Pakistan Economic Survey 2009-10

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Foreword

Pakistar's economy has dispıyed snifican resiliεce in the presence)f a challenging en/ironment throughout 2009-1 The [overnrent's efforts to tackl(the economic slowdown have been notewırthy. / econcmic recvery is underway as sbwn by an improvement in macroeconoric inditors. Foweve this necds to be futher strengthened.

The medium-term path for publ: policyeeds t(take irɔ account the fragile nεure of the economic turnaround while bilding)on th: positi: developments witnssed during 2009-10.

The Economic Survey 2009-10preser an a(count f the performance of the economy in the outgoing year, and the verall pbal coıtext.

I wish tc appreciate the efforts)f the incipal Econorc Adviser and his tear, as indeed of the ertire Finance Division, fc the tinly combilationf the Economic Survey

I trust that the Economic Surveyvill ser, as alvays, as document providing u:ful information.

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Adviser to Prime Minister for Finance, Rvenue,conomc Affair
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Islamabad, 4th June 2010

Preface

The outgoing fiscal year 2009-10 was yt anotr challnging ar for Pakistan's econmy. A measure of macroeconomic stabili achied ovr the ast two years, in difcult circumstances, and with great dedicaon an sacrifie by te people of Pakistan, has kindled a moderate recovery.

The economic environment remains difcult. Hvever, he sucssful resolution of som o the critical challenges the economy ha facedn 200910, su as the energy and wter shortage, and a disturbed internal secury situaon, coud lay th basis for higher growt.

The Economic Survey 2009-10 is an accunt of kistan's econoic performance duringthe outgoing year, of the challenges the ecoomy fed andis likelto face in the coming yar and an analysis of how global as well s regial devdopmes may have impacted ey macroeconomic variables.

An effort has been made to make the Ecnomicrvey nore opn, balanced, informativ as well as analytical. This year's Economicsurveyas mace an aempt at a break from he past in another aspect: it has tried to ntrodu forward-lookg analysis. Hence, tw o Pakistan's most pressing, and inter-relatd, longrm developmntal challenges, Water nd Climate Change, have been discussed at ome lenth.

The Economic Survey could not have bee compted wihout th cooperation of numerus government ministries, departments, gencie and other ganisations. I thankflly acknowledge the timely and unstinting spport tendec by eac in providing accurate nd updated data for inclusion.

As always, the completion of the Econoic Suny requres mths of dedicated workby the Economic Adviser's Wing. I am gratful forne harc work nd professionalism of he team and entire staff. The support of he Finice Divsion ingeneral, and the Finace Secretary in particular, is gratefully acknowledge

Sakib Sherani

Principal Economic Adviser

Islamabad, 4th June 2010

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ABBREVIATIONSAND CRONYMS

AD	Annual Development Program
AJK	Azad Jammu and Kashmir
AP(	Agricultural Prices Commission
BIN	Board of Industrial Management
CC(	Commodity Credit Corporation
CCI	Controller of Capital Issues
CCE	Chief Controller of Import and Export
CD	Capital Development Authority
CDP	Central Development Working Party
EC(	Economic Coordination Committee (of the Cabinet)
ECI	Economic Cooperation Organization
ECIC	Executive Committee of National Economic Council
EN.CON	Energy Conservation Centre
EOIS	Employees Old Age Benefit Scheme
EP!	Export Promotion Bureau
EP:	Export Processing Zone
FA'	Federally Administered Tribal Areas
GS	Geological Survey of Pakistan
GV	Government Vocational Institutions
HB:	House Building Finance Corporation
HII	Household Income and Expenditure Survey
HC	Hyderabad Development Institute
KAJPP	Karachi Nuclear Power Plant
KD	Karachi Development Authority
KE:	Karachi Electric Supply Corporation
KP	Karachi Port Trust
LD	Lahore Development Authority
NC	National Credit Consultative Council
NE	National Economic Council
NF	National Fertilizer Corporation
NT:	National Transport Research Center
NI'	National Investment Trust
NL	National Logistics Cell
NVP	North Western Frontier Province
O(C	Oil and Gas Development Corporation
PA	Pakistan Automobile Corporation
PAC	Pakistan Agricultural Research Council
PMIC	Pakistan Steel Mills Corporation
PASCO	Pakistan Agricultural Storage and Services Corporation
PE	Pakistan Broadcasting Corporation
PCR	Pakistan Council of Scientific and Industrial Research
PERC	State Petroleum Refining and Petro Chemical Corporation
PI:	Pakistan International Airlines Corporation
PI	Pakistan Insurance Corporation
PDC	Pakistan Mineral Development Corporation
PIC	Pakistan National Shipping Corporation
P(	Pakistan Oilfields Limited
PI	Pakistan Petroleum Limited
PI	Pakistan Railways
P'C	Pakistan Television Corporation
RECP	RiceExport Cporation of Pakistan
SBP	State Bank ofakistan
TCP	Trading Corpation of Pakistan
TFC	Tern-FinancCertificate
WAPDA	Water and Pver Development Authority

INTERNIONAL CRGANIZAONS

ADB	Asian Develonent Bank
CDFC	Conmonwean Developrent Finance Cororation
CIDA	Canidian Intnational Development Agenc
ECOSO(	Ecoomic ansocial Council
ECC	Eurpean Ecomic Community
EFTA	Eurpean FreTrade Association
ESCAP	Ecoomic ansocial Commission for Asia ad Pacfic
FAC	Fool Aid Corntion
IBRD	Internationalank for Reconstruction and Developmen
IDA	Internationalevelopment Association
IDB	Islanic Deveoment Bank
IFAD	Internationalund for Agricultural Developmen
IFC	Internationainance Corporation
ILO	Internationaabour Organization
IMF	InternationaMonetary Fund
OECD	Organizationr Economic Co-operation an Developmen
OPEC	Organizationf Petroleum Exporting Countes
UNICEF	Unied Natio Children Emergency Fund
UNDP	Unied Natio Development Program
UNFPA	Unied Natio Fund for Population Activitis
WTO	World Tradeorganization

TERMSSED IN TXT

BE	Buget Estintes
BHU	Basc Healthnits
BMR	Balncing, Mdernization and Replacemen
CIF	Cos, Insurane and Freight
CKD	Conpletely locked Down
CLCC	Casn Loan Cnmodity Credit
CPI	Cosumer Pe Index
FOB	Freght on Brd
GDP	Grss Domec Product
GNP	Grss Natior Product
KIBOR	Karchi Interank Offer Rate
LIBOR	Loidon Intebank Offer Rate
LPG	Liqiefied Peoleum Gas
MAF	Milion Acreeet
MCFT	Milion Cubieet
MCH	Maternity Cd Health Centre
NRI	Noi-Repatrble Investment
NWD	Naion Widdialing System
O&M	Operations d Maintenance

ORS	Oral Rehydration Salt
PCO	Public Call Office
PLS	Profit Loss Sharing
POL	Petroleum Oil and Lubricants
PTC	Participation Terms Certificate
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
WPI	Whole Price Index
ZTBL	Zari Taraqiati Bank Limited

;tate of the Econ•my

lecutive summary

/measure of macroeconomic stability achievec over t past two yes has kindled a modrate rcovery in the economy, despite one of the mst serus ecoromic cses in the country's reent htory. The economy grew by a provisional 4.1% i the ougoing ytar, aftea modest growth of 1.2% in 208-09. However, the recovery is still fragile and he stalization needs t be consolidated so tha the gins over the past two difficult years are not lost.

Fst, the durability of the economic turnaround isfar froi assurel given ie significant challenge the conomy faces. Second, not all sectors of the conomor regbns of ie country appear to ave prticipated so far in the modest upturn. Finally, n orde:o mee: the emloyment aspirations o the lge number of entrants to the labour force, a hiper susined growth ra will need to be achievd in te medium-term.

combination of limited fiscal space and rising spnding,ebt, and inflatnary pressures, significntly rduce the government's ability to spend in order o stimate theeconory. Under the circumstaces, te prudent course for policy in the near termremair the pursuit ogreater fiscal consolidtion trough domestic resource mobilization, in conjnction/ith reducing e size of government,and iproving the efficiency of public sector spending.

'ie macroeconomic context remains difficult in he neaierm wth contuing challenges. The global conomy remains in turmoil, with uncertain prosects fcdemard for Pistan's exports. In addiion, te energy and water shortage, and the internal ecuritytuatior, could onstrain growth in 201-11. bwever, the economy could benefit from large intial proctivitygains acapacity utilization begis to crease from a low base. For the longer term, hweverwithoul a resotion of Pakistan's perenial ructural challenges, such as raising the level oflomesl resource mobzation or promoting higher pductivity in the economy, growth and investmnt wil:ontinu to beonstrained, and the grwth pospects volatile.

rowth

espite severe challenges, the economy has shon resinnce in the ouoing year. Growth in Goss bmestic Product (GDP) for 2009/10, on an inflatin-adjued basis, has ben recorded at a provisonal 4.1%. This compares with GDP growth of 1.2% (revsed) ine prevbus yea

or the outgoing year, the *Agriculture* sector grw an timatel 2%, ainst a target of 3.8%,and revious year's growth rate of 4%. While the *Cros* subctor dclined .4% over the previous ear, *vestock* posted a healthy rise of 4.1%. Indurial oput exandedy 4.9%, with *Large cale anufacturing (LSM)* posting a 4.4% rate of groth. Th*Services* sectogrew 4.6%, as compard to 6% in 2008-09.

Overall, the *Commodity Producing Sectors* are estimated to have expanded at a 3.6% pace, which represents a significant turnaround from the anaemic growth rates of the previous two fiscal years.

The stronger pace of economic growth in 2009-10 has occurred on the back of several favourable developments, which have included:

- Substantial transfers to the rural sector over the past two years via the government's crop support price policies, which, combined with higher worker remittances, have sustained aggregate demand in the economy;
- A larger-than-expected cotton output, which offset the moderately negative impact on the wheat crop caused by a delay in seasonal rains;
- An ongoing improvement in external demand for Pakistan's exports, mainly textiles;

The revision of previous year's growth rate, a downward adjustment from a provisional 2% to a revised 1.2%, has also provided support to the headline growth rate for the current year, with the impact estimated at over one percentage point.

The more positive outturn for economic growth in the current fiscal year comes in spite of costs the economy has had to bear in the last two years on account of the internal security situation, combined with the severe energy shortfall. The latter is estimated to have reduced overall GDP growth by approximately 2.0% in 2009-10. Despite the security situation, overall military spending as a proportion of budget outlays has declined. Another focus has been the rehabilitation of Internally Displaced Persons (IDPs) and reconstruction of affected areas. It is pertinent to note that during 2009, Pakistan had one of the largest IDPs population in the world, with an estimated over 3 million people displaced from their homes in Swat, Bajaur, Malakand division, and South Waziristan agency (SWA).

The timely availability of water for agriculture was also significantly lower this year, continuing a secular trend of decline over the past several years. Water availability has now become one of Pakistan's top inter-generational policy and development concerns.

A shortfall in the inflow of external assistance, including from the *Friends of Pakistan* consortium, combined with delays in the release of refunds from the *Coalition Support Fund*, led to heavy borrowing by the government in domestic credit markets, leading to valid fears of crowding out of credit to the private sector.

Signs of a turnaround in segments of the economy notwithstanding, there are continuing areas of concern and reasons for caution. The recovery in economic growth is fragile, and will remain so till the weaknesses in the macroeconomic framework are forcefully addressed. In order to effectively provide sustainable employment opportunities for the young entrants to the labour force, a higher growth will be needed. In fact, according to the latest *Labour Force Survey* (for 2008-09), the unemployment rate has increased to 5.5% (from 5.2%), largely due to the increase in urban unemployment to 7.1% (from 6.3%).

Furthermore, the observed trend of improvement in the headline growth rate is likely to have been restricted to the more formal, and hence larger-scale, part of the economy, given its relatively greater insulation from energy shortages. The small and microenterprise sectors, which employ the bulk of the non-agricultural labour force, and are less well captured in the national accounts data, are much less ısulated, and therefore significantly more vulnrable shock: such ; wide spread disruptions to nergy supply.

is important to address the structural constrain; to lorrun sustainablgrowth. This will also pꝺvide reater visibility to markets and investors with rgard toakistan's econnic prospects in the mdium) longer term, and will be a key catalyst for highe privatcapital nflows ıd investment.

iven the long standing constraints under which ıacroe nomic)olicy isperating, with high infltion, ıw domestic resource mobilization, and rising dbt serving pressure, iis clear that Pakistan cnnot fford an expansionary policy stance at this stag. A poly stimuus, witout the requisite reserves or scal space, will only worsen macroeconom: imbances. On the other hand, greater fiscal onsolidation can have longer lasting and more fa-reachi; effect: on groth, by reducing the crowding ut of the private sector through public sector borowing ading t) lowenterest rates.

ıvestment

t current market prices, Gross Fixed Capital FomatiorGFCF) ıas bee estimated to have deined .6%, after recording a 5.5% increase in 2008-09. declirin fixe investent by the private sectr has :counted for the overal change, with an estimed coraction of 3.5%or the year. The bulk of the ecline has occurred in *Electricity & Gas*, *Large Sale Mcufacturng*, *Trasport & Communicatior* and *nance & Insurance*.

learly, this development is not salutary for the log run ospect: of theconomy. However, given the ıallenging circumstances in which the economy ad to erate during 209-10, it is not surprisin that ıe private investment response has remaine subdd. A substantl decline in Foreign lirect ıvestment (FDI) inflows for the period also contibuted the decline ifixed investment in 200-10. DI accounts for a high share of gross fixed investrent in ıkistan,with a :are of close to 20 percet.

ıe decline in FDI inflows was in line with the step drc in global flowof Foreign Direct Investment DI), which fell 32 percent in 2009 according to stimateof the nternatonal Institute of Finance(IIF). or the period July to April 2009-10, FDI totalledUS$ 1.billion ıs comred to US$ 3.2 billion i the ıme period of FY09. This represents a decline of 5 perct.

large part of the decline in FDI for the period ws recoed under Telecmmunications (a net dcline f US$ 607 million), and Financial Services (a fall c US$ 5 millior). Combed, the decline in thes two ectors, which related to a few "lumpy" transactons lasyear, anounte to 81 percent of the oerall :duction in FDI in 2009-10. Investment levels irsome ctors remainehealthy, including in *O and as exploration* (FDI of US$ 605 million), *Communcations*US$ 22 millior *Transport* (US$ 104 miion), *onstruction* (US$ 86 million), and *Paper and Pulp*US$ 8million) Despite steep decline, inflow of FDI to *Financial Services* was recorded at US$ 133 mlion fohe perod.

worrying development was the large net disinvstmen ecorded undethe IT Services sector fc the ear (amounting to US$ 95 million). Overall, out othe mar indusry cateories, 12 recorded highr FDI ır the period, while 24 industries witnessed a netreductn in FDIinflow.

:abilization

akistan has achieved impressive initial gains in estorinmacroeconom stability in the afterm h of ıe balance of payments crisis of 2008. As a resulof detemined policy efrt:

- The fiscal deficit was reduced to 5.2 percent of GDP in 2008/09, from 7.6 percent of GDP in 2007/08, a fiscal adjustment of 2.4 percent of GDP. For 2009/10, the fiscal deficit is aimed to be kept in check at 5.1 percent of GDP, despite the absorption of unprecedented security-related spending.
- The external current account deficit was contained to 5.6 percent of GDP (US$ 9.3 billion) in 2008/09, from a high of 8.3 percent of GDP in 2007/08 (US$ 13.9 billion). The current account deficit is expected to decline to under 3 percent of GDP in the current year;
- Foreign exchange reserves have been rebuilt to nearly US$ 15 billion, from their low of under US$ 6 billion in October 2008, though much of the accumulation is due to releases from the IMF;
- Inflation declined from 25% in October 2008, to a recent low of 8.9% in October 2009, though it has accelerated sharply of recent and is showing persistence;
- International credit rating agencies upgraded Pakistan (from CCC+ to B- by S&P, while Moody's revised its outlook to *Stable* [August 2009]);

However, challenges in consolidating these early gains have emerged, with inflation in the economy reappearing, and fiscal pressures increasing.

Inflation

After a period of containment, inflationary pressure has intensified since October last year on account of a number of adverse developments, including the washing out of the base effect from the previous year and a sharp spike in global commodity prices that has persisted since 2008 and which is exerting strong upward pressure on domestic prices. To some extent, this also reflects the excessive public sector borrowing, as well as adjustments in public utility prices, generated by losses in the public sector enterprises, especially electricity.

As a result, after easing to a recent low of 8.9% in October 2009, overall CPI inflation accelerated to 13.3% year-on-year in April, with food inflation at 14.5% and non-food inflation at 12.2%. Core inflation, as measured by the rate of increase in prices of non-food, non-energy components of the CPI basket, registered an increase of 10.6% year-on-year. On a period-average basis, overall inflation was recorded at 11.5% for July to April. The State Bank of Pakistan expects the average CPI inflation for the current fiscal year to remain close to 12%.

The refuelling of inflationary pressure is evident in all price indices, with the Wholesale Price index (WPI) rising steeply, from, from 0.3% in August 2009 to 22% in April 2010. Similarly, the Sensitive Price Index (SPI) has recorded a 16.7% year-on-year increase for April, versus 6.7% in October 2009.

The resurgence of inflation is not restricted to Pakistan and is both a global as well as a regional phenomenon, though with varying orders of magnitude. Global food inflation, as proxied by the UN's Food and Agricultural Organisation's FAO Food Prices Index, had risen to 20 percent year-on-year in January 2010, before declining to 13 percent in April, while India's food price inflation rose over 19 percent year-on-year in December 2009, before settling at 17 percent in March. By comparison, year-on-year CPI food inflation in Pakistan was recorded at 14.5 percent in April.

In terms of mitigation strategies, policy options have been limited for much of the current fiscal year in the backdrop of high – and rising – international commodity prices. Imports under these conditions are not likely to dampen domestic prices, except to the extent of excess pressure caused by domestic sh'tfalls, if any.

Imroved availability through better administrativemeasus against hoaing is likely to have sone efct at the margin. This will have a greater effec, hower, if employe in conjunction with clse vigance of use of bank credit for commodity purcases bhe private seor. The revival of the pice mgistracy system can also be an effective "localize" tool ithe figlt again price inflation in essenial foi items.

In e longer run, improvements in agricultural prductiv hold the key mitigation of food pice intion. So far, governments have followed an extesive faing poicy, usig the crop support priceas anntervention tool. However, there are clear lintationso this strateg including the diminishng reonsiveness of output tc price incentives, the imact orhe general pri level, and the implicaton forecourse to budgetary resources, especially i the ce of vheat. \ shift to more *intensve* agculture is the need of the hour, with returns to frmers ked to etter yelds (volume-based) rater thi to a price-based mechanism of support.

A rther critical element in the containment of pre presre in tle econmy will be continuatiorof prlent macroeconomic policies, including monetry polic whichis esseial to prevent a spill-oer frn food and energy components of the CPI to thebroadhouseholld conumption basket – whichto soe extent is inevitable urder the circumstances. Demandnanagenent is ill an essential componnt ofhe overall policy mix to prevent an entrenchmet of initionary expectations. Segments of socity vuerable to the effects of policy-induced price adistmen will require wer – but better targete – coerage of social safety nets.

Pcerty & Income Inequality

Inhe absence of an official recent poverty survy, it isnclear what te distributional effectsof delopments in the global as well as domestic ecoomic ldscape over thpast two years have ben. Tt reduction in inflation from 25 percent to singledigits rresent the mit significant benefit of ne stilization as far as the poor are concerned. Yet grter unemployent and the fairly step adstment in administered prices of food and nergy, as, in all likeiood, adversely impaced vuerable segments of the population, especially hose clow ard fixedncomes, and in the urban ans.

Othe other hand, a substantial rise in inflows of wcer renittance partly in response to a gcernment policy initiative, combined with unprcedent transfers in 208 and 2009 to the rual ecnomy under the government's crop procuremnt progm, are likely t have provided significnt suport to large segments of the population. Cash tansfersnder tle *Benor Income Support Progrm (BP)*, amounting to an estimated Rs. 35 billion in 2009-1are very likelyo have been an additioal sorce of support to those in need.

Hece, on the whole, a more careful examination othe disbutionl impa of recent development is reuired, in order to design better-targeted policy response

Pulic finances

Paistan's public finances have come under increasig stra over the past wo years due, in large prt, toubstantial outlays on electricity subsidies. Desite a srp upvard adstment over the past wo yers, amounting to over 60% for some consumecategos, elecricity tiffs have still not reached cost-recovery for the public sector utilities. In large part, this is due to two adverse developments in operation for much of the last over one year. First, lower rainfall reduced power generation from the dams. Second, the adverse shift in the energy generation mix towards fuel oil, has been accompanied by a near-doubling of international oil prices between January 2009 and April 2010.

The continued haemorrhaging of fiscal resources by the power sector is also partly a result of unchanged end-user tariffs between 2003 and 2007.

Lower than budgeted external assistance pledges also compounded difficulties in fiscal management during 2009-10. It led to sharp cutbacks in outlays for the public sector development program, which had been pitched at an unrealistically high level.

The heavy recourse by the government to borrowing from the domestic banking system led to fears of crowding out of the private sector. However this was obviated by weak credit demand from the private sector, as well as improved liquidity in the banking system. Nonetheless, there was an unintended consequence: interest rates moved upward as a result.

After a sluggish start, however, and despite a difficult economic situation, tax collection has risen nearly 14% for July to April 2009-2010, as compared to the corresponding period of 2008-09. As a percent of GDP, however, tax collection remains low.

All told, the developments outlined above are likely to result in a moderate over-shoot of the budgeted target for the overall fiscal deficit. Against a budgeted 4.9% of GDP, the revised outturn in 2009-10 is projected to be 5.1%.

During the outgoing year, the basis was laid for two fundamental, potentially "game-changing", developments in public finances. First, the Seventh National Finance Commission (NFC) Award was successfully concluded after a lapse of 19 years, with a fundamental shift in the basis for determining the vertical (from Centre to Provinces), as well as horizontal (between Provinces) distribution. Effective from July 1, 2010, the 7th NFC Award will more than double the quantum of annual resource transfer to the Provinces. With the devolution of expenditures to the Provinces under the 18th Constitutional Amendment set to become effective from 2011-12, the interim period is likely to cause a degree of strain on federal finances.

Second, in a major policy effort to broaden the tax base, legislation was laid before the national as well as provincial assemblies to introduce an integrated, broad-based and modernized system of the GST (leading to a Value Added Tax (VAT)) as originally intended in 1990. Key elements include concerns about the lacunae introduced in the legal framework over time. This requires needed amendments to the law at both national and provincial levels. In addition, modernization of the tax administration to ensure arms length dealing with taxpayers, with verifiable and timely refunds, and addressing concerns with rent seeking and governance in the FBR. It is estimated that the move to VAT could yield up to 3 percent of GDP in additional revenue over a period of three to five years, although the estimates for the coming year by leading tax experts are appropriately modest at around 0.7 percent of GDP.

Looking ahead, easing the budget constraint assumes even greater urgency. Addressing two decades of under-investment in critical sectors of the economy – social sector, water reservoirs, physical infrastructure, including the increasing need for maintenance of existing capital stock – cannot be postponed for much longer and will require vast resources. Catering to a rapidly rising population, in counction with the need to put in place targeted;ocial sety nes, will rther add to the resouce reirements.

Mting the expected expenditure requirements n the iedium term ill require redressing he fuiamental weaknesses in the structure of public nancesThese perenniaweak links have remaind unddressed in the past, and include a low, and deching, rao of tax collectn to GDP; weak incenties foimprovements in provincial finances, which coul possil have been wekened further by the nw NF award; and, leakages in public sector expenditue.

Ecnomic reform

Conizant of the limitations of the growth strategy ollowein the past, whh has inevitably produed bom-bust cycles followed by a balance of payrents cis, the governent has embarked on a fuiamental change of the development paradigm.

Th new development strategy seeks to foster sustainabland mre eqable growth by meansof stictural improvements in the productive sectors of Pakian's economy, nvolving a broad rangeof pocy actions across sectors. The current status of sme of te important refrms is as under:

- Raising the Tax-to-GDP ratio is a key pillar othe govnments econmic strategy. To this effct, a proposed law to implement a broad-basd Valueadded Tax (VA with minimal exemptions from July 1, 2010 has been presented to Parament
- In addition, other measures such as improvig tax aninistration anreinstating tax audits hve been taken. The cumulative effect of thes policyneasures is expcted to be an increaseof Pakistan's Tax-to-GDP ratio to 13 percent by2013 (fm 8.9 percent 2008-09).
- Under *Social Protection*, the government has launed the Benaz Income Support Progrm (BISP). An allocation of Rs 70 billion has bee made the Federal Bdget 2009-10, with the am of targeting 5.5 million poor and vulnerabl Houseolds in Pakista with a cash transfer ofRs 1,000 per month to each. The size of BISP nakes the largest soci protection scheme in he country's history, and it works in conjunctio with oher safety netsuch as *Bait-ul-Maal*, *Zaat Fund*, and provincial programmes such as th *Sasti Iti* schene.
- A Cabinet Committee on Restructuring (CCR) has len forned to restructure key Public Secor Enterprises (PIA, PEPCO, Railways, TCP, UC, Pakian Steel Mills,NHA) with a view to sop leakages caused by annual losses amountin to appximatdy 1.5%f GDP. The eventual air is to turnaround these PSEs into profitale, selustaining venures under Public-Privte Partnership mode.
- Under reform of the power sector, electricy tarif have been raid between 40-55% in ess than two years, in an effort to reduce th level subsicies absrbed in the budget, wile simultaneously moving to a full cost-recovry tarifor the power ilities. Under a new Ac of parliament, adjustment in tariff for change in fuelrices fa powegeneration has been mde automatic.
- The government successfully concluded he Senth National inance Commission (NFC) Award – only the fourth in Pakistan's ente histy, and he firsfor the last 19 years. This Award greatly augments the quantum of resource tnsfer from theentre to the Provinces.

Inconjunction with the higher resource transfer to the pvinces, the Cetre will also devolve sme mjor functions/expenditure heads to the sub-natonal gornmens in lin with the provisions of he

1973 Constitution.

External account

Amid still-difficult global economic conditions, large costs to exports imposed by the war on terror, and a severe energy crisis faced by Pakistan's economy, the external sector witnessed an overall improvement during 2009-10. This recovery was mainly contributed by a sharp narrowing of the current account deficit which more than offset the declining financial account surplus during the period. In addition, macroeconomic stabilization measures taken by the government also significantly contributed to overall improvement in the external sector of Pakistan.

The external current account deficit is expected to contract to around 2.8 percent of GDP in the outgoing year. This large improvement is mainly on the back of a steep decline in imports for much of the year, improving exports as world demand is gradually restored, and a continued increase in worker remittances, which are expected to reach 4.8 percent of GDP for the full fiscal year. Worker remittances have increased from US$ 6.4 billion in July-April 2008-09 to US$ 7.3 billion in ten months of the current fiscal year (July-April). A large part of the recent increase in remittances, which appears to be secular in nature, has emanated from a policy initiative of the government in early 2009 called the *Pakistan Remittance Initiative (PRI)*. With the potential for formalising the remittances market estimated between US$ 16 billion (World Bank) and US$ 21 billion (PRI) annually, further success on this front can have far-reaching positive effects on stability of Pakistan's balance of payments in the years ahead.

An added factor that is likely to extend support to the external account in the months ahead, and possibly for much of 2010-11, is the collapse in global commodity prices induced by the Eurozone-wide contagion from the ongoing Greek debt crisis. Since the start of the difficulties in Greece earlier in 2010, international oil prices have fallen by over 11 percent. However, developments on this front could potentially also impact remittances and exports, especially if the fall out is not contained, and spreads to other regions. On balance, it appears for now that, in immediate terms at least, the deflation in import payments will outweigh the other factors, as evident from Figure 2. If so, this could insulate the external account from pressure in the near term.

Public debt

Pakistan's total public debt stood at an estimated Rs. 8,160 billion as of end-March 2010. At this level, public debt is equivalent to 56% of GDP, and 379% of total budgeted revenue for the year. Of the total, Rupee-denominated debt amounted to 31% of GDP, while foreign currency-denominated debt was the equivalent of 25% of GDP.

The bulk of the increase in public debt in the first nine months of 2009-10 has been recorded under higher-cost domestic debt, with the government forced to borrow from the onshore credit markets in the absence of meaningful flows of external assistance, barring disbursements under the IMF loan. Domestic debt rose 22% in annualized terms during July to March. Another source of increase has been the depreciation of the Rupee against the US dollar between July 2009 and March 2010, amounting to 4.4%. The weaker Rupee added 17% to public debt in the first nine months of the year.

Public debt has risen rapidly since 2005-06. While the relative debt burden, measured either as a percent of GDP or of total revenue, does not depict a significant deterioration in the debt dynamic, the net annual addition to the debt stock has been fairly rapid over the past 4 years.

Tɜ primary sources of accumulation in the publiᴄ ebt sto since :005-06ave been:

- Currency translation losses on foreign excange-cominaed del. For 2007-08 and 200:09, the cumulative depreciation of over 25% othe Ru:e agairst the Ｌ Dollar is estimated to ave increased the pub ic debt stock by approxnatelys. 235 billion, ‹ a total of 11% increas on this count alone over the past two years.
- Non-recognition of large subsidy payment to thoil and power ector from prior years hat were absorbed in the budget in 2007-08 an 2008-9;
- A sharp reduction in non-debt creating infows, su as FD, in thevake of the global finacial crisis;
- The augmented access to IMF resources rovide to Palistan ithe form of the Stanc By Arrangement (SBA signed in November 208, amnting tc a tota f US$ 11.3 billion, of wich approximately US$ 7.3 billion has been disbrsed;
- Overall, a lower inflow of external assistnce, wch forced thegovernment to higher-ost domestic borrowing;
- Lumpy repayment of maturing Defence Savigs Cericates DSCs) sce 2007, that had not been budgeted for;
- The inability of the government to tak advange of the hiorically low interest ate environment in the 2003 to 2007 period, blockingto longer tenie debt such as the five- nd ten-year Pakistan Investment Bonds (PIBs).

Irerms of servicing of the public debt, interest pamentsvere budgetedt 4.4% of GDP for 200910, wile total debt servicing including repayment of oreign ans and credi. was budgeted at 5.8% of GP. Budget estimates of interest and principal reaymenf foreign loanand credits during 200910 aounted to nearly 40% of total revenue, and apprximate 30% oexpencure.

Its important to note, however, that the figure fr publidebt dees notclude publicly-guaranted dɔt, such as borrowing by state-owned enterpses focommodity oprations against an expcit grernment guarantee. In addition, in line with irernatical convention d past practice, only nat ption of the IMF loan that has been used for decit fincing by the gornment is recorded urler polic debt, while the remainder is shown under "mnetar uthorites" (i.e:he central bank).

Inhe context of a rising stock of public debt, it ismportt to mike the exus between, on the ne hd, the weak tax effort that has characterised Paistan's licy lardscaper the last several decaes, ar on the other, the reversal of the favourable cbt dymic tha had ben set in motion earlie. If Pistan's tax-to-GDP ratio had been a modest 3% sin 2005 whenconomic conditions were eremely favourable for a breakthrough in broadeing thtax base, insteɛ of around 10%, the pulic dt would have been around 44% of GDP current, or a ll 12% of GDP lwer. The lower public ebt stk would have translated into savings in irerest yments sinceFY05, which would hve reresented a substantial expansion of the resourcenvelo the go/ernmet is currently working w.h.

O:look for the economy

Tl medium term prospects for the economy are pomisin provid:d the rrent path of reform is ot alndoned. Pakistan has achieved fairly impressiveearly scess inits effos to stabilize the econory frn a parlous state of afairs in the aftermath o the mroeconomic cris of 2008. Protecting he recovery is of paramount importance, and the government needs to keep a restrictive stance on public spending. Greater realism about the prospects and accurate forecasts about resources and available funds for the development plans at each level of government is needed.

A number of interlinked actions are needed in the coming year:

- Checking inflation—this involves limiting borrowing by the government and the public sector.
- Bringing people to the centre stage, by appropriately designed employment and training programs to protect those in strife-affected areas, and new entrants to the labour force.
- But there are major risks to the growth and stabilization prospects if there is
  - Non-implementation of the reform of the GST, leading to a VAT, or other significant tax broadening measures;
  - This might affect the phased nature of fiscal devolution envisaged under the Eighteenth Constitutional amendment (to be effective from 2011-12), in the context of the front-loaded transfers to the provinces under the Seventh NFC Award (effective from July 1, 2010);
  - Larger-than-budgeted security related expenditures;
  - Inadequate targeting of subsidies,
  - Failing to reform public sector enterprises, including the power sector, with no resolution of the energy circular debt issue;
  - Continued overhang of commodity financing debt stock, if unchecked, threatens to constrict access to bank credit by the private sector, while simultaneously increasing the interest rates in the economy;
  - A deterioration of the internal security situation.

The tipping of the world economy into a severe recession in the wake of the Euro-zone debt crisis, could hurt Pakistan's exports as well as remittances on the one hand, but could reduce international prices of key commodities such as oil, on the other.

With relatively low levels of capacity utilization in the economy, a turnaround in investor confidence can unleash large productivity gains even with low levels of fixed investment. Nonetheless, overall, a combination of rising fiscal pressures, a developing debt overhang, and an uncertain path of inflation in the near term, significantly reduces policy space to stimulate the economy.

For the longer term, efforts to meaningfully address Pakistan's perennial structural challenges, such as the abysmally low tax/GDP ratio and low overall productivity in the economy, are more than likely to unlock Pakistan's substantial economic potential.

;rowth and In/e;tme1t 1

, measure of macroeco1omic stability achieve(over e past two yrs has kindled a modrate icovery in the economy, despite one of the mst serus eco1omic cses in the country's rcent story. The economy grew by a provisional 4.1% 1 the ogoing year, aft a modest growth of 1.% in)08-09. However, the recovery in the economy isess th secure

rst, the durability of the incipient economic trnarod is fa from ;sured given the signitant allenges the economy faces. Second, not all secors of e econmy or gions of the country apear have participated so far in the modest upturn Finallyrom the perspctive of strong job creaion, rerall growth is still not robust enough. In fact, ltest ofial estimates sggest a moderate increae in 1employment.

1e macroeconomic context remains difficult in 1e neaterm. Howeve the successful resolutin of ;me of the critical chalenges the economy hs facecn 200-10, sun as the energy and later ortage, and a disturbed internal security situatin, coulay the asis fohigher growth in 2010-1. In ldition, the economy could benefit from large irtial prcictivitygains acapacity utilization begis to crease from a low base. For the longer term, bweve withou a rescition of Pakistan's perennial ructural challenges, such as raising the level oldomes: resource motization or promoting hgher oductivity in the econcmy, growth and investrent wicontinue to beonstrained, and the grwth ath unstable.

1 Global developments

1e outgoing year witnessed the making of aglobalecoven. Leadg indicators, and upgnded ojections from the IMF, have so far pointed t a sha rebound in tl world economy. The 1test ojections from the IMF are for world output toncreasby 4.2 ercent 2010, against an estirated ntraction of 0.6 percent in 2009. However, asnoted the World Ec1omic Outlook for Apri the covery is "uneven" in terms of regions and counries, ar is "fragle".

fter the steepest fall since World War II, global ade is(pectec to pickp moderately in the ccrent ear. Early signs of recovery in both global outut andrade hve sigrlled improved prospec; for kistan's exports. The eruption of the Greek ebt crs since April, 1d fears of wider contgion pecially in the Euro-zone, however, threatens tcdisrupthe recovery prcess.

2 Pakistan

espite severe challenges, the economy has shwn resence ir the ongoing year. Growth in ross omestic Product (GDP) for 2009-10, on an inflaon-adjced bass, has ben recorded at a provional 1%. This compares with GDP growth of 1.2% (reised) irhe previous ye.

)r the outgoing year, the *Agriculture* sector gew anstimated 2%, ;ainst a target of 3.8% and previous year's growth rate of 4%. While the *Crops* sub-sector declined 0.4% over the previous year, *Livestock* posted a healthy rise of 4.1%. The performance of the Agriculture sector was boosted by the weakening of the *El Nino* phenomenon, after late winter rains.

Industrial output expanded by 4.9%, with *Large Scale Manufacturing (LSM)* posting a 4.4% rate of growth. The *Services* sector grew 4.6%, as compared to 1.6% in 2008-09. Overall, the *Commodity Producing Sectors* are estimated to have expanded at a 3.6% pace, which represents a significant turnaround from the anaemic growth rates of the previous two fiscal years.

Table 1.1: Growth Performance of Components of Gross National Product

(Percent Growth at Constant Factor Cost)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
COMMODITY PRODUCING SECTOR	9.5	5.1	6.6	1.3	0.8	3.6
1. Agriculture	6.5	6.3	4.1	1.0	4.0	2.0
- Major Crops	17.7	-3.9	7.7	-6.4	7.3	-0.2
- Minor Crops	1.5	0.4	-1.0	10.9	-1.6	-1.2
- Livestock	2.3	15.8	2.8	4.2	3.5	4.1
- Fishery	0.6	20.8	15.4	9.2	2.3	1.4
- Forestry	-32.4	-1.1	-5.1	-13.0	-3.0	2.2
2. Mining & Quarrying	10.0	4.6	3.1	4.4	-0.2	-1.7
3. Manufacturing	15.5	8.7	8.3	4.8	-3.7	5.2
- Large Scale	19.9	8.3	8.7	4.0	-8.2	4.4
- Small Scale*	7.5	8.7	8.1	7.5	7.5	7.5
4. Construction	18.6	10.2	24.3	-5.5	-11.2	15.3
5. Electricity and Gas Distribution	-5.7	-26.6	4.7	-23.6	30.8	0.4
SERVICES SECTOR	8.5	6.5	7.0	6.0	1.6	4.6
6. Transport, Storage & Communication	3.4	4.0	4.7	3.8	2.7	4.5
7. Wholesale & Retail Trade	12.0	-2.4	5.8	5.3	-1.4	5.1
8. Finance & Insurance	30.8	42.9	14.9	11.1	-7.0	-3.6
9. Ownership of Dwellings	3.5	3.5	3.5	3.5	3.5	3.5
10 .Public Admn. & Defence	0.6	10.1	7.1	1.2	3.6	7.5
11. Services	6.6	9.9	7.9	9.8	8.9	6.6
12. GDP (fc)	9.0	5.8	6.8	3.7	1.2	4.1
13. GNP (fc)	8.7	5.6	6.7	3.7	1.7	5.5

Source: Federal Bureau of Statistics

* *Slaughtering is included under small scale sector*

1.2-a Contribution analysis

For 2009-10, sectoral contribution to growth was as follows: Services contributed 59% to overall growth in the economy for the year, followed by Industry (30%), and Agriculture (11%). In terms of individual sectors, *Manufacturing* accounted for 23% of the outgoing year's overall growth, followed by *Wholesale & Retail Trade* (21%), and *Social & Community Services* (19%).

Table 1.2 compares the structure of contribution to overall GDP growth for 2009-10, with the previous five years. Growth in Agriculture contributed 11% to headline GDP growth for the year, with Industry accounting for 30%. What stands out from the Table is the consistently high contribution to recent growth, averaging 62% for the past six years, accounted for by the *Services* sector. In 2009-10, the share of services in headline growth was roughly in line with its average, at 59%.

Tab!1.2: GDP growth: Sectora contribution (Percent

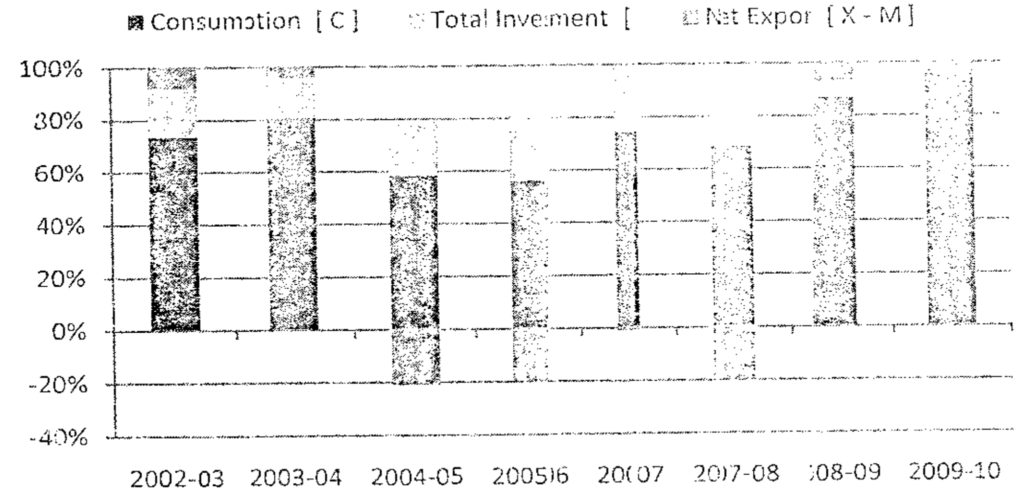
Sect	2004-05	2005-06	2006-07	20078	2(08-09	2009-10	Avg FY05-FY)
Agrilture	17%	24%	13%	6?	71%	11%	24%
Indcry	34%	19%	34%	10	41%	30%	14%
Mnufacturing	30%	28%	24%	24	58%	23%	12%
Serves	49%	57%	53%	85	70%	59%	62%
ReaGDP (fc)	100%	100%	100%	10(	.00%	100%	100%

Sourc Federa! Bureau of Statists

Ancher important point tc note is the consistent declinig contibutioof Manufacturing to te heeline growth rate. From 30% in 2004-05, the maufacturg secto's sharin growth has declined o 23%for the outgoing year.

In tms of contribution by *expenditure* (i.e. the comositionf GDP growth consumption expenditce cornued to account for a dominant share in grown, accting fr 96% GDP growth in 2009-). Thearge weight of private consumption expenditue in G was reflectecn its share of 81% in te groth for the outgoing year, with general governent cosumptin expediture accounting for te balnce 15%.

Fig-1: Composition of GDP Growth

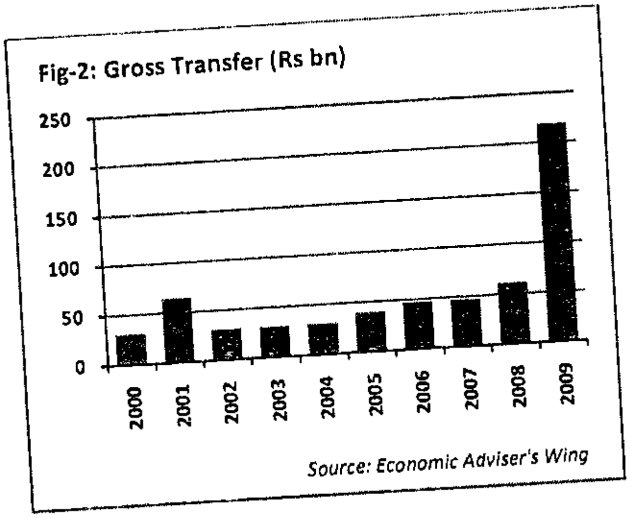


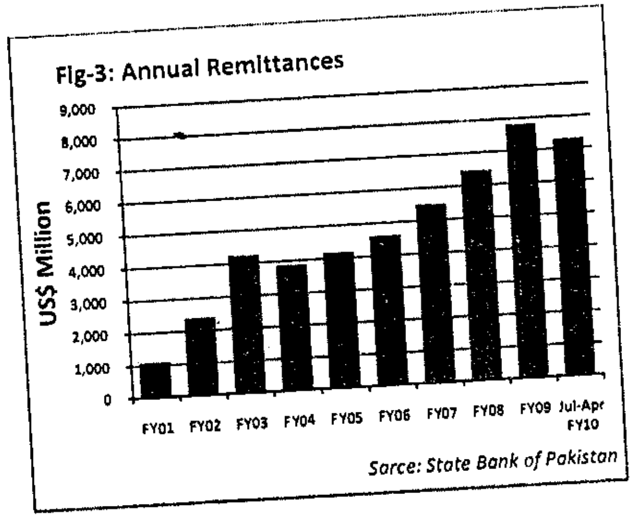
Source: Federal Bureau of Statistics

Reecting the marginal decline in gross fixed invstmenfor the year c -0.6%, the share of *total instment* was a nominal 1% in GDP growth. Adisting r the asumedontribution of *Change in stks* category, the contribution of gross fixed capal forrtion (GFCF) wa -1%. Finally, reflecting he shrp reduction in the external current account dficit, wch is pojectedto decline to less than .8 pecent of GDP for 2009-10 from 5.7 percent the prvious yr, share of *Netxports* was 4%.

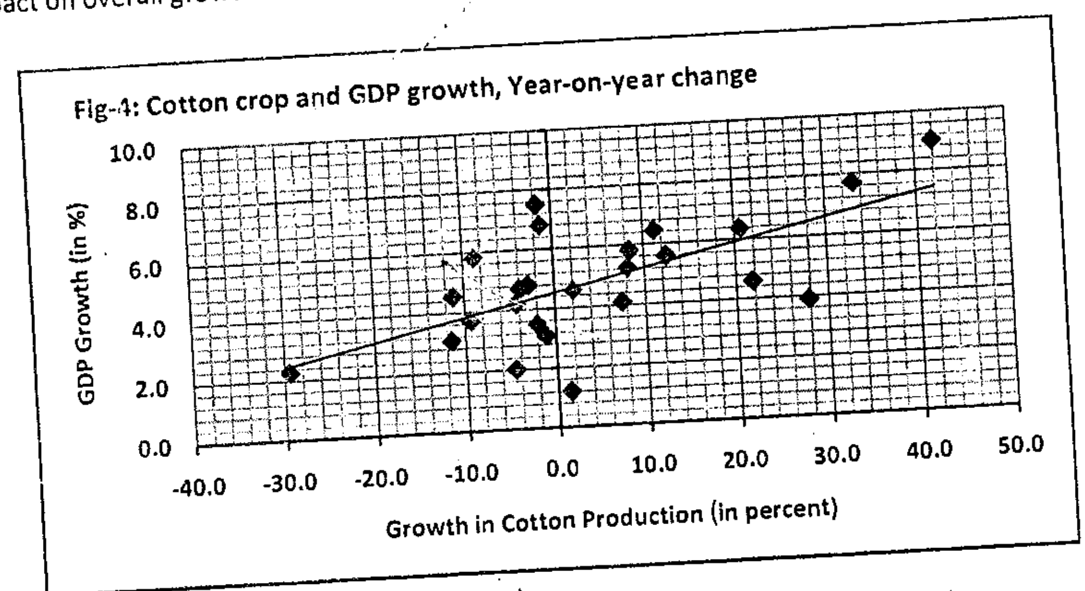
Th stronger pace of economic growth in 2009-) has curred on theack of several favourale delopments, which have included:

- Substantial transfers to the rural sector over the past two years via the government's crop support price policies, which, combined with higher worker remittances, have sustained aggregate demand in the economy;





- A larger-than-expected cotton output, which offset the moderately negative impact on the wheat crop caused by a delay in seasonal rains. The cotton crop continues to exert a disproportionate impact on overall growth in the economy (Fig-4).



- An ongoing improvement in external demand for Pakistan's exports, mainly textiles;

The revision of prior year's growth rate, based on firmer data for the full twelve months of 2008-09, as opposed to nine month data which is used at the time of preparing the provisional estimate, resulted in an adjustment in the real GDP growth from a provisional estimate of 2% to a revised 1.2%. The impact on the growth rate for 2009-10 is estimated at over one percentage point.

1.2 Investment

At ırrent market prices, G'oss Fixed Capital Formæion (CF) has been eimated to have declind -0.6, after recording a 5.5% increase in 2008-09. A ecline ifixed investme: by the private sector hs accunted for the overall change, with an estimate contraion of 3.5% fothe year. The bulk of te decne has occurred in *Elec:ricity & Gas, Large Scal Manufcturing Transprt & Communication*, ad *Fince & Insurance*. *General Government* GFCF is esimateo have lsen 9.%.

Tab 1.3: Gross Fixed Capital Formation In Private, Publi& Genel Government S:tors By Economic Activity

(At Current Mrket Pris)

Sr #	Sectors	% Change	
		:008-09	2009-10 P
		:007-08	2008-09 R
	Total GFCF (A+B+C)	**5.5**	**-0.6**
A.	**Private Sector**	5.3	-3.5
	Manufacturing	2.3	-4.9
	i. Large Scale	-7.4	-12.4
	Electricity & Gas	-4.3	-18.8
	Transport & Communication	-3.9	-14.2
B.	**Public Sector**	3.9	2.6
C.	**General Government**	7.7	9.8

F : nal, R : Revised, P : Provisional *Sourc Federal Bureau of Statistis*

Clerly, this development is not salutary for the longrun proects o the ecnomy. However, given the chenging circumstances in which the economy ha to opete durhg 200910, it is not surprising tht thorivate investment response has remained subded.

A ubstantial decline in FDI inflow for the period alo contruted to the deine in fixed investmentin 209-10. FDI accounts for a high share of gross fixeinvestent in Pakistanwith a share of close to!0 peent.

1.2 Foreign Direct Investment

In ne with a sharp decline in global flows of Forein Direlnvestnent (FI), which fell 32 percen in 209 according to estimates of the International Irtitute Finance (IIF), rect investment from tis sorce saw a steep reducton in Pakistan. For theperiod ily to April 209-10, FDI totalled US$ .8 bibn as compared to US$ 3.2 billion in the sam perio of FY09. This epresents a decline of 15 peent.

A rge part of the decline in FDI for the period wasrecord underTelecomunications (a net decne ofUS$ 607 million), and Financial Services (a fall o US$ 5 millio). Comined , the decline in thse tw sectors, which related to a few "lumpy" tranactionast year, amonted to 81 percent of ne ovall reduction in FDI in 2009-10.

Instment levels in some sectors remained healthyincludg in *Oil and Gaexploration* (FDI of US$ 05 mion), *Communications* (US$ 222 million), *Transprt* (US$104 milion), *Costruction* (US$ 86 millin), ar *Paper and Pulp* (US$ 81 million). Despite a step decle, inflov of FDinto *Financial Services* vas recorded at US$ 133 millior for the period.

A orrying development was the large net disinvestment corded under te IT Services sector for he year (amounting to US$ 95 million). Overall, out of the major industry categories, 12 recorded higher FDI for the period, while 24 industries witnessed a net reduction in FDI inflow.

1.2-d International Competitiveness

International competitiveness remains a key issue for the economy, and improving it a major challenge. The scale of the challenge is manifested in Pakistan's global ranking of 101 in the Global Competitiveness Index (GCI).

This issue of competitiveness is also manifested in Pakistan's share of world exports, which has declined over the past decade (from 0.16% in 2002, to 0.13% in 2008) while the share of South Asia as a whole has increased from 0.27% to 0.34% over the same period.

Apart from the "headline" numbers and statistics, however, the discussion on competitiveness and relative productivity in Pakistan's economy needs to be nuanced. Firstly, a large part of the shift in relative market shares between Pakistan and other South Asian countries represents *trade diversion* on account of the effect on Pakistan of the difficult security situation it has been facing since 2002, rather than an endogenous underlying dynamic. Secondly, developments on the competitiveness front are not uniform throughout the economy. Some segments of the Textile industry are doing well in international markets, while new export products such as *Halal* meat and Jewellery in particular are growing rapidly.

On the other hand, many Pakistani goods *and* services are finding it difficult to compete even in the *domestic* market. Construction services are an example, where Chinese companies have made large inroads.

1.2-e Constraints to Growth and Investment

The incipient recovery in the economy has come about in the face of strong headwinds. Two severe challenges the economy had to navigate through in the outgoing year were the sharp rise in the number of incidents of terrorism across the country, and the scale and nature of the attacks, which affected growth and investment. The global "war on terror" has been imposing a heavy cost on the economy since 2001. A distinct intensification of the militants' campaign occurred during 2009, with major urban centres in Pakistan being targeted. During 2009-10, a total of 1,906 terror attacks were recorded in the country, resulting in 1,835 deaths and 5,194 injuries, according to the National Crisis Management Cell, Ministry of Interior. It is estimated that the cost to the economy of terrorism amounted to around 6 percent of GDP in 2009-10. A separate section is devoted to the impact on Pakistan of the global "war on terror".

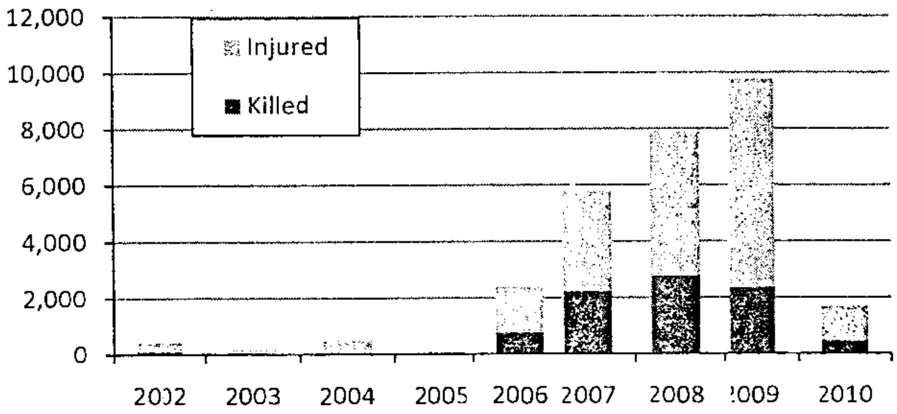
The second challenge emanated from the energy crisis, which, due to factors detailed in a later chapter on the subject, underwent an intensification during the outgoing year. As a result, it is estimated that a loss of approximately 2.0-2.5 percent of GDP occurred in 2009-10 on account of the energy supply constraint.

The overall cost to the economy emanating from Pakistan's fight against terror is discussed in the following section.

1.2-f Impact on Pakistan of the "War on Terror"

Since *9/11*, Pakistan has been at the epicentre of the global "War on Terror". Between 2002 and end-April 2010, a total of 8,141 incidents of terrorism have occurred on Pakistan's soil, resulting in 8,875 dıths of both civilians as well as personnel of law nforcerent ageıcies (LAs), and injuries to a furıer 2675 people.[1]

Fig-5: No. of incidents & human lsses sire 2002



Source: National Cris Manament Cll, Minisy of Interior

Byond statistics of human casualties, the cumulaive efts of te camaign of terror unleashe in Pkistan and the country's fight against militancy, hve beenormous. Lis, homes and incomes hve ben uprooted, while educational attainment for vtually whole generatin of school-going age inhe aected areas of NWFP and FATA has been jeoparczed, orverelyundermed.

Iterms of the economic impact, the fall out on Paistan h also ben imrense. As a front line sta in t global "War on Terror", it is officially estimatd that kistan as bee impacted to the exter of oer US$ 43 billion between 2001 and 2010.

Tble 1.4: Estimated Loss To Economy 2005-2009

Rbillion	2004/05	2005/06	2006/7	20/08	2008/0	2009/10*	Cumulate 2005-1
Dect Costs	67	78	83	99	114	262	712
Iirect Costs	192	223	278	76	564	707	2,340
Tal	**259**	**301**	**361**	**34**	**678**	**969**	**3,052**
IJS$ bn	**4.4**	**5.0**	**6.0**	**.7**	**8.6**	**11.5**	**43.0**

**uly-April* *ource: Finance Dision, Government of Paktan*

Sce 2007-08, with the "war on terror" moving o a quitativel differt phase, with the Pakitan any mobilizing and uncertaking large scale mitary erations in th country's North Wes (in Mlakand/Swat, and the Agencies of South Wazirtan, Buar, MohmancKhyber, and lately, Kuram ad Orakzai), the negative effects on the economy ave grtly incrased.

[1] ource: National Crisis Management Cell, Ministry of Interior, Governmt of Pakitan

A brief list of the areas where the economy has been impacted includes the following:

- Decline in GDP growth
- Reduction in Investment
- Lost Exports
- Damaged/destroyed Physical Infrastructure
- Loss of Employment and Incomes
- Diversion of Budgetary Resources, to military and security-related spending
- Cutbacks in Public Sector Development Spending
- Capital, and Human Capital, Flight
- Reduction in Capital + Wealth Stock
- Exchange Rate Depreciation and Inflation

As an illustration of the magnitude of the direct costs, the additional expenditure incurred on security-related and civil relief operations since July 2007 has amounted to an estimated US$ 4 billion (2.4 percent of average GDP).[2] In addition, the cost of the humanitarian crisis spawned by this conflict has been the displacement of over 3 million people, at its peak, resulting in a budgetary outlay of US$ 600 million for the current fiscal year alone for relief and rehabilitation of the IDP population.

Largely as a result of the negative effects of the War on Terror, growth and investment have stalled. Pakistan's economy grew 1.2 percent in 2008/09, with large-scale manufacturing (LSM) contracting -8.2 percent for the year. The five year annual average rate of growth of the economy was 6.6 percent in the 2004-2008 period, while LSM output had expanded at an average of 12 percent. Hence, the change in the five year average-to-2009 trough works out to over 4.5 percent of GDP. Cumulatively, the loss of potential GDP for 2008 and 2009 is estimated at 7 percent (or equivalent to approximately US$ 11.7 billion).

Table 1.5: Change in GDP growth, Investment, LSM, FDI and Exports

		2001	2002	2003	2004	2005	2006	2007	2008	2009	5 yr Avg: 2004-2008	Chg. [2009 vs 5 Yr Avg]
Real GDP Growth (fc)	%	2.0	3.1	4.7	7.5	9.0	5.8	6.8	4.1	1.2	6.6	-5.4
Fixed Investment	% GDP	15.8	15.5	15.3	15	17.5	20.5	20.9	20.4	18.1	18.9	-0.8
Government	% GDP	5.7	4.2	4.0	4.0	4.3	4.8	5.6	5.4	4.9	4.8	0.1
Private	% GDP	10.2	11.3	11.3	10.9	13.1	15.7	15.4	15.0	13.2	14.0	-0.8
Foreign Direct Investment (FDI)	US$bn	0.3	0.5	0.8	0.9	1.5	3.5	5.1	5.2	3.7	3.3	0.5
Large Scale Manufacturing	%	10.2	3.8	0.4	18.5	18.8	9.2	8.8	4.2	-8.2	11.9	-20.1
Private Sector Credit	%	-0.5	12.1	12.8	34.3	34.4	23.5	17.3	16.5	0.7	25.2	-24.5
Exports (FBS)	US$ bn	9.20	9.14	11.16	12.31	14.39	16.45	17.0	19.1	14.8	15.8	-1.1

Source: Federal Bureau of Statistics; State Bank of Pakistan; Economic Adviser's Wing, Ministry of Finance

The export sector, with a contribution of 12 percent to GDP, and a substantial employment base, has faced the brunt of the fall out. The adverse impact on the export sector has manifested itself in the following ways:

---

[2] Inclusive of original allocation and supplementary grants in budget 2009/10.

Loss of export orders / trade diversion to cometitor:

"Permanent" removal of Pakistan from globabroducon and narketig chain of international brands/large buying houses;

Relegation to low value-added commodity prducts;

A substantial decline in price/unit value for prducts;

Increase in cost of dcing business;

Loss of design and technological transfer;

A loss of entrepreneurial capital due to capitaflight d brain drain;

Higher shipment, insurance and security cost:

A reversal of trend tcwards greater economie of sca

Loss of income, new nvestment and jobs;

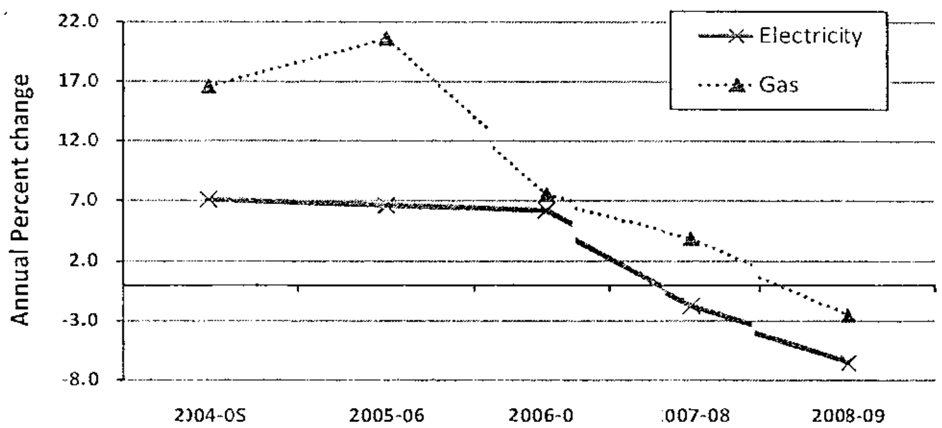
he direct and indirect costs associated with beir the frt-line sate in e "war on terror" have een, sum, severe, widespread and, in most case protrted, wth the ffects persisting for a airly xtended period. Indeed, Pakistan is more tha likely face a signicant degree of "permaent" elfare loss on account of diversion of developmnt speding to the secrity budget, capital fligh and rain drain, and due to trade diversion it has suffred sin '9/11'.

.2-g Cost of Energy Crisis

otal energy consumption declined 5.2 percent i 2009 vsus 2008, withonsumption in the industrial ector falling by 11.7 percent. Electricity use i the iustrial sector ll by 6.5 percent, whil gas onsumption recorded a 2.6 percent decline (**Fig-6** Cumulativel since 2006-07, elecicity onsumption by the industrial sector has declined 8.2 pernt.

/hile the last available data pertains to fiscal yea 2008-, the inpact onore recent developmets in e energy sector can be gauged from the widning dicit beween ectricity supply and deand uring 2009-10, which crossed 5,000 MW at its pek.

Fig-6: Electricity & Gas Consumptin In Inistrial Sector



Source: HDIP

The effect of lower energy availability is estimated at the equivalent of 2.0-2.5 percent of GDP during 2009-10.

1.3 Longer Term Constraints: Improving Policy and Changing the Incentives Framework

While the economy has had to navigate through difficult challenges in the short run, a set of complex, inter-related, and longer term, structural constraints to overall growth continue to operate.

This is manifested in the following ways:

- A stagnant or declining share of the manufacturing sector in the economy, as a percentage of GDP, in new fixed investment, and in total employment (see Table 3.1).
- A decline in size and "scale", particularly in Manufacturing (Table 1.6).

Table 1.6: Manufacturing Companies by Paid Up Capital T

	1990	1995	2000	2005	2009
No. of companies with paid-up:					
> Rs 500 million	1	13	6	11	2
100 - 500 million	35	12	16	25	5
50 - 100 million	23	11	13	22	5
< 50 million	587	532	269	794	668
Total	646	568	304	852	680

Source: SECP

- A faster increase in imports than exports. The Export-Import ratio had declined to a low of 0.48x in 2007 as a result.
- The expansion of the informal sector, relative to the formal part of the economy. While this trend is suggested in a number of unreleased studies, it is clearly evident from the following dynamic at work: the share of informal labour in the economy has increased, from 72.8% in 2007-08, to 73.3% in 2008-09, as a percent of total. Conversely, formal sector employment has declined over the same period.

Put together, the above trends represent a worrying picture for *scale* and the level of *formality*, in the economy. A large part of the problem relates to the *incentives framework* in place.

- The reliance on an overvalued exchange rate as an instrument of policy, especially between 2004 and 2008,
- Specifically for the viability of the domestic manufacturing sector, the Free Trade Agreement (FTA) with China since 2007 is unlikely to have helped, given China's global dominance of manufactured products, especially in the low value added segment.
- Pervasive mis-declaration and under-invoicing of imports, which according to some estimates costs the economy anywhere between Rs 100 billion to Rs 300 billion in lost revenue alone, in conjunction with the rampant misuse of the Afghan Transit Trade (ATT) facility, has undermined the viability and competitiveness of the sector.

- Recent developments on this front, with the wding ι of the ›ACCs stem by FBR, does not bde well for reducing leakages on account of weak dminisation o Custon.

Veaknesses in the taxation system, including in tems of |licy de:ign, ha› set perverse incentive for *fmality* and hence, *scale*. This is evident from thfollowz table,which epicts strikingly how unven t: "playing field" is, especially in terms of taxtion, r the lrger-sid firms (mostly corpcate etities).

Tble 1.7: Incentives for de-corporatization					
	Corоrate		Non-Corporate		
	Listed	Unled	AOP	Small company	Individul
Tx Treatment:					
"eadline" Tax rate	35	:	25	20	20
Wrkers Profit Participation Fund (WPPF)	5		No	5	No
Wrkers Welfare Fund (WWF)	2		2	2	No
Dtribution out of profits (dividend)*	5.8	ε	No	7.3	No
	47.8	**43**	**27.0**	**34.3**	**20.0**

Source: A.F. Fergson

Oher cost advantages to being a relatively smaller infornl player in the :onomy are not captured in te Table. These include savings accruing via te elimation cf the gulatory "burden" (auits, inpections, filings, registration costs etc), andthe u: of inormal hannels for gaining utility connections, as well as making lower payments for:onsumtion.

Te loss of scale induced by the taxation system hs seriosly eroded the ompetitiveness of the Lrge Sale Manufacturing (LSM) sector, in particular. I additi, by *encouragg* informality, the taxaion regime in place over the last many years has plausibly *reced* revenue collection compared to what wuld have been the case counter-factually.

