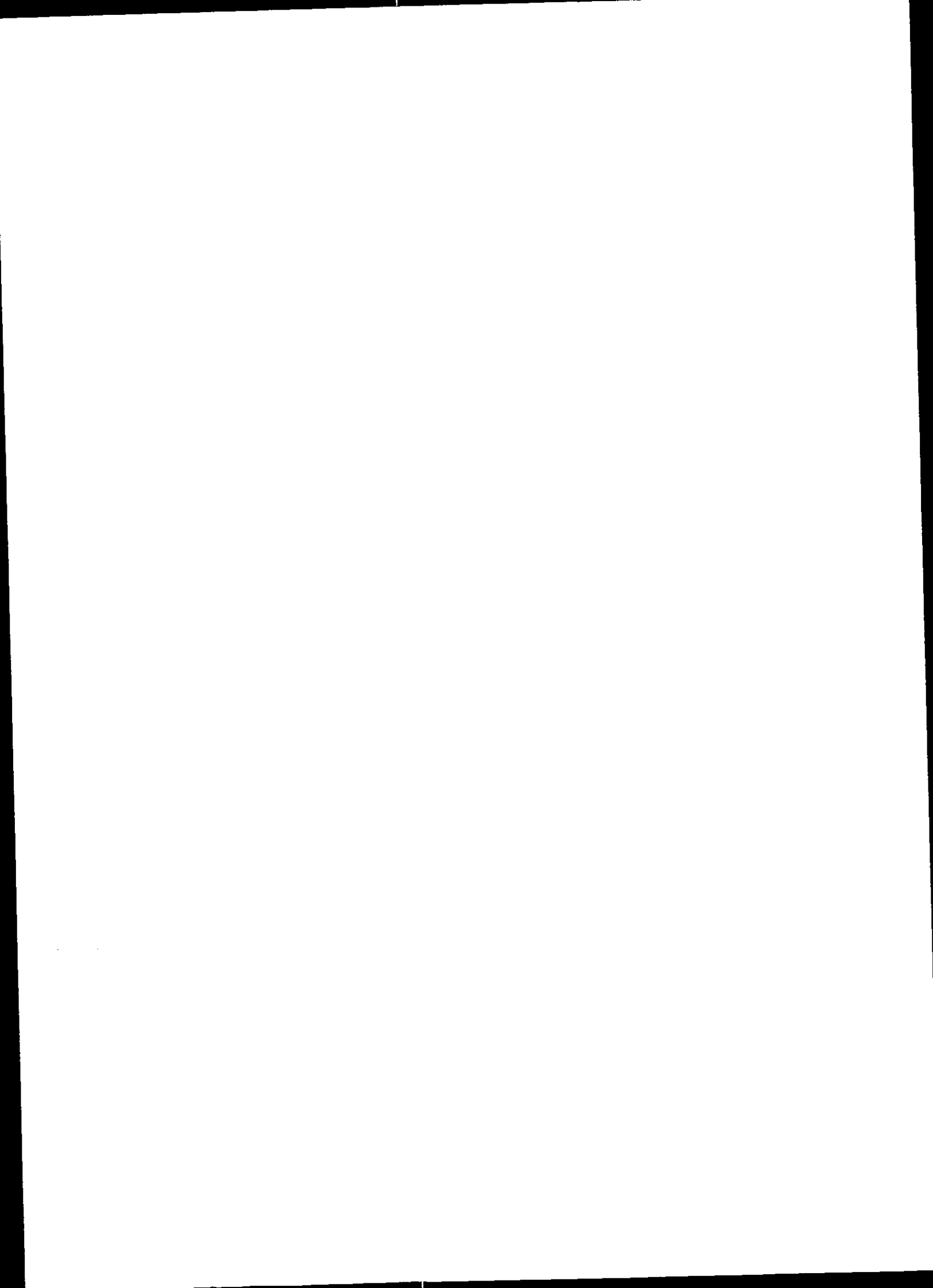


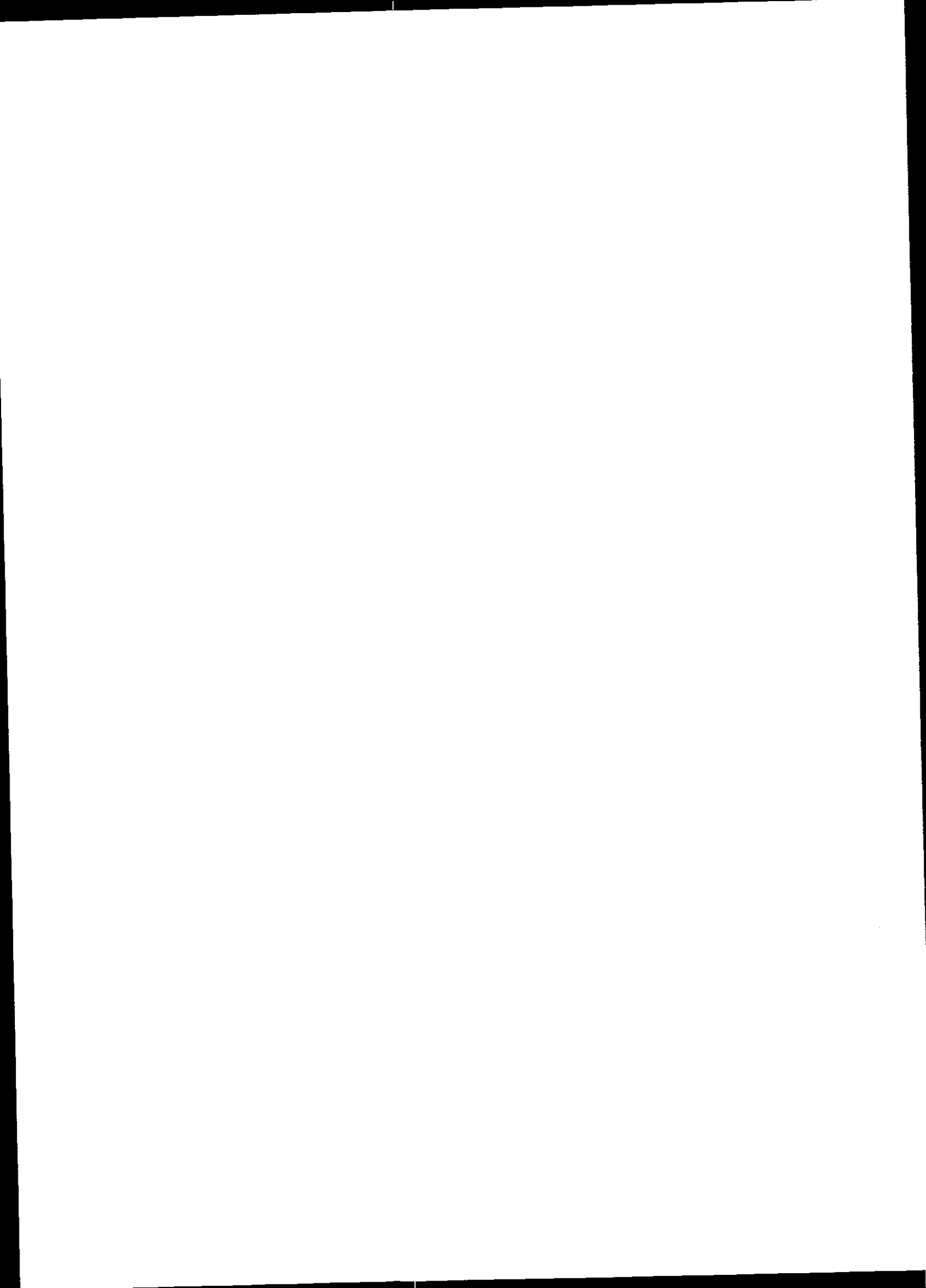
# **Economic Survey 1998-99**

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



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## FOREWORD

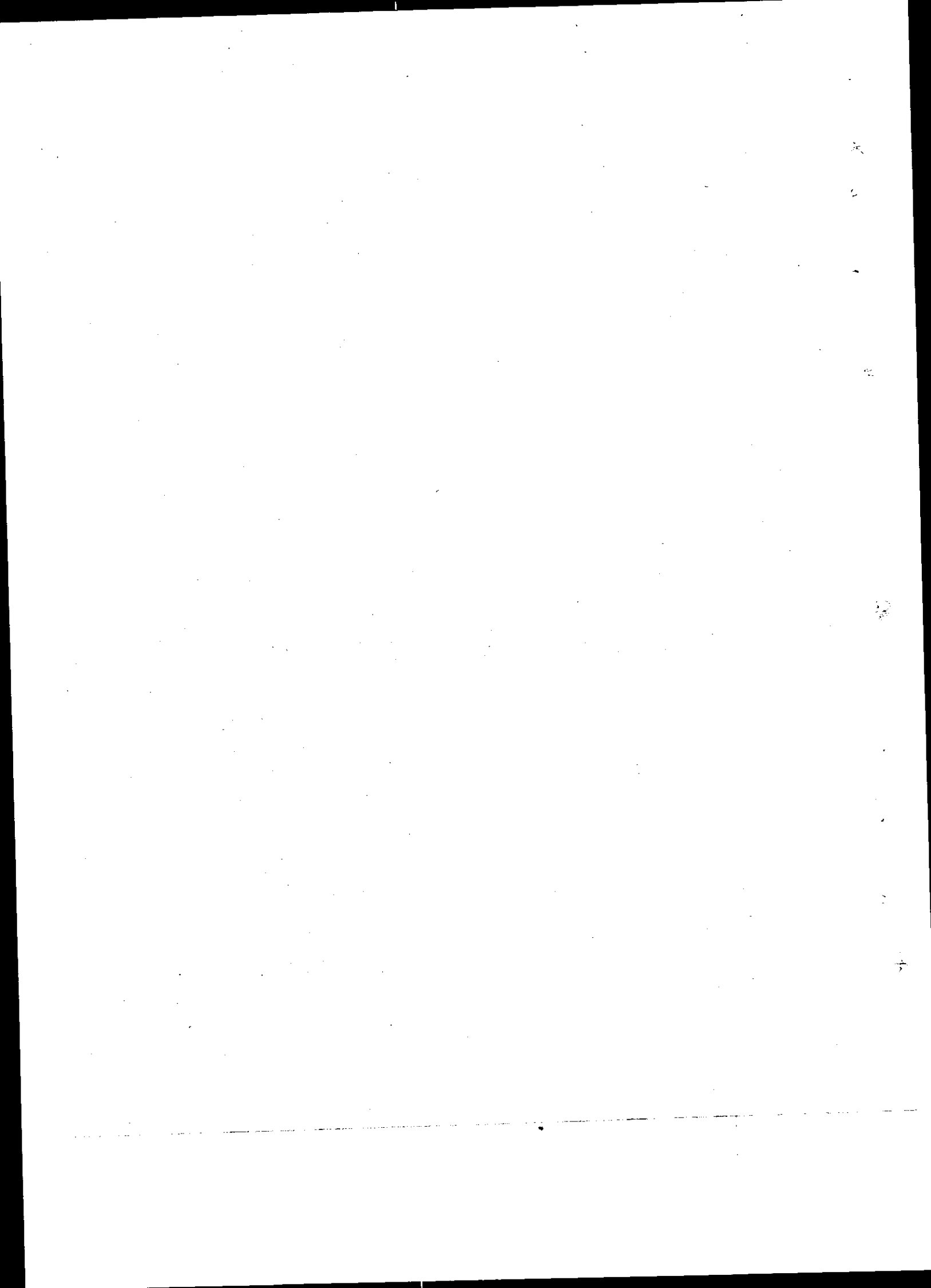
The *Economic Survey* contains an independent analysis and comprehensive assessment of the economic and social developments that have taken place during the year 1998-99 which has indeed been the most difficult year in the economic history of Pakistan. Besides global economic recession and East Asian turmoil the national economy was subjected to economic sanctions which not only put severe pressure on the balance of payments but also damaged the gains of last year which were achieved as a result of 1997 economic reform programme. Nevertheless, the government through adroit economic management has been able to overcome the economic crises and the economy has been put on the path of recovery. The current issue of the *Economic Survey* has reviewed the performance of the economy in the backdrop of national and international developments that have taken place during 1998-99.

The *Economic Survey, 1998-99* is a comprehensive document which analyses the economic performance for the first 9-10 months of the current fiscal year. It will be highly beneficial for the Members of the Parliament who want to visualize the next year's budget in the backdrop of current economic situation. Moreover, academicians, researchers, students, policy makers as well as observers of the Pakistani economy will find this *Survey* very useful.

The officers and the staff of the Economic Adviser's Wing of the Finance Division have worked hard in the preparation of *Economic Survey* for which they deserve compliments.

**Mohammad Ishaq Dar**  
**Minister for Finance,**  
**Commerce and Economic Affairs**

*Islamabad June 10, 1999*



## P R E F A C E

The *Economic Survey* is published annually as a pre-budget document. It focuses on providing the most recent and comprehensive information on the economy with sectoral developments and policy changes. Its analysis is based on the information and statistical data made available for the first 9-10 months of the outgoing fiscal year. The annual trends have been highlighted in the text while the statistical section provides detailed data since 1990-91.

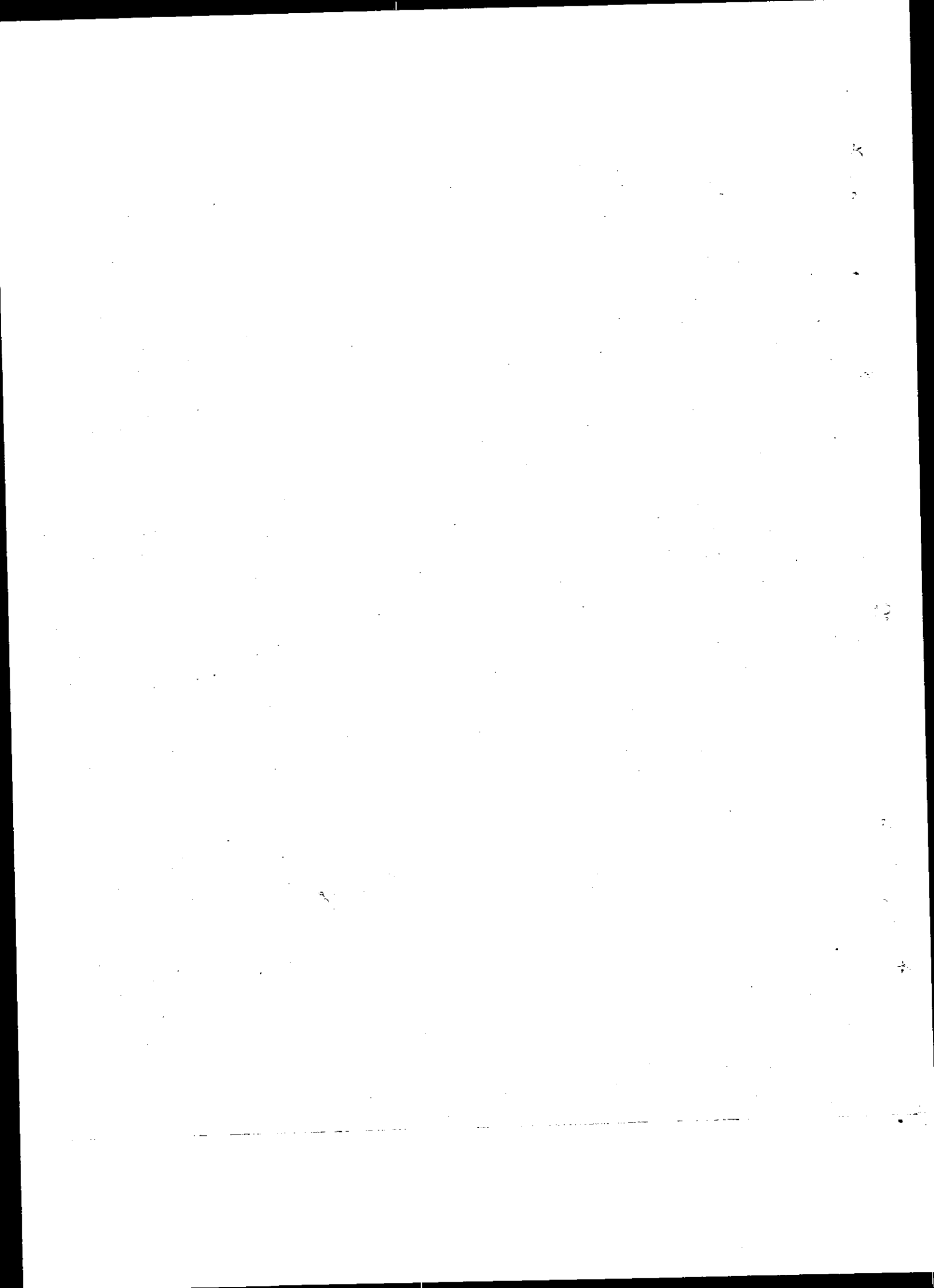
Departing from the past practice of publishing all the historical data in the *Survey as Statistical Appendix*; this year's *Survey* contains data from 1990-91 onwards mainly to avoid repetition of the same data appearing both in the *Survey* and in a separate publication, namely the *Statistical Supplement*. The detailed time-series data will however be published in the annual *Statistical Supplement* of the *Survey* somewhere around late October or early November. The two Chapters namely, *Population and Population Welfare Strategy* and *Labour Force & Employment* have been merged together in one Chapter i.e., "*Population, Labour Force & Employment*", thereby reducing the *Survey* Chapters from 18 to 17.

The completion of the *Survey* would not have been possible without the cooperation of various Ministries/Divisions and Data Collection Departments/Agencies who ensured timely information to the Economic Adviser's Wing of the Finance Division.

Comments/suggestions from the readers would be highly appreciated as it would help improve the *Survey*.

*Dr. Ashfaque Hasan Khan*  
*Economic Adviser*

*Islamabad June 10, 1999*





## OVERVIEW OF THE ECONOMY

The outgoing fiscal year 1998-99 has been the most difficult and challenging year for Pakistan's economy. The year witnessed the full impact of the economic sanctions on domestic economy as well as the continuation of deepening global economic recession with consequential impact on Pakistan's external sector. These two factors not only precipitated a balance of payments crisis but also damaged the gains achieved in the preceding year, and most importantly, interrupted the pace of implementation of structural reforms and stabilization measures. On policy front, the year also witnessed economic managers travelling on "*roads not taken before*."

The imposition of economic sanctions and the suspension of new bilateral and multilateral disbursement for non-humanitarian assistance had created serious difficulties for the country's balance of payments. It has had serious bearing also on the country's exchange rate in the open market. The ground realities forced Pakistan to take various measures to minimize the adverse effects of economic sanctions as well as to protect the balance of payments from a total collapse. The measures taken include: a devaluation of rupee by 4.2 percent, introduction of dual exchange rate system, reduction in export finance interest rate from 11 percent to 8 percent, a 30 percent cash requirement for import L/Cs, restrictions on certain foreign payments in addition to accumulation of arrears on debt service of non-preferred creditors, freezing of the foreign currency account, and reduction in expenditure.

Devaluation, dual exchange rate system and reduction in export finance interest rate were meant to improve external competitiveness and encourage exports. Dual exchange rate, 30 percent L/C cash margin for imports and reduction in government expenditure were intended to discourage non-essential imports. These measures were aimed at narrowing the trade gap to the maximum and coupled with restrictions on certain foreign payments in addition to debt service of non-preferred creditors, were intended to protect a minimum level of foreign exchange reserves.

The above listed measures were expected

to cause side effects in terms of decline in imports and import-related taxes which constitute roughly 40 percent of total taxes, and slowing down of the overall economic activity with consequential impact on tax collection. The deviation from the budget estimates was, therefore, quite natural to happen. There was indeed a trade-off between protecting the country's balance of payments and tax collection. The Government opted to protect the country's balance of payments for its wide-ranging implications for the economy as well as for the national security. The budget as well as the overall fiscal deficit target were protected through expenditure reduction.

At the same time, Pakistan continued its negotiation with the International Monetary Fund (IMF) to reactivate the stalled IMF Programme. After extensive negotiation for three months an agreement was reached to reactivate the Programme in December 1998. With IMF Programme in place, the other International Financial Institutions also restored their financial support and the Paris Club rescheduled external debt to the extent of over \$ 3.0 billion on favorable terms for a consolidation period ending December, 2000. A combination of deft economic and financial management and support from the International Financial Institutions (IFIs) have helped Pakistan to sail through the crisis in a relatively shorter period of time when compared with East Asian countries.

The pace of economic recovery was hampered due to the inhospitable international economic environment. The unprecedented depth and severity of the recession in the crisis-hit-East Asian countries and its contagion effects spreading all over the world have slowed down the global economic activity. The world real GDP which grew by 4.2 percent in 1997 decelerated sharply to 2.5 percent in 1998 and is projected to remain depressed in 1999 (2.3%). The slowing down of the global economic activity has also caused a sharp decline in the growth of world trade. Against a strong pick up of close to 11 percent in 1997, the growth of the world trade has decelerated to 3.0 percent in 1998 and is likely to remain weak in 1999 (3.9%). Consequently, the international commodity prices

remained depressed. The prices of non-fuel primary commodities declined by almost 15 percent in 1998 and are projected to decline further by 4 percent in 1999.

Despite difficulties of unprecedented nature caused by the economic sanction and the deepening of global economic recession, Pakistan's overall economic performance during the outgoing fiscal year 1998-99 has been rather mixed. While on the one hand, growth performance remained weak and both exports and imports contracted, Pakistan's performance with regards to fiscal, monetary and inflation has been impressive on the other. The real GDP growth slowed down to 3.1 percent in 1998-99 as against a reasonable growth of 4.3 percent last year. The slower growth of real GDP is mainly attributed to poor performance of agriculture, and a relatively weaker performance of manufacturing and services sectors. Agriculture grew by only 0.35 percent while manufacturing and services sectors registered a growth of 4.7 percent and 4.1 percent, respectively. Within manufacturing, the large-scale manufacturing registered a growth of 2.7 percent as against an impressive increase of 7.6 percent last year. Total investment as percentage of GNP declined from 17.3 percent to 14.9 percent mainly because of the decline in fixed investment as well as in changes in stock. The decline in fixed investment is attributed to a decline in private sector investment from 9.7 percent of GNP to 8.3 percent. Economic sanctions and the consequential uncertainty that surrounded the economy as well as the side effects of the measures taken thereafter to protect the balance of payments are mainly responsible for the decline in investment rate in 1998-99. Like investment, national savings as percentage of GNP has also declined from 14.2 percent in 1997-98 to 11.1 percent in the current fiscal year.

Both exports and imports have contracted during the first ten months (July-April) of the current fiscal year by 11.7 percent and 11.2 percent, respectively. Trade balance has, however, improved by 8.6 percent and amounted to \$ 1208 million as against \$ 1322 million in the comparable months of last year. The current account deficit on the other hand, widened by 63.9 percent to \$ 1536 million as against \$ 937 million during the first nine months (July-March)

of the current fiscal year.

Weaker growth performance and contraction in exports and imports notwithstanding the positive developments in the current fiscal year are also notable. The hard-earned progress in reducing fiscal deficit in 1997-98 has been sustained during the current fiscal year. The overall fiscal deficit has further been reduced to 4.7 percent of the GDP from 5.4 percent of last year. The tax and tariff reforms as well as tight expenditure policies have paid rich dividends in terms of progress towards fiscal consolidation. Another positive development on the monetary side has been the containment of monetary expansion to the targeted level. Money supply grew by 3.5 percent during the first nine months (July-March) of the current fiscal year against the revised target of 7.7 percent for the whole year. Government borrowings for budgetary support showed a net retirement of Rs 39.9 billion. Yet another notable positive development has been the decline in inflation to 6.1 percent during the July-April 1998-99 as against 8.2 percent of the comparable period of last year. The current inflation rate is the lowest in the 1990s and remained in the single-digit since 1997-98 onward.

In the series of positive developments mention must be made about the foreign exchange reserves and the exchange rate regime. Pakistan's foreign exchange reserves remained under severe pressure and went down to as low as \$ 415 million on November 12, 1998. The effective management of foreign exchange reserves during the crisis of unprecedented nature led to a reserve build-up and it stood at \$ 1814 million by the end-April despite making payments to the extent of \$ 2 billion during January-April 1999.

On the exchange rate regime, Pakistan moved away from a managed float to a dual exchange rate system on July 22, 1998 as part of the measures to minimize the adverse effects of the economic sanctions. During the current fiscal year, Pakistan continued its efforts to move towards a market-based unified exchange rate regime and on May 19, 1999 the dual exchange rate system was replaced by a market-basket unitary exchange rate regime.

While the economic sanctions and the related developments have damaged the initial gains of last year and in the process, slowed the economic activity during the current fiscal year, it has, nevertheless, provided an opportunity to redouble our efforts to implement structural reforms and stabilization measures which were initiated in March, 1997. Although, the economy is back on the track of the recovery and signs of the economic revival are quite visible, a much more is needed to restore macro-economic stability, regain the lost growth momentum, promote human development and poverty alleviation. The Government has already embarked on the path of adjustment and reforms and a series of wide-ranging measures have been taken during March-May 1999 that include the rolling back of measures taken after the economic sanctions, reduction in maximum duty on imports from 45 percent to 35 percent with the exception of automobiles, reducing the number of non-zero tariff slabs from five to four, rationalizing of duty drawback, reducing the number of SROs relating to duty drawback, enlarging the scope of items eligible for export re-inance, lowering of interest rate structure, lowering of electricity tariff for large industrial consumers, and most importantly adopting a market-based exchange rate regime. These measures are in the right direction and will help in accelerating the pace of economic activity.

There are, however, certain weak areas that would need special attention. Pakistan has succeeded in reducing the fiscal deficit from more than 6 percent of GDP to 4.7 percent in just two years. This adjustment has taken place primarily at the cost of development expenditure. Further fiscal adjustment must come from revenue raising measures which puts the focus on taxation. The future tax reforms must focus on reducing the share of trade-related taxes in total taxes, increasing the share of consumption-based sales tax; and increasing the relative contribution of direct taxes. These objectives may be achieved through base-broadening, rate reduction, and strengthening the capacity of the tax administration. Efforts on tax side must be complemented by improving the composition and effectiveness of budgetary expenditure.

Another area that would require special attention is the export sector. Pakistan's exports

has been stagnating around \$ 8 billion during the last five years. One of the major structural problems of Pakistan's exports is that its export base is not only narrow but it is also undiversified and concentrated in relatively low value added products. The role of trade policy in promoting exports will remain limited if country's export base retains its current status. What would require is a major focus on Pakistan's competitive strength and a consequent diversification of its export base and upgrading of its productive capacity. Trade policy reforms and appropriate implementation programmes will then be able to facilitate an export expansion strategy based on sound fundamentals.

## GROWTH AND INVESTMENT

### Growth Trends

Despite difficulties of unprecedented nature caused by the external shock, the real GDP registered a modest growth of 3.1 percent in 1998-99 as against 4.3 percent of last year. This increase was supported by relatively poor performance of agriculture and weak performance of manufacturing and services sectors.

The commodity producing sector has registered a growth of 2.1 percent in 1998-99 as against a growth of 5.3 percent last year. Agriculture has registered a meager growth of 0.35 percent in 1998-99 against last year's growth of 3.8 percent. The value added of major crops registered a negative growth of 0.6 percent compared with an impressive growth of 8.3 percent in 1997-98. Among the major crops, the performance of rice and sugarcane were impressive as they surpassed their respective production targets. The record production of rice and sugarcane was mostly offset by declines in the cotton and wheat production, mainly because of the adverse weather conditions and virus attack. The growth rate of minor crop also slowed down to 0.36 percent against 3.3 percent growth achieved last year. The mining and quarrying sector staged an impressive recovery as it grew by 4.5 percent against a decline of 5.6 percent last year. The overall manufacturing has registered a growth of 4.7 percent as against a growth of 7.9 percent of last year. On the basis of nine months (July-March) data, the large-scale

manufacturing has registered a growth of 2.7 percent as against 7.6 percent growth observed last year. The slowing down of growth in large-scale manufacturing is mainly attributed to economic sanctions and the side effects of the measures taken thereafter to protect the country's balance of payments. The construction sector has witnessed a slower growth of 0.8 percent during 1998-99 as against a growth rate of 1.3 percent achieved last year. The electricity and gas sector is estimated to grow by 2.7 percent in 1998-99 as against a substantially higher growth of 9.0 percent during 1997-98.

Overall services sector has recorded a growth of 4.1 percent during 1998-99 compared with last year's growth of 3.2 percent. The transport, storage and communications sector grew by 5.3 percent in 1998-99 compared with 8.1 percent in 1997-98. Wholesale and retail trade sector grew by 1.3 percent during 1998-99 compared with 2.9 percent of last year. Finance and insurance sector grew by 9.4 percent in 1998-99 compared with a negative growth of 22.4 percent recorded in 1997-98. Ownership of dwellings and the services sectors maintained last year's growth level of 5.3 percent and 6.5 percent respectively in 1998-99. Public administration and defense achieved slightly higher growth of 3.2 percent compared with 2.0 percent of last year.

#### **Savings and Investment**

Total investment outlay in 1998-99 is estimated at Rs 446.9 billion against Rs 468.0 billion during the last year which shows a decline of 4.5 percent in nominal term. Fixed investment increased only by 1.0 percent in nominal term from Rs 396.6 billion in 1997-98 to Rs 400.5 billion in 1998-99. Investment rate [the share of total investment in GNP (market prices)] declines from 17.3 percent to 14.9 percent in 1998-99. National savings are estimated to finance 74.8 percent of total investment while the remaining 25.2 percent is financed by foreign savings. National saving rate has also declined from 14.2 percent to 11.1 percent and foreign savings as percentage of GNP increased from 3.1 percent to

3.8 percent in 1998-99. This suggests that the reliance on foreign savings in financing domestic investment has gone up in 1998-99.

#### **Agriculture**

The growth of agriculture sector suffered a set back due to unfavourable weather conditions and virus attack and as such has registered a meager growth of 0.35 percent as against 3.8 percent of last year.

The production of rice increased to 4.7 million tons as compared to of 4.3 million tons last year, while sugarcane production reached to 55.2 million tons from 53.1 million tons last year, showing an increase of 9.3 percent and 3.9 percent, respectively. The maize production increased to 1.3 million tons as compared to previous year's production of 1.25 million tons, showing a growth of 4.1 percent. The production of wheat during the current year is estimated at 18.1 million tons as against the last year's production of 18.7 million tons. The decline in production is mainly attributed to long spell of dry season during the sowing time. The production of cotton is estimated at 8.8 million bales as compared to 9.2 million bales of last year. The decline in cotton production is mainly due to leaf curl virus attack, adverse weather condition, and decrease in the area under the crop. The production of bajra, jowar and tobacco increased by 0.85 percent, 2.68 percent and 1.2 percent respectively. The fertilizer off-take during the first nine months (July-March) of the current fiscal year is estimated at 2034.65 thousand nutrient tons as compared with 2080.06 thousand nutrient tons of last year, thereby depicting a decline of 2.2 percent. Agriculture credit amounting to Rs.30,652.1 million was disbursed in 1998-99 (July-March) as compared with Rs.23,276.0 million during the same period of last year, showing an increase of 31.7 percent.

#### **Manufacturing, Mining & Investment Policies.**

The value addition in manufacturing sector remained relatively weak and increased by

4.7 percent in 1998-99 as against an impressive recovery of 7.9 percent in 1997-98. The large scale manufacture grew by 2.7 percent July-March 1998-99 as compared with 7.6 percent growth achieved last year. The small-scale manufacturing continues to grow by 8.4 percent. Factors like economic sanctions, the side effects of the measures such as discouragement of non-essential imports, decline in domestic and foreign investment due to uncertain economic environment and lower demand for exports because of the global economic recession adversely affected the growth of large scale manufacturing. The government has intensified its efforts to improve investment climate by taking a series of measures during March-May 1999. The government has also established Small and Medium Enterprises Development Authority (SIEDA) to encourage small and medium enterprises to attain a sustainable higher growth in the manufacturing sector.

The value added in mining & quarrying sector is expected to expand by 4.5 percent in the fiscal year 1998-99 against a 5.6 percent contraction in last year. The mining sector remained volatile due to non-availability of the desired level of high risk investment capital.

The net foreign private investment (FPI) inflows stood at US \$ 300.7 million during July-March 1998-99 as against US \$ 639.9 million in the comparable period of last year, registering a decline of 53 percent. The portfolio investment was declined to US \$ 4.7 million during July-March 1998-99 as against US \$ 203.8 million in the comparable period of last year. However, the declining trend was less severe in FDI inflows which declined to US \$ 296.0 million during July-March 1998-99 as against US \$ 436.1 million in the same period last year, indicating a decline of 32.1 percent. The South East Asian crisis, the post-May 1998 developments, freezing of foreign currency deposit, and the IPP controversy were responsible for this decline.

#### **Income Distribution & Poverty**

Since the early 1990s, the problem of poverty has been intensified because of the slowing down of economic activity. The structural

adjustment programmes and macroeconomic stabilization measures have imposed heavy burden on the poor. Moreover, the burden of increase in indirect taxes has also fallen disproportionately on the lower income groups. Furthermore, reduction of development expenditure has also contributed to growing level of poverty. The targeted anti-poverty programmes are limited with spending on Social Safety Nets amounting to a mere 0.2 percent of the GDP. The Zakat system caters to the needs of about one million mustaheqeen, but the amount is insufficient to make a positive impact on poverty alleviation. Baitul Maal also has a limited outreach.

#### **Fiscal Policy**

Large fiscal deficits and resultant high debt burdens have emerged as major source of macro-economic imbalances in Pakistan during the last three years. The reduction in large and unsustainable fiscal deficit also received top priority in the Federal Budget, 1998-99. The strict observance of fiscal and financial discipline in 1997-98 and 1998-99 have, however, resulted into reduction of fiscal deficit from more than 6.0 percent of GDP to 5.4 percent in 1997-98 and to 4.7 of GDP in 1998-99.

The projected federal gross revenue receipts of Rs 518.5 billion for 1998-99 are 15.4 percent higher than the last year. These revenue receipts comprise CBR tax revenue of Rs 354.6 billion (original target), non-tax revenue (Rs 120.5 billion) and surcharges (Rs 43.4 billion). However, the CBR's revenue collection target has been revised downward to Rs. 310.0 billion, mainly due to sharp decline in dutiable imports.

During the first 10 months (July-April) of the current fiscal year, the CBR has collected Rs. 229.6 billion which is 74.0 percent of the revised annual target of Rs 310.0 billion and 2.0 percent higher on net basis and 5.6 percent higher on gross basis than the last years tax collection of the comparable period. This achievement in tax collection is considered to be satisfactory because of the side effects of the expenditure cut and import reducing measures, taken to protect the country's balance of payments. The collection of direct taxes is higher by 4.8 percent but central excise has declined by

2.0 percent over the comparable period last year. The import-related sales tax have, however, increased by 41.1 percent due to increase in the sales tax rate from 12.5 percent to 15.0 percent whereas the custom duties witnessed a decline of 18.2 percent due to a significant reduction in imports as well as reduction in the maximum tariff rate from 45 percent to 35 percent in March, 1999.

As a result of prudent fiscal management of the present government, the domestic debt in relation to the GDP which was, on average, as high as 44 percent during the first seven years of the 1990s (1990-97), has declined to 42.3 percent in 1997-98 and further to 40.5 percent in 1998-99. However, the mounting debt servicing has emerged as the most serious fiscal problem over the years. It was Rs. 262.8 billion in 1996-97 and had increased to Rs. 285.8 billion in 1997-98 (78.7 percent of tax revenue) and further to Rs. 341.4 billion in 1998-99 (81.5 percent of tax revenues (budget estimates)).

Although the primary deficit has declined during the first seven years (1990-97) of the 1990s with the exception of 1993-94, albeit, at a slower pace, substantial fiscal adjustment has taken place during the last two years (1997-98 and 1998-99) when primary deficit turned to a large surplus. While this development is encouraging and a primary surplus is a pre-condition for stabilizing public debt, reducing its size would require further substantial increase in the primary surplus on a sustainable basis over medium-term.

### Money and Credit

Prudent monetary management was complemented by tight fiscal policy. During July-March 1998-99, the overall money supply increased by 3.5 percent compared to a much larger expansion of about 14.0 percent in the same period last year. Net domestic assets of the banking system registered a rise of 0.9 percent (Rs 11.8 billion), as against a rise of 11.6 percent (Rs 129.0 billion) in the corresponding period of last year. The Government borrowings from the banking system for the budgetary operations showed a net retirement of Rs 39.9 billion as against the Credit Plan retirement target of Rs 58.1 billion for the whole year and a rise of Rs 39.5 billion in the corresponding period of last

year. Credit to the Government for its commodity operations registered a retirement of Rs 14.4 billion, as against a retirement of Rs 10.7 billion in the same period last year. Bank credit to private sector (including PSCEs) increased by Rs 65.5 billion upto March 31, 1999. The uncertainty that prevailed in the market due to the nuclear detonation weakened investors confidence which not only restricted demand for credit but also caused deceleration in the economic activity. Furthermore, the prudent lending by banks together with recovery campaign for defaulted loans also contributed to slower growth of bank credit. Foreign assets (net) of the banking system increased by Rs 30.3 billion up to March 31, 1999 due to the improvement in the foreign exchange reserves with the SBP, compared with a rise of Rs 18.0 billion in the corresponding period last year.

A number of measures and developments were initiated in the area of monetary policy during 1998-99. These included reduction in statutory liquidity ratio (SLR) from 18 percent in June 1998 to 13 percent in May 1999 and cash reserve on rupee deposits from 5.0 percent to 3.5 percent on daily basis. In order to increase the availability of credit to private sector the State Bank reduced its repo rate from 16.5 percent to 13 percent. To facilitate exports, the SBP has also reduced the rate of return, under the Export Finance Scheme and on the export sales under LMM, from 11 percent to 8 percent.

The recovery laws pertaining to stuck-up loans were further strengthened under the newly enacted Banking Companies Act 1997. High Court Judges have now been designated for expeditious decisions on cases of loan defaults of Rs 30 million and above. As a result, a significant amount of non-performing loans has been recovered by the banks and development finance institutions (DFIs).

Under the Prime Minister's National Agenda to create self-employment opportunities for the youth of the country, it was decided that banks would launch a scheme for extending small loans, giving preference to unemployed & skilled youth, persons possessing prior business experience, and professionals holding diploma/degree in any technical/professional field. The Banks/Small Business Finance

Corporation (SBFC) have earmarked a sum of Rs 6618 million for extending loans under the Small Loans Scheme.

A Small and Medium Enterprises Development Authority (SMEDA) has been created in October 1998 as an autonomous corporate body at the federal level with Prime Minister as its head. The SMEDA will be an apex policy making body for Small and Medium Enterprises (SME) and provide support services, generate massive employment opportunities, drive industrial growth, revitalize small business and kick start the economy through an aggressive small and medium enterprise (SME) support programme. As of April 10, 1999, under the first category, so far 69,168 applications have been received and Rs 5,559.7 million have been sanctioned to 31,595 applications out of which Rs 4,149.1 million have been disbursed. In the second category of loans, 181 applications have been received and Rs 153.2 million have been sanctioned to 58 applicants out of which Rs 81.5 million have been disbursed. The total amount disbursed under this Scheme is Rs 4,230.6 million.

#### **Capital Market**

The stock market in Pakistan has been witnessing declining business trends since the onset of the East Asian crisis. This trend persisted in the current year as well and the factors like global economic recession, crash of some leading economies stock markets and local factors, such as, law and order situation, freezing of foreign currency accounts, imposition of economic sanctions on account of nuclear tests in May 1998, and unresolved dispute with the Independent power projects (IPPs) have been at work during the first six months of the current financial year. The stock market has started showing signs of recovery in the third quarter of 1998-99, especially after the successful negotiation with the multilateral agencies (IMF, World Bank, ADB etc). The bail out package and partial withdrawal of economic sanctions have also positively impacted on the stock market. The

KSE 100 index which stood at 766 at the end of July 1998 increased to 1057 on March 27, 1999 and then crossed the 1300 point mark only recently.

During July-March 1998-99, general index of share prices increased by 4.3 percent as compared to a decline of 11.5 percent in the comparable period last year. Out of 12 major trading groups, indices of the 6 groups have recorded positive growth. These include auto and allied (0.5%), fuel and energy (15.8%), transport and communication (16.7%), banks and other financial institutions (3.6%), and miscellaneous (0.4%). During 1997-98, all the 12 trading groups registered decline. Aggregate market capitalization of ordinary shares which touched the bottom line in June 1998 has started improving. From June 1998 to March 1999, the aggregate market capitalization has increased by Rs 30.2 billion from Rs 259.3 billion in June 1998 to Rs 289.5 billion in March 1999.

#### **Inflation**

Another positive development in current year has been the further decline in inflation. As measured by the changes in the CPI, the rate of inflation declined to 6.1 percent during July-April 1998-99 as against 8.2 percent of comparable period of last year. Tight monetary policy complemented by prudent fiscal management and depressed international prices of Pakistan's major imports have been mainly responsible for low inflation in the country.

#### **Trade and Payments**

The external economic environment remained inhospitable and has impacted the performance of external sector during the current fiscal year. Pakistan's exports amounted to \$ 6307.5 million in July-April 1998-99 which were 11.7 percent lower than last year's exports of \$ 7142 million. The break down of decline in exports suggests that 65.4 percent (or 7.7 %) decline is due to price effect and 34.6 percent (or 4.0%) to quantity effect. Imports, on the other

hand declined by 11.2 percent during the first 10 months of the current fiscal year—declining from \$ 8464 million to \$ 7515 million. Import compression policy pursued in the aftermath of the economic sanctions, decline in government expenditure, and lower prices of Pakistan's major imports have reduced imports during the current fiscal year. Trade deficit, however, improved by 8.6 percent and stood at \$ 1208 million as against \$ 1322 million of the comparable period of last year.

In spite of the imposition of economic sanctions and suspension of bilateral and multilateral foreign aid disbursement, the balance of payments during July-March, 1998-99 remained manageable. The deficit in services (net) fell sharply by 36.1 percent to \$ 1519 million. However, the inflow under private transfers (net) was reduced substantially by 58.7 percent and current account deficit widened by 63.9 percent to \$ 1536 million. The flow in long term capital (net) depicted an increase of 92.7 percent and amounted to \$ 2428 million. The first three quarters of the current fiscal year ended with a net increase of \$ 817 million in reserves. The workers' remittances during July-April 1998-99 witnessed a decline of 30.9 percent and stood at \$ 874.6 million as against \$ 1266 million of last year. The main reason for decline has been the exceptionally large spread that prevailed between the composite rate and the open market rate during September-November, 1998. Beginning from December 1998 onward the position of inflows has improved considerably. The reserves by end April 1999 reached as high as \$ 1814 million, despite making payments of about \$ 2 billion during January-April 1999.

Pakistan's outstanding external debt (medium & long term) is close to \$ 23 billion in 1998-99, and registered an increase of only 1.6 percent over 1997-98. The debt servicing liability increased by 9.5 percent to \$ 2577 million as a result of higher cost of borrowing and lower maturity of loans. The commitments of foreign

aid during 1998-99 is estimated at \$ 2698 million which is higher by 28.1 percent and disbursements are expected to fall by 18.9 percent to \$ 2272 million.

### Education

Pakistan has made progress in the education sector in terms of expanding the number of educational institutions and raising the literacy rate from 26 percent in 1981 to 45 percent in 1998. In order to revamp education sector a new education policy has been introduced last year which is under implementation. The policy broadly aims at increasing literacy rate, reforming the examination system, enforcement of compulsory primary education act by 2004-5 and raising the total expenditure on education up to 4 percent of GNP by the year 2010.

The literacy rate has increased from 26 percent (35% male and 16% female) in 1981 to 45 percent during 1998 (male 56.5% and female 32.6%). During the year 1998-99 the number of Primary schools increased from 156,545 in 1997-98 to 163,746, Middle schools from 15,747 to 17,007 and High schools from 10,183 to 10,519. In addition there were 498 Secondary Vocational Institutions, 735 Arts & Science Colleges, 265 Professional Colleges and 26 Universities including one female university in the public sector. The enrolment at the Primary stage in 1998-99 increased by 5.9 percent (4.6% male & 8% female). The Middle stage enrolment has increased by 3.3 percent (1.2% male & 6.8% female) and High school by 7.7 percent (7.4% male & 8.3% female).

The participation rate at Primary stage is estimated at 77 percent (male 92% & female 62%) during 1998-99. At Middle stage the participation rate is estimated at 51 percent (64% male & 37% female). The participation rate for the High stage is estimated at 36 percent (45% male & 37% female). Total expenditure as a



proportion of GNP has remained more or less constant at the last year's level of around 2.2 percent.

### Health & Nutrition

Health facilities are still inadequate. There was one doctor for 1,590 persons; one dentist for 38,185 persons and one nurse for 3,972 persons upto end December 1998. During 1998-99 it is expected that 84 BHUs and 30 RHCs would be established. Moreover 75 RHCs, 304 BHUs are likely to be upgraded and 2750 new beds will be added in the hospitals. Moreover, 4300 new doctors, 430 dentists, 2800 nurses and 6000 paramedics are likely to be trained. Under the preventive programme, training is likely to be imparted to 9200 TBAs and 30 million packets of oral rehydration will be distributed, 9.5 million children will be immunized against six killer diseases of childhood.

The total public outlay on health sector during 1998-99 is Rs 20.8 billion (Rs 15.3 billion current expenditure and Rs 5.5 billion development expenditure), which is 5.8 percent higher than last year and constitutes 0.7 percent of GNP. The estimated achievements of the physical targets range between the minimum of 71 percent (UHCs) to the maximum of 100 percent (distribution of ORs packets). The achievements include construction of 76 BHUs, 25 RHCs, and 5 UHCs, upgradation of 365 existing facilities (295 BHUs and 70 RHCs) and addition of 2,300 hospital beds.

The per capita calories intake for 1998-99 is estimated at 2606 calories per day in Pakistan which is higher by 2.2 percent from the recommended dietary allowance of 2,550 calories per day. The per capita per day intake of protein is 69.61 gram which is 16 percent above RDA of 60 grams and is 0.5 percent higher over the last year level of 69.25 grams.

### Population, Labour Force and Employment

High population growth exerts pressure on national efforts for future economic growth and development, and simultaneously diverts resources from productive to consumption uses. It also creates greater demand for more and more civic amenities. Realizing these implications, the national population policy focussed on checking the population growth which worked effectively. According to the fifth Population and Housing Census, 1998 Pakistan's total population will be 134.5 million by 1st July, 1999, showing a much lesser growth rate of 2.3 percent, against the general perception of around 3 percent. The crude birth rate which was 43.3 per thousand population in 1981 has declined to 32.7 per thousand and the crude death rate from 11.8 to 9.1 per thousand.

The total labour force is 38.6 million, growing at an annual average rate of 2.9 percent since 1993. The labour force participation rate is 28.7 percent. Agriculture is still the largest source of employment. The unemployment rate is estimated to be 6.1 percent.

Government is pursuing a multi-pronged employment policy which focuses on revival of agriculture and industrial sectors as well as investment in labour intensive sectors like small scale industry, social sectors, rural development programmes, provision of credit facilities for self employment, and expansion of technical training facilities. It is expected that these measures will arrest the increasing trend in unemployment. Besides, under the new Education Policy, 21 new universities of international standards, 500 Degree Colleges and 250 Professional Colleges, 45,000 Primary Schools, 30,000 new Secondary Schools, 20,000 Mosque Schools and 75,000 Non-formal Basic Education Schools will be established which are likely to generate employment opportunities, particularly for the educated youth.

## Social Action Programme, Social Welfare And Rural Development

The Government has designed a comprehensive approach for social development through Social Action Programme(SAP). This programme focuses on the improvement of quality of elementary education ( Primary and Middle schooling), primary health care, population welfare and rural water supply & sanitation. The SAP (Phase-I) conceived in 1992-93 was formally undertaken from 1993-94 for three years (1993-96). It had been completed at the cost of Rs. 106.4 billion which had largely addressed the human development issues, such as, policy reforms to improve social sector, design for elimination of implementation deficiencies, achieving financial targets, raising political commitment, involving stakeholders for efficiency, cost effectiveness and improving social services delivery.

After the successful completion of SAP Phase-I (1993-96), the SAP Phase-II has been launched for another five years (1997-2002) with same aims and objectives as were in the case of Phase-I but with added focus on the Participatory Development Programme (PDP), basically meant to encourage involvement of the private sector, NGOs and Community Based Organizations for provision of quality services. The overall size of SAP-II amounts to Rs. 498.8 billion, which is higher by 368.8 percent than the actual outlay of Rs. 106.4 million of the Phase-I.

The Government is also striving hard for promotion of social welfare and uplifting of the rural areas through out the country. For the financial year 1998-99, an allocation of Rs. 170.4 million has been earmarked for the special education. Some 9 special education centers (4 national and 5 provincial centers) are being established, in addition to the already working 46 special education centers and 9 training/vocational centers. The Pakistan Bait-ul-Mal has also launched special projects for the

benefit of poor and deserving persons and is providing special services for needy persons.

The National Zakat Foundation is also providing grant-in-aid to the NGOs for sharing the capital cost of their projects, aimed at institutional rehabilitation of indigents, orphans, widows and disabled persons. The Foundation has sanctioned a grant of Rs. 27.3 million for 62 projects of which, Rs. 18.8 million have been disbursed.

The present Government aims at improving the status of the women by reducing gender gap and ensuring better quality of life for women. Micro credit amounting to Rs. 14.4 million has been provided to 568 women through First Women Bank Limited. An allocation of Rs. 76 million has been made for women development in the PSDP 1998-99 as against Rs. 50.0 million in 1997-98.

For the uplift of the rural areas, *Tammer-e-Watan Programme* has been reactivated from the mid 1998-99, with an allocation of Rs. 3.0 billion. Some 997 villages have been electrified during July-March, 1998-99, bringing the total number of the electrified villages to 66256.

### Transport and Communications.

Considerable progress has been made in the transport and communication sector during the current fiscal year. During July-March 1998-99 the total length of roads in the country was 181,836 km, including 118,194 km of high type and 63,642 km of low type roads. The road density in Pakistan was 0.23 km, while the paved roads were 65 percent. The construction work on Islamabad-Peshawar Motorway which started in 1998 is now picking up the pace and is expected to complete with the cost of Rs.26 billion by December 2000. Pakistan Railways network consists of 8,774 route km during July-March, 1998-99. Its major assets include 596 locomotives.

2,040 passenger coaches and 27,251 freight wagons. During 1998-99 (July-March) it carried 48.00 million passengers and its gross earnings stood at Rs.6,700 million. During 1998-99 Pakistan Railways has introduced fast non-stop Passenger Service with lower class air conditioned coaches between large industrial centers. The network of Pakistan International Airlines covers 55 international stations in four continents and 37 domestic stations covering almost all parts of the country. Presently, three private airlines i.e. Shaheen Air Lines, Bhoja Air and Aero Asia are operating in the country and providing air travel services to the public. The country has two major sea ports namely Karachi Sea Port and Port Qasim. Besides, two Fish Harbour-Cum-Mini Ports are being developed at Gawadur and Keti Kunder. The Karachi port has handled 17.586 million tons of cargo during July-March, 1998-99 compared with 17.020 million tons of cargo during the corresponding period of last year.

Pakistan is now connected with most of the countries of the world through international gateway exchanges. Value added services such as internet, E-mail, cellular mobile telephone, optical fiber system, card pay phone, paging services etc. are now available in the country which are providing innovative and modern services to the consumers. At present there are more than 3.6 million lines out of which about 2.86 million lines are connected to the customers, 2,580 telephone exchanges, 1,115 NWD exchanges, 10,107 VHF PCOs, 401 telegraph offices and 155 customers service centres are working in the country. The number of TV, VCR sets in the country for the year 1997-98 were 2,736,241 and 130,640 respectively and for the year 1998-99 (up to March 1999) these are estimated at 2,911,127 and 133,965 respectively.

### Energy

During July-March 1998-99, the production of crude oil per day declined to 55,703 barrels from 55,992 barrels per day of the same

period last year. The total production of crude oil stood at 15.263 million barrels during July-March, 1998-99 against 15.342 million barrels during the same period of last year. The production of crude oil declined due to depletion of oil fields. The production of gas per day increased slightly to 2,012 million cubic feet during July-March 1998-99 from 1,922 million cubic feet over the same period of last year. As such the total production of gas increased to 551,392 million cubic feet during July-March, 1998-99 from 526,628 million cubic feet of the comparable period of last year.

The installed capacity of electricity (hydel & power) increased by 21.0 percent during the first nine months of the current fiscal year and stood at 19,359 mega watt. In July, 1998, a new power policy was announced which introduced various measures to exploit the existing power resources in the country. The main objective of the new power policy is to introduce competition to achieve the lowest possible tariff through a transparent bidding process. Government has identified the hydel projects for which feasibility studies are completed and can be implemented as per provisions of new power policy.

### Housing and Environment

The major objectives of the housing sector are to improve the living conditions and provide essential utilities like water supply and sanitation in urban and rural areas to control further growth of bigger cities by diverting population migration from villages to intermediate towns and to narrow down the gap between shelter needs and houses/flat's supply.

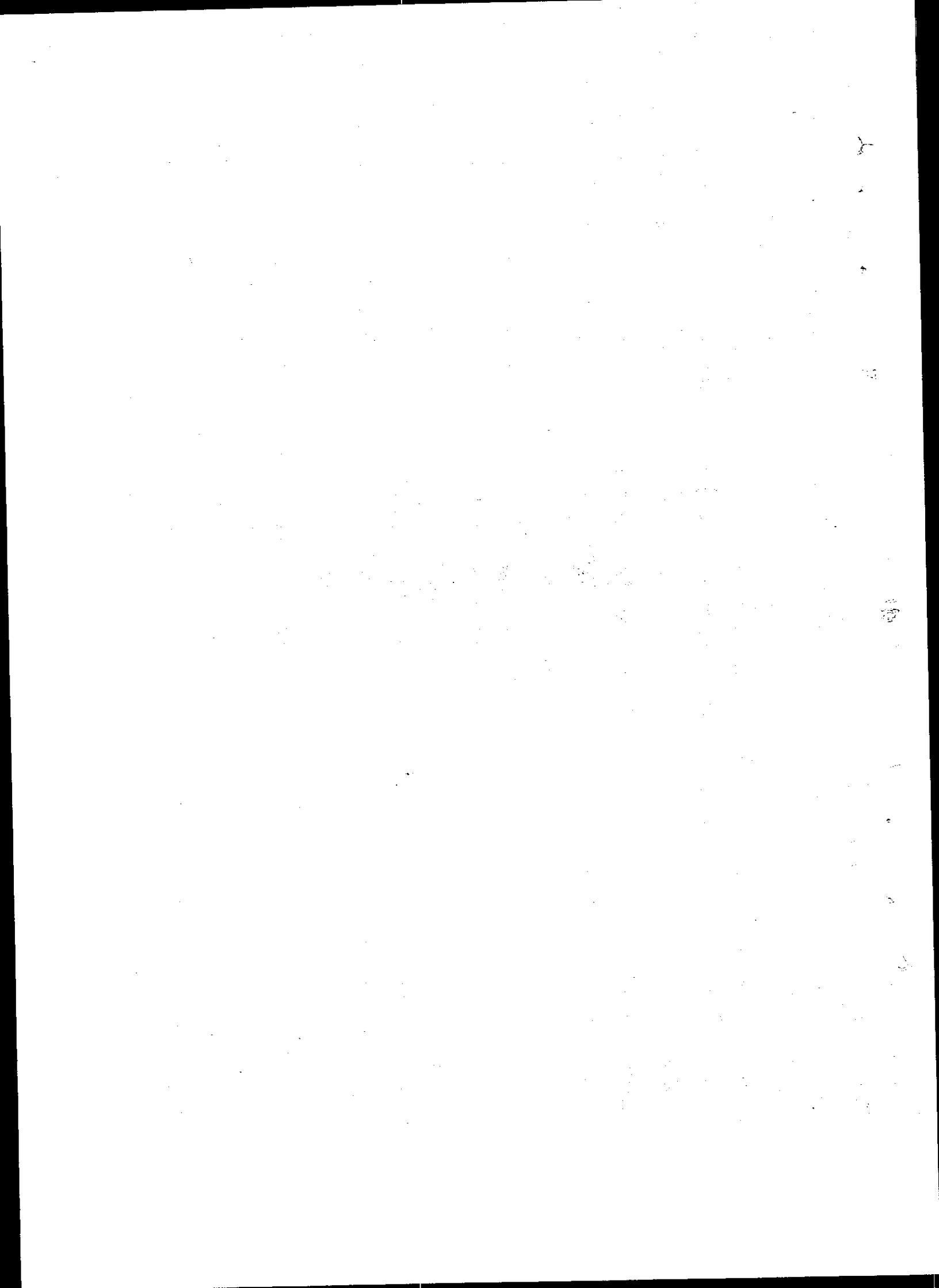
There are 19.7 million households in Pakistan (13.5 million in the rural and 6.2 million in the urban areas), accommodating total population of 131.5 million. The household size has marginally declined from 6.7 persons in 1981 to 6.6 persons in 1998 which is over crowded by international standard. The present estimated backlog of housing is 4 million units, including 52

percent to deal with over-crowding plus 48 percent substandard dilapidated houses, requiring immediate re-construction. About 35 percent of total urban population lives in the "Katchi Abadis" and slums. Most of the rural houses are Katcha and devoid of water supply and sanitation facilities. Safe water supply is available to 58 percent of the total population and sewerage/sanitation facilities to only 32 percent. The corresponding figures in the urban areas are 80 percent and 50 percent, while in the rural areas, these are 48 percent and 23 percent, respectively. Under the Prime Minister's Programme for Economic Revival, the Government has decided to intervene with a package of 500,000 housing units. Pakistan is

facing environmental pollution and natural resource degradation problems. These include: industrial, municipal vehicular and air pollution, deforestation, desertification, waterlogging and salinity. The environmental programmes focus on efficient and effective implementation of National Conservation Strategy (NCS) at the provincial and federal levels in 14 core areas, identified under the Strategy.

The Government has allocated Rs.318.4 million (FEC Rs.230.9) million) for environment sector in Federal PSDP 1998-99, whereas the overall sectoral allocations under Provincial ADPs are Rs.333.6 million.

**A. GROWTH, DISTRIBUTION  
AND POVERTY**

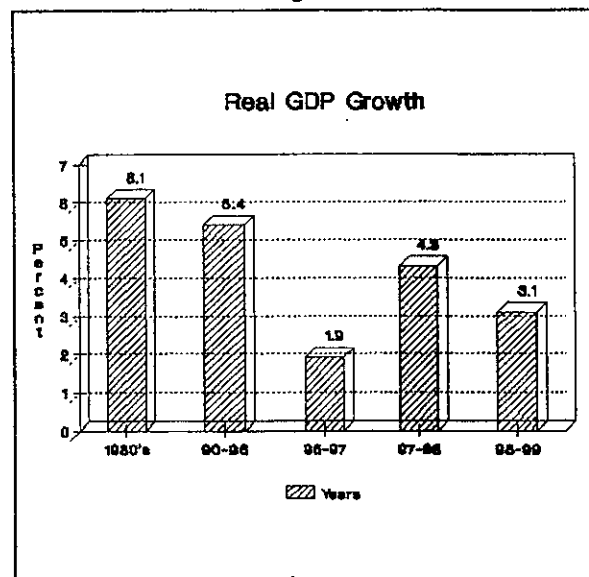


## Growth and Investment

Fiscal year 1998-99 has indeed been the most difficult and challenging year for Pakistan's economy. After achieving considerable initial success in 1997-98 in restoring macroeconomic stability on the one hand and taking the economy to a relatively higher growth path on the other, the economy was poised to consolidate these achievements in 1998-99. The imposition of economic sanctions following the nuclear tests in May 1998 and the related suspension of most capital inflows created serious difficulties for the country's balance of payments. The Government responded with a number of measures to contain the impact on the balance of payments and sustain domestic economic activity. These measures included among others the introduction of dual exchange rate system, introduction of 30 percent L/C cash margin, and reduction in government expenditure. These measures were intended to discourage non-essential imports, which, in turn, was expected to cause a decline in industrial investment and hence, a decline in industrial production, exports, and overall economic growth.

Despite difficulties of unprecedented nature caused by external shock the economy of Pakistan performed reasonably well in 1998-99 when compared with crisis-hit East Asian Countries experiencing sharp contraction in their economic growth. The real GDP registered a modest growth of 3.1 percent in 1998-99 as against 4.3 percent of last year but fell short of the target of 6.0 percent (see Fig.1).

The modest increase in real GDP was supported by less than satisfactory performance in agriculture which registered a marginal growth of 0.35 percent.



percent, a relatively strong growth in manufacturing which grew by 4.7 percent, and a 4.1 percent growth originating from services sector. With net factor income from abroad declining by 11.6 percent primarily because of lower inflow of workers' remittances, the real GNP grew by 3.0 percent in 1998-99. The overall performance of growth and its various components are documented in Table 1.1.

Table 1.1  
Gross National Product (At Constant Factor Cost)

	(Growth Rates)			
	1996-97	1997-98(R)	1998-99(T)	1998-99(P)
<b>Commodity Sector</b>	<b>0.4</b>	<b>5.3</b>	<b>6.4</b>	<b>2.1</b>
1. Agriculture	0.1	3.8	5.4	0.3
Major crops	-4.3	8.3	5.5	-0.6
Minor crops	0.9	3.3	5.0	0.4
Livestock	4.2	-0.7	5.4	1.5
Fishing	4.8	7.8	6.4	3.7
Forestry	10.5	-9.8	4.9	-24.3

Contd...

Contd....	1996-97	1997-98(R)	1998-99(T)	1998-99(P)
2. Mining & Quarrying	1.9	-5.6	5.6	4.5
3. Manufacturing	1.3	7.9	7.2	4.7
Large Scale	-2.1	7.6	6.5	2.7
Small Scale	8.4	8.4	8.4	8.4
4. Construction	1.1	-1.3	5.5	0.8
5. Elect. & Gas Dist.	-2.9	9.0	9.0	2.7
<b>Services Sector</b>	<b>3.6</b>	<b>3.2</b>	<b>5.7</b>	<b>4.1</b>
6. Tran.Storage & Communication	3.8	8.1	5.6	5.3
7. Wholesale & Retail Trade	0.7	2.9	6.2	1.3
8. Finance & Insurance	11.5	-22.4	6.6	9.4
9. Ownership of Dwellings	5.3	5.3	5.3	5.3
10. Public Admn and Defence	2.2	2.0	3.5	3.2
11. Services	6.5	6.5	6.5	6.5
<b>12. GDP (FC)</b>	<b>1.9</b>	<b>4.3</b>	<b>6.0</b>	<b>3.1</b>
13. Net Factor Income				-11.6
From Abroad	-135.0	-21.5	-	3.0
<b>14. GNP (FC)</b>	<b>1.5</b>	<b>4.2</b>		

Source: Federal Bureau of Statistics,  
Planning and Development Division.

### Commodity-Producing Sector

The commodity producing sector has registered a growth of 2.1 percent in 1998-99 as against a growth of 5.3 percent last year. The deceleration of growth in commodity-producing sector is mainly attributed to the less than satisfactory performance of agriculture and large-scale manufacturing, which together, account for 71 percent of this sector. The performance of the each components of the commodity-producing sector is discussed in the ensuing pages.

**Agriculture**, accounting for 24.5 percent of GDP and 47.8 percent of commodity-producing sector still remains the dominant sector of Pakistan' economy. This was targeted to grow by 5.4 percent with major and minor crops growing by 5.5 percent and 5.0 percent, respectively. Agriculture growth target was based on the assumption of cotton output of 10.5 million bales, wheat production of 19.5 million tonnes, rice production of 4.4 million tonnes, and sugarcane at 51.2 million tonnes. The provisional estimates suggest that agriculture has registered a meagre growth of 0.35 percent in 1998-99. More specifically major crops registered a negative growth of 0.6 percent against the target of 5.5 percent and minor crop grew by 0.36 percent against the target of 5.0 percent. Among the major crops, the performance of rice and sugarcane has been impressive as their

production levels surpassed their respective targets. For example, the production of rice stood at 4.674 million tonnes against the target of 4.4 million tonnes, thus registering an increase of 7.9 percent over the previous years production and exceeded the target by 6.2 percent. Similarly, sugarcane production is estimated at 55.2 million tonnes against the target of 51.2 million, thus registering a growth of 3.9 percent over the previous year's production and surpassed the target by 7.8 percent.

The record production of rice and sugarcane was mostly offset by declines in the cotton and wheat crops. The heavy and untimely rains in September, foggy conditions in December, shedding of flowers due to abnormal high temperature in Punjab, and virus attack in Sindh caused cotton production to drop to 8.8 million bales against the target of 10.5 million bales and against the last year's production of 9.2 million bales. Thus, cotton production was less than the target by 16.2 percent and was lower by 4.3 percent over the last year's production. Wheat crop on the other hand was affected by the long dry spell during the sowing season, especially in Punjab and in the barani areas. Wheat output is estimated at 18 million tonnes which is 7.7 percent lower than the target and 3.4 percent lower than the last year's production. Since these two crops account for 55 percent of value added in major crops and have registered a decline, the overall major crops have declined by 0.6 percent in 1998-99.



The minor crops grew marginally by 0.36 percent in 1998-99 as against a growth rate of 3.3 percent in 1997-98. Livestock and fishing showed growth of 1.5 percent and 3.7 percent, respectively while the value added of forestry registered a sharp decline of 24.3 percent mainly because of ban on wood harvesting in the NWFP.

The **mining and quarrying** sector staged an impressive recovery as it grew by 4.5 percent against a decline of 5.6 percent last year. While the extraction of coal and gas increased by 15.4 percent and 1.6 percent respectively, the output of crude oil declined by 1.4 percent.

The overall **manufacturing** was targeted to grow at 7.2 percent while the large-scale manufacturing was expected to grow by 6.5 percent in 1998-99. As against the target, the overall manufacturing has registered a growth of 4.7 percent which is lower than 7.9 percent growth achieved last year.

On the basis of nine months (July-March) information the **large-scale manufacturing** has registered a growth of 2.7 percent as against 7.6 percent observed last year. The slowing down of growth in large-scale manufacturing is mainly attributed to economic sanctions and the side effects of measures taken thereafter to protect the country's balance of payments from a total collapse. The growth in this sector has mainly been contributed by vegetable ghee (12.7%), Cigarettes (6.9%), beverages (28.7%), cotton cloth (10.2%), refrigerators (18.2%), TV sets (25.2%), tractors (68.1%), nitrogenous fertilizer (4.8%), power looms (61.6%), electric transformers (91.0%), buses (198.5%) and jeeps & cars (1.0%). There are industries which have registered negative growth such as cooking oil (-5.4%), cotton ginned (-4.2%), leather (-11.1%), cement (-1.9%), toilet soap (-7.5%), air conditioners (-42.9%), billets (-23.0%), sewing machines (-17.2%), and diesel engines (-13.2%).

The **construction** sector has witnessed a slower growth of 0.8 percent during 1998-99 as against a growth rate of 1.3 percent achieved last year. This decline is mainly attributed to a slower growth in investment such as expenditure on land improvement, construction of residential and non residential buildings, highways, bridges and other utility lines.

The **electricity and gas** sector is estimated to grow by 2.7 percent in 1998-99 as against a substantially high growth of 9.0 percent during 1997-98. The electricity sector grew by 0.5 percent while gas sector showed value addition of 5.2 percent.

### Services Sector

Overall services sector has recorded a growth of 4.1 percent during 1998-99 compared with last year's growth of 3.2 percent. The performance of the components of services sector is discussed below.

The **transport, storage and communications** sector grew by 5.3 percent in 1998-99 compared with 8.1 percent in 1997-98. High operating surplus of Rs 28.6 billion is shown by PTCL plus private telecoms followed by PIA (Rs 4.4 billion) and water transport (Rs 1.3 billion). Pakistan Railways has, however, shown a shortfall of Rs 1.4 billion. The overall growth in the mechanized road transport sub-sector stood at 7.7 percent.

**Wholesale and retail trade** sector grew by 1.3 percent during 1998-99 compared with 2.9 percent of last year. The decline in growth in trade sector can be attributed to lower production in agriculture and manufacturing sectors and decline in imports (-11.2 percent upto July-April 1998-99).

**Finance and insurance** sector is estimated to grow by 9.4 percent mainly because of 68 percent increase in the operating surplus of scheduled banks which accounts for roughly 57 percent of this sector.

**Ownership of dwellings and the services** sectors maintained last year's growth level of 5.3 percent and 6.5 percent respectively in 1998-99. **Public administration and defence** sector achieved slightly higher growth of 3.2 percent compared with 2.0 percent of last year. The sectoral growth rates together with composition are shown in Table 1.1.

### Relative Sectoral Contribution Towards GDP Growth

Analysis of sectoral contribution towards real GDP growth during 1998-99 indicates that commodity-producing sectors have contributed 1.6 percentage points and services sectors 1.5 percentage points in the real GDP growth. The highest contribution was made by agriculture sector i.e. 0.8 percentage points because of its largest weight in the GDP, followed by manufacturing sector (0.6

percentage points), trade sector (0.5 percentage points), and transport, storage & communication

sector (0.3 percentage points) as shown in Table 1.2.

**Table 1.2**  
**Relative Sectoral Contribution Towards GDP Growth**  
**(At Constant Factor Cost)**

	1996-97	1997-98 (R)	1998-99 (P)
<b>A) Commodity Producing Sector</b>	<b>0.99</b>	<b>2.23</b>	<b>1.60</b>
i) Agriculture	0.49	1.08	0.76
ii) Manufacturing	0.34	0.79	0.58
iii) Mining and Quarrying	0.01	0.02	0.02
iv) Construction	0.07	0.16	0.11
v) Electricity & Gas Distribution	0.08	0.18	0.13
<b>B) Services Sector</b>	<b>0.94</b>	<b>2.07</b>	<b>1.51</b>
vi) Trade	0.30	0.67	0.48
vii) Transport, Storage & Communications	0.19	0.43	0.32
viii) Finance & Insurance	0.56	0.09	0.07
ix) Ownership of Dwellings	0.11	0.25	0.18
x) Public Admn. & Defence	0.12	0.26	0.19
xi) Services	0.16	0.37	0.27
<b>GDP</b>	<b>1.93</b>	<b>4.30</b>	<b>3.11</b>

Source: Finance Division (Economic Adviser's Wing).

R: Revised.

P: Provisional.

### Sectoral Shares in GDP

The sectoral shares in GDP have changed over time. The share of agriculture in GDP has declined rather sharply from 38.9 percent in 1969-70 to 24.5 percent in 1998-99 - a decline of 14.4 percentage points in 29 years. The share of manufacturing on the other hand has increased only marginally from 16 percent to 18.6 percent - an increase of 2.6 percentage points during the same period. The share of services sector, however, has increased considerably during the same period - rising from 38.4 percent to 48.7 percent. The process of structural transformation suggest that the decline in the share of agriculture must be compensated mostly by the increase in the share of manufacturing. However, in the case of Pakistan, the decline in the share of agriculture resulted largely from an increase in the share of the services sector rather than in that of the manufacturing sector. Notwithstanding the decline in the share, agriculture still is by far the single largest sector of the economy and also the largest source of employment. The sectoral shares in the GDP are given in Table 1.3, and Fig.2(a&b).

### Resources and Uses

Total resources in 1998-99 (availability of goods & services) at current market prices are estimated at Rs 3,090.8 billion (including GDP at market prices i.e. Rs 3025.7 billion plus external resources inflow of Rs 112.8 billion and net factor income from abroad i.e. minus Rs 47.7 billion). The total sources are utilized for (i) fixed investment (ii) changes in stocks and (iii) total consumption. An analysis of components on the uses side reveals that total consumption and fixed investment increased by 14.2, and 1.0 percent respectively, however there is a substantial decrease in changes in stocks (-35%) and total investment (-4.5%). Sources and uses and their components at current prices are shown in Table 1.4.

### Savings and Investment

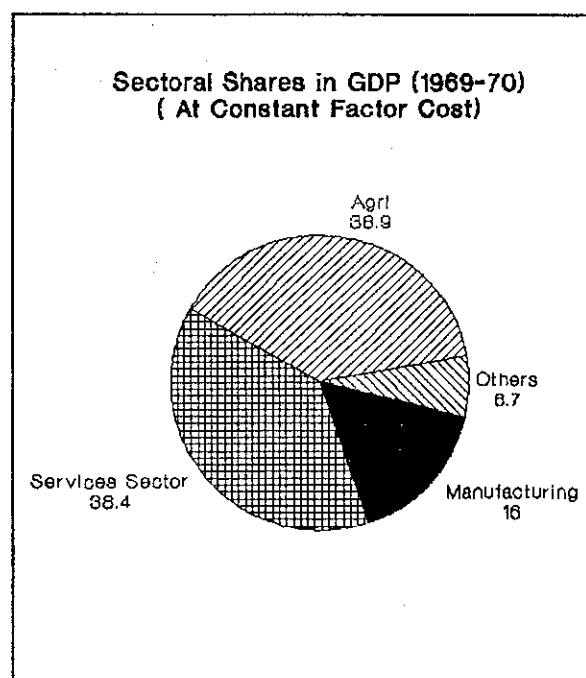
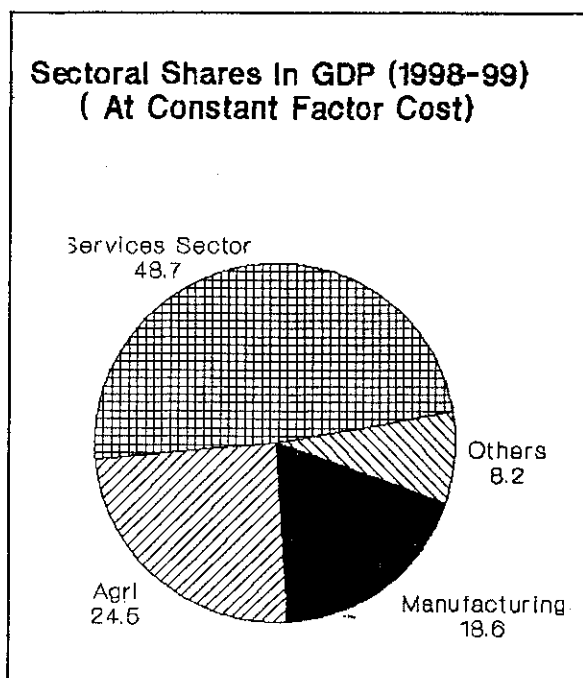
Total investment outlay in 1998-99 is estimated at Rs 446.9 billion against Rs 468.0 billion during the last year which shows a decline of 4.5 percent in nominal term. Fixed investment increased only by 1.0 percent in nominal term from Rs 396.6

bilion in 1997-98 to Rs 400.5 billion in 1998-99. Investment rate [the share of total investment in GNP (market prices)] declines from 17.3 percent to 14.9

Fig.2(a)

percent in 1998-99. National savings are estimated to finance 74.8 percent of total investment while the remaining 25.2 percent is financed by

Fig.2(b)



**Table 1.3**  
**Sectoral Shares in GDP (At Constant Factor Cost)**

	1969-70	1996-97	1997-98(R)	1998-99(P)
<b>Commodity Sector</b>	<b>61.6</b>	<b>51.2</b>	<b>51.8</b>	<b>51.3</b>
1. Agriculture	38.9	25.3	25.2	24.5
Major crops	23.4	10.1	10.5	10.1
Minor crops	4.2	4.6	4.5	4.4
Livestock	10.6	9.6	9.1	9.0
Fishing	0.5	0.9	0.9	0.9
Forestry	0.1	0.2	0.1	0.1
2. Mining & Quarry	0.5	0.5	0.4	0.5
3. Manufacturing	16.0	17.7	18.3	18.6
Large Scale	12.5	11.6	11.9	11.9
Small Scale	3.5	6.2	6.4	6.7
4. Construction	4.2	3.8	3.7	3.6
5. Elec. & Gas	2.0	3.9	4.1	4.1
<b>Services Sector</b>	<b>38.4</b>	<b>48.8</b>	<b>48.2</b>	<b>48.7</b>
6. Trans. & Comm.	6.3	9.7	10.0	10.2
7. Trade	13.8	15.8	15.6	15.4
8. Finance & Insurance	1.8	2.9	2.2	2.3
9. Dwellings	3.4	5.6	5.7	5.8
10. Pub. Adm. & Def.	6.4	6.2	6.1	6.1
11. Services	6.7	8.5	8.7	8.9

R: Revised

P: Provisional.

Source: Economic Adviser's Wing.

Table: 1.4  
Resources and Uses

(Rs Billion)

Resources and Uses	1997-98(R)	1998-99(P)	Growth(%)
GDP (Current Factor Cost)	2540.1	2785.0	9.6
Indirect Taxes (net)	196.8	240.7	22.3
GDP (Market Prices)	2736.9	3025.7	10.6
External Resources Inflow (net)	83.0	112.8	35.9
Net Factor Income From Abroad	-36.3	-47.7	-31.4
<b>Resources/Uses</b>	<b>2783.6</b>	<b>3090.8</b>	<b>11.0</b>
Total Investment	468.0	446.9	-4.5
Fixed Investment	396.6	400.5	1.0
Changes in Stocks	71.4	46.4	-35.0
Total Consumption	2315.6	2634.9	14.2

Source: Finance Division (Economic Adviser's Wing).  
Federal Bureau of Statistics.  
Planning & Development Division.

R: Revised.  
P: Provisional.

Table: 1.5  
Savings and Investment

(Rs Billion)

	1997-98 (R)	1998-99 (P)	% Change (P)
<b>Total Investment</b>	<b>468.0</b>	<b>446.9</b>	<b>-4.5</b>
Fixed Investment	396.6	400.5	1.0
-Public Investment	134.0	150.9	12.6
-Private Investment	262.6	249.6	-4.9
Changes in Stocks	71.4	46.4	-35.0
National Savings	385.0	334.1	-13.2
Foreign Savings	83.0	112.8	35.9
<b>As % of GNP</b>			
Total Investment	17.3	14.9	
Fixed Investment	14.6	13.4	
-Public Investment	4.9	5.0	
-Private Investment	9.7	8.3	
Changes in Stocks	2.6	1.5	
National Savings	14.2	11.1	
Foreign Savings	3.1	3.8	
<b>As % of Total Investment</b>			
National Savings	82.3	74.8	
Foreign Savings	17.7	25.2	

Source: Finance Division (Economic Adviser's Wing).  
Federal Bureau of Statistics.  
Planning & Development Division.

foreign savings. National saving rate has also declined from 14.2 percent to 11.1 percent and foreign savings as percentage of GNP increased from 3.1 percent to 3.8 percent in 1998-99. This suggests that the reliance on foreign savings in financing domestic investment has gone up in 1998-99. Details are given in Table 1.5.

The decline in total investment is mainly attributed to a marginal increase in fixed investment but a substantial decline in stocks. Fixed investment, though increased by 1.0 percent in nominal term, has actually declined by 2.3 percent in real term. It may be noted that the changes in stocks in 1997-98 was unusually high because of the existence of large stocks of wheat and sugarcane in the country. Thus, the

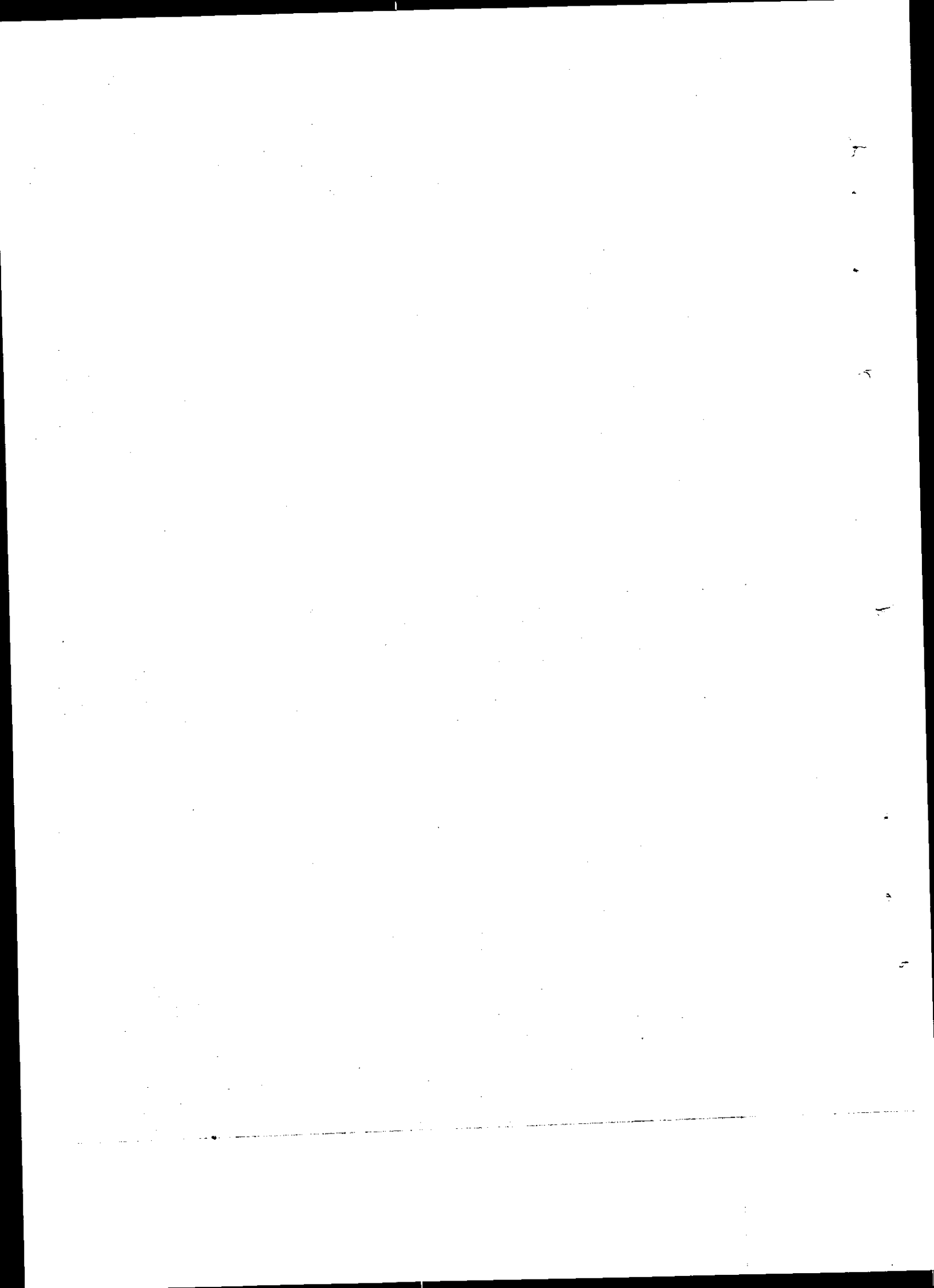
current year changes in stocks is measured from a very high base and shows a substantial decline. The slow growth in fixed investment is mainly due to a 5 percent decline in private investment.

Although private sector investment in agriculture, transport and communication, and ownership of dwellings have increased by 25.9 percent, 25.5 percent, and 8.2 percent respectively this sector's investment has declined substantially in large-scale manufacturing (-7.1%), mining & quarrying (-31.5%), construction (-23.0%) and electricity & gas (-62.5%).

Public sector investment on the other hand has increased by 12.6 percent against a decline of 19.3 percent in last year. The increase in public sector investment is mainly attributed to investment in one major project of PARCO which alone amounted to Rs 14.9 billion out of the total increase of Rs 16.9 billion in public sector investment. Public sector

investment has however, declined in other sectors such as mining & quarrying (-17.9%), transport & communication (-13.9%), construction (-1.3%), and services sectors (-7.3%). Consequently, the total investment as percentage of GNP has declined from 17.3 percent to 14.9 percent. This decline in investment rate is mainly caused by decline in private investment rate from 9.7 percent to 8.3 percent and decline in changes in stock from 2.6 percent to 1.5 percent. Economic sanctions and the side effects of the measures taken thereafter to protect the country's balance of payments are mainly responsible for the decline in investment rate in 1998-99.

Like investment, national savings as percentage of GNP has also declined from 14.2 percent in 1997-98 to 11.1 percent in 1998-99. Foreign savings has however increased from 3.1 percent to 3.8 percent during the same period. National savings was able to finance 74.8 percent of total investment in 1998-99 which is slightly less than last year (82.3%).



**CHAPTER****2****Agriculture**

Agriculture is the largest sector of the economy. It contributes more than 24 percent to Gross Domestic Products. Majority of the population directly or indirectly depend on this sector. It employs about half of the total employed labour force and is the main source of foreign exchange earnings. The government has taken several measures besides the agricultural package to boost agricultural production such as provision of adequate credit facilities, timely availability of inputs, like water, improved seed, fertilizer etc. During the current fiscal year the government has distributed 4,09,922 acres of agricultural land to 54,296 landless families of the small farming communities in the four provinces of Palistan. Investment in agriculture sector is likely to grow by 106.8 percent from Rs.22.2 billion in 1997-98 to Rs.45.9 billion in 1998-99. Moreover, policies to arrest adulteration and other malpractices in the sale of fertilizer and pesticides continued during the year and support prices of various crops were enhanced.

The performance of agriculture sector depend to a large extent on the vagaries of nature. Despite best efforts on the part of farmers as well as of the government, climatic conditions adversely affect

the output of various crops. This has been the case during the current fiscal year as well. The agriculture sector registered a marginal growth of 0.35 percent as compared with a growth of 3.82 percent last year. The decline in agricultural growth is mainly on account of a decline in the production of cotton, wheat and value added forestry. The decline in cotton production was mainly due to the virus attack, unfavourable climatic conditions at the time of sowing and harvesting as well as drop in the area under cultivation. The production of wheat declined as compared to last year because of the long spell of dry season at the time of sowing. The growth of major crops sharply declined to 0.6 percent during the current year from 8.3 percent of last year. Similarly minor crop registered a growth of 0.36 percent as compared with 3.3 percent of last year.

The livestock sector grew by 1.5 percent over the negative growth of 0.7 percent of last year, and fisheries grew by 3.7 percent over 7.8 percent of last year. Forestry sector declined by 24.3 percent as compared to a negative growth of 9.8 percent of last year. The achievements in the major crops during the current year is given in the following Table 2.1.

**Table 2.1**  
**Production of Major Crops**

	Achievements 1997-98	Estimated Achievement 1997-98	Targets 1998-99	(000 Tons) %Change in 1998-99 over 1997-98
Coton (000 Bales)	9183.8	8789.5	10500	-4.29
Sugarcane	53104.2	55190.7	51660	3.93
Rice	4333	4673.8	4394	7.87
Maize	1251.2	1302.5	1501.30	4.10
Wheat	18694	18054.5	19083.5	-3.42

Source: Ministry of Food, Agriculture and Livestock.

**Crop Situation**

Kharif and Rabi are the two major seasons for agricultural crop. The Kharif crops commencing from April-June and ending upto October-December include rice, sugarcane, cotton, maize, bajra and jowar while Rabi season starting from October-December

and ending in April-May include wheat, gram, tobacco, rape seed, barely and mustard. The minor crop consists of pulses, potatoes, onions, chillies, garlic etc. The progress of the major and minor crops is given in the following paragraphs.

i) *Kharif*

**Rice:** Rice is very important food as well as cash crop which is grown on 10.5 percent of the total cropped area of the country. It is also one of the main export item of Pakistan. During the current fiscal year (July-March 1998-99) Pakistan exported 1.293 million tons of rice earning \$ 383.2 million foreign exchange as compared to the export of 1.659 million tons during the same period last year. The area cultivated under the rice crop during the current year is estimated at 2423.6 thousand hectares as compared to 2317.3 thousand hectares last year indicating 4.6 percent growth. The production of rice is estimated at 4673.8 thousand tons as compared to 4333 thousand tons of last year, showing an increase of 7.9 percent. The increase in production is attributed to increase in area under the crop, better support prices and control of insects attack. Area, Production and Yield of Rice for the last three years is reported in Table 2.2.

Table 2.2  
Area, Production and Yield of Rice

Year	Area (000 hectares)	Production (000 Tons)	Yield (Kgs/hac.)
1996-97	2251	4305	1912
1997-98	2317.3	4333	1869.84
1998-99	2423.6	4673.8	1928.45
% Change in 1998-99 over 1997-98	4.6	7.9	3.1

Source: Ministry of Food, Agriculture & Livestock.

**Sugarcane:** The sugarcane crop occupies about 5 percent of the total cropped area. It is also a cash crop. It serves as a major raw material for the production of white sugar and gur. The crop was cultivated on an area of 1155 thousand hectares during the current year as compared to 1056.2 thousand hectares last year, showing an increase of 9.4 percent. The production during the current year is estimated at 55190.7 thousand tons which indicates an increase of 3.9 percent over the last year. The production of sugarcane also surpassed the target by 6.8 percent. The increase in production is mainly attributed to increase in area under the crop. The area, production and yield per hectare for the last three year is given in Table 2.3.

Year	Area (000 hectares)	Production (000 Tons)	Yield (Tons/hac.)
1996-97	965	41998	43521.2
1997-98	1056.2	53104.2	50278.5
1998-99	1155	55190.7	47780.0
% Change in 1998-99 over 1997-98	9.36	3.9	-4.95

Source: Ministry of Food, Agriculture and Livestock.

**Cotton:** Cotton is the main cash crop which contributes substantially to the national income. Pakistan has a comparative advantage in cotton production. Raw cotton and cotton based products are the main export items of the country. The production of cotton crop has suffered consecutively for the last several years from leaf curl virus and during the current year the cropped area has also declined. Consequently, its production has declined from 9.2 million bales in 1997-98 to 8.8 million bales in 1998-99 against the target of 10.5 million bales. The area sown during the current year is estimated at 2922.6 thousand hectares as against 2959.7 thousand hectares of last year, showing a decline of 1.25 percent. The low production of cotton is attributed to rain and hailstrom in the Punjab, decrease in area under crop, early harvesting/termination of crops due to introduction of early maturing varieties, shedding of flowers due to abnormal high temperature and virus attack in sindh. Area, production and yield of cotton during the last three years is given in the following Table 2.4.

Table 2.4  
Area, Production and Yield of Cotton

Year	Area (000 hectares)	Production (000 bales)	Yield (Kgs/hac.)
1996-97	3149	9374	507
1997-98	2959.7	9183.8	528.12
1998-99	2922.6	8789.5	511.86
% Change in 1998-99 over 1997-98	-1.25	-4.3	-3.0

Source: Ministry of Food, Agriculture & Livestock.



## ii) Rabi Crop

**Wheat:** Wheat is the main staple food of the population and largest grain crop of the country. The area cultivated during 1998-99 is estimated at 8332.3 thousand hectares as compared to 8354.6 thousand hectares of last year, showing a decline of 0.3 percent. The production of wheat in 1998-99 is estimated at 18054.5 thousand tons as compared to 18694 thousand tons of last year, showing a decline of 3.4 percent. During the period (July-March 1998-99) 2.163 million tons of wheat was imported to supplement domestic production as compared to 4.10 million tons during the same period of last year. The production of wheat has declined as compared to last year because of long spell of dry season during the sowing season, especially in Punjab and in the barani areas.

**Table 2.5**  
Area, Production and Yield of Wheat

Year	Area (000 hectares)	Production (00 Tons)	Yield (Kgs/hac.)
1996-97	8109	16651	2053
1997-98	8354.6	18694	2237.56
1998-99	8332.3	18054.5	2166.8
% Change in 1998-99 over 1997-98			
	0.3	-3.4	-3.16

Source: Ministry of Food, Agriculture and Livestock.

### Other Major Crops

The area of maize crop increased from 868.6 thousand hectares of last year to 885.4 thousand hectares during the current year registering an increase of 1.9 percent. The production of maize has been estimated at 1302.5 thousand tons against the production of 1251.2 thousand tons of last year showing an increase of 4.1 percent. This increase is attributed to increase in the area of the crops, favourable weather conditions and use of improved seeds by the growers. The production of bajra stood at 211.3 thousand tons as compared to 211.3 thousand tons of last year, showing an increase of 0.85 percent. The production of jowar is estimated at 237.5 thousand tons as compared to 231.5 thousand tons of last year, showing an increase of 2.7 percent. The production of gram is estimated at 699.5 thousand tons as compared to 767.1 thousand tons of last year showing a decline of 8.8 percent. The production of barley, rapeseed and mustard and tobacco have been

estimated at 172.3, 281.7 and 99.8 thousand tons respectively during the current year as compared to the actual production of 174.1, 291.5 and 98.6 thousand tons respectively of last year. The details are given in Table 2.6.

**Table 2.6**  
Production of Other Major Kharif and  
Rabi Crops

	(Production 000 Tons)		
	1997-98	1998-99	% Change in 1998-99 over 1997-98
<b>Kharif</b>			
Maize	1251.2	1302.5	4.10
Bajra	211.3	213.1	0.85
Jowar	231.3	237.5	2.68
<b>Rabi</b>			
Gram	767.1	699.5	-8.81
Barley	174.1	172.3	-1.03
Rapeseed & Mustard	291.5	281.7	-3.36
Tobacco	98.6	99.8	1.22

Source: Ministry of Food, Agriculture and Livestock.

### Minor Crops

**Oil Seed** The major oilseed crop include cotton, rapeseed, sunflower, soyabean and safflower. The domestic requirement for oilseed has almost doubled during the last 7/8 years as a result of high growth of consumption. The annual growth in consumption of edible oil is 9 percent. For the current year edible oil requirement for the country is estimated at 1.7 million tons as compared to 1.69 million tons of the last year. About 32 percent of the total demand of edible oil is likely to be met through local production, the remaining 68 percent will be imported as compared to last year's local production of 30 percent and import of 70 percent. The total cost involved for the import of edible oil will amount to US\$ 653 million as compared to last year's US\$ 712 million showing a decrease of 8.3 percent. The area and production of major oilseed crops during the year 1997-98 and 1998-99 is given in Table 2.7.

The government is encouraging the growers through various incentives to enhance production of oilseed. The support price of sunflower, canola, soyabean and safflower have been increased by 11.1 percent, 11.1 percent, 18.8 percent and 16.7 percent,

Table 2.7  
Area and Production of Major Oilseed Crops

(Fig. in 000)

	1997-98			1998-99		
	Area (Acres)	Oilseed (Tons)	Edible Oil (Tons)	Area (Acres)	Oilseed (Tons)	Edible Oil (Tons)
i) Cotton	7200	3600	360	7240	3153.6	315.36
ii) Rapeseed	638	196	62.72	729	276	88.32
iii) Sunflower	248	174	66.12	427	299	113.62
iv) Canola	55	34	12.92	175	87.5	33.25
v) Soyabean	16	8.5	1.53	2.49	1.25	0.28
vi) Safflower	3	1.2	0.22	2.15	0.09	0.01
Total			503.51			550.84

Source: Agriculture Statistics of Pakistan, MINFAL: Pakistan Oilseed Development Board.

respectively during the current year. The credit for the oilseed growers has also been provided to the tune of Rs 30. billion. The Oilseed Development Board has made special arrangement for the procurement of canola and sunflower production in collaboration with Solvent Extraction Industry. It is also engaged in research and development of the oilseeds.

**Pulses** Gram, lentil(masoor), moong and mash are major pulses grown in Pakistan. These crops are grown in the rainfed areas on marginal lands. The area under gram crop in 1997-98 was 1102.3 thousand hectares. It decreased to 1089.4 thousand hectares in 1998-99, showing a decline of 1.2 percent over last year. The production of gram during 1997-98 was 767.1 tons which declined to 699.5 thousand tons during the current year. The area under **MASOOR** crop in 1997-98 was 64.8 thousand hectares which increased to 67.9 thousand hectares during 1998-99, showing an increase of 4.8 percent. The production of masoor in 1997-98 was 37.1 thousand tons which is estimated to have increased to 39.3 thousand tons, showing an increase of 5.9 percent. The area under **MOONG** crop in 1997-98 was 195.4 thousand hectares which rose to 196.9 thousand hectares in 1998-99 indicating an increase of 0.8 percent. While the production of the crop rose to 91.5 thousand tons in 1998-99 from 88.9 thousand tons of last year registering growth of 2.9 percent. The area under **MASH** is estimated at 46 thousand hectares with production of 25.2 thousand tons during the current year as compared to last year's production of 25.8 thousand tons and cropped area of 49 thousand

hectares. Both area and production of the crop declined.

**Potato** Three crops of potato are cultivated in a year i.e. autumn crop, spring and summer crop. About 70 percent of potato crop is produced in autumn, while 15 percent each is produced during spring and summer. The area under potato crop in 1997-98 was 104.6 thousand hectares yielding production of 1425.5 thousand tons. The production is expected to rise to 1611.4 thousand tons in 1998-99 showing an increase of 13.0 percent. The domestic requirement of potato is 1300 thousand tons.

**Onion** The area under onion crop in 1997-98 was 81.4 thousand hectares having production of 1076.5 thousand tons. The crop size for 1998-99 is expected at 1121.2 thousand tons, showing an increase of 4.15 percent. The domestic requirement for 1998-99 is 1075 thousand tons.

**Chillies** The area under chillies crop in 1997-98 was 90.4 thousand hectares with production of 140.2 thousand tons. The crop was heavily damaged by rains and production is estimated to decline to 135 thousand tons in 1998-99.

#### Food Situation

The overall food situation during 1998-99 remained generally satisfactory. To provide relief to the consumers, the government took various measures to control inflation in general and food item inflation in particular. An Atta Subsidy Scheme was launched on 2nd July, 1997 to help poorer families living below

the poverty line (income upto Rs.1,500 per month) for the purchase of food items like flour, pulses and ghee. The allowance fixed previously at Rs.225 was increased to Rs.300 per month.

It is expected that during the current year the government will import 2.336million tons of wheat as compared to 4.1 million tons last year to maintain sufficient stock in the country. The production of rice, maize and sugarcane have gone up compared to last year. Government also reduced import duty on tea from 45 percent to 25 percent with effect from March 10, 1998 to ease pressure on the prices of this essential item. The existing sales tax on palm oil and soyabean oil was withdrawn in the budget for 1998-99. Rates of customs duty on palm oil was reduced from Rs.8,500 to Rs.4,800 per ton and on soyabean oil from Rs.7,600 to Rs.3,800 per ton.

#### FARM INPUTS

##### Fertilizer

Provision of improved farm inputs is necessary for enhancing agricultural production. In

accordance with the agricultural incentive package, efforts are being made to enact special laws for checking production of below standard fertilizer and its adulteration. The steps have already been initiated to check adulteration through the existing laws. The country is not self sufficient in the production of fertilizer and various types of fertilizer are being imported to supplement the domestic production. During the current year (July-March 1998-99) Pakistan imported 1,247 thousand nutrient tons valueing US\$ 135.879million of fertilizer amounting to US\$ 195.507million as compared to 679 thousand nutrient tons during the same period last year.

The target for fertilizer offtake during the current year has been set at 2786 thousand nutrient tons as compared to the actual offtake of 2659.3 thousand nutrient tons during the last year. The off take of fertilizer during the period July-March 1998-99 stood at 2034.65 thousand nutrient tons as compared with 2080.06thousand nutrient tons during the same period last year. Open market sale price of fertilizer prevailing in important cities of Pakistan are as under.

Table 2.8  
Open Market Sale Price of Fertilizer

Items	Lahore Price		Faisalabad Price		Hyderabad Price		Peshawar Price		Quetta Price	
	29-4-98	8-5-99	29-4-98	8-5-99	29-4-98	8-5-99	29-4-98	29-5-99	29-04-98	08-05-99
Urea										
1) Sna	350.00	360.00	350.00	345.00	350.00	350.00	350.00	345.00	360.00	340.00
2) Ksan	340.00	350.00	340.00	310.00	340.00	340.00	340.00	320.00	N.A	330.00
Ammonium Sulphate	300.00	300.00	N.A	310.00	N.A	250.00	280.00	300.00	N.A	N.A
Dia Ammonium Phosphate	572.00	700.00	610.00	695.00	610.00	700.00	610.00	700.00	575.00	690.00
Nitro Phosphate	395.00	460.00	N.A	480.00	460.00	550.00	440.00	505.00	N.A	N.A
Single Sujer										
1) Phosphate(GR)	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
2) Phosphate(PD)	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Tr. Super Phosphate (GR)	530.00	565.00	460.00	565.00	N.A	562.00	460.00	590.00	N.A	N.A
Ammonium Nitrate	225.00	245.00	N.A	240.00	250.00	250.00	270.00	260.00	N.A	N.A
Sulphate of Pot	240.00	540.00	545.00	540.00	550.00	550.00	N.A	N.A	N.A	N.A

N.A = Not Available

Source: Federal Bureau of Statistics

##### Improved Seed

For attaining sustained growth in agriculture sector, seed is a critical and basic input. Improved/certified seeds play an important role in enhancing the production of crops and per hectare yield. The distribution of improved seed target of

257.7 thousand tons has been fixed for 1998-99 against the actual achievement of 122.2thousand tons in 1997-98. According to the agricultural package the seed laws will be revised to check both adulteration and wrong labelling by the seeds companies.

Federal Seed Certification and Registration Department (FSC&RD) performs seed regulatory functions under Seed Act, 1976 throughout its 16 seed testing laboratories/offices located in various ecological zones of the country. During last nine months (July - March, 1999) the department extended seed certification and seed quality control to various seed procurement agencies in the country. The activities are summarized as under:

Total acreage inspected of various crops	=	147851.25 acres
Total acreage accepted	=	97905.25 acres
Estimated yield from accepted acreage	=	6433.25 acres

A total quantity of 79597 m.t. of seeds for crops like wheat, cotton, rice, vegetables and oilseeds offered by different seed procurement agencies were tested by Seed testing laboratories. Seed testing laboratories accepted/certified 70219 m.t. A total of 3120 samples were tested against bacterial, fungal and viral diseases. Under the Truth-in-Labeling (Seeds) Rules 1991, seed of various crops imported at Karachi and Lahore were monitored. A total quantity of 22838 m.t. of various crops seeds imported from overseas were tested. Out of the tested quantity, 10490 m.t. were accepted and the rest were rejected. To encourage the participation of private seed companies, 54 more companies were allowed seed production and distribution, raising the total number of seed companies to 213. Moreover, 33 wheat, 17 cotton, 5 maize and millets, 7 rice, 6 sugarcane, 2 chickpea, 6 oilseeds and 10 fodder and forages crop varieties were evaluated for testing their Distinctness Uniformity and Stability performance.

### Mechanization

Mechanization and modernization of agriculture is crucial for achieving food self sufficiency. It plays important role in increasing productivity and reducing pre and post harvest losses. Various modes of mechanization in Pakistan include agricultural tubewells, bulldozers, combine harvesters and thresures etc. To increase mechinazition in the country the Prime Minister in the national agenda has announced a number of incentives such as reduction in prices of tractors and other machinery used for agriculture purposes, and withdrawal of sales tax on bulldozers, combined harvestors and other agricultural machinery. Moreover import tariff on agricultural machineray (not manufactured locally) is zero rated. The prices of tractors have been reduced ranging

from Rs.35,000/- to Rs.80,000 per unit during the period 1998-99. The prices of locally manufactured tractors have registered declining trend due to withdrawal of custom duties on import of CKD Kits and exemption from payment of duties and taxes.

The sale of locally manufactured tractors for the period July, 1998 to March 1999 stood at 17882 against 9959 tractors sold during the same period last year (July, 1997-March, 1998). The detail is given below.

Tractor Model	1996-97	1997-98	Jul-Mar 1998-99
MF-240 (50 HP)	394,000	389,700	313,000
MF-265/375 (70-75 HP)	694,000	688,500	560,000
FIAT-480 (50 HP)	408,000	389,250	320,000
FIAT-640 (60 HP)	541,000	516,375	459,000
MTZ (BELARUS) (50-55 HP)	355,000	399,508	435,000
UNIVERSAL U-530(53 H.P)	434,200	353,786	320,000

Booking of tractors with local manufacturers for the period July 1998 to March 1999 is 35944 against which industry has been able to meet 50 percent of the demand with their existing production capacity i.e. delivering 17882 tractors on cash/credit basis. Due to recent concession granted to tractor manufacturers the demand for tractors have increased tremendously. About 10801 tractors have been sold on cash whereas 7081 tractors were sold through arrangements of institutional credit.

To minimize harvesting losses of cereal crops and to promote mechanized harvesting and provision of quality seed MINFAL have arranged through ADBP supply of 125 combine harvesters and 11 units of mobile seed processing for offering to farmers at attractive prices on cash/credit basis.

### Plant Protection

The plant protection measures help in increasing the per acre yield by protecting the crop from damage. The public sector provides facilities, such as pest scouting, advisory services and aerial spray to the private sector who is responsible for carrying out plant protection measures including ground sprays. On the demand of Provincial Governments, the aerial sprays are arranged by the Plant Protection Department. For this purpose the

Department has 22 aircrafts. It also carries out regular vigilance surveys for control of locust in the desert of Punjab, Sindh and Balochistan. In case of any locust threat, it arranges ground as well as aerial sprays to arrest their spread and minimise crop losses.

During the current year 1998-99 an area of 462.5 thousand hectares has been set for aerial sprays. The crops covered in this programme are cotton, paddy, sugarcane, orchards and others. To control insects, pests and diseases the on-going research and development activities will be continued. Efforts will be made to popularize Integrated Pest Management (IPM) techniques among the farmers in order to prevent indiscriminate use of insecticides. The excessive use of pesticides is a health hazard and it also kills useful insects and predators. The Government is also trying to popularize the use of "Pheromones" to control harmful insects. The "Pheromones" are environmentally friendly and safe for other useful insects and predators. Efforts will be accelerated to prevent the sale of adulterated pesticides through administrative and judicial measures. The Government of Punjab has already launched a strong campaign in this regard. The Federal Government has made a provision in the PSDP 1998-99 for launching a project for the replacement of vehicles mounted with ULV pesticide sprayers for the locust control. The Punjab Government has initiated a project, "Effect of Agro-chemical on soil, water and crops" in order to study the impact of pesticides/fertilizer. The NWFP Government has launched an IPM project for fruits, vegetables and sugarcane.

### Irrigation

Efficient irrigation system is pre-requisite for agriculture production. It provides food security against the vagaries of monsoon and enables the cropping intensity to increase. Despite having a very good irrigation canal net work in the world, Pakistan still suffers from wastage of a huge amount of water in the irrigation process. To improve the irrigation system various measures such as canal remodelling & rehabilitation, on-farm water management, small dam schemes, installation of private tubewells, SCARP tubewells, hill torrents development and management have been taken.

Main programmes/projects to be completed for improvement of irrigation system include surface irrigation, drainage and reclamation programme, survey, investigation, research, flood protection programme and, On Farm Water Management

(OFWM). These project will be completed with the assistance of Asian Development Bank (ADB) and other donor agencies. Similarly to upgrade irrigation system provincial programmes for construction, extension, remodeling and rehabilitation of canal system and their length are also underway in the four provinces of Pakistan. With the completion of the programmes the cropped area will increase.

The water availability during the period July-March 1998-99 increased by 8.2 percent and stood at 108.23 MAF as compared to 100.01 MAF during the same period last year. It will include 35.84 MAF for Rabi crop as compared to 34.43 MAF during the Rabi 1997-98. During the Kharif 1998 season the availability of water increased upto 72.29 MAF as compared to 65.58 MAF during Kharif 1997. During the period July-March 1998-99 the position of water availability at kanal head as compared to the same period last year is given in the following Table 2.9.

**Table 2.9**  
**Water Availability at Canal Head**

	(Million Acre Feet)		
	Kharif 1998	Rabi 1998-99	Total
Punjab	37.07	18.94	56.01
Sind	31.93	15.18	47.11
Baluchistan	2.85	1.02	3.87
NWFP	0.54	0.70	1.24
Total:	72.39	35.84	108.23

Source: Indus River System Authority, Lahore.

### Support Price Policy

To benefit the farming community specially the small farmers government revises and fixes the support prices of important crops every year. Crops covered under the support price programme include wheat, cotton, rice(paddy), sugarcane, gram, onions, potato, sunflower, soybean, canola and safflower. Adequate upward revision in minimum support procurement prices is regularly made. In recommending the support prices to the Government, the Agriculture Price Commission (APCOM) considers a number of criteria, including cost of production, domestic and world demand and supply situation, market prices, international prices (import and export parity prices). These are generally announced before the sowing time, to enable growers to plan allocation of area, input and other resources for different crops. The support prices of major crops fixed for 1997-98 and 1998-99 alongwith percentage increase are given in Table 2.10.

Table 2.10  
Support Prices of Important Crops

Crops	1997-98	1998-99	(Rs. per 40 Kgs) % increase in 1998-99 over 1997-98
<b>1. Grain Crops</b>	240.00	240.00	-
a) Wheat			
b) Rice (Paddy)	360.00	400.00	11.11
Basmati Supper	310.00	330.00	6.45
B/385	153.00	175.00	6.45
Irri-6 (FAQ)	167.60	-	-
Irri-6 (Superior)	167.60	190.00	13.37
KS-282, Dr-82, Dr-83 (FAQ)	180.25	-	-
KS-282, Dr-82, Dr-83 (Super)			
c) Rice (Cleaned)			
B/385 (5% Broken)	-	-	-
B/385 (10% Broken)	-	-	-
Irri-6 (FAQ)	-	-	-
Irri-6 (Superior)	-	-	-
KS-282, Dr-82, Dr-83 (FAQ)	-	-	-
KS-282, Dr-82, Dr-83 (Super)	-	-	-
<b>2. Sugarcane (millgate)</b>	36.00	36.00	-
Baluchistan	35.00	35.00	-
NWFP	35.00	35.00	-
Punjab	36.00	36.00	-
Sindh			
<b>3. Fibre Crops</b>			
Seed Cotton (Phutti)	440.00	-	-
Desi	500.00	-	-
B-557, 149-F, Niab-78			
Sarmast Qualandri, CIM-70	540.00	-	-
Deltapine, MS-39/40, MS-84			
K-68/69, MNH-93, MNH-129			
<b>4. Oil Seeds</b>	450.00	500.00	11.11
Sunflower	345.00	410.00	18.84
Soyabean	300.00	350.00	16.67
Safflower	450.00	500.00	11.11
Canola			
<b>5. Other Crops (at mandi level)</b>			
a) Potatoes	145.00	145.00	-
Sizes 40-55 mm			
b) Onions (at mandi level)	125.00	140.00	12.00
above 50 mm	425.00	425.00	-
c) Gram (at mandi level)			

Source: APCOM.

### Agricultural Credit

Credit requirement of the farming community has been increasing every year. Availability of Agricultural credit on time to the farming community enables them to purchase

essential inputs like machinery and equipment required for agricultural operations. The government has increased agricultural credit from Rs.30 billion in 1997-98 to Rs.40 billion in 1998-99. During the period

July-March 1998-99 agricultural loans to the extent of Rs.30652.1million were disbursed as compared to Rs.23276 million during the same period last year. The agencywise disbursement of this loan is reflected in Table 2.11.

**Table 2.11**  
**Breakdown of Agricultural Credit as Production Loans and Development Loans**

	(Rs. in Million)		
	Production Loans	Development Loans	Total Loans
CBs.	4534.6	252.9	4787.5
ADBF	16641.4	5108.3	21749.7
FBC	4107.0	7.9	4114.9
Total:	25283.0	5369.1	30652.1

The ADBP provides agricultural credit to the farming community in its various schemes such as loan to small farmers, rabi campaign-one window operations, short term/production loans, agri-business credit and purpose-wise agri. credit disbursement.

#### Loan to Small Farmers

Under loan to small farmers scheme, an amount of Rs.12,008 million was disbursed during July-March, 1999 to landless and subsistence farmers sharing about 55 percent of agricultural credit. Rs.16934 million (about 78 percent) of the agri. credit was given to small farmers operating land upto 25.0 acres (including landless) as compared to Rs.12197million disbursed during the corresponding period of last year showing an increase of 38.8 percent.

Under Rabi campaign-one window operation during 1998-99 the "grow more wheat" campaign was launched. ADBP has to ensure disbursement of Rs.10 billion for production loans during rabi season. The one window operation enables issuance of Pass-Book to farmers by the Post Offices, compilation and verification of record by Revenue Authorities and pre-appraisal, entertainment of loan cases and sanction of loans on the spot on the same day by the MCO. Under short term production loans the bank advanced Rs.16641 million for production purposes.

Under the purpose-wise agricultural credit disbursement scheme which meant for agricultural machinery, livestock, poultry farming, fisheries, fertilizer, pesticides etc., the bank disbursed an amount of Rs.21749.65 million as compared to

Rs.15528.45million during the same period last year indicating an increase of 40 percent.

#### Agriculture Research

Pakistan Agricultural Research Council (PARC) carries out its research work for the development of agriculture sector. It also focuses attention on non-exploitative use of natural resources and Environmental protection. The following activities were carried out by the PARC during the year 1998-99.

#### CROP SCIENCES

About 26000 entries/genotypes of different crops were acquired, evaluated screened and distributed to farmers. The following varieties were developed/released.

#### Varieties Developed

Wheat	:	SULEMAN-96, MH-97, CHAKWAL-97, Tatar Abadgar, Nowshera-96
Rice	:	Super Basmati, Khushboo-97
Sunflower	:	PARSUN-1
Canola	:	#29, #8966, 95104/12, 95104/54, 95104/39(lines)
Groundnut	:	ICG-7326, Chinese 68-4, ICGS E-130 (lines)
Rapeseed & Mustard:		#29, #8955 (lines)
Sesamum	:	Rattodero-I, Sanghar-I
Chickpea	:	Dashat, Hamsafar and Parbat
Mungbean	:	NARC-Mung-I
Mashbean	:	NARC-Mash-1, NARC-Mash-2, NARC-Mash-3
Sugarcane	:	JN-88-1, JN-88-2, JN-89-3, Thatta-10, CP-77/400, CP-72/2086, CP-43-33, BF-129, Abid-96

Source: PARC Islamabad.

#### Production Technology

**Wheat:** Packages of technology were demonstrated to farmers to increase the production of wheat crop. Problems in rice-wheat system were investigated and planting of wheat with zero tillage was demonstrated.

**Rice:** The technique of raising nursery (mat type) was refined, simplified and demonstrated. The machine transplanting resulted 25-30 percent higher yield. Technology for adoption of stem nodulation at high N fixing *Sesbania* spp. was developed and demonstrated for rice-wheat system. It gave 14-20

percent higher yield. Pest control strategy based on judicious and effective use of insecticides in rice production was developed.

**Pulses:** Production technology for pulses has been developed and published in Urdu and distributed to the farmers through demonstration plots, newspapers and TV programmes. The technologies developed include disease resistant varieties possessing high yield potential. Row spacing was introduced in chickpea, mungbean and mashbean for cheaper mechanical weed control. Three high yielding and early maturing mash varieties, one bold seeded lentil variety and two chickpea varieties were released for general cultivation.

**Oilseed Crops:** In collaboration with PODB canola was planted on 2,65,000 acres throughout the country. A multi-crop rapeseed/mustard thresher has been developed with an output capacity of 12 bags (80 kg each) per hour.

**Sugarcane Crop:** Sugarcane fuzz (325 lines) was collected both from the local and foreign origin and tested for germination. Sugarcane breeding technology under control condition was indigenized.

**Vegetable Crops:** Germplasm of red chillies variety Pusa, Pand Bahar of Tomato, Selection-2 and Arke Animeka of Okra, Rondo of Peas was screened and found high yielding. Red chillies were found tolerant to bacterial wilt disease and Rondo of Peas against powdery mildew. Seven hundred kg seed of different vegetables was produced and distributed among the interested kitchen gardeners.

**Fruit Crops:** Germplasm of different fruit varieties of peach, plum, apple, grapes, guava and orange was identified and evaluated for getting better quality and higher production. More germplasm of grapes, presiman were identified. Varieties of olive, guava and oranges were also identified and technology was developed for getting better quality and high yield.

### **Integrated Pest Management**

The IPM technology for rice, sugarcane, fruits, cotton and vegetable was developed and demonstrated. An improved production technology for rice at farmers field at Gujranwala and Larkana was demonstrated for increased production of rice from 876 kg to 1830 kg per hectare.

Two bio-pesticides "Nimbokil-60EC and "Nimboli" were formulated for the control of agricultural insect pest and household pest,

respectively. Rearing techniques and mass production of Trichogramma and Chrysopa have been developed.

### **Farm Machinery Institute**

Farm machinery like no-tillage and multicrop drills, pneumatic row crop planter, whole crop harvester, Chinese paddy transplanter, self propelled fodder mower and sunflower were developed and demonstrated. Moreover, paddy transplanter, flat plate solar collector for cereals, oilseed crops, fruits and vegetable dryer, whole crop harvester, seed cleaner and rapeseed thresher were also developed.

### **ANIMAL SCIENCES**

#### **Animal Production**

**Dairy Cattle Cross Breeding:** Cow registry for keeping production record at farmers level was introduced. Breeding bulls at six military farms with positive breeding values were recommended for future use. Three laboratories were established/strengthened at NARC for generation of new knowledge in buffalo nutrition and buffalo semen processing. A suitable extender for buffalo semen to increase fertility rate was developed. These research measures will help production of high quality buffalo and dairy cattle.

Through crossbreeding with superior exotic breeds like Holstein-Friesian (H-F) and Jersey cattle, semen for crossbred animals was produced. This could be used to keep the foreign genetic inheritance level at desired level i.e. 50 percent in crossbred.

**Sheep and Wool:** Two elite flocks of Lohi sheep and Rambouillet were established at Livestock Production Research Institute (LPRI) Bahadurnagar, Okara and Jaba, respectively to produce superior rams. Superior rams were also distributed among the farmers on cost basis.

**Animal Nutrition:** Early weaning diets were developed for rearing buffalo/cow calves to save milk for human consumption based on cost effective feed.

**Poultry Production:** Amino-acid and true metabolizable energy available from local feed ingredients in poultry was carried out for the first time in Pakistan. The study will help the poultry industry for economical and balanced feed formulation which will reduce the cost of poultry and livestock.

**Animal Health:** New disease in goats known as Peste



des petit ruminants (PPR) or Rinderpest - like disease in small ruminants has been diagnosed. Facilities for its diagnosis were created and technical assistance provided to FAO and Afghanistan.

#### Natural Resources

**Land and Water Resources:** A number of research projects related to fertilizer use, Land reclamation stress physiology, micronutrient management, soil and water conservation and irrigation water management were implemented. Main achievements are as under:

- Use of bio-organic fertilizer prepared by PARC improves the yield of leguminous crops, i.e. chickpea, soybean and gram by 15-100 percent if applied at the time of sowing.
- Nitrogen use efficiency can be increased by 10-15 percent if 1/3 of N fertilizer application to rice is at the time of transplanting and 2/3 after 45-50 days.
- Wheat yield was improved by 15 percent in saline sodic soils where Gypsum was applied at the rate of 120 kg per acre along with normal dose of nitrogenous feed.
- Use of Boron and Zinc has improved cotton yield by 8-15 percent in cotton growing areas.
- A bio-generator for amending sodic ground water using effective micro-organism (EM) has been developed by WRRRI of PARC. With the use of this technology, the surface irrigation requirement becomes about 3,000 litres of water per acre against 30,000 litres costing to about Rs.140 to 200 per acre.
- Commercialization and indigenization of raingun sprinkler and trickle irrigation technology have been successfully undertaken. Technologies provided on drip irrigation system, high pressure pumps and raingun and development of high density polyethylene UV stabilized pipes are yielding annual benefits of more than Rs.60 million to the farmers.
- Energy efficient pumping system (Jack pump) has been tested and evaluated for adoption and indigenization of the technology.
- WRRRI-NARC developed a bio-generator for amending Sodic ground water using effective micro-organism (EM). By this increase in crop yields 20 percent and the cost is only Rs.200 per acre.
- The sloping agricultural land technology (SALT) has been introduced to make denuded uplands productive for farmers using locally available resources.
- High honey yielding honey bee queens were produced through genetic engineering and given

to keepers to improve their stock and increased honey yield per colony.

**Range Management and Forestry:** Several research projects related to range land rehabilitation, agroforestry, honey bees and sericulture were implemented. Salient achievements are as follow:

- Honeybee Research Institute of PARC has introduced Italian Honeybee, in Pakistan. Total number of bee colonies is more than 1,00,000 producing over 1400 tonnes of honey per annum.
- PARC has established National Aridland Development and Research Institute (NADRI) at Islamabad to plan a comprehensive project on seabuckthorn, a multi-dimensional bush is used for more than 200 purposes in nutrition, medicine and cosmetics including control of landslide, alleviation of sedimentation and siltation at dams etc.
- Arid Zone Research Centre, Quetta of PARC has introduced a forage species of *Atriplex* saltbush. These shrubs are capable of giving nutritious fodder and fuelwood and tolerate temperature of below 0.C and drought condition of 200-250mm of annual rainfall.

#### FORESTRY

In Pakistan actual productive forest area is very small. Only one-third of the forest area is productive and the remaining two-third is maintained for environmental protection. The total forest area of Pakistan is estimated at 4.20 million hectare or 4.8 percent of the total geographical area of the country. The forest sector contributed about 0.1 percent to the GDP and 0.4 to the agriculture sector during 1998-99.

Various kinds of forest in Pakistan are coniferous forests, irrigated plantation, riverain forests, scrub forests, mangrove forests, private plantations and miscellaneous. In the province of NWFP forest covers about 1214 thousand hectares, while in Balochistan it cover only 333 thousand hectares. In Punjab forest area is about 687 thousand hectares, Sind 923 thousand hectares, Northern Areas 660 thousand hectares and AJK 416 thousand hectares.

The estimated production of fuel wood during the current year is 26 million cubic meters. During 1997-98, the state forests contributed to 310 thousand cubic meter of timber as compared to 319 thousand cubic meters in 1996-97. A large quantity of timber based products such as wood pulp, paperboard and manufactured articles of wood are imported

annually to meet the domestic requirements of timber. The imports of various forest products in 1997-98 consists of fuel wood and charcoal, wood in rough or roughly squared, wood shaped or simply worked, veneer, plywood, board improved or reconstituted wood, wood manufactured not else where specified, pulp and waste paper, paper and paper board, article made of paper pulp and paper board, cork raw and waste, cork manufactured etc. During 1997-98, Pakistan spent Rs.7902.6million on import of wood and wood products as compared to Rs.7382.0in 1996-97, showing an increase of Rs.520.6 million.

To earn foreign exchange Pakistan also exports forest products such as wood in rough or roughly squared, veneer, plywood, board improved or reconstituted wood and other wood worked, wood manufactured not else where specified, paper and paper board, article made up of paper pulp and paper board and sports goods. During 1997-98 Pakistan exported wood and wood products amounting to Rs.16802 million as against Rs.12231 million during last year. The wood based sport goods accounted for 99 percent of the total exported forest products.

Government is encouraging afforestation and tree plantation campaigns are organized twice a year during spring and monsoon. Despite the constraints like reduced allocation of funds and removal of subsidy on planting stock for private sector, 207.32 million saplings were planted. Many projects are under implementation by Federal and Provincial Forest departments at a total cost of Rs.6122.30 millions. In the ninth five-year plan (1998-99 to 2003-04) a total of 151 new projects at an estimated cost of Rs.16063.25millions have been proposed.

### LIVESTOCK & POULTRY

Livestock is an important part of food items and source of livelihood for a large number of people living in rural and urban areas. The livestock sector contributed 9 percent to the GDP and about 37 percent to the agriculture sector during the current year. It earned foreign exchange of Rs.35 billion during the current years. Its net foreign exchange earnings were to the tune of Rs.33.93 billion during 1997-98, which is about 10 percent of the overall export earnings of the country. The livestock include cattle, buffalo, sheep, goat, camels, horses asses and mules. The livestock population has gradually increased over the years. Population of livestock for the last three years is given in the following Table 2.12.

Table 2.12  
Estimated Livestock Population  
(000 No's)

Species	1996-97	1997-98	1998-99
Cattle	20803	21192	21592
Buffalo	20836	21422	22033
Sheep	23668	23800	23938
Goat	42648	44182	45774
Camels	803	794	784
Horses	331	327	325
Asses	3625	3693	3761

Source: Ministry of Food, Agriculture and Livestock

Production from livestock sector include milk, beef mutton, poultry meat, wool, hair, bones, fats, blood, eggs, hides and skins. The production of these products for the last three years is shown in the table below.

Table 2.13  
Livestock Products

Products	Units	1996-97	1997-98	1998-99
Milk	000 Tons	23580	24215	24876
Beef	"	919	940	963
Mutton	"	602	617	633
Poultry Meat	"	387	284	297
Wool	000 Tons	38.25	38.47	38.70
Hair	"	16.16	16.73	17.33
Bones	"	302.34	309.23	316.33
Fats	"	112.57	115.18	117.83
Blood	"	32.75	33.55	34.38
Eggs	Nos.	6015	5737	5938
Hides	000 Nos.	7146	7304	7467
Skins	"	34450	35340	36259

Source: Ministry of Food, Agriculture & Livestock.

**Poultry:** Poultry is an important sub-sector of the livestock. Its importance can be judged from the fact that almost every family in rural areas and every fifth family in urban areas are associated with poultry production activities in one way or the other. It has emerged as a check and balance force for stabilizing the prices of beef and mutton. Modern poultry production in Pakistan is constrained by high mortality in flocks and high incidence of disease and poor quality of day-old chicks and feed combined with improper marketing system. Despite various concessions and incentives provided by government, the poultry industry has yet to make a rapid progress. The production of commercial poultry and poultry products for the year 1997-98 and 1998-99 are given in the following Table 2.14.

**Table 2.14**  
**Production of Poultry and Poultry Products**

	Units	1997-98	1998-99
Production of Day Old Chicks	Million No's	201	203
Production of Layers	"	10.06	10.36
Production of Broilers	"	162	170.10
Production of Breeding Stock	"	2.3	2.4
Production of Poultry Meet	000 Tons	180	188.7
Production of Eggs	Million Nos	2305	2374

Source: Ministry of Food, Agriculture & Livestock.

The production of rural poultry products during the last two year is given in the following Table 2.15.

**Table 2.15**  
**Rural Poultry**

	Units	1997-98	1998-99
Day Old Chick	Million Nos.	130	135
Cocks & Cock-ribs	"	52	54
Layers	"	52	54
Meat	000Tons	104	108
Eggs	Million Nos.	3432	3564

Source: Ministry of Food, Agriculture & Livestock.

To exploit the potential of livestock sector concerted efforts are being made through improved husbandry practices in terms of animal health, nutrition, fodder production, livestock breeding management, import/export of livestock and its products. Livestock nutrition has been improved through sowing of improved varieties of fodder seeds like Sadatahar, Mott grass for increased per acre yield and better fodder efficiency. Silage/hay making techniques and use of urea molasses blocks for fattening of animals were encouraged. A project namely Establishment of Cattle Feed Mills is on going under productivity enhancement programme (PEP) at a total cost of Rs.18.5 million, in which Government of Pakistan is providing funds with machinery and training to farmers on feed formulation production.

To encourage and organize the livestock sector on commercial lines government has allowed the export of live animals, dressed meat and dry-fodder etc. Government has constituted a National Dairy and Livestock Development Board for

accelerated promotion of livestock activities in the country. It has been provided with Rs.100 million to initiate the operation. Private sector has been given full opportunity to play its role in the development of dairy and livestock industry in Pakistan. Islamabad Milk Plant lying idle has been revitalized and made operational through a joint venture with Idara-e-Kisan. The projects namely "National Veterinary Laboratory," Islamabad has been approved and launched. Ten private sector firms/processing units have been registered for export of Sheep Casings. Out of these, ten have been approved by European Commission. Pakistan has earned 7-8 million rupees through these exports. The import duty on micro feed ingredients has been reduced to 10 percent.

## FISHERIES

Fisheries share in GDP, though very little, it contributes substantially to the foreign exchange earnings through exports of shrimp and fish. During the period (July-March) 1998-99 Pakistan's export of fish and fish preparations declined from 58125 M.T in 1997-98 to 55,311 M.T in 1998-99. Consequently, export earnings also declined from \$135.8 million to \$89.8 million in 1998-99.

During 1998-99 total fish production of the country both marine as well as inland has been estimated at 616,500 M. tons as compared to 590,000 M. tons during last year showing an increase of 4.5 percent. The share of marine sector was 431,500 M. tons and inland contribution remained 167,530 M. tons.

The total number of persons engaged in fisheries sector during 1998-99 is estimated to be 404,500, of which 113,850 persons were engaged in marine sector and 290,650 were involved in inland fisheries. During 1997-98 there were 404,210

fishermen of which 113,750 were in marine while 290,460 were in inland fisheries sector.

Government of Pakistan is making efforts to improve fisheries sector. A number of initiatives have been taken by Federal and respective provincial fisheries department which inter alia include strengthening of infrastructure facilities, improvement of extension services, introduction of aquaculture techniques, diversification of fishing efforts,

improvement in post harvest techniques, development of value added products, up gradation of socio-economic conditions of the fishermen's community. Under Prime Minister directives Marine Fisheries Department has also executed a project namely "Establishment of a Hatchery Complex for production of Fish/Shrimp Seed." It is expected that implementation of this project will go a long way to develop fish/shrimp farming which there by increasing production.

## **Manufacturing, Mining and Investment Policies**

The manufacturing sector has passed through a turbulent and disruptive period over the past twelve months as a result of post May, 1998 developments. The stocks inflicted by economic sanctions weakened the recovery in the manufacturing sector that had begun in 1997-98 as a result of the policy reforms of March, 1997. The value addition in manufacturing sector increased by moderate 4.7 percent in 1998-99 as against an impressive recovery of 7.9 percent in 1997-98. The large scale manufacture grew by 2.7 percent in the period July-March 1998-99 as compared with 7.6 percent growth achieved last year. The growth estimates for small scale manufacturing remained at 8.4 percent. Factors like economic sanctions, the side effects of the measures taken by the government to minimize the adverse effects of the sanctions, decline in domestic and foreign investment due to uncertain economic environment and lower demand for Pakistan exports caused by global

economic recession, adversely affected the growth of manufacturing sector in general and large scale manufacturing in particular. The government intensified its efforts to improve investment environment in the country through policy initiatives, the details of which are documented in the box. The government has further decided to boost the small and medium enterprises to attain a sustainable higher growth in the manufacturing sector. For this purpose Small and Medium Enterprises Development Authority (SMEDA) has recently been established.

The value added in mining & quarrying sector is expected to expand by 4.5 percent in the fiscal year 1998-99 against 5.6 percent contraction of last year. The mining sector remained volatile due to non-availability of the desired level of high risk investment capital.

### **MEASURES TAKEN DURING MARCH/APRIL 1999 TO REVIVE THE ECONOMY**

- Complete removal of 30% L/C cash margin
- Duty draw back rates of more than 300 exportable items have been rationalized. This will cost the national exchaquer an additional Rs 5.7 billion.
- The number of SROs relating to duty draw back has been reduced from 114 to only 4. This will facilitate exports.
- To ensure transparency and facilitate easy access these SROs have been put on the web site of the CBR for the first time in the history of the country.
- Scope of items eligible for export refinance has been enlarged.
- As part of the on-going tariff reform the maximum duty on imports has been reduced from 45% to 35% with the exception of automobiles
- The number of non-zero tariff slab has been reduced from 5 to 4 with rates: 35%, 25%, 15% and 10%.
- Custom duties on thousands of items covered under 3239 tariff lines have been reduced as under:

Cont....

Category of Goods	Custom Duty Rates		Number of Tariff Lines Affected
	Existing	Revised from 31-03-1999	
Consumer Goods	45%	35%	2089
Intermediary Goods	35%	25%	363
Chemicals and Components	25%	15%	196
Basic Raw Materials	15%	10%	591
		Total	3239

Restrictions imposed after the economic sanctions on sale of foreign exchange by the banking system for travel, education and health have been lifted.

Electricity tariff for industrial, commercial consumers have been reduced.

The REPO (3 days) rate has been reduced by the SBP as part of reducing the entire structure of interest rate from 18 percent on July 1, 1998 to 13 percent on May 19, 1999.

The treasury bill weighted average rates have also come down as under:

Date	3-Months	6-Months	12-Months
February 15, 1999	12.714	13.299	13.811
March 4, 1999	12.370	12.958	BIDS REJECTED
March 26, 1999	10.733	11.350	11.804

Five commercial banks accounting for 75% of market share have decided to reduce lending rate by 2 percentage points.

Pakistan has now moved to a unified market-based exchange rate system since May 19, 1999.

## PROFILE OF LARGE SCALE MANUFACTURING

The promotion of large scale manufacturing is the key for accelerating the pace of economic development. The sector is passing through a difficult phase owing to some external and internal problems. The side effect of the East Asian crisis, economic sanctions and global economic recession have slowed down the growth of the large scale manufacturing in 1998-99. Nevertheless, it has registered a positive growth of 2.7 percent during July-March 1998-99. Some important industries which registered considerable growth include cotton cloth, fertilizer, cigarettes, vegetable ghee, soda ash, caustic soda, paper board, cement, bicycles, refrigerators, TV sets, cars, buses and tractors. Nevertheless, the output did decline in certain important industries like blended tea, sugar, jute goods, L.C.V's, paper all types,

motorcycle, and steel products. The decline is mainly attributed to closure of mills/units due to maintenance, financial constraints and to the factors mentioned above. The trends in some major items are given in Table 3.1

### Textile Industry

The textile industry, inspite of its declining share in overall manufacturing sector in recent years, still remains the most important industry of Pakistan. It provides roughly 38 percent of industrial employment and contributes 62 percent to Pakistan's export earnings and 27 percent of the industrial value addition. It remained under strain during current financial year due to difficult external and internal conditions, soaring lint cotton prices and uncertain supply of raw material.

**Table 3.1**  
**Production of Selected Industrial Items**

Items	July-March		% Change
	1997-98	1998-99 *	
Cotton yarn(000.Kg.)	1155.2	1157.8	0.22
Cotton cloth(000.Sq.m.)	259.2	285.7	10.21
Cigarettes(mln. Nos)	35.2	37.7	7.01
Jute goods(000 tonnes)	68.5	63.5	-7.78
Nit.fertilizer(000 tonnes)	2813.5	2945.0	4.67
Phos.fertilizer(000 tonnes)	103.7	101.5	-2.13
Paper & paper board (000 tonnes)	198.8	203.8	1.00
Cement (000 tonnes)	6674.0	6875.0	3.01
Soda ash(000 tonnes)	177.6	186.1	4.77
Caustic soda(000 tonnes)	84.0	88.7	5.64
Sugar(000 tonnes)	3232.8	3175.6	-1.77
Motor cycles(000 Nos)	71.0	68.6	-3.45
Jeeps & Cars(000 Nos)	25965.0	28815.0	11.30
Tractors(Nos)	10108.0	16995.0	68.13
Bicycles (000 Nos)	327.6	409.4	24.98
Coke (000 tonnes)	491.1	443.4	-9.71
Pig iron/hot metal(000 tonnes)	744.8	735.3	-1.27
Billets (000 tonnes)	278.7	212.2	-23.87

\* Provisional.

Source: FBS, Ministry of Industries and Pak Steel

**Problems of Textile Industry:**

The main problems the industry is confronted with are summarized below:

- the supply of raw cotton is uncertain and below the required level.
- the cotton crop grown in Pakistan is mostly of short and medium length while long staple cotton is required for production of fine quality of yarn and cloth. There is dire need to increase production of long staple cotton to shift textile industry to the production of fine products rather than inferior yarn and cloth.
- soaring lint cotton prices has eroded competitiveness of local industry viz-a-viz suppliers of cheap products like India, China, South Korea and Bangladesh.
- lack of availability of Polyester Staple Fibre (PSF) and Man-Made Fibers (MFF).
- imposition of anti-dumping duty on cotton yarn and cloth by some of the trading partners.

The textile industry is also facing the problem of closure of mills and financial constraints. The

solution of these problems are under active consideration of the government. Economic Revival Package 1997 and export enhancement measures are already under implementation which aimed at the revival of the sector. The government is accelerating the pace of the implementation of these reforms. The installed and effective capacity of the textile industry are summarized in the Table 3.2.

**Table 3.2**  
**Installed Capacity of Textile Industry**

	1997-98*	1998-99	% Change *
<u>Number of Mills</u>	439	442	0.68
<u>Installed Capacity (000 Number)</u>			
Spindles	8325	8356	-0.37
Rotors	145	146	0.72
Looms	10	10	0.00
<u>Working Capacity (000 Number)</u>			
Spindles	6566	6579	0.19
Rotors	83	69	-16.58
Looms	5	5	0.00

\* July-March Source: Federal Bureau of Statistics Textile Commissioner's Org

## Performance of Ancillary Textile Industry

**A. Cotton Spinning Sector:** There are 442 textile mills in the country (50 composite units and 392 spinning units) and capacity utilization remained in the vicinity of 74.6 percent in spindles and 56.0 percent in rotors. The production of cotton yarn marginally increased from 1155.2 thousand tonnes in July-March 1997-98 to 1157.8 thousand tonnes in July-March 1998-99 and registered a growth of 0.2 percent. On the other hand export of cotton yarn depicted a decline of 13.1 percent by moving to 301.6 thousand tonnes during July-March 1998-99 from 346.9 thousand tonnes in comparable period last year. The depressed economic activity in Japan and other South-East Asian countries and global economic recession have severely affected the exports of cotton yarn from Pakistan. On the domestic front the fifth consecutive crop failure during 1998-99 have exerted upward pressure on lint cotton's prices. The cost of cotton constitutes 75 percent of the total cost of yarn production. This has eroded the competitiveness of the spinning sector at a time when the cheap supplier of yarn are emerging from Central Asia, China and India.

