCO- (U.K based Company) for training, testing & certification of skilled workers on Public – Private Partnership basis. The Company will establish training workshops and provide machinery/ equipment for (i) Carpentry (ii) Masonry (iii) Steel Fixing (iv) Scaffolding and (v) Plumber trades at NTB Campus. Through this program, about 12,000 persons will be trained annually. Testing & Certification will jointly be done by the NTB and the Company. The cost of the project is Rs.195.800 million (total investment by the Company) and its duration is 10 years.

Export of Manpower

Migration process across the globe is interlinked with the international economic and political environment. International migration witnessed several waves of migrant flows resulting from economic development. At present, almost half of the worldwide migrants are economically active in the global economy and playing a significant role in the development activities of the country.

Presently, Pakistan has a huge and diverse Diaspora sprinkled all over the world. They are either the Pakistani citizens or are Pakistani by origin. The globalization has created a huge opportunity for qualified, trained and technical workers as they are in great demand in almost every continent. Therefore, Pakistani doctors, engineers, pharmacists, nurses, construction workers, urban planners and environmentalists are needed by every country.

Pakistan is one of the largest labour exporting country in the region and huge remittances from the overseas workforce is one of major source of income not only for their families but also for the development of the mother land as well. To further enhance the number and quantity of emigration, Bureau of emigration with other stakeholders is providing technical support to the workers and is making sincere efforts to tap the potential employment opportunities abroad by promoting safe migration along with protecting the rights of emigrants.

During 1971 - 2014 periods, almost 7.8 million Pakistanis proceeded abroad for employment through the Bureau of Emigration. The main concentration of Overseas Pakistanis is in the Middle East 49 percent, Europe 28.2 percent and United States of America 16 percent. More than two thousand licensed Overseas Employment Promoters are perpetually working to procure more and more manpower demands from man power importing countries. Resultantly, manpower export has increased from 0.622 million in 2013 to 0.752 million in 2014. First six months of 2014-15 has shown much productive in enhancing the manpower abroad. Saudi Arabia being an Islamic state has been an attractive place to work for millions of Pakistani job seekers aiming for employment abroad. The number of workers registered for Saudi Arab has increased from 0.2 million in 2013 to 0.3 million in 2014. Similarly, in 2014 UAE and Malaysia has hired more people as compared to the last year. Table 12.8 presents the detail of workers listed in different countries of the world. It can be observed that UAE and Saudi Arabia are the top most markets for Pakistani manpower. About 50 percent manpower export is towards UAE while more than 37 percent of total man power export is towards Saudi Arabia. The majority of workers proceeded abroad are unskilled and semi-skilled.

Table 12.8: Number of Pakistani workers registered abroad.

S.NO	Countries	2010	2011	2012	2013	2014
1	UAE	113,312	156,353	182,630	273,234	350,522
2	Bahrain	5,877	10,641	10,530	9,600	9,226
3	Malaysia	3,287	2,092	1,309	2,031	20,577
4	Oman	37,878	53,525	69,407	47,794	39,793
5	Qatar	3,039	5,121	7,320	8,119	10,042
6	Saudi Arabia	189,888	222,247	358,560	270,502	312,489
7	UK	430	308	183	158	250

Source: Bureau of Emigration and Overseas Employment

These workers are contributing in the development of the economy by sending remittances which is the second largest source of foreign exchange after exports. The increase in the flow of remittances is due to the UAE, Gulf Countries, Saudi Arabian governments' helpful policies to retain all the Pakistani manpower working there. Inflows from Saudi Arabia are the largest source of remittances during 2014-15. This amounted to over $4.56 billion in July-April and remittances received in July-April from the United Arab Emirates (UAE) reached at $3.38 billion. Inflows from the UAE registered the largest increase from any major remittance-sending country during the last ten months. Remittances from the GCC countries and the United Kingdom reached at $1.75 billion and $1.8 billion, respectively, in July-April 2014-15.

Table 12.9: Workers Registered for Overseas Employment During the period 2010-2014 Province Wise

Year	Punjab	Sindh	Khyber Pakht-unkhwa	Balochistan	Azad Kashmir	N/Area	Tribal Area	Total
2010	1,90,547	31,814	98,222	3,130	22,535	458	16,198	3,62,904
2011	2,28,707	40,171	1,30,119	5,262	33,133	732	18,769	4,56,893
2012	3,41,874	46,607	1,76,349	5,122	38,833	780	29,022	6,38,587
2013	3,33,121	55,608	1,50,418	9,293	40,038	1,190	33,046	6,22,714
2014	3,92,476	89,703	1,67,424	7,258	52,120	2,073	41,412	7,52,466

Source: Bureau of Emigration and Overseas Employment

The comparison among provinces shows that the manpower export is higher from Punjab as compared to other provinces. During 2014, the highest number of workers went abroad was from Punjab 3, 92,476 followed by Khyber Pakhtunkhwa (KPK) 1, 67, 424. The situation in other areas of the country is improved as compared to the last year.

However, the government is expecting good opportunities of manpower export during the events of Expo 2020 in Dubai and the FIFA World Cup in Qatar. Moreover, massive new construction plans in Saudi Arabia will also provide opportunities for Pakistani man power. This will decrease not only unemployment rate in the country but also boost up the remittances. The government has established a Grievance Commissioner Cell for Overseas Pakistanis in the Wafaqi Mohtasib (Ombudsman)'s Secretariat. The main objective of this cell is to address the individual and systematic issues of the overseas related to the Federal Government Ministries, Departments, Organizations and Agencies.

Conclusion:

The country has made some progress in the health sector and as a result, health related demographic indicators showed improvement but with slower rate as compared to other neighbouring developing countries. Due to lower progress rate, the country can face food security, energy and environment problem and urban congestion. However, government is well aware of these issues and is making sincere efforts to manage the population growth rate through various population welfare programmes like Family Welfare Centre, Mobile Service Units and Training Centres and through awareness campaigns. At the same time the government is highly committed to reduce unemployment and has introduced youth schemes to make them efficient entrepreneurs. The employment level in the country has improved and unemployment rate has decreased from 6.2 percent in 2012-13 to 6.0 percent in 2013-14. Further to make the youth of the country more productive, the government has initiated many programmes for their skill development and also is exploring overseas employment opportunities which will not only reduce the unemployment burden in the economy but will also enhance remittances.

Population, Labour Force and Employment

Population dynamics and trends play an influential role in the development and policy decisions of a country. Population size and structure impact a country's economy as well as its ability to provide social protections and access to health care, education, housing, sanitation, water, food and energy.

The population growth is one of the key factors that have a strong effect on Pakistan's performance in achieving economic development and MDGs targets. Specifically, a high population growth not only puts a country's economic resources under stress, but also increase dependency ratio of young people and thereby constrain the productivity growth in the economy. Thus, achieving the MDGs would require more efforts and resources when the population is growing at a higher rate. The government has realized these concerns and has undertaken a number of initiatives to check population growth. However, despite continuous fall, in fertility rate it is still highest among South Asian region except Afghanistan and therefore Pakistan continues to be the sixth most populous country in the world with 191.71 million projected population. More importantly, the falling population growth rate is yet to translate into lower proportion of dependent population thereby yielding productivity gains to the economy.

Demography is another important factor for the development of the country. Technically sound and well educated youth is one of the main economic assets for a country or a region and a declining proportion of children and a simultaneous increase in the share of the youth and working-age adult population lowers dependency ratios and opens a window of opportunity for economic growth as age structures mature and a larger share of the population enters the workforce. This "demographic dividend" can be reaped through sound policies, which ensure that when large waves of young people enter the labor market, they must be educated and decent jobs exist for them. Education, proper training and a well-functioning labor market are prerequisites to reap the benefits of progress through the demographic transition. Formal education as well as vocational training programs for men and women in the growing sectors of a country's economy can increase the opportunities for families to earn stable incomes and this investment in human capital contributes to macroeconomic growth and also to gender equity. Education and employment empower women to act on their fertility choices. The synergy of stable employment prospects and conscious fertility choices creates a positive dynamic that encourages families to make plans for the future.

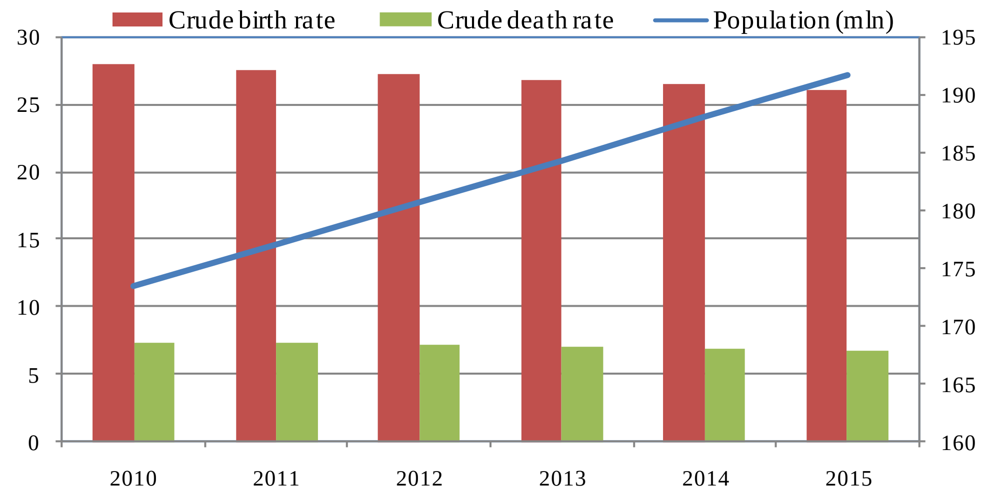
Table 12.1: Selected Demographic Indicators

	2013	2014	2015
Total Population (Million)	184.35	188.02	191.71
Urban Population (Million)	69.87	72.50	75.19
Rural Population (Million)	114.48	115.52	116.52
Total Fertility Rate (TFR)	3.3	3.2	3.2
Crude Birth Rate (Per thousand)	26.8	26.4	26.1
Crude Death Rate (Per thousand)	7.0	6.90	6.80
Population Growth Rate (Percent)	1.97	1.95	1.92
Life Expectancy (Year)			
- Females	66.5	66.9	67.3
- Males	64.6	64.9	65.2

Source: Ministry of Planning ,Development and Reforms (Population Projections For the Year 2007-2030)

Table 12.1 enlists the selected demographic indictors of Pakistan. Among these indicators crude birth rate and death rate are most important measures in demography. Their importance is not limited to just demographers, but also has an effect on public policy and budgeting for education and health systems, and can have major impacts on the well-being of a country's population. Crude birth rate in Pakistan has been marginally improved from 26.4 per thousands in 2014 to 26.1 per thousand in 2015 while the crude death rate has declined from 6.90 per thousand in 2014 to 6.80 per thousand in 2015.

Fig-1: Population Indicators

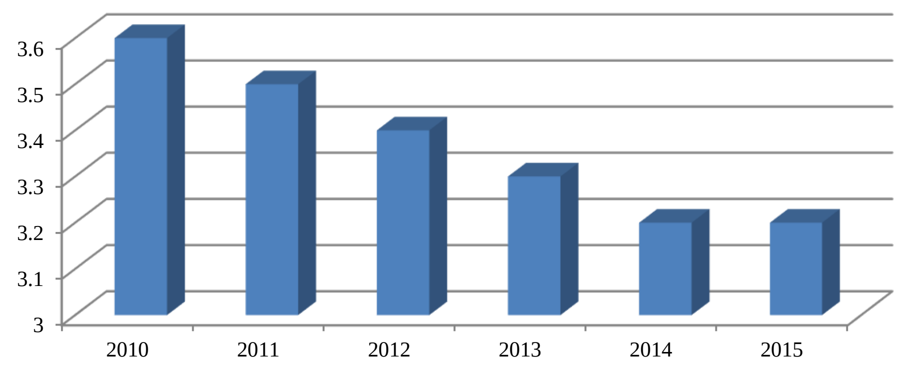


Source: Ministry of Planning, Development & Reforms

Total Fertility Rate

The term "total fertility rate" is used to describe the total number of children an average women in a population is likely to have, based on current birth rates throughout her life. Total fertility rates are closely tied to growth rates of the countries and are key indicators of the future population growth rate. Figure given below illustrates the trends in fertility during 2010-2015 in Pakistan. The total fertility rate has dropped off from 3.6 percent in 2010 to 3.2 percent in 2015.

Fig-2: Total Fertality



Source: Ministry of Planning, Development & Reforms

Population Growth

Population growth plays a crucial role in achieving access to reproductive health, including basic health services such as antenatal care, skilled healthcare at child birth, contraceptive method information, counselling and supplies. In Pakistan population growth rate has shown improvement and it decreased from 1.95 percent in 2014 to 1.92 percent in 2015.

Life Expectancy

Life expectancy is mostly used to describe population health and it reflects the overall mortality level of a population. Globally, women can expect to live four years longer than men and this range varies with the development status of countries. In Pakistan, the life expectancy for both male and female improved considerably during last couple of years, mainly due to better health facilities and awareness campaigns regarding prevention of poor health. The average life expectancy for males has improved from 64.9 year in 2014 to 65.2 year in 2015 whereas for females it has improved from 66.9 year in 2014 to 67.3years in 2015.

Mortality Rate

Mortality rate is an important indicator to judge the health situation in the country. It includes infant mortality, child mortality and maternal mortality. Infant mortality refers to number of death of children less than one year of age per one thousand live births. In the past, Pakistan had a very high infant mortality rate. However, due to continuous improvement in health facilities and introduction of vaccination programme regarding fatal diseases for new born and children and its promotion with effective mass media campaign, contributed significantly in controlling infant and child mortality. As a result, it is decreasing continuously. The current estimates show that the infant mortality rate declined from 73 per thousand infants in 2010 to 69 per thousand infants in 2013 while the child mortality rate has decreased from 92 per thousand children in 2010 to 86 per thousand children in 2013 as shown in the Table 12.2.

Maternal mortality refers to deaths due to complications during pregnancy or childbirth. According to UN inter-agency estimates globally, this ratio declined by 45 percent from 380 deaths to 210 deaths per 100,000 live births between 1990 and 2013. Some developing countries like (Bhutan,Bangladesh,Maldives and Nepal) have made remarkable progress,whereas many countries have not yet met the UN target for Millennium Development Goal 5which is : to reduce, by three-quarters, between 1990 and 2015, the number of maternal deaths. In Pakistan maternal mortality rate has improved from 190 in 2010 to 170 in 2013 due to elimination of epidemic diseases, expansion of public health services and the increased proportion of births attended by Skilled Birth Attendants. The decline in maternal mortality rate is slow as compared to neighboring countries and further efforts are needed to end these preventable maternal deaths.

Table 12.2: Mortality Rate

Mortality Rate	2010	2011	2012	2013
Maternal mortality	190	-	-	170
Infant mortality	73	72	71	69
Child mortality rate	92	90	88	86

Source: World Bank Indicator 2013
- :Not available

Age Composition of Population

Age composition of a country's population has significant implication on the current and future development of the country and it determines the potential for future growth of specific age groups. Therefore, the most important demographic characteristic of a population is its age structure or the proportion of people at each age, by sex. Population of any country can be categorized into three broad groups. These are children, young and senior citizen. The population in the group of children between 0 to 14 years of age is economically unproductive and need family care, paly grounds, education and medical care. They depend upon working population for their necessities. Countries with young population need to invest more in schools colleges and technical institutes.

The young population is considered an asset of a nation. This age structure of a population affects a nation's key socioeconomic issues. These people are economically productive and they comprise the working population. Nevertheless, the rapid growth in this group can become problematic, if they are unable to find employment. However, the government with appropriate polices can utilize this youth bulge for the development of the economy. The senior citizens also belong to dependent group and needs medical facilities and old age benefit system.

It is apparent from the Table12.3 that 33 percent population is under the age group of 15 years and 7 percent population is in the age group of 60 years and above in 2015.This 40 percent population is economically dependent and needs food, and medical facilities. Pakistan has a remarkable young age structure and it can be observed from the table that 60 percent population belongs to the age group of working class that is 15-59 years. This dynamic group is the main source to raise the economic growth and can create an opportunity for the country to boost its productive capacity. However, this demographic dividend is dependent on the investment being made in the human development, education, training and health.

Table 12.3: Population by Age Groups (Millions)

Age Group	1998	2014	2015	2020	2025	2030
00-04	19.59	22.59	22.76	23.28	22.44	20.35
05-09	20.72	21.10	21.33	22.35	22.95	22.18
10-14	17.14	19.82	20.07	21.24	22.98	22.88
15-19	13.73	20.42	20.12	20.01	21.19	22.24
20-24	11.88	19.31	19.8	20.05	19.95	21.14
25-29	9.76	16.64	17.13	19.71	19.98	19.89
30-34	8.24	14.28	14.72	17.04	19.62	19.91
35-39	6.32	11.97	12.4	14.62	16.94	19.53
40-44	5.89	10.03	10.36	12.27	14.49	16.81
45-49	4.68	8.16	8.49	10.2	12.01	14.31
50-54	4.26	6.65	6.88	8.26	9.95	11.84
55-59	2.86	5.34	5.53	6.57	7.93	9.60
60-64	2.72	4.17	4.31	5.13	6.14	7.45
65+	4.64	7.54	7.82	9.39	11.39	13.93
Total	132.43	188.02	191.72	210.12	227.26	242.06

Source: National Institute of Population Studies, Planning & Development Division, June 2010

Women Empowerment

Women empowerment is the ability of women to recognize their rights and the role in economic and social development by fully participation in the decisions that brings a change in their lives and socities as well. Women empowerment can play very effective role in socio-economic development through participation in economic system of the country and at the same time can contribute in health and productivity of the families and communities.

The government is committed to ensure empowerment of women as their participation in all walks of life is necessary for sustainable development. Women representation in the government ensures that work is done for the overall good of both genders. The political representation of women in Pakistan is higher than neighboring countries like India, Sri Lanka and Iran. Pakistan is listed as 64th in the Inter Parliamentary Union's (IPU) list of women in national parliaments and stood ahead of several developed democracies. In Pakistan, representation of women in the National Assembly, the Senate and Provincial Assemblies is relatively higher in comparison to other neighbouring countries. Of the 342 seats in the National Assembly, women now comprise 70 seats. In the Senate, women make up 17 percent of the parliamentary seats.

The government being a state party to the Convention on Elimination of All Forms of Discrimination Against Women (CEDAW) is committed to implement its provisions in true spirit and has taken many steps to ensure women's rights as envisaged in the CEDAW. In continuation to the efforts of empowering women, government has allocated 50 percent share for women in the Prime Minister Youth Loan Scheme, which reflects the government's dedication and commitment to provide maximum opportunities to the women.

Government has focused on gender equality and women's empowerment not only as human rights, but also because they are a pathway in achieving the Millennium Development Goals and sustainable development. The main objective of the government is to ensure that women have a real voice in all governance institutions, from the judiciary to the civil service, as well as in the private sector and civil society, so that they can participate equally with men in public dialogue and decision-making and influence the decisions that will determine the future of their families and Pakistan.

Reproductive Health and Family Planning

Reproductive health is a state of complete mental, physical, and social well-being and does not mean the mere absence of disease or infirmity. It implies that people are able to have safe sex life, capability of reproduction and freedom of decision about reproduction. It is an important component of general health and central future of human development.

Family planning is also vital to gender equality and women's empowerment. Every human being has the right to access safe, voluntary family planning programmes and make their own choices about their sexual and reproductive health. To maintain the reproductive health, people need access to accurate information and the safe, effective, affordable and acceptable contraception method of their choice. They must be informed and empowered to protect themselves from sexually transmitted infections and when they decide to have children, women must have access to services that can help them to have a fit pregnancy, safe delivery and healthy baby.

Almost 225 million women in the world who intend to use safe and effective family planning methods are unable to do so because they lack access to information, services, or the support of their partners or communities. Most of these women with an unmet need for contraceptives live in 69 of the poorest countries of the world.

The Government of Pakistan is well aware of the importance of family planning and its significant contribution in achieving MDGs. Currently the government with the corporation of United Nation Population Fund (UNFPA) is working to support family planning by: advocating for family planning, ensuring a steady, reliable supply of quality contraceptives, strengthening national health systems, and gathering data to support this work. To overcome financial constraints in the way of implementing different family planning related programs, the government has allocated considerable funds under PSDP 2014-15. The detail of funds is given in Box-1.

Box-1: Federal PSDP 2014-15, Releases As On 15-May-2015 (Million Rupees)

Name of Project	**Cost**		**Expenditure**	**Allocation 2014-15**			**Releases (Rupee Component Only)**
	Total	Foreign Aid	**Up to June 2014**	**Rupees**	**Foreign Aid**	**Total**	
National Program for Family Planning & Primary Health Care	53,405.9	0.0	15,602.0	11,000.0	0.00	11000.0	11000.0
Population Welfare Program AJK (2010-15)	1,245.3	0.0	558.6	223.356	0.00	223.356	223.356
Population Welfare Program Balochistan (2010-15)	5,330.0	0.0	1,330.6	805.736	0.00	805.736	805.736
Population Welfare Program FATA (2010-15)	997.3	0.0	139.4	78.841	0.00	78.841	78.841
Population Welfare Program GB (2010-15)	663.1	0.0	175.7	118.722	0.00	118.722	118.722
Population Welfare Program Khyber Pakhtunkhwa (201-15)	5,946.5	0.0	3,738.5	1,283.447	0.00	1283.447	1283.447
Population Welfare Program Punjab (2010-15)	18,745.6	0.0	9,935.5	3,633.589	0.00	3633.589	3633.589
Population Welfare Program Sindh (2010-15)	13,336.0	0.0	6,414.3	2,082.373	0.00	2082.373	2082.373

Source: Ministry of Planning, Development and Reforms

Family Welfare Centres

The Family Welfare Centers (FWCs) are crucial part of successful family planning program and are the keystone of Pakistan's Population Welfare Programme. These centers constitute the most wide-ranging institutional network in the country for promoting and delivering family planning services in both urban and rural areas. It serves a population of about 7000, while operating through its satellites clinics and outreach facility, an FWC covers almost 12000 people.

Reproductive Health Services Centers

The Reproductive Health Service (RHS) Centers are the major clinical component of the

Pakistan's Population Welfare Programme. They provide services through RHS A Centers and RHS B Centers. The RHS A and RHS B centers are hospital -based service delivery units. They provide contraceptive surgery facilities for women and men with safe and effective backup medical support. Well - established hospitals and clinics with fully-equipped operating facilities (operation theatre facilities, beds for admission, post operative care, sterilization and emergency resuscitation equipment, etc.) and trained work force.

Mobile Service Units

The Mobile Service Units (MSUs) are the flagship of the Population Welfare Programme. These provide a package of quality Family Planning/Reproductive Health (FP/RH) services to the people of those remote villages and rural communities where no other health facility exists. The MSUs operate from specially designed vehicles which carry all the facilities of a mini clinic ensuring complete privacy for simple gynecological procedures.

Regional Training Institutes

Regional Training Institutes (RTIs) provide skill based training in Family Planning/Reproductive Health for all categories of health care providers i.e. Doctors, medical students, nurses, student nurses, lady health visitors and other paramedics. The RTIs also undertake activities focused on raising the awareness level of hakims, homeopaths, community health workers, teachers and college students.

Table-12.4: Physical and Contraceptive Users Targets

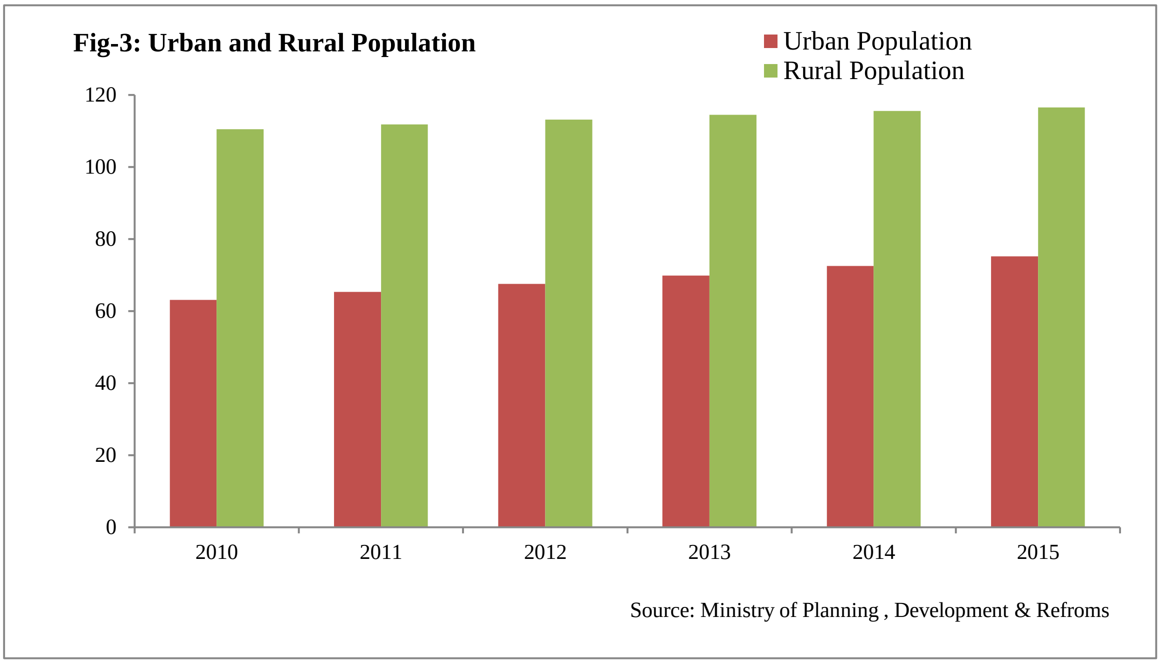
(Cumulative Number) Name of Service Outlet / Unit	2013-14 (Target)	2013-14 (Achievement)	2014-15 (Target)
Public Sector			
Family Welfare Centers (FWCs)	3,427	2,891	3,500
Reproductive Health-A Centers	269	207	300
Mobile Service Units (MSUs)	300	292	350
Private Sector			
RHS-B Centers	184	133	184
Registered Medical Practitioners (RMPs)	27,576	9,297	27,576
Hakeems and Homeopaths	14,009	8,071	14,009

Source: Ministry of Planning and Development Reforms.

Urbanization

Urbanization plays a key role in the development process of any country. It is the expansion of cities due to natural increase in general population and due to social, economic and demographic aspects, which include internal migration, mergers of adjoining areas in the city and by the excess of birth rates over death rates. Internal migration is caused due to the attractive opportunities in city life for the rural people along with better living standards and better wages.

Pakistan is one of the fastest urbanizing countries in South Asia and the share of urban population is increasing significantly. The population in rural areas decreased from 61.4 percent in 2014 to 60.8 percent in 2015 whereas the population in urban areas increased from 38.5 percent in 2014 to 39.2 percent in 2015. In Pakistan, rural population is moving towards cities due to reduction in the work opportunities in agriculture sector because of modern technology used in the sector and to search better work openings especially in informal sector in cities. For these reasons, small and medium sized cities of Pakistan are growing at a higher rate and are serving as hubs of business and trade. Fig.3 presents the details of urban and rural population.



Urbanization in Pakistan is producing both positive and negative impacts on the social and economic conditions of the country. Positive impacts include expansion of industries service sector and thereby more work opportunities and better economic growth. Major negative impacts are congestion, pollution, high crime rate and sanitation problems. Proper and long term planning is therefore required to make the urban centers more productive for the country.

Special Box.

The population census is the principal source of records and is used as a sampling frame for the household surveys during the years between censuses. Since population size and characteristics influence socio-economic indicators. It provides important data for the analysis and appraisal of the changing patterns of rural/urban movement and concentration. Thus there is need that new information about population must be gathered. In case of Pakistan, the last census of population was done in 1998 and only estimated values were used wherever required. The information cannot be used accurately for designing appropriate economic policies related to economic problems faced by the country.The government has decided to hold general census of population and housing units from March, 2016 and will be completed within 3 months. For this purpose the government has allocated Rs.14.5 billion.The population census would greatly help to identify the migrants secretly living in Pakistan under fake identities.It will also help in rephrasing the government's policies in light of the population in each province. Moreover, following the census, different segments of the society would be able to attract attention of the policymakers as per their numbers. The census will provide basic data on demographic, social and economic variables about each person and each housing unit. It will serves as benchmark for all socio-economic development plans, administrative activities, demographic research and projection of population to meet future needs.

Employment Scenario

Pakistan has the 10th largest labour force in the world. According to the Labour Force Survey 2013-14, the total labour force in the country is 60.09 million. Out of this, 3.58 million people are unemployed and 56.52 million people are employed. Pakistan being the 6th most populous country in the world, with population growth rate of around 1.92 percent per annum, is adding a large number of people to the labour force. Youth employment has remained one of the major concerns of the government. Youth in Pakistan face various disadvantages including limited job search expertise, a mismatch between education, aspirations and employers' requirements and a lack of mobility, among other factors. The government envisions long-term investment in human capital through formal and informal education as well as strategically strengthening the links between education and the labor market. Furthermore, entrepreneurial activities among youth shall be increased by providing business wisdom, inspiration and motivation by stressing on the importance of business opportunities. Demand-driven technical education along with entrepreneurial education in curriculum shall address the youth unemployment.

The government is fully committed to improve the employment level in the country. For this purpose many programmes and projects for youth's employment has been introduced. As a result, the unemployment rate has decreased from 6.24 percent in 2012-13 to 6.0 percent in 2013-14. The detail of labour force and unemployment status is presented in the following Table. 12.5.

Table-12.5:Civilian Labour Force, Employed and Unemployed in Pakistan **(Million)**

Year	**2012-13**	**2013-14**
Labour Force	60.34	60.09
Employed	56.58	56.52
Unemployed	3.76	3.58
Unemployment rate (%)	6.24	6.0

Source: Pakistan Bureau of Statistics (Labour Force Surveys)

Youth Development Program is one of the major initiatives taken by the government to generate employment opportunities among youth through different modes of business operations. It aims to provide various opportunities to the youth including micro interest free loans, small business loans for entrepreneurial activities, youth training and skill development facilities. In addition, the government is also providing fee assistance to students of less developed areas and laptops to the talented youth to encourage for higher studies.

Employment by Sectors

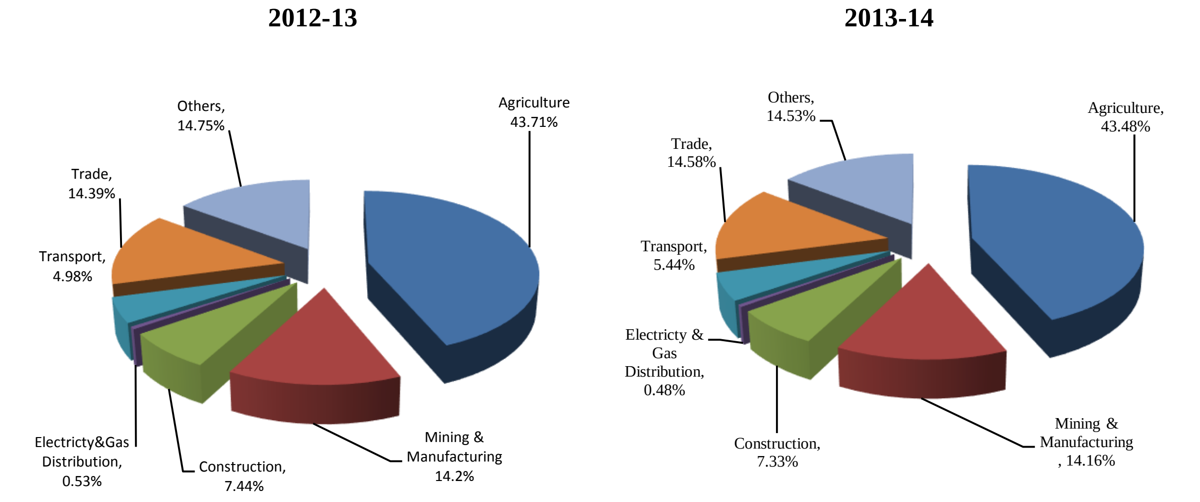
Agricultural sector is the most significant sector of the economy and is major source of inputs for agro based industry. It provides employment to 43.5 percent of the population. However, share of agriculture sector in total employment reduced marginally from 43.7 percent in 2012-13 to 43.5 percent in 2013-14.The main reason of this change is due to technical transformation, labour is being replaced by machines, thus limiting work opportunities in agricultural sector and this coupled with natural calamities in the form of droughts and floods have led reduction in the income levels and thereby has led to decline in its employment. On the other hand, services sector showed improvement in economic activity and provided more employment opportunities, due to which the share of employed labour force in transport and trade sectors increased to 5.4 percent and 14.6 percent respectively, in 2013-14. The share of employed labour force in manufacturing and mining sectors is stagnant during the period under review.

Table 12.6: Distribution of Employed Persons by Major Industry (Percentage)

Year	**Agriculture**	**Mining & Manufacturing**	**Construction**	**Electricity & Gas Distribution**	**Transport**	**Trade**	**Others**
2012-13	43.71	14.20	7.44	0.53	4.98	14.39	14.75
2013-14	43.48	14.16	7.33	0.48	5.44	14.58	14.53

Source: Pakistan Bureau of Statistics

Fig-4: Distribution of Employed Persons by Major Industries



Strategy for Employment Generation

The employment generation relies upon either employment expansion strategy or employment activation strategy. The employment expansion strategy focuses on sustainable growth and development through increasing productivity, supporting innovative entrepreneurship, private sector development, increasing energy generation to meet demand, gender equality, regional connectivity, developing the cities as engine of growth, promoting small scale industries, and micro entrepreneurship. The employment activation strategy emphasizes to improve labour skills endowment in general, paying particular attention to identify specific skill gaps and taking effective steps to fill them. The employment expansion policies are helpful for generating demand for labor, while employment policies are a main source of improving the supply side of labor force.

Keeping in view the thrust of labour supply in the country, the government strategizes to utilize the potential of young labor force by offering different schemes which comes under the umbrella of Youth Development Programme. Another approach by the government to produce capable labour force is the skill development programmes through which new training areas are being introduced under existing training institutes.

Government's Initiatives for Youth

Prime Minister of Pakistan has launched a Youth Development Program in September 2013 with the aim to provide various opportunities to the youth including skilled education, trainings, employment and scholarships so that they could contribute positively in their fields. Under this program, six schemes have been announced which include Micro Interest Free Loans, Small Business Loans, Youth Training, Youth Skill Development, Fee Assistance and PM's Scheme for Laptops Provision.

The details of employment generation schemes are given below:

Small Business Loans Scheme: This scheme has focused on unemployed youth, especially skilled trained looking for establishing new enterprises. These are generally interest free loans and are offered to all skilled youth interested in establishing themselves as entrepreneurs. Table 12.7 shows the detail of amount distributed among youth for their business.

Interest Free Loan Scheme: The government is determined to provide opportunities to the people so that they could play their effective role in national development. For this purpose, government has provided an option to the youth to set up their own enterprises through Prime Minister's Interest-Free Loan Scheme. The detail of applicants and amount distributed among youth is given below in Table 12.7.

Table 12.7:Prime Minister's Loan Schemes

Prime Ministers' Schemes	No of Applications received.	No of loans approved	Total amount disbursed
i)Small business loan schemes	66,732	15,487	4,408.094 million
ii)Interest free loan scheme	43,967	35,545	729.37 million

Source: Finance Division (ii) Poverty Alleviation Fund

Youth Training Scheme: Under this scheme, young individuals with 16 years of education from recognized institutions will be provided on job training/internships at private and public sector offices.

National internship programme Office placed 3349 interns in phase-V (2012). The last batch has completed internship in April 2015. In 2014-15 Rs. 70 million were allocated for stipend to interns of National Internship Programme. Nearly a sum of Rs. 3,146,710/- expenditure incurred as of April 2015.

Youth Skill Development Scheme: The present government is paying greater attention for the empowerment of youth in the country and launched Prime Minister's youth skill development programme, 2014, which is being implemented by NAVTTC. This programme focuses to produce 25,000 skilled work force to commensurate with needs of local and international market. The duration of this programme is 3 to 6 months and 21,934 trainees have completed their training. In order to achieve the target of 25,000 trainees, further training programmes have been initiated in March, 2015.

Fee Reimbursement Scheme for Students from Less Developed Areas: This scheme was successfully executed and is continued for 2014-15.Reimbursement of fee to around 50,000 students of less developed areas is being carried out this year.

Provision of Laptop Scheme: The aim of this scheme is to enhance the scope of research and quality education in the country and increase the access to information technology. For this purpose the government has distributed 55,697 laptops as of April 2015 among students studying in public sector universities to enhance their research capabilities.

Technical and Vocational Education and Training (TVET)

Skill development is an important area to be focused upon in order to train young people to meet the needs of emerging market dynamics. Only 64 out of every 1000 citizens in Pakistan have acquired some vocational skill formally or informally. To promote skill development 08 TVET institutes has been developed and upgraded to Centre of Excellence at Lahore, Karachi, Multan, Peshawar and Islamabad.

National Vocational & Technical Training Commission (NAVTTC)

The government has accorded high priority to skill development, acknowledging supply of skilled labour force as a mandatory input in the growth process. The Commission is establishing and promoting linkages among various stakeholders at national as well as International level. NAVTTC is currently finalizing the work-plan for imparting training to 100,000 youth under the TVET Reforms Support Programme in collaboration with GIZ (German Society for International Cooperation). Similarly around 12,500 youth will be trained annually under the Prime Minister's Hunermand Pakistan Programme and President Fanni Maharat Programme in priority areas i.e. Construction, Agriculture (livestock & Dairies), Information Technology and Telecommunication, Hospitality, Paramedics, Services, Light Engineering and Traditional Trades (Cottage Craft).

Prime Minister s Hunermand Pakistan Programme

In the light of Prime Minister s' directions, NAVTTC initiated short term skill development programmes of mostly up to six months duration courses in collaboration with public and private sector training institutes. It covers four priority sectors including: Construction, Agricultural, Information Technology and Telecommunication and Skills for Women. Under this programme 116,294 trainees are trained of which 1,782 trainees were trained during 2013-14.

President s "Fanni Maharat Programme"

Under Presidential directive NAVTTC established 130 vocational training centres in 79 tehsils of Sindh, Punjab, Khber Pakhtunkhwa, Balochistan, Azad Jammu & Kashmir and Gilgit-Baltistan. Under this programme 37,521 people have been trained till date.

National Training Bureau (NTB)

National Training Bureau (NTB) is implementing some important interventions to expand the TVET Sector through active participation of Skill Development Councils (SDCs), affiliated institutes, NGOs, expanding the base of Trade Testing & Certification/Informal Training through Public-Private Partnership. NTB has entered into agreements with the following foreign companies on Public Private Partnership (PPP) basis for setting up the infrastructure and to arrange Training courses in various skills at its Campus in Islamabad.

a. M/s. Ali Hazza Company- (Saudi Arabia Based Company) for the establishment of additional training facilities at NTB Campus at a cost of Rs. 1.258 billion being invested by the Company for the period of fifteen years. Six Workshops are near completion to train 2,200 trainees annually with facilitates of employment abroad.

b. M/s MAKCO- (U.K based Company) for training, testing & certification of skilled workers on Public – Private Partnership basis. The Company will establish training workshops and provide machinery/ equipment for (i) Carpentry (ii) Masonry (iii) Steel Fixing (iv) Scaffolding and (v) Plumber trades at NTB Campus. Through this program, about 12,000 persons will be trained annually. Testing & Certification will jointly be done by the NTB and the Company. The cost of the project is Rs.195.800 million (total investment by the Company) and its duration is 10 years.

Export of Manpower

Migration process across the globe is interlinked with the international economic and political environment. International migration witnessed several waves of migrant flows resulting from economic development. At present, almost half of the worldwide migrants are economically active in the global economy and playing a significant role in the development activities of the country.

Presently, Pakistan has a huge and diverse Diaspora sprinkled all over the world. They are either the Pakistani citizens or are Pakistani by origin. The globalization has created a huge opportunity for qualified, trained and technical workers as they are in great demand in almost every continent. Therefore, Pakistani doctors, engineers, pharmacists, nurses, construction workers, urban planners and environmentalists are needed by every country.

Pakistan is one of the largest labour exporting country in the region and huge remittances from the overseas workforce is one of major source of income not only for their families but also for the development of the mother land as well. To further enhance the number and quantity of emigration, Bureau of emigration with other stakeholders is providing technical support to the workers and is making sincere efforts to tap the potential employment opportunities abroad by promoting safe migration along with protecting the rights of emigrants.

During 1971 - 2014 periods, almost 7.8 million Pakistanis proceeded abroad for employment through the Bureau of Emigration. The main concentration of Overseas Pakistanis is in the Middle East 49 percent, Europe 28.2 percent and United States of America 16 percent. More than two thousand licensed Overseas Employment Promoters are perpetually working to procure more and more manpower demands from man power importing countries. Resultantly, manpower export has increased from 0.622 million in 2013 to 0.752 million in 2014. First six months of 2014-15 has shown much productive in enhancing the manpower abroad. Saudi Arabia being an Islamic state has been an attractive place to work for millions of Pakistani job seekers aiming for employment abroad. The number of workers registered for Saudi Arab has increased from 0.2 million in 2013 to 0.3 million in 2014. Similarly, in 2014 UAE and Malaysia has hired more people as compared to the last year. Table 12.8 presents the detail of workers listed in different countries of the world. It can be observed that UAE and Saudi Arabia are the top most markets for Pakistani manpower. About 50 percent manpower export is towards UAE while more than 37 percent of total man power export is towards Saudi Arabia. The majority of workers proceeded abroad are unskilled and semi-skilled.

Table 12.8: Number of Pakistani workers registered abroad.

S.NO	Countries	2010	2011	2012	2013	2014
1	UAE	113,312	156,353	182,630	273,234	350,522
2	Bahrain	5,877	10,641	10,530	9,600	9,226
3	Malaysia	3,287	2,092	1,309	2,031	20,577
4	Oman	37,878	53,525	69,407	47,794	39,793
5	Qatar	3,039	5,121	7,320	8,119	10,042
6	Saudi Arabia	189,888	222,247	358,560	270,502	312,489
7	UK	430	308	183	158	250

Source: Bureau of Emigration and Overseas Employment

These workers are contributing in the development of the economy by sending remittances which is the second largest source of foreign exchange after exports. The increase in the flow of remittances is due to the UAE, Gulf Countries, Saudi Arabian governments' helpful policies to retain all the Pakistani manpower working there. Inflows from Saudi Arabia are the largest source of remittances during 2014-15. This amounted to over $4.56 billion in July-April and remittances received in July-April from the United Arab Emirates (UAE) reached at $3.38 billion. Inflows from the UAE registered the largest increase from any major remittance-sending country during the last ten months. Remittances from the GCC countries and the United Kingdom reached at $1.75 billion and $1.8 billion, respectively, in July-April 2014-15.

Table 12.9: Workers Registered for Overseas Employment During the period 2010-2014 Province Wise

Year	Punjab	Sindh	Khyber Pakht-unkhwa	Balochistan	Azad Kashmir	N/Area	Tribal Area	Total
2010	1,90,547	31,814	98,222	3,130	22,535	458	16,198	3,62,904
2011	2,28,707	40,171	1,30,119	5,262	33,133	732	18,769	4,56,893
2012	3,41,874	46,607	1,76,349	5,122	38,833	780	29,022	6,38,587
2013	3,33,121	55,608	1,50,418	9,293	40,038	1,190	33,046	6,22,714
2014	3,92,476	89,703	1,67,424	7,258	52,120	2,073	41,412	7,52,466

Source: Bureau of Emigration and Overseas Employment

The comparison among provinces shows that the manpower export is higher from Punjab as compared to other provinces. During 2014, the highest number of workers went abroad was from Punjab 3, 92,476 followed by Khyber Pakhtunkhwa (KPK) 1, 67, 424. The situation in other areas of the country is improved as compared to the last year.

However, the government is expecting good opportunities of manpower export during the events of Expo 2020 in Dubai and the FIFA World Cup in Qatar. Moreover, massive new construction plans in Saudi Arabia will also provide opportunities for Pakistani man power. This will decrease not only unemployment rate in the country but also boost up the remittances. The government has established a Grievance Commissioner Cell for Overseas Pakistanis in the Wafaqi Mohtasib (Ombudsman)'s Secretariat. The main objective of this cell is to address the individual and systematic issues of the overseas related to the Federal Government Ministries, Departments, Organizations and Agencies.

Conclusion:

The country has made some progress in the health sector and as a result, health related demographic indicators showed improvement but with slower rate as compared to other neighbouring developing countries. Due to lower progress rate, the country can face food security, energy and environment problem and urban congestion. However, government is well aware of these issues and is making sincere efforts to manage the population growth rate through various population welfare programmes like Family Welfare Centre, Mobile Service Units and Training Centres and through awareness campaigns. At the same time the government is highly committed to reduce unemployment and has introduced youth schemes to make them efficient entrepreneurs. The employment level in the country has improved and unemployment rate has decreased from 6.2 percent in 2012-13 to 6.0 percent in 2013-14. Further to make the youth of the country more productive, the government has initiated many programmes for their skill development and also is exploring overseas employment opportunities which will not only reduce the unemployment burden in the economy but will also enhance remittances.

Transport and Communications

Introduction

Modern transport & communication sector not only play an important role in boosting the economic activities in the country but also benefitted from globalization through linked routes. Pakistan can harvest this opportunity due to its geographic position in the region through modern communication network. Most emerging economies of the world are transforming their economies towards communication and IT knowledge.

Efficient transport and communication network is not only pre-requisite for economic development but play a key role in economic integration of the country. This sector has direct and indirect links with all important sectors of the economy, which influence directly social and economic prosperity of the people. An efficient transport system contribute to economic growth by lowering production cost through timely delivery of raw materials of agriculture sector to the market and making timely delivery to manufacturing sector thus enhancing economies of scale in the production process and creating economic opportunities through communication links among urban-rural population. It directly provides sufficient employment opportunities to the lower class of the society, whom otherwise cannot find job opportunities due to lack of education.

Although Pakistan has a vast network of highways, rail links, airline service and modern seaports but the present government seems determined to further expand the existing network by adding sections of highways, motorways and also planning to add a sizable length of modern rail links to the existing facilities. Pakistan Vision 2025, assign great emphasis to modernize transport infrastructure to ensure economy in transportation cost, safety in mobility, effective connectivity between rural areas and markets/urban centres, integrated network between economic hubs, as well high capacity transportation corridors connecting between major regional trading partners. High road density of any country is an indicator of the level of prosperity and development. Therefore, it has been projected to raise road density to the level of 0.45 km/sq. km by 2018 against the existing 0.33 km/sq. km density level which will increase the existing road network from around 263,942 km to 358,000 km.

13.1 Road Transport

The nature has bestowed the country with vast plains spread over from Karachi to Peshawar and Lahore, which in return pave the way for building most feasible and efficient infrastructure network including highways, expressways and rail links etc. Improved roads network is the top most priority of the present government because it’s a critical element for good investment climate and is also a pre-condition for sustainable development.

The vast road network spread over the country provides easy access to the regions consists upon hilly/ mountain areas, far flung agriculture lands and natural/productive resources scattered all over the country. National highways provide easy and efficient means of transportation for moving goods from place to place and human being.

Total length of roads may be seen from Table 13.1 below:

Table 13.1: Estimated Length of Roads in Provinces (kms)

Years	Category	Punjab	Sindh	Khyber Pakhtunkhwa	Balochistan	GB & AJK	TOTAL
2009-10	Total	105,085	81,618	42,765	29,727	1,565	260,760
	Low Type	32,179	24,993	13,095	9,103	480	79,850
	High Type	72,906	56,625	29,670	20,624	1,085	180,910
2010-11	Total	105,253	80,625	42,550	29,500	1,535	259,463
	Low Type	32,147	24,000	13,000	9,000	450	78,597
	High Type	73,106	56,625	29,550	20,500	1,085	180,866
2011-12	Total	106,455	80,960	42,975	29,625	1,580	261,595
	Low Type	32,590	24,335	13,140	9,125	465	79,655
	High Type	73,865	56,625	29,835	20,500	1,115	181,940
2012-13	Total	107,805	81,385	42,980	29,655	1,590	263,415
	Low Type	33,090	24,685	13,140	9,130	470	80,515
	High Type	74,715	56,700	29,840	20,525	1,120	182,900
2013-14	Total	107,973	81,493	43,035	29,692	1,592	263,755
	Low Type	32,729	24,415	12,996	9,030	465	79,635
	High Type	75,214	57,078	30,039	20,662	1,127	184,120
2014-15	Total	107,992	81,543	43,072	29,742	1,593	263,942
	Low Type	32,428	24,215	12,846	8,930	460	78,879
	High Type	75,564	57,328	30,226	20,812	1,133	185,063

Source: National Transport Research Centre (NTRC)

National Highway Authority

To construct and maintain quality road network, NHA absolve its duty in a highly professional manners. Having scarce resources its management has established a vast network of highways, expressways and motor ways spread over thousands of Kilometers, connecting all parts/regions of the country. Transport sector in general and road infrastructure in particular has profound and enduring effect on the economic growth of Pakistan. NHA is rendering vital contribution in improving the quality of road network to bring about qualitative improvement in standard of living.

Pakistan is geographically bisected into two halves by River Indus. Eastern segment is historically well developed. To bring the Western segment at par with the Eastern half, NHA is improving East- West connectivity through construction of numerous bridges across river Indus in addition to investing and paying extra attention to the development of West.

The present NHA network comprises of 39 national highways, motorways, expressway, and strategic roads. Current length of this network is 12,131 km. NHA existing portfolio consists of 72 development projects costing Rs. 1,342 billion. Government allocated Rs.111.56 billion for NHA's development projects in PSDP 2014-15. The amount included Rs.35.133 billion foreign currency and Rs.76.430 billion in local currency components.

Ongoing Projects of NHA

Some significant ongoing projects are:

1. Faisalabad-Multan motorway (M-4)
2. Quetta – Chaman Section of N-25 (120 km)
3. Peshawar - Torkham section of N-5 (45 km)
4. Burhan-Havelian Expressway (59km) E-35
5. Gwadar-Turbat-Hoshab section of M-8 (200 km)
6. Hoshab-Nag-Basima-Surb section (459 km)N-85
7. Lowari Tunnel and Access Roads
8. Sehwan-Ratodero ACW (N-55)
9. Sukkur-Jacobabad (N-65)
10. Re-alignment of KKH at Attaabad
11. Flood Emergency Rehab Project
12. Peshawar Northern Bypass (E-2)
13. Overlay and Modernization of M-2

Completed Projects of NHA

Some major completed projects include the following:

1. Peshawar Northern Bypass (Package-I)
2. Faisalabad – Gojra section of M-4 (58 km)
3. Qila Saifullah-Zhob (N-50)
4. Khushal Garh bridge on N-80

5. Head Muhammadwala bridge over river Chenab
6. Railkot – Khujerab section (335 km) KKH
7. 6 Interchanges on Inner Ring Road Multan
8. Multan-Muzaffargarh (N-70)
9. Larkana-Naudero-lakhi Road
10. Sarkand-Benazirabad Dual Carriageway
11. Hyderabad-Badin Road to Mir Wah Sanjar Chang
12. Ghazi,Chuch & Col. Sher Khan Interchanges M-1.

During last five years, NHA has constructed/ rehabilitated about 1275 km roads all over the country. Province-wise break up is as follows:

Sr. No.	Province	Kms
1	Punjab	70
2	Sindh	235
3	Khyber Pakhtunkhwa	124
4	Balochistan	846
	Total	1275

NHA has completed 3 major river bridges during last five years, 3 major bridges on river Indus and 1 river Ravi and 1 on river Chenab are ongoing. Five bridges over river Indus and two over river Ravi are also planned to be constructed.

NHA has already constructed three segments of Trans-Pakistan Motorway network viz M-1 (Peshawar-Islamabad), M-2 (Islamabad-Lahore) and M-3 (Pindi Bhattian-Faisalabad) on a virgin corridor bringing remote areas on mainline and boosting economic activities. NHA is now constructing M-4 (Faisalabad-Khanewal-Multan). NHA has planned to embark on various programmes for construction of new roads/bridges and improvement/ rehabilitation of the existing infrastructure. NHA has also launched some of its projects through Public Private Partnership PPP/ BOT modes and is seeking local as well as foreign firms for investment.

To maintain smooth and safe movement of goods and passengers in healthy environment, a vast network of roads has been established by NHA. Now the government has planned to develop approximately 2,395 km long China-Pak Economic Corridor (CPEC) connecting Gwadar to Kashghar (China) and has also planned Karachi-Lahore Motorway (KLM) 6-lane controlled access. KLM is part of the CPEC Phase-I. Work has already been initiated on Burhan–Havelian Expressway and basic work for KLM to serve initially the Economic Corridor to ensure optimal utilization of existing network. Its strategic objectives also include opening hinder-land areas and will bring more population into the stream of benefits, which in turn will change the social complexion of people living around this corridor.

Major Upcoming Development Projects

- Construction of Karachi-Lahore Motorway (1147 kms) (To be constructed on BOT/EPC (Credit Financing/GOP funding basis)
- Improvement/Up-gradation of Thakot - Havelian section of KKH (120 Km) (through credit financing)
- Construction of Lahore Eastern Bypass (13.5 km)
- Construction of Lower Topa-Kohala 4-lane Expressway (48 Km)
- Construction of highway from Muzaffarabad to Taobult in Neelum Valley
- Construction of tunnel in Leepah valley
- Up-gradation of Jhaglot-Skardu Road, S-1 (163 Km)
- Qilla Saifullah-Loralai-Waigum Rud section of N-70 (124 Km)
- Zhob- Mughalkot section of N-50 (78 Km)
- Approach Road to New Islamabad International Airport (31.5 Km)
- M-9 – Conversion from 4-lane to 6-lane) Financial Close stage (136 km)(BOT).
- N-5/M-2 junction to Wah Underpass (20 km)- Concession finalization in process (20 km)(BOT)
- Rehabilitation of Multan – D.G. Khan section including Dualization of Muzaffargarh – D.G. Khan (80 km).
- Conversion of existing 4-lane -3 and Faisalabad –Gojra section of M-4 to 6-lane facility(BOT).

Metrobus Service - Rawalpindi–Islamabad

The rapidly growing population of the twin cities i.e. Rawalpindi – Islamabad needs modern and safe public transport service to provide relief/benefit to all segments of the society. In the near future it is estimated that total population of the twin cities will increase to 7.0 million from the current level of 4.5 million inhabitants. Traffic volumes of over 210,000 vehicles ply on three major corridors connecting the twin cities carrying around 525,000 passengers. It is estimated that public transport demand of around 153,000 passengers is required to cater on daily basis between the two cities.

The entire length 8.6 km of Metro Bus corridor in Rawalpindi area is elevated structure whereas about 14 km in Islamabad shall be at-grade but made signal-free by constructing grade separations at various intersections. Ten stations in Rawalpindi part and fourteen in the Islamabad part are provided along the corridor. Functional elements at the stations include ticketing booths, concourse level passenger transfer, escalators, platform screen doors turnstiles for automatic fare collection and all other amenities for passenger convenience.

13.2 Pakistan Railways

It's a fact that worldwide rail traffic has played an important role in social uplift and economic prosperity of nations. Similarly, Pakistan Railways has a definite edge over road transport for long haul and mass scale traffic movement both for passenger and freight in addition to providing a safe, economical and environment friendly mode of transport. An effective railway system of the country facilitates commerce and trade, reduces transportation costs, and promotes rural development and national integration. The network of Pakistan Railways comprises of 7,791 route kilometers, 452 Locomotives, 1,732 passengers coaches and 15,948 freight wagons.

Pakistan Railways is enduring the worst crisis since its formation mainly due to locomotive shortages.

Passenger and freight services substantially declined during the previous years. This is evident from the Table: 13.2 below that gross earning of Pakistan Railways has declined during the previous years due to over aged infrastructure and rolling stock, increase in fuel prices (high speed diesel), escalation of dollar exchange rate and a subsidized railway fare led to an increase in expenditure for sustained train operations. With the capping of over draft by Government of Pakistan in 2007, the finances required for increased maintenance cost could not be borne by the Railways. Finally, the sharp increase in the salary and pension led to diversion of all the revenue earnings to this obligatory payment at the cost of operational and maintenance requirements. Finance Division has committed to bear the expense of salary and pension thereon along with its impact of increase in future till the crisis is over. Government of Pakistan has allocated 39.566 billion in PSPD for the financial year 2014-15 for the development interventions in Pakistan Railways.

Table 13.2: Earning of Pakistan Railway

Fiscal Year	Earning (Rs in million)	% Change
2007-08	19,973	--
2008-09	23,160	16.0
2009-10	21,886	-5.5
2010-11	18,740	-14.4
2011-12	15,444	-17.5
2012-13	18,071	17.0
2013-14	22,800	26.2
2014-15 (July-March)	23,234	--

Source: Pakistan Railway

Table 13.3: Passenger and Freight Traffic

S.#	Subject	2011-12	2012-13	2013-14	2014-15 (July-March)
1	Number of Passenger Carried (Million)	41.100	41.957	47.690	38.68
2	Passenger Traffic Kms (Million)	16,093	17,388	19,778.560	14,485.94
3	Freight carried Tonnes (Million)	1.323	1.016	1.610	2.49
4	Freight Tonnes Kms (Million)	402	419	1,090.332	2,259.33
5	Gross Earning (Rs. Million)	15,444	18,070	22,800.217	23,233.93

Source: Pakistan Railway

New Initiatives

Ministry of Railways is taking following new initiatives to improve performance of Pakistan Railways and achieve tangible results:

i. In line with the government's vision 2025, for infrastructure development during the next ten years, Pakistan Railways is to undertake necessary steps to increase its share in the overall transport sector of Pakistan from 4 percent to 20 percent. Ministry of Railways is in the process of preparing Railway Strategic Plan (RSP) to operationalize the targets set in the vision which would provide a long term frame work for railway sector development in Pakistan.

ii. Revival of Railways Board is being actively pursued as part of overall reform agenda.

iii. Tariff is being regularly rationalized based on the market dynamics mainly to improve occupancy and increase revenue of Pakistan railways.

iv. Improve availability of locomotives through special repair of existing locomotives and procurement of new locomotives.

v. HSD Oil reserve remained low (sufficient for two days), which has been substantially enhanced to 12 days to streamline the train operation.

vi. To improve pension disbursement, automation system for pension payment has been introduced as a pilot project in Lahore and will be expanded to the entire railway system.

vii. Encouraging public-private partnership. Under the Public Private Partnership (PPP), Pakistan railways has started following trains between Lahore and Karachi from 3rd February 2012 to cater the needs of business community and general public.

S No	Train	Route
1	Business Express Train	Lahore-Khanewal-Lodhran-Karachi
2	Shalimar Express Train	Lahore-Faisalabad-Multan-Karachi
3	Night coach train	Lahore-Faisalabad-Multan-Karachi

viii. Pakistan Railway has also involved private sector in the management and operation of terminal facilities including dryports. Prem Nagar dryport Lahore is the first successful model of joint venture between Pakistan railways and two private parties.

ix. Real Estate Development & Marketing Company (REDMCO) has been established and registered with Security and Exchange Commission of Pakistan (SECP) with the aim to exploit the potential of railway land.

x. A comprehensive policy for disposal of surplus scrap has been introduced with the aim to improve financial position of railways through an open, fair and transparent process.

xi. Investment planning through a system approach rather than functioning in isolation is being pursued. Under this approach, investment in all the components of railways system including infrastructure development, rolling stock availability, business development and governance is being made. The strategy is expected to bring significant improvement in near future. Rationalization of projects by giving priority to implementable projects having visible impact on the performance of Pakistan Railways.

xii. Economic Corridor development and regional connectivity are important initiatives, which are expected to play vital role in national economic growth. Up gradation of Mainline-1 (ML1) and construction of dry port and cargo handling facility have been included, as Early Harvest Projects (EHP) under China-Pakistan Economic Corridor (CPEC) and preparatory work on these projects has been initiated on fast track basis.

xiii. Frame work agreement between the National Railway Administration, Government of the Peoples Republic of China and the Ministry of Railways, Government of the Islamic Republic of Pakistan on joint feasibility study for up-gradation of ML-I and Establishment of Havelian Dry Port of Pakistan Railways has been made on 20.04.2015.

xiv. The project titled "Infrastructure for e-Office at Ministry of Railways" is also being initiated.

xv. A new air-conditioned train with free meals, beddings, Wi-Fi, newspapers has been started from Islamabad to Karachi and back, called Green Line Train.

Achievements during the fiscal year 2014-15

Track

During 2014-15, 90 km of track was rehabilitated on the Pakistan Railway network besides doubling of 5 km track.

Rolling Stock

The project for procurement and assembling of 202 passenger coaches has been completed. Total 56 passenger coaches have been added and assembling material for 146 coaches have been received. Out of which 111 passenger coaches have been assembled till April 2015.

Locomotives

At present 175 locomotives are non-operational and are waiting for major repairs. Following initiatives are under way for rehabilitation of held up locomotives.

i. Rehabilitation of twenty seven held up locomotives (HGMU-30) of 3000 HP is being arranged through PSDP at a cost of Rs. 6284.0 million for which an agreement has been signed with M/S Electromotive Division USA. Out of 27 Locomotives, Ten (10) locomotives have been turned out for service.

ii. Special Repairs of 150 locomotives, to improve their reliability and performance, is also being carried out through PSDP at a cost of Rs.5005.031 million. So far 38 Locomotives rolled out during 2013-14 and 39 Locomotives have been turned out up to April, 2015.

iii. Procurement of 58 locomotives has been approved by ECNEC and contract awarded to M/s Ziyang, China in November, 2012. So far all 58 locomotives have been arrived in Pakistan.

iv. Tender for the Procurement of 55 Locomotives (4000-4500 HP) out of 75 locomotives is at advance stage and will be decided in near future.

v. Pilot project for manufacture of 5 Nos. 3000 HP DE Locomotives at Locomotive Factory, Risalpur: The contract agreement for manufacture of 05 Nos. 3000 HP DE Locomotives at Locomotive Factory, Risalpur has been signed with M/s CSR Ziyang, China and LC established. So far, 5 Locomotives have been turned out and the project will be completed up to June, 2015.

Box-2: China- Pakistan Economic Corridor (CPEC) Long Term Planning

China-Pakistan Economic Corridor (CPEC) marked a new phase in the development of the relationship by putting economic cooperation and connectivity squarely at the centre of the bilateral agenda. The aim of the MoU already signed during the recent visit of Chinese President is to cooperate in the planning and development of China-Pak Economic Corridor to facilitate and intensify economic activity along the corridor.

The CPEC is being conceived as a lynchpin of the plans by the two countries to deepen their economic cooperation. Early implementation of the CPEC would be transformational for Pakistan’s economy and dovetail perfectly with China’s strategy of developing its inland and western regions. China’s interest in the project is also strategically driven by President Xi Jinping’s visionary concept of integrating regions and countries across the globe under the Silk Road Economic Belt and the 21st Century Maritime Silk Road Initiative. It envisages deepening policy coordination amongst countries and regions, extending and improving infrastructure connectivity in all its forms-road, air, rail, telecommunications, energy etc. across regions, fostering trade and investment flows, and, last but not the least, enhancing people to people connectivity. CPEC fits naturally into this vision of a ‘Road and Belt’ with Gwadar and Karachi serving as its southern nodes and an outlet to the Arabian Sea and the Persian Gulf.

Thus, China-Pakistan Economic Corridor will provide an integrating platform for over three billion people in Central West and South Asia, the Middle East and Africa Regions. The increase in trade, investment and financial flows would bring peace and prosperity to the region through enhancement in the competitiveness of the economies of the countries, contribute to reducing regional disparities and social inequality, and improve life expectancy and quality of life in every country and in the regions.

For institutional arrangement and development of the CPEC, National Development and Reform Commission, China (NDRC) has constituted subsidiary Working Groups of the Joint Cooperation Committee (JCC-the

Ministerial level apex body under MoU) on Planning, Transport Infrastructure, Energy and Gwadar for which they have nominated their respective lead agencies for this work. Accordingly, Working Groups in these areas have been constituted on Pakistani side as well.

In August, 2014, during 3rd meeting of JCC meeting 21 projects in the energy sector valuing US$ 33.793 billion, 4 projects in the transport infrastructure sector valuing US$ 9.784 billion and 8 projects for Gwadar valuing US$ 0.793 billion were identified as early harvest prioritized projects.

An outline of the long term planning has been finalized containing on the basis of planning from the perspective of China and Pakistan, development goals, identifies key areas and major projects including spatial structure and functional zones, construction of an integrated transport system, IT connectivity, energy cooperation, industries and parks, agriculture development and poverty alleviation, cooperation in livelihood areas and people to people communications and financial cooperation.

Source: Ministry of Planning, Development & Reforms

13.3 Pakistan International Air Lines

The year 2014, can be termed as a year in which Pakistan International Airlines (PIA) embarked upon its mission of "Revival of PIA". The management vigorously pursued modernizing and replacement of fleet, in order to bridge the capacity constraints faced by the Corporation, fuel efficient aircraft on wet and dry lease basis were acquired during the year, fleet modernization and capacity induction is the corner stone of the turnaround strategy. During the year, nine aged aircraft have been retired from operation due to their operational inefficiencies resultantly average age of the fleet has decreased to 14 years as compared to 17 years during prior period.

With the financing facility of EXIM Bank of USA, General Electric (GE) signed an agreement with PIA to overhaul and carry out maintenance of the engines of PIA Boeing Air Craft. The support financing amounted to US$ 55.0 million together with the Islamic Corporation for the Insurance of the Investment and Export Credit. Through this credit facility, GE will provide its services for provision of advanced, fuel efficient engines, over haul services and financing to lease air craft.

Impact of measures taken by the management posted a positive impact on passenger revenues and combined effect of increase in seat factor 72 percent and yield resulted in almost 8.8 percent increase in passenger revenue. Measures taken by the management included among others initiatives fleet modernization, route rationalization and steps toward cost cutting. Operations on loss making routes were discontinued and frequencies were increased on profitable routes. Revenues from charter business flourished with an increase of almost 50 percent. Despite an over increasing financial cost PIA was able to register a significant decline in its overall annual losses by more than Rs. 12.0 billion or by 38 percent compared with 2013. Total annual losses declined to Rs. 32.0 billion in 2014, as compared to Rs. 44.3 billion last year. The overall performance of PIA is given in the Table13.4 below:

Table 13.4: PIA Performance

Indicators	Units	Year 2013	Year 2014
Passenger Revenue	Rs. billion	78.4	90.39
PIA Fleet	No. of planes	34	34
Route	Kms	411,936	389,445
Available Seat	million Kms	17,412	16,536
Passenger Load Factor	in percent	70	72
Revenue Flown	000 Kms	63,144	61,389
Revenue Hours Flown	Hours	106,476	101,556
Revenue P Passengers Carried	000 nos.	4,449	4,202
Revenue Passengers	million Kms	12,237	11,903
Revenue Tonne	million Kms	1,351	1,241
Revenue Load Factor	in percent	55	52
Operating Revenue	**Rs. million**	**95,771**	**99,519**
Operating Expenses	Rs. million	126,164	118,084
Available Tonne	million Kms	2,471	2,396

Source: Civil Aviation Authority

13.4 Ports and Shipping

Pakistan National Shipping Corporation

At present, Pakistan National Shipping Corporation (PNSC) fleet comprises of 09 vessels of various type / size (05 Bulk carriers & 04 Aframax tankers) with a total deadweight capacity (cargo carrying capacity) of 681,806 metric tons i.e. highest ever carrying capacity.

Crude oil in time availability play important role in running the transport sector business and furnace oil have much more importance to keep the power plants in running position. PNSC has been providing transportation services for crude/furnace oil requirements to the country. Almost all of the total imports of crude oil are undertaken by PNSC except 1% which is handled by other sources. The Corporation is now actively working upon a plan to increase its tanker fleet size, particularly to carry processed fuel like fuel oil, high speed diesel oil, jet fuels, naphtha and gasoline.

To meet safe and reliable transportation requirement of Pakistan's strategic liquid cargo, PNSC presently is in process for acquisition of one second hand Aframax crude oil tanker to cater for most of the requirement of PSO under obligation of long term contract of affreightment. This tanker will be in addition to PNSC's existing tanker fleet of four Aframax tankers.

Despite a depressed shipping scenario worldwide, PNSC has not only been able to maintain but also improved its profitability. The Commercial and Financial performance (un-audited) breakup covering nine months activities from 1st July 2014-31st March 2015 of PNSC are given in Tables 13.5 and 13.6 below:-

Table 13.5: Cargo Lifted (million tonnes)

Years / Cargo Lifted	Liquid Cargo	Dry Cargo	Total (Dry + Liquid)
2011-12	7.7	2.6	10.3
2012-13	10.7	2.7	13.4
2013-14	11.3	2.0	13.3
2014-15 (July-Mar)	10.8	1.1	11.9

Source: Pakistan National Shipping Corporation

Table 13.6: Financial Performance (Rs. in billion)

Years	Revenues	Expenditures	Gross Profit
2011-12	8.9	6.8	2.1
2012-13	12.3	8.9	3.3
2013-14	15.7	14.0	1.7
2014-15 (July-Mar)	12.2	11.0	1.2

Source: Pakistan National Shipping Corporation

Karachi Port Trust

The Progress of business at Karachi Port Trust (KPT) is continuously progressing due to increased international trade with regional and international countries. During July-March 2014-15, KPT handled 32.133 million tons of import and export as compared to 30.676 million tons during comparable period of last year.

KPT consists of two wharves; the East and West Wharf. East wharf has 17 multipurpose berths and West wharf has 13 berths. Each of the wharves has two dedicated container terminal and oil piers to handle liquid cargo. KPT operation comprised upon 11.5 kilometers long approach channel, a depth of 12 meters and a turning basin of 600 meters. KPT provides safe navigation for vessels up to 75000 metric tons deadweight (DWT).

Total number of containership, bulk cargo ship, general cargo ships and oil tankers were 1278 in the last nine months of 2014-15 as compare to 1236 in the same period last year. Total volume of import exports is given in Table 13.7 below which presents a growth of 8.7 percent in its volume of business.

Table 13.7: Cargo Handled at Karachi Port Trust (000 tonnes)

Period	Exports	Imports	Total
2007-08	11,676	25,517	37,193
2008-09	13,365	25,367	38,732
2009-10	13,528	27,892	41,420
2010-11	12,843	28,589	41,432
2011-12	11,674	26,201	37,875
2012-13	12,150	26,700	38,850
2013-14	11,007	30,343	41.350
2014-15 (July-March)	7,810	24,323	32,133

Source: Karachi Port Trust

Port Qasim Authority (PQA)

Port Qasim is a second deep sea port of Pakistan which was established in the early days i.e. 1973. Port Qasim Authority handles 21.6 million tons of total cargo during the period July March 2014-15 which is 14 percent more than the business carried out during the same period last year.

The containerized cargo was 9.170 million tons (43 percent), Liquid cargo was 8.471 million tons (39 percent) and remaining 3.976 million tons (18 percent) was miscellaneous types of dry bulk/break bulk cargo.

PQA handled 0.716 million TEUs of container traffic in 2014-15. The growth in container traffic during the nine months of FY 2014-15 is 13.4 percent more than July-March 2013-14.

The volume of import cargo during July-March 2014-15 stood at 15.198 million tons, showing 16.2 percent higher than 13.084 million tons handled during corresponding period.

The exports handled 6.420 million tons during the current financial year 2014-15, as compared to 5.887 million tons handled during corresponding period 2013-14, registering an increase of 9.1 percent.

Total volume of business in different period carried out by PQA is given below in Table-13.8:-

Table- 13.8: Cargo Handled at Port Qasim (in 000 tonnes)

Period	Export	Import	Total
2007-08	4,922	21,502	26,424
2008-09	5,584	19,445	25,030
2009-10	6,380	19,226	25,626
2010-11	6,657	19,511	26,168
2011-12	5,950	18,075	24,025
2012-13	7,047	17,754	24,801
2013-14	7,699	18,076	25,772
2014-15 (July-March)	6,420	15,198	21,618

Source: Port Qasim Authority

Gwadar Port

Gwadar is the first free port city on the southwestern Arabian Sea coastline, in the Balochistan province of Pakistan. It is about 700 km from Karachi and 120 km from the Iranian border. Gwadar Port is located at the mouth of Persian Gulf, just outside the Strait of Hormuz, near the key shipping routes in and out of Persian Gulf. Gwadar Port is a strategic warm-water, deep-sea port and phase-1 of the port has been developed jointly by Government of Pakistan and the Government of China with a total cost of US$ 288.0 million, which was inaugurated in March, 2007.

Gwadar Port is fully functional with three multipurpose berths, each 200 meters in length dredged to 14.5 meters in depth, with a bulk carrier capacity of 50,000 DWT and 50,000 DWT container vessels. By 2055, it is anticipated that Gwadar Port will be the largest site of its kind in Pakistan, with a 50 km sea front and 10,000 hectares of utilized property.

In May 2013, the port's Concessional Rights were transferred from Port of Singapore Authority (PSA) to the new operator viz, China Overseas Ports Holding Company Ltd (COPHCL). The new operator has started "recovery "of existing available infrastructure and equipment on the port. COPHCL submitted Operational Plan' of the port in consultation with Gwadar Port Authority (GPA), which suggests a framework for the Port Business Plans as per the Concessional Agreement.

As per decision of government all bulk cargo comprising urea, wheat and coal will be imported through Gwadar Port. Since its completion in 2006, Gwadar Port has handled around 6.279 million metric tons of dry bulk cargo (imported wheat and urea only) from 175 ships.

Till date the port operations are given in Table:13.9.

Table 13.9: Total Import of Cargo at Gwadar Port

(Quantity in 000Tonnes)

No. of ships arrived	Type of Cargo	Quantity (000 Tones)
26	Wheat	963,609.1
149	Urea	5,315,525.1
Total: 175	Wheat + Urea	6,279,134.2

Source: Gwadar Port Authority

Under CPEC, the Gwadar Port is said to be strategically important to China because it will bring closer the Middle Eastern ports to China through Karakoram Highway (KKH) linking Gwadar with Kashgar. Under CPEC, Gwadar Port is considered as Gateway of CPEC, and Gwadar city as one of the pivot cities of the corridor. The first Special Economic Zone (SEZ) of CPEC is being developed in Gwadar city.

The government-to-government CPEC agreements have created bright prospects for optimum operationalization of Gwadar Port and harnessing the benefits of regional trade connectivity through this naturally deep-sea port by Pakistan, China, Central Asian Republics and Afghanistan.

To resolve the port connectivity with the highway network, “Gwadar Port Eastbay Expressway” project has now been agreed upon for funding under CPEC. The project has been approved by ECNEC at an estimated cost of Rs.14.00 billion and its execution has been started in 2015.

The proposed expressway will connect the Gwadar Port with the Mekran Coastal Highway, passing along the east bay of Gwadar City, with a total length of 18.98 Km, including 4.3 Km along-the-shore/ off-shore and 14.6 Km on-shore sections. A rail link along this expressway is also part of the project.

Gwadar Port Free Zone

Federal Government through PSDP has provided funds for acquisition of land to be handed over to the Concession Holder for establishment of Gwadar Port Free Zone (FZ). This would be the first Zone in Pakistan, spread over an area of 9.23 sq. km, adjacent to the Port. The land acquisition process has been completed and its execution will start during 2015 by the Gwadar Free Zone Company (a subsidiary of COPHCL). With the development of FZ the port throughout in transshipments and export / import will enhance significantly. The same time the Company is going to establish a large Exhibition Centre adjacent to the Port for display of Chinese and Pakistani products.

Investment Opportunities

Gwadar port, offers lots of opportunities to prospective investors that include, inter alia, port related infrastructure such as storage, warehouses etc.; hotels, motels, travel and tourism; industrial sector including but not restricted to seafood processing and export, dates processing and export; construction of office spaces etc.; social sector and other infrastructure projects; telecommunication, road network, construction of airport, railways, and special economic zone.

Chinese investors have taken keen interest in establishing “Marine Silk Route and establishment of heavy industries in the industrial zone”.

ICBC-HBL also organized a 2-day ”Invest Pakistan” conference on 2- 3 April 2015 at Suzhou (China) that was largely attended by Pakistani and Chinese industrialists, investors, government and public representatives. The focus of the event was mutual benefit, common prosperity and win-win approach in cooperation between the two countries. ICBC-HBL are working on the concept of development of Special Economic Zones in Punjab and Balochistan and the investors, especially the Chinese, are planning to establish a steel mill and a cement factory in Gwadar.

13.5 Communications

Telecom Sector of Pakistan

Pakistan Telecommunication Authority (PTA) has been entrusted with the responsibility to govern the development of telecom sector in Pakistan keeping in view the consumer interest while providing a level playing field for all the market players. During the year 2014-15, telecom sector of Pakistan achieved new heights of success after the launch of Next Generation Mobile Services (NGMS). PTA sustains on research in regulation, technical shrewdness, harmonizing competition and discharging its social responsibility with the patronage of the Government of Pakistan. PTA strives to

maintain a balance between smooth provision of latest telecom technologies, protecting telecom consumer interests and facilitating fair business concerns of the investors. PTA has also taken several measures to streamline the SIM sale process and implemented Biometric Verification System (BVS) at sales channels of Cellular Mobile Operators (CMOs) which is a landmark achievement in this regard. Working hand in hand with the telecom industry and under the patronage of Government of Pakistan, the telecom sector continued to perform well above expectations during the first two quarters of FY 2014-15.

During “Pakistan App Awards 2015” organized by PTA, it was recognized that implementation of telecom policy would have following far reaching impacts on the economy:

- Telecom services will contribute up to 1.4 percent of GDP by 2025.
- The active export of telecom sector will be enhanced from $ 1.4 billion to $ 4.0 billion by 2020.
- The proposed telecom policy envisaged increase in telecom revenue to Rs. 800 billion in next five years.
- National technology group of Saudi Arabia want to invest around $ 200 million in the sector.

International Recognition

PTA’s efforts have been well appreciated for proliferation of telecom and ICT services in Pakistan by prestigious international forums. Since the auction of NGMS spectrum in April 2014, PTA has won many accolades within and outside Pakistan for not only conducting fair, transparent and efficient auction of NGMS spectrum but also for being proactive in meeting the present day challenges of the telecom industry.

In recognition of significant achievement of the Government of Pakistan and PTA in driving the growth and socio-economic impact of the mobile industry in the country, Pakistan was awarded with the prestigious “Spectrum for Mobile Broadband Award 2015” at the Mobile World Congress 2015 held in Barcelona, Spain. This award recognizes the governmental that demonstrates the most transparent and stable long term spectrum policy roadmap. After successful auction of 3G and 4G spectrums in April 2014, there has been a rapid uptake of 3G services, bringing significant benefits to consumers and the national economy thus providing huge growth potential for industry players including operators, device manufacturers, application developers and distributors. The rapid roll-out of 3G and 4G services is expected to boost growth and efficiency in all sectors including education, banking, media, health and retailing, and is a key enabler for innovative e-services such as e-medicine and e-education in rural and remote areas of Pakistan.

Pakistan Wins ITU Council Seat

Pakistan has won a seat on the ITU Council in the 19th ITU Plenipotentiary Conference held on 27th October, 2014 in Busan, South Korea which decided 12 members of the Radio Regulations Board (RRB) and 48 members of the ITU Council through an election. In the Asia and Australasia region, Pakistan secured its position with a total of 103 out of 167 votes.

The ITU Council is the nucleus of ITU’s strategic and policy framework and its members are elected every four years. As a member of the ITU Council, Pakistan will be able to make substantial contributions towards shaping the future of information and communication technologies.

Chairman PTA, has been elected as Vice President of General Assembly of Asia Pacific Telecommunity (APT) for three years during the 13th Session of the APT General Assembly held from 25-26 November, 2014 at Yangon, Myanmar. APT is an Intergovernmental Organization that operates in conjunction with telecom service providers, manufacturers of communications equipment, and research and development organizations active in the field of communication, information and innovation technologies. The APT comprises of 38 member countries, with 4 associate and 131 affiliate members.

The Era of Next Generation Mobile Services (NGMS)

PTA concluded successful spectrum auction for NGMS Licenses on 23rd April, 2014 and soon 3G and 4G services were commercially

launched by all the cellular mobile operators in major cities of Pakistan.

Commercial Launch of NGMS Services

All four successful winners of spectrum auction for NGMS launched their commercial services of 3G at reasonable tariffs for both pre-paid and post-paid customers. Ufone and Telenor started 3G services in May 2014, followed by Zong in June 2014 and Mobilink in July 2014. The technological advancement continued with the commercial launch of 4G services by Zong on 27th September, 2014. Shortly after, Warid also started offering LTE commercial services on 26th December, 2014 in major cities of Pakistan. Hence, Pakistan has proudly joined the illustrious list of countries having commercial 4G LTE services being offered to their citizens. The long anticipated availability of broadband speeds on cellular handsets became an immediate phenomenon as the number of 3G and 4G LTE subscribers spiked instantly. According to latest available statistics, approximately one million 3G and 4G LTE subscriptions are being added by CMOs each month since the commercial launch of these services in Pakistan. The coverage area of 3G and 4G LTE services is also expanding to the major cities of Pakistan which means that the subscriptions will also expand in parallel with expanding coverage.

Auction of Unsold Spectrum

The unsold spectrum of 10 MHz in 1800 MHz band having base price of US$ 210 Million and 7.38 MHz spectrum in 850 MHz band with base price at US$ 291 Million in the last auction in April 2014 accounts for at least a total of US$ 501 Million. As per Government's Policy Directive dated 17th March 2014, no further related auction will be carried out for another 18 months from the date of the auction. However, for any spectrum and the license for a new Operator which has remained unsold in NGMS license auction in April 2014, PTA can hold an auction of the same as deemed appropriate. In this regard, PTA is in the process of hiring of international consultants for the market assessment and marketing of unsold spectrum and will plan the auction accordingly.

Streamlining the SIMs Sale and Authentication

PTA has been striving to develop effective mechanism for not only streamlining the new SIMs sale process but also to resolve the issue of existing unauthorized/unverified SIMs in the market. In order to stay ahead on both fronts, PTA took some radical steps in collaboration with CMOs and Law Enforcement Agencies (LEAs). It is expected that the effective implementation of the multiple initiatives undertaken by PTA will produce a clean, updated and verified pool of active SIMs in the near future.

Biometric Verification System (BVS) for SIMs

After successful implementation of BVS at sales channels across the country with effect from 1st August 2014, PTA continued to periodically assess the compliance status of CMOs on a bigger footprint during August 2014. The results revealed that SIMs were being issued and activated in line with PTA's Standard Operating Procedure (SOP). Implementation of BVS at the sales channels of CMOs is a significant landmark, wherein SIMs are sold and activated only after online verification of the purchaser's finger prints from NADRA. The roll out of BVS is expected to further strengthen the SIM sale process and facilitate the authentication of subscriber antecedents.

Monitoring of Sales Channels of CMOs

With a view to check compliance of SIMs per CNIC rule, PTA carried out a survey in November 2014. Moreover, a survey of Mobile Number Portability (MNP) through BVS was also conducted by PTA in December 2014 in addition to the MNP audit. The survey results were analyzed and observed anomalies were communicated to CMOs for remedial measures.

Biometric Re-Verification of SIMs

In order to eradicate the issue of unverified and unauthorized SIMs once and for all, PTA issued an SOP for SIM Re-verification as per directions of GoP, to be followed by all cellular operators to make sure that all SIMs are verified by 12th April, 2015. PTA devised the SIM Re-verification process in collaboration with Interior Ministry and cellular operators. A massive media campaign/SMS broadcast has been started for the customers to get their SIMs re-verified as per the given SOP. SIM re-verification process was carried out in two phases, as given below:

Phase-I:

From 12th January to 26th February, 2015, numbers to be re-verified; Three or more SIMs per CNIC per operator. Blocking Deadline; All un-verified numbers from this list were to be blocked on 27th February 2015.

Phase-II:

Starting from 27th February, 2015, numbers to be re-verified: One and 2 SIMs per CNIC per operator. Blocking Dead line: All un-verified numbers from this list were to be blocked on 12th April, 2015 at midnight.

A total of 48.7 million unique CNICs corresponding to 70 million SIM connections have been verified by CMOs.

Monitoring the health related effects of Radio Base Station Antennas

During the period under review, PTA along with FAB conducted an extensive survey at Lahore, Karachi, Muzaffarabad, Peshawar, Quetta, Rawalpindi/Islamabad to check the emission of power level from transmitters and receivers of Base Transceiver Stations (BTSs)/Towers installed by CMOs. The results revealed that power level of radio waves of all BTSs surveyed is much below the prescribed danger limits and in line with the policy directives of Ministry of IT & Telecom, World Health Organization (WHO) and International Commission on Non-Ionizing Radiation Protection (ICNIRP) guidelines.

Regulations for Technical Implementation of Mobile Banking

PTA was given mandated to prepare Regulations for Technical Implementation of Mobile Banking Services. To this end, a joint regulatory committee was formulated between State Bank of Pakistan (SBP) and PTA. The Committee prepared the draft mobile banking regulations and initiated an exhaustive consultative process with the stakeholders including MoIT, SBP, Cellular Mobile Operators (CMOs) and Financial Institutions (FIs). The draft regulations have clearly defined the rights and obligations of the CMOs in the case of one-to-one model and any-to-any model of mobile banking and the role of TPSPs in the provision of technical services of mobile banking to CMOs and FIs. The Regulations also contain sections on the arrangements for service level agreements, network conditioning and procedure for the award of TPSP license, consumer protection, awareness and dispute settlement mechanism.

Mobile Emergency Alert System

PTA in collaboration with Islamabad Police and mobile application developer Pure Push developed Mobile Emergency Alert System for Schools (MEASS) to ensure effective security of schools and hospitals situated in Islamabad Capital Territory (ICT).

Through this project, the access of Android based Smartphone application will be given to the administrative staff at different schools, colleges, universities and hospitals in the Capital city who will be able to send emergency alerts to get timely help from the Police. Islamabad Police will have direct control over the system and will ensure better use of latest technology in managing such matters. The triggers can be activated in situations like armed attack by anti state elements, bomb blast, kidnapping, fire, and other suspicious activities.

Monitoring the Quality of Service (QoS)

PTA monitors the quality of services being provided by the telecom licensees to the people of Pakistan on a regular basis. In this regard, PTA conducts periodic surveys of telecom operators. The survey results are then analyzed against the QoS parameters defined by PTA in telecom licenses and Regulations. Following surveys have been carried out by PTA in the period under review:

QoS Survey of Cellular Mobile Services

PTA carried out a drive test in seven (7) cities of Pakistan and AJ&K to verify the compliance of predefined Key Performance Indicators (KPIs) for all cellular mobile operators. The overall results of QoS survey were found to be satisfactory.

Broadband QoS Survey

PTA conducted nationwide broadband QoS Survey in metropolitan cities. The performance of different packages offered by operators was measured in different times. Three months' data of non-technical parameters i.e. response time of assistance service, billing and service

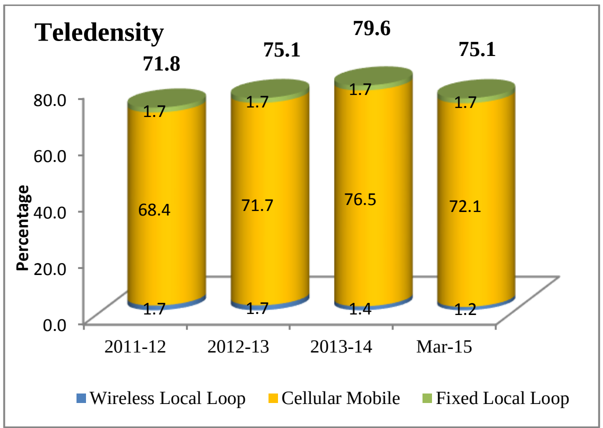
provisioning complaint resolution time etc was also analyzed. The survey results analysis revealed that by and large QoS performance of the broadband service providers can be rated as Good.

Telecom Economy

The first half of 2014-15 has brought many opportunities and challenges for the telecom industry in Pakistan. While the industry has witnessed a new wave of data growth driven by the launch of 3G and 4G networks and an outstanding response in terms of exponential growth in 3G and 4G subscribers, which has made Pakistan a success story at international arena, the implementation of BVS at sale channels in August 2014, re-verification of SIMs and restricted points for SIM sales have slowed down the pace of growth in cellular subscription.

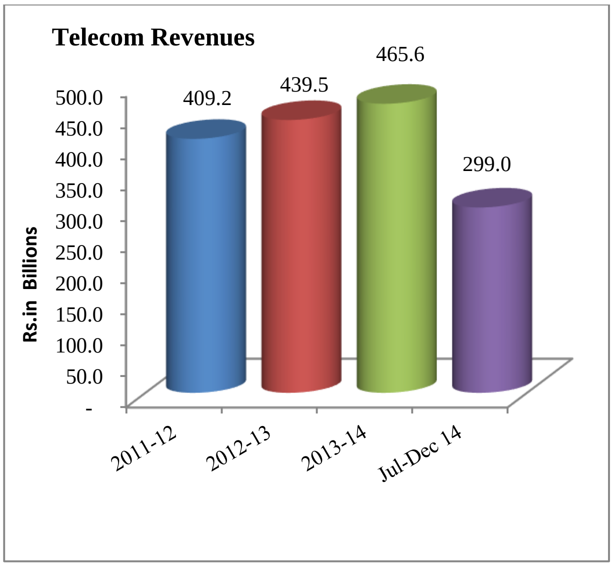
Teledensity

The total teledensity including cellular mobile, Local Loop (LL) and Wireless Local Loop (WLL) decreased to 75.2 percent at the end of March, 2015 compared to 79.6 percent at the end of June 2014, showing a decline of 5.5 percentage points. Consolidation of cellular subscriptions, resulting in a decline of 5.1 million cellular subscribers during July-March 2015, was the main contributor towards the overall decline of teledensity. Cellular mobile teledensity has witnessed decline of 4.4 percent points, reducing from 76.5 percent in Jun 2014 to 72.1 percent in March 2015. The WLL teledensity has also shown a slight decline of 0.2 percent points during July, 2014-March, 2015.



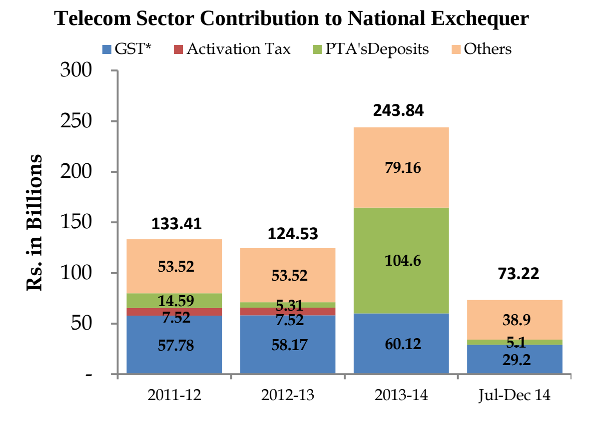
Telecom Revenues

Revenues from telecom sector reached an estimated Rs. 299 billion during the first two quarters of 2014-15. The commercial launch of 3G and 4G LTE services has opened new opportunities for revenue generation for the mobile operators. Availability of 3G and 4G services has enabled development of new applications and data base services, and people of Pakistan are quickly adopting to these new technologies and services. This has resulted in surge in data revenues of cellular mobile industry, reaching Rs. 37.3 billion during July-December, 2014 compared to Rs. 22.1 billion in July-December, 2013, showing an increase of 69 percent. Revenues are expected to further increase in the coming years as more subscribers are added into the 3G and 4G LTE fraternity, generating more data revenues of telecom industry.



Telecom Contribution to National Exchequer

Telecom sector is a significant source of revenue generation for the national exchequer. During the first two quarters of the 2014-15, telecom sector contributed Rs. 73.22 billion to the national exchequer in terms of taxes, regulatory fees, initial and annual license fees, activation tax, and other charges.



*** GST and other taxes are estimates.**
Source: Federal Board of Revenue and Pakistan Telecommunication Authority.
Note: PTA's contributions comprise of all its receipts including Initial and Annual License Fees, Annual Radio Frequency Spectrum Fee, Annual Spectrum Administrative Fee, USF and R&D Fund Contributions, APC for USF, Numbering Charges, License Application Fee, etc.Others include custom duties, WHT and other taxes.

Telecom Investment

The government liberalised investment policies allowing foreign investors in the telecommunications sector to own all the shares in a company and repatriate all of the profit. Such policies have attracted significant FDI in telecom sector over the last few years. In 2013-14, the auction of spectrum for 3G and 4G services in Pakistan and deployment of next generation cellular networks brought an investment of US$ 1790 million in the telecom sector. Due to the continuous an outstanding subscriber's response to the launch of 3G and 4G services in the country, cellular mobile operators are continuously expanding their next generation networks.

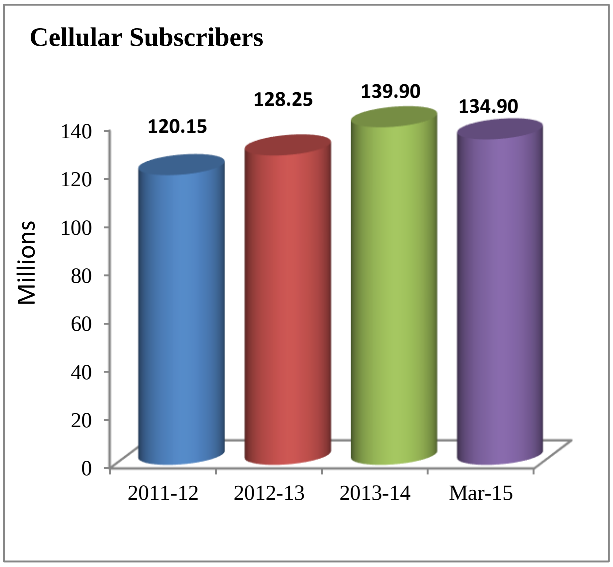
Telecom Investment US$ (Million)

	2011-12	2012-13	2013-14	Jul-Dec-14
Cellular	211.8	570.4	1,789.7	356.28
LDI	16.2	1.9	1.8	4.63
LL	5.0	16.1	14.2	1.93
WLL	7.3	11.9	10.0	4.45
Total	**240.3**	**600.3**	**1,815.6**	**367.29**

Due to these expansions, an investment of US$ 356.3 million has been witnessed in the cellular mobile sector during July-December 2014, There is another encouraging sign in the industry that FDI in telecom sector remained US$ 114.0 million during July-December, 2014 compared to net negative telecom FDI inflows in the corresponding period last year. The impetus of expanding 3G and 4G networks will continue the pace of investment in the telecom sector in coming months.

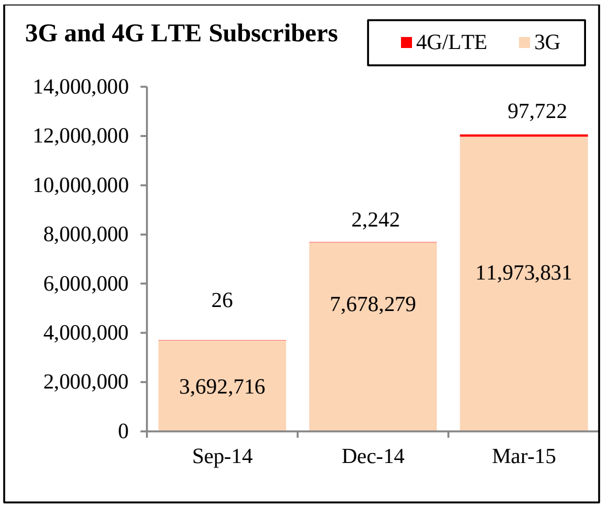
Cellular Subscribers

By the end of March 2015, the total number of mobile subscriptions in Pakistan reached 134.9 million with net decline of 3.5 million subscribers. Biometric SIM Verification was a massive exercise recently undertaken by the CMOs across Pakistan. On the one hand, it is a dire necessity of the present times but on the other hand, it will also have a major impact on the telecommunication statistics. Millions of mobile connections will be churned by every CMO with the resultant drop in teledensity and telecom subscribers.



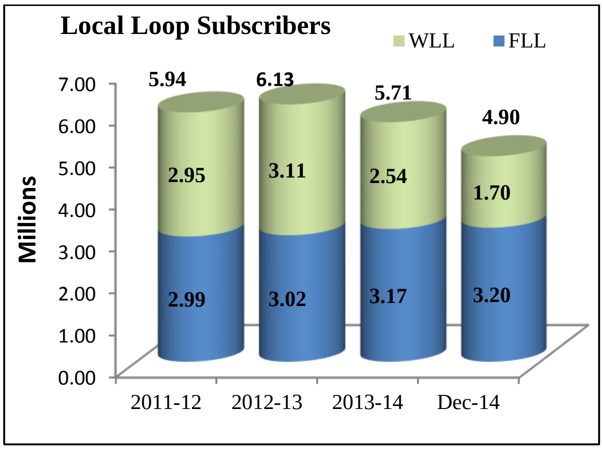
3G and 4G LTE Subscribers

After the commercial launch of 3G and 4G LTE services, the number of 3G and 4G LTE subscribers has been growing at a commendable pace. 3G and 4G LTE subscribers have sharply increased during the last ten months and have reached 12.1 million in March 2015. The 3G and 4G LTE subscribers constitute 8.9 percent of the total cellular subscriber base as of March-2015.



Local Loop Subscribers

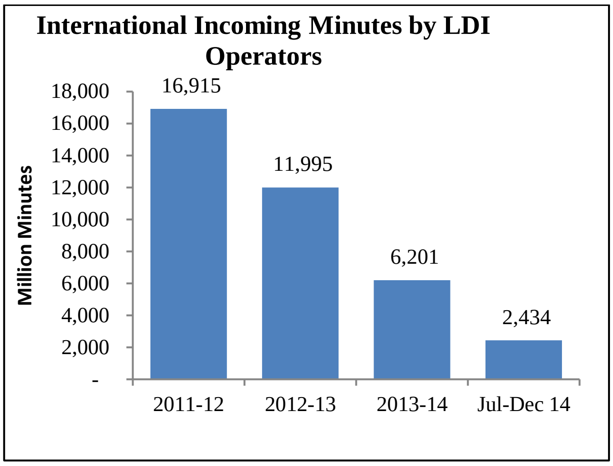
The subscriber base of local loop sector has reached 4.9 million at the end of December, 2014 as compared to 5.7 million as of June 2014. The overall subscriber base has decreased by 15 percent.



11. Long Distance & International (LDI)

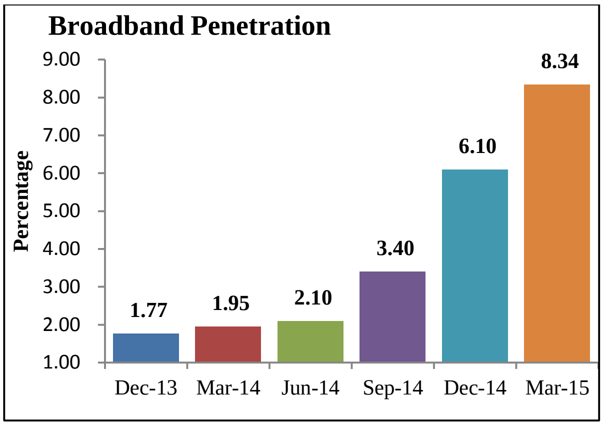
LDI is an important segment of the telecom sector as it serves as a gateway to international connectivity of Pakistan with the outside world. LDI services have been the centre of attention for the Authority due to continuous regulatory initiatives being undertaken to tackle grey traffic. Counter measures being introduced by the Government of Pakistan and PTA have been at the forefront of the telecom sector developments in the recent past with establishment and implementation of International Clearing House (ICH) regime in October, 2012; international incoming call rates were also increased. Due to this increased rate, inflow of foreign exchange and revenue per minute of ICH consortium initially increased. However, trend of increasing inflow of traffic could not be sustained as the increased call rates allowed growth of grey traffic which ultimately resulted in constant decrease in reported legal traffic. The deregulation of Approved Accounting Rate (ARR) and Approved Settlement Rate (ASR) on 24th February, 2015 is expected to stabilize Pakistan's international incoming traffic, curb the grey traffic, and increase revenues for the government.

The total international minutes (incoming and outgoing) stood at 3,495 million during July-December, 2014. This is due to decline in both the incoming and outgoing international traffic. It is evident that the outgoing traffic on LDI networks is sliding with every passing year/quarter as a total of 2,434 million minutes have been received by LDI operators during July to December, 2014.



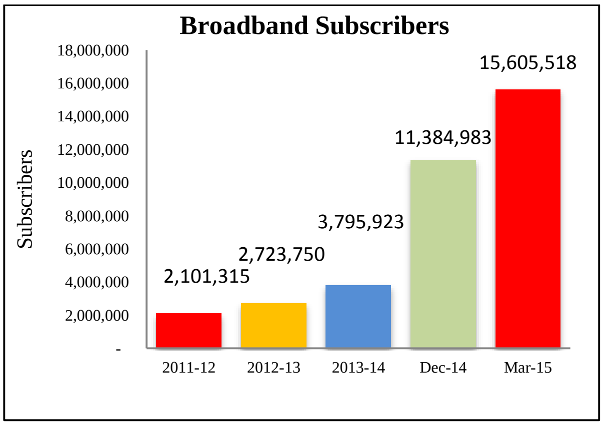
Broadband - Penetration

Broadband penetration of the country stands at 8.34 percent as of March, 2015 as compared to 1.95 percent at the end of corresponding period last year. This enormous jump in the broadband penetration can be attributed to the NGMS spectrum auction as mobile broadband leads the way in the total broadband subscriber base. As evident from the figure, an immediate spike in the broadband penetration can be observed in the quarter after the commercial launch of NGMS in the country. It is expected that mobile broadband will continue to form the major chunk of the broadband market and may also prove to be a catalyst for the other broadband technologies to prosper in the future.



Broadband Subscribers

Broadband subscribers stood at 15.6 million at the end of March, 2015 as compared to 3.8 million at the end of 2013-14, depicting 311 percent growth over the last nine months. The number of net subscriber additions in this period stood at 11,809,595 which is almost four times more than the entire broadband subscriber base till June, 2014. Most of the net additions are due to 3G and 4G subscribers which collectively form the figure of 12,071,553 while the fixed broadband subscribers (DSL, HFC, FTTH) have also added 140,087 subscribers during the period under review. On the other hand, fixed wireless subscribers (WiMAX, Satellite etc) dropped by 30,395 and EVO subscribers also declined by 371,650 during the first three quarters of 2014-15. This disparity in subscriber addition highlights the substitution effect of NGMS on the other wireless broadband technologies. In order to further provide impetus to the broadband sector, synergy of various elements is required. Therefore, external factors also need to be addressed which include affordability of general public, education level, computer literacy, religious and cultural views regarding objectionable content on internet and lack of localized content.



13.6 Electronic Media in Pakistan

13.6-A Pakistan Electronic Media Regulatory Authority (PEMRA)

PEMRA is primarily mandated through March, 2002 Ordinance for licensing and regulating the establishment and operation of all broadcast media (satellite TV & FM radio) and distribution services (Cable TV, DTH, IPTV, Mobile TV etc.) throughout the country.

The law was later on revamped as PEMRA Amendment Act-2007. Apart from licensing PEMRA mandate further includes:

- To improve the standards of information education and entertainment;
- Enlarge the choice available to the people of Pakistan in media for news, current affairs, religious knowledge, art, culture, science, technology, economic development, social sector concerns, music, sports, drama and other subjects of public and national interest;
- Facilitate the devolution of responsibility and power to the grass roots by improving the access of people to mass media at local and community level;
- Ensure accountability, transparency and good governance by optimizing the free flow of information;

Present Status of Private Electronic Media

In a span of 13 years the country has witnessed a massive spurt in the number of TV channels and FM radio stations in the private sector which, unmatched in the South Asian region and perhaps elsewhere. This boom is owed to the government's unequivocal commitment to a free media and the proactive role played by PEMRA in facilitating the growth of the electronic media. The unprecedented growth of TV channels, Cable TV and launch of FM radio stations has indeed contributed remarkably in raising the standards of public awareness and literacy, a glance at the following facts and figures on licensing of media amply substantiates the massive growth which has taken place in electronic media in the private sector in the last thirteen years. The details are given in Table 13.12 below:-

Table 13.12: PEMRA Performance

S. No.	Category	Number of licenses Issued
i.	Satellite TV Channels	91
ii.	Landing Rights Permission to TV Channels	27
iii.	FM Radio licenses	200
iv.	Cable TV Licenses	3,659
v.	Multimedia, Multi Channels Distribution System (MMDS)	06
vi.	Internet Protocol Television (IPTV)	01
vii	Mobile TV License	04
viii.	Mobile Audio Licenses	02

Source: Pakistan Electronic Media Regulatory Authority (PEMRA)

Table 13.13: Licensing in July2014 to May 2015

S. No.	Category	No. of licenses
i.	Landing Rights Permission to TV Channels	01
ii.	FM Radio licenses.	07
iii.	Cable TV Licenses	30

Source: Pakistan Electronic Media Regulatory Authority (PEMRA)

Economic Contribution

Due to the government's investment friendly policies the country has witnessed a remarkable economic growth particularly over the last five years. The overall national growth has been conductive for the development of the electronic media industry in the private sector. According to estimates there has been a cumulative investment of approximately US$ 3.500 billion in the electronic media industry in Pakistan. Electronic media sector has generated direct employment for more-than 200,000 people of diversified skills and qualifications. Going forward the estimated cumulative investment in the electronic media industry will reach nearly US$ 4.0 billion by the end of the current financial year. This expansion in investment would in turn have multiplier effect on increasing job opportunities for skilled media personnel and journalists, expanding work of media production houses, advertising agencies and proliferation of the performing arts.

13.6-B Pakistan Television Corporation Limited

Pakistan Television Corporation Limited (PTV) is the only public sector broadcasting centre which telecast national programmes to remote and economically backward areas of the country in order to keep the people of remote areas aware of about the current affairs of the country as well as the whole world. It can also provide different entertainment, education and sports programmes to the people enabling them to uplift their socio-economic conditions, to eliminate the existing disparity.

At present 7 multiple channels are broadcasting its different programmes through PTV world, PTV News, PTV Home, PTV Bolan, PTV Sports, PTV National and PTV Global. The only English News Channel in Pakistan telecasting the information about Pakistan domestically as well as internationally has been launched by PTV.

PTV has also established a TV Channel in AJK with one TV Centre, and with four Rebroadcast Centers at Kotli, RawalaKot, Bagh and Bhimber.

Due to distinctive culture and historical heritage of Saraki region a separate TV centre has been established at Multan to project the socio uplift of this particular region, with particular focus on telecasting saraki programmes.

Modernization of the broadcasting system is need of hour and PTV management has planned to modernize its technical facilities & electronic equipments during 2014-15 to enhance the coverage of area and population. It has improved a lot its programmes of infotainment, news, current affairs and sports on various channels.

Digitalization of PTV Signals with Collaboration of China

During the visit of Chinese's President to

Pakistan an MoU has been signed between NDRC on behalf of the People,s Republic of China and Ministry of Information, Broadcasting & National Heeritage on behalf of the Islamic Republic of Pakistan to harvest the benefit of the project of Digital Terrestrial Multimedia Broadcasting (DTMB) technology. A pilot project for transition/migration to digital transmission system has been established at RBS Murree by M/s ZTE Corporation for demonstration of PTV's Terrestrial network. If this DTMB pilot project validated qualitatively & quantitatively, the Government of Pakistan will adopt this technology under Grant-in-Aid from China.

13.6-C Pakistan Broadcasting Corporation

Pakistan Broadcasting Corporation, Central News Organization (CNO), highlighted Prime Minister's, Finance Minister and other Federal Ministers speeches and policy statements regarding economic development of the country and its trickle down effects on the masses. The economic policy of the present government yielded positive results including improvement in the living standard of the masses due to reduction of prices of items of daily use. It was covered in all the bulletins and through Current Affairs Programmes. Interviews of political and prominent personalities of civil society and journalists were also broadcasts from Current Affairs Channel.

Speeches/interviews and statements of Finance and the Federal Ministers were also widely covered in all the bulletins with a view to inform the masses about low inflation rate due to the prudent policies of the federal government.

Coverage was given to Prime Minister's Youth Loan Programme, Benazir Income Support Programme and announcement regarding introduction of new Internship for Post-Graduate students and surging of stock market and foreign reserves in our National and Business bulletins. Special interviews/talks were also held by our News and Current Affairs Channel.

Radio Pakistan, in all its programmes highlights government's energy generation projects in all its bulletins regarding elimination of Gas and electricity load shedding in the country as well as in industrial units.

Central News Organization (CNO) also highlighted present government's agreements with China on establishing economic corridor and energy projects through its bulletins and News and Current Affairs Channel.

Being a popular media among the rural masses, Radio Pakistan ensures projection of government policy for enhancing agriculture yield and latest development in the agriculture sector.

Achievements and sacrifices of Pakistan Army and Law Enforcement Agencies in fight against militants and anti-state elements were highlighted by PBC with full spirit as a national cause under the scope of "National Action Plan". Wide-spread microphone publicity was given in this regard.

PBC conducted a comprehensive campaign for Rehabilitation/Re-settlement of IDPs and Operation Zarb-e-Azb from 22 Stations of FM-93, 9 channels of FM-101 and 26 channels of MW national network of PBC.

13.7 Pakistan Post Office

Counter Automation System

Quick communication system is must for prosper business and rapid economic development of any country. Pakistan Post Office is engaged to modernize its services in such a way to ensure quick delivery/transfer facilities to the citizens of the country. Throughout the country over one hundred GPOs including renovated post offices / sub offices have already been provided with counter computerization facility for the better service quality to the customers through a LAN based system.

Centralized Software Solution for Financial Services

An Industry standard-off the shelf solution "Riposte Essentials" from M/s Escher Group has been implemented. Currently, Electronic Money Order Service (EMOs), Online Computerized collection of all utility bills through Centralized Software Solution Child

Support Programme and BISP Services has been implemented at the 83 automated GPOs. While rollout of Military Pension Payment System in more than 72 GPOs have been implemented too. However, Savings Bank and PT Services are in customization stage which will soon be implemented in 83 GPOs.

Computerized Pension Payment System

Over 1.4 million pensioners has been disbursing pension from Pakistan Post through computerization of military pension payment system which is available at all GPOs. The pensioners are receiving the pension in a hassle free environment. Pakistan Post is also disbursing pension to over 40,000 PTCL pensioners every month. In an effort to streamline payment of pension to PTCL pensioners, Pakistan Post has developed a separate system for PTCL pension disbursement. The same has been rolled out over 83 GPOs.

Achievements of Saving Bank

Pakistan Post has been doing the work of saving bank as an agency functioning on behalf of the Ministry of Finance under the Government Savings Bank Act 1873 on commission basis. During the period July-2014 to March-2015 an amount of Rs.126 million has been collected through National Savings Schemes and under this scheme earned commission amounting to Rs. 630 million during this period.

Computerized PTCL Pension Payment System

The Pakistan Telecommunications Employees Trust (PTET) in a joint effort with Pakistan Post has developed Computerized PTCL Pension Disbursement System. This system facilitates the GPOs for the particular and amount of payment of each & every pensioner.

This system eliminates the manual filing of pension payment form (No. Code-15) voucher and now the same is auto generated by the system.

The System automatically updates the record of PTET, once the payment of pension is disbursed to the PTCL pensioner. Disbursement software of PTCL pension has been deployed at GPOs.

Western Union Money Remittance Business

During July- March 2014-2015, Pakistan Post has received the foreign remittances amounting to US$ 60.972 million equivalent to Rs.6114.912 million.

Benazir Income Support Programme (BISP)

A Complete web-enabled tracking and monitoring system for disbursement of funds for Benazir Income Support Programme (BISP) has been evolved that include continuous processing, monitoring and reconciliation of the specialized money orders scheme. The same is implemented at all 83 automated GPOs throughout Pakistan. Over 46.5 million money orders have been issued up to 31st March 2014 and an amount of around Rs. 120.442 billion has been disbursed. During July to March, 2014-2015 total 906,666 BISP money orders along with required funds for Rs.3.819 billion were received from BISP authorities, out of which 65 percentage Money Orders amounting to Rs.2.0 billion have been paid within prescribed period of time.

International Postal Services

Pakistan Post has mail links with all countries of the world except Israel. Exchange of mail is carried under rules and regulations of the Universal Postal Union. Direct mail links exists with 165 countries for the rest mail is exchanged by utilizing the transit facilities of intermediary countries.

Achievements in International Postal Services

Pakistan Post dispatches more volume of mail than it receives for delivery. Thus it always remains net-creditor. Pakistan post received an amount of Rs.33.625 million during the period from July to March 2014-15 on account of Terminal Dues for imbalance of international mails received from dispatched to other countries.

First Micro Finance Banking (FMFB)

Pakistan Post has collaborated with First Micro Finance Bank (FMFB) in Micro Financing for disbursement of loans and its recovery to general public in four regions i.e. Lahore, Multan, Hyderabad and Sukkur. Pakistan Post has earned following revenue from this scheme during July-2014- March 2015.

(Rs. in million)	
Amount Disbursed	541.67
Amount Recovered	407.11
PPO Commission 0.5 percent on disbursement & recovered Loans Including Rent Charges	1.39

Postal Life Insurance (PLI)

Postal Life Insurance has issued the 424,306 total policies upto March 2015 against policies issued 409, 988 upto March 2014. The sum assured amounting to Rs. 65,178,912 million upto March 2015 against Rs. 59,444.6 upto March 2014.

Total PLI Policies (No. in million)

	2013-14	2014-15
No. of fresh Policies Issued	409,988.0	424,306
Premium Income	2,178.8	2,989,532
Sum Assured	59,444.6	65,178,912

Philately

Following Commemorative Postage Stamps have been issued in the given period.

S. No.	Celebrities	Date	Rate
1	Issuance of Commemorative Postage Stamp on 100 years of Frontier Constabulary	11-7-2014	Rs.08/-
2	Issuance of Commemorative Postage Stamp on 100 years of Sahiwal Breed Conservation (1914-2014)	05-08-2014	Rs.08/-
3	Issuance of Commemorative Postage Stamp on one nation –One Vision Pakistan - 2015	11-8-2014	Rs.10/-
4	Issuance of Commemorative Postage Stamp on 100 birth day anniversary of Norma E. Borlaug	4-12-2014	Rs.08/-
5	Issuance of Commemorative Postage Stamp on “Say no to corruption” International Anti Corruption Day.	9-12-2014	Rs.08/-
6	Issuance of Special Postage Stamp GEMS & Minerals of Pakistan	11-12-2014	Rs.08/- Each design
7	Issuance of Commemorative Postage Stamp on 14th National Scout Jamboree	23-12-2014	Rs.08/-
8	Issuance of Commemorative Postage Stamp on joint issue Pakistan Ukraine monuments of Ancient Cultures and Special Souvenir Sheet	25-12-2014	Rs. 20/- Each design
9	Issuance of Commemorative Postage Stamp on 100th death Anniversary of Moulana Altaf Hussain Hali (1914-2014)	31-12-2014	Rs.08/-

The detail of Rural & Urban Post Offices is as under:

Urban	Rural	Total
1813	10264	12077

Conclusion

Transport and Communication network of any country is of vital importance to its development and affects all sectors through sectors linkages. It ensures safe and timely travel, encourages business activities and cuts down transportation costs while granting products access to markets for their disposal. A reliable transport and communication network also provides swift access to labour force and hence generates employment opportunities. It has been widely recognized that economies with better road and communication networks are positioned more advantageously in terms of overall competitiveness as compared to economies having poor networks. Reliable and large transportation and telecommunication facilities benefits industry, agriculture, and other services sectors as well as improving the standards of living of the general public. It is the need of time to make timely investment to develop and maintain an efficient network of transportation and telecommunication facilities to ensure cost efficient integration of markets both domestically and internationally which the present government is doing. In this respect Vision 2025 emphasis on efficient and integrated transport & communication network that can ensure safety in mobility, effective connectivity between urban-rural areas, reduction in transportation cost and high capacity transportation corridor connectivity among major trading partners of the region.

Transport and Communications

Introduction

Modern transport & communication sector not only play an important role in boosting the economic activities in the country but also benefitted from globalization through linked routes. Pakistan can harvest this opportunity due to its geographic position in the region through modern communication network. Most emerging economies of the world are transforming their economies towards communication and IT knowledge.

Efficient transport and communication network is not only pre-requisite for economic development but play a key role in economic integration of the country. This sector has direct and indirect links with all important sectors of the economy, which influence directly social and economic prosperity of the people. An efficient transport system contribute to economic growth by lowering production cost through timely delivery of raw materials of agriculture sector to the market and making timely delivery to manufacturing sector thus enhancing economies of scale in the production process and creating economic opportunities through communication links among urban-rural population. It directly provides sufficient employment opportunities to the lower class of the society, whom otherwise cannot find job opportunities due to lack of education.

Although Pakistan has a vast network of highways, rail links, airline service and modern seaports but the present government seems determined to further expand the existing network by adding sections of highways, motorways and also planning to add a sizable length of modern rail links to the existing facilities. Pakistan Vision 2025, assign great emphasis to modernize transport infrastructure to ensure economy in transportation cost, safety in mobility, effective connectivity between rural areas and markets/urban centres, integrated network between economic hubs, as well high capacity transportation corridors connecting between major regional trading partners. High road density of any country is an indicator of the level of prosperity and development. Therefore, it has been projected to raise road density to the level of 0.45 km/sq. km by 2018 against the existing 0.33 km/sq. km density level which will increase the existing road network from around 263,942 km to 358,000 km.

13.1 Road Transport

The nature has bestowed the country with vast plains spread over from Karachi to Peshawar and Lahore, which in return pave the way for building most feasible and efficient infrastructure network including highways, expressways and rail links etc. Improved roads network is the top most priority of the present government because it’s a critical element for good investment climate and is also a pre-condition for sustainable development.

The vast road network spread over the country provides easy access to the regions consists upon hilly/ mountain areas, far flung agriculture lands and natural/productive resources scattered all over the country. National highways provide easy and efficient means of transportation for moving goods from place to place and human being.

Total length of roads may be seen from Table 13.1 below:

Table 13.1: Estimated Length of Roads in Provinces (kms)

Years	Category	Punjab	Sindh	Khyber Pakhtunkhwa	Balochistan	GB & AJK	TOTAL
2009-10	Total	105,085	81,618	42,765	29,727	1,565	260,760
	Low Type	32,179	24,993	13,095	9,103	480	79,850
	High Type	72,906	56,625	29,670	20,624	1,085	180,910
2010-11	Total	105,253	80,625	42,550	29,500	1,535	259,463
	Low Type	32,147	24,000	13,000	9,000	450	78,597
	High Type	73,106	56,625	29,550	20,500	1,085	180,866
2011-12	Total	106,455	80,960	42,975	29,625	1,580	261,595
	Low Type	32,590	24,335	13,140	9,125	465	79,655
	High Type	73,865	56,625	29,835	20,500	1,115	181,940
2012-13	Total	107,805	81,385	42,980	29,655	1,590	263,415
	Low Type	33,090	24,685	13,140	9,130	470	80,515
	High Type	74,715	56,700	29,840	20,525	1,120	182,900
2013-14	Total	107,973	81,493	43,035	29,692	1,592	263,755
	Low Type	32,729	24,415	12,996	9,030	465	79,635
	High Type	75,214	57,078	30,039	20,662	1,127	184,120
2014-15	Total	107,992	81,543	43,072	29,742	1,593	263,942
	Low Type	32,428	24,215	12,846	8,930	460	78,879
	High Type	75,564	57,328	30,226	20,812	1,133	185,063

Source: National Transport Research Centre (NTRC)

National Highway Authority

To construct and maintain quality road network, NHA absolve its duty in a highly professional manners. Having scarce resources its management has established a vast network of highways, expressways and motor ways spread over thousands of Kilometers, connecting all parts/regions of the country. Transport sector in general and road infrastructure in particular has profound and enduring effect on the economic growth of Pakistan. NHA is rendering vital contribution in improving the quality of road network to bring about qualitative improvement in standard of living.

Pakistan is geographically bisected into two halves by River Indus. Eastern segment is historically well developed. To bring the Western segment at par with the Eastern half, NHA is improving East- West connectivity through construction of numerous bridges across river Indus in addition to investing and paying extra attention to the development of West.

The present NHA network comprises of 39 national highways, motorways, expressway, and strategic roads. Current length of this network is 12,131 km. NHA existing portfolio consists of 72 development projects costing Rs. 1,342 billion. Government allocated Rs.111.56 billion for NHA's development projects in PSDP 2014-15. The amount included Rs.35.133 billion foreign currency and Rs.76.430 billion in local currency components.

Ongoing Projects of NHA

Some significant ongoing projects are:

1. Faisalabad-Multan motorway (M-4)
2. Quetta – Chaman Section of N-25 (120 km)
3. Peshawar - Torkham section of N-5 (45 km)
4. Burhan-Havelian Expressway (59km) E-35
5. Gwadar-Turbat-Hoshab section of M-8 (200 km)
6. Hoshab-Nag-Basima-Surb section (459 km)N-85
7. Lowari Tunnel and Access Roads
8. Sehwan-Ratodero ACW (N-55)
9. Sukkur-Jacobabad (N-65)
10. Re-alignment of KKH at Attaabad
11. Flood Emergency Rehab Project
12. Peshawar Northern Bypass (E-2)
13. Overlay and Modernization of M-2

Completed Projects of NHA

Some major completed projects include the following:

1. Peshawar Northern Bypass (Package-I)
2. Faisalabad – Gojra section of M-4 (58 km)
3. Qila Saifullah-Zhob (N-50)
4. Khushal Garh bridge on N-80

5. Head Muhammadwala bridge over river Chenab
6. Railkot – Khujerab section (335 km) KKH
7. 6 Interchanges on Inner Ring Road Multan
8. Multan-Muzaffargarh (N-70)
9. Larkana-Naudero-lakhi Road
10. Sarkand-Benazirabad Dual Carriageway
11. Hyderabad-Badin Road to Mir Wah Sanjar Chang
12. Ghazi,Chuch & Col. Sher Khan Interchanges M-1.

During last five years, NHA has constructed/ rehabilitated about 1275 km roads all over the country. Province-wise break up is as follows:

Sr. No.	Province	Kms
1	Punjab	70
2	Sindh	235
3	Khyber Pakhtunkhwa	124
4	Balochistan	846
	Total	1275

NHA has completed 3 major river bridges during last five years, 3 major bridges on river Indus and 1 river Ravi and 1 on river Chenab are ongoing. Five bridges over river Indus and two over river Ravi are also planned to be constructed.

NHA has already constructed three segments of Trans-Pakistan Motorway network viz M-1 (Peshawar-Islamabad), M-2 (Islamabad-Lahore) and M-3 (Pindi Bhattian-Faisalabad) on a virgin corridor bringing remote areas on mainline and boosting economic activities. NHA is now constructing M-4 (Faisalabad-Khanewal-Multan). NHA has planned to embark on various programmes for construction of new roads/bridges and improvement/ rehabilitation of the existing infrastructure. NHA has also launched some of its projects through Public Private Partnership PPP/ BOT modes and is seeking local as well as foreign firms for investment.