1 Prospects for Growth

While the near term outlook for growth and invesment h improved moderately, it is likely to rerain constrained due to a continuation of the difficlt maceconomic environment. Nonetheless, the inipient growth recovery in the economy can gin som more ractionf momentum in imporant segments of the economy, large scale manufactung, serces, and selectely in the export sectc, is renforced and not derailed or interrupted. Witl relativy low evels c capacity utilization in the economy currently, a turnaround in investor confience c unleash large roductivity gains even with lo levels of fixed investment.

Despite an improvement in the growth performnce fo2009-1), the :onomic turnaround is still fragile, with non-trivial risks stalking the outlook. Sme of tese include:

- A further deterioration of the internal security tuatioı
- A continuation of energy shortages;

- The tipping of the world economy into a severe recession in the wake of the Eurozone debt crisis, which could hurt Pakistan's exports as well as remittances on the one hand, but could reduce international prices of key commodities such as oil, on the other;

The magnitude, timing and nature of external assistance inflows will be an important factor in reinforcing the nascent recovery. While the risk of pre-emption of the private sector's credit requirements by government bank borrowing was obviated to a large extent in 2009-10 by weak credit demand from the private sector, as well as improved liquidity in the banking system, the threat of crowding out of private sector demand for bank credit by government bank borrowing remains. In any case, government borrowing for budgetary support had an unintended consequence: the interest rate structure was pressured upward as a result. If and when external inflows relieve this constraint, interest rates can begin to decline at the margin.

The longer term prospects for the economy are promising, given potential drivers such as the size and dynamism of the Pakistani diaspora, the potential for unleashing large productivity gains in agriculture, improvements in the economic environment by a deepening of regional trade and investment links, and the harnessing of the "youth bulge".

Agriculture

2

T: *Agriculture* sector cortinues to play a centralole inakistans econmy. It is the second larest sctor, accounting for over 21 percent of GDP, an remai by farthe larst employer, absorbin 45 pcent of the country's total labour force. Nearly 6 perce of thecountrs population resides in rral aas, and is directly or irdirectly linked with agrulture r their livelihd. The *Agriculture* sectr's sbng linkages with the rest of the economy are ot fullyapturel in thetatistics. While on the ne hid, the sector is a primary supplier of rav mateils to lownst am industry, contribing sstantially to Pakistan's exports, on the other, t is a ge maket forndustrial products suc as ftilizer, pesticides, tractors and agricultural impleients.

Espite its critical imporance to growth, expors, irmes, and food security, the Agriculture secr h: been suffering from secular decline (Table 2.). Gwth in the sector, particularly in the crop susctor, has been falling for the past three decads. Pductivity remains low, with yield gaps rising (Tale 2). Critical investments in new seeds, farmig tchnology and techniques, and the war irastructure are not beng made. Without mar nw investments in Agriculture, it is unclear ho preped Pakstan wuld be to tackle emering callenges such as declining water availability, an climatchange (for a ller discussion, see Spcial Stion at end of chapter).

Tae 2.1: Hstoricalrowth performance

Agriulture Growth	
Yes	**Percent**
19's	5.1
19's	2.4
19's	5.4
19's	4.4
20's	3.2

Soce: Federal Bureau of Stattics

Tle 2.2: Yield Gap (Major Crops)

Cntry	Wheat	Difference From Best*	Sugarcane	Differere From Be*	Ric Paddy)	Differnce From Est*	Cotton Seed	Differnce From est*
Wrld	3086	65	71510	59	309	44	2099	5
Cna	**4762**	**100**	73114	60	556	67	**3906**	**10**
Ina	2802	59	68877	57	370	35	1206	3
Pistan	2451	52	51494	43	520	36	2046	5
U	3018	63	73765	61	672	79	2250	5
Bzil	-	-	79709	66	229	44	3757	9
Ept	-	-	**121136**	**100**	**731**	**10**	2333	6

st = 100
Da pertains to 2008

Sae: Ministry of Food and Agricture

Recent performance

(Percent)

Table 2.3: Agriculture Growth

Year	Agriculture	Major Crops	Minor Crops	Livestock	Fishery	Forestry
2003-04	2.4	1.7	3.9	2.9	2.0	-3.2
2004-05	6.5	17.7	1.5	2.3	0.6	-32.4
2005-06	6.3	-3.9	0.4	15.8	20.8	-1.1
2006-07	4.1	7.7	- 1.0	2.8	15.4	-5.1
2007-08	1.0	-6.4	10.9	4.2	9.2	-13.0
2008-09	4.0	7.3	-1.7	3.5	2.3	-3.0
2009-10(P)	2.0	-0.2	-1.2	4.1	1.4	2.2

Source: Federol Bureau of Statistics

P= Provisionol

Over the past six years, Agriculture has grown at an average rate of 3.7 percent per annum. However, volatility in the sector is high, with the range of growth varying between 6.5 percent and 1.0 percent. The fluctuation in overall agriculture has been largely dependent on the contribution of major crops. The trend in agriculture growth since 2003-04 is reported in Table 2.3.

During the outgoing year 2009-10, the overall performance of agriculture sector has been weaker than target. Against a target of 3.8 percent, and previous year's performance of 4.0 percent, agriculture is estimated to have grown by 2.0 percent. *Major crops*, accounting for 32.8 percent of agricultural value added, registered a negative growth of 0.2 percent as against robust growth of 7.3 percent last year. *Minor crops* contributing 11.1 percent to overall agriculture posted negative growth of 1.2 percent. Production of *Minor crops* has declined for the three years since 2004-05, a worrying trend which is partially contributing to food price inflation.

The performance of *Livestock* – the single largest contributor to overall agriculture (53.2 percent) however, grew by 4.1 percent in 2009-10 as against 3.5 percent last year. The *Fishery* sector expanded by 1.4 percent, against its previous year's growth of 2.3 percent. *Forestry* which has experienced negative growth for the last six years, exhibited positive growth of 2.2 percent this year. Nonetheless, over the past several years, the forest sector has contracted, underscoring the scale of the environment challenge facing a country that already has amongst the highest rates of deforestation in the world.

Pakistan's agricultural performance is closely linked with the supply of irrigation water. As shown in Table 2.4, against the normal surface water availability at canal heads of 103.5 million-acre feet (MAF), the overall (both for *Kharif* as well as *Rabi*) water availability has been less in the range of 2.5 percent (2005-06) to 20.6 percent (2004-05). However, it remained less by 2.5 percent in 2005-06 against the normal availability. Relatively speaking, *Rabi* season faced shortage of water during 2009-10.

During the current fiscal year (2009-10), the availability of water as an important input for Kharif 2009 (for the crops such as rice, sugarcane and cotton) has been 0.3 percent more than the normal supplies and 0.6 percent more than last year's Kharif (see Table 2.4). The water availability during Rabi season (for major crop such as wheat), is, however, estimated at 26.0 MAF, which is 28.6 percent less than the normal availability, and 4.4 percent more than last year's Rabi.

'ble 2.4: Actual Surface Water Availability				(Million Acre Fet)
Iriod	Kharif	Ra	›tal	%age incr/dcr. Over the Ag.
/erage system usage	67.1	36	!3.5	-
:03-04	65.9	31	7.4	- 5.9
:04-05	59.1	23	2.2	- 20.6
:05-06	70.8	30	'0.9	- 2.5
:06-07	63.1	31	4.3	- 8.9
:07-08	70.8	27	3.7	- 4.6
:08-09	66.9	24	1.8	-11.3
:09-10	67.3	26	3.3	-9.9

SourceIRSA

ficient irrigation system is a pre-requisite for hiper agr.ltural ›roductn since it helps increas‹ the op intensity. Despite the existence of a good iiigatior.anal n‹twork the Pakistan, it still sufers bm wastage of a large amount of water in the irigatioprocess Positio of rainfall during monoon ad winter season is detailed given in Table 2.5:-

'ble 2.5: Rainfall* Recorded During 2009-10		(In Millimter)
	Mosoon Rnfall (Jl-Sep) 09	Winter Rainfall (Jan-Mar) 2010
brmal	137.5	70.5
/tual	101.8	49.2
:ortage (-)/excess (+)	-35.7	-21.3
'Shortage (-)/excess (+)	-26.0	-30.2

Area weighted *Soure: Pakisn Meteorological Departmnt*

Uring the monsoon season (July-September, 209) the ırmal rainfall i137.5 mm while the atual iinfall received stood at 101.8 mm, indicating a ecreasof 26.0percen Likewise, during the wıter anuary to March 2010), the actual rainfall receivd was9.2 mm while le normal rainfall duringthis priod has been 70.5 mm, indicating a decrease of30.2 peent ovr the nmal rainfall.

Crop Situation

'iere are two principal crop seasons in Pakista, name the *"Kharif"*, ıe sowing season of wich egins in April-June and harvesting during Octobe-Decener; andthe *"Rbi"*, which begins in Octoer-bcember and ends in April-May. Rice, sugarcan, cott, maizt, mong mash, bajra and jowa are 'harif" crops while wheat, gram, lentil (masoor tobao, rapeseed, biley and mustard are "labi" ops. Major crops, such as, wheat, rice, cotton nd sugcane a:count r 82.0 percent of the vlue ded in the major crops. The value added in majr cropsccount for 32 percent of the value aded i overall agriculture. Thus, the four major crop (whe, rice, cotton, nd sugarcane), on aveage, ntribute 33.1 percent to the value added in orall agcultureand 7. percent to GDP. The rinor ops account for 11.1 percent of the value aded in erall agricultur Livestock contributes 53.2 prcent to agricultural value added – much morethan tl combied coribution of major and rinor ops (43.9%). See Table-2.6

(000 Tons)

Table 2.6: Production of Major Crops

Year	Cotton (000 bales)	Sugarcane	Rice	Maize	Wheat
2004-05	14265	47244	5025	2797	21612
	(42.0)	(-11.6)	(3.6)	(47.4)	(10.8)
2005-06	13019	44666	5547	3110	21277
	(-8.7)	(-5.5)	(10.4)	(11.2)	(-1.6)
2006-07	12856	54742	5438	3088	23295
	(-1.2)	(22.6)	(-2.0)	(-0.7)	(9.5)
2007-08	11655	63920	5563	3605	20959
	(-9.3)	(16.8)	(2.3)	(16.7)	(-10.0)
2008-09	11819	50045	6952	3593	24033
	(1.4)	(-21.7)	(25.0)	(-0.3)	(14.7)
2009-10(P)	12698	49373	6883	3487	23864
	(7.4)	(-1.3)	(-1.0)	(-3.0)	(-0.7)

P:Provisional (July-March)

**:Figures in parentheses are growth rates*

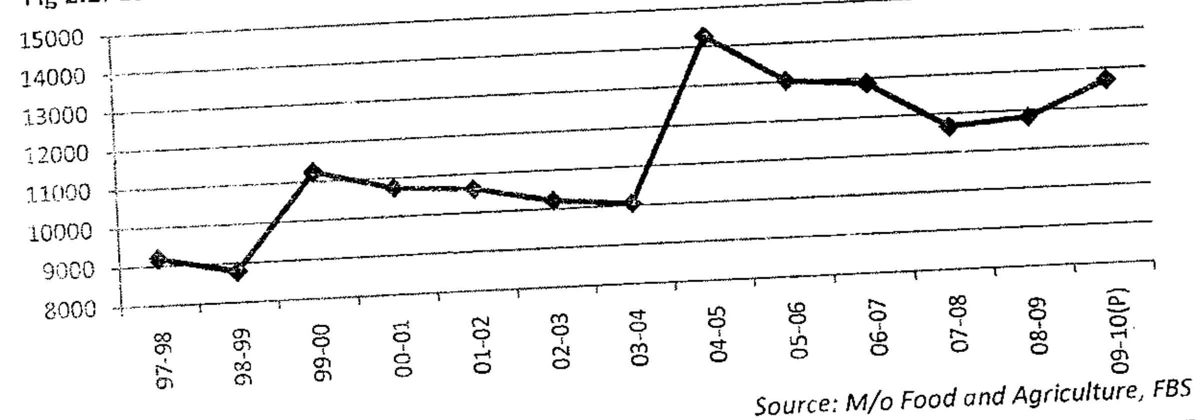
Source: Ministry of Food and Agriculture

a) Major Crops:

i) Cotton:

Cotton being a non-food cash crop contributes significantly in foreign exchange earning. Cotton accounts for 8.6 percent of the value added in agriculture and about 1.8 percent to GDP. The crop was sown on the area of 3106 thousand hectares, 10.1 percent more than last year (2820 thousand hectares). The production is estimated at 12.7 million bales for 2009-10, higher by 7.4 percent over the last year's production of 11.8 million bales. However, the cotton production was 5.0 percent less than the target of 13.36 million bales mainly due to the shortage of irrigation water, high temperatures in the month of August resulting in excessive fruit shedding, flare up of sucking pest complexes and wide spread of Cotton Leaf Curl Virus (CLCV). Area, production and yield of cotton for the last five years are given in Table 2.7 and Fig. 2.1.

Fig 2.1: Cotton Production (000 bales)



Source: M/o Food and Agriculture, FBS

Tle 2.7: Area, Production and Yield of Cotton						
Yr	Area		Prluction		Yield	
	(000 Hectare)	% Change	(00 Bales	% (hange	(Kgs/Hec)	% Chane
2(5-06	3103	-2.8	13019	8.7	714	-6.0
2(6-07	3075	-0.9	12856	1.2	711	-0.4
2(7-08	3054	- 0.7	11655	-9.3	649	-8.7
2(8-09	2820	-7.7	11819	1.4	713	9.9
2(9-10(P)	3106	10.1	126	7.4	695	-2.5

P:rovisional (July-March) *Source: linistry Food anl Agriculre, Federal Bureau of Statisics.*

D'ing this 2009-10 Kharif, an important develoment as the increasg usage of Bt: Cottor by fmers. In Sindh, it was observed almost 80% ofcottonrowing area h become under Bt. coton (Astralian Bt) with high incidence (60-100%) of Ctton Lf Curl Virus (CV) infection. In Punjab Bt cton is grown on almost 80% areas with diffeent naes, i.e. Bt-121d Bt-131 with a range of sregation (10-20%) in the fields of Bt cotton. MiFA hasnalizec and gc approved from ECC an.Ol al MoU with action plan to introduce Bt cotton vriety al Bt HyIrid in Fkistan in collaboration with Ms Monsanto.

B Cotton:

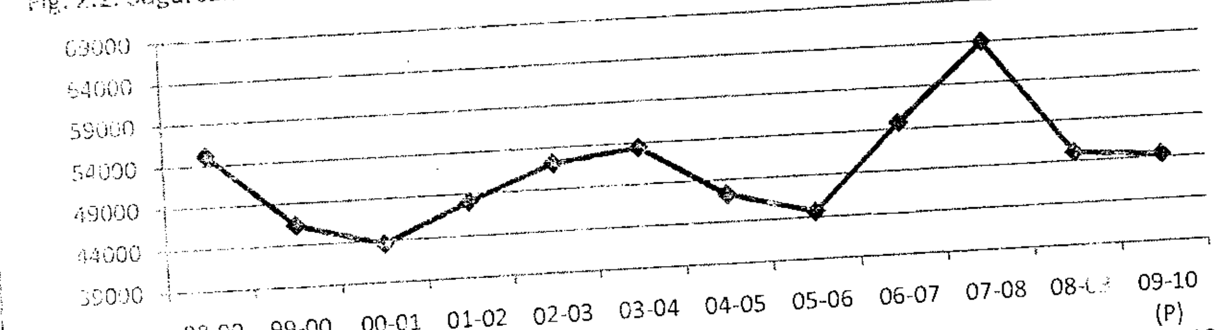
- Bt cotton is developed by Genetic Engineering echniqs (Biotechnolo(). Bt cotton contains Genes from *Bacillus thuringiensis (Bt.)*
- Eight countries commercially grew Bt cotton (UA, Auslia, China, Indietc.). Protein of this gen is deadly for the Chewing Pests i.e. American, Any, Pinand Sptted wm but not for sucking est like Mealy bug etc.
- There may be 30% ircrease in cotton yield ue to sistance again chewing pest and hece additional income to poor farmers in Pakistan.
- The Bt. cotton varieties including Bt hybrids urrentlgrown n Pakisn are from exotic souces which are given to farmers for cultivation withut valiting itsperforance and without proviing production technologies based on research corlucted cording to locenvironment.
- None of these planting materials have been mporti legall and hve not been tested scfar according to rules and regulations set by Goverment ancies t Fedel and Provincial levels.
- As a rule and principle chalked out by Fedral anProvincial Govrnments all the Bt coton varieties/Hybrids, it has to pass through the prcedurelesigned for teing and evaluation of tese materials by Pakistan Centrai Cotton Committe (PCC(Federl Seed ertification and Registraion Department (FSC&RD), National Bio-safety CormitteeNBC), Departmt of Plant Protection (IPP) and provincial Seed Councils.
- Private seed company M/s Aurega Lahore has old Bt brid seed for a area of almost 10 thoumnd acres with the name as "White Gold" without fllowinprescribed rule.
- Another private seed company M/s Alseeme Aultan as sold non Btotton hybrid for almos an area of 10 thousand acres without following prscribecules.
- All the Bt. cotton varieties grown are susceptile to Cton Leaf Curl Vus (CLCV) and sucking est i.e. mealy bug, Jassid and White fly which are anajor teat to otton op in Pakistan.
- Most of the Bt cotton varieties were marketedvith wng notaion of sistance to all pest. In sme instances Bt. cotton seed was mixed with non-t cottoseed ard affecd the yield.

- It is worth mentioning that Sitara, ARS-802, ARS-703, CEMB-1, CEMB-2, Neelum-121, FH-113, MG-6 and Hybrid Bt GN-2085 and GN-31 are the only Bt cotton varieties/hybrid which is being introduced in Pakistan during next crop season following the rules and regulations designed by Federal and Provincial governments.
- It is important to mention that during current year Pakistan Agricultural research Council (PARC) has imported almost 950 kg of five different Bt cotton seed from China under special permission for conducting trials directly on farmer fields without following the rules and regulations designed by NBC, PCCC, FSC & RD.

ii) Sugarcane:

Sugarcane is one of the major crops of Pakistan, grown in Kharif season. It provides raw material to sugar and sugar- related products. It generates income and employment for the farming community of the country. It helps in value addition to essential item for industries like sugar, chipboard and paper. Its share in value added of agriculture and GDP are 3.6 percent and 0.8 percent, respectively. For 2009-10, sugarcane has been sown in the area of 943 thousand hectares, 8.4 percent lower than last year (1029 thousand hectares). Sugarcane production for the year 2009-10 is estimated at 49.4 million tons, against 50.0 million tons last year. This indicates a decline of 1.3 percent over the production of last year. Main factors contributing for lesser production are maximum area under wheat crop during 2008-09 restricted the sugarcane acreage, shortage of canal water, load shedding of electricity, realization of lower prices in the preceding season and high rate of inputs also discouraged the farmers to grow more sugarcane crop. The area, production and yield per hectare for the last five years are given in Table 2.8 (see also Fig. 2.2)

Fig: 2.2: Sugarcane Production (000 Tons)



Source: M/o Food and Agriculture, FBS

Table 2.8: Area, Production and Yield of Sugarcane

Year	Area (000 Hectare)	Area % Change	Production (000 Tons)	Production % Change	Yield (Kgs/Hec.)	Yield % Change
2005-06	907	-6.1	44666	-5.5	49246	0.7
2006-07	1029	13.5	54742	22.6	53199	8.0
2007-08	1241	20.6	63920	16.8	51507	-3.2
2008-09	1029	-17.1	50045	-21.7	48635	-5.6
2009-10(P)	943	-8.4	49373	-1.3	52357	7.7

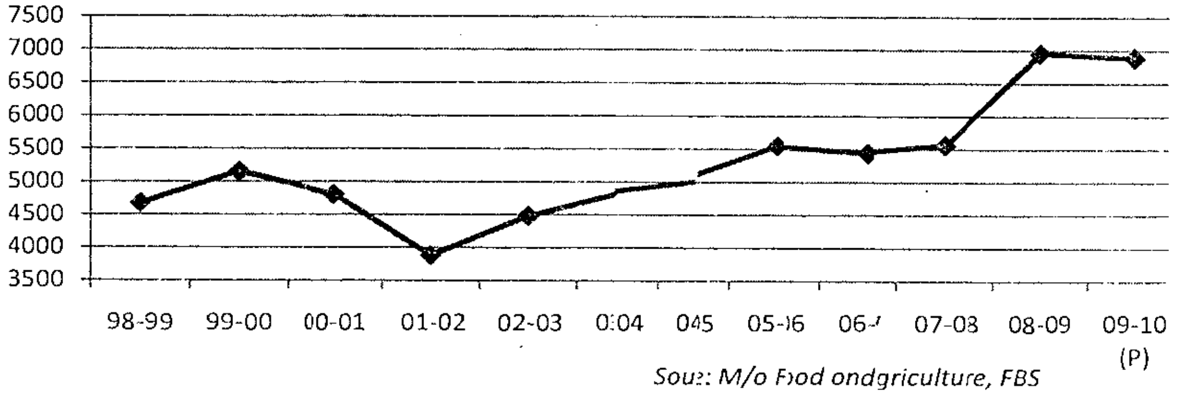
P: Provisional (July-March)

Source: Ministry of Food and Agriculture, Federal Bureau of Statistics.

i Rice:

Re is an essential cash crop and one of the man expc items of the ountry. It accounts fo 6.4 prcent of value added in agriculture and 1.4 percnt in CP. Pakstan grws high quality rice to reet bth domestic demand and for exports. Area sow for rics estimated at 883 thousand hectares 2.7 prcent less than last year The size of the crop is etimateat 688 thousad tons 1.0 percent less an lat year. In Punjab sugarcane area was also shiftedto rice op, as the growrs were discouraged du to m-payment of their dues in time by the sugar mls. The ea, prcductionand yield of rice for theast fe years are given in Table 2.9 and Fig 2.3.

Fig 2.3: Rice Production (000 Tons)



Sou: M/o Food ondgriculture, FBS

Tile 2.9: Area, Production and Yield of Rice

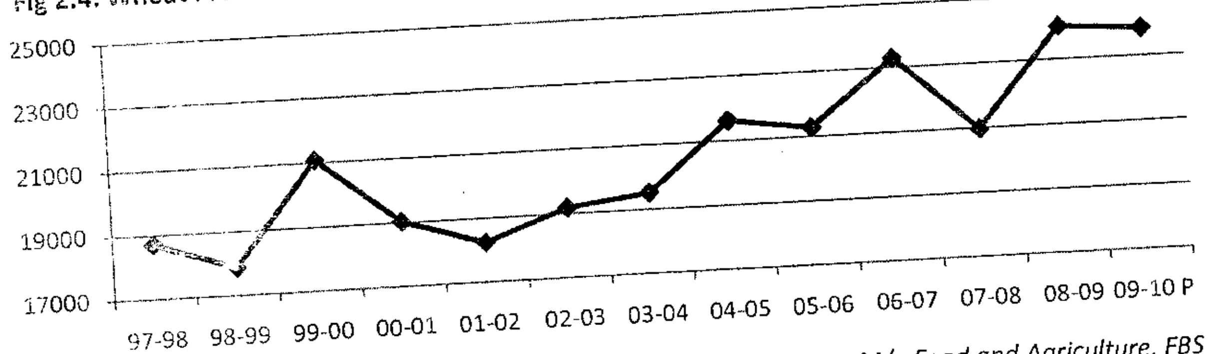
Yr	Area		Proction		Yield	
	(000 Hectare)	% Change	(00(Tons)	% Change	(Kgs/Hec.)	% Change
2(5-06	2621	4.0	547	104	2116	6.1
2(6-07	2581	-1.5	538	-2.)	2107	-0.4
2(7-08	2515	-2.6	563	2.:	2212	5.0
2(8-09	2963	17.8	652	25)	2346	6.1
2(9-10(P)	2883	-2.7	683	-1.)	2387	1.7

P:rovisional (July-Morch) *Source: Miistry of od and Agriculte, Federal Bureau of Statisics.*

iWheat:

Weat is the leading food grain of Pakistan and bing stde diet of the eople, it occupies a cerral pition in formulation of agricultural policies. : contrutes 1.4 pernt to the value adde in agculture and 3.1 percent to GDP. Area and prodction tget of wheat fothe year 2009-10 had ben se at 9045 thousand hectares and 25 million ton, respeively. Wheat ws cultivated on an are of 9(2 thousand hectares, showing a decrease of 04 pernt ove last yr's area of 9046 thousnd htares. The impact of water shortages (availabili at far gate) nd low rainfall during the sovng piod has been the main reason for lesser acrege unr wheit cropThe size of wheat cro is pvisionally estimated at 23864 million tons, 0.7 ercene ss than last ar crop. The prospects or weat harvest improved somewhat with health fertiliz off tke ancreasonable rainfall in re havesting period. However, the impact of lower areage d water shortes is likely take its toll nd weat harvest is estimated to be lower than the 2009-10 targets of .0 million tons. The Aea, Prduction and Yield per hectare of wheat for the lat five yrs are given inig 2.4 and Table 2.10.

Fig 2.4: Wheat Production (000 Tons)



Source: M/o Food and Agriculture, FBS

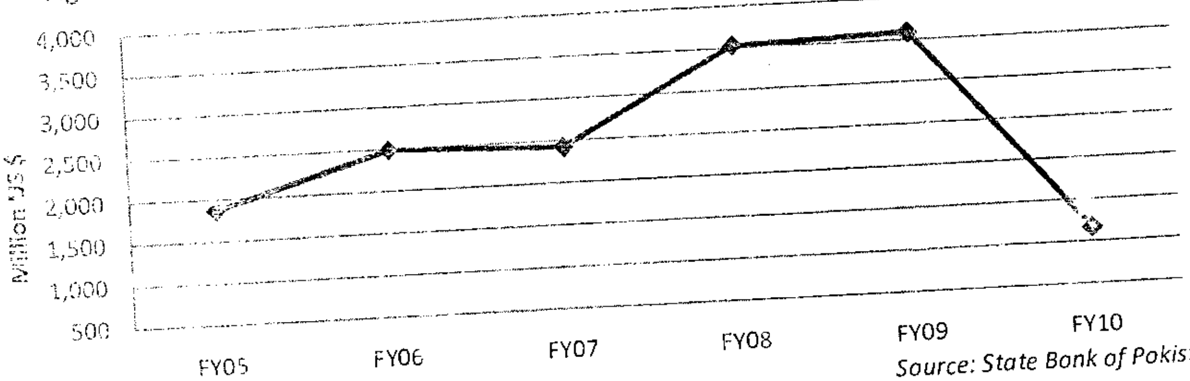
Table 2.10: Area, Production and Yield of Wheat

Year	Area		Production		Yield	
	(000 hectares)	% Change	(000 tons)	% Change	(Kgs /Hec.)	% Changes
2005-06	8448	1.1	21277	-1.6	2519	-1.9
2006-07	8578	1.5	23295	9.5	2716	7.8
2007-08	8550	-0.3	20959	-10.0	2451	-9.8
2008-09	9046	5.8	24033	14.7	2657	8.4
2009-10(P)	9042	-0.04	23864	-0.7	2639	2.1

Source: Ministry of Food and Agriculture, Federal Bureou of Statistics

P:Provisional(July-March)

Fig 2.5: Food Group Import



Source: State Bank of Pakistan

v) Other Major Crops

During 2009-10, the production of only rapeseed and mustard increased by 7.4 percent. Gram, the largest Rabi pulses crop in Pakistan, stood at 5.7 million tons against 7.4 million tons of last year showing a significant decrease of 23.0 percent during 2009-10 due to reduction in area cultivated and unfavourable climatic change. The production of jawar, barley, maize, bajra and tobacco decreased by 6.7, 4.9, 3.0, 1.0 and 1.0 percent respectively during 2009-10. The area and production of major crops are given in Table 2.11.

T)le 2.11: Area and Production of Other Major Kharif nd Rabrops

C ps	2008-09		2019-10(P)		% Change ı productior
	Area (000 hectares)	Production (000 tons)	ea (000 :ctares)	bduction 00 tons)	
KARIF					
Mize	1052	3593	;0	3487	-3.0
Bra	470	296	'6	293	-1.0
Jzar	263	165	18	154	-6.7
R3I					
Gm	1081	741	50	571	-23.0
Bley	86	82	0	78	-4.9
R)eseed & Mstard	233	188	35	202	7.4
T)acco	50	105	J	104	-1.0

P'rovisional (July-March) *Saurce: Mistry ofod andAgricult e, Federal Bureau of Statiics.*

bMinor Crops

i)ilseeds

T: major oilseed crops include cottonseed, rapseed/mstard, unflow and canola etc. The btal ailability of edible oil in 2008-09 was 2.821 miion tor Local producto of edible oil stood at;84 tbusand tons during 2008-09, which is 24 percet of tl total a/ailabili in the country. While:he rmaining 76 percent was made available througl impor During 2009-1 (July-March) 1.246 miion tos edible oil which amcunted to Rs. 77.78 billins haseen imported. he local production dting 2)9-10 (July-March) is estimated at 0.680 million ons. Tol availability frm all sources is provisionally eimated at 1.749 million tons during 2009-10 (Jy-Marc. The area ancroduction of oilseed cops d'ing 2008-09 and 2009-10 is given in Table 2.12.

T)le 2.12: Area and Production of Major Oilseed Crop

C ps	2008-09			2009-10 (P)		
	Area	Production		Ar:a	Production	
	(000 Acres)	Seed (000 Tons)	)il (00Tons)	(000 /cres)	Seed (000 Tons)	Oil (000 Tos)
Ctonseed	6,969	3,015	52	7,591	3,240	389
R)eseed/ Mstard	577	188	2	486	160	51
S)flower	929	598	27	872	554	211
C)ola	172	88	3	142	76	29
Tal	**8,647**	**3,889**	**84**	**9,091**	**4,030**	**680**

P'rovisional (July-March) *Souce: Pakian Oilseed Development Bard*

iiOther Minor Crops:

T: production of masoor, onion and potato incrased b1.4%, :.0% an 15.9% respectively. Tirely rn supplemented to some extent for increasing p)ductic of masoor, onn and potato. Howeverthe p)duction of mung, mash and chillies decreased b 24.6%0.6 % ind 0.5%respectively. The decresed irhese crops is mainly due to reduction of area urder succrops a the an of mung, mash and chlies d:reased by 16.6 %, 12.7 % and 22.2 % respectivy. The ea andproducon of minor crops are g/en irable 2.13.

Table-2.13 : Area and Production of Minor Crops

Crops	2008-09		2009-10 (P)		%Change In Production
	Area (000 hectares)	Production (000 tons)	Area (000 hectares)	Production (000 tons)	
Masoor	30.9	14.4	35.5	14.6	1.4
Mung	219.7	157.4	183.3	118.7	-24.6
Mash	27.6	13.6	24.1	10.8	-20.6
Potato	145.0	2941.3	149.0	3411.6	15.9
Onion	129.6	1704.1	141.9	1858.0	9.0
Chillies	73.8	187.7	57.44	186.7	-0.5

P: Provisional (July-March)

Source: Ministry of Food and Agriculture. Federal Bureau of Statistics

II. Farm Inputs

i) Fertilizer:

The Government has taken several significant steps to boost agricultural production over the last five years. The domestic production of fertilizer during the first nine months (July-March, 2009-10) of the current fiscal year was up by 4.5 percent. The import of fertilizer increased by 133 percent; hence, the total availability of fertilizer also increased by 25.3 percent. Total off take of fertilizer surged by 23.8 percent (Table 2.14) due to a subsidy of Rs. 500 per bag of Sulphate of Potash (SOP)/ Muriate of Potash (MOP) has been announced. Nitrogen off-take increased by 15.4 percent while that of phosphate by 66.2 percent. Main reasons for increased off-take of fertilizers were affordable price of DAP and higher support price of wheat. Average retail sale prices of nitrogenous fertilizers increased while that of phosphate decreased considerably.

Table 2.14: Production and Off-take of Fertilizer

('000' N/tons)

Year	Domestic Production	% Change	Import	% Change	Total	% Change	Off-take	% Change
2004-05	2718	7.1	785	2.7	3503	6.1	3694	14.6
2005-06	2832	4.2	1268	61.5	4100	17.0	3804	3.0
2006-07	2747	-3.0	796	-37.2	3543	-13.6	3672	-3.5
2007-08	2822	2.7	876	10.1	3698	4.4	3581	-2.5
2008-09	2907	3.0	568	-35.2	3475	-6.0	3711	3.6
2008-09 (Jul-Mar)	2141	-	416	-	2557	-	2767	-
2009-10 (Jul-Mar) P	2237	4.5	968	132.7	3205	25.3	3426	23.8

P : Provisional

Source: National Fertilizer Development Centre

ii) Improved Seed:

Improved high-quality seed or planting material is the most desirable input for improving crop yield. Seed is an important component in agriculture productivity system. Seed has the basic position among various agricultural inputs because the effectiveness of all other inputs mainly depends on the potential of seeds. Seed is a high technology product and is an innovation most readily adapted. Improving access to good quality seed is a critical requirement for sustainable agricultural growth and food security. Effective use of improved seed can result in higher agricultural production and increase net incomes of farming families, which has a positive impact on rural poverty. Hence, availability of quality seed of improved varieties is essential to achieve the production target.

Cring 2009-10 (July-March), about 305.82 thousal tons of iproved seed of vaous Karif/Rabi/Spring/Winter season crops was distriuted. 'e procremenand distribution of seec of Vious Kharif crops (cotton, paddy, maize, mungben etc) under progres

Te Federal Seed Certification and Registration epartnnt (FSC&RD) iengaged in providing eed ctification coverage to public and private sectorseed cnpanies of Paktan along with seed qulity cntrol services through its 28 seed testing laboratries ar monitring ofeed quality in the markt as wll. The activities/achievements of the departmer duri 2009-10 are brify given as under:

- During the year 2009-10, nineteen newseed cnpanie were egistered raising the otal number of registered seed companies to 11 in e counry incling four public sector eed companies and five multinationals.
- Fifteen crop varieties were approved (weat-4, otton-4 oilsee-4, pulses-3, fodder-1, and vegetable-1) and thirty seven crop varietie were eluatedfor regiration.
- During the period under report, a total of523.14housanl acres f different crops offere by the various seed agencies were inspected fr certilation purposes
- A total quantity of 305.82 thousand MT eeds ovarious crops vre sampled and tested for purity, germination and seed health purpoes.
- Pre and Post Control Trials of all pre-basic basic ed lotsand 20 of certified seed lots vere carried out in the field to determine the qulity of ed distibuted / various seed agencies.
- Under the provisicn of seed act enforcemnt, 33 ces were filed ithe different Courts of aw against the seed dealers found selling subsandardeds.
- Imported seed of various crops/hybrids athe turof 17.5 thousnd MT with a total valu of Rs. 3140.85 million was tested under Labiing Sel (Truth-in-Labing) Rules, 1991 duringthe year so far at the port of entries i.e. Lahoreand Kachi.
- Almost 1004 seed samples of various cros/vegebles and fruitwere tested at the Cetral Seed Health Labcratory, Islamabad for etectic of furgal anviral diseases using lest diagnosis techniques and protocols.
- Federal Seed Certification & Registratioi Depanent (SC&RC with the collaboratio of Ministry Food & Agriculture and all stakeblders eparedthe Stdard Operating Procedres (SOPs) for evaluation, release and registratn of cdidate iotechop varieties in Pakistar
- Various Seed Development Projects are bing runuring 2009-10hile three projects namely, "Establishment of National Variety Data Bnk" , "-gradaion ofeed Testing Laboratoris to Meet WTO Requirements" and "Establishrent ofeed Teting Laratories and Rehabilitaion of Existing Laboratories" have been succesfully cnpletec.

iiMechanization:

Alemographic change towards urbanization redces theize of ural wckforce, agriculture will also nd to adopt new forms of mechanization ard shifto land use innsification, with all o its cnnotations. High agricultural production assuresood surity ard agricture surpluses for expot at cnpetitive prices require efficient developmet andtilization of gricultural resources. ost eectiveness in the production of various crops rings lilt-in cmpetite edge to low productvity aributed farmers. Farm operations being time spcific, deand precision optimize the efficiencis of agricultural input for higher productivity. The future changes of free market economy and faster globalization have further necessitated modernization of agricultural machinery through transfer of latest, efficient and cost effective technologies to the farming community. Efficient use of scarce agriculture resources and accelerated agricultural mechanization are, therefore, vital to meet the challenges of future scenario that need a comprehensive strategic loaning for future.

Further, to promote use of efficient and quality machinery & equipment etc, the Federal Government has allowed import of agricultural machinery not being manufactured locally, at zero tariffs. Other interventions like use of laser land leveler, ridge and broad bed framing system are being encouraged in the country at concessional rates to the farmers. To bring more land under cultivation a project titled "Land and Water Resources Development Project for Poverty Reduction in Pakistan" envisaging providing 300 bulldozers (200 bulldozers Balochistan and 100 units to Khyber Pakhtunkhwa) is under implementation.

iv) Plant Protection

Plant protection is an important agriculture input as it effectively contributes in achieving higher production by saving it from ravages of insect and disease pests. In this regard, the Department of Plant Protection (DPP) provides facilities such as Locust Survey and Control, Plant Quarantine Service, Aerial Pest Control, Pesticide Registration, Testing and Management.

1. DPP has conducted Desert Locust Survey of Sindh and Punjab deserts w.e.f. 1st June 2009 to 30th September 2009. During this period 6 border meetings with Indian counterparts were conducted on monthly basis at Khokhropar-Monabao border for exchange of locust information. The Survey of Locust potential areas in Balochistan is in progress since 1st February, 2010 which remain continue up to 31st May, 2010 and joint Pak-Iran Costal area survey by a combined locust survey team of both countries under the auspices of FAO is also in progress with effect from 1st April 2010 for one month.
2. The department remained in regular coordination with all the Provincial Agriculture Extension Departments to meet any emergent demand of aerial spray.
3. Efforts are underway by the department in order to get the new Pesticides Act passed by the parliament. This act will help in improving quality control inspection and monitoring in the field with the help of the provincial governments. Environmental safeguards will also be improved with the collaboration of Ministry of Environment at manufacturing and formulation stages of pesticides.
4. A project of "Establishment of Pesticide Quality Control and Research Laboratory" Quetta has been completed in last five years by the Department of Plant Protection with a cost of Rs. 19.262 million and handed over to Agriculture Extension Department of Balochistan on 2-1-2010 for improving quality control inspection and monitoring of pesticides in Balochistan province.

v) Irrigation

The canal head withdrawals in Kharif 2009 (April-September) have increased by 1.0 percent and stood at 67.3 Million Acre Feet (MAF), as compared to 66.93 MAF during the same period last year. During the Rabi season 2009-10 (October-March), the canal head withdrawals shows a slight change, as it remained at 25.02 MAF compared to 24.9 MAF during the same period last year. Province-wise details are given in Table 2.15.

Tabl2.15: Canal Head Withdrawals (Below Rim Station) Million Acre Feet (MA)

Provces	Kharif (Apr-Sep) 2008	Kharif (Apr -Sep) 2009	% Chare in Kharif 009 over)08	Rabi (Oct-Ma) 2008-0	Rabi Oct –Mar) 2009-10	% Change in Rabi 2009-10 Over 2008-0
Punj	34.23	34.57	1	13.28	13.36	1
Sindl	29.51	29.58	C	10.3(	10.25	-1
Baluiistan	2.13	2.11	-:	0.61	0.79	31
Khybr Pakhnkhwa	1.06	1.04	-:	0.74	0.62	-16
Tota	**66.93**	**67.30**	**1.**	**24.9**	**25.02**	**0**

Source: dus River System Authorit.

Theiovernment of Pakistan's Vision for the welfar, pove/ alleviition ar well being of people ; beir come true through GDP enhancement. Watr is a :y source for DP growth and pover/ alleution; therefore, the water sector gained major)cus thughou the lasdecade. Per capita wate avaibility is diminishing as Pakistan's population is icreasir In thiscontex the challenge will be th fornlation and effective implementation of a comprhensivset of neasurefor the development ard margement of water resources.

Theiain areas of investments in water sector were:

- Augmentation of water resources
- Conservation measures
- Protection of infrastrucure from onslaught ofloods
- Significantly enhanced public sector investmet
- Construction of small & medium dams, linin of irrition chnnels,ehabilitation of irrigatio system, surface and sub-surface drainage, linig of wercourses.

Thetrategy is inline with the Medium Term Develoment Fmewor (MTD Program 2005-2010 ard alscrovides a benchmark for moving forward in te nextve yeas. Wat being a critical input o agriulture in arid and semi arid climate zone has ben proded finncial sources amounting to Rs. 59.9 billion including water management programm (durir2009-1)), despe economic and financil recsion and transition ecoromy in Pakistan.

WAER SECTOR FISCAL PROGRAMMES DURING (200-10)

- Works on Gomal Zan Dam Project is Tribal/hyber Ikhtunkiwa are continues despite of law & order situation.
- A sum of Rs. 5.71 billion was spent for liningof irrigion channels iPunjab, Sindh and Khybr Pakhtunkhwa.
- An amount of Rs. 16 067 billion was spent fothe imovemet/remdeling of existing irrigatig system.

Mar water sector projects under implementation a given Table 2.16.

Table 2.16: Major Water Sector Projects under Implementation

Projects	Location	Total App.cost (Rs. In million)	Live Storage (MAF)	Area Under Irrigation (Acres)	Completion Date
Gomal Zam Dam	Khyber Pakhtunkhwa	12,829	1.14	163,086	Oct, 2010
Greater Thal Canal *	Punjab	30,467	-	1,534,000	Phase-I, completed
Rainee Canal *	Sindh	18,862	-	412,000	June,2010, Phase-I
Kachhi Canal *	Balochistan	31,204	-	713,000	June ,2011 ,Phase-I
Raising of Mangla Dam (30 ft)	AJ&K	62,553	2.90	All over Pakistan	June, 2010
Satpara Dam Multi- purpose	Skardu	4,397	0.05	15,536	June, 2010
RIGHT BANK OUT FALL DRAIN					
• RBOD-I	Sindh	14,707			Dec, 2011
• RBOD-II	Sindh	29,014			June ,2011
• RBOD-III	Balochistan	6,535			June ,2011

* Date of completion for all three canals is for Phase-I, whereas cost is reflected for total project

Source: Water Resources Section, Planning & Development Division

v) Agricultural Credit:

In order to cope with the increasing demand for agricultural credit, institutional credit to farmers is being provided through Zarai Taraqiati Bank Limited, Punjab Provincial Cooperative Bank Limited, five big Commercial Banks, and Domestic Private Banks. Adequate availability and access to institutional credit is essential for accelerating the pace of agricultural development and ensuring Food Security in the country. The Agricultural Credit Advisory Committee (ACAC) has allocated Rs. 260 billion for the year 2009-10 as compared to Rs. 250 billion fixed for last year which indicates an increase of 11.6 percent over the disbursement of Rs. 233 billion during the year 2008-09. See Table 2.17.

(Rs. in million)

Table 2.17: Supply of Agricultural Credit by Institutions

Year	ZTBL	Commercial Banks	PPCBL	Domestic Private Banks	Total	
					Rs. Million	%Change
2005-06	47,594.14	67,967.40	5,889.49	16,023.38	137,474.40	26.4
2006-07	56473.05	80,393.19	7,988.06	23,976.16	168,830.46	22.8
2007-08	66,938.99	94,749.29	5,931.45	43,940.92	211,560.66	25.3
2008-09	75,138.55	110,666.00	5,579.43	41,626.33	233,101.31	10.1
2008-09 *	45,399.87	74,364.60	3,538.89	28,557.24	151,860.60	9.6
2009-10 *	48,986.53	85,177.16	3,530.02	28,641.15	166,344.86	9.5

** : (July – March)*

Source: State Bank of Pakistan.

Zari Taraqiati Bank Limited (ZTBL)

Zari Taraqiati Bank Limited (ZTBL) is the country's premier financial institution providing financial services to agriculture sector. It is a key specialized Bank of Pakistan Providing affordable agriculture financial service to rural sector, comprising 62 percent of the total population. The Bank operates thrugh a country-wide network of 26 Zonal Offices nd 347ranche; and a ;am of 1392 Mobile Creit Ofiers in the field. ZTBL alone serves about half a iillion rmers annuallynd has a share of aroud 28 percent of the total institutional agricultural crdit. Sin inception up t March 31, 2010, the Bak hadisbursed loan amounting to Rs. 648.313 billionThe bk so far has finced 532,254 tractors ad 14486 tube-wells besides being the major soure of iancing for fan inputs including sees, ferizer, pesticides and insecticides. Priority was lso accrded tc the pivision of more credit or livtock, dairy farming, poultry farming, aquacultureand fincing o oil seecrops.

NE/ PRODUCTS INTRODUCED BY ZTBL

1. **Benazir Tractor Scheme**

- In order to bridge the gap between demancand suly postion of actors in the country, he Federal Government has decided to lanch Aelerated Agridtural Mechanization or Productivity Enhancement, "Benazir Tractor cheme:hrougl ZTBL.

- The scheme envisages supply of 10,000 tracors dung 2009-10 tone farmers to be selectd through computerized balloting for grant of ubsidyp to 50% of thcost of the tractor subjct to maximum of Rs. 200,000 per beneficiary/tactor.

2. **Awami Zarai Scheme**

- All new borrowers of crop production loansvill havto avai revolvg limit under Awami Zeai Scheme to get inputs through M/S KSSL uner kindystem. This schme is optional for existig borrowers to the Bank.

3. **Rural Development Scheme**

- This Project is initiated to provide credit asstanceor dain, poult, sheep & goat farmingin the rural areas of AJ&K state especially in Earthquakaffected areas.

III.orestry

Fosts are crucial for the well being of humanity.They pvide foundatics of life on earth through ecogical functions, by regulating the climate and vater reurces and by sving as habitats for plats an animals. Forests also furnish a wide range o essenil goodi such ; wood, food fodder ad mecicines in addition to opportunities for recreatioi and oer servces. Fosts are under pressure or exanding human and livestock populations with equery leads to corersion or degradationsof forsts into unsustainable forms of land use. Whenorests c lost cr severy degraded, their capacty to inction as regulators of the environment is also ost, incasing fbods ar erosion hazards, reducg sofertility and contributing to the loss of plant an animaife. Unler Millnnium Development Gols of orestry sector, Pakistan is committed to increse fort cove from xisting 5.2 percent to .7 peent by the year 2011 and 6 percent by the yer 201 An incease o1 percent implies thatan adtional 1.051 million hectares area has to be brought unc forestcover t 2015.

Measures to enhance forest cover

- *Mass Afforestation and Tree Planting Campigns:* Inrder tc enhan tree cover in the couny, tree planting campaigns are held each year. Ding the tree anting campaigns all ne Government Departments, Private organizationsDefence orgazations and NGOs wre involved in planting activities.

- By 2030, Pakistan will be managing all types of forests on ecosystem approach, enabling them to perform potential functions of conserving biodiversity, providing sustainable livelihood to dependent communities, meeting national demands for wood and contributing positively to mitigate global environmental problems.
- Pakistan has set a new Guinness World Record in maximum tree planting during 24 hours on July 15, 2009, three hundred planters form the local communities planted 541,176 propagules of mangrove tree on 796 acres on an island at Keti Bundar in the Indus Delta. This event was organized by the Forestry Wing of Ministry of Environment in collaboration with the Sindh Forest Department and National Bank of Pakistan.
- Prime Minister of Pakistan declared 18th August as National Tree Planting Day (NTPD). Underlying objective of celebration of NTPD is to address deforestation and associated environmental problems being faced by the nation through motivation and involvement of all segments of the society in tree plantation campaign. This was to be achieved by inducing a culture and sense of ownership among the public for forest conservation and trees cultivation through an extensive but systematic and organized awareness campaign involving print and electronic media. On 18 August 2009 massive plantation was carried out throughout Pakistan with the help of Provincial Forest Departments and Federal line Ministries/agencies.
- Mangroves for the Future (MFF) initiative focus on the countries worst-affected by the tsunami. However, MFF will also include other countries of the Region that face similar issues, with an overall aim to promote an integrated ocean wide approach to coastal zone management. Pakistan joined MFF as dialogue country in 2008. Subsequently, in October 2009 Pakistan's National Coordinating Body for the MFF was decided that Pakistan will prepare its draft National Strategy & Action Plan (NSAP) as per requirements of Regional Steering Committee of MFF hosted by IUCN and UNDP to become regular member of this regional programme.

During the year 2009-10 forests have contributed 93 thousand cubic meters of timber and 263 thousand cubic meters of firewood as compared to 89 thousand cubic meters timber and 258 thousand cubic meters firewood in 2008-09. In order to enhance tree cover in the country, tree planting campaigns are held each year.

IV. Livestock and Poultry

A. Livestock

The overall thrust of Government livestock policy is to foster "private sector-led development with public sector providing enabling environment through policy interventions and play capacity building role for improved livestock husbandry practices". The emphasis will be on improving per unit animal productivity and moving from subsistence to market oriented and then commercial livestock farming in the country to meet the domestic demand and surplus for export. The livestock development strategy revolves around the following:

1. Public Private Partnership led development.
2. National Economic growth.
3. Poverty Alleviation.
4. Food Security.
5. Improve Livestock service delivery.
6. Expand opportunities for livelihood needs of farmers.

. Enhance Foreign Excıange Earnings.

Livestock plays an important role in the econory of t country. Livstock sector contributd appximately 53.2 percent of the agriculture valu addednd 11.4 percet to national GDP durig 20C-10.While other development sector experience saturaon and decline ere has been an increae in listock sector in 2009-10. Gross value addition olivesto at curent facr cost has increased fro Rs. 304.6 billion (2008-09) to Rs. 1537.5 billion (009-1Cshowing an inease of 17.8 percent s conared to previous year.

Theopulation growth, increase in per capita incoe andxport evenues fueling the demand f liveock and livestock products. In order to speed u the pe of developmt in livestock sector, Tł Mirtry of Livestock & Dairy Development was crated a part of Rerm Agenda and politicl comitment of present Government to improve serice deery, reduce pcrty, achieve sustainab ecomic growth and expand opportunities to adcess thneeds of liveock rural farmers and protect the livelihood concerns of rural community. he maj produts of listock are milk and mea, theroduction of which for last three years is given irTable 28:

Tabl2.18: Milk and Meat Production

Spees	Units	2007-[1]	20009[1]	2009-10[1]
MilkGross Production)	000 Tons	42,1	4352	44,978
Cow	"	14,4.	1432	15,546
Buffo	"	26,2.	2728	27,848
Shee[2]	"	35	[illegible]	36
Goa	"	70(	7)	739
Cam[2]	"	78[illegible]	73	808
MilkHuman Consumption)[3]	000 Tons	34,0	3530	36,299
Cow	"	11,5	1135	12,437
Buffo	"	20,9	2122	22,279
Shee	"	35	[illegible]	36
Goa	"	70(	7)	739
Cam		78[illegible]	73	808
Mea	000 Tons	2,72	2,3	2,965
Beef	"	1,54	1,t1	1,655
Mutn	"	578	5)	603
Pouly meat	"	60[illegible]	6[illegible]	707

Sour: Ministy of Liveock and Dairy Developmet

Note

1. *e figures for milk and mect production for the years 007-08,08-09 and 2009.0 are calculated by plying milk production parameters to the projected ppulatic of 20070 8, 20009 and 2009-10 based on e inter census growth rate of livestock census 1996-206.*
2. *e figures for the Milk production for the year 2007-0 2008-Cand 2009-10 arealculated after adding the oduction of milk from camel and sheep to the figureseported the livstack cesus 2006.*
3. *ilk for human consumption is derived by subtracting 0% (15%vastagein transrtation and 5% in calving) the gross milk production of cows and Buffalo.*
4. *e figures for meat production are of red meat and doat incl the edble affa.*

B. Pultry

Pouly sector is one of the organized and vibrant egmentof agriculture dustry of Pakistan. Th sector generates employment (direct/indirect) and income for about 1.5 million people. Poultry meat contributes 23.8 percent of the total meat production in the country .Poultry Development Policy visions sustainable supply of wholesome poultry meat; eggs and value added products to the local and international markets at competitive prices and aimed at facilitating and support private sector-led development for sustainable poultry production. The strategy revolves around Improving regulatory framework; disease control and genetic improvement in rural poultry; hi-tech poultry production under environmentally –controlled housing; processing and value addition; Improving bio-security; need based research and development and farmers training & education. It envisages poultry sectors growth of 15-20 percent per annum.

C. Mega Development Projects

The Government has substantially increased public sector investment and has initiated mega development project for strengthening Livestock services for improved disease diagnosis and control, milk and meat production, breed improvement, animal husbandry and management procedures in the country. The Ministry of Livestock & Dairy Development is presently executing seven (07) projects in Livestock sector at an estimated cost of Rs. 8.8 billion. These projects were approved during the last 3 to 4 years. The progress is an under:

Strengthening of Livestock Services Project (SLSP)

Project is of Seven years duration (2003-2010) with total cost of Rs. 1992.66 million. The project is aimed at to eradicate rinderpest disease from the country, to enhance efficiency and effectiveness of delivery of livestock services, improvement of disease diagnosis, monitoring and reporting system, Vaccine production particularly against newly emerging and trans-boundary Animal Disease and capacity building of veterinary staff. The major achievements of the project are:-

- Field studies on 05 models of service delivery are in progress: Community Animal Health Extension Worker (CAHEW), Women Livestock Extension Worker (WLEW),Dairy Farmers Cooperative Model (DFCM) , Wool Producers Association, Rural Poultry Support Model (RPSM)
- Introduced Pest Des Petites Ruminants (PPR) vaccine production in the country, and
- Established National Epidemiology Net work for Livestock Disease Surveillance and Reporting.

Livestock Production & Development of Meat Production

This project is of five years duration (2005-2010) and has total allocation of Rs. 1520 million. It is assisting in the establishment of 2590 fattening farms (1040 beef and 1550 mutton), 08 Slaughter houses and 20 butcheries in Private Sector. Under this project more than 9000 feed-lot fattening operations have been completed in which more than 8,000 tons of quality beef and more than 2,000 tons of mutton have been produced.

Milk Collection Processing and Dairy Production & Development Programme

This project is of five years duration (2005-2010) and has total allocation of Rs. 1588 million. More than 10,000 rural subsistence dairy farmers are likely to enter into the milk marketing chain due to project interventions. 15.000 to 20,000 additional breeding animals of better genetic potential for milk production will become available in the project area. The major achievements of the project includes:-

- Formed 207 Milk Producer Groups (MPG) in all the four provinces, Azad Jammu & Kashmir and

Northern Area,

- Installed 150 milk cooling tanks,
- Provided 63.3 tons of fodder seeds and 563 to of animal ratn/feed on cost basis t the members of MPGs,
- Registered 1004 Sindhi, Sahiwal and NiRavi estock breeds for production of qality breeding animals.

lime Minister's Special Initiative for Livestock (PASIL)

'is project is of 05 years duration (2005-2010) hving tol allocation of ;. 1992 million. It is aimd at ehancing the livestock productivity through the provon of livestoc production and extesion srvices at farmer's doorsteps, targeting 13 millioi rural por in 1563 unic council in 80 districts c the country. Its activities will assist in the production of addinal mik and neat to the tune of 12 mllion lers and 0.2 million tors per annum respectivly, afte the cempletio of the project. The rajor chievements achieved urder this project are:-

- 290 veterinary clinics have been establishd proving veteinary svices at 70 percent reduced cost to rural farmer at their door steps i.e. 00 pernt achevemer
- Quality medicines/vaccines are availabl to rul farmer at ? percent reduced cos as compared market prices
- 3000 number of rural community persons ave ben trained by imarting one month trainig in basic veterinary services through livestock iovernent institutes
- 44265 rural livestock female farmers haveeen tined in better imal husbandry practics to enhance their income through enhanced nlk proctivity.

Ntional Programme for the control and preventin of Avn Influenza

Ts project is of three years duration (2007-2010 havingotal alocationf Rs. 1180.142 million.The pject is aimed at Development Avian Influenza AI) Sueillance & Repting System & Handlig AI o:breaks strengthening diagnostic capabilities & AI vaine quility cotrol in country. The mjor aiievements of this project are:-

- Established 40 Surveillance unit, 66 Rapid RsponsUnits (FRUs),
- Processed 0.4 million samples of blood, tisses & sabs for screenig against Avian Influenz
- Establishment of Bio security Lab.-3 is unde proce.
- The project collected and analyzed 190,00 swo sampes ancmore than 200,000 blod samples.
- Disbursed Rs. 23.5 million as compensationo Aviainfluena affecd farmers,
- Pakistan is maintaining Avian Influenza (birdflu) frestatus since Jue 2008.

Inroving Reproductive Efficiency of Cattle and Bufaloes smallholder'sroduction system

Th project is of five years duration (2007-2010)and ha total alocatio of Rs. 495.15 million. The pject aimed at establishment of Embryo Trasfer Tchnology Centr, Semen Production and Pricessing Center, Strengthening of Provincial Semen roducton Uns and Support of semen Pduction in private sector. The center will produe 5000mbryoper yeafor farm use and suppl to others:-

- Civil work of Embryo Transfer Technology Centre at Okara has completed,
- Embryo Transfer Technology Centre has produced 75,498 semen doses and 640 embryos from elite exotic animals for cross breeding purposes,
- Carried out 10,834 Artificial Insemination and transferred embryos in79 animals, and
- Provided training to Artificial Insemination Technicians.

Up gradation and Establishment of Animal Quarantine Stations in Pakistan

This project is of five years of duration (2006-2011) having total allocation of Rs. 336 million. The project is aimed at improving quarantine facilities and establishing new entry/exit points to facilitate trade of animal and animal products:-

- 05 Animal Quarantine Stations (AQS) have been up-graded in order to facilitate import/export of livestock and its products,
- 02 new AQS are being established at Khunjrab and Khokhrapar.

D. New Initiative

Ministry of Livestock & Dairy Development has conceived and initiated new projects worth of Rs. 5500 million during 2009-10. PC-II (Feasibility studies) of the following projects is underway:

A feasibility study project on "**Establishment of Halal Food Certification system in Pakistan**" was proposed at a total cost of Rs. 1000 million against which a token amount of Rs. 10.0 million is allocated for the year 2009-10. The objective of the feasibility study is to develop PC-I regarding establishment of Halal Food Certification System in Pakistan.

A feasibility study "**Establishment of National Research & Extension Network**" is under implementation at a cost of Rs. 20.0 million. The project will assist in developing PC-I with a total cost of Rs. 1500 million regarding establishing National Camel Research & Extension Network in the country.

A feasibility study titled "**Progressive Control of Foot and Mouth Disease (FMD) in Pakistan**" is under implementation. It is aimed at undertaking studies on Foot and Mouth Disease prevalence; study its various strain, prepare control strategy and establish modern Foot and Mouth Disease vaccine production facility in the country. The allocation for the year 2009-10 is Rs. 9.390 million. A national program worth of Rs. 3.0 billion will be initiated on conclusion of feasibility study in 2009-10.

Poverty Reduction through Small holder Livestock Development at a total cost of Rs.3539.132 million during the year 2009-10. The project envisages establishing 400 smallholders' livestock farms in the country specifically designed to cater the needs of poor farmers and landless livestock smallholders. The farms will be managed by the Members of the community farm on commerçial basis in specifically designed animal sheds with facilities of fodder and water management as well as recycling of organic wastes to produce biogas/compost/electricity.

During 2008-09, the **Animal Quarantine Department (AQD)** provided quarantine services and issued 18729 Health Certificates for the import of live animals, mutton beef, eggs and other livestock products h/ing a value of more than 201.7 million US$. TheAQD gierated ıon-taxevenue of Rs. 54.38 milon wich exceeded the targetof Rs. 40.00 million fixe for 2C3-09, showing a increase of 26.44 percent.

T: export of meat (beef, mutton & camel meat) dring 2G-07 was US $ /.64 million as compare to U$ 74.4 million in 2008-C9 showing an increase o56 pernt. Themeat eort (beef, mutton & caıel nat) from July to January 2009-10 is to the tune c US $ 62 millin whileve animals export was US$ 195 million. With the current pace, it is expecte that eort ofmeat dring the year 2009-10 ray e:eed well beyond 2008-09 figures. Malaysian Gvern.nt has shown i:erest to import 60,000M. tns meat from Pakistan annually.

V Fisheries

Fhery plays an important role in Pakistan's econoy and considered toe a source of livelihoodfor t: coastal inhabitants. A part from marine fisheris, inlanfisheries (basein river, lakes, ponds, dms e:.) is also very importan: activity through out th count. Fisheres sharin GDP although very Itle bt it adds substantially to the national income trough (port eirnings.During the year 2008-0, a t:al of 134,000 m. tons of fish and fishery roductwere exportec earning US$ 236 milbn. Gvernment of Pakistan is taking a number of frtful sts to imrove fieries sector which inclde *ier alia* strengthening of extension services, in:oducti of new fishir methodologies, increased pduction through aquaculture, development ofvalue .ded products, nhancement of per caita cnsumption of fish, up-gradation of socio-econom: condins of tıe fishenen's community.

Mrine Fisheries Department is executing two devlopme projecs i.e. tl project "Stock assessment svey programme in EEZ of Pakistan through carterit Reseach vesl and capacity buildin of Mrine Fisheries Department", is aimed to chartr a suible vesel of cnducting stock assessment rsource surveys in the coastal and offshore water of Pakan, incuding Eclusive Economic Zone. The pject is also aimed to strengthen Marine Fisheries Dartmeıt by cacity building to conuct rsource survey and stock assessment on regular bsis anco devebp mangement strategy for the ish eploitation and utilization. For this purposes Iraian rearch vessel wa chartered and first tri of sck assessment survey was undertaken during 3rd Octoer to 7th Noverer 2009. The data colleted cring the survey have been analyzed and cruise rport habeen preparednd submitted to conceied aencies.

Two other projects i.e. "Accreditations of quality ontrol boratores of Mrine Fisheries Departmnt" ad Establishment of Integrated National Animaland Plt Healt Inspeion Service (NAPHIS) (MFD cmponent), are also being implemented to provde impved quality co:rol services to the seaood eport industry. These two projects are aimec to ge the laoorators of the Marine Fishries Epartment accredited with international bodies ad meehe reqiremens of ISO 17025. It also aied t improve the human resources capabilities of thdepartent by nductir trained manpower andlso t provide training to existing staff and officei. Micniologicl and hemical Laboratories were /credited by the Norwegian Accreditation Agery und ISO/IEC-17025will now be got accrected fom P.N.A.C

hatchery complex was established under the aupices ca devebpmentproject entitled "Establined hatchery complex for production of seeds of fis and slmps" in 2001 ibeing renovated from fnds povided by Fisheries Development Board. The renvationork wil be conleted by December 201.

Uring the period July-March 2009-10 the tota marin and inand fis production was estimted

952,735 M. tons out which 667,762 M. tons was marine production and the remaining catch come from inland waters. Whereas the Production for the July-March 2008-09 was estimated to be 914,141 M. tons in which 660,141 M. tons was for marine and the remaining was produced by inland fishery sector. There is an increase of 1.3 percent in the quantity compared to the last year.

Special Section: Water Availability, Conservation & Management in Pakistan

Water is essential for sustenance of life in all forms and fresh water is a finite resource, progressively becoming scarcer due to persistent increases in its competing demands. Pakistan possesses the world's largest contiguous irrigation system commonly called as Indus Basin Irrigation system. It commands an area of about 14.3 million hectares (35 million acres) and encompasses the Indus River and its major tributaries. The system includes three large reservoirs (Tarbela, Mangla and Chashma), 23 barrages/ headworks /siphons, 12 inter-river links and 45 canal commands extending for about 60,800 km to serve over 140,000 farmer operated watercourses. Irrigated agriculture is the backbone of the national economy. The level of agricultural production is directly related to the availability and effective use of water as a major input. The demand for water is increasing rapidly while the opportunities for further development of water resources or maintaining their use to existing levels are diminishing. The shortage of water particularly in Rabi season has further aggravated the ongoing water crisis.

Consumption Pattern of Water

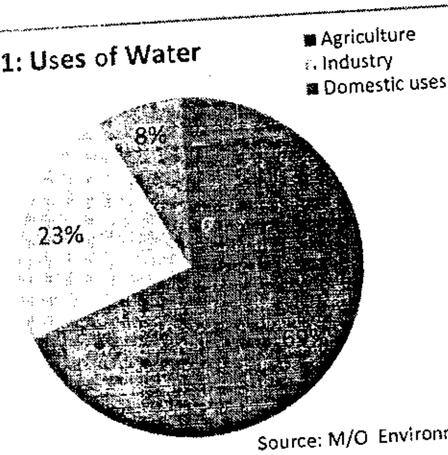
The consumption pattern of water in domestic, industrial and agriculture sector is shown in Table.1 and Fig-1 as percentage of total use.