**B. Weaving & Made-ups sector:** The weaving sector and made-up sub-sectors i.e. hosiery, garments, towels, canvas and bedwear could not isolate themselves from soaring yarn prices. The performance of the industry has been adversely affected by losses on export sales and inability to absorb the increase in yarn prices. The performance of the sub-sectors is evaluated below:

a. **Knitwear:** There are about 10,000 knitting machines working in the country with approximately 60 percent capacity utilization. The sector is playing pivotal role in value addition in the form of knitwear in textile sector. The sector not only fulfill domestic demand, but also earn badly needed foreign exchange. The sector has earned US \$ 534 million in the form of value of exports for knitwear during July-March 1998-99 as compared to US \$ 510 million during the same period last year, showing an increase of 4.8 percent. In spite of marginal fall in unit value, the sector witnessed an increase of 5.6 percent in quantity exported which stood at 23,395 thousand dozens this year as compared to 22,144 thousand dozens last year.

b. **Readymade Garments:** The garment industry

provides highest value addition in the textile sector and is divided in small, medium and large scale units, most of them, having 50 machine and below. The industry enjoys facilities of duty free imports of machinery and tax concessions. In spite of increase in quantity exported by 3.0 percent, the value of exports for this sector decreased by 13.6 percent during July-March 1998-99 over the corresponding period last year, by moving to US\$ 483.7 million from US\$ 559.6 million owing to depressed prices in the international market.

c. **Towel industry:** As a result of over 300 percent increase in export of towels, the industry prospered within few years. At present about 6500 towel looms are working in the country in both organized and unorganized sector. The growth in its exports is also affected by recession in the textile industry. However, the industry managed to grow by 6.6 percent in quantity but fetched 5.1 percent lower value during July-March 1998-99. In the nine months 34 thousand tonnes towels were exported against 32 thousand tonnes last year but fetched value of US \$ 141 million this year as against US \$ 148 million last year.

d. **Tarpaulin & Canvas:** The highest raw cotton consuming sector is the worst affectee of the recession, as its exports declined by massive 46 percent in terms of value and 33 percent in terms of quantity. The sector is heavily reliant on exports to the extent of 90 percent of its production and thus extraneous conditions affect the sector with great intensity.

e. **Power Looms Sector:** The steadily growing modernization efforts in the power looms sector are encouraged by the market forces. The main problems of the sector are poor technology, scarcity of quality yarn and lack of institutional financing for its transformation from unorganized sector to organised sector.

The production capacity in the weaving sector is largely distributed in the following sub-sectors:

	Installed	Worked
Integrated Textile Mills	9,993	4,919
Independent Weaving Units	13,340	12,000
Power Looms sector	2,25,253	1,80,200
Total	2,48,586	1,97,119



**C. Cotton Cloth:** The cotton cloth is being produced in both mill sector and non-mill sector. The production of cotton cloth in the mill sector has increased to 285.7 million sq. mtr. during July-March 1998-99 compared to 259.2 million sq. mtr. in the corresponding period last year. The non-mill sector is producing bulk of cotton cloth. The production in the non-mill sector has been estimated at 3974 million sq. mtr during July-March 1998-99 as compared to 3930.2 million sq. mtr last year registering a growth of one percent. The increase in production is not reflected in exports which fell by 3.1 percent (declining from 938 million sq. mtr last year to 909 million sq. mtr this year quantitatively and in terms of value it fell by 15.5 percent (by declining from US \$ 938.1 million last year to US \$ 792.7 million this year) due to massive fall of 13 percent in unit value of cotton cloth in the international market during first 9 months of the current fiscal year.

**D. Filament Yarn Manufacturing Industry:** On the emergence of private sector during the 1980's, the challenges of modernization grew with leaps and bounds. The filament yarn manufacturing industry expanded in the 1980's in response to rising market demand conditions. Today, there are 24 units engaged in manufacturing of three kinds of filament yarn, namely Acetate Rayon yarn, nylon filament yarn and polyester filament yarn, with an installed capacity of one lac tonnes. Out of this, 20 units are involved in the business of production of polyester filament yarn with an installed capacity of 95 thousand tonnes.

**E. Art Silk and Synthetic Weaving Industry:** The Art Silk and Synthetic Weaving Industry has developed over time on cottage based power looms units comprising of 8 to 10 looms. There are approximately 90,000 power looms in operation of which 30,000 looms are working in production of blended yarn while remaining 60,000 looms are devoted to filament yarn production. The export of synthetic textile increased by 19.4 percent in terms of quantity while exports value registered an increase of 20.9 percent in the period July-March 1998-99.

#### **Jute Industry**

There are 12 Jute mills in the country with an installed capacity of 38894 spindles and 2008 looms but one of these units is inoperative since last few years. The main products manufactured by the Jute Industry are jute sacks and hessian cloth used for packing. Fiscal year 1997-98 was the best year of performance for Jute industry when value added in

the sector increased by hefty 38 percent but the period July-March 1998-99 depicted marked slow-down. In this period the production of jute goods declined by 7.8 percent over the corresponding period by moving to 63,177 tonnes from 68507 tonnes in the comparable period of last year.

#### **Fertilizer Industry**

There are 10 fertilizer units operating in the country (Punjab 6, Sindh 2 and NWFP 2) with an installed capacity of 4,651.6 thousand tonnes. Out of these 10 units, four units having capacity of 2,721 thousand tonnes are in the private sector and 6 units having 1,930 thousand tonnes capacity are in public sector. The production of fertilizers has increased by 4.8 percent and stood at 3046.6 thousand tonnes during July-March 1998-99 as against 2917.2 thousand tonnes in the same period last year. The production of fertilizers like urea and ammonium nitrate increased by 5.3 percent and 0.8 percent respectively while the production of nitro phosphate declined by 2.1 percent during July-March 1998-99 over corresponding period last year.

#### **Vegetable Ghee**

There are 160 units producing vegetable ghee and cooking oil with an installed capacity of around 2.5 million tonnes and 1.6/1.7 million tonnes to meet annual national requirement of about 1.4 million tonnes. The units under the Ghee Corporation of Pakistan are at the final stages of privatization and as such they are producing a small fraction of total production while major production activity is concentrated in private sector. After the privatization of 16 ghee units, presently 7 ghee mills are left under administrative control of the GCP.

The production of vegetable ghee increased to 615 thousand tonnes in July-March 1998-99 from 546 thousand tonnes during July-March 1997-98, thereby, depicting an increase of 12.7 percent. (The production of cooking oil declined by 5.4 percent by moving to 75 thousand tonnes in July-March 1998-99 against production of 80 thousand tonnes in the corresponding period last year.)

#### **Sugar Industry**

There are 76 sugar mills working in the country of which 39 are in Punjab, 31 in Sindh and 6 in NWFP having an installed capacity of 345,300

tonnes crushing per day (TCD) and 9850 tonnes of sugar beat (all in NWFP).

The total production of sugar during July-March 1998-99 was 3176 thousand tonnes as compared to 3232.8 thousand tonnes during the same period of last year, showing a slight decline of 1.8 percent over the last year. The domestic availability in large quantity brought tremendous fall of 92 percent in import of sugar during July-March 1998-99 which decreased to 8,941 tonnes this year against 109,393 tonnes last year.

#### Soda Ash and Caustic Soda

There are two units each of soda ash and caustic soda operating in the country with an installed capacity of 236,000 tonnes and 123,000 tonnes respectively. The production of both chemicals recovered from decreasing trend of last year. The total production of soda ash and caustic soda increased to 186,067 tonnes and 88,735 tonnes respectively during July-March 1998-99 as compared to 177,593 and 83,998 tonnes during the corresponding period of last year, thereby, showing an increase of 4.8 percent and 5.6 percent respectively.

#### Cement

There are 24 cement units in the country with total installed capacity of 16300 thousand tonnes. Out of these 24 units, 4 units with installed capacity of 1831 thousand tonnes are in public sector and 20 units having capacity of 14,440 thousand tonnes are in the private sector. Distribution of installed capacity in different provinces is given below:

Province	Units	Capacity (000 tonnes)
Punjab	8	7320
Sindh	9	3470
NWFP	6	4760
Baluchistan	1	750
Total	24	16300

The total production of cement is 6875 thousand tonnes during July-March 1998-99 as compared to 6674 thousand tonnes during the same period last year, showing an increase of 3.0 percent in production.

#### Automobile Industry

The automobile industry is coming out of slump, and tremendous increase in production are recorded in the production of cars (11.3 percent), buses (198.5 percent) and tractors (68.1 percent) while decline in production was pronounced in jeeps (8.8 percent), LCV's (19.3 percent), motorcycle (3.5 percent) and trucks (48.5 percent) during the period July-March 1998-99. The government has recently rationalized the CVT rates to boost the automobile industry and the industry has already shown signs of recovery. The automobile industry enjoys the status of the most protected industry in Pakistan where the effective protection rate (EPR) ranges between 701 percent to over 5000 percent.

#### PUBLIC SECTOR INDUSTRIES

The wave of liberalization, de-regulation and privatisation swept through strongly fatty public sector which swallowed in 1970's and contracted in 1980's. In an effort to minimize the state's role in running affairs of the corporate sector, the successive governments strived hard to enhance the role of private sector in the 1990's. On 31st March, 1999, the nine holding corporations under the administrative control of Ministry of Industries and Production are taking care of only 42 units which were 101 in 1991. After so much privatization the Ghee Corporation of Pakistan (GCP) still controls the largest number of units (9), while National Fertilizer Corporation (NFC), State Engineering Corporation (SEC) and Pakistan Industrial Development Corporation (PIDC) controls six units each and, Pakistan Automobile Corporation (PACO) and State Cement Corporation of Pakistan (SCCP) four units each. GCP's remaining units are in the final stages of privatization while some other units out of 42 in toto are also under active consideration for privatization. The public sector industries has played a crucial role in establishment of high-tech capital goods heavy industries in Pakistan during 1970's when the private sector had restricted itself to highly and rapidly rewarding consumer goods industry.

#### Performance During 1997-98

The burgeoning liabilities of the inefficient public sector have been a burden on the national exchequer for some years. The government is ridding-off, itself by privatizing as much as it can in short span of time. The lackluster performance of the public sector industries in the current year is evident

from the fact that the collective pre-tax profit of all the industries is expected to decline by massive 52 percent. Key performance indicators present the following picture for 1998-99 (8 months actual and 4 months projections).

**Table 3.3**  
**Overall Performance of Public Sector Industries**

	(Rs. million)		
	1997-98	1998-99**	% Change
Production value*	11,569	11,043	-4.55
Net Sales	28,871	27,726	-3.97
Pre-tax profit	187	(276)	-247.59
Taxes and duties	6,293	5,594	-11.11

\* At constant prices of 1987-88

\*\* 8 months actual 4 months estimate.

Source: M/O Industries.

Production Wing

### Production

The production value (at constant prices of 1987-88) in aggregate of all corporations is estimated to decrease by 4.55 percent during 1998-99 over last year. Except for PACO, NFC and SEC which are expected to show an increase in their production values by 6.07 percent, 6.46 percent and 1.8 percent respectively, all other corporations are likely to show a decline in their production values. The expected decline in production values is evident in Federal Chemical & Ceramics Corporation (FCCCL) which is likely to decline by 11 percent due to closure of its only unit i.e Ravi Rayon, followed by State Cement Corporation of Pakistan by 34 percent due to low production at its cement plants and Pakistan Steel by 5 percent decline.

### Net Sales

The overall net sales of all units are projected to reach at Rs.27,726 million in 1998-99 as compared to Rs 28,871 million last year, thereby, showing decline of 3.97 percent. The increase in net sales is expected in the NFC (10.7 percent), SEC (40 percent) and PERAC (41 percent). The declining trend is more pronounced in the SCCP where sales are expected to decline by 37 percent. The declining trend is also evident in the PIDC by 20 percent and the PACO by 3 percent. Net sales of the Pak Steel are expected to decrease by 9 percent.

### Pre-tax Profit/Loss

During July-June 1998-99 aggregate pre-tax profit in respect of all corporations is estimated to

decline by 247.6 percent, largely due to a loss of Rs.617 million incurred during the trial production of the new plant of the Pak American Fertilizer. Whereas, all corporations have earned aggregate profit of Rs. 187 million during 1997-98. The NFC is expected to show a profit of Rs. 2153 million for 1998-99 as against Rs. 3077 million profit last year. The PACO and the PERAC has also earned profits of Rs.1.07 million and Rs.2153 million during current financial year against Rs.2.68 million and Rs.3077 million last year. The FCCCL is likely to reduce its loss from Rs.207 million last year to Rs.106 million this year mainly because of closure of its only unit. The trend of minimizing loss is followed by the PIDC from Rs.215 million last year to Rs.146 million this year and the Pak Steel from Rs.1434 million in 1997-98 to Rs.1049 million in 1998-99. The increase in pre-tax loss is evident in SCCP where pre-tax loss has gone up to Rs.587 million in 1998-99 against Rs.298 million in 1997-98.

### Employment

The total number of employees in all corporation is expected to reach 36634 persons by the end of 1998-99 in all corporations as against 42,033 persons employed by the end of last year. The number of employees is expected to drop in all corporations mainly due to Voluntary Retirement Scheme.

### Pakistan Steel

Pakistan Steel is facilitating establishment of downstream industries in the country to utilize its full potential. Pakistan Steel's products and by-products are widely used by industrial units as raw material. Its total installed production capacity of raw steel is 1.1 million tonnes. Pak steel is engaged in producing coke, pig iron, billets, hot rolled coils/ sheets, cold rolled coils/ sheets, formed sections like channels, angles and galvanized sheets. During July-March, 1998-99 production of raw steel was 614937 tonnes or 75 percent capacity utilization as compared to 631797 tonnes or 77 percent of capacity utilization in the corresponding period of last year.

The demand for iron and steel products in Pakistan is growing at an average composite rate of 7 percent per annum. In the first decade of next century the demand for steel products is projected around 8.4 million tonnes. Pakistan Steel has embarked upon a plan to cope with increasing demand by expanding the existing capacity to 3

million tonnes per annum.

The production value of Pak Steels products is likely to decline by 5 percent during 1998-99. The production of main items of Pakistan Steel remained subdued. Overall performance of Pakistan Steel is summarized in Table-3.4 (a) and production performance of various items is given in Table-3.4 (b)

Table-3.4 (a)  
Performance of Pak Steel (1998-99)

	1997-98*	1998-99*	(Rs. million) % Change
Production value*	5,508	5,249	-4.70
Net Sales	15,463	14,083	-8.92
Pre-tax profit/(loss)	(1435)	(1049)	26.90
Taxes and duties	2,534	2,962	16.89

\* At constant prices of 1987-88 Source: Pakistan Steel

Table 3.4 (b)  
Production Performance of Pakistan Steel

Item	1997-98	July-March	
		1997-98	1998-99
Coke	668	491	443
Pig Iron/Hot metal	1016	745	735
Rolled & Cast Billets	348	279	212
H.R. Products	427	332	309
C.R. Products	159	120	111
Galvanized Products	60	46	48
<u>Intermediate/ Ancillary Products</u>			
Raw Steel	844	632	615

Source: Pakistan Steel

## PROFILE OF SMALL SCALE INDUSTRIES

Enhancing the capabilities of SMIs is of crucial importance for economic growth for two reasons. First, it employs less fixed capital investment (below 2 million in Pakistan) and generate employment opportunities at less average cost. Second, it uses indigenous technology, resources and raw material and thus accelerates the pace of development. It accounts for 30 percent of export receipts of manufacturing sector and employs about 80 percent of labour force in manufacturing sector. In spite of all its potential, its share in GDP remained in the vicinity of 5 percent. However, this sector has played pivotal role in the growth of value added in manufacturing sector and export of textiles, garments,

carpets, surgical, leather and sports goods and light engineering products. The rapid development of small scale industry is mainly emanated from its freedom from regulations regarding labour relation laws and de-facto lower incidence of taxation.

The government has established an advisory and regulatory body i.e Small and Medium Enterprises Development Authority (SMEDA) for promotion of small and medium enterprises in the country. The four provincial directorates under the administrative control of the provincial governments are already in business. A summarized review of all five agencies is given in following paragraphs.

### i) Small and Medium Enterprise Development Authority

Realising the importance of Small and Medium Enterprises in the process of industrial development and export promotion, the government has recently established Small and Medium Enterprise Development Authority as an autonomous corporate body at the Federal level for the promotion of Small and Medium Enterprises in Pakistan. This Authority would:-

- i) be the apex policy-making body for small and medium enterprises (SMEs).
- ii) provide and facilitate support services to SMEs.
- iii) serve as the Key resource base for SMEs in Pakistan.
- iv) serve as the voice of small business within the Government.
- v) kick start the economy through aggressive launch of Small and Medium Enterprise (SME) support programme.
- vi) generate massive employment opportunities at significantly low cost.
- vii) drive industrial growth towards value-added exports.
- viii) coordinate SBFC and commercial banks in arranging finance for the self-employment scheme.

- ix) coordinate with financial institutions for disbursement of loan to SMEs. These institutions would provide substantial amount as bankable proposition. Syndication of banks would be formulated for future funding.
- x) facilitate development and growth of small and medium enterprises in Pakistan.
- xi) prepare a plan of action to revitalize the role of small business in the development of the country.
- xii) be run by the board of authority, predominantly, managed by the initiative of the private sector with the active participation of the key government ministries.

Moreover priority has now been accorded in four (4) categories i.e. (i) higher value addition or export oriented industries, (ii) high-Tech, (iii) pioneer industries, and (iv) agro-based or indigenous raw material consuming industries.

#### ii) Punjab Small Industries Corporation

In order to facilitate the expansion of the cottage industry in the province, the Punjab Small Industries Corporation (PSIC) was established. PSIC has set up 13 small industrial estates in the province where 4026 industrial plots of different sizes with complete infrastructure facilities and production capacity worth Rs.2 billion per annum have been developed for setting up of small industrial units which have provided jobs to over 26000 persons. There is enough potential for expansion of value addition up to Rs. 8 billion and job opportunities for 60,000 persons. PSIC has further plan to develop 13 industrial estates in every district. The industrial estates at Taxila and Kasur are under active consideration while initial work has been accomplished for industrial estates at Gujrat and Sialkot. In spite of financial constraints the corporation continued its two credit schemes of rural industrialization programme and self employment scheme for the small entrepreneurs. PSIC has disbursed an amount of Rs.17603 Lacs to 6319 small entrepreneurs in the province of Punjab while against recoverable loans, it has recovered Rs. 13.6 million. The Corporation is also running technical specific

centres, crafts development centres, handicraft development centres, carpet centres, vocational training centres/ dehi mazdoor training centres, readymade garments training centres, hosiery knitting training centres and embroidery training centres. PISC has also established 14 Technology Specific Service Centres in the field of light engineering, metal products, leather garments, ceramics & pottery, sports goods, wood working, cutlery, surgical instruments and development of agricultural implements. So far, 40235 persons have been trained in these centres.

#### iii) Sindh Small Industries Corporation (SSIC)

The main function of Sindh Small Industries Corporation (SSIC) is planning, preparation and implementation of development schemes pertaining to small industries in the province of Sindh. The corporation has established 17 small industrial estates in almost all district headquarters of Sindh with 1983 developed industrial plots with required infrastructure facility. The SSIC has extended loaning facilities to strategic small investors under Self Employment Scheme since 1992 for purchase of locally manufactured machinery up to one million and setting up new small industry. The SSIC has sanctioned 258 applications for 1998-99 and disbursed loans worth 96 million to 179 small industrial units under this scheme. SSIC has established 51 training centres of traditional crafts where training has been imparted to 1917 students in various trades. The corporation is also running 64 Technical Training centres where training is imparted to 1625 pupils. The training is imparted in both traditional and non-traditional fields like carpet weaving, radio/T.V repair, electric wiring, wood working, gas welding and ready-made garments etc. The Handicrafts Design Centre & Institute of Handicrafts are carrying research in traditional trades and latest modern designs to improve the quality and value of the handicrafts. SSIC is striving hard to provide export outlets to small industry alongwith marketing facility through five handicraft shops and for this purpose the Directorate of Exports is established.

#### iv) NWFP Small Industries Development Board

NWFP Small Industries Development Board (SIDB) was established in 1972 with main objectives of promotion and preservation of traditional crafts, skill up-gradation and run training programme, provision of industrial infrastructure in industrial estates and extend financial help to small entrepreneurs. The SIDB has established 9 small

industrial estates throughout the province with all basic amenities which contain 1620 factory plots, out of which 1222 are already allotted. The board has provided financial assistance of 187 million on nominal interest to 420 prospective entrepreneurs for the establishment of micro enterprises in the province under board's subsidized credit scheme and self-employment which generated employment for 5743 persons. The board has established four regional offices at D.I Khan, Peshawar, Abbottabad and Mingora (Swat) to facilitate small investors. The board has closed 10 carpet training centres and 5 handicraft development centres after seeking desired results while 5 carpet training centres and 4 handicraft development/ textile centres are operative where 1936 pupils are being trained. Under its women development programme six embroidery and knitting training centres are established for imparting training to women. The board has established Arts and Crafts Galleries at Peshawar and Islamabad which are generating enough revenue and promoting traditional handicrafts.

#### v) The Directorate of Small Industries, Baluchistan

The Provisional Directorate of Small Industries, Baluchistan, is serving the cause of promotion of small industries in the province by imparting vocational training to boys and girls and, running a number of handicraft centres. Beside head office in Quetta, four zonal offices at Kalat, Sibi and Loralai are facilitating the prospective small entrepreneurs of the province. The directorate is also running four handicraft development/ training centres, 28 carpet centres and three sales & display depots for providing external exposure to local handicraft. In technical training centres a large number of persons are obtaining technical know-how in several trades such as carpets, handicraft development, dari making etc. The total sanctioned strength of trainees in all the centres is 1470 against which 803 trainees are on roll. The directorate lagged behind its other counterparts in other provinces in many fields. It has only established one industrial estate in Quetta with all necessary industrial infrastructure. The poor performance is due to financial and institutional constraints. No allocation has been made in public sector development programme (PSDP) for last three years.

### **MINING AND QUARRYING**

Minerals play important role in the industrialization and development of a country.

Pakistan's great potential of mineral exploration has not yet been exploited fully for the growth and development of the country. Notwithstanding, concerted efforts by successive governments, its share in the GDP has not grown beyond 0.5 percent. The present government has also shown determination through major policy initiative in order to expand mining sector activities mainly through foreign and local private investment. Both public and private sectors are actively participating in the development of this sector by indulging in mineral exploration and extraction. The public sector investment in mining has been restricted to the development of an institutional base or for too large or too risky investment. The private sector investment is confined to minerals that can easily be located and exploited with little capital, have low processing requirements and technical skills and ensure large returns. Over the years a considerable number of occurrences and prospects have been identified and reported by a number of agencies. However, very few have been evaluated or developed for want of high risk capital investment.

Pakistan has economically exploitable reserves of coal, rock salt, lime stone and onyx marble, china clay, dolomite, fire clay, gypsum, silica sand and granite and precious, semi-precious stones. The minerals deposits which apparently have sizeable reserves but require quantum leap in mineral exploration include gold, copper tin, silver, antimony, platinum group of elements (PGE), tungsten, lead, bauxite and fluorite. However, very few have been evaluated or developed for want of high risk investment and according to quantum index of mineral exploration 79 percent of value addition in mineral exploration is concentrated in three important minerals namely coal, natural gas and crude oil.

The output in Mining and quarrying sector as a whole increased by 4.5 percent during the year 1998-99 against the target of 5 percent and compared with 5.6 percent decline of last year. An overview of production of principal minerals during first nine months of the current fiscal year (July-March, 1998-99) in comparison with performance in the same period of last year is given in Table 3.5.

#### **Implementation of National Mineral Development Policy**

The National Mineral Development Policy has provided incentives like rationalization of duties and taxes on imported machinery, equipment, spares etc. for exploration and development of precious and

**Table 3.5**  
**Extraction of Main Minerals**

(000 tonnes)

	1996-97	1997-98	July-March		% Change
			1997-98	1998-99	
Coal	3496.00	3145.00	2276.00	2314.00	1.67
Natural gas(000 m.cu.mtr)	19.73	19.82	14.91	15.10	1.01
Crude Oil (min.barrels)	21.27	20.54	15.33	15.18	-0.98
Marble	459.00	345.00	257.00	291.00	13.23
Chromite	35.00	35.00	25.00	22.00	-12.00
Dolomite	215.56	116.05	81.56	102.86	26.12
Gypsum	522.00	307.00	234.00	160.00	-31.62
Limestone	9491.00	11166.00	7379.00	8719.00	18.16
Magnesite (tonnes)	6679.00	3397.00	2503.00	2854.00	14.02
Rock salt	1066.00	971.00	704.00	870.00	23.58
Sulphur (tonnes)	640.00	22458.00	18209.00	13678.00	-24.88
Baryte	30.00	30.00	24.00	20.00	-16.67

Source: Federal Bureau of Statistics

base meals in Pakistan. The Mineral Investment Facilitation Board (MIFB) was assigned to evaluate implementation status of the policy in consultation with the provincial governments. Under the National Mineral Policy, the provinces are required to set up Mineral Investment Facilitation Authority (MIFA) under their respective Chief Minister with Secretaries of the concerned provincial departments and representatives of business community and environment protection agency as its members. MIFA has a monitoring role to mitigate procedural delays and to work as an appellate forum for resolution of disputes. MIFA has already been constituted in Punjab, Balochistan and AJK. The cases are under active consideration in NWFP, FATA and Sindh.

#### Mineral Development in the Public Sector

There are four organisations working under the Federal government namely Geological Survey of Pakistan, Pakistan Mineral Development Corporation (PMDC), Saindak Metals (Pvt) Ltd (SML) and Lakhra Coal Development Company (LCDC). Alongwith these corporations, number of foreign companies are engaged in mineral extraction, development and facilitation. The Provincial governments are also assisting Federation through following four corporations/authorities for development and production of minerals:-

- i) Punjab Mineral Development Corporation(PMDC).

- ii) Balochistan Development Authority(BDA).
- iii) Sarhad Development Authority(SDA).
- iv) Sindh Coal Development Authority(SCDA).

Geological Survey of Pakistan (GSP) assists concerned government corporations and private organizations involved in mineral activity through geological mapping and regional investigations. During the period July-March 1998-99 GSP geologically mapped an area of 4,740 sq.km area on 1:50,000 scale mainly falling in Sakha Kot, Naran, Dhundamor and Batal areas of Hazara Division (NWFP), Reshian, Chaman and Nauseri areas of Punjab, Zhob and Loralai Districts of Balochistan and Northern areas of Pakistan. GSP has covered 300 sq. kms. area between Jhelum and Gujrat through gravity and magnetic surveys with 200 observations. GSP carried out chemical analysis of 480 samples for 5,775 estimations at GSP Laboratories. The Geoscience Laboratory crushed/ pulverized 140 samples, prepared 67 thin sections and analysed 312 samples for 3,761 estimations.

Pakistan Mineral Development Corporation (PMDC) has produced 260,679 tonnes of Coal from its four operating coal mines, three in Balochistan and one in Sindh. PMDC has also produced 286,148 tonnes of rock salt from its three salt mines in Punjab and two salt quarries in NWFP. PMDC as an executing agency, is carrying out geological

investigations under a scheme for gold and other associated minerals in Northern Areas of Pakistan. The project up till now has identified over 2000 single and multiple elements of gold and base metals anomalous zones. Exploration and evaluation of lead-zinc deposit at Duddar in South-eastern Balochistan is in progress under joint venture agreement between PASMINGO Australia Limited, PMDC and Baluchistan Development Authority (BDA) and so far investigation established that 14 million tonnes 8.6% zinc and 3.2% lead are likely to be extracted in this project.

Saindak Copper-Gold Project in District Chagai (Balochistan) could not start commercial production during 1998-99 for want of working capital. The ambitious project is the first of its kind in large scale metal mining in Pakistan which has been implemented to produce 15,810 tonnes blister copper per annum with contained gold (1.47 tonnes) and silver (2.76 tonnes).

Lakhra Coal Development Company (LCDC) is a joint venture to develop large scale mechanized coal mining operation at Lakhra in which PMDC's stake is 30% and WAPDA and Government of Sindh accounts for 20% shares each while remaining 30% share are reserved for the private sector participation. The LCDC has produced/ supplied 232 thousand tonnes of coal and 14 thousand tonnes of limestone to WAPDA coal based power plant of 150 MV at Khanote near Hyderabad.

**Foreign Companies in Mineral Exploration:** The framework for competitive regulatory and fiscal regimes laid down in the National Mineral Policy of Pakistan has attracted a number of major foreign mining companies in mineral exploration during 1998-99. The foreign direct investment (FDI) in Mining and Quarrying sector has increased by 163 percent in 1997-98 and stood at US \$ 99.1 million against US \$ 37.7 million in 1996-97. It fell by 30 percent during July-March 1998-99. PASMINGO of Australia is carrying out exploration in Lasbela district of Balochistan for zinc and lead under a joint venture with PMDC and BDA. PASMINGO also drilled on Duddar deposit, Mithi, Dhoro and Kanraj. It carried out regional airborne geophysical survey of the concession area and interpreting the results. BHP Minerals of Australia is engaged in exploration of copper and gold in Chagai district of Balochistan for the last five years. ORANMORE Resources Ltd of Ireland is conducting exploration of lead and zinc and associated minerals in district Khuzdar Balochistan

under a joint venture of Balochistan government and Pakistan Petroleum Ltd. MINORCO of Holland has signed a broad term MOU to conduct exploration of gold and other precious metals in Northern Areas and NWFP.

## INVESTMENT POLICIES

### INDUSTRIAL INVESTMENT

The provisional estimates of industrial investment or gross capital formation in manufacturing sector depicted an over all decrease of 14.2 percent during 1998-99. The industrial investment in Public sector exhibited a tremendous increase of 233.3 percent during the course of current year mainly on account of one major project of PARCO while industrial investment in private manufacturing sector decreased by 2.9 percent over previous year. The capital formation in Large scale manufacturing witnessed an increase of 16.2 percent because of 233.3 percent increase in industrial investment by large scale manufactures of public sector. The private sector has increased its investment in small scale manufacturing by 9.9 percent where it is the only player. The trends in industrial investment are given in table-3.6.

Table 3.6  
Industrial Investment

	1996-97	1997-98	1998-99*	% Change
	(Rs. million)			
<b>Manufacturing</b>	<b>74700</b>	<b>71569</b>	<b>82127</b>	<b>14.19</b>
Public Sector	8684	5345	17815	233.30
Private Sector	66016	66224	64312	-2.89
<b>Large Scale</b>	<b>60469</b>	<b>55242</b>	<b>64186</b>	<b>16.19</b>
Public Sector	8684	5345	17815	233.30
Private Sector	51785	49897	46371	-7.07
<b>Small Scale</b>	<b>14231</b>	<b>16327</b>	<b>17941</b>	<b>9.89</b>
Public Sector	0	0	0	0.00
Private Sector	14231	16327	17941	9.89

\* Provisional Source: Federal Bureau of Statistics

### Deletion Policy

The deletion policy for progressive manufacture of different products of engineering industry was approved by the ECC of the Cabinet with a view to save foreign exchange, provide job opportunities, ensure transfer of technology and



development of engineering base in the country. The approved engineering industries under this programme were allowed to avail concessionary rate of duty for the import of components/sub-components and raw material to promote indigenization. The deletion policy was further reviewed in 1995 by the Cabinet and has been under implementation since January 1996 for ensuring higher degree of transparency. Sub-committees on different industries have been set up to make the deletion programme industry specific instead of firm specific. The industry Specific Deletion Programme (ISDP) for progressive manufacturing of Deep Freezer, Motorcycles and Tractors have been prepared during 1998-99 and the CBR has been asked for its implementation accordingly.

**Implementation of Deletion Policy:** The deletion policy has attracted investment in many joint ventures and technical collaboration for local manufacturing in the country. During the course of 12 years of deletion policy the cell has formulated many deletion programmes. Some industries have obtained ISO 9002 certification and some are on the road of obtaining quality standards. Many industries have succeeded in export of parts/components. The varying degree of deletion achievement with technology transfer in some major products are given below:

1. Transformers	100%
2. Electric pumps	95%
3. Electric motors	100%
4. Tractors	82%
5. Electricity meters	85%
6. Deep Freezers	86%
7. Trucks & buses	58%
8. Refrigerators	84%
9. Electric Iron	74%
10. Motorcycles	72%
11. Wind. Airconditioner	76%
12. Fruit Juice Extractor	81%
13. Sugar Plants	79%
14. Motor Vehicles	64%

#### **PRIVATIZATION PROGRAMME**

Privatization of the state owned enterprises (SOE's) was initiated with the floating of 10 percent shares of Pakistan International Airlines (P.I.A) to the general public in 1989 but the process of privatization actually started in 1991. In the first phase, the pace of privatization was rapid and 70 units were privatized in two years time. But the pace of privatization slowed down since then due to host of

reasons. The Privatization Commission took steps to accelerate the process and broaden the base of the Commission. A 12 member large Commission was constituted which included members from the private/ corporate sector, Stock Exchanges and representatives of the Chamber of Commerce & Industry. The government is striving hard to strengthen the institutions before going to invite bids from investors and improve the operational efficiency and overall performance of state-owned enterprises. The privatization process has helped develop physical and technological infrastructure and strengthen the capital market by broadening and developing its base through enlarging the number of shareholders and listing new enterprises.

The privatization of State Owned Enterprises (SOE) are classified in to three broad categories (i) outright sales in case of small manufacturing units and thermal power generation of WAPDA, (ii) large scale manufacturing and services to be sold through suitable tranche at the national and international stock exchanges and (iii) utilities and services such as electricity generation and distribution, banks, gas and telecommunication. The methodology of privatization has been designed to ensure widespread dispersal of ownership by incorporating provisions for participation of employees and the management, equal opportunity for local and foreign investors and, share market reforms. A great emphasis has been assured on transparency in the process of sale and transfer, thoroughness in the preparation of reports, information sheets and bidding documents.

The privatisation process has broadened its scope by inclusion of sectors like infrastructure, oil & gas, public utilities, roads & railways and air ports alongwith industry, power generation and banking.

**Implementation Programme:** So far about 103 units beside partial divestiture of PIA and PTCL have been privatized. The restructuring process is continued in some of SOE which will be privatized in due course of time. The sectoral implementation programme is reviewed below:

**Financial Sector:** Privatization Commission is striving hard for divestment of remaining stake of Muslim Commercial Bank (25%) and Allied Bank (49%) while divestiture of 26 percent share of Habib Bank are under active consideration. The privatisation of HBL would be followed by privatisation of United Bank Limited (UBL), National Development Finance Corporation (NDFC), National Investment Trust

(NIT) and Investment Corporation of Pakistan (ICP). Financial Advisors have already been appointed for privatisation of these institutions.

**Telecom Sector:** The former-Pakistan Telecommunication Corporation (PTC) has already been bifurcated in to three independent units. The Pakistan Telecommunication Authority (PTA) and National Telecom Corporation (NTC) would continue its functioning under the government's supervision while spade-work for privatisation of Pakistan Telecom Company Limited (PTCL) is under way.

**Oil & Gas Sector:** In order to facilitate the privatisation of Sui Northern Gas Pipeline (SNGC) and Sui Southern Gas Company (SSGC) new tariff and licensing rules have been drafted and legislation is being made to establish the Gas Regulatory Authority (GRA). The establishment of GRA would facilitate privatisation of gas companies. The spade-work for establishment of Petroleum Regulatory Board (PRB) is also underway for privatisation of oil and gas companies i.e Pakistan Petroleum Limited (PPL), Oil & Gas Development Corporation (OGDC) and Pakistan State Oil (PSO).

**Power Sector:** A regulatory body for the power sector National Electric Power Regulatory Authority (NEPRA) has been established as a kick-start to attract private investment in power sector. The process of restructuring of Water & Power Development Authority (WAPDA) is going on and efforts would be made to privatize various area electric boards. The privatisation of Karachi Electric Supply Corporation (KESC) is at advance stage. Table 3.7 give the group-wise break-up of the privatization of the SOE's during 1991-92 to 1998-99. (No unit was privatized during 1998-99).

Table 3.7  
Privatization of SOE's

	91-92	94-95	96-97	97-98	Total
	93-94	95-96			
Automobiles	7	-	-	-	7
Cement	8	3	-	-	11
Chemicals	5	6	-	-	11
Fertilizer	1	-	-	-	1
Engineering	5	1	-	1	7
Ghee	16	-	-	1	17
Rice	7	1	-	-	8
Roti Plants	13	1	-	1	15
Banks	2	1	-	2	5

Contd....

Contd....

	91-92	94-95	96-97	97-98	Total
	93-94	95-96			
Power & Gas	-	2	-	-	2
Telecommunication	-	2	-	-	2
Hotels, Resorts	-	-	-	5	5
Newspapers	1	3	1	-	5
Miscellaneous	1	4	-	2	7
Total	66	24	1	12	103

Source: Privatization Commission

### EXPORT PROCESSING ZONES AUTHORITY

In order to exploit maximum export potential of the country, Export Processing Zones Authority (EPZA) was formulated as an autonomous body in 1980 to plan, develop and manage Export Processing Zones (EPZs) in economically viable areas across the country under administrative control of the Ministry of Industries & Production.

So far EPZA has established the following export processing zones (EPZ) in various parts of the country. In order to achieve its objectives the EPZs are exempted from several levies and administrative bottlenecks.

#### i) Karachi Export Processing Zones (KEPZ)

Karachi Export Processing Zone (KEPZ) was the first project of EPZA in the country which was established over an area of 300 acres of land in 1981, with the object to attract foreign capital, technology and modern management skill for export oriented industries. In the first phase Karachi Export Processing Zone (KEPZ) has developed 200 acres of land where 1100 plots of different sizes has been allotted to prospective investors with all infrastructure facilities. Out of these plots 330 industrial plots are acquired by entrepreneurs for factories, 70 plots for warehousing and 33 small plots for financial sector have been fully developed.

Karachi Export Processing Zone (KEPZ) has attracted considerable investment inflows amidst volatile economic conditions. On 31 March, 1999, total number of industrial units in production stood at 116. By 31st March, 1999, KEPZ industrial and trading units imported material worth US \$ 457 millions. Cumulative exports from the zone amounted to US \$ 568 millions. During the period July-March 1998-99, the industrial units imported raw material and mahinery worth US \$ 38.2 million as against total exports worth US \$ 58.0 million. Many industrial

units, four banks and two insurance companies are carrying out their business in the Zone to facilitate investment climate. KEPZ consist of industries like Garments, Leather goods, electrical & electronics, engineering, light chemicals, paper products and Fabric/Yarn.

#### ii) Sialkot Export Processing Zone

Pakistan's second export processing zone was established in Sialkot under joint venture arrangements of EPZA and Punjab Small Industries Corporation (PSIC) in association with Sialkot Chamber of Commerce & Industry. It is being set up by declaring Phase-III of the PSIC's Industrial Estate at Sanbrial near Sialkot as an EPZ, comprising an area of 130 acres. The project is on self-finance basis and development cost of the project is to be met by Punjab Small Industries Corporation through sale of plots.

#### iii) Rawalpindi Export Processing Zones

It is a joint venture project between EPZA and Rawalpindi Chamber of Commerce & Industry. Although setting up of EPZ at Rawalpindi near Rawat has already been notified but feasibility and approval of CDWP is still pending. The project is on self-financing basis without involving any government expenditure.

#### iv) Raisalpur Export Processing Zone

It is a joint venture between Sarhad Development Authority (SDA) and EPZA. It is to be developed over an area of 200 acres on self financing basis and the cost is to be recovered through sale proceeds of plots.

#### EPZs In Other Cities

The memorandum of understanding (MOU) for setting up eight (8) EPZ has been signed and initial work has already been started between EPZA and the joint venture partners.

#### INDUSTRIAL ESTATES

At the time of independence, Pakistan inherited poor industrial base and lacked entrepreneurial class. Small industrial estates were established to groom an entrepreneurial class as well as initiate the process of industrialization. Pakistan's first industrial estate 'Sindh Industrial Trading Estate

Ltd. Karachi' was established in 1947. The number of industrial estates have stagnated on 72 for many years. The distribution of these 72 industrial estates is among Sindh (24), Punjab (20), NWFP (15), Baluchistan (10) and Federal Capital area, Islamabad (3). The industrial estates are administered by respective provincial governments and all infrastructure and utility services are provided by them while the federal Ministry of Industries & Production is coordinating with all provincial governments. These industrial estates enjoy exemption from customs duty on imported machinery and other incentives and facilities available under the rural industrialization scheme, where ever applicable. The private sector has been equally encouraged to establish industrial estates in the country and provision/ development of necessary infrastructural facilities, especially power generation for their industrial ventures has been allowed.

#### FOREIGN INVESTMENT

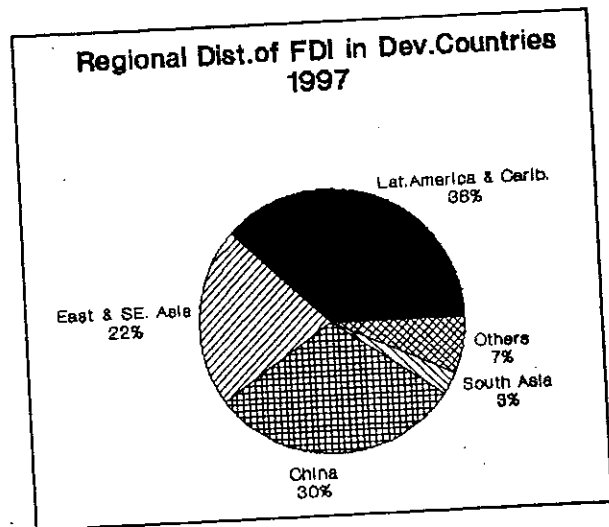
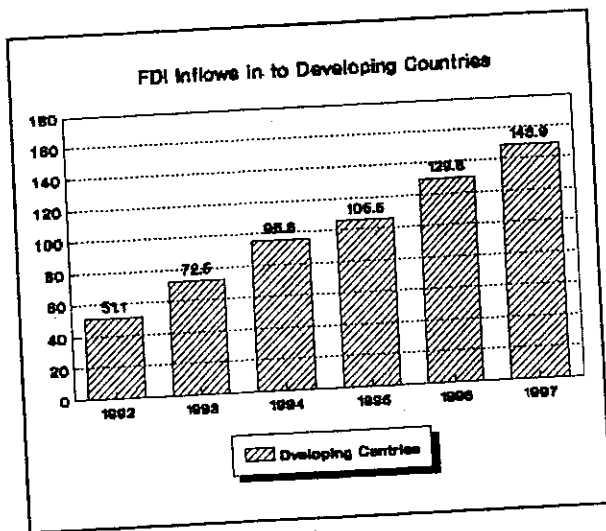
The socio economic development of a developing country like Pakistan requires huge investment to steer the country to a higher level of equilibrium. Domestic resources are short to finance our development needs and thus foreign private investment (FPI) plays crucial role in filling the gap between investment demand and saving. Pakistan is making strenuous efforts to attract foreign private investment (FPI) by offering attractive incentive package which is second to none in the emerging markets. There has been a substantial increase in FPI in various sectors of the economy during the last few years. The current year has been an abnormal year because of the economic sanctions and the South East Asian crisis has also hampered the inflows of FPI. Pakistan's major sources of FPI inflows remained USA, UK and Japan. Therefore, economic sanctions imposed by these countries adversely affected the FPI inflows. Foreign investment on repatriable basis in services/infrastructure, social and agriculture sectors was also allowed subject to certain conditions as spelled out in the Investment policy.

FPI has the potential of making a significant contribution to development, not only through the transfer of financial resources, but also through its contribution to technology transfer, improved management, know-how and, in some cases, the facilitation of marketing the exports of developing countries. Its role as finance for development and catalyst for diversification of economic growth to

priority sectors and importation of new technology cannot be denied.

**A comparative evaluation of FPI in Pakistan:** The developing countries in 1990's resorted to FPI as a source of finance for development. The South East Asian miracle prior to currency turmoil in 1997, was a glaring example of significance of FPI. The FPI had provided dearly needed capital to finance economic development, access to super technology, improved managerial skills and market orientation to many countries. Notwithstanding, the contagion impact of South East Asian financial turmoil, the FDI inflows to developing countries have gone up to US \$ 149 billion in 1997 from US \$ 130 billion in 1996. However, the stocks crashed in emerging markets and portfolio investment fell considerably in almost all developing countries. China as an individual country remained the highest recipient of FDI inflows with 31 percent stake in overall FDI inflows inspite of consistent decline since 1993 when it account for 38 percent stake. The South East Asia still account for 11 percent stake in total FDI inflows to developing countries. South Asia including Pakistan remained uncompetitive due to its vulnerable socio-economic

and institutional set-up. Pakistan's stake in total FDI inflows to developing countries remained below 0.5 percent in 1997 while its share in South Asia declines from 27 percent in 1993 to 18 percent in 1997. The total foreign direct investment (FDI) flows in the world in 1997 reached to US \$ 400.5 billion against US \$ 337.6 billion in 1996. The developed world's stake in global inflows declined from 88 percent in 1980 to 60 percent in 1997 while developing countries have increased their share of global inflows of foreign direct investment (FDI) by increasing its share from 12 percent in 1980 to 37 percent of total global FDI inflows in 1997. The Asian continent has become the largest FDI recipient region among developing world in last few years as FDI inflows progressed by annual average of 27 percent during 1990-96 which accounts for 58.4 percent of total developing countries FDI inflows and 22 percent of world FDI inflows. Pakistan's FDI inflows continue to be affected by international developments but inspite of all policy inconsistencies and procedural bottlenecks have increased by nearly four times from US \$ 244 million in 1990 to US \$ 823 million in 1997. FDI trends in developing countries are shown in fig-I and fig-II.



**Current trends in Foreign Investment** The financial turmoil of 1997 in South East Asia had already eroded credibility of the countries in the region but economic sanctions imposed by some developed countries proved last straw on the camel's back and net FPI inflows to Pakistan declined massively by 53 percent in first nine months of the current financial year. The portfolio investment was severely affected by the external and internal shocks and declined to US \$ 4.7 million during July-March 1998-99 as against US \$ 203.8 million in the comparable period last year,

thereby, registering a massive decline of 97.7 percent. The declining trend was less severe in FDI inflows which declined to US \$ 296.0 million during July-March 1998-99 as against US \$ 436.1 million in the same period last year, which reveal decline of 32.1 percent. The net FPI inflows stood at US \$ 300.7 million during July-March 1998-99 as against US \$ 639.9 million in comparable period of last year, thus showing an overall decline of 53 percent. As far as sectoral distribution of foreign direct investment (FDI) is concerned, the Power sector continue to

dominate for some years and got lion's share (39.1 percent) of direct private foreign investment by attracting US\$ 115.8 million out of total volume of US\$ 296.1 million in the period July-March 1998-99 which is lower than previous year's US\$ 148.6 million out of US\$ 436.1 million during July-March 1997-98. The other considerable recipient of the stake include

important sectors like mining & quarrying (15.7 percent), chemicals & pharmaceutical (13.6 percent) and petro-chemicals & petroleum refining (9.6 percent). Foreign Investment trends are given county-wise in Table-3.8 (a) group-wise distribution of FDI is given in Table-3.8 (b).

**Table 3.8 (a)**  
**Net Private Foreign Investment**

	(US \$ Million)								
	1997-98			1997-98 (Jul-Mar)			1998-99 (Jul-Mar)		
	Direct	Portfolio	Total	Direct	Portfolio	Total	Direct	Portfolio	Total
USA	256.6	64.2	320.8	199.8	61.9	261.7	123.1	-8.5	114.6
UK	135.5	-106.2	29.1	72.0	-78.2	-6.2	67.2	-22.9	44.3
UAE	19.2	22.1	41.3	13.4	15.5	28.9	4.7	19.2	23.9
Germany	24.0	0.3	24.3	6.6	1.0	7.6	18.3	0.0	18.3
France	4.9	0.4	5.3	4.7	0.4	5.1	6.6	0.2	6.8
Hong Kong	2.1	229.6	231.7	2.0	200.6	202.6	0.7	7.2	7.9
Italy	0.9	0.1	1.0	0.0	0.1	0.1	0.2	0.5	0.7
Japan	17.8	-1.2	16.6	12.5	-1.2	11.3	44.4	0.0	44.4
S. Arabia	12.0	1.3	2.5	1.2	0.5	1.7	1.1	0.0	1.1
Canada	0.5	..	0.5	0.3	0.0	0.3	0.0	0.0	0.0
Netherlands	26.9	-	26.9	24.4	-0.2	24.2	4.9	0.1	5.0
Korea	5.9	-	5.9	4.2	0.0	4.2	4.6	0.0	4.6
Others	106.0	10.7	116.7	95.0	3.41	98.4	20.2	8.9	29.1
<b>Total</b>	<b>601.3</b>	<b>221.3</b>	<b>822.6</b>	<b>436.1</b>	<b>203.8</b>	<b>639.9</b>	<b>296.0</b>	<b>4.7</b>	<b>300.7</b>

- Nil .. Negligible

Source: State Bank of Pakistan

**Table 3.8 (b)**  
**Group-Wise Distribution of FDI**

Economic Group	(Million US \$)	
	1997-98	1998-99
1. Power	148.6	115.8
2. Mining & Quarrying - oil & gas	66.1	46.4
3. Chemical, pharmaceutical & fertilizer	64.8	40.3
4. Petro chemical & petroleum refining	0.4	28.4
5. Financial business	17.2	11.1
6. Transport and storage	4.0	10.8
7. Construction	17.5	6.8
8. Food, beverages & tobacco	14.3	6.5
9. Electrical Machinery	8.5	0.9
10. Machinery other than Electrical	0.0	0.9
11. Transport & equipment	2.7	0.0
12. Textile	26.7	0.6
13. Trade	6.2	3.4
14. Cement & non-metallic mineral products	3.0	0.0
15. Metal product	1.0	0.2
16. Electronics	1.5	0.9
17. Paper and pulp	2.8	0.0
18. Tourism	5.7	0.0
19. Others	45.1	23.1
<b>Total</b>	<b>436.1</b>	<b>296.1</b>

Source: State Bank of Pakistan

The foreign investment remained vulnerable due to hostile external environment in the early part of the fiscal year. The economy came out of economic crisis since January 1999. And after stabilization, the

government has redoubled its efforts to attract foreign investment. The investment environment is improving considerably and the net FPI inflow has witnessed satisfactory increase after stabilization.

## CHAPTER

# 4

## Income Distribution and Poverty

### I. Income Distribution

The process of economic development with over emphasis on GDP maximization leads to uneven income distribution. Glaring economic disparities breed socio-political tension and polarization in the society. Pakistan's GDP growth has been impressive over a relatively long period. It has achieved average annual growth rate of 5.6 percent since the early 60s to date. Data on income distribution is available from 1963 to 1994 on the basis of Household Income and Expenditure Surveys conducted by the FBS. During this period at least four distinct phases of inequality trend can be observed by looking at the ratios of highest 20% to lowest 20% of household income groups. The first phase spread over the period 1963-71 shows that inequality in income distribution narrowed, the ratio of highest to lowest 20 percent income group decreased from 7.1 in 1963-64 to 4.9 in 1970-71. The second phase covering the period 1971-79 suggests a widening of income inequality, the ratio increased to 6.1 in 1979 from 5.4 in 1971-72. In the third phase (1984-87), the ratio declined from 6.2 to 5.5, depicting an improvement in income distribution. In the fourth phase (1987-93), the inequality in income distribution worsened as the ratio significantly

rose from 5.5 to 7.8 in 1992-93.

The Gini Coefficient representing the same trend shows that the coefficient declined from 0.386 in 1963-64 to 0.330 in 1970-71. However, it rose to 0.345 during 1971-72 and to 0.373 in 1979. It declined from 0.369 in 1984-85 to 0.346 in 1986-87. From 1987-88 upto 1992-93 it kept on increasing as it rose from 0.35 in 1987-88 to 0.41 in 1992-93, indicating a worsening of income distribution.

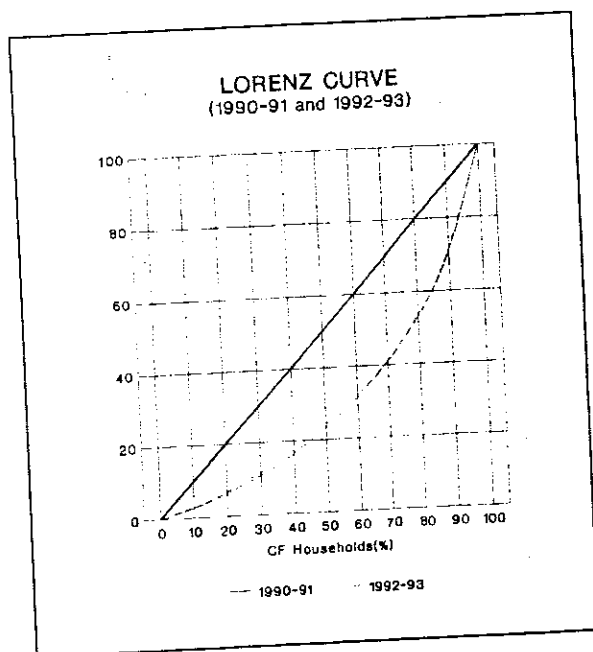
In recent years, the trends in income inequality has followed closely the growth performance of the economy. During 1985-88 Pakistan achieved a high growth (6.2% average) which was accompanied by falling income inequalities; the Gini coefficient fell from 0.355 in 1985-86 to 0.348 in 1987-88. On the other hand, the relatively slower growth of the real GDP in 1990-91 and 1992-93 was accompanied with rising income inequality; the Gini coefficient rose from 0.407 to 0.410. Table 4.1 reflects the behaviour of the Gini coefficient and growth rates of real GDP from 1963-64 to 1992-93.

Table 4.1  
Household Income Distribution in Pakistan

Year	Household Gini Co-efficient	Household Income Shares			Ratio of highest 20% to lowest 20%	GDP Growth Rates
		Lowest 20%	Middle 60%	Highest 20%		
1963-64	0.386	6.4	48.3	45.3	7.1	6.5
1966-67	0.355	7.6	49.0	43.4	5.7	3.1
1968-69	0.336	8.2	49.8	42.0	5.1	6.5
1969-70	0.336	8.0	50.2	41.8	5.2	9.8
1970-71	0.330	8.4	50.1	41.5	4.9	1.2
1971-72	0.345	7.9	49.1	43.0	5.4	2.3
1979	0.373	7.4	47.6	45.0	6.1	5.5
1984-85	0.369	7.3	47.7	45.0	6.2	8.7
1985-86	0.355	7.6	48.4	44.0	5.8	6.4
1986-87	0.346	7.9	48.5	43.6	5.5	8.8
1987-88	0.348	8.0	48.3	43.7	5.5	6.4
1990-91	0.407	5.7	45.0	49.3	8.6	5.6
1992-93	0.410	6.2	45.6	48.2	7.8	2.3

Source: Federal Bureau of Statistics.

The behaviour of income distribution during the fifth phase (1990-91 to 1992-93) is depicted by Lorenz Curves.



### Monthly Average Household Income

Another way to get an insight into the structure of inequality is to analyze inter-sectoral disparity on rural-urban basis through monthly average household income. The rural households have lower monthly average income compared to their urban counterparts. This can be attributed to their poor possession of productive assets, high under-employment as well as disguised un-employment and lack of socio-physical infrastructure. The monthly average income for the sampled household of rural and urban households are shown in Table 4.2

Table 4.2  
Monthly Average Household Rural/Urban Income

Year	(In Rupees)		
	Pakistan	Urban	Rural
1963-64	203	236	193
1966-67	219	281	198
1968-69	215	293	190
1969-70	223	303	197
1970-71	235	317	209
1971-72	265	361	234

Contd....

Contd...

Year	Pakistan	Urban	Rural
1979	1032	1346	836
1984-85	1774	2390	1538
1985-86	1889	2537	1638
1986-87	2062	2739	1775
1987-88	2131	2956	1815
1990-91	3168	3701	2931
1992-93	3590	4976	3070
(Compound Growth Rate)	10.4	11.1	10.0

Source: HIES of various years, FBS.

Although the monthly average income of the rural household has remained lower than their urban counterparts, the rural income distribution has remained relatively better than their urban counterparts in all the years of the HIES. The share of the lowest 20 percent income group in the rural area has remained consistently higher than in the urban area while the reverse is the position in the case of the highest 20 percent income group which claimed lower share in rural areas compared to their urban counterparts. The Gini coefficient for rural areas declined from 0.34 in 1985-86 to 0.31 in 1987-88. It rose to 0.41 in 1990-91 and again declined to 0.37 in 1992-93 while the Gini coefficient for urban areas declined from 0.40 in 1984-85 to 0.36 in 1986-87 and then kept on rising upto 1992-93 confirming that income distribution has worsened in the urban areas compared with rural areas. The rural-urban trends are given in Table 4.3.

Table 4.3  
Household Income Shares (Rural-Urban)

Year	Lowest 20%	Highest 20%	Gini Co-efficient
Rural 1979	8.3	41.3	0.32
1984-85	7.9	42.8	0.34
1985-86	7.9	40.0	0.33
1986-87	8.0	39.0	0.32
1987-88	8.8	40.0	0.31
1990-91	6.0	47.4	0.41
1992-93	7.0	44.8	0.37
Urban 1979	6.9	48.0	0.40
1984-85	7.0	47.7	0.38
1985-86	7.5	45.0	0.35
1986-87	7.9	44.0	0.36
1987-88	6.4	48.1	0.37
1990-91	5.7	50.5	0.39
1992-93	6.1	48.9	0.42

Source: Calculated from HIES of various years, FBS.



## Income Distribution of Regional Countries.

The latest available data on income distribution in 9 selected countries of the region including Pakistan is presented in Table 4.4. The table

indicates that income distribution in Pakistan in terms of ratio of richest 20% to poorest 20% is better than many countries included in the sample such as Malaysia, Thailand, Philippines, China and Indonesia.

**Table 4.4**  
**Percentage Share of Income or Consumption in Selected Countries**

Country	Survey Year	Gini Index	Population below the Poverty Line (%) National	Household Income Share		Ratio of Richest 20% to poorest 20%
				Poorest 20%	Richest 20%	
Pakistan*	1991	31.2	34.0	8.4	39.7	4.7
Bangladesh	1992	28.3	42.7	9.4	37.9	4.0
China	1995	41.5	8.4	5.5	47.5	8.6
India	1994	29.7	40.9	9.2	39.3	4.3
Indonesia	1995	34.2	17.4	8.4	43.1	5.1
Malaysia	1989	48.4	15.5	4.6	53.7	11.7
Philippines	1994	42.9	52.0	5.9	49.6	8.4
Sri Lanka	1990	30.1	40.6	8.9	39.3	4.4
Thailand	1992	46.2	18.0	5.6	52.7	9.4

Source: World Development Report 1998-99.

\* The figures for Pakistan are not comparable with those given in table 4.1 because of different sources of information and methodology.

## II. Poverty

Poverty is a complex and multi-dimensional phenomenon. Conceptually, it can be visualized as unequal distribution of income or unjust sharing of the fruits of development by a segment of the society in a country. One key measurement of poverty is "consumption poverty" which is based on daily minimum caloric intake necessary for the human being. The other measures of poverty are economic and social indicators, such as, lower per capita income, poor living conditions, income inequality, high incidence of diseases, high mortality rates specially among children, low life expectancy, low literacy etc. Absolute poverty is measured in terms of fixed basket of basic needs or the level of caloric intake necessary for nutrition. Poverty in this form prevails in every part of the world but its incidence is more severe in developing countries where the poors constitute one third of the population of the world. Over one-fifth of the world population is living in poverty with income or consumption levels below the nationally defined poverty lines. It is unfortunate that the largest number of these impoverished people, estimated at half a billion inhabit the South Asia. Poverty should not be allowed to degenerate into indigence. The ultimate objective of economic development is to increase economic and social well

being of the people. This goal cannot be materialized if a large segment of the society is deprived of the benefits of socio-economic development.

The Government believes that sustainable economic growth accompanied by macro-economic stability is ultimately the most powerful means of reducing poverty over the medium-term. The implementation of a comprehensive programme of stabilization and structural reforms by the Government is aimed at achieving the cherished goal of poverty alleviation. However, this is equally true that the adjustment and reform measures must be accompanied by improvement in delivery of basic social services such as education, health and population programme and direct intervention for poverty alleviation.

### Poverty Trends

Absolute poverty, on the basis of calorie-intake approach, declined in Pakistan from 46.5 percent in 1969-70 to 17.3 percent in 1987-88. In the same period rural poverty has declined from 49.1 percent to 18.3 and in the urban areas it declined from 38.8 percent to about 15 percent. However, since 1987-88 poverty is rising in Pakistan. In 1992-93, 22.3 percent of the population had income below the

poverty level compared with 17.3 percent in 1987-88. The rural poverty level at 26.2 percent and urban poverty at 21.7 percent in 1992-93 has also increased from the 1987-88 level (Table-4.5).

**Table 4.5**  
Consistent Time Series on Poverty: Head Counts

Year	Total	Rural	Urban
1963-64	40.24	38.94	44.53
1966-67	44.50	45.62	40.96
1969-70	46.53	49.11	38.76
1979	30.68	32.51	25.94
1984-85	24.47	25.87	21.17
1987-88	17.32	18.32	14.99
1990-91	22.11	23.59	18.64
1992-93*	22.32	26.24	21.70

Source: Rashid Amjad and A.R. Kemal(1997).  
Macroeconomic Policies and their impact on  
Poverty Alleviation in Pakistan, ILO,  
Multidisciplinary Team Mimeo.

\* S.M.Younus Jafari paper prepared for the Working Group on  
Poverty Alleviation for the Ninth Five Year Plan (1998-2003).

Since the early 1990s, the problem of poverty  
has been intensified because of the slowing down of

economic activity. The structural adjustment  
programmes and macroeconomic stabilization  
measures have imposed heavy burden on the poor.  
Moreover, the burden of increase in indirect taxes has  
also fallen disproportionately on the lower income  
groups.

Table 4.6 presents cross country data on  
percent of population below the poverty line and per  
capita income and availability of calories, for 10  
countries of Asia for comparison. The data reveals  
that percentage of population below the poverty line  
is low in Pakistan as compared with Philippines,  
India, Bangladesh and Sri Lanka. However, the  
percentage of population below the poverty line in  
China, Thailand and Malaysia is much lower than  
Pakistan. Poverty based on caloric intake in Pakistan  
is also lower than Philippines, Sri Lanka, and  
Thailand which enjoy higher per capita GNP as well  
as GNP per capita measured at Purchasing Power  
Parity. In fact Pakistan's consumption poverty is much  
less than many developing countries shown in the  
table. It shows that appropriate public policies have  
been designed in Pakistan to fulfil basic food needs of  
the poor even at low level of income. Thus, reduction  
of consumption poverty critically hinges on the social  
policy of the country. China and Malaysia are having  
similar levels of caloric intake at vastly different levels  
of income.

**Table 4.6**  
Per Capita Income and Calorie Supply in Selected Asian Countries

	GNP per capita (US\$ 1997)	GNP per capita measured at PPP* (US\$ 1997)	Daily calorie supply per capita 1995	Percent of popula- tion below the poverty line (year)
1. Pakistan	490	1590	2471	34.0 (1991)
2. Bangladesh	270	1050	2001	42.7 (1991-92)
3. China	860	3570	2708	8.4 (1994)
4. India	390	1650	2382	40.9 (1992)
5. Indonesia	1110	3450	2699	17.4 (1987)
6. Malaysia	4680	10920	2765	15.5 (1989)
7. Philippines	1220	3670	2319	52.0 (1985)
8. Sri Lanka	800	2460	2302	40.6 (1985-86)
9. Thailand	2800	6590	2247	18.0 (1990)
10. Nepal	210	1090	2367	42.0 (1995-96)

Source: UNDP, Human Development Report 1998.  
World Development Report 1998-99.

\* PPP-Purchasing Power Parity.

## POVERTY ALLEVIATION POLICIES AND PROGRAMMES

The experience of Pakistan suggests that a relatively high growth rate has been associated with a steady decline in poverty. However, experience of other developing countries also show that growth alone is not sufficient to reduce poverty. Thus, it is now generally believed that policies of achieving high growth rate must be accompanied by direct poverty alleviation measures and anti-poverty programmes. Pakistan's poverty alleviation approach in the medium- to-long term consists of sustained high economic growth with emphasis on equity and human resource development. This is buttressed with short-term measures of special programmes to improve earning capacity for the poor and well targeted social safety nets for the really indigent.

Besides making efforts to achieve high and sustained growth in GDP with equity, the government has launched the following programmes and well targeted social safety nets to reduce poverty and mitigate the miseries of the vulnerable and socially marginalized groups.

### 1. Pakistan Poverty Alleviation Fund

Realizing the need to enhance access and quality of social and economic services to low income communities the Government of Pakistan took a policy initiative to set up an independent and professionally managed fund to provide low income communities an opportunity for income generation through access to micro-credit and community physical infrastructure development. This fund called the Pakistan Poverty Alleviation Fund (PPAF) was established in February 1997 as a Private not-for-profit Limited Company to reach the communities through the NGOs and the CBOs. Private sector participation is being encouraged to provide micro-credit for income generating sub-projects and community physical infrastructure schemes to improve the living conditions of the poor. The project would specifically target women as the burden of poverty falls disproportionately on them. The PPAF has the following unique features to distinguish it from conventionally financed programmes aimed at reaching the poor:

- i) special status of the fund management institution as an independent legal status, exemption from civil services salary system; a clearly defined and

protected budget; and exemption from the Government's usual procurement and disbursement procedures;

- b) emphasis on supporting investment demand emerging from community groups and on capacity building of the NGOs; and
- c) project selection powers which determine the range of investment choices available to community groups is vested with the community through project proposals and participation by the community rather than itself identifying designing, or implementing the projects.

The World Bank has agreed to make a major investment in the PPAF Project. The terms and extent of IDA credit for this project are under consideration and negotiation. About \$90 million of the contemplated fund is likely to come from the World Bank, \$8 million from the Federal Government and \$7 million to be contributed by the communities themselves.

The target population of the project is poor and disadvantaged rural and urban communities, specially women. It is anticipated that the underserved districts and communities that lack essential community physical infrastructure and have high unemployment and underemployment will be targeted. The benefits of the project are two fold:

- Benefits will accrue directly to poor through: (a) income generation opportunities; (b) improved community physical infrastructure in the underserved areas; and (c) greater economic integration of women; and

- The project will be complementing Government efforts, specially its social Action Programme (SAP), in improving the lives of poor. It will strengthen the capacities of the NGOs and the community based organizations (CBOs), and the private sector, to plan and implement development projects. It will also complement the Participatory Development Programme (PDP), under the SAP, through which the NGOs are being supported to provide social sector

services to the poor. This project will support the NGOs to provide income generating and community physical infrastructure services to the poor.

## 2. Social Action Programme (SAP)

As a major thrust in bringing direct intervention for poverty eradication and improvement of social indicators the Social Action Programme (SAP-I) conceived in 1992-93 was actually undertaken from 1993-94 and completed in 1996. The SAP was divided into four components: Primary education and primary health care, rural sanitation and drinking water and population programmes. After successful completion of SAP Phase-I (1993-96), the government initiated Five year SAP Phase-II (1997-2002). Like Phase-I, the main focus of the Phase-II is also on five priority areas with emphasis on the improvement of quality and delivery of services. It is expected that with full implementation of SAP Phase-II, the social indicators will improve considerably along with mitigation of poverty.

## 3. Public Works Programmes for Special Employment

The Government is making efforts to reduce unemployment and generate income supplements for the unemployed. Slow growth in the construction, financial services and manufacturing sectors has reduced the employment prospects for new entrants to the labour market and the re-employment prospects of displaced workers. The combined impact of these two factors is likely to lead to increase in the open unemployment rates in future. Given the tight labour market, the aggregate income-generating potential of the rural and urban households is likely to be adversely affected. The increase in open unemployment, together with the fall in potential earnings, will push more people below the poverty level. To arrest this push, the government has designed programmes guaranteeing work on public projects in return for a subsistence wage as under:-

- i. A programme offering start-up loans for unemployed professionals and managers to set-up their own ventures or small firms to create new jobs.
- ii. A programme targeting job creation in existing small and medium-sized enterprises. The programme aims to provide loans for job creation and for improving working conditions.

iii. A programme to create temporary job opportunities in public works for those long-term unemployed.

iv. A programme for training and redeployment policies.

## 4. Farm-to-Market Roads

Farm-to-market roads (FMR) is an important element in the programme of alleviating poverty in Pakistan. The FMR is going to be constructed in the rural areas where an overwhelming number of people rely directly or indirectly on agriculture for their living. The FMR is expected to increase their household income and wealth. It is also expected to provide access to health services, schools and markets to sell their produce at lesser transport cost. During the time of the construction of the FMR a large number of rural workforce will get employment opportunities which will improve their income level. It would therefore serve twin objectives of raising productivity in the rural areas and extending employment opportunities for rural population.

## 5. Small Farmer Based Agriculture

Agriculture credit has been enhanced to benefit the small farmer. A net transfer of resources from rural to urban areas has been the tradition of the past. Ploughing back resources into the rural area provides a good option for sustainable economic growth. A tractor scheme has also been launched to benefit agriculture sector. Although targeted towards farmlands, this scheme may enhance productivity and promote development of the rural services sector with other spin-off effects.

## 6. Land For Landless

A special programme for providing land to the landless farmers has been started. Distribution of state owned land to the landless along with essential inputs is a major intervention for the poor.

## 7. Food Stamps Programme

Food stamps programme will be extended to the poor in the urban and the rural areas and the vulnerables likely to fall below the poverty line. The scheme has been successfully launched in the Punjab. The Atta scheme in Punjab has been extended to 9 districts. The coverage has been enhanced to 4,50,000 households which get food stamps of Rs.150 per

month or RS. 1,800 per year. Atta in bags carrying special marking is sold through the Utility Stores. The annual bill for covering this household comes to about Rs. 810 million at current prices.

#### 8. Participatory Poverty Alleviation

The Participatory poverty alleviation is a unique concept which designed in Pakistan for the first time. The Participatory Poverty Assessment (PPA) is based on the perceptions of the poor themselves in key issues related to poverty reduction. The PPA will ensure that strategies framed for poverty alleviation reflect the concerns, priorities and obstacle to progress as seen by the poor themselves. Identification and reaching out to target vulnerable groups such as disabled, destitutes, elderly, widows, children at risk and female headed households will assist in mapping of poverty and ensure effectiveness of poverty alleviation programmes.

#### 9. Pakistan Bait-ul-Mal(PBM)

The very purpose of the PBM is to provide subsistence living, shelter, education and medical relief for those who are permanently or temporarily unable to earn their livelihood on account of sickness or because of circumstances beyond their control. The Pakistan Bait-ul-Mal has launched special projects for the benefit of poor and deserving persons through the programmes such as National Centre for Rehabilitation of Child Labour, vocational training for

child workers working as apprentices in auto workshops, mobile dispensaries scheme to provide basic health facilities to those living in below poverty line and dastkari schools for widows, orphan girls, daughters of invalids to earn their livelihood honorably.

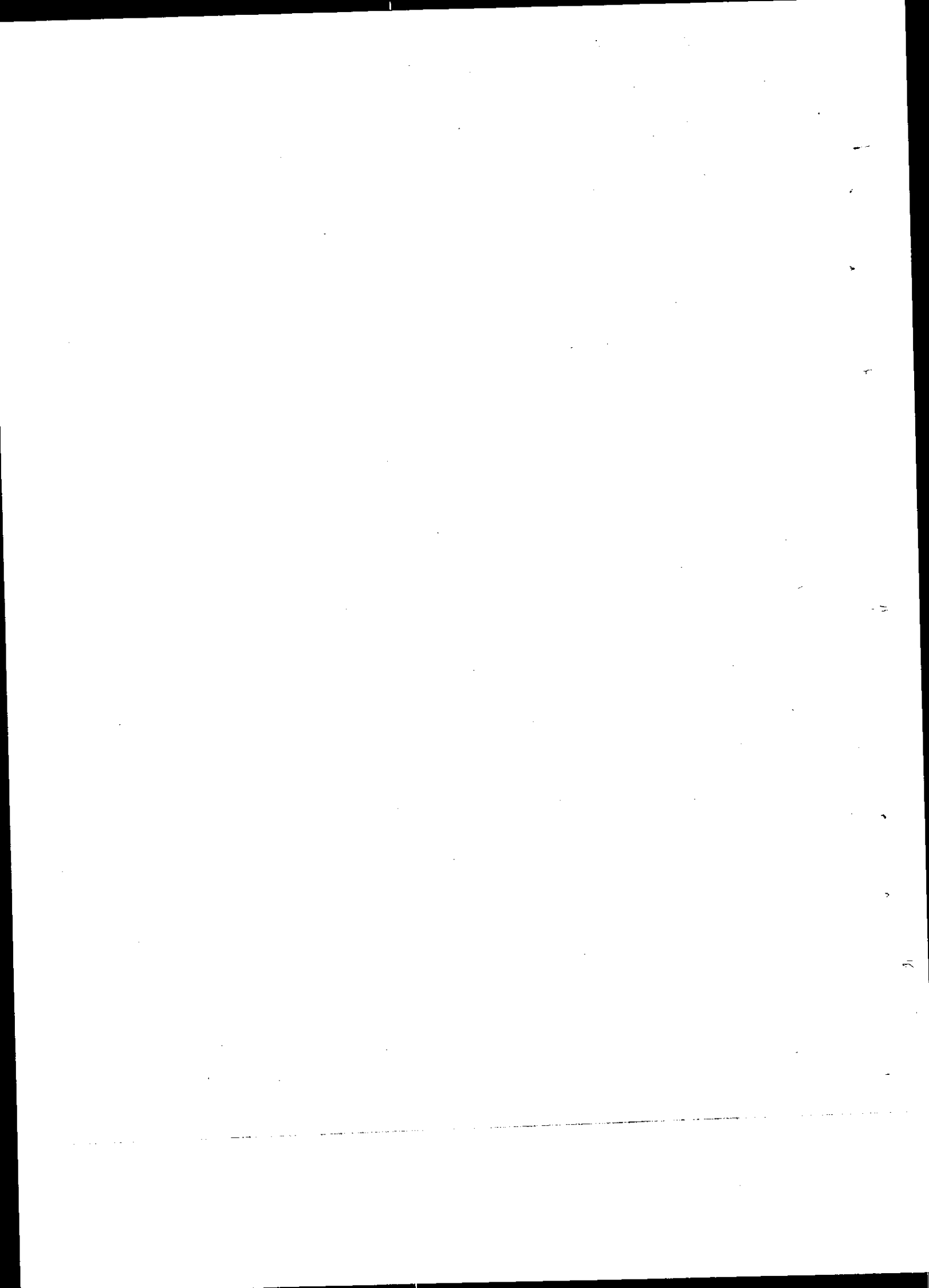
#### 10. Income Transfers (Social Safety Nets)

Besides, the above mentioned programmes for alleviation of poverty, the government has also initiated some other income transfer measures through which the most destitute and socially marginalized section of the society are provide relief. The most notable among them are Islamic mode of welfare system like Zakat and Ushr provide timely support to those who are disadvantaged and marginalized by the market forces.

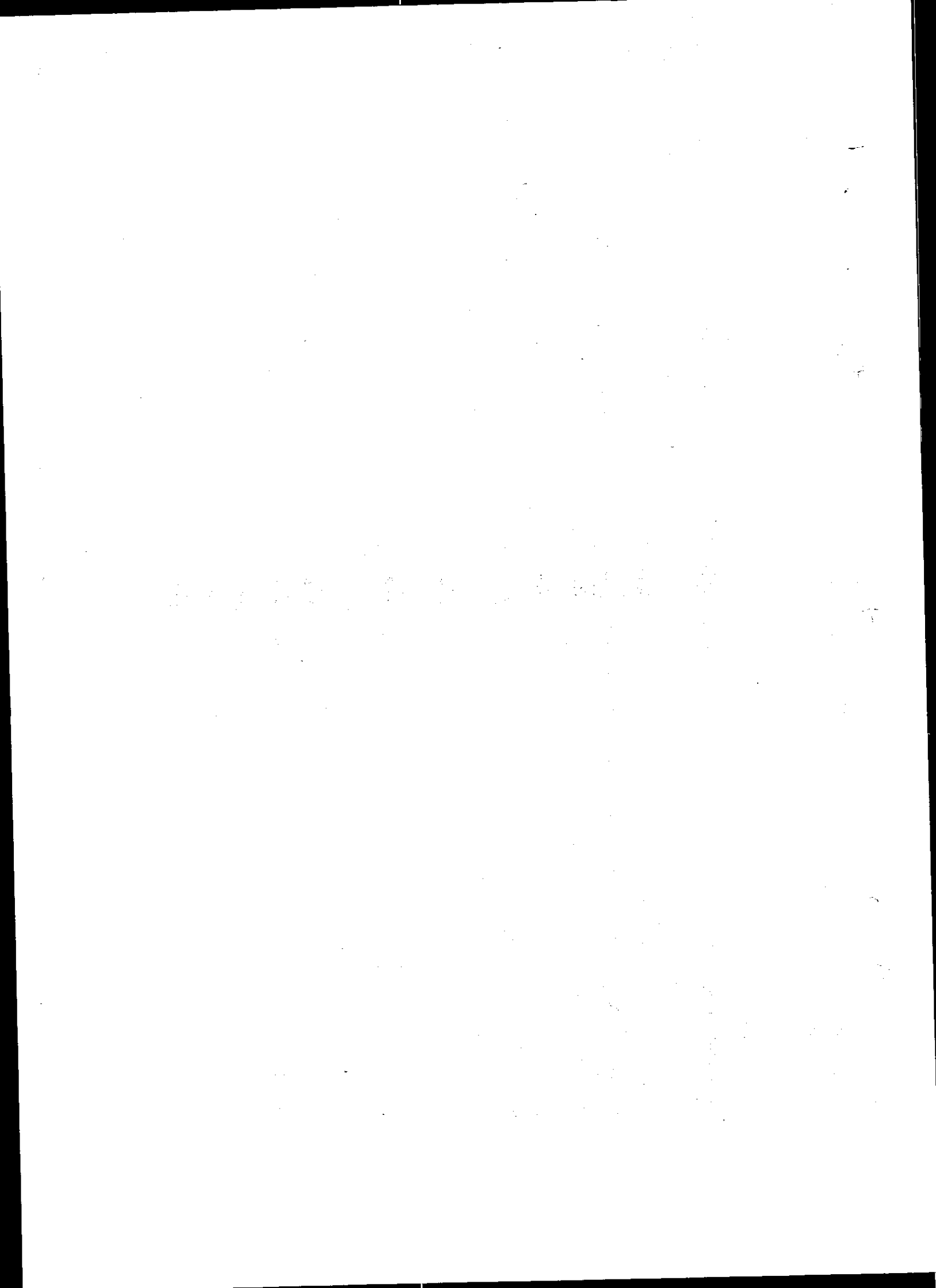
These poverty alleviation programmes and social safety net coupled with reduction in the cost of living would go a long way in mitigating poverty and providing relief to the needy in the short run. Their impact, however, needs to be closely monitored to ensure access to the target group. The long term remedy however, remains to be sustained high economic growth with equity. The government is making strenuous efforts to achieve higher economic growth with emphasis on human resource development. It has been successful in reducing the persistent double-digit inflation to a single-digit during the last two years.

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## **B. FISCAL AND MONETARY**





## CHAPTER

# 5

## Fiscal Development

### Overview

Fiscal consolidation and financial discipline lie at the heart of structural reforms. Reducing fiscal deficit through broadening the tax base and rationalizing the tax rates on the one hand, and containing the growth of unproductive expenditure on the other have been the critical elements of the strategy pursued by the Government to achieve fiscal consolidation.

In Pakistan, as in many other developing countries, fiscal imbalances and resulting debt burden have been the main underlying cause of macro-economic instability which in turn has impeded the medium-to-long term growth prospects. The past attempts to achieve fiscal consolidation were not very successful, despite imposition of new taxes and curtailing non-essential expenditures. The tax-to-GDP ratio has remained stagnant in the neighborhood of 12 to 14 percent over the last one decade. Pakistan's tax structure has suffered from several weaknesses that include narrow and punctured base, over-reliance on import related taxes, multiplicity of taxes, and weak tax administration. The combined effects of these weaknesses through low tax elasticity and buoyancy resulted in low and stagnant tax-to-GDP ratio. Such tax structure has hampered resource mobilization efforts in the past and required a series of discretionary measures in every federal budget to reduce the revenue-expenditure gap. The low and stagnant tax-to-GDP ratio compelled the successive Governments to generate resources through surcharges and non-tax revenue. Consequently, the total revenue-to-GDP ratio has hovered in the neighborhood of 15 to 19 percent over the last one decade (see Table 5.1):

On the expenditure side, it is a fact that over the years the structure of current expenditure has become inflexible. Large resources are pre-empted by expenditure of essential and obligatory character such as debt servicing and national security. Almost 90 percent of the current expenditure of the federal government is devoted to debt servicing and national

security (defense), leaving little room for economizing expenditure. Although, the total expenditure-to-GDP ratio exhibits a declining trend in the 1990s, this decline has occurred primarily at the cost of development expenditure which has declined from 6.4 percent of GDP in 1990-91 to around 3.6 percent in 1998-99. Decline in development spending has not only caused a deterioration in human and physical infrastructure but has also constrained the future growth potential of the country. As a consequence of the relative upward inflexibility of revenues and relative downward inflexibility of expenditure the overall fiscal deficit remained in excess of 6 percent during most of the years in the 1990s. In fact, during the first three years of the 1990s (1990-93), fiscal deficit averaged 8 percent of the GDP, declined to slightly above 6 percent during the next four years (1993-97), and further to around 5 percent during the last two years (1997-99). Persistently large fiscal imbalances raise two major concerns. First, the rising trend in the interest burden on domestic debt threatens the sustainability of the current macro-economic stance. Second, servicing the country's domestic debt puts large claims on government resources, which reduce the Government's capacity to spend on key development activities. In addition, it also creates a need for higher taxation which undermines efficiency. In 1997-98, almost 79 percent of tax revenue and 63 percent of total revenues were used for debt servicing.

Realizing the importance of fiscal consolidation in achieving macro-economic stability, the present Government on assuming office in February, 1997 moved quickly to introduce a wide-ranging structural reforms and stabilization measures including tax and tariff reforms. The driving philosophy behind these reforms was to reduce tax rates, broaden the tax base to the hitherto untaxed or under taxed sectors and shift the incidence of taxes from imports and investment to consumption and incomes. The reduction in tax rates was intended to stimulate investment and production on the one hand and promote voluntary tax compliance on the other. Broadening of the tax base was intended to ensure

fair distribution of tax burden among various sectors of the economy. On expenditure side, tight expenditure policies were pursued and strict financial discipline was enforced on both development and non-development expenditure. The key objective of the fiscal adjustment has been to increase tax-to-GDP ratio as a means of achieving fiscal consolidation and improving resource allocation.

The tax and tariff reforms as well as tight expenditure policies have yielded positive results during the last two years (1997-99) as the Government has succeeded in reducing fiscal deficit from over 6 percent of GDP in earlier years to 5.4 percent in 1997-98 and further to 4.7 percent in 1998-99. The main fiscal indicators since 1990-91 to 1998-99 are given in Table 5.1 and Figure-1:

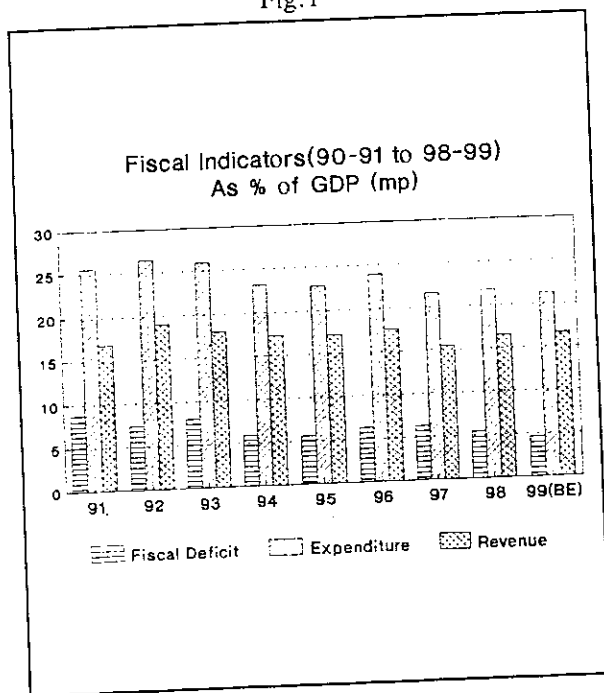
Table 5.1  
Consolidated Fiscal Indicators as Percent of GDP (MP) (Percentages)

Year	Overall Fiscal Deficit	Expenditure			Revenue				
		Total	Curr.	Dev.	*Total	Tax	Non Tax	Direct Tax	Indirect Tax
1990-91	8.7	25.6	19.2	6.4	16.9	12.7	3.4	2.0	10.7
1991-92	7.4	26.5	19.0	7.5	19.1	13.6	4.3	2.5	11.1
1992-93	8.0	26.0	20.3	5.7	18.0	13.3	4.6	2.8	10.5
1993-94	5.9	23.2	18.7	4.5	17.3	13.2	4.0	2.8	10.4
1994-95	5.6	22.8	18.4	4.4	17.2	13.7	3.2	3.4	10.3
1995-96	6.4	24.2	19.8	4.4	17.7	14.3	2.9	3.7	10.5
1996-97	6.4	22.0	18.5	3.5	15.6	13.2	2.4	3.5	9.7
1997-98(RE)	5.4	21.9	18.6	3.3	16.5	13.3	3.2	3.8	9.5
1998-99(BE)	4.7	22.0	18.4	3.6	17.3	13.8	3.4	4.1	9.7

\* Include SAP proceeds upto 1995-96

Source: Budget Wing, Finance Division

Fig. 1



Notwithstanding stagnation in tax-to-GDP ratio over the last one decade, the structure of Pakistan's taxation has witnessed considerable

changes. The share of direct taxes has increased from 18 percent in 1990-91 to 30 percent in 1996-97 but further rose sharply to 35 percent in 1997-98 as a result of the reforms initiated in March, 1997. The share of direct taxes remained almost close to the previous year's level in 1998-99. The share of indirect taxes declined from 82 percent in 1990-91 to 70 percent in 1996-97 and further to 65.3 percent in 1998-99. Within indirect taxes, the share of custom duties has declined while the respective shares of the sales tax and excise duties have gone up. These changes are in line with the stated objectives of the tax and tariff reforms, i.e., reducing the dependence on import-related taxes on the one hand and increasing the reliance on consumption and production based taxes on the other. It may be pointed out that the desired effects of tax and tariff reforms may not immediately be reflected in large changes in the scale of resource mobilization. However, over the medium term the enhanced buoyancy of the more broad-based tax system, typically associated with reforms should improve its revenue performance as well. The respective shares of various federal taxes during the last 9 years are shown in the Table 5.2.

**Table 5.2**  
**Structure of Federal Tax Revenue**

Year	Total Tax Rev.	As% of GDP	Direct Tax	Indirect Tax	(Rs. billion)		
					Customs	Sales	Excise
1990-91	111	10.8	20 [18.0]	91 [82.0]	50 (54.9)	16 (17.6)	25 (27.5)
1991-92	142	11.7	29 [20.4]	113 [79.6]	62 (54.9)	21 (18.6)	30 (26.5)
1992-93	159	11.8	37 [23.3]	122 [76.7]	63 (51.6)	24 (19.7)	35 (28.7)
1993-94	173	10.9	43 [24.9]	130 [75.1]	64 (49.2)	31 (23.8)	35 (26.9)
1994-95	226	12.0	62 [27.4]	164 [72.6]	77 (47.0)	43 (26.2)	44 (26.8)
1995-96	268	15.5	78 [29.1]	190 [70.9]	89 (46.8)	50 (26.3)	51 (26.8)
1996-97	282	11.5	85 [30.1]	197 [69.9]	86 (43.7)	56 (28.4)	55 (27.9)
1997-98	293	10.7	103 [35.0]	190 [65.0]	75 (40.0)	53 (28.0)	62 (32.6)
1998-99	355*	11.7	123 [34.7]	232 [65.3]	95 (40.9)	67 (28.9)	70 (30.2)

\* Budget Estimates

Source: Central Board of Revenue

Note: Figures in square brackets [ ] are shares in total (direct & indirect) taxes while figures in parentheses ( ) are shares of the individual taxes in indirect taxes.

### Federal Budget, 1998-99

The projected federal gross revenue receipts of Rs 518.5 billion for 1998-99 are 15.4 percent higher than the revised estimates of 1997-98. These revenue receipts comprise: tax revenue (Rs. 354.6 billion), non tax revenue (Rs. 120.5 billion) and surcharges (Rs. 43.4 billion). After paying Rs 134.9 billion as provincial share, the net federal revenue receipts are estimated at Rs 383.5 billion. In addition, the federal budget also includes capital receipts (Rs. 37.7 billion), self-financing of PSDP by provinces (Rs. 3.9 billion) and external resources (Rs. 142.0 billion). The total federal resources are thus estimated at Rs 567.1 billion which is 9.2 percent higher than the previous year while expenditure at Rs. 606.3 billion is 11.1 percent higher in 1998-99, thus leaving a budgetary gap of Rs. 39.2 billion to be financed through bank borrowing sources. A comparison of the Federal Budget 1997-98 and 1998-99 is given in Table 5.3 and shown in Figure-2.

**Table 5.3**  
**Federal Government Budget**  
**1997-98 (RE) and 1998-99 (BE)**

Item	1997-98		1998-99		% Change over 97-98
	(R.E)	% Share	(B.E)	% Share	
<b>a) Federal Resources</b>					
Revenue receipts(Net)	330.8	63.7	383.5	67.7	15.9
Capital Receipts(Net)	60.7	11.7	37.7	6.6	-38.0
Others/PSDP Self Fin.	3.9	0.8	3.9	0.7	0.0
External Financing	<u>123.8</u>	<u>23.8</u>	<u>142.0</u>	<u>25.0</u>	14.7
<b>Total(a)</b>	<b>519.2</b>	<b>100.0</b>	<b>567.1</b>	<b>100.0</b>	9.2
<b>b) Federal Expenditure</b>					
Current Expenditures	456.6	83.7	495.7	81.8	8.4
Development Exp.	<u>89.1</u>	<u>16.3</u>	<u>110.6</u>	<u>18.2</u>	24.1
<b>Total(b)</b>	<b>545.7</b>	<b>100.0</b>	<b>606.3</b>	<b>100.0</b>	11.1
Resource gap (b-a)	26.5		39.2		

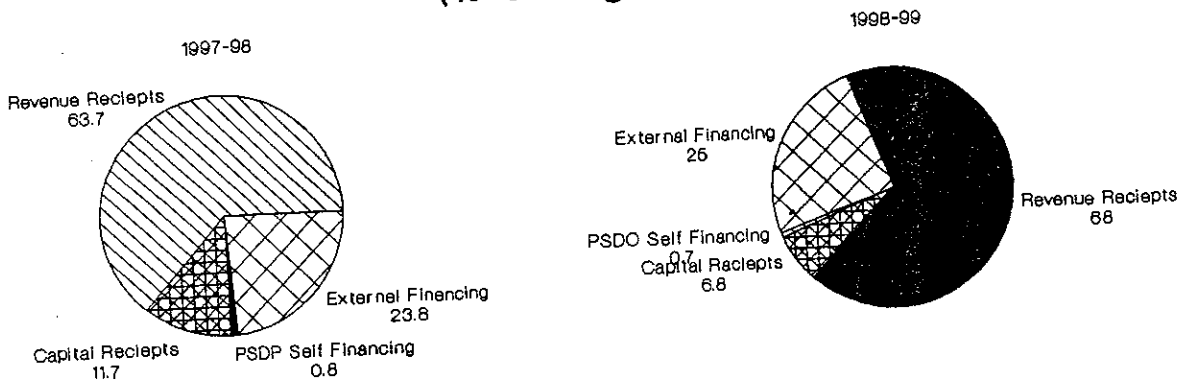
Source: Finance Division, (Budget Wing).

R.E. = Revised Estimates

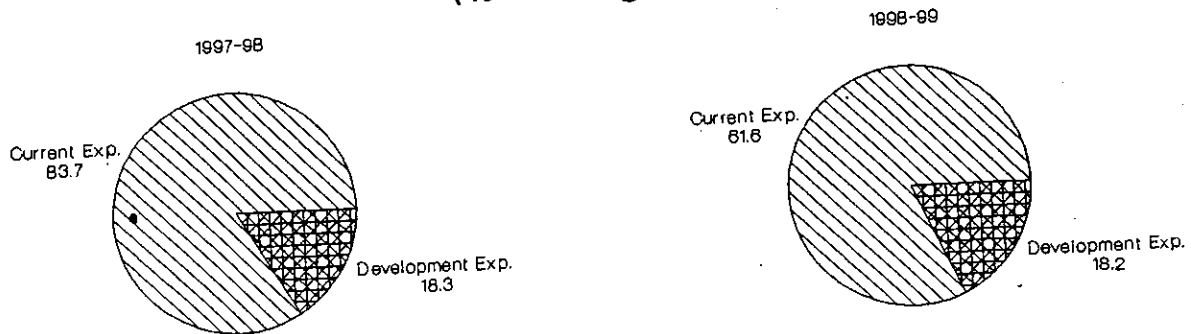
B.E. = Budget Estimates

Fig.2

### 1. Federal Govt. Resources (% Change)



### 2. Federal Govt. Expenditure (% Change)



#### Provincial Budgets

The size of the four provincial budgets for 1998-99 is Rs.218.6 billion which is 10.3 percent higher than last year. The overall provincial revenue receipts for 1998-99 are estimated at Rs 186 billion which is 12.0 percent higher than last year. Of which, tax revenue amounting to Rs 173.5 billion is higher by 12.9 percent and non-tax revenue estimated at Rs 12.5

billion which is almost of the last year's level. Out of total expenditure (Rs. 218.6 billion), 83.7 percent account for current expenditure and 16.3 for development expenditure. The federal government also provides budgetary funds for provincial ADPs and SAP tied programmes.

The main components of the budget of the four provinces are presented in Table 5.4:

**Table 5.4**  
**Provincial Budgets At a Glance**

Item	(Rs billion)									
	Punjab		Sindh		N.W.F.P.		Baluchistan		Total	
	1997-98 (R.E)	1998-99 (B.E)	1997-98 (R.E)	1998-99 (B.E)	1997-98 (R.E)	1998-99 (B.E)	1997-98 (R.E)	1998-99 (B.E)	1997-98 (R.E)	1998-99 (B.E)
Receipt:										
Provincial Taxes	10.4	11.3	4.9	5.7	1.2	1.5	0.3	0.4	16.8	18.9
Share in Federal Taxes	60.2	68.5	19.3	22.1	15.1	16.0	10.9	12.4	105.5	119.0
All Others	1.7	2.1	13.0	14.8	12.7	14.2	4.0	4.5	31.4	35.6
Total Tax Revenues	72.3	81.9	37.2	42.6	29.0	31.7	15.2	17.3	153.7	173.5
Non-Tax Revenues	7.2	7.1	2.7	2.9	2.1	2.1	0.4	0.4	12.4	12.5
<b>Total Revenues</b>	<b>79.5</b>	<b>89.0</b>	<b>39.9</b>	<b>45.5</b>	<b>31.1</b>	<b>33.8</b>	<b>15.6</b>	<b>17.7</b>	<b>166.1</b>	<b>186.0</b>
a) Current Expenditure	78.3	87.4	43.1	47.4	30.1	33.0	13.4	15.2	164.9	183.0
Surplus/Deficit	1.2	1.6	-3.2	-1.9	1.0	0.8	2.2	2.5	1.2	3.0
b) Development Expenditure	14.6	15.4	9.3	8.7	5.6	6.1	3.7	5.4	33.2	35.6
i) Dev.Rev.Account	7.8	8.6	0.7	0.4	1.5	1.9	0.2	0.3	10.2	11.2
ii) Dev.Cap.Account	6.8	6.8	8.6	8.3	4.1	4.2	3.5	5.1	23.0	24.4
<b>Total Expenditure(a+b)</b>	<b>92.9</b>	<b>102.8</b>	<b>52.4</b>	<b>56.1</b>	<b>35.7</b>	<b>39.1</b>	<b>17.1</b>	<b>20.6</b>	<b>198.1</b>	<b>218.6</b>

Source: PF-Wing, Ministry of Finance

**Consolidated Budget (Federal & Provincial)**

In the consolidated budget, 1998-99, the total revenues have been estimated at Rs.522.9billion. Of these, Rs.418.8billion will be collected from taxes and Rs. 104.1 billion from non-tax sources. The total expenditures have been projected at Rs.666.1billion, resulting in an overall deficit of Rs.143.2billion. This budgetary gap is to be financed through external borrowing (Rs 14.7 billion) and domestic borrowing (Rs 128.5 billion) that includes bank & non-bank borrowing. A summary of the consolidated budget is given in Table 5.5 and Figure-3.

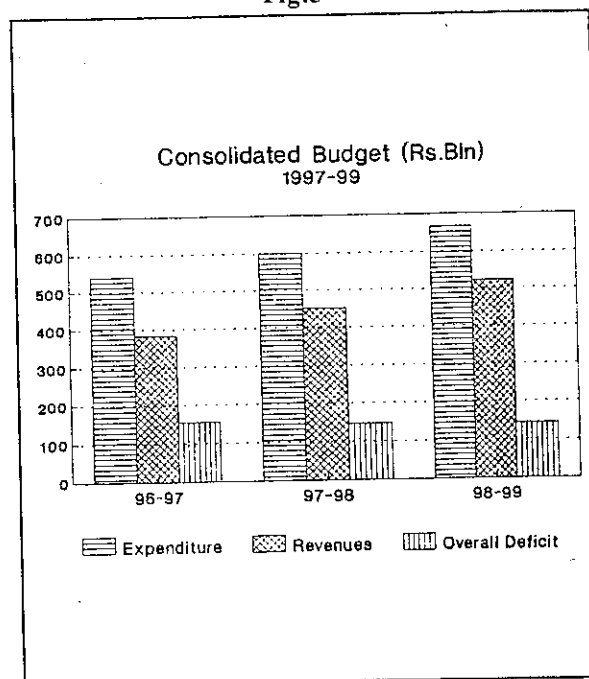
**Table 5.5**  
**Summary of Consolidated Budget**

Item	(Rs. billion)			% Change over 1997-98
	1996-97 (P.A)	1997-98 (R.E)	1998-99 (B.E)	
A. Expenditure	540.9	599.5	666.1	11.1
B. Total Rev.	384.3	452.1	522.9	15.6
C. Overall Def.	156.6	147.4	143.2	-2.8
D. Financed by:				
i) Ext. borrowing	27.6	35.1	14.7	-58.1
ii) Dom.Bor.	128.4	112.3	128.5	14.4
a) Non-bank bor.	56.5	81.6	89.3	9.4
b) bank bor.	71.9	30.7	39.2	27.7
<b>As % of GDP (Market Price)</b>				
Overall Deficit	6.4	5.4	4.7	
External bor.	1.1	1.3	0.5	
Domestic borrowing	5.2	4.1	4.2	
Non-bank bor.	2.3	3.0	2.9	
bank borrowing	2.9	1.1	1.3	

Source: Budget Wing, Finance Division

B.E: Budget Estimates.  
P.A: Provisional Actual  
R.E: Revised Estimates

**Fig.3**



**a) Consolidated Expenditure.**

The consolidated expenditure for 1998-99 is estimated at Rs. 666.1 billion or 11.1 percent higher than the last year. Of which, the current expenditure are estimated at Rs. 555.5 billion (83.4%) and development expenditure at Rs. 110.6 billion (16.6%). A summary of the consolidated expenditure is given in Table 5.6.

Table 5.6  
Structure of Consolidated Expenditure

(Rs billion)

Item	1996-97		1997-98		1998-99	
	(P.A)	% Share	(R.E.)	% Share	(B.E.)	% Share
A. Current Expenditure	455.4	84.2	510.5	85.2	555.5	83.4
B. Development Exp.	85.5	15.8	89.1	15.8	110.6	16.6
<b>Total Expenditure</b>	<b>540.9</b>	<b>100</b>	<b>599.6</b>	<b>100</b>	<b>666.1</b>	<b>100.0</b>
	<b>As Percent of GDP(MP)</b>					
Current Exp.	18.5		18.6		18.4	
Development Exp.	3.5		3.3		3.6	
<b>Total Exp.</b>	<b>22.0</b>		<b>21.9</b>		<b>22.0</b>	

Source: Budget Wing, Finance Division

i) **Current Expenditure**

The main components of the current expenditures are: defence, debt servicing, economic, social and community services, general administration and current subsidies. Defence expenditure for 1998-99 has been budgeted at Rs. 145.0 billion compared to Rs. 133.8 billion of last year. The share of defence expenditure is 21.8 percent in total expenditure, 26.1 percent in current expenditure and account for 34.6

percent of the tax revenues. The budget allocation for 1998-99 on account of debt servicing (excluding amortization) is Rs. 214.1 billion which is 13.1 percent higher than the last year. Debt servicing constitutes 38.5 percent of the current expenditures. Expenditure on general administration was budgeted at Rs. 42.3 billion which is 7.4 percent higher than the last year. The structure of current expenditure is given in Table 5.7.

Table 5.7  
Structure of Current Expenditure

(Rs. billion)

Item	1996-97		1997-98		1998-99	
	(P.A)	% Share	(R.E)	% Share	(B.E)	% Share
Defence	127.4	28.0	133.8	26.2	145.0	26.1
Debt Servicing	161.1	35.4	189.2	37.1	214.1	38.5
Current Subsidies	11.9	2.6	13.5	2.7	11.5	2.1
Socio/Eco and Community Services	73.3	16.1	89.4	17.5	99.7	17.9
General Admn	45.9	10.1	39.4	7.7	42.3	7.6
All others	35.6	7.8	44.9	8.8	42.9	7.7
<b>Total Current Exp.</b>	<b>455.4</b>	<b>100.0</b>	<b>510.4</b>	<b>100.0</b>	<b>555.5</b>	<b>100.0</b>
	<b>As percentage of GDP (M P)</b>					
Current Expenditure	18.5		18.6		18.4	
Defence	5.2		4.9		4.8	
Debt Servicing	6.5		6.9		7.1	
General Admn	1.8		1.4		1.4	

Source: Budget Wing, Finance Division

ii) **Development Expenditure**

Public Sector Development Programme (PSDP) for 1998-99 has been formulated within the

framework of policy agenda of the present Government that aims at ensuring sustained growth

with equal distribution of economic benefits amongst the people and removing regional disparities. Public Sector Development Programme includes: Federal Ministries/Divisions, Provincial Development Programmes, Special Areas Development Programme and other non-budgetary Corporations. The total

PSDP for 1998-99 is Rs.110.6 billion, 27.5 percent higher than that of 1997-98. PSDP allocations reflecting development given in Table 5.8.

**Table 5.8**  
**Public Sector Development Programme**

(Rs. billion)

Sector	1997-98		1998-99		% Change
	R.E	% Share	B.E	% Share	
Federal Ministries				Over 1997-98	
1. Agriculture	0.3	0.3	0.5	0.4	80.5
2. Industry	0.5	0.6	0.6	0.5	12.6
3. Fuel & Minerals	1.3	1.5	1.8	1.6	37.3
4. Water	9.3	10.7	13.4	12.1	43.6
5. Power	4.5	5.2	4.4	4.0	-0.8
6. Transport & Communication	2.4	2.8	4.2	3.8	75.8
7. Phy. Planning & Housing	2.6	3.0	1.8	1.6	-33.4
8. Rural Development	2.1	2.5	2.7	2.5	31.5
9. Education & Training	0.8	0.8	0.9	0.8	19.3
10. Health & Nutrition	2.0	2.3	2.7	2.5	35.1
11. Manpower & Employment	0.2	0.2	0.1	0.0	-71.0
12. Population Welfare	1.2	1.4	2.0	1.8	67.5
13. Social Welfare	0.1	0.1	0.1	0.1	9.7
14. Jameer-e-Sindh	0.9	1.0	1.0	0.9	11.1
15. Special Areas	3.3	3.8	4.0	3.6	20.0
16. Provincial Normal Development programmes	25.9	29.9	32.0	28.9	23.6
17. Corporations' Programme	28.2	32.5	34.0	30.8	20.6
18. Miscellaneous	1.1	1.3	4.4	4.0	287.3
<b>Total (PSDP)</b>	<b>86.70</b>	<b>100</b>	<b>110.6</b>	<b>100</b>	<b>27.5</b>

Source: Planning & Development Division

Out of the total PSDP of Rs. 110.6 billion, Rs 40.6 billion have been allocated for Federal Ministries/Divisions, Rs. 32.0 billion for provincial programmes, Rs.34.0 billion for corporation's development programmes and Rs. 4.0 billion for special programmes. The relative shares of the main PSDP components are depicted in Figure-4:

**b) Consolidated Revenue Receipts.**

The consolidated gross revenue receipts (tax and non tax) were projected at Rs.522.9 billion for 1998-99 which constitute 78.5 percent of the total expenditure. The tax revenues have been projected at Rs.418.7 billion, showing an increase of 15.4 percent over 1997-98. Out of Rs.522.9 billion revenues, Rs.357.1 billion (68.3%) have to be collected by the

federal government and Rs.165.8 billion (31.7%) by the provincial governments.

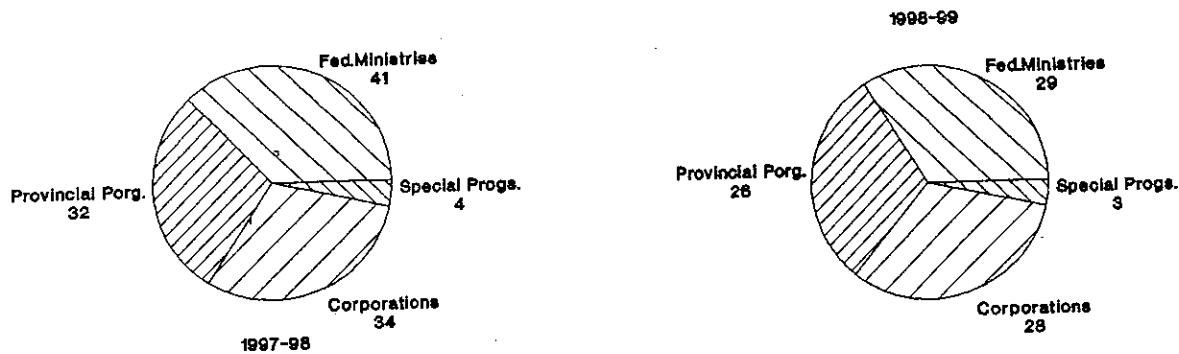
**i) Tax and Non tax Revenues**

**a) Tax Revenue**

Tax collection constitutes 80.1 percent of the total revenues while share of non tax revenues is 19.9 percent. The tax revenues are further classified into direct and indirect taxes. The direct taxes have been projected at Rs.125.3 billion, reflecting an increase of 20.6 percent whereas indirect taxes at Rs.293.4 billion or 13.3 percent higher than last year. Direct and indirect taxes constitute 23.9 percent and 56.2 percent of the total revenues respectively. The main components of indirect taxes are : excise duty, sales tax and taxes on international trade (custom duties).

Fig.4

## Public Sector Development Programme (Rs. Billion)



### b) Non-Tax Revenue.

Non-tax receipts have been projected at Rs 104.1 billion or 16.8 percent higher than the last year, constituting 19.9 percent of total tax revenues. The main components of non-tax revenues are: interest, dividends and receipts from civil administration. Non-

tax revenues from interest and dividends have been projected at Rs.39.6 billion and Rs.64.5 billion from the civil administration and others. A break-up of tax and non-tax revenues since 1996-97 to 1998-99 (BE) is given in Table 5.9:

Table 5.9  
Tax and Non-Tax Revenues

Revenues	1996-97		1997-98		1998-99		%Change over 97-98
	(P.A.)	% share	(R.E)	% share	(B.E)	% share	
A) Tax Revenue	<u>324.6</u>	<u>84.5</u>	<u>362.9</u>	<u>80.3</u>	<u>418.7</u>	<u>80.1</u>	<u>15.4</u>
i) Direct taxes	87.1	22.6	103.9	22.9	125.3	23.9	20.6
ii) Indt. taxes	237.6	61.8	259.0	57.3	293.4	56.2	13.3
B) Non-Tax Revenue	<u>59.7</u>	<u>15.5</u>	<u>89.2</u>	<u>19.7</u>	<u>104.1</u>	<u>19.9</u>	<u>16.8</u>
Total Revenues	<u>384.3</u>	<u>100.0</u>	<u>452.1</u>	<u>100.0</u>	<u>522.9</u>	<u>100.0</u>	<u>15.6</u>

Source: Budget Wing, Finance Division

### Fiscal Measures During 1998-99

Soon after taking charge from February 1997, the present Government has introduced a series of structural reforms including tax and tariff reforms. These have been further consolidated during 1998-99. The economic sanctions imposed on Pakistan after May 28, 1998 have, however, created serious financial difficulties for the economy and also interrupted the government's efforts to accelerate the pace of implementing fiscal reforms. During 1998-99, several

measures are taken as part of the fiscal consolidation exercise. These are discussed below:

#### Direct Taxes

##### a) Income Tax

- a surcharge of 10 percent payable on all personal incomes, including that of association of persons and Unregistered firms (URF) or Hundo Undivided



Families (HUF) has been levied.

- perquisites are taxable at the rates applicable to salaries.
- an adjustable withholding income tax on the owners of commercial goods and passenger transport/motor vehicles has been imposed at graduated rates ranging from Rs.1,200 to maximum of Rs.36,000 per annum. Similarly, passenger transport vehicles with registered seating capacity of four or more are now required to pay advance tax @ Rs. 100/- per seat per annum.
- fixed line telephone bills have been brought within the purview of withholding tax and rates range from Rs.50/ to a maximum of Rs.200/- but there is no withholding tax on bills upto Rs.1000/- per month.
- for tax purposes, loans, advances and gifts would be acceptable only if made through crossed cheque or by the national tax number (NTN) holders.
- expenditure under a single account head exceeding Rs.50,000/- in aggregate is not deductible, if made otherwise than through a cross cheque or a bank draft.
- all profit & loss account expenses exceeding Rs.5000/- other than certain specified expenses, would be tax deductible only if made through cross bank cheque or by a cross bank draft.
- to promote transfer of technology, withholding tax rate on royalties has been reduced to 15 percent.
- private limited companies with paid up capital of Rupees five lacs instead of Rupees three million, will get their accounts audited and certified by a Chartered Accountant/ Cost Management Accountant.
- registered firms with capital of rupee one million rupees are required to withhold tax from their contractors and suppliers.

- depreciation allowance is admissible @ 40%, 60% and 80%, depending upon the category of the industry. Besides, a re-investment allowance equal to 50% of the cost of plant, machinery and equipment has been allowed to the existing industries.
- for donations to non-profit charitable institutions, the maximum limit of Rs. 2.5 million has been removed and portion of the income that could be donated has also been enhanced from 10% in case of companies and 25% to 30% in other cases.
- for all construction contracts of the value upto Rs.30.0 million, the tax rate will be 5% and whereas for those exceeding Rs.30.0 million, the rate will be 6%.

#### b) Wealth Tax

- all the wealth tax payers have been subjected to surcharge @ 10% of the tax, payable on their net wealth or assets.
- specific exemption has been allowed from minimum wealth tax on immovable properties and advance payment of tax on motor vehicles to NGOs and charitable institutions.
- wealth tax exemption available to original allottees on investment in stock & shares of a public company engaged in an industrial undertaking has been increased from rupees one lac to two lacs.

#### c) Capital Value Tax

- scope of Capital Value Tax (CVT) has been enlarged and all transfers including acquisition of assets through purchase, gift, exchange surrender or relinquishment of rights now attract charge of CVT.
- CVT on motor vehicles previously used in Pakistan has been withdrawn w.e.f.1st July, 1998.

all imported motor vehicles whether new or old have been subjected to CVT at import stage w.e.f.1st July, 1998.

## Indirect Taxes

### a) Central Excise

- to avoid multiplicity of taxes, excise duty has been withdrawn on the following items so that these items may exclusively come within the domain of sales tax: arms & ammunition, ceramic sanitary-ware, ceramic tiles, foam & tubes, synthetic & artificial fibers, tyres & tubes, refrigerators, deep freezers, glass and glassware, and paper sacks.
- excise duty rate on lubricating oils has been converted into an ad-valorem rate i.e. 10% of the retail price.
- heavy naphtha which is used as raw material in pesticides has been exempted from the central excise duty.
- central excise duty on internet services has been withdrawn.

### b) Sales Tax

- to generate more revenues, General Sale Tax (GST) has been enhanced from 12.5 percent to 15 percent in 1997-98.
- all fixed sales tax schemes have been abolished w.e.f.01.07.1998.
- sales tax has been levied on retailers whose annual turnover exceeds Rs.5.0 million.
- locally assembled tractors, bulldozers and combined harvesters for agricultural purposes have been exempted from the levy of sales tax. Moreover, the imported CKD kits of such tractors, bulldozers and combined harvesters shall also be exempted from the sales tax.
- insecticides, pesticides, fungicides and herbicides or weedicides for agricultural purposes shall also be exempted from the sales tax.

registered persons selling taxable goods to "non-registered persons" shall pay a further tax of 1% in addition to the standard rate of sales tax.

to encourage industrialization, the plant and machinery of different descriptions have been exempted from the sales tax.

administrative powers of the Federal Government/CBR to grant exemptions have been withdrawn.

trade enrollment certificates have been prescribed for retailers whose annual turnover is less than Rs.5.0 million.

## Customs

- maximum tariff has been reduced to 45 percent in 1997-98 and further to 35 percent in 1998-99, with the exception of automobiles.
- a 10 percent regulatory duty on imports has been abolished.
- custom duties slabs have been reduced initially from thirteen to five in 1997-98 [10%, 15%, 25%, 35%, and 45%] and further to four in 1998-99 (35%, 25%, 15% & 10%).
- rate of tariff on plant and machinery has been standardized and brought down to 10 percent.
- tariff rates on smuggling-prone items have been brought down to 10 percent and 25 percent.
- a minimum tariff of 10 percent has been imposed across-the-board, excepting essential items like wheat, fertilizer and life saving drugs.
- customs tariff rates wherever required, have been rationalized.
- duty concessions have been extended to Aviation, Shipping, Investment and Petroleum Industry.
- overseas Pakistanis have been allowed

from their own earnings to send goods worth US\$ 10,000/- without opening a letter of credit but no duty tax exemption will be granted on such imports.

- whenever possible, the regulatory duty and concessionary rates of duty have been transposed into the tariff.
- powers of the Central Board of Revenue to grant custom duty exemptions through SROS have been withdrawn and shifted to Parliament.
- the entire tariff related notifications and declared values of imported goods have been placed on the internet.

#### ADDITIONAL RESOURCE MOBILIZATION

As per new budgetary measures 1998-99, the additional resources of Rs.16.4 billion are to be mobilized, as per details in Table 5.10:

**Table 5.10**  
**Additional Resource Mobilization, 1998-99**

Source	(Rs. billion) 1998-99 (B.E)
Direct Taxes	8.2
Indirect Taxes	8.2
- Customs Duties	5.8
- Sale Tax	2.4
<b>Total Resources</b>	<b>16.4</b>

Source: Budget Wing, Finance Division

#### Tax Collection by CBR During 1998-99

During July-April, 1998-99, the CBR has collected Rs 229.6 billion as against Rs 225.1 billion of the comparable period of last year, showing an increase of 2.0 percent on net basis. However on gross basis, the tax collection amounted to Rs 269.5 billion or 5.6 percent higher than the comparable period of last year (Rs 255.3 billion). Considering the side effects of the expenditure cut and import reducing measures taken to protect the country's balance of payments, higher tax collection of 2.0 percent on net basis and 5.6 percent on gross basis can be regarded as satisfactory. Besides, during the period under review, the Government has provided

32.2 percent more rebate/refund than last year (Rs 39.9 billion as against Rs 30.2 billion). Furthermore, the erosion of tax base caused by lesser imports has also impacted the tax collection efforts as about 40 percent taxes are import-related.

Further disaggregation reveals that the direct taxes during July-April, 1998-99 have increased by 5.7 percent on gross basis and 4.8 percent on net basis. The indirect taxes have increased by 5.6 percent on gross basis and 0.6 percent on net basis. Within the indirect taxes, the sales tax is increased by 32.0 percent on net basis and 34.5 percent on gross basis, despite the fact that 42.7 percent more refund/rebate have been given to the exporters. The central excise and customs duties have registered a decline of 2.0 percent and 18.2 percent on net basis, respectively, mainly due to a substantial decline in imports, higher rebate/refund, conversion of the custom duty on edible oil into sales tax, and reduction in the custom rates of the smuggling prone items. The tax-wise details for the last two years are given in the Table 5.11.

#### Domestic Debt

Persistence of large fiscal deficit over an extended period has resulted in the rapid growth of public debt in Pakistan since the mid-1980s. The rapid increase in public debt and the attendant exponential growth of debt servicing threatens the sustainability of the current macroeconomic stance. Public debt has grown at a faster rate since 1984-85-both absolutely and in relation to GDP. Total domestic debt stood at Rs.203.1 billion in 1985-86 and rose to Rs.381.3 billion by 1989-90--an increase of almost 88 percent in four years. Fiscal deficit as percentage of GDP averaged 7.7 percent during the same period. Most importantly, revenue surplus turned for the first time into revenue deficit in 1984-85 to the tune of Rs. 6.4 billion and then quickly graduated to Rs.23.9 billion by 1989-90. The growth in public debt would have been more steeper had the government not been borrowing from the banking system at highly subsidized rates, ranging from 0.5 percent in the case of the State Bank of Pakistan to 6.0 percent from Commercial banks. The low cost of borrowing coupled with concessional foreign assistance enabled Pakistan to finance large budgetary deficits on the one hand and keep the debt servicing burden relatively low on the other.

The domestic debt in relation to GDP averaged 44 percent during the first seven years (1990-97) of the 1990s. It declined to 42.3 percent in

Table 5.11  
Direct and Indirect Taxes

	1997-98 (Actual)	1998-99 (B.E.)	Jul-April 1997-98	July-April 1998-99	(Rs billion) % Change in 98-99 over 97-98
<u>A. Direct Tax</u>			81.4	86.0	5.7
Gross			6.5	7.5	15.7
Refund/Rebate			74.9	78.5	4.8
Net	103.2	123.0			
<u>B. Indirect Tax</u>			173.9	183.5	5.6
Gross			23.7	32.4	36.8
Refund/Rebate			150.2	151.1	0.6
Net	190.4	231.6			
<u>B.1 Sales Tax</u>			53.1	71.3	34.5
Gross			12.4	17.7	42.7
Refund/Rebate			40.7	53.7	32.0
Net	53.9	67.3			
<u>B.2 Central Excise</u>			48.6	47.8	-1.6
Gross			0.1	0.3	216.7
Refund/Rebate			48.5	47.6	-2.0
Net	62.0	69.5			
<u>B.3 Customs</u>			70.2	64.3	-10.9
Gross			11.2	14.4	28.8
Refund/Rebate			61.0	49.9	-18.2
Net	74.5	94.7			
<u>Total Tax collection</u>			255.3	269.5	5.6
Gross			30.2	39.9	32.2
Refund/Rebate			225.1	229.6	2.0
Net	293.6	354.6			

Source: Central Board of Revenues

1997-98 and further to 40.5 percent in 1998-99, mainly because of the sharp reduction in fiscal deficit from 6.4 percent of GDP in 1996-97 to 5.4 percent in 1997-98 and further to 4.7 percent in 1998-99. The most deleterious feature of the domestic debt is the pace at which it has accumulated overtime. It has grown at an average rate of 15.2 percent during 1990-97 rising

from Rs.448.2 billion to Rs.1048.8 billion. However, as a result of the prudent fiscal management that led to a sharp decline in fiscal deficit during the last two years (1997-98 and 1998-99), the rate of increase of domestic debt slowed down to 8.1 percent per annum. The annual details since 1994-95 to 1998-99 are given in Table 5.12:

Table 5.12  
Internal Outstanding Debt

	1994-95	1995-96	1996-97	1997-98 (PA)	1998-99 (RE)
Total Dom. Debt	807.6	918.6	1048.8	1157.2	1226.3
- Permanent	290.1	291.4	289.3	280.7	289.2
- Floating	294.2	361.3	433.8	473.8	449.7
- Unfunded	223.3	265.9	325.7	402.6	487.4
Total Debt as percent of GDP(MP)	42.9	42.9	42.7	42.3	40.5

Source: Budget Wing, Finance Division

## Interest Payments

The burden of debt servicing has emerged as a serious problem because it not only claims large government resources but also reduces the government's ability to spend on key development activities like social and physical infrastructure. During the past 7 years (1990-97), the interest payments on both domestic and external debt have risen more than three times from Rs 50.0 billion in 1990-91 to Rs 162.1 billion in 1996-97. In other words, interest payment during 1990-97 grew at an average rate of 22.1 percent per annum. It rose to Rs 214.1 billion in 1998-99 but the pace of acceleration was slowed down to an average of 15.3 percent during the last two years. Nevertheless, interest payments has emerged as the single largest item of current expenditure, consuming a large sum of budgetary resources. A breakup of interest payments is given in Table 5.13.

The interest on domestic debt has increased from Rs. 37.0 billion in 1990-91 to Rs.173.1 billion in 1997-98 but is likely to decline to Rs.171.9 billion in 1998-99. During the first seven years of the 1990's interest payments on domestic debt grew at an annual average rate of 24.6 percent but the pace of acceleration slowed down to an average of 14.4 percent during the next two years mainly because of the slower growth of domestic debt. The interest on foreign debt during the 1990s, increased by more than three times--rising from Rs 13.0 billion to Rs 42.2 billion.

Fiscal vulnerability of Pakistan can be judged by the fact that more than 80 percent of tax revenue or 65 percent of total revenue is used to make payments for debt servicing [both interest and principal], constraining government's ability to spend on key development activities. Consequently, it creates a need for higher taxation.

Table 5.13  
Interest Payments

Year	On Domestic Debt			On Foreign Debt		Total
	Federal	Provincial	Total	Debt	Total	
1990-91	35.7	1.3	37.0	13.0	50.0	
1991-92	50.3	2.5	52.8	14.6	67.5	
1992-93	62.7	3.3	66.0	15.9	81.9	
1993-94	77.5	4.7	82.3	19.6	101.9	
1994-95	77.9	3.1	81.0	23.2	104.1	
1995-96	102.3	4.6	106.9	26.6	133.5	
1996-97	126.5	7.1	133.6	28.5	162.1	
1997-98(PA)	166.0	7.1	173.1	28.7	201.8	
1998-99(BE)	164.5	7.4	171.9	42.2	214.1	

Source: Budget Wing, Finance Division

Being a single largest item, the debt servicing now accounts for more than 60 percent of current expenditure and 51.2 percent of total expenditure in

1998-99. The domestic outstanding debt and debt servicing in relation to relevant fiscal indicators are given in Table 5.14.

Table 5.14  
Domestic Debt & Debt Servicing

Year	Domestic Outstanding Debt (Rs Billion)	Debt Servicing (Rs Billion)	Total Debt Servicing as % of			
			Tax Revenue	Total Revenue	Current Expenditure	Total Expenditure
1990-91	448.2	73.5	56.7	42.8	37.6	28.2
1991-92	531.5	96.4	58.7	41.6	41.9	30.0
1992-93	615.3	111.0	62.2	46.0	40.7	31.8
1993-94	711.0	145.7	69.9	53.4	49.6	39.9

Contd....

Contd....

Year	Domestic Outstanding Debt (Rs Billion)	Debt Servicing (Rs Billion)	Total Debt Servicing as % of			
			Tax Revenue	Total Revenue	Current Expenditure	Total Expenditure
1994-95	807.7	164.5	63.8	50.9	47.5	38.4
1995-96	918.6	194.7	63.7	51.2	45.9	37.6
1996-97	1048.8	262.8	80.9	68.4	57.7	48.6
1997-98(PA)	1157.2	285.8	78.7	63.2	60.0	47.7
1998-99(RE)	1226.3	341.4	81.5	65.3	61.5	51.2

Source: Budget Wing, Finance Division

Fiscal deficit minus interest payment has been defined as primary deficit, indicating the gap in resources occasioned by the current policies of the government because interest payments are committed expenditures on the stock of debt.

As shown in Table 5.15, the primary deficit has declined sharply from Rs. 39.2 billion in 1990-91 to Rs 4.3 billion in 1995-96 but turned surplus during the last three years. Although the primary deficit has declined during the first seven years (except 1993-94) of the 1990s albeit, at a slower pace, substantial fiscal adjustment has taken place during the last two years (1997-98 and 1998-99) when primary deficit turned to a large surplus. While this development is encouraging and a primary surplus is a pre-condition for stabilizing public debt, reducing its size would require further substantial increase in the primary surplus on a sustainable basis over medium-term.

Pakistan has succeeded in reducing fiscal deficit in the 1990s from 8.7 percent of the GDP to 4.7 percent -- an adjustment of 4 percentage points during the last 9 years. However, this fiscal

adjustment has taken place primarily at the cost of development spending which has declined from 6.4 percent of GDP to close to 3 percent during the same period. Achieving substantial progress towards fiscal consolidation through cuts in development expenditure is no longer a viable option. Therefore, any fiscal adjustment will have to rely mostly on revenue raising measures which puts the focus on taxation. Thus, increasing the tax-to-GDP ratio and improving resource allocation should be the means of achieving fiscal consolidation. Further tax reforms must focus on: i) reducing the share of trade-related taxes in total taxes; ii) increasing the share of consumption-based sales tax, and iii) increasing the relative contribution of direct taxes. These objectives may be achieved through base-broadening, rate reduction, and strengthening the capacity of the tax administration. On the expenditure side, more cost-effective public programmes may free resources for better uses, and changes in the composition of government spending can re-orient public resources away from current consumption towards growth-promoting investment in physical, social and human infrastructure.

Table 5.15  
Budget Deficit, Interest Payments and Primary Deficit

Year	(Rs. billion)								
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98 (P.A)	1998-99 (R.E)
Budget Deficit	89.2	89.9	107.5	92.2	105.4	137.8	156.6	147.4	143.2
Interest Payments on Public Debt	50.0	67.5	81.9	101.9	104.1	133.5	162.1	201.8	214.1
Primary Deficit	39.2	22.4	25.6	-9.7	1.3	4.3	-6.1	-54.4	-70.9

Source: Budget Wing, Finance Division

## CHAPTER

# 6

## Money and Credit

### Introduction

This chapter deals with monetary and credit developments during the fiscal year 1998-99 with a brief back-ground of developments since mid 1990s. Banking and financial sector reforms which play crucial role in the successful implementation of the monetary policy have been discussed. Besides, recovery of defaulted loans of banks/DFIs, special credit scheme and recent regulatory & credit control measures have also been reviewed.

The quality of financial intermediation plays a vital role in the economic development of a nation. As intermediaries, the financial sector not only mobilizes savings and allocates these savings to the highest - return investment opportunities but also plays an important role of facilitating payments. Like many other developing countries, Pakistan is implementing a comprehensive financial sector reform programme since the early 1990s with a view to improving the effectiveness of monetary policy by making a shift away from the direct to indirect control of money supply and greater reliance on market forces. The main financial liberalization policies aimed at liberalizing interest rates, reducing controls on credit, enhancing competition and efficiency in the financial system, and strengthening the supervisory framework of the State Bank of Pakistan (SBP). The outcome of these reform programmes so far has been encouraging in many respects.

There is now a visible shift in the allocation of credit under the Credit Plan from the Government to the private sector. Credit to the private sector as ratio to money supply (M2) has increased from 50.1 percent in 1993-94 to 51.5 percent in 1997-98 and further to 55.3 percent in March 1999. From 1993-94 to 1996-97, the annual average flow of credit to the private sector was Rs 55.9 billion which increased to Rs 74.3 billion in 1997-98. On the other hand, the ratio of government borrowing for budgetary support to money supply (M2) has come down from 49.2 percent in 1993-94 to 46.0 percent in 1997-98.

Borrowing for budgetary support averaged at Rs 45.9 billion during 1993-97, increased to Rs 72.5 billion in 1996-97 but was reduced to Rs 48.5 billion in 1997-98. However, during the current fiscal year (upto March 31, 1999) a net retirement of Rs 39.9 billion by the Government on account of budgetary support has taken place.

Another positive development on the monetary side has been the containment of monetary expansion to the targeted level. During 1993-94 to 1996-97, the average growth of money supply has been 15.3 percent per annum as against the target of 12.8 percent. In 1997-98, the growth decelerated to 14.5 percent and remained well around the target of 14.2 percent. However during the first three quarters of the current fiscal year, money supply grew only by 3.5 percent against the whole year's target of 7.7 percent. The role of the State Bank has also been enhanced through conferring sufficient autonomy to strengthen its supervisory and monitoring role to oversee the functioning of the entire financial system without any intervention from the government. The monetary trend compared with inflation and GDP growth rates are given in Table 6.1 and Figures-1.

As part of the financial sector reforms, the Government has not only privatized some nationalized commercial banks but also allowed the private sector to establish financial institutions so as to increase competition and efficiency in the banking system.

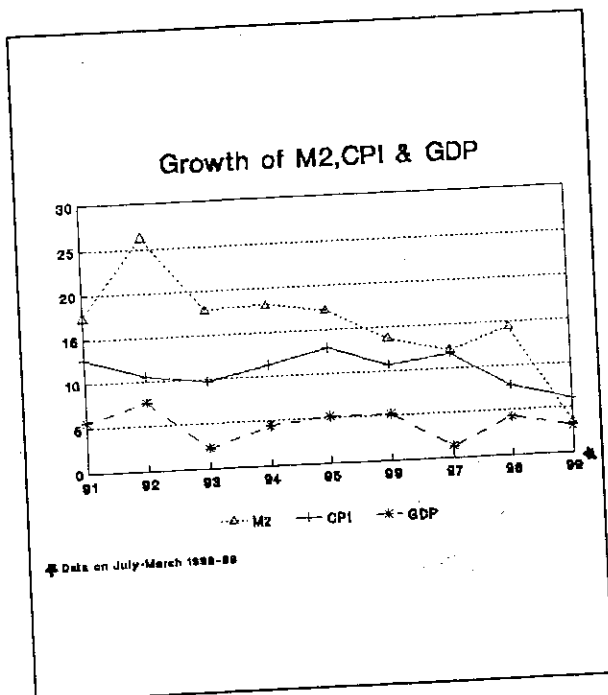
### Policy Development in 1998-99

Notwithstanding the continuation of tight monetary policy, some important monetary developments did take place during 1998-99. A number of policy measures were initiated in the month of June, 1998 to ease liquidity position of the banks which were squeezed with freezing of the foreign currency accounts and permission for withdrawing these deposits in Pak Rupees. These included reduction in statutory liquidity ratio (SLR) by 3 percent - from 18 percent to 15 percent, cash

Table 6.1  
Relationship Between M2, CPI and GDP Growth Rates

	Monetary Aggregate (Rs. Billion)			Growth (%)		
	M2	Private Sector	Budgetary Support	M2	CPI	GDP
1990-91	401	221	195	7.4	12.7	5.6
1991-92	506	251	257	26.2	10.6	7.7
1992-93	595	310	323	17.8	9.8	2.3
1993-94	703	352	346	18.1	11.3	4.5
1994-95	825	416	382	17.2	13.0	5.2
1995-96	939	479	434	13.8	10.8	5.2
1996-97	1053	547	507	12.2	11.8	1.9
1997-98	1206	622	555	14.5	7.8	4.3
1998-99 (Jul-Mar)	1248	690	515	3.5	6.3	3.1

Source: SBP, Finance Division



reserve on rupee deposits from 5.0 percent to 3.75 percent on daily basis. With effect from May 19, 1999, SLR requirements were further reduced to 13 percent and cash reserve requirements to 3.5 percent.

The uncertainty that prevailed in the market after the nuclear detonation weakened the investors confidence which not only restricted demand for credit but also caused deceleration in the economic activity. Furthermore, the prudent lending by banks together with recovery campaign for defaulted loans also contributed to slower growth of bank credit. In order to increase the availability of

credit to private sector the State Bank reduced its repo rate from 16.5 percent to 15.5 percent in March 1999 and to 14 percent on 3rd April 1999, and further to 13 percent from May 19, 1999. The SBP also removed restriction on credit to the public sector commercial enterprises (PSCEs) in March 1999 but the banks were advised to ensure that credit line be considered on merit/subject to strict observance of prudential requirements. To facilitate exports, the SBP reduced the rate of return, charged under Export Finance Scheme and on the export sales under LMM, from 11 percent to 8 percent. (Details credit control measures are in Box).

The recovery laws pertaining to stuck-up loans were further strengthened under the newly enacted Banking Companies Act 1997. High Court Judges have been designated for expeditious decisions on cases of loan defaults of Rs 30 million and above. As a result, a significant amount of non-performing loans had been recovered by the banks and development finance institutions (DFIs).

To strengthen Prudential Regulations for banks, a number of measures were taken during 1998-99. Most importantly, in arriving at per party limit under Prudential Regulation-I, 90 percent of Pak. Rupee equivalent of face value of Special US Dollar Bonds converted at official rate, lodged by the party as collateral, have now been made available for deduction. Further, the banks have also been directed to accept the accounts of borrowers (other than a public or a private company which is a subsidiary of a public company) which are countersigned/audited by the Cost and Management Accountants for the purpose of Prudential Regulation-IV. Previously, only



### Credit Control and other Measures during 1998-99

The important measures taken from 1st July 1998 to date are:

1. In July, 1998, all banks/NBFIs were directed that encumbrance or lien of any kind upon any foreign currency deposit/foreign currency certificates as a cover against any direct or indirect liability of the depositors must be removed by July 31, 1998 (later extended to 30th November, 1998) through set off or direct liquidation of the liabilities so covered by the borrowers. Further, no new encumbrance or lien should thereafter be created against foreign currency deposits/certificates held on May 28, 1998.
2. Effective from 12th July, 1998, all import letters of credit were made subject to a minimum cash margin of 30 percent except for wheat, cotton and cotton yarn, crude petroleum, petroleum products, edible oils all sorts, dyes tanning & colour material/chemicals, medical products, raw hides and skin, wet blue leather and leather, pesticides etc. insecticides/fertilizers, seeds and plants for sowing, items imported against various schemes of temporary import for exports e.g. NDND scheme, manufacturers in bond scheme etc. and public sector imports. Effective 16th October 1998 all import letters of credit, other than for import of wheat and POL products, were made subject to a minimum cash margin of 30 percent. Later, minimum cash margin for opening letters of credit for import was relaxed to 20 percent on 11th January, 1999 and then to 10 percent w.e.f. January 25, 1999. The requirement of minimum cash margin was withdrawn with effect from February 24, 1999.
3. On 22nd July, 1998 it was decided that the amounts held in the Special Exporters' Account would be exempted from maintenance of Statutory Cash reserve/Statutory Liquidity Requirements. The banks were required to show these amounts as a footnote in their weekly statements submitted to the State Bank.
4. On 2nd September 1998, financing facility under Export Finance for export of 'Rice Gluten' was allowed for a period of 150 days for 1998-99 only.
5. Effective from January 1, 1999, small and medium exporters, emerging exporters and indirect exporter were made eligible for financing facility under Export Finance Scheme.
6. Effective from 4th March, 1999 the minimum rate of return to be paid by recipients of financing facilities from the State Bank for meeting temporary liquidity shortages and SBP 3-Day Repo Rate against Government of Pakistan Market Treasury Bills and Federal Investment Bonds was reduced by 1 percentage point to 15.5 percent. The Repo Rate was further reduced to 14 percent w.e.f. 3rd April, 1999 and to 13 percent w.e.f. May 19, 1999.
7. Restriction on commercial banks' with regard to their lending to Public Sector Enterprises over the outstanding level of borrowings of PSEs as on end-May, 1995 (imposed on 19th November, 1995) was withdrawn w.e.f. 8th March, 1999. This relaxation would not apply to WAPDA, KESC, PTCL, SNGPL, SSGC and OGDC. Banks were, however, advised to ensure that requests from PSEs for credit lines would be considered on merit and prudential requirements strictly observed.
8. Effective from March 11, till June 30, 1999 export finance facility was made available for export of cotton yarn of below 30 counts enabling the exporters to avail the above facility for all counts of cotton yarn.

9. On 9th April, 1999, the State Bank amended prudential regulation regarding Asset Management and Financial and Investment Advisory services. Banks desiring to undertake asset management services shall be allowed to do so through subsidiary company to be formed by them under the laws of Pakistan for the exclusive purpose of undertaking such activities. The minimum paid up capital of such a subsidiary shall be not less than Rs 100 million. The companies to be set up for the purpose shall be public limited companies which may commence business with a bank's equity holding of 51 percent in the company's paid-up capital. The balance of 49 percent share capital shall be offered to the general public.

10. The transactions undertaken/services provided by the subsidiaries set up for asset management purposes should not create any financial obligation whether contingent or otherwise on the balance sheet of the holding company or otherwise. The said subsidiaries shall not be permitted to: invest in real estates; grant credit in any form whatsoever, hold and invest in more than 1 percent of the paid-up shares of any bank or financial institution; and invest in the securities of such companies which failed to earn net profit for two financial years out of the preceding three financial years.