To maintain smooth and safe movement of goods and passengers in healthy environment, a vast network of roads has been established by NHA. Now the government has planned to develop approximately 2,395 km long China-Pak Economic Corridor (CPEC) connecting Gwadar to Kashghar (China) and has also planned Karachi-Lahore Motorway (KLM) 6-lane controlled access. KLM is part of the CPEC Phase-I. Work has already been initiated on Burhan–Havelian Expressway and basic work for KLM to serve initially the Economic Corridor to ensure optimal utilization of existing network. Its strategic objectives also include opening hinder-land areas and will bring more population into the stream of benefits, which in turn will change the social complexion of people living around this corridor.

Major Upcoming Development Projects

- Construction of Karachi-Lahore Motorway (1147 kms) (To be constructed on BOT/EPC (Credit Financing/GOP funding basis)
- Improvement/Up-gradation of Thakot - Havelian section of KKH (120 Km) (through credit financing)
- Construction of Lahore Eastern Bypass (13.5 km)
- Construction of Lower Topa-Kohala 4-lane Expressway (48 Km)
- Construction of highway from Muzaffarabad to Taobult in Neelum Valley
- Construction of tunnel in Leepah valley
- Up-gradation of Jhaglot-Skardu Road, S-1 (163 Km)
- Qilla Saifullah-Loralai-Waigum Rud section of N-70 (124 Km)
- Zhob- Mughalkot section of N-50 (78 Km)
- Approach Road to New Islamabad International Airport (31.5 Km)
- M-9 – Conversion from 4-lane to 6-lane) Financial Close stage (136 km)(BOT).
- N-5/M-2 junction to Wah Underpass (20 km)- Concession finalization in process (20 km)(BOT)
- Rehabilitation of Multan – D.G. Khan section including Dualization of Muzaffargarh – D.G. Khan (80 km).
- Conversion of existing 4-lane -3 and Faisalabad –Gojra section of M-4 to 6-lane facility(BOT).

Metrobus Service - Rawalpindi–Islamabad

The rapidly growing population of the twin cities i.e. Rawalpindi – Islamabad needs modern and safe public transport service to provide relief/benefit to all segments of the society. In the near future it is estimated that total population of the twin cities will increase to 7.0 million from the current level of 4.5 million inhabitants. Traffic volumes of over 210,000 vehicles ply on three major corridors connecting the twin cities carrying around 525,000 passengers. It is estimated that public transport demand of around 153,000 passengers is required to cater on daily basis between the two cities.

The entire length 8.6 km of Metro Bus corridor in Rawalpindi area is elevated structure whereas about 14 km in Islamabad shall be at-grade but made signal-free by constructing grade separations at various intersections. Ten stations in Rawalpindi part and fourteen in the Islamabad part are provided along the corridor. Functional elements at the stations include ticketing booths, concourse level passenger transfer, escalators, platform screen doors turnstiles for automatic fare collection and all other amenities for passenger convenience.

13.2 Pakistan Railways

It's a fact that worldwide rail traffic has played an important role in social uplift and economic prosperity of nations. Similarly, Pakistan Railways has a definite edge over road transport for long haul and mass scale traffic movement both for passenger and freight in addition to providing a safe, economical and environment friendly mode of transport. An effective railway system of the country facilitates commerce and trade, reduces transportation costs, and promotes rural development and national integration. The network of Pakistan Railways comprises of 7,791 route kilometers, 452 Locomotives, 1,732 passengers coaches and 15,948 freight wagons.

Pakistan Railways is enduring the worst crisis since its formation mainly due to locomotive shortages.

Passenger and freight services substantially declined during the previous years. This is evident from the Table: 13.2 below that gross earning of Pakistan Railways has declined during the previous years due to over aged infrastructure and rolling stock, increase in fuel prices (high speed diesel), escalation of dollar exchange rate and a subsidized railway fare led to an increase in expenditure for sustained train operations. With the capping of over draft by Government of Pakistan in 2007, the finances required for increased maintenance cost could not be borne by the Railways. Finally, the sharp increase in the salary and pension led to diversion of all the revenue earnings to this obligatory payment at the cost of operational and maintenance requirements. Finance Division has committed to bear the expense of salary and pension thereon along with its impact of increase in future till the crisis is over. Government of Pakistan has allocated 39.566 billion in PSPD for the financial year 2014-15 for the development interventions in Pakistan Railways.

Table 13.2: Earning of Pakistan Railway

Fiscal Year	Earning (Rs in million)	% Change
2007-08	19,973	--
2008-09	23,160	16.0
2009-10	21,886	-5.5
2010-11	18,740	-14.4
2011-12	15,444	-17.5
2012-13	18,071	17.0
2013-14	22,800	26.2
2014-15 (July-March)	23,234	--

Source: Pakistan Railway

Table 13.3: Passenger and Freight Traffic

S.#	Subject	2011-12	2012-13	2013-14	2014-15 (July-March)
1	Number of Passenger Carried (Million)	41.100	41.957	47.690	38.68
2	Passenger Traffic Kms (Million)	16,093	17,388	19,778.560	14,485.94
3	Freight carried Tonnes (Million)	1.323	1.016	1.610	2.49
4	Freight Tonnes Kms (Million)	402	419	1,090.332	2,259.33
5	Gross Earning (Rs. Million)	15,444	18,070	22,800.217	23,233.93

Source: Pakistan Railway

New Initiatives

Ministry of Railways is taking following new initiatives to improve performance of Pakistan Railways and achieve tangible results:

i. In line with the government's vision 2025, for infrastructure development during the next ten years, Pakistan Railways is to undertake necessary steps to increase its share in the overall transport sector of Pakistan from 4 percent to 20 percent. Ministry of Railways is in the process of preparing Railway Strategic Plan (RSP) to operationalize the targets set in the vision which would provide a long term frame work for railway sector development in Pakistan.

ii. Revival of Railways Board is being actively pursued as part of overall reform agenda.

iii. Tariff is being regularly rationalized based on the market dynamics mainly to improve occupancy and increase revenue of Pakistan railways.

iv. Improve availability of locomotives through special repair of existing locomotives and procurement of new locomotives.

v. HSD Oil reserve remained low (sufficient for two days), which has been substantially enhanced to 12 days to streamline the train operation.

vi. To improve pension disbursement, automation system for pension payment has been introduced as a pilot project in Lahore and will be expanded to the entire railway system.

vii. Encouraging public-private partnership. Under the Public Private Partnership (PPP), Pakistan railways has started following trains between Lahore and Karachi from 3rd February 2012 to cater the needs of business community and general public.

S No	Train	Route
1	Business Express Train	Lahore-Khanewal-Lodhran-Karachi
2	Shalimar Express Train	Lahore-Faisalabad-Multan-Karachi
3	Night coach train	Lahore-Faisalabad-Multan-Karachi

viii. Pakistan Railway has also involved private sector in the management and operation of terminal facilities including dryports. Prem Nagar dryport Lahore is the first successful model of joint venture between Pakistan railways and two private parties.

ix. Real Estate Development & Marketing Company (REDMCO) has been established and registered with Security and Exchange Commission of Pakistan (SECP) with the aim to exploit the potential of railway land.

x. A comprehensive policy for disposal of surplus scrap has been introduced with the aim to improve financial position of railways through an open, fair and transparent process.

xi. Investment planning through a system approach rather than functioning in isolation is being pursued. Under this approach, investment in all the components of railways system including infrastructure development, rolling stock availability, business development and governance is being made. The strategy is expected to bring significant improvement in near future. Rationalization of projects by giving priority to implementable projects having visible impact on the performance of Pakistan Railways.

xii. Economic Corridor development and regional connectivity are important initiatives, which are expected to play vital role in national economic growth. Up gradation of Mainline-1 (ML1) and construction of dry port and cargo handling facility have been included, as Early Harvest Projects (EHP) under China-Pakistan Economic Corridor (CPEC) and preparatory work on these projects has been initiated on fast track basis.

xiii. Frame work agreement between the National Railway Administration, Government of the Peoples Republic of China and the Ministry of Railways, Government of the Islamic Republic of Pakistan on joint feasibility study for up-gradation of ML-I and Establishment of Havelian Dry Port of Pakistan Railways has been made on 20.04.2015.

xiv. The project titled "Infrastructure for e-Office at Ministry of Railways" is also being initiated.

xv. A new air-conditioned train with free meals, beddings, Wi-Fi, newspapers has been started from Islamabad to Karachi and back, called Green Line Train.

Achievements during the fiscal year 2014-15

Track

During 2014-15, 90 km of track was rehabilitated on the Pakistan Railway network besides doubling of 5 km track.

Rolling Stock

The project for procurement and assembling of 202 passenger coaches has been completed. Total 56 passenger coaches have been added and assembling material for 146 coaches have been received. Out of which 111 passenger coaches have been assembled till April 2015.

Locomotives

At present 175 locomotives are non-operational and are waiting for major repairs. Following initiatives are under way for rehabilitation of held up locomotives.

i. Rehabilitation of twenty seven held up locomotives (HGMU-30) of 3000 HP is being arranged through PSDP at a cost of Rs. 6284.0 million for which an agreement has been signed with M/S Electromotive Division USA. Out of 27 Locomotives, Ten (10) locomotives have been turned out for service.

ii. Special Repairs of 150 locomotives, to improve their reliability and performance, is also being carried out through PSDP at a cost of Rs.5005.031 million. So far 38 Locomotives rolled out during 2013-14 and 39 Locomotives have been turned out up to April, 2015.

iii. Procurement of 58 locomotives has been approved by ECNEC and contract awarded to M/s Ziyang, China in November, 2012. So far all 58 locomotives have been arrived in Pakistan.

iv. Tender for the Procurement of 55 Locomotives (4000-4500 HP) out of 75 locomotives is at advance stage and will be decided in near future.

v. Pilot project for manufacture of 5 Nos. 3000 HP DE Locomotives at Locomotive Factory, Risalpur: The contract agreement for manufacture of 05 Nos. 3000 HP DE Locomotives at Locomotive Factory, Risalpur has been signed with M/s CSR Ziyang, China and LC established. So far, 5 Locomotives have been turned out and the project will be completed up to June, 2015.

Box-2: China- Pakistan Economic Corridor (CPEC) Long Term Planning

China-Pakistan Economic Corridor (CPEC) marked a new phase in the development of the relationship by putting economic cooperation and connectivity squarely at the centre of the bilateral agenda. The aim of the MoU already signed during the recent visit of Chinese President is to cooperate in the planning and development of China-Pak Economic Corridor to facilitate and intensify economic activity along the corridor.

The CPEC is being conceived as a lynchpin of the plans by the two countries to deepen their economic cooperation. Early implementation of the CPEC would be transformational for Pakistan's economy and dovetail perfectly with China's strategy of developing its inland and western regions. China's interest in the project is also strategically driven by President Xi Jinping's visionary concept of integrating regions and countries across the globe under the Silk Road Economic Belt and the 21st Century Maritime Silk Road Initiative. It envisages deepening policy coordination amongst countries and regions, extending and improving infrastructure connectivity in all its forms-road, air, rail, telecommunications, energy etc. across regions, fostering trade and investment flows, and, last but not the least, enhancing people to people connectivity. CPEC fits naturally into this vision of a 'Road and Belt' with Gwadar and Karachi serving as its southern nodes and an outlet to the Arabian Sea and the Persian Gulf.

Thus, China-Pakistan Economic Corridor will provide an integrating platform for over three billion people in Central West and South Asia, the Middle East and Africa Regions. The increase in trade, investment and financial flows would bring peace and prosperity to the region through enhancement in the competitiveness of the economies of the countries, contribute to reducing regional disparities and social inequality, and improve life expectancy and quality of life in every country and in the regions.

For institutional arrangement and development of the CPEC, National Development and Reform Commission, China (NDRC) has constituted subsidiary Working Groups of the Joint Cooperation Committee (JCC-the

Ministerial level apex body under MoU) on Planning, Transport Infrastructure, Energy and Gwadar for which they have nominated their respective lead agencies for this work. Accordingly, Working Groups in these areas have been constituted on Pakistani side as well.

In August, 2014, during 3rd meeting of JCC meeting 21 projects in the energy sector valuing US$ 33.793 billion, 4 projects in the transport infrastructure sector valuing US$ 9.784 billion and 8 projects for Gwadar valuing US$ 0.793 billion were identified as early harvest prioritized projects.

An outline of the long term planning has been finalized containing on the basis of planning from the perspective of China and Pakistan, development goals, identifies key areas and major projects including spatial structure and functional zones, construction of an integrated transport system, IT connectivity, energy cooperation, industries and parks, agriculture development and poverty alleviation, cooperation in livelihood areas and people to people communications and financial cooperation.

Source: Ministry of Planning, Development & Reforms

13.3 Pakistan International Air Lines

The year 2014, can be termed as a year in which Pakistan International Airlines (PIA) embarked upon its mission of “Revival of PIA”. The management vigorously pursued modernizing and replacement of fleet, in order to bridge the capacity constraints faced by the Corporation, fuel efficient aircraft on wet and dry lease basis were acquired during the year, fleet modernization and capacity induction is the corner stone of the turnaround strategy. During the year, nine aged aircraft have been retired from operation due to their operational inefficiencies resultantly average age of the fleet has decreased to 14 years as compared to 17 years during prior period.

With the financing facility of EXIM Bank of USA, General Electric (GE) signed an agreement with PIA to overhaul and carry out maintenance of the engines of PIA Boeing Air Craft. The support financing amounted to US$ 55.0 million together with the Islamic Corporation for the Insurance of the Investment and Export Credit. Through this credit facility, GE will provide its services for provision of advanced, fuel efficient engines, over haul services and financing to lease air craft.

Impact of measures taken by the management posted a positive impact on passenger revenues and combined effect of increase in seat factor 72 percent and yield resulted in almost 8.8 percent increase in passenger revenue. Measures taken by the management included among others initiatives fleet modernization, route rationalization and steps toward cost cutting. Operations on loss making routes were discontinued and frequencies were increased on profitable routes. Revenues from charter business flourished with an increase of almost 50 percent. Despite an over increasing financial cost PIA was able to register a significant decline in its overall annual losses by more than Rs. 12.0 billion or by 38 percent compared with 2013. Total annual losses declined to Rs. 32.0 billion in 2014, as compared to Rs. 44.3 billion last year. The overall performance of PIA is given in the Table13.4 below:

Table 13.4: PIA Performance

Indicators	**Units**	**Year 2013**	**Year 2014**
Passenger Revenue	Rs. billion	78.4	90.39
PIA Fleet	No. of planes	34	34
Route	Kms	411,936	389,445
Available Seat	million Kms	17,412	16,536
Passenger Load Factor	in percent	70	72
Revenue Flown	000 Kms	63,144	61,389
Revenue Hours Flown	Hours	106,476	101,556
Revenue P Passengers Carried	000 nos.	4,449	4,202
Revenue Passengers	million Kms	12,237	11,903
Revenue Tonne	million Kms	1,351	1,241
Revenue Load Factor	in percent	55	52
Operating Revenue	**Rs. million**	**95,771**	**99,519**
Operating Expenses	Rs. million	126,164	118,084
Available Tonne	million Kms	2,471	2,396

Source: Civil Aviation Authority

13.4 Ports and Shipping

Pakistan National Shipping Corporation

At present, Pakistan National Shipping Corporation (PNSC) fleet comprises of 09 vessels of various type / size (05 Bulk carriers & 04 Aframax tankers) with a total deadweight capacity (cargo carrying capacity) of 681,806 metric tons i.e. highest ever carrying capacity.

Crude oil in time availability play important role in running the transport sector business and furnace oil have much more importance to keep the power plants in running position. PNSC has been providing transportation services for crude/furnace oil requirements to the country. Almost all of the total imports of crude oil are undertaken by PNSC except 1% which is handled by other sources. The Corporation is now actively working upon a plan to increase its tanker fleet size, particularly to carry processed fuel like fuel oil, high speed diesel oil, jet fuels, naphtha and gasoline.

To meet safe and reliable transportation requirement of Pakistan's strategic liquid cargo, PNSC presently is in process for acquisition of one second hand Aframax crude oil tanker to cater for most of the requirement of PSO under obligation of long term contract of affreightment. This tanker will be in addition to PNSC's existing tanker fleet of four Aframax tankers.

Despite a depressed shipping scenario worldwide, PNSC has not only been able to maintain but also improved its profitability. The Commercial and Financial performance (un-audited) breakup covering nine months activities from 1st July 2014-31st March 2015 of PNSC are given in Tables 13.5 and 13.6 below:-

Table 13.5: Cargo Lifted (million tonnes)

Years / Cargo Lifted	Liquid Cargo	Dry Cargo	Total (Dry + Liquid)
2011-12	7.7	2.6	10.3
2012-13	10.7	2.7	13.4
2013-14	11.3	2.0	13.3
2014-15 (July-Mar)	10.8	1.1	11.9

Source: Pakistan National Shipping Corporation

Table 13.6: Financial Performance (Rs. in billion)

Years	Revenues	Expenditures	Gross Profit
2011-12	8.9	6.8	2.1
2012-13	12.3	8.9	3.3
2013-14	15.7	14.0	1.7
2014-15 (July-Mar)	12.2	11.0	1.2

Source: Pakistan National Shipping Corporation

Karachi Port Trust

The Progress of business at Karachi Port Trust (KPT) is continuously progressing due to increased international trade with regional and international countries. During July-March 2014-15, KPT handled 32.133 million tons of import and export as compared to 30.676 million tons during comparable period of last year.

KPT consists of two wharves; the East and West Wharf. East wharf has 17 multipurpose berths and West wharf has 13 berths. Each of the wharves has two dedicated container terminal and oil piers to handle liquid cargo. KPT operation comprised upon 11.5 kilometers long approach channel, a depth of 12 meters and a turning basin of 600 meters. KPT provides safe navigation for vessels up to 75000 metric tons deadweight (DWT).

Total number of containership, bulk cargo ship, general cargo ships and oil tankers were 1278 in the last nine months of 2014-15 as compare to 1236 in the same period last year. Total volume of import exports is given in Table 13.7 below which presents a growth of 8.7 percent in its volume of business.

Table 13.7: Cargo Handled at Karachi Port Trust (000 tonnes)

Period	Exports	Imports	Total
2007-08	11,676	25,517	37,193
2008-09	13,365	25,367	38,732
2009-10	13,528	27,892	41,420
2010-11	12,843	28,589	41,432
2011-12	11,674	26,201	37,875
2012-13	12,150	26,700	38,850
2013-14	11,007	30,343	41.350
2014-15 (July-March)	7,810	24,323	32,133

Source: Karachi Port Trust

Port Qasim Authority (PQA)

Port Qasim is a second deep sea port of Pakistan which was established in the early days i.e. 1973. Port Qasim Authority handles 21.6 million tons of total cargo during the period July March 2014-15 which is 14 percent more than the business carried out during the same period last year.

The containerized cargo was 9.170 million tons (43 percent), Liquid cargo was 8.471 million tons (39 percent) and remaining 3.976 million tons (18 percent) was miscellaneous types of dry bulk/break bulk cargo.

PQA handled 0.716 million TEUs of container traffic in 2014-15. The growth in container traffic during the nine months of FY 2014-15 is 13.4 percent more than July-March 2013-14.

The volume of import cargo during July-March 2014-15 stood at 15.198 million tons, showing 16.2 percent higher than 13.084 million tons handled during corresponding period.

The exports handled 6.420 million tons during the current financial year 2014-15, as compared to 5.887 million tons handled during corresponding period 2013-14, registering an increase of 9.1 percent.

Total volume of business in different period carried out by PQA is given below in Table-13.8:-

Table- 13.8: Cargo Handled at Port Qasim (in 000 tonnes)

Period	Export	Import	Total
2007-08	4,922	21,502	26,424
2008-09	5,584	19,445	25,030
2009-10	6,380	19,226	25,626
2010-11	6,657	19,511	26,168
2011-12	5,950	18,075	24,025
2012-13	7,047	17,754	24,801
2013-14	7,699	18,076	25,772
2014-15 (July-March)	6,420	15,198	21,618

Source: Port Qasim Authority

Gwadar Port

Gwadar is the first free port city on the southwestern Arabian Sea coastline, in the Balochistan province of Pakistan. It is about 700 km from Karachi and 120 km from the Iranian border. Gwadar Port is located at the mouth of Persian Gulf, just outside the Strait of Hormuz, near the key shipping routes in and out of Persian Gulf. Gwadar Port is a strategic warm-water, deep-sea port and phase-1 of the port has been developed jointly by Government of Pakistan and the Government of China with a total cost of US$ 288.0 million, which was inaugurated in March, 2007.

Gwadar Port is fully functional with three multipurpose berths, each 200 meters in length dredged to 14.5 meters in depth, with a bulk carrier capacity of 50,000 DWT and 50,000 DWT container vessels. By 2055, it is anticipated that Gwadar Port will be the largest site of its kind in Pakistan, with a 50 km sea front and 10,000 hectares of utilized property.

In May 2013, the port's Concessional Rights were transferred from Port of Singapore Authority (PSA) to the new operator viz, China Overseas Ports Holding Company Ltd (COPHCL). The new operator has started "recovery "of existing available infrastructure and equipment on the port. COPHCL submitted Operational Plan' of the port in consultation with Gwadar Port Authority (GPA), which suggests a framework for the Port Business Plans as per the Concessional Agreement.

As per decision of government all bulk cargo comprising urea, wheat and coal will be imported through Gwadar Port. Since its completion in 2006, Gwadar Port has handled around 6.279 million metric tons of dry bulk cargo (imported wheat and urea only) from 175 ships.

Till date the port operations are given in Table:13.9.

Table 13.9: Total Import of Cargo at Gwadar Port

(Quantity in 000Tonnes)

No. of ships arrived	Type of Cargo	Quantity (000 Tones)
26	Wheat	963,609.1
149	Urea	5,315,525.1
Total: 175	Wheat + Urea	6,279,134.2

Source: Gwadar Port Authority

Under CPEC, the Gwadar Port is said to be strategically important to China because it will bring closer the Middle Eastern ports to China through Karakoram Highway (KKH) linking Gwadar with Kashgar. Under CPEC, Gwadar Port is considered as Gateway of CPEC, and Gwadar city as one of the pivot cities of the corridor. The first Special Economic Zone (SEZ) of CPEC is being developed in Gwadar city.

The government-to-government CPEC agreements have created bright prospects for optimum operationalization of Gwadar Port and harnessing the benefits of regional trade connectivity through this naturally deep-sea port by Pakistan, China, Central Asian Republics and Afghanistan.

To resolve the port connectivity with the highway network, "Gwadar Port Eastbay Expressway" project has now been agreed upon for funding under CPEC. The project has been approved by ECNEC at an estimated cost of Rs.14.00 billion and its execution has been started in 2015.

The proposed expressway will connect the Gwadar Port with the Mekran Coastal Highway, passing along the east bay of Gwadar City, with a total length of 18.98 Km, including 4.3 Km along-the-shore/ off-shore and 14.6 Km on-shore sections. A rail link along this expressway is also part of the project.

Gwadar Port Free Zone

Federal Government through PSDP has provided funds for acquisition of land to be handed over to the Concession Holder for establishment of Gwadar Port Free Zone (FZ). This would be the first Zone in Pakistan, spread over an area of 9.23 sq. km, adjacent to the Port. The land acquisition process has been completed and its execution will start during 2015 by the Gwadar Free Zone Company (a subsidiary of COPHCL). With the development of FZ the port throughout in transshipments and export / import will enhance significantly. The same time the Company is going to establish a large Exhibition Centre adjacent to the Port for display of Chinese and Pakistani products.

Investment Opportunities

Gwadar port, offers lots of opportunities to prospective investors that include, inter alia, port related infrastructure such as storage, warehouses etc.; hotels, motels, travel and tourism; industrial sector including but not restricted to seafood processing and export, dates processing and export; construction of office spaces etc.; social sector and other infrastructure projects; telecommunication, road network, construction of airport, railways, and special economic zone.

Chinese investors have taken keen interest in establishing "Marine Silk Route and establishment of heavy industries in the industrial zone".

ICBC-HBL also organized a 2-day "Invest Pakistan" conference on 2- 3 April 2015 at Suzhou (China) that was largely attended by Pakistani and Chinese industrialists, investors, government and public representatives. The focus of the event was mutual benefit, common prosperity and win-win approach in cooperation between the two countries. ICBC-HBL are working on the concept of development of Special Economic Zones in Punjab and Balochistan and the investors, especially the Chinese, are planning to establish a steel mill and a cement factory in Gwadar.

13.5 Communications

Telecom Sector of Pakistan

Pakistan Telecommunication Authority (PTA) has been entrusted with the responsibility to govern the development of telecom sector in Pakistan keeping in view the consumer interest while providing a level playing field for all the market players. During the year 2014-15, telecom sector of Pakistan achieved new heights of success after the launch of Next Generation Mobile Services (NGMS). PTA sustains on research in regulation, technical shrewdness, harmonizing competition and discharging its social responsibility with the patronage of the Government of Pakistan. PTA strives to

maintain a balance between smooth provision of latest telecom technologies, protecting telecom consumer interests and facilitating fair business concerns of the investors. PTA has also taken several measures to streamline the SIM sale process and implemented Biometric Verification System (BVS) at sales channels of Cellular Mobile Operators (CMOs) which is a landmark achievement in this regard. Working hand in hand with the telecom industry and under the patronage of Government of Pakistan, the telecom sector continued to perform well above expectations during the first two quarters of FY 2014-15.

During "Pakistan App Awards 2015" organized by PTA, it was recognized that implementation of telecom policy would have following far reaching impacts on the economy:

- Telecom services will contribute up to 1.4 percent of GDP by 2025.
- The active export of telecom sector will be enhanced from $ 1.4 billion to $ 4.0 billion by 2020.
- The proposed telecom policy envisaged increase in telecom revenue to Rs. 800 billion in next five years.
- National technology group of Saudi Arabia want to invest around $ 200 million in the sector.

International Recognition

PTA's efforts have been well appreciated for proliferation of telecom and ICT services in Pakistan by prestigious international forums. Since the auction of NGMS spectrum in April 2014, PTA has won many accolades within and outside Pakistan for not only conducting fair, transparent and efficient auction of NGMS spectrum but also for being proactive in meeting the present day challenges of the telecom industry.

In recognition of significant achievement of the Government of Pakistan and PTA in driving the growth and socio-economic impact of the mobile industry in the country, Pakistan was awarded with the prestigious "Spectrum for Mobile Broadband Award 2015" at the Mobile World Congress 2015 held in Barcelona, Spain. This award recognizes the governmental that demonstrates the most transparent and stable long term spectrum policy roadmap. After successful auction of 3G and 4G spectrums in April 2014, there has been a rapid uptake of 3G services, bringing significant benefits to consumers and the national economy thus providing huge growth potential for industry players including operators, device manufacturers, application developers and distributors. The rapid roll-out of 3G and 4G services is expected to boost growth and efficiency in all sectors including education, banking, media, health and retailing, and is a key enabler for innovative e-services such as e-medicine and e-education in rural and remote areas of Pakistan.

Pakistan Wins ITU Council Seat

Pakistan has won a seat on the ITU Council in the 19th ITU Plenipotentiary Conference held on 27th October, 2014 in Busan, South Korea which decided 12 members of the Radio Regulations Board (RRB) and 48 members of the ITU Council through an election. In the Asia and Australasia region, Pakistan secured its position with a total of 103 out of 167 votes.

The ITU Council is the nucleus of ITU's strategic and policy framework and its members are elected every four years. As a member of the ITU Council, Pakistan will be able to make substantial contributions towards shaping the future of information and communication technologies.

Chairman PTA, has been elected as Vice President of General Assembly of Asia Pacific Telecommunity (APT) for three years during the 13th Session of the APT General Assembly held from 25-26 November, 2014 at Yangon, Myanmar. APT is an Intergovernmental Organization that operates in conjunction with telecom service providers, manufacturers of communications equipment, and research and development organizations active in the field of communication, information and innovation technologies. The APT comprises of 38 member countries, with 4 associate and 131 affiliate members.

The Era of Next Generation Mobile Services (NGMS)

PTA concluded successful spectrum auction for NGMS Licenses on 23rd April, 2014 and soon 3G and 4G services were commercially

launched by all the cellular mobile operators in major cities of Pakistan.

Commercial Launch of NGMS Services

All four successful winners of spectrum auction for NGMS launched their commercial services of 3G at reasonable tariffs for both pre-paid and post-paid customers. Ufone and Telenor started 3G services in May 2014, followed by Zong in June 2014 and Mobilink in July 2014. The technological advancement continued with the commercial launch of 4G services by Zong on 27th September, 2014. Shortly after, Warid also started offering LTE commercial services on 26th December, 2014 in major cities of Pakistan. Hence, Pakistan has proudly joined the illustrious list of countries having commercial 4G LTE services being offered to their citizens. The long anticipated availability of broadband speeds on cellular handsets became an immediate phenomenon as the number of 3G and 4G LTE subscribers spiked instantly. According to latest available statistics, approximately one million 3G and 4G LTE subscriptions are being added by CMOs each month since the commercial launch of these services in Pakistan. The coverage area of 3G and 4G LTE services is also expanding to the major cities of Pakistan which means that the subscriptions will also expand in parallel with expanding coverage.

Auction of Unsold Spectrum

The unsold spectrum of 10 MHz in 1800 MHz band having base price of US$ 210 Million and 7.38 MHz spectrum in 850 MHz band with base price at US$ 291 Million in the last auction in April 2014 accounts for at least a total of US$ 501 Million. As per Government's Policy Directive dated 17th March 2014, no further related auction will be carried out for another 18 months from the date of the auction. However, for any spectrum and the license for a new Operator which has remained unsold in NGMS license auction in April 2014, PTA can hold an auction of the same as deemed appropriate. In this regard, PTA is in the process of hiring of international consultants for the market assessment and marketing of unsold spectrum and will plan the auction accordingly.

Streamlining the SIMs Sale and Authentication

PTA has been striving to develop effective mechanism for not only streamlining the new SIMs sale process but also to resolve the issue of existing unauthorized/unverified SIMs in the market. In order to stay ahead on both fronts, PTA took some radical steps in collaboration with CMOs and Law Enforcement Agencies (LEAs). It is expected that the effective implementation of the multiple initiatives undertaken by PTA will produce a clean, updated and verified pool of active SIMs in the near future.

Biometric Verification System (BVS) for SIMs

After successful implementation of BVS at sales channels across the country with effect from 1st August 2014, PTA continued to periodically assess the compliance status of CMOs on a bigger footprint during August 2014. The results revealed that SIMs were being issued and activated in line with PTA's Standard Operating Procedure (SOP). Implementation of BVS at the sales channels of CMOs is a significant landmark, wherein SIMs are sold and activated only after online verification of the purchaser's finger prints from NADRA. The roll out of BVS is expected to further strengthen the SIM sale process and facilitate the authentication of subscriber antecedents.

Monitoring of Sales Channels of CMOs

With a view to check compliance of SIMs per CNIC rule, PTA carried out a survey in November 2014. Moreover, a survey of Mobile Number Portability (MNP) through BVS was also conducted by PTA in December 2014 in addition to the MNP audit. The survey results were analyzed and observed anomalies were communicated to CMOs for remedial measures.

Biometric Re-Verification of SIMs

In order to eradicate the issue of unverified and unauthorized SIMs once and for all, PTA issued an SOP for SIM Re-verification as per directions of GoP, to be followed by all cellular operators to make sure that all SIMs are verified by 12th April, 2015. PTA devised the SIM Re-verification process in collaboration with Interior Ministry and cellular operators. A massive media campaign/SMS broadcast has been started for the customers to get their SIMs re-verified as per the given SOP. SIM re-verification process was carried out in two phases, as given below:

Phase-I:

From 12th January to 26th February, 2015, numbers to be re-verified; Three or more SIMs per CNIC per operator. Blocking Deadline; All un-verified numbers from this list were to be blocked on 27th February 2015.

Phase-II:

Starting from 27th February, 2015, numbers to be re-verified: One and 2 SIMs per CNIC per operator. Blocking Dead line: All un-verified numbers from this list were to be blocked on 12th April, 2015 at midnight.

A total of 48.7 million unique CNICs corresponding to 70 million SIM connections have been verified by CMOs.

Monitoring the health related effects of Radio Base Station Antennas

During the period under review, PTA along with FAB conducted an extensive survey at Lahore, Karachi, Muzaffarabad, Peshawar, Quetta, Rawalpindi/Islamabad to check the emission of power level from transmitters and receivers of Base Transceiver Stations (BTSs)/Towers installed by CMOs. The results revealed that power level of radio waves of all BTSs surveyed is much below the prescribed danger limits and in line with the policy directives of Ministry of IT & Telecom, World Health Organization (WHO) and International Commission on Non-Ionizing Radiation Protection (ICNIRP) guidelines.

Regulations for Technical Implementation of Mobile Banking

PTA was given mandated to prepare Regulations for Technical Implementation of Mobile Banking Services. To this end, a joint regulatory committee was formulated between State Bank of Pakistan (SBP) and PTA. The Committee prepared the draft mobile banking regulations and initiated an exhaustive consultative process with the stakeholders including MoIT, SBP, Cellular Mobile Operators (CMOs) and Financial Institutions (FIs). The draft regulations have clearly defined the rights and obligations of the CMOs in the case of one-to-one model and any-to-any model of mobile banking and the role of TPSPs in the provision of technical services of mobile banking to CMOs and FIs. The Regulations also contain sections on the arrangements for service level agreements, network conditioning and procedure for the award of TPSP license, consumer protection, awareness and dispute settlement mechanism.

Mobile Emergency Alert System

PTA in collaboration with Islamabad Police and mobile application developer Pure Push developed Mobile Emergency Alert System for Schools (MEASS) to ensure effective security of schools and hospitals situated in Islamabad Capital Territory (ICT).

Through this project, the access of Android based Smartphone application will be given to the administrative staff at different schools, colleges, universities and hospitals in the Capital city who will be able to send emergency alerts to get timely help from the Police. Islamabad Police will have direct control over the system and will ensure better use of latest technology in managing such matters. The triggers can be activated in situations like armed attack by anti state elements, bomb blast, kidnapping, fire, and other suspicious activities.

Monitoring the Quality of Service (QoS)

PTA monitors the quality of services being provided by the telecom licensees to the people of Pakistan on a regular basis. In this regard, PTA conducts periodic surveys of telecom operators. The survey results are then analyzed against the QoS parameters defined by PTA in telecom licenses and Regulations. Following surveys have been carried out by PTA in the period under review:

QoS Survey of Cellular Mobile Services

PTA carried out a drive test in seven (7) cities of Pakistan and AJ&K to verify the compliance of predefined Key Performance Indicators (KPIs) for all cellular mobile operators. The overall results of QoS survey were found to be satisfactory.

Broadband QoS Survey

PTA conducted nationwide broadband QoS Survey in metropolitan cities. The performance of different packages offered by operators was measured in different times. Three months' data of non-technical parameters i.e. response time of assistance service, billing and service

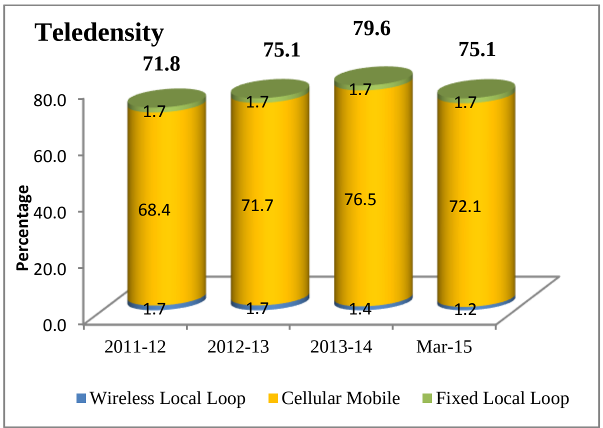
provisioning complaint resolution time etc was also analyzed. The survey results analysis revealed that by and large QoS performance of the broadband service providers can be rated as Good.

Telecom Economy

The first half of 2014-15 has brought many opportunities and challenges for the telecom industry in Pakistan. While the industry has witnessed a new wave of data growth driven by the launch of 3G and 4G networks and an outstanding response in terms of exponential growth in 3G and 4G subscribers, which has made Pakistan a success story at international arena, the implementation of BVS at sale channels in August 2014, re-verification of SIMs and restricted points for SIM sales have slowed down the pace of growth in cellular subscription.

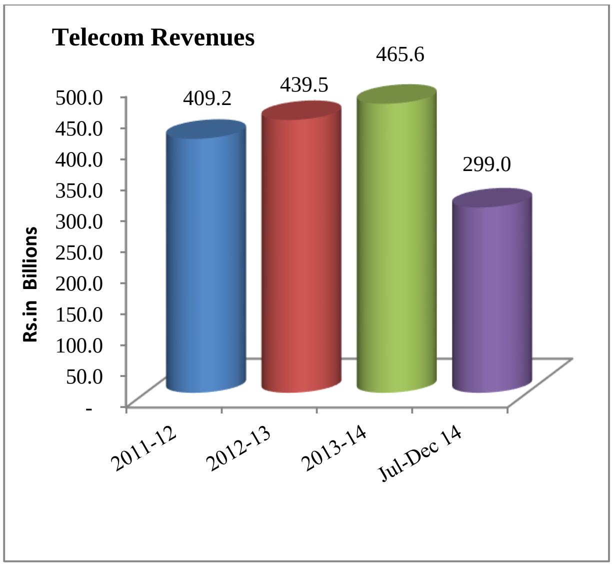
Teledensity

The total teledensity including cellular mobile, Local Loop (LL) and Wireless Local Loop (WLL) decreased to 75.2 percent at the end of March, 2015 compared to 79.6 percent at the end of June 2014, showing a decline of 5.5 percentage points. Consolidation of cellular subscriptions, resulting in a decline of 5.1 million cellular subscribers during July-March 2015, was the main contributor towards the overall decline of teledensity. Cellular mobile teledensity has witnessed decline of 4.4 percent points, reducing from 76.5 percent in Jun 2014 to 72.1 percent in March 2015. The WLL teledensity has also shown a slight decline of 0.2 percent points during July, 2014-March, 2015.



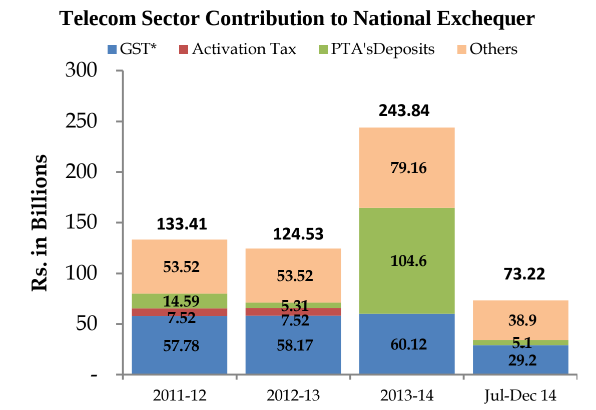
Telecom Revenues

Revenues from telecom sector reached an estimated Rs. 299 billion during the first two quarters of 2014-15. The commercial launch of 3G and 4G LTE services has opened new opportunities for revenue generation for the mobile operators. Availability of 3G and 4G services has enabled development of new applications and data base services, and people of Pakistan are quickly adopting to these new technologies and services. This has resulted in surge in data revenues of cellular mobile industry, reaching Rs. 37.3 billion during July-December, 2014 compared to Rs. 22.1 billion in July-December, 2013, showing an increase of 69 percent. Revenues are expected to further increase in the coming years as more subscribers are added into the 3G and 4G LTE fraternity, generating more data revenues of telecom industry.



Telecom Contribution to National Exchequer

Telecom sector is a significant source of revenue generation for the national exchequer. During the first two quarters of the 2014-15, telecom sector contributed Rs. 73.22 billion to the national exchequer in terms of taxes, regulatory fees, initial and annual license fees, activation tax, and other charges.



*** GST and other taxes are estimates.**
Source: Federal Board of Revenue and Pakistan Telecommunication Authority.
Note: PTA's contributions comprise of all its receipts including Initial and Annual License Fees, Annual Radio Frequency Spectrum Fee, Annual Spectrum Administrative Fee, USF and R&D Fund Contributions, APC for USF, Numbering Charges, License Application Fee, etc.Others include custom duties, WHT and other taxes.

Telecom Investment

The government liberalised investment policies allowing foreign investors in the telecommunications sector to own all the shares in a company and repatriate all of the profit. Such policies have attracted significant FDI in telecom sector over the last few years. In 2013-14, the auction of spectrum for 3G and 4G services in Pakistan and deployment of next generation cellular networks brought an investment of US$ 1790 million in the telecom sector. Due to the continuous an outstanding subscriber's response to the launch of 3G and 4G services in the country, cellular mobile operators are continuously expanding their next generation networks.

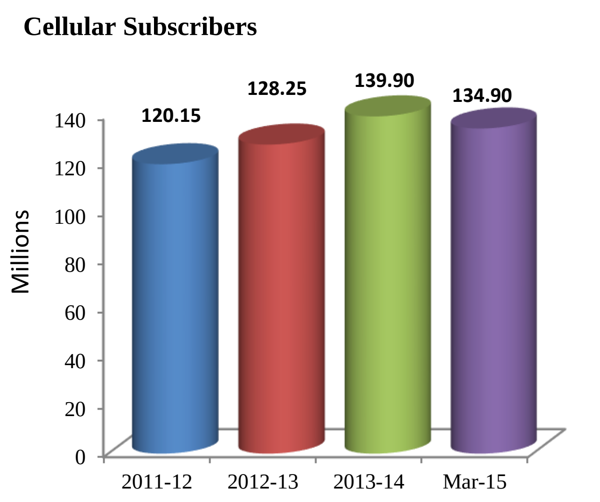
Telecom Investment US$ (Million)

	2011-12	2012-13	2013-14	Jul-Dec-14
Cellular	211.8	570.4	1,789.7	356.28
LDI	16.2	1.9	1.8	4.63
LL	5.0	16.1	14.2	1.93
WLL	7.3	11.9	10.0	4.45
Total	**240.3**	**600.3**	**1,815.6**	**367.29**

Due to these expansions, an investment of US$ 356.3 million has been witnessed in the cellular mobile sector during July-December 2014, There is another encouraging sign in the industry that FDI in telecom sector remained US$ 114.0 million during July-December, 2014 compared to net negative telecom FDI inflows in the corresponding period last year. The impetus of expanding 3G and 4G networks will continue the pace of investment in the telecom sector in coming months.

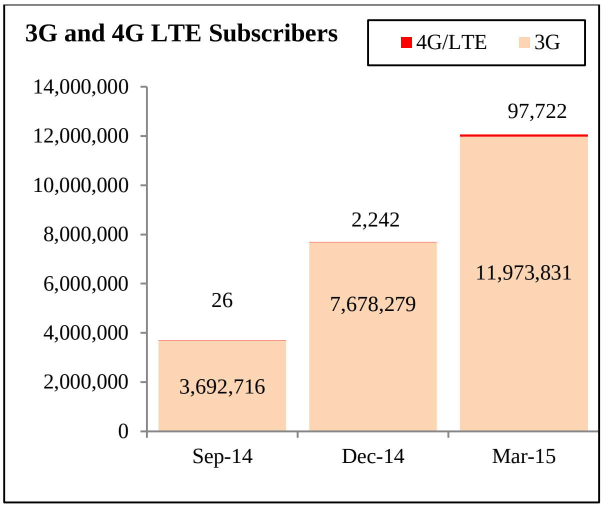
Cellular Subscribers

By the end of March 2015, the total number of mobile subscriptions in Pakistan reached 134.9 million with net decline of 3.5 million subscribers. Biometric SIM Verification was a massive exercise recently undertaken by the CMOs across Pakistan. On the one hand, it is a dire necessity of the present times but on the other hand, it will also have a major impact on the telecommunication statistics. Millions of mobile connections will be churned by every CMO with the resultant drop in teledensity and telecom subscribers.



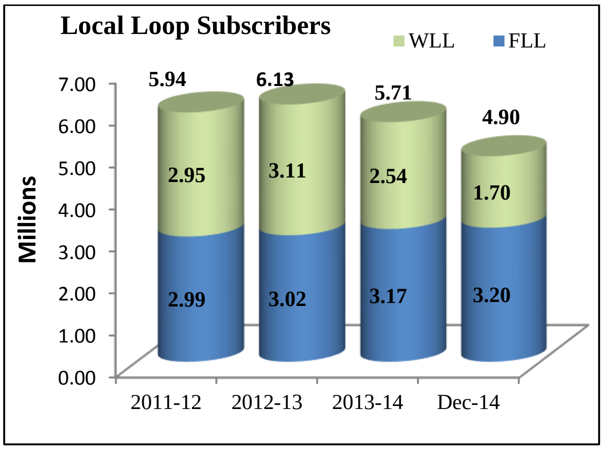
3G and 4G LTE Subscribers

After the commercial launch of 3G and 4G LTE services, the number of 3G and 4G LTE subscribers has been growing at a commendable pace. 3G and 4G LTE subscribers have sharply increased during the last ten months and have reached 12.1 million in March 2015. The 3G and 4G LTE subscribers constitute 8.9 percent of the total cellular subscriber base as of March-2015.



Local Loop Subscribers

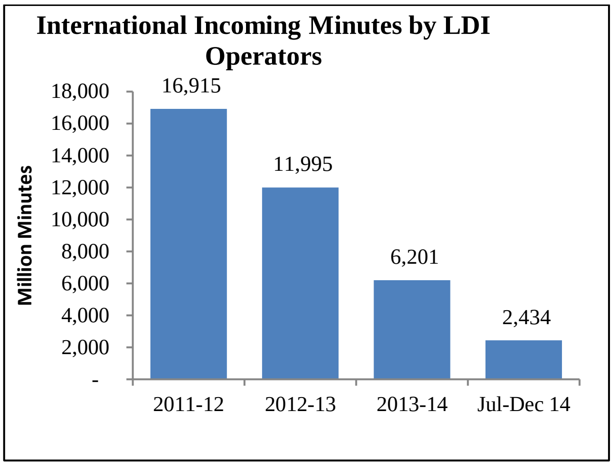
The subscriber base of local loop sector has reached 4.9 million at the end of December, 2014 as compared to 5.7 million as of June 2014. The overall subscriber base has decreased by 15 percent.



11. Long Distance & International (LDI)

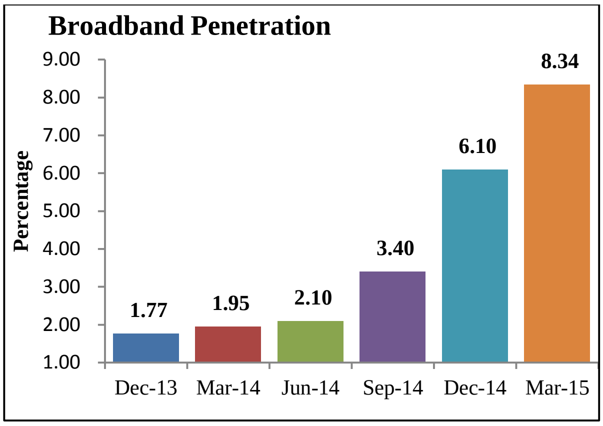
LDI is an important segment of the telecom sector as it serves as a gateway to international connectivity of Pakistan with the outside world. LDI services have been the centre of attention for the Authority due to continuous regulatory initiatives being undertaken to tackle grey traffic. Counter measures being introduced by the Government of Pakistan and PTA have been at the forefront of the telecom sector developments in the recent past with establishment and implementation of International Clearing House (ICH) regime in October, 2012; international incoming call rates were also increased. Due to this increased rate, inflow of foreign exchange and revenue per minute of ICH consortium initially increased. However, trend of increasing inflow of traffic could not be sustained as the increased call rates allowed growth of grey traffic which ultimately resulted in constant decrease in reported legal traffic. The deregulation of Approved Accounting Rate (ARR) and Approved Settlement Rate (ASR) on 24th February, 2015 is expected to stabilize Pakistan's international incoming traffic, curb the grey traffic, and increase revenues for the government.

The total international minutes (incoming and outgoing) stood at 3,495 million during July-December, 2014. This is due to decline in both the incoming and outgoing international traffic. It is evident that the outgoing traffic on LDI networks is sliding with every passing year/quarter as a total of 2,434 million minutes have been received by LDI operators during July to December, 2014.



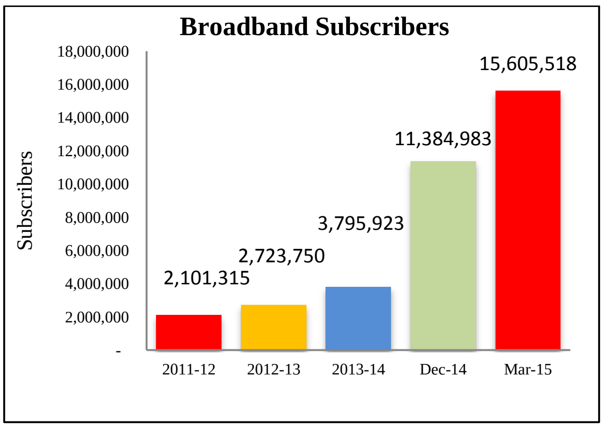
Broadband - Penetration

Broadband penetration of the country stands at 8.34 percent as of March, 2015 as compared to 1.95 percent at the end of corresponding period last year. This enormous jump in the broadband penetration can be attributed to the NGMS spectrum auction as mobile broadband leads the way in the total broadband subscriber base. As evident from the figure, an immediate spike in the broadband penetration can be observed in the quarter after the commercial launch of NGMS in the country. It is expected that mobile broadband will continue to form the major chunk of the broadband market and may also prove to be a catalyst for the other broadband technologies to prosper in the future.



Broadband Subscribers

Broadband subscribers stood at 15.6 million at the end of March, 2015 as compared to 3.8 million at the end of 2013-14, depicting 311 percent growth over the last nine months. The number of net subscriber additions in this period stood at 11,809,595 which is almost four times more than the entire broadband subscriber base till June, 2014. Most of the net additions are due to 3G and 4G subscribers which collectively form the figure of 12,071,553 while the fixed broadband subscribers (DSL, HFC, FTTH) have also added 140,087 subscribers during the period under review. On the other hand, fixed wireless subscribers (WiMAX, Satellite etc) dropped by 30,395 and EVO subscribers also declined by 371,650 during the first three quarters of 2014-15. This disparity in subscriber addition highlights the substitution effect of NGMS on the other wireless broadband technologies. In order to further provide impetus to the broadband sector, synergy of various elements is required. Therefore, external factors also need to be addressed which include affordability of general public, education level, computer literacy, religious and cultural views regarding objectionable content on internet and lack of localized content.



13.6 Electronic Media in Pakistan

13.6-A Pakistan Electronic Media Regulatory Authority (PEMRA)

PEMRA is primarily mandated through March, 2002 Ordinance for licensing and regulating the establishment and operation of all broadcast media (satellite TV & FM radio) and distribution services (Cable TV, DTH, IPTV, Mobile TV etc.) throughout the country.

The law was later on revamped as PEMRA Amendment Act-2007. Apart from licensing PEMRA mandate further includes:

- To improve the standards of information education and entertainment;
- Enlarge the choice available to the people of Pakistan in media for news, current affairs, religious knowledge, art, culture, science, technology, economic development, social sector concerns, music, sports, drama and other subjects of public and national interest;
- Facilitate the devolution of responsibility and power to the grass roots by improving the access of people to mass media at local and community level;
- Ensure accountability, transparency and good governance by optimizing the free flow of information;

Present Status of Private Electronic Media

In a span of 13 years the country has witnessed a massive spurt in the number of TV channels and FM radio stations in the private sector which, unmatched in the South Asian region and perhaps elsewhere. This boom is owed to the government's unequivocal commitment to a free media and the proactive role played by PEMRA in facilitating the growth of the electronic media. The unprecedented growth of TV channels, Cable TV and launch of FM radio stations has indeed contributed remarkably in raising the standards of public awareness and literacy, a glance at the following facts and figures on licensing of media amply substantiates the massive growth which has taken place in electronic media in the private sector in the last thirteen years. The details are given in Table 13.12 below:-

Table 13.12: PEMRA Performance

S. No.	Category	Number of licenses Issued
i.	Satellite TV Channels	91
ii.	Landing Rights Permission to TV Channels	27
iii.	FM Radio licenses	200
iv.	Cable TV Licenses	3,659
v.	Multimedia, Multi Channels Distribution System (MMDS)	06
vi.	Internet Protocol Television (IPTV)	01
vii	Mobile TV License	04
viii.	Mobile Audio Licenses	02

Source: Pakistan Electronic Media Regulatory Authority (PEMRA)

Table 13.13: Licensing in July2014 to May 2015

S. No.	Category	No. of licenses
i.	Landing Rights Permission to TV Channels	01
ii.	FM Radio licenses.	07
iii.	Cable TV Licenses	30

Source: Pakistan Electronic Media Regulatory Authority (PEMRA)

Economic Contribution

Due to the government's investment friendly policies the country has witnessed a remarkable economic growth particularly over the last five years. The overall national growth has been conductive for the development of the electronic media industry in the private sector. According to estimates there has been a cumulative investment of approximately US$ 3.500 billion in the electronic media industry in Pakistan. Electronic media sector has generated direct employment for more-than 200,000 people of diversified skills and qualifications. Going forward the estimated cumulative investment in the electronic media industry will reach nearly US$ 4.0 billion by the end of the current financial year. This expansion in investment would in turn have multiplier effect on increasing job opportunities for skilled media personnel and journalists, expanding work of media production houses, advertising agencies and proliferation of the performing arts.

13.6-B Pakistan Television Corporation Limited

Pakistan Television Corporation Limited (PTV) is the only public sector broadcasting centre which telecast national programmes to remote and economically backward areas of the country in order to keep the people of remote areas aware of about the current affairs of the country as well as the whole world. It can also provide different entertainment, education and sports programmes to the people enabling them to uplift their socio-economic conditions, to eliminate the existing disparity.

At present 7 multiple channels are broadcasting its different programmes through PTV world, PTV News, PTV Home, PTV Bolan, PTV Sports, PTV National and PTV Global. The only English News Channel in Pakistan telecasting the information about Pakistan domestically as well as internationally has been launched by PTV.

PTV has also established a TV Channel in AJK with one TV Centre, and with four Rebroadcast Centers at Kotli, RawalaKot, Bagh and Bhimber.

Due to distinctive culture and historical heritage of Saraki region a separate TV centre has been established at Multan to project the socio uplift of this particular region, with particular focus on telecasting saraki programmes.

Modernization of the broadcasting system is need of hour and PTV management has planned to modernize its technical facilities & electronic equipments during 2014-15 to enhance the coverage of area and population. It has improved a lot its programmes of infotainment, news, current affairs and sports on various channels.

Digitalization of PTV Signals with Collaboration of China

During the visit of Chinese's President to

Pakistan an MoU has been signed between NDRC on behalf of the People,s Republic of China and Ministry of Information, Broadcasting & National Heeritage on behalf of the Islamic Republic of Pakistan to harvest the benefit of the project of Digital Terrestrial Multimedia Broadcasting (DTMB) technology. A pilot project for transition/migration to digital transmission system has been established at RBS Murree by M/s ZTE Corporation for demonstration of PTV's Terrestrial network. If this DTMB pilot project validated qualitatively & quantitatively, the Government of Pakistan will adopt this technology under Grant-in-Aid from China.

13.6-C Pakistan Broadcasting Corporation

Pakistan Broadcasting Corporation, Central News Organization (CNO), highlighted Prime Minister's, Finance Minister and other Federal Ministers speeches and policy statements regarding economic development of the country and its trickle down effects on the masses. The economic policy of the present government yielded positive results including improvement in the living standard of the masses due to reduction of prices of items of daily use. It was covered in all the bulletins and through Current Affairs Programmes. Interviews of political and prominent personalities of civil society and journalists were also broadcasts from Current Affairs Channel.

Speeches/interviews and statements of Finance and the Federal Ministers were also widely covered in all the bulletins with a view to inform the masses about low inflation rate due to the prudent policies of the federal government.

Coverage was given to Prime Minister's Youth Loan Programme, Benazir Income Support Programme and announcement regarding introduction of new Internship for Post-Graduate students and surging of stock market and foreign reserves in our National and Business bulletins. Special interviews/talks were also held by our News and Current Affairs Channel.

Radio Pakistan, in all its programmes highlights government's energy generation projects in all its bulletins regarding elimination of Gas and electricity load shedding in the country as well as in industrial units.

Central News Organization (CNO) also highlighted present government's agreements with China on establishing economic corridor and energy projects through its bulletins and News and Current Affairs Channel.

Being a popular media among the rural masses, Radio Pakistan ensures projection of government policy for enhancing agriculture yield and latest development in the agriculture sector.

Achievements and sacrifices of Pakistan Army and Law Enforcement Agencies in fight against militants and anti-state elements were highlighted by PBC with full spirit as a national cause under the scope of "National Action Plan". Wide-spread microphone publicity was given in this regard.

PBC conducted a comprehensive campaign for Rehabilitation/Re-settlement of IDPs and Operation Zarb-e-Azb from 22 Stations of FM-93, 9 channels of FM-101 and 26 channels of MW national network of PBC.

13.7 Pakistan Post Office

Counter Automation System

Quick communication system is must for prosper business and rapid economic development of any country. Pakistan Post Office is engaged to modernize its services in such a way to ensure quick delivery/transfer facilities to the citizens of the country. Throughout the country over one hundred GPOs including renovated post offices / sub offices have already been provided with counter computerization facility for the better service quality to the customers through a LAN based system.

Centralized Software Solution for Financial Services

An Industry standard-off the shelf solution "Riposte Essentials" from M/s Escher Group has been implemented. Currently, Electronic Money Order Service (EMOs), Online Computerized collection of all utility bills through Centralized Software Solution Child

Support Programme and BISP Services has been implemented at the 83 automated GPOs. While rollout of Military Pension Payment System in more than 72 GPOs have been implemented too. However, Savings Bank and PT Services are in customization stage which will soon be implemented in 83 GPOs.

Computerized Pension Payment System

Over 1.4 million pensioners has been disbursing pension from Pakistan Post through computerization of military pension payment system which is available at all GPOs. The pensioners are receiving the pension in a hassle free environment. Pakistan Post is also disbursing pension to over 40,000 PTCL pensioners every month. In an effort to streamline payment of pension to PTCL pensioners, Pakistan Post has developed a separate system for PTCL pension disbursement. The same has been rolled out over 83 GPOs.

Achievements of Saving Bank

Pakistan Post has been doing the work of saving bank as an agency functioning on behalf of the Ministry of Finance under the Government Savings Bank Act 1873 on commission basis. During the period July-2014 to March-2015 an amount of Rs.126 million has been collected through National Savings Schemes and under this scheme earned commission amounting to Rs. 630 million during this period.

Computerized PTCL Pension Payment System

The Pakistan Telecommunications Employees Trust (PTET) in a joint effort with Pakistan Post has developed Computerized PTCL Pension Disbursement System. This system facilitates the GPOs for the particular and amount of payment of each & every pensioner.

This system eliminates the manual filing of pension payment form (No. Code-15) voucher and now the same is auto generated by the system.

The System automatically updates the record of PTET, once the payment of pension is disbursed to the PTCL pensioner. Disbursement software of PTCL pension has been deployed at GPOs.

Western Union Money Remittance Business

During July- March 2014-2015, Pakistan Post has received the foreign remittances amounting to US$ 60.972 million equivalent to Rs.6114.912 million.

Benazir Income Support Programme (BISP)

A Complete web-enabled tracking and monitoring system for disbursement of funds for Benazir Income Support Programme (BISP) has been evolved that include continuous processing, monitoring and reconciliation of the specialized money orders scheme. The same is implemented at all 83 automated GPOs throughout Pakistan. Over 46.5 million money orders have been issued up to 31st March 2014 and an amount of around Rs. 120.442 billion has been disbursed. During July to March, 2014-2015 total 906,666 BISP money orders along with required funds for Rs.3.819 billion were received from BISP authorities, out of which 65 percentage Money Orders amounting to Rs.2.0 billion have been paid within prescribed period of time.

International Postal Services

Pakistan Post has mail links with all countries of the world except Israel. Exchange of mail is carried under rules and regulations of the Universal Postal Union. Direct mail links exists with 165 countries for the rest mail is exchanged by utilizing the transit facilities of intermediary countries.

Achievements in International Postal Services

Pakistan Post dispatches more volume of mail than it receives for delivery. Thus it always remains net-creditor. Pakistan post received an amount of Rs.33.625 million during the period from July to March 2014-15 on account of Terminal Dues for imbalance of international mails received from dispatched to other countries.

First Micro Finance Banking (FMFB)

Pakistan Post has collaborated with First Micro Finance Bank (FMFB) in Micro Financing for disbursement of loans and its recovery to general public in four regions i.e. Lahore, Multan, Hyderabad and Sukkur. Pakistan Post has earned following revenue from this scheme during July-2014- March 2015.

	(Rs. in million)
Amount Disbursed	541.67
Amount Recovered	407.11
PPO Commission 0.5 percent on disbursement & recovered Loans Including Rent Charges	1.39

Postal Life Insurance (PLI)

Postal Life Insurance has issued the 424,306 total policies upto March 2015 against policies issued 409, 988 upto March 2014. The sum assured amounting to Rs. 65,178,912 million upto March 2015 against Rs. 59,444.6 upto March 2014.

Total PLI Policies (No. in million)

	2013-14	2014-15
No. of fresh Policies Issued	409,988.0	424,306
Premium Income	2,178.8	2,989,532
Sum Assured	59,444.6	65,178,912

Philately

Following Commemorative Postage Stamps have been issued in the given period.

S. No.	Celebrities	Date	Rate
1	Issuance of Commemorative Postage Stamp on 100 years of Frontier Constabulary	11-7-2014	Rs.08/-
2	Issuance of Commemorative Postage Stamp on 100 years of Sahiwal Breed Conservation (1914-2014)	05-08-2014	Rs.08/-
3	Issuance of Commemorative Postage Stamp on one nation –One Vision Pakistan - 2015	11-8-2014	Rs.10/-
4	Issuance of Commemorative Postage Stamp on 100 birth day anniversary of Norma E. Borlaug	4-12-2014	Rs.08/-
5	Issuance of Commemorative Postage Stamp on “Say no to corruption” International Anti Corruption Day.	9-12-2014	Rs.08/-
6	Issuance of Special Postage Stamp GEMS & Minerals of Pakistan	11-12-2014	Rs.08/- Each design
7	Issuance of Commemorative Postage Stamp on 14th National Scout Jamboree	23-12-2014	Rs.08/-
8	Issuance of Commemorative Postage Stamp on joint issue Pakistan Ukraine monuments of Ancient Cultures and Special Souvenir Sheet	25-12-2014	Rs. 20/- Each design
9	Issuance of Commemorative Postage Stamp on 100th death Anniversary of Moulana Altaf Hussain Hali (1914-2014)	31-12-2014	Rs.08/-

The detail of Rural & Urban Post Offices is as under:

Urban	Rural	Total
1813	10264	12077

Conclusion

Transport and Communication network of any country is of vital importance to its development and affects all sectors through sectors linkages. It ensures safe and timely travel, encourages business activities and cuts down transportation costs while granting products access to markets for their disposal. A reliable transport and communication network also provides swift access to labour force and hence generates employment opportunities. It has been widely recognized that economies with better road and communication networks are positioned more advantageously in terms of overall competitiveness as compared to economies having poor networks. Reliable and large transportation and telecommunication facilities benefits industry, agriculture, and other services sectors as well as improving the standards of living of the general public. It is the need of time to make timely investment to develop and maintain an efficient network of transportation and telecommunication facilities to ensure cost efficient integration of markets both domestically and internationally which the present government is doing. In this respect Vision 2025 emphasis on efficient and integrated transport & communication network that can ensure safety in mobility, effective connectivity between urban-rural areas, reduction in transportation cost and high capacity transportation corridor connectivity among major trading partners of the region.

Transport and Communications

Introduction

Modern transport & communication sector not only play an important role in boosting the economic activities in the country but also benefitted from globalization through linked routes. Pakistan can harvest this opportunity due to its geographic position in the region through modern communication network. Most emerging economies of the world are transforming their economies towards communication and IT knowledge.

Efficient transport and communication network is not only pre-requisite for economic development but play a key role in economic integration of the country. This sector has direct and indirect links with all important sectors of the economy, which influence directly social and economic prosperity of the people. An efficient transport system contribute to economic growth by lowering production cost through timely delivery of raw materials of agriculture sector to the market and making timely delivery to manufacturing sector thus enhancing economies of scale in the production process and creating economic opportunities through communication links among urban-rural population. It directly provides sufficient employment opportunities to the lower class of the society, whom otherwise cannot find job opportunities due to lack of education.

Although Pakistan has a vast network of highways, rail links, airline service and modern seaports but the present government seems determined to further expand the existing network by adding sections of highways, motorways and also planning to add a sizable length of modern rail links to the existing facilities. Pakistan Vision 2025, assign great emphasis to modernize transport infrastructure to ensure economy in transportation cost, safety in mobility, effective connectivity between rural areas and markets/urban centres, integrated network between economic hubs, as well high capacity transportation corridors connecting between major regional trading partners. High road density of any country is an indicator of the level of prosperity and development. Therefore, it has been projected to raise road density to the level of 0.45 km/sq. km by 2018 against the existing 0.33 km/sq. km density level which will increase the existing road network from around 263,942 km to 358,000 km.

13.1 Road Transport

The nature has bestowed the country with vast plains spread over from Karachi to Peshawar and Lahore, which in return pave the way for building most feasible and efficient infrastructure network including highways, expressways and rail links etc. Improved roads network is the top most priority of the present government because it’s a critical element for good investment climate and is also a pre-condition for sustainable development.

The vast road network spread over the country provides easy access to the regions consists upon hilly/ mountain areas, far flung agriculture lands and natural/productive resources scattered all over the country. National highways provide easy and efficient means of transportation for moving goods from place to place and human being.

Total length of roads may be seen from Table 13.1 below:

Table 13.1: Estimated Length of Roads in Provinces (kms)

Years	Category	Punjab	Sindh	Khyber Pakhtunkhwa	Balochistan	GB & AJK	TOTAL
2009-10	Total	105,085	81,618	42,765	29,727	1,565	260,760
	Low Type	32,179	24,993	13,095	9,103	480	79,850
	High Type	72,906	56,625	29,670	20,624	1,085	180,910
2010-11	Total	105,253	80,625	42,550	29,500	1,535	259,463
	Low Type	32,147	24,000	13,000	9,000	450	78,597
	High Type	73,106	56,625	29,550	20,500	1,085	180,866
2011-12	Total	106,455	80,960	42,975	29,625	1,580	261,595
	Low Type	32,590	24,335	13,140	9,125	465	79,655
	High Type	73,865	56,625	29,835	20,500	1,115	181,940
2012-13	Total	107,805	81,385	42,980	29,655	1,590	263,415
	Low Type	33,090	24,685	13,140	9,130	470	80,515
	High Type	74,715	56,700	29,840	20,525	1,120	182,900
2013-14	Total	107,973	81,493	43,035	29,692	1,592	263,755
	Low Type	32,729	24,415	12,996	9,030	465	79,635
	High Type	75,214	57,078	30,039	20,662	1,127	184,120
2014-15	Total	107,992	81,543	43,072	29,742	1,593	263,942
	Low Type	32,428	24,215	12,846	8,930	460	78,879
	High Type	75,564	57,328	30,226	20,812	1,133	185,063

Source: National Transport Research Centre (NTRC)

National Highway Authority

To construct and maintain quality road network, NHA absolve its duty in a highly professional manners. Having scarce resources its management has established a vast network of highways, expressways and motor ways spread over thousands of Kilometers, connecting all parts/regions of the country. Transport sector in general and road infrastructure in particular has profound and enduring effect on the economic growth of Pakistan. NHA is rendering vital contribution in improving the quality of road network to bring about qualitative improvement in standard of living.

Pakistan is geographically bisected into two halves by River Indus. Eastern segment is historically well developed. To bring the Western segment at par with the Eastern half, NHA is improving East- West connectivity through construction of numerous bridges across river Indus in addition to investing and paying extra attention to the development of West.

The present NHA network comprises of 39 national highways, motorways, expressway, and strategic roads. Current length of this network is 12,131 km. NHA existing portfolio consists of 72 development projects costing Rs. 1,342 billion. Government allocated Rs.111.56 billion for NHA's development projects in PSDP 2014-15. The amount included Rs.35.133 billion foreign currency and Rs.76.430 billion in local currency components.

Ongoing Projects of NHA

Some significant ongoing projects are:

1. Faisalabad-Multan motorway (M-4)
2. Quetta – Chaman Section of N-25 (120 km)
3. Peshawar - Torkham section of N-5 (45 km)
4. Burhan-Havelian Expressway (59km) E-35
5. Gwadar-Turbat-Hoshab section of M-8 (200 km)
6. Hoshab-Nag-Basima-Surb section (459 km)N-85
7. Lowari Tunnel and Access Roads
8. Sehwan-Ratodero ACW (N-55)
9. Sukkur-Jacobabad (N-65)
10. Re-alignment of KKH at Attaabad
11. Flood Emergency Rehab Project
12. Peshawar Northern Bypass (E-2)
13. Overlay and Modernization of M-2

Completed Projects of NHA

Some major completed projects include the following:

1. Peshawar Northern Bypass (Package-I)
2. Faisalabad – Gojra section of M-4 (58 km)
3. Qila Saifullah-Zhob (N-50)
4. Khushal Garh bridge on N-80

5. Head Muhammadwala bridge over river Chenab
6. Railkot – Khujerab section (335 km) KKH
7. 6 Interchanges on Inner Ring Road Multan
8. Multan-Muzaffargarh (N-70)
9. Larkana-Naudero-lakhi Road
10. Sarkand-Benazirabad Dual Carriageway
11. Hyderabad-Badin Road to Mir Wah Sanjar Chang
12. Ghazi,Chuch & Col. Sher Khan Interchanges M-1.

During last five years, NHA has constructed/ rehabilitated about 1275 km roads all over the country. Province-wise break up is as follows:

Sr. No.	Province	Kms
1	Punjab	70
2	Sindh	235
3	Khyber Pakhtunkhwa	124
4	Balochistan	846
	Total	1275

NHA has completed 3 major river bridges during last five years, 3 major bridges on river Indus and 1 river Ravi and 1 on river Chenab are ongoing. Five bridges over river Indus and two over river Ravi are also planned to be constructed.

NHA has already constructed three segments of Trans-Pakistan Motorway network viz M-1 (Peshawar-Islamabad), M-2 (Islamabad-Lahore) and M-3 (Pindi Bhattian-Faisalabad) on a virgin corridor bringing remote areas on mainline and boosting economic activities. NHA is now constructing M-4 (Faisalabad-Khanewal-Multan). NHA has planned to embark on various programmes for construction of new roads/bridges and improvement/ rehabilitation of the existing infrastructure. NHA has also launched some of its projects through Public Private Partnership PPP/ BOT modes and is seeking local as well as foreign firms for investment.

To maintain smooth and safe movement of goods and passengers in healthy environment, a vast network of roads has been established by NHA. Now the government has planned to develop approximately 2,395 km long China-Pak Economic Corridor (CPEC) connecting Gwadar to Kashghar (China) and has also planned Karachi-Lahore Motorway (KLM) 6-lane controlled access. KLM is part of the CPEC Phase-I. Work has already been initiated on Burhan–Havelian Expressway and basic work for KLM to serve initially the Economic Corridor to ensure optimal utilization of existing network. Its strategic objectives also include opening hinder-land areas and will bring more population into the stream of benefits, which in turn will change the social complexion of people living around this corridor.

Major Upcoming Development Projects

- Construction of Karachi-Lahore Motorway (1147 kms) (To be constructed on BOT/EPC (Credit Financing/GOP funding basis)
- Improvement/Up-gradation of Thakot - Havelian section of KKH (120 Km) (through credit financing)
- Construction of Lahore Eastern Bypass (13.5 km)
- Construction of Lower Topa-Kohala 4-lane Expressway (48 Km)
- Construction of highway from Muzaffarabad to Taobult in Neelum Valley
- Construction of tunnel in Leepah valley
- Up-gradation of Jhaglot-Skardu Road, S-1 (163 Km)
- Qilla Saifullah-Loralai-Waigum Rud section of N-70 (124 Km)
- Zhob- Mughalkot section of N-50 (78 Km)
- Approach Road to New Islamabad International Airport (31.5 Km)
- M-9 – Conversion from 4-lane to 6-lane) Financial Close stage (136 km)(BOT).
- N-5/M-2 junction to Wah Underpass (20 km)- Concession finalization in process (20 km)(BOT)
- Rehabilitation of Multan – D.G. Khan section including Dualization of Muzaffargarh – D.G. Khan (80 km).
- Conversion of existing 4-lane -3 and Faisalabad –Gojra section of M-4 to 6-lane facility(BOT).

Metrobus Service - Rawalpindi–Islamabad

The rapidly growing population of the twin cities i.e. Rawalpindi – Islamabad needs modern and safe public transport service to provide relief/benefit to all segments of the society. In the near future it is estimated that total population of the twin cities will increase to 7.0 million from the current level of 4.5 million inhabitants. Traffic volumes of over 210,000 vehicles ply on three major corridors connecting the twin cities carrying around 525,000 passengers. It is estimated that public transport demand of around 153,000 passengers is required to cater on daily basis between the two cities.

The entire length 8.6 km of Metro Bus corridor in Rawalpindi area is elevated structure whereas about 14 km in Islamabad shall be at-grade but made signal-free by constructing grade separations at various intersections. Ten stations in Rawalpindi part and fourteen in the Islamabad part are provided along the corridor. Functional elements at the stations include ticketing booths, concourse level passenger transfer, escalators, platform screen doors turnstiles for automatic fare collection and all other amenities for passenger convenience.

13.2 Pakistan Railways

It's a fact that worldwide rail traffic has played an important role in social uplift and economic prosperity of nations. Similarly, Pakistan Railways has a definite edge over road transport for long haul and mass scale traffic movement both for passenger and freight in addition to providing a safe, economical and environment friendly mode of transport. An effective railway system of the country facilitates commerce and trade, reduces transportation costs, and promotes rural development and national integration. The network of Pakistan Railways comprises of 7,791 route kilometers, 452 Locomotives, 1,732 passengers coaches and 15,948 freight wagons.

Pakistan Railways is enduring the worst crisis since its formation mainly due to locomotive shortages.

Passenger and freight services substantially declined during the previous years. This is evident from the Table: 13.2 below that gross earning of Pakistan Railways has declined during the previous years due to over aged infrastructure and rolling stock, increase in fuel prices (high speed diesel), escalation of dollar exchange rate and a subsidized railway fare led to an increase in expenditure for sustained train operations. With the capping of over draft by Government of Pakistan in 2007, the finances required for increased maintenance cost could not be borne by the Railways. Finally, the sharp increase in the salary and pension led to diversion of all the revenue earnings to this obligatory payment at the cost of operational and maintenance requirements. Finance Division has committed to bear the expense of salary and pension thereon along with its impact of increase in future till the crisis is over. Government of Pakistan has allocated 39.566 billion in PSPD for the financial year 2014-15 for the development interventions in Pakistan Railways.

Table 13.2: Earning of Pakistan Railway

Fiscal Year	Earning (Rs in million)	% Change
2007-08	19,973	--
2008-09	23,160	16.0
2009-10	21,886	-5.5
2010-11	18,740	-14.4
2011-12	15,444	-17.5
2012-13	18,071	17.0
2013-14	22,800	26.2
2014-15 (July-March)	23,234	--

Source: Pakistan Railway

Table 13.3: Passenger and Freight Traffic

S.#	Subject	2011-12	2012-13	2013-14	2014-15 (July-March)
1	Number of Passenger Carried (Million)	41.100	41.957	47.690	38.68
2	Passenger Traffic Kms (Million)	16,093	17,388	19,778.560	14,485.94
3	Freight carried Tonnes (Million)	1.323	1.016	1.610	2.49
4	Freight Tonnes Kms (Million)	402	419	1,090.332	2,259.33
5	Gross Earning (Rs. Million)	15,444	18,070	22,800.217	23,233.93

Source: Pakistan Railway

New Initiatives

Ministry of Railways is taking following new initiatives to improve performance of Pakistan Railways and achieve tangible results:

i. In line with the government's vision 2025, for infrastructure development during the next ten years, Pakistan Railways is to undertake necessary steps to increase its share in the overall transport sector of Pakistan from 4 percent to 20 percent. Ministry of Railways is in the process of preparing Railway Strategic Plan (RSP) to operationalize the targets set in the vision which would provide a long term frame work for railway sector development in Pakistan.

ii. Revival of Railways Board is being actively pursued as part of overall reform agenda.

iii. Tariff is being regularly rationalized based on the market dynamics mainly to improve occupancy and increase revenue of Pakistan railways.

iv. Improve availability of locomotives through special repair of existing locomotives and procurement of new locomotives.

v. HSD Oil reserve remained low (sufficient for two days), which has been substantially enhanced to 12 days to streamline the train operation.

vi. To improve pension disbursement, automation system for pension payment has been introduced as a pilot project in Lahore and will be expanded to the entire railway system.

vii. Encouraging public-private partnership. Under the Public Private Partnership (PPP), Pakistan railways has started following trains between Lahore and Karachi from 3rd February 2012 to cater the needs of business community and general public.

S No	Train	Route
1	Business Express Train	Lahore-Khanewal-Lodhran-Karachi
2	Shalimar Express Train	Lahore-Faisalabad-Multan-Karachi
3	Night coach train	Lahore-Faisalabad-Multan-Karachi

viii. Pakistan Railway has also involved private sector in the management and operation of terminal facilities including dryports. Prem Nagar dryport Lahore is the first successful model of joint venture between Pakistan railways and two private parties.

ix. Real Estate Development & Marketing Company (REDMCO) has been established and registered with Security and Exchange Commission of Pakistan (SECP) with the aim to exploit the potential of railway land.

x. A comprehensive policy for disposal of surplus scrap has been introduced with the aim to improve financial position of railways through an open, fair and transparent process.

xi. Investment planning through a system approach rather than functioning in isolation is being pursued. Under this approach, investment in all the components of railways system including infrastructure development, rolling stock availability, business development and governance is being made. The strategy is expected to bring significant improvement in near future. Rationalization of projects by giving priority to implementable projects having visible impact on the performance of Pakistan Railways.

xii. Economic Corridor development and regional connectivity are important initiatives, which are expected to play vital role in national economic growth. Up gradation of Mainline-1 (ML1) and construction of dry port and cargo handling facility have been included, as Early Harvest Projects (EHP) under China-Pakistan Economic Corridor (CPEC) and preparatory work on these projects has been initiated on fast track basis.

xiii. Frame work agreement between the National Railway Administration, Government of the Peoples Republic of China and the Ministry of Railways, Government of the Islamic Republic of Pakistan on joint feasibility study for up-gradation of ML-I and Establishment of Havelian Dry Port of Pakistan Railways has been made on 20.04.2015.

xiv. The project titled "Infrastructure for e-Office at Ministry of Railways" is also being initiated.

xv. A new air-conditioned train with free meals, beddings, Wi-Fi, newspapers has been started from Islamabad to Karachi and back, called Green Line Train.

Achievements during the fiscal year 2014-15

Track

During 2014-15, 90 km of track was rehabilitated on the Pakistan Railway network besides doubling of 5 km track.

Rolling Stock

The project for procurement and assembling of 202 passenger coaches has been completed. Total 56 passenger coaches have been added and assembling material for 146 coaches have been received. Out of which 111 passenger coaches have been assembled till April 2015.

Locomotives

At present 175 locomotives are non-operational and are waiting for major repairs. Following initiatives are under way for rehabilitation of held up locomotives.

i. Rehabilitation of twenty seven held up locomotives (HGMU-30) of 3000 HP is being arranged through PSDP at a cost of Rs. 6284.0 million for which an agreement has been signed with M/S Electromotive Division USA. Out of 27 Locomotives, Ten (10) locomotives have been turned out for service.

ii. Special Repairs of 150 locomotives, to improve their reliability and performance, is also being carried out through PSDP at a cost of Rs.5005.031 million. So far 38 Locomotives rolled out during 2013-14 and 39 Locomotives have been turned out up to April, 2015.

iii. Procurement of 58 locomotives has been approved by ECNEC and contract awarded to M/s Ziyang, China in November, 2012. So far all 58 locomotives have been arrived in Pakistan.

iv. Tender for the Procurement of 55 Locomotives (4000-4500 HP) out of 75 locomotives is at advance stage and will be decided in near future.

v. Pilot project for manufacture of 5 Nos. 3000 HP DE Locomotives at Locomotive Factory, Risalpur: The contract agreement for manufacture of 05 Nos. 3000 HP DE Locomotives at Locomotive Factory, Risalpur has been signed with M/s CSR Ziyang, China and LC established. So far, 5 Locomotives have been turned out and the project will be completed up to June, 2015.

Box-2: China- Pakistan Economic Corridor (CPEC) Long Term Planning

China-Pakistan Economic Corridor (CPEC) marked a new phase in the development of the relationship by putting economic cooperation and connectivity squarely at the centre of the bilateral agenda. The aim of the MoU already signed during the recent visit of Chinese President is to cooperate in the planning and development of China-Pak Economic Corridor to facilitate and intensify economic activity along the corridor.

The CPEC is being conceived as a lynchpin of the plans by the two countries to deepen their economic cooperation. Early implementation of the CPEC would be transformational for Pakistan's economy and dovetail perfectly with China's strategy of developing its inland and western regions. China's interest in the project is also strategically driven by President Xi Jinping's visionary concept of integrating regions and countries across the globe under the Silk Road Economic Belt and the 21st Century Maritime Silk Road Initiative. It envisages deepening policy coordination amongst countries and regions, extending and improving infrastructure connectivity in all its forms-road, air, rail, telecommunications, energy etc. across regions, fostering trade and investment flows, and, last but not the least, enhancing people to people connectivity. CPEC fits naturally into this vision of a 'Road and Belt' with Gwadar and Karachi serving as its southern nodes and an outlet to the Arabian Sea and the Persian Gulf.

Thus, China-Pakistan Economic Corridor will provide an integrating platform for over three billion people in Central West and South Asia, the Middle East and Africa Regions. The increase in trade, investment and financial flows would bring peace and prosperity to the region through enhancement in the competitiveness of the economies of the countries, contribute to reducing regional disparities and social inequality, and improve life expectancy and quality of life in every country and in the regions.

For institutional arrangement and development of the CPEC, National Development and Reform Commission, China (NDRC) has constituted subsidiary Working Groups of the Joint Cooperation Committee (JCC-the

Ministerial level apex body under MoU) on Planning, Transport Infrastructure, Energy and Gwadar for which they have nominated their respective lead agencies for this work. Accordingly, Working Groups in these areas have been constituted on Pakistani side as well.

In August, 2014, during 3rd meeting of JCC meeting 21 projects in the energy sector valuing US$ 33.793 billion, 4 projects in the transport infrastructure sector valuing US$ 9.784 billion and 8 projects for Gwadar valuing US$ 0.793 billion were identified as early harvest prioritized projects.

An outline of the long term planning has been finalized containing on the basis of planning from the perspective of China and Pakistan, development goals, identifies key areas and major projects including spatial structure and functional zones, construction of an integrated transport system, IT connectivity, energy cooperation, industries and parks, agriculture development and poverty alleviation, cooperation in livelihood areas and people to people communications and financial cooperation.

Source: Ministry of Planning, Development & Reforms

13.3 Pakistan International Air Lines

The year 2014, can be termed as a year in which Pakistan International Airlines (PIA) embarked upon its mission of “Revival of PIA”. The management vigorously pursued modernizing and replacement of fleet, in order to bridge the capacity constraints faced by the Corporation, fuel efficient aircraft on wet and dry lease basis were acquired during the year, fleet modernization and capacity induction is the corner stone of the turnaround strategy. During the year, nine aged aircraft have been retired from operation due to their operational inefficiencies resultantly average age of the fleet has decreased to 14 years as compared to 17 years during prior period.

With the financing facility of EXIM Bank of USA, General Electric (GE) signed an agreement with PIA to overhaul and carry out maintenance of the engines of PIA Boeing Air Craft. The support financing amounted to US$ 55.0 million together with the Islamic Corporation for the Insurance of the Investment and Export Credit. Through this credit facility, GE will provide its services for provision of advanced, fuel efficient engines, over haul services and financing to lease air craft.

Impact of measures taken by the management posted a positive impact on passenger revenues and combined effect of increase in seat factor 72 percent and yield resulted in almost 8.8 percent increase in passenger revenue. Measures taken by the management included among others initiatives fleet modernization, route rationalization and steps toward cost cutting. Operations on loss making routes were discontinued and frequencies were increased on profitable routes. Revenues from charter business flourished with an increase of almost 50 percent. Despite an over increasing financial cost PIA was able to register a significant decline in its overall annual losses by more than Rs. 12.0 billion or by 38 percent compared with 2013. Total annual losses declined to Rs. 32.0 billion in 2014, as compared to Rs. 44.3 billion last year. The overall performance of PIA is given in the Table13.4 below:

Table 13.4: PIA Performance

Indicators	Units	Year 2013	Year 2014
Passenger Revenue	Rs. billion	78.4	90.39
PIA Fleet	No. of planes	34	34
Route	Kms	411,936	389,445
Available Seat	million Kms	17,412	16,536
Passenger Load Factor	in percent	70	72
Revenue Flown	000 Kms	63,144	61,389
Revenue Hours Flown	Hours	106,476	101,556
Revenue P Passengers Carried	000 nos.	4,449	4,202
Revenue Passengers	million Kms	12,237	11,903
Revenue Tonne	million Kms	1,351	1,241
Revenue Load Factor	in percent	55	52
Operating Revenue	**Rs. million**	**95,771**	**99,519**
Operating Expenses	Rs. million	126,164	118,084
Available Tonne	million Kms	2,471	2,396

Source: Civil Aviation Authority

13.4 Ports and Shipping

Pakistan National Shipping Corporation

At present, Pakistan National Shipping Corporation (PNSC) fleet comprises of 09 vessels of various type / size (05 Bulk carriers & 04 Aframax tankers) with a total deadweight capacity (cargo carrying capacity) of 681,806 metric tons i.e. highest ever carrying capacity.

Crude oil in time availability play important role in running the transport sector business and furnace oil have much more importance to keep the power plants in running position. PNSC has been providing transportation services for crude/furnace oil requirements to the country. Almost all of the total imports of crude oil are undertaken by PNSC except 1% which is handled by other sources. The Corporation is now actively working upon a plan to increase its tanker fleet size, particularly to carry processed fuel like fuel oil, high speed diesel oil, jet fuels, naphtha and gasoline.

To meet safe and reliable transportation requirement of Pakistan's strategic liquid cargo, PNSC presently is in process for acquisition of one second hand Aframax crude oil tanker to cater for most of the requirement of PSO under obligation of long term contract of affreightment. This tanker will be in addition to PNSC's existing tanker fleet of four Aframax tankers.

Despite a depressed shipping scenario worldwide, PNSC has not only been able to maintain but also improved its profitability. The Commercial and Financial performance (un-audited) breakup covering nine months activities from 1st July 2014-31st March 2015 of PNSC are given in Tables 13.5 and 13.6 below:-

Table 13.5: Cargo Lifted (million tonnes)

Years / Cargo Lifted	Liquid Cargo	Dry Cargo	Total (Dry + Liquid)
2011-12	7.7	2.6	10.3
2012-13	10.7	2.7	13.4
2013-14	11.3	2.0	13.3
2014-15 (July-Mar)	10.8	1.1	11.9

Source: Pakistan National Shipping Corporation

Table 13.6: Financial Performance (Rs. in billion)

Years	Revenues	Expenditures	Gross Profit
2011-12	8.9	6.8	2.1
2012-13	12.3	8.9	3.3
2013-14	15.7	14.0	1.7
2014-15 (July-Mar)	12.2	11.0	1.2

Source: Pakistan National Shipping Corporation

Karachi Port Trust

The Progress of business at Karachi Port Trust (KPT) is continuously progressing due to increased international trade with regional and international countries. During July-March 2014-15, KPT handled 32.133 million tons of import and export as compared to 30.676 million tons during comparable period of last year.

KPT consists of two wharves; the East and West Wharf. East wharf has 17 multipurpose berths and West wharf has 13 berths. Each of the wharves has two dedicated container terminal and oil piers to handle liquid cargo. KPT operation comprised upon 11.5 kilometers long approach channel, a depth of 12 meters and a turning basin of 600 meters. KPT provides safe navigation for vessels up to 75000 metric tons deadweight (DWT).

Total number of containership, bulk cargo ship, general cargo ships and oil tankers were 1278 in the last nine months of 2014-15 as compare to 1236 in the same period last year. Total volume of import exports is given in Table 13.7 below which presents a growth of 8.7 percent in its volume of business.

Table 13.7: Cargo Handled at Karachi Port Trust (000 tonnes)

Period	Exports	Imports	Total
2007-08	11,676	25,517	37,193
2008-09	13,365	25,367	38,732
2009-10	13,528	27,892	41,420
2010-11	12,843	28,589	41,432
2011-12	11,674	26,201	37,875
2012-13	12,150	26,700	38,850
2013-14	11,007	30,343	41.350
2014-15 (July-March)	7,810	24,323	32,133

Source: Karachi Port Trust

Port Qasim Authority (PQA)

Port Qasim is a second deep sea port of Pakistan which was established in the early days i.e. 1973. Port Qasim Authority handles 21.6 million tons of total cargo during the period July March 2014-15 which is 14 percent more than the business carried out during the same period last year.

The containerized cargo was 9.170 million tons (43 percent), Liquid cargo was 8.471 million tons (39 percent) and remaining 3.976 million tons (18 percent) was miscellaneous types of dry bulk/break bulk cargo.

PQA handled 0.716 million TEUs of container traffic in 2014-15. The growth in container traffic during the nine months of FY 2014-15 is 13.4 percent more than July-March 2013-14.

The volume of import cargo during July-March 2014-15 stood at 15.198 million tons, showing 16.2 percent higher than 13.084 million tons handled during corresponding period.

The exports handled 6.420 million tons during the current financial year 2014-15, as compared to 5.887 million tons handled during corresponding period 2013-14, registering an increase of 9.1 percent.

Total volume of business in different period carried out by PQA is given below in Table-13.8:-

Table- 13.8: Cargo Handled at Port Qasim (in 000 tonnes)

Period	Export	Import	Total
2007-08	4,922	21,502	26,424
2008-09	5,584	19,445	25,030
2009-10	6,380	19,226	25,626
2010-11	6,657	19,511	26,168
2011-12	5,950	18,075	24,025
2012-13	7,047	17,754	24,801
2013-14	7,699	18,076	25,772
2014-15 (July-March)	6,420	15,198	21,618

Source: Port Qasim Authority

Gwadar Port

Gwadar is the first free port city on the southwestern Arabian Sea coastline, in the Balochistan province of Pakistan. It is about 700 km from Karachi and 120 km from the Iranian border. Gwadar Port is located at the mouth of Persian Gulf, just outside the Strait of Hormuz, near the key shipping routes in and out of Persian Gulf. Gwadar Port is a strategic warm-water, deep-sea port and phase-1 of the port has been developed jointly by Government of Pakistan and the Government of China with a total cost of US$ 288.0 million, which was inaugurated in March, 2007.

Gwadar Port is fully functional with three multipurpose berths, each 200 meters in length dredged to 14.5 meters in depth, with a bulk carrier capacity of 50,000 DWT and 50,000 DWT container vessels. By 2055, it is anticipated that Gwadar Port will be the largest site of its kind in Pakistan, with a 50 km sea front and 10,000 hectares of utilized property.

In May 2013, the port’s Concessional Rights were transferred from Port of Singapore Authority (PSA) to the new operator viz, China Overseas Ports Holding Company Ltd (COPHCL). The new operator has started “recovery “of existing available infrastructure and equipment on the port. COPHCL submitted Operational Plan’ of the port in consultation with Gwadar Port Authority (GPA), which suggests a framework for the Port Business Plans as per the Concessional Agreement.

As per decision of government all bulk cargo comprising urea, wheat and coal will be imported through Gwadar Port. Since its completion in 2006, Gwadar Port has handled around 6.279 million metric tons of dry bulk cargo (imported wheat and urea only) from 175 ships.

Till date the port operations are given in Table:13.9.

Table 13.9: Total Import of Cargo at Gwadar Port
(Quantity in 000Tonnes)

No. of ships arrived	Type of Cargo	Quantity (000 Tones)
26	Wheat	963,609.1
149	Urea	5,315,525.1
Total: 175	Wheat + Urea	6,279,134.2

Source: Gwadar Port Authority

Under CPEC, the Gwadar Port is said to be strategically important to China because it will bring closer the Middle Eastern ports to China through Karakoram Highway (KKH) linking Gwadar with Kashgar. Under CPEC, Gwadar Port is considered as Gateway of CPEC, and Gwadar city as one of the pivot cities of the corridor. The first Special Economic Zone (SEZ) of CPEC is being developed in Gwadar city.

The government-to-government CPEC agreements have created bright prospects for optimum operationalization of Gwadar Port and harnessing the benefits of regional trade connectivity through this naturally deep-sea port by Pakistan, China, Central Asian Republics and Afghanistan.

To resolve the port connectivity with the highway network, "Gwadar Port Eastbay Expressway" project has now been agreed upon for funding under CPEC. The project has been approved by ECNEC at an estimated cost of Rs.14.00 billion and its execution has been started in 2015.

The proposed expressway will connect the Gwadar Port with the Mekran Coastal Highway, passing along the east bay of Gwadar City, with a total length of 18.98 Km, including 4.3 Km along-the-shore/ off-shore and 14.6 Km on-shore sections. A rail link along this expressway is also part of the project.

Gwadar Port Free Zone

Federal Government through PSDP has provided funds for acquisition of land to be handed over to the Concession Holder for establishment of Gwadar Port Free Zone (FZ). This would be the first Zone in Pakistan, spread over an area of 9.23 sq. km, adjacent to the Port. The land acquisition process has been completed and its execution will start during 2015 by the Gwadar Free Zone Company (a subsidiary of COPHCL). With the development of FZ the port throughout in transshipments and export / import will enhance significantly. The same time the Company is going to establish a large Exhibition Centre adjacent to the Port for display of Chinese and Pakistani products.

Investment Opportunities

Gwadar port, offers lots of opportunities to prospective investors that include, inter alia, port related infrastructure such as storage, warehouses etc.; hotels, motels, travel and tourism; industrial sector including but not restricted to seafood processing and export, dates processing and export; construction of office spaces etc.; social sector and other infrastructure projects; telecommunication, road network, construction of airport, railways, and special economic zone.

Chinese investors have taken keen interest in establishing "Marine Silk Route and establishment of heavy industries in the industrial zone".

ICBC-HBL also organized a 2-day "Invest Pakistan" conference on 2- 3 April 2015 at Suzhou (China) that was largely attended by Pakistani and Chinese industrialists, investors, government and public representatives. The focus of the event was mutual benefit, common prosperity and win-win approach in cooperation between the two countries. ICBC-HBL are working on the concept of development of Special Economic Zones in Punjab and Balochistan and the investors, especially the Chinese, are planning to establish a steel mill and a cement factory in Gwadar.

13.5 Communications

Telecom Sector of Pakistan

Pakistan Telecommunication Authority (PTA) has been entrusted with the responsibility to govern the development of telecom sector in Pakistan keeping in view the consumer interest while providing a level playing field for all the market players. During the year 2014-15, telecom sector of Pakistan achieved new heights of success after the launch of Next Generation Mobile Services (NGMS). PTA sustains on research in regulation, technical shrewdness, harmonizing competition and discharging its social responsibility with the patronage of the Government of Pakistan. PTA strives to

maintain a balance between smooth provision of latest telecom technologies, protecting telecom consumer interests and facilitating fair business concerns of the investors. PTA has also taken several measures to streamline the SIM sale process and implemented Biometric Verification System (BVS) at sales channels of Cellular Mobile Operators (CMOs) which is a landmark achievement in this regard. Working hand in hand with the telecom industry and under the patronage of Government of Pakistan, the telecom sector continued to perform well above expectations during the first two quarters of FY 2014-15.

During "Pakistan App Awards 2015" organized by PTA, it was recognized that implementation of telecom policy would have following far reaching impacts on the economy:

- Telecom services will contribute up to 1.4 percent of GDP by 2025.
- The active export of telecom sector will be enhanced from $ 1.4 billion to $ 4.0 billion by 2020.
- The proposed telecom policy envisaged increase in telecom revenue to Rs. 800 billion in next five years.
- National technology group of Saudi Arabia want to invest around $ 200 million in the sector.

International Recognition

PTA's efforts have been well appreciated for proliferation of telecom and ICT services in Pakistan by prestigious international forums. Since the auction of NGMS spectrum in April 2014, PTA has won many accolades within and outside Pakistan for not only conducting fair, transparent and efficient auction of NGMS spectrum but also for being proactive in meeting the present day challenges of the telecom industry.

In recognition of significant achievement of the Government of Pakistan and PTA in driving the growth and socio-economic impact of the mobile industry in the country, Pakistan was awarded with the prestigious "Spectrum for Mobile Broadband Award 2015" at the Mobile World Congress 2015 held in Barcelona, Spain. This award recognizes the governmental that demonstrates the most transparent and stable long term spectrum policy roadmap. After successful auction of 3G and 4G spectrums in April 2014, there has been a rapid uptake of 3G services, bringing significant benefits to consumers and the national economy thus providing huge growth potential for industry players including operators, device manufacturers, application developers and distributors. The rapid roll-out of 3G and 4G services is expected to boost growth and efficiency in all sectors including education, banking, media, health and retailing, and is a key enabler for innovative e-services such as e-medicine and e-education in rural and remote areas of Pakistan.

Pakistan Wins ITU Council Seat

Pakistan has won a seat on the ITU Council in the 19th ITU Plenipotentiary Conference held on 27th October, 2014 in Busan, South Korea which decided 12 members of the Radio Regulations Board (RRB) and 48 members of the ITU Council through an election. In the Asia and Australasia region, Pakistan secured its position with a total of 103 out of 167 votes.

The ITU Council is the nucleus of ITU's strategic and policy framework and its members are elected every four years. As a member of the ITU Council, Pakistan will be able to make substantial contributions towards shaping the future of information and communication technologies.

Chairman PTA, has been elected as Vice President of General Assembly of Asia Pacific Telecommunity (APT) for three years during the 13th Session of the APT General Assembly held from 25-26 November, 2014 at Yangon, Myanmar. APT is an Intergovernmental Organization that operates in conjunction with telecom service providers, manufacturers of communications equipment, and research and development organizations active in the field of communication, information and innovation technologies. The APT comprises of 38 member countries, with 4 associate and 131 affiliate members.

The Era of Next Generation Mobile Services (NGMS)

PTA concluded successful spectrum auction for NGMS Licenses on 23rd April, 2014 and soon 3G and 4G services were commercially

launched by all the cellular mobile operators in major cities of Pakistan.

Commercial Launch of NGMS Services

All four successful winners of spectrum auction for NGMS launched their commercial services of 3G at reasonable tariffs for both pre-paid and post-paid customers. Ufone and Telenor started 3G services in May 2014, followed by Zong in June 2014 and Mobilink in July 2014. The technological advancement continued with the commercial launch of 4G services by Zong on 27th September, 2014. Shortly after, Warid also started offering LTE commercial services on 26th December, 2014 in major cities of Pakistan. Hence, Pakistan has proudly joined the illustrious list of countries having commercial 4G LTE services being offered to their citizens. The long anticipated availability of broadband speeds on cellular handsets became an immediate phenomenon as the number of 3G and 4G LTE subscribers spiked instantly. According to latest available statistics, approximately one million 3G and 4G LTE subscriptions are being added by CMOs each month since the commercial launch of these services in Pakistan. The coverage area of 3G and 4G LTE services is also expanding to the major cities of Pakistan which means that the subscriptions will also expand in parallel with expanding coverage.

Auction of Unsold Spectrum

The unsold spectrum of 10 MHz in 1800 MHz band having base price of US$ 210 Million and 7.38 MHz spectrum in 850 MHz band with base price at US$ 291 Million in the last auction in April 2014 accounts for at least a total of US$ 501 Million. As per Government's Policy Directive dated 17th March 2014, no further related auction will be carried out for another 18 months from the date of the auction. However, for any spectrum and the license for a new Operator which has remained unsold in NGMS license auction in April 2014, PTA can hold an auction of the same as deemed appropriate. In this regard, PTA is in the process of hiring of international consultants for the market assessment and marketing of unsold spectrum and will plan the auction accordingly.

Streamlining the SIMs Sale and Authentication

PTA has been striving to develop effective mechanism for not only streamlining the new SIMs sale process but also to resolve the issue of existing unauthorized/unverified SIMs in the market. In order to stay ahead on both fronts, PTA took some radical steps in collaboration with CMOs and Law Enforcement Agencies (LEAs). It is expected that the effective implementation of the multiple initiatives undertaken by PTA will produce a clean, updated and verified pool of active SIMs in the near future.

Biometric Verification System (BVS) for SIMs

After successful implementation of BVS at sales channels across the country with effect from 1st August 2014, PTA continued to periodically assess the compliance status of CMOs on a bigger footprint during August 2014. The results revealed that SIMs were being issued and activated in line with PTA's Standard Operating Procedure (SOP). Implementation of BVS at the sales channels of CMOs is a significant landmark, wherein SIMs are sold and activated only after online verification of the purchaser's finger prints from NADRA. The roll out of BVS is expected to further strengthen the SIM sale process and facilitate the authentication of subscriber antecedents.

Monitoring of Sales Channels of CMOs

With a view to check compliance of SIMs per CNIC rule, PTA carried out a survey in November 2014. Moreover, a survey of Mobile Number Portability (MNP) through BVS was also conducted by PTA in December 2014 in addition to the MNP audit. The survey results were analyzed and observed anomalies were communicated to CMOs for remedial measures.

Biometric Re-Verification of SIMs

In order to eradicate the issue of unverified and unauthorized SIMs once and for all, PTA issued an SOP for SIM Re-verification as per directions of GoP, to be followed by all cellular operators to make sure that all SIMs are verified by 12th April, 2015. PTA devised the SIM Re-verification process in collaboration with Interior Ministry and cellular operators. A massive media campaign/SMS broadcast has been started for the customers to get their SIMs re-verified as per the given SOP. SIM re-verification process was carried out in two phases, as given below:

Phase-I:

From 12th January to 26th February, 2015, numbers to be re-verified; Three or more SIMs per CNIC per operator. Blocking Deadline; All un-verified numbers from this list were to be blocked on 27th February 2015.

Phase-II:

Starting from 27th February, 2015, numbers to be re-verified: One and 2 SIMs per CNIC per operator. Blocking Dead line: All un-verified numbers from this list were to be blocked on 12th April, 2015 at midnight.

A total of 48.7 million unique CNICs corresponding to 70 million SIM connections have been verified by CMOs.

Monitoring the health related effects of Radio Base Station Antennas

During the period under review, PTA along with FAB conducted an extensive survey at Lahore, Karachi, Muzaffarabad, Peshawar, Quetta, Rawalpindi/Islamabad to check the emission of power level from transmitters and receivers of Base Transceiver Stations (BTSs)/Towers installed by CMOs. The results revealed that power level of radio waves of all BTSs surveyed is much below the prescribed danger limits and in line with the policy directives of Ministry of IT & Telecom, World Health Organization (WHO) and International Commission on Non-Ionizing Radiation Protection (ICNIRP) guidelines.

Regulations for Technical Implementation of Mobile Banking

PTA was given mandated to prepare Regulations for Technical Implementation of Mobile Banking Services. To this end, a joint regulatory committee was formulated between State Bank of Pakistan (SBP) and PTA. The Committee prepared the draft mobile banking regulations and initiated an exhaustive consultative process with the stakeholders including MoIT, SBP, Cellular Mobile Operators (CMOs) and Financial Institutions (FIs). The draft regulations have clearly defined the rights and obligations of the CMOs in the case of one-to-one model and any-to-any model of mobile banking and the role of TPSPs in the provision of technical services of mobile banking to CMOs and FIs. The Regulations also contain sections on the arrangements for service level agreements, network conditioning and procedure for the award of TPSP license, consumer protection, awareness and dispute settlement mechanism.

Mobile Emergency Alert System

PTA in collaboration with Islamabad Police and mobile application developer Pure Push developed Mobile Emergency Alert System for Schools (MEASS) to ensure effective security of schools and hospitals situated in Islamabad Capital Territory (ICT).

Through this project, the access of Android based Smartphone application will be given to the administrative staff at different schools, colleges, universities and hospitals in the Capital city who will be able to send emergency alerts to get timely help from the Police. Islamabad Police will have direct control over the system and will ensure better use of latest technology in managing such matters. The triggers can be activated in situations like armed attack by anti state elements, bomb blast, kidnapping, fire, and other suspicious activities.

Monitoring the Quality of Service (QoS)

PTA monitors the quality of services being provided by the telecom licensees to the people of Pakistan on a regular basis. In this regard, PTA conducts periodic surveys of telecom operators. The survey results are then analyzed against the QoS parameters defined by PTA in telecom licenses and Regulations. Following surveys have been carried out by PTA in the period under review:

QoS Survey of Cellular Mobile Services

PTA carried out a drive test in seven (7) cities of Pakistan and AJ&K to verify the compliance of predefined Key Performance Indicators (KPIs) for all cellular mobile operators. The overall results of QoS survey were found to be satisfactory.

Broadband QoS Survey

PTA conducted nationwide broadband QoS Survey in metropolitan cities. The performance of different packages offered by operators was measured in different times. Three months' data of non-technical parameters i.e. response time of assistance service, billing and service

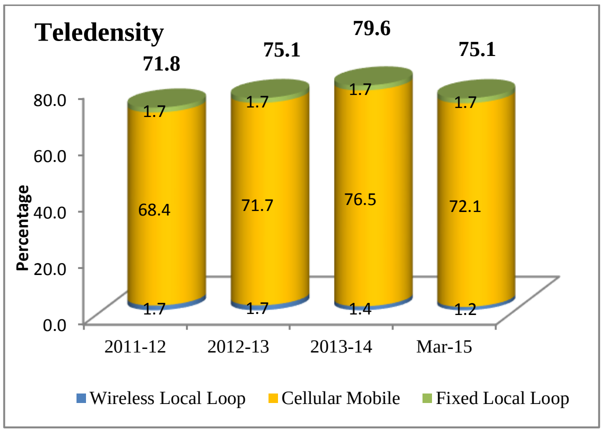
provisioning complaint resolution time etc was also analyzed. The survey results analysis revealed that by and large QoS performance of the broadband service providers can be rated as Good.

Telecom Economy

The first half of 2014-15 has brought many opportunities and challenges for the telecom industry in Pakistan. While the industry has witnessed a new wave of data growth driven by the launch of 3G and 4G networks and an outstanding response in terms of exponential growth in 3G and 4G subscribers, which has made Pakistan a success story at international arena, the implementation of BVS at sale channels in August 2014, re-verification of SIMs and restricted points for SIM sales have slowed down the pace of growth in cellular subscription.

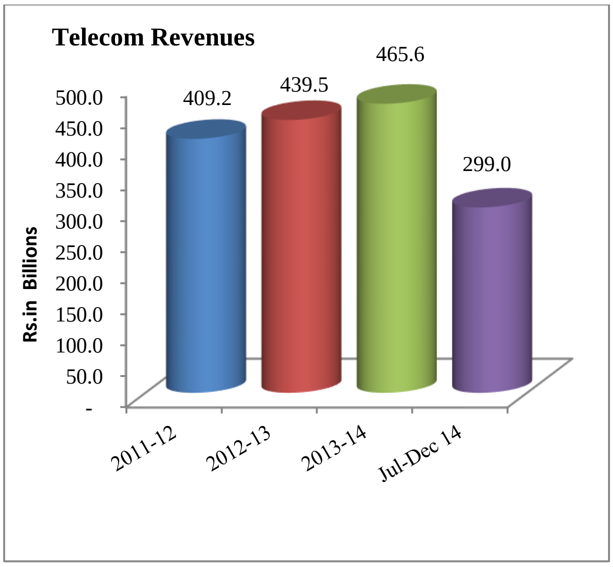
Teledensity

The total teledensity including cellular mobile, Local Loop (LL) and Wireless Local Loop (WLL) decreased to 75.2 percent at the end of March, 2015 compared to 79.6 percent at the end of June 2014, showing a decline of 5.5 percentage points. Consolidation of cellular subscriptions, resulting in a decline of 5.1 million cellular subscribers during July-March 2015, was the main contributor towards the overall decline of teledensity. Cellular mobile teledensity has witnessed decline of 4.4 percent points, reducing from 76.5 percent in Jun 2014 to 72.1 percent in March 2015. The WLL teledensity has also shown a slight decline of 0.2 percent points during July, 2014-March, 2015.



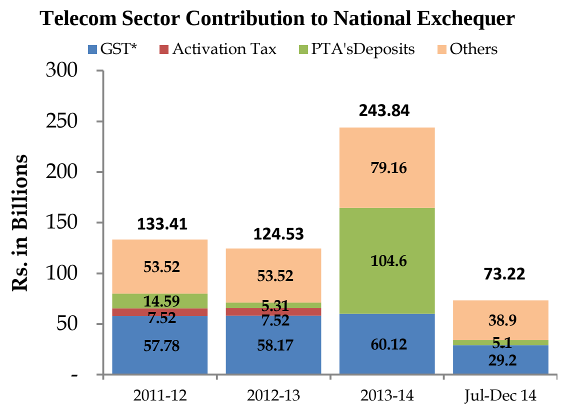
Telecom Revenues

Revenues from telecom sector reached an estimated Rs. 299 billion during the first two quarters of 2014-15. The commercial launch of 3G and 4G LTE services has opened new opportunities for revenue generation for the mobile operators. Availability of 3G and 4G services has enabled development of new applications and data base services, and people of Pakistan are quickly adopting to these new technologies and services. This has resulted in surge in data revenues of cellular mobile industry, reaching Rs. 37.3 billion during July-December, 2014 compared to Rs. 22.1 billion in July-December, 2013, showing an increase of 69 percent. Revenues are expected to further increase in the coming years as more subscribers are added into the 3G and 4G LTE fraternity, generating more data revenues of telecom industry.



Telecom Contribution to National Exchequer

Telecom sector is a significant source of revenue generation for the national exchequer. During the first two quarters of the 2014-15, telecom sector contributed Rs. 73.22 billion to the national exchequer in terms of taxes, regulatory fees, initial and annual license fees, activation tax, and other charges.



*** GST and other taxes are estimates.**
Source: Federal Board of Revenue and Pakistan Telecommunication Authority.
Note: PTA's contributions comprise of all its receipts including Initial and Annual License Fees, Annual Radio Frequency Spectrum Fee, Annual Spectrum Administrative Fee, USF and R&D Fund Contributions, APC for USF, Numbering Charges, License Application Fee, etc.Others include custom duties, WHT and other taxes.

Telecom Investment

The government liberalised investment policies allowing foreign investors in the telecommunications sector to own all the shares in a company and repatriate all of the profit. Such policies have attracted significant FDI in telecom sector over the last few years. In 2013-14, the auction of spectrum for 3G and 4G services in Pakistan and deployment of next generation cellular networks brought an investment of US$ 1790 million in the telecom sector. Due to the continuous an outstanding subscriber's response to the launch of 3G and 4G services in the country, cellular mobile operators are continuously expanding their next generation networks.

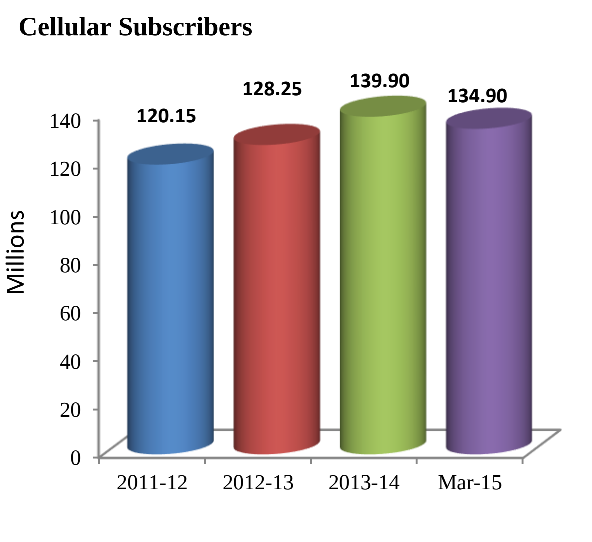
Telecom Investment US$ (Million)

	2011-12	2012-13	2013-14	Jul-Dec-14
Cellular	211.8	570.4	1,789.7	356.28
LDI	16.2	1.9	1.8	4.63
LL	5.0	16.1	14.2	1.93
WLL	7.3	11.9	10.0	4.45
Total	**240.3**	**600.3**	**1,815.6**	**367.29**

Due to these expansions, an investment of US$ 356.3 million has been witnessed in the cellular mobile sector during July-December 2014, There is another encouraging sign in the industry that FDI in telecom sector remained US$ 114.0 million during July-December, 2014 compared to net negative telecom FDI inflows in the corresponding period last year. The impetus of expanding 3G and 4G networks will continue the pace of investment in the telecom sector in coming months.

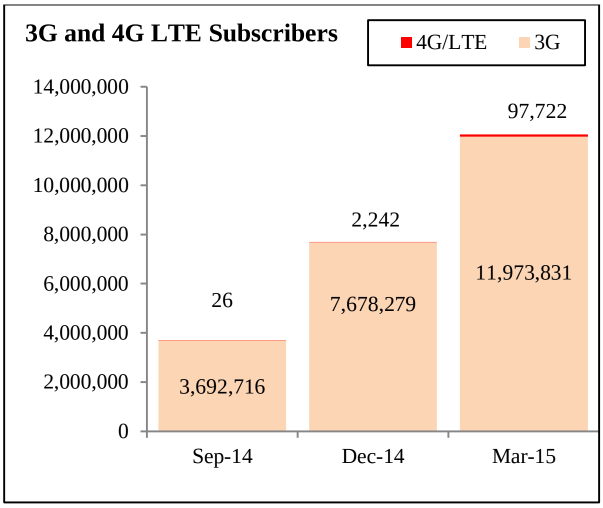
Cellular Subscribers

By the end of March 2015, the total number of mobile subscriptions in Pakistan reached 134.9 million with net decline of 3.5 million subscribers. Biometric SIM Verification was a massive exercise recently undertaken by the CMOs across Pakistan. On the one hand, it is a dire necessity of the present times but on the other hand, it will also have a major impact on the telecommunication statistics. Millions of mobile connections will be churned by every CMO with the resultant drop in teledensity and telecom subscribers.



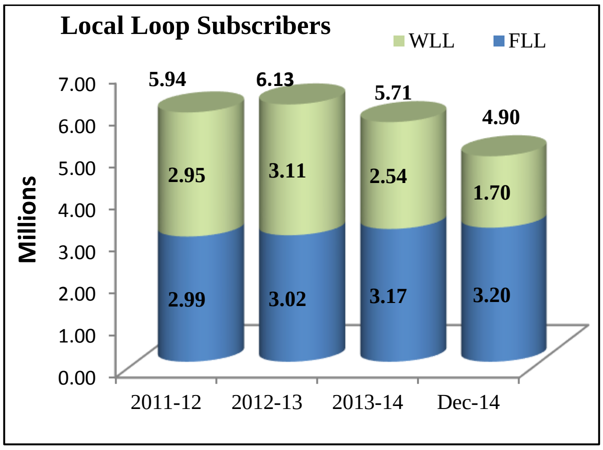
3G and 4G LTE Subscribers

After the commercial launch of 3G and 4G LTE services, the number of 3G and 4G LTE subscribers has been growing at a commendable pace. 3G and 4G LTE subscribers have sharply increased during the last ten months and have reached 12.1 million in March 2015. The 3G and 4G LTE subscribers constitute 8.9 percent of the total cellular subscriber base as of March-2015.



Local Loop Subscribers

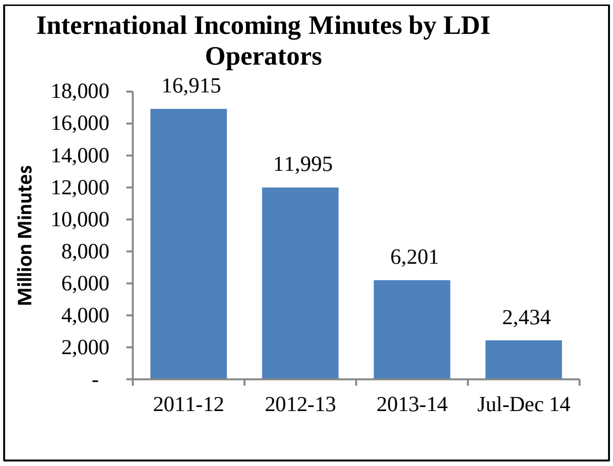
The subscriber base of local loop sector has reached 4.9 million at the end of December, 2014 as compared to 5.7 million as of June 2014. The overall subscriber base has decreased by 15 percent.



11. Long Distance & International (LDI)

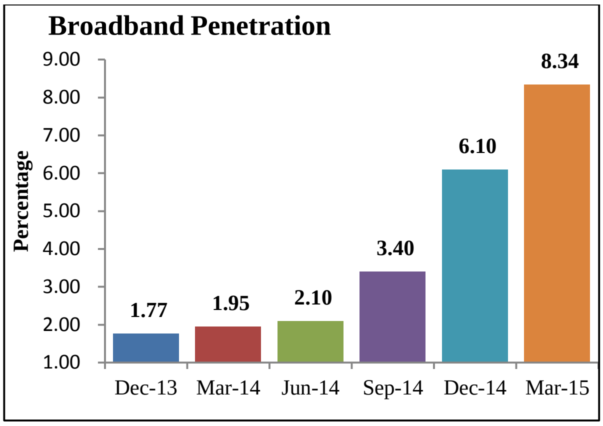
LDI is an important segment of the telecom sector as it serves as a gateway to international connectivity of Pakistan with the outside world. LDI services have been the centre of attention for the Authority due to continuous regulatory initiatives being undertaken to tackle grey traffic. Counter measures being introduced by the Government of Pakistan and PTA have been at the forefront of the telecom sector developments in the recent past with establishment and implementation of International Clearing House (ICH) regime in October, 2012; international incoming call rates were also increased. Due to this increased rate, inflow of foreign exchange and revenue per minute of ICH consortium initially increased. However, trend of increasing inflow of traffic could not be sustained as the increased call rates allowed growth of grey traffic which ultimately resulted in constant decrease in reported legal traffic. The deregulation of Approved Accounting Rate (ARR) and Approved Settlement Rate (ASR) on 24th February, 2015 is expected to stabilize Pakistan's international incoming traffic, curb the grey traffic, and increase revenues for the government.

The total international minutes (incoming and outgoing) stood at 3,495 million during July-December, 2014. This is due to decline in both the incoming and outgoing international traffic. It is evident that the outgoing traffic on LDI networks is sliding with every passing year/quarter as a total of 2,434 million minutes have been received by LDI operators during July to December, 2014.



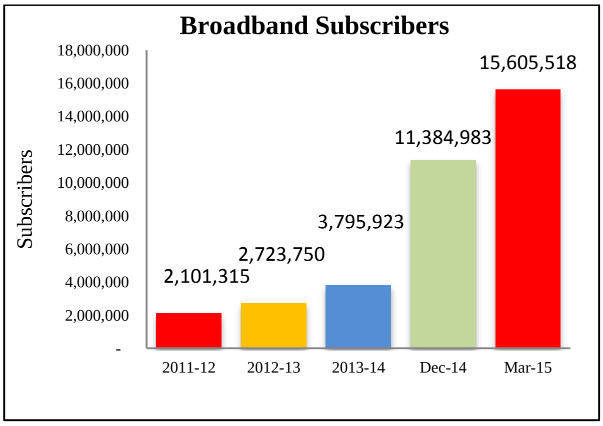
Broadband - Penetration

Broadband penetration of the country stands at 8.34 percent as of March, 2015 as compared to 1.95 percent at the end of corresponding period last year. This enormous jump in the broadband penetration can be attributed to the NGMS spectrum auction as mobile broadband leads the way in the total broadband subscriber base. As evident from the figure, an immediate spike in the broadband penetration can be observed in the quarter after the commercial launch of NGMS in the country. It is expected that mobile broadband will continue to form the major chunk of the broadband market and may also prove to be a catalyst for the other broadband technologies to prosper in the future.



Broadband Subscribers

Broadband subscribers stood at 15.6 million at the end of March, 2015 as compared to 3.8 million at the end of 2013-14, depicting 311 percent growth over the last nine months. The number of net subscriber additions in this period stood at 11,809,595 which is almost four times more than the entire broadband subscriber base till June, 2014. Most of the net additions are due to 3G and 4G subscribers which collectively form the figure of 12,071,553 while the fixed broadband subscribers (DSL, HFC, FTTH) have also added 140,087 subscribers during the period under review. On the other hand, fixed wireless subscribers (WiMAX, Satellite etc) dropped by 30,395 and EVO subscribers also declined by 371,650 during the first three quarters of 2014-15. This disparity in subscriber addition highlights the substitution effect of NGMS on the other wireless broadband technologies. In order to further provide impetus to the broadband sector, synergy of various elements is required. Therefore, external factors also need to be addressed which include affordability of general public, education level, computer literacy, religious and cultural views regarding objectionable content on internet and lack of localized content.



13.6 Electronic Media in Pakistan

13.6-A Pakistan Electronic Media Regulatory Authority (PEMRA)

PEMRA is primarily mandated through March, 2002 Ordinance for licensing and regulating the establishment and operation of all broadcast media (satellite TV & FM radio) and distribution services (Cable TV, DTH, IPTV, Mobile TV etc.) throughout the country.