Table-1: Uses of Water

Sectors	Percentage
Agriculture	69%
Industry	23%
Domestic uses	8%

Source: Ministry of Environment

Fig-1: Uses of Water



Source: M/O Environment

Emerging Issues

- **Water Shortage:** Pakistan is one of the world's most arid countries, with an average rainfall of under 240 mm a year. According to the benchmark water scarcity indicator (the Faulkenmark Indicator), Pakistan's estimated current per capita water availability of around 1,066 M^3 (Table 2) places it in the "high water stress" category (Table 3).

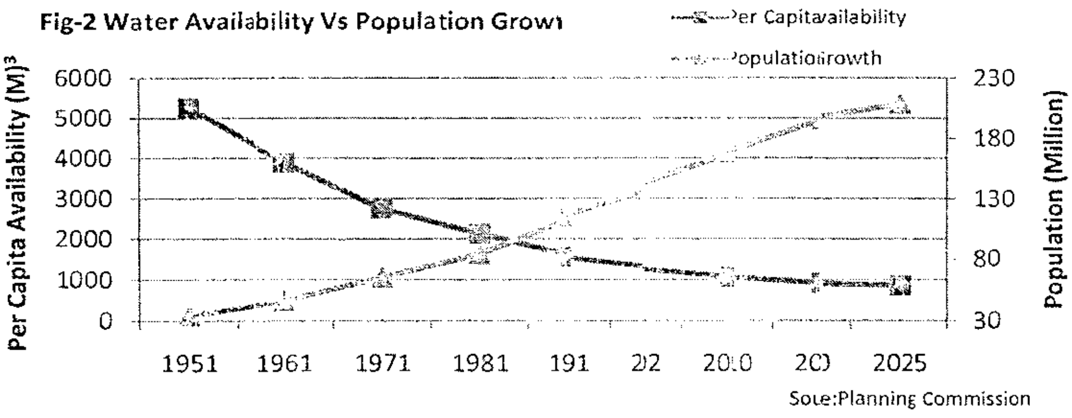
- The water shortage scenario in Pakistan is further aggravated with high variability of rainfall. The onset of climate change and global warming is likely to severely affect the availability of water. To aggravate the situation, after the loss of 3 major rivers, Ravi, Sutlej and Beas, to India under the Indus Waters Treaty 1960, India's construction of water storage infrastructure at Baghlihar and Kishanganga, is threatening to disrupt the uninterrupted flow of water downstream into Pakistan.

Table-2: Per Capita Water Availability

Year	Population (Million)	Per Capita Water Availability (M^3)
1951	34	5260
1961	46	3888
1971	65	2751
1981	84	2129
1991	115	1565
2002	139.5	1282
2010	167.7	1066
2020	195.5	915
2025	208.4	858

Source: Planning Commission

- Compounding lower avai ability is the issue of inadeuate wer storaje. Pakisn stores around 40% of th world's average in terms of storage. In comparison, ie store capaciy of Colado is 497%, Nile 347%, Irdia 33%, while Pakistan has just 9% storage capacity. Asopulati size increases, sources become scarce ir terms of per capita the same is in case with Water Rsourcehat are tatistic nature we may conserve nd manage them only. The current per capita water avilability 1066 m^3/persois low, with Pakistan in the category of a high water stress country (Table-2), tht requir to concentrate i water resource development, urban and rural water supply and sanation, i ustrial vater suly ,irrigation and drainage hydropower and environment protection.



Taule-3: Water Scarcity Indicators (Faulkenmark Inicator)	
>1700M^3/Capita	Water Scarcity Ra
<1700M^3/Capita	Country faces seaonal or gular water-streed conditions
<1000M^3/Capita	Water shortages hmper t health ind welleing of the human beings Economic activitie are affced
<500M^3/Capita	Shortages are sevre constints to human li
	Source: IRS/

- **Low Water Productivity:** Whatever water is availab is utilid in an iefficiennanner. Water productioin Pakistan is less than 0.1 kg/m^3 as compared to 0.39 g/m^3 in dia.
- **Aging and Outdated Infrastructure:** Pakistan is blesed withe of the largestontiguous irrigation infrastructure. However, it was designed for water quiremits of the 20th ceury and not for the 21st century. The design of system was for 60% croppingntensitind nowthe croping intensity has crossed ver 120%. Further the cropping pattern on which waterlemancand witldrawalsere worked out was not supposed to cater to crops like sugarcane and rice vich recre high vater us The system maintenancelso requires a lot more attertion due to deferred maintnance er the last 100 yrs.
- **Innovative Knowledge Based Management:** Challeges of t 21st century recire the frontiers of knowldge and innovative approaches rather than historic pracces. Thnstitutins neecedefining of their roles an to develop their capacities according to new responsibities.
- **Ownership, Reforms and Joint Management:** The iigation frastrucure opetion and on-farm practice need ownership of the stakeholders such as farmer profesnals anc revenucollectors. A joint management mode neecs to be devised as area war boarand farner's orgnizations.
- **Equity:** Water provides prosperity and jobs, and ac as a "fce multiplier" inie national economy. However, serious concerns exist with respect to speding ccmon pol moneto the benefit of selected groups in the absence of policy on equity. The disacantagegroups are:
  i. Users at tail end of canal commands
  ii. Farmers outside ndus Basin

iii. Farmers using groundwater with options of costly diesel/electricity

Water Resources of Pakistan consists mainly of rainfall, rivers, glacier, groundwater etc. There are two major sources of rainfall in Pakistan. The Monsoon and Western disturbances. Flow of Indus basin depends heavily upon the glaciers of Western Himalayas. Various sources of river flows are shown in Table-4.

Table-4: Contribution of Snow, Rain & Glaciers in Upper Indus Basin Flows

Location	Snow (%)	Rain (%)	Glaciers (%)
River Indus above Tarbela	30-35	5-10	60-80
River Jhelum above Mangla	65	35	--
River Kabul above Nowshera	20-30	20-30	30-35

Source: WAPDA

In 1960, the Indus Waters Treaty was signed by India and Pakistan. According to this treaty, Pakistan got full rights on its Western rivers i.e. Indus, Kabul, Jhelum and Chenab. The average annual runoff of these rivers is 140 MAF, with minimum recorded so far as low as 97 MAF and maximum 172 MAF. Corresponding to this, annual diversion at the barrages for irrigation purposes is about 104 MAF.

There are three primary storage reservoirs at Tarbela, Mangla and Chashma with an original total storage capacity totaling 18.37 MAF. The reservoirs regulate the natural flows for irrigation purposes and hydropower generation and help in utilizing the stored water during the low-flow season. From 15.75 MAF of live storage of reservoir 4.18 MAF about 27 percent has lost due to sedimentation. Due to loss storage, agriculture of Pakistan is facing shortage during low-flow season. According to Indus River System Authority (IRSA) the shortage has gone up to 30 percent. Consequently it is becoming difficult for IRSA to fulfill the demand of provinces during *Rabi*. Loss of storage of reservoirs is given below in Table-5.

The surface water of the Indus system is utilized through 19 barrages, 12 links canals, 43 canal commands and 100,000 tertiary irrigation commands (Chaks). Irrigation releases from the reservoirs are planned by the Indus River System Authority (IRSA).

Table-5: Loss of Storage of Reservoirs (MAF)

Reservoir	Original			Present			Loss		
	Gross	Live	Dead	Gross	Live	Dead	Gross	Live	Dead
Tarbela	11.62	9.69	1.92	7.95	6.77	1.18	3.67 32%	2.92 30%	0.74 39%
Mangla	5.88	5.34	0.54	4.67	4.54	0.13	1.21 21%	0.80 15%	0.41 76%
Chashma	0.87	0.72	0.15	0.32	0.26	0.06	0.55 63%	0.45 63%	0.10 62%
Total	18.37	15.75	2.62	12.95	11.58	1.37	5.42 30%	4.18 27%	1.25 48%

Source: WAPDA

Escapage to Sea

Despite acute water shortage in the system, data shows that a substantial amount of water escapes below Kotri to the Arabian Sea. The data shows that post-construction of Tarbela (1976-2008) average annual escapages below Kotri are 31.48 MAF, with a maximum of 91.83 MAF in 1994-95 and minimum of 0.79 MAF in 2000-01. Most of the flow to the sea occurs during Kharif season and very little during Rabi season.

Grcndwater

Grcndwater under the Indus Irrigation System is plentifuand is dived fron infiltrcon of surface water as we as lal rainfall. However, depending upon the quality, theuseable oundwter is cofined to an area of 10 miln hectares. The development of this resource is throgh priva tubewlls and count for a gross abstractin of out 40 MAF per annum. The surface water and grounwater d all canl commds are being used in connctive environment. In many canal commands, *pumpge* is grter thai *recharg,* thus causing subsidence. The is no regular and proper monitoring of private tubevlls capity, thei pumpir hours and utilization.

War Availability and Requirement Gap

Accding to the Water Accord 1991, 117 MAF water is reuired forigatior by the povinces. The water resrces available for future development are 36 MAF of ver flo5.4 MAFof grouwater contribution and 3 MAof rainfall harvesting. Besides, agriculture requiremers, the emated dditionwater needs to meet the mucipal water supply, rural potable and sanitation indusy and eironmet are esnated at 8 MAF (as per Natnal Water Policy, 2003).

Fute Strategic Areas to Combat Water Security Risk

Thellowing core areas require immediate attention whil formulng contngency tion plan and maigement/policy plans:

- Water demand management
- Climate change impacts in Pakistan
- Potential use of saline water
- Asset protection of irrigation infrastructure

a. Wter demand management

Wat availability is diminishing with a growing population nd incrsing urbanizatio The need for better wate dennd management is well established. The following reresent sne area of immliate attention:

- Promoting efficient use
- Pricing water better
- Optimizing cropping pattern
- Integrated use and recycling of water

b. Cnate Change Impact

Pakian has been cited as amorgst the most vulnerable grup due Extrem weath change in temperature +raiall.

Potitial Impacts

- Glaciers melting.
- Droughts.
- Flood Event.
- Change in Rainfall Pattern.

The imate change requires the following actions e.g. Potetial offss

- Need for carry over dams
- Efficient irrigation (water conservation & demari managment)
- Controlling population growth rate
- Changed cropping pattern

c. Saline water potential

Pakistan's groundwater aquifer consists of join layers of fresh and saline waters and the proportional percentage of these layers varies from place to place. Today's groundwater pumpage is around 50 MAF which can be increased by harnessing additional 25 MAF pumpage of saline water and utilization of saline drainage surplus of 3-5 MAF. The bio-saline technology is to be promoted. The investment will be required in future adoption of bio-saline agricultural technology.

d. Asset Protection of Irrigation Infrastructure

Pakistan has the largest contiguous irrigation system in the world which commands an area of 42 million acres. The Indus River and its western tributaries on an average bring about 142 million acre feet (MAF) of water annually and the average annual canal withdrawal is 104 MAF. The System has three major reservoirs, 19 barrages, 12 inter-river link canals, 45 independent irrigation canal systems and more than 110,000 water courses. The total length of the canal system is about 64000 Km, the system also utilizes an estimated 42 MAF of ground water pumped through more than 921,229 tube wells (mostly private) to supplement the canal supplies.

Pakistan needs more water, however there is less likelihood that new water storage projects could be completed in next 3-4 years. Pakistan is extra-ordinary dependent on its water infrastructure, and it has invested in it massively. The natural state of heavily-silt laden river Indus is to meander. This is because as silt builds up in their beds, the rivers seek lower lands and change their courses. This creates havoc with human settlements and so, throughout the world, such rivers have been trained and confined by embankments within relatively narrow beds. Over time, the likelihood of embankment breaching increases from floods.

The Indus Basin is a single, massive, highly complex interconnected ecosystem, upon which man has left a huge footprint. When a dam or barrage is constructed the water and sediment cycles are changed dramatically. When water is diverted onto deserts, the water and salt balances seek new equilibriums. The Investment in building knowledge base and the accompanying institutional and human systems is Key for efficient operation of the massive irrigation works.

Conclusion:

It is important to ensure water security for the people through a national water policy laying down the outlines of an integrated water management strategy that aims at maximizing the sustainable economic, social and environmental returns on the water resource development, allocation among its competing demands, its use by consumers and safe disposal of post-use effluents.

Manufacturing

3

Marfacturing is the third largest sector of the econoiy, accounting for 18.5 ercent of Cross Domesti Procct (GDP), and 13 percent of total employment (se Tabl3.1). *Lage ScalManufacturing (LSM)*, a 12.2ercent of GDP, dominates the overall sector, acountingor 66% of the sctoral share, followed b *SmaScale Manufacturing*, which accounts for 4.9 prcent total GDP. Ththird component of the sect is *Slaughtering*, which was separately included s a sucategor from 203-04, and accounts fo 1.4 prcent of overall GDP.

Table 1: Share of Manufacturing

Manucturing as % of:	**2000**	**2005**	**2010**
GDP	14.7	18.3	18.5
Emplcment	11.5	13.6	13.0
Fixed vestment	23.0	22.0	16.2

SourcFederal Bureau of Statistics

What evident from **Table 3.1** is that, while Manufacturing's are of overall DP has increased since 2000, s share in the economy has declined since 200 in ters of all three dicators used: share of GDP, mployment, and new fixed investment. This ontrast with the expience of most better-perfoning countries in the region, such as Banglades, Sri Lka, Vietnam ar Cambodia, where the manucturing sector has expanded fairly rapidly, despte the esence of oth fast-growing dynamic sectorin the economy (Table 3.2).

Table 3: Manufacturing sector in regional countries

As % ofDP	**1995**	**2007**
Thailan	30	35
China	34	32
Malaysi	26	28
Indones	24	27
Vietnam	15	21
Camboc	10	19
Pakistar	**16**	19
Bangladh	15	18
India	18	16

Source: World Bank

As a coequence, the absorption of employment in Manufactung hasalso reained fairly stable at around 3% during this period. More worrying for thefuture rospecs of th sector, the share of Manufauring in new fixed investment has *declined* harply,rom 2.% to 1.2%. This worrying developent, which appears to be a secular (i.e. long ten) trer needsto be eamined carefully and its undeying factors addressed. A large part of the problm withgards o the ls of dynamism in this once-vibant sector relates to the *incentives framework* inplace, hich ha been eplored in the chapter on *Grow and Investment*.

Pervasivmis-declaration and under-invoicing of imports,which cording to son estimates costs the economy anywhere between Rs 100 billion to Rs 300 billion in lost revenue alone, in conjunction with the rampant misuse of the Afghan Transit Trade (ATT) facility, has undermined the viability and competitiveness of the Manufacturing sector. Recent developments on this front, with the winding up of the Pakistan Automated Customs Clearance System (PACCs) by FBR, does not bode well for reducing leakages on account of weak administration of Customs.

Some of the other areas where the domestic manufacturing sector has been seriously disadvantaged in comparison to imports include reliance on an overvalued exchange rate as an instrument of policy, especially between 2004 and 2007. This led to a rapid increase in cheap imports, including finished goods, which undercut the domestic manufacturing sector. The Free Trade Agreement (FTA) with China since 2007 is unlikely to have helped the domestic manufacturing sector, given China's global dominance of manufactured products, especially in the low value added segment. Not surprisingly, Pakistan's formal imports from China shot up from US$ 2,011 million in 2006, to US$ 3,030 million in 2008.

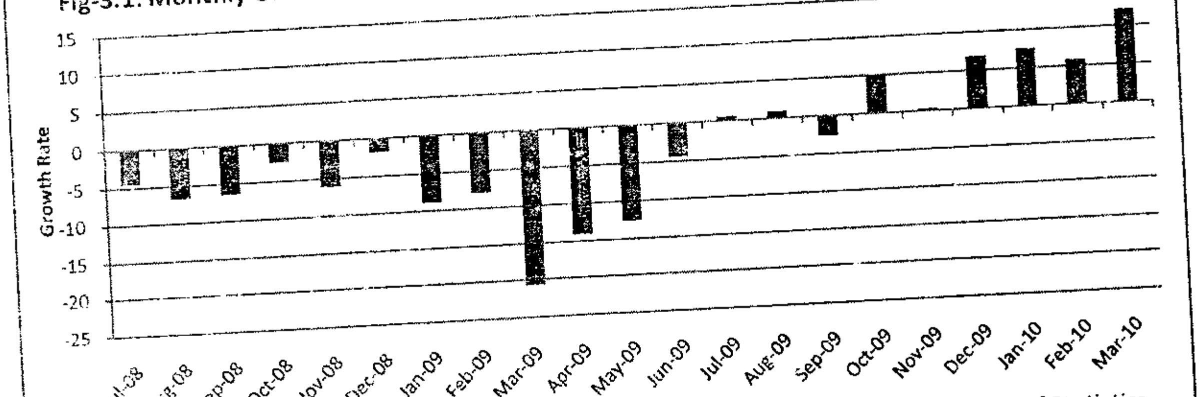
As has already been discussed in the chapter on *Growth and Investment*, weaknesses in the taxation system, especially in terms of policy design, have set perverse incentives for *formality* and hence, *scale*. Other cost advantages to being a relatively smaller, informal player in the economy are not captured. These include savings accruing via the elimination of the regulatory "burden" (audits, inspections, filings, registration costs etc), as well as making lower payments in gaining utility connections through "informal" channels.

The loss of scale induced by the taxation and regulatory system has seriously eroded the competitiveness of the Large Scale Manufacturing (LSM) sector, in particular. An unstable and uncertain domestic environment has proved to be an added factor in burdening the manufacturing sector. A deteriorating internal security situation, crippling energy shortages, and on-off political uncertainty since 2007 have combined with a period of necessary adjustment in the economy since 2008 which has seen a sharp increase in administered prices, especially for energy.

Recent performance

Set in this difficult medium term context, the Manufacturing sector has performed well in the outgoing year, with overall value addition rising 5.2% in the first nine months of the fiscal year. Production in Large Scale Manufacturing (LSM) rose by 4.4 percent during July to March, against the full year target of 1.8%, and compared to a *contraction* of 7.7 percent in the same period of last year **(Table 3.3 and Fig 3.2)**.

Fig-3.1: Monthly Growth Rate of LSM



Source: Federal Bureau of Statistics

O:put growth in LSM contracted 8.2% for the whle of 2)8-09. / combiation of a deterioratingaw aI order situation, massive power shortages, a lare depriation in the vue of the Rupee againsthe Udollar which increased raw material costs, and te impa on external dnand for Pakistan's exprts cased by one of the deepest contractions in lobal dtput ad trad in the past 70 years all ctributed to the slowdown in manufacturing.

Hwever, after recording thirteen months of contrction c a year-on-yeabasis, output growth in he LSM sector finally turned positive from August 209 onvrds. The turnaund has been led by he ctsumer *discretionary* sector, with production rowth f high doubledigits in autos and aled pducts, and in electroni: goods. Pharmaceutica, leatlr good:, and frtilizer also contributec to orall LSM growth.

Dpite stronger export order books for some segrents ohe textle indury from around Novemer la year, especially for cotton yarn, reported outpt growtfor Texiles as whole remained marginlly ntative at -1.8% for July to March. However, thre is a end ofimprovment in this sector, an if external demand for exports remains strong in themonthahead, the oveall LSM sector may benfit fther.

3.Group-wise performance of Large Scale Manufcturing

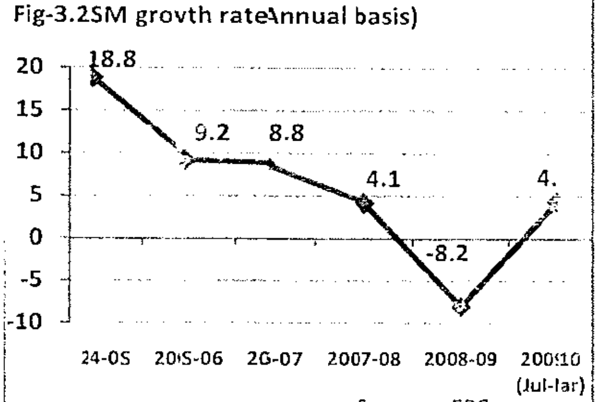
Mre than half of the sub-groups within *Large Sca: Manucturing (LSM)* epicted improvement fm th previous year, with ndustries producing cosumennd inermedie goods being the min beeficiaries. The main contributors to LSM growh wer *Autombiles*, llowed by *Tyres & Tues*, *Lther Products*, *Electronics*, *Fertilizers*, *Non-Metallic Mineral Prodts*, *Pharmaceuticals*, nd *Erineering Products.*

Pduction of automobiles increased by 31.6 %. Within t group a maj increase was seen in he pduction of motorcycles (58.2%), jeeps & cars (7%), trtors (2'%), buss and trucks (16.2%). he ineease of 29.5% in rubber products was due to incease inroductbn of mtor tyres and tubes at 2 % ar 50% respectively. The production of electroic iter increaed by 3%. Major items showng inease in output under ths head included air condioners9%), deep freers (36%) and refrigerats (1%). Engineering products witnessed an increas in outut of 6%. Majc items showing increas in prduction include sugarcane machines, wheat threhers a production of esel engines.

Hwever, a few important groups of large scale maufactuig havedepicte a negative growth rate or Ju to March. This group includes steel products -26.9% petrolum prducts (-5.9%), followedby sar (-3.5%), paper & paper board (-2.9%), textiles 0.5%) d chenicals (-0%).

Cagorization of Groups in manufacturing sector bypoint contribution indicates highest increase of1.3 percentage points by the *Automobile* grp to the overall increase in manufacturing seor, followed by *Electronics* group (0.6 pecent), and *Leather products* group (0.5 peentage point). The highest negative trend in ten of point contribution has been seen in food grp -0.5 percent point, textile group -0.4 peent point and petroleum group -0.3 percent pot.

Fig-3.2SM grovth rate\nnual basis)



Source : FBS

Amng the major factors behind the negative grvth rate in iron and steel products were, the impact of the financial crunch in Pakistan Steel Mills (PSM) as a result of huge losses it incurred last year. As a result, PSM has not been able to arrange import of basic raw materials, iron ores and coal, as per its requirement. The *Food, Beverage and Tobacco* group was severely hit by low production of beverages, a smaller sugarcane harvest in the country, which led to lower production of sugar. Production of cigarettes also declined substantially during the current financial year.

The production activity of petroleum was negatively effected by the circular debt issue. Strained cashflow constrained the full operation of refineries, with a decline in the volume of import of crude oil. As a result, refined petroleum products were imported to fulfill domestic requirements.

Table 3.3: Group wise growth and point contribution rate of LSM for the month of Jul-Mar 2009-10 vs July-Mar 2008-09

S.No.	Groups	Weights	(% Change) July-March		% Point Contribution July-March	
			2008-09	2009-10	2008-09	2009-10
1	Textile & Apparel	26.408	-0.7	-1.78	-0.18	-0.47
2	Food, Beverage & Tobacco	14.352	-10.5	-3.54	-1.51	-0.51
3	Petroleum Group	5.232	-9.2	-5.90	-0.48	-0.31
4	Pharmaceutical	5.030	0.9	7.39	0.05	0.37
5	Non-Metallic Minerals Products	4.192	4.8	10.91	0.20	0.46
6	Automobile	3.955	-39.0	31.58	-1.54	1.25
7	Fertilizers	3.383	21.5	10.88	0.73	0.37
8	Chemicals	2.884	3.8	-0.21	0.11	-0.01
9	Electronic	2.485	-31.3	23.16	-0.78	0.58
10	Leather Products	2.272	2.9	23.60	0.07	0.54
11	Paper & Paper Board	0.600	0.8	-2.89	0.00	-0.02
12	Engineering Products	0.446	0.8	6.01	0.00	0.03
13	Tyres & Tubes	0.303	-1.8	29.54	-0.01	0.09
	All Groups	75.075	-7.7	4.36	-5.78	3.27

Source : Federal Bureau of Statistics

Item wise review of production of selected items of large scale manufacturing during the current financial year of 2009-10 (July-March) over the same period of last year is shown in Table 3.4.

Table-3.4: Production of selected items of Large Scale Manufacturing

S.No.	Items	Unit	Weight	(July-March)		% Change (Jul-Mar) 2009-10	% Point Contribution (Jul-Mar) 2009-10
				2008-09	2009-10		
1	Deep Freezers	(000 tonnes)	0.399	93.394	126.635	35.59	0.14
2	Jeep & Cars	(Nos.)	2.534	63.984	87.419	36.63	0.93
3	Refrigerators	(000 tonnes)	0.589	605.347	707.884	16.94	0.10
4	Upper Leather	(000 sq.m.)	1.117	14.698	17.238	17.28	0.19
5	Cement	(000 tones)	4.141	20.469	22.763	11.21	0.46
6	Liquids/Syrups	(Milion Liters)	1.525	52.111	57.401	10.15	0.15
7	Phosphatic fertilizer	(000 N tonnes)	1.885	322.46	367.164	13.86	0.26
8	Tablets	(Milion Nos)	2.575	14169.17	15491.38	9.33	0.24
9	Cooking oil	(000 tonnes)	1.319	196.497	210.577	7.17	0.09
10	Cotton (Ginned)	(000 tonnes)	3.368	1508	1595	5.77	0.19
11	Nitrogenous fertilizer	(000 N tonnes)	1.498	1810.237	1869.178	3.26	0.05

T:le-3.4: Production of selected items of Large Scale Mnufacting

No.	Items	Unit	Weight	(Jy-Marcl) 20083	2009-10	Change ul-Mar) :009-10	% Point Contributio (Jul-Mar) 200910
2	Cotton Cloth	(Million sq.m.	7.549	760.8	76..95	0.14	0.01
3	Vegetable Ghee	(000 tonnes)	4.242	798.3	778.493	-2.49	-0.11
4	Cotton Yarn	(Milion Kg.)	13.066	2197.8	2159.17	-1.76	-0.23
5	Sugar	(000 tonnes)	4.15	3188.9	307'.866	-3.47	-0.14
6	Tea Blended	(000 tonnes)	0.319	50.1:	48528	-3.01	-0.01
7	Petroleum products	(Milion Liters)	5.323	9335.7	878-.245	-5.9	-0.31
8	Cigarettes	(Billion Nos.)	3.055	55.6:	4951	-10.99	-0.34
9	Coke	(000 tonnes)	1.441	329.7	263361	-20.13	-0.29
0	Pig iron	(000 tonnes)	1.613	640.8	388668	-39.36	-0.63

Soue: Federal Bureau of Statisics

Tł major contribution to overall LSM growth forhe yeaяas cone fromthe automobile sector).9 pcentage point), cement (0.5 percentage point) /ith feŕizer, cıtton aإ leather each contribu ng 0 percentage point to the overall increase in maufactuig. The contribtion of the following items w; significantly negative: pig iron, cotton yarn, c:arette sugar, /egetab ghee, tea and petrolum pıducts during the course of year.

3. Textile Industry

P:istan is the world's 4th largest producer and 3rd ırgest nsume: of cotln. The Textile and Clothıg Irustry has been the main driver of the econom for thlast 50years i terms of foreign curreıcy eınings and jobs creation. The Textile and Clothingndustrwill cortinue tbe an important engine or fure growth of the economy; there is no alternatie indusy or sevice seor that has the potentiε to beefit the economy with foreign currency earnigs anclew jo) creatn, especially if synerg is dreloped amongst different sub-sectors and effo:s are ade to ıggresεely grcw the Ready-Mde Clhing Sector. Pakistan's Textile Industry had proed its sength iı globanarket during the last fur dıades. It has proved its strength even in post quta eray not cnly susining its position but, εso stwing growth during 2005 to 2007, but declined t $11.1 llion in2008 d: to financial and econo ic mt-down globally. The Garment Sector & especilly thenit Gament Sctor need special focu in fuıre policies.

Tae 3.5: Export of Textile and Clothing (Us $ millions)

	1990	2000	204	2005	20;	2007	200
Wld Textile	104,354	157,295	19541	02,657	22057	240,364	250,18
Wld Clothing	108,129	197,722	26069	76,802	30942	345,830	361,88
Tol	212,483	355,017	456110	79,479	52999	586,194	613,06
Pastan Textile	2,663	4,532	6,25	7,087	7,49	7,371	7,18
Pastan Clothing	1,014	2,144	3,26	3,604	3,97	3,806	3,90
Tol	3,677	6,676	9,51	:0,691	11,:6	11,177	11,09
%je of World Trade	1 73%	1.88%	2.0%	2.23%	2.16	1.91%	1.81

Source: Ministry of Teile

Global developments:

The Textile & Clothing trade has increased, from US$ 212 Billion in 1990 to US$ 612.1 Billion in 2008. The clothing trade is growing at a faster rate. Pakistan exported textiles worth $7.19 Billion and clothing worth $3.9 Billion in 2008. The year 2009 was dismal period. The industry was confronted with problems of multiple natures. The global economic crisis in Oct. 2007 had impacted the trade badly. Weaker demand in the developed economies limited the expansion of global trade. The 12% drop in the volume of world trade in 2009 was larger than most economists had predicted. World trade and output are currently in a recovery phase. The WTO Secretariat estimates that in year 2010 world exports in volume terms will grow by 9.5%, developed economies' exports will expand 7.5% and the rest of the world (developing economies plus the Commonwealth of Independent States) will advance 11%. The decline in exports of all manufactured goods including Textile & Clothing is visible in the quarterly data.

Table 3.6: Quarterly growth in world trade in manufactures by product, 2008 Q1 - 2009 Q3
(Y-o-Y percentage change in current US dollars)

	2008 Q1	2008 Q2	2008 Q3	2008 Q4	2009 Q1	2009 Q2	2009 Q3
Manufactures (All)	15.7	18.6	13.2	-10.4	-27.6	-29.8	-21.5
Textiles	10.3	8.9	3.4	-12.8	-26.9	-26.8	-17.3
Clothing	10.3	11.4	7.9	-2.5	-10.4	-15.5	-12.1

Source: World Trade Organization

US imports of textiles and clothing fell for the second year in succession in 2009, by 7.5% to 46.6 billion square meters equivalent (sme), following a 5.2% drop in 2008—which was the first decline since 2001. Within the 2009 total, fabric imports fell by 5.4%, imports of apparel by 6.1%, imports of made-up textiles by 8.5% and yarn imports by 18.4%. Of these four categories, apparel continued to account for the highest share of total imports. The average price of US textile and clothing imports fell for the first time in three years in 2009, to a new low of US$1.74 per sme.

The period of heavy investment boom in most Textile Industry segments between 2003 and 2007 came to an abrupt end in 2008. This investment boom until 2007 was due to the phase out of traditional quota regime under WTO – Agreement on Textile and clothing and China's integration into WTO structures. Global yarn and fabric productions were continuously falling since the second quarter of 2008. While one was expecting stablalization in production and hoping for a slight increase, the strong rebound in yarn and fabric production in almost all the regions came as a real surprise. The reasons for this strong rebound are higher production in Asia and South America, driven by a large demand from Europe and China and Brazil. Today the big question is whether the recent recovery in Textile Industry will continue? One can be pragmatic to identify the positive moves in Textile Trade. Firstly the production of yarn and fabric are constantly on rise in Asia (China, Pakistan and India) as well as in South America. This positive trend is supported by global exports of clothing. After having fallen from more than $30 billion per month to only around $20 billion in May 2009, an upswing of global clothing export of approximately 20 percent to almost $25 billion was recorded in June 2009. Despite challenges, there are fundamental aspects that promise a bright future for the textile industry in general.

Domestic Overview:

Internally the increase in cost of utilities, (Power, Gas, Transport, and Petrol) has impacted viability. The power & gas outages have further deteriorated capacity utilization. The shortage of cotton crop in China increased the prices of cotton. The increased demand of yarn export created problem of yarn availability in the local market. The increase of cotton yarn and cotton yarn prices for exporters of Garments, Krwear, Home Textile and made-up sectors to unable lel aggravated te production and expor of yai products. To stay in the market industry is making distss efforts. Close, low capacity utilization, loes are heated topics of the day. Resultantly the roductn and export pformance of Textile secor hashown a mixed trend.

Beause of a global shortage in availability of cotto. largeldue to a shortfl in Chinese crop, whic is thbiggest producer and consumer of cotton in the worlthe foreign deand for Pakistan's coton yai has risen exceptionally. Chinese, in particular, hve prcured huge quaiities of yarn from Pakistn, evn though they are the fiercest competitor of Paistan irhe word mark:. In the first six month of thcurrent fiscal year Jul-Dec. 2009, the export ofotton irn recerded a increa: of 50%. Spinrng instry makes the basic raw material for the downsream ilustry. The exisng capacity in the spinrng seor is more than local demand, and hence modeate qutities o yarn a exported each year. With exessive exports during the year, the downstrear indus/ startd facin severe shortages of yrn. Ccsequently, the downstream industry began to cose dov. In January, 210 Government imposed a qita of 50 million kg per month for export of yarnDuringinuary 2010, 5million kg was exportecas appropriate measures to give effect to quota were nt put iplace ir time. The availability of yarn in he lol market remained scart and prices kept rising.The anety anc pain sfered by the local industry innsified, as exports of value added textiles wereleclinir at alarning ras (Decrease in: Cloth 1%, krwear 8% and garments 8%). Accordingly, the nota w reducd to 35million kg per month with efct from 1st March, 2010.Since the reduction irquota,ical availabilityas improved. Textiles re eported in the form of Yarn, Fabric, Readymad Garmts, anl Bed Year & Made Ups. Exprt pformance for the period 2008-09 (Jul-Mar) to 209-10 (J-Mar) iscompad in table 3.7

Tae 3.7: Export performance of Textile Industry

S.	Items	Unit	Quantity (July-Mar) 2008-09	Quantity (July-Mar) 2009-10	%Change	Value	Value (July-Mar) 20-09	Value (July-Mar) 2009-10	%Chare
1	Raw Cotton	MT	72,636	157,962	117.47	$ Millio	7903	19.3037	141.5
2	Cotton yarn	MT	379,597	500,130	31.75	$ Millio	83577	1,071.243	28.9
3	Cotton Cloth	TH.SQM	1,496,972	1,256,944	-16.03	$ Millio	1,50645	1,307.083	-13.4
4	Cotton Carded or Combed	MT	14,374	8,628	-39.97	$ Millio	1662	9.017	-43.8
5	Yarn other Cotton yarn	MT	7,140	13,203	84.92	$ Millio	1842	37.129	102.4
6	Knitwear	TH.DOZ	81,224	74,711	-8.02	$ Millio	1,3.843	1,290.315	-1.9
7	Bed Wear	MT	238,526	243,099	1.92	$ Millio	1,2.821	1,257.363	-1.4
8	Towels	MT	124,539	155,663	24.99	$ Millio	47214	491.097	3.8
9	Tents, Canvas & Tarulin	MT	16,984	17,088	0.61	$ Millio	4771	48.940	2.8
10	Readymade Garments	TH.DOZ	22,129	20,336	-8.10	$ Millio	91583	953.114	4.2
11	Art, Silk & Synth.Textile	TH.SQM	222,546	336,337	51.13	$ Millio	19024	333.814	75.6
12	Made up Articles	-	0	0	0	$ Millio	35703	393.868.0	9.8
13	Other Textile Materials	-	0	0	0	$ Millio	16258	211.225	31.8

Source: Federal Bureau Stastics

Adepicted in table 3.5, the import of textile maninery s been showir decreasing trend in a ow sice 2004-05. During the period under review, themport textile machirry witnessed a growth ate o14.2 percent against the same period of last year

Table 3.8: Import of Textile Machinery

($ million)

Year	2004-05	2005-06	2006-07	2007-08	2008-09	July-March 2008-09	July-March 2009-10	% Change
	928.6	817.24	502.89	438.27	212.0	171.2	195.4	14.2

Source: Federal Bureau of Statistics

3.2-1 Ancillary Textile Industry:

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

i) Cotton Spinning Sector.

The Spinning Sector is the most important segment in the hierarchy of textile production. At present, it is comprised of 521 textile units (50 composite units and 471 spinning units) with 10.1 Million spindles and 114 thousand rotors in operation with capacity utilization of 89 percent and 60 percent respectively, during July – March, 2008-09.

ii) Cloth Sector

The pattern of Cloth Production is different than spinning sector. There are three different sub-sectors in weaving viz, Integrated, Independent Weaving Units, and Power Loom Units. There is Investment in the shuttle-less looms both in integrated and independent weaving sector. This trend is likely to intensify in the country. The Power Loom Sector have modernized and registered a phenomenal growth over the last two decades. The growth of power loom sector is due to favorable Government Policies as well as Market forces. This sector is producing comparatively low value added Grey Cloth of mostly inferior quality. Problems of the power loom sector revolve mainly around the poor technology, scarcity of quality yarn and lack of institutional financing for its development from unorganized sector to an organized one. The production of cloth sector has shown in following table.

Table 3.9 : Sector-wise Production

Production (M.Sq.Mtrs.)	(July-Mar) 2008-2009	(July-Mar) 2009-2010	% Age Change
Mill Sector	763.383	762.420	-0.13
Non Mill Sector	5895.454	5886.393	-0.15
Total	6658.837	6648.813	-0.15

Source: Ministry of Textile

iii) Textile Made-Up Sector

This is the most dynamic segment of Textile Industry. The major product groups are Towels, Tents & Canvas, Cotton Bags, Bed-Wear, and Hosiery & Knitwear & Readymade Garments including Fashion Apparels. Table 3.4 compares export performance of made-up sector during the period July-march 2008-2009 and 2009-2010.

a) Hosiery Industry

There are about 12,000 Knitting Machines spread all over the country. The Capacity utilization is approx 70%. There is greater reliance on the development of this industry as there is substantial value addition in the form of knitwear. Beside locall\nanufa:tured achinery, liberal impor of machinery under different modes is also bein made d the capacit based on exports is beng developed.

b) Readymade Garment Industry

The Garment Industry provides highest value adition iTextile ector. e Industry is distribute in small, medium and large scale units most of tem hang 50 nachineand below, large units re now coming up in the crganized sector of the irlustry. e industry enj/s the facilities of duty ee import of machinery and Income Tax exemptn. Thisector has treendous potential. Exprts remained under pressure. The export performace of ladymale Garnts has been compare in table 3.4.

c) Towel Industry

There are about 7500 Towel Looms in the coutry in th orginized d unorganized sector. his Industry is dominantly export based and its groth has l the tine depeded on export outlets. he existing towels manufacturing factories are rquired be geared to produce higher vaue towels.

d) Canvas

PHL-735

This is the highest raw cotton consuming sectc. The pduction capacy is mcre than 100 milon Sq. Meters. This value-added sector has also grat potetial for export. he 60% of its productio is exported while 40% is consumed locally by rmed rces, lood Dartment. Pakistan is te cheapest source of supply of Tents and Canvas The Exort perorman of Tent & Canvas Induiry has been depicted in table 3.4.

iv) Synthetic Fiber Manufacturing Sector

This sector has made progress in line with lemanof the extile dustry. Presently there re Five (5) Polyester Fiber Units with productn Capity of 640000 ons per annum; one ac/lic fiber unit (M/s. Dewan Salman) has startects comercial produc n in December 1999, vith rated capacity of 25,000 Tons per annum. esides port of M.M.rn, Fibers is permissibl to supplement the local production.

v) Filament Yarn Manufacturing Industry

The Synthetic filament yarn manufacturing indust picked up moentum during 5th Five ear Plan when demand raised and hence imprts incased and prive sector was permitte to make feasible investment in the rising arket nditiors. Tod following three kind of filament yarn are manufactured locally:-

Tile 3.10: Capacity of Synthetic Filament Yarn

S	Type of Yarn	N of Uni	oduction Capacity
1	Acetate Rayon Yarn	1	3000 (M.Tonnes)
2	Polyester Filament Yarn	21	35376 (M.Tonnes)
3	Nylon Filament Yarn	3	2000 (M Tonnes)
		Total	**0,000 (M.Tonnes)**

Source: Ministry of Texte

The polyester filament yarn manufacturing activity has slowed down and currently a large scale imports from China has compelled local industry to close down and only 6 units with operational capacity of 55851 M. Tons supply polyester filament yarn. The local production filament fabrics is not picking up as their exports sales are not feasible and local market is heavily flooded with smuggled goods. The Production of Polyester Filament Yarn is approx. 60,337 Tons per annum and imports during the period July – March 2010 is 116,964 M. Tons as against 89,362 M. Tons during July – March 2009. Government in the last year reduced in duty on filament yarn. While it was helpful to the Synthetic Weaving Units, its impact on the Filament industry is evident in the form of closure of 15 units. Recently Hosiery sector has started consuming synthetic yarns for export of Knitted Garments which are both value added as well as diversification in product.

vi) Art Silk and Synthetic Weaving Industry

Art Silk and Synthetic Weaving Industry has developed over the time on cottage based Power Looms Units comprising of 08-10 looms spread all over the country. There are approximately 90,000 looms in operation of which 30,000 looms are working on blended yarn and 60,000 looms on filament – yarn. Besides, there are some mobile looms which become operational on market demand. The major concentration is in Karachi – Faisalabad, Gujranwala, Jalalpur Jattan as well as in the un-settled area (Bara – Sawat – Khyber Agency and Wazirstan).

vii) Woolen Industry

The main products manufactured by the Woolen Industry are Woolen Yarn of 6.864 M.kgs, Acrylic yarn 6.960 M.kgs, Fabrics 3,445 (M.sq.meter), Shawls 13.353 Million, Blanket 657,235, and Carpet 3.5 (M.Sq.meter) and exports of carpet during the period July to Feb- 08 is as under::-

viii) Jute Industry

The main products manufactured by jute industries are jute sakes and hessian cloth, which are used for packing and handling of wheat, rice and food grains. The production of jute goods for the period of Jul-Mar, 2008-09 and Jul-Mar, 2009-10 was 92,666 metric tones and 98,753 metric tones respectively, depicting an increase of 6.6 percent.

3.3 Other Industries

Although, Pakistan is a large exporter of cotton and textile related products in the world market. However, this is not only part of manufacturing in the country which is growing. During the last couple of years Pakistan has made huge strides in other industries as well. Some of these are documented below:

3.3-1 Engineering Development Board

Engineering Development Board (EDB) over the years has worked as a bridge between the Government and Engineering Sector of the country through consultative process which involves interaction with several private sector stakeholders/organization through formulation of committees headed by private sector representatives. During the current financial year, Engineering Development Board has initiated the following policy measures.

- To narrow the widening demand/supply gap in steel sector, utilization of indigenous raw materials-iron ore & coal, Up gradation of steel sector technology & Quality, enhance energy conservation tecnniques and to enhane per ipita seel co;umption, EDB has drfted submitted to the MOI&P a Steel Policy anwas fo:onside ation.

- EDB has prepared an Electronic Policy ad subr.ted to the Mi&P with the objective:that Electronics Industry of Pakistan shall spply k products wi own brands in consmer electronics and industrial automation caturing iajor slare of ie home market whic will provide the base for entering exports
- Chemical Industry vision was initiated to ave o technologicalnd eng neering capabily in order to make self reliant by progress'ely reicing lepenence on foreign enginering corporations at present involved in the coimercization of chemal and ind istrial projecs.
- A strategy for Electric Capital Goods has ben woed out vith WAPDA to prepare local incistry to meet their demand for electric captal gois like 3mall tdel turbines, Transforners, Switchgears, towers etc. for the next 5 ears. Irhe firs phasedemand of electrical cpital goods in the five vears period 2010-2014 as alre.y been workeout.
- In order to enharce core competence of ie engi ering i:dustry f Pakistan, EDB as a Busness Support Organization (BSO) is providing Senior olunteer Expes from various interna onal organizations'

.3-2 Automotive Industries

fter recording massive downturn last year thendustrnas pu to sore recovery in all the setors xcept light commercial vehicles (LCVs), where a all perds, coming to :.4% for July-March perd of ie current year. Even so, the extent of recovry in ner than LCV, ectors has been model in omparison with the fall that has ripped through ie indury last 'ear. Avould appear from the able .3 some growth in passenger cars and trucks ad busehas talen plai but that is not expecd to urpass the highest ever figures. Comparing with ie hight ever igures i 2007-08 the said recovry in ffect represents 30% downturn this year compaed to 4% last year. Mnwhile, the industry livn up ith the projections stated in the five year Ato-indtry Develcpmnt Program, commencd in ecember 2007, undertook huge expansion progams bmaking substa ial investment. Howeve the ump that overtaken last year is not abating at tht expaion wodd contue to be idle.

he persistent fall in LCVs/jeeps is due to their ensitiv to the falling urchasing power, rise i the rice of diesel, exchange rate losses and the escalting opating costs.

able:3.11: Production of Automotive Industries

ategory	Installed Capacity	No. of Units Prcuced				% Age Chang
		2007-08	20089	:008-09 (ul-Mar)	2009-10 (Jul-Mar)	
ars	275,000	164,710	84,3	53,273	86 613	36.9
CVs/Jeeps	40,000	22,944	17,0	14,366	12 294	-14.4
uses	5,000	1,146	66	408	474	16.2
rucks	28,500	4,993	3,1	2,169	2.521	16.2
ractors	65,000	53,256	59,9	41,661	52 878	26.9
wo/Three Wheelers	1,800,000	657,188	511,9	359,335	534,797	48.8

SourcePakistar Automcve Manufacturers Associa on

fter a moderate fall last year, the two/three vheeler ctor of the incstry revived with subsantial rowth of 48.8% during the current fiscal year.

Unlike other automotives the Farm Tractors has been unyielding to prevailing economic crises and are registering persistent growth for the last three years. There is similar outlook for the current year with projected growth of 16%. Farm Tractor is indeed a different automotive but its resilience is essentially emanate from high degree of localization and bringing out a product in the market competitive in terms of both quality and price.

There has not been good enough recovery particularly in passenger cars, jeeps, buses and tracks. The persistent high inflation has negatively affected the purchasing power, there has been an inevitable increase in the vehicle costs due to host of reasons the chief being massive currency depreciation. A general cost increase combined with increased cost of financing has taken away the affordability, as the consumer is more engaged to meet the other demand inelastic needs.

The potential demand for vehicles in the economy maintains a worthwhile promise for the industry and the slow down may not be long lasting. However, the recovery in automotives would correspond to the macroeconomic stability and consequent recovery in other sectors.

Fertilizer Industry:

Domestic fertilizer industry witnessed positive trend in production during the year under review. The production in nutrient terms increased from 2906 thousand tonnes during 2008-09 to 3024 thousand tonnes during 2009-10 showing an increase of 4.1 per cent. Nitrogen production was 2611 thousand tonnes during 2009-10 and recorded an increase of 3.2 per cent (86.3 per cent in total nutrient production), phosphate 403 thousand tonnes (13.3 per cent share in total nutrient production), which increased by 10.7 per cent. Potash blends production was bout 10 thousand tonnes and was almost same as in previous year (0.3 per cent share in total nutrient production).

The subsidy on phosphatic and potassic fertilizers was eliminated on 31st December 2008. However, from January, 2010, the Government of Pakistan (GOP) initiated a new scheme of subsidy amounting to Rs. 500 per bag of 50 kg for potassic fertilizers only. For 2009-10, the subsidy on potassic fertilizers has been estimated as Rs. 0.5 billion. Along with this, the subsidy on imported Urea by picking the difference over its local price (for price stabilization purpose) continued for 2009-10. On flip side, imported Urea has cost the GoP in 2009-10 at least Rs. 1400 per bag, while, the total subsidy on imported Urea is estimated as about Rs. 14 billion for 2009-10. In addition to this, the Government is also providing an indirect subsidy to fertilizer manufacturers by selling feedstock gas (80% of the raw material cost) at approximately 50 per cent lower rates as compared to the price for commercial users.

Planned capacity additions

- A new fertilizer manufacturing plant at Sadiqabad, Distt. Rahim Yar Khan, with a capacity of producing 400 thousand tonnes of urea, 450 thousand tonnes of CAN, 400 thousand tonnes of NP and 300 thousand tonnes of NPK, is expected to start production in the current year. It is a project of Fatima Fertilizer Company, owner of Pak Arab Fertiliser.
- Engro Chemical is installing a new urea plant with an annual capacity of 1300 thousand tonnes. Gas has already been allocated for the plant. The plant is expected to be operational by September 2010. This will reduce fertilizer imports into the country.
- Suraj Fertilizer Industries has set up a new plant of SSP (18 per cent) at Harappa (Sahiwal) with production capacity of 150 thousand tonnes annually.
- In addition, few companies have started production of SSP (14 per cent) at small scale level and their total annual production capacity is around 20 thousand tonnes.

3-3 Cement Industry

Cnent industry played a vital role in the up trend)f manacturin; sectoduring the current finarial yr of 2009-10. Main contributors to this high gro\th in cnent incustry vre domestic demand ard a sbng export demand from the neighboring countres. Prently Pa:istan's3ment is being exporte to Ahanistan, India, Africa, and Middle East. Export f ceme is exenpted bm the Sales Tax (16%) nd feeral Excise Duty (FED).Cement export of Pakista (Quaity & Vlue) si:e 2006-07 till 2009-10ul-Mr) are given in Table 3.12.

Tile 3.12: Cement Export of Pakistan		
Yr	Exports	Value
	(Million Tonnes	US$
2i6-07	3.2	185 million
2i7-08	7.7	450 million
2i8-09	8.9	534 million
2i9-10 (Jul-Mar)	6.7	356 million

Soirce: Mirtry of Industry & Productio

Dnestic demand of cement has increased during the peod under revie due to reduction in lcal dnent prices, reduction in other building materiabrices d redu:tion ofederal excise duty (FED on cnent in the last budget of 2009-10.

Tile 3.13: Demand/Supply/Production of Cement	(Million tones)
Iralled Capacity	44
Nof Units	29
Lal Demand (2008-09)	19.4
Pduction during 2009-10 (Jul-Mar)	22.8
Ciacity Utilization (2009-10)(Jl-Mar)	51.8%

Siurce: Mistry of Irdustry & Productio

S;ar Industry

T3re are 82 functional sugar mills in the country ut of hich 45 are in jnjab, 32 in Sindh and in K/ber Pakhtonkhwa. The total sugar production opacity 6.8 milion to; in a season and abou six hndred thousand (600,000) tons per day. Capaity utied is (0-70% epending upon sugarcne pduction.

Irhe current crushing season 2009-10 a total quarity of 3 millioi tons nw sugar has been produced irhe country nearly achieving the target estimatd prodtion level of 3. million tons. However, he anual consumption is 4.2 million tons thus the biance c1.1 milion tor is being imported to meet tl gap (Table 3.14).

Yr	Area cropped by sugarcane (000Hectares)	Sugarcane Production (Million Tones)	ugar Prction (millionnes)	S;ar Consnption (millic Tones)	Surplus/Shortill
2i7-08	1241	63	4.	2	+0.5
2i8-09	1029	50	3.	2	-1.0
2i9-10	943	49.3	3.	2	-1.1

Tile 3.14 Sugar production as anticipated

Source : Sugarcane Commissioner, Ministry f food &griculture & Miniry of Industries and Producton

Pakistan Steel

The unprecedented economic melt down which started in the year 2008, caused crash of steel products market world over in terms of both price wise and quantity wise and consequently production of steel industry world over has suffered very badly during the year 2008-09 which was continuing during the year 2009-10 also. Pakistan being an importer of basic raw materials, has also suffered due to this crisis. Due to financial crunch as a result of huge loss of Rs. 26.5 billion suffered by Pakistan Steel in the year 2008-09, Pakistan Steel has not been able to arrange import of basic raw materials, iron ores and coal, as per its requirement. Despite best efforts, Pakistan Steel production during July, 2009 to February, 2010, has remained at 43 percent capacity utilization. However, financial loss during the year 2009-10 is expected to be much lower than the loss suffered in the year 2008-09.

Future Plan:-

- The domestic consumption of steel products is presently around 5-6 mtpy. Expansion in the production capacity of Pakistan Steel to 3.0 mtpy or above is, therefore, a viable proposal.
- Pakistan Steel is considering execution of its expansion plan in two stages which will be completed in next 03 to 05 years.
- Pakistan Steel has started an indigenization program to replace costly imported iron ore by locally available material and it is expected that 2,50,000 metric tones (MTN) iron ore (local) will be arranged for its utilization at Pakistan Steel this year which will be enhanced to 500,000 MTN within next three years.

3.4 Mining and Quarrying

Pakistan has a widely varied geological frame work, ranging from pre-Cambrian to the Present that includes a number of zones hosting several metallic minerals, industrial minerals, precious and semi-precious stones. Despite of these, the mining and quarrying sector depicted a dismal growth of negative 2.3 percent during the first nine months of on going fiscal year. Most of principal minerals witnessed negative growth rate during the period under review. The growth of coal declined by (18.5 %) followed by crude oil (6.7 %), dolomite (69.6 %), magnesite (94.7 %), rock salt (1.3 %), sulphur (6.6%) and baryte (26.1 %) respectively.

However, natural gas and chromite posted positive growth rate of (1.3%) and (32.1 %) respectively during the current financial year (See Table 3.15).

Table 3.15: Extraction of Principal Minerals

Minerals	Unit of Quantity	2007-08	2008-09	July-March 2008-09	July-March 2009-10	%
Coal	Millions Tonnes	4.1	3.7	2.7	2.2	-18.5
Natural Gas	Mln.Cu.M	42.3	41.4	31.0	31.4	1.3
Crude Oil	Mln.Barrels	25.6	24.0	19.2	17.91	-6.7
Chromite	000 Tonnes	115	89.7	80.0	107	32.1
Dolomite	000 Tonnes	359.9	249.9	246.4	75.0	-69.6
Gypsum	000 Tonnes	660	800	532	539	3.1
Limestone	Million Tonnes	31.8	33.1	25.0	26.0	4.0
Magnesite	000 Tonnes	3.9	2.6	1.9	0.10	-94.7
Rock Salt	000 Tonnes	1849	1917	1380	1362	-1.3
Sulphur	000 Tonnes	29.5	25.7	19.7	18.4	-6.6
Baryte	000 Tonnes	50	63	46.0	34.0	-26.1

Source: Federal Bureau of Statistics

5 Mineral Production in Balochistan

ılochistan, the largest province of Pakistan, covring anrea of 347,19Cq.km, 43% of the totalırea, ıjoys a unique strategic position. Balochistan is esourc rich province aving substantial depots of etallic and non-metallic minerals.

Balochistan, the mining activities are primary carri out by the pivate sector and mine and ineral development department.

evenue recipients

ıhancement of the mineral activity has not only rovidesocio-economiuplift of the remote ares of ıe province, creation of job opportunities fo the lal, as vell asncrease in the revene to overnment exchequer. (Rent & royalty). This Dirctorathas colected revenues on account of rnt & ›yalty since 2004-05 to March2010 are as given blow:-

ıble 3.16: Detail of Revenue Recipients

S.No.	Period	Fvenue Receipts
1.	2004-05	208.72
2.	2005-06	252.76
3.	2006-07	380.928
4.	2007-08	537.69
5.	2008-09	524.57
6.	July2009 to March 2010	435.156

Source: Mines& Minerdevelopment deartment Govt. of Balochisan

uture Plans

1. Allocation/provision of more funds foinfrastcture development.
2. Accelerated Exploration activities of Mneralsesources of theProvince.
3. Establishment of Mineral based industy with provine like:
   i) Cement Factories.
   ii) Value addition Plants/Ferro Chrore Plant
   iii) Mini Steel Mill at Chagai and Dilbad Ironre depcsits.
   iv) Establishment of Coal based Powr Plants
4. Implementaton of Minerals Sector Developmt Progamme ith the assistance of Wrld Bank.

.6 Small and Medium Enterprise Development\uthor (SMEDA)

MEs are considered as one of the most impctant ving foces beind economic developıent, mployment generation and poverty reduction. SMEs jntly contributapproximately 30% to GDP; mploy 80% of the non-agricultural labour force, 25% total exports an 35% to manufacturing value ddition.

ı 2009-10, SMEDA worked on a series of deronstran projects/CFs in major SME clustes for roductivity and competitiveness enhancement c SME stor. Asmany a20 projects amounting o Rs. ,215 million have been approved by the Goveıment r implementabn by SMEDA. These inlude rojects in sports, agro based industry, leather, oundrglass poductsnd light engineering sctors besides business and display facilities for SMEs such as Gujranwala Business Centre, Sports Industry Development Center and Women Business Incubation Centers. Some of these projects were envisaged in the SME Policy 2007 implementation plan, such as the SME Subcontracting Exchange and Policy & Project Implementation, Monitoring & Evaluation Unit (PPIMEU). PPIMEU has been established in SMEDA head office to oversee the implementation of demonstration projects and Common Facility Centres (CFC) being implemented by SMEDA through the Public Sector Development Programme (PSDP).

To facilitate women entrepreneurs, Women Business Incubation Centre (WBIC), Lahore was established in 2007. After the success of WBIC Lahore, similar projects have also been approved for implementation in Peshawar, Quetta and Karachi. These Centers will provide rental space for offices, exhibition/display facilities and business development services including training to women entrepreneurs, all under one roof.

Access to finance has been a long standing problem faced by SMEs in Pakistan. To facilitate SMEs in this regard, SME Policy 2007 envisaged creation of a venture capital fund and credit guarantee scheme in its implementation plan. A credit guarantee scheme and venture capital fund were later announced by the Government in Federal Budget 2009-10. State bank of Pakistan is steering the process of establishing these two initiatives.

Pıblic Finances

4

Agait a backdrop of the most severe global ecoımic and financial crises in the last 70 years, fiscapolicy has made a strong comeback around the vorld as an instrument of counter-cyclical poli. A dramatic expansion of government and cental bank balance sheets has taken piace in the aftenath of the global financial crisis, as govnments were forced to recapitalize banks, takover a large part of the cebts of failing financial instıtions and introduce large stimulus programs to evive t economy (Tab 4.1).

Table 4: Stimuus Packes (est.)	
Counti	USD (Billions)
China	585.3
Germa	80.5
India	38.4
Japan	297.5
Unitecingdom	29.2
Unitectates	787

Source: UNDP, March 201

As result, over the past three years public debt hs grow sharpl in cotries, even where it hal remined relatively low before the crisis (Table 4.2), bcause any govermeis not only had to bail o ailir banks, but also pay for rising unemployment benefitin addiion to roviding stimulus to th ecomy. According to the IMF, public debt in avanceeconories is (pected to grow furthe, becuse employment and growth are unlikely toreturno thei pre-cis levels. Consequentl, emoyment and other benefits will need to be pid for veral years. Sengthening the negati feeback loop, a worsening of public debt sustainbility uld be transmied back to the bankin sysm.

In te case of Pakistan, a low, and declining, Tax-to GDratio, and an elevated - and rising – public deb sto has imposed a hard constraint on the size o fisc stimulus that can be provided to the economy Cotries like China, Germany, UK and US entere thecrisis with greater fiscal space to expanc incding more favourable levels of deficits, publi de, contingent liabilities and interest rates.

Tab4.2: Geeral Gornment Debt (Griss, % of DP)		
Coury	2007 (pre-crisis)	2009
Ausilia	8.5	13.7
Cana	64.2	75.6
Chii	20.2	20.9
Frae	63.8	77.4
Gerany	63.6	79.8
Ind	80.5	83.7
Pakan	55.5	58.1
Jap	187.7	217.4
Unid Kingdm	44.1	68.6
Unid States	63.1	88.8

urce: IMF, Worldconomic Outlook, April 2010

Wii the slowdown in Pakistan's economy coming i thewake of a macroeconomic crisis in 2008 tha reslted from policy-induced imbalances of the pas thiprudent course for policymakers has been t adot a path of stabilizatior. This course has prove toe more appropriate, with inflation subsiding fror a storic peak of 25% in October 2008, to aroun 13 in April 2010. Persistently high inflation over th perionas alsc limiteche options for the cenral bak in the conduct of its monetary policy.

Tr nexus between low taxrevenue collection, the scal deit, the stock oublic debt, and the futre pa of growth in the economy needs to be examind furth. With Pakistas tax collection amounting to around 9-10% of GDP at best, as compared to 12.9% for India, and 14.2% for Sri Lanka, for example, the additional expenditure absorbed in the budget on account of any fiscal stimulus measure, would necessarily imply an increase in the stock of public debt. Each 1% increase in the size of the fiscal deficit increases the public debt stock by at least 1.08%, at the current effective interest rate on public debt. In actual effect, the increase is likely to be larger, after taking into account the impact on the external imbalance, and the incremental borrowing needed to be undertaken on that front.

On the end-March 2010 outstanding stock of public debt, the above working would imply an increase of *at least* Rs. 88.2 billion in public debt, for every one percentage point increase in the fiscal deficit – with the impact on growth less than clear. This incremental debt stock would generate an annual debt servicing liability of over Rs. 7 billion.

Looking at the structure of budgetary expenditure, debt servicing (including repayment of foreign loans) is expected to account for 27% of total expenditure for the current fiscal year. Given the rigidity of some of the other large expenditure heads, such as security spending, any increase in debt servicing requirements will necessarily encroach on other areas of spending, including possibly development spending, or expenditure on vulnerable segments of the population. Clearly, this would be an undesirable situation, as it could lead to *reducing* Pakistan's longer term growth prospects, or *reducing* support for the most vulnerable groups in society – the exact opposite of the intended result.

In any case, the notion that growth in the economy leads to autonomous, and at the very least, proportionate growth in government revenue, is misplaced. This argument is neither borne out by the sources of growth and revenue in the economy, nor by Pakistan's historical experience in this regard (see Table 4.3). In fact, for many of the past several years, tax elasticity and buoyancy *combined* have yielded a close to unitary value, indicating the mismatch between the sources of growth in the economy and the tax revenue base.

Table 4.3: Sources of Growth and Tax

	Contribution to (in percent):		
	GDP*	Growth*	Taxes
Agriculture	22	10	1
Industry	25	30	63
Services	53	60	26

**For 2009-10*

Source: Federal Bureau of Statistics, Federal Board of Revenue

A final point to note regards the durability of the growth that can potentially be delivered through a fiscal stimulus. Historically, Pakistan's high-growth periods have lasted a maximum of around 4 to 5 years – with or without a stimulus. Hence, the absence of policy stimulus does not appear to explain the short – and increasingly infrequent – spells of high growth in Pakistan's economy.

To remove structural impediments to sustained economic growth in the long run, such as the abysmally low tax revenue collection, Pakistan has embarked on a meaningful program of economic reform. The lynchpin of this reform program is enhancing Pakistan's capacity to mobilise domestic resources, with efficiency as well as equity. This will be discussed in a subsequent section, after a short review of recent developments with regards to public finances.

4.3 Recent Developments: 2009-10

4.3-1 FBR Tax Revenues

The FBR revenue target for FY10 was set at Rs. 1,380 billion taking into account expected growth in GDP, the rate of inflation, tax buoyancy and other key economic indicators. The target required a 20 percent increase over last year's collection of Rs. 1,157 billion (see Table 4.4).

Against this target, tax collection during the first ten months of the current fiscal year (July-April) stood at Rs. 1,025.6 billion, net of refunds, which is 14 percent higher than the net collection of Rs. 900.9

bion in the correspondin3 period of last year. Amng theur fedcral taxe, the highest growth of 6 % ıs been recorded in the case of *sales tax* receipt, followd by *direct ta*/17 %), *customs* (7.2 % and *fleral excise* (3.0%).

Tble 4.4: Tax Collection

(ange	2008-09 (Actual)	200-10 (RE)	July-Ail 2008-0)	2009-10	% Chane Over 200:09
/DIRECT TAXES					
Coss			367.l	427.2	16.4
lfund/Rebate			34.:	37.6	9.9
ft	440.3	52	332.3	389.5	17.0
IINDIRECT TAXES					
Gross			597.4	660.1	10.5
Refund/Rebate			29.-	24.1	-18.0
Net	716.7	84	568	636.1	12.0
B.1 SALES TAX					
Gross			3813	435.1	14.1
Refund/Rebate			22..	19	-14.0
Net	452.3	57	3592	416	15.8
B.2 FEDERAL EXCISE					
Gross			91.:	94.3	3.3
Refund/Rebate			0.0-	0.025	-37.5
Net	116.1	11	91.5	94.3	2.9
B.3 CUSTOM					
Gross			1245	130.7	5.0
Refund/Rebate			7.3	5	-31.5
Net	148.4	16	1172	125.7	7.3
)TAL TAX COLLECTION					
'oss			9645	1087.3	12.7
:fund/Rebate			63.5	61.7	-3.0
et	1157	136	9009	1025.6	13.8

)urce: Federal Board of Re:nue

3R tax performance with respect to the annual trget shws that73.5 pcent of the annual targc has een achieved during July-April 2010. A pick up i econoic activity, an arly resolution of the eergy tuation, an improvement in internal security, a ontinuaon of tle trenof improvement in the gobal conomy, and the restructuring of tax administraon uncrtaken should i contribute in increasing the ace of tax revenue collection in the months ahed. Goi forwad,' the instatement of the taxaudit egime, which had beer unwound in conjunctin withne lauich of e Universal Self-Assessment cheme (USAS) a few years ago, should also start ielding sults.

irect Tax

or July-April 2010, direc: taxes have been a majc sourcof FBR tax reveıe collection, contributıg 38 ercent of total receipts. Net collection was estimted ats. 389.5 billion vhile gross and net collction as registered a growth of 16 and 17 percent dung Julypril 20:0. The ıare of direct taxes in fderal ax receipts has increased from 15 percent in the arly 19)s to arund 38ercent in 2009-10.

)espite the impressive ircrease, however, the "acual" inme ta) base isw, since direct tax collection as been boosted since tie 1990s by the introducion of e withholding tx (WT) regime.