The holding company shall ensure that subsidiaries do conduct their operations and publish their accounts in accordance with the internationally accepted accounting standards and disclosure requirements, besides meeting the standards set by the domestic regulatory authorities. The paid-up capital of such a subsidiary shall be not less than Rs 100 million. The companies to be set up for the purpose shall be public limited companies which may commence business with a bank's equity holding up to 100 percent but not less than 51 percent in the company's paid-up capital.

11. With a view to further streamline the conduct of auction of Market Treasury Bills as well as Open Market Operations of State Bank of Pakistan, and to ensure transparency and regularity, it was decided that effective from 15th April, 1999, a fixed scheduled would be followed. Under the new system auctions and open market operations would be regularly held in alternative weeks. However, the State Bank would reserve the right of accepting or rejecting any amounts, it can hold two way open market operations when necessary and it can also conduct special open market operations occasionally on other dates.

12. Effective May 19, 1999, Statutory Liquid Asset requirements were reduced from 15 percent to 13 percent and Statutory Cash Reserve requirements were reduced from 5 percent to 3.5 percent as a ratio of demand and time liabilities of scheduled banks.

the accounts signed by the Chartered Accountants were acceptable to the banks under this Regulation.

In order to create self-employment opportunities for the youth under the Prime Minister's National Agenda launched from July 1998, it has been decided that banks would launch small loans scheme giving preference to un-employed and skilled youth possessing business experience and professionals holding diploma degree in any technical or professional field. Under this scheme, small and medium loans are provided under two categories; under first category, loans ranging from Rs 10,000 to

Rs 500,000 and under second category, loans ranging from Rs 500,001 to Rs 5,000,000 are provided. The banks/Small Business Finance Corporation (SBFC) have earmarked Rs 6618 million, for the Small Loans Scheme. Small and Medium Enterprises Development Authority (SMEDA) have been created since October 1998, as an autonomous corporate body at the federal level with Prime Minister as its head. In the first category, so far 69,168 applications have been received. Of these 55,318 applications have been scrutinised and Rs 5.56 billion sanctioned to 31595 applicants. In the second category of loans, 181 applications have been received. Of which, 132 have

been scrutinised and Rs 0.153 billion sanctioned to 58 applicants. The total loans disbursed so far under the self-employment scheme amount to Rs 4.15 billion.

### Monetary and Credit Development

Sectoral monetary and credit targets for 1998-99 were estimated by taking into account the estimated GDP growth, inflation and likely behaviour of the external sector. Based on GDP growth target of 6.0 percent and inflation target of 8.0 percent, demand for money in 1998-99 was estimated at Rs 164.0 billion, showing an increase of 13.6 percent over end June, 1998. Since the developments in the foreign sector during the current fiscal year were assumed to have a neutral impact on monetary growth, the domestic credit expansion was projected at Rs 164.0 billion.

The Credit Plan 1998-99 was however revised as a result of the events in the wake of nuclear detonation and rescheduling of external debt agreed with the IMF and the Paris Club. The revised Credit Plan 1998-99 has envisaged an overall money supply (M2) growth of 7.7 percent (Rs 93.3 billion) as compared with the original target of 13.6 percent (Rs 164 billion). The revised target for domestic credit expansion was brought down to 6.5 percent (Rs 83.4 billion) from the original target of 12.8 percent (Rs 164.0 billion). The revised Credit Plan mainly reflect the accounting impact of rescheduling of foreign debt. The net foreign assets of the banking system which were estimated to have a neutral impact on domestic liquidity in the original Credit Plan, were estimated to exert an expansionary impact of Rs 9.9 billion. In addition, an amount of Rs 89.1 billion debt relief for government and Rs 16.4 billion for public sector enterprises were expected. A target of net retirement of Rs 58.1 billion has been fixed for financing the government's budgetary operations from the banking system compared with an original target of expansion of Rs 43.0 billion. The target for Commodity Operations remained unchanged at Rs 10 billion. Credit target for the private sector and PSCEs have been set at Rs 82.1 billion after adjusting for debt relief of Rs 16.4 billion for PSCEs. Credit allocation to autonomous bodies have been enhanced from Rs 3.5 billion to Rs 20 billion, after incorporating the impact of Rs 16.5 billion provided for the restructuring of WAPDA (Rs 5.0 billion) and KESC (Rs 11.5 billion). In the revised Credit Plan, 'Other Items (net)' have been estimated to exert an expansionary impact of Rs 29.4 billion, as against a neutral impact in the original Plan.

### Causatives Factors of Changes in Monetary Assets

By 31st March, 1999 the overall money supply increased by 3.5 percent, as against a much larger expansion of about 14.0 percent during the same period of last year. The lower growth in money supply was mainly the result of tight monetary policy and net retirement of bank credit by the government on account of budgetary support. Net domestic assets of the banking system denoted a rise of 0.9 percent (Rs 11.8 billion), as against a rise of 11.6 percent (Rs 129.0 billion) in the corresponding period of last year. The Government borrowings from the banking system for budgetary operations increased by Rs 29.8 billion. At the same time, the Government deposits of Rs 69.7 billion were built-up, representing Rupee balances in the Special Account with SBP for foreign debt retirement and Saudi Oil Facility-Counterpart Rupee A/C. Net of these deposits, Government borrowings for budgetary support during July 1, 1998 to March 31, 1999 showed a net retirement of Rs 39.9 billion as against the revised Credit Plan retirement target of Rs 58.1 billion for the current fiscal year and against the borrowing of Rs 39.5 billion in the corresponding period of last year. The credit to the Government for its commodity operations registered a retirement of Rs 14.4 billion as against a retirement of Rs 10.7 billion in the same period of last year. Bank credit to private sector (including PSCEs) increased by Rs 65.5 billion up to March 31, 1999, compared with Rs 85.1 billion in the corresponding period of last year.

Although the net credit to private sector and PSCEs during the first nine months of the current year shows a decline as compared with the first nine months of 1997-98, it conceals more than it explains the true credit situation in the country. During the current fiscal year, the credit retirement by the private sector amounted to Rs 34.2 billion up to the first week of September 1998 as against Rs 14.5 billion of the comparable period of last year. The higher credit retirement during the current fiscal year is mainly due to the recall of loans extended to private sector against the Foreign Currency Accounts used as collateral. After the peak retirement, the credit expansion to private sector and PSCEs from the first week of September 1998 to end-March 1999 amounted to Rs 99.7 billion as against the same amount of comparable period of last year. Therefore, there was no decline in credit to private sector and PSCEs during the current fiscal year as against the comparable period of last year. Apart from the credit retirement by the private sector a number of factors

contributed to the slower growth of bank credit to the private sector. The uncertainty which prevailed in the market because of the economic sanctions and the side effects of the measures taken during the post - May 28, 1998 developments to protect the country's balance of payments from a total collapse have led to a slower growth of bank credit to the private sector. Furthermore, cautious and prudent lending by banks together with their vigorous efforts of recovery of the defaulted loan also contributed to the slower growth of bank credit.

The "Other Items (net)" of the banking system registered an expansionary impact of Rs 0.8 billion during the period under report as against a

large expansionary influence of Rs 18.9 billion during the same period last year. Foreign Assets (net) of the banking system increased by Rs 30.3 billion up to March 31, 1999 due to improvement in the foreign exchange reserves with the SBP compared with a rise of Rs 18.0 billion in the corresponding period of last year. Domestic credit expansion together with an increase in net foreign assets resulted in monetary expansion to the tune of Rs 42.1 billion (3.5 percent), as compared with Rs 147.0 billion (14.0 percent) during the same period of last year.

The factors causing changes in monetary assets are given in Table 6.2.

Table 6.2  
Factors Causing Changes in Monetary Assets

Sector/Factor	Revised Credit Credit Plan Target 1998-99	Actual	
		1998-99 (July-March)	1997-98 (July-March)
			(Rs. billion)
<b>A. Domestic Credit</b>	<b>83.4</b>	<b>11.8</b>	<b>129.0</b>
(Growth Rate %)	(6.5)	(0.9)	(11.6)
i) Government Sector Borrowing	-48.1	-57.5	27.1
- Budgetary Support	-58.1	-39.9	39.5
- Commodity Operations	10.0	-14.4	-10.7
- Effect of Zakat Fund	-	-3.3	-2.2
- Privatization Proceeds	-	-	1.1
- Others	-	0.2	-0.7
ii) Autonomous Bodies	20.0	3.0	-2.1
iii) Private Sector including PSCEs	82.1	65.5	85.1
a) Private Sector	-	68.8	78.0
b) Public Sector Commercial Enterprises	-	-3.3	7.1
iv) Other Items (net)	29.4	0.8	18.9
<b>B. Foreign Assets (Net)</b>	<b>9.9</b>	<b>30.3</b>	<b>18.0</b>
Total Monetary Expansion	93.3	42.1	147.0
(A+B)			
(Growth Rate%)	(7.7)	(3.5)	(14.0)

Source: State Bank of Pakistan

#### Components of Monetary Assets (M2)

The components of monetary assets (M2) are: (i) currency in circulation, (ii) demand deposits, (iii) time deposits, (iv) other deposits (excluding IMF A/C, counterpart and (V) residents' foreign currency deposits. During 1993-94 to 1997-98, the growth patterns of the components of monetary assets (M2)

have recorded divergent trends. The annual average growth of currency in circulation was 10.4 percent while demand deposits, time deposits and resident foreign currency deposit grew by 5.5 percent, 16.8 percent and 36.2 percent respectively. During this period the overall money supply (M2) registered an annual average growth rate of 15.2 percent.

**Currency in Circulation:** Currency in circulation is the most liquid form of money supply. During 1994-98, annual average growth of currency in circulation was 10.4 percent against an average growth of 15.2 percent of money supply (M2). During July-March 1998-99, currency in circulation increased by 15.3 percent (Rs 41.8 billion) as compared with an

increase of 11.0 percent (Rs 26.8 billion) in the same period last year. As on 31st March 1999, currency in circulation constituted 25.2 percent of money supply compared to its share of 22.6 percent in the comparable period of last year. The details are documented in Table 6.3.

**Table 6.3**  
**Stock of Components of Monetary Assets (M2)**

Component	End June					End March	
	1994	1995	1996	1997	1998	1998	1999
Currency in Circulation	184.7	215.6	234.1	244.1	272.9	271.0	314.8
Demand Deposits with banks (a)	168.6	202.5	207.1	192.3	201.0	176.5	295.2
Other Deposits with SBP (b)	5.5	5.1	6.8	7.1	6.4	6.9	8.0
Time Deposits with banks (a)	252.5	296.5	344.7	386.8	447.4	437.1	479.6
Residents Foreign Currency Deposits	92.1	105.1	146.0	222.9	278.6	308.8	150.9
Money Supply (M2)	703.4	824.7	938.7	1053.2	1206.3	1200.3	1248.4
<b>As percent of M2</b>							
Currency in Circulation	26.3	26.1	24.9	23.2	22.6	22.6	25.2
Demand Deposits	24.0	24.6	22.1	18.3	16.7	14.7	23.6
Other Deposits	0.8	0.6	0.7	0.7	0.5	0.6	0.6
Time deposits	35.9	36.0	36.7	36.7	37.1	36.4	38.4
RFCD	13.1	12.7	15.5	21.2	23.1	25.7	12.1

Source: State Bank of Pakistan

- a) Excluding inter-bank deposits, deposits of government and foreign constituents.  
b) Excluding IMF A/C No. 1 & 2 and SAF Loan Account, Counterpart Funds and Deposit of foreign governments, central banks, international organizations and deposits of money banks.

**Demand deposits with scheduled banks:** The share of outstanding demand deposits to the stock of M2 was 23.6 percent in March 1999, up from 14.7 percent in March 1998. During 1994-98, average share of demand deposits to M2 was 21.1 percent. In absolute term, demand deposits increased by a large amount of Rs 94.2 billion in the current fiscal year upto March 1999, against an actual contraction of Rs 15.8 billion in the same period last year.

**Time Deposits:** The time deposits which constituted 36.4 percent of the monetary assets in March 1998 increased to 38.4 percent in March 1999. In absolute term, time deposits with the scheduled banks increased by Rs 32.13 billion during July-March 1998-99, as against their expansion of Rs 50.26 billion in the same period last year. Average ratio of time deposits to M2 was 36.5 percent during 1994-98 period

**Residents' Foreign Currency Deposits (RFCD):** This scheme was introduced in February 1991. Within a span of 7 years from 1991-92 to 1997-98, it became the most important constituent of money supply (M2). However, as a result of freezing of the RFCD in May 1998, a large scale conversion into local currency has taken place. The outstanding deposits with the scheme has considerably shrunk during the first nine months of 1998-99, rendering it an uninteresting instruments of money holding. During the first nine months of the current year, conversion to local currency worth Rs 127.6 billion from this scheme has taken place as against a net addition of Rs 85.9 billion in the first nine months of 1997-98.

#### Measures of Money Supply and their Behaviour

The most commonly used three measures of money supply are as follows:

M1 = Currency in Circulation + Demand Deposits with scheduled banks + Other deposits with the State Bank of Pakistan.

M2 = M1 + Time Deposits with Scheduled Banks and Residents foreign currency deposits.

M3 = M2 + NDFC Bearer Certificates + Deposits in National Savings Schemes (NSSs) + Deposits of Federal Bank for Co-operatives.

The annual trends of M1, M2 and M3 since 1990-91 to 1997-98 and upto March 1999 are given in Table 6.4.

Table 6.4  
Stocks of Monetary Aggregates

End Period Stock (Last Working Day Of)	Money Supply & Monetary Assets			(Percentage Change)		
	(M1)	(M2)	(M3)	(M1)	(M2)	(M3)
June, 1991	265.1	400.6	569.40	10.4	17.4	12.9
June, 1992	302.9	505.6	679.17	14.2	26.2	19.3
June, 1993	327.8	595.4	777.33	8.2	17.8	14.4
June, 1994	358.8	703.4	922.22	9.4	18.1	18.6
June, 1995	423.1	824.7	1083.73	17.9	17.2	17.5
June, 1996	448.0	938.7	1254.23	5.9	13.8	15.7
June, 1997	443.6	1053.2	1435.48	-1.0	12.2	19.2
June, 1998	480.3	1206.3	1669.28	8.3	14.5	16.3
March, 1998*	454.4	1200.3	1658.86	2.4	14.0	15.6
March, 1999*	617.9	1248.4	N.A.	28.6	3.5	N.A.

Source: State Bank of Pakistan & E.A. Wing, Ministry of Finance.

@ = As from 23rd February, 1991 the Resident Foreign Currency Deposits are treated as part of Monetary Assets knocking them off as foreign liability.

\* = Cover the period of July-March.

During the first nine months of 1998-99, M1 has increased by 28.6 percent (Rs 137.6 billion), as against an increase of 2.4 percent (Rs 10.8 billion) in the comparable period last year. M2 has recorded a growth of 3.5 percent compared to its growth of 14.0 percent last year. During 1998-99, all the components of M1 have recorded growth. From 1991 to 1998, annual average increase in M1 was 9.2 percent, compared to 17.2 percent in the case of M2 during the same period.

#### Income Velocity of Money

The income velocity of money measures the speed at which money changes hands. Income velocity of money (M2) which was 2.5 during 1995-96 declined to 2.4 in 1996-97 and 1997-98. During the first 9 months of 1998-99, income velocity of money slightly comedown to 2.3.

#### Interest Rate Structure

The main thrust of the market - oriented monetary policy has been to correct distortions in the interest rate structure. In June 1990 the maximum lending rate was 20 percent while the minimum concessionary lending rate was 6 percent. The spread between the maximum and the minimum lending rates has gradually been reduced by eliminating the element of subsidy and the minimum rate increased from 6 percent to 14 percent in 1995. Thereafter, it was reduced to 11 percent in 1997 and further to 8 percent in the current fiscal year but the number of schemes under the concessionary finance has been confined mainly to the export promotional activities.

The maximum lending rate was as high as 25 percent in 1997, which was reduced to 22 percent in 1998. However, as a result of the decline in inflation over the last two years the maximum lending rate has further been reduced by 3 percentage points to 19

percent in March 1999 by various commercial banks. Lowering of the lending rate is a healthy development and it is likely to boost investment activities in the

country. Various lending rates and weighted average deposit rates of the scheduled banks are given in the Table 6.5 below:

**Table 6.5**  
**Lending and Deposit Rates (%)**

	Lending Rates			Weighted average deposit rate
	Maximum	Concessionary	Weighter average	
June 1990	20	6	11.0	8.2
June 1995	20	14	13.2	8.0
June 1996	23	13	13.0	8.2
June 1997	25	11	13.5	8.2
June 1998	22	11	16.1	8.5
March 1999	19	8	-	-

Source: State Bank of Pakistan.

Keeping in view the declining trends in lending rate and low inflation in the country, the government has also decided to reduce interest rates on various national saving schemes by 2 percentage points.

#### Recovery of Stuck-up Loans

The stuck-up loan portfolio of banks/DFIs has been a source of major concern for the overall financial health of the banking system in the country. The State Bank of Pakistan has set up a Monitoring Division to co-ordinate and collect relevant information on defaults and actual recovery of loans for reviewing the progress of the banks/DFIs. The defaulted loans (rupees one million and above) which were Rs 146.1 billion as of 30th June, 1998 has been reduced to Rs 134.8 billion, ending 31st December, 1998. A significant amount of non-performing loans has been recovered through different measures taken by banks/DFIs. By December, 1998 an amount of Rs 19.6 billion has been recovered in cash by banks/DFIs, against a cash recovery target of Rs 46 billion fixed by end of May, 1999. Through concerted efforts and rigorous follow-up, the target has since been achieved by the banks/DFIs.

Under the newly enacted Banking companies (Recovery of Loans, Advances Credit and Finances) act 1997, thirty four Banking courts have been set up upto 30th June, 1998 to deal with claims of below Rs 30 million while High Court Judges have been designated for expeditious decisions on cases of loan defaults of Rs 30 million and above. Under the new

recovery law, 50181 cases involving an amount of Rs 91.1 billion as of 15th March, 1999 have been filed by the banks and the NBFIs. An amount of Rs 4.4 billion has been recovered through legal system.

#### Micro Credit Schemes

To arrange equitable distribution of bank credit among various sectors of the economy with particular reference to the needs of the sectors neglected in the past, a Small Loans Scheme was launched in December, 1972. Initially, the National Credit Consultative Council used to fix specific targets for the small loans to be granted by the banking sector. Loans provided under this scheme were guaranteed by the State Bank of Pakistan and 50 percent of any bonafide loss (principal amount only) incurred in any transaction of loans and advances were to be reimbursed to the banks. However, the system of allocating the targets for the scheme was discontinued in June, 1995 and now banks are free to extend credit to this sector according to their own lending policies. Under the Scheme, the following loans are provided:

##### a) Small Loans for Business & Industry:

- Loans and advances, including bills purchased and discounted, given by any bank for business purposes, not exceeding Rs 300,000/- per borrower, including those to dependent members of his family, would be treated as "Small Loan".

b) **Small Loans for Industrialists:**

- Loans and advances given to industrial units, including cottage industries, which have fixed assets (excluding land and buildings) the original value of which did not exceed Rs 20 million would be treated as "Small Loans".

**Lending for Small and Medium Industries**

Under the Prime Minister's National Agenda programme to create self-employment opportunities for the youth of the country, it was decided that banks would launch a scheme for extending small loans giving preference to unemployed & skilled youth, persons possessing prior business experience, and professionals holding diploma/degree in any technical/professional field. The scheme has been commenced w.e.f. 15th July, 1998. Initially, the scheme has been operated through NBP, HBL, UBL, MCB, ABL and SBFC. However, later on the Bank of Punjab and Bank of Khyber have also been

included in the Scheme. Special counters at designated branches have been opened by these institutions all over the country for distribution and receipt of applications forms for loans under the Scheme. Banks/Small Business Finance Corporation (SBFC) are required to process and finalize applications (received complete in all respects) within 15 days of their receipt. Under the Scheme, small & medium loans are provided as per the following two categories:

- 1st Category: Loans ranging from Rs.10,000 to Rs.500,000/-
- 2nd Category: Loans ranging from Rs.500,001 to Rs.5,000,000/-

In order to enable banks/SBFC to facilitate the provision of loans under the Scheme, necessary exemption from Prudential Regulation has been granted i.e. per party limit on clean loans/advances for self-employed loans under the first category was raised from Rs 100,000 to Rs.500,000.

**Terms and Condition of Loans**

**First Category**

- \* Loans under this category will be provided by banks/SBFC to borrowers against one personal guarantee or any other security acceptable to the banks and hypothecation of the entire business assets.
- \* All Pakistani Citizens (unemployed youths male/female) with minimum middle pass/degree holders from Government recognized colleges universities, skilled persons and other professionals will be eligible to borrow.
- \* The applicant's age should not be less than 19 years.
- \* He/she should be residing at the current address for the last one year or more.
- \* Applicant should neither be an employee of a Government/Semi-Government department nor a full time student of an educational institution.
- \* The guarantor should be an officer of Government/Semi-Government or financial institution.
- \* Owners of un-encumbered immovable properties or any other security acceptable to the bank valuing not less than the amount of loans to be guaranteed by them.
- \* One person can guarantee a maximum two loans provided the property and assets owned by him and his financial position so justifies or where the first loan is being repaid regularly.
- \* The guarantor's un-encumbered immovable property/assets equal to the value of loan is acceptable as mortgage against the loans.



- \* Loan along with its mark-up is repayable in seven years. The grace period for loans under this category is not exceeding 12 months.
- \* The guarantor should be a resident of the area at least for last one year.
- \* Guarantor should be of good moral/sound character.

#### Second Category

- \* Under this category, banks will allow financing for new industrial units, BMR and expansion of existing units.
- \* Loan in this category will be provided against the mortgage of property/machinery/business assets and hypothecation of stocks etc.
- \* There would be a grace period of 12 months.
- \* A minimum of five years business experience of the borrower has been prescribed by the banks. In this category the age of the borrower should be between 30 to 55 years.

#### Other terms for both categories

- \* The repayment period ranges between 24-84 months.
- \* He/She should neither be a borrower from any other bank/financial institution nor a defaulter.
- \* The rate of mark-up to be charged from the borrowers under both the categories would be 15 percent, if the loan installments are being repaid on time, otherwise rate of 16 percent would be charged.

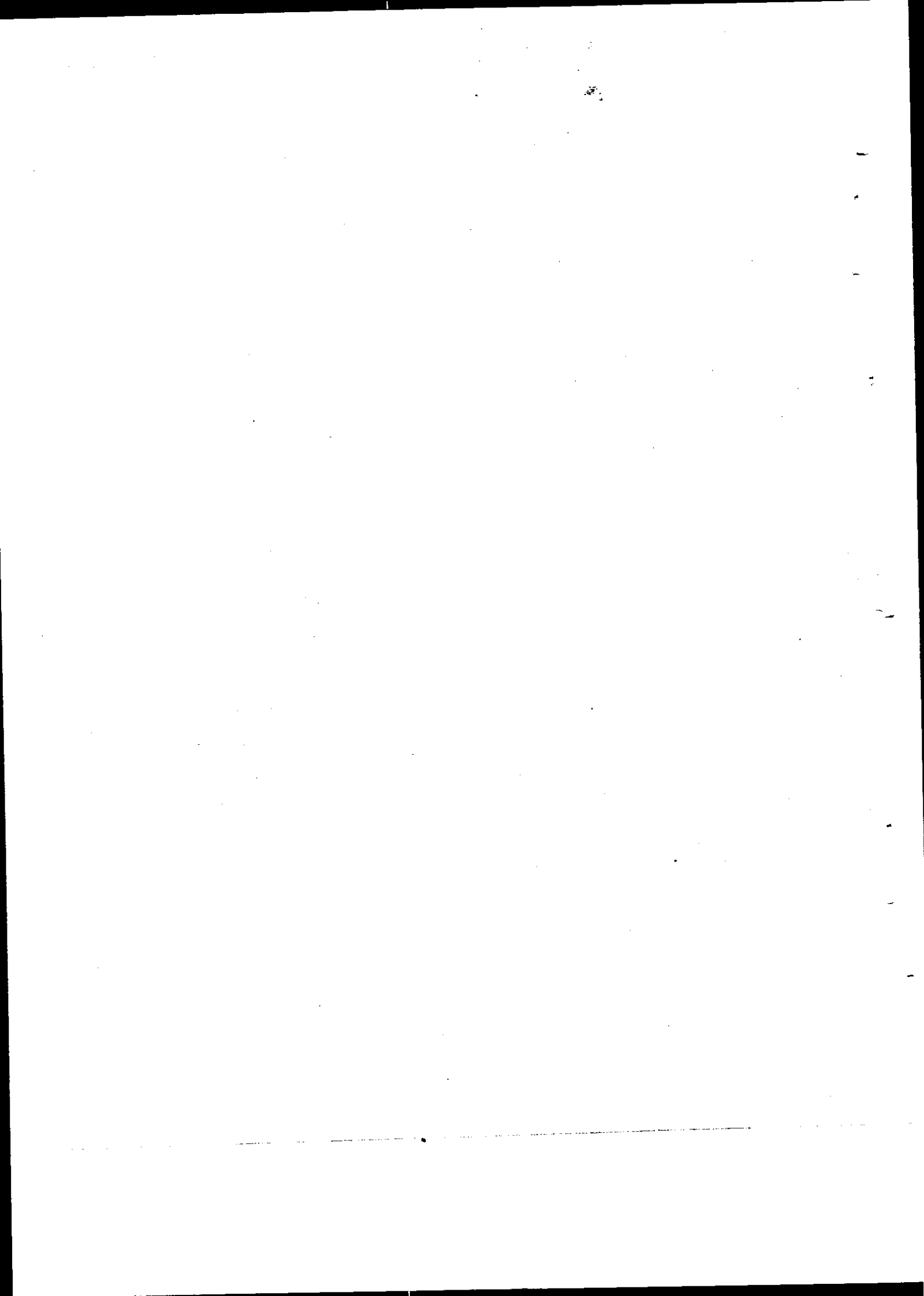
The banks/SBFC have earmarked a sum of Rs 6618 million to be provided as loans for Small Loans Scheme.

#### Small & Medium Enterprises Development Authority

To develop the Small & Medium Enterprises (SMEs) in Pakistan, the Prime Minister has created a Small and Medium Enterprises Development Authority (SMEDA) in October 1998 as an autonomous corporate body at the Federal level with Prime Minister as its head. Its governing board consists of a chairman and members from Government and private Sector. Terms of reference of SMEDA are that it will be the apex policy making body for SME's and provide and facilitate support services, generate massive employment opportunities, drive industrial growth, revitalise small business and kick start the economy through aggressive launch of small and medium enterprise (SME) support

programme. Banks/SBFC participating in the SES are to co-ordinate with SMEDA.

As on April 10, 1999, 69,168 applications have been received in the first category. Out of which 55,318 applications have been scrutinised and 23,723 applications have been rejected, while Rs 5,559.7 million have been sanctioned to 31,595 applications. In the second category of loan, 181 applications have been received by the participating institutions. Out of which, 132 applications have been scrutinised and 74 applications were rejected, while Rs 153.2 million have been sanctioned to 58 applicants. In total, an amount of Rs 4,149.1million has been disbursed (74.6 percent of the sanctioned amount) under first category and Rs 81.5 million (53.2 percent of the sanctioned amount) under the second category, thereby raising the total disbursements under this Scheme to Rs 4,230.6million.



**CHAPTER****7****Capital Market**

Stock market facilitates mobilization of resources and promotes investment. A healthy stock market supplements the development efforts of both the private and public sectors. The stock market is an important tool of modern capital market to raise the capital sock of the economy and work as an effective medium of exchange of business information among shareholders and investors. It channels a part of national savings into investment activities. Business and economic health of a country is reflected through the stock exchange market.

Opening up of the economy in the early 1990s' by de-regulation, liberalization and privatization gave a boost to the economic activity in the country and the stock market witnessed 49 new floatations for Rs 2.0 billion in the year 1990. Pakistan stock market was opened to foreign investors in 1991 and this proved to be a major stimulant in the development of the market. There has been substantial increase in the public floatations over the subsequent years and the number of listed companies now stands at 770 as against 438 in 1989. With the increase in the number of listed companies, the market has attained greater depth in turnover as well. Against a daily turnover of 1.1 million shares in 1989, it reached 14.0 million in 1995, 55.65 million in 1997 and 93.3 million shares in 1998-99. In addition, a number of policy decisions have been taken to liberalize investment procedures and encourage capital formation through stock exchanges. Some significant developments in the corporate sector were

made in the 1990s which vastly enlarged the size and depth of the capital market.

For the past few years the stock market in Pakistan has been witnessing declining business trends which continued in the current year also, due to some unfavourable domestic, regional and international factors. The declining trend continued during the first six months of the current year. The Karachi Stock Exchange (KSE) 100 index which was at 1746 points at the beginning of 1998 touched its lowest ebb at 766 in July 1998. A number of factors were responsible for this decline which included: contagion effects of South East Asian financial debacle, global recession, crash of stock markets of some leading economies, imposition of economic sanctions on account of nuclear tests in May 1998, and local factors, such as, law and order situation, freezing of foreign currency accounts, and unresolved dispute with the Independent Power Projects (IPPs).

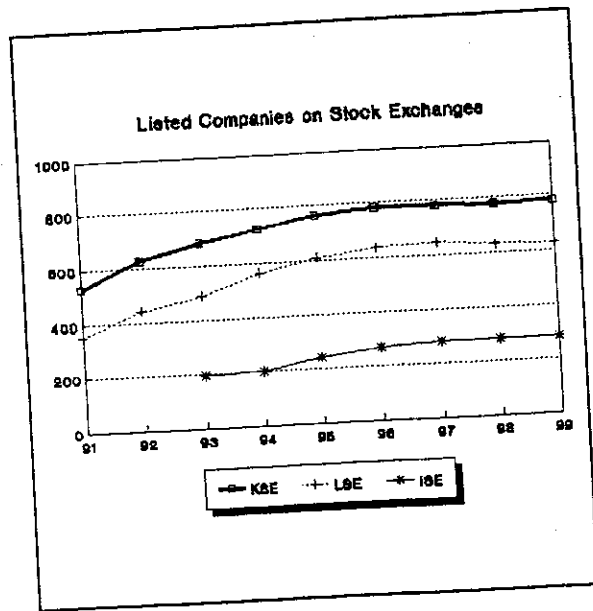
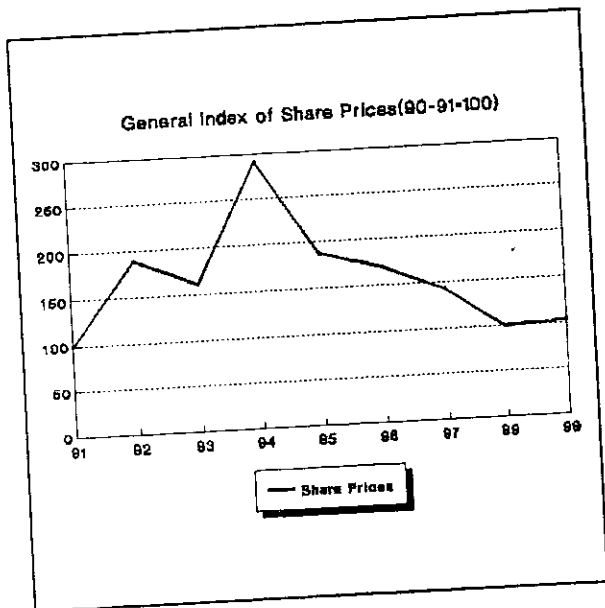
**Listing of Companies**

As on end March 1999, 781 companies were listed with Karachi Stock Exchange (KSE), 626 with Lahore Stock Exchange (LSE) and 284 with Islamabad Stock Exchange (ISE) as compared to their listing of 724, 564 and 200 companies respectively in 1994. Listed companies of the three stock exchanges and general index of share prices are given in Table 7.1.

**Table 7.1**  
**Listed Companies on Various Stock Exchanges**

End June	1993-94	1994-95	1995-96	1996-97	1997-98	End March	
						1997-98	1998-99
Karachi Stock Exchange (No.)	724	764	782	781	778	778	781
Lahore Stock Exchange (No.)	564	611	635	645	631	631	626
Islamabad Stock Exchange (No.)	200	243	271	283	285	285	284
Gen. Index of Share prices(90-91=100)	290.2	186.9	170.2	143.0	98.8	126.5	103.0

Source: KSE, LSE, ISE.



During the one year period from December 31, 1997 to December 31, 1998 the number of limited companies in Pakistan has increased by 370 only as compared to 1464 companies in the previous year. The provincial break-up of the limited companies as on December 31, 1998 is given in Table-2.

#### Development During July-March, 1998-99

During the first nine months of the current financial year, two companies were listed on Lahore

Stock Exchange, including one technical listing, and only one company on Islamabad Stock Exchange. Whereas no new company was listed on Karachi Stock Exchange. During the first nine months of the preceding year 2 companies were listed on Karachi Stock Exchange while two technical listing each was made, at Lahore and Islamabad Stock Exchanges. By way of new subscription, Rs 300 million was mobilized by the Lahore Stock Exchange and Rs 963 million by the Islamabad Stock Exchange during the first nine months of the current year. No fund was mobilized on KSE.

Table: 7.2  
Number of Limited Companies

Nature of Companies	Punjab	Sind	Balochistan	NWFP	Total
A) Companies Ltd. by Shares					
i) Public	1,376	1,163	57	124	2,690
ii) Private	19,474	14,539	315	2,637	36,513
B) Companies Limited by Guarantee and Association not for profit.	148	200	12	14	374
C) Foreign Companies	277	253	3	7	540
Total companies As on 31-12-1998	21,275	16,482	772	2,379	40,522
As on 31-12-1997	20,778	16,207	386	2,781	40,152

Source: Corporate Law Authority Islamabad.

The turnover of shares in the three stock exchanges aggregated to 24.4 billion during July-

March, 1998-99 compared to 15.9 billion shares in the comparable period last year, representing a growth of

53.5 percent. Most of the transaction of shares in stock markets were not long term investment rather seem to be speculative as it resulted in panic selling by the vast majority of small share holders. The small investors in the share market had been waiting for a right opportunity only to recover their lost capital. Hence higher turnover of shares could not be termed as a healthy sign for the market, rather it represented a most volatile market condition. However, the stock market has started showing some signs of recovery with the beginning of the calendar year 1999, especially after the successful negotiation between the Government of Pakistan, and the multilateral agencies (IMF, World Bank, ADB etc). The bail out package and partial withdrawal of economic sanctions had positive impact on the stock market. The KSE 100 index which stood at 945 at the end of December 1998 increased to 1057 on March 27, 1999.

#### Sectoral Analysis

As compared to the first nine months of 1997-98, the overall performance of the stock market during the current financial year was encouraging but it has to go a long way to attain the market boom of the mid 1990s. During July-March 1998-99, general index of share prices increased by 4.3 percent as compared to a decline of 11.5 percent in the comparable period last year. Out of 12 major trading groups, indices of the 6 groups have recorded positive growth. These included auto and allied (0.5%), fuel and energy (15.8%), transport and communication (16.7%), banks and other financial institutions (3.6%), and miscellaneous (0.4%). During 1997-98, all the 12 trading groups registered decline. Aggregate market capitalization of ordinary shares which touched the bottom line in June 1998 has started improving. From June 1998 to March 1999, aggregate market capitalization has increased by Rs 30.2 billion from Rs 259.4 billion in June 1998 and to Rs 289.5 billion in March 1999. However it was still far below of Rs 427.1 billion in March 1998.

Business trends of some leading sectors indicate that share price indices and market capitalization have undergone changes of varying magnitude during past five years. Share price indices of cotton and other textiles was at 188.3 in June 1994 which came down to 74.2 in June 1998 and further to 73.5 in March 1999. Similarly, its market capitalization has declined from Rs 76.8 billion in June 1994 to Rs 25.1 billion in June 1998. However, it increased to Rs 27.7 billion in March 1999. The price index of the cement was as high as 986.5 in June 1994 but it came

down to 65.6 in June 1998 and further to 60.0 in March 1999. Its market capitalization has also come down from Rs 31.4 billion in June 1994 to Rs 6.4 billion in June 1998 and further to Rs 5.6 billion in March 1999. Price index of fuel and energy and transport and communication have declined from 441.2 and 209.9 in June 1994 to 142.9 and 54.2 in June 1998 but they improved to 165.5 and 63.3 respectively in March 1999. The market capitalization of fuel and energy group was Rs 62.2 billion in June 1994, it declined to Rs 45.5 billion in June 1998. During the first nine months of the current fiscal year, fuel and energy group gained Rs 10.8 billion in its market capitalization. Similarly transport and communication group also gained Rs 9.2 billion. Some national and international factors which were mainly responsible for stock market crash in Pakistan in the previous years were still there. Moreover, these factors were further compounded by the world wide recession in the commodity market resulting slowdown in external trade of Pakistan.

Pakistan had to face not only the fallout effect of the world-wide recession in the commodity market, but it also faced international economic sanctions, with its profound effects on the stock market behaviour. Some major domestic factors which continued to drag the stock market during the current year are;

- Pakistan's economy remained under pressure during the first half of the current year mainly due to unanticipated developments that took place in the last quarter of 1997-98 followed by economic sanctions, which also affected the stock market.
- Freezing of foreign currency accounts in May 1998 affected flow of foreign exchange and remittances.
- Unresolved issue of power tariff between the government and Independent Power Projects (IPPs).
- Massive erosion of equity values and the accompanying volatility imposed severe tests on the regulatory functions of the management of stock market.
- Lack of interest from financial institutions and foreign fund houses.

- Poor performance of the corporate sector.
- General law and order situation in the country and;
- Fall in volume of both exports and imports of the country, as compared to last year etc.

### Performance of Stock Exchanges

The behaviour of the national stock exchanges (KSE, LSE & ISE) is discussed below;

#### Karachi Stock Exchange (KSE)

Karachi Stock Exchange being the premier exchange of the country represents the business mood of the country. At the beginning of the current fiscal year, the business trend in KSE was depressed and its index which touched the lowest ebb of 863 points on

July 1, 1998 could not improve much in the subsequent months. The bearish trend however, started subsiding though very slowly, from the beginning of 1999, mainly due to successful negotiations with the IMF and other international donors. Announcement of an economic package by the Government during March-April 1999 further added impetus to the stock market. At the end of March 1999, KSE-100 index increased to 1057 points and further to 1107 points by the end of April 1999. The Daily turnover of shares was 77 million in 1998 which increased to 93.3 million in the first nine months of 1998-99.

During the first nine months of the current financial year, total turnover of shares on KSE increased to 17.1 billion or by 49.6 percent, compared to 11.4 billion in the corresponding period last year. A profile of the KSE since June 1995 to July-March, 1998-99 is given in the following Table 7.3.

**Table 7.3**  
**Profile of Karachi Stock Exchange**

	1994-95	1995-96	1996-97	1997-98	1998-99 (Jul-Mar)
a) New Companies Listed	65	38	14	2	Nil
b) Fund Mobilized (Rs Billion)	37.8	20.8	15.5	2.2	Nil
c) Listed Capital (Rs Billion)	134.4	202.7	208.8	212.2	213.5
d) Turnover of Shares (In Million)	2229	52100	8095	14992	17113
e) KSE 100 Index	1497	1340	1753	880	1057
f) Daily Turnover of share (Million)	13.9	29.4	56.1	77.0	93.3
g) Aggregate Market Capitalization (Rs billion)	293.3	368.2	469.2	259.3	289.5

Source: Karachi Stock Exchange.

The listed capital on KSE has increased from Rs 212.2 billion at end June 1998 to Rs 213.5 billion at end March 1999.

In order to cushion the impact of negative factors and check downward trend, the KSE had to take a number of risk management measures, such as, the reduction in exposure limits of the members under the Regulations governing Members, strict monitoring of the exposure limits and introduction of an approved list of securities for deposits of exposure with margins. KSE introduced a new concept of two tier trading system in order to activate illiquid shares, thereby allowing trading of such shares in the second session. The turnover on KSE has increased. There

was greater efficiency and transparency in transactions which have resulted in greater investors' confidence. This has been possible due to a number of policy decisions taken by the Exchange during this year. These include complete scrapping of the out cry system and switching over to full automated trading, thereby routing of all transactions through the Karachi Automated Trading System (KATS). Furthermore, induction of more than 192 companies listed on KSE into the Central Depository System has also helped achieving more than 90 percent of transactions being settled through Central Depository System (CDS). It is expected that all the listed companies will be inducted into the CDS by June 1999.

### Lahore Stock Exchange (LSE)

During July-March 1998-99, the turnover of shares on Lahore Stock Exchange was 6.3 billion, compared to 4.1 billion shares in the same period last year. Total paid up capital with LSE has increased from Rs 186.9 billion in 1997-98 to Rs 187.0 billion during July-March 1998-99. During the current year, two companies were listed on LSE out of which one

was technical listing. Amount of fund mobilized by way of subscription was Rs 0.3 billion. Lahore Stock Exchange has become the first fully automated stock exchange of the country. The most noticeable areas of its development were the exchange's trading, clearing and data dissemination systems. A profile of LSE since 1994-95 to July-March, 1998-99 is given in the following Table 7.4.

**Table 7.4**  
**Profile of Lahore Stock Exchange**

	1994-95	1995-96	1996-97	1997-98	1998-99 (Jul-Mar)
a) New Companies Listed	47	24	10	2	2
b) Fund Mobilized (Rs Billion)	6.6	19.7	0.7	Nil	0.3
c) Listed Capital (Rs Billion)	98.2	119.4	184.7	186.9	187.0
d) Turnover of Shares (In Million)	959	2573	2776	5848	6343

Source: Lahore Stock Exchange

### Islamabad Stock Exchange (ISE)

During the first nine months of 1998-99, only 1 new company was listed on ISE, compared to 2 in the same period last year. Total paid up capital with ISE increased to Rs 150.2 billion during July-March 1998-99, from Rs 149.1 billion in the same period last year. Turnover of shares also registered a tremendous jump of 213 percent from 288.98 million shares in July-March 1997-98 to 903.20 million during the first nine months of the current financial year. The average turnover of share during June, 1997 was less than 0.5 million shares per day, which surpassed 2.0 million shares per day by June 1998. This trend of increase in trading volume continued unabated and in the current financial year average turnover on ISE exceeded 5 million shares per day and a record turnover of 9.4 million shares, was achieved on October 17, 1998.

Trading System (ISECTS) were the major factors responsible for increase in the trading volumes. In addition, for quick data dissemination to and from member terminals, the existing serial port wiring was replaced by hub-based Local Area Network wiring. These hardware changes, coupled with modification of the software, has enabled ISECTS to process trade transactions ten times faster and display four separate scrip pages simultaneously on one screen. With the advent of the Wavetech PTV Teletext System, the KSE data is now brought to ISE through PTV-2 satellite broadcast for which dish antennae, cabling and the required satellite receivers/decoders have been provided to all active Members. The Wavetech System has made possible for the general public to watch the Ready Board quotations of the three Stock Exchanges on television anywhere in Pakistan as well as in 50 countries around the world. A profile of ISE is given in the following Table 7.5.

The transparency and efficiency brought about by Islamabad Stock Exchange Computerized

**Table 7.5**  
**Profile of Islamabad Stock Exchange**

	1994-95	1995-96	1996-97	1997-98	1998-99 (Jul-Mar)
a) New Companies Listed	43	28	12	2	1
b) Fund Mobilized (Rs Billion)	15.4	11.9	3.3	11.3	0.96
c) Listed Capital (Rs Billion)	65.1	84.1	92.4	149.1	150.2
d) Turnover of Share (In Million)	82	154	114	478	903

Source: Islamabad Stock Exchange.

## Developments of Capital Market

The Government has taken a number of steps to re-vitalize the capital market. Operationalisation of the Central Depository System (CDC) in September, 1997 has been a major step in this direction. Almost all listed companies will be on the Central Depository System by the end of this year. Automation of trading at the stock exchanges has been another major development. Computerized trading was inaugurated at the Karachi Stock Exchange on October 27, 1997. The trading at Lahore and Islamabad stock Exchanges has also been made fully automated which has brought greater efficiency and transparency in the trading of stocks. Another major development on which the Government is now concentrating is the establishment of National Clearing and Settlement System for all the three Stock exchanges of the country. Government has been encouraging the development of the Term Finance Certificates, for meeting financial needs of the private sector from the capital market. The federal and provincial governments reduced the stamp duty on issue of such instruments last year. Federal Government has also allowed tax exemption to certain categories of persons investing in listed Term Finance Certificates. Pakistan Credit Rating Agency Limited (PACTA) was established as a joint venture between IFC, IBCA of UK and Lahore Stock Exchange. Keeping in view the need for healthy competition, a second credit rating company namely DCR-VIS Credit Rating Company has also been established. Presently there are 49 corporate brokerage houses at Karachi, Lahore and Islamabad Stock Exchanges, the number of brokerage houses with foreign collaboration has increased significantly. The foreign fund managers have also augmented their operations and their participation is increasing with time.

In order to promote institutional investment and strengthen stock market, Government has been encouraging establishment of mutual funds (especially open-ended) in the private sector in collaboration with international fund managers. Some significant changes has been made in the Investment Companies & Investment Advisers Rules, 1971 including their minimum paid up capital, disclosure requirements,

investment in unlisted and fixed income securities, capital balance requirement etc.

Some important steps have been taken for restructuring the capital market. The Government launched a bold package in March 1997 for promotion of investment and development of the capital market with a view to strengthening the market infrastructure, reorganizing the Corporate Law Authority (CLA) into an autonomous Securities & Exchange Commission of Pakistan (SECP) since January 1, 1999 and to play a more effective role in regulation of the market.

Securitization is an emerging funding option for Non-Bank Financial Institutions (NBFIs). SECP is in the process of finalizing the legal frame work for securitization of assets, which has been recommended by a committee of legal and financial experts. By introduction of this concept, Pakistan would soon enter into an era where financial markets could reap the advantages of this mode of financing.

### Development Finance Institutions (DFIs)

During 1997-98, DFIs sanctioned a total loan of Rs 66.8 billion against which they disbursed Rs 65.5 billion. During the first nine months of the current financial year, sanctions and disbursement of loans by DFIs were smaller against their corresponding period last year. During July-March 1998-99, DFIs sanctioned a total loan of Rs 29.4 billion, as compared to Rs 52.6 billion in the comparable period of last year. They disbursed an amount of Rs 29.0 billion in the first nine months of the current financial year compared to Rs 51.5 billion in the same period last year.

The loan sanctions and disbursements by the investment banks have increased during the first nine months of 1998-99, compared with their performance in the same period last year. They have sanctioned loans of Rs 17.3 billion, compared to Rs 13.0 billion during the same period last year. Their combined disbursement of loans amount to Rs 17.3 billion during July-March 1998-99, as against to Rs 12.7 billion in the same period last year.



**Table 7.6**  
**Sanctions and Disbursement of Loans**

	(Rs billion)					
	1997-98		1997-98(Jul-Mar)		1998-99(Jul-Mar)	
	Sanc.	Disb.	Sanc.	Disb.	Sanc.	Disb.
1. DFIs	66.8	65.5	52.6	51.5	29.4	29.0
2. Investment Banks	16.9	16.9	13.0	12.7	17.3	17.3
3. Housing Finance Corporation	1.4	1.3	1.1	1.0	1.1	0.9
4. Discount Houses	0.38	0.37	0.21	0.20	0.26	0.26
5. Total	85.4	84.1	66.9	65.5	48.0	47.4

Source: State Bank of Pakistan

#### Auction of Government Securities

The sale of Federal Investment Bonds (FIBs) all maturities, through auction was suspended from July, 1998 due to very thin participation by investors (Bank and Non-bank) in many auctions arranged prior to July, 1998.

The Short-Term Federal Bonds (STFBs) with six month maturity were replaced by six month Government of Pakistan's Market Treasury Bills (MRTBs) w.e.f. 25th June, 1998 and their first auction was settled on 26th June, 1998. In addition, two more instruments viz 3-months (90 days) and 12 months (365 days), Government of Pakistan Market Treasury Bills were also introduced, and the first auction of which was held on 13th July, 1998.

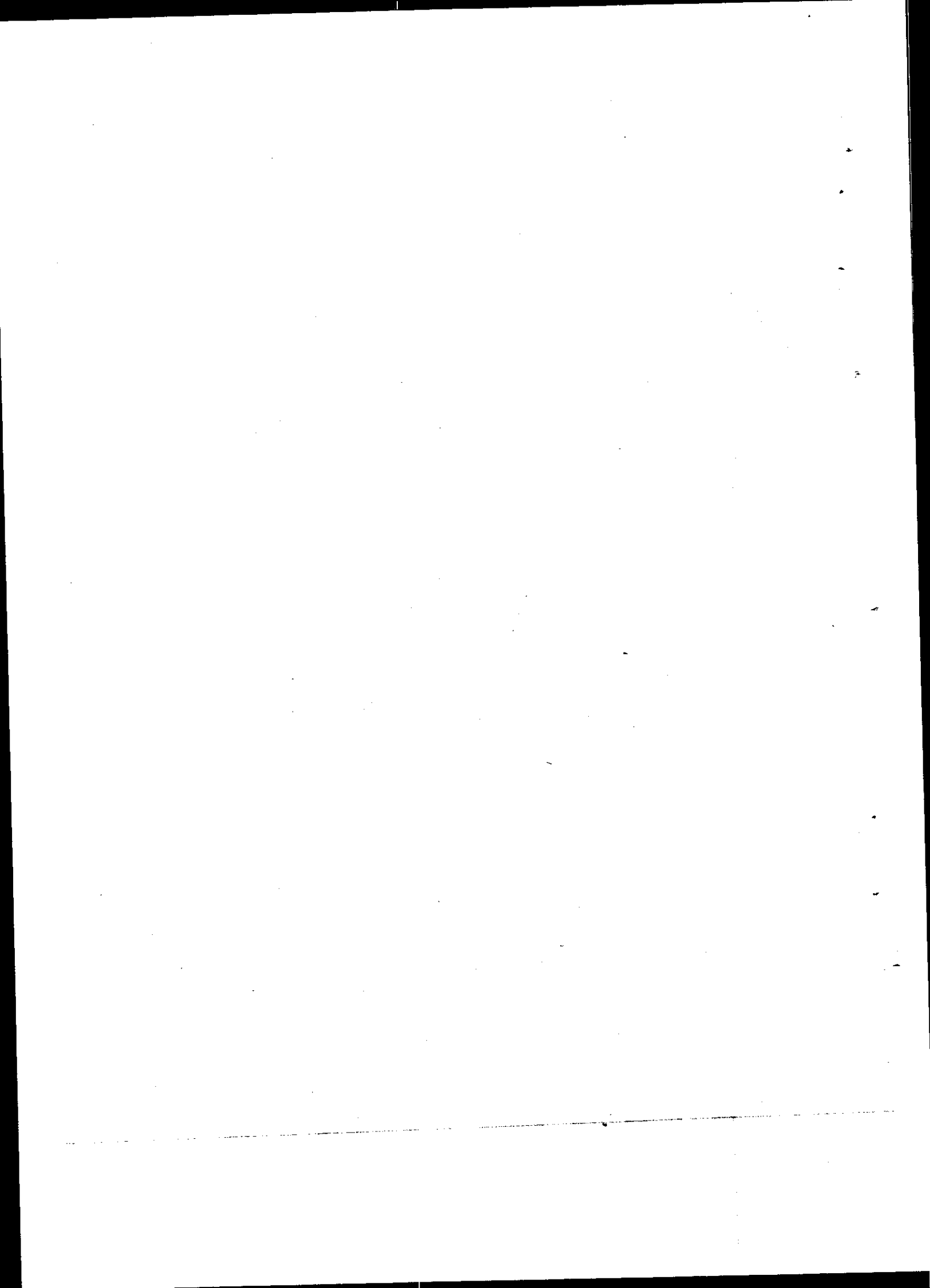
During July-March 1998-99, the SBP conducted 19 auctions of Market Treasury Bills (MRTBs) of 3, 6 and 12 months maturity. The total amount of bids offered was Rs 614.3 billion and bids accepted amounted to Rs 184.8 billion. The weighted average yield on 3 months (MRTBs) ranged between 9.4 percent and 14.6 percent, the weighted average

yield of 6 months MRTBs was between 11.4 percent and 15.7 percent and weighted average yield of 12 months MRTBs between 11.8 percent and 16.0 percent.

Sale/purchase of outstanding FIBs continued in the Secondary Market despite suspension of their auctions. Trading of STFBs remained in vogue till their maturities. Secondary Market trading of Market Treasury Bills of 3, 6 and 12 months quickly picked up after their issue through auctions and remained active during the period under review.

Sale/purchase of STFBs/T-Bills by SBP with scheduled banks through Open Market Operations continued during the period under review for keeping reserve money at levels consistent with M2 in Credit Plan 1998-99.

SBP as a lender of last resort, continued to provide cash accommodation to needy banks against T-Bills and FIBs during the period under review. The Repo Rate for this facility by SBP was reduced from 17.50 percent to 16.50 percent from 1st July, 1998 and further to 15.50 percent from 4th March, 1999.



## CHAPTER

# 8

## Inflation

Persistence of higher inflation is harmful to growth and economic welfare. It is for this reason that Governments in general and monetary authorities in particular make every effort to ensure price stability. Inflation in Pakistan, as measured by the change in the Consumer Price index (CPI), remained at the double-digit level during the first seven years of 1990s with the exception of 1992-93 when it was almost closed to a double-digit level. Several factors were responsible for the persistence of double-digit inflation in Pakistan. These included poor fiscal management resulting in the monetization of large fiscal deficits, deceleration of economic growth, particularly of commodity producing sectors, resulting in supply bottlenecks of essential items, frequent and large increase in administered prices, and excessive reliance on indirect taxes for resource mobilization. Thus, as against an average of 7.3 percent in the 1980s, inflation averaged 11.4 percent during the first seven years (1990-97) of the 1990s.

After remaining at the double-digit level (averaging 11.7 percent per annum) for the four consecutive years (1993-94 to 1996-97) inflation decelerated sharply to 7.8 percent in 1997-98 against the target of 9 percent. Both food and non-food inflation remained in line with the overall inflation. The return to a single-digit inflation was mainly attributed to a tight monetary policy complemented by a prudent fiscal policy leading to a low monetization of budget deficit, improved supply situation because of the higher-than-targeted growth in manufacturing and reasonable growth in agriculture, little upward movement in administered prices, reduction in taxes and tariff, and depressed international prices of Pakistan's major imports. Hard-earned progress in bringing down inflation has been sustained in 1998-99 despite facing economic difficulties of unprecedented nature. Before we delve into the details of the developments on inflation front during 1998-99 it is essential that we describe, though briefly, the various price indices that are used to measure the cost of living in Pakistan.

### Measuring the cost of living

There are four price indices regularly compiled to measure the cost of living or changes in the price level. These indices are: the Consumer Price Index (CPI), the Wholesale Price Index (WPI), the Sensitive Price Index (SPI), and the GDP deflator. The most commonly used measure of the level of prices is the CPI. At the same time the CPI is the most closely watched index of prices from the policy point of view as it represents the cost of living. It covers 460 consumer items, for 5 income groups collected from 25 urban centres on monthly basis [See Box]. The weights of the different consumer items in a basket of commodities were constructed from especially designed survey conducted in 1990-91. The CPI is the price of this basket of goods and services relative to the price of the same basket in the base year (in our case 1990-91). The WPI covers 97 commodities under 5 commodity groups which does not include services. The SPI is also a consumer price index but its coverage is limited to 47 consumer items. The GDP deflator is the ratio of GDP at current prices to GDP at base year (in our case 1980-81). It covers all the goods and services produced in the economy and hence, it is the most broad based measure of inflation. Hence, the differences in coverage of items pertaining to four price indices may exhibit variation in inflation.

### Development in Prices during 1998-99

As stated above, the hard-earned progress in bringing down inflation in 1997-98 has been sustained during the current fiscal year. As measured by the changes in the CPI, inflation during the first ten months (July-April) of the current fiscal year declined to 6.1 percent as against 8.2 percent of the comparable period of last year and against the target of 8 percent. Both food and non-food inflation remained close to overall inflation rate [See Table 8.1 and Fig 1].

**BOX**  
**Technical Features of CPI, WPI, SPI and GDP Deflator**

Index	Commodities Covered	Commodities Group	Catego-ries of Consumers	Income Groups	Centers Covered	Markets	Lag in Computation
Consumer Price Index	460	9	1. Industrial 2. Commercial 3. Govt. Employees	1. Upto Rs 1500 2. Rs 1501 to 4000 3. Rs 4001 to 7000 4. Rs 7001 to 10000 5. Above Rs 10000	25	61	Monthly
Wholesale Price Index	97	5					Monthly
Sensitive Price Index	47		1. Industrial 2. Commercial 3. Govt. Employees	Upto Rs 1500	12	50	Weekly
GDP Deflator	All goods and services included in GDP						Yearly

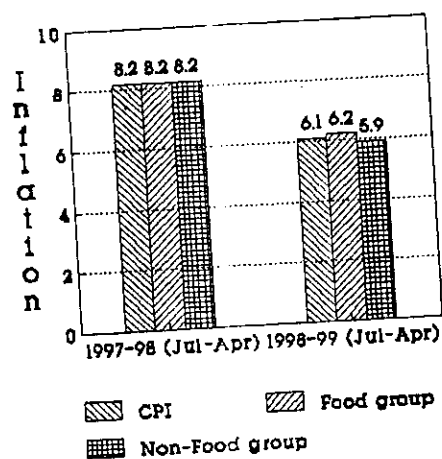
Source: Federal Bureau of Statistics

**Table 8.1**  
**Inflation Rate (CPI)**

Period	(Percent)		
	CPI (General)	Food Group	Non-Food Group
Jul-Apr 1997-98	8.2	8.2	8.2
Jul-Apr 1998-99	6.1	6.2	5.9
Jul 98/Jul 97	6.7	6.0	7.5
Aug 98/Aug 97	7.0	6.5	7.5
Sep 98/Sep 97	6.4	5.5	7.4
Oct 98/Oct 97	6.5	5.6	7.5
Nov 98/Nov 97	6.2	7.2	5.2
Dec 98/Dec 97	6.4	7.2	5.4
Jan 99/Jan 98	6.2	6.8	5.7
Feb 99/Feb 98	6.2	6.6	5.9
Mar 99/Mar 99	4.8	5.7	3.7
Apr 99/Apr 98	4.6	5.3	3.8

Source: Federal Bureau of Statistics

**FIG-1**  
**INFLATION RATE (CPI)**



Given the economic difficulties faced by the country as a result of the economic sanctions during the current fiscal year, progress in 1998-99 in reducing inflation is noteworthy. Tight monetary policy complemented by prudent fiscal management and depressed international prices of Pakistan's major imports have been responsible for further slowing down of the increase in the general price level. Further disaggregation reveals that within the non-food group various items exhibit mixed trend. For example, increase in prices of apparel, textile and footwear, transport and communication, and cleaning laundry and personal appearance have been higher in current fiscal year than the last year. On the other hand, the rate of increase in prices of all other items under non-food group were lower in the current fiscal year as compared with last year. [See Table 8.2].

**Table 8.2**  
**Price Trends By CPI Commodity Groups**  
(Percentage Change)

Components	Weight	Average % change July-April	
		1997-98	1998-99
CPI	100.00	8.2	6.1
A. Food Group	49.35	8.2	6.2
B. Non-food Group	50.65	8.2	5.9
i) Apparel, textile and footwear	7.56	4.4	6.5
ii) House rent	18.98	9.7	7.0
iii) Fuel and lighting	6.13	14.0	4.8
iv) Household furniture equipment, etc	2.00	9.1	3.5
v) Transport and Communications	5.08	6.2	7.6
vi) Recreation, Entertainment and education	3.12	10.7	4.6
vii) Cleaning laundry and Personal appearance	5.40	2.8	5.4
viii) Medicines	2.38	6.1	1.5

Source: Federal Bureau of Statistics

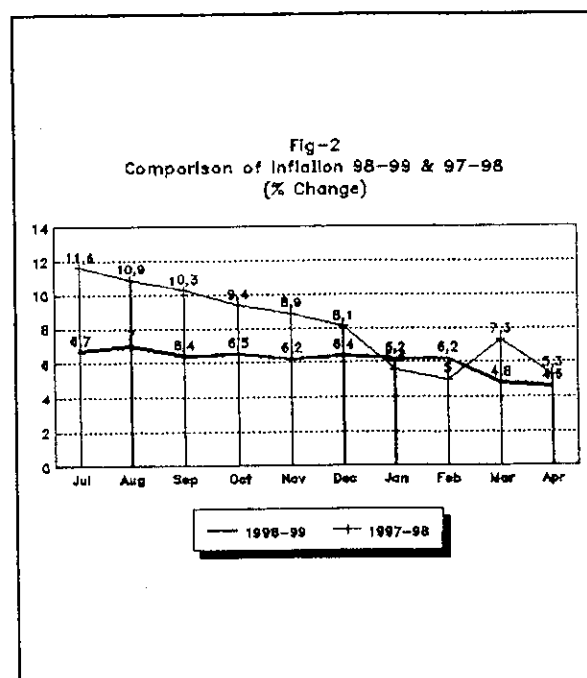
Inflation on point-to-point basis exhibited an overall declining trend. However, until February 1998 the rate of decline was relatively moderate but sharp decline in inflation was witnessed since March 1999 onward [See Table 8.3 and Fig 2].

As stated above, the CPI is constructed for five income groups: i) upto Rs.1500, (ii) Rs.1501-4000; (iii) Rs.4001-7000; (iv) Rs.7001-10,000; and (v) Rs.10,001 and above. During the first ten months (July-April) of the current fiscal year different income groups, though faced different inflation, these were

**Table 8.3**  
**Monthwise Inflation Rate**

Period	(Percentages)	
	1998-99	1997-98
Jul 1998	6.7	11.6
Aug 1998	7.0	10.9
Sep 1998	6.4	10.3
Oct 1998	6.5	9.4
Nov 1998	6.2	8.9
Dec 1998	6.4	8.1
Jan 1999	6.2	5.8
Feb 1999	6.2	5.0
Mar 1999	4.8	7.3
Apr 1999	4.6	5.3

Source: Federal Bureau of Statistics



nevertheless lower than the corresponding period of last year [See Table 4]. Inflation for the lowest income group (upto Rs.1500) is estimated at 5.9 percent which is not only lowest among the various income groups but it is substantially lower than the corresponding period of last year for the same group. The highest-income group (Rs.10,0001 and above) faced 6.9 percent inflation which is higher than the overall inflation (6.1 %) in the country but much lower than the corresponding period of last year for this income group. [See Table 8.4]

**Table 8.4**  
**Inflation by Income Groups**

Income Group	(Percent)	
	1997-98 (Jul-April)	1998-99 (Jul-April)
Upto 1500	8.4	5.9
1501-4000	8.2	6.0
4001-7000	8.3	6.2
7001-10000	8.3	6.6
10001 & above	8.1	6.9

Source: Federal Bureau of Statistics

Another interesting feature of the inflation is that during 1997-98 the lowest income group faced the highest inflation (8.4 %) and the highest income group faced the lowest inflation (8.1%). During the current fiscal year the trend has, however, been reversed and the inflation exhibited rising trend as one move from lowest to highest income group. In other words, the lowest income group faced lowest inflation (5.9%) while the highest income group faced the highest inflation (6.9%). Given the economic difficulties faced by the nation in the wake of economic sanctions it appears that the people in general and poorest in particular have been shielded from the soaring prices as it has been commonly observed in the East Asian countries after the financial crisis in that region. As stated earlier, the tight monetary policy, the prudent fiscal management, improved supply situation of essential commodities, complemented by depressed international prices of Pakistan's major import items have responsible for price stability in the country during the current fiscal year.

The rate of inflation, as measured by the changes in the WPI is estimated at 6.7 percent during July-April 1998-99, as compared with 6.9 percent of the corresponding period of last year. The increase is mainly attributed to higher prices of raw materials (10.3%) and fuel, lighting & lubricants (9.7%). Both food and non-food components of the WPI also declined as compared with last year. The price changes in WPI by commodity groups are shown in Table 8.5.

The SPI reflects the changes in prices of 47 essential commodities of daily use. During the first ten months (July-April) of the current fiscal year the SPI recorded an increase of 6.8 percent as against 8.0 percent of the comparable months of last year. Out of 47 essential items only 7 items [4 food items such as

**Table 8.5**  
**Annualized Percent Change in WPI**

Commodities	Weight	(Percent)	
		Percent Change (July-April)	
		1997-98	1998-99
General	100.00	6.9	6.7
Food	45.79	7.8	6.2
Non-Food	54.21	6.1	7.1
Raw Material	8.76	7.5	10.3
Fuel, Lighting & Lubricant	15.28	12.7	9.7
Manufacturing	25.53	2.6	3.0
Building Material	4.64	-1.2	2.2

Source: Federal Bureau of Statistics

red chillies (55.5%), mustard oil (24.2%), gram pulse (21.5%) and vegetable ghee tin (16.9%) and 3 non-food items such as shoes lady bata (28.1%), lawn Hussain (21.8%) and cigarette K2 (15.8%)] have recorded a substantial increase in the prices.

### PRICE STABILIZATION MEASURES

Besides the traditional monetary, fiscal and exchange rate policies to contain inflationary pressures the Government also takes various price stabilization measures which are discussed below.

#### i) Supply Augmenting Measures

To prevent domestic scarcity of essential items of daily use to arise, a quick mechanism of supply augmenting has been pursued. Domestic stock position of food items and their availability were closely monitored and timely decisions were taken to import essential items, such as wheat, pulses, milk powder, edible oil etc. so as to keep prices stable in the country.

#### ii) Distribution Measures

To overcome the shortages of essential consumer items of daily use and to ensure their availability in sufficient quantity a network of 715 utility stores has been established. The items of daily use are being sold at relatively cheaper prices through these utility stores.

### iii) Special Marketing Arrangements

Friday, Tuesday and Sunday bazaars are being held in a number of cities/towns for sale of perishable commodities (vegetables, fruits etc) and other essential commodities of mass consumption. The prices of essential consumer items in these bazaars have been lower than the organized markets which greatly helped in stabilizing the prices of commodities of daily use.

### iv) Institutional Measures

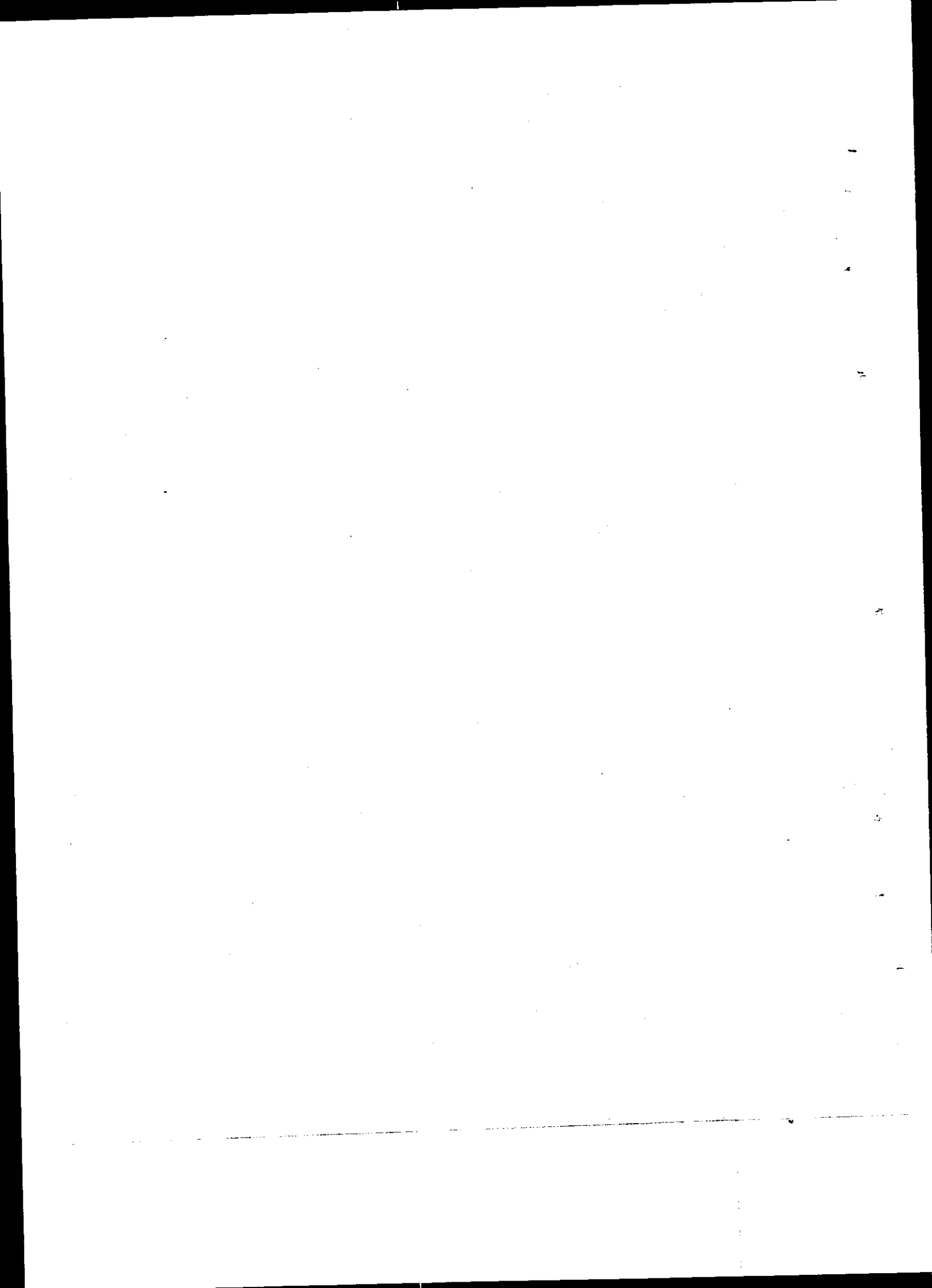
*a) Economic Coordination Committee:* The Economic Coordination Committee of the Cabinet (ECC) also keeps a close watch on prices and supply of essential commodities through weekly meetings and takes necessary corrective measures to ensure adequate

supplies of various commodities with a view to stabilizing prices.

*b) Committee on Kitchen Items:* A high level Committee of the Federal Secretaries on Kitchen items headed by the Deputy Chairman, Planning Commission has been constituted which meet every week to monitor the trends in the prices of essential commodities of daily use and recommends corrective measures, such as, ensuring of prompt imports and suitable adjustments in import and export duties and taxes as and when required.

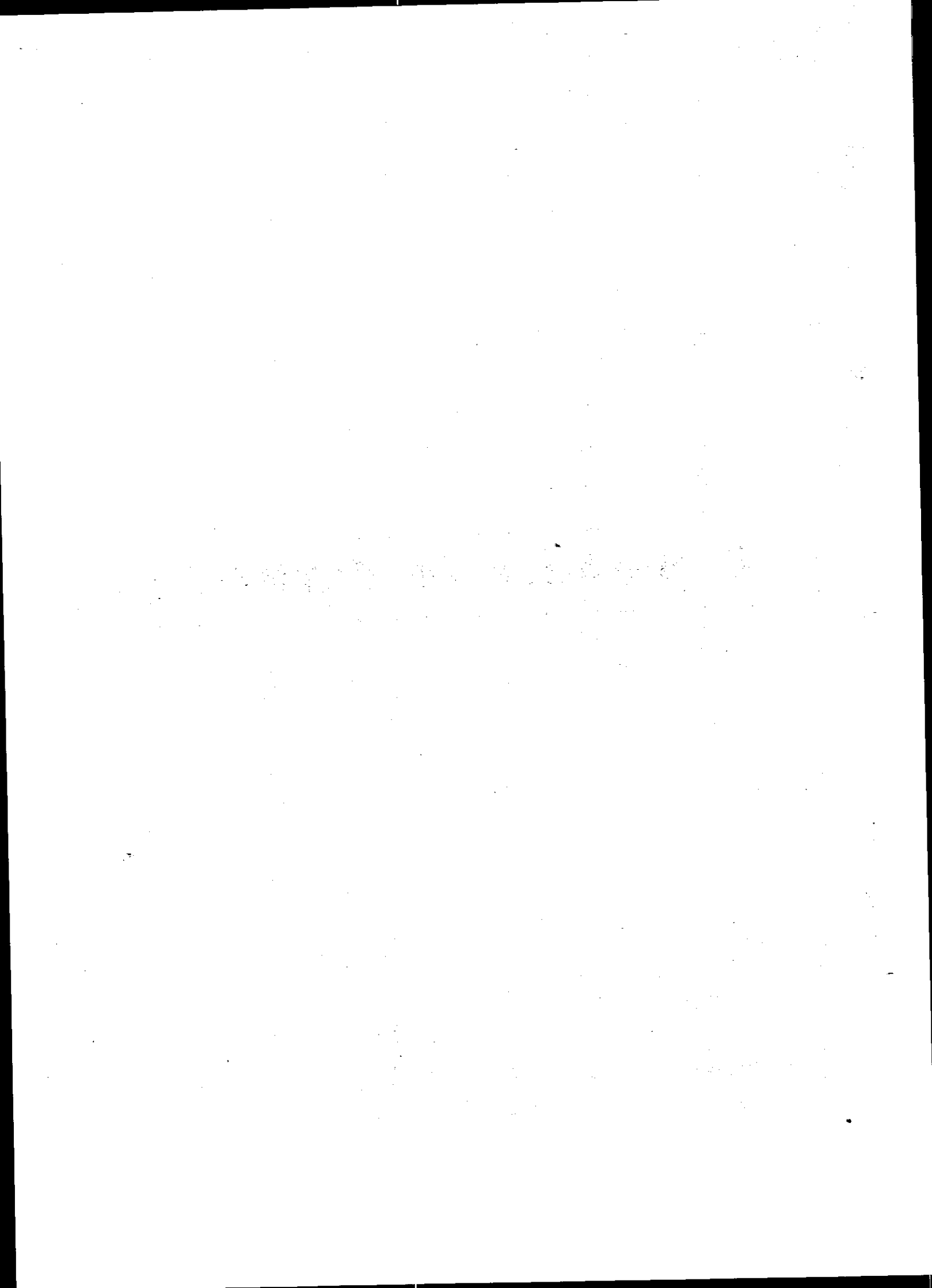
### v) Administrative Measures

To check price hike and discourage hoarding and profiteering, all divisional/district authorities have been asked to keep a constant vigil over prices and availability of essential items.





## **C. BALANCE OF PAYMENTS**



## Trade Policy, 1998-99

The trade policy announced for the fiscal year 1998-99 was premised on the principle of "exporters should pay for the imports". The policy endeavoured to improve the export incentive system by strengthening institutional support mechanisms. It also provided an environment for boosting exports by making them more profitable through improvement in efficiency as well as equitable access to the export instruments for all exporters (direct & indirect). The ultimate objective of the policy was to encourage export-led growth and stimulate export-oriented industrialization. The salient features of the trade policy were summarized below:

- Export proceeds conversion rate increased and mark-up on export refinance to all direct and indirect exporters reduced to 8 percent.
- Tax free imports of inputs by Export Processing Units and direct and indirect exporters/manufacturers were also allowed.
- 5 percent of FOB duty and tax free import of accessories for value added garments, including leather garments etc for direct and indirect exporters were allowed.
- Export refinance ceiling was raised to Rs 25 billion.
- Export refinance for service sector was allowed and it was also made available for the export of day old chicks and eggs for hatching.
- Sales tax free inputs for exporters-cum-manufacturers from registered persons were allowed.
- Rs 5 billion at concessional mark-up for conversion of existing SME's into export-oriented SME's were made available.
- Private sector allowed to export coke, rock salt & caustic soda and restriction on onyx block & breeding camels were dispensed with.
- Quota restriction on maize, gram & gram split, soda ash, breeding camels, endemic birds, cement and clinker were removed.
- Export of kitchen items to Afghanistan were allowed via land route through specified procedure.
- Pakistani construction companies were brought at par with foreign companies for temporary import of machinery.
- PSI restriction was dispensed with for ISO-9000 certified exporters.
- Free import and export of cotton were allowed to continue.
- Duty draw back facility for the exporters of pharmaceutical products was introduced.
- Quota management was handed-over to private sector.

## Balance of Payments

The pressure which was built up on Pakistan's balance of payments during 1996-97 was eased to a large extent in 1997-98. Trade balance (based on exchange records) improved by 40.6 percent to \$ 1,867 million in 1997-98 -- lowest during the last one decade. Its ratio to GDP also came down to 2.9 percent from 5.0 percent in 1996-97. The current account deficit was reduced by one-half and stood at \$ 1,921 million in 1997-98, reflecting an improvement of \$ 1,925 million and as percentage of GDP, reduced to 3.0 percent against 6.1 percent a year ago (1996-97). The private transfers witnessed a significant increase of 8.5 percent and workers remittances increased by \$ 81 million or 5.7 percent. However, long term capital (net) declined by \$ 310 million in 1997-98 i.e. to \$ 1,708 million from \$ 2,018 million in 1996-97 and the year ended with a draw down of reserves by \$ 306 million. The details of the balance of payments since 1990-91 to 1997-98 are given in table 9.15.

Table 9.15  
Balance of Payments

	(\$ Million)							
Components	90-91	91-92	92-93	93-94	94-95	95-96	96-97	97-98
Trade balance	-2483	-2236	-3267	-2000	-2537	-3704	-3145	-1867
Exports (fob)	5902	6762	6782	6685	7759	8311	8096	8434
Imports(fob)	-8385	-8998	-10049	-8685	-10296	-12015	-11241	-10301
Services (net)	-1790	-2224	-2748	-2355	-2384	-3249	-3659	-3264
Private transfers (net)	2102	3114	2327	2390	2437	2378	2958	3210
Workers remittances	1848	1468	1562	1446	1866	1461	1409	1490
Current account balance	-2171	-1346	-3688	-1965	-2484	-4575	-3846	-1921
Long term capital (net)	1729	2541	2515	2503	2702	2599	2018	1708
Changes in reserves								
(- = Increase)	-6	-130	589	-1585	-238	431	1032	306

Source: State Bank of Pakistan, Karachi.

The imposition of economic sanctions leading to the suspension of new bilateral and multilateral disbursement for non-humanitarian assistance created serious difficulties for the country's balance of payments in 1998-99. A series of measures were taken not only to protect the balance of payments from serious difficulties but also to strengthen its position. These measures included a devaluation of rupee by 4.2 percent, introduction of dual exchange rate system, reduction in export refinance interest rate from 11 to 8 percent and a 30 percent cash requirements for import L/Cs. In addition to these measures Government continued to take several other measures during the current fiscal year with a view to strengthen the country's balance of payments. These measures are summarized below:

- Export proceeds were allowed to be remunerated at the composite rate which was allowed for all export proceeds, home remittances and non-essential imports.
- To boost exports and develop information technology in the country, the exporters of software and Internet Service Providers were exempted from central excise duty.
- Indirect exporters were allowed to avail financing facilities under Export Finance Scheme and complications emerging from inclusion of indirect exporters were also removed.
- Edible oil, pulses, fertilizer, pesticides and pharmaceutical products were

excluded from essential import list, making these items to be importable on the composite rate.

To encourage import of capital goods, the State Bank of Pakistan has withdrawn the requirement of 30 percent cash margin on import of plant & machinery through aid, suppliers' credit and loans for the private sector.

Effective from 11th January 1999, the State Bank of Pakistan announced the reduction of cash margin for opening letters of credit for imports from 30 percent to 20 percent. This requirement was further reduced to 10 percent w.e.f. 25th January, 1999 and was withdrawn w.e.f. February 24, 1999.

Export Processing Units which exports 70 percent of their production, were allowed to import inputs for exports without payment of customs duty, sales tax or withholding tax.

Non-resident Pakistanis were allowed to send with their own foreign exchange resources, goods worth upto US \$ 10,000/- without opening letters of credit or registering as importers. Any resident Pakistani could clear these goods on the payment of normal duties and taxes either in foreign exchange or in rupees supported by foreign remittance bank encashment certificate.

An overseas Pakistani remitting US \$ 100,000 through banking channel, could avail tax exemption entitlement of Rs 400,000 which can be off-set against liability of customs duty/sales tax on local purchase or imports. For remittances worth US \$ 50,000 the exemption of taxes would be to the extent of Rs 200,000.

- Effective from 31st March 1999, the government reduced the maximum customs tariff from 45 percent to 35 percent.
- Effective from 4th March 1999, the State Bank of Pakistan raised forward cover fee on foreign currency deposits to expedite the conversion of frozen foreign currency deposits into rupees and bonds.
- Effective from May 19, 1999 the dual exchange rate system was replaced with a market-based unitary exchange rate system.

#### Fiscal Year 1998-99 (July-March)

As a result of the above listed measures taken during the current fiscal year the balance of payments remained manageable. The provisional data on balance of payments for the period July-March, 1998-99 reflects that the trade deficit (based on exchange records) has improved by 15.2 percent to \$ 1,191 million over the level of \$ 1,404 million recorded in the comparable period last year. The deficit in services (net) fell steeply by 36.1 percent to \$ 1,519 million due to a sharp decline of \$ 1,083 million in service payments. The inflow under private unrequited transfers (net) in this period was reduced substantially by 58.7 percent to \$ 1,174 million and a reduction of \$ 373 million (31.7 %) was witnessed in the workers remittances. Consequently, the current account deficit has been widened by 63.9 percent to \$ 1,516 million, compared with \$ 937 million in same period of last year. The flow in long term capital (net) went from \$ 1,260 million to \$ 2,428 million -- an increase of 92.7 percent. The first three quarters, therefore, ended with a net increase of \$ 817 million in reserves. The components wise details are given in table 9.16.

**Table 9.16**  
**Balance of Payments**  
(\$ Million)

Components	July-March	
	1997-98	1998-99(P)
Trade balance	-1404	-1191
Exports (fob)	6295	5653
Imports(fob)	-7699	-6844
Services (net)	-2378	-1519
Private transfers (net)	2845	1174
Workers remittances	1175	802
Current account balance	-937	-1536
Long term capital (net)	1260	2428
Changes in reserves		
(- = Increase)	-219	-817

P: Provisional Source: State Bank of Pakistan, Karachi.

#### Workers Remittances

Workers remittances continue to be a significant component of balance of payments and have made sufficient contribution towards overall foreign exchange earnings of the country. The inflow of workers remittances has been widely fluctuating over the years and has declined from \$ 1,848.3 million in 1990-91 to \$ 1,409.5 million by 1996-97. However, the remittances rose to \$ 1,489.5 million or by 5.7 percent in the fiscal year 1997-98.

Workers remittances during July-April 1998-99 amounted to \$ 874.6 million as against \$ 1,266 million in the comparable period of last year, indicating a decline of 30.9 percent. The main reason for decline has been the exceptionally large spread that prevailed between the composite rate and the open market rate during September - November, 1998. The premium touched a level as high as Rs 14 per US dollar or 28 percent on September 6, 1998 but it averaged in the range of 10 to 17 percent during September - November, 1998.

The exceptionally large spread between the composite and the open market rate discouraged expatriate Pakistanis to send their remittances through normal banking channels. During September - November 1998 remittances were only 55 percent of the comparable months of last year. But beginning from December 1998 onward the position of the inflows has improved considerably and has now reached a level of 82 percent during December-April 1998-99 as against the comparable months of last year. The annual trends of the workers remittances since 90-91 to 98-99 (July-April) are depicted in Fig.3.

Fig.3  
Workers Remittances During 90-91 to 98-99

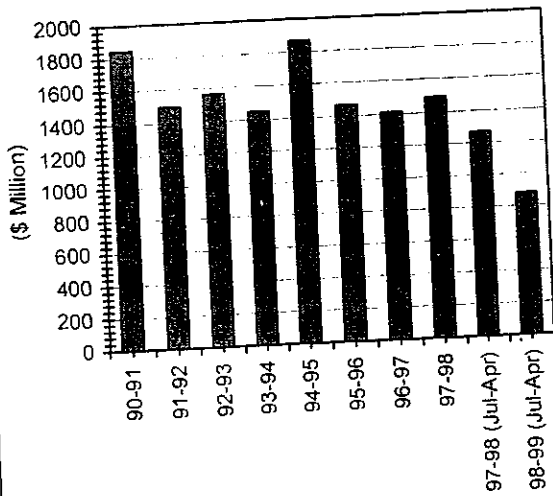
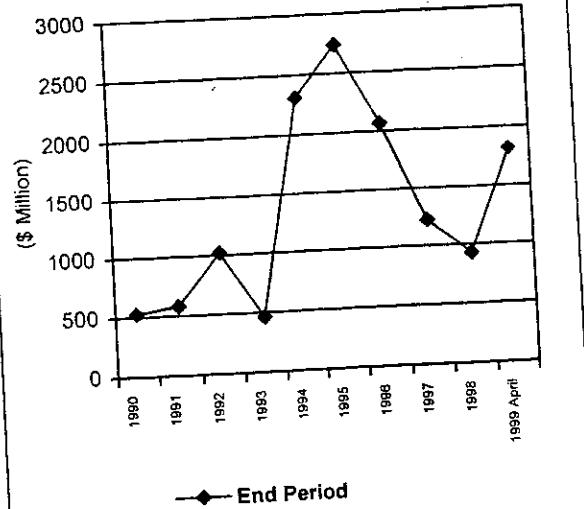


Fig.4  
Trend in Foreign Exchange Reserves during 1990-99



### Foreign Exchange Reserves

Pakistan's foreign exchange reserves fluctuated widely in recent years. It stood at \$ 529 million in end June 1990 but peaked at \$ 2,737 million in end June 1995. Since then, it exhibited a declining trend and stood at \$ 793 million on February 17, 1997. Thereafter, it continued to increase, though slowly and reached at \$ 1,263 million on May 28, 1998 - the day Pakistan detonated nuclear bomb. The imposition of economic sanctions led to the suspension of new bilateral and multilateral disbursement for non-humanitarian assistance and put tremendous pressures on reserves which gradually came down to as low as \$ 415 million on November 12, 1998. As a result of the effective management of foreign exchange reserves, the reserves level stood at \$ 1,814 million by end April, 1999 despite making payments to the extent of \$ 2 billion during January-April, 1999. The annual trend of the foreign exchange reserves since June, 1990 to April 1999 is given in Fig.4.

### Exchange Rate

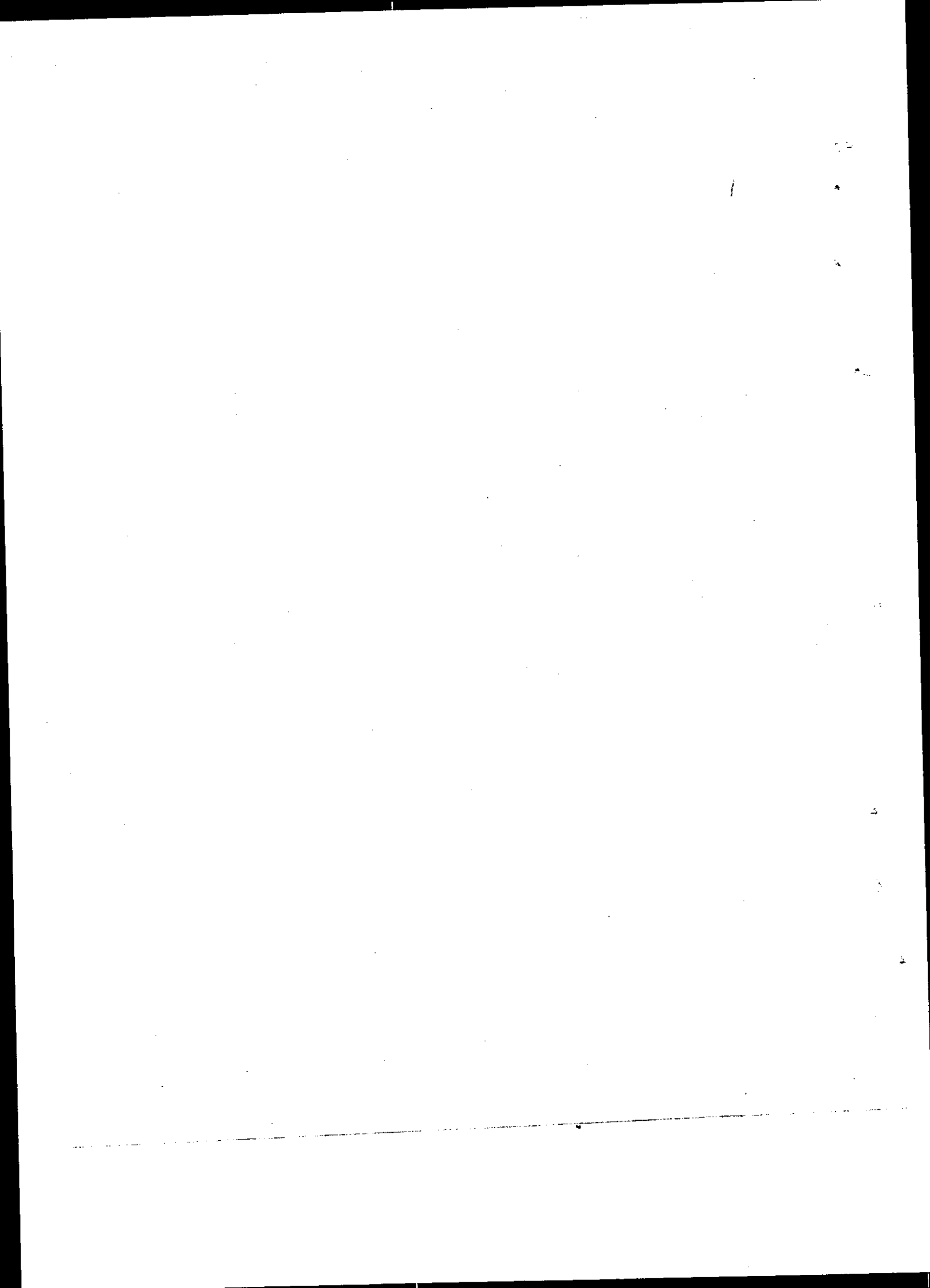
Pakistan continued to pursue a managed floating exchange rate policy until July 21, 1998. In order to minimize the adverse effects of economic sanctions, Pakistan moved to a dual exchange rate system with effect from July 22, 1998. Under the new exchange rate regime there existed two exchange

rates, namely inter-bank floating rate and composite rate, beside official exchange rate determined by the State Bank of Pakistan. The inter-bank floating rate was determined by market forces of demand & supply and the composite rate was the weighted average of official exchange rate and the inter-bank floating rate. Initially 50:50 weights were assigned to inter-bank floating rate and official exchange rate. These weights were changed to 80:20 and further to 95:5 with 95 percent weight assigned to inter-bank rate and only 5 percent to official exchange rate in order to determine the composite rate. With growing improvement in the economy, the built up in foreign exchange reserves, and stability in the exchange rate regime, Pakistan had already reached very close to a market-based exchange rate regime when 95 percent exchange rate was determined in the inter-bank market.

The dual exchange rate system which was introduced on July 22, 1998 was replaced with market-based unitary exchange rate system w.e.f. May 19, 1999. The official exchange rate and also surrendering requirement of 5 percent of export proceeds were abolished. Under the unitary exchange rate system floating inter-bank rate would apply to all foreign exchange receipts and payment both in public and private sectors. All foreign exchange requirements for all approved purposes (including imports, invisibles, debt repayment etc.) will be met

by the Authorized Dealers from the inter-bank market. The Authorized Dealers would neither approach the State Bank for release of foreign exchange for any purpose, nor would they have to surrender it to the State Bank. However, the State Bank can, and will, intervene in the market for the sale and purchase of foreign exchange on its own account at rates and timing of its choosing. While each Authorized Dealer is free to fix its own buying and selling rates, the spread between the spot buying and selling rate should not exceed Rs 0/50 per US

dollar. The State Bank will not provide forward cover to Authorized Dealers, however, Authorized Dealers may provide forward cover for exports, imports and other permitted transactions for any duration, in accordance with the conditions prevailing in the market. Withdrawal in rupees from Foreign Currency Accounts and encashments in rupees of various foreign exchange denominated bonds (DBC's, FCBC's and US Dollar Bonds) and profit thereon will be made at average inter-bank closing rate for the previous working day.





## CHAPTER

# 10

## **Foreign Economic Assistance**

Pakistan, like many other developing countries, has been deficient in domestic resources to finance the investment necessary to sustain a rising per capita income and thus relied heavily on external economic assistance to bridge resource gap since the early 1950s. The foreign economic assistance has, therefore, played a vital role in accelerating the pace of economic development by supplementing the domestic resources. However, persistent inadequacy of domestic capital has perpetuated dependence on external borrowings. Over-time, the volume of debt has also been piled up with increased liability of debt service payments.

Over the years, the composition of external assistance has changed from grant & grant like assistance to hard term loans, repayable in foreign exchange. The shift in the composition of external assistance had serious implications for Pakistan debt service obligations with net inflow of resources depleting over the years and leaving little amount every year for the new development initiatives. Notwithstanding these developments, there has been a positive and significant contribution of foreign economic assistance in sustaining higher growth in Pakistan, as it has helped in providing infrastructural base for growth.

### **Quantum and Type of Foreign Assistance**

The stock of foreign economic assistance continued to grow in volume over the years. By end June, 1999, the total commitments of public & publicly guaranteed medium and long-term external loans, including grants, have been assessed at \$ 62.1 billion. Of this, \$ 52.1 billion or 83.9 percent are projected to be disbursed. Further disaggregation reveals that out of the disbursed amount loans account for 80.0 percent (\$ 41.7 billion) while grants constitute 20.0 percent (\$ 10.4 billion).

### **Composition of Aid**

The composition of aid has changed considerably from grants and grant like assistance to

hard term loans over the years. The share of grant and grant-like assistance in the total commitments was 80 percent during the First Five Year Plan period (1955-60) after which they dropped to 46 percent during the Second Plan (1960-65) and continued to decline thereafter, averaging 31 percent during the Third Plan (1965-70), 10 percent during the Fourth Plan (1970-75). However, due to the relief assistance for Afghan refugees, its share increased to about 22 percent during the Fifth Plan (1978-83) and remained at the same range during the Sixth Plan period (1983-88). The share of grants and grant like assistance continued to exhibit a declining trend thereafter and averaged at 16 percent during Seventh Plan period (1988-93) and 9 percent during 8th Plan period (1993-98). They formed only 5 percent in 1997-98 but is likely to increase to 8 percent of total commitments during 1998-99.

### **Terms of Aid**

The terms of loans and credits, however, softened gradually during the 1960's and the 1970's, as compared with the terms in the 1950's. During the 1980s and the first eight years of the 1990s (1990-98), these terms have been made somewhat harder. The rate of interest which averaged about 4.6 percent during the 1950s declined to 3.3 percent during the 1960s and the 1970s, but increased to 4.8 percent and 4.1 percent during the 1980s and the first eight years of the 1990s (1990-98), respectively. The repayment period of loans/credits obtained during the 1950s was 21 years with a grace period of 2 years which improved to 30 years with a grace period of 7 years during the 1960s, but was reduced to around 25 years with a grace period of 6 years during the 1970s. Repayment period, however, improved to 28 years including a grace period of 7 years during the 1980s but declined to 23 years including a grace period of 6 years during the first eight years of the 1990s (1990-98). By and large, the hardening of terms reflected by higher average interest rate and lower average maturity of loans have had adverse implications for Pakistan's external debt servicing.

## Sources of Aid

The major sources of foreign economic assistance to Pakistan have been the Consortium, non-Consortium and Islamic countries. The Aid-to-Pakistan Consortium - now renamed as 'Pakistan Development Forum' (including assistance from Consortium sources under outside Consortium arrangements) which was organized in 1960, remains the largest source of economic assistance to Pakistan by providing 84 percent of the total commitments. Of

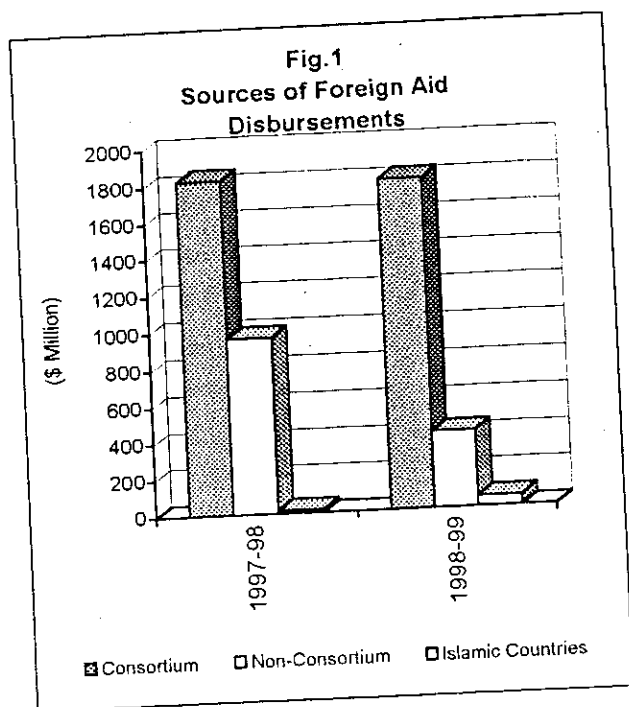
this, 47 percent was on bilateral and 37 percent on multilateral basis. The members of non-Consortium provided 8 percent while Islamic countries contributed 5 percent to total assistance. The share of relief assistance for Afghan Refugees was 3 percent. The share of Consortium sources (excluding aid under outside Consortium arrangements and relief assistance) in total commitments is likely to decrease from 67.4 percent in 1997-98 to 61.5 percent in 1998-99. Source-wise commitments and disbursements for 1997-98 and 1998-99 are summarized in Table 10.1.

Table 10.1  
Sources of Foreign Aid \*

	Commitments				Disbursements			
	97-98		98-99		97-98		98-99	
	97-98	% Share	98-99 (E)	% Share	97-98	% Share	98-99 (E)	% Share
Consortium	1,420	67.4	1,659	61.5	1,824	65.1	1,798	79.1
Non-Consortium	669	31.8	955	35.4	958	34.2	417	18.4
Islamic countries	16	0.8	82	3.0	18	0.7	55	2.4
Sub total	2,105	100.0	2,696	99.9	2,800	100.0	2,270	99.9
Relief Assistance for Afghan Refugees	1	0.0	2	0.1	1	0.0	2	0.1
Total	2,106	100.0	2,698	100.0	2,801	100.0	2,272	100.0

\* Excluding short term credits of one and less than one year maturity. Source: Economic Affairs Division  
(E) Estimates.

Source wise disbursements during 1997-98 and 1998-99 are also depicted in Fig-1.



## Commitments of Aid

The commitment of foreign aid continued to rise every year and reached \$ 3,439 million in 1989-90. A declining trend was witnessed thereafter, as commitments sharply reduced to \$ 1,897 million in 1992-93, reflecting a net fall of \$ 1,542 million or 44.8 percent over 1989-90. However, commitments rose again to \$ 3,025 million in 1994-95 but this revival could not prolong as the commitments fell again to \$ 2,681 million in the following year (1995-96) and further to \$ 1,759 million in 1996-97. However, these were up at \$ 2,106 million during 1997-98. The commitments for 1998-99 are estimated to go up further to \$ 2,698 million. In total commitments (excluding relief assistance for Afghan refugees), the share of Consortium sources, non-Consortium and Islamic countries, during 1998-99 is expected to be 61.5 percent, 35.4 percent and 3.0 percent respectively. The commitments by use and type of aid for 1997-98 and 1998-99 are given in Table 10.2.

**Table 10.2**  
**Commitments of Aid by Use**

	1997-98	1998-99 (E)	(\$ million) % Change
I. Project Aid	776	1,840	137.1
II. <u>Non-Project Aid</u>	<u>1,330</u>	<u>858</u>	<u>-35.5</u>
a) Non-Food	751	651	-13.3
b) Food Aid	578	205	-64.5
c) Relief Assistance for Afghan Refugees	1	2	100.0
Total	2,106	2,698	28.1

E: Estimates

Source: Economic Affairs Division

**Disbursements of Aid**

The disbursement of aid as a proportion of total commitments with some fluctuations has declined over time. The gross disbursements fell from 104 percent of total commitments in the Third Plan period (1965-70) to 60 percent in the Sixth Plan period (1983-88). It rose to 87 percent during Seventh Plan period (1988-93) and further to 105 percent in 8th Plan period (1993-98). The ratio is expected to fall again to 84 percent during 1998-99. An amount of \$ 2,272 million is expected to be disbursed in 1998-99

which would be less by 18.9 percent over the level of \$ 2,801 million in 1997-98.

In the total disbursements (excluding relief assistance for Afghan refugees), the share of aid from Consortium sources, non-Consortium and Islamic countries for the year 1998-99 has been projected at 79.1 percent, 18.4 percent and 2.4 percent respectively. The position of disbursements during 1997-98 and 1998-99 by type and use of aid is summarized in Table 10.3.

**Table 10.3**  
**Disbursements of Aid by Use**

	1997-98	1998-99 (E)	(\$ million) % Change
I. Project Aid	1,552	1,405	-9.5
II. <u>Non-Project Aid</u>	<u>1,249</u>	<u>867</u>	<u>-30.6</u>
a) Non-Food	626	676	8.0
b) Food Aid	622	189	-69.6
c) Relief Assistance for Afghan Refugees	1	2	100.0
Total	2,801	2,272	-18.9

E: Estimates

Source: Economic Affairs Division

An overall picture of the aid commitments and disbursements since 1990-91 to 1998-99 is given in Table 10.4 and in Fig-2.

**Table 10.4**  
**Disbursements as Percentage of Commitments**

Year	Commitments \$ Million	% Change over last year	Disbursements \$ Million	% Change over last year	Disbursements as percent of Commitments
1990-91	2,576	-25.1	2,156	-7.9	83.7
1991-92	2,689	4.4	2,471	14.6	91.9
1992-93	1,897	-29.4	2,493	0.9	131.4

Contd...

Contd...

Year	Commitments \$ Million	% Change over last year	Disbursements \$ Million	% Change over last year	Disbursements as percent of Commitments
1993-94	2,581	36.1	2,549	2.2	98.8
1994-95	3,025	17.2	2,600	2.0	86.0
1995-96	2,681	-11.4	2,565	-1.3	95.7
1996-97	1,759	-34.4	2,233	-12.9	126.9
1997-98	2,106	19.7	2,801	25.4	133.0
1998-99 *	2,698	28.1	2,272	-18.9	84.2

Source: Economic Affairs Division

\* Estimates

Table 10.5  
Aid Utilization

	1997-98	1998-99 (E)
Total disbursement (\$ million)	2,801	2,272
As % of total disbursement		
I. Project Aid	55.4	61.8
II. Non-Project Aid	44.6	38.2
a) Non-food	22.3	29.8
b) Food Aid	22.2	8.3
c) Relief Assistance for Afghan Refugees	0.1	0.1
Total	100.0	100.0

E: Estimates. Source: Economic Affairs Division.

The annual trends of project and non-project aid since 1990-91 to 1998-99 with respective shares are given in Table 10.6 and also reflected in Fig-3.

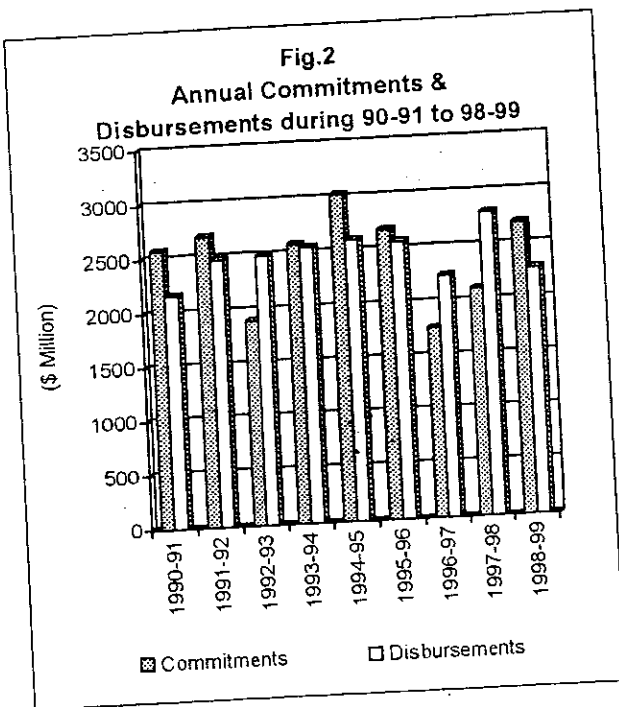
Table 10.6  
Disbursement of Project and Non-Project Aid

Year	(\$ Million)				
	Project Aid	% Share	Non-Pro-ject Aid	% Share	Total
1990-91	1,408	65.3	748	34.7	2,156
1991-92	1,766	71.5	705	28.5	2,471
1992-93	1,895	76.0	598	24.0	2,493
1993-94	1,961	76.9	588	23.1	2,549
1994-95	2,079	80.0	521	20.0	2,600
1995-96	2,151	83.9	414	16.1	2,565
1996-97	1,821	81.5	412	18.5	2,233
1997-98	1,552	55.4	1,249	44.6	2,801
1998-99 *	1,405	61.8	867	38.2	2,272

\* Estimates Source: Economic Affairs Division

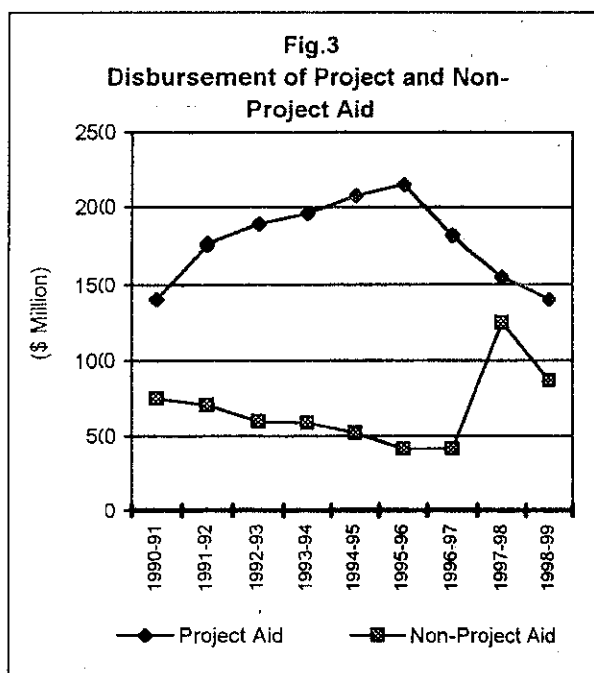
### Project Vs Non-Project Aid

The element of project aid in the total disbursement has been increasing over the years. The total foreign economic assistance likely to be disbursed upto June 1999 (excluding \$ 0.7 billion repayable in local currency) is estimated at \$ 52.1 billion. Of which, the shares of project aid and non-project aid are expected to be 63 percent and 37 percent respectively. The share of project aid during 1997-98 was 55.4 percent which is expected to go up to 61.8 percent in 1998-99. The share of non-project aid on the other hand is likely to decrease from 44.6 percent in 1997-98 to 38.2 percent during 1998-99 due mainly to lower disbursement of food aid. The details are given in Table 10.5.



### External Debt

Currently, Pakistan's accumulated disbursed and outstanding external debt (medium & long-term) is close to \$ 23 billion. External debt has grown at an



average rate of 5.2 percent per annum during the first nine years of the 1990s. Further break down of the period reveals that external debt has grown at an average annual rate of 9.3 percent during 1990-91 to 1994-95 while the rate of accumulation slowed down to an average of almost one percent per annum during 1995-96 to 1998-99. The slower rate of accumulation of medium and long-term external debt during the second half of the 1990s suggests that Pakistan's reliance on the short-term debt may have gone up during this period.

The external debt to GDP ratio has exhibited a fluctuating trend during the 1990s. It was 34 percent in 1990-91 but rose sharply to 39 percent in 1993-94 and then exhibited a declining trend thereafter. As percentage of the export earnings, external debt has remained in the range of 250 to 300 percent during the 1990s which is sufficiently higher than the prescribed sustainable debt limit of 225-250 percent. As such, Pakistan can be regarded as a highly indebted developing country.

Pakistan's debt servicing liability exhibits a rising trend in the 1990s -- rising from \$ 1,316 million in 1990-91 to \$ 2,577 million in 1998-99, thus registering an average increase of 8.8 percent per annum. Accumulation of external debt, higher cost of borrowing and lower maturity of loans are mainly responsible for steady increase in debt servicing liability. Debt servicing of medium and long-term external debt is estimated at \$ 2,577 million in 1998-99 which is 9.5 percent higher than the previous year. Debt servicing as percentage of foreign exchange earnings has increased from 13.7 percent in 1990-91 to 23.3 percent in 1998-99. Furthermore, as percentage of export earnings, debt servicing has also increased during the 1990s -- rising from 21.5 percent to 32 percent which is higher than the sustainable limits of 20-25 percent. What is disturbing to note is the fact that almost one-third of export earnings is now being consumed for debt servicing. The details pertaining to external debt are documented in Table 10.7 and Fig.4.

**Table 10.7**  
**External Debt**

(\$ million)

	90-91	91-92	92-93	93-94	94-95	95-96	96-97	97-98	98-99 (E)
Disbursed & Outstd. Debt*	15,471	17,361	19,044	20,322	22,117	22,275	23,145	22,617	22,976
Debt Servicing**	<u>1,316</u>	<u>1,513</u>	<u>1,648</u>	<u>1,746</u>	<u>2,042</u>	<u>2,136</u>	<u>2,265</u>	<u>2,353</u>	<u>2,577</u>
- Principal	782	921	999	1,078	1,294	1,346	1,520	1,623	1,824
- Interest	534	592	649	668	748	790	745	730	753
Debt Servicing as % of FEE	13.7	13.4	15.3	16.2	16.5	16.7	17.6	17.6	23.3
As % of GDP									
- Outstanding Debt.	34.0	35.6	36.8	39.0	36.3	34.9	36.7	35.7	35.5
- Debt Servicing	2.9	3.1	3.2	3.3	3.4	3.3	3.6	3.7	3.9
As % of Export Earnings									
- Outstanding Debt.	252.3	251.5	279.5	298.7	271.8	255.8	278.2	262.1	285.0
- Debt Servicing	21.5	21.9	24.2	25.7	25.1	24.5	27.2	27.3	32.0

\* Regular debt (payable in foreign exchange only). Medium and long term.

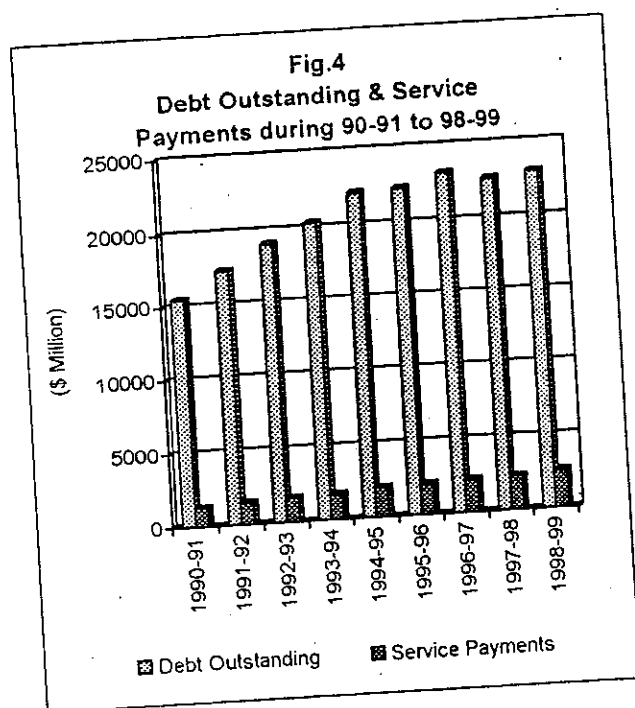
Source : Economic Affairs Division.

\*\* Excluding interest on short term borrowings and IMF charges.

FEE: Foreign Exchange Earnings.

E. Estimates

## Debt Servicing and Net Inflow of Aid



The growing indebtedness has increased the liability of debt service payments which in turn has squeezed the inflow of net foreign resources. As a result, the net transfer of foreign aid as percent of gross disbursement has been continuously declining in the 1990s. The net transfer was 36 percent of the disbursements in 1990-91 but continued to decline and turned negative in 1996-97. It improved to 16 percent during 1997-98 due to greater inflow of loans and food aid, but is projected to be negative again by 13 percent in 1998-99 due to lower aid disbursement and higher debt service payments.

As stated earlier, debt service currently accounts for as much as 32 percent of Pakistan's export earnings and 23 percent of the total foreign exchange earnings. These ratios are quite high in the sense that the debt servicing is a very large proportion of the gross inflows; the current aid flows, instead of being utilized to build up the productive capacity of economy are being used up in debt servicing. The annual net inflow of aid as percent of disbursements is given in Table 10.8 and shown in Fig.5.

**Table 10.8**  
Debt Servicing and Net Transfers

Year	Gross Disbursements*	Debt Servicing**	Net Transfers (N.T.)	NT As % of Gross Disbursements
1990-91	2044	1316	728	36
1991-92	2366	1513	853	36
1992-93	2437	1648	789	32
1993-94	2530	1746	784	31
1994-95	2571	2042	529	21
1995-96	2555	2136	419	16
1996-97	2231	2265	(-) 34	(-) 1
1997-98	2800	2353	447	16
1998-99 (E)	2270	2577	(-)307	(-) 13

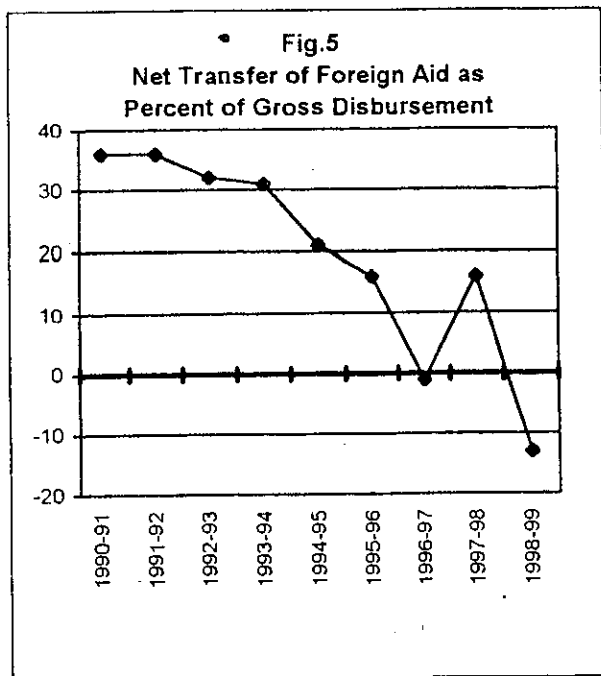
Source : Economic Affairs Division.

\* Excluding relief assistance for Afghan refugees  
 \*\* Excluding interest on short-term borrowings and IMF charges.  
 E. Estimates.

### Rescheduling of Debt

The shortage of foreign exchange reserves created problem of servicing the bilateral debt of creditor countries. To overcome this situation, government approached the Paris Club in January,

1999 for rescheduling of its public and publicly guaranteed debt which was agreed on debt service payments, due for the period from 1st January, 1999 to December 31, 2000 i.e. in respect of the loans which were contracted upto 30th September, 1997. The government is also seeking refinancing of the



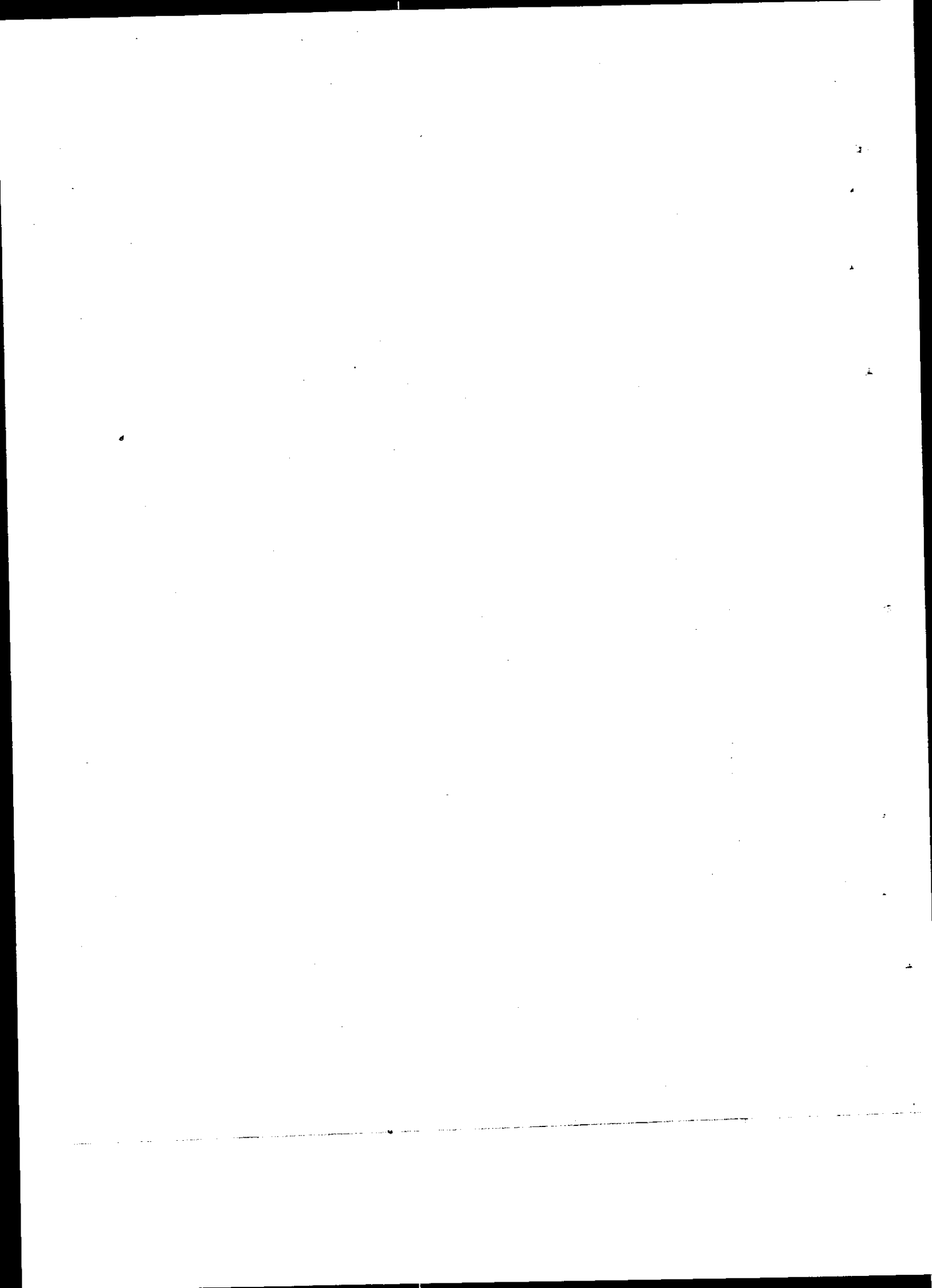
debt which is due to all its external public or private creditors in line with debt relief agreed with Paris Club creditor countries.

Pakistan is expected to get a total relief of around \$ 3.1 billion from the Paris Club as well as non Paris Club creditor countries, as per detail in Table 10.9

**Table 10.9**  
**Debt Relief**

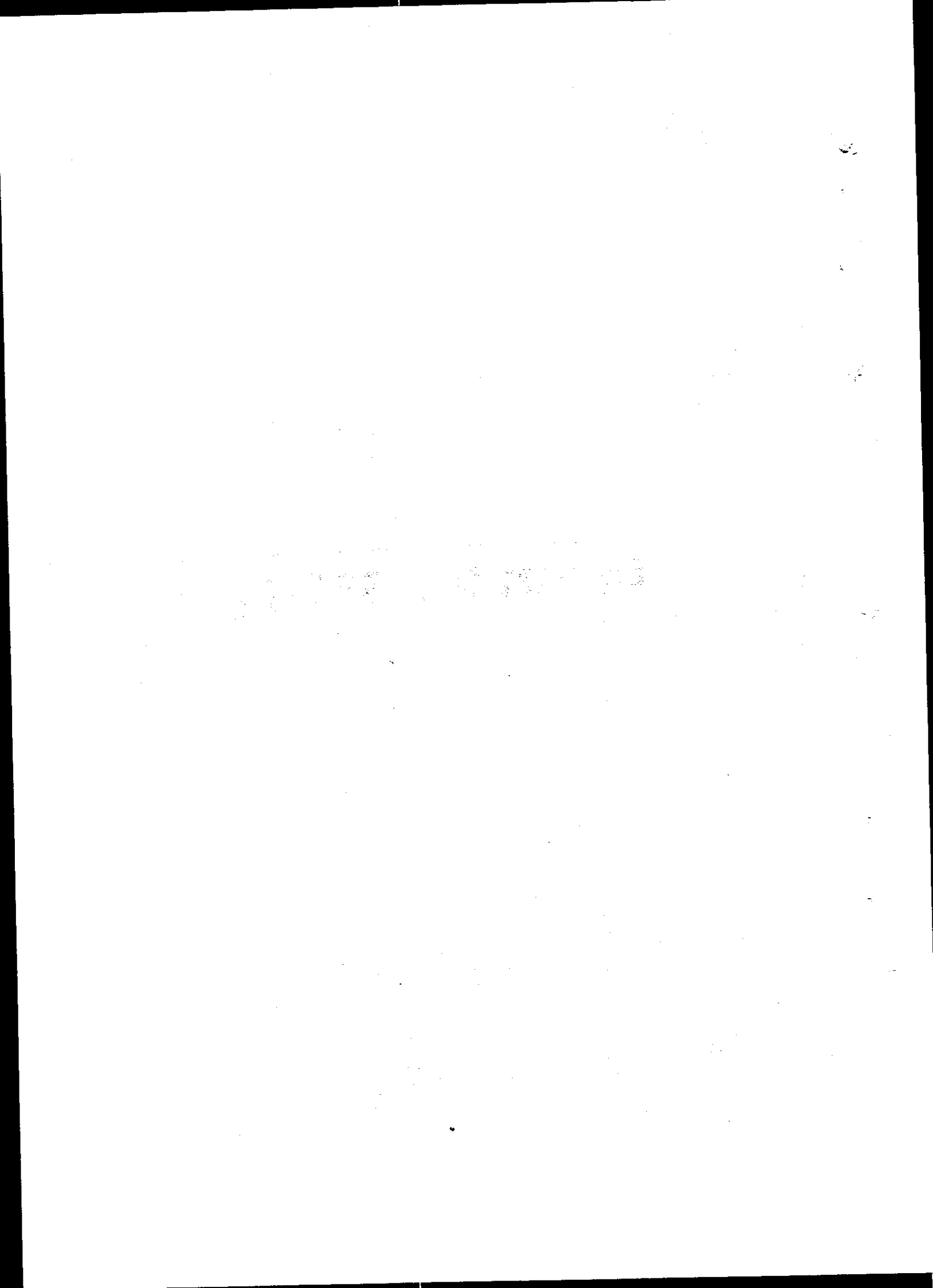
	(\$ Million)		
	1998-1999	1999-2000	July-December 2000 Total
Paris Club Bilateral Creditors	1085.8	1140.6	517.6 2744.0
Non-Paris Club Bilateral Creditors	139.1	141.9	63.8 344.8
<b>Total</b>	<b>1224.9</b>	<b>1282.5</b>	<b>581.4 3088.8</b>

Source: Economic Affairs Division





## **D. SOCIAL SECTOR**



## CHAPTER

# 11

## Education

Education is an indispensable ingredient of human development and a basic right of every citizen. At the threshold of the new millennium and the dawn of the 21st century it has attained additional importance for Pakistan. The country has not only to redress the vast gap in education and literacy of the past decades but has to prepare itself for confronting the challenges of the new era characterised by swiftly progressing information technology.

Pakistan has made some progress in the education sector in terms of expanding the number of educational institutions and raising the literacy rate from 26 percent in 1981 to 45 percent in 1998. Nevertheless, in the face of rapidly increasing population, existing low level of literacy, participation rate and standard of education, and the gender and regional disparity the facilities are inadequate. The education sector is beset with several problems with implications for future socio-economic development and equity. Much is to be desired both in qualitative and quantitative terms. Education policies introduced since independence have not been able to make any significant redressal in the malaise afflicting the education system.

The government is aware of the problems of the education sector. In order to revamp education sector a new education policy has been introduced last year which is under implementation. The policy broadly aims at increasing literacy rate by universalizing basic education, encouraging private investment in education; improving the quality of higher education by encouraging internationally recognized research in the universities; reforming the examination system, enforcement of compulsory primary education act by 2004-05 and raising the total expenditure on education upto 4 percent of GNP by 2010. Moreover, programme 2010 focusing on human resource development has also been introduced. However, it needs to be ensured that the policy implementation is effective. An efficient and effective monitoring system needs to be designed for implementing these programmes in letter and spirit.

### Literacy Rate and Number of Institutions

The literacy rate has increased from 26 percent (35 percent male and 16 percent female) in 1981 to 45 percent during 1998 (male 56.5 percent and female 32.6 percent). During the year 1998-99 the number of Primary schools has increased from 156545 in 1997-98 to 163746, Middle schools from 15747 to 17007, and High schools from 10183 to 10519. In addition there are 498 Secondary Vocational Institutions, 735 Arts & Science colleges, 265 Professional Colleges and 26 Universities including one female university in the public sector.

### Enrolment

The overall enrolment at the primary stage in 1998-99 increased by 5.9 percent (4.6 for male and 8.0 percent female). At the middle stage enrolment has increased by 3.3 percent (1.2 percent male and 6.8 percent female) while at the high school level enrolment rose by 7.7 percent (7.4 percent male and 8.3 percent female). These ratios indicate that female enrolment at all stages has increased at a higher rate, indicating the government's policy of reducing gender gap and increasing women's access to education. The enrolment in the Secondary Vocational Institutions was 85000, in Arts & Science Colleges 760000, in Professional Colleges 135,680 and in the Universities 93,608.

The enrolment in educational institutions of primary, middle and high level as well as by sex is given in Table 13.1.

### Participation Rates

The overall participation rate at primary stage, (Class I-V), is estimated at 77 percent (male 92 percent, female 62 percent) during 1998-99. At middle stage (classes VI-VIII) the participation rate is estimated at 51 percent (male 64 percent and female 37 percent). The participation rate for the high stage (Class IX-X) is estimated at 36 percent (45 percent male and 26 percent female). Sex wise participation

**Table 13.1**  
**Enrolment in Educational Institutions by Kind, Level and Sex**

(000 Nos)

Level of Education	1997-98 (E)	1998-99 (E)	Change during 1998-99	%age Increase in total Enrolment
Total primary level (Classes I-V)	16319	17298	979	5.9
Male	9671	10118	447	4.6
Female	6648	7180	532	8.0
Total middle level (Classes VI-VIII)	3853	3984	131	3.3
Male	2402	2433	31	1.2
Female	1451	1551	100	6.8
Total high level (Classes IX-X)	1559	1680	121	7.7
Male	996	1070	74	7.4
Female	563	610	47	8.3

E: Estimated                      Source: Academy of Educational Planning & Management (Ministry of Education)

rate indicates that the female participation rate at all level is far below the male participation. This can be attributed mainly to high drop out of female students.

7,045, in Arts & Science Colleges 24,963, in Professional Colleges 7,743 and in Universities 6,998.

**Table 13.2**  
**Participation Rates**

Stage	(Percentage)		
	Year 1998-99		
	Both	Male	Female
Primary Stage (Class I-V)	77	92	62
Middle Stage (Class VI-VIII)	51	64	37
High Stage (Classes IX-X)	36	45	26

Source: Planning & Development Division

**Number of Teaching Staff**

The number of teachers at primary stage increased from 347,800 in 1997-98 to 374,500 in 1998-99, at middle stage from 92,400 to 100,800, and at high stage from 161,300 to 162,000. Number of teachers in Secondary Vocational Institutions were

**Physical Targets and Achievements of Public Sector Development Programme**

In the PSDP 1998-99 opening of 1807 primary schools, reconstruction of buildings of 1528 shelterless primary schools, conversion of 647 Mosque Schools as primary schools, provision of additional class rooms in the existing over crowded 5637 primary schools and consolidation and improvement of 13698 primary and middle schools were targeted. In the secondary education sector the target included upgradation of 964 primary 102 middle schools and 47 high schools, establishment of 24 new high schools and construction of the buildings of 103 middle and high schools. To expand the existing capacity of class rooms in the middle and secondary schools, 389 additional class rooms will be constructed. The existing over crowded middle and secondary schools and 136 existing middle and primary schools will be consolidated and improved. The above targets are likely to be achieved fully as shown in table 13.3.

**Table 13.3**  
**(Federal and Provincial Governments combined 1998-99 Public Sector)**

	Targets (Nos)	Estimated Achieve- ment (Nos)	Achieve- ment Per- centage
<b>Primary Education</b>			
Opening of Primary School	1807	1807	100
Reconstruction of Building of Shelterless Primary Schools	1528	1528	100
Conversion of Mosque Schools as Primary Schools	647	647	100
Addition of Class Rooms in Existing Over Crowded Primary Schools	5637	5637	100
Consolidation and Improvement of Primary and Middle Schools	13698	13698	100
<b>Secondary Education</b>			
Upgradation of Primary Schools	964	964	100
Upgradation of Middle Schools	102	102	100
Upgradation of High Schools	47	47	100
Establishment of New High Schools	24	24	100
Reconstruction of Building of Middle and High Schools	103	103	100
Addition of Class Rooms in Existing Over-crowded Secondary Schools	389	389	100
Consolidation and improvement of Existing Middle and Secondary School:	136	136	100

Source: Planning and Development Division.

#### Public Sector Expenditure on Education

During the current year 1998-99 total public sector expenditure on education is estimated at Rs.68.3 billion as compared to Rs.64.0 billion of last year showing an increase of 6.7 percent. However, total expenditure as a proportion of GNP has remained more or less constant at the last Year's level of around 2.2 percent. The development expenditure is estimated at Rs.6.1 billion as compared to Rs7.9 billion of last year, whereas, non development expenditure is expected at Rs.62.2 billion as compared to Rs.56.1 billion of last year. Public sector expenditure on education and expenditure as percentage of GNP for the last three years are given in Table 13.4.

**Table 13.4**  
**Public Sector Expenditure on Education**

	(Billion Rs)		
	1996-97	1997-98	1998-99
Development Exp.	5.90	7.9	6.1
Non-development Exp.	52.40	56.1	62.2
Total	58.30	64.0	68.3
Total Exp.as % of GNP*	2.50	2.25	2.2

Source: Planning & Development Division.

#### Literacy Plans and Programmes

Efforts are being made to achieve universal primary education by tapping all resources including foreign aid. A number of primary education development project/programmes are being implemented in the four provinces and AJK with the financial assistance especially from the World Bank and Asian Development Bank. To promote literacy rate in the country, the following steps have been taken by the Government.

- i. PMLC has developed National Action Plan to achieve 70 percent literacy rate by year 2003. About 7117 non-formal basic education schools have been established to provide second chance to those students especially girls who either have dropped out or have no access to formal system.
- ii. Private sector has been involved for promotion and expansion of primary education.
- iii. Community model schools have been opened in selected areas of Pakistan to provide primary education facilities especially to girls.

- iv. Motivation campaign has been launched to motivate parents/guardian to send their children/wards for primary schooling.
- v. Increased community participation in the process of education development, village education and school management committees have been set up in the country.
- vi. National Education Foundation has been established to promote basic education amongst disadvantaged groups and rural population to assist the provincial foundations.

### Social Action Programme

Social Action Programme (SAP) has been introduced to improve the social indicators. Its main focus is on elementary education (primary and middle schooling). The strategy of this programme is to improve coverage, quality and effectiveness of service delivery, project implementation, budgetary and operational efficiencies, increasing access for women and girls, government financing and community participation.

The policy of co-education at the Primary level has recorded positive impacts on enrolment and school participation rates especially for girls. The higher achievement in female enrolment and substantial rise in the participation rate at the primary and middle level for females has been made possible because of additional schooling facilities, constructed under SAP for females. Female teachers were appointed and provided necessary training. The relaxation in requirements of qualifications, age and posting of female teachers near their homes encouraged their availability and helped in reducing gender gaps in teaching staff. To develop a data base for future Educational Planning, Federal Education Management Information System (FedEMIS) and Provincial Education Management Information System (ProEMIS) were established and made functional. Education Foundations (EFs) were established to assist NGOs and private sector in promoting education. Community participation were enhanced through Parent Teacher Associations (PTAs), School Management Committees (SMCs) and Village Education Committee (VECs). In addition, private engineering firms were engaged to design schools and supervise and maintenance activities.

After successful completion of SAP Phase-I (1993-96), the government has initiated SAP (Phase-II) Project for five years (1997-2002). The overall size of SAPP-II allocation for primary and elementary education comes to Rs.329.1 billion of which Rs.307.1 billion would be provided by the provinces. The actual expenditure of SAPP-I and projected outlays of SAPP-II on elementary education is given below:-

(Rs. Billion)					
SAPP-I (1993-96)			SAPP-II (1997-2002)		
Provincial	Federal	Total	Provincial	Federal	Total
65.3	4.3	69.6	307.1	22.0	329.1

Source: Federal SAP Secretariat, P & D Division, Islamabad.

The achievements of SAP with respect to basic ducation is given in the following table-13.5.

**Table No.13.5**  
Physical Achievements of SAPP-I(1993-96)

Items	Unit	1992-93 Benchmark	SAPP-I(1993-96) Achievements
Basic Education			
Enrollment at	Million	9.0	10.5
Primary School Level			
Male	Million	5.9	6.6
Female	Million	3.1	3.9
Primary School	(%)	69.0	73.0
Participation Rate			
Male	(%)	85.0	89.0
Female	(%)	54.0	57.0
Adult Literacy			
Rate	(%)	35.4	45.0
Male	(%)	47.3	56.5
Female	(%)	22.3	32.6

Source: Federal SAP Secretariat, Planning & Development Div.

### Primary/Secondary Education

Government of Pakistan has fixed the target of universalization of primary education (UPE) in all the three dimension of UPE i.e. universal access, universal retention/completion and universal achievement by the year 2010. A number of programmes and projects both in formal and non-formal sectors have been initiated to achieve this target. In conjunction with expanded primary education programme, sustainable literacy programmes were launched. About 7117 non-formal basic education centres were consolidated and 245,000 youth who had lost the chances of getting education earlier were provided literacy and numeric. In Punjab and Federal area, 1020 "Crash Literacy Centers" with an enrollment of 24,000 students were also established on pilot basis. National Education Foundation

established 200 "Community Supported Schools" in the deprived areas of FATA, FANA Azad Kashmir and Islamabad Capital Territory. About 11500 students mainly girls and out of school youth have benefited from this programme. The programme has been devised with total support of the community and based on the principle of sustainability. During the next three years another 200 schools will be established.

Secondary Education is an important sub-sector of the entire education system. It provides middle level work force for the economy and acts as a feeder for the higher levels of education and a ladder for acquiring professional and higher education. While expanding the coverage of secondary education, special emphasis has been laid on the improvement of its quality. Computer education has been introduced in a large number of secondary schools throughout the country and Master teachers from all the four provinces are trained at the federal level. To help teachers to properly teach the new subject, 721 master trainers have been trained in the subject. A Teachers Guide has also been prepared for classes VI-VIII. This guide has been distributed among 50,000 teachers free of cost.

During the year a comprehensive exercise has been undertaken to review the existing scheme of studies at secondary and higher secondary level i.e. grade X-XII. This will open up new avenue for job market. To reduce the existing differences between formal education system and Deeni Madaris, the Government has introduced modern subjects (English, Economics, Mathematics and Pak. Studies) in 140 Deeni Madaris and trained 550 teachers of Deeni Madaris in formal school subjects. While the Dars-e-Nizami group comprising Religious Education has been introduced in the formal Education system at SSC and HSSC level.

### **Science/Technical Education**

For the promotion and qualitative improvement of science education the Government has launched a Project titled "Science Education Project - Phase-II (SEP-II) with ADB loan assistance for a period of six years. The project mainly focuses on the improvement of physical facilities in secondary schools for teaching science, introduction of new science curricula, local and foreign training facilities for Maths and science teachers and Master trainers under fellowship programme. The project will also encourage public private school partnership for

promotion of science education in the country. It will benefit about six million students of science, mathematics and Computer Education.

National Museum of Science and Technology has contributed for the promotion of Scientific literacy through display of its 350 exhibits on various aspects of science and technical education to about 80,000 visitors including 50,000 students of educational institutions during 1998. National Educational Equipment Centre (NEEC) Lahore has developed overhead projectors, student Microscope and various glass and plastic items for primary and middle school teaching kits. The centre has published a teacher guide for primary school kit and middle school science kit alongwith the resource books. Steps are underway for mass production and distribution of overhead projectors and middle school science kit to the educational institutions in the country.

### **National Institute of Science & Technical Education (NISTE)**

NISTE has developed a research based curricula for science and technical education for middle, secondary and post secondary level. Curriculum of Diploma of Associate Engineers (DAE) has also been revised. The institute has introduced 11 textbooks on Technical Education. The institute has imparted training to more than 2500 trainers including pre-service and in-service training in various science and technical fields.