The law was later on revamped as PEMRA Amendment Act-2007. Apart from licensing PEMRA mandate further includes:

- To improve the standards of information education and entertainment;
- Enlarge the choice available to the people of Pakistan in media for news, current affairs, religious knowledge, art, culture, science, technology, economic development, social sector concerns, music, sports, drama and other subjects of public and national interest;
- Facilitate the devolution of responsibility and power to the grass roots by improving the access of people to mass media at local and community level;
- Ensure accountability, transparency and good governance by optimizing the free flow of information;

Present Status of Private Electronic Media

In a span of 13 years the country has witnessed a massive spurt in the number of TV channels and FM radio stations in the private sector which, unmatched in the South Asian region and perhaps elsewhere. This boom is owed to the government's unequivocal commitment to a free media and the proactive role played by PEMRA in facilitating the growth of the electronic media. The unprecedented growth of TV channels, Cable TV and launch of FM radio stations has indeed contributed remarkably in raising the standards of public awareness and literacy, a glance at the following facts and figures on licensing of media amply substantiates the massive growth which has taken place in electronic media in the private sector in the last thirteen years. The details are given in Table 13.12 below:-

Table 13.12: PEMRA Performance

S. No.	Category	Number of licenses Issued
i.	Satellite TV Channels	91
ii.	Landing Rights Permission to TV Channels	27
iii.	FM Radio licenses	200
iv.	Cable TV Licenses	3,659
v.	Multimedia, Multi Channels Distribution System (MMDS)	06
vi.	Internet Protocol Television (IPTV)	01
vii	Mobile TV License	04
viii.	Mobile Audio Licenses	02

Source: Pakistan Electronic Media Regulatory Authority (PEMRA)

Table 13.13: Licensing in July2014 to May 2015

S. No.	Category	No. of licenses
i.	Landing Rights Permission to TV Channels	01
ii.	FM Radio licenses.	07
iii.	Cable TV Licenses	30

Source: Pakistan Electronic Media Regulatory Authority (PEMRA)

Economic Contribution

Due to the government's investment friendly policies the country has witnessed a remarkable economic growth particularly over the last five years. The overall national growth has been conductive for the development of the electronic media industry in the private sector. According to estimates there has been a cumulative investment of approximately US$ 3.500 billion in the electronic media industry in Pakistan. Electronic media sector has generated direct employment for more-than 200,000 people of diversified skills and qualifications. Going forward the estimated cumulative investment in the electronic media industry will reach nearly US$ 4.0 billion by the end of the current financial year. This expansion in investment would in turn have multiplier effect on increasing job opportunities for skilled media personnel and journalists, expanding work of media production houses, advertising agencies and proliferation of the performing arts.

13.6-B Pakistan Television Corporation Limited

Pakistan Television Corporation Limited (PTV) is the only public sector broadcasting centre which telecast national programmes to remote and economically backward areas of the country in order to keep the people of remote areas aware of about the current affairs of the country as well as the whole world. It can also provide different entertainment, education and sports programmes to the people enabling them to uplift their socio-economic conditions, to eliminate the existing disparity.

At present 7 multiple channels are broadcasting its different programmes through PTV world, PTV News, PTV Home, PTV Bolan, PTV Sports, PTV National and PTV Global. The only English News Channel in Pakistan telecasting the information about Pakistan domestically as well as internationally has been launched by PTV.

PTV has also established a TV Channel in AJK with one TV Centre, and with four Rebroadcast Centers at Kotli, RawalaKot, Bagh and Bhimber.

Due to distinctive culture and historical heritage of Saraki region a separate TV centre has been established at Multan to project the socio uplift of this particular region, with particular focus on telecasting saraki programmes.

Modernization of the broadcasting system is need of hour and PTV management has planned to modernize its technical facilities & electronic equipments during 2014-15 to enhance the coverage of area and population. It has improved a lot its programmes of infotainment, news, current affairs and sports on various channels.

Digitalization of PTV Signals with Collaboration of China

During the visit of Chinese's President to

Pakistan an MoU has been signed between NDRC on behalf of the People,s Republic of China and Ministry of Information, Broadcasting & National Heeritage on behalf of the Islamic Republic of Pakistan to harvest the benefit of the project of Digital Terrestrial Multimedia Broadcasting (DTMB) technology. A pilot project for transition/migration to digital transmission system has been established at RBS Murree by M/s ZTE Corporation for demonstration of PTV's Terrestrial network. If this DTMB pilot project validated qualitatively & quantitatively, the Government of Pakistan will adopt this technology under Grant-in-Aid from China.

13.6-C Pakistan Broadcasting Corporation

Pakistan Broadcasting Corporation, Central News Organization (CNO), highlighted Prime Minister's, Finance Minister and other Federal Ministers speeches and policy statements regarding economic development of the country and its trickle down effects on the masses. The economic policy of the present government yielded positive results including improvement in the living standard of the masses due to reduction of prices of items of daily use. It was covered in all the bulletins and through Current Affairs Programmes. Interviews of political and prominent personalities of civil society and journalists were also broadcasts from Current Affairs Channel.

Speeches/interviews and statements of Finance and the Federal Ministers were also widely covered in all the bulletins with a view to inform the masses about low inflation rate due to the prudent policies of the federal government.

Coverage was given to Prime Minister's Youth Loan Programme, Benazir Income Support Programme and announcement regarding introduction of new Internship for Post-Graduate students and surging of stock market and foreign reserves in our National and Business bulletins. Special interviews/talks were also held by our News and Current Affairs Channel.

Radio Pakistan, in all its programmes highlights government's energy generation projects in all its bulletins regarding elimination of Gas and electricity load shedding in the country as well as in industrial units.

Central News Organization (CNO) also highlighted present government's agreements with China on establishing economic corridor and energy projects through its bulletins and News and Current Affairs Channel.

Being a popular media among the rural masses, Radio Pakistan ensures projection of government policy for enhancing agriculture yield and latest development in the agriculture sector.

Achievements and sacrifices of Pakistan Army and Law Enforcement Agencies in fight against militants and anti-state elements were highlighted by PBC with full spirit as a national cause under the scope of "National Action Plan". Wide-spread microphone publicity was given in this regard.

PBC conducted a comprehensive campaign for Rehabilitation/Re-settlement of IDPs and Operation Zarb-e-Azb from 22 Stations of FM-93, 9 channels of FM-101 and 26 channels of MW national network of PBC.

13.7 Pakistan Post Office

Counter Automation System

Quick communication system is must for prosper business and rapid economic development of any country. Pakistan Post Office is engaged to modernize its services in such a way to ensure quick delivery/transfer facilities to the citizens of the country. Throughout the country over one hundred GPOs including renovated post offices / sub offices have already been provided with counter computerization facility for the better service quality to the customers through a LAN based system.

Centralized Software Solution for Financial Services

An Industry standard-off the shelf solution "Riposte Essentials" from M/s Escher Group has been implemented. Currently, Electronic Money Order Service (EMOs), Online Computerized collection of all utility bills through Centralized Software Solution Child

Support Programme and BISP Services has been implemented at the 83 automated GPOs. While rollout of Military Pension Payment System in more than 72 GPOs have been implemented too. However, Savings Bank and PT Services are in customization stage which will soon be implemented in 83 GPOs.

Computerized Pension Payment System

Over 1.4 million pensioners has been disbursing pension from Pakistan Post through computerization of military pension payment system which is available at all GPOs. The pensioners are receiving the pension in a hassle free environment. Pakistan Post is also disbursing pension to over 40,000 PTCL pensioners every month. In an effort to streamline payment of pension to PTCL pensioners, Pakistan Post has developed a separate system for PTCL pension disbursement. The same has been rolled out over 83 GPOs.

Achievements of Saving Bank

Pakistan Post has been doing the work of saving bank as an agency functioning on behalf of the Ministry of Finance under the Government Savings Bank Act 1873 on commission basis. During the period July-2014 to March-2015 an amount of Rs.126 million has been collected through National Savings Schemes and under this scheme earned commission amounting to Rs. 630 million during this period.

Computerized PTCL Pension Payment System

The Pakistan Telecommunications Employees Trust (PTET) in a joint effort with Pakistan Post has developed Computerized PTCL Pension Disbursement System. This system facilitates the GPOs for the particular and amount of payment of each & every pensioner.

This system eliminates the manual filing of pension payment form (No. Code-15) voucher and now the same is auto generated by the system.

The System automatically updates the record of PTET, once the payment of pension is disbursed to the PTCL pensioner. Disbursement software of PTCL pension has been deployed at GPOs.

Western Union Money Remittance Business

During July- March 2014-2015, Pakistan Post has received the foreign remittances amounting to US$ 60.972 million equivalent to Rs.6114.912 million.

Benazir Income Support Programme (BISP)

A Complete web-enabled tracking and monitoring system for disbursement of funds for Benazir Income Support Programme (BISP) has been evolved that include continuous processing, monitoring and reconciliation of the specialized money orders scheme. The same is implemented at all 83 automated GPOs throughout Pakistan. Over 46.5 million money orders have been issued up to 31st March 2014 and an amount of around Rs. 120.442 billion has been disbursed. During July to March, 2014-2015 total 906,666 BISP money orders along with required funds for Rs.3.819 billion were received from BISP authorities, out of which 65 percentage Money Orders amounting to Rs.2.0 billion have been paid within prescribed period of time.

International Postal Services

Pakistan Post has mail links with all countries of the world except Israel. Exchange of mail is carried under rules and regulations of the Universal Postal Union. Direct mail links exists with 165 countries for the rest mail is exchanged by utilizing the transit facilities of intermediary countries.

Achievements in International Postal Services

Pakistan Post dispatches more volume of mail than it receives for delivery. Thus it always remains net-creditor. Pakistan post received an amount of Rs.33.625 million during the period from July to March 2014-15 on account of Terminal Dues for imbalance of international mails received from dispatched to other countries.

First Micro Finance Banking (FMFB)

Pakistan Post has collaborated with First Micro Finance Bank (FMFB) in Micro Financing for disbursement of loans and its recovery to general public in four regions i.e. Lahore, Multan, Hyderabad and Sukkur. Pakistan Post has earned following revenue from this scheme during July-2014- March 2015.

(Rs. in million)	
Amount Disbursed	541.67
Amount Recovered	407.11
PPO Commission 0.5 percent on disbursement & recovered Loans Including Rent Charges	1.39

Postal Life Insurance (PLI)

Postal Life Insurance has issued the 424,306 total policies upto March 2015 against policies issued 409, 988 upto March 2014. The sum assured amounting to Rs. 65,178,912 million upto March 2015 against Rs. 59,444.6 upto March 2014.

Total PLI Policies (No. in million)

	2013-14	2014-15
No. of fresh Policies Issued	409,988.0	424,306
Premium Income	2,178.8	2,989,532
Sum Assured	59,444.6	65,178,912

Philately

Following Commemorative Postage Stamps have been issued in the given period.

S. No.	Celebrities	Date	Rate
1	Issuance of Commemorative Postage Stamp on 100 years of Frontier Constabulary	11-7-2014	Rs.08/-
2	Issuance of Commemorative Postage Stamp on 100 years of Sahiwal Breed Conservation (1914-2014)	05-08-2014	Rs.08/-
3	Issuance of Commemorative Postage Stamp on one nation –One Vision Pakistan - 2015	11-8-2014	Rs.10/-
4	Issuance of Commemorative Postage Stamp on 100 birth day anniversary of Norma E. Borlaug	4-12-2014	Rs.08/-
5	Issuance of Commemorative Postage Stamp on “Say no to corruption” International Anti Corruption Day.	9-12-2014	Rs.08/-
6	Issuance of Special Postage Stamp GEMS & Minerals of Pakistan	11-12-2014	Rs.08/- Each design
7	Issuance of Commemorative Postage Stamp on 14th National Scout Jamboree	23-12-2014	Rs.08/-
8	Issuance of Commemorative Postage Stamp on joint issue Pakistan Ukraine monuments of Ancient Cultures and Special Souvenir Sheet	25-12-2014	Rs. 20/- Each design
9	Issuance of Commemorative Postage Stamp on 100th death Anniversary of Moulana Altaf Hussain Hali (1914-2014)	31-12-2014	Rs.08/-

The detail of Rural & Urban Post Offices is as under:

Urban	Rural	Total
1813	10264	12077

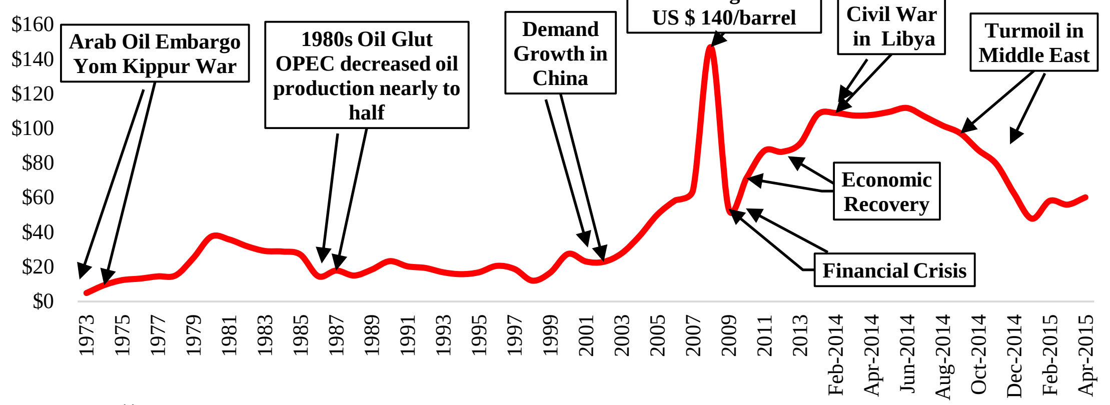
Conclusion

Transport and Communication network of any country is of vital importance to its development and affects all sectors through sectors linkages. It ensures safe and timely travel, encourages business activities and cuts down transportation costs while granting products access to markets for their disposal. A reliable transport and communication network also provides swift access to labour force and hence generates employment opportunities. It has been widely recognized that economies with better road and communication networks are positioned more advantageously in terms of overall competitiveness as compared to economies having poor networks. Reliable and large transportation and telecommunication facilities benefits industry, agriculture, and other services sectors as well as improving the standards of living of the general public. It is the need of time to make timely investment to develop and maintain an efficient network of transportation and telecommunication facilities to ensure cost efficient integration of markets both domestically and internationally which the present government is doing. In this respect Vision 2025 emphasis on efficient and integrated transport & communication network that can ensure safety in mobility, effective connectivity between urban-rural areas, reduction in transportation cost and high capacity transportation corridor connectivity among major trading partners of the region.

Energy

The year 2014 can be marked as a turbulent year for the energy sector because of geopolitical crises, stagnating global economic growth, and slow progress in lowering greenhouse gas emissions to avoid global warming. Uncertainty existed in some producing regions, as tensions between the Russian Federation and Ukraine simmer, and the Islamic State of Iraq and Syria (ISIS) unleashed the turmoil in the Middle East. There is continuous rise in global energy demand with oil and gas still having almost 60 percent in total world energy consumption. Moreover, China is becoming the largest oil-importing country. However, this year, oil prices have displayed significant volatility (Fig-1) and declined to the level last seen in 2010 with probable reason of higher supplies of oil from Middle East OPEC producers and a relentless build in US crude stocks.

Fig-1: Crude Oil Prices (US$ / Barrel)



Source: http://www.eia.gov

The other interesting fact was that Saudi Arabia remained silent whereas the country could single-handedly reversed the price slide by cutting production as it has been done in the past. In 1980s, Saudi Arabia and its partner in OPEC decreased oil production nearly to half and also in 2010 after oil prices crashed due to financial crisis. On one side plunging oil prices are pressuring the American shale-oil and gas producers responsible for domestic energy boom which comes with its own ramifications for the economy as shale oil is relatively expensive to get out of the ground requiring prices of around $ 70 a barrel to be economical, thus slashing the future shale-oil production. On the other hand, keeping prices low will give oil-importing countries a financial break especially Russia, which is heavily dependent on its oil revenue and is already coping with Western sanctions over Ukraine.

Policy-makers and businesses are coming to terms with these new dynamics as they seek to adapt energy systems to meet the needs of today and tomorrow. Economic growth and development, sustainability and energy security, and access remain the key pillars of any energy system. Thus significant energy reforms with good intentions to fulfillment are required in response to these new imperatives and opportunities. Further decision-makers also require credible information to make complex decisions across these three dimensions.

Right from the beginning, the present government has attached high priority to energy sector. The government retired the circular debt (Rs 480 billion) immediately after taking oath which added 1752 MW of electricity into the system. In FY 15, the current level of circular debt is around Rs. 250 billion including Current Payable. Further a long awaited National Power Policy 2013focusedto support the current and future energy needs of the country and to set Pakistan on a trajectory of rapid economic growth and social development. The policy describes sustainability in the power sector as "the underpinning of long term transformation. The principle of sustainability will be grounded on three pillars: low cost energy, fair and level playing field, and demand management. Altering the fuel mix towards less expensive fuels will lead to low cost energy. Investments required for the low cost fuel mix will necessitate rationalization of the electricity tariff. Fairness will be ensured by protecting the poor and cross-subsidizing their consumption from the affluent. A level playing field will be created by providing power at comparable prices to all industrial users. Demand management will be introduced through novel policy, pricing and regulatory instruments." In December 2014, "Monitoring Report on Pakistan Energy Reform" was presented to the Economic Coordination Committee (ECC) of the Cabinet to analyze the progress and was subsequently released to the public as per ECC decision.

Lower tax to GDP ratio restricted the government in financing energy project solely thus private sector was also encouraged to play their role. Likewise energy sector always remained a key component of dialogue between the government and multilateral and bilateral development partners. During the recent visit of the Prime Minister to Turkmenistan, apart from mutual cooperation on various fields like trade, education, etc., the review of Turkmenistan–Afghanistan-Pakistan-India (TAPI) Pipeline and energy security remained main focus of the meeting. The project is expected to be materialized by end of 2017 will be providing the gas of 1.3 billion cubic feet to Pakistan. Turkmenistan, Afghanistan, India and Pakistan linked the Transaction Advisory Services Agreement (TASA) with Asian Development Bank (ADB) to find leading, technically and financially sound company that could form a consortium to generate the finances for the project.

The government was keeping itself bound with its timelines related to energy projects, however undue sit-in by two political parties in August 2014 and disastrous flood witnessed by Kashmir region in September 2014 became significant hindrance. Flood delayed Neelum-Jhelum hydropower which is now expected to complete in 2016 and due to sit-in, many planned engagements with multilateral and bilateral donor was delayed, most importantly the due visit of President of China was rescheduled.

Apprehending the commitment of the present government, Asian Development Bank (ADB) has approved assistance packages to help Pakistan to undertake key reforms in the power sector. This included funding to ensure energy delivery to industrial and private consumers, and to build two vital power generation plants in Sindh Province. The Jamshoro Power Generation Project, which on completion in 2018, will add 1,300 megawatts (MW) to the country's electricity grid. Reliability of the power distribution network is also being enhanced through the investment of $167.2 million to upgrade 284 grid stations. The World Bank also approved a financing package from the International Development Association (IDA) to help expand hydro-electricity generation in Pakistan through the development of the Dasu Hydropower Stage-I Project (DHP-I). The package consists of an IDA Credit of $588.4 million and an IDA Partial Credit Guarantee (PCG) of $460 million to help mobilize commercial financing for the project. DHP-I would have 2,160 megawatt (MW) hydropower plant on the main Indus River, which can be expanded to 4,320 MW in future with less additional cost.

During the recent visit of President of China, Pakistan and China signed 51 Memorandums of Understanding (MoUs) relating to diverse aspects of bilateral relations, including the Pakistan China Economic Corridor and series of energy projects. Thus almost $15.5 billion worth of coal, wind, solar and hydro energy projects will come online by 2017 and when mature will add 10,400 megawatts of energy to Pakistan's national grid.

The government is encouraging domestic and international private investors in energy sectors giving them favorable opportunities and incentives especially in alternative sources of energy. As an example the present government has approved the use of grid-connected solar energy, rooftop solar installations and mortgage financing for home solar panels to boost clean energy in the country. Thus the government has reversed course and eliminated a 32.5 per cent tax imposed on imported solar equipment in the country's 2014-15 budget which was aimed to bring down the cost of installing solar panels. Investors from Germany, Qatar, Russia, etc., have shown there interest in investing in energy sector.

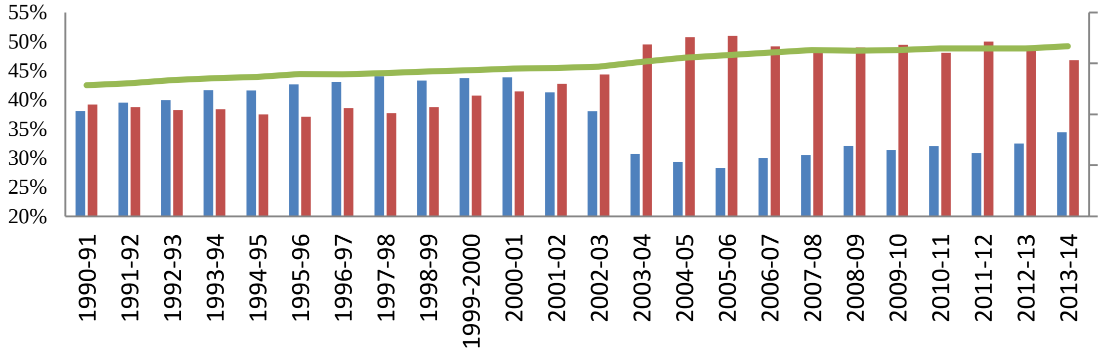
The Government of Pakistan also intended to diversify its energy mix so as to ensure energy Security. In this regard alternative and renewable energies is a strong contributor in the envisaged diversified energy mix. The investment portfolio in the Renewable Energy sector has increased by almost US$ 1 billion in last year. Alternative Energy Development Board (AEDB) has undertaken a number of measures in order to promote Alternative and Renewable Energy (ARE) technologies to attract private sector investments.

Recently a new investor friendly Power Generation Policy 2015 has been approved by the Council of Common Interest. The policy will facilitate in setting up of new plants as well as in extending incentives - including fiscal, acceptance of bank guarantee, and issuance of corporate registered bonds - for generation from hydel, thermal as well as gas-based projects. The government is making efforts at all ends to get a sustainable resolution to the energy crisis that is not only hindering economic growth but also causing social disruption

Pakistan Energy Sector:

Since 1991, the primary energy supplies had shown an annual compound growth rate of 3.6 percent and increased to 66.8 million TOE in 2014 compared to 28.5 million TOE in 1991. In 2014, per capita availability of primary energy supplies was estimated at 0.36 TOE. During July-March FY 2015, primary energy supplied increased to 50.9 million TOE compared to 48.8 million TOE showing a growth of 4.4 percent. Although there is no significant change in per capita availability, however there exist substitution in share of sources as share of gas dominated the share of oil in total energy supplies as gas being the cheaper source compared to oil especially after 2000-01 (Fig-2), beside Pakistan obtained Saudi oil facility from FY 1999 to FY 2004 and also subsidy given to oil sector by the government from FY 2002 to FY 2008 in order to give relief to consumer. However, the later step created fiscal burden to the exchequer. Oil and natural gas still continued to be the top two energy sources accounting for above 70 percent of energy demand.

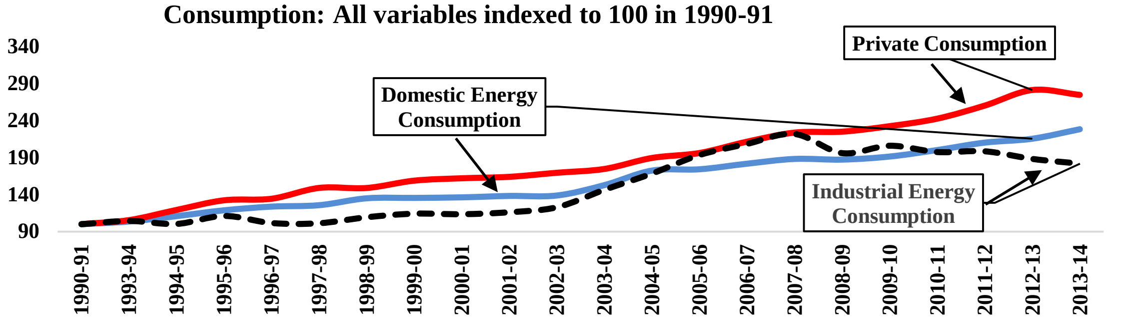
Fig-2: Primary Energy Supplies By Major Sources



Source: Energy Year Book of respective years, HDIP

The energy consumption has increased to 39.8 million TOE in 2014 compared to 17.0 million TOE in 1991 with annual compound growth rate of 3.6 percent.

Fig-3: Relation between Private Consumption, Domestic and Industrial Energy Consumption: All variables indexed to 100 in 1990-91



Source: Authors Calculation from Energy Year Book of respective years

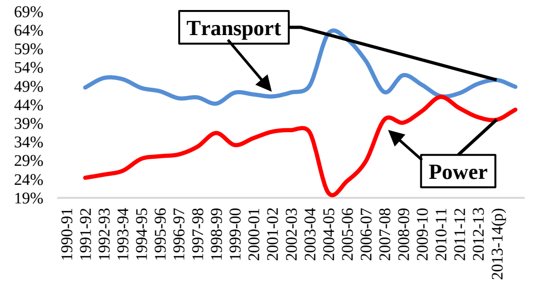
There is consistent rise in domestic energy consumption compared to industrial energy consumption (Fig-3), firstly, representing normal behavior on account of increase in economic welfare, secondly, technical innovations introducing more energy-using appliances to households and energy-saving techniques to industry. During July-March FY 2015, energy consumption increased to 25.1 million TOE compared to 24.6 million TOE in same period last year showing a growth of 2.0 percent

Pakistan Energy Sources:

14.1 Oil (Petroleum Product)

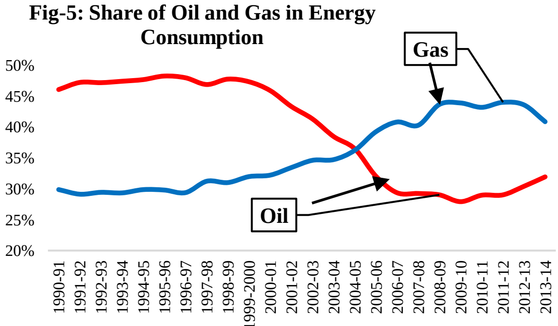
In early 1990s, transport and power sector were the main consumers of oil/petroleum having share of 50 percent and 25 percent, respectively in its total consumption. The consumption of oil/petroleum has shown a significant decline in period between 2000-01 and 2005-06 (Figure 4). The reason was rise in the price of crude oil since 2001. From an average price of US $22.99/barrel in 2001, it was increased to US $ 50.04 /barrel which was 118 percent higher than 2001. Realizing the fact, the government has initiated an ambitious pro-market reform program in the sector. The objective behind these market base policies was to limit the government role to only policy related issues and pricing and regulatory responsibilities to pass on to an independent regulatory authority. The government also changed the guaranteed return formula of the refineries to an Import Parity Price (IPP) formula. Previously, the refineries were working under a fixed return formula where the return was capped in the range of 10-40 percent of their equity. Thus government was liable to meet any loss in the profitability of the refineries. Under the new formula, an import tariff is applied to the FOB price of the petroleum product to determine the ex-refinery prices. Further to attract on the exploitation of indigenous resources, the government announced policy for Power Generation Projects 2002 in which one Window facility was provided by Private Power and Infrastructure Board (PPIB) for all projects above 50 MW Capacity. Thus oil became expensive source for the power sector was substituted by gas (Fig-8) as electricity was generated by consuming almost 50 percent fuel (Furnace Oil and Diesel Oil). It again started rising because of subsidy given by the government. During the period 2003-04 and 2005-06, the rise of share of transport in oil consumption was mainly due to fast growing transport sector while shift toward CNG was not fully matured.

Fig-4: Share of Transport and Power in Oil/Petroleum Consumption



Source: Energy Year Book of respective years, HDIP

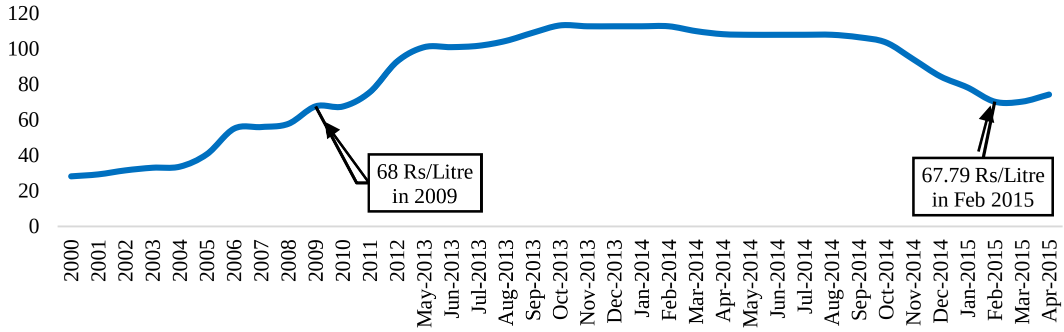
Fig-5: Share of Oil and Gas in Energy Consumption



Source: Energy Year Book of respective years, HDIP

The longer term trend suggests that composition of energy consumption, the composition is changing by substituting the gas as cheaper source compared to oil being expensive (Fig- 5). However due to gas load management, share of oil has again started rising. But still oil remained expensive prior to July 2014, as the government immediately responded to falling international oil prices and brought the domestic oil prices to Rs67.79/liter less than the levels last seen in 2009 (Fig-6).

Fig-6: Domestic Petrol Prices (Rs / Litre)



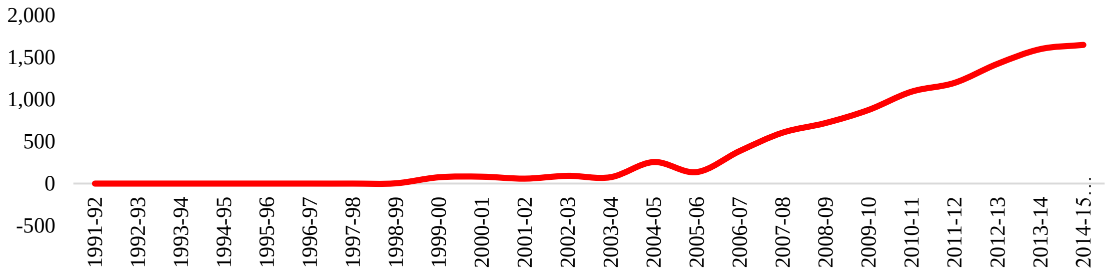
Source: Pakistan Economic Survey, Ministry of Petroleum & Natural Resources

The falling of international oil prices saved foreign exchange due to lower import bill (an amount of $ 3 billion approximately will be saved) while reduction in domestic petrol prices decreased the private consumption expenditure on oil thus money saved could be spent on other goods and services. Due to substantial decrease in retail prices on December 1, 2014 and afterwards on January 1, 2015, sales of petrol witnessed unprecedented increase. However, unfortunately, Pakistan—Arab Refinery Ltd (PARCO) the largest producer of petrol experienced a shutdown due to tripping of 11KV lines in Muzaffargarh area while National Refinery Limited (NRL) also experienced shutdown due to leakage of Distillation Tower. The short supplies aggravated the problems for Oil Marketing Companies (OMCs). On the other hand as required by the provisions of OGRA Ordinance, 2002 and license condition, OMCs had to maintain 20 days storage/stocks which OMCs could not fulfilled. Moreover in the first half of January 2015, two vessels of OMCs were delayed. By the time daily sales reached the level of 15,000 metric tonnes per day (an addition of 3,000 metric tonnes per day against projected demand of 12,000 metric tonnes) thus 45,000 metric tonnes more than the normal demand during first fortnight of January 2015, lead to severe pressure on reserve level. An unfortunate coincidence of all these factors contributed to the petrol crisis. However, once the shortages were observed, the government efficiently tackled the crisis which was over within few days which might have gone longer otherwise.

14.2 Natural Gas

With respect to gas, Pakistan has one of the most developed gas transmission and distribution network in the region but on account of its increased share in energy consumption, the gap between its demand and supply is widening steeply as shown in Fig-7:

Fig-7: Natural Gas Shortfall Data

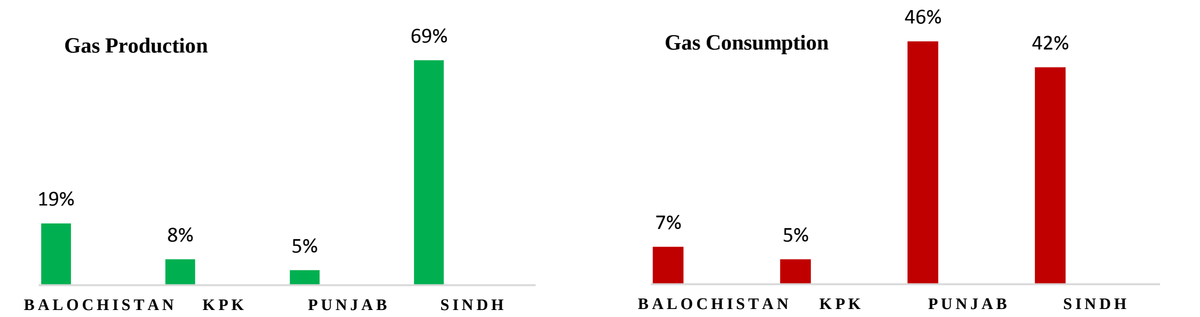


Source: Directorate General of Gas, Ministry of Petroleum & Natural Resources

The gap started when gas being cheaper was substituted for oil and political will of adding new consumers on account of annual development schemes. During July 2014 to February 2015, the two Gas utility companies (SNGPL & SSGCL) have laid 72 km gas transmission network, 1,040 km distribution and 758 km services lines and connected 59 villages/towns to gas network. Thus 206,473 additional gas connections including 206,127 domestic, 249 commercial and 97 industrial were provided across the country. It is expected that gas will be supplied to approximately 419,445 new consumers during the fiscal year 2015-16. Pakistan's natural gas production has been stagnant at the 4,000 Million Cubic Feet per Day (MMCFD). Thus there exist constrained demand for natural gas of 6,000 MMCFD against a supply of 4,000 MMCFD while the unconstrained demand for gas is estimated to be 8,000 MMCFD or more than double the current domestic production. One risk associated with this sector is that there is continuous depletion of existing natural gas fields while the pace of new gas discoveries is little slow.

Historically, gas demand during winter increases due to manifold increase in consumption of domestic sector consumers, in almost all areas on SNGPL's system and in some areas of SSGCL's system. The gas shortage is now being faced in summer months as well due to worsening demand-supply gap owing to increase in its demand as well as depletion of existing sources. Government of Pakistan is pursuing its policies of enhancing gas production to meet the increasing, demand of energy in the country. Still for supply of gas, the government has given priority to domestic and commercial sectors followed by power sector while general industry, fertilizer and captive power is on third priority. Cement and CNG sector are respectively on fourth and fifth priority of the government for supply of gas. There is no gas load shedding in domestic and commercial sectors in the country. However, the Honorable Sindh and Peshawar High Courts have directed the federal government to adhere the provision of Article 158 of the Constitution therefore the gas load management is mostly restricted to Punjab Province as its shared in gas supply is about 5 percent while it has a share of almost 46 percent of national gas consumption. An average of last five year province-wise gas production and consumption is given in Fig-8.

Fig-8: Last five years average consumption and production of Gas (Province-wise)



Source: Energy Year Book, HDIP

From the Table-1, it can be concluded that the gas load management is mostly restricted to Punjab Province:

Table 1: Province-wise Gas Consumption (MMFCD)

	July-March FY 14					July-March FY 15									
Priority-wise Sector	Punjab	Khyber Pakhtunkhwa	Sindh	Balochistan	Total	Punjab		Khyber Pakhtunkhwa		Sindh		Balochistan		Total	
Demestic	474	81	213	29	797	448	↓	96	↑	207	↓	27	↓	778	↓
Power	151		468	225	844	123	↓			477	↑	302	↑	902	↑
Commercial	69	7	26	2	104	60	↓	7	↑	26	↑	2	↑	95	↓
General Industry															
Pak Steel			24		24					21	↓			21	↓
Captive Power	83	18	207		308	83	→	21	↑	207	↓			311	↑
Other Industry including Textile	179	20	175	1	375	102	↓	19	↓	170	↓	1	→	292	↓
Fertlizer (Feed)	230		225		456	223	↓			233	↑			456	↑
Fertlizer (Fuel)	63		83		146	58	↓			90	↑			148	↑
Transport (CNG)	87	67	76	3	233	37	↓	74	↑	78	↑	4	↑	193	↓
Cement			1		1			1	↑	2	↑				
Sub Total	1,336	193	1,499	260	3,288	1,134	↓	218	↑	1,511	↑	336	↑	3,199	↓

Source: Directorate General of Gas, Ministry of Petroleum and Natural Resources

SNGPL is meeting the requirement of more than 4.8 million consumers of domestic, commercial, CNG and industrial categories through its distribution network. All categories of consumers are fed through a common distribution network. There is a continuous extension in SNGPL's network. On an average, there has been an increase in gas demand by 40-50 MMCFD (based on average consumption during summer months) and 80-100 MMCFD (based on average consumption during winter months) each year. On the other hand there is no considerable increase in inputs. Small fields which have been connected to the system, hardly compensate the reduction of supply due to depletion of major gas fields supplying gas to SNGPL's system. Thus low pressure issues are faced by the consumers especially those which are situated at the tail-end of our distribution network, mainly during winter.

Keeping in view the demand and supply position of natural gas, SSGCL has also started gas load management on "as and when ever required basis". The comparison of gas curtailment in the two gas companies is given below

Table 2: Comparison of Gas Curtailment

Sectors	SNGPL	SSGCL
CNG	7 holidays / week	3 holidays / week (on alternate days)
Industry	5 holidays / week (Only captive power of textile sector is given 6 hours / day while textile processing units are provided gas against 25 percent of their allocation on daily basis	1 holiday / week
Fertilizer	Reduced quantities	Reduced quantities

Source: Directorate General of Gas, Ministry of Petroleum & Natural Resources

Government of Pakistan is taking following steps to overcome the shortage of natural gas in the country:

i) Contain the natural gas demand at current level
ii) Increase indigenous gas supplies
iii) Promotion of LPG air mix
iv) Import of LNG
v) Import of Gas from Iran
vi) Import of Gas from Turkmenistan

14.2.1 Compressed Natural Gas (CNG):

The government was promoting the use of CNG to reduce pollution and to improve the ambient air quality. During past few years CNG industry has observed a tremendous growth. Today Pakistan is the world leading CNG user country with more than 3 million NGVs (Natural Gas Vehicles) plying on the roads. The choice of conversion is mainly due to the fact that prices of CNG is significantly less than petrol price. Currently there are more than 3,414 CNG stations in the country fulfilling the fuel need of the NGVs. However realizing the situation of gas, it is pertinent to mention that there is ban imposed by federal government on the issuance of CNG Provisional Licenses for establishment of new CNG Stations across the country.

14.2.2 Liquefied Petroleum Gas (LPG):

OGRA is empowered to regulate the LPG sector under OGRA Ordinance, 2002 and LPG (Production & Distribution) Rules, 2001 w.e.f 15th March, 2003. LPG plays an important role in the energy mix of Pakistan as it provides a cleaner alternative to biomass based sources, especially in locations where natural gas is not available or unable to reach due to low pressure especially in winter. The total supply of LPG during July-March, 2014-15 was 494,763 tones, accounted for about 0.5 percent of the total primary energy supplies in the country. Gas producing fields contributed 53 percent followed by refineries and imports with share of 26 percent and 21 percent respectively. Currently there are 12 LPG producers and 97 LPG marketing companies operating in the country having more than 4,482 authorized distributors.

Due to augmented investment and future expansion plans of the LPG marketing companies, significant investment in LPG supply and distribution infrastructure has been witnessed. OGRA has made noteworthy contribution in national economic progress and created an environment for additional investment especially in auto sector which will not only result in creation of infrastructure in

LPG sector all over the country but will also provide jobs to hundreds of unemployed people. There are six (6) LPG auto refueling stations, twenty four (24) are under construction and almost hundred (100) applications are under process. OGRA is playing its vital regulatory role to increase private investment in midstream and downstream petroleum industry. During July-March, 2014-15 an investment of approximately Rs. 1.5 billion has been made in LPG infrastructure.

14.2.3 Liquefied Natural Gas (LNG):

The two transnational gas pipelines that Pakistan has pursued for over two decades have been delayed due to reasons beyond control. The 750 MMCFD Iran-Pakistan (IP) gas pipeline has been delayed due to international sanctions (although there is now hope for removal of the sanctions) and the 1,325 MMCFD Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline has been delayed due to the security situation in Afghanistan and structural issues with the project transaction.

The Government of Pakistan is now successful to import 500 million cubic feet per day (mmcfd) of LNG from Qatar. As per LNG Policy in 2006/2011 the project structures can be (i) integrated, in which the terminal developer arranges LNG imports as well as its buyers and (ii) unbundled, in which the terminal developer, LNG importer and LNG buyers are different. In 2014, the Government of Pakistan called bids through Inter State Gas Systems (ISGS), for construction of LNG regasification terminal by private companies. Engro Elengy Terminal Limited (EETL), formerly Elengy Terminal Pakistan Limited (ETPL), a subsidiary of Engro Corporation Limited was selected as the 'Technically' and 'Financially' qualified bidder for construction of LNG regasification terminal at Port Qasim Karachi. EETL has signed an LNG Service Agreement (LSA) with a government's designated entity i.e. SSGC for handling 400 MMCFD of Re-gasified Liquefied Natural Gas (RLNG) to be injected into national grid. The LNG shall be imported by the Government of Pakistan and EETL shall provide the regasification services at a tolling tariff. Moreover M/s Bahria Foundation on 22nd September 2014 applied for grant of 'Provisional License' under OGRA (LNG) Rules, 2007. After scrutiny of the application, the company was granted 'Provisional License' on 17th March 2015 for a period of 12 months. During this period the company is required to complete all formalities as per requisite rules to apply for a license for construction of LNG terminal.

The current 400 MMCFD of Regasified LNG (RLNG) will be provided to the power sector including Nine (9) gas-based Independent Power Plants (IPP) - KAPCO, FaujiKabirwala, Rouche, Halmore, Orient, Saif Energy, Sapphire, Altern Energy, and Davis Energen for replacement of Diesel or LSFO consumption. This RLNG will allow these power plants to generate an additional 9 Billion KWh per annum, equivalent to an additional 10 percent of total current annual power generation, without investment in any new generation capacity.

Energy cost calculations clearly prove that RLNG is cheaper than ALL other imported fuels for power generation in Pakistan. On April 27, 2015, the delivered price for fuel to power plants in Northern Pakistan on equivalent basis was $11.5/MMBTU for LNG, $ 12.6/MMBTU for HSFO, $ 13.8/MMBTU for LSFO, and $ 22.8/MMBTU for Diesel. In this context, LNG with a notional Brent linkage of 14.5 percent is 10 percent cheaper than High Sulphur Furnace Oil (HSFO), 20 percent cheaper than Low Sulphur Furnace Oil (LSFO), and half the price of Diesel. In addition, as a fuel for power generation, LNG as compared to liquid fuels provides (i) substantially greater efficiency (ii) lower maintenance costs (iii) no storage costs (iv) ease of transportation and (v) no pilferage or adulteration issues.

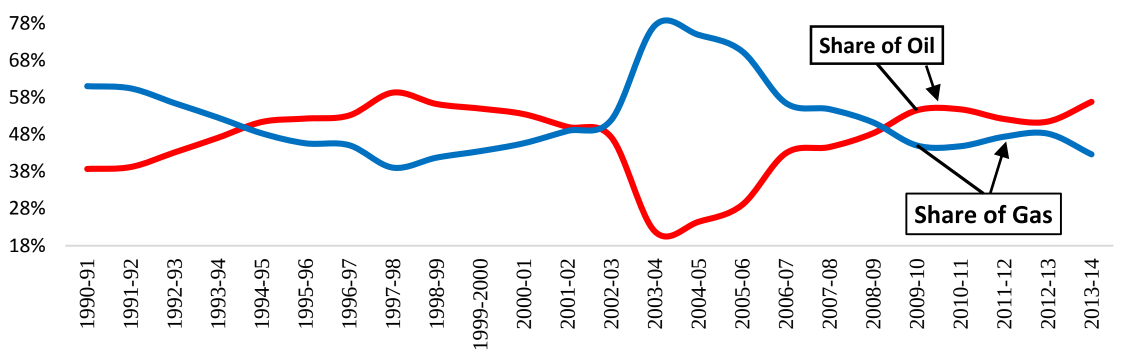
Thus it is expected that import of LNG will help to overcome the shortage of gas as by providing LNG to power sector will give space in availability of gas for other sectors. The government is also making efforts to attract private investor for exploring new gas discoveries.

14.3 Electricity

Electricity although the secondary source of energy has become indispensable not only for household but for all other sphere like industry, transport etc. Power shortages has become the most influential economic challenge not only causing social disruption but also hitting the real

GDP growth rate. In NEPRA State of Industry Report 2013, NEPRA estimated, “the power sector is responsible for 2 to 3 percent reduction in the annual GDP of the country.” However, exact cost including direct and indirect cost of power shortage and its directional relationship with growth is still unfold for developing economies especially for Pakistan. In this era of modernization, there is continuous increase in consumption of electricity within household as innovation has introduced more electrical-usage appliances to household. With respect to industry, the behavior is little bit different as due to power shortage the large manufacturers have got their own captive plants to generate electricity and thus became Independent Power Producers (IPPs) under the Power Policy 2002. Nishat, Gul Ahmed, Orient, etc are some of the examples. All IPPs under the 1994 policy were thermal power plants often using furnace oil as a fuel. Thus the share of oil in thermal power generation remained high which also created a heavy dependence on oil prices.

Fig-9: Share of Oil and Gas in Thermal Power Generation



Source: Energy Year Book, HDIP

The Power Policy 2002 encouraged the use of indigenous fuel (gas) and hydel power projects. Thus the share of gas in thermal power generation started rising after 2002-03. Hydel plants with their low variable costs may be cheaper but WAPDA carried the risk of water availability for plants with a capacity bigger than 50 MW. Under Natural Gas Load Management Program in November 2011, Economic Coordination Committee of the Cabinet (ECC) decided to give first priority to domestic consumers, then commercial consumers, power generation units and fertilizer industry. Thus the share of gas and oil started reversing after the decision (Figure 8). Then under Gas Allocation and Management Policy 2013, first priority was given to domestic and commercial users followed by power. National Power Policy 2013 emphasized on by using indigenous resources such as coal (Thar coal) and hydel for the generation of inexpensive and affordable electricity for domestic, commercial, and industrial use. Recently, as per the decisions of Economic Coordination Committee of the Cabinet and Cabinet Committee on Energy, a new investor friendly Power Generation Policy 2015 was prepared and has also been approved by the Council of Common Interests. The policy accommodates new fuel provisions like Coal and R-LNG for power generation. Major improvements in Power Generation Policy 2015 are:

- For Projects under Government to Government Agreement, terms and conditions of such Agreement shall be applicable accordingly
- Payment of Capacity Purchase Price (CPP) with reduced Return on Equity (ROE) to Independent Power Producers (IPPs) in case plant is not available for dispatch due to non-availability of fuel solely caused by delayed payments by the Power Purchaser
- Minimum Take or Pay Provision to be included in the Power Purchase Agreement (PPA) as agreed by Power Purchaser / NEPRA
- Performance Guarantees (PGs) payable in equivalent Pak Rupees at the prevailing exchange rates at time of encashment

- For any specific fuel, Government of Pakistan may provide Guarantee for obligation of the fuel supplier
- Laws of England will be allowed for the foreign lenders participating in the projects as the governing law for the Direct Agreements (Implementation Agreement (IA) &Power Purchase Agreement (PPA)
- LOI Bank Guarantee extended till issuance of LOS instead of completion of Feasibility Study
- LOS Bank Guarantee to secure Financial Close only instead of FC and COD under 2010 Guidelines
- International Competitive Bidding (ICB) on Tariff for Hydropower projects will be carried out where Feasibility and Detailed Engineering Design is available
- PPIB will issue Tripartite LOS for projects initiated by the Provinces/AJK/GB, execute IA and issue Government of Pakistan Guarantee
- For R-LNG based projects, Standby Letter of Credit (SBLC) and/or Revolving L/C in favor of R‐LNG Supplier to be established by the Sponsor

Thus the need for cheaper hydro power has gained more importance. Unfortunately the composition of electricity generation shows that hydro potential has not been fully utilized. The hydro potential which is located in the north requires long transmission lines to transport power to the load centers. During July-March FY 15, the hydro generation accounted for 31.47 percent of the total generation almost at similar level that was in same period last fiscal year.

The installed capacity of PEPCO system was 20,850 MW at the end of June 2013 which has gone up to 22,104 MW by the end of June 2014 with hydro and thermal capacities occupying 7,097 MW and 15,007 MW respectively. Out of aforementioned thermal capacity, 5,458 MW is owned by ex-WAPDA GENCOs, 650 by PAEC and rest by IPPs/Rentals. There is also 55 MW of isolated generation capacity at Pasni & Punjgoor areas in Baluchistan. The installed capacity of PEPCO system has gone up to 22,577 MW by the end of March 2015 with hydro and thermal capacities occupying 7,097 MW and 15,480 MW respectively. It is also mentionable that the village electrification program is still an integral part of the total power sector development program. It is important for not only to raise the productivity but also to raise socio-economic standards of the population living in rural areas. The progressive number of villages electrified has increased from 1, 89,018 on 30th June 2014 to 1, 93,511 at the end of March 2015 while As of March 2015, the number of consumers has risen to 23.258 million.

To mitigate the impact of rising cost of thermal power and narrow down the demand-supply gap, the work on mega projects like Neelam-Jhelum (969 MW) and Diamir-Basha (4500 MW) hydropower projects is under way.

14.4 Coal

The Government considers Thar coal development as a flagship project and believes in it as a means to Energy Security. Thar Coal Projects have been enlisted as early harvest projects by the CPEC (China-Pakistan Economic Corridor), Sindh Engro Coal Mining Company (SECMS) and Sino Sindh Resources (Pvt.) Limited (SSRL) have been prioritized as top priority projects to be financed by Chinese institutions. There is a complete synergy between the Federal and the Provincial Government of Sindh. Total power generation anticipated from these three projects is 2400 MW by 2018.

In addition to Thar Coal resources, the Energy Department has worked on other sources of energy and established two special purpose companies namely M/s Sindh Nooriabad Power Company Private Ltd (SNPCL) and Sindh Nooriabad Power Company Private Limited Phase-II with a lead partner M/s Technomen Kenetics Private Limited for installation of 100 MW Gas power generation facility. It is in very advance stage and commissioning is expected in early of 2016.

Other mentionable progress in coal sectors are:

- China Machinery Engineering Corporation (CMEC) submitted to PPIB a formal proposal on 27th October 2014 for the development of a 300 MW indigenous coal fired power plant at Pind-Dadan Khan, Salt Range, Punjab (the 'Proposal') under the

ECC approved 'Guidelines for Setting up of Private Power Projects under Short Term Capacity Addition Initiative - August 2010' (the 'Guidelines').

- Lucky Electric Power Company Limited submitted its proposal to PPIB for development of 660 MW imported coal based private power project at Port Qasim Karachi. After successful evaluation of the proposal by PPIB's consultant, PPIB on 15th January 2015 issued Notice to Proceed (NTP) to the Sponsors. Upon fulfillment of all requirements according to the Guidelines, including the submission of site confirmation letter from the Power Purchaser, PPIB on 11th February 2015 issued Letter of Intent (LOI) to the Sponsors. Lucky Electric Power Company Limited is now required to approach NEPRA for grant of Generation License and Tariff Determination.
- Siddiq-sons Limited submitted a formal proposal for the development of 350 MW imported coal based private power project at Port Qasim Karachi. The Proposal was forwarded to PPIB's consultant for evaluation. After necessary evaluation, the consultant declared the proposal responsive as per the criteria prescribed down in the Guidelines. Accordingly on 19th January 2015, Notice to Proceed (NTP) was issued to the Sponsors. Issuance of Letter of Intent (LOI) to the Sponsors is expected soon

14.5 Nuclear Power:

Pakistan Atomic Energy Commission (PAEC) is operating three nuclear power plants. The first nuclear power plant, Karachi Nuclear Power Plan (KANUPP), completed its 30 year design life in 2002, continues to provide electricity after necessary refurbishments and safety retrofits. Two nuclear power plants, Chashma Nuclear Power Plant unit-I & unit-2 (C-1 & C-2) are operating very well and setting high standards in the power industry of the country. Some performance parameters of these operating plants are highlighted in the following Table;

Table 3: Performance Parameters of Nuclear Plants

Plant	Gross Capacity (MW)	Grid Connection Date	Electricity sent to Grid (million kWh)	
			1st July 2014 to 31st March 2015	Lifetime upto 31st March, 2015
KANUPP	100	18 October 1971	246	13,259
C-1	325	13 June 2000	1,809	28,944
C-2	330	14 March 2011	1,879	8,316

Source: Pakistan Atomic Energy Commission (PAEC)

Work on the construction of the fourth and fifth nuclear power plants, Chashma Nuclear Power Plants unit-3 & unit-4 (C-3- & C-4) at Chashma site continues ahead of the schedule. These two units are 340 MW each and are scheduled to be connected to the National grid in 2016, one in April and the other in December. Sixth and Seventh nuclear power plants, Karachi Coastal Power Plants (K-2 and K-3) are also under construction near KANUPP.

14.6 Alternative Energy Sources

Pakistan has abundant resources of shale gas, hydel and coal etc. Thus it has potential to utilize these cheaper resources to diversify its energy mix. Pakistan Council of Renewable Energy Technologies (PCRET) and Alternative Energy Development Board (AEDB) are consistently taking a number of measures in order to promote Alternative Energy (ARE) technologies and to attract private sector investments.

Progress in Alternative Energy (ARE) technologies

i. Wind

There are almost thirty one (31) wind power IPPs (1810 MW) holding LOIs issued by AEDB are at various stages of project development while following projects are under construction:

- 50 MW Three Gorges First Wind Farm Pakistan (Pvt.) Ltd., Jhampir Sindh
- 50 MW Foundation Wind Power-I Ltd. Khuttikun, Gharo, Sindh
- 50 MW Foundation Wind Power-II (Pvt.) Ltd., Khuttikun, Gharo, Sindh

ii. Solar

On May 5, 2015, the Prime Minister inaugurated 100MW solar energy project which will generate 100 MW electricity. In Solar Energy, 33 LOIs for cumulative capacity of approximately 888.1 MW On-Grid Solar PV power plants have been issued. Four (4) companies have submitted the feasibility studies of their projects and one feasibility study is approved by AEDB. Other sponsors are at the stage of preparation of feasibility studies. Also NEPRA announced upfront tariff for solar power projects for a total of 50 MW capacity on 21st January 2014. The upfront tariff is as follows:

- North Region: 17.006 cents/kWh
- South Region: 16.306 cents/kWh

The upfront tariff has been awarded to 05 IPPs by NEPRA.

iii. Biomass/ Waste-to-Energy

Following Biomass/Waste-to-Energy projects are in various stages of implementation under IPP mode:

- M/s SSJD (12 MW) Sindh
- M/s Lumen Energia (12 MW Shahkot) Punjab
- M/s Biomass Power Generation Limited (12 MW), Faisalabad
- M/s Green Sure Environmental Solutions (12 MW), Mardan, KPK

Also framework for power Co-generation 2013 (Biomass/Bagasse) was approved by Economic Coordination Committee (ECC) for bagasse/biomass based sugar industry projects. 1500-2000 MW of power is expected to be generated in next 2-3 years.

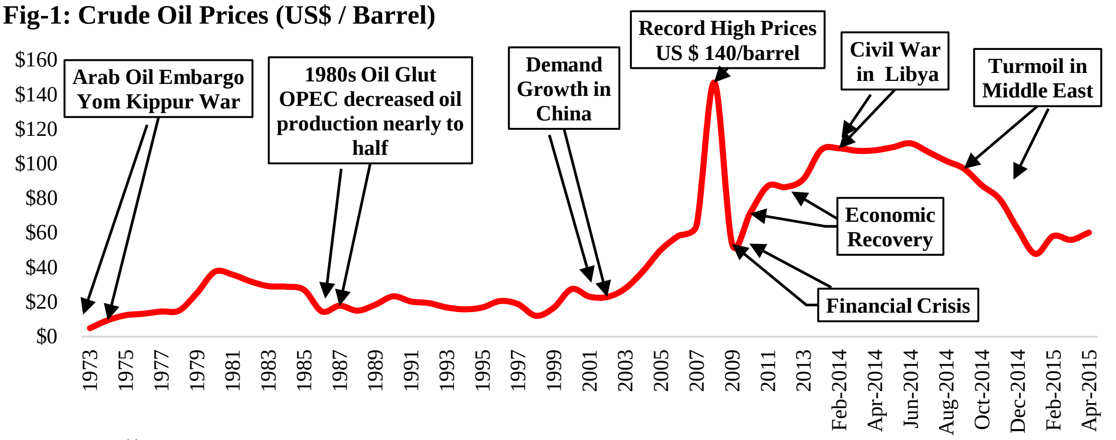
Conclusion

The energy issue is still top priority of the government. The government is intended to fulfill its commitments realizing the fact that good governance and regulation will contribute to a sustainable, affordable and reliable energy system. The government is sincerely committed to add electricity generation of 10,400 megawatts to Pakistan's national grid by 2017-18 along with reduction in the cost of generation and transmission losses. Under the plan vision 2025, the government is committed in power generation to 45,000 MW with provision of uninterrupted, affordable and clean ‘energy for all’. Thus the government is encouraging private investment to achieve power generation mix through development of indigenous energy resources particularly hydel, coal, shale gas, etc. to achieve zero load-shedding along with the reduction in average electricity rates.

Energy

The year 2014 can be marked as a turbulent year for the energy sector because of geopolitical crises, stagnating global economic growth, and slow progress in lowering greenhouse gas emissions to avoid global warming. Uncertainty existed in some producing regions, as tensions between the Russian Federation and Ukraine simmer, and the Islamic State of Iraq and Syria (ISIS) unleashed the turmoil in the Middle East. There is continuous rise in global energy demand with oil and gas still having almost 60 percent in total world energy consumption. Moreover, China is becoming the largest oil-importing country. However, this year, oil prices have displayed significant volatility (Fig-1) and declined to the level last seen in 2010 with probable reason of higher supplies of oil from Middle East OPEC producers and a relentless build in US crude stocks.

Fig-1: Crude Oil Prices (US$ / Barrel)



Source: http://www.eia.gov

The other interesting fact was that Saudi Arabia remained silent whereas the country could single-handedly reversed the price slide by cutting production as it has been done in the past. In 1980s, Saudi Arabia and its partner in OPEC decreased oil production nearly to half and also in 2010 after oil prices crashed due to financial crisis. On one side plunging oil prices are pressuring the American shale-oil and gas producers responsible for domestic energy boom which comes with its own ramifications for the economy as shale oil is relatively expensive to get out of the ground requiring prices of around $ 70 a barrel to be economical, thus slashing the future shale-oil production. On the other hand, keeping prices low will give oil-importing countries a financial break especially Russia, which is heavily dependent on its oil revenue and is already coping with Western sanctions over Ukraine.

Policy-makers and businesses are coming to terms with these new dynamics as they seek to adapt energy systems to meet the needs of today and tomorrow. Economic growth and development, sustainability and energy security, and access remain the key pillars of any energy system. Thus significant energy reforms with good intentions to fulfillment are required in response to these new imperatives and opportunities. Further decision-makers also require credible information to make complex decisions across these three dimensions.

Right from the beginning, the present government has attached high priority to energy sector. The government retired the circular debt (Rs 480 billion) immediately after taking oath which added 1752 MW of electricity into the system. In FY 15, the current level of circular debt is around Rs. 250 billion including Current Payable. Further a long awaited National Power Policy 2013focusedto support the current and future energy needs of the country and to set Pakistan on a trajectory of rapid economic growth and social development. The policy describes sustainability in the power sector as "the underpinning of long term transformation. The principle of sustainability will be grounded on three pillars: low cost energy, fair and level playing field, and demand management. Altering the fuel mix towards less expensive fuels will lead to low cost energy. Investments required for the low cost fuel mix will necessitate rationalization of the electricity tariff. Fairness will be ensured by protecting the poor and cross-subsidizing their consumption from the affluent. A level playing field will be created by providing power at comparable prices to all industrial users. Demand management will be introduced through novel policy, pricing and regulatory instruments." In December 2014, "Monitoring Report on Pakistan Energy Reform" was presented to the Economic Coordination Committee (ECC) of the Cabinet to analyze the progress and was subsequently released to the public as per ECC decision.

Lower tax to GDP ratio restricted the government in financing energy project solely thus private sector was also encouraged to play their role. Likewise energy sector always remained a key component of dialogue between the government and multilateral and bilateral development partners. During the recent visit of the Prime Minister to Turkmenistan, apart from mutual cooperation on various fields like trade, education, etc., the review of Turkmenistan–Afghanistan-Pakistan-India (TAPI) Pipeline and energy security remained main focus of the meeting. The project is expected to be materialized by end of 2017 will be providing the gas of 1.3 billion cubic feet to Pakistan. Turkmenistan, Afghanistan, India and Pakistan linked the Transaction Advisory Services Agreement (TASA) with Asian Development Bank (ADB) to find leading, technically and financially sound company that could form a consortium to generate the finances for the project.

The government was keeping itself bound with its timelines related to energy projects, however undue sit-in by two political parties in August 2014 and disastrous flood witnessed by Kashmir region in September 2014 became significant hindrance. Flood delayed Neelum-Jhelum hydropower which is now expected to complete in 2016 and due to sit-in, many planned engagements with multilateral and bilateral donor was delayed, most importantly the due visit of President of China was rescheduled.

Apprehending the commitment of the present government, Asian Development Bank (ADB) has approved assistance packages to help Pakistan to undertake key reforms in the power sector. This included funding to ensure energy delivery to industrial and private consumers, and to build two vital power generation plants in Sindh Province. The Jamshoro Power Generation Project, which on completion in 2018, will add 1,300 megawatts (MW) to the country's electricity grid. Reliability of the power distribution network is also being enhanced through the investment of $167.2 million to upgrade 284 grid stations. The World Bank also approved a financing package from the International Development Association (IDA) to help expand hydro-electricity generation in Pakistan through the development of the Dasu Hydropower Stage-I Project (DHP-I). The package consists of an IDA Credit of $588.4 million and an IDA Partial Credit Guarantee (PCG) of $460 million to help mobilize commercial financing for the project. DHP-I would have 2,160 megawatt (MW) hydropower plant on the main Indus River, which can be expanded to 4,320 MW in future with less additional cost.

During the recent visit of President of China, Pakistan and China signed 51 Memorandums of Understanding (MoUs) relating to diverse aspects of bilateral relations, including the Pakistan China Economic Corridor and series of energy projects. Thus almost $15.5 billion worth of coal, wind, solar and hydro energy projects will come online by 2017 and when mature will add 10,400 megawatts of energy to Pakistan's national grid.

The government is encouraging domestic and international private investors in energy sectors giving them favorable opportunities and incentives especially in alternative sources of energy. As an example the present government has approved the use of grid-connected solar energy, rooftop solar installations and mortgage financing for home solar panels to boost clean energy in the country. Thus the government has reversed course and eliminated a 32.5 per cent tax imposed on imported solar equipment in the country's 2014-15 budget which was aimed to bring down the cost of installing solar panels. Investors from Germany, Qatar, Russia, etc., have shown there interest in investing in energy sector.

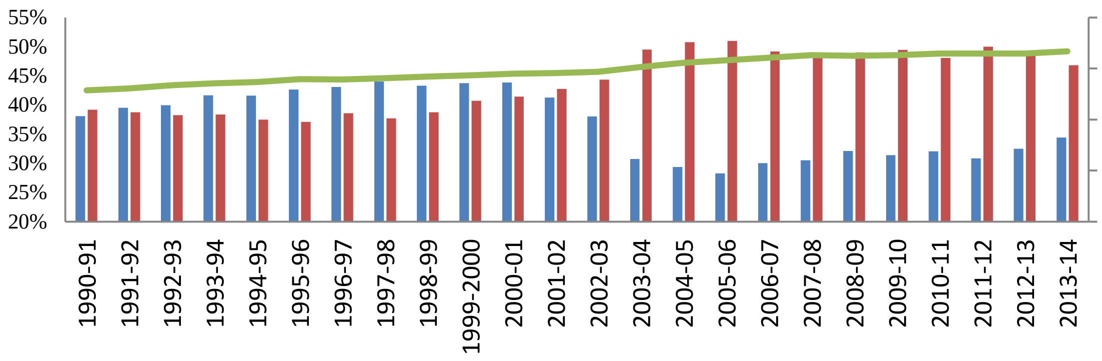
The Government of Pakistan also intended to diversify its energy mix so as to ensure energy Security. In this regard alternative and renewable energies is a strong contributor in the envisaged diversified energy mix. The investment portfolio in the Renewable Energy sector has increased by almost US$ 1 billion in last year. Alternative Energy Development Board (AEDB) has undertaken a number of measures in order to promote Alternative and Renewable Energy (ARE) technologies to attract private sector investments.

Recently a new investor friendly Power Generation Policy 2015 has been approved by the Council of Common Interest. The policy will facilitate in setting up of new plants as well as in extending incentives - including fiscal, acceptance of bank guarantee, and issuance of corporate registered bonds - for generation from hydel, thermal as well as gas-based projects. The government is making efforts at all ends to get a sustainable resolution to the energy crisis that is not only hindering economic growth but also causing social disruption

Pakistan Energy Sector:

Since 1991, the primary energy supplies had shown an annual compound growth rate of 3.6 percent and increased to 66.8 million TOE in 2014 compared to 28.5 million TOE in 1991. In 2014, per capita availability of primary energy supplies was estimated at 0.36 TOE. During July-March FY 2015, primary energy supplied increased to 50.9 million TOE compared to 48.8 million TOE showing a growth of 4.4 percent. Although there is no significant change in per capita availability, however there exist substitution in share of sources as share of gas dominated the share of oil in total energy supplies as gas being the cheaper source compared to oil especially after 2000-01 (Fig-2), beside Pakistan obtained Saudi oil facility from FY 1999 to FY 2004 and also subsidy given to oil sector by the government from FY 2002 to FY 2008 in order to give relief to consumer. However, the later step created fiscal burden to the exchequer. Oil and natural gas still continued to be the top two energy sources accounting for above 70 percent of energy demand.

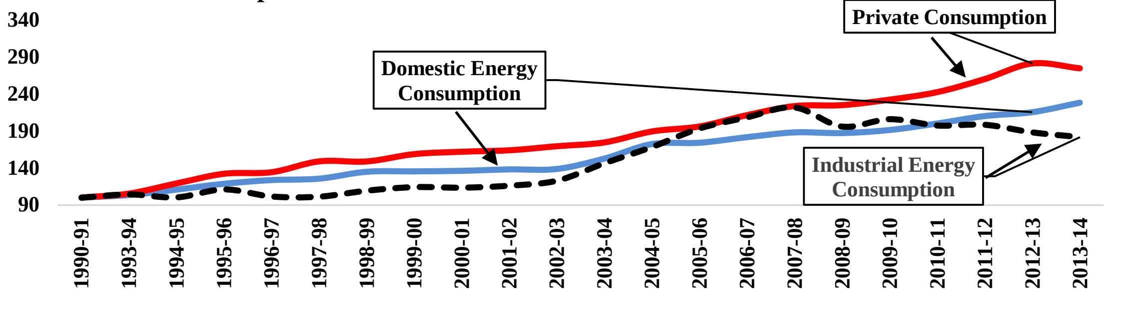
Fig-2: Primary Energy Supplies By Major Sources



Source: Energy Year Book of respective years, HDIP

The energy consumption has increased to 39.8 million TOE in 2014 compared to 17.0 million TOE in 1991 with annual compound growth rate of 3.6 percent.

Fig-3: Relation between Private Consumption, Domestic and Industrial Energy Consumption: All variables indexed to 100 in 1990-91



Source: Authors Calculation from Energy Year Book of respective years

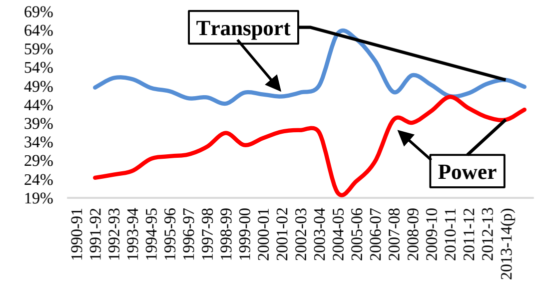
There is consistent rise in domestic energy consumption compared to industrial energy consumption (Fig-3), firstly, representing normal behavior on account of increase in economic welfare, secondly, technical innovations introducing more energy-using appliances to households and energy-saving techniques to industry. During July-March FY 2015, energy consumption increased to 25.1 million TOE compared to 24.6 million TOE in same period last year showing a growth of 2.0 percent

Pakistan Energy Sources:

14.1 Oil (Petroleum Product)

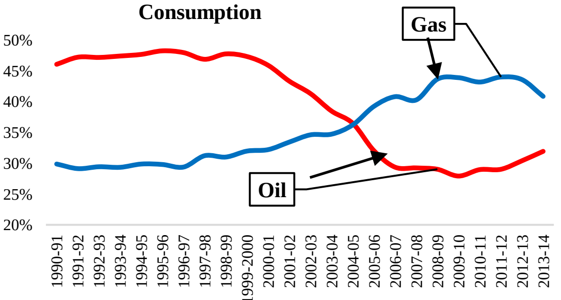
In early 1990s, transport and power sector were the main consumers of oil/petroleum having share of 50 percent and 25 percent, respectively in its total consumption. The consumption of oil/petroleum has shown a significant decline in period between 2000-01 and 2005-06 (Figure 4). The reason was rise in the price of crude oil since 2001. From an average price of US $22.99/barrel in 2001, it was increased to US $ 50.04 /barrel which was 118 percent higher than 2001. Realizing the fact, the government has initiated an ambitious pro-market reform program in the sector. The objective behind these market base policies was to limit the government role to only policy related issues and pricing and regulatory responsibilities to pass on to an independent regulatory authority. The government also changed the guaranteed return formula of the refineries to an Import Parity Price (IPP) formula. Previously, the refineries were working under a fixed return formula where the return was capped in the range of 10-40 percent of their equity. Thus government was liable to meet any loss in the profitability of the refineries. Under the new formula, an import tariff is applied to the FOB price of the petroleum product to determine the ex-refinery prices. Further to attract on the exploitation of indigenous resources, the government announced policy for Power Generation Projects 2002 in which one Window facility was provided by Private Power and Infrastructure Board (PPIB) for all projects above 50 MW Capacity. Thus oil became expensive source for the power sector was substituted by gas (Fig-8) as electricity was generated by consuming almost 50 percent fuel (Furnace Oil and Diesel Oil). It again started rising because of subsidy given by the government. During the period 2003-04 and 2005-06, the rise of share of transport in oil consumption was mainly due to fast growing transport sector while shift toward CNG was not fully matured.

Fig-4: Share of Transport and Power in Oil/Petroleum Consumption



Source: Energy Year Book of respective years, HDIP

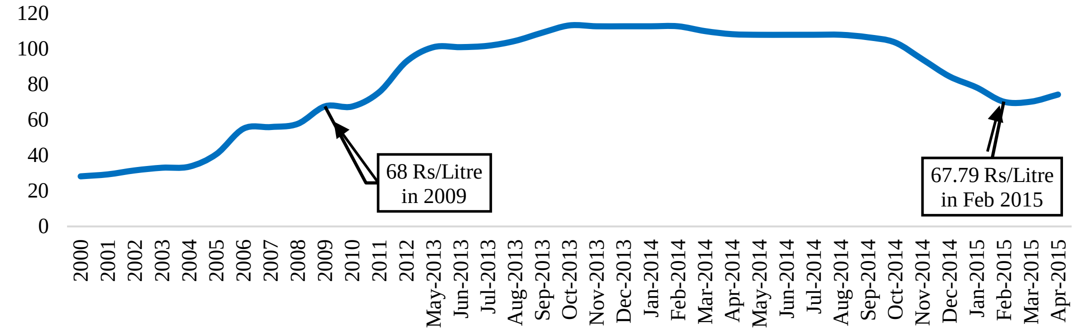
Fig-5: Share of Oil and Gas in Energy Consumption



Source: Energy Year Book of respective years, HDIP

The longer term trend suggests that composition of energy consumption, the composition is changing by substituting the gas as cheaper source compared to oil being expensive (Fig- 5). However due to gas load management, share of oil has again started rising. But still oil remained expensive prior to July 2014, as the government immediately responded to falling international oil prices and brought the domestic oil prices to Rs67.79/liter less than the levels last seen in 2009 (Fig-6).

Fig-6: Domestic Petrol Prices (Rs / Litre)



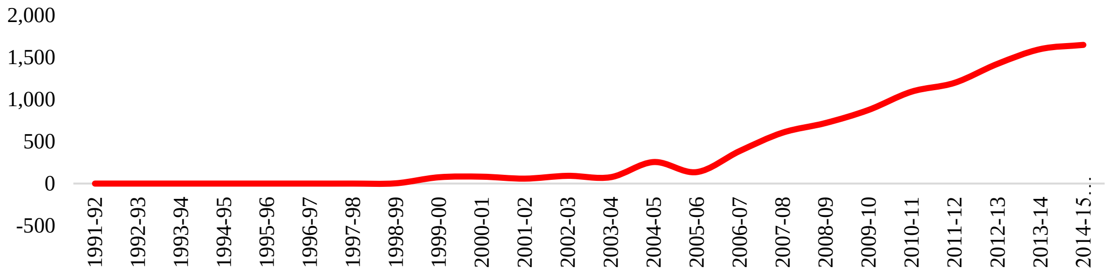
Source: Pakistan Economic Survey, Ministry of Petroleum & Natural Resources

The falling of international oil prices saved foreign exchange due to lower import bill (an amount of $ 3 billion approximately will be saved) while reduction in domestic petrol prices decreased the private consumption expenditure on oil thus money saved could be spent on other goods and services. Due to substantial decrease in retail prices on December 1, 2014 and afterwards on January 1, 2015, sales of petrol witnessed unprecedented increase. However, unfortunately, Pakistan—Arab Refinery Ltd (PARCO) the largest producer of petrol experienced a shutdown due to tripping of 11KV lines in Muzaffargarh area while National Refinery Limited (NRL) also experienced shutdown due to leakage of Distillation Tower. The short supplies aggravated the problems for Oil Marketing Companies (OMCs). On the other hand as required by the provisions of OGRA Ordinance, 2002 and license condition, OMCs had to maintain 20 days storage/stocks which OMCs could not fulfilled. Moreover in the first half of January 2015, two vessels of OMCs were delayed. By the time daily sales reached the level of 15,000 metric tonnes per day (an addition of 3,000 metric tonnes per day against projected demand of 12,000 metric tonnes) thus 45,000 metric tonnes more than the normal demand during first fortnight of January 2015, lead to severe pressure on reserve level. An unfortunate coincidence of all these factors contributed to the petrol crisis. However, once the shortages were observed, the government efficiently tackled the crisis which was over within few days which might have gone longer otherwise.

14.2 Natural Gas

With respect to gas, Pakistan has one of the most developed gas transmission and distribution network in the region but on account of its increased share in energy consumption, the gap between its demand and supply is widening steeply as shown in Fig-7:

Fig-7: Natural Gas Shortfall Data

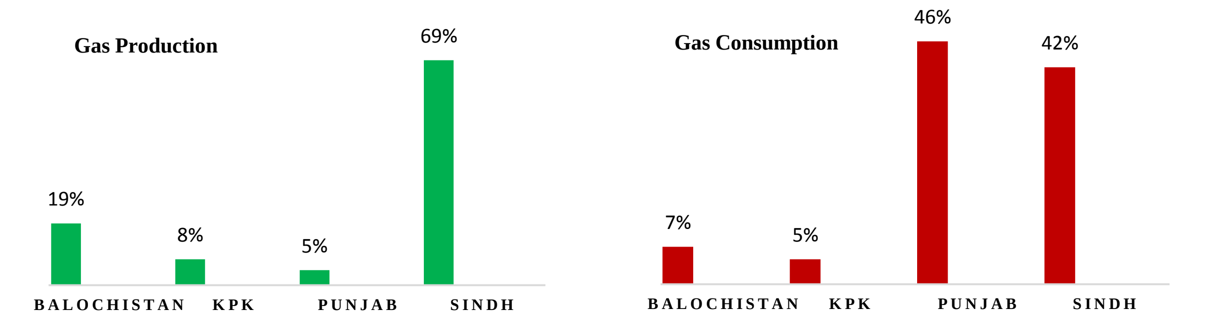


Source: Directorate General of Gas, Ministry of Petroleum & Natural Resources

The gap started when gas being cheaper was substituted for oil and political will of adding new consumers on account of annual development schemes. During July 2014 to February 2015, the two Gas utility companies (SNGPL & SSGCL) have laid 72 km gas transmission network, 1,040 km distribution and 758 km services lines and connected 59 villages/towns to gas network. Thus 206,473 additional gas connections including 206,127 domestic, 249 commercial and 97 industrial were provided across the country. It is expected that gas will be supplied to approximately 419,445 new consumers during the fiscal year 2015-16. Pakistan's natural gas production has been stagnant at the 4,000 Million Cubic Feet per Day (MMCFD). Thus there exist constrained demand for natural gas of 6,000 MMCFD against a supply of 4,000 MMCFD while the unconstrained demand for gas is estimated to be 8,000 MMCFD or more than double the current domestic production. One risk associated with this sector is that there is continuous depletion of existing natural gas fields while the pace of new gas discoveries is little slow.

Historically, gas demand during winter increases due to manifold increase in consumption of domestic sector consumers, in almost all areas on SNGPL's system and in some areas of SSGCL's system. The gas shortage is now being faced in summer months as well due to worsening demand-supply gap owing to increase in its demand as well as depletion of existing sources. Government of Pakistan is pursuing its policies of enhancing gas production to meet the increasing, demand of energy in the country. Still for supply of gas, the government has given priority to domestic and commercial sectors followed by power sector while general industry, fertilizer and captive power is on third priority. Cement and CNG sector are respectively on fourth and fifth priority of the government for supply of gas. There is no gas load shedding in domestic and commercial sectors in the country. However, the Honorable Sindh and Peshawar High Courts have directed the federal government to adhere the provision of Article 158 of the Constitution therefore the gas load management is mostly restricted to Punjab Province as its shared in gas supply is about 5 percent while it has a share of almost 46 percent of national gas consumption. An average of last five year province-wise gas production and consumption is given in Fig-8.

Fig-8: Last five years average consumption and production of Gas (Province-wise)



Source: Energy Year Book, HDIP

From the Table-1, it can be concluded that the gas load management is mostly restricted to Punjab Province:

Table 1: Province-wise Gas Consumption (MMFCD)

Priority-wise Sector	July-March FY 14 Punjab	Khyber Pakhtunkhwa	Sindh	Balochistan	Total	July-March FY 15 Punjab	Khyber Pakhtunkhwa	Sindh	Balochistan	Total
Demestic	474	81	213	29	797	448 ↓	96 ↑	207 ↓	27 ↓	778 ↓
Power	151		468	225	844	123 ↓		477 ↑	302 ↑	902 ↑
Commercial	69	7	26	2	104	60 ↓	7 ↑	26 ↑	2 ↑	95 ↓
General Industry										
Pak Steel			24		24			21 ↓		21 ↓
Captive Power	83	18	207		308	83 →	21 ↑	207 ↓		311 ↑
Other Industry including Textile	179	20	175	1	375	102 ↓	19 ↓	170 ↓	1 →	292 ↓
Fertlizer (Feed)	230		225		456	223 ↓		233 ↑		456 ↑
Fertlizer (Fuel)	63		83		146	58 ↓		90 ↑		148 ↑
Transport (CNG)	87	67	76	3	233	37 ↓	74 ↑	78 ↑	4 ↑	193 ↓
Cement			1		1		1 ↑	2 ↑		
Sub Total	1,336	193	1,499	260	3,288	1,134 ↓	218 ↑	1,511 ↑	336 ↑	3,199 ↓

Source: Directorate General of Gas, Ministry of Petroleum and Natural Resources

SNGPL is meeting the requirement of more than 4.8 million consumers of domestic, commercial, CNG and industrial categories through its distribution network. All categories of consumers are fed through a common distribution network. There is a continuous extension in SNGPL's network. On an average, there has been an increase in gas demand by 40-50 MMCFD (based on average consumption during summer months) and 80-100 MMCFD (based on average consumption during winter months) each year. On the other hand there is no considerable increase in inputs. Small fields which have been connected to the system, hardly compensate the reduction of supply due to depletion of major gas fields supplying gas to SNGPL's system. Thus low pressure issues are faced by the consumers especially those which are situated at the tail-end of our distribution network, mainly during winter.

Keeping in view the demand and supply position of natural gas, SSGCL has also started gas load management on "as and when ever required basis". The comparison of gas curtailment in the two gas companies is given below

Table 2: Comparison of Gas Curtailment

Sectors	SNGPL	SSGCL
CNG	7 holidays / week	3 holidays / week (on alternate days)
Industry	5 holidays / week (Only captive power of textile sector is given 6 hours / day while textile processing units are provided gas against 25 percent of their allocation on daily basis	1 holiday / week
Fertilizer	Reduced quantities	Reduced quantities

Source: Directorate General of Gas, Ministry of Petroleum & Natural Resources

Government of Pakistan is taking following steps to overcome the shortage of natural gas in the country:

i) Contain the natural gas demand at current level
ii) Increase indigenous gas supplies
iii) Promotion of LPG air mix
iv) Import of LNG
v) Import of Gas from Iran
vi) Import of Gas from Turkmenistan

14.2.1 Compressed Natural Gas (CNG):

The government was promoting the use of CNG to reduce pollution and to improve the ambient air quality. During past few years CNG industry has observed a tremendous growth. Today Pakistan is the world leading CNG user country with more than 3 million NGVs (Natural Gas Vehicles) plying on the roads. The choice of conversion is mainly due to the fact that prices of CNG is significantly less than petrol price. Currently there are more than 3,414 CNG stations in the country fulfilling the fuel need of the NGVs. However realizing the situation of gas, it is pertinent to mention that there is ban imposed by federal government on the issuance of CNG Provisional Licenses for establishment of new CNG Stations across the country.

14.2.2 Liquefied Petroleum Gas (LPG):

OGRA is empowered to regulate the LPG sector under OGRA Ordinance, 2002 and LPG (Production & Distribution) Rules, 2001 w.e.f 15th March, 2003. LPG plays an important role in the energy mix of Pakistan as it provides a cleaner alternative to biomass based sources, especially in locations where natural gas is not available or unable to reach due to low pressure especially in winter. The total supply of LPG during July-March, 2014-15 was 494,763 tones, accounted for about 0.5 percent of the total primary energy supplies in the country. Gas producing fields contributed 53 percent followed by refineries and imports with share of 26 percent and 21 percent respectively. Currently there are 12 LPG producers and 97 LPG marketing companies operating in the country having more than 4,482 authorized distributors.

Due to augmented investment and future expansion plans of the LPG marketing companies, significant investment in LPG supply and distribution infrastructure has been witnessed. OGRA has made noteworthy contribution in national economic progress and created an environment for additional investment especially in auto sector which will not only result in creation of infrastructure in

LPG sector all over the country but will also provide jobs to hundreds of unemployed people. There are six (6) LPG auto refueling stations, twenty four (24) are under construction and almost hundred (100) applications are under process. OGRA is playing its vital regulatory role to increase private investment in midstream and downstream petroleum industry. During July-March, 2014-15 an investment of approximately Rs. 1.5 billion has been made in LPG infrastructure.

14.2.3 Liquefied Natural Gas (LNG):

The two transnational gas pipelines that Pakistan has pursued for over two decades have been delayed due to reasons beyond control. The 750 MMCFD Iran-Pakistan (IP) gas pipeline has been delayed due to international sanctions (although there is now hope for removal of the sanctions) and the 1,325 MMCFD Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline has been delayed due to the security situation in Afghanistan and structural issues with the project transaction.

The Government of Pakistan is now successful to import 500 million cubic feet per day (mmcfd) of LNG from Qatar. As per LNG Policy in 2006/2011 the project structures can be (i) integrated, in which the terminal developer arranges LNG imports as well as its buyers and (ii) unbundled, in which the terminal developer, LNG importer and LNG buyers are different. In 2014, the Government of Pakistan called bids through Inter State Gas Systems (ISGS), for construction of LNG regasification terminal by private companies. Engro Elengy Terminal Limited (EETL), formerly Elengy Terminal Pakistan Limited (ETPL), a subsidiary of Engro Corporation Limited was selected as the ‘Technically’ and ‘Financially’ qualified bidder for construction of LNG regasification terminal at Port Qasim Karachi. EETL has signed an LNG Service Agreement (LSA) with a government’s designated entity i.e. SSGC for handling 400 MMCFD of Re-gasified Liquefied Natural Gas (RLNG) to be injected into national grid. The LNG shall be imported by the Government of Pakistan and EETL shall provide the regasification services at a tolling tariff. Moreover M/s Bahria Foundation on 22nd September 2014 applied for grant of ‘Provisional License’ under OGRA (LNG) Rules, 2007. After scrutiny of the application, the company was granted ‘Provisional License’ on 17th March 2015 for a period of 12 months. During this period the company is required to complete all formalities as per requisite rules to apply for a license for construction of LNG terminal.

The current 400 MMCFD of Regasified LNG (RLNG) will be provided to the power sector including Nine (9) gas-based Independent Power Plants (IPP) - KAPCO, FaujiKabirwala, Rouche, Halmore, Orient, Saif Energy, Sapphire, Altern Energy, and Davis Energen for replacement of Diesel or LSFO consumption. This RLNG will allow these power plants to generate an additional 9 Billion KWh per annum, equivalent to an additional 10 percent of total current annual power generation, without investment in any new generation capacity.

Energy cost calculations clearly prove that RLNG is cheaper than ALL other imported fuels for power generation in Pakistan. On April 27, 2015, the delivered price for fuel to power plants in Northern Pakistan on equivalent basis was $11.5/MMBTU for LNG, $ 12.6/MMBTU for HSFO, $ 13.8/MMBTU for LSFO, and $ 22.8/MMBTU for Diesel. In this context, LNG with a notional Brent linkage of 14.5 percent is 10 percent cheaper than High Sulphur Furnace Oil (HSFO), 20 percent cheaper than Low Sulphur Furnace Oil (LSFO), and half the price of Diesel. In addition, as a fuel for power generation, LNG as compared to liquid fuels provides (i) substantially greater efficiency (ii) lower maintenance costs (iii) no storage costs (iv) ease of transportation and (v) no pilferage or adulteration issues.

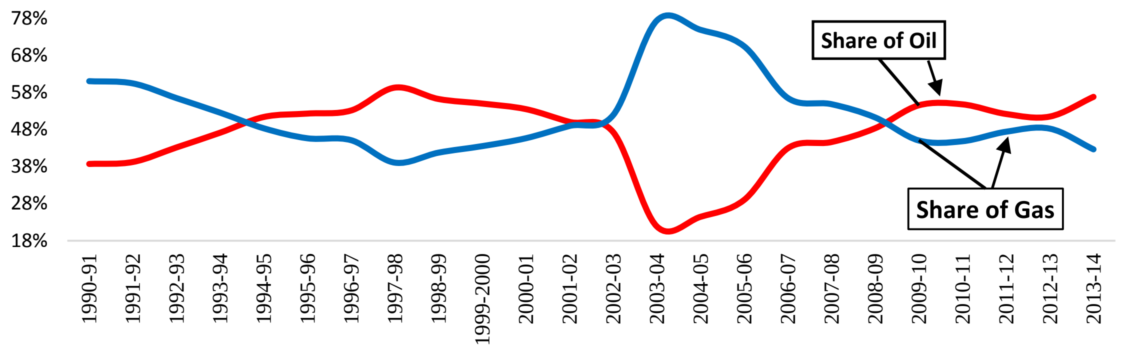
Thus it is expected that import of LNG will help to overcome the shortage of gas as by providing LNG to power sector will give space in availability of gas for other sectors. The government is also making efforts to attract private investor for exploring new gas discoveries.

14.3 Electricity

Electricity although the secondary source of energy has become indispensable not only for household but for all other sphere like industry, transport etc. Power shortages has become the most influential economic challenge not only causing social disruption but also hitting the real

GDP growth rate. In NEPRA State of Industry Report 2013, NEPRA estimated, "the power sector is responsible for 2 to 3 percent reduction in the annual GDP of the country." However, exact cost including direct and indirect cost of power shortage and its directional relationship with growth is still unfold for developing economies especially for Pakistan. In this era of modernization, there is continuous increase in consumption of electricity within household as innovation has introduced more electrical-usage appliances to household. With respect to industry, the behavior is little bit different as due to power shortage the large manufacturers have got their own captive plants to generate electricity and thus became Independent Power Producers (IPPs) under the Power Policy 2002. Nishat, Gul Ahmed, Orient, etc are some of the examples. All IPPs under the 1994 policy were thermal power plants often using furnace oil as a fuel. Thus the share of oil in thermal power generation remained high which also created a heavy dependence on oil prices.

Fig-9: Share of Oil and Gas in Thermal Power Generation



Source: Energy Year Book, HDIP

The Power Policy 2002 encouraged the use of indigenous fuel (gas) and hydel power projects. Thus the share of gas in thermal power generation started rising after 2002-03. Hydel plants with their low variable costs may be cheaper but WAPDA carried the risk of water availability for plants with a capacity bigger than 50 MW. Under Natural Gas Load Management Program in November 2011, Economic Coordination Committee of the Cabinet (ECC) decided to give first priority to domestic consumers, then commercial consumers, power generation units and fertilizer industry. Thus the share of gas and oil started reversing after the decision (Figure 8). Then under Gas Allocation and Management Policy 2013, first priority was given to domestic and commercial users followed by power. National Power Policy 2013 emphasized on by using indigenous resources such as coal (Thar coal) and hydel for the generation of inexpensive and affordable electricity for domestic, commercial, and industrial use. Recently, as per the decisions of Economic Coordination Committee of the Cabinet and Cabinet Committee on Energy, a new investor friendly Power Generation Policy 2015 was prepared and has also been approved by the Council of Common Interests. The policy accommodates new fuel provisions like Coal and R-LNG for power generation. Major improvements in Power Generation Policy 2015 are:

- For Projects under Government to Government Agreement, terms and conditions of such Agreement shall be applicable accordingly
- Payment of Capacity Purchase Price (CPP) with reduced Return on Equity (ROE) to Independent Power Producers (IPPs) in case plant is not available for dispatch due to non-availability of fuel solely caused by delayed payments by the Power Purchaser
- Minimum Take or Pay Provision to be included in the Power Purchase Agreement (PPA) as agreed by Power Purchaser / NEPRA
- Performance Guarantees (PGs) payable in equivalent Pak Rupees at the prevailing exchange rates at time of encashment

- For any specific fuel, Government of Pakistan may provide Guarantee for obligation of the fuel supplier
- Laws of England will be allowed for the foreign lenders participating in the projects as the governing law for the Direct Agreements (Implementation Agreement (IA) &Power Purchase Agreement (PPA)
- LOI Bank Guarantee extended till issuance of LOS instead of completion of Feasibility Study
- LOS Bank Guarantee to secure Financial Close only instead of FC and COD under 2010 Guidelines
- International Competitive Bidding (ICB) on Tariff for Hydropower projects will be carried out where Feasibility and Detailed Engineering Design is available
- PPIB will issue Tripartite LOS for projects initiated by the Provinces/AJK/GB, execute IA and issue Government of Pakistan Guarantee
- For R-LNG based projects, Standby Letter of Credit (SBLC) and/or Revolving L/C in favor of R‑LNG Supplier to be established by the Sponsor

Thus the need for cheaper hydro power has gained more importance. Unfortunately the composition of electricity generation shows that hydro potential has not been fully utilized. The hydro potential which is located in the north requires long transmission lines to transport power to the load centers. During July-March FY 15, the hydro generation accounted for 31.47 percent of the total generation almost at similar level that was in same period last fiscal year.

The installed capacity of PEPCO system was 20,850 MW at the end of June 2013 which has gone up to 22,104 MW by the end of June 2014 with hydro and thermal capacities occupying 7,097 MW and 15,007 MW respectively. Out of aforementioned thermal capacity, 5,458 MW is owned by ex-WAPDA GENCOs, 650 by PAEC and rest by IPPs/Rentals. There is also 55 MW of isolated generation capacity at Pasni & Punjgoor areas in Baluchistan. The installed capacity of PEPCO system has gone up to 22,577 MW by the end of March 2015 with hydro and thermal capacities occupying 7,097 MW and 15,480 MW respectively. It is also mentionable that the village electrification program is still an integral part of the total power sector development program. It is important for not only to raise the productivity but also to raise socio-economic standards of the population living in rural areas. The progressive number of villages electrified has increased from 1, 89,018 on 30th June 2014 to 1, 93,511 at the end of March 2015 while As of March 2015, the number of consumers has risen to 23.258 million.

To mitigate the impact of rising cost of thermal power and narrow down the demand-supply gap, the work on mega projects like Neelam-Jhelum (969 MW) and Diamir-Basha (4500 MW) hydropower projects is under way.

14.4 Coal

The Government considers Thar coal development as a flagship project and believes in it as a means to Energy Security. Thar Coal Projects have been enlisted as early harvest projects by the CPEC (China-Pakistan Economic Corridor), Sindh Engro Coal Mining Company (SECMS) and Sino Sindh Resources (Pvt.) Limited (SSRL) have been prioritized as top priority projects to be financed by Chinese institutions. There is a complete synergy between the Federal and the Provincial Government of Sindh. Total power generation anticipated from these three projects is 2400 MW by 2018.

In addition to Thar Coal resources, the Energy Department has worked on other sources of energy and established two special purpose companies namely M/s Sindh Nooriabad Power Company Private Ltd (SNPCL) and Sindh Nooriabad Power Company Private Limited Phase-II with a lead partner M/s Technomen Kenetics Private Limited for installation of 100 MW Gas power generation facility. It is in very advance stage and commissioning is expected in early of 2016.

Other mentionable progress in coal sectors are:

- China Machinery Engineering Corporation (CMEC) submitted to PPIB a formal proposal on 27th October 2014 for the development of a 300 MW indigenous coal fired power plant at Pind-Dadan Khan, Salt Range, Punjab (the ‘Proposal’) under the

ECC approved 'Guidelines for Setting up of Private Power Projects under Short Term Capacity Addition Initiative - August 2010' (the 'Guidelines').

- Lucky Electric Power Company Limited submitted its proposal to PPIB for development of 660 MW imported coal based private power project at Port Qasim Karachi. After successful evaluation of the proposal by PPIB's consultant, PPIB on 15th January 2015 issued Notice to Proceed (NTP) to the Sponsors. Upon fulfillment of all requirements according to the Guidelines, including the submission of site confirmation letter from the Power Purchaser, PPIB on 11th February 2015 issued Letter of Intent (LOI) to the Sponsors. Lucky Electric Power Company Limited is now required to approach NEPRA for grant of Generation License and Tariff Determination.
- Siddiq-sons Limited submitted a formal proposal for the development of 350 MW imported coal based private power project at Port Qasim Karachi. The Proposal was forwarded to PPIB's consultant for evaluation. After necessary evaluation, the consultant declared the proposal responsive as per the criteria prescribed down in the Guidelines. Accordingly on 19th January 2015, Notice to Proceed (NTP) was issued to the Sponsors. Issuance of Letter of Intent (LOI) to the Sponsors is expected soon

14.5 Nuclear Power:

Pakistan Atomic Energy Commission (PAEC) is operating three nuclear power plants. The first nuclear power plant, Karachi Nuclear Power Plan (KANUPP), completed its 30 year design life in 2002, continues to provide electricity after necessary refurbishments and safety retrofits. Two nuclear power plants, Chashma Nuclear Power Plant unit-I & unit-2 (C-1 & C-2) are operating very well and setting high standards in the power industry of the country. Some performance parameters of these operating plants are highlighted in the following Table;

Table 3: Performance Parameters of Nuclear Plants

Plant	Gross Capacity (MW)	Grid Connection Date	Electricity sent to Grid (million kWh)	
			1st July 2014 to 31st March 2015	Lifetime upto 31st March, 2015
KANUPP	100	18 October 1971	246	13,259
C-1	325	13 June 2000	1,809	28,944
C-2	330	14 March 2011	1,879	8,316

Source: Pakistan Atomic Energy Commission (PAEC)

Work on the construction of the fourth and fifth nuclear power plants, Chashma Nuclear Power Plants unit-3 & unit-4 (C-3- & C-4) at Chashma site continues ahead of the schedule. These two units are 340 MW each and are scheduled to be connected to the National grid in 2016, one in April and the other in December. Sixth and Seventh nuclear power plants, Karachi Coastal Power Plants (K-2 and K-3) are also under construction near KANUPP.

14.6 Alternative Energy Sources

Pakistan has abundant resources of shale gas, hydel and coal etc. Thus it has potential to utilize these cheaper resources to diversify its energy mix. Pakistan Council of Renewable Energy Technologies (PCRET) and Alternative Energy Development Board (AEDB) are consistently taking a number of measures in order to promote Alternative Energy (ARE) technologies and to attract private sector investments.

Progress in Alternative Energy (ARE) technologies

i. Wind

There are almost thirty one (31) wind power IPPs (1810 MW) holding LOIs issued by AEDB are at various stages of project development while following projects are under construction:

- 50 MW Three Gorges First Wind Farm Pakistan (Pvt.) Ltd., Jhampir Sindh
- 50 MW Foundation Wind Power-I Ltd. Khuttikun, Gharo, Sindh
- 50 MW Foundation Wind Power-II (Pvt.) Ltd., Khuttikun, Gharo, Sindh

ii. Solar

On May 5, 2015, the Prime Minister inaugurated 100MW solar energy project which will generate 100 MW electricity. In Solar Energy, 33 LOIs for cumulative capacity of approximately 888.1 MW On-Grid Solar PV power plants have been issued. Four (4) companies have submitted the feasibility studies of their projects and one feasibility study is approved by AEDB. Other sponsors are at the stage of preparation of feasibility studies. Also NEPRA announced upfront tariff for solar power projects for a total of 50 MW capacity on 21st January 2014. The upfront tariff is as follows:

- North Region: 17.006 cents/kWh
- South Region: 16.306 cents/kWh

The upfront tariff has been awarded to 05 IPPs by NEPRA.

iii. Biomass/ Waste-to-Energy

Following Biomass/Waste-to-Energy projects are in various stages of implementation under IPP mode:

- M/s SSJD (12 MW) Sindh
- M/s Lumen Energia (12 MW Shahkot) Punjab
- M/s Biomass Power Generation Limited (12 MW), Faisalabad
- M/s Green Sure Environmental Solutions (12 MW), Mardan, KPK

Also framework for power Co-generation 2013 (Biomass/Bagasse) was approved by Economic Coordination Committee (ECC) for bagasse/biomass based sugar industry projects. 1500-2000 MW of power is expected to be generated in next 2-3 years.

Conclusion

The energy issue is still top priority of the government. The government is intended to fulfill its commitments realizing the fact that good governance and regulation will contribute to a sustainable, affordable and reliable energy system. The government is sincerely committed to add electricity generation of 10,400 megawatts to Pakistan's national grid by 2017-18 along with reduction in the cost of generation and transmission losses. Under the plan vision 2025, the government is committed in power generation to 45,000 MW with provision of uninterrupted, affordable and clean ‘energy for all’. Thus the government is encouraging private investment to achieve power generation mix through development of indigenous energy resources particularly hydel, coal, shale gas, etc. to achieve zero load-shedding along with the reduction in average electricity rates.

Social Safety Nets

Universal access to essential facilities such as education, health, cleans drinking water and proper sanitation etc. are the basic necessities in present day life. The government's resolve is to provide basic amenities and create opportunities ensuring macroeconomic stability, improving governance, and protecting vulnerable segments in the society.

Social protection/safety nets provide regular and predictable transfers in cash or in-kind to poor and vulnerable people as a means to reduce poverty, boost inclusive growth, share prosperity, reduce food insecurity and malnutrition, increase demand for education and health services, better management of risks and absorb un-precedented shocks. Social safety nets are not just assistance but these are an important ingredient for building and strengthening social contracts between states and citizens.

The Planning Commission of Pakistan is currently engaged in Social Safety Net Project with the provincial governments for developing provincial social protection policies through providing them technical assistance with the assistance of the World Bank. All the provincial governments have signed MoUs with the Planning Commission for developing provincial social protection policies. A sophisticated process flow has also been agreed with the provincial governments with regard to SP Policy Development. A national framework for social protection will cover all provincial policies to bring all existing social protection programs under one umbrella with a unified and transparent inclusion criteria, better targeting system and efficient monitoring mechanism.

The United Nations Development Programme (UNDP)'s Human Development Report, 2014 ranks Pakistan at 146th out of 187 countries under the Human Development Index (HDI) based on Health (life expectancy at birth),Education (years of schooling) and Gross National Income (GNI) per capita. Pakistan's HDI value is 0.537 out of 1 as against South Asia's average HDI value of 0.588 and World's average HDI value of 0.702.

Pakistan Vision 2025 is people centric and aimed at reducing poverty and enhancing the people's welfare. Poverty is a multidimensional phenomenon and is described as a lack of income or consumption and access to education, health and other amenities of life. Changes in economic conditions and other shocks increase the vulnerability of households to poverty. Vision 2025 will strengthen the data collection process and to increase the coverage of household data at the district level. This will enable to monitor the poverty and vulnerability of the population in all dimensions. Social protection will be mainstreamed into all government policies to ensure social equity and inclusion. The effectiveness and range of available social protection instruments will be enhanced by following the 'rights-based' approach. Besides targeted schemes, the scope will be extended to employment creation or employment related forms of social protection, such as social assistance, social insurance, social equity, social development and economic empowerment.

Tracking of Pro-Poor Expenditures:

The government is fully committed to follow a sustained poverty reduction strategy and to allocate a minimum of 4.5 percent of GDP to social and poverty related expenditures is clearly reflected in the allocations to the pro-poor sectors shown in Table 15.1. The government prioritized 17 pro-poor sectors through the Medium Term Expenditure Framework (MTEF) in the PRSP-II, which provided a link between the policy priorities and the budget reality.

Expenditure on pro-poor sectors in 2010-11 stood at 13.24 percent of GDP. In 2011-12, these were 11.55 percent of GDP and in 2012-13, 13.10 percent of GDP. These expenditures were well above the requirement under the law. During 2013-14, total expenditures for these sectors were slightly increased and amounted to Rs 1,934.095 billion, which was 14.16 percent of GDP. During July-December of the current fiscal year 2014-15, Rs. 667.47 billion expenditures have been made in these sectors.

Table 15.1: Budgetary Poverty Related Expenditures by Sectors (Rs. Million)

Sectors	2010-11	2011-12	2012-13	2013-14	2014-15*
Roads, Highways & Bridges	99,567	111,883	94,750	96,504	27,724
Environment / Water Supply and Sanitation	28,506	36,570	34,055	32,000	16226
Education	322,811	393,523	479,853	537,598	237,436
Health	106,017	134,182	161,202	201,986	83,038
Population Planning	4,861	5,826	7,142	12,609	3,973
Social Security & Welfare**	56,315	68,437	72,898	93,398	31,087
Natural Calamities & Other Disasters	49,115	77,096	32,699	18,404	21,754
Agriculture	115,511	134,448	148,554	157,894	69,443
Land Reclamation	3,669	4,347	4,805	4,796	2,731
Rural Development	19,109	32,979	31,926	14,727	4,460
Subsidies	497,441	689,221	556,113	502,098	40,350
People's Works Programme-I	5,049	4,296	3,346	-	-
People's Works Programme-II	21,300	33,589	42,486	-	-
Low Cost Housing	373	383	603	676	132
Justice Administration	14,223	17,082	22,512	24,378	11,321
Law and Order	169,791	194,495	220,343	237,027	117,792
Total	**1,513,658**	**1,938,357**	**1,913,287**	**1,934,095**	**667,467**
Total as % age of GDP (2005-06 base)	**13.24**	**11.55**	**13.10**	**14.16**	**-**

Source: Ministry of Finance
*: July-December
**: Social Security & Welfare includes the expenditure of BISP (22,358 million) and PBM (529 million)

Social Safety Programmes:

Social protection and social safety net programs through Benazir Income Support Program (BISP), Pakistan Bait-ul-Mal (PBM), Zakat, Employees Old Age Benefit Institution (EOBI), Workers Welfare Fund (WWF) and social welfare activities are deep routed in Pakistan's poverty alleviation strategy.

I. Pakistan Poverty Alleviation Fund (PPAF): Pakistan Poverty Alleviation Fund (PPAF) is established as an apex Governmental Non Profit Organization for community-driven development in the country. PPAF enjoys facilitation and support from the government, World Bank, International Fund for Agricultural Development (IFAD), KFW (Development Bank, of Germany) and corporate donors. Outreach of PPAF now extends throughout Pakistan and its microcredit, water and infrastructure, drought mitigation, education, health and emergency response interventions have been widely recognized. Independent studies have demonstrated positive outcomes and impact of PPAF interventions on the lives of benefiting communities related to their economic output, household incomes, assets, agricultural productivity and other qualities of life indices. PPAF aims to be the leading catalyst in improving the quality of life, broadening the range of opportunities and socio-economic mainstreaming of the poor and disadvantaged, especially women. The core operating units of the PPAF deliver range development interventions at the grassroots/community level through a network of 129 Partner Organizations across the country.

The overall objective of the PPAF is to improve the quality of life of poor and marginalized people throughout the country. Its specific goals are:

- To eradicate extreme hunger and poverty
- To promote gender equality and empower women
- To achieve universal primary education
- To improve maternal health
- To reduce child mortality
- To establish and strengthen Community and NGO institutions.

Since its inception in April 2000 to March 2015, PPAF has disbursed an amount of approximately Rs. 153 billion to its 129 Partner Organizations in 121 districts across the country. During the same period, 7.8 million individuals have availed the PPAF financing with 60 percent of the loans to women. 34,000 water and infrastructure projects have been initiated; 2,000 health and education facilities supported; 430,000 credit groups and 126,500 community organizations formed, 666,000 staff and community members trained, 294,000 individuals received skills/entrepreneurial trainings, 75,000 assets transferred to ultra and vulnerable poor households, 26,279 individuals including women and youth trained on enterprise development under Waseela-e-Haq National & Waseela-e-Haq Sindh program of BISP and facilitated in establishing their successful ventures, and 29,500 persons with disabilities rehabilitated.

During July 2014 to March 2015, Pakistan Poverty Alleviation Fund (PPAF) has managed to disbursed an amount of Rs. 9.8 billion to its partner organizations as shown in Table 15.2

Table 15.2: Disbursement by Operating Units/Special Initiatives

S.No	Components	Amount (Rs. million)
1	BISP's Waseela-e-Haq Program	4.36
2	Prime Minister's Interest Free Loan	799.13
3	Institutional Development and Social Mobilization	186.39
4	Microfinance Portfolio Management	6,692.38
5	Livelihood, Employment and Enterprise Development	1,423.65
6	Disability	49.11
7	Community Physical Infrastructure	293.82
8	Water, Energy and Climate Change	256.53
9	Education, Health and Nutrition	139.02
Total		9,844.40

Source: Pakistan Poverty Alleviation Fund, Islamabad.

During the period July 2014 to March 2015, a total of 1,927 Community Organizations (COs) were formed and 3,710 community and staff member were trained under Institutional Development and Social Mobilization component. Further, 806,597 new microcredit loans were extended to the borrowers of which 73 percent were women borrowers. Under the Livelihood, Employment and Enterprise Development (LEED) program, 51,6n06 individuals received skills/entrepreneurial trainings and 15,695 productive assets were transferred to the ultra and vulnerable poor (of which 43 percent are women). 2,330 new Community Physical Infrastructure (CPI) sub-projects were initiated in different sectors including drinking water, irrigation, drainage and sanitation, roads and bridges, flood protection work and technological innovation projects e.g. renewable energy sub-projects. Similarly, 291 sub-projects were initiated under the Water, Energy and Climate Change (WECC) components which include Drought Mitigation and preparedness (DMPP), Integrated Water Efficient Irrigation Projects (IWEIP) and Sindh Coastal Area Development (SCAD) projects. Under the health and education components, 16,974 students (37 percent girls) were enrolled and 2,406,569 patients (57 percent female) treated under various ailments during the current financial year.

Overall these projects and interventions benefitted approximately 3.9 million people from across the poorest and most marginalized populations in Pakistan. Our gender disaggregated data shows that of this population, 59 percent were women beneficiaries during the reporting period. Detail of major achievements by Operating Units of PPAF is shown in Table-15.3 below:

Table 15.3: Major Achievements by Operating Units of PPAF

S.No	Outreach	Numbers
1	Community organizations formed under social mobilization components	1,927
2	Community and staff trainees (38% women) under institutional development	3,710
3	Livelihood, Employment and Enterprise Development :	
	• Individuals received skills/entrepreneurial training	51,605
	• Productive assets transferred to ultra and Vulnerable poor (43% women)	15,695
4	Microfinance Portfolio Management - Micro Loans (73% women)	806,597
5	Community Physical Infrastructure – Sub-Projects initiated (51% women)	2,330
6	Water, Energy and Climate Change - Sub-Projects initiated (47% women)	291
7	Education, students enrolled in program schools (37% girls)	16,974
8	Health, program beneficiaries (57% female patients)	2,406,569
9	Disability program, Persons with Disabilities (PWDs) rehabilitated	4,923
10.	Overall program beneficiaries during the reporting period (59% Women)	3,992,543

Source: Pakistan Poverty Alleviation Fund, Islamabad.

II. Benazir Income Support Programme (BISP): Benazir Income Support Programme (BISP) was launched in July 2008 with objectives to enhance financial capacity of poor people and their dependent family members; formulate and implement comprehensive policies and targeted programmes for the uplift of underprivileged and vulnerable people; reduce poverty and promote equitable distribution of wealth especially for the low income groups**,** particularly women, through the provision of cash transfers of Rs. 1,000/month to eligible families. Its long term objectives include meeting the targets set by Millennium Development Goals (MDGs) to eradicate extreme and chronic poverty and empowerment of women. Present government has not only continued the programme but has also increased the cash grant to Rs. 1200/ month and then to Rs. 1500/month.

BISP is an independent authority with the President of Pakistan being the Chief Patron and Prime Minister of Pakistan the Executive Patron of the Programme and is managed by a Board consisting of professionals and technocrats of international repute

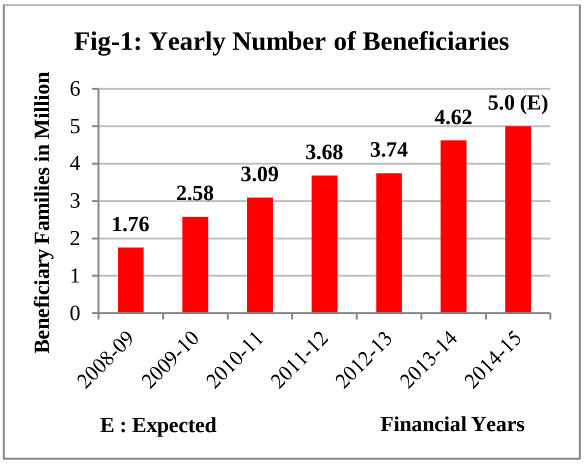
Since its inception in 2008, BISP has grown rapidly; it is now the largest single cash transfer programme in Pakistan. The number of beneficiaries has increased from 1.7 million in 2008-09 to approximately 5.0 million by the end of current fiscal year 2014-15. BISP's annual disbursement increased from 16 billion in 2008-09 to Rs.90 billion (expected) by the end of this financial year, out of a total allocation of Rs.97 Billion.

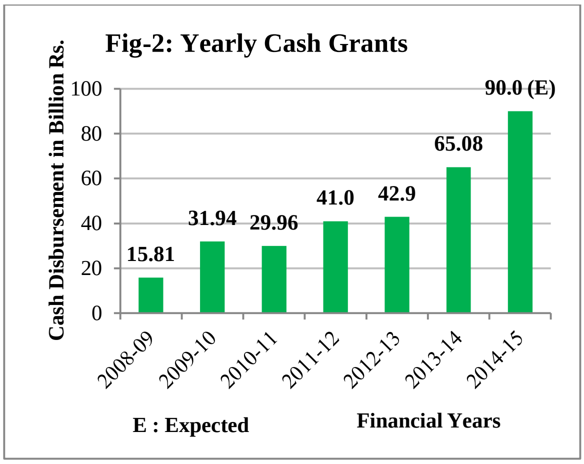
At the start of the program in July 2008, no reliable data were available for the identification of the underprivileged and vulnerable persons in the country. The task of identification of the potential beneficiaries of BISP was, therefore, entrusted to the parliamentarians in what was the Phase-I of Targeting. Application Forms were distributed among the parliamentarians in equal number (8000 forms to each member of the National Assembly and Senate and 1000 forms to each member of the Provincial Assemblies), irrespective of party affiliation. The forms received were verified through NADRA database and out of 4.2 million received forms 2.2 million families were found eligible for cash transfers.

Later, a transition in terms of objective and scientific mode of targeting i.e. Poverty Scorecard (Phase-II) was launched. The nationwide Poverty Scorecard Survey, the first of its kind in South Asia, enables BISP to identify eligible households through the application of a Proxy Means Test (PMT) that determines the welfare status of the household on a scale between 0-100. The survey was started in October 2010 (which was conducted by the independent firms hired through a competitive bidding process) and has been completed across Pakistan except two agencies of FATA. The survey contained the following features:

- 7.7 million families were identified as living below the cutoff score of 16.17[1]
- Creation of a large and reliable national registry of the socioeconomic status of almost 27.36 million households and approximately 155 million individuals across Pakistan.
- It was not a random survey; approximately 90 percent of the households were covered. The gap was due to the fact that the survey was an optional exercise and remaining either refused or did not participate in the survey.

Second transition relates to payment mechanisms. BISP in its initial phase started delivering cash transfers using Pakistan Post due to its outreach, but later, in order to improve the efficiency and transparency of payments to its beneficiaries, BISP started using innovative payment mechanism in the form of Benazir Smart Card and Mobile Phone Banking on a test basis in nine districts across the country. After testing the pilots, BISP has rolled out Benazir Debt Card across Pakistan. Now, around 4.5 million beneficiaries are receiving payments through technology enabled innovative payment mechanisms (Rest are still getting stipend through post office).





Achievements during FY 2014-15

Following are BISP's major achievements in 2014-15:

- The present government increased BISP budgetary allocation to Rs. 97 billion in 2014-15 from Rs.75 billion in 2013-14.
- Total expenditure of BISP during the current fiscal year is projected to cross Rs.90 billion.
- The present government increased the cash benefit for the poorest of the poor up to 25 percent from Rs 1200/- to Rs 1500/- per month
- The number of BISP beneficiaries is expected to increase from 4.6 million in 2013-14 to 5.0 million by the end of this financial year.
- BISP is expected to disburse more than Rs. 90 billion during this financial year through technology based payment mechanisms like Smart/Debit card and mobile phone banking to 5.0 million beneficiaries (highest disbursement by BISP during last 6 years)
- For the purpose of including more poor households in the Programme, a performance management system has been started for the first time in the history of BISP, according to which BISP, based on both indigenous as well as exogenous feedback, has initially developed a '100 Days Action Plan' which will subsequently be translated in to yearly as well as 3-5 Year Plan. Because of this approach, BISP will provide dignity to the beneficiaries receiving cash benefits, empower the women through its various initiatives and give meaning to their lives.
- Design improvements; particularly in payment mechanism has been made to make it more efficient, transparent and user-friendly.
  Moreover, hiring of new banks is also under process to make the payment mechanism more efficient and transparent.
- Waseela-e-Taleem has been rolled out to 32 districts all over Pakistan and 600,000

children have been registered in the programme out of which 350,000 have already been enrolled in schools.

- BISP is expected to enroll 500,000 children in school during the current financial year under its Waseela e Taleem initiative.
- The government has increased the monthly stipend under the Waseela-e-Taleem initiative to Rs. 250 per month per child from Rs. 200.
- So far BISP has achieved all the targets set under IMF's Extended Fund Facility enabling timely disbursement of installments from IMF.
- BISP has also successfully negotiated the re-structuring of Pakistan Social Safety Net Project with the World Bank and DFID to avail US $110 million during the current financial year.

There is an increasing role of complementary interventions in determining sustainable impact of cash transfer on uptake of education and health services, nutrition outcomes, and for improving livelihoods to increase the chance of graduation from poverty. Global experience suggests that where programmes are combined with complementary, well-sequenced interventions, it has greater potential. The programme has four closely associated and complementary components including Waseela-e-Rozgar (Technical & Vocational Training), Waseela-e-Haq (Micro-finance), Waseela-e-Sehet (Life & Health Insurance) and Waseela-e-Taleem (Primary Education). In the aftermath of 18th Constitutional Amendment, BISP is planning to shift this initiative to concerned provinces. On the direction of the BISP Board, modalities for smooth transition are being chalked out presently.

i). Waseela-e-Taleem: The initiative encourages BISP beneficiary families with children in the age group of 5 to 12 years, to send their out of school children to schools for primary education, in return for cash transfers. A cash transfer of Rs. 200 per month per child is paid quarterly in return for their compliance with the co-responsibilities of school admissions and minimum of 70 percent quarterly attendance. This initiative has been implemented in 5 districts where payment is being made to more than 52,000 children. BISP has started roll out of this initiative and first phase is being launched in 27 new districts across the country. The initiative aims to enroll approximately 02 million children in primary schools by December 2016.

ii). Waseela-e-Rozgar: The Vocational Training (VT) under Waseela-e-Rozgar was started in February 2012 to one individual per beneficiary family and Rs.6,000/-stipend per beneficiary was also paid. During first year more than 58,000 trainees were covered across the country.

iii). Waseela-e-Haq: Waseela-e-Haq is designed to promote self-employment among women beneficiaries or their nominees to improve their livelihood by providing Rs 300,000 long-term interest free financial assistance based on social capital instead of any physical asset as collateral. So far, 41 draws have been held and installments worth Rs. 2.6 billion have been disbursed to 16,119 beneficiaries while 9,193 beneficiaries started their own businesses.

iv). Waseela-e-Sehet: Waseela-e-Sehat covers health care of the beneficiary families as well as life insurance coverage of one male bread earner of each beneficiary family receiving cash grant. In 2011-12 pilot project of health care was launched in Faisalabad for 43,000 families and extended to around 75,000 beneficiary families in 2014-15. Under Life Insurance, lives of the bread winners of 4.1 million beneficiary families have been insured.

Box-1: Donor's Support to BISP

BISP has received a tremendous support from the World Bank, USAID, ADB and DFID as summarized below:

i. World Bank: The International Development Association (IDA) provided a credit of US$ 60 million to BISP for the "Pakistan Social Safety Net Technical Assistance Project" for the period August 4, 2009 to June 30, 2016. The TA project has supported the design of the poverty scorecard, survey of all households in Pakistan and associated activities. BISP has received additional financing of US$ 150 million for the Pakistan Social Safety Net project to launch a Co-responsibility Cash Transfer/CCT (Waseela-e-Taleem) programme for the primary education of the children of BISP beneficiaries.

ii. USAID: BISP was provided a grant of US$ 160 million by the USAID as budgetary support for payment of cash benefits to the beneficiaries identified under the new poverty scorecard system. This amount was fully consumed by January, 2012. USAID also commissioned a 3rd party assessment of BISP payment mechanisms. The report shows that 98.7 percent beneficiaries of BISP received their monthly cash transfers.

iii. Asian Development Bank: In June 2009, an amount of US$150 million was provided by the ADB to the Ministry of Finance under the ADB-funded "Accelerating Economic Transformation Programme" (AETP), specifically for use by BISP to make cash transfers to beneficiaries identified through the new targeting system. BISP has fully disbursed the entire amount to its beneficiaries. ADB has signed a project for another US$ 430 million for Social Protection Development Project for BISP in November 2013. The project will finance un-conditional cash transfer payments to newly enrolled BISP beneficiaries for 5 quarters. Other components of the project include re-designing and roll out of Waseela-e-Rozgar and Waseela-e-Sehat.

iv. Department for International Development (DFID): DFID supported BISP's initial activities (test phase targeting survey, process evaluation and spot checks, etc.) through the Trust Fund managed by the World Bank. Now DFID has provided a grant of £ 300 million to BISP for the co-responsibility cash transfer (CCT) program for the primary education of the children of BISP beneficiaries.

Source: Benazir Income Support Program (BISP)

BISP's operational design, separation of function and innovative technology based mechanism has inspired countries like Bangladesh, India, Ghana, Mongolia, Cambodia and Nepal to initiate similar programs to improve the lives of their millions of poor.

Outlook for 2015-16 and Beyond

a. In line with government's resolve to run BISP on transparent and efficient lines, the future focus of BISP is being attuned to following aspects:
   i. Improve grass root social mobilization capacity through partnerships with provincial governments and NGOs
   ii. Regular revalidation/recertification of beneficiaries to capture the transitional poverty
   iii. Introduction of Enterprise Resource Planning (ERP) – business management software applications – in order to integrates varied organizational systems and facilitate error-free transactions and reconciliations.

b. Shifting of all the beneficiaries from traditional to scientific payment mechanisms in the future.

c. Better integration of various programme components to maximize impact and outreach of the programme for the benefit of the poor.

d. Progressively move towards further refinement of graduation programs and a dynamic inclusion and exclusion database to enable the target beneficiaries to escape poverty on sustainable basis and facilitate additional or left out poor families to get enrolled in the programme.

e. Consolidate its partnership with the provinces to integrate the federal social protection schemes with provincial programs to achieve equity for the poor and vulnerable in provinces with very different capacities and financial resources.

f. Facilitate government in using BISP Registry for targeted subsidy provision under other sectors and elimination of non-targeted subsidies.

g. BISP will remain committed towards the achievement of Millennium Development Goals and become a major contributor to:
   i. Eradication of extreme & chronic poverty (MDG 1)
   ii. Promotion of universal primary education (MDG 2)
   iii. Empowerment of women (MDG 3)
   iv. Reduction in Maternal & Infant Mortality (MDG 4,5,6)

III. Zakat: Zakat as an institution plays an important role in the Islamic economic system. If enforced and implemented honestly it helps a lot in solving a number of economic problems in Pakistan. Zakat ensures social justice by bringing financial balance among various strata of society. It decreases the crime rate and terrorist inclinations among the society members. Thus the whole society strives together and achieves development and prosperity. Equal distribution of wealth curtails the rate of unemployment and reduces chances of economic recession. Zakat system in Pakistan was introduced through an Ordinance called Zakat and Ushr Ordinance, 1980. Zakat funds are utilized to assist the needy, indigent, poor, orphans, widows, handicapped and disabled. These poor segments of society are provided Zakat funds either directly through respective local Zakat Committees or indirectly through institutions i.e. educational, vocational, social institutions and hospitals, etc.

Table : 15.4 Disbursement of Zakat

S.No	Provinces /Other Areas	Disbursed Amount (Rs. Million)
1	Punjab	2548.91
2	Sindh	1053.60
3	Khyber Pakhtunkhwa	614.12
4	Balochistan	227.08
5	FATA	154.83
6	ICT	117.53
7	Gilgit Baltistan	62.11
Total		**4778.18**

Source: Ministry of Religious Affairs

As a consequence of 18th Constitutional Amendment, the subject Zakat devolved to the provinces/federal areas. However, in view of Council of Common Interest (CCI) decision 8th November, 2012 and subsequent change in Rules of Business, the federal government (Ministry of Religious Affairs and Inter-faith Harmony) has been assigned the job of collection and disbursement of Zakat at federal level till next NFC under the CCI approved formula. A total amount of Rs. 4778.18 million is distributed in bulk amongst the provinces and other administrative areas for the year 2014-15. The Zakat funds disbursed to the provinces and other Areas during 2014-15 is given in Table 15.4.