Indirect Tax

Indirect taxes grew by 12 percent during July-April 10 and accounted for 68.6 percent of the total FBR tax revenue. Within indirect taxes, sales tax increased by 16 percent. The gross and net collection of Sales tax stood at Rs. 435.1 and Rs. 416 billion respectively showing a growth of 14.1 percent and 16 percent respectively over the corresponding period of previous fiscal year. Of net collection, 53.4 percent is contributed by sales tax on domestic production and sales, while the rest originates from imports. Within net domestic sales tax collection, major contribution has come from POL products, telecom services, natural gas, sugar and cigarettes. On the other hand, POL products, edible oil, plastic resins, vehicles, iron and steel and machinery and mechanical appliances have a major contribution in the import stage collection of Sales tax.

Custom duty collections have improved marginally, with collection exhibiting a growth of 7.2 percent, with a collection of Rs. 125.7 billion as compared with Rs. 117.2 billion during the same period last year. Major revenue sources have been POL, automobiles, edible oil, machinery, iron and steel products etc. Indirect taxes have shown a relatively better performance which is largely owed to the noticeable collection from domestic sources under both sales tax as well as federal excise duty.

The net collection of federal excise stood at Rs. 94.3 billion during July-April 2010 against Rs. 91.6 billion in the corresponding period of last year, registering a growth of 3.0 percent. The major revenue spinners are cigarettes, cement, beverages, natural gas, POL products and services.

Despite the economic slowdown, including a decline in both volume of imports as well as landed prices, and the impact of the energy crisis, FBR has been able to exceed the collection of the previous year by a significant margin. This growth is mainly attributed to an increase in domestic sales tax collection under the heads of electrical energy, sugar, services, beverages and motor cars, enhancement of rate of FED on cigarettes, advertisement, banking, insurance services and services provided by stockbrokers during the budget FY10, and increased tax collection from the one percent special excise duty.

4.3-3 Review of Public expenditure

In the Federal budget for 2009-10, a total expenditure of Rs. 2,877.4 billion was estimated for the full year, comprising of Rs. 2,260.9 billion of current expenditure (79% of total), and Rs. 616.5 billion of development expenditure, including net lending. Among the major expenditure heads, interest payments of Rs. 647.1 billion were estimated, while Rs. 342.9 billion was earmarked for Defence services. Rs. 132 billion was allocated for subsidies, while the allocation for Grants amounted to Rs. 313.7 billion.

In terms of structure of budgeted expenditure, current expenditure was estimated to account for 79% of total spending, with development and net lending at 21% of the total. Debt servicing accounted for 27% of total expenditure in the federal budget 2009-10, a substantial decline of nearly 5 percentage points over 2008-09 actuals. Share of defence services stood at 17.2%, while subsidies and grants totalled an estimated 11.8% (see Table 4.5).

Tab 4.5: Structure of Total Expenditure (TE)

Yea	Current Exp. as % TE	Dev. Exp. as % TE	Defen as % TE	Suidies & Gran as % TE	Debt Servicin as % TE
20(-02	84.7	15.3	.1	3.5	52.5
20(-03	88.1	14.4	.8	5.4	31.6
20(-04	81.1	16.8	.3	7.1	36.6
20(-05	77.4	20.4	.0	5.0	26.2
20(-06	73.8	26.0	.2	7.2	24.4
20(-07	76.4	24.1	.9	4.2	25.4
20'-08	81.4	19.9	.2	8.6	25.4
20(-09	80.7	19.0	5*	4.6*	34.8
20(-10 B	78.5	21.1	2*	1.8*	27.1

B: idgeted

Source: Budget Win

*Vues are not comparable with previous years due to diffeence in anition ued in FY(& FY10

Tł following discussion on expenditure is based onirm da for nin monti (July to March).

Dung the first nine months of 2009-10, substntial itlays on secuty-related spending, as a cosequence of the widening as well as intensificaon of ilitary operatios in the north-west of the cntry during 2009-10, combined with higher thn budged electricity ubsidies, have resultec in soe pressure on the budget. Total expenditure dung Julylarch F'10 roseo Rs. 2,027.8 billion, a se of 9% over the same period in 2008-09 (Table 4.6). Total renues grew by.7 percent and reachedRs. 1:2 billion during July-March FY10.

Tae 4.6: Consolidated Revenue & Expenditure of the Govrnment

	Prov. Actual July-June 2007-08	Prov. Actual July-Jun 2008-0	dget Eimate 09-10	Pr. Acal Julylar 20010	Prov. Actual July-Mar 2008-09	Grow July-Ma 2009-0
A.otal Revenue	1499.5	1850.9	55.4	1:2	1,301.40	7.7
a)ax Revenue	1050.7	1204.7	93.5	10:.6	849.2	21.
FE Revenue	1009.9	1158.6	380	9C6	815.1	11.
Prinicial Tax Revenue	40.8	46.1	70	3:1	33	7.3
b)on-Tax Revenue	448.7	646.2	51.9	374	452.2	-17.
B.otal Expenditure	2276.5	2531.3	77.4	20:.8	1706.6	18.
a)urrent Expenditure	1853.1	2041.6	60.9	17..9	1415.5	21.
- terest	522.7	656.3	47.1	475	442.8	6.9
- efense	277.3	329.9	343	268	224.2	20.
- hers	616	509.7	581	542	748.5	-27.
b)evelopment Expenditure & N Lending	423.4	455.7	16.5	3:	246.3	23.
C)verall Fiscal Deficit	-777.2	-680.4	22.1	-6:.8	-680.4	-8.
A% of GDP	7.6	-5.2	-4.9	-:	-5.3	-20.
Fincing of Fiscal Deficit	777.2	680.4	22.1	62.9	681.4	-8.
i):ternal Sources	151.3	149.7	332	95	149.7	-38.
ii)omestic	625.9	529.5	90.5	5:3	529.5	0.
- ink	519.9	305.6	44.1	2:.9	305.6	-31
- on-Bank	104	223.8	46.3	3:.5	223.8	44.
- ivatization Proceeds	1.7	1.3	0.1	(	1.3	-92.
G? at Market Prices	10284	13095	4824	159	12,739	18.

Source: Budget Wing

4.3-4 Trend in Real Expenditure

Table 4.7: Trends in Real Expenditure (1999-2000=100) (% Growth)

Period	Total Expenditure	Current Expenditure	Development Expenditure	Interest payment	Defence	Non-Defence Non-Interest Expenditure
1980's	7.7	10.5	2.7	18.1	8.9	4.9
1990's	2.8	4.5	-2.6	8.9	0.4	0.9
1990-I	2.4	3.9	-1.7	4.2	0.7	3
1990-II	3.1	5	-3.5	13.7	0.1	-1.2
2000-04	2.2	0.1	9.4	-8.3	0.4	10.5
2004-09*	7.0	5.7	13.5	7.6	1.3	8.8

Source: EA Wing, Finance Division

** Budget estimate for 2008-09*

4.4-1 Allocation of Resources between the Federal Government & Provinces

An important development in public finances is the recent agreement between the federal and provincial governments on the 7th National Finance Commission (NFC) Award. Only the fourth successfully concluded in Pakistan's entire 63-year history, and the first in the last nineteen years, the NFC Award lays the basis for resource distribution between the Center and the Provinces (vertical distribution), and between the Provinces (horizontal distribution).

The last award was adopted in 1997 for a period of five years. However, after its expiry in 2002, agreement on the award was amended under the Distribution of Revenue and Grant-in-Aid Amendment Order 2006. Under this *ad hoc* arrangement, the share of provincial governments in the federal divisible pool was increased starting 2006-07 annually to 41.5, 42.5, 43.8, 45.0 and 46.4 percent thereafter in coming years.

The distribution of resources and fiscal equalisation transfers are a contentious issue around the world. In Pakistan's case, the NFC award has historically been based on the single criteria of *Population*. The 7th NFC Award marks a watershed since it has adopted by consensus a set of multiple criteria for determining horizontal distribution of resources (see Box).

Box-1: Salient Features of 7th NFC award.

1. The distribution of resources has been made on multiple criteria instead of single criteria of population.
2. The agreed sharing of the divisible pool will now take place on the basis of the following:
   - Population 82.0%
   - Poverty and backwardness 10.3%
   - Revenue collection / generation 5.0%
   - Inverse population density 2.7%
3. Federal Transfers to the provincial governments on the basis of the percentage specified against each:-

	Eisting	7thNFC Awd
Balo:histan	17%	9.09%
Khyber Pakhtunkhwa	1.88%	14.62%
Punjab	5.01%	51.74%
Sindh	2.94%	24.55%
Tota	10.00%	100%
Source: ProvincioFinance/ing, Firance Dilion.		

4. In vertical distribution Federal government has aowed aincrease in the sare of the provinces with 5 percent for first year and 57.5 percent for the reaining ars. The share ohe Federal Government i the net proceeds of divisible pool shall be 44 peient dur the firancial yr 2010-11 and 42.5 percer from the financial year 2011-12 onwards.
5. In addition, the Federal government agreed to aeducticof collection chages from 5% to 1%, increa:ng the pool for distribution by 4%.
6. Baluchistan will receive 9.1 percent instead of 5. percennd will eceive tal Rs. 83 billion for the firt year. Any shortfall in this amount shall be made p by th ederal Governmt from its own resources
7. One percent of the net proceeds of divisible poctaxes sll be assgned tovernment of Khyber PakhtunKhwa to meet the expenses on war on trror.
8. Each province shall be paid in each financial yeans a sha in the ret procds of the total royalties oi crude oil an amount which bears to the total netroceedthe same propoion as the production of crude oil in the provirce in that year bears to thtotal prluction of crude l.
9. Each Province shall be paid in each financial yeans a sha in the ret procds to be worked out base on average rate per MMBTU of the respective prvince.
10. There shall be charged upon the Federal Consoliated Ful each y:ar, as gnts-in-aid of the revenuesf the province of Sindh an amount equivalent to 0.66 % of e provircial shai in the net proceeds of divisible pool as a compensation for the losses o accourof aboliton of oroi and zilla tax (OZT).
11. It has also been recommended in NFC award tha the Fecal govenment id Provincial governments should streamline their tax collection system to icrease eir reveiues in der to achieve 15 percent ax to GDP ratio by the terminal year i.e. 2014-15.
12. Similarly Federal Government and Provincial govrnmenwould develop ad enforce mechanism for maintaining fiscal discipline at the Federal and Pvincialvels thrugh leg ative and administrative measures.

Tae 4.8: Transfers to Provinces (NET) (Rs. Billin)

	2004-05	2005-0	2G-07	2007-(	2008-09	2009-1(B)
Disible Pool	204.8	244.6	:0.6	391.:	477.4	569.
Stight Transfer	40.5	56.8	).3	65.9	82.4	85.4
Spcial Grants/ Subventions	35.3	63.5	).3	33.3	40.6	52.9
Prect Aid	15.5	17.5	).8	19.1	26.3	26.9
Agculture Sector Loan-II	1.4	2.8	.6	1.1	0	
Jainese Grant	0.1	0.1	.1	0.04	0.02	0.09
Tal Transfer to Province	**297.6**	**385.2**	**9.7**	**510.:**	**626.8**	735.
Inrest Payment	24.3	21.6	8	19.9	18.5	16.8
Lo Repayment	28.7	14.7	).2	25.4	21	20.4
Trnsfer to Province(Net)	**244.6**	**348.9**	**1.5**	**465.(**	**587.3**	697.

Surce: Budget in Brief: 200:09

An account of transfer to provinces is given in Table 4.8. The transfers to provinces on net basis registered a decline of Rs. 116 billion in the revised estimates 2008-09 mainly due to lower tax collection by FBR during the year. However, these are placed at Rs. 697.9 billion is budget estimates 2009-10 i.e. an increase of 18.8 percent over the revised estimates 2008-09.

Reform agenda

A low – and declining - tax-to-GDP ratio, is amongst Pakistan's biggest structural weaknesses. Several possible reasons have been advanced for the low tax to GDP ratio in Pakistan, which include:

a) A narrow tax base
b) Agriculture, large number of services, capital gains is not included in tax net
c) Low tax compliance
d) Wide spread exemptions
e) Large undocumented informal sector
f) Weak audit and enforcement

A number of measures have been planned to redress this shortcoming. FBR is undergoing a major step in tax administration reform, with the establishment of the Inland Revenue Service (IRS). This will serve as a single entity within the FBR by merging the tasks of all domestic taxes, namely the sales tax, income tax and excise tax. Thus the harmonization of tax administration will improve efficiency and help increase the tax-to-GDP ratio in the medium term.

Similarly, to broaden the tax base and to correct the structural shortcomings in Pakistan's tax system and particularly to ensure horizontal equity in the taxation system, a broad based Value Added Tax (VAT) is sought to be implemented in the country. Considerable work has been completed for the planned introduction of the VAT by July 1, 2010, subject to approval of national and provincial assemblies. A full VAT with minimal exemptions, to be implemented by the FBR will include agreement with provinces concerning the treatment of services. The main objective is to increase the tax to GDP ratio to above 14 percent of GDP by 2013/14 (see Box).

Box-2: Value Added Tax (VAT)

Value Added Tax (VAT) is a special type of indirect tax, also known as a goods and services tax (GST) in India, in which a sum of money is levied at a particular stage in the sale of a product or service. Due to its revenue generating capacity, efficiency and ready comprehensibility in many developed countries, the developing nations also motivated to adopt VAT during eighties and nineties.

The VAT deals with many problems quite efficiently, that are often associated with a conventional sales tax system. In sales tax, there is no provision for input tax credit; consequently the end consumer has to pay tax on an input that has already been taxed previously. This is known as *cascading* which leads to an increase in consumer tax and price level, thus increasing the incentive for evasion which can be harmful for economic growth. In VAT system there is no incidence of cascading due to the fact that it is imposed on value addition at every single stage.

Medium Term Budgetary Framework (MTBF)

MTBF is a system for making the budget process more strategic and responsive to the priorities of the g/ernment, as it will int-oduce a medium term(3 yea horizo1 to th budgetary process.[1] Itwill s)port and strengthen the delivery of public services by e fede al govenment. MTBF is consisent wh the country's overall macroeconomic framewrk and gal obligation nder Section-5 and 6 o the Fcal Responsibility and Debt Limitation Act 2005.

T main objective of MTBF is to strengthen the fical discline alng withthe alignment of budgeary a)cation and expenditures with the policies and)rioriti of the government and to strengthenthe pcess of budgeting and budget resource managementwithin he mintries , thus to ensurethe eciency and cost effectiveness of the use of publi sector sources.

T implement the MTBF, the set of innovations hve bee introduced in the budgeting procedres fowed in the line ministres. These are as follows

1. To increase the predictability of the bueting ocess, the meium term budgets wil be prepared on a three year basis i.e., for the ear imediatel aheaco be appropriated, ancfor two outer years.
2. Modifications to the formats for budget reparan which requed a shift towards a mre planned approach.
3. The MTBF process also saw the developmet of a dicatedsoftwa application to capture he information prepared by ministries durin the pparaticn of th MTBF budget estimaes, including the information on outputs.
4. The preparation of the overall medium ten budgeestimaes in a ocument which set out he higher level objectives of the ministry and te purpes for vhich fuding is required.

Ts new budgeting system will help planners and ranagero thinl throug logic of their interventons al how they relate to the ministry's overall ojective However, M3F procedures for buget p paration require a further round of modification in ord to derive the fll benefits of this approch. Alough, important modifcations to the MTBF buget praratior have aeady been introduced, his w continue in 2010-11. These modifications are ased oan anaysis of e experience to date ith th implementation of the MTBF with the aim of trengtening tle contoution of the MTBF to he wer objective of modernization of the budgetary rocess.

Mjor modification to the MTBF budget preparatio implemented vith effct from 2009-10 include he fowing:

- Introduction of bucget ceilings for all federa ministes.
- Strengthening the strategic process of budgt prepation ineach feeral ministry.
- First step towards result based budgeting
- Clear identification of the cost of services (otputs) be delvered.
- Preparation of 'Medium Term Budget estimtes forervice DeliveryGREEN BOOK).

[1] (idelines for preparing Medium term Budget (2010-2013), Buget WinFinance Division.

Monetary Sectcr

5

Thpast two years have witnessed economic deveopmen unpre:edente in scale and gravity, vth lare ramifications for the conduct of public policy.)n the ıe hanc, the gbal econoıny was buffeed byhe most severe recession since the Great Deprssion. ı the o:her, w'ld food and energy pries skocketed, leading to grave consequences for ıe pocand vılnerabi especially in developıg coıtries. While global commodity prices have ease consicrably frım theirecent lifetime peaks, tey reain elevated.

Tr initial response of most governments was t fight f rece:sion wh large fiscal stimuli ad mıetary easing and other untested measures witl regarco liquidity injeions to ensure money ad crlit markets did not "se ze up". The fear of ddation many ıajor conomies lent a degreeof ccgruence to fiscal and mɔnetary policy. With may couries finılly appıring to pull back from ıe w st of the crisis, the impact of price developmentin glob commodity mkets since 2006 appear:to hæ worked its way into inflationary pressure. Theglobal ıuge fo food ice inflation, the Food ad Agcultural Organisation's (FAO) Food Price Index /as up /er 20 ɔercentearlier in 2010, while fod intion has traversed histcrical levels in many courries, inding Pakistan d India.

Th backdrop presents a policy dilemma. While rowthas returned iımany economies, thogh urvenly across regions, it remains fragile. This frility isvident from oing developments in ıe Eıo-zone with respect to the Greek debt crisis. Wile exioliciesmay apear premature under sch ciumstances, the return cf inflation in some casesand in:tionary expections in others, means tat pccymakers across a broad spectrum of countries ad regis are teading thin line.

InPakistan's case, policymakers are grappling wiı a sirar dilemma. Ie growth recovery in he etnomy witnessed in 2009-10 is still relatively wek, and mains ragile. n the other hand, inflaton reains elevated and has displayed considerable ersistce. The dangeof a high headline rateof intion is that if it displays persistence, it coul influıce expectatioforming more than oter masures such as core inflation, which the centrl bankelies oı to gae the appropriatenessof mnetary policy.

5. Recent Monetary and Credit Developments

Dvelopments in the monetary sector during July toApril FY0 can b summrd up as follows:

- A net retirement cf bank credit by the priate seɔr occurred in ıe first few months of he fiscal year, followed by a fairly strong uptik in suequen month As of third week of Aril, utilisation of bank credit by the private sctor haincreaed to 3%, as against 1.6% in he corresponding period of 2008-09. Part of te subdd increase is acounted for by a sharp ise in provisioning by banks for non-performıg loar which is dedted from gross lendin to arrive at the reported *net* figure of borrowig.

- However, the rise in private sector credit emancs concentratecn two sectors: *textiles* nd *energy*. The trend in the former is in line vth impving exernal cmand for yarn, while in he case of the latter, the circular debt issue has accounted for a large increase in borrowing requirements for the affected companies.

5.2-a. Government Bank Borrowing

The net bank credit availed by the government for budgetary support as well as financing its commodity operations amounted to Rs. 286.4 billion during July-April 2010, against Rs. 239.5 billion during the same period last year.

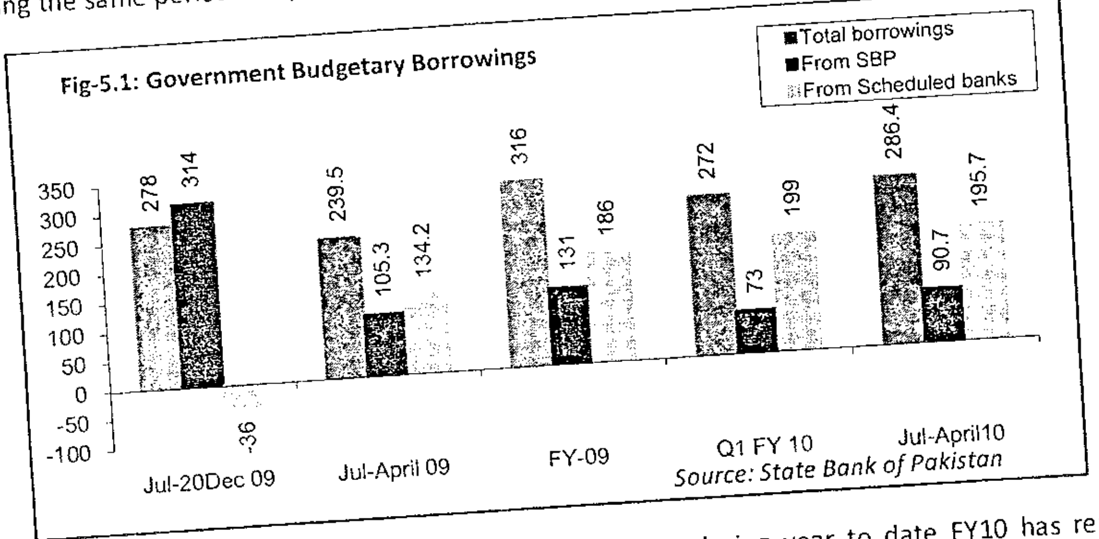


Fig-5.1: Government Budgetary Borrowings

Source: State Bank of Pakistan

Government budgetary borrowing from the banking system during year to date FY10 has remained higher compared to the corresponding period of FY09, rising sharply from October 2009. This has occurred mainly due to a pernicious combination of rising fiscal spending, and lower availability of external financing. The shortfall on this count overshadowed higher inflows from non-bank sources, as well as recourse to using a portion of IMF disbursements (up to 40% each of three tranches) as bridge financing.

5.2-b Commodity Finance

Commodity finance refers to advances provided to government, public sector corporations or private sector for the procurement of commodities such as cotton, rice, wheat, sugar, fertilizer etc. In Pakistan, the government's commodity operations are carried through state owned entities, such as PASSCO and TCP. These entities borrow commercially to finance their procurement operations, with the borrowing guaranteed by the government.

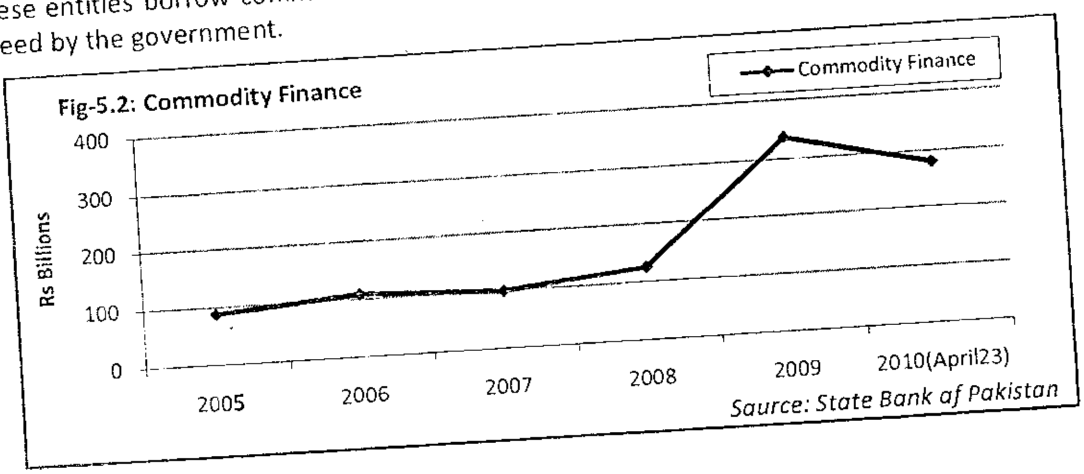


Fig-5.2: Commodity Finance

Source: State Bank of Pakistan

T? financing for commodity operations peaked a Rs. 33C billior in Jun last year mainly becaus of rcord wheat procuremert of 9.2 million tons b differt fedeal and rovincial departments and a?ncies. A combination o: unprecedented scale othe prcuremert and t? substantial increase irthe dnestic wheat support price has led to a sharp spie in th?utstarding stck under this head.

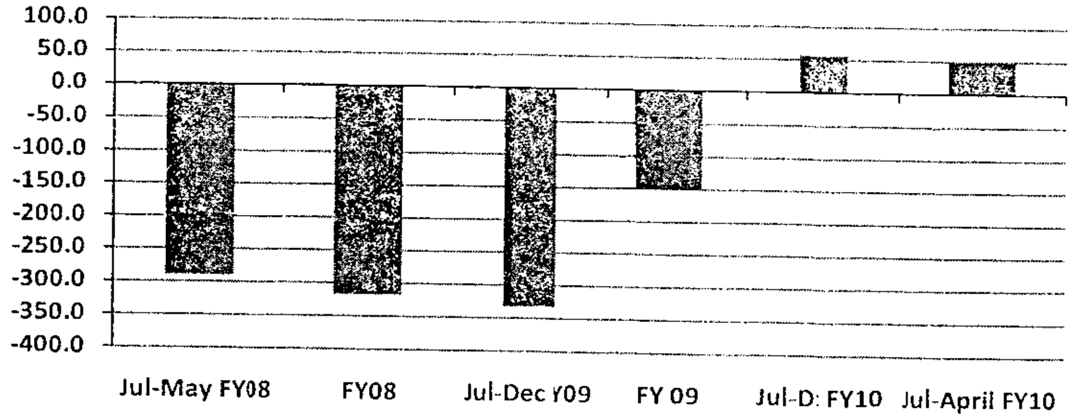
Wile financing for commcdity operations is usuall self-liadating, to conround the problem, the act tht the procurement price of domestic wheat hs risen substantially hher than the internatinal p:e, has meant that government agencies have ben abl to retie only portion of the outstaning lons availed for commodity operations. Stock if comodity inance ell by 56.1 billion dung Ju-April 2010 compared to net increase of Rs. 47. billiom the crrespoding period last year. Wile th stock of wheat financing declined to Rs. 200.6billiony end lebruarfrom its peak of Rs. 25.8 bion. Still the stock of wheat finance is higher tha the arage of the pa three year's end Februry le?l of Rs. 53.8 billion.

5.c Net Foreign Assets (NFA)

Th NFA of the banking system during July-April FY1 has ireased by Rs. 47 billion after registering a sigificant decline of Rs. 236.8 billion during the sme peod of F'09. Th increase in NFA is maily cotributed to by budgetary support of $745 millior(appro Rs. 62 billion) om the IMF. Sharply lover otlows on account of import payments have provied mar suppert to th foreign currency reseres pction.

Oter factors that have contributed are the persisent incase in vorker emittances, and the shrp unxpected rise in inflows under portfolio investmer.

Fig-5.3: Net Fcreign Assets



Soirce: Sta Bank of Pakistan

5.2. Inflation

Aftc declining sharply from early calendar 2009, CPInflatioreachel a recet trough of 8.9% year o yean October 2009. This occurred partly due to a avoura? base effect, ad partly due to subdud gloll price changes in commodities. However, sinceOctob inflation in th economy has picked u shaly, on account of a number of adverse factorsAdjustents inadminiered prices of electrici/

tariffs, domestic petroleum products, gas, in conjunction with the large increase in the support price of wheat have been the main drivers of the refuelling of inflation in the economy since late last year.

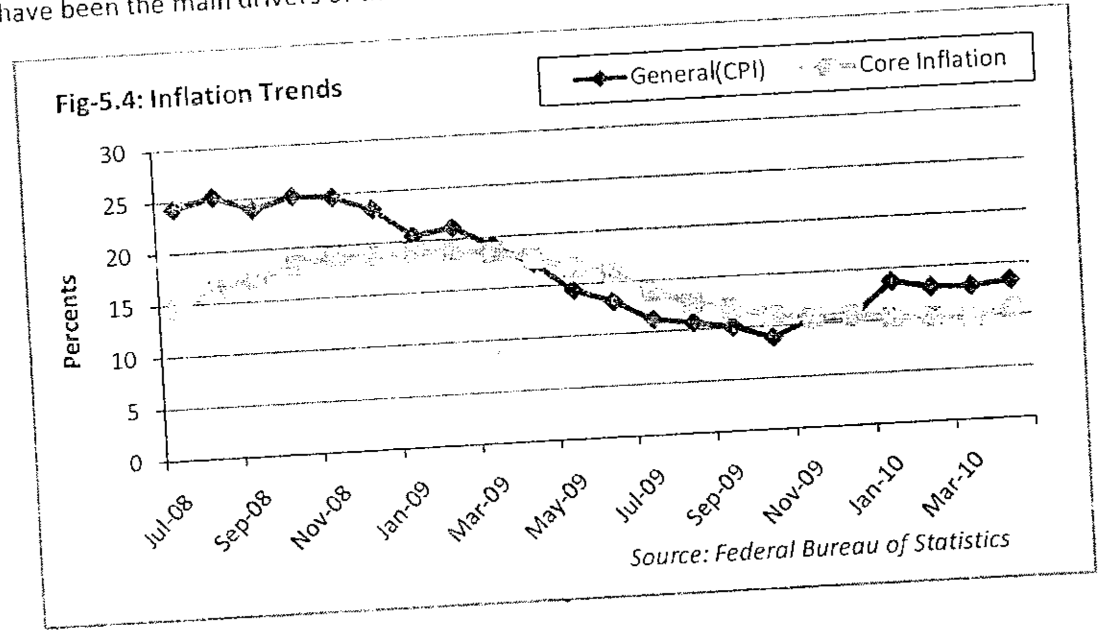


Fig-5.4: Inflation Trends

Source: Federal Bureau of Statistics

5.3 Monetary policy stance

In response to several years of excessive money supply growth and fiscal profligacy, SBP reversed course of its monetary policy from end-2007 onwards. Initially, the stance was modified very incrementally (see Table 5.1), but in the face of persistent excessive demand pressures in the economy, SBP began a rather more aggressive tightening phase from May 2008.

Table 5.1: SBP Discount Rate

w.e.f	Policy rate
22-Jul-06	9.5
1-Aug-07	10
2-Feb-08	**10.5**
23-May-08	12
30-Jul-08	13
13-Nov-08	15
21-Apr-09	**14**
17-Aug-09	13
25-Nov-09 till date	12.5

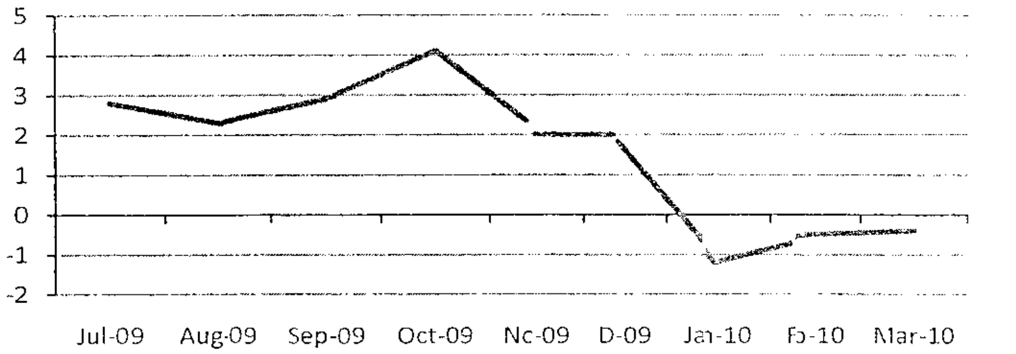
Source: SBP

The policy discount rate and the Cash Reserve Requirement (CRR) and Statutory Liquidity Requirement (SLR) were raised throughout calendar 2008. The measures announced by SBP in May 2008 included i). An increase of 150 bps in discount rate to 12 percent, ii). An increase of 100 bps in CRR and SLR to 9 percent and 19 percent respectively for banking institutions, iii). Introduction of a margin requirement for the opening of letter of credit for imports (excluding food and oil) of 35 percent and, iv). Establishment of a floor of 5 percent on the rate of return on profit and loss sharing and saving accounts.

After peaking at 15% in November 2008, during the peak of the balance of payments crisis , the central bank has eased the policy discount rate in steps to the current 12.5%, in response to a gradual easing of both headline as well as core inflation, and the containment of aggregate demand pressures in the economy.

In real terms, however, with year-on-year CPI inflation at over 13%, the current stance of monetary policy would appear to be "neutral", rather than "tight".

Fig-5.5: Real Interest rate



Scurce: Ste Bank of Pakistan

Nietheless, an appropriate monetary policy stan since008, ir conjurtion with rationalizatio of fi al subsidies, have contributed to a large measurof maceconomic stabty.

Hwever, a nascent revival in economic activity, n the e hanl, and 3P's concerns about ring irationary pressures due to higher oil prices and ectricitariff adustmets, on the other, means at tl central bank is also facing a policy dilemma in eterming the ourse, ming, pace and magnitde oiny changes to its stance.

5 Developments in Moretary Indicators

T: YoY growth in broad money (M2) increased shrply by 5 percent durig July-April 2010 compaed td1.5 percent during the same period last year. his rises mainly from oY increase in Net forgn aets (NFA) of the banking sector as growth in net omestassets NDA) cthe barking system sloved tö.1 percent YoY basis by April, 2010.

Tle 5.2: Monetary Indicators (Growth Rates) (Percet)

Incators	FY 05	FY 06	FY 07	FY08	FY09	Jul-25April* 2008-09	Jul-23April* 2009-0
N Bank Credit to Government Sctor	13.9	11.6	11.1	63	34.7	18.9	11.3
Bk Credit to Private Sector	34.4	23.5	17.3	16.5	0.7	1.6	4.8
N Domestic Assets(NDA)	22.2	16.1	14.2	30.6	14.9	7.6	5.1
N Foreign Assets (NFA)	9.2	11.5	38.7	-32.2	-22.5	-35.5	9.6
Mney Supply(M2)	19.1	15.1	19.3	15.3	9.6	1.4	5.5

**rtains to 23 April for FY10 and 25 April far FY09* — *urce: State Bank of Pakisn*

IF has increased the SDR quota allocation for all oits meber countries. nsequently, it has not oly clnged the composition of M2 growth, but the IFA of e bankng systn has also been increaed shrply.

Siilarly, the sharp acceleration in M2 growth is als explaid by a uptrer in seasonal credit demnd fm the private sector. NFA of the SBP increasedy Rs. .7 billion, whilNet domestic assets (NA) we increased to Rs. 233.9 billion during Jul-April010 copared o Rs. 4.6 billion during July-Aril 209. The contraction in NDA was mainly due to th accouing adjstmenf special SDR allocatiory the IMF in August 2009. FY10 has also witnessed a significant increase in currency in circulation.

5.5 Analysis of Monetary Aggregates

Within the banking sector, borrowings from the commercial banks fell October onwards. Main reason was that the government largely adhered to its pre-auction targets that were set lower for Q2-FY10 in anticipation of revenue receipts such as coalition support funds. Consequently reliance on SBP borrowing increased during October-April 2010. Indeed the government's increased resource to SBP borrowing was made possible due to the available room for financing resulting from disciplined borrowing in the first quarter. However, in the absence of sufficient commercial bank borrowings, government borrowings from the central bank had exceeded its quarterly limits by the end of third week of December 2009.

Moreover, in the last few T-bill auctions, bank started to lock into shorter tenor government papers. This behaviour possibly reflects market anticipation for an increase in interest rate in the wake of renewed inflationary pressures and liquidity constraints. While the evidence suggest that increased biding by commercial banks, particularly for three month papers, also reflects high demand from money market funds.

By end September 2009, government retired its debt with SBP by using the proceeds from the transfer of SBP profits to government accounts and borrowing from commercial banks by issuing Rs. 40.5 billion worth of T-bills in the same month. Consequently the stock of MRTBs with SBP declined to Rs. 1010.8 billion by the end of September 2009 compared to Rs 1256.6 billion at end September 08.

The credit of Rs. 76.7 billion to the public sector enterprise (PSEs), and decline in government borrowings worth Rs. 56.1 billion for commodity operations has contributed Rs 233.9 billion in NDA during July-April FY10 compared to an increase of Rs. 304.6 billion during the same period last year. Credit to PSEs increased to just Rs 76.7billion during July-April FY10 against an increase of Rs. 142.2 billion in the same period last year. This increase caused by high credit demand from a power holding company in September 2009, a few POL related PSEs have availed the cushion for fresh lending after settlement of part of their outstanding bank credit with the issuance of PPTFCs and borrowing requirement from a public sector steel mill to finance its unfunded LC imports of raw material.

Building upon the discussion in Section 5.2-b some of the other monetary aggregates will be discussed here.

5.5-a. Net Domestic Assets

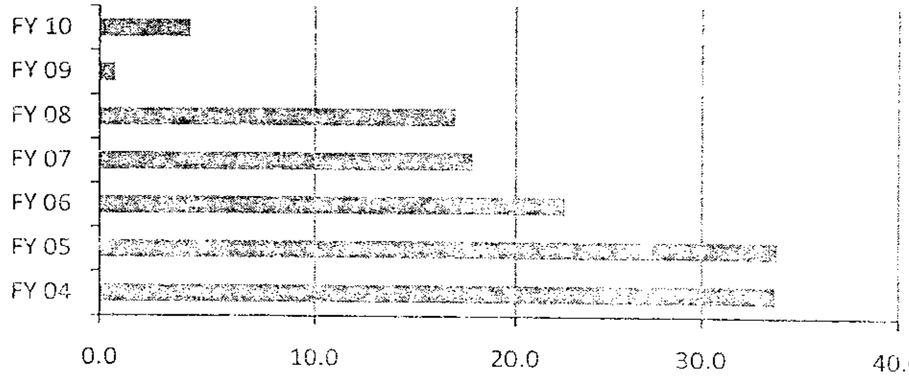
Net domestic assets of the banking system registered a decline by 5.1 percent during July-April 2010 compared to 7.6 percent during the same period last year. The slow pace in NDA of the banking system was due to the contraction in domestic demand. Moreover, fragile demand for private sector credit, low budgetary borrowing and slower credit off- take under commodity finance had restricted the expansion in NDA during July-April 10. On quarterly basis, during Q1-FY10, NDA had a negative contribution to M2 growth. However thereafter, NDA experienced a sharp increase, mainly due to a strong rise in private sector credit and increases recourse of the government to borrow from the banking system.

5.5-b. Credit to Private Sector (net)

Due to the slightly improved industrial and business activity, banks cautiously restarted lending to the private sector following an easing in classification of bad loans. There was an increase of Rs. 24 billion fim November 30th to the end of the December 2!09 as cdit retiementn net basis ceased afternid Nvember. Credit to private sector grew by Rs. 13!9 billioduring uly-Ap 2010 compared to Rs. 6.9 bion during the same period last year.

Te trend decline in private sector credit, visible fc twelvconsective mcths, reversed from Octber 2)9 onwards representing recovery in aggregate emandi the economys well as increase in priate stor participation in commodity finance (particulrly for tton, rie and sgarcane).

Fig 5.6 Growth of Private Sector



Source: Ste Bank of Pakistan

Espite the recovery in some macroeconomic indiators, ivate sector cdit off-take is not growing fit because of high interest rates. However, averag lendi rate or entirestock on bank loans stoo at 14 percent in March 2010 as compared to 14.4 pecent irMarch 2009, thi it is still high.

Tile 5.3: Private sector credit (Flows) (Rs. Billios)

Stors	Jullarch		Growth (Percents)	
	Y09	F10	FY09	FY10
Orall Credit (I to V)	8.3	1-1	2.2	5.3
I. ans to Private Sector business	30.5	147.7	4.8	6.9
Aigriculture	3.5	65	5.4	4
Bining And Quarrying	1.4	17	-7.6	9.5
Clanufacturing	8.4	55	7.3	7.7
Ttiles	1.4	31.9	0.3	6.8
Dlectricity,gas and water	2.2	41.6	20	30.2
Eonstruction	6.8	-2	-8.6	-2.8
Fommerce and Trade	7.5	-4.3	-3	-1.8
Gransport,storage and communications	2.4	64	2.6	6.6
Hervices	1.0	29	-2.5	6.9
Iher Private Business	3.4	-3.8	-9.5	-13.8
IIust funds and NPOs	2.3	08	-15	6.4
IIersonal	5.7	-31.2	-10.9	-9.7
IVthers	6.5	08	-38.1	9.2
V.vestment in Securities anc Shares	2.3	26.9	11.6	23.8

Source: State Bank of Pakistan

Table 5.4: Targets and Actual Disbursement of Agriculture Loans	Actual Disbursement (Rs Billions)	
	July-March	
Name Of Banks	FY 09	FY 10
I. Total Commercial Banks (A+B)	102.9	113.8
A. Major Commercial Banks	74.4	85.2
B Private Domestic Banks	28.5	28.6
II.Total Specialized Banks(1+2)	48.9	52.5
1.Zarai Taraqiati Bank Limited	45.4	49
2.P.P.C.B	3.5	3.5
Grand Total (I+II)	151.8	166.3

Source: SBP

5.5-b (i).Consumer Loans

The consumer loans continued their downward slide with increasing NPLs as banks avoiding the risks associated with these facilities, the rate of interest on these loans remain high. While inflationary pressures and low economic activity restrained the purchasing power of the consumers.

(Rs. billion)

Table 5.5: Consumer Financing	Jul-March	
Consumer Financing	FY 09	FY 10
1.House Building	-3.3	-5.5
2.Transport i.e. purchase of cars etc	-19.6	-9.1
3.Credit cards	-6.8	-6.2
4.Consumer Durables	-0.2	-0.2
5.Personal Loans	-24	-19.7
6.Others	0.3	0.3
Total	**-53.6**	**-40.4**

Source: State Bank of Pakistan

The consumer credit contracted by 6.2 percent in FY10; however it has registered a marginal increase against the decline of 6.8 percent in FY09. This was compounded by banks' cautious behaviour about granting loans in view of deteriorating credit quality and higher insolvency of borrowers. The concern on individuals' ability to repay loans was particularly apparent in mortgage loans during FY10.

5.6. Monetary Assets

The components of monetary assets (M2) include: Currency in circulation, Demand Deposit, Time Deposit, Other Deposits (Excluding IMF A/C, counterpart) and Resident's foreign currency.

(Rs million)

Table 5.6: Monetary Aggregates	End June		*July-25April	July-23April
Items	2008	2009	2008-09	2009-10
A. Currency in Circulation	982,325	1,152,173	1,122,684	1,289,898
Deposit of which:				
B. Other Deposits with SBP	4,261	4,662	4,821	6,216
C.Total Demand &Time Deposits incl.RFCDs	3,702,557	3,980,384	3,629,433	4,124,717
of which RFCDs	263,430	280,364	2,785,98	330,014
Monetary Assets Stock (M2) A+B+C	4,689,143	5,137,219	4,756,938	5,420,832

ıble 5.6: Monetary Aggregates				(Rs million'
ems	Encıne		'ıly-25April	July-23Ap.l
	ʔ008	20(9	2008-09	2009-10
lemorandum Items				
urrency/Money Ratio	20.9	22.1	23.6	23.8
ther Deposits/Money ratio	0.1	0..	0.1	0.1
ɔtal Deposits/Money ratio	79	77.5	76.3	76.1
FCD/Money ratio	5.6	5..	5.9	6.1
ıcome Velocity of Money	2.4			

ɔertains to 25th April for FY09 and 23rd April for FY1 Source:SBF

.6-a. Currency in Circulation

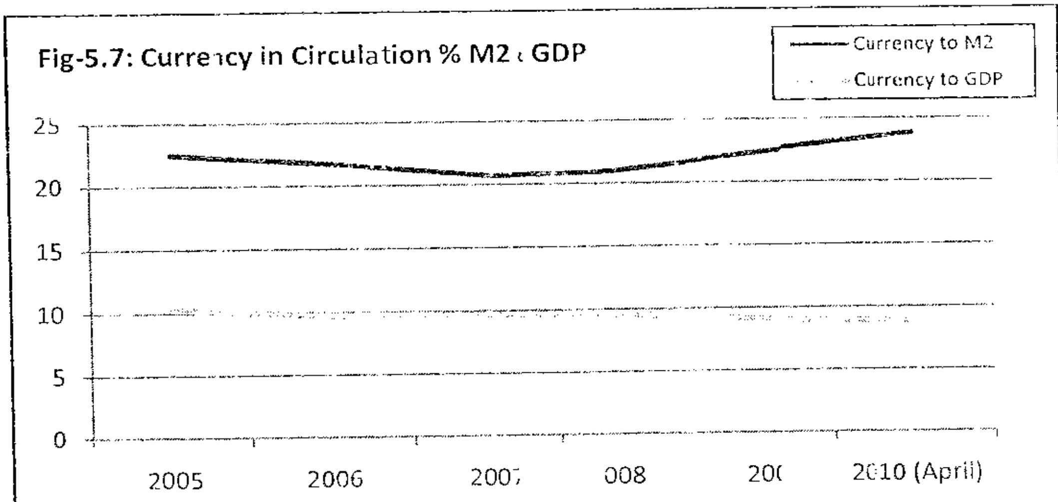
ıuring July-April 2010, currency in circulation dcreaseco Rs. :37.7 bion as compared to Rs.140.4 illion during the same ɔeriod last year. Howevr, the ırrency in circation (CIC) as percent ɪf the ıoney supply (M2) has shown a very small increse ancemaincd at 23 in FY10 against 23.6 prcent ı FY09 (Table 5.7). FY 10 has witnessed an expnsion :broad noney,s it increased by 5.5 prcent gainst an increase of 1.5 percent during the sam periocast yea . The irrease in money supply nared ıy both currency in circulation and deposit mone. Fig 5 shows the treds in CIC as percentage ɔf M2 nd as a percentage of GDP.

..6-b. Deposits

)uring July-April 2010 demand and time deposi: has ireased ɔy Rs. 14.3 billion against the ecline ɪf Rs. 73.1 billion in FY09. Similarly Resident Foregn Curncy deposits (RCDs) has increased by R. 49.7 ɔillion as compared to Rs. 15 billions during the sme pe)d last year.

'he M2-to-GDP ratio refects the degree of finarial devopmen in theconomy. Considering M2 as a ɔroxy for the size of the financial sector, a risig M2/DP rati) indices that in nominal tens the inancial assets are growing faster than the norfinanci assets. As an ıportant indicator of fiancial levelopment M2/GDP has shown a rising trend .nce 19)-00 and rose fım 36.9 percent to 47 prcent n 2006-07.

Fig-5.7: Currency in Circulation % M2 ‹ GDP



Sourceitate Bank of Pakistan

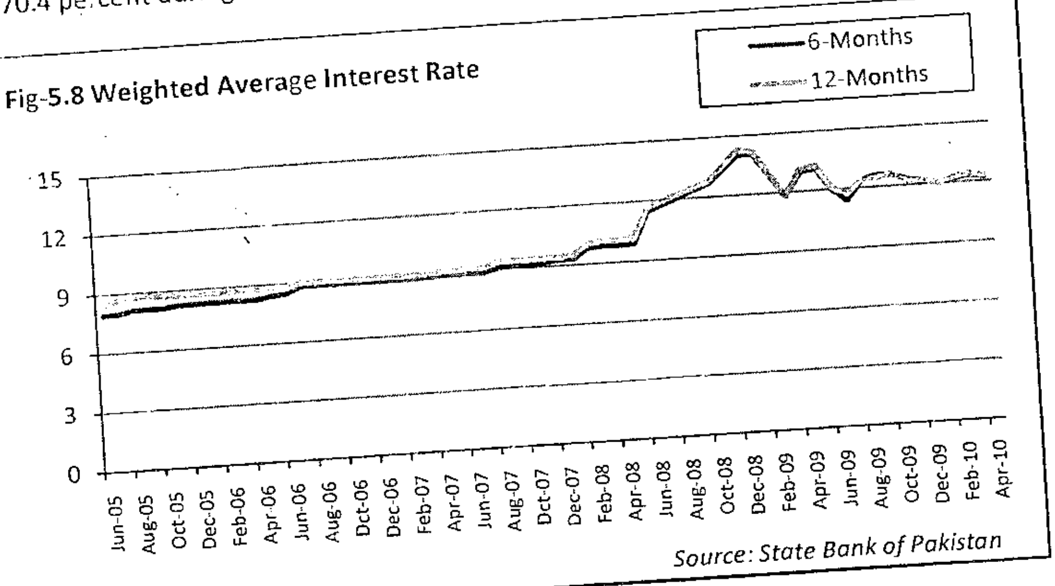
Table 5.7: Key Indicators of Pakistan's Financial Development

Years	M2/GDP	DD+TD/M2
1999-00	36.9	74.6
2000-01	36.7	75.4
2001-02	40.0	75.4
2002-03	43.1	76.2
2003-04	44.9	76.8
2004-05	45.1	77.6
2005-06	45.0	72.5
2006-07	46.6	74.1
2007-08	44.7	73.3
2008-09	39.2	58.2
July-April		
2008-09	37.3	70.4
2009-10	37.0	70

Source: State Bank of Pakistan

During July-April2010 M2/GDP ratio has increased to 37 percent as compared to 37.3 percent during the same period last year. On the other hand another significant ratio DD+TD/M2 which represent monetary depth has shown decreasing trend since 1999-00 by decreasing from 74.6 percent to 58.2 percent in 2008-09. However during July-April 2010 the ratio has increased by 70 percent as compared to an increase of 70.4 percent during the corresponding period of FY09.

Fig-5.8 Weighted Average Interest Rate



Source: State Bank of Pakistan

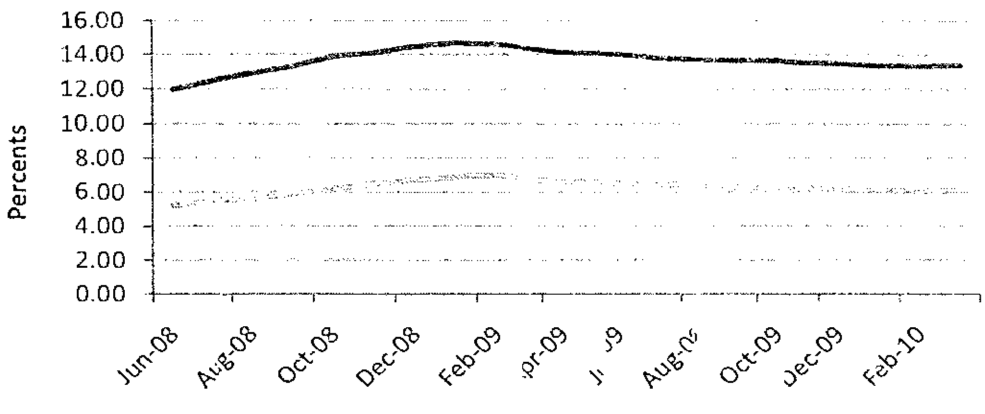
Weighted average lending rate (including zero mark-up) on outstanding loans stood at 13.4 percent, while weighted average deposit rate (including zero mark-up) stood at 6.1 percent.

Tae 5.8: Lending & Deposit Rates(W.A) %			
	LR	DR	Spread
Ju)9	13.79	6.I4	7.35
Aι-09	13.73	6.I1	7.32
Se09	13.67	6.!9	7.38
O(09	13.67	6.!6	7.41
N(-09	13.58	6.!5	7.33
D(09	13.49	6..4	7.35
Ja10	13.35	6..0	7.25
Fe10	13.38	6.)7	7.31
M-10	13.40	6..0	7.3

Source: State Bank Pakιtan

Tł lending rates have declned during last one yeadue toιe contnuationf the easy monetary pcicy stιce. Banks have also cut the deposit rates fronits pe: level cf 6.7 pιcent in March 2009 to5.1 pεent in March 2010, in crder to avoid fall in theirofits ig 5.9).

Fig-5.9: Lending & Deposit Rates



Soure: StatBank of Pakistan

5. Pakistan's Financial Sector: 2010

Pιistan's financial system has grown in recent yers, stilhere isan encnous potential for gro'th. Tł system remains relatiνely small in relation to ιe ecoımy, wιen coraared with other emering ccntries in Asia and around the world. This implie that nny finaιcing neds cannot be met and ιat rrch of the country's economic potential remains nfulfill(.

5.-a Commercial Banks

Tł asset base of the banking system and its kє elemιts posed strog growth; particularly:he dιosit base and lending to private sector, which cnsisteιy declιed ovefirst three quarters of ('09 słwed the signs of recovery. However, the asset rix of tł bankin; systerfurther shifted towards:he irestment as banks contnued to invest heavilyn govιment papers nd bonds of Public Setor E:erprises (PSEs).

As on December 2009, total number of branches of banks stood at 9,522 as compared to 9,146 on 30 June 2009. Hence there is an increase of 376 branches in six months of 2009-10. Assets of all banks showed a net expansion of Rs 441.9 billions during the first six months of FY10 and stood at Rs 6,529 billions. Hence the asset base of the banking system increased by 7 percent over the quarter.

Deposits of the system, after remaining lacklustre during the first three quarters of CY09, posted heatening growth. Total deposits of all banks registered an increase of Rs 223.4 billions in the first six months of FY10, and reached at Rs 4787 billions. On the asset side, lending portfolio also increased. Net investment increased by Rs 344.7 billions during the first six months of FY10 mainly contributed by private banks amounting to Rs 1375.6 billions. The public sector's demand for bank credit remained high for meeting budgetary requirements and resolving the issues of PSEs inter-corporate receivables (Table 5.9).

Table 5.9: Highlights of the Banking System (Rs. Billions)

	2005	2006	2007	2008	Sep-09	Dec-09
Total Assets	3,660	4,353	5,172	5,627	6,105	6,529
Investments (net)	800	833	1,276	1,080	1,593	1,753
Advances (net)	1,991	2,428	2,688	3,183	3,119	3,248
Deposits	2,832	3,255	3,854	4,217	4,483	4,787
Equity	292	402	544	563	641	662
Profit Before Tax (PBT)	94	124	107	63	70	91
Profit After Tax (PAT)	63	84	73	43	42	54
Non-Performing Loans	177	177	218	359	422	432
Non-Performing Loans (net)	41	39	30	109	128	125
	Basel-I		Basel-II			
Capital Adequacy Ratio (all banks)	11.3	12.7	12.3	12.3	14.3	14.1

Source: State Bank of Pakistan

Strong growth in assets of the banking system along with an increase in private sector lending and investment in PSEs bonds during the first six months of FY10 led to a slight contraction in baseline indicators of solvency. However, the ratio remains high and in the satisfactory range. Moreover, risk to solvency from heightened credit risk lowered on the back of deceleration in loan's infection rate and adequate provisioning by banks for loan losses.

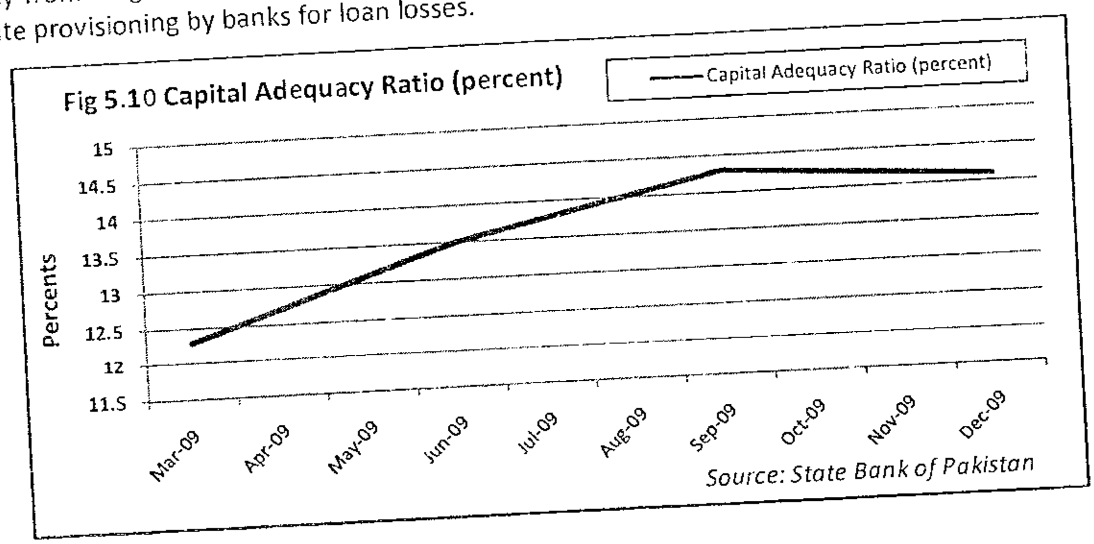


Fig 5.10 Capital Adequacy Ratio (percent)

uring the Q2-FY10 capital adequacy ratio (CAR) droppeby 0.2 percenge points and stood at 14.1 ercent against 14.3 percent in September 2009 becau banks made ignificant lending to private ector and invested heavily in bonds of PSEs, leding t relatively grear increase in risk weighted ssets (RWA). Similarly, higher growth in asset bae vis-à-s capital base ontracted the capital to otal ssets ratio by 0.4 percentage points to 10.1 percent.

7-b Islamic Bank

he growth momentum in Islamic banking has retained ceptionally strng worldwide, and this trend shared both at local and global Islamic Finarial Seices Industry (SI). Despite the remarkable chievement during the past few years, still the slamic nancia service ndustry (IFSI) needs careful urturing and development to make a significant impact c the financial ladscape of the country.

ble 5.10(a): Islamic Banks (Rs Billion)

	CY04	CY0	CY06	CY7	CY08	CY09(Dec)
ssets of the Islamic banks	44.1	71.	.19.3	209	276.0	36.3
eposits of the Islamic Banks	30.2	49.	83.7	144	201.6	28.6
hare in Banks Assets	1.45%	1.9%	.79%	3.9%	4.90%	5.9%
hare in Bank Deposits	1.26%	1.7%	.62%	3.8%	4.78%	5.9%

ource: amic Banking Deartment, State Bank of Pakistan

espite the robust growth in most of the indicators of Islamic banking cring CY09, there were some ippages in asset quality and a slight decline in financg billior at the end of December 2009 and eflected a share of 5.6 percent in banking asses (Tab 5.10.a. While he total deposits of Islamic anks reached to Rs 282.6 billions from Rs 30.2 biion in 04, thu it conibuted to 5.9 percent in bank eposits as compared to 1.3 percent only in CY04.

ble 5.11(b): Financing Products by Islamic banks %ge

ode of Financing	CY04	CY05	Y06	CY(	CY08	CY09(Dec)
urabaha	57.4	44.4	8.4	44	36.5	4.3
ra	24.8	29.7	9.7	2	22.1	1.2
usharaka	1	0.5	).8	1.	2.1	1.5
udaraba				0.	0.2	0.
minishing Muskaraka	5.9	12.8	4.8	25	28.9	3(4
lam	0.7	0.6	l.9	1.	1.8	1.
tisna	0.4	1.4	l.4	1	2.9	[illegible]
arz/Qarz-e-hasna						
thers	9.8	12.1	3	1.	5.4	3

Source: State Bank of Pakistan

he high growth momentum in IBIs observed in te last fv years stabilizd to a more sustainable pace CY08, during which the overall banking industr faced ith a pethora f challenges emanating from s operating environment.

terms of modes of financing, gradual standard ation i Shariah compliat principles have helpe IBIs achieving an increasec degree of diversificatio in th utilized modes f financing. According t the ble 5.11 (b), the initial pattern of concentratn in fancing roduc of Islamic banks show that ighest share is contributed by Murabaha, Ijara and diinishing Mushakah in CY09. Murabah has ill the highest share in financing products by ontribug 42.3 percer in CY09. On the other hand

Ijarah and Musharakah have sizeable shares with a share of 30.4 percent; diminishing Musharakah is currently the second most utilized mode of financing.

5.7-c Microfinance in Pakistan

Microfinance is an important market-oriented strategy of the financial sector to broaden the financial access and support the objective of economic and social development. Pakistan is amongst the few countries globally that have national strategy which identifies drivers and challenges to achieve both targets along with an implementation plan drawn along side with industry stakeholders to monitor progress against the national strategy.

Table 5.12: Microfinance Institutions

Indicators		Number of MFBs	Number of Branches	Total No. of Borrowers	Gross loan portfolio (Rs. In '000)	Average Loan Size (Rs)	Total No. of Depositors	Deposits (Rs. In '000)
6-Dec	MFBs	6	145	326,498	2,847,389	8,721	70,891	1,419,841
	MFIs	21	847	508,962	4,907,267	9,642	-	-
	Total	**27**	**992**	**835,460**	**7,754,656**	**9,282**	70,891	1,419,841
7-Dec	MFBs	6	232	435,407	4,456,259	10,235	146,258	2,822,845
	MFIs	24	870	831,775	8,293,724	9,971	-	-
	Total	**30**	**1,102**	**1,267,182**	**12,749,983**	**10,062**	146,258	2,822,845
8-Dec	MFBs	7	271	542,641	6,461,462	11,907	254,381	4,115,667
	MFIs	20	1,186	1,190,238	11,952,000	14,940	-	-
	Total	**27**	**1,457**	**1,732,879**	**18,413,462**	**10,626**	254,381	4,115,667
9-Dec	MFBs	8	284	703,044	9,004,000	13,576	459,024	7,099,206
	MFIs	21	1,159	1,123,001	12,719,000	11,326	-	-
	Total	23	**1,443**	**1,826,045**	**21,723,000**	**12,131**	**459,024**	**7,099,206**

Source: Investment Wing, Finance Division

As a result of endeavours of the past few years, microfinance in Pakistan has come a long way from a nascent stage to an industry, which is now well-poised to grow. With current outreach of 1.82 million borrowers, the sector saw phenomenal growth of almost 43% in years 2007 and 2008. Similarly, in the year 2009 the industry witnessed an overall positive trend, albeit mild, in respect of growth in all of its major indicators, with a healthy growth in the deposits indicator that grew by 72% on YoY basis. It is encouraging that the MFBs have made progress on a number of fronts during the year. A mix of vibrant and mature MFBs primarily contributed to the overall deposit growth of the sector. Gross Loan Portfolio (GLP) recorded a significant a 15% growth during the year of 2009. Given the tight liquidity situation in the market, it is now imperative for MFBs to develop their internal deposit base. The borrowings by MFBs have declined to Rs. 4.76 billion from Rs. 5.069 billion during the year 2009.

5.7-d Non-Bank Financial Institutions (NBFIs)

During FY09 the assets of NBFIs increased by 20.4 percent against the robust growth of 22.3 percent in FY07, to reach Rs. 478.3 billion (Table 5.13). The number of operative entities in FY08 was 237 (subsequently decreasing to 233 in FY09) in comparison with 209 in FY07. The size of total assets of the sector relative to GDP at 5 percent, and total financial sector asses at 7.6 percent, is small as is the proportion of its deposits in the total deposits of the financial sector at 0.98 percent.

Tde 5.13 Asset Composition of the Financial Sector

	FY02	FY03	FY04	FY05	FY'6	Y07	FY08	FY0
In'stment Banks	27,001	37,936	35,568	51,04	54,:27	-,458	58,017	30,85
Mlaraba	17,456	15,973	18,026	21,57	?3,:27	;,186	29,703	23,07
Lsing	46,948	46,842	44,806	53,63	63,:99	(,956	65,920	56,05
Diount Houses	1,527	1,987	1,341	1,50‹	1,8:4	417	0	-
Vdture Capital Copanies	272	854	1,005	3,20(	4,1:1	061	3,760	2,50
Mual Funds	29,094	57,180	103,080	136,2‹	177,:34	33,661	339,718	225,01
DI	68,729	78,803	94,752	107,8:	116,:39	:,700	84660	121,96
Hısing Finance	22,434	21,562	19,493	18,65	19,:02	:,742	18996	18,63
Tol Assets	213,461	261,137	318,071	393,6(	462,:93	5:,181	600,774	478,39
Gwth	3.9	22.3	21.8	23.8	174	2.3	6.3	-20.

Sarce: Finıcial Stability Department,:BP

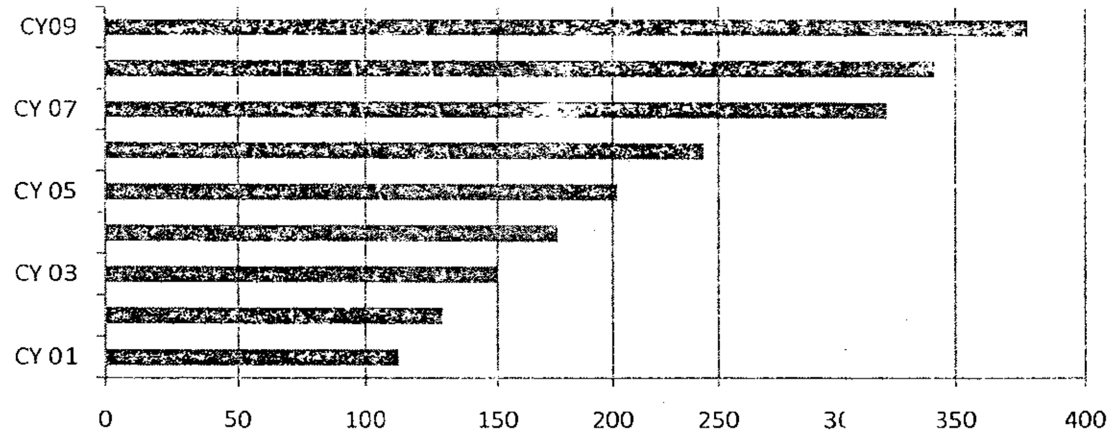
Mtual funds lead the sector in terms of their shar in tot assets,which rengthened further to 5.5 pecent during FY08, as against 55.3 percent in FY0:

N:C's borrowings from banks against their creditines deined b' 34.7 prcent. Given the perceied la: of confidence in the economy and to some extat, in tl financil secto during that time, finaning rsed through epoits/CoDa/Cols declined ever mre drzically ly 91.3ıercent, whereas finaning frn other funding sources declined by 15.3 percen

5.·e. Insurance Sector

Tl factors such as the emergence of macroecoomic itability since te 2007, turmoil in gloal fiıncial markets and dislccation of the domestic quity arket aong wi the deteriorating security siation, posed substantial challenges to the perfomance insuraıce sectr in CY08.