To provide trained teachers to the polytechnic institutions, Bachelor of Education in Technology (B.Ed. Tech) curricula has been developed with the assistance of Canadian and Pakistani experts and in consultation with Chambers of Commerce and Industry. One hundred and twenty technical teachers have successfully completed long term training course at National Technical Teachers Training College and 1100 teachers have received in service training at industrial establishment, Engineering Universities and organizations of repute. In addition, 1000 students have been admitted in National Technical Teachers Training College Islamabad in various short courses of computers, Air conditioning, Automobile etc. Moreover Sixteen Institute-Industry Management Committees in Punjab, Eight in Sindh and Two in NWFP have been established.

A legislation enabling students to acquire apprenticeship in the industrial establishment, during

their studies has also been developed. Forty one Polytechnic institutions out of 50 are being strengthened with physical inputs like additional class rooms, workshops, computer Labs., equipment, books and furniture etc. Six new technologies are being introduced in the Polytechnic. To promote vocational education and training programme, through public private partnership, in line with the new education policy, a vocational training project has been launched. The first vocational centre under this programme at Rawalpindi has since been started in November, 1998. Further efforts are being made to vocationalize the school education.

### Higher Education

Universities as a seat of higher learning play crucial role in providing leadership of high calibre and research as well as innovations in all spheres of life. There were only two public sector universities in Pakistan in 1948 whose number has increased to 26 including one recently established women university in 1998-99. Because of high rate of return to university education and pressure of population, demand for higher education in Pakistan is increasing quite rapidly. At present less than 3% of the age group (17-23) have an access to higher education. University education particularly in Science and Technology is very expensive as well as highly subsidized. Due to resource constraints, the government alone cannot provide higher education to meet the growing demand. The government is therefore encouraging private sector through incentives to establish universities of high quality. The private sector has responded favourably and so far, six universities are functioning in the private sector and imparting quality education to 3200 post-graduate students. In order to improve the quality of the higher education entry test system has been introduced in all the educational institutions and Quota system has been abolished. Self financing scheme has been introduced to improve access to higher education. This creates the problem of inequity in higher education. The high income groups are already beneficiaries of the highly subsidized university education. Almost all public sector universities have established foreign linkages with reputed universities of advanced countries to improve their quality of education. Provincial governments have enacted legislation in order to discourage malpractice in the examination system which is one of the basic cause of falling standard of education. Research projects worth Rs.70.00 million have been launched for the promotion of research in universities

and centres of excellence in Pakistan. The curricula of various subjects have been revised. Equipments worth Rs.400 million each have been provided to the Agriculture University, Faisalabad and University of Engineering and Technology Lahore through Japanese assistance.

### Women Education

Pakistan is committed to universal primary education for all boys and girls of 5-9 years of age and to remove gender disparities. Considerable progress has also been made in female education with respect to the number of institutions, enrollment and teachers. Increased access of females to general and vocational education through a wide spread of educational facilities, use of mix of non-formal and distance education modes based on new education technology, expansion of the non-governmental sector, through financial incentives and innovative campaigns through print and broadcast media are some of the measures taken by the government for the improvement of female education.

Equal access to education has been the main focus of the new Education Policy. Concerted efforts have been made to improve the female education. Adoption of co-education in primary schools in all provinces has been adopted to spread female education. A number of schemes and programmes of grants and scholarships for male and female students are available both in private and public sectors. Various programmes/projects have been launched in the country to enhance the literacy rate for women such as enhancement of girls participation especially in rural areas. Government has also launched middle schooling project in Sindh, NWFP and Baluchistan for girls. Stipends have been given to girls to retain them at schools. In order to produce more female teachers, the Sindh implementation unit has awarded stipend to female teachers under rural female stipend programme. Motivational campaign for the purpose of generating enrollment in primary schools has been launched. Under Norwegian Agency for Development (NORAD) stipend and free text books/school bags have been given to poor girls students of rural areas. Trends in female enrollment is also increasing towards selected science subjects in universities at Master, M.Phil and Ph.D. levels. Besides necessary initiatives have been provided for promotion of literacy for women/girls, through Government Organizations and NGOs both at National and local levels.



## Scholarships

Scholarships on merit basis are offered, to encourage and facilitate scholars for higher studies. There has been a major shift in emphasis from humanities and social sciences to the studies of science subjects. A number of programmes namely (i) Central Overseas Training Scheme (ii) Quaid-e-Azam Scholarships Scheme (iii) Merit Scholarships Scheme (iv) 100 Scholarships Scheme (v) Commonwealth Scholarship Programme and (vi) Cultural Exchange Scholarship Programme for higher studies abroad are being sponsored/coordinated by the Government of Pakistan. Presently, 211 students are studying abroad under various schemes sponsored by the Government of Pakistan. Under Commonwealth Scholarship Programme, 20 Scholarships/fellowships have been awarded (13 for higher studies leading to Ph.D and 7 for post-Doctoral Studies during 1998-99) whereas sixty four nominations for higher studies leading to Ph.D and 19 nominations for Post-Doctoral Fellowships have been made under Commonwealth Scholarships programme. Under Cultural Exchange Programme, 9 scholars have proceeded abroad during the same period. Besides, scholarships for studies abroad, 81 meritorious scholarships have been disbursed to students at higher secondary school level within Pakistan. Presently 30 students from various foreign countries are studying in Pakistan in various disciplines under Cultural Exchange Programme.

Government of Pakistan has also established Fellowships/Chairs in prominent Universities in various countries to project history, culture and language of Pakistan. During the year 1998-99 Quaid-i-Azam Chair at Rabat University has been filled up. A New Chair "Allama Iqbal Fellowship has been established at the University of California" Berkeley, USA by shifting the same from Al-Farabi University, Almaty, Kazakhstan.

## Legislation for Regulating the Private Schools

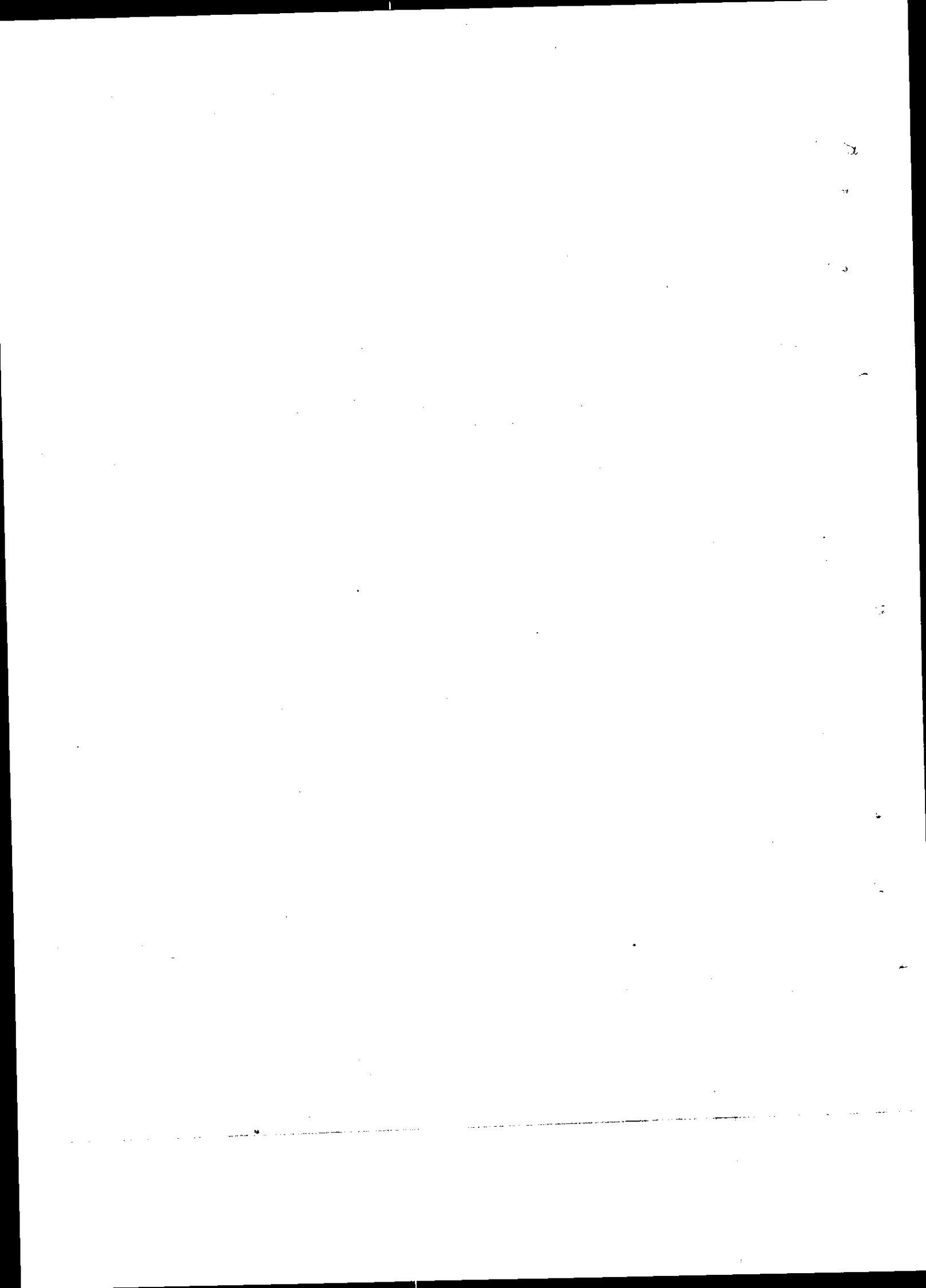
The Government has established Educational Foundation for providing financial assistance to private sector for opening non-commercial institutions, specially in rural areas. The Education Foundation is being strengthened to regulate and streamline the un-planned growth of private sector education. Legislation for regulating the private school management have been enacted by all provinces to regulate private institutions. Similarly Government of Pakistan has also prepared a draft legislation for Federal/Northern/FANA and FATA areas.

## Curriculum Improvement

During the year under review efforts continued to improve the curricula in the education sector. Instructional material on 'new' dimension of education concerning Islamic Education, Drugs, Environment, Population and International understanding was developed for inclusion into textbooks prescribed for schools and teacher training institutions. In order to acquaint the Muslim Students with the norms of Islamic teaching an amount of Rs.1.30 million has been released to 54 religious schools and Rs.0.869 million for teaching school subjects classes VI to X. Quraan-e-Pak Nazira with its translation will be introduced compulsorily from classes I-VIII, Teaching of Holy Quraan with translation for classes IX-XII has been integrated with Arabic and Islamic Studies. The government introduced modern subjects (English, Economics, Mathematics and Pak Studies) in 34 Deeni Madaris and trained 100 teachers of Deeni Madaris in formal school subjects.

A Middle School Project being financed by Asian Development Bank will develop curriculum and textbooks for classes VI-VIII. It will also develop teacher's guide. National Curricula for Physics, Chemistry, Mathematics, Biology, Computer Science and Statistics for classes XI-XII has been revised. The Bill on National Examination Testing Survey (NETS) has been approved by the Cabinet and submitted to Senate for approval. Population education curricula for primary, middle and secondary levels and instructional material package for teacher training have been developed. National Conference on Curriculum Reforms under Programme 2010 was held from 28-29 December 1998. The main objective of the Conference was to discuss improvement in curriculum at primary level, preparation of action plan for developing curriculum and setting up a task force for improving curriculum.

Teachers Training Projects (TTP) has developed and revised curricula for B.ed (Elementary to M.A. Economics). Teaching of Social Studies, Urdu, Philosophy, Arabic, Islamiyat for Diploma Education of Teacher Training Project, Punjabi book for class IX-X and integrated book for class-II have been reviewed. Under the project for diploma in teacher's education the existing PTC and CT programme will be replaced. Provincial Institutes of Teacher Education in each Province will be established and training out posts in remote areas especially for female teachers will be established.



**CHAPTER**

**12**

**Health and Nutrition**

Health facilities in Pakistan are inadequate and large portion of the population does not have access to even basic health care. Health cover is mainly provided by the Government, though the private sector is increasingly entering this field, particularly in the urban areas. Public expenditure in health sector has gradually increased from 0.4 percent of GNP in 1960s to 0.7 to 0.8 percent in 1990s. Most of the facilities are concentrated in urban areas. However efforts are being made to provide greater access to basic health facilities in rural areas through the Social Action Programme and Prime Minister's Programme of Lady Health Visitors. Government is also trying to improve health and nutrition status of the people through promotional, preventive and curative services. Extended programme of immunization, nutritional and child survival, cancer treatment and greater role for the private sector are

some of the areas witnessing progress during 1998-99. During the year under review emphasis was laid on the provision of primary health care and consolidation of gains already made in particular through improvement in the primary health care, better utilization of rural health facilities and continuing the programme of nutrition and preventable diseases.

The Social Action Programme launched in 1992-93 and since extended upto 2002 is aimed at improving the social indicators in the country. The programme has achieved progress yet Pakistan still lags behind in human development indicators. For instance, the infant mortality rate is still high and remains at 88 per 1000 live births. Other social indicators also reflect comparatively poor performance as is depicted in Table 12.1.

**Table 12.1**  
**Health Indicators**

	Life Expectancy at Birth (Year) 1996	Crude Birth Rate (per 1000) 1995	Crude Death Rate (per 1000) 1995	Under-5 Mortality Rate (per 1000) 1996	Infant Mortality Rate (per 1000) 1996	Under weight children under age five (%) 1990-97
Pakistan	63*	40	9	123	88	38
Bangladesh	59	35	11	112	77	56
China	71	19	8	39	33	16
India	63	29	10	85	65	53
Indonesia	67	24	8	60	49	34
Sri Lanka	75	20	6	19	15	38
Nepal	57	39	13	116	85	47
Malaysia	74	28	5	14	11	23
Philippines	68	30	6	44	37	30
Thailand	72	19	6	38	34	26

Source: World Development Report 1998/99  
Human Development Report 1998

\* Planning and Development Division

## Health Facilities

### (a) Teaching Facilities

There are 18 registered medical teaching and training colleges (17 in public sector and one in the private sector). In addition, 5 more medical teaching colleges are provisionally recognized in the private sector. The number of dental colleges is 8 of which 5 are in the public sector and 3 are provisionally recognized in the private sector. During 1998, 74 nursing schools 90 midwifery schools and 19 public health schools were imparting training to the health personnels.

### (b) Hospital Facilities

#### (i) Public Sector

The existing national network of health services in the public sector consists of 872 hospitals, 4,551 dispensaries, 5,155 basic health units (BHUs), including 651 sub health centres, 852 maternity & child health centres (MCH), 514 rural health centres (RHCs) and 263 tuberculosis (T.B.) centres. There are 90,659 beds in these facilities. The number of registered medical doctors has increased to 82,682; registered dentists to 3,444; registered nurses to 32,938; registered lady health visitors to 4,959 and registered midwives to 22,103. The population in relation to medical personnel works out at 1,590 persons per doctor, 38,185 per dentist and 3,992 per nurse upto end December 1998 as shown in table 12.2.

**Table: 12.2**  
**Health Manpower and Population per Health Staff**

	Upto 1996	Upto 1997	Upto 1998
Registered Doctors	74,229	78,470	82,682
Registered Dentists	2,938	3,159	3,444
Registered Nurses	24,776	28,661	32,938
Population per Doctor	1,689	1,636	1,590
Population per Dentist	42,675	40,652	38,185
Population per Nurse	5,060	4,480	3,992

Source: Ministry of Health  
Planning & Development Division

#### (ii) Semi Government and Autonomous Bodies

Semi Government and autonomous bodies are also providing health services to their employees in particular and the public in general through their own network. Some of these organizations with significant health infrastructure are Local Bodies, Social Security, CDA, WAPDA and Railways.

#### (iii) Private Sector

The private health sector accounts for nearly two third of all health expenditure in the country. Private sector facilities are of varying quality and largely urban and curative. The regulation of the private sector is rather weak. Moreover there are many non profit private institutions run by ethnic and religious communities or philanthropic associations and foundations. The non profit sub sector is mostly

restricted to urban areas, but also provides some Primary Health Care services in rural areas. There are large, medium and small sized Non Government Organizations in the social sector that provide health care and other social services to the public.

#### Traditional Medicine

The Government of Pakistan have conferred recognition to the Traditional System of Medicine i.e. Unani, Ayurvedic and Homeopathic by enacting the Unani, Ayurvedic and Homeopathic Practitioners Act II of 1965. According to the preamble of the said Act, the purpose of this legislation is firstly to promote and popularize these systems of medicines, secondly to regulate education and research in them, and thirdly to provide for registration of Practitioners of these systems. Under this Act, the National Council for Homeopathy and the National Council for Tibb

have been established to manage research and registration of practitioners of these systems of medicine. The Government have been providing grant in aid to National Council for Tibb as well as to recognized Tibbia Colleges. At present there are 21 recognized Tibbia colleges and 83 recognized Homeopathic Institutions in the country. There are 41,635 registered Hakims, 536 registered vaidas and 44,410 registered homeopaths in the country.

### Drug Control Organization

The Drugs Control Organization is composed of Drugs Control Offices in Islamabad and in all the provincial capitals. The main objective of the Drug Control Organization is to ensure the availability of safe, effective and quality drugs at reasonable and affordable prices. The organization consists of 89 regular drug inspectors (8 at federal area and 81 at provincial level), and 5 drug testing laboratories operating in the country.

### Physical Targets and Achievements under the development programme during 1998-99.

The physical targets of the public sector development programme during 1998-99 include

construction of 84 BHUs, and 30 RHCs, upgradation of 75 RHCs, and 304 BHUs; construction of 7 UHCs, and addition of 2750 hospital beds, training of 4,300 doctors, 430 dentists, 2,800 nurses, 6,000 paramedics and 9,200 traditional birth attendants (TBAs). Under the immunization programme 9.5 million children were to be immunized and 30 million ORS packets distributed.

The likely achievements of the physical targets during the year range between the minimum of 71 percent (Urban Health Centre) and the maximum of 100 percent (distribution of ORS packets). This includes construction of 106 new facilities (76 BHUs, 25 RHCs and 5 UHCs), upgradation of 365 existing facilities (295 BHUs and 70 RHCs) and addition of 2,300 hospital beds. In health manpower development 4,100 doctors, 400 dentists, 2,600 nurses, 5,700 paramedics and 8,500 birth attendants have been trained. On the preventive side, 9.3 million children have been immunized from six killer diseases (polio, measles, whooping cough, tetanus, diphtheria and tuberculosis) and 30 million ORS packets administered to children below 5 years of age against diarrhoeal diseases. The overall success rate has been 91 percent. Physical targets and achievements during 1998-99 are given in Table 12.3.

**Table 12.3**  
**Physical Targets and Achievements During 1998-99**

Sub-sector	Targets (Nos)	Estimated Achievements (Nos)	Achievements (%)
<b>A. Rural Health Programme</b>			
i. New Basic Health Units (BHUs)	84	76	90
ii. New Rural Health Centres (RHCs)	30	25	83
iii. Upgradation of existing RHCs	75	70	93
iv. Upgradation of existing BHUs	304	295	97
v. Urban Health Centres	07	05	71
<b>B. Beds in Hospitals/RHCs/BHUs</b>	<u>2750</u>	<u>2300</u>	<u>84</u>
<b>C. Health Manpower Development</b>			
i. Doctors	4300	4100	95
ii. Dentists	430	400	93
iii. Nurses	2800	2600	93
iv. Paramedics	6000	5700	95
v. Training of TBAs	9200	8500	92
<b>D. Preventive Programme</b>			
i. Immunization (Million Nos)	9.5	9.3	98
ii. Oral Rehydration Salt (ORS) (Million Packets)	30	30	100

Source: Planning and Development Division.

## Outlay on Health Services in Public Sector

Total outlay on health sector (federal plus provincial) during 1998-99 is Rs 20.8 billion (Rs 15.3 billion current expenditure and Rs 5.5 billion

development expenditure) including 5.5 billion as federal allocation. The planned expenditure on health is 5.8 percent higher over last year's expenditure of Rs 19.7 billion and is 0.7 percent of GNP as shown in Table 12.4.

**Table 12.4**  
**Health and Nutrition Expenditures**

(Million Rs)

Year	Public Sector Expenditure (federal plus provincial)			Change (%)	As % of GNP
	Development Expenditure	Current Expenditure	Total Expenditure		
1996-97	6485	11857	18342	12.1	0.8
1997-98	6077	13587	19664	7.2	0.7
1998-99	5492	15316	20808	5.8	0.7

Source: Planning and Development Division.

### Specific Health Projects During 1998-99

#### i) Prime Minister's Programme for Family Planning and Primary Health Care

The Prime Minister's Programme for Family Planning and Primary Health Care was launched in April 1994 to extend outreach services specially in the rural and less developed urban areas. The main objectives of the programme is to reduce the infant and child mortality rate, malnutrition and deaths due to diarrhoeal diseases and to sustain the expanded programme of immunization (EPI) against the six diseases. The first phase has been implemented in 42 districts and so far 43334 lady health workers (LHWs) have been trained and posted in rural/urban health centres.

#### ii) Expanded Programme of Immunization (EPI)

The National EPI Programme targets prevention of six EPI diseases by vaccination -- namely poliomyelitis, neo-natal tetanus, Pertussis, diphtheria, tuberculosis and measles. Immunization services against these diseases are being provided through static centres as well as outreach and mobile teams throughout the country. These services are provided for the 5.1 million children born in Pakistan each year and include 1 dose of BCG vaccine, 4 doses of oral polio vaccine (OPV), 3 doses DPT vaccine and one dose measles vaccine. The additional 5.8 million pregnant women are targeted to receive 2 doses of tetanus toxoid (TT). Vaccination is also provided where possible to the 20-40% of 12-23

month children who are inadequately vaccinated during the first year of life. These vaccines have reduced substantially the estimated number of 100,000 deaths annually due to measles, 70,000 cases of neonatal tetanus, and 20,000 cases of paralytic poliomyelitis which would have occurred otherwise. During 1998-99 the immunization coverage is estimated to have been achieved at the level of 90%.

#### iii) Malaria Control Programme (MCP)

Traditionally, Malaria has been a major public health problem of Pakistan and will continue to pose a potential threat to the health of millions of people for years to come because of the prevailing socio-economic and epidemiological situation in the country. The current project (1993-94 to 1997-98) for Malaria Control at an estimated cost of Rs.829.11 million is under implementation through out the country. This project has further been extended for two years (1998-99 to 1999-2000). Overall Annual Parasite Incidence in the country during 1998 remained nearly 0.548 per thousand population, close to the target of 0.5 cases per thousand population. The programme is providing the coverage to 120 million of population from the ravages of malaria especially to the population living in rural areas.

The Malaria Control Programme has been provincialized and the implementation of the programme has been handed over to the respective provincial governments while Federal Government (Directorate of Malaria Control, Ministry of Health) is discharging the functions/role such as (i) Policies/Planning (ii) Technical advice, (iii)

Coordination, (iv) Evaluation/monitoring (v) Research and training and (vi) Logistics supplies (insecticides and equipments) to provinces.

iv) **AIDS Control Programme**

Government is committed to prevent and control the dangerous disease of AIDS in the country. Development project for AIDS prevention is under implementation at a cost of Rs 774 million. The screening centres have been established and work is going on the project. To bring awareness among the people health education programme through the press, TV and Radio has been launched.

v) **Cancer Treatment**

Pakistan Atomic Energy Commission (PAEC) has played a pioneer role in establishing nuclear medical centres for diagnosis and treatment of cancer and allied diseases in Pakistan. The PAEC, over the years has set up ten nuclear medical centres throughout the country. The eleventh medical centre (KIRAN) which is the second in Karachi has also been constructed and is being equipped while the twelfth one has also been completed recently in Bahawalpur. The PAEC is not only constructing these centres, but also upgrading these centres regularly. A cancer hospital is also operating in the private sector. Cancer treatment facilities are now available in most of the urban and rural areas to cater to a large segment of the population. Most of these centres are equipped with Cobalt-60 units for radiotherapy treatment. The sophisticated equipments including linear accelerators and simulators are available at selected centres at Peshawar, Islamabad, Lahore, Jamshoro in addition to the newly established institutes at Karachi and Bahawalpur. These centres also have facilities for computerized treatment planning systems to deliver accurate radiation doses. These centres also utilize cytotoxic drugs and have adequate number of trained medical and paramedical staff for this purpose. Being encouraged from PAEC, such facilities for cancer treatment have been set up in a few cities in the private sector as well.

Effective policies and programme are being evolved to improve the situation of cancer treatment in Pakistan. Training facilities are being provided to the manpower engaged at cancer centre locally as well as abroad to improve their expertise. A large number of doctors and paramedical staff are trained through scholarships provided by the (IAEA), (JICA), (UICC) and other such agencies.

The World Health Organization (WHO) has initiated a cancer registry programme for which PC's and requisite software have been provided and installed at all PAEC nuclear medical centres which would provide hospital-based registry. It is hoped that it would help in working out epidemiology of different cancers in Pakistan and help in chalking out policies and programmes for their prevention. These policies will improve the treatment modalities and help in reducing morbidity and mortality arising due to cancer.

The number of patients visited PAEC nuclear medical centres during 1997 and 1998 are given in Table 12.5.

**Table 12.5**  
**Nuclear Medicine and Radiotherapy**

	New Patients	Follow up Patients	Total
<b>1997</b>			
Nuclear Medicine	106,611	55,345	161,956
Radiotherapy	12,527	75,324	87,851
<b>Total</b>	<b>119,138</b>	<b>130,669</b>	<b>249,807</b>
<b>1998</b>			
Nuclear Medicine	99,463	45,994	145,457
Radiotherapy	10,584	79,580	90,164
<b>Total</b>	<b>110,047</b>	<b>125,574</b>	<b>235,621</b>
Percent Change in 1998 over 1997	-7.6	-3.9	-5.7

Source: Pakistan Atomic Energy Commission

**Social Action Programme (SAP)**

The focus during the SAP-II (1997-2002) has been on the consolidation and combining of available facilities and health outlets for delivery of quality health and family planning services. In addition to this for control of HIV/AIDS, Malaria, Measles, Poliomyelitis, Diphtheria, Pertussis, Childhood Tuberculosis and Neo-natal Tetanus diseases laboratory test facilities have also been established and immunization programmes have been provided. The financial allocations to health programme under SAP for 1998-99 was Rs 14.721 billion (Rs 8.105 billion current and Rs 6.616 billion development expenditure). The allocation is likely to be fully utilized during the year under review.

## Physical Targets and Achievements under SAP

The physical targets likely to be achieved in the Primary Health Sector during 1998-99 include construction of 24 new Basic Health Units (BHUs), 33 Rural Health Centres (RHCs) and up-gradation of 65 BHUs and 57 RHCs, Immunization of about 3.99 million children under 5 year age, training of 4,346 Traditional Birth Attendants (TBAs) and recruitment, training and deployment of additional 4,402 Lady Health Workers (LHWs). In addition to this 1,352 LHW supervisors placed and about 10,000 officials have been trained to conduct the training of LHWs, about 1,175 nurses and 2,445 paramedics have been recruited, trained and deployed during the year 1998-99. Total 251 tehsil headquarter referral hospitals have been constructed and facilities of laboratory ambulance and X-Ray provided. Also about 115 health outlets have been selected for provision of family planning services.

### Control and Prevention of Drug Abuse

According to National Survey on Drug Abuse in Pakistan which was conducted in 1993, there were 3.01 million drug abusers. The number of drug abusers is increasing @ 7% per annum.

The area under illicit poppy cultivation which was 80,500 acres in 1978-79 has been brought down to 2041 acres in 1997-98. The decrease in acreage under poppy cultivation has been achieved through implementation of Area Development Projects/Crop

Substitution Projects in the poppy growing areas of NWFP and FATAs coupled with strict enforcement of ban. The area under poppy cultivation during the current crop season, 1998-99, is being estimated through surveys.

The statistics regarding seizure of narcotics by all the Law Enforcement Agencies during the period from July, 1998 to March, 1999 are as under:-

	OPIUM	HEROIN	CHARAS
1. No. of Cases	1816	12159	24112
2. No. of Defendant	1894	12242	24187
3. Drug Seized (Kgs.)	4355	2694	57814

Besides 10,011 Liters of Acetic Anhydride was seized during the current financial year. Assets of 20 drug traffickers amounting to Rs.170.7 Million have been traced and frozen. Moreover, 68 assets cases are under investigation. This year, the US Administration has given full certification to Pakistan in recognition of efforts for control of drug trafficking and eradication of opium poppy crop.

The Control of Narcotic Substances Act and Anti Narcotics Force Act, 1997, have been recently extended to FATAs/PATAs of NWFP and Balochistan. This is a major break through in law enforcement efforts of the government as jurisdiction of ANF has been extended to Tribal Areas for the first time.

### Drug Abuse Control Master Plan

The Cabinet in its meeting held on 16th February, 1999 approved Drug Abuse Control Master Plan for Pakistan with an allocation of Rs 2832 million. It is a comprehensive policy document which has been prepared with the financial assistance and collaboration of the United Nations Drug Control Programme (UNDCP). The Plan encapsulates the government's policy/strategy to control narcotics, during the period from July 1998 - June 2003. The objectives of the plan are:-

- Reducing the demand of illicit drugs through a campaign for creating general awareness, aimed particularly at the high risk groups. Nearly 80% of the country's population is likely to be covered.
- Undertaking harm reduction, treatment and rehabilitation programmes for the addicts, especially for those using heroin and serious illicit synthetic drugs.
- Controlling the supply and production of narcotics substances within the country through:
  - i) Eradication of the opium poppy crop 2000,
  - ii) Eliminating the heroin laboratories.
- Limiting the smuggling, trafficking and distribution of narcotic drugs, psychotropic substances and their precursors into, within and out of the country, through vigorous interdiction and prosecution measures.
- Stepping up efforts to forfeit drug generated assets and check money laundering.
- Enhancing international cooperation in counter narcotics activities.



## NUTRITION

The average food availability remained satisfactory during 1998-99. The per capita availability of rice pulses, milk, meat, fruits and vegetables increased by 1.86 percent, 12.5 percent, 1.99 percent, 3.0 percent and 0.33 percent respectively in 1998-99 over 1997-98. The per capita availability of wheat decreased by 1.58 percent in 1998-99, over previous year because of lower imports to boost up local production. Per capita calories intake for 1998-99 estimated at 2606 calories per day in Pakistan has increased by 2.2 percent over the recommended dietary allowance (RDA) of 2,550 calories. However it decreased by 0.6 percent over the last year's level of 2622 calories. Intake of protein per capita per day is 69.61 grams which is 16 percent above RDA of 60 grams and is nominally higher (0.5 percent) over last year's level of 69.25 grams. Food availability and trend of per capita calories and protein intake are given in the annex.

The following micronutrient deficiency control programmes were carried out during 1998-99.

### **Iodine Deficiency Disorders (IDD) Control Prog.**

The main goal of this programme is to produce more iodized salt and its distribution throughout the country. For this purpose Utility Stores Corporation (USC) marketing channels are being used for the sale of iodized salt. Both public and private sectors are involved in the production and marketing of the iodized salt. The promotional campaign through T.V. and Radio network and other media continued during the year under review. The quality of iodized salt has been improved through the quality control system.

### **Anemia Control Programme**

A programme for anemia control through food fortification on pilot scale was initiated during

1998-99. A field assessment of flour milling sector and quality control agencies has been conducted to develop a programme for iron fortification of wheat flour.

### **Vitamin A Deficiency Control Programme**

The vitaminization of edible oil/ghee with vitamin A has already been legislated and standards formulated since 1965. However, the required level of vitamin A is not met by the manufacturers. An assessment of quality control and technical operations for vitaminization of edible oil has been conducted to strengthen the ongoing programme. Necessary technical support to oil manufacturers and the quality control agencies is being provided to improve the quality of the product for eliminating vitamin A deficiency which is sub-clinical at present but may emerge as a public health problem in the future.

### **Promotion and protection of Breast-feeding**

The Baby Friendly Hospital initiative has been extended to 24 more hospitals in the country. Promotional activities were carried out through multi-media campaign. The Breast-feeding Act is likely to be finalized to control/streamline the promotion of infant formulas by the manufacturing companies.

### **Prime Minister's Programme on Basic Health and Family Planning**

The capacity of the LHWs in P.M. Programme was enhanced to deliver nutrition services to mothers and the infants as well as deliver inputs and services for protection and management of breast feeding, elimination of micro-nutrient malnutrition e.g. IDD, IDA and Vitamin A deficiency, and counselling for benefits of mothers and young children.

	Food Availability											(Kg/Capita/Year)		
	49-50	79-80	87-88	88-89	89-90	90-91	91-92	92-93	93-94	94-95	95-96	96-97	97-98 (E)	98-99 (T)
Cereals	139.3	147.1	140.27	159.53	164.74	146.47	149.61	161.11	167.51	152.44	156.94	157.85	162.50	160.31
Pulses	13.9	6.3	6.69	6.17	5.37	5.97	5.66	6.82	5.00	5.58	6.15	5.85	5.68	6.39
Sugar	17.1	28.7	27.13	24.91	27.02	28.81	26.77	28.10	31.65	28.71	26.35	28.94	30.97	30.76
Milk	107.0	94.8	99.63	104.58	107.60	108.90	111.11	113.26	115.76	118.38	121.06	123.89	126.93	129.71
Meat	9.8	13.7	16.40	16.99	17.27	17.48	17.98	18.99	20.29	20.85	21.37	21.27	21.13	21.93
Eggs	0.17	1.22	2.00	2.00	2.10	2.20	2.30	2.25	2.20	2.40	2.20	2.20	2.15	2.20
Edible Oil	2.3	6.3	11.20	9.97	10.33	10.27	11.83	12.50	10.50	12.18	11.42	10.46	10.95	10.72
<b>Caloric &amp; Protein Availability</b>														
Calories per day (Number)	2078	2301	2320	2448	2534	2384	2435	2595	2629	2536	2522	2546	2622	2606
Protein per day (Grams)	62.8	61.5	60.58	59.03	64.70	65.47	61.98	63.44	67.66	68.20	66.59	67.59	69.25	69.61

Source: Planning &amp; Development Division

E: Estimated  
T: Targets

**CHAPTER**

**13**

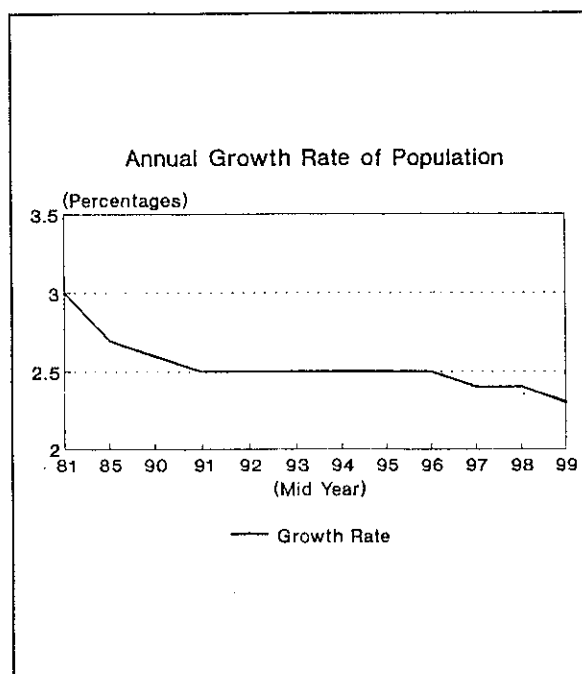
**Population, Labour Force and Employment**

**I. POPULATION**

The fifth Population and Housing Census of Pakistan was conducted from 2nd to 18th March, 1998. According to provisional results of the Census, total Population of Pakistan is 130.6million, showing an overall increase of about 55 percent over the last Census held in 1981. This indicates an average growth rate of 2.6, as against 3.1 observed during 1972-81. There is a welcome decline in the population growth of all areas, except Islamabad which showed an understandable growth due to large in-migration since becoming the Capital of Pakistan. The growth rate of FATA which was negative in 1981 Census had turned into positive but mainly due to better coverage and improved enumeration methodology of the current

Census. The annual population with growth rates since 1981 to 1998 are given in Table-13.1 and Figure-1:-

Fig.1



**Table-13.1**  
Population with growth rates since 1981 to 1999  
(Million)

Year (Mid)	Total Population	Growth Rate
1981	84.9	3.0
1982	87.4	3.0
1983	89.9	2.9
1984	92.4	2.8
1985	94.9	2.7
1986	97.5	2.7
1987	100.1	2.7
1988	102.7	2.6
1989	105.4	2.6
1990	108.0	2.6
1991	110.8	2.5
1992	113.6	2.5
1993	116.5	2.5
1994	119.4	2.5
1995	122.4	2.5
1996	125.4	2.5
1997	128.4	2.4
1998	131.5	2.4
1999	134.5	2.3

By 1st July, 1999, population of Pakistan would reach 134.5 million, showing a growth rate of 2.3 percent. In 1951, the growth rate of population was 1.8 percent per annum which during 1972-73 climbed to 3.7 percent but it had decelerated to 2.4 percent by mid year 1998. By the terminal year, 2003 of the 9th Five Year Plan (1998-2003), the population growth is projected to slowdown to 2.0 percent.

The province/area wise population with respective average annual growth rates and shares for 1981 and 1998 Census are given in Table-13.2 and Figure-2 :-

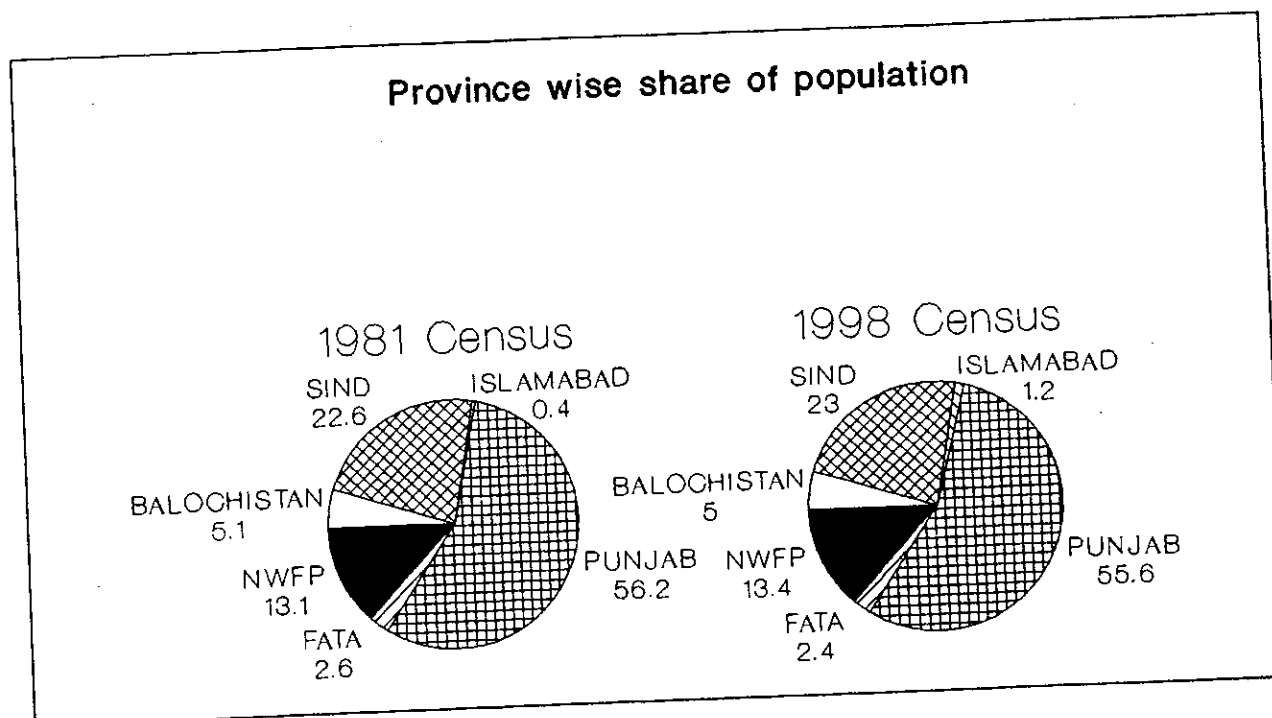
Source Population Census, 1998 and Planning and Development Division, Islamabad.

**Table 13.2**  
**Population Growth Rates and Area Shares, 1981 and 1998 Census**

Area	Population (000)		Annual Growth Rate		Population Proportion	
	1981	1998	1981	1998	1981	1998
PAKISTAN	84254	1305880	3.1	2.6	100.0	100.0
NWFP	11061	175555	3.3	2.8	13.1	13.4
FATA	2199	3138	-1.5	2.1	2.6	2.4
PUNJAB	47292	72585	2.7	2.6	56.2	55.6
SINDH	19029	29991	3.6	2.7	22.6	23.0
BALUCHISTAN	4332	6511	7.1	2.4	5.1	5.0
ISLAMABAD (Capital Territory)	340	799	4.3	5.2	0.4	0.6

Source: Population Census 1981 & 1998

Figure-2



The proportion of population by each province shows slight variation, as compared to 1981 proportions. NWFP, Sindh and Islamabad Capital Territory have slightly increased from 13.1 to 13.4 percent, 22.6 to 23.0 percent and 0.4 to 0.6 percent respectively while the share of Punjab has relatively declined from 56.2 to 55.6 percent, FATA from 2.6 to 2.4 percent and Balochistan from 5.1 to 5.0 percent. These slight variations could be attributed to a number of factors like varying degree of in/out-migration, over/under coverage and difference in the methodology of the 1998 census.

**Rural/Urban Break-up**

**a) Total Population**

The urban/rural population break-up reveals that share of rural population has declined from 71.7 percent in 1981 to 67.5 in 1998 or by 4.2 percent while share of the urban population has increased from 28.3 percent in 1981 to 32.5 percent in 1998 or by 4.2 percent which means that every third person now lives in a city or town.

## b) Provincial Break-up

An analysis of the 1998 Population Census reveals that the Capital Territory Islamabad is now the most urbanised with an urban population share of 65.6 percent while the FATA is the most less

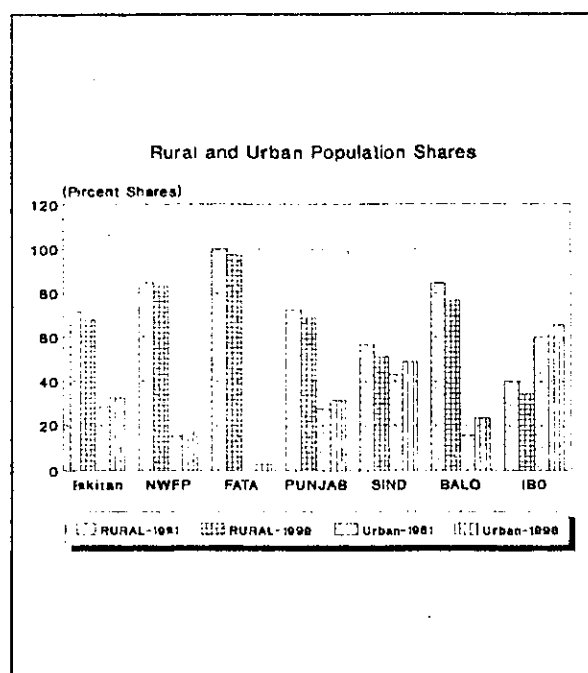
urbanised, with urban population share of 2.7 percent; as there are only a few towns. Amongst the provinces, the Sindh is the most urbanised (48.9%) followed by Punjab (31.3%), Balochistan (23.3%), and NWFP (16.9%). A comparison of the urban/rural population by areas is given in table-13.3 and Figure-3:-

Table 13.3  
Rural/urban Population, 1981 and 1998 Census

Area	Rural Proportion			Urban Proportion		
	1981	1998	% Change	1981	1998	% Change
PAKISTAN	71.7	67.5	-5.9	28.3	32.5	14.8
NWFP	84.9	83.1	-2.1	15.1	16.9	11.9
FATA	100.0	97.3	-2.7	-	2.7	-
PUNJAB	72.4	68.7	-5.1	27.6	31.3	13.4
SINDH	56.7	51.1	-9.9	43.3	48.9	12.9
BALUCHISTAN	84.4	76.7	-9.1	15.6	23.3	49.4
ISLAMABAD (Capital Territory)	40.0	34.4	-14.0	60.0	65.6	9.3

Source: Population Census 1981 & 1998

Figure-3



## c) Population By Big Towns

There are 23 big urban centres, having population of 0.2 million and above. The biggest city in Pakistan is Karachi with a population of 9.3 million, followed by Lahore (5.1 million) and

Faisalabad (2.0 million). These three big cities account for 38.4% of total urban population of Pakistan. The other big cities with population of over one million are: Rawalpindi, Multan, Hyderabad and Gujranwala. Almost half of the urban population lives in these seven big cities. However, the three big cities of the Sindh Province (Karachi, Hyderabad and Sukkur) account for 73.1 percent of total urban population and 35.7 percent of the total population of that province.

## d) Share of Afghan Refugees

The influx of Afghan Refugees into Pakistan started in 1978 and was at peak of 3.7 million in June, 1990. The latest data reveals that Pakistan is still hosting 1.5 million Afghan Refugees at the end of February, 1999. Pakistan had maintained a policy of temporary protection for the Afghan Refugees on humanitarian ground but with voluntary return, as a preferred option. Since July 1990 to February, 1999, approximately 2.0 million refugees had repatriated to Afghanistan. However, due to continued factional fighting amongst various Afghan groups, scarcity of economic opportunities and other socio-economic conditions in Afghanistan, about 0.311 million fresh Afghans had again took refuge in Pakistan since May, 1992 to February, 1999. The situation demands that the world community should continue to share burden of Afghan Refugees with Pakistan, till they all return to Afghanistan.

## Crude Birth Rate (CBR)

The Crude Birth/Death Rates are assessed through periodic Pakistan Demographic Surveys (PDS). According to these surveys, the crude birth rate has witnessed a declining trend since 1984 to 1998. It had fallen from 42.7 during 1984-88 to 39.5 per thousand during 1989-94 for all areas. A steep fall of 7 percent has been recorded in urban areas since 1984-88 to 1996 while there is a 6 percent decline in rural areas for the same period. According to 1998 Census, the crude birth rate has declined to 32.7 per thousand which is a positive outcome of family planning services. The crude birth rates by urban/rural areas for some selected periods are given in Table 13.4.

**Table 13.4**  
**Crude Birth Rate by Urban-Rural Residence**

Survey Period	(Per 000)		
	All Areas	Urban Areas	Rural Areas
Census 1998(P)	32.7	N.A	N.A
PDS - 1996(P)	35.1	30.8	38.7
PDS - 1989-94 (A)	39.5	34.1	41.9
PDS - 1984-88 (A)	42.7	38.5	44.7

Source: Federal Bureau of Statistics, Islamabad

A: Average

P: Provisional

N.A: Not available.

## Crude Death Rate

Crude death rate (CDR) is defined as total deaths per thousand population in a year. Expansion and improvement in medical services/general health care has led to decrease in CDR from 10.9 per thousand in 1984-88 to 8.7 per thousand in 1996. The fall in rural areas (2.0%) is higher than in urban areas (1.5%) because the basic health care facilities have largely expanded, through a network of Basic Health Centres and Basic Health Units through out rural areas. However, as per 1998 Census, the crude death rate is actually estimated to be 9.1 per thousand population but no bifurcation on urban and rural basis is available. These trends are given in Table-13.5:-

**Table 13.5**  
**Crude Death Rate by Urban-Rural Residence**

Survey Period	(Per 000)		
	All Areas	Urban Areas	Rural Areas
Census 1998(P)	9.1	N.A	N.A
PDS - 1996(P)	8.7	6.9	10.1
PDS - 1989-94 (A)	10.1	7.7	11.2
PDS - 1984-88 (A)	10.9	8.4	12.1

Source: Federal Bureau of Statistics, Islamabad

A: Average

P: Provisional

N.A: Not Available

## Infant Mortality Rate (IMR)

Below one year mortality is considered as infant mortality which had been quite high in the past. The improved availability of health services in the country (both by coverage and quality) had considerably lowered the infant mortality rate. However, in the remote areas, it is still high due to deficient health facilities but it had declined from 112 per thousand in 1984-88 to 85.5 per thousand in 1996, as per Pakistan Demographic Surveys (PDS). The fall in urban areas is steeper than rural areas because the urban areas are better covered by the Mother-Child Health Care facilities. These trends are shown in Table 13.6.

**Table 13.6**  
**Infant Mortality Rates by Urban-Rural Residence**

Survey Period	(Per 000 live birth)		
	All Areas	Urban Areas	Rural Areas
PDS - 1996(P)	85.5	64.1	99.5
PDS - 1989-94 (A)	102.8	72.6	114.2
PDS - 1984-88 (A)	112.0	88.2	121.5

Source: Federal Bureau of Statistics, Islamabad

A: Average

P: Provisional

## Sex Distribution

According to the provisional results of 1998 Census, the overall sex ratio i.e. males per hundred females in the country is 108.1 which was 110.6 in 1981. The decline in sex ratio could be attributed to different factors i.e., better census coverage and improved life expectancy of the females. Biologically, the sex ratio at birth is 105.

The sex ratio by provinces/areas and urban/rural areas is shown in Table 13.7 which indicates that it is slightly higher in urban areas, as

they do attract more males than females for a variety of socio-economic reasons.

**Table-13.7**  
**Sex Ratio 1981 and 1998 Census**

Area	(Males per 100 Females)					
	Sex Ratio (Total)		Sex Ratio (Rural)		Sex Ratio (Urban)	
	1981	1998	1981	1998	1981	1998
PAKISTAN	110.6	108.1	108.7	106.4	115.3	111.9
NWFP	108.7	104.3	107.3	102.8	117.1	112.3
FATA	108.3	108.8	108.3	108.6	-	119.4
PUNJAB	110.8	106.9	109.7	105.6	114.0	110.0
SINDH	110.7	111.7	106.6	110.0	116.4	113.4
BALUCHISTAN	111.5	114.9	109.8	112.8	121.0	122.0
ISLAMABAD (Capital Territory)	118.9	116.2	110.9	107.8	124.5	121.0

Source: Population Census 1981 & 1998.

#### Household Size

The average household size has declined slightly from 6.7 persons in 1981 to 6.6 persons in 1998. The highest household size of 8.8 was observed in FATA, followed by 7.6 in NWFP, 6.8 in Punjab, 6.4 in Balochistan and 5.8 each in Sindh and Capital Territory Islamabad. However, between the two Censuses period, the average household size for Balochistan and Sindh has slightly decreased from 7.3 to 6.4 and 7.0 to 5.8 respectively due to rapid urbanization/family break-ups while in all other areas, it has relatively increased. The household size by areas is shown in Table 13.8.

**Table 13.8**  
**Average Household Size, 1981 and 1998 Census**

Area	(Persons)		
	1981 Census Household Size	1998 Census Household Size	No. of Household (Million)
PAKISTAN	6.7	6.6	19.7
NWFP	6.8	7.6	2.3
FATA	8.3	8.8	0.4
PUNJAB	6.4	6.8	10.7
SINDH	7.0	5.8	5.2
BALUCHISTAN	7.3	6.4	1.0
ISLAMABAD (Capital Territory)	5.7	5.8	0.1

Source: Population Census 1981 & 1998.

#### Age Distribution

The age distribution data based on two censuses and various Pakistan Demographic Surveys

(PDSs) conducted during 1981-1998 reveals that a large proportion of Pakistan's population is under 15 year age. It has slightly declined in 1998, as compared to 1981 census data but indicates prevalence of high fertility rate as well as high dependency ratio. The ratio of population for the 15-64 age has shown proportional increase while it has declined for 65 year and above age group in 1998, as compared to 1981. This shows that productive population in the country has increased. Percentage distribution of population by sex and selected age groups is given in Table 13.9.

**Table 13.9**  
**Distribution of Population by Age Groups**

Survey/ Census	(Percentage Share)			
	Under 15 Years	15-64 Years	65 Years & above	Total
<b>Male</b>				
Census 1998(P)	43.1	53.3	3.6	100.0
PDS -1996(P)	45.5	50.5	4.0	100.0
PDS - 1989-94 (A)	46.2	49.9	3.9	100.0
PDS - 1984-88 (A)	46.2	49.4	4.4	100.0
Census 1981	44.5	51.0	4.5	100.0
<b>Female</b>				
Census 1998(P)	43.2	53.6	3.2	100.0
PDS - 1996(P)	44.2	52.2	3.6	100.0
PDS - 1989-94 (A)	45.1	51.5	3.4	100.0
PDS - 1984-88 (A)	45.6	50.9	3.5	100.0
Census 1981	45.8	50.4	3.8	100.0

Source: Federal Bureau of Statistics, Islamabad and Population P. Provisional Census Organisation, Islamabad  
A: Average

## Population Welfare Programme (PWP)

High population growth exerts pressure on national efforts for future economic growth and development and simultaneously diverts resources from productive uses to more consumption and creates greater demand for more and more civic amenities. Realizing these implications, the national population policy focussed on accelerating the development process and improving the quality of life of the masses. It also centered on meeting the needs of the people by securing sustained political commitment and mobilizing broad-based support for the family planning programme. The thrust of the policy was to take the issue, as a national cause by creating public awareness of the adverse consequences of unchecked population growth and making the people aware that population is a major cross-cutting issue which equally affects all persons and sectors. It is therefore, everybody's problem and needs to be addressed both individually and collectively by the nation as a whole.

The population welfare programme is also one of the components of the Social Action Programme for enhancing the availability of reproductive health services, including family planning services for both the women and men, all over the country. At the same time, it also ensures that quality of health care extended range of services and their effective utilization and gap between the knowledge and practice must be narrowed down by focusing on unmet need. The salient features of the family planning programme are reviewed in the following paragraphs:-

### i) Service Delivery Infrastructure

The service delivery infrastructure of the programme envisaged under the Ninth Five Year Plan (1998-2003) has been launched and shortfalls of the previous years is being made up by recruiting technical staff on contract basis, improving quality of health care, ensuring regular supply of medicines, contraceptives, equipment and strengthening outreach through satellite clinics and community workers. By the end of the current year, 1998-99, 1513 family welfare centres, 101 reproductive health 'A' centres, 131 mobile service units, and 500 outlets of target group institutions would be providing information and services. Over 6673 outlets of provincial line departments including

health departments will be involved in providing reproductive health services. Around 22,290 registered medical practitioners, 13,325 hakeems and 7,235 homoeopaths will be associated to strengthen service delivery, referral and motivation activities. The social marketing net work of 60,000 outlets would be distributing conventional and hormonal contraceptives (on pilot basis). The programme is supported by its own network of services known as "Green Star Clinics". Training is imparted to doctors, paramedics, chemists and Lady Health Visitors (LHVs). An advocacy campaign is undertaken for the programme with the involvement of decision makers to help increase knowledge and understanding of reproductive health care needs. The National Trust for Population Welfare has been reconstituted and reactivated to provide institutional mechanism to involve and support larger number of Non-Governmental Organisations (NGOs) and Community Based Organisations (CBOs) in the programme. During the year 182 NGOs with 500 outlets would be brought on ground to supplement population welfare activities. Family planning services are also being maintained in A.J.K., Northern Areas and FATA adjoining NWFP. In rural areas, 12,047 village based family planning workers are providing door to door family planning and maternal health care services.

### ii) Promotional Activities

The programme is supported by a whole range of multi channel promotional campaign, with the content and message updated to address emerging issues in the framework of reproductive health. It comprises daily spots, jingles talk shows, drama serials and panel discussions on T.V. and Radio. Close circuit telecast at airports, railway stations and parlour care, cinema spots, ads in newspapers, cartoons, hoardings and bill boards at prominent places, bus panel, rock publicity, population walks etc., are being undertaken. A National Convention on World Population Day was held on 11th July, 1998 in Islamabad to give prominence to the population issue. The inter-personal communication has been promoted through service delivery network,



group meetings, seminars, exhibitions, stalls etc, and wide distribution of print material. RAPID presentation on implications of high population growth have also been held in various institutions and colleges. Support of religious leaders has been solicited. Special attention has also been given to male participation in the programme. New counselling manuals and materials have been prepared.

### iii. Training Activities

Clinical Training activities include: 18 months basic training of 340 family welfare workers/counsellors, 6 months training of 45 field officers, short term training of 850 medical personnel of provincial line departments and target group institutions, advance-on-the job training of 600 paramedics of the programme and 70 paramedics of NGOs. In addition, 304 faculty members of training institutes will also be provided training by June, 1999. Similarly, non-clinical training/orientation were provided to 2000 programme personnel, 10,000 employees of other nation building departments and 12,000 community-based groups during this period. The curriculum for training of both technical and non-technical personnel have been revised and up-dated to include reproductive health concepts. Similarly, reproductive health/family planning curriculum has been identified for inclusion in the syllabi of medical colleges and public health schools. In the same manner, population development contents have been included in the text books upto secondary level. Efforts are under-way to incorporate these upto University level as well.

### iv. Research Programmes

National Institute of Population Studies (NIPS) Islamabad is responsible for conducting action oriented research and evaluative studies on population and development/population welfare programme. During 1998-99, it has conducted the following studies:-

- Population and Family Planning Indicators 1994.
- Evaluation of NGOs.
- Evaluation of Audio Visual Vans.
- Evaluation of Population Welfare Training Institutes.
- Evaluation of Socio-Economic Conditions and Use of Family Planning in Katchi Abadis of Islamabad.
- Effectiveness of Mass Media in Promoting Family Planning Programme.
- Inter-personal Communication of Family Welfare Centres.
- Publication of Main Report of Fertility and Family Planning Survey 1996-97.

During 1998-99, the National Institute of Fertility Control has conducted the following studies:-

- a) Attitude and counselling skills of service providers influence on contraceptive acceptance and clinical compliances.
- b) Study of family size and contraceptive use among the employees of Population Welfare Programme.
- c) Motivation and management of norplant acceptors by the rural family welfare workers.
- d) Field study of once a month mesigyna.

### v. Monitoring and Supervision

Monitoring Teams of Ministry of Population Welfare (MOPW) and United Nations Fund for Population Activities (UNFPA) have undertook field visits to observe quality of care issues like conditions of service outlets, basic amenities, staff presence, storage conditions etc., carried-out physical count of contraceptives stock, examined record keeping and imparted on-the-job training of the staff. The Ministry of Population Welfare also undertook follow-up - field monitoring to over-see the corrective measures, taken

since the last visit by MOPW/UNFPA team to improve the working of service delivery units. In addition, Third Party Validation was also earmarked by the Auditor General

as part of SAPP-II monitoring. The contraceptive performance during 1997-98 and 1998-99 (July-March 1999) is given in Table 13.10.

**Table-13.10**  
**Contraceptive Performance**

(Figures in Million)

Method	1997-98			July-March, 1998-99		
	Target No/Unit	Achievement		Target No/Unit	Achievement	
		No/Unit	in %		No/Unit	in %
- Condom (Units)	147.435	141.178	95.8	138.000	114.536	83.0
- Oral Pills (Cycles)	7.372	2.467	33.5	4.456	2.285	51.3
- IUD (Insertions)	1.168	0.873	74.7	0.675	0.898	133.0
- Injectable (Vials)	5.679	1.646	29.0	1.631	1.662	101.9
- Contraceptive (Surgery Cases)	0.043	0.106	24.7	0.113	0.104	92.0

Source: Ministry of Population Welfare, Islamabad.

To strengthen overall support for the programme, the two Standing Committees on Population one each of the Senate and National Assembly have met regularly to review the implementation of the programme and to provide guidance for improving its execution. Initiatives have been taken by the Parliamentary Group on Population and Development to formulate a project whereby 20 elected representatives will be provided funds to support multi-sectoral programme including family planning in their constituencies. In addition, local government elected representatives at the grassroots level will also be associated with reproductive health and family planning programme. National standards for family planning have been formulated and disseminated to service providers to improve quality of care.

#### vi) Programme Performance

The Population Welfare Programme has been able to achieve the targets of the Eighth Five Year Plan (1993-98). The population growth rate has been brought down from 2.9 percent in 1993-94

(2.6 percent inter-census 1981-1998) to 2.4 per cent in 1998. Contraceptive prevalence rate has risen from 14.4 percent in 1993-94 to 27 percent at present. Awareness for one method of family planning is over 94 percent. Similarly, the total fertility rate has declined from 5.9 in 1993-94 to 5.3 in 1996-97.

## II. LABOUR FORCE AND EMPLOYMENT

Estimated on the basis of population of 134.5 million for Mid Year 1999 and participation rate of 28.7 percent, the total labour force comes to 38.6 million. Of this, 25.9 million or 67 percent is in the rural areas and 12.7 million or 33 percent in the urban areas. Since 1993, it is growing at an average annual rate of 2.9 percent. The unemployment rate is estimated to be 6.1 percent during 1999.

Agriculture is still the largest source of employment (44.1%), followed by finance & social services (15.6%), trade (14.6%), manufacturing and mining (11.2%) etc. Trends in rural/urban distribution of labour force since 1993 to 1999 are reflected in Table 13.11 and Figure-4.

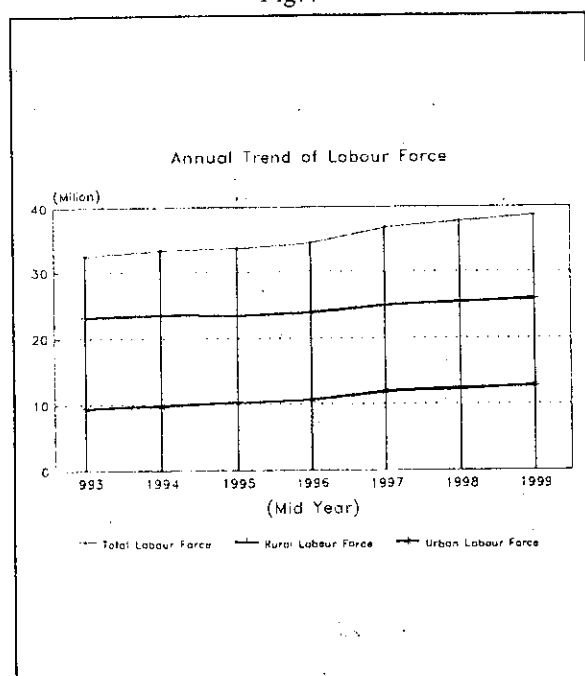
**Table 13.11**  
**Rural - Urban Labour Force**

(Figures in Million)

Year	Population (Mid-year)	Labour Force		Rural		Urban	
		Million	Annual growth	Million	% Share	Million	% Share.
1993	116.47	32.45	1.6	23.10	71.2	9.35	28.8
1994	119.39	33.29	2.6	23.52	70.7	9.77	29.3
1995	122.36	33.60	0.9	23.37	69.6	10.23	30.4
1996	125.38	34.43	2.5	23.84	69.2	10.59	30.8
1997	128.42	36.84	7.0	24.93	67.7	11.91	32.3
1998	131.51	37.73	2.4	25.42	67.4	12.31	32.6
1999	134.51	38.59	2.3	25.86	67.0	12.73	33.0

Source: Planning Commission/Labour Force Surveys 1994-95 to 1996-97

Fig.4



According to the latest Labour Force Survey, 1996-97, the overall labour force participation rate is 28.7 percent (29.4 percent in rural areas and 27.1 percent in urban areas). CAR was 27.5 percent in 1994-95, as compared to 27.9 percent in 1993-94. Similarly, RAR declined from 42.0 percent in 1993-94 to 41.2 percent in 1994-95 but increased to 43.0 percent in 1996-97.

Labour force participation rate differs from rural to urban areas. In rural areas, participation rate is higher than the urban areas, as agriculture is more of a family occupation than mere a work. Women's participation rate is lower than men's due to cultural taboos and non-availability of suitable job opportunities. Since 1992-93 to 1996-97 the crude and refined labour force participation rates by areas and sex are given in Table 13.12.

### Employment Situation

According to the Labour Surveys, the employed is defined on all persons of ten year age and more who worked at least one hour during the reference period and were either "paid employees" or "self employed". Based on this definition, the total number of employed labour force in 1999 is estimated at 36.2 million, as against 35.4 million in 1998. The total number of employed persons in urban areas has slightly increased to 11.8 million in 1999 from 11.4 million, a year before. Rural employment increased from 24.0 million in 1998 to 24.4 million in 1999. The annual break by urban/rural areas for the last seven years is shown in Table 13.13.

### Labour Force Participation Rate

In Pakistan, labour force participation is estimated on the basis of Crude Activity Rate (CAR) and Refined Activity Rate (RAR) methods. The CAR is the percentage of labour force in total population and FAR is the percentage of labour force in population of persons 10 years of age and above.

**Table 13.12**  
**Labour Force Participation Rates**

(Percentages)

	Crude Activity Rate (CAR)			Refined Activity Rate (RAR)		
	Pakistan	Rural	Urban	Pakistan	Rural	Urban
<b>1996-97</b>						
Both Sexes	28.7	29.4	27.1	43.0	45.1	38.9
Male	47.0	47.2	46.5	70.0	71.8	66.5
Female	9.0	10.5	5.9	13.6	16.3	8.4
<b>1994-95</b>						
Both Sexes	27.5	28.0	26.1	41.2	43.1	37.0
Male	45.9	46.0	45.7	69.1	71.3	64.3
Female	7.6	8.7	4.9	11.4	13.2	7.0
<b>1993-94</b>						
Both Sexes	27.9	28.7	25.8	42.0	44.2	37.0
Male	45.7	45.9	45.4	69.1	71.0	64.7
Female	8.9	10.5	4.9	13.3	16.0	7.1
<b>1992-93</b>						
Both Sexes	27.9	28.8	25.8	42.3	44.6	37.5
Male	45.9	46.3	45.0	69.2	71.3	64.9
Female	8.6	10.1	5.0	13.2	15.8	7.3

Source: Labour Force Surveys 1992-93 to 1996-97.

**Table 13.13**  
**Employed Labour Force By Area**

(Figures in Million)

Year	Employed Labour Force	Annual growth(%)	Rural	%Share	Urban	%Share
1993	30.92	2.8	22.11	71.5	8.81	28.5
1994	31.68	2.5	22.53	71.1	9.15	28.9
1995	31.80	0.4	22.25	70.0	9.55	30.0
1996	32.58	2.5	22.69	69.6	9.89	30.4
1997	34.59	6.2	23.51	68.0	11.08	32.0
1998	35.42	2.4	23.97	67.7	11.45	32.3
1999	36.23	2.3	24.38	67.3	11.85	32.7

Source: Labour Force Survey 1992-93 to 1996-97.

A large proportion of the employed labour force is in rural areas which indicates that non-wage employment, mainly self-employed and unpaid family helpers still dominate the employment scene in the country. However, migration of youth from rural to urban areas is affecting this pattern. On the basis of results of the Labour Force Survey 1996-97, the distribution of employed labour force by different sectors for 1997 and 1999 is presented in Table 13.14.

#### Employed Labour Force by Sectoral Shares

Changes in the growth pattern of the economy over the years have brought corresponding

**Table 13.14**  
**Total Employed Labour Force By Sectors**  
(Figures in Million)

Sector	1997	1999 (E)
Agriculture	15.25	15.98
Mining & Manufacturing	3.87	4.06
Construction	2.35	2.46
Trade	5.05	5.29
Transport	1.97	2.07
Community & Soc.Ser.	5.40	5.65
Others	0.69	0.72
<b>Total</b>	<b>34.59</b>	<b>36.23</b>

E: Estimates

Source: Labour Force Survey, 1996-97.

changes in the employment structure though the Agriculture Sector is still the largest employer but its relative share has declined from 50.0 percent in 1993-94 to 44.1 percent in 1996-97. On the contrary, the relative share of employed labour force in trade sector has increased from 12.8 percent in 1993-94 to 14.6 percent in 1996-97. Finance Community and Social Sectors has provided employment to 15.6 percent in 1996-97, whereas the Manufacturing,

Construction and Transport sectors have absorbed 11.2 percent, 6.8 percent and 5.7 percent, compared to 10.5 percent, 7.2 percent and 5.0 percent respectively in 1994-95. The sectoral shares of employed labour force for 1993-94, 1994-95 and 1996-97 are given in Table 13.15.

**Table 13.15**  
**Employed Labour Force By Sectors**

Sector	(Percent Share)		
	1993-94	1994-95	1996-97
Total	100.00	100.00	100.00
Agriculture	50.04	46.79	44.10
Manufacturing incl. mining & quarrying	10.12	10.50	11.20
Construction	6.50	7.21	6.80
Wholesale and retail trade	12.78	14.50	14.60
Transport	4.95	5.07	5.70
Finance community, social & persl. serv.	14.70	15.05	15.60
Others	0.91	0.88	2.00

Source: Labour Force Survey 1993-94 to 1996-97.

### Employment by Occupational Groups

While looking at employment by major occupational groups, agriculture's role is again conspicuous. The data given in Table-13.16 for 1999 reveals that major portion (37 percent) of the employed persons accounts for skilled agricultural & fisheries workers group. The next important occupational group is elementary unskilled occupations accommodating about 22.9 percent of the employed persons followed by craft & related trades (9.9%), legislators, senior officers & managers (8.6%), service & sales workers (7.7%), plant & machine operators/assemblers (4.7%), professionals, (3.6%) and technicians and associate professionals (2.8 %).

**Table 13.16**  
**Employed Persons By Major Occupational Groups**

Major Occupational Groups	(No. in Million)			
	1997		1999	
	No.	% Share	No.	% Share
Legislators, senior officials and managers	3.0	8.7	3.1	8.6
Professionals	1.2	3.5	1.3	3.6
Technicians and associate professionals	1.0	2.9	1.0	2.8
Clerks	1.0	2.9	1.1	3.0
Service workers and shop and market sales workers	2.7	7.8	2.8	7.7
Skilled agricultural and fishery workers	12.7	36.7	13.3	36.8
Craft and related trades workers	3.4	9.8	3.6	9.9
Plant & machine operators and assemblers	1.7	4.9	1.7	4.7
Elementary (unskilled occupations)	7.9	22.8	8.3	22.9
Total:	34.6	100.0	36.2	100.0

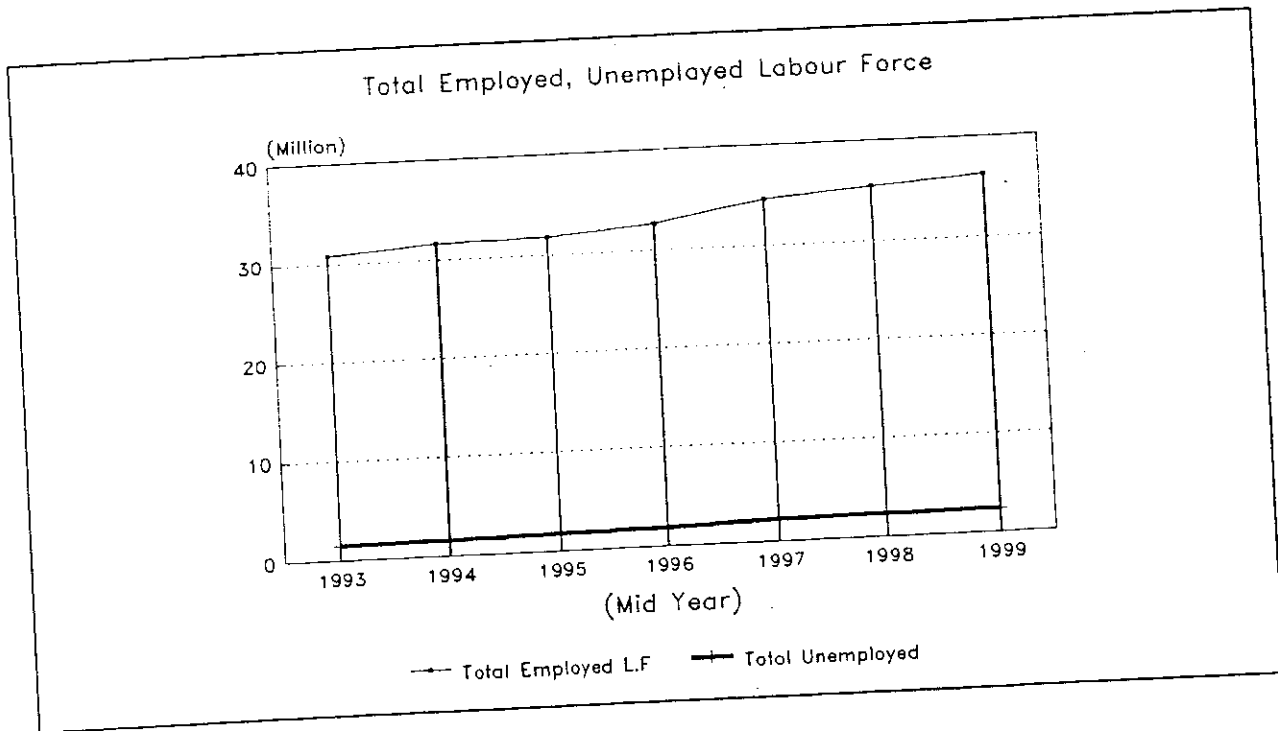
Source: Calculated on the basis of Labour Force Survey 1996-97.

### Unemployment

Unemployment is defined as all persons of ten years age and above who during the period under reference were: (a) without work i.e. were not paid employment or self-employed, (b) currently available for work i.e., were available for paid employment or self-employment and (c) seeking work i.e., had taken specific steps in a specified period to seek paid employment or self-employment. According to this definition, about 2.4 million persons of labour force were estimated as unemployed in 1999, as

compared to 2.2 million in 1997. According to Labour Force Survey 1996-97, the rate of open unemployment was 6.1 percent and 5.4 percent as per Labour Force Survey of 1994-95. This indicates that rate of unemployment has increased between these two surveys by 0.7 percent. Moreover, the rate of unemployment is also more in urban areas than the rural areas. The annual unemployed labour force by urban/rural areas since 1993 to 1999 is given in Table 13.17 and Figure-5.

Figure-5



**Table 13.17**  
**Unemployment Rates**

(Figures in million)

Year	Population	Unemployed Labour Force			Unemployment Rate (%)		
		Total	Urban	Rural	Total	Urban	Rural
1993	116.74	1.53	0.54	0.99	4.73	5.88	4.28
1994	119.39	1.61	0.62	0.99	4.84	6.51	4.22
1995	122.36	1.80	0.68	1.12	5.37	6.90	4.80
1996	125.38	1.85	0.71	1.14	5.37	6.90	4.80
1997	128.42	2.25	0.83	1.42	6.10	7.10	5.7
1998	131.51	2.31	0.86	1.45	6.10	7.10	5.7
1999	134.51	2.36	0.89	1.47	6.10	7.10	5.7

Source: Labour Force Survey 1992-93 to 1996-97

### Employment Promotion Policies.

The government being cognizant of the unemployment situation in the country, is pursuing a multi pronged employment policy which focuses on higher investment and of labour intensive sectors viz small scale industry, social sectors and rural development programmes, provision of credit facilities for self employment, encouraging overseas migration, expansion of technical training facilities along with decentralized decision making and involvement of private sector to reverse the trend of growing unemployment. Some of the specific measures which the present Government has adopted for generating employment are :

#### i) PM's Self-Employment Scheme

Under Prime Minister's Self Employment Scheme, National Bank of Pakistan (NBP), Habib Bank Limited (HBL), United Bank Limited (UBL), Muslim Commercial Bank (MCB), Allied Bank of Pakistan Ltd (ABL), Bank of Khyber (BOK) and Bank of Punjab (BOP) and Small Business Finance Corporation (SBFC) are granting loans to unemployed youths and skilled professionals having diploma/degree and business experience. There are two categories of loans being granted under the Scheme i.e. loans ranging from Rs.10,000 to Rs. 500,000 for small businesses and from Rs. 500,001 to Rs. 5,000,000 for small industries etc. The position of loans granted upto 27.3.1999 is given in Table 13.18.

**Table 13.18**  
**Sanction & Disbursement of Loans under Self**  
**Employment Scheme**

Category	(Rs. in million)	
	Sanctioned	Disbursed
a) Loan ranging Rs.10,000/- to Rs500,000/-	5340.5	3820.8
b) Loan ranging Rs.500,001/- to Rs5000,000/-	137.7	69.6
Grand total (a + b)	5478.2	3890.4

Source: Finance Division, Internal Finance Wing

#### ii) Small Business Finance Corporation

Small Business Finance Corporation (SBFC) is a development financial institution established by the Government of Pakistan through an Act of Parliament, 1972, for providing financial assistance on soft terms to small business enterprises, individual businessmen and entrepreneurs of cottage/small scale industries in private sector. The main objective of setting up the Corporation is to encourage development and promotion of small business enterprises including cottage/small scale industries in order to reduce unemployment and enhance production capacity of the country, so as, to gear up the national economy for improving the living standard of the people of small means. The SBFC has started providing credit facility to small borrowers for small and cottage industries since 1984. It has also started providing loans to educated unemployed youths under the name of YIPS (Youth Investment Promotion Society) since 1986-87 and lending operations were dominated by YIPS from year 1986-87 to 1990-91. SBFC also started implementing a Self Employment Scheme by the name of Self Employment Programme (SEP) from April 15, 1992 the dominance of the YIPS lending has now shifted in favor of rational Self Employment Scheme (NSES). Out of total outstanding advances, the NSES has contributed 58% and YIPS 37%.

During the financial year 1998-99 (July-March), sanctions and disbursements of loans by the SBFC have shown a considerable increase, as compared to the corresponding period last year. This increase is attributed to introduction of new loan scheme in July 1998 under Prime Minister's Self Employment Scheme (SES). Up to March 1999, the

SBFC has sanctioned Rs. 2,208.4 million, against 11,435 cases under SES. Out of these sanctions, loans amounting to Rs. 1,551.95 million have been disbursed to 9,383 persons. The SBFC has generated employment for 28,149 persons under the Prime Minister's Self Employment Scheme upto March 31, 1999. Total loan sanctions by the SBFC during July-March 1998-99 stood at Rs. 2,217.0 million against 11,443 cases and disbursed Rs. 1,584.8 million against 9,403 cases.

#### iii) Vocational Training

Vocational training enhances ability of an individual to gain access to gainful and sustainable job. At present, a training capacity of 46452 trainees is available in the country. The programmes will be expanded and made demand driven, as per market needs. The training institutions will be re-oriented to enhance its support function, provide flexibility and autonomy in training programmes and make them more responsive to training needs. Skill Development Councils (SDCs) have been established by the Ministry of Labour, Manpower and Overseas Pakistanis, as an industry led autonomous organization. The aim is to assess the training needs by the geographical areas, priorities them on the basis of market demand and to facilitate training of the workers through training providers in the public and private sectors. The SDCs will be provided support to bridge the gap between public sector institutions and private sector industry. The SDCs will also help to meet the needs of small and medium scale enterprises. Besides, the High Tech Training Institutions will be established to meet the demand of new technologies.

#### iv) Small and Medium Enterprises Development Authority (SMEDA)

Pakistan has vast opportunities and talent which needs to be properly exploited. Small and medium enterprises (SMEs) are a major source of job creation and business expansion. A Small and Medium Enterprises Development Authority (SMEDA) has been setup for growth and development of SMEs in Pakistan. SMEDA will serve as the key institution in designing training programmes for entrepreneurs and organising workshops and seminars on various topics, such as, Business Skills Development, Product Development and Management of Technology etc in order to build a critical base of competent entrepreneurs.

v) Other measures

During the year 1998, about 1,04,000 persons have been sent abroad for employment. Efforts would be made to explore more opportunities for overseas employment. For this purpose, high level contacts would be established with labour importing countries in the Middle East and Far East.

The liberal economic and fiscal policies of the Government also help in generating economic activities thereby creating new opportunities for employment and business in the country. An economic revival package has already been announced to stimulate investment and industrial production, boost exports, broaden the tax bases and lower tariffs. In addition, construction of additional Motorways and setting up of industrial zones throughout the country, would also generate new opportunities for employment in the country.

Under the new Education Policy, 21 universities of international standards, 500 new Degree Colleges and 250 Professional Colleges will be opened. 45,000 Primary Schools, 30,000 new Secondary Schools and 20,000 Mosque Schools will be opened. Besides, 75,000 non formal Basic Education Schools shall be established under which a lot of employment opportunities shall be provided to the educated youth.

Recently, the Prime Minister has also announced a public transport scheme under which vehicles would be provided to unemployed persons on easy installments. About 5,000 Taxis, 2000 pickup vans, 1000 trucks and buses, 5000 auto rickshaws and 25,000 motorcycles/scooters will be provided under this scheme. The scheme will also generate additional activities for the maintenance and repair of vehicles.



**CHAPTER****14****Social Action Programme, Social Welfare and Rural Development**

Despite achieving reasonable level of GDP growth over a long period, Pakistan's human development indicators remain even low. Almost every social indicator for the country (literacy, health

nutrition, population growth, access to family planning services, potable drinking water, sanitation etc) compares poorly with other developing countries, as indicated in Table-14.1.

**Table 14.1**  
**Social Indicators in International Perspective**

Items	Pakistan 1997-98	All Developing Countries(1995)
- Population Growth rate %	2.4	2.1
- Adult Literacy Rate %	45.0 (1998 Census)	70.4
- Primary School Enrolment(%)	<u>75.0</u>	<u>104.2</u>
Male	90.0	110.0
Female	60.0	99.0
- Life expectancy at birth (Years)	63.0	62.2
- Infant Mortality Rate(Per 1000)	90.0	65.0
- Total Fertility Rate %	5.0 (1998 Census)	3.0
- Contraceptive Prevalence Rate(%)	24.8	55.0
- Rural Population's access to:		
Safe Water(% Population)	48.0	71.0
Rural Sanitation(% Population)	23.0	42.0

Source: Federal SAP Secretariat, Planning and Development Division. Islamabad.

It is an established fact that economic growth can not be sustained, without increasing productivity and quality of the human capital. Without adequate human infrastructure, meaningful socio-economic development can not take place. The development of human capital has become all the more important for survival in an era of knowledge based competition with rapid changes in the information technology.

### **I. SOCIAL ACTION PROGRAMME (SAP)**

In order to improve the Social indicators, the government has designed a comprehensive approach for social development under the Social Action Programme (SAP), covering elementary education (primary & middle schooling), primary health care, population welfare and rural water supply

& sanitation. The strategy of this programme is to improve coverage, quality and effectiveness of service delivery, project implementation, budgetary & operational efficiencies, increasing access for women and girls, government financing & community participation. The SAP has made progress in addressing the human development issues by (a) accelerating policy reforms to improve social sector design for elimination of implementation deficiencies, (b) achieving financial targets, (c) raising political commitment, (d) involving stakeholders for efficiency and cost effectiveness, and (e) improving social services delivery.

The Social Action Programme Project (SAPP-I) conceived in 1992-93 was formally undertaken from 1993-94 with the assistance of

donors for three years (1993-96). The actual investment made during SAP-I aggregated to Rs 106.4 billion. Of this, foreign assistance was Rs 13.1 billion or 12.3 percent. This was committed by the World Bank/IDA (\$ 206 million), Asian Development Bank

100 Million), Netherlands Government (\$ 13 million), and Official Development Assistance (ODA) of UK (\$ 20 million). The key physical achievements of SAP-I are given in Table 14.2.

**Table 14.2**  
**Physical Achievements of SAPP-I(1993-96)**

Sr.	Items	Unit	1992-93 Benchmark	SAPP-I Achievements (1993-96)
	<b>Basic Education</b>			
i).	Enrollment at Primary School Level	Million	9.0	10.5
	Male	Million	5.9	6.6
	Female	Million	3.1	3.9
ii).	Primary School Participation Rate	(%)	69.0	73.0
	Male	(%)	85.0	89.0
	Female	(%)	54.0	57.0
iii).	Adult Literacy Rate	(%)	35.4	45.0
	Male	(%)	47.3	56.5
	Female	(%)	22.3	32.6
	<b>Basic Health Care</b>			
iv).	Immunization of (Children million)	Million	3.6	6.9
v).	Infant Mortality Rate	(Nos)	101.0	90.0
vi).	Life Expectancy	Years	57.7	63.0
	Male	Years	57.5	63.1
	Female	Years	60.7	63.0
	<b>Rural Water Supply &amp; Sanitation</b>			
vii).	Rural Water Supply (Population Coverage)	Million (%)	38.7	48.1
viii).	Rural Sanitation (Population Coverage)	Million (%)	47.0	53.0
	Male	Million (%)	10.4	19.6
	Female	Million (%)	13.0	20.5
	<b>Contraceptive services/Methods</b>			
ix).	Growth Rate	(%)	3.0	2.4
x).	Total Fertility Rate(TFR)	(%)	6.2	5.1
xi).	Contraceptive Prevalence Rate	(%)	14.0	27.0

Source: Federal SAP Secretariat, Planning & Development Division, Islamabad.

### SAP Policies and Implementation Strategies

**Elementary Education:** The policy of co-education in primary education sector recorded some positive impacts on student enrolment. The school participation rate especially for girls has been improved. The higher achievement in female participation was possible because of additional schooling facilities constructed under SAP for female. Female teachers were appointed and provided necessary training. The relaxation in requirements of qualifications, age and posting of female teachers near

their homes encouraged their availability and helped in reducing gender gaps in teaching staff. To develop a data base for educational planning, Federal Education Management Information System (FedEMIS) and Provincial Education Management Information System (ProEMIS) were established and made functional. Education Foundations (EFs) were established in the Province to assist NGOs and private sector in promoting education. Community participation was enhanced through Parent Teacher Associations (PTAs), School Management Committees (SMCs) and Village Education

Committees (VECs). Some of the schools were put under the supervision of local community organizations. In addition, private engineering firms were engaged to design schools and supervise construction and maintenance activities.

**Primary Health Care (PHC):** Non-salary budget under PHC was raised to improve quality of services. Issues relating to staff absenteeism, nurses, paramedical staff and non-availability of drugs were resolved by providing incentives and decentralizing administrative & financial powers, down to Basic Health Units (BHUs). For formulation of integrated health policy and making the health services more effective and efficient, Health Management Information System (HMIS) were set-up at national and provincial levels. On the basis of information collected through HMIS, more effective and efficient policies were designed for ensuring benefits for paramedic staff, doctors and better service delivery to the communities. During the SAPP-II attention is being focussed on the consolidation of achievements of Phase-I and combining the available facilities and health outlets for delivery of quality health and family planning services. In addition, for the control of HIV/AIDS, Malaria, Measles, Poliomyelitis, Diphtheria, Pertussis, Childhood Tuberculosis and Neo-natal Tetanus diseases laboratory test facilities and immunization programmes had been provided.

**Rural Water Supply and Sanitation (RWSS):** Uniform policies for RWSS were formulated at national level and communities were made responsible for operation and maintenance (O&M) costs of water supply & sanitation system. As per new policy, water tariff will be collected by the Village Water User's Committees (VWUCs) and used for improvement of RWSS schemes. A number of earlier completed RWSS schemes had also been handed over to the communities on experimental basis. The drinking water and sanitation tariff rates in all the provinces had been revised upward for the smooth functioning of the schemes. The communities had also been given choice of selection of technology for the RWSS schemes best suited to their local environment.

**Population Planning:** The un-reached rural areas were covered through Village Based Family Planning Workers (VBFPWs), Trained Birth

Attendants (TBAs) and Lady Health Workers (LHWs). There were positive results of VBFPWs LHWs and TBAs in provision of the Family Welfare Services. The information, education and communication (IEC) strategy had been focused on both male and female motivation. To enhance demand of family welfare services, T.V. radio and print media were fully used. Greater collaboration had been enforced between Ministries of Health and Population Welfare for effective implementation of reproductive health services.

To make the family planning programme more effective and consolidate efforts of the Ministries of Health and Population Welfare, a National Reproductive Health Services Package (NRHSP) was also introduced. The policy package was designed in light of information gathered at service delivery outlets on the fertility, mortality, disease burden, cost-effectiveness, and capacity of the existing health service infrastructure. The NRHSP package aimed at provision of comprehensive family planning services for male and female from the service delivery outlets by involving TBAs, VBFPWs, LHWs.

#### **Participatory Development Programme (PDP)**

Participatory Development Programme (PDP) was launched in 1995-96, as a pilot community development programme under SAPP-I to deliver social services to the deprived communities and indigent segments of the society, especially women and children. Under PDP, a group of 28 NGOs from all provinces/areas with 30 innovative projects costing Rs. 336.3 million (effective from January 1996 to December 1997), were launched for two years. The GOP was to provide Rs. 198.7 million (including consultants fee Rs 10.7 million) and communities to contribute Rs 103.1 million and NGOs Rs 34.5 million. The experiment of establishing linkages at grassroots under the PDP has been successful, as positive progress has been made towards construction of physical facilities and human resource development. It helped to empower communities in identification & planning of schemes, decision-sharing and management of service delivery in a tripartite partnership by combining the government, private sector represented by NGOs and beneficiary

communities. The government's role was to define policy goals and arrange support funding while the NGOs were to motivate communities for participatory development.

However, sustainability of the PDP projects remains doubtful. The sustainability issues were examined by focusing on each NGO as follow: (i) sustainability of the NGO itself, (ii) sustainability of the sub-organizations which the NGO's created at grass-roots level, and (iii) the sustainability of the projects which the NGO's were implementing. This three stage examination had shown that the sustainability of the NGO's initiatives after the end of PDP, was highly variable, as communities had not been properly involved. However, most of the PDP's/NGO's water supply schemes which had been undertaken by following the basic community participation principles, would generally be sustainable. Besides, the Community Schools or those having more than 50 students with a fee of Rupees 10 per student/per month had a better chance of sustaining themselves, compared with home schools. The health and family planning centres are likely to

be unsustainable, unless there is another source of funding for the staff salaries.

### SAPP-II

After the successful completion of SAP Phase-I (1993-96), the Government has launched the SAP Phase-II project of five years (1997-2002). The overall size of SAPP-II is worked out at Rs 498.8 billion. (Rs 64.7 billion are to be provided by the Federal Government (13%) and Rs 434.1 billion by the Provinces (87%)). The major provincial share in financing also reflects that SAP components are basically the provincial subjects. Besides, the federal components would also benefit the provinces. Like Phase-I, the main focus of the Phase-II is also on the five priority areas (i) primary/elementary education, (ii) primary and preventive health care, (iii) nutrition (iv) rural water supply & sanitation, and (v) family planning.

The actual expenditure of SAPP-I and projected outlays of SAPP-II are given in Table 14.3, Fig.I and II.

Table 14.3  
Actual Expenditure of SAPP-I and Outlays of SAPP-II

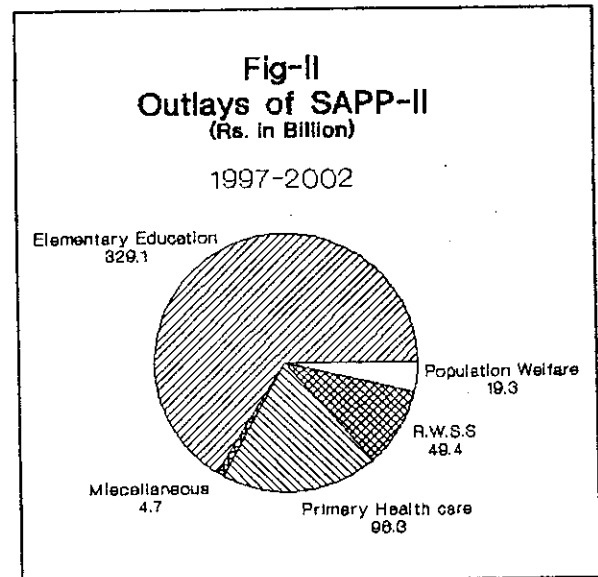
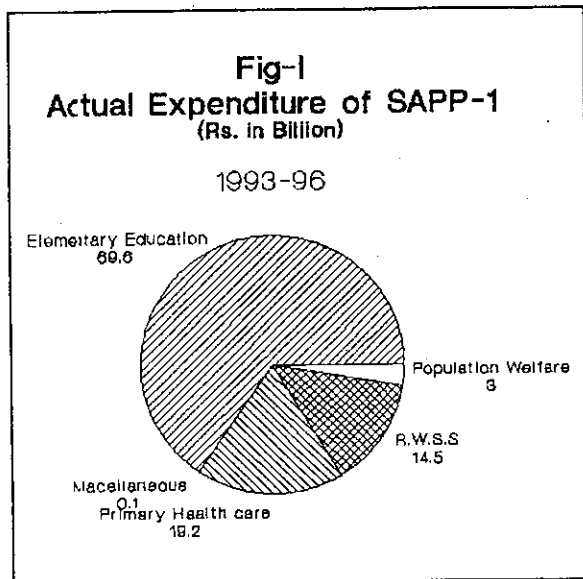
	SAPP-I (1993-96)			SAPP-II (1997-2002)		
	Provincial	Federal	Total	Provincial	Federal	Total
a) Elementary Education	65.3	4.3	69.6 (65.4%)	307.1	22.0	329.1 (66.0%)
b) Primary Health Care	14.6	4.6	19.2 (18.1%)	68.4	27.9	96.3 (19.3%)
c) R.W.S.S.	13.4	1.1	14.5 (13.6%)	45.3	4.1	49.4 (9.9%)
d) Population Welfare	0.0	3.0	3.0 (2.8%)	13.3	6.0	19.3 (3.9%)
e) Miscellaneous	0.0	0.1	0.1 (0.1%)	0.0	4.7	4.7 (0.9%)
Total	93.3 (87.7%)	13.1 (12.3%)	106.4 (100.0%)	434.1 (87.0%)	64.7 (13.0%)	498.8 (100.0%)

Source: (i) Federal SAP Secretariat, Planning and Development Division, Islamabad.  
(ii) Figures in brackets, represent the sectoral shares in total outlays:

Out of total actual expenditure of SAPP-I to (Rs 106.4 billion), Rs 93.3 billion (87.7%) had been contributed by the Provincial Governments and Rs 13.1 billion (12.3%) by the Federal Government. Out

of the total outlay of Rs 498.8 billion of SAPP-II, 87 percent would be provided by the provinces and 13 percent by the federal Government.

### Sectoral Share of SAPP I and II



#### Financial Allocations, 1998-99

Overall financial allocation for SAP in 1998-99 is Rs 68.6 billion. Of which, Rs.43.7 billion is recurrent expenditure (63.7%) and Rs. 24.9 billion is development expenditure (36.3%). The allocations for non-salary expenditure aggregates to Rs.5.1 billion which constitutes 7.9 percent in the overall non-development allocations. The government's share is Rs 56.1 billion (81.8%) and Rs 12.5 billion are to be

contributed by the SAP donors (18.2%). The higher allocations for non-salary component will improve quality of services, through provisioning of additional supplies of text books, instructional materials, medicines, contraceptives, etc.

The physical achievements 1997-98 and targets, 1998-99 of the SAPP-II by sectors/ sub-sectors are given in Table 14.4.

**Table 14.4**  
**Physical Achievements 1997-98 And Targets, 1998-99**

Item	Unit	Targets 1997-98	Achievements 1997-98		Targets 1998-99
			Nos	In%	
<b>I. Primary Education</b>					
- New Primary Schools	Nos	1546	1225	79.2	724
- Additional Class Room	Nos	2524	1431	56.7	6866
- Buildings for Shelterless Schools	Nos	2098	915	43.6	1434
- UP-gradation of Primary Schools to Middle Schools	Nos	1116	700	62.7	1344
- New Middle Schools	Nos	92	139	151.1	198
<b>II. Primary Health</b>					
- THQ Hospitals	Nos	294	196	66.7	251

Contd...

Contd.

Item	Unit	Targets 1997-98	Achievements 1997-98		Targets 1998-99
			Nos	In%	
- New BHUs	Nos	6	6	100.0	29
- New RHCs	Nos	4	3	75.0	14
- UP-gradation of BHUs	Nos	50	20	40.0	48
- Up-gradation of RHCs	Nos	24	14	58.3	40
- LHW Recruited and Trained(Net)	Nos	14369	14337	99.8	18252
- TBAs Trained	Nos	4100	3896	95.0	2259
- Immunization	Million Nos	4	5	125.0	3
<b>III. RWSS</b>					
- Rural Water Supply (Million Pop.)	Million	65.0	59.0	90.8	66
- Rural Sanitation (Million Pop)	Million	28.0	25.0	89.3	31

Source: Planning and Development Division, Islamabad.

### Impact of SAPP-II, 1998-99:

The impact of SAP during 1998-99 is expected to be quite encouraging. Adult literacy rate recorded as 45 percent in 1998 is projected to reach 48.3 percent by increasing primary school participation from 75.3 percent to 76.8 percent (of boys from 90 percent to 91.6 percent and girls from 60.5 percent to 62.0 percent). The infant mortality rate is likely to be decreased from 90 to 88 per 1,000 live births, Mother Mortality Rate (MMR) from 350 to 340 per 100,000 live births and life expectancy to improve from 63.5 years in 1997-98 to 63.6 years in 1998-99- (male from 63.6 years to 63.7 years and female from 63.3 to 63.5 years). The population growth rate is projected to be decreased for 2.4 percent to 2.3 percent with the decline in total fertility rate from 5 percent to 4.8 percent and increase in contraceptive prevalence rate from 24.8 percent to 30.1 percent. The coverage of rural population for water supply is estimated to improve from 48 percent to 61.1 percent, while that for rural sanitation is expected to improve from 23 percent to 26.8 percent.

## II. SOCIAL WELFARE

### Special Education

For the financial year 1998-99 an allocation of Rs. 170.4 million was earmarked for the Directorate General of Special Education, including Rs. 52.00 million for development (30.5%) and Rs 118.4 million for non development (69.5%). A national policy for special education had been formulated to provide basic ideology and guidelines for the development of educational and rehabilitation services for the disabled persons. Policies have also been formulated to facilitate disabled in public

buildings, parks and places and issuance of special cards to disabled persons, entitling them to avail 5% seats in all the professional and technical institutions.

Under development programme, 9 special education centres (4 national and 5 provincial centres) are being established. Some 46 special education centres and 9 as training/vocational centres are operational in the country. Besides, financial assistance is also provided to NGOs for the welfare, education, training and rehabilitation of disabled persons. A total sum of Rs. 10.7 million will be given, as grant-in-aid to almost 27 NGO's throughout the country in 1998-99.

The Government is giving due attention to the welfare, education, training and rehabilitation of disabled persons. In this context, the Prime Minister has issued the following directives for implementation:-

- Enhancement of employment quota for disabled persons from 1% to 2%.
- Earmarking 2% of Zakat and Ushr funds for education, training and rehabilitation of disabled persons.
- Provision of Rupees five million to Directorate General of Special Education for purchase of buses for providing pick and drop facilities to disabled children.
- Provision of integrated education for the disabled in the new education policy, 1998.

## Social Welfare

The government has designed a well-targetted social safety net programme, for the poor and targeted groups. These programmes are discussed below.

### *a) Pakistan Bait-ul-Mal (PBM)*

The purpose of PBM is to provide subsistence living, shelter, education and medical relief for those who are permanently or temporarily unable to earn their livelihood on account of sickness or because of circumstances beyond their control. The Pakistan Bait-ul-Mal has launched special projects for the benefit of poor and deserving persons and is providing special services under the followings programmes:-

#### *i) National Centre for Rehabilitation of Child Labour (NCRCL)*

There are approximately 3 million children in Pakistan who are involved in child labour. It is very difficult to eliminate child labour due to a number of reasons, mainly because of poverty. PBM started pilot project for education and rehabilitation of child labour of tender age drawn from hazardous/exploitative industries. So far PBM has established 33 schools for rehabilitation of child labour and 17 more schools are in process of establishment. A stipend of Rs. 150/- P.M is given to each child who attends school regularly. His parents are also given an allowance of Rs. 300/- P.M to compensate for the loss of wage of the child. A programme for rehabilitation of parents to alleviate poverty which is the main cause of child labour, has also been started by the PBM. Through this programme, parents of children enrolled in NCRCL are asked to propose/select any small level business or work for which they are given loan upto Rs. 5000/-.

#### *ii) Open Tech Scheme*

PBM has started a joint venture with Allama Iqbal Open University for vocational training of child workers, working as apprentices in auto workshops. One hundred and seventy existing auto workshops have been selected all over Pakistan in which Open Tech Study Centres had been established. PBM provides tool boxes to successful candidates on completion of their

training, enabling them to earn livelihood through self-employment.

#### *iii) Mobile Dispensaries*

PBM has started a mobile dispensaries scheme to provide basic health facilities to those living below poverty line. Mobile dispensaries headed by MBBS doctors visit Katchi Abadies and provide medical check up and medicines free of cost. So far five mobile dispensaries are functional at Provincial Head Quarter. (two at Lahore and one at each remaining Provincial Head Quarter).

#### *iv) Dastkari Schools*

The main purpose of establishing Dastkari Schools is to enable widows, orphan girls, daughters of invalids to earn their livelihood honorably. Trainers are provided all the required material free of cost. A stipend @ Rs. 15/- per student per day on the basis of attendance is also given. The Pakistan Bait-ul-Mal (PBM) also offers three courses in Cutting, Sewing, Hand-knitting and Machine Embroidery, for the duration of six months.

#### *v) World Food Programme (WFP)*

The World Food Programme is an organ of United Nations and provides food for nutrition to workers all over the world. In Pakistan, WFP is catering to the worker's requirements in the forests of N.W.F.P, Azad Kashmir and Baluchistan. The WFP has also approached the Pakistan Bait-ul-Mal (PBM) to help in distribution of food. The Food Stamp Scheme introduced for such workers by the PBM has earned good name in the international forums because of its better quality services. Under this scheme, an amount of Rs. 89 million has been disbursed in 1998. Some other important schemes and projects being undertaken by Pakistan Baitul Mal include: Atta Subsidy Scheme, Individual Financial Assistance, Medical Assistance, Financial Assistance for Education and Remission of House Building Finance Corporation (HBFC) Loans.

#### *b) National Commission for child Welfare and Development (NCCWD).*

Keeping in view the issue of child labour,

National Commission for Child Welfare and Development (NCCWD) took initiative in collaboration with ILO to combat the problem of child labour. In this regard, the NCCWD is developing an NGOs policy and plan of action for elimination of child labour and protection of working children, as laid out in Article 32 of the Convention on the Rights of the Child,(CRL). The NCCWD has devised a mechanism to undertake the venture in collaboration with line departments and NGOs partnership by organizing workshops throughout the country. After completion of series of workshops at divisional level and provincial level, a national workshop was organised.

### c) National Zakat Foundation

The National Zakat Foundation provides grant in aid to NGOs registered under Voluntary Social Welfare Agencies (Registration and Control) Ordinance 1961, for sharing the capital cost of their projects, aimed at institutional rehabilitation of indigents, orphans, widows, disabled and similar other persons. During July-March, 1998-99 a total of 3.96 million, 0.07 million, 0.06 million and 0.22 million beneficiaries have been served through NZF funded projects in Health, Vocational Training and Special Education respectively. The Foundation has also sanctioned a grant of Rs. 27.3 million for 62 projects during the same period. Of which, Rs 18.8 million have been disbursed for 64 projects. Province-wise break-up of the sanctions and disbursements is in Table 14.5.

**Table 14.5**  
**Sanctions and Disbursements by NZF**  
**During, July-March, 1998-99**

Province/ Region	Amount Sanctioned (Rs Mln.)	No. of Pro- jects	Amount Disbursed (Rs Mln.)	No. of Projects
Punjab	16.0	30	9.2	25
Sindh	3.8	10	3.0	12
NWFP	3.0	10	2.4	13
Baluchistan	1.7	04	1.3	06
ICT/NA/ AJK	2.8	08	2.9	08
<b>Total</b>	<b>27.3</b>	<b>62</b>	<b>18.8</b>	<b>64</b>

Source: Ministry Women Development, Social Welfare and Special Education, Islamabad.

## Programme For Women's Development

The present Government aims at improving the status of the women by reducing gender gap and ensuring better quality of life for women. The following major initiatives have been undertaken during 1998-99 to make the Women fully productive members of the society:-

### a) Economic Empowerment of Women

- (i) Export Trade Houses have been established at Lahore and Islamabad for women entrepreneurs;
- (ii) Micro credit amounting to Rs. 14.4 million has been provided to 568 women through First Women Bank Limited;
- (iii) Separate enclosures for women have been set up in weekly bazaars;
- (iv) An allocation of Rs. 76 million has been made for women development in PSDP in 1998-99 as against Rs. 50.0 million in 1997-98. During 1998-99, the Women Development Wing has, inter-alia, continued funding of women's development ongoing projects in all parts of the country including AJ&K. The projects being funded during 1998-99 are in the field of education and training, mother and child health care, skill development, extension of micro-credit, relief to women in distress and consciousness raising and awareness for women's rights & responsibilities through mass media.

### b) Social Empowerment of Women

- (i) Crisis Centres for Women in Distress have been established one each at Islamabad and Vehari. These Centres have helped in combating violence against women and rehabilitation of affected women;
- (ii) The Prime Minister had launched National Plan of Action (NPA) for Women on 14th August, 1998. The project seeks to establish a Coordination Unit, Monitoring and Evaluation Unit, Resource Centre and Gender Management Unit with corresponding staff at the federal, provincial and district levels for effective



implementation of the PM's NPA. Foreign Specialists in MIS, Monitoring and Evaluation, Institutional Strengthening, Capacity Building, and Publicity Promotion have also been proposed for enhanced implementation and training of local experts to assess the impact of the NPA;

- (ii) In term of UN Convention on Elimination of all Forms of Discrimination Against Women (CEDAW), ratified by Pakistan since March, 1996, an implementation report has been finalized and submitted to Pakistan Mission in Geneva;
- (iv) The recommendations contained in the Report of the Commission of Inquiry for Women have been taken up with the concerned quarters for their implementation;
- (v) Efforts are being made to streamline procedures of disbursement of Rs. 50 million Fund for Women in Distress and Detention being operated by the Law, Justice and Human Rights Division and disbursement of funds to women in distress would be started soon ;
- (v) A project titled-' "Gender Sensitization Training Programme for Officers of Federal and Provincial Governments" with the Canadian International Development Agency's financial assistance of Rs. 2.8 million has been launched.

**c) Political Empowerment of Women**

- (1) Women's seats in the Local Bodies have been enhanced by 100 percent.
- (2) A bill for restoration of reserved seats for women has been moved for consideration and approval of the Parliamentarians.
- (3) Establishment of Ombudsperson for Women is being proposed through legislation;

**III RURAL DEVELOPMENT**

The principal aim of rural development is to improve standard of living of the rural people which

forms about 67.5 percent of total population by providing infrastructure and social amenities which include construction of roads, supply of potable water, villages electrification, provision of educational and health facilities etc. The major sectoral programmes being implemented during 1998-99 to facilitate both short and long term environmental and rural development include: Rachna Doab Afforestation Project, Tarbela Watershed Management Project, San Dune stabilization Project, Conservation of Biodiversity in Pakistan, Ozone Cell, Siran Kaghan Forest Project and Environment Impact Assessment Environmental Project. Different foreign aided projects assisted by Asian Development Bank for Farm-to-Market Roads Project and Japanese Assisted Rural Roads Construction Project (under overseas Economic Corporation Funds) are also under implementation. The financial allocation for the construction/up-gradation of 550 kms farm to market roads is proposed to be enhanced from Rs. 2735.2 million to Rs. 3608.0 million or by 31.9 percent.

The present Government is strengthening the local leadership capacity in rural areas by developing the local initiatives. For this purpose the "Tameer-e-Watan Programme" has been reactivated from the mid 1998-99, with an allocation of Rs. 3.0 billion. The elected representatives i.e. MPAs, MNAs and Senators identify the development schemes for their respective constituencies on the basis of development needs of the area. Priority is given to the provision of basic amenities, such as, water supply, sanitation, construction of rural roads, streets, provision of health and educational facilities, village electrification, provision of natural gas and establishment of public call offices.

**Village Electrification**

Provision of electricity is being considered as an important tool in improving the quality of rural life. A target of 1494 village electrification was fixed for 1998-99, but only 997 villages could be electrified during July-March, 1998-99, bringing the total number of electrified villages to 66256, as per details given in Table 14.6 on next page.

During 1999-2000, the ongoing schemes which are fairly at the advanced stage of completion would be completed.

**Table-14.6**  
**Village Electrified- Annual Targets/Achievements**

Years	(Village Nos)		
	Target	Realization	Progressive
1991-92	2793	3649	40784
1992-93	2070	4860	45644
1993-94	4500	5283	50927
1994-95	2000	6243	57170
1995-96	5000	4957	62127
1996-97	5000	2441	64568
1997-98	4000	691	65259
1998-99 (July to March)	1494	997	66256

Source : Ministry of Water and Power.

### Role of NGOs in Rural Development

Besides public sector's development programmes for rural development, the private sector/NGOs are also being encouraged for enhancing the pace of rural development in the country, particularly through innovative participatory approaches. The Agha Khan Rural Support Programme (AKRSP) and National Rural Support Programme are the two main non-governmental organisations which have undertaken various innovative uplift schemes/programmes for the rural areas in Pakistan. Their activities are briefly discussed as under:

#### a) Aga Khan Rural Support Programme

The Aga Khan Rural Support Programme (AKRSP) is a private, non-profit Company/ NGO, established by the Aga Khan Foundation with the assistance of foreign donor agencies and Aga Khan Foundation itself. It started its activities in December, 1982 initially in the villages of Gilgit and Ghizer districts of the Northern Areas to improve quality of life of the villages in programme area through creating income generating opportunities. In 1986, the programme was extended and replicated in the Chitral district of the NWFP and the districts of Skardu and Ganche of the Northern Areas of Pakistan. The six districts of the programme area have a combined population of about one million, settled over an area of 74,200 square kilometers. The AKRSP since its beginning focussed on enhancing incomes and quality of life of the people of the programme area. On entering into its new five year phase, 1997-2001, the AKRSP's objectives have been further clarified to reflect the development context of

the Northern Areas and Chitral. Encompassing the institutional and economic development issues, the two major objectives of the new phase are:

- i) Promotion of local institutions to be the part of an effective and sustainable system for broad-based rural development; and
- ii) Increase average per capita incomes to levels, comparable to that of the rest of the country.

Major achievements of the AKRSP by the end of 1998 are listed below.

- i) More than 3500 village organisations and 2300 women's organisations have been formed in the Programme Area.
- ii) Approximately 2000 infrastructure schemes have been initiated. Of which, 1700 have been completed. These projects have collectively benefitted more than 100,000 households in the Programme Area. 55000 kanals of new land has been brought under cultivation, as a result of investment in the irrigation schemes.
- iii) More than 300,000 kilograms of improved cereal seed, 150,000 kilograms of fodder seed, and 200,000 kilograms of improved potato seed have been supplied to small local farmers. In addition, over 1 million fruit trees had been distributed. Also 3500 community members, both male and female, have been trained, as agricultural specialists.
- iv) Around 5000 cross-breed cattle have been supplied to local populations. 240 brooding centres had been established, and 600,000 poultry chicks supplied to these brooding centres. Around 5000 male and female livestock and poultry specialists have been trained.
- v) Some 15 million forest plants have been provided to communities in Northern Pakistan, while village organisations themselves have planted 8 million trees, established 1500 forest nurseries, and 1300 village forestry specialists trained.
- vi) A big vegetable seed production venture has been started in Gilgit, through a system of

contract farmers. A major wool spinning and weaving project, primarily benefiting women has also been started in Chitral. Over 2000 male village specialists and 1000 female specialists have been trained for various enterprise sectors.

- vi) Villagers have saved more than 400 million rupees in collective savings, in which savings of women's organisations came to 96 million. Some 35,800 households have taken loans from AKRSP for various purposes. The total portfolio of loans came to Rs.251.3million and repayment of loans, as an the essential indicator of good lending practice between AKRSP and its clients has topped 97.3 percent.

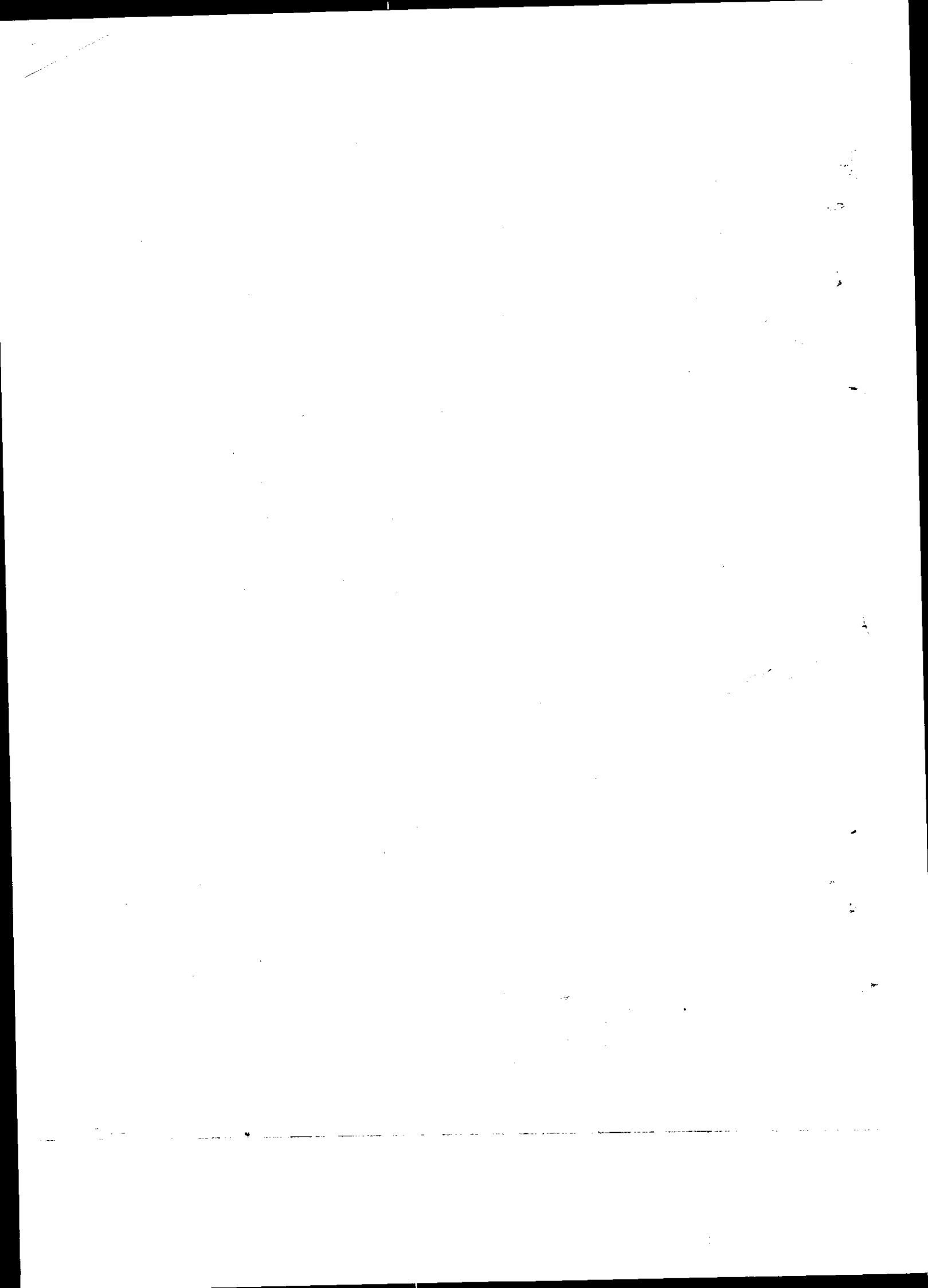
#### b) National Rural Support Programme

The National Rural Support Programme (NRSP), has been registered as a Limited Company since November, 1991 with its headquarter in Islamabad. The objective of the NRSP is to foster a country-wide network of community organisations at the grassroots level and enable them to plan, manage and implement their development plans at their own. The ultimate goal of the NRSP is to reduce intensity of poverty and improve rural people's quality of life.

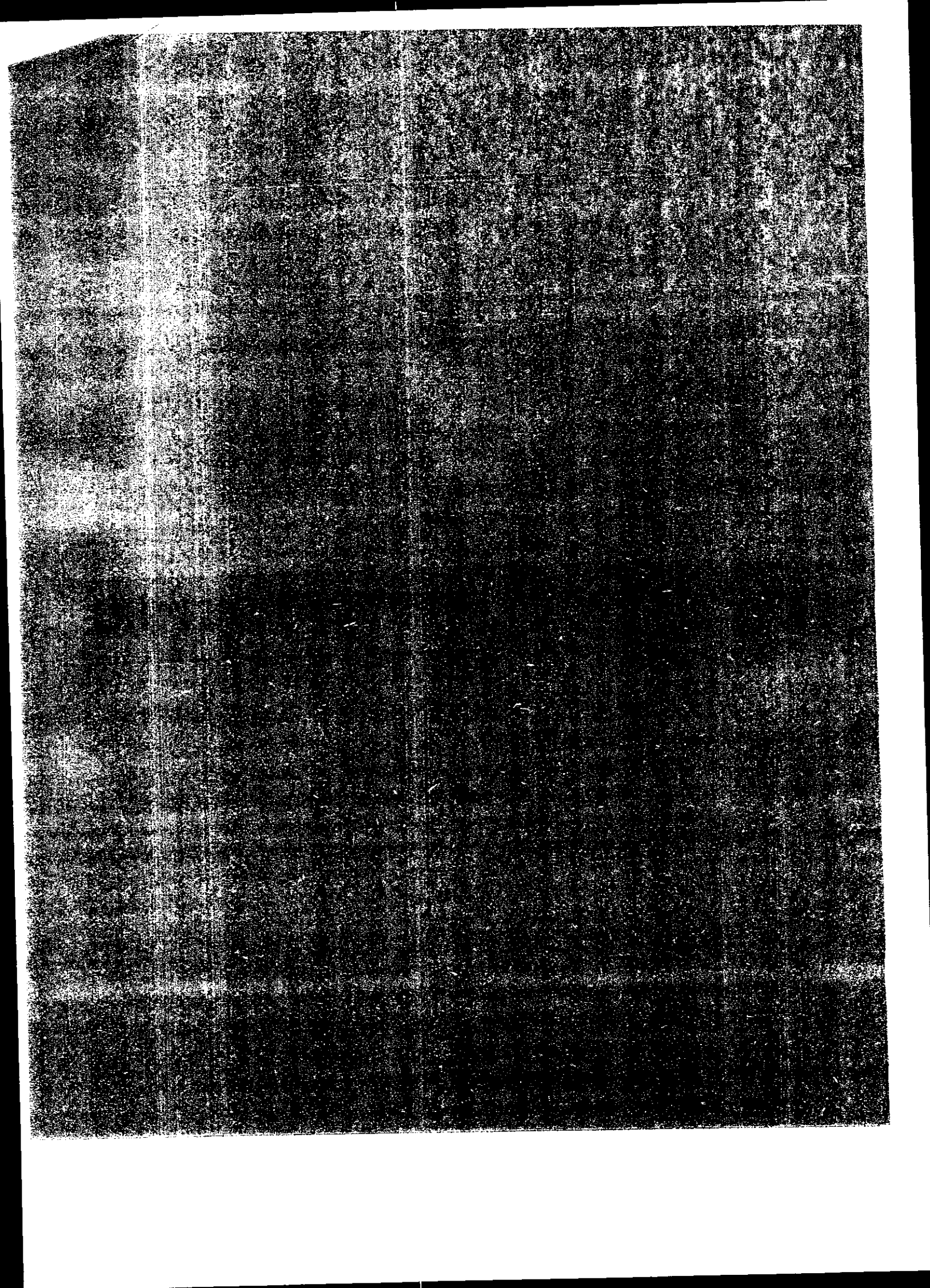
The NRSP is the largest private non-profit national development organisation in the country, operating in twenty-one Districts of Pakistan and Azad Kashmir in some of the biggest partnerships, involving the government, NGOs, banks and donors. It has the following 5 major fields of operation:

- Human Resource Development
- Rural Credit and Enterprise Development
- Natural Resource Management
- Physical Infrastructure and Technology Development
- Social Sector Services

As of February 28, 1999, the NRSP had facilitated formation of 7,339 Community Organisations. About 167,819 members of these Community Organisations have saved a sum of Rs.171.4 million. A total of 79,455 households have availed credit upto February, 28, 1999. The number of Community Organisations availing credit was 4,604 and total credit disbursed upto February, 28, 1999 amounted to Rs. 1.316 billion. The cumulative credit recovery rate was 97.5% during 1997-98. 39,335 Community activists have been trained by NRSP. Some 1,483 infrastructure schemes have been completed in collaboration with the NRSP. The total cost of these completed schemes is Rs 39.5 million and some 39153 households have benefitted from them.



## **E. PHYSICAL INFRASTRUCTURE**



## Transport and Communications

A well-developed and integrated infrastructure network is an essential pre-condition for higher economic growth on a sustainable basis. Transport and communication, being an important element of the network, plays a vital role in the economic development of a nation. For a meaningful economic cooperation amongst nation, particularly in the areas of trade and tourism, for attracting foreign investment in the country and realizing the potential gains from an outward-oriented trade strategy, and above all, for national integration the availability of efficient transport and communications network at a relatively lower cost is prerequisite. Furthermore, in a growing economy it is imperative that continuous upgrading and rehabilitation programmes of existing network as well as investments in new capacities be undertaken to sustain growth momentum. It is in this background that the Government is making strenuous efforts to develop an efficient transport and communications network to meeting the growing need of the country. It is also encouraging private sector to complement the efforts of the Government in accelerating the development of transport and communications network and bringing about improvements in accessibility and delivery of the services provided.

This chapter reviews the existing situation of transport and communications network, various measures taken, and achievements made in different areas during the first nine months (July-March) of the current fiscal year.

### I. TRANSPORT SYSTEM

The transport system broadly consists of roads network, railways, air transport services and ports and shipping services.

#### (a) Roads Network

The preferred mode of transportation in Pakistan is road transportation, carrying 92 percent of passengers and goods traffic. The total length of roads in Pakistan is 181,836 Km, including 118,194

Km of high type and 63,642 Km of low type roads. The present road network is not adequate to meet the requirements, however, the present government has embarked upon an ambitious highways development programme. The road density in Pakistan is 0.23 Km, while the paved roads are 65 percent. Table No.15.1 presents the comparison of national road density and paved road with selected developing countries:-

Table 15.1  
Comparison of National Road  
Density with other countries

S.No. Country	Road Length (Km)	Road Density Km/Sq.Km	Paved Road (%)
1. Pakistan	181,836	0.23	65
2. India	2,060,000	0.61	50
3. Sri Lanka	99,200	1.50	40
4. Malaysia	945,000	0.29	75
5. Bangladesh	223,391	1.51	7
6. Turkey	381,631	0.49	25

Source: Ministry of Communications

The above mentioned Table shows that the road density in Pakistan is the lowest in the region. However, paved roads in Pakistan are 65 percent, and fares better than India, Srilanka, Turkey and Bangladesh. However, the percentage of Malaysian paved road is higher than Pakistan. The present Government is taking various measures to increase the paved roads in Pakistan.

#### National Highway Authority

National Highway Authority is responsible for the development and maintenance of national highways. It was established to plan, promote, organize and implement programme for construction, development, operation, repair and maintenance of national highways and strategic roads. The total length of roads under NHA is 7,144 Km, which account for 4 percent of the entire road network and 63 percent of the road traffic in the country. To increase the road network in Pakistan, National

Authority has embarked upon an ambitious highway development programme. Details of the ongoing highway projects, motorway projects, projects under Prime Ministers directives etc, undertaken by the National Highway Authority are documented in box.

An allocation of Rs. 16.64 billion was made during the year 1998-99. However a cut of Rs. 2.253 billion was imposed and NHAs PSDP was reduced to Rs.14.387 billion. This may affect the progress of work.

## DETAILS OF MOTORWAYS, HIGHWAYS AND OTHER PROJECTS

### Highway Projects.

- i. Karachi-Multan-Lahore-Torkham, N-5 (1756 Km);
- ii. Mansehra-Naran-Jalkhad Kaghan Valley Road N-15 (175 Km);
- iii. Karachi- Khuzdar- Quetta- Chamman, N-25 (816 Km);
- iv. Hassanabdal- Gilgit- Khunjrab, N-35 (803 Km);
- v. Lakpass (Quetta)- Nokundi- Taftan, N-40 (610 Km);
- vi. Kuchlak- Zhob- D.I.Khan, N-50 (528 Km);
- vii. Jamshoro Larkana- Peshawar, N-55 (1265 Km);
- viii. Rohri- Sibi- Quetta, N-65 (385 Km);
- ix. Qila Saifullah- D.G.Khan- Multan, N-70 (439 Km);
- x. Lahore- Islamabad Motorway M-2 with links (335+32=367Km).

Development Programme of ongoing projects undertaken by the National Highway Authority is given as under:

#### a. Dualization of Karachi-Lahore-Peshawar-Torkham Highway (N-5)

564 Km already dualized and under operation upto 1996-97;

450 Km substantially completed upto December 31, 1998;

100 Km will be completed by June, 1999;

407 Km will be completed by June, 2000;

Dualization work on Rahim Yar Khan Junction to Bahawalpur (171 Km) and Peshawar-Torkham has not yet started;

Lahore Bypass 17 Km and link from Motorway to G.T. Road near Kalashah Kaku (7 Km) completed and opened to traffic.

The estimated cost of dualization of N-5 is over Rs. 30 billion.

#### b. Kaghan Valley Road (N-15)

Kaghan Valley Road at a cost of Rs 3.2 billion has been finalised for the construction of 175 Km long Mansehra-Naran-Jalkhad Road. Project is expected to be completed by December, 2000.

#### c. Karachi-Khuzdar-Quetta-Chamman-Highway (N-25)

- Wad-Khuzdar-Sorab (160 Km) completed in 1997, Cost Rs. 2 billion;
- Uthal-Bela (69Km) completion by June, 1999, cost Rs. 868 million;
- Sorab-Kalat (74 Km) substantially completed, cost Rs. 794 million.

Design of Kararo-Wad (96 Km), Kalat-Quetta (130 Km), Quetta-Chamman (117 Km) has been completed and consultant has been appointed for the design of Bela-Kararo section (40 Km). The highway is being widened and improved to International standards.



d. **Lakpass-Dalbandin-Nokundi-Taftan Highway (N-40)**

- Nokundi - Taftan (124 Km) improved and opened to traffic in 1992;
- Dalbandin-Nokundi Contract IIIA 94 Km, cost Rs. 1,135 million, completion by June, 1999.
- Contract IIIB 85 Km, cost Rs. 1,090 million, substantially completed in March, 1999.
- Design of Lakpass-Dalbandin Section (307 Km) has been completed.

e. **Sukkur-Sibi-Quetta Highway (N-65)**

Feasibility study and Design work for the improvement of N-65 between Dera Allahyar and Sibi has been taken up under a Prime Ministers directive dated November 04, 1998. Construction work will start during 1999-2000.

f. **Quetta (Kuchlac)-Muslim Bagh-Zhob-D.I.Khan Highway (N-50)**

- Zhob-Dhanasar-Mughalkot (78 Km) already upgraded by FWO;
- Bids invited from FWO & NLC for the construction of D.I.Khan-Mughalkot section (124 Km);
- Consultants appointed for the feasibility study and design of Kuchlac-Muslim Bagh-Zhob (307 Km).

g. **Multan-D.G.Khan-Qilasaiullah Highway (N-70)**

- Design of entire N-70 (447 Km) completed by NESPAK in 1996;
- Up-gradation work on N-70 in Balochistan will be taken up during 1999-2000.

h. **Hassanabdal-Gilgit-Khungrab(N35)**

Work on upgradation of critical reaches on N-35 and replacement of old steel bridges by permanent concrete bridges has started. Work will be completed at a cost of Rs.550 million by June 2000.

i. **Indus Highway (N-55)**

Work on upgradation of Indus Highway Phase I & II from Kotri to Sehwan (134 Km), Ratodero to Rajanpur (270 Km), D.G Khan to Malana Junction (206 Km) and Serai Gambila to Badabher (147 Km) has almost been completed at a cost of Rs. 13 billion.

Design work on Phase III Sehwan-Ratodero (205 Km), Rajanpur-D.G.Khan (110 Km) and Malana Junction to Serai Gambila (112 Km) has started. Work on Phase III will be taken up in the year 2000. Indus Highway Project is being funded by OECF of Japan.

j. **Kohat Tunnel**

Tenders for Kohat Tunnel Project were opened in October 1998. The bid evaluation report has been sent to OECF for concurrence. The project component includes construction of 1.88 Km long two lane tunnel and 7.76 Km Northern approach road and 20.408 Km Southern approach road. Executive Board of NHA has recommended the PC-1 of Rs 6.6 billion for the approval of National Highway Council. The contract will be awarded shortly. The completion period of project is four years.

k. **Motorway Projects**

i. **Islamabad- Peshawar Motorway M-1 (154 Km)**

The construction work on Islamabad-Peshawar Motorway which started in 1998 is now picking up pace. The project costing over Rs. 26 billion is expected to be completed by December 2000.

ii. **Pindi Bhattian-Faisalabad Motorway M-3 (52 Km)**

NHA has signed an agreement with a consortium of local companies for the construction of 52 Km long 6 lane Pindi-Bhattian-Faisalabad Motorway on BOT basis. The construction work has started and expected to be completed by October 2000 subject to financial close. The construction cost of project is Rs. 7.2 billion.

iii. **Karachi-Hyderabad Motorway M-9 (135 Km)**

Letter of Support (LOS) has been issued to Fauji Motorway Co. for the construction of Karachi-Hyderabad Motorway on BOT basis. The estimated cost of the Project is Rs. 9 billion.

iv. **Karachi-Northern Bypass M-10 (64 Km)**

Construction of 64 Km long Karachi Northern Bypass has also been planned on BOT basis. Bids have been invited.

v. **Other Misc. Project**

Design of the following projects has also been completed and execution can start on availability of funds.

- Makran Coastal Road 653 Km, Cost Rs. 11.442 billion;
- Lowari Tunnel, Cost Rs. 15.3 billion;
- Gwadar-Ratodero Road 892 Km, Cost Rs. 23 billion;
- Hub-Dureji-Kakar Highway 300 Km, Cost Rs. 11 billion.

l. **Projects Under Prime Ministers Directives**

NHA has also started work on certain projects under the Directives of the Prime Minister. Details and present status of these projects are as under:

- i. **Chiniot Bridge Project:** The project has been initiated at a cost of Rs.366 million in 1992. So far 60 percent progress has been achieved. The project is expected to be completed by December, 1999. The enquiry report of design problem has been submitted by Pakistan Engineering Council. Four damaged piles will be redesigned.
- ii. **Thall-Parachinar:** 75 Km of road at a cost of Rs.410 million has been initiated in 1992. The todate progress is 62 percent. Expected completion date is December, 1999.
- iii. **Ratodero-Shahdadt-Quba Saeed Khan:** 64 Km of road at the cost of Rs.817 million was started in 1993. The todate progress is 48 percent. Expected completion date is December, 1999.

- iv. **Shahdadt-Khuzdar:** 35 Km of road at the cost Rs.490 million was started in 1994. Todate progress is 51 percent. Expected completion date is June, 2000.
- v. **Sukkur Bridge:** The project at a cost of Rs.1,500 million was started in March 1996. The todate progress is 41 percent. Expected completion date is December, 1999.
- vi. **Improvement of KKH:** 706 Km of road at the cost of Rs.551 million was started in July 1997, expected completion date is December 1999.

#### Hill Roads

- i. **Islamabad to Satra Mile ACW (Murree Road):** 10.9Km of additional carriage way at the cost of Rs.120 million was started in May, 1993. The project from Islamabad to Barakahu has been completed by May 31, 1998 and opened for traffic. The construction of remaining section of contract from Barakahu to Satramile is under consideration.
- ii. **Barian-Nathiagalli-Abbottabad:** 57.50 Km of road at the cost of Rs.1,500 million was started in April, 1993. The todate progress is 47 percent. Expected completion date is December 1999.
- iii. **Mansehra-Naran-Kaghan-Jhalkhat Rehabilitation:** 175 Km road at the original cost of Rs.5,968 million was initiated in June, 1997. It has been revised to Rs.3,294 million. The todate progress is 5 percent. Expected completion date is June 2000 for section-1 and December, 2001 for section-II respectively.

#### (b) Pakistan Railways

Pakistan Railways is playing a crucial role in the country's economy by catering the needs of large scale movement of freight as well as passenger traffic thereby contributing to the economic growth and promoting national integration. However, Pakistan Railway: net-work has been deteriorating over the years due to lack of investment, financial constraints, operational inefficiency, over-staffing and mis-management. The condition of assets is not satisfactory as about 60 percent of rails, 55 percent of sleepers, 60 percent of diesel electric and 100 percent of steam and electric locomotives have become obsolete.

The Government has introduced organizaional, structural, and management changes to imprcve the efficiency of the system as well as attracting private investment in this sector. Pakistan Railways: monolithic structure/ organization has been

unbounded into three core business units viz. (i) Passenger Business Units (ii) Freight Business Units (iii) Infrastructure Business Units and one residual (for hospital, workshops, schools etc.) The Government has decided to allow private investment in Railway Sector to operate freight and passenger trains using rail track excess by paying charges to Pakistan Railways.

Despite increase in the price of fuel and cost of maintaining services, Pakistan Railways has not enhanced its fares of passenger and freight traffic, thus providing cheap and subsidized travel to the general public. During 1998-99 it has introduced fast non-stop Passenger Services with lower class air-conditioned coaches between large industrial centers. The following table shows performance of Railway Sector for the period July-March, 1998-99 comparing with the last year.

**Table 15.2**  
**Performance of Pakistan Railways**

Particulars	Units	1997-98 July-March	1998-99(P) July-March
Route K.M	K.M.	8,774	8,774
Passenger Carried	Million Nos.	64.87	48.00
Passenger K.M	Million	18,774	14,073
Freight carried Tones	Million	5.98	4.00
Freight Tonne K.M	Million	4,444	2,725
Locomotives	Nos.	587	596
Freight Wagons	Nos.	23,843	27,251
Passenger Coaches	Nos.	2,152	2,040
Gross Earnings	Rs. Million	9,698	6,700

Source: Ministry of Railways.

An amount of Rs.2,823million was allocated to Railways under the Public Sector Development Programme 1998-99 which is insufficient to even liquidate the liabilities for payment of CD & ST for the imports of on-going projects. However major works expected to be completed within resources include (i) Rail renewal of 67 Km and sleeper renewal of 30 Km (ii) Rehabilitation of 24 old locomotives (iii) Fitment of roller bearing to 1,500 number of wagons (iv) Induction of 4 new locomotives of 3000 HP (v) Completion of Track Circuiting of 94 station project.

#### (c) Air Travel Services

Realizing the importance of this sector the Government has taken various measures for building a strong air transport infrastructure in Pakistan. A selective open skies policy has been adopted with a number of countries on the principle of reciprocity and bilateralism. In consonance with the privatization policy formulated in 1990 for encouraging private sector to enter into the air travel services, three private air lines namely Shaheen Air lines, Aero Asia and Bhoja Air line are operating successfully on local and international routes.

#### (i) Civil Aviation Authority

The Civil Aviation Authority is responsible for the promotion and regulation of civil aviation activities and development of infrastructure for safe, efficient, adequate, economical and properly coordinated air service in Pakistan. During the year 1998-99, various achievements have been made by the Civil Aviation Authority i.e. construction of terminal building and allied facilities at Sukkur Airport was completed, up-gradation of Moenjodaro Airport for B-737 operation was completed, expansion of international departure lounge at Islamabad International Airport was completed, work on

construction of new terminal complex at Lahore International Airport is in progress, construction of a concourse hall at Quetta International Airport is in progress, reconstruction of secondary runway at Karachi is in progress, work on WG survey for introducing future air navigation system through the satellite networks and automation of A.I.S. is in progress.

#### (ii) Pakistan International Airlines

The airline has been assigned to provide and develop safe, efficient and economical air transport services on both domestic and international routes. PIA's network covers 55 International Stations in four continents and 37 Domestic Stations covering almost all parts of the country. During July 1998 March 1999, PIA generated Rs.8,099 million. Seat factor achieved during the period was 67.0 percent. A total of 3.866 million revenue passengers were carried by PIA on both international and domestic routes. PIA appointed Sabre Group, an internationally renowned consultants of airline technology to help achieve sustainable profitability in the future. During the period under review, PIA undertook the re-organization of different departments. This was done with the objective of remodeling the airlines on modern lines and tapping the full potential of existing manpower and other resources to meet targets set by the management. Effective January 15, 1999, PIA launched Frequent Flyer Programme Award Plus on a big scale. This programme has been introduced with the objective of providing better services and facilities to its valued customers.

PIA aircraft fleet as on March 31, 1999 consisted of 8 Boeing 747s, 10 Airbus A300-B4s, 6 Airbus A-310s, 6 Boeing 737s, 13 Fokker F-27s and 2 Twin Otters. PIA achieved an overall system regularity of 77.4 percent during July-March 1998-99. PIA has finalized a deal with Cathay Pacific for acquiring five Boeing 747-300 air craft on a two year lease. This is an interim arrangement till replacement of the aging Boeing 747-200 fleet with new air craft.

#### d. Ports & Shipping

The country has two major sea ports namely Karachi Sea Port and Port Qasim. Beside, two Fish Harbour-Cum-Mini Ports are being developed at Gawadar and Keti Bunder. Karachi Port is a deep water natural sea port with long approach channel and can receive tankers, containers, bulk and general cargo ships.

**Karachi Port** is the main port of the country, handling the majority of all dry and liquid cargo. The Karach Port has handled 17.586 million tonnes of cargo during July-March 1998-99 (13.302 million tonnes of imports and 4.284 million tonnes of export), compared with 17.020 million tonnes of cargo (12.796 million tonnes of imports and 4.224 million tonnes of exports) during the corresponding period of last year. The number of vessels handled during July March 1988-99 were 1,262 and total Dead Weight Tonnes GRT 23.8 million tonnes during the same period. The Karach Port has also prepared a number of Port Oriented Schemes for offering to the Private Sector such as, Container Terminal at Berths 6-9, Bulk Cargo Terminal and setting up of Off Dock/CFS Terminal. In order to further improve its operation several technical studies have been completed and the recommendations will be implemented. These will go a long way in meeting the future shipping and cargo handling traffic of the country.