IV. Pakistan Bait-ul-Mal: Pakistan Bait-ul-Mal (PBM), an autonomous body set up through 1991 Act. PBM is significantly contributing toward poverty alleviation through its various poorest of the poor focused services and providing assistance to destitute, widow, orphan, invalid, infirm & amp; other needy persons, as per eligibly criteria approved by Bait-ul-Mal Board. The main objectives of the PBM is to provide "Financial assistance to the destitute, widows, orphans, invalids, infirm and other needy persons with emphasis on rehabilitation educational assistance to needy orphan and stipends for the outstanding, non-affording students for higher professional education, residential accommodation and necessary facilities for the deserving, free medical treatment for indigent sick people, set up free hospitals and rehabilitation centers for the poor financial aid to charitable institutions including educational and vocational setups". During July 2014 to March 2015, Pakistan Bait-ul-Mal (PBM) has managed to disbursed an amount of Rs. 2.28 billion to its core projects.

Major Projects/Achievements of PBM:

a. **Individual Financial Assistance (IFA):** Through Individual Financial Assistance (IFA), the poor, widows, destitute women and orphans were supported for medical treatment, education, rehabilitation and general assistance.
b. **PBM Thalassemia Center:** During last three years, PBM has provided financial assistance to 1500 Thalassemia patients. Keeping in view the importance of Thalassemia centre and to cater the patients in Pakistan especially AJK, Northern Areas and Gilgit-Baltistan, a State of the Art Thalassemia centre has been established in March, 2015 in Islamabad for free of cost treatment by PBM in collaboration with NovaArtis (pvt) Limited.
c. **Special Friends of PBM:** PBM has envisioned providing wheel chairs to every disabled in the country. A family who has two or more special children will be called as Special Family and will have the right to be benefited trough this news scheme Rs.25,000/- are being given to each family annually. Up till now, more than 66,600 wheel chairs, more than 2026 tricycles, more than 2500 White canes and more than 800 hearing aids have been distributed. 40000 wheel chairs donated by China have also been added in inventory.
d. **Pakistan Sweet Homes (Orphanage):** Pakistan Bait-ul-Mal has established Orphanages at divisional level. As pilot project, 33 Pakistan Sweet Home (Orphanages) have been established, where 3430 children have been enrolled so far including 100 girls where they are being provided free food, nutrition, medical treatment, lodging & boarding, as well as free education through well reputed educational institutions, 04 new PSHs have been established during last 02 years

e. **PBM Great Homes (Old Homes):** To provide care, love, hopes, family like atmosphere and security to un-secured, un-cared senior citizens. PBM plans to establish one Great Home at each provincial/regional Head quarters. One pilot Great Home is functional at Lahore for old age citizen for 50 senior citizens. After successful implementation of the pilot phase, this scheme would be replicated for females as well. Great Home would provide basic necessities of life in a dignified manner and in a family like environment i.e. boarding, lodging, food, clothing, medical, recreation etc.

PBM mobilizes funds from the Government of Pakistan (GoP) and distributes them as a cash subsidy to eligible beneficiaries for sending their children to school aged between 5 – 16 year to get primary education. Additional cash incentive is being paid to the eligible beneficiaries @ Rs.3600/- per annum to the families with one child and Rs.7200/- per annum to the families with two or more than two children

Presently, the program is fully active in 10 Districts i.e. Nawabshah, Ghotki, Quetta, Kharan, Lasbela, Swat, Muzaffarabad, Ghanche, Bahawalpur and Khairpur. A new intervention of disbursing (CSP payment subsidy through biometric verification has also been introduced at District Khairpur during the said duration. An amount of Rs.38.06 (million) has been disbursed among 16,805 numbers of beneficiaries in ten CSP Districts during 2014-15.

National Centre(s) for Rehabilitation of Child Labour (NCsRCI): PBM has established National Centres for Rehabilitation of Child Labour countrywide since 1995 for primary education in 5 years as per education department. Children (Male & Female) between the ages 5-6 years are weaned away from hazardous labour and enrolled in these centres. The current strength of NCsRCL is 158. Presently, 17931 students are benefiting from these centres.

Vocational Training Centres (VTCs): Vocational Training Centres have been established throughout the country since 1995. These centers are providing free training to widows, orphan & poor girls in different skills. The current strength of the centers is 157; out of which 15 centers have been upgraded which have diversified fields including Computer Skills, Office Equipment i.e. Fax, Photocopies, Printers, Interior Decoration, Fishing Tie & Dye ad Glass Painting etc, according to the requirement of area. However, local skills have also been included so that trainees could get more skills. Presently, 8127 trainees are benefiting from these centers.

Civil Society Wing: Pakistan Bait-ul-Mal provides grant-in-aid to registered Non-Government Organization (NGOs) for their projects aimed at institutional rehabilitation of the poor and deserving persons.

V. Employees Old Age Benefits Institution (EOBI): Employees Old-Age Benefits Institution Act 1976 was enforced with effect from April 01, 1976, to achieve the objective of Article 38 (C) of the Constitution, by providing compulsory social insurance. It extends Old-Age Benefits to insured persons or their survivors. Under EOB Scheme, Insured Persons are entitled to avail benefit like, Old-Age Pension (on the event of retirement), Invalidity Pension (In case of permanent disability), Old-Age Grant (an Insured Person attained superannuation age, but does not possess the minimum threshold for pension) Survivor's Pension (in case an Insured Person is expired). EOBI does not receive any financial assistance from the government in carrying out its operations. A contribution equal to 5.0 percent of minimum wages has to be paid by the Employers of all the Industrial and Commercial Organizations where EOB act is applicable. Contribution equal to 1.0 percent of minimum wages by the employees of said Organizations.

Pensions are paid on monthly basis. The minimum pension is Rs. 3,600/- per month which may raise upto Rs. 6,400/- depending upon the period of insurance and wages of the insured person. Old-age grant is paid in lump sum equal to one month's average wages of the insured person for every completed year of insurable employment. During 1st July, 2014 to 31st December, 2014, an amount of Rs. 6,279.40 million has been disbursed for 346,843 beneficiaries. Furthermore, it is planned that 17,687 more beneficiaries will take benefits from the EOBI up to June 2015; an additional amount of Rs. 9,580.6 million is allocated for Old-Age Pension, Survivors Pension, Invalidity

Pension and Old-Age Grants. Details of disbursed benefits during the said period are shown in Table-15.5 below.

Table-15.5: Benefits disbursed during the period from July-December, 2014

Benefits	July-December, 2014	
	Number of Beneficiaries	Amount of benefits Paid (Rs. millions)
Old-Age Pension	215,480	3,893.74
Survivors' Pension	125,368	2,272.84
Invalidity Pension	4,924	85.79
Old-Age Grant	1,071	27.03
Total:	**346,843**	**6,279.40**

Source: Employees' Old Age Benefits Institution (EOBI), Karachi

Implementation of measures taken/followed by the EOBI:

- Austerities/economic measures prescribed by the Finance Division during 2014-15 are being followed.
- Virtual One Stop Shop (VOSS); a joint venture of the Securities and Exchange Commission of Pakistan (SECP), Federal Board of Revenue (FBR) and Employees' Old-Age Benefits Institution (EOBI) for on-line registration of limited liability companies in three organizations simultaneously has become operational from 01-01-2015.
- An MOU has been signed by Lahore Chamber of Commerce and Industry, SECP, FBR and EOBI to establish a Physical One Stop Shop for provision of access to individuals without internet access and willing to use VOSS.

VI. Workers Welfare Fund (WWF): Workers Welfare Fund was established under Workers Welfare Fund Ordinance, 1971 for providing low cost housing and other amenities to the industrial labour. Initial contribution of Rs.100 million was made by the government and further resources were to be raised by the private sector.

The main objectives of WWF are;

a). Financing of projects connected with the establishment of housing estates or construction of houses for the industrial workers.

b). Other measures for the welfare of workers such as

- Education- free of cost up to secondary level.
- Scholarships- post secondary level.
- Marriage grants.
- Death grants etc.

Function being performed by Workers Welfare Fund:

- To finance the projects connected with the establishment of housing estates for workers which include the following;
  a) Construction of houses, flats and development of plots.
  b) Establishment of health facilities like hospitals, wards, and dispensaries.
  c) Establishment of education facilities like schools, colleges, technical institutes and industrial homes.
- To provide free education to worker's children up to higher secondary level in Worker Welfare Model Schools.
- To provide Matric-Tech education in Worker Welfare Model Schools & Vocational Training Institutes for students of 9^{th} & 10^{th} class.
- To award talent scholarship to worker's children for M.Phil/M.S& Ph.D.
- To provide Death Grant @ Rs.500,000/- to the widow/legal heir of the deceased workers as a compensation.
- To provide Marriage Grant @ Rs.100,000/- for the marriage of each daughter of workers.
- To take different measures for the welfare of workers like provision of sewing machines and wheel chairs.
- To bear all educational expenses and award of monthly stipends to worker's children (from Rs.1600 to Rs.3500 p.m) studying at post Matric level.
- To bear all educational expenses of worker's children studying in any public/private school at big cities where WWF schools either do not exist or insufficient to meet the educational needs of local workers children.

- To award cash prizes (from Rs. 40,000 to Rs. 90,000) for position holder children of workers in Matric examinations at the level of Board of Intermediate & Secondary Education and also at the level of Workers Welfare Model Schools.

During July 2014 to March 2015, expenditures amounting to Rs.622.65 million have been made for 16,313 scholarships. Another Rs. 184.44 million has been disbursed as Marriage Grant (@100,000/- from which 2,038 families of the workers have been benefited. WWF has also disbursed Rs.298.50 million for Death Grant (@500,000/-) for 620 cases of mishaps of workers all over the country.

VII. Microfinance Initiatives: Microfinance has been widely recognized as an effective strategy to combat poverty by providing financial services, especially credit to the poor to allow them to become economically active. The credit programs offer a small loan to the beneficiaries for self-employment purposes that can start or enhance their income streams, and eventually making them self-reliant and move out of poverty. Although micro credit has been the main thrust in the past, today microfinance is seen as encompassing a wide range of financial services such as credit, saving and Insurance.

Growth in the microfinance sector over the year can be attributed to a number of factors which include supportive polices of the government, branchless banking initiatives, innovation in products and greater utilization of credit guarantee schemes are some of the drivers.

The environment for microfinance in Pakistan continues to be as one of the most enabling across the world. The Economic Intelligence Unit (EIU) of the Economist magazine ranked Pakistan's regulatory framework as well as the overall business environment for microfinance amongst the top three in the world for the past few years. Continued efforts are underway to build upon this strong foundation and further strengthen the sector. In addition, the Securities and Exchange Commission of Pakistan (SECP) has shared a draft of regulations with various stakeholders.

The microfinance industry broadly provides services in three categories of micro-credit, micro-savings and micro-insurance. All three outreach indicators have seen a significant increase from 2013 to 2014. Micro-savers witnessed the largest increase by 43 percent, primarily on the back of MFBs which have been successful in mobilizing deposits over the year as part of their deposit led strategy to fund their portfolio. Within micro-credit, the number of average borrowers as on December 2014 was at 3.14 million. Outreach growth rate has stood at 11 percent, similarly, the gross loan portfolio (GLP**)** increased by 28 percent in the same time period. Micro-insurance grew by 37 percent in the last one year and stood at Rs. 60 billion. Details of the industry are provided in Table-15.6 below:

Table-15.6: Active Borrowers, Active Savers and Active Policy holders by Peer Group

Details	Micro-Credit		Micro-Savings		Micro-Insurance	
	Active Borrowers (Million)	Value (Rs.Million)	Active Savers (Million)	Value (Rs.Million)	Policy Holders (Million)	Sum insured (Rs. Millions)
2014-15 (Jan-Dec)	3.14	66,791	8,520,718	43,497	3,754,074	60,418
2013-14 (Jan – Dec)	2.83	52,092	5,977,426	34,784	3,264,832	44,182
Increase/ decrease (Net)	0.31	14,699	2,543,292	8,713	489,242	16,236
Increase/ decrease (%)	10.9%	28.2%	42.5%	25.0%	15.0%	36.7%

Source: Pakistan Microfinance Network (PMN).

One of the key highlights of the year on the policy and regulatory side was the approval of micro-insurance regulations by SECP. The Micro-insurance Rules, 2014 put out for public opinion during June 2013 and was approved by the Policy Board of the SECP in 2014. The drafting of the regulations was preceded by release of a diagnostic study which not only highlighted the micro-insurance potential in the country but also the need for a sound regulatory framework.

The Microfinance Credit Information Bureau (MF-CIB) which was rolled out by PMN in collaboration with State Bank of Pakistan and Pakistan Poverty Alleviation Fund (PPAF) in 2012, has a vital role ensuring sustainable growth in the sector. The MF-CIB aims to ensure that MFPs are taking conscious decisions as they lend to their clients and develop their credit history. Currently over 51 players including both small and large are reporting data to the bureau.

Government initiatives such as the Interest free loan scheme are being routed through the national apex, PPAF, which has been adopted by more than two dozen Microfinance Providers. The scheme is targeting clients who have not been tapped by conventional microfinance yet and fall below the income segment eligible for micro-credit. This initiative has the potential to reach out to over a million borrowers in the next three years.

Following to the amendments in the prudential regulations by the State Bank of Pakistan, which allowed Microfinance Banks to lend to microenterprises, a number of players are gearing up to tap the lower end of the SME market. A few of players have successfully conducted pilots and are currently in the process of launching financial products for MSMEs.

The microfinance industry continues to generate investor interest, both local and international. This is evident from the series of acquisitions and launch of Greenfield institution during the last few years. Moreover, international lenders have also been actively exploring the market for debt and equity placements. We feel that investors' interest is likely to continue especially by international lenders.

A number of MFPs have linked up with branchless banking systems to collect loan repayments initially with potential to expand into loan disbursements and other financial services. There are further opportunities for MFPs such as facilitating government to person (G2P) payments via branchless banking. In addition, MFPs are ideally positioned to tap small enterprises as they have similar dynamics as with microfinance clientage. Growth and improvements in performance show that the microfinance is now well positioned to become an integral part of the financial industry.

The objective of the microfinance initiative is to provide liquidity to the microfinance providers in response to tighter liquidity conditions and spikes in inflation. It is provided as a package through microfinance banks (MFBs), microfinance institutions (MFIs), Rural Support Programmes (RSPs), and others including Commercial Financial Institutions (CFIs) and Non-Government Organizations (NGOs). Table 15.7 presents the number of Micro-credit beneficiaries with Outstanding Loans Portfolio (OLP) and Disbursements by loan providers.

Table 15.7: Micro credit beneficiaries, outstanding loans portfolio and loan disbursement

MFP	Active Borrowers	Outstanding Loans Portfolio (Rs)	Number of Loans Disbursed	Disbursements (Rs)
Total for Pakistan MF sector (year ended December 31, 2014)	**3,142,589**	**66,760,900,163**	**1,143,441**	**34,993,888,979**
MFBs				
Apna Microfinance Bank	11,390	795,518,625	11,390	795,518,625
First Microfinance Bank Limited	184,413	5,098,799,592	64,635	2,250,014,170
Khushhali Bank	468,369	12,228,372,271	179,700	5,472,549,296
FINCA Microfinance Bank	75,510	4,002,045,792	25,554	1,875,794,607
NRSP Bank	194,490	5,192,071,346	130,949	3,921,101,915
Pak Oman Microfinance Bank	6,186	218,406,223	2,097	111,860,000
Tameer Bank	226,870	8,981,389,677	82,734	3,989,604,316
Waseela Microfinance Bank	11,402	500,024,306	4,837	216,537,208
Total for MFBS	**1,178,630**	**37,016,627,832**	**501,896**	**18,632,980,137**

Table 15.7: Micro credit beneficiaries, outstanding loans portfolio and loan disbursement

MFP	Active Borrowers	Outstanding Loans Portfolio (Rs)	Number of Loans Disbursed	Disbursements (Rs)
MFIs				
AKHUWAT	317,020	3,713,325,764	91,801	1,840,975,000
ASA – Pakistan	220,606	3,189,176,176	63,349	1,344,586,000
ASASAH	3,223	16,686,047	2676	16,033,323
Community Support Concern	19,666	374,889,427	4,760	168,190,000
DAMEN	38,060	1,003,148,450	9,668	424,470,000
DEEP	195	495,470	454	1,333,030
Farmer Friend Organization	21,583	291,806,860	5816	154,445,000
Jinnah Welfare Society	35,115	648,378,819	9,980	367,705,000
Kashf Foundation	228,918	3,777,635,006	63,163	1,856,446,000
Micro Options	4,831	86,623,243	1,818	44,973,000
MOJAZ Foundation	12,554	228,195,374	5353	148,357,000
Naymet Trust	1,555	13,800,000	755	13,800,000
Orangi Charitable Trust	49,315	622,316,200	6,045	126,039,000
SAFCO Support Fund	43,094	438,158,026	8,353	149,366,000
SVDP	5,670	130,605,578	1,870	60,745,000
Total for MFIs	**1,001,405**	**14,535,240,440**	**275,861**	**6,717,463,353**
RSPs				
National Rural Support Programme	544,156	8,853,886,566	207,037	5,296,174,000
Punjab Rural Support Programme	66,905	1,049,413,196	15310	350,095,000
Sindh Rural Support Organization	63,664	1,021,609,501	10,299	224,499,000
Sarhad Rural Support Programme	4,930	30,573,500	1,133	13,215,000
Ghazi Barotha Taraqiati Idara	6,431	68,327,284	1,842	31,796,000
Thardeep Rural Support Programme	104,523	1,251,075,288	30560	610,549,000
Total for RSPs	**790,609**	**12,274,885,335**	**266,181**	**6,526,328,000**
Others				
AGAHE	6,826	76,742,675	2,164	41,045,000
Badbaan Enterprise Development Forum	1,481	19,401,742	208	4,745,000
BRAC	58,389	1,224,784,128	70,994	2,365,275,000
Mehran Educational Society	1,636	48,512,582	680	19,000,000
Narowal Rural Development Programme	5,250	115,692,495	1,170	40,603,000
Orix Leasing	20,679	326,201,970	5040	139,617,000
Organization for Participatory Development	7,674	97,298,998	1,549	36,640,000
Organization for Social Development Initiatives	202	5,484,586	464	18,584,489
Rural Community Development Society	46,403	741,890,292	11,207	332,680,000
Sungi Development Foundation	11,471	107,569,511	2,943	52,055,000
Shadab Rural Development Organization	2,718	59,192,952	1,218	30,740,000
Shah Sachal Sami Foundation	6,659	95,436,834	1835	34,763,000
SWWS	2,557	15,937,791	31	1,370,000
Total for Others	**171,945**	**2,934,146,556**	**99,503**	**3,117,117,489**

Source: Pakistan Microfinance Network (PMN)

Conclusion

Government recognizes social protection/safety nets as a means to mitigate and manage risk, vulnerability and to reduce poverty through transfer and social insurance for risk mitigation regardless of prior or future contribution. The targeted groups for social safety nets include casual and informal workers, low capital self employed, low rank formal sector workers, women and children without family or community support, etc. In the post devolution situation, technical assistance were provided to provincial governments in preparing social protection policies that have transparent, improved and easily manageable targeting system, sustainable, comprehensive and integrated social protection policies.

A national framework for social protection will encompass all provincial policies and bring up national features of the national social protection system. It is planned by the government to bring all existing social protection programs under one umbrella with a unified and transparent inclusion criteria, better targeting system and efficient monitoring mechanism.

Environment

Sustainable use of resources and environmental concern has become increasingly important. The inability to address the situation will result in extremely high environmental and economic cost in future. Environmental factors are changing drastically and if left unchecked, pollution and environmental degradation will pose a monumental threat to social and economic growth of the country. Pollution on a wide scale is damaging the land, water, and air as unchecked economic activity has decreased the availability of fresh water resources along with clean air. Since Pakistan is predominantly an agrarian country, hence the dependence of agriculture on natural resources makes it necessary to help improve the country's capacity to achieve environmentally sustainable economic development to meet the requirements of present and future generation. Environmental degradation is also fundamentally linked to poverty since poor are directly dependent on natural resources for their livelihood.

In the list of environmentally vulnerable countries, Pakistan is ranked among the top few. Urbanization of the country has made serious changes to the ecosystem of the urban and rural areas of the country. The biodiversity of the country is under threat due to the massive depletion of natural resources. The Government of Pakistan recognized the need to conserve biodiversity and is now committed to several international protocols and conventions. Pakistan has also set sight on the goals of sustainable development through vision 2025. Avoiding environmental degradation will ensure food, water and environmental securities in the future. Despite the integration of environmental consideration into development, the environment sector has not been given its due place in past. There is a dire need to address the situation, otherwise resultant cost of environmental degradation to the society in both health and monetary terms will be immense.

Environment and Climate Change

Climate change affects people and the environment in many ways. Some of these impacts, like hurricanes and severe heat waves could be life threatening. Other factors like spreading weeds will be less serious. The global community is now acknowledging that climate change will be the most destructive element of nature in the coming century. Pakistan is a very small contributor to the Green House Gas (GHG) emissions, but the country will be mostly impacted by the negative effects of climate change.

Events like increased glacier melt severe and extreme floods and droughts, etc. are already hitting the country and will continue to do so in future. Considerable increase in frequency and intensity of extreme weather events coupled with erratic monsoon rains causing frequent and intense floods and droughts are going to be the main concern. The projected recession of Hindu Kush-Karakoram-Himalayan glaciers due to global warming and carbon soot deposits from trans-boundary pollution sources will threaten water inflows into Indus River System (IRS). Overall changes in the weather system may cause decrease in the already scanty forest cover due to rapid change in climatic conditions to allow natural migration of adversely affected plant species. Intrusion of saline water in the Indus delta will also adversely affect coastal agriculture, mangroves and breeding grounds of fish.

Pakistan's geographical location and socio-economic fragility had made it at the top of the list of countries that are most vulnerable to the environmental, social and economic ramifications of climate change (German watch, 2011).Lack of resources and capabilities to adapt to the changes will worsen the situation. Climate change increases the variability of monsoon rains and enhances the frequency and severity of extreme events such as floods and droughts. The extreme conditions of the weather in Pakistan like the floods of 2010, 2011 and 2012, worst drought during 1999-2003, two cyclones in one month in Karachi/Gwadar coasts in 2008 and increased incidence of landslides, GLOFS (Glacial Lake Outburst Floods) in the northern areas of Pakistan bear testimony to the ugly face of climate change. Under the 10 years National Disaster Management Plan (NDMP) institutional capacity building is being enhanced to combat disasters in first phase of this plan, surveillance and forecasting capacity is being enhanced by replacing and installing weather surveillance radars at various places of the country.

Environmental and Climate Change Strategy / Policy

Strategy to achieve the objectives of environment protection is to include the following elements:

- The Millennium Development Goals (MDGs) are the center-piece of development efforts of the Government of Pakistan. The achievement of sustainable environmental targets (Goal-7) needs active persuasion at all levels.
- An action plan for implementation of National Climate Change policy has been finalized and requires adequate sharing of responsibilities at all levels for its implementation.
- In the wake of the 18th Amendment, environmental regulation of the country is reviewed and revised in consultation with federal and provincial environmental protection agencies, civil society and private sector. This will help in better implementation of policies and rules.
- Involvement of private sector and NGO’s in specific relation to Public Private Partnership for effective and efficient conversation and management of natural resources.

Environmental Sustainability (MDG 7) and Pakistan

According to a report released by the WHO/UNICEF Joint Monitoring Program (JMP) 2014, in Pakistan 91 percent people had gained access to source of drinking water by 2012 while this ratio was 85 percent and 88 percent in 1990 and 2000, respectively. The MDG target is to achieve the ratio of 93 percent by 2015. Moreover, 48 percent people have been using improved sanitation by 2012 while this ratio was 27 percent and 37 percent in 1990 and 2000, respectively. The MDG target for access to sanitation is 90 percent by 2015. Pakistan’s forest cover and protected area had remained more or less constant over the last decade. The country’s forest cover and protected areas are unlikely to change in the coming years too because of the climatic conditions and population pressures. Pakistan has surpassed its target of converting 0.920 million of vehicles on Compressed Natural Gas (CNG) with more than 2.8 million vehicles reported to be running on CNG. Pakistan is on track to meet the target for land protection for the conservation of wildlife as a percentage of total land area. However, there is a lag in equity based indicators of forest cover, sulphur content in high speed diesel, proportion of population with access to sanitation and energy efficiency. The government has instructed oil refineries to reduce the sulfur content in high speed diesel from current levels of 1% to 0.5% or less to meet Euro standard specifications. This would require significant investment by refineries, and it is not clear if this target can be achieved. Lack of awareness about environmental issues as well as gross violation of government regulations pose serious challenges in overcoming this lag.

Project / Programs Undertaken during 2013-14

The government has undertaken projects and programs on many levels to support the environmental goals through federal/provincial resources. These projects and programs are under implementation with focus on areas of capacity building, clean drinking water, environmental management, biodiversity, air pollution control and watershed management, urban development, restoration of lakes/ water bodies, environmental awareness, waste management, wetlands etc. After the 18th amendment, the bulk of the responsibility of devolved sectors has been undertaken by the provinces. However, the federal government still needs to develop new country wide programs.

Environment and climate change programs have to be in line with the Vision 2025 while necessitating the sustainable growth of the country through integration of environmental considerations in development. Some of the important programs at the federal level during 2014-15 included as follows:

- Establishing National Multilateral Environmental (MEAS) Secretariat (Islamabad).
- Establishment of Clean Development Mechanism Cell (Islamabad).
- Establishment of National Bio-safety Centre (NBC) Project (Islamabad).
- Sustainable Land Management Project, Phase-1 (Islamabad).
- Development and Implementation of Water and Sanitation Management Information System in Pakistan.
- Establishment of Centre for Sustainable Organization.
- Establishment of Geometric Centre for Climate change and Sustainable Development 2012-2015 (Islamabad).
- Indoor Air Quality in Buildings.

State of Environment

Air

The key factors responsible for air pollution in Pakistan are rapidly growing energy demand due to relatively higher population growth rates, fast growing transport sector, unplanned infrastructure, and widespread use of low-quality fuel and above all are the alarming level of particulate matters (PM10 and PM25). Air quality data received in major cities confirmed presence of high concentration of suspended particulate matter in air (2- 3.5) times higher than the safe limit .The deteriorating quality of urban air is the major issue affecting the atmospheric ecosystem in Pakistan. Urban air quality has deteriorated in the wake of growing industrialization, enhanced use of chemical, fast increasing mechanical traffic and increased energy consumption.

The country has been benefitting from steady economic development over the last few years. This has been accompanied by rising urbanization, higher income and an increase in the private ownership of motor vehicles. However, due to lack of effective enforcement of motor vehicle fitness regulation, the increase in air pollution from vehicles could be alarming. The problem is compounded by the fact that the average life of vehicles being used in the country is quite long. As a result, such vehicles due to their weak engines contribute more in increasing air pollution. Furthermore, motorcycles and rickshaws, due to their two stroke engines are the most inefficient in burning fuel and thus contribute most to lethal emissions.

Table 16.1 Motor Vehicles on the Roads (000 Nos.)

Year	Total	Motorcycles/Scooters	Rickshaws
2002-03	2737.1	2656.2	80.9
2003-04	2963.5	2882.5	81.0
2004-05	3146.4	3064.9	81.5
2005-06	3868.8	3791.0	77.8
2006-07	4542.9	4463.9	79.0
2007-08	5126.3	5037.0	89.3
2008-09	5456.4	5368.0	88.4
2009-10	5501.2	5412.1	89.1
2010-11	5558.6	5468.8	89.8
2011-12	6114.5	6015.7	102.4
2012-13	5920.5	5800.0	120.5
2013-14	6208.0	6100.0	108.0
2014-15 (July-March)	6563.0	6450.0	113.0

Source: National Transport Research Centre.

The major problems arising from rapid urbanization include pollution, inadequate waste management, unprecedented traffic congestion and the almost instant destruction of fragile ecosystems. Earlier researches have shown the destructive effects of particulate matter on human life such as a wide range of respiratory diseases and heart ailments. The worsening air scenario (particulate matter 10) in major cities can be considered as a sign of warning e.g. according to UN Agency, World Health Organization Quetta, Peshawar, Lahore and Karachi are now considered amongst the most polluted cities in Asia Pacific. In the winter months, with delayed rainfall, the cold and continuously dry conditions concentrate all the pollutants in the lower levels of the atmosphere, causing the smog to spread all over the Punjab.

Table 16.2: Consumption of coal (000 M/Tons)

Year	Power	Brick Kilns	Household
2002-03	203.6	2,607.0	1.1
2003-04	184.9	2,589.4	1.0
2004-05	179.9	3,906.7	-
2005-06	149.3	4,221.8	-
2006-07	164.4	3,277.5	1.0
2007-08	162.0	3,760.7	1.0
2008-09	112.5	3,274.8	0.8
2009-10	125.5	3,005.2	-
2010-11	96.5	3,003.6	-
2011-12	104.6	3,108.0	-
2012-13	63.0	2,696.0	-
2013-14	160.7	2,727.6	-
2014-15 (July-March)	110.0	2,688.0	-

Source: Hydrocarbon Development Institute of Pakistan.
-: Not Available

Future Projections and Trends

With the existing trends and pattern, if timely measures are not taken, the following key environmental indicators are likely to emerge:

- Population to grow from 188.02 million in 2014 to 234.4 million by 2025 (United Nations, Department of Economic and Social Affairs, Population Division (2011), making cities more congested and polluted.
- Number of vehicles on roads to increase from 13.88 million in 2014-15(July-March) to 35 million further deteriorating air qualities in cities.
- As the natural gas deposits are getting exhausted, use of low cost fuel like coal, Refuse Derived Fuel, (RDF) Tyre Derived Fuel (TDF) etc. will be opted. Burning of low grade fuels could worsen the air quality.
- Solid waste generation in the country is expected to enhance from 20 million tons/year to 27 million tons/year adding more heaps of garbage and open dumping sites.
- Use of pesticides and industrial chemicals will increase manifolds adding more toxicity to water and soil.
- Water pollution load will increase proportionally with rise in population, which could add 25% more pollution to the water bodies.

There is also a lack of related data in the country which had made the matters worse for the country. All the programs and plans of the previous years have been based on outdated data and incomplete information. An efficient network of data websites has to be developed which can churn out correct and useable data on regular basis. Many departments and institutes are working in this sector but most of their efforts are focused on a single pollutant of a specific area. There is urgent need to establish an efficient air quality management system to address the situation with following goals:

- Identify and establish appropriate policies on air quality.
- Identify relevant legislative and regulatory requirements.

- Identify all sources of air pollution caused by human activities.
- Set appropriate objectives and targets for human and environmental health.
- Set priorities for achieving objectives and targets.
- Establish viable structure and programs to implement policies and achieve objective targets.
- Facilitate the monitoring of air quality and its effects on human health and environment.
- Facilitate urban planning, corrective action and the prevention of adverse effects.
- Ensure compliance with emission and air quality standards.

Water

According to Pakistan Council of Research in Water Resources (PCRWR), the majority of the population in the country is exposed to the hazards of drinking unsafe and polluted water from both surface and ground water sources. As derived from the National Water Quality Monitoring Program carried out by the PCRWR, the 4 major contaminants in drinking water sources of Pakistan were bacteriological (68 percent), arsenic (24 percent), nitrate (13 percent) and fluoride (5 percent).About 2 million wet tons of human excreta are annually produced in the urban sector of which around 50 percent pollute water bodies. The National Conservation Strategy states that almost 40 percent of all disease related deaths are connected to water borne diseases. Other sources of water pollution are industrial effluents, solid waste, hospital waste, chemical fertilizers and pesticides.

In this perspective, it is the demand of time to take milestone initiatives to ensure that drinking water is as free of such impurities as is possible and this can be accomplished by timely monitoring and treatment of drinking water quality. To address this issue of national importance, federal government, through PCRWR has implemented several national water quality monitoring and surveillance activities such as The National Water Quality Monitoring Program (NWQMP). The outcome of all five phases of NWQMP has led to the realization that the federal, provincial and local governments need to take immediate initiatives for the provision of safe drinking water to the public in order to prevent the onslaught of water borne diseases. Advocacy efforts for the awareness and education of the general public, regarding the water quality testing and treatment are also required.

Access to an adequate supply of water for all (agriculture, industry and domestic users) is one of the absolute priorities of Vision 2025. Top five goals for water security are:

- Increase water storage capacity, applicable to the requirements of each province in line with defined strategic needs and international benchmarks: from currently 30 days to 45 days by 2018, and 90 days by 2025.
- Invest in proven methods and technologies to minimize wastage (e.g. in the agriculture sector), promote conversation and gain efficiencies through rationalization of pricing.
- Enable more effective allocation with direct reference to national & provincial priorities and related social and economic considerations.
- Establish institutional mechanisms e.g. a National Water Commission to effectively manage all resources of water (surface, subsurface ,rain) and their sectoral and regional allocations.
- Provision of access to a minimum baseline of suitable water to every person in Pakistan.

The Government of Pakistan has signed number of regional and global commitments in 2013 and 2014 and is committed to fulfilling these commitments for achieving Sustainable Development Goals (SDG's). The Planning Commission will coordinate between all stakeholders towards formulating an Integrated Water Resource Management Strategy.

Implementation of a comprehensive National Water Policy: reflecting a transparent and coherent institutional framework and policy adapted to the demands of the 21st century which also gives due consideration to climate change would be adopted at the earliest. The resulting strategy will: Combine multiple elements including technical advancements and social considerations to give response to the formidable challenge of water scarcity. The government will carefully reconsider applying reasonable water usage charges and incentive to encourage efficient and effective use of our scarce resource. Further, comprehensive awareness drive will be started to educate people about the benefits of judicious consumption and shared consequences of wastages. Due consideration will be provided to harvest rain water in lakes and ponds and also at the household and community levels.(Pakistan Vision 2025).

Solid Waste /Management

Solid waste can be defined as material that has no value to the person who is responsible for it and is also not intended to discharge it properly. The absence of a proper solid waste disposal system and huge amount of uncollected waste poses great threat to the public health as they are the source of mosquitoes and flies which transmit malaria and cholera later on. One of very hazardous and un-noticed drawback of the waste disposal in Pakistan is that hospital and industrial waste is treated as ordinary waste. Only 30% of solid waste quantities generated are generally collected. Increase in the solid waste is due to increase in urban population, industrialization and changing consumption pattern.

Integrated Solid Waste Management (ISWM) which is combination of those activities that best protects the community itself and environment is not significantly present in the major cities of country. In most cities, poor collection and transportation of municipal solid waste is reported and the waste which is collected, have a high percentage of organic matter that can be recovered via composting and recycling. Solid waste management position in rural areas is more devastating where mostly open dumping is carried out. Hence, due to poor solid waste management large number of communicable diseases and unhygienic environment are being created.

The recommendations that can be considered for the improvement of the current situation regarding solid waste management includes:-

- Raising awareness about consequences caused by solid waste pollution.
- Collective role of government sector, NGO's, Private sector for solid waste management.
- Legislation should be done which would be effective and find ways to implement its effectively application of 3 R's (Reduce, Recycle and Reuse) concept in solid waste management system.
- House to house collection of solid waste should be organized.
- Littering of solid waste should be prohibited in cities, towns and urban areas. Proper segregation would be vital for scientific disposal of waste.
- Developing legal framework and national guidelines for solid waste management that includes waste management and basic recycling rules.

Solid Waste Management through Integrated Resource Recovery Center (IRRC)

UN-Habitat, in close collaboration with the United Nations Economic and Social Commission for Asia and the Pacific (UN-ESCAP) and the Ministry of Climate Change, is currently implementing a project on "Pro-poor and sustainable solid waste management in secondary cities and small towns''. The project contributes to this goal by setting up an Integrated Resource Recovery Center (IRRC) in Islamabad that will enable the city to turn waste into resources through composting, recycling and bio digestion, thereby diverting solid waste from landfills or open dump sites. In the medium term, it is envisaged to replicate this model to cities across the whole country. This project is being carried out through a multi-stakeholder approach, the participation of the Ministry of Climate change is instrumental in the successful implementation of this model, as well as in capitalizing from the climate benefit of setting-up decentralized solid waste management systems, through the IRRC.

Sanitation

Sanitation is one of the basic necessities of human life as it saves lives, resources and let human being live with dignity. Poor hygiene and sanitation not only harms the human health but also gives birth to multiple socio-economic and environmental concerns including contamination of perennial water sources in the country. This disease burden leads to high child mortality and huge economic burden on people as well as on the government. Pakistan has a high under five years mortality rate of 72 per 1000 children, ranking second highest in South Asia. Pakistani children suffer diarrhea. This also affects physical and mental growth of children under five. Lack of safe water and sanitation facilities is also one of the contributing factors in the spread of polio virus.

The sanitation and hygiene situation in the country remains at a crises point as just 48 percent of the population has access to improved sanitation and more than 40 million people continue to defecate in the open. Only 24 percent households of Pakistan have access to underground and covered drains. 42 percent have access to open drains and 33 percent live with no system. The current expenditure on sanitation and hygiene is very limited. The rural households spend around 20 percent of their monthly income Rs. (410-20) on medical costs, largely due to sanitation & water borne diseases. Pakistan is currently off track in meeting its sanitation Millennium Development Goals (MDGs) target. A momentum to tackle this crisis needs to be built in line with the Millennium Development Goals, South Asian Conference on Sanitation (SACOSAN) commitments and the United Nations call on sanitation.

In order to build the momentum and accelerate the progress on sanitation and hygiene in the country, Pakistan Conference on Sanitation (PACOSAN) was held in February, 2015 in collaboration with the key development partners working in the country. Pakistan government is committed to save its children from death, living with disabilities or not achieving their potential physical and mental growth to compete with other nations in the world. Pakistan Conference on Sanitation (PACOSAN) draws upon the commitments made in South Asia's flagship Inter-Ministerial Conference on Sanitation (PACOSAN) which takes place in every two/three years with delegates from all eight countries of South Asia committing to further accelerate sanitation and hygiene behavioral change in South Asia.

Forest

Under Millennium Development Goals (Goal-7) Pakistan had committed to increase forest cover to 6% by the year 2015, which could not be achieved mainly due to financial constraints of federal and provincial governments. Slow Overseas Development Assistance (OSA) from bilateral or multilateral sources impedes government policies and plans to bring additional lands under tree cover. The developing countries need uninterrupted flow of pledged financial resources from developed countries to adapt to a changing global climate and reduce carbon emission to boost forest growth. However, in order to increase the forest cover, significant programs of forestation and mass tree planting are operational in the country.

Measures to Increase Forest Cover

Mass Afforestation and Tree Planting Campaigns

Seasonal tree planting in spring and monsoon is a regular function of provincial forest departments; other concerned federal and provincial departments, non-governmental organizations and general public are also motivated to participate in national tree planting drives. The role of Ministry of Climate Change in federal government is to plan these campaigns and to monitor tree planting achievements for reporting at national and international levels. During FY 2014-15 two inter-provincial meetings were held on the onset of monsoon 2014 and spring 2015 whereby achievement of tree planting has been as follows:

Table 16.3: Tree Planting

Season	Target	Achievement	Survival Rate
Monsoon	29 million	27 million	70%
Spring 2015	49 million	On-going activity	-

Source: Ministry of Climate Change

Reducing Emissions from Deforestation and Forest Degradation (REDD+)

Under the UN Framework Convention on Climate Change, a new mechanism Reducing Emissions from Deforestation and Forest Degradation (REDD+) has been adopted. Pakistan has vast potential of controlling deforestation under REDD+, Ministry of Climate Change has constituted a National Steering Committee on REDD+ to guide and steer REDD+ projects. Pakistan became a member of United Nations REDD+ program (UN-REDD program) in 2011 and World Bank's Forest Carbon Partnership Facility (FCPF) in 2014. The UN-REDD and FCPF are financial mechanisms to support developing countries to undertake readiness activities to become eligible for result-based payments under REDD+. In 2014, FCPF approved a grant of USD 3.8 million for Pakistan and World Bank mission visited Pakistan in December 2014. The FCPF grant for REDD+ readiness will be utilized in the next 3-4 years for preparation of national REDD+ strategy, national forest monitoring system, and a system of economic, social and environmental safeguards to implement REDD+.

Mangroves for the Future (MFF)

The MFF is a multi-donor regional initiative of Asia Pacific region with the prime objective of protection coastal mangroves forests as natural barriers against Tsunamis. Pakistan is a Member of the MFF and International Union for Conservation of Nature and Natural Resources (IUCN) is the implementing agency for Pakistan. Ministry of Climate Change prepared "MFF National Strategy and Action Plan'' and presently MFF is sponsoring five small grants projects.

Implementation of International Agreements

Forestry Wing is the National focal Point of forums on forestry and biodiversity as enlisted below:

- Convention on Biological Diversity (CBD)
- UN Convention to Combat Desertification (UNCCD)
- Convention on International Trade of Endangered Species (CITES)
- Convention on Migratory Species of wild animals (CMS)
- Cartagena Protocol on Biosafety
- Nagoya Protocol on access benefit sharing (to be ratified by Pakistan)
- MOU on Siberian Crane, Marine Turtles, Birds of Prey, etc.
- Asia-pacific Forestry Commission, UN forum on Forests
- Coordination with international NGOs in joint programming

Under the Convention on Biological Diversity obligations, Pakistan's National Clearing House Mechanism (CHM) was established and its 5th National Report was submitted. The ratification of Nagoya Protocol is under process. Similarly, achievement was also made under Convention on International Trade in Endangered Species (CITES) as enlisted below:

- All Pakistan National Report was updated and submitted in time.
- Repatriation of confiscated wildlife species (Turtles) from China achieved.
- Ensured extensive collaboration with provinces to implement CITES.
- Pakistan Trade control of Wild Fauna and Flora Act 2012 notified.
- Members of CITES Management Authority notified and two meetings of CITES Management Authority have been held so far.
- Trophy hunting of wild life like Markhor, Urial and Blue Sheep regulated.

Mountains and Market Biodiversity and Business in Northern Pakistan

Ministry of Climate Change, Provincial Forest Department, Wildlife Departments of Khyber-Pakhtunkhwa and Gilgit-Baltistan are the implementation partners in the Mountains and Market Biodiversity and Business in Northern Pakistan. Global Environment Facility is providing funding. Geographically the project is located in Khyber-Pakhtunkhwa, Gilgit-Baltistan.

The project area spreads across the Hindu Kush, Karakorum and Western Himalayan mountain ranges, Northern Pakistan, which is rich in global biodiversity. Many globally threatened species are still found there, from the snow leopard and lynx to the highly endangered woolly flying squirrel. Although protected areas now cover some eleven percent of the mountains, threats yet remain to the region's unique biodiversity due to poverty and limited options for sustainable sources of livelihood. The Mountain and Market project uses voluntary certification of Non-Timber Forest Products (NTFP) as a tool to promote biodiversity conservation and strengthen existing conservation efforts with innovative market-based mechanisms. The project develops community and institutional capacity for certified production of biodiversity-friendly non timber forest products in Northern Pakistan and stimulates market demand for these products thereby creating new economic incentives for conservation.

The project objective is the sustainable production of biodiversity goods and services through community ecosystem-based enterprises and demonstration conservancies in the northern mountains of Pakistan.

Climate Change

Pakistan is categorized amongst the highly vulnerable countries to the adverse impacts of climate Change due to its diverse topographic and demographic settings. Pakistan's 5000 glaciers are on retreat. They are retreating faster than any other part of the world. The country is vulnerable to a host of natural hazards particularly of hydro meteorological nature, the frequency and intensity of which has increased due to Climate Change. The recurring extreme events that Pakistan has faced in the recent years carried significant climate change footprints. These included flash floods, cyclones, heat waves, droughts, Glacial Lake Outburst Floods and intrusion of saline seawater into the Indus River Delta Region. Pakistan suffered economic losses of more than US$15 billion during floods of 2010, to 2012. The unprecedented floods of 2010 were described by the UN Secretary General as a slow moving Tsunami. More than 20 million people were affected and roughly 300,000 were displaced.

Climate change is severely impacting the development aspirations of almost all developing countries. Although the developing countries do not have the historical responsibility for the present day challenges yet they are taking the brunt of its negative impacts. It even threatens the very survival of the small island developing states. The sustainable development prospects of Pakistan are undermined by the climate change in multiple ways which is already entrenched with numerous economic, security and social challenges. While Ministry of Climate Change is working to avert these challenges for Pakistan, climate change is serving not only as a threat but also a threat multiplier. Above all, it is seriously undermining the gains achieved in this regard. It is inflicting huge losses to human life and property. It is also causing additional stress on the sustainability and access to natural resources both for the present and more importantly for the future generations. The actions to address climate change should ensure the sustainable development and sustained economic growth of the developing countries and the universal elimination of poverty, hunger and disease. In Pakistan alone, additional US $ 6-14 billion are required annually to adapt to the climate change adverse impacts.

Pakistan's greenhouse gas (GHG) emissions are low compared to international standards. In 2008, Pakistan's total GHG emissions were 310 million tons of CO_2 equivalents. These comprised: CO_2 54% Methane (Ch_4) 36%; Nitrous Oxide (N_2O) 9%; Carbon Monoxide (CO) 0.7%; and Non- Methane Volatile Organic Compounds 0.3%. The energy sector is the single largest source of GHG emission in Pakistan; it accounts for nearly 51% of these emissions and is followed by processes (6%), Land use, Land Use Change and Forestry (LULUCF) (3%) emissions and waste (1%). As such, the most important targets for mitigation efforts focused on reduction of GHG emissions are the energy and agriculture sectors. In the energy sector, integration climate change and energy policy objectives are particularly important. The buildings and transport infrastructure put in place today should meet the design needs of the future. Therefore, greater attention must be paid to energy efficiency requirements in building codes and long-term transport planning.

Framework for Implementation of National Climate Change Policy-2012

Further to national Climate Change policy-2012, its framework for implementation is developed keeping in view the current and future anticipated climate change threats to Pakistan's various sectors. In view of Pakistan's high vulnerability to the adverse impacts of climate change, in particular extreme events, the vulnerabilities of various sectors to climate change have been highlighted and appropriate adaptation actions spelled out. These cover actions to address issues in various sectors such as water, agriculture, forestry, coastal areas, biodiversity, health and other vulnerable ecosystems. Notwithstanding the fact that Pakistan's contribution to global greenhouse gas (GHG) emissions is very small, its role as a responsible member of the global community is very important in combating climate change in mitigation efforts in sectors such as energy, forestry, transport, industries, urban planning, agriculture and livestock. Furthermore, appropriate actions relating to disaster preparedness, capacity building, institutional strengthening; and awareness rising in relevant sectors is also a part of this framework for implementation of National Climate Change Policy which has been developed not as an end in itself but rather a catalyst for mainstreaming climate change concerns into decision making that will create enabling condition for integrated climate compatible development processes. It is therefore, not a stand-alone document but rather an integral and synergistic accomplishment to future planning of the country.

Despite being a low GHG emitter, Pakistan is bearing the brunt of climate change related disasters at a high cost to its economy. It therefore, requires concerted efforts to adapt to the adverse impacts of climate change. Number of measures are in focus to address both mitigation and enhancing various ongoing efforts and initiating new activities such as Adaptation Strategies, Mitigation Strategies, Clean Development Mechanism and Nationally Appropriate Mitigation Actions.

Climate change Vulnerability Assessment of Islamabad

The Ministry of Climate Change and UN-habitat as part of their strategy to develop a model of climate resilience, initiated a climate change vulnerability assessment of Islamabad and Islamabad Capital Territory. This initiative was undertaken on the instructions of the Federal Cabinet to initiate a pilot in Islamabad. It was also decided that, the program would be replicated in one city of each province with the aim to further upscale to other cities. The study was conducted with due support of the Ministry of Climate Change, the Pakistan. Meteorological Department (PMD), Globe Change Impact Studies Centre (GCISC), SUPARCO, Capital Development Authority (CDA) Islamabad Capital territory (ICT) and Capital Administration and Development Department (CADD). A steering committee to spearhead this process is established by the Ministry and is headed by the Secretary and co-chaired by UN-Habitat. The study is now completed and has been shared with Ministry of Climate Change. The Study has been edited and designed as a policy document by UN-Habitat's Regional office in Asia and the Pacific.

Way Forward
Green Climate Fund (GCF)

Green Climate fund (GCF) is the future financial mechanism for the United Nations Framework Convention on Climate Change (UNFCCC). Ministry of Climate Change has started readiness activities. The Ministry is foreseeing to tap the GCF at an appropriate level. Following actions are on priority for near future:

- Establishment of a national designated authority.
- Accreditation of implementing entities.
- Development of strategic framework.

Technology Needs Assessments (TNA)

TNA is a systematic approach for conducting technology needs assessments in technological means for both mitigation and adaptation. It also provides processes and methodologies for uncovering gaps in enabling frameworks and capacities for formulating a national action plan to overcome them, as part of overall climate change strategies. Pakistan has initiated work on TNA to address country needs for clean technologies in the fields of both mitigation and adaptation.

Second National Communication (SNC) & Biennial Update Reports (BURs)

Project proposal of Pakistan's Second National Communication (SNC) on Greenhouse Gases (GHG) emission has been finalized and the same is under process with the United Nations Environment Program (UNEP) for funding. This will be a three years study leading to stocktaking of all GHG emissions in Pakistan with options of mitigation and adaptation actions. BUR is an extended report on National Communications. It describes the status of GHG Emissions and mitigation measures taken by the countries. Work on Pakistan's first BUR is expected to be started soon.

United Nations Conference of Parties on Climate Change (COP-21)

The COP-21 (UN climate talks) to be held in Paris in December 2015 is supposed to produce a global agreement to cut greenhouse gas (GHG) emissions. The agreement will start in 2020-2030, and probably until 2035. Earlier, the developing countries, including Pakistan, were exempted from such obligation; However, COP-21 is likely to bring a Protocol with binding commitments on developing countries such as cutting down or at least slowing down their GHG emission.

Keeping in view the importance of the conference, Pakistan has started preparations on the stance of GHG emission cuts and intended nationally determined contributions.

Activities of Pakistan Environmental Protection Agency (Pak-EPA)

Pakistan Environmental Protection Agency (Pak-EPA) is mandated to enforce the Pakistan Environmental protection act 1997 in the Islamabad Capital Territory. The following major activities are being undertaken by Pak-EPA:

I. Environment Impact Assessment/ Monitoring:

- During the period from 1st july, 2014 to-date (03) Initial Environmental Examination (IEE) reports have been received for review at this agency, while (03) cases are under process.
- The Pakistan Environmental Protection Agency in coordination with International Union for Conservation of Nature, ICUN and other partners had recently conducted the National Impact Assessment program (NIAP). The program aimed to contribute to sustainable development in Pakistan through strengthening the environmental impact assessment process introducing Strategic Environmental Assessment (SEA) in national development planning. Based on the experience of NIAP, it is expected that interventions at the policy level through introduction of SEA, capacity building, development of tools, procedures and mechanisms and improved understanding of impact assessment processes, principles of sustainable development could be introduced into country policies and programs.
- During the same period (03) reports have been received in the agency, while 03 are under process for approval.

II. Lab/National Environmental Quality Standard (NEQS):

- Monitoring of industrial area I-9 & I-10 for air quality monitoring.
- Water quality analysis of treatment plants installed by the CDA.
- Effect of urbanization of water quality in nullah coming from E-11 Islamabad.
- Monitoring of ICT territory catchments area of Rawal Dam, Simly Dam and Korang River.
- Preparation of legal cases for violation of NEQS in the jurisdiction of ICT through regular monitoring.
- Research with the student of International Islamic University and Jinnah University for waste water of Islamabad industrial area.
- Detection of heavy metals in soil of Islamabad industrial area.
- Carried out survey of 48 government & private hospitals of Islamabad and collected the hospital waste management data.
- Industries were directed to undertake campaign for tree plantation.

III. Legal/Enforcement:

- Pak-EPA served 17 notices under section 16 (1) of the Pakistan Environment Protection Act, 1997 to the hospitals, clinics / medical facilities/labs which are violating provisions of PEP Act, 1997 and hospitals Waste Management Rules 2005. They were called to explain the reasons of lapses on their part. They have been directed to ensure proper disposal of infectious waste being generated by their hospitals etc.
- Five steel industries located in industrial area have been monitored and 03 environmental protection orders issued with the direction to stop their activities till compliance of NEQS.
- CDA has been served with environmental protection order with direction to stop open dumping of solid/municipal waste in I-12 near I.J.P Road, Islamabad.
- IESCO was served with environment protection order by directing them to stop the construction of "Grid Station in F-9 Park'' till issuance of environmental approval by Pak-EPA.
- Many other violating environmental laws have been served with notices.
- Draft of compounding of offences rules finalized and sent to Ministry of Law, Justice and Human Rights for vetting and notification.
- Amendment on oxo-biodegradable plastic product regulations finalized and sent to Ministry of Climate Change for notification.
- Environmental Protection Tribunal (EPT) made functional through Ministry of Law, Justice and Human Rights and litigation started for violation of environmental laws by polluters. The EPT has disposed off 60 cases of environmental pollution.

Conclusion

The Government of Pakistan recognizes the importance of environmental concerns and taking strategic adaptation measures at the policy management and operational level to ensure energy security, food security and water security to face the challenges of climate change. In this regard, private sector is also required to play a more active role by making environmental investment, innovations and incorporation of environmental considerations in their operation. Significant initiatives are being taken in collaboration with developed countries to counter the issues of climate change, it is therefore necessary that developed countries should also honour their climate fund pledges as with inadequate resources, developing countries cannot effectively combat the adverse impacts of climate change.

Contingent Liabilities

Introduction

Contingent liabilities are conditional obligations that arise from past events that may require an outflow of resources embodying economic benefits based on the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the government. Contingent liabilities can be distinguished from the liabilities as these are conditional in nature and do not represent the present obligations of the government. Accordingly, a contingent liabilities are not recognized as liabilities regardless of the likelihood of the occurrence (or non-occurrence) of the uncertain future event.

The public debt may be understated without reporting contingent liabilities. Contingent liabilities are not added to the overall debt of the country, however, such off-balance sheet transactions cannot be overlooked in order to gain a holistic view of a country's fiscal position and unveil the hidden risks associated with the obligations made by the government outside the budget. Therefore, it is imperative to examine the contingent liabilities in the same manner as a proposal for a loan, taking into account, inter alia, the credit-worthiness of the borrower, the amount and risks sought to be covered by a sovereign guarantee, the terms of the borrowing, justification and public purpose to be served, probabilities that various commitments will become due and possible costs of such liabilities etc.

Contingent liabilities of Pakistan include, explicit and implicit guarantees issued to Public Sector Enterprises (PSEs). The government guarantee is only extended to the public sector entities for the purpose of achieving the following objectives:

- To improve financial viability of projects/activities undertaken by government entities, with significant social and economic benefits, that would not otherwise be financially viable;
- To enable PSE's to raise resources when it is unable to finance activities due to weak balance sheet strength;
- To fulfill the requirement in cases where government guarantee is a precondition for concessional loans obtained by the government entities from bilateral/multilateral agencies to sub-sovereign borrowers.

Public disclosure of information about guarantees is an essential component of fiscal transparency, but it is more important to reflect the impact of financial risk associated with guarantees in the fiscal account. During first nine months of current fiscal year, the government issued fresh/rollover guarantees aggregating to Rs. 67 billion, whereas, outstanding stock of government guarantees as at end March, 2015 amounted to Rs. 600 billion. The rupee guarantees accounted for 80 percent of the total guarantees stock.

Table-1.1: Guarantees Outstanding as on March 31, 2015	(Rs. in billion)
Outstanding Guarantees extended to Public Sector Enterprises (PSEs)	**600**
-Domestic Currency	481
-Foreign Currency	119
Memo:	
Foreign Currency (US$ in million)	**1,167**
Source: Debt Policy Coordination Office Staff Calculations, Finance Division	

The volume of government guarantees undertaken during a financial year is limited under Fiscal Responsibility and Debt Limitation Act 2005 which stipulates that the government shall not give guarantees aggregating to an amount exceeding 2 percent of the GDP in any financial year including those for rupee lending, rate of return, output purchase agreements and other claims and commitments provided the renewal of existing guarantees shall be considered as issuing a new guarantee. The limit of 2 percent of the GDP is applicable on guarantees issued both in local and foreign currencies. During July-March, 2014-15, Government of Pakistan issued fresh/rollover guarantees aggregating to Rs. 67 billion or 0.2 percent of GDP [as shown in Table 1.2].

Table-1.2: New Guarantees Issued

(Rs. in billion)	2010	2011	2012	2013	2014	2015*
New guarantees issued	224	62	203	136	106	67
(as percent of GDP)	1.5	0.3	1.0	0.6	0.4	0.2

*July – March

Source: Debt Policy Coordination Office Staff Calculations, Finance Division

The year wise outstanding stock of government guarantees from 2009-10 till March 31, 2015 is presented through Table 1.3:

Table-13: Guarantees Stock (Rs. in billion)

	2010	2011	2012	2013	2014	2015*
Outstanding guarantees extended to PSEs	**603**	**559**	**516**	**626**	**555**	**600**
-Domestic Currency	329	301	262	355	426	481
-Foreign Currency	274	258	254	271	129	119
Memo:						
Foreign Currency (US$ in million)	3,246	2,999	2,689	2,716	1,310	1,167

*July – March

Source: Debt Policy Coordination Office Staff Calculations, Finance Division

Guarantees issued against commodity operations are not included in the stipulated limit of 2 percent of GDP as the loans are secured against the underlying commodity and are essentially self-liquidating and thus should not create a long term liability for the government. The quantum of these guarantees depends on the supply-demand gap of various commodities, their price stabilization objectives, volume procured, and domestic and international prices. The guarantees were issued against the commodity financing operations undertaken by TCP, PASSCO, and provincial governments. As on March 31, 2015, the outstanding stock issued against commodity operations was Rs.485 billion against the end-June 2014 position of Rs. 604 billion.

Errata
Tax Expenditure

Tax expenditure for fiscal year 2014-15 has been estimated at Rs. 412.0 billion. Detailed estimates are highlighted below:

Income Tax

Tax expenditure in respect of direct taxes during 2014-15 has been reflected in Table 1.

Table 1: Tax Expenditure of Direct Taxes during 2014-15 (Rs. billion)

S. No.	Tax Expenditure on various Exemptions and Concessions	Estimated Revenue Loss 2014-15
1	Pensions and Gratuity	1.100
2	Income from Funds, Board of Education, Universities and Computer Training Institutions.	10.500
3	Donations and Contributions to Charitable	2.600
4	Independent Power Producers	51.500
5	Income from Certain Trust, Welfare and Charitable institutions non-profitable organizations.	0.900
6	Profits on Debt/interest from government securities and certain foreign currency accounts/books profit on debt	3.900
7	Export of Information Technology	1.100
8	Capital gains	2.500
9	Other Sectors and enterprise specific exemptions	9.500
	Total:	**83.600**

Sales Tax

Major exemptions in sales tax and their tax expenditures during 2014-15 are presented in Table 2.

Table 2: Tax Expenditure of Sales Tax for 2014-15 (Rs. billion)

SRO	Loss of Sales Tax Due to Exemptions
SRO 1125(I)/2011	55.0
Imports under 5th Schedule	1.0
Local supply under 5th Schedule	18.0
Imports under 6th Schedule	57.0
Local supply under 6th Schedule	85.0
Imports under 8th Schedule	9.0
SRO 572(I)/2014(Agriculture tractors)	0.37
Total	**225.4**

Customs

Following is the break-up of estimates of tax expenditure of main exemptions in Customs Duties for fiscal year 2014-15.

Table-3: Cost of Customs Duty Exemption For FY 2013-14 And Estimated 2014-15			(Rs. millions)
S.No.	**SRO No. with Date**	**Description**	**Cost of Exemption (Estimated)**
	FTAs/PTAs		**2014-15**
1	558(I)/2004 01.07.2004	Concession of Customs Duty on goods imported from SAARC and ECO countries	352.0
2	1296(I)/2005 31.12.2005	Exemption from Customs Duty on import into Pakistan from China	0.0
3	894(I)/2006 31.08.2006	Exemption from Customs Duty on import into Pakistan from Iran under Pak-Iran PTA.	2.0
4	1274(I)/2006 29.12.2006	Exemption from Customs Duty on imports into Pakistan from under SAFTA Agreement	1,021.0
5	659(I)/2007 30.06.2007	Exemption from Customs Duty on imports into Pakistan from China	26,603.0
6	1151(I)/2007 26.11.2007	Exemption from customs Duty on goods imported from Mauritius.	11.0
7	741(I)/2013 28.08.2013	Exemption from customs duty on imports into Pakistan from Indonesia under Pak-Indonesia PTA	3,183.0
8	280(I)/2014 08.04.2014	Exemption from customs duty on imports from Sri Lanka	1,014.0
9	1261(I)/2007 31.12.2007	Exemption from Customs Duty on imports into Pakistan from Malaysia	1,878.0
General Concessions: Automobile Sector, E&P, Textile, Energy, Pharmaceutical and others.			
10	565(I)/2006 05.06.2006	Conditional exemption of Customs Duty on import of raw materials and components etc. for manufacture of certain goods (Survey based)	3,752.0
11	678(I)/2004 12.6.2004	Exemption of Customs Duty and Sales Tax to Exploration and Production (E&P) companies on import of machinery equipment & vehicles etc.	13,204.0
12	655(I)/2006 22.06.2006	Exemption from Customs Duty for vendors of Automotive Sector	16,281.0
13	656(I)/2006 22.06.2006	Exemption from Customs Duty for OEMs of Automotive Sector	18,394.0
14	809(I)/2009 19.09.2009	Exemption of Machinery & Equipment, if imported by Textile Industrial Units	1,475.0
15	567(I)/2006 05.06.2006	General and conditional exemption of Customs Duty (non survey)	*8,588.0
16	575(I)/2006 05.06.2006	Exemption from Customs Duty and Sales Tax on import of specified machinery, equipment, apparatus	**7,288.0
		Total:	**103,046.0**

* : SRO.567(I)/2006 was rescinded in the Budget 2014-15. However, remaining concessions have been shifted to Part-II & III of 5th Schedule to the Customs Act.
** : SRO.575(I)/2006 was rescinded in the Budget 2014-15. However, remaining concessions have been shifted to Part I of 5th Schedule in the Customs Act.

Following is the consolidated summary of tax expenditure for the fiscal year 2014-15 Table-4.

Table 4: Tax Expenditure of Federal Taxes for 2014-15		(Rs. billion)
S. No.	**Type of Tax**	**2014-15**
1.	Income Tax	83.6
2.	Sales Tax	225.4
3.	Customs Duty	103.0
	Total :	412.0

Source: Federal Board of Revenue

Pakistan: Flood Impact Assessment

In September 2014, severe and late monsoon spell, coupled with major water discharges through the eastern rivers, especially in Chenab, resulted in massive floods in Azad Jammu & Kashmir (AJ&K), Punjab and landslides in Gilgit-Baltistan (GB) at an unprecedented scale, both in terms of volume and spatial coverage. Despite forecasts of below-average rainfall, heavy downpours began in first week of September 2014, which damaged crops, infrastructure and human settlements, thus adversely affected national economy directly and indirectly.

According to available estimates, 367 persons lost their lives, more than 2.5 million people were affected by the floods and rains, and 129,880 houses were partially damaged or fully destroyed. Over 1.0 million acres of cropland and 250,000 farmers were affected, in most cases resulting in the loss of standing food, fodder or cash crops. The estimated cost of the recovery effort was US$439.7 million. The total flood damages/losses estimated for 2014 are presented in Table-1.

Table 1: Flood Damages

Province/ Area	Damages (Rs. billion)	Damages (US $ billion)	Damages (in percentage)
Punjab	41.15	0.41	94.74
AJ&K	2.85	0.03	5.26
Total	**43.90**	**0.44**	**100**

Source: NDMA Damages & Recovery Needs Assessment Report (2014)

This table indicates that Punjab suffered the highest losses at 94.74 percent followed by Azad Jammu & Kashmir 5.26 percent of the total damages.

Housing

Around 101,515 houses were affected in 16 districts of Punjab and some 28,365 houses were affected in the 10 districts of Azad Jammu & Kashmir.

Impact on Agriculture, Crops and Livestock

Agriculture is one of the most flood affected sector. At the time of the flood, crops especially cotton, rice and sugarcane were ready to harvest. According to National Disaster Management (NDMA), around 1 million acres of standing crops were destroyed. Extensive damages were reported in Jhang, Muzzafargarh, Multan and Sargodha Districts. Loss of standing crops not only affected the income bases of farmers, but also impacted overall production. SUPARCO estimates indicated around a 217,000 ton reduction in rice production, 726,000 tons in sugarcane production and 250,000 bales of cotton were lost due to the 2014 floods. Along with this, loss of seed stocks and agricultural tools, destruction of irrigation channels and land erosion further deteriorated the agriculture sector.

Livestock is considered a secondary source of income and also fulfills household food and nutrition needs. Significant losses in the livestock sectors were also observed due to the floods. Overall 1,925 small and large ruminants were reported to be lost due to floods, with higher losses in Neelum, Bhimber Haveli and Kotli districts in AJ&K and Sialkot, Gujranwala, Hafizabad and Gujrat districts in Punjab.

Household food security

Household food security was also affected by the floods, mainly due to the loss of food stocks. Multi-sector Initial Rapid Assessment (MIRA) findings indicate that 37 percent of households lost most of their food stocks. Livelihood losses further reduced their economic access to food and 62 percent of households didn't have sufficient resources to buy food after the floods. The fishery and forestry sectors also suffered losses, which impacted house hold food security.

Non-Farm Livelihoods

Floods in September 2014 have damaged the non-farm livelihoods due to loss of assets, damage to infrastructure and disruption due to non-accessibility to market and loss of services. The Multi-Sector Initial Rapid Assessment (MIRA) of September 2014, conducted jointly by NDMA and the UN indicates the following situation on ground:

- Around 40 percent of the markets across the impacted areas were not functioning.
- Only around 38 percent of the households surveyed have adequate resources to buy food.
- 55 percent of the households reported agriculture as their primary source of income. 12 percent have livestock as their main source of livelihoods. Non-farm livelihoods comprise 33 percent of total affected population.

The sector wise breakups of the estimates of flood damages during 2014 are reported in Table-2.

Table 2: Flood Damages by Sectors

Sectors	Damages (Rs.billion)	Damages (US$ billion)	Damages (in percentage)
Community Physical Infrastructure	17.16	0.17	39.09
Housing	12.59	0.13	28.67
Crops	10.91	0.11	24.85
Livelihoods	2.74	0.03	6.24
Disaster Risk Resilience	0.35	0.003	0.80
Livestock	0.23	0.002	0.53
Total	**43.9**	**0.44**	**100**

Source: NDMA Damages & Recovery Needs Assessment Report (2014)

It reveals that Community Physical infrastructure sector suffered the major losses at 39.09 percent followed by Housing sector 28.67 percent, Crops 24.85 percent and Livelihoods sector 6.24 percent of the total damages. It is also observed that Livestock sector suffered the lowest losses at 0.53 percent.

Annex-IV

Impact of War in Afghanistan and Ensuing Terrorism on Pakistan's Economy

The conflict and instability in Afghanistan in the aftermath of 9/11 attacks and their regional implications had very negative repercussions, for the years following the US invasion of Afghanistan not only saw a huge influx of Afghan refugees across the border into Pakistan but also witnessed a sudden spike in the frequency and scale of terrorist attacks in Pakistan. The cumulative impact of these developments adversely impacted the overall growth rate in all major sectors of the economy. Pakistan continues to pay a heavy price both in the economic and security terms due to this situation and a substantial portion of precious national resources both men and material, have been diverted to address the emerging security challenges for the last several years. The rise of violent extremism and increase in terrorism in Pakistan due to instability in Afghanistan not only caused serious damage to Pakistan's economy but has also been responsible for wide-spread human suffering due to indiscriminate attacks against the civilian population.

This situation disrupted Pakistan's normal economic and trading activities which not only resulted in higher costs of business but also created disruptions in the production cycles, resulting in significant delays in meeting the export orders around the globe. As a result, Pakistani products have gradually lost their market share to their competitors. Consequently, economic growth could not picked up as planned. Investment outflow and negative trends of out sourcing of capital in Pakistan has further added to the woes of dwindling performance of the export-oriented industry.

In order to assess the impact of the incidents of terrorism on the economy of Pakistan during the past several years, the estimates for FY15 has been prepared in consultation with all relevant Ministries / Departments / Provincial Governments / Autonomous bodies etc. Summary of year wise losses is presented in Table -1.

Table-1: Summary of Losses Due to Terrorist Attacks (US$ billion)

S.No	Organization	Years		Total
		2013-14	2014-15*	
1.	Exports	0.53	0.73	1.26
2.	Compensation to Affectees	0.04	0.01	0.05
3.	Physical Infrastructure	0.42	0.50	0.92
4.	Foreign Investment	2.01	0.09	2.10
5.	Privatization	0.00	0.00	0.00
6.	Industrial Output	0.03	0.02	0.05
7.	Tax Collection	2.52	2.00	4.52
8.	Cost of Uncertainty	0.07	0.002	0.07
9.	Expenditure Over run	0.29	0.62	0.91
10.	Others	0.72	0.55	1.27
Total Losses		**6.63**	**4.53**	**11.16**

*: Estimated on the basis of 9 months actual data (July-March)
Source: M/o Finance, M/o Interior, M/o Foreign Affairs, Joint Ministerial Group

During the last 14 years, the direct and indirect cost incurred by Pakistan due to incidents of terrorism amounted to US$ 106.98 billion equivalent to Rs. 8,702.75 billion. Detail is given in Table-2.

Pakistan needs enormous resources to enhance productive capacity of the economy by repairing damaged infrastructure and to create a favorable investment climate. The security situation will be the key determinant of future flow of the investment. After adoption of National Action Plan by the All Parties Conference (APC) and its subsequent implementation which is overseen by the apex committees of the provinces. There have been improvements in the overall security situation in Pakistan in the recent months as a result of concerted actions by the Government of Pakistan. However, peace and stability in Afghanistan and the region are vital for the complete revival of Pakistan's economy and to keep stability in the system.

Table-2: Estimated Losses- (2001-2015)

Years	$ Billion	Rs. Billion	% Change
2001-02	2.67	163.90	-
2002-03	2.75	160.80	3.0
2003-04	2.93	168.80	6.7
2004-05	3.41	202.40	16.3
2005-06	3.99	238.60	16.9
2006-07	4.67	283.20	17.2
2007-08	6.94	434.10	48.6
2008-09	9.18	720.60	32.3
2009-10	13.56	1136.40	47.7
2010-11	23.77	2037.33	75.3
2011-12	11.98	1052.77	-49.6
2012-13	9.97	964.24	-16.8
2013-14	6.63	681.68	-33.5
2014-15*	4.53	457.93	-31.7
Total	**106.98**	**8702.75**	

* Estimated on the basis of 9 months actual data

Source: MoF, M/o Interior, M/o Foreign Affairs Joint Ministerial Group

HIGHLIGHTS

Pakistan
Economic Survey
2014-15

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

Contents

HIGHLIGHTS OF PAKISTAN ECONOMIC SURVEY 2014-15

Growth and Investment

- Global economic growth during the outgoing year has witnessed some continuing signs of improvement with a pick-up in high-income economies along with some improvement in developing countries.
- China and Pakistan have made agreements to establish China Pakistan Economic Corridor between the two countries. The corridor will serve as a driver for connectivity, trade in the world is expected to increase and Pakistan will take benefits through multiple dimensions.
- Major trading partners of Pakistan are growing with better outlook, which will certainly have positive impact on the economy of Pakistan and provides an opportunity to uplift socio-economic condition of common man in the country.
- Pakistan is improving quantitatively and qualitatively as growth achieved 4.24 percent is broad based and is the highest achievement since 2008-09.
- Major success of the outgoing fiscal year includes: picking up economic growth, inflation contained at lowest level since 2003, improvement in tax collection, reduction in fiscal deficit, worker remittances touches new height, successful launching of Sukuk, foreign exchange reserves significantly increased and stock market created new history.
- The GDP growth accelerates to 4.24 percent in 2014-15 against the growth of 4.03 percent recorded in the same period last year. The growth momentum is broad based, as all sectors namely agriculture, industry and services have supported economic growth.
- The agriculture sector accounts for 20.9 percent of GDP and 43.5 percent of employment, the sector has strong backward and forward linkages. The agriculture sector has four sub-sectors including: crops, livestock, fisheries and forestry.
- The industrial sector contributes 20.30 percent in GDP; it is also a major source of tax revenues for the government and also contributes significantly in the provision of job opportunities to the labour force.
- Industrial sector continued growth process and recorded growth at 3.62 percent as compared to 4.45 percent last year.
- The manufacturing is the most important sub-sector of the industrial sector comprising 65.4 percent share in the overall industrial sector. Growth of manufacturing is registered at 3.17 percent compared to the growth of 4.46 percent last year.
- Manufacturing has three sub-components; namely the Large-Scale Manufacturing (LSM) with the share of 80 percent, Small Scale Manufacturing with the share of 13 percent and Slaughtering with the share of 7 percent.
- Small scale manufacturing witnessed growth at 8.24 percent against the growth of 8.29 percent last year and slaughtering growth is recorded at 3.32 percent as compared to 3.40 percent last year.
- LSM has registered the growth of 2.38 percent as compared to the growth of 3.99 percent last year.
- The share of construction in industrial sector is 12 percent and is one of the potential components of industries. The construction sector has registered a growth of 7.05 percent against the growth of 7.25 percent of last year.

- Mining and quarrying sub-sector contains 14.4 percent share of the industrial sector. This sub-sector witnessed a growth of 3.84 percent as compared to 1.65 percent growth of last year.
- Electricity generation & distribution and Gas Distribution is the most essential component of industrial sector. This sub-sector has registered growth at 1.94 percent as compared to 5.57 percent in last year.
- The share of the services sector has reached to 58.8 percent in 2014-15. Services sector contains six sub-sectors including: Transport, Storage and Communication; Wholesale and Retail Trade; Finance and Insurance; Housing Services (Ownership of Dwellings); General Government Services (Public Administration and Defense); and Other Private Services (Social Services).
- The Services sector has witnessed a growth rate of 4.95 percent as compared to 4.37 percent last year. The growth performance in services sector is broad based, all components contributed positively in growth, Finance and Insurance at 6.1 percent, General Government Services at 9.4 percent, Housing Services at 4.0 percent, Other Private Services at 5.9 percent, Transport, Storage and Communication at 4.2 percent and Wholesale and Retail Trade at 3.4 percent.
- Three main drivers of economic growth are consumption, investment and export. Pakistani society like other developing countries is a consumption oriented society, having high marginal propensity to consume.
- The private consumption expenditure in nominal terms reached to 79.20 percent of GDP, whereas public consumption expenditures are 11.84 percent of GDP. Total consumption expenditures have reached to 91.04 percent of GDP in outgoing fiscal year compared to 91.46 percent of last fiscal year.
- Per capita income in dollar terms recorded a significant growth of 9.25 percent in 2014-15 as compared to 3.83 percent last year. The per capita income in dollar terms has reached to $1,512 in 2014-15.
- Total investment is recorded at 15.12 percent of GDP, Fix investment is registered at 13.52 percent of GDP. Private investment witnessed at 9.66 percent of GDP. Investment has been hard hit by internal and external factors during the last few years but now situation is improving.
- Total investment witnessed a growth of 10.21 percent as compared to 8.4 percent last year. Public investment recorded an impressive growth rate at 25.56 percent as compared to 6.82 percent last year.
- Total investment which was recorded at Rs.3756 billion in 2013-14 increased to Rs.4140 billion for 2014-15.
- Public investment which was recorded at Rs.842 billion in 2013-14 is reported at Rs.1057 billion in 2014-15.
- Public investment as a percent of GDP increased to 3.86 percent against the 3.36 percent last year.
- During July-March, 2014-15 credit to private sector flows increased to Rs.228.2 billion against the expansion of Rs.305 billion in the comparable period last year.
- National savings are 14.5 percent of GDP in 2014-15 compared to 13.7 percent in 2013-14. Domestic savings is witnessed at 8.4 percent of GDP in 2014-15 as compared to 8 percent of GDP in 2013-14. Net foreign resource inflows are financing the saving investment gap.
- Present government has launched comprehensive plan to create investment friendly environment and to attract foreign investors in the country. As is evident, the capital market has reached to new height and emitting positive signals for restoring the investor’s confidence.

- Pakistan's policy trends have been consistent, with liberalization, de-regulation, privatization, and facilitation being its foremost cornerstones. Board of Investment (BOI) under the Prime Minister’s office has approved investment policy to provide more investment friendly environment to investors.
- Foreign private investment has reached to $1666.2 million during July-April 2015 as compared to $1050.3 million showing 58.6 percent higher as compared to last year. Out of total foreign investment, the FDI inflow has reached to $2057.3 million.
- The major inflow of FDI is from US, Hong Kong, UK, Switzerland and UAE. Oil & gas exploration, financial business, power, communications and Chemicals remained major recipients.
- The government is also aiming to explore new markets to export its manpower as well as incentives for the remittances to further enhance its growth. The available data suggest inflow of the remittances for the period of July-April 2014-15 stood at $ 14969.66 million compared to $ 12897.91 million during the corresponding period last year, which is 16.06 percent higher over the previous period.

Agriculture

- The agriculture growth stood at 2.9 percent during July-March, 2014-15 as compared to 2.7 percent during the last year.
- During 2014-15, cotton production stood at 13,983 thousand bales as compared to 12,769 thousand bales in 2013-14 and registered an increase of 9.5 percent.
- Wheat production decreased to 25,478 thousand tonnes in 2014-15 as compared to 25,979 thousand tonnes in 2013-14 showing a decrease of 1.9 percent.
- Rice production has increased to 7,005 thousand tonnes in 2014-15 as compared to 6,798 thousand tonnes in 2013-14 showing an increase of 3.0 percent.
- Sugarcane production has decreased to 62,652 thousand tonnes in 2014-15, as compared to 67,460 thousand tonnes last year, and registered a decrease of 7.1 percent.
- Maize production had decreased to 4,695 thousand tonnes in 2014-15, as compared to 4,944 thousand tonnes in 2013-14 showing a decrease of 5.0 percent.
- Other crops that contributed 11.1 percent value addition in agriculture witnessed a positive growth of 1.1 percent in 2014-15, against negative growth of 5.4 percent during the same period last year.
- Gram production has increased to 484 thousand tonnes in 2014-15 as compared to 399 thousand tonnes in 2014-15, showing an increase of 21.3 percent.
- During July-March 2014-15, the production of Potatoes, Moong, Onions and Chillies increased by 6.3 percent, 6.2 percent, 1.3 percent and 0.3 percent, respectively. While production of other pulses Mash and Masoor (Lentil) decreased by 12.7 and 5.8 percent, respectively.
- During July-March, 2014-15 about 446.1 thousand tonnes of improved seeds of various Kharif/Rabi crops were procured.
- During July- March, 2014-15, the banks have disbursed Rs. 326.0 billion which is 65.2 percent of the overall annual target of Rs. 500 billion and 27.5 percent higher than disbursement of Rs. 255.7 billion made during the corresponding period last year. The banks were able to achieve 65 percent of their annual indicative targets of Rs 500 billion.
- During 2014-15, the availability of water for Kharif 2014 stood at 69.3 MAF showing an increase of 5.8 percent more than Kharif 2013 and 3.3 percent more than the normal supplies of 67.1

MAF. The water availability during Rabi season 2014-15 is estimated at 33.1 MAF, which is 1.8 percent higher than Rabi 2013-14 but 9.1 percent less than the normal availability of 36.4 MAF.

- Kharif 2014 started with inventory of 386 thousand tonnes of urea. Total availability of urea (including 122 thousand tonnes of imported supplies and 2451 thousand tonnes of domestic production) was about 2959 thousand tonnes against the offtake of 2716 thousand tonnes, leaving an inventory of 184 thousand tonnes for Rabi 2014-15.
- Total availability of DAP during Kharif 2014 was 1023 thousand tonnes comprising 99 thousand tonnes of inventory, 524 thousand tonnes of imported supplies and 400 thousand tonnes of local production. DAP offtake was 586 thousand tonnes leaving closing balance of 430 thousand tonnes for coming Rabi 2014-15.

Manufacturing and Mining

- Large Scale Manufacturing (LSM) during July-March 2014-15 registered a growth of 2.5 percent as compared to 4.6 percent in the same period last year. The Year on Year (YoY) growth for March 2015 stood at 4.5 percent as against negative growth of 1.0 percent in March 2014.
- The sub sectors recorded negative growth during the period July-March FY 2014-15 over corresponding period of last year incldes Wood Product declined by 78.46 percent, Engineering Products 10.68 percent, Paper and Board 7.26 percent, Food Beverage and Tobacco 1.03 percent and Rubber products 0.56 percent.
- The sector showing growth during July-March 2014-15 such as Iron and Steel Products 35.63 percent, Automobiles 17.02 percent ,Leather Products 9.62 percent, Electronics 8.21 percent, Pharmaceuticals 6.38 percent , Chemicals 5.94 percent , Non Metallic mineral products 2.56 percent, Coke & Petroleum Products 4.73 percent , Fertilizers 0.95 percent and Textile 0.50 percent.
- Automobile sector such as trucks, tractors, cars & jeeps and LCVs registered growth of 53.9 percent, 44.6 percent, 23.1 percent and 31.2 percent, respectively.
- Mining and Quarrying sector grew by 3.8 percent in 2014-15 as against 1.6 percent last year. Soap stone, Crude oil, Gypsum, Coal and Lime Stone posted a positive growth rate of 41.68 percent, 14.03 percent, 8.11 percent, 4.12 percent and 3.73 percent. However, some witnessed negative growth rate during the period under review such as Phosphate 47.75 percent, Dolomite 46.87 percent, Sulphur 42.06 percent, Bauxite 25.69 percent and Magnesite 7.44 percent.

Fiscal development

- During July-March of 2014-15, fiscal deficit as percent of GDP was contained at 3.8 percent against 3.9 percent in the same period of fiscal year 2013-14.
- Total expenditure of Rs.5, 642.4 billion was estimated for the full year, comprising of Rs.4, 462.3 billion of current expenditure and Rs.1, 180.1 billion of development expenditure and net lending.
- During July-March, 2014-15, total expenditures stood at Rs.3731.6 billion against Rs.3, 446.2 billion in the same period of fiscal year 2013-14, thus posted a growth of 8.3 percent. Of which, current expenditure grew at 10.1 percent and amounted to Rs.3,199.1 billion against Rs.2,904.6 billion in the comparable period last year.
- Development expenditure and net lending grew by 6.9 percent during July-March, 2014-15 and reached to Rs.594.0 billion against Rs.555.8 billion in the same period last year.
- PSDP has witnessed a growth of 27.1 percent and reached at Rs.499.4 billion against Rs.393.0 billion in the comparable period of fiscal year 2013-14. Overall development expenditures registered a remarkable growth of 23.4 percent during the same period. Within PSDP, Federal and

Provincial PSDP grew by 7.6 and 46.0 percent, respectively, during first nine months of current fiscal year against.

- Total revenue increased by 8.3 percent during July-March, 2014-15 and stood at Rs. 2,682.6billion as compared to Rs.2,477.4billion in the same period of 2013-14.
- Tax revenues amounted to Rs.2, 063.2 billion against Rs.1,786.2 billion in the same period last year, thus posted a growth of 15.5 percent. Significant growth in tax revenues was mainly on account of considerable rise in federal tax collection of 16.2 percent.
- Non tax revenues posted a negative growth of 10.4 percent during July-March,2014-15, and amounted to Rs.619.5 billion against Rs.691.2 billion in the same period last year.
- Fiscal accounts witnessed respite on account of reduced subsidies, which remained lower than last year as it stood at Rs.185.9 billion during July-March,2014-15 against Rs.201.8 billion in the same period of fiscal year 2013-14.
- Following a growth of 8.6 percent in provincial taxes and 8.8 percent in federal transfers, provincial surplus amounted to Rs.194.0 billion.
- During July-April, 2014-15, FBR has collected Rs.1972.4 billion as provisional tax revenues against Rs.1744.9 billion reflecting a growth of 13.0 percent.
- During July-April, 2014-15, Direct taxes remained a major source of FBR tax revenue collection, contributing 39.3 percent of total FBR revenues. Net collection was estimated at Rs.775.9 billion against Rs.658.1billion in the comparable period of fiscal year 2013-14.
- Indirect taxes increased 10.1 percent in first ten months of current fiscal year and accounted for 61.0 percent of total FBR collection. Net collection was estimated at Rs.1,196.5billion against Rs.1,086.9billion in the same period last year.

Money and Credit

- During the current fiscal year, SBP reduced the policy rate by a cumulative 300 bps to 7.0 percent w.e.f 25th May, 2015 which is the lowest rate in last 42 years reflecting improved macroeconomic conditions towards the end of fiscal year 2014-15.
- Broad Money (M2) witnessed an increase of 7.33 percent during July-8th May, 2014-15 against the expansion of 7.05 percent in the comparable period last year.
- Reserve Money grew at 11.51 percent during July-8th May, 2014-15 against the growth of 9.84 percent in the comparable period last year. Net Foreign Assets (NFA) of SBP remained the main driver of reserve money growth during the current fiscal year.
- Within Broad Money, Net Foreign Assets (NFA) of the banking sector witnessed an increase and reached to Rs.220.1 billion during July-8th May, 2014-15 as against the net expansion of Rs.243.7 billion in the comparable period of fiscal year 2013-14.
- NDA of the banking sector grew at 5.45 percent (Rs.510.5 billion) during July-8th May, 2014-15 as compared to net expansion of 4.43 percent (Rs.380.6 billion) in the same period last year.
- The government borrowing from the banking system for budgetary support and commodity operations stood at Rs.579.7 billion during July-8thMay, 2014-15 as compared to Rs.175.1 billion in the comparable period last year.
- Within the banking system, government has retired Rs.532.4 billion to SBP during July-8thMay, 2014-15 against the retirement of Rs.10.5 billion in the same period last year.
- On the other hand government has borrowed Rs.1,133.6 billion during July-8th May,2014-15 as compared to Rs.250.6 billion in the same period last year. Significant borrowing from scheduled

banks for budgetary support during the current fiscal year reflects a major shift from the central bank to scheduled banks because of State Bank of Pakistan (SBP) Amendment Act 2012, which required net zero government borrowing from the SBP at the end of each quarter.

- During July-8th May,2014-15, loans for commodity operations witnessed a net retirement of Rs.20.8 billion against the retirement of Rs.65.0 billion witnessed in the same period last year.
- Credit to private sector increased to Rs.161.7 billion during July- 8th May, 2014-15 against the expansion of Rs.292.9 billion in the same period of last year, thus posted a growth of 4.3 percent as compared to 8.7 percent in the comparable period of last year. However, despite low expansion, credit to private sector posted a growth of 6.6 percent on year on year basis as on 8th May,2014-15 against the growth of 5.2 percent recorded in the same period last year.
- Following a decline in policy rate, weighted average lending rate on fresh disbursements has also reduced from 10.53 percent in March, 2014 to 9.31 percent in March,2015. Similarly, weighted average deposit rate offered on fresh deposits also reduced from 5.80 percent in March, 2014 to 5.22 percent in March, 2015.

Capital Market

- Pakistan ranked third in calendar year 2014 amongst the top ten best performing markets in the world. Pakistan was able to secure a place in the top ten for the third consecutive year now.
- In 2014, the KSE-100 Index gained 6,870 points from 25,261 to 32,131 level, generating a handsome return of 27 percent (31 percent return in US$ terms) for the investors.
- During the first ten months (Jul-Apr, 2014-15) of current fiscal year, the Karachi Stock Exchange (KSE) benchmark-100 Index increased by 4,077 points and closed at 33,730 points on 30th April against 29,653 on June 30, 2014 showing a gain of 13.75 percent during first ten months of current fiscal year despite political turmoil during first half of the current year.
- The significant performance of the stock market during current fiscal year can be attributed to a number of positive factors including a stable macroeconomic environment, relative stable exchange rate, acceleration in the privatization process, downward inflationary trend, prudent monetary policies and strengthened economic growth.
- Market capitalization has increased by 4.03 percent or from Rs.7,022.70 billion on June 30, 2014 to Rs.7,305.81 billion on April 30, 2015.
- During the first three quarters of the current fiscal year 2014-15, the combined paid-up capital of fifteen big companies was Rs.190.24 billion, which constituted 16.15 percent of the total listed capital at KSE.
- China Shanghai Composite index showed a robust growth of 117 percent, Japan Nikkei improved by 28.7 percent while Hong Kong Hang Seng increased by 21.3 percent during the period under review. Whereas, India’s Sensex increased only by 6.3 percent, US S&P by 6.4 percent and UK FTSE by 3.2 percent during July-April 2014-15. KSE growth of 13.75 percent during this period remained better than the some of the regional and international markets.
- During the period July 2014 to December 2014, five debt securities were issued which include two domestic Sukuk amounting to Rs. 26 billion, one international Sukuk of Rs. 100 billion (US$ one billion) and two Privately placed Term Finance Certificates amounting Rs. 6 billion.
- The SECP has issued Sukuk Regulation, 2015 under Section 506A of the Companies Ordinance, 1984 which require appointment of Shariah Advisor and Investment Agent. An efficient, broad-based and well-regulated Sukuk market will greatly help in the development of capital market. The purpose of making the Sukuk regulations is to facilitate the issuers for fund raising from the capital market.

Inflation

- The inflation rate measured by the changes in CPI, averaged at 4.8 percent during July-April, 2014-15 against 8.7 percent in the comparable period last year, which is lowest since 2003.
- The food inflation on average basis in July-April, 2014-15, is estimated at 3.6 percent and non-food 5.7 percent, as against 9.3 percent and 8.2 percent in the corresponding period last year.
- CPI food items have declining trend in prices of potatoes, vegetable ghee, cooking oil, wheat, rice and eggs.
- Core inflation on average basis during July-April, 2014-15, stood at 6.9 percent against 8.3 percent last year.
- WPI during July-April, 2014-15, on annual average basis has recorded an increase of 0.03 percent against 8.3 percent last year.
- The wholesale prices of non-food items, whose prices decreased from previous year are furnace oil, kerosene oil, diesel, cotton yarn, soap, printing paper and cement.
- SPI recorded an increase of 1.9 percent during July-April, 2014-15 against 9.8 percent last year.
- Inflation has been contained during current fiscal year due to better supply position of major and minor crops, and regular monitoring of prices and supply chain by the National Price Monitoring Committee.
- National Price Monitoring Committee chair by Federal Finance Minister, monitor prices of essential commodities in consultation with provincial governments and concerned Federal Ministries/Divisions and organization.

Trade and Payments

- Pakistan's overall external account balance posted a surplus of US $ 2.12 billion during Jul-Apr 2014-15 against US $ 1.95 billion in the corresponding period last year due to marked improvement in the current account and substantial foreign exchange inflows.
- The current account deficit stood at US$1.4 billion during Jul-Apr 2014-15, which was 53.5 percent less than the deficit of US $ 2.9 billion in Jul-Apr 2013-14.
- Services account deficit remained lower and stood at $1,632 million during July-April 2014-15 as compared to $ 2,349 million during the same period last year. Lower services account deficit was due to inflows of US $ 1.5 billion under CSF. Lower freight expense (as shipping companies have apparently started passing on the impact of cheaper oil) also provided some relief.
- Capital and Financial account recorded a lower surplus of US $ 3.2 billion during Jul-Apr 2014-15 compared to US $ 5.3 billion during the same period last financial year.
- Worker's remittances recorded an increase of 16.1 percent during Jul-Apr 2014-15 and reached to $ 14,969.7 million as against $ 12,897.9 million in the comparable period of last year.
- Foreign exchange reserves improved substantially and reached US $ 17.8 billion by end of April 2015, from US $ 14.2 billion at end June 2014.
- Pak Rupee recorded a depreciation of 2.9 percent in Jul-April FY 15. The Exchange rate which at the end of June 2014 was RS 98.80/$ went up by the end of April 2015 to Rs 101.75/$.
- As a result of GSP Plus, Pakistan's exports to EU have increased from US $ 6.21 billion during 2013 to US $ 7.54 billion in 2014. Thus as a result of GSP Plus, Pakistan's exports to EU registered an increase of US $ 1.32 billion in one year. This represents an increase of 21 percent.

- As per SBP data exports during the first ten month (July-April) of the current year stood at US$ 20,176 million against US $ 20,834 million during corresponding period last year.
- Imports during the first ten months (July-April) declined by 1.6 percent compared with the same period last year and stood at $ 34,086 million against $34,645 million same period last year.
- Based on SBP data, trade deficit posted marginal increase of around 0.7 percent during Jul-Apr FY15 primarily due to decline in Exports. Trade account balance recorded deficit of US $ 13,910 million during Jul-April FY15 as against US $ 13,811 million corresponding period last year.

Public Debt

- Public debt was recorded at Rs.16,936 billion or 61.8 percent of GDP as at end-March 2015 compared with 62 percent during the same period last year.
- Public debt recorded an increase of Rs.940 billion during first nine months of current fiscal year as compared with Rs.1,272 billion during the same period last year.
- The primary source of increase in public debt was in domestic debt that positioned at Rs.11,932 billion representing an increase of Rs.1,012 billion, whereas, external debt posed at Rs.5,004 billion representing a decrease of Rs.72 billion as compared to end June 2014.
- Government made progress in achieving the targets set under Pakistan's first Medium Term Debt Management Strategy (2013/14 - 2017/18) as the government was able to reduce its refinancing risk by re-profiling its domestic debt and increasing the external inflows.
- Pakistan successfully returned to the International Islamic Bond market in November 2014 with the issuance of US$ 1 billion Pakistan International Sukuk.
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- Pakistan has become eligible for concessional IBRD funding which will be used to fund priority infrastructure / development projects.
- During July-March, 2014-15, public debt servicing was recorded at Rs.1,193 billion against the annual budgeted estimate of Rs.1,686 billion. Public debt servicing consumed nearly 44.5 percent of total revenues during first nine months of current fiscal year against a ratio of 47 percent during the same period last year.
- EDL stock was recorded at US$ 62.6 billion as at end March 2015 out of which external public debt was US$ 49.1 billion. Public external debt witnessed a decline of US$ 2.3 billion during first nine months of current fiscal year.
- During first nine months of 2014-15, disbursements including loans and grants stood at US$ 4,001 million compared with US$ 2,301 million during the same period last year.
- Pakistan also received US$ 2,106 million from the IMF. Importantly, net inflows from the IMF stood at US$ 1,041 million during first nine months of current fiscal year compared with net outflow of US$ 861 million during the same period last year.
- Servicing of EDL fell by US$ 1,282 million in first nine months of current fiscal year as compared to the same period last year and recorded at US$ 5,303 million. Out of this total, principal repayments were US$ 3,291 million and interest payments were US$ 812 million, whereas an amount of US$ 1,200 million was rolled over. Among the principal repayments, US$ 935 million of multilateral debt and US$ 1040 million of IMF accounted for most of the share.

Education

- According to the latest Pakistan Social and Living Standards Measurement (PSLM) Survey 2013-14, literacy remains higher in urban areas (74 percent) than in rural areas (49 percent), and is more prevalent for men (81.0 percent) compared to women (66.0 percent) in urban areas.
- Province wise data suggests that Punjab leads with 61 percent followed by Sindh with 56 percent, Khyber Pakhtunkhwa with 53 percent and Balochistan with 43 percent.
- Government of Pakistan is currently spending 2.1 percent of its GDP on education sector and is fully committed to enhance education spending from 2.1 percent of GDP to 4.0 percent of GDP by 2018.
- GER at the primary level excluding Katchi (prep) for the age group 5-9 years at national level during 2013-14 recorded at 90.0 percent as compared to 91 percent in 2012-13.
- Amongst the provinces, Punjab has shown significant performance by achieving Primary level GER at 100.0 percent against 98 percent in 2012-13 while other provinces have performed negatively i.e. Sindh GER declined to 76 percent in 2013-14 against 81 percent in 2012-13 and Khyber Pakhtunkhwa also declined to 89 percent in 2013-14 against 91 percent in 2012-13 while Balochistan GER also declined to 67 percent in 2013-14 as compared to 73 percent in 2012-13.
- Net Enrolment Rates (NER) at the national level during 2013-14 remained at 57 percent.
- Province wise comparison reveals that Punjab NER slightly improved to 64 percent in 2013-14 as compared to 62 percent in 2012-13 while NER of Khyber Pakhtunkhwa remained at 54 percent. Sindh NER declined to 48 percent in 2013-14 as compared to 52 percent in 2012-13; while Balochistan witnessed declined to 39 percent in 2013-14 as compared to 45 percent in 2012-13.
- At national level, the total number of enrolments during 2013-14 was recorded at 42.1 million as compared to 41.1 million during the same period last year. This indicates an increase of 2.4 percent and it is estimated to increase to 43.4 million during 2014-15.
- The number of institutes which stood at 240.9 thousands during 2013-14 as compared to 241.5 thousands during last year. This shows a slightly decline of 0.2 percent. However, the number of institutes is estimated to increase to 244.9 thousands during 2014-15.
- The number of teachers during 2013-14 was recorded at 1.53 million as compared to 1.55 million during last year showing a decline of 1.2 percent. This number of teachers is estimated to increase further to 1.57 million during the year 2014-15.
- Under Prime Minister's "Hunarmand Pakistan Program" short-term skill development training up to six-month duration courses was conducted in collaboration with public and private sector training institutes. It covers four priority sectors including: Construction, Agriculture (Dairy & Livestock), IT & Telecommunication and Skills for Women. So far, 116,776 trainees have been trained.
- HEC is also contributing to play its role in running different scholarship programmes to enhance academic qualification at various levels on merit basis in line with specified criteria. During the period 2008-14, a total number of 10,376 Scholarships were awarded under different programmes of HEC.
- Under Prime Minister's Fee Reimbursement Scheme for less developed areas, Reimbursement to around 50,000 students of less developed areas is being carried out during 2014-15.
- The Government of Pakistan has allocated Rs.20.021 billion in PSDP 2014-15 for 191 development projects (136 ongoing and 55 new) of HEC with main focus on Human Resource Development through merit and Need based scholarships.

Health & Nutrition

- In the whole country, there are 1,142 hospitals, 5,499 dispensaries, 5,438 basic health units and 671 maternity and child health centre as compared to 1,113 hospital, 5,413 dispensaries, 5,571 basic health units and 687 maternity and child health centre's in the same period of last year.
- The number of doctors has increased to 17,5223, dentists 15,106, nurses 90,276 and hospital beds 118,041 in the country during 2014-15 compared to 167,759 doctors, 13,716 dentists, 86,183 nurses and 118,378 hospital beds last year. The population and health facilities ratio worked out 1,073 persons per doctors, 12,447 persons per dentist and 1,593 persons per hospital bed. It was 1,099 persons per doctor, 13,441 per dentist and availability of one bed for 1,557 persons in 2013-14.
- During nine months of 2014-15, 3,500 doctors, 350 dentists, 3,300 nurses and 4,500 paramedics have completed their academic courses and 3,900 new beds have been added in the hospitals compared to 5,000 doctors, 500 dentists, 3,150 nurses, 4,500 paramedics and 3,600 beds in last year.
- Moreover, some 6 million children have been immunized and 20 million packets of ORS have been distributed.
- A number of health program are implemented, which include Malaria, TB, AIDs and Food and Nutrition programs.
- For the current year a total outlay for health sector is budgeted at Rs.114.2 billion which included Rs.31.9 billion for development and Rs.82.3 billion for current expenditure which is equivalent to 0.42 percent of GDP during 2014-15.

Population, Labour force and Employment

- Pakistan's estimated population is 191.71 million in 2015 however; population was 188.0 million in 2014.
- Population Growth Rate has shown improvement and it decreased from 1.95 percent in 2014 to 1.92 percent in 2015.
- Total Fertility Rate (TFR) is 3.2 children per women in 2015.
- Life expectancy for female has improved from 66.9 year to 67.3 years in 2015 and life expectancy for male has increased from 64.9 years to 65.2 years in 2015.
- Crude Birth Rate has improved from 26.4 per thousand to 26.1 per thousand and Crude Death Rate has decreased from 6.90 per thousand to 6.80 per thousand in 2015.
- Urban population has increased from 72.50 million in 2014 to 75.19 million in 2015 while rural population has increased to 116.5 million from 115.5 million in 2015.
- The total labour force has reached at 60.09 million in 2013-14.
- The total number of people employed during 2013-14 was 56.52 million,
- Unemployment rate has decreased from 6.24 percent in 2012-13 to 6.0 percent in 2013-14.
- The share of employment in agriculture sector has decreased to 43.5 percent in 2013-14 as compared to 43.7 percent in 2012-13.
- The share of employment in transport sector has increased to 5.4 percent in 2013-14 as compared to 4.98 percent in 2012-13.
- The share of employment in trade sector has increased to 14.58 percent in 2013-14 from 14.39 percent in 2012-13.

- The government has provided an option to the youth to set up their own enterprises through Prime Minister's Small Business and Interest Free loan Schemes and disbursed Rs. 4408.094 million and Rs. 729.37 million respectively.
- The government has distributed 55,697 laptops as of April 2015 among students studying in public sector universities to enhance their research capabilities.
- 21934 trainees have completed their training under the Youth Skill Development Scheme.
- The government has allocated Rs.70 million for National Internship Programme and an amount of Rs 3,146,710 expenditure incurred as of April 2015.
- The number of emigrant has increased from 0.622 million in 2013 to 0.75 million in 2014 which include 0.32 million unskilled, 0.28 million skilled, 0.12 million semi skilled workers.

Transport and Communications

- Pakistan's total road network is around 263,942 Kms which carries over 96 percent of inland freight and 92 percent of passenger traffic.
- Length of NHA road network is around 12,131 kms comprises of 39 national highways, motorways, expressway and strategic roads.
- During 2014-15, NHA executed 72 development projects costing Rs. 1,342 billion. Government of Pakistan has allocated Rs. 111.56 billion in the Federal PSDP 2014-15 for NHAs development projects.
- Government of Punjab and the Federal government have jointly completed twin cities Rawalpindi-Islamabad Metro-Bus service project with a total cost of Rs. 44.21 billion. Metro bus project will be fully functional after May 30, 2015.
- The entire length of 8.6 Km of Metro Bus corridor in Rawalpindi area shall be of elevated structure where as 14 Km in Islamabad shall be at-grade.
- The network of Pakistan Railway comprises of 7,791 route kilometres, 452 Locomotives, 1,732 passenger coaches and 15,948 freight wagons.
- The government is taking new initiatives to improve the performance of Pakistan Railways by repairing/purchasing of locomotives, enhanced HSD oil reserves up to 12 days to streamline the train operation.
- During financial year 2014-15, 90 Kms of track has been rehabilitated besides doubling of 57 kms track.
- During 2014-15, Pakistan Railways procured and assembled 202 passenger coaches, rehabilitate 27 locomotives and repaired 150 locomotives at the cost of Rs.11.289 billion.
- During 2014, PIA management embarked upon a mission of "Revival of PIA" under new initiatives/steps to improve the performance of PIA by contracts re-negotiation, route rationalization, re-deploying aircrafts on more profitable domestic and international routes. Due to these steps PIA expenditure decreased by 38 percent and its operating revenue increased from Rs. 95.771 billion to Rs. 99.519 billion in 2014.
- Pakistan National Shipping Corporation (PNSC) provides transportation services for crude oil requirements of the country comprises of nine vessels of various types/size with a total deadweight capacity of 681,806 tonnes.
- During July-March, 2014-15, PNSC companies earned revenue of Rs.12.20 billion as against Rs. 11.37 billion over the corresponding period of last year.

- During July-March 2014-15, Port Qasim Authority handled 21.618 million TEUs (Twenty Equal Units) of container traffic which is 14.0 percent higher over the corresponding period of last year.
- At Gwadar Port, 5,315.5 million tons Urea import was handled during July-March 2014-15.
- During July-March 2014-15, the total cargo handled at Gwadar Port stood at 6.279 million tons against 5.764 million tons over the corresponding period of last year showing a growth of 8.9 percent.
- Telecom revenues during Jul-Dec 2014-15, amounted to Rs.299.0 billion which made this sector very attractive for further investment.
- Teledensity has been improved and facilities have reached to 75.2 percent of population.
- The introduction of 3G/4G spectrum would help in expediting socio-economic progress of the country. Auction of 3G /4G spectrum is the major achievement of the government in Telecom Sector and has brought an investment of US$ 1790 million.
- During July-Dec, 2014-15, Telecom sector contributed 73.22 billion to the national exchequer in terms of taxes etc.
- Cellular Mobile subscribers reached to 134.9 million at the end of March, 2015.
- During the period July-March 2014-15, an amount of Rs. 126 billion has been collected through National saving Schemes and Pakistan post has earned commission amounting to Rs.630 million.

Energy

- During the recent visit of President of China, Pakistan and China signed 51 Memorandums of Understanding (MoUs) relating to diverse aspects of bilateral relations, including the Pakistan China Economic Corridor and series of energy projects. Thus almost $15.5 billion worth of coal, wind, solar and hydro energy projects will come online by 2017 and when mature will add 10,400 megawatts of energy to Pakistan's national grid.
- Asian Development Bank has approved assistance packages to help Pakistan to undertake key reforms in the power sector. This included funding to ensure energy delivery to industrial and private consumers. The Jamshoro Power Generation Project, which on completion in 2018, will add 1,300 megawatts (MW) to the country’s electricity grid. Reliability of the power distribution network is also being enhanced through the investment of $167.2 million to upgrade 284 grid stations.
- The World Bank also approved a financing package from the International Development Association (IDA) to help expand hydro-electricity generation in Pakistan through the development of the Dasu Hydropower Stage-I Project (DHP-I). The package consists of an IDA Credit of $588.4 million and an IDA Partial Credit Guarantee (PCG) of $460 million to help mobilize commercial financing for the project. DHP-I would have 2,160 megawatt (MW) hydropower plant on the main Indus River, which can be expanded to 4,320 MW in future with less additional cost.
- During July-March FY 2015, primary energy supplied increased to 50.9 million TOE compared to 48.8 million TOE showing a growth of 4.4 percent while energy consumption increased to 25.1 million TOE compared to 24.6 million TOE in same period last year showing a growth of 2.0 percent

Pakistan Energy Sources:

- Transport and power sectors remained the highest sector in the usage of oil / petroleum products.

- The longer term trend suggests that composition of energy consumption, the composition is changing by substituting the gas as cheaper source compared to oil being expensive. However due to gas load management, share of oil has again started rising.

Natural Gas

- **W**ith respect to gas, Pakistan has one of the most developed gas transmission and distribution network in the region but on account of its increased share in energy consumption, the gap between its demand and supply is widening.
- The gas load management is mostly restricted to Punjab Province as its shared in gas supply is about 5 percent while it has a share of almost 46 percent of national gas consumption.
- SNGPL is meeting the requirement of more than 4.8 million consumers of domestic, commercial, CNG and industrial categories through its distribution network. All categories of consumers are fed through a common distribution network. There is a continuous extension in SNGPL's network. On an average, there has been an increase in gas demand by 40-50 MMCFD (based on average consumption during summer months) and 80-100 MMCFD (based on average consumption during winter months) each year.
- Government of Pakistan is taking following steps to overcome the shortage of natural gas in the country:
    - Contain the natural gas demand at current level
    - Increase indigenous gas supplies
    - Promotion of LPG air mix
    - Import of LNG
    - Import of Gas from Iran
    - Import of Gas from Turkmenistan
- Today Pakistan is the world leading CNG user country with more than 3 million NGVs (Natural Gas Vehicles) plying on the roads. The choice of conversion is mainly due to the fact that prices of CNG is significantly less than petrol price. Currently there are more than 3,414 CNG stations in the country fulfilling the fuel need of the NGVs.
- The Government of Pakistan is now successful to import 500 million cubic feet per day (mmcfd) of LNG from Qatar. As per LNG Policy in 2006/2011 the project structures can be (i) integrated, in which the terminal developer arranges LNG imports as well as its buyers and (ii) unbundled, in which the terminal developer, LNG importer and LNG buyers are different
- The current 400 MMCFD of Regasified LNG (RLNG) will be provided to the power sector including Nine (9) gas-based Independent Power Plants (IPP) - KAPCO, FaujiKabirwala, Rouche, Halmore, Orient, Saif Energy, Sapphire, Altern Energy, and Davis Energen for replacement of Diesel or LSFO consumption. This RLNG will allow these power plants to generate an additional 9 Billion KWh per annum, equivalent to an additional 10 percent of total current annual power generation, without investment in any new generation capacity.

Coal

- The Government considers Thar coal development as a flagship project. Thar Coal Projects have been enlisted as early harvest projects by the CPEC (China-Pakistan Economic Corridor), Sindh Engro Coal Mining Company (SECMS) and Sino Sindh Resources (Pvt.) Limited (SSRL) have been prioritized as top priority projects to be financed by Chinese institutions. There is a complete synergy between the Federal and the Provincial Government of Sindh. Total power generation anticipated from these three projects is 2400 MW by 2018.

Electricity

- The installed capacity of PEPCO system was 20,850 MW at the end of June 2013 which has gone up to 22,104 MW by the end of June 2014 with hydro and thermal capacities occupying 7,097 MW and 15,007 MW respectively. Out of aforementioned thermal capacity, 5,458 MW is owned by ex-WAPDA GENCOs, 650 by PAEC and rest by IPPs/Rentals. There is also 55 MW of isolated generation capacity at Pasni&Punjgoor areas in Baluchistan. The installed capacity of PEPCO system has gone up to 22,577 MW by the end of March 2015 with hydro and thermal capacities occupying 7,097 MW and 15,480 MW respectively.
- It is also mentionable that the village electrification program is an integral part of the total power sector development program. It is important for not only to raise the productivity but also to raise socio-economic standards of the population living in rural areas. The progressive number of villages electrified has increased from 1, 89,018 on 30th June 2014 to 1, 93,511 at the end of March 2015 while As of March 2015, the number of consumers has risen to 23.258 million.
- To mitigate the impact of rising cost of thermal power and narrow down the demand-supply gap, the work on mega projects like Neelam-Jhelum (969 MW) and DiamirBasha (4500 MW) hydropower projects is under way.:

Alternative Energy Sources

Wind

- There are almost thirty one (31) wind power IPPs (1810 MW) holding LOIs issued by AEDB are at various stages of project development while following projects are under construction:
    - 50 MW Three Gorges First Wind Farm Pakistan (Pvt.) Ltd., Jhampir Sindh
    - 50 MW Foundation Wind Power-I Ltd. Khuttikun, Gharo, Sindh
    - 50 MW Foundation Wind Power-II (Pvt.) Ltd., Khuttikun, Gharo, Sindh

Solar

- On May 5, 2015, the Prime Minister inaugurated 100MW solar energy project which will generate 100 MW electricity. In Solar Energy, 33 LOIs for cumulative capacity of approximately 888.1 MW On-Grid Solar PV power plants have been issued

Biomass / Waste-to-energy

- Following Biomass/ Waste-to-Energy projects are in various stages of implementation under IPP mode:
    - M/s SSJD (12 MW) Sindh
    - M/s Lumen Energia (12 MW Shahkot) Punjab
    - M/s Biomass Power Generation Limited (12 MW), Faisalabad
    - M/s Green Sure Environmental Solutions (12 MW), Mardan, KPK

Social Safety Nets

- The government is fully committed to follow a sustained poverty reduction strategy and allocate a minimum of 4.5 percent of GDP to social and poverty related expenditures. The government prioritized 17 pro-poor sectors through the Medium Term Expenditure Framework (MTEF) in the PRSP-II.
- Expenditure on pro-poor sectors in 2010-11 stood at 13.24 percent of GDP. In 2011-12, these were 11.55 percent of GDP and in 2012-13, 13.10 percent of GDP. During 2013-14, total

expenditures for these sectors were slightly increased and amounted to Rs 1,934.095 billion, which was 14.16 percent of GDP.

- During July-December 2014-15, Rs. 667.47 billion expenditures have been made in these sectors.
- BISP is continuing to eradicate extreme poverty through provision of cash transfers. The present government increased the cash benefit for the poorest of the poor up to 25 percent from Rs 1200/- to Rs 1500/- per month.
- The present government increased BISP budgetary allocation to Rs. 97 billion in 2014-15 from Rs.75 billion in 2013-14. Total expenditure of BISP during the current fiscal year is projected to cross Rs. 90 billion.
- The number of BISP beneficiaries is expected to increase from 4.6 million in 2013-14 to 5.0 million by the end of this financial year.
- BISP is expected to enroll 500,000 children in school during the current financial year under its Waseela-e-Taleem initiative. The government has increased the monthly stipend under the Waseela-e-Taleem initiative to Rs. 250 per month per child from Rs. 200.
- Pakistan Poverty Alleviation Fund (PPAF) also provides assistance in microcredit, water and infrastructure, drought mitigation, education, health and emergency response interventions. During the period of July 2014 to March 2015, Pakistan Poverty Alleviation Fund has managed to disburse an amount of Rs 9.8 billion to its various on-going projects.
- Under the 18th Constitutional Amendment, the subject of Zakat has been devolved to the Provinces/Federal Areas. A total amount of Rs. 4778.18 million is distributed in bulk amongst the provinces and other administrative areas for the year 2014-15.
- Pakistan Bait-ul-Mal (PBM) is also making efforts for eradication of poverty by providing assistance to destitute, widows, orphans, invalid, infirm and other needy persons through different initiatives. During July 2014 to March 2015, Pakistan Bait-ul-Mal (PBM) has managed to disburse an amount of Rs. 2.28 billion to its core projects.

Environment

- An action plan for implementation of National Climate Change Policy has been finalized and requires adequate sharing of responsibilities at all levels for its implementation.
- National Impact Assessment Program (NIAP) conducted by Pakistan Environment Protection Agency is aimed to contribute to sustainable development in Pakistan through strengthening the environmental impact assessment process introducing Strategic Environmental Assessment (SEA) in national development planning.
- Access to an adequate supply of water for all (agriculture, industry and domestic users) is one of the absolute priorities of Vision 2025. Top five goals for water security are:-
  - Increase water storage capacity, applicable to the requirements of each province in line with defined strategic needs and international benchmarks: from currently 30 days to 45 days by 2018 and 90 days by 2025.
  - Invest in proven methods and technologies to minimize wastage (e.g. in the agriculture sector), promote conversation and gain efficiencies through rationalization of pricing.
  - Enable more effective allocation with direct reference to national & provincial priorities and related social and economic considerations.
  - Establish institutional mechanisms e.g. a National Water Commission to effectively manage all resources of water (surface, subsurface ,rain) and their sectoral and regional allocations

- Provision of access to a minimum baseline of suitable water to every person in Pakistan.

➢ The recommendations that can be considered for the improvement of solid waste management in Pakistan include:-

- Raising awareness about consequences caused by solid waste pollution.
- Collective role of government sector, NGO's, Private sector for solid waste management.
- Legislation should be done which would be effective and find ways to implement its effectively application of 3 R's (Reduce, Recycle and Reuse) concept in solid waste management system.
- House to house collection of solid waste should be organized.
- Littering of solid waste should be prohibited in cities, towns and urban areas. Proper segregation would be vital for scientific disposal of waste.
- Developing legal framework and national guidelines for solid waste management that includes waste management and basic recycling rules.

➢ In order to build the momentum and accelerate the progress on sanitation and hygiene in the country, Pakistan Conference on Sanitation (PACOSAN) was held in February, 2015 in collaboration with the key development partners working in the country. Pakistan government is committed to save its children from death, living with disabilities or not achieving their potential physical and mental growth to compete with other nations in the world.

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ECONOMIC AND

INDICATORS	1960s	1970s	1980s	1990s	2000s	2002-03	2003-04	2004-05
	Average (Annual)					Base Year 1999-2000		
FINANCIAL SECTOR:								
GROWTH RATE (at constant fc) %								
GDP	6.8	4.8	6.5	4.6	4.7	4.7	7.5	9.0
Agriculture	5.1	2.4	5.4	4.4	3.2	4.1	2.4	6.5
Manufacturing	9.9	5.5	8.2	4.8	7.1	6.9	14.0	15.5
Commodity Producing Sector	6.8	3.9	6.5	4.6	4.3	4.3	9.2	9.5
Services Sector	6.7	6.3	6.7	4.6	5.1	5.2	5.9	8.5
GROWTH RATES (at current mp) %								
Total Investment	-	21.8	4.2	8.1	15.6	10.7	14.4	32.6
Fixed Investment	14.8	20.5	3.7	7.8	15.7	8.2	14.7	34.3
Public Investment	14.0	25.3	2.6	7.3	12.5	4.0	19.3	23.7
(including general govt.)								
Private Investment	20.9	17.0	5.1	8.8	17.5	9.8	13.1	38.3
(as % of Total Investment)								
National Savings	-	67.5	79.2	75.4	89.9	123.1	107.8	91.6
Foreign Savings	-	32.5	20.8	24.6	10.1	-22.5	-7.8	8.4
(as % of GDP current mp)								
Total Investment	-	17.1	18.7	18.3	17.9	16.9	16.6	19.1
Fixed Investment	-	15.9	17.0	16.6	16.4	15.3	15.0	17.5
Public Investment	-	10.3	9.2	7.5	4.6	4.0	4.0	4.3
Private Investment	-	5.6	7.8	9.1	11.8	11.3	10.9	13.1
National Savings	-	11.2	14.8	13.8	15.9	20.8	17.9	17.5
Foreign Savings**	-	5.8	3.9	4.5	2.0	-3.8	-1.3	1.6
Domestic Savings	-	7.4	7.7	14.0	14.6	17.6	15.7	15.4
Per Capita Income (mp-US $)**	-	-	-	-	746.0	582.0	663.2	724.1
GDP DEFLATOR (growth %)	-	-	2.3	8.3	8.4	4.4	7.7	7.0
CONSUMER PRICE INDEX (CPI)								
(growth %)	3.2	12.5	7.2	9.7	7.3	3.1	4.6	9.3
FISCAL POLICY								
(as % of GDP mp)								
Total Revenue	13.1	16.8	17.3	17.1	13.9	14.9	14.3	13.8
Tax Revenue	-	-	13.8	13.4	10.3	11.5	11.0	10.1
Non-Tax Revenue	-	-	3.5	3.7	3.6	3.4	3.3	3.7
Total Expenditure	11.6	21.5	24.9	24.1	18.3	18.5	16.7	17.2
Current Expenditure	-	-	17.6	19.4	15.1	16.3	13.5	13.3
Defence	-	-	6.5	5.6	3.1	3.3	3.3	3.3
Interest Payment	-	-	3.8	6.8	4.9	4.8	4.0	3.4
Others	-	-	7.3	7.0	7.2	8.2	6.2	6.6
Development Expenditure	-	-	7.3	4.7	3.3	2.2	3.1	3.9
Overall Deficit	2.1	5.3	7.1	6.9	4.4	3.7	2.4	3.3
MONEY & CREDIT (growth %)								
Monetary Assets (M2)	16.3	21.0	13.2	16.8	15.0	18.0	19.6	19.3
Domestic Assets	15.0	20.5	15.4	12.2	14.1	0.5	23.7	22.4
STOCK EXCHANGE (growth %)								
KSE 100 Index	-	-	0.1	4.1	27.2	92.2	55.2	41.1
Aggregate Market Capitalization	-	-	2.5	13.4	29.1	83.0	88.0	45.2

- : Not available mp : Market prices fc : Factor cost

*: In 2005-06 base year and composition of sub sectors of GDP has been changed, therefore growth rate in respective variables onward from 2006-07 are provided on new base.

**: At average exchange rate used in National Accounts Committee meeting

*** : July-April

SOCIAL INDICATORS

Base Year 2005-06*									
2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 Jul-Mar (P)
5.8	5.5	5.0	0.4	2.6	3.6	3.8	3.7	4.0	4.2
6.3	3.4	1.8	3.5	0.2	2.0	3.6	2.9	2.7	2.9
8.7	9.0	6.1	-4.2	1.4	2.5	2.1	4.5	4.5	3.2
5.1	5.5	5.1	-0.9	1.8	3.2	3.1	2.1	3.5	3.2
6.5	5.6	4.9	1.3	3.2	3.9	4.4	4.9	4.4	5.0
36.1	9.3	17.7	13.4	1.4	9.8	17.1	10.8	12.2	10.2
38.0	9.0	17.9	12.4	0.3	8.4	18.1	10.7	12.2	10.3
30.3	21.0	21.0	11.2	-2.1	6.6	27.2	4.9	6.8	25.6
40.5	5.2	16.8	12.9	1.2	9.0	14.9	12.9	14.1	5.2
78.8	74.3	57.5	68.6	85.9	100.7	86.3	92.8	91.4	96.0
21.2	25.7	42.5	31.4	14.1	-0.7	13.8	7.2	8.6	4.0
19.3	18.8	19.2	17.5	15.8	14.1	15.1	15.0	15.0	15.1
17.7	17.2	17.6	15.9	14.2	12.5	13.5	13.4	13.4	13.5
4.2	4.6	4.8	4.3	3.7	3.2	3.7	3.5	3.4	3.9
13.5	12.6	12.8	11.7	10.5	9.3	9.7	9.8	10.0	9.7
15.2	14.0	11.0	12.0	13.6	14.2	13.0	13.9	13.7	14.5
4.1	4.8	8.2	5.5	2.2	-0.1	2.1	1.1	1.3	0.6
13.4	12.3	9.1	9.4	9.8	9.7	7.8	8.7	8.0	8.4
897.4	979.9	1053.2	1026.1	1072.4	1274.1	1320.5	1333.5	1383.5	1512.4
10.5	7.2	12.9	20.7	10.7	19.5	5.7	7.1	6.9	3.6
7.9	7.8	12.0	17.0	10.1	13.7	11.0	7.4	8.6	4.8 ***
13.1	14.0	14.1	14.0	14.0	12.3	12.8	13.3	14.5	9.8
9.8	9.6	9.9	9.1	9.9	9.3	10.2	9.8	10.2	7.5
3.3	4.4	4.2	4.9	4.1	3.0	2.6	3.5	4.3	2.3
17.1	18.1	21.4	19.2	20.2	18.9	19.6	21.5	20.0	13.6
12.6	14.9	17.4	15.5	16.0	15.9	15.6	16.4	16.0	11.7
2.9	2.7	2.6	2.5	2.5	2.5	2.5	2.4	2.5	1.8
3.2	4.2	4.8	5.0	4.4	3.9	4.5	4.5	4.6	3.6
6.5	8.0	10.0	8.0	9.1	9.5	8.5	9.5	8.9	6.3
4.5	4.6	4.0	3.7	4.4	2.8	3.7	5.1	4.9	2.2
4.0	4.1	7.3	5.2	6.2	6.5	6.8	8.2	5.5	3.8
15.2	19.3	15.3	9.6	12.5	15.9	14.1	15.9	12.5	1.2
15.8	14.2	33.6	15.4	12.7	13.1	20.2	20.8	9.1	4.6
34.1	37.9	-10.8	-41.7	35.7	28.5	10.4	52.2	41.2	2.0
35.8	45.3	-6.0	-43.9	28.8	21.4	6.2	47.6	36.2	3.7

(Contd...)