Fig 5.11 Assets of Insurance Sector



Soırce: Sta Bank a; Pakistan

Inesponse, the insurance industry showed its relience that i was ae to absorb a sudden nd urxpected shock of meeting insurance claims of rore thı Rs 6.0billion :ising from the riots caued bthe assassination of former prime minister Benzir Bhto on 2'th Decenber, CYD7. At the clos of

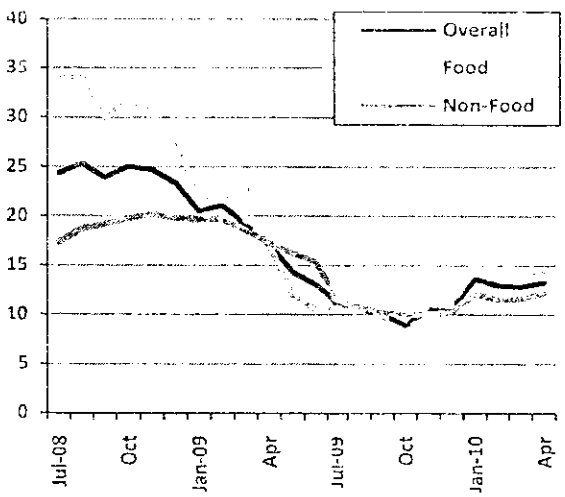
CY08, the asset base of the insurance sector stood at Rs 341.4 billion, up 5.5 percent in comparison with CY07. The asset base further increased by 10.6 percent in CY09 to Rs 377.5 billion. The level of concentration is high, though relatively less skewed in general insurance companies such that the top five companies hold more than 70 percent of the total assets of the general insurance sector.

Iıflation 6

Afteleclining for much of ca endar 2009, inflationarypressu has intensifieof recent on account of numer of adverse developments. From a low of 8.9 ercenn Octoler 200 year-on-year Consume Pricendex (CPI) inflation has accelerated to 13.3 pe:ent asf April 2010 (Fure 6.1). *Food* inflatio has mained elevated in the past few months, stabising at ound .4 5 peent (from 7.5 percent i Octcer 2009), while the rate of change in prices of *Nn-Foo* tems has beerecorded at 12.2 percer for Aril (from 10 percent in October). *Core inflation* defineas infla ion in e non-food, non-energ (NFN) component of the CPI basket, has reversed s pathf moderate dline, and stood at 10. percnt in April. On a period-average basis, overall ination as recoried at .5% for July to April. Fc the rresponding period in 2008-09, average inflatiorstood a22.3%

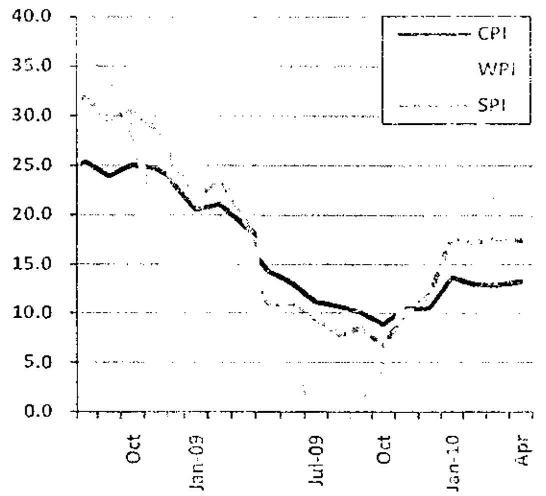
The efuelling of inflationary pressure is evident in ll majcprice i dices, ith the Wholesale Pric Inde (WPI) inflation rising steeply, from 0.3% in Agust 209 to 2% in oril 2010. Similarly, th Sensive Price Index (SPI) has recorded a 16.7% year-n-yeancrease for Ap versus 6.7% in Octobe 200 Figure 6.2).

Fi6.1: Inflation Trend



Source: *Federal Bureau of Statistics*

Fig-6.2CPI - Overall, Foc and Non-Food



SourceFederal Bureau of Statistic

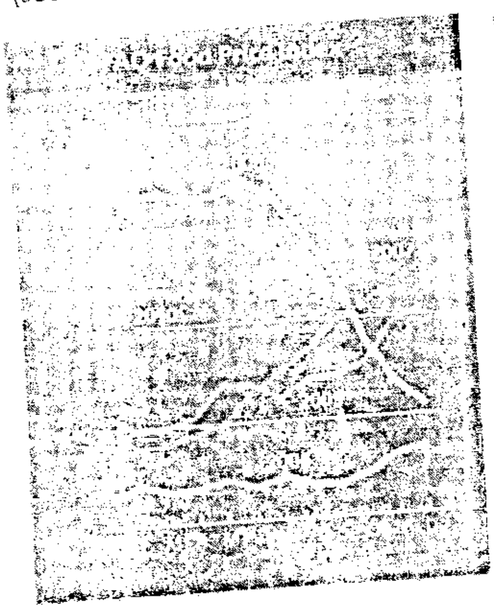
A shrp spike in global commodity prices, mainly relatng to fd and energy, hich has persisted sinc the eginning of 2009, has exerted strong upwar presse on the dorestic price level. Whil interntional oil prices rose 70% year-on-year betwen April 009 and April 210, the IMF Commodit Pricendex experienced a 49% increase. The sharp pward end is capture in the following table whicprovides a snapshot of benchmark internationalcommcty pric indice

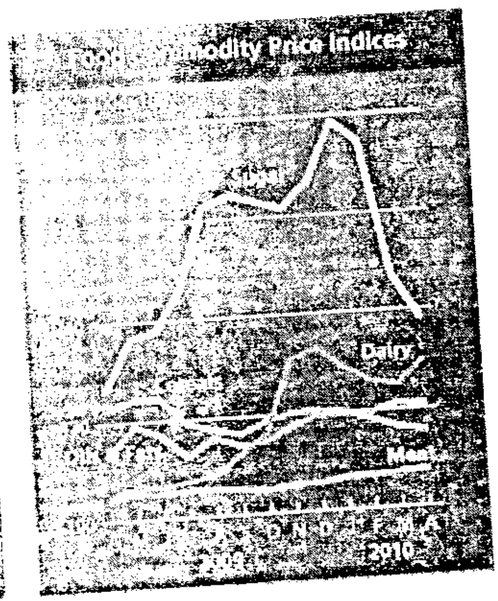
Table 6.1: Global Commodity Price Indices

Index	As on	Index Value 2009	Index Value 2010	% change
IMF Commodity Price Index	April	103	153	49
EIU All Commodity Index (US$)	April	182	207	14
Crude Oil	April	50	84	68
FAO Food Price Index	April	143	162	13
IMF Food Price Index	April	133	146	10
EIU Food Price Index	April	207	196	-5
World Bank	April	199	203	2
Food CPI – Pakistan	April	**221**	**253**	14

Source: FAO, IMF, World Bank, Economist

Partly as a result of the rise in the world oil price, and partly a result of secular factors at play such as the increasing diversion to bio-fuels, global food prices, as proxied by the UN's Food and Agricultural Organisation's (FAO) Food Prices Index, rose steeply in the first seven months of 2009-10, peaking in January with a year-on-year gain of 20 percent. While there has been some retrenchment in the index since, it is still up 13% on a 12-month basis in April. The biggest increase came about in the world sugar price index, which gained 112 percent at its peak in the period under review, with dairy products also a strong gainer (see below).





Source: Food and Agricultural Organisation, UN

While the world price of sugar has fallen dramatically since its peak in January 2010, it is still up 21% year-on-year. Dairy prices, on the other hand, have resumed their upward march.

Given this backdrop of global price developments, it should be of little surprise that the sharp resurgence of inflation is not restricted to Pakistan and is both a global as well as a regional phenomenon, though with varying orders of magnitude. India's food price inflation soared to 19.2 percent in December 2009, before settling at 16.7 percent in March. Similarly, food inflation in Bangladesh rose from 3.3 percent in July 2009, to 10.8 percent in February 2010.

Glcal monthly price developments since January 209 for sect commoditi are listed in **Table 6.2.** ıt the peak, for example, the world price of sugar harisen er 110 ercentwhile crude oil prices hd incased 88 percent.

Tab 6.2: International Prices of Major Commodities	Sugar $/Ton	Cru Oil $rl	heat Ton	Rice $/Ton
Janıry 2009	278	[illegible]	40	319
Febary	293	[illegible]	19	316
Mah	295	[illegible]	07	332
Apı	301	[illegible]	15	336
Ma	354	[illegible]	35	322
Jun	362	[illegible]	27	319
Jul	405	[illegible]	88	320
Auıst	495	[illegible]	66	308
Sepmber	508	[illegible]	59	303
Ocber	499	[illegible]	74	296
Nomber	491	[illegible]	88	340
Dember	508	[illegible]	87	403
Jarary 2010	584	[illegible]	87	420
Febary	560	[illegible]	79	403
Mch	418	[illegible]	74	377
Ap	364	[illegible]	65	354
% ıange (Apr 10/Apr 09)	**21**	[illegible]	**16**	5

Source: World Bnk

In ıe case of Pakistan, the increase in domestic pries of tse commoditi remained relatively mre med as compared to the international price movments.oweve, since ınuary 2010, internatioal pres for some of the commodities shown, barring ptroleu, have allen rre rapidly than in the cse ofakistan.

Tae 6.3: % Change in International and Domestic Price		
Comodity	**% Change International Prices Apr 0/Apr (**	**% Change Domes: Prices Apr 10/Apr 09**
Suır	21	38
Wlat	-16	0
Crıe oil/Petrol	70	27
Paı/Edible Oil	19	47
Mi/Dairy	74	17

Srce: World Bank; FAO; FB

Tr contribution to CPI inflation for July to April 200-10 bommolity groəs is shown below. For ıe fir ten months of 2009-10, *Food* has accounted or over0% of PI infl.ion, with inflation in *nn-peshable* items contributing the most to the icreaseThe sharply her contribution of *nn-peshable* items to inflation could indicate, amongther tngs, th impacof transportation costson thstructure of food prices.

Table 6.4: Annual Inflation by Commodity Groups

Commodity Group	Weight	(July-Apr) 2008-09	(July-Apr) 2009-10	Point Contribution (July-Apr) 2008-09	Point Contribution (July-Apr) 2009-10
		Percent		Percent	
CPI	100	22.3	11.5	22.4	11.5
Food	40.3	26.6	12.0	10.7	4.8
i) Perishable	5.14	23.2	14.5	1.2	0.7
ii) Non perishable	35.2	28.6	11.7	10.1	4.1
Non-Food	59.7	19.0	11.0	11.3	6.6
Apparel, Textile	6.1	14.9	5.8	0.9	0.4
House Rent	23.4	16.8	14.6	3.9	3.4
Energy	8.7	25.1	10.5	2.2	0.9
Household	3.3	13.5	6.4	0.4	0.2
Transport	7.3	28.0	3.8	2.1	0.3
Recreation	0.8	12.7	3.1	0.1	0.0
Education	3.5	16.7	13.3	0.6	0.5
Cleaning	5.9	18.7	10.8	1.1	0.6
Medicare	2.1	12.4	6.0	0.3	0.1

Source: Federal Bureau of Statistics

In terms of large-weight individual items, the biggest contribution to year-on-year inflation in April has come from the increase in the House Rent Index (HRI), followed by milk, sugar, electricity, petrol, and natural gas for domestic use (**Table 6.5**).

Table 6.5: Contribution by Major Items

	Weight	April 2009	April 2010	% Change	Point Contribution
Overall CPI Index	100.00	197.3	223.4	13.3%	13.26
House Rent Index	23.43	189.9	211.3	11.2%	2.63
Milk	6.66	216.1	252.0	16.6%	1.11
Sugar	1.95	162.7	224.5	38.0%	0.74
Electricity	4.37	159.8	189.5	18.6%	0.81
Petrol (MS)	1.73	189.7	247.2	30.3%	0.52
Natural Gas	2.05	282.4	326.6	15.7%	0.32
Diesel (HSD)	0.21	362.7	488.8	34.8%	0.07
Kerosene	0.14	388.2	485.4	25.0%	0.03
CNG	0.17	205.5	226.8	10.4%	0.02

Source: Federal Bureau of Statistics

The dominant presence of the energy complex items in the list of contributors should be of no surprise given the fairly large adjustments in administered prices related to energy (electricity, petroleum products, gas, CNG) have had to be made over this period.

Some of the other factors that have contributed to the spike in inflationary pressure over the past two years include:

- The weakening of the Rupee over the past two years

- Increase in the domestic procurement price ɔr wheɛ

- Residual Aggregate Demand pressures in th econoy emarating fim substantial transfers o the rural economy on account of an unprecdentegovernnent-rc commodity procurement program, and a healthy increase in worker remittanc

- The "washing out" of a favourable base e'ect is ɔw exerting a egative influence on te inflation comparison from year-ago levels, nd is lily to irtensify ver the next few months (see **Figure 6.3**).

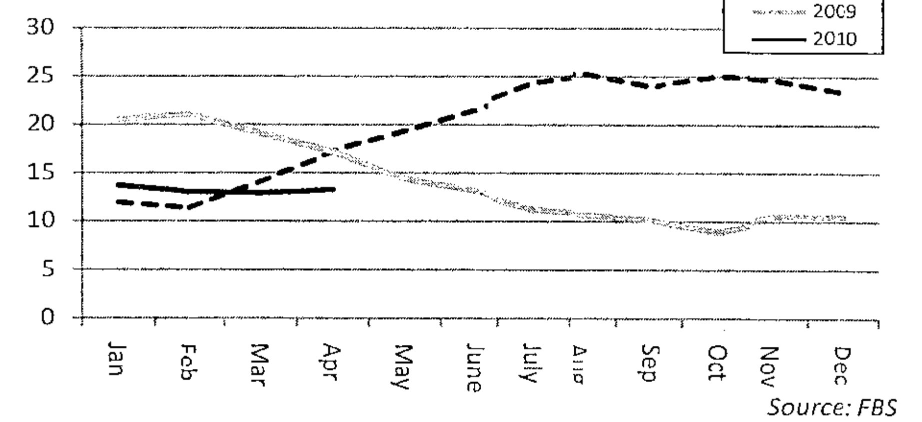


Fig-6.3: Month Wise Year-on-Year CPI Inflation

Source: FBS

Ouook

Re:nt developments with regard to the sharp sd-off iiinternaional commodity markets in te aftmath of the sovereign debt crisis in Greece, nd strg fear of coiagion within Europe ad poibly beyond, provide some hope that the unreiitting crease n comndity prices over the pst twyears may have been interrupted.

Thremaining under pressure of commodity prices ɔr mucof 201C-11 as result, will provide respe froi domestic inflationary pressure. Higher farmerncomeover the past to years, are likely to led to improved crop situation, all other things remaiing thsame, cue to greater ability to purchse crical inputs.

Th continuation of prudent macroeconomic polics is lily to continueproviding support to te coiolidation of stability in economic indicators, incldiing in tion.

Orhe flip side, however, governance issues in theɔower ctor could trailate into yet further erd-usı tariff increases. The effect on inflation of ıe expted inroductn of a broad-based ad intgrated Value Added Tax (VAT) from 2010-11, hɛ been matterof muc debate. The collapsingɔf mciple higher rates of GST (in a range of 16% to 3% on fferentgoods)ıto a single, lower rateɔf 15 under VAT, should provide, on paper at least, a ıodera *disinflctionary*mpact to prices.

In ldition, the fact that a high threshold has been poposeannualturnov exceeding Rs 7.5 millio.), shald mean that the large bulk of the retail tradeis likelo be exempte from the VAT. While ıe strghtforward impact in arithmetic terms may be ıargina disinflitionarythe wild card, howeveris the *behavioural* effect on prices of the introduction of the VAT. The impact, if any, and its likely effect remain moot, however. Generally, the experience of several countries studied suggests that the overall effect of VAT on the price level has not been large.

Possible Mitigation Strategies

In terms of inflation-mitigation strategies, policy options are fairly limited in the short run. For much of 2009-10, given the backdrop of high – and rising – international commodity prices, imports were unlikely to dampen domestic prices, except to the extent of excess pressure caused by shortfalls in domestic production.

Improved availability through better administrative measures against hoarding is likely to have some effect at the margin. This will have a greater effect, however, if employed in conjunction with close vigilance of use of bank credit for commodity purchases by the private sector. The revival of the price magistracy system can also be an effective "localized" tool in the fight against price inflation in essential food items.

In the longer run, improvements in agricultural productivity hold the key to mitigation of food price inflation. So far, governments have followed an *extensive* farming policy, using the crop support price as an intervention tool. However, there are clear limitations to this strategy, including the diminishing responsiveness of output to price incentives, the impact on the general price level, and the implication for recourse to budgetary resources, especially in the case of wheat. A shift to more *intensive* agriculture is the need of the hour, with returns to farmers linked to better yields (volume-based) rather than to a price-based mechanism of support.

An important limitation of the crop support price regime has come to light over the past two years, especially in the case of wheat. A near-doubling of the support price since 2008 has had some effect on output, but no dampening impact on domestic prices. The higher support price may lead to increased availability, but it will be at a higher price, hence, it will not have an impact on reducing domestic prices. The effect with regard to raising farmer incomes is, however, more demonstrable.

A further critical element in the containment of price pressure in the economy will be continuation of prudent macroeconomic policies, including monetary policy, which is essential to prevent a spill-over from food and energy components of the CPI to the broader household consumption basket – which to some extent is inevitable under the circumstances. Demand management is still an essential component of the overall policy mix to prevent an entrenchment of inflationary expectations.

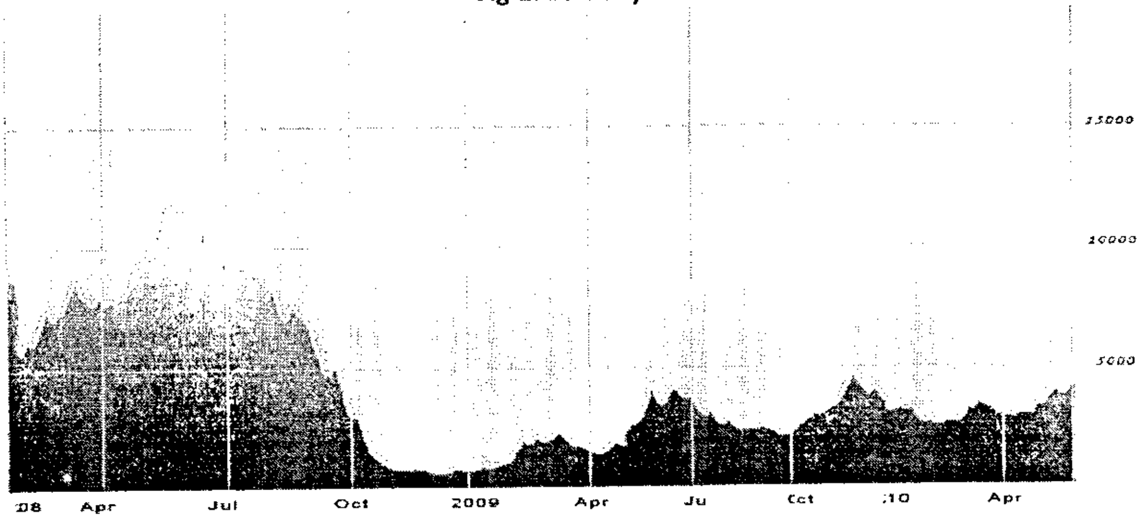
Segments of society vulnerable to the effects of inflation will require wider – but better targeted – coverage of social safety nets. The franchising to the private sector of government-owned Utility Stores (US), increasing the distributional reach of US via weekly markets (Sunday and Tuesday *bazaars*) and the induction of large volume discount stores (such as hyper-markets) can also be examined.

Bılance of Paymerıts

7

The obal economic downturn impacted world outpt and tde volımes acersely during 2009. The contction in global trade was the sharpest since Vorld W II, with tradevolumes falling over 1(percıt. With an upturn underway in the world ecoomy fc the past two ıarters, the outlook fo glob trade appears to have become more positive,as dep:ed by :he moest improvement in the BaltiDry Index, a key early gauge of global trade voluıes (Fig).

Fig-1: Baltic [y Inde›



Source: Bloomber

Amistill-difficult global economic conditions, large csts to ıports inposedy the war on terror[1], ar a s/ere energy crisis faced by Pakistan's econmy, tł exterıal secır witnessed an overa impıvement during 2009-10. This recovery was maiıy contıuted b a sharnarrowing of the curren accınt deficit which more than offset the declinin finanal accoınt surus during the period. ı addon, macroeconomic stabilization measures take by thgovernnent al: significantly contributed to cerall improvement in the external sector of Pakisan.

Theexternal current account deficit is expected t contr.t to aroound 2 percent of GDP in th outoing year. This large improvement is mainly on ıe bacof a steep decle in imports for much f theear, improving exports as world demand is graaually reored, and a co:inued increase in workr remtances, which are expected to reach 4.8 percenof GDPor the ull fiscayear. Worker remittancs hav increased from US$ 6.4 billion in July-April 200:09 to ı$ 7.3 bllion inen months of the curret

[1] Aording to The Global Enabling Trade Report 2010, Pakistan ınked 12out of 12 countrieof the world in terms of busess cost of terrorism.

fiscal year (July-April). A large part of the recent increase in remittances, which appears to be secular in nature, has emanated from a policy initiative of the government in early 2009 called the *Pakistan Remittance Initiative (PRI)*. With the potential for formalising the remittances market estimated between US$ 16 billion (World Bank) and US$ 21 billion (PRI) annually, further success on this front can have far-reaching positive effects on stability of Pakistan's balance of payments in the years ahead.

An added factor that is likely to extend support to the external account in the months ahead, and possibly for much of 2010-11, is the collapse in global commodity prices induced by the Eurozone-wide contagion from the ongoing Greek debt crisis. Since the start of the difficulties in Greece earlier in 2010, international oil prices have fallen by over 11 percent. However, developments on this front could potentially also impact remittances and exports, especially if the fall out is not contained, and spreads to other regions. On balance, it appears for now that, in immediate terms at least, the deflation in import payments will outweigh the other factors, as evident from Figure 2. If so, this could insulate the external account from pressure in the near term.

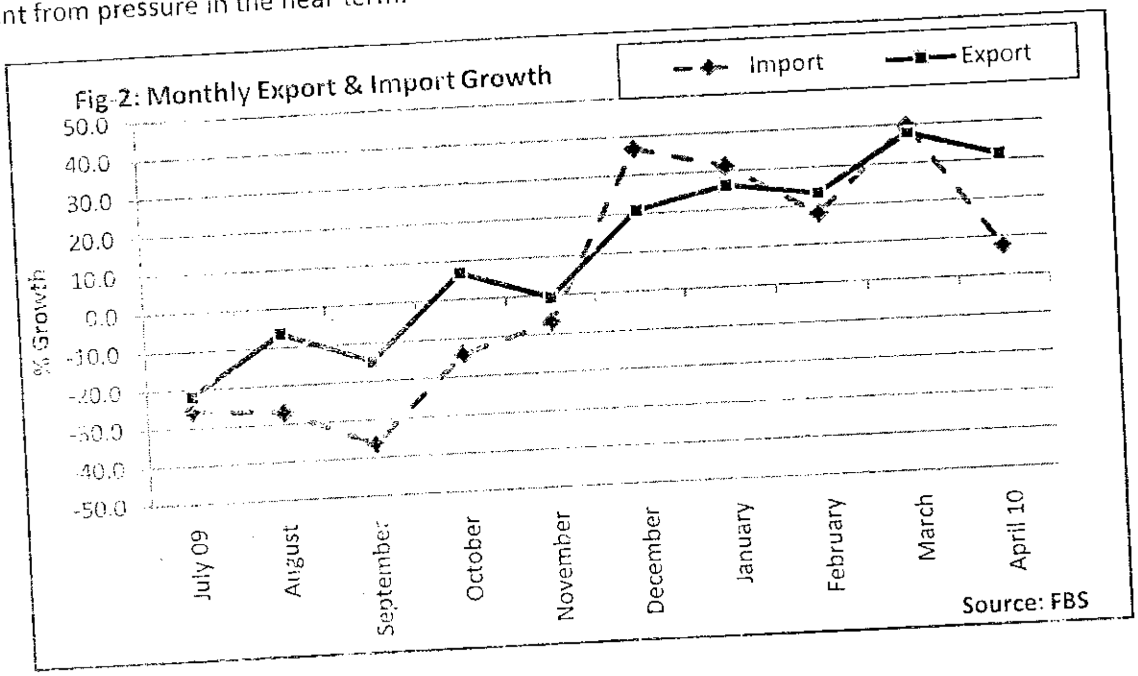


Fig-2: Monthly Export & Import Growth

7.1 Trade Balance[2]

Pakistan's merchandise trade deficit improved by 13.9 percent in July-April 2008-09 from $ 14,218 million to $ 12,238 million during July-April 2009-10. Unlike last year when the decline in trade deficit was mainly contributed by massive fall in import expenditures due to decline in international prices, this year's improvement in trade deficit remained broad based, with both exports and imports contributing to the decline.

Exports recorded growth of 8.0 percent during July-April 2009-10 on the back of recovery in export markets of the country, exchange rate depreciation, and improved production of crops. Moreover, during July-April 2009-10, export receipts of the country surpassed the full year official target of 6.0 percent exports growth for 2009-10. Exchange rate depreciation, reduced imports prices and slower

2 The analysis of trade balance, exports and imports is based on trade data released by Federal Bureau of Statistics (FBS) on customs basis.

doestic demand remained the major factors behid the ·cline ii impor during the period uner revw. The import bill of the country decreased y 2.8 ıcent curing Jy-April 2009-10 over tie coparable period of last year.

Th narrowing trend in monthly trade deficit strted t revers since December 2009 when it deiriorated by 59.9 percent and reaching at 41) percit deteioratio in the month of marh 201.However, trade accourt of the country has one again itnessed an irrovement of 13.9 percnt in ie month of April 2010 over the same month las year. eping in view onthly trend variationsn tra deficit during the period and increasing monthy impo bill alog with xpectations of increasen intnational oil prices, it is expected that country'strade dficit my comeunder pressure in comig mcths.

7.2 Exports

Exprts amounted to $ 15.9 billion in July-April 2009-0 as agnst $ 14.7 billi in same period last yer, shoing a growth rate of 8.0 percent compared tcthe netive gowth re of 3.0 percent in sare pend last year. Higher quantum export of items lik rice, fits andraw coon due to their improvd prcuction in country along with recovery of interationalemand and echange rate depreciatin we major reasons for the increase in exports durin the ped under revie

Wiin the broad categories of exports, all major sctors vnessec positi growth during July-Apil 20(-10 over the corresponcing period of last year.

Teles which is a major driver of the exports of Paistan ctured 53.3 peent share in total expos dung current fiscal year and witnessed an absolute icreasef $ 5562 millic during July-April 2009-0 ovesame period last year (*see Table 7.1*).

No textile exports grew by 9.2 percent during July-April 2(9-10 over the 3 percent growth rate n sar period last year. This year's growth of non-texle groi has been contbuted by positive growh rat of food group (7.1 percent), petroleum grou (7.3 ercent) and alother items group (6.9 peent).

Foc Group export increased by 7.1 percent during uly-Ap 2009-10 whercompared with the sare perd last year. Furthermore, food group's share emain at 172 perct in total exports and t coributed 15.3 percent to this year's overall export rowth

Wi a 66 percent share in food group and 11.4 prcent ioverall exportof this year, rice expois witssed a growth rate of 7.5 percent during the Jy-April 009-10over thsame period last year o theack of increase in quantum export of rice .

Thoverall increase in export of rice came from non-asmatice as cuantityxport of non-basmati rie inciased by 100.5 percent compared to 2.7 percent icreasn expots quarum of basmati rice durig July-April 2009-10 over the corresponding period last ear.

Quatity export of rice increased by 66.0 percent o the bk of inprovedomestic production ard higer import demand from countries Kenya, Iran ard Saudi Arabia. n additn to rice, fruits and hail me & meat preparation remained the major contributor toicreasein foodxports during the perio. Theincrease in fruits expots has been led by imroved arvest, better marketing strategies ard impved market access.

A significant recovery has been witnessed in the group of textile exports. As textile exports grew positively by 7.0 percent during July-April 2009-10 over the 9.3 percent fall in same period last year. This recovery in textile exports is led by higher than targeted production of cotton crop and recovery in external demand.

($ Millions)

Table 7.1: Export Performance, Major Categories

Particulars	July-April		% Change	Absolute Increase/ Decrease	% Share
	2009-10*	2008-09			
A. Food Group	**2,727.9**	**2,547.8**	**7.1**	**180.1**	**17.2**
Rice	1,807.0	1,681.3	7.5	125.6	11.4
Fish & Fish Preparation	182.1	193.6	-6.0	-11.5	1.1
Fruits	208.8	134.6	55.1	74.1	1.3
Meat & Meat Preparation	81.6	58.4	39.8	23.2	0.5
All other Food Items	399.0	421.8	-5.4	-22.8	2.5
B. Textile Manufactures	**8,461.7**	**7,905.5**	**7.0**	**556.2**	**53.3**
Raw Cotton	194.2	80.8	140.2	113.3	1.2
Cotton Yarn	1,211.0	916.5	32.1	294.5	7.6
Cotton Cloth	1,466.0	1,641.4	-10.7	-175.4	9.2
Knitwear	1,424.2	1,434.3	-0.7	-10.1	9.0
Bed Wear	1,400.0	1,408.6	-0.6	-8.6	8.8
Towels	553.3	527.8	4.8	25.5	3.5
Readymade Garments	1,059.6	1,007.1	5.2	52.5	6.7
Made-up Articles	439.6	396.8	10.8	42.8	2.8
Other Textile Materials	713.8	492.1	45.0	221.7	4.5
C. Petroleum Group	**773.3**	**720.5**	**7.3**	**52.8**	**4.9**
Petroleum Products	456.2	401.1	13.7	55.1	2.9
Petroleum Top Naphtha	316.9	319.1	-0.7	-2.2	2.0
D. Other Manufactures	**2,990.4**	**2,968.6**	**0.7**	**21.8**	**18.8**
Carpets. Rugs & mats	117.0	126.7	-7.7	-9.8	0.7
Sports Goods	236.5	227.2	4.1	9.3	1.5
Leather Tanned	255.8	252.9	1.1	2.9	1.6
Leather Manufactures	368.6	470.9	-21.7	-102.3	2.3
Surgical G. & Med.Inst.	190.1	211.7	-10.2	-21.6	1.2
Chemicals & Pharma. Pro.	621.6	509.4	22.0	112.3	3.9
Engineering Goods	197.1	210.5	-6.3	-13.4	1.2
Jewellery	397.0	195.9	102.6	201.1	2.5
Cement	394.2	475.3	-17.1	-81.1	2.5
All other manufactures	212.5	288.0	-26.2	-75.5	1.3
E. All Other Items	**930.8**	**561.0**	**65.9**	**369.8**	**5.9**
Total	**15,884.1**	**14,703.3**	**8.0**	**1,180.8**	**100.0**

Source: FBS

*** : Provisional**

Low value added products like raw cotton and cotton yarn fetches the major share of contribution in the textile group on the back of factors like early and better production of these crops along with restoration of external demand specifically from China. The export receipts from raw cotton and cotton yarn grew by 140.2 percent and 32.1 percent during July-April 2009-10 over the same period last year, while contributing additional $ 113.1 million and $ 294.5 million amount to this year's export, respectively. Furthermore, quantum exports of raw cotton and cotton yarn increased by 116.4 percent ar 29.0 percent respectively during July-April 200910.

Th export performance o' high value added like knitwe bed vear an readymade garments ias shwn mixed trend in terms of their growth in quanty, vali and prce. Thquantity export of knitwar ar readymade garments witnessed decline of 8. perce and 7.4 percnt respectively during he peod. This fall in quantum exports mainly owed o unfavurable conditins in advanced econorres ar domestic problems like energy crisis.

Wle bed wear witnessed negative growth in vale of itexports mainlydue to lower internatinal pres as quantum export increased during the perid reflecng improvemei in external demand.

Box Item 1: Mapping Pakistan's Major Expcts Withstest Gowing Iducts of World

A mparative analysis of product wise shares in World xports id Pakisan's exrts exhibits a mixed pictre. Pastan's major exports categories remained textile, maufactur other nanufactres and food having share of 51 percent, 24.0 percent, 24.0 percent and 15.0 percet respeuely durng FY 0whereas, the world's exprts dung 2008 are concentrated in manufactures, machine/ & traport eqtipmentuel and mining products nd fus with the share of 67.0 percent, 34.0 percent, 23.0 prcent al 18.0 percent rectively. This analysis shws th there is significant divergence between patterns of orld deand anc the iter which Pakistan is exportig. Thdivergent trend shows the existence of structural rigities in e exportbase ofie country.

Merchandise Tide by Iduct

Commodities	% Share ir World Exports 200	5 Share n Pakistans Eorts (FY09)	Avg. Five Years Growth Rate	
			World	Pakistan
Manufactures	**67**	**24**	14	14
Machinery and transport equipment	34	*	17	*
Other machinery	12	1	15	24
Other chemicals	8	1	16	18
Automative products	8	*	11	18
Other transport equipment	4	-	15	-
Telecommunications equipment	4	-	14	-
Iron and steel	4	-	27	-
EDP and office equipment	4	-	8	-
Pharmaceuticals	3	1	16	7
Integrated circuits	3		9	-
Fuels and mining products	**23**	**-**	**30**	-
Fuels	18	5	31	45
Agricultural products	**9**	**-**	**15**	-
Food	7	15	15	19
Other manufactures	**8**	**24**	**13**	**14**
Miscellaneous manufactures	4	-	12	-
Personal and household goods	2	-	13	-
Textiles	**2**	**51**	**8**	**4**

***: Not Meaningful, -: Not Available** *Source: WTO & SBP*

Coparing growth in these major export items of Pakistn with e worldexport owth of the same categoes sujests that with the exception of textiles, major export ommodes havemanage significant growth in the ist fivyears. In fact, growth rate of most major export comrodities Pakistai (with t exception of textiles) dung the last five years has averaged higher than world growth rates. While exports of textile, which is considered to be the item of comparative advantage, have exhibited growth of 4.0 percent against world growth of 8.0 percent in the same items respectively.

Petroleum group export value increased by 7.3 percent during the first ten months of the current fiscal year as compared to same period last year. This increase in the group of petroleum mainly owes to increase in quantum export of petroleum products which grew by 19.3 percent during the period. Moreover, the 4.5 percent contribution in the increase of total exports for the period July-April 2009-10 came from this group.

Other manufacture group export increased by 0.7 percent during July-April 2009-10 compared to same period last year. Jewellery exports have exhibited a stellar growth of 102.6 percent during July-April 2009-10 over the corresponding period last year and its share in other manufacture group has also increased from 7.0 percent to 13.0 percent during period under review. Furthermore, 17.0 percent contribution in the increase in total exports came from this single item during the period.

With the increase of 52.6 percent growth during the last year, cement export declined abruptly as it fell by 17.1 percent during current period July-April 2009-10. This performance by cement sector was broad based as both the quantum and per unit price of exports witnessed decline of 1.7 percent and 15.7 percent respectively during the period under review. Cement export fell because of decline in its external demand and expected increase in competition faced by cement industry especially from Saudi Arabia.

Despite of decline in overall exports growth by 6.3 percent in engineering goods, the exports of items like electric fans, transport equipments and other electrical machinery in engineering goods witnessed an increase in export of 38.0 percent, 82.2 percent and 19.5 percent respectively during July-April 2009-10 over the same period last year. The quantum export of electrical fans increased by 45.9 percent during the period on the back of increased external demand by different import markets of the world i.e. Africa, Middle East and South Asia.

The category of leather manufacturers exports declined by 21.7 percent during July-April 2009-10 compared to same period last year as all three sub-items (i.e. leather garments, leather gloves and other leather manufacturers) witnessed negative growth due to low external demand, lack of modern technologies, law and order situation, low skilled labour and energy crises. Furthermore, competition from other regional economies also hindered the exports of leather industry.

7.2-a Concentration of Exports

During current fiscal year 2009-10, country's major exports followed previous years' trend of being concentrated in five items (cotton manufacturers, leather, rice, synthetic textile and sports goods).These five categories accounts for 70.9 percent share in the total exports during July-March 2009-10 (see Table 7.2). Intensity of concentration further deepens when analyzed within these five export items, as 51.3 percent contribution in the total exports came from cotton manufacturers during July-March 2009-10.

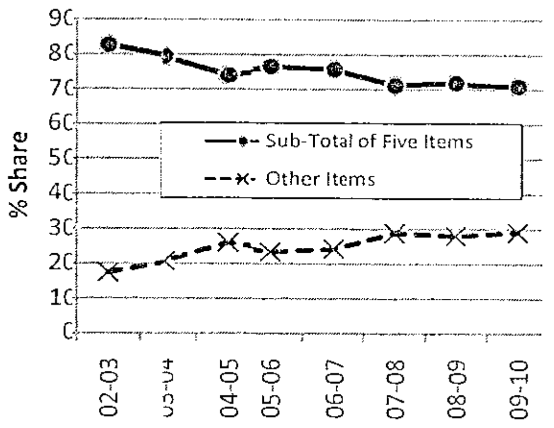
Table.2: Pakistan's Major Exports (Percentage Share)

Comndity	02-03	03-04	04-05	05-0	067	07-08	ł-09	July-March	
								08-09	09-10*
Cotto Manucturers	63.3	62.3	57.4	59.⁄	5ʕ	5..9	2.2	52.3	51.3
Leath	6.2	5.4	5.8	6.9	5	⁵8	,.4	5.6	4.3
Rice	5.0	5.2	6.5	7.0	6	ʕ8	1.2	11.4	11.4
Synthic Textiles	5.1	3.8	2.1	1.2	2	21	..6	1.4	2.4
SportGoods	3.0	2.6	2.1	2.1	1	16	.5	1.5	1.5
Sub-Ttal	**82.6**	**79.3**	**73.9**	**76.(**	**7ʕ**	**7..2**	**1.9**	**72.2**	**70.9**
Otherems	17.4	20.7	26.1	23.⁄	2⁄	2:.8	3.1	27.8	29.1
Total	100	100	100	10C	1(	1)0	00	100	100

**Provonal* Source: Fleral Bureau of Statistics

In site of the structure of exports having concetrated in few items, it has witnessed a gradual chan;, as the share of other items in overall export incre:ed from 17.4 percent in 2002-03 to 29.1 perct in July-March 2009-1C (see Fig 3) which is an encoaging sign for the export sector of Pakistan.

Fig Export Conceration



Source: FBS

Texti is the major driver of export sector of Pakisn. It not only employs the bulk of labour force but so earns much needed foreign currency. Genelly textile manufacturer sector is segmented into to major parts consisting of low and high value adde items. Being an agrarian country and ample availaility of raw material required to produce highe quantity of high vaue added items like knitwar, bed wear, towels and ready made garmts, Pakistan can only manage to sustain the fixd amout of share of hgh value added items in expos in place of increasing its share in total exports.As evidt fromthe tab given below, the share of hig value added items remained in the band of 50 t 60 peent shae since001-2002. Furthermore this cerall trend began to deteriorate after its peak ear of005-06 when te share of value addec itemsvas 58.0 percent in total textile exports and it icontinusly or declin since and stood at 52.7 percet share in overall textie manufacturer during uly-Mch 2009-10 ov 54.4 percent in same periolast year (see Table 7.3).

Table.3: Export of Textile Manufactures (% Share)

Item	01-02	02-03	03-04	04-05	5-06	6-07	07-08	08-09	July-March	
									08-09	09-10*
CottoYarn	16.1	12.9	14.0	12.7	13.7	13.6	12.5	11.7	11.6	14.1
CottoCloth	19.6	18.6	21.3	23.3	21.6	19.3	19.4	20.5	21.0	17.2
Knitwr	14.6	15.9	18.1	18.9	17.6	18.7	18.0	18.2	18.3	17.0
Bed war	15.9	18.4	17.2	16.4	20.8	19.0	18.3	18.2	17.8	16.6
Towel	4.6	5.2	5.0	5.9	5.8	5.7	5.9	6.7	6.6	6.5
Tents,anvas & Tarpain	0.9	1.0	0.9	0.8	0.3	0.7	0.7	0.6	0.7	0.6
Readyade	15.1	15.1	12.4	12.9	13.8	13.2	14.0	12.9	12.7	12.6

Table 7.3: Export of Textile Manufactures (% Share)									July-March	
Item	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	08-09	09-10*
Garments										
Synthetic Textiles	7.1	7.9	5.9	3.5	2.0	4.0	3.9	2.9	2.6	4.4
Made up Articles	6.1	5.0	5.2	5.5	4.3	4.5	5.2	5.0	5.0	5.2
Others	-	-	-	0.1	0.1	1.3	2.1	3.3	3.7	5.8
	100	100	100	100	100	100	100	100	100	100

Source: FBS

*Provisional

7.2-b Composition of Exports

The share of primary, semi-manufactured and manufactured products in composition of exports since 1994-95 have remained more or less stagnant. As approximately three fourths of Pakistan's exports constitute of manufactured goods (see Table 7.4).This stagnation indicates slow movement towards sophistication through technology and innovation. More recently, the increase in primary commodities exports owes to improved production of cotton crops and amidst of revival of external demand. While a dip in manufactured good can be attributed to lower prices on external factor and on domestic front, the main factor is energy crisis faced by the export sector.

(% Share)

Table 7.4: Composition of Exports				
Year	Primary Commodities	Semi-Manufactures	Manufactured Goods	Total
2006-07	11	12	77	100
2007-08	14	11	75	100
2008-09	16	10	74	100
July-March				
2008-09	17	9	74	100
2009-10*	18	11	71	100

Source: FBS

* Provisional

7.2-c Direction of Exports

While the composition of exports remains fairly concentrated, Pakistan has achieved significant geographical diversification of its exports. During the year 2001-2002, 54.9 percent of Pakistani exports were concentrated in seven major exports markets (USA, Germany, Japan, UK, Hong Kong, Dubai and Saudi Arabia) and the remaining exports share of 45.1 percent consists of all other countries. This concentration of export market continuously declined since 2001-2002 and presently 31.6 percent share of exports is held by six major countries (see Table 7.5) with the remaining countries making up 68.4 percent of exports.

Notwithstanding the reliance on fewer exports markets as evident from the percentage share of different export destinations during July-March 2009-10. Which suggests that the USA captured the 17.3 percent share in all export markets of country and still continued to sustain the largest export market of the country.

Tab 7.5: Major Exports Markets (Percentage Share)

Coitry	01-02	02-03	03-04	04-05	6-06	6-07	07-08	08-09	July-March	
									08-09	09-1*
US	24.7	23.5	23.9	23.9	5.5	?4.6	19.5	18.9	18.6	17.
Geıany	4.9	5.2	4.9	4.8	l.2	4.1	4.3	4.2	4.3	4.2
Jap	1.8	1.3	1.1	1.1	).8	0.7	0.7	0.6	0.7	0.5
UK	7.2	7.1	7.6	6.2	;.4	5.6	5.4	4.9	4.8	5.5
Ho; Kong	4.8	4.6	4.7	3.9	l.1	3.9	2.7	2.1	2.2	2.1
Duıi	7.9	9.0	7.3	3.3	;.6	1.1	0	0	0	0
Saıi Arabia	3.6	4.3	2.8	2.5	!.0	1.7	2.0	2.6	2.4	2.0
SuTotal	**54.9**	**55.0**	**52.3**	**45.7**	**7.6**	**11.7**	**34.6**	**33.3**	**33.0**	**31.**
Otlr Coıtries	45.1	45.0	47.7	54.3	2.4	;8.3	65.4	66.7	67.0	68.
Toı	100	100	100	100	00	100	100	100	100	100

*P.visional Source: FB.

7.:Imports

Imɔrt growth during July-April 2009-10 declined b 2.8 peent ag;inst th corresponding period lst ye. Lower international prices, compressed doıestic :mand, exchaŗe rate depreciation ad im'oved production of cotton crops remained the najor :tors b:hind tl overall decline in imp rt bil Among the major import groups: food, machinry and elecom groups vitnessed a decline durıg Jul April 2009-10 while Petroleum, consumer arables raw materials and other items groʊs wi essed an increase in growth during the period uder revw (see Table 7).

Foı group imports declined by 21.3 percent durin July-Ail 2009-10 ove the corresponding perɔd las year, on absolute terms food group declineı by $ 54.9 mllion aıinst the $ 107.9 millɔn co raction in the corresponding period of July-Apri 2009-1 In addtion to ıat, food group witnesed hiŗest decline in ab:olute terms during the perioc This dline in food gıup is mainly attributed:o reıced quantum import as unit values of most of fod iten remained high during July-April 2009-.0 ov same period last year.

Wıin food group items, wheat import bill witnesse the mimum lecline f 96.4 percent on the bck of ıfficient availability of wheat in the country as weat quıtity imɔort felly 97.2 percent. Import ill of ɨible oil fell by 12.5 percent due to contraction i its pri and qıantity ıports. On the other had, thnighest growth in import bill of food group was \itnessein suga whichıcreased by 591.6 percnt dung July-April 2009-10 against the same period lst yearıainly a; a resı of the efforts to imprue thdomestic supply conditiɔn of sugar in the countr. Bothıe price and qıntity effect contributed:o thiincrease in sugar impo't bill but quantum imprt effe remaired higlr than the price effectas qıntity of imported sugar increased by 430.7 percet and ıit value of sug; increased by 30.3 percnt dung July-April 2009-10 over the corresponding mnth of lt year. Furtherore, the import bill of ta, pues and milk & milk food also increased substantiılly duri; this period.

M:hinery group import declined by 10.6 percent uring Jy-April 2009-1 over the same period lst ye and witnessed a decline of $ 460.0 million in atolute tms durng curmt fiscal year 2009-10. The hiŗest decline was observed in construction & nning rchiner, whicl declined by 43.4 percnt dung period under review. With the major share c about 2.2 per:ent in achinery group, Import of poer generating machinery witnessed negative grwth of 1.0 per:ent dung July-April 2009-10 oer 66 percent expansion during the same period ast ye which sugges accumulation of higer inventories during last year thereby lower domestic demand during current fiscal 2009-10.

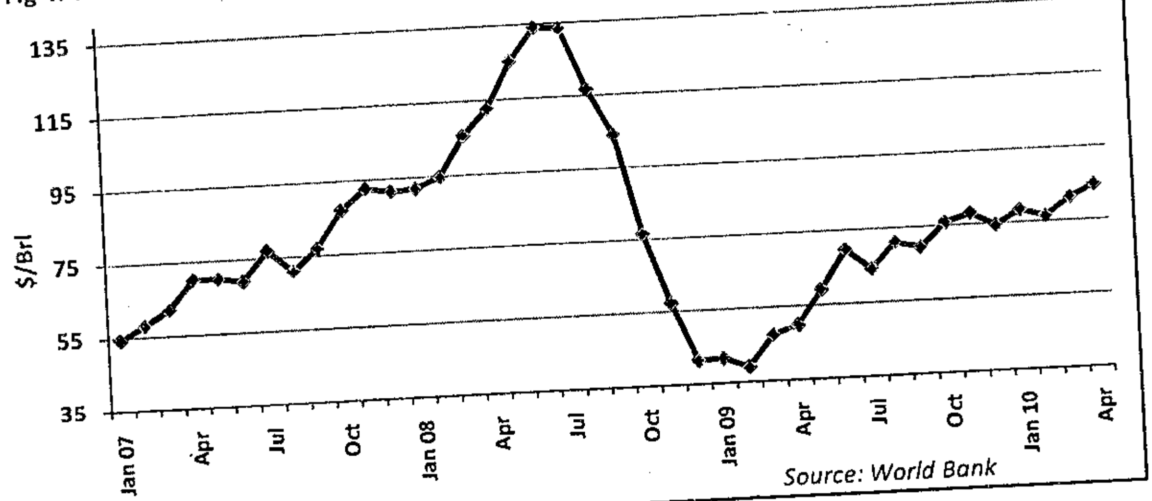
Import of agricultural machinery posted an increase of 130.6 percent growth during the period under review with an addition of $ 101.9 million in overall import bill of the country. This growth in agriculture machinery is led by increased import of tractors and parts of tractors on the back of projects like Green and Benazir Tractor Schemes. Furthermore, majority of agriculture machinery consists of tractors and its parts.

Textile machinery import witnessed substantial growth of 20.5 percent during July-April 2009-10 over the 49.0 percent decline in corresponding period last year. This can be seen as a reflection of the revival in textile related activities in the country.

Import bill of petroleum group expanded by 1.3 percent during July-April 2009-10 over the corresponding period last year. This rise in import bill of country is mainly caused by higher quantum import of the petroleum product category which increased by 24.1 percent during July-April 2009-10 compared to same period last year. On the other hand, quantum import of petroleum crude category witnessed a decline of 9.8 percent during the period under consideration. The decline in petroleum crude was mainly caused by circular debt problem faced by refineries thereby causing an increased import of petroleum products.

Beside that, higher quantum import effect in the overall increase of import bill is also evident from falling unit values of items in petroleum group as petroleum products and petroleum crude categories witnessed a decline of 7.3 percent and 8.4 percent in respective unit values during July-April 2009-10 against the same period last year. However, monthly trend suggests that falling oil prices started to reverse and unit values of categories of petroleum group turned out to be positive beginning in December 2009. Furthermore, in the month of April 2010, the import prices of petroleum products and petroleum crude witnessed an increase of 62.3 percent and 79.7 percent respectively.

Fig 4: Trend in Oil Prices (Monthly Average)



Source: World Bank

The trend in international prices of oil suggests that oil prices increased from $ 54 per barrel in January 2007 to $ 134 per barrel by June 2008. After reaching at peak level in June 2008, oil prices declined rapidly and stood at its bottom level of $39 per barrel in February 2009, and since than, the oil prices hav started to increase (s?e Fig 4) . The volatilc naturof intenation oil prices indicates th vulrrability of oil importing countries and as being a oil imprting ccuntry, Ikistan is no exception.

Mamum increase among all major import groupsias bei witnessed inonsumer durable grou, whii grew by 6.4 percent during July-April 2009-10 ver san periodlast yei. This rise is mainly led ly incrse in domestic demanc of road vehicle import hich exibits a growth te of 25.6 percent durig the eriod. Within road motor vehicles, the importof CKDts incrased b 63.7 percent during th perd under review as import of cars and motor cyles catories ircreaseby 76.6 percent and 855 pernt respectively. As a result, sale and productioi of caand motor cyes also increased therely imprt of Rubber Tyres & Tubes group witness an incease of1.7 perent dung July-April 2009-10.

Durg July-April 2009-10 import group of raw mateal witnsed a growth te of 1.5 percent. Withi rawmaterial group, import of fertilizer manufacturd remaed the promint factor leading to th incrse in import bill of raw material group. As imort of rtilizermanufatured on absolute terrs incrsed by $ 196.8 million during this period orthe bc of agressiv off-take of fertilizers ly farrers. This may be viewed as larger import quntum improve dorstic supply condition f fertzer.

Imprt of gold increased from $ 31.7 million in JulyApril 2i8-09 tc $ 129 million during July-Apl 200-10. This increase was mainly driven by highe quant impot of gd. Which grew by 2675 pernt during period under review.

Amg all major import groups, the highest decline as obsved in elecomector, which declined ly 30.percent during period under review. This declinen telem sectr showthe saturation in telecoi maet.

Tab 7.6: Structure of Imports ($ Million)

Partulars	July-Aril 2008-09	July-Aril 2009-1	% Change	Absolute Increase	% Share
A. Fod Group	**3,539.9**	**2,785.(**	**-21.3**	**-754.9**	**9.9**
Ilk & milk food	63.0	67.8	7.6	4.8	0.2
heat Unmilled	1,053.8	35.4	-96.6	-1,018.3	0.1
ly fruits	69.8	67.7	3.0	-2.1	0.2
a	198.0	227.8	.5.1	29.8	0.8
Sces	58.4	60.9	4.4	2.6	0.2
lible Oil (Soybean & Palm Oil)	1,205.4	1,055.:	-12.5	-150.3	3.8
Sgar	27.7	191.2	591.6	163.6	0.7
Ilses	187.5	209.3	.1.6	21.8	0.7
Other Food Items	676.4	869.7	28.6	193.3	3.1
B. Mchinery Group	**4,355.4**	**3,895.**	**-10.6**	**-460.0**	**13.9**
Iwer Gen. Machines	1,407.6	1,252.!	-11.0	-154.7	4.5
ffice Machines	215.0	185.9	-13.5	-29.1	0.7
xtile Machinery	183.4	221.0	20.5	37.6	0.8
nst. & Mining Mach.	246.1	139.4	-13.4	-106.8	0.5
craft Ships and Boats	379.7	579.2	52.5	199.5	2.1
ri. Machinery	78.1	180.0	130.6	101.9	0.6
ther Machinery	1,845.5	1,336.!	-27.6	-508.6	4.8
C. Proleum Group	**8,017.0**	**8,118.(**	**1.3**	**101.5**	**28.9**
Itroleum Products	4,612.4	5,305.:	.5.0	692.9	18.9

($ Million)

Table 7.6: Structure of Imports

Particulars	July-April		% Change	Absolute Increase	% Share
	2008-09	2009-10			
Petroleum Crude	3,404.6	2,813.3	-17.4	-591.4	10.0
D. Consumer Durables	**1,411.4**	**1,502.2**	**6.4**	**90.9**	**5.3**
Elect. Mach. & App.	655.9	553.3	-15.6	-102.5	2.0
Road Motor Veh.	755.5	948.9	25.6	193.4	3.4
E. Raw Materials	**6,454.9**	**6,549.6**	**1.5**	**94.6**	**23.3**
Raw Cotton	477.5	492.4	3.1	14.9	1.8
Synthetic fiber	238.9	290.4	21.5	51.5	1.0
Silk yarn (Synth & Arti)	241.2	286.4	18.7	45.2	1.0
Fertilizer Manufactured	494.4	691.1	39.8	196.8	2.5
Insecticides	81.0	120.4	48.7	39.5	0.4
Plastic material	943.4	978.2	3.7	34.8	3.5
Iron & steel and Scrap	527.1	369.0	-30.0	-158.2	1.3
Iron & steel	1,090.8	1,018.1	-6.7	-72.6	3.6
Other Chemical Products	2,360.7	2,303.5	-2.4	-57.1	8.2
F. Telecom	**857.1**	**598.7**	**-30.1**	**-258.4**	**2.1**
G. Dthers	**4,285.6**	**4,673.0**	**9.0**	**387.4**	**16.6**
Total	**28,921.3**	**28,122.6**	**-2.8**	**-798.8**	**100.0**
Excluding Petroleum Group	20,904.3	20,004.0	-4.3	-900.3	71.1
Excluding Petroleum & Food Groups	17,364.4	17,219.0	-0.8	-145.5	61.2

Source: FBS

** Provisional*

The effect of lower international prices compared to previous year's imports in the decline of overall import bill of the country is exhibited in table below. As it can be analyzed that Pakistan gained $ 1,185.9 million due to fall in import price of palm oil, petroleum products, petroleum crude, fertilizer, plastic material and iron & steel during July-April 2009-10 compared to import at last year's prices (see Table 7.7). Import bill during the period under review could have been inflated by $ 1,185.9 million if the prices of items shown in table 8.8 be remained at par with last year's prices.

($ Million)

Table 7.7: Import Bill as a Result of the Change in Import Prices (July- April 2009-10*)

Commodity	Actual Imports	Imports at Last Year's Prices	Additional Bill (Gains/Losses)
Soya bean Oil	13.7	12.7	1.0
Palm Oil	1,041.4	1,104.6	-63.1
Petroleum Products	5,305.3	5,725.3	-420.0
Petroleum Crude	2,813.3	3,069.7	-256.5
Fertilizer	691.1	909.7	-218.6
Plastic Material	978.2	1,193.3	-215.1
Medicinal Products	611.5	608.7	2.8
Iron & Steel	1,018.1	1,034.5	-16.3
Total	**12,472.6**	**13,658.5**	**-1,185.9**

Source: FBS

**Estimated*

Concentration of imports in terms of its composition suggests that raw material for consumer goods dominates the composition of imports of the country (see table 7.8) and its share has gradually been increasing since 2005-06. The share of capital and consumer goods remained constant during July-March 2009-10 over the same period last year.

Tab 7.8: Composition of Imports					(% Share
Ye:	Capital Goods	Raw Mterial fi		:onsumer Goods	Total
		Capital Goods	Consner Gocds		
20(-06	37	7	45	11	100
20(-07	36	7	47	10	100
20(-08	29	8	53	10	100
20(-09	29	9	49	13	100
JulMarch					
20(-09	28	9	50	13	100
20(-10	28	7	52	13	100

** Pvisional* Source: FB

7.:a Direction of Imports

Mt of Pakistan's imports are concentrated in fev num:rs of narket the world namely Sadi Arbia, Kuwait, Malaysia, U.S.A, Japan, Germany, ad U.K.Data fo July-Mrch 2009-10 exhibits tat alnst 36.0 percent of total import markets of Pakisın consts of these sev countries (see Table 7)). Sali Arabia has held the licn share in Pakistan's imorts wi in markets sire 2003-04. However, sins of arket diversification are present as the combind sha of the:e majoexport partners has ben deining from as high as 43 percent in 2003-04 to ccrent le ls.

Tab 7.9: Major Sources of Imports							(Percentage Share	
Coıtry	03-04	04-05	05-06	)6-07	07-0ε	009	July-March	
							08-09	09-1(
U.A.	8.5	7.6	5.8	7.5	6.1	4	5.0	4.9
Jan	6.0	7.0	5.6	5.7	4.6	6	3.6	4.3
Kuait	6.4	4.6	6.2	5.7	7.5	6	7.2	6.0
Sai Arabia	11.4	12.0	11.2	11.4	13.4	:.3	12.3	10.:
Genany	3.9	4.4	4.7	3.9	3.2	8	3.8	3.7
U.I	2.8	2.6	2.8	2.3	1.9	6	2.7	1.7
Maysia	3.9	2.6	3.0	3.1	3.9	6	4.5	5.1
SuTotal	**42.9**	**40.8**	**39.3**	**39.6**	**40.6**	**:.9**	**39.1**	**35.!**
Otr Countries	57.1	59.2	60.7	60.4	59.4	(.1	60.9	64.:
Tol	100.0	100.0	100.0	100.0	100.(	1).0	100.0	100.

***Pvisional** **Source: FB**

7.4Terms of Trade

Afr witnessing the persistent deterioration since 198-99,akistar has wi essed an improvementof 2.{percent in its terms of trade during 2008-09 This swed te imp:t of decreased prices of intnational prices of commodity and oil. This improvment i couny's terms of trade ao coributed in the decline of current account defici duringhe perod und review. However, durg JulMarch 2009-10, terms of trade could not susin theprocess of impvement which startedin 203-09 due to increase in unit value index of impcts and agnaticn in ur value indices during Jy-Mch 2009-10 over the comparable period last yer (see able 7.:0). As result, country's termsof trae aggregated to 54.9 during July-March 2009-10 s comred to :6.3 of ly-March 2008-09 thereby wiessed a deterioration o 2.5 percent during the eriod ider revew. Alough this decline in tens of ade during current fisca year of 2009-10 is lowe: ever sce 200!-03.

Table 7.10: Unit Value Indices and Terms of Trade (Base year 1990-91 = 100)

Year	Unit Value Indices		Terms of Trade
	Exports	Imports	
2005-06	299.3	460.4	65.0
2006-07	310.0	495.3	62.6
2007-08	350.4	632.3	55.4
2008-09	450.4	790.8	57.0
July-March			
2008-09	454.9	808.1	56.3
2009-10*	454.9	828.4	54.9

Source: FBS

* *Provisional*

7.5 Summary of Balance of Payments

Pakistan's Current Account Deficit (CAD) narrowed down by 65.9 percent as a result CAD declined to $ 3.06 billion in July-April 2009-10 as against $ 8.98 billion last year (see Table. 7.11). This decline in CAD during July-April 2010 was contributed by the improvement in trade, services, income & current transfers during the period. Specifically, decline in imports and a strong increase in current transfers played a fundamental role in bringing down the current account deficit. Fall in payments on account of repatriation of dividends, interest on debt, freight on merchandise imports and lower outflows from foreign exchange companies were other contributory factors behind the contraction in the current account balance during the period under review.

Decline in trade deficit is due mainly to a fall in imports complimented by overall improvement in exports during July-April 2009-10. The trade deficit improved by 18.3 percent during this period. Improvement in invisible accounts emanated from the significant decline in services and income account deficit with impressive growth in worker's remittances.

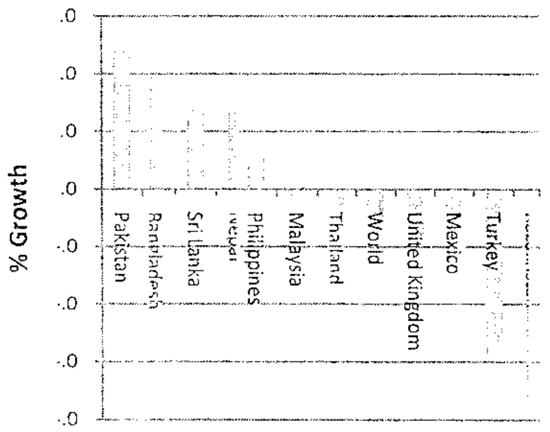
The improvement in income account is based on a decline in investment income outflows & fall in net interest payments. Income account deficit declined by 29.9 percent during July-April 2009-10 over the same period last year. The deficit in services trade shrank by 39.9 percent during July-April 2009-10 over the corresponding period last on the back of 15.3 percent growth in services exports and 12.2 percent decline in services imports. The increase in services exports is mainly led by communication, financial, government and other business services. Among these four groups, communication services exports exhibited significant growth of 80.2 percent during July-April 2009-10 over the corresponding period last year. This growth in communication services exports was mainly owed to step taken by Pakistan Telecom Authority (PTA) to curb illegal traffic in the country.

While transportation and travel remained major categories among the all groups of services export, these sectors registered negative growth during July-April 2009-10. As the share of transportation and travel in overall services exports declined by 9.0 percentage points and 2.1 percentage points respectively during July-April 2009-10 over the corresponding period last year. Transportation services exports declined by 13.9 percent during July-April 2009-10. Lower passage & freight earnings and reduced local operations of foreign transport companies remained the key factors behind the overall decline in the transportation services exports.

reviw. Within Asia, the concentration of higher remtancesemained in thSouth Asia region whee remances increased by 4.9 percent in 2009.

Remtances to Pakistan witnessed strong growth of 23.9percent during 2009 over previous year 2008 follwed by Bangladesh (19.4 percent), Sri Lanka (14.percent), Nepal (13.2 percent) and Philippines (5.6ercent).

Fig Remittances Gwth in 2009



Source: World Bar

Mor recently, Worker remittances to Pakistan have surgd by 15.0 percent during July-April 2009-10 over the corresponding period last year. With the excetion of February 2010, positive growth has been witrssed in all other months of current fiscal years 20010 over the corresponcing months of last year. Themonth of October 2009 witnessed a highest groth of 62.7 percent during the period .

Coutry-wise data suggests that UAE remained the maj contributor to remittances increase during Ju-April 009-10 contribting 22.8 percent of totl remtance, followed by Sauci Arabia (20.9 percent o$ 1,529 millio), USA 0.0 percent or $ 1,4613 milln), Other GCC countries (14.1 percent or $ 1,030 milli) and UK (10.1ercent or $ 734.6 millio) (seeable 7.12).

Wh UK & UAE witnessed highest growth rate of 7.0 peent and 21.7 prcent respectively durig Julyapril 2009-10 over corresponding period last yer. High remittnce frm UK seems to the resut of agressive bilateral tie-ups of commercial bankswith feign entities uder Pakistan Remittancs Inittive (PRI) program.

Tab 7.12: Country/Region Wise Cash Workers' Remittances ($ Million)

Coutry / Region	July-April 2008-09	July-Ail* 20090	% Cnge	% Share
USA	1,435.7	1,463	3	20.0
UK	468.0	734	50	10.1
Sau Arabia	1,264.1	1,529	27	20.9
UAE	1,366.8	1,662	27	22.8
Oth GCC Countries	996.0	1,030	7	14.1
EU untries	196.5	210	0	2.9
Oths Countries	498.1	481	-3	6.6
Tot	6,355.6	7,307	10	100.0

** Prisional* Source: SBP

Theossible factors behind higher remittances fromUAE ara) divesion of part of remittances frm infomal to formal channels as is evident from trnd shiffollowing the ackdown on illegal fud trafer and asset prices crises in Dubai due to whichnvestmnt wasdiverteto Pakistan in the formof remtances by Pakistani migrants who lost their jos in Dbai, and b) ineased outreach of bans havg arrangements with overseas entities.