As part of the modernization of Karachi Port two barges were prepared by the KS & EW and were handed over to the KPT on March 19, 1999. This will ensure enhancement of KPT barge capabilities for dredging spoil by 50 percent. The reconstruction of Berths No. 5-10 has been completed. Additional 125 meters length of these berths are planned to be upgraded so that simultaneous berthing of three ships can take place. The newly constructed berths with a depths of 13.5 meter can berth larger Panamax vessel.

**Port Qasim** located 50 Kilometers Southeast of Karachi, is Pakistan's second deep sea port and was built in 1980 for overflow from Karachi port and to handle raw material, imports for Pakistan Steel Mills. Within a short-span it has grown into a full fledged Port offering a wide range of facilities for general bulk cargoes specialized terminals for Oil, Liquid Chemicals and Container Handling.

During the period July-March 1998-99, a cargo volume of 8.013 million tonnes, comprising of 7.529 million tonnes of imports and 0.484 million tonnes of exports was handled at the Port. During the year July-March 1997-98, Port Qasim contributed about 77 percent of the total sea-borne trade of the economy by handling 11.046 million tonnes cargo, comprising 10.847 million tonnes of imports and 0.199 million tonnes of exports.

Port Qasim has sought the participation and involvement of private sector both relating to port

facilities and operations as well as investment in the industrial and commercial activities in its industrial zones. The entire range of cargo handling i.e. from opening of the hatch of ship to delivery to the consignee for imports and vice versa is carried out by CHCs (Cargo Handling Companies) from the private sector under one window operation.

Port Qasim has embarked on an ambitious plan to upgrade and expand its facilities. Major projects being planned and implemented include, deepening and widening of navigational channel for 75,000 dwt class vessels, night navigational facilities and advanced vessel tracking system, development of additional berths and cargo storage areas, infrastructure development in Port's industrial areas, procurement of additional tugs, marine Workshop and Dry Dock facilities, dualization of Port's access road to cater for increased traffic volumes.

#### **Pakistan National Shipping Corporation (PNSC)**

The Corporation is a national flag carrier and its main objectives are i) to serve an operating link between major trading partners of the country, ii) to maintain, a stabilizing influence on the freight rates charged by the Conferences and other liner services operating to Pakistan, iii) to save foreign exchange and to provide strategic link in the case of emergencies. The fleet strength of Pakistan National Shipping Corporation during the period July March 1998-99 was 15 vessels with a deadweight tonnage of 261,836 and operating revenue for the same period is Rs.2,674.4 million. PNSC also handles operations for shipment of rice exports, cement, fertilizer, iron ore, coal and wheat imports. PNSC now has taken over transportation of crude oil requirements, which were earlier awarded to foreign operators. A dedicated container service has been established between Karachi, Colombo and Singapore. This has been made possible after removal of taxes and duties from imported ships, thus enabling PNSC to induct its already acquired ships into the new service. PNSC has expanded its ship repair relation with People Republic of China and have effected tremendous savings in Dry Docking of its vessels that were hitherto sent to other shipyards. It has enhanced its services to China for the imports of raw materials like Soda Ash and Coke etc., by making regular calls at two Chinese ports.

## **II. COMMUNICATIONS**

The importance of Communication in development cannot be over emphasized as the world

has become a smaller place with the advent of new types of technology such as the telex, the fax, phone networks, internet, satellites etc. These new forms of Communication have reduced drastically the time it takes to transmit information. Information is absolutely necessary in the highly competitive world of international trade. Thus an efficient Communication system not only promotes commercial exchanges but can also play a role in the development of regional trade. Pakistan has developed a modern telecommunication and postal system.

The Telegraph and Telephone (T&T) Department was converted into Pakistan Telecommunication Corporation on 15th December 1990 by delegating the powers to the Board of Directors for better functioning of the telecommunication system in the country. Thereafter on 1st January, 1996, the said system was reorganized by establishing the Pakistan Telecommunication Authority (PTA), the National Telecommunication Corporation (NTC), the Pakistan Telecommunication Company Limited (PTCL). The PTA has been organized to regulate the establishment and operation/maintenance of telecommunication system in Pakistan. The NTC is established to control and meet the telecommunication requirements of the Government and the Defence services by maintaining complete secrecy. The PTCL is established for the improvement of telecommunications system i.e. to provide most modern facilities to the customers on commercial basis. Performance of the above mentioned organizations are narrated below:

#### **i) Pakistan Telecommunication Authority (PTA)**

Pakistan Telecommunication Authority issues licenses to Pakistan Telecommunication Company Ltd. (PTCL) Special Communication Organization (SCO) and to private companies to operate telecom services in Pakistan. Presently 144 operators of different telecom services are providing these to the consumers which include cellular phones, card pay phones, audio tex, E-mail/Internet, data communication, digital radio paging, trunk radio and voice mail etc. The number of wireless licenses increased from 721 in July 1998 to 915 in March 1999. This corresponds to increase in number of wireless station from 6,748 in July 1998 to 7,214 in March 1999.

#### **ii) National Telecommunication Corporation (NTC)**

National Telecommunication Corporation has been able to provide an installed capacity of 45,500 lines in the Federal and Provincial Capitals and work is in progress for installation of an other 26,500 new lines in nearly 46 cities and towns of Pakistan spread through out the country. The National Microwave and Coaxial Cable Systems are being operated and maintained by National Telecommunication Corporation and work is in hand to equip the Optical Fibre Pairs allocated to NTC on the main and alternate OFC routes. Once completed, the National Telecommunication Corporation will be able to acquire the digital media for all its long haul, junction and spur systems in addition to the existing systems. The future development programme of NTC is aimed at up-gradation and development of its existing communication infrastructure and user services upto the international standard.

#### **iii) Pakistan Telecommunication Company Limited (PTCL)**

At present there are more than 3.6 million lines out of which about 2.86 million lines are connected to the customers, 2,580 telephone exchanges, 1,115 NWD exchanges, 10,107 VHF (very high frequency) PCOs, 401 telegraph offices and 155 customers service centres are working in the country. The Optical Fiber Cable National link, on Rawalpindi-Karachi main route of more than 2,000 km length and Alternate link on Peshawar-Karachi main route of 1,546 km length are operating in the country for providing more than 70,000 speech channels. In 1996, there were 18 telephone lines for 1,000 people in Pakistan where as 15 telephones per thousand in India, 3 in Bangladesh, 25 in Philippines, 14 in Srilanka, and 70 in Thailand. The telephone lines per thousand in Pakistan are very low but it is better than India, Bangladesh, Srilanka. However, the telephone lines in Thailand is higher than Pakistan. In 1998 it was increased by 25 telephone per 1000 people in Pakistan.

At present about 11,162 customers are connected through internet, whereas the number of internet connections shall be increased upto 50,000 during December, 1999. The Company has launched a programme to provide 25,000 card pay phones within 18 months in various cities of Pakistan. At present ISDN services are offered over a limited geographical areas in the cities of Islamabad, Karachi and Lahore. PTCL has introduced C.L.I. (Caller Line

Identification) system in the country. This facility is being implemented in digital exchanges of big cities. PTCL is working on Investment Programme to add 350,000 new telephone lines in current Annual Development Plan 1998-99. The contract for providing 266,000 new/replacement of old lines under Built Lease Transfer Scheme with Chinese Firm has also been signed. PTCL has also planned to launch cell-phone business by June 1999.

PTCL provides telephone access to over 203 countries with about 5,582 international circuits. There are 4 International Gateway Exchanges, 2 each at Islamabad and Karachi and 2 Satellite Earth stations, one at Mallach Islamabad and other at Dehrrandro Karachi. A 1,200 channel submarine cable is operating between Pakistan and UAE with about 800 circuits to handle international traffic to UK and USA. A Coaxial Cable between Pakistan-India and a Microwave link between Pakistan Iran and Turkey operates to handle the traffic between relevant countries. Similarly a 72 channels UHF link exists between Pakistan and Afghanistan.

The Telecommunication Sector has been deregulated for private investment. The Government has issued licenses to a number of firms for manufacturing, marketing, operating of certain telecommunication equipment and services such as Card Pay Phones, Cellular Mobile Telephone Services, Pager Services, Data Network Services, Electronic Mail Services, manufacturing of digital exchanges/PABXs, telephone cables, jointing material, telephone instruments, fax machines, etc.

The tariff structure remains under constant review of the government to rationalize it from the point of providing adequate returns to telecom operators and to tap the tremendous potential of the growth in demand and the market for telecom services. The Government of Pakistan has reduced the Central Excise Duty on telecom services, encourages the use of value added services with special emphasis on the proliferation of Internet. It has also reduced import duties on telecom equipment and allows tax exemption. Local call charges (Rs.1.75 per unit), having remained the same for many years despite inflation, were finally time-metered w.e.f. July 01, 1998 at the rate of 5 minutes per pulse unit. However, PTCL still has no time metering on Internet. As opposed to more than 75 countries of the world, Internet can be used for any duration for a charge of one local call in Pakistan.

PTCL has successfully entered into arrangements with foreign and local telecom companies and has signed three contracts for Prepaid Calling Card service to promote international calls traffic. Pakistan enjoys a strategic position in global telecommunications, an extensive, modern and secure fiber optic cables systems, both land-laid and submarine, which form an impressive network for PTCL. In recent years, company has taken steps to increase its presence in the competitive international business environment.

#### iv) Postal Services

The Post Office is a Federal Government entity which provides postal facilities through a network of 13,294 post offices across the country, of which 2,044 post offices located in urban areas and 11,250 post offices are located in rural areas. The department is providing various traditional postal services to the consumers at a reasonable price. These include exchanges of mail, provision of a remittance service and special mail services. Its vast network of post offices in every nook and corner of the country is of crucial importance. Beside postal services it also provide services as savings bank, life insurance, payment of military pensions, disbursement of assistance from the Baitul Mal, collection of motor vehicle tax, renewal of arms and driving licenses, issue and renewal of radio licenses etc.

In order to maintain steady expansion of the postal services in the country, a new scheme of franchise post offices on commission basis was introduced. So far 200 franchise post offices have been set up in the country which are functioning mainly in major cities.

### III. ELECTRONIC MEDIA

Electronic media consists of Pakistan Broadcasting Corporation and Pakistan Telecommunication Corporation Limited. These two Corporations are playing an effective role for socio economic uplift in the country and entertainment to the people.

#### (i) Pakistan Broadcasting Corporation (PBC)

Pakistan Broadcasting Corporation has played a pivotal role in promoting national interest by providing information, entertainment and education to audiences at home and abroad in 35 languages (19 regional / sub-regional and 16 foreign) from 24 Radio

Stations transmitting 419 hours daily covering 80 percent area and 95 percent population of the country. FM 101 and the World Service transmissions are on the Internet (web site .radio.gov.pk.) thus expanding its listener ship to all over the world. For overseas Pakistanis in Europe, Middle East and Far East, new Programmes for children and women have been added in all four transmissions of the World Services. At present 21 foreign Radio Stations are monitored in seven languages by PBC Central News Organization. PBC is considering the expansion of FM-101 service from 18 hours daily to 24 hours. FM Motorway channel is also under consideration of the PBC. The PBC, through Internet Transmission, is considering to provide knowledge about Islam to the children of Pakistanis in Europe & USA.

#### (ii) Pakistan Television Corporation Limited

A TV station was set-up in Lahore on November 26, 1964. In June 1967 it was converted into a public limited company, named as Pakistan Television Corporation Limited, with the prime objectives and functions to establish a Television Network in the country for the provision of television broadcast services by telecasting programmes of all kinds i.e. news, pictorial, documentaries, local & foreign films for the purposes of disseminating information, education and purposeful entertainment.

There are two channels in the country, namely, General Purpose Television (PTV-1) and Second TV Channel for Education (PTV-2). PTV-1 has five television programme production centers, located at Lahore, Karachi, Islamabad, Peshawar and Quetta and 36 rebroadcast centers through out the country providing TV viewing facilities to 38 percent of the area and 88 percent of population of the Country. PTV-2 has one programme production unit at Islamabad and 16 rebroadcast centers of which 10

are cosited with transmitters of PTV-1. The broadcasts of PTV-2 are reaching 23 percent area and 56 percent population of the country. Average daily transmission upto March, 1999 are 16 hours from PTV-1 and 10 hours from PTV-2.

PTV has taken the following measures to further improve its financial position during the current financial year 1998-99 i.e. introduction of PTV-WORLD towards the utilization of facilities and commercial potential of PTV-2 which provides a second choice to the viewers and an advertisement venue to parties who cannot afford publicity of their products on PTV-1, introduction of Prime TV from Oslo and Mid-East Time from UAE for PTV viewers in Europe and Middle East respectively, which has opened new areas of income generation for PTV, introduction of a separate Sports Channel of 4 hours daily transmission by utilizing facilities and spare time segment of PTV-2, improvement in programming fare by encouragement of private entrepreneur for production of programme for PTV through sale of air time.

The estimated number of TV, VCR sets in the country for the year 1997-98 are 2,736,241 and 130,640 respectively and for the year 1998-99 (upto March 31, 1999) these are estimated 2,911,127 and 133,965 respectively. However, licence fee collection ratio is about 47 percent of the registered sets which is expected to improve in view of privatization of Licence Fee Collection. Presently work on establishment of 07 TV boosters on PTV-1 is in progress. These boosters are located at Zhob, Wad, Turbat, Dukki, Lasbella, Daroosh, and Booni. Similarly, under the expansion programme of Second TV Channel, fifteen TV boosters are being established at Mangora, Layyah, Karachi, Quetta, Faisalabad, Sahiwal, Mailsi, Bahawalnagar, Thandiani, Pasrur, Khewra, Morasar, Chitral, Dir and Guli Bagh.



## CHAPTER

# 16

## Energy

Energy is the basic ingredient to the process of economic development as well as life blood for the economy. The socio-economic development of a country can also be judged by looking at the per capita energy consumption. Although the per capita energy consumption is low in Pakistan, it is nevertheless increasing gradually over the last one decade. Despite having vast potentialities for energy resource, Pakistan remains energy deficient country. The present government has made tremendous efforts to accelerate the pace of development in this sector. A new power policy has been unveiled in 1998 for providing institutional frame work and encouraging private sector in the exploration and development of energy resources of the country. Efforts are being made to exploit the existing energy resources with a view to build a strong indigenous exploration and production base. These efforts are directed at achieving cost effectiveness, reduction in import dependence, promotion of self-reliance through accelerated exploitation of energy resources with minimum environmental degradation.

Major sources of energy in Pakistan consists of oil, gas, petroleum products, coal and electricity. Pakistan is highly dependent on imported oil to meet its requirements and spends huge amount of foreign exchange every year on this account. Until few years back Pakistan used to get half of its electricity from hydel power and the remaining from thermal generation. Over the last five years, thermal capacity has more than doubled including about 4,000 M.W. from the Independent Private Power (IPPs). But the supply from private sector being more expensive has created an upward pressure on consumer tariffs. Efforts are going on to regain hydel-thermal synergistic balance by exploiting the large untapped hydel potential. Natural gas is the largest indigenous source of energy in Pakistan. Pakistan lies in the vicinity of abundant sources of natural gas in the West and Central Asia, specially Qatar, Iran and Turkmenistan. Pakistan's objective for gas import is to bridge the supply gap in short-to-medium term with main consideration of lowest delivery price and earliest delivery time. There are a number of geo

political factors that would influence the progress of the gas import projects, principally the stability and peace in Afghanistan. A consortium of international companies, Centgas, is actively pursuing the project of gas pipeline from Turkmenistan through Afghanistan. Government of Pakistan, Turkmenistan and Afghanistan have renewed their commitments to the gas import projects and trilateral efforts are being made to get it of the ground.

### **Status of Petroleum Policy, 1997**

In accordance with Petroleum Policy, 1997, necessary changes have been made in the Income Tax Ordinance, 1979 through Finance Bill 1998. A Model Production Sharing Agreement has also been prepared and a summary to this effect is being submitted to the ECC of the Cabinet for approval. Simultaneously, Ministry of Petroleum & Natural Resources making necessary amendments/changes in the Regulation of Mines and Oilfields and Mineral Development (Government Control) Act 1948 and Pakistan Petroleum (Exploration & Production) Rules, 1986 to cater for the changes extended through the Petroleum Policy 1997.

### **Commercial Energy Supplies**

The commercial energy supplies in the country consist of oil, gas, petroleum products, coal & electricity. The quantum of energy supplies from these sources during July-March, 1998-99 stood at 41.166 million barrels of crude oil, (25.9 million barrels imports & 15.263 million barrels local crude extraction), 551,392 mcf of gas and 12.369 million tonnes of petroleum products (imports 7.494 million tonnes & 4.875 million tonnes local production), coal 2.939 million tonnes (imports 0.72 million tonnes and local production 2.219 million tonnes) and electricity of 43,468 GWh. Comparative figures for July-March, 1997-98 were 38.849 million barrels of crude oil (23.5 million barrels of imports and 15.3 million barrels of local production), 526,628 mcf of gas, petroleum products was 13.38 million tonnes (imports 8.7 million tonnes & local production of 4.678 million tonnes)

coal 3.37 million tonnes (imports 0.75 million tonnes & local production of 2.62 million tonnes) and electricity was 45,038 GWh respectively. The per capita availability of primary energy supplies showed a rising trend over the years which indicate increasing demand of energy supplies to meet the domestic, industrial, commercial and power generation requirements. Table 16.1 shows the trend since 1991-92 until July-March 1998-99.

**Table 16.1**  
**Primary Energy Supplies and**  
**Per Capita Availability**

Year	Energy Supplies (Min TOE)	Per Capital Availability (TOE)
1991-92	30.475	0.260
1992-93	32.953	0.273
1993-94	34.778	0.279
1994-95	36.062	0.282
1995-96	38.746	0.294
1996-97	38.515	0.300
1997-98	40.403	0.307
1998-99(Jul-Mar)	30.669	0.228

Source: i) Hydrocarbon Dev. Institute of Pakistan  
ii) Economic Advisers Wing

## Performance Profile of Crude Oil and Natural Gas

### i) Crude Oil

The recoverable reserves of crude oil as on March 31, 1999 were estimated at 238 million barrels in the country. The average crude oil production at the end of 3rd quarter of financial year 1998-99 was 55,703 barrels per day against 55,992 barrels per day during the comparable period of last year. During the reported period, 20,770 barrels per day was produced in northern region and 34,934 barrels per day in southern region compared with 21,964 barrels and 34,028 barrels per day respectively during the comparable period of 1997-98. Apart from natural depletion of fields, work over at UTP field wells in the south and reduction in production of heavy oil fields of OGDCL and POL in the north, due to maintenance operations at ARL heavy crude oil processing unit have caused shortfall in production during March, 1999. Position of crude oil production for the year 1998-99 (July-March) and corresponding period of last year is given in Table 16.2.

### Consumption of Oil & Oil Products

Transport sector has been the largest consumer of oil and oil products accounting for 47.5

**Table 16.2**  
**Production of Crude Oil**  
**(Barrel Per Day)**

Region	1997-98	July-March 1997-98	July-March 1998-99	% Change
<b>Northern Region</b>	<b>21,730</b>	<b>21,964</b>	<b>20,770</b>	<b>-5.43</b>
OGDCL	12,347	12,681	10,719	-15.47
OPI	1,503	1,533	2,035	+32.74
POL	5,269	5,194	5,514	+6.16
PPL	2,611	2,556	2,503	-2.07
<b>Southern Region</b>	<b>34,552</b>	<b>34,028</b>	<b>34,934</b>	<b>+2.66</b>
OGDCL	9,175	8,543	11,566	+35.39
UTP	25,295	25,397	23,290	-8.29
PPL	82	88	78	-11.36
<b>Total</b>	<b>56,282</b>	<b>55,992</b>	<b>55,703</b>	<b>-0.51</b>

Source: Directorate General of Petroleum Concessions.

percent of total consumption during Jul-Mar 1998-99 followed by power sector (32.0%), industry (13.5%), household (3.3%), other government (2.25%) and

agriculture (1.45%). For detail see Table 14.1 of the statistical appendix.

ii) *Natural Gas*

As on March 31, 1999 the recoverable reserves of natural gas has been estimated at 21 trillion cubic feet in the country. The average production of natural gas at completion of 3rd quarter of 1998-99 was 2,012 million cubic feet per day against 1,922 million cubic feet per day during the

comparable period of last year.

Main companies currently engaged in exploratory and development activities are LASMO, MGCL, OGDCL, OPI, POL, PPL & UTP. Table 16.3 shows the position of natural gas production for the year 1998-99 (July-March) and the corresponding period of last year.

**Table 16.3**  
**Production of Natural Gas**  
**(Million Cubic Feet Per Day)**

Region	1997-98	July-March 1997-98	July-March 1998-99	% Change
LASMO	68	67	72	+7.46
MGCL	374	381	380	-0.26
OGDCL	457	470	422	-10.21
OPI	11	12	11	-8.33
POL	23	23	31	+34.78
PPL	822	805	939	+16.64
UTP	162	164	157	-4.26
<b>TOTAL</b>	<b>1,917</b>	<b>1,922</b>	<b>2,012</b>	<b>+4.68</b>

Source: Directorate General of Petroleum Concessions

**Consumption of Gas**

Power sector emerged as the largest consumer of gas during July-March 1998-99, accounting for 29.0 percent of total consumption followed by fertilizer industry (25.8%), household (21.4%), industrial sector (20.2%) and commercial

sector (3.5%).

iii) *Drilling Activities*

At the completion of the 3rd quarter of the current fiscal year, 22 wells were drilled, including 3 wells of OGDCL in public sector.

**Table 16.4**  
**Drilling Activities (Achievements)**

S.No.	Sector	1997-98	1998-99 (Jul-Mar)
i)	Public Sector (OGDCL)	12	3
	Exploratory	8	2
	Appraisal /Development	4	1
ii)	Private Sector	35	19
	Exploratory	26	6
	Appraisal/Development	9	13
	<b>Total</b>	<b>47</b>	<b>22</b>

Source: Directorate General of Petroleum Concessions.

iv) **Discoveries**

During the period July - March 1998-99 a total number of 3 gas fields have been discovered by the private sector. These are Zarghun South-1 (Gas) of Premier, Badhra-2 (Gas) of LASMO and Hassan X-1 (Gas) of PPL. No discovery has been made by OGDCL during the reported period.

v) **Oil and Gas Development Company Limited (OGDCL)**

The Oil & Gas Development Company Limited was established as Corporation in September 1961. The Corporation (OGDC) was entrusted the

responsibility to undertake systematic exploratory Programme and to plan and promote oil and gas prospects. The OGDCL's concerted efforts were successful as they resulted in a number of major oil and gas discoveries. By March 1999 the OGDCL had made 47 discoveries which include 28 oil, 12 gas and 7 condensates discoveries. The OGDCL now produces approximately 38.0 percent indigenous oil and 24.0 percent of gas. Physical progress of the company with effect from July 1, 1998 to March 31, 1999 in comparison with corresponding period of previous years is given in Table 16.5 below:

**Table 16.5**  
**OGDCL'S Comparative Performance Statement**  
**(Current vs Last Year)**

S.No.	Name of Activity	Achievement 1997-98	Achievement 98-99 (July-March)	% Change
1	No. of Well Spudded Exploratory Development	5	2	-60
		3	1	-67
2.	Production Oil (US Barrels)	5,815,217 *(21,301)	6,107,288 *(22,371)	+5 +5
	Gas (MMcft)	128,887 *(472)	115,958 (424)	-10 -10
	LPG(Tonnes)	52,904 (193)	56,183 (206)	+6 +6
	Sulphur (Tonnes)	17,879 (65)	12,854 (47)	-28 -28

\* Figures in brackets shows daily average production.

Source: Oil & Gas Development Company Limited.

The OGDCL's major on going projects scheduled to be completed during the financial year 1999-2000 include the Uch gas development project located in Dera Bugti which will produce 250 MMcfd of gas to be used for power generation for 586 MW UCH Power Plant; Pirkoh compression project located in Dera Bugti will produce 200 MMcfd gas for SNGPL/SSGC; Nandpur and Panipir development project located in district Khanewal Punjab province will produce 65 MMcfd of gas which has been dedicated for power generation to 144 MW Fauji Kabirwala Power Plant; kunnar complex development project located in district Hyderabad Sindh will produce 3,000Bpd of oil and 40 tons per day of LPG;

Bobi Complex development project located in district Sangher, Sindh will produce 2,500Bpd of oil and 120 tons per day of LPG.

vi) **Sui Northern Gas Pipelines Limited**

Sui Northern Gas Pipeline Limited was incorporated in 1963 and converted into a Public Limited Company in 1964. The principal business of the Company is transmission, purification and distribution of natural gas in Punjab and NWFP. In line with the policy of privatization, the government share holding in the company will be reduced to 40 percent and about 26 percent shares are anticipated

to be placed with foreign company of international repute.

During July 1998-March 1999 SNGPL has given connections to 50 Industrial, 2,425 Commercial and 60,146 Domestic consumers bringing the progressive total number of consumers to 2,120 Industrial, 38,829 Commercial and 1,685,835 Domestic. SNGPL has so far supplies Gas to 264 Towns in Punjab and NWFP.

#### vii) *Sui Southern Gas Company Limited*

The Sui Southern Gas Company Limited was established to carry out business of buying/storing, distributing, transporting, transmitting, processing and selling of natural gas and liquefied petroleum gas in Sindh and Balouchistan. The SSGC also purifies gas for Sui Northern Gas Pipelines Limited and distributes LPG in all provinces of Pakistan. SSGC owns and operates a Gas Meter Manufacturing Plant at Karachi, which is the only domestic & commercial gas meter manufacturing facility in Pakistan. SSGC owns and operates high-pressure gas transmission pipeline system transporting gas to its franchise regions. The center transmission system is protected earthed and covered by the Company & Radio Telecommunication System. Served by the transmission system, SSGC also owns and operates an extensive gas distribution system. The Company also constructs and repairs HP/LP pipelines. SSGC is a public limited company with 89.65 percent of its shares currently owned by Government and Government controlled Financial Institutions.

During July 98 - March 99, SSGC has given connections to 96 Industrial, 1,142 Commercial and 58,539 Domestic consumers bringing the progressive total number of consumers to 2,082 Industrial, 18,367 Commercial and 14,07,600 Domestic. The SSGC has so far supplied gas to 621 Towns/Villages of Sindh and Baluchistan.

#### **Profile of Electricity Generation**

The water and Power Development Authority (WAPDA) and Karachi Electric Supply Corporation are the main organizations, involved in power generation, transmission and distribution of electricity in the country. The Karachi Nuclear Power plant, a public sector organization and some independent Power Producers (IPP's) are also involved in power generation. The present government has constituted under an act of the Parliament in 1997, a judicious

regulatory body namely National Electric Power Regulatory Authority, (NEPRA), to regulate all issues relating to electricity.

The bulk of the installed capacity of WAPDA's power system comprising of Northern, Upper, Lower Sindh and Quetta power market's stood at 13,716 MW (hydel 4,825 MW and thermal 8,891 MW) during July - March, 1998-99 followed by IPP's 3,771 M.W, KESC 1,735 MW and Karachi Nuclear Power Plant 137 MW. The total installed capacity stood at 19,359 MW during July - March, 1998-99 compared with 15,996 MW during July-March, 1997-98 thereby registering an increase of 21 percent.

#### **I. NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (NEPRA)**

The National Electric Power Regulatory Authority (NEPRA), constituted under an Act of Parliament in December 1997, is responsible for introducing transparent and judicious regulation in Pakistan's power sector. The sector is currently in the throes of a financial crisis and requires extensive restructuring, which the government is committed to accomplish. The establishment of NEPRA is a key element in the restructuring and corporatization process envisioned for the power sector as per the Strategic Plan for the Privatization of the Power Sector approved in 1992. The Authority will eventually be responsible for issuing licenses to generation, transmission and distribution companies, establishing standards to ensure the quality and safety of operation, approving investment programs of the utility companies and determining tariffs.

The constitution of a regulatory regime is a new experiment for Pakistan. Task groups have been formed within the Authority which are engaged in devising procedures for licensing of the generation, transmission and distribution companies which are likely to be established when the proposed corporatization of the sector takes place. As of April 1999, the Authority has notified rules for holding tariff hearings and has formulated standards for the determination of tariffs as well as establishing procedures for the analysis of financial and technical data submitted by the utilities for evaluation of tariff petitions. The Authority has also notified rules for the issuance of the licenses to distribution companies, and has sent rules for generation licenses to the Federal Government for approval. Performance standards for the sector are currently being drafted.

## Power Policy 1998

1. The present government realized that the IPPs coming under the 1994 policy would be a burden on the economy, vis-a-vis high tariff, as well as over-capacity in the near future. The government considered it a priority to address this issue. Therefore, various committees were formed and each committee formulated certain guidelines, and recommended ways and means to reduce cost of power, and negotiate with the IPPs. Meetings were held with the IPPs. For indigenous fuel projects having a capacity of upto 20 MW, an average first 10 years tariff of US cents 5/Kwh was offered while remaining larger projects were offered tariff of US cents 4.8/Kwh. So far two smaller projects have agreed unconditionally for a tariff of US cents 5/Kwh. Efforts are further continuing for tariff reduction by the other IPPs.

2. Keeping in view the power requirement projections from the year 2003-2004 onwards, the need for a new power policy was felt, where the main thrust has been to explore the potential of indigenous fuels and resources for power generation, especially coal and hydel. The objective of the New Power Policy is to introduce competition to achieve the lowest possible tariff through a transparent bidding process. New power policy was announced in July 1998, and it covers:

- Both solicited and unsolicited proposals.
- Thermal and hydel IPPs.
- IPPs with integrated fuel facilities.
- Power plants based on renewable resources, including co-generation plants.

The salient features of the New Power Policy 1998 are as follows:-

- Detailed feasibility study will be prepared before bids are invited.
- Hydel projects based on BOOT basis; to be transferred to the province at the end of the concession period.
- Thermal projects based on BOO basis.
- Letter of Support will be issued by PPIB.
- Provincial PPCs and AJK will issue pre-qualification documents, pre-qualify bidders, issue bidding documents (prepared by PPIB) and evaluate bids.
- GOP guarantee for:

1. Contractual obligations of WAPDA/KESC.
2. Protection against political risks
3. Protection against change in taxes and duties
4. Convertibility of Rupees into US dollars.
5. Remitibility of necessary funds.

- For hydel projects, GOP to bear the risk of availability of water by making certain fixed payment to sponsors.
- Indexation of foreign component of tariff against Rs.-US\$ exchange rate fluctuation.
- Indexation of local component of tariff against local inflation.
- No exemption from duties and taxes.
- Incentives for local engineering industry and equipment manufacturers for power plants.

GOP has identified the hydel projects for which feasibility studies are completed and can be implemented as per provisions of new power policy. WAPDA has been asked to carry out ranking of these projects so that PPIB and provincial governments can undertake further work.

In March 1999, the Authority established a new precedent in Pakistan by holding public hearings to evaluate WAPDA's request for an overall tariff increase of the order of 11 percent. This gave consumer groups as well as financial, technical and legal experts the opportunity to analyze and comment upon the tariff petition. During the course of the hearing, WAPDA reconsidered its original petition and re-submitted a revised tariff petition wherein the overall average tariff increase was constrained at 6.5 percent. The utilities are also being encouraged to move towards the elimination of cross-subsidization in the tariff structure. The tariff for the industrial consumers has thus been reduced in real terms. A similar exercise was undertaken in April 1999 with regard to the petition submitted by KESC.

The public hearings conducted by NEPRA are a significant attempt to introduce transparency and public participation in the decision making process- an essential feature of effective governance. NEPRA's role is expected to assume further prominence as the restructuring of the power sector proceeds.

## II. WATER & POWER DEVELOPMENT AUTHORITY(WAPDA)

### i) Installed Generation Capacity

The installed capacity of WAPDA power system comprising of Northern, Upper, Lower Sind and Queta power markets stood at 13,716 MW (hydel 4,325 MW and thermal 8,891 MW) as on March, 1999. The entire capacity of the hydel power generation exists in the WAPDA system, which accounts for 35.18% of the total capacity in WAPDA's system as on March 31, 1999. The total thermal capacity of 8,891 MW comprises of 5,120 MW owned by WAPDA and 3,771 MW owned by the Private Sector. The installed capacity of hydel and thermal power stations of WAPDA and Private Sector is given in Table 16.6.

### ii). Power Development Programme

The power generation development programmes of WAPDA mainly focus upon the optimal utilization of indigenous hydroelectric, coal & gas potential of the country. The Ghazi Barotha project, a site downstream of Tarbela near Attock having 1,450 MW (5x290 MW) is under construction and is scheduled for completion by 2003. The work on Chashma Low Head Project of 184 MW (28x23 MW)

**Table 16.6**  
**Installed Generation Capacity**  
**WAPDA and Private**

S.No.	Name of Power Station	Capacity (MW)
<b>WAPDA System</b>		
<b>Hydel:</b>		
1.	Tarbela (1 - 14)	3,478
2.	Mangla (1 - 10)	1,000
3.	Warsak (1 - 6)	240
4.	Small Hydels	107
<b>Sub Total Hydel</b>		<b>4,825</b>
<b>Thermal:</b>		
5.	Shahdara Gas Turbines	85
6.	Faisalabad Steam	132
7.	Faisalabad Gas Turbines	100
8.	Faisalabad Combined Cycle	144
9.	Multan Steam	260
10.	MESCO Steam	20
11.	Muzaffargarh Steam (1 - 6)	1,370
12.	Guddu Steam (1 - 4)	640
13.	Guddu Combined Cycle (1 - 9)	1,015
14.	Jamshoro Steam (1 - 4)	880
15.	Sukkur Steam	50
16.	Kotri Gas Turbines	30
17.	Kotri Combined Cycle	144
18.	Quetta Steam	15
19.	Quetta Gas Turbines	68
20.	Lakhra Fluidized Bed (1 - 3)	150
21.	Pasni (diesel sets)	17
<b>Sub Total Thermal</b>		<b>5,120</b>
<b>Total (WAPDA)</b>		<b>9,945</b>
<b>Private Projects</b>		
1.	KAPCO	1,621
2.	Hub Power Project	1,292
3.	Kohinoor Energy Ltd.	131
4.	AES Lalpir Ltd.	362
5.	AES Pak Gen (Pvt) Ltd.	365
<b>Sub Total Private</b>		<b>3,771</b>
<b>Total(WAPDA &amp; Private)</b>		<b>13,716</b>

Source: Water and Power Development Authority

is going apace and is scheduled for completion by August 2000. A nuclear power plant (325 MW) is also under construction and is scheduled for operation in October 1999.

Table 16.7 gives a list of hydel projects whose feasibility studies have been completed. The feasibility

studies of Kohala (593 MW) and Munda (600 MW) are underway. The feasibility study of Basha Diamir (3,360MW) upstream of the Indus will be undertaken in the 9th Five Year Plan. Dasu (2,270MW), Tkakot (2,400 MW) and Bunji (600 MW) have also been identified as prospective sites for future large-scale hydro development.

**Table 16.7**  
**Hydel Power Projects**  
**Whose Feasibility Studies are Complete**

S.No.	Name of Project	Capacity (MW)
1.	Kalabagh	3,600
2.	Neelum Jhelum	969
3.	Matiltan (Ushu)	84
4.	Allai Khwar	124
5.	Khan Khwar	70
6.	Summer Gah	28
7.	Batal Khwar	8
8.	Daral Khwar	36
9.	Ranolia	11
10.	Golen Gol	106
11.	New Bong Escape	45
12.	Shishi	2
13.	Malakand-III	75
14.	Rajdhani	92*
15.	Main Line Lower UCC	7*
16.	Sai	10.5
17.	Nomal	3
18.	Jinnah	96
19.	Taunsa	120
20.	C.J.Link (Tail)	33
21.	Guddu	33
22.	Renalla	4
Total		5,556.5

\* Feasibility completed but under review.  
Source: Water and Power Development Authority

Besides hydro, feasibility studies have also been carried out for gas-fired combined cycle and combustion turbines, which may be developed to provide low cost thermal power.

### iii) Electricity Generation

The composition of electricity generation shows that hydel power potential of the country has not been fully exploited. The hydel potential mostly located in Northern Areas and NWFP still remains largely untapped. The hydel generation accounted for 41.4% of the total electricity generated by WAPDA in the year 1997-98. However, the hydel generation is 43.4 percent of the total electricity generated by

WAPDA during the period from July 1998 to March 1999. The trend of electricity generation since 1991-92 is documented in Table 16.8.

**Table 16.8**  
**Electricity Generation**  
**(Million kWh)**

Year	Hydel	Percentage to Total	Thermal	Percentage to Total	Total
1991-92	18,647	49.0	19,419	51.0	38,066
1992-93	21,111	51.8	19,680	48.2	40,791
1993-94	19,436	45.8	22,960	54.2	42,396
1994-95	22,858	49.6	23,268	50.4	46,126
1995-96	23,206	47.5	25,653	52.8	48,859
1996-97	20,858	41.1	29,924	58.9	50,782
1997-98	22,060	41.4	31,199	58.6	53,259
1998-99 (Jul-Mar)*	17,114	43.4	22,321	56.6	39,435

\* Provisional data includes imports from KESC, HUBCO, KAPCO, KEL, AES Lalpir, AES Pak Gen and SEPCOL  
Source: Water and Power Development Authority

### iv) Transmission of Power

The total length of transmission lines in the country has increased to 41,905 circuit kms by March, 1999. The length of transmission lines include 500 KV (4,145 circuit-kms), 220 KV (5,700 circuit-kms), 132 KV (24,779 circuit-kms) and 66 KV (7,281 circuit-kms).

### v) Growth in Consumers

The number of consumers has increased markedly as a result of rapid urbanization, extension of electricity facilities to un-electrified areas and village electrification. The number of consumers has increased to 10.55 million by March, 1999. Table 16.9 indicates the trend since 1991-92.

**Table 16.9**  
**Consumers by Economic Groups**  
**(Nos. Million)**

Year	General	Industrial	Agriculture	Total
1991-92	7.41	0.169	0.155	7.74
1992-93	7.85	0.172	0.153	8.18
1993-94	8.26	0.175	0.157	8.59
1994-95	8.73	0.179	0.162	9.07
1995-96	9.14	0.181	0.165	9.48
1996-97	9.52	0.184	0.167	9.87
1997-98	9.86	0.187	0.171	10.22
1998-99 (Jul-Mar)*	10.19	0.189	0.172	10.55

\* Provisional Data.  
Source: Water and Power Development Authority



### vi) Village Electrification

The village and rural electrification has been designed to increase the productive capacity of 70 percent of population living in rural areas. The number of villages electrified has increased to 66,948 by March 1999 as indicated in Table 16.10.

**Table 16.10**  
**Village Electrification**  
**(Number)**

Year	Target	Realization	Progressive Total
1991-92	2,793	3,469	40,784
1992-93	2,070	4,824	45,644
1993-94	4,500	5,283	50,927
1994-95	2,000	6,243	57,170
1995-96	5,000	4,957	62,127
1996-97	4,000	2,441	64,568
1997-98	4,000	1,383	65,951
1998-99*			
(Upto Mar)	4,000	997	66,948

\* Including FATA & PATA  
Source: Water and Power Development Authority

### vii) Electricity Consumption by Economic Groups

The sectoral consumption of electricity by economic groups identifies domestic group as the largest consumer of electricity during July-March, 1998-99 accounting for 42.52 percent of total consumption followed by industrial group (25.94 percent), agriculture group (15.57 percent), bulk supply & public lighting (11.29 percent), commercial group (4.55 percent), and traction (0.04 percent). Table 16.11 shows the electricity consumption by economic groups since 1991-92.

**Table 16.11**  
**Consumption by Economic Group**  
**(Percentage to Total Sale)**

Year	Domestic	Com- mercial	Indus- trial	Agri- culture	Bulk-Supply & Public Lighting	Trac- tion
1991-92	33.11	4.07	34.90	19.9	07.92	0.10
1992-93	35.88	4.17	34.89	17.89	7.08	0.09
1993-94	37.24	4.10	32.78	17.87	7.93	0.08
1994-95	38.39	4.25	30.27	17.75	9.28	0.06
1995-96	40.79	4.58	28.74	18.42	7.41	0.06
1996-97	40.47	4.56	26.26	18.22	10.44	0.05
1997-98	41.52	4.48	25.97	17.47	10.50	0.04
1998-99*	42.52	4.65	25.94	15.57	11.29	0.04
(upto Mar)						

\* Provisional data  
Source: Water and Power Development Authority

### viii) Power Losses

WAPDA has taken vigorous measures to improve operational efficiency and management and reduce power losses. These measures have resulted in increasing energy sales and revenues through a Programme of renovation, rehabilitation, installing capacitors and strengthening consumer-end distribution supply network. During July-March, 1998-99 the total losses incurred by WAPDA in its transmission and distribution (T&D) system stood at 26.10 percent compared with 23.97 percent during 1997-98. Thus, WAPDA's losses has increased over the last year. Table 16.12 gives the trend of WAPDA's power losses since 1991-92.

**Table 16.12**  
**WAPDA Power Losses**  
**(In percent)**

Year	Consumption in Auxiliaries	T&D Losses
1991-92	2.43	20.68
1992-93	2.28	21.06
1993-94	2.62	21.59
1994-95	2.60	21.45
1995-96	2.93	21.50
1996-97	2.41	21.72
1997-98	2.01	23.97
1998-99(Upto Mar)*	1.60	26.10

\* Provisional Data  
Source: Water and Power Development Authority

## III. PRIVATE POWER SECTOR

In the private sector, WAPDA has signed Power Purchase Agreements with 18 Power projects having a total capacity of 5,816 MW including KAPCO (1621 MW) and HUBCO (1292 MW). The detail of these private projects is given in Table 16.13.

**Table 16.13**  
**Private Power Projects**

S.No.	Company	Installed Capacity(MW)
1.	Kohinoor Energy Ltd.	131
2.	AES Lalpir Ltd.	362
3.	AES Pak Gen (Pvt) Ltd.	365
4.	Southern Electric Power	115
5.	Habibullah Energy Ltd.	140
6.	Japan Power Generation	120
7.	Rousch (Pak) Power Ltd.	412

Contd..

Contd..

S.No.	Company	Installed Capacity(MW)
8.	Liberty Power Project	235
9.	UCH Power Project	586
10.	Fauji Kabirwala	157
11.	Altern Energy Ltd.	14
12.	Eeshatech Ltd.	20
13.	Davis Energen	10
14.	Power Generation System	116
15.	Saba Power Company	114
16.	Northern Electric Co.	6
Total		2903

Source :Water and Power Development Authority

The first three projects are commissioned and are supplying electricity to the grid. The remaining projects are under different stages of completion and most of them will be completed during 1999-2000.

Table 16.14 gives a list of hydel power projects, which have been issued letter of supports (LOSs) by the Provinces under the 1995-hydel policy and are registered by PPIB.

**Table 16.14**  
**Private Sector Hydel Power Projects**  
**For which LOSs have been Issued**

S.No.	Name of Project	Installed Capacity(MW)
1.	Malkand-III	75
2.	Matiltan. Distt. Swat	84
3.	New Bong Escape, Mirpur	45
4.	Lower UCC RD 283100	6
5.	Main Line UCC RD 133296	6
6.	B.S. Link (Head)	10
7.	B.S. Link (Tail)	9
8.	Madar Batduru, Muzaffarabad	10.2
9.	Riali Saidpur	1.6
10.	Jari Mirpur	1.0
11.	Ranolia	11.8
12.	Batal Khwar, Distt. Swat.	8.1
Total		267.7

Source: Water and Power Development Authority

#### IV) WAPDA'S RESTRUCTURING

In order to bring around improvement in financial, operational and management in all tiers of WAPDA, measures are in vogue through independent power distribution companies, i.e., eight DISCOs, a

national transmission and dispatch company (NTDC) and three generation companies. These entities are corporatized and with PEPCO in place, their privatization will be carried out ultimately, envisaged in 2001.

#### V) THE KARACHI ELECTRIC SUPPLY CORPORATION (KESC)

The Karachi Electric Supply Corporation (KESC) has been granted the licence to generate, transmit and distribute power under the jurisdiction of Karachi and suburban areas of Karachi and part of Balochistan i.e. Hub, Vinder, Uthal and Bela. It is the responsibility of the Corporation to forecast the demand for power and plan its generation, transmission and distribution. Presently, the number of consumers on billing panel is 1,424,837 as on March 31, 1999.

##### i) Installed Capacity, Generation and Power Purchase.

The installed capacity of KESC stood at 1,735 MW during July - March, 1998-99. The Corporation generated 4,834 million kwh electricity and sent out 4,492 million kwh during July - March, 1998-99. In addition to its own power generation, KESC also purchased electricity from other sources to meet the consumers requirements. The KESC purchased 251 million kwh electricity from KANUPP, 105 million kwh electricity from PASMIC, 1,360 million kwh electricity from Private Power and 1,052 million kwh electricity from WAPDA during July-March, 1998-99. Total units of electricity thus available with KESC for distribution stood at 7,260 million kwh during July-March, 1998-99.

##### ii) Privatization of KESC

Privatization Commission has started process of privatization of KESC by appointing UBS Securities (Pakistan) Ltd. as a Financial Adviser on March 13, 1998. Privatization is in progress with a planned strategic sale of upto 51% of KESC's equity interest along with management control. Preparation phase of transaction is well underway. Initial due diligence has been conducted. Expression of Interest has been invited and eight interested parties have been short-listed as potential buyer of KESC. At present, the privatization effort is focused on KESC's financial restructuring and resolution of regulatory and labour issues. These activities are highlighted in the following paragraphs.

### Financial Restructuring of KESC

KESC's financial restructuring is at an advance stage in the implementation process. Key element of the financial restructuring are the conversion of GOP duress into subordinated debt (Rs. 5.7 billion), conversion of GOP interest bearing loans into equity (Rs. 3.045 billion) and issuance of KESC TFCs (Rs. 11.5 billion).

### Regulatory Framework

Establishment of certain elements of the regulatory framework is prerequisite to privatization of KESC. Accordingly, the timing for development of such elements will determine the timing for privatization of KESC. The Financial Adviser has indicated that the following elements should be in place prior to privatization:

- a. Issuance of licenses to KESC;
- b. determination of detailed tariff guidelines and tariff applicable to KESC;
- c. establishment of the performance and investment standards applicable to KESC;
- d. clear decision regarding the structure of KESC at the time of (and for some time after) privatization of KESC.

### Labour Issue

The privatization Commission, in its meeting held on 4.1.1999, inter-alia approved the Labour Restructuring Committee and its mandate. A draft analysis report, outlining the labour restructuring options, has been prepared and provided to the members of the Committee.

### Transaction Timing

The original schedule given by UBS to meet the government's objective of privatizing KESC on a fast-track basis could not be met in view of several factors, including changes in local and international market conditions, absence of requisite electricity regulatory framework in Pakistan, and process of financial restructuring of KESC. The revised indicative schedule proposed by UBS has been prepared by working backward from the GOP target of June 30, 1999 for selection of an investor for the strategic sale of KESC. However, implementation of

this timetable is contingent upon the timing for implementation of transaction critical elements of the regulatory framework, timely completion of the financial restructuring, and finalization of the labour strategy.

### VI. NUCLEAR POWER ENERGY

Pakistan Atomic Energy Commission is entrusted with the job of development of nuclear power in the country. The Karachi Nuclear Power Plant (KANUPP) was commissioned in 1971. KANUPP has gross capacity of 137 MWe and has operated safely for more than 27 years. During July 1998 - March 1999 the plant has generated 284,34 GWh raising the life time plant generation to 9.2 billion kWh. KANUPP is a self-financing unit of Pakistan Atomic Energy Commission with no budgetary allocation from the Government. The only source of financing is the proceeds received from KESC on account of sale of electricity produced by it. A project "Safe Operation of KANUPP (SOK)" started in 1992 is continued under the auspices of the IAEA to ensure plant's safe operation by resolving equipment aging and equipment obsolescence problems affecting safety and to improve operational safety practices and design safety. After completing all the planned modifications and safety upgrades, KANUPP is expected to operate ten years beyond its design life of 30 years i.e. upto year 2012. The second nuclear power plant, a 300 MWe Chashma Nuclear Power Plant (CHASNUPP) is being constructed at Chashma, District Mianwali under a contract between Pakistan Atomic Energy Commission and China National Nuclear Corporation. At present installation and commissioning of equipment is progressing well and the plant is expected to start commercial operation by end of 1999.

### Coal

Estimated reserves of coal in the country are of the order of 185 billion tonnes, which include 175 billion tonnes of Thar coal field discovered by Geological Survey of Pakistan in 1992. Presently, about 91 percent of total coal production in the country are being utilized for burning and 9 percent for power generation. The production of coal remained stagnant as no significant market demand has been created for coal consumption.

A brief review of the province-wise coal extraction is given in the subsequent paragraphs.

**Balochistan:** The PMDC is operating three coal mines in Balochistan at Sharigh, Sor-Range, Deghari which produced 352,650 tonnes of coal during July, 98 March, 1999. The overall resource potential is over 194 million tonnes with measured reserves of 52.5 million tonnes.

**N.W.F.P:** Hanguis the only coal field in NWFP. Some sporadic mining is reported from Charat. The resource potential is over 44 million tonnes with measured reserves of 0.5 million tonnes. During July, 98 March, 1999, 99,494 tonnes of coal was produced in NWFP.

**Punjab:** The Punjab Mineral Development Corporation is engaged in mining coal in Punjab and produced 4,601 tonnes of coal during July, 98 March, 1999. The project of Dandot Coal Mines is likely to be completed by July, 1999, which on completion, will produce 20,000 tonnes of coal annually.

**Sindh:** The Pakistan Mineral Development Corporation and the Lakhra Coal Development Company are engaged in coal mining and coal production in Sindh. During July, 98 March, 1999 232,354 tonnes of coal was produced by these two organizations.

## CHAPTER

# 17

## Housing and Environment

### I. HOUSING SECTOR

Housing not only provides shelter but also improves quality of life of individuals who form the families, societies and nations. Better living condition enhance the health, efficiency and overall personality of individuals. Two International Human Settlements/Habitat Conferences held in recent decades have emphasized on the improvement of living environment of all human beings through managing urbanization and pursuing developing a greater balance between the urban and rural developments. The United Nations Centers for Human Settlements proposes to achieve these objectives through stimulating partnership for more effective resource mobilization & investment, encouraging participation of all key sectors, men and women at the global, national as well as local level; focusing on capacity building and strengthening of local institutions, documenting the best practices and harnessing the available technology, ideas and information to develop new solutions.

According to the population census 1998, there are 19.7 million households in Pakistan (13.5 million in rural and 6.2 million in urban areas), accommodating the total population of 131.5 million. The household size has marginally declined from 6.7 persons in 1981 to 6.6 persons in 1998 which is over crowded by international standard. The present estimated backlog of housing is 4 million units, including 52 percent to deal with over-crowding plus 48 percent substandard dilapidated houses, requiring immediate re-construction. About 35 percent of total urban population lives in the "Katchi Abadis" and slums. Whereas, most of the rural houses are Katcha and devoid of water supply and sanitation facilities. Safe water supply is available to 58 percent of the country's total population and sewerage/sanitation facilities to only 32 percent. While corresponding figures in the urban areas are 80 percent and 50 percent, whereas in the rural areas, these are 48 percent and 23 percent, respectively.

The overall urban population at national level

has increased from 28.3 percent in 1981 to 32.6 percent in 1998. Due to fast urbanization, the 1998 urban population of 42.9 million is estimated to increase to 50.8 million by the year 2003.

High population growth exerts pressure on a country's efforts for future growth & development and pre-empts resources for immediate consumption and also creates greater demand for more and more civic amenities. Due to higher growth of population, the gap between needs and actual availability of housing and basic amenities (i.e. water supply and sanitation/drainage), continues to widen. The problem is gigantic whose solution requires joint efforts both by the public and private sector.

Initially, economic development in Pakistan resulted into dual economy i.e. a modern developed sector (urban) co-existing with the less developed traditional sector (rural). This increased the rural-urban migration due to the pull and push factors putting tremendous pressure on the fragile civic amenities in the urban areas. To counter this, a balanced regional development strategy was pursued for a considerable period. But in the coming 9th plan another strategy is being pursued through which rational urbanization in all the regions of Pakistan will be promoted. Private sector will be encouraged to exploit these opportunities. Considering urbanization as a process of modernization, social change and economic growth, an urbanization strategy will be finalized with new approaches to stimulate urban development initiatives, through public-private partnership, efficient institutional set-ups and integrated legal-administrative frame-work. The other sectoral programmes will also guide the urban growth towards suitable locations on acceptable patterns, which in turn will reduce the migration of population to large cities.

Under the Prime Minister's Programme for Economic Revival (Housing Sector), the Government has decided to intervene with a package of 500,000 housing units. This will be taken-up during the 9th plan period (1998-2003). The said programme will be

financed through non-Public Sector Development Programme (PSDP) resources and funds will be primarily mobilized from the beneficiaries, in installments:

During 8th Five Year Plan (1993-98), the actual allocations for PP&H sector were Rs.65.3 billion, against which actual utilization was Rs.59.5

billion (91 percent), including Rs.31.1 billion as SAP funding for implementing rural water supply & sanitation projects.

#### Physical Achievements

The 8th Five Year Plan's physical targets and actual achievements are shown in Table 17.1.

**Table 17.1**  
**8th Five Year Plan's Targets and Achievements**

Items	Unit	Targets (1993-98)	Achievements (1993-98)	Percentage Achievements
Urban Residential Plots (Small Size)	Nos.	1,217,000	451,000	37.1
Urban Sewerage & Drainage	Total Population Served (in million)	34.00	21.00	61.8
Rural Water Supply (Under SAP)	-do-	62.00	42.00	67.7
Rural Sanitation & Drainage (Under-SAP)	-do-	28.00	20.17	72.0
Govt. Servants Housing	Nos.	20,000	12,500	62.5
7 Marla Plots in Rural Areas	Nos. of Plots	500,000	675,000	135.0
Urban Water Supply	Tot Population served (in million)	40.00	34.00	85.0
Katchi Abadies and Slums improvement	-do-	1.77	2.2	124.3
Govt. Offices/ Building	Covered Area Built (in million Sq.Ft.)	3.00	2.02	67.3

Source: Planning and Development Division

#### Development Programmes, 1998-99

The PP&H Sector's major development programmes in 1998-99 included the following:

- i) Development of small sized residential plots and services schemes for urban poor and rural shelterless population.
- ii) Regulation and improvement of Katchi Abadies and upgradation of urban slums.
- iii) Housing for Federal Government Employees.
- iv) In urban area, to increase overall piped water supply coverage to 90 percent and

provide sewerage connection to 60 percent population.

- v) In rural areas, to extend drinking water supply and sanitation coverage upto 55 percent and 25 percent, respectively.

The overall size of the PP&H Programme in 1998-99 was proposed at Rs.10.0 billion (Federal Rs.1.7 billion and provincial Rs.8.3 billion), including financial allocations of the second phase of Social Action Programme (SAP-II) for rural water supply and sanitation projects throughout Pakistan. Out of which, the share of water supply and

sewerage/sanitation projects is about 60 percent and the balance of the financial allocations were earmarked for housing projects of the public employees, Govt. office buildings and urban

developments, including foot paths, parks etc. The physical targets and likely achievements for 1998-99 are shown in Table 17.2.

**Table 17.2**  
**Targets and Achievements, 1998-99**

Item	Unit	Physical Targets 1998-99	Achievements 1998-99	
			Total (Actual)	% of Target
Res. Pots in Urban Area Dev. Scheme	Nos.	100,000	25,000	25.0
Urban Water Supply	Addl. Population to be served (in million)	2.500	1.250	50.0
Urban Sewerage/Drainage	-do-	2.75	0.750	27.3
Rural Water Supply (SAP)	-do-	7.000	1.750	25.0
Rural Sanitation (SAP)	-do-	6.000	0.900	15.0
Govt. Servant Housing	Nos.	7,000	225	3.2
Katchi Abadis Improvement	Population to Served in million	1,000	0.750	75.0
5 & 7 Marla Plots in Rural Area	Nos. in million	0.250	0.075	30.0

Source: Planning & Development Division, Islamabad

Pakistan PWD acts as an executing agency for civil construction works of federally funded development works. The Department is not only responsible for annual repair and maintenance of Federal Governments offices and residential buildings but also manages all lodges located in the country. In addition to the normal development works relating to

the civil budget, the Department also undertakes construction of office and residential buildings under "deposit works" on behalf of various departments/organization. The annual development and maintenance works undertaken by the Pak. PWD for the last five years are given in the Table 17.3.

**Table 17.3**  
**Annual PSDP and Other PWD Works**

Year	PSDP	Deposit Works	Repair & Maintenance	Peoples Programme	(Rs. million)
					Total
1994-95	398.6	1249.6	483.4	1392.2	3520.3
1995-96	302.7	1896.5	575.3	1028.8	3803.3
1996-97	107.8	1176.4	432.9	41.7	1758.8
1997-98	144.5	215.7	317.2	52.4	729.8
1998-99	144.3	197.8	131.6	124.3	595.0

Source: Ministry of Housing and Works

#### Autonomous Housing Agencies

Besides, Pak. PWD, there are also four other autonomous agencies which undertakes the housing projects. Their activities are discussed below:

##### i) National Housing Authority (NHA)

The N.H.A. is currently associated with a

country wide low income communities infrastructure (shelter) project (World Bank aided), costing US \$ 672 million to provide basic services, infrastructure up-gradation, credit service etc. in rural and urban slum areas. As a first phase of this programme, a community participation programme has been commenced in NWFP for providing basic services in

55 urban/rural settlements.

**ii) National Construction Limited (NCL)**

National Construction Ltd has completed more than 165 projects costing Rs.6.0 billion in the country upto the end of December, 1998. Moreover, 20 projects are also in hand valuing Rs. 1.6 billion and most of them are at various stages of completion.

**iii) Federal Government Employees Housing Foundation (FGEHF)**

The Housing Foundation started its activities by launching Phase-I of the Housing Scheme on ownership basis in Islamabad after getting land from Capital Development Authority (CDA) in Sectors I-8 and G-11 Islamabad in 1988. As on 31.1.1999, out of 1595 houses planned, 1565 houses have been constructed and handed over to the allottees. Phase-II of the Federal Government Employees Housing Scheme have also been launched since 1992 in Sectors D-12 and E-12, Islamabad and 2907 residential plots have been allotted to the employees. However, development of these two sectors could not be undertaken due to dispute/litigation between the local affectees and the CDA. The Housing Foundation has also launched Phase-III of the housing scheme for judges, civil servants and journalists in Sector G-13, Islamabad since 1996.

The Government of Sindh has earmarked about 115 acres of land in KDA scheme No.33 at Karachi. In Phase-I plots numbering 219 for construction of houses have been developed. Low category flats numbering 450 are being planned in sector 24-B and 18-C. Phase-II spread over an area of 92.31 acres located in sectors 4-C, 19-C, 25-B and 30 in KDA scheme No.33 has also been launched.

The Peshawar Development Authority (PDA) has earmarked 500 kanals of land in Regi Lalma township Scheme, Peshawar. It has planned to develop about 1125 plots of various sizes.

**iv) House Building Finance Corporation (HBFC).**

HBFC has provided housing finance of over Rs. 27,499 million to over 4,05,777 borrowers/partners for the construction and purchase of house all over the country including Northern area and Azad Kashmir. During 1998, HBFC fetched unprecedented recovery figure of Rs. 2519 million, as compared to recovery of Rs. 2158 million in 1997.

The disbursement of Rs. 1029 million has been made during 1998. Under various schemes of remission to widows-for loan/investment, the HBFC has so far waived off Rs. 935.2 million.

**Private Housing Financing Companies**

In addition, the three private housing financing companies namely; International Housing Finance, Citibank Housing Finance Company and LTV. Housing Finance Limited also provide loans for house building. Upto March, 1999 these three agencies have sanctioned Rs.876.3 million to 1320 applicants and disbursed Rs.572.0 million.

**II. ENVIRONMENT PROTECTION AND POLLUTION CONTROL**

Environmental awareness in Pakistan is of recent origin. The government has only recently formally integrated the environmental issues in its development planning. In view of the complex and diverse nature of the environmental problems, a sustainable development strategy backed by environment preservation & protection programmes has been adopted by the government with necessary institutional set-up and legal framework.

Pakistan is facing environmental pollution and natural resource degradation problems. These include: industrial, municipal vehicular and air pollution; deforestation, desertification, waterlogging and salinity. Pakistan generates over 50,000 tons of solid waste per day; out of which only 20 to 25 percent is collected but not disposed off in the proper manner: causing serious air, water and land pollution and health hazards. Only 3 percent of the industry treats their wastes while the rest discharges untreated effluent into rivers, lakes and sea. Dumping of untreated municipal and industrial wastes have caused contamination of surface and ground water resources and threatened the aquatic life to the endangered level. About 47 percent of the population is still without access to safe drinking water, and nearly 84 percent of rural population is without sanitation facilities. Water borne diseases account for 20 to 30 percent of all hospital cases and about 60 percent of infant deaths in the country.

Vehicular pollution is also one of the largest source of air pollution in our cities. During the last few years, traffic in urban areas has increased tremendously due to increasing trend in single occupancy and private transport. The total vehicles in



the country which were about 0.85 million in 1992 are estimated to exceed 4.5 million by the year 2000. The level of air pollution in our cities is as high as three times of the acceptable limits. It has been estimated that on average each vehicle in Pakistan emits 15-20 times more pollutants than the average vehicle in developed country.

According to an estimate, the country is losing 25 percent of its potential crop production with a total value of \$ 2.5 billion every year, as only about 30 percent of our canal water reaches the crop due to high level of losses in existing canal and water courses network. The Government has accorded a very high priority to this problem and launched a US\$ 3 billion National Drainage Programme, spread over 25 years with the help of international donors.

Considerable progress has been made for enactment of a new legislation for the protection and conservation of the environment in the country. The Environmental Protection Act 1997 has been promulgated which provides framework for implementation of National Conservation Strategy, Establishment of Provincial Sustainable Development Funds, Protection and Conservation of Wildlife Habitats and Bio-diversity; Establishment of Environmental Tribunals and Appointment of Environmental Magistrates; Initial Environmental Examination (IEE); Environmental Impact Assessment (EIA), and promotion of public education and awareness of environmental issues through mass media

The New Act provides compensation for losses/damages caused by a polluter for internalizing this externality. It also empowers the federal government to make rules for implementing important international environmental agreements to which Pakistan is a party. Pakistan is also playing an active role internationally by supporting and establishing new global partnerships to protect the environment at national, regional and global level and has become signatory to many international conventions /protocols/agreements. These include: Agenda-21, UN Framework Convention on Climate Change (UNFCCC); Montreal Protocol on Ozone Depleting Substances; Global Environment Facility (GEF), Commission on Sustainable Development (CSD) and Convention on the Control of Trans Boundary Movement of Hazardous Waste and their Disposal.

The environmental programmes focus on

efficient and effective implementation of National Conservation Strategy (NCS) at the provincial and federal levels in 14 core areas, identified under the Strategy. Major emphasis has been on the institutional up-gradation, legislation; mass awareness; massive afforestation and marine pollution management. The Government has allocated Rs.318.4 million (FEC Rs.230.9) million) for environment sector in Federal PSDP 1998-99, whereas the overall sectoral allocations under Provincial PSDPs are Rs.333.6 million.

Following are the major sectoral programmes, being implemented during 1998-99 in order to facilitate both short and long-term environmental achievements:

#### Legislation

The Environmental Protection Act 1997 provides base for developing legal framework and implementation strategy in the country. The Environmental Impact Assessment Guidelines have been prepared for sectoral projects. Methodology and mechanism for enforcement of environmental laws will be worked out. Environmental tribunals will start functioning for reversal of grievances of the affectees.

#### Mass Awareness Campaign

Responding to the pressing need for increasing environmental awareness, a massive mass awareness campaign has been launched by Ministry of Environment, Local Government & Rural Development through print and electronic media.

#### Afforestation

Forests occupy only 5 percent of the total land area of Pakistan and are being depleted increasingly. According to the World Bank Report, Pakistan is facing one of the highest rate of deforestation in the World. Total forest area of Pakistan including AJ&K and Northern Areas is 4.2 million hectares which is 5% of the total country area. One third of the forest area is productive and the remaining two-third is maintained for environmental stability. In addition to forest area administered by provincial forest departments, substantial tree growth exists on private farm lands in the form of compact, scattered and linear plantations. According to Forestry Sector Master Plan, 1992, trees on 3,40,000 hectares have been planted on farm lands and private

lands under Watershed Management and Social Forestry Programmes.

### **Rachna Doab Afforestation Project**

This project was started in July 1995 at a total cost of RS 550 million for a period of four years. An amount of Rs.139.0 million has so far been incurred. During the financial year 1998-99, Rs.20.0 million have been allocated. The work on this project is in progress and will help increase the tree cover, with positive affect on the surrounding environment.

### **Tarbella Watershed Management Project**

Phase-II of Tarbella Watershed Management Project was initiated in 1993-94 and has been revised at a cost of Rs.753.1million with FEC of Rs.593.7 million, to be financed by World Food Programme (Rs.257.1million) and KFW of Germany (Rs.336.8million). The original project area of 16,058 k.m was spread over six districts of Abbottabad, Mansehra, Bata-gram, Kohistan, Changla and Bunair. The revised PC-II envisages afforestation and sowing over 14,453 acres of privately owned denuded marginal grasslands and community/social forestry plantations over 2450 acres of badly denuded agriculture lands. The project will also help establish various nurseries, construction of new roads, management of old roads and soil conservation in old and new areas.

### **Sand Dune Stabilization Project**

The Sand Dune Stabilization Project was started in March, 1996 to control shifting of Sand Dunes and ensure their stabilization. This project is to protect the town of Mashkhel from these dunes and was approved at a cost of Rs.3.7 million. The works is in progress and is expected to be completed by 1999-2000.

### **Conservation of Bio-diversity in Pakistan**

Biodiversity is one of the core area of National Conservation Strategy (NCS) adopted by Cabinet in 1992. Pakistan lies between latitudes 24 and 37 N and between 61 and 75 E longitudes and is also characterized by a continental type of climate which is arid and semi-arid with two distinct seasons, summer and winter. Pakistan on account of its affinity

to three faunal regions has a rich and varied flora and fauna. Recognizing that biological diversity is being significantly reduced and its conservation for sustainable use is necessary, Pakistan had been a party to the Convention on Biological Diversity since 26 July, 1994. A Bio-diversity Action Plan (BAP) is in final stage. Project titled "Protected Areas Management Project" has been approved by Global Environment Facility (GEF) amounting to US \$ 10.8 million. This project aims at conserving three National Parks (Hingol National Park in Balochistan, Gol National Park Chitral in NWFP, and Machiara National Park in AJK which will be in operation shortly to frame National Bio-safety Guidelines for Pakistan. A grant of US \$ 104,000/- has been secured from GEF. Another project titled "Mountain Areas Conservancy Project (MACP)" amounting to US\$ 7.0 million has been approved. The project titled "Maintaining Biodiversity in Pakistan with Rural Community Development" is also being implemented in NWFP and Northern Areas with the financial assistance of US\$ 2.5 million. A Biodiversity Register is being prepared which will enlist all projects on biodiversity and different institutions working in biodiversity fields. A Clearing House Mechanism (CHM) is being established in the Ministry of Environment with financial assistance of US\$ 10.6 secured from GEF. For long term sustainability of protected areas (National Parks, Game Reserves etc), a Biodiversity Trust Fund will be established.

### **Environmental Impact Assessment**

Under Pakistan Environmental Protection Act, 1997, it has been made mandatory for the sponsors of development projects of both, public and private sectors to carry out and submit the Initial Environment Examination (IEE) or Environmental Impact Assessment (EIA) reports to the Planning Authorities and to concerned EPAs, so that the proposed development project should not have any adverse impact on environment. The Canadian International Development Agency (CIDA) The World Bank's Environmental Protection & Resource Conservation (EP&RC) project would also supplement the ongoing activities for capacity building, public and private institutions to protect environment. As a first step, EIA Guidelines for different sectors are under preparation for the convenience of project proponents. A second step will be the institutionalization of EIA review process and

ensuring public participation through NGOs/Local Communities and systematic institutionalization of EIA into planning and development process at the Federal/Provincial and Local Government levels so that EIA could be used as an effective decision making tool in the planning process.

### **Ozone Cell**

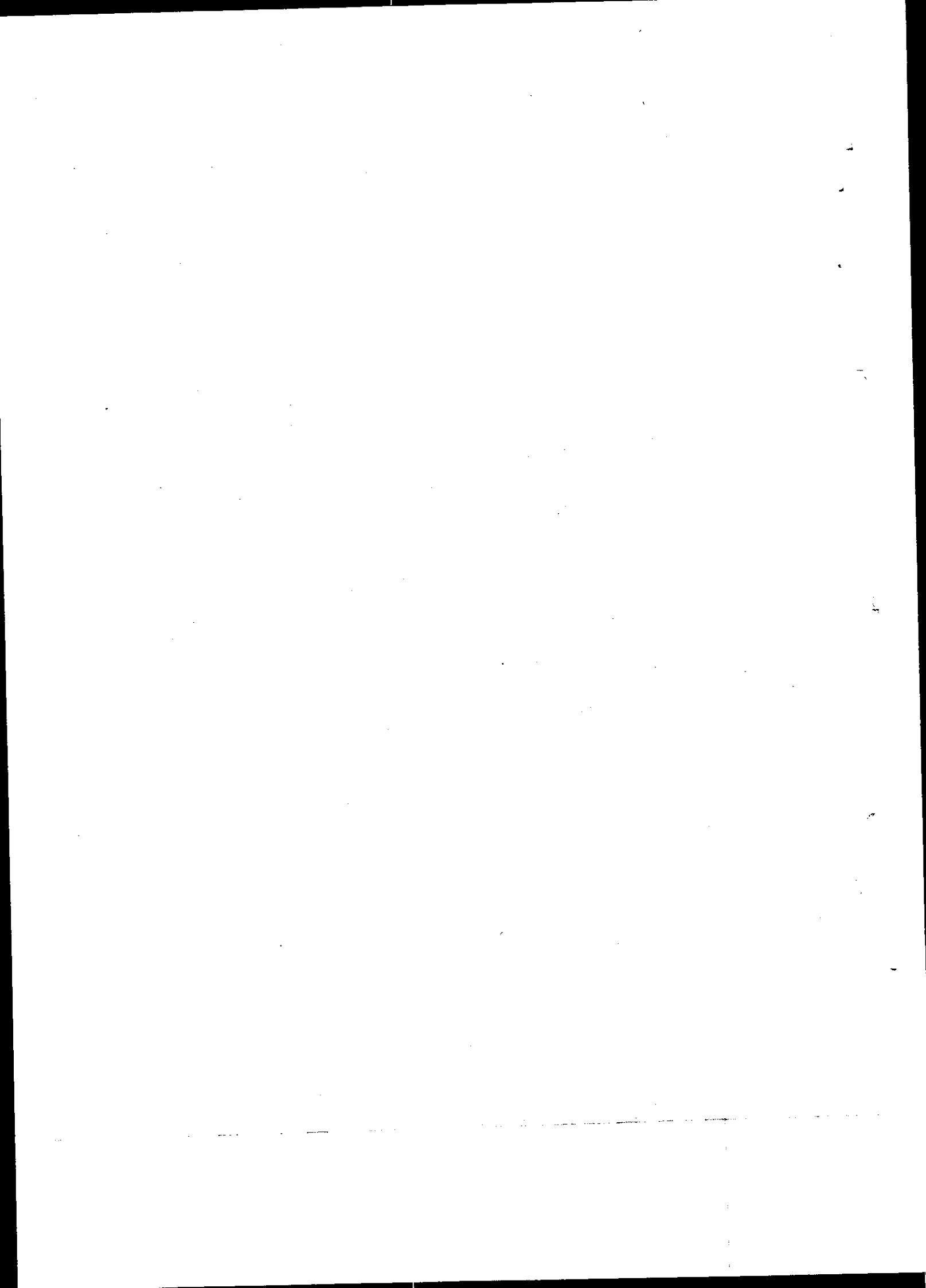
Pakistan has signed the Montreal Protocol to phase out Ozone Depleting Substances (ODS). To this end, an Ozone Cell was established in the Ministry of Environment in 1996. The country programme has been completed and about 15 ODS phased out sub-projects in refrigeration, foam, fumigation and solvent sectors have been approved for grant of funding from the Multilateral Fund of the Montreal Protocol. These sub-projects will help in phasing out 978.2 metric ton of ODS. A grant equivalent to about US \$ 9.0 million has been allocated by the multilateral fund for the Implementation of the Montreal Protocol.

### **Environmental projects**

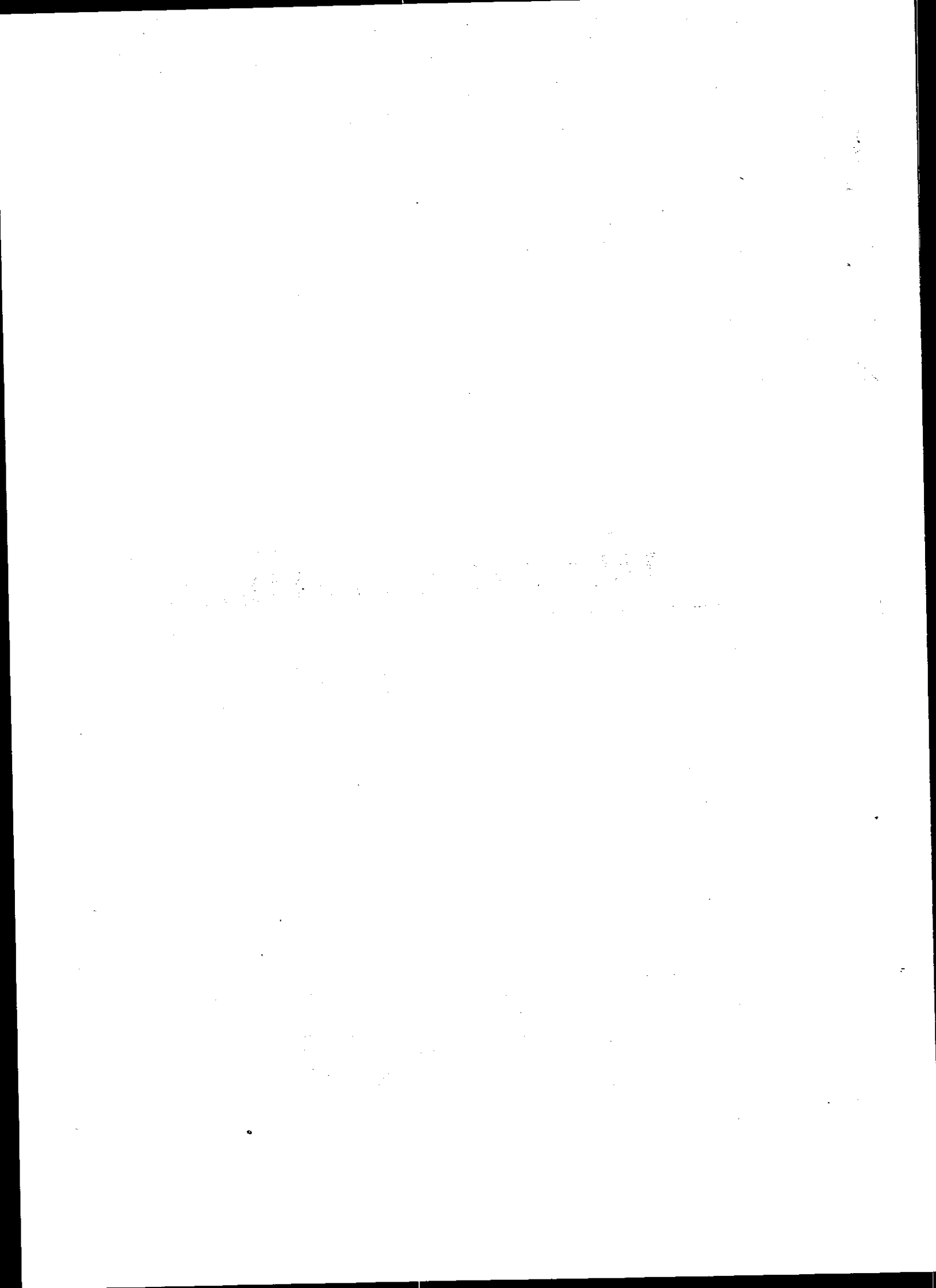
Portfolio of Environmental Projects was circulated among the donors for possible assistance. The assistance has now been lined up for three and is being implemented for improvement in urban wastes management and treatment through adopting cleaner technology, including Kasur and Korangi tanneries effluent pollution control, solid waste management, energy conservation, re-cycling organic wastes, cleaning water bodies, air and noise pollution control, and social forestry in rural areas.

#### **Kasur Tanneries Pollution Control Project**

The initial cost of the project was Rs 263.8 million which had been revised to Rs 378 million. The objective of the project is to provide facilities for evacuation of the stagnant pools of waste water, collective treatment plant, effluent disposal system, arrange solid waste management system and in-house pollution control methods in tanneries. About 75-80% work of this project has been completed.



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# **ECONOMIC AND SOCIAL INDICATORS**

## ECONOMIC AND

Indicators	1960's	1970's	1980's	1990-98	1980-81	81-82	82-83	83-84	84-85
	Average (Annual)								
<b>GROWTH RATE (%) (Constant fc)</b>									
GDP	6.77	4.84	6.14	4.79	6.40	7.56	6.79	3.97	8.71
- Agriculture	5.07	2.37	4.07	4.58	3.66	4.72	4.40	-4.82	10.92
- Manufacturing	9.93	5.50	8.21	5.34	10.63	13.75	7.03	7.89	8.09
- Commodity Producing Sector	6.83	3.88	6.51	4.91	6.26	15.09	4.64	0.38	9.45
- Services Sector	6.74	6.26	6.62	4.68	6.58	7.90	9.24	7.61	8.21
<b>GROWTH RATES (%) (Current MP)</b>									
Total Investment		21.76	13.10	14.32	9.83	19.62	9.63	12.04	12.81
Fixed Investment	14.77	20.53	12.57	13.37	4.77	14.43	13.14	12.07	12.59
Public Investment	13.99	25.33	10.64	9.11	-1.22	19.77	11.98	7.97	11.35
Private Investment	20.85	16.97	14.97	16.82	13.06	7.97	14.69	17.42	14.07
<b>As % of Total Investment</b>									
National Savings		67.53	79.13	74.18	80.58	74.07	90.48	82.42	70.56
Foreign Savings		32.47	20.87	25.82	19.42	25.93	9.52	17.58	29.44
<b>As % of GNP (Current MP)</b>									
Total Investment		17.41	17.49	18.84	17.35	17.87	16.96	16.70	16.95
Fixed Investment		16.37	15.84	17.15	15.86	15.62	15.30	15.07	15.27
Public Investment		9.17	8.56	7.80	8.67	8.94	8.67	8.23	8.24
Private Investment		7.20	7.28	9.35	7.18	6.68	6.63	6.84	7.02
National Savings		11.74	13.83	13.96	13.98	13.23	15.34	13.76	11.96
Foreign Savings		5.67	3.66	4.87	3.37	4.63	1.61	2.93	4.99
<b>GDP DEFLATOR (GROWTH %)</b>									
<b>CONSUMER PRICE INDEX (CPI)</b>									
(Growth %)	3.83	12.33	7.34	9.65	13.85	11.10	4.70	7.30	5.70
<b>FISCAL POLICY</b>									
As % of GDP (MP)									
Total Revenue (Net) @	13.1	16.8	17.2	17.3	16.9	16.0	16.2	17.2	16.4
- Tax Revenue	-	-	13.4	13.4	14.0	13.3	13.5	12.8	11.9
- Non-Tax Revenue	-	-	3.8	3.5	2.9	2.8	2.8	4.4	4.5
Total Expenditure	11.6	21.5	24.8	24.0	22.9	21.9	23.9	23.8	24.7
- Current Expenditure	-	-	17.6	19.1	13.6	13.7	15.8	17.1	17.7
Defence	-	-	6.5	5.8	5.5	5.7	6.4	6.4	6.7
Interest Payment	-	-	3.8	5.8	2.1	2.4	3.1	3.4	3.5
General Admn	-	-	1.3	1.6	1.0	1.1	1.1	1.4	1.4
- Development Expenditure	-	-	7.3	5.0	9.3	8.2	8.1	6.7	7.0
Overall Deficit	2.1	5.3	7.0	6.7	5.3	5.3	7.0	6.0	7.8
<b>MONEY &amp; CREDIT (Growth Rates %)</b>									
Monetary Assets (M2)	16.3	21.0	14.0	17.11	13.2	11.4	25.3	11.8	12.6
Domestic Assets	15.00	20.50	15.8	17.11	16.50	18.10	17.30	15.20	25.00
<b>STOCK EXCHANGE MARKET</b>									
(Growth rates)									
- General Index for Share Prices	-	-	11.9	13.14	-1.0	0.3	31.3	38.5	-3.3
- Aggregate Market Capitalization	-	-	22.9	40.93	-1.9	42.6	42.1	47.4	11.7
@ Total Revenue include SAP from 1995-96 onward				P		Provisional			
BE Budget Estimates				R		Revised			
RE Revised Estimate									

# SOCIAL INDICATORS

85-86	86-87	87-88	88-89	89-90	90-91	91-92	92-93	93-94	94-95	95-96	96-97	97-98	98-99	
6.36	5.81	6.44	4.81	4.58	5.57	7.71	2.27	4.51	5.26	6.76	1.93	4.30	R 3.11	P
5.95	3.25	2.73	6.87	3.03	4.96	9.50	-5.29	5.23	6.57	11.72	0.12	3.82	" 0.35	"
7.55	7.53	9.98	3.96	5.72	6.25	8.05	5.35	5.39	3.69	4.80	1.29	7.88	" 4.70	"
6.94	5.76	6.12	5.77	4.69	5.91	8.61	0.09	4.84	5.69	8.45	0.37	5.34	" 2.14	"
5.77	5.86	6.77	3.81	4.48	5.21	6.76	4.63	4.18	4.82	4.99	3.61	3.20	" 4.14	"
11.58	13.46	11.07	19.65	11.34	19.35	26.16	13.80	10.01	13.42	16.42	8.09	7.33	" -4.52	"
12.35	14.27	11.22	19.69	11.19	19.97	26.86	13.88	9.47	13.33	15.96	7.77	-0.29	" 0.97	"
13.07	17.03	6.83	15.99	3.63	20.85	23.21	14.46	7.05	18.84	13.03	-5.28	-19.31	" 12.63	"
11.49	10.99	16.73	23.94	19.33	19.15	30.31	13.37	11.57	8.54	18.68	19.58	13.34	" -4.97	"
79.35	88.73	75.67	74.46	74.97	74.84	84.74	65.54	80.59	77.89	61.93	65.60	82.27	" 74.76	"
20.65	11.27	24.33	25.54	25.03	25.16	15.26	34.46	19.41	22.1	38.07	34.40	17.73	" 25.24	"
17.37	17.99	17.27	18.25	18.15	18.52	19.94	20.55	19.37	18.27	18.90	17.89	17.26	" 14.91	"
15.75	16.43	15.79	16.69	16.58	17.01	18.41	18.98	17.81	16.79	17.29	16.32	14.62	" 13.36	"
8.56	9.15	8.45	8.65	8.01	8.27	8.70	9.02	8.28	8.18	8.21	6.81	4.94	" 5.03	"
7.19	7.28	7.35	8.04	8.58	8.73	9.71	9.97	9.54	8.61	9.08	9.50	9.68	" 8.33	"
13.78	15.96	13.07	13.59	13.61	13.86	16.90	13.47	15.61	14.23	11.70	11.73	14.20	" 11.15	"
3.59	2.03	4.20	4.66	4.54	4.66	3.04	7.08	3.76	4.04	7.19	6.15	3.06	" 3.76	"
3.29	4.52	9.61	8.59	6.45	13.07	10.07	8.67	12.86	14.16	8.04	13.34	7.82	" 6.39	"
4.40	3.60	6.30	10.40	6.04	12.66	10.58*	9.83	11.27	13.02	10.79	11.80	7.81	" 6.09	"
17.5	18.1	17.3	18.1	18.6	16.9	19.1	18.0	17.3	17.2	17.7	15.6	16.5	RE 17.3	BE
12.3	14.5	13.8	14.3	14.0	12.7	13.6	13.3	13.2	13.7	14.3	13.2	13.3	" 13.8	"
5.2	3.7	3.5	3.7	4.6	3.4	4.3	4.6	4.0	3.2	2.9	2.4	3.2	" 3.4	"
26.1	26.6	26.7	26.1	25.7	25.6	26.5	26.0	23.2	22.8	24.2	22.0	21.9	" 22.0	"
18.4	20.3	19.8	19.9	19.3	19.2	19.0	20.3	18.7	18.4	19.8	18.5	18.6	" 18.4	"
6.9	7.2	7.0	6.6	6.8	6.3	6.3	6.5	5.8	5.5	5.6	5.2	4.9	" 4.8	"
3.8	4.2	4.9	5	5.4	4.9	5.2	5.9	5.8	5.2	6.2	6.5	6.9	" 7.1	"
1.4	1.8	1.3	1.3	1.4	1.3	1.5	1.5	1.6	1.8	2.2	1.8	1.4	" 1.4	"
7.7	6.3	6.9	6.3	6.5	6.4	7.5	5.7	4.5	4.4	4.4	3.5	3.3	" 3.6	"
8.1	8.2	8.5	7.4	6.5	8.7	7.4	8.0	5.9	5.6	6.4	6.4	5.4	" 4.7	"
14.8	13.7	12.3	7.8	17.5	17.4	26.2	17.8	18.1	17.2	13.80	12.20	14.2	" 3.50	"
15.40	13.34	12.70	9.67	14.39	16.78	22.58	23.77	11.57	13.12	18.80	15.29	15.00	" 0.92	"
-3.0	30.2	17.0	4.9	3.7	42.6	88.5	-14.2	79.5	-35.6	-8.9	-15.9	-30.9	" 4.3	"
11.3	29.5	20.7	15.2	10.7	40.7	219.1	-1.8	88.7	-27.5	24.5	28.5	-44.7	" 11.6	"

Indicators	Average (Annual)									
	1960's	1970's	1980's	1990-98	1980-81	81-82	82-83	83-84	84-85	
<b>BALANCE OF PAYMENTS (Growth rates %)</b>										
- Exports (fob)	-	13.5	8.5	7.3	19.6	-17.2	13.3	1.6	-7.9	
- Imports (fob)	-	16.6	4.5	4.9	14.5	3.7	-2.7	6.7	0.3	
- Trade Deficit	-	20.5	0.9	1.8	9.9	24.8	-13.4	11.2	6.9	
- Private Transfers (net)	-	-	2.3	6.6	18.3	7.6	27.7	-1.2	-11.7	
- Workers Remittances	-	-	1.9	-2.1	19.9	6.2	29.7	-5.2	-10.6	
- Current Account Deficit	-	-	21.2	18.6	-9.0	47.9	-66.3	92.8	68.5	
<b>As % of GDP (MP)</b>										
- Exports(fob)	-	-	9.81	13.1	9.96	7.55	9.16	8.57	7.88	
- Imports(fob)	-	-	18.74	17.8	19.80	18.78	19.58	19.25	19.28	
- Trade Deficit	-	-	8.93	4.8	9.84	11.23	10.42	10.68	11.40	
- Current Account Deficit	-	-	3.91	4.9	3.69	4.99	1.80	3.20	5.39	
<b>COMMODITY SECTORS</b>										
<b>Agriculture</b>										
← Total Cropped Area	Mln. Hectares	-	-	20.31	22.3	19.3	19.8	20.1	20.0	19.9
← Wheat Production	Mln. Tonnes	-	-	12.51	16.4	11.5	11.3	12.4	10.9	11.7
← Rice	"	-	-	3.25	3.7	3.1	3.4	3.4	3.3	3.3
← Sugarcane	"	-	-	33.12	43.1	32.4	36.6	32.5	34.3	32.1
← Cotton	Mln. Bales	-	-	6.28	9.7	4.2	4.4	4.8	2.9	5.9
← Fertilizer Offtake	Mln. N/Tonnes	-	-	1.45	2.2	1.1	1.1	1.2	1.2	1.3
← Credit Disbursed	Bln. Rs	-	-	10.7	19.5	4.0	5.1	6.1	8.4	10.3
<b>Manufacturing</b>										
Cotton Yarn	Mln. Kg.	5.6	3.4	10.0	1,336.6	375	430	448	432	432
Cotton Cloth	Mln. Sq. Mtr.	3.1	(5.2)	(1.1)	320.4	308	325	336	297	272
Fertilizer	Mln. Tonnes	27.5	13.2	10.7	3.6	1.6	2.0	2.6	2.7	2.7
Sugar	"	34.3	2.2	14.4	2.6	0.9	1.3	1.1	1.1	1.3
Cement	"	10.7	2.5	8.6	8.7	3.5	3.7	3.9	4.5	4.7
Soda Ash	000 Tonnes	12.0	2.6	6.7	198.9	96	107	94	107	122
Caustic Soda	000 Tonnes	24.4	5.0	6.6	95.8	39	41	41	40	46
Cigarettes	Bln. Nos.	10.7	4.9	(0.4)	37.1	36	38	38	40	39
Jute Goods	000 Tonnes	-	3.4	9.5	83.9	50	56	66	84	78
<b>INFRASTRUCTURE</b>										
<b>Energy</b>										
Crude Oil Extraction	Mln. Barrels	-	2.8	10.9	21.4	3.6	4.0	4.7	4.9	9.5
Gas	Bln. CF	-	165.4	385.2	621.1	299.8	323.3	347.1	346.7	361.9
Electricity (Installed Capacity)	000 MW	-	1.3	3.1	11.9	4.1	4.2	4.8	5.0	5.6
<b>Transport &amp; Communications</b>										
Roads	000 Km	70.5	74.1	123.8	204.5	93.96	96.86	99.79	111.92	118.47
Motor Vehicles on Road	Mln. Nos.	-	0.36	1.35	3.0	0.76	0.84	0.94	1.14	1.29
Post Offices	000 Nos.	7.1	9.0	11.8	13.3	11.2	11.4	11.5	11.7	11.9
Telephones	Mln. Nos.	0.1	0.2	0.6	2.0	0.36	0.39	0.45	0.46	0.57
Not available										

## SOCIAL INDICATORS

85-86	86-87	87-88	88-89	89-90	90-91	91-92	92-93	93-94	94-95	95-96	96-97	97-98	98-99 (Jul-Mar)
19.7	18.9	24.7	6.2	6.3	19.8	14.6	0.3	-1.4	16.1	7.1	-2.6	4.2	-10.2
-0.4	-3.2	19.5	4.2	2.8	13.1	7.3	11.7	-13.6	18.6	16.7	-6.4	-8.4	-11.1
-14.4	-24.6	11.5	0.6	-3.4	-0.1	-9.9	46.1	-38.8	26.9	46.0	-15.1	-40.6	-15.2
5.0	-9.4	-11.8	-6.9	5.2	-4.9	48.1	-25.3	2.7	2.0	-2.4	24.4	8.5	-58.7
6.4	-12.2	-11.7	-5.8	2.4	-4.8	-20.6	6.5	-7.5	29.1	-21.7	-3.5	5.7	-31.7
-26.4	41.8	133.9	15.0	-2.2	14.8	-38.0	174.0	-46.7	26.4	84.2	-15.9	-50.1	63.9
9.23	10.50	11.37	11.57	12.34	12.97	13.87	13.12	12.82	12.72	13.03	12.85	13.31	-
18.77	17.38	18.03	17.99	18.57	18.42	18.45	19.44	16.66	16.88	18.83	17.84	16.26	-
9.54	6.88	6.66	6.42	6.23	5.46	4.59	6.32	3.84	4.16	5.80	4.99	2.95	-
3.88	2.16	4.38	4.83	4.74	4.77	2.76	7.14	3.77	4.07	7.17	6.10	3.03	-
20.3	20.9	19.5	21.8	21.5	21.8	21.7	22.4	21.9	22.1	22.6	22.9	23.0	23.0
13.9	12.0	12.7	14.4	14.3	14.6	15.7	16.2	15.2	17.0	16.9	16.7	18.7	18.1
2.9	3.5	3.2	3.2	3.2	3.3	3.2	3.1	4.0	3.4	4.0	4.3	4.3	4.7
27.9	29.9	33.0	37.0	35.5	36.0	38.9	38.1	44.4	47.2	45.2	42.0	53.1	55.2
7.2	7.8	8.6	8.4	8.6	9.6	12.8	9.1	8.0	8.7	10.6	9.4	9.2	8.8
1.5	1.8	1.7	1.7	1.9	1.9	1.9	2.1	2.1	2.2	2.5	2.4	2.7	2.0
12.7	15.9	15.9	14.8	13.8	14.9	14.5	16.2	15.7	22.4	19.2	19.5	33.4	30.7
482	586	685	758	912	1041	1171	1219	1310	1402.7	1495.1	1520.8	1533.1	1157.8
253	238	282	270	295	293	308	325	315	321.8	327.0	333.5	339.9	285.7
2.7	2.9	2.9	2.9	3.0	3.0	2.8	3.2	3.9	3.8	4.2	4.0	3.9	3.0
1.1	1.3	1.8	1.9	1.9	1.9	2.3	2.4	2.9	3.0	2.5	2.4	3.6	3.2
5.8	6.5	7.1	7.1	7.5	7.8	8.3	8.6	8.2	8.5	9.5	9.5	9.4	6.9
128	130	134	144	150	147	186	186	187	185	214.0	247	239.3	186.1
55	55	61	67	74	79	82	81	89	92.7	109.0	118.2	115.7	88.7
40	40	41	32	32	30	30	30	36	30.7	45.5	46.1	48.2	37.7
100	114	112	104	96	97	101	98	76.4	67.3	70.6	68.7	92.0	63.5
14.3	15.0	16.3	17.1	19.5	23.5	22.5	21.9	20.7	19.9	21.1	21.3	20.5	15.3
380.2	402.6	437.3	455.5	498.1	518.5	550.7	583.5	624.2	628.2	666.6	697.6	699.7	551.4
6.3	6.7	6.8	7.1	7.4	8.7	9.4	10.6	11.3	12.1	13.0	14.7	15.6	15.7
126.24	133.95	142.94	151.45	162.35	170.82	182.71	189.32	196.82	207.70	218.34	229.59	240.88	181.84
1.44	1.55	1.67	1.84	1.99	2.12	2.47	2.65	2.83	3.03	3.26	3.50	3.80	3.71
12.0	12.1	12.2	12.2	12.2	13.4	13.4	13.2	13.3	13.3	13.4	13.4	13.2	13.2
0.63	0.68	0.74	0.84	0.92	1.19	1.46	1.55	1.80	2.13	2.38	2.56	2.75	2.86

Indicators	Average (Annual)									
	1960's	1970's	1980's	1990-98	1980-81	81-82	82-83	83-84	84-85	
<b>HUMAN RESOURCES</b>										
Population			96.32	119.55	84.87	87.38	89.89	92.40	94.93	
Population	Million	-	-	28.30	33.60	25.65	26.27	26.91	27.45	28.00
Labour Force*	Million	-	-	-	-	-	-	-	-	
Employed Labour Force*	Million	-	-	27.31	31.81	24.70	25.27	25.85	26.40	26.96
Un-employed Labour Force*	Million	-	-	0.99	1.79	0.95	1.00	1.06	1.05	1.04
Un-employment Rate*	% per annum	-	-	3.5	5.31	3.72	3.81	3.91	3.82	3.72
Crude Birth Rate*	Per 1000 Persons	-	-	-	-	-	-	-	-	43.3
Crude Death Rate*	Per 1000 Persons	-	-	-	-	-	-	-	-	11.8
Infant Mortality Rate*	Per 1000 Persons	-	-	-	-	-	-	-	-	126.7
<b>SOCIAL DEVELOPMENT</b>										
<b>Education</b>										
Primary Schools	000 Nos.	-	-	83.3	155.5	59.2	61.1	71.4	73.2	73.8
Male		-	-	60.4	96.1	40.6	41.7	51.1	52.3	52.3
Female		-	-	22.9	39.0	18.6	19.4	20.3	20.9	21.5
Middle Schools		-	-	6.4	12.1	5.3	5.4	5.4	6.0	6.1
Male		-	-	4.4	7.2	3.9	4.0	4.0	4.2	4.3
Female		-	-	2.0	5.0	1.4	1.4	1.4	1.8	1.8
High Schools		-	-	4.9	9.2	3.5	3.6	3.7	4.2	4.6
Male		-	-	3.5	6.4	2.5	2.6	2.7	3.0	3.3
Female		-	-	1.4	2.8	1.0	1.0	1.0	1.2	1.3
Secondary/Vocational Institutions	Nos.	-	-	459	474	231	247	263	279	290
Male		-	-	259	287	143	155	167	179	186
Female		-	-	201	261	88	92	96	100	104
Expenditure as % of GNP		-	-	1.9	2.3	1.4	1.4	1.5	1.6	1.8
Literacy Rate	Percent	-	-	29.5	39.1	26.2	26.2	27.1	27.9	28.8
Male		-	-	39.0	49.9	35.0	35.0	36.0	37.0	38.1
Female		-	-	18.7	27.1	16.0	16.0	16.7	17.4	18.1
<b>Health</b>										
Registered Doctors	(000 Nos.)	2.0	6.7	28.1	75.2	10.8	13.9	17.2	20.9	25.6
Registered Nurses		-	-	9.9	25.6	5.3	6.1	6.8	7.3	8.3
Registered Dentists		0.2	0.7	1.4	3.0	0.9	1.0	1.1	1.2	1.3
Hospitals	Numbers	380	529	651	919.1	602	600	613	626	633
Dispensaries	(000 Nos.)	1.7	2.9	3.5	4.8	3.5	3.5	3.5	3.4	3.4
Rural Health Centres		-	0.1	0.3	0.6	0.2	0.2	0.3	0.3	0.3
TB Centres	Numbers	-	90	122	273.6	98	99	98	98	96
Beds in Hospitals and Dispensaries	000 Nos.	25.5	39.3	55.7	93.2	47.4	48.4	50.3	52.2	53.6
Expenditure on Health as % of GNP		-	-	0.7	0.8	-	0.6	0.6	0.6	0.7

\* Figures yet to be worked out on the basis of 1998 Census results for the period 1981-82 to 1988-89.

- Not available

Note: Population have been estimated as on 30th June of the year



# SOICAL INDICATORS

85-86	86-87	87-88	88-89	89-90	90-91	91-92	92-93	93-94	94-95	95-96	96-97	97-98	98-99
97.50	100.09	102.71	105.35	108.04	110.79	113.61	116.47	119.39	122.36	125.38	128.42	131.51	134.51
28.05	29.43	29.61	30.48	31.15	30.99	31.94	32.45	33.29	33.6	34.43	36.84	37.73	38.59
27.02	28.53	28.68	29.52	30.17	29.04	30.07	30.92	31.68	31.8	32.58	34.59	35.42	36.23
1.02	0.90	0.93	0.95	0.97	1.95	1.87	1.53	1.61	1.80	1.85	2.25	2.31	2.36
3.66	3.05	3.13	3.13	3.13	6.28	5.85	4.73	4.84	5.37	5.37	6.10	6.10	6.10
43.3	43.3	43.3	40.5	-	-	-	-	-	-	35.10	-	32.70	-
11.5	10.1	10.5	10.8	-	-	-	-	-	-	8.70	-	9.10	-
115.9	105.6	103.9	107.7	107.7	107.7	108.0	100.9	-	-	85.5	-	-	-
77.2	97.2	105.9	103.7	110.5	114.1	112.4	130.6	134.0	139.6	143.1	149.7 P	156.5	163.7
54.8	73.7	81.0	76.2	80.5	84.0	80.8	92.5	94.0	97.6	99.7	107.7	113.2	119.1
22.4	23.5	24.9	27.4	30.0	31.1	31.6	38.1	40.0	42.0	43.4	42.0	43.3	44.6
6.3	6.8	7.0	7.8	8.1	8.8	9.0	11.8	12.1	12.6	13.3	14.5	15.7	17.0
4.4	4.7	4.8	4.9	5.0	5.4	5.5	6.7	6.9	7.0	7.6	8.7	9.9	11.2
1.9	2.1	2.2	2.9	3.1	3.4	3.5	5.1	5.2	5.6	5.7	5.8	5.8	5.8
4.7	5.2	5.5	6.6	7.2	8.2	8.4	8.7	9.2	9.5	9.5	9.9	10.2	10.5
3.4	3.7	3.9	4.8	5.3	6.2	6.3	6.0	6.3	6.4	6.4	6.7	7.0	7.2
1.3	1.5	1.6	1.8	1.9	2.0	2.1	2.7	2.9	3.1	3.1	3.2	3.2	3.3
293	501	560	999	929	725	608	602	474	487	497	496	498	498
188	242	271	544	510	380	297	286	256	263	273	270	272	272
105	259	289	455	419	345	311	316	218	221	224	226	226	226
2.3	2.4	2.4	2.4	2.2	2.1	2.2	2.2	2.2	2.4	2.4	2.5	2.3	2.2
29.8	30.7	31.7	32.7	33.8	34.9	36.0	37.2	38.4	39.6	40.9	42.2	43.6	45.0
39.2	40.3	41.4	42.6	43.9	45.1	46.4	47.7	49.1	50.5	51.9	53.4	54.9	56.5
18.9	19.7	20.6	21.5	22.4	23.3	24.3	25.4	26.5	27.6	28.8	30.0	31.3	32.6
30.0	34.0	38.6	42.9	47.3	51.9	55.6	60.0	63.0	66.2	69.7	74.2	78.5	82.7
10.5	12.0	13.0	14.0	15.9	16.9	18.2	19.4	20.2	21.4	22.3	24.8	28.7	32.9
1.4	1.6	1.6	1.8	1.9	2.1	2.2	2.3	2.4	2.6	2.8	2.9	3.2	3.4
652	670	682	710	719	756	776	778	799	822	827	858	865	872
3.4	3.4	3.5	3.6	3.7	3.8	3.9	4.1	4.2	4.3	4.3	4.5	4.5	4.6
0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
100	101	104	211	211	220	219	228	233	242	260	262	262	263
55.9	57.7	60.1	64.5	66.4	73.0	75.8	76.9	80.0	84.9	85.8	88.5	89.9	90.7
0.7	0.7	1.0	1.0	0.9	0.7	0.7	0.7	0.7	0.6	0.8	0.8	0.7	0.7

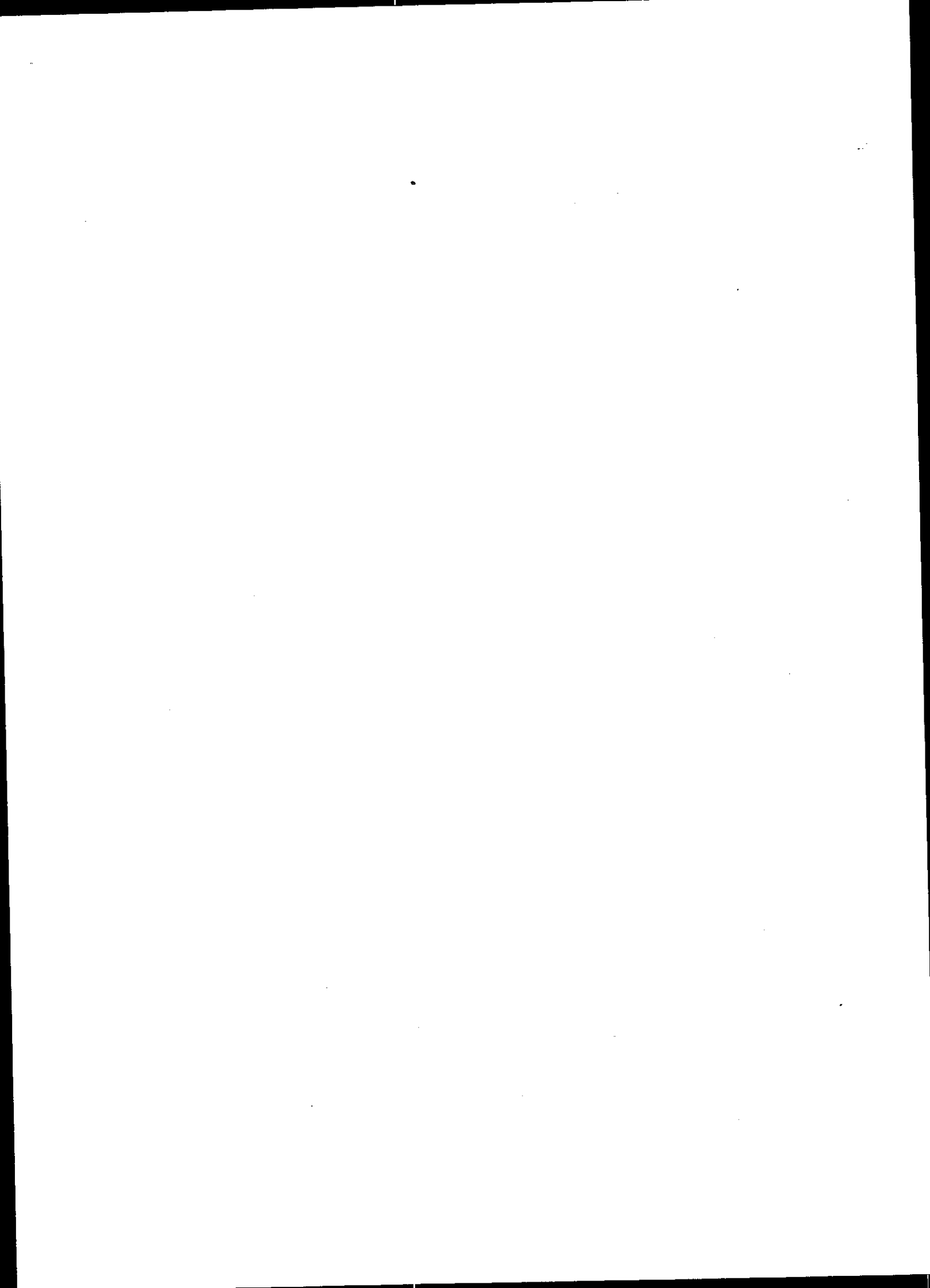


TABLE 1.1  
GROSS NATIONAL PRODUCT  
AT CONSTANT FACTOR COST OF 1980-81

Sector	(Rs million)								
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98 (R)	1998-99 (P)
1. Agriculture	114,542	125,425	118,795	125,005	133,215	148,832	149,016	154,708	155,257
Major Crops	54,741	63,213	53,354	54,018	58,714	62,211	59,518	64,438	64,066
Minor Crops	19,820	20,290	21,092	23,754	25,395	26,636	26,886	27,773	27,872
Livestock	34,105	36,133	38,308	40,599	42,848	54,172	56,469	56,050	56,889
Fishing	4,430	4,650	4,909	5,442	5,047	4,904	5,139	5,541	5,744
Forestry	1,446	1,139	1,132	1,192	1,211	909	1,004	906	686
2. Mining & Quarrying	2,504	2,565	2,642	2,765	2,646	2,833	2,886	2,725	2,848
3. Manufacturing	78,969	85,324	89,889	94,734	98,228	102,939	104,271	112,484	117,766
Large Scale	56,577	61,051	63,577	66,212	67,310	69,424	67,941	73,102	75,076
Small Scale	22,392	24,273	26,312	28,522	30,918	33,515	36,330	39,382	42,690
4. Construction	18,462	19,566	20,701	21,040	21,253	21,944	22,183	22,463	22,645
5. Electricity and Gas Distribution	15,424	16,823	17,897	18,464	21,572	23,759	23,068	25,136	25,805
6. Transport, Storage & Communication	42,719	47,189	50,333	52,174	54,342	54,798	56,859	61,454	64,719
7. Wholesale & Retail Trade	73,380	78,760	81,061	83,340	87,245	92,542	93,208	95,862	97,092
8. Finance and Insuran	9,913	10,343	11,065	12,629	13,426	15,283	17,039	13,216	14,459
9. Ownership of Dwellings	24,305	25,588	26,939	28,361	29,858	31,435	33,095	34,842	36,682
10 Public Admn. & Defence	31,679	32,495	33,295	33,759	34,814	35,917	36,712	37,459	38,667
11 Services	34,108	36,335	38,708	41,236	43,929	46,798	49,854	53,109	56,577
12 GDP (fc)	446,005	480,413	491,325	513,635	540,528	577,080	588,191	613,458	632,517
13 Indirect Taxes	59,345	63,722	62,156	60,458	61,584	56,818	52,870	48,607	54,656
14 Subsidies	5,390	5,004	4,026	3,234	2,026	3,747	3,185	3,137	2,490
15 GDP (mp)	499,960	539,131	549,455	570,859	600,086	630,151	637,876	658,928	684,683
16 Net Factor Income from abroad	9,457	4,949	3,734	1,319	4,031	-1,856	-4,362	-5,298	-5,911
17. GNP(fc)	455,462	485,362	495,059	514,954	544,559	575,224	583,829	608,160	626,606
18. GNP(mp)	509,417	544,080	553,189	572,178	604,117	628,295	633,514	653,630	678,772
19. Population (in million)	109.42	112.20	115.04	117.93	120.88	123.87	126.90	129.97	133.01
20. Per Capita Income (fc-Rs)	4,163	4,326	4,303	4,367	4,505	4,644	4,601	4,679	4,711
21. Per Capita Income	4,656	4,849	4,809	4,852	4,998	5,072	4,992	5,029	5,103

Source: Federal Bureau of Statistics.

R: Revised

P: Provisional

TABLE 1.2  
SECTORAL SHARES IN GDP (Real)

	(In percent)								
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
								(R)	(P)
1. Commodity Producing									
Sectors	51.5	52.0	50.9	51.1	51.2	52.0	51.2	51.8	51.3
a. Agriculture	25.7	26.1	24.2	24.3	24.6	25.8	25.3	25.2	24.5
b. Manufacturing	17.7	17.8	18.3	18.5	18.2	17.8	17.7	18.3	18.6
c. Mining and Quarrying	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.5
d. Construction	4.1	4.1	4.2	4.1	4.0	3.8	3.8	3.7	3.6
e. Electricity & Gas									
Distribution	3.5	3.5	3.7	3.6	3.9	4.1	3.9	4.1	4.1
2. Services Sectors	48.5	48.0	49.1	49.0	48.8	48.0	48.8	48.2	48.7
a. Wholesale & Retail	16.5	16.4	16.5	16.2	16.2	16.0	15.8	15.6	15.4
Trade									
b. Transport, Storage and									
Communication	9.6	9.8	10.2	10.2	10.1	9.5	9.7	10.0	10.2
c. Finance and Insurance	2.2	2.2	2.2	2.5	2.5	2.6	2.9	2.2	2.3
d. Ownership of Dwellings	5.4	5.3	5.5	5.5	5.5	5.4	5.6	5.7	5.8
e. Public Admn. & Defence	7.1	6.8	6.8	6.6	6.4	6.2	6.2	6.1	6.1
f. Services	7.6	7.6	7.9	8.0	8.1	8.1	8.5	8.7	8.9

Source: Federal Bureau of Statistics

R: Revised

Economic Adviser's Wing

P: Provisional

TABLE 1.3  
GDP/GNP REAL GROWTH RATES

Sector	(In Percent)								
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98 (R)	1998-99 (P)
1. Agriculture	4.96	9.50	-5.29	5.23	6.57	11.72	0.12	3.82	0.35
Major Crops	5.69	15.48	-15.60	1.24	8.69	5.96	-4.33	8.27	-0.58
Minor Crops	3.51	2.37	3.95	12.62	6.91	4.89	0.94	3.30	0.36
Livestock	5.00	5.95	6.02	5.98	5.54	26.43	4.24	-0.74	1.50
Fishing	2.43	4.97	5.57	10.86	-7.26	-2.83	4.79	7.82	3.66
Forestry	4.86	-21.23	-0.61	5.30	1.59	-24.94	10.45	-9.76	-24.28
2. Mining & Quarrying	10.36	2.44	3.00	4.66	-4.30	7.07	1.87	-5.58	4.51
3. Manufacturing	6.25	8.05	5.35	5.39	3.69	4.80	1.29	7.88	4.70
Large Scale	5.42	7.91	4.14	4.14	1.68	3.14	-2.14	7.60	2.70
Small Scale	8.40	8.40	8.40	8.40	8.40	8.40	8.40	8.40	8.40
4. Construction	5.70	5.98	5.80	1.64	1.01	3.25	1.09	1.26	0.81
5. Electricity & Gas									
Distribution	11.00	9.07	6.38	3.17	16.83	10.14	-2.91	8.96	2.66
A. Commodity Producing									
Sector	5.91	8.61	0.09	4.84	5.69	8.45	0.37	5.34	2.14
6. Transport, Storage & Communication	6.31	10.46	6.66	3.66	4.16	0.84	3.76	8.08	5.31
7. Wholesale and Retail Trade	5.35	7.33	2.92	2.86	4.64	6.07	0.72	2.85	1.28
8. Finance and Insurance	1.23	4.34	6.98	14.13	6.31	13.83	11.49	-22.44	9.41
9. Ownership of Dwellings	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28
10. Public Admn. & Defence	3.30	2.58	2.46	1.39	3.13	3.17	2.21	2.03	3.22
11. Services	6.53	6.53	6.53	6.53	6.53	6.53	6.53	6.53	6.53
3. Services Sector	5.21	6.76	4.63	4.18	4.82	4.99	3.61	3.20	4.14
12. GDP(fc)	5.57	7.71	2.27	1.51	5.26	6.76	1.93	4.30	3.11
13. Net factor income									
from abroad	-44.90	-47.67	-24.55	-64.68	205.61	-146.04	-135.02	-21.46	-11.57
14 GNP (fc)	3.60	6.56	2.00	3.99	5.78	5.63	1.50	4.17	3.03

R: Revised

Source: Federal Bureau of Statistics

P: Provisional

TABLE 1.4  
EXPENDITURE ON GROSS NATIONAL PRODUCT  
AT CONSTANT PRICES OF 1980-81

Flows	(Rs million)								
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98 (R)	1998-99 (P)
Private Consumption									
Expenditure	329,866	375,373	384,254	398,431	427,038	458,798	478,913	477,393	501,955
General Govt. Current									
Consumption Expenditure	65,566	60,407	71,134	63,869	67,360	71,944	65,933	70,423	73,163
Ic [ Gross Domestic Fixed									
Capital Formation	83,871	92,512	96,420	95,548	99,981	104,929	100,946	95,461	93,227
Change in Stocks	7,596	8,678	8,668	8,785	8,660	9,558	9,427	16,496	10,054
Export of Goods and									
Non-Factor Services	87,700	99,821	101,136	104,282	101,075	103,091	96,353	99,961	98,784
Less Imports of Goods									
and Non-Factor Services	74,639	97,660	112,157	100,056	104,028	118,169	113,696	100,806	92,500
Expenditure on GDP at									
Market Prices	499,960	539,131	549,455	570,859	600,086	630,151	637,876	658,928	684,683
Plus Net Factor Income									
from the Rest of the World	9,457	4,949	3,734	1,319	4,031	-1856	-4362	-5298	-5911
Expenditure on GNP at									
at Market Prices	509,417	544,080	553,189	572,178	604,117	628,295	633,514	653,630	678,772
Less Indirect Taxes	59,345	63,722	62,156	60,458	61,584	56,818	52,870	48,607	54,656
Plus Subsidies	5,390	5,004	4,026	3,234	2,026	3,747	3,185	3,137	2,490
Y [ GNP at Factor Cost	455,462	485,362	495,059	514,954	544,559	575,224	583,829	608,160	626,606

Source: Federal Bureau of Statistics.

R: Revised

P: Provisional

Note: Private Consumption Expenditure has been taken as residual.

TABLE 1.5

GROSS NATIONAL PRODUCT  
AT CURRENT FACTOR COST

Sectors	(Rs million)								
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98 (R)	1998-99 (P)
1. Agriculture	233,130	282,374	297,814	357,924	437,034	491,791	594,554	671,012	717,498
Major Crops	94,570	125,441	116,209	139,480	177,969	191,473	211,595	260,353	272,073
Minor Crops	43,562	46,525	51,513	63,467	72,022	86,438	90,573	99,935	114,602
Livestock	86,219	100,726	117,792	141,683	173,047	199,432	275,948	293,629	313,504
Fishing	6,072	#NAME?	9,536	10,097	10,450	11,501	12,707	13,431	14,470
Forestry	2,707	2,524	2,764	3,197	3,546	2,947	3,731	3,664	2,849
2. Mining & Quarrying	6,437	7,117	7,403	8,664	9,007	11,272	11,483	13,437	14,426
3. Manufacturing	158,840	186,832	207,273	247,072	288,906	331,384	382,640	429,513	464,926
Large Scale	112,204	130,252	142,206	171,794	200,799	226,482	255,798	284,725	304,373
Small Scale	46,636	56,580	65,267	75,278	88,107	104,902	126,842	144,788	160,553
4. Construction	38,172	43,812	49,807	55,246	60,985	70,769	81,338	89,327	95,259
5. Electricity and Gas Distribution	30,584	36,557	38,627	40,927	55,127	74,563	77,086	94,882	129,555
6. Transport, Storage & Communication	77,709	100,956	127,508	149,288	170,857	186,091	218,022	255,979	280,136
7. Wholesale & Re- tail Trade	152,017	178,040	195,301	229,399	275,290	321,288	357,177	400,642	419,746
8. Finance & Insurance	26,966	30,672	35,428	47,024	56,105	66,437	80,287	78,420	97,858
9. Ownership of Dwellings	39,624	46,207	53,652	62,011	72,164	83,067	96,323	109,972	122,551
10. Public Admn. & Defence	76,519	85,472	94,560	105,298	130,701	159,164	171,252	183,932	204,152
11. Services	68,376	79,904	92,756	110,005	131,950	155,734	185,487	213,031	238,879
12. GDP (fc)	908,374	1,077,943	1,200,129	1,412,858	1,688,126	1,951,560	2,255,649	2,540,147	2,784,986
13. Indirect Taxes	123,437	144,815	151,300	169,295	200,544	204,102	214,663	210,346	252,184
14. Subsidies	11,211	11,373	9,800	9,056	6,599	13,820	12,931	13,574	11,487
15. GDP(mp)	1,020,600	1,211,385	1,341,629	1,573,097	1,882,071	2,141,842	2,457,381	2,736,919	3,025,683
16. Net Factor Income from abroad	23,908	12,537	9,960	3,988	14,043	-7136	-19350	-24662	-28589
17. GNP(fc)	932,282	1,090,480	1,210,089	1,416,846	1,702,169	1,944,424	2,236,299	2,515,485	2,756,397
18. GNP (mp)	1,044,508	1,223,922	1,351,589	1,577,085	1,896,114	2,134,706	2,438,031	2,712,257	2,997,094
19. Population (in million)	109.42	112.20	115.04	117.93	120.88	123.87	126.90	129.97	133.01
20. Per Capita Income(fc-Rs)	8,520	9,719	10,519	12,014	14,081	15,697	17,623	19,354	20,723
21. Per Capita Income(mp-Rs)	9,546	10,908	11,749	13,373	15,686	17,233	19,212	20,868	22,533
22. Per Capita Income(mp-US \$)	426	439	453	443	508	513	493	483	483
23. GDP Deflator Index	204.13	224.69	244.17	275.57	314.59	339.89	385.24	415.36	441.91
Growth	13.07	10.07	8.67	12.86	14.16	8.04	13.34	7.82	6.39

1: Revised

2: Provisional

Source : Federal Bureau of Statistics

TABLE 1.6  
EXPENDITURE ON GROSS NATIONAL PRODUCT  
AT CURRENT PRICES

Flows	(Rs million)								
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98 (R)	1998-99 (P)
Private Consumption									
Expenditure	697,448	849,954	970,979	1,121,636	1,367,057	1,566,242	1,846,373	1,995,202	2,233,307
General Government Current									
Consumption Expenditure	145,575	155,567	174,680	189,102	219,125	268,098	288,813	301,614	335,754
Gross Domestic Fixed									
Capital Formation	177,646	225,360	256,644	280,877	318,308	369,079	397,768	396,621	400,486
Change in Stocks	15,800	18,700	21,100	24,600	28,200	34,338	38,275	71,387	46,386
Export of Goods and Non- Factor Services	172,812	209,215	217,372	254,187	311,795	358,375	390,520	441,406	455,898
Less Imports of Goods and Non-Factor Services	188,681	247,411	299,146	297,305	362,414	454,290	504,368	469,311	446,148
Expenditure on GDP at Market Prices	1,020,600	1,211,385	1,341,629	1,573,097	1,882,071	2,141,842	2,457,381	2,736,919	3,025,683
Plus Net Factor Income from the rest of the world	23,908	12,537	9,960	3,988	14,043	-7136	-19350	-24662	-28589
Expenditure on GNP at Market Prices	1,044,508	1,223,922	1,351,589	1,577,085	1,896,114	2,134,706	2,438,031	2,712,257	2,997,094
Less Indirect Taxes	123,437	144,815	151,300	169,295	200,544	2,041,102	214,663	210,346	252,184
Plus Subsidies	11,211	11,373	9,800	9,056	6,599	13,820	12,931	13,574	11,487
GNP at Factor Cost	932,282	1,090,480	1,210,089	1,416,846	1,702,169	1,944,424	2,236,299	2,515,485	2,756,397

Source: Federal Bureau of Statistics.

R: Revised

P: Provisional

Note: Private Consumption Expenditure has been taken as residual



TABLE 1.7

GRDSS FIXED CAPITAL FORMATION (GFCF) IN PRIVATE, PUBLIC,  
AND GENERAL GOVERNMENT SECTORS BY ECONOMIC ACTIVITY  
AT CURRENT MARKET PRICES

Sector	(Rs million)								
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98 (R)	1998-99 (P)
GICF (A+B+C)	177,646	225,360	256,644	280,877	318,308	369,079	397,768	396,621	400,486
A Private Sector	91,226	118,878	134,768	150,369	163,219	193,781	231,732	262,647	249,592
B. Public Sector	49,514	63,504	73,405	79,650	96,556	112,478	113,203	74,396	85,081
C General Govt.	36,906	42,978	48,471	50,858	58,533	62,820	52,833	59,578	65,813
Private & Public A+B)	140,740	182,382	208,173	230,019	259,775	306,259	344,935	337,043	334,673
SECTOR-WISE:									
1. Agriculture	17,684	18,057	20,523	24,399	29,483	31,292	23,205	27,457	33,000
2. Mining and Quarrying	2,561	3,799	3,379	4,987	8,565	8,909	15,895	11,021	8,336
3. Manufacturing	38,898	58,540	63,433	69,849	51,178	62,515	74,700	71,569	82,127
Large Scale	34,084	52,598	56,536	61,283	41,355	50,558	60,469	55,242	64,186
Small Scale	4,814	5,942	6,897	8,566	9,823	11,957	14,231	16,327	17,941
4. Construction	5,127	8,043	9,942	12,155	13,206	15,721	16,052	16,341	13,509
5. Electricity & Gas	24,103	30,881	33,647	40,323	67,999	74,751	60,739	66,554	43,648
6. Transport and Communication	20,558	25,801	34,908	29,232	30,760	45,068	69,875	53,365	59,016
7. Wholesale and Retail Trade	1,708	1,955	1,998	2,447	3,893	5,018	4,527	5,647	5,620
8. Finance & Insurance	21,659	24,960	29,177	32,572	38,850	44,401	10,544	7,364	7,666
9. Services	8,442	10,346	11,166	14,055	15,841	18,584	24,471	28,543	28,551
P. Provisional									(..Contd.)
R Revised									

TABLE 1.7  
GRDSS FIXED CAPITAL FORMATION (GFCF) IN PRIVATE  
SECTOR BY ECONOMIC ACTIVITY  
AT CURRENT MARKET PRICES

Sector	(Rs million)								
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
							(R)	(P)	
PRIVATE	91,226	118,878	134,768	150,369	163,219	193,781	231,732	262,647	249,592
SECTORS									
1. Agriculture	14,889	14,831	16,631	18,435	22,485	21,776	20,055	21,419	26,968
2. Mining and Quarrying	258	321	371	468	1,513	2,112	2,294	5,247	3,594
3. Manufacturing	36,169	55,347	60,059	66,901	48,721	58,675	66,016	66,224	64,312
Large Scale	31,559	49,569	53,350	58,508	38,898	46,718	51,785	49,897	46,371
Small Scale	4,610	5,778	6,709	8,393	9,823	11,957	14,231	16,327	17,941
4. Construction	1,959	4,306	6,800	8,225	9,455	10,697	10,722	12,073	9,297
5. Electricity & Gas			571	2,911	18,489	23,261	28,184	40,373	15,157
6. Transport & Communication	8,737	10,001	11,246	8,577	8,007	13,259	23,441	33,187	41,645
7. Wholesale and Retail Trade	1,395	1,661	1,935	2,332	3,797	4,845	4,475	5,647	5,611
8. Ownership of Dwellings	20,747	23,759	27,372	30,470	34,024	38,730	44,927	49,182	53,200
9. Finance & Insurance	273	464	536	818	3,079	4,009	8,869	5,625	5,774
10. Services	6,776	8,162	9,217	11,195	13,602	16,363	22,749	23,670	24,034
Real Estate	23	26	30	37	47	54	66	70	74
Other Services	6,753	8,136	9,187	11,158	13,555	16,309	22,683	23,600	23,960

(..Contd.)

R: Revised

P: Provisional

TABLE 1.7  
GROSS FIXED CAPITAL FORMATION (GFCF) IN PUBLIC  
AND GENERAL GOVERNMENT SECTORS BY ECONOMIC ACTIVITY  
AT CURRENT MARKET PRICES

Sector	(Rs million)								
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98 (R)	1998-99 (P)
Public Sector and									
General Govt. (A+B)	86,420	106,482	121,876	130,508	155,089	175,298	166,036	133,974	150,894
A. Public Sector	49,514	63,504	73,405	79,650	96,556	112,478	113,203	74,396	85,081
1. Agriculture	2,795	3,226	3,892	5,964	6,998	9,516	3,150	6,038	6,032
2. Mining and									
Quarrying	2,303	3,478	3,008	4,519	7,052	6,797	13,601	5,774	4,742
3. Manufacturing	2,729	3,193	3,374	2,948	2,457	3,840	8,684	5,345	17,815
Large Scale	2,525	3,029	3,186	2,775	2,457	..	..	..	..
Small Scale	204	164	188	173	-	..	..	..	..
4. Construction	3,168	3,737	3,142	3,930	3,751	5,024	5,330	4,268	4,212
Indus Basin	207	160	81	51	26	44	141	87	25
Other Const.	2,961	3,577	3,061	3,879	3,725	4,980	5,189	4,181	4,187
5. Electricity & Gas	24,103	30,881	33,076	37,412	49,510	51,490	32,555	26,181	28,491
6. Transport and									
Communication	11,821	15,800	23,662	20,655	22,753	31,809	46,434	20,178	17,371
Railways	1,257	2,191	2,188	2,236	3,234	3,368	3,582	2,219	2,124
Post Office & PTC	6,449	6,290	13,223	9,238	10,521	14,999	22,647	9,921	9,996
Others	4,115	7,319	8,251	9,181	8,998	13,442	20,205	8,038	5,257
7. Wholesale and									
Retail Trade	313	294	63	115	96	173	52	0	9
8. Finance &									
Insurance	616	711	1,239	1,247	1,700	1,608	1,675	1,739	1,892
9. Services	1,666	2,184	1,949	2,860	2,239	2,221	1,722	4,873	4,517
B. General Govt.	36,906	42,978	48,471	50,858	58,533	62,820	52,833	59,578	65,813
Federal	11,661	13,378	14,459	15,790	19,586	20,118	21,485	23,773	26,313
Provincial	18,783	23,029	26,961	27,675	31,195	34,522	24,928	27,824	31,232
Local Bodies	6,462	6,571	7,051	7,393	7,752	8,180	6,420	7,981	8,268

R: Revised

Source: Federal Bureau of Statistics.

P: Provisional

- Nil

.. Not available

TABLE 1.8

GROSS FIXED CAPITAL FORMATION (GFCF) IN PRIVATE, PUBLIC  
AND GENERAL GOVERNMENT SECTORS BY ECONOMIC ACTIVITY  
AT CONSTANT MARKET PRICES

Sector	(Rs million)								
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
							(R)	(P)	
GFCF (A+B+C)	83,871	92,512	96,420	95,548	99,981	104,929	100,946	95,461	93,227
A. Private Sector	40,203	44,903	46,551	47,539	49,013	53,032	57,262	61,708	57,243
B. Public Sector	24,580	27,679	29,474	28,398	31,097	32,406	28,942	17,942	19,111
C. General Govt.	19,088	19,930	20,398	19,611	19,871	19,491	14,742	15,811	16,873
Private & Public (A+B)	64,783	72,582	76,023	75,937	80,110	85,438	86,204	79,650	76,354
SECTOR-WISE:									
1. Agriculture	8,712	7,911	8,279	8,723	9,614	9,227	6,167	6,893	8,044
2. Mining and Quarrying	1,309	1,714	1,447	1,854	2,916	2,691	4,379	2,852	2,148
3. Manufacturing	13,090	18,010	17,862	18,303	12,530	14,270	14,804	13,421	14,410
Large Scale	10,544	15,292	14,917	15,133	9,163	10,621	10,847	9,132	9,761
Small Scale	2,546	2,718	2,945	3,170	3,367	3,649	3,957	4,289	4,649
4. Construction	2,714	2,621	1,939	2,323	2,176	2,541	2,154	1,998	1,484
5. Electricity & Gas	12,458	14,036	14,266	14,919	23,006	22,639	16,758	17,360	11,228
6. Transport and Communication	9,864	11,140	14,265	10,816	9,624	12,897	18,270	13,149	14,496
7. Wholesale and Retail Trade	880	905	866	959	1,370	1,577	1,280	1,498	1,462
8. Finance & Insurance	-	-	-	-	-	-	2,977	1,965	1,985
9. Ownerships of Dwellings	-	-	-	-	-	-	12,686	13,126	13,771
10. Services	4,306	4,471	4,751	5,245	5,358	5,612	6,729	7,388	7,326

(..Contd.)

R: Revised

P: Provisional

- Not available

TABLE 1.8  
GROSS FIXED CAPITAL FORMATION (GFCF) IN PRIVATE SECTOR  
AT CONSTANT MARKET PRICES

Sector	(Rs million)								
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
								(R)	(P)
PRIVATE SECTOR	40,203	44,903	46,551	47,539	49,013	53,032	57,262	61,708	57,243
1. Agriculture	7,335	6,498	6,709	6,591	7,332	6,421	5,330	5,377	6,574
2. Mining and									
Quarrying	132	145	159	174	515	638	632	1,358	926
3. Manufacturing	12,201	17,111	16,941	17,554	11,986	13,463	13,246	12,537	11,701
Large Scale	9,763	14,468	14,076	14,448	8,619	9,814	9,289	8,248	7,052
Small Scale	2,438	2,643	2,865	3,106	3,367	3,649	3,957	4,289	4,649
4. Construction	1,037	936	1,326	1,572	1,558	1,729	1,439	1,476	1,021
5. Electricity									
& Gas	-	-	242	1,077	6,255	7,045	7,776	10,531	3,899
6. Transport &									
Communication	4,192	4,316	4,596	3,174	2,505	3,794	6,129	8,177	10,229
7. Wholesale and									
Retail Trade	719	770	839	914	1,336	1,523	1,265	1,498	1,460
8. Ownership of									
Dwellings	10,979	11,266	11,575	11,969	11,838	12,198	12,686	13,126	13,771
9. Finance &									
Insurance	141	164	229	321	1,071	1,263	2,504	1,501	1,495
10. Services	3,456	3,685	3,922	4,178	4,601	4,941	6,255	6,127	6,167
Real Estate	11	12	13	15	16	17	18	19	19
Other Services	3,445	3,673	3,909	4,163	4,585	4,924	6,237	6,108	6,148

R: Revised

(..Contd.)

P: Provisional

- Nil

TABLE 1.8

GROSS FIXED CAPITAL FORMATION (GFCF) IN PUBLIC  
AND GENERAL GOVERNMENT SECTORS  
AT CONSTANT MARKET PRICES

Sector	(Rs million)								
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
								(R)	(P)
Public Sector (A+8)	43,668	47,609	49,869	48,009	50,968	51,897	43,684	33,753	35,984
A. Public Sector	24,580	27,679	29,471	28,398	31,097	32,406	28,942	17,942	19,111
1. Agriculture	1,377	1,413	1,570	2,132	2,282	2,806	837	1,516	1,470
2. Mining and Quarrying	1,177	1,569	1,288	1,680	2,401	2,053	3,747	1,494	1,222
3. Manufacturing	889	899	921	749	544	807	1,558	884	2,709
4. Construction	1,677	1,685	613	751	618	812	715	552	463
Indus Basin	110	76	16	10	4	7	19	11	3
Other Const.	1,567	1,609	597	741	614	805	696	511	460
5. Electricity & Gas	12,458	14,036	14,024	13,842	16,751	15,594	8,982	6,829	7,329
6. Transport and Communication	5,672	6,824	9,669	7,642	7,119	9,103	12,141	4,972	4,267
Railways	603	946	894	827	1,012	964	937	547	522
Post Office & T&T	3,095	2,714	5,404	3,418	3,292	4,292	5,921	2,444	2,455
Others	1,975	3,164	3,371	3,397	2,815	3,847	5,283	1,981	1,290
7. Wholesale and Retail Trade	161	135	27	45	34	54	15	0	2
8. Finance & Insurance	319	332	530	490	591	506	473	464	490
9. Services	850	786	829	1,067	757	671	474	1,261	1,159
8. General Govt.	19,088	19,930	20,398	19,611	19,871	19,491	14,742	15,811	16,873
Federal	6,031	6,204	6,085	6,089	6,649	6,242	5,995	6,309	6,746
Provincial	9,715	10,679	11,346	10,671	10,590	10,711	6,956	7,384	8,007
Local Bodies	3,342	3,047	2,967	2,851	2,632	2,538	1,791	2,118	2,120

Source: Federal Bureau of Statistics.

R: Revised

P: Provisional

TABLE 2.1  
BASIC DATA ON AGRICULTURE

Years	Index of Agricultural Production (a)				Crop- ped Area (million hectares)	Improved seed dis- tribution (000 Tonnes)	Water Availa- bility (MAF)	Fertilizer off-take (000 N/T)
	All crops	Food crops	Fibre crops	Other crops				
1990-91	142	122	230	110	21.82	83.27	119.62	1,892.88
1991-92	161	126	306	120	21.72	65.93	122.05	1,883.92
1992-93	141	124	216	118	22.44	63.93	124.70	2,147.61
1993-94	143	129	192	134	21.87	63.27	128.01	2,146.77
1994-95	152	139	208	140	22.14	76.87	129.65	2,183.06
1995-96	165	144	253	136	22.59	76.25	130.85	2,515.00
1996-97	158	145	224	130	22.93	66.00	132.05	2,413.00
1997-98 P *	170	157	219	160	23.04	71.93	133.28	2,659.30
1998-99	170	158	210	165	23.04	71.93	133.78	2,034.65

P: Provisional

\* Jul-Mar

(Contd..)

TABLE 2.1  
BASIC DATA ON AGRICULTURE

Years	Credit disbursed (Rs mln.)	Tubewells installed (Nos)	Tractors imported (Nos)(b)	Produc- tion of meat (000 Tonnes)	Milk Produc- tion (000 Tonnes)	Fish Produc- tion (000 Tonnes)	Total Forest Pro- duction (000 cu.mtr.)
1990-91	14,915.29	710 *	13,841	1,581	15,481	483.0	1,072
1991-92	14,479.31	263 *	10,077	1,685	16,280	518.7	491
1992-93	16,198.11	217 *	16,628	1,872	17,120	553.1	691
1993-94	15,674.05	249 *	15,129	2,000	18,006	557.1	703
1994-95	22,373.27	123 *	25,271	2,114	18,986	558.1	684
1995-96	19,187.31	217 *	28,364	1,841	22,970	541.9	720
1996-97	19,547.67	217 *	2,020	1,946	23,580	555.5	343
1997-98 c	33,392.30	217 *	1,086	1,841	24,215	590.0	319
1998-99 c	30,652.10	217 *	3,072	1,893	24,876	616.5	310

.. not available

E: Provisional

(a) Base 1959-60 = 100 and with new methodology

(b) Also includes domestically manufactured tractors

(c) Provisional, Jul-Mar

R: Revised

\* Only public sector

Source: 1. Federal Bureau of Statistics.

2. Ministry of Food, Agriculture and Livestock.

3. Planning & Development Division

TABLE 2.2  
LAND UTILIZATION

Year	(Million hectares)										
	Total Area	Reported Area	Forest Area	Not Avail-able for Cultivation	Cultivated Area			Total Area Cultivated Cols (7+8)	Area Sown more than once	Total Cropped Area Cols (8+10)	
					Cultivable Waste	Current Fallow	Net Area Sown				
1	2	3	4	5	6	7	8	9	10	11	
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	24.54	9.06	5.56	16.49	22.05	6.24	22.73	
1997-98 *	79.61	59.32	3.59	24.55	9.14	5.45	16.69	22.04	6.35	23.04	
1998-99 *	79.61	59.32	3.59	24.62	9.14	5.27	16.70	21.92	6.34	23.04	

Source: Ministry of Food, Agriculture & Livestock

(P): Provisional

\* Jul-Mar

*TOTAL AREA REPORTED* is the total physical area of the village/deh, tehsil or district etc.