ECONOMIC AND

INDICATORS		1960s	1970s	1980s	1990s	2000s	2002-03	2003-04
		Average (Annual)						
TRADE AND PAYMENTS (growth %)								
Exports (fob)		-	13.5	8.5	5.6	9.9	19.1	13.8
Imports (fob)		-	16.6	4.5	3.2	13.7	20.1	20.1
Workers' Remittances		-	-	1.9	-5.3	26.8	77.4	-8.6
As % of GDP (mp)								
Exports (fob)		-	-	9.8	13.0	12.3	13.1	12.7
Imports (fob)		-	-	18.7	17.4	16.2	13.6	13.9
Trade Deficit		-	-	8.9	4.4	3.9	0.5	1.2
Current Account Deficit		-	-	3.9	4.5	3.8	+3.8	+1.3
COMMODITY SECTOR:								
Agriculture								
Total Cropped Area	mln. hectares	-	-	20.3	22.4	22.9	21.9	22.9
Production								
Wheat	mln. tons	-	-	12.5	17.0	20.8	19.2	19.5
Rice	mln. tons	-	-	3.3	3.9	5.2	4.5	4.8
Sugarcane	mln. tons	-	-	33.1	44.6	50.4	52.1	53.4
Cotton	mln. bales	-	-	6.3	9.7	11.6	10.2	10.0
Fertilizer Offtake	mln.N/tons	-	-	1.4	2.3	3.3	3.0	3.2
Credit Disbursed	bln. Rs.	-	-	11.2	23.8	112.9	58.9	73.6
Manufacturing								
Cotton Yarn	mln. Kg.	5.6	3.4	10.0	1884.4	2236.2	1925.0	1939.0
Cotton Cloth	mln. sq. mtr.	3.1	-5.2	-1.1	487.8	763.3	582.0	683.0
Fertilizer	mln. tons	27.5	13.2	10.7	4.9	5.4	5.3	5.6
Sugar	mln. tons	34.3	2.2	14.4	3.6	3.4	3.7	4.0
Cement	mln. tons	10.7	2.5	8.6	11.2	16.4	10.8	12.8
Soda Ash	000 tons	12.0	2.6	6.7	269.0	292.6	280.3	286.3
Caustic Soda	000 tons	24.4	5.0	6.6	147.2	195.0	164.4	187.5
Cigarettes	bln. nos.	10.7	4.9	-0.4	55.4	60.0	49.4	55.3
Jute Goods	000 tons	-	3.4	9.5	101.1	105.0	95.5	103.9
INFRASTRUCTURE:								
Energy								
Crude Oil Extraction	mln. barrels	-	2.8	10.9	26.1	23.3	23.5	22.6
Gas (supply)	mcf	-	165.4	385.2	908.0	1186.8	992.6	1202.7
Electricity (installed capacity)	000 MW	-	1.3	3.1	12.9	18.7	17.8	19.2
Transport & Communications								
Roads	000 km	70.5	74.1	123.8	279.3	255.6	252.2	256.0
Motor Vehicles on Roads	mln. nos.	-	0.4	1.4	4.6	6.4	5.3	5.7
Post Offices	000 nos.	7.1	9.0	11.8	15.8	12.3	12.3	12.1
Telephones	mln. nos.	0.1	0.2	0.6	3.3	4.2	4.0	4.5
Mobile Phones	mln. nos.	-	-	-	-	30.3	2.4	5.0

- : Not available **P: Provisional**

SOCIAL INDICATORS

2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 Jul-Mar (P)
16.2	13.8	4.5	18.0	-6.4	2.9	28.9	-2.6	0.4	1.1	-3.3
37.8	31.4	8.0	31.6	-10.3	-1.7	14.9	12.8	-0.6	3.8	-1.2
7.7	10.4	19.4	17.4	21.1	14.0	25.8	17.7	5.6	13.7	15.0
13.2	13.0	11.2	12.0	11.4	11.1	11.9	11.0	10.5	10.3	6.7
17.1	19.4	17.5	20.8	18.9	17.4	16.8	18.0	17.3	17.1	11.4
4.0	6.5	6.2	8.8	7.5	6.5	4.9	7.0	6.6	6.8	4.7
1.6	4.4	4.8	8.2	5.5	2.2	+0.1	2.1	1.1	1.3	0.5
22.8	23.1	23.6	23.9	24.1	23.9	22.7	22.5	22.6	22.7	22.7
21.6	21.3	23.3	20.9	24.0	23.3	25.2	23.5	24.2	26.0	25.5
5.0	5.5	5.4	5.6	6.9	6.9	4.8	6.2	5.5	6.8	7.0
47.2	44.7	54.7	63.9	50.0	49.4	55.3	58.4	63.8	67.5	62.7
14.3	13.0	12.9	11.7	11.8	12.9	11.5	13.6	13.0	12.8	14.0
3.7	3.8	3.7	3.6	3.7	4.4	3.9	3.9	3.6	4.1	3.3
108.7	137.4	168.8	211.6	233.0	248.1	263.0	293.9	336.2	391.4	326.0
2290.0	2556.3	2727.6	2809.4	2913.0	2787.3	2939.5	2954.6	3017.9	3066.0	2304.5
925.0	903.8	1012.9	1016.4	1016.9	1009.4	1020.3	1023.4	1029.1	1036.1	776.9
5.9	6.1	6.5	6.2	6.4	6.7	6.8	6.6	5.8	6.8	5.2
3.0	2.9	3.5	4.7	3.2	3.1	4.2	4.6	5.1	5.6	4.8
16.4	18.5	22.8	26.7	28.4	31.3	28.8	29.5	31.1	31.3	23.4
297.3	318.7	330.6	365.0	365.3	409.6	378.0	370.7	366.2	409.1	319.0
206.7	219.3	242.2	248.3	245.3	182.3	172.0	179.1	182.9	167.5	128.2
61.0	64.1	66.0	67.4	75.6	65.3	65.4	62.0	67.4	64.5	46.8
104.8	104.5	118.1	129.0	137.4	106.2	93.2	94.1	102.8	101.7	71.7
24.1	23.9	24.6	25.6	24.0	23.7	24.0	24.6	27.8	31.6	26.2
1344.9	1400.0	1413.6	1454.2	1460.7	1482.8	1471.6	1559.0	1505.8	1493.5	1099.0
19.4	19.4	19.4	19.4	19.8	20.9	22.5	22.8	22.8	23.5	23.3
258.2	259.0	261.8	258.4	260.2	260.8	259.5	261.6	263.4	263.8	263.9
6.0	7.1	8.1	8.8	9.4	9.8	10.4	10.9	11.6	13.2	13.9
12.3	12.3	12.3	12.4	12.3	12.0	12.0	12.0	12.8	12.1	12.1
5.1	5.1	4.8	4.5	3.5	3.4	5.7	5.8	6.3	5.6	5.1
12.8	34.5	63.2	88.0	94.3	99.2	108.9	120.1	128.9	140.0	134.9

(Contd...)

ECONOMIC AND

INDICATORS		1960s	1970s	1980s	1990s	2000s	2002-03	2003-04
		Average (Annual)						
HUMAN RESOURCES:								
Population*	million	-	-	96.3	124.6	150.9	146.8	149.7
Crude Birth Rate	per 1000 person	-	-	-	-	27.4	27.3	27.3
Crude Death Rate	per 1000 person	-	-	-	-	7.9	8.0	8.0
Infant Mortality Rate	per 1000 person	-	-	-	-	79.6	83.0	83.0
Labour Force & Employment**								
Labour Force	million	-	-	11.6	35.1	45.5	43.0	44.1
Employed Labour Force	million	-	-	11.2	33.1	42.4	39.4	40.5
Un-employed Labour Force	million	-	-	0.4	2.0	3.6	6.6	3.5
Un-employment Rate	% per annum	-	-	1.4	5.7	6.8	7.8	8.3
SOCIAL DEVELOPMENT:								
Education								
Primary Schools	000 nos.	-	-	88.8	143.5	155.2	150.8	155.0
Male	000 nos.	-	-	64.6	96.4	96.6	94.7	97.3
Female	000 nos.	-	-	24.2	47.1	58.6	56.1	57.6
Middle Schools	000 nos.	-	-	6.8	15.3	31.9	28.0	28.7
Male	000 nos.	-	-	4.6	8.8	16.7	14.5	14.9
Female	000 nos.	-	-	2.2	6.5	15.2	13.5	13.9
High Schools	000 nos.	-	-	5.4	10.6	18.6	15.6	16.1
Male	000 nos.	-	-	3.9	7.4	12.2	10.8	11.0
Female	000 nos.	-	-	1.5	3.2	6.3	4.8	5.1
Secondary/Vocational Institutions	nos.	-	-	508.6	572.2	1623.8	585.0	624.0
Male		-	-	282.2	328.7	874.8	355.0	396.0
Female		-	-	235.2	243.5	749.0	230.0	228.0
Literacy Rate	percent	-	-	29.5	40.7	52.6	51.6	53.0
Male		-	-	39.0	51.6	65.7	-	-
Female		-	-	18.7	28.6	41.4	-	-
Expenditure on Education (as % of GDP)		1.4	1.7	2.3	2.0	1.7	1.6	1.7
Health*								
Registered Doctors	000 nos.	2.0	6.3	28.1	68.9	110.5	102.6	108.1
Registered Nurses	000 nos.	-	2.9	9.9	24.1	49.0	44.5	46.3
Registered Dentists	000 nos.	0.2	0.7	1.4	2.8	6.1	5.0	5.5
Hospitals	nos.	380.0	521.0	651.0	823.0	912.6	906.0	906.0
Dispensaries	000 nos.	1.7	2.8	3.5	4.3	4.6	4.6	4.6
Rural Health Centers	nos.	-	1.0	127.0	330.0	494.0	550.0	552.0
TB Centres	nos.	-	90.0	122.0	245.0	283.3	285.0	289.0
Beds in Hospitals & Dispensaries	000 nos.	25.5	38.4	55.6	83.8	99.1	98.3	98.7
Expenditure on Health (as % of GDP)		-	0.6	0.8	0.7	0.6	0.7	0.6

- : Not available
* : on Calendar Year basis
P : Provisional
Note : Total may differ due to rounding off
** : Labour Force Survey 2013-14

SOCIAL INDICATORS

2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 Jul-Mar (P)
152.5	155.4	158.2	161.0	163.8	173.5	177.1	180.7	184.4	188.0	191.7
28.0	26.1	26.1	26.1	24.3	28.0	27.5	27.2	26.8	26.4	26.1
8.1	8.2	7.1	7.1	7.3	7.4	7.3	7.2	7.0	6.9	6.8
82.0	77.0	76.7	76.7	68.2	72.0	70.5	69.0	67.5	66.1	64.6
45.9	46.8	50.5	50.8	52.2	53.7	58.1	59.3	60.3	60.1	-
42.4	43.2	47.3	48.1	49.5	50.8	54.7	55.8	56.6	56.5	-
3.6	3.6	3.1	2.7	2.7	2.9	3.5	3.5	3.8	3.6	-
7.7	7.6	6.2	5.2	5.2	5.5	6.0	6.0	6.2	6.0	-
157.2	157.5	158.7	157.4	156.7	157.5	155.5	154.6	159.7	157.9	158.7
98.5	97.7	97.8	92.5	93.3	96.9	93.6	93.6	99.6	98.2	98.6
58.7	59.8	60.9	64.9	63.4	60.6	58.2	57.0	60.1	59.7	60.1
30.4	39.4	40.1	40.8	40.9	41.3	41.6	42.0	42.1	42.8	43.2
15.6	20.1	22.6	20.2	20.5	21.8	21.9	21.6	20.7	21.7	21.9
14.8	19.3	17.5	20.6	20.4	19.5	20.4	21.0	21.4	21.1	21.3
16.6	22.9	23.6	24.0	24.3	24.8	25.2	28.7	29.9	30.4	32.6
11.3	14.8	14.6	15.0	15.1	14.2	14.4	14.3	17.6	17.9	18.8
5.3	8.1	9.0	9.0	9.2	10.6	9.5	11.6	12.3	12.5	13.8
747.0	3059.0	3090.0	3125.0	3159.0	3192.0	3224.0	3257.0	3290.0	3323.0	3357.0
419.0	1584.0	1599.0	1618.0	1636.0	1010.0	1018.0	1028.0	1037.0	1055.0	1064.0
328.0	1475.0	1491.0	1507.0	1523.0	2182.0	2206.0	2229.0	2253.0	2271.0	2293.0
53.0	54.0	55.0	56.0	57.0	57.7	58.0	58.0	60.0	58.0	-
65.0	65.0	67.0	69.0	69.0	69.5	69.0	70.0	71.0	70.0	-
40.0	42.0	42.0	44.0	45.0	45.2	46.0	47.0	48.0	47.0	-
1.8	1.7	1.8	1.8	1.8	1.7	1.8	2.0	2.1	2.1	-
113.2	118.0	123.1	128.0	133.9	139.5	144.9	152.4	160.9	167.8	175.2
48.4	51.2	57.7	62.6	65.4	69.3	73.2	77.7	82.1	86.2	90.3
6.1	6.7	7.4	8.2	9.0	9.8	10.5	11.6	12.7	13.7	15.1
916.0	919.0	924.0	945.0	948.0	968.0	972.0	980.0	1092.0	1113.0	1142.0
4.6	4.6	4.7	4.7	4.8	4.8	4.8	5.0	5.2	5.3	5.5
552.0	556.0	560.0	562.0	561.0	572.0	577.0	579.0	640.0	687.0	671.0
289.0	289.0	288.0	290.0	293.0	293.0	304.0	345.0	326.0	329.0	334.0
99.9	101.5	102.1	103.2	103.0	103.7	104.1	107.5	111.8	118.4	118.0
0.6	0.5	0.6	0.6	0.5	0.5	0.2	0.3	0.6	0.7	0.4

ECONOMIC AND

INDICATORS	1960s	1970s	1980s	1990s	2000s	2002-03	2003-04	2004-05
	Average (Annual)					Base Year 1999-2000		
FINANCIAL SECTOR:								
GROWTH RATE (at constant fc) %								
GDP	6.8	4.8	6.5	4.6	4.7	4.7	7.5	9.0
Agriculture	5.1	2.4	5.4	4.4	3.2	4.1	2.4	6.5
Manufacturing	9.9	5.5	8.2	4.8	7.1	6.9	14.0	15.5
Commodity Producing Sector	6.8	3.9	6.5	4.6	4.3	4.3	9.2	9.5
Services Sector	6.7	6.3	6.7	4.6	5.1	5.2	5.9	8.5
GROWTH RATES (at current mp) %								
Total Investment	-	21.8	4.2	8.1	15.6	10.7	14.4	32.6
Fixed Investment	14.8	20.5	3.7	7.8	15.7	8.2	14.7	34.3
Public Investment	14.0	25.3	2.6	7.3	12.5	4.0	19.3	23.7
(including general govt.)								
Private Investment	20.9	17.0	5.1	8.8	17.5	9.8	13.1	38.3
(as % of Total Investment)								
National Savings	-	67.5	79.2	75.4	89.9	123.1	107.8	91.6
Foreign Savings	-	32.5	20.8	24.6	10.1	-22.5	-7.8	8.4
(as % of GDP current mp)								
Total Investment	-	17.1	18.7	18.3	17.9	16.9	16.6	19.1
Fixed Investment	-	15.9	17.0	16.6	16.4	15.3	15.0	17.5
Public Investment	-	10.3	9.2	7.5	4.6	4.0	4.0	4.3
Private Investment	-	5.6	7.8	9.1	11.8	11.3	10.9	13.1
National Savings	-	11.2	14.8	13.8	15.9	20.8	17.9	17.5
Foreign Savings**	-	5.8	3.9	4.5	2.0	-3.8	-1.3	1.6
Domestic Savings	-	7.4	7.7	14.0	14.6	17.6	15.7	15.4
Per Capita Income (mp-US $)**	-	-	-	-	746.0	582.0	663.2	724.1
GDP DEFLATOR (growth %)	-	-	2.3	8.3	8.4	4.4	7.7	7.0
CONSUMER PRICE INDEX (CPI)								
(growth %)	3.2	12.5	7.2	9.7	7.3	3.1	4.6	9.3
FISCAL POLICY								
(as % of GDP mp)								
Total Revenue	13.1	16.8	17.3	17.1	13.9	14.9	14.3	13.8
Tax Revenue	-	-	13.8	13.4	10.3	11.5	11.0	10.1
Non-Tax Revenue	-	-	3.5	3.7	3.6	3.4	3.3	3.7
Total Expenditure	11.6	21.5	24.9	24.1	18.3	18.5	16.7	17.2
Current Expenditure	-	-	17.6	19.4	15.1	16.3	13.5	13.3
Defence	-	-	6.5	5.6	3.1	3.3	3.3	3.3
Interest Payment	-	-	3.8	6.8	4.9	4.8	4.0	3.4
Others	-	-	7.3	7.0	7.2	8.2	6.2	6.6
Development Expenditure	-	-	7.3	4.7	3.3	2.2	3.1	3.9
Overall Deficit	2.1	5.3	7.1	6.9	4.4	3.7	2.4	3.3
MONEY & CREDIT (growth %)								
Monetary Assets (M2)	16.3	21.0	13.2	16.8	15.0	18.0	19.6	19.3
Domestic Assets	15.0	20.5	15.4	12.2	14.1	0.5	23.7	22.4
STOCK EXCHANGE (growth %)								
KSE 100 Index	-	-	0.1	4.1	27.2	92.2	55.2	41.1
Aggregate Market Capitalization	-	-	2.5	13.4	29.1	83.0	88.0	45.2

- : Not available   mp : Market prices   fc : Factor cost

*: In 2005-06 base year and composition of sub sectors of GDP has been changed, therefore growth rate in respective variables onward from 2006-07 are provided on new base.

**: At average exchange rate used in National Accounts Committee meeting

*** : July-April

SOCIAL INDICATORS

Base Year 2005-06*									
2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 Jul-Mar (P)
5.8	5.5	5.0	0.4	2.6	3.6	3.8	3.7	4.0	4.2
6.3	3.4	1.8	3.5	0.2	2.0	3.6	2.9	2.7	2.9
8.7	9.0	6.1	-4.2	1.4	2.5	2.1	4.5	4.5	3.2
5.1	5.5	5.1	-0.9	1.8	3.2	3.1	2.1	3.5	3.2
6.5	5.6	4.9	1.3	3.2	3.9	4.4	4.9	4.4	5.0
36.1	9.3	17.7	13.4	1.4	9.8	17.1	10.8	12.2	10.2
38.0	9.0	17.9	12.4	0.3	8.4	18.1	10.7	12.2	10.3
30.3	21.0	21.0	11.2	-2.1	6.6	27.2	4.9	6.8	25.6
40.5	5.2	16.8	12.9	1.2	9.0	14.9	12.9	14.1	5.2
78.8	74.3	57.5	68.6	85.9	100.7	86.3	92.8	91.4	96.0
21.2	25.7	42.5	31.4	14.1	-0.7	13.8	7.2	8.6	4.0
19.3	18.8	19.2	17.5	15.8	14.1	15.1	15.0	15.0	15.1
17.7	17.2	17.6	15.9	14.2	12.5	13.5	13.4	13.4	13.5
4.2	4.6	4.8	4.3	3.7	3.2	3.7	3.5	3.4	3.9
13.5	12.6	12.8	11.7	10.5	9.3	9.7	9.8	10.0	9.7
15.2	14.0	11.0	12.0	13.6	14.2	13.0	13.9	13.7	14.5
4.1	4.8	8.2	5.5	2.2	-0.1	2.1	1.1	1.3	0.6
13.4	12.3	9.1	9.4	9.8	9.7	7.8	8.7	8.0	8.4
897.4	979.9	1053.2	1026.1	1072.4	1274.1	1320.5	1333.5	1383.5	1512.4
10.5	7.2	12.9	20.7	10.7	19.5	5.7	7.1	6.9	3.6
7.9	7.8	12.0	17.0	10.1	13.7	11.0	7.4	8.6	4.8 ***
13.1	14.0	14.1	14.0	14.0	12.3	12.8	13.3	14.5	9.8
9.8	9.6	9.9	9.1	9.9	9.3	10.2	9.8	10.2	7.5
3.3	4.4	4.2	4.9	4.1	3.0	2.6	3.5	4.3	2.3
17.1	18.1	21.4	19.2	20.2	18.9	19.6	21.5	20.0	13.6
12.6	14.9	17.4	15.5	16.0	15.9	15.6	16.4	16.0	11.7
2.9	2.7	2.6	2.5	2.5	2.5	2.5	2.4	2.5	1.8
3.2	4.2	4.8	5.0	4.4	3.9	4.5	4.5	4.6	3.6
6.5	8.0	10.0	8.0	9.1	9.5	8.5	9.5	8.9	6.3
4.5	4.6	4.0	3.7	4.4	2.8	3.7	5.1	4.9	2.2
4.0	4.1	7.3	5.2	6.2	6.5	6.8	8.2	5.5	3.8
15.2	19.3	15.3	9.6	12.5	15.9	14.1	15.9	12.5	1.2
15.8	14.2	33.6	15.4	12.7	13.1	20.2	20.8	9.1	4.6
34.1	37.9	-10.8	-41.7	35.7	28.5	10.4	52.2	41.2	2.0
35.8	45.3	-6.0	-43.9	28.8	21.4	6.2	47.6	36.2	3.7

(Contd...)

ECONOMIC AND

INDICATORS		1960s	1970s	1980s	1990s	2000s	2002-03	2003-04
		Average (Annual)						
TRADE AND PAYMENTS (growth %)								
Exports (fob)		-	13.5	8.5	5.6	9.9	19.1	13.8
Imports (fob)		-	16.6	4.5	3.2	13.7	20.1	20.1
Workers' Remittances		-	-	1.9	-5.3	26.8	77.4	-8.6
As % of GDP (mp)								
Exports (fob)		-	-	9.8	13.0	12.3	13.1	12.7
Imports (fob)		-	-	18.7	17.4	16.2	13.6	13.9
Trade Deficit		-	-	8.9	4.4	3.9	0.5	1.2
Current Account Deficit		-	-	3.9	4.5	3.8	+3.8	+1.3
COMMODITY SECTOR:								
Agriculture								
Total Cropped Area	mln. hectares	-	-	20.3	22.4	22.9	21.9	22.9
Production								
Wheat	mln. tons	-	-	12.5	17.0	20.8	19.2	19.5
Rice	mln. tons	-	-	3.3	3.9	5.2	4.5	4.8
Sugarcane	mln. tons	-	-	33.1	44.6	50.4	52.1	53.4
Cotton	mln. bales	-	-	6.3	9.7	11.6	10.2	10.0
Fertilizer Offtake	mln.N/tons	-	-	1.4	2.3	3.3	3.0	3.2
Credit Disbursed	bln. Rs.	-	-	11.2	23.8	112.9	58.9	73.6
Manufacturing								
Cotton Yarn	mln. Kg.	5.6	3.4	10.0	1884.4	2236.2	1925.0	1939.0
Cotton Cloth	mln. sq. mtr.	3.1	-5.2	-1.1	487.8	763.3	582.0	683.0
Fertilizer	mln. tons	27.5	13.2	10.7	4.9	5.4	5.3	5.6
Sugar	mln. tons	34.3	2.2	14.4	3.6	3.4	3.7	4.0
Cement	mln. tons	10.7	2.5	8.6	11.2	16.4	10.8	12.8
Soda Ash	000 tons	12.0	2.6	6.7	269.0	292.6	280.3	286.3
Caustic Soda	000 tons	24.4	5.0	6.6	147.2	195.0	164.4	187.5
Cigarettes	bln. nos.	10.7	4.9	-0.4	55.4	60.0	49.4	55.3
Jute Goods	000 tons	-	3.4	9.5	101.1	105.0	95.5	103.9
INFRASTRUCTURE:								
Energy								
Crude Oil Extraction	mln. barrels	-	2.8	10.9	26.1	23.3	23.5	22.6
Gas (supply)	mcf	-	165.4	385.2	908.0	1186.8	992.6	1202.7
Electricity (installed capacity)	000 MW	-	1.3	3.1	12.9	18.7	17.8	19.2
Transport & Communications								
Roads	000 km	70.5	74.1	123.8	279.3	255.6	252.2	256.0
Motor Vehicles on Roads	mln. nos.	-	0.4	1.4	4.6	6.4	5.3	5.7
Post Offices	000 nos.	7.1	9.0	11.8	15.8	12.3	12.3	12.1
Telephones	mln. nos.	0.1	0.2	0.6	3.3	4.2	4.0	4.5
Mobile Phones	mln. nos.	-	-	-	-	30.3	2.4	5.0

- : Not available **P: Provisional**

SOCIAL INDICATORS

2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 Jul-Mar (P)
16.2	13.8	4.5	18.0	-6.4	2.9	28.9	-2.6	0.4	1.1	-3.3
37.8	31.4	8.0	31.6	-10.3	-1.7	14.9	12.8	-0.6	3.8	-1.2
7.7	10.4	19.4	17.4	21.1	14.0	25.8	17.7	5.6	13.7	15.0
13.2	13.0	11.2	12.0	11.4	11.1	11.9	11.0	10.5	10.3	6.7
17.1	19.4	17.5	20.8	18.9	17.4	16.8	18.0	17.3	17.1	11.4
4.0	6.5	6.2	8.8	7.5	6.5	4.9	7.0	6.6	6.8	4.7
1.6	4.4	4.8	8.2	5.5	2.2	+0.1	2.1	1.1	1.3	0.5
22.8	23.1	23.6	23.9	24.1	23.9	22.7	22.5	22.6	22.7	22.7
21.6	21.3	23.3	20.9	24.0	23.3	25.2	23.5	24.2	26.0	25.5
5.0	5.5	5.4	5.6	6.9	6.9	4.8	6.2	5.5	6.8	7.0
47.2	44.7	54.7	63.9	50.0	49.4	55.3	58.4	63.8	67.5	62.7
14.3	13.0	12.9	11.7	11.8	12.9	11.5	13.6	13.0	12.8	14.0
3.7	3.8	3.7	3.6	3.7	4.4	3.9	3.9	3.6	4.1	3.3
108.7	137.4	168.8	211.6	233.0	248.1	263.0	293.9	336.2	391.4	326.0
2290.0	2556.3	2727.6	2809.4	2913.0	2787.3	2939.5	2954.6	3017.9	3066.0	2304.5
925.0	903.8	1012.9	1016.4	1016.9	1009.4	1020.3	1023.4	1029.1	1036.1	776.9
5.9	6.1	6.5	6.2	6.4	6.7	6.8	6.6	5.8	6.8	5.2
3.0	2.9	3.5	4.7	3.2	3.1	4.2	4.6	5.1	5.6	4.8
16.4	18.5	22.8	26.7	28.4	31.3	28.8	29.5	31.1	31.3	23.4
297.3	318.7	330.6	365.0	365.3	409.6	378.0	370.7	366.2	409.1	319.0
206.7	219.3	242.2	248.3	245.3	182.3	172.0	179.1	182.9	167.5	128.2
61.0	64.1	66.0	67.4	75.6	65.3	65.4	62.0	67.4	64.5	46.8
104.8	104.5	118.1	129.0	137.4	106.2	93.2	94.1	102.8	101.7	71.7
24.1	23.9	24.6	25.6	24.0	23.7	24.0	24.6	27.8	31.6	26.2
1344.9	1400.0	1413.6	1454.2	1460.7	1482.8	1471.6	1559.0	1505.8	1493.5	1099.0
19.4	19.4	19.4	19.4	19.8	20.9	22.5	22.8	22.8	23.5	23.3
258.2	259.0	261.8	258.4	260.2	260.8	259.5	261.6	263.4	263.8	263.9
6.0	7.1	8.1	8.8	9.4	9.8	10.4	10.9	11.6	13.2	13.9
12.3	12.3	12.3	12.4	12.3	12.0	12.0	12.0	12.8	12.1	12.1
5.1	5.1	4.8	4.5	3.5	3.4	5.7	5.8	6.3	5.6	5.1
12.8	34.5	63.2	88.0	94.3	99.2	108.9	120.1	128.9	140.0	134.9

(Contd...)

ECONOMIC AND

INDICATORS		1960s	1970s	1980s	1990s	2000s	2002-03	2003-04
		Average (Annual)						
HUMAN RESOURCES:								
Population*	million	-	-	96.3	124.6	150.9	146.8	149.7
Crude Birth Rate	per 1000 person	-	-	-	-	27.4	27.3	27.3
Crude Death Rate	per 1000 person	-	-	-	-	7.9	8.0	8.0
Infant Mortality Rate	per 1000 person	-	-	-	-	79.6	83.0	83.0
Labour Force & Employment**								
Labour Force	million	-	-	11.6	35.1	45.5	43.0	44.1
Employed Labour Force	million	-	-	11.2	33.1	42.4	39.4	40.5
Un-employed Labour Force	million	-	-	0.4	2.0	3.6	6.6	3.5
Un-employment Rate	% per annum	-	-	1.4	5.7	6.8	7.8	8.3
SOCIAL DEVELOPMENT:								
Education								
Primary Schools	000 nos.	-	-	88.8	143.5	155.2	150.8	155.0
Male	000 nos.	-	-	64.6	96.4	96.6	94.7	97.3
Female	000 nos.	-	-	24.2	47.1	58.6	56.1	57.6
Middle Schools	000 nos.	-	-	6.8	15.3	31.9	28.0	28.7
Male	000 nos.	-	-	4.6	8.8	16.7	14.5	14.9
Female	000 nos.	-	-	2.2	6.5	15.2	13.5	13.9
High Schools	000 nos.	-	-	5.4	10.6	18.6	15.6	16.1
Male	000 nos.	-	-	3.9	7.4	12.2	10.8	11.0
Female	000 nos.	-	-	1.5	3.2	6.3	4.8	5.1
Secondary/Vocational Institutions	nos.	-	-	508.6	572.2	1623.8	585.0	624.0
Male		-	-	282.2	328.7	874.8	355.0	396.0
Female		-	-	235.2	243.5	749.0	230.0	228.0
Literacy Rate	percent	-	-	29.5	40.7	52.6	51.6	53.0
Male		-	-	39.0	51.6	65.7	-	-
Female		-	-	18.7	28.6	41.4	-	-
Expenditure on Education (as % of GDP)		1.4	1.7	2.3	2.0	1.7	1.6	1.7
Health*								
Registered Doctors	000 nos.	2.0	6.3	28.1	68.9	110.5	102.6	108.1
Registered Nurses	000 nos.	-	2.9	9.9	24.1	49.0	44.5	46.3
Registered Dentists	000 nos.	0.2	0.7	1.4	2.8	6.1	5.0	5.5
Hospitals	nos.	380.0	521.0	651.0	823.0	912.6	906.0	906.0
Dispensaries	000 nos.	1.7	2.8	3.5	4.3	4.6	4.6	4.6
Rural Health Centers	nos.	-	1.0	127.0	330.0	494.0	550.0	552.0
TB Centres	nos.	-	90.0	122.0	245.0	283.3	285.0	289.0
Beds in Hospitals & Dispensaries	000 nos.	25.5	38.4	55.6	83.8	99.1	98.3	98.7
Expenditure on Health (as % of GDP)		-	0.6	0.8	0.7	0.6	0.7	0.6

- : Not available *** : on Calendar Year basis** **P : Provisional**

Note : Total may differ due to rounding off **** : Labour Force Survey 2013-14**

SOCIAL INDICATORS

2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 Jul-Mar (P)
152.5	155.4	158.2	161.0	163.8	173.5	177.1	180.7	184.4	188.0	191.7
28.0	26.1	26.1	26.1	24.3	28.0	27.5	27.2	26.8	26.4	26.1
8.1	8.2	7.1	7.1	7.3	7.4	7.3	7.2	7.0	6.9	6.8
82.0	77.0	76.7	76.7	68.2	72.0	70.5	69.0	67.5	66.1	64.6
45.9	46.8	50.5	50.8	52.2	53.7	58.1	59.3	60.3	60.1	-
42.4	43.2	47.3	48.1	49.5	50.8	54.7	55.8	56.6	56.5	-
3.6	3.6	3.1	2.7	2.7	2.9	3.5	3.5	3.8	3.6	-
7.7	7.6	6.2	5.2	5.2	5.5	6.0	6.0	6.2	6.0	-
157.2	157.5	158.7	157.4	156.7	157.5	155.5	154.6	159.7	157.9	158.7
98.5	97.7	97.8	92.5	93.3	96.9	93.6	93.6	99.6	98.2	98.6
58.7	59.8	60.9	64.9	63.4	60.6	58.2	57.0	60.1	59.7	60.1
30.4	39.4	40.1	40.8	40.9	41.3	41.6	42.0	42.1	42.8	43.2
15.6	20.1	22.6	20.2	20.5	21.8	21.9	21.6	20.7	21.7	21.9
14.8	19.3	17.5	20.6	20.4	19.5	20.4	21.0	21.4	21.1	21.3
16.6	22.9	23.6	24.0	24.3	24.8	25.2	28.7	29.9	30.4	32.6
11.3	14.8	14.6	15.0	15.1	14.2	14.4	14.3	17.6	17.9	18.8
5.3	8.1	9.0	9.0	9.2	10.6	9.5	11.6	12.3	12.5	13.8
747.0	3059.0	3090.0	3125.0	3159.0	3192.0	3224.0	3257.0	3290.0	3323.0	3357.0
419.0	1584.0	1599.0	1618.0	1636.0	1010.0	1018.0	1028.0	1037.0	1055.0	1064.0
328.0	1475.0	1491.0	1507.0	1523.0	2182.0	2206.0	2229.0	2253.0	2271.0	2293.0
53.0	54.0	55.0	56.0	57.0	57.7	58.0	58.0	60.0	58.0	-
65.0	65.0	67.0	69.0	69.0	69.5	69.0	70.0	71.0	70.0	-
40.0	42.0	42.0	44.0	45.0	45.2	46.0	47.0	48.0	47.0	-
1.8	1.7	1.8	1.8	1.8	1.7	1.8	2.0	2.1	2.1	-
113.2	118.0	123.1	128.0	133.9	139.5	144.9	152.4	160.9	167.8	175.2
48.4	51.2	57.7	62.6	65.4	69.3	73.2	77.7	82.1	86.2	90.3
6.1	6.7	7.4	8.2	9.0	9.8	10.5	11.6	12.7	13.7	15.1
916.0	919.0	924.0	945.0	948.0	968.0	972.0	980.0	1092.0	1113.0	1142.0
4.6	4.6	4.7	4.7	4.8	4.8	4.8	5.0	5.2	5.3	5.5
552.0	556.0	560.0	562.0	561.0	572.0	577.0	579.0	640.0	687.0	671.0
289.0	289.0	288.0	290.0	293.0	293.0	304.0	345.0	326.0	329.0	334.0
99.9	101.5	102.1	103.2	103.0	103.7	104.1	107.5	111.8	118.4	118.0
0.6	0.5	0.6	0.6	0.5	0.5	0.2	0.3	0.6	0.7	0.4

GROWTH AND INVESTMENT

TABLE 1.1

GROSS NATIONAL PRODUCT AT CONSTANT BASIC PRICES OF 2005-06

(Rs. in Million)

Sectors	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 F	2013-14 R	2014-15 P	% Change 2013-14 / 2012-13	% Change 2014-15 / 2013-14
A AGRICULTURE	1,869,310	1,934,691	1,939,132	1,977,178	2,048,794	2,103,600	2,160,223	2,222,337	2.69	2.88
1. Crops	792,050	832,916	798,244	806,162	832,128	844,860	871,905	880,661	3.20	1.00
Important Crops	458,492	497,113	478,540	485,722	523,936	524,839	566,607	568,219	7.96	0.28
Other Crops	277,761	279,273	259,054	264,934	245,007	258,670	244,762	247,440	-5.38	1.09
Cotton Ginning	55,797	56,530	60,650	55,506	63,185	61,351	60,536	65,002	-1.33	7.38
2. Livestock	990,989	1,013,286	1,051,755	1,087,406	1,130,740	1,169,712	1,201,944	1,251,443	2.76	4.12
3. Forestry	39,228	40,237	40,207	42,121	42,874	45,695	42,616	43,957	-6.74	3.15
4. Fishing	47,043	48,252	48,926	41,489	43,052	43,333	43,758	46,276	0.98	5.75
B. INDUSTRIAL SECTOR	1,888,600	1,790,263	1,851,564	1,935,022	1,984,316	1,996,364	2,085,276	2,160,685	4.45	3.62
1. Mining & Quarrying	281,635	274,710	282,269	269,798	283,727	294,727	299,588	311,095	1.65	3.84
2. Manufacturing	1,232,430	1,180,964	1,197,163	1,227,091	1,252,670	1,310,522	1,369,003	1,412,453	4.46	3.17
Large Scale	1,050,276	986,887	990,928	1,007,331	1,018,706	1,061,342	1,103,695	1,129,994	3.99	2.38
Small Scale	104,519	113,474	123,083	133,556	144,713	156,691	169,676	183,654	8.29	8.24
Slaughtering	77,635	80,603	83,152	86,204	89,251	92,489	95,632	98,805	3.40	3.32
3. Electricity Generation & Distribution & Gas Distribution	131,767	115,812	135,098	221,379	224,490	165,275	174,482	177,866	5.57	1.94
4. Construction	242,768	218,777	237,034	216,754	223,429	225,840	242,203	259,271	7.25	7.05
COMMODITY PRODUCING SECTOR (A+B)	3,757,910	3,724,954	3,790,696	3,912,200	4,033,110	4,099,964	4,245,499	4,383,022	3.55	3.24
C. SERVICES SECTOR	4,791,238	4,855,033	5,010,698	5,208,136	5,437,145	5,716,248	5,965,957	6,261,314	4.37	4.95
1. Wholesale & Retail Trade	1,703,741	1,652,874	1,682,465	1,718,014	1,746,511	1,808,124	1,880,004	1,943,499	3.98	3.38
2. Transport, Storage & Communication	1,082,452	1,136,990	1,170,612	1,198,896	1,254,126	1,304,697	1,364,255	1,421,737	4.56	4.21
3. Finance & Insurance	328,071	296,427	286,775	274,674	279,171	302,392	315,032	334,513	4.18	6.18
4. Housing Services (Ownership of Dwellings)	545,950	567,941	590,718	614,460	639,003	664,542	691,091	718,704	4.00	4.00
5. General Government Services	437,742	462,193	499,038	569,191	632,130	703,717	723,823	792,180	2.86	9.44
6. Other Private Services	693,282	738,608	781,089	832,901	886,204	932,776	991,752	1,050,681	6.32	5.94
GDP (fc) (Total GVA at basic Prices)	8,549,148	8,579,987	8,801,394	9,120,336	9,470,255	9,816,212	10,211,456	10,644,336	4.03	4.24
Indirest Taxes	551,694	611,768	509,152	504,829	533,424	519,054	559,311	663,669	7.76	18.66
Subsidies	341,064	183,930	157,993	221,063	269,772	176,255	130,386	78,349	-26.02	-39.91
GDP(mp)	8,759,778	9,007,825	9,152,553	9,404,102	9,733,907	10,159,011	10,640,381	11,229,656	4.74	5.54
Net Factor Income from Abroad	152,116	201,584	310,494	372,728	386,559	403,132	474,319	551,366	17.66	16.24
GNP(fc)	8,701,264	8,781,571	9,111,888	9,493,064	9,856,814	10,219,344	10,685,775	11,195,702	4.56	4.77
Gross National Income	8,911,894	9,209,409	9,463,047	9,776,830	10,120,466	10,562,143	11,114,700	11,781,022	5.23	5.99
Population (in million)	164.7	168.2	171.7	175.3	178.9	182.5	186.2	189.9	2.01	1.98
Per Capita Income(fc-Rs)	52,844	52,215	53,059	54,152	55,094	55,987	57,392	58,965	2.51	2.74

F : Final, R : Revised, P : Provisional

Source : Pakistan Bureau of Statistics

TABLE 1.2

SECTORAL SHARE IN GDP (%)

(%)

Sector	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 F	2013-14 R	2014-15 P
A. AGRICULTURE	21.87	22.55	22.03	21.68	21.63	21.43	21.15	20.88
1. Crops	9.26	9.71	9.07	8.84	8.79	8.61	8.54	8.27
Important Crops	5.36	5.79	5.44	5.33	5.53	5.35	5.55	5.34
Other Crops	3.25	3.25	2.94	2.90	2.59	2.64	2.40	2.32
Cotton Ginning	0.65	0.66	0.69	0.61	0.67	0.62	0.59	0.61
2. Livestock	11.59	11.81	11.95	11.92	11.94	11.92	11.77	11.76
3. Forestry	0.46	0.47	0.46	0.46	0.45	0.47	0.42	0.41
4. Fishing	0.55	0.56	0.56	0.45	0.45	0.44	0.43	0.43
B. INDUSTRIAL SECTOR	22.09	20.87	21.04	21.22	20.95	20.34	20.42	20.30
1. Mining & Quarrying	3.29	3.20	3.21	2.96	3.00	3.00	2.93	2.92
2. Manufacturing	14.42	13.76	13.60	13.45	13.23	13.35	13.41	13.27
Large Scale	12.29	11.50	11.26	11.04	10.76	10.81	10.81	10.62
Small Scale	1.22	1.32	1.40	1.46	1.53	1.60	1.66	1.73
Slaughtering	0.91	0.94	0.94	0.95	0.94	0.94	0.94	0.93
3. Electricity Generation & Distribution & Gas Distribution	1.54	1.35	1.53	2.43	2.37	1.68	1.71	1.67
4. Construction	2.84	2.55	2.69	2.38	2.36	2.30	2.37	2.44
C. SERVICES SECTOR	56.04	56.59	56.93	57.10	57.41	58.23	58.42	58.82
1. Wholesale & Retail Trade	19.93	19.26	19.12	18.84	18.44	18.42	18.41	18.26
2. Transport, Storage & Communication	12.66	13.25	13.30	13.15	13.24	13.29	13.36	13.36
3. Finance & Insurance	3.84	3.45	3.26	3.01	2.95	3.08	3.09	3.14
4. Housing Services (Ownership of Dwellings)	6.39	6.62	6.71	6.74	6.75	6.77	6.77	6.75
5. General Government Services	5.12	5.39	5.67	6.24	6.67	7.17	7.09	7.44
6. Other Private Services	8.11	8.61	8.87	9.13	9.36	9.50	9.71	9.87
GDP (fc)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

F : Final, R : Revised, P : Provisional

Source: Pakistan Bureau of Statistics

TABLE 1.3

GROWTH RATES (%)

(%)

Sector	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 F	2013-14 R	2014-15 P
A. Agriculture	1.81	3.50	0.23	1.96	3.62	2.68	2.69	2.88
1. Crops	-1.02	5.16	-4.16	0.99	3.22	1.53	3.20	1.00
Important Crops	-4.12	8.42	-3.74	1.50	7.87	0.17	7.96	0.28
Other Crops	5.99	0.54	-7.24	2.27	-7.52	5.58	-5.38	1.09
Cotton Ginning	-6.98	1.31	7.29	-8.48	13.83	-2.90	-1.33	7.38
2. Livestock	3.60	2.25	3.80	3.39	3.99	3.45	2.76	4.12
3. Forestry	8.90	2.57	-0.07	4.76	1.79	6.58	-6.74	3.15
4. Fishing	8.53	2.57	1.40	-15.20	3.77	0.65	0.98	5.75
B. INDUSTRIAL SECTOR	8.47	-5.21	3.42	4.51	2.55	0.61	4.45	3.62
1. Mining & Quarrying	3.15	-2.46	2.75	-4.42	5.16	3.88	1.65	3.84
2. Manufacturing	6.10	-4.18	1.37	2.50	2.08	4.62	4.46	3.17
Large Scale	6.10	-6.04	0.41	1.66	1.13	4.19	3.99	2.38
Small Scale	8.34	8.57	8.47	8.51	8.35	8.28	8.29	8.24
Slaughtering	3.26	3.82	3.16	3.67	3.53	3.63	3.40	3.32
3. Electricity Generation & Distribution & Gas Distribution	37.16	-12.11	16.65	63.87	1.41	-26.38	5.57	1.94
4. Construction	15.36	-9.88	8.35	-8.56	3.08	1.08	7.25	7.05
COMMODITY PRODUCING SECTOR (A+B)	5.05	-0.88	1.76	3.21	3.09	1.66	3.55	3.24
C. SERVICES SECTOR	4.94	1.33	3.21	3.94	4.40	5.13	4.37	4.95
1. Wholesale & Retail Trade	5.69	-2.99	1.79	2.11	1.66	3.53	3.98	3.38
2. Transport, Storage & Communication	5.53	5.04	2.96	2.42	4.61	4.03	4.56	4.21
3. Finance & Insurance	6.28	-9.65	-3.26	-4.22	1.64	8.32	4.18	6.18
4. Housing Services (Ownership of Dwellings)	4.00	4.03	4.01	4.02	3.99	4.00	4.00	4.00
5. General Government Services	0.20	5.59	7.97	14.06	11.06	11.32	2.86	9.44
6. Other Private Services	5.44	6.54	5.75	6.63	6.40	5.26	6.32	5.94
GDP (fc)	4.99	0.36	2.58	3.62	3.84	3.65	4.03	4.24

F : Final, R : Revised, P : Provisional

Source: Pakistan Bureau of Statistics

TABLE 1.4

EXPENDITURE ON GROSS NATIONAL PRODUCT AT CONSTANT PRICES OF 2005-06

(Rs. in million)

Flows	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 F	2013-14 R	2014-15 P	% Change 2013-14 / 2012-13	% Change 2014-15 / 2013-14
Household Final Consumption Expenditure	6,891,844	6,858,767	7,010,190	7,331,681	7,700,707	7,862,610	8,286,472	8,584,834	5.39	3.60
General Government Final Consumption Expenditure	840,345	946,713	941,250	941,446	1,010,601	1,112,404	1,129,091	1,309,618	1.50	15.99
Gross Fixed Capital Formation	1,560,186	1,482,823	1,374,205	1,268,315	1,299,089	1,332,648	1,388,839	1,503,731	4.22	8.27
A. Private Sector	1,141,213	1,100,380	1,041,102	971,509	964,142	1,005,526	1,068,028	1,102,265	6.22	3.21
B. Public Sector	151,070	93,963	94,651	82,860	74,993	122,621	98,909	117,560	-19.34	18.86
C. General Govt.	267,903	288,480	238,452	213,946	259,954	204,501	221,902	283,906	8.51	27.94
Change in Inventories	140,156	144,125	146,441	150,466	155,743	162,544	170,246	179,674	4.74	5.54
Export of Goods and Non-Factor Services	1,125,141	1,087,323	1,258,116	1,287,961	1,094,756	1,243,433	1,223,562	1,191,785	-1.60	-2.60
Less Imports of Goods and Non-Factor Services	1,797,894	1,511,926	1,577,649	1,575,767	1,526,988	1,554,628	1,557,829	1,539,987	0.21	-1.15
Expenditure on GDP at Market Prices	8,759,778	9,007,825	9,152,553	9,404,102	9,733,908	10,159,011	10,640,381	11,229,656	4.74	5.54
Plus Net Factor Income from the Rest of the World	152,116	201,584	310,494	372,728	386,559	403,132	474,319	551,366	17.66	16.24
Expenditure on GNP at at Market Prices	8,911,894	9,209,409	9,463,047	9,776,830	10,120,467	10,562,143	11,114,700	11,781,021	5.23	5.99
Less Indirect Taxes	551,694	611,768	509,152	504,829	533,424	519,054	559,311	663,669	7.76	18.66
Plus Subsidies	341,064	183,930	157,993	221,063	269,772	176,255	130,386	78,349	-26.02	-39.91
GNP at Factor Cost	8,701,264	8,781,571	9,111,888	9,493,064	9,856,815	10,219,344	10,685,775	11,195,702	4.56	4.77

F : Final, R : Revised, P : Provisional

Source: Pakistan Bureau of Statistics

TABLE 1.5

GROSS NATIONAL PRODUCT AT CURRENT PRICES

(Rs. in Million)

Sectors	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 F	2013-14 R	2014-15 P	% Change 2013-14 / 2012-13	% Change 2014-15 / 2013-14
A. Agriculture	2,393,527	2,998,621	3,461,273	4,592,720	4,753,075	5,334,976	5,984,026	6,575,316	12.17	9.88
1. Crops	1,097,991	1,460,713	1,604,816	2,309,517	1,966,610	2,192,553	2,625,223	2,720,514	19.73	3.63
Important Crops	690,748	985,311	1,058,365	1,532,889	1,236,453	1,411,388	1,770,196	1,769,591	25.42	-0.03
Other Crops	333,499	392,163	423,866	552,499	586,669	639,078	697,343	769,313	9.12	10.32
Cotton Ginning	73,744	83,239	122,585	224,129	143,488	142,087	157,685	181,610	10.98	15.17
2. Livestock	1,195,466	1,417,555	1,717,446	2,131,579	2,610,408	2,933,384	3,138,178	3,609,094	6.98	15.01
3. Forestry	53,061	65,526	72,423	89,390	113,103	136,500	140,745	153,230	3.11	8.87
4. Fishing	47,009	54,827	66,588	62,234	62,954	72,538	79,880	92,478	10.12	15.77
B. INDUSTRIAL SECTOR	2,312,375	2,533,221	2,931,695	3,746,997	4,269,666	4,519,033	4,995,553	4,904,064	10.54	-1.83
1. Mining & Quarrying	324,258	413,256	475,366	494,739	642,205	696,976	743,085	709,862	6.62	-4.47
2. Manufacturing	1,572,886	1,679,072	1,943,839	2,527,651	2,809,684	3,030,650	3,332,996	3,188,806	9.98	-4.33
Large Scale	1,363,068	1,427,213	1,644,117	2,144,831	2,362,410	2,512,376	2,748,946	2,540,026	9.42	-7.60
Small Scale	122,473	145,946	167,383	208,611	241,951	283,107	327,024	378,265	15.51	15.67
Slaughtering	87,345	105,913	132,339	174,209	205,323	235,167	257,025	270,515	9.29	5.25
3. Electricity Generation & Distribution & Gas Distribution	146,125	146,983	209,936	406,156	439,637	368,040	429,213	456,486	16.62	6.35
4. Construction	269,106	293,910	302,554	318,451	378,140	423,367	490,260	548,911	15.80	11.96
COMMODITY PRODUCING SECTOR (A+B)	4,705,902	5,531,842	6,392,968	8,339,717	9,022,741	9,854,009	10,979,580	11,479,380	11.42	4.55
C. SERVICES SECTOR	5,649,353	7,010,423	7,855,579	9,307,836	10,338,770	11,642,671	12,924,402	14,342,563	11.01	10.97
1. Wholesale & Retail Trade	2,201,667	2,479,758	2,824,137	3,568,178	4,006,835	4,369,465	4,809,945	4,874,000	10.08	1.33
2. Transport, Storage & Communication	1,065,682	1,693,847	1,834,476	1,923,433	1,905,704	2,311,796	2,482,573	3,200,310	7.39	28.91
3. Finance & Insurance	401,060	481,308	474,733	536,345	570,503	522,327	600,731	626,418	15.01	4.28
4. Housing Services (Ownership of Dwellings)	636,974	707,261	789,220	886,370	984,148	1,092,749	1,229,106	1,371,454	12.48	11.58
5. General Government Services	529,107	654,144	778,002	1,009,433	1,244,687	1,486,115	1,660,434	1,898,070	11.73	14.31
6. Other Private Services	814,863	994,105	1,155,011	1,384,077	1,626,893	1,860,219	2,141,613	2,372,311	15.13	10.77
GDP (fc) (Total of GVA at bp)	10,355,255	12,542,265	14,248,547	17,647,553	19,361,511	21,496,678	23,903,982	25,821,943	11.20	8.02
Indirest Taxes	696,900	919,059	870,853	1,046,915	1,221,540	1,275,990	1,487,097	1,765,027	16.54	18.69
Subsidies	414,383	261,617	252,404	418,028	536,551	393,674	323,020	203,248	-17.95	-37.08
GDP(mp)	10,637,772	13,199,707	14,866,996	18,276,440	20,046,500	22,378,996	25,068,059	27,383,722	12.02	9.24
Net Factor Income from Abroad	208,916	346,281	566,247	820,225	1,035,707	1,161,607	1,428,923	1,677,686	23.01	17.41
Gross National Income (fc)	10,564,171	12,888,546	14,814,794	18,467,778	20,397,218	22,658,286	25,332,905	27,499,629	11.80	8.55
Gross National Product (mp)	10,846,688	13,545,988	15,433,243	19,096,665	21,082,207	23,540,602	26,496,982	29,061,408	12.56	9.68
Population (in million)	164.7	168.2	171.7	175.3	178.9	182.5	186.2	189.9	2.01	1.98
Per Capita Income(fc-Rs)	64,157	76,635	86,268	105,347	114,008	124,135	136,059	144,834	9.61	6.45
Per Capita Income(mp-Rs)	65,873.2	80,544.6	89,869.2	108,933.9	117,836.9	128,968.4	142,311.5	153,059.5	10.35	7.55
Per Capita Income(mp-US $)	1,053.2	1,026.1	1,072.4	1,274.1	1,320.5	1,333.3	1,383.5	1,512.4	3.77	9.32
GDP Deflator Index	121.1	146.2	161.9	193.5	204.4	219.0	234.1	242.6	6.89	3.63
GDP Deflator (Growth %)	12.9	20.7	10.7	19.5	5.7	7.1	6.9	3.6		

F : Final, R : Revised, P : Provisional

Source : Pakistan Bureau of Statistics

TABLE 1.6

EXPENDITURE ON GROSS NATIONAL PRODUCT AT CURRENT PRICES

(Rs. in Million)

Flows	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 F	2013-14 R	2014-15 P	% Change 2013-14 / 2012-13	% Change 2014-15 / 2013-14
Household Final Consumption Expenditure	8,709,574	10,455,752	11,851,316	14,831,293	16,527,831	18,085,275	20,219,316	21,688,176	11.80	7.26
General Government Final Consumption Expenditure	1,037,150	1,388,459	1,533,713	1,779,421	2,102,628	2,463,120	2,708,922	3,242,656	9.98	19.70
Gross Fixed Capital Formation	1,872,870	2,105,285	2,111,791	2,288,325	2,701,458	2,990,126	3,354,999	3,701,627	12.20	10.33
A. Private Sector	1,363,838	1,539,444	1,557,909	1,697,795	1,950,349	2,202,307	2,513,441	2,644,947	14.13	5.23
B. Public Sector	170,617	132,458	146,033	146,849	155,813	285,094	251,565	301,629	-11.76	19.90
C. General Govt.	338,415	433,383	407,849	443,681	595,296	502,725	589,993	755,051	17.36	27.98
Change in Inventories	170,204	211,195	237,872	292,423	320,744	358,064	401,089	438,140	12.02	9.24
Export of Goods and Non-Factor Services	1,317,202	1,636,203	2,009,463	2,552,610	2,485,097	2,972,178	3,077,627	2,997,457	3.55	-2.60
Less Imports of Goods and Non-Factor Services	2,469,228	2,597,187	2,877,159	3,467,632	4,091,258	4,489,767	4,693,894	4,684,334	4.55	-0.20
Expenditure on GDP at Market Prices	10,637,772	13,199,707	14,866,996	18,276,440	20,046,500	22,378,996	25,068,059	27,383,722	12.02	9.24
Plus Net Factor Income from the Rest of the World	208,916	346,281	566,247	820,225	1,035,707	1,161,607	1,428,923	1,677,686	23.01	17.41
Expenditure on GNP at at Market Prices	10,846,688	13,545,988	15,433,243	19,096,665	21,082,207	23,540,603	26,496,982	29,061,408	12.56	9.68
Less Indirect Taxes	696,900	919,059	870,853	1,046,915	1,221,540	1,275,990	1,487,097	1,765,027	16.54	18.69
Plus Subsidies	414,383	261,617	252,404	418,028	536,551	393,674	323,020	203,248	-17.95	-37.08
GNP at Factor Cost	10,564,171	12,888,546	14,814,794	18,467,778	20,397,218	22,658,287	25,332,905	27,499,629	11.80	8.55

F : Final, R : Revised, P : Provisional

Source: Pakistan Bureau of Statistics

TABLE 1.7

GROSS FIXED CAPITAL FORMATION (GFCF) IN PRIVATE, PUBLIC, AND GENERAL GOVERNMENT SECTORS BY ECONOMIC ACTIVITY AT CURRENT MARKET PRICES

(Rs. in Million)

Sector	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 F	2013-14 R	2014-15 P	% Change 2013-14 / 2012-13	% Change 2014-15 / 2013-14
GFCF (A+B+C)	1,872,870	2,105,285	2,111,791	2,288,325	2,701,458	2,990,126	3,354,999	3,701,627	12.20	10.33
A. Private Sector	1,363,838	1,539,444	1,557,909	1,697,795	1,950,349	2,202,307	2,513,441	2,644,947	14.13	5.23
B. Public Sector	170,617	132,458	146,033	146,849	155,813	285,094	251,565	301,629	-11.76	19.90
C. General Govt.	338,415	433,383	407,849	443,681	595,296	502,725	589,993	755,051	17.36	27.98
Private & Public (A+B)	1,534,455	1,671,902	1,703,942	1,844,644	2,106,162	2,487,401	2,765,006	2,946,576	11.16	6.57
SECTOR-WISE:										
1. Agriculture	303,380	371,908	442,507	537,050	624,512	698,903	721,097	819,387	3.18	13.63
2. Mining and Quarrying	32,161	46,855	59,068	42,757	51,993	44,417	73,255	82,640	64.93	12.81
3. Manufacturing (A+B)	311,982	354,565	270,379	259,307	285,010	372,582	409,458	360,045	9.90	-12.07
A. Large Scale	304,217	345,013	258,293	243,309	266,844	351,715	385,593	333,632	9.63	-13.48
B. Small Scale (including Slaughtering)	7,765	9,552	12,086	15,998	18,166	20,867	23,865	26,413	14.37	10.68
4. Electricity Generation & Distribution & Gas Distribution	64,527	101,529	96,967	129,720	132,760	162,755	149,526	170,066	-8.13	13.74
5. Construction	28,700	36,441	24,200	16,626	24,453	30,220	49,425	59,566	63.55	20.52
6. Wholesale and Retail Trade	31,216	36,003	41,716	51,616	57,954	64,422	72,450	74,940	12.46	3.44
7. Transport & Communication	365,492	267,784	298,998	252,884	268,177	351,980	440,136	445,820	25.05	1.29
8. Finance & Insurance	34,868	35,716	30,873	28,704	36,096	47,461	40,138	49,040	-15.43	22.18
9. Housing Services (Ownership of Dwellings)	253,391	288,378	285,256	341,565	408,562	468,463	525,816	571,799	12.24	8.75
10. Other Private Services	108,738	132,723	153,978	184,415	216,645	246,198	283,705	313,273	15.23	10.42

F : Final, R : Revised, P : Provisional

(Contd.)

TABLE 1.7 A

GROSS FIXED CAPITAL FORMATION (GFCF) IN PRIVATE SECTOR BY ECONOMIC ACTIVITY AT CURRENT MARKET PRICES

(Rs. in Million)

Sector	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 F	2013-14 R	2014-15 P	% Change 2013-14 / 2012-13	% Change 2014-15 / 2013-14
PRIVATE SECTOR	1,363,838	1,539,444	1,557,909	1,697,795	1,950,349	2,202,307	2,513,441	2,644,947	14.13	5.23
1. Agriculture	303,318	371,853	442,429	536,980	624,418	698,810	721,001	819,114	3.18	13.61
2. Mining and Quarrying	21,807	32,195	46,404	30,606	33,919	29,214	51,322	42,396	75.68	-17.39
3. Manufacturing (A+B)	310,814	352,415	268,947	256,693	282,127	366,804	403,357	356,623	9.97	-11.59
A. Large Scale	303,049	342,863	256,861	240,695	263,961	345,937	379,492	330,210	9.70	-12.99
B. Small Scale (including Slaughtering)	7,765	9,552	12,086	15,998	18,166	20,867	23,865	26,413	14.37	10.68
4. Electricity Generation & Distribution & Gas Distribution	8,965	36,518	19,027	49,866	61,388	9,590	22,894	10,753	138.73	-53.03
5. Construction	14,271	21,716	14,251	8,836	13,076	14,219	25,887	29,494	82.06	13.93
6. Wholesale and Retail Trade	31,216	36,003	41,716	51,616	57,954	64,422	72,450	74,940	12.46	3.44
7. Transport & Communication	280,008	237,193	259,350	211,803	223,175	267,704	371,809	389,750	38.89	4.83
8. Finance & Insurance	31,310	30,450	26,551	25,415	29,085	36,883	35,200	36,805	-4.56	4.56
9. Housing Services (Ownership of Dwellings)	253,391	288,378	285,256	341,565	408,562	468,463	525,816	571,799	12.24	8.75
10. Other Private Services	108,738	132,723	153,978	184,415	216,645	246,198	283,705	313,273	15.23	10.42

F : Final, R : Revised, P : Provisional

(Contd.)

TABLE 1.7 B

GROSS FIXED CAPITAL FORMATION (GFCF) IN PUBLIC AND GENERAL GOVERNMENT SECTORS BY ECONOMIC ACTIVITY AT CURRENT MARKET PRICES

(Rs. in Million)

Sector	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 F	2013-14 R	2014-15 P	% Change 2013-14 / 2012-13	% Change 2014-15 / 2013-14
Public Sector and General Govt. (A+B)	509,032	565,841	553,882	590,530	751,109	787,819	841,558	1,056,680	6.82	25.56
A. Public Sector (Autonomous & Semi Auto-Bodies)	170,617	132,458	146,033	146,849	155,813	285,094	251,565	301,629	-11.76	19.90
1. Agriculture	62	55	78	70	94	93	96	273	3.23	184.38
2. Mining and Quarrying	10,354	14,660	12,664	12,151	18,074	15,203	21,933	40,244	44.27	83.49
3. Manufacturing	1,168	2,150	1,432	2,614	2,883	5,778	6,101	3,422	5.59	-43.91
4. Electricity Generation & Distribution & Gas Distribution	55,562	65,011	77,940	79,854	71,372	153,165	126,632	159,313	-17.32	25.81
5. Construction	14,429	14,725	9,949	7,790	11,377	16,001	23,538	30,072	47.10	27.76
6. Transport & Communication	85,484	30,591	39,648	41,081	45,002	84,276	68,327	56,070	-18.92	-17.94
Railways	4,167	1,907	10,874	2,136	4,265	24,478	8,767	3,996	-64.18	-54.42
Post Office & PTCL	14,456	7,774	8,373	11,336	14,146	12,600	18,166	19,443	44.17	7.03
Others	66,861	20,910	20,401	27,609	26,591	47,198	41,394	32,631	-12.30	-21.17
7. Finance & Insurance	3,558	5,266	4,322	3,289	7,011	10,578	4,938	12,235	-53.32	147.77
8. Other Private Services										
B. General Govt.	338,415	433,383	407,849	443,681	595,296	502,725	589,993	755,051	17.36	27.98
Federal	65,292	115,100	130,342	130,832	144,806	147,751	164,736	195,812	11.50	18.86
Provincial	181,294	213,290	219,840	242,542	372,721	288,464	358,791	487,272	24.38	35.81
District Governments	91,829	104,993	57,667	70,307	77,769	66,510	66,466	71,967	-0.07	8.28

F : Final, R : Revised, P : Provisional

Source: Pakistan Bureau of Statistics

TABLE 1.8

GROSS FIXED CAPITAL FORMATION (GFCF) IN PRIVATE, PUBLIC, AND GENERAL GOVERNMENT SECTORS BY ECONOMIC ACTIVITY AT CONSTANT PRICES (2005-06)

(Rs. in Million)

Sector	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 F	2013-14 R	2014-15 P	% Change 2013-14 / 2012-13	% Change 2014-15 / 2013-14
GFCF (A+B+C)	1,560,186	1,482,823	1,374,205	1,268,315	1,299,089	1,332,648	1,388,839	1,503,731	4.22	8.27
A. Private Sector	1,141,213	1,100,380	1,041,102	971,509	964,142	1,005,526	1,068,028	1,102,265	6.22	3.21
B. Public Sector	151,070	93,963	94,651	82,860	74,993	122,621	98,909	117,560	-19.34	18.86
C. General Govt.	267,903	288,480	238,452	213,946	259,954	204,501	221,902	283,906	8.51	27.94
Private & Public (A+B)	1,292,283	1,194,343	1,135,753	1,054,369	1,039,135	1,128,147	1,166,937	1,219,825	3.44	4.53
SECTOR-WISE:										
1. Agriculture	259,517	277,113	295,484	297,865	289,469	301,042	290,076	307,663	-3.64	6.06
2. Mining and Quarrying	28,524	33,165	37,484	23,831	25,235	18,656	27,030	29,806	44.89	10.27
3. Manufacturing (A+B)	247,502	236,819	158,703	125,581	125,388	152,586	155,241	136,415	1.74	-12.13
A. Large Scale	240,830	229,657	151,013	117,325	116,526	143,072	145,026	125,449	1.37	-13.50
B. Small Scale (including Slaughtering)	6,671	7,163	7,690	8,255	8,863	9,514	10,215	10,966	7.37	7.35
4. Electricity Generation & Distribution & Gas Distribution	57,230	71,864	61,535	72,300	64,438	68,359	55,174	61,338	-19.29	11.17
5. Construction	25,847	27,025	18,869	11,260	14,398	16,140	24,458	28,190	51.54	15.26
6. Wholesale and Retail Trade	24,712	23,965	24,390	24,890	25,308	26,206	27,249	28,178	3.98	3.41
7. Transport & Communication	324,161	189,689	195,846	144,110	122,203	153,081	181,912	201,373	18.83	10.70
8. Finance & Insurance	27,603	23,774	18,050	13,841	15,762	19,307	15,096	18,439	-21.81	22.14
9. Housing Services (Ownership of Dwellings)	205,641	213,867	222,422	231,319	240,571	250,194	260,202	270,610	4.00	4.00
10. Other Private Services	91,546	97,062	102,969	109,374	116,362	122,576	130,499	137,813	6.46	5.60

F : Final, R : Revised, P : Provisional

(Contd.)

TABLE 1.8 A

GROSS FIXED CAPITAL FORMATION (GFCF) IN PRIVATE SECTOR BY ECONOMIC ACTIVITY AT CONSTANT PRICES (2005-06)

(Rs. in Million)

Sector	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 F	2013-14 R	2014-15 P	% Change 2013-14 / 2012-13	% Change 2014-15 / 2013-14
PRIVATE SECTOR	1,141,213	1,100,380	1,041,102	971,509	964,142	1,005,526	1,068,028	1,102,265	6.22	3.21
1. Agriculture	259,462	277,068	295,422	297,817	289,415	300,990	290,026	307,523	-3.64	6.03
2. Mining and Quarrying	19,341	22,788	29,448	17,058	16,463	12,270	18,937	15,291	54.34	-19.25
3. Manufacturing (A+B)	246,577	235,388	157,866	124,320	124,130	150,236	152,946	135,128	1.80	-11.65
A. Large Scale	239,906	228,225	150,176	116,065	115,267	140,722	142,731	124,162	1.43	-13.01
B. Small Scale (including Slaughtering)	6,671	7,163	7,690	8,255	8,863	9,514	10,215	10,966	7.37	7.35
4. Electricity Generation & Distribution & Gas Distribution	7,951	25,848	12,075	27,793	29,796	4,028	8,448	3,878	109.73	-54.10
5. Construction	12,852	16,105	11,112	5,984	7,699	7,594	12,810	13,958	68.69	8.96
6. Wholesale and Retail Trade	24,712	23,965	24,390	24,890	25,308	26,206	27,249	28,178	3.98	3.41
7. Transport & Communication	248,344	168,019	169,876	120,699	101,697	116,428	153,672	176,047	31.99	14.56
8. Finance & Insurance	24,786	20,269	15,523	12,255	12,701	15,004	13,239	13,839	-11.76	4.53
9. Housing Services (Ownership of Dwellings)	205,641	213,867	222,422	231,319	240,571	250,194	260,202	270,610	4.00	4.00
10. Other Private Services	91,546	97,062	102,969	109,374	116,362	122,576	130,499	137,813	6.46	5.60

F : Final, R : Revised, P : Provisional

(Contd.)

TABLE 1.8 B

GROSS FIXED CAPITAL FORMATION (GFCF) IN PUBLIC AND GENERAL GOVERNMENT SECTORS BY ECONOMIC ACTIVITY AT CONSTANT PRICES (2005-06)

(Rs. in Million)

Sector	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 F	2013-14 R	2014-15 P	% Change 2013-14 / 2012-13	% Change 2014-15 / 2013-14
Public Sector and										
General Govt. (A+B)	418,973	382,443	333,103	296,806	334,947	327,122	320,811	401,466	-1.93	25.14
A. Public Sector (Autonomous & Semi Auto-Bodies)	151,070	93,963	94,651	82,860	74,993	122,621	98,909	117,560	-19.34	18.86
1. Agriculture	55	45	62	48	54	52	50	140	-3.85	180.00
2. Mining and Quarrying	9,183	10,377	8,037	6,772	8,772	6,386	8,093	14,515	26.73	79.35
3. Manufacturing	925	1,431	837	1,260	1,259	2,350	2,295	1,287	-2.34	-43.92
4. Electricity Generation & Distribution & Gas Distribution	49,279	46,016	49,461	44,507	34,642	64,331	46,726	57,460	-27.37	22.97
5. Construction	12,994	10,920	7,758	5,276	6,699	8,546	11,648	14,232	36.30	22.18
6. Transport & Communication	75,817	21,670	25,970	23,411	20,506	36,653	28,240	25,326	-22.95	-10.32
Railways	3,696	1,351	7,123	1,217	1,943	10,646	3,623	1,805	-65.97	-50.18
Post Office & PTCL	12,821	5,507	5,484	6,460	6,446	5,480	7,508	8,782	37.01	16.97
Others	59,300	14,812	13,363	15,733	12,117	20,527	17,109	14,739	-16.65	-13.85
7. Finance & Insurance	2,817	3,505	2,527	1,586	3,061	4,303	1,857	4,600	-56.84	147.71
8. Other Private Services										
B. General Govt.	267,903	288,480	238,452	213,946	259,954	204,501	221,902	283,906	8.51	27.94
Federal	51,688	76,616	76,206	63,088	63,234	60,103	61,959	73,627	3.09	18.83
Provincial	143,520	141,976	128,531	116,955	162,760	117,343	134,945	183,219	15.00	35.77
District Governments	72,696	69,888	33,716	33,902	33,960	27,055	24,998	27,060	-7.60	8.25

F : Final, R : Revised, P : Provisional

Source: Pakistan Bureau of Statistics

AGRICULTURE

TABLE 2.1 A

INDEX OF AGRICULTURAL PRODUCTION

Fiscal Year	1999-2000 Base				2005-06 Base				
	All major crops	Food crops	Fibre crops	Other crops	Food crops			Cash crop	Fibre crop
					Wheat	Maize	Rice	Sugarcane	Cotton
1991-92	-	-	-	-	-	-	-	-	-
1992-93	-	-	-	-	-	-	-	-	-
1993-94	-	-	-	-	-	-	-	-	-
1994-95	-	-	-	-	-	-	-	-	-
1995-96	-	-	-	-	-	-	-	-	-
1996-97	-	-	-	-	-	-	-	-	-
1997-98	-	-	-	-	-	-	-	-	-
1998-99	-	-	-	-	-	-	-	-	-
1999-00	100.0	100.0	100.0	100.0	-	-	-	-	-
2000-01	93.0	91.2	95.0	94.0	-	-	-	-	-
2001-02	97.0	85.2	94.4	103.6	-	-	-	-	-
2002-03	104.0	91.8	90.8	112.1	-	-	-	-	-
2003-04	107.0	94.9	89.4	115.1	-	-	-	-	-
2004-05	104.0	106.4	126.9	101.9	-	-	-	-	-
2005-06	101.0	107.0	116.0	95.6	100.0	100.0	100.0	100.0	100.0
2006-07	117.0	115.0	114.0	118.0	109.5	99.3	98.0	122.6	98.7
2007-08	126.0	108.0	104.0	138.0	98.5	115.9	100.3	143.1	89.5
2008-09	114.0	124.0	105.0	108.0	113.0	115.5	125.3	112.0	90.8
2009-10	111.0	119.0	115.0	106.0	109.6	104.9	124.1	110.5	99.2
2010-11	119.0	120.0	102.0	119.0	118.5	119.2	87.0	123.8	88.0
2011-12	123.0	120.0	121.0	125.0	110.3	139.5	111.1	130.7	104.4
2012-13	-	-	-	-	113.8	135.7	99.8	142.7	100.1
2013-14	-	-	-	-	122.1	159.0	122.6	151.0	98.1
2014-15 P	-	-	-	-	119.7	151.0	126.3	140.3	107.4

P: Provisional (Jul-Mar)

Source: Pakistan Bureau of Statistics

TABLE 2.1 B

BASIC DATA ON AGRICULTURE

Fiscal Year	Cropped Area (million hectares)	Improved Seed distribution (000 Tonnes)	Water* Availability (MAF)	Fertilizer Offtake (000 N/T)	Credit disbursed (Rs million)	Tube wells Public & Private (Number in 000)
1990-91	21.82	83.27	119.62	1892.90	14,915	339.8
1991-92	21.72	65.93	122.05	1884.00	14,479	355.8
1992-93	22.44	63.93	125.12	2147.61	16,198	374.1
1993-94	21.87	63.27	128.01	2146.80	15,674	444.2
1994-95	22.14	76.87	129.65	2183.10	22,373	463.5
1995-96	22.59	145.10	130.85	2515.05	19,187	485.1
1996-97	22.73	137.67	132.05	2413.01	19,548	506.8
1997-98	23.04	130.50	122.15	2646.00	33,392	531.3
1998-99	22.86	167.38	133.78	2583.00	42,852	563.2
1999-00	22.74	194.30	133.28	2832.00	39,688	609.8
2000-01	22.04	193.80	134.77	2964.00	44,790	659.3
2001-02	22.12	191.57	134.63	2929.00	52,314	707.3
2002-03	21.85	172.02	134.48	3020.00	58,915	769.0
2003-04	22.94	178.77	134.78	3222.00	73,446	950.1
2004-05	22.78	218.12	135.68	3694.04	108,733	984.3
2005-06	23.13	226.07	137.98	3804.00	137,474	999.6
2006-07	23.56	218.60	137.80	3672.00	168,830	1,025.8
2007-08	23.85	264.67	137.80	3581.00	211,561	1,016.1
2008-09	24.12	314.63	131.51	3711.00	233,010	1,070.0
2009-10	23.87	312.63	133.70	4360.00	248,120	1,088.0
2010-11	22.72	331.02	137.16	3933.00	263,022	1,103.4
2011-12	22.50	346.38	135.86	3861.00	293,850	997.7
2012-13	22.56	327.08	137.51	3621.00	336,247	1,049.4
2013-14	22.73	359.18	137.51	4089.00	391,353	1,026.5
2014-15 P	22.73	446.19	138.59	3341.00	326,013	1,049.6

P: Provisional (Jul-Mar) (Contd.)

*: At farm gate

TABLE 2.1 B (Continued)

BASIC DATA ON AGRICULTURE

Fiscal Year	Production of Tractors (Nos)	Production of meat (000 Tonnes)	Milk (000 Tonnes)	Fish Production (000 Tonnes)	Total Forest Production (000 cu.mtr.)
1990-91	13,841	1,581	15,481	483.0	1,072
1991-92	10,077	1,685	16,280	553.1	491
1992-93	16,628	1,872	17,120	621.7	691
1993-94	15,129	2,000	18,006	558.1	703
1994-95	17,063	2,114	18,966	541.9	684
1995-96	16,218	1,841	22,970	555.5	720
1996-97	10,121	1,908	23,580	589.7	343
1997-98	14,242	1,841	24,215	597.0	386
1998-99	26,885	1,906	24,876	654.5	436
1999-00	35,038	1,957	25,566	614.8	364
2000-01	32,553	2,015	26,284	629.6	472
2001-02	24,311	2,072	27,031	637.8	487
2002-03	27,101	2,132	27,811	566.2	266
2003-04	36,059	2,188	28,624	573.5	313
2004-05	44,095	2,271	29,438	580.6	282
2005-06	49,642	2,515	31,970	604.9	265
2006-07	54,431	2,618	32,986	640.0	373
2007-08	53,598	2,728	34,064	885.0	363
2008-09	60,561	2,843	35,160	914.1	347
2009-10	71,607	2,965	36,299	925.8	356
2010-11	71,550	3,094	37,475	699.9	352
2011-12	48,120	3,232	38,617	724.8	354
2012-13	48,871	3,379	39,855	728.8	354
2013-14	34,650	3,531	41,133	735.0	..
2014-15 P	31,963	3,696	42,454	499.0	..

P: Provisional (July-March)

.. : Not available

Source: Pakistan Bureau of Statistics
Ministry of National Food Security and Research

TABLE 2.2

LAND UTILIZATION

(Million Hectares)

Fiscal Year	Total Area	Reported Area	Forest Area	Not Available for Cultivation	Culturable Waste	Cultivated Area: Current Fallow	Cultivated Area: Net Area Sown	Cultivated Area: Total Area Cultivated (6+7)	Area Sown more than once	Total Cropped Area (7+9)
	1	2	3	4	5	6	7	8	9	10
1990-91	79.61	57.61	3.46	24.34	8.85	4.85	16.11	20.96	5.71	21.82
1991-92	79.61	57.87	3.47	24.48	8.86	4.87	16.19	21.06	5.53	21.72
1992-93	79.61	58.06	3.48	24.35	8.83	4.95	16.45	21.40	5.99	22.44
1993-94	79.61	58.13	3.45	24.43	8.74	5.29	16.22	21.51	5.65	21.87
1994-95	79.61	58.50	3.60	24.44	8.91	5.42	16.13	21.55	6.01	22.14
1995-96	79.61	58.51	3.61	24.35	8.87	5.19	16.49	21.68	6.10	22.59
1996-97	79.61	59.23	3.58	24.61	9.06	5.48	16.50	21.98	6.23	22.73
1997-98	79.61	59.32	3.60	24.61	9.15	5.48	16.48	21.96	6.56	23.04
1998-99	79.61	59.28	3.60	24.52	9.23	5.35	16.58	21.93	6.28	22.86
1999-00	79.61	59.28	3.78	24.45	9.09	5.67	16.29	21.96	6.45	22.74
2000-01	79.61	59.44	3.77	24.37	9.17	6.73	15.40	22.13	6.64	22.04
2001-02	79.61	59.33	3.80	24.31	8.95	6.60	15.67	22.27	6.45	22.12
2002-03	79.61	59.45	4.04	24.25	8.95	6.61	15.60	22.21	6.25	21.85
2003-04	79.61	59.46	4.01	24.23	9.10	6.23	15.89	22.12	7.05	22.94
2004-05	79.61	59.48	4.02	24.39	8.94	6.86	15.27	22.13	7.51	22.78
2005-06	79.61	57.22	4.03	22.87	8.21	6.72	15.39	22.11	7.74	23.13
2006-07	79.61	57.05	4.19	22.70	8.30	5.72	16.16	21.87	7.40	23.56
2007-08	79.61	57.08	4.21	23.41	8.19	4.93	16.34	21.17	7.51	23.85
2008-09	79.61	57.21	4.21	23.47	8.15	5.04	16.34	21.38	7.78	24.12
2009-10	79.61	57.21	4.23	23.49	8.09	5.20	16.20	21.40	7.67	23.87
2010-11	79.61	57.64	4.26	23.37	7.98	6.38	15.65	22.03	7.07	22.72
2011-12	79.61	57.73	4.26	23.25	8.19	7.05	14.98	22.03	7.52	22.50
2012-13	79.61	57.79	4.26	23.06	8.21	7.04	15.22	22.26	7.34	22.56
2013-14	79.61	57.91	4.55	23.01	8.27	6.68	15.40	22.08	7.33	22.73
2014-15 P	79.61	57.91	4.55	23.01	8.27	6.68	15.40	22.08	7.33	22.73

P: Provisional

Source: Pakistan Bureau of Statistics
Ministry of National Food Security & Research

Note:

1. Total Area Reported is the total physical area of the villages/deh, tehsils or districts etc.
3. Forest Area is the area of any land administered as forest under any legal enactment dealing with forests. Any cultivated area which may exist within such forest is shown under heading "cultivated area".
4. Area Not Available for Cultivation is that uncultivated area of the farm which is under farm home-steads, farm roads and other connected purposes and not available for cultivation.
5. Culturable Waste is that uncultivated farm area which is fit for cultivation but was not cropped during the year under reference nor in the year before that.
6. Current Fallow (ploughed but uncropped) is that area which is vacant during the year under reference but was sown at least once during the previous year

   Cultivated Area is that area which was sown at least during the year under reference or during the previous year.

   Cultivated Area = Net Area sown + Current Fallow.
7. Net Area Sown is that area which is sown at least once during (Kharif & Rabi) the year under reference.
9. Area Sown more than once is the difference between the total cropped area and the net area sown.
10. Total Cropped Area means the aggregate area of crops raised in a farm during the year under reference including the area under fruit trees.

TABLE 2.3

AREA UNDER IMPORTANT CROPS

(000 Hectares)

Fiscal Year	Wheat	Rice	Bajra	Jowar	Maize	Barley	Total Food Grains	Gram	Sugar-cane	Rapeseed and Mustard	Sesa-mum	Cotton	Tobacco
1990-91	7,911	2,113	491	417	845	157	11,934	1,092	884	304	53	2,662	44
1991-92	7,878	2,097	313	383	848	149	11,667	997	896	287	70	2,836	54
1992-93	8,300	1,973	487	403	868	160	12,191	1,008	885	285	82	2,836	58
1993-94	8,034	2,187	303	365	879	151	11,919	1,045	963	269	73	2,805	57
1994-95	8,170	2,125	509	438	890	165	12,297	1,065	1,009	301	80	2,653	47
1995-96	8,376	2,162	407	418	939	171	12,473	1,119	963	320	90	2,997	46
1996-97	8,109	2,251	303	370	928	152	12,113	1,100	965	354	100	3,149	49
1997-98	8,355	2,317	460	390	933	163	12,618	1,102	1,056	340	96	2,960	53
1998-99	8,230	2,424	463	383	962	137	12,599	1,077	1,155	327	71	2,923	57
1999-00	8,463	2,515	313	357	962	124	12,734	972	1,010	321	72	2,983	56
2000-01	8,181	2,377	390	354	944	113	12,359	905	961	273	101	2,927	46
2001-02	8,058	2,114	417	358	942	111	12,000	934	1,000	269	136	3,116	49
2002-03	8,034	2,225	349	338	935	108	11,989	963	1,100	256	88	2,794	47
2003-04	8,216	2,461	539	392	947	102	12,657	982	1,074	259	60	2,989	46
2004-05	8,358	2,520	343	308	982	93	12,603	1,094	966	243	66	3,193	50
2005-06	8,448	2,621	441	254	1,042	90	12,896	1,029	907	217	82	3,103	56
2006-07	8,578	2,581	504	292	1,017	94	13,066	1,052	1,029	256	71	3,075	51
2007-08	8,550	2,515	531	281	1,052	91	13,020	1,107	1,241	224	76	3,054	51
2008-09	9,046	2,963	470	263	1,052	86	13,880	1,081	1,029	233	91	2,820	50
2009-10	9,132	2,883	476	248	935	84	13,758	1,067	943	178	80	3,106	56
2010-11	8,901	2,365	548	229	974	77	13,094	1,054	988	212	78	2,689	51
2011-12	8,650	2,571	458	214	1,087	72	13,052	1,008	1,058	201	76	2,835	46
2012-13	8,660	2,309	461	198	1,060	73	12,761	992	1,129	224	71	2,879	50
2013-14	9,199	2,789	475	198	1,168	71	13,900	950	1,173	220	82	2,806	49
2014-15 P	9,180	2,891	408	171	1,130	66	13,846	960	1,141	198	79	2,961	49

P: Provisional (Jul-Mar)

Source: Pakistan Bureau of Statistics

Note: 1 ha = 2.47 acres

TABLE 2.4

PRODUCTION OF IMPORTANT CROPS

(000 Tonnes)

Fiscal Year	Wheat	Rice	Bajra	Jowar	Maize	Barley	Total Food Grains	Gram	Sugar-cane	Rapeseed and Mustard	Sesa-mum	Cotton (000 tonnes)	Cotton (000 Bales)	Tob-acco
1990-91	14,565	3,261	196	239	1,185	142	19,588	531	35,989	228	21.4	1,637	9,628	75
1991-92	15,684	3,243	139	225	1,203	140	20,634	513	38,865	220	28.7	2,181	12,822	97
1992-93	16,157	3,116	203	238	1,184	158	21,056	347	38,059	207	34.0	1,540	9,054	102
1993-94	15,213	3,995	138	212	1,213	146	20,917	411	44,427	197	32.3	1,368	8,041	100
1994-95	17,002	3,447	228	263	1,318	164	22,422	559	47,168	229	36.2	1,479	8,697	81
1995-96	16,907	3,966	162	255	1,504	174	22,968	680	45,230	255	39.5	1,802	10,595	80
1996-97	16,651	4,305	146	219	1,491	150	22,962	594	41,998	286	44.9	1,594	9,374	92
1997-98	18,694	4,333	211	231	1,517	174	25,160	767	53,104	292	42.5	1,562	9,184	99
1998-99	17,858	4,674	213	228	1,665	137	24,773	698	55,191	279	32.1	1,495	8,790	109
1999-00	21,079	5,156	156	220	1,652	118	28,380	565	46,333	297	35.4	1,912	11,240	108
2000-01	19,024	4,803	199	218	1,643	99	25,987	397	43,606	230	50.7	1,826	10,732	85
2001-02	18,226	3,882	216	222	1,664	100	24,311	362	48,042	221	69.6	1,805	10,613	94
2002-03	19,183	4,478	189	203	1,737	100	25,889	675	52,056	215	19.3	1,737	10,211	88
2003-04	19,500	4,848	274	238	1,897	98	26,855	611	53,419	221	25.0	1,709	10,048	86
2004-05	21,612	5,025	193	186	2,797	92	29,905	868	47,244	203	30.0	2,426	14,265	101
2005-06	21,277	5,547	221	153	3,110	88	30,396	480	44,666	172	35.0	2,215	13,019	113
2006-07	23,295	5,438	238	180	3,088	93	32,337	838	54,742	212	30.0	2,187	12,856	103
2007-08	20,959	5,563	305	170	3,605	87	31,198	475	63,920	176	32.8	1,982	11,655	108
2008-09	24,033	6,952	296	165	3,593	82	35,121	741	50,045	188	41.0	2,010	11,819	105
2009-10	23,311	6,883	293	154	3,261	71	33,973	562	49,373	151	33.4	2,196	12,914	119
2010-11	25,214	4,823	346	141	3,707	71	34,302	496	55,309	188	31.0	1,949	11,460	103
2011-12	23,473	6,160	304	137	4,338	66	34,478	284	58,397	164	30.2	2,310	13,595	98
2012-13	24,211	5,536	311	123	4,220	67	34,468	751	63,750	205	29.2	2,214	13,031	108
2013-14	25,979	6,798	301	119	4,944	67	38,208	399	67,460	203	32.4	2,170	12,769	130
2014-15 P	25,478	7,005	258	103	4,695	61	37,600	484	62,652	183	31.1	2,376	13,983	130

P: Provisional (Jul-Mar)

Source: Pakistan Bureau of Statistics

TABLE 2.5

YIELD PER HECTARE OF MAJOR AGRICULTURAL CROPS

(Kg/Hectare)

Fiscal Year	Wheat	Rice	Sugarcane	Maize	Gram	Cotton
1990-91	1,841	1,543	40,720	1,401	486	615
1991-92	1,990	1,546	43,371	1,419	514	769
1992-93	1,946	1,579	43,024	1,364	344	543
1993-94	1,893	1,826	46,144	1,380	393	488
1994-95	2,081	1,622	46,747	1,481	524	557
1995-96	2,018	1,835	46,968	1,602	607	601
1996-97	2,053	1,912	43,521	1,607	540	506
1997-98	2,238	1,870	50,288	1,626	696	528
1998-99	2,170	1,928	47,784	1,731	648	511
1999-00	2,491	2,050	45,874	1,717	581	641
2000-01	2,325	2,021	45,376	1,741	439	624
2001-02	2,262	1,836	48,042	1,766	388	579
2002-03	2,388	2,013	47,324	1,858	701	622
2003-04	2,375	1,970	49,738	2,003	622	572
2004-05	2,568	1,995	48,906	2,848	793	760
2005-06	2,519	2,116	49,246	2,985	467	714
2006-07	2,716	2,107	53,199	3,036	797	711
2007-08	2,451	2,212	51,507	3,427	429	649
2008-09	2,657	2,346	48,634	3,415	685	713
2009-10	2,553	2,387	52,357	3,487	527	707
2010-11	2,833	2,039	55,981	3,806	471	725
2011-12	2,714	2,396	55,196	3,991	282	815
2012-13	2,796	2,398	56,466	3,981	757	769
2013-14	2,824	2,437	57,511	4,233	420	773
2014-15 P	2,775	2,423	54,910	4,155	504	802

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 2.6

PRODUCTION AND EXPORT OF FRUIT

Fiscal Year	Production of Important Fruit (000 tonnes)								Export	
	Citrus	Mango	Apple	Banana	Apricot	Almonds	Grapes	Guava	(000 tonnes)	Value (Mln. Rs)
1990-91	1,609	776	243	202	81	32	33	355	112	935
1991-92	1,630	787	295	44	109	38	36	373	125	966
1992-93	1,665	794	339	52	122	40	38	384	121	1,179
1993-94	1,849	839	442	53	153	45	40	402	127	1,324
1994-95	1,933	884	533	80	178	49	43	420	139	1,256
1995-96	1,960	908	554	82	191	49	72	442	135	1,487
1996-97	2,003	915	569	83	188	49	74	448	219	2,776
1997-98	2,037	917	573	94	189	49	74	455	202	2,793
1998-99	1,862	916	589	95	191	50	76	468	181	2,773
1999-00	1,943	938	377	125	121	32	40	494	240	4,130
2000-01	1,898	990	439	139	126	33	51	526	260	4,575
2001-02	1,830	1,037	367	150	125	26	53	539	290	5,084
2002-03	1,702	1,035	315	143	130	24	52	532	263	4,815
2003-04	1,760	1,056	334	175	211	24	51	550	354	5,913
2004-05	1,944	1,671	352	148	205	23	49	571	281	5,408
2005-06	2,458	1,754	351	164	197	23	49	552	455	7,508
2006-07	1,472	1,719	348	151	177	23	47	555	343	6,894
2007-08	2,294	1,754	442	158	240	27	75	539	411	9,085
2008-09	2,132	1,728	441	157	238	26	76	512	469	12,519
2009-10	2,150	1,846	366	155	194	22	65	509	687	20,094
2010-11	1,982	1,889	526	139	190	22	64	547	669	25,017
2011-12	2,147	1,700	599	97	189	21	64	495	737	32,068
2012-13	2,002	1,680	556	116	179	22	64	500	718	38,085
2013-14	2,168	1,659	606	119	178	22	66	496	786	45,471
2014-15 P	2,168	1,717	606	119	178	22	66	496	601	38,124

P: Provisional (Jul-Mar)

Source: Pakistan Bureau of Statistics

TABLE 2.7

CROP WISE COMPOSITION OF OUTPUT OF IMPORTANT AGRICULTURAL CROPS (AT CONSTANT BASIC PRICES BASE 2005-06)

(% Share)

Fiscal Year/ Crops	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2103-14	2014-15 P
Important Crops	100	100	100	100	100	100	100	100	100
Food Crops	58.86	57.94	62.82	60.43	61.92	58.94	58.79	61.21	59.99
Wheat	40.87	38.08	41.75	40.14	44.07	38.92	40.21	40.29	39.27
Maize	6.18	7.51	7.08	6.47	7.50	8.32	8.09	8.88	8.37
Rice	11.80	12.35	13.99	13.83	10.34	11.69	10.49	12.04	12.35
Cash Crop	11.89	14.62	10.77	10.66	12.03	11.83	13.15	13.09	12.06
Sugarcane	11.89	14.62	10.77	10.66	12.03	11.83	13.15	13.09	12.06
Fibre Crop	29.26	27.44	26.40	28.91	26.05	29.23	28.06	25.70	27.95
Cotton	29.26	27.44	26.40	28.91	26.05	29.23	28.06	25.70	27.95

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 2.8

CREDIT DISBURSED BY AGENCIES

(Rs. in Million)

Fiscal Year	ZTBL	Taccavi	Domestic Private Banks	PPCBL	Commercial Banks	MFBs	Islamic Banks*	Total
1990-91	8,324	56	..	3,017	3,518	..	..	14,915
1991-92	6,996	57	..	3,247	4,180	..	..	14,479
1992-93	8,643	51	..	2,978	4,526	..	..	16,198
1993-94	8,989	..	..	2,621	4,063	..	..	15,674
1994-95	14,576	..	..	3,757	4,041	..	..	22,373
1995-96	10,339	..	..	3,803	5,045	..	..	19,187
1996-97	11,687	..	..	3,431	4,429	..	..	19,548
1997-98	22,354	..	..	4,929	6,110	..	..	33,392
1998-99	30,176	..	..	5,440	7,236	..	..	42,852
1999-00	24,424	..	..	5,951	9,313	..	..	39,688
2000-01	27,610	..	..	5,124	12,056	..	..	44,790
2001-02	29,108	..	593	5,128	17,486	..	..	52,314
2002-03	29,270	..	1,421	5,485	22,739	..	..	58,915
2003-04	29,933	..	2,702	7,564	33,247	..	..	73,446
2004-05	37,409	..	12,407	7,607	51,310	..	..	108,733
2005-06	47,594	..	16,023	5,889	67,967	..	..	137,474
2006-07	56,473	..	23,976	7,988	80,393	..	..	168,830
2007-08	66,939	..	43,941	5,931	94,749	..	..	211,561
2008-09	75,139	..	41,626	5,579	110,666	..	..	233,010
2009-10	79,012	..	43,777	5,722	119,609	..	..	248,120
2010-11	65,361	..	50,187	7,162	140,312	..	..	263,022
2011-12	66,068	..	60,876	8,520	146,271	12,115	..	293,850
2012-13	67,068	..	69,271	8,304	172,833	18,770	..	336,247
2013-14	77,920	..	84,813	8,809	195,488	22,796	1,527	391,353
2014-15 P	56,185	..	72,103	5,849	167,446	20,716	3,714	326,013

P: Provisional (Jul-Mar) ..: not Available

Source: State Bank of Pakistan

ZTBL: Zarai Taraqiati Bank Limited

PPCBL: Punjab Provincial Corporative Bank Limited

Commercial Banks: Include ABL, HBL, MCB, NBP & UBL

MFBs: 7 Micro Finance Banks

*: 4 Islamic Banks

TABLE 2.9

FERTILIZER OFFTAKE AND IMPORTS OF FERTILIZERS & PESTICIDES

Fiscal Year	Fertilizer Offtake (000 N/Tonnes) Nitrogen	Phosphorus	Potash	Total	Import of Fertilizers 000 N/Tonnes	Import of Insecticides Quantity (Tonnes)	Value (Mln Rs.)
1990-91	1,472	389	33	1,893	685	13,030	1,489
1991-92	1,463	398	23	1,884	632	15,258	1,946
1992-93	1,635	488	24	2,148	759	14,435	1,731
1993-94	1,659	464	23	2,147	903	12,100	1,706
1994-95	1,738	428	17	2,183	261	21,776	2,978
1995-96	1,991	494	30	2,515	581	30,479	5,081
1996-97	1,985	420	8	2,413	878	30,856	5,272
1997-98	2,075	551	20	2,646	714	29,225	4,801
1998-99	2,097	465	21	2,583	885	31,893	5,515
1999-00	2,218	597	19	2,834	663	26,124	4,692
2000-01	2,264	677	23	2,966	580	21,255	3,477
2001-02	2,285	625	19	2,929	626	31,783	5,320
2002-03	2,349	650	20	3,020	766	22,242	3,441
2003-04	2,527	674	22	3,222	764	41,406	7,157
2004-05	2,796	864	33	3,694	784	41,561	8,281
2005-06	2,926	851	27	3,804	1,268	33,954	6,804
2006-07	2,650	979	43	3,672	796	29,089	5,848
2007-08	2,925	630	27	3,582	876	27,814	6,330
2008-09	3,034	651	25	3,710	568	28,839	8,981
2009-10	3,476	860	24	4,360	1,444	38,227	13,473
2010-11	3,134	767	32	3,933	645	36,183	13,178
2011-12	3,207	633	21	3,861	1,177	32,152	12,255
2012-13	2,853	747	21	3,621	735	17,882	8,507
2013-14	3,185	881	24	4,089	1,148	23,546	12,572
2014-15 P	2,521	796	23	3,341	834	18,305	10,064

P: Provisional, (Jul-Mar)

Source: Pakistan Bureau of Statistics
National Fertilizer Development Centre

TABLE 2.10

AVERAGE RETAIL SALE PRICES OF FERTILIZER

(Rs. per bag of 50 Kgs)

Fiscal Year	Urea (46% N)	AN/CAN (26% N)	AS (21% N)	NP (23:23)	SSP(G) (18%)	DAP (18:46)	SOP (50% K)	NPK (10:20:20)
1990-91	195.0	90.0	85.0	173.0	93.0	249.0	150.0	176.0
1991-92	195.0	95.0	90.0	173.0	93.0	272.0	150.0	176.0
1992-93	205.0	109.0	96.0	196.0	93.0	264.0	195.0	247.0
1993-94	210.1	..	125.3	202.6	95.8	269.0	195.0	247.0
1994-95	235.0	150.0	164.0	250.0	150.0	379.0	195.0	247.0
1995-96	267.0	172.0	172.0	320.0	183.0	479.0	331.0	..
1996-97	340.0	209.0	197.0	384.0	211.0	553.0	532.0	..
1997-98	341.0	223.6	232.5	396.6	200.0	564.6	540.0	..
1998-99	346.0	231.0	275.0	457.0	234.0	665.0	541.0	..
1999-00	327.0	231.0	286.0	464.0	298.0	649.0	543.0	..
2000-01	363.0	233.0	300.0	468.0	253.0	670.0	682.0	..
2001-02	394.0	268.0	308.0	519.0	280.0	710.0	765.0	..
2002-03	411.0	282.0	344.0	539.0	287.0	765.0	780.0	..
2003-04	420.0	208.0	373.0	622.0	329.0	913.0	809.0	..
2004-05	468.0	353.0	405.0	704.0	373.0	1,001.0	996.0	..
2005-06	509.0	395.0	744.0	710.0	407.0	1,079.0	1,170.0	..
2006-07	527.0	396.0	779.0	670.0	334.0	993.0	985.0	..
2007-08	581.0	471.0	867.0	1,267.0	572.0	1,934.0	1,497.0	..
2008-09	751.0	704.0	1,330.0	1,700.0	874.0	2,578.0	2,091.0	..
2009-10	799.0	701.0	1,223.0	1,452.0	726.0	2,267.0	2,370.0	..
2010-11	1,035.0	843.0	1,124.0	2,108.0	896.0	3,236.0	2,807.0	..
2011-12	1,719.0	1,392.0	..	2,691.0	1,260.0	4,054.0	3,797.0	..
2012-13	1,799.0	1,443.0	..	2,524.0	1,172.0	3,902.0	3,945.0	..
2013-14	1,827.0	1,566.0	..	2,513.0	1,050.0	3,640.0	4,233.0	..
2014-15 P	1,891.0	1,606.0	..	2,586.0	1,011.0	3,664.0	4,849.0	..

P: Provisional (Jul-Mar) ..: Not available

Source: Pakistan Bureau of Statistics
National Fertilizer Development Centre

AN/CAN: Ammonium Nitrate/Calcium Ammonium Nitrate
ASN: Ammonium Super Nitrate
AS: Ammonium Sulphate
DAP: Diammonium Phosphate
NP: Nitrophosphate
SOP: Sulphate of Potash
SSP: Single Super Phosphate
NPK: Nitrogen Phosphate and Potash

TABLE 2.11

AREA IRRIGATED BY DIFFERENT SOURCES

(Million hectares)

Fiscal Year	Canals	Wells	Canal Wells	Tube wells	Canal Tube wells	Others	Total
1990-91	7.89	0.13	0.08	2.56	5.87	0.22	16.75
1991-92	7.85	0.16	0.11	2.59	5.93	0.21	16.85
1992-93	7.91	0.18	0.10	2.67	6.23	0.24	17.33
1993-94	7.73	0.14	0.09	2.78	6.22	0.17	17.13
1994-95	7.51	0.17	0.10	2.83	6.41	0.18	17.20
1995-96	7.60	0.18	0.11	2.89	6.58	0.22	17.58
1996-97	7.81	0.18	0.11	2.90	6.61	0.22	17.85
1997-98	7.79	0.16	0.13	3.00	6.74	0.18	18.00
1998-99	7.67	0.17	0.09	2.98	6.88	0.16	17.95
1999-00	7.56	0.18	0.09	3.11	6.99	0.18	18.11
2000-01	6.98	0.16	0.10	3.19	7.22	0.17	17.82
2001-02	6.81	0.20	0.16	3.45	7.24	0.18	18.04
2002-03	7.06	0.21	0.17	3.42	7.17	0.20	18.22
2003-04	7.22	0.22	0.15	3.49	7.47	0.21	18.76
2004-05	7.00	0.25	0.19	3.46	7.70	0.24	18.84
2005-06	7.06	0.28	0.20	3.58	7.78	0.22	19.12
2006-07	6.78	0.67	0.22	3.89	7.78	0.25	19.59
2007-08	6.91	0.31	0.17	3.83	7.79	0.28	19.29
2008-09	6.81	0.31	0.20	3.82	7.94	0.24	19.39
2009-10	6.78	0.31	0.26	3.88	7.07	0.28	20.06
2010-11	6.39	0.36	0.25	3.92	7.60	0.72	19.24
2011-12	6.30	0.35	0.19	4.03	7.86	0.72	19.45
2012-13	5.65	0.30	0.19	3.81	7.86	0.19	18.00
2013-14	5.96	0.38	0.27	3.71	8.15	0.17	18.64
2014-15 P	5.96	0.38	0.27	3.71	8.15	0.17	18.64

P : Provisional

Source: Pakistan Bureau of Statistics
Ministry of National Food Security & Research

TABLE 2.12

PROCUREMENT/SUPPORT PRICES OF AGRICULTURAL COMMODITIES

(Rs per 40 Kg)

Fiscal Year	Wheat	Rice		Paddy			Sugarcane (at factory gate)			
		Basmati 385	Irri-6 (F.A.Q)	Basmati 385	Basmati Super/2000	Irri-6	Khyber Pakhtunkhwa	Punjab	Sindh	Baloch-istan
1990-91	112.0	283.0	127.0	143.5	..	73.0	15.3	15.3	15.8	..
1991-92	124.0	308.0	140.0	155.0	..	78.0	16.8	16.8	17.0	17.0
1992-93	130.0	340.0	150.0	175.0	..	85.0	17.5	17.5	17.8	17.5
1993-94	160.0	360.0	157.0	185.0	..	90.0	18.0	18.0	18.3	18.3
1994-95	160.0	389.0	170.0	210.9	..	102.6	20.5	20.5	20.8	20.8
1995-96	173.0	419.8	183.0	222.0	..	112.0	21.5	21.5	21.8	21.8
1996-97	240.0	461.8	210.5	255.3	..	128.8	24.0	24.0	24.5	24.5
1997-98	240.0	..	..	310.0	360.0	153.0	35.0	35.0	36.0	36.0
1998-99	240.0	..	..	330.0	400.0	175.0	35.0	35.0	36.0	36.0
1999-00	300.0	..	..	350.0	425.0	185.0	35.0	35.0	36.0	36.0
2000-01	300.0	..	..	385.0	460.0	205.0	35.0	35.0	36.0	36.0
2001-02	300.0	..	..	385.0	460.0	205.0	42.0	42.0 **	43.0	43.0
2002-03	300.0	..	..	385.0	460.0	205.0	42.0	42.0	43.0	43.0
2003-04	350.0	..	..	400.0	485.0	215.0	42.0	42.0	43.0	43.0
2004-05	400.0	..	..	415.0	510.0	230.0	42.0	42.0	43.0	43.0
2005-06	415.0	..	..	460.0	560.0	300.0	48.0	45.0	60.0	..
2006-07	425.0	..	..	..	..	306.0	65.0	60.0	67.0	..
2007-08	625.0	..	..	..	..	..	65.0 **	60.0 **	63.0	..
2008-09	950.0	2,500.0	1,400.0	1,250.0 *	1,500.0	700.0	80.0	80.0	81.0	..
2009-10	950.0	..	..	1,000.0 *	1,250.0	600.0	100.0	100.0	102.0	..
2010-11	950.0	..	..	..	..	..	125.0	125.0	125.0	..
2011-12	1,050.0	..	..	..	..	..	150.0	150.0	154.0	..
2012-13	1,200.0	..	..	..	..	..	170.0	170.0	172.0	..
2013-14	1,200.0	..	..	..	..	..	170.0	170.0	172.0	..
2014-15 P	1,300.0	..	..	..	..	..	180.0	180.0	182.0	..

F.A.Q : Fair Average Quality ..: Not available (Contd.)

*: Price of Basmati Super (Paddy) Rs. 1500/40kg for 2008-09 and Rs. 1250 for 2009-10

** : Sugarcane prices are fixed by the respective Provincial Government

TABLE 2.12 (Continued)

PROCUREMENT/SUPPORT PRICES OF AGRICULTURAL COMMODITIES

(Rs. per 40 Kg)

Fiscal Year	Cotton Lint				Seed Cotton (Phutti)				Potato	Onion
	Desi	AC-134, NT	B-557 149-F	Sarmast Qallan-dri Delta-pine MS-39-40	Desi	AC-134, NT	B-557 F-149 Niab-78	Sarmast Qallan-dri Delta-pine MS-39-40		
1990-91	550.0	615.0	645.0	690.0	220.0	235.0	245.0	260.0	55.0	51.5
1991-92	662.0	685.0	715.0	745.0	255.0	270.0	280.0	290.0	65.0	60.0
1992-93	695.0	..	770.0 *	800.0	275.0	..	300.0 *	310.0	67.0	65.0
1993-94	726.0	..	801.0 *	831.0	290.0	..	315.0 *	325.0	77.0	78.0
1994-95	795.0	..	986.0 *	1055.0	340.0	..	400.0 *	423.0	84.0	78.0
1995-96	795.0	..	986.0 *	1055.0	340.0	..	400.0 *	423.0	84.0	85.0
1996-97	..	..	..	..	440.0	..	500.0 *	540.0	115.0	100.0
1997-98	..	..	..	..	440.0	..	500.0 *	540.0	145.0	112.0
1998-99	..	..	..	..	..	..	825.0 *	..	145.0	140.0
1999-00	..	..	..	..	..	..	725.0 *	..	145.0	..
2000-01	..	..	..	..	..	..	725.0 *	..	145.0	..
2001-02	..	..	..	..	..	..	780.0	..	..	..
2002-03	..	..	..	..	..	..	800.0	..	..	..
2003-04	..	..	..	..	..	..	850.0	..	..	..
2004-05	..	..	..	..	..	..	925.0	..	..	..
2005-06	..	..	..	..	..	..	975.0	..	..	..
2006-07	..	..	..	..	..	..	1025.0	..	..	..
2007-08	..	..	..	..	..	..	1025.0	..	..	..
2008-09	..	..	..	..	..	..	1465.0	..	..	..
2009-10	..	..	..	..	..	..	..	..	..	..
2010-11	..	..	..	..	..	..	..	..	..	..
2011-12	..	..	..	..	..	..	..	..	..	..
2012-13	..	..	..	..	..	..	..	..	..	..
2013-14	..	..	..	..	..	..	..	..	..	..
2014-15	..	..	..	..	..	..	3000.0	..	..	..

..: Not available

*: Niab-78, CIM

Source: Ministry of National Food Security & Research

TABLE 2.13

PROCUREMENT, RELEASES AND STOCKS OF WHEAT AND RICE

(000 tonnes)

Fiscal Year	Wheat (May-April) Procure-ment	Releases	Stocks As on 1st May	Rice Procured Basmati	Others	Stocks Balance (as on 1st July) Basmati	Others
1990-91	4,412.4	5,608.0	1,508.0	142.7	673.8	719.3	117.5
1991-92	3,159.0	5,431.0	1,000.0	121.6	370.3	486.8	314.7
1992-93	3,249.0	5,143.0	505.0	500.5	454.0	285.2	540.5
1993-94	4,120.0	5,982.0	1,007.0	144.9	681.4	224.8	541.2
1994-95	3,644.0	5,999.0	776.0	284.0	..	236.4	848.5
1995-96	3,740.0	5,139.0	385.0	50.8	154.6	494.3	117.7
1996-97	3,448.0	5,987.0	453.0	..	..	159.4	187.9
1997-98	2,725.0	5,794.0	902.0	..	..	..	..
1998-99	3,984.0	6,165.0	981.0	..	..	..	..
1999-00	4,070.0	6,131.0	702.0	..	..	..	..
2000-01	8,582.0	5,537.0	3,552.0	..	..	..	..
2001-02	4,081.0	3,376.0	3,683.0	..	..	..	..
2002-03	4,045.0	5,130.0	992.0	..	..	..	..
2003-04	3,514.0	4,104.0	161.0	..	..	..	..
2004-05	3,939.0	4,500.0	350.0	..	..	..	..
2005-06	4,514.0	2,088.4	2,107.4	..	..	..	..
2006-07	4,422.0	6,003.0	501.0	..	..	..	..
2007-08	3,918.0	6,320.0	136.0	..	..	..	..
2008-09	9,200.0	5,784.4	821.9	..	..	..	..
2009-10	6,715.0	5,985.0	4,223.0	..	..	..	..
2010-11	6,150.0	6,404.0	3,186.0	..	..	..	..
2011-12	5,792.0	5,820.0	3,506.0	..	..	..	..
2012-13	7,910.0	6,363.0	1,681.0	..	..	..	..
2013-14	5,948.0	6,452.0	1,177.0	..	..	..	..
2014-15 P	6,131.0	3,957.0	3,351.0	..	..	..	..

P: Provisional ..: not available Source: Ministry of National Food Security & Research

TABLE 2.14

LIVESTOCK POPULATION

(Million Numbers)

Fiscal Year	Buffaloes	Cattle	Goats	Sheep	Poultry	Camels	Asses	Horses	Mules
1990-91	17.8	17.7	37.0	26.3	146.9	1.1	3.5	0.4	0.1
1991-92	18.3	17.7	38.7	27.4	156.2	1.1	3.8	0.5	0.1
1992-93	18.7	17.8	40.2	27.7	182.6	1.1	3.8	0.4	0.1
1993-94	19.2	17.8	42.0	28.3	250.0	1.1	3.9	0.4	0.1
1994-95	19.7	17.8	43.8	29.1	318.8	1.1	4.0	0.4	0.1
1995-96	20.3	20.4	41.2	23.5	350.0	0.8	3.6	0.3	0.1
1996-97	20.8	20.8	42.6	23.7	382.0	0.8	3.6	0.3	0.1
1997-98	21.4	21.2	44.2	23.8	276.0	0.8	3.2	0.3	0.1
1998-99	22.0	21.6	45.8	23.9	278.0	0.8	3.8	0.3	0.1
1999-00	22.7	22.0	47.4	24.1	282.0	0.8	3.8	0.3	0.2
2000-01	23.3	22.4	49.1	24.2	292.4	0.8	3.9	0.3	0.2
2001-02	24.0	22.8	50.9	24.4	330.0	0.8	3.9	0.3	0.2
2002-03	24.8	23.3	52.8	24.6	346.1	0.8	4.1	0.3	0.2
2003-04	25.5	23.8	54.7	24.7	352.6	0.7	4.1	0.3	0.2
2004-05	26.3	24.2	56.7	24.9	372.0	0.7	4.2	0.3	0.3
2005-06 *	27.3	29.6	53.8	26.5	433.8	0.9	4.3	0.3	0.2
2006-07	28.2	30.7	55.2	26.8	477.0	0.9	4.3	0.3	0.2
2007-08	29.0	31.8	56.7	27.1	518.0	1.0	4.4	0.3	0.2
2008-09	29.9	33.0	58.3	27.4	562.0	1.0	4.5	0.4	0.2
2009-10	30.8	34.3	59.9	27.8	610.0	1.0	4.6	0.4	0.2
2010-11	31.7	35.6	61.5	28.1	663.0	1.0	4.7	0.4	0.2
2011-12	32.7	36.9	63.1	28.4	721.0	1.0	4.8	0.4	0.2
2012-13	33.7	38.3	64.9	28.8	785.0	1.0	4.9	0.4	0.2
2013-14	34.6	39.7	66.6	29.1	855.0	1.0	4.9	0.4	0.2
2014-15	35.6	41.2	68.4	29.4	932.0	1.0	5.0	0.4	0.2

Source: Ministry of National Food Security & Research

***: Actual figures of Livestock Census 2006**

Note: From 2006-07 onward figures estimates are based on Inter census growth rate of Livestock Census 1996 & 2006

TABLE 2.15

LIVESTOCK PRODUCTS

(000 Tonnes)

Fiscal Year		Milk*	Beef	Mutton	Poultry Meat	Wool	Hair	Bones	Fats	Blood	Eggs (Mln.Nos.)	Hides (Mln.Nos.)	Skins (Mln.Nos.)
1990-91		15,481	765	665	151	48.1	7.9	259.0	101.8	40.1	4,490	5.9	32.7
1991-92		16,280	803	713	169	49.3	8.3	265.0	104.5	42.5	4,914	6.0	33.9
1992-93		17,120	844	763	265	50.5	8.1	271.0	107.2	45.1	5,164	6.1	36.0
1993-94		18,006	887	817	296	51.7	9.0	277.0	110.0	47.3	5,740	6.2	37.8
1994-95		18,986	931	875	308	53.1	9.4	283.0	113.0	50.7	5,927	6.3	39.3
1995-96		22,970	898	587	355	38.1	15.6	295.7	110.1	32.0	5,757	7.0	32.7
1996-97		23,580	919	602	387	38.3	16.2	302.3	112.6	32.8	6,015	7.1	34.5
1997-98		24,215	940	617	284	38.5	16.7	309.2	115.2	33.6	5,737	7.3	35.3
1998-99		24,876	963	633	310	38.7	17.3	316.3	117.8	34.4	8,261	7.5	36.3
1999-00		25,566	986	649	322	38.9	17.9	324.0	120.6	40.9	7,321	7.6	37.2
2000-01		26,284	1,010	666	339	39.2	18.6	331.4	123.5	41.8	7,505	7.8	38.2
2001-02		27,031	1,034	683	355	39.4	19.3	339.4	126.5	42.9	7,679	7.9	39.2
2002-03		27,811	1,060	702	370	39.7	19.9	347.6	129.7	44.0	7,860	8.2	40.3
2003-04		28,624	1,087	720	378	39.9	20.7	356.2	132.9	45.2	8,102	8.4	42.4
2004-05		29,438	1,115	739	384	40.0	20.7	365.1	136.3	45.2	8,529	8.6	42.6
2005-06	**	31,970	1,449	554	512	40.1	20.3	633.5	203.3	51.4	9,712	11.4	43.3
2006-07		32,996	1,498	566	554	40.6	20.8	652.5	209.2	52.7	10,197	11.8	44.3
2007-08		34,064	1,549	578	601	41.0	21.4	672.2	215.3	54.1	10,711	12.2	45.3
2008-09		35,160	1,601	590	652	41.5	22.0	692.4	221.6	55.4	11,258	12.6	46.3
2009-10		36,299	1,655	603	707	42.0	22.6	713.4	228.1	56.8	11,839	13.0	47.4
2010-11		37,475	1,711	616	767	42.5	23.2	735.1	234.8	58.3	12,857	13.5	48.5
2011-12		38,617	1,769	629	834	43.0	23.8	757.5	241.7	59.8	13,114	13.9	49.6
2012-13		39,855	1,829	643	907	43.6	24.4	780.5	248.8	61.3	13,813	14.4	50.7
2013-14		41,133	1,887	657	987	44.1	25.1	802.9	255.8	62.8	14,556	14.9	51.9
2014-15 P		42,454	1,951	671	1074	44.6	25.8	827.2	263.3	64.4	15,346	15.4	53.1

P: Provisional **Source: Ministry of National Food Security & Research**

***: Human Consumption**

****: Actual figures of Livestock Census 2006**

Note: From 2006-07 onward figures estimates are based on Inter census growth rate of Livestock Census 1996 & 2006

MANUFACTURING AND MINING

TABLE 3.1

RESERVES AND EXTRACTION OF PRINCIPAL MINERALS

Minerals in 000 tonnes	Antimony (tonnes)	Argonite/ Marble	China Clay	Celestite (tonnes)	Chromite	Coal	Dolomite (tonnes)	Fire Clay	Fullers Earth	Gypsum Anhydrite	Lime Stone
Reserves Quantity		Very large Deposits	4.9 million tons	..	fairly large Deposits	185 billion tonnes	Very large Deposits	Over 100 million tons	fairly large Deposits	350 million tons	Very large Deposits
Years											
1990-91	128	281	44	1,773	24	3,054	154,591	120	23	468	9,009
1991-92	-	321	42	1,069	28	3,627	180,987	139	21	471	8,528
1992-93	5	388	37	1,682	23	3,256	220,241	132	23	533	9,015
1993-94	3	460	48	4,398	11	3,534	228,090	116	17	666	9,125
1994-95	-	467	31	1,403	13	3,043	227,079	152	15	620	9,682
1995-96	-	458	43	762	27	3,465	185,115	112	18	420	9,740
1996-97	-	459	66	812	35	3,496	215,556	110	12	522	9,491
1997-98	-	345	68	961	35	3,145	116,046	94	18	307	11,166
1998-99	-	403	67	642	18	3,378	198,831	153	16	242	9,467
1999-00	-	579	63	802	26	3,164	347,583	139	19	355	9,589
2000-01	95	620	47	807	22	3,285	352,689	164	13	364	10,870
2001-02	37	685	54	382	24	3,512	312,886	171	16	402	10,820
2002-03	-	1,066	40	402	31	3,609	340,864	117	15	424	11,880
2003-04	-	994	25	570	29	3,325	297,419	193	14	467	13,150
2004-05	5	1,280	38	1,855	56	3,367	199,653	254	17	552	14,857
2005-06	91	1,835	53	3,160	65	3,881	183,952	333	16	601	18,428
2006-07	119	1,980	31	1,530	104	3,877	342,463	347	11	624	25,512
2007-08	245	1,537	32	1,310	115	4,066	359,994	330	11	660	31,789
2008-09	75	1,145	17	470	90	3,679	249,918	389	10	800	33,186
2009-10	25	1,065	23	160	257	3,536	130,408	329	11	854	37,137
2010-11	25	1,069	16	-	148	3,292	240,111	274	4	885	32,021
2011-12	12	1,734	22	-	179	3,179	198,392	408	7	1,260	35,016
2012-13	89	2,360	23	-	136	2,813	335,819	455	4	1,250	38,932
2013-14	127	2,591	16	-	84	3,140	592,918	458	6	1,322	36,463
Jul-Mar											
2013-14	127	1,782	12	-	54	2,329	274,747	314	5	952	24,726
2014-15 P	80	1,550	12	-	60	2,091	202,266	285	8	1,066	27,881

.. : Not available

P : Provisional

(Contd.)