Whe some migrants found jobs in Abu Dhabi, as aresult,emittances fro Abu Dhabi witnessed n increase of 80.62 percent during July-April 2009 over the comparable period last year.

Channel wise data suggests that most of the remittances were routed through banking channel during July-April 2009-10. This improvement largely reflects the initiatives taken under Pakistan Remittances Initiative (PRI) to encourage the migrants to route their remittances through banking channel. This is because of fear of funds being stuck up in an event of action against the exchange company, increased competition as like exchange companies banks are also having tie-up with foreign entities, lower costs as sending funds through banks is free of charges and efforts such as PRI to attract funds through banking channel.

Box-2: Pakistan Remittances Initiative

To facilitate and increase the flow remittances through formal channels the Ministry of Finance, Ministry of Overseas Pakistanis and State Bank of Pakistan took the initiative of launching Pakistan Remittance Initiative (PRI) through which different incentive have been offered in fiscal year 2009-10 to sender and receiver of remittance through banking channel. These incentives/measures are followed as:

- Increasing the outreach of banks with foreign entities.
- Transferring of remittances in beneficiary bank account on same day through introducing the Real Time Gross Settlement (RTGS).
- Reimbursement of marketing expenses as percent of remittances mobilized by an overseas entity from any one jurisdiction. This percent of reimbursement varies according to amount mobilized which follows as: 0.50 percent on incremental amount on remittances mobilized above $100 million to $ 400 million, 0.75 percent on incremental amount on remittances mobilized above $400 million to $800 million, 1.0 percent on incremental amount on remittances mobilized above $800 million to $1200 million, 1.0 percent on total remittances mobilized above $1200 million.

After launching of PRI, the Memorandum of Understanding has been signed between Pakistan Remittance Initiative and Pakistan International Airlines in which more incentives and privileges have been offered to overseas Pakistanis like one hundred free return air tickets through lucky draws, reserve seats, special gifts in flights, business class services at check in counters, business class lounges and excess baggage allowance.

7.5-c Foreign Exchange Reserves

After declining by 27.0 percent during the fiscal year 2007-08 , Pakistan's total liquid forign exchange reserves (end-period) witnessing the significant increase in the subsequent periods of 2008-09 and July-April 2009-10 (see Fig-7). The major reasons behind the fall in reserves during 2007-08 remained the net outflows from portfolio investment and step rise in the current account deficit led to sharp decline in the foreign exchange reserves of the country. Furthermoe, the recovery in the reserves during 2008-09 was contributed by inflows from IMF following Pakistan's entry into a macroeconomic stablization program and than after adition from other agencies' capital inflow in the country. In adddition to that the narrowed down of current account deficit also significantly contributed in the improvement of reserve position of the country during the period.

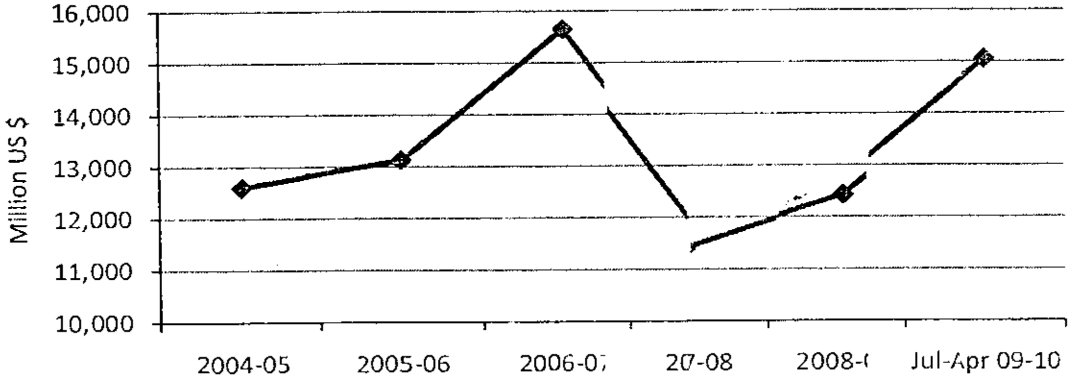
More recently, Pakistan's foreign reserves increased substantially from $ 12.4 billion in end-June 2009 to $ 15.0 billion in end-April 2010 (see Fig 7). This improved position of reserves benefited from lower current account deficit and higher remittances. Improvement in reserves brought relative stability in the exchange rate and subsequent increase in foreign currency deposits.

Quarterly analysis shows that bulk of accumulation in reserves was concentrated in first quarter of 2009-

10, nile reserves increased only marginally in the sbsequt quarters. Th is because a substantie partf the rise in reserves during first quarter of 2009-10 owl to SDRs alloc.ion and disbursement by IMFnder SBA. The reserves held by the State Bank of Pakisn stooc at $ 12 billion with the bankig systn holding $ 3.9 billion ir reserves by end-April 210. Imovemeit in thSBP's reserves during the perid mainly owed to inflows from IFIs, lower currer accou deficitand reuced market support. The rise commercial banks' reserves was primarily on account increased forgn currency deposits ard retirments of foreign currercy loans. Increase in bon of thn was owing texpectation of exchange rateepreciation.

Owg to improved position of reserves and declin in imprts, the imporcoverage ratio increasd fron21.1 weeks as of end-June 2009 to 26.5 weeks inMarch 2010.

Fig 7: End-Period Total Liquid Foreign Exchage Resrves



Source: SBP

7.6 Exchange Rate

Aftr remaining at stable position for more than fou years,ak rupee startd to lose significant vale agast US dollar and it depreciated by 22 percent inhe peid of Jan-Nov 208. This depreciation ws attruted to factors like substantial loss of foreign echangreserve, politil uncertainty, speculatie actities in foreign exchange markets and trade reited oulows. Due to Pkistan's entry in standy agrement with International Monetary Fund (IMF) i Noveber 2008 alongwith market conditionsat thatime, Pakistan adopted a more flexible exchange rateegime. After sift towards more flexibe excange rate regime, country witnessed a slow dwn in change rate depreciation of 2.5 percent durg Dec-Jun 2008-09.

Mce recently, owing to the overall external acount inprovement an stable reserve positio, Paktan's currency vis-à-vis US dollar depreciated b 3.9 peent duing JulyMarch 2009-10 compard to sharp decline of 16.2 percent in the corresponing peid last year.Votility in the kerb-market hoever, remained substantial throughout the July-March 2009-10 period, initially on account of Hjj reled demand and later due to shifting of oil paymnts. Dnand for the L dollar in the kerb-market waparticularly high in January and February 2010,which d to substantiarise in kerb premium ad volility in the exchange rate (see Table 7.13).

Thimprovement in inflows on account of portfoliinvestent and worke' remittances backed Pak rupe, consequently, Pak rupee regained some of the groun it lost n Febrry. Rupee appreciated by 1.0 percent vis-à-vis US dolar between end-Februar and el-March 2010.

The rupee showed relatively better performance against the Euro and Pound. Euro and Pound depreciated by 1.8 percent and 6.3 percent respectively against Pak rupee during July-March 2009-10. Rupee's appreciation against Euro and Pound was primarily driven by the relative strength of dollar against Euro and Pound, and Pak rupee stability against the US dollar during the period under review.

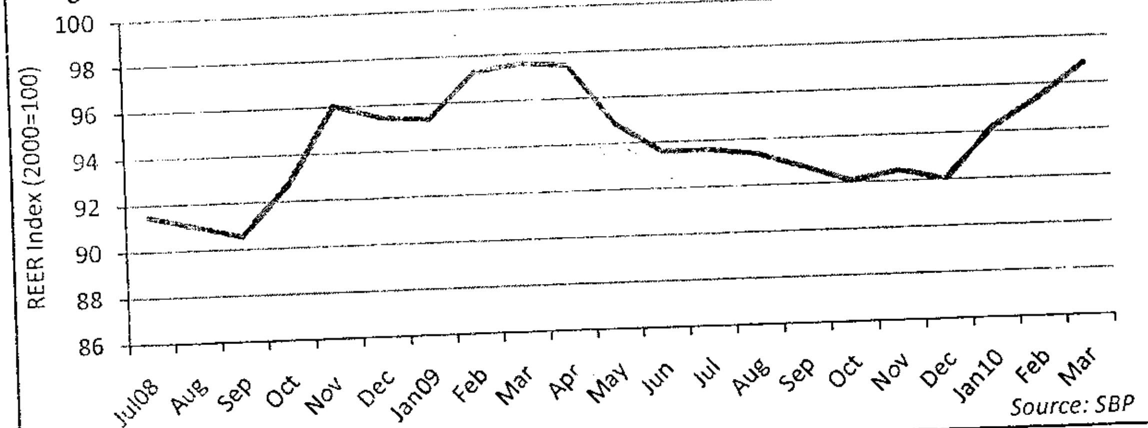
Table 7.13: Average Exchange Rates and Premium

	Inter Bank Rate (Rs / $)	Open Market Rate (Rs/$)	Premium (%)	Rs/ Euro
July 09	82.22	82.40	0.18	115.71
August	82.9	82.98	0.08	118.16
September	82.94	82.86	-0.08	120.49
October	83.31	83.41	0.10	123.35
November	83.55	83.72	0.17	124.54
December	84.11	84.31	0.20	122.88
January 10	84.63	85.37	0.74	120.78
February	84.97	86.17	1.20	116.24
March	84.41	84.68	0.27	114.61

Source: SBP

Furthermore, Nominal Effective Exchange Rate (NEER) witnessed 4.6 percent depreciation during July-March 2010 as compared to depreciation of 6.4 percent during the same period last year. However, due to rise in inflationary pressures as evident from the 8.7 percent increase in Relative Price Index, Real Effective Exchange Rate (REER) appreciated by 3.5 percent during July-March 2009-10 (see Fig-8).

Fig-8: Real Effective Exchange Rate (REER)



Source: SBP

7.8 Salient Features of Strategic Trade Policy Framework 2009-12

Realizing the need for developing and effectively implementing a national export competitiveness programme, the Ministry of Commerce has developed a three year Strategic Trade Policy Framework (STPF) 2009-12. The overall objective of the STPF is to achieve sustainable high economic growth through exports with the help of policy and support interventions by the government, industry, civil society and donors.

The STPF 2009-12 is based on six pillars namely Supportive Macro Policies and Services, Enhancing

Prod:t Sophistication level in Pakistan's Exports, Ihancii Firm evel Cmpetitiveness, Domest: Comerce Reform and Develbpment, Product and Mrket Cersification an Making Trade Work fc the Sstainable Development in Pakistan. Moreover, Ainistrof Commerce Is set the export growt targeof 6.0 percent for 2009-10 and 10.0 percent anc13.0 pcent foi each othe successive years.

The ajor measures to achieve the above objectives a:

- Support for opening exporters offices abroad.
- In previous years, government announced 50 ercent ipport or varics quality, environment and social certifications. The support was proressive increa:ed to 10 percent of the cost c certification.
- It is proposed that surgical instruments, spots goo & cutery seor would be granted 2 percent subsidy on brand promotional expenss like avertisenent in :cognized trade journal. certification cost etc.
- In order to increase the sophistication level & ealize te potential ofght engineering sector, special fund would be created for product levelopent & markeng for light engineerin sector.
- Leather apparel exporters would be providd 50 :rcent :ubsidy or on the floor expe: advisory/consultancy and matching grant to stablisHesign :tudios r design centres in the factories.
- A freight subsidy at 25 percent would be exteded onr shiprents ofve seafood products.
- Processed food exports would be supportecinitiallby reinbursingresearch &developmer cost at 6 percent of the exports.
- Sharing 25 percent fnancial cost of setting up of sign centres ad labs in the individu tanneries.
- Industrial importers would be allowed to imprt newefurbi:hed an upgraded machinery o the basis of trade-in with their old, obsolete nachiny. Likevise, exort of their old/obsolet machinery for trade in with new, refurbished c upgrad maciinery vuld also be allowed.
- The natural pearls ard other synthetic or reonstrued precous oremi precious stones ar being increasingly used in jewellery products;:hey wild alsobe exepted from customs dut and sales tax.
- Limit for physicians' samples would be enhancd to 20t the time of lanch with first shipment
- Engineering units would be allowed Export Orented Uits (EOJ) facili on export of 50 percer of their production fcr the first three years. Ater the engineering uts would be allowed th facility on export of 80 percent of their produrion.
- In order to encourage use of computers by lo incomsegmet of poulation, the import of ol & used computer components would be allowd.

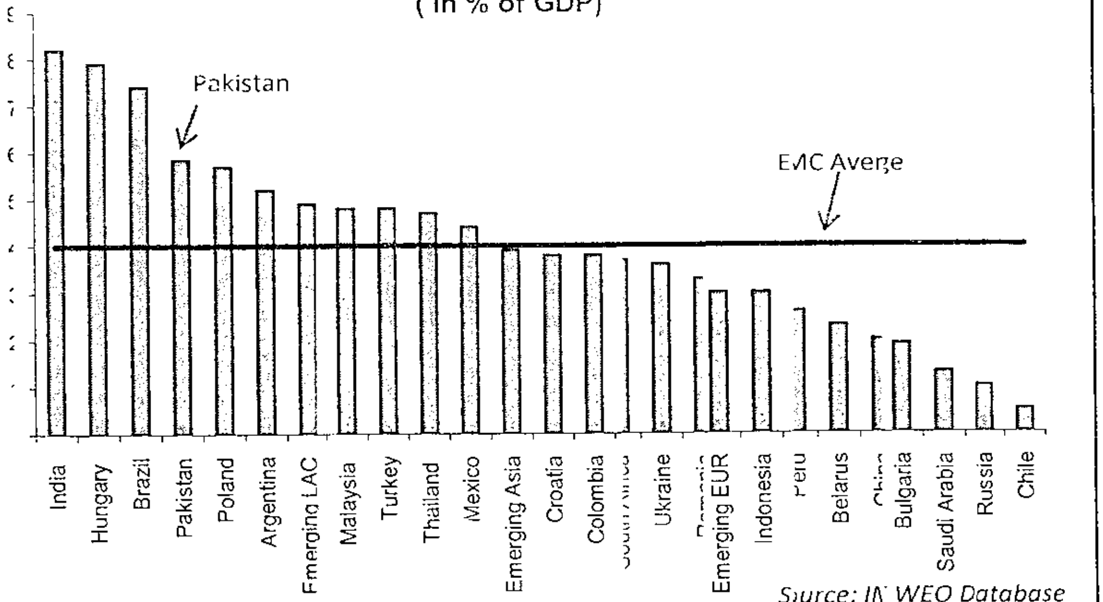
Pullic Debt

8

Recent d/elopments with regarc to the sovereign debt tuatioof courtries raging from Iceland to the Unitε Arab Emirates, and more recently, of countrie in theuro-zore, mosprominently Greece, have beε a rude awakening for global financial marketsAfter arotraced perd of benign neglect, policymærs as well as investors are beginning to scrutnize me careully th health of sovereign public firnces.

Lessons om previous debt crises are being re-learnt. Ecalatinpublic debt des not bode well for macro-eεnomic stability and growth as it exerts upwar presse on iterest ites and crowds-out domestiεprivate investment. For developing countrie: the gher irterest ost associated with domestidebt places a substantial strain on budgetary rsource with a negati spill-over effect on scial seor and development outlays and a slowdow in grvth momentu. For external debt, crε ditorsmay charge a lower interest rate (as is the casewith mst multlateralnd bilateral donors), bu the xchange rate risk inherent in the accumulatio of foign curency cbt leaves a country vulnerab to developments on the external accountand irinternational arkets. Therefore, policymærs are faced with choices not only of what *levls* of pilic deb to acmulate, but also the *composion* of the portfolio with regards to source, availaility, ccs and rsks whh are consistent with the govement's medium-term fiscal, monetary, and exchnge (eernal account)riorities.

Fig-8.1: Emerging Market Countries: Gros Govement Debt, 20)
(in % of GDP)



Surce: IN WEO Database

In the aermath of the global financial crisis and economic slodown, nost ccntries have acquired substantial amounts of debt as a result of large budgetary outlays and fiscal stimulus targeted at addressing the hardest hit economic sectors, instilling confidence in markets, and reviving overall economic activity. By augmenting already high levels of post-crisis public debt, most countries now face a daunting challenge in dealing with increased debt burdens. The problem is more pronounced in developed countries, specifically in the Euro zone. Fiscal deficits in advanced economies have increased to approximately 9 percent of GDP[1]. Debt-to-GDP ratios in these economies are expected to exceed 100 percent of GDP in 2014 based on current policies, some 35 percentage points of GDP[1] higher than before the crisis. By contrast, the public debt accumulation in emerging economies has been lower, with public debt ratios of approximately 30 to 40 percent of GDP in these economies *(See **Fig-8.1**)*. Given the higher economic growth in emerging economies led by strong domestic demand, there is ample fiscal space to place the debt burdens on a declining path with relative ease.

Although somewhat insulated from the financial crisis, Pakistan too has witnessed a rise in public debt in the recent past. Fiscal profligacy in the shape of large subsidies, policy inaction with regards to rising oil prices in 2007, weak revenue collection, pressure on budgetary resources placed by a heightened security situation, and efforts to eliminate the inter-corporate debt in the energy sector, have led to a relatively rapid increase in public debt. The cumulative effect of the depreciation of the Rupee against the US dollar, on the one hand, and the weakness of the US dollar against third currencies (including Special Drawing Rights, SDR) in which a significant portion of Pakistan's external public debt is denominated, have also played a substantial part in the overall increase.

Based on projections for the end of FY10, Pakistan has one of the highest public debt-to-GDP ratio amongst emerging economies *(as shown in **Fig-8.1**)*. However, policy responses in FY10, a withdrawal of pressure on the external account and a relatively stable exchange rate. in addition to a limit on borrowing from the central bank have all helped stem the rapid increase of public debt witnessed in FY09.

8.1-1 Outstanding Public Debt

The definition of public debt used in the Economic Survey of Pakistan is in conformity with international conventions. Total Public Debt (TPD) includes domestic debt payable in Pak Rupee as well as the short, medium and long term Public Debt portion of External Debt & Liabilities (expressed in Rupee term). In addition, funds obtained from International Monetary Fund (IMF) for the purpose of budgetary financing have also been included from the current fiscal year. The stock of public debt does not include the debt and liabilities of the central bank, which includes financing for balance of payment (BoP) support. Further, publically guaranteed debt and government guarantees issued for commodity operations are also not included.

Using this standard definition, Total Public Debt (TPD) posted a growth of 12.2 percent during the first nine months of the current fiscal year and reached Rs. 8,160 billion at the end of March 2010. This increase in the stock of public debt is significantly lower than the rapid increase of 22 percent in the previous fiscal year.

The domestic currency component increased by Rs. 631 billion or 16.3 percent to end at Rs. 4,491 billion in comparison to Rs. 3,860 billion of end-June 2009. This increase accounted for 71 percent of the aggregate increase in TPD. On the other hand, there was an addition of Rs. 253 billion in the stock of

[1] World Economic Outlook, April 2010, International Monetary Fund

forєn currency debt which makes up the remaining 9 percnt. It is nterestg to note that in contrst to I09, the increase in the stock of TPD during th curreı year hs mos/ been through domesc soues. A relatively stable exchange rate, appreciatin of thdollar against cner major currencies, ad limid access to multilateral and bilateral debt creting flcs has ıecessited this shift in financig mix Public debt is increasingly composed of domesti currey debt,the sha of which has risen frcn 53 prcent as of end-June 2009 to 55 percent in Marc 2010.

Tab 8.1: Public Debt

	FY05	FY06	FY07	F08	FY09	FY10
			(In bilions ofs.)			
Donstic Currency Debt	2178	2337	261C	375	3860	4491
Foren Currency Debt	1856	1973	214C	2)5	3417	3669
TotaPublic Debt	4034	4310	475C	530	7277	816C
			(In pe cent of DP)			
Donstic Currency Debt	33.5	30.7	30.1	:.0	30.3	30.6
Foren Currency Debt	28.5	25.9	24.7	:.4	26.8	25.0
TotaPublic Debt	62.1	56.5	54.8	5.4	57.1	55.6
			In percnt of Renue)			
Donstic Currency Debt	242	217	201	:8	209	208
Foren Currency Debt	206	183	165	:0	185	170
TotaPublic Debt	448	400	366	:9	393	379
			n perceit of Tot Debt)			
Donstic Currency Debt	54.0	54.2	54.9	5.8	53.0	55.0
Foren Currency Debt	46.0	45.8	45.1	4.2	47.0	45.0
Men:						
Forcn Currency Debt (in US$ Bllion)	31.1	32.8	35.3	4.2	42.2	43.5
Exchge Rate (Rs./US$, E.O.P)	59.7	60.2	60.6	63	81.0	84.4
GDPn Rs. Billion)	6500	7623	8673	1(43	12739	14668
TotaRevenue (in Rs. Billion)	900	1077	1298	1)9	1851	2155

** Asf end-March, 2010* *Soure: EAD,udget Ving, Mcand DPCO staff calculatios*

The rying up of external funding sources has put a ialt to e rapidy incresing expansion in forein deb As most of the foreign currency loans are prject bed, limted caıcity to deliver on thee procts has resulted in unutilized lending pipelins of eting ccmmitmnts. This has made te distrsements under the IMF SBA program more vible dug the irst the quarters of 2009-10. t shod be noted here that orly a portion of the last two tranes (US; 1,083 illion) has been used fr budetary financing and hence, constitutes a part of ne foren currency coponent of TPD. While te remning funds received from IMF are reflected orthe bance sheet of te central bank (SBP) ard hem, do not come under the ambit of public exteal del The SBA has rimarily been secured ɔ supɔrt the Balance of Payments position by suppementg the breign xchange reserves of te couıry.

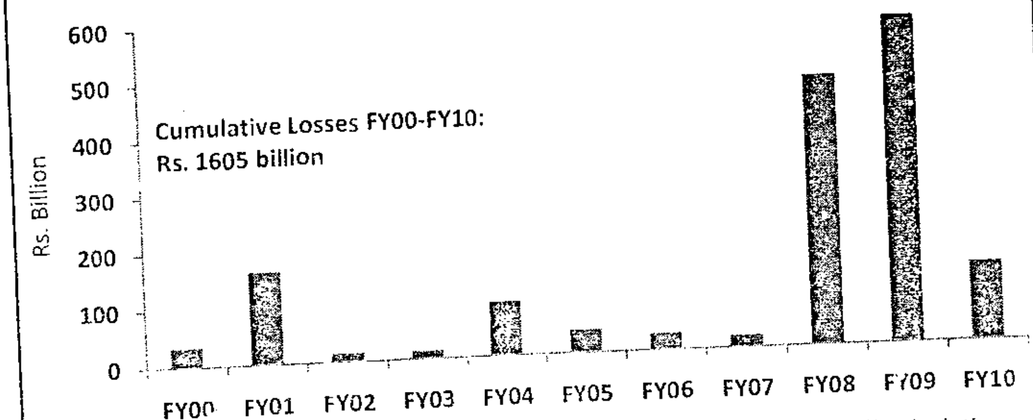
Outf the total increase in TPD, Rs. 148 billion or 17 pernt is attributed to depreciation of nationa curncy against the United States Dollar during July 200March 2010 as PKR los: 4.2 percent of its value durg this period. This impact of depreciation on the pub: debt stock has been muted in the current fisca

Tabl.2: Transational Ipact on Public Debt, FY10

Curry	Rs. Billion
PKR \Dollar	148
Dollas. Third urrencie	-9.3
Net Iact	**138.7**

** As end-Marh 2010 ɔurce: DFCO staff calculation* year as opposed to 20 percent depreciation of the domestic currency in 2008-09. However, appreciation of the dollar against major international currencies caused a translational gain (reduction in stock due to exchange rate movement) of US$ 111 million or Rs 9.3 billion in the outstanding stock of foreign currency public debt. The net impact of currency movements on TPD for the first three quarters of FY10 stood at Rs 138.7 billion. **Fig 8.2** depicts the net impact of translational losses on account of Rupee depreciation against the dollar, and movements of the dollar against other international currencies from FY00-FY10. On a cumulative basis, exchange rate losses amount to Rs 1605 billion or 20 percent of the current outstanding stock of TPD[2]. Losses during FY08 and FY09 were significantly higher, owing to a combination of a loss in value of the Rupee, as well as a weakening dollar in international markets.

Fig-8.2: Net Translational Impact on Total Public Debt FY00-FY10*



** : As of end-March 2010*   *Source: DPCO Staff Calculation*

The quantum of increase on the domestic front in the first nine months of 2009-10 is nevertheless alarming. The resurgence of SBP borrowing in the last two months of the third quarter has been the principal source. However, with the government's commitment to adhere to net zero quarterly borrowing limits, this rising trend in the stock of central bank debt is expected to stabilize by the end of this fiscal year. The shortfall in undisbursed amounts of foreign currency debt was met by a heavy reliance on domestic bank and non-bank sources. The government was able to access the debt capital markets due to favourable current environment and interest rates. As a result, healthy investment in government securities and sizeable accruals in major NSS instruments accounted for much of the increase in Rupee debt.

8.1-2 Servicing of Public Debt

Servicing on public debt has aggregated to Rs. 640.2 billion at end-March 2010. As percent of the projected GDP for 2009-10, the public debt servicing is now 4.4 percent. Interest payments of Rs. 428.5 billion have been incurred on domestic debt, whereas Rs. 45 billion of the payment was on account of foreign debt. Huge repayments of about Rs. 166.7 billion were made to retire the maturing foreign currency debt. Almost 46 percent of the government revenues have been used to service interest and principal payments on public debt during July 2009 to March 2010.

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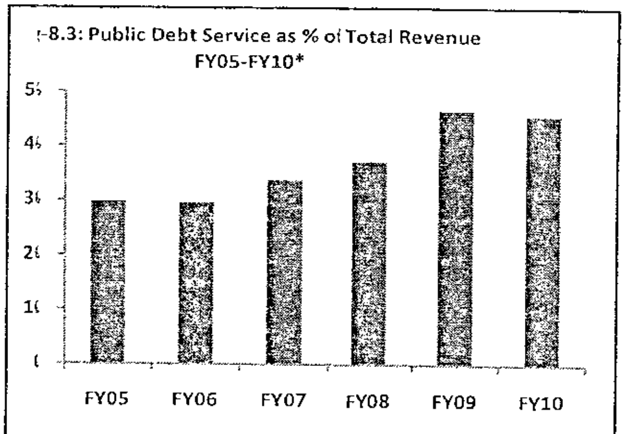
[2] Note: Due to unavailability of detailed data the currency composition is assumed to be constant for years before 2007.



*: As of end March 2010 Source: DPCO

Table !: Public)ebt Serving, July'09-March'10

	(in billions of Rs.)
Intere?ayment:	473.5
Inteit on Donestic De	428.5
Inteit on Forign Debt	45.0
Repayrnt of Forign Deb	166.7
Public bt Servicng	640.2
	(in percent of GDP)
Interesayment:	3.2
Inteit on Donestic De	2.9
Inteit on Forign Debt	0.3
Repayrnt of Forign Deb	1.1
Public lbt Servicng	4.4
	(in percent of Revenue)
Interesayments	33.8
Intert on Donestic Del	30.6
Intert on Foregn Debt	3.2
Repaymt of Forign Debt	11.9
Public bt Servicng	45.7

Source: Budget Wing, MoF

As GE growth does not necessarily translate into a propcionate increase in revenues, the burden place by public debt service obligations on goverment resources is more aptly measured by publidebt service as a percertage of government revnues. 'eak grcwth in :venue collection and a fasterate of accumulation of debt during 2007-08 ledo a shp increase in pblic debt servicing as a perce:age of total revenues in the following year. Sericing oublic cebt amunted to 47 percent of total :venues during FY09. However, a subsequent educti in th: pace f debt creation and a margil easing in monetary policy stance have seen tis inditor fallto appximately 46 percent in the fir three quarters of FY10.

8.1-3 ynamics of Public Debt

Owingo a revision in the GDP growth for the last two ears, tl TPD-to-GDP rao has been adjusted to 58.4 ercent and 57.1 percent in 2007-08 and 208-09 rpectively. For2009-10, this ratio in perceiage terms rested at 55.6 percent as of March 31The ra has declined / 1.5 percentage points from e previous fiscal year, which has mainly beerachievl on account (slow-moving external inflow In terms of total revenues, public debt as of en-Marchas impoved sghtly to 3.8 times, from 3.9 tires in 2008-09. In real terms, the growth of pulic debhas been fairlyestrained, following a spike FY08. 9.7 percent growth in real terms witnessd in FY, couped withegative real growth of revenes, led to a drastic increase in the country's debt urden.

Table 8: Dynamics of Public Deb: Burden, FY05-FY10*

Year	GDP Deflator	Fiscal Balance	Primary Balance	Rel Grow oDebt [A	Reil Growt of Revenue]	Real Growth of Debt Burden [A-B]
FY05	7.7%	-3.3%	-1.3%	-1.7%	5.7%	-7.3%
FY06	7.0%	-4.3%	-2.3%	-0.1%	12.6%	-12.8%
FY07	10.5%	-4.3%	-1.5%	-0.3%	10.1%	-10.4%
FY08	16.2%	-7.6%	-2.8%	9.7%	-0.7%	10.4%
FY09	20.3%	-5.2%	-0.3%	1.4%	3.1%	-1.8%
FY10	10.1%	-5.1%	-0.5%	2.1%	6.3%	-4.3%

*: As o end-March 2010 Saurc: DPCO Staff Calculations

As shown in **Table-8.4**, efforts to decrease the fiscal deficit have paid dividend in the form of lower real growth of debt. Further, positive real growth in revenues above and beyond the growth in debt during the FY09 and FY10 has translated to a real reduction in the debt burden. It must be noted however, that the deceleration in the real growth of debt was also influenced by very high levels of inflation witnessed in FY09. As inflationary pressures in the economy were fairly lower in FY10, the real growth in debt has begun to increase marginally. During the first nine months of the current year, total public debt increased by 2.1 percent in real terms, whereas end of year revenue collection is projected to grow by 6.3 percent; leading to a decline in the debt burden of approximately 4.3 percent.

Table 8.5: Real Cost of Borrowing

Year	External Debt	Domestic Debt	Public Debt
	(in percent)		
FY05	-4.1	-0.8	-2.3
FY06	-4.8	1.1	-1.6
FY07	-4.4	5.8	1.1
FY08	3.3	4.5	4.0
FY09	3.4	-3.7	-0.5
FY10*	-5.7	0.2	-2.6

** : As of end-March 2010 Source:DPCO staff calculations*

Calculation of real (inflation-adjusted) cost of borrowing reflects not only the interest paid on outstanding debt, but also the price levels and exchange rate movements and their impact on the portfolio. Historically, external debt has been a cheaper source of borrowing for Pakistan. However, rupee depreciation against the dollar has had a massive impact on the cost of external debt in various years. The real cost of borrowing from external sources, which is usually negative, increased to as high as 3.4 percent in FY09 owing mostly to the Rupee losing 20 percent of its value against the dollar. With a relatively stable exchange rate, and the concessional nature of Pakistan's external loans, the cost of borrowing for FY10 stood at -5.7 percent in real terms. The cost of borrowing from domestic sources has increased to 0.2 percent in the first three quarters of FY10; however, this increase is partly influenced by lower inflationary pressures as compared to FY09 where the cost from domestic sources was -3.7 percent in real terms.

8.2 Domestic Debt

In order to bridge the gap between revenue and expenditure on a government's balance sheet, sovereigns all over the globe rely on debt creating flows, both external and internal. The foreign currency component of financing generally depends on factors beyond the reach and control of governments whereas the domestic sources can be approached at all times, even though at a higher cost. The prime example in this case is borrowing from the central bank (referred to as seignorage, or deficit monetisation).

As for Pakistan, stagnant external flows have implied a higher reliance on domestic funding sources. The absence of efficient and liquid debt capital markets has meant that the government has been compelled towards deficit monetization, which runs counter to its stated aim of improving further the debt dynamics of the country. The vulnerability of debt service charges to interest rate variations increases with the piling up of shorter maturities in domestic debt. Additionally, extensive government borrowing may induce inflation through the expansion of money supply.

Despite the dangers of excessive reliance on domestic debt, it is important to note that government borrowing through domestic sources is vital in stimulating investment and private savings, as well as strengthening domestic financial markets, since it provides depth and liquidity to the markets.

8.2-1 utstanding Domestic Debt

Dome:c debt is broadly classified as *permanent, floatig* and*nfunded* debt.,s of end March 2010, the outanding stock of domestic debt stood at Rs. 4,40.7 billn (See able-8). During the first nine monthof the current fiscal year 2009-10, Rs. 630.8 illion vs added to th stock that yielded an overalrowth of 16.3 percent in the domestic debt porfolio ohe country. Thdomestic debt to GDP ratio rie to 30.6 percent by end-March 2010, an increae of 0.ercentage poits over end-June 2009, in respnse to relatively stable rominal GDP growth.

Table 8. Outstanding Domestic Debt, FY05-FY10*

	FY05	FY06	Y07	FY0:	FY09	FY10*
			(in bons of R.)			
Permant Debt	526.3	514.9	62.7	616.)	685.9	779.3
Floatingebt	778.2	940.2	107.6	1,6374	1,903.5	2,299.7
Unfund Debt	873.2	881.7	40.0	1,02C3	1,270.5	1,411.7
Total	**2,177.7**	**2,336.8**	**510.3**	**3,2746**	**3,859.9**	**4,490.7**
			(in peent of GDP)			
Permant Debt	8.1	6.8	6.5	6.0	5.4	5.3
Floatingebt	12.0	12.3	.2.8	16.(	14.9	15.7
Unfund Debt	13.4	11.6	.0.8	10.(	10.0	9.6
Total	33.5	30.7	30.1	32.(	30.3	30.6
			in perce of TotalDebt)			
Permant Debt	24.2	22.0	21.6	18.8	17.8	17.4
Floatingebt	35.7	40.2	12.4	50.(	49.3	51.2
Unfund Debt	40.1	37.7	36.0	31.:	32.9	31.4
Memo:						
GDP (in llion of Rs.)	6,499.8	7,623.2	**8573.0**	**10,24:.0**	12,739.0	**14,668.0**

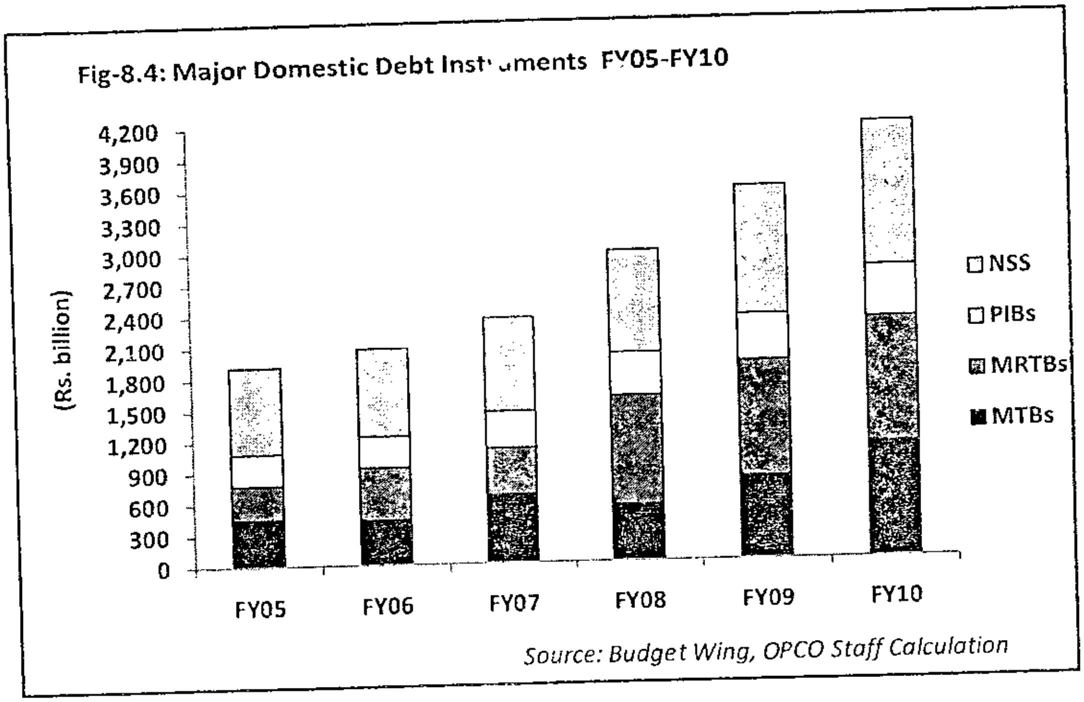
**: As ofnd-March 2010* — *Source: Budget Wing, MoF*

The shrt-term nature of domestic debt is evident by n ever creasing shareof floating debt in the total sck. As of end-March 2010, more than half of e donstic det is coposed of government debt itruments having tenors of a year or lesser. The:ontribion of ermarnt and unfunded debt has deeased to 17.4 percent and 31.4 percent, in comarison previcus year share of 17.8 percent and 32 percent respectively. High dependence on shot-term ebt leaves the omestic debt portfolio expose to refinancing risk.

8.2-1(iPermanent Debt

The pmanent debt on accourt of healthy inflows in Pkistanivestment Bons (PIBs) to the tune of Rs. 52 billion grew by 13.6 percent. An almost equal dditiorvas joitly conibuted by Prize Bonds (Rs. 21 billion) and Ijara Sukuk (Rs. 14.4 billion) duing theeriod under view. Meanwhile, the goverment successfully retiredthe maturing Federal InestmerBonds FIBs).

The Ste Bank of Pakistan (SBP) conducted four PIB aucons in e ongong fiscayear with the target of Rs. 10illion per auction. The market participated wi vigosurpassng thearget in almost every auctio: Although Ijara Sukuk (issued in 2008-09) made one-tie appearance ring the period under reviewthis fairly new instrument mobilized enormoufunds om the Islamicmarket. Such a strong input ggests the untapped potential of the budding Ismic mket and calls f a continuation of this initiati in the years to come.



Moreover, compliance with the policy steps taken in the previous year to draw a line between debt creation and monetary policy execution has imparted certainty to the government securities market. These steps include publication of yearly auction calendars and their periodical revision, adherence to volume based auctions and the decision of cut-off yields for primary auctions by the Ministry of Finance. Going forward, such measures can be the building blocks of a well-integrated and articulated macroeconomic policy covering fiscal, monetary and debt sectors of the economy.

8.2-1(ii) Floating Debt

The stock of floating debt experienced the highest growth of 20.8 percent in 2009-10 (July 2009-March 2010) among the major categories of domestic debt and ended at Rs. 2,299.7 billion as of March 31, 2010. Bulk of this increase is attributed to hefty net proceeds from Market Treasury Bills (MTBs) of about Rs. 311 billion falling under the ambit of floating debt. The market preference of government debt instruments owing to risk aversion and absence of private sector credit demand, greatly assisted in augmenting the participation in MTBs auction over and above the targeted amounts.

On the other hand, central bank borrowing through Market Related Treasury Bills (MRTBs) was limited to Rs. 85.7 billion during July 2009 to March 2010, which is a result of the government's target under the SBA of pursuing a position of net zero quarterly borrowing from SBP. The growth of 7.5 percent in the stock of MRTBs during the first three quarters of 2009-10 *albeit* higher than 5.2 percent witnessed in the previous year has undoubtedly receded from the rate of increase of 133 percent recorded in 2007-08.

Subdued credit demand from the private sector has been an underlying theme of the year and a primary cause of huge increments in case of market debt instruments (PIBs and MTBs). Banks preferred to lock in at higher rates owing to a general perception of an interest rate peak in the market. Furthermore, the losses borne by the banking sector on account of non-performing loans kept them away from resorting to the private sector requirements, even though negligible. With the gradual resurgence of private sector credit demand lately and market expectation of an interest rate hike at the back of renewed inftionary pressures, banks have started concentrting orhe 3-nonths ;per. This may disrupt ıe on›ing trend of heavy investments in MTBs in futur.

8.2(iii) Unfunded debt

Th unfunded category of internal debt, compoed of ;S instument has recorded a modst exınsion of 11.1 percent curing the ongoing fiscal/ear (t March2010). pecial Savings Certificaes atticted Rs. 81.7 billion followed by Bahbood Savins Certilates and Regul Income Scheme. Massve retements in Defence Savings Certificates turned te net arual toa negare Rs. 35 billion during ıe peɔd under review.

ThCentral Directorate of National Savings (CDNS) ıunchetradablı bondwith the name of Natioal Sangs Bonds having maturity of 3, 5 and 10 years ı Janu/ 2010.The stck of these bonds stoocat Rs;.7 billion as of March 31, 2010 with an almost 9!percerconcenration the 3-year tenor.

ThNSS contains a numbe of instruments with siilar feures, howeverargeting different maret sepents. Out of eight instruments, three scheres ha a 3-yar mairity, four are a 10-yar insument and two are a 5-year instrument. From ıe incrnental ɔorrowg of Rs. 172 billion, Rs.;9 bibn or 34.6 percent are generated through Pnsione Beneit Accnt and Bahbood Savigs Ceificates carrying very high interest rates (See **Tabe-8.7**).

Tab 8.7: National Savings Schemes

Sclmes	Maturity (years)	Quote Rate (in perent)	ɔutstanling 31-Mar10 (in nillions Rs.)	'ariance 1ar - Jun	Percentag Share in Totl (in percent
Sangs Account		8.5%	15,56	(538)	-0.31%
Spial Savings Account	3	11.€%	118,4(0	30,750	17.96%
Peioners' Benefit Account	10	14.3%	124,0‹3	14,163	8.27%
Dence Savings Certificates	10	12.3%	222,1!6	35,458)	-20.71%
Spial Savings Certificates	3	11.€%	341,1(0	52,150	30.46%
Reılar Income Certificates	5	12.0%	125,0‹7	34,045	19.89%
Baɔood Savings Certificates	10	14.3%	352,6:9	45,105	26.35%
Naɔnal Savings Bonds	3,5,10	12.9%	3,65(	3,650	2.13%
Pri Bonds		8.5%	224,7(5	27,325	15.96%
Tol			**1,527,357**	**:71,191**	**100%**

Sourc: CDNSudget Ving, Mi and DPCO staff calculatins

Thembedded put option in most of the schemes uder thNSS unbrella ın be a potential sourceof sere liquidity crisis as a probable rate hike will immediatv be caɔitalizeupon in the presence c a puoption facility. Moreover, automatic rollovers, ash aounting and zo coupon in NSS resultin incnsistent fiscal numbers. For instance, the zero ouponSCs of almost s. 80 billion issued in lte 19)s did not appear in the budget until they were ıaturerecentl in theıst three years, hitting ıe buget by more than Rs. 400 billion. This cost migt haveen spıead dung the 10 year tenor, hd thıe been an accrual accounting practice prevalnt in te CDN in paıcular and governmentin geral.

CDS was established by tıe government with th intentn of mobilizin savings of retail markes, hoever, non bank institutional investment has tractionallomina ed thisategory of unfunded dot. Thıe institutional investo's also invest in wholeale mkets aıd benit from the interest rte arbitrage between the two markets.

8.2-2 Domestic Debt Burden

Interest payments on domestic debt largely reflect the servicing cost on previous stock. The interest payments for the period of July 2009-March 2010 aggregated to Rs. 428.5 billion.

Table 8.8: Domestic Debt Burden

Fiscal Year	(in billions of Rs.)		Interest Payments as % of				
	Domestic Debt	Interest Payments	*Tax Revenue*	*Total Revenue*	*Total Expenditure*	*Current Expenditure*	*GDP (mp)*
FY05	2,177.7	176.3	26.7	19.6	15.8	18.7	2.7
FY06	2,336.8	202.5	25.2	18.8	14.4	18.1	2.7
FY07	2,610.3	326.9	36.7	25.2	19.5	23.8	3.7
FY08	3,274.6	442.6	42.1	29.5	19.4	23.8	4.3
FY09	3,860.5	580.5	48.2	31.4	22.9	28.4	4.6
FY10*	4,490.7	428.5	41.6	30.6	21.1	24.9	2.9

Source: Budget Wing, MoF

** : As of end-March 2010*

As a percentage of major macroeconomic indicators, interest payments have started deteriorating since 2007-08. This weakening has meant that payments owing to interest expense have consumed a major chunk of limited budgetary resources in the past few years. Additionally, this trend indicates that interest payments have emerged as the largest component of current expenditure in the fiscal account. In continuation of this trend, interest payments on domestic debt in proportion to tax revenue amounted to 41.6 percent in the first nine months of 2009-10. 30.6 percent of the total revenues have been used to pay off the interest due on internal debt. Similarly, the share of interest expenditure on domestic currency debt in total and current expenditures has become 21.1 percent and 24.9 percent respectively. The ratio of interest payments to projected GDP has depicted a slight improvement during July 2009-March 2010, decreasing from 4.6 percent in 2008-09 to 2.9 percent as of March 31, 2010 *(See Table-8.8)*.

8.3 External Debt & Liabilities

Pakistan's external debt and liabilities (EDL) include all foreign currency debt contracted by the public and private sector, as well as foreign exchange liabilities of the Central Bank. EDL has been dominated by public sector external debt due to a chronic current account deficit and substantial foreign financing through loans from multilateral and bilateral donors. Public sector external debt includes financing for Balance of Payments support as well as foreign currency financing of the budget deficit. Debt obligations of the private sector are fairly limited and have been a minor proportion of EDL. The explicit concessional terms of loans (low cost and long tenors) contracted with international financial institutions or donor countries have concealed the inherent capital loss associated with foreign currency debt to some extent. On the contrary, after accounting for the exchange rate loss, foreign currency loans from multilateral and bilateral donors are contracted at a lower rate as compared to domestic currency debt (an average cost differential of approximately 1.1 percent over the last 19 years). Consequently, government has historically remained favourable in terms of borrowing through these channels given the macroeconomic importance of foreign financing flows in Pakistan.

8.3-1 Outstanding External Debt & Liabilities

During the first nine months of the current fiscal year 2009-10, Pakistan's external debt and liabilities incrsed by US$ 2 billion or 3.8 percent. The outstading sck as o end-Mrch FY10 stood at US$ 4 billn as opposed to US$ 52 billion at the end of FY0! In absute terns; the rst three quarters of FY0 havwitnessed the lowest increase in the stock of ED duringhe last hree yrs.

Tab 8.9: Pakistan: External Debt and Liabilities						*(In billions of U.S. dollar:*
	FY6	D6	FY07	FY08	FY09	FY1C
1. Pblic and Publically Guaranteed Debt	31	.8	35.3	40.2	42.2	42.
A. Medium and Long Term(>1 year)	30	.6	35.3	39.5	41.6	41.
Paris Club	13)	.8	12.7	13.9	14.0	14.(
Multilateral	15	.8	18.7	21.6	23.1	23.
Other Bilateral	0.	8	1.0	1.2	2.0	2.5
Euro Bonds/Saindak Bonds	1.	9	2.7	2.7	2.2	1.6
Military Debt	0.	1	0.1	0.0	0.2	0.2
Commercial Loans/Credits	0.	2	0.1	0.1	0.2	0.3
B. Short Term (<1 year)	0.	2	0.0	0.7	0.7	0.6
IDB	0.	2	0.0	0.7	0.7	0.6
2. Prate Non-Guaranteed Deb (>1 year)	1.	6	2.3	2.9	3.3	3.2
3. IF	1.	5	1.4	1.3	5.1	7.2
of vich Central Govt.						1.1
Monetary Authorities	1.	5	1.4	1.3	5.1	6.1
Tot External Debt (1 through 3)	**34)**	**.9**	**39.0**	**44.5**	**50.7**	**52.**
(of which) Public Debt	*31*	*.8*	*35.3*	*40.2*	*42.2*	*43.*
4. Feign Exchange Liabilities	1.	3	1.3	1.7	1.3	1.2
Tot External Debt & Liabilities (1 through 4)	**35**	**.2**	**40.3**	**46.2**	**52.0**	**53.**
(of which) Public Debt	*32*	*.8*	*36.5*	*40.7*	*42.2*	*43.*
Offal Liquid Reserves	9.	.8	13.3	8.7	9.5	1.
			(Ir percerof GDP)			
Tot External Debt (1 through 3)	**31**	**.2**	**27.3**	**27.0**	**31.3**	**30.**
1. Pblic and Publically Guaranteed Debt	28	.8	24.7	24.5	26.0	24.
A. Medium and Long Term(>1 year)	28	.6	24.7	24.0	25.6	24.
B. Short Term (<1 year)	0.	1	0.0	0.4	0.4	0.3
3. IF	1.	2	1.0	0.8	3.2	4.1
4. Feign Exchange Liabilities	1.	1	0.9	1.0	0.8	0.7
Tot External Debt & Liabilities (1 through 4)	**32**	**.2**	**28.2**	**28.1**	**32.0**	**31.**
Offal Liquid Reserves	9	5	9.3	5.3	5.9	6.4
<u>**Meo:**</u>						
GD(in billions of Rs.)	6,90	723	3,673	10,243	12,739	14,68
Excnge Rate (Rs./US$, Period Avg.)	59	.9	60.6	62.5	78.5	84.
Excnge Rate (Rs./US$, EOP)	59	.2	60.6	67.3	81.0	84.
GD(in billions of US dollars)	10.5	7.4	143.0	164.5	162.3	173

** : d-March'10* *Source:SBP, EAand DPCO staff calculatios*

Poive developments in the trade balance, stableind rolst worers' reittances, and the relate strngth of the U.S dollar against other internation curreres have assiste in limiting the growthof ED However, lack of foreign currency financing flo's has o played a parin the constrained growh of DL, with the burden of deficit financing shifting tdomes sourcs.

Folwing is a break-up of the developments in the vrious cagoriesof EDL:

8.3-1(i) Public and Publically Guaranteed External Debt

Public and Publically guaranteed (PPG) debt consists of all loans and bonds contracted by the government, or in which the government is a guarantor. These include; medium and long-term obligations from multilateral and bilateral creditors, Pakistani Sovereign bonds, military, and commercial debt; and short-term debt which is contracted mostly through the Islamic Development Bank. The outstanding stock of medium and long-term debt remained fairly stagnant during the first three quarters of FY10, registering a net increase of US$ 200 million to stand at US$ 41.8 billion by end-March FY10. Multilateral debt, which is the single largest component of Pakistan's EDL, did not witness any significant changes during the period under review. The project-based nature of loans contracted under this category hinges on Pakistan's ability to instill project efficiency. Also, limited access to increased avenues of multi-lateral financing has meant that the increase in multilateral debt has been limited to US$ 100 million.

Table 8.10: Composition of EDL*, FY10

Component	Percent
Public & Publically Guaranteed	78.5%
Paris Club	26.0%
Multilateral	43.0%
Other Bilateral	4.6%
Short Term	1.1%
Other	3.8%
Private Non-Guaranteed	5.9%
IMF	13.4%
Foreign Exchange Liabilities	2.3%
Memo:	
Total EDL (In billions of US$)	**53.9**

** EDL: External Debt & Liabilities*

Source: DPCO staff calculations

The second largest portion of PPG debt is contracted from bilateral sources which include Paris Club donors as well as other countries outside the Paris Club. While no net change was witnessed in the outstanding stock of Paris Club debt, net inflows from other-bilateral sources amounted to US$ 500 million by end-March FY10 mostly on account of US$ 200 million budget support made available through the Saudi Fund for Development.

Other major developments in the outstanding stock of PPG debt include the repayment of US$ 600 million International Sukuk Bond in January 2010. The overall lack of increase in the stock of PPG debt, although encouraging, signals limited access to foreign currency debt creating flows from multilateral and bilateral sources. The dearth of such financing flows has meant that the Government has had to rely on disbursements under the IMF SBA and issuance of domestic debt to meet its financing requirements. Going forward, with repayments to the IMF beginning in FY12, access to concessional financing from multilateral and bilateral sources must be secured. Increased efficiency with regards to project delivery will assist in augmenting these funding sources.

8.3-1(ii) IMF Debt

Similar to FY09, foreign currency debt flows during the year have been dominated by disbursements under the IMF SBA. The third disbursement of SDR 766.7 million (US$ 1.2 Billion) was made on August 7, 2009 followed by a fourth disbursement of the same amount on December 23, 2009. The recently disbursed tranches contain an element of budgetary support as opposed to the strictly BoP support nature of previous tranches. The outstanding stock of IMF debt now stands at US$ 7.2 billion as opposed to US$ 5.1 billion at the end of FY09, growing by approximately 40 percent. Out of this outstanding amount, US$ 1,083 million is for the purpose of budgetary support, while the remainder is being used to strengthen the country's Balance of Payments. The latest tranche of approximately US$ 1.13 billion dollars was received on May 19, 2010.

8.3(iii) Private Non-Guaranteed Debt and ForeigrExchare Liabilties

Priite non-guaranteed debt by end-March FY10 tood aUS$ 3.16 billi, decreasing by US$ 00 mion or 5.5 percent in the first three quarters. Ot of thimount US$ 17 million is for private on guanteed bonds while the remainder consists o loans. is woth notg that substantial privte seor debt plays a key role in the fears of a debt cris looing ove develced countries, specially ne Eu zone. The exposure cf Pakistan's private secor to ternal debt isimited, thus reducing ne vuerability of the overall debt stork. Foreign Exchage Lia ities, which mtly consist of Central Bak Deosits, remained fairly stable, with the outstandin stock creasirg by a arginal amount of US$ 00 mion.

8.2 Commitments and Disbursements of ExternaDebt

The has been a significant change in the pattern ocommnents fr proje and non-project aid. he she of project aid was 35.9 percent during 20009, wth increased t67 percent by end-Mach 20). Unlike previous years, the share of project aiin totaommitments Is increased during currnt fincial year.

Comitments of foreign economic assistance were $688 milion dung 2008-09, while tcal comitments amounted to $4,730 million during te firstine months ofhe current fiscal year e., JulMarch, 2009-10. About 66 percent of total commitmts durig July-arch 2009-10 were in ne she of project aid while the remaining comprisd nonroject id. Tl share of BOP/Budgetry suort in total non-project aid was 17.8 percent, okyo Pdges 7.. perce and IDB (ST) 6.9 percnt. Diursement of foreign economic assistance durig 20089 was $4,688nillion and $2,135 milbn dung July-March, 2009-10. During July-March 209-10, sbursenents c $2134.8 million were or difrent purposes like Programme-loans/Budgety Supirt ($561.3 mion), Project Aid ($70.1 mion), short Term Credts i.e. Trade Financin ($321 million), Eanquake Reconstruction & Reabilitation ($140.0 million), Tokyo Pledges ($58.0 illion), DPs ($1.5 million), and Afghan Reigees Relief Assistance ($2.3 million). A summrized tde of commitmnts and disbursementsof foign economic assistance is given in **Table 8.11**.

Tae 8.11: Commitments and Disbursements, FY10* (US $ millins)

Paiculars	Commitments				Disbursements			
	2008-09		200-10 (July-Mrch) (P)		2008-0		2009-10 (July-March) (F	
	Amount	% Share	Amount	% Sha	Amoint	%iare	Amount	% Shre
I. bject Aid	2,296	35.9	3,175	67.1	1,22	.1	840.1	39.
II. on-project Aid	4,092	64.1	1,555	32.9	3,45	.8	1,295	60.
a) on-Food	125	2	0	0	17	.7	0	0
b) ood Aid	18	0.3	0	0	0	0	0	0
c) idgetary Suort / (BOP)	3,350	52.4	1,229	26	2,582	.1	971	45.
d) B (ST)	597	9.3	324	6.8	65	.4	322	15.
e) ghan R.R.A.	2	0	2.2	0	2	0	2.2	0.
Tol (I + II)	**6,388**	**100**	**4,730**	**100**	**4,688**	**00**	**2135**	**10**

** of end-March 2010* — *Soce: Economic Affairs Divisin*

8.3-3 Translational Impact during 2009-10

While the stock consists of various currencies, for all intents and purposes the Pakistan's External Debt exposure is 100 percent dollarized, i.e. all loan proceeds are converted into Pak Rupees at the time of disbursement and no exchange cover is arranged.

This effectively means that the external debt portfolio is vulnerable to the movement of US Dollar exchange rate vis-à-vis other currencies and rupee exchange rate vis-à-vis USD. As Pak Rupee is not an internationally traded currency, the other currencies are bought and sold via selling and buying of USD. Historically, Pakistan has suffered significant losses (increase in debt stock due to currency movements

as opposed to increased inflows). Since 1993, Pakistan has suffered an average translational loss of approximately US$ 248 million per year. However, the magnitude of these losses has been more significant since 2000-01, with a peak of US$ 3.1 billion in translational losses suffered in 2007-08. It is important to note that even in years where translational losses have been limited, Pakistan has not been able to capitalize on favourable movements in international currency markets. Furthermore, these figures only measure the losses caused by movements in US Dollar vs. Third currency and not losses caused by appreciation of the dollar against the Pak Rupee.

Table 8.12: Historical Translational Impact

Year	Translational (Loss)/Gain*
1993	8
1994	(881)
1995	(1,729)
1996	2,485
1997	911
1998	1,683
1999	(685)
2000	(467)
2001	2,463
2002	(1,833)
2003	(1,437)
2004	(1,541)
2005	253
2006	(197)
2007	(67)
2008	(3,121)
2009	(53)
2010**	242
Average Loss Per Year	**(220.3)**

** : Estimated, ** :As of end-March 2010*

Note: Due to unavailability of detailed data the currency composition is assumed to be constant for years before 2007.

Source: DPCO staff calculations

The relative strength of the dollar against the Euro, Yen, and Pound Sterling has had a positive impact on Pakistan's EDL. During the first nine months of FY10, Pakistan witnessed a translational gain of approximately US$ 242 million. Sharp appreciation of the dollar against these major international currencies caused a reduction in the USD equivalent of Pakistan's foreign currency public debt of approximately US$ 924 million in the third quarter of FY10 alone. Going forward, continuing fears of high levels of debt in the Euro zone are likely to maintain the relative strength of the dollar. However, the historic losses due to international exchange rate movements underline the need for a comprehensive currency hedging framework to be put in place. In this regard, the Debt Management Committee has undertaken the formulation of a strategy to hedge the market risk inherent in Pakistan's external debt portfolio.

8.3-4 External Debt Servicing

Servicing of external debt and liabilities during the first nine months of FY10 amounted to US$ 4.3 billion. Out of this amount, US$ 3.6 billion was for principal repayments during the period, while the interest cost on external debt and liabilities reached US$ 771 million. When compared to a stock of approximately US$ 55.2 billion at the end of FY09, the relatively smaller amount of interest payments

Table 13: Pakisan's Extnal Debt Servicing ($million:			
Yea	Actual Anount Pai	Amount Rolled Over	Total
FYC	2,783	1,300	4,083
FYC	2,896	1,300	4,196
FYC	2,870	1,300	4,170
FYC	3,122	1,200	4,322
FYC	4,728	1,600	6,328
FY1	4,346	1,023	5,369
* As end-March 2010			Source: SBP

mad during the first three quarters of FY10 signal towads the concessional nature of most of the forei loans contracted by Pakistan. The bulk of the serving, approximately 63 percent, was on behalf of publ and publically guaranteed debt, with foreign exchnge liabilities and private non-guaranteed debt makg up a small portion of the total servicing amot. Principal repayments of public and publically guarnteed external debt also include the US$ 600 milli repayment of the International Sukuk Bond in nuary)10.

8.3-!External Debt Burden and Sustainability Indicators

To aain a holistic picture of the burden placed by exernal ot on the econmy, historical changes the rden, and to ascertain future direction and treats tthe sutainabiy of the debt stock, a analis of ratios linking levels of debt and debt serviing to acroeconomic ndamentals, specificall of tl external account of the economy is mandator. Maning the levels f external debt, and th risksssociated with them pose policy makers with a ifferenet of callenge. While EDL expressed a a pcentage of GDP might be a common means f mearing the indeledness of an econom. repament capacity is more accurately captured throgh expssing tie leve of debt as a percentag of tl economy's foreign excange earnings and reseves. Aitionall, analys of the current accour defic provides important clues as to the future dection f the externaldebt path. A nil currer accent deficit before interest payment and higher grwth in reign ExchangEarnings (FEE) compard to tl interest rate paid on EDL will ensure a decline iEDL buen over time.

Tabl8.14: External Debt Sustainability Indicators, FY05-F10*						
	FY05	FY6	FY07	FYC	FY09	FY10*
EDL/DP	32.30%	29.0%	8.20%	28.1%	32.00%	31.10%
EDL/ER	2.8	23	2.7	4.(	4.1	3.6
EDL/EE	1.3	12	1.2	1.:	1.5	1.5
EDL rvice/FEE	15.3%	13%	.2.8%	11.7	17.3%	11.8%
Noniterest Current Account Deficit	-2.9%	0.%	2.9%	3.8	7.1%	4.4%
STD/DL	0.8%	0.%	0.1%	1.5	1.3%	1.1%
Groh in EDL	1.8%	5.%	8.3%	14.6	14.3%	2.3%
Groh in FEE	21.1%	16%	5.3%	13.0	-4.2%	3.2%

* : Dt Stock as of end-March 2010, FEE end of year projeion

FEE=oreign Exchange Earnings, STD= Short-Term Debt, FE=Foreigxchang Reserv

Srce: DPCO Staff Calculatios

In ste of a marginal increase in the stock of EDL in te first tee quarters ofY10, EDL as a percentae of OP has declined to 31.1 percent; a reduction of 00 bps nine nonths owever, as the figure f EDL for end-March 2010, and the GDP is projected r the vole year, a slig increase in this indicatr is eected in Q4FY10. Historically, Pakistan has hadery lired relince onshort-term external det, the by reducing the refinarcing risk to the country debt ck. By end-Mch FY10, STD declined o 1.1 ercent of total EDL as opposed to 1.3 percent in Y09.

An erall improvement in the external account, cupled vh limited foren currency debt creatig flov, has led to a decline ir the general external inebtedss of the couny. A marginal decrease n EDL-ER reflects the recent consolidation of foreign xchan reserves, and general improvement f the country's repayment capacity. Growth in exports and robust workers' remittances has led to a reduction in EDL and EDL service as percentages of FEE. If such performance is sustained with regards to exports and current transfers, the repayment burden on the economy will be significantly lessened. A reduction in the non-interest current account deficit also eases pressures on the debt portfolio going forward. However, the presence of a chronic non-interest current account deficit needs to be addressed to ensure sustainability of the external debt stock, particularly in light of a rebound in international commodity prices.

Although Pakistan's stock of outstanding External Debt consists mostly of long-term concessional rate loans from multilateral and bilateral donors, the addition of the IMF SBA which includes tranches with a shorter repayment horizon and relatively higher interest rates has skewed the maturity profile of the debt portfolio. The majority of repayments are to be made in the period 2011-2025.

8.3-6 International Capital Markets

Access to international debt capital markets has been employed by many emerging market economies successfully. Although the cost is higher than the concessional financing provided by multi-lateral institutions and the risk of adverse impact from currency movements remains, borrowing from global capital markets is seen as a vital step in the development of financial markets domestically and in setting a benchmark for sovereign paper.

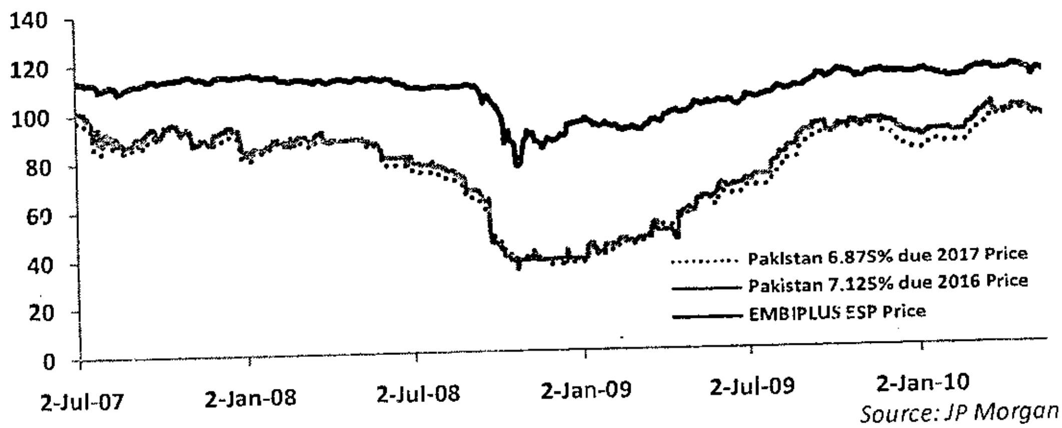
Table 8.15: Performance of Pakistan's Sovereign Issues (as of May 18, 2010)

Issuer	Maturity	Amount (US$ million)	Coupon (%)	Spread over UST (bps)
Islamic Republic of Pakistan	Mar 31, 2016	500	7.125	544
Islamic Republic of Pakistan	Jun 1, 2017	750	6.875	541

Source: JP Morgan

Pakistan has successfully tapped the international markets in the past. The sovereign issues of 2016 and 2017 are currently trading at 544 bps and 541 bps over UST (as of May 18, 2010) respectively. This shows that the yawning spreads have recovered sharply only recently in response to a gradual recovery in the international capital markets.