*FOREST AREA* is the area of any land classed or administered as forest under any legal enactment dealing with forests. Any cultivated area which may exist within such forest should be excluded (and shown under heading cultivated area)

*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 therefore not available for cultivation.

*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.

*CURRENT FALLOW* 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.

*NET AREA SOWN* is that area which is sown at least once during (Kharif & Rabi) the year under reference.

*AREA SOWN MORE THAN ONCE* is the difference between the total cropped area and the net area sown.

*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)

Year	Wheat	Rice	Bajra	Jowar	Maize	Barley	Total		Rapeseed			Cotton	Tobacco
							Food	Grains	Sugar-	and	Sesa-		
								Gram	cane	Mustard	rum		
'990-91	7,911	2,113	491	417	845	157	11,933	1,092	884	304	53	2,662	44
'991-92	7,878	2,097	313	383	848	149	11,667	997	896	287	70	2,836	54
'992-93	8,300	1,973	487	403	868	160	12,191	1,008	885	285	82	2,836	58
'993-94	8,034	2,187	303	365	879	151	11,919	1,045	963	269	73	2,805	57
'994-95	8,170	2,125	509	438	890	165	12,296	1,065	1,009	301	80	2,653	47
'995-96	8,376	2,162	407	418	881	171	12,415	1,119	963	320	90	2,997	46
'996-97	8,109	2,251	303	370	871	152	12,056	1,100	965	354	100	3,149	49
'997-98	8,378	2,317	460	390	869	163	12,554	1,102	1,056	3,320	96	2,960	53
'998-99 P*	8,332	2,424	463	396	885	154	12,654	1,090	1,155	325	71	2,923	54

Note: 1 ha = 2.47 acres  
(P) Provisional  
Jul-Mar

Source: 1. Ministry of Food, Agriculture and Cooperatives  
2. Federal Bureau of Statistics

TABLE 2.4  
PRODUCTION OF IMPORTANT CROPS

(000 tonnes)

Year	Wheat	Rice	Bajra	Jowar	Maize	Barley	Total		Rapeseed		Cotton		Tobacco
							Food	Grains	Sugar-	and	(000 tonnes)	(000 Bales)	
								Gram	cane	Mustard			
1990-91	14,565	3,261	196	239	1,185	142	19,587	531	35,989	228	1,637	9,628	75
1991-92	15,684	3,243	139	225	1,203	140	20,634	513	38,865	220	2,181	12,822	97
1992-93	16,157	3,116	203	238	1,184	158	21,056	347	38,059	207	1,540	9,054	102
1993-94	15,213	3,995	138	212	1,213	146	20,916	411	44,427	197	1,368	8,041	100
1994-95	17,002	3,447	228	263	1,318	164	22,422	559	47,168	229	1,479	8,697	81
1995-96	16,907	3,966	162	255	1,283	174	22,747	680	45,230	255	1,802	10,595	80
1996-97	16,651	4,305	146	219	1,259	150	22,750	594	41,998	286	1,594	9,374	92
1997-98	18,694	4,333	211	236	1,251	174	24,895	670	53,104	292	1,563	9,184	99
1998-99 P*	18,055	4,674	213	238	1,303	172	24,655	700	55,191	282	1,496	8,790	100

(P): Provisional  
\* Jul-Mar  
T Target

Source: 1. Ministry of Food, Agriculture and Livestock.  
2. Federal Bureau of Statistics

TABLE 2.5  
YIELD PER HECTARE OF MAJOR AGRICULTURAL CROPS

	(Kg/Hectare)					
	Wheat	Rice	Sugarcane	Maize	Gram	Cotton
1990-91	1,841	1,543	40,712	1,401	486	615
1991-92	1,990	1,546	43,376	1,419	514	769
1992-93	1,946	1,579	43,023	1,364	344	543
1993-94	1,893	1,826	46,142	1,380	393	488
1994-95	2,081	1,622	46,747	1,481	524	557
1995-96	2,018	1,835	46,968	1,457	607	601
1996-97	2,053	1,912	43,521	1,445	540	507
1997-98	2,238	1,870	50,278	1,440	696	528
1998-99 P	2,167	1,928	47,780	1,471	642	512

P: Provisional

Source: Ministry of Food & Agriculture and Livestock

\* Jul-Mar

TABLE 2.6  
PRODUCTION AND EXPORT OF FRUIT

Year	Production of Important Fruit (000 tonnes)								Export	
	Citrus	Mango	Apple	Banana	Apricot	Almonds	Grapes	Guava	Qty (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	1,493
1996-97	2,003	914	569	83	188	49	74	448	219	2,776
1997-98	2,037	917	573	94	189	49	74	455	202	2,784
1998-99 P*	..	..	..	..	..	..	..	..	110	1,687

Source: Ministry of Food, Agriculture and Cooperatives  
Federal Bureau of Statistics

.. not available

\* Jul-Feb

P Provisional

**TABLE 2.7**  
**CROPWISE COMPOSITION OF VALUE ADDED OF**  
**MAJOR AGRICULTURAL CROPS**  
**(AT CONSTANT FACTOR CDST-BASE 1980-81)**

Crops	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	(%age share)		
							1996-97 R	1997-98 R	1998-99* P
All Major Crops	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Food Crops Total	50.57	45.67	51.32	53.02	53.17	51.23	53.76	54.08	54.51
Rice	13.16	11.66	12.50	15.84	13.52	14.31	16.57	15.02	16.68
Wheat	29.18	27.05	31.79	30.03	31.36	28.74	29.41	30.63	29.65
Barley	0.32	0.28	0.36	0.33	0.34	0.34	0.31	0.33	0.33
Jowar	0.59	0.49	0.59	0.52	0.60	0.54	0.48	0.47	0.49
Bajra	0.66	0.41	0.69	0.46	0.71	0.47	0.45	0.60	0.60
Maize	2.99	2.67	2.99	3.03	3.08	2.79	2.86	2.63	2.74
Gram	3.67	3.11	2.40	2.81	3.56	4.04	3.68	4.40	4.02
Fibre Crops									
Cotton Unginned	33.32	38.93	31.37	27.53	27.80	31.57	29.11	26.42	25.35
Cash Crops									
Sugarcane	13.80	13.08	14.61	16.86	16.71	14.93	14.45	16.93	17.64
All Other									
Crops Total	2.31	2.32	2.70	2.59	2.32	2.27	2.68	2.57	2.50
Rape Seed &									
Mustard	1.03	0.87	0.94	0.88	0.96	0.99	1.16	1.10	1.06
Sesamum	0.17	0.19	0.26	0.25	0.26	0.26	0.31	0.27	0.21
Tobacco	1.11	1.26	1.50	1.46	1.10	1.02	1.21	1.20	1.23

P: Provisional

Source: Federal Bureau of Statistics & Provincial Bureau of Statistics

R: Revised

\* Jul-Mar

**TABLE 2.8**  
**CREDIT DISBURSED BY AGENCIES**

Year	AOPB	Taccavi	Cooperatives	Commercial Banks	(Rs million)	
					Total	
1990-91	8,323.95 x	56.30	3,017.45	3,517.59 +	14,915.29	
1991-92	6,996.44 x	56.30	3,247.01	4,179.56 +	14,479.31	
1992-93	8,643.40 x	50.80	2,978.00	4,525.91 +	16,198.11	
1993-94	8,989.26 x	..	2,621.49	4,063.30 +	15,674.05	
1994-95	14,575.74 x	..	3,756.74	4,040.79 +	22,373.27	
1995-96	10,339.27 x	..	3,803.38	5,044.66 +	19,187.31	
1996-97	11,687.11 x	..	3,431.13	4,429.43 +	19,547.67	
1996-97	11,687.11 x	..	3,431.13	4,429.43 +	19,547.67	
1997-98	22,353.60 x	..	4,928.93	6,109.70 +	33,392.30	
1998-99 P*	21,749.70 x	..	4,114.90	4,787.50 +	30,652.10	

.. Not applicable

Source:

State Bank of Pakistan

.. Not Available

Ministry of Food, Agriculture & Cooperatives

x: Including Agribusiness

+ : Excluding Tobacco Marketing

\* Jul-Mar

P Provisional

TABLE 2.9  
FERTILIZER OFFTAKE AND IMPDRTS OF PESTICIDES

Year	Fertilizer off-take (000 N/Tonnes)				Import of Fertilizers 000 N/T	Import of Pesticides	
	N	P	K	Total		Quantity (Tonnes)	Value (Mln Rs)
1990-91	1,471.63	388.50	32.75	1,892.88	685.0	13,030.1	1,489.43
1991-92	1,462.60	398.02	23.30	1,883.92	632.0	15,258.3	1,945.98
1992-93	1,635.34	488.20	24.07	2,147.61	759.1	14,434.8	1,730.60
1993-94	1,659.36	464.24	23.17	2,146.77	903.0	12,100.4	1,706.30
1994-95	1,738.12	428.40	16.54	2,183.06	261.0	21,776.1	2,978.10
1995-96	1,983.55	494.45	29.70	2,507.70	581.0	3,047.9	5,080.70
1996-97	1,985.10	419.51	8.40	2,409.08	878.1	30,855.9	5,272.49
1997-98	2,087.60	551.27	20.40	2,659.30	679.0	18,195.2	3,010.10
1998-99	1,644.43	373.71	6.13	2,034.65	1,247.2	17,913.0	3,101.18

.. Not applicable  
... Not available  
P Provisional, (Jul-Mar)

Source: 1. Federal Bureau of Statistics.  
2. Fertilizer Import Department, Ministry of Food & Agriculture

TABLE 2.10  
RETAIL SALE PRICE OF FERTILIZERS

Date/Year	(Rs per bag of 50 kilos/110lbs)								
	Urea 46% N	AN/CAN 26% N	AS 21% N	NP 23:23	SSPG 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	..	
1998-99P*	348.0	231.8 *	274.0	448.4	226.5	655.7	537.3	..	

.. Not available  
Not applicable after deregulation  
P Provisional (Jul-Apr)  
\* Average retail market price (deregulated w.e.f. 4-5-1986)  
AN/CAN Ammonium nitrate/calcium ammonium nitrate.  
ASN Ammonium super nitrate  
AS Ammonium sulphate  
NP Nitrophosphate

SSP: single super phosphate  
OAP: diammonium phosphate  
SDP: sulphate of potash  
NPK: nitrogen phosphate and potash

Source: FBS, NFDC, P&OD

TABLE 2.11  
AREA IRRIGATED BY DIFFERENT SOURCES

(Million hectares)							
Year	Canals	Wells	Canal		Canal		Total
			Wells	Tubewells	Tubewells	Others	
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	2.88	6.61	0.26	17.85
1997-98	7.79	0.16	0.13	3.00	6.74	0.18	18.00
-	Nil						
..	Not available						

Source: Ministry of Food, Agriculture and Livestock

TABLE 2.12  
PROCUREMENT/SUPPORT PRICES OF AGRICULTURAL COMMODITIES

(Rs per 40 kg)									
Year	Rice			Paddy		Sugarcane			
	Wheat	Basmati 385	Irri-6 (F.A.Q)	Basmati 385	Irri-6	NWFP	Punjab	Sind	Baluch- istan ^
1990-91	112	283.00	127.00	143.50	73.00	15.25	15.25	15.75	..
1991-92	124	308.00	140.00	155.00	78.00	16.75	16.75	17.75	17.00
1992-93	130	340.00	150.00	175.00	85.00	17.50	17.50	17.50	14.75
1993-94	160	360.00	157.00	185.00	90.00	18.00	18.00	18.25	18.25
1994-95	160	389.00	170.00	210.90	102.60	20.50	20.50	20.75	20.75
1995-96	173	419.80	183.00	222.00	112.00	21.50	21.50	21.75	21.75
1996-97	240	461.78	210.45	255.30	128.80	24.00	24.00	24.50	24.50
1997-98	240	..	..	310.00	153.00	35.00	35.00	36.00	36.00
1998-99	240	..	..	330.00	175.00	35.00	35.00	36.00	36.00

\* No purchase

FAQ Fair Average Quality

^ Support price fixed by government since 1991-92

. Not applicable

\*\* Rs 240/- w.e.f. 3 April, 1997

(Contd.)

TABLE 2.12  
PROCUREMENT/SUPPORT PRICES OF AGRICULTURAL COMMODITIES

(Rs per 40 Kg)

(..Contd.)

Year	Desi	Cotton Lint			Seed Cotton (Phutti)			Sarmast Qallan- dri Delta- pine MS- 39-40	Potato	Onion
		AC-134, NT	B-557 149-F	Sarmast Qallan- dri Delta- pine MS- 39-40	Desi	AC-134, NT	B-557 F-149			
1990-91	550	615	645	690	220	235	245	260	55	52
1991-92	662	685	715	745	255	270	280	290	65	60
1992-93	695	..	770	800	275	..	300	310	67	65
1993-94	726	..	801	831	290	..	315	325	77	78
1994-95	795	..	986	1055	340	..	400	423	84	78
1995-96	795	..	986	1055	340	..	400	423	84	85
1996-97	..	..	..	..	440	..	500	540	115	100
1997-98	..	..	..	..	450	..	575	620	145	112
1998-99	..	..	..	..	..	..	..	..	145	..

Source Ministry of Food, Agriculture & Livestock

.. not applicable  
\* Niab-78, CIM-107  
.. not available

TABLE 2.13  
PROCUREMENT, RELEASES AND STOCKS OF WHEAT & RICE

(000 tonnes)

Year	Wheat(May-April)			Rice Procured		Stocks Balance (on 1st July)	
	Procure- ment	Releases	Stocks (on 1st May)	Basmati	Others	Basmati	Others
1990-91	4,412.4	5,608.0	1,508	142.7	673.8	719.3	117.5
1991-92	3,159.0	5,431.0	1,000	121.6	370.3	486.8	314.7
1992-93	3,249.0	5,143.0	505	500.5	454.0	285.2	540.5
1993-94	4,120.0	5,982.0	1,007	144.9	681.4	224.8	541.2
1994-95	3,644.0	5,999.0	776	284.0	..	236.4	848.5
1995-96	3,740.0	5,139.0	385	50.8	154.6	494.3	117.7
1996-97	3,448.0	5,987.0	453	..	..	159.4	187.9
1997-98	3,984.0	6,210.0	1,883	..	..	..	..
1998-99	3,980.0	6,200.0	130	..	..	..	..

.. Not available

Source: 1. Ministry of Food, Agriculture & Cooperatives  
2. Ministry of Commerce

TABLE 2.14  
LIVESTOCK POPULATION

Year	(million numbers)								
	Buffaloes	Cattle	Goats	Sheep	Poultry	Camels	Donkeys	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		0.8	3.2	0.3	0.1
1998-99 E	22.0	21.6	45.8	23.9		0.8	3.8	0.3	0.1

.. Not available  
E: Estimated (Jul-Mar)

Source: Livestock Division

TABLE 2.15  
LIVESTOCK PRODUCTS

Year	(000 tonnes)											
	Milk	Beef	Mutton	Poultry Meat	Wool	Hair	Bones	Fat	Blood	Eggs (Mln.Nos.)	Hides (Mln.Nos.)	Skins (Mln.Nos.)
1990-91	15481	765	665	151	48.1	7.9	259	101.8	40.1	4,490	5.9	32.7
1991-92	16,280	803	713	169	49.3	8.3	265	104.5	42.5	4,914	6.0	33.9
1992-93	17,120	844	763	265	50.5	8.1	271	107.2	45.1	5,164	6.1	36.0
1993-94	18,006	887	817	296	51.7	9.0	277	110.0	47.3	5,740	6.2	37.8
1994-95	18,986	931	875	308	53.1	9.4	283	113.0	50.7	5,927	6.3	39.3
1995-96 R	22,970	898	587	355	38.1	15.6	296	110.1	32.0	5,757	7.0	32.7
1996-97 R	23,580	919	602	387	38.3	16.2	302	112.6	32.8	6,015	7.1	34.5
1997-98 R	24,215	940	617	284	38.5	16.7	309	115.2	33.6	5,737	7.3	35.3
1998-99 P*	24,876	963	633	297	38.7	17.3	316	117.8	34.4	5,938	7.5	36.3

R: Revised

P: Provisional

Source: Livestock Division

Note: Livestock Population and Products have been revised from 1995-96 onwards due to livestock census held in 1995-96

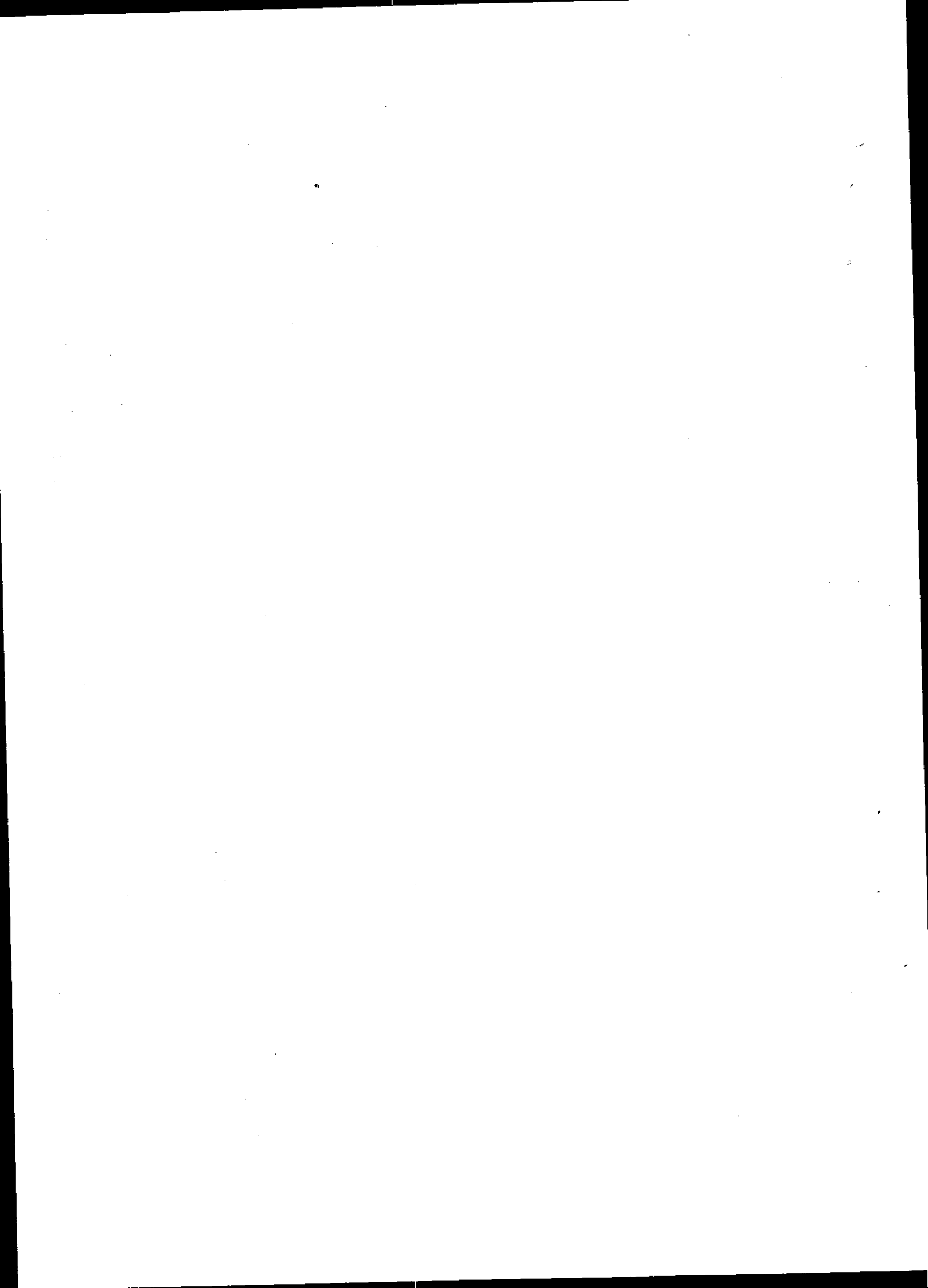




TABLE 3.1

## RESERVES AND EXTRACTION OF PRINCIPAL MINERALS

Reserves/ Years	(000 tonnes)										
	Anti- mony (tonnes)	Argonite/ Marble	China Clay	Celestite (tonnes)	Chromite	Coal	Dolomite (tonnes)	Fire Clay	Fullers Earth	Gypsum Anhydrite	Lime Stone
	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	
1990-9	128	281	44	1773	24	3054	154591	120	23	468	9009
1991-9 <sup>1</sup>	-	321	42	1069	28	3627	180987	139	21	471	8528
1992-9 <sup>1</sup>	5	388	37	1682	23	3256	220241	132	23	533	9015
1993-9 <sup>1</sup>	3	460	48	4398	11	3534	228090	116	17	666	9125
1994-9 <sup>1</sup>	-	467	31	1403	13	3043	227079	152	15	620	9682
1995-9 <sup>1</sup>	-	458	43	762	27	3638	185115	112	18	420	9740
1996-9 <sup>1</sup>	-	459	66	812	35	3496	215556	110	12	522	9491
1997-9 <sup>1</sup>	-	345	68	961	35	3145	116046	94	18	307	11166
<u>Jul-Mar</u>											
1997-9 <sup>1</sup>	-	257	49	776	25	2276	81555	68	11	234	7379
1998-9 <sup>1</sup> P	-	291	54	486	22	2314	102859	61	11	160	8719

- Nil or Insignificant

P Provisional

TABLE 3.1

## RESERVES AND EXTRACTION OF PRINCIPAL MINERALS

Reserves/ Years	(000 tonnes)										
	Magne- site (tonnes)	Rock Salt	Silica Sand	Dchre (tonnes)	Sulphur (tonnes)	Soap Stone	Saryte	Bauxite/ Laterite (tonnes)	Iron Ore (tonnes)	Crude Oil (m. barrels)	Natural Gas (000 m.cu.mtr.)
	Over 100 million tons	Very large deposits	..	0.8 million tons	0.6 million tons	5 million tons	Over 74 million tons	Over 430 million tons	184 million US barrels	492 billion cu. metre	
1991-91	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
1991-93	5,047	895	158	1,000	510	48	26	18,682	1,922	21.90	16.50
1991-94	7,000	916	169	745	715	44	18	34,984	3,792	20.68	17.65
1991-95	5,227	890	152	4,623	510	34	20	32,214	8,103	19.86	17.77
1991-96	14,981	958	184	8,081	20	40	14	19,554	6,046	21.05	18.85
1991-97	6,679	1,066	154	2,047	640	45	30	33,583	4,575	21.27	19.73
1991-98	3,397	971	135	3,147	22,458	49	30	28,366	5,500	20.54	19.82
<u>Jul-Mar</u>											
1991-98	2,503	704	97	2,531	18,209	38	24	16,060	3,852	15.33	14.91
1991-99	2,854	870	90	2,817	13,678	34	20	41,751	17,978	15.18	15.10

Source: 1. Federal Bureau of Statistics.

2. Hydrocarbon Development Institute of Pakistan

TABLE 3.2

## PRODUCTION INDEX OF MINING AND MANUFACTURING

Year	Mining				Manufacturing			
	1964-65 = 100	1969-70 = 100	1975-76 = 100	1980-81 = 100	1964-65 = 100	1969-70 = 100	1975-76 = 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 R	..	520.1	456.3	305.6	..	..	..	243.1 **
1997-98	..	512.3	449.5	302.5	..	..	..	261.6 **

Source: Federal Bureau of Statistics

.. Not available

\* The indices are based on 106 items

\*\* The indices are based on 96 items due to non-availability of data of 10 items from CBR as a result of withdrawal of Excise duty since July 1988.

R Revised

TABLE 3.3

## CMI\* VALUE OF PRODUCTION AND VALUE ADDED OF MAJOR INDUSTRIES

(Rs Million)

Major Industry	Value of Production					Value Added				
	1985-86	1986-87	1987-88	1988-89	1990-91	1985-86	1986-87	1987-88	1988-89	1990-91
Fool	33,146	36,682	43,791	52,458	62,235	9,760	9,375	11,854	13,608	15,600
Beverages	2,292	1,930	2,379	2,890	3,092	1,221	1,026	1,333	1,711	1,558
Tobacco	7,117	11,465	9,074	6,161	8,767	5,612	9,776	7,488	5,042	7,050
Textiles	28,342	35,538	40,361	50,460	91,736	8,596	10,887	12,895	16,401	29,251
Wearing Apparels	2,123	2,830	4,152	5,036	7,019	625	616	1,167	1,016	1,512
Leather & Products	3,927	6,192	7,552	8,603	10,782	1,062	727	991	1,170	1,717
Ginning, Pressing & Baling	10,120	9,436	12,095	11,976	19,838	1,147	632	1,091	790	1,292
Wood & Products	445	469	662	580	792	156	137	254	223	296
Furniture & Fixture	120	261	305	292	562	44	80	89	103	174
Paper & Products	1,820	1,777	2,952	3,840	5,575	622	592	828	1,056	1,745
Printing & Publishing	1,570	1,834	1,947	2,042	3,752	622	758	707	1,032	2,513
Drugs & Pharmaceutical Products	5,270	5,907	7,532	9,998	14,102	2,369	2,343	2,802	3,797	5,140
Industrial Chemicals	9,584	11,328	11,484	13,333	20,186	4,596	5,388	5,185	5,934	8,713
Other Chemical Products	4,243	6,038	5,875	6,811	8,425	1,942	2,103	2,598	2,530	2,838
Petroleum Refining	20,605	17,545	19,852	16,657	30,367	3,914	5,539	4,379	1,662	2,273
Petroleum & Coal Products	1,088	1,305	1,420	1,699	2,431	227	338	550	631	1,028
Rubber Products	2,171	1,874	2,040	2,693	3,035	861	709	695	1,088	1,067
Plastic Products	981	1,302	1,340	1,462	1,985	318	398	344	422	607
Non-Metallic Mineral Products	7,793	10,015	11,723	11,171	16,034	4,079	5,760	6,480	5,799	8,416
Iron & Steel Basic Industries	9,601	13,662	16,112	18,353	21,868	2,194	5,051	4,827	5,362	6,146
Fabricated Metal Products	1,219	1,729	2,109	2,484	3,326	468	564	770	856	956
Non-Electrical Goods	4,966	5,540	5,562	8,351	8,754	1,340	1,263	1,319	2,158	2,801
Electrical Machinery	5,196	7,055	8,668	9,850	12,408	1,857	1,702	2,428	2,919	4,561
Transport Equipment	6,341	7,627	10,195	10,665	14,529	1,384	1,596	2,706	1,722	2,875
Messuring, Photographic, Optical Goods	395	493	706	343	1,056	80	90	202	115	262
Spirts & Athletic goods	302	375	518	527	1,489	69	104	141	137	421
Others	347	346	480	481	713	133	117	187	159	194
<b>Total</b>	<b>171,124</b>	<b>200,555</b>	<b>230,886</b>	<b>259,216</b>	<b>374,858</b>	<b>55,298</b>	<b>67,671</b>	<b>74,310</b>	<b>77,443</b>	<b>111,006</b>

Note: For earlier data, consult Economic Survey, 1991-92

Source: Federal Bureau of Statistics

\* Census of Manufacturing Industries

TABLE 3.4

## CMI\* EMPLOYMENT COST AND AVERAGE DAILY EMPLOYMENT IN MAJOR INDUSTRIES

Major Industry	Employment Cost (Rs Million)					Average Daily Employment (000 Nos.)				
	1985-86	1986-87	1987-88	1988-89	1990-91	1985-86	1986-87	1987-88	1988-89	1990-91
Food	1736	1913	2116	2601	3321	66	69	67	72	84
Beverages	141	131	165	193	218	6	5	6	6	5
Tobacco	185	198	232	196	225	10	9	9	8	6
Textiles	2840	3382	3537	4058	7062	177	188	171	178	238
Wearing Apparels	198	269	312	386	726	9	12	12	13	20
Leather & Products	127	329	371	425	612	7	11	12	12	15
Ginning, Pressing & Baling	172	175	291	198	372	11	10	10	9	10
Wood & Products	46	66	78	85	86	3	3	3	3	3
Furniture & Fixture	21	33	34	32	54	1	2	2	2	2
Paper & Products	203	180	247	299	360	8	7	9	9	8
Printing & Publishing	259	339	403	384	396	9	11	12	9	8
Drugs & Pharmaceutical Products	566	643	826	1066	1545	15	14	15	17	18
Industrial Chemicals	747	853	881	1030	1483	19	18	16	16	18
Other Chemical Products	261	408	393	422	467	10	13	11	9	9
Petroleum Refining	143	151	179	178	250	3	3	2	2	2
Petroleum & Coal Products	15	23	28	42	63	1	1	1	1	2
Rubber Products	289	180	205	257	312	11	7	8	9	8
Plastic Products	104	119	113	131	195	4	5	4	4	5
Non-Metallic Mineral Products	865	996	1137	1236	1620	25	27	28	28	28
Iron & Steel Basic Industries	1392	1763	1731	2056	3206	43	42	39	39	44
Fabricated Metal Products	169	220	237	350	358	9	9	9	12	12
Non-Electrical Goods	495	536	561	849	1215	19	19	19	24	25
Electrical Machinery	462	632	742	806	933	17	19	20	18	19
Transport Equipment	550	713	882	876	1100	17	21	23	20	19
Measuring, Photographic, Optical Goods	54	60	88	49	108	3	3	3	1	4
Sports & Athletic goods	27	32	40	44	169	1	2	1	1	8
Others	53	48	63	65	90	3	2	3	3	2
<b>Total</b>	<b>12120</b>	<b>14392</b>	<b>15892</b>	<b>18314</b>	<b>26546</b>	<b>507</b>	<b>532</b>	<b>515</b>	<b>525</b>	<b>622</b>

Note: For earlier data consult Economic Survey, 1991-92

\* Census of Manufacturing Industries

Source: Federal Bureau of Statistics

TABLE 3.5

CMI\* INDIRECT TAX CONTRIBUTION  
AND VALUE OF FIXED ASSETS IN MAJOR INDUSTRIES

(Rs Million)

Major Industry	Indirect Tax Contribution					Value of Fixed Assets				
	1985-86	1986-87	1987-88	1988-89	1990-91	1985-86	1986-87	1987-88	1988-89	1990-91
Food	3449	2542	2660	3266	4629	8065	8770	12264	10224	14944
Beverages	611	513	737	937	767	742	1486	793	876	1140
Tobacco	4457	4862	4790	3708	5828	397	391	291	524	515
Textiles	614	718	1026	1460	3846	12024	14932	15959	18461	35979
Wearing Apparels	2	2	4	6	12	215	330	473	522	921
Leather & Products	4	17	16	19	24	380	507	598	1152	1571
Wood Products & Furniture	6	9	9	11	48	632	2105	909	744	610
Paper & Products	115	105	128	168	374	982	723	1379	1778	1663
Printing & Publishing	3	14	14	16	19	640	1095	727	1022	968
Drugs & Pharmaceutical										
Products	70	61	93	101	206	831	1018	1294	1660	2176
Industrial Chemicals	513	205	211	289	459	7573	8075	7248	6929	8082
Other Chemical Products	322	545	505	630	623	453	807	884	943	998
Petroleum Refining	2470	3380	2566	853	718	2560	2536	2353	2161	1968
Petroleum & Coal										
Products	214	232	346	513	1043	45	66	77	185	185
Rubber Products	114	138	133	202	32	725	671	759	768	831
Plastic Products	16	35	33	44	92	388	523	380	421	666
Non-Metallic Mineral										
Products	1739	2191	2519	2908	3962	6089	14568	9269	9812	12404
Iron & Steel Basic										
Industries	55	88	75	623	334	14728	23568	23894	23721	24051
Fabricated Metal										
Products	27	44	54	4664	81	226	540	603	1038	917
Non-Electrical Goods	30	21	24	29	53	1395	1687	1937	1923	2399
Electrical Machinery	223	296	360	577	554	1034	1245	1485	2237	2901
Transport Equipment	35	18	16	25	53	1424	1609	1631	2141	2583
Measuring, Photographic,										
Optical Goods	1	2	8	1	5	91	111	186	83	174
Sports & Athletic goods	-	-	-	1	2	30	43	58	76	138
Others	111	105	237	113	157	447	691	868	644	914
<b>Total</b>	<b>15201</b>	<b>16143</b>	<b>16564</b>	<b>16546</b>	<b>23921</b>	<b>62116</b>	<b>88097</b>	<b>86319</b>	<b>90045</b>	<b>119698</b>

Note: For earlier data consult Economic Survey, 1991-92

Source: Federal Bureau of Statistics

\* Census of Manufacturing Industries

TABLE 3.6  
COTTON TEXTILES STATISTICS

Year	No. of Mills	Installed Capacity		Working at the end of the period		Spindle Hours Worked (Million)	Loom Hours Worked (Million)	Consumption of Cotton (mln kg)	Total Yarn Produced (mln.kg)	Surplus Yarn (mln. kg)	Total Production of Cloth (mln. sq mtr.)
		No. of Spindles (000)	No. of Looms (000)	No. of Spindles (000)	No. of Looms (000)						
		1990-91	247	5,493	15						
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	1,495.0	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
<u>Jul-Jan</u>											
1997-98	353	8,203	10	6,485	5	31,906	22.8	1,028.3	906.1	875.7	202.7
1998-99	349	8,618	10	6,535	4	32,570	20.6	1,074.5	895.7	862.6	220.6

Source: Federal Bureau of Statistics

Not available

TABLE 3.7  
PRODUCTION OF FERTILIZERS, VEGETABLE GHEE, SUGAR AND CEMENT

(000 tonnes)

Year	Fertilizers					Vegetable Ghee	Sugar	Cement
	Urea	Super Phosphate	Ammonium Nitrate	Ammonium Sulphate	Nitro Phosphate			
1990-91	2050.3	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	678	2,964	7,913
1995-96	3,260.1	103.7	383.5	83.7	336.5	717	2,426	9,567
1996-97	3,258.7	0.1	330.2	80.9	350.3	714	2,383	9,536
1997-98	3,294.2	0.0	316.3	0	293.2	735	3,555	9,364
<u>Jul-Mar</u>								
1997-98	2,483.1	0.0	226.7	0.0	207.5	546	3,226	6,965
1998-99	2,614.9	0.0	228.6	0.0	203.1	615	3,081	6,832

Source: Federal Bureau of Statistics

- Nil

P Provisional

TABLE 3.8  
PRODUCTION OF SELECTED INDUSTRIAL ITEMS

Year	Food and Tobacco		Jute Tex-	Rubber			
	Beverages (000 doz. bottles)	Cigarettes (Million Nos)	tiles (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	3,522	5,146
1995-96	131,114	45,506	70.6	1,003	909	3,968	5,594
1996-97	115,817	46,101	68.7	525	643	4,112	5,205
1997-98	149,874	48,215	92.0	767	664	3,445	4,978
<u>Jul-Mar</u>							
1997-98	82,404	35,668	68.5	614	512	2,459	3,543
1998-99	106,081	38,119	63.2	614	460	2,660	3,961

P Provisional (Contd.)

TABLE 3.8  
PRODUCTION OF SELECTED SELECTED ITEMS

(..Contd.)

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 Fans * (000 Nos.)
1990-91	147.2	93.5	78.5	6.7	14,308	651.1	428.8	81.3	..
1991-92	185.9	97.6	82.0	6.1	18,950	682.5	478.4	85.1	..
1992-93	196.2	99.8	81.5	5.9	16,626	638.1	588.6	72.3	..
1993-94	197.0	102.3	89.0	5.8	9,373	602.8	563.7	76.7	..
1994-95	196.1	80.4	92.7	7.8	6,865	719.5	473.4	68.1	..
1995-96	221.2	69.2	109.0	9.1	8,030	836.8	545.1	84.1	..
1996-97	247.0	30.8	118.2	9.4	8,005	861.1	432.4	61.1	..
1997-98	239.3	28.1	115.7	9.7	5,917	871.0	452.1	36.2	..
<u>Jul-Mar</u>									
1997-98	177.6	20.8	84.0	7.4	4,219	633.6	327.6	28.8	..
1998-99	186.1	19.9	88.7	8.3	4,355	634.0	368.1	23.8	..

Contd.

TABLE 3.8  
PRODUCTION OF SELECTED INDUSTRIAL ITEMS

(..Contd.)

Year	Electrical Appliances		Papers & Board		Steel Products		
	Electric Bulbs (Min. 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		
1991-92	43.2	4,460	111.0	66.0	737.2	1048.1	306.7
1992-93	41.3	4,205	154.8	109.0	716.4	1098.2	338.4
1993-94	42.7	5,307	133.2	129.3	771.6	1252.7	403.9
1994-95	41.6	5,352	106.2	208.4	701.5	1044.7	343.5
1995-96	45.8	5,417	110.0	193.4	685.6	1002.2	332.7
1996-97	56.4	7,646	197.6	199.0	662.1	1068.6	378.4
1997-98	62.5	8,354	166.5	178.3	667.7	1015.8	348.1
Jul-Mar							
1997-98	46.3	6,308	125.4	132.7	491.1	744.8	278.7
1998-99	49.8	6,310	125.7	133.4	443.4	735.3	212.2
-	Not available		Federal Bureau of Statistics				
P	Provisional		Ministry of Industries				

TABLE 3.9  
PERCENT GROWTH OF SELECTED INDUSTRIAL ITEMS

	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	5.13	4.17	(2.59)	(0.72)	(5.50)	7.20	26.29	4.49	20.06
1992-93	4.12	5.67	(3.37)	13.46	(0.92)	14.63	2.84	5.54	(0.61)	2.67
1993-94	7.44	(3.22)	(21.64)	(7.45)	19.86	20.96	(5.35)	(0.41)	9.20	19.17
1994-95	5.33	2.20	(10.34)	5.96	(8.77)	(1.27)	(2.31)	(0.46)	4.16	4.33
1995-96	9.16	1.60	3.07	3.23	38.96	8.89	20.90	12.80	17.58	(18.15)
1996-97	1.72	1.99	(2.69)	(5.99)	1.27	(3.53)	(0.32)	11.66	8.44	(1.77)
1997-98	0.76	2.04	33.92	6.38	4.62	(3.15)	(1.80)	(3.12)	(2.12)	49.18
1998-99 *	0.20	10.20	(7.80)	12.70	6.90	4.43	(1.90)	4.80	5.60	(0.90)
-	Not available		Source: Federal Bureau of Statistics							
P	Provisional									
*	Jul-Mar									

Note: (i) Figures for 1950s, 1960s, 1970s and 1980s represent average annual growth rate.  
(ii) Figures from 1980-81 onward represent percent growth over previous year.  
(iii) Figures in parenthesis represent negative growth.



TABLE 3.10  
FOREIGN INVESTMENT

(Million US \$)

		USA	UK	UAE	Germany	France	HongKong	Italy
1990-91	Direct	130.0	33.8	9.0	12.5	7.1	3.3	2.9
	Portfolio	5.0	-0.3	1.6	2.3	..	0.1	..
	Total	135.0	33.5	10.6	14.8	7.1	3.4	2.9
1991-92	Direct	213.4	20.8	10.5	21.4	8.5	..	2.0
	Portfolio	50.9	-1.2	47.6	0.5	..	83.7	0.3
	Total	264.3	19.6	58.1	21.9	8.5	83.7	2.3
1992-93	Direct	136.9	25.7	9.5	36.2	5.7	12.4	0.6
	Portfolio	25.7	19.7	0.9	..	-	48.8	-
	Total	162.6	45.4	10.4	36.2	5.7	61.2	0.6
1993-94	Direct	114.5	32.0	7.5	92.6	9.1	11.1	1.2
	Portfolio	34.0	50.0	2.6	..	3.3		-19.2
	Total	148.5	82.0	10.1	92.6	12.4	11.1	-18.0
1994-95	Direct	176.4	38.7	46.8	17.6	13.5	2.2	0.3
	Portfolio*	370.2	243.9	34.9	11.2	37.1	173.1	8.7
	Total	546.6	282.6	81.7	28.8	50.6	175.3	9.0
1995-96	Direct	319.8	331.7	52.8	26.0	14.0	33.9	0.5
	Portfolio	35.9	68.1	-22.3	3.3	..	-4.3	-
	Total	355.7	399.8	30.5	29.3	14.0	29.6	0.5
1996-97	Direct	246.2	240.1	54.9	17.6	10.2	7.5	1.8
	Portfolio	111.3	77.9	-5.2	19.7	..	-20.6	-
	Total	357.5	318.0	49.7	37.3	10.2	-13.1	1.8
1997-98	Direct	256.6	135.3	19.2	24.0	4.9	2.1	0.9
	Portfolio	64.2	-106.2	22.1	0.3	0.4	229.6	0.1
	Total	320.8	29.1	41.3	24.3	5.3	231.7	1.0
1998-99	Direct	123.1	67.2	4.7	18.3	6.6	0.7	0.2
	Portfolio	-8.5	-22.9	19.2	0.0	0.2	7.2	0.5
	Total	114.6	44.3	23.9	18.3	6.8	7.9	0.7

(Contd..)

TABLE 3.10  
FOREIGN INVESTMENT

(Cond..)		(Million US \$)						Total
		Japan	Saudi Arabia	Canada	Netherland	Korea	Others	Total
1990-91	Direct	26.2	0.9	1.9	2.3	-	16.1	246.0
	Portfolio	-5.3	-0.2	0.2	..	-	-12.4	-9.0
	Total	20.9	0.7	2.1	2.3	-	3.7	237.0
1991-92	Direct	17.7	0.1	3.0	0.8	-	36.9	335.1
	Portfolio	..	1.1	..	1.3	-	34.3	218.5
	Total	17.7	1.2	3.0	2.1	-	71.2	553.6
1992-93	Direct	22.0	8.2	0.3	5.6	-	43.3	306.4
	Portfolio	6.3	0.4	4.0	5.3	-	25.7	136.8
	Total	28.3	8.6	4.3	10.9	-	69.0	443.2
1993-94	Direct	0.3	29.7	1.9	1.2	-0.1	53.1	354.1
	Portfolio	0.0	0.8	..	8.8	0.1	208.2	288.6
	Total	0.3	30.5	1.9	10.0	0.0	261.3	642.7
1994-95	Direct	16.3	0.9	0.4	4.5	40.8	84.0	442.4
	Portfolio	4.6	1.2	-17.2	11.5	-	210.7	1089.9
	Total	20.9	2.1	-16.8	16.0	40.8	294.7	1532.3
1995-96	Direct	82.1	26.9	0.8	11.9	31.5	169.8	1101.7
	Portfolio	13.1	-1.1	..	..	..	112.3	205.0
	Total	95.2	25.8	0.8	11.9	31.5	282.1	1306.7
1996-97	Direct	36.6	-17.0	1.7	7.7	7.3	67.5	682.1
	Portfolio	6.9	..	0.8	3.5	-	73.1	267.7
	Total	43.5	-17.0	2.5	11.2	7.3	140.6	949.5
1997-98	Direct	17.8	1.2	0.5	26.9	5.9	106.0	601.3
	Portfolio	-1.2	1.3	0.0	0.0	0.0	10.7	221.3
	Total	16.6	2.5	0.5	26.9	5.9	116.7	822.6
1998-99 *	Direct	44.4	1.1	0.0	4.9	4.6	20.2	296.0
	Portfolio	0.0	0.0	0.0	0.1	-	8.9	4.7
	Total	44.4	1.1	0.0	5.0	4.6	29.1	300.7

Source: State Bank of Pakistan

.. Stands for amount less than \$ 0.05 million

- Not Available

Direct investment consists of cash, capital equipment brought in and reinvested earnings.

\* July-March

TABLE 4.1  
FEDERAL GOVERNMENT OVERALL BUDGETARY POSITION

	1997-98	1998-99	(Rs Million)
	Revised	Budget	% Change
	Estimates	Estimates	in 98-99 over 97-98
<b>RECEIPTS</b>			
1. <u>Direct Taxes</u>	<u>101,793</u>	<u>123,021</u>	20.85
2. <u>Indirect Taxes</u>	<u>195,824</u>	<u>231,566</u>	18.25
i. Customs	78,710	94,720	20.34
ii. Sales Tax	54,086	67,310	24.45
iii. Federal Excise	63,028	69,536	10.33
3. <u>Total Tax Revenue</u> (1+2)	<u>297,617</u>	<u>354,587</u>	19.14
4. <u>Surcharges</u>	<u>46,931</u>	<u>43,365</u>	(7.60)
i. Natural Gas	6,364	7,731	21.48
ii. Petroleum	40,567	35,634	(12.16)
5. <u>Non-Tax Revenue</u>	<u>104,619</u>	<u>120,500</u>	15.18
6. <u>Total Revenue Receipts</u> <u>Gross (3+4+5)</u>	<u>449,167</u>	<u>518,452</u>	15.43
7. <u>Less Provincial Share</u> <u>in Federal Taxes</u>	<u>118,350</u>	<u>134,964</u>	14.04
8. <u>Total Revenue Receipts</u> <u>(Net)</u>	<u>330,816</u>	<u>383,488</u>	15.92
9. <u>Capital Receipts</u>	<u>60,699</u>	<u>37,658</u>	(37.96)
10. <u>External Resources</u>	<u>123,835</u>	<u>142,041</u>	14.70
11. <u>PSDP Financed by Provinces</u>	<u>3,860</u>	<u>3,860</u>	-
12. <u>TOTAL RESOURCES</u> (8+9+10+11)	<u>519,210</u>	<u>567,046</u>	9.21
<b>EXPENDITURE</b>			
13. <u>Current Expenditure</u>	<u>456,636</u>	<u>495,675</u>	8.55
i. Defence	133,834	145,000	8.34
ii. Debt Servicing including repayment of foreign Loans	244,232	275,586	12.84
iii. Grants	21,298	20,736	(2.64)
iv. General Administration	19,532	20,977	7.40
v. Law and Order	8,243	8,404	1.95
vi. Community, Social and Economic Services	18,157	18,201	0.24
vii. Subsidies	6,555	3,993	(39.08)
viii. Unallocable	4,785	6,853	43.22
ix. Cut in Non-salary Expenditure	-	(4,075)	
14. <u>Development Expenditure</u>	<u>89,106</u>	<u>110,582</u>	24.10
15. <u>Total Expenditure</u> (13 + 14)	<u>545,742</u>	<u>606,257</u>	11.09
16. <u>GAP (15-12)</u>	<u>26,532</u>	<u>39,211</u>	47.79
17. <u>Less Provincial Cash Buildup</u>	<u>4,210</u>	-	
18. <u>Financed by Bank Borrowing</u>	<u>30,741</u>	<u>39,204</u>	27.53

Note: Figures in parenthesis are negative

Source: Budget Wing, Finance Division, Islamabad

TABLE 4.2  
SUMMARY OF PUBLIC FINANCE  
(CONSOLIDATED FEDERAL AND PROVINCIAL GOVERNMENTS)

(Rs million)

	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97 (PA)	1997-98 (RE)	1998-99 (BE)
<b>Total Revenues (A+B+C)</b>	<b>171,777</b>	<b>231,503</b>	<b>241,128</b>	<b>272,734</b>	<b>322,932</b>	<b>380,260</b>	<b>384,331</b>	<b>452,148</b>	<b>522,891</b>
Federal	164,650	215,516	226,213	255,150	304,454	359,766	228,525	304,757	165,820
Provincial	7,127	15,928	14,915	17,584	18,478	20,494	155,805	147,391	418,759
<b>A. Tax Revenues</b>	<b>129,640</b>	<b>164,307</b>	<b>178,391</b>	<b>208,410</b>	<b>257,892</b>	<b>305,580</b>	<b>324,641</b>	<b>362,961</b>	<b>399,952</b>
Federal	124,311	156,829	171,477	199,607	248,059	293,915	310,681	346,248	399,952
Provincial	5,329	7,478	6,914	8,803	9,833	11,665	13,960	16,713	18,807
<b>B. Non-Tax Revenues</b>	<b>34,217</b>	<b>52,262</b>	<b>61,137</b>	<b>62,324</b>	<b>60,040</b>	<b>62,680</b>	<b>59,689</b>	<b>89,188</b>	<b>104,132</b>
Federal	32,420	43,812	53,136	53,543	51,395	53,850	49,399	76,860	92,083
Provincial	1,797	8,450	8,001	8,781	8,645	8,830	10,290	12,328	12,049
<b>C. Surplus of Autonomous Bodies &amp; SAP</b>	<b>7,920</b>	<b>14,934</b>	<b>1,600</b>	<b>2,000</b>	<b>5,000</b>	<b>12,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>	<b>260,970</b>	<b>321,474</b>	<b>348,653</b>	<b>364,913</b>	<b>428,284</b>	<b>518,099</b>	<b>540,919</b>	<b>599,560</b>	<b>666,113</b>
Federal	201,264	-	-	-	-	-	-	153,091	169,353
Provincial	59,706	-	-	-	-	-	-	510,454	555,531
<b>Current</b>	<b>195,676</b>	<b>230,120</b>	<b>272,457</b>	<b>293,460</b>	<b>345,941</b>	<b>423,866</b>	<b>455,411</b>	<b>510,454</b>	<b>555,531</b>
Federal	150,670	175,021	209,417	224,425	256,457	316,007	346,009	386,335	418,178
Provincial	45,006	55,099	63,040	69,035	89,484	107,859	109,402	124,119	137,353
<b>Development</b>	<b>65,293</b>	<b>91,354</b>	<b>76,196</b>	<b>71,453</b>	<b>82,343</b>	<b>94,233</b>	<b>85,508</b>	<b>89,106</b>	<b>110,582</b>
Federal	50,593	-	-	-	-	-	-	28,972	32,000
Provincial	14,700	-	-	-	-	-	-	147,411	143,222
<b>Overall Deficit</b>	<b>89,193</b>	<b>89,971</b>	<b>107,525</b>	<b>92,179</b>	<b>105,352</b>	<b>137,839</b>	<b>156,588</b>	<b>147,411</b>	<b>143,222</b>
<b>Financing (net)</b>	<b>89,193</b>	<b>89,970</b>	<b>107,525</b>	<b>92,179</b>	<b>105,352</b>	<b>137,839</b>	<b>156,006</b>	<b>147,411</b>	<b>143,222</b>
External (net)	22,102	18,022	24,334	24,624	29,319	28,586	27,636	35,076	14,713
<b>Domestic (i+ii)</b>	<b>67,092</b>	<b>71,949</b>	<b>83,191</b>	<b>67,555</b>	<b>76,033</b>	<b>109,253</b>	<b>128,370</b>	<b>112,335</b>	<b>128,509</b>
i) Domestic (Non-bank)	23,724	(515)	19,972	55,048	49,927	56,980	56,495	81,594	89,305
ii) Banking System**	43,368	72,464	63,219	12,507	26,106	52,273	71,875	30,741	39,204
<b>Memorandum Item</b>									
GDP (MP)	1,020,600	1,211,385	1,341,629	1,573,095	1,882,071	2,141,842	2,457,381	2,736,919	3,025,683

(AS PERCENT OF GDP AT MARKET PRICE)

Total Revenue	16.9	19.1	18.0	17.3	17.2	17.7	15.6	16.5	17.3
Tax Revenue	12.7	13.6	13.3	13.2	13.7	14.3	13.2	13.3	13.8
Non-Tax Revenue	3.4	4.3	4.6	4.0	3.2	2.9	2.4	3.2	3.4
Autonomous Bodies	0.8	1.2	0.1	0.1	0.3	0.6	-	-	-
Expenditure	25.6	26.5	26.0	23.2	22.8	24.2	22.0	21.9	22.0
Current	19.2	19.0	20.3	18.7	18.4	19.8	18.5	18.6	18.4
Development	6.4	7.5	5.7	4.5	4.4	4.4	3.5	3.3	3.6
Overall Deficit	8.7	7.4	8.0	5.9	5.6	6.4	6.4	5.4	4.7
Budgetary Support (Banking System)									
	4.2	6.0	4.7	0.7	1.4	2.4	2.9	1.1	1.3

Source: Budget Wing, Finance Division, Islamabad

\*\* Differs from monetary statistics due to coverage and timing.

PA Provisional Actual

RE Revised Estimates

BE Budget Estimates

Note: Figures in parenthesis are in negative

TABLE 4.3  
ANNUAL GROWTH RATE OF PUBLIC FINANCE  
(CONSOLIDATED FEDERAL AND PROVINCIAL GOVERNMENTS)

	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97 (PA)	1997-98 (RE)	1998-99 (BE)
Total Revenues (A+B+C)	3.7	34.8	4.2	13.1	18.4	17.8	1.1	17.6	15.6
Federal	3.6	30.9	5.0	12.8	19.3	18.2	(36.5)	33.4	17.2
Provincial	7.7	123.5	(6.4)	17.9	5.1	10.9	660.2	(5.4)	12.5
A. Tax Revenues	8.5	26.7	8.6	16.8	23.7	18.5	6.2	11.8	15.4
Federal	9.0	26.2	9.3	16.4	24.3	18.5	5.7	11.4	15.5
Provincial	(1.9)	40.3	(7.5)	27.3	11.7	18.6	19.7	19.7	12.5
B. Non-Tax Revenues	(13.1)	52.7	17.0	1.9	(3.7)	4.4	(4.8)	49.4	16.8
Federal	(15.1)	35.1	21.3	0.8	(4.0)	4.8	(8.3)	55.6	19.8
Provincial	51.3	370.2	(5.3)	9.7	(1.5)	2.1	16.5	19.8	(2.3)
C. Surplus of Autonomous Bodies & SAP	16.8	88.6	(89.3)	25.0	150.0	140.0			
Expenditures	17.7	23.2	8.5	4.7	17.4	21.0	4.4	10.8	11.1
Current	18.2	17.6	18.4	7.7	17.9	22.5	7.4	12.1	8.8
Federal	18.9	16.2	19.7	7.2	14.3	23.2	9.5	11.7	8.2
Provincial	26.3	22.4	14.4	9.5	29.6	20.5	1.4	13.5	10.7
Development	16.5	39.9	(16.6)	(6.2)	15.2	14.4	(9.3)	4.2	24.1
Overall Deficit	29.1	0.9	19.5	(14.3)	14.3	30.8	13.6	(5.9)	(2.8)
Financing (net)	59.1	307.1	19.5	(14.3)	14.3	30.8	13.2	(5.5)	(2.8)
External (Net)	(3.7)	(18.5)	35.0	1.2	19.1	(2.5)	(3.3)	26.9	(58.1)
Domestic (i+ii)	102.6	7.2	15.6	(18.8)	12.5	43.7	17.5	(12.5)	14.4
i) Domestic (Non-bank)	(19.8)	(102.2)	(3,978.1)	175.6	(9.3)	14.1	(0.9)	44.4	9.5
ii) Banking System**	1,127.0	67.1	(12.8)	(80.2)	108.7	100.2	37.5	(57.2)	27.5

\*\* Differs from monetary statistics due to coverage and timing.

Source: Budget Wing, Finance Division, Islamabad

PA Provisional Actual

RE Revised Estimates

BE Budget Estimates

Note: figures in parenthesis are negative

TABLE 4.4  
CONSOLIDATED FEDERAL AND PROVINCIAL GOVERNMENTS REVENUES

	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97 (PA)	1997-98 (RE)	1998-99 (BE)	(Rs million) % change in 1998-99 over 97-98
Total Revenue (I+II) \$	163,857	216,570	239,528	270,734	317,932	368,260	384,331	452,149	522,891	15.6
Federal	156,730	200,642	224,613	253,150	299,454	347,766	228,525	304,757	357,071	17.2
Provincial	7,127	15,928	14,915	17,584	18,478	20,495	155,805	147,391	165,820	12.5
I. Tax Revenues (A+8)	129,640	164,308	178,391	208,410	257,892	305,580	324,641	362,960	418,759	15.4
Federal	124,310	156,830	171,477	199,607	248,059	293,915	310,681	346,248	399,952	15.5
Provincial	5,330	7,478		8,803	9,833	11,665	13,960	16,713	18,807	12.5
A. Direct Taxes (1+2)	20,762	29,807	37,803	44,586	63,142	80,048	87,059	103,955	125,342	20.6
1. Income & Corp. Tax*	19,050		35,018	41,466	59,205	75,681	80,405	95,598	114,521	19.8
2. Taxes on Property	1,712	1,894	2,785	3,120	3,937	4,367	6,654	8,357	10,821	29.5
Federal	790	934	1,744	1,985	2,380	2,471	4,646	6,195	8,500	37.2
Provincial	922	960	1,041	1,135	1,557	1,896	2,008	2,162	2,321	7.4
8. Indirect Taxes (3+4+5+6+7)	108,878	134,501	140,588	163,823	194,750	225,531	237,582	259,005	293,417	13.3
3. Excise Duty	25,023	30,706	35,615	35,061	44,320	51,919	56,240	64,156	70,764	10.3
Federal	24,739	30,334	35,169	34,519	43,691	51,104	55,297	63,028	69,536	10.3
Provincial	284	372	446	542	629	815	943	1,128	1,228	8.9
4. Sales Tax*	6,909	20,799	23,516	30,379	43,571	49,869	55,668	54,086	71,510	32.2
5. Taxes on International Trade	50,528	61,821	63,225	64,240	77,652	88,908	86,094	78,710	90,520	15.0
6. Surcharges*	12,295	14,803	12,211	26,483	20,710	24,879	27,317	46,931	43,365	(7.6)
6.1 Gas*	3,243	7,291	6,549	9,284	8,220	9,752	4,842	6,364	7,731	21.5
6.2 Petroleum*	9,052	7,512	5,663	17,200	12,490	15,127	22,476	40,567	35,634	(12.2)
7. Other Taxes**	4,123	6,372	5,928	7,660	8,497	9,956	12,263	15,122	17,258	14.1
7.1 Stamp Duties**	2,187	3,604	2,613	2,877	3,423	4,213	4,463	5,288	5,713	8.0
7.2 Motor Vehicle Taxes**	1,101	1,154	1,306	1,246	1,603	1,667	1,926	2,185	2,472	13.1
7.3 Foreign Travel Tax		226	500	535	850	1,003	1,254	1,700	2,000	17.6
7.4 Others**	835	1,388	1,509	3,001	2,621	3,073	4,620	5,949	7,074	18.9
II. Non-Tax Revenues (8+9+10)	34,217	52,262	61,137	62,324	60,040	62,680	59,689	89,188	104,132	16.8
Federal	32,420	43,812	53,136	53,543	51,395	53,850	49,399	76,860	92,083	19.8
Provincial	1,797	8,450	8,001	8,781	8,645	8,830	10,290	12,328	12,049	(2.3)
8. Interest & Dividend+	9,480	17,533	18,129	22,075	20,379	2,993	25,955	36,774	39,573	7.6
Federal	9,365	17,318	17,954	21,780	20,059	2,595	25,856	35,940	38,704	7.7
Provincial	115	215	175	295	319	398	99	834	869	4.2
9. Receipt from Civil Admn.	19,733	25,270	32,564	30,091	26,660	41,497	10,200	21,000	29,000	38.1
10. Others	5,004	9,458	10,444	10,158	13,001	18,190	23,535	31,414	35,559	13.2
Federal	3,322	1,223	2,618	1,672	4,676	9,758	13,343	19,920	24,379	22.4
Provincial	1,682	8,234	7,826	8,486	8,325	8,432	10,191	11,494	11,180	(2.7)

Source: Budget Wing, Finance Division, Islamabad

PA Provisional Actual  
 RE Revised Estimates  
 BE Budget Estimates  
 \* Revenues under these heads are exclusively Federal  
 \*\* Revenues under these heads are exclusively provincial  
 + Excludes intergovernmental interest receipts.  
 \$ Excluding surplus of Autonomous Bodies & SAP up to 1995-96.  
 Note: Figures in parenthesis are negative

TABLE 4.5  
CONSOLIDATED FEDERAL AND PROVINCIAL GOVERNMENTS EXPENDITURES

	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	(Rs million) %Change in 98-99 over 97-98
							(PA)	(RE)	(BE)	
Current Expenditure	195,676	230,120	272,457	293,460	345,941	423,866	455,411	510,454	555,531	8.8
Federal	150,470	175,021	209,417	224,425	256,457	316,007	346,009	386,335	418,178	8.2
Provincial	45,006	55,099	63,040	69,035	89,484	107,859	109,402	124,119	137,353	10.7
Defense**	64,623	75,751	87,461	91,776	104,512	119,658	127,441	133,834	145,000	8.3
Interest	50,048	62,401	78,805	90,900	97,246	132,529	161,155	189,265	214,105	13.1
Federal	48,741	59,857	75,534	86,164	94,186	128,024	154,064	182,140	206,686	13.5
Provincial	1,307	2,545	3,271	4,736	3,060	4,505	7,091	7,124	7,420	4.1
Current Subsidies	10,712	7,888	7,269	5,061	6,451	10,730	11,920	13,572	11,486	(15.4)
Federal	8,194	6,438	5,911	3,978	4,762	7,982	6,843	6,555	3,993	(39.1)
Provincial	2,518	1,450	1,358	1,083	1,690	2,748	5,077	7,017	7,494	6.8
Gen. Administration	13,494	17,930	20,305	25,483	34,173	47,825	45,927	39,393	42,306	7.4
Federal	7,614	10,291	11,019	16,053	17,008	18,892	20,677	19,532	20,977	7.4
Provincial	5,880	7,639	9,286	9,430	17,165	28,933	25,250	19,861	21,328	7.4
Social/ECO/										
Community Service	28,129	45,440	54,614	56,536	69,232	74,325	73,342	89,399	99,747	11.6
Federal	5,714	10,597	15,441	13,574	15,915	16,799	15,964	18,157	18,201	0.2
Provincial	22,414	34,843	39,173	42,962	53,317	57,526	57,378	71,242	81,547	14.5
All Others	28,670	20,711	24,003	23,703	34,327	38,797	35,626	44,991	42,887	(4.7)
Federal	15,786	12,087	14,051	12,880	20,074	24,652	21,020	26,117	23,322	(10.7)
Provincial	12,884	8,624	9,952	10,823	14,253	14,145	14,606	18,874	19,565	3.7
Development Expenditure	65,293	91,354	76,196	71,453	82,343	94,233	85,508	89,106	110,582	24.1
Federal	50,593	-	-	-	-	-	-	60,134	78,582	30.7
Provincial	14,700	-	-	-	-	-	-	28,972	32,000	10.5
Total Expenditure	260,970	321,474	348,653	364,913	428,284	518,099	540,919	599,560	666,113	11.1
Federal	201,264	-	-	-	-	-	-	446,469	496,760	11.3
Provincial	59,706	-	-	-	-	-	-	153,091	169,353	10.6
Memorandum Items:										
										(As percent of GDP mp)
Current Expenditure	19.2	19.00	20.3	18.6	18.4	19.8	18.5	18.6	18.4	
Defense	6.3	6.3	6.5	5.8	5.5	5.6	5.2	4.9	4.8	
Interest	4.9	5.2	5.9	5.8	5.2	6.2	6.5	6.9	7.1	
Current Subsidies	1	0.6	0.5	0.3	0.3	0.5	0.5	0.5	0.4	
General Administration	1.3	1.5	1.5	1.6	1.8	2.2	1.8	1.4	1.4	
Social Services	2.7	3.7	4.1	3.6	3.7	3.5	3.0	3.3	3.3	
Others	2.8	1.7	1.8	1.5	1.8	1.8	1.4	1.6	1.4	
Development Expenditure	6.4	7.5	5.7	4.5	4.4	4.4	3.5	3.2	3.6	
Total Expenditure	25.6	26.5	26	23.2	22.7	24.2	22.0	21.9	22.0	
										(As Percent of Total Expenditure)
Current Expenditure	75.0	71.6	78.1	80.4	82.9	81.8	84.2	85.2	83.4	
Defense	24.8	23.6	25.0	25.2	24.4	23.1	23.6	22.3	21.8	
Interest	19.2	19.4	22.6	24.9	22.7	25.6	29.8	31.6	32.1	
Current Subsidies	4.1	2.5	2.1	1.4	1.5	2.1	2.2	2.3	1.7	
General Administration	5.2	5.6	5.8	7.0	8	9.2	8.5	6.6	6.4	
Social/ECO/										
Community Service	10.8	14.1	15.7	15.5	16.2	14.3	13.6	14.9	14.9	
Others	11.0	6.4	6.9	6.5	8	7.5	10.5	6.6	6.4	
Development Expenditure	25.0	28.1	21.9	19.6	19.2	18.2	15.8	15.8	16.6	
Total Expenditure	100.0	100.0	100.0	100.0	100	100.0	100.0	100.0	100.0	

\*\* Expenditures under this head are exclusively Federal.

Source: Budget Wing, Finance Division, Islamabad

PA Provisional Actual

RE Revised Estimates

BE Budget Estimates

- Not available

Note: Figures in parenthesis are negative

TABLE 4.6  
FEDERAL AND PROVINCIAL GOVERNMENTS SUBSIDIES

		(Rs million)									
		1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	
									(RE)	(BE)	
A.	Current Subsidies	10,711	7,888	7,269	5,061	6,452	11,260	12,928	13,550	11,481	
	Federal	8,194	6,438	5,911	3,978	4,762	7,982	7,588	-	-	
	Provincial	2,517	1,450	1,358	1,083	1,690	3,278	5,340	-	-	
	Wheat and Sugar	4,393	5,912	3,831	3,561	2,900	10,757	11,526	11,730	11,111	
	Federal	2,405	4,081	2,506	801	1,010	7,588	6,353	4,712	3,618	
	Provincial	1,988	1,831	1,325	2,760	1,890	3,169	5,173	7,017	7,494	
	Edible Oil*	2,141	188	-	455	346	346	-	-	-	
	Losses of Cotton Export Corporation*	92	141	1,927	800	-	-	-	-	-	
	Pakistan Steel Mill*	1,258	1,866	1,179	1,067	43	50	-	50	-	
	Agricultural Loan	-	-	-	-	1,000	1,000	-	-	-	
	Others	1,905	1,943	332	2,378	991	1,562	1,402	1,771	370	
	Federal	382	1,012	299	2,016	887	1,452	1,235	-	1,879	
	Provincial	-	112	33	362	104	110	167	-	-	
B.	Development Subsidies*	1,386	1,224	810	592	67	47	-	-	-	
	Fertilizer*	1,386	1,224	810	592	67	47	-	-	-	
C.	Total Subsidies (A+B)	12,097	9,112	8,079	5,653	6,519	11,307	11,920	13,572	11,486	
	Federal	10,109	7,169	5,911	4,570	4,829	10,482	6,843	6,555	3,993	
	Provincial	1,988	1,943	2,168	1,083	1,690	3,279	5,077	7,017	7,493	
<u>Memorandum Items:</u>											
	As Percent of Total Subsidies										
	Current Subsidies	88.5	86.6	90.0	89.5	99.0	99.6	100.0	99.8	99.9	
	Development Subsidies	11.5	13.4	10.0	10.5	1.0	0.4	-	0.2	0.04	
	Current Subsidies as % of Current Expenditure	5.2	4.4	2.7	1.7	1.8	2.6	2.8	2.7	2.1	
	Development Subsidies as % of Development Expenditure	2.1	1.5	1.0	0.8	0.08	0.05	-	0.02	0.04	
	Total Subsidies as % of Total Expenditure	4.4	3.6	2.3	1.5	1.5	2.7	2.4	2.3	1.7	
	Total Subsidies as % of GDP at market prices	1.1	0.8	0.6	0.4	0.3	0.5	0.5	0.5	0.4	

Source: Budget Wing, Finance Division, Islamabad

- nil.

\* Subsidies under these heads are exclusively Federal

RE Revised Estimates

BE Budget Estimates



TABLE 4.7  
DEBT SERVICING

	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98 (PA)	1998-99 (BE)	(Rs million) %Change in 98-99 over 97-98
<b>A. Interest on both Federal and Provisional Debt</b>	50,017	67,473	81,947	101,923	104,128	133,534	162,145	201,816	214,107	6.1
A.1 Federal	48,710	64,929	78,677	97,188	101,051	128,875	155,054	194,692	206,687	6.2
Interest on Domestic Debt	35,710	50,306	62,733	77,546	77,865	102,300	126,532	165,954	164,521	(0.9)
Interest on Foreign Debt	13,000	14,623	15,944	19,642	23,186	26,575	28,522	28,738	42,166	46.7
Foreign Loans	11,234	12,855	14,416	17,774	20,444	23,146	24,598	24,836	27,999	12.7
MF Drawings	970	810	846	935	1,393	1,220	1,524	1,555	1,918	23.3
Food Credit/Short Term Borrowings	796	958	682	933	1,349	2,209	2,400	2,347	8,104	245.3
Euro Bond	-	-	-	-	-	-	-	-	4,145	-
A.2 Provincial	1,307	2,544	3,272	4,735	3,077	4,659	7,091	7,124	7,420	4.2
<b>B. Repayments/Amortization of Foreign Debt</b>	23,515	28,962	29,065	43,798	60,341	61,165	100,627	83,961	127,328	51.7
Foreign Loans	15,935	18,984	21,968	28,773	36,133	38,133	48,997	59,327	68,900	16.1
Food Credits	7,580	9,978	7,097	15,025	24,208	23,032	51,630	24,634	58,358	136.9
Patition Debt	-	-	-	-	-	-	-	-	70	-
<b>C. Total Debt Servicing (A+B)</b>	73,532	96,435	111,012	145,721	164,469	194,699	262,772	285,777	341,435	19.5
<b>MEMORANDUM ITEMS</b>										
	<i>As Percent of GDP (MP)</i>									
Interest on Domestic Debt (Federal)	3.5	4.2	4.7	4.9	4.1	4.8	5.1	6.1	5.4	
Interest on Foreign Debt	1.4	1.2	1.3	1.2	1.2	1.2	1.2	1.0	1.4	
Repayment of Foreign Debt	2.1	2.4	2.2	2.8	2.8	2.8	4.1	3.1	4.2	
Total Debt Servicing	7.2	8.0	8.3	9.3	8.8	9.1	10.7	10.4	11.3	

- nil

Source: Finance Division, Islamabad

PA Provisional Actual

BE: Budget Estimates

Note: Figures in paranthesis are negative.

TABLE 4.8  
INTERNAL DEBT DUTANDING  
(AT END OF PERIOD)

Type of Debt	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98 (PA)	1998-99 (RE)	(Rs million)
										% Change in 98-99 over 97-98
Permanent Debt	157,012	186,569	245,489	264,191	290,119	291,350	289,296	280,764	289,195	3.0
Floating Debt	150,929	197,215	215,819	257,637	294,233	361,298	433,834	473,850	449,710	(5.1)
Un-funded Debt	140,220	147,707	153,999	189,216	223,315	265,969	325,706	402,626	487,379	21.1
Total	448,162	531,491	615,307	711,044	807,667	918,617	1,048,836	1,157,240	1,226,284	6.0
Percent Share in Total Debt										
Memorandum Items:										
Permanent Debt	35.0	35.1	39.9	37.2	35.9	31.7	27.6	24.3	23.6	
Floating Debt	33.7	37.1	35.1	36.2	36.4	39.3	41.4	40.9	36.7	
Un-funded Debt	31.3	27.8	25.0	26.6	27.6	28.9	31.0	34.8	39.7	
Total Debt as % of GDP (mp)	43.9	43.9	45.9	45.2	42.9	42.9	42.7	42.3	40.5	

Source: Finance Division, Islamabad

BE Budget Estimates  
PA Provisional Actual

Note: Figures in paranthesis are negative.

TABLE 5.1  
COMPONENTS OF MONETARY ASSETS

(Rs million)

Stocks at end June (a)	1990	1991	1992	1993	1994	1995	1996	1997	1998	End March	
										1998	1999
1. Currency issued	120,818	144,916	161,433	178,933	199,070	232,589	253,908	262,589	293,263	288,957	333,453
2. Currency held by SBP	399	610	652	768	624	647	470	627	1,572	1,319	2,020
3. Currency in tills of Scheduled Banks	5,351	7,339	8,962	11,301	13,738	16,363	19,328	17,821	18,769	16,672	16,670
4. Currency in circulation 1-2-3)	115,067	136,967	151,819	166,864	184,708	215,579	234,110	244,141	272,922	270,966	314,763
5. Scheduled Banks demand deposits (b)	122,881	125,060	147,767	156,509	168,554	202,505	207,108	192,275	200,997	176,474	295,181
6. Other Deposits with SBP (c)	2,209	3,114	3,322	4,449	5,506	5,055	6,791	7,135	6,412	6,928	7,951
7. M1 (4+5+6)	240,157	265,141	302,908	327,822	358,768	423,139	448,009	443,551	480,331	454,368	617,895
B. Scheduled Banks Time deposits (b)	101,094	126,016	159,657	206,294	252,497	296,521	344,713	386,801	447,433	437,085	479,561
9. Resident Foreign Currency Deposits (e)		9,487	43,004	61,274	92,134	105,073	145,958	222,882	278,556	308,804	150,938
10. Total Monetary Asset: M2 (7+B+9)	341,251	400,644	505,569	595,390	703,399	824,733	938,680	1,053,234	1,206,320	1,200,257	1,248,394
11. Growth Rate (%)	17.5	17.4	26.2	17.8	18.1	17.2	13.8	12.2	14.5	14.0	3.5
<b>Memorandum Items</b>											
1. Currency/Money Ratio	33.7	34.2	30.0	28.0	26.3	26.1	24.9	23.2	22.6	22.6	25.2
2. Demand Deposits/ Money Ratio	36.0	31.2	29.2	26.3	24.0	24.6	22.1	18.3	16.7	14.7	23.6
3. Time Deposits/ Money Ratio	29.6	31.5	31.6	34.6	35.9	36.0	36.7	36.7	37.1	36.4	38.4
4. Other Deposits/ Money Ratio	0.6	0.8	0.7	0.7	0.8	0.6	0.7	0.7	0.5	0.6	0.6
5. RFCI/Money ratio		2.4	8.5	10.3	13.1	12.7	15.5	21.2	23.1	25.7	12.1
6. Income Velocity of Money (d)	2.7	2.7	2.7	2.3	2.4	2.4	2.5	2.4	2.4	2.3	2.3

Source: State Bank of Pakistan

a. Last working day.

b. Excluding inter-bank deposits and deposits of federal and provincial governments and foreign constituents.

c. Excluding IMF A/C Nos 102, SAF Loans, deposits money banks, counter-part funds, deposits of foreign central banks, Foreign governments and International organizations.

d. Income velocity of money is defined by the State Bank as GDP at current factor cost/quarterly average of Monetary Assets (M2).

Note: Total may not tally due to separate rounding off.

TABLE 5.2

## CAUSATIVE FACTORS ASSOCIATED WITH MONETARY ASSETS

	(Rs million)					
	1991	1992	1993	1994	1995	1996
			A. End June Stock			
			345,167	373,433	426,520	495,047
1 Public Sector Borrowing (net) (i+ii+iii+iv+v+vi+vii)	201,174	270,165				
i Net Budgetary Support	194,501	257,074	322,772	345,917	382,336	434,062
ii Commodity Operations	18,675	22,869	30,204	36,786	41,519	47,377
iii Zalal Fund etc.	(12,002)	(9,778)	(7,809)	(9,270)	(11,465)	(12,522)
iv Utilization of privatization proceeds by Govt./WAPDA						
v Use of Privatization proceeds/ NDRP Fund for Debt Retirement					14,130	26,130
vi Payment to HBL on A/C of HC&EB						
vii Others					462,357	531,064
2 Non-Government Sector	260,962	292,381	352,954	392,820	462,357	531,064
i Autonomous Bodies*	9,374	10,661	14,594	13,744	16,955	20,121
ii Net Credit to Private Sector & PSCEs	251,588	281,720	338,360	379,076	445,402	510,943
a. Private Sector	221,062	251,311	309,595	352,363	416,094	478,701
b. Public Sector Corp. other than 2(i)	30,526 (330)	30,409 (151)	28,765 (546)	26,713 (388)	29,308 (464)	32,242 (617)
3 Counterpart Funds	(36,857)	(41,500)	(52,846)	(46,537)	(74,705)	(58,844)
4 Other Items (Net)	424,949	520,895	644,729	719,328	813,708	966,650
5 Domestic Credit (1+2+3+4)	(24,305)	(15,326)	(49,339)	(15,930)	11,027	(27,971)
6 Foreign Assets (Net)	400,644	505,569	595,390	703,398	824,735	938,679
7 Monetary Assets (5+6)						
			B. Changes over the year (July-June)			
B Public Sector Borrowing (net) (i+ii+iii+iv+v+vi+vii)	27,438 ^	68,991	75,002	28,266	53,087	68,527
i Net Budgetary Support	38,332 ^	62,573	65,698	23,145	36,419	51,726
ii Commodity Operations	(5,315)	4,194	7,335	6,582	4,733	5,858
iii Zalal Fund etc.	(5,579)	2,224	1,969	(1,461)	(2,195)	(1,057)
iv Utilization of privatization proceeds by Govt./WAPDA						
v Use of Privatization proceeds/ NDRP Fund for Debt Retirement					14,130	12,000
vi Payment to HBL on A/C of HC&EB						
vii Others					69,537	63,429
9 Non-Government Sector	21,702	31,419	60,573	39,866	69,537	63,429
i Autonomous Bodies*	592	1,287	3,933	(850)	3,211	3,166
ii Net Credit to Private Sector & PSCEs	21,110	30,132	56,640	40,716	66,326	60,263
a. Private Sector	25,096	30,249	58,284	42,768	63,731	57,329 **
b. Public Sector Corp. other than 2(i)	(3,986)	(117)	(1,644)	(2,052)	2,595	2,934
10 Counterpart Funds	178	179	(395)	158	(76)	(153)
11 Other Items (Net)	4,362	(4,643)	(11,346)	6,309	(28,168)	21,139 **
12 Domestic Credit Expansion (8+9+10+11)	53,680 ^	95,946	123,834	74,599	94,380	152,942
13 Foreign Assets (Net)	5,712 ^	8,979	(34,013)	33,409	26,957	(38,998)
14 Monetary Expansions (13+14)	59,392	104,925	89,821	108,008	121,337	113,944

(Contd.)

TABLE 5.2

## CAUSATIVE FACTORS ASSOCIATED WITH MONETARY ASSETS

	(Rs million)			
	1997	1998	End March	
			1998	1999
			<u>A. Stock End June</u>	
1 Public Sector Borrowing (net) (i+ii+iii+iv+v+vi+vii)	575,980	633,146	603,053	575,682
i Net Budgetary Support	506,519	554,981	546,049	515,074 \$
ii Commodity Operations	53,079	63,664	42,377	49,217
iii Zalaf Fund etc.	(15,392)	(18,518)	(17,568)	(21,850)
iv Utilization of privatization proceeds by Govt./WAPDA	36,434	37,657	37,550	37,657
v Use of Privatization proceeds/ NDRP Fund for Debt Retirement	(4,660)	(5,749)	(5,642)	(5,749)
vi Payment to HBL on A/C of HC&EB		287	287	287
vii Others		824 <sup>1</sup>	0	1,046 <sup>2</sup>
2 Non-Government Sector	601,150	684,079	684,187	752,573
i Autonomous Bodies*	29,196	28,302	27,078	31,341
ii Net Credit to Private Sector & PSCEs	571,954	655,777	657,109	721,232
a. Private Sector	546,815	621,595	624,841	690,372
b. Public Sector Corp. other than 2(i)	25,139	34,182	32,268	30,860
3 Counterpart Funds	(736)	(650)	(608)	(565)
4 Other Items (Net)	(61,899)	(35,098)	(43,157)	(34,429)
5 Domestic Credit (1+2+3+4)	1,114,495	1,281,477	1,243,475	1,293,260
6 Foreign Assets (Net)	(61,260)	(75,157)	(43,217)	(44,866)
7 Monetary Assets (5+6)	1,053,235	1,206,320	1,200,257	1,248,394
			<u>B. Changes over the year (July-June)</u>	
8 Public Sector Borrowing (net) (i+ii+iii+iv+v+vi+vii)	80,933	57,166	27,073	(57,464)
i Net Budgetary Support	72,457	48,462	39,530	(39,907)
ii Commodity Operations	5,702	10,585	(10,702)	(14,447)
iii Zalaf Fund etc.	(2,870)	(3,126)	(2,176)	(3,332)
iv Utilization of privatization proceeds by Govt./WAPDA	10,304	1,223	1,116	0
v Use of Privatization proceeds/ NDRP Fund for Debt Retirement	(4,660)	(1,089)	(982)	0
vi Payment to HBL on A/C of HC&EB		287	287	0
vii Others		824 <sup>1</sup>		222 <sup>2</sup>
9 Non-Government Sector	61,879 @	82,929	83,035	68,494
i Autonomous Bodies*	(242) <sup>3</sup>	(894)	(2,118)	3,039
ii Net Credit to Private Sector & PSCEs	62,121	83,823	85,153	65,455
a. Private Sector	59,907 @	74,780	78,026	68,777
b. Public Sector Corp. other than 2(i)	2,214 <sup>3</sup>	9,043	7,129	(3,322)
10 Counterpart Funds	(119)	86	128	85
11 Other Items (Net)	5,152 @	26,801	18,742	669
12 Domestic Credit Expansion (8+9+10+11)	147,845	166,982	128,981	11,782
13 Foreign Assets (Net)	(33,289)	(13,897)	18,043	30,292
14 Monetary Expansions (13+14)	114,556	153,085	147,024	42,074

\* Till end June 1996 autonomous bodies consisted of WAPDA, OGDC, PTC, NFC, and PTV, thereafter their composition has been changed as WAPDA, OGDC, PTC, SSSC SNGPL, KESC and Pakistan Railways.

^ Adjusted for SAF loans amounting to Rs 7371 million

\*\* Adjusted for Rs 5278 million to exclude the impact arising due to mark up debited to the borrowers account.

@ Adjusted for Rs 8207 million being mark up debited to the borrowers account

\$ Special Account-Debt Repayment and Saudi Oil Facility Counter-part Rupee Account adjusted.

1 Credit to NHA by commercial Banks.

2 Credit to NHA and CAA by commercial banks

3 The difference in flow data is due to change in the composition of autonomous bodies.

Note: 1. Totals may not tally due to separate rounding off.

2. Figures in parentheses indicate negative sign.

Source: State Bank of Pakistan

TABLE 5.3

SCHEDULES BANKS POSITION BASED ON  
WEEKLY RETURNS: LIABILITIES AND ASSETS

	(Rs million)					
Outstanding Amount at end June	1990	1991	1992	1993	1994	1995
<b>LIABILITIES</b>						
1. Capital (paid-up) and Reserves	22528	24,096	31,227	36,011	43,770	50,533
2. Inter-banks Demand Liabilities	7,554	10,049	13,440	12,822	14,532	16,787
2.1 Borrowing	(2,350)	(2,827)	(5,740)	(1,436)	(2,878)	(5,104)
2.2 Deposits	(5,204)	(7,222)	(7,700)	(11,386)	(11,654)	(11,683)
3. Deposits (General)	122,971	147,926	186,353	217,711	256,188	296,739
4. Other Liabilities	4,902	7,323	7,665	9,112	12,578	16,500
5. Total Demand Liabilities (2+3+4)	135,427	165,298	207,458	239,645	283,298	330,026
<b>TIME LIABILITIES IN PAKISTAN</b>						
6. Inter-banks Time Liabilities	2,887	3,093	5,059	4,937	7,181	9,059
6.1 Borrowing	(2,545)	(2,969)	(4,695)	(3,976)	(3,333)	(5,998)
6.2 Deposits	(342)	(124)	(364)	(961)	(3,848)	(3,061)
7. Time Deposits (General)	143,751	178,281	219,980	270,343	342,368	405,882
8. Other Liabilities	1,288	2,551	4,348	3,920	4,812	3,388
9. Total Time Liabilities (6+7+8)	147,926	183,925	229,387	279,200	354,361	418,329
10. Total Demand and Time Liabilities	283,353	349,223	436,845	518,845	637,659	748,355
11. Borrowing From SBP	40,285	48,785	57,267	64,577	70,583	82,668
12. Borrowing from Banks Abroad	9,496	11,140	13,471	14,614	14,217	14,280
13. Money at Call and Short Notice in Pa	10,085	5,367	6,405	6,584	6,721	8,350
14. Other Liabilities	268,200	339,676	418,012	505,570	640,164	743,430
15. Total Liabilities	633,947	778,287	963,227	1,146,201	1,413,114	1,647,616
16. Total Statutory Reserves	14,672	17,730	22,163	26,271	32,219	37,835
16.1 On Demand Liabilities	(7,276)	(8,533)	(10,693)	(12,311)	(14,501)	(16,919)
16.2 On Time Liabilities Assets	(7,396)	(9,196)	(11,469)	(13,960)	(17,718)	(20,916)
17. Cash in Pakistan	5,351	7,339	8,962	11,301	13,959	16,363
18. Balances with SBP	21,146	25,010	48,827	48,745	63,746	78,503
19. Other Balances	2,215	3,984	5,325	8,920	14,814	11,012
20. Money at Call and Short Notice in Pa	12,319	5,938	6,719	7,002	7,062	8,814
21. 17+18+19+20 as % of 10	14.5	12.1	16.0	14.6	15.6	15.3
<b>FDREIGN CURRENCY</b>						
22. Foreign Currency held in Pakistan	98	395	909	2,194	4,261	3,017
23. Balances with Banks Abroad	7,901	10,873	10,844	6,190	7,899	8,163
24. Total Foreign Currency	7,999	11,268	11,753	8,384	12,160	11,180
<b>BANK CREDIT ADVANCES</b>						
25. To Banks	7,410	9,090	13,314	7,830	8,616	13,482
26. To Others	183,324	197,296	227,000	308,992	347,868	413,811
27. Total Advances	190,734	206,386	240,314	316,822	356,484	427,293
28. Bills Purchased and Discounted	26,242	41,020	46,631	44,149	52,483	59,649
29. Total Bank Credit	216,976	247,406	286,945	360,971	408,967	486,942
30. 29 as % of 10	76.6	70.8	65.7	69.6	64.1	65.1
<b>INVESTMENT IN SECURITIES AND SHARES</b>						
31. Central Government Securities	44,456	77,839	102,535	140,124	147,076	166,687
32. Provincial Government Securities	3,987	3,995	3,892	3,727	3,345	3,340
33. Treasury Bills	26,562	30,633	38,768	35,660	83,443	90,059
34. Other Investment in Securities & Sahr	47,981	46,782	51,873	31,331	32,632	35,210
35. Total Investment in Securities and Sh	122,986	159,249	197,068	210,842	266,496	295,296
36. 35 as % of 10	43.4	45.6	45.1	40.6	41.8	39.5
37. Other Assets	244,955	318,093	397,628	490,036	625,910	739,506
38. Total Assets	633,947	778,287	963,227	1,146,201	1,413,114	1,647,616
39. Excess Reserves (18-16)	6,474	7,281	26,665	22,474	31,523	40,668

Contd.

TABLE 5.3  
SCHEDULES BANKS POSITION BASED ON  
WEEKLY RETURNS: LIABILITIES AND ASSETS

Outstanding Amount at end June	1996	1997	1998	(Rs million)	
				End March	
				1998	1999
<b>LIABILITIES</b>					
1. Capital (paid-up) and Reserves	56,255	60,935	91,060	60,027	72,987
Demand liabilities in Pakistan					
2. Inter-banks Demand Liabilities	13,281	13,722	10,991	5,777	6,819
2. Borrowing	(115)	(407)	(78)	(167)	(186)
2.2 Deposits	(13,166)	(13,315)	(10,913)	(5,610)	(6,633)
3. Deposits (General)	339,408	358,457	411,361	398,203	410,914
4. Other Liabilities	19,224	21,654	25,120	22,719	37,482
5. Total Demand Liabilities (2+3+4)	371,913	393,833	447,472	426,699	455,215
<b>TIME LIABILITIES IN PAKISTAN</b>					
6. Inter-banks Time Liabilities	5,509	5,422	10,658	5,016	10,569
6.1 Borrowing	(2,965)	(3,618)	(7,744)	(3,447)	(6,679)
6.2 Deposits	(2,544)	(1,804)	(2,914)	(1,569)	(3,890)
7. Time Deposits (General)	495,677	571,574	628,076	631,297	621,423
8. Other Liabilities	4,737	5,369	7,141	4,704	9,812
9. Total Time Liabilities (6+7+8)	505,923	582,365	645,875	641,017	641,804
10. Total Demand and Time Liabilities	877,836	976,198	1,093,347	1,067,716	1,097,019
11. Borrowing From SBP	56,914	77,999	113,919	112,814	129,973
12. Borrowing from Banks Abroad	13,424	14,622	16,518	18,551	20,173
13. Money at Call and Short Notice in Pakistan	8,070	5,370	7,768	8,976	13,006
14. Other Liabilities	897,892	993,960	264,981	952,672	256,404
15. Total Liabilities	1,910,391	2,129,084	1,587,593	2,220,756	1,589,562
16. Total Statutory Reserves	44,295	49,078	55,056	53,835	55,501
16.1 On Demand Liabilities	(18,999)	19,960	(22,762)	(21,784)	(23,411)
16.2 On Time Liabilities Assets	(25,296)	(29,118)	(32,294)	(32,051)	(32,090)
<b>ASSETS</b>					
17. Cash in Pakistan	19,328	17,821	18,769	16,672	16,670
18. Balances with SBP	63,502	89,756	84,740	90,499	91,939
19. Other Balances	14,516	16,864	18,210	8,007	9,677
20. Money at Call and Short Notice in Pakistan	8,989	5,772	8,903	9,976	13,506
21. 17+18+19+20 as % of 10	12.1	13.2	11.9	11.7	12.0
<b>FOREIGN CURRENCY</b>					
22. Foreign Currency held in Pakistan	3,667	4,647	2,706	5,690	3,321
23. Balances with Banks Abroad	16,545	10,918	21,798	18,722	30,882
24. Total Foreign Currency	20,212	15,565	24,504	24,412	34,203
<b>BANK CREDIT ADVANCES</b>					
25. To Banks	5,449	3,690	5,687	3,503	4,826
26. To Others	474,731	552,522	644,049	621,131	669,745
27. Total Advances	480,180	556,212	649,736	624,634	674,571
28. Bills Purchased and Discounted	62,511	70,675	63,073	66,388	61,518
29. Total Bank Credit	542,691	626,887	712,809	691,022	736,089
30. 29 as % of 10	61.8	64.2	65.2	64.7	67.1
<b>INVESTMENT IN SECURITIES AND SHARES</b>					
31. Central Government Securities	144,922	134,417	123,647	123,812	118,987
32. Provincial Government Securities	3,338	2,399	2,148	2,149	1,970
33. Treasury Bills	137,110	167,945	235,388	217,185	191,790
34. Other Investment in Securities & Shares	42,512	39,023	40,900	41,616	59,599
35. Total Investment in Securities and Shares	327,882	343,784	402,119	384,762	372,346
36. 35 as % of 10	37.4	35.2	36.8	36.0	33.9
37. Other Assets	913,271.0	1,012,645	254,970	995,406	227,888
38. Advance Tax Paid			49,332		62,604
39. Fixed Assets			13,237		24,640
40. Total Assets	1,910,391	2,129,084	1,587,593	2,220,756	1,589,562
41. Excess Reserves (18-16)	19,207	40,678	29,684	3,664	36,438

\*Excluding Contra Items

Source: State Bank of Pakistan

TABLE 5.4  
INCOME VELOCITY OF MONEY

End June Stock	(Rs in million)		
	Money Supply (M1) (Rs million)	Monetary Assets (M2) (Rs million)	Income Velocity of Monetary Assets (M2)
1990-91	265,141	400,644	2.7
1991-92	302,908	505,569	2.7
1992-93	327,822	595,390	2.3
1993-94	358,768	703,399	2.4
1994-95	423,139	824,733	2.4
1995-96	448,009	938,680	2.5
1996-97	443,551	1,053,234	2.4
1997-98	480,331	1,206,320	2.4
<u>Jul-Mar</u>			
1997-98	454,368	1,200,257	2.3
1998-99	617,895	1,248,394	2.3

Source: State Bank of Pakistan

TABLE 5.5  
MONEY SUPPLY  
(M1, M2, M3)

End Period	(Rs billion)					
	Narrow Money (M1)	% Change	Monetary Assets (M2)	% Change	Broad Money (M3)	% Change
Stocks (last working day Basis)	(a)		(a)		(a)	
1990-91	265.14	10.4	400.64	17.4	569.40	12.9
1991-92	302.91	14.2	505.57	26.2	679.17	19.3
1992-93	327.82	8.2	595.39	17.8	777.37	14.4
1993-94	358.77	9.4	703.4	18.1	922.22	18.6
1994-95	423.14	17.9	824.73	17.2	1083.73	17.5
1995-96	448.01	5.9	938.68	13.8	1254.23	15.7
1996-97	443.55	(1.0)	1053.23	12.2	1435.48	19.2
1997-98	480.33	8.3	1206.32	14.5	1669.23	16.3
<u>Jul-Mar</u>					1658.86	15.6
1997-98	454.37	2.4	1200.26	14.0	..	..
1998-99	617.90	28.6	1248.89	3.5	..	..

Source: Finance Division/SBP

a Definition of M1, M2 and M3 are given in chapter on Money and Credit of the text.  
Not available



TABLE 5.6  
CLASSIFICATION OF SCHEDULED BANKS ADVANCES BY BORROWERS  
(ALL BANKS)

Outstanding	End June								
	1990	1991	1992	1993	1994	1995	1996	1997	1998
1. Foreign Constituents	77.4	253.2	361.9	312.5	431.5	246.2	3.7	-	-
I. Official									
II. Business	77.3	253.0	361.5	312.3	430.4	241.7	3.2	-	-
III. Personal	0.1	0.2	0.4	0.2	1.1	4.5	0.4	-	-
2. Domestic Constituents:	216,912.5	235,074.9	279,989.2	343,729.2	395,126.6	453,666.8	502,641.5	577,917.6	668,994.0
I. Governments	23,990.0	18,674.3	24,869.0	32,372.9	38,505.8	44,336.9	50,615.9	556,050.0	66,462.0
a) Federal Government:	15,651.9	11,151.1	15,131.0	20,517.8	26,044.6	30,552.8	36,521.4	40,665.0	45,447.6
(i) Commodity Operations	15,651.9	11,151.1	15,131.0	20,517.8	26,044.6	30,508.9	36,513.6	40,665.0	45,336.6
(ii) Others						43.9	7.8	-	111.0
b) Provincial Governments:	8,338.1	7,523.2	9,738.0	11,731.4	12,461.2	13,416.7	13,483.4	14,756.0	20,832.8
(i) Commodity Operations	8,338.1	7,523.2	7,738.0	9,731.4	10,238.3	11,042.2	10,873.7	12,485.2	18,378.2
(ii) Others	-	-	2,000.0	2,000.0	2,227.9	2,374.5	2,609.6	2,270.8	2,454.7
c) Local Bodies						367.4	611.2	183.9	181.6
II. Public Sector Enterprises	15,980.5	16,434.9	20,356.2	19,371.7	20,704.2	26,426.1	31,779.6	44,708.7	58,087.7
a) Agriculture, Forestry, Hunting & Fishing	42.0	54.2	53.8	43.0	75.4	127.8	203.3	364.2	1,049.7
b) Mining and Quarrying	552.7	860.1	707.5	2,685.6	1,111.2	1,731.2	2,003.4	3,598.7	3,105.1
c) Manufacturing	8,884.2	8,334.8	8,854.2	6,188.0	7,315.2	10,519.1	11,865.3	17,214.6	21,693.5
d) Construction	805.0	135.9	1,030.5	346.7	150.5	125.8	333.2	746.8	577.6
e) Electricity, Gas Water and Sanitary Services	3,492.0	3,088.2	4,469.9	2,569.4	4,260.3	4,509.2	6,031.6	6,085.4	5,931.3
f) Commerce	450.9	1,574.5	3,095.4	2,810.6	2,235.0	2,800.6	3,645.6	5,608.1	7,318.5
g) Transport, Storage and Communication	207.1	138.0	265.0	1,709.3	1,933.7	2,721.5	4,292.5	7,566.6	11,208.7
h) Services	44.5	79.3	56.9	53.5	1,278.9	1,425.2	745.6	193.2	429.3
i) Other Public Sector Enterpr	1,502.2	2,169.9	1,823.0	2,965.6	2,344.0	2,465.8	2,659.0	3,391.1	6,774.1
III. Private Sector (Business)	155,794.2	178,899.5	222,572.8	259,020.6	290,757.9	332,019.0	358,503.6	404,445.9	478,609.8
a) Agriculture, Forestry, Hunting & Fishing	39,915.9	51,301.8	54,210.6	54,833.7	53,526.7	59,139.1	55,012.4	59,726.8	80,903.7
b) Mining and Quarrying	850.8	942.7	1,190.1	1,773.4	2,912.1	2,797.9	4,087.7	3,642.1	7,820.7
c) Manufacturing	63,977.8	72,769.0	95,782.8	109,350.4	123,071.3	149,812.0	174,917.5	203,506.3	250,852.2
d) Construction	4,313.9	3,896.6	6,032.7	5,838.4	7,637.2	7,976.3	6,856.6	8,835.9	9,594.9
e) Electricity, Gas Water and Sanitary Services	624.9	963.3	873.9	1,143.3	2,864.4	4,346.1	5,263.5	4,669.6	3,836.2
f) Commerce	35,375.9	33,710.0	49,470.8	51,672.8	58,813.8	61,517.2	64,493.8	69,593.8	65,176.9
g) Transport, Storage and Communications	1,220.3	1,239.5	1,706.5	11,318.9	12,658.5	13,991.6	13,380.1	14,311.3	11,917.2
h) Services	2,207.9	2,144.1	3,087.5	2,395.6	2,569.6	3,111.4	4,550.6	5,578.4	5,696.1
i) Other Private Business	7,306.7	11,932.5	10,217.9	20,694.1	26,704.2	29,327.4	29,941.2	34,581.6	42,812.2
IV Trust Funds and non- profit organisations	441.1	336.4	291.7	340.2	215.6	446.1	506.6	1,603.2	9,487.0
V Personal	20,545.0	20,473.2	11,705.6	32,485.3	43,287.6	49,323.2	60,489.7	70,151.9	54,279.9
VI Other activities not adequately described	161.6	256.4	193.9	138.5	1,655.5	1,115.5	746.1	1,409.3	2,067.7
<b>Total</b>	<b>216,989.6</b>	<b>235,328.1</b>	<b>280,351.1</b>	<b>344,041.6</b>	<b>395,558.1</b>	<b>453,913.0</b>	<b>502,645.1</b>	<b>577,917.6</b>	<b>668,994.0</b>

- ii

Source: State Bank of Pakistan

(P) Provisional

Note: Data from 1972 to 1989 on old pattern may be seen in Table 5 Money and Banking, Economic Survey 1990-91

TABLE 5.7

CLASSIFICATION OF SCHEDULED BANKS ADVANCES  
(By Securities Pledged - All Banks)

(Rs million)

Stock of Securities	End June									
	1990	1991	1992	1993	1994	1995	1996	1997	1998	
I. Gold Bullion, Gold and Silver	1,098.9	1,329.3	1,319.8	1,348.4	864.3	930.7	1,045.8	933.9	2,214.0	
Ornaments and Precious Metals										
II. Securities, Shares and other	8,860.9	6,644.2	9,448.3	8,448.0	9,583.3	13,837.0	15,899.4	19,691.0	18,818.0	
Financial Instruments	6,091.9	4,743.5	7,870.8	6,647.6	6,814.8	10,710.0	13,349.4	14,485.5	13,581.0	
A. Quoted on the Stock Exchange	1,973.1	1,974.6	2,549.3	1,979.8	1,966.7	3,631.4	5,219.6	3,998.0	6,060.0	
1. To Stock Brokers and Dealers	176.7	99.0	228.3	637.4	432.1	541.9	2,084.8	977.5	932.7	
(a) Govt. and other Trustee Securities	1,285.5	1,132.6	1,660.3	632.3	745.6	2,427.4	2,553.6	2,261.3	4,687.2	
(b) Shares and Debentures	0.2	0.3	0.3	64.4	0.9	0.1	-	62.4	-	
(c) Participation Term Certificates	510.9	742.7	659.8	645.7	788.0	662.0	581.3	696.8	440.1	
(d) Others	4,118.8	2,768.9	5,321.5	4,667.8	4,848.2	7,078.7	8,129.7	10,487.5	7,520.9	
2. To Others	2,237.9	1,485.3	2,891.4	943.5	1,064.0	1,283.5	1,814.2	2,521.0	2,360.6	
(a) Govt. and other Trustee Securities	804.6	702.1	1,039.5	2,295.4	2,519.2	4,637.4	5,529.2	5,076.5	3,823.9	
(b) Shares and Debentures	13.3	18.6	17.1	-	-	-	-	16.1	0.5	
(c) Participation Term Certificates	1,063.0	562.9	373.5	1,428.9	1,265.0	1,155.7	785.6	2,874.0	1,335.9	
(d) Others	2,769.0	1,900.7	3,577.5	1,800.4	2,768.5	3,127.0	2,550.0	5,205.5	5,237.1	
B. Unquoted on the Stock Exchange	162.6	142.4	210.0	267.7	232.6	415.2	171.8	633.8	691.8	
1. To Stock Brokers and Dealers	102.6	85.0	132.6	172.0	124.7	248.4	137.7	225.3	621.7	
(a) Govt. and other Trustee Securities	60.0	48.6	77.4	69.8	99.0	62.9	18.9	316.9	20.7	
(b) Shares and Debentures	-	-	-	-	-	-	-	-	-	
(c) Participation Term Certificates	-	8.7	-	25.9	8.9	103.9	15.2	91.6	49.4	
(d) Others	2,606.4	1,758.3	3,367.5	1,532.7	2,535.9	2,711.8	2,378.2	4,571.7	4,545.3	
2. To Others	1,380.8	1,479.2	1,679.3	1,361.6	1,577.1	2,174.8	1,420.0	3,745.2	3,277.5	
(a) Govt. and other Trustee Securities	400.9	164.8	487.6	76.2	80.6	125.9	190.0	148.2	134.6	
(b) Shares and Debentures	6.7	3.9	8.2	9.6	1.8	1.6	-	-	11.9	
(c) Participation Term Certificates	818.1	110.3	1,192.4	85.3	876.4	409.4	768.2	678.3	1,121.3	
(d) Others	83,321.2	87,215.3	96,751.0	131,340.2	143,896.2	165,293.9	183,563.1	215,643.5	267,669.6	
III. Merchandise:	28,269.8	28,063.3	30,826.3	38,764.5	44,956.3	48,462.1	57,230.4	62,848.4	85,336.0	
A. Food Items:	12,755.7	11,760.2	13,909.2	18,157.2	19,841.3	21,464.9	29,513.7	30,242.9	39,527.2	
1. Wheat	9,284.4	7,680.4	10,123.9	12,020.0	15,377.9	15,955.2	13,421.9	10,919.1	16,917.6	
2. Rice	206.4	1,858.4	225.1	797.7	526.8	722.0	865.6	344.3	806.5	
3. Other Grain and Pulses:	152.7	1,702.5	166.5	698.9	413.9	340.9	862.3	221.0	456.7	
(a) Indigenous	53.6	156.0	58.6	98.8	112.9	381.0	3.4	123.3	349.6	
(b) Imported	2,258.1	1,300.1	2,462.3	2,739.4	3,366.3	4,414.9	6,687.6	8,992.8	10,679.9	
4. Edible Oils:	760.8	865.7	829.6	1,069.3	1,780.4	2,257.7	5,461.2	5,467.4	8,731.8	
(a) Indigenous	1,497.3	434.4	1,632.7	1,730.1	1,585.9	2,157.2	1,226.4	3,525.3	1,948.1	
(b) Imported	1,852.9	3,454.5	2,020.5	2,049.8	2,539.4	3,008.0	3,729.8	7,957.2	10,487.5	
5. Sugar:	1,498.7	988.9	1,634.2	1,356.2	1,645.2	1,744.0	3,244.0	5,742.0	9,493.3	
(a) Indigenous	354.2	2,465.6	386.3	693.6	894.2	1,264.0	485.8	2,215.2	994.2	
(b) Imported	390.4	318.3	425.5	648.7	325.7	566.5	902.7	953.7	1,185.7	
6. Kariana and Spices	484.9	564.8	528.8	620.5	905.6	492.2	466.3	323.5	1,141.6	
7. Fish and Fish Preparations	1,037.0	1,106.6	1,130.8	1,730.4	2,073.2	1,838.4	1,642.9	3,115.0	4,590.0	
8. Other Food Items:	557.5	663.4	608.0	1,363.4	1,899.3	1,405.0	1,213.1	2,706.1	3,017.7	
(a) Indigenous	479.5	443.2	522.8	367.0	174.0	433.3	429.8	408.9	1,572.4	
(b) Imported	19,961.8	20,136.5	22,179.4	25,954.1	24,996.6	32,826.4	36,254.0	46,432.8	60,423.2	
B. Raw Materials	3,513.9	3,606.0	3,904.2	8,250.8	6,143.6	8,507.8	13,070.5	13,962.5	18,603.0	
1. Cotton Raw:	2,382.5	2,512.6	2,647.1	6,143.6	6,044.9	10,185.4	1,199.7	15,987.1	20,795.6	
(a) Indigenous	1,131.4	1,293.4	1,257.1	2,107.2	2,462.8	2,885.1	2,762.8	2,615.9	3,278.6	
(b) Imported	848.5	1,297.4	924.8	1,127.4	960.8	1,016.1	1,276.7	1,807.8	1,875.9	
2. Synthetic Fibres	328.9	708.6	358.5	579.2	351.5	198.4	677.5	1,045.8	1,139.4	
(a) Indigenous	519.6	588.6	566.3	548.2	609.3	817.7	599.2	762.1	736.5	
(b) Imported	2,064.7	2,177.1	2,294.1	848.0	2,024.3	1,441.3	1,731.3	2,708.2	1,607.6	
3. Fertilizers:	1,929.4	2,116.5	2,143.8	763.4	715.4	1,424.8	475.6	2,353.7	1,597.7	
(a) Indigenous	135.3	60.6	150.3	84.6	1,388.9	16.5	1,255.7	354.5	9.9	
(b) Imported	1,183.5	1,242.2	1,315.0	2,915.0	1,275.9	1,677.3	2,810.9	4,460.4	7,349.9	
4. Petroleum Crude:	529.4	455.4	588.2	279.1	320.5	551.9	1,449.4	1,479.0	5,074.7	
(a) Indigenous	654.2	786.8	726.8	2,635.9	955.4	1,125.3	1,361.5	2,981.5	2,274.7	
(b) Imported	-	-	-	-	-	-	-	-	-	

nil

TABLE 5.7

CLASSIFICATION OF SCHEDULED BANKS ADVANCES  
(By Securities Pledged - All Banks)

Stock of Securities	End June								
	1990	1991	1992	1993	1994	1995	1996	1997	1998
	(Rs million)								
5 Iron and Steel:	5,907.9	4,047.6	6,564.3	4,098.2	2,669.4	3,734.1	5,146.7	5,095.0	5,018.4
(a) Indigenous	2,369.1	2,077.8	2,632.3	2,411.4	894.5	1,409.8	2,604.4	4,020.5	2,805.6
(b) Imported	3,538.8	1,969.8	3,932.0	1,686.8	1,774.8	2,324.3	2,542.3	1,074.6	2,212.9
6 Wool and Goat Hair	463.7	439.5	515.2	315.1	539.7	622.0	691.4	1,255.2	1,054.2
7 Hides and Skins	1,282.6	1,471.5	1,425.1	2,242.4	2,446.1	2,419.7	2,765.3	3,854.6	4,528.1
8 Oil Seeds	338.5	114.3	376.0	371.8	414.9	216.2	693.3	302.3	739.0
9 Pesticides and Insecticides	214.4	198.6	238.2	266.6	156.9	133.7	291.5	510.5	816.5
(a) Indigenous	137.0	114.4	152.2	141.8	51.9	46.2	53.3	52.7	298.7
(b) Imported	77.4	84.2	86.0	124.8	105.1	87.5	238.3	457.8	517.8
10 Other Raw Materials:	4,144.1	5,342.3	4,622.5	5,518.8	6,000.8	8,495.5	6,884.5	7,835.7	13,359.8
(a) Indigenous	1,708.1	1,919.1	1,905.2	1,761.5	2,393.4	3,027.9	2,283.9	3,245.8	6,540.7
(b) Imported	2,436.0	3,423.2	2,717.3	3,757.3	3,607.4	5,467.7	4,600.6	4,589.9	6,819.0
C. Finished/Manufactured Goods:	35,089.5	39,015.5	43,745.3	66,621.6	73,943.4	84,005.8	90,078.7	106,362.4	121,910.4
1 Cotton Textiles	5,078.6	6,025.1	6,331.4	10,471.7	9,584.9	14,122.1	13,326.4	18,100.9	20,621.4
(a) Indigenous	4,137.8	4,826.8	5,158.5	9,499.2	8,011.6	12,618.7	11,158.3	16,596.1	17,827.9
(b) Imported	940.9	1,198.2	1,172.9	972.5	1,573.4	1,503.5	2,168.1	1,504.7	2,793.5
2 Cotton Yarn	3,163.8	2,875.5	3,944.2	3,648.7	4,293.8	4,610.5	6,619.3	8,398.5	7,338.9
(a) Indigenous	2,585.3	1,979.3	3,223.0	2,468.4	3,000.2	3,193.7	4,937.4	7,609.4	5,694.2
(b) Imported	578.5	896.1	721.2	1,180.3	1,293.5	1,416.8	1,681.9	789.1	1,644.7
3 Other Textiles:	2,453.6	2,598.4	3,058.8	4,288.8	5,027.7	7,306.5	8,657.9	8,089.2	9,065.4
(a) Indigenous	2,053.4	2,296.2	2,559.8	3,434.0	4,858.2	7,008.9	6,985.9	7,283.5	8,400.3
(b) Imported	400.2	302.3	499.0	854.8	169.5	297.7	1,672.0	805.7	665.1
4 Machinery:	3,301.7	3,789.9	4,116.2	12,443.0	15,556.6	15,263.6	14,769.9	21,570.3	18,998.9
(a) Locally Manufactured	1,709.7	2,019.9	2,131.5	5,624.5	6,930.0	8,697.8	8,716.4	11,226.8	9,587.6
(b) Imported	1,592.0	1,770.0	1,984.7	6,818.5	8,626.6	6,565.8	6,053.5	10,343.5	9,411.3
5 Handloom Products	286.0	277.9	356.7	626.9	813.1	129.4	133.5	242.2	145.4
6 Carpets and Rugs	1,597.6	2,461.0	1,991.6	1,738.5	2,603.8	1,816.1	2,577.4	1,944.9	2,136.3
7 Ready made Garments	1,887.2	2,124.0	2,352.7	2,696.1	2,782.3	4,549.7	4,229.2	6,579.3	6,658.3
8 Cement and Cement Products:	312.0	329.5	389.0	783.7	1,046.9	1,171.2	997.4	885.9	2,797.9
(a) Indigenous	241.4	283.0	300.9	457.1	537.7	1,140.9	952.9	835.7	2,529.6
(b) Imported	70.6	46.5	88.1	326.6	509.1	30.3	44.5	50.2	268.2
9 Sports Goods	405.2	356.4	505.2	481.6	515.1	1,016.6	518.7	1,468.8	721.9
10 Surgical Instruments	294.1	341.4	366.7	465.4	290.0	343.6	604.7	772.0	553.1
11 Chemicals and Dyes	3,107.2	3,125.9	3,873.7	6,386.1	6,127.4	5,546.3	7,024.5	7,207.0	10,152.5
12 Other Finished Goods:	13,202.4	14,710.7	16,459.1	22,591.1	25,301.8	28,129.7	30,619.7	31,103.4	42,720.4
(a) Indigenous	5,581.3	5,036.2	6,958.1	8,846.4	11,907.5	12,602.7	12,587.8	17,245.8	21,951.1
(b) Imported	7,621.1	9,674.5	9,501.1	13,744.7	13,394.3	15,527.0	18,031.9	13,857.6	20,769.3
IV Fixed Assets including Machinery	21,933.3	23,322.7	31,337.8	35,282.1	43,396.7	52,115.1	55,626.8	70,597.9	79,869.7
V Real Estate	49,216.2	56,022.2	65,587.3	71,462.2	77,716.5	99,038.2	109,784.5	118,091.4	134,529.6
(a) Land	32,124.5	38,001.7	43,504.8	47,345.4	45,870.2	55,280.2	63,333.9	62,586.1	83,641.3
(b) Building	17,091.7	18,020.5	22,082.5	24,116.8	31,846.3	43,758.0	46,450.6	55,505.3	50,888.3
1 Residential	11,599.4	12,733.8	14,986.4	18,311.0	21,499.5	29,455.6	31,280.0	36,905.4	29,745.8
2 Non-Residential	5,492.3	5,286.7	7,096.1	5,805.8	10,346.7	14,302.4	15,170.5	18,599.9	21,142.6
VI Fixed Deposits and Insurance Policies	5,293.1	6,594.8	11,838.7	14,712.4	17,842.2	24,351.4	27,739.9	44,112.4	52,997.3
(a) Bank Deposits	5,038.0	6,539.7	11,268.1	13,847.0	16,442.4	22,919.1	25,638.8	40,988.0	47,899.6
(b) Insurance Policies	255.1	55.1	570.6	865.4	1,399.8	1,432.4	2,101.1	3,124.5	5,097.7
VII Other	47,266.3	54,199.6	64,068.2	81,448.6	102,258.8	98,346.8	108,985.7	108,847.4	112,895.8
(a) Other Secured Advances	29,595.3	31,082.2	31,115.6	54,540.8	71,304.8	66,841.8	66,162.8	75,495.4	74,415.1
(b) Advances Secured by Guarantee(s)	12,729.7	16,526.9	23,254.0	17,785.5	24,165.3	20,365.9	29,761.5	25,530.6	28,547.7
(c) Unsecured Advances	4,941.3	6,590.5	9,697.8	9,122.3	6,788.7	11,149.1	13,061.4	7,821.4	9,883.1
Total	216,989.9	235,328.1	280,351.1	344,041.6	395,558.1	453,913.0	502,645.1	577,917.6	668,994.0

- nil

TABLE 5.8

**DOMESTIC & FOREIGN FINANCIAL INSTITUTIONS**  
(As on 31-12-1998)

<p>A. <u>Nationalised Scheduled Banks</u></p> <ol style="list-style-type: none"> <li>1 First Women Bank Ltd.</li> <li>2 National Bank of Pakistan</li> <li>3 Habib Bank Ltd.</li> <li>4 United Bank Ltd.</li> </ol> <p>B. <u>De-nationalised Scheduled Banks</u></p> <ol style="list-style-type: none"> <li>1 Allied Bank of Pakistan Limited</li> <li>2 Muslim Commercial Bank Limited</li> </ol> <p>C. <u>Specialized Banks</u></p> <ol style="list-style-type: none"> <li>1 Agricultural Development Bank of Pakistan</li> <li>2 Industrial Development Bank of Pakistan</li> <li>3 Punjab Provincial Cooperative Bank</li> <li>4 Federal Bank for Cooperatives</li> </ol> <p>D. <u>Private Scheduled Banks</u></p> <ol style="list-style-type: none"> <li>1 Askari Commercial Bank Ltd.</li> <li>2 Bank Al-Habib Ltd.</li> <li>3 Bolan Bank Ltd.</li> <li>4 Faysal Bank Ltd.</li> <li>5 Bank Al-Falah Ltd.</li> <li>6 Indus Bank Ltd.</li> <li>7 Metropolitan Bank Ltd.</li> <li>8 Platinum Bank Ltd.</li> <li>9 Prime Commercial Bank Ltd.</li> <li>10 Prudential Bank Ltd.</li> <li>11 Gulf Commercial Bank Ltd.</li> <li>12 Soneri Bank Ltd.</li> <li>13 Union Bank Ltd.</li> <li>14 The Bank of Khyber</li> <li>15 The Bank of Punjab</li> </ol> <p>E. <u>Foreign Banks</u></p> <ol style="list-style-type: none"> <li>1 ABN Amro Bank N.V</li> <li>2 Albaraka Islamic Bank BSC(EC)</li> <li>3 American Express Bank Ltd.</li> <li>4 ANZ Grindlays Bank Ltd.</li> <li>5 Bank of America (NT &amp; SA)</li> <li>6 Bank of Tokyo Mitsubishi Ltd.</li> <li>7 Bank of Ceylon</li> <li>8 Credit Agricole Indosuez</li> <li>9 Citibank N.A.</li> <li>10 Deutsche Bank A.G.</li> <li>11 Doha Bank Ltd.</li> <li>12 Emirates Bank International Ltd. P.J.S.C.</li> </ol>	<ol style="list-style-type: none"> <li>13 Habib Bank A.G. Zurich</li> <li>14 Hongkong &amp; Shanghai Banking Corp. Ltd.</li> <li>15 International Finance Investment and Commerce Bank Ltd.</li> <li>16 Mashreq Bank PSC</li> <li>17 Oman International Bank S.O.A.G.</li> <li>18 Rupali Bank Ltd.</li> <li>19 Societe Generale. the French Int. Bank Ltd.</li> <li>20 Standard Chartered Bank</li> <li>21 Trust Bank Ltd.</li> </ol> <p>F. <u>Development Financial Institutions</u></p> <ol style="list-style-type: none"> <li>1 Investment Corp of Pakistan</li> <li>2 National Development finance Corp.</li> <li>3 Pakistan Industrial Credit and Investment Corp.</li> <li>4 Pak Kuwait Investment Company</li> <li>5 Pak Libya Holding Company</li> <li>6 Regional Development Finance Corp.</li> <li>7 Saudi Pak Industrial and Agricultural Investment Corporation</li> <li>8 Small Business Finance Corporation</li> <li>9 House Building Finance Corporation</li> <li>10 National Investment Trust</li> </ol> <p>G. <u>Investment Banks</u></p> <ol style="list-style-type: none"> <li>1 Crescent Investment Bank</li> <li>2 First International Investment Bank</li> <li>3 Atlas BOT Investment Bank</li> <li>4 Security Investment Bank</li> <li>5 Fidelity Investment Bank</li> <li>6 Prudential Investment Bank</li> <li>7 Islamic Investment Bank</li> <li>8 Asset Investment Bank</li> <li>9 Al-Towfeek Investment Bank</li> <li>10 Al-Faysal Investment Bank</li> <li>11 City Corporation Investment Bank (Pak) Ltd.</li> <li>12 Franklin Investment Bank Ltd.</li> <li>13 Orix Investment Bank (Pak) Ltd.</li> <li>14 Trust Investment Bank Ltd.</li> <li>15 Escorts Investment Bank</li> <li>16 Al-Meezan Investment Bank Ltd.</li> </ol>
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Source: State Bank of Pakistan  
and Finance Division

TABLE 5.9  
SCHEDULED BANKS IN PAKISTAN  
(Weighted Average Rates of Return on Advances)

		(Percent)							
As at the End of		Precious Metal	Stock		Machinery	Real Estate	Financial		Total Advances
			Exchange Securities	Merchan- dise			Obli- gations	Others	
<b>I. INTEREST BEARING</b>									
1993	Jun	12.70 (11.89)	13.24 (9.09)	13.90 (13.99)	14.30 (14.41)	12.63 (13.27)	8.22 (8.16)	12.61 (13.38)	13.09 (13.40)
	Dec	14.12 (14.21)	7.81 (8.93)	12.08 (12.01)	14.00 (14.13)	12.65 (13.06)	10.60 (10.62)	11.56 (12.18)	12.46 (12.82)
1994	Jun	13.48 (13.62)	9.58 (11.80)	12.65 (12.68)	14.49 (14.62)	12.33 (13.16)	13.40 (12.74)	11.11 (11.60)	12.78 (13.14)
	Dec	12.85 (13.26)	12.08 (10.06)	12.90 (12.92)	14.22 (14.35)	13.00 (13.38)	12.93 (13.51)	13.57 (13.99)	13.43 (13.66)
1995	Jun	13.89 (13.99)	12.66 (9.99)	12.23 (12.25)	14.28 (14.39)	13.04 (13.46)	13.30 (13.41)	12.18 (12.74)	13.19 (13.42)
	Dec	13.12 (13.66)	11.58 (11.58)	11.94 (12.00)	14.39 (14.79)	12.91 (13.15)	14.97 (16.11)	13.23 (13.72)	13.39 (13.70)
1996	Jun	12.50 (12.65)	13.58 (13.31)	11.77 (11.89)	14.92 (15.13)	12.16 (12.76)	13.66 (13.90)	11.87 (12.40)	13.04 (13.42)
	Dec	12.26 (11.73)	12.94 (12.29)	13.00 (13.00)	15.07 (15.22)	12.99 (13.45)	13.16 (13.39)	13.67 (14.07)	13.70 (13.96)
1997	Jun	11.55 (11.55)	15.35 (15.43)	13.21 (13.39)	14.44 (14.48)	12.73 (13.11)	13.95 (13.94)	13.15 (13.91)	13.53 (13.85)
	Dec	12.25 (12.85)	13.20 (13.92)	13.79 (13.58)	15.35 (15.42)	13.11 (14.26)	12.35 (12.19)	12.59 (13.39)	13.72 (14.25)
1998	Jun	14.47 (14.77)	16.38 (17.33)	14.84 (14.54)	16.12 (16.15)	16.23 (16.32)	16.32 (16.45)	16.49 (17.79)	16.09 (16.37)
<b>II. ISLAMIC MODES OF FINANCING</b>									
1993	Jun	14.92 (15.58)	15.14 (15.32)	14.06 (14.77)	14.41 (14.20)	11.51 (12.32)	13.78 (13.98)	13.20 (14.14)	13.36 (13.99)
	Dec	12.90 (13.52)	14.48 (15.50)	14.30 (15.22)	13.40 (13.67)	12.54 (13.41)	13.80 (14.08)	13.58 (14.49)	13.68 (14.48)
1994	Jun	15.51 (15.81)	16.05 (15.88)	14.41 (15.04)	13.85 (14.19)	12.84 (13.82)	13.91 (14.21)	13.25 (14.23)	13.78 (14.48)
	Dec	13.94 (14.83)	16.30 (16.19)	14.57 (15.30)	14.80 (15.19)	11.90 (13.35)	12.34 (12.50)	12.92 (13.79)	13.54 (14.37)
1995	Jun	14.24 (14.53)	16.45 (16.41)	14.52 (15.47)	14.68 (14.80)	12.40 (13.29)	14.70 (15.10)	12.95 (14.11)	13.80 (14.62)
	Dec	14.68 (15.06)	16.72 (16.73)	15.19 (15.83)	14.92 (15.01)	10.92 (12.43)	15.35 (15.45)	13.77 (14.88)	13.97 (14.79)
1996	Jun	16.32 (16.64)	16.50 (16.45)	15.21 (16.14)	15.28 (15.49)	13.09 (14.09)	15.76 (16.00)	13.58 (14.51)	14.48 (15.26)
	Dec	13.26 (13.23)	17.24 (17.43)	15.56 (16.30)	14.71 (15.22)	12.92 (14.55)	14.77 (15.22)	13.16 (14.12)	14.32 (15.20)
1997	Jun	11.68 (11.68)	16.57 (16.73)	16.01 (16.26)	13.87 (13.91)	12.42 (14.29)	15.99 (15.98)	13.64 (15.04)	14.65 (15.34)
	Dec	12.47 (12.95)	16.77 (16.95)	15.19 (15.86)	14.58 (14.69)	13.73 (14.78)	15.44 (15.48)	14.68 (15.71)	14.79 (15.43)
1998	Jun	15.87 (16.15)	16.61 (16.49)	15.97 (16.19)	16.39 (16.49)	14.50 (15.16)	15.21 (14.89)	15.45 (16.16)	15.59 (15.91)

Note: Weighted average rates shown in parentheses represent Private Sector.

Source: State Bank of Pakistan

TABLE 5.10  
PLS DEPOSITS/PROFIT RATES\*

		Country Banks											Gulf		
		ABL	HBL	MCBL	NBP	UBL	FWBL	IDBP	ADBP	PPCB--	Prime	Union		Soneri	
												9.0			
PLS Call Deposits	1994	7.8	-	-	-	-	-	-	-	-	-	13.0	-	-	-
	1995	7.6	-	-	-	-	-	-	-	-	-	-	-	-	-
	1996	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1997	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1998	6.7	-	-	-	-	-	-	-	-	-	-	-	-	-
Saving Accounts	1994	8.2	8.0	8.1	8.5	6.0	8.5	8.0	8.5		9.3		9.5	9.2	
	1995	8.0	6.5	8.3	8.6	6.0	8.6	8.0	8.5		9.3	9.0	9.3	10.5	
	1996	8.5	6.5	8.5	9.0	6.0	8.6	8.0	8.5		9.3	9.5	10.0	11.0	
	1997	8.0	7.5	8.4	8.5	6.0	7.5	8.0	8.5		9.3	10.0	11.5	11.0	
	1998	7.0	7.5	8.0	8.0	6.0	7.5	8.0	7.5	7.5	9.3	13.2	11.0	11.0	
Term Deposits (Six Months)	1994	10.2	10.4	10.5	11.1	10.0	11.0	10.4	11.0		11.5	11.5	11.8	11.5	
	1995	9.9	9.8	10.7	11.1	10.0	11.0	10.4	11.0		11.5	11.5	11.5	11.5	
	1996	10.6	9.8	11.0	11.6	10.5	11.0	10.4	11.0		11.8	11.5	11.8	11.5	
	1997	9.9	10.8	10.9	11.1	10.5	10.5	10.4	11.5		11.8	12.0	13.3	11.5	
	1998	10.0	11.5	10.8	10.4	10.5	10.5	10.4	10.5	9.5	11.8	12.5	12.8	11.5	
(One Year)	1994	10.7	10.8	11.0	11.9	10.5	11.5	10.8	11.5		12.8	12.0	13.2	12.0	
	1995	10.3	10.1	11.2	11.9	10.5	11.5	10.8	11.5		12.8	12.0	12.8	12.5	
	1996	11.1	10.1	11.5	12.5	11.0	11.5	10.8	11.5		12.8	12.0	13.0	12.5	
	1997	10.4	11.1	11.4	11.8	11.0	11.0	10.8	12.8		12.8	12.5	14.3	12.5	
	1998	10.5	12.0	11.3	11.1	11.0	11.0	10.8	11.0		12.8	13.3	13.8	12.5	
(Two Year)	1994	11.6	11.8	12.0	12.0	11.0	12.5	11.8	12.0		13.5	13.0	14.2	12.5	
	1995	11.2	11.1	12.3	12.1	11.0	12.5	11.8	12.0		13.5	12.8	13.8	13.3	
	1996	12.0	11.1	12.5	12.6	11.5	12.5	11.8	12.0		13.5	12.8	14.0	13.3	
	1997	11.3	12.1	12.4	12.0	11.5	12.5	11.8	12.5		13.5	13.3	14.5	13.3	
	1998	11.4	12.5	12.3	11.3	11.5	12.5	11.8	11.5	11.0	13.5	13.8	14.0	13.3	
(Three Year)	1994	12.6	12.7	12.9	12.8	12.0	13.5	12.8	12.5		14.5	14.0	15.2	-	
	1995	12.1	12.0	13.2	12.8	12.0	13.5	12.8	12.5		14.5	14.0	14.8	-	
	1996	13.0	12.0	13.5	13.4	12.5	13.5	12.8	12.5		-	14.0	15.0	14.5	
	1997	12.0	13.0	13.4	12.8	12.5	13.0	12.8	13.0		14.5	14.5	15.0	14.5	
	1998	12.3	13.0	13.3	12.0	12.5	13.5	12.8	12.0	12.0	14.5	14.8	14.5	14.5	
(Four Year)	1994	13.5	13.7	13.9	13.7	13.0	-	13.7	13.0		14.9	-	15.5	-	
	1995	13.0	12.7	14.0	13.7	13.0	-	13.4	13.0		14.9	-	15.1	-	
	1996	14.0	12.7	14.4	14.3	13.5	-	13.7	13.0		-	-	15.4	-	
	1997	13.1	13.7	14.2	13.6	13.5	-	13.7	13.5		15.6	-	15.5	-	
	1998	13.3	13.5	13.5	12.8	13.5	-	13.7	12.5	13.0	15.6	-	15.0	-	
(Five Year)	1994	14.4	15.0	14.9	16.1	14.0	15.5	14.7	13.5		15.0	15.5	15.8	15.5	
	1995	14.0	14.0	14.7	16.0	14.0	15.5	14.7	13.5		15.5	15.1	15.5	16.4	
	1996	15.0	14.0	15.1	16.6	15.0	15.5	14.7	13.5		-	15.1	15.7	16.4	
	1997	14.0	15.0	14.9	15.7	15.0	14.5	14.7	14.0		16.8	16.0	16.5	16.4	
	1998	14.0	14.0	14.0	14.5	15.0	14.5	14.7	13.0	13.5	16.8	16.3	16.0	16.4	

(Contd.)

- nil.

\* For the six months ending December

-- Punjab Provincial Co-operative Bank

TABLE 5.10  
PLS DEPOSITS/PROFIT RATES\*

	Country Banks								
	Plati- njum	Indus	Bank Al- Habib	Bolan	Askari	Bank Alfalah	Khyber	Bank of Punjab	Faysal Bank
PLS Call Deposits									
1994	-	-	-	-	-	-	-	-	-
1995	-	-	-	-	-	-	-	-	14.1
1996	-	-	-	-	-	-	-	-	-
1997	-	-	-	-	-	-	-	-	-
1998	-	-	-	-	-	-	-	-	-
Saving Accounts									
1994	-	10.0	9.3	8.5	8.5	9.3	-	8.7	9.2
1995	9.0	11.0	10.0	8.5	9.0	9.3	8.8	9.5	9.5
1996	9.0	11.0	11.0	9.5	9.5	9.5	8.6	9.0	9.8
1997	9.0	11.0	11.5	7.5	10.5	11.0	9.0	9.0	10.8
1998	11.0	11.0	12.5	9.0	11.0	12.0	9.0	8.0	10.9
Term Deposits									
(Six Months)									
1994	-	12.0	10.5	11.0	10.5	12.1	-	9.5	11.5
1995	12.5	12.0	11.2	10.5	11.0	12.1	11.3	10.1	12.0
1996	12.5	12.0	12.0	11.0	11.5	12.4	11.1	11.7	12.2
1997	12.5	11.8	12.0	10.0	11.8	12.5	11.6	12.0	12.2
1998	12.5	12.5	12.0	10.0	13.0	12.7	11.6	12.5	12.3
(One Year)									
1994	-	13.3	11.5	11.5	11.3	13.1	-	10.0	12.1
1995	13.0	13.5	12.0	11.0	12.0	13.1	12.0	10.7	12.5
1996	13.0	13.5	12.5	11.5	12.3	13.5	11.6	12.5	12.5
1997	13.0	12.6	13.0	11.0	12.5	13.5	12.5	13.0	12.7
1998	13.0	13.0	13.0	12.0	14.0	13.7	12.5	12.8	12.8
(Two Year)									
1994	-	13.5	-	12.0	12.0	-	-	10.8	13.3
1995	13.5	14.0	12.2	11.5	13.0	-	12.2	11.7	13.5
1996	13.5	14.0	13.4	12.5	13.3	-	12.7	12.6	13.6
1997	13.7	13.7	14.0	12.0	13.5	-	12.6	13.2	13.7
1998	13.7	13.7	14.0	12.3	14.5	-	12.6	14.0	13.8
(Three Year)									
1994	-	14.5	12.0	13.0	12.5	-	-	11.5	14.4
1995	14.5	15.0	12.4	13.0	14.0	14.7	13.0	12.5	15.5
1996	14.5	15.0	14.2	14.5	14.3	15.1	13.7	13.6	15.1
1997	14.8	14.8	14.5	13.0	14.5	15.2	13.5	13.4	15.2
1998	14.8	14.8	14.5	13.0	15.5	15.2	13.5	15.0	15.3
(Four Year)									
1994	-	15.0	-	14.5	-	-	-	-	-
1995	15.0	-	-	-	-	-	14.0	-	-
1996	-	-	15.0	15.0	15.0	-	14.7	13.4	-
1997	-	15.9	-	13.5	15.0	-	14.2	14.1	-
1998	16.0	15.9	-	14.0	16.0	-	14.2	15.5	-
(Five Year)									
1994	-	15.5	-	15.0	14.4	16.3	-	-	-
1995	16.0	-	14.5	14.5	15.5	16.3	15.0	15.1	-
1996	16.0	16.0	16.0	15.5	16.0	16.7	15.6	16.6	16.1
1997	17.0	17.0	16.0	14.0	16.0	16.8	16.0	16.5	16.2
1998	17.0	17.0	16.0	15.0	17.0	16.8	15.5	16.0	16.2

- nil.

\* For the six months ending December

TABLE 5.10

## PLS DEPOSITS/PROFIT RATES\*

		Prudential	Metro- Politan	Country Banks Average	Foreign Banks		
					Average	Mini.	Maxi.
PLS Call Deposits	1994	-	-	8.9	10.1	6.7	12.3
	1995	-	-	11.3	14.8	11.6	23.1
	1996	-	-	17.1	9.9	5.0	13.6
	1997	-	-	-	11.9	9.9	13.0
	1998	-	-	7.4	9.7	6.0	13.3
Saving Accounts	1994	-	-	8.7	8.9	7.0	12.0
	1995	9.5	9.5	8.6	9.4	8.0	11.7
	1996	11.0	10.5	9.2	10.0	8.0	12.0
	1997	11.5	11.5	9.4	10.4	8.1	12.0
	1998	11.5	12.0	9.6	10.8	9.0	13.2
Term Deposits (Six Months)	1994	-	-	11.0	10.7	6.7	15.5
	1995	11.5	11.3	10.4	11.7	9.6	15.2
	1996	12.3	11.8	11.4	12.1	10.5	13.9
	1997	13.0	12.3	11.5	12.8	11.2	14.8
	1998	12.0	13.5	11.6	13.2	10.5	14.8
(One Year)	1994	12.1	-	11.7	11.4	7.0	16.3
	1995	12.5	12.5	11.9	12.4	10.1	16.0
	1996	13.5	13.0	12.2	12.7	11.0	14.5
	1997	13.8	13.5	12.3	13.4	12.3	14.5
	1998	13.0	14.5	12.3	13.8	11.0	15.3
(Two Year)	1994	13.3	-	13.7	10.0	9.8	10.3
	1995	13.5	13.0	12.5	12.9	11.0	14.5
	1996	14.0	13.8	12.9	13.8	12.5	14.8
	1997	14.3	14.0	12.4	14.8	14.0	16.0
	1998	14.3	15.0	13.0	15.6	15.0	16.5
(Three Year)	1994	14.5	-	13.2	11.3	11.0	11.6
	1995	15.5	14.0	13.5	13.8	12.0	15.3
	1996	15.0	14.5	13.9	14.5	13.9	15.5
	1997	15.0	15.0	13.9	15.9	15.0	16.5
	1998	15.0	15.3	13.9	16.4	15.5	18.0
(Four Year)	1994	-	-	14.0	-	-	-
	1995	16.0	14.5	14.0	15.6	15.6	15.6
	1996	16.0	15.0	14.3	-	-	-
	1997	16.0	15.5	14.4	15.5	15.5	15.5
	1998	16.0	15.5	14.4	18.3	17.0	19.5
(Five Year)	1994	-	-	15.2	14.6	14.1	15.0
	1995	15.5	15.0	15.3	16.4	15.0	18.3
	1996	17.0	15.8	15.0	16.0	15.7	16.4
	1997	17.0	16.0	15.2	17.3	16.0	19.0
	1998	17.0	16.0	15.5	18.3	16.5	21.5

Source: State Bank of Pakistan

- nil.