TABLE 3.1

RESERVES AND EXTRACTION OF PRINCIPAL MINERALS

(000 tonnes)

Minerals in 000 tonnes	Magne-site (tonnes)	Rock Salt	Silica Sand	Ochre (tonnes)	Sulphur (tonnes)	Soap Stone	Baryte	Bauxite/ Laterite (tonnes)	Iron Ore (tonnes)	Crude Oil (m. barrels)	Natural Gas (000 m.cu.mtr.)
Reserves Quantity		Over 100 million tonnes	Very large deposits	..	0.8 million tonnes	0.6 million tonnes	5 million tonnes	Over 74 million tonnes	Over 430 million tonnes	184 million US barrels	492 billion cu. metre
Years											
1990-91	4,242	736	143	1,285	295	32	26	24,644	318	23.49	14.66
1991-92	6,333	833	132	1,001	215	37	30	21,818	937	22.47	15.57
1992-93	5,047	895	158	1,000	510	48	26	18,682	1,922	21.90	16.50
1993-94	7,000	916	169	745	715	44	18	34,984	3,792	20.68	17.65
1994-95	5,227	890	152	4,623	510	34	20	32,214	8,103	19.86	17.77
1995-96	14,981	958	184	8,081	20	40	14	19,554	6,046	21.05	18.85
1996-97	6,679	1,066	154	2,047	640	45	30	33,583	4,575	21.27	19.76
1997-98	3,397	971	135	3,147	22,458	49	30	28,366	5,500	20.54	19.82
1998-99	3,455	1,190	158	4,080	19,103	61	18	41,362	38,151	19.95	20.92
1999-00	4,513	1,358	167	4,793	22,812	48	26	48,237	45,980	20.40	23.17
2000-01	4,645	1,394	155	4,691	17,428	47	28	35,114	24,765	21.08	24.78
2001-02	4,637	1,423	157	5,064	22,580	39	21	37,182	4,942	23.19	26.16
2002-03	2,645	1,426	185	6,733	19,402	66	41	67,536	11,483	23.46	28.11
2003-04	6,074	1,640	259	7,861	23,873	53	44	88,044	84,946	22.62	34.06
2004-05	3,029	1,648	309	18,686	24,158	21	42	78,288	104,278	24.12	38.08
2005-06	2,446	1,859	411	34,320	24,695	21	52	60,370	131,259	23.94	39.65
2006-07	3,445	1,873	402	61,665	27,710	45	47	150,796	125,879	24.62	40.03
2007-08	3,940	1,849	403	46,215	29,485	38	50	174,223	286,255	25.60	41.18
2008-09	2,639	1,917	370	56,617	25,784	14	63	137,485	320,214	24.03	41.37
2009-10	5,159	1,944	411	55,352	26,641	54	57	190,077	437,003	23.70	41.99
2010-11	4,908	1,954	301	36,078	27,645	48	32	308,027	329,100	24.04	41.68
2011-12	5,544	2,136	270	42,107	25,560	56	49	307,339	384,893	24.57	44.15
2012-13	6,705	2,160	356	37,769	20,610	93	118	353,355	412,108	27.84	42.65
2013-14	3,725	2,220	268	32,634	35,672	72	132	411,322	192,749	31.58	42.30
July-March											
2013-14	2,591	1,691	200	22,974	26,650	52	86	322,606	143,804	22.95	31.86
2014-15 P	3,869	1,622	175	23,077	17,113	73	100	349,199	236,335	26.17	31.11

P : Provisional

Source : Pakistan Bureau of Statistics

TABLE 3.2

PRODUCTION INDEX OF MINING AND MANUFACTURING

	Mining			Manufacturing
Year	1969-70=100	1975-76=100	1980-81=100	1980-81=100
1990-91	468.0	410.3	275.2	202.5
1991-92	472.1	412.8	277.8	218.5
1992-93	478.0	420.6	278.4	227.5
1993-94	483.4	427.1	275.2	237.2
1994-95	461.8	417.6	270.8	240.8
1995-96	504.8	445.3	296.7	248.4
1996-97	520.1	456.3	305.6	243.1
1997-98	512.3	449.5	302.5	261.6
1998-99	509.1	448.7	283.1	270.8
			1999-2000=100	
1999-00	545.6	468.8	100.0	100.0
2000-01	576.7	497.6	105.6	101.0
2001-02	611.3	532.8	112.5	114.8
2002-03	656.7	572.4	119.6	123.1
2003-04	709.8	597.2	134.8	146.4
2004-05	..	..	148.7	173.0
2005-06	..	..	155.4	188.8
2006-07	..	..	158.6	205.1
2007-08	..	..	162.8	213.9
2008-09	..	..	160.3	195.9
				2005-06=100
2009-10	..	..	162.6	109.5
2010-11	..	..	160.7	111.1
2011-12	..	..	170.3	112.4
2012-13	..	..	171.5	117.0
2013-14	..	..	176.2	121.7
July-March				
2013-14	..	..	175.9	112.5
2014-15	..	..	177.9	125.6

.. : Not available

Source: Pakistan Bureau of Statistics

TABLE 3.3

COTTON TEXTILES STATISTICS

Year	No. of Mills	Installed Capacity No. of Spindles (000)	Installed Capacity No. of Looms (000)	Working at the end of the period No. of Spindles (000)	Working at the end of the period No. of Looms (000)	Spindle Hours Worked (Million)	Loom Hours Worked (Million)	Consumption of Cotton (mln kg)	Total Yarn Produced (mln.kg)	Surplus Yarn (mln. kg)	Total Production of Cloth (mln. sq mtr.)
1990-91	247	5,493	15	4,754	8	39,542	60.2	1,197.5	1,041.2	1,001.0	292.9
1991-92	271	6,141	15	5,260	8	43,606	58.8	1,342.8	1,170.7	1,134.7	307.9
1992-93	284	6,768	14	5,433	6	46,364	55.5	1,427.0	1,219.0	1,148.6	325.4
1993-94	320	8,182	14	5,886	6	47,221	44.0	1,483.4	1,309.6	1,272.8	314.9
1994-95	334	8,307	14	5,991	5	49,734	41.8	1,558.9	1,369.7	1,340.6	321.8
1995-96	349	8,493	13	6,356	5	52,239	37.1	1,661.9	1,495.1	1,434.7	327.0
1996-97	357	8,137	10	6,465	5	53,625	36.4	1,670.1	1,520.8	1,473.9	333.5
1997-98	353	8,274	10	6,556	4	55,005	37.7	1,751.0	1,532.3	1,478.9	340.3
1998-99	348	8,298	10	6,594	5	55,802	35.2	1,839.6	1,540.3	1,482.4	384.6
1999-00	351	8,383	10	6,750	4	57,205	34.3	1,961.6	1,669.9	1,604.4	437.2
2000-01	353	8,594	10	7,105	4	59,219	34.1	2,070.1	1,721.0	1,652.7	490.2
2001-02	354	8,967	10	7,078	5	61,267	36.3	2,155.2	1,808.6	1,731.2	568.4
2002-03	363	9,216	10	7,623	5	64,274	38.7	2,371.3	1,934.9	1,855.4	576.6
2003-04	357	9,499	10	7,934	4	69,652	32.7	2,397.8	1,929.1	1,835.9	683.4
2004-05	423	10,941	9	8,852	5	72,255	31.2	2,622.8	2,270.3	2,104.9	924.7
2005-06	437	11,168	9	9,631	4	74,884	24.8	2,932.6	2,556.3	2,457.6	915.3
2006-07	427	11,266	8	10,057	4	76,892	21.7	3,143.5	2,727.6	2,623.2	1,012.9
2007-08	427	11,834	8	9,960	4	76,400	21.5	3,153.2	2,809.4	2,700.3	1,016.4
2008-09	431	11,280	8	10,241	4	75,893	23.0	3,195.6	2,862.4	2,754.0	1,019.7
2009-10	439	11,392	7	10,632	4	74,654	22.4	3,372.4	2,881.0	2,776.6	1,009.6
2010-11	439	11,392	7	10,850	5	75,000	23.0	3,456.7	2,938.6	2,831.8	1,029.8
2011-12	433	11,762	7	10,660	5	76,932	22.6	3,427.1	2,964.6	2,857.5	1,024.3
2012-13	477	11,946	8	10,872	5	76,757	23.0	3,539.3	3,069.7	2,334.7	1,029.1
2013-14	442	12,310	8	11,000	5	76,950	23.0	3,675.5	3,333.4	2,558.7	1,036.1
2014-15 P	442	13,269	8	11,083	6	77,000	23.5	3,712.2	3,366.7	2,666.7	1,046.5

P : Provisional

Source : Textile Commissioner Organization

TABLE 3.4

PRODUCTION OF FERTILIZERS, VEGETABLE GHEE, SUGAR AND CEMENT

(000 tonnes)

Year	Fertilizers					Vegetable Ghee	Sugar	Cement
	Urea	Super Phos-phate	Ammo-nium Nitrate	Ammo-nium Sulphate	Nitro Phos-phate			
1990-91	2,050.3	175.1	318.8	92.3	321.0	656	1,934	7,762
1991-92	1,898.0	194.0	300.0	92.9	309.8	639	2,322	8,321
1992-93	2,306.1	205.0	302.2	92.9	297.3	725	2,384	8,558
1993-94	3,103.8	195.1	242.7	82.0	251.4	671	2,841	8,100
1994-95	3,000.2	147.0	313.9	79.6	285.0	711	2,964	7,913
1995-96	3,260.1	103.7	383.5	83.7	336.5	733	2,426	9,567
1996-97	3,258.7	0.1	330.2	80.9	350.3	714	2,383	9,536
1997-98	3,284.2	0.0	316.3	..	293.2	719	3,555	9,364
1998-99	3,521.7	21.6	338.8	..	285.0	773	3,542	9,635
1999-00	3,785.0	145.8	386.5	..	261.3	698	2,429	9,314
2000-01	4,005.1	159.6	374.4	..	282.5	835	2,956	9,672
2001-02	4,259.6	161.0	329.4	..	305.7	797	3,247	9,935
2002-03	4,401.9	147.2	335.3	..	304.9	772	3,686	10,845
2003-04	4,431.6	167.7	350.4	..	363.5	888	4,021	12,862
2004-05	4,606.4	163.1	329.9	..	338.9	1,048	3,116	16,353
2005-06	4,806.4	160.8	327.9	..	356.6	1,151	2,960	18,564
2006-07	4,732.5	148.9	330.8	..	325.8	1,180	3,527	22,739
2007-08	4,925.0	157.7	343.7	..	329.7	1,137	4,733	26,751
2008-09	4,918.4	187.4	344.3	..	305.7	1,060	3,190	28,380
2009-10	5,056.5	148.7	345.5	..	304.4	1,075	3,143	31,160
2010-11	4,552.1	173.3	275.1	..	252.3	1,091	4,169	28,716
2011-12	4,470.1	114.7	432.3	..	337.6	1,102	4,634	29,557
2012-13	4,215.1	79.3	401.0	..	291.9	1,148	5,073	31,055
2013-14	4,930.3	87.8	519.1		447.1	1,180	5,582	31,320
<u>July-March</u>								
2013-14	3,767.1	64.3	400.7	..	350.1	885	5,124	22,804
2014-15 P	3,806.0	47.3	361.9	..	317.7	873	4,812	23,428

P : Provisional .. : Nil

Source: Pakistan Bureau of Statistics

TABLE 3.5

PRODUCTION OF SELECTED INDUSTRIAL ITEMS

Year	Food and Tobacco		Jute	Rubber			
	Beverages (000 litres)	Cigarettes (Million Nos)	Textiles (000 tonnes)	Motor Tyres (000 Nos)	Motor Tubes (000 Nos)	Cycle Tyres (000 Nos)	Cycle Tubes (000 Nos)
1990-91	67,607	29,887	96.9	952	646	3,828	5,468
1991-92	85,266	29,673	100.9	784	618	3,751	5,757
1992-93	139,823	29,947	97.5	712	550	3,826	5,612
1993-94	113,704	35,895	76.4	783	706	3,872	6,191
1994-95	143,019	32,747	68.5	912	833	3,523	5,146
1995-96	131,114	45,506	70.6	1003	909	3,988	5,594
1996-97	115,817	46,101	68.7	525	643	4,112	5,205
1997-98	149,848	48,215	95.4	767	665	1,415	4,978
1998-99	185,014	51,578	85.5	845	586	3,665	5,529
1999-00	2,332	46,976	85.5	2,199.3	3,483.3	3,766	5,937
2000-01	2,542	58,259	89.4	2,439.3	3,386.8	4,056	5,892
2001-02	2,492	55,100	81.7	2,693.8	3,418.6	4,652	7,058
2002-03	2,289	49,365	95.5	3,359.6	4,091.3	533	8,942
2003-04	2,691	55,399	104.0	5,175.4	4,964.0	4,768	8,270
2004-05	3,424	61,097	104.8	5,336.3	6,278.5	4,900	9,612
2005-06	1,161	64,137	104.5	5,941.6	7,163.8	5,287	10,204
2006-07	1,150	65,980	118.5	7,027.4	10,277.0	5,182	10,420
2007-08	1,841	67,446	129.0	6,990.2	9,627.1	4,243	9,224
2008-09	1,894	75,609	137.4	7,088.6	14,515.4	3,213	6,876
2009-10	1,554	65,292	106.2	8,672.4	20,152.4	3,405	7,273
2010-11	1,490	65,403	93.2	9,222.0	19,108.0	2,879	6,534
2011-12	1,812	61,954	94.1	7,011.2	20,337.9	3,431	6,846
2012-13	2,077	67,377	102.8	7,864.0	20,268.0	3,429	7,746
2013-14	2,520	64,482	101.8	8,770.0	20,841.0	4,067	8,033
July-March							
2013-14	1,765	47,114	78.7	6,553.0	15,585.0	3,045	6,058
2014-15 P	2,041	46,790	71.7	6,499.8	15,882.0	3,510	6,600

P : Provisional

(Contd.)

TABLE 3.5

PRODUCTION OF SELECTED ITEMS

Year	Chemicals						Transport, Machinery & Electrical Appliances		
	Soda Ash (000 tonnes)	Sulphuric Acid (000 tonnes)	Caustic Soda (000 tonnes)	Chlorine Gas (000 tonnes)	Paints & Varnishes (tonnes)	Polishes & Creams for Footwear (mln. grams)	Bicycles (000 Nos.)	Sewing Machines (000 Nos.)	Total TV Sets (000 Nos.)
1990-91	147.2	93.5	78.5	6.7	14,308	651.1	428.8	81.3	181.7
1991-92	185.9	97.6	82.0	6.1	18,950	682.5	478.4	85.1	145.5
1992-93	196.2	99.8	81.5	5.9	16,626	638.1	588.6	72.3	162.2
1993-94	197.0	102.3	89.0	5.8	9,373	602.8	563.7	76.7	112.5
1994-95	196.1	80.4	92.7	7.8	6,865	719.5	473.4	68.1	101.1
1995-96	221.2	69.2	109.0	9.1	8,030	836.8	545.1	84.1	277.6
1996-97	247.0	30.8	118.2	9.4	8,005	861.1	432.4	61.1	185.6
1997-98	240.3	28.1	115.7	9.7	5,917	869.7	452.1	36.2	107.4
1998-99	239.4	27.0	120.4	11.3	6,500	888.8	504.0	29.7	128.3
1999-00	245.7	57.7	141.3	14.2	7,347	897.7	534.1	27.6	121.6
2000-01	217.9	57.1	145.5	14.5	10,922	906.7	569.6	26.9	97.4
2001-02	215.2	59.4	150.3	15.1	10,341	920.9	553.4	24.0	450.0
2002-03	280.3	56.0	164.4	15.9	3,899	935.3	629.7	30.6	764.6
2003-04	286.5	64.7	187.5	17.2	5,406	950.1	664.1	35.0	843.1
2004-05	297.3	91.3	206.7	19.1	15,023	959.6	587.9	36.1	908.8
2005-06	318.7	94.4	219.3	18.3	17,147	969.2	589.6	39.1	935.1
2006-07	330.6	96.3	242.2	17.2	23,936	978.8	486.3	52.2	608.6
2007-08	364.9	102.8	248.3	18.2	26,308	988.6	535.5	57.3	716.1
2008-09	365.3	97.8	245.3	16.5	29,831	998.5	419.9	50.8	402.3
2009-10	409.6	84.7	182.3	16.1	30,749	1008.5	447.2	48.6	342.9
2010-11	378.0	114.7	172.0	15.1	25,673	1018.6	345.2	47.0	425.5
2011-12	370.7	100.4	179.1	15.8	23,026	1028.8	262.1	39.6	268.8
2012-13	366.2	89.4	182.8	15.4	28,048	1039.0	232.9	32.8	462.9
2013-14	409.1	85.7	167.4	14.9	36,714	1049.4	205.4	19.8	426.4
July-March									
2013-14	319.0	67.0	125.4	11.4	25,951	751.8	153.5	13.8	322.1
2014-15 P	318.0	51.0	128.2	13.4	31,174	759.3	151.6	12.9	327.7

P : Provisional **(Contd.)**

TABLE 3.5

PRODUCTION OF SELECTED INDUSTRIAL ITEMS

Year	Electrical Appliances		Paper & Board		Steel Products		
	Electric Bulbs (Mln.Nos)	Electric Tubes (000 metres)	Paper Board (000 tonnes)	Paper (All Types) (000 tonnes)	Coke (000 tonnes)	Pig Iron (000 tonnes)	Billets (000 tonnes)
1990-91	49.3	7,728	88.6	64.2	723.6	1,073.9	330.0
1991-92	43.2	4,460	111.0	66.0	737.2	1,048.1	306.7
1992-93	41.3	4,205	154.8	109.0	716.4	1,098.2	338.4
1993-94	42.7	5,307	133.2	129.3	771.6	1,252.7	403.9
1994-95	41.6	5,352	106.2	208.4	701.5	1,044.7	343.5
1995-96	45.8	5,417	110.0	193.4	685.6	1,002.2	332.7
1996-97	56.4	7,598	197.6	149.0	663.0	1,068.6	378.5
1997-98	62.5	8,354	166.5	178.3	667.7	1,015.8	350.1
1998-99	66.8	7,991	173.6	186.8	588.7	989.3	276.1
1999-00	63.2	7,144	228.0	434.6	662.6	1,106.6	1,381.9
2000-01	55.2	10,548	246.3	531.1	717.3	1,071.2	1,664.7
2001-02	52.8	10,441	165.1	137.9	694.6	1,042.9	1,874.2
2002-03	58.3	10,844	203.8	148.0	775.2	1,140.2	1,874.2
2003-04	139.4	14,630	225.7	156.8	785.5	1,179.9	2,118.9
2004-05	146.7	19,819	236.5	163.7	772.8	1,137.2	2,430.1
2005-06	143.6	19,992	286.1	167.7	182.3	768.0	3,380.0
2006-07	145.0	21,400	280.4	161.7	326.3	1,008.8	3,677.0
2007-08	129.8	19,524	227.6	192.0	290.9	993.4	2,873.0
2008-09	91.8	11,101	168.8	252.5	423.7	791.1	1,943.4
2009-10	75.5	2,914	178.5	248.7	342.8	483.3	1,663.8
2010-11	80.0	1,180	206.1	228.7	301.7	433.1	1,628.9
2011-12	78.9	1,266	283.0	246.3	192.9	249.1	1,616.4
2012-13	80.0	0	381.9	232.4	203.3	201.4	1,638.5
2013-14	75.6	0	467.5	214.3	31.9	89.4	2,128.3
July-March							
2013-14	59.1	0	339.1	160.1	31.9	68.1	1,530.2
2014-15 P	51.2	0	312.5	150.6	190.8	195.7	1,966.4

P : Provisional

Source: Pakistan Bureau of Statistics
Ministry of Industries & Production

TABLE 3.6

PERCENT GROWTH OF SELECTED INDUSTRIAL ITEMS

(in %)

	Cotton Yarn	Cotton Cloth	Jute Goods	Veg.Ghee	Cigarettes	Fertilizers	Cement	Soda Ash	Caustic Soda	Sugar
1990-91	14.22	-0.65	1.15	-3.93	-7.41	-2.66	3.66	1.53	6.01	4.15
1991-92	12.44	5.12	4.13	-2.59	-0.72	-5.52	7.20	26.29	4.49	20.06
1992-93	4.13	5.68	-3.37	13.46	-0.92	14.65	2.84	5.54	-0.61	2.67
1993-94	7.43	-3.23	-21.64	-7.45	19.86	20.96	-5.35	-0.41	9.20	19.17
1994-95	4.59	2.19	-10.34	5.96	-8.77	-1.27	-2.31	-0.46	4.16	4.33
1995-96	9.16	1.62	3.07	3.09	38.96	8.89	20.90	12.80	17.58	-18.15
1996-97	1.72	1.99	-2.69	-2.59	1.31	-3.53	-0.32	11.66	8.44	-1.77
1997-98	0.76	2.04	38.86	0.70	4.54	-3.15	-1.80	-2.71	-2.12	49.18
1998-99	0.52	13.02	-10.38	7.95	6.98	6.67	2.30	-0.37	4.06	-0.48
1999-00	8.41	13.73	-1.87	-9.65	-8.92	4.62	-3.33	2.63	17.36	-31.41
2000-01	3.10	12.10	4.60	19.60	24.02	11.10	3.80	-11.30	3.00	21.70
2001-02	5.10	16.00	-8.70	-4.50	-5.40	-1.80	2.70	-1.20	3.30	9.80
2002-03	5.90	2.40	16.90	-3.20	-10.40	2.50	9.20	30.30	9.30	13.50
2003-04	0.70	17.40	8.90	15.10	12.20	9.00	18.60	2.20	14.10	9.10
2004-05	18.20	35.30	0.80	18.00	10.30	7.50	27.10	3.80	10.20	-22.50
2005-06	11.73	-2.30	-0.30	9.90	5.00	4.30	13.50	7.20	6.10	-5.00
2006-07	11.73	8.20	13.00	2.50	2.90	-3.76	22.50	3.70	10.50	19.20
2007-08	2.40	4.00	9.30	-3.60	2.20	3.27	17.60	10.40	2.50	34.20
2008-09	0.00	0.10	6.50	-6.60	12.10	1.58	6.10	0.10	-1.20	-32.60
2009-10	-4.30	-0.70	-22.70	1.30	-13.60	3.58	10.49	12.10	-25.70	-1.44
2010-11	5.46	1.08	-12.30	1.57	0.17	-8.88	-8.43	-7.70	-5.62	32.62
2011-12	0.52	0.30	0.98	1.01	-5.27	0.08	2.93	-1.93	4.11	11.16
2012-13	2.14	0.56	9.28	3.25	8.75	-4.02	5.07	-1.22	2.11	9.48
2013-14	1.60	0.68	-1.07	3.68	-4.30	15.28	0.85	11.72	-8.42	10.03
July-March										
2013-14	1.76	0.68	6.30	5.07	-4.33	19.91	0.13	10.62	-7.94	10.88
2014-15	0.49	0.05	-8.91	-1.42	-0.69	1.35	2.74	7.40	1.90	-6.09

Note : Figures in parenthesis represent negative growth

Source: Pakistan Bureau of Statistics

FISCAL DEVELOPMENT

TABLE 4.1

FEDERAL GOVERNMENT OVERALL BUDGETARY POSITION

(Rs. in million)

Fiscal Year / Item	2013-14		2014-15 (Jul-Mar)
A. REVENUE			
FBR Tax Revenue (1 +2)	2,254,531	*	1,775,137
1. Direct Taxes	877,255		701,517
2. Indirect Taxes	1,377,276		1,073,620
i. Customs	242,810		208,930
ii. Sales Tax	996,382		760,349
iii. Federal Excise	138,084		104,341
Others**	108,231		142,825
Non-Tax Revenue	1,037,497		592,278
Gross Revenue Receipts**	3,400,259		2,510,240
B. EXPENDITURE			
Current Expenditure	2,884,730		2,277,965
i. Defence	623,085		485,858
ii. Mark-up Payments	1,147,793		974,549
iii. Grants	336,696		268,016
vi. Others***	777,156		549,542
Development Expenditure and Net Lending	874,348		351,816
Total Expenditure	3,759,078		2,629,781

* : Revised

Source: Budget Wing, Finance Division, Islamabad

** : includes petrolium levy, Airport tax and other taxes (ICT)

*** : Includes other categories not shown here

TABLE 4.2

SUMMARY OF PUBLIC FINANCE (CONSOLIDATED FEDERAL AND PROVINCIAL GOVERNMENTS)

(Rs. in million)

Fiscal Year/ Items	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 (Jul-Mar)
Total Revenues (i+ii)	1,297,957	1,499,380	1,850,901	2,078,165	2,252,855	2,566,514	2,982,436	3,637,297	2,682,647
Federal	1,215,730	1,380,599	1,721,028	1,955,457	2,125,975	2,411,297	2,760,436	3,397,954	2,500,526
Provincial	82,227	118,781	129,873	122,708	126,880	155,217	222,000	239,343	182,121
i) Tax Revenues	889,685	1,050,696	1,204,670	1,472,821	1,699,334	2,052,886	2,199,232	2,564,509	2,063,166
Federal	852,866	1,009,902	1,158,586	1,418,007	1,634,775	1,945,697	2,048,509	2,374,540	1,917,962
Provincial	36,819	40,794	46,084	54,814	64,559	107,189	150,723	189,969	145,204
ii) Non-Tax Revenues	408,272	448,684	646,231	605,344	553,521	513,628	783,204	1,072,788	619,481
Federal	362,864	370,697	562,442	537,450	491,200	465,600	711,927	1,023,414	582,564
Provincial	45,408	77,987	83,789	67,894	62,321	48,028	71,277	49,374	36,917
Total Expenditures (a+b+c+d)	1,675,458	2,276,549	2,531,308	3,007,226	3,447,263	3,936,218	4,816,300	5,026,016	3,731,587
a) Current	1,375,345	1,853,147	2,041,570	2,386,042	2,900,784	3,122,502	3,660,434	4,004,582	3,199,056
Federal	973,130	1,416,015	1,495,873	1,758,826	2,088,124	2,154,732	2,565,222	2,831,249	2,255,809
Provincial	402,215	437,132	545,697	627,216	812,660	967,770	1,095,212	1,173,333	943,247
b) Development	433,658	451,896	480,282	613,441	506,103	731,868	777,096	1,135,918	579,660
c) Net Lending to PSE's	-9,035	-28,494	6,911	39,383	7,904	12,019	362,783	100,610	14,294
d) Statistical Discrepancy	-124,510	0	2,545	-31,640	32,472	69,829	15,987	-215,094	-61,423
Overall Deficit	377,501	777,169	680,407	929,061	1,194,409	1,369,704	1,833,864	1,388,719	1,048,940
Financing (net)	377,501	777,169	680,407	929,061	1,194,409	1,369,704	1,833,864	1,388,719	1,048,940
External (net)	147,150	151,311	149,651	188,889	107,705	128,650	-1,676	511,727	137,823
Domestic (i+ii+iii)	230,351	625,858	529,466	740,172	1,086,704	1,241,054	1,835,540	876,992	911,117
i) Non-Bank	56,905	104,302	223,846	435,610	471,575	529,384	378,040	553,330	426,536
ii) Bank	101,982	519,906	305,620	304,562	615,129	711,670	1,457,500	323,662	469,369
iii) Privatization Proceeds	71,464	1,650	1,290	0	0	0	0	0	15,212
Memorandum Item									
GDP (mp) in Rs. Billion	9,240	10,638	13,200	14,867	18,276	20,047	22,379	25,068	27,384
	(As Percent of GDP at Market Price)*								
Total Revenue	14.0	14.1	14.0	14.0	12.3	12.8	13.3	14.5	9.8
Tax Revenue	9.6	9.9	9.1	9.9	9.3	10.2	9.8	10.2	7.5
Non-Tax Revenue	4.4	4.2	4.9	4.1	3.0	2.6	3.5	4.3	2.3
Expenditure	18.1	21.4	19.2	20.2	18.9	19.6	21.5	20.0	13.6
Current	14.9	17.4	15.5	16.0	15.9	15.6	16.4	16.0	11.7
Development Ependiture and net Lending	4.6	4.0	3.7	4.4	2.8	3.7	5.1	4.9	2.2
Overall Deficit	4.1	7.3	5.2	6.2	6.5	6.8	8.2	5.5	3.8

* : Due to change of base of GDP to 2005-06 prior years are not comparable

Source: Budget Wing, Finance Division, Islamabad

TABLE 4.3

CONSOLIDATED FEDERAL AND PROVINCIAL GOVERNMENT REVENUES

(Rs. in million)

Fiscal Year/Item	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 (Jul-Mar)
Total Revenue (I+II)	1,297,957	1,499,381	1,850,901	2,078,165	2,252,854	2,566,514	2,982,436	3,637,297	2,682,647
Federal	1,215,730	1,380,600	1,721,028	1,955,457	2,125,975	2,411,297	2,760,436	3,397,954	2,500,526
Provincial	82,227	11,878	129,873	122,708	126,879	155,217	222,000	239,343	182,121
I. Tax Revenues (A+B)	889,685	1,050,696	1,204,670	1,472,821	1,699,334	2,052,886	2,199,232	2,564,509	2,063,166
Federal	852,866	1,009,902	1,158,586	1,418,007	1,634,775	1,945,697	2,048,509	2,374,540	1,917,962
Provincial	36,819	40,794	46,084	54,814	64,559	107,189	150,723	189,969	145,204
A. Direct Taxes (1+2)	337,639	391,350	444,875	534,368	598,514	739,775	742,488	893,351	709,641
1 Federal	334,168	387,563	440,271	528,649	594,689	731,941	735,758	884,118	701,517
2 Provincial	3,471	3,787	4,604	5,719	3,825	7,834	6,730	9,233	8,124
B. Indirect Taxes (3+4+5+6+7)	552,046	659,346	759,796	938,453	1,100,820	1,313,111	1,456,744	1,671,158	1,353,525
3. Excise Duty	74,026	86,549	119,517	125,368	141,600	126,209	124,349	144,540	108,609
Federal	71,575	83,594	116,055	121,182	137,207	122,014	119,453	139,084	104,341
Provincial	2,451	2,955	3,462	4,186	4,393	4,195	4,896	5,456	4,268
4. Sales Tax*	309,228	385,497	452,294	516,102	632,824	809,310	841,324	1,002,110	760,349
5. Taxes on International Trade	132,200	150,545	148,382	161,489	185,437	218,215	239,608	240,997	208,930
6. Surcharges*	64,546	35,178	126,026	114,650	113,103	83,329	141,837	142,064	115,316
6.1 Gas	34,888	20,708	14,015	25,908	30,358	22,960	32,171	38,530	22,250
6.2 Petroleum	29,658	14,470	112,011	88,742	82,745	60,369	109,666	103,534	93,066
7. Other Taxes **	36,592	36,755	39,603	46,752	58,214	99,008	141,797	179,977	160,321
7.1 Stamp Duties	10,268	11,123	11,290	11,693	14,007	16,527	18,306	21,790	20,338
7.2 Motor Vehicle Taxes	7,719	4,975	7,534	10,222	10,507	11,140	13,975	15,565	11,864
7.3 Foreign Travel Tax*	3,681	356	0	0	0	0	0	0	-
7.4 Others	14,924	20,301	20,779	24,837	33,700	71,341	109,516	142,622	128,119
II. Non-Tax Revenues	408,272	448,685	646,231	605,344	553,520	513,628	783,204	1,072,788	619,481
Federal	362,864	370,698	562,442	537,450	491,200	465,600	711,927	1,023,414	582,564
Provincial	45,408	77,987	83,789	67,894	62,320	48,028	71,277	49,374	36,917

* : Revenues under these heads are exclusively Federal

Source: Finance Division, Budget Wing

** : Mainly includes Provincial Revenues

TABLE 4.4

CONSOLIDATED FEDERAL AND PROVINCIAL GOVERNMENT EXPENDITURES

(Rs. in million)

Fiscal Year/ Item	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 (Jul-Mar)
Current Expenditure	1,375,345	1,853,147	2,041,570	2,386,042	2,900,784	3,122,502	3,660,434	4,004,582	3,199,056
Federal	973,130	1,416,015	1,495,873	1,758,826	2,088,124	2,154,732	2,565,222	2,831,249	2,255,809
Provincial	402,215	437,132	545,697	627,216	812,660	967,770	1,095,212	1,173,333	943,247
Defence	249,858	277,300	329,902	375,019	450,615	507,159	540,595	623,085	485,858
Interest	386,916	509,574	656,259	661,270	716,603	901,919	1,005,798	1,161,876	984,263
Federal	368,797	489,681	637,790	642,269	698,095	889,044	990,967	1,147,793	974,549
Provincial	18,119	19,893	18,469	19,001	18,508	12,875	14,831	14,083	9,714
Current Subsidies	76,039	423,685	225,610	227,000	260,600	166,976	357,991	305,748	185,878
Development Expenditure	433,658	451,896	480,282	613,441	506,103	731,868	777,096	1,135,918	579,660
Net Lending to PSEs	-9,035	-28,494	6,911	39,383	7,904	12,019	362,783	100,610	14,294
Statistical Discripancy	-124,510	0	2,545	-31,640	32,472	69,829	15,987	-215,094	-61,426
Total Expenditure	1,675,492	2,276,549	2,531,308	3,007,226	3,447,263	3,936,218	4,816,300	5,026,016	3,731,587
Memorandum Items:	(Percent Growth over preceding period)								
Current Expenditure	32.9	34.7	10.2	16.9	21.6	7.6	17.2	9.4	-
Defence	3.6	11.0	19.0	13.7	20.2	12.5	6.6	15.3	-
Interest	48.8	31.7	28.8	0.8	8.4	25.9	11.5	15.5	-
Current Subsidies	37.9	63.5	-46.8	0.6	14.8	-35.9	114.4	-14.6	-
Development Expenditure	18.8	4.2	6.3	27.7	-17.5	44.6	6.2	46.2	-
Total Expenditure	19.5	35.9	11.2	18.8	14.6	14.2	22.4	4.4	-
	As % of Total Expenditure								
Current Expenditure	82.1	81.4	80.7	79.3	84.1	79.3	76.0	79.7	-
Defence	14.9	12.2	13.0	12.5	13.1	12.9	11.2	12.4	-
Interest	23.1	22.4	25.9	22.0	20.8	22.9	20.9	23.1	-
Current Subsidies	4.5	18.6	8.9	7.5	7.6	4.2	7.4	6.1	-
Development Expenditure*	25.3	18.6	19.2	21.7	14.9	18.9	23.7	24.6	-
Total Expenditure	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	-

* : Include Net Lending

Source: Budget Wing, Finance Division

TABLE 4.5

DEBT SERVICING

(Rs. in million)

Fiscal Year / Item	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 (Jul-Mar)
A. Interest Payments	386,916	509,574	656,259	661,270	716,603	901,919	1,005,798	1,161,876	984,263
A.1 Federal	368,797	489,681	637,790	642,269	698,095	889,044	990,967	1,147,793	974,549
Interest on Domestic Debt	318,939	430,189	558,729	578,287	629,709	821,115	920,353	1,072,813	910,491
Interest on Foreign Debt	49,858	59,492	79,061	63,982	68,386	67,929	70,614	74,980	64,058
A.2 Provincial	18,119	19,893	18,469	19,001	18,508	12,875	14,831	14,083	9,714
B. Repayment/Amortization of Foreign Debt	69,615	68,662	224,576	196,811	157,945	135,286	217,872	312,112	218,490
C. Total Debt Servicing (A+B)	456,531	578,236	880,835	858,081	874,548	1,037,205	1,223,670	1,473,988	1,202,753
MEMORANDUM ITEMS	(As Percent of GDP)								
Interest on Domestic Debt	3.5	4.0	4.2	3.9	3.4	4.1	4.1	4.3	3.3
Interest on Foreign Debt	0.5	0.6	0.6	0.4	0.4	0.3	0.3	0.3	0.2
Repayment/Amortization of Foreign Debt	0.8	0.6	1.7	1.3	0.9	0.7	1.0	1.2	0.8
Total Debt Servicing	4.9	5.4	6.7	5.8	4.8	5.2	5.5	5.9	4.4

Source: Budget Wing, Finance Division

MONEY AND CREDIT

TABLE 5.1

COMPONENTS OF MONETARY ASSETS

(Rs. Million)

Stock	End June									2015
	2006	2007	2008	2009	2010	2011	2012	2013	2014	March (P)
1. Currency Issued	791,834	901,401	1,054,191	1,231,871	1,385,548	1,608,641	1,785,775	2,050,157	2,317,891	2,557,043
2. Currency held by SBP	3,005	3,148	2,900	2,693	2,491	2,380	1,974	1,068	529	509
3. Currency in title of Scheduled Banks	48,439	58,072	68,966	77,006	87,673	104,852	110,055	110,867	139,490	145,140
4. Currency in circulation (1-2-3)	740,390	840,181	982,325	1,152,173	1,295,385	1,501,409	1,673,746	1,938,222	2,177,873	2,411,394
5. Other deposits with SBP*	4,931	7,012	4,261	4,662	6,663	10,145	8,899	10,523	13,147	13,027
6. Scheduled Banks Total Deposits**	2,661,584	3,217,962	3,702,556	3,980,384	4,475,186	5,183,640	5,959,150	6,909,066	7,777,021	8,111,684
7. Resident Foreign Currency Deposits (RFCD)	195,501	207,312	263,430	280,364	345,438	374,945	440,130	514,988	599,384	602,963
8. Monetary assets (4+5+6)	3,406,905	4,065,155	4,689,142	5,137,219	5,777,234	6,695,194	7,641,795	8,857,811	9,968,041	10,536,105
9. Growth rate (%)	15.1	19.3	15.3	9.6	12.5	15.9	14.1	15.9	12.5	1.2
<u>Memorandum</u>										
1. Currency / Money ratio	21.7	20.7	20.9	22.4	22.4	22.4	21.9	21.9	21.8	22.90
2. Demand Deposits / Money ratio	31.9	65.0	65.5	62.4	62.2	61.6	61.7	63.1	65.3	64.600
3. Time Deposits / Money ratio	40.5	9.0	7.8	9.6	9.3	10.2	10.6	9.1	6.7	6.6
4. Other Deposits / Money ration	0.1	0.2	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1
5. RFCD / Money ration	5.7	5.1	5.6	5.5	6.0	5.6	5.8	5.8	6.0	5.7
6. Income Velocity of Money***	2.1	2.3	2.3	2.6	2.7	2.9	2.8	2.7	2.7	-

P : Provisional

* : Excluding IMF A/c Nos. 1 & 2 SAF Loans A/c deposits money banks, counterpart funds, deposits of foreign central banks and foreign governments.

** : Excluding inter banks deposits and deposits of federal and provincial governments, foreign constituents and international organization etc.

*** : Income velocity of money is taken as GDP at current factor cost / quarterly average of monetary assets (M2)

TABLE 5.2

CAUSATIVE FACTORS ASSOCIATED WITH MONETARY ASSETS

(Rs. Million)

	2008	2009	2010	2011	2012	2013	2014 (R)	2015 March (P)
				A. Stock End June				
1. Public Sector Borrowing (net)								
(i + ii + iii + iv + v + vi)	1,508,541	2,034,305	2,440,941	3,020,510	4,257,951	5,737,134	6,064,253	6,471,358
i. Net Budgetary Support	1,364,604	1,681,022	2,011,459	2,601,622	3,799,917	5,246,387	5,549,358	6,012,586
ii. Commodity Operations	125,423	336,202	413,191	397,488	436,137	467,707	492,439	436,783
iii. Zakat Fund etc.	-13,681	-15,114	-15,904	-10,795	-10,298	-9,155	-9,739	-10,206
iv. Utilization of privatization proceeds by Govt./WAPDA	37,657	37,657	37,657	37,657	37,657	37,657	37,657	37,657
v. Use of Privatization proceeds/ NDRP Fund for Debt Retirement	-5,749	-5,749	-5,749	-5,749	-5,749	-5,749	-5,749	-5,749
vi. Payment to HBL on A/C of HC&EB	287	287	287	287	287	287	287	287
2. Non-Government Sector	3,019,924	3,189,994	3,388,800	3,547,345	3,652,248	3,663,984	4,102,033	4,360,254
i. Autonomous Bodies1	84,415	109,675	70,479	68,283	83,987	106,960	130,283	135,445
ii. Net Credit to Private Sector & PSCEs	2,932,536	3,080,319	3,318,321	3,479,062	3,568,261	3,557,024	3,971,751	4,224,809
a. Private Sector	2,889,814	2,906,897	3,019,822	3,141,151	3,376,392	3,357,352	3,728,727	3,933,655
b. Public Sector Corp. other than 2(i)	52,866	180,330	304,554	343,255	197,087	205,210	248,501	296,841
c. PSEs Special Account Debt Repayment	-27,597	-23,683	-23,683	-23,915	-23,915	-24,075	-24,075	-24,075
d. Other Financial Institutions (NBFIs)	16,425	16,776	17,628	18,571	18,697	18,537	18,597	18,387
3. Counterpart Funds	-543	-500	-503	-498	-498	-498	-498	-498
4. Other Items (Net	-506,291	-582,434	-597,285	-652,416	-800,038	-811,640	-798,746	-1,030,429
5. Domestic Credit (1+2+3+4)	4,021,631	4,641,364	5,231,953	5,914,941	7,109,663	8,588,980	9,367,042	9,800,685
6. Foreign Assets (Net)	667,511	495,855	545,281	780,253	532,131	268,832	600,999	735,421
7. Monetary Assets (5+6)	4,689,143	5,137,218	5,777,234	6,695,194	7,641,795	8,857,812	9,968,041	10,536,106
				B. Changes over the year (July-June)				
8. Public Sector Borrowing (net)								
(i+ii+iii+iv+v+vi)	582,011	525,763	406,636	579,569	1,237,441	1,479,183	327,118	407,105
i. Net Budgetary Support	554,551	316,418	330,437	590,163	1,198,295	1,446,470	302,970	463,228
ii. Commodity Operations	26,871	210,779	76,989	-15,703	38,649	31,569	24,733	-55,656
iii. Zakat Fund etc.	588	-1,433	-790	5,109	498	1,143	-585	-467
iv. Utilization of privatization proceeds by Govt./WAPDA	-	-	-	-	-	-	-	-
v. Use of Privatization proceeds/ NDRP Fund for Debt Retirement	-	-	-	-	-	-	-	-
vi. Payment to HBL on A/C of HC&EB	-	-	-	-	-	-	-	-
9. Non-Government Sector	443,449	170,070	198,806	158,544	104,903	11,736	438,049	258,221
i. Autonomous Bodies*	26,268	25,260	-39,196	-2,196	15,704	22,973	23,322	5,162
ii. Net Credit to Private Sector & PSCEs	414,210	147,783	238,002	160,740	89,200	-11,237	414,727	253,059
a. Private Sector	410,206	17,083	112,926	121,328	235,242	-19,041	371,376	204,928
b. Public Sector Corp. other than 2(i)	6,856	127,464	124,224	38,701	-146,168	8,123	43,291	48,340
c. PSEs Special Account Debt Repayment	-119	3,914	0	-232	0	-160	0	0
d. Other Financial Institutions (NBFIs)	238	351	852	943	126	-160	60	-210
10. Counterpart Funds	-24	43	-3	5	0	0	0	0
11. Other Items (Net)	-84,068	-76,143	-14,850	-55,131	-147,622	-11,602	12,894	-231,683
12. Domestic Credit Expansion (8+9+10+11)	941,369	619,733	590,589	682,988	1,194,723	1,479,317	778,061	433,643
13. Foreign Assets (Net)	-317,380	-171,656	49,427	234,972	-248,122	-263,300	332,167	134,422
14. Monetary Expansion (12+13)	623,988	448,075	640,016	917,960	946,601	1,216,017	1,110,229	568,065

P : Provisional

Source: State Bank of Pakistan

* : Autonomous bodies are WAPDA (PEPCO), OGDCL, SSGC, SNGPL, PIA, Pakistan Steel and Pakistan Railway.

TABLE 5.3
SCHEDULED BANKS POSITION BASED ON WEEKLY RETURNS: LIABILITIES AND ASSETS

(Rs. Million)

	Outstanding Amount at end June	2008	2009	2010	2011	2,012.0	2013	2014 (R)	2015 March (P)
LIABILITIES									
1.	Capital (paid-up) and Reserves	551,313	639,098	669,863	724,112	813,555	932,906	984,863	1,270,788
DEMAND LIABILITIES IN PAKISTAN									
2.	Inter-banks Demand Liabilities	35,856	60,235	69,679	88,478	107,332	120,419	129,222	92,544
2.1	Borrowing	0	0	0	0	0	0	0	0
2.2	Deposits	35,856	60,235	69,679	88,478	107,332	120,419	129,222	92,544
3.	Deposits (General)	3,352,974	3,473,440	3,965,680	4,601,452	5,251,360	6,147,750	7,148,706	7,520,684
4.	Other Liabilities	169,897	218,283	227,436	251,625	291,216	328,249	384,936	335,506
5.	Total Demand Liabilities (2+3+4)	3,556,727	3,751,958	4,262,795	4,941,556	5,649,908	6,596,418	7,662,865	7,948,734
TIME LIABILITIES IN PAKISTAN									
6.	Inter-banks Time Liabilities	6,344	17,470	11,883	3,817	660	4,883	625	773
6.1	Borrowing	0	0	0	0	0	0	0	0
6.2	Deposits	6,344	17,470	11,883	3,817	660	4,883	625	773
7.	Time Deposits (General)	522,843	684,685	770,992	905,350	1,043,383	1,055,019	1,002,053	1,055,720
8.	Other Liabilities	87,554	86,659	93,947	105,214	108,105	113,607	106,009	127,467
9.	Total Time Liabilities (6+7+8)	616,741	788,814	876,823	1,014,381	1,152,148	1,173,509	1,108,687	1,183,960
10.	Total Demand and Time Liabilities	4,173,469	4,540,772	5,139,617	5,955,937	6,802,056	7,769,926	8,771,552	9,132,694
11.	Borrowing From SBP	213,293	293,641	321,127	359,278	378,714	483,931	272,436	1,107,294
12.	Borrowing from Banks Abroad	5,287	9,139	9,211	14,403	15,446	43,219	70,309	84,597
13.	Money at Call and Short Notice in Pakistan	169,637	192,979	218,179	174,488	96,165	277,425	340,538	129,755
14.	Other Liabilities	218,672	323,587	423,774	458,099	521,701	499,920	521,906	490,286
15.	Total Liabilities	5,331,671	5,999,217	6,781,771	7,686,317	8,627,638	10,007,328	10,961,604	12,233,579
16.	Total Statutory Reserves	316,878	187,598	213,140	247,078	282,495	329,821	383,143	397,437
16.1	On Demand Liabilities	316,878	187,598	213,140	247,078	282,495	329,821	383,143	397,437
16.2	On Time Liabilities Assets	0	0	0	0	0	0	0	0
ASSETS									
17.	Cash in Pakistan	68,966	77,006	87,673	104,852	110,055	110,867	139,490	145,140
18.	Balances with SBP	414,098	278,432	288,067	342,501	393,631	489,765	525,303	421,090
19.	Other Balances	63,622	80,986	80,458	103,921	116,871	133,064	162,657	88,723
20.	Money at Call and Short Notice in Pakistan	157,218	185,049	228,906	162,696	102,968	252,298	319,058	269,952
21.	17+18+19+20 as % of Total Demand and Time Liabilities	17.0	13.7	13.3	12.0	10.6	12.7	13.1	10.1
FOREIGN CURRENCY									
22.	Foreign Currency held in Pakistan	11,009	13,518	15,482	14,797	19,024	19,365	24,468	27,187
23.	Balances with Banks Abroad	132,081	149,837	110,694	98,656	95,290	89,011	88,353	93,356
24.	Total Foreign Currency	143,090	163,356	126,176	113,453	114,315	108,376	112,821	120,544
BANK CREDIT ADVANCES									
25.	To Banks	0	0	0	0	0	0	0	0
26.	To Others	2,802,674	3,085,495	3,233,176	3,340,283	3,566,978	3,673,730	4,113,525	4,319,229
27.	Total Advances	2,802,674	3,085,495	3,233,176	3,340,283	3,566,978	3,673,730	4,113,525	4,319,229
28.	Bills Purchased and Discounted	140,864	148,693	158,269	193,307	204,982	219,048	224,842	193,310
29.	Total Bank Credit	2,943,537	3,234,188	3,391,445	3,533,590	3,771,960	3,892,778	4,338,366	4,512,540
29 a.	Total Credit as % of Total Demand and Time Liabilities	70.5	71.2	66.0	59.0	55.5	50.1	49.5	49.4
INVESTMENT IN SECURITIES AND SHARES									
30.	Central Government Securities	173,171	214,164	248,753	464,936	829,485	1,117,115	2,413,134	3,088,871
31.	Provincial Government Securities	76	0	0	0	0	0	0	0
32.	Treasury Bills	559,825	756,955	1,105,957	1,577,897	1,928,287	2,611,512	1,550,476	2,112,681
33.	Other Investment in Securities & Shares	286,960	385,035	506,303	530,571	435,647	367,692	375,968	394,570
34.	Total Investment in Securities and Shares	1,020,032	1,356,154	1,861,013	2,573,404	3,193,419	4,096,319	4,339,578	5,596,122
35.	35 as % of 10	24.4	29.9	36.2	43.0	46.9	52.7	49.5	61.3
36.	Other Assets	301,166	349,537	423,040	455,531	510,637	609,017	690,758	57,860
37.	Advance Tax Paid	18,178	47,136	58,459	71,091	75,114	67,450	72,314	57,497
38.	Fixed Assets	201,764	227,373	236,534	225,277	238,669	247,394	261,258	292,111
39.	Total Assets	5,331,671	5,999,217	6,781,771	7,686,317	8,627,638	10,007,328	10,961,604	12,233,579
40.	Excess Reserves (18-16)	97,220	90,834	74,928	95,423	111,136	159,944	142,159	23,653

P : Provisional

Source: State Bank of Pakistan

Note:

1 : Effective from 22 July 2006, demand & time deposits have been re-classified in accordance with Banking Surveillance Department circular no. 9, 2006 dated 18 July 2006. The time deposits of less than 6 months are included in demand deposits for the purpose of Cash Reserve Requirement and Statutory Liquid Requirements.

2 : Definition of time & demand liabilities as mentioned in BSD circular no 9th dated 18th July 2008 have been revised. As per new definition, time liabilities include deposits with tenor of one year and above. Accordingly, time deposits with tenor of less than one year will become part of demand deposits.

TABLE 5.4

INCOME VELOCITY OF MONEY

(Rs. Billion)

End June Stocks	Narrow Money M1	Monetary Assets (M2)	Growth Percentage	Income Velocity of Monetary Assets (M2)
1980-81	73.56	104.62	13.2	2.7
1981-82	80.93	116.51	11.4	2.7
1982-83	96.54	146.03	25.3	2.7
1983-84	103.45	163.27	11.8	2.7
1984-85	118.97	183.91	12.6	2.7
1985-86	134.83	211.11	14.8	2.6
1986-87	159.63	240.02	13.7	2.5
1987-88	185.08	269.51	12.3	2.6
1988-89	206.36	290.46	7.8	2.7
1989-90	240.16	341.25	17.5	2.7
1990-91	265.14	400.64	17.4	2.7
1991-92	302.91	505.57	26.2	2.7
1992-93	327.82	595.39	17.8	2.3
1993-94	358.77	703.40	18.1	2.4
1994-95	423.14	824.73	17.2	2.4
1995-96	448.01	938.68	13.8	2.4
1996-97	443.55	1,053.23	12.2	2.5
1997-98	480.33	1,206.32	14.5	2.3
1998-99	643.04	1,280.55	6.2	2.4
1999-00	739.03	1,400.63	9.4	2.2
2000-01	1,275.61	1,526.04	9.0	2.6
2001-02	1,494.14	1,751.88	14.8	2.5
2002-03	1,797.36	2,078.48	18.6	2.3
2003-04	2,174.74	2,485.49	19.6	2.3
2004-05	2,512.21	2,960.64	19.1	2.4
2005-06	2,720.68	3,406.91	15.1	2.4
2006-07	3,155.63	4,065.16	19.3	2.3
2007-08	4,339.50	4,689.14	15.3	2.3
2008-09	3,621.22	5,137.21	9.6	2.6
2009-10	-	5,777.23	12.5	2.7
2010-11	-	6,695.19	15.9	2.9
2011-12	-	7,641.79	14.1	2.8
2012-13	-	8,857.81	15.9	2.7
2013-14	-	9,968.04	12.5	2.7
2014-15 (Mar)	-	10,536.11	5.7	-

Source: State Bank of Pakistan

Explanatory Notes:

1. It may be noted that data series of M1 from 2000-01 is not comparable as compilation of M1 based on weekly data has been discontinued by the SBP. Now M1 is being compiled on the basis of monthly returns and as reported in the monthly Statistical Bulletin of the SBP beginning from April 2008 in its table 2.1

2. The stock data of M2 has been revised since June 2002 due to treatment of privatization commission deposits with NBP as government deposits. These deposits were previously included in private sector deposits which have now being included in government deposits.

3. Provision of data on M1 has been discontinued from SBP.

TABLE 5.5

LIST OF DOMESTIC, FOREIGN BANKS AND DFIs (As on 31-12-2014)

Public Sector Commercial Banks

1. **First Women Bank Ltd.**
2. **National Bank of Pakistan**
3. **Sindh Bank Limited**
4. **The Bank of Khyber**
5. **The Bank of Punjab**

Specialized Scheduled Banks

1. **The Punjab Provincial Co-operative Bank**
2. **Industrial Development Bank of Pakistan**
3. **SME Bank Limited**
4. **Zarai Taraqiati Bank Limited**

Private Local Banks

1. **Allied Bank Limited**
2. **Albarka Bank Pakistan Limited**
3. **Askari Bank Limited**
4. **Bank Al Falah Limited**
5. **Bank Al Habib Limited**
6. **Bank Islami Pakistan Limited**
7. **Burj Bank Ltd**
8. **Dubai Islamic Bank Pakistan Limited**
9. **Faysal Bank Limited**
10. **Habib Bank Limited**
11. **Habib Metropolitan Bank Limited**
12. **JS Bank Limited**
13. **KASB Bank Limited**
14. **MCB Bank Limited**
15. **Meezan Bank Limited**
16. **NIB Bank Limited**
17. **Samba Bank Limited**
18. **Silk Bank Limited**
19. **Soneri Bank Limited**
20. **Standard Chartered Bank (Pakistan) Limited**
21. **Summit Bank Limited**
22. **United Bank Limited**

Foreign Banks

1. **Barclays Bank PLC (Pakistan)**
2. **Citibank N.A.**
3. **Deutshe Bank A.G.**
4. **Industrial and Commercial Bank of China Limited**
5. **Oman International Bank S.A.O.G.**
6. **The Bank of Tokyo - Mitsubishi UFJ Limited**

Development Financial Institutions

1. **House Building Finance Corporation**
2. **Pak-Brunai Investment Company Ltd**
3. **Pak-China Investment Co. Ltd**
4. **Pak-Iran Joint Investment Co.Ltd**
5. **Pak Kuwait Investment Company of Pakistan (Pvt) Limited**
6. **Pak Libya Holding Company (Pvt) Limited**
7. **Pak Oman Investment Company (Pvt) Limited**
8. **Saudi Pak Industrial & Agricultural Investment Company (Pvt) Limited**

Micro Finance Banks

1. **Advance Pakistan Micro Finance Bank**
2. **FINCA Microfinance Bank Ltd**
3. **First Micro Finance Bank Limited**
4. **Khushhali Bank**
5. **Network Microfinance Bank**
6. **NRSP Micro Finance Bank Ltd**
7. **Pak Oman Micro Finance Bank Limited**
8. **Tameer Micro Finance Bank Limited**
9. **U Micro Finance Bank Ltd**
10. **Waseela Micro Finance Bank**

Source: State Bank of Pakistan

TABLE 5.6

SCHEDULED BANKS IN PAKISTAN (Weighted Average Rates of Return on Advances)

(in Percentage)

As at the End of		Precious Metal	Stock Exchange Securities	Merchan-dise	Machinery	Real Estate	Financial Obli-gations	Others	Total Advances*
I. INTEREST BEARING									
1999	Jun	13.39	14.15	13.89	15.19	14.08	14.95	14.29	14.47
		(15.57)	(14.16)	(13.91)	(15.18)	(14.49)	(15.13)	(16.11)	(14.88)
	Dec	11.41	13.79	14.56	14.17	13.75	13.14	14.07	14.09
		(16.50)	(13.44)	(14.35)	(14.30)	(14.78)	(13.25)	(16.29)	(14.75)
2000	Jun	11.10	13.76	13.67	13.15	12.23	13.65	13.34	13.25
		(11.81)	(13.45)	(13.83)	(13.15)	(13.73)	(14.03)	(13.98)	(13.77)
	Dec	11.53	13.57	12.88	13.82	12.90	13.49	12.93	13.08
		(12.73)	(12.82)	(13.68)	(13.74)	(13.62)	(13.56)	(13.36)	(13.58)
2001	Jun	11.75	13.54	13.69	13.50	12.84	13.07	12.05	13.07
		(13.87)	(14.06)	(13.59)	(13.55)	(13.86)	(13.00)	(13.87)	(13.64)
2002	Jun	8.10	11.27	13.12	13.56	12.72	13.88	12.47	13.00
		(8.14)	(11.70)	(13.13)	(13.67)	(12.98)	(13.81)	(13.39)	(13.29)
2003	Jun	12.01	11.97	9.39	15.66	12.63	7.74	10.66	11.87
		(12.01)	(11.82)	(9.67)	(15.68)	(12.86)	(7.66)	(11.49)	(12.35)
2004	Jun	9.20	6.01	6.89	11.21	9.08	7.08	9.04	8.41
		(9.20)	(6.01)	(7.08)	(11.77)	(9.08)	(7.03)	(9.05)	(8.54)
2005	Jun	8.51	6.86	6.09	4.59	6.68	6.76	8.86	7.01
		(8.51)	(8.29)	(6.01)	(4.07)	(6.68)	(6.70)	(9.02)	(7.01)
2006	Jun	11.58	14.84	8.68	8.55	10.23	10.31	9.59	9.71
		(11.58)	(14.09)	(8.51)	(8.55)	(10.23)	(10.31)	(9.99)	(9.66)
2007	Jun	10.87	11.37	10.73	11.07	12.30	11.05	10.76	11.25
		(10.87)	(12.11)	(10.68)	(11.06)	(12.30)	(11.05)	(10.81)	(11.30)
	Dec	11.45	10.36	9.82	11.09	12.85	10.02	11.93	11.64
		(11.45)	(10.42)	(9.82)	(11.09)	(12.85)	(10.02)	(11.98)	(11.66)
2008	Jun	13.62	12.37	11.78	13.16	12.21	13.32	13.02	12.53
		(13.62)	(12.60)	(11.77)	(13.16)	(12.21)	(13.32)	(13.14)	(12.57)
	Dec	14.64	13.88	13.83	12.05	13.60	16.55	13.74	13.60
		(14.64)	(14.11)	(13.83)	(12.04)	(13.60)	(16.55)	(13.52)	(13.66)
2009	Jun	14.86	12.15	13.45	11.91	14.14	15.30	13.21	13.54
		(14.86)	(10.11)	(13.07)	(11.91)	(13.75)	(15.27)	(13.10)	(13.54)
	Dec	14.07	11.62	12.38	12.78	13.70	12.43	12.35	12.66
		(14.07)	(10.28)	(12.17)	(12.78)	(13.70)	(11.87)	(11.99)	(12.48)
2010	Jun	14.85	13.86	10.90	9.63	12.77	12.07	13.02	12.20
		(14.85)	(14.30)	(9.77)	(9.63)	(12.77)	(12.07)	(13.20)	(12.03)
	Dec	14.72	13.36	11.69	12.02	12.48	13.45	12.92	12.36
		(14.72)	(12.30)	(11.32)	(11.95)	(12.47)	(13.45)	(12.81)	(12.19)
2011	Jun	15.78	12.42	11.33	11.11	12.01	11.04	12.85	12.01
		(15.78)	(13.26)	(10.50)	(11.11)	(12.01)	(11.04)	(12.69)	(11.72)
	Dec	14.78	10.20	11.53	8.89	11.46	13.12	12.90	11.81
		(14.78)	(9.95)	(11.27)	(8.85)	(11.46)	(13.12)	(12.88)	(11.68)
2012	Jun	12.80	12.86	11.89	11.07	12.49	12.30	13.29	12.43
		(12.80)	(15.01)	(11.48)	(11.02)	(12.49)	(12.30)	(13.24)	(12.28)
	Dec	15.40	12.28	10.55	8.31	10.20	8.40	11.41	10.77
		(15.40)	(12.25)	(10.15)	(8.28)	(10.20)	(8.40)	(11.92)	(10.81)
2013	Jun	14.86	11.72	8.71	8.45	10.80	9.40	10.64	9.97
		(14.86)	(11.95)	(8.61)	(8.42)	(10.80)	(9.40)	(10.58)	(9.89)
	Dec	9.66	11.65	10.77	9.67	11.11	7.79	11.49	10.91
		(9.66)	(11.97)	(10.50)	(9.66)	(11.11)	(7.79)	(12.22)	(11.04)
2014	Jun	15.46	12.03	10.11	9.92	11.61	7.10	11.72	11.20
		(15.46)	(12.49)	(9.66)	(9.92)	(11.61)	(7.10)	(11.72)	(11.10)
	Dec	15.32	11.93	9.58	9.64	11.65	7.39	12.33	11.30
		(15.32)	(12.73)	(9.07)	(9.64)	(11.65)	(7.39)	(12.33)	(11.20)

*** : Weighted average rates shown in parentheses represent Private Sector.** **(Contd.)**

TABLE 5.6

SCHEDULED BANKS IN PAKISTAN (Weighted Average Rates of Return on Advances)

(in Percentage)

As at the End of		Precious Metal	Stock Exchange Securities	Merchan-dise	Machinery	Real Estate	Financial Obli-gations	Others	Total Advances*
II. ISLAMIC MODES OF FINANCING									
1999	Jun	11.27	15.69	15.12	15.75	13.76	14.49	15.00	14.82
		(10.01)	(15.39)	(15.03)	(15.92)	(14.92)	(14.57)	(15.87)	(15.23)
	Dec	10.91	14.42	14.82	15.41	13.57	13.89	14.74	14.49
		(16.28)	(14.51)	(14.68)	(15.45)	(14.84)	(13.86)	(15.82)	(14.96)
2000	Jun	10.61	13.12	13.48	14.31	13.08	13.42	13.83	13.54
		(11.10)	(13.48)	(14.07)	(14.39)	(14.39)	(13.40)	(14.94)	(14.27)
	Dec	11.24	13.51	13.54	14.48	12.97	13.15	14.07	13.59
		(11.32)	(13.68)	14.01	(14.53)	(14.24)	(13.09)	(15.09)	(14.24)
2001	Jun	11.02	13.47	13.39	14.53	13.31	13.84	14.03	13.65
		(11.28)	(13.57)	(13.88)	(14.42)	(14.52)	(13.86)	(14.78)	(14.24)
2002	Jun	9.30	13.09	12.85	13.70	13.47	13.32	13.32	13.20
		(9.50)	(13.33)	(12.73)	(13.81)	(14.05)	(13.22)	(14.00)	(13.52)
2003	Jun	11.43	5.92	7.50	9.39	11.47	7.79	10.31	9.19
		(11.43)	(5.77)	(7.95)	(9.54)	(12.08)	(8.62)	(10.84)	(9.71)
2004	Jun	10.86	4.86	5.73	6.61	9.27	5.88	8.34	7.19
		(10.86)	(5.28)	(5.96)	(6.81)	(9.68)	(5.82)	(9.01)	(7.60)
2005	Jun	9.03	7.15	7.93	7.80	10.16	8.21	10.15	8.94
		(9.03)	(7.17)	(7.95)	(7.88)	(10.22)	(8.19)	(10.67)	(9.13)
2006	Jun	10.66	10.03	9.63	9.14	11.23	9.25	12.37	10.68
		(10.66)	(10.20)	(9.66)	(9.20)	(11.26)	(9.25)	(12.90)	(10.83)
2007	Jun	12.04	11.26	10.11	10.80	11.92	10.43	13.02	11.57
		(12.04)	(11.34)	(10.03)	(10.84)	(11.92)	(10.49)	(13.40)	(11.68)
	Dec	9.70	11.27	10.26	10.76	11.80	10.58	12.93	11.55
		(9.70)	(11.41)	(10.23)	(10.82)	(11.79)	(10.62)	(13.26)	(11.65)
2008	Jun	11.75	12.87	11.53	12.26	12.11	11.23	13.90	12.48
		(11.75)	(12.93)	(11.55)	(12.22)	(12.12)	(11.23)	(14.21)	(12.55)
	Dec	15.02	15.76	14.42	14.62	13.51	15.00	15.89	14.72
		(15.02)	(15.66)	(14.19)	(14.67)	(13.49)	(15.02)	(15.96)	(14.72)
2009	Jun	14.18	15.01	14.19	14.20	13.27	15.83	15.08	14.31
		(14.18)	(15.03)	(13.73)	(14.10)	(13.30)	(16.79)	(15.20)	(14.30)
	Dec	14.18	13.61	12.10	12.72	12.71	11.93	14.88	13.22
		(14.14)	(14.02)	(12.18)	(12.70)	(12.71)	(11.55)	(14.96)	(13.10)
2010	Jun	15.08	14.26	13.16	13.81	12.25	13.59	14.83	13.73
		(15.74)	(14.34)	(12.80)	(13.79)	(12.24)	(13.67)	(14.94)	(13.52)
	Dec	15.20	13.80	13.01	13.10	12.24	12.86	14.59	13.43
		(15.20)	(13.59)	(12.69)	(13.18)	(12.23)	(12.79)	(14.82)	(13.23)
2011	Jun	16.24	11.04	12.81	13.74	12.57	12.81	14.73	13.55
		(16.24)	(14.41)	(12.36)	(14.22)	(12.53)	(12.83)	(14.43)	(13.32)
	Dec	13.50	13.06	13.40	14.18	12.46	12.42	15.04	13.83
		(13.50)	(13.21)	(13.17)	(14.14)	(12.46)	(12.51)	(14.92)	(13.62)
2012	Jun	9.46	11.63	12.84	12.51	11.84	14.11	13.68	12.84
		(9.63)	(12.89)	(12.43)	(13.17)	(11.81)	(14.10)	(13.52)	(12.72)
	Dec	9.53	11.10	11.19	12.10	12.43	13.30	12.80	12.02
		(9.53)	(11.67)	(10.91)	(12.03)	(12.40)	(13.21)	(13.02)	(11.93)
2013	Jun	12.80	11.65	11.02	11.74	12.05	13.80	12.20	11.78
		(13.69)	(11.44)	(10.92)	(11.46)	(12.04)	(12.57)	(12.88)	(11.81)
	Dec	14.20	10.80	10.52	11.14	11.23	9.10	11.79	11.20
		(15.26)	(10.99)	(10.48)	(11.03)	(11.29)	(10.67)	(12.59)	(11.37)
2014	Jun	14.22	11.27	10.12	9.48	12.03	10.65	12.29	11.18
		(15.12)	(11.25)	(10.44)	(11.16)	(11.71)	(10.65)	(12.90)	(11.58)
	Dec	13.73	11.00	10.35	10.72	11.50	10.22	11.94	11.11
		(15.03)	-11.01	-10.31	-11.04	-11.50	-10.19	-12.91	-11.28

* : Weighted average rates shown in parentheses represent Private Sector

Source: State Bank of Pakistan

TABLE 5.7

SALE OF GOVERNMENT SECURITIES THROUGH AUCTION (MTBs)

(Rs. Million)

No.	Securities	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 March (P)
	Market Treasury Bills*									
A.	**Three Months Maturity**									
	Amount Offered									
	i) Face value	186,652	157,946	1,413,218	571,993	2,837,276	1,658,923	1,592,616	5,555,952	1,041,500
	ii) Discounted value	183,039	154,340	1,372,004	556,452	2,742,436	1,611,411	1,554,179	5,435,437	1,013,664
	Amount Accepted									
	i) Face value	136,102	139,771	975,798	239,467	1,668,408	1,114,157	1,155,404	5,031,692	986,557
	ii) Discounted value	133,484	136,574	947,622	232,985	1,619,861	1,084,374	1,130,378	4,922,517	964883
	Weighted Average Yield									
	i) Minimum % p.a.	8.315	8.687	11.451	11.306	12.084	11.562	8.932	8.887	8.158
	ii) Maximum % p.a.	8.689	11.316	13.855	12.968	13.577	13.518	11.873	9.974	9.970
B.	**Six Months Maturity**									
	Amount Offered									
	i) Face value	125,483	91,476	272,584	868,334	2,226,878	1,719,456	3,597,169	1,024,910	1,250,739
	ii) Discounted value	120,197	87,279	255,885	818,516	2,087,195	1,619,284	3,425,863	973,520	1,197,222
	Amount Accepted									
	i) Face value	90,433	78,242	176,401	406,896	1,614,552	1,058,185	2,434,463	950,189	855,834
	ii) Discounted value	86,629	74,673	165,626	383,593	1,538,590	996,796	2,319,355	906,276	818,728
	Weighted Average Yield									
	i) Minimum % p.a.	8.485	8.902	11.668	11.381	12.316	11.626	8.916	8.944	7.892
	ii) Maximum % p.a.	8.902	11.472	14.011	12.597	13.736	13.762	11.920	9.979	9.979
C.	**Twelve Months Maturity**									
	Amount Offered									
	i) Face value	787,636	658,709	931,293	1,765,589	908,194	2,154,137	2,963,751	915,273	2,138,389
	ii) Discounted value	717,951	598,425	823,027	1,572,033	799,172	1,910,366	2,691,500	830,313	1,965,074
	Amount Accepted									
	i) Face value	661,786	441,130	332,008	931,787	599,015	1,283,676	2,017,987	894,465	954,892
	ii) Discounted value	607,211	402,784	294,106	830,606	527,018	1,139,954	1,833,775	813,625	876,315
	Weighted Average Yield									
	i) Minimum % p.a.	8.786	9.16	11.778	11.464	12.431	11.690	8.956	8.957	7.768
	ii) Maximum % p.a.	9.16	11.688	14.261	12.609	13.907	13.907	11.930	9.990	9.990

P : Provisional

Source: State Bank of Pakistan

* : MTBs were introduced in 1998-99

Note : Amount includes Non-competitive Bids since 2009-10

TABLE 5.8

SALE OF GOVERNMENT SECURITIES THROUGH AUCTION (PIBs)

(Rs. Million)

No.	Securities	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 March (P)
	Pakistan Investment Bonds*									
A.	Amount Offered	199,017	141,853	12,640	140,520	321,936	331,683	647,257	2,232,571	1,837,455
	03 Years Maturity	36,982	11,260	9,523	21,163	81,960	98,271	319,735	1,231,992	936,316
	05 Years Maturity	39,799	21,311	4,410	13,427	33,306	74,798	173,909	465,286	462,036
	07 Years Maturity	-	-	-	5,900	6,576	1,650	-	-	-
	10 Years Maturity	65,986	61,593	25,254	69,800	176,840	149,418	147,403	512,925	430,328
	15 Years Maturity	12,750	16,138	2,536	3,560	2,966	2,446	-	-	-
	20 Years Maturity	20,200	11,750	3,500	12,120	7,875	4,890	6,210	22,368	8,775
	30 Years Maturity	23,300	19,800	7,000	14,550	12,413	210	-	-	-
B.	Amount Accepted	87,867	73,584	25868	64,732	169,295	226,095	278,357	2,038,994	860,141
	3 Years Maturity									
	(i) Amount Accepted	10,882	5,169	4,165	11,645	49,712	72,207	139,300	1,171,806	396,809
	(ii) Weighted Average Yield									
	Minimum % p.a.	9.311	9.619	13.697	12.208	13.898	12.080	9.607	10.326	8.187
	Maximum % p.a.	9.778	12.296	13.883	13.551	14.200	13.431	12.639	12.086	12.539
	5 Years Maturity									
	(i) Amount Accepted	10,174	10,777	3,023	7,177	16,668	55,897	80,492	426,111	252,760
	(ii) Weighted Average Yield									
	Minimum % p.a.	9.528	9.796	14.335	12.294	12.276	12.108	10.050	10.776	8.660
	Maximum % p.a.	10.002	10.800	14.336	12.563	14.277	13.474	13.050	12.559	12.965
	7 Years Maturity									
	(i) Amount Accepted	-	-	2,935	2,175	Bids	-	-	-	
	(ii) Weighted Average Yield					Rejected				
	Minimum % p.a.	-	-	14.3273	12.4159	0	0	-	-	
	Maximum % p.a.	-	-	14.7041	12.696	0	0	-	-	
	10 Years Maturity									
	(i) Amount Accepted	30,211	23,875	8,509	39,399	101,355	92,049	53,368	420,755	202,572
	(ii) Weighted Average Yield									
	Minimum % p.a.	10.106	10.179	14.472	12.426	14.017	12.156	10.962	11.527	9.422
	Maximum % p.a.	10.507	13.411	14.864	12.705	14.249	13.499	13.327	12.921	13.439
	15 Years Maturity									
	(i) Amount Accepted	9,250	8,613	1,236	1,035	460	2,262	-	-	-
	(ii) Weighted Average Yield									
	Minimum % p.a.	10.85	11.108	14.750	12.293	14.098	13.501	-	-	-
	Maximum % p.a.	11.058	13.441	15.356	12.923	14.108	13.501	-	-	-
	20 Years Maturity									
	(i) Amount Accepted	11,250	9,050	1,500	1,525	875	3,680	5,197	20,323	8,000
	(ii) Weighted Average Yield									
	Minimum % p.a.	11.173	11.373	15.700	13.099	14.138	13.350	13.350	12.900	11.000
	Maximum % p.a.	11.392	13.855	15.700	13.922	14.199	13.350	13.350	13.289	13.591
	30 Years Maturity									
	(i) Amount Accepted	16,100	16,100	4,500	1,775	225	0	-	-	-
	(ii) Weighted Average Yield									
	Minimum % p.a.	11.546	11.588	14.608	13.551	14.186	0	-	-	-
	Maximum % p.a.	11.680	14.118	16.225	13.749	14.187	0	-	-	-

P : Provisional

* : PIBs were introduced in 2000-01 — Source: State Bank of Pakistan

Note: 1. Offered amount include non-competitive bids since 2009-10

2. Accepted amount include non-competitive bids as well as short sell accommodation

CAPITAL MARKETS

TABLE 6.1

NUMBER OF LISTED COMPANIES, FUND MOBILISED AND TOTAL TURNOVER OF SHARES IN VARIOUS STOCK EXCHANGES

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 (Jul-Mar)
KARACHI STOCK EXCHANGE											
i) Total Listed Companies	659	658	658	652	651	652	639	591	569	557	560
ii) New Companies Listed	15	14	16	7	8	8	1	3	4	5	6
iii) Fund Mobilized (Rs billion)	54.0	41.4	49.7	62.9	44.9	111.8	31.0	115.1	29.5	47.6	29.1
iv) Total Turnover of Shares (In billion)	88.3	79.5	54.0	63.3	28.3	43.0	28.0	38.0	54.0	56.6	38.4
LAHORE STOCK EXCHANGE											
i) Total Listed Companies	524	518	520	514	511	510	496	459	440	432	433
ii) New Companies Listed	5	7	10	2	9	25	9	2	2	4	10
ii) Fund Mobilized (Rs billion)	42.1	24.5	38.8	29.7	32.8	67.5	18.1	13.3	7.7	40.4	4.3
iv) Total Turnover of Shares (In billion)	17.5	15.0	8.2	6.5	2.7	3.4	1.1	0.9	1.0	0.7	0.2
ISLAMABAD STOCK EXCHANGE											
i) Total Listed Companies	232	240	246	248	261	244	236	218	210	270	218
ii) New Companies Listed	5	6	12	7	15	2	-	-	1	5	7
ii) Fund Mobilized (Rs billion)	27.6	5.2	30.7	24.6	24.8	76.7	17.8	12.8	8.1	29.6	6.9
iv) Total Turnover of Shares (In billion)	0.7	0.4	0.2	0.6	0.3	0.23	0.04	0.03	0.03	0.04	0.02

Source: Karachi Stock Exchange
Lahore Stock Exchange
Islamabad Stock Exchnage

TABLE 6.2

NATIONAL SAVINGS SCHEMES (NET INVESTMENT)

(Rs. Million)

	Name of Scheme	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 (July-Mar)
1	Defence Savings Certificates	(7,551.0)	(6,976.8)	(4,317.4)	(27,411.3)	(32,493.2)	9,748.1	7,295.5	29,892.0	12,970.8	11,008.0
2	National Deposit Scheme	(2.5)	(1.1)	0.1	(2.7)	(0.1)	(1.0)	(0.9)	(0.6)	(0.3)	(0.6)
3	Khaas Deposit Scheme	(2.8)	(5.6)	7.0	(1.6)	(3.8)	(2.6)	(0.6)	(1.2)	(0.8)	(4.3)
4	Special Savings Certificates (R)	(57,737.1)	6,667.5	13,800.6	128,469.0	61,856.6	43,960.6	(52,834.2)	46,401.5	57,619.6	34,627.8
5	Special Savings Certificates (B)	(0.6)	(0.1)	(0.2)	(8.5)	(0.3)	(0.7)	(0.9)	(0.3)	(0.8)	
6	Regular Income Certificates	(15,563.9)	18,369.1	(273.5)	40,094.3	44,538.3	46,946.8	43,971.6	36,047.0	62,783.3	47,294.2
7	Bahbood Saving Certificates	59,636.6	47,214.5	38,799.7	78,538.0	59,267.2	61,731.6	52,254.5	47,622.7	53,963.0	38,189.0
8	Pensioners' Benefit Account	16,382.9	11,468.6	18,695.9	22,215.7	18,166.9	17,940.3	16,359.5	17,538.9	18,471.2	13,153.5
9	Savings Accounts	202.7	12,825.7	8,989.1	(10,899.2)	1,021.3	(625.3)	3,978.5	1,098.9	283.2	2,499.5
10	Special Savings Accounts	(709.6)	9,417.6	5,521.5	21,627.1	31,375.5	14,240.8	61,098.8	150,836.0	(53,463.7)	72,181.5
11	Mahana Amdani Accounts	45.7	56.9	(25.0)	50.0	(195.7)	(77.9)	(90.5)	(78.5)	(72.5)	(53.3)
12	Prize Bonds	3,325.8	9,007.3	8,277.1	14,650.0	38,556.7	41,083.4	56,324.2	56,175.4	57,058.4	49,849.3
13	Postal Life Insurance	10,804.5	-	-	-	-	-	-	-	-	
14	National Savings Bonds	-	-	-	-	3,625.2	-	-	(3,425.6)	-	(62.6)
15	Short Term Saving Certificates	-	-	-	-	-	-	-	3,969.7	(2,628.9)	288.1
	Grand Total	8,830.7	71,305.5	89,460.8	267,220.7	225,714.5	234,944.0	188,355.6	386,075.9	206,982.4	268,970.1

Figures in Parenthesis represent negative growth

Source : Central Directorate of National Savings

R : Registered

B : Bearer

TABLE 6.3
MARK UP RATE/PROFIT RATE ON DEBT INSTRUMENTS CURRENTLY AVAILABLE IN THE MARKET

S.No. Schemes	Markup/Profit Rate	Maturity Period	Tax Status
1. Special US$ Bonds			
a) 3 year maturity	LIBOR+1.00%	The rates are effective from Sept.1999. If bonds are encashed before one year no profit will be paid	
b) 5 year maturity	LIBOR+1.50%		
c) 7 year maturity	LIBOR+2.00%		
2. Pakistan Investment Bonds			
Tenor	Rate of Profit		
3-Year Maturity	8.75%p.a	The coupon rates on PIB as on March 31, 2015	
5-Year Maturity	9.25%p.a		
10-Year Maturity	9.75%p.a		
20-Year Maturity	10.75%p.a		
3. Unfunded Debt			
Defence Saving Certificates	8.92%p.a.(m)	10 Years	Taxable
Special Saving Certificates (R)	7.80%.pa.	3 Years	Taxable
for each of 1st five profit	7.6%.p.a		
for the last one profit	8.80%p.a		
Regular Income Certificates	8.232%,p.a	5 Years	Taxable
Saving Accounts	4.10%p.a	Running Account	Taxable
Pensioners' Benefit Account	10.80%p.a	10 Years	Tax Exempt
Bahbood Savings Certificate	10.80%p.a	10 Years	Tax Exempt
Prize Bonds	10.00p.a%		Taxable
Short Term Savings Certificate			
STSC 3 Months	6.96%p.a(m)	3 Months	Taxable
STSC 6 Months	7.02%p.a(m)	6 Months	Taxable
STSC 12 Months	7.07%p.a(m)	12 Months	Taxable

p.a : Per annum R : Registered
m : on maturity
STSC: Short Term Savings Certificate

Source: State Bank of Pakistan and Central Directorate of National Savings

INFLATION

TABLE 7.1 (A)

PRICE INDICES

A. COMBINED CONSUMER PRICE INDEX BY GROUPS

(Base Year : 2000-01 = 100)

Groups/ Fiscal Year	General	Food Beverages & Tobacco	Apparel Textile & Footwear	House Rent	Energy	Household Furniture, Equipments etc.	Transport & Communication	Recreation Entertainment	Education	Cleaning, Laundry & Personal Appearance	Medicare
1991-92	47.41	46.33	51.97	49.46	39.02	51.97	46.25	51.82	-	47.25	46.77
1992-93	52.07	51.84	56.46	54.60	40.00	55.96	50.31	53.31	-	51.55	49.75
1993-94	57.94	57.72	60.29	59.76	44.84	54.78	54.78	56.48	-	59.25	64.27
1994-95	65.48	67.24	67.64	66.19	49.20	59.17	59.17	61.37	-	65.50	69.61
1995-96	72.55	74.05	75.59	72.37	56.99	64.66	64.66	71.00	-	75.01	76.26
1996-97	81.11	82.86	82.82	79.71	64.10	73.43	73.43	80.49	-	85.38	86.10
1997-98	87.45	89.20	86.50	87.38	71.16	76.93	76.93	88.09	-	87.67	90.57
1998-99	92.46	94.46	92.27	93.21	80.95	76.98	76.98	92.20	-	92.81	92.02
1999-00	95.78	96.56	97.31	97.15	90.36	81.06	81.06	96.46	-	97.79	93.14
2000-01	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
2001-02	103.54	102.50	103.23	102.80	107.76	103.80	103.80	106.30	104.97	102.50	102.37
2002-03	106.75	105.40	106.75	103.80	118.39	105.29	105.29	107.21	109.72	103.37	105.59
2003-04	111.63	111.74	109.69	108.20	120.26	115.72	115.72	106.08	114.19	111.29	106.89
2004-05	121.98	125.69	112.98	120.42	128.46	117.33	120.18	105.86	117.55	115.90	107.94
2005-06	131.64	134.39	117.58	132.36	147.24	124.25	130.99	105.65	125.03	119.49	110.66
2006-07	141.87	148.21	123.70	141.21	156.65	131.64	134.63	105.76	133.82	124.55	120.91
2007-08	158.90	174.36	133.79	154.47	165.17	141.08	138.66	107.86	140.88	138.28	132.23
2008-09	191.90	215.69	152.82	180.90	198.92	159.58	192.55	120.00	165.27	163.17	147.25
2009-10	214.41	242.59	162.49	205.88	226.90	169.76	204.15	127.09	185.74	180.52	157.02
2010-11	244.26	286.15	181.97	220.90	261.67	187.04	233.52	139.63	197.14	203.16	180.67

(Base Year : 2007-08 = 100)

Groups/ Fiscal Year	General	Food & Non Alcholic Beverages	Beverages & Tobaco	Clothing & Foot wear	Housing, Water, Elec.Gas & Fuel	Household Equipment & Repair Maintenance	Health	Transport	Communication	Recreation & Culture	Eduction	Restaurant & Hotels	Miscellaneous
2008-09	117.03	123.13	113.64	111.74	112.01	115.97	108.03	125.15	105.59	114.27	108.15	123.53	117.65
2009-10	128.85	139.05	136.71	119.22	122.14	123.93	114.33	132.79	109.65	127.87	119.39	140.36	133.63
2010-11	146.45	164.10	151.64	133.35	135.27	135.59	123.79	149.01	122.47	134.62	128.17	164.04	152.45
2011-12	162.57	182.20	165.01	153.45	146.17	160.28	137.97	171.39	122.94	145.35	143.83	185.82	181.47
2012-13	174.53	195.18	191.02	175.58	151.34	179.87	156.56	186.43	126.16	169.07	156.69	203.63	199.49
2013-14	189.58	212.74	223.38	198.01	164.60	195.85	167.15	195.15	129.76	183.77	172.57	228.61	210.15
Jul-Apr													
2013-14	188.67	212.12	219.76	196.42	163.62	194.41	166.06	195.15	129.74	182.81	169.13	226.65	209.14
2014-15	197.74	219.73	266.54	212.97	174.37	208.17	175.75	189.14	130.05	189.75	193.84	243.73	220.71

Note: i) CPI 1990-91 base year series converted into base year 2000-01.

ii) The base for prices indices have been changed as 2007-08 new base year and different new groups have been included. Therefore, data may differ from the previous one.

(Contd.)

TABLE 7.1 (B)

PRICE INDICES (HEADLINE & CORE INFLATION)

	Indices				Headline & Core Inflation			
Year	General	Food	Non-Food	*Core	General	Food	Non-Food	*Core
				(Base Year : 2000-01 = 100)				
1991-92	47.41	46.33	48.52	48.84	10.58	10.64	10.52	10.52
1992-93	52.07	51.84	52.31	52.51	9.83	11.74	7.81	7.5
1993-94	57.94	57.72	58.18	58.21	11.27	11.34	11.22	10.9
1994-95	65.48	67.24	64.09	64.43	13.02	16.67	10.17	10.7
1995-96	72.55	74.05	71.36	71.46	10.79	10.13	11.34	10.9
1996-97	81.11	82.86	79.73	79.62	11.80	11.89	11.73	11.4
1997-98	87.45	89.20	86.07	85.60	7.81	7.65	7.94	7.5
1998-99	92.46	94.46	90.89	89.47	5.74	5.90	5.61	4.5
1999-00	95.78	96.56	95.16	92.59	3.58	2.23	4.69	3.5
2000-01	100.00	100.00	100.00	100.00	4.41	3.56	5.09	4.2
2001-02	103.54	102.50	104.28	103.76	3.54	2.44	4.28	2.0
2002-03	106.75	105.40	107.66	106.43	3.10	2.89	3.24	2.5
2003-04	111.63	111.74	111.55	110.43	4.57	6.01	3.62	3.8
2004-05	121.98	125.69	119.47	117.95	9.28	12.48	7.10	6.8
2005-06	131.64	134.39	129.77	126.82	7.92	6.92	8.63	7.5
2006-07	141.87	148.21	137.58	134.35	7.77	10.28	6.02	5.9
2007-08	158.90	174.36	148.45	145.60	12.00	17.65	7.90	8.4
2008-09	191.90	215.69	175.81	171.18	20.77	23.70	18.45	17.6
2009-10	214.41	242.59	195.36	190.03	11.73	12.47	11.12	11.0
2010-11	244.26	286.15	215.94	208.42	13.92	17.95	10.53	9.7
				(Base Year : 2007-08 = 100)				
2008-09	117.03	123.13	113.37	111.38	17.03	23.13	13.37	11.38
2009-10	128.85	139.05	122.73	119.79	10.10	12.93	8.26	7.55
2010-11	146.45	164.10	135.87	131.03	13.66	18.02	10.71	9.38
2011-12	162.57	182.20	150.81	144.78	11.01	11.03	11.00	10.49
2012-13	174.53	195.18	162.16	158.62	7.36	7.12	7.53	9.56
2013-14	189.58	212.74	175.69	171.82	8.62	9.00	8.35	8.34
Jul-Apr								
2013-14	188.67	212.12	174.61	170.64	8.69	9.34	8.23	8.27
2014-15	197.74	219.73	184.55	182.48	4.81	3.59	5.69	6.94

Note: i) CPI 1990-91 base year series converted into base year 2000-01.
ii) Core Inflation is defined as overall inflation adjusted for food and energy.

TABLE 7.1 (C)

PRICES INDICES

Groups/ Fiscal Year	B. Wholesale Price Index by Groups: General	Food	Raw Materials	Fuel, Lighting & Lubricants	Manufac- tures	Building Materials	Sensitive Price Indi- cator	GDP Deflator	
	(Base Year : 2000-01 = 100)								
1991-92	44.84	45.42	43.78	34.09	52.38	56.72	46.26	224.33	
1992-93	48.14	50.24	48.67	34.83	54.63	57.97	51.22	244.28	
1993-94	56.03	57.23	62.55	40.81	63.67	66.47	57.26	274.73	
1994-95	65.00	67.50	72.16	44.90	73.40	81.04	65.85	312.60	
1995-96	72.22	75.44	75.95	52.95	79.88	87.33	72.90	338.48	
1996-97	81.62	84.37	87.01	62.17	89.41	98.63	81.98	388.00	
1997-98	86.99	90.45	93.81	69.65	91.62	98.62	88.01	413.39	
1998-99	92.51	96.55	103.21	75.81	94.45	99.62	93.68	437.59	
1999-00	94.15	97.09	92.39	83.16	98.76	97.15	95.39	100.00	
2000-01	100.00	100.00	100.00	100.00	100.00	100.00	100.00	108.02	
2001-02	102.01	101.95	100.31	103.14	101.87	101.10	103.37	110.71	
2002-03	107.77	105.62	115.51	115.95	103.67	102.90	107.06	115.61	
2003-04	116.29	112.99	135.12	119.23	111.83	126.48	114.38	124.55	
2004-05	124.14	125.03	110.44	138.01	113.05	143.79	127.59	133.30	
2005-06	136.68	133.78	121.93	174.57	116.27	144.18	136.56	100.00	*
2006-07	146.17	145.67	138.85	184.10	119.91	151.93	151.35	107.28	
2007-08	170.15	173.27	156.57	223.34	128.33	177.18	176.78	121.13	
2008-09	201.10	213.54	184.45	258.96	140.67	213.00	218.16	146.18	
2009-10	226.49	239.01	238.11	296.48	154.94	201.40	247.22	161.89	
2010-11	279.30	285.93	374.44	348.19	197.39	226.63	292.16	193.52	
	(Base Year : 2007-08 = 100)								
Groups/ Fiscal Year	General	Agriculture Forestry & Fishery Product	Ores & Minerals, Materials electricity gas & water	Food Product, Beverages & Tobacco, Textiles Appreal Leather Products	Other Transportable Goods	Metal Products Machinery & Equipment	Sensitive Price Indi- cator	GDP Deflator	
2008-09	118.93	119.10	125.31	114.57	125.21	109.07	121.14	146.18	
2009-10	135.40	142.02	139.76	135.02	135.41	111.10	136.80	161.89	
2010-11	164.17	183.20	159.13	166.49	155.71	128.10	159.47	193.50	
2011-12	181.28	185.03	182.74	176.07	194.64	152.55	170.77	204.45	
2012-13	194.61	198.23	211.17	188.39	203.93	159.29	184.04	218.99	
2013-14	210.48	219.00	240.37	200.70	214.59	168.31	201.15	234.09	
Jul-Apr									
2013-14	209.94	217.60	239.96	200.28	214.81	167.84	200.99	234.09	
2014-15	210.00	219.48	245.49	206.45	199.42	172.72	204.73	242.59	

*: Base Year 2005-06 = 100

Source: Pakistan Bureau of Statistics

Note: i) WPI 1990-91 base year series converted into base year 2000-01.

ii) The base for prices indices have been changed and different new groups have been included. Therefore, data may differ from the previous one.

TABLE 7.2

MONTHLY PERCENTAGE CHANGES IN CPI, WPI AND SPI

(Percent)

Months	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	A. CONSUMER PRICE INDEX (C.P.I) converted into Base year 2000-01									New Base Year 2007-08=100						
Jul	1.09	0.57	1.38	1.62	1.61	1.01	3.34	1.54	1.23		1.51	2.07	1.27	-0.25	2.02	1.70
Aug	0.31	0.66	0.58	0.04	1.25	1.32	2.14	1.70	2.51	1.75	1.81	2.19	1.40	0.90	1.16	0.33
Sep	0.19	0.60	0.38	0.50	0.32	2.13	0.97	0.45	2.65	0.80	0.17	2.03	1.03	0.79	-0.29	0.35
Oct	0.16	1.47	1.19	0.94	0.36	1.23	2.12	0.95	0.62	1.39	0.60	0.98	1.44	0.38	1.97	0.21
Nov	0.31	0.60	1.12	0.76	0.73	0.14	-0.12	1.39	1.52	-0.32	1.32	0.99	0.29	-0.39	1.27	-0.51
Dec	-0.24	0.90	-0.85	-0.27	0.47	0.58	-0.50	-0.49	-0.51	-0.24	-0.73	-0.30	-0.70	0.23	-1.32	-1.01
Jan	0.06	-0.09	0.97	1.20	-0.88	1.91	-0.42	2.42	1.30	0.24	2.59	1.21	1.54	1.67	0.49	0.08
Feb	0.47	-0.34	0.99	0.33	1.04	0.49	0.95	0.39	-0.74	1.37	0.38	-0.56	0.30	-0.34	-0.32	-0.92
Mar	0.04	1.02	1.29	0.23	0.49	3.08	1.37	1.25	1.48	0.36	1.24	1.40	1.17	0.41	0.96	0.23
Apr	0.33	0.96	1.74	1.02	0.31	3.04	1.41	1.73	1.62	1.00	1.83	1.40	1.83	1.09	1.70	1.32
May	-0.29	0.69	-0.44	0.45	0.92	2.69	0.23	0.06	0.23	-0.07	0.13	0.23	1.15	0.51	-0.26	-
Jun	-0.21	1.12	0.10	0.59	0.20	2.10	0.99	0.65	0.55	0.87	0.36	0.96	0.04	0.72	0.61	-
	B. WHOLESALE PRICE INDEX (W.P.I.) converted into Base year 2000-01									New Base Year 2007-08=100						
Jul	1.51	1.31	-1.00	1.99	1.42	1.70	4.35	0.70	1.67		1.75	1.66	-0.40	0.36	1.65	0.54
Aug	1.66	0.98	-1.08	1.04	0.78	1.17	2.45	2.21	2.62	1.90	2.47	1.91	0.55	1.02	2.65	-0.48
Sep	0.59	0.34	0.40	0.54	0.44	1.62	-0.27	0.17	2.09	0.49	0.81	1.70	0.25	0.35	0.71	0.15
Oct	0.54	2.72	1.42	0.77	-0.49	1.82	-1.87	1.17	3.09	-1.08	0.93	1.74	0.37	0.11	1.13	-0.31
Nov	1.66	1.10	0.39	0.18	0.89	1.63	-5.11	2.78	3.48	-3.24	1.83	2.54	-0.53	-0.37	0.25	-0.99
Dec	0.70	1.39	-0.25	-0.13	0.37	-0.06	-1.97	0.20	1.06	-0.32	0.18	1.97	-1.33	0.43	-0.99	-1.89
Jan	0.38	0.21	1.53	1.28	-1.20	1.78	0.15	4.23	1.65	-0.04	3.26	1.91	2.26	1.25	0.53	-1.03
Feb	2.39	0.40	1.52	0.77	0.51	1.24	0.66	0.36	1.87	0.95	0.94	1.96	0.56	0.34	-0.14	-1.09
Mar	0.15	1.77	1.39	0.07	1.02	3.99	0.42	2.53	3.34	0.44	1.51	3.31	0.67	0.26	0.34	0.01
Apr	-1.17	0.32	1.61	1.23	1.16	4.30	1.68	1.84	2.26	1.68	1.95	2.45	1.80	0.77	0.10	0.86
May	-1.09	0.98	-0.59	0.35	1.09	4.97	1.52	0.87	-1.55	1.31	1.15	-0.96	2.15	-0.43	-0.08	-
Jun	-0.27	0.59	0.71	63.00	1.10	2.98	2.40	-0.63	0.22	1.23	0.17	0.57	-0.05	1.00	1.37	-
	C. SENSITIVE PRICE INDEX (S.P.I.) converted into Base year 2000-01									New Base Year 2007-08=100						
Jul	1.48	1.34	2.43	1.35	1.36	1.46	3.77	2.78	1.85		2.77	2.26	2.38	0.51	2.27	1.95
Aug	1.09	0.70	1.18	0.26	2.18	1.67	2.34	1.68	2.86	2.38	2.28	2.26	0.83	1.29	1.54	0.83
Sep	1.04	0.75	0.29	0.23	0.41	2.63	0.51	0.56	4.32	0.39	0.66	5.11	1.34	1.25	0.06	0.24
Oct	-0.24	2.34	0.53	0.05	0.56	1.47	2.70	0.35	2.18	1.82	0.20	1.76	0.76	-0.45	1.17	-0.03
Nov	1.09	2.64	1.94	0.88	2.34	0.85	-1.35	2.49	3.79	-0.69	1.97	3.40	0.74	0.03	3.22	-1.13
Dec	-0.64	1.31	-0.98	-0.24	0.76	1.45	-1.69	0.66	-0.64	-1.19	-0.18	-1.27	-2.01	0.05	-2.54	-1.52
Jan	0.23	-0.69	0.91	0.80	-1.32	2.67	-1.42	2.88	0.47	-2.38	3.28	0.07	1.00	1.92	-2.54	-0.87
Feb	0.42	-0.61	0.54	1.46	0.09	-1.33	0.85	0.56	-1.13	1.03	0.45	-1.33	-0.12	0.07	-0.09	-0.99
Mar	-0.01	1.30	1.07	0.84	-0.01	3.42	0.64	0.78	0.79	0.80	1.14	0.66	1.49	0.78	2.15	0.00
Apr	-0.23	-0.51	1.29	1.33	0.09	5.48	1.68	0.43	0.55	0.89	0.77	0.31	1.67	-0.29	0.07	0.39
May	-0.61	2.14	-1.02	0.65	1.37	5.41	1.27	-0.06	-0.32	1.43	-0.24	-0.66	-0.14	0.07	-1.51	-
Jun	0.24	1.31	0.70	0.45	1.48	1.56	1.17	0.95	1.16	1.41	0.56	-0.08	1.39	2.45	1.11	-

Source: Pakistan Bureau of Statistics

Note: CPI, SPI and WPI 1990-91 base year series converted into Base Year 2000-01.

TABLE 7.3 (A)

PRICE INDICES BY CONSUMER INCOME GROUPS

Income Group/ Fiscal Year	All Income Groups	Upto Rs 3000	Rs 3001 to 5000	Rs 5001 to 12000	Above Rs 12,000
			Base Year 2000-01 = 100		
1990-91	43.20	42.43	42.85	43.18	43.09
1991-92	47.41	47.03	47.40	47.70	47.51
1992-93	52.07	52.03	52.13	52.11	51.62
1993-94	57.94	57.80	58.00	58.05	57.61
1994-95	65.48	65.86	65.73	65.16	64.18
1995-96	72.55	72.86	72.76	72.22	71.42
1996-97	81.11	81.37	81.41	80.71	79.71
1997-98	87.45	87.81	87.43	87.07	86.05
1998-99	92.46	92.71	92.67	92.18	91.41
1999-00	95.78	95.66	95.85	95.70	95.50
2000-01	100.00	100.00	100.00	100.00	100.00
2001-02	103.54	102.97	104.88	103.44	103.64
2002-03	106.75	105.95	106.70	106.68	106.83
2003-04	111.63	111.61	112.18	111.72	111.39
2004-05	121.98	123.01	123.16	122.26	121.35
2005-06	131.64	132.47	132.44	131.51	131.45
2006-07	141.87	143.52	143.42	142.05	141.19
2007-08	158.90	163.98	163.64	160.24	156.32
2008-09	191.90	200.20	199.83	194.91	186.86
2009-10	214.41	224.33	223.81	218.07	208.34
2010-11	244.26	258.35	257.12	249.10	236.38

Spliced with Base Year 2007-08 = 100

Income Group/ Fiscal Year	All Income Groups	Upto Rs 8000	Rs 8001 to 12000	Rs 12000 to 18000	Rs 18001 to - 35000	Above Rs 35,000
2008-09	117.03	117.95	117.77	118.11	117.61	116.83
2009-10	128.85	130.39	130.19	130.61	129.77	128.25
2010-11	146.45	149.04	148.56	147.59	148.91	145.34
2011-12	162.57	164.00	164.37	163.06	165.01	162.09
2012-13	174.53	176.93	178.55	176.83	176.28	172.48
2013-14	189.58	192.57	193.69	193.00	192.26	186.72
Jul-Apr						
2013-14	188.67	191.98	193.00	192.15	191.34	185.72
2014-15	197.74	199.34	200.82	200.93	200.38	195.30

Source: Pakistan Bureau of Statistics

Note: CPI 1990-91 Base Year series have been converted into Base Year 2000-01.

TABLE 7.3 (B)

ANNUAL CHANGES IN PRICE INDICES AND GDP DEFLATOR

Fiscal Year	Consumer Price Index	Wholesale Price Index	Sensitive Price Indicator	Annual GDP Deflator
		Base Year 2000-01 = 100		
1990-91	12.66	11.73	12.59	-
1991-92	10.58	9.84	10.54	10.07
1992-93	9.83	7.36	10.71	8.89
1993-94	11.27	16.40	11.79	12.47
1994-95	13.02	16.00	15.01	13.78
1995-96	10.79	11.10	10.71	8.28
1996-97	11.80	13.01	12.45	14.63
1997-98	7.81	6.58	7.35	6.55
1998-99	5.74	6.35	6.44	5.85
1999-00	3.58	1.77	1.83	2.78
2000-01	4.41	6.21	4.84	6.72
2001-02	3.54	2.08	3.37	2.49
2002-03	3.10	5.57	3.58	4.42
2003-04	4.57	7.91	6.83	7.74
2004-05	9.28	6.75	11.55	7.02
2005-06	7.92	10.10	7.02	10.49
2006-07	7.77	6.94	10.82	7.28 *
2007-08	12.00	16.64	16.81	12.91
2008-09	20.77	18.19	23.41	20.68
2009-10	11.73	12.63	13.32	10.75
2010-11	13.92	23.32	18.18	19.54
		(Base Year : 2007-08 = 100)		
2008-09	17.0	18.9	21.1	20.7
2009-10	10.1	13.8	12.9	10.8
2010-11	13.7	21.2	16.6	19.5
2011-12	11.0	10.4	7.1	5.7
2012-13	7.4	7.4	7.8	7.1
2013-14	8.6	8.2	9.3	6.9
Jul-Apr				
2013-14	8.69	8.28	9.78	6.9
2014-15	4.81	0.03	1.86	3.6

Source: Pakistan Bureau of Statistics

*: Base Year 2005-06 = 100

Note: i) WPI, CPI & SPI Base Year = 1990-91 series have been converted into Base Year 2000-01.
ii) GDP Deflator is with 1999-2000 = 100 as base year.

TABLE 7.4

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

(Price in Rs.)
(Weight in Kg.)

Fiscal Year	Wheat (Av.Qlty)	Wheat Flour (Av.Qlty)	Basmati* Rice (Broken	Moong Pulse (Washed)	Gram Pulse (Av.Qlty)	Beef (Cow/ Buffalo with bone)	Chicken (Farm)	Mutton (Goat) (Av.Qlty)	Eggs Hen (Farm) Doz.	Potato (Av.Qlty)	Dry Onion (Av.Qlty)	Tomato (Av.Qlty)
						Base Year 2000-01 = 100						
1990-91	3.07	3.66	6.10	12.64	7.85	25.51	..	50.39	13.28	5.19	7.70	12.52
1991-92	3.62	4.20	6.97	16.16	8.70	29.62	..	53.86	15.95	6.32	4.17	8.75
1992-93	3.85	4.44	8.06	17.09	11.35	32.49	..	60.09	15.96	5.77	7.16	11.64
1993-94	4.28	4.93	8.77	17.09	11.72	35.63	..	69.94	18.69	5.81	6.88	14.64
1994-95	5.07	5.78	9.09	20.24	21.77	40.68	..	81.68	20.64	6.32	7.76	18.22
1995-96	5.14	5.90	11.27	21.86	21.67	47.29	..	91.71	21.37	10.45	7.65	14.05
1996-97	6.59	7.32	12.85	21.80	15.00	54.01	..	99.42	24.90	12.08	9.22	14.35
1997-98	7.96	8.64	13.40	28.45	20.22	55.44	57.24	103.37	29.73	9.31	10.45	20.34
1998-99	7.72	8.35	14.50	32.95	22.08	55.83	54.20	106.46	25.98	8.74	15.32	19.60
1999-00	8.19	8.92	15.71	30.05	25.07	56.78	50.90	108.64	24.27	9.38	6.85	15.25
2000-01	8.67	9.80	15.35	30.30	29.52	56.01	50.65	109.38	26.35	9.74	10.72	17.24
2001-02	8.29	9.67	15.49	34.36	34.89	55.19	52.04	111.53	28.57	11.43	9.59	17.12
2002-03	8.73	10.14	18.07	30.46	31.13	61.21	54.01	124.95	30.69	9.43	8.70	13.30
2003-04	10.25	11.71	19.04	27.98	24.17	75.45	57.50	154.31	30.03	8.58	11.09	19.10
2004-05	11.68	13.28	20.19	31.66	29.35	94.83	66.43	185.19	37.45	14.94	13.82	25.03
2005-06	11.55	13.06	20.16	47.28	31.12	106.84	66.08	202.10	35.07	18.18	12.05	19.48
2006-07	11.96	13.64	23.11	56.53	41.38	117.87	74.16	224.07	38.31	17.22	20.95	27.43
2007-08	16.44	18.07	37.77	52.67	44.78	123.30	83.39	236.49	49.45	15.22	16.28	28.50
2008-09	23.87	25.64	47.12	50.10	57.15	143.82	103.12	262.03	58.80	20.35	25.77	29.67
2009-10	25.40	28.77	43.92	78.02	53.34	174.49	126.22	316.52	65.67	23.74	25.56	27.72
2010-11	25.79	29.56	50.32	136.49	70.25	215.42	130.98	411.48	72.78	27.59	33.27	44.86
						(Base Year : 2007-08 = 100)						
2008-09	240.70	255.34	47.12	50.10	57.15	143.82	103.13	262.03	58.80	20.36	25.77	29.70
2009-10	255.11	287.32	43.92	78.02	53.34	174.49	126.22	316.52	65.67	23.74	25.56	27.72
2010-11	259.75	294.05	50.32	136.49	70.25	215.42	130.98	411.48	72.78	27.58	33.28	44.86
2011-12	267.39	302.59	60.36	127.90	83.32	252.41	150.07	482.04	86.95	25.33	32.24	46.46
2012-13	306.07	345.26	69.01	115.95	99.70	268.38	143.93	517.83	92.02	26.09	36.71	49.80
2013-14	370.22	409.84	74.09	137.64	74.77	283.99	161.40	559.49	97.61	42.79	41.63	58.36
Jul-Apr												
2013-14	376.47	414.43	74.10	133.25	74.67	282.92	160.39	556.71	100.82	39.68	43.44	64.33
2014-15	349.15	395.84	73.01	160.48	76.38	300.96	148.37	590.90	102.25	46.61	33.63	54.27

.. Not Available (Contd.)

Note: i) Data for Period: 1990-91 - 2000-01 is based on 12 centres while data 2001-02 onward is based on 17 centres.

ii) Wheat and Wheat Flour price in Base Year 2007-08=100 is quoted as 10 Kg prices.

TABLE 7.4 (Continued)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

(Price in Rs.)
(Weight in Kg.)

Fiscal Year	Mustard Oil (Mill)	Vegeta-ble Ghee (Loose)	Rock Salt (Powder)	Red Chilies (Av.Qlty)	Sugar (Open Market)	Gur (Sup. Qlty)	Milk Fresh Ltr.	Tea in* Packet (Sup.Qlty) 250 grams
				Base Year 2000-01 = 100				
1990-91	20.93	19.00	2.00	24.38	11.26	8.24	7.71	20.00
1991-92	25.85	20.53	2.17	31.05	11.62	8.67	8.82	20.04
1992-93	30.26	24.08	2.22	41.08	12.29	10.03	9.90	23.62
1993-94	33.18	29.09	2.25	39.33	12.91	10.49	11.07	27.65
1994-95	43.93	38.99	2.40	70.12	13.74	11.07	12.18	29.08
1995-96	46.50	39.38	2.79	82.32	16.76	14.54	13.67	30.33
1996-97	47.27	42.76	3.13	74.15	21.26	18.67	15.12	38.31
1997-98	49.65	45.78	3.17	62.55	19.54	18.91	16.27	49.88
1998-99	63.43	54.00	3.22	89.05	19.09	17.19	17.71	51.89
1999-00	61.13	49.14	3.35	82.72	21.11	19.81	17.91	48.95
2000-01	56.92	44.82	3.43	66.75	27.11	26.31	18.23	53.73
2001-02	59.01	49.20	3.19	78.34	22.87	23.12	17.92	57.00
2002-03	60.80	55.25	3.21	75.87	20.77	20.45	18.35	61.50
2003-04	63.51	59.84	3.22	73.80	19.01	19.79	19.21	64.68
2004-05	65.63	59.60	3.50	76.64	23.45	23.98	21.28	61.99
2005-06	66.70	58.95	3.94	70.79	31.16	35.90	23.90	62.62
2006-07	76.71	70.81	4.68	94.66	31.85	39.26	26.72	68.39
2007-08	119.71	108.43	5.12	147.84	27.92	32.87	30.45	68.28
2008-09	142.25	110.63	6.08	145.32	38.72	43.65	36.62	97.94
2009-10	133.56	112.04	6.69	152.38	57.11	70.74	42.32	120.77
2010-11	156.56	150.31	7.23	230.27	72.72	83.86	50.10	139.17
				(Base Year : 2007-08 = 100)				
2008-09	142.25	110.62	6.09	145.32	38.72	43.65	36.62	88.89
2009-10	133.55	112.04	6.69	152.38	57.11	70.74	42.32	108.98
2010-11	156.56	150.31	7.28	230.27	72.72	83.86	50.10	123.19
2011-12	178.29	166.26	8.13	299.42	60.99	78.27	58.17	135.15
2012-13	185.88	160.73	8.74	254.06	53.25	74.50	65.24	146.01
2013-14	184.48	160.57	9.37	221.33	53.82	82.83	69.86	154.58
Jul-Apr								
2013-14	184.46	160.64	9.28	218.22	53.97	83.36	69.08	160.01
2014-15	184.02	153.91	9.96	260.30	56.37	82.96	76.00	130.40

(Contd.)

*: Tea packet prices in Bases year 2007-08=100 is quoted of 200 grams packet price.

TABLE 7.4 (Continued)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

(Rs/unit)

Fiscal Year	Cigarettes Pkt	Coarse Latha Mtr.	Voil Printed Mtr.	Shoes Gents Concord Bata	Firewood (Kikar/ Babul) 40 Kgs.	Match Box (40/ 50 Sticks) Each	Washing Soap 707/555 Cake	Life-buoy Soap Cake
				Base Year 2000-01 = 100				
1990-91	3.48	10.71	25.24	429.95	50.07	0.35	2.49	4.02
1991-92	3.56	12.08	27.65	149.95	55.68	0.44	2.72	4.10
1992-93	3.60	13.46	27.18	149.95	62.31	0.49	3.01	4.64
1993-94	3.61	14.14	28.56	185.78	67.51	0.49	3.52	6.00
1994-95	3.75	15.76	29.26	224.95	71.83	0.50	4.14	6.35
1995-96	3.69	18.31	27.90	299.95	78.54	0.50	5.03	7.29
1996-97	3.90	20.89	30.01	337.70	88.88	0.50	5.95	8.53
1997-98	3.79	22.24	31.34	339.00	95.00	0.50	6.18	8.58
1998-99	4.19	23.20	31.63	342.96	97.65	0.50	6.57	9.21
1999-00	5.04	23.76	32.20	381.29	99.93	0.50	6.81	9.50
2000-01	5.01	24.11	33.04	399.00	104.04	0.50	6.90	9.50
2001-02	5.82	26.81	33.30	399.00	99.30	0.51	7.37	10.02
2002-03	6.06	26.84	33.74	428.17	104.20	0.51	7.48	11.00
2003-04	6.08	28.80	34.52	499.00	118.40	0.51	7.48	10.82
2004-05	6.90	32.08	36.13	492.33	135.96	0.53	7.47	14.00
2005-06	7.23	34.26	36.74	399.00	166.03	0.62	7.73	13.93
2006-07	7.98	35.05	37.90	429.00	191.72	0.71	8.13	14.18
2007-08	8.38	39.04	40.29	499.00	220.74	0.92	9.78	17.38
2008-09	9.11	44.69	46.02	499.00	264.12	1.00	12.51	21.59
2009-10	11.55	47.25	48.91	499.00	296.64	1.00	12.87	22.00
2010-11	13.72	57.52	56.67	499.00	354.29	1.00	15.14	25.47
				(Base Year : 2007-08 = 100)				
2008-09	18.19	135.35	59.29	499.00	264.12	1.00	12.51	21.59
2009-10	23.11	135.69	63.31	499.00	296.64	1.00	12.87	22.00
2010-11	27.44	148.57	72.35	499.00	354.29	1.00	15.14	25.47
2011-12	29.10	111.21	88.07	499.00	441.74	1.06	18.39	30.50
2012-13	32.34	151.14	101.61	549.00	491.55	1.10	21.00	32.29
2013-14	38.45	176.59	112.40	671.92	538.12	1.42	23.34	35.86
Jul-Apr								
2013-14	38.02	173.61	111.10	666.50	534.73	1.39	23.24	35.83
2014-15	45.29	199.84	122.86	699.00	564.52	1.71	24.32	36.00

(Contd.)

Note: Prices of Long Cloth and Georgerette have been quoted in base year 2007-08 instead of prices of Coarse Latha and Voil Printed in previous base year.

TABLE 7.4 (Continued)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

(Rs/unit)

Fiscal Year	Electric Bulb (60-W)	Cooked Beef Plate	Cooked Dal Plate	Rice Irri-6 Kg	Masoor Pulse Kg	Mash Pulse Kg	Garlic Kg	Cooking Oil Dalda 2.5 Ltr	Vegetable Ghee 2.5 Kg
	Base Year 2000-01 = 100								
1990-91	11.03	8.22	5.52	4.84	18.77	14.19	36.02	57.71	49.07
1991-92	11.98	9.35	6.08	5.66	23.70	15.75	23.15	62.83	51.74
1992-93	12.00	10.51	6.59	6.41	21.75	14.95	18.01	70.74	62.07
1993-94	12.28	11.59	7.28	6.62	19.87	14.91	27.02	87.22	77.95
1994-95	13.00	13.17	8.36	7.07	20.20	23.93	31.65	116.83	104.62
1995-96	13.29	14.48	9.43	9.09	28.01	32.79	27.14	122.50	109.82
1996-97	14.94	15.84	9.95	9.99	30.79	31.82	34.34	134.64	119.06
1997-98	14.96	16.44	10.40	10.48	34.49	28.59	36.85	148.95	131.98
1998-99	15.42	17.85	11.12	12.09	35.84	30.40	38.67	168.27	157.94
1999-00	16.00	18.30	11.35	12.51	36.03	38.38	30.16	166.93	164.95
2000-01	14.10	18.53	11.87	11.56	36.97	48.38	28.07	155.64	153.43
2001-02	14.00	18.58	12.42	11.51	38.41	44.25	39.93	170.97	169.24
2002-03	13.30	18.88	13.09	12.23	38.41	37.56	34.11	199.68	196.77
2003-04	12.69	20.95	13.86	13.06	35.40	35.57	32.82	203.98	200.28
2004-05	12.07	24.21	14.71	15.41	43.11	38.52	44.22	204.99	204.15
2005-06	11.43	26.07	15.65	16.05	45.01	52.91	58.09	204.41	203.63
2006-07	11.95	29.80	17.84	17.59	44.54	70.51	61.81	224.48	224.06
2007-08	12.68	33.26	20.46	29.32	71.41	71.36	46.18	316.32	312.97
2008-09	14.83	40.18	25.59	39.35	122.16	77.31	41.64	371.38	356.44
2009-10	19.79	44.82	28.07	34.43	121.92	129.88	131.52	359.05	356.58
2010-11	24.07	52.88	33.65	38.87	117.72	163.16	198.92	435.88	435.98
	(Base Year : 2007-08 = 100)								
2008-09	112.96	40.18	25.59	39.35	122.16	77.31	41.68	371.38	356.44
2009-10	118.78	44.82	28.07	34.43	121.92	129.88	131.52	359.05	356.58
2010-11	124.75	52.88	33.65	38.87	117.72	163.16	198.92	435.88	435.98
2011-12	139.93	60.54	37.27	45.68	102.64	145.82	107.89	502.66	501.91
2012-13	151.82	68.55	40.16	49.90	100.39	132.72	123.18	535.55	519.06
2013-14	162.69	77.84	45.46	54.05	120.49	134.21	129.71	538.73	511.77
Jul-Apr									
2013-14	162.22	77.14	45.18	53.96	118.86	131.82	131.84	538.26	511.56
2014-15	165.44	82.66	48.26	52.33	134.12	160.35	137.72	522.43	501.71

(Contd.)

Note: Prices of Energy Saver (14-volts) have been quoted in new base year 2007-08 instead of Electric Bulb (60 volts) prices in previous base year.

TABLE 7.4 (Continued)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

(Rs/Unit)

Fiscal Year	Curd Kg	Tea Pre-pared Cup	Banana Doz.	Lawn Hussain Mtr.	Shirting Hussain Mtr.	Shoes Lady Bata	Chappal Gents Spang	Bread Plain M.Size	Milk Pow-der Nido 500 grams
				Base Year 2000-01 = 100					
1990-91	9.98	1.35	11.66	33.65	30.98	156.20	33.97	4.34	217.27
1991-92	11.22	1.54	14.71	37.64	35.79	174.95	36.95	5.01	74.59
1992-93	12.49	1.72	19.06	39.42	39.54	174.95	36.95	5.78	84.96
1993-94	13.86	1.99	19.28	42.38	41.90	181.68	46.31	6.55	90.40
1994-95	15.25	2.20	21.04	44.63	45.08	191.95	55.95	7.40	105.47
1995-96	17.16	2.55	21.36	46.25	50.59	211.90	63.83	7.99	79.01
1996-97	18.74	3.02	20.37	52.03	53.58	248.03	78.70	9.09	91.00
1997-98	19.91	3.30	20.18	56.02	55.25	249.00	79.00	10.31	102.40
1998-99	21.75	3.61	21.25	72.17	56.85	269.42	79.00	10.39	105.82
1999-00	21.87	3.74	20.88	76.27	58.28	319.00	79.00	10.96	110.00
2000-01	22.43	4.03	22.11	77.77	59.10	319.00	79.00	11.17	114.03 *
2001-02	21.90	4.18	22.14	70.79	55.17	319.00	79.00	11.14	116.00
2002-03	23.35	4.46	21.96	69.92	55.59	342.23	79.00	11.16	88.00
2003-04	23.33	4.72	23.01	69.96	56.78	364.00	79.00	11.77	94.75
2004-05	25.75	5.12	25.11	72.61	59.94	252.33	86.53	13.25	102.62
2005-06	28.38	5.77	28.18	76.42	62.36	299.00	89.00	14.23	108.50
2006-07	31.34	6.31	32.51	79.69	65.45	299.00	92.00	15.34	121.47
2007-08	35.76	6.91	35.43	83.45	71.01	299.00	101.50	18.43	145.93
2008-09	43.38	8.41	39.62	91.00	78.38	372.33	127.33	24.17	168.48
2009-10	49.74	10.07	40.94	96.46	81.55	379.00	129.00	26.42	183.31
2010-11	58.41	12.66	49.15	110.53	88.80	397.33	138.17	28.24	204.38
				(Base Year : 2007-08 = 100)					
2008-09	43.38	8.41	39.62	126.32	78.38	372.33	129.00	24.17	168.48
2009-10	49.74	10.07	40.94	137.48	81.55	379.00	129.00	26.42	183.31
2010-11	58.41	12.66	49.16	150.31	88.80	397.33	139.00	28.24	204.38
2011-12	68.19	14.25	65.10	166.26	108.37	399.00	152.08	31.23	247.85
2012-13	75.74	15.30	68.83	166.52	124.22	449.00	179.00	34.23	289.78
2013-14	81.88	16.97	70.63	198.05	144.91	499.00	179.00	39.17	310.50
Jul-Apr									
2013-14	81.03	16.76	64.62	192.85	143.40	499.00	179.00	38.89	305.68
2014-15	89.29	18.65	74.07	239.10	157.29	499.00	179.00	40.78	350.86

Source: Pakistan Bureau of Statistics

* : The unit has changed from 500 gms to 400 gms in base year 2000-01

TABLE 7.4 (Concluded)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS (Average of 12 Centers)

Fiscal Year	Kerosene (per ltr.)	Gas Charges (100 cf)*		Elect Charges (upto 50 units)	Petrol Super (per ltr.)	Tele Local Call Charges (per Call)
			Base Year 2000-01 = 100			
1990-91	2.57	..		..	..	..
1991-92	5.90	..		..	..	..
1992-93	5.96	..		..	..	..
1993-94	7.01	..		..	..	..
1994-95	7.36	..		..	..	..
1995-96	8.27	..		..	..	..
1996-97	10.66	..		..	..	..
1997-98	11.60	..		..	..	..
1998-99	11.72	..		..	..	..
1999-00	13.00	231.44		1.28	28.23	2.10
2000-01	16.84	248.55		1.46	29.34	2.22
2001-02	18.58	259.26		2.18	31.60	2.31
2002-03	22.48	259.35		2.45	33.08	2.31
2003-04	24.95	79.45	*	2.54	33.69	2.31
2004-05	29.11	84.60	*	2.47	40.74	2.31
2005-06	36.19	88.92		2.14	55.12	2.31
2006-07	39.09	99.79		2.49	56.00	2.31
2007-08	43.44	97.17		2.76	57.83	2.31
2008-09	66.79	96.91		3.18	67.68	2.38
2009-10	72.65	106.81		3.64	67.56	2.62
2010-11	84.88	115.40		4.32	75.70	3.59
			(Base Year : 2007-08 = 100)			
2008-09	66.79	94.57		1.40	67.68	2.38
2009-10	72.65	103.87		1.53	67.56	2.62
2010-11	84.89	110.20		1.84	75.70	3.59
2011-12	104.84	132.73		1.89	92.93	3.59
2012-13	116.07	119.58		2.00	101.26	3.74
2013-14	123.45	124.18		2.00	110.99	3.94
Jul-Apr						
2013-14	124.41	124.18		2.00	111.30	3.94
2014-15	103.30	124.18		2.00	90.93	3.94

..: Not Available

Source: Pakistan Bureau of Statistics

*: The unit has been changed form 100 CM to 100 CF in base year 2000-01.

Note: i) Data for period 1990-91 base year spliced with base year 2000-01.

ii) Data for Period: 1990-91 - 2000-01 is based on 12 centres while data for period 2001-02 onward is based on 17 centres.

TABLE 7.5

INDICES OF WHOLESALE PRICES OF SELECTED COMMODITIES (Base Year 2000-01 = 100)

Fiscal Year	Wheat	Rice	Gram (Whole)	Sugar Refined	Vegetab-le Ghee	Tea	Meat	Vegeta-bles	Fresh Milk	Cotton	Motor Fuels
1991-92	116.48	110.40	116.50	103.64	105.52	100.82	110.71	96.82	110.71	106.04	102.50
1992-93	122.77	122.28	148.18	110.57	123.78	119.10	121.02	107.36	126.15	119.20	103.37
1993-94	136.04	130.94	220.32	115.96	151.04	136.40	140.28	143.43	142.92	168.20	123.39
1994-95	161.26	141.25	313.71	123.67	205.90	148.50	162.40	155.19	163.96	207.62	124.80
1995-96	163.26	167.12	303.57	152.97	208.27	157.91	162.86	173.71	190.39	210.57	139.42
1996-97	206.13	185.50	199.41	192.12	224.41	197.75	201.85	188.93	218.18	242.89	173.35
1997-98	246.80	197.08	260.78	175.98	241.78	255.96	210.00	231.40	216.25	245.84	188.14
1998-99	241.28	239.88	307.41	173.03	285.78	266.35	214.95	196.69	245.85	261.55	204.46
1999-00	258.66	245.11	370.24	191.58	249.13	254.60	218.60	195.92	252.28	213.72	239.48
2000-01	270.76	227.63	430.67	250.69	231.63	270.93	220.17	201.60	252.86	253.59	317.82
						(Base Year 2000-01 = 100)					
2000-01	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
2001-02	96.10	109.64	84.23	82.36	114.12	99.28	102.04	107.57	99.79	91.31	102.90
2002-03	101.12	126.09	71.40	75.32	130.34	96.93	111.10	101.65	100.50	110.46	106.80
2003-04	191.89	138.50	74.17	67.72	141.44	96.94	137.55	116.00	105.41	144.44	111.03
2004-05	137.24	153.40	95.52	85.18	137.41	93.78	169.19	144.06	113.43	95.23	134.78
2005-06	135.61	154.78	127.43	120.70	136.94	93.99	185.95	160.14	122.83	103.91	181.46
2006-07	139.21	175.54	147.79	118.80	164.73	100.48	201.01	161.14	133.31	110.92	181.38
2007-08	190.75	285.63	139.22	98.78	249.36	100.92	207.99	163.85	154.42	136.71	192.88
2008-09	277.87	356.43	181.83	142.52	254.49	134.83	242.43	204.04	184.75	153.12	216.16
2009-10	300.58	317.20	215.86	209.50	262.63	160.82	292.57	267.37	206.54	203.26	219.11
2010-11	301.21	365.48	242.04	267.79	354.09	179.71	370.99	370.80	242.21	386.09	244.87
						(Base Year : 2007-08 = 100)					
2008-09	148.02	125.90	126.16	142.39	97.19	129.05	115.53	132.22	119.35	121.12	113.68
2009-10	157.54	111.40	144.32	209.80	94.75	151.22	139.74	151.74	135.32	144.08	119.93
2010-11	159.53	123.39	169.24	251.13	118.21	165.31	174.86	173.43	157.40	171.48	126.84
2011-12	163.44	149.45	-	229.24	141.37	192.23	214.40	211.52	190.29	189.55	155.00
2012-13	185.61	163.94	-	197.25	146.16	173.65	218.64	208.98	212.50	169.95	167.45
2013-14	227.13	177.67	-	206.98	141.51	215.49	238.93	254.41	225.98	185.58	184.99
Jul-Apr											
2013-14	231.53	177.24	-	207.81	141.65	221.16	238.27	263.64	224.03	178.67	185.51
2014-15	211.72	173.96		197.68	142.72	162.31	243.66	250.77	249.30	203.49	164.71

-: Not available

(Contd.)