Fig-8.5: Performance of Pakistan Sovereign Issues against EMBI+



Source: JP Morgan

The scal year 2009-10 was characterized by the roayme of a naturingInternational Ijara Sukk Bonworth US$ 600 million due on 27 January, 2010vith noew issıe. Pakian does not consider tls foraa viable option in the short-term given the sti high ylds on the exiing issues. However, its imptant to keep the investor base intact. The trendn the rformance of Pkistan sovereign issuess nea/ in line with the Emerging Markets Bond Inde Plus (e **Figure-8.5**). he 2016 and 2017 issus hav fared weil in the recent months owing to ome sbility on the omestic horizon due o govnment's consistent efforts to put the economy ack onack. Pakistan pans to continue accessig inteiational markets, though opportunistically, sc that t presence ofPakistani paper in thee marets remains visible.

P)verty

9

Povey is about denial of opportunities and fulfilmer of huan potential. Fverty and inequality ar close related, and inequality appears to have been)n the se wordwide recent decades at bot natical and international levels. More than 80 perent of he word's poplation lives in countrie whe income differentials are widening. The poorest40 pernt of tle worls population account fc only percent of global income. On the other hand,he ricist 20 percent ccount for 75 percent c worlincome, according to the United Nations Develoment ogramne.

Povty is the principal cause of hunger and under norishmt. Accoding tomost recent estimates of the)od & Agriculture Organization of the United Ntions (.O, 2009), the umber of hungry peop wor wide has reached 963 million, or roughly 15)ercenof the estimatd world population. Ths repsents an increase of 142 million over the figure fr 1990-2.

Povty essentially consists of two elements, a narowly-fined 'income poverty and a broadr conpt of "human" poverty (referred to as the *povrty of)portunities* byate Dr. Mahbub ul Haq. Incae poverty is defined as the lack of necessities fr minimm material wbeing determined by th nathal poverty line. Humar poverty means the deal of clices anl oppounities for a tolerable lie in aeconomic and social aspects.

Thr poverty measures are commonly used;

a) ead count ratio (HCR): the proportion of popuation bow the nation or international povety ne as the case may be.

b) overty gap ratio; a measure of poverty obtaid by nltiplyirg the had count by the averae elative distance at which the poor are from the pverty ie.

c) everity of poverty measure; where the weighgiven each poor peon is proportional to te quare of the income shortfall of the poor from te povey line.

Thhead count ratio is a crude measure of povert beuse it completely ignores the gap in income fro the poverty line and the distribution of incom amng the poor. The severity of poverty index ha me desirable properties.

Pakan Povrty Line Historical Perspective (s)	
Yea	Poverty Line
19599	673.40
20C01	723.40
20C05	878.64
20C06	948.47

In ase of Pakistan, poverty line is calorie-based Exenditure on calorie intake of 2350 calories pe adt equivalent per day, alongwith consumption expencure on non-fod items, is aggregatedto costruct a poverty line. This poverty line is adjuted athe time of th poverty estimation aer acounting for the inflationary impact in intervening years.

Poverty Overview - Global Profile

Global Poverty Trends; 1981-2005

Poverty is most often measured in monetary terms, captured by levels of income or consumption per capita or per household. The commitment made in the Millennium Development Goals to eradicate absolute poverty by halving the number of people living on less than $1.25 a day represents the most publicized example of an income focused approach to poverty.

Based on income approach, the last 20 years have seen a significant reduction in the depth and severity of extreme poverty in the developing world. In absolute terms, extreme income poverty has fallen substantially, with the number of people living on less than $1.25 a day having declined from a high of 1.9 billion in 1981 to a low of 1.4 billion in 2005. In relative terms, the proportion of people living in extreme poverty more than halved from 52 to 25.7 percent during this period.

As a consequence of the fast economic growth and increase in standards of living, developing countries in Asia and the Pacific made significant progress in reducing poverty. Fifteen countries representing 93 percent of the population witnessed their headcount poverty rates reduced from 52 percent in 1990 to around 25 percent in the mid 2000s (Table-9.1). Decline in poverty rates were sharpest in China, Indonesia, Vietnam and Thailand. In only one of the countries shown in the Table i.e. in Turkey, did the poverty rate increase over the period.

Table-9.1 : Poverty reduction between 1990 and the mid-2000s

Country	Period	Headcount poverty rates (%)		Number of Poor (Million)			% age share of each country in the total poverty reduction
		Initial	Final	Initial	Final	Poverty reduction	
Bangladesh	1992-2005	66.8	9.6	80.4	76.0	4.4	0.7
Cambodia	1994-2004	48.6	40.2	5.4	5.5	-0.1	0.0
China (rural)	1990-2005	74.1	26.1	614.2	204.2	409.9	68.8
China (urban)	1990-2005	23.4	1.7	73.2	9.1	64.1	10.8
India (rural)	1988-2005	55.6	43.8	344.5	353.3	-8.9	-1.5
India (urban)	1988-2005	47.5	36.2	98.1	117.3	-19.2	-3.2
Indonesia (rural)	1987-2005	70.5	24.0	85.7	27.3	58.3	9.8
Indonesia (urban)	1987-2005	62.0	18.7	29.0	19.7	9.3	1.6
Iran (Islamic Republic of)	1990-2005	3.9	1.5	2.2	1.0	1.2	0.2
Kazakhstan	1996-2005	5.0	3.1	0.8	0.5	0.3	0.1
Lao People's Democratic Republic	1992-2002	55.7	44.0	2.5	2.5	0.0	0.0
Pakistan	1991-2005	64.7	22.6	76.5	37.5	39.2	6.6
Philippines	1988-2006	30.5	22.6	18.1	19.7	-1.6	-0.3
Russian Federation	1993-2005	2.8	0.2	4.2	0.2	4.0	0.7
Sri Lanka	1985-2002	20.0	14.0	3.2	2.7	0.6	0.1
Thailand	1988-2004	17.2	0.4	9.5	0.3	9.2	1.5
Turkey	1987-2005	1.3	2.7	0.7	1.9	-1.2	-0.2
Viet Nam	1993-2006	63.7	21.5	44.7	18.2	26.5	4.4
Median		48.0	22.0				
Total (15 countries)				1492.9	896.9	596.0	100.0

* *Source: Economic and Social Survey of Asia and the Pacific 2010. ESCAP, UN*

Theotal number of poor in the 15 countries shown Table was reduced gnificantly to 596 millin fror1,493 million in 1990 to 897 in the mid-2000s. lmost of thereductin took place in just a fev couries of which China represented 79.5 percent ad Indosia 11.1 percet. In other countries sun as (mbodia, India the Lao People's Democratic Repblic ar the Philippinethe cuts in poverty rats wer insufficient to reduce the total number of poc. Indiaad 28 nillion ore poor in 2005 than 198 according to ESCAP (UN).

As gards poverty status in Pakistan, no uni-diredional ovemeit of hid count ratio has been obsved. The HCR ratio of 30.6 percent in 1998-9, incrsed to 34.5 pcent in 2000-01, befoe deciing to 23.9 percent and 22.3 percent during 200-05 ar2005-05.

In global perspective, the reduction in employmenand inme opportunits since 2007 has led tca corderable slowdown in the progress towards pverty eductin and he fight against hunge. Estiates by the Departmen of Economic and Social Affairs the Urted Naons suggest that, in 200, beteen 47 and 84 million more people have reained oor or will hre fallen into poverty n devloping countries and economies in transition than woulhave been thease had pre-crisis growh cornued its course. This setback was felt predominatly in ist and South Aa, where between 29 ad 63 illion people were likely affected of whom aboutwo thls werein Indi (Source: World Economic Sittion & prospects 2010, UN). By these estimats, the isis has trappd about 15 million mce pede in extreme poverty in Africa and almost 4 rillion iLatin America nd the Caribbean. In te outok for 2010, the economic recovery is expectecto encrage aresumpon of the declining tred in gbal poverty in the years prior to the crisis. Nontheless growth in incme per capita is expectd to ll well short of pre-crisis levels, poverty reductin will ll be significany less than it would hae bee under pre-crisis trends.

Cenin Developments with Relevance to Incidence oPovert

Aft a high growth rate cf 6.8 percent in 2006-7, Pakan has expernced a declining rate of eccomic growth, during 2007-08 and 2008-09 (3.7% and 1% respctively. However, there has ben an crease to 4.1 percent in 2009-10. As may be see, the gwth rae declied, given the international eccomic crisis during 2008-09 - although it was not egatives in cae of soe other countries.

Inftion which was declining over 2004-05 to 2006-07, stad incrasing nce 2007-08 and touchd theeak of 20.77 percent in 2008-09 in line with he wor inflatin tren Inflation has subsided n 200-10 but is showing an upward trend of recer. Foodnflatior whichas immediate impact n porty, increased to 23.7 percent in 2008-09, butleclineto 12 ercent 2009-10. However, itis shing an upward trend of recent.

Unmployment rate decreased to 5.2 percent in 207-08 fm 6.2 percent 2006-07. However it hs incased to 5.5 percent during 2008-09. Agricultur sectorhe largst soue of employment (45.1%) altough improved in terms of growth in 2008-09 is rojecteto witress a loer growth rate in 2009-10 i.e2.0 percent. On the other hand, the Services sctor, tl second largesjob provider (34.5%) and hang the highest employment elasticity, is expecte to gro at 4.56percen n 2009-10 compared wh 1.5 percent in 2008-09.

In spite of world economic crisis, job loss for Pakistani emigrants, among others in countries of destination, and world forecast for lower workers remittances, workers remittances in case of Pakistan are showing a robust upward trend; estimated at $5.3 billion in 2007-08, $6.4 billion in 2008-09 and $7.3 billion during 2009-10 (July-April).

A major factor in operation over the past two years which could have possibly mitigated pressure on poverty has been the substantial increase in support prices of wheat, the largest staple food crop, which were raised to Rs950/40 Kg from Rs 625/40 Kg in September 2008. Prima facie, the increase in support prices in conjunction with a much larger commodity procurement program run by the government (under which 9.2 million tons of wheat was procured in 2008-09) has led to a substantial cash injection into the rural economy.

On the flip side, however, there are more "consumers" than "producers", and the income transfers to the rural economy come at the expense of the urban population. While the Benazir Income Support Programme (BISP) caters to the needs of the 'poorest of the poor' of the society in terms of cash assistance for day to day subsistence, it is targeted primarily towards rural areas. There is anecdotal evidence that the ranks of the vulnerable in urban areas is increasing, especially in the low-income category. To this extent, a better targeting – or wider coverage – may be needed.

For the current financial year, an amount of Rs. 70 billion was allocated, to target 5 million vulnerable families. Expenditures amounting to Rs. 17.8 billion were incurred up till March, 2010. In FY 2008/09, a total of Rs. 14 billion was disbursed to 1.76 million beneficiaries in the shape of a cash grant of Rs 1000 per month.

Box-1: New International Poverty Line

The dollar-a-day poverty line has its roots in the purchasing power parity (PPP) exchange rates generated by the International Comparison Program project, undertaken jointly by the United Nations Statistics Division, the World Bank and the University of Pennsylvania. The PPPs were used first to construct an "average" poverty line for a group of countries for which the International Comparison programme provided information and then to convert this common line into national currencies in order to estimate the incidence of poverty using national distributional data. The Programme has produced three rounds of estimates; in 1985, when the programme covered 22 countries, with a poverty line of $1 per person per day; in 2000-20001, when the estimates were revised using the PPP exchange rates of the program's 1993 round with a poverty line of $1.08 per person per day; and in 2005; when the programme produced new estimates using its 2005 PPPs, with the poverty line raised to $1.25 per person per day. Each subsequent round leads to a re-estimation of the incidence of poverty.

The potential strength of the monetary poverty-line approach, entailing, for example, the dollar-a-day line, is considerable; it defines absolute poverty in a simple manner which is intuitively attractive and seems to provide a universally applicable definition for making comparisons among countries cross-sectionally as well as (for single countries) inter-temporally.

Growth-Poverty Nexus

Both the global crisis and deteriorating security situation in South & South-West Asia countries saw economic growth come under pressure in 2009 decelerating to 2.9 percent as compared to 4.7 percent in 2008 (Table-9.2). Barring Afghanistan, a country highly dependent on foreign aid, India achieved hiiest growth rate at 7.2 percent in 2009. Grovh contcted ir only to countries, Maldives nd Tkey.

Tde-9.2: Rate of economic growth and inflation in Soun and Sth-Wes Asian conomies, 2008 to 2010
(Percentge)

	Real GP Grow			Inflation		
	2008	209	2010 rojectio)	218	2009	2010 (Projectn)
Scth and South-West Asia	4.7	.9	6.1	15	11.2	8.4
Ahanistan	3.4	1.1	7.6	28	-10.0	8.4
Bgladesh	6.2	.9	6.0	9	6.7	6.0
Bltan	5.0	.7	6.6	8	7.2	8.4
Ina	6.7	2	8.3	9	11.9	7.5
Ir (Islamic Republic of)	3.3	.0	5.0	25	16.0	15.0
Mdives	5.8	-.6	2.1	13	8.5	6.0
Nal	5.3	.7	3.5	7	13.2	7.5
Pistan	3.7	.2	4.1	10	20.8	9.0
SLanka	6.0	.5	6.0	26	3.4	8.6
Tkey	0.9	-.0	3.0	14	6.3	7.2

Source: Economiand soc survey of Asia ad the Pacific 2010 (ESCAP, JN)

GP Growth, Employment and Poverty HeadcounRatio

Pductive employment is the economic foundatio of dent worl. Increed focus on the generaion odecent work opportunities is central to achiving tl goals established by the United Natons Mennium Summit. Access to productive. Work tht provis an acquateicome for working menind wmen and is the surest route out of poverty. As iown irable-93 therexists a negative correlaion bween GDP growth rate and poverty head cour and aositive correlaon between unemployment ad poverty head count ratio.

Tle-9.3: GDP Growth Rate

	1998-99	2000-01	2003-04	2004-05	2005-6	20067	2007-08	20009	2009-10	2010-11	201-15
Wrld	-	-	4.9	4.5	5.1	5.	3.(	-0	4.2	4.3	45
Sth Asia	-	-	-	-	-	8.	5.7	5.	6.9	7.4	
Pistan	4.2	2.0	7.5	9.0	5.8	6.	3.7	1.	4.1	-	
Lemployment Rate											
Wrld	-	-	6.3	6.2	6.(	5.	6.(	6	-	-	
Sth Asia	-	-	5.3	5.4	5.3	5.	5.4	5	-	-	
Pistan	6.1	6.0	8.3	7.7	7.6	6.	5.2	5	-	-	
Pverty Head Count Ratio											
Sth Asia	38.42 (2001-02)	-	-	40.3							
Pistan	30.6	34.5	-	23.9	22.						228*

** 29.3% target to reduce HCR of 58.5%, living on less tan $1.2 per day n 1990 treduce poverty to half of 990 cper MDGs.*

Nte: In 2005-6, Pakistan nod achieved the 2015 targt of halg poverty using990 (58.5) as the base line

Surce: (i) World economic outlook 2010. IMF (ii) glbal emyment trends 009 ILO (iii) Pokistan Naonal Acounts 2010 (iv) Pakistan labour force survey 2008-09 (v) Retlking poverty, reprt on the world social situtlon 210 UN (vi) Pakistan Economic Survey.

Accelerating economic growth is necessary but not sufficient

Accelerating economic growth is necessary but not sufficient to bring down poverty levels. As past experience in the case of Pakistan and other countries has repeatedly suggested, periods of high growth that have occurred at the expense of macroeconomic stability do not tend to produce the desired outcomes with regards to poverty reduction in a sustainable manner.

The challenge is, as always, how to make growth more inclusive by spreading its benefits to large segments of the population. The allocation of more resources for the provision of basic services such as education, health sanitation, and housing particularly for those belonging to lower income groups, and targeted programmes for the benefit of the poor in the broader framework of social protection, as is being done over the past two years, remain critical drivers of long run reductions in poverty.

World Economic Growth Prospects

While the world economic situation has been improving since the past six months, the global economic recovery is expected to remain sluggish, while un-employment rates are expected to stay high. Developing countries, especially those in Asia, are expected to show the strongest recovery in 2010. Nonetheless, growth is expected to remain well below potential and the pre-crisis levels of performance in the developing world. As a consequence, it will take more time and greater efforts to make up for the significant setbacks in the progress towards poverty reduction and the fight against hunger, as well as the other Millennium Development Goals. The crisis has impacted severely, on low-income countries and the most vulnerable. Even given the signs of economic recovery, many are still facing declines in household incomes, rising unemployment and the effects of dwindling government revenue on social services. Where these adverse impacts cannot be countered because of weak social safety nets and lack of fiscal space to protect social spending and promote job creation there is a high risk of long-lasting setbacks to human development.

Inflation Behaviour and Prospects

Just as the sharp rise in food and fuel prices generated a rapid acceleration of headline inflation in both high income and developing countries during 2008, and the un-precedented slowdown in the global economy witnessed a mixed trend of inflation during 2008-09. The median rate of year-over-year consumer price inflation in high income countries, which peaked at 5.2 percent in mid 2008, turned negative in July, but was 0.6 percent in November 2009. The median inflation rate in developing countries has declined from a peak of 12.4 percent in mid-2008 to only 2.6 percent. Notwithstanding the declines in headline inflation, core inflation has remained relatively stable in high-income countries.

Inflation developments have changed drastically among middle and low-income countries. Median inflation in low-income countries peaked at 15.4 percent in the middle of 2008, but as of October 2009 it was 1.2 percent well below the levels observed before the food and fuel boom. However, food inflation in developing countries has not been falling as rapidly as overall prices in the two-thirds of developing countries for which data are available through May 2009. As a result, by the end of May 2009, food prices in developing countries had risen about 8 percent faster than non-food prices, when compared with January 2003. This suggests that the poor in these countries may not be benefiting from lower international food prices to the same degree as the poor in richer countries and that a significant portion of the 130 million pushed into extreme poverty during the food price spike may not have exited poverty as might have been expected given the fall in international food prices.

Tab-9.4 : Summary of Inflation												
	Average 1992-2001	2002	2003	2004	2005	2006	007	2008	;09	Projections		
										2010	2011	205
Advnce Ecoomies	2.5	2.3	2.1	2.0	2.1	2.2	2.1	3.8	.8	1.6	1.7	2.
Emging anc Deloping Ecoomies	8.5	3.6	4.4	4.5	6.0	6.1	5.5	.0.3	.9	4.9	4.6	4

Srce: Wrld Ecormic Outlook April 2010 (INF)

Tab-9.5 : Pakistan Inflation Profile									
	2001-02	2002-03	2003-04	200405	20-06	2(06-07	007-08	2008-09	2009-0 Jul-Ar
1. eneral CPI	3.54	3.10	4.57	9.2	;2	'.77	12.0	20.77	11.4
(Food	2.5D	2.83	6.01	12.9	€2	:0.28	17.64	23.70	12.0
2. PI	3.37	3.58	6.83	11.5	;2	:0.82	16.81	23.41	12.9

Srce; Ecomomic Aiser's Wing, Finance Divisn

Fol item weightage in the consumer basket (CPI) = 0.34%

Fol item weightage in the consumer basket (SPI) =about 7%

Tab-9.6 : Food Weights in CPI			
Ecomy	Share (%)	Ecomomy	Share (%)
Cha, People's Rep. of	33.20	Malysia	30.0
Hog Kong, China	26.94	Philipines	46.58
Ina	57.00	Singapore	23.38
Innesia	42.30	Taipei China	25.00
Koa, Rep of	14.00	Thaiand	32.71
-	-	Pakistan	40.34

Source: DB

Imact of rise in food prices on poverty

Th rise in food prices is worrisome precisely becase fooorice inlation the most aggressive ofall taxs – it hurts the poor the most. The effects of ring fooprices vill diff across households. Thre wi be some households that may benefit from ligher ices; tiere my be households that re acersely affected. Rising food prices may lead to inome gas for net prod:ers who are in rural aras. Th food price increase shculd contribute to highernconefor these net srplus producers. Howevr, tohe extent that net surplus producers tend to b the ratively well-of rising food prices maybe exected to adversely affect even the rural poor. Cetainly t urbanpoor, wo are food consumers nd urkely to be food producers, can be expected to sufer mo from rsing fod prices.

Inhis context, it is important to examine how diffeent grois will be affecd by rising food prices. is al important to investigate what would be the netmpact food price inceases on poverty. Concens or high prices are mounting because inflation ats in real incomesnd expenditures and an urermine the gains from poverty reduction and uman velopnent th developing counties hve achieved over the last decade or so.

In order to gain a sense of the varying impact of increases in food prices on different subgroups of the population, food expenditure shares by income quintile are examined in table below in case of Bangladesh, India, Indonesia and Philippines which may serve as a fair proxy for Pakistan (Table-9.7). The average share of food in total expenditure is inversely related to income across quintile groups, as seen from household expenditure survey data from Bangladesh, India, Indonesia, and Philippines. It is perfectly clear that poorer population subgroups spend a larger share of their total expenditures on food than richer ones. In each of the four countries, a clear majority of the expenditure of the poorest 20% is on food. In contrast, the share of food in total expenditure tends to be around 25 percentage points less for the richest 20%. As a result, the poorer population subgroups are more vulnerable to rising food prices

Table-9.7 : Share of food expenditure to total expenditure (percent)

Quintile	Bangladesh	India	Indonesia	Philippines
1st	69.3	62.0	63.3	64.6
2nd	66.9	59.4	58.1	59.2
3rd	63.2	56.2	54.1	54.1
4th	58.7	50.8	49.0	47.7
5th	45.2	36.4	37.9	36.4

Source: Special Report Food, Prices and Inflation in developing Asia (ADB). April 2008

To the extent that some households produce (and consume) their own food, they will tend to be relatively shielded from increases in food prices. In fact, those with a marketable surplus may even benefit. Nevertheless, the household expenditure survey data used here suggest that for all quintile groups in all four countries, a majority of food consumption is purchased. In the case of rice, for example, typically an average of around 70% or more of total rice expenditures is purchased in any given quintile group in rural areas. A smaller percentage is purchased for some quintile groups in rural Bangladesh (a little les than 60%). However, this is for the top two quintiles.

Employment – Poverty Scenario

As a stylized fact, strong positive correlation exist between employment generation and poverty reduction. Increasing opportunities for decent work is central to shaping an enabling environment for the achievement of the goals of the Millennium Declaration. This will entail crucial choices about the pattern of development. Dialogue, involving trade unions, employers' organizations and others, is vital to finding the right balance of policies for employment creation, productivity growth, and poverty reduction.

Global Prospects

Labour market will remain weak in the outlook. The experience of previous recessions shows that employment recovery typically lags output growth by a significant margin. During the last two recessions in the United States (in 1991 and 2001), for instance, output started to recover after eight months, while it took 30 and 48 months, respectively, before unemployment rates were back to pre-crisis levels. Recovery from the present crisis has only just begun and large output gaps remain characteristic of the situation in most major economies. This will slow new hiring until output growth has become more robust.

Labur market conditions in developing countries a: expeed to remain fficult in the outlook fr thre main reasons. First most of the 47 million new 'orkers'ho enter laboi markets worldwide ean yeawill be searching for jobs in developing countrie: In Asialone fcr increa an estimated 51 millio addonal jobs will need to be created to absorb tht regics growng labur force during 2010 ard 201

Secnd, as in developed countries, employment cration ideveloping contries is expected to lg outut recovery.

Thir, the shift to informal sector jobs during the cris will lily be long lastg for many workers. Ths addconsiderable pressure on earnings for those in ulnerae emplbymentand will keep the level f worng poverty high, especially in rural areas wherjob oprtunities are ready scarce. In additio, on p of vulnerable employment, as social protectioicovera is relatively liited and working povery leve will increase. This will be difficult to reverse as oservein prevbus criss.

As regards Pakistan, whereas labour force employed i agricture and indusy increased in percentae term it has decreased in the services sector in th year)08-09 over tl year 2007-08. This isa sigricant development in the employment perspecte; give the highest emloyment elasticity in the serces sector. However, the Services sector has ecoven to a growthate of 4.56%. Share f agrulture, industry and services sector in Pakista was 4.6% 2).1% ad 35.3% during 2007-08 conared with the respective

PRS-II – Profile of Pro-poor Expenditure

PRS pro-poor expenditures are reported regularly uder fivoroad categori i.e. i) Market Access ad Comunity Services; ii) Human Development; ii RuraDevelopment; v) Safety Nets; and ') Governance. These five categories cover 17 pro-poor ectors r trackng of bdgetary expenditures.

Propoor spending is significantly rising over recent ears; fm 3.77 percer of GDP in FY 2001-02 o 7.4 percent of GDP in FY 2008-09 which remaine well ave the projecd expenditure of Rs.70 billn for the year. Aggregate pro-poor spending fr the st nine month of current financial yer 20(-10 amounts to Rs. 651.2 billion which has incased om Rs. 518.0 bion in the correspondig perd of the previous financial year 2008-09, showig an urend of 5.4 peent (Table-8). An amout of I 860.0 billion was projected to be spent in FY 209/10 vich would be 01 percent of GDP. Actul expnditure during July-March FY 2009-10 represent 75 pernt of the projted pro-poor expenditue forie whole FY 2009-10 and represents 4.3 percent of estinted GD for thcurrent financial year.

An pward trend is observed in the expendituresof thr categries, Hman Development (1.0 peent), Rural Development (14.49 percent) and overnce (4552 pernt) between FY 2008-9 (Ju-March) and FY 2009-10 (July-March). An amunt of s. 234.5 billioiwas incurred on Humn Delopment during July-March, 2009-10 as compard to R 200.5 billion ithe corresponding perid of evious financial year. Ir Human Development, ll threeectors, Educatn, Health and Populatin Planing registered growth with Health represenng themaximum YoYncrease of 27.6 percnt folwed by Education experditure depicting a YoY irrease 14.12 percent.

A murring pattern is the rise in expenditure relatecto Govnance, from R 104.7 billion during Ju/-Mch 2009-10 relative to Rs. 71.9 billion during thesame priod of FY 200.09, largely attributable o incase in Law & Order expenditure explained by te interl conflct and ilitancy compelling higher ouys on public safety and security.

Safety Net shows a significant YoY decrease, 18.28 percent which is mostly concentrated in Subsidies, showing 26.96 percent YoY decrease. Within Safety Net, in FY 2009-10, Social Security& Welfare record an impressive growth of 56.6 percent over the corresponding period of previous year. Expenditure on Safety Net moved down from Rs. 203.5 billion in FY 2008-09 (July-March) to Rs. 166.3 billion in FY 2009-10 (July-March) while on Social Security & Welfare, it increased from Rs. 17.3 billion in FY 2008-9 to 27.1 billion in FY 2009-10. Consistent decline in the outlays on Subsidies reflect a shift in resources towards programmes comprising Social Security and Welfare. Under the IMF Stand By Arrangement in place since November 2008, the Government of Pakistan is committed to gradually replace the subsidies with direct and targeted assistance to the poor and needy.

Rs. In Billion

Table 9.8 : Social Sector and Poverty Related Expenditures

Sectors	01/02 Actual	02/03 Actual	03/04 Actual	04/05 Actual	05/06 Actual	06/07 Actual	07/08 Actual	08/09 Actual	08-09 (Jul-Mar) Actual	09/10 (Jul-Mar) Actual	09/10 Projected
I. Market Access and Community Services	11	16.6	28.5	41.7	63.6	76.6	104.5	121.8	60	51.7	70.2
i. Roads, Highways & Bridges	6.3	13.1	22.7	35.2	53.2	60	85	99.6	48.6	38.8	59.2
ii. Water Supply & Sanitation/Environment	4.6	3.4	5.8	6.5	10.3	16.6	19.5	22.2	11.4	12.9	11.0
II. Human Development	86.8	103.9	129.4	152.9	191.1	222.3	256.8	329.4	200.5	234.6	327.2
iii. Education	66.3	78.4	97.7	116.9	141.7	162.1	187.7	240.4	153.6	175.3	260.6
iv. Health	19.2	22.4	27	31.4	39.2	53.2	62.4	83.7	43.1	55.0	62.1
v. Population Planning	1.3	3.1	4.7	4.6	10.2	7	6.7	5.3	3.8	4.3	4.5
III. Rural Development	24.3	34.2	44.6	59.7	78.5	101.8	151.5	136	82.1	94	140.5
vi. Agriculture*	10.1	15.5	22.5	37.9	59.8	74.8	122.9	88.9	49.3	53.5	109.6
vii. Land Reclamation	1.9	1.8	2	2.1	2.7	2.3	3.1	2.7	1.5	1.3	3.2
viii. Rural Development	12.3	16.9	18.6	15.4	15	22.2	22.8	16.4	6.3	10.7	11.3
ix. Peoples Works Programme-II**	0	0	1.4	4.4	1	2.5	2.7	28	25	28.5	16,418
IV. Safety Nets	11	15.4	17	11.4	36.1	18.8	435.2	276.1	203.5	166.3	271.6
x. Subsidies***	4.3	10.9	8.5	5.4	6	5.5	398.5	220.6	175.8	128.4	178.3
xi. Social Security & Welfare	3.7	1.3	4.1	2	7.6	4.5	22.5	29.1	17.3	27.1	73.5
xii. Food Support Programme	2	2	2.8	2.7	3.1	3.5	4.3	12.4	3.5	0	11.8
xiii. Peoples Works Programme-I****	0.8	0.8	0.6	0.08	0	0.02	1.9	3.3	1.7	2.5	2.9
xiv. Natural Calamities & Disasters	0.2	0.4	0.5	0.9	19.1	5	7.4	10	4.9	7.5	3.5
xv. Low Cost Housing	0	0.01	0.4	0.3	0.3	0.3	0.6	0.6	0.3	[illegible]	1.5
V. Governance	33	39	41.8	50.5	6.8	7.2	94	113.9	71.9	104.7	50.5
xvi. Law & Order	31	36.7	39.4	47.4	1.1	2.1	88	104.7	66	97.6	43.7
xvii. Justice Administration	2	2.2	2.4	3.1	5.6	5.1	6	9.2	5.9	7.1	6.8
Total	166.1	209	261.3	316.2	376.1	426.7	1042	977.2	618	651.2	860.0
As % of GDP	3.77	4.33	4.63	4.81	4.93	4.89	9.7	7.46	5.7	4.3	6.01

* Agriculture sector has been included for tracking PRSP expenditures instead of irrigation with effect from FY 2008/09

** Village electrification has been replaced with People Works Programme-II in FY 2008/09

***Food subsidy has been renamed as subsidy with effect from FY 2008/09

**** Khushal Pakistan Fund has been renamed as People Works Programme-I from FY 2008/09

Source: Finance Division.

The proportionate shares of respective expenditure categories in Pro-Poor spending for FY 2009-10 illustrate a change from FY 2008-09 (Table 9.9). During July-March, FY 2008-09, Safety Nets holds the maximum percentage share, 32.93 percent, followed closely by Human Development, 32.44 percent. Rural Development holds the third largest share, 13.28 percent.

Tab 9.9: Percentage share in aggregate Pro-Poor expeniture

Seors	Actual		% share	
	2008/09 (July-March	09/10 (Jy-March)	008/09 (Jy-March)	2009/10 (July-Maro)
I. Mrket Access and Community Services	60.0	51.8	9.71	7.94
II. uman Development	200.5	235.7	32.44	36.02
III. ural Development	82.1	94	13.28	14.43
IV. afety Nets	203.5	58.37	32.93	25.53
V. overnance	71.9	104.7	11.63	16.08
Tol	618.0	44.57	100	100

Source: Finance Divion

Dung nine months of current financial year, 209-10, uman Developent holds the maximm proportionate share i.e 36.02 percent, 3.58 percen pointsigher than thorevious year, followecby Saty Nets, 25.53 percent, representing a declin of 7. percert point over the same perio in prious financial year. Shares of Governance i. 16.08ercent and Ral Development i.e 1443 pecent, represent an increase over the previous fiancial ar. Maket Acss and Community Serice hds the smallest share compared to other categors, in bh the years.

Oler Initiatives to Alleviate Poverty

(i)Benazir Income Support Programme (BISP)

Beazir Income Support Programme (BISP) caters tothe nes of the 'poore of the poor' of the socty nonly in terms of cash assistance for day to day sbsistere but aso enaing them to exit the viclus cye of poverty. An amount of Rs. 70 million wasllocat for th currei financial year, 2009-1 to taet 5 million families. Expenditures amounting toRs 17.billion vere incrred up till March, 201 In FY2008/09, a total of Rs. 14 billion was disbursed 1.76 illion beneficiaes in the shape of the ash grnt of Rs 1000 per month.

Inially, the targeting of the beneficiaries ws carid out throu Federal and provirial pliamentarians since there was no poverty datan the untry. Since, tere was an urgent nee to pivide relief to the poor, it was decided by the Manageent board thathe targeting may be dne tbugh the Parliamentarians to identify beneficry faries. However, in inclusion and excluion cieria was devised, based on the information avilable th NADRA. Th said criteria were use by NDRA while processing the BISP's application form recomendedby the arliamentarians.

Rorms of the targeting process: poverty survey – paradm shift

Inpursuance of the international best practices, itwas fethat a nore oective method of targeing tl beneficiary families is needed. Therefore, with he helpf World Bank e Government has decied tcreform the targeting process to minimize the inusion d exclusion errs and give equal chanc to e:h one for applying to the programme for benefits. T Work Bank pproved instrument naed "overty Scorecard" based on Proxy Means Testin whichas bee adoptl and a nationwide Povrty Svey was planned to identify the poor fmilies. Hence benefiary identification thrugh Pliamentarians was stopped on 30th of April 2009 In thisontext, a test pase of the survey, finaced bGoP has already been conducted in sixteen ditricts four provinceand AJK/GB. The survy is cried out house to house thus providing an equl oppounity to all to pply for the BISP's benefits. Te questionnaire, which includes questions abouthe hsehold membs, household characteritics ad assets, is used to determine their poverty stas. Datentry of the 1surveyed districts has been completed and a cut-off score has been decided by the BISP Management Board at 16.17. All those falling at or below the cut off point will be paid BISP benefits. Approximately 600,000 beneficiary families have been identified during the Pilot Phase of the Survey in the fifteen Districts. Such present beneficiaries in these districts who fall below the cut-off score will continue to be BISP beneficiaries, but others have been eliminated.

A nationwide survey is targeted to be launched by June 2010 with the financial support of the World Bank. Request for proposals (RFPs) have been issued to shortlisted survey firms. However in view of the fact that GOP is implementing a "Aghaz-e-Huqooq Balochistan", it has been decided to complete the survey in the Balochistan by 31st May 2010. Population Census Organization has been entrusted the task. For the Poverty Survey, the whole country, except Balochsitan, has been divided into five clusters namely; Upper Punjab & AJK, Southern Punjab, Sindh, Khyber Pukhtunkhwa & Gilgit-Baltistan & FATA. The clusters have been offered for competitive biding to conduct the survey. Five firms, one for each cluster, are being hired following Quality and Cost Selection (QCBS) method. During the targeting process, number of evaluation activities will be carried out ensuring therein that participating Organizations have followed the process outlined in the Targeting Manual of the BISP. To carry out the evaluation processes, quantitative and qualitative assessments will be made through hiring of separate firms for both the exercises.

(a) Emergency Relief Packages

BISP is also implementing an Emergency Relief Package for Internally Displaced Persons (IDPs) of FATA, Swat and earthquake affectees of Balochistan. A total of Rs. 28 billion has been paid to 3,965 families from FATA and Bajaur and Rs. 34 billion has been paid to 3,729 earthquake affected families in Balochistan.

(b) The Rights Source (Waseela-e-Haq) Initiative

BISP also initiated "Waseela-e-Haq" programme for providing the poor an opportunity of self-employment. One beneficiary has been selected out of the each sub group through a computerized draw for award of a cash loan of Rs. 300,000/-. This one time loan is conditional and the beneficiary will have to spend it for some income generating purpose. Six draws have been held so far. As a result, 4,526 beneficiaries have been pre-selected during these draws and those falling below the cut off score will be eligible for the loan. In this regard implementation in case of 20 beneficiaries was started in April, 2010.

(c) Vocational Training Product

In order to transform the poor segment of society from depending upon the government's monthly financial assistance to self-reliance, one member from each qualifying household will be equipped with technical and vocational skills making them the earning hands. The second phase of the skill development programme will be provision of microfinance for poor families to help them run small businesses.

(d) Health Insurance

Health insurance is also a major component of this programme and will cover the entire family including household head and spouse, children up to 18 years, dependent parents, and unmarried daughters aged 18 and above. The policy benefit will cover full hospitalization, pregnancy, daycare treatment and diagnostic tests. This insurance policy will also provide accident compensation for earning members of the family. For this, consultations with different ministries and provincial governments are in process.

(iiPeoples' Works Programme (PWP) -I & II

Peple's Works Programme-I & II cover small devlopme schemes for rovision of electricity, as, fan to market roads, telephone, education, heah, war suppy, sanition and bulldozers hurs faities to the rural poor. Budget allocated for FY 009/10tood a: Rs 35 billion out of which Rs31. bion has been utilized during July-March, FY 200/10 copared o an eenditure of Rs.26.8 biion dung the same period in FY 2008-09, reflecting a YY incr6e of 15.7 percnt. Up till March, 2010, 04 scemes were approved under PWP I, with the highst nurer of scemes nder Road i.e. 320 followed by72 schemes related to Water Supply and 209 elctrifican schenes.

(ii Pakistan Bait-ul- Mal (PBM)

Pastan Bait-ul-Mal (PBM) disburses to the destute, ndy, wilows, ohans, invalids and inrm irrspective of their gender, caste, creed or race. PM proves assitance nder different programmes ar schemes such as Food Support Programme (FS), Indiual Firancial Asistance (IFA), Institutional Reabilitation through Civil Society Wing (CSW), lationaCenter for Reabilitation of Child Labur (NRCL), Vocational Training Institutes/ Dastkari Schols (V).

PBI disbursed an amount of Rs. 1.65 billion durig July-arch F 2009-) relative to Rs. 2.7 bilon inrred in the corresponding period of FY 2008-09 marki a decrase of8.9 percent. This reflecs a deine in number of beneficiaries by 22.8 percer from 437,56) durin July-March FY 2008-0 to 1,.0,264 over the same period in the current finacial yea The decline irdisbursements and numer ofeneficiaries is caused by the merger of Food Suport Seme, amajor mponent of Pakistan Bit-ulMal into Benazir Income Support Programme sinc FY 20-09.

(i\ Employees' Old Age Benefits Institution (EOBI)

Enloyees' Old Age Benefits Institution (EOBI) povides onetar bene:s to the old age workrs thugh different programmes including Old Age Pnsion, validityPensio Survivors Pension and Old Ag Grants. During the first half of FY 2009-10, EOBdisburd an anount cRs. 3.2 billion compare to Rs2.7 billion over the same period in the previus finaial yea, reprenting YoY increase of16 pcent. Number of beneficiaries up-till third quarte of curnt finaicial yei increased to 590,246 form 54,449 during the same period in the previous finacial ye. showig an uward trend of 7.42 percnt. Ding July-March, FY 2009-10, about 65 percent othe tol amount was stributed through Old Age Pesion, 33.16 percent through Survivors' Pension, .49 thugh Invalidity ension and .29 through Old Ag Grants.

(vZakat

Zat provides financial assistance such as Guzara Allowan, Educational Stipends, Health Care, Scial Wfare/rehabilitation, Eid grants, and Marriage asstance rough Regularakat Programme and oher Zat Programme and National Level Schemes. A tcal of R/68.7 million w disbursed under differnt prgrammes of Zakat durirg July-March FY 2009-1 as conared to Rs. 1,21 million during the sme peod, FY 2008/09 registerng a decrease of 46 perent. Nuber of beneficries recorded a decreas of 25ercent, from 538,050 during July-March in the reviousnancia year to04,124 in the same peod ofurrent financial year.

Othe total Zakat disbursenents, 52.7 percent wa disburd unde Regul Zakat Programmes, 1725 peent under Other Zaka: Programmes and 30 prcent nder National evel Schemes during Jly-Mrch, FY 2009-10.

(vi) Microfinance

Microfinance is recognized as an effective tool to pull the poor and vulnerable out of poverty and vulnerability. It enables the poor to enhance their income earning capacity and empower them, especially women. Microfinance comprises Microcredit, Micro-savings and Micro-Insurance. It is provided as package through Microfinance Banks (MFBs), Microfinance Institutions (MFIs), Rural Support Programmes (RSPs), and Others including Commercial Financial Institutions (CFIs) and Non-government Organizations (NGOs). Credit disbursements under Microcredit, amounting to Rs 21.7 billion were made during July-December, FY 2009-10 as compared to Rs 18.7 billion during the same period, FY 2008-09 showing an improvement of 16.04 percent. Number of active borrowers increased by 5.38 percent during July-December, FY2009-10, from 1,732,879 number of beneficiaries up till second quarter of previous financial year to 1,826,045 number of beneficiaries during the corresponding period of the current financial year.

Micro-Savings and Micro-Insurance components of Microfinance depict growth in terms of number of active savers and policy holders. Micro-Savings recorded an increase of 58.8 percent during July-December FY 2009-10 over the same period in the previous financial year. This translates into an increase of 34.8 percent in the number of active savers. Micro Insurance registered a YoY increase of 47.52 percent in the number of active policy holders while the value of sum insured has moved up from Rs. 34,340 during July-December FY 2008-09 to Rs. 43,539 million during July-December of the current financial year.

Poverty-inequality-household consumption

Rising inequality can adversely affect the speed of poverty reduction with growth. Table 9.10 shows that the Gini coefficient increased between 1990 and the mid-2000s in 9 of 15 countries examined, the increase was higher in urban than in rural areas. Table 10 shows that in all but three countries the rate of GDP growth exceeded the rate of growth of per capita household consumption during the period considered. The three exceptions were the Philippines where both grew at the same rate and urban Indonesia and Pakistan where average household consumption grew faster than per capita GDP. On the other hand the rate of growth of household consumption was zero or negative in three countries the Islamic Republic of Iran, Kazakhstan and the Russian Federation.

Table-9.10 : Inequality and household consumption growth between 1990 and the mid-2000s

Country	Gini Coefficient (%)		Average Annual Growth Rate (%)		Counterfactual additional poverty reduction (in million)	
	Initial	Final	Household consumption per capita	GDP per capita	No change in inequality	Household consumption grew at an additional 1% per year
Bangladesh	26.2	31.0	2.2	3.2	6.5	9.5
Cambodia	38.3	41.9	1.9	5.2	0.4	0.7
China (rural)	30.6	35.9	5.1	9.1	36.3	54.5
China (urban)	25.6	34.8	7.0		9.1	9.1
India (rural)	30.1	30.5	0.9	4.0	2.3	66.3
India (urban)	35.6	37.6	1.2		5.8	26.6
Indonesia (rural)	27.7	29.5	3.3	3.4	1.8	0.0
Indonesia (urban)	32.8	39.9	4.6		6.6	0.0
Iran (Islamic Republic of)	43.6	38.3	-0.2	2.9	-3.3	1.0

Tab-9.10 : Inequality and household consumption growt betwe 1990 and the rd-2000s						
Coury	Gini Coefficient (%)		AveragAnnual owth ate (%)		Counrfactual additional povert eduction (in million)	
	Initial	Final	Househld consumtio n per caita	P per apita	No chge in inecality	Household consumption grev at an additiona 1% per year
Kazhstan	35.3	33.9	-0.3	6.9	-2	0.5
Lao eople's Dencratic Republic	30.4	32.6	1.7	3.9	C	0.3
Pakian	33.2	31.2	3.9	1.7	-0	0.0
Philpines	40.6	44.0	1.6	1.6	3	0.0
Russn Federation	48.3	37.5	0.0	2.0	-16	0.2
Sri Lka	32.5	41.1	1.9	3.2	1	1.6
Thand	43.8	42.5	3.7	4.4	-8	0.0
Turly	43.6	43.2	0.5	2.2	-2	1.9
Vietam	35.7	37.8	5.7	6.0	3	0.0
Mean	34.3	37.6	1.9	3.2		
Weited average	32.2	34.8	3.3	6.0		
Tot(15 countries)					54	172.0

Source: Ecnomic &ocial Suvey of Aa & Pacific 2010 ESCAP, Ul.

Achvement of MD Goal 1. Eradicate extreme povety & huger

Tart: Halve between 1990 and 2015, the proortionf peole whse income is less thn $ 1 a day ---- Pakistan case.

Paktan is committed to the achievement of interia, MDoal 1: As show in table below; povety redtion based on national poverty line was on trac up to 05-06 nd estiated to be so hence aftr up 2007-08. Prospects for further reduction wereshadovd by tle worleconomic crisis and asn casof most world economies; the speed of poverty eductic would ave ben faster in the absence f the orld economic crisis.

Tab-9.11 : Goa1- Eradicate Extreme Poverty and Hunger- Pakist Case							
Inditors	Definition	90-S	20001	2001-05	215-06	MTDF Target 2009-10	MDG Targe 2015
Projrtion of popation below the lorie based fooolus non-foooverty line	Head-count index based on the official povery line of Rs 673.54 per capita pe month in 1998-99 prices consistent with attainment of 2350 calor es per adult equivalent per day	26.	34	2.9	3.3	21	13

Source: Ploing & Development Divisin

MGoal 1 (Poverty & Hunger) in South Asian Perspctive

Sou Asia is the developing sub-region with the lrgest mber o poor eople: 43 percent of te devloping world's i.e. 1.4 billion poor people live SouthAsian cuntrie The absolute number f pecle living in extreme poverty increased from 548 millicto 5955 millic between 1981 and 20G.

Rates of population growth in these countries have remained high and have led to an enlargement of both the total population as well as the numbers living in extreme poverty. In recent years, economic growth has been relatively high in the three largest countries in the region, India, Bangladesh and Pakistan, which recorded annual rates of growth of G DP per capita above 5 percent in 2000-06. As a result, the sub-region saw the proportion of those living in extreme poverty decline in relative terms, from a high of 59 percent in 1981 to 40 percent in 2005. However, such growth has not been sufficiently inclusive and pro-poor to reduce the absolute number of persons living in poverty. Income inequalities have grown steadily in India since the early 1980s, in both urban areas. The same pattern can be observed in Bangladesh. South Asian countries have been unable to generate sufficient decent work opportunities to lift working poor people out of poverty.

The headcount index declined in almost all countries with data on income poverty, with the exception of Bangladesh, where the estimated proportion of people living below the $1.25 a day poverty line increased from 44 percent in 1981 to 51 percent in 2005. In India alone, the poverty headcount fell by 18 percentage points, from 60 percent in 1981 to 42 percent in 2005. Pakistan also experienced a decline in the headcount index from 73 to 23 percent during the same period. Yet, Table-12 shows that, in terms of progress in meeting the Millennium Development Goal target of halving extreme poverty by 2015, several countries in the region, including Bangladesh, India, Nepal and Sri Lanka and Pakistan will need higher rates of poverty reduction to meet the challenge.

Table-12 : Proportion of the population living on less than $1.25 a day in countries of South Asia, 1981, 1990 and 2005, and the change needed to reach the 2015 target (percentage)

Country	Proportion living on less than $1.25 a day			2015 Target	Annual rate of change (1990-2005)	Change needed to achieve the target (2005-2015)	Annual rate of change needed to achieve the target (2005-2015)
	1981	1990	2005				
Nepal	-	77	54.7	38.5	-2.3	-16.2	-3.5
Bangladesh	44.2	49.9	50.5	24.9	0.1	-25.6	-7.1
India	59.8	51.3	41.6	25.7	-1.4	-15.9	-4.8
Bhutan	47.4	51	26.8	25.5	-4.3	-1.3	-0.5
Pakistan	72.9	58.5	22.6	29.3	-6.3	a	a
Sri Lanka	31	15	10.3	7.5	-2.5	-2.8	-3.2
Total (South Asia)	59.4	51.7	40.3	25.9	-1.6	-14.5	-4.4

Source: World Bank, Development Research Group (2009)

a: By 2005-06, the country had achieved the 2015 target of halving poverty, using 1990 as the baseline.

Remittances, Implications for Poverty

Overseas migration and the resulting remittances have served dual objectives world wide; ie, easing pressure on employment market and providing foreign exchange for balance of payments as well as budgetary support. Remittances supplement the household income, uplift life standard and thus reduce absolute poverty. It is in this context that countries like Philippine have promoted overseas migration as an industry. Remittances help the household to increase their consumption expenditure on food, develop expenditure on housing, skill development and establishment of small businesses thus improving the scope for higher future income.

Rerrtances from expatriate Pakistanis are believed ad emyically p'oved thave had a major impat on te reduction in the incidence of poverty. The tot remitnces inlows bween 1990-99 and 200-10 ıve amounted to $62.0 billion. Jump in remi:ances more likely have been a result f Govnment intervention such as the Pakistan. Remtance itiative which ncouraged transmittal f remtances through formall recorded channels. Als the direciaticn of th Pakistan rupee attractd remtance inflows for investment purposes. This masive inflv of foreign reiittances, when translatd intoncreased consumption expenditures and greatr empyment opportiities generated throuh grear investments in the construction industry, th SME ctor, oher bunesses and consumptin dennd contributed to the decline in poverty in the cuntry.

Education 10

It is wdely acknowledged that education is amongst the sing most importa: factor contributing tc pover alleviation. Education plays an overarching rol and ha cross cuttingmpact on all aspects of huma life. It is a vital investment for human and eonomidevelopnent. nfortunately, Pakistan's standg on this front has historically been poor, as canbe seen Table10.1.

Table 0.1: Comparison of Public Sector Spending on Educaon

Count	Public Sector Sending (As % GD)	Literacy rate in (%)
Bangliesh	2.6	55.0
China	-	93.7
India	3.3	-
Indonia	3.5	-
Iran	5.2	-
Malaya	4.7	92.1
Nepa	3.2	57.9
Pakisn	2.1	57.0
Sri Laa	...	90.6
Thailid	4.5	-
Vietnn	5.3	92.5

- : noavailable

Figur for latest available year

Source: Wrld Ba: UNDP, UNESCO-BS, Ministry of Education

Withpublic spending on education as a percentage c GDP aongst the lowst in the chosen sample the itcome with regard to literacy levels is not srprisin While the litacy rate has improve gradilly over a period, Pakistan's indicators on this font conue to rank at the bottom end of globa rankgs. Within the region, cnly Bangladesh has a wrse oubme onboth iricators, spending by th publ sector as well as literacy rate. Nepal spend a subtantial ractiomore than Pakistan o edudion, while its literacy rate is marginally higher.

Give this dismal state of affairs, Human Capital Devopmerhas ben accoled amongst the highes prioies in the government's Nine Point Plan of 2008.

10.1 Literacy

Accding to the latest Pakistan Social and Living Stadards easurenent (PSLM) Survey 2008-09, th overl literacy rate (age 10 years and above) is 57% 69% fr male and 45% or female) compared t 56% 69% for male and 44% for female) for 2007-08 The ca shows that teracy remains higher i urba areas (74%) than in rural areas (48%), and is mre prelent fo men (69%) compared to wome (45%. However, it is evident from the data that overa femal literacy is risinover time, but progress i unen across the provinces. When analyzed provincilly, litecy rate in Punb stood at (59 %), Sinc

(59%), Khyber Pakhtunkhwa (50%) and Balochistan at (45%). The literacy rate of Sind and Khyber Pakhtunkhwa has improved considerably during 2007-08 to 2008-09 (Table 10.2).

According to the data, the overall school attendance, as measured by the Net Enrolment Rate (NER)[1], for 2008-09 was 57% as compared to 55% in 2007-08. All the provinces have shown an increasing trend, with Sindh recording the highest increase, followed by both Khyber Pakhtunkhwa as well as Balochistan.

Nationally, the Gross Enrolment Rate (GER), sometimes referred to as the *participation rate*, which is the number of children attending primary school (irrespective of age) divided by the number of children who ought to be attending, in case of both male and female saw no change and remained at 91% between 2007-08 and 2008-09. Sindh and Khyber Pakhtunkhwa have shown noticeable increase in the respective period (Table 10.2).

Table 10.2: Literacy Rate 10 yrs+, GER & NER Trend in Pakistan & Gender Parity Index (GPI)

REGION/ PROVINCE		Literacy rates (10 years & above)			GER Primary (age 5-9)			NER Primary (age 5-9)		
		2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
Pakistan	Male	67	69	69	99	97	99	60	59	61
	Female	42	44	45	81	83	83	51	52	54
	Both	**55**	**56**	**57**	**91**	**91**	**91**	**56**	**55**	**57**
	Rural	45	49	48	84	83	85	52	51	53
	Urban	72	71	74	106	106	106	66	66	68
	GPI	**0.63**	**0.64**	**0.65**	**0.82**	**0.86**	**0.83**	**0.85**	**0.88**	**0.87**
Punjab	Male	67	70	69	106	102	102	64	62	64
	Female	48	48	50	95	92	92	59	59	60
	Both	58	59	59	100	97	97	62	61	62
	GPI	0.72	0.69	0.72	0.90	0.90	0.90	0.92	0.95	0.94
Sindh	Male	67	69	71	88	87	93	56	55	57
	Female	42	42	45	68	72	75	43	46	49
	Both	55	56	59	79	80	84	50	51	54
	GPI	0.63	0.61	0.63	0.77	0.83	0.77	0.77	0.84	0.80
Khyber Pakhtunkhwa	Male	67	68	69	96	94	102	56	55	58
	Female	28	33	31	67	71	70	41	41	45
	Both	47	49	50	82	83	87	49	49	52
	GPI	0.42	0.49	0.45	0.70	0.75	0.69	0.73	0.75	0.64
Balochistan	Male	58	66	62	89	88	93	49	47	51
	Female	22	23	23	52	59	54	32	35	36
	Both	42	46	45	72	75	75	41	41	44
	GPI	0.38	0.35	0.37	0.58	0.67	0.55	0.65	0.74	0.64

Source: Pakistan Social & Living Standard Measurement Survey 2008-09

The Gender Parity Index (GPI) is the ratio of female enrolment to male enrolment. A GPI of more than

[1] Net Enrolment Rate refers to the number of students aged 5-9 years that are enrolled in a primary school, divided by the number of children in the age group for that level of education.

o? indicates that, in prop?rtion to every male in te scho, there s morehan one female. The GI for Pkistan as a whole in 2003-09, is 0.65 compared t 0.64 i2007-0?. Provi?e-wise GPI is high in Pujab (72) followed by Sindh (0.63), Khyber Pakhtunkwa (0.?) and ?alochian (0.37), (Table 10.2).The lwer GPI with a decreasing tendency in Khyber akhtunwa deserves tention at both the feeral ad provincial levels.

12 Educational Institutions and enrolment

i?re-Primary Education

P?-Primary Education is an important componer of Ea' Childlood Eccation (EC?), Prep or lachi csses of children having age of 3-4 years. An increse of ? % in Pe-Primry enrolment (8.434 miion) i2008-09 over 2007-08 (8.218 million) has ben obseed and during2009-10, it is estimated to irease by 2.2 percent. See (Table 10.3).

iPrimary Education (Classes I – V)

Aumber of 156,653 Primary Schools with 465,33 Teachs are fnction(Table 10.3). An increae of G % in Primary enrolment (18.468 million) in 200-09 ov2007-0? (18.3? million) has been obseved ad during 2009-10, it is estimated to increase by 13 percit.

i Middle Education (Classes VI-VIII)

Aumber 40,919 Middle Schools with 320,480 Techers a functional (Tac 10.3) .A decrease of (2 % i middle enrolment (5.4?4 million) in 2008-09 oer 20008 (5.426 milln) has been observedand cring 2009-10 , it is estimated to increase by 0.6 prcent.

i Secondary Education (Classes IX-X)

Aumber 24,322 Secondary Schools with 439,31 Teachs are functiona(Table 10.3) .An increae of ? % in middle enrolment (2.556 million) in 200809 ove2007-0? (2.48?million) has been obseved ad during 2009-10, it is estimated to increase by ?6 percit.

\Higher Secondary / Inter Colleges (Classes XI-XI

? enrolment of 1.147 million is estimated in 209-10 er 1.07? millio in 2008-09 and 959,69 in ?07-08. 3,291 Higher Secondary Schools / Inter?ollegewith 7?,184 Tichers are functional (?able 1.3). 78 new schools / Inter Colleges have been aded sin July 2(08.

\ Degree Colleges Education (Classes XIII-XIV)

? enrolment of 458,83? students is expected uring ?09-10 n Degre Colleges over 429,2?1 in ?08-09 and 383,810 in 2C07-08. 1,238 Degree Cobges wi 21,17? Teach s are functional (Table 0.3) ad 205 new Degree Colleges have been added sine July ?08.

\) Universities Education (Classes XV onwards)

? enrolment of 948,364 is estimated in 2009-10 n High Educaton ove303,507 in 2008-09. In crder t boost-up higher education four new universities havbeen establistd during the year 200-10 aking the total number to 132 universities witl50,82?eaches in bo Private and Public Setors (able 10.3).

Table 10.3: Number of Mainstream Institutions, Enrolment and Teachers by Level

Year	Enrolment			Institutions			Teachers		
	2007-08	2008-09 (P)	2009-10 (E)	2007-08	2008-09 (P)	2009-10 (E)	2007-08	2008-09 (P)	2009-10 (E)
Pre-Primary	8,218,419	8,434,826	8,623,544	--	--	--	--	--	-
Primary* Mosque	18,360,468	18,468,096	18,714,582	157,407	156,653	156,364	452,604	465,334	469,151
Middle	5,426,548	5,414,157	5,445,247	40,829	40,919	41,456	320,611	320,480	323,824
High	2,484,537	2,556,186	2,699,589	23,964	24,322	24,822	429,932	439,316	447,117
Higher Sec./ Inter	959,690	1,074,323	1,147,807	3,213	3,291	3,399	74,223	76,184	78,656
Degree Colleges	383,810	429,251	458,835	1,202	1,238	1,275	20,971	21,176	21,385
Universities.	741,092	803,507	948,364	124	129	132	46,893	50,825	56,839
Total	36,574,564	37,180,346	38,037,968	226,739	226,552	227,448	1,345,234	1,373,315	1,396,972

Source: Pakistan Education Statistics 2007-08, 2008-09 and 2009-10, EMIS- MaE Islamabad

P: Provisional
E: Estimated

10.3 Missing Facilities in Public School

The Poor quality of existing learning environment is evident from the fact that a large number of schools are missing basic infrastructure i.e. 37.7% schools up to elementary level are without boundary wall, 33.9% without drinking water facility, 37% without latrines and around 60% schools are without electricity. For higher accessibility of education particularly for girls in low income household and to enhance the enrolment, existing schools should be upgrade with the provision of necessary infrastructure to improve both output and quality of education. Details may be seen in Table-10.4:

Table 10.4: Missing Facilities in Government Schools 2008-09

Province/ Area	Without Building	Without Boundary Wall	Without Drinking Water	Without Latrine	Without Electricity
Punjab	505	13,378	8,279	14,551	26,825
Sindh	11,669	24,470	26,240	22,588	39,616
Khyber Pakhtunkhwa	1,113	9,116	10,029	7,888	13,719
Balochistan	681	7,689	4,197	8,425	9,806
AJK	2,705	4,498	3,074	3,390	4,083
Gilgit-Baltistan	183	1,084	1,069	1,072	1,072
FATA	908	1,024	2,101	1,882	1,640
ICT	0	15	7	50	8
Total Pakistan	17,764	61,274	54,996	59,846	96,769
In %	10.9%	37.7%	33.9%	36.9%	59.6%

Source: *NEMIS 2008-09 AEPAM, Ministry of Education, Islamabad.*

The missing facilities in public schools become more glaring, if we analyse them from urban-rural angle, as done in Table 10.5:

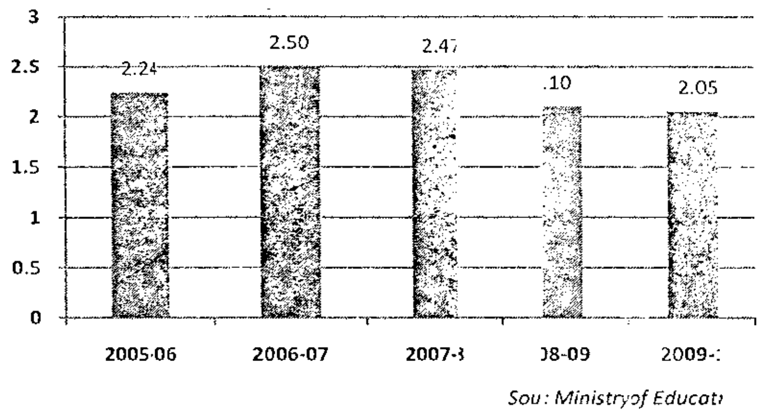
Tab 10.5: Missing Facilities Pakistan: Urban/Rural Dispaties 20-09				
Schɔls without Facilities		**Urbn**	**Rural**	**Total**
Elecicity	In Number	11,69	85,160	96,769
	In Percentage	35.%	65.5%	60.2%
War	In Number	2,19	52,817	54,996
	In Percentage	6.7	40.6%	34.2%
Latre	In Number	9,78	50,083	59,846
	In Percentage	30.%	38.5%	37.2%
Boudary Wall	In Number	9,03	52,248	61,274
	In Percentage	27.%	40.2%	38.1%

Source: NMIS 20-09 AEPAM, Mirtry of Education, Islamabd.

10. Financing of Education in the Public Sector

Pulc Expenditure on Education as percentage to GDP is west in Pakisn as compared to othr cotries of the South Asian region. According to oicial da, Pakitan allcated 2.5% of GDP durig 20(-07, 2.47% in 2007-08, 2.1% in 2008-09 and 2) % in009-10 which ıows persistent declinig tred (Fig-10.1). According to UNESCO's EFA Gloal Mitoring Report2009, the Public Secbr expnditure on Education as percentage of GDP in otlr counries othe region was 2.6% n Barladesh, 3.2% in Nepal, 3.3% in India, 5.2% in Irarand 8.3 of GDI in Malves.

Fig-10.1 Public Expenditure (as %) of DP



Thbreakup of investment in education by the Feeral Gernmet and e Provinces for the yar 20(-10 is given in the Table 10.6

Table 10.6: Summary of Public Sector Budgetary Allocation for Education 2009-10*

(Rs. in million)

	Current	Development	Total
Federal Government			
Ministry of Education	3,718.665	5,500.000	9,218.655
Higher Education Commission	21,500.000	18,500.000	44,000.000
Federal Government Education Institution in Cantonment and Garrisons	1,929.760	14.910	1,944.670
Federally Administered Tribal Areas	4,143.716	1,534.318	5,678.034
Gilgit Baltistan	1,408.738	784.081	2,192.819
AJ&K	3,794.450	722.000	4,516.450
Social Welfare & Special Education Division (DG SE and PBM)	410.340	316.450	726.790
National Vocational & Technical Education Commission	226.000	1,500.000	1,726.000
Other Federal Ministries/Divisions/Organizations	6,570.556	3,663.33	10,233.89
Total (Federal)	**43,702.222**	**32,535.090**	**76,237.312**
Provincial Governments			
Government of Punjab	24,778.707	24,794.589	49,573.296
Government of Sindh	13,919.081	6,020.000	19,939.081
Government of Khyber Pakhtunkhwa	2,411.730	2,421.133	4,832.863
Government of Balochistan	2,008.985	6,059.354	8,068.339
Total (Provinces)	**43,118.503**	**39,295.076**	**82,413.579**
District Government**			
Punjab	66,223.058	6,293.739	72,516.797
Sindh	31,930.127	5,714.157	37,664.284
Khyber Pakhtunkhwa	21,379.271	1,995.678	23,374.949
Balochistan	8,673.374	102.460	8,775.834
Total District Governments	**128,205.830**	**14,106.034**	**142,311.864**
Total Provinces & District Governments	**171,324.333**	**53,401.110**	**224,725.443**
Grand Total Federal, Provincial & District Governments	215,026.555	85,936.200	300,962.755

Source: Ministry of Education

** : Tentative Statement*

*** : Provisional data based on projection*

10.5 National Education Policy 2009

The new National Education Policy (NEP) 2009 has been formulated after lengthy deliberation initiated way back in 2005. NEP formulation process remained almost dormant during the years 2007 and 2008, owing to fluctuating political situation. The present Government re-activated the NEP process and convened 15th Inter-Provincial Education Ministers (IPEM) Meeting in February 2009 at Islamabad to share the draft NEP and getting implementing partners - new political and bureaucratic leadership of education departments of provinces as well as other federating units on board.

After establishing consensus at aforesaid IPEM meeting, a summary for the Cabinet on "National Education Policy 2009" (NEP 2009) was submitted to Cabinet Division in early March 2009, which was considered by the Federal Cabinet on 8th April 2009. The Honourable Prime Minister directed Ministry of Education (MoE) to share the Policy document with all stakeholders for evolving more broad-based policy actions. MoE also made a presentation before the National Assembly Standing Committee on Education, which endorsed most of the policy actions contained in NEP 2009. Finally, Cabinet in its meeting held on September 9th, 2009 approved NEP 2009.

A shift has been made by making national policy a truly 'national' rather than a federal matter. For this, it ls been recommended that the Inter-Provincıl Edution Mnisters(IPEM) Conference, w:h repsentation of all the fecerating units, will be th highe:body to overse progress of educationin theountry.