\* For the six months ending December



TABLE 5.11  
RATES OF PROFIT DECLARED BY THE  
DOMESTIC COMMERCIAL BANKS AND FOREIGN BANKS  
(Half Year Jul-Dec. 1998)

Nature of Deposits	Special Notice Deposits		Saving Accounts	PLS Call Deposits	Term Deposits		
	7 to 29 days Notice	30 days and over notice			1 Month	2 Months	3 Months
1 Allied Bank of Pakistan Ltd.	5.0	5.8	7.0	6.7	-	-	8.9
2 Habib Bank Ltd.	7.5	9.0	7.5	-	9.5	10.0	11.0
3 Muslim Commercial Bank Ltd.	7.0	8.5	8.0	-	9.2	10.0	10.1
4 National Bank of Pakistan	5.9	6.8	8.0	-	-	-	9.2
5 United Bank Ltd.	5.5	6.5	6.0	-	8.5	9.0	9.5
6 First Women Bank Ltd.	5.5	6.5	7.5	-	-	-	10.0
7 IDBP	5.1	6.0	8.0	-	-	-	9.2
8 ADBP	5.5	6.3	7.5	-	-	-	10.0
9 Punjab Prov. Cooperative Bank	4.5	5.5	7.5	-	-	-	8.5
10 Prime Commercial Bank Ltd	7.0	8.0	9.3	-	10.0	-	10.8
11 Union Bank Ltd	7.5	8.5	13.2	-	10.8	-	11.8
12 Soneri Bank Ltd	7.3	8.3	11.0	-	11.3	-	12.3
13 Albaraka Bank Ltd	7.0	-	10.7	-	12.0	-	13.5
14 Indus Bank Ltd.	8.5	-	11.0	-	11.7	-	12.0
15 French Int. Bank	-	-	12.0	-	12.0	12.7	13.1
16 Bank Al-Habib	7.2	-	12.5	-	10.5	-	11.0
17 Bolan Bank Ltd.	5.5	6.5	9.0	-	9.0	-	9.3
18 Askari Commercial Bank Ltd.	9.0	10.0	11.0	-	11.5	12.0	12.5
19 The Bank of Punjab	8.0	8.5	8.0	-	10.0	11.0	11.5
20 The Bank of Khyber	6.3	7.3	9.0	-	-	9.2	10.3
21 American Express Bank Ltd.	7.1	8.3	9.0	-	-	-	12.0
22 ABN Amro Bank NV	8.5	12.1	13.2	-	-	-	12.7
23 Bank of America	7.0	8.0	10.0	-	10.0	11.5	13.0
24 Banque Indosuez	7.3	9.3	12.0	-	11.0	-	11.5
25 Mashreq Bank PSC.	6.7	7.7	10.3	-	12.0	-	12.5
26 Bank of Tokyo Mitsubishi Ltd.	6.3	7.2	9.6	6.0	-	-	11.0
27 Citibank N.A.	-	-	12.7	13.3	14.0	-	14.4
28 Doha Bank Ltd.	6.8	7.8	12.0	-	11.0	-	12.5
29 Deutsche Bank A.G.	8.5	9.5	9.0	-	-	-	10.0
30 Emirates Bank Ltd.	10.5	12.3	10.0	-	12.3	-	13.5
31 Faysal Bank Ltd.	7.3	8.9	10.9	-	11.0	-	11.7
32 ANZ Grindlays Bank P.I.C.	8.0	8.5	9.0	-	12.0	11.3	13.0
33 Habib Bank A.G. Zurich	9.0	9.0	12.0	-	11.5	12.5	12.5
34 The Hong Kong & Shanghai Banking Corporation Ltd.	9.0	-	11.0	-	11.0	-	12.0
35 I.F.I.C Bank	8.0	-	11.5	-	12.0	-	13.0
36 Rupali Bank Ltd.	6.3	-	9.8	-	10.3	-	11.3
37 Standard Chartered Bank	7.0	8.0	10.5	-	12.3	-	12.4
38 Bank Al-Falah Ltd.*	7.6	9.0	12.0	-	10.5	-	11.7
39 Metropolitan Bank Ltd.	8.0	8.8	12.0	-	12.5	-	13.0
40 Gulf Commercial Bank**	7.4	8.3	11.0	8.1	10.1	-	11.0
41 Platinum Commercial Bank	7.5	9.0	11.0	-	10.5	-	11.3
42 Pru. Investment Bank	7.5	9.0	11.5	-	10.5	-	11.5
43 Bank of Ceylon	8.0	-	11.0	-	11.5	-	12.0
44 Oman Int. Bank (S.A.O.G)	7.5	8.5	10.5	-	-	-	-
45 Trust Bank Ltd.	-	-	-	-	-	-	-

- Nil

(Contd..)

\* The name of Habib Credit and Exchange Bank has been changed as "Bank Al-Falah Ltd."

\*\* The name of Schon Bank has been changed as "Gulf Commercial Bank."

TABLE 5.11

RATES OF PROFIT DECLARED BY THE  
DOMESTIC COMMERCIAL BANKS AND FOREIGN BANKS  
(Half Year Jul-Dec 1998)

Nature of Deposits	Term Deposits						
	4 Months	6 Months	1 Year	2 Years	3 Years	4 Years	5 Years
1 Allied Bank of Pakistan Ltd.	-	10.0	10.5	11.4	12.3	13.3	14.0
2 Habib Bank Ltd.	-	11.5	12.0	12.5	13.0	13.5	14.0
3 Muslim Commercial Bank Ltd.	-	10.8	11.3	12.3	13.3	13.5	14.0
4 National Bank of Pakistan	-	10.4	11.1	11.3	12.0	12.8	14.5
5 United Bank Ltd.	10.0~	10.5	11.0	11.5	12.5	13.5	15.0
6 First Women Bank Ltd.	-	10.5	11.0	12.5	13.5	-	14.5
7 IDBP	-	10.4	10.8	11.8	12.8	13.7	14.7
8 ADBP	-	10.5	11.0	11.5	12.0	12.5	13.0
9 Punjab Prov. Cooperative Bank	-	9.5	10.0	11.0	12.0	13.0	13.5
10 Prime Commercial Bank Ltd	-	11.8	12.8	13.5	14.5	15.6	16.8
11 Union Bank Ltd	-	12.5	13.3	13.8	14.8	-	16.3
12 Soneri Bank Ltd	-	12.8	13.8	14.0	14.5	15.0	16.0
13 Albaraka Bank Ltd	-	13.8	14.0	-	-	-	16.5
14 Indus Bank Ltd.	-	12.5	13.0	13.7	14.8	15.9	17.0
15 French Int. Bank	13.4\$	13.7	14.2	-	-	-	18.6
16 Bank Al-Habib	-	12.0	13.0	14.0	14.5	-	16.0
17 Bolan Bank Ltd.	-	10.0	12.0	12.3	13.0	14.0	15.0
18 Askari Commercial Bank Ltd.	-	13.0	14.0	14.5	15.5	16.0	17.0
19 The Bank of Punjab	-	12.5	12.8	14.0	15.0	15.5	16.0
20 The Bank of Khyber	10.4	11.6	12.5	12.6	13.5	14.0	15.5
21 Amercian Express Bank Ltd.	-	12.5	13.0	-	-	-	-
22 ABN Amro Bank NV	-	13.3	14.3	15.1	15.9	-	17.6
23 Bank of America	13.3	13.8	14.5	-	-	-	-
24 Banque Indosuez	-	12.0	13.0	-	16.5	-	19.0
25 Mashriq Bank PSC.	-	13.4	14.0	-	-	-	-
26 Bank of Tokyo Mitsubishi Ltd.	-	12.5	13.0	-	-	-	-
27 Citibank N.A.	-	14.8	14.4	-	16.1	-	17.3
28 Doha Bank Ltd.	-	13.8	14.4	-	-	-	-
29 Deutsche Bank A.G.	-	10.5	11.0	-	-	-	-
30 Emirates Bank Ltd.	-	14.5	15.3	16.5	18.0	19.5	21.5
31 Faysal Bank Ltd.	-	12.3	12.8	13.8	15.3	-	16.2
32 ANZ Grindlays Bank P.I.C.	-	13.5	14.0	15.0	15.5	-	-
33 Habib Bank A.G. Zurich	-	13.5	14.5	15.5	16.5	17.0	18.0
34 The Hong Kong & Shanghai Banking Corporation Ltd.	-	12.5	13.0	-	-	-	-
35 I.F.I.C. Bank	-	14.0	15.0	-	-	-	-
36 Rupali Bank Ltd.	-	12.7	13.4	-	-	-	-
37 Standard Chartered Bank	-	12.8	14.0	-	-	-	16.8
38 Bank Al-Falah Ltd.*	-	12.7	13.7	-	15.2	-	16.0
39 Metropolitan Bank Ltd.	-	13.5	14.5	15.0	15.3	15.5	16.4
40 Gulf Commercial Bank**	-	11.5	12.5	13.3	14.5	-	17.0
41 Platinum Commercial Bank	-	12.5	13.0	13.7	14.8	16.0	17.0
42 Pru. Investment Bank	-	12.0	13.0	14.3	15.0	16.0	-
43 Bank of Ceylon	-	13.0	14.0	16.0	16.5	-	-
44 Oman Int. Bank (S.A.D.G)	-	-	-	-	-	-	-
45 Trust Bank Ltd.	-	-	-	-	-	-	-

Source: State Bank of Pakistan

- Nil

\* The name of Habib Credit and Exchange Bank has been changed as "Bank Al-Falah Ltd."

\*\* The name of Schon Bank has been changed as "Gulf Commercial Bank."

~ Rate of return on five months deposits

\$ Bank has deposit for five months on which gave a return of 13.6 per cent

TABLE 5.11  
RATES OF PROFIT DECLARED BY THE  
DOMESTIC COMMERCIAL BANKS AND FOREIGN BANKS  
(Half Year Jan-Jun 1998)

	Special Notice Deposits		Saving Accounts	Term Deposit		
	7 to 29 days Notice	30 days and over notice		1 Month	2 Months	3 Months
	1 Allied Bank of Pakistan Ltd.	5.0		5.8	7.0	-
2 Habib Bank Ltd.	7.5	9.0	8.0	9.2	9.5	10.0
3 Muslim Commercial Bank Ltd.	5.8	6.7	8.4	9.2	-	9.6
4 National Bank of Pakistan	6.1	7.0	8.3	-	-	9.5
5 United Bank Ltd.	5.5	6.5	6.0	8.5	9.0	9.5
6 First Women Bank Ltd.	5.5	6.5	7.5	-	-	10.0
7 IDBP	5.1	6.0	8.0	-	-	9.2
8 AOBP	5.8	7.3	8.5	-	-	11.0
9 Prime Commercial Bank Ltd	7.0	8.0	9.3	9.6	-	10.8
10 Union Bank Ltd	7.0	8.0	10.0	10.5	-	11.5
11 Soneri Bank Ltd	7.3	8.3	11.0	11.3	-	12.3
12 Albaraka Bank Ltd	6.7	-	10.5	11.0	-	13.0
13 Indus Bank Ltd.	8.5	-	11.0	11.4	-	11.6
14 French Int. Bank	-	-	12.0	12.0	12.7	13.1
15 Bank Al-Habib	7.2	8.0	11.5	10.5	-	11.0
16 Bolan Bank Ltd	6.0	7.0	9.0	9.3	-	10.0
17 Askari Bank Ltd.	7.0	8.3	10.5	10.5	10.8	11.0
18 The Bank of Punjab	8.0	8.5	8.5	-	-	11.3
19 The Bank of Khyber	6.6	7.6	9.0	-	9.2	10.3
20 Amercian Express Bank Ltd.	7.1	8.3	9.0	-	-	12.0
21 ABN Amro Bank NV	7.5	8.7	10.8	-	-	11.8
22 Bank of America	7.0	8.0	11.0	10.0	12.5	11.0
23 Banque Indosuez	7.3	9.3	12.0	11.0	-	11.5
24 Mashriq Bank PSC.	6.7	7.7	10.3	12.0	-	12.5
25 Bank of Tokyo Mitsubishi Ltd.	6.2	7.1	9.5	-	-	10.9
26 Citibank N.A.	8.0	9.0	9.7	12.0	-	13.0
27 Doha Bank Ltd.	6.8	7.8	12.0	11.0	-	12.5
28 Deutsche Bank AG	8.5	9.5	10.0	-	-	11.0
29 Emirates Bank Int. Ltd.	6.5	7.5	9.0	9.5	9.8	10.0
30 Faysal Bank Ltd.	7.3	8.9	10.9	11.0	11.3	11.7
31 ANZ Grindlays Bank PIC	7.1	8.2	8.1	-	-	10.0
32 Habib Bank A.G. Zurich	9.0	9.0	12.0	12.5	-	13.0
33 The Hong Kong & Shanghai Banking Corporation	9.0	-	11.0	11.0	-	12.0
34 I.F.I.C. Bank	6.9	-	10.7	11.2	-	12.3
35 Rupali Bank Ltd.	6.1	6.9	9.3	9.8	-	10.7
36 Standard Chartered Bank	7.0	8.0	10.6	12.3	-	12.7
37 Bank Al-Falah Ltd. @	7.6	9.0	11.0	10.5	-	11.7
38 Metropolitan Bank Ltd.	8.0	8.8	12.0	12.5	-	13.0
39 Schon Bank	7.4	8.3	11.0	10.1	-	11.0
40 Platinum Commercial Bank	7.5	9.0	11.0	10.5	-	11.5
41 Pru. Commercial Bank	7.5	9.0	11.5	12.0	-	12.3
42 Bank of Ceylon	8.0	-	11.3	12.0	-	12.5
43 Oman Int. Bank (SAOG)	7.5	8.5	9.5	-	-	-
44 Trust Bank	7.0	8.1	10.0	10.5	-	-

@ The name of Habib Credit and Exchange Bank has been changed as \*Bank Al-Falah Ltd.

(Contd..)

TABLE 5.11

RATES OF PROFIT DECLARED BY THE  
DOMESTIC COMMERCIAL BANKS AND FOREIGN BANKS  
(Half Year Jan-Jun 1998)

	Term Deposits						
	4 Months	6 Months	1 Year	2 Years	3 Years	4 Years	5 Years
1 Allied Bank of Pakistan Ltd.	-	10.0	10.5	11.4	12.4	13.3	14.0
2 Habib Bank Ltd.	-	11.0	11.6	12.3	13.0	13.5	14.0
3 Muslim Commercial Bank Ltd.	-	10.8	11.3	12.3	13.3	14.2	14.6
4 National Bank of Pakistan	-	10.7	11.5	11.6	12.4	13.2	15.3
5 United Bank Ltd.	10.0 *	10.5	11.0	11.5	12.5	13.5	15.0
6 First Women Bank Ltd.	-	10.5	11.0	12.5	13.5	-	14.5
7 IDBP	-	10.4	10.8	11.8	12.0	13.7	14.7
8 ADBP	-	11.5	11.5	12.5	13.0	13.5	14.0
9 Prime Commercial Bank Ltd	-	11.8	12.8	13.5	14.5	15.6	16.8
10 Union Bank Ltd	-	12.0	12.5	13.3	14.5	-	16.0
11 Soneri Bank Ltd	-	12.8	13.8	14.0	14.5	15.0	16.0
12 Albaraka Bank Ltd	-	13.3	13.5	-	-	-	16.0
13 Indus Bank Ltd.	-	11.8	12.6	13.7	14.8	15.9	17.0
14 French Int. Bank	-	13.7	14.3	-	-	-	18.6
15 Bank Al-Habib	-	12.0	13.0	14.0	14.5	-	16.0
16 Bolan Bank Ltd.	-	11.0	12.0	13.0	13.8	15.0	15.5
17 Askari Commercial Bank Ltd.	-	11.8	12.5	13.5	14.5	15.0	16.0
18 The Bank of Punjab	-	12.5	13.0	14.0	15.0	15.5	16.0
19 The Bank of Khyber	10.4	11.6	12.5	12.6	13.5	14.2	16.0
20 Amercian Express Bank Ltd.	-	12.5	13.0	-	-	-	15.3
21 ABN Amro Bank NV	-	12.1	12.9	13.3	14.3	-	-
22 Bank of America	13.3	12.0	12.5	-	-	-	-
23 Banque Indosuez	-	12.0	13.0	-	-	-	19.0
24 Mashriq Bank PSC.	12.5	13.4	14.0	-	16.5	-	-
25 The Bank of Tokyo Mitsubishi Ltd.	-	12.4	12.9	-	-	-	17.7
26 Citibank N.A.	-	13.5	14.2	-	16.2	-	-
27 Doha Bank Ltd.	-	13.8	14.4	-	-	-	-
28 Deutsche Bank AG	-	12.0	12.5	-	-	-	-
29 Emirates Bank Int. Ltd.	10.5	11.2	12.5	-	-	-	16.2
30 Faysal Bank Ltd.	-	12.3	12.8	13.8	15.3	-	-
31 ANZ Grindlays Bank PIC	-	11.5	13.0	14.0	-	-	-
32 Habib Bank A.G. Zurich	-	13.5	14.5	15.5	16.5	17.0	18.0
33 The Hong Kong & Shanghai Banking Corporation Ltd.	-	-	-	-	-	-	-
34 I.F.I.C. Bank	-	12.5	13.0	-	-	-	-
35 Rupali Bank Ltd.	-	13.9	14.5	-	-	-	-
36 Standard Chartered Bank	-	12.1	12.6	-	-	-	-
37 Bank Al-Falah Ltd.	-	13.0	14.0	14.3	-	-	-
38 Metropolitan Bank Ltd.	-	12.7	13.7	-	15.2	-	16.8
39 Schon Bank	-	13.5	14.5	15.0	15.3	15.5	16.0
40 Platinum Comm. Bank	-	11.5	12.5	13.3	14.5	-	16.4
41 Prudential Comm. Bank	-	12.5	13.0	13.7	14.8	16.0	17.0
42 Bank of Ceylon	-	13.0	13.8	14.3	15.0	16.0	17.0
43 Dman Int. Bank (SAOG)	-	13.0	14.0	16.0	16.5	-	-
44 Trust Bank	-	-	12.0	-	-	-	-

Source: State Bank of Pakistan

- Nil  
\* Bank also had deposits for 5 month.

TABLE 6.1  
SECTORAL INDICES OF SHARE PRICES  
(1990-91 = 100)

	End June							End Mar	
	1992	1993	1994	1995	1996	1997	1998	1998	1999
1 Cotton and Other Textiles	174.43	130.08	188.28	107.70	89.14	84.44	74.20	76.65	73.49
2 Pharmaceuticals & Chemicals	231.28	236.39	405.59	311.76	311.74	252.20	209.60	245.63	197.68
3 Engineering	159.99	142.26	277.94	147.44	144.03	107.52	100.60	99.76	90.10
4 Auto & Allied	175.39	192.97	272.97	140.56	121.71	104.95	101.40	91.77	101.90
5 Cables and Electric Goods	216.78	195.74	314.41	201.12	241.92	142.12	126.10	129.19	115.59
6 Sugar and Allied	123.43	121.39	153.50	98.73	86.06	80.27	70.60	73.92	71.52
7 Paper and Board	137.43	141.53	219.98	161.17	143.82	125.13	108.80	107.90	99.62
8 Cement	305.86	382.35	986.48	496.82	220.17	144.71	65.60	79.83	59.97
9 Fuel and Energy	255.23	201.21	441.17	315.77	289.03	266.27	142.90	250.53	165.54
10 Transport and Communications	255.75	183.34	209.88	105.94	96.22	82.40	54.20	68.24	63.25
11 Banks and Other Financial Institutions	149.42	134.92	297.01	172.19	104.82	104.97	76.10	89.70	78.83
12 Miscellaneous Sectors	145.79	147.68	204.76	159.55	222.29	209.58	192.70	201.13	193.41
General Index of Share Prices	188.50	161.72	290.23	186.85	170.19	143.02	98.80	126.51	103.00
Change (%)	88.50	(14.20)	79.50	(35.60)	(8.90)	(16.00)	(30.90)	(11.54)	4.30

Figures in the parentheses represent negative sign.

Source: State Bank of Pakistan

TABLE 6.2  
MARKET CAPITALIZATION OF ORDINARY SHARES

	End June							End Mar	
	1992	1993	1994	1995	1996	1997	1998	1999	1999
1 Cotton and Other Textiles	48.13	38.91	76.77	46.24	37.70	35.28	25.10	25.32	27.74
2 Pharmaceuticals	41.13	43.76	76.91	50.86	73.23	75.57	46.80	67.04	52.11
3 Engineering	1.68	1.80	3.66	2.12	2.34	1.58	1.50	1.43	1.31
4 Auto & Allied	5.61	9.63	13.07	5.24	8.16	7.59	6.20	6.06	7.03
5 Cables and Electric Goods	3.62	5.06	8.23	4.84	5.58	2.68	2.00	2.21	1.65
6 Sugar and Allied	6.84	7.59	9.63	6.12	5.21	4.77	4.30	4.34	4.18
7 Paper and Board	3.94	3.97	6.69	5.00	4.57	3.45	2.50	2.88	2.80
8 Cement	6.69	11.45	31.38	22.20	18.23	14.45	6.40	7.94	5.56
9 Fuel and Energy	36.83	29.41	62.18	59.78	111.77	116.62	45.50	123.25	56.33
10 Transport and Communications	10.59	7.17	8.72	23.86	29.59	140.47	65.20	113.69	74.43
11 Banks and Other Financial Institutions	33.23	33.02	75.35	43.51	41.77	41.68	28.00	36.16	30.64
12 Miscellaneous Sectors	20.06	22.65	31.98	23.56	27.08	24.99	26.10	32.75	25.73
13 Aggregate mc	218.36	214.43	404.58	293.33	365.24	469.15	259.30	427.09	289.51
Growth (%)	219.10	(1.80)	88.70	(27.50)	24.50	28.40	(44.70)	(9.00)	11.65

Figure in the parentheses represent negative signs

Source: State Bank of Pakistan

TABLE 6.3

NUMBER OF LISTED COMPANIES, FUND MOBILISED AND  
TOTAL TURNOVER OF SHARES IN VARIOUS STOCK EXCHANGES

	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	Jul-Mar		
							1997-98	1998-99	
<u>Karachi Stock Exchange</u>									
A. New Companies Listed									
i) No. of Companies	57	44	65	38	14	13	2	2	-
ii) Fund Mobilized (Rs billion)	12.61	9.75	37.80	20.77	15.5	13.7	0.4	0.4	-
B. Total Turnover of Shares (In million)	893.20	1,831.96	2,229.17	5,199.61	8,095	5,707	14,992	11,438	17,113
<u>Lahore Stock Exchange</u>									
A. New Companies Listed									
i) No. of Companies	47	22	47	24	10	9	2	2 *	1+1*
ii) Fund Mobilized (Rs billion)	1.89	1.06	6.56	19.67	0.7	0.7	0.3	-	-
B. Total Turnover of Shares (In million)	85.16	369.65	959.24	2,573.27	2,776.00	1,913	5,848	4,129	6,343
<u>Islamabad Stock Exchange</u>									
A. New Companies Listed									
i) No. of Companies	6	46	43	28	12	10	2	2 *	1
ii) Fund Mobilized (Rs billion)	0.78	2.67	15.36	11.95	3.3	1.8	0.01	-	0.96
B. Total Turnover of Shares (In million)	9.46	37.96	81.79	153.78	114	88	478	478	903

Source: CLA, KSE, LSE, ISE.

- Islamabad Stock Exchange became operative in 1992-93

.. Nil

\* Technical listing

\*\* In addition to funds mobilised through bonus and right issue for an amount of Rs 3.3 billion an additional amount of Rs 8.0 billion has been added due to listing of two companies, which were already listed on KSE and LSE. This listing does not constitute fresh mobilisation of funds

TABLE 6.4

## SALE OF GOVERNMENT SECURITIES THROUGH AUCTION

No. Securities	(Rs Million)							
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
<b>1 Short Term Federal Bond</b>								
(Six Months Maturities)								
a) Amount Offered	-	-	-	-	-	-	183462	495554
b) Amount Accepted	-	-	-	-	-	-	144752	246676
c) Weighted Average Yield #								
i) Minimum	-	-	-	-	-	-	13.00	12.10
ii) Maximum	-	-	-	-	-	-	17.42	16.46
<b>2 Six Months Treasury Bills</b>								
(Six Months Maturities)								
a) Amount Offered	49218	122916	200496	272341	250457	135549	-	33353
b) Amount Accepted	30722	76014	106212	136505	146693	106308	-	25453
c) Weighted Average Yield #								
i) Minimum	7.0200	9.3700	11.7681	10.3772	10.5643	12.6284	-	14.7
ii) Maximum	9.4500	13.1500	12.8474	14.3943	12.7277	13.0296	-	15.7
<b>3 Federal Investment Bonds</b>								
A) Amount Offered in all Maturities	39268	56407	77127	63284	42154	18026	4,841	4,460
B) Acceptances	34937	44974	53578	26611	29988	15965	4,727	3,660
a) 3 Years Maturities								
i) Amount Accepted	13934	10649	12600	10708	8785	3877	1111	1331
ii) Weighted Average Yield #								
a) Minimum	12.8600	12.9500	12.9500	12.9845	13.9973	13.0000	13.00	13.00
b) Maximum	13.0000	13.7900	13.0400	13.8188	13.0282	13.0000	13.00	13.58
b) 5 Years Maturities								
i) Amount Accepted	6169	3007	5138	4034	2267	4169	106	177
ii) Weighted Average Yield #								
a) Minimum	13.5400	14.0000	13.9900	13.9972	13.9998	14.0000	14.00	14.00
b) Maximum	14.0000	14.6900	14.0000	14.4521	14.0000	14.0000	14.00	14.00
c) 10 Years Maturities								
i) Amount Accepted	14834	31318	35840	11869	18936	7919	3510	2152
ii) Weighted Average Yield #								
a) Minimum	14.6200	14.9974	15.0000	15.0000	14.9875	15.0000	15.00	15.00
b) Maximum	15.0000	15.6600	15.1200	16.5097	15.0009	15.0276	15.02	15.03

# Percent per annum

(Contd.)

- Note: 1 Six Months Treasury Bills sold through auctions at discount were replaced by Short Term Federal Bonds (STFB) from July, 1996 are now sold at face value and repaid at maturity with the rate of return fixed at auction.
- 2 Auction of STFBs has been discontinued in end-June 1998 and replaced by Government of Pakistan Market Treasury Bills (MTBs) (3,6 and 12 months maturity). The first auction of Six months MTBs was held on 24-6-1997

TABLE 6.4

SALE OF GOVERNMENT SECURITIES THROUGH AUCTION OF  
MARKET TREASURY BILLS OF 3, 6, AND 12 MONTHS  
MATURITY -1998-99\*

		(Rs in million)
1.	3-Month Maturity	98,630.00
	a) Amount Offered	20,697.00
	b) Amount Accepted	
	Weighted Average Yield	9.50
	a) Minimum	14.62
	b) Maximum	
2.	6-Months Maturity	288,555.00
	a) Amount Offered	95,995.00
	b) Amount Accepted	
	Weighted Average Yield	11.35
	a) Minimum	15.74
	b) Maximum	
3	12-Months Maturity	227,129.00
	a) Amount Offered	68,059.00
	b) Amount Accepted	
	Weighted Average Yield	11.80
	a) Minimum	16.00
	b) Maximum	

Source: State Bank of Pakistan

Note: As the T-Bills are issued on discount, the figures in table indicate discounted values.

TABLE 6.5

## NATIONAL SAVING SCHEMES (NET INVESTMENT)

Name of Scheme	(Rs Million)								
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	Outstanding as on 30-6-98
1. Defence Savings Certificates	6,770.54	5,578.28	5,489.81	11,369.93	20,654.79	20,143.52	31,405.33	26,050.00	162,620.00
2. National Deposit Scheme	(1,015.56)	(778.22)	(689.29)	(709.28)	(949.02)	(1,266.83)	(932.29)	(90.00)	130.00
3. Khaas Deposit Scheme	(30,203.71)	(28,929.55)	(22,702.46)	(841.36)	(428.04)	(360.87)	(219.77)	(30.00)	820.00
4. Premium Savings Scheme	(0.15)	(0.01)	(0.15)	(0.06)	(0.00)	(0.09)	0.00		
5. Special Savings Certificates (R)	18,326.44	18,134.70	15,439.23	5,650.64	7,422.87	12,344.60	14,902.46	15,630.00	114,400.00
6. Special Savings Certificates (B)	1,375.60	1,025.46	835.89	582.24	1,063.93	(727.80)	(1,266.51)	(1,650.00)	1,720.00
7. Regular Income Certificates	0.00	0.00	1,120.35	4,243.95	4,023.00	4,732.02	16,472.07	42,270.00	72,860.00
8. Savings Accounts	1,659.33	907.73	(389.88)	10,576.99	(146.81)	4,672.59	(5,588.86)	(7,750.00)	6,970.00
9. Special Savings Accounts	4,875.13	5,316.49	3,736.92	1,092.98	2,101.77	2,139.32	3,849.91	1,660.00	26,490.00
10. Mahana Amdani Accounts	154.56	186.77	200.52	209.41	205.35	204.87	148.58	40.00	1,860.00
11. Prize Bonds	3,066.05	1,833.61	4,905.52	4,646.27	5,435.28	6,305.80	9,546.59	8,150.00	68,700.00
12. Postal Life Insurance	397.52	1,125.25	1,090.00	976.34	1,490.56	1,093.34	1,454.32	400.00	8,100.00
Grand Total	5,405.75	4,400.51	9,037.25	37,798.17	40,873.68	49,280.56	69,771.83	84,660.00	464,670.00

Source: Directorate of National Savings

Note: Figures in the parentheses represent negative signs.



TABLE 6.6

**MARK UP RATE/PROFIT RATE ON DEBT INSTRUMENTS  
CURRENTLY AVAILABLE IN THE MARKET**

S.No.	Schemes	Markup/Profit Rate	Maturity Period	Tax Status
1.	<u>Prize Bonds</u>			
	i) Rs 100/-	12.00 % p.a.	One month holding period	Prize money is taxable.
	ii) Rs 500/-, Rs 1000/- Rs 5000/- Rs 10,000 and Rs 25,000	12.00 % p.a.	Two month holding period	Prize money is taxable.
2.	<u>Federal Investment Bond (Coupon Rate)</u>			
	3 Years	13.00 % p.a.		
	5 Years	14.00 % p.a.		
	10 Years	15.00 % p.a.		
3.	<u>Bearer National Fund Bond Rolled</u> 2-3 years Maturity	12.50 - 13.00 % p.a.		
4.	<u>Foreign Exchange</u> <u>Bearer Certificates</u>	Amount (Principal plus interest) to be paid on Rs 100/-		
	Less than 1 years	100.00		
	More than 1 year	114.50		
	More than 2 years	131.00		
	More than 3 years	152.00		
	More than 4 years	174.00		
	More than 5 years	199.00		
	More than 6 years	231.00		
	Annual rate of compound interest comes	15.00 %		
5.	<u>Dollar Bearer Certificates { Sale of DBC discontinued w.e.f. 22-11-1994 }</u>			
6.	<u>Foreign Currency Bearer Certificates for the month of February 1998</u> Rate is fixed on monthly basis by adding 2.5 % over the world yield on bonds of respective currency.			
	i) US Dollars	8.00 % p.a.		
	ii) Sterling Pound	8.75 % p.a.		
	iii) D.M.	7.00 % p.a.		
	iv) J.Yan	3.75 % p.a.		
7.	<u>Unfunded Debt</u>			
	Defence Saving Certificates	18.04% p.a (m)	10 Years	Non-Taxable
	National Deposits Schemes	13.00% p.a.	7 Years	Taxable
	Special Saving Certificates (R)	16.88% p.a.	3 Years	Non-Taxable
	Special Saving Certificates (B)	12.91% p.a.(m)	3 Years	Non-Taxable
	Regular Income Certificates	18.00% p.a.	5 Years	Taxable
	Khas Deposit Scheme	13.42% p.a.	3 Years	"
	Mahana Armdani Accounts	14.87% p.a.(m)	5 Years	Non-Taxable
	Saving Accounts	13.00% p.a.	Running account	"

p.a. Per annum

B Bearer

R Registered

m on maturity

Source: SBP and Directorate of National Savings

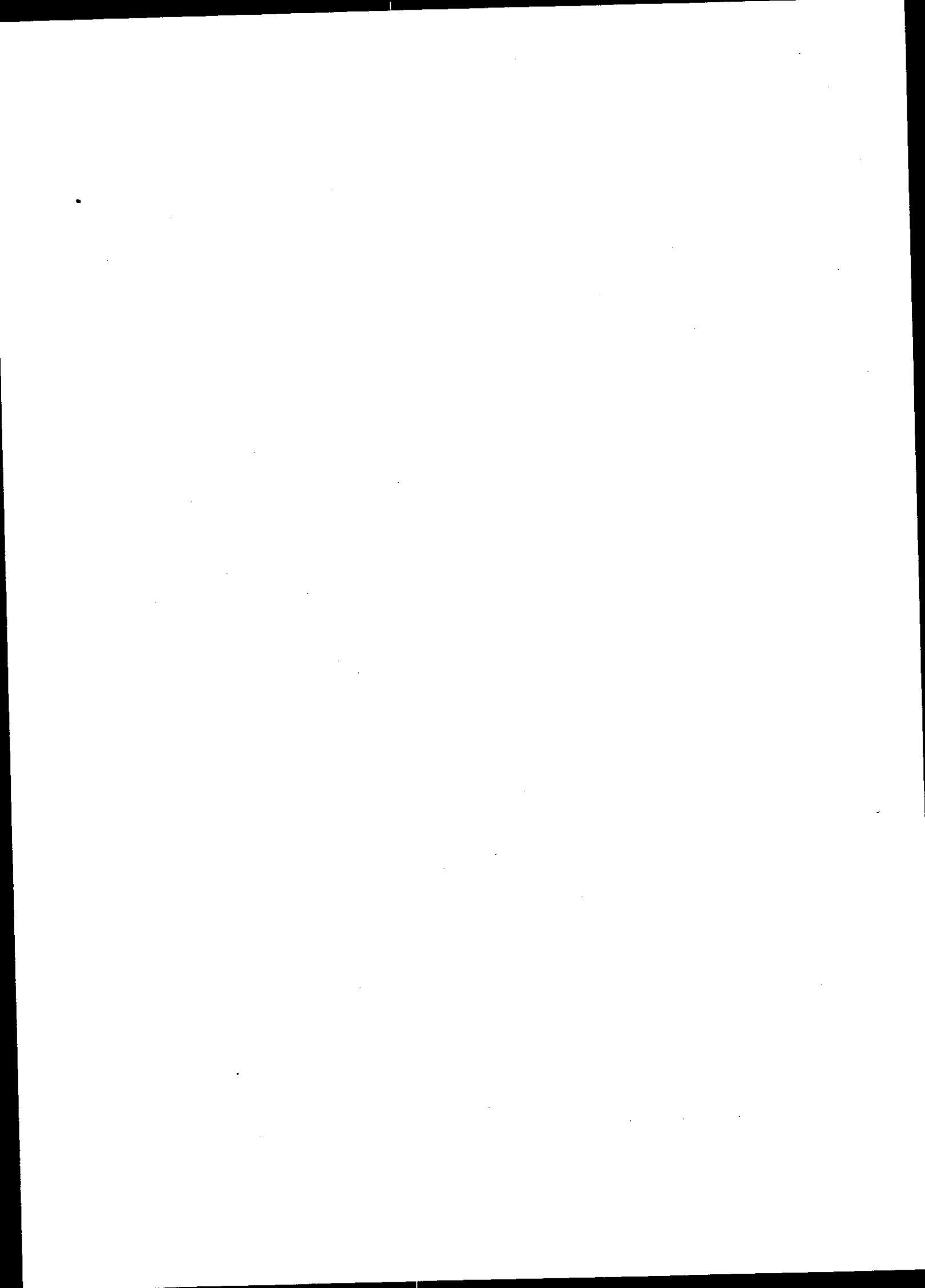


TABLE 7.1  
PRICE INDICES

1. COMBINED CONSUMER PRICE INDEX BY GROUPS										
Year	General	Food Beverages & Tobacco	Apparel Textile & Footwear	House Rent	Fuel & Lighting	Household Fur- niture, Equip- ments etc.	Transport & Commu- nication	Recreation Entertainment & Education	Cleaning, Laun- dry & Personal Appearance	Medicine
(Base: 1990-91 = 100)										
1991-92	110.58	110.64	112.84	110.53	110.28	109.26	110.35	109.91	108.77	109.89
1992-93	121.45	123.81	122.58	122.03	115.19	117.66	114.04	113.08	118.66	116.89
1993-94	135.14	137.59	131.66	134.00	133.62	124.27	127.60	120.68	136.53	150.92
1994-95	152.73	160.59	146.86	147.93	142.47	137.18	135.17	130.17	150.79	163.54
1995-96	169.21	176.86	164.12	161.74	163.51	155.41	148.39	150.59	172.68	179.16
1996-97	189.18	197.88	179.87	178.14	183.59	177.58	171.39	170.72	196.54	202.29
1997-98	203.96	213.02	187.81	195.29	210.59	191.79	180.59	186.84	201.81	212.78
<u>Jul-Apr</u>										
1997-98	202.91	212.32	186.27	193.88	200.92	191.34	180.35	186.14	201.32	212.57
1998-99	215.27	225.53	199.09	207.53	215.83	198.04	194.06	194.61	212.19	215.85

(Contd.)

TABLE 7.1  
PRICES INDICES

Year	2. Wholesale Price Index by Groups						3. Sensitive Price Indicator	4. GDP Deflator
	General	Food	Raw Materials	Fuel, Lighting & Lubricants	Manufac- tures	Building Materials		
(Base 1990-91 = 100)								
1991-92	109.84	110.87	108.63	111.90	108.15	104.63	110.54	224.69
1992-93	117.92	122.64	120.77	114.34	112.80	106.91	122.38	244.17
1993-94	137.26	139.68	155.22	133.98	131.47	122.62	136.81	275.57
1994-95	159.22	164.77	179.05	147.39	151.55	149.50	157.34	314.59
1995-96	176.90	184.13	188.47	173.82	164.94	161.10	174.19	339.89
1996-97	199.92	205.94	215.90	204.10	184.62	181.96	195.88	385.24
1997-98	213.08	220.78	232.78	228.65	189.17	181.93	210.28	415.36
1998-99								440.30
<u>Jul-Apr</u>								
1997-98	211.94	220.09	230.51	225.88	188.66	180.58	209.28	-
1998-99	226.14	233.77	254.29	247.71	194.27	184.61	223.44	-

Source: Federal Bureau of Statistics

TABLE 7.2  
MONTHLY CHANGES (%)

Period	Base 1990-91 = 100							
	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
CONSUMER PRICE INDEX (C.P.I.)								
Jul		1.11	1.06	1.59	1.38	1.40	0.62	0.86
Aug	1.20	1.61	1.79	0.95	2.02	1.30	0.65	0.87
Sep	0.70	0.44	0.89	1.49	0.90	1.16	0.63	0.11
Oct	0.85	0.28	1.30	1.50	0.11	1.20	0.40	0.49
Nov	0.28	0.67	0.55	1.40	1.07	1.21	0.74	0.48
Dec	0.12	0.12	-0.28	1.00	0.67	0.87	0.11	0.24
Jan	0.47	0.41	0.88	1.46	0.37	2.17	-0.05	-0.18
Feb	1.19	0.64	1.29	-0.06	0.70	1.09	0.36	0.38
Mar	1.00	0.39	0.46	0.88	1.35	-0.45	1.77	0.35
Apr	0.45	1.43	2.38	0.12	0.81	2.39	0.45	0.27
May	0.77	1.24	-0.15	0.59	0.37	-0.20	0.15	-
Jun	0.67	0.90	1.03	0.55	0.11	-0.31	0.47	-
WHOLESALE PRICE INDEX (W.P.I.)								
Jul	1.19	1.33	1.39	-1.06	0.99	1.59	0.33	1.14
Aug	0.61	0.90	2.28	1.46	1.77	1.82	0.14	1.39
Sep	0.77	0.74	1.52	1.15	0.42	-0.05	0.33	-0.13
Oct	0.57	0.14	0.62	0.60	-0.31	0.27	0.42	0.14
Nov	-0.38	0.16	0.49	2.42	0.68	2.38	0.53	0.79
Dec	0.38	0.23	0.35	1.68	0.35	1.39	0.30	0.03
Jan	0.80	1.95	4.23	2.02	1.12	2.30	0.01	0.59
Feb	0.57	0.05	3.08	-0.55	0.70	0.65	0.34	0.60
Mar	0.06	0.31	0.78	1.18	1.71	-0.29	1.73	0.28
Apr	1.03	1.49	4.23	-0.12	1.65	1.48	0.50	-0.53
May	0.28	-10.08	0.61	0.86	-0.19	0.35	0.50	-
Jun	0.61	2.14	0.51	1.38	1.17	-0.41	0.08	-
SENSITIVE PRICE INDICATOR (S.P.I.)								
Jul		1.32	1.28	1.74	1.30	1.72	0.15	0.91
Aug	0.84	1.39	1.25	0.70	1.73	0.98	0.14	1.36
Sep	1.04	-0.14	1.28	1.05	0.02	1.42	0.48	-0.49
Oct	0.71	0.55	0.95	1.70	-0.62	0.99	0.36	0.59
Nov	-0.42	0.50	0.47	1.50	0.66	1.46	0.94	1.63
Dec	-0.61	0.07	-0.15	1.15	1.03	0.78	0.08	-0.31
Jan	0.69	0.38	0.73	1.38	-0.12	1.50	-0.24	-0.78
Feb	1.16	0.28	0.77	-0.38	0.65	1.38	0.30	0.55
Mar	0.99	-0.26	0.74	0.88	1.24	-1.36	0.51	-0.25
Apr	1.74	0.89	3.21	0.72	1.18	3.78	0.69	-0.45
May	2.06	1.82	0.79	1.66	0.59	0.47	0.13	-
Jun	1.75	2.48	2.13	1.41	0.82	-0.19	2.01	-

Source: Federal Bureau of Statistic.

TABLE 7.3 (A)

## CDNSUMER PRICE INDICES BY INCOME GROUPS

Income Group	All Income Groups	Upto Rs 1500	Rs 1501 to 4000.00	Rs 4001 to 7000	Rs 7001 to 10,000	Above Rs 10,000
(Base 1990-91 = 100)						
1991-92	110.58	110.83	110.63	110.45	110.24	110.06
1992-93	121.45	122.62	121.66	120.66	119.92	119.60
1993-94	135.14	136.22	135.36	134.42	133.68	133.14
1994-95	152.73	155.21	153.39	150.90	148.93	147.50
1995-96	169.21	171.70	169.81	167.24	165.72	164.93
1996-97	189.18	191.97	190.02	186.90	184.97	183.46
1997-98	203.96	206.95	204.74	201.63	199.69	197.96
<u>Jul-Apr</u>						
1997-98	202.91	206.00	203.70	200.53	198.52	196.72
1998-99	215.27	218.19	215.92	213.00	211.56	210.38

Source: Federal Bureau of Statistics.

TABLE 7.3 (B)

ANNUAL CHANGES IN PRICE INDICES  
AND GDP DEFLATOR

Year	Consumer Price Index	Wholesale Price Index	Sensitive Price Indicator	GDP Deflator
1991-92	10.58	9.84	10.54	10.07
1992-93	9.83	7.36	10.71	8.67
1993-94	11.27	16.40	11.79	12.86
1994-95	13.02	16.00	15.01	14.16
1995-96	10.79	11.10	10.71	8.04
1996-97	11.80	13.02	12.45	13.34
1997-98	7.81	6.58	7.35	7.82
1998-99	..	..	..	6.00 *
<u>Jul-Apr</u>				
1997-98	8.18	6.90	7.95	..
1998-99	6.09	6.70	6.77	..

\* GDP deflator figure is for the whole year 1998-99.

Source: Federal Bureau of Statistics

TABLE 7.4

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS  
(Average of 12 centers)

Year	Wheat (Av. Qty) Kg	Wheat Flour (Av. Qty) Kg	Basmati* Rice (Broken Kg	Moong Pulse (Washed) Kg	Gram Pulse (Av. Qty) Kg	Beef (Cow/ Buffalo with bone) Kg	Mutton (Goat) (Av. Qty) Kg	Eggs Hen (Farm) Doz.	Potato (Av. Qty) Kg	Dry Onion (Av. Qty) Kg	Tomato (Av. Qty) Kg	(Rs/Unit)
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	103.37	29.73	9.31	10.45	20.34	
<u>Jul-Apr</u>												
1997-98	8.06	8.67	13.35	27.76	20.61	55.36	102.92	31.06	10.08	10.46	17.89	
1998-99	7.76	8.31	14.43	32.98	21.98	55.75	106.08	27.06	8.77	16.38	21.37	(Contd.)

TABLE 7.4

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS  
(Average of 12 Centers)

Year	Mustard Oil (Mill) Kg	Vegeta- ble Ghee (Loose) Kg	Rock Salt (Powder) Kg	Red Chillies (Av. Qty) Kg	Sugar (Open Market) Kg	Gur (Sup. Qty) Kg	Milk Fresh (Ltr)	Tea in Packet (Sup. Qty) 250 Gram	(Rs/Unit)
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	
<u>Jul-Apr</u>									
1997-98	44.24	40.36	2.85	56.40	17.80	17.40	14.48	44.40	
1998-99	63.32	54.29	3.20	87.39	18.83	17.10	17.68	52.00	(Contd.)

TABLE 7.4  
AVERAGE RETAIL PRICES OF ESSETIAL ITEMS  
(Average of 12 Centers)

(Contd.)	(Rs/unit)								
Year	Cigarettes* (Pkt)	Coarse Latha (Mtr.)	Voil Printed (Mtr.)	Shoes Gents Concord (Bata)	Kerosene (1/2 Ltrs.)	Firewood (Kikar/ Babul) (40 Kgs.)	Match Box (40/ 50 Sticks) (Each)	Washing Soap 707/555 (Cake)	Life- buoy Soap (Cake)
1990-91	3.48	10.71	25.24	429.95	2.57	50.07	0.35	2.49	4.02
1991-92	3.56	12.08	27.65	149.95	5.90	55.68	0.44	2.72	4.10
1992-93	3.60	13.46	27.18	149.95	5.96	62.31	0.49	3.01	4.64
1993-94	3.61	14.14	28.56	185.78	7.01	67.51	0.49	3.52	6.00
1994-95	3.75	15.76	29.26	224.95	7.36	71.83	0.50	4.14	6.35
1995-96	3.69	18.31	27.90	299.95	8.27	78.54	0.50	5.03	7.29
1996-97	3.90	20.89	30.01	337.70	10.66	88.88	0.50	5.95	8.53
1997-98	3.79	22.24	31.34	339.00	11.60	95.00	0.50	6.18	8.58
<u>Jul-Apr</u>									
1997-98	3.79	22.10	31.08	339.00	11.60	94.81	0.50	6.17	8.50
1998-99	4.10	23.07	31.40	341.75	11.62	97.40	0.50	6.53	9.15

(Contd.)

TABLE 7.4  
AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS  
(Average of 12 Centers)

(Contd.)	(Rs/unit)								
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
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
<u>Jul-Apr</u>									
1997-98	14.96	16.38	10.31	10.36	34.32	28.95	37.35	146.13	129.60
1998-99	15.30	17.76	11.10	12.03	35.79	30.13	41.25	168.13	156.38

(Contd.)

TABLE 7.4

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS  
(Average of 12 Centers)

(Contd.) Year	(Rs/Unit)								
	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 1.8 Kg
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
<u>Jul-Apr</u>									
1997-98	19.71	3.28	19.94	55.21	55.14	249.00	79.00	10.30	102.12
1998-99	21.73	3.60	20.65	71.73	56.68	259.50	79.00	10.37	104.98

Source: Federal Bureau of Statistics



TABLE 7.5  
 INDICES OF WHOLESALE PRICES OF SELECTED COMMODITIES  
 (1990-91 = 100 beyond 1990-91)

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
<u>Jul-Apr</u>											
1997-98	250.78	194.75	263.51	178.17	236.23	253.89	208.69	221.00	229.91	245.22	188.00
1998-99	242.61	239.65	305.50	170.39	287.64	266.56	214.68	209.41	244.77	260.67	201.04

(Contd.)

TABLE 7.5  
 INDICES OF WHOLESALE PRICES OF SELECTED COMMODITIES  
 (1990-91 = 100 beyond 1990-91)

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
<u>Jul-Apr</u>										
1997-98	228.68	189.69	199.59	208.14	199.63	252.68	235.01	154.85	219.19	208.22
1998-99	228.68	198.60	203.27	208.14	211.41	277.07	229.20	128.26	226.05	218.46

Source: Federal Bureau of Statistics

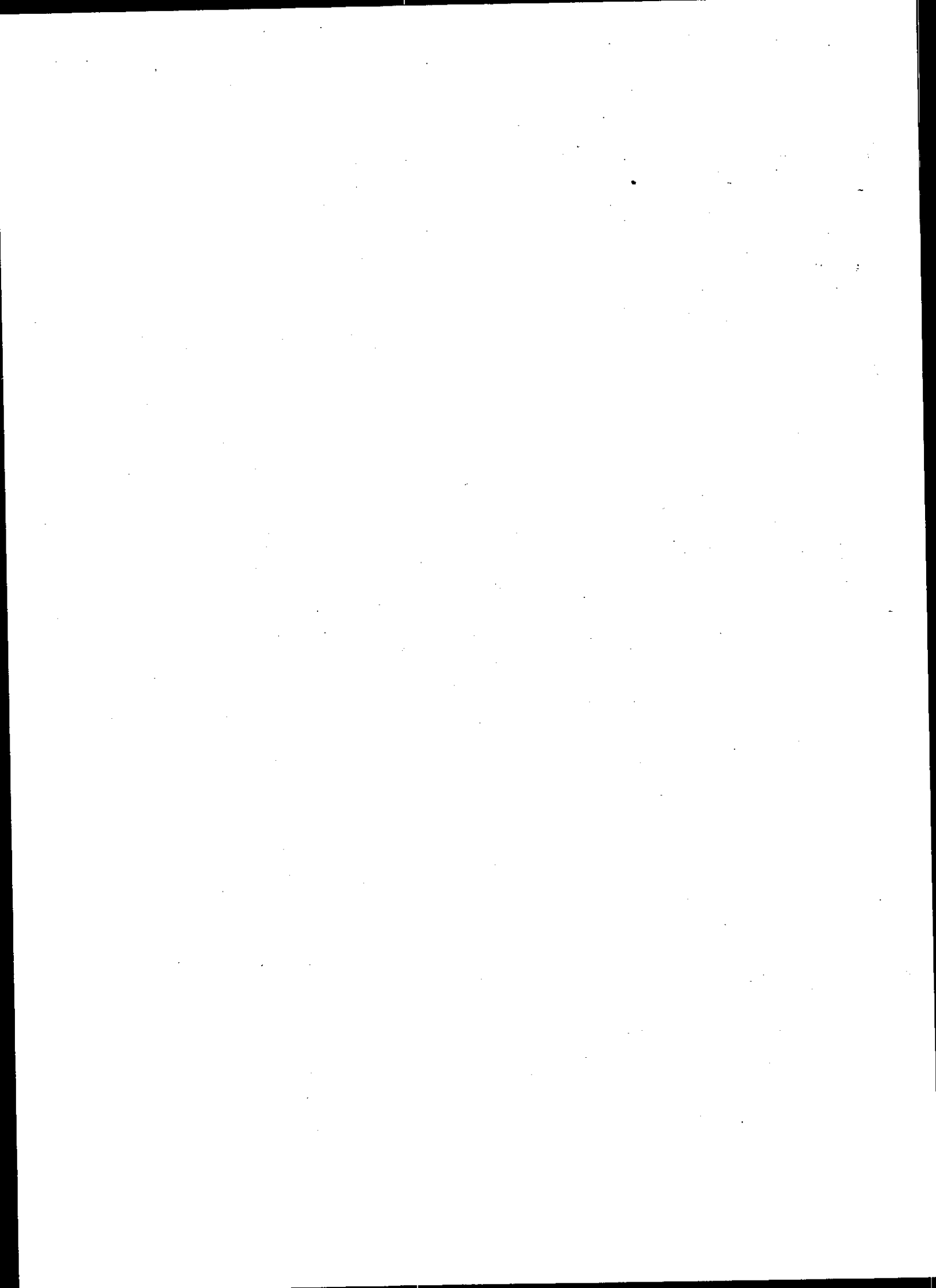


TABLE 8.1  
BALANCE OF PAYMENTS

Items	(US \$ million)										
										Jul-Mar	
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	97-98	98-99 (P)	
Trade Balance	-2483	-2236	-3267	-2000	-2537	-3704	-3145	-1867	-1404	-1191	
1. Exports (f.o.b)	5902	6762	6782	6685	7759	8311	8096	8434	6295	5653	
2. Imports (f.o.b.)	-8385	-8998	-10049	-8685	-10296	-12015	-11241	-10301	-7699	-6844	
3. Non-Factor Services (Net)	-630	-958	-1250	-757	-613	-1296	-1492	-934	-758	-553	
4. Investment Income (Net)	-1160	-1266	-1498	-1598	-1771	-1953	-2167	-2330	-1620	-966	
Income	82	69	71	96	182	184	155	124	95	50	
Payments	-1242	-1335	-1569	-1694	-1953	-2137	-2322	-2454	-1715	-1016	
5. Private Transfers (net)	2102	3114	2327	2390	2437	2378	2958	3210	2845	1174	
(Workers Remittances)	(1,848)	(1,466)	(1562)	(1,446)	(1,866)	(1,461)	(1,409)	(1,490)	(1,175)	(802)	
Current Account Balance	-2171	-1346	-3688	-1965	-2484	-4575	-3846	-1921	-937	-1536	
6. Private Capital (net)	506	568	1175	1958	1725	2681	1482	-393	-263	-125	
6.1 Direct Investment (a)	254	562	447	649	1529	1311	968	793	614	268	
6.2 Other Long-term	187	446	804	719	101	223	325	-175	-499	244	
6.3 Short-term	65	-440	-76	590	95	1147	189	-1011	-378	-637	
7. Public Capital (net)	1737	942	1898	1513	1072	1514	1266	1662	1475	1530	
7.1 Disbursements, Long-term (b)	2013	2339	2346	2470	2559	2577	2280	2788	2447	2148	
7.2 Less: Repayments, Long-term	-785	-794	-1156	-1293	-1455	-1503	-1592	1724	1330	799	
7.3 Other (Short-term and Long-term) (c)	509	-603	708	336	-32	440	578	598	358	181	
8. Change in Reserves (- = increase)	-6	-130	589	-1585	-238	431	1032	306	-219	-817	
9. Errors & Omissions (net)	-66	-34	26	79	-75	-51	66	346	-56*	948	

(P) Provisional

Source: State Bank of Pakistan

(a) Includes Portfolio Investment except Foreign Exchange Bearer Certificates, Dollar Bearer Certificates, Euro Bond and FCBC.

(b) Includes Net Official Transfers

(c) Includes Foreign Exchange Bearer Certificates (Introduced w.e.f. August, 1985), Dollar Bearer Certificates (introduced w.e.f. April, 1991), Euro Bond and Foreign Currency Bearer Certificate.

\* Including encashment of resident foreign currency accounts in Pak rupees.

TABLE 8.2  
BALANCE OF PAYMENTS

Items	(US \$ million)					
	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Trade Balance	-2557	-2573	-2485	-2483	-2236	-3267
Exports (f.o.b)	4362	4634	4926	5902	6762	6782
Imports (f.o.b)	-6919	-7207	-7411	-8385	-8998	-10049
Services (Net)	-1381	-1461	-1616	-1790	-2224	-2748
Receipts	970	1081	1398	1630	1581	1628
Payments	-2351	-2542	-3014	-3420	-3805	-4376
Shipment	(602)	(630)	(642)	(709)	(734)	(880)
Investment Income	(933)	(1,013)	(1,074)	(1,242)	(1,335)	(1,569)
Others	(816)	(899)	(1,298)	(1,467)	(1,736)	(1,927)
Private Unrequited Transfers (net)	2256	2100	2210	2102	3114	2327
(Workers Remittances)	(2,013)	(1,897)	(1,942)	(1,848)	(1,468)	(1,562)
Current Account Balance	-1682	-1934	-1891	-2171	-1346	-3688
Long-term Capital (net)	1299	1952	1671	1729	2541	2515
Private Capital (net)	431	390	466	510	1061	1384
Official Capital (net)@	868	1562	1205	1219	1480	1131
Basic Balance	-383	18	-220	-442	1195	-1173
Errors and Omissions (net)*	-19	-75	47	-1	-474	-50
Balance Requiring Official Financing	-402	-57	-173	-443	721	-1223
Official Borrowings	262	68	550	449	-591	634
Official Short-term Capital (net)	253	-88	324	440	-600	630
Balance of Payments Borrowings	9	156	226	9	9	4
IMF Trust Fund	(-)	(147)	(217)	(-)	(-)	(-)
Others (Debt Cancellation)	(9)	(9)	(9)	(9)	9	4
Change in Reserves [- = increase]	140	-11	-377	-6	-130	589

(Contd.)

TABLE 8.2  
BALANCE OF PAYMENTS

Items	(US \$ million)						
	1993-94	1994-95	1995-96	1996-97	1997-98	Jul-Mar	
						1997-98	1998-99 (P)
Trade Balance	-2000	-2537	-3704	-3145	-1867	-1404	-1191
Exports (f.o.b)	6685	7759	8311	8096	8434	6295	5653
Imports (f.o.b)	-8685	-10296	-12015	-11241	-10301	-7699	-6844
Services (Net)	-2355	-2384	-3249	-3659	-3264	-2378	-1519
Receipts	1720	2150	2100	1840	1708	1277	1053
Payments	-4075	-4534	-5349	-5499	-4972	-3655	-2572
Shipment	(784)	(918)	(1,045)	(978)	(921)	(691)	(626)
Investment Income	(1,694)	(1,953)	(2,137)	(2,322)	(2,454)	(1,715)	(1,016)
Others	(1,597)	(1,663)	(2,167)	(2,199)	(1,597)	(1,249)	(930)
Private Unrequited Transfers (net)	2390	2437	2378	2958	3210	2845	1174
(Workers Remittances)	(1,446)	(1,866)	(1,461)	(1,409)	(1,490)	(1,175)	(802)
Current Account Balance	-1965	-2484	-4575	-3846	-1921	-937	-1536
Long-term Capital (net)	2503	2702	2599	2018	1708	1260	2428
Private Capital (net)	1368	1630	1534	1293	618	115	512
Official Capital (net)@	1135	1072	1065	725	1090	1145	1916
Basic Balance	538	218	-1976	-1828	-213	323	892
Errors and Omissions (net)*	669	20	1096	255	-665	-434	311
Balance Requiring Official Financing	1207	238	-880	-1573	-878	-111	1203
Official Assistance & Debt Relief	378	0	449	541	572	330	-386
Medium and Short-Term Capital	422	269	341	204	408	415	-176
Other Short-Term Assets/ Liabilities FEBC, DBC							
FEBC & Euro Bonds (Net)	-44	-269	108	337	164	-85	-210
Change in Reserves (- = increase)	-1585	-238	431	1032	306	-219	-817

@ Includes Official Unrequited Transfers

Source: State Bank of Pakistan

\* Includes Private Short-term Capital

(P) Provisional

Note: Figures may not tally with table 8.1 due to some changes in nomenclature and rearrangement of some components in the light of 4th edition of IMF Balance of Payments Manual.

TABLE 8.3  
COMPONENTS OF BALANCE OF PAYMENTS  
(AS PERCENT OF GDP)

Year	Exports ^	Imports ^	Trade Deficit ^	Worker's Remittances #	Current Account Deficit
1990-91	13.47	16.74	3.27	4.06	4.77
1991-92	14.16	18.97	4.82	3.01	2.76
1992-93	13.18	19.24	6.05	3.02	7.14
1993-94	13.05	16.42	3.38	2.77	3.77
1994-95	13.34	17.04	3.70	3.06	4.07
1995-96	13.65	18.50	4.85	2.29	7.17
1996-97	13.20	18.87	5.67	2.24	6.10
1997-98	13.62	15.97	2.35	2.35	3.03

^ Based on the data compiled by FBS.

# Based on the data compiled by SBP.

Source: FBS, SBP & E.A.Wing

TABLE 8.4  
EXPORTS, IMPORTS AND TRADE BALANCE

Year	(Rs million)			Growth Rate (%)			(US \$ million)			Growth Rate (%)		
	Current Prices						Current Prices					
	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance
1990-91	138,280	171,114	-32832	29.88	14.96	-22.54	6,131	7,619	-1488	23.76	9.86	-24.89
1991-92	171,728	229,889	-58161	24.19	34.35	77.15	6,904	9,252	-2348	12.61	21.43	57.80
1992-93	177,028	258,643	-81615	3.09	12.51	40.33	6,813	9,941	-3128	-1.32	7.45	33.22
1993-94	205,499	258,250	-52751	16.08	-0.15	-35.37	6,803	8,564	-1761	-0.15	-13.85	-43.70
1994-95	251,173	320,892	-69719	22.23	24.26	32.17	8,137	10,394	-2257	19.61	21.37	28.17
1995-96	294,741	397,575	-102834	17.35	23.90	47.50	8,707	11,805	-3098	7.01	13.58	37.26
1996-97	325,313	465,001	-139688	10.37	16.96	35.84	8,320	11,894	-3574	-4.44	0.75	15.36
1997-98	373,160	436,338	-63178	14.71	-6.16	-54.77	8,628	10,118	-1490	3.70	-14.93	-58.31
Jul-Mar												
1997-98	276,226	333,157	-56931				6,442	7,792	-1350			
1998-99	283,540	324,359	-40819	2.65	-2.64	-28.30	5,690	6,630	-940	-11.67	-14.91	-30.37

Source: Federal Bureau of Statistics & Economic Adviser's Wing.

TABLE 8.5  
UNIT VALUE INDICES AND TERMS OF TRADE (T.O.T)  
(1990-91 = 100)

Groups	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	Jul-Mar	
								1997-98	1998-99
<b>All Groups</b>									
Exports	119.92	123.54	142.93	168.61	185.36	204.85	245.62	245.93	256.70
Imports	131.89	133.49	141.16	164.22	185.48	201.71	198.87	201.53	219.36
T.O.T.	90.92	92.55	101.25	102.67	99.94	101.56	123.51	122.03	117.02
<b>Food &amp; Live Animals</b>									
Exports	106.61	118.30	127.47	137.17	159.21	180.63	203.20	203.64	217.36
Imports	111.66	115.32	127.25	152.02	181.19	191.78	217.54	211.13	222.26
T.O.T.	95.48	102.58	100.17	90.23	87.87	94.19	93.41	96.45	97.80
<b>Beverages &amp; Tobacco</b>									
Exports	122.06	150.13	138.85	155.04	128.51	141.10	143.35	131.48	111.35
Imports	119.04	158.71	232.30	280.40	357.50	381.24	399.60	399.74	610.62
T.O.T.	102.54	94.59	59.77	55.29	35.95	37.01	35.87	32.89	18.35
<b>Crude Materials (inedible except fuels)</b>									
Exports	94.36	84.74	97.62	145.78	167.34	181.16	186.45	184.09	206.26
Imports	113.53	113.42	158.62	138.96	175.15	193.03	186.22	187.01	201.35
T.O.T.	83.11	74.71	61.54	104.91	95.54	93.85	100.12	98.44	102.44
<b>Minerals, Fuels &amp; Lubricants</b>									
Exports	96.61	117.05	124.60	132.03	133.15	200.53	176.62	185.79	159.07
Imports	86.81	86.94	85.59	95.63	110.70	134.14	121.46	128.61	100.81
T.O.T.	111.29	134.63	145.58	138.06	120.28	149.49	145.41	144.44	157.79
<b>Chemicals</b>									
Exports	113.94	118.90	125.65	206.64	221.42	219.09	257.86	258.94	268.58
Imports	116.51	116.72	128.32	154.31	187.06	193.88	185.97	188.15	194.00
T.O.T.	97.79	101.87	97.92	133.91	118.37	113.00	138.66	137.62	138.44
<b>Animal &amp; Vegetable Oils, Fats &amp; Waxes</b>									
Exports	-	-	-	-	-	-	-	-	-
Imports	108.90	132.95	152.44	233.27	267.05	242.61	303.07	293.48	340.50
T.O.T.	-	-	-	-	-	-	-	-	-
<b>Manufactured Goods</b>									
Exports	126.36	131.48	153.43	186.63	199.88	210.74	267.89	269.07	276.49
Imports	124.63	132.02	146.47	161.17	198.76	203.43	220.74	222.25	228.39
T.O.T.	101.39	99.59	104.75	115.80	100.56	103.59	121.36	121.07	121.06
<b>Machinery and Transport Equipment</b>									
Exports	138.56	149.78	139.75	160.05	227.85	187.95	227.85	218.17	301.17
Imports	224.00	220.97	215.17	244.86	245.52	268.00	250.35	254.43	343.86
T.O.T.	61.86	67.78	64.95	65.36	92.74	70.13	91.01	85.75	87.58
<b>Miscellaneous Manufac- tured Articles</b>									
Exports	115.46	125.64	148.06	147.66	174.29	213.59	246.64	245.83	258.51
Imports	152.83	159.45	193.45	203.86	210.15	224.52	230.03	246.02	223.83
T.O.T.	75.55	78.80	76.54	72.43	82.94	95.13	107.22	99.92	115.49

Not applicable

Source: Federal Bureau of Statistics.

TABLE 8.6  
ECONOMIC CLASSIFICATION OF EXPORTS AND IMPORTS  
A. EXPORTS

(Rs million)

Year	Primary Commodities		Semi-Manufactures		Manufactured Goods		Total Value
	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share	
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	47,379	13	64,661	17	261,120	70	373,160
<u>Jul-Mar</u>							
1997-98	37,258	14	47,128	17	191,840	69	276,226
1998-99	33,144	12	52,495	18	197,901	70	283,540

(Contd.)

TABLE 8.6  
ECONOMIC CLASSIFICATION OF EXPORTS AND IMPORTS  
B. IMPORTS

(Rs million)

Year	Capital Goods		Industrial Raw Material For				Consumer Goods		Total Value
	Value	Percentage Share	Capital Goods		Consumer Goods		Value	Percentage Share	
			Value	Percentage Share	Value	Percentage Share			
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
<u>Jul-Mar</u>									
1997-98	104,994	31	17,291	5	145,516	44	65,356	20	333,157
1998-99	100,962	31	17,961	6	153,036	47	52,400	16	324,359

Source: Federal Bureau of Statistics.



TABLE 8.7

## MAJOR EXPDRTS BY VALUE, QUANTITY AND UNIT VALUE

Year	Fish & Fish Preparations			Rice			Hides and Skins			Raw Wool		
	Value	Qty	U.V.	Value	Qty	U.V.	Value	Qty	U.V.	Value	Qty	U.V.
	Rs mln.	m.kg	Rs/kg	Rs mln.	000 mt	Rs/mt	Rs mln.	000 kg	Rs/kg	Rs mln.	m.kg	Rs/kg
1991-91	2,576	48	54	7,848	1,205	6,515	1	3	435	196	4.2	47.1
1991-92	2,852	64	44	10,340	1,512	6,839	1	2	368	204	5.5	37.3
1992-93	4,733	87	55	8,214	1,032	7,958	2	4	487	155	4.8	32.6
1992-94	4,644	69	67	7,319	984	7,435	1	9	131	181	4.3	42.5
1994-95	4,760	63	76	14,026	1,852	7,572	1	8	127	331	5.9	56.1
1994-96	4,702	66	71	17,141	1,601	10,706	10	53	198	431	7.0	61.6
1994-97	5,798	80	73	18,453	1,767	10,443	4	45	97	528	8.2	64.5
1997-98	7,374	77	95	24,562	2,091	11,745	-	-	-	293	3.8	76.9
<u>Jul-Mar</u>												
1997-98	5,787	58	100	18,903	1,659	11,394	-	-	-	242	3.2	75.9
1998-99	4,498	55	82	19,439	1,317	14,760	-	-	-	108	1.3	79.7

(Contd.)

TABLE 8.7

## MAJOR EXPORTS BY VALUE, QUANTITY AND UNIT VALUE

Year	Raw Cotton			Cotton Waste			Leather			Cotton Yarn		
	Value	Qty	U.V.	Value	Qty	U.V.	Value	Qty	U.V.	Value	Qty	U.V.
	Rs mln.	000 mt	Rs/mt	Rs mln.	m.kg	Rs/kg	Rs mln.	m.sq.m	Rs/sq.m	Rs mln.	m.kg	Rs/kg
1990-91	9,553	282	33,910	1,255	79.1	15.9	6,184	18.3	337.6	26,675	501.1	53.3
1991-92	12,944	455	28,435	1,482	93.8	15.9	5,991	15.6	383.5	29,170	505.9	57.7
1992-93	7,001	263	26,627	1,281	88.2	14.5	5,769	15.2	379.8	29,183	555.3	52.6
1993-94	2,383	75	31,400	1,878	114.1	16.5	6,772	16.2	416.9	38,076	578.6	65.8
1994-95	1,924	31	62,057	1,952	95.6	20.4	8,401	18.1	464.9	47,191	522.1	90.4
1995-96	17,421	311	56,017	1,931	82.1	23.5	8,726	16.4	531.5	52,164	535.9	97.3
1996-97	1,239	21	59,018	1,632	79.9	20.4	9,322	14.3	651.9	55,239	508.2	108.7
1997-98	5,483	89	61,846	1,812	84.9	21.3	8,970	12.9	698.0	49,988	461.9	108.2
<u>Jul-Mar</u>												
1997-98	5,018	81	61,950	1,443	88.8	20.9	6,608	9.5	695.6	37,828	346.9	109.0
1998-99	116	2	58,177	1,088	52.3	20.8	6,346	9.0	705.1	33,928	301.7	112.5

(..Contd.)

TABLE 8.7  
MAJOR EXPORTS BY VALUE, QUANTITY AND UNIT VALUE

Year	Cotton Thread			Cotton Cloth			Petroleum & Products			Synthetic Textiles		
	Value	Qty	U.V.	Value	Qty	U.V.	Value	Qty	U.V.	Value	Qty	U.V.
	Rs mln.	m.kg	Rs/kg	Rs mln.	m.sq.m	Rs/sq.m	Rs mln.	000 mt	Rs/mt	Rs mln.	m.sq.m	Rs/sq.m
1990-91	76	0.9	85.3	15,199	1,056.5	14.3	2,228	605	3,565	7,807	504.5	15.5
1991-92	93	0.9	108.2	20,372	1,196.1	17.1	2,048	630	3,251	10,403	510.7	20.4
1992-93	125	1.1	111.4	22,431	1,127.6	19.9	2,137	558	3,833	13,078	601.4	21.8
1993-94	121	1.1	106.0	24,789	1,046.8	23.7	1,621	407	3,985	19,610	875.2	22.4
1994-95	59	0.5	130.7	33,373	1,160.6	28.8	2,493	586	4,255	17,748	670.6	26.5
1995-96	50	0.3	162.9	43,279	1,323.1	32.7	2,242	495	4,528	15,436	506.4	30.5
1996-97	69	0.4	182.3	49,354	1,257.4	39.3	3,212	485	6,623	20,049	593.9	33.8
1997-98	79	0.3	235.0	53,991	1,271.3	42.5	1,526	247	6,176	26,729	710.1	37.6
Jul-Mar												
1997-98	62	0.3	238.1	40,146	938.4	42.8	1,278	200	6,403	19,638	523.4	37.5
1998-99	61	0.3	241.9	40,295	948.5	42.5	1,494	305	4,905	14,605	366.1	39.9

(Contd.)

TABLE 8.7  
MAJOR EXPORTS BY VALUE, QUANTITY AND UNIT VALUE

Year	Foot Wear			Animal Casings			Cement & Products			Guar & Products		
	Value	Qty	U.V.	Value	Qty	U.V.	Value	Qty	U.V.	Value	Qty	U.V.
	Rs mln.	m.pair	Rs/pair	Rs mln.	000 kg	Rs/kg	Rs mln.	000 mt	Rs/mt	Rs mln.	000 mt	Rs/mt
1990-91	724	11.1	65.3	309	562	550	159	229	673	653	68	9442
1991-92	997	11.3	88.6	289	468	618	115	..	..	616	54	11365
1992-93	979	9.7	101.2	262	537	489	55	..	..	658	65	10081
1993-94	1135	9.4	120.5	226	506	446	2	..	..	919	56	16374
1994-95	1514	10.8	140.7	371	613	604	3	..	..	901	54	16576
1995-96	1723	8.6	199.9	561	747	751	3	..	..	1447	61	23600
1996-97	2014	8.2	245.6	594	686	866	61	..	..	1253	39	32119
1997-98	1865	8.1	231.0	618	696	888	69	..	..	1409	24	59802
Jul-Mar												
1997-98	1515	6.4	235.2	427	478	892	8	..	..	899	14	65216
1998-99	1317	6.5	202.9	436	519	838	15	..	..	1051	13	79737

(Contd.)

TABLE 8.7  
MAJOR EXPORTS BY VALUE, QUANTITY AND UNIT VALUE

Year	Oil Cakes			Paints & Varnishes			Tobacco Raw & Manufactured			Ready Made Garments & Hosiery		
	Value Rs mln.	Qty m.kg	U.V. Rs/kg	Value Rs mln.	Qty m.kg	U.V. Rs/kg	Value Rs mln.	Qty	U.V.	Value Rs mln.	Qty	U.V.
1990-91	..	..	..	16	0.5	31.1	116	..	..	18,666	..	..
1991-92	..	..	..	8	0.3	24.7	271	..	..	25,823	..	..
1992-93	1	..	..	5	0.2	22.7	171	..	..	28,154	..	..
1993-94	..	..	..	12	0.3	40.4	134	..	..	33,850	..	..
1994-95	..	..	..	13	0.3	44.7	185	..	..	41,051	..	..
1995-96	..	..	..	10	0.1	99.5	91	..	..	45,663	..	..
1996-97	..	..	..	33	0.4	88.6	95	..	..	55,533	..	..
1997-98	..	..	..	25	0.3	93.6	212	..	..	62,359	..	..
<u>Jul-Mar</u>												
1997-98	..	..	..	20	0.2	86.7	103	..	..	45,799	..	..
1998-99	..	..	..	23	0.1	88.7	152	..	..	50,882	..	..

(Contd.)

TABLE 8.7  
MAJOR EXPORTS BY VALUE, QUANTITY AND UNIT VALUE

Year	Drugs & Chemicals			Surgical Instruments			Carpets & Rugs			Sports Goods			Other Exports		
	Value Rs mln.	Qty	U.V.	Value Rs mln.	Qty	U.V.	Value Rs mln.	Qty m.sq.m	U.V. Rs/sq.m	Value Rs mln.	Qty	U.V.	Value Rs mln.	Qty	U.V.
1990-91	350	..	..	1,901	..	..	5,003	3.5	1409.7	3,099	..	..	29,093	..	..
1991-92	555	..	..	2,253	..	..	5,709	3.9	1453.8	3,515	..	..	35,677	..	..
1992-93	620	..	..	2,661	..	..	4,524	3.3	1368.0	3,423	..	..	41,407	..	..
1993-94	730	..	..	2,819	..	..	4,583	3.1	1468.9	6,028	..	..	47,664	..	..
1994-95	1,222	..	..	3,513	..	..	6,116	3.4	1,812.0	8,165	..	..	55,860	..	..
1995-96	1,544	..	..	4,293	..	..	7,131	3.7	1,946.0	8,375	..	..	60,367	..	..
1996-97	1,435	..	..	4,941	..	..	7,820	3.7	2,113.5	12,131	..	..	74,565	..	..
1997-98	1,907	..	..	5,411	..	..	8,709	3.5	2,522.0	16,593	..	..	93,176	..	..
<u>Jul-Mar</u>															
1997-98	1,179	..	..	4,067	..	..	5,904	2.4	2,460.0	11,807	..	..	67,545	..	..
1998-99	1,378	..	..	4,121	..	..	6,723	2.6	2,585.8	9,134	..	..	86,330	..	..

.. not available

Qty Quantity

U.V. Unit value

Source: Federal Bureau of Statistics

TABLE 8.8  
RICE EXPORTS

Year	(US \$ million)					
	Basmati		Other Varieties		Total	
	Qty(ton)	Value	Qty(ton)	Value	Qty(ton)	Value
1990-91	466,391	218.45	738,184	127.77	1,204,575	346.22
1991-92	557,898	230.42	953,946	185.26	1,511,844	415.68
1992-93	462,224	199.36	569,908	117.75	1,032,132	317.11
1993-94	305,714	125.96	678,611	116.21	984,325	242.17
1994-95	452,300	183.74	1,399,967	270.51	1,852,267	454.25
1995-96	716,392	295.27	884,132	208.69	1,600,524	503.96
1996-97	457,245	204.94	1,309,961	263.62	1,767,206	468.56
1997-98	552,377	253.32	1,538,866	309.11	2,091,243	562.42
<u>Jul-Mar</u>						
1997-98	408,341	184.93	1,250,647	249.85	1,658,988	434.78
1998-99	425,362	200.27	891,201	188.78	1,316,563	389.05

Source: Federal Bureau of Statistics

TABLE 8.9  
QUANTITY AND UNIT VALUE OF SELECTED IMPORTS

Year	Wheat unmilled		Tea		Edible Oil		Crude Petroleum		Petroleum Products		Chemical Fertilizer	
	Quantity	U.V.	Quantity	U.V.	Quantity	U.V.	Quantity	U.V.	Quantity	U.V.	Quantity	U.V.
	000 mt	Rs/mt	000 kg	Rs/kg	000 kg	Rs/kg	000 mt	Rs/mt	000 mt	Rs/mt	000 mt	Rs/mt
1990-91	972	3,208	104,056	35.92	959,622	9.39	4,038	3,358.05	4,315	5,622.26	1,177	5,021
1991-92	2,018	4,205	110,235	39.06	1,045,948	9.59	4,076	3,316.05	5,206	4,012.80	1,269	5,019
1992-93	2,868	4,212	125,651	42.87	1,230,907	12.34	4,178	3,294.16	6,531	4,027.58	1,427	4,511
1993-94	1,902	3,804	116,140	48.39	1,131,334	13.00	4,102	3,279.18	7,474	3,843.58	1,524	5,261
1994-95	2,617	4,874	116,629	49.68	1,394,523	22.08	3,928	3,890.42	8,177	4,128.17	602	6,572
1995-96	1,968	7,718	114,760	49.73	1,142,843	25.09	3,992	4,285.78	10,370	4,843.90	1,493	7,881
1996-97	2,500	7,570	85,426	61.09	1,056,824	22.62	3,844	5,918.81	10,418	6,296.81	1,703	8,776
1997-98	4,088	7,413	98,649	99.52	1,178,612	28.25	4,048	4,964.39	9,670	4,902.44	1,049	8,651
<u>Jul-Mar</u>												
1997-98	4,050	7,417	77,432	98.04	885,727	27.12	3,066	5,224.21	7,272	5,174.66	674	8,660
1998-99	2,163	5,741	94,025	92.79	996,078	32.02	3,436	4,112.06	7,306	4,207.24	1,250	7,799

Source: Federal Bureau of Statistics

U.V. Unit value

TABLE 8.10  
MAJOR IMPORTS

(Rs million)

Items	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	Jul-Mar	
									1997-98	1998-99
1. Chemicals	15,448	21,997	23,144	25,946	32,700	45,897	46,189	51,747	37,408	40,329
2. Drugs and medicines	4,408	5,184	5,980	6,992	8,147	11,007	10,634	10,745	7,982	9,357
3. Dyes and colours	2,136	2,945	3,219	4,109	4,174	4,982	5,249	5,927	4,258	4,770
4. Chemical fertilizers	5,911	6,367	6,438	8,018	3,954	11,767	14,948	9,079	15,880	9,748
5. Electrical goods	4,929	7,469	6,955	8,901	8,561	14,815	16,525	13,236	10,690	4,878
6. Machinery (non-electrical)	30,195	54,547	55,650	48,037	64,616	71,125	90,666	69,341	51,683	52,759
7. Transport equipments	11,443	20,638	32,745	25,029	19,057	18,749	21,658	20,849	14,994	18,247
8. Paper, board and stationery	3,216	4,027	3,663	3,848	4,036	5,412	5,159	5,435	3,904	4,103
9. Tea	3,729	4,306	5,386	5,619	5,794	5,707	5,218	9,818	7,592	8,725
✓ 10. Sugar-refined	3,596	913	551	447	69	54	9,862	1,686	1,650	126
11. Art-silk yarn	1,980	2,605	1,968	1,763	1,355	1,962	1,951	1,656	1,215	1,627
12. Iron, steel & manufactures thereof	7,100	10,236	9,758	11,940	14,839	20,555	23,625	19,003	13,541	13,105
13. Non-ferrous metals	2,110	2,784	2,857	3,054	3,773	6,131	5,034	4,260	3,355	3,159
14. Petroleum & products	37,823	34,406	40,066	42,177	48,978	67,338	88,353	67,507	53,647	44,867
✓ 15. Edible oils	9,020	10,025	15,185	14,699	30,781	28,675	23,906	33,304	24,022	31,892
16. Grains, pulses & flours	3,855	9,979	14,330	8,847	15,297	18,604	20,646	32,697	31,761	14,948
17. Other imports	29,144	31,461	30,748	38,824	54,761	64,795	75,378	80,048	59,575	61,719
Grand Total	171,114	229,889	258,643	258,250	320,892	397,575	465,001	436,338	333,157	324,359

Source: Federal Bureau of Statistics.

TABLE 8.11  
DIRECTION OF TRADE

(Rs million)

Year	A. Organization of Islamic Countries (OIC)*															Total
	(a) Arab League															
	Al-geria	Bahrain	Iraq	Jordan	Kuwait	Lebanon	Libya	Oman	Qatar	Saudi Arabia	Soma-lia	UAE	South Yemen	Syria		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
1990-91																
Exports	99	303	88	65	162	63	115	496	364	4936	43	4247	1061	78	12120	
Imports	731	3947	19	352	1185	103	245	872	772	10726	5	5088	899	..	24944	
1991-92																
Exports	32	632	32	861	627	133	135	571	313	7339	15	7657	776	71	19194	
Imports	2	6028	4	226	2131	14	2	147	2437	12047	16	8136	8	2	31200	
1992-93																
Exports	26	582	274	589	1016	128	131	607	282	8280	34	10592	653	21	23215	
Imports	26	2707	2	309	8477	8	225	287	2419	14083	31	7870	400	3	36847	
1993-94																
Exports	72	561	460	154	788	111	101	736	367	7182	123	12997	588	89	24329	
Imports	3	5562	8	1010	13734	9	2	1218	3921	13965	42	8500	38	2	48014	
1994-95																
Exports	116	832	355	491	742	265	218	849	456	6898	481	10154	842	377	23076	
Imports	-	2770	1	493	18673	24	-	2550	3289	15871	77	12778	1277	264	58067	
1995-96																
Exports	43	1080	294	351	923	215	143	1209	677	7170	88	13988	619	304	27104	
Imports	2	3973	-	601	25499	9	371	813	2053	23507	8	19562	776	6	77180	
1996-97																
Exports	70	1302	241	229	1206	363	249	1652	1176	8452	79	15611	489	134	31253	
Imports	3	3321	345	803	32243	19	1	1436	537	27793	13	37879	67	12	104472	
1997-98																
Exports	125	1601	288	242	1355	448	238	2308	1347	9365	98	18974	712	278	37379	
Imports	4	4904	-	1321	23802	11	4	1301	484	29317	11	28843	164	8	90174	
<u>Jul-Mar</u>																
1997-98																
Exports	88	1198	35	105	1040	324	212	1719	1011	7162	62	14003	506	267	27732	
Imports	4	3526	-	891	18620	6	2	1194	199	23658	10	23490	151	7	71758	
1998-99																
Exports	63	1192	470	176	1297	272	208	1890	1244	6727	131	14421	649	110	28850	
Imports	11	2827	1	623	17478	9	-	1461	542	21825	155	21481	84	10	66507	

\* Excluding Maldives, Malaysia and Indonesia.

(Contd...)

TABLE 8.11  
DIRECTION OF TRADE

Year	(Rs million)													
	(b) E.C.O			(c) Other Asian			(d) Other African					Total* {OIC}	B.OECD	
	Iran	Turkey	Total	Afgha- nistan	Others	Total	Egypt	Came- roun	Sierra- leone	Others	Total		USA	Canada
1'	18	19	20	21	22	23	24	25	26	27	28	29	30	31
1990-91														
Expors	2194	1866	4060	68	30	98	49	145	112	943	1249	17527	14893	2323
Impors	4063	1111	5174	151	2	153	288	1	-	46	335	30606	20224	1944
1991-92														
Expors	3576	872	4448	316	37	353	46	18	2	997	1063	25058	22006	3293
Impors	3842	1690	5532	134	3	137	672	-	1	397	1070	37939	24124	2069
1992-93														
Expors	1130	2413	3543	432	19	451	169	33	-	1000	1202	28411	24542	4020
Impors	4601	1633	6234	227	18	245	237	-	-	177	414	43740	24396	2528
1993-94														
Expors	574	1460	2034	464	62	526	406	93	-	746	1245	28134	29502	4871
Impors	3927	1200	5127	338	6	344	222	6	1	208	437	53922	27367	1241
1994-95														
Expors	2369	3425	5794	1010	111	1121	1076	110	1	1138	2325	32316	40600	5153
Impors	5076	2983	8059	351	8	359	1488	-	-	463	1951	68436	30111	3794
1995-96														
Expors	3998	2839	6837	450	76	526	1719	23	-	1752	3494	37961	45692	4451
Impors	6150	2660	8810	755	9	764	1012	4	3	1119	2138	88892	35574	3454
1996-97														
Expors	622	2448	3070	596	40	636	1654	30	-	1629	3313	38272	57629	5885
Impors	11177	2781	13958	1273	15	1288	366	-	-	779	1145	120863	55966	2256
1997-98														
Expors	1018	3022	4040	1352	31	1383	1961	23	1	1961	3946	46748	76664	7172
Impors	6809	1813	8622	1190	28	1218	1025	7	3	786	1821	101835	49018	5426
Jul-Mar														
1997-98														
Expors	894	2314	3208	732	26	758	1407	12	1	1445	2865	34563	55000	5157
Impors	5416	1267	6683	855	19	874	355	5	3	534	897	80212	41491	4743
1998-99														
Expors	474	1337	1811	1416	51	1467	1361	110	4	1423	2898	35026	60890	5672
Impors	2093	3763	5856	1395	12	1407	1147	5	4	210	1366	75136	26737	2504

[..Contd.]

TABLE 8.11  
DIRECTION OF TRADE

(Rs million)

Year	B. Organization for Economic Cooperation and Development (OECD)														
	(a) Consortium										(b) Other than Consortium				
	Bel- gium	France	West Germany	Italy	Nether- lands	U.K.	Nor- way	Swe- den	Japan	Total	Den- mark	Finland	Aust- ria	Portu- gal	Switzer- land
32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47
1990-91															
Exports	2380	5300	12281	5200	2753	10051	563	2620	11448	69812	1093	1285	683	810	857
Imports	2493	4949	12429	5919	3061	8435	428	1651	22161	83694	370	452	653	275	4377
1991-92															
Exports	2398	6667	12175	5482	3707	11375	705	2564	14226	84598	986	522	681	812	827
Imports	2785	10883	18277	9537	3719	12533	625	2009	32934	119495	1308	588	667	87	6024
1992-93															
Exports	3001	7630	13803	4520	4679	12654	759	1954	12109	89671	1025	528	663	1229	943
Imports	2768	10747	19354	8719	5154	13414	442	2857	41091	131470	1095	560	1012	50	5888
1993-94															
Exports	4762	8371	16428	5582	6292	16031	861	2112	16460	111272	1080	344	822	1385	1087
Imports	3649	10374	19971	6224	4174	12657	394	2796	30407	119251	707	648	628	47	5350
1994-95															
Exports	6530	8319	17620	7375	8088	17725	1009	2319	16753	131491	1464	527	955	2408	984
Imports	2958	7761	21714	16754	4309	16410	321	2184	30667	136983	1817	927	594	48	7498
1995-96															
Exports	7003	9167	20066	8227	8920	18811	952	2565	19544	145398	1779	589	768	2853	1087
Imports	4361	7553	23145	13547	6473	17310	786	2644	42653	157500	3229	2297	834	203	18880
1996-97															
Exports	8453	9377	24408	9455	10616	23282	1273	3270	18700	172348	1764	758	861	3906	1397
Imports	4778	9016	26209	15665	8323	23356	463	2863	40137	189032	2183	4925	618	200	11937
1997-98															
Exports	10201	10754	23340	10052	11779	25597	1501	3331	15583	195974	2017	707	767	4753	1292
Imports	4840	8139	22506	10168	5881	17718	369	4402	34247	162714	1004	611	497	133	13736
Jul-Mar															
1997-98															
Exports	7553	7825	17113	7528	8805	18976	1090	2551	12187	143785	1532	507	564	3559	970
Imports	3199	5776	17158	7529	4312	12437	298	3651	25349	125943	796	478	338	80	10560
1998-99															
Exports	6983	8924	18929	7539	9313	18537	1147	2445	9696	150075	1539	617	704	2688	909
Imports	4088	5482	13413	8110	5300	14395	174	1377	26597	108177	582	405	391	176	12094

(Contd.)



TABLE 8.11  
DIRECTION OF TRADE

(Rs million)

Year	B. Organisation for Economic Cooperation & Development (OECD)						Total (OECD)	C. Council of Mutual Economic Association (CMEA)								D. SAARC	
	(b) Other than Consortium					USSR		Russian Federation		Czechoslovakia	Hungary	Poland	Romania	Total	Bangladesh	India	
	Spain	Greece	Australia	New Zealand	Total			Bulgaria									
48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	
1990-91																	
Exports	242	480	1478	381	9309	79121	1283	-	1358	657	426	86	295	4105	2160	933	
Imports	1478	571	3070	363	11609	95303	1256	-	172	425	427	500	389	3169	758	1026	
1991-92																	
Exports	3146	280	2103	471	9728	94326	1519	-	127	210	295	79	229	2459	3218	2814	
Imports	1783	121	4946	389	15413	134908	3553	-	632	1076	703	307	635	8906	1183	1213	
1992-93																	
Exports	2524	403	2664	628	10607	100278	-	1174	72	343	77	24	72	1762	2890	2175	
Imports	385	191	5708	442	15931	147401	-	1317	149	724	663	240	245	3338	1129	1748	
1993-94																	
Exports	3037	518	3078	704	12055	123327	-	773	38	54	118	33	34	1050	3092	1288	
Imports	1156	489	5529	471	15225	134476	-	2093	98	129	917	344	590	4171	864	2126	
1994-95																	
Exports	4220	852	3458	801	15669	147160	-	408	233	40	245	96	110	1132	5233	1284	
Imports	1303	420	5326	442	18675	155658	-	4372	104	36	578	1169	387	6646	964	1974	
1995-96																	
Exports	4327	1510	3786	956	17655	163053	-	577	39	199	380	163	184	1542	3956	1379	
Imports	2183	144	8354	486	37310	194810	-	4149	370	208	717	837	1573	7854	1194	3172	
1996-97																	
Exports	5335	2043	4755	999	21818	194166	-	1115	66	268	254	348	139	2190	3413	1412	
Imports	3387	161	10438	434	34483	223515	-	3348	161	155	835	940	819	6258	1499	7980	
1997-98																	
Exports	781	2095	5299	1160	26071	222045	-	1163	30	322	392	272	135	2314	4257	3912	
Imports	3446	446	17624	763	38260	200974	-	1949	252	220	601	499	393	3914	1654	6675	
Jul-Mar																	
1997-98																	
Exports	5754	1858	4135	896	19575	163360	-	1038	21	253	275	163	93	1838	2890	1540	
Imports	2155	261	15997	415	31380	157323	-	1505	230	173	487	411	293	3099	1266	4612	
1998-99																	
Exports	5406	1617	4052	820	18352	168427	-	174	70	273	353	271	101	1242	4067	7846	
Imports	1187	262	9246	574	25217	133394	-	1622	115	146	287	404	213	2787	1160	5067	

(..Contd.)

TABLE 8.11  
DIRECTION OF TRADE

(Rs million)

Year	D. SAARC				E. Association of South East Asian Countries (ASEAN)						F. Central America	G. South America	H. Other European Countries			Total	
	Maldives	Nepal	Sri Lanka	Total	Malaysia	Singapore	Indonesia	Thailand	Philippines	Total			Malta	Yugoslavia	Others		
	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79		80
1990-91																	
Exports	29	9	1711	4842	697	3093	706	1760	769	7025	196	272	28	511	267	806	
Imports	2	10	782	2578	6836	5528	1448	1437	25	15274	332	2819	221	528	587	1336	
1991-92																	
Exports	35	25	2017	8109	1547	3067	2129	2359	463	9565	319	889	43	136	368	547	
Imports	3	156	849	3404	9663	3315	2007	1838	43	16866	237	3014	89	475	661	1225	
1992-93																	
Exports	35	18	1601	6719	1407	3542	1608	1987	689	9233	487	964	78	153	429	660	
Imports	1	34	959	3871	13300	4072	2821	1637	127	21957	144	4193	76	98	673	847	
1993-94																	
Exports	29	77	1989	6475	1469	2724	996	1569	855	7613	954	1798	82	29	469	580	
Imports	3	21	1160	4174	14207	5056	3366	1884	70	24583	260	2546	44	19	1145	1208	
1994-95																	
Exports	32	96	1869	8514	1571	3181	2745	1617	1025	10139	961	2429	76	24	646	746	
Imports	5	13	1529	4485	28159	5732	3780	2629	72	40372	190	4632	6	4	2463	2473	
1995-96																	
Exports	87	141	2223	7786	1390	3100	5361	3822	1876	15549	922	4219	78	15	744	837	
Imports	10	15	1535	5926	28619	6948	4375	4367	292	44601	699	4804	78	1	3341	3420	
1996-97																	
Exports	72	174	3222	8293	1222	2662	2567	821	1003	8275	1570	4066	115	24	885	1024	
Imports	38	14	1632	11163	22001	7477	6445	5468	511	41902	930	7946	45	23	2579	2647	
1997-98																	
Exports	77	246	4385	12877	1226	1899	6294	1656	745	11820	2640	5982	92	5	1009	1106	
Imports	7	34	1639	10009	30809	9388	8462	5896	185	54740	424	4978	19	23	1878	1920	
Jul-Mar																	
1997-98																	
Exports	52	154	3452	8088	998	1547	4626	1216	619	9006	1976	4262	60	3	765	828	
Imports	5	29	1332	7244	22611	5982	6232	4238	141	39204	317	3681	7	19	1443	1469	
1998-99																	
Exports	43	221	3611	15788	1163	1450	4941	1146	548	9248	2221	3695	68	9	887	964	
Imports	1	43	1150	7421	23748	11288	8221	5086	118	48461	618	7700	71	15	1636	1722	

(..Contd.)

TABLE 8.11  
DIRECTION OF TRADE

(Rs Million)

Year	I. Other Asian Countries							J. Central Asian States					Total
	China	Hong Kong	N. Korea	S. Korea	Burma	Others	Total	Kazakhs-tan	Kyrgyzs-tan	Uzbek-istan	Tajik-istan	Turkmen-istan	
8:	83	84	85	86	87	88	89	90	91	92	93	94	95
1990-91													
Exports	1364	8285	8	5421	48	5112	20238	-	-	-	-	-	-
Imports	8658	780	6	4778	58	2088	16368	-	-	-	-	-	-
1991-92													
Exports	1378	12503	32	5052	52	5657	24674	-	-	-	-	-	-
Imports	9932	1058	3	7625	452	2732	21802	-	-	-	-	-	-
1992-93													
Exports	1080	11679	21	4283	53	5945	23061	79	1	84	2	2	168
Imports	10928	1358	1	11566	744	4075	28672	-	-	-	-	1	1
1993-94													
Exports	1619	14930	14	5483	94	6541	28681	271	9	541	35	50	906
Imports	13242	1163	1	9528	611	3448	27993	2	4	2	-	-	8
1994-95													
Exports	2796	16589	63	8385	157	9350	37340	243	31	707	48	303	1332
Imports	14131	1310	2	10294	830	4188	30754	67	-	126	40	12	245
1995-96													
Exports	4895	26907	88	9455	55	9069	50469	456	31	1468	202	372	2529
Imports	18334	1679	1	11145	538	5674	37371	22	-	9	2	2	35
1996-97													
Exports	4031	30462	70	8140	265	7708	50676	400	147	1486	175	260	2468
Imports	21170	1616	11	11829	689	5250	40565	173	4	45	14	88	324
1997-98													
Exports	6954	26401	113	7356	216	7010	48050	835	340	1431	434	313	3353
Imports	22046	1938	52	15696	620	6238	46590	27	2	98	11	22	160
Jul-Mar													
1997-91													
Exports	4851	20000	101	5827	168	5519	36466	699	274	1237	349	258	2817
Imports	16447	1368	27	10356	469	4320	32987	26	-	27	11	22	86
1998-91													
Exports	5042	20654	28	5689	81	3732	35226	588	192	471	177	93	1521
Imports	14468	1961	40	12820	257	6172	35718	15	-	1636	-	10	1661

(Contd.)

TABLE 8.11  
DIRECTION OF TRADE

Year	K. Other African Countries									(Rs million)	
	Libe- ria	Ghana	Kenya	Maun- tius	Nige- ria	Tanza- nia	Mala- wi	Others	Total	Grand Total	
	96	97	98	99	100	101	102	103	104	105	106
1990-91											
Exports	23	31	332	384	62	201	3	3114	4150	138282	
Imports	-	1	1812	18	6	369	162	961	3329	171114	
1991-92											
Exports	21	320	584	297	148	504	11	3897	5782	171728	
Imports	2	2	2070	33	3	455	130	893	3588	229889	
1992-93											
Exports	34	227	551	480	173	460	8	3352	5285	177028	
Imports	1	2	2671	107	4	497	58	1138	4478	258643	
1993-94											
Exports	20	116	598	506	234	257	25	4225	5981	205499	
Imports	1	10	2833	52	3	497	121	1392	4909	258250	
1994-95											
Exports	53	19	837	460	324	497	35	6879	9104	251173	
Imports	246	12	3645	47	21	573	71	2386	7001	320892	
1995-96											
Exports	47	180	927	720	390	658	60	6892	9874	294741	
Imports	-	5	3898	56	14	594	111	4485	9163	397575	
1996-97											
Exports	78	72	2606	595	623	864	137	9338	14313	325313	
Imports	1	14	3511	5	95	595	78	4589	8888	465001	
1997-98											
Exports	129	252	3563	636	944	1391	172	9138	16225	373160	
Imports	76	8	5587	5	19	713	198	4188	10794	436338	
<u>Jul-Mar</u>											
1997-98											
Exports	99	227	3201	519	633	1206	121	7016	13022	276226	
Imports	-	8	4324	4	19	592	98	2490	7535	333157	
1998-99											
Exports	44	99	1402	579	866	848	103	6241	10182	283540	
Imports	174	2	6474	9	2	371	62	2647	9741	324359	

Source: Federal Bureau of Statistics

- negligible

TABLE 8.12  
DESTINATION OF EXPORTS AND ORIGIN OF IMPORTS

REGDN	(% share)										
										Jul-Mar	
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1997-98	1998-99	
1. Developed Countries											
Exports	60.8	56.7	57.1	60.3	58.9	55.6	60.0	59.4	59.4	59.7	
Imports	58.3	62.2	58.6	52.6	49.3	49.9	48.7	46.5	47.6	41.6	
a. OECD											
Exports	57.2	54.9	56.7	60.0	58.6	55.3	58.7	59.5	59.1	59.4	
Imports	55.7	58.7	57.0	52.1	48.5	49.0	48.1	46.1	47.2	41.1	
b. Other European Countries											
Exports	0.6	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	
Imports	0.8	0.5	0.3	0.5	0.8	0.9	0.6	0.4	0.4	0.5	
2. CMEA*											
Exports	3.0	1.5	1.0	0.5	0.4	0.5	0.7	0.6	0.7	0.4	
Imports	1.8	3.0	1.3	1.6	2.1	1.9	1.3	0.9	0.9	0.9	
3. Developing Countries											
Exports	39.2	44.3	41.9	39.2	40.7	43.9	39.3	39.6	39.9	39.9	
Imports	41.7	37.8	41.4	45.8	48.6	48.2	50.0	52.6	51.5	57.5	
a. OIC											
Exports	12.7	14.6	16.0	13.7	12.9	12.9	11.8	12.5	12.5	12.4	
Imports	17.9	16.5	16.9	20.9	21.3	22.4	26.0	23.3	24.1	23.2	
b. SAARC											
Exports	3.5	4.7	3.8	3.1	3.4	2.7	2.5	3.5	2.9	5.6	
Imports	1.5	1.5	1.5	1.6	1.4	1.5	2.4	2.3	2.2	2.3	
c. ASEAN											
Exports	5.1	5.6	5.2	3.7	4.0	5.3	2.5	3.2	3.3	3.3	
Imports	8.9	7.3	8.5	9.5	12.6	11.2	9.0	12.6	11.8	14.9	
d. Central America											
Exports	0.1	0.2	0.3	0.5	0.4	0.3	0.5	0.7	0.7	0.8	
Imports	0.2	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.1	0.2	
e. South America											
Exports	0.2	0.5	0.5	0.9	1.0	1.4	1.2	1.6	1.6	1.3	
Imports	1.6	1.3	1.6	1.0	1.4	1.2	1.7	1.1	1.1	2.4	
f. Other Asian Countries											
Exports	14.6	14.3	13.0	14.0	14.9	17.1	15.6	12.9	13.2	12.4	
Imports	9.6	9.5	11.1	10.8	9.5	9.4	8.7	10.7	9.9	11.0	
g. Other African Countries											
Exports	3.0	4.4	3.0	2.9	3.6	3.8	4.4	4.3	4.7	3.6	
Imports	2.0	1.6	1.7	1.9	2.2	2.3	1.9	2.5	2.3	3.0	
h. Central Asian States											
Exports	-	-	0.1	0.4	0.5	0.9	0.8	0.9	1.0	0.5	
Imports	-	-	-	-	0.1	-	0.1	-	-	0.5	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	

Source: Federal Bureau of Statistics

.. not available

- nil.

\* Council for Mutual Economic Assistance.

TABLE 8.13  
WORKERS REMITTANCES

COUNTRY	(US \$ million)									
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1997-98 Jul-Mar	1998-99
I. Cash Flow	1,626.92	1,252.45	1,238.51	1,093.36	1,317.73	1,227.28	1,078.05	1,237.68	968.04	651.62
Bahrain	37.20	27.75	25.42	25.92	35.90	33.23	29.16	34.31	25.69	23.73
Canada	11.26	9.86	7.54	5.65	4.91	5.67	3.59	4.14	3.12	2.45
Germany	32.62	33.12	40.64	28.88	27.71	26.06	18.98	16.62	12.23	8.79
Japan	26.84	12.96	11.62	7.13	6.90	3.65	3.05	2.65	2.12	2.86
Kuwait	15.12	44.24	60.22	47.85	57.86	45.43	38.38	52.40	42.01	62.20
Norway	21.28	16.25	15.18	11.85	13.40	11.72	7.97	7.16	5.72	3.83
Qatar	24.27	12.87	10.91	7.57	11.52	14.08	9.68	12.17	9.24	9.45
Saudi Arabia	681.97	516.16	525.94	493.65	554.08	503.22	418.44	474.86	369.18	244.97
Sultanat-e- Oman	74.98	60.35	51.67	46.07	61.49	64.44	46.11	61.97	45.44	33.33
U.A.E.	172.03	105.07	97.76	99.36	178.26	161.93	164.39	207.70	171.58	97.69
Abu Dhabi	75.71	38.74	32.47	29.32	51.99	48.98	44.91	75.13	64.19	28.80
Dubai	68.72	49.07	47.79	51.12	90.09	81.19	93.07	101.01	82.86	55.54
Sharjah	27.60	17.26	17.50	16.73	28.96	28.95	22.90	28.54	22.39	11.73
Others	-	-	-	2.19	7.22	2.81	3.51	3.02	2.14	1.62
U.K.	180.05	137.02	114.02	101.19	109.96	109.74	97.94	98.83	76.80	55.71
U.S.A	190.23	150.34	157.80	122.49	141.09	141.92	146.25	166.29	130.05	62.95
Other Countries	159.07	126.46	119.79	95.75	114.65	106.19	94.11	98.58	74.86	43.66
II. Encashment*	221.37	215.03	323.73	352.20	548.37	233.89	331.42	251.87	207.27	150.97
Total (I+II)	1,848.29	1,467.48	1,562.24	1,445.56	1,866.10	1,461.17	1,409.47	1,489.55	1,175.31	802.59

(Contd.)

\* Encashment and Profit in Pak Rs. of Foreign Exchange Bearer  
Certificates (FEBCs) & Foreign Currency Bearer Certificates (FCBCs)

TABLE 8.13  
WORKERS REMITTANCES

COUNTRY	(% Share)									
	Jul-Mar									
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1997-98	
Bahran	2.29	2.22	2.05	2.37	2.72	2.71	2.70	2.77	2.65	3.64
Canada	0.69	0.79	0.61	0.52	0.37	0.46	0.33	0.33	0.32	0.38
Germany	2.01	2.64	3.28	2.64	2.10	2.12	1.76	1.34	1.26	1.35
Japan	1.65	1.03	0.94	0.65	0.52	0.30	0.28	0.21	0.22	0.44
Kuwait	0.93	3.53	4.86	4.38	4.39	3.70	3.56	4.23	4.34	9.55
Norway	1.31	1.30	1.23	1.08	1.02	0.95	0.74	0.58	0.59	0.59
Qatar	1.49	1.03	0.88	0.69	0.87	1.15	0.90	0.98	0.95	1.45
Saudi Arabia	41.92	41.21	42.47	45.15	42.05	41.00	38.81	38.37	38.14	37.59
Sultanat-e-										
Onan	4.61	4.82	4.17	4.21	4.67	5.25	4.28	5.01	4.69	5.11
U.A.E.	10.57	8.39	7.89	9.09	13.53	13.19	15.25	16.78	17.72	14.99
Abu Dhabi	4.65	3.09	2.62	2.68	3.95	3.99	4.17	6.07	6.63	4.42
Dubai	4.22	3.92	3.86	4.68	6.84	6.62	6.63	8.16	8.56	8.52
Sharjah	1.70	1.38	1.41	1.53	2.20	2.36	2.12	2.31	2.31	1.80
Others	-	-	-	0.20	0.55	0.23	0.33	0.24	0.22	0.25
U.K.	11.07	10.94	9.21	9.25	8.34	8.94	9.08	7.99	7.93	8.55
U.S.A.	11.69	12.00	12.74	11.20	10.71	11.56	13.57	13.44	13.43	9.66
Other Countries	9.78	10.10	9.67	8.76	8.70	8.65	8.73	7.96	7.73	6.70
Total	100.00	100.00	#REF!	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: State Bank of Pakistan

TABLE 8.14

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

(Rs million)

Period	Total				Cash				Gold			
	Jun*	Dec.*	Low	High	Jun*	Dec.*	Low	High	Jun*	Dec.*	Low	High
1990	31,711	21,037	19,975	31,711	16,951	6,077	5,015	16,751	14,960	14,960	14,960	15,342
1991	33,862	29,948	20,990	33,862	16,413	12,397	6,030	16,413	17,449	17,551	14,960	17,551
1992	44,375	41,970	27,797	46,124	26,932	24,476	10,246	28,681	17,443	17,494	17,443	17,551
1993	37,276	62,252	28,901	62,252	16,435	41,411	11,407	41,411	20,841	20,841	17,494	20,841
1994	102,383	121,116	63,393	122,490	78,087	96,730	42,552	96,730	24,296	24,386	20,841	24,386
1995	115,984	79,639	63,499	113,505	91,321	54,961	38,821	89,119	24,663	24,678	24,663	24,678
1996	114,390	71,577	65,945	114,390	86,736	43,923	41,267	86,736	27,654	27,654	24,678	27,654
1997	80,174	97,170	61,830	104,898	52,203	69,199	34,176	76,927	27,971	27,971	27,654	27,971
1998	80,308	80,079	56,375	80,355	52,017	51,741	28,084	52,017	28,291	28,338	28,291	28,338

Source: State Bank of Pakistan

\* Last day of the month.

TABLE 8.15

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

(US \$ million)

Period	Total				Cash				Gold			
	Jun*	Dec.*	Low	High	Jun*	Dec.*	Low	High	Jun*	Dec.*	Low	High
1990	1,451	958	910	1,451	766	277	207	766	685	681	681	714
1991	1,390	1,208	913	1,390	674	500	263	674	716	708	627	716
1992	1,761	1,629	1,123	1,830	1,069	950	414	1,138	692	679	679	710
1993	1,369	2,061	1,038	2,061	604	1,371	342	1,371	765	690	671	765
1994	3,337	3,922	2,090	3,967	2,545	3,132	1,403	3,177	792	790	682	792
1995	3,730	2,758	1,849	3,663	2,937	2,039	1,131	2,876	793	719	718	793
1996	3,251	1,780	1,711	3,251	2,465	1,092	1,026	2,465	786	688	688	786
1997	1,977	2,200	1,537	2,375	1,287	1,567	849	1,742	690	633	633	690
1998	1,737	1,737	1,221	1,740	1,125	1,122	609	1,125	612	615	612	615

Source: State Bank of Pakistan

\* Last day of the month.



TABLE 8.16  
EXCHANGE RATE POSITION  
(Pakistan Rupees in Terms of One Unit of Foreign Currency)

Country	Currency	(Average During the Year)								Jul-Mar 1998-99
		1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	
Australia	Dollar	17.6004	19.1123	18.2623	20.8851	22.9083	25.4912	30.5300	29.3472	28.5751
Austria	Schilling	2.0077	2.1433	3.3550	2.5433	2.9358	3.2639	3.4694	3.4242	3.8845
Bangladesh	Taka	0.6281	0.6518	0.6628	0.7536	0.7673	0.8204	0.9128	0.9513	0.9622
Belgium	Franc	0.6860	0.7327	0.8061	0.8559	1.0045	1.1185	1.1854	1.1683	1.3009
Canada	Dollar	19.4207	21.3864	20.7982	22.5554	22.3750	24.6581	28.5449	30.4828	30.3567
China	Yuan	4.4467	4.5781	4.5996	4.3316	3.6803	4.0354	4.6988	5.2154	5.5757
Denmark	Krone	3.6852	3.8958	4.3059	4.5298	5.2534	5.9354	6.3775	6.3310	7.0658
France	Franc	4.1819	4.4402	4.8939	5.2027	5.9623	6.6921	7.2196	7.1856	8.0039
Germany	Mark	14.1248	15.0838	16.5751	17.9039	20.6804	22.9718	24.4163	24.0995	26.8221
Holland	Guilder	12.5333	13.3928	14.7394	15.9401	18.4547	20.5247	21.7451	21.3938	-
Hong Kong	Dollar	2.8828	3.2047	3.3574	3.9011	3.9902	4.3345	5.0391	5.5762	5.9614
India	Rupee	1.1980	0.9611	0.9405	0.9609	0.9814	0.9783	1.0894	1.1285	1.0855
Iran	Rial	0.3357	0.3699	0.3507	0.0179	0.0176	0.0192	0.0225	0.0246	0.0263
Italy	Lira	0.0189	0.0201	0.0190	0.0185	0.0198	0.0212	0.0250	0.0246	0.0272
Japan	Yen	0.1639	0.1896	0.2177	0.2843	0.3277	0.3281	0.3376	0.3411	0.3708
Kuwait	Dinar	-	86.4030	87.2127	101.5740	104.3749	112.5264	129.6859	141.7916	152.0020
Malaysia	Ringgit	5.2463	9.3259	10.1692	11.5288	12.1848	13.2905	15.5861	12.5285	11.8952
Nepal	Rupee	0.7143	0.5832	0.5741	0.6121	0.6178	0.6102	0.6837	0.7034	0.6793
Norway	Krone	3.6301	3.8505	4.0096	4.1305	4.6915	5.3528	6.0509	5.8345	6.0972
Singapore	Dollar	12.7847	14.8944	15.9865	19.0212	21.2485	23.6411	27.4575	27.0557	27.3217
Sri Lanka	Rupee	0.5539	0.5831	0.5660	0.6120	0.6201	0.6281	0.6823	0.7038	0.6883
Sweden	Krona	3.8414	4.1506	3.9886	3.8009	4.1543	5.0484	5.5230	5.5260	5.7999
Switzerland	Franc	16.6698	16.9154	18.3825	20.8077	24.7362	28.0734	28.8164	29.3698	32.6125
S.Arabia	Riyal	5.9959	6.6442	6.9407	8.0642	8.2475	9.0606	10.4440	11.5178	12.3138
Thailand	Baht	0.8627	0.9626	1.0028	1.1567	1.2174	1.2176	1.2176	1.1562	1.2059
UAE	Dirham	6.1231	6.7874	7.0923	8.2415	8.4214	9.2329	10.6639	11.7623	12.5843
UK	P. Sterli	41.5778	43.7454	42.0315	45.1600	48.6951	51.9192	63.0683	71.1450	76.2947
USA	Dollar	22.4228	24.8441	25.9598	30.1638	30.8517	33.5684	38.9936	43.1958	46.1315
IMF	SDR	31.1323	34.1379	35.6217	42.2162	46.1616	49.6416	55.2477	58.4654	63.3910

Source: State Bank of Pakistan

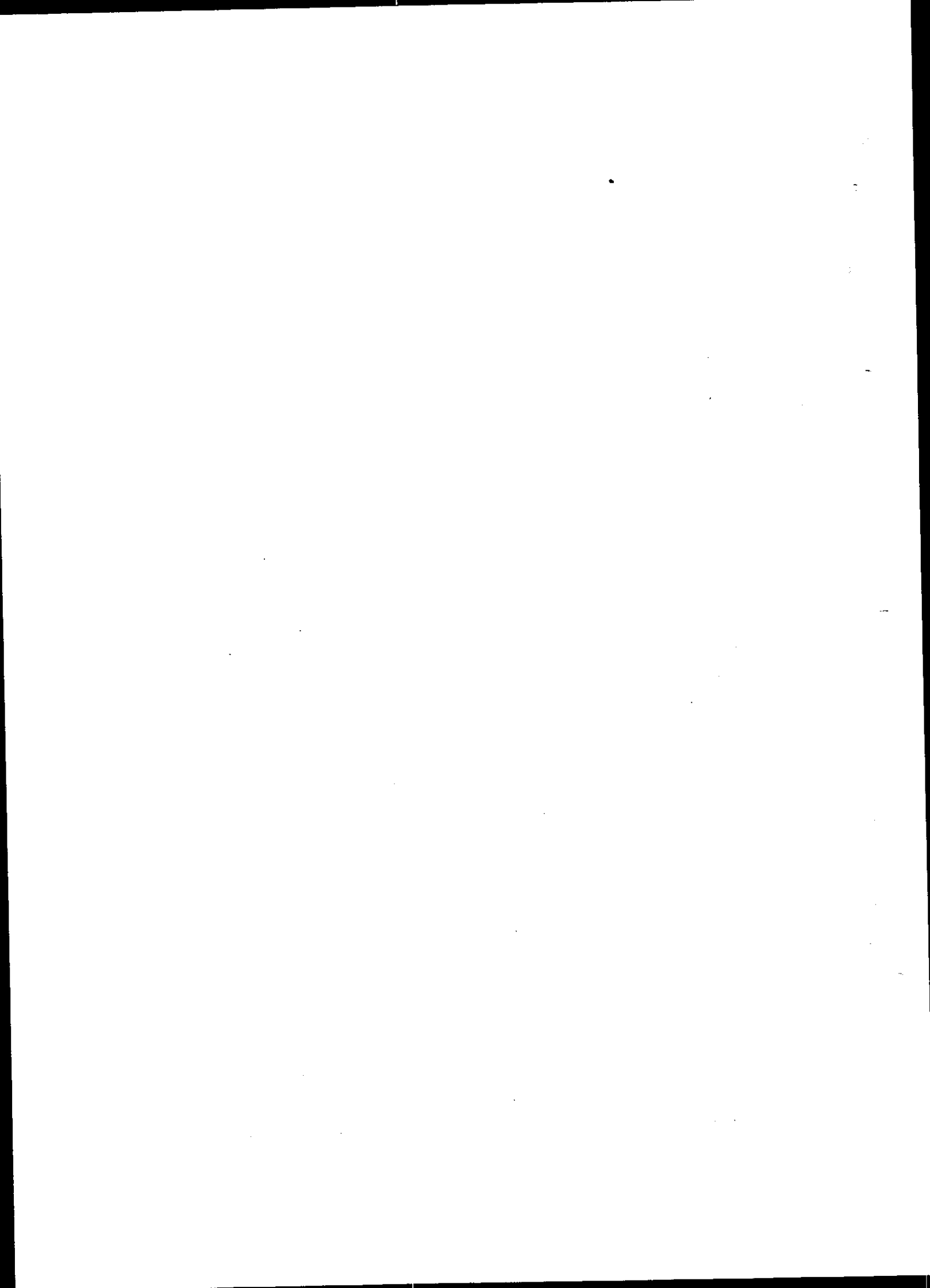


TABLE 9.1

PUBLIC AND PUBLICLY GUARANTEED EXTERNAL DEBT  
DISBURSED AND OUTSTANDING  
As on 31-12-1998 (Provisional)

Particulars	(US \$ million)		
	Disbursed and Outstanding Debt	Undisbursed Debt	Total Debt
<b>I. Consortium</b>			
1. Belgium	28.5	49.9	78.4
2. Canada	337.6	6.8	344.4
3. France	709.8	162.9	872.7
4. Germany	1,114.5	335.0	1,449.5
5. Italy	187.3	-	187.3
6. Japan	3,507.4	1,618.0	5,125.4
7. Netherlands	93.9	11.0	104.9
8. Norway	8.8	23.5	32.3
9. NORDIC	34.2	10.0	44.2
10. Sweden	91.1	9.7	100.8
11. UK	57.7	53.2	110.9
12. USA	2,524.6	20.7	2,545.3
<b>TOTAL (I)</b>	<b>8,695.4</b>	<b>2,300.7</b>	<b>10,996.1</b>
<b>II-Multilateral</b>			
1. ADB	5,052.4	1,675.3	6,727.7
2. IBRD	3,334.9	519.1	3,854.0
3. IDA	3,629.5	1,013.3	4,642.8
4. IFAD	122.8	74.3	197.1
5. IFC	0.7	-	0.7
6. Bank of Indosuez Singapore	2.5	-	2.5
7. NBP Bahrain	20.0	-	20.0
8. E.I. Bank	-	95.8	95.8
<b>TOTAL (II)</b>	<b>12,162.8</b>	<b>3,377.8</b>	<b>15,540.6</b>
<b>III. Non-Consortium</b>			
1. Spain	17.2	5.2	22.4
2. China	258.3	32.3	290.6
3. Denmark	19.1	-	19.1
4. Czechoslovakia	11.2	-	11.2
5. Romania	-	-	-
6. Austria	20.3	-	20.3
7. Russia	179.9	95.0	274.9
8. Switzerland	56.8	0.5	57.3
9. Finland	5.2	-	5.2
10. Australia (Wheat Board)	42.3	147.9	190.2
11. Korea	640.1	2.7	642.8
<b>TOTAL (III)</b>	<b>1,250.4</b>	<b>283.6</b>	<b>1,534.0</b>
<b>IV. Islamic Countries</b>			
1. Kuwait	54.0	79.7	133.7
2. Libya	18.4	-	18.4
3. UAE	55.7	-	55.7
4. Saudi Arabia	68.6	35.4	104.0
5. OPEC Fund	39.0	27.4	66.4
6. IDB	81.1	67.8	148.9
7. Oman	7.5	-	7.5
<b>TOTAL (IV)</b>	<b>324.3</b>	<b>210.3</b>	<b>534.6</b>
<b>TOTAL (I+II+III+IV)</b>	<b>22,432.9</b>	<b>6,172.4</b>	<b>28,605.3</b>

Source: Economic Affairs Division

TABLE 9.2

## COMMITMENTS AND DISBURSEMENTS OF LOANS AND GRANTS (BY TYPE)

										(US \$ million)	
		Project Aid		Non-Project Aid				Relief		Total	
		Commit-	Disburse-	Non Food		Food		BOP		Commit-	Disburse-
		ments	ments	Commit-	Disburse-	Commit-	Disburse-	Commit-	Disburse-	ments	ments
				ments	ments	ments	ments	ments	ments		
<u>I. Pre-Plan</u>											43
1951-52	43					94					106
1952-53	12					9					88
1953-54	70			9		16					100
1954-55	45			39		119					337
Sub-Total	170			48							
<u>II. 1st-Plan</u>											190
1955-56	91			67		32					130
1956-57	77			52		1					234
1957-58	137			62		35					285
1958-59	129			91		65					236
1959-60	93			103		40					1,075
Sub-Total	527	406 *	375	244 *	173	192 *					842 *
<u>III. 2nd-Plan</u>											479
1960-61	323	160	96	11	60	171					342
1961-62	238	202	126	8	65	94					429
1962-63	354	244	91	98	200	159					304
1963-64	345	267	85	130	96	144					645
1964-65	442	336	301	173	89	197					501
Sub-Total	1,702	1,209	699	420	510	765					526
<u>IV. 3rd Plan</u>											537
1965-66	369	367	109	109	59	57					533
1966-67	282	331	209	179	137	113					628
1967-68	210	401	194	146	157	182					623
1968-69	473	389	153	171	30	34					561
1969-70	248	323	216	158	91	83					729
Sub-Total	1,582	1,811	881	763	474	469					656
<u>V. Non-Plan</u>											555
1970-71	616	365	124	186	133	61					564
1971-72	72	281	6	79	65	49					555
1972-73	139	100	307	161	97	94					2,937
1973-74	425	170	94	181	139	117	610	30			3,043
1974-75	722	286	120	183	113	97	160	410			656
1975-76	534	389	241	155	146	160	30	360			594
1976-77	641	449	111	211	140	112	219	188			555
1977-78	613	516	206	143	73	95	71	102			2,937
Sub-Total	3,762	2,556	1,209	1,299	906	785	1,090	1,090			3,043

(Contd.)

TABLE 9.2

## COMMITMENTS AND DISBURSEMENTS OF LOANS AND GRANTS (BY TYPE)

(US \$ million)

	Project Aid		Non-Project Aid								Total	
	Commit- ments	Disburse- ments	Non-Food		Food		BOP		Relief		Commit- ments	Disburse- ments
			Commit- ments	Disburse- ments	Commit- ments	Disburse- ments	Commit- ments	Disburse- ments	Commit- ments	Disburse- ments		
<u>VI. 5th Plan</u>												
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
1980-8	591	676	182	103	73	66	16	16	111	111	973	972
1981-8:	887	536	320	174	110	89	10	10	293	293	1,620	1,102
1982-8:	1,115	744	174	299	120	80	-	-	178	178	1,587	1,301
Sub-Total	4,659	3,363	987	950	413	306	531	531	643	643	7,233	5,793
<u>VII. 6th Plan</u>												
1983-8:	1,580	695	166	149	88	177	-	-	155	155	1,989	1,176
1984-8:	1,804	903	161	125	196	79	-	-	150	150	2,311	1,257
1985-8:	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
1987-8:	1,903	1,223	390	219	230	218	-	-	164	164	2,687	1,824
Sub-Total	9,132	4,882	1,234	791	807	776	-	-	734	734	11,907	7,183
<u>VIII. 7th Plan</u>												
1988-8:	1,979	1,262	663	537	392	542	146 @	146	132	132	3,312	2,619
1989-9:	2,623	1,312	201	386	258	287	217 @	217	140	140	3,439	2,342
1990-9:	1,935	1,408	346	451	134	136	50	50	111	111	2,576	2,156
1991-9:	2,219	1,766	43	316	322	284	-	-	105	105	2,689	2,471
1992-9:	1,204	1,895	182	232	454	309	-	-	57	57	1,897	2,493
Sub-Total	9,960	7,643	1,435	1,922	1,561	1,558	413	413	545	545	13,913	12,081
<u>IX. 8th Plan</u>												
1993-9:	1,822	1,961	411	318	329	251	-	-	19	19	2,581	2,549
1994-9:	2,714	2,079	3	234	279	258	-	-	29	29	3,025	2,600
1995-9:	2,219	2,151	57	21	395	383	-	-	10	10	2,681	2,565
1996-9:	1,351	1,821	1	1	405	409	-	-	2	2	1,759	2,233
1997-9:	776	1,552	751	626	578	622	-	-	1	1	2,106	2,801
Sub-Total	8,882	9,564	1,223	1,200	1,986	1,923	-	-	61	61	12,152	12,748
<u>X. 9th Plan</u>												
1998-99 (E)	1,840	1,405	651	676	205	189	-	-	2	2	2,698	2,272
Grand Total	42,196	32,826	8,742	8,265	7,153	6,963	2,034	2,034	1,985	1,985	62,110	52,073
% of Total	67.9	63.0	14.1	15.9	11.5	13.4	3.3	3.9	3.2	3.8	100.0	100.0

- nil

Source: Economic Affairs Division

\* Disbursements during 1951-52 to 1959-60

@ IMF (SAF) Loan

(E) Estimated

TABLE 9.3

ANNUAL COMMITMENTS, DISBURSEMENTS, SERVICE PAYMENTS  
AND EXTERNAL DEBT OUTSTANDING

(US \$ million)

Year	Debt outstanding (end of period)		Transactions during period						Debt Servicing as % of		
	Dis- bursed	Undis- bursed*	Commit- ments	Disburse- ments	Service Payments**			Export Receipts	Foreign		
					Principal	Interest	Total		Exchange Earnings	GDP	
1960-61	171	..	479	342	11	6	17	14.9	..	0.4	
1961-62	225	..	429	304	20	11	31	27.2	..	0.7	
1962-63	408	..	645	501	34	13	47	22.4	..	1.0	
1963-64	661	..	526	541	44	18	62	27.4	..	1.2	
1964-65	1,021	..	832	706	37	25	62	25.9	..	1.1	
1965-66	1,325	..	537	533	41	33	74	29.2	..	1.1	
1966-67	1,696	..	628	623	52	44	96	35.2	..	1.3	
1967-68	2,099	..	561	729	62	46	108	31.2	..	1.3	
1968-69	2,532	..	656	594	93	65	158	44.3	..	1.8	
1969-70	2,959	..	555	564	105	71	176	52.1	..	1.8	
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	23.9	16.3	2.2	
1975-76	5,755	1,811	951	1,064	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	3,313 @	2,619	685	440	1,125	24.1	14.4	2.8	
1989-90	15,094	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	13.4	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	1,078	668	1,746	25.7	16.2	3.3	
1994-95	22,117	9,808	3,025	2,600	1,294	748	2,042	25.1	16.5	3.4	
1995-96	22,275	7,763	2,681	2,565	1,346	790	2,136	24.5	16.7	3.3	
1996-97	23,145	8,584	1,759	2,233	1,520	745	2,265	27.2	17.6	3.6	
1997-98	22,617	6,044	2,106	2,801	1,623	730	2,353	27.3	17.6	3.7	
1998-99 E	22,976	6,223	2,698	2,272	1,824	753	2,577	32.0	23.3	3.9	

Source: Economic Affairs Division

- .. not available  
 \* Exclusive of grant  
 \*\* Excludes interest on short term borrowings and IMF charges  
 @ Inclusive of IMF(SAF) Loan  
 E Estimated

TABLE 9.4

DEBT SERVICE PAYMENTS ON FOREIGN LOANS  
(Paid in foreign exchange)

Country	(US \$ million)								
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99 (Jul-Mar)
<b>I. CONSORTIUM</b>									
<b>1. Belgium</b>									
Principal	2.184	3.973	6.159	6.175	7.747	7.945	7.233	6.033	8.778
Interest	0.519	1.319	3.696	3.088	3.178	2.773	1.920	2.621	2.781
<b>2. Canada</b>									
Principal	12.058	17.958	27.934	40.060	35.592	37.213	26.821	23.680	39.140
Interest	2.130	3.666	4.627	4.673	3.882	3.949	3.858	2.774	4.695
<b>3. France</b>									
Principal	23.084	27.143	37.266	29.278	52.212	67.708	66.661	40.697	59.070
Interest	18.279	22.716	28.655	28.165	39.722	47.659	44.165	22.757	27.437
<b>4. Germany</b>									
Principal	61.308	83.385	80.641	89.238	107.781	112.143	107.998	58.662	108.501
Interest	27.057	47.237	42.954	40.419	44.253	43.487	34.999	17.507	39.064
<b>5. Italy</b>									
Principal	13.993	13.272	11.368	9.344	9.797	9.674	9.283	13.239	20.519
Interest	5.375	4.692	4.063	4.025	4.434	4.140	4.111	3.620	21.654
<b>6. Japan</b>									
Principal	77.717	92.086	113.299	134.769	166.826	181.428	167.078	169.558	112.265
Interest	66.964	70.222	82.308	96.227	114.136	104.946	97.918	98.308	66.673
<b>7. Netherland</b>									
Principal	11.655	12.382	19.026	12.976	16.603	13.789	14.076	12.273	14.124
Interest	6.106	5.664	6.202	5.358	4.418	5.073	4.143	3.102	3.068
<b>8. Norway</b>									
Principal	-	0.254	0.259	0.266	2.044	2.322	2.484	2.765	3.080
Interest	-	0.243	0.222	1.058	1.216	2.453	2.349	1.892	1.900
<b>9. Sweden</b>									
Principal	1.888	2.674	3.891	8.285	13.311	14.034	13.836	18.721	22.473
Interest	0.632	0.670	6.451	5.054	3.845	4.778	5.466	7.854	9.478
<b>10. UK</b>									
Principal	29.610	44.103	19.121	0.197	0.000	0.000	0.369	2.880	1.941
Interest	9.682	6.028	3.890	0.406	0.409	1.372	2.719	3.260	4.052
<b>11. USA</b>									
Principal	242.993	255.758	267.207	268.620	290.310	291.234	333.834	431.831	440.277
Interest	106.123	92.801	81.413	77.468	81.001	88.313	95.359	100.959	81.026
<b>TOTAL (I)</b>									
Principal	476.490	552.988	585.912	599.208	702.223	737.490	749.673	780.339	830.168
Interest	242.867	255.258	264.259	265.941	300.494	308.943	297.007	264.654	261.828
<b>II. FINANCIAL INSTITUTIONS</b>									
<b>1. ADB</b>									
Principal	72.369	89.292	114.355	129.039	158.331	174.253	194.591	200.636	96.644
Interest	94.353	106.585	122.031	137.192	160.608	180.519	142.960	138.966	80.645

Contd.

TABLE 9.4  
DEBT SERVICE PAYMENTS ON FOREIGN LOANS  
(Paid in foreign exchange)

Country	(US \$ million)								
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99 (Jul-Mar)
2.IBRD									
Principal	78.584	116.560	139.208	162.431	202.177	226.513	230.249	201.189	134.128
Interest	147.614	167.309	189.803	191.709	209.584	213.720	204.294	176.294	132.244
3.IDA									
Principal	20.755	22.058	25.045	28.950	33.108	37.468	41.444	45.713	38.536
Interest	16.045	16.843	18.466	20.146	22.848	24.981	25.492	26.330	20.115
4.IFC									
Principal	5.377	5.651	5.558	4.159	3.096	2.884	2.532	2.402	1.598
Interest	1.988	2.224	1.738	1.296	1.116	0.806	0.513	0.289	0.136
5.IFAD									
Principal	1.189	1.282	2.283	2.836	4.372	4.957	4.776	6.333	4.212
Interest	0.940	0.998	1.155	1.300	1.525	1.675	2.092	2.381	1.759
6.IMF Trust Fund									
Principal	2.720		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Interest	1.864	2.358	0.000	2.927	0.000	0.000	0.000	0.000	0.000
7.NDRDIC									
Principal	-	-	-	-	-	0.000	0.346	0.346	0.173
Interest	-	-	-	-	-	0.014	1.458	1.448	0.793
8. Bank of Indosuez									
Principal	-	-	-	-	-	-	-	13.055	-
Interest	-	-	-	-	-	-	-	4.819	-
TOTAL (II)									
Principal	180.994	234.843	286.449	327.415	401.084	446.075	473.938	469.674	275.291
Interest	262.804	296.317	333.273	354.570	395.681	421.715	376.809	350.527	235.692
III. NON-CONSORTIUM									
1. Australia									
Principal	-	3.807	26.744	40.708	20.263	4.982	64.360	186.972	163.275
Interest	-	0.390	1.966	1.871	0.919	0.421	3.001	9.551	6.445
2. Austria									
Principal	1.773	2.515	1.833	4.454	4.721	1.627	5.580	2.445	9.862
Interest	0.928	1.279	0.797	0.884	1.708	2.339	2.530	1.042	3.884
3. Bulgaria									
Principal	0.096	0.085	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Interest	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
4. China									
Principal	13.732	17.657	22.052	22.448	31.388	50.862	72.527	72.356	54.000
Interest	4.555	9.940	12.632	10.670	13.318	26.641	30.833	32.643	20.731
5. Czechoslovakia									
Principal	0.271	0.292	0.643	2.425	2.758	3.375	2.763	3.069	2.768
Interest	0.218	0.391	1.564	2.192	1.878	2.035	1.452	1.378	1.054
6. Denmark									
Principal	1.441	1.517	1.630	1.475	1.726	1.729	1.588	1.442	0.783
Interest	-	-	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Contd.



TABLE 9.4  
DEBT SERVICE PAYMENTS ON FOREIGN LOANS  
(Paid in foreign exchange)

Country	(US \$ million)								
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99 (Jul-Mar)
<b>7. East Germany</b>									
Principal	-	-	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Interest	-	-	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>8. Finland</b>									
Principal	0.320	1.110	1.709	1.839	1.839	2.184	1.839	1.838	1.838
Interest	0.447	0.213	0.020	0.012	0.207	1.224	0.007	0.006	0.004
<b>9. Korea</b>									
Principal	-	-	0.000	0.000	0.733	3.696	3.696	3.696	62.532
Interest	-	1.964	2.010	1.527	2.599	1.817	1.868	40.579	34.541
<b>10. Poland</b>									
Principal	-	-	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Interest	-	-	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>11. Romania</b>									
Principal	4.868	4.439	4.258	4.191	4.154	4.154	0.000	0.000	0.000
Interest	1.108	0.900	0.706	0.515	0.327	0.139	0.000	0.000	0.000
<b>12. Switzerland</b>									
Principal	1.573	1.801	2.141	2.841	3.091	9.323	8.400	5.915	15.780
Interest	1.322	2.242	3.262	4.012	4.759	4.905	4.894	3.096	5.015
<b>13. Yugoslavia</b>									
Principal	0.153	0.139	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Interest	0.014	0.010	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>14. USSR</b>									
Principal	32.076	33.932	23.580	31.107	41.011	21.205	41.333	26.363	4.049
Interest	7.214	12.018	14.896	15.028	12.154	8.028	9.788	6.733	0.500
<b>15. Singapore</b>									
Principal	-	-	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Interest	-	-	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>16. Spain</b>									
Principal	-	-	0.000	0.000	0.000	0.000	2.935	5.006	3.377
Interest	-	-	0.000	0.000	0.000	0.000	1.777	2.316	1.577
<b>TOTAL (III)</b>									
Principal	56.303	67.294	84.849	111.488	111.684	103.137	205.021	309.102	318.264
Interest	15.847	29.347	38.075	36.711	37.868	47.549	56.151	97.344	73.751
<b>IV. ISLAMIC COUNTRIES</b>									
<b>18. Bahrain</b>									
Principal	-	-	0.000	0.000	0.000	0.000	10.000	10.000	5.000
Interest	-	-	0.000	0.000	0.000	0.000	3.656	2.905	1.096
<b>21. Iran</b>									
Principal	13.636	13.636	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Interest	0.606	0.596	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Contd.

TABLE 9.4

DEBT SERVICE PAYMENTS ON FOREIGN LOANS  
(Paid in foreign exchange)

Country	(US \$ million)								
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99 (Jul-Mar)
3.Libya									
Principal	1.881	1.818	1.866	1.564	0.000	0.000	6.158	1.416	0.000
Interest	0.427	0.390	0.363	0.310	0.000	0.000	1.419	0.209	0.079
4.Kuwait									
Principal	8.009	11.645	7.781	7.827	9.302	7.759	7.703	7.016	5.829
Interest	3.051	2.171	2.378	2.732	2.496	2.325	2.121	3.812	1.565
5.Qatar									
Principal	-	-	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Interest	-	-	0.000	0.000	0.000	0.000	0.000	0.000	0.000
6.Oman									
Principal	-	-	-	0.103	2.500	2.500	4.270	1.250	3.750
Interest	-	-	-	0.707	1.136	0.914	0.384	0.102	0.964
7.Saudi Arabia									
Principal	20.714	11.808	11.885	9.308	13.874	14.877	14.653	13.078	7.770
Interest	2.843	2.538	2.395	2.222	2.185	1.965	1.732	1.351	0.565
8.UAE									
Principal	7.417	7.414	6.508	7.413	7.413	6.686	4.606	5.606	8.212
Interest	4.261	4.027	3.791	3.640	3.323	3.115	2.916	2.746	4.633
9.OPEC Fund									
Principal	5.381	5.947	6.097	6.108	6.771	6.912	15.480	8.770	7.681
Interest	0.383	0.377	0.355	0.335	0.423	0.501	0.884	0.948	0.499
10.IO8									
Principal	11.606	13.163	7.212	7.433	16.433	4.995	7.030	16.947	35.772
Interest	0.726	0.865	0.826	0.811	2.225	0.465	0.867	5.713	7.847
11.Malaysia									
Principal	-	-	0.000	0.000	22.319	16.011	21.702	0.000	0.000
Interest	-	-	0.000	0.000	2.086	2.804	1.122	0.000	0.000
TOTAL (IV)									
Principal	68.644	65.431	41.349	39.756	78.612	59.740	91.602	64.083	74.014
Interest	12.297	10.964	10.373	10.757	13.874	12.089	15.101	17.786	77.298
GRAND TOTAL (I + II + III + IV)									
Principal	782.431	920.556	998.559	1078.000	1293.603	1346.442	1520.234	1623.198	1497.737
Interest	533.815	591.886	648.980	668.000	747.917	790.296	745.067	730.311	588.569

Source: Economic Affairs Division

- ml

TABLE 9.5

## GRANT ASSISTANCE AGREEMENTS SIGNED

	(US \$ million)								
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99 (Jul-Mar)
<u>I. Consortium including outside</u>									
<u>Consortium arrangements:</u>									
1. Canada	5.6	4.2	-	-	46.3	14.2	-	0.2	4.3
2. Germany	11.5	20.5	4.9	63.1	21.8	-	48.8	10.6	1.8
3. Japan	13.1	68.8	94.3	25.5	100.4	65.2	34.5	40.1	0.6
4. Netherlands	25.7	31.7	26.9	26.4	31.1	5.1	15.7	-	21.3
5. New Zealand	-	-	-	-	-	-	-	-	-
6. Norway	7.3	24.7	5.9	6.4	8.1	3.3	1.5	-	1.7
7. Sweden	-	-	-	0.2	-	-	-	-	-
8. Australia	-	2.7	-	-	2.2	-	-	-	-
9. Switzerland	-	-	7.3	3.2	4.8	-	3.5	5.2	-
10. UK	-	-	8.1	25.7	38.6	20.6	7.2	2.8	97.2
11. USA(Outside Package)	-	-	-	4.6	1.9	-	1.9	1.9	1.0
Package Aid	-	-	-	-	-	-	-	-	-
12. UN and Special- ised agencies	1.7	26.4	-	-	6.8	5.0	1.2	-	-
13. UNDP Spécial Grant	24.2	27.0	24.7	17.5	11.0	7.6	5.2	7.7	-
14. EEC	-	22.5	-	6.0	28.0	57.4	28.7	22.6	93.2
15. World Food Programme	-	38.5	-	41.2	-	-	-	-	-
16. Italy	-	5.3	-	1.1	-	1.2	-	-	-
17. France	-	1.0	-	-	-	-	-	-	-
Sub-Total (I)	89.1	273.3	172.1	220.9	301.0	179.6	148.2	91.1	221.1
<u>II. Non Consortium</u>									
1. Austria	-	-	-	2.3	-	-	-	-	-
2. China	-	-	-	-	-	-	6.0	6.0	-
3. Spain	-	-	-	-	-	13.7	-	-	-
Sub-Total (II)	-	-	-	2.3	-	13.7	6.0	6.0	-
<u>III. Islamic Countries</u>									
1. Iran	75.0	-	-	-	-	-	-	-	-
2. UAE	50.0	-	-	-	-	-	-	-	-
Sub-Total (I+II+III)	214.1	273.3	172.1	223.2	-	-	154.2	97.1	221.1
<u>IV. Relief Assistance for</u>									
Afghan Refugees	111.5	105.0	56.7	18.6	28.9	10.3	1.4	1.2	0.9
Total (Grants)	325.6	378.3	228.8	241.8	329.9	203.6	155.6	98.3	222.0

- nil

Source: Economic Affairs Division

FAC: Food Aid Convention

EEC: European Economic Community

TABEL 9.6

## TOTAL LOANS AND CREDITS CONTRACTED

(US \$ million)

Lending Country/Agency	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99 (Jul-Mar)
<b>A. Consortium including</b>									
<b>outside consortium</b>									
<b>arrangements:</b>									
<b>(a) Bilateral:</b>									
1. Belgium	-	14.0	-	12.1	-	6.8	-	-	38.3
2. Canada	-	30.6	51.2	-	31.9	-	-	36.8	12.0
3. France	111.1	208.7	120.8	90.6	69.2	47.3	27.7	-	-
4. Germany	145.6	31.8	102.0	224.6	7.6	96.5	148.3	30.5	10.1
5. Italy	-	60.2	-	-	-	-	-	-	-
6. Japan	300.0	310.2	142.3	730.7	676.4	537.7	388.5	250.0	600.0
7. Netherlands	-	-	8.3	-	-	-	-	-	11.0
8. Norway	13.0	27.4	-	1.4	4.6	1.7	2.7	21.3	-
9. Sweden	-	63.1	-	11.2	10.0	31.9	-	-	-
10. NDRDIC Inv. Bank	-	-	-	26.2	10.5	10.1	-	-	-
11. UK	-	-	-	-	-	-	-	-	57.4
12. USA	133.3	238.0	327.0	200.0	235.0	350.0	428.6	305.0	-
Sub-Total (a)	703.0	984.0	751.6	1296.8	1045.2	1082.0	995.8	643.6	728.8
<b>(b) Multilateral:</b>									
1. IBRD	428.1	180.0	-	150.0	696.0	385.0	-	250.0	350.0
2. IFC	-	-	-	-	-	-	-	-	-
3. IDA	249.0	199.5	353.9	397.5	233.3	69.7	106.3	535.2	-
4. AD8	706.4	691.1	403.1	368.9	415.3	635.4	400.2	289.9	509.6
5. IFAD	25.4	16.6	14.6	-	31.7	-	15.7	14.4	-
6. EIB *	-	-	-	-	47.9	30.1	-	23.0	-
Sub-Total (b)	1408.9	1087.2	771.6	916.4	1424.2	1120.2	522.2	1112.5	859.6
Sub-Total A (a+b)	2111.9	2071.2	1523.2	2213.2	2469.4	2202.2	1518.0	1756.1	1588.4

\* European Investment Bank

(..Contd.)

TABLE 9.6

## TOTAL LOANS AND CREDITS CONTRACTED

Lending Country/Agency	(US \$ million)								
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1988-99 Jul-Mar
<b>B. Non-Consortium:</b>									
1. Austria	-	13.5	-	-	3.0	-	-	-	-
2. Australia	-	53.5	101.4	-	10.0	45.0	85.0	236.1	188.8
3. Bulgaria	-	-	-	-	-	-	-	-	-
4. China	75.6	9.2	-	9.2	124.5	80.0	-	-	-
5. Switzerland	-	-	7.8	-	-	45.0	-	-	-
6. Spain	-	-	-	-	-	71.6	-	-	-
7. Korea	-	17.8	20.7	-	-	-	-	-	-
Sub-Total (B)	75.6	94.0	129.9	9.2	137.5	241.6	85.0	236.1	188.8
<b>C. Islamic Countries:</b>									
1. Malaysia	-	-	-	100.0	-	-	-	-	-
2. Kuwait	20.8	-	-	16.9	-	33.5	-	-	29.8
3. Saudi Arabia	13.4	-	-	-	14.5	-	-	-	-
4. OPEC Fund	9.0	8.0	-	-	8.5	-	-	16.0	-
5. Islamic Dev. Bank	19.6	4.9	15.5	-	65.0	-	-	-	41.9
Sub-Total (C)	62.8	12.9	15.5	116.9	88.0	33.5	-	16.0	71.7
<b>D. IMF Trust Fund</b>									
Grand Total	2250.3	2178.1	1668.6	2339.3	2694.9	2477.3	1603.0	2008.2	1848.9

- nil

Source: Economic Affairs Division

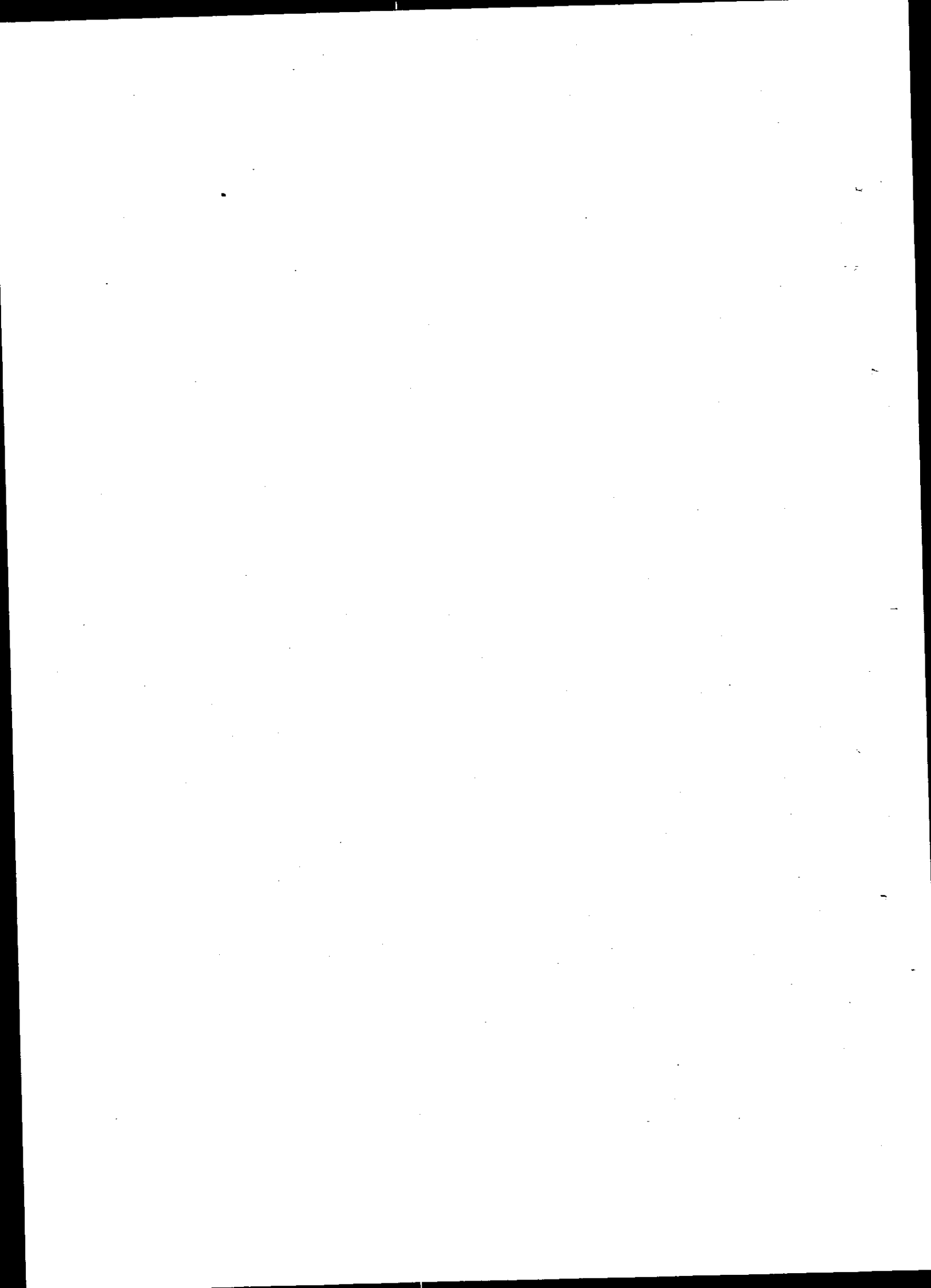


TABLE 10.1

## NUMBER OF EDUCATIONAL INSTITUTIONS BY KIND, LEVEL AND SEX

													Numbers
	Primary School		Middle Schools		High Schools		Secondary Vocational Institutions		Arts and Science Colleges		Professional Colleges		Univer- sities
	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total
1990-91	114,142	31,124	8,761	3,446	8,210	2,050	725	345	612	222	99	8	22
1991-92	112,379	31,591	9,041	3,537	8,374	2,063	608	311	633	233	139	9	23
1992-93	130,596	38,080	11,808	5,055	8,724	2,713	602	316	649	243	147	9	23
1993-94	134,050	39,987	12,126	5,194	9,181	2,924	474	218 R	651 R	248 R	165 R	10 R	25 R
1994-95	139,634	41,967	12,571	5,562	9,518	3,102	487	221 R	678 R	257 R	167 R	10 R	25 R
1995-96	143,130	43,434	13,330	5,719	9,542	3,105	497	224 R	715 R	276 R	261 R	16 R	25 R
1996-97 P	149,661	42,042	14,487	5,760	9,858	3,169	496	226	735	285	265	16	25
1997-98 P	156,545	43,303	15,747	5,800	10,183	3,232	498	226	735	285	265	16	26 *
1998-99 P	163,746	44,602	17,007	5,841	10,519	3,297	498	226	735	285	265	16	26 *

R: Revised

P: Provisional

\* Including one Female University

TABLE 10.2

## ENROLMENT IN EDUCATIONAL INSTITUTIONS BY KIND, LEVEL AND SEX

Year	Primary Stage (I-V) (000 No)		Middle Stage (VI-VIII) (000 No)		High Stage (IX-X) (000 No)		Secondary Vocational (000 No)		Arts and Science Colleges (000 No)		Professional Colleges (Number)		Universities (Number)	
	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female
1990-91	11,837	3,675	2,821	842	1,004	285	90	19	630	211	75,786	18,902	61,857	11,667
1991-92	11,736	3,714	2,981	858	1,079	295	90	21	679	232	109,608	22,543	65,944	12,727
1992-93	12,726	4,596	3,040	994	1,168	357	93	24	703	251	76,726	14,125	68,301	14,856
1993-94	13,288	5,055	3,305	1,123	1,315	421	84	18 R	675 R	249 R	99,197 R	25,705 R	77,119 R	19,342
1994-95	14,264	5,638	3,816	1,347	1,525	514	86	15 R	704 R	276 R	100,969 R	27,715 R	80,651 R	21,174
1995-96	14,527	5,702	3,605	1,270	1,447	480	83	14 R	734 R	299 R	128,621 R	33,403 R	82,955 R	23,105
1996-97 R	15,395	6,156	3,726	1,357	1,521	520	85	14	760	317	135,274	34,320	91,883	25,050
1997-98 P	16,319	6,648	3,853	1,451	1,599	563	85	14	760	317	135,680	34,422	93,608	25,550
1998-99 P	17,298	7,180	3,984	1,551	1,680	610	85	14	760	317	135,680	34,422	93,608	25,550

P: Provisional

R: Revised

TABLE 10.3

NUMBER OF TEACHERS IN EDUCATIONAL INSTITUTIONS IN PAKISTAN,  
BY KIND, LEVEL AND SEX

	Primary Schools (Thousands)		Middle Schools (Thousands) *		High Schools (Thousands)		Secondary Voca- tional Institutions (Number)		Arts and Science Colleges (Number)		Professional Colleges (Number)		Universities (Number)	
	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female
1990-91	277.8	92.7	84.1	32.0	152.5	43.9	7,402	2,566	20,792	7,277	4,544	901	4,744	640
1991-92	293.5	94.9	87.5	33.7	157.0	45.6	6,703	2,677	20,548	7,447	5,661	1,028	4,926	674
1992-93	299.0	96.3	71.8	31.8	123.6	38.2	9,153	2,605	20,672	7,644	4,520	927	5,728	747
1993-94	322.0	109.6	80.4	39.9	170.8	55.3	7,965 R	1,603 R	21,885 R	7,945 R	6,494 R	1,381 R	5,217 R	918 R
1994-95	334.0	114.5	86.4	38.4	175.8	65.7	6,949 R	1,708 R	22,821 R	8,159 R	6,650 R	1,355 R	5,316 R	939 R
1995-96	331.0	109.3	94.3	37.8	160.0	48.8	7,045 R	1,799 R	24,923 R	9,142 R	7,431 R	1,503 R	5,417 R	927 R
1996-97 R	322.9	111.8	84.7	38.9	160.7	53.1	7,049	1,825	24,963	9,202	7,698	1,561	5,162	919
1997-98 R	342.8	114.4	92.4	40.0	161.3	57.8	7,072	1,830	24,963	9,202	7,743	1,569	6,998	952
1998-99 P	374.5	117.0	100.8	41.2	162.0	63.0	7,045	1,799	24,963	9,202	7,743	1,569	6,998	952

.. Not available

R: Revised

P: Provisional

Note: Mosque Schools are included in Primary Schools.

1. Central Bureau of Education, Ministry of Education was responsible for data on education system in the country till its abolition in 1993. Thereafter the responsibility of data collection was transferred to the Provinces and Academy of Educational Planning and Management.

Source: 1. Data from 1990-91 to 1991-92, Ministry of Education, Federal Bureau of Statistics.

2. Federal Education Management Information System (Fed EMIS) is responsible for the Data of Primary, Middle and High Schools from 1992-93 to 1998-99.

3. The data for Secondary Vocational Institutions, Arts and Science Colleges, Professional Colleges and Universities onward from 1992-93 has been compiled by the Federal Bureau of Statistics.

4. The data for Secondary vocational institutions, Arts and Science Colleges, Professional Colleges, from 1996-97 to 1998-99 is Provisional.



TABLE 11.1

NATIONAL MEDICAL AND HEALTH ESTABLISHMENTS (Progressive)  
(Calendar Year Basis)

Year	Hospitals	Dispensaries	BHUs Sub Health Centres	Maternity & Child Health Centres	Rural Health Centres	TB Centres	Total Beds	(Number)
								Population per Bed
1990	756	3,795	4,213	1,050	459	220	72,997	1,480
1991	776	3,993	4,414	1,057	465	219	75,805	1,461
1992	778	4,095	4,526	1,055	470	228	76,938	1,476
1993	799	4,206	4,663	849 *	485	233	80,047	1,455
1994	822	4,280	4,902	853 *	496	242	84,883	1,406
1995	827	4,253	4,986	859 *	498	260	85,805	1,426
1996	858	4,513	5,143	853 *	505	262	88,454	1,417
1997	865	4,523	5,121	853 *	513	262	89,929	1,428
1998	872	4,551	5,155	852 *	514	263	90,659	1,450

\* The decrease in MCH since 1993 as against last year is due to exclusion/separation of family welfare centres from MCH structure in NWFP

Source: Ministry of Health

TABLE 11.2

REGISTERED MEDICAL AND PARAMEDICAL PERSONNEL (Progressive)  
AND EXPENDITURE ON HEALTH  
(Calendar Year Basis)

Year	Regis- tered Doctors ***	Regis- tered Dentists ***	Regis- tered Nurses ***	Register- ed Mid- wives	Register- ed Lady Health Visitors	Population per			Expenditure (Mn. Rs) ^	
						Doctor	Dentist	Nurse	Develop- ment	Non-Deve- lopment
						^	^	^	^	^
1990	51,883	2,077	16,948	15,009	3,106	2,082	52,017	6,374	2741.00	4997.00
1991	55,572	2,193	18,150	16,299	3,463	1,993	50,519	6,104	2402.00	6129.65
1992	60,042	2,279	19,389	17,678	3,796	1,892	49,850	5,859	2152.31	7452.31
1993	63,003	2,401	20,245	18,641	3,920	1,848	48,508	5,753	2875.00	7680.00
1994	66,196	2,589	21,419	19,759	4,107	1,803	46,114	5,574	3589.73	8501.00
1995	69,691	2,751	22,299	20,910	4,185	1,755	44,478	5,487	5741.07	10613.75
1996	74,229	2,938	24,776	21,662	4,407	1,689	42,675	5,060	6485.40	11857.43
1997	78,470	3,159	28,661	21,840	4,589	1,636	40,652	4,480	6076.60	13586.91
1998	82,682	3,444	32,938	22,103	4,959	1,590	38,185	3,992	5491.81	15315.86

^ Expenditure figures are for respective financial years (1998=1998-99)

Source: 1. Ministry of Health

\*\*\* Registered with Pakistan Medical and Dental Council and Pakistan Nursing Council.

2. Planning & Development Division

TABLE 11.3

DATA ON EXPANDED PROGRAMME OF IMMUNIZATION  
VACCINATION PERFORMANCE (0-4 YEARS)  
(Calendar Year Basis)

Vaccine/dose.	1977-91	1992	1993	1994	1995	1996	1997	1998
B.C.G.	43,919,014	4,493,204	4,386,566	4,092,494	3,448,380	4,841,421	4,804,197	4,950,658
POLIO 0	-	983,027	945,422	1,150,751	1,006,578	1,372,479	1,522,005	1,605,409
I	50,119,823	4,487,009	4,386,104	4,232,616	3,674,893	4,797,043	4,738,990	4,757,494
II	39,599,959	4,082,924	2,952,446	3,730,368	3,140,562	4,282,053	4,220,589	4,203,668
III	31,404,805	3,772,438	3,685,900	3,465,714	2,844,617	3,994,281	3,947,036	3,973,201
IV	-	-	-	-	291,470	-	-	-
BR	9,905,195	1,460,284	915,611	308,150	255,728	142,538	91,503	68,541
D.P.T	32,257,418	4,367,523	4,307,513	4,091,294	3,638,808	4,805,075	4,739,559	4,698,422
I	27,824,900	3,997,160	3,891,586	3,646,715	3,125,084	4,294,106	4,212,948	4,162,716
II	25,785,231	3,756,121	3,685,555	3,406,264	2,875,692	4,012,259	3,935,580	3,831,296
III	6,386,637	1,182,141	717,090	264,550	225,421	136,804	89,295	63,407
BR	23,112,062	3,593,438	3,311,162	3,231,954	2,871,196	3,829,804	3,732,952	3,861,395
T.T	15,859,646	2,906,551	2,625,322	2,510,437	2,234,115	3,041,824	2,911,654	3,037,436
I	-	745,968	672,158	714,445	750,536	987,924	1,097,745	1,025,006
II	-	87,673	223,831	240,261	239,625	401,361	446,040	425,544
III	-	13,454	86,176	97,277	99,994	166,413	250,960	219,993
IV	-	-	-	-	-	-	-	-
V	-	-	-	-	-	-	-	-
MEASLES	28,047,403	4,003,305	3,818,546	3,690,315	2,991,394	4,427,778	4,242,400	4,149,778

Source: Ministry of Health

Nil  
B.C.G. Bacillus + Calamus + Guerin  
D.P.T. Diphtheria + Perussis + Tetanus  
T.T. Tetanus Toxoid  
B.R. Booster

TABLE 11.4

## DOCTOR CONSULTING FEE IN VARIOUS CITIES

Period	Faisal- abad	Gujran- wala	Hyder- abad	Islam- abad	Karachi	Lahore	Pesha- war	Quetta	Rawal- pindi	Sukkur	Average
November 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
" 96	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

Source: Federal Bureau of Statistics, Monthly Statistical Bulletins.

TABLE 12.1

## POPULATION

Census Years	Popu- lation (mln)	Labour Force Partici- pation Rate(%)	Civilian Labour Force (mln)	Emp- loyed Total (mln)	Crude	Crude	Infant	Life Expectancy		Com- pound growth rate
					Birth Rate {...per 1000 persons}	Death Rate	Mortali- ty Rate	at birth (years)		
								Male	Female	
1981	84.87	27.57	25.78	24.70	43.30	11.80	..	..	..	3.06
1991	110.79	27.97	30.99	29.04	..	..	107.70	59.30	60.70	2.54
1992	113.61	28.11	31.94	30.07	..	..	108.00	59.30	60.70	2.54
1993	116.47	27.86	32.45	30.92	..	..	100.90	59.30	60.70	2.52
1994	119.39	27.88	33.29	31.68	..	..	..	59.30	60.70	2.51
1995	122.36	27.46	33.60	31.80	..	..	..	62.40	62.10	2.49
1996	125.38	27.46	34.43	32.58	35.10	8.70	85.50	62.90	62.10	2.47
1997	128.42	28.69	36.84	34.59	..	..	..	63.00	62.50	2.42
1998	131.51	28.69	37.73	35.42	32.70	9.10	..	63.10	63.00	2.41
1999	134.51	28.69	38.59	36.23	..	..	..	63.00	63.00	2.28

.. not available

Note: Population have been estimated as on 30th June of the year

## SOURCES:

- (1) Population: Population Census Organisation, Planning Commission and Demographic Survey 1991 and 1996-97.
- (2) Labour Force Participation Rate: Labour Force Surveys Population Census of Pakistan 1998
- (3) Infant Mortality Rate/ Life expectancy at birth: Pakistan Demographic Surveys, Federal Bureau of Statistics and Planning Commission
- (4) Crude Birth Rate/ Crude Death Rate: Population Census of Pakistan 1981 and 1998. Pakistan Demographic Survey 1996-97

TABLE 12.2

## POPULATION AND ITS GROWTH BY SEX AND RURAL/URBAN AREAS

Census	(Population 000)				
	All Areas	Rural areas	Urban areas	Male	Female
1981	84,870	60,850	24,020	44,550	40,320
1990	108,040	75,500	32,540	56,320	51,720
1991	110,790	77,170	33,620	57,720	53,070
1992	113,610	78,770	34,840	59,150	54,460
1993	116,470	80,330	36,140	60,000	55,870
1994	119,390	81,880	37,510	62,100	57,290
1995	122,360	83,470	38,890	63,610	58,750
1996	125,380	85,130	40,250	65,150	60,230
1997	128,420	86,890	40,530	66,710	61,710
1998	131,510	88,600	42,910	68,290	63,220
1999	134,510	90,130	44,380	69,810	64,700

.. not available

Source: 1. Population Census Organization  
2. Planning Commission, Islamabad

Note: Population Census were conducted in February 1951, January 1961, September 1972, and March 1981 and 1998. Population have been estimated as on 30th June of the Year.

TABLE 12.3  
POPULATION BY SEX, URBAN/RURAL AREAS, 1972, 1981 AND 1998 CENSUS

Region/ Province	Population*									Density (Per sq. km)
	Total			Urban			Rural			
	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female	
<u>1972 CENSUS</u>										
PAKISTAN	65310	34833	30476	16594	9027	7567	48716	25806	22909	82
Islamabad	235	130	105	77	46	31	158	84	74	259
Punjab	37610	20210	17400	9183	4977	4206	28428	15234	13194	183
Sind	14156	7574	6582	5726	3131	2595	8430	4443	3987	100
NWFP	8389	4363	4026	1196	647	549	7193	3716	3477	113
Baluchistan	2429	1290	1139	399	218	181	2029	1071	958	7
FATA	2491	1266	1225	13	8	5	2478	1258	1220	92
<u>1981 CENSUS</u>										
PAKISTAN	84253	44232	40021	23841	12767	11074	60412	31465	28947	106
Islamabad	340	185	155	204	113	91	136	72	64	376
Punjab	47292	24860	22432	13052	6952	6100	34241	17909	16332	230
Sind	19029	9999	9030	8243	4433	3810	10786	5566	5220	135
NWFP	11061	5761	5300	1665	898	767	9396	4863	4533	148
Baluchistan	4332	2284	2048	677	371	306	3655	1913	1742	13
FATA	2199	1143	1056	..	..	..	2199	1143	1056	81
<u>1998 CENSUS</u>										
PAKISTAN	130579	67840	62739	42458	22419	20039	88121	45421	42700	164
Islamabad	799	430	369	524	287	237	274	142	132	882
Punjab	72585	37509	35076	22699	11888	10811	49886	25620	24266	353
Sind	29991	15823	14168	14662	7792	6869	15329	8030	7299	213
NWFP	17555	8963	8592	2973	1573	1400	14582	7390	7192	236
Baluchistan	6511	3481	3030	1516	833	683	4995	2648	2347	19
FATA	3138	1635	1503	83	45	38	3055	1590	1465	115

Source: Population Census Organization.

.. not available.

\* This population does not include the population of AJK and Northern Areas.

TABLE 12.4

## POPULATION BY AGE, SEX URBAN/RURAL AREAS 1981 AND 1998 CENSUS

(In thousands)

Age (inyears)	Total			Urban			Rural		
	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female
<b>1981</b>									
All ages	84,253	44,232	40,021	23,841	12,767	11,074	60,412	31,465	28,947
0-4	12,911	6,365	6,546	3,579	1,813	1,766	9,332	4,552	4,780
5-9	13,494	6,992	6,502	3,552	1,839	1,713	9,942	5,153	4,789
10-14	11,092	6,012	5,080	3,119	1,653	1,466	7,973	4,359	3,614
15-19	7,971	4,304	3,667	2,540	1,365	1,175	5,491	2,939	2,492
20-24	6,395	3,356	3,039	2,108	1,159	950	4,287	2,198	2,089
25-29	5,626	2,968	2,658	1,719	943	776	3,907	2,025	1,882
30-34	4,741	2,451	2,290	1,391	757	634	3,350	1,694	1,656
35-39	4,309	2,177	2,132	1,276	668	608	3,033	1,509	1,524
40-44	3,969	1,989	1,980	1,132	606	526	2,837	1,383	1,454
45-49	3,158	1,653	1,505	882	490	392	2,276	1,163	1,113
50-54	3,045	1,681	1,364	796	459	337	2,249	1,222	1,027
55-59	1,654	882	772	424	242	182	1,230	640	590
60-64	2,276	1,334	942	549	327	222	1,727	1,007	720
65-69	1,013	570	443	232	135	97	781	435	346
70-74	1,193	696	497	261	152	109	932	544	388
75 and above	1,406	802	604	281	160	121	1,125	642	483
<b>1998</b>									
All ages	127,442	66,205	61,237	85,066	43,830	41,236	42,375	22,374	20,001
0-4	18,611	9,488	9,123	13,241	6,789	6,452	5,370	2,700	2,670
5-9	19,944	10,376	9,568	14,083	7,401	6,682	5,861	2,975	2,886
10-14	16,487	8,681	7,805	11,053	5,905	5,148	5,435	2,777	2,658
15-19	13,194	6,781	6,413	8,474	4,377	4,097	4,720	2,404	2,316
20-24	11,491	5,766	5,725	7,309	3,554	3,755	4,182	2,212	1,970
25-29	9,565	4,964	4,601	5,986	2,942	30,044	3,579	2,022	1,557
30-34	8,103	4,330	3,773	4,981	2,535	2,446	3,122	1,796	1,326
35-39	6,144	3,278	2,866	3,770	1,941	1,829	2,374	1,337	1,037
40-44	5,641	2,848	2,793	3,583	1,747	1,836	2,058	1,101	957
45-49	4,494	2,294	2,200	2,965	1,479	1,486	1,529	815	714
50-54	4,080	2,151	1,929	2,754	1,446	1,308	1,326	705	621
55-59	2,698	1,449	1,249	1,837	978	859	861	471	390
60-64	2,618	1,406	1,212	1,837	988	849	781	418	363
65-69	1,509	828	681	1,062	585	477	447	243	204
70-74	1,354	744	610	993	547	446	361	197	164
75 and above	1,505	817	688	1,135	616	519	370	201	169

Note: Data pertaining 1981 includes FATA and excludes in 1998

Source: Population Census Organization.

TABLE 12.5  
 ENUMERATED POPULATION OF PAKISTAN BY PROVINCE, LAND AREA  
 AND PERCENTAGE DISTRIBUTION 1951-1998

Province	Area Sq km	Population (In thousand)				
		1951	1961	1972	1981	1998*
PAKISTAN	796,095 (100.0)	33,816 (100.0)	42,978 (100.0)	65,321 (100.0)	84,253 (100.0)	130,579 (100.0)
NWFP	74,521 (9.4)	4,587 (13.6)	5,752 (13.4)	8,392 (12.8)	11,061 (13.1)	17,555 (13.4)
FATA	27,220 (3.4)	1,337 (3.9)	1,847 (4.3)	2,491 (3.8)	2,199 (2.6)	3,138 (2.4)
Punjab	205,344 (25.8)	20,557 (60.8)	25,500 (59.3)	37,612 (57.6)	47,292 (56.1)	72,585 (55.6)
Sind	140,914 (17.7)	6,054 (17.9)	8,374 (19.5)	14,158 (21.7)	19,029 (22.6)	29,991 (23.0)
Baluchistan	347,190 (43.6)	1,187 (3.5)	1,385 (3.2)	2,433 (3.7)	4,332 (5.1)	6,511 (5.0)
Islamabad	906 (0.1)	94 (0.3)	120 (0.3)	235 (0.4)	340 (0.4)	799 (0.6)

Source: Population Census Organisation

\* Provisional Estimates of 1998 Population Census  
 Note: Percentage distribution is given in parentheses.

TABLE 12.6  
LITERACY RATIOS OF POPULATION BY SEX, REGION AND  
URBAN/RURAL AREAS, 1998 AND 1981 CENSUS

Sex	Total			Urban			Rural		
	1998	1981	1981	1998	1981	1981	1998	1981	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
<b>PAKISTAN</b>									
Both Sexes	42.7	45.0	26.2	62.9	64.7	47.1	31.6	34.4	17.3
Male	55.3	56.5	35.0	72.1	72.6	55.3	45.4	47.4	26.2
Female	29.0	32.6	16.0	51.9	55.6	37.3	17.3	20.8	7.3
<b>ISLAMABAD</b>									
Both Sexes	67.2	69.0	51.7	73.9	75.2	63.3	52.7	56.3	33.8
Male	77.2	77.9	63.1	80.6	81.1	71.3	68.9	71.0	49.6
Female	54.8	58.2	37.5	65.0	67.7	52.7	35.4	40.3	15.9
<b>PUNJAB</b>									
Both Sexes	44.8	47.4	27.4	64.0	65.8	46.7	35.4	38.5	20.0
Male	57.4	58.7	36.8	73.1	73.4	55.2	49.2	51.3	29.6
Female	31.3	35.3	16.8	53.4	57.2	36.7	21.1	25.1	9.4
<b>SIND</b>									
Both Sexes	45.1	46.7	31.5	63.5	65.2	50.8	25.2	27.0	15.6
Male	56.1	56.6	39.7	71.5	72.1	57.8	38.5	39.5	24.5
Female	32.7	35.4	21.6	54.0	57.1	42.2	11.0	13.1	5.2
<b>NWFP</b>									
Both Sexes	34.2	37.3	16.7	56.1	58.7	35.8	29.1	32.5	13.2
Male	50.6	52.8	25.9	71.4	72.4	47.0	45.4	48.2	21.7
Female	17.4	21.1	6.5	37.7	42.7	21.9	13.1	16.7	3.8
<b>BAUCHISTAN</b>									
Both Sexes	24.5	26.6	10.3	46.8	50.3	32.2	17.1	18.9	6.2
Male	35.3	36.5	15.2	61.1	62.4	42.4	26.6	27.8	9.8
Female	12.4	15.0	4.3	30.4	35.3	18.5	7.0	8.8	1.7
<b>FAA</b>									
Both Sexes	..	..	6.4	..	..	..	..	..	6.4
Male	..	..	10.9	..	..	..	..	..	10.9
Female	..	..	0.8	..	..	..	..	..	0.8

FAA: Federally Administered Tribal Areas.

Source: Population Census Organisation

.. Not available.

TABLE 12.7  
DISTRICT WISE POPULATION BY SEX AND RURAL/URBAN  
1998 CENSUS

Area	1998-Census				1981	1981-98
	Households	Male	Female	Both Sexes	Population	Avg. Annual Growth Rate
<b>NWFP</b>	<b>2,301,104</b>	<b>8,962,543</b>	<b>8,592,131</b>	<b>17,554,674</b>	<b>11,061,328</b>	<b>2.75</b>
Rural	1,889,904	7,389,954	7,191,673	14,581,627	9,395,675	2.62
Urban	411,200	1,572,589	1,400,458	2,973,047	1,665,653	3.46
<b>MALAKAND DIVISION</b>	<b>498,438</b>	<b>2,135,495</b>	<b>2,077,376</b>	<b>4,212,871</b>	<b>2,466,767</b>	<b>3.20</b>
Rural	462,428	1,971,683	1,930,007	3,901,690	2,378,689	2.95
Urban	36,010	163,812	147,369	311,181	88,078	7.70
<b>Chital District</b>	<b>41,191</b>	<b>160,485</b>	<b>156,713</b>	<b>317,198</b>	<b>208,560</b>	<b>2.50</b>
Rural	36,879	144,497	142,761	287,258	208,560	1.90
Urban	4,312	15,988	13,952	29,940	-	-
<b>Upper Dir District</b>	<b>73,344</b>	<b>289,394</b>	<b>283,436</b>	<b>572,830</b>	<b>362,565</b>	<b>2.73</b>
Rural	70,230	276,612	271,442	548,054	362,565	2.46
Urban	3,114	12,782	11,994	24,776	-	-
<b>Lower Dir District</b>	<b>78,349</b>	<b>351,629</b>	<b>359,048</b>	<b>710,677</b>	<b>404,844</b>	<b>3.36</b>
Rural	73,626	328,582	338,321	666,903	404,844	2.98
Urban	4,723	23,047	20,727	43,774	-	-
<b>Buner District</b>	<b>56,591</b>	<b>249,917</b>	<b>251,226</b>	<b>501,143</b>	<b>265,517</b>	<b>3.80</b>
Rural	56,591	249,917	251,226	501,143	265,517	3.80
Urban	-	-	-	-	-	-
<b>Swat District</b>	<b>145,036</b>	<b>640,935</b>	<b>608,637</b>	<b>1,249,572</b>	<b>715,938</b>	<b>3.33</b>
Rural	125,377	549,073	526,030	1,075,103	627,860	3.21
Urban	19,659	91,862	82,607	174,469	88,078	4.10
<b>Shangla District</b>	<b>53,994</b>	<b>220,598</b>	<b>209,053</b>	<b>429,651</b>	<b>251,546</b>	<b>3.20</b>
Rural	53,994	220,598	209,053	429,651	251,546	3.20
Urban	-	-	-	-	-	-
<b>Malkand P.A.</b>	<b>49,933</b>	<b>222,537</b>	<b>209,263</b>	<b>431,800</b>	<b>257,797</b>	<b>3.08</b>
Rural	45,731	202,404	191,174	393,578	257,797	2.52
Urban	4,202	20,133	18,089	38,222	-	-
<b>HAZARA DIVISION</b>	<b>543,708</b>	<b>1,754,748</b>	<b>1,716,651</b>	<b>3,471,399</b>	<b>2,701,257</b>	<b>1.49</b>
Rural	497,895	1,593,395	1,575,637	3,169,032	2,511,846	1.38
Urban	45,813	161,353	141,014	302,367	189,411	2.79
<b>Kohistan District</b>	<b>74,041</b>	<b>259,290</b>	<b>209,763</b>	<b>469,053</b>	<b>465,237</b>	<b>0.05</b>
Rural	74,041	259,290	209,763	469,053	465,237	0.05
Urban	-	-	-	-	-	-
<b>Batagram District</b>	<b>46,053</b>	<b>156,734</b>	<b>147,413</b>	<b>304,147</b>	<b>339,119</b>	<b>-0.64</b>
Rural	46,053	156,734	147,413	304,147	339,119	-0.64
Urban	-	-	-	-	-	-
<b>Mansehra District</b>	<b>177,311</b>	<b>563,734</b>	<b>577,839</b>	<b>1,141,573</b>	<b>770,235</b>	<b>2.34</b>
Rural	167,833	531,164	546,662	1,077,826	732,799	2.29
Urban	9,478	32,570	31,177	63,747	37,436	3.18



TABLE 12.7  
DISTRICT WISE POPULATION BY SEX AND RURAL/URBAN  
1998 CENSUS

Area	1998-Census				1981	1981-98
	Households	Male	Female	Both Sexes	Population	Avg. Annual Growth Rate
Abbottabad District	138,807	435,926	439,231	875,157	647,635	1.79
Rural	115,585	348,728	369,009	717,737	550,669	1.57
Urban	23,222	87,198	70,222	157,420	96,966	2.89
Haripur District	107,496	339,064	342,405	681,469	479,031	2.09
Rural	94,383	297,479	302,790	600,269	424,022	2.06
Urban	13,113	41,585	39,615	81,200	55,009	2.32
MARDAN DIVISION	313,005	1,254,208	1,206,952	2,461,160	1,506,500	2.93
Rural	253,469	1,011,216	979,818	1,991,034	1,281,897	2.62
Urban	59,536	242,992	227,134	470,126	224,603	4.44
Mardan District	176,920	746,152	704,317	1,450,469	881,465	2.97
Rural	141,386	592,362	564,351	1,156,713	715,163	2.87
Urban	35,534	153,790	139,966	293,756	166,302	3.40
Swabi District	136,085	508,056	502,635	1,010,691	625,035	2.87
Rural	112,083	418,854	415,467	834,321	566,734	2.30
Urban	24,002	89,202	87,168	176,370	58,301	6.72
PESHAWAR DIVISION	525,454	2,023,347	1,857,642	3,880,989	2,281,752	3.17
Rural	319,282	1,279,698	1,201,301	2,480,999	1,432,679	3.28
Urban	206,172	743,649	656,341	1,399,990	849,073	2.98
Charsadda District	127,982	504,060	469,134	973,194	630,811	2.58
Rural	102,361	406,942	379,568	786,510	498,977	2.71
Urban	25,621	97,118	89,566	186,684	131,834	2.07
Peshawar District	281,456	1,067,397	971,232	2,038,629	1,113,303	3.62
Rural	132,070	544,457	506,167	1,050,624	547,055	3.91
Urban	149,386	522,940	465,065	988,005	566,248	3.33
Nowshera District	116,016	451,890	417,276	869,166	537,638	2.86
Rural	84,851	328,299	315,566	643,865	386,647	3.04
Urban	31,165	123,591	101,710	225,301	150,991	2.38
KOHAT DIVISION	153,574	636,030	653,302	1,289,332	758,772	3.17
Rural	121,181	508,329	542,231	1,050,560	622,847	3.12
Urban	32,393	127,701	111,071	238,772	135,925	3.37
Kohat District	77,748	279,473	278,800	558,273	326,617	3.20
Rural	55,911	196,768	211,455	408,223	238,798	3.20
Urban	21,837	82,705	67,345	150,050	87,819	3.20
Hangu District	31,949	149,676	158,622	308,298	182,474	3.13
Rural	24,536	118,259	128,346	246,605	148,047	3.05
Urban	7,413	31,417	30,276	61,693	34,427	3.49
Karak District	43,877	206,881	215,880	422,761	249,681	3.14
Rural	40,734	193,302	202,430	395,732	236,002	3.09
Urban	3,143	13,579	13,450	27,029	13,679	4.08

TABLE 12.7  
DISTRICT WISE POPULATION BY SEX AND RURAL/URBAN  
1998 CENSUS

Area	1998-Census				1981 Population	1981-98 Avg. Annual Growth Rate
	Households	Male	Female	Both Sexes		
BANNU DIVISION	125,246	594,423	565,869	1,160,292	710,786	2.92
Rural	113,710	544,377	522,497	1,066,874	648,821	2.97
Urban	11,536	50,046	43,372	93,418	61,965	2.44
Bannu District	71,065	346,236	326,685	672,921	423,018	2.77
Rural	65,010	320,288	305,737	626,025	379,808	2.98
Urban	6,055	25,948	20,948	46,896	43,210	0.48
Lakki Marwat District	54,181	248,187	239,184	487,371	287,768	3.15
Rural	48,700	224,089	216,760	440,849	269,013	2.95
Urban	5,481	24,098	22,424	46,522	18,755	5.49
D.I. KHAN DIVISION	141,679	564,292	514,339	1,078,631	635,494	3.16
Rural	121,939	481,256	440,182	921,438	518,896	3.43
Urban	19,740	83,036	74,157	157,193	116,598	1.77
D.I. Khan District	115,748	443,975	403,249	847,224	494,432	3.22
Rural	99,528	378,867	345,094	723,961	402,837	3.51
Urban	16,220	65,108	58,155	123,263	91,595	1.76
Tank District	25,931	120,317	111,090	231,407	141,062	2.95
Rural	22,411	102,389	95,088	197,477	116,059	3.17
Urban	3,520	17,928	16,002	33,930	25,003	1.81
F.A.T.A.	357,112	1,635,344	1,502,519	3,137,863	2,198,547	2.11
Rural	347,193	1,590,110	1,464,622	3,054,732	2,198,547	1.95
Urban	9,919	45,234	37,897	83,131	-	-
Bajaur Agency	67,831	306,322	290,354	596,676	289,206	4.35
Rural	67,831	306,322	290,354	596,676	289,206	4.35
Urban	-	-	156,753	331,596	163,933	4.23
Mohrmand Agency	38,195	174,843	156,753	331,596	163,933	4.23
Rural	38,195	174,843	156,753	331,596	163,933	4.23
Urban	-	-	254,734	534,383	284,256	3.78
Khber Agency	59,041	279,649	231,366	482,428	284,256	3.16
Rural	52,824	251,062	23,368	51,955	-	-
Urban	6,217	28,587	215,843	441,624	294,362	2.41
Kurram Agency	45,271	225,781	203,884	416,882	294,362	2.07
Rural	42,512	212,998	11,959	24,742	-	-
Urban	2,759	12,783	111,804	223,885	358,751	-2.73
Orakzair Agency	25,545	112,081	111,804	223,885	358,751	-2.73
Rural	25,545	112,081	111,804	223,885	358,751	-2.73
Urban	-	-	167,468	357,867	238,910	2.40
N. Waziristan Agency	41,148	190,399	164,898	351,433	238,910	2.29
Rural	40,205	186,535	164,898	351,433	238,910	2.29
Urban	943	3,864	2,570	6,434	-	-

TABLE 12.7  
DISTRICT WISE POPULATION BY SEX AND RURAL/URBAN  
1998 CENSUS

Area	1998-Census				1981	1981-98
	Households	Male	Female	Both Sexes	Population	Avg. Annual Growth Rate
S Wairistan Agency	51,738	224,380	159,512	413,892	309,454	1.72
Rural	51,738	224,380	189,512	413,892	309,454	1.72
Urban	-	-	-	-	-	-
T. Area Adj. Peshawar Distt.	6,260	27,015	26,902	53,917	37,061	2.23
Rural	6,260	27,015	26,902	53,917	37,061	2.23
Urban	-	-	-	-	-	-
T. Area Adj. Kohat Distt.	9,870	46,317	44,489	90,806	57,245	2.75
Rural	9,870	46,317	44,489	90,806	57,245	2.75
Urban	-	-	-	-	-	-
T. Area Adj. Bannu Distt.	2,054	10,308	9,242	19,550	63,213	-6.67
Rural	2,054	10,308	9,242	19,550	63,213	-6.67
Urban	-	-	-	-	-	-
T. Adj. Lakki Marwat Distt.	937	3,424	3,531	6,955	16,149	-4.83
Rural	937	3,424	3,531	6,955	16,149	-4.83
Urban	-	-	-	-	-	-
T. Ad. D.J. Khan Distt.	5,610	20,683	18,690	39,373	55,824	-2.03
Rural	5,610	20,683	18,690	39,373	55,824	-2.03
Urban	-	-	-	-	-	-
T. Area Adj. Tank Distt.	3,612	14,142	13,197	27,339	30,183	-0.58
Rural	3,612	14,142	13,197	27,339	30,183	-0.58
Urban	-	-	-	-	-	-
<b>PUNJAB</b>	<b>10,718,046</b>	<b>37,508,842</b>	<b>35,076,588</b>	<b>72,585,430</b>	<b>47,292,441</b>	<b>2.55</b>
Rural	7,444,020	25,620,210	24,265,730	49,885,940	34,249,600	2.24
Urban	3,274,026	11,888,632	10,810,858	22,699,490	13,042,841	3.31
<b>RAWALPINDI DIVISION</b>	<b>1,122,853</b>	<b>3,395,716</b>	<b>3,384,197</b>	<b>6,779,913</b>	<b>4,552,495</b>	<b>2.37</b>
Rural	731,264	2,089,223	2,220,615	4,309,838	3,153,906	1.85
Urban	391,589	1,306,493	1,163,582	2,470,075	1,398,589	3.40
<b>Attock District</b>	<b>213,159</b>	<b>629,438</b>	<b>635,127</b>	<b>1,264,565</b>	<b>876,667</b>	<b>2.18</b>
Rural	169,259	491,605	512,145	1,003,750	749,069	1.74
Urban	43,900	137,833	122,982	260,815	127,598	4.29
<b>Rawalpindi District</b>	<b>537,272</b>	<b>1,713,794</b>	<b>1,638,199</b>	<b>3,351,993</b>	<b>2,121,450</b>	<b>2.73</b>
Rural	256,911	767,463	800,405	1,567,868	1,106,595	2.07
Urban	280,361	946,331	837,794	1,784,125	1,014,855	3.37
<b>Jhelum District</b>	<b>181,079</b>	<b>546,443</b>	<b>557,461</b>	<b>1,103,904</b>	<b>778,778</b>	<b>2.07</b>
Rural	135,440	389,687	419,249	808,936	587,197	1.90
Urban	45,639	156,756	138,212	294,968	191,581	2.57
<b>Chakwal District</b>	<b>191,343</b>	<b>506,041</b>	<b>553,410</b>	<b>1,059,451</b>	<b>775,600</b>	<b>1.85</b>
Rural	169,654	440,468	488,816	929,284	711,045	1.59
Urban	21,689	65,573	64,594	130,167	64,555	4.21

TABLE 12.7  
DISTRICT WISE POPULATION BY SEX AND RURAL/URBAN  
1998 CENSUS

Area	1998-Census				1981	1981-98
	Households	Male	Female	Both Sexes	Population	Avg. Annual Growth Rate
SARGODHA DIVISION	875,986	2,862,883	2,759,483	5,622,366	3,930,628	2.13
Rural	670,475	2,167,310	2,102,468	4,269,778	3,050,192	2.00
Urban	205,511	695,573	657,015	1,352,588	880,436	2.56
Sargodha Divison	417,054	1,363,618	1,289,728	2,653,346	1,911,849	1.95
Rural	303,958	977,103	930,788	1,907,891	1,413,597	1.78
Urban	113,096	386,515	358,940	745,455	498,252	2.40
Bhakkar District	159,855	538,358	505,228	1,043,586	665,884	2.68
Rural	135,155	451,829	424,388	876,217	568,870	2.57
Urban	24,700	86,529	80,840	167,369	97,014	3.26
Khushab District	147,682	441,100	447,094	888,194	641,366	1.93
Rural	110,876	328,742	335,138	663,880	495,647	1.73
Urban	36,806	112,358	111,956	224,314	145,719	2.57
Mianwali District	151,395	519,807	517,433	1,037,240	711,529	2.24
Rural	120,486	409,636	412,154	821,790	572,078	2.15
Urban	30,909	110,171	105,279	215,450	139,451	2.59
FAISALABAD DIVISION	1,434,081	5,052,872	4,682,036	9,734,908	6,667,425	2.25
Rural	974,556	3,364,350	3,135,963	6,500,313	4,791,951	1.81
Urban	459,525	1,688,522	1,546,073	3,234,595	1,875,474	3.26
Faisalabad District	763,750	2,780,813	2,559,958	5,340,771	3,561,909	2.41
Rural	442,947	1,586,344	1,474,067	3,060,411	2,315,648	1.55
Urban	320,803	1,194,469	1,085,891	2,280,360	1,246,261	3.62
Jhang District	440,814	1,456,713	1,347,684	2,804,397	1,970,944	2.09
Rural	344,054	1,115,745	1,033,316	2,149,061	1,527,366	2.03
Urban	96,760	340,968	314,368	655,336	443,578	2.32
Toba Tek Singh District	229,517	815,346	774,394	1,589,740	1,134,572	2.00
Rural	187,555	662,261	628,580	1,290,841	948,937	1.83
Urban	41,962	153,085	145,814	298,899	185,635	2.84
GUJRANWALA DIVISION	1,578,488	5,693,703	5,421,506	11,115,209	7,522,352	2.32
Rural	1,097,292	3,873,450	3,758,066	7,631,516	5,482,278	1.96
Urban	481,196	1,820,253	1,663,440	3,483,693	2,040,074	3.20
Gujranwala District	455,699	1,753,766	1,620,545	3,374,311	2,108,365	2.80
Rural	226,302	861,799	806,074	1,667,873	1,180,642	2.05
Urban	229,397	891,967	814,471	1,706,438	927,723	3.65
Hafizabad District	119,166	428,256	393,847	822,103	567,572	2.20
Rural	88,327	312,744	286,670	599,414	434,962	1.90
Urban	30,839	115,512	107,177	222,689	132,610	3.09
Gujrat District	283,234	926,193	916,088	1,842,281	1,288,819	2.12
Rural	207,122	647,231	670,347	1,317,578	955,596	1.91
Urban	76,112	278,962	245,741	524,703	333,223	2.70

TABLE 12.7  
DISTRICT WISE POPULATION BY SEX AND RURAL/URBAN  
1998 CENSUS

Area	1998-Census				1981	1981-98
	Households	Male	Female	Both Sexes	Population	Avg. Annual Growth Rate
Mandi Bahauddin District	175,644	582,816	556,517	1,139,333	846,114	1.76
Rural	149,931	495,050	470,995	966,045	765,391	1.38
Urban	25,713	87,766	85,522	173,288	80,723	4.59
Sialkot District	373,059	1,375,739	1,312,932	2,688,671	1,802,505	2.38
Rural	275,204	1,007,309	978,028	1,985,337	1,327,404	2.39
Urban	97,855	368,430	334,904	703,334	475,101	2.33
Norowa District	171,686	626,933	621,577	1,248,510	908,977	1.88
Rural	150,406	549,317	545,952	1,095,269	818,283	1.73
Urban	21,280	77,616	75,625	153,241	90,694	3.13
LAHORE DIVISION	2,050,483	7,321,579	6,663,852	13,985,431	8,670,358	2.85
Rural	1,033,131	3,628,962	3,330,557	6,959,519	4,696,969	2.34
Urban	1,017,352	3,692,617	3,333,295	7,025,912	3,973,389	3.41
Lahore District	901,558	3,262,904	2,949,811	6,212,715	3,544,942	3.35
Rural	151,651	567,882	515,619	1,083,501	556,456	3.99
Urban	749,907	2,695,022	2,434,192	5,129,214	2,988,486	3.23
Kasur District	344,298	1,227,395	1,119,625	2,347,020	1,528,002	2.56
Rural	267,176	944,436	861,344	1,805,780	1,196,428	2.45
Urban	77,122	282,959	258,281	541,240	331,574	2.92
Okara District	343,380	1,147,949	1,047,749	2,195,698	1,487,261	2.32
Rural	270,191	873,906	811,688	1,685,594	1,214,577	1.95
Urban	73,189	274,043	236,061	510,104	272,684	3.75
Sheikhpura District	461,247	1,683,331	1,546,667	3,229,998	2,110,153	2.53
Rural	344,113	1,242,738	1,141,906	2,384,644	1,729,508	1.91
Urban	117,134	440,593	404,761	845,354	380,645	4.80
MULTAN DIVISION	1,676,584	5,934,970	5,493,185	11,428,155	7,533,710	2.48
Rural	1,309,139	4,560,175	4,241,994	8,802,169	5,936,571	2.34
Urban	367,445	1,374,795	1,251,191	2,625,986	1,597,139	2.97
Vehari District	304,655	1,060,719	987,052	2,047,771	1,328,808	2.57
Rural	257,583	891,003	827,509	1,718,512	1,147,482	2.40
Urban	47,072	169,716	159,543	329,259	181,326	3.57
Sahiwa District	270,150	940,973	880,170	1,821,143	1,281,526	2.09
Rural	227,413	785,257	735,836	1,521,093	1,080,331	2.03
Urban	42,737	155,716	144,334	300,050	201,195	2.38
Pakpattan District	201,721	660,822	613,431	1,274,253	843,623	2.45
Rural	174,888	567,297	526,773	1,094,070	730,149	2.41
Urban	26,833	93,525	86,658	180,183	113,474	2.76
Multan District	438,912	1,614,160	1,468,861	3,083,021	1,970,075	2.67
Rural	261,678	931,412	863,439	1,794,851	1,172,591	2.53
Urban	177,234	682,748	605,422	1,288,170	797,484	2.86

TABLE 12.7  
DISTRICT WISE POPULATION BY SEX AND RURAL/URBAN  
1998 CENSUS

Area	1998-Census				1981 Population	1981-98 Avg. Annual Growth Rate
	Households	Male	Female	Both Sexes		
Lodhran District	163,804	602,380	5,559,146	1,161,526	739,912	2.69
Rural	141,025	515,683	478,007	993,690	666,180	2.38
Urban	22,779	86,697	81,139	167,836	73,732	4.95
Kanewal District	297,342	1,055,916	984,525	2,040,441	1,369,766	2.37
Rural	246,552	869,523	810,430	1,679,953	1,139,838	2.31
Urban	50,790	186,393	174,095	360,488	229,928	2.68
D.G.KHAN DIVISION	885,014	3,329,503	3,072,228	6,401,731	3,746,837	3.20
Rural	768,220	2,882,037	2,659,870	5,541,907	3,344,199	3.01
Urban	116,794	447,466	412,358	859,824	402,638	4.56
D.G.Khan District	212,481	845,657	785,938	1,631,595	943,663	3.27
Rural	181,758	728,663	676,727	1,405,390	821,722	3.21
Urban	30,723	116,994	109,211	226,205	121,941	3.70
Rajanpur District	153,428	569,600	515,307	1,084,907	638,921	3.16
Rural	133,182	488,300	439,105	927,405	577,019	2.83
Urban	20,246	81,300	76,202	157,502	61,902	5.64
Leiah District	155,148	568,928	534,938	1,103,866	666,517	3.01
Rural	135,633	496,869	467,196	964,065	603,745	2.79
Urban	19,515	72,059	67,742	139,801	62,772	4.82
Muzaffargarh District	363,957	1,345,318	1,236,045	2,581,363	1,497,736	3.26
Rural	317,647	1,168,205	1,076,842	2,245,047	1,341,713	3.07
Urban	46,310	177,113	159,203	336,316	156,023	4.62
BAHAWALPUR DIVISION	1,094,557	3,917,616	3,600,101	7,517,717	4,668,636	2.84
Rural	859,943	3,054,703	2,816,197	5,870,900	3,793,534	2.60
Urban	234,614	862,913	783,904	1,646,817	875,102	3.79
Bahawalpur District	359,655	1,265,080	1,145,486	2,410,566	1,453,438	3.02
Rural	264,541	913,933	839,419	1,753,352	1,123,334	2.65
Urban	95,114	351,147	306,067	657,214	330,104	4.13
Bahawalnagar District	313,568	1,051,116	982,666	2,033,782	1,373,747	2.33
Rural	256,725	851,202	794,903	1,646,105	1,128,814	2.24
Urban	56,843	199,914	187,763	387,677	244,933	2.74
Rahim Yar Khan District	421,334	1,601,420	1,471,949	3,073,369	1,841,451	3.06
Rural	338,677	1,289,568	1,181,875	2,471,443	1,541,386	2.81
Urban	82,657	311,852	290,074	601,926	300,065	4.18
<b>SINDH</b>	<b>5,170,054</b>	<b>15,823,097</b>	<b>14,168,064</b>	<b>29,991,161</b>	<b>19,028,666</b>	<b>2.71</b>
Rural	2,911,764	8,030,598	7,298,731	15,329,329	10,785,630	2.09
Urban	2,258,290	7,792,499	6,869,333	14,661,832	8,243,036	3.44
LARKANA DIVISION	741,747	2,157,790	2,011,698	4,169,488	2,746,201	2.49
Rural	574,038	1,585,594	1,480,014	3,065,608	2,216,666	1.92
Urban	167,709	572,196	531,684	1,103,880	529,535	4.41

TABLE 12.7  
DISTRICT WISE POPULATION BY SEX AND RURAL/URBAN  
1998 CENSUS

Area	1998-Census				1981	1981-98
	Households	Male	Female	Both Sexes	Population	Avg. Annual Growth Rate
Jacobabad District	257,383	728,547	672,028	1,400,575	1,011,212	1.93
Rural	201,651	550,158	506,787	1,056,945	852,786	1.27
Urban	55,732	178,389	165,241	343,630	158,426	4.66
Shikarpur District	152,312	447,877	418,016	865,893	596,409	2.22
Rural	122,340	341,060	317,754	658,814	481,503	1.86
Urban	29,972	106,817	100,262	207,079	114,906	3.52
Larkar District	332,052	981,366	921,654	1,903,020	1,138,580	3.07
Rural	250,047	694,376	655,473	1,349,849	882,377	2.53
Urban	82,005	286,990	266,181	553,171	256,203	4.63
SUKKUR DIVISION	959,456	2,851,205	2,605,519	5,456,724	3,746,446	2.24
Rural	751,603	2,103,663	1,926,943	4,030,606	2,913,847	1.93
Urban	207,853	747,542	678,576	1,426,118	832,599	3.21
Sukkur District	139,573	465,771	412,087	877,858	553,848	2.74
Rural	78,458	224,259	201,531	425,790	311,635	1.85
Urban	61,115	241,512	210,556	452,068	242,213	3.74
Ghotki District	183,475	500,504	451,957	952,461	568,823	3.08
Rural	158,489	421,285	378,864	800,149	491,776	2.90
Urban	24,986	79,219	73,093	152,312	77,047	4.09
Kairpur District	263,474	791,747	723,021	1,514,768	981,190	2.59
Rural	208,270	604,644	550,723	1,155,367	733,956	2.70
Urban	55,204	187,103	172,298	359,401	247,234	2.22
Naushhro Feroze District	192,070	554,682	509,969	1,064,651	829,051	1.48
Rural	164,715	457,208	419,052	876,260	719,096	1.17
Urban	27,355	97,474	90,917	188,391	109,955	3.22
Nawal Shah District	180,864	538,501	508,485	1,046,986	813,534	1.49
Rural	141,671	396,267	376,773	773,040	657,384	0.96
Urban	39,193	142,234	131,712	273,946	156,150	3.36
HYDERABAD DIVISION	1,238,375	3,500,821	3,179,181	6,680,002	4,678,290	2.12
Rural	904,097	2,404,233	2,176,083	4,580,316	3,460,571	1.66
Urban	334,278	1,096,588	1,003,098	2,099,686	1,217,719	3.25
Qadu District	313,532	856,773	774,654	1,631,427	1,081,611	2.45
Rural	253,665	677,613	608,373	1,285,986	930,019	1.92
Urban	59,867	179,160	166,281	345,441	151,592	4.96
Hyderabad District	485,967	1,481,868	1,358,785	2,840,653	2,059,026	1.91
Rural	262,612	725,571	667,125	1,392,696	1,147,787	1.14
Urban	223,355	756,297	691,660	1,447,957	911,239	2.76
Badin District	215,133	582,242	526,152	1,108,394	776,614	2.11
Rural	185,266	484,888	440,039	924,927	694,425	1.70
Urban	29,867	97,354	86,113	183,467	82,189	4.83

TABLE 12.7  
DISTRICT WISE POPULATION BY SEX AND RURAL/URBAN  
1998 CENSUS

Area	1998-Census				1981 Population	1981-98 Avg. Annual Growth Rate
	Households	Male	Female	Both Sexes		
Thatta District	223,743	579,938	519,590	1,099,528	761,039	2.19
Rural	202,554	516,161	460,546	976,707	688,340	2.08
Urban	21,189	63,777	59,044	122,821	72,699	3.13
MIRPUR KHAS DIVISION	699,242	2,051,569	1,831,244	3,882,813	2,419,745	2.82
Rural	587,165	1,653,649	1,466,281	3,119,930	1,964,694	2.76
Urban	112,077	397,920	364,963	762,883	455,051	3.08
Sanghar District	256,400	743,553	676,469	1,420,022	917,863	2.60
Rural	209,191	576,245	522,151	1,098,396	720,170	2.51
Urban	47,209	167,308	154,318	321,626	197,693	2.90
Mirpur Khas District	152,404	467,654	432,293	899,947	577,879	2.64
Rural	111,973	317,100	290,896	607,996	393,629	2.59
Urban	40,431	150,554	141,397	291,951	184,250	2.74
Umerkot District	124,259	345,666	310,458	656,124	383,018	3.21
Rural	106,515	286,445	259,896	546,341	334,982	2.92
Urban	17,744	59,221	50,562	109,783	48,036	4.98
Tharparkar District	166,179	494,696	412,024	906,720	540,985	3.08
Rural	159,486	473,859	393,338	867,197	515,913	3.10
Urban	6,693	20,837	18,686	39,523	25,072	2.71
KARACHI DIVISION	1,531,234	5,261,712	4,540,422	9,802,134	5,437,984	3.52
Rural	94,861	283,459	249,410	532,869	229,852	5.07
Urban	1,436,373	4,978,253	4,291,012	9,269,265	5,208,132	3.45
Malir District	167,911	578,695	462,334	1,041,029	429,570	5.34
Rural	61,789	178,598	156,666	335,264	170,067	4.07
Urban	106,122	400,097	305,668	705,765	259,503	6.06
Karachi East District	419,393	1,444,968	1,271,821	2,716,789	1,494,786	3.57
Rural	-	-	-	-	17,925	-
Urban	419,393	1,444,968	1,271,821	2,716,789	1,476,861	3.65
Karachi West District	322,486	1,131,412	948,891	2,080,303	912,698	4.96
Rural	33,072	104,861	92,744	197,605	41,816	9.56
Urban	289,414	1,026,551	856,147	1,882,698	870,882	4.64
Karachi South District	275,623	929,394	795,521	1,724,915	1,243,928	1.94
Rural	-	-	-	-	-	-
Urban	275,623	929,394	795,521	1,724,915	1,243,928	1.94
Karachi Central District	345,821	1,177,243	1,061,855	2,239,098	1,357,002	2.99
Rural	-	-	-	-	44	-
Urban	345,821	1,177,243	1,061,855	2,239,098	1,356,958	2.99
<b>BALUCHISTAN</b>	<b>1,018,261</b>	<b>3,480,765</b>	<b>3,030,593</b>	<b>6,511,358</b>	<b>4,332,376</b>	<b>2.42</b>
Rural	814,191	2,647,564	2,347,455	4,995,019	3,660,931	1.84
Urban	204,070	833,201	683,138	1,516,339	671,445	4.91



TABLE 12.7  
DISTRICT WISE POPULATION BY SEX AND RURAL/URBAN  
1998 CENSUS

Area	Area	1998-Census			1981 Population	1981-98 Avg. Annual Growth Rate	
		Households	Male	Female			Both Sexes
Khar	QUETTA DIVISION	239,439	938,650	780,058	1,718,708	880,618	4.01
	Rural	152,889	554,977	481,729	1,036,706	539,091	3.92
La:	Urban	86,550	383,673	298,329	682,002	341,527	4.15
	Quetta District	99,450	425,474	333,771	759,245	381,566	4.13
I	Rural	25,232	108,399	90,539	198,938	95,847	4.39
	Urban	74,218	317,075	243,232	560,307	285,719	4.04
r	Pshin District	58,561	194,776	171,387	366,163	202,256	3.55
	Rural	55,654	183,834	161,850	345,684	187,541	3.66
f	Urban	2,907	10,942	9,537	20,479	14,715	1.96
	Killa Abdullah District	50,342	210,022	180,716	390,738	176,341	4.79
r	Rural	44,863	173,278	151,983	325,261	146,548	4.80
	Urban	5,479	36,744	28,733	65,477	29,793	4.74
r	Clagai District	31,086	108,378	94,184	202,562	120,455	3.10
	Rural	27,140	89,466	77,357	166,823	109,155	2.52
r	Urban	3,946	18,912	16,827	35,739	11,300	7.00
	ZHDB DIVISION	143,142	536,910	460,255	997,165	749,545	1.69
r	Rural	133,205	485,327	422,870	908,197	703,714	1.51
	Urban	9,937	51,583	37,385	88,968	45,831	3.98
r	Lonlai District	43,963	159,380	140,648	300,028	235,038	1.45
	Rural	39,770	137,654	125,055	262,709	221,138	1.02
r	Urban	4,193	21,726	15,593	37,319	13,900	5.98
	Mua Khel District	19,126	72,799	59,612	132,411	91,174	2.22
r	Rural	19,126	72,799	59,612	132,411	91,174	2.22
	Urban	-	-	-	-	-	-
r	Barlhan District	14,699	52,191	47,311	99,502	61,686	2.85
	Rural	13,787	48,112	43,989	92,101	61,686	2.38
r	Urban	912	4,079	3,322	7,401	-	-
	Killa Saifullah District	28,796	101,904	86,825	188,729	148,362	1.42
r	Rural	28,796	101,904	86,825	188,729	148,362	1.42
	Urban	-	-	-	-	-	-
r	Zhob District	36,558	150,636	125,859	276,495	213,285	1.54
	Rural	31,726	124,858	107,389	232,247	181,354	1.46
r	Urban	4,832	25,778	18,470	44,248	31,931	1.94
	SIBI DIVISION	76,616	263,040	226,668	489,708	305,768	2.81
r	Rural	66,917	218,446	188,397	406,843	277,722	2.27
	Urban	9,699	44,594	38,271	82,865	28,046	6.58
r	Sibi District	26,734	95,864	82,790	178,654	98,482	3.56
	Rural	19,815	65,173	55,913	121,086	70,637	3.22
r	Urban	6,919	30,691	26,877	57,568	27,845	4.36

TABLE 12.8

PERCENTAGE DISTRIBUTION OF POPULATION OF 10 YEARS AND ABOVE AND CIVILIAN  
LABOUR FORCE BY SEX AND NATURE OF ACTIVITY: 1996-97

Area	Civilian Labour Force														
	Population			Total			Employed			Unemployed			Not in Civilian Labour Force		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
PAKISTAN	100.00	52.11	47.89	43.01	36.48	6.53	40.38	34.95	5.43	2.63	1.54	1.09	56.99	15.63	41.36
Rural	100.00	51.91	48.09	45.10	37.28	7.82	42.55	35.87	6.68	2.55	1.41	1.14	54.90	14.63	40.27
Urban	100.00	52.51	47.49	38.92	34.92	4.00	36.13	33.13	3.00	2.79	1.79	1.01	61.08	17.59	43.49
BALUCHISTAN	100.00	53.47	46.53	38.94	36.81	2.12	37.69	36.21	1.48	1.25	0.61	0.64	61.06	16.66	44.41
Rural	100.00	53.23	46.77	40.00	37.79	2.21	38.64	37.10	1.54	1.36	0.68	0.68	60.00	15.45	44.56
Urban	100.00	54.44	45.56	34.73	32.98	1.75	33.93	32.67	1.26	0.80	0.31	0.49	65.27	21.46	43.81
NWFP	100.00	51.36	48.64	38.14	33.57	4.57	34.66	31.86	2.79	3.48	1.70	1.77	61.86	17.79	44.07
Rural	100.00	50.88	49.12	38.51	33.52	4.99	34.82	31.79	3.03	3.70	1.73	1.96	61.49	17.36	44.13
Urban	100.00	53.56	46.44	36.42	33.77	2.65	33.94	32.20	1.74	2.48	1.57	0.91	63.57	19.78	43.79
PUNJAB	100.00	51.56	48.44	45.24	36.75	8.49	42.19	34.85	7.34	3.06	1.90	1.15	54.76	14.81	39.95
Rural	100.00	51.50	48.50	47.76	37.65	10.11	45.04	36.01	9.04	2.71	1.64	1.07	52.24	13.85	38.39
Urban	100.00	51.69	48.31	39.88	34.83	5.05	36.10	32.38	3.72	3.78	2.45	1.33	60.12	16.85	43.27
SINDH	100.00	53.88	46.12	40.23	37.37	2.86	39.07	36.81	2.26	1.16	0.56	0.60	59.77	16.51	43.26
Rural	100.00	54.13	45.87	42.50	39.34	3.16	41.39	38.95	2.44	1.12	0.39	0.72	57.50	14.79	42.71
Urban	100.00	53.63	46.37	37.98	35.42	2.56	36.77	34.69	2.08	1.21	0.73	0.48	62.02	18.21	43.81

Source: Labour Force Survey 1994-95, Federal Bureau of Statistics

TABLE 12.9  
LABOUR FORCE AND EMPLOYMENT

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Population	108.04	110.79	113.61	116.47	119.39	122.36	125.38	128.42	131.51	134.51
Rural	75.50	77.17	78.77	80.33	81.88	83.47	85.13	86.89	88.60	90.13
Urban	32.54	33.63	34.84	36.15	37.51	38.89	40.25	41.53	42.91	44.38
Working Age Population	72.06	71.79	74.42	76.62	79.23	81.44	83.45	85.49	87.53	89.53
Rural	49.59	49.02	51.40	51.74	53.26	54.18	55.26	56.40	57.51	58.51
Urban	22.47	22.77	23.01	24.88	25.97	27.26	28.19	29.09	30.01	31.02
Labour Force	31.15	30.99	31.94	32.45	33.29	33.60	34.43	36.84	37.73	38.59
Rural	22.57	22.15	22.84	23.10	23.52	23.37	23.84	24.93	25.42	25.86
Urban	8.57	8.84	9.10	9.35	9.77	10.23	10.59	11.91	12.31	12.73
Employed Labour Force	30.17	29.04	30.07	30.92	31.68	31.80	32.58	34.59	35.42	36.23
Rural	21.99	20.93	21.60	22.11	22.53	22.25	22.69	23.51	23.97	24.38
Urban	8.19	8.11	8.47	8.81	9.15	9.55	9.89	11.08	11.45	11.85
Unemployed Labour Force	0.97	1.95	1.87	1.53	1.61	1.80	1.85	2.25	2.31	2.36
Rural	0.59	1.21	1.23	0.99	0.99	1.12	1.14	1.42	1.45	1.47
Urban	0.39	0.73	0.64	0.54	0.62	0.68	0.71	0.83	0.86	0.89
Unemployment Rate (%)	3.13	6.28	5.85	4.73	4.84	5.37	5.37	6.10	6.10	6.10
Rural	2.60	5.48	5.40	4.28	4.22	4.80	4.80	5.70	5.70	5.70
Urban	4.58	8.19	6.97	5.88	6.51	6.90	6.90	7.10	7.10	7.10
Labour Force Partici-										
pation Rates (%)	28.83	27.97	28.11	27.86	27.88	27.46	27.46	28.69	28.69	28.69
Rural	29.90	28.70	28.99	28.76	28.73	28.00	28.00	29.40	29.40	29.40
Urban	26.28	26.37	26.08	25.83	25.79	26.12	26.12	27.15	27.15	27.15

Source: (i) Labour Force Surveys, Federal Bureau of Statistics  
(ii) Economic Adviser's Wing

TABLE 12.10  
POPULATION AND LABOUR FORCE

Year	Popula- tion	Crude Activity Rate(%)	Labour Force	Unemp- loyment	(million)							
					Employed Labour Force	Agricul- ture	Mining & Manu- facturing	Construc- tion	Electri- city & Gas Distri- bution	Trans- port	Trade	Others
1990	108.04	28.83	31.15	0.97	30.17	15.43	3.87	1.93	0.18	1.48	3.60	3.69
1991	110.79	27.97	30.99	1.98	29.01	13.77	3.59	1.92	0.24	1.52	3.84	4.42
1992	113.61	28.11	31.94	1.87	30.07	14.51	3.77	1.90	0.24	1.66	3.94	4.05
1993	116.47	27.86	32.45	1.53	30.92	14.70	3.40	2.14	0.26	1.71	4.12	4.59
1994	119.39	27.88	33.29	1.61	31.68	15.85	3.21	2.06	0.28	1.57	4.05	4.67
1995	122.36	27.46	33.60	1.80	31.80	14.88	3.34	2.29	0.26	1.61	4.61	4.81
1996	125.38	27.46	34.43	1.85	32.58	15.24	3.42	2.35	0.27	1.65	4.72	4.93
1997	128.42	28.69	36.84	2.25	34.59	15.25	3.87	2.35	0.34	1.97	5.05	5.07
1998	131.51	28.69	37.73	2.31	35.42	15.62	3.97	2.41	0.35	2.02	5.17	5.17
1999	134.51	28.69	38.59	2.36	36.23	15.98	4.06	2.46	0.36	2.07	5.29	5.29

Source: (i) Federal Bureau of Statistics  
(ii) Planning Commission.

TABLE 12.11  
DISTRIBUTION OF EMPLOYED PERSONS OF 10 YEARS AGE  
AND ABOVE BY MAJOR INDUSTRIES DIVISION

Years	(Percentage)						
	Agricul- ture	Mining & Manufac- turing	Construc- tion	Electricity & Gas Distribution	Trans- port	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	15.22
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	5.70	14.50	15.12
1997	44.10	11.20	6.80	0.82	5.70	14.60	16.78
1998	44.10	11.20	6.80	0.82	5.70	14.60	16.78
1999	44.10	11.20	6.80	0.82	5.70	14.60	16.78

Source: Federal Bureau of Statistics

TABLE 12.12

PERCENTAGE DISTRIBUTION OF EMPLOYED PERSONS OF 10 YEARS AGE  
AND ABOVE BY MAJOR INDUSTRY DIVISION: 1996-97

Major Industry Division	PAKISTAN			BALUCHISTAN			NWFP			PUNJAB			SIND		
	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban
	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Agriculture Fries- try, Hunting and															
Fishing	44.15	60.83	5.68	54.57	64.44	10.00	45.57	53.50	8.55	45.32	60.29	5.59	38.37	68.15	5.06
Mining and Quarrying	0.10	0.09	0.13	0.99	0.77	1.99	0.12	0.13	0.06	0.03	0.02	0.06	0.17	0.16	0.17
Manufacturing	11.10	6.79	21.04	1.96	1.24	5.22	5.61	4.18	12.28	12.20	8.64	21.66	11.94	2.47	22.54
Electricity, Gas and Water	0.98	0.64	1.76	0.84	0.61	1.89	0.88	0.68	1.84	0.82	0.54	1.57	1.52	1.02	2.07
Construction	6.75	6.80	6.64	7.68	7.23	9.70	10.32	10.45	9.74	6.45	6.28	6.91	5.67	5.92	5.40
Wholesale, Retail Trade, Restaurant and Hotels	14.62	9.51	26.38	13.30	9.79	29.19	13.56	11.53	23.06	13.96	9.48	25.84	17.33	7.97	27.80
Transport, Stra- ge and Communi- cation	5.71	4.11	9.38	7.31	6.43	11.30	7.87	7.00	11.92	4.91	3.61	8.35	6.76	3.35	10.58
Financing, Insurance, Real Estate and Business Services	0.98	0.31	2.53	0.17	0.01	0.86	0.71	0.48	1.75	0.78	0.30	2.06	1.85	0.28	3.59
Community, Social and Personal Services	15.58	10.90	26.36	13.18	9.49	29.86	15.34	12.06	30.67	15.48	10.81	27.97	16.34	10.66	22.69
Activities No Adequately Defined	0.04	0.02	0.09	-	-	-	0.02	-	0.13	0.04	0.02	0.09	0.06	0.03	0.09

.. not available

Source: Labour Force Survey, 1994-95, Federal Bureau of Statistics

TABLE 12.13  
AGE SPECIFIC LABOUR FORCE PARTICIPATION RATE

Age Group	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
10 years & over									
Both Sexes	43.16	42.93	42.35	42.01	41.25	41.25	43.01	43.01	43.01
Male	71.27	70.27	69.24	69.07	69.10	69.10	70.01	70.01	70.01
Female	12.76	13.98	13.15	13.32	11.39	11.39	13.63	13.63	13.63
10-14									
Male	19.22	20.14	18.02	16.76	16.55	16.54	17.19	17.19	17.19
Female	6.91	8.06	7.77	6.94	5.70	5.70	7.61	7.61	7.61
15-19									
Male	55.21	53.30	53.13	52.29	51.13	51.13	52.89	52.89	52.89
Female	13.18	13.52	12.46	12.06	9.64	9.64	13.06	13.06	13.06
20-24									
Male	87.72	84.77	83.91	84.91	85.46	85.46	85.05	85.05	85.05
Female	13.96	14.08	13.47	14.02	11.71	11.71	15.08	15.08	15.08
25-34									
Male	97.73	96.96	97.05	97.55	97.22	97.22	97.21	97.21	97.21
Female	13.65	15.80	14.54	15.67	12.85	12.85	13.79	13.79	13.79
35-44									
Male	98.06	98.06	98.27	98.23	97.89	97.89	98.46	98.46	98.46
Female	15.57	18.38	16.43	17.11	15.66	15.66	16.61	16.61	16.61
45-54									
Male	96.05	95.92	95.84	96.00	97.07	97.07	96.54	96.54	96.54
Female	17.23	17.41	16.81	17.50	14.75	14.75	17.51	17.51	17.51
55-59									
Male	90.46	91.75	90.12	91.84	91.50	91.50	90.13	90.13	90.13
Female	13.79	14.55	16.62	15.09	15.23	15.23	19.60	19.60	19.60
60+									
Male	62.04	60.84	60.71	62.02	62.65	62.65	63.41	63.41	63.41
Female	8.69	10.65	9.79	10.01	9.26	9.26	12.34	12.34	12.34

Source: Labour Force Surveys, Federal Bureau of Statistics

TABLE 12.14

## DAILY WAGES OF CONSTRUCTION WORKERS IN DIFFERENT CITIES\*

Category of workers and cities	(In rupees)								
	1990	1991	1992	1993	1994	1995	1996*	1997*	1998*
<b>Carpenter</b>									
Islamabad	100.00	120.00	145.00	150.00	150.00	175.00	190.00	200.00	200.00
Karachi	121.86	131.66	155.00	164.81	178.94	205.00	219.62	231.15	250.00
Lahore	113.93	129.28	129.28	150.00	151.42	185.00	195.71	217.50	226.42
Peshawar	100.00	100.00	100.00	115.00	135.00	135.00	150.00	175.00	200.00
Quetta	110.00	126.25	170.00	170.00	180.00	200.00	215.00	230.00	250.00
<b>Mason (Raj)</b>									
Islamabad	100.00	120.00	145.00	150.00	150.00	175.00	190.00	200.00	200.00
Karachi	121.86	131.66	150.00	161.82	177.78	205.00	234.61	245.19	250.00
Lahore	113.57	128.57	128.57	150.00	151.42	185.00	197.14	217.50	226.42
Peshawar	100.00	100.00	100.00	115.00	135.00	135.00	150.00	175.00	200.00
Quetta	110.00	126.25	147.50	162.50	175.00	188.75	210.00	225.00	250.00
<b>Labourer (Unskilled)</b>									
Islamabad	50.00	60.00	65.00	70.00	77.50	90.00	95.00	100.00	110.00
Karachi	57.14	59.23	65.00	73.40	80.88	101.80	133.20	156.53	160.00
Lahore	57.85	71.07	71.07	85.71	85.71	105.00	108.21	117.14	122.50
Peshawar	37.50	47.50	50.00	50.00	60.00	65.00	70.00	75.00	80.00
Quetta	45.00	51.25	58.75	75.00	77.50	77.50	95.00	95.00	110.00

\* Data pertains to month of November each year

Source: Federal Bureau of Statistics

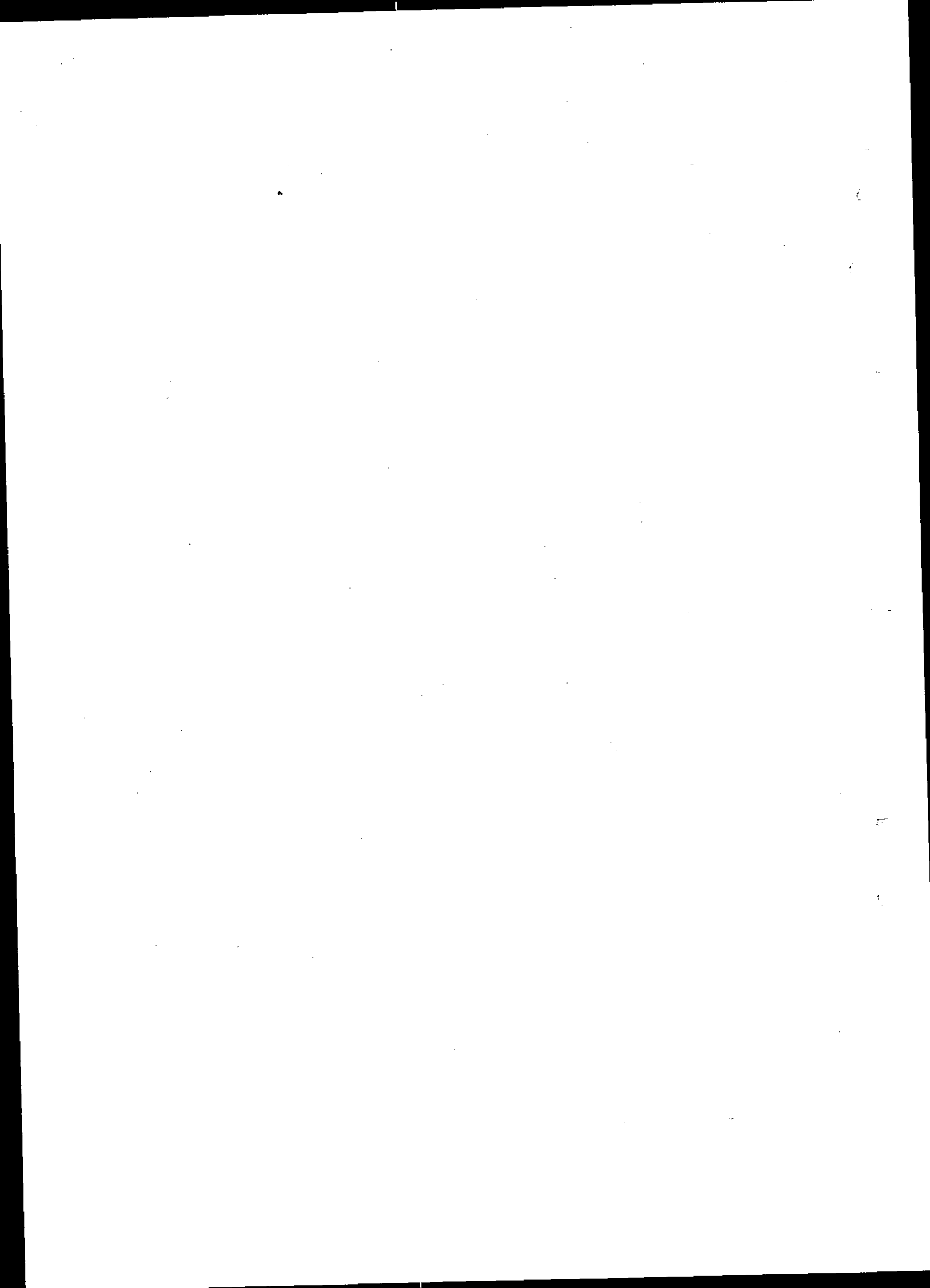




TABLE 13.1

## TRANSPORT

Year	Railways (a)						Length of Roads(b)		
	Route Kilo- metres	Number of Passen- gers carri- ed (Mil- lion)	Freight carried (Million Tonnes)	Freight Tonne Kilometres Million	Locomo- tives (Nos.)	Freight Wagons (Nos.)	Kilometers		
							Total	High Type	Low Type
1990-91	8,775.00	84.90	7.72	5,709	753	34,851	170,823	86,839	83,984
1991-92	8,775.00	73.30	7.56	5,962	752	30,369	182,709	95,374	87,335
1992-93	8,775.00	59.00	7.77	6,180	703	29,451	189,321	99,083	90,238
1993-94	8,775.00	61.72	8.04	5,938	676	29,228	196,817	104,001	92,816
1994-95	8,775.00	67.70	8.11	6,711	678	30,117	207,645	111,307	96,338
1995-96	8,775.00	73.65	6.85	5,077	622	26,755	218,345	118,428	99,917
1996-97	8,775.00	68.80	6.36	4,607	633	25,213	229,595	126,117	103,478
1997-98	8,775.00	64.90	5.98	4,447	611	24,275	240,885	133,462	107,423
Jul-Mar									
1998-99 P	8,774.00	48.00	4.00	2,725	596	27,251	181,836 *	118,194	63,642

P: Provisional

(Contd.)

\* Ministry of Communication in Collaboration with NHA, NTRC & all Provincial Highway Departments is preparing a National Plan for roads. The data for provincial roads, farm to market roads, district council roads, etc. provided by the provincial governments shows that the length of road network in Pakistan is 181,836 K.M.

TABLE 13.1

## TRANSPORT

(Contd.)

Year	Cargo Handled at (c) Karachi Port (000 tonnes)			Shipping (d)		Gross Earnings (Million Rs)				
				No. of Vessels	Dead Weight Tonnes	Pakistan Railways (a)	Pakistan National Shipping Corp.	Punjab Urban Transport Corp.	Karachi Transport Corp.	NWFP Road Transport Board
	Total	Imports	Exports							
1990-91	18,710	14,714	3,996	28	494,956	6,696.0	3,865.0	166.6	156.7	266.1
1991-92	20,452	15,266	5,186	28	494,956	8,235.9	4,063.0	107.7	182.7	261.2
1992-93	22,170	17,255	4,915	29	518,953	9,031.0	3,137.0	95.3	182.6	261.2
1993-94	22,569	17,610	4,959	27	595,836	9,134.0	3,302.0	40.9	..	221.30
1994-95	23,098	17,526	5,572	15	264,410	9,224.0	4,311.0	73.2	..	210.50
1995-96	22,684	17,114	5,570	17	290,353	8,365.0	6,962.0	61.6	..	..
1996-97	23,476	18,363	5,113	15	261,817	9,394.3	7,761.5	..	..	..
1997-98	22,684	17,114	5,570	15	261,836	9,805.0	4,597.0	..	..	..
Jul-Mar										
1998-99 P	17,586	13,302	4,284	15	261,836	6,700.0	2,674.0	..	..	..

.. Not available

P: Provisional

Note: Punjab Urban Transport Corporation, Karachi Transport Corporation, NWFP Road Transport Board have been closed down and are now under process of winding up/dissolution.

(a): Ministry of Railways

(b): National Transport Research Center

(c): Karachi Port Trust

(d): Pakistan National Shipping Corporation

TABLE 13.2

## PAKISTAN INTERNATIONAL AIRLINES CORPORATION

Year	Route Kilo- metres	Revenue Kilome- tres Flo- wn (000) *	Revenue Hours Flown	Revenue Passengers Carried (000)	Revenue Passengers Kilome- tres (mln)	Available Seat Kilome- tres (mln)	Passenger Load Factor %
1990-91	255,336	60,255	116,616	5,033	8,998	13,401	67.1
1991-92	258,558	66,570	127,423	5,584	9,925	15,066	65.9
1992-93	270,536	69,377	132,775	5,780	10,102	15,733	64.2
1993-94	303,321	69,024	131,122	5,645	10,108	15,159	66.7
1994-95	353,221	72,544	134,683	5,517	10,382	15,848	65.5
1995-96	310,205	74,288	138,014	5,399	10,592	16,573	63.9
1996-97	336,230	78,796	143,686	5,883	11,661	17,528	66.5
1997-98	325,744	73,663	136,104	5,531	11,147	16,952	65.8
Jul-Mar							67.0
1998-99 P	347,919	59,097	95,321	3,866	8,099	12,082	(Contd.)

P Provisional

TABLE 13.2

## PAKISTAN INTERNATIONAL AIRLINES CORPORATION

(Contd.) Year	Revenue Tonne Kilome- tres (mln)	Available Tonne Kilome- tres (mln)	Revenue Load Factor %	Operating Revenue (Million Rupees)	Operating Expenses (Million Rupees)	PIA Fleet No. of Planes
1990-91	1,228	2,045	60.0	16,849	16,966	44
1991-92	1,304	2,265	57.6	20,441	18,861	45
1992-93	1,333	2,352	56.7	21,970	21,347	45
1993-94	1,365	2,347	58.2	23,631	22,713	47
1994-95	1,408	2,452	57.4	25,417	24,199	47
1995-96	1,402	2,526	55.5	27,505	27,150	47
1996-97	1,495	2,649	56.4	32,732	32,809	47
1997-98	1,425	2,435	58.5	..	..	47
Jul-Mar						45
1998-99 P	1,001	1,718	58.3	..	..	45

.. Not available  
P Provisional

Source: Pakistan International Airlines Corporation

TABLE 13.3  
NUMBER OF MOTOR VEHICLES REGISTERED

Year	Motor Cars Jeeps & Station Wagons	Motor Cabs/ Taxis	Buses	Trucks	Motor Cycle 2 Wheels	Motor Cycle 3 Wheels	Others	Total
1990	682,636	32,304	84,016	105,245	1,250,749	50,862	507,025	2,712,837
1991	731,960	33,235	89,094	107,171	1,381,136	52,439	528,878	2,923,913
1992	819,350	41,245	94,988	111,391	1,497,017	56,267	558,926	3,179,184
1993	868,159	47,897	98,681	114,394	1,573,370	59,510	589,281	3,351,292
1994	902,654	52,444	107,440	118,389	1,679,259	62,183	615,497	3,537,866
1995	923,577	53,400	113,516	119,174	1,754,737	63,370	642,174	3,669,948
1996	966,747	54,501	114,415	123,658	1,842,531	69,756	666,549	3,838,157
1997	1,068,116	83,182	119,365	131,322	1,995,421	76,224	700,315	4,173,945
1998 P	1,084,372	83,263	120,050	131,357	2,050,511	79,630	713,650	4,262,833

P Provisional

Source: Federal Bureau of Statistics

TABLE 13.4  
MOTOR VEHICLES ON ROAD  
(000 Number)

Year	Motor Cycles/ Scooters	Motor Cars	Jeeps	Station Wagons	Tractors	Buses	Taxi Cabs	Delivery Trucks	Trucks	Others	Total	
1990	896.2	427.7	30.8	69.3	258.2	43.3	30.9	41.3	57.6	82.7	51.5	1,989.4
1991	980.0	433.7	35.1	45.5	276.7	46.0	33.7	42.8	94.6	85.5	57.1	2,130.7
1992	1,176.6	474.2	39.8	50.7	355.4	52.9	40.7	47.2	112.9	94.8	61.2	2,506.4
1993	1,300.8	503.3	42.6	55.3	379.3	57.8	45.3	51.1	122.0	102.9	83.0	2,743.4
1994	1,417.1	528.6	46.2	58.8	402.5	62.4	48.7	54.1	129.5	109.2	71.1	2,928.2
1995	1,497.4	550.6	48.9	62.2	427.2	66.1	52.5	59.4	136.3	115.2	75.3	3,091.1
1996	1,593.2	577.6	51.4	65.3	444.3	69.8	55.4	66.4	142.4	121.4	79.6	3,266.8
1997	1,710.7	606.3	54.1	68.4	466.2	74.4	58.7	75.5	148.9	128.4	84.2	3,475.8
1998	1,843.7	638.8	57.5	72.6	492.2	79.7	63.2	82.9	157.4	136.5	89.7	3,714.2

P Provisional

Source: National Transport Research Center

TABLE 13.5

## PRODUCTION AND IMPORTS OF MOTOR VEHICLES

Type of Vehicles	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	Jul-Mar	
									1997-98	1998-99
<b>PRODUCTION (Nos.)</b>										
Trucks	2,059	1,627	2,222	1,394	703	3,030	2,916	1,850	1,465	755
Buses	826	1,114	1,177	427	312	438	862	425	273	815
L.C.Vs	11,882	11,411	11,478	5,128	5,154	6,834	9,817	4,886	7,697	6,211
4x4 Vehicles	2,796	1,774	1,324	816	1,310	2,274	792	651	467	426
Tractors	13,753	9,817	17,127	14,907	17,144	16,208	10,417	14,144	10,108	16,995
Motor Cycle/Scooters/ Rickshaw	98,647	97,162	95,793	63,958	60,960	121,809	117,180	96,991	71,023	68,574
Cars	25,166	28,911	26,945	19,514	20,955	31,079	33,462	33,683	25,498	28,389
<b>IMPORTS (Nos.)</b>										
Cars	40,827	42,532	100,188	38,216	31,743	35,100	31,817	36,851	27,069	30,752
Jeeps	2,075	1,519	1,484	343	1,535	959	542	1	1	145
Motor Rickshaw	450	1,053	2,773	548	250	..	..	900	900	..
Station Wagon	1,179	1,594	746	251	326	265	173	143	120	80
Buses Including Trolley Buses	594	922	2,247	893	267	344	396	498	295	369
Lorries/Trucks Includ- ing Ambulance	4,623	2,760	4,743	2,673	882	1,948	2,101	1,034	847	317
special Lorries, Trucks & Vans	250	360	535	461	219	102	198	99	92	150
Motor Cycle	84,893	971,650	119,970	86,349	62,100	115,235	135,220	90,435	68,773	55,463
Scooter	7	19	308	3	40	..	..	7	7	8
Motorised Cycles	510	584	426	26	234	1,305	990	925	907	44
Passengers M. Ca	149	16	212	88	224	919	338	318	269	119
Road Tractors for Trailers	1	7	10	27	4	193	340	38	21	30
Tractor Agricultura	408	491	..	952	10,084	6,805	2,020	1,086	1,086	3,072
Tractor Caterpillar	1	18	..	3	2	1	6	..	..	..
Tractor Heavy Duty for const.	1	64	115	14	2	..	14	28	16	..
Tractor Roads	..	1	..	..	..	..	8	..	..	..
Tractor (NES)	87	596	78	115	80	323	179	113	92	432
Car's Chassis with Engine	8	23	11	1	..	..	28	2	1	..
Bus etc. Chassis	..	15	102	24	48	..	12	..	..	..
Spl. Truck etc. Ch	1	..	..	26	..	..	..	..	..	..
Rickshaw, Chassis with Engine	..	10	..	..	..	..	..	..	..	..
Pickup	18,300	19,194	17,931	6,099	5,751	5,506	5,511	6,314	3,662	2,770
Delivery Van	6,118	5,776	22,343	2,823	1,940	1,831	4,851	5,218	4,625	2,491
Chassis Un-Mounted Motor Vehicles	..	712	457	..	127	1	194	9	9	..
Bicycle	3	289	468	928	9,916	8,303	3,618	7,844	5,059	23,630
Motor Vehicles for Goods	3	75	134	57	43	151	22	18	12	91
Passenger Vehicles Public No	56	7	17	15	8	27	22	4	..	60
Tractor Chassis with Engine	..	..	..	..	480	..	..	..	..	..

.. not available

Source: Federal Bureau of Statistics

TABLE 13.6

## POST AND TELECOMMUNICATIONS

Year	No of Post Offices (a)			No of Telegraph Offices(b)			Telephones	No of	TV Sets	Radio Sets	VCR Sets
	Urban	Rural	Total	Urban	Rural	Total	(000 Nos.) (b)	PCO (b)	(000 Nos.) (c)	(000 Nos.) (a)	(000 Nos.) (c)
1990-91	1,867	11,546	13,413	195	302	497	1,188.0	3,861	1,806.9	1,309.8	213.2
1991-92	1,909	11,471	13,380	299	210	509	1,460.7	4,676	1,614.0	829.9	115.6
1992-93	1,983	11,213	13,196	320	210	512	1,547.5	5,618	1,773.7	743.3	120.4
1993-94	1,970	11,315	13,285	327	85	412	1,801.1	6,422	1,975.2	697.8	123.2
1994-95	2,026	11,294	13,320	330	86	416	2,126.1	7,600	2,149.6	589.7	125.3
1995-96	2,092	11,327	13,419	319	104	423	2,375.8	9,410	2,273.6	551.9	126.7
1996-97	2,024	11,192	13,216	340	93	433	2,557.6	10,040	2,522.0	473.5	128.7
1997-98	2,044	11,250	13,294	356	92	448	2,756.1	10,071	2,736.2	412.1	130.7
<u>Jul-Mar</u>											
1998-99	2,044	11,250	13,294	308	93	401	2,861.1	10,107 *	2,911.9	379.6	133.9 P

- Note: i) The number of TV and VCR sets are estimated, while the number of radio sets are based on licenses issued.  
ii) 48 PCDs converted into Customer Service Centres in urban areas.  
iii) Customer Service Centre increased upto 155 in urban areas.

(a): Directorate General Pak. Post Office.  
(b): Pakistan Telecommunications Company Ltd.  
(c): Pakistan Television Corporation.  
P: Provisional

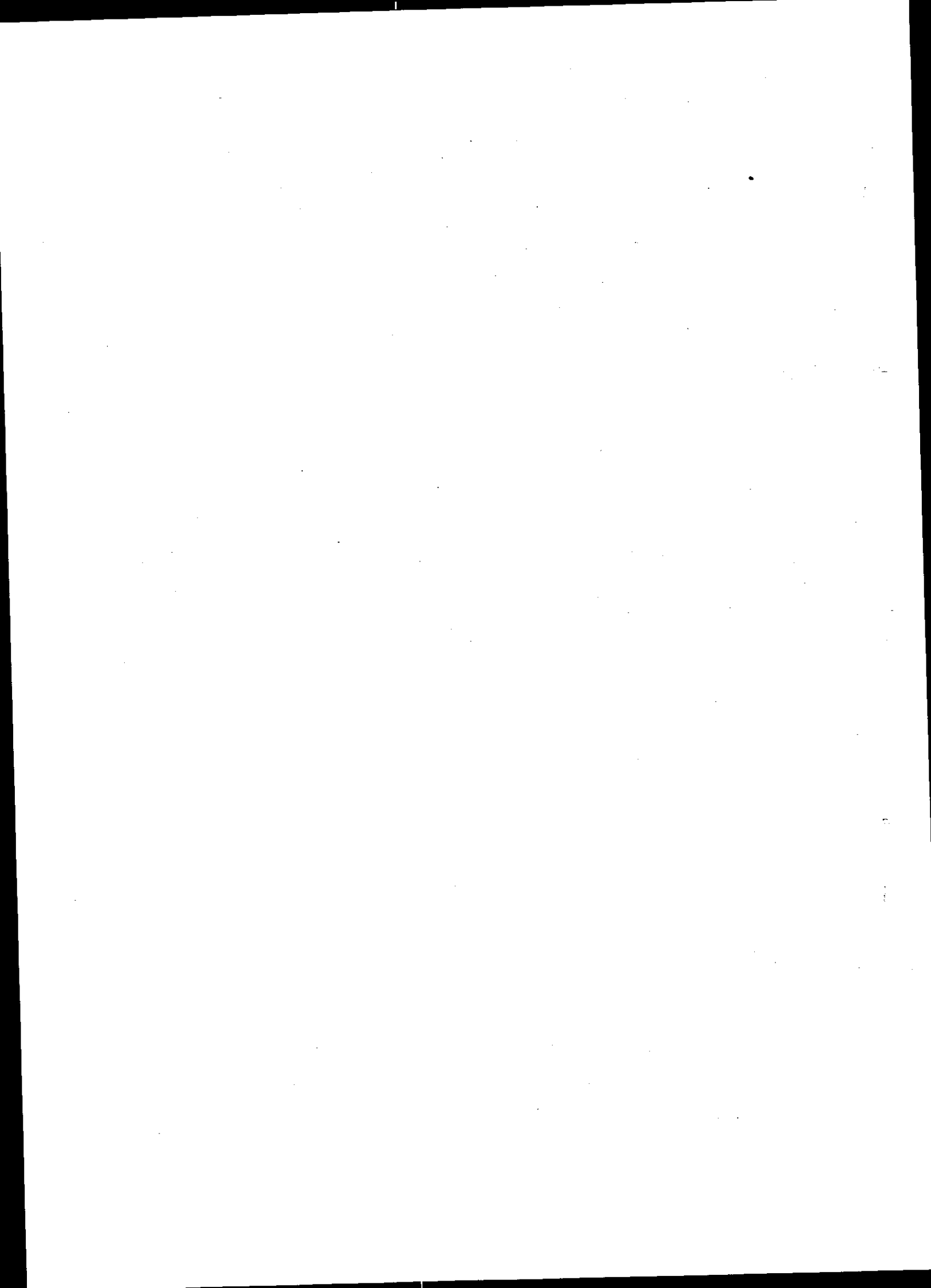


TABLE 14.1  
COMMERCIAL ENERGY CONSUMPTION

Year	1. Oil/Petroleum (tonnes)						Total
	Households	Industry	Agriculture(a)	Transport	Power	Other Govt.	
1991-91	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
1991-93	622,075	1,479,935	287,181	6,107,416	3,158,124	357,115	12,011,846
1991-94	589,851	1,653,516	307,795	6,414,582	3,902,308	357,529	13,225,581
1991-95	585,173	1,889,443	268,631	6,646,175	4,215,635	355,110	13,960,167
1991-96	596,031	2,416,278	250,031	7,135,631	4,785,856	417,254	15,601,081
1991-97	509,738	2,141,065	268,866	7,172,269	5,110,233	403,795	15,605,966
1991-98	498,949	2,081,172	244,977	7,364,767	6,053,784	380,756	16,624,405
<u>Jul-Mar</u>							
1991-98	396,913	1,629,187	183,317	5,301,094	4,730,180	278,577	12,519,268
1991-99	393,656	1,616,359	174,362	5,686,801	3,824,733	269,994	11,965,905

(a): HSD consumption in agricultural sector is not available separately and is included under transport sector. Agricultural sector represents LDO only.

Contd.

TABLE 14.1  
COMMERCIAL ENERGY CONSUMPTION

(Contd.)

Year	2. Gas (mm cft)(b)							Total
	Households	Commercial	Cement	Fertilizer	Power	Industry	Transport (CNG)*	
1991-91	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	597,798
1997-98	134,500	18,764	12,092	147,752	179,042	115,250	490	607,891
<u>Jul-Mar</u>								
1997-98	98,951	14,978	8,590	111,628	134,912	88,886	275	458,155
1998-99 E	100,377	16,327	..	120,928	136,190	94,698	..	468,519

- No available

(b): excluding LPG

(CNG)\* : Compressed Natural Gas

E: Estimated

(Contd.)

TABLE 14.1  
COMMERCIAL ENERGY CONSUMPTION

(..Contd.)

Year	3. Electricity (Gwh)								4. Coal (000 metric tonne)			
	Trac- tion	House- hold	Commer- cial	Indus- trial	Agricul- tural	Street Light	Other Govt.	Total	House- hold	Power	Brick Kilns	Total
1990-91	33	10,409	2,072	11,229	5,620	..	2,171	31,534	3.8	24.6	3,026.0	3,054.4
1991-92	29	11,458	2,143	12,289	5,847	310	1,802	33,879	6.8	39.5	3,580.3	3,626.7
1992-93	27	13,170	2,333	13,043	5,635	297	1,987	36,493	3.2	46.7	3,216.6	3,266.5
1993-94	27	14,133	2,547	12,637	5,772	298	1,967	37,381	3.3	43.6	3,487.0	3,533.9
1994-95	22	15,584	2,623	12,528	6,251	324	2,116	39,448	3.2	40.7	2,999.0	3,043.0
1995-96	20	17,116	2,962	12,183	6,696	378	2,382	41,738	3.1	398.9	3235.8	3,637.8
1996-97	18	17,739	3,011	11,982	7,086	388	2,491	42,715	9.7	351.9	3,191.3	3,552.9
1997-98	16	18,669	2,334	12,297	6,937	387	3,726	44,306	2.3	346.5	2,810.0	3,158.7
Jul-Mar 1997-98		13,901	2,399	9,148	5,500		2,364	33,312	2.0	234.0	2,384.0	2,620.0
1998-99 E	9	13,985	1,765	9,052	4,553	231	3,699	33,294	1.1	296.8	1,921.1	2,219.0

Source: Ministry of Petroleum & Natural Resources,  
Hydrocarbon Development Institute of Pakistan (HOIP)

.. not available  
E: Estimated

TABLE 14.2  
COMMERCIAL ENERGY SUPPLIES

Year	Oil		Gas (mcf)*	Petroleum Products		Coal		Electricity	
	Crude Oil Imports (000 barrels)	Local Crude Extraction (000 barrels)		Imports (000 tonnes)	Produc- tion (000 tonnes)	Imports (000 tonnes)	Produc- tion (000 tonnes)	Installed Capacity (MW)(a)	Generation (Gwh)(b)
1990-91	28,178	23,485	518,483	4,310	6,437	917	3,054	8,716	41,042
1991-92	30,016	22,469	550,715	5,275	6,360	985	3,627	9,369	45,439
1992-93	29,407	21,895	583,545	6,612	6,180	994	3,266	10,586	48,750
1993-94	30,770	20,675	624,229	7,875	6,276	1,094	3,534	11,319	50,640
1994-95	28,386	19,858	628,211	8,737	5,884	1,096	3,043	12,100	53,545
1995-96	31,044	21,063	666,580	10,135	6,343	1,080	3,638	12,969	56,946
1996-97	28,588	21,270	697,763	10,398	5,930	840	3,553	14,818	59,125
1997-98	29,826	20,543	699,709	11,064	5,858	960	3,159	15,659	62,104
Jul-Mar 1997-98	23,507	15,342	526,628	8,702	4,678	750	2,620	15,996	45,038
1998-99	25,903	15,263	551,392	7,494	4,875 E	720 E	2,219 E	15,725 E	43,468 E

Source: Ministry of Petroleum and Natural Resources,  
Hydrocarbon Development Institute of Pakistan (HOIP)

\* Million cubic feet  
(a) MW: Mega Watt  
(b) Gwh: Giga Watt Hour  
E: Estimated



TABLE 14.3  
COMMERCIAL ENERGY SUPPLIES

Year	Electricity					
	Hydroelectric (Hydel)		Thermal		Nuclear	
	Installed Capacity (MW) (a)	Generation (Gwh) (b)	Installed Capacity (MW)	Generation (Gwh)	Installed Capacity (MW)	Generation (Gwh)
1990-91	2,898	18,343	5,741	22,354	137	385
1991-92	3,330	18,247	5,902	26,375	137	418
1992-93	4,626	21,112	5,823	27,057	137	582
1993-94	4,726	19,436	6,456	30,707	137	497
1994-95	4,826	22,858	7,137	30,176	137	511
1995-96	4,826	23,206	8,006	33,257	137	483
1996-97	4,826	20,858	9,855	37,921	137	346
1997-98	4,826	22,060	10,655	39,669	137	375
<u>Jul-Mar</u>						
1997-98	4,825	15,756	11,171	28,968	137	314
1998-99	4,825	17,979	E 10,763	E 25,489	E 137	284 E

(a) MW: Mega Watt

(b) Gwh: Giga Watt Hour

E Estimated

Source:

Ministry of Petroleum and Natural Resources,  
Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.4  
SCHEDULE OF ELECTRICITY TARIFFS

Consumption during the month (kwh)	Effective 1-8-1996				Effective 1-9-1996			
	Fixed/Min Charges (Rs/Kwh)	Energy Charges (Ps/kwh)	F.A.S. (Ps/kwh)	Additional Surcharge (Ps/kwh)	Fixed/Min Charges (Rs/Kwh)	Energy Charges (Ps/Kwh)	F.A.S. (Ps/Kwh)	Additional Surcharge (Ps/Kwh)
<b>GENERAL SUPPLY TARIFF A-1</b>								
For first 50 units	-	54	7	29	-	54	7	31
For next 100 units (51-150)	-	68	7	48	-	68	7	50
For next 150 units (151-300)	-	77	15	83	-	77	15	86
For next 700 units (301-1000)	-	110	75	148	-	110	75	153
For next 1000 units (1001-2000)	-	147	75	198	-	147	75	205
For next 1000 units (2001-3000)	-	147	75	214	-	147	75	221
For next 1000 units (3000-4000)	-	147	75	230	-	147	75	237
Above 4000 units	-	147	75	244	-	147	75	251
<b>GENERAL SUPPLY TARIFF A-2</b>								
For first 100 units	-	217	75	195	-	217	75	202
Above 100 Units	-	241	75	209	-	241	75	217
<b>INDUSTRIAL SUPPLY</b>								
B-1 upto 40 kw	-	119	75	141	-	119	75	146
B-2 41-500 kw	151	68	75	157	-	68	75	162
B-3 upto 5000 kw	145	67	75	118	-	67	75	122
B-4 for all loads	140	62	75	114	-	62	75	118
<b>SUPPLY TO AGRICULTURAL TUBE WELLS (TARIFF-D)</b>								
1 SCARP	-	85	75	127	-	85	75	131
2 For bonafied forest agri tubewells and lifts	-	-	-	-	-	-	-	-
i) Punjab & Sindh	41	49	75	136	41	49	75	141
ii) NWFP & Baluchistan	36	34	75	118	36	34	75	122
<b>FLAT RATE TARIFF D-1 (Rs/HP/month) (FOR PRIVATE AGR. TUBEWELLS)</b>								
1 Punjab & Sindh	147	-	-	151	147	-	-	156
2 NWFP & Balushistan & Distts. Mianwali & Bhawalnagar in Punjab & Tharparkar in Sind	122	-	-	127	122	-	-	131
<b>SUPPLY TO RES. COLONIES ATTACHED TO INDUSTRIAL PREMISES (TARIFF-H)</b>								
1 Consumers having their own transformer	-	104	75	141	-	104	75	146
2 Consumer not having their own transformer	-	105	75	142	-	105	75	147
<b>TARIFF-I FOR RAILWAY TRACTION</b>								
Tariff-I	-	61	75	116	-	61	75	120
<b>TARIFF-J FOR CO-GENERATION CONSUMERS</b>								
Sale of Power by WAPDA	-	133	75	142	-	133	75	147
Purchase of Power by WAPDA	-	103	-	-	-	108	-	-
a) During December to July	-	78	-	-	-	78	-	-
b) During August to November	-	-	-	-	-	-	-	-

Note: In addition to above the \*Surcharge\* @ 10.4% of supply charges is also leviable

TABLE 14.4  
SCHEDULE OF ELECTRICITY TARIFFS

Consumption during the month (kwh)	Effective 1-10-1996				Effective 1-11-1996			
	Fixed/Min Charges (Rs/Kwh)	Energy Charges (Ps/Kwh)	F.A.S. (Ps/Kwh)	Additional Surcharge (Ps/Kwh)	Fixed/Min Charges (Rs/Kwh)	Energy Charges (Ps/Kwh)	F.A.S. (Ps/Kwh)	Additional Surcharge (Ps/Kwh)
<b>GENERAL SUPPLY TARIFF A-1</b>								
For first 50 units	-	54	7	34	-	64	7	37
For next 100 units (51-150)	-	68	7	54	-	68	7	58
For next 150 units (151-300)	-	77	15	91	-	77	15	96
For next 700 units (301-1000)	-	110	75	160	-	110	15	167
For next 1000 units (1001-2000)	-	147	75	212	-	147	75	219
For next 1000 units (2001-3000)	-	147	75	229	-	147	75	237
For next 1000 units (3001-4000)	-	147	75	245	-	147	75	253
Above 4000 units	-	147	75	259	-	147	75	267
<b>GENERAL SUPPLY TARIFF A-2</b>								
For first 100 units	-	217	75	210	-	217	75	219
Above 100 Units	-	241	75	226	-	241	75	235
<b>INDUSTRIAL SUPPLY</b>								
B-1 upto 40 kw	-	119	75	153	-	119	75	160
B-2 upto 1-500 kw	-	68	75	169	151	68	75	176
B-3 upto 5000 kw	-	67	75	127	145	67	75	133
B-4 for all loads	-	62	75	123	148	62	75	128
<b>SUPPLY TO AGRICULTURAL TUBE WELLS (TARIFF-D)</b>								
1 SCARP	-	85	75	136	-	85	75	141
2 for bonafied forest agri tubewells & lift								
i) Punjab & Sindh	41	49	75	146	41	49	75	152
ii) NWFP & Baluchistan	36	34	75	127	36	34	75	132
<b>FLAT RATE TARIFF D-1 (Rs/HP/month) (FOR PRIVATE AGRIC. TUBEWELLS)</b>								
1 Punjab & Sindh	147	-	-	165	147	-	-	174
2 NWFP & Baluchistan	122	-	-	139	122	-	-	147
† Distts. Mianwali & Bhawalnagar								
in Punjab & Tharparkar in Sind								
<b>SUPPLY TO RES. COLONIES ATTACHED TO INDUSTRIAL PREMISES (TARIFF-H)</b>								
1 Consumers having their own transformer	-	104	75	152	-	104	75	159
2 Consumer not having their own transformer	-	105	75	153	-	105	75	160
<b>TARIFF FOR RAILWAY TRACTION</b>								
Tarif-I	-	61	75	116	-	61	75	129
<b>TARIFF FOR CO-GENERATION CONSUMERS</b>								
Sale of Power by WAPDA	-	133	75	153	-	133	75	160
Purchase of Power by WAPDA								
i) During December to July	-	103	-	-	-	103	-	-
ii) During August to Novemb	-	78	-	-	-	78	-	-

Note: In addition to above the "Surcharge" @ 10.4% of supply charges is also leviable.

TABLE 14.4

## SCHEDULE OF ELECTRICITY TARIFFS

Consumption during the month (kwh)	Effective 1-12-1996				Effective 1-1-1997			
	Fixed/Min Charges (Rs/Kwh)	Energy Charges (Ps/Kwh)	F.A.S. (Ps/Kwh)	Additional Surcharge (Ps/Kwh)	Fixed/Min Charges (Rs/Kwh)	Energy Charges (Ps/Kwh)	F.A.S. (Ps/Kwh)	Additional Surcharge (Ps/Kwh)
<b>GENERAL SUPPLY TARIFF A-1</b>								
For first 50 units	-	54	7	40	-	54	7	43
For next 100 units (51-150)	-	68	7	62	-	68	7	66
For next 150 units (151-300)	-	77	15	101	-	77	15	106
For next 700 units (301-1000)	-	110	75	174	-	110	75	182
For next 1000 units (1001-2000)	-	147	75	226	-	147	75	234
For next 1000 units (2001-3000)	-	147	75	246	-	147	75	254
For next 1000 units (3000-4000)	-	147	75	262	-	147	75	270
Above 4000 units	-	147	75	275	-	147	75	283
<b>GENERAL SUPPLY TARIFF A-2</b>								
For first 100 units	-	217	75	228	-	217	75	237
Above 100 Units	-	241	75	244	-	241	75	253
<b>INDUSTRIAL SUPPLY</b>								
B-1 upto 40 kw		119	75	167		119	75	174
B-2 41-500 kw	151	68	75	183	183	151	68	180
B-3 upto 5000 kw	145	67	75	139	139	145	67	145
B-4 for all loads	140	62	75	133	133	140	62	138
<b>SUPPLY TO AGRICULTURAL TUBE WELLS (TARIFF-D)</b>								
1 SCARP	-	85	75	146	-	85	75	151
2 For bonafied forest agri tubewells & lift								
i) Punjab & Sindh	41	49	75	159	41	41	49	75
ii) NWFP & Baluchistan	36	34	75	138	36	36	34	75
<b>FLAT RATE TARIFF D-1 (Rs/HP/Month) (FOR PRIVATE AGR. TUBEWELLS)</b>								
1 Punjab & Sindh	147	-	-	184	-	147	-	195
2 NWFP & Balushistan & Distts. Mianwali & Bhawalnagar in Punjab & Tharparkar in Sind	122	-	-	156	-	122	-	166
<b>SUPPLY TO RES. COLONIES ATTACHED TO INDUSTRIAL PREMISES (TARIFF-H)</b>								
1 Consumers having their own transformer	-	104	75	167	-	104	75	175
2 Consumer not having their own transformer	-	105	75	168	-	105	75	176
<b>TARIFF-I FOR RAILWAY TRACTION</b>								
Tariff-I	-	61	75	137	-	61	75	145
<b>TARIFF-J FOR CO-GENERATION CONSUMERS</b>								
Sale of Power by WAPDA	-	133	75	167	-	133	75	174
Purchase of Power by WAPDA								
a) During December to July	-	103	-	-	-	103	-	-
b) During August to Novemb	-	78	-	-	-	78	-	-

Note: 1) The above figures cover some portion of the tariffs schedule. For full details, WAPDA may be consulted.  
2) In addition to above, the "Surcharge" @ 10.4 % of supply charges is also leviable.

TABLE 14.4

## SCHEDULE OF ELECTRICITY TARIFFS

Consumption during the month (kwh)	Effective 1-2-1997				Effective 9-3-1998			
	Fixed/Min Charges (Rs/Kwh)	Energy Charges (Ps/Kwh)	F.A.S. (Ps/Kwh)	Additional Surcharge (Ps/Kwh)	Fixed/Min Charges (Rs/Kwh)	Energy Charges (Ps/Kwh)	F.A.S. (Ps/Kwh)	Additional Surcharge (Ps/Kwh)
<i>GENERAL SUPPLY TARIFF A-1</i>								
For first 50 units	-	54	7	50	-	54	7	73
For next 100 units (51-150)	-	68	7	76	-	68	7	122
For next 150 units (151-300)	-	77	15	120	-	77	15	193
For next 700 units (301-1000)	-	110	75	209	-	110	75	303
For next 1000 units (1001-2000)	-	147	75	262	-	147	75	380
For next 1000 units (2001-3000)	-	147	75	282	-	147	75	400
For next 1000 units (3001-4000)	-	147	75	298	-	147	75	420
Above 4000 units	-	147	75	311	-	147	75	435
<i>GENERAL SUPPLY TARIFF A-2</i>								
For first 100 units	-	217	75	267	-	217	75	346
Above 100 Units	-	241	75	283	-	241	75	368
<i>INDUSTRIAL SUPPLY</i>								
B-1 upto 40 kw	-	119	75	197	-	119	75	252
B-2 41-500 kw	151	68	75	213	151	68	75	274
B-3 upto 5000 kw	145	67	75	165	145	67	75	213
B-4 for all loads	140	62	75	157	140	62	75	203
<i>SUPPLY TO AGRICULTURAL TUBE WELLS (TARIFF-D)</i>								
1 SCARP	-	85	75	171	-	85	75	213
2 For bonafied forest agri tubewells & lift								
i) Punjab & Sindh	41	49	75	188	41	49	75	234
ii) NWFP & Baluchistan	36	34	75	163	36	34	75	201
<i>FLAT RATE TARIFF D-1 (Rs/HP/Month) (FOR PRIVATE AGRI. TUBEWELLS)</i>								
1 Punjab & Sindh	147	-	-	220	147	-	-	373
2 NWFP & Baluchistan	122	-	-	187	122	-	-	316
3 Distts. Mianwali & Bhawalnagar in Punjab & Tharparkar in Sind								
<i>SUPPLY TO RES. COLONIES ATTACHED TO INDUSTRIAL PREMISES (TARIFF-H)</i>								
1 Consumers having their own transformer	-	104	75	197	-	104	75	284
2 Consumer not having their own transformer	-	105	75	198	-	105	75	285
<i>TARIFF FOR RAILWAY TRACTION</i>								
Tarif-I	-	61	75	165	-	61	75	234
<i>TARIFF FOR CO-GENERATION CONSUMERS</i>								
Sale of Power by WAPDA	-	133	75	198	-	133	75	270
Purchase of Power by WAPDA								
a) During December to July	-	103	-	-	-	103	-	-
b) During August to Novemb	-	78	-	-	-	78	-	-

Note: 1) The above figures cover some portion of the tariffs schedule. For full details, WAPDA may be consulted.  
2) In addition to above the "Surcharge" @ 10.4% of supply charges is also leviable

**TABLE 14.4**  
**SCHEDULE OF ELECTRICITY TARIFFS**

Tariff Category/ Particulars	Effective 1-4-1999			Additional Surcharge (Ps/Kwh)
	Fixed/Min Charges (Rs/KwM)	Energy Charges (Ps/Kwh)	F.A.S. (Ps/Kwh)	
<b>GENERAL SUPPLY TARIFF A-1</b>				
Upto 50 Units		54	7	73
For Consumption above 50 units				
For First 100 units		68	7	89
For next 200 units (101-300)		77	15	160
For next 700 units (301-1000)		110	75	286
For next 3000 units (1001-4000)		147	75	385
Above 4000 units		147	75	436
Flat Rate for FATA (Rs/Con/Month)	90	-	-	537
Minimum Monthly Charges:				
		a) Single Phase Connections		
		b) Three Phase Connection: Rs 150/- plus Rs 25/- per KW for load in excess of 5 KW.		
<b>GENERAL SUPPLY TARIFF A-2</b>				
For first 100 units		217	75	346
Above 100 Units		241	75	356
Minimum Monthly Charges:				
		a) Single Phase Connections		
		b) Three Phase Connection: Rs 500/- plus Rs 50/- per KW for load in excess of 5 KW.		
<b>INDUSTRIAL SUPPLY</b>				
B-1 upto 40 kw		119	75	246
There shall be minimum monthly charges of Rs 100/Kw for first 20 Kilowatts of load and Rs 150/Kw for loads between 20-40 Kw.				
B-2 41-500 kw	300	68	75	164
B-3 Upto 5000 KW (Normal)	290	67	75	144
B-3 TOD (Off-Peak)	290	53	75	103
B-3 TOD (Peak)	280	135	75	169
B-4 For All loads (Normal)	280	62	75	133
B-4 TOD (Off-Peak)	280	49	75	96
B-4 TOD (Peak)	280	125	75	167
<b>BULK SUPPLY TARIFFS</b>				
C-1(a) 400 Volts (Lic./Non-License)	220	83	75	252
C-1(b) 400 Volts (Other Consumers)	-	68	75	251
C-2 (a) 11/33KV (Lic./Non Lic.)	-	69	75	238
For Government of A&JK	-	69	75	165
C-2(b) POF WAH	-	95	75	274
C-2 (c) 11/133 KV (Other Consumers)	216	65	75	248
C-3 66/132/220 KV	214	63	75	224
<b>TEMP/COGEN/RAILWAY/P. LIGHT TARIFFS</b>				
E-1 (i) Domestic Supply		170	75	299
E-1 (ii) Commercial Supply		319	75	446
E-2 (i) Industrial Supply		174	75	303
E-2 (ii)a Bulk Supply to Lic./Non-Lic (400KV)		135	75	315
E-2 (ii)b Bulk Supply to Lic./Non-Lic (11KV)		123	75	303
E-2 (iii) Bulk Supply to Other Consumers		144	75	323
G-1 (i) Public Lighting of Provincial Govts.		152	75	449
G-1 (ii) Public Lighting other than G-1 (i)		104	75	302
H-1 Residential Colonies of Industries		105	75	304
H-2 Residential Colonies of Industries		61	75	250
I Railway Traction		133	75	270
J-1 Cogeneration Tariff (Sale by WAPDA)		103		
J-2 (a) COG. Tariff (Purchase by WAPDA Dec. July)		78		
J-2 (b) COG. Tariff (Purchase by WAPDA Aug-Nov)				
<b>AGRICULTURAL TARIFF-D</b>				
1 SCARP		85	75	213
i) Punjab & Sindh	150	49	75	80
ii) NWFP & Baluchistan	132	34	75	70
<b>FLAT RATE TARIFF D-1 (Rs/HP/Month)</b>				
	Fixed Charges Rs/HP/Month			Addl. Surcharge Rs/HP/Month
1 Punjab & Sindh	147			373
2 NWFP & Balushistan & Distts. Mianwali, Bhawalnagar & Tharparkar	122			316

Note: 1) The above figures cover some portion of the tariffs schedule. For full details, WAPDA may be consulted.  
2) In addition to above the "Surcharge" @ 10.4% of supply charges is also leviable  
3) Supply charges include fixed charges, energy charges, FAS and low power factor penalty.

TABLE 14.5  
OIL SALE PRICES

	Effective from									
	19-8-93	14-6-95	28-10-95	14-4-96	4-2-97	15-10-97	10-6-98	18-7-98	26-1-99	16-4-99
E-NRL/PRL, Karachi	Rs/Ltr.									
Motor Gasoline	13.13	13.75	14.71	14.91	17.23	17.75	17.75	22.19	22.19	22.19
HJBC (Automotive 100 Octane)	15.97	16.88	18.06	18.28	20.04	20.65	20.65	25.82	25.82	25.82
Super (90 Octane) (Blend of M Gasoline @ 60% and HOBC 40%)	14.27	15.00	16.05	16.26	18.35	-	-	-	23.64	23.64
Kerosene	6.00	6.25	6.69	7.26	9.44	9.44	9.44	9.44	9.44	9.44
HSD	6.12	6.50	6.96	7.46	9.66	9.66	9.66	9.66	9.66	9.66
LDO	4.84	5.00	5.35	5.73	7.79	7.79	7.71	7.79	7.79	7.79
Aviation gasoline (100LL)	10.20	10.20	10.20	10.20	10.20	10.20	10.20	10.20	10.20	10.20
JF-1:										
i For sale to PIA Domestic	5.80	6.00	6.42	6.14	8.13	8.13	5.53	4.96	4.96	5.23
ii For sale to PIA foreign flights & foreign airline	5.40	5.50	6.91	7.77	9.83	7.56	6.97	6.82	6.53	7.43
JF-4	7.15	7.50	8.03	7.94	9.91	10.20	10.20	10.20	10.20	10.20
	Rs/M.Ton									
FC Ex-NRL	2,843.50	2,986.00	3,195.00	3,640.00	6,296.70	6,296.70	5,500.00	5,500.00	5,500.00	5,500.00
Ex-PRL	2,843.50	2,986.00	3,195.00	3,640.00	6,296.70	6,296.70	5,500.00	5,500.00	5,500.00	5,500.00
Ex-Imports	2,843.50	2,986.00	3,195.00	3,640.00	6,296.70	6,296.70	5,500.00	5,500.00	5,500.00	5,500.00
Asphalt (Ex-NRL) excluding packing cost	5,247.00	5,510.00	5,896.00	5,896.00	-	-	-	-	-	-
	(Rs/Ltrs.)									
EXARL, Rawalpindi										
Motor Gasoline	13.13	13.75	14.71	14.91	17.23	17.75	17.75	22.19	22.19	22.19
Kerosene	6.00	6.25	6.69	7.26	9.44	9.44	9.44	9.44	9.44	9.44
HSD	6.12	6.50	6.96	7.46	9.66	9.66	9.66	9.66	9.66	9.66
LDO	4.84	5.00	5.35	5.73	7.79	7.79	7.79	7.79	7.79	7.79
JP4	7.15	7.50	8.03	7.94	9.91	10.20	10.20	10.20	10.20	10.20
JP1 (PIA Domestic Flights)	5.80	6.00	6.42	6.14	8.13	8.35	5.53	4.76	4.76	4.76
F.C. (Rs/M.Ton)	2,843.50	2,986.00	3,195.00	3,640.00	6,296.70	6,296.70	5,500.00	5,500.00	5,500.00	5,500.00
Asphalt (Rs/M.Ton)	5,247.00	5,510.00	5,896.00	5,896.00	-	-	-	-	-	-

Source: Ministry of Petroleum and Natural Resources,  
Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.6  
GAS SALE PRICES

Category	Effective from						
	19-8-93	5-12-94	14-6-95	16-5-96	1-1-97	30-4-97	1-1-99
DOMESTIC (Slab)							
I Upto 3.55	35.65	37.45	40.27	42.69	49.09	49.09	49.09
II 3.56 to 7.1	39.21	44.04	47.89	50.76	58.38	58.38	58.38
III 7.11 to 10.86	46.50	52.73	65.38	69.50	79.70	79.70	79.70
IV above 10.86	55.80	63.27	78.45	83.16	95.63	95.63	95.63
Commercial	70.62	76.27	94.57	100.24	115.28	115.28	115.28
Industrial	-	-	-	-	102.46	102.46	-
General	62.75	67.74	84.05	89.09	102.46	102.46	102.46
Cement	39.54	67.77	84.05	89.09	102.46	102.46	102.46
CNG Station	-	-	-	-	70.50	80.58	102.46
FERTILIZER							
<u>SNGPL'S SYSTEM</u>							
For Feed Stock	22.50	22.50	27.90	29.57	34.01	34.01	34.01
For Fuel Generation	66.22	16.22	84.05	89.09	102.46	102.46	102.46
<u>FOR MARI GAS CO. SYSTEM</u>							
For Feed Stock (New)	9.75	9.75	9.75	9.75	9.75	9.75	9.75
For Feed Stock (Old)	-	-	-	-	23.39	23.39	23.39
For Fuel Generation	52.56	52.56	66.61	70.61	81.21	81.21	81.21
POWER							
SNGPL & SSGCL'S SYSTEM	62.75	67.77	84.05	89.09	102.46	102.46	102.46
GAS DIRECTLY SOLO TO							
<u>WAPDA'S GUDOU POWER STATION</u>							
SUI FIELD (917 BTU)	43.73	56.84	66.10	78.10	92.08	92.08	92.08
KANDHKOT FIELD (866 BTU)	41.30	53.59	62.37	73.70	86.89	86.89	86.89
MARI FIELD (754 BTU)	35.96	46.74	54.17	64.02	75.50	75.50	75.50

Source: Ministry of Petroleum and Natural Resources,  
Hydrocarbon Development Institute of Pakistan (HDIP)



## WEIGHTS AND MEASURES

One lakh - One hundred thousand - 100,000  
Ten lakh - One million - 1,000,000  
One crore - Ten million 10,000,000  
One billion - One thousand million  
One trillion - One thousand billion

### WEIGHTS

One seer = 2.057 lbs. = 0.9331 kg  
One maund = 82.286 lbs. = 37.324 kg  
One CWT = (hundred wights) = 112 lbs. = 50.8011 kg  
One long ton = 2240 lbs. = 1.016 metric tons  
One cotton bale = 375 lbs. = 170.2 kg  
One bushel = 0.73 mds. = 27.25 kg

### AREA

One Acre = 4840 sq.yards = 0.4047 hectare  
One cubic metre = 35.315 cubic feet

### LENGTH

One yard = 36 inches = 0.914 meters  
One mile = 1760 yards = 1.709 km

### LIQUID MEASURES

One imperial gallon = 4.561 litres = 1.20094 American gallons  
One American barrel = 34.9726 imperial gallons = 42 American gallons  
One ton of liquified methane = 50,000 cubic feet of natural gas = approx 16 barrels  
One tonne of oil = 7.454 barrels

### CURRENCY EQUIVALENTS

Prior to 1972

One Rupee = US \$ 0.21  
One US \$ = 4.76

Upto February 1973

One Rupee = \$ 0.09  
One US \$ = Rs 11.00

With effect from 8th January 1982, Rupee is floating against dollar and is linked to a basket of currencies.

### YEARS

Fiscal/Trade/Agriculture Year - July 1 to June 30  
Before 1959-60, the fiscal year was from April

## ACRONYMS

ADBP	Agricultural Development Bank of Pakistan	KPT	Karachi Port Trust
ADP	Annual Development Programme	KTC	Karachi Transport Corporation
AJK	Azad Jammu and Kashmir	LDA	Lahore Development Authority
APC	Agricultural Prices Commission	MDA	Multan Development Authority
BEL	Bankers Equity Limited	NCCC	National Credit Consultative Council
BIM	Board of Industrial Management	NDFC	National Development Finance Corporation
CCC	Commodity Credit Corporation	NDISC	National Design and Industrial Service Corporation
CCI	Controller of Capital Issues	NEC	National Economic Council
CCI&E	Chief Controller of Import and Export	NFC	National Fertilizer Corporation
CDA	Capital Development Authority	NFML	National Fertilizer Marketing Limited
CDWP	Central Development Working Party	NIT	National Investment Trust
CLA	Corporate Law Authority	NLC	National Logistics Cell
ECC	Economic Coordination Committee (of the (Cabinet))	NWFP	North Western Frontier Province
ECNEC	Executive Committee of National Economic Council	DGDC	Oil and Gas Development Corporation
EDC	Export Development Corporation	DPIC	Overseas Private Investors Corporation
ENERCON	Energy Conservation Centre	PAC	Pakistan Automobile Corporation
OEP	Office of Energy Planning	PARC	Pakistan Agricultural Research Council
EOABS	Employees Old Age Benefit Scheme	PASMIC	Pakistan Steel Mills Corporation
EPB	Export Promotion Bureau	PASSCO	Pakistan Agricultural Storage and Services Corporation
EPZ	Export Processing Zone	PBC	Pakistan Broadcasting Corporation
FATA	Federally Administered Tribal Areas	PCSIR	Pakistan Council of Scientific and Industrial Research
FDA	Faisalabad Development Authority	PECO	Pakistan Engineering Company
FCCCL	Federal Chemical Ceramics Corporation Limited	PEARC	State Petroleum Refining and Petro Chemical Corporation
GCP	Ghee Corporation of Pakistan	PIAC	Pakistan International Airlines Corporation
GEMCP	Gemstone Corporation of Pakistan	PIC	Pakistan Insurance Corporation
GSP	Geological Survey of Pakistan	PICIC	Pakistan Industrial Credit and Investment Corporation
GVI	Government Vocational Institutions	PIDC	Pakistan Industrial Development Corporation
HBFC	House Building Finance Corporation	PMDC	Pakistan Mineral Development Corporation
HDA	Hyderabad Development Authority	PNSC	Pakistan National Shipping Corporation
HIES	Household Income and Expenditure Survey	POL	Pakistan Oilfields Limited
ICP	Investment Corporation of Pakistan	PPL	Pakistan Petroleum Limited
IDBP	Industrial Development Bank of Pakistan	PR	Pakistan Railways
IRDP	Integrated Rural Development Programme	PSIC	Pakistan Small Industries Corporation
KANUPP	Karachi Nuclear Power Plant	PTVC	Pakistan Television Corporation
KDA	Karachi Development Authority		
KESC	Karachi Electric Supply Corporation		

PUTC	Punjab Urban Transport Corporation
QDA	Quetta Development Authority
RDC	Resource Development Corporation
RECP	Rice Export Corporation of Pakistan
SBFC	Small Business Finance Corporation
SBP	State Bank of Pakistan
SCCF	State Cement Corporation of Pakistan
TCP	Trading Corporation of Pakistan
TDF	Tarbela Development Fund
WAPJA	Water and Power Development Authority

### International Organizations

ADB	Asian Development Bank
CDFC	Commonwealth Development Finance Corporation
CIDA	Canadian International Development Agency
ECO:DC	Economic and Social Council
ECC	European Economic Community
EFTA	European Free Trade Association
ESCAP	Economic and Social Commission for Asia and Pacific
FAC	Food Aid Convention
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IDB	Islamic Development Bank
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
ILD	International Labour Organization
IMI	International Monetary Fund
OECD	Organization for Economic Co-operation and Development
OPEC	Organization of Petroleum Exporting Countries
RCJ	Regional Cooperation for Development
UNCEF	United Nations Children Emergency Fund
UNDP	United Nations Development Programme
UNFPA	United Nations Fund for Population Activities

### Terms used in Text

BE	Budget Estimates
BHU	Basic Health Units
BMR	Balancing, Modernisation and Replacement
CIF	Cost, Insurance and Freight
CKD	Completely Knocked Down
CLCC	Cash Loan Commodity Credit
CPI	Consumer Price Index
FOB	Free On Board
GDP	Gross Domestic Product
GNP	Gross National Product
LIBOR	London Inter Bank Offer Rate
LPG	Liquefied Petroleum Gas
MAF	Million Acre Feet
MCFT	Million Cubic Feet
MCH	Maternity Child Health Centre
NRI	Non-Repatriable Investment
NWD	Nation Wide Dialing System
O&M	Operations and Maintenance
ORS	Oral Re-hydration Salt
PCO	Public Call Office
PL-480	Public Law-480 (of the United States of America)
PLS	Profit Loss Sharing
POL	Petroleum Oil and Lubricants
PTC	Participation Terms Certificate
PWP	Peoples Works Programme
RE	Revised Estimates
RHC	Rural Health Centre
SCARP	Salinity Control and Reclamation Project
Sq.Ft.	Square Feet
SPI	Sensitive Price Indicator
TOE	Tonne Oil Equivalent
TTC	Technical Training Centre
T&V	Training and Visit
WPI	Whole Price Index