Note: In the new base year 2007-08 prices of Motor Spirit has been quoted instead of Motor Fuel prices in previous base year 2000-01.

TABLE 7.5 (Concluded)

INDICES OF WHOLESALE PRICES OF SELECTED COMMODITIES

Base Year (2000-01 = 100)

Fiscal Year	Other Oils	Fire Wood	Cotton Yarn	Matches	Soaps	Ferti-lizers	Trans-port	Leather	Timber	Cement
1991-92	100.39	111.43	105.40	107.59	105.27	109.71	103.24	109.57	114.90	108.00
1992-93	101.23	124.16	103.44	117.63	116.70	113.37	116.55	109.58	130.28	114.13
1993-94	120.72	133.68	137.83	120.69	140.04	153.70	135.89	115.54	144.50	137.61
1994-95	122.47	142.95	173.62	120.73	146.33	178.99	167.72	124.50	161.57	169.92
1995-96	141.59	153.83	184.24	122.99	171.03	198.95	216.71	138.98	175.41	166.18
1996-97	209.46	175.15	201.58	184.13	209.33	247.69	234.60	162.65	202.36	200.32
1997-98	228.68	190.80	199.64	208.14	200.54	256.19	234.81	152.12	220.08	212.05
1998-99	229.82	199.33	203.63	208.14	212.66	277.59	236.57	128.27	227.06	216.99
1999-00	272.45	207.73	200.74	205.67	222.75	316.24	255.29	133.20	239.02	212.65
2000-01	383.08	214.21	207.98	206.29	224.58	302.96	265.68	140.07	253.52	215.14
					Base Year 2000-01 = 100					
2000-01	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
2001-02	103.59	101.33	95.35	100.55	103.89	102.26	106.66	100.00	101.45	100.42
2002-03	128.10	103.94	98.06	100.55	109.00	113.59	106.82	95.23	101.25	102.77
2003-04	139.86	115.41	121.03	105.61	110.68	123.64	108.70	93.64	121.75	102.45
2004-05	169.56	127.94	106.36	107.66	122.81	140.95	110.39	102.77	140.93	104.82
2005-06	227.55	152.23	108.07	107.67	122.05	156.16	111.71	110.65	142.05	122.67
2006-07	237.63	176.28	112.66	107.67	127.73	147.70	114.94	111.86	162.09	127.42
2007-08	264.00	205.70	112.15	111.86	147.59	215.18	114.99	121.84	170.93	111.61
2008-09	372.04	247.76	104.21	124.26	176.29	310.97	123.95	129.83	201.11	139.83
2009-10	434.55	273.93	138.40	124.26	182.99	296.52	128.03	134.14	210.60	129.35
2010-11	511.36	322.67	222.84	131.38	203.92	357.86	159.78	216.90	227.95	132.15
					(Base Year : 2007-08 = 100)					
2008-09	126.68	118.08	106.00	122.07	111.35	147.58	109.26	103.63	114.01	129.08
2009-10	122.94	129.86	150.86	108.52	117.69	143.70	113.20	104.89	118.75	117.30
2010-11	141.73	151.43	182.87	110.37	130.52	174.65	116.77	107.07	127.27	140.80
2011-12	166.98	190.47	196.06	118.84	151.04	258.65	-	109.08	139.00	162.19
2012-13	177.81	213.40	207.59	141.51	153.94	242.20	-	126.95	144.89	190.49
2013-14	178.30	238.11	213.03	143.20	180.26	266.33	-	168.48	170.36	203.42
Jul-Apr										
2013-14	177.96	237.04	215.51	143.20	179.78	266.29	-	158.55	168.41	202.53
2014-15	182.60	251.30	218.59	162.29	167.39	250.01	-	215.80	197.82	218.74

-: Not available

Source: Pakistan Bureau of Statistics

Note: In the base year 2007-08 prices of Kerosene Oil has been quoted instead of Other Oils in previous base year of 2000-01 and prices of Motor Cycles instead of Transport.

TRADE AND PAYMENTS

TABLE 8.1

BALANCE OF PAYMENTS (SUMMARY)

(US $ Million)

Items	2009-10	2010-11	2011-12	2012-13	2013-14	July-March	
						2013-14	2014-15 P
Current account balance	-3,946	214	-4,658	-2,496	-3,130	-2,692	-1,456
Current account balance	-4,502	-610	-5,243	-2,898	-3,464	-2,901	-1,740
(without official Transfers)							
Export f.o.b	19,673	25,356	24,718	24,802	25,078	18,746	18,122
Imports f.o.b	31,209	35,872	40,370	40,157	41,668	31,226	30,875
Trade Balance	-11,536	-10,516	-15,652	-15,355	-16,590	-12,480	-12,753
Services Balance (Net)	-1,690	-1,940	-3,305	-1,564	-2,657	-2,129	-1,381
Credit	5,229	5,768	5,013	6,724	5,327	3,823	4,647
Debit	6,919	7,708	8,318	8,288	7,984	5,952	6,028
of which:							
Transportation	3,577	4,072	3,516	3,297	3,874	2,901	2,848
Travel	879	972	1,367	1,233	1,073	779	962
Income Account Balance (Net)	-3,282	-3,017	-3,245	-3,669	-3,948	-2,865	-3,121
Credit	561	716	826	488	526	399	448
Debit	3,843	3,733	4,071	4,157	4,474	3,264	3,569
of Which Interest Payments	1,467	1,483	1,633	1,240	1,344	998	1,146
Current Transfer (Net)	12,562	15,687	17,686	18,183	20,222	14,852	15,974
of Which Worker remittances	8,906	11,201	13,186	13,922	15,837	11,586	13,328
Capital Account and Financial Account	5,272	2,262	-1,097	-283	-3,665	477	-1,761
Capital Account	175	161	183	266	1,857	1,766	353
Financial Account	5,097	2,101	-1,280	-549	-5,522	-1,289	-2,114
Direct Investment (net)	2,075	1,591	-744	-1,258	-1,541	-621	-656
Direct Investment in Pakistan	2,151	1,635	821	1,456	1,669	710	711
Direct Investment abroad	-76	-44	77	198	128	89	55
Portfolio Investment (net)	-65	338	144	-26	-2,762	-125	-1,115
Assets (net)	-1	-7	32	99	-23	-26	-60
Liabilities (net)	-64	345	-112	125	2,739	99	1,055
Other Investment Assets	-11	-920	9	-314	-211	-322	-51
Other Investment Liabilities	3,098	1,092	671	-421	1,010	223	292
of which:							
General Government	1,961	298	998	248	1,610	5	167
Disbursements	4,134	2,377	2,633	2,530	4,349	2,011	2,321
Long-term	3,564	2,377	2,633	2,274	3,617	1,418	1,405
Short-term	570	0	0	256	732	593	916
Amortization	2,250	1,957	1,577	2,282	2,734	2,006	2,154
Long-term	1,360	1,557	1,477	1,530	1,834	1,347	1,241
Short-term	890	400	100	391	0	0	443
Other Liabilities	77	-122	-58	0	-5	0	0
Net errors and omissions	-60	16	-80	-309	-391	-611	202
Reserve and Related Items	-1,266	-2,492	-3,275	-1,992	3,858	-248	1,213
Reserves assets	-4,063	-2,225	-4,430	-4,530	3,285	-450	2,748
Use of fund credit and loans	2,174	-267	-1,155	-2,538	-573	-202	1,535
Exceptional financing	623	0	0	0	0	0	0

P : Provisional

Source: State Bank of Pakistan

TABLE 8.2

COMPONENTS OF BALANCE OF PAYMENTS (AS PERCENT OF GDP)

Year	Exports *	Imports *	Trade Deficit *	Worker's Remittances **	Current Account Deficit **
1980-81	10.5	19.3	8.7	7.5	3.7
1981-82	8.0	18.3	10.3	7.2	5.0
1982-83	9.4	18.7	9.3	10.1	1.8
1983-84	8.9	18.3	9.4	8.8	3.2
1984-85	8.0	19.0	11.0	7.9	5.4
1985-86	9.6	17.7	8.0	8.1	3.9
1986-87	11.1	16.1	5.1	6.8	2.2
1987-88	11.6	16.7	5.0	5.2	4.4
1988-89	11.7	17.6	5.9	4.7	4.8
1989-90	12.4	17.4	4.9	4.9	4.7
1990-91	13.5	16.7	3.3	4.1	4.8
1991-92	14.2	19.1	4.8	3.0	2.8
1992-93	13.3	19.4	6.1	3.0	7.2
1993-94	13.1	16.6	3.4	2.8	3.8
1994-95	13.5	17.2	3.7	3.1	4.1
1995-96	13.8	18.7	4.9	2.3	7.2
1996-97	13.4	19.1	5.7	2.3	6.2
1997-98	13.9	16.3	2.4	2.4	3.1
1998-99	13.3	16.1	2.8	1.8	4.1
1999-00	11.7	14.1	2.4	1.3	1.6
2000-01	12.9	15.1	2.1	1.5	0.7
2001-02	12.8	14.4	1.8	3.3	+1.9
2002-03	13.5	14.8	1.3	5.1	+3.8
2003-04	12.5	15.9	3.3	3.9	+1.3
2004-05	13.0	18.5	5.5	3.7	1.6
2005-06	12.0	20.9	8.9	3.4	3.6
2006-07	11.1	20.0	8.9	3.6	4.5
2007-08	11.2	23.5	12.3	3.8	8.2
2008-09	10.5	20.7	10.2	4.6	5.5
2009-10	10.9	19.6	8.7	5.0	2.2
2010-11	11.6	18.9	7.3	5.2	+0.1
2011-12	10.5	20.0	9.5	5.9	2.1
2012-13	10.6	19.4	8.9	6.0	1.1
2013-14	10.3	18.5	8.2	6.5	1.3
Jul-Mar					
2014-15 P	6.6	12.6	5.9	4.9	0.5

P : Provisional

* : Based on the data compiled by PBS

** : Based on the data compiled by SBP

Source: Pakistan Bureau of Statistics
State Bank of Pakistan

TABLE 8.3

EXPORTS, IMPORTS AND TRADE BALANCE

Year	(Rs million) Current Prices			Growth Rate (%)			(US $ million) Current Prices			Growth Rate (%)		
	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance
1980-81	29,280	53,544	-24,264	25.07	14.10	3.17	2,958	5,409	-2,451	25.07	14.11	3.20
1981-82	26,270	59,482	-33,212	-10.28	11.09	36.88	2,464	5,622	-3,158	-16.70	3.94	28.85
1982-83	34,442	68,151	-33,709	31.11	14.57	1.50	2,694	5,357	-2,663	9.33	-4.71	-15.67
1983-84	37,339	76,707	-39,368	8.41	12.55	16.79	2,768	5,685	-2,917	2.75	6.12	9.54
1984-85	37,979	89,778	-51,799	1.71	17.04	31.58	2,491	5,906	-3,415	-10.01	3.89	17.07
1985-86	49,592	90,946	-41,354	30.58	1.30	-20.16	3,070	5,634	-2,564	23.24	-4.61	-24.92
1986-87	63,355	92,431	-29,076	27.75	1.63	-29.69	3,686	5,380	-1,694	20.07	-4.51	-33.93
1987-88	78,445	112,551	-34,106	23.82	21.77	17.30	4,455	6,391	-1,936	20.86	18.79	14.29
1988-89	90,183	135,841	-45,658	14.96	20.69	33.87	4,661	7,034	-2,373	4.62	10.06	22.57
1989-90	106,469	148,853	-42,384	18.06	9.58	-7.17	4,954	6,935	-1,981	6.29	-1.41	-16.52
1990-91	138,282	171,114	-32,832	29.88	14.96	-22.54	6,131	7,619	-1,488	23.76	9.86	-24.89
1991-92	171,728	229,889	-58,161	24.19	34.35	77.15	6,904	9,252	-2,348	12.61	21.43	57.80
1992-93	177,028	258,643	-81,615	3.09	12.51	40.33	6,813	9,941	-3,128	-1.32	7.45	33.22
1993-94	205,499	258,250	-52,751	16.08	-0.15	-35.37	6,803	8,564	-1,761	-0.15	-13.85	-43.70
1994-95	251,173	320,892	-69,719	22.23	24.26	32.17	8,137	10,394	-2,257	19.61	21.37	28.17
1995-96	294,741	397,575	-102,834	17.35	23.90	47.50	8,707	11,805	-3,098	7.01	13.58	37.26
1996-97	325,313	465,001	-139,688	10.37	16.96	35.84	8,320	11,894	-3,574	-4.44	0.75	15.36
1997-98	373,160	436,338	-63,178	14.71	-6.16	-54.77	8,628	10,118	-1,490	3.70	-14.93	-58.31
1998-99	390,342	465,964	-75,622	4.60	6.79	19.70	7,779	9,432	-1,653	-9.84	-6.78	10.94
1999-00	443,678	533,792	-90,114	13.66	14.56	19.16	8,569	10,309	-1,740	10.15	9.30	5.26
2000-01	539,070	627,000	-87,930	21.50	17.46	-2.42	9,202	10,729	-1,527	7.39	4.07	-12.24
2001-02	560,947	634,630	-73,683	4.06	1.22	-16.20	9,135	10,340	-1,205	-0.73	-3.63	-21.09
2002-03	652,294	714,372	-62,078	16.28	12.57	-15.75	11,160	12,220	-1,060	22.17	18.18	-12.03
2003-04	709,036	897,825	-188,789	8.70	25.68	204.12	12,313	15,592	-3,279	10.33	27.59	209.34
2004-05	854,088	1,223,079	-368,991	20.46	36.23	95.45	14,391	20,598	-6,207	16.88	32.11	89.30
2005-06	984,841	1,711,158	-726,317	15.31	39.91	96.84	16,451	28,581	-12,130	14.31	38.76	95.42
2006-07	1,029,312	1,851,806	-822,494	4.52	8.22	13.24	16,976	30,540	-13,564	3.19	6.85	11.82
2007-08	1,196,638	2,512,072	-1,315,434	16.26	35.66	59.93	19,052	39,966	-20,914	12.23	30.86	54.19
2008-09	1,383,718	2,723,570	-1,339,852	15.63	8.42	1.86	17,688	34,822	-17,134	-7.16	-12.87	-18.07
2009-10	1,617,458	2,910,975	-1,293,517	16.89	6.88	-3.46	19,290	34,710	-15,420	9.06	-0.32	-10.00
2010-11	2,120,847	3,455,286	-1,334,439	31.12	18.69	3.16	24,810	40,414	-15,604	28.61	16.43	1.19
2011-12	2,110,605	4,009,093	-1,898,488	-0.48	16.03	42.27	23,641	44,912	-21,271	-4.71	11.13	36.32
2012-13	2,366,478	4,349,879	-1,983,401	12.12	25.89	4.47	24,460	44,950	-20,490	-1.41	0.08	31.31
2013-14	2,583,463	4,630,521	-2,047,058	9.17	6.45	3.21	25,110	45,073	-19963	3.46	0.27	-3.67
<u>Jul-Mar</u>												
2013-14	1,990,557	3,448,377	-1,457,820	14.12	9.48	2.84	19,072	33,032	-13,960	5.86	0.84	-5.29
2014-15 P	1,812,810	3,437,953	-1,625,143	-8.93	-0.30	11.48	17,931	33,998	-16,067	-5.98	2.92	15.09

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 8.4

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

Groups	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	July-March	
										2013-14	2014-15 P
All Groups											
Exports	299.31	310.03	350.40	450.40	478.07	593.19	679.44	715.45	752.86	754.27	758.27
Imports	460.38	495.33	632.30	790.82	839.60	1,013.10	1,233.49	1,329.56	1,387.15	1,380.19	1,407.52
T.O.T.	65.01	62.59	55.42	56.95	56.94	58.55	55.08	53.81	54.27	54.65	53.87
Food & Live Animals											
Exports	327.47	350.75	496.58	758.42	693.35	747.72	800.09	884.48	954.07	947.51	1,066.06
Imports	323.95	431.20	551.25	622.23	688.76	743.82	791.79	802.28	838.74	842.97	890.95
T.O.T.	101.09	81.34	90.08	121.89	100.52	100.52	101.05	110.25	113.75	112.40	119.65
Beverages & Tobacco											
Exports	191.13	208.44	202.67	431.15	629.08	804.61	935.29	1,052.54	1,127.89	1,139.01	1,135.71
Imports	621.67	675.14	653.41	884.26	961.43	1,060.35	1,230.10	1,339.47	1,446.20	1,426.63	1,595.38
T.O.T.	30.74	30.87	31.02	48.76	65.43	75.88	76.03	78.58	77.99	79.84	71.19
Crude Materials (inedible except fuels)											
Exports	209.97	225.52	328.53	494.08	573.05	647.55	848.74	958.74	1,009.57	1,027.96	1,009.67
Imports	329.71	350.19	445.35	813.16	577.43	803.59	881.00	995.65	1,046.35	1,062.88	1,050.92
T.O.T.	63.88	64.40	73.77	80.58	84.59	80.58	96.34	96.29	96.48	96.71	96.07
Minerals, Fuels & Lubricants											
Exports	644.33	733.54	979.83	840.26	1,115.54	1,333.56	1,500.63	1,615.08	1,682.81	1,645.05	1,765.49
Imports	615.00	632.08	877.47	982.09	975.40	1,255.86	1,651.93	1,720.77	1,757.91	1,728.32	1,603.61
T.O.T.	104.77	116.05	111.67	85.56	114.37	106.19	90.84	93.86	95.73	95.18	110.10
Chemicals											
Exports	312.89	362.50	397.29	480.24	634.75	620.91	739.66	876.11	939.50	934.57	946.15
Imports	372.17	392.87	471.77	659.24	725.54	796.89	897.56	994.50	1,098.60	1,083.98	1,243.40
T.O.T.	84.07	92.27	84.21	72.85	73.70	77.92	82.41	88.10	85.52	86.22	76.09
Animal & Vegetable Oils, Fats & Waxes											
Exports	-	-	-	-	-	-	-	-	-	-	-
Imports	341.40	406.00	647.28	793.22	861.02	1,005.72	1,240.29	1,103.29	1,054.13	1,063.56	1,048.30
T.O.T.	-	-	-	-	-	-	-	-	-	-	-
Manufactured Goods											
Exports	289.58	300.76	316.97	387.90	411.00	559.56	641.15	689.62	698.49	711.48	678.02
Imports	340.71	375.06	427.60	559.24	612.77	747.32	823.33	887.02	899.66	887.93	1,022.88
T.O.T.	84.99	80.19	74.60	69.36	67.07	74.88	77.87	77.75	77.64	80.13	66.29
Machinery and Transport Equipment											
Exports	414.01	430.91	518.62	806.33	988.72	1,286.13	1,517.96	1,603.48	1,650.17	1,639.92	1,768.20
Imports	538.14	580.85	639.86	897.85	965.15	1,183.62	1,407.29	1,738.91	1,866.32	1,892.94	1,950.86
T.O.T.	76.93	74.19	81.05	89.81	102.44	108.66	107.86	92.21	88.42	86.63	90.64
Miscellaneous Manufactured Articles											
Exports	342.71	340.99	351.77	442.64	498.40	558.25	650.31	657.15	700.75	709.24	719.87
Imports	404.94	418.65	605.24	763.29	964.44	1,174.99	1,274.46	1,342.66	1,458.63	1,419.90	1,801.53
T.O.T.	82.59	81.45	58.12	57.99	51.68	47.51	51.03	48.94	48.04	49.95	39.96

- : Not applicable

P : Provisional

Source: Pakistan Bureau of Statistics

TABLE 8.5 A

ECONOMIC CLASSIFICATION OF EXPORTS AND IMPORTS (EXPORTS)

(Values in Rs million)

Year	Primary Commodities		Semi-Manufactures		Manufactured Goods		
	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share	Total Value*
1970-71	650	33	472	24	876	44	1,998
1971-72	1,510	45	914	27	947	28	3,371
1972-73	3,366	39	2,583	30	2,602	30	8,551
1973-74	4,007	39	2,294	23	3,860	38	10,161
1974-75	4,933	48	1,308	13	4,047	39	10,286
1975-76	4,902	44	2,068	18	4,283	38	11,253
1976-77	4,622	41	1,888	17	4,783	42	11,294
1977-78	4,633	36	1,912	15	6,435	50	12,980
1978-79	5,475	32	3,489	21	7,963	47	16,925
1979-80	9,838	42	3,519	15	10,053	43	23,410
1980-81	12,824	44	3,320	11	13,136	45	29,280
1981-82	9,112	35	3,507	13	13,651	52	26,270
1982-83	10,326	30	4,618	13	19,498	57	34,442
1983-84	10,789	29	5,172	14	21,378	57	37,339
1984-85	10,981	29	6,664	17	20,334	54	37,979
1985-86	17,139	35	7,892	16	24,561	49	49,592
1986-87	16,796	26	13,214	21	33,345	53	63,355
1987-88	22,163	28	15,268	20	41,012	52	78,445
1988-89	29,567	33	16,937	19	43,679	48	90,183
1989-90	21,641	20	25,167	24	59,661	56	106,469
1990-91	25,820	19	33,799	24	78,663	57	138,282
1991-92	32,645	19	36,731	21	102,352	60	171,728
1992-93	26,133	15	36,507	21	114,388	64	177,028
1993-94	21,321	10	48,748	24	135,430	66	205,499
1994-95	28,113	11	62,624	25	160,436	64	251,173
1995-96	47,852	16	63,802	22	183,087	62	294,741
1996-97	36,452	11	66,889	21	221,972	68	325,313
1997-98	47,357	13	64,683	17	261,120	70	373,160
1998-99	45,143	12	70,288	18	274,911	70	390,342
1999-00	53,833	12	68,208	15	321,637	73	443,678
2000-01	67,783	13	81,288	15	389,999	72	539,070
2001-02	60,346	11	80,438	14	420,163	75	560,947
2002-03	71,194	11	71,323	11	509,777	78	652,294
2003-04	70,716	10	83,361	12	554,959	78	709,036
2004-05	92,018	11	86,483	10	675,586	79	854,088
2005-06	112,268	11	106,029	11	766,543	78	984,841
2006-07	113,954	11	121,930	12	793,428	77	1,029,312
2007-08	171,670	14	127,090	11	897,877	75	1,196,638
2008-09	224,873	16	130,693	10	1,028,151	74	1,383,718
2009-10	287,491	18	170,609	10	1,159,358	72	1,617,458
2010-11	377,536	18	274,500	13	1,468,811	69	2,120,847
2011-12	362,404	17	261,831	12	1,486,370	71	2,110,605
2012-13	364,127	15	391,151	17	1,611,199	68	2,366,478
2013-14	420,496	16	369,066	14	1,793,901	70	2,583,463
July-Mar							
2013-14	328,615	17	289,004	15	1,372,938	69	1,990,557
2014-15 P	312,533	17	265,972	15	1,234,305	68	1,812,810

P: Provisional

Source: Pakistan Bureau of Statistics

*: Total value may not be tally due to rounding of figures

TABLE 8.5 B

ECONOMIC CLASSIFICATION OF EXPORTS AND IMPORTS (IMPORTS)

(Values in Rs million)

Year	Capital Goods		Industrial Raw Material: Capital Goods		Industrial Raw Material: Consumer Goods		Consumer Goods		Total
	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share	Value*
1970-71	1,885	52	382	11	950	26	385	11	3,602
1971-72	1,482	42	367	11	851	24	795	23	3,495
1972-73	2,499	30	830	10	2,584	31	2,485	30	8,398
1973-74	3,975	30	904	7	5,386	40	3,214	24	13,479
1974-75	6,152	29	1,802	9	8,257	40	4,714	23	20,925
1975-76	7,158	35	1,261	6	7,709	28	4,337	21	20,465
1976-77	8,750	38	1,463	6	9,148	40	3,651	16	23,012
1977-78	9,316	34	1,921	7	11,023	40	5,555	20	27,815
1978-79	10,970	30	2,160	6	15,416	42	7,842	22	36,388
1979-80	16,679	36	2,916	6	19,834	42	7,500	16	46,929
1980-81	14,882	28	4,055	8	26,832	50	7,775	15	53,544
1981-82	17,504	30	4,861	8	28,710	48	8,407	14	59,482
1982-83	21,135	31	4,040	6	33,383	49	9,593	14	68,151
1983-84	24,419	32	4,525	6	37,017	48	10,746	14	76,707
1984-85	28,968	32	4,859	6	41,579	46	14,372	16	89,778
1985-86	33,195	37	4,966	5	36,353	40	16,432	18	90,946
1986-87	33,841	37	6,150	7	36,227	39	16,213	17	92,431
1987-88	40,350	36	8,021	7	48,153	43	16,027	14	112,551
1988-89	49,498	37	9,929	7	53,055	39	23,359	17	135,841
1989-90	48,420	33	10,439	7	61,562	41	28,432	19	148,853
1990-91	56,303	33	11,621	7	76,290	44	26,900	16	171,114
1991-92	96,453	42	15,167	7	88,791	38	29,478	13	229,889
1992-93	108,993	42	14,304	6	99,290	38	36,056	14	258,643
1993-94	97,301	38	15,692	6	110,291	43	34,966	13	258,250
1994-95	112,305	35	16,754	5	148,419	46	43,414	14	320,892
1995-96	140,405	35	22,541	6	180,539	45	54,090	14	397,575
1996-97	169,774	37	22,259	5	202,379	43	70,589	15	465,001
1997-98	139,618	32	23,344	5	195,528	45	77,848	18	436,338
1998-99	146,450	31	25,646	6	220,563	47	73,305	16	465,964
1999-00	140,045	26	30,712	6	287,801	54	75,234	14	533,792
2000-01	157,091	25	34,371	6	345,770	55	89,768	14	627,000
2001-02	176,702	28	39,038	6	346,865	55	72,025	11	634,630
2002-03	220,942	31	41,216	6	380,035	53	72,179	10	714,372
2003-04	316,082	35	57,310	7	441,586	49	82,847	9	897,825
2004-05	441,528	36	101,719	8	557,226	46	122,607	10	1,223,079
2005-06	631,644	37	124,480	7	769,336	45	185,698	11	1,711,158
2006-07	670,539	36	134,519	7	864,736	47	182,011	10	1,851,806
2007-08	731,017	29	202,538	8	1,322,329	53	256,187	10	2,512,072
2008-09	790,327	29	246,600	9	1,337,986	49	348,657	13	2,723,570
2009-10	812,016	28	209,051	7	1,509,081	52	380,827	13	2,910,975
2010-11	829,005	24	239,525	7	1,826,243	53	560,512	16	3,455,285
2011-12	911,561	24	262,212	6	2,292,309	56	543,011	14	4,009,093
2012-13	1,049,775	24	293,733	7	2,353,818	54	652,553	15	4,349,879
2013-14	1,081,329	23	306,810	7	2,462,189	53	780,192	17	4,630,521
July-Mar									
2013-14	795,506	23	217,593	6	1,855,967	54	579,304	17	3,448,370
2014-15 P	897,929	26	283,720	8	1,649,325	48	606,979	18	3,437,953

P: Provisional

Source: Pakistan Bureau of Statistics

*: Total may not be tally due to rounding of figures

TABLE 8.6

MAJOR IMPORTS

(Rs. Million)

Items	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	July-Mar	
									2013-14	2014-15 P
1. Chemicals	200,333	256,618	300,450	327,568	395,889	435,801	447,521	498,340	369,200	382,486
2. Drugs and medicines	26,080	33,867	44,929	60,057	58,870	62,268	80,736	81,399	60,888	73,118
3. Dyes and colours	14,889	18,486	22,050	25,061	28,283	29,129	29,932	38,601	28,088	29,255
4. Chemical Fertilizers	27,306	55,165	42,381	79,541	45,947	110,626	63,277	73,058	60,907	70,341
5. Electrical goods	39,824	48,148	60,718	56,204	67,851	72,608	81,728	114,874	84,598	88,424
6. Machinery (non-electrical)	368,226	416,538	461,816	397,683	387,463	435,139	473,258	551,830	402,551	465,909
7. Transport equipments	140,919	137,701	103,476	163,006	184,075	192,247	228,987	219,877	163,488	179,152
8. Paper, board and stationery	24,061	28,817	33,221	30,179	44,845	38,081	38,970	44,362	31,574	38,243
9. Tea	12,965	12,653	17,417	22,712	28,560	31,292	35,632	30,827	23,149	26,553
10. Sugar-refined	15,722	912	4,505	24,731	58,669	1,167	501	636	507	553
11. Art-silk yarn	15,164	18,474	23,046	31,315	46,703	52,939	52,328	63,596	47,412	49,753
12. Iron, steel & manu-factures thereof	89,985	105,494	136,268	135,023	135,363	156,683	193,543	180,530	127,523	162,067
13. Non-ferrous metals	27,395	25,641	25,638	30,477	39,420	35,370	37,693	44,389	31,850	31,162
14. Petroleum & products	444,610	724,333	738,278	840,920	1,033,496	1,361,511	1,447,531	1,527,753	1,142,856	899,583
15. Edible oils	57,996	108,427	116,042	112,288	178,424	216,387	196,776	206,955	148,676	139,345
16. Grains, pulses & flours	18,683	70,902	108,012	34,222	44,858	48,691	45,239	52,710	39,686	55,778
17. Other imports	327,648	449,896	486,323	539,888	676,570	729,154	896,228	900,784	685,417	746,231
Grand Total	1,851,806	2,512,072	2,723,570	2,910,975	3,455,287	4,009,093	4,349,880	4,630,521	3,448,370	3,437,953

P : Provisional

Source: Pakistan Bureau of Statistics

TABLE 8.7

MAJOR EXPORTS

(Rs. Million)

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Jul-Mar 2013-14	Jul-Mar 2014-15 P
1. Rice	117,088	154,762	183,371	183,557	184,405	186,304	222,907	174,191	158,895
2. Fish and Fish preparations	13,329	18,465	19,051	25,319	28,590	30,755	37,918	26,479	25,694
3. Fruits	9,086	12,313	20,086	23,138	32,068	37,772	45,196	39,836	38,124
4. Wheat	446	3,064	61	49,746	11,178	6,064	732	748	165
5. Sugar	5,739	640	2	-	2,576	51,643	29,638	24,730	21,064
6. Meat and Meat Preparations	3,069	5,546	8,327	13,027	15,522	20,362	23,674	18,506	18,405
7. Raw Cotton	4,425	6,827	16,367	30,734	41,393	14,882	21,353	19,077	14,421
8. Cotton Yarn	81,321	87,354	120,069	186,601	162,004	217,123	205,660	163,629	148,127
9. Cotton Fabrics	126,172	153,039	150,937	219,065	218,160	260,347	285,130	221,799	189,903
10. Hosiery (Knitwear)	114,481	135,998	147,866	196,110	176,682	196,408	235,565	174,076	181,107
11. Bedwear	119,030	136,105	146,195	178,290	155,108	172,538	219,962	167,120	158,759
12. Towels	38,453	50,387	56,012	64,978	61,326	75,060	78,889	58,604	59,276
13. Readymade Garments	93,703	96,483	106,446	152,858	144,269	175,662	196,198	149,195	156,523
14. Art Silk and Synthetic Textiles	25,494	21,740	37,422	57,103	48,817	39,369	39,508	30,117	25,862
15. Carpets, Carpeting Rugs & Mats	13,528	11,392	11,473	11,285	10,757	11,839	12,935	10,188	9,398
16. Sports Goods excl. Toys	19,012	21,393	25,021	27,839	30,240	31,888	37,260	25,838	24,308
17. Leather Excluding Reptile Leather (Tanned)	26,026	23,394	28,699	39,569	39,841	48,378	56,399	40,330	37,086
18. Leather Manufactures	43,765	43,473	38,413	46,178	46,536	54,000	64,368	49,329	46,029
19. Foot wear	7,778	9,875	7,763	9,296	8,860	10,037	12,208	8,843	9,968
20. Medical & Surgical Instruments	16,368	19,870	19,203	21,995	27,126	29,316	34,726	26,103	25,730
21. Chemicals and Pharmaceuticals	38,913	47,289	62,251	77,816	96,009	84,213	120,391	91,436	68,350
22. Engineering goods	13,356	20,752	19,294	21,650	24,726	28,030	32,940	23,777	17,336
23. Jewellery	13,477	22,444	53,456	34,588	82,774	112,419	33,844	33,186	501
24. Cement and cement Products	26,390	45,574	40,261	38,191	44,619	55,878	52,147	39,044	35,318
25. All other items	226,189	235,539	299,412	411,914	417,019	421,915	483,915	374,376	342,461
Total Exports	1,196,638	1,383,718	1,617,458	2,120,847	2,110,605	2,583,463	2,583,463	1,990,557	1,812,810

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 8.8

DESTINATION OF EXPORTS AND ORIGIN OF IMPORTS

(% Share)

REGION	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
1. Developed Countries													
Exports	60.8	56.7	57.1	60.3	58.9	55.6	60.0	59.4	59.9	61.0	56.7	58.1	56.1
Imports	58.3	62.2	58.6	52.6	49.3	49.9	48.7	46.5	42.2	36.7	31.0	34.3	34.4
i. OECD													
Exports	57.2	54.9	56.7	60.0	58.6	55.3	59.7	59.5	59.6	60.6	56.3	57.6	55.6
Imports	55.7	58.7	57.0	52.1	48.5	49.0	48.1	46.1	41.6	36.1	30.5	33.7	33.5
ii. Other European Countries													
Exports	0.6	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.5	0.5
Imports	0.8	0.5	0.3	0.5	0.8	0.9	0.6	0.4	0.6	0.6	0.5	0.6	0.9
2. CMEA*													
Exports	3.0	1.5	1.0	0.5	0.4	0.5	0.7	0.6	0.4	0.4	0.4	0.5	0.6
Imports	1.8	3.0	1.3	1.6	2.1	1.9	1.3	0.9	1.0	1.2	0.9	1.1	0.8
3. Developing Countries													
Exports	39.2	44.3	41.9	39.2	40.7	43.9	39.3	39.6	39.7	38.6	42.9	41.4	43.3
Imports	41.7	37.8	41.4	45.8	48.6	48.2	50.0	52.6	56.8	62.1	68.1	64.6	64.8
i. OIC													
Exports	12.7	14.6	16.0	13.7	12.9	12.9	11.8	12.5	12.7	14.1	16.5	19.2	22.3
Imports	17.9	16.5	16.9	20.9	21.3	22.4	26.0	23.3	24.3	35.2	39.3	36.0	35.2
ii. SAARC													
Exports	3.5	4.7	3.8	3.1	3.4	2.7	2.5	3.5	5.0	3.2	2.9	2.5	2.4
Imports	1.5	1.5	1.5	1.6	1.4	1.5	2.4	2.3	2.2	1.9	2.9	2.4	1.9
iii. ASEAN													
Exports	5.1	5.6	5.2	3.7	4.0	5.3	2.5	3.2	3.2	2.8	3.6	2.7	2.9
Imports	8.9	7.3	8.5	9.5	12.6	11.2	9.0	12.6	14.1	10.2	10.6	11.7	12.2
iv. Central America													
Exports	0.1	0.2	0.3	0.5	0.4	0.3	0.5	0.7	0.8	0.9	0.8	1.0	0.9
Imports	0.2	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.3	0.2	0.2	0.1	0.1
v. South America													
Exports	0.2	0.5	0.5	0.9	1.0	1.4	1.2	1.6	1.2	1.1	1.2	0.9	0.7
Imports	1.6	1.3	1.6	1.0	1.4	1.2	1.7	1.1	2.1	1.0	1.6	0.7	0.6
vi. Other Asian Countries													
Exports	14.6	14.3	13.0	14.0	14.9	17.1	15.6	12.9	12.8	12.4	13.0	11.4	9.9
Imports	9.6	9.5	11.1	10.8	9.5	9.4	8.7	10.7	10.3	10.3	10.6	10.9	12.5
vii. Other African Countries													
Exports	3.0	4.4	3.0	2.9	3.6	3.8	4.4	4.3	3.5	3.8	4.3	3.5	4.0
Imports	2.0	1.6	1.7	1.9	2.2	2.3	1.9	2.5	2.8	3.0	2.8	2.7	2.3
viii. Central Asian States													
Exports	-	-	0.1	0.4	0.5	0.9	0.8	0.9	0.5	0.3	0.3	0.2	0.2
Imports	-	-	-	-	0.1	..	0.1	--	0.7	0.3	0.1	0.1	..
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

(Contd.)

TABLE 8.8 (Concluded)

DESTINATION OF EXPORTS AND ORIGIN OF IMPORTS

(% Share)

REGION	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Jul-Mar	
												2013-14	2014-15 P
1. Developed Countries													
Exports	58.2	55.9	54.7	54.7	51.0	46.4	43.7	43.3	40.3	41.5	44.7	43.6	43.8
Imports	35.5	38.0	34.2	33.3	30.2	29.1	26.3	22.2	21.0	21.5	20.5	21.0	20.9
i. OECD													
Exports	57.6	55.2	53.8	53.8	50.0	45.5	42.8	42.3	39.2	40.4	43.5	42.4	42.6
Imports	34.7	34.7	32.4	31.5	27.1	27.8	25.3	21.6	19.9	20.5	18.5	19.0	18.9
ii. Other European Countries													
Exports	0.7	0.7	0.9	0.9	1.0	0.9	0.9	1.0	1.1	1.1	1.2	1.2	1.2
Imports	0.8	3.3	1.8	1.8	3.1	1.3	1.0	0.6	1.1	1.0	2.0	2.0	2.0
2. CMEA*													
Exports	0.7	0.9	0.9	1.1	1.2	1.2	1.2	1.3	1.4	1.5	1.6	1.6	1.6
Imports	1.2	2.1	2.2	1.8	1.4	3.1	1.2	1.1	1.1	1.0	1.0	1.1	1.1
3. Developing Countries													
Exports	41.1	43.2	44.4	44.2	47.8	52.4	55.1	55.4	58.3	57.0	53.7	54.8	54.6
Imports	63.3	59.9	63.6	64.9	68.4	67.8	72.5	76.7	77.9	77.6	78.5	77.9	78.0
i. OIC													
Exports	20.7	21.9	23.3	21.6	26.4	30.4	29.1	28.3	28.8	26.5	23.3	23.6	24.1
Imports	33.7	29.2	33.7	32.0	33.4	33.9	37.4	38.0	40.8	40.5	39.4	40.4	39.9
ii. SAARC													
Exports	3.2	4.6	4.4	4.8	4.4	5.0	5.4	6.5	5.4	5.6	5.5	5.6	5.5
Imports	3.1	3.2	3.3	4.5	5.0	3.8	3.9	4.7	3.7	4.3	4.8	5.1	4.9
iii. ASEAN													
Exports	2.7	2.1	1.7	1.9	1.7	2.1	2.8	2.3	3.0	2.8	2.6	2.5	2.6
Imports	11.1	10.0	9.1	9.5	9.9	10.4	11.4	11.9	11.8	11.0	11.0	10.2	10.3
iv. Central America													
Exports	0.9	0.9	0.9	1.1	1.0	1.0	0.9	0.8	0.8	0.8	0.7	0.7	0.7
Imports	0.1	0.1	0.1	0.2	0.1	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
v. South America													
Exports	0.8	0.9	1.0	1.4	1.6	1.4	1.2	1.5	1.4	1.4	1.4	1.4	1.5
Imports	0.6	1.1	1.4	0.8	1.8	1.2	0.6	1.1	0.6	0.8	0.8	0.7	0.6
vi. Other Asian Countries													
Exports	9.4	8.7	8.9	9.2	8.4	8.5	11.2	11.8	14.5	15.4	14.9	15.4	14.7
Imports	12.3	13.7	13.7	15.9	15.7	15.2	16.3	17.8	18.3	18.2	20.2	19.4	20.0
vii. Other African Countries													
Exports	3.2	4.0	4.1	4.1	4.2	4.0	4.4	4.1	4.3	4.4	5.2	5.4	5.4
Imports	2.3	2.4	2.2	1.9	2.2	3.0	2.5	2.9	2.6	2.6	2.2	2.0	2.2
viii. Central Asian States													
Exports	0.2	0.1	0.1	0.1	0.1	..	0.1	0.1	..	0.1	0.1	0.1	0.1
Imports	0.1	0.2	0.1	0.1	0.3	0.1	0.2	0.2	0.1	..	-	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

.. : Insignificant P : Provisional

Source: Pakistan Bureau of Statistics

* : Council for Mutual Economic Assistance.

TABLE 8.9

WORKERS' REMITTANCES

(US$ Million)

COUNTRY	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
I. Cash Flow	1,252.45	1,238.51	1,093.36	1,317.73	1,227.28	1,078.05	1,237.68	875.55	913.49	1,021.59
Bahrain	27.75	25.42	25.92	35.90	33.23	29.16	34.31	33.31	29.36	23.87
Canada	9.86	7.54	5.65	4.91	5.67	3.59	4.14	3.46	3.86	4.90
Germany	33.12	40.64	28.88	27.71	26.06	18.98	16.62	11.93	10.47	9.20
Japan	12.96	11.62	7.13	6.90	3.65	3.05	2.65	3.09	1.58	3.93
Kuwait	44.24	60.22	47.85	57.86	45.43	38.38	52.40	106.36	135.25	123.39
Norway	16.25	15.18	11.85	13.40	11.72	7.97	7.16	5.26	5.60	5.74
Qatar	12.87	10.91	7.57	11.52	14.08	9.68	12.17	12.94	13.29	13.38
Saudi Arabia	516.16	525.94	493.65	554.08	503.22	418.44	474.86	318.49	309.85	304.43
Sultanat-e-Oman	60.35	51.67	46.07	61.49	64.44	46.11	61.97	44.67	46.42	38.11
U.A.E.	105.07	97.76	99.36	178.26	161.93	164.39	207.70	125.09	147.79	190.04
Abu Dhabi	38.74	32.47	29.32	51.99	48.98	44.91	75.13	38.07	47.30	48.11
Dubai	49.07	47.79	51.12	90.09	81.19	93.07	101.01	70.57	87.04	129.69
Sharjah	17.26	17.50	16.73	28.96	28.95	22.90	28.54	14.69	12.80	12.21
Others	-	-	2.19	7.22	2.81	3.51	3.02	1.76	0.65	0.03
U.K.	137.02	114.02	101.19	109.96	109.74	97.94	98.83	73.59	73.27	81.39
U.S.A	150.34	157.80	122.49	141.09	141.92	146.25	166.29	81.95	79.96	134.81
Other Countries	126.46	119.79	95.75	114.65	106.19	94.11	98.58	55.41	56.79	88.40
II. Encashment*	215.03	323.73	352.20	548.37	233.89	331.42	251.87	184.64	70.24	64.98
Total (I+II)	1,467.48	1,562.24	1,445.56	1,866.10	1,461.17	1,409.47	1,489.55	1,060.19	983.73	1,086.57

* : Encashment and Profit in Pak Rs. of Foreign Exchange Bearer Certificates (FEBCs) & Foreign Currency Bearer Certificates (FCBCs)

(Contd.)

TABLE 8.9

WORKERS' REMITTANCES

(% Share)

COUNTRY	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Cash Flow										
Bahrain	2.22	2.05	2.37	2.72	2.71	2.70	2.77	3.80	3.21	2.34
Canada	0.79	0.61	0.52	0.37	0.46	0.33	0.33	0.40	0.42	0.48
Germany	2.64	3.28	2.64	2.10	2.12	1.76	1.34	1.36	1.15	0.90
Japan	1.03	0.94	0.65	0.52	0.30	0.28	0.21	0.35	0.17	0.38
Kuwait	3.53	4.86	4.38	4.39	3.70	3.56	4.23	12.15	14.81	12.08
Norway	1.30	1.23	1.08	1.02	0.95	0.74	0.58	0.60	0.61	0.56
Qatar	1.03	0.88	0.69	0.87	1.15	0.90	0.98	1.48	1.45	1.31
Saudi Arabia	41.21	42.47	45.15	42.05	41.00	38.81	38.37	36.38	33.92	29.80
Sultanat-e-Oman	4.82	4.17	4.21	4.67	5.25	4.28	5.01	5.10	5.08	3.73
U.A.E.	8.39	7.89	9.09	13.53	13.19	15.25	16.78	14.29	16.18	18.60
Abu Dhabi	3.09	2.62	2.68	3.95	3.99	4.17	6.07	4.35	5.18	4.71
Dubai	3.92	3.86	4.68	6.84	6.62	8.63	8.16	8.06	9.53	12.69
Sharjah	1.38	1.41	1.53	2.20	2.36	2.12	2.31	1.68	1.40	1.20
Others	-	-	0.20	0.55	0.23	0.33	0.24	0.20	0.07	0.00
U.K.	10.94	9.21	9.25	8.34	8.94	9.08	7.99	8.41	8.02	7.97
U.S.A	12.00	12.74	11.20	10.71	11.56	13.57	13.44	9.36	8.75	13.20
Other Countries	10.10	9.67	8.76	8.70	8.65	8.73	7.96	6.33	6.22	8.65
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

(Contd.)

TABLE 8.9

WORKERS' REMITTANCES

(US $ Million)

COUNTRY	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
I. Cash Flow	2,340.79	4,190.73	3,826.16	4,152.29	4,588.03	5,490.97	6,448.84
Bahrain	39.58	71.46	80.55	91.22	100.57	136.28	140.51
Canada	20.52	15.19	22.90	48.49	81.71	87.20	100.62
Germany	13.44	26.87	46.52	53.84	59.03	76.87	73.33
Japan	5.97	8.14	5.28	6.51	6.63	4.26	4.75
Kuwait	89.66	221.23	177.01	214.78	246.75	288.71	384.58
Norway	6.55	8.89	10.19	18.30	16.82	22.04	28.78
Qatar	31.87	87.68	88.69	86.86	118.69	170.65	233.36
Saudi Arabia	376.34	580.76	565.29	627.19	750.44	1,023.56	1,251.32
Oman	63.18	93.65	105.29	119.28	130.45	161.69	224.94
U.A.E.	469.49	837.87	597.48	712.61	716.30	866.49	1,090.30
Abu Dhabi	103.72	212.37	114.92	152.51	147.89	200.40	298.80
Dubai	331.47	581.09	447.49	532.93	540.24	635.60	761.24
Sharjah	34.05	42.60	34.61	26.17	26.87	28.86	28.58
Others	0.25	1.81	0.46	1.00	1.30	1.63	1.68
U.K.	151.93	273.83	333.94	371.86	438.65	430.04	458.87
U.S.A	778.98	1,237.52	1,225.09	1,294.08	1,242.49	1,459.64	1,762.03
Other Countries	293.28	727.64	567.93	507.27	679.50	763.54	695.45
II Encashment*	48.26	46.12	45.42	16.50	12.09	2.68	2.40
Total (I+II)	2,389.05	4,236.85	3,871.58	4,168.79	4,600.12	5,493.65	6,451.24

* : Encashment and Profit in Pak Rs. of Foreign Exchange Bearer Certificates (FEBCs) & Foreign Currency Bearer Certificates (FCBCs)

Source: State Bank of Pakistan

TABLE 8.9

WORKERS' REMITTANCES

(% Share)

COUNTRY	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Cash Flow							
Bahrain	1.69	1.71	2.11	2.20	2.19	2.48	2.18
Canada	0.88	0.36	0.60	1.17	1.78	1.59	1.56
Germany	0.57	0.64	1.22	1.30	1.29	1.40	1.14
Japan	0.26	0.19	0.14	0.16	0.14	0.08	0.07
Kuwait	3.83	5.28	4.63	5.17	5.38	5.26	5.96
Norway	0.28	0.21	0.27	0.44	0.37	0.40	0.45
Qatar	1.36	2.09	2.32	2.09	2.59	3.11	3.62
Saudi Arabia	16.08	13.86	14.77	15.10	16.36	18.64	19.40
Oman	2.70	2.23	2.75	2.87	2.84	2.94	3.49
U.A.E.	20.06	19.99	15.62	17.16	15.61	15.78	16.91
Abu Dhabi	4.43	5.07	3.00	3.67	3.22	3.65	4.63
Dubai	14.16	13.87	11.70	12.83	11.77	11.58	11.80
Sharjah	1.45	1.02	0.90	0.63	0.59	0.53	0.44
Others	0.01	0.04	0.01	0.02	0.03	0.03	0.03
U.K.	6.49	6.53	8.73	8.96	9.56	7.83	7.12
U.S.A	33.28	29.53	32.02	31.17	27.08	26.58	27.32
Other Countries	12.53	17.36	14.84	12.22	14.81	13.91	10.78
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: State Bank of Pakistan

TABLE 8.9

WORKERS' REMITTANCES

(US $ Million)

COUNTRY	2009-10	2010-11	2011-12	2012-13	2013-14	July-March	
						2013-14	2014-15 P
I. Cash Flow	8,904.93	11,200.90	13,186.58	13,923.56	15,837.71	11,586.06	13,327.47
Bahrain	151.35	167.29	210.95	282.83	318.84	230.62	272.34
Canada	115.12	184.62	177.71	177.19	160.03	123.14	123.74
Germany	81.21	106.64	88.74	83.18	85.58	63.55	58.75
Japan	5.68	8.13	9.03	5.15	7.09	4.68	5.52
Kuwait	445.09	495.19	582.57	619.00	681.43	501.72	553.59
Norway	34.68	36.99	38.49	37.84	30.77	23.09	20.96
Qatar	354.15	306.11	318.82	321.25	329.24	246.10	250.37
Saudi Arabia	1,917.66	2,670.07	3,687.00	4,104.73	4,729.43	3,391.32	4,045.73
Oman	287.27	337.59	382.66	384.80	530.52	379.29	484.33
U.A.E.	2,038.57	2,597.74	2,848.86	2,750.17	3,109.52	2,289.01	2,948.56
Abu Dhabi	1,130.32	1,328.82	1,367.62	1,485.03	1,512.45	1,110.83	1,607.58
Dubai	851.59	1,201.15	1,411.26	1,213.84	1,550.03	1,140.82	1,607.58
Sharjah	54.55	63.77	67.26	49.76	45.54	36.22	50.37
Others	2.11	4.00	2.72	1.54	1.50	1.14	0.92
U.K.	876.38	1,199.67	1,521.10	1,946.01	2,180.23	1,632.30	1,670.74
U.S.A	1,771.19	2,068.67	2,334.47	2,188.24	2,467.65	1,822.32	1,871.09
Other Countries	826.58	1,022.19	986.18	1,023.17	1207.38	878.92	1,021.75
II Encashment*	1.02	0.07	0.04	0.10	0.03	-	
Total (I+II)	8,905.95	11,200.97	13,186.62	13,923.66	15,837.74	11,586.06	13,327.47

* : Encashment and Profit in Pak Rs. of Foreign Exchange Bearer Certificates (FEBCs) & Foreign Currency Bearer Certificates (FCBCs)

P: Provisional

Source: State Bank of Pakistan

TABLE 8.9

WORKERS' REMITTANCES

(% Share)

COUNTRY	2009-10	2010-11	2011-12	2012-13	2013-14	July-March	
						2013-14	2014-15 P
Cash Flow							
Bahrain	1.70	1.49	1.60	2.03	2.01	1.99	2.04
Canada	1.29	1.65	1.35	1.27	1.01	1.06	0.93
Germany	0.91	0.95	0.67	0.60	0.54	0.55	0.44
Japan	0.06	0.07	0.07	0.04	0.04	0.04	0.04
Kuwait	5.00	4.42	4.42	4.45	4.30	4.33	4.15
Norway	0.39	0.33	0.29	0.27	0.19	0.20	0.16
Qatar	3.98	2.73	2.42	2.31	2.08	2.12	1.88
Saudi Arabia	21.53	23.84	27.96	29.48	29.86	29.27	30.36
Oman	3.23	3.01	2.90	2.78	3.35	3.27	3.63
. UAE	22.89	23.19	21.60	19.75	19.63	19.76	22.12
Abu Dhabi	12.69	11.86	10.37	10.67	9.55	9.59	12.06
Dubai	9.56	10.72	10.70	8.72	9.79	9.85	12.06
Sharjah	0.61	0.57	0.51	0.36	0.29	0.31	0.38
Others	0.02	0.04	0.02	0.01	0.01	0.01	0.01
U.K.	9.84	10.71	11.54	13.98	13.77	14.09	12.54
U.S.A	19.89	18.47	17.70	15.70	15.58	15.73	14.04
Other Countries	9.28	9.13	7.48	7.35	7.62	7.59	7.67
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

P: Provisional

Source: State Bank of Pakistan

TABLE 8.10

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

(US $ Million)

	Cash[2]		Gold[1]		Total	
Period	June*	December*	June*	December*	June*	December*
1960	194	220	52	52	246	272
1961	204	185	53	53	257	238
1962	184	196	53	53	237	249
1963	249	226	53	53	302	279
1964	206	166	53	53	259	219
1965	147	155	53	53	200	208
1966	212	144	53	53	265	197
1967	114	106	53	53	167	159
1968	128	185	54	54	182	239
1969	245	257	54	54	299	311
1970	233	130	54	54	287	184
1971	189	116	55	55	244	171
1972	249	226	60	60	309	286
1973	396	422	67	67	463	489
1974	336	405	67	67	403	472
1975	419	351	67	67	486	418
1976	546	471	68	68	614	539
1977	363	466	68	68	431	534
1978	696	444	314	388	1,010	832
1979	414	279	490	931	904	1,210
1980	831	627	1,188	1,188	2,019	1,815
1981	1,080	803	786	786	1,866	1,589
1982	862	971	598	556	1,460	1,527
1983	1,975	2,010	783	760	2,758	2,770
1984	1,788	1,074	701	641	2,489	1,715
1985	585	847	605	605	1,190	1,452
1986	968	793	670	653	1,638	1,446
1987	919	545	865	860	1,784	1,405
1988	479	440	847	818	1,326	1,258
1989	502	705	725	714	1,227	1,419
1990	766	277	685	681	1,451	958
1991	674	500	716	708	1,390	1,208
1992	1,069	950	692	679	1,761	1,629
1993	604	1,371	765	690	1,369	2,061
1994	2,545	3,132	792	790	3,337	3,922
1995	2,937	2,039	793	719	3,730	2,758
1996	2,465	1,092	786	688	3,251	1,780
1997	1,287	1,567	690	633	1,977	2,200
1998	1,125	1,122	612	614	1,737	1,736
1999	1,828	1,536	543	546	2,371	2,082
2000	1,547	1,395	603	603	2,150	1,998
2001	2,100	3,595	566	566	2,666	4,161
2002	4,772	7,902	667	667	5,439	8,569
2003	9,975	10,807	725	725	10,700	11,532
2004	11,052	9,925	831	831	11,883	10,756
2005	10,487	10,030	917	903	11,404	10,933
2006	11,542	11,429	1,268	1,268	12,810	12,697
2007	15,070	13,804	1,344	1,732	16,414	15,536
2008	9,539	7,834	1,926	1,791	11,465	9,625
2009	10,255	12,863	1,935	2,286	12,190	15,149
2010	13,953	15,041	2,575	2,910	16,528	17,951
2011	16,614	14,451	3,117	3,170	19,731	17,621
2012	11,905	10,094	3,311	3,433	15,216	13,527
2013	7,197	4,862	2,469	2,489	9,667	7,351
2014 P	10,509	11,943	2,726	2,486	13,235	14,429

* : Last day of the month

Source: State Bank of Pakistan

P : Provisional

1 : Gold excludes unsettled claims of Gold on RBI

2 : Cash includes Sinking fund, Foreign currencies cash holdings and excludes unsettled claims on RBI

TABLE 8.11

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

		(Average during the Year)										
Country	Currency	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Australia	Dollar	19.1123	18.2623	20.8851	22.9083	25.4912	30.5300	29.3472	29.3962	32.5665	31.3747	32.1607
Austria	Schilling	2.1433	3.3550	2.5433	2.9358	3.2639	3.4694	3.4242	3.8557	3.7715	3.7942	3.9960
Bangladesh	Taka	0.6518	0.6628	0.7536	0.7673	0.8204	0.9128	0.9513	0.9686	1.0285	1.0794	1.0826
Belgium	Franc	0.7327	0.8061	0.8559	1.0045	1.1185	1.1854	1.1683	1.2952	1.2866	1.2934	1.3633
Canada	Dollar	21.3864	20.7982	22.5554	22.3750	24.6581	28.5449	30.4828	31.0445	35.1611	38.4434	39.1719
China	Yuan	4.5781	4.5996	4.3316	3.6803	4.0354	4.6988	5.2154	5.6548	6.2470	7.0601	7.4149
Denmark	Krone	3.8958	4.3059	4.5298	5.2534	5.9354	6.3775	6.3310	7.0348	6.9724	6.9916	7.3987
France	Franc	4.4402	4.8939	5.2027	5.9623	6.6921	7.2196	7.1856	7.9685	7.9156	7.9536	8.3867
Germany	Mark	15.0838	16.5751	17.9039	20.6804	22.9718	24.4163	24.0995	26.7081	26.5372	26.6543	28.1084
Holland	Guilder	13.3928	14.7394	15.9401	18.4547	20.5247	21.7451	21.3938	23.7008	23.5571	23.6655	24.9556
Hong Kong	Dollar	3.2047	3.3574	3.9011	3.9902	4.3345	5.0391	5.5762	6.0440	6.6573	7.4906	7.8720
India	Rupee	0.9611	0.9405	0.9609	0.9814	0.9783	1.0894	1.1285	1.0935	1.1862	1.2529	1.2787
Iran	Rial	0.3699	0.3507	0.0179	0.0176	0.0192	0.0225	0.0246	0.0266	0.0295	0.0332	0.0307
Italy	Lira	0.0201	0.0190	0.0185	0.0198	0.0212	0.0250	0.0246	0.0271	0.0268	0.0269	0.0284
Japan	Yen	0.1896	0.2177	0.2843	0.3277	0.3281	0.3376	0.3411	0.3797	0.4809	0.5109	0.4884
Kuwait	Dinar	86.4030	87.2127	101.5740	104.3749	112.5264	129.6859	141.7916	153.8993	169.4791	190.4592	200.7861
Malaysia	Ringgit	9.3259	10.1692	11.5288	12.1848	13.2905	15.5861	12.5285	12.1327	13.6289	15.3871	16.1621
Nepal	Rupee	0.5832	0.5741	0.6121	0.6178	0.6102	0.6837	0.7034	0.6858	0.7503	0.7893	0.8033
Norway	Krone	3.8505	4.0096	4.1305	4.6915	5.3528	6.0509	5.8345	6.1371	6.3421	6.4483	7.0288
Singapore	Dollar	14.8944	15.9865	19.0212	21.2485	23.6411	27.4575	27.0557	27.6043	30.5305	33.1605	33.9503
Sri Lanka	Rupee	0.5831	0.5660	0.6120	0.6201	0.6281	0.6823	0.7038	0.6869	0.7144	0.7026	0.6624
Sweden	Krona	4.1506	3.9886	3.8009	4.1543	5.0484	5.5230	5.5260	5.8006	6.0786	5.9379	5.9117
Switzerland	Franc	16.9154	18.3825	20.8077	24.7362	28.0734	28.8164	29.3698	32.5174	32.5626	34.1098	37.1824
S.Arabia	Riyal	6.6442	6.9407	8.0642	8.2475	9.0606	10.4440	11.5178	12.4882	13.8125	15.5868	16.3792
Thailand	Baht	0.9626	1.0028	1.1567	1.2174	1.2176	1.2176	1.1562	1.2313	1.3490	1.3438	1.4000
UAE	Dirham	6.7874	7.0923	8.2415	8.4214	9.2329	10.6639	11.7623	12.7583	14.0979	15.9133	16.7231
UK	Pound	43.7454	42.0315	45.1600	48.6951	51.9192	63.0683	71.1450	76.8085	82.4937	84.7395	88.5691
USA	Dollar	24.8441	25.9598	30.1638	30.8517	33.5684	38.9936	43.1958	46.7904	51.7709	58.4378	61.4258
									(50.0546) *			
EMU	Euro	-	-	-	-	-	-	-	-	-	-	54.9991
IMF	SDR	34.1379	35.6217	42.2162	46.1616	49.6416	55.2477	58.4654	63.6850	70.1077	74.7760	78.0627

* : Composite Rate -: Not available (Contd.)

TABLE 8.11

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

		(Average During the Year)												Average (Jul-Mar)	
Country	Currency	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2013-14	2014-15 P
Australia	Dollar	34.2101	41.0626	44.7141	44.7564	47.6760	56.1958	58.2931	73.9643	84.6185	91.8961	99.2813	94.4043	95.3467	86.5190
Bangladesh	Taka	1.0108	0.9842	0.9774	0.9121	0.8723	0.9088	1.1423	1.2118	1.2101	1.1385	1.2059	1.3232	1.3430	1.3034
Belgium	Franc	1.5198	1.7011	1.8725	1.8063	1.9627	2.2848	2.6632	2.8879	2.8904	2.9549	3.1017	3.4580	3.4988	3.0929
Canada	Dollar	38.8234	42.8526	47.5567	51.4986	53.5778	61.9742	67.5867	79.4785	85.4711	88.8631	96.3207	96.1939	98.2466	87.8788
China	Yuan	7.0613	6.9497	7.1676	7.4161	7.7526	8.6128	11.4930	12.2840	12.9120	14.0507	15.5063	16.7639	17.1039	16.3477
France	Franc	9.3464	10.4614	11.5154	11.1084	12.0704	14.0512	16.3780	17.7602	17.7753	18.1719	19.0748	21.2659	21.5167	19.0204
Germany	Mark	31.3464	35.0862	38.6209	37.2559	40.4822	47.1258	54.9294	59.5651	59.6157	60.9459	63.9742	71.3227	72.1640	63.7916
Holland	Guilder	27.8205	31.1396	34.2767	33.0652	35.9286	41.8249	48.7508	52.8650	52.9099	54.0905	56.7782	…	64.0467	…
Hong Kong	Dollar	7.4990	7.3970	7.6176	7.7127	7.7772	8.0273	10.1246	10.8074	11.0019	11.4768	12.4764	13.2668	13.4677	13.0443
India	Rupee	1.2219	1.2682	1.3253	1.3389	1.3746	1.5417	1.6468	1.7995	1.8881	1.7836	1.7658	1.6757	1.6864	1.6455
Iran	Rial	0.0073	0.0069	0.0067	0.0066	0.0066	0.0067	0.0081	0.0084	0.0082	0.0079	0.0079	0.0041	0.0043	0.0038
Italy	Lira	0.0317	0.0354	0.0390	0.0376	0.0409	0.0476	0.0555	0.0602	0.0602	0.0616	0.0646	0.0720	0.0729	0.0644
Japan	Yen	0.4888	0.5203	0.5558	0.5216	0.5122	0.5711	0.8012	0.9164	1.0301	1.1352	1.1116	1.0180	1.0370	0.9022
Kuwait	Dinar	194.5677	194.3681	202.3816	205.3258	209.8118	228.2954	281.2742	291.6604	304.4159	322.3284	342.4219	364.0262	369.0511	348.9631
Malaysia	Ringgit	15.3944	15.1532	15.6244	16.0515	17.0649	18.9021	22.3290	24.8037	27.7427	28.9142	31.3927	31.6823	32.1341	29.8884
Nepal	Rupee	0.7515	0.7802	0.8169	0.8296	0.8575	0.9593	1.0285	1.1251	1.1800	1.1164	1.1044	1.0477	1.0547	1.0284
Norway	Krone	8.1021	8.2191	9.1841	9.2141	9.7161	11.6417	12.4113	14.0698	14.7356	15.5404	16.8037	17.0596	17.2795	14.6588
Singapore	Dollar	33.3406	33.5098	35.6797	36.4149	39.1651	43.6846	53.5502	59.6004	66.1304	70.7611	78.0767	81.6310	82.7215	77.8255
Sri Lanka	Rupee	0.6057	0.5920	0.5813	0.5872	0.5649	0.5676	0.7024	0.7336	0.7694	0.7625	0.7524	0.7862	0.7971	0.7724
Sweden	Krona	6.6910	7.5195	8.2949	7.7867	8.6143	9.8890	10.4330	11.5692	12.8272	13.2669	14.6811	15.7629	16.0575	13.4498
Switzerland	Franc	41.4643	44.2489	49.0657	46.8551	49.2385	56.6736	70.0527	78.9664	89.9297	99.3752	102.7673	113.7726	114.8917	107.2920
Saudi Arabia	Riyal	15.5961	15.3488	15.8027	15.9608	16.1656	16.6973	20.9341	22.3482	22.8047	23.7943	25.8099	27.4313	27.8487	26.9592
Thailand	Baht	1.3742	1.4365	1.4841	1.5017	1.6820	1.8910	2.2652	2.5339	2.7958	2.8917	3.1909	3.2278	3.2880	3.1224
UAE	Dirham	15.9261	15.6727	16.1586	16.2972	16.5107	17.0391	21.3856	22.8216	23.2883	24.2894	26.3384	28.0070	28.4325	27.5352
UK	Pound	92.7433	100.1672	110.2891	106.4344	117.1852	125.2948	126.0915	132.4866	135.9640	141.1402	151.5965	167.2207	167.9173	160.6564
USA	Dollar	58.4995	57.5745	59.3576	59.8566	60.6342	62.5465	78.4983	83.8017	85.5017	89.2359	96.7272	102.8591	104.4171	101.1399
EMU	Euro	61.3083	68.6226	75.5359	72.8661	79.1763	92.1700	107.4327	116.4991	116.5981	119.1998	125.1227	139.4950	141.1404	124.7655
IMF	SDR	79.3198	83.2470	88.5631	86.9594	90.7726	98.6265	119.9599	129.7431	133.3407	138.9409	147.2259	158.0043	160.0284	148.4964

P : Provisional

Source: State Bank of Pakistan

PUBLIC DEBT

TABLE 9.1

PUBLIC AND PUBLICLY GUARANTEED MEDIUM AND LONG TERM EXTERNAL DEBT DISBURSED AND OUTSTANDING AS ON 31-03-2015

Country/Creditor		($ Million)
I. BILATERAL		Amount
a. Paris Club Countries		
Austria		38
Belgium		24
Canada		428
Finland		5
France		1,615
Germany		1,431
Italy		130
Japan		5,569
Korea		454
The Netherlands		91
Norway		15
Russia		103
Spain		76
Sweden		130
Switzerland		102
United Kingdom		8
United States		1,413
	Sub Total I.a. Paris Club Countries	11,632
b. Non Paris Club Countries		
Bahrain		-
China		5,210
Kuwait		143
Libya		4
Saudi Arabia		340
United Arab Emirates		59
	Sub Total I.b. Non-Paris Club Countries	5,757
c. Commercial Banks		200
	Total I. (a+b+c)	17,589
II. Multilateral & Others		
Asian Development Bank (ADB)		9,528
International Bank for Reconstruction and Development (IBRD)		1,198
International Development Association (IDA)		11,371
Other		1,170
European Investment Bank (EIB)		22
Islamic Development Bank (IDB)		861
International Fund for Agricultural Development (IFAD)		200
NORD. DEV. FUND		10
NORD. I. BANK		-
OPEC FUND		68
E.C.O Bank		9
	Sub Total II. Multilateral & Others	23,267
III. Bonds		4,550
IV. Defence		36
V. Local Currency Bonds (TBs & PIBs)		86
	Grand Total: (I+II+III+IV+V)	45,528

Source: Economic Affairs Division

TABLE 9.2

COMMITMENTS AND DISBURSEMENTS OF LOANS AND GRANTS (BY TYPE)

($ Million)

Fiscal Year	Project Aid		Non-Project Aid								Total*	
			Non-Food		Food		BOP		Relief			
	Comm-itment	Disburse-ment	Comm-itment	Disburse-ment	Comm-itment	Disburse-ment	Comm-itment	Disburse-ment	Comm-itment	Disburse-ment	Comm-itment	Disburse-ment
1978-79	1,064	599	190	213	55	50	86	86	-	-	1,395	948
1979-80	1,002	808	121	161	55	21	419	419	61	61	1,658	1,470
1980-81	591	676	182	103	73	66	16	16	111	111	973	972
1981-82	887	536	320	174	110	89	10	10	293	293	1,620	1,102
1982-83	1,115	744	174	299	120	80	-	-	178	178	1,587	1,301
1983-84	1,580	695	166	149	88	177	-	-	155	155	1,989	1,176
1984-85	1,804	903	161	125	196	79	-	-	150	150	2,311	1,257
1985-86	1,810	1,055	186	93	163	245	-	-	135	135	2,294	1,528
1986-87	2,035	1,006	331	205	130	57	-	-	130	130	2,626	1,398
1987-88	1,903	1,223	390	219	230	218	-	-	164	164	2,687	1,824
1988-89	1,979	1,262	663	537	392	542	146	146	132	132	3,312	2,619
1989-90	2,623	1,312	201	386	258	287	217	217	140	140	3,439	2,342
1990-91	1,935	1,408	346	451	134	136	50	50	111	111	2,576	2,156
1991-92	2,219	1,766	43	316	322	284	-	-	105	105	2,689	2,471
1992-93	1,204	1,895	182	232	454	309	-	-	57	57	1,897	2,493
1993-94	1,822	1,961	-	15	329	251	411	303	19	19	2,581	2,549
1994-95	2,714	2,079	3	23	279	258	-	211	29	29	3,025	2,600
1995-96	2,219	2,151	57	21	395	383	-	-	10	10	2,681	2,565
1996-97	1,351	1,821	1	1	405	409	-	-	2	2	1,759	2,233
1997-98	776	1,552	1	1	578	622	750	625	1	1	2,106	2,801
1998-99	1,382	1,620	-	-	185	270	650	550	2	2	2,219	2,442
1999-00	523	1,263	-	-	567	100	284	385	6	2	1,380	1,750
2000-01	396	1,030	-	-	91	23	1,128	1,128	21	5	1,637	2,186
2001-02	973	741	-	-	40	114	2,589	1,880	0	21	3,603	2,756
2002-03	700	846	-	-	-	9	1,089	1,057	11	8	1,800	1,920
2003-04	1,214	622	-	-	-	-	1,263	755	2	3	2,479	1,380
2004-05	2,089	918	-	-	-	-	1,202	1,803	-	2	3,291	2,723
2005-06	3,250	2,084	-	-	22	10	1,225	1,262	1	1	4,498	3,357
2006-07	1,365	1,308	133	-	-	12	2,649	2,058	3	3	4,151	3,381
2007-08	2,440	1,565	-	80	-	-	1,309	2,013	2	2	3,751	3,660
2008-09	2,296	1,272	125	175	18	-	3,947	3,238	2	2	6,389	4,688
2009-10	3,729	1,213	100	100	-	-	2,846	2,305	68	49	6,744	3,668
2010-11	2,384	1,076	-	-	-	-	397	648	1,799	895	4,580	2,620
2011-12	3,341	1,753	100	73	-	-	1,135	949	103	314	4,679	3,089
2012-13	1,848	2,071	100	51	-	-	708	466	4	268	2,660	2,855
2013-14	9,809	2,015	125	80	-	-	5,019	4,612	4	133	14,957	6,840
2014-15 (Jul-Mar)	1,471	1,760	-	9	-	-	1,747	2,127	2	105	3,220	4,001

*: Exclusive of IMF Loans

Source: Economic Affairs Division

Notes:

Project Aid includes commitments and disbursements for Earthquake Rehabilitation & Construction

BOP includes commitment and disbursement for IDB short term and Tokyo Pledges

Relief includes commitment and disbursement for Afghan Refugees, IDPs and Flood Assistance

TABLE 9.3

ANNUAL COMMITMENTS, DISBURSEMENTS, SERVICE PAYMENTS AND EXTERNAL DEBT OUTSTANDING

($ Million)

Fiscal Year	Debt Outstanding @		Transactions during period					Debt Servicing as % of		
					Service Payments***					
	Disbursed*	Undisbursed*	Commit-ment**	Disburse-ment**	Principal	Interest	Total	Export Receipts	Foreign Exchange Earning	GDP
1970-71	3,425	..	873	612	101	81	182	43.3	..	1.7
1971-72	3,766	..	143	409	71	51	122	20.6	..	1.3
1972-73	4,022	..	543	355	107	86	193	23.6	18.1	3.0
1973-74	4,427	..	1,268	498	118	79	197	19.2	14.2	2.2
1974-75	4,796	1,854	1,115	976	144	104	248	20.2	16.3	2.2
1975-76	5,755	1,811	951	1,051	141	108	249	21.9	13.7	1.9
1976-77	6,341	1,914	1,111	960	175	136	311	27.3	15.3	2.1
1977-78	7,189	2,041	963	856	165	162	327	24.9	11.2	1.8
1978-79	7,792	2,514	1,395	948	234	203	437	25.6	12.0	2.2
1979-80	8,658	2,586	1,658	1,470	350	234	584	24.7	11.9	2.5
1980-81	8,765	2,579	973	972	360	243	603	20.4	10.6	2.1
1981-82	8,799	2,921	1,620	1,102	288	203	491	19.9	8.8	1.6
1982-83	9,312	3,087	1,587	1,301	390	244	634	23.5	9.6	2.2
1983-84	9,469	3,436	1,989	1,176	453	274	727	26.3	10.9	2.3
1984-85	9,732	4,321	2,311	1,257	513	275	788	31.6	12.9	2.5
1985-86	11,108	5,242	2,294	1,528	603	303	906	29.5	13.5	2.8
1986-87	12,023	6,113	2,626	1,399	723	378	1,101	29.9	15.6	3.3
1987-88	12,913	7,070	2,687	1,824	691	426	1,117	25.1	14.7	2.9
1988-89	14,190	7,372	3,312	2,619	685	440	1,125	24.1	14.4	2.8
1989-90	14,730	8,279	3,439	2,342	741	491	1,232	24.9	14.4	3.1
1990-91	15,471	9,232	2,576	2,156	782	534	1,316	21.5	13.7	2.9
1991-92	17,361	9,461	2,689	2,471	921	592	1,513	21.9	13.2	3.1
1992-93	19,044	9,178	1,897	2,493	999	649	1,648	24.2	15.3	3.2
1993-94	20,322	9,014	2,581	2,549	1,105	673	1,778	25.7	16.2	3.4
1994-95	22,117	9,806	3,025	2,600	1,323	752	2,075	25.1	16.5	3.4
1995-96	22,292	7,761	2,681	2,565	1,346	791	2,137	24.5	16.7	3.4
1996-97	22,509	8,583	1,759	2,233	1,510	741	2,251	27.2	17.6	3.6
1997-98	22,844	6,164	2,106	2,801	1,600	723	2,323	27.3	17.6	3.8
1998-99	25,423	5,076	2,219	2,442	955	399	1,354	19.7	13.6	2.6
1999-00	25,359	3,421	1,096	1,490	893	570	1,463	17.6	11.9	2.1
2000-01	25,608	2,860	1,167	1,846	1,004	663	1,668	18.7	11.7	2.3
2001-02	27,215	3,504	3,293	2,423	772	538	1,309	14.3	8.5	1.8
2002-03	28,301	3,811	1,747	1,729	971	613	1,583	14.4	8.1	1.9
2003-04	28,900	5,392	2,125	1,372	2,513	702	3,215	25.8	15.0	3.3
2004-05	30,813	4,975	3,113	2,452	1,072	669	1,742	12.0	6.5	1.6
2005-06	33,033	5,838	4,507	3,163	1,424	712	2,136	12.9	6.9	1.6
2006-07	35,673	6,277	4,059	3,356	1,203	822	2,025	11.7	6.1	1.3
2007-08	40,770	6,540	3,398	3,160	1,133	983	2,116	10.4	5.7	1.2
2008-09	42,567	7,451	5,792	4,032	2,566	873	3,439	18.0	9.7	2.0
2009-10	43,187	9,634	6,171	3,099	2,339	756	3,095	15.7	8.1	1.7
2010-11	46,642	9,797	4,580	2,620	1,925	762	2,687	10.6	5.6	1.3
2011-12	46,391	10,316	4,679	3,089	1,534	717	2,251	9.1	4.7	1.0
2012-13	44,353	9,954	1,278	2,486	1,903	709	2,612	10.5	5.2	1.1
2013-14	44,568	15,770	11,263	3,760	2,074	736	2,810	11.2	5.5	1.2
2014-15 (Jul-Mar)	46,535	15,367	1,299	1,626	1,698	639	2,337	12.9	6.0	0.9

.. : Not available

Source: Economic Affairs Division

* : Excluding grants

** : Excluding IMF, Short Term Credit, Commercial Credits and Bonds

*** : Excluding IMF, Short Term Credit, Commercial Credits and Bonds up to the year 2003-04. From the Years 2004-05 onwards, debt servicing in respect of short-term borrowings and Eurobonds is included

@: Public and Publically Guaranteed Loans

TABLE 9.4

DEBT SERVICE PAYMENTS OF FOREIGN LOANS (Paid in Foreign Exchange)

($ million)

Fiscal Year	Kind	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 (Jul-Mar)
I. PARIS CLUB COUNTRIES								
1. Australia	Principal	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-
2. Austria	Principal	2.827	3.387	3.581	2.760	3.664	4.923	2.234
	Interest	3.798	3.569	3.466	2.950	2.976	3.006	1.314
3. Belgium	Principal	0.603	0.715	0.711	0.901	1.014	1.223	0.622
	Interest	1.956	1.998	1.702	1.836	1.746	1.773	0.795
4. Canada	Principal	1.652	1.814	2.075	2.372	2.717	3.118	1.721
	Interest	3.029	1.276	1.018	0.965	0.989	0.754	0.340
5. Denmark	Principal	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-
6. France	Principal	26.405	26.804	31.301	34.169	39.776	52.270	29.295
	Interest	86.125	87.354	87.466	81.713	77.533	79.165	36.175
7. Finland	Principal	0.095	0.119	0.136	0.156	0.179	0.206	0.113
	Interest	0.197	0.083	0.067	0.062	0.064	0.051	0.022
8. Germany	Principal	18.477	15.861	18.138	23.629	17.883	14.458	7.958
	Interest	31.206	18.639	18.619	17.290	16.513	26.691	13.327
9. Italy	Principal	22.174	20.098	22.712	0.576	0.652	0.764	0.408
	Interest	0.872	0.339	0.285	0.317	0.222	0.163	0.077
10. Japan	Principal	48.485	48.656	56.651	64.135	61.458	55.903	41.613
	Interest	113.895	118.509	129.489	134.327	117.640	103.270	51.543
11. Korea	Principal	34.253	9.678	11.068	12.656	14.492	16.626	9.182
	Interest	18.021	8.165	6.836	6.750	6.907	5.932	2.938
12. Norway	Principal	2.486	2.513	1.504	0.497	0.570	0.648	0.350
	Interest	1.129	1.010	0.346	0.304	0.273	0.202	0.095
13. The Netherlands	Principal	0.411	0.303	0.354	0.375	0.345	0.514	0.260
	Interest	3.511	3.457	3.244	3.285	2.970	3.221	2.695
14. Russia	Principal	2.481	2.475	2.831	3.238	3.707	4.255	2.349
	Interest	6.279	6.157	6.027	5.895	5.709	5.514	2.794
15. Sweden	Principal	2.844	3.126	3.578	4.092	4.681	5.366	2.961
	Interest	5.114	2.135	1.683	1.597	1.630	1.225	0.555
16. Spain	Principal	0.633	0.533	0.610	0.697	0.822	0.960	0.529
	Interest	2.635	1.980	1.987	1.905	1.846	1.782	0.898
17. Switzerland	Principal	1.480	1.687	2.235	2.554	2.878	3.431	1.756
	Interest	2.732	1.380	1.339	1.299	1.229	3.886	0.534
18. USA	Principal	4.597	3.565	4.078	4.663	5.339	6.124	3.383
	Interest	29.488	29.318	29.111	28.928	28.665	28.414	14.064
19. UK	Principal	0.199	0.151	0.223	0.250	0.282	0.342	0.181
	Interest	0.727	0.651	0.143	0.157	0.161	0.066	0.048
TOTAL (I)	Principal	170.102	141.485	161.786	157.720	160.459	171.131	104.915
	Interest	310.714	286.020	292.828	289.580	267.073	265.115	128.214
II. NON-PARIS CLUB COUNTRIES								
1. China	Principal	20.148	20.148	139.269	151.630	72.734	121.257	124.876
	Interest	10.283	46.620	76.892	43.799	74.575	103.488	134.362
2. Czecho-Slovakia	Principal	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-
3. Kuwait	Principal	6.953	7.800	7.983	7.990	8.072	7.057	6.556
	Interest	2.264	2.793	2.760	2.797	2.842	3.121	2.824
4. Libya	Principal	1.787	1.785	0.100	0.100	-	-	-
	Interest	0.046	0.025	0.006	0.003	-	-	-
5. Saudi Arabia	Principal	1.666	82.296	180.009	103.851	76.116	166.669	59.703
	Interest	1.165	6.212	13.976	6.502	4.200	7.547	2.925
6. UAE	Principal	-	-	0.538	3.801	4.114	4.513	4.171
	Interest	2.122	2.122	1.845	2.095	1.879	3.025	1.608
7. EXIM Bank (FE)	Principal	3.853	4.224	5.594	5.523	6.324	7.257	4.008
	Interest	3.951	1.425	0.628	1.239	1.201	1.167	0.564
8. PL-480	Principal	1.291	1.171	1.153	1.153	1.154	1.154	1.154
	Interest	3.015	2.994	2.976	2.962	2.936	2.916	1.533
9. CCC	Principal	5.824	5.651	6.463	7.390	8.462	9.708	5.361
	Interest	17.322	16.982	16.623	16.258	15.746	15.209	7.399
TOTAL (II)	Principal	41.522	123.075	341.109	281.438	176.976	317.615	205.829
	Interest	40.168	79.173	115.706	75.655	103.379	136.473	151.215

(Contd.)

TABLE 9.4

DEBT SERVICE PAYMENTS OF FOREIGN LOANS (Paid in Foreign Exchange)

($ million)

Fiscal Year	Kind	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 (Jul-Mar)
III. MULTILATERAL								
1. ADB	Principal	410.229	511.695	626.773	714.870	737.087	728.130	542.966
	Interest	134.424	111.136	104.161	103.125	101.564	82.581	62.437
2. IBRD	Principal	276.333	225.073	172.956	156.078	177.063	165.637	155.205
	Interest	64.780	30.585	15.464	13.925	13.877	8.111	5.885
3. IDA	Principal	157.876	168.122	168.576	192.606	222.629	236.291	209.274
	Interest	72.111	82.620	82.377	92.352	92.770	96.215	91.689
4. IFAD	Principal	8.554	7.793	7.775	11.532	8.112	4.803	4.383
	Interest	1.808	1.754	1.721	1.798	1.698	1.618	1.139
5. IDB	Principal	6.486	6.840	9.488	7.025	17.440	23.604	23.925
	Interest	4.623	3.585	5.599	4.197	4.832	10.203	10.306
6. IDB (ST)	Principal	891.501	349.925	325.127	-	390.290	412.952	270.093
	Interest	44.277	18.551	28.614	23.028	11.185	15.737	11.157
TOTAL (III)	Principal	1,750.979	1,269.448	1,310.695	1,082.111	1,552.621	1,571.417	1,205.846
	Interest	322.023	248.231	237.936	238.425	225.926	214.465	182.613
IV. DEVELOPMENT FUNDS								
1. NORDIC	Principal	2.472	1.923	2.447	2.486	1.869	1.586	0.836
	Interest	0.490	0.210	0.203	0.171	0.137	0.117	0.060
2. OPEC Fund	Principal	4.016	4.015	3.298	2.666	3.016	3.016	2.916
	Interest	0.517	0.599	0.526	0.580	0.833	1.239	0.937
3. Turkey (EXIM Bank)	Principal	-	-	-	-	-	0.667	0.670
	Interest	-	-	-	0.212	0.215	0.190	0.440
4. E.I.Bank	Principal	2.492	7.525	5.277	7.816	8.083	8.365	4.579
	Interest	2.504	1.468	1.223	1.170	0.853	0.633	0.268
5. ANZ Bank / Standard Charted Bank	Principal	-	50.000	-	-	-	-	172.500
	Interest	7.996	4.061	-	-	-	6.946	10.412
TOTAL (IV)	Principal	8.980	63.463	11.022	12.968	12.968	13.634	181.501
	Interest	11.507	6.338	1.952	2.133	2.038	9.125	12.117
V. GLOBAL BONDS								
1. Euro Bonds	Principal	500.000	600.000	-	-	-	-	-
	Interest	177.220	132.040	110.904	110.872	110.852	110.816	164.395
2. Saindak Bonds	Principal	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-
3. US Dollar Bonds (NHA)	Principal	21.963	21.903	-	-	-	-	-
	Interest	3.680	1.485	-	-	-	-	-
TOTAL (V)	Principal	521.963	621.903	-	-	-	-	-
	Interest	180.900	133.525	110.904	110.872	110.852	110.816	164.395
TOTAL (I+II+III+IV+V)	Principal	2,493.546	2,219.374	1,824.612	1,534.237	1,903.024	2,073.797	1,698.091
	Interest	865.312	753.287	759.326	716.665	709.268	735.994	638.554
	Total (P+I)	3,358.858	2,972.661	2,583.938	2,250.902	2,612.292	2,809.791	2,336.645
VI. OTHERS								
1. NBP	Principal	3.592	3.022	3.055	-	-	-	-
	Interest	0.112	0.168	0.048	-	-	-	-
2. Bank of Indosuez	Principal	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-
3. NBP Bahrain	Principal	2.988	-	-	-	-	-	-
	Interest	0.402	-	-	-	-	-	-
4. ANZ Bank	Principal	-	-	75.000	-	-	-	-
	Interest	-	-	2.784	-	-	-	-
5. US Dollar Bonds	Principal			21.903	-	-	-	-
	Interest			0.301	-	-	-	-
6. Cash (ST)	Principal	66.280	116.279	-	-	-	-	-
	Interest	7.094	2.849	-	-	-	-	-
7. OTF	Principal	-	-	-	-	-	-	-
	Interest	-	-	-	-	0.192	0.160	-
TOTAL (VI)	Principal	72.860	119.301	99.958	-	-	-	-
	Interest	7.608	3.017	3.133	-	0.192	0.160	-
TOTAL (I+II+III+IV+V+VI)	Principal	2,566.406	2,338.675	1,924.570	1,534.237	1,903.024	2,073.797	1,698.091
	Interest	872.920	756.304	762.459	716.665	709.460	736.154	638.554
Grand Total (P+I)		3,439.326	3,094.979	2,687.029	2,250.902	2,612.484	2,809.951	2,336.645

Note: Exclusive of IMF Loans

Source: Economic Affairs Division

TABLE 9.5

TERMS OF FOREIGN LOANS/CREDITS CONTRACTED BY PAKISTAN

Lending Country/Agency		2007-08 Amount ($ Million)	2007-08 Interest Rate/ Commission(%)	2007-08 Amortization (years)	2008-09 Amount ($ Million)	2008-09 Interest Rate/ Commission(%)	2008-09 Amortization (years)
A.	Paris Club Countries						
	1. Germany				138.3	0.75	40
	2. Japan	460.3	0.2-1.3	20-30			
	3. France				98.3	LIBOR EURO 6 Months + 200bps	20
	4.Italy	12.1	-	20.0			
	Sub-Total (A):	472.4			236.6		
B.	Non-Paris Club						
	1. China	327.7	3%	15	800.0	0-5	10-15
	2. Kuwait						
	3. Saudi Arabia	40.1	2%	26	125.2	3.25	3
	4. Korea	20.0	1%	30	205.2	1.5	30-40
	5. UAE						
	Sub-Total (B):	387.8			1,130.4		
C.	Multilateral						
	1. IDB (ST)	352.8	5.8	1	596.5	LIBOR+2.5	1
	2. IDB	224.2	1.25-5.1	1-18	287.8	LIBOR + 0.55 and 1.5	18-26
	3. IDA	259.2	0.75+4.9%	35	1,528.7	0.75	35
	4. ADB	1,436.8	1-1.5 & LIBOR+60bps	15-24	1,759.7	1.5 and LIBOR 6 Months + 0.6	20-30
	5. OPEC	5.3	2.5	20	66.3	LIBOR + 1.85	20
	6. IBRD				173.4	LIBOR 6 Months + 0.75	30
	7. IFAD	36.3	0.75	40			
	Sub-Total (C):	2,314.6			4,412.4		
D.	Bonds						
	1. Bonds	750.0	Fixed 6.875	10			
	Sub-Total (C):	750.0					
	Total (A+B+C+D)	3,924.8			5,779.4		

Lending Country/Agency		2009-10 Amount ($ Million)	2009-10 Interest Rate/ Commission(%)	2009-10 Amortization (years)	2010-11 Amount ($ Million)	2010-11 Interest Rate/ Commission(%)	2010-11 Amortization (years)
A.	Paris Club Countries						
	1. Germany	20.3	0.75	40			
	2. Japan	249.4	1.2	30	237.4	.01 Fixed	30
	3.France	103.6	1.6	20	103.9	LIBOR 6 Months + 0.25	15-18
	4. Italy				53.5	-	19
	Sub-Total (A)	373.3			394.8		
B.	Non-Paris Club						
	1. China	1,979.8	6 and LIBOR 3 Months + 1.1	19-25	213.7	2 Fixed	18-20
	2. Kuwait	49.9	1 Fixed	25	42.6	1 Fixed	25
	3. Saudi Arabia	380.0	2 and LIBOR 3 Months + 0.5	3-20	100.0	LIBOR 12 Months +0.85	1
	4. Korea						
	Sub-Total (B)	2,409.7			356.3		
C.	Multilateral						
	1. IDB Short-term	572.3	LIBOR + 2.5	1			
	2. IDB	362.2	5.1 US SWAP RATE 15 YRS +1.2	15-20	220.0	1 Fixed	15
	3. IDA	508.4	0.75 Fixed	35	603.0	3.95 and 0.75 Fixed	25
	4. ADB	711.8	1.5 and LIBOR 6 Months + 0.6	20-30	892.6	1.5 and LIBOR 6 Months + 0.6	18-30
	5. OPEC	31.1	1.75 Fixed	20			
	6.IBRD				261.4	LIBOR 6 Months + 0.75	25
	7. IFAD	18.8	0.75 Fixed	26			
	8. EIB	149.5	LIBOR 6 Months + 0.15	35			
	9. E.C.O. T / BANK				10.0	LIBOR 6 Months + 1.5	7
	Sub-Total (C)	2,354.1			1,987.0		
	Total (A+B+C)	5,137.1			2,738.1		

(Contd.)

TABLE 9.5

TERMS OF FOREIGN LOANS/CREDITS CONTRACTED BY PAKISTAN

Lending Country/Agency	2011-12			2012-13		
	Amount ($ Million)	Interest Rate/ Commission(%)	Amortization (years)	Amount ($ Million)	Interest Rate/ Commission(%)	Amortization (years)
A. Paris Club Countries						
1. Germany						
2. Japan	62.8	0.01 Fixed	30			
3.France				88.9	LIBOR 6 Months + 0.93	15
4. Italy	72.7	Free	40			
Sub-Total (A)	135.5			88.9		
B. Non-Paris Club						
1. China	851.1	2 Fixed	12-14	448.0	LIBOR 6 Months + 2.8	10
2. Kuwait						
3. Saudi Arabia	100.0	LIBOR 12 months + 1.25	10	100.0	LIBOR 12 Months + 1.25	10
4. Korea						
Sub-Total (B)	951.1			548.0		
C. Multilateral						
1. IDB Short-term	256.0					
2. IDB				227.0	LIBOR 6 Months + 1.35	24
3. IDA	1,703.3	1.68 Fixed	25	242.9	1.25 Fixed	25
4. ADB	504.9	1.5 and LIBOR 6 Months + 0.6	16	170.8	1.5 & LIBOR 6 Months + 0.6	20-28
5. OPEC						
6.IBRD	500.0	LIBOR 6 months + 1				
7. IFAD	40.0	0.75	40			
8. EIB						
9. E.C.O BANK						
Sub-Total (C)	3,004.2			640.7		
Total (A+B+C)	4,090.7			1,277.6		

Lending Country/Agency	2013-14			2014-15 (Jul - Mar)		
	Amount ($ Million)	Interest Rate/ Commission(%)	Amortization (years)	Amount ($ Million)	Interest Rate/ Commission(%)	Amortization (years)
A. Paris Club Countries						
1. Germany	27.3	0.75 Fixed	50			
2. Japan	49.3	Libor Yen 6 Month + 0.34	40			
3.France	83.3	EIBOR+0.93	20			
4. Italy						
Sub-Total (A)	159.9			-		
B. Non-Paris Club						
1. China	6,493.8	1 , 2 and 6 Fixed	28 to 30	37.7	Fixed 2	20
2. Kuwait						
3. Saudi Arabia	282.8	Libor 12 months + 1.25 and 2 Fixed	For Fixed 6 and for Libor 25			
4. Korea						
Sub-Total (B)	6,776.6			37.7		
C. Multilateral						
1. IDB Short-term	1,006.5	5.25 Fixed, Libor 12 Months + 4.5, Libor 6 Months + 4.5, Libor Euro 12 Months+2.3	1	244.4	5.0126 Fixed, Libor 6 Months 4.5, Libor Euro 12 Months	1
2. IDB	264.4	2 to 2.5 Fixed	25			
3. IDA	1,554.1	1.25 to 2 Fixed	30	624.4	1.25 to 2 Fixed	30
4. ADB	2,148.8	2 Fixed & Libor 6 months + 0.6	30	606.2	2 Fixed & Libor 6 months + 0.6	30
5. OPEC	50.0	1.75 Fixed	25			
6.IBRD						
7. IFAD				30.9	Fixed 0.75	
8. EIB	136.5	Libor + spread, Euribor + spread and Fixed (multiple rates for multiple tranches)	30			
9. E.C.O BANK	30.0	LIBOR 6 MONTHS + 2	1			
Sub-Total (C)	5,190.3			1,505.9		
D. Commercial Banks						
1. SCB (LONDON)	172.5	Libor 3 Months + 4	1			
2. SUISSE AG,UBL,ABL	200.0	Libor 3 Months + 4	1			
Sub-Total (C)	372.5					
E. Bonds						
1. Bonds - 2019	1,000.0	7.25 Fixed	5			
1. Bonds - 2024	1,000.0	8.25 Fixed	10			
3. Sukuk 2019	-			1,000.0	6.75 Fixed	5
Sub-Total (E)	2,000.0			1,000.0		
Total (A+B+C+D+E)	14,499.2			2,543.7		

Source: Economic Affairs Division

TABLE 9.6

GRANT ASSISTANCE AGREEMENTS SIGNED

($ Million)

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 (Jul-Mar)
I. Paris Club Countries										
1. Australia	0.1	-	0.9	-	-	-	-	-	-	-
2. Austria	0.7	-	-	-	-	-	-	-	-	-
3. Canada	-	-	9.4	5.5	-	-	-	-	-	-
4. France			-	-	-	-	-	0.5	3.4	-
5. Germany	31.4	37.3	-	-	68.4	11.3	28.8	13.1	18.4	-
6. Japan	67.8	-	6.6	41.6	39.8	67.8	13.6	28.4	19.2	46.5
7. The Netherlands	-	-	-	-	-	-	-	-	-	-
8. Norway	-	-	-	-	4.4	5.0	-	12.4	-	-
9. Korea	-	-	-	-	1.5	5.0	-	-	-	-
10. Switzerland	0.7	-	-	-	-	1.3	-	-	-	-
11. UK	227.5	67.7	136.9	142.5	363.4	89.0	408.9	1,173.3	-	503.2
12. USA	514.3	269.4	118.9	377.4	1,046.1	1,215.3	-	70.0	150.0	-
13. Italy	-	-	-	-	-	-	-	-	-	-
14. Denmark	-	-	-	-	-	24.8	-	-	-	-
Sub-Total (I)	842.5	374.4	272.7	567.0	1,523.6	1,419.5	451.4	1,297.6	191.0	549.7
II. Non Paris Club Countries										
1. China	-	49.4	0.4	-	-	249.5	20.7	11.4	-	113.9
2. Iran	-	-		-	-	-	-	-	-	-
3. UAE	-	-	-	-	-	-	-	-	-	-
4. Oman	-	-	-	-	-	-	-	-	-	-
5. Saudi Arabia	-	-	-	-	-	-	-	-	26.7	-
Sub-Total (II)	-	49.4	0.4	-	-	249.5	20.7	11.4	26.7	113.9
III. Multilateral										
1. ADB	175.0	5.0		-	-	3.0	3.0	-	-	-
2. EEC / EU	-	58.1	-	25.2	80.2	144.6	37.7	19.6	200.7	-
3. Islamic Development Bank	-	-	-	-	-	0.3	-	-	-	-
4. IDA	-	9.1	0.1	5.5	-	18.5	8.0	-	9.0	-
5. IBRD	0.5	-	-	-	-	-	61.0	39.4	18.1	11.7
6. IFAD			-	-	-	-	-	-	-	0.5
7. UN and Specialised Agencies	-	-	-	-	-	-	-	-	2.4	-
8. UNDP Special Grant	1.9	2.5	1.4	-	-	-	-	-	-	-
9. World Food Programme	-	-	-	-	-	-	-	-	-	-
10. UNFPA	-	-	-	-	-	-	-	-	-	-
Sub-Total (III)	177.4	74.7	1.5	30.7	80.2	166.4	109.7	59.0	230.2	12.2
IV. Relief Assistance for										
A. Afghan Refugees	1.5	3.4	1.6	2.2	2.7	6.1	6.4	4.2	-	0.6
B. Earthquake										
1. Afghanistan	0.5	-	-	-	-	-	-	-	-	-
2. Algeria	1.0	-	-	-	-	-	-	-	-	-
3. Austria	-	-	-	-	-	-	-	-	-	-
4. Azerbaijan	1.5	-	-	-	-	-	-	-	-	-
5. Bhutan	0.1	-	-	-	-	-	-	-	-	-
6. Brunei	0.6	-	-	-	-	-	-	-	-	-
7. China	28.3	-	-	-	-	-	-	-	-	-
8. Cyprus	0.1	-	-	-	-	-	-	-	-	-
9. Indonesia	1.0	-	-	-	-	-	-	-	-	-
10. Jordan	1.0	-	-	-	-	-	-	-	-	-
11. Malaysia	1.0	-	-	-	-	-	-	-	-	-
12. Morocco	1.5	-	-	-	-	-	-	-	-	-
13. Oman	5.0	-	-	-	-	-	-	-	-	-
14. Pak-Turk foundation	4.0	-	-	-	-	-	-	-	-	-
15. Saudi Arabia	200.0	133.3	300.0	-	-	-	-	-	-	-
16. South Korea	0.5	-	-	-	-	-	-	-	-	-
17. Thailand	0.5	-	-	-	-	-	-	-	-	-
18. Turkey	150.0	-	-	10.0	-	-	-	-	-	-
19. UK	-	-	-	-	-	-	-	-	-	-
20. ADB	-	-	-	-	-	-	-	-	-	-
21. WB (IDA)	-	-	-	-	-	-	-	10.0	-	-
22. Germany	-	-	-	-	-	-	-	-	-	-
23. IDB	0.3	-	-	-	-	-	-	-	-	-
24. Mauritius	0.0	-	-	-	-	-	-	-	-	-
Sub-Total (IV)	398.4	136.7	301.6	12.2	2.7	6.1	6.4	14.2	-	0.6
Grand Total (I+II+III+IV)	1,418.4	635.2	576.2	609.9	1,606.5	1,841.6	588.3	1,382.3	447.9	676.5

Source : Economic Affairs Division

TABLE 9.7

TOTAL LOANS AND CREDITS CONTRACTED

($ Million)

	Lending Country/Agency	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 (Jul-Mar)
A.	Paris Club Countries										
	1. Austria	-	-	-	-	-	-	-	-	-	-
	2. Australia	-	-	-	-	-	-	-	-	-	-
	3. Belgium	-	-	-	-	-	-	-	-	-	-
	4. Canada	-	-	-	-	-	-	-	-	-	-
	5. France	-	50.0	-	98.0	103.6	103.9	-	88.9	83.3	-
	6. Germany	-	6.0	-	138.0	20.3	-	-	-	27.3	-
	7. Japan	245.0	198.2	460.4	-	249.4	237.5	62.8	-	49.3	-
	8. Netherlands	-	-	-	-	-	-	-	-	-	-
	9. Norway	-	-	-	-	-	-	-	-	-	-
	10. Spain	-	-	-	-	-	-	-	-	-	-
	12. UK	-	-	-	-	-	-	-	-	-	-
	13. USA	-	-	-	-	-	-	-	-	-	-
	14. Italy	-	-	12.1	-	-	53.5	72.7	-	-	-
	15. Sweden	-	-	-	-	-	-	-	-	-	-
	Sub-Total (A)	245.0	254.2	472.5	236.0	373.3	394.8	135.5	88.9	159.9	-
B.	Non-Paris Club Countries										
	1. China	322.2	-	328.0	800.0	1,979.8	213.7	851.1	448.0	6,493.8	37.7
	2. Korea	17.0	-	20.0	205.0	-	-	-	-	-	-
	3. Kuwait	-	38.1	-	-	49.9	42.6	-	-	-	-
	4. Saudi Arabia	-	133.1	40.0	125.0	380.0	100.0	100.0	100.0	282.8	-
	5. Turkey (EXIM Bank)	-	-	-	-	-	-	-	-	-	-
	6. Abu Dhabi Fund	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)	339.2	171.2	388.0	1,130.0	2,409.7	356.3	951.1	548.0	6,776.6	37.7
C.	Multilateral										
	1. IBRD	319.0	100.0	-	173.4	-	261.4	500.0	-	-	-
	2. IDA	1,166.4	912.0	259.1	1,529.0	508.4	603.0	1,703.3	242.9	1,554.1	624.4
	3. ADB	835.0	1,443.3	1,436.4	1,760.0	711.8	892.6	504.9	170.8	2,148.8	606.2
	4. IFAD	54.0	-	36.4	-	18.8	-	40.0	-	-	-
	5. European Investment Bank	-	-	-	-	149.5	-	-	-	136.5	30.9
	6. ECOTDB	-	-	-	-	-	10.0	-	-	30.0	-
	7. OPEC Fund	-	10.0	5.1	66.0	31.1	-	-	-	50.0	-
	8. IDB	121.0	200.0	224.0	288.0	362.2	220.3	-	227.0	264.4	-
	9. SCB (Singapore)	-	-	-	-	-	-	-	-	-	-
	10.IDB (ST)	-	425.0	353.0	597.0	572.3	-	256.0	-	1,006.5	244.4
	Sub-Total (C)	2,495.4	3,090.3	2,314.0	4,413.4	2,354.1	1,987.3	3,004.2	640.7	5,190.3	1,505.9
D.	Bonds										
	1. Bonds	800.0	-	750.0	-	-	-	-	-	2,000.0	1,000.0
	Sub-Total (D)	800.0	-	750.0	-	-	-	-	-	2,000.0	1,000.0
E.	Commercial Banks										
	1. SCB (LONDON)	-	-	-	-	-	-	-	-	172.5	-
	2. SUISSE AG,UBL,ABL	-	-	-	-	-	-	-	-	200.0	-
	Sub-Total (E)	-	-	-	-	-	-	-	-	372.5	-
	Grand-Total (A+B+C+D+E)	3,879.6	3,515.7	3,924.5	5,779.4	5,137.1	2,738.4	4,090.7	1,277.6	14,499.2	2,543.6

Note: Total may differ due to rounding off

Source : Economic Affairs Division

EDUCATION

TABLE 10.1

NUMBER OF EDUCATIONAL INSTITUTIONS BY KIND, LEVEL & SEX

Numbers

Year	Primary* Schools (000)		Middle Schools (000)		High Schools (000)		Technical & Vocational Institutions		Higher Sec/ Inter Colleges		Degree Colleges		Universities
	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total
1992-93	130.6	40.3	11.8	5.4	8.7	2.8	602	316	800	293	260	109	27
1993-94	134.1	42.4	12.1	5.5	9.2	3.0	474	218	824	303	260	112	28
1994-95	139.6	44.4	12.6	5.7	9.5	3.2	487	221	863	317	271	116	34
1995-96	143.1	40.5	13.3	4.4	9.5	2.4	577	224	909	338	286	124	38
1996-97	149.7	52.1	14.5	6.3	9.9	3.3	578	225	1,141	382	310	129	41
1997-98	156.3	58.1	17.4	7.5	11.1	3.9	574	223	1,056	400	315	139	45
1998-99	159.3	53.1	18.1	7.2	12.4	3.3	580	228	1,137	433	336	153	46
1999-00	162.1	55.0	18.4	7.6	12.6	3.4	612	233	1,222	464	356	161	54
2000-01	147.7	54.3	25.5	12.0	14.8	4.6	630	236	1,710	691	366	171	59
2001-02	149.1	55.3	26.8	12.8	15.1	4.6	607	239	1,784	731	376	177	74
2002-03	150.8	56.1	28.0	13.5	15.6	4.8	585	230	1,855	768	386	186	96
2003-04	155.0	57.6	28.7	13.9	16.1	5.1	624	228	1,989	822	426	206	106
2004-05	157.2	58.7	30.4	14.8	16.6	5.3	747	328	1,604	684	677	331	108
2005-06	157.5	59.8	39.4	19.3	22.9	8.1	3,059	1,475	2,996	1,484	1,135	664	111
2006-07	158.4	60.9	40.1	17.5	23.6	9.0	3,090	1,491	3,095	1,420	1,166	631	120
2007-08	157.4	64.9	40.8	20.6	24.0	9.0	3,125	1,507	3,213	1,642	1,202	700	124
2008-09	156.7	63.4	40.9	20.4	24.3	9.2	3,159	1,523	3,242	1,707	1,336	733	129
2009-10	157.5	60.6	41.3	19.5	24.8	10.6	3,192	2,182	3,329	1,763	1,439	821	132
2010-11	155.5	58.2	41.6	20.4	25.2	9.5	3,224	2,206	3,435	1,690	1,558	814	135
2011-12	154.6	57.0	42.0	21.0	28.7	11.6	3,257	2,229	4,515	2,184	1,384	643	139
2012-13	159.7	60.1	42.1	21.4	29.9	12.3	3,290	2,253	5,030	2,410	1,534	683	147
2013-14 (P)	157.9	59.7	42.8	21.1	30.4	12.5	3,323	2,271	5,157	2,423	1,086	516	161
2014-15 (E)	158.7	60.1	43.2	21.3	32.6	13.8	3,357	2,293	6,019	2,773	976	453	-

*: Including Pre-Primary & Mosque Schools E: Estimated P: Provisional

Notes:

1. All figures include Public and Private Sector data
2. Figures of 2014-15 are based on estimation
3. Female institutions include percentage of mixed institutions

Sources:

1. Figures of Primary, Middle, High and Higher Sec. from 1992-93 to 2012-13 is based on Annual Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad.
2. Figures of Inter Colleges and Degree Colleges from 2004-05 onward is based on Annual Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad.
3. Figures of Private School data from 1992-93 to 1999-2000 is based on 8th Five Year Plan : Planning Commission of Pakistan.
4. Figures of Private School data from 2000-01 to 2004-05 is based on 'Census of Private Education Institution 1999-2000', Pakistan Bureau of Statistics, Islamabad.
5. Figures of Private School data from 2005-06 onwards is based on 'National Education Census, 2005', NEMIS, AEPAM, Islamabad.
6. Figures of Technical & Vocational from 2003-04 onward is based on Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad.
7. Figures of Universities is provided by Higher Education Commission (HEC), Islamabad.

TABLE 10.2

ENROLMENT IN EDUCATIONAL INSTITUTIONS BY KIND, LEVEL & SEX

Year	Primary Stage I-V in 000		Middle Stage VI-VIII in 000		High Stage IX-X in 000		Technical & Vocational in 000		Higher Sec/ Inter Colleges in 000		Degree Colleges Numbers		Universities Numbers	
	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female
1992-93	10,271	3,696	3,040	994	1,168	357	93	24	422	151	281,200	100,400	68,301	14,856
1993-94	10,898	4,123	3,305	1,123	1,315	421	84	18	405	149	270,000	99,600	77,119	19,342
1994-95	11,900	4,708	3,816	1,347	1,525	514	86	15	422	166	281,600	110,400	80,651	21,174
1995-96	11,657	4,590	3,605	1,270	1,447	480	86	14	440	179	293,600	119,600	82,955	23,105
1996-97	13,088	5,350	3,726	1,357	1,521	520	92	15	457	191	304,800	127,600	91,883	25,050
1997-98	14,182	5,861	4,032	1,532	1,658	605	90	18	478	201	318,400	134,000	93,780	24,848
1998-99	14,879	5,149	4,098	1,586	1,703	639	75	17	509	234	312,000	140,400	91,637	25,469
1999-00	15,784	5,660	4,112	1,615	1,726	653	91	17	562	263	316,800	148,800	114,010	27,369
2000-01	14,105	5,559	3,759	1,706	1,565	675	83	14	582	283	305,200	149,600	124,944	36,699
2001-02	14,560	5,871	3,821	1,506	1,574	644	83	15	582	285	300,400	148,000	276,274	101,770
2002-03	15,094	6,132	3,918	1,551	1,589	658	94	19	625	306	320,800	158,400	331,745	128,066
2003-04	16,207	6,606	4,321	1,737	1,800	709	105	14	691	338	329,007	163,059	423,236	178,723
2004-05	18,190	7,642	4,612	1,885	1,936	780	114	21	307	141	453,275	220,118	471,964	195,555
2005-06	17,757	7,710	5,322	2,191	2,188	905	239	90	891	444	355,705	209,806	521,473	212,997
2006-07	17,993	7,848	5,431	2,264	2,373	974	251	94	942	473	380,012	224,263	605,885	255,695
2007-08	18,360	8,032	5,427	2,279	2,484	1,022	256	96	960	452	383,810	226,517	741,092	342,125
2008-09	18,468	8,144	5,414	2,298	2,556	1,071	265	99	1,074	508	366,518	222,850	803,507	356,233
2009-10	18,772	8,320	5,504	2,337	2,583	1,078	273	102	1,166	495	383,954	217,621	935,599	426,323
2010-11	18,063	7,971	5,644	2,421	2,630	1,103	281	106	1,188	408	431,180	218,374	1,107,682	521,284
2011-12	18,667	7,905	6,020	2,573	2,753	1,155	290	109	1,294	367	497,152	222,098	1,319,799	642,198
2012-13	18,790	8,278	6,188	2,653	2,898	1,215	302	113	1,400	395	641,539	234,006	1,594,648	805,062
2013-14 (P)	19,441	8,567	6,461	2,798	3,109	1,303	309	117	1,234	497	674,451	326,858	1,594,648	805,062
2014-15 (E)	19,935	8,780	6,773	2,943	3,298	1,382	319	121	1,250	534	801,292	380,984	1,828,331	951,149

E : Estimated **P: Provisional**

Notes:

1. All figures include Public and Private Sector data
2. Figures of 2014-15 is based on estimation
3. Enrolment of Deeni Madaris is included

Sources:

1. Figures of Pre-Primary, Primary, Middle, High and Higher Sec. from 1992-93 to 2012-13 is based on Annual Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad.
2. Figures of Inter Colleges and Degree Colleges for 2004-05 onwards is based on Annual Pakistan Education Statistics Reports, AEPAM, NEMIS, Islamabad.
3. Figures of Private School data from 1992-93 to 1999-2000 is based on 8th Five Year Plan : Planning Commission of Pakistan.
4. Figures of Private School data from 2000-01 to 2004-05 is based on 'Census of Private Education Institution 1999-2000', Pakistan Bureau of Statistics, Islamabad.
5. Figures of Private School data from 2005-06 onward is based on 'National Education Census, 2005' NEMIS, AEPAM, Islamabad.
6. Figures of Technical & Vocational from 2003-04 onward is based on Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad.
7. Figures of Technical & Vocation from 2003-04 onward is based on Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad.
8. Figures of Universities from 1992-1993 was downloaded from website of HEC, Islamabad (www.hec.gov.pk).

TABLE 10.3

NUMBER OF TEACHERS IN EDUCATIONAL INSTITUTIONS IN PAKISTAN, BY KIND, LEVEL & SEX

Year	Primary Schools* in 000		Middle Schools in 000		High Schools in 000		Technical & Vocational Institutions Numbers		Higher Sec/ Inter Colleges Numbers		Degree Colleges Numbers		Universities Numbers
	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total
1992-93	332.5	122.5	119.0	66.3	165.6	68.1	9,153	2,605	25,485	9,138	8,269	3,058	5,728
1993-94	359.1	138.6	132.8	78.2	217.4	88.5	7,965	1,603	27,666	9,825	8,754	3,178	5,217
1994-95	375.2	146.7	144.6	80.9	227.6	102.6	6,949	1,708	29,843	10,515	9,128	3,264	5,316
1995-96	377.5	145.1	159.1	85.0	217.6	89.8	7,291	1,799	32,898	11,729	9,969	3,657	5,417
1996-97	374.3	151.7	156.7	91.4	224.7	98.8	7,422	1,845	32,190	11,690	9,950	3,660	5,162
1997-98	397.0	164.7	168.4	101.0	252.9	112.9	6,923	1,870	39,267	15,767	10,930	4,105	5,515
1998-99	422.6	173.8	178.5	108.2	231.6	107.5	7,133	1,858	35,187	14,298	10,777	4,139	4,911
1999-00	402.4	169.8	193.9	117.6	247.8	115.8	9,253	1,959	39,268	15,764	11,065	4,221	5,914
2000-01	408.9	183.6	209.7	127.8	260.3	125.3	9,441	1,959	48,054	21,506	11,019	4,218	5,988
2001-02	413.9	183.5	230.1	139.3	270.2	126.1	7,192	1,863	55,146	23,016	10,598	4,164	5,160
2002-03	433.5	191.7	236.3	145.8	278.0	131.9	7,273	1,623	57,681	24,146	11,164	4,410	6,180
2003-04	432.2	195.3	239.4	146.6	276.9	134.2	7,042	1,325	57,881	24,190	11,245	4,505	37,428
2004-05	450.1	206.5	246.7	151.5	282.1	138.6	7,356	1,450	57,661	24,366	15,653	6,690	37,469
2005-06	454.2	210.6	310.8	201.6	417.1	209.9	14,565	4,658	69,425	33,959	20,568	10,485	37,509
2006-07	456.0	212.6	313.5	203.3	421.7	213.0	14,622	4,676	71,246	34,996	20,768	10,587	44,537
2007-08	452.6	216.0	320.6	208.2	429.9	219.6	14,914	4,770	74,223	36,162	20,971	10,690	46,893
2008-09	465.3	216.2	320.5	209.0	439.3	225.5	15,264	5,061	76,184	37,149	21,176	10,794	52,833
2009-10	441.7	208.9	331.5	216.5	447.1	230.4	15,338	4,905	77,248	37,595	30,754	14,313	57,780
2010-11	440.5	210.1	335.0	220.3	452.8	235.3	15,591	4,993	81,183	39,378	36,349	16,181	63,557
2011-12	427.4	198.6	351.4	234.0	458.7	271.3	15,847	5,079	97,633	52,746	40,191	16,815	70,053
2012-13	428.8	209.1	362.6	241.5	489.6	287.2	16,109	5,168	132,011	71,121	48,809	19,319	77,557
2013-14 (P)	420.1	209.5	364.8	243.6	500.5	296.3	16,377	5,259	124,336	58,867	25,964	7,599	77,557
2014-15 (E)	413.7	209.2	375.7	252.2	518.0	321.8	16,652	5,352	146,366	68,579	23,491	6,256	83,252

* : Including Pre-primary and Primary Schools   E : Estimated   P: Provisional

Notes:

1. All figures include Public and Private Sector data

2 Figures of 2014-15 is based on estimation

Sources:

1. Figures of Primary, Middle, High and Higher Sec. from 1992-93 to 2012-13 is based on Annual Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad.
2. Figures of Inter Colleges and Degree Colleges for 2004-05 and onwards is based on Annual Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad.
3. Figures of Private School data from 1992-93 to 1999-2000 is based on 8th Five Year Plan : Planning Commission of Pakistan.
4. Figures of Private School data from 2000-01 to 2004-05 is based on 'Census of Private Education Institution 1999-2000', Pakistan Bureau of Statistics, Islamabad.
5. Figures of Private School data from 2005-06 onward is based on 'National Education Census, 2005' NEMIS, AEPAM, Islamabad.
6. Figures of Technical & Vocational from 2003-04 onward is based on Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad.
7. Figures of Technical & Vocation from 2003-04 onward is based on Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad.
8. Figures of Universities from 1992-93 to 2007-08 was downloaded from website of HEC, Islamabad (www.hec.gov.pk).

HEALTH & NUTRITION

TABLE 11.1

NATIONAL MEDICAL AND HEALTH ESTABLISHMENTS, Progressive

(Calendar Year Basis)

(Number)

Year	Hospitals	Dispen-saries	BHUs Sub Health Centres	Maternity & Child Health Centres	Rural Health Centres	TB Centres	Total Beds	Population per Bed
1960	342	1,195	..	348	..	..	22,394	2,038
1961	345	1,251	3	422	1	18	22,394	2,063
1962	361	1,374	..	449	..	..	22,775	2,087
1963	365	1,514	..	488	..	..	23,429	2,088
1964	365	1,626	..	524	..	..	23,664	2,126
1965	379	1,695	..	554	..	..	25,603	2,022
1966	389	1,754	..	558	..	..	26,200	2,033
1967	391	1,834	..	650	..	..	27,291	1,678
1968	398	1,751	..	650	..	..	27,112	2,079
1969	405	1,846	..	668	..	..	27,618	2,100
1970	411	1,875	..	668	..	..	28,976	2,061
1971	495	2,136	249	668	87	79	34,077	1,804
1972	496	2,137	249	675	87	82	35,337	1,792
1973	521	2,566	255	662	90	84	35,655	1,848
1974	517	2,836	290	690	102	89	35,866	1,893
1975	518	2,908	373	696	134	89	37,776	1,852
1976	525	3,063	536	715	173	95	39,129	1,843
1977	528	3,220	544	726	186	95	40,518	1,834
1978	536	3,206	554	748	200	95	42,469	1,804
1979	550	3,367	645	772	211	98	44,367	1,779
1980	602	3,466	736	812	217	98	47,412	1,716
1981	600	3,478	774	823	243	99	48,441	1,752
1982	613	3,459	1,587	817	283	98	50,335	1,735
1983	626	3,351	1,982	794	302	98	52,161	1,723
1984	633	3,386	2,366	787	319	96	53,603	1,724
1985	652	3,415	2,647	778	334	100	55,886	1,699
1986	670	3,441	2,902	773	349	101	57,709	1,689
1987	682	3,498	3,150	798	383	104	60,093	1,666
1988	710	3,616	3,454	998	417	211	64,471	1,593
1989	719	3,659	3,818	1,027	448	211	66,375	1,587
1990	756	3,795	4,213	1,050	459	220	72,997	1,444
1991	776	3,993	4,414	1,057	465	219	75,805	1,425
1992	778	4,095	4,526	1,055	470	228	76,938	1,464
1993	799	4,206	4,663	849 *	485	233	80,047	1,443
1994	822	4,280	4,902	853 *	496	242	84,883	1,396
1995	827	4,253	4,986	859 *	498	260	85,805	1,416
1996	858	4,513	5,143	853 *	505	262	88,454	1,407
1997	865	4,523	5,121	853 *	513	262	89,929	1,418
1998	872	4,551	5,155	852 *	514	263	90,659	1,440
1999	879	4,583	5,185	855 *	530	264	92,174	1,448
2000	876	4,635	5,171	856 *	531	274	93,907	1,456
2001	907	4,625	5,230	879 *	541	272	97,945	1,427
2002	906	4,590	5,308	862	550	285	98,264	1,454
2003	906	4,554	5,290	907	552	289	98,684	1,479
2004	916	4,582	5,301	906	552	289	99,908	1,492
2005	919	4,632	5,334	907	556	289	101,490	1,483
2006	924	4,712	5,336	906	560	288	102,073	1,508
2007	945	4,755	5,349	903	562	290	103,285	1,544
2008	948	4,794	5,310	908	561	293	103,037	1,575
2009	968	4,813	5,345	906	572	293	103,708	1,592
2010	972	4,842	5,344	909	577	304	104,137	1,701
2011	980	5,039	5,449	851	579	345	107,537	1,647
2012	1,092	5,176	5,478	628	640	326	111,802	1,616
2013	1,113	5,413	5,571	687	667	329	118,378	1,557
2014 (P)	1,142	5,499	5,438	671	669	334	118,041	1,593

.. : Not available

Source: Ministry of Health, Planning Commission of Pakistan
Pakistan Bureau of Statistics

*: The decrease in MCH since 1993 as against last year is due to exclusion/separation of family welfare centres from MCH structure in Khyber Pakhtunkhwa

P: Provisional data in respect of Punjab province

TABLE 11.2

REGISTERED MEDICAL AND PARAMEDICAL PERSONNEL (Progressive) AND EXPENDITURE ON HEALTH, (Calendar Year Basis)

(Number)

Year	Regis-tered Doctors *	Regis-tered Dentists *	Regis-tered Nurses *	Register-ed Mid-wives	Register-ed Lady Health Visitors	Population per		Expenditure (Mln. Rs)**	
						Doctor	Dentist	Develop-ment	Non-Deve-lopment
1963	1,049	17	..	..	..	46,615	..	35	80
1964	1,325	81	..	..	..	37,970	..	75	78
1965	1,591	151	..	..	..	32,533	..	46	84
1966	2,008	195	..	..	..	26,524	..	35	86
1967	2,588	233	..	..	..	21,170	..	71	92
1968	2,668	273	..	..	..	21,128	..	60	99
1969	3,322	332	..	..	..	17,459	..	68	128
1970	3,913	384	..	..	..	15,256	155,468	62	151
1971	4,287	446	..	..	..	14,343	137,870	58	141
1972	4,802	511	..	..	..	13,190	123,953	96	172
1973	5,138	549	..	..	..	12,824	120,018	176	210
1974	5,582	610	946	522	51	12,164	111,311	363	278
1975	6,018	650	1,985	1,201	118	11,628	107,661	629	361
1976	6,478	706	2,526	1,637	197	11,133	102,153	540	439
1977	7,232	733	3,204	2,577	246	10,278	101,405	512	559
1978	9,142	781	3,892	3,106	341	9,526	98,079	569	642
1979	10,167	846	4,552	3,594	453	8,695	93,309	717	662
1980	11,860	928	5,336	4,200	547	7,549	87,672	942	795
1981	14,996	1,018	6,110	4,846	718	6,101	83,369	1,037	993
1982	18,256	1,121	6,832	5,482	928	5,087	77,948	1,183	1,207
1983	21,942	1,222	7,348	6,031	1,144	4,308	73,560	1,526	1,564
1984	26,700	1,349	8,280	7,078	1,374	3,605	68,490	1,587	1,785
1985	31,107	1,416	10,529	8,133	1,574	3,160	67,041	1,882	2,394
1986	35,102	1,558	12,014	10,315	2,144	2,865	62,580	2,615	3,270
1987	39,639	1,636	13,002	11,505	2,384	2,594	61,180	3,114	4,064
1988	43,921	1,772	14,015	12,866	2,697	2,396	57,963	2,802	4,519
1989	48,342	1,918	15,861	13,779	2,917	2,228	54,927	2,681	4,537
1990	52,935	2,068	16,948	15,009	3,106	2,082	52,017	2,741	4,997
1991	56,616	2,184	18,150	16,299	3,463	1,993	50,519	2,402	6,130
1992	61,081	2,269	19,389	17,678	3,796	1,892	49,850	2,152	7,452
1993	64,038	2,394	20,245	18,641	3,920	1,848	48,508	2,875	7,680
1994	67,224	2,584	21,419	19,759	4,107	1,803	46,114	3,590	8,501
1995	71,718	2,747	22,299	20,910	4,185	1,455	44,478	5,741	10,614
1996	75,239	2,933	24,776	21,662	4,407	1,689	42,675	6,485	11,857
1997	79,474	3,154	28,661	21,840	4,589	1,636	40,652	6,077	13,587
1998	83,696	3,434	32,938	22,103	4,959	1,590	38,185	5,492	15,316
1999	88,117	3,857	35,979	22,401	5,299	1,578	35,557	5,887	16,190
2000	92,838	4,165	37,528	22,525	5,443	1,529	33,629	5,944	18,337
2001	97,260	4,612	40,019	22,711	5,669	1,516	31,579	6,688	18,717
2002	102,644	5,058	44,520	23,084	6,397	1,466	29,405	6,609	22,205
2003	108,164	5,531	46,331	23,318	6,599	1,404	27,414	8,500	24,305
2004	113,309	6,128	48,446	23,559	6,741	1,359	25,107	11,000	27,000
2005	118,113	6,734	51,270	23,897	7,073	1,310	25,297	16,000	24,000
2006	123,146	7,438	57,646	24,692	8,405	1,254	20,839	20,000	30,000
2007	128,042	8,215	62,651	25,261	9,302	1,245	19,417	27,228	32,670
2008	133,925	9,012	65,387	25,534	10,002	1,212	18,010	32,700	41,100
2009	139,488	9,822	69,313	26,225	10,731	1,184	16,814	37,860	41,000
2010	144,901	10,508	73,244	27,153	11,510	1,222	16,854	18,706	23,382
2011	152,368	11,649	77,683	30,722	12,621	1,162	15,203	26,250	28,870
2012	160,880	12,692	82,119	31,503	13,678	1,123	14,238	33,471	92,486
2013	167,759	13,716	86,183	32,677	14,388	1,099	13,441	58,736	114,680
2014*	175,223	15,106	90,276	33,687	15,325	1,073	12,447	31,933	82,291

.. : Not available

Source : Ministry of Health, Planning Commission of Pakistan
Pakistan Bureau of Statistics

* : Expenditure figure for the year 2014 are for the period (Jul-Mar) 2014-15

* : Registered with Pakistan Medical and Dental Council and Pakistan Nursing Council.