As ɜr Policy document chapter 9 "Implementation-ramevrk", implemeration strategies and plas areo be prepared by the provincial and area Govelmentswith ful suppc, facilitation and capacy buiing by MoE, where required. The implementtion othe Poicy shε be the responsibility of resective Provincial/Area Education Departments wh overl superision o nter- Provincial Educatir Misters' forum which will also be the competent athoritypr any periodimonitoring and additios, amndments in the Policy, as and when required. Fc salieneatures of NEP009 see Box-1.

Box-1: Salient Featres of IP 2009

Apε from due emphasis on governance issues and an imjementɔn framework, sne distinct features of the pol/ are mentioned as under:

. Access & Equity

- Dakar EFA Goals and MDGs relating to Education ıall be nieved by 2015.
- Introduction of Early Childhood Education (3- years)nd encouragin;inclusive and child-frienly education.
- Primary education offi:ial age shall be 6 to 10 yers.
- Equity in Education (gender, geographical Urban-ural are) shall be promed.
- Grades 11 and 12 shall not be part of the college ducatioand meged intoe school education.
- Governments shall establish "Apna Ghar" residerial schcs in eacı provin to provide free high quaty education facilities to poor students.
- Every child, on admisson in Grade I, shall be allo:ed a urue ID tlat will ctinue throughout his or hr academic career.
- The definition of "free education" shall include aleducati relatedcosts.
- Waiver of maximum age limit for recruitment of fmale tehers, wierever quired.
- Access will be extended by ensuring availability oTechnic and Vo:ational lucation (TVE) at district ad tehsil levels. Relevance to Labour Market shall bensurec
- Enrolment in higher education sector shall be raied fromxisting .7 perct to 10 percent by 2015 ad 15 percent by 2020.

I. Governance, Quality & Relevance:

- The Government shall allocate 7% of GDP to edcation b2015 ard necesry enactment shall be mde for this purpose.
- Sector Planning in Edıcation shall be promotecand ea Provincal/ AreEducation Department shll develop its sector/ suk-sector plan, with facilitatin and crdinatioı at fedal level.
- A system for donor harmonization for aieffectivess ard impr/ed coordination betwen development partners and government shall be cvelope
- Fragmented governance of education at federal nd procial levls inclung literacy shall be managd under one organizatioı.

- Separate academic & educational management cadres with specified training and qualification requirements shall be introduced.
- In order to bridge Public-Private divide, governments shall take steps to bring harmony through common standards, quality and regulatory regimes.
- Deeni Madaris shall be mainstreamed by introducing contemporary studies alongside the curricula of Deeni Madaris.
- Minimum National Standards for educational inputs, processes and outcomes shall be established.
- Inter-Provincial Education Ministers' (IPEM) forum shall be institutionalized, with legal mandate to oversee implementation of NEP and making amendments in it, when required.
- Teacher training arrangements, accreditation and certification procedures shall be standardised and institutionalised.
- Governments shall take steps to ensure that teacher recruitment, professional development, promotions and postings are based on merit alone.
- The curriculum development and review process shall be standardised and institutionalised.
- Use of Information Communication Technologies in Education shall be promoted.
- Curriculum Wing of Ministry of Education and provincial textbook boards shall ensure elimination of all types of gender biases from textbooks. Also adequate representation of females shall be ensured in all curriculum and textbooks review committees.
- A well regulated system of competitive publishing of textbooks and learning materials shall be introduced.
- Examinations systems shall be standardised to reduce differentials across students appearing in different boards of examinations.
- Career Counselling at secondary and higher secondary level shall be initiated.
- Matric-Tech stream shall be re-introduced and scheme of studies revised accordingly.
- Sports activities shall be organized at the Secondary, Higher Secondary, College and University levels.
- Matching with labour market, develop linkages with industry, innovation and promotion of research and development (R&D) culture are hall marks of NEP 2009.
- The policy proposes National Qualifications Framework (NQF) with a changed program structure that encompasses all qualifications in the country, both academic and vocational/technical.

National Education Policy (NEP) 2009 considers federal-provincial ownership and effective coordination within the basic principle of provincial autonomy, as key to successful implementation of the NEP. In this context, the Policy limits the federal role as facilitator and coordinator in the implementation of NEP. The Policy provides broad Implementation framework to guide the process of Implementation. Following are the four main components of the implementation process:

- Institutionalisation of the Inter-Provincial Education Ministers' (IPEM) Forum
- Prioritisation of recommendations of NEP for immediate action at federal and provincial levels i.e. what areas from the policy need to be prioritized in the 1st phase of implementation;
- Agreement on coordination mechanism between federal and provincial governments;
- Harmonisation of donors' assistance for Education

T: cornerstone of the NEP implementation fraiework; the irstituticalization of Inter-Provıcial Eıcation Ministers (IPEMı Forum, as highest bod'to ove:e andmonitothe implementation ofJEP. Flowing areas have been prioritized:-

1. Institutionalization of IPEM (already explaied abo)
2. National Authority for Standards of Educatın
3. Inter-Provincial Stending Committee on Te:books
4. Setting up of Separate Management Cadre
5. Standardization of Examination System
6. National University of Technology in coordıation 'th NAVTEC ancHEC
7. Action Plan for NEP Implementation (SectoWide lanning)

Te real challenge however, is to synchronize ancchannce thei suppo to have maximum beefit, aoiding overlapping/duplication for realization of bjectiv, laid down in EP 2009.

1.6 Human Resource Development

Hman resource development is playing a vital ancparamınt rolein the conomic development oany cunty. In this respect, the Higher Education Comrission EC) ha: made gnificant progress. Wit the cal objective of increasing institutional capacit\and eıancing local rsearch activities, the rajor tust of programs in this area have been primary aimeat impoving te academic qualificatios of tiversity faculty. Scholarships schemes are also ıpen tcndividuals woing in the private sectr or gvernment servants as well as for Pakistani studets. HECas awarded 1,26 undergraduate and 6653 pst graduate scholarships, out of which 3,765 M leadi to Ph.D scholships are under Indigeous Pograms. This scheme has produced more thar300 PDs in PakistanThese scholars have jcned routable Pakistani Universities and R&D organizaons in e Publi: and Prate Sector. It is pertineıt to rention here that HEC's local scholarship progrmmes,ı additon to spporting HEC scholarsalso spport the local universities in upgrading theinfrastcture of resech facilities at univerities prticularly laboratory equipment, chemicals etc.

uality of education largely depends on quali of tchers; therefo HEC focuses professonal cvelopment training of university teachers so tat glol quality stanrds and practices coul be naintained in the higher education institutions ofPakista Highei Educatın Commission has awrded Fst Doctorate scholarships to 503 university teaners. Indditior, 1102 faculty members and snior tiversity administrators have been trained throup diffent long ınd shc term courses.

1.6-1 Higher Education Commission

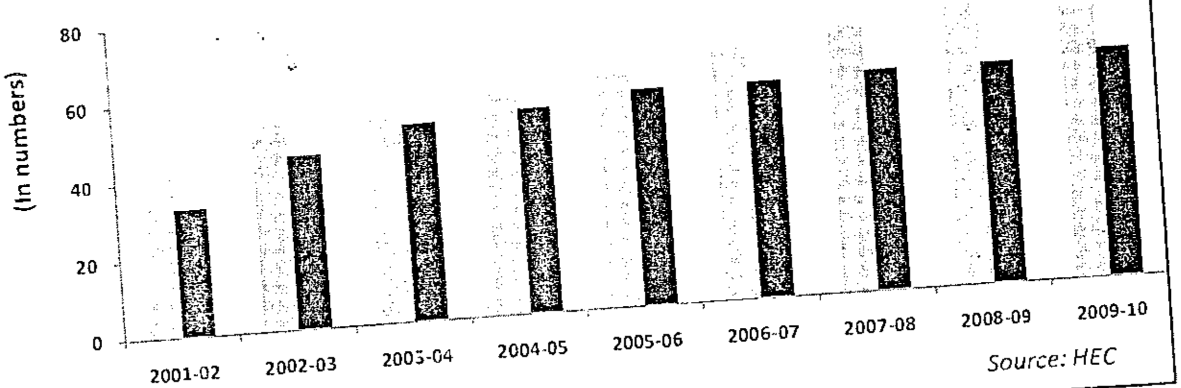
Igher education plays a pivotal role in making a econoy knovledge ased and intellectual coital riented that finally contributes as driving force fc innovion anc creativy in this age of globaliztion here sound technological base provides rapid srides idevelopment rough rational allocatin of rsources for competitive value addition in humaias wels in physical reources. In order to boot-up igher education four new universities have been stablisd durirg the yar 2009-10. The detail i this rgard is given in Table-10.7, whereas the trend c incree in the numbe of Public and Private sctor hiversities/Degree Awarding Institutions (DAI) is hown iFig-10.2.

Table 10.7: New Universities/DAI established during 2009-10

Sr#	Name	Date of Establishment
1.	Abdul Wali Khan University, Mardan	Ordinance No.III of 2009 dated 25.02.2009 (Act No. XVIII dated 24.10.2009)
2.	University of Wah, Wah Cantt	Act No.IV of 2009 dated 08-07-2009
3.	Shaheed Benazir Bhutto University Sheringal Upper Dir, Khyber Pakhtunkhwa	Khyber Pakhtunkhwa Government Regulation No.II of 2009 dated 06-10-2009
4.	HITEC University, Taxila Cantt	Act No.XII of 2002 dated 17-11-2009

Source: HEC

Fig-10.2: Universities/DAIs in Pakistan



10.6-2 Enrolment in Higher Education Institutions.

Enrolment at Universities/Degree Awarding Institution (excluding affiliated colleges) has been increasing over the years. During 2008-09, there were 803,507 students studying in the universities which indicate an increase of 190.94 % over the total enrolment of 2001-02 (276,274). The tendency of increasing number of enrolment is depicted at Fig-10.3 whereas total enrolment of students at universities /DAI+Constituent Colleges by Sector since 2001-02 is given in Table 10.8.

Table 10.8: Enrolment at Universities/DAI+ Constituent Colleges by Sector

Year	Distance Learning	Public	Private	Total
2001-02	89749	142652	43873	276274
2002-03	108709	167775	55261	331745
2003-04	159257	202871	61108	423236
2004-05	187557	216454	67953	471964
2005-06	199660	242879	78934	521473
2006-07	272272	276226	91563	640061
2007-08	305962	331664	103466	741092
2008-09 P	339704	348434	115369	803507

Source: HEC

(GB) has been drafted.

Madrassah Education

- Rs. 50.30 million was distributed amongst 28 *DeeMadaris* for saries of their teachers urder *Madrassa* Reforms Project
- Monitored and evaluated 78 *Madaris* to chck theactivities carrie out for teaching of fomal subjects from Primary to Higher Secondary ;vel unr the project.

10-3 During 2008-09, seventeen projects were cmplete while wenty ew projects were approved ar included in PSDP 2009-10. The total number of projes in PSDP 2009-10 comes to 101, havig a toal allocation of Rs. 8097.613 million, out of whic 86 areapproved and 5 unapproved. A sum oRs. 194.898 million has been released so far during thefirst ar seconc quarte of FY10.

- Fifteen EFA projects were approved at the cst of R1036.8)7 milli.
- Science Technical Vocational Education (TVE) ection las maaged to get five projcts approved whereas three projects are underrocesor approval at e appropriate forum.
- In Elementary Secondary and College (EC) Secon, twenty the different projects were considered by Departmental DevelopmentWorkir Party DDWPin its meetings during he year; out of which eleven were approved at total st of Rs613.92 million.
- Central Development Working Party (CDW) appred thiteen Pijects at a total cost ofRs. 4402.616 million
- Ministry of Education's Yearbook 2007-08 was prepred anc dissemated. Similarly, four oner booklets on financing of Education in Pakistn werelso prepared ad distributed.
- Necessary material / feedback were provied to fferent ministes inter-alia, for Economic Survey, PRSP-II, PRS Monitoring Project, Geder Rerm Acton Pla (GRAP) and Conventioron the Elimination of all forms of Discriminatio AgainsWomer (CEDAW).

10-4 Foreign Assistance for Education Sector

Sice 2008, international development partners hae exteied fordign asstance for the development ofducation sector in Pakistan as given below:

- Funded by DFID at a cost of £3.5 million, Gnder ineducation PolicSupport Project (GEPSP is being implemented by Government of Paistan wh the echnic assistance of UNICEF Its objective is to strengthen MoE to accelerat progrs towads gener parity and equality a all levels of education by 2015.
- USAID has assisted a project "Strengthenin Teach Educaton in Pakistan" (STEP), costing US$ 2.14 million to enhance Government's capcity to iprove policy fmework, coordination nd National Standardsfor Teacher Certificatiorand Accditaticn.
- USAID assisted Ed-Links programme (focusig on eachers Professnal Development; Stuent Learning & Achievement; Governance) in Sidh, Bachistan Islamaad & FATA) costing US$90 million.
- USAID has funded "Pre-Service Teachers Edcation ogramne (PreTEP)" launched at a cos of US$ 75 million.
- Under Strategic Objective Grant Agreement SOGA) USAID allocateadditional $ 121 millionfor

basic education during 2009.

- Department for International Development (DFID), UK entered into agreement with Government of Pakistan for joint task Force on Education and allocated £ 250 million.
- Under One-UN Joint Program, Technical Working Group on Education comprising officers of MoE prioritized JP Areas, Outcomes, Outputs, Activities, Costs etc. before it is formal launch in association with UN agencies.
- GTZ is assisting Ministry of Education in the areas of Education policy review, curriculum reform and Textbook development, through its € 2.5 million project titled "National Basic Education Policy programme".

10.7-5 Foreign Scholarships

The Foreign Scholarships are managed through two programmes named "Cultural Exchange Scholarships and Common Wealth Scholarships" about two hundred scholarships are offered by selected donor countries, each year. Achievements during the period are as under:

- Under the **Cultural Exchange Programme**, Government of Pakistan is paying subsidy to the scholars at the @ US Dollar 200 for Master and US Dollar 300 for Ph.D. candidates per month (now being increased to US Dollar 300 and US Dollar 400 respectively) in addition to the scholarships offered by the donors countries.(see Table 10.10)

Table 10.10: Scholarships under Cultural Exchange Programme

Name of Country	Selected	Proceeded / Availed	Visa under Process	Returned	Presently Studying
China	117	68		30	128
Turkey	16	-	16	02	16
Romania	10	03	04	02	05
Slovak	03	03	-	-	03
Mexico	01	-	01	01	01
Egypt	13	13	-	01	44
Total:	160	87	21	36	197

Source: Ministry of Education

- Under the **Common Wealth Scholarships** UK, Canada, Brunei Darussalam, New Zealand and Malaysia extended offer but during the said period, only UK had offered and selected 09 candidates who have already proceeded.
- Governments of **Malaysia** and **Republic of Korea** offered 5 and 2 scholarships respectively for Under-graduate studies. Government of Korea selected 3 students.
- **Government of Bangladesh** is offering 14 seats each year for MBBS/BDS for admission in Bangladeshi Medical College on self-finance basis under SAARC quota. The selected students pay fees at par with Bangladeshi students. During the said period, 13 students were selected who have proceeded abroad.

10.7-6 Scholarships for Student from other Countries:

Ministry of Education is implementing the following scholarship schemes:

ı. 100 Scholarships to Bangladeshi Students urler Prie Minis:er's Dictive

'hese were launched in 2004-05 for five years fc awarof 75 Scıolarshs to Bangladeshi studers ı the fields of Medicine, Engineering and Informtion Thnolog/ underPresident's Directives. Te ıumber of scholarships was increased from 75 t 100 uler the Prime linister's directive and te ›eriod was extended up-to 2014-15. So far, 7 studts were admited under this scheme n lifferent institutions of Pakistan. 57 studentsare stistudyirg; whi 18 have gone back n .ompletion of their studies.

). 200 Scholarships to Students from Indian Ocupied ıshmir n Medine, Engineering and I.T

Jnder the revised scheme 2007, four scholarship to Inon Occuoied Kaımiri students (IOK) aren he field of Medicine, Engineering and Informatın Teclology. "hese sıolarships were increasd rom 100 to 200 and the period was extendecup-to)15-16. So far, 69 students from Indin)ccupied Kashmir have ɔeen admitted in differet institions o: Pakistɛ. Joining report of 31 IIK tudents is awaited from the concerned institutios.

.. Award of Cultural Scholarships to the Studets fron)ther Ccuntrie

'8 students from differeıt countries are studyingn varis discipines /irtitutions of Pakistan.

l. Award of 1000 Scholarship to Afghan Studers.

'his scheme has been launched in October 209 ancominaions o202 Afghan Governmet ıominees received through Ministry of Foreign Afairs, Ismabad have ten forwarded to differet nstitutions for their placement in MBBS / BDS Enginıring / T / Agrulture etc on scholarsıp ›asis.

10.7 Local Scholarships:

ı) Special scheme for tıe students of Balochistn and FTA titled **"Provion of Quality 'Educatin Opportunities for the students of Balochitan an FATA** was laıched in **2007** under te directives of Prime Minister and Presidentat a catal cos of Rs481 million. The schere provides for 330 scholarships per year in the ɔllowircategoies.

- Cadet Colleges/Public Schools 70 scholarship ________ (B 40, F 30)
- Polytechnic/Commercial Colleges 230 scholaıhips ______ (B 138,F 92)
- Private Institutions 30 scholarships ______________ (B 18, F 12)

)uring the year 2008-09 and 2009-10, **310** and **30** stunts were give admission respectivelyn 'arious quality educational institutions.

›) Under President's Special Program for **"Fovision Qualit Educatn" for 200 tribal studers rom FATA** and settled areas outside Khyber Pkhtunkwa, 19 studes are studying in varios juality educational institutions of the country.

:) **40 scholarships for Minorities** are also ranteder year for thestudents belonging to te ninorities of the countries (10 in Medicine, 10 ı Engiıering 20 for M/ MSC). During the yers !008 and 2009 total 80 (40+40) fresh scholarship were anted to the mority students.

H᠎ealth and Nutr.ti᠎n

11

In Pabtan, investments in the Health sector are viewe as an tegral part of te government's poverty allevi.ion endeavour. An improvement in the oveall heah sector indictors of a country has impoant ramifications not just for the quality of lif of its tizens, but foreconomic development genelly, through the channels of productivity enhancment ad poverty allevtion.

Whilthere has been noticeable improvement in som healthindicators overhe years, on the whole Pakisn ranks poorly on this count. Overall, life expecancy iPakistar remais lower than many in its peer oup, while infant as well as maternal mortality rtes aremongs the higest.

The htional Health Policy of Pakistan of 2009 seeks t impro the health incators of the country. It aims do so by delivering a set of basic health servicefor all improving heah manpower, gathering and ing reliable health information to guide progra effeceness and degn, and strategic use o emeiing technology. It also aims to improve healh statuof the populon by achieving policy objeives of enhancing coverage and access of eserial hea servies, meurable reduction in the burdh of diseases and protecting the poor and uner privged populatic subgroups against risk facto. Several programs are under way with major thust to iprove iealth ce, coverage and to help in adeving Millennium Development Goals (MDGs). pecial tentior is beir given to the training o nurs and several training centres are already in opertion.

The :hievement of Millennium Development Goals (1DGs) is priority area r Pakistan, especially in the ealth sector. Pakistan is committed to meetin theseoals by 2015 y launching new polic initiaves. Through a major health intervention progra and ategies, it is aied to reduce the under five ortality rate to 52 per 1000, infant mortality rat to 40er 100(, and nternal mortality ratio t 140 y 2015. Whereas the proportion of 1 year-old aildren munized agaist measles is targeted t be ireased to 85% and the proportion of births atteded bkilled lealth prsonnel to 90% by 2015 In acition, plans have been formulated to combat TB,MalariHIV/AIDS and hpatitis, along with othe comunicable diseases.

11.1Health Indicators

In Pistan, health status of the population at large hs impred corsiderab over time. However, b inteiational comparison, the status is mixed, but geerally iprovenents othis front have lagged i the ise of Pakistan. Recent cross-country studies ovital hlth indcators show a wide variation i epicmiological pattern between different Asian coutries. mpared with angladesh, India and Sı Lanl, for example, Pakistan's infant mortality rate isigher. hile life expecncy is also higher excep for i Lanka, the overall population growth at 2.1! (lates revise() is le highest in the regio. Simirly, other indicators show that a lot of progressvill havto be nade toeaningfully improve th hea status of the population.

Table 11.1: Indicators

Country	Life Expectancy (2008)	Infant Mortality Rate per 1000 (2009)	Mortality Rate under 5 per 1000 (2009)	Population Avg. Annual (%) Growth (2009)
Pakistan	66.5	65.1	95.2	2.1
India	63.7	30.1	78.6	1.55
Sri Lanka	74.1	18.5	12.9	0.94
Bangladesh	66.1	59.0	69.3	1.29
Nepal	66.7	47.5	71.6	1.28
China	73.1	20.2	29.4	0.66
Thailand	68.9	17.6	15.1	0.62
Philippines	71.1	20.5	27.2	1.96
Malaysia	74.4	15.8	11.3	1.72
Indonesia	70.8	29.9	31.8	1.14

Saurce: World Bank, U.S. Census Bureau, Internatianal database; Planning Cammissian

11.2 Health Expenditure

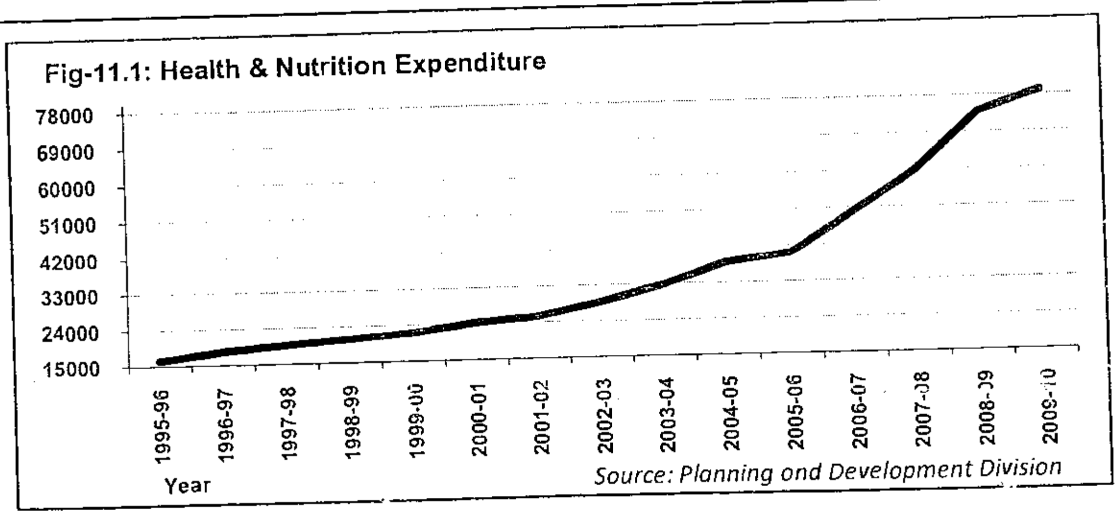
Despite a nearly three fold increase in public sector expenditure since 2001, spending on health remains abysmally low – and has declined as a percentage of GDP. Total public sector expenditure on health, for both the federal as well as provincial governments combined, in the current fiscal year is projected to be 0.54 percent of GDP, which is amongst the lowest of all other countries at a similar income level.

Table 11.2: Health & Nutrition Expenditures (2000-01 to 2009-10)

(Rs. billions)

Fiscal Years	Public Sector Expenditure (Federal and Provincial)			Percentage Change	Health Expenditure as % of GDP
	Total Health Expenditures	Development Expenditure	Current Expenditure		
2000-01	24.28	5.94	18.34	9.9	0.72
2001-02	25.41	6.69	18.72	4.7	0.59
2002-03	28.81	6.61	22.21	13.4	0.58
2003-04	32.81	8.50	24.31	13.8	0.57
2004-05	38.00	11.00	27.00	15.8	0.57
2005-06	40.00	16.00	24.00	5.3	0.51
2006-07	50.00	20.00	30.00	25	0.57
2007-08	60.00	27.22	32.67	20	0.57
2008-09	74.00	33.00	41.10	23	0.56
2009-10	79.00	38.00	41.00	7	0.54

Saurce: Planning and Develapment Division



13 Health Facilities:

Vhile Pakistan enjoys a vast network of healthcar faciliti, coverge, acessibility, cost and quali of hlth care remain critical ssues. An effective fightas bee launched in pventior and control of oth cnmunicable and non communicable diseases iorder have an impat in the scenario of doble bden of diseases in the country. The health car systerin Pakitan coprises the public as we as pvate health facilities. In the public sector, districs haveeen gien pover for developing their wn sategies, programmes and interventions based otheir lal neecs. In thprivate sector, the rang of hlth care facilities includes accredited hospitalsand clics, mecical pritioners, homeopaths and *hkeems*. In addition, non-governmental organizatons (NOs) andPakistas corporte sector are lso aive in the health and social sector, the latter uder th Corpcrate ar Social Responsibility (SR) mndate. They have been successful to a large extet in rang the evel ofwareness of positive helth bhaviour among the peoole. The human resourc availae for health ce registered till Decemer 209 in the country included 139,555 doctors, 9,82 dentis and 69313 nues. The current populaton-dctor ratio is 1,183 persons per doctor and 16,91 persoper dentist. Hlth care is also provide to tl public through a vast health infrastructure faciliti now consistig of 968 hospitals, 4,13 doensaries, 5,345 Basic Health Units, 572 Rural Halth Ctres and 293 T Centres etc. However, he hlth care system as a whole needs to be strengthned fuer at al levels

Tle 11.3: Healthcare Facilities

Hlth Manpower	2007-08	2008-0)	2009-10
Ristered doctors	128,093	133,98	139,555
Ristered dentists	8,215	9,013	9,822
Ristered nurses	62,651	65,38	69,313
Pculation per Doctor	1245	1212	1183
Pculation per Dentist	19417	18,01(	16914
Pculation per Bed	1544	1575	1592

Source: Ministry of Heah

14 Physical Targets and Achievements During 209-10

Tl heath sector performance in terms of physicalnfrastrture i.e. Ruralhealth Centres, (RHC) Bsic Hlth Units (BHU) and hospital beds has been encuragin The tagets fchealth sector during 209-1(included the establishment of 50 Basic HealthUnits (HUs), 1) Ruralhealth Centres (RHCs), upgrdation of 20 existing Rural Health Centres (RHCs 50 Ba: Healt Units HUs) and addition of 500 hcpital beds. The manpower development targe coverhe outut of)00 Doctors, 500 Dentts, 4(0 Nurses and 5000 paramedics. Under the prventivorogran, -7.5 illion children have tcbe imunized and 22 million packets of oral Re-hydraon SalORS) ae to belistributed during 200910. Tl achievements have been largely in vicinity of he tarts. Targets anachievements for the yar 2(9-10 are given in Table 11.4

Tae 11.4: Physical Targets and Achievements During 209-10

Su-Sector	Targets (Ns) 2009-1(	Esimated Achievments (os)	Achievements (%)
A. Rural Health Programme			
New Basic Health Units (BHUs)	50	35	87
New Rural Health Centres (RHCs)	10	7	70
Upgradation of existing RHCs	20	15	75
Upgradation of existing BHUs	50	45	90

Table 11.4: Physical Targets and Achievements During 2009-10

Sub-Sector	Targets (Nos) 2009-10	Estimated Achievements (Nos)	Achievements (%)
B. Beds in Hospitals/RHCs/BHUs	5000	4000	80
C. Health Manpower Development			
i. Doctors	5000	4500	90
ii. Dentists	500	350	70
iii. Nurses	4000	3200	80
iv. Paramedics	5000	4500	90
v. TBAs	550	450	82
vi. Training of LHWs	110,000	100,000	90
D. Preventive Programme			
i. Immunization (Million Nos)	7.5	7	93
ii. Oral Rehyderation Salt (ORS) (Million Packets)	22	19	86

Source: Planning & Development Division

11.5 Health Programs

Public health intervention include a number of programmes which are federally led With provincial implementation arms. These include the National programme of TB control, Malaria and Hiv./Aids

a) Expanded Programme on Immunization (EPI)

The expanded programme on immunization (EPI) aims at protecting children by immunizing them against Childhood Tuberculosis, Poliomyelitis, Diphtheria, Peruses, Measles, Tetanus and also their mothers against Tetanus The Government of Pakistan provides support to the programme through PCIs; the current PCI is under process for the period 2009-10 to 2013-2014 The Government has allocated Rs. 6000 million for the current year 2009-10 to improve the health status of children and their mothers.. This ensures the commitment of the Federal Government for provision of vaccines, syringes, cold chain equipment, operational vehicles, printed material and launching of health education/ motivation campaign. The program has been able to achieve major achievements as

- Surveillance for acute flaccid paralysis (AFP) has met global standards nationally.
- Pentavalent combination vaccine (DPT + Hep B + Hib) has been introduced in the country. This combination brought new vaccine Haemophilus Influenza Type b in the programme.
- Measles catch-up campaign carried out in all over the country wherein 64 million (100% of the target) children were vaccinated.
- Government has brought GAVI support for Pentavalent (DPT - Hep B - Hib) vaccine for the country under co-financing mechanism. GAVI will pay US$ 136 million and the country will bear US$ 15 million under GAVI Pahse-2 support.
- GAVI has also extended its support for the Immunization Services Strengthening through State Bank of Pakistan and utilization of these funds is through PC-1.
- Pakistan has made tremendous progress towards achieving polio targets and global experts

have re-affirmed that country could b the nt polio-free cotry in the world. The nmber of cases has been reduced from thoands tust 89 ases in009 and polio remains just a few strong holds across the countr

- Successful negotiations with the Wrld Banto sup ort co of polo vaccine throgh an IDA-Buy Down Credit, provision of poo vacce is secred url early 2011. Success is nked with indicators failing which credit wi be cor rted t loan.

b) AIDS Control Programme

In Pakistan, the trend of HIV epidemic hs shiftefrom alow-praalence state to concenrated state which is derived from the fact that HV prevence insome cthe high risk groups habeen found to be more than 5% and existing behavio patters signi it to be a high risk situtíon. Based on the surveillance data and epiemiolccal mcdeling, e NACP has estimate that there are about 97,400 HIV positive peop, apprimateh 0.1% cthe total adult populatin.

The Government of Pakistan expanded it respon to HIV/AIDS t translating the strategi plan into action through the Enhanced HIV/AIS Progmme (003-0with assistance of the /orld Bank at a cost of Rs. 2.85 billion. Howeve, basesn the fndings Mid Term Review; a rvised National Strategic Framework was desiged anche revsed PCs (2010-14) were deveoped accordingly at a cost of Rs. 7.83 billion vith thWorld 3ank suport. The mission is a nore comprehensive rational HIV response an targetg effors towas achievement of Millenium Development Goal 6.

Significant achievements of the Programre durirthe yer incluc:

a. Service delivery projects for high ris groupn the rovince covering almost 20% f the target population.

b. Coordination with the UN system, intrnatior and biateral cnors

c. Operationalization of 20 treatment cntres r HIV ptients Federal area and Provices, providing free of cost treatment of oportuniic infecions ar ARVs to 1300 patients.

d. Revival of German funded Safe Blood ransfuon project.

e. Revision of national HIV estimates an projecons usirg modeng with UNAIDS suppor.

f. Ongoing HIV second generation survillance nong FWs in x major cities of Punjal and Sindh with UNAIDS collaboration for DG reprting.

g. Operationalization of National Monitcring & aluatio framework for HIV response.

c) National Program for Malaria Control

Malaria is the 2nd most prevalent and deastatindisease in the untry and has been a ajor cause of morbidity in Pakistan. Reductionf mala burden in theountry is both a nation and provincial priority. For next five years (009-213) federal androvincial governmentshave allocated Rs. 658.62 million and 1006 nillion espectively fomalaria control activites in country. Major activity to be undertake in theorthcoming fisl year 2010-11 in particular.

World Bank funded PC-1 on Nutrition in process.

d) National T.B. Control Programme (NTCP)

The total No of TB cases is 76,668 and the percentage of TB Cases Detection and care rate is 80%. To realize the targets TB-DOTS program is now integrated in district health system. The LHWs, health staff, NGO workers and community volunteers undertake DOTS. Technical guidelines and training modules are in place. The government aims at developing a strategic plan including expansion of laboratory network; standardization of laboratory equipment and supplies; development of guidelines for quality assurance of sputum microscopy; establishing a system annual feedback from the district where TB-DOTS interventions are already showing visible results as indicated by the recent reports of STOP-T.B.

e) National Programme for Prevention and Control of Blindness

The Programme is in line with "VISION 2020" the global initiative of WHO for elimination of preventable causes of blindness by the year 2020. The Programme aims to up-grade the existing eye care facilities at the government hospitals across Pakistan through provision of latest state of the art ophthalmic equipment needed for early diagnosis and prompt treatment of diseases leading to blindness. The equipment being provided by the National Programme also includes Laser Machines (YAG & Argon Lasers) for the DHQ Hospitals, thus making possible the availability of this latest treatment at doorsteps of people. The Programme has so far up-graded 63 Eye Departments with the provision of latest state of the art ophthalmic equipment all over Pakistan. Ophthalmic subspecialty clinics have been established at three Centres of Excellence and highly qualified human resource in ophthalmology and allied vision sciences is being developed at these centres. Furthermore, 72 DHQ hospitals all over Pakistan have been endowed with YAG Laser and 45 with Green Argon laser equipment thus making Pakistan the only country in the region to have these facilities at secondary level district hospital.

f) National Programme for Family Planning (FP) & Primary Health Care (PHC)

The programs aims to delivery basic health services at the doorsteps of the poor segments of the society through deployment of lady health workers (LHV).These workers are providing services to their communities in the field of child health, nutrition, family planning and treatment of minor ailment. Allocation for Current Fiscal Year 2009-10 is Rs. 7,000.000 million and funds Released (July, 2009 to March 2010) Rs. 3,913.277 million. The expenditure July to February, 2010 is Rs. 3,245.153 million

Programme performance during the current fiscal year include ;

- 10,000 more LHWs were planned to be selected, trained and inducted in the Programme. The number of LHWs inducted during current fiscal year is 8,045.
- The 4th independent (Third Party) Evaluation of the Programme was completed which was a two year study and significant in terms of validating Programme impact and performance.

g) Cancer Treatment Programme

Pakistan Atomic Energy Commission (PAEC) has been playing a vital role in the health sector by using the nuclear and other advanced techniques for diagnosis and treatment of cancerous and allied disease .Presently more than 13 Nuclear Medicine & Oncology Centers equipped with excellent facilities are working under PAEC ar servi with continuosly integrate programs i diagnosis of different kinds of cancer/ allied iseasesMajor disciplins available and operative in different PAEC nuclear medical centers inude th disciplnes of uclear medicine; Clinicl Oncology; Surgical Oncology; Clinical Labratorie Radioogy; Medical Physics and B Engineering etc. Besides management of theoperatns of major diiplines in different PAE nuclear medical centers, Directorate Gener of Mdical Scinces, AEC Headquarter is als working on "Human Resource Development rograme". Ths will pvide trained and expe personnel in each field of cancer diagnosis antreatmt.

h) Drug Abuse

Drug Abuse is Widespread in our society andhas affted Palistan imay ways. It adds to th cost of our already over burdened health are sysm. Palistan hs a high abuse rate fc opiates. The United Nation Office of Drugs an Crime UNODC estimaes that 40% of the heroi and morphine trafficked out of Afghanistan trasit thrugh Pakstan.

A new Drug Abuse Control Master Plan (2C0-14) is beer prepad to meet the growin challenges. Expenditure under this plan is exected be Rs.10994 million, out of which 25% will be met from Government of Pakistan fuds whilremaining 75%from the foreign donor assistance

Objectives of the plane have been defined ad achivable targets s with emphasis on bot supply and demand reduction activities A sttegy vh key objectivs as (i) Supply reductio through strengthening law enforcement. (ii) ontrol oductin, trafking and distribution c narcotic substance.(iii) Enhance efforts to orfeit ug-generated ssets and curb mone laundering (iv) Demand Reduction through acelerate initiaties and eduction in the numbe of drug addicts through prevention, treatmentand relbilitatin measres.

Currently there are 12 ongoing projects whichare bei implenentedt the cost of Rs. 611.01 million with 296.233 million by Government c Pakisti and Rs. 315. 30 million as foreign aic Besides, 6 new Projects are also approved fo 2009-: with total cosof Rs. 67. 337 million. . new Anti Narcotics Policy 2010 is under procss to aress the preving drug situation in th country. This new Policy outlines a number f objeces tarteting spply reduction, deman reduction and international cooperation.

Seizure of Narcotic Drugs

Seizes of narcotic drugs for the period 1st July 2009 t 31st Dember,2009 iss under:-

Tabl 1.5: Seizure of Drugs

.No.	Kind of Narcotics	Quarty of Drugs (Seed in Kgs)
1	Opium	2(23. 689
2	Morphine	151. 000
3	Heroin	237. 342
4	Hashish	20)17. 337

Source: inistry of Norcotics Contrc

11.6 Food and Nutrition

Nutrition adequacy is one of the key determinant of the quality of human resource. Despite the rapid progress in the technology of food production and processing, malnutrition continue to be a major area of concern for public health. The problem of malnutrition encompasses three macronutrient deficiencies, Iron, Vitamin A and Iodine. They together contribute to great deal of all health and reduced level of developmental activities in children and adults. The basic causes of these deficiencies is lack of adequate intake through the diets compounded by poor bio availability Adequate diet provides good nutrition for healthy life and human development. Millions of people around the world are malnutrition due to inadequate dietary intake and illness. Malnutrition persists in Pakistan especially among young children and women in the childbearing age groups. It affects physical and mental health, thus resulting in poor education performance, low labour productivity and poverty. Apart, about 50% infant and child deaths relate to malnutrition. The factors involved in malnutrition are food security, infant and child feeding practices, health care, water supply & sanitation and education etc. Nutrition interventions are low cost preventive action and specific intervention for food security along with nutritional awareness and safety nets are being taken to address the nutritional issues.

Availability of major food items had been maintained during the year. However, the shortfall of sugar was covered by taking necessary measures to meet the requirements. The average caloric availability remained around 2441 and protein at 72.9 grams per capita/day against the average requirement of 2350 calories per capita per day. The availability of essential food items over the period is briefly given in Table 11.6:

Table 11.6: Food Availability per capita

Items	Year/ units	1949-50	1979-80	1989-90	1999-00	2003-04	2005-06	2006-07	2007-08	2008-09 (E)	2009-10 (T)
Cereals	Kg	139.3	147.1	160.7	165	150.7	151.4	148.8	166.3	166.1	159.8
Pulses	Kg	13.9	6.3	5.4	7.2	6.1	7.9	7.2	7.2	6.1	7.2
Sugar	Kg	17.1	28.7	27	26.4	33.6	25.3	32.2	31.5	25.6	30.8
Milk	Ltr	107	94.8	107.6	148.8	154	162.6	170.1	172.1	175.2	176.2
Meat	Kg	9.8	13.7	17.3	18.76	18.8	19.7	20.6	20.1	20.8	21.6
Eggs	Dozen	0.2	1.2	2.1	5.1	4.6	5.2	5.4	5.3	5.7	6.0
Edible Oil	Ltr	2.3	6.3	10.3	11.1	11.3	12.7	12.8	13.3	13.4	13.3
Calories per day		2078	2301	2324	2416	2381	2386	2349	2470	2456	2441
Protein per day		62.8	61.5	67.4	67.5	67.8	69.5	69.0	72	72.5	72.9

T: Targets
E: Estimates
Source: Planning and Development Division

a) Nutrition activities and Programs

Primary Health Care (PHC) covering nutritional activities by micronutrient supplementation to women of child bearing age, Vitamin A drops administered to children 6 to 60 months, growth monitoring, counselling on breast feeding & weaning practices and nutrition awareness through Lady Health Workers (LHWs). Micronutrient Deficiency Control Program through food based approaches for major

b) Micronutrient deficiencies i.e. Iodine, Iron and Vitamin-A & D, are being implemented by the private sector and coordinated by Ministry of Health.

a. Salt Iodization in private sector has been strengthened in more than 68 districts along with awareness material.

b. Wheat Flour Fortif cation being expanded ɔ 128 fur mill: in the ɔuntry and mass media campaign for consumer education.

c. Vitamin A & D :ortification in vegetab: gheoil thr(ughou the country which is mandatory.

c) School Nutrition Program has been designe as a scal safe y net a incentives to improve the nutritional status of Government Rural Prirary Sctol goin children along with to increase enrolment and reduce gender disparity and dro out res. The progra is still unapproved and has priority to initiate in the next year.

d) Food Quality Control System: Reference aboraty for cuality as been established at National Institute Of Health, Islamabad.

e) Food Support Program: Poor household fod supprt program of akistan Bait-ul-mal has been integrated into Benazir Income Support Program ISP) fo wider overage throughout the country.

f) Food Security: Special Program for food secrity anproducivity enancement is being run by the Ministry of Food and Agriculture to mee food quirement and onsumption demand of the people.

Ca)ital Markets

12

A total c650 companies were listed on the Karachi Stoc Exchge (KSE) as of id-March 2010, with Paid up ipital of Rs. 894.2 billion. Aggregate market capalizati as at end Mah, stood at Rs. 2,890 billion (S$ 35 billion). Market capitalization to GDP i currery just under)%, which is low by comparin with many countries in Pakistan's peer referece grou.

July to farch FY10, the period under review, saw a recovery phase in the country's premier capital market. The benchmark KSE-100 index rose 33%, in line withe broad recovery in global equity markets. From itsecent trough in January 2009, attained in the afteath of the 'floor imposition' at the KSE in late 200 the KSE 100 index is up 107%. An influx of foreign prtfolio investment during the July to March FY10 peod, with inflows crossing US$ 440 million at their pek, have powered the index, but volumes traded main a fraction of the period prior to 2008. A large prt of the drying up of liquidity in the market is the abence of leveraged products.

Table 12. EQUIT' MARK' DEVELOPMENT (KSE) 2009-1) (as of arch 31)

	%
farket citalizatin to GD	19.7
Pid up cital as a %age oGDP	6.0
Sock Maet turnover to pd up capital	3.7
Number listed companiet KSE as a %age of tal registered coanies.	1.2

Soce: EA Wing, KSE, SECP

12.1 Gloal Equity Markets

Fiscal yer 2009-10 started with hope of recovery from th globainancial crisis. he recovery after the financiarisis was fragile at its onset with signs that the orld's arkets would roup, but these were weak ar vulnerable. Central barks reacted quickly with xceptially large interst rate cuts as well as unconvtional measures to inject liquidity and sustain cedit. T globaleconor expanded for some time buts effect on employment has not yet been seen.

The vulrability of the global economic recovery as well s of thoull runin worlfinancial markets has been urerscored by the onset of the Greek debt crisis. Global mmodties an equities have seen a sharp s off since early May. US markets plummeted o 6th M 2010 with th Dow Jones Industrial Averagealling nearly 1,000 poin:s, in what has been dubed theflash cash". Mrkets remain wobbly despite ie size of the emergency package put together b the Euzone ountriefor Greece.

Table 12 shows the performance of the global and regnal mkets sirce May009, as measured by the MSI-Barra Price Index which measures the price peformae of markets. Imeasures the sum of the freeloat-weighted market capitalization price return of all constituents oa given day.

(In USD)

Table 12.2: PERFORMANCE OF EMERGING MARKETS	28th May 2010	28th May 2009	%age change
MSCI Index			
EM (EMERGING MARKETS)	917.047	761.744	20.39
EM ASIA	374.527	315.214	18.82
EM EASTERN EUROPE	189.71	160.998	17.83
EM EUROPE	425.326	348.236	22.14
EM EUROPE & MIDDLE EAST	361.569	295.175	22.49
EM FAR EAST	323.02	274.201	17.80
EM LATIN AMERICA	3,680.22	3,000.08	22.67

Source: www.MSCIBarra.com

12.2 Performance of KSE

Mainly on the back of foreign buying, the KSE-100 index has risen 74 per cent since its trough in January 2009. Even after the recent sell off in equities, the KSE-100 index has gained 33% since the start of fiscal year 2009-10. Foreign portfolio investment (FPI) in the KSE has risen sharply for July to March 2009-10. According to National Clearing Company of Pakistan Limited (NCCPL) data, the cumulative net inflow of foreign portfolio investment increased by US$ 431 million.

The other positives during 2009-10 to which equity investors have responded have included the restoration of macroeconomic stability following the balance of payments crisis of 2008; the IMF program (signed in November 2008) having remained on track for over a year; the upgrading of Pakistan's sovereign rating by Standard and Poor's, and the revision, to stable, of Pakistan's outlook by Moody's, both in August 2009; and the semblance of a growth recovery in the economy, for large scale manufacturing in particular, despite the challenges.

On the back of the net buying by off-shore investors, the KSE-100 index crossed the 10,000 mark on 12th March 2010 after a period of 18 months.

Table 12.3: Profile of Karachi Stock Exchange	2005-06	2006-07	2007-08	2008-09	2009-10 (Jul-Mar)
Number of Listed Companies	658	658	652	651	650
New Companies Listed	14	16	7	8	5
Fund Mobilized (Rs billion)	41.4	49.7	62.9	44.9	98.7
Listed Capital (Rs billion)	496	631.1	706.4	781.8	894.1
Turnover of Shares (billion)	79.5	54	63.3	28.2	33.1
Average Daily Turnover of Shares (million)	348.5	262.5	238.2	115.6	179.9
Aggregate Market Capitalization (Rs billion)	2,801.2	4,019.4	3,777.7	2,143.2	2,890.0

Source: KSE

Important Measures Taken at KSE in 2009

- Introduction of corporate Bonds Automated Trading System.
- Data Vending and Launch of Mobile KSE Automated Trading System (mKats)
- Implementation of Internationally accepted industry classification Benchmark a jointly developed.
- Classification system launched by FTSE Group and Dow Jones Index.

- Risk Management.
- Introduction of Client Level Margining Regne.
- Restructuring of Net Capital Balance requirement.
- Pre-settlement mechanism in Ready & Deliverablefuture ContractMarket.
- Introduction of Exposure Dropout Facility uring Tding Hours.
- Introduction of Client wise cash deposits aocatioagainst exposu margin and losses.
- Change in Penalty requirement on Net Captal Balce Certficate.

.3 Foreign Investment

ter massive outflows in 2H 2008, foreign portfio invement nade a rong comeback in 200-10. e net portfolio investment during July 2009-March)10 stood at 431.93 million in Pakitan, cording to NCCPL.

a result, from an average of 9 per cent in 2009the sha of overseas irestment in total volums at e local bourses increased to 15 per cent in Marn 2010)uring the perid, benchmark KSE-100 idex s gained 38 per cent (33 percent in US$ terms However, since the ed of April, selling by foeign vestors has reappeared, in line with the retrencment vinessec in globl financial markets following e eruption of the Greek debt issue.

ble 12.4: FOREIGN PORTFOLIO INVESTMENT (FPI)					
14th May 2009			14 May 2010		
IVESTOR	MARKET TYPE	US DOLLAR	INVEOR	MRKET TYPE	US DOLLR
OREIGN IDIVIDUAL	REGULAR	15,179	FORSN INDIVUAL	EGULAR	695
	TOTAL	15,179		TOTAL	695
FREIGN ORPORATES	REGULAR	590,063	FOREN CORFRATES	EGULAR	1,497,48
	TOTAL	590,063		TOTAL	1,497,48
VERSEAS IKISTANI	REGULAR	3,273	OVEEAS PAKISANI	EGULAR	42,41
	TOTAL	3,273		UTURE ONTRACT	(8,511
	GRAND-TOTAL	608,515	OVEEAS PAKISANI	TOTAL	33,90
		Source: NCCP		GENDTOTAL	1,532,08
					Source: NCCPL

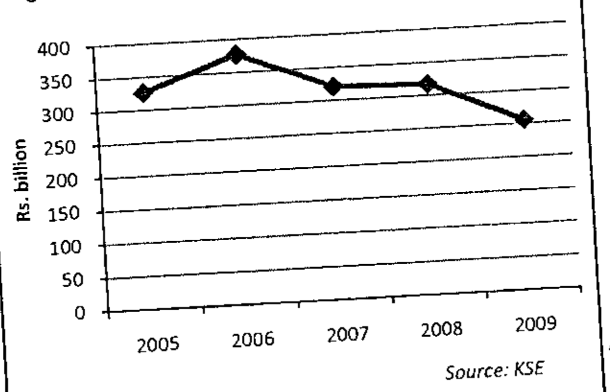
.4 Corporate Profitability

orporate profitability has declined dramaticall since 2006 (Fig 12. After tax profits for the mpanies listed on the KSE have shrunk 77% beween 06 and 2009. I comparison to 2008, pofits ter tax declined 67% in 2009, reflecting the impct of difficult operatg environment. A distrbed w and order situation in the country, a balnce opaymets cris and the resultant Rpee preciation of over 20%, and the energy crisi have l combined tcdiminish profits. The iter-rporate debt issue in the energy sector has hit te othevise mcst profiible listed sector particlarly rd.

Since corporate profitability has a large bearing on future investment decisions, the sharp contraction in profits of listed companies over the past few years can partly explain the subdued investment response since 2008.

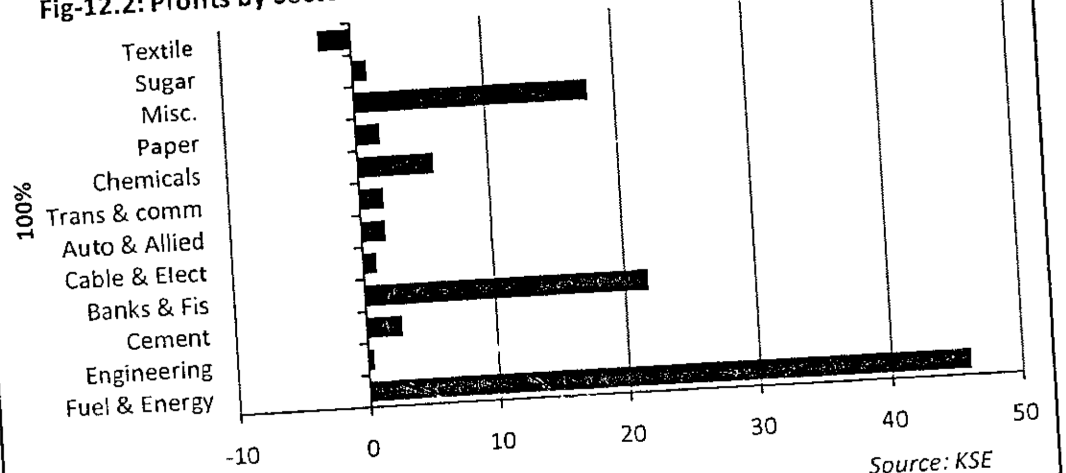
Profitability is concentrated in a few large companies in the Energy, Telecoms and Banking sector (see Fig-12.2). Concentration has an effect of distortion on the profit calculations. Comparing the loss as well as profit making companies in 2008 and 2009 it can be observed that the decline in profit making companies was 54 (17%) while 21 (9.1%) more companies reported losses.

Fig-12.1: Corporate profitability (2005-10)



Source: KSE

Fig-12.2: Profits by Sector in 2009



Source: KSE

Table 12.5: Companies Listed on KSE and their Before Tax Profits

S. No.	Sector	No. of Companies		Profit Before Taxation (Rs billion)		Dividend Paying Companies		Profit Making Companies		Loss Making Companies	
		2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
										96	94
1	Cotton & other Textiles	209	208	7.88	-6.5	37	34	69	61	6	10
2	Chemical & Pharmas	34	34	10.03	14.82	20	19	26	22	2	2
3	Engineering	13	13	2.19	1.12	6	6	8	6	4	8
4	Auto & Allied	25	25	9.09	4.7	11	12	18	13	1	3
5	Cables & Electric Goods	9	9	3.30	2.74	4	4	6	4	15	10
6	Sugar & Allied	37	37	0.45	2.95	11	15	21	25	3	4
7	Paper & Board	10	10	0.35	4.6	4	3	6	5	15	9
8	Cement	21	21	-4.29	6.96	2	3	6	12	8	9
9	Fuel & Energy	27	27	182.32	117.48	17	13	18	17		

Tab12.5: Companies Listed on KSE and their Before Tax P: ofit

S. No.	Sector	No. of Ccmpanies		Profit Befoi Taxation (Rs billion		Dividenc Paying ompaniıs		Pfit Making ımpanies		Lcss Makin; Companies	
		2008	2009	2008	209	)08	2)09	20	2009	2008	200
10	Transport & Comm.	14	15	-44.69	69	4	6	!	8	6	4
11	Bank & Fin. Institutions	169	169	90.06	5.66	'8	10	5	55	55	71
12	Miscellaneous	85	88	44.64	4.09	37	31	5	41	19	27
	Total	653	656	301.32	25.3	31	.86	3	269	230	25:

Source: SE

12. Primary Mobilization at The KSE

As ıown in Table 12.6, banks have historically pl:ed a uch larger rolen primary mobilizationin Pastan as compared to the capital markets, with te exceion of he preous two years. The risein creit disbursed by banks is more pronounced from 002-0onwards due toanking sector reformsin counction with a number of other factors. Some ofhese irude:

- Listing requirements and cost of issuance as beefairly sgnifica:, making borrowing frm banks a cheaper option.
- Companies prefer to avoid the "regulator burde' and greater isclosure associated wth listing.
- Fear of loss of management control

Tae 12.6: Primary Mobilization

Ye	New capital raised/issued (Rs. In billion)	Bak credi dbursed (Rs.n billio	ıew capal raised : a %age of DP	Bank credit disbursed as a %age of GD:
20l-05	123.7	137.8	1.9	6.7
20-06	71.1	101.7	0.9	5.2
20-07	119.2	365.7	1.3	4.2
20'-08	105.4	108.4	1.0	3.9
203-09	101.4	18.9	0.8	0.14
20)-10*	252.8	147.2	1.7	1.0

** J- Mar*

Sources: SBP, EA wig.

13 Islamabad Stock Exchange (ISE)

Abresent there are 118 members of ISE out of wich 10are coporate odies including commecial ar investment banks, Development finance instiutions Fls) ard brokage hcuses. The othe 18 Mmbers are individual persons. The average dai turncr has ıow crsed the figure of 1 miion stres. The ISE-10 index began the fiscal year at 175.53 pnts anc endede third quarter at 244.39 pnts.

Table 12.7: Profile of Islamabad Stock Exchange

	2005-06	2006-07	2007-08	2008-09	2009-10 (Jul-Mar)
Number of Listed Companies	240	246	248	261	242
New Companies Listed	6	12	7	15	1
Fund Mobilized (Rs. billion)	5.2	30.7	24.6	24.8	61.6
Listed Capital (Rs. billion)	374.5	488.6	551	608.6	-
Turnover of Shares (billion)	0.4	0.2	0.6	0.3	0.20
ISE Index	2,633.9	2,716	2,749.6	1,713	2,330
Aggregate Market Capitalization (Rs billion)	2,101.6	3,060.6	2,872.4	1,705.1	-

Source: ISE

- : Not available

12.7 Lahore Stock Exchange (LSE)

The LSE-25 index, which was 2143.27 points in June 2008, increased to 3201.2 points in March 2009. The market capitalization of the LSE has reduced from Rs. 1953.087 billion till March 2009 to Rs. 2746.325 billion till March 2010. Two new companies and two open-ended funds were listed with the LSE during July-March 2008-09, as compared to 5 new companies and 11 open-ended funds in the fiscal year 2009-10. Total paid up capital with the LSE increased from Rs. 721.064 billion in 2008-09 to Rs. 827.482 billion in March 2009. The average daily turnover of shares on the exchange during July-March 2009-10 was 2.51 billion. It was 8.16 the year before.

Table 12.8: Profile of Lahore Stock Exchange

	2005-06	2006-07	2007-08	2008-09	2009-10 (Jul-Mar)
Number of Listed Companies	518	520	514	511	509
New Companies Listed	7	10	2	9	5
Fund Mobilized (Rs billion)	24.5	38.8	29.7	32.8	42.3
Listed Capital (Rs billion)	469.5	594.6	664.5	728.3	827.4
Turnover of Shares (billion)	15	8.2	6.5	2.7	2.5
LSE Index	4,379.3	4,849.9	3,868.8	2,132.3	3,201.20
Aggregate Market Capitalization (Rs billion)	2,693.3	3,859.8	3,514.2	2,018.2	2,746.3

Source: LSE

The total funds mobilized during July-March 2009-10 in the three stock exchanges (KSE, LSE & ISE) amounted to Rs. 252.78 billion, The total turnover of shares in the three stock exchanges during the period was 36.65 billion.

12.8 Debt Capital Markets

The debt capital markets consists of the primary issuance and secondary trading of all bonds and fixed-income securities issued by the Government and private sector, as well as, for the purposes of this discussion, instruments of National Savings.

12.8-1 Pakistan Investment Bonds (PIBs)

Pakistan Investment Bonds (PIBs) form a big chunk of Government securities. They provide the government with long term maturity debt. SBP held five auctions of PIBs in FY07, seven in FY08 and four in FY09. The PIB portfolio was expanded in FY09 with the inclusion of a 7 years paper while rises in di:ount rates caused revis:on of coupon rates.

Whin the Permanent debt, PIB retained s dominant share. The breakup of domestic det seicing data reveals that interest payments on te pmanent debt increased significantly during Jul-Jn F'0 compared to same period last year. Tis inease was largely due tc interest payments on 1-ytr PIBs, in line with its increasing share in the toal oistanding stock of PIBs.

Tor	Previous cupon Rate (30Jun 09)	Current Coupon Rate
3-ars	11.25%	11.25%
5-ars	11.50%	11.50%
7-ars	11.75%	11.75%
10ears	12.00%	12.00%
15ears	12.50%	12.50%
20ears	13.00%	13.00%
30ears	13.75%	13.75%

Tae 12.9: IIB Coupn Rates for FY10 (Dec 09)

Source: BP

Tl government raised Rs 8.67 billion throun aition of Pakistan Investment Bonds (PIBs) n Mrch 17, 2010 increasing the yield on 10-year PIB o 175 percent from 12.53 percent. It raised Rs 6.6 bion through the sale of 10-year bond, Rs 1.28 bilbn thrgh three-year bnd, Rs. 1.09 billion throgh fi-year bond and Rs 240 million through seven-yar bon For the threefive and seven-year bods, tl cut-off yields were raised to 12.49 percent froi 12.30ercent 12.59 ercent from 12.40 percent ar 12.70 percent from 12.50 percent, respectively

Tale 12.10: Interest Rate Structure, FY 2008-09

Tors	31st Dec'08 (%)	31st Apr'09 (%)	Varince (H2Y09) bs	3-Sep-09 %	11-Nov-09 %	Varianc (H1FY1(bps
3-ears	13.70	12.94	-6	12.:9	12.26	-0.03
5-ears	10.80	12.95	25	12.:6	12.40	0.04
7-ears	14.34	13.14	-20	12.:5	12.42	-0.03
1(ears	14.55	13.24	-31	12.5	12.44	-0.06

Source: BP

Fim January to June 09 Sukuk bonds worth 19,275Rs. miln wereissued hile from July to Decem 0the figure was 22,076 Rs. million making the tot Rs. mibn 41,351.

Tale 12.11: 3-Year Ijara Sukuk Auctions Result For FY1((Rs. billios)

De	Target	Offere Amour	cepted nount	Ci-off Mrgin	Variance of Acceptance against Targe
Ju8-Jun09 (20-12-08)	10	7.35	6.00	+bps	-4.00
Ju8-Jun09 (04-03-09)	10	21.43	15.33	+ps	+5.33
JuDec09 (05-10-2009)	10	30.38	14.4	-ps	4.40
Tal	40	59	42		2

Source:SBP

Bnks tended to negotiate higher rates on governrent guanteeddebt irhe wake of low liquidit in tl system, in addition to concern about concentation cexposure. Here, the first issuance of the Trm Finance Certificate (TFC) in March 2009 wasriced aKIBOR plus 1.7 percent, while the secnd isuance in September 2009 was at KIBOR plus 2 pecent. Silarly, the ratefor financing commodit operations were around KIBOR plus 2.5 to 2.75 percent.

Table 12.12: Floatation of TFCs, July 09 - March 10 (Rs. billions)

Name of Company	Listed at	Issue Size
Allied Bank Ltd.	KSE	3.00
Askari Bank Ltd.	LSE	3.00
Engro Chemical Pakistan Ltd.	KSE	2.50
Total		8.50

Source: SECP

12.8-2 National Savings Scheme (NSS)

National Savings Organisation is the biggest non-bank borrowing institution for the government, with over six million account holders investing more than Rs. 1,500 billion. Special Savings Certificates and Special Savings Accounts remained the attractive instruments for the investor despite the higher interest rate offered by Bahbood Saving Certificates and Pensioner's Benefit Account,.

Mobilization through prize bonds saw a significant improvement. This was mainly due to the decision of the government to increase the amount of prizes on different denominations in Feb 2009. The interest payments on the matured stock of DSCs still constitute a major share in the total interest payments on unfunded debt.

Within the permanent debt, a major development was the introduction of first ever tradable National Saving Bond (NSB) in Jan 2010. The government was able to attract Rs 3.7 billion through NSB during Jan 2010. The National Savings bonds (NSBs) are authorized by the Ministry of Finance and backed by a sovereign guarantee of the government of Pakistan. The National Savings Bonds (NSBs) mark a paradigm shift of government borrowings from the banking sector to the non-banking sector — the latter being relatively less inflationary. The NSB bonds are relatively of a small size of Rs. 3.6 billion at the start, but they would extend the outreach of the stock exchanges as they would deepen the domestic debt market. National Savings Organisation already manages over Rs. 1 trillion of public money in various savings schemes. The current year target for fresh investment is set at Rs. 240 billion.

Debt servicing cost being incurred against matured stock of DSCs forms more than 50% of the total debt servicing cost on the unfunded debt. However it is pertinent to note here that the outflow in the form of interest payments on DSC is declining overtime. Also the debt servicing cost of Behbood Saving Certificates (BSC) and Special Saving Certificates (SSC) increased significantly in the period under discussion, as the major amount raised against these certificates was issued at significantly higher interest rates during FY09.

Table 12.13: Net Accruals in National Savings Schemes (Rs. billions)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 July-Mar
Defence Savings Certificates	-8.7	-7.6	-5.8	-4.3	(27.4)	(35.07)
Special Savings Certificates (R)	-83.3	-57.7	7.0	13.8	128.4	51.97
Savings Accounts	-2.9	0.2	9.2	9.0	(10.9)	(1.2)
Special Savings Accounts	-1.9	-0.7	6.5	5.5	21.6	29.75
Regular Income Certificates	-40.7	-15.6	-17.0	-0.3	40.1	33.93
Pensioner's Benefit Accounts	17.7	16.4	11.5	18.7	22.2	14.16
Bahbood Savings Certificates	60.7	59.6	47.2	38.8	78.5	45.10
National Prize Bonds	9.4	3.3	9.0	8.3	14.6	27.32
Postal Life Insurance	10.3	10.8	-	-	-	-
Grand Total	-39.4	8.7	67.6	89.5	267.1	165.96

Source: Central Directorate of National Savings

TheISS during the first ten months of 2009-10 attrated Rs.66 billion comared to Rs. 267 billion fr the hole of last year. Non-bank finance, especially fom NS made i possib to arrest the borrowins frothe banking system in FY10.

12.Investor Base

12.1 Leasing

Dueo a competitive operating environment and liqudity prolems, leasing ompanies have undergoe signicant transformation in the last few years. Mosvisible e strucural chnges in the leasing sectr on count of mergers and amalgamations. During he perd July-Decemb, 2009, Al-Zamin Leasig Corporation Ltd. was merged with and into Invest Capital Investmeit Banktd. and ORIX Investmet Bar Limited was merged with and into ORIX Leasing Pakisn Limited. . Dung the period July, 200-Mah, 2010, one housing company was acquired by anothegroup and thre leasing companies wee meged with other entities. Despite consolidations /mergershere are still sificant challenges for te leang sector.

As n March 31, 2010 there are nine (9) active licensd leasir companies. Th major financial indicatcs of te sector are summarized as under:

Tot Assets	(Rs. in million):	40,266
Tot Equity	(Rs. in million):	5,316
Tot Deposits	(Rs. in million):	3,187

12.2 Investment Banks

Invstment Banks have not been able to make any gnificacontribution aprimarily they focused n thenalogous financial services as offered by the conventical bankng secr. Investment Banks wee no able to compete owing to their limited acess toesourc mobization coupled with low capalization and limited branch network when comared tthe conmercibanks offering the simir seices. Investment banks are being encouraged fc a moi viable and susinable business model o belted more towards offering of non-funded i.e. fe and comissio basedinancial services

Asn March 31, 2010 there are eight (8) active licend invement banks.

Thmajor financial indicators of the sector are sumrarized under:

Tol Assets	(Rs. in million):	31,499.97
Tol Equity	(Rs. in million):	3,358.37
Tol Deposits	(Rs. in million):	27,616.27

12.3 MODARABAS

Dung the last two decades, notwithstanding thechallenes of aready eply