** : Expenditure figures are for respective financial years 2013 = 2013-14

Note: Data regarding registered number of Doctors/Dentists is vulnerable to few changes as it is affected by change of province or if there is any change in registration status from time to time

Date for medical personal for the year 2011 is estimated by adding the output actually achieved during the year to the medical manpower in 2010.

TABLE 11.3

DATA ON EXPANDED PROGRAMME OF IMMUNIZATION VACCINATION PERFORMANCE

(Nos. in 1000)

Vaccine/doze.		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
B.C.G.		4,862.5	5,203.1	5,364.1	5,790.4	5,884.4	6,133.4	5,924.9	5,813.3	6,062.0	6,186.4	6,150.8
POLIO	0	2,352.6	2,625.6	2,846.2	3,098.1	3,428.7	3,650.0	3,773.1	3,844.4	4,200.3	4,464.2	4,746.2
	I	4,512.8	4,858.6	5,250.6	5,645.1	5,556.1	5,884.9	5,852.6	5,698.5	5,822.8	5,905.2	5,838.7
	II	4,098.2	4,387.4	4,869.9	5,178.7	5,034.4	5,402.7	5,526.7	5,356.0	5,445.9	5,538.9	5,494.8
	III	3,916.4	4,160.0	4,739.0	5,070.5	4,819.1	5,277.4	5,422.4	5,218.1	5,330.5	5,398.0	5,369.4
	IV	..	..	..	..	..	..	..	..	..	..	..
	BR	77.7	49.4	33.0	46.6	60.9	35.8	81.3	86.1	..	..	..
COMBO												
	I	..	..	..	3,999.8	5,071.7	..	..	..	..	..	..
	II	..	..	..	3,720.1	4,612.5	..	..	..	..	..	..
	III	..	..	..	3,656.5	4,356.2	..	..	..	..	..	..
D.P.T												
	I	4,427.8	4,581.3	5,275.1	1,710.7	..	..	..	..	..	..	..
	II	4,025.5	4,126.6	4,886.6	1,523.2	..	..	..	..	..	..	..
	III	3,839.6	3,918.8	4,756.4	1,479.4	..	..	..	..	..	..	..
	BR	2.4	0.1	0.3	0.06	..	..	..	..	..	..	..
H.B.V												
	I	4,212.7	4,458.2	5,053.3	1,617.8	..	..	..	..	..	..	..
	II	3,879.7	4,065.3	4,692.3	1,441.4	..	..	..	..	..	..	..
	III	3,616.5	3,840.7	4,571.0	1,401.2	..	..	..	..	..	..	..
Pentavalent												
	I	..	..	..	..	..	5,925.0	5,862.9	5,606.3	5,773.2	5,921.6	5,843.5
	II	..	..	..	..	..	5,461.3	5,555.1	5,266.8	5,400.2	5,552.8	5,491.0
	III	..	..	..	..	..	5,338.5	5,407.3	5,129.2	5,275.6	5,411.6	5,370.8
T.T												
	I	3,391.5	4,539.1	4,069.4	3,877.9	4,307.1	4,919.8	5,050.2	5,089.9	5,361.9	5,157.2	4,536.5
	II	2,649.6	2,857.9	3,133.5	3,048.3	3,385.0	3,791.7	4,065.1	4,121.0	4,279.0	4,235.0	3,708.5
	III	765.3	793.1	894.6	810.0	865.7	937.8	897.0	812.9	815.1	783.2	577.7
	IV	292.9	519.1	286.4	239.1	279.0	284.9	268.2	234.4	229.8	312.3	185.4
	V	131.9	157.4	176.5	141.3	152.1	168.9	165.0	127.2	128.4	130.1	105.8
MEASLES		4,125.0	4,387.2	5,050.3	5,386.1	5,277.8	5,297.4	5,299.6	8,211.3	9,085.8	4,490.3	5,370.8
	II	..	..	..	..	..	1,806.3	2,799.7	2,799.7	..	5,622.7	4,536.5
Pneumococcal (PCV10)												
	I	..	..	..	..	..	..	..	..	..	3,588.7	5,526.3
	II	..	..	..	..	..	..	..	..	..	3,195.3	5,197.4
	III	..	..	..	..	..	..	..	..	..	3,008.4	5,072.4

Source: Ministry of Health
Pakistan Bureau of Statistics

..: not available

B.C.G. **Bacilus+Calamus+Guerin**

D.P.T **Diphteira+Perussia+Tetanus**

T.T **Tetanus Toxoid**

Note: **The DPT from the year 2007 onward has discontinued and is replaced by Combo - a combination of DPT and HBV**

TABLE 11.4

DOCTOR CONSULTING FEE IN VARIOUS CITIES

(In rupees)

Period		Faisal-abad	Gujran-wala	Hyder-abad	Islam-abad	Karachi	Lahore	Pesha-war	Quetta	Rawal-pindi	Sukkur	Average
November	73	10.00	10.00	10.00	15.00	15.00	10.00	20.00	10.00	15.00	10.00	12.50
"	74	15.00	15.00	20.00	18.75	20.00	15.00	20.00	17.50	20.00	16.00	17.73
"	75	20.00	15.00	20.00	20.00	25.00	15.00	20.00	25.00	22.50	17.50	20.00
"	76	20.00	20.00	23.75	23.75	27.75	17.50	23.13	28.13	27.19	20.00	23.12
"	77	20.00	20.00	28.75	35.00	25.00	20.00	25.00	35.00	35.00	20.00	26.38
"	78	20.00	20.00	32.14	22.50	34.00	20.00	33.13	40.00	35.00	20.00	27.68
"	79	40.00	20.00	33.75	..	48.00	28.33	35.00	35.00	45.00	35.00	32.01
"	80	40.00	32.00	35.00	50.00	54.44	47.50	37.50	37.50	50.00	35.00	41.89
"	81	70.00	32.00	36.00	50.00	60.00	47.50	50.00	32.50	50.00	25.00	45.30
"	82	30.00	32.00	50.00	60.00	60.00	50.00	12.00	37.50	50.00	40.00	42.15
"	83	50.00	..	58.75	60.00	60.00	50.00	12.00	37.50	50.00	50.00	42.83
		AVERAGE DOCTOR CALL FEE IN VARIOUS CITIES										
"	84	20.00	20.00	45.00	55.00	36.11	10.00	15.63	45.00	50.00	50.00	34.67
"	85	20.00	32.00	55.00	50.00	30.00	10.00	20.00	45.00	50.00	35.00	34.70
"	86	20.00	32.00	55.00	50.00	26.39	14.17	20.00	45.00	50.00	30.00	34.26
"	87	20.00	32.00	55.00	26.25	26.70	24.29	20.00	46.25	25.42	30.00	30.59
"	88	20.00	32.00	50.00	26.25	26.54	24.29	20.00	67.00	25.42	30.00	32.15
"	89	48.33	32.00	50.00	26.88	25.91	24.29	20.00	67.00	25.42	30.00	34.98
"	90	51.67	32.50	50.00	26.88	26.54	30.00	22.50	57.00	25.83	35.00	35.79
"	91	42.00	32.50	50.00	27.50	27.09	24.64	22.50	60.00	26.67	40.00	35.29
"	92	31.67	32.50	66.67	27.50	26.49	24.64	22.50	52.50	29.17	75.00	38.86
"	93	32.54	43.75	80.00	27.50	28.85	27.14	27.50	52.50	29.17	75.00	42.40
"	94	32.50	40.00	65.00	27.50	31.00	24.64	30.00	82.50	29.17	70.00	43.23
"	95	37.50	40.00	65.71	27.50	32.24	30.00	30.00	90.00	30.00	75.00	45.79
"	95	30.00	40.00	53.00	32.50	31.88	27.86	30.00	80.00	30.00	55.00	41.02
"	97	35.00	40.00	46.25	32.50	31.88	27.86	30.00	80.00	30.83	60.00	41.43
"	98	35.00	40.00	33.75	33.44	31.60	33.21	30.00	107.50	30.00	30.00	40.45
"	99	35.00	40.00	33.75	33.44	32.17	33.93	30.00	107.50	31.25	30.00	40.75
"	2000	40.00	40.00	33.75	33.13	32.40	38.93	30.00	107.50	32.92	30.00	41.86
"	2001	40.00	40.00	33.75	33.13	33.00	41.96	43.33	107.50	33.75	30.00	43.64
"	2002	40.00	50.00	30.00	33.13	35.00	41.25	43.33	95.00	33.96	30.00	43.17
"	2003	40.00	50.00	31.25	45.00	36.35	41.96	50.00	100.00	38.75	30.00	46.33
"	2004	41.25	50.00	33.00	45.00	36.25	41.96	50.00	100.00	38.75	30.00	46.62
"	2005	41.25	50.00	33.75	46.25	38.08	44.29	50.00	100.00	42.08	30.00	47.57
"	2006	41.25	50.00	33.75	55.00	41.73	52.68	50.00	100.00	43.75	50.00	51.81
"	2007	43.75	50.00	50.00	55.00	55.00	52.68	50.00	120.00	43.75	75.00	59.52
"	2008	75.00	65.00	50.00	75.00	80.00	63.21	100.00	130.00	61.67	75.00	77.49
"	2009	75.00	65.00	50.00	75.00	93.85	68.93	100.00	120.00	61.67	75.00	78.45
"	2010	75.00	75.00	60.00	90.00	93.85	68.93	125.00	130.00	71.67	100.00	88.95
"	2011	80.00	75.00	68.75	100.00	93.85	70.00	166.67	180.00	85.00	100.00	113.82
"	2012	90.00	75.00	80.00	200.00	100.00	70.36	191.61	200.00	110.00	100.00	139.18
"	2013	90.00	75.00	100.00	146.25	100.00	100.00	225.00	200.00	135.00	100.00	163.19
"	2014	90.00	75.00	100.00	175.00	100.00	100.00	220.83	200.00	166.67	100.00	170.06

" Not available

Source: Pakistan Bureau of Statistics

POPULATION, LABOUR FORCE AND EMPLOYMENT

TABLE 12.1

POPULATION

Year	Popu-lation (mln)	Labour Force Participation Rate(%)	Civilian Labour Force (mln)	Employed Total (mln)	Crude Birth Rate	Crude Death Rate	Infant Mortality Rate	Growth Rate
					(per 1000 persons)			
1981*	84.25	30.30	25.78	24.70	..	..	..	..
1991	112.61	27.97	31.50	29.52	39.50	9.80	102.40	3.06
1992	115.54	28.11	32.48	30.58	39.30	10.10	100.90	2.54
1993	118.50	27.86	33.01	31.45	38.90	10.10	101.80	2.52
1994	121.48	27.88	33.87	32.23	37.60	9.90	100.40	2.51
1995	124.49	27.46	34.18	32.35	36.60	9.20	94.60	2.49
1996	127.51	28.69	35.01	33.13	35.20	8.80	85.50	2.47
1997	130.56	29.38	37.45	35.16	33.80	8.90	84.40	2.42
1998*	132.35	29.38	39.17	36.86	..	..	..	2.69
1999	136.40	28.97	40.08	37.70	30.50	8.60	82.90	2.61
2000	139.55	28.97	40.38	37.22	..	..	..	2.60
2001	142.76	28.48	41.23	38.00	..	..	..	2.61
2002	146.02	29.61	43.01	39.45	27.03	8.20	85.00	..
2003	149.32	29.61	43.88	40.25	27.30	8.00	83.00	1.90
2004	152.66	30.41	45.95	42.42	27.80	8.70	79.90	..
2005	156.04	30.41	46.82	43.22	..	..	..	..
2006	159.46	32.22	50.50	47.37	26.10	7.10	76.70	..
2007	162.91	31.82	50.78	48.07	25.50	7.90	72.40	1.76
2008	166.41	32.17	52.23	49.52	25.00	7.70	70.20	1.73
2009	169.94	32.81	55.76	52.71	28.40	7.60	73.50	2.08
2010	173.51	32.98	57.22	54.05	28.00	7.40	72.00	2.05
2011	177.10	32.98	58.41	55.17	27.50	7.30	70.50	2.03
2012	180.71	32.83	59.33	55.80	27.20	7.20	69.00	2.00
2013	184.35	32.88	60.35	56.58	26.80	7.00	67.50	1.97
2014	188.02	32.28 **	60.09 **	56.52 **	26.40	6.90	66.10	1.95
2015	191.71	..	..	..	26.10	6.80	64.60	1.92

.. : Not available
* : Census Years
** : Data taken from Labour Force Survey 2013-14

Sources : Pakistan Bureau of Statistics
Ministry of Planning, Development & Reforms

TABLE 12.2

POPULATION IN RURAL / URBAN AREAS

(Population in Million)

Year	All Areas	Male	Female	Rural areas	Urban areas
1981 *	84.25	44.23	40.02	60.41	23.84
1991	112.61	58.82	53.79	77.95	34.66
1992	115.54	60.31	55.23	79.60	35.79
1993	118.50	61.83	56.67	81.45	37.05
1994	121.48	63.35	58.13	93.19	28.29
1995	124.49	64.88	59.61	94.95	29.54
1996	127.51	66.42	61.09	86.69	40.82
1997	130.56	67.98	62.58	88.44	42.12
1998 *	132.25	68.87	63.48	89.24	40.01
1999	136.69	71.09	65.60	91.91	44.78
2000	139.96	72.65	67.11	93.63	46.13
2001	142.86	74.23	68.63	95.36	47.50
2002	146.02	75.69	70.33	97.76	48.26
2003	149.32	77.38	71.93	99.74	49.57
2004	152.66	79.10	73.57	101.34	51.33
2005	156.04	80.83	75.21	102.12	53.92
2006	159.46	82.57	76.88	103.66	55.80
2007	162.91	84.34	78.57	105.20	57.72
2008	166.41	86.13	80.28	106.73	59.68
2009	169.94	87.94	82.01	108.08	61.87
2010	173.51	89.76	83.75	109.41	64.09
2011	177.10	91.59	85.51	110.73	66.37
2012	180.71	93.43	87.28	112.02	68.69
2013	184.35	95.29	89.06	113.28	71.07
2014	188.02	97.16	90.86	115.52	72.50
2015	191.71	99.04	92.67	116.52	75.19

* : Census Years

Source: Ministry of Planning, Development & Reforms

Note : Population Censuses were conducted in February 1951, January 1961, September 1972, and March 1981 and 1998

TABLE 12.3

POPULATION IN URBAN, RURAL AREAS 1972, 1981 AND 1998 CENSUS

(In thousands)

Region/ Province	Population*									Density (Per sq. km)
	Total			Urban			Rural			
	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female	
					1972 CENSUS					
PAKISTAN	65,309	34,833	30,476	16,594	9,027	7,567	48,716	25,806	22,909	82
Islamabad**	238	131	106	77	46	31	161	86	75	259
Punjab**	37,607	20,209	17,398	9,183	4,977	4,206	28,424	15,232	13,192	183
Sind	14,156	7,574	6,582	5,726	3,131	2,595	8,430	4,443	3,987	100
Khyber Pakhtunkhwa	8,388	4,363	4,026	1,196	647	549	7,193	3,716	3,477	113
Balochistan	2,429	1,290	1,139	399	218	181	2,029	1,071	958	7
FATA	2,491	1,266	1,225	13	8	5	2,478	1,258	1,220	92
					1981 CENSUS					
PAKISTAN	84,253	44,232	40,021	23,841	12,767	11,074	60,412	31,465	28,947	106
Islamabad	340	185	155	204	113	91	136	72	64	376
Punjab	47,292	24,860	22,432	13,052	6,952	6,100	34,241	17,909	16,332	230
Sind	19,029	9,999	9,030	8,243	4,433	3,810	10,786	5,566	5,220	135
Khyber Pakhtunkhwa	11,061	5,761	5,300	1,665	898	767	9,396	4,863	4,533	148
Balochistan	4,332	2,284	2,048	677	371	306	3,655	1,913	1,742	13
FATA	2,199	1,143	1,056	-	-	-	2,199	1,143	1,056	81
					1998 CENSUS					
PAKISTAN	132,352	68,874	63,478	43,036	22,752	20,284	89,316	46,122	43,194	166
Islamabad	805	434	371	529	291	238	276	143	133	889
Punjab	73,621	38,094	35,527	23,019	12,071	10,948	50,602	26,023	24,579	359
Sind	30,440	16,098	14,342	14,840	7,904	6,935	15,600	8,193	7,407	216
Khyber Pakhtunkhwa	17,744	9,089	8,655	2,994	1,589	1,405	14,750	7,500	7,250	238
Balochistan	6,566	3,057	3,059	1,569	849	719	4,997	2,657	2,340	19
FATA	3,176	1,652	1,524	85	46	39	3,091	1,606	1,485	117

- : Not available

Source: Pakistan Bureau of Statistics

* : This population does not include the population of AJK and Gilgit Baltistan

** : Adjusted due to transfer of some mouzas from Rawalpindi to Islamabad district

Note : Total may differ due to rounding off figures

TABLE 12.4

POPULATION BY AGE, IN URBAN, RURAL AREAS 1981 AND 1998 CENSUS

(In thousands)

Age	Total			Rural			Urban		
(in years)	Both	Male	Female	Both	Male	Female	Both	Male	Female
				1981 Census					
All ages	82,055	43,090	38,965	58,214	30,323	27,891	23,841	12,767	11,074
0- 4	12,574	6,200	6,373	8,995	4,387	4,608	3,579	1,813	1,766
5- 9	13,142	6,811	6,331	9,591	4,973	4,618	3,552	1,839	1,713
10-14	10,803	5,857	4,946	7,684	4,204	3,480	3,119	1,653	1,467
15-19	7,763	4,193	3,571	5,223	2,828	2,395	2,540	1,365	1,175
20-24	6,228	3,270	2,958	4,119	2,111	2,008	2,108	1,159	950
25-29	5,479	2,891	2,588	3,760	1,948	1,812	1,719	944	776
30-34	4,617	2,388	2,229	3,226	1,631	1,595	1,391	757	634
35-39	4,197	2,121	2,077	2,922	1,452	1,469	1,276	668	608
40-44	3,865	1,937	1,928	2,733	1,332	1,402	1,132	606	526
45-49	3,076	1,610	1,466	2,194	1,121	1,074	882	490	392
50-54	2,966	1,638	1,328	2,170	1,179	991	796	459	337
55-59	1,611	859	751	1,187	618	569	424	242	182
60-64	2,216	1,299	917	1,667	973	695	549	327	222
65-69	987	555	431	755	420	334	232	135	97
70-74	1,161	678	484	900	526	374	261	152	109
75 and above	1,369	782	588	1,088	622	466	281	160	121
				1998 Census*					
All ages	129,176	67,222	61,954	86,225	44,516	41,709	42,951	22,705	20,245
0- 4	19,118	9,761	9,357	13,534	6,907	6,627	5,584	2,854	2,730
5- 9	20,215	10,571	9,644	14,211	7,466	6,745	6,004	3,105	2,899
10-14	16,732	8,909	7,822	11,106	5,973	5,133	5,625	2,935	2,690
15-19	13,400	6,909	6,490	8,553	4,396	4,158	4,846	2,514	2,333
20-24	11,588	5,815	5,773	7,402	3,610	3,791	4,186	2,205	1,981
25-29	9,521	4,879	4,643	6,092	3,024	3,067	3,429	1,854	1,575
30-34	8,040	4,232	3,807	5,083	2,604	2,479	2,956	1,628	1,328
35-39	6,167	3,254	2,912	3,846	1,984	1,862	2,320	1,270	1,050
40-44	5,745	2,931	2,815	3,660	1,812	1,848	2,086	1,119	967
45-49	4,563	2,360	2,203	2,995	1,512	1,483	1,569	849	720
50-54	4,148	2,201	1,948	2,776	1,459	1,318	1,372	742	630
55-59	2,777	1,505	1,272	1,868	1,001	867	909	504	405
60-64	2,637	1,418	1,219	1,838	987	851	799	431	368
65-69	1,554	850	704	1,076	585	491	478	265	214
70-74	1,408	778	631	1,022	564	458	386	214	172
75 and above	1,563	849	714	1,162	632	531	400	217	183

* : Figures regarding FATA is not included

Source: Pakitan Bureau of Statistics

TABLE 12.5

POPULATION OF PAKISTAN BY PROVINCE, LAND AREA AND PERCENTAGE DISTRIBUTION 1951-1998

	Area	Population (In thousand)				
	Sq km	1951	1961	1972	1981	1998
PAKISTAN	**796,096**	**33,740**	**42,880**	**65,309**	**84,254**	**132,352**
	(100)	**(100)**	**(100)**	**(100)**	**(100)**	**(100)**
Khyber Pakhtunkhwa	**74,521**	**4,557**	**5,731**	**8,388**	**11,061**	**17,744**
	(9.4)	**(13.5)**	**(13.4)**	**(12.8)**	**(13.1)**	**(13.4)**
FATA	**27,220**	**1,332**	**1,847**	**2,491**	**2,199**	**3,176**
	(3.4)	**(3.9)**	**(4.3)**	**(3.8)**	**(2.6)**	**(2.4)**
Punjab	**205,345**	**20,541**	**25,464**	**37,607**	**47,292**	**73,621**
	(25.8)	**(60.9)**	**(59.4)**	**(57.6)**	**(56.1)**	**(55.6)**
Sindh	**140,914**	**6,048**	**8,367**	**14,156**	**19,029**	**30,440**
	(17.7)	**(17.9)**	**(19.5)**	**(21.7)**	**(22.6)**	**(23.0)**
Balochistan	**347,190**	**1,167**	**1,353**	**2,429**	**4,332**	**6,566**
	(43.6)	**(3.5)**	**(3.2)**	**(3.7)**	**(5.1)**	**(5.0)**
Islamabad	**906**	**96**	**118**	**238**	**340**	**805**
	(0.1)	**(0.3)**	**(0.3)**	**(0.4)**	**(0.4)**	**(0.6)**

Note : Percentage distribution is given in parenthesis **Source: Pakistan Bureau of Statistics**

TABLE 12.6

LITERACY RATIOS OF POPULATION BY SEX, REGION AND URBAN/RURAL AREAS, 1998 AND 1981 CENSUS

Sex	Total			Urban			Rural		
	1998		1981	1998		1981	1998		1981
	15 Years & Above	10 Years & Above	10 Years & Above	15 Years & Above	10 Years & Above	10 Years & Above	15 Years & Above	10 Years & Above	10 Years & Above
Pakistan									
Both	41.0	43.9	26.2	60.5	63.1	47.1	30.4	33.6	17.3
Male	53.0	54.8	35.1	68.7	70.0	55.3	44.0	46.4	26.2
Female	28.0	32.0	16.0	51.0	55.2	37.3	16.2	20.1	7.3
Islamabad									
Both	69.7	72.4	47.8	75.2	77.3	57.6	58.4	62.5	32.5
Male	79.5	80.6	59.1	82.2	83.2	65.8	73.2	75.1	48.1
Female	57.7	62.4	33.5	65.9	69.7	46.8	42.1	48.8	14.7
Punjab									
Both	43.4	46.6	27.4	61.9	64.5	46.7	34.5	38.0	20.0
Male	55.2	57.2	36.8	69.8	70.9	55.2	47.9	50.4	29.6
Female	30.8	35.1	16.8	53.0	57.2	36.7	20.5	24.8	9.4
Sindh									
Both	43.9	45.3	31.4	62.6	63.7	50.8	23.9	25.7	15.6
Male	54.5	54.5	39.7	70.0	69.8	57.8	37.2	37.9	24.5
Female	32.0	34.8	21.6	54.9	56.7	42.2	9.8	12.2	5.2
Khyber Pakhtunkhwa									
Both	31.5	35.4	16.7	51.0	54.3	35.8	27.2	31.3	13.2
Male	48.2	51.4	25.9	65.5	67.5	47.0	44.1	47.7	21.7
Female	14.6	18.8	6.5	33.9	39.1	21.9	10.6	14.7	3.8
Balochistan									
Both	22.4	24.8	10.3	43.4	46.9	32.2	15.2	17.5	6.2
Male	32.5	34.0	15.2	55.9	58.1	42.4	24.0	25.8	9.8
Female	11.0	14.1	4.3	28.0	33.1	18.5	5.6	7.9	1.7
FATA									
Both	..	17.4	6.4	..	39.3	..	..	16.8	6.4
Male	..	29.5	10.9	..	59.7	..	..	28.6	10.9
Female	..	3.0	0.8	..	12.0	..	..	2.8	0.8

FATA: Federally Administered Tribal Areas

.. : Not available

Source: Pakistan Bureau of Statistics

TABLE 12.7

LAND AREA, POPULATION AND PERCENTAGE DISTRIBUTION

(Population in Thousand)

Region / Years		Area Sq. Kms	1951	1981	1998	2010	2011	2012	2013	2014	2015
Pakistan		796,096	33,740	84,254	132,352	173,509	177,095	180,711	184,349	188,019	191,708
		100	100	100	100	100	100	100	100	100	100
i.	Punjab	205,345	20,541	47,292	73,621	94,745	96,545	98,355	100,174	102,005	103,837
		25.79	60.88	56.13	55.63	54.61	54.52	54.43	54.34	54.25	54.16
ii.	Sindh	140,914	6,048	19,029	30,440	41,248	42,188	43,132	44,080	45,032	45,988
		17.70	17.93	22.59	23.00	23.77	23.82	23.87	23.91	23.95	23.98
iii.	Khyber Pakhtunkhwa	74,521	4,556	11,061	17,744	23,273	23,770	24,277	24,788	25,308	25,836
		9.36	13.50	13.13	13.41	13.41	13.42	13.43	13.45	13.46	13.47
iv.	Balochistan	347,190	1,167	4,332	6,566	8,853	9,064	9,278	9,495	9,717	9,942
		43.61	3.46	5.14	4.96	5.10	5.12	5.13	5.15	5.17	5.18
v.	FATA	27,220	1,332	2,199	3,176	4,107	4,206	4,307	4,410	4,516	4,623
		3.42	3.95	2.61	2.40	2.37	2.37	2.38	2.39	2.40	2.41
vi.	Islamabad	906	96	340	805	1,283	1,322	1,362	1,401	1,441	1,479
		0.11	0.28	0.40	0.61	0.74	0.75	0.75	0.76	0.77	0.77

Sources : Ministry of Planning, Development & Reforms
Pakistan Bureau of Statistics

TABLE 12.8

PERCENTAGE DISTRIBUTION OF POPULATION OF 10 YEARS AND ABOVE AND CIVILIAN LABOUR FORCE BY GENDER YEAR 2013-14

(Percent Share)

	Population			Civilian Labour Force								
				Total Civilian Labour Force			Employed			Unemployed		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
PAKISTAN	100	50.71	49.29	45.45	34.52	10.92	42.74	32.77	9.97	2.70	1.75	0.95
Rural	100	50.18	49.82	49.19	34.79	14.40	46.73	33.28	13.45	2.46	1.51	0.95
Urban	100	51.63	48.37	39.01	34.06	4.95	35.88	31.89	3.99	3.13	2.17	0.96
Punjab	100	49.64	50.36	49.20	34.75	14.45	46.05	32.79	13.26	3.15	1.96	1.19
Rural	100	49.01	50.99	54.02	35.23	18.79	51.09	33.48	17.61	2.93	1.76	1.18
Urban	100	50.79	49.21	40.36	33.87	6.49	36.81	31.53	5.28	3.55	2.34	1.21
Sindh	100	53.06	46.94	43.22	36.58	6.64	41.42	35.27	6.15	1.80	1.31	0.49
Rural	100	53.52	46.48	49.07	38.52	10.55	47.90	37.79	10.11	1.18	0.74	0.44
Urban	100	52.62	47.38	37.72	34.75	2.97	35.33	32.90	2.43	2.39	1.84	0.54
Khyber Pakhtunkhwa	100	48.89	51.11	36.47	29.32	7.15	33.42	27.41	6.01	3.05	1.91	1.13
Rural	100	48.49	51.51	36.59	28.73	7.86	33.81	27.00	6.81	2.77	1.73	1.05
Urban	100	50.63	49.37	35.97	31.84	4.13	31.76	29.13	2.63	4.21	2.71	1.50
Balochistan	100	55.07	44.93	39.82	35.55	4.27	38.24	34.25	3.99	1.58	1.30	0.28
Rural	100	55.06	44.94	40.77	36.06	4.70	39.46	34.99	4.47	1.30	1.07	0.23
Urban	100	55.11	44.89	37.59	34.34	3.25	35.37	32.51	2.86	2.22	1.83	0.39

Source: Pakistan Bureau of Statistics
Labour Force Survey 2013-14

TABLE 12.9

LABOUR FORCE AND EMPLOYMENT

(in Million)

Mid Year	2006	2007	2008	2009	2010	2011	2012*	2013	2014
Population	156.77	162.91	165.45	168.99	172.57	176.20	180.71	183.57	186.19
Rural	102.75	108.22	103.08	104.38	105.70	107.00	120.10	121.66	121.56
Urban	54.02	54.69	62.37	64.61	66.87	69.20	60.61	61.91	64.63
Working Age Population	109.76	116.01	117.83	121.42	124.06	126.60	129.84	132.07	132.24
Rural	70.79	74.86	76.28	78.28	80.08	81.77	83.87	84.96	83.62
Urban	38.97	41.15	41.55	43.14	43.98	44.83	45.97	47.11	48.62
Labour Force	50.50	52.41	53.22	55.91	56.92	57.84	59.33	60.34	60.09
Rural	34.63	36.62	37.19	38.82	39.56	40.12	41.15	41.64	41.12
Urban	15.87	15.79	16.03	17.09	17.36	17.72	18.18	18.70	18.97
Employed Labour Force	47.37	49.68	50.45	52.86	53.76	54.40	55.80	56.58	56.52
Rural	32.78	34.90	35.44	36.99	37.66	38.24	39.22	39.53	39.07
Urban	14.59	14.79	15.01	15.87	16.10	16.16	16.58	17.05	17.45
Unemployed Labour Force	3.13	2.73	2.77	3.05	3.16	3.44	3.53	3.76	3.58
Rural	1.85	1.72	1.75	1.83	1.90	1.88	1.93	2.11	2.06
Urban	1.28	1.00	1.02	1.22	1.26	1.56	1.60	1.65	1.52
Unemployment Rate (%)	6.20	5.20	5.20	5.46	5.55	5.95	5.95	6.24	6.00
Rural	5.35	4.71	4.71	4.73	4.82	4.68	4.68	5.08	5.01
Urban	8.04	6.34	6.34	7.11	7.21	8.84	8.84	8.83	8.02
Labour Force Partici-pation Rates (%)	32.22	32.17	32.17	32.81	32.98	32.83	32.83	32.88	32.28
Rural	33.23	33.84	33.84	34.29	34.50	34.26	34.26	34.23	33.84
Urban	30.20	28.87	28.87	29.87	29.99	29.99	29.99	30.21	29.35

* : Data supplied by Ministry of Planning, Development & Reforms

Source : Pakistan Bureau of Statistics (Labour Force Survey)
Ministry of Planning, Development & Reforms

TABLE 12.10

POPULATION AND LABOUR FORCE

(In Million)

Years (End June)	Popula-tion	Crude Activity Rate(%)	Labour Force	Unemp-loyment	Employed Labour Force	Agricul-ture	Mining & Manu-facturing	Construc-tion	Electricity & Gas Distri-bution	Trans-port	Trade	Others
1990	109.71	28.83	31.63	0.98	30.65	15.68	3.93	1.96	0.18	1.50	3.65	3.75
1991	112.61	27.97	31.50	1.98	29.52	14.01	3.66	1.95	0.24	1.55	3.90	4.21
1992	115.54	28.11	32.48	1.90	30.58	14.76	3.83	1.93	0.24	1.69	4.01	4.12
1993	118.50	27.86	33.01	1.56	31.45	14.95	3.46	2.18	0.26	1.74	4.19	4.67
1994	121.48	27.88	33.87	1.64	32.23	16.12	3.26	2.10	0.28	1.60	4.12	4.75
1995	124.49	27.46	34.18	1.83	32.35	15.14	3.40	2.33	0.26	1.64	4.69	4.89
1996	127.51	27.46	35.01	1.88	33.13	15.50	3.48	2.39	0.27	1.68	4.80	5.01
1997	130.56	28.69	37.45	2.29	35.16	15.52	3.93	2.37	0.35	2.01	5.14	5.84
1998	133.61	29.38	39.26	2.32	36.94	17.46	3.75	2.32	0.25	2.02	5.13	6.01
1999	136.64	29.38	40.15	2.37	37.78	17.85	3.84	2.37	0.26	2.07	5.24	6.15
2000	139.76	28.97	40.49	3.17	37.32	18.07	4.31	2.16	0.26	1.88	5.04	5.60
2001	142.86	28.97	41.38	3.24	38.14	18.47	4.40	2.21	0.26	1.92	5.15	5.73
2002	145.96	28.97	43.21	3.57	39.64	16.68	5.51	2.40	0.32	2.34	5.89	6.50
2003	149.03	28.97	44.12	3.65	40.47	17.03	5.63	2.45	0.33	2.39	6.01	6.63
2004	150.47	30.41	45.76	3.52	42.24	18.18	5.83	2.46	0.28	2.42	6.25	6.82
2005	153.96	30.41	46.82	3.60	43.22	18.60	5.96	2.52	0.29	2.48	6.39	6.98
2006	156.77	32.22	50.50	3.13	47.37	20.54	6.60	2.91	0.31	2.72	6.95	7.34
2007	161.98	31.82	51.55	2.75	48.80	21.29	6.66	3.21	0.37	2.63	7.03	7.61
2008	165.45	32.17	53.22	2.77	50.45	22.52	6.61	3.18	0.36	2.75	7.38	7.65
2009	168.99	32.81	55.91	3.05	52.86	23.63	6.89	3.46	0.36	2.74	8.63	7.15
2010	172.57	32.98	56.92	3.16	53.76	24.18	7.17	3.62	0.43	2.82	8.75	6.79
2011	176.20	32.83	57.84	3.44	54.40	24.51	7.51	3.78	0.26	2.78	8.78	6.78
2012*	180.71	32.83	59.33	5.95	55.80	25.14	7.70	3.88	0.27	2.85	8.28	7.68
2013	183.57	32.88	60.34	3.76	56.58	24.73	8.03	4.21	0.30	2.82	8.14	8.35
2014	186.19	32.28	60.09	3.58	56.52	24.57	8.00	4.15	0.27	3.07	8.24	8.21

* : Data supplied by Ministry of Planning, Development & Reforms

Note: Labour Force Survey was not conducted in the years 2000-01, 2002-03, 2004-05 and 2011-12.

Source: Ministry of Planning, Development & Reforms
Pakistan Bureau of Statistics
(Labour Force Survey)

TABLE 12.11

DISTRIBUTION OF EMPLOYED PERSONS OF 10 YEARS AGE AND ABOVE BY MAJOR INDUSTRIES

(in Percentage)

Years	Agricul-ture	Mining & Manufacturing	Construction	Electricity & Gas Distribution	Transport	Trade	Others
1990	51.15	12.84	6.38	0.59	4.89	11.93	12.22
1991	47.45	12.38	6.62	0.83	5.24	13.24	14.22
1992	48.27	12.53	6.33	0.79	5.51	13.10	13.48
1993	47.55	11.00	6.93	0.84	5.52	13.32	14.84
1994	50.04	10.12	6.50	0.87	4.95	12.78	14.75
1995	46.79	10.50	7.21	0.82	5.07	14.50	15.12
1996	46.79	10.50	7.21	0.82	5.07	14.50	15.12
1997	44.15	11.20	6.75	0.98	5.71	14.62	16.60
1998	47.25	10.15	6.26	0.70	5.48	13.87	16.28
1999	47.25	10.15	6.26	0.70	5.48	13.87	16.28
2000	48.42	11.55	5.78	0.70	5.03	13.50	15.02
2001	48.42	11.55	5.78	0.70	5.03	13.50	15.02
2002	42.09	13.91	6.05	0.81	5.90	14.85	16.39
2003	42.09	13.91	6.05	0.81	5.90	14.85	16.39
2004	43.05	13.80	5.83	0.67	5.73	14.80	16.12
2005	43.05	13.80	5.83	0.67	5.73	14.80	16.12
2006	43.37	13.93	6.13	0.66	5.74	14.67	15.49
2007	43.61	13.65	6.56	0.75	5.39	14.42	15.60
2008	44.65	13.11	6.29	0.70	5.46	14.62	15.17
2009	45.08	13.14	6.62	0.69	5.23	16.47	12.77
2010	44.96	13.34	6.74	0.80	5.24	16.28	12.64
2011	45.05	13.80	6.95	0.48	5.11	16.15	12.46
2012	-	-	-	-	-	-	-
2013	43.71	14.20	7.44	0.53	4.98	14.39	14.75
2014	43.48	14.16	7.33	0.48	5.44	14.58	14.53

- : Not available

Source: Pakistan Bureau of Statistics

Note: Labour Force Survey 2011-12 was not conducted

TABLE 12.12
PERCENTAGE DISTRIBUTION OF EMPLOYED PERSONS OF 10 YEARS AGE AND ABOVE BY MAJOR INDUSTRY 2013-14

(In Percentage)

	Major Industry Division	Pakistan			Punjab			Sindh			Khyper Pakhtunkhwa			Balochistan		
		Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban
	Total	100.00	69.13	30.87	100.00	71.56	28.44	100.00	56.01	43.99	100.00	81.85	18.15	100.00	75.37	24.63
1.	Agriculture, Forestry and Fishing	43.48	41.71	1.76	45.44	43.72	1.72	40.79	38.69	2.10	37.20	36.08	1.12	45.52	43.46	2.06
2.	Mining and Quarrying	0.20	0.17	0.02	0.12	0.10	0.02	0.23	0.22	0.01	0.17	0.14	0.03	1.08	0.94	0.14
3.	Manufacturing	14.16	6.69	7.48	15.79	8.24	7.55	13.99	3.34	10.45	10.18	7.44	2.74	4.11	1.91	2.20
4.	Electricity, Gas Steam and Air Conditioning Supply	0.48	0.20	0.28	0.44	0.18	0.25	0.54	0.17	0.37	0.64	0.37	0.26	0.44	0.22	0.23
5.	Water Supply, Sewerage, Waste, Management & Remediation Activity	0.30	0.11	0.19	0.19	0.08	0.10	0.53	0.15	0.38	0.18	0.10	0.08	0.75	0.28	0.47
6.	Construction	7.33	4.92	2.41	6.46	4.61	1.85	7.39	3.18	4.21	11.83	10.15	1.69	8.17	5.89	2.28
7.	Wholesale and Retail Trade, Repair of Motor Vehicles, Motorcycles	14.58	6.09	8.49	13.78	6.10	7.78	15.93	3.59	12.34	14.88	10.01	4.88	17.39	9.71	7.67
8.	Transport, storage	5.01	2.86	2.16	4.29	2.56	1.73	5.68	2.17	3.51	7.41	5.69	1.72	5.63	3.81	1.82
9.	Accomodation and Food Services Activities	1.57	0.64	0.93	1.42	0.50	0.92	1.98	0.77	1.21	1.43	0.97	0.46	1.84	1.06	0.78
10.	Informationa and Communication	0.44	0.11	0.34	0.42	0.12	0.30	0.54	0.03	0.51	0.42	0.18	0.24	0.33	0.12	0.21
11.	Financial and Insurance Activities	0.47	0.11	0.36	0.40	0.14	0.26	0.82	0.06	0.76	0.22	0.06	0.16	0.23	0.06	0.17
12.	Real Estate Activities	0.33	0.09	0.23	0.32	0.09	0.23	0.32	0.03	0.29	0.41	0.25	0.16	0.26	0.10	0.16
13.	Professional, Scientific and Technical Activities	0.44	0.16	0.28	0.53	0.20	0.34	0.23	0.02	0.21	0.41	0.21	0.20	0.31	0.14	0.17
14.	Administrative and Support Service Activities	0.50	0.19	0.31	0.51	0.22	0.28	0.55	0.09	0.47	0.44	0.24	0.20	0.28	0.10	0.18
15.	Public Administration and Defence Compulsory Scocial Security	2.33	0.94	1.39	1.59	0.69	0.90	3.24	0.76	2.57	2.76	1.66	1.10	6.20	3.25	2.94
16.	Education	3.56	1.86	1.70	3.08	1.42	1.67	3.47	1.56	1.91	6.03	4.67	1.36	4.63	2.89	1.74
17.	Human Health and Social Work Activities	1.40	0.63	0.77	1.22	0.57	0.65	1.51	0.44	1.07	2.08	1.29	0.79	1.58	0.80	0.78
18.	Arts, Entertainment & Recreation	0.16	0.09	0.07	0.21	0.12	0.09	0.07	0.02	0.04	0.17	0.13	0.04	0.03	0.52	0.03
19.	Other Services Activities	2.10	1.19	0.91	2.35	1.41	0.93	1.52	0.41	1.10	2.50	2.00	0.50	1.06	0.10	0.53
20.	Activities of Households as Employer; Undifferentiated Goods & Services - Producing Activities of Household for own use	1.15	0.38	0.77	1.42	0.46	0.96	0.88	0.29	0.59	0.63	0.21	0.41	0.18	-	0.08
21.	Activities Extraterritorial Organizations and Bodies	0.01	-	0.01	0.02	-	0.02	-	-	-	0.02	-	0.02	-	-	-

- : Not available

Source: Pakistan Bureau of Statistics
(Labour Force Survey 2013-14)

TABLE 12.13

AGE SPECIFIC LABOUR FORCE PARTICIPATION RATE

(in Percentage)

Age Group	2000-01	2001-02	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2012-13	2013-14
10 years & over												
Both Sexes	43.34	43.34	43.74	43.74	46.01	45.18	45.17	45.66	45.89	45.69	45.70	45.45
Male	70.32	70.32	70.61	70.61	71.97	70.14	69.54	69.31	68.83	68.70	68.89	68.07
Female	14.44	14.44	15.93	15.93	18.93	19.10	19.59	20.66	21.51	21.67	21.50	22.17
10-14												
Male	17.18	17.18	18.45	18.45	20.68	16.92	17.09	16.20	15.42	14.27	14.46	12.62
Female	6.28	6.28	6.69	6.69	9.21	9.18	9.69	9.48	9.24	8.83	7.98	8.37
15-19												
Male	57.56	57.56	59.00	59.00	60.87	56.29	53.94	52.74	52.68	51.59	51.16	49.68
Female	13.78	13.78	14.51	14.51	16.91	16.60	17.61	18.90	19.17	19.58	18.19	19.32
20-24												
Male	87.03	87.03	85.70	85.70	87.63	86.76	85.12	85.39	84.54	84.27	82.38	81.71
Female	15.94	15.94	18.03	18.03	20.67	20.66	20.98	22.76	23.88	24.20	24.41	25.14
25-34												
Male	96.57	96.57	96.27	96.27	97.03	97.16	96.90	97.19	96.89	97.42	96.73	96.91
Female	16.07	16.07	18.31	18.31	21.62	21.66	21.87	23.63	25.48	25.44	26.01	26.57
35-44												
Male	97.49	97.49	97.36	97.36	97.57	98.01	97.87	98.37	97.53	98.34	98.45	98.06
Female	19.90	19.90	21.64	21.64	25.07	25.93	26.75	27.67	27.88	29.46	28.72	30.00
45-54												
Male	95.55	95.55	95.63	95.63	96.37	96.62	96.65	96.69	96.96	97.29	97.02	97.13
Female	19.39	19.39	20.95	20.95	24.78	25.01	24.42	25.86	29.41	28.35	29.11	29.37
55-59												
Male	88.19	88.19	89.68	89.68	90.62	92.20	92.54	93.71	93.26	92.24	92.61	92.78
Female	14.50	14.50	18.57	18.57	22.84	22.45	25.53	26.37	27.98	26.27	26.60	27.48
60+												
Male	56.63	56.63	58.37	58.37	59.38	58.52	59.46	56.38	55.49	54.95	52.42	53.33
Female	11.36	11.36	12.90	12.90	14.69	15.70	15.50	15.22	13.54	14.62	13.58	12.77

Source: Pakistan Bureau of Statistics
(Labour Force Surveys)

TABLE 12.14

DAILY WAGES OF CONSTRUCTION WORKERS IN DIFFERENT CITIES

(In Pak Rupees)

Category of workers and cities	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Carpenter													
Islamabad	225.00	250.00	325.00	400.00	450.00	525.00	600.00	625.00	650.00	687.50	775.00	900.00	1,000.00
Karachi	298.08	331.00	331.00	369.23	402.00	450.00	575.00	600.00	600.00	632.92	700.00	700.00	792.31
Lahore	262.50	262.50	284.00	325.00	361.00	388.00	527.00	527.00	582.00	611.17	682.14	682.14	780.36
Peshawar	225.00	225.00	250.00	275.00	308.00	375.00	488.00	500.00	500.00	508.33	608.33	666.67	741.67
Quetta	250.00	250.00	275.00	275.00	400.00	500.00	600.00	600.00	650.00	691.67	750.00	900.00	900.00
Mason (Raj)													
Islamabad	225.00	250.00	325.00	400.00	450.00	525.00	600.00	625.00	650.00	685.42	775.00	900.00	1,000.00
Karachi	298.08	301.92	331.00	350.23	402.00	450.00	625.00	650.00	650.00	662.50	800.00	800.00	861.54
Lahore	262.50	262.50	318.00	380.00	418.75	491.00	557.00	557.00	589.00	618.17	689.29	689.29	826.79
Peshawar	225.00	225.00	275.00	325.00	325.00	450.00	500.00	508.00	575.00	579.17	733.33	850.00	900.00
Quetta	250.00	250.00	275.00	275.00	400.00	450.00	600.00	600.00	750.00	816.67	900.00	1,100.00	1,100.00
Labour (Unskilled)													
Islamabad	120.00	130.00	160.00	200.00	250.00	275.00	300.00	325.00	350.00	387.50	450.00	525.00	600.00
Karachi	182.11	183.27	210.00	230.00	275.00	300.00	350.00	375.00	375.00	410.42	500.00	500.00	530.00
Lahore	145.00	145.00	167.00	200.00	237.50	250.00	300.00	300.00	375.00	389.58	475.00	475.00	600.00
Peshawar	90.00	90.00	133.00	150.00	175.00	200.00	233.00	275.00	300.00	308.33	400.00	466.67	483.33
Quetta	115.00	111.67	150.00	185.00	250.00	300.00	300.00	300.00	350.00	397.92	425.00	550.00	550.00

Data pertains to month of November each year

Source: Pakistan Bureau of Statistics

TRANSPORT AND COMMUNICATIONS

TABLE 13.1 A

LENGTH OF ROADS

(In Kilometers)

Fiscal Year	Total	High Type	Low Type
1990-91	170,823	86,839	83,984
1991-92	182,709	95,374	87,335
1992-93	189,321	99,083	90,238
1993-94	196,817	104,001	92,816
1994-95	207,645	111,307	96,338
1995-96	218,345	118,428	99,917
1996-97	229,595	126,117	103,478
1997-98	240,885	133,462	107,423
1998-99	247,484	137,352	110,132
1999-00	248,340	138,200	110,140
2000-01	249,972	144,652	105,320
2001-02	251,661	148,877	102,784
2002-03	252,168	153,225	98,943
2003-04	256,070	158,543	97,527
2004-05	258,214	162,841	95,373
2005-06	259,021	167,530	91,491
2006-07	259,189	172,827	86,362
2007-08	258,350	174,320	84,030
2008-09	258,350	176,589	81,761
2009-10	260,760	180,910	79,850
2010-11	259,463	180,866	78,597
2011-12	261,595	181,940	79,655
2012-13	263,415	182,900	80,515
2013-14	263,755	184,120	79,635
2014-15 Jul-Mar (E)	263,942	185,063	78,879

E: Estimated

Source: National Transport Research Centre

TABLE 13.1 B

RAILWAYS

Fiscal Year	Locomo-tives (Nos.)	Freight Wagons (Nos.)	Route (Kms.)	Number of Passengers carried (Million)	Freight carried (Million Tonnes)	Freight Tonne (Million Kms.)	Gross Earnings (Rs. Million)
1990-91	753	34,851	8,775	84.90	7.72	5,709	6,696
1991-92	752	30,369	8,775	73.30	7.56	5,962	8,236
1992-93	703	29,451	8,775	59.00	7.77	6,180	9,031
1993-94	676	29,228	8,775	61.72	8.04	5,938	9,134
1994-95	678	30,117	8,775	67.70	8.11	6,711	9,224
1995-96	622	26,755	8,775	73.65	6.85	5,077	8,365
1996-97	633	25,213	8,775	68.80	6.36	4,607	9,394
1997-98	611	24,275	8,775	64.90	5.98	4,447	9,805
1998-99	596	24,456	7,791	64.90	5.45	3,967	9,310
1999-00	597	23,906	7,791	68.00	4.77	3,753	9,572
2000-01	610	23,893	7,791	68.80	5.89	4,520	11,938
2001-02	577	23,460	7,791	69.00	5.90	4,573	13,346
2002-03	577	23,722	7,791	72.40	6.18	4,830	14,810
2003-04	592	21,812	7,791	75.70	6.14	5,336	14,635
2004-05	557	21,556	7,791	78.18	6.41	5,532	18,027
2005-06	544	20,809	7,791	81.43	6.03	5,916	18,184
2006-07	544	19,638	7,791	83.89	6.42	5,453	19,195
2007-08	555	18,638	7,791	79.99	7.23	6,178	19,973
2008-09	551	17,259	7,791	82.54	6.94	5,896	23,158
2009-10	528	16,499	7,791	74.93	5.83	4,847	21,887
2010-11	528	18,468	7,791	64.90	2.61	1,757	18,612
2011-12	552	17,611	7,791	41.90	1.30	403	15,444
2012-13	493	16,635	7,791	41.95	1.01	419	18,069
2013-14	421	16,179	7,791	47.69	1.61	1,090	22,800
2014-15 Jul-Mar (P)	452	15,948	7,791	38.68	2.49	2,259	23,234

P : Provisional

Source: Ministry of Railways

TABLE 13.1 C

PAKISTAN NATIONAL SHIPPING CORPORATION (PNSC)

Fiscal Year	No. of Vessels	Dead Wt. Tonnes	Gross Earnings (Rs. Million)
1990-91	28	494,956	3,865.0
1991-92	28	494,956	4,063.0
1992-93	29	518,953	3,137.0
1993-94	27	595,836	3,302.0
1994-95	15	264,410	4,311.0
1995-96	17	290,353	6,962.0
1996-97	15	261,817	7,761.5
1997-98	15	261,836	4,597.0
1998-99	15	261,836	3,707.0
1999-00	15	261,836	3,483.0
2000-01	14	243,802	5,458.7
2001-02	14	243,749	4,555.5
2002-03	13	229,579	5,405.0
2003-04	14	469,931	6,881.9
2004-05	14	570,466	7,860.0
2005-06	15	636,182	7,924.6
2006-07	15	636,182	9,089.1
2007-08	14	536,821	10,753.5
2008-09	14	50,750	11,474.0
2009-10	10	633,273	8,738.8
2010-11	11	646,666	9,293.0
2011-12	9	610,167	8,875.3
2012-13	9	642,207	12,252.9
2013-14	9	642,207	11,367.7
2014-15 Jul-Mar (P)	9	681,806	11,424.0

P: Provisional

Source: Pakistan National Shipping Corporation

TABLE 13.1 D

PORTS-Cargo Handled

Fiscal	Karachi Port (000 tonnes)			Port Qasim (000 tonnes)			Gwadar Port (000 tonnes)
Year	Total	Imports	Exports	Total	Imports	Exports	Imports
1990-91	18,709	14,714	3,995	-	-	-	-
1991-92	20,453	15,267	5,186	-	-	-	-
1992-93	22,170	17,256	4,914	-	-	-	-
1993-94	22,569	17,610	4,959	-	-	-	-
1994-95	23,098	17,526	5,572	-	-	-	-
1995-96	23,581	18,719	4,862	-	-	-	-
1996-97	23,475	18,362	5,113	-	-	-	-
1997-98	22,684	17,114	5,570	14,967	13,823	1,144	-
1998-99	24,053	18,318	5,735	13,933	12,191	1,742	-
1999-00	23,761	18,149	5,612	14,941	13,238	1,703	-
2000-01	25,981	20,063	5,918	13,588	11,841	1,747	-
2001-02	26,692	20,330	6,362	13,317	10,932	2,385	-
2002-03	25,852	19,609	6,273	15,109	11,980	3,129	-
2003-04	27,813	21,732	6,081	14,123	11,264	2,859	-
2004-05	28,615	22,100	6,515	19,437	16,006	3,431	-
2005-06	32,270	25,573	6,697	21,573	17,588	3,985	-
2006-07	30,846	23,329	7,517	24,350	19,511	4,839	-
2007-08	37,192	25,517	11,675	26,424	21,502	4,922	232.0
2008-09	38,732	25,367	13,364	25,030	19,445	5,584	1,325.7
2009-10	41,420	27,892	13,528	25,626	19,226	6,380	1,262.2
2010-11	41,435	28,589	12,846	26,168	19,511	6,657	526.7
2011-12	37,875	26,201	11,674	24,025	18,075	5,950	1,426.0
2012-13	38,850	26,700	12,150	24,801	17,754	7,047	507.6
2013-14	30,677	22,225	8,452	25,772	18,076	7,699	623.1
2014-15 Jul-Mar (P)	32,133	24,323	7,810	21,618	15,198	6,420	627.9

P : Provisional

Source: Karachi Port Trust
Port Qasim Authority
Gawardar Port Authority

TABLE 13.2

PAKISTAN INTERNATIONAL AIRLINES CORPORATION-Operational

Year	PIA Fleet No. of Planes	Available Seat (Million Kms.)	Route Kms.	Passenger Load Factor %	Available Tonne (Million Kms.)	Operating Expenses (Million Rs.)
1992-93	45	15,733	270,536	64.2	2,352	21,347
1993-94	47	15,159	303,321	66.7	2,347	22,713
1994-95	47	15,848	353,221	65.5	2,452	24,199
1995-96	47	16,573	310,205	63.9	2,526	27,150
1996-97	47	17,528	336,230	66.5	2,649	32,809
1997-98	47	16,952	325,744	65.8	2,435	..
1998-99	45	16,752	335,348	64.0	2,403	..
1999 *	51	17,839	332,417	59.7	2,560	36,395
2000 *	46	18,692	317,213	64.5	2,631	42,033
2001 *	45	9,885	324,815	63.8	1,438	23,296
2001-02	44	15,778	291,428	68.7	2,270	39,377
2002-03	43	16,264	311,152	69.3	2,401	39,125
2003-04	42	18,299	294,082	69.8	2,528	47,197
2004-05	42	20,348	354,664	67.0	3,033	62,360
2005-06	42	21,991	343,525	69.4	3,302	73,074
2006-07	39	22,092	446,570	68.5	3,369	79,164
2007-08	44	20,313	383,574	67.4	3,125	76,415
2008-09	42	19,528	311,131	71.3	2,934	120,579
2009*	40	19,859	380,917	70.0	2,933	98,629
2010*	40	21,219	424,570	74.0	3,091	106,811
2011	38	21,725	460,719	72.0	2,972	134,477
2012	38	19,849	448,120	70.0	2,859	133,473
2013	34	17,412	411,936	70.0	2,471	126,164
2014	34	16,536	389,445	72.0	2,396	118,048

(Contd.)

TABLE 13.2

PAKISTAN INTERNATIONAL AIRLINES CORPORATION-Revenue

Year	Revenue Passengers (Million Kms.)	Revenue Passengers Carried (000)	Revenue Load Factor (%)	Revenue Kilometers Flown (000)	Revenue Tonne (Million Kms.)	Revenue Hours Flown	Operating Revenue (Million Rs.)
1992-93	10,102	5,780	56.7	69,377	1,333	132,775	21,970
1993-94	10,108	5,645	58.2	69,024	1,365	131,122	23,631
1994-95	10,382	5,517	57.4	72,544	1,408	134,683	25,417
1995-96	10,592	5,399	55.5	74,288	1,402	138,014	27,505
1996-97	11,661	5,883	56.4	78,796	1,495	143,686	32,732
1997-98	11,147	5,531	58.5	73,663	1,425	136,104	..
1998-99	10,722	5,086	54.6	70,697	1,313	129,379	..
1999*	10,653	4,914	51.0	75,483	1,307	135,136	35,492
2000*	12,056	5,297	55.2	76,212	1,452	134,066	39,228
2001*	6,305	2,729	53.5	40,158	769	65,615	21,966
2001-02	10,843	4,290	58.4	62,974	1,325	110,136	42,844
2002-03	11,276	4,391	57.8	63,863	1,389	108,942	45,442
2003-04	12,769	4,796	55.0	58,146	1,456	96,765	51,041
2004-05	13,634	5,132	54.6	80,699	1,657	131,262	61,308
2005-06	15,260	5,828	55.1	87,273	1,818	141,666	67,574
2006-07	15,124	5,732	53.5	80,302	1,801	141,479	70,587
2007-08	13,680	5,415	51.0	80,759	1,593	132,416	70,480
2008-09	13,925	5,617	53.9	79,580	1,580	132,378	89,201
2009*	13,891	5,535	52.0	80,108	1,525	132,155	94,564
2010	15,656	5,538	56.0	81,588	1,746	142,940	107,532
2011	15,663	5,953	56.0	84,898	1,678	141,727	116,550
2012	13,874	5,263	53.0	75,750	1,513	127,268	112,130
2013	12,273	4,499	55.0	63,144	1,351	106,476	95,771
2014	11,903	4,202	52.0	61,389	1,224	101,556	99,519

..: Not available

Source: Pakistan International Airlines Corporation

*: PIA Financial Year has changed to Calendar Year

TABLE 13.3

NUMBER OF MOTOR VEHICLES REGISTERED

(In 000 Nos.)

Calendar Year	Motor Cycle (2 Wheels)	Motor Cycle (3 Wheels)	Motor Cars Jeeps & Station Wagons	Motor Cabs/ Taxis	Buses	Trucks	Others	Total
1990	1,250.7	50.9	682.6	32.3	84.0	105.2	507.0	2,712.8
1991	1,381.1	52.4	732.0	33.2	89.1	107.2	528.9	2,923.9
1992	1,497.0	56.3	819.4	41.2	95.0	111.4	558.9	3,179.2
1993	1,573.4	59.5	868.2	47.9	98.7	114.4	589.3	3,351.3
1994	1,679.3	62.2	902.7	52.4	107.4	118.4	615.5	3,537.9
1995	1,754.7	63.4	923.6	53.4	113.5	119.2	642.2	3,669.9
1996	1,842.5	69.8	966.7	54.5	114.4	123.7	666.5	3,838.2
1997	1,995.4	76.2	1,068.1	83.2	119.4	131.3	700.3	4,173.9
1998	2,068.7	81.8	1,086.0	83.7	125.9	132.9	724.3	4,303.3
1999	2,175.5	95.3	1,162.9	83.8	150.1	145.1	746.7	4,559.5
2000	2,260.8	99.4	1,182.3	83.9	154.4	148.6	772.3	4,701.6
2001	2,283.4	107.6	1,198.9	90.1	161.5	155.8	786.9	4,784.1
2002	2,341.1	120.6	1,279.4	90.1	155.6	169.3	814.2	4,970.1
2003	2,379.3	127.4	1,289.9	90.4	165.8	177.5	834.4	5,064.6
2004	2,609.4	138.2	1,298.4	90.5	166.1	179.7	848.7	5,331.0
2005	2,649.9	101.1	1,318.5	91.9	168.7	182.5	861.9	5,374.4
2006	2,757.8	136.4	1,372.2	105.4	175.6	190.0	896.0	5,633.4
2007	2,895.7	143.2	1,440.8	103.4	184.4	199.4	940.9	5,907.8
2008	3,039.8	156.1	1,549.9	104.4	187.4	202.6	961.6	6,201.8
2009	3,215.6	167.9	1,657.9	106.5	195.2	210.9	1,005.4	6,559.4
2010	4,305.1	201.8	1,726.3	122.9	198.8	216.1	1,081.9	7,853.0
2011	5,781.9	266.4	1,881.6	124.7	202.5	225.1	1,178.9	9,661.0
2012	7,500.1	323.2	2,094.3	143.9	215.4	240.9	1,270.8	11,788.6
2013 R	9,064.5	378.0	2,281.1	145.2	220.3	247.2	1,334.3	13,670.8
2014 P	10,341.3	429.3	2,400.7	145.4	223.6	251.3	1,376.4	15,168.1

P : Provisional

Source: Pakistan Bureau of Statistics

TABLE 13.4

MOTOR VEHICLES ON ROAD-LCV

(In 000 Nos.)

Year	Mcy/ Scooter	Motor Car	M. Cab/ Taxi	Motor Rickshaw	D.Van	Pickup	Jeep	Station Wagon
1991-92	971.8	429.1	33.5	42.4	61.4	30.2	31.6	43.6
1992-93	1,165.5	465.8	40.0	46.7	69.8	39.5	35.6	48.8
1993-94	1,287.3	493.7	44.5	50.5	74.0	44.1	38.0	52.7
1994-95	1,482.0	516.8	47.9	53.4	78.2	47.1	41.3	56.0
1995-96	1,481.9	538.4	51.4	58.7	81.3	50.5	43.5	59.0
1996-97	1,576.0	564.5	54.1	65.6	84.3	50.2	45.5	62.0
1997-98	1,691.4	593.0	57.3	74.6	87.6	56.1	47.8	65.0
1998-99	1,833.7	731.3	68.5	56.7	51.7	56.4	16.7	60.6
1999-00	2,010.0	815.7	69.8	59.9	55.5	61.6	17.0	73.9
2000-01	2,218.9	928.0	79.8	72.4	72.4	68.4	18.3	93.8
2001-02	2,481.1	1,040.0	96.4	80.8	116.9	78.3	43.4	122.7
2002-03	2,656.2	1,110.0	104.1	80.9	120.3	80.6	44.4	126.4
2003-04	2,882.5	1,193.1	112.6	81.0	121.3	84.4	47.8	132.4
2004-05	3,063.0	1,264.7	120.3	81.3	121.9	87.6	51.8	140.5
2005-06	3,791.0	1,999.2	122.1	77.8	143.3	93.5	65.7	140.8
2006-07	4,463.8	1,682.2	119.1	79.0	148.9	104.5	85.4	169.1
2007-08	5,037.0	1,853.5	129.8	89.3	163.5	115.3	82.9	163.2
2008-09	5,368.0	2,029.1	138.6	88.4	167.2	125.5	79.0	155.6
2009-10	5,412.1	2,387.2	146.4	89.1	170.4	130.3	78.3	171.4
2010-11	5,468.8	2,822.2	154.6	89.8	173.6	135.3	78.5	175.2
2011-12	4,463.6	3,205.0	158.7	102.4	176.6	141.3	78.6	178.3
2012-13	5,550.0	3,600.0	160.7	120.5	180.0	150.2	78.7	180.1
2013-14	6,100.0	4,600.0	168.8	108.0	181.0	150.0	60.0	185.0
2014-15 Jul-Mar (P)	6,450.0	4,820.0	178.0	113.0	190.0	156.0	64.0	193.0

(Contd.)

TABLE 13.4

MOTOR VEHICLES ON ROAD-HCV

(In 000 Nos.)

Year	Ambu-lance	Buses	Trucks	Tractor	Tankers		Others	Total
					Oil	Water		
1991-92	1.7	45.0	75.8	275.3	4.0	0.6	49.5	2,095.5
1992-93	2.0	51.7	84.2	353.0	4.3	0.7	52.7	2,460.0
1993-94	2.3	56.4	92.0	376.6	4.7	0.7	73.6	2,690.4
1994-95	2.7	60.9	98.3	399.8	5.1	0.8	60.7	2,951.6
1995-96	3.3	64.5	104.2	424.8	5.6	0.9	63.7	3,000.2
1996-97	3.7	68.2	110.3	439.8	6.1	1.1	66.5	3,195.8
1997-98	4.3	72.5	117.1	463.6	6.8	1.3	69.7	3,405.3
1998-99	1.5	84.4	121.0	489.8	6.8	0.7	74.7	3,651.7
1999-00	1.7	92.8	127.4	528.4	7.0	0.7	78.8	3,997.2
2000-01	1.7	86.6	132.3	579.4	7.2	0.8	89.0	4,471.0
2001-02	4.1	96.6	145.2	630.5	7.6	0.9	71.5	5,016.8
2002-03	4.3	98.3	146.7	663.2	7.6	0.9	71.4	5,315.0
2003-04	4.4	100.4	149.2	722.7	7.6	0.9	71.3	5,711.2
2004-05	4.5	102.4	151.8	778.1	7.7	0.9	69.4	6,048.3
2005-06	4.5	103.6	151.8	822.3	7.7	0.9	60.2	7,084.5
2006-07	4.6	108.4	173.3	877.8	7.8	0.9	38.5	8,063.6
2007-08	5.2	109.9	177.8	900.5	8.8	1.0	40.8	8,878.5
2008-09	5.6	111.1	181.9	911.7	9.7	1.1	41.3	9,413.7
2009-10	4.0	123.3	200.5	940.8	10.0	1.1	21.8	9,866.4
2010-11	4.5	125.6	209.5	970.9	10.3	1.1	24.0	10,443.8
2011-12	3.9	129.2	212.3	1,008.7	10.6	1.3	50.4	10,960.7
2012-13	3.7	130.2	220.5	1,128.7	10.8	1.5	60.5	11,576.1
2013-14	4.0	140.0	240.0	1,228.0	11.0	1.6	65.0	13,242.4
2014-15 Jul-Mar (P)	4.0	145.0	249.0	1,283.0	11.4	1.7	68.0	13,881.1

P: Provisional

Source: Ministry of Communication (NTRC)

TABLE 13.5

MOTOR VEHICLES-PRODUCTION

(In Nos.)

Fiscal Year	Motor Cycle/Rickshaw	Cars & Jeeps	L.C.Vs	Buses	Trucks	Tractors
1992-93	95,793	26,945	11,478	1,177	2,222	17,127
1993-94	63,958	19,514	5,128	427	1,394	14,907
1994-95	60,960	20,955	5,154	312	703	17,144
1995-96	121,809	31,079	6,834	438	3,030	16,208
1996-97	117,188	33,462	9,817	862	2,916	10,417
1997-98	96,991	33,683	4,886	425	1,850	14,144
1998-99	93,167	38,682	8,079	1,220	1,131	26,885
1999-00	94,881	32,461	6,656	1,508	977	35,038
2000-01	117,858	39,573	6,960	1,332	948	32,556
2001-02	133,334	41,171	8,491	1,099	1,141	24,331
2002-03	176,591	63,267	12,174	1,340	1,950	26,501
2003-04	327,446	100,070	14,089	1,380	2,022	36,103
2004-05	571,145	128,381	23,613	1,762	3,204	43,746
2005-06	751,667	163,114	29,581	825	4,518	49,439
2006-07	839,224	179,314	19,672	993	4,410	54,610
2007-08	1,057,751	166,300	21,354	1,146	4,993	53,607
2008-09	917,628	85,240	16,158	657	3,135	60,107
2009-10	1,389,047	122,819	15,568	628	3,425	71,730
2010-11	1,638,457	134,855	19,142	490	2,810	70,855
2011-12	1,649,532	154,706	20,929	568	2,597	48,152
2012-13	1,698,278	121,807	14,517	522	1,923	50,871
2013-14	1,728,137	117,498	17,477	559	2,674	34,524
2014-15 Jul-Mar (P)	1,289,514	106,135	17,521	410	2,781	35,753

TABLE 13.6

MOTOR VEHICLES-IMPORT

(in Nos.)

Fiscal Year	Bicycle	Motorised Cycles	Motor Cycles	Motor Rickshaw	Rickshaw chassis with Engine	Cars	Passengers M. Cars (NES)	Car Chassis with Engine	Pickup	Jeeps
2001-02	20,240	..	111,711	..	36	40,079	161	1	3,600	666
2002-03	37,836	509	143,952	101	10	60,554	194	..	5,162	6,010
2003-04	39,894	675	127,861	3	2	88,130	243	..	6,857	11,435
2004-05	61,187	4,143	189,721	3	144	66,338	244	..	5,394	5,409
2005-06	52,022	9,472	167,626	15	315	36,563	1,587	..	23,303	2,108
2006-07	28,509	12,467	164,078	1,727	421	202,785	1,174	6	21,898	1,938
2007-08	38,249	18,512	209,098	1,029	187	540,025	690	..	1,869	210
2008-09	42,966	20,726	200,745	125	6	425,721	557	20	1,871	14
2009-10	99,349	33,596	175,577	10,816	84	750,888	176	1	21,096	27
2010-11	184,023	103,694	216,080	14,746	..	675,810	344	163	35,462	27
2011-12	199,876	29,645	246,332	51,142	..	874,386	137	2	63,716	35
2012-13	211,611	36,765	435,004	20,695	..	1,173,228	916	2	43,013	29
2013-14	260,532	42,840	213,466	32,745	..	778,073	54	..	20,459	14
2014-15 (July-Mar)	301,872	42,052	210,573	40,658	..	2,532,212	10	..	67,063	20

(Contd.)

Fiscal Year	Station Wagon	Delivery Van	Lorries Trucks Ambulance	Passenger Vehicles Public	Special Lorries Trucks & Vans	Bus etc. Chassis	Buses, Trolly Buses	Motor Vehicles for Goods	Spl. Truck etc. Chassis	Road Tractors for Trailers
2001-02	165	2,120	728	6	157	60	700	2	..	18
2002-03	440	471	14,036	473	54	46	1,230	234	..	122
2003-04	154	26	2,883	721	95	164	2,429	511	..	124
2004-05	37	178	2,616	1,519	1,544	18	411	269	..	117
2005-06	284	2,586	13,463	5,228	551	7	2,104	3,844	38	498
2006-07	2,817	1,583	16,610	2,123	573	24	652	297	48	997
2007-08	345	311	4,331	836	875	314	217	22	335	2,409
2008-09	28	37	2,405	363	1,203	1,017	232	2	9	2,149
2009-10	109	2	12,819	364	5,325	671	285	..	12	2,154
2010-11	29	4	24,728	225	3,371	1,553	861	5	233	1,345
2011-12	73	1	11,942	441	563	1,828	155	2	16	1,598
2012-13	42	735	25,221	16,928	2,797	1,589	668	..	24	1,165
2013-14	8	2,732	23,946	1,282	1,406	3,997	425	7	17	1,309
2014-15 (July-Mar)	18	3,955	13,030	1,681	863	3,280	496	..	3,044	7,133

(Contd.)

Fiscal Year	Tractor Agricul-tural	Tractor Cater-pillar	Tractor Heavy Duty for const.	Tractor Roads	Tractor (NES)
2001-02	220	44	4	15,174	115
2002-03	14,000	1	120	1,115	496
2003-04	11,420	30	219	2,104	736
2004-05	6,543	232	563	1,646	2,167
2005-06	20,769	12	632	2,284	3,378
2006-07	30,588	1	845	904	7,213
2007-08	8,914	1	744	1,892	19,632
2008-09	2,636	..	402	434	14,205
2009-10	12,052	..	245	165	6,189
2010-11	905	..	148	144	12,208
2011-12	3,684	..	68	..	12,930
2102-13	1,998	..	130	200	91,730
2013-14	2,088	..	347	157	19,796
2014-15 (July-Mar)	2,407	..	233	138	257,229

Source: Pakistan Bureau of Statistics

TABLE 13.7

POST AND TELECOMMUNICATIONS

Fiscal Year	No. of Post Offices			Telephones (000 Nos.)	Broad Band Subscribers (000 Nos.)	Mobile Phones (000 Nos.)
	Urban	Rural	Total			
1990-91	1,867	11,546	13,413	1188	-	-
1991-92	1,909	11,471	13,380	1461	-	-
1992-93	1,983	11,213	13,196	1548	-	-
1993-94	1,970	11,315	13,285	1801	-	-
1994-95	2,026	11,294	13,320	2126	-	-
1995-96	2,092	11,327	13,419	2376	-	68.0
1996-97	2,024	11,192	13,216	2558	-	135.0
1997-98	2,044	11,250	13,294	2756	-	196.1
1998-99	2,103	10,751	12,854	2861	-	265.6
1999-00	2,103	10,751	12,854	3124	-	306.5
2000-01	2,302	9,932	12,234	3340	-	742.6
2001-02	1,983	10,284	12,267	3656	-	1,698.5
2002-03	1,808	10,446	12,254	4940	-	2,404.4
2003-04	2,267	9,840	12,107	4460	-	5,022.9
2004-05	1,831	10,499	12,330	5191	-	12,771.2
2005-06	1,845	10,494	12,339	5128	26.6	34,506.6
2006-07	1,849	10,494	12,343	4806	45.2	63,160.9
2007-08	1,849	10,793	12,342	4546	168.0	88,019.8
2008-09	1,852	10,514	12,366	3523	413.8	94,342.0
2009-10	1,846	10,495	12,340	3417	688.4	99,185.8
2010-11	1,580	10,455	12,035	5,720 *	1,491.5	108,894.5
2011-12	1,797	10,238	12,035	5,803 *	2,101.3	120,151.2
2012-13	2,178	10,650	12,828	6,371 *	2,723.7	128,933.6
2013-14	1,813	10,264	12,077	5,632 *	3,795.9 @	139,974.8
2014-15 Jul-Mar	1,813	10,264	12,077	5,098 *	15,605.5	134,900.0

Source: (i) : Pakistan Post Office
(ii) : Pakistan Telecommunications Company Ltd

- : Not Available

@ : Includes dial-up and broadband connection

* : Including Fixed Local Loop and Wireless Local Loop

ENERGY

TABLE 14.1

COMMERCIAL ENERGY CONSUMPTION

Fiscal Year	1. Oil/Petroleum (tons)						
	Households	Industry	Agricul-ture	Transport	Power	Other Govt.	Total
1990-91	944,256	1,147,698	265,229	4,841,362	2,434,136	328,592	9,961,273
1991-92	613,706	1,369,525	281,539	5,619,552	2,775,418	323,228	10,982,968
1992-93	622,075	1,479,935	287,181	6,107,416	3,158,124	357,115	12,011,846
1993-94	589,851	1,653,516	307,795	6,414,582	3,902,308	357,529	13,225,581
1994-95	585,173	1,889,443	268,631	6,646,175	4,215,635	355,110	13,960,167
1995-96	596,031	2,416,278	250,031	7,135,631	4,785,856	417,254	15,601,081
1996-97	509,738	2,141,065	268,866	7,172,269	5,110,233	403,795	15,605,966
1997-98	498,949	2,081,172	244,977	7,364,767	6,053,784	380,756	16,624,405
1998-99	492,768	2,139,889	249,229	7,864,063	5,525,669	376,133	16,647,751
1999-00	477,305	2,115,860	293,034	8,307,977	6,227,595	346,050	17,767,821
2000-01	450,960	1,924,048	254,833	8,157,893	6,487,988	372,176	17,647,898
2001-02	334,501	1,611,995	225,742	8,018,777	6,305,419	463,654	16,960,088
2002-03	282,521	1,604,068	196,747	8,082,273	6,019,958	266,387	16,451,954
2003-04	231,459	1,493,080	183,506	8,464,042	2,739,763	309,263	13,421,113
2004-05	192,750	1,542,398	142,062	9,024,783	3,452,581	316,686	14,671,260
2005-06	128,651	1,681,517	81,896	8,156,831	4,218,982	358,807	14,626,684
2006-07	106,148	1,595,981	97,232	7,981,893	6,740,559	325,318	16,847,131
2007-08	120,961	1,071,191	109,351	9,384,482	7,083,933	310,501	18,080,419
2008-09	97,332	969,193	69,793	8,837,197	7,570,418	367,266	17,911,199
2009-10	90,312	984,690	58,072	8,860,880	8,814,274	323,472	19,131,700
2010-11	85,449	1,355,443	40,597	8,892,268	8,138,956	373,794	18,886,507
2011-12	79,448	1,419,125	23,297	9,265,883	7,594,663	295,847	18,678,263
2012-13	97,847	1,379,096	31,828	9,817,546	7,749,007	317,805	19,393,129
2013-14 P	100,679	1,297,035	46,655	10,299,718	9,006,085	358,512	21,108,684
Jul-Mar							
2013-14*	60,817	846,702	29,334	6,593,198	5,796,591	222,702	13,549,344
2014-15**	87,233	847,811	33,339	7,813,640	6,790,964	254,523	15,827,510

P : Provisional **(Contd...)**

Note : '(a): HSD consumption in agricultural sector is not available seprately and is included under transport sector. Agricultural sector represents LDO only.

*** Oil/POL product consumtion for the month of March 2013 is missing**

**** Based on tentative figures on Jan-2015 to Mar-2015.**

Source : Oil Companies Advisory Committee.

TABLE 14.1

COMMERCIAL ENERGY CONSUMPTION

Fiscal Year	2. Gas (mm cft)*							
	Households	Commercial	Cement	Fertilizer	Power	Industry	Transport CNG**	Total
1990-91	66,797	12,317	13,020	107,954	176,409	88,841	-	465,338
1991-92	70,741	13,057	11,761	101,493	193,893	95,661	25	486,606
1992-93	75,783	14,326	11,914	119,628	186,853	102,991	31	511,527
1993-94	82,461	15,239	10,187	144,514	197,694	100,631	43	550,769
1994-95	97,045	16,064	6,730	141,697	181,107	104,098	47	546,788
1995-96	110,103	16,960	7,569	150,374	186,507	111,202	153	582,868
1996-97	115,488	18,403	8,718	150,483	193,984	110,365	358	597,799
1997-98	134,500	18,764	12,092	147,752	179,042	115,250	490	607,890
1998-99	131,656	21,466	7,988	167,474	183,694	121,431	2,182	635,891
1999-00	139,973	21,712	8,558	177,152	227,364	134,916	2,426	712,101
2000-01	140,899	20,618	6,977	175,393	281,255	138,503	4,423	768,068
2001-02	144,186	22,130	7,063	177,589	314,851	151,416	7,369	824,604
2002-03	153,508	22,776	3,445	180,611	335,636	164,968	11,320	872,264
2003-04	155,174	24,192	7,711	185,350	469,738	193,395	15,858	1,051,418
2004-05	172,103	27,191	13,383	190,409	507,398	226,116	24,443	1,161,043
2005-06	171,109	29,269	15,335	198,175	491,766	278,846	38,885	1,223,385
2006-07	185,533	31,375	14,686	193,682	433,672	306,600	56,446	1,221,994
2007-08	204,035	33,905	12,736	200,063	429,892	322,563	72,018	1,275,212
2008-09	214,113	35,536	7,305	201,100	404,140	319,003	88,236	1,269,433
2009-10	219,382	36,955	1,944	220,124	366,906	333,508	99,002	1,277,821
2010-11	232,244	36,466	1,378	228,460	337,401	291,667	113,055	1,240,671
2011-12	261,915	39,627	1,266	211,828	358,381	296,181	119,000	1,288,198
2012-13	291,917	40,689	586	188,020	362,262	284,278	100,228	1,267,980
2013-14 P	269,135	38,117	522	216,518	349,535	259,032	87,634	1,220,493
Jul-Mar								
2013-14 P	216,975	28,600	275	165,550	233,475	196,900	64,625	906,400
2014-15	213,950	26,125	825	166,100	248,050	171,050	53,075	879,175

P : Provisional **- : Not available** **(Contd...)**

*** : Excluding LPG** **** : Compressed Natural Gas**

TABLE 14.1

COMMERCIAL ENERGY CONSUMPTION

	3. Electricity (Gwh)								4. Coal (000 metric ton)					
Fiscal Year	Traction	Household	Commercial	Industrial	Agricultural	Street Lights	Other Govt.	Total	Household	Power	Brick Kilns	Cement *	Other Govt.	Total
1990-91	33	10,409	2,072	11,229	5,620	-	2,171	31,534	3.8	24.6	3,025.5	-	-	3,053.9
1991-92	29	11,458	2,143	12,289	5,847	310	2,112	33,878	6.8	39.5	3,052.4	-	-	3,098.7
1992-93	27	13,170	2,333	13,043	5,635	297	1,987	36,492	3.2	46.7	3,216.6	-	-	3,266.6
1993-94	27	14,080	1,786	12,637	5,772	298	2,781	37,381	3.3	43.6	3,487.0	-	-	3,533.9
1994-95	22	15,579	1,941	12,528	6,251	324	2,976	39,621	3.2	40.7	2,998.9	-	-	3,042.8
1995-96	20	17,125	2,190	12,183	6,696	378	3,332	41,924	3.1	398.9	3,235.8	-	-	3,637.8
1996-97	18	17,757	2,241	11,982	7,086	390	3,440	42,914	9.7	351.9	3,191.3	-	-	3,552.9
1997-98	16	18,750	2,334	12,297	6,937	387	3,851	44,572	2.3	346.5	2,809.9	-	-	3,158.7
1998-99	15	19,394	2,409	12,061	5,620	224	3,573	43,296	1.3	415.3	3,044.8	-	-	3,461.4
1999-00	15	21,455	2,544	13,202	4,540	239	3,591	45,586	1.0	348.1	2,818.8	-	-	3,167.9
2000-01	13	22,765	2,774	14,349	4,924	213	3,547	48,585	1.0	205.8	2,837.9	1,000.0	-	4044.7
2001-02	11	23,210	2,951	15,141	5,607	212	3,490	50,622	1.1	249.4	2,577.5	1,580.6	-	4408.6
2002-03	10	23,624	3,218	16,181	6,016	244	3,363	52,656	1.1	203.6	2,607.0	2,078.2	-	4,889.9
2003-04	9	25,846	3,689	17,366	6,669	262	3,650	57,491	1.0	184.9	2,589.4	3,289.2	-	6,064.5
2004-05	12	27,601	4,080	18,591	6,988	305	3,750	61,327	-	179.9	3,906.7	3,807.2	-	7,893.8
2005-06	13	30,720	4,730	19,803	7,949	353	4,035	67,603	-	149.3	4,221.8	3,342.8	-	7,714.0
2006-07	12	33,335	5,363	21,066	8,176	387	4,373	72,712	1.0	164.4	3,277.5	4,451.2	-	7,894.1
2007-08	8	33,704	5,572	20,729	8,472	415	4,500	73,400	1.0	162.0	3,760.7	6,186.9	-	10,110.6
2008-09	5	32,282	5,252	19,330	8,795	430	4,277	70,371	0.8	112.5	3,274.8	5,001.8	-	8,389.9
2009-10	2	34,272	5,605	19,823	9,689	458	4,499	74,348	-	125.5	3,005.2	5,007.8	-	8,138.5
2010-11	1	35,885	5,782	21,207	8,971	456	4,797	77,099	-	96.5	3,003.6	4,617.1	-	7,717.1
2011-12	1	35,589	5,754	21,801	8,548	478	4,590	76,761	-	104.6	3,108.2	4,456.9	-	7,669.7
2012-13	-	36,116	6,007	22,313	7,697	457	4,199	76,789	-	63.0	2,696.0	4,129.9	-	6,889.0
2013-14 P	-	39,549	6,375	24,356	8,290	458	4,381	83,409	-	160.7	2,727.6	3,669.2	-	6,557.5 E
Jul-Mar														
2013-14 P	-	29,251	4672	18,097	6,210	350	3,435	62,015	-	110.2	2,326.8	1,400.0		3,837.0
2014-15	-	30,040	4755	18,445	5,985	331	3,290	62,846	-	110.0	2,688.0	3,000.0		5,798.0

P : Provisional   - : Not available   E : Estimated

* : Includes use of imported coal by other industries

Source: Ministry of Petroleum & Natural Resources & Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.2

COMMERCIAL ENERGY SUPPLIES (ELECTRICITY)

Fiscal Year	Installed Capacity MW	Generation GW/h	Hydroelectric Installed Capacity (MW)	Hydroelectric Generation (GW/h)	Thermal Installed Capacity (MW)	Thermal Generation (GW/h)	Nuclear Installed Capacity (MW)	Nuclear Generation (GW/h)	Imported (GW/h)
1990-91	8,356	41,042	2,898	18,303	5,321	22,354	137	385	-
1991-92	9,369	45,440	3,330	18,647	5,902	26,375	137	418	-
1992-93	10,586	48,751	4,626	21,112	5,823	27,057	137	582	-
1993-94	11,319	50,640	4,726	19,436	6,456	30,707	137	497	-
1994-95	12,100	53,545	4,826	22,858	7,137	30,176	137	511	-
1995-96	12,969	56,946	4,826	23,206	8,006	33,257	137	483	-
1996-97	14,818	59,125	4,826	20,858	9,855	37,921	137	346	-
1997-98	15,659	62,104	4,826	22,060	10,696	39,669	137	375	-
1998-99	15,663	65,402	4,826	22,449	10,700	42,669	137	284	-
1999-00	17,399	65,751	4,826	19,288	12,436	46,064	137	399	-
2000-01	17,498	68,117	4,867	17,194	12,169	48,926	462	1,997	-
2001-02	17,799	72,406	5,051	18,941	12,286	51,174	462	2,291	-
2002-03	17,798	75,682	5,051	22,351	12,285	51,591	462	1,740	-
2003-04	19,257	80,826	6,496	26,944	12,299	52,122	462	1,760	-
2004-05	19,384	85,737	6,499	25,671	12,423	57,162	462	2,795	109
2005-06	19,450	93,775	6,499	30,862	12,489	60,283	462	2,484	146
2006-07	19,419	98,384	6,479	31,953	12,478	63,972	462	2,288	171
2007-08	19,420	95,860	6,480	28,707	12,478	63,877	462	3,077	199
2008-09	19,785	91,843	6,481	27,784	12,842	62,214	462	1,618	227
2009-10	20,921	95,607	6,481	28,093	13,978	64,371	462	2,894	249
2010-11	22,477	94,653	6,481	31,811	15,209	59,153	787	3,420	269
2011-12	22,728	90,670	6,557	28,542	15,384	56,586	787	5,266	276
2012-13	22,812	96,496	6,773	29,857	15,289	61,711	750	4,553	375
2013-14 P	23,530	104,089	6,893	31,873	15,887	66,707	750	5,090	419
Jul-Mar									
2013-14	23,048	73,435	6,858	23,953	15,440	44,847	750	4,331	304
2014-15 (e)	23,840	71,712	6,902	23,478	16,188	43,611	750	4,273	350

P : Provisional

- : Not available (will be compiled by end of December)

(a) MW: Mega Watt

(b) GWh: Giga Watt hour

P : provisional

n.a: Not Available

(e): Figures for the period Jul-14 to Mar-15 are estimated on the basis of 06 months data.

Source: Ministry of Petroleum Natural Resources, Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.3

COMMERCIAL ENERGY SUPPLIES (OIL, GAS, PETROLEUM, COAL)

Fiscal Year	Oil: Crude Oil Imports 000 barrels	Oil: Local Crude Extraction 000 barrels	Gas mcf	Petroleum Products: Imports 000 tons	Petroleum Products: Production 000 tons	Coal: Imports 000 tons	Coal: Production 000 tons	
1990-91	28,178	23,487	518,483	4,310	6,036	971	3,054	
1991-92	30,016	22,469	550,715	5,275	5,961	1,069	3,099	
1992-93	29,407	21,895	583,545	6,612	5,694	994	3,266	
1993-94	30,770	20,675	624,229	7,910	5,841	1,094	3,534	
1994-95	28,386	19,858	628,211	8,737	5,434	1,096	3,043	
1995-96	31,044	21,063	666,580	10,137	5,874	1,080	3,638	
1996-97	28,588	21,270	697,763	10,398	5,495	840	3,553	
1997-98	29,826	20,543	699,709	11,064	5,858	960	3,159	
1998-99	32,855	19,986	744,942	10,926	5,925	910	3,461	
1999-00	32,938	20,395	818,342	11,878	6,115	957	3,168	
2000-01	52,505	21,084	857,433	10,029	8,337	950	3,095	
2001-02	51,982	23,195	923,758	9,023	9,028	1,081	3,328	
2002-03	52,512	23,458	992,589	8,437	9,084	1,578	3,312	
2003-04	57,699	22,625	1,202,750	5,170	9,740	2,789	3,275	
2004-05	61,161	24,119	1,344,953	5,676	10,474	3,307	4,587	
2005-06	63,546	23,936	1,400,026	6,009	10,498	2,843	4,871	
2006-07	60,694	24,615	1,413,581	8,330	10,314	4,251	3,643	
2007-08	64,912	25,603	1,454,194	9,025	10,754	5,987	4,124	
2008-09	62,115	24,033	1,460,679	9,974	9,828	4,652	3,738	
2009-10	53,081	23,706	1,482,847	11,178	8,996	4,658	3,481	
2010-11	51,306	24,041	1,471,591	12,371	8,911	4,267	3,450	
2011-12	47,104	24,573	1,558,959	11,507	8,395	4,057	3,613	
2012-13	57,037	27,841	1,505,841	10,489	9,914	3,710	3,179	
2013-14 P	61,933	31,585	1,493,508	11,523	10,926	3,119	3,438	E
Jul-Mar								
2013-14	44,910	22,951	1,124,822	8,332	n.a	1,712	2,125	
2014-15 (e)	43,278	26,171	1,098,869	9,174	8,300	3,298	2,500	

P : Provisional E : Estimated

Source: Ministry of Petroleum & Natural Resources
Hydrocarbon Development Institute of Pakistan (HDIP)

* Million cubic feet

(a) MW: Mega Watt (b) GWh: Giga Watt hour

p: provisional n.a: Not available

(e): Figures for the period Jul-14 to Mar-15 are estimated on the basis of 06 months data.

TABLE 14.4

SCHEDULE OF ELECTRICITY TARIFFS

Tariff Category/Particulars	Fixed Charges Rs./kw/M	Variable Charges - Effective 16-05-2012									Tariff Notified	
		LESCO	GEPCO	FESCO	IESCO	MEPCO	HESCO	SEPCO	QESCO	PESCO	Fixed Charge Rs./ kW/M	Variable Charge Rs./kW/H
Residential A-1												
a) For Sanctioned load less than 5 kW												
Upto 50 Units per month	-	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-	2.00
Consumption Exceeding 50 Units												
1-100 Units	-	9.27	9.50	9.60	8.70	10.00	10.00	11.13	10.00	11.15	-	5.79
101-300 Units	-	10.50	13.55	13.00	10.20	14.50	15.00	15.00	13.20	15.50	-	8.11
301-700 Units	-	13.50	15.50	15.50	14.00	16.40	17.00	17.00	14.30	17.50	-	12.33
Above 700 Units	-	15.50	16.50	16.50	16.50	18.00	19.00	19.00	16.50	19.50	-	15.07
b) For Sanctioned load 5kW & above												
Time of Use TOU - Peak	-	15.00	15.00	15.00	15.50	17.00	19.00	19.00	16.00	19.50	-	13.99
Time of Use TOU - Off- Peak	-	9.50	9.50	9.50	9.10	10.00	11.00	11.50	9.00	11.50	-	8.22
Commercial - A2												
(a) For Sanctioned load less than 5 kW	-	15.00	17.50	17.00	16.50	18.50	16.00	16.00	17.00	19.50	-	14.77
(b) For Sanctioned load exceeding 5 kW												
Regular	400.00	14.50	14.50	14.50	11.00	16.00	15.00	15.00	15.00	17.00	400.00	9.72
Time of Use (TOU) - Peak	400.00	15.00	15.00	15.00	15.00	17.00	19.00	19.00	16.50	19.50	400.00	13.20
Time of Use (TOU) - Off-Peak	400.00	9.50	9.50	9.50	9.30	10.00	11.00	11.50	8.00	11.50	400.00	8.00
INDUSTRIAL												
B-1 (a) upto 25 KW (at 400/230 volts)	-	11.50	12.00	12.00	11.70	13.00	14.00	14.00	11.50	15.50	-	10.51
B-1 (b) upto 25 KW - TOU (Peak)	-	15.00	15.00	15.00	15.50	17.00	19.00	19.00	16.00	19.50	-	13.99
B-1 (b) upto 25 KW - TOU (Off-Peak)	-	9.50	9.50	9.50	9.10	10.00	11.00	11.50	9.00	11.50	-	8.22
B-2 (a) exceeding 25-500 KW (at 400 Volts)	400.00	10.00	10.50	11.00	10.30	11.50	13.00	13.00	10.50	14.50	400.00	9.14
B-2 (b) exceeding 25-500 KW - TOU (Peak)	400.00	15.00	15.00	15.00	14.30	16.00	19.00	19.00	16.60	19.50	400.00	12.77
B-2 (b) exceeding 25-500 KW - TOU (Off-Peak)	400.00	9.30	9.30	9.30	9.00	9.70	10.50	11.00	8.60	11.40	400.00	8.01
B-3 - For all Loads up to 5000 KW (at 11/33kv TOU (Peak)	380.00	14.70	14.70	14.70	14.10	15.70	19.00	19.00	16.50	19.50	380.00	12.68
B-3 - For all Loads up to 5000 KW (at 11/33kv TOU (Off-Peak)	380.00	9.20	9.20	9.20	8.90	9.60	10.25	10.50	8.40	11.30	380.00	7.75
B-4 For all loads (at 66.132 KV & above) - TOU (Peak)	360.00	14.50	14.50	14.50	13.90	15.50	19.00	19.00	16.40	19.50	360.00	12.37
B-4 For all loads (at 66.132 KV & above) - TOU (Off-Peak)	360.00	9.10	9.10	9.10	8.80	9.50	10.00	10.25	8.20	11.20	360.00	7.46
Single Point Supply for further distribution												
C1 (a) For Supply at 400/230 Volts - Sanctioned Load Less Than 5 KW		12.00	13.00	13.00	12.50	14.00	14.50	14.50	11.50	16.50	-	11.50
C1 (b) For Supply at 400/230 Volts - Sanctioned Load 5 KW & up to 500 KW	400.00	11.00	11.50	11.50	11.50	12.50	13.50	13.50	10.50	15.50	400.00	10.35
C1 (c) For Supply at 400/230 Volts - Sanctioned Load 5 KW & up to 500 KW TOU (Peak)	400.00	15.00	15.00	15.00	14.30	16.00	19.00	19.00	16.60	19.50	400.00	13.01
C1 (c) For Supply at 400/230 Volts - Sanctioned Load 5 KW & up to 500 KW TOU (Off-Peak)	400.00	9.30	9.30	9.30	9.00	9.70	10.50	11.00	8.60	11.40	400.00	8.01
C2 (a) For Supply at 11,33 kV load upto and including 5000 kW	380.00	11.00	11.40	11.40	11.30	12.40	13.25	13.25	10.40	15.25	380.00	10.25
C2 (b) For Supply at 11,33 kV upto and including 5000 kW-TOU (Peak)	380.00	14.70	14.70	14.70	14.10	15.70	19.00	19.00	16.50	19.50	380.00	12.60
C2 (b) For Supply at 11,33 kV upto and including 5000 kW-TOU (Off-Peak)	380.00	9.20	9.20	9.2	8.90	9.60	10.25	10.50	8.40	11.30	380.00	7.75
C3 (a) For Supply at 66 kV & above and sanctioned load above 5000 kW	360.00	11.00	11.30	11.30	11.10	12.30	13.00	13.00	10.30	15.00	360.00	10.10
C3 (b) For Supply at 66 kV & above and sanctioned load above 5000 kW-TOU (Peak)	360.00	14.50	14.50	14.50	13.90	15.50	19.00	19.00	16.40	19.50	360.00	12.18
C3 (b) For Supply at 66 kV & above and sanctioned load above 5000 kW-TOU (Off-Peak)	360.00	9.10	9.10	9.10	8.80	9.50	10.00	10.25	8.20	11.20	360.00	7.35
D - AGRICULTURAL TUBE-WELLS - TARIFF												
D-1(a) SCARP less than 5 kW	-	10.00	11.00	11.00	11.20	12.00	14.00	14.00	13.00	14.30	-	10.00
D-2 Agricultural Tube-Wells (Punjab & Sindh)	200.00	8.00	9.50	9.50	8.00	10.00	10.10	10.50	-	-	120.00	6.77
D-2 Agricultural Tube-Wells (KPK & Baluchistan)	200.00								11.50	13.30	120.00	6.77
D 1(b) SCRAP & Agriculture 5 KW & above -TOU (Peak)	200.00	14.50	14.50	14.50	13.00	15.50	19.00	19.00	16.50	19.50	200.00	13.00
D 1(b) SCRAP & Agriculture 5 KW & above -TOU (Off-Peak)	200.00	9.10	9.10	9.10	8.00	9.50	8.00	8.00	8.00	11.00	200.00	8.00
Public Lightening - Tarrif - G	-	14.50	15.00	15.00	15.00	15.50	16.50	16.50	14.00	16.40	-	13.73
Housing Colonies attached to Industrial premises -H	-	13.50	14.25	14.00	14.00	15.00	16.50	16.50	14.00	16.40	-	12.92
Railway Traction - Tarrif - I	-	12.50	-	-	-	11.00	-	-	-	-	-	11.00
AJK Tariff - K	360.00	-	13.00	-	9.60	-	-	-	-	13.50	360.00	5.63
Time of Use - (TOU) Peak	360.00	-	14.50	-	15.00	-	-	-	-	19.50	360.00	13.30
Time of Use - (TOU) Off Peak	360.00	-	9.10	-	9.00	-	-	-	-	11.00	360.00	7.92
Rawat Laboratory	-	-	-	-	11.50	-	-	-	-	-	-	11.50

Source: WAPDA

TABLE 14.4

SCHEDULE OF ELECTRICITY TARIFFS

Tariff Category / Particulars	Fixed Charges Rs./kW/	Variable Charges w.e.f 01-10-2013									GOP Applicable Rate
		IESCO	GEPCO	LESCO	FESCO	MEPCO	PESCO	HESCO	SEPCO	QESCO	
Residential											
Up to 50 Units		4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	2.00
Load up to 5 kW											
01-100 Units		11.00	12.10	11.09	12.57	13.50	15.00	15.00	15.00	11.00	5.79
101-200 Units											8.11
101-300 Units		15.00	15.00	14.00	15.50	15.65	16.50	17.24	16.00	14.00	12.09
301-700Units		17.00	17.00	17.00	17.50	17.65	18.50	18.50	17.00	16.00	16.00
Above 700 Units		18.00	19.00	18.00	19.50	19.50	20.50	20.50	20.00	18.00	18.00
Load Exceeding 5 kW											
Time of Use (TOU) - Peak		18.00	19.00	18.00	19.50	19.50	20.50	20.50	20.00	18.00	18.00
Time of Use (TOU) - Off-Peak		12.50	12.50	12.50	12.90	14.00	15.50	15.50	15.50	12.50	12.50
Total Residential			-			-			-		
Commercial - A2			-			-			-		
Load up to 5 kW		18.00	18.00	18.00	19.50	19.50	20.50	20.50	20.00	18.00	18.00
Load Exceeding 5 kW			-			-			-		
Regular	400.00	16.00	16.00	16.00	16.00	16.00	19.00	19.00	19.00	16.00	16.00
Time of Use (TOU) - Peak		18.00	19.00	18.00	19.50	19.50	20.50	20.50	20.00	18.00	18.00
Time of Use (TOU) - Off-Peak	400.00	12.50	12.50	12.50	12.90	14.00	15.50	15.50	15.50	12.50	12.50
Total Commercial			-			-			-		
Industrial			-			-			-		
B1		14.50	15.50	14.50	15.50	15.50	17.00	17.00	17.00	14.50	14.50
B1 Peak		18.00	19.00	18.00	19.50	19.50	20.50	20.50	20.00	18.00	18.00
B1 Off Peak		12.50	12.50	12.50	12.90	14.00	15.50	15.50	15.50	12.50	12.50
B2	400.00	14.00	15.00	14.00	15.00	15.00	16.50	16.50	16.50	14.00	14.00
B2 - TOU (Peak)		18.00	19.00	18.00	19.50	19.50	20.50	20.50	20.00	18.00	18.00
B2 - TOU (Off-peak)	400.00	12.30	12.30	12.30	12.70	13.80	15.30	15.30	15.30	12.30	12.30
B3 - TOU (Peak)		18.00	19.00	18.00	19.50	19.50	20.50	20.50	20.00	18.00	18.00
B3 - TOU (Off-peak)	380.00	12.20	12.20	12.20	12.60	13.70	15.20	15.20	15.20	12.20	12.20
B4 - TOU (Peak)		18.00	19.00	18.00	19.50	19.50	20.50	20.50	20.00	18.00	18.00
B4 - TOU (Off-peak)	360.00	12.10	12.10	12.10	12.50	13.60	15.10	15.10	15.10	12.10	12.10
Total Industrial			-			-			-		
Bulk Supply			-			-			-		
C1(a) Supply at 400 Volts- up to 5 kW		15.00	15.00	15.00	15.00	15.00	17.50	17.50	17.50	15.00	15.00
C1(b) Supply at 400 Volts-exceeding 5	400.00	14.50	14.50	14.50	14.50	14.50	16.50	16.50	16.50	14.50	14.50
Time of Use (TOU) - Peak		18.00	19.00	18.00	19.50	19.50	20.50	20.50	20.00	18.00	18.00
Time of Use (TOU) - Off-Peak	400.00	12.50	12.50	12.50	12.90	14.00	15.50	15.50	15.50	12.50	12.50
C2 Supply at 11 kV	380.00	14.30	14.40	14.30	14.40	14.40	16.30	16.30	16.30	14.30	14.30
Time of Use (TOU) - Peak		18.00	19.00	18.00	19.50	19.50	20.50	20.50	20.00	18.00	18.00
Time of Use (TOU) - Off-Peak	380.00	12.30	12.30	12.30	12.80	13.90	15.40	15.40	15.40	12.30	12.30
C3 Supply above 11 kV	360.00	14.20	14.30	14.20	14.30	14.30	16.20	16.20	16.20	14.20	14.20
Time of Use (TOU) - Peak		18.00	19.00	18.00	19.50	19.50	20.50	20.50	20.00	18.00	18.00
Time of Use (TOU) - Off-Peak	360.00	12.20	12.20	12.20	12.70	13.80	15.30	15.30	15.30	12.20	12.20
Total Bulk Supply			-			-			-		
Agricultural			-			-			-		
Scarp		14.50	15.50	14.50	15.50	15.50	17.00	17.00	17.00	13.01	13.01
Agricultural Tube-wells	200.00	14.00	15.00	14.00	15.00	15.00	16.50	16.50	16.50	11.51	10.35
Time of Use (TOU) - Peak		18.00	19.00	18.00	19.50	19.50	20.50	20.50	20.00	17.00	10.35
Time of Use (TOU) - Off-Peak	200.00	12.20	12.20	12.20	12.70	13.80	15.30	15.30	15.30	10.00	10.35
Total Agricultural			-			-			-		
Public Lighting		15.00	15.00	15.00	16.00	16.00	15.85	17.00	15.90	15.00	15.00
Resid. Colon.att. to ind		15.00	15.00	15.00	16.00	16.00	15.00	17.00	15.90	15.00	15.00
Railway Traction				15.00		16.00					15.00
Special Contracts - AJK	360.00	12.22	13.33				16.16				12.22
Time of Use (TOU) - Peak		18.00	19.00				20.50				18.00
Time of Use (TOU) - Off-Peak	360.00	12.20	12.20				15.30				12.20
Special Contracts - Rawat Lab.		15.00									15.00

Source: WAPDA

TABLE 14.4
SCHEDULE OF ELECTRICITY TARIFFS

DESCRIPTION	Fixed Charge Rs./kW/M.	Variable Charge w.e.f 11-10-2014										GOP Applicable Rate
		IESCO	GEPCO	LESCO	FESCO	MEPCO	PESCO	HESCO	QESCO	SEPCO	TESCO	
Residential												
Up to 50 Units		4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	2.00
Load up to 5 kW												
01-100 Units		10.50	13.26	10.00	11.09	13.00	13.00	11.06	10.50	10.50	12.70	5.79
101-200 Units		12.50	16.90	12.33	14.00	16.90	16.24	12.50	12.50	12.50	14.50	8.11
101-300 Units		12.50	16.90	12.33	14.00	16.90	16.24	12.50	12.50	12.50	14.50	12.09
301-700Units		15.00	17.90	15.00	15.00	17.90	17.90	15.50	15.00	15.50	16.50	15.00
Above 700 Units		17.50	19.00	17.50	17.50	19.00	19.00	17.50	17.50	17.50	17.50	17.50
Load Exceeding 5 kW												
Time of Use (TOU) - Peak		17.50	19.00	17.50	17.50	19.00	19.00	17.50	17.50	17.50	17.50	17.50
Time of Use (TOU) - Off-Peak		11.50	13.50	11.50	11.50	13.30	13.30	11.50	11.50	11.50	11.50	11.50
Total Residential												
Commercial - A2												
Load up to 5 kW		17.50	19.00	17.50	17.50	19.00	19.00	17.50	17.50	17.50	17.50	17.50
Load Exceeding 5 kW												
Regular	400.00	15.00	16.00	15.00	15.00	16.00	16.00	15.00	15.00	15.00	15.00	15.00
Time of Use (TOU) - Peak		17.50	19.00	17.50	17.50	19.00	19.00	17.50	17.50	17.50	17.50	17.50
Time of Use (TOU) - Off-Peak	400.00	11.50	13.50	11.50	11.50	13.30	13.30	11.50	11.50	11.50	11.50	11.50
Total Commercial												
Industrial												
B1		14.50	15.50	14.50	14.50	15.50	15.50	14.50	14.50	14.50	14.50	14.50
B1 Peak		17.50	19.00	17.50	17.50	19.00	19.00	17.50	17.50	17.50	17.50	17.50
B1 Off Peak		11.50	13.50	11.50	11.50	13.30	13.30	11.50	11.50	11.50	11.50	11.50
B2	400.00	14.00	15.00	14.00	14.00	15.00	15.00	14.00	14.00	14.00	14.00	14.00
B2 - TOU (Peak)		17.50	19.00	17.50	17.50	19.00	19.00	17.50	17.50	17.50	17.50	17.50
B2 - TOU (Off-peak)	400.00	11.30	13.30	11.30	11.30	13.10	13.10	11.30	11.30	11.30	11.30	11.30
B3 - TOU (Peak)		17.50	19.00	17.50	17.50	19.00	19.00	17.50	17.50	17.50	17.50	17.50
B3 - TOU (Off-peak)	380.00	11.20	13.20	11.20	11.20	13.00	13.00	11.20	11.20	11.20	11.20	11.20
B4 - TOU (Peak)		17.50	19.00	17.50	17.50	19.00	19.00	17.50	17.50	17.50	17.50	17.50
B4 - TOU (Off-peak)	360.00	11.10	13.10	11.10	11.10	12.90	12.90	11.10	11.10	11.10	11.10	11.10
Total Industrial												
Bulk Supply												
C1(a) Supply at 400 Volts- up to 5 kW		15.00	16.00	15.00	15.00	16.00	16.00	15.00	15.00	15.00	15.00	15.00
C1(b) Supply at 400 Volts-exceeding 5 kW	400.00	14.50	15.50	14.50	14.50	15.50	15.50	14.50	14.50	14.50	14.50	14.50
Time of Use (TOU) - Peak		17.50	19.00	17.50	17.50	19.00	19.00	17.50	17.50	17.50	17.50	17.50
Time of Use (TOU) - Off-Peak	400.00	11.50	13.50	11.50	11.50	13.30	13.30	11.50	11.50	11.50	11.50	11.50
C2 Supply at 11 kV	380.00	14.30	15.30	14.30	14.30	15.30	15.30	14.30	14.30	14.30	14.30	14.30
Time of Use (TOU) - Peak		17.50	19.00	17.50	17.50	19.00	19.00	17.50	17.50	17.50	17.50	17.50
Time of Use (TOU) - Off-Peak	380.00	11.30	13.30	11.30	11.30	13.10	13.10	11.30	11.30	11.30	11.30	11.30
C3 Supply above 11 kV	360.00	14.20	15.20	14.20	14.20	15.20	15.20	14.20	14.20	14.20	14.20	14.20
Time of Use (TOU) - Peak		17.50	19.00	17.50	17.50	19.00	19.00	17.50	17.50	17.50	17.50	17.50
Time of Use (TOU) - Off-Peak	360.00	11.20	13.20	11.20	11.20	13.00	13.00	11.20	11.20	11.20	11.20	11.20
Total Bulk Supply												
Agricultural												
Scarp		14.50	15.50	14.50	14.50	15.50	15.50	14.50	14.00	13.60	13.50	13.01
Time of Use (TOU) - Peak		17.50	19.00	17.50	17.50	19.00	19.00	17.50	17.50	17.50	17.50	10.35
Time of Use (TOU) - Off-Peak	200.00	11.20	13.20	11.20	11.20	13.00	13.00	11.20	11.20	11.20	11.20	10.35
Agricultural Tube-wells	200.00	14.00	15.00	14.00	14.00	15.00	15.00	14.00	13.61	13.00	12.97	11.51
Time of Use (TOU) - Peak		17.50	19.00	17.50	17.50	19.00	19.00	17.50	17.50	17.50	17.50	
Time of Use (TOU) - Off-Peak	200.00	11.20	13.20	11.20	11.20	13.00	13.00	11.20	11.20	11.20	11.20	
Total Agricultural												
Public Lighting		15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Resid. Colon.att. to ind		15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Railway Traction				15.00		15.00						15.00
Special Contracts - AJK	360.00	14.38	15.00				14.38					12.22
Time of Use (TOU) - Peak		17.50	19.00				19.00					17.50
Time of Use (TOU) - Off-Peak	360.00	11.20	13.20				13.00					11.20
Special Contracts - Rawat Lab.		15.00										15.00

TABLE 14.5

OIL SALE PRICES

Rs/Ltrs

Date	22-11-2012	22-12-2012	22-01-2013	01-03-2013	04-03-2013	01-07-2013
EX-NRL/PRL KARACHI						
Motor Gasoline	102.65	101.42	103.07	106.60	103.07	69.40
HOBC (Automotive 100 Octane)	-	-	-	-	-	87.68
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)						
Kerosene	99.03	98.81	99.90	103.69	99.90	72.28
HSD	109.77	110.13	109.21	113.56	109.21	78.49
LDO	93.89	94.34	94.33	98.26	94.78	71.47
Aviation gasoline (100LL)						
JP-1:						
i) For sale to PIA Domestic Flight	88.22	88.04	89.24	93.52	93.52	72.54
ii) For sale to PIA foreign flights & foreign airline						
iii) For Cargo & Technical Landing Flights						
JP-4	-	-	-	-	-	-
JP-8	87.90	87.72	88.80	93.21	93.21	72.28

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5
OIL SALE PRICES

Rs/Ltrs

Date	01-08-2013	01-09-2013	01-10-2013	01-11-2013	01-12-2013	01-01-2014
EX-NRL/PRL KARACHI						
Motor Gasoline	71.74	75.52	80.05	77.82	78.26	80.83
HOBC (Automotive 100 Octane)	92.52	97.47	102.19	99.84	104.30	107.38
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)						
Kerosene	76.54	80.30	82.11	82.05	82.98	85.31
HSD	82.33	85.27	87.54	81.40	82.36	84.43
LDO	74.84	76.99	78.75	79.48	80.13	81.63
Aviation gasoline (100LL)						
JP-1:	76.80	80.57	82.39	82.33	83.26	-
i) For sale to PIA Domestic Flight						
ii) For sale to PIA foreign flights & foreign airline						
iii) For Cargo & Technical Landing Flights						
JP-4						
JP-8	76.54	80.30	82.11	82.05	82.98	-

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5
OIL SALE PRICES

Rs/Ltrs

Date	01-02-2014	02-03-2014	01-04-2014	01-05-2014	01-06-2014
EX-NRL/PRL KARACHI					
Motor Gasoline	78.31	75.43	74.02	73.68	74.89
HOBC (Automotive 100 Octane)	103.55	100.97	95.87	94.25	96.45
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)					
Kerosene	81.13	81.33	75.97	73.88	74.19
HSD	80.79	80.86	77.53	73.93	75.30
LDO	78.07	78.47	74.07	72.83	73.67
Aviation gasoline (100LL)					
JP-1:	-	-	-	-	-
i) For sale to PIA Domestic Flight					
ii) For sale to PIA foreign flights & foreign airline					
iii) For Cargo & Technical Landing Flights					
JP-4					
JP-8	-	-	-	-	-

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5
OIL SALE PRICES

Rs/Ltrs

Date	01-02-2014	02-03-2014	01-04-2014	01-05-2014	01-06-2014
EX-NRL/PRL KARACHI					
Motor Gasoline	78.31	75.43	74.02	73.68	74.89
HOBC (Automotive 100 Octane)	103.55	100.97	95.87	94.25	96.45
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)					
Kerosene	81.13	81.33	75.97	73.88	74.19
HSD	80.79	80.86	77.53	73.93	75.30
LDO	78.07	78.47	74.07	72.83	73.67
Aviation gasoline (100LL)					
JP-1:	-	-	-	-	-
i) For sale to PIA Domestic Flight					
ii) For sale to PIA foreign flights & foreign airline					
iii) For Cargo & Technical Landing Flights					
JP-4					
JP-8	-	-	-	-	-

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5
OIL SALE PRICES

Rs/Ltrs

Date	01-07-2014	01-08-2014	01-09-2014	01-10-2014	01-11-2014
EX-NRL/PRL KARACHI					
Motor Gasoline	107.97	107.97	106.56	103.62	94.19
HOBC (Automotive 100 Octane)					
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)					
Kerosene	97.40	97.05	96.99	95.68	87.52
HSD	109.34	109.34	108.34	107.39	101.21
LDO	94.13	93.27	92.08	91.94	83.37
Aviation gasoline (100LL)					
JP-1:	86.71	86.74	84.84	85.00	77.60
i) For sale to PIA Domestic Flight					
ii) For sale to PIA foreign flights & foreign airline					
iii) For Cargo & Technical Landing Flights					
JP-4					
JP-8	87.06	86.42	85.52	84.66	77.01

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5
OIL SALE PRICES

Rs/Ltrs

Date	01-12-2014	01-01-2015	01-02-2015	01-03-2015
EX-NRL/PRL KARACHI				
Motor Gasoline	84.53	78.28	70.29	70.29
HOBC (Automotive 100 Octane)				
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)				
Kerosene	83.18	71.92	61.44	61.44
HSD	94.09	86.23	80.61	80.61
LDO	77.98	67.50	57.94	57.94
Aviation gasoline (100LL)				
JP-1:	73.05	59.10	47.30	53.59
i) For sale to PIA Domestic Flight				
ii) For sale to PIA foreign flights & foreign airline				
iii) For Cargo & Technical Landing Flights				
JP-4				
JP-8	72.72	58.76	46.96	53.25

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.6

GAS SALE PRICES

Unit: Rupees/MMbtu.

Category	30-6-2011	1-1-2012	1-7-2012	1-1-2013	23-8-2013	1-1-2014	16-1-2014	1-7-2014
DOMESTIC (Slab)								
i) Upto 1.77 M cu.ft./month	78.38		100.00	100.00	100.00	100.00	100.00	100.00
ii) Upto 1.77 to 3.55 M cu.ft./month	107.87	122.95		106.14	106.14	106.14	106.14	106.14
iii) Upto 3.55 to 7.10 M cu.ft./month	215.74	245.89						
iv) Upto 7.10 to 10.64 Mcu.ft./month	215.74	245.89	200.00	212.28	212.28	212.28	212.28	212.28
v) Upto 10.64 to 14.20 M cu.ft./month	908.39	1,035.34	500.00	530.00	530.69	530.69	530.69	530.69
vi) Upto 14.20 to 17.75 M cu.ft./month	908.39	1,035.34						
vii) All over 17.75	1,142.80	1,302.46						
BULK METER	435.37	496.21	500.00	530.00	530.69	530.69	530.69	530.69
COMMERCIAL	526.59	600.19	600.00	636.83	636.83	636.83	636.83	636.83
SPECIAL COMMERCIAL ROTI TANDOOR*								
Upto 50								
Over 50 upto 100	107.87	122.95	100.00	106.14	106.14	106.14	106.14	106.14
Over 100 upto 200	215.74	245.89						
Over 200 upto 300	526.59	245.89	200.00	212.28	212.28	212.28	212.28	212.28
Over 300	526.59	600.19	500.00	636.83	636.83	636.83	636.83	636.83
ICE FACTORIES	526.59	600.19	600.00	636.83	636.83	636.83	636.83	636.83
General Industry	434.18	600.19	460.00	488.23	573.28	573.28	573.28	573.28
Cement	609.10	694.22	700.00	742.97	742.97	742.97	742.97	742.97
CNG Station	571.88	651.80	618.55	656.32	656.32	656.32	656.32	656.32
Pakistan Steel								
Captive Power	434.18	494.86	460.00	488.23	488.23	488.23	488.23	488.23
Independent Power Projects	377.39	437.86	460.00	488.23	488.23	488.23	488.23	488.23
FERTILIZER								
SNGPL'S SYSTEM								
(i) For Feed Stock								
Pak American Fertilizer Ltd.	102.01	116.27	116.27	123.41	123.41	123.41	123.41	123.41
F.F.C Jorden								
Engro Fertilizer Ltd.	59.59	60.67	60.67	67.38	..	73.17	73.17	73.17
Dawood Hercules/ Pak Arab	102.01	116.27	116.27	123.41	123.41	123.41	123.41	123.41
Pak China /Hazara	102.01	116.27	116.27	123.41	123.41	123.41	123.41	123.41
SSGCL'S SYSTEM								
F.F.Bin Qasim Ltd.	102.01	116.27	116.27	123.41	123.41	123.41	123.41	123.41
F.F.Bin Qasim Ltd. (Add. 10mmcfd FS)	59.29	60.67	60.67	67.38	69.10	73.17	73.17	73.17
(ii) For Fuel Generation all Fertilizer Co.	434.34	494.86	460.00	488.23	488.23	488.23	488.23	488.23
Dawood & Pak Arab								
FOR MARI GAS CO. SYSTEM								
(i) For Feed Stock								
(a) Engro Chemical	102.01	116.27	116.27	123.41	123.41	123.41	123.41	123.41
FFC (Goth Machi)	102.01	116.27	116.27	123.41	123.41	123.41	123.41	123.41
(b) Pak Saudi								
Fatima Fertilizer	59.29	60.67	60.67	67.38	69.10	73.10	73.10	68.47
FFC (Mirpur M)	102.01	116.27	116.27	123.41	123.41	..	..	..
Foundation Power Company	377.39		460.00	488.23	488.23	488.23	488.23	488.23
(ii) For Power Generation	434.34	494.86	460.00	488.23	488.23	488.23	488.23	488.23
POWER Stations								
SNGPL & SSGCL'S SYSTEM	447.14	480.86	460.00	488.23	488.23	488.23	488.23	488.23
Liberty Power Limited	1,260.30	1,450.85	1,617.00	1,505.20	1,511.68	1,600.61	1,396.24	1,305.48
GAS DIRECTLY SOLD TO								
WAPDA'S GUDDU POWER STATION								
SUI FIELD (917 BTU)		480.86	460.00	488.23	488.23	488.23	488.23	488.23
KANDKOT FIELD (866 BTU)		480.86	460.00	488.23	488.23	488.23	488.23	488.23
MARI FIELD (754 BTU)		480.86	460.00	488.23	488.23	488.23	488.23	488.23
SARA /SURI FIELDS								
Foundation Power Company			460.00	488.23	488.23	488.23	488.23	488.23

* Flat rate on all offtakes applicable w.e.f 22.09.2012.

Source: Hydrocarbon Development Institute of Pakistan

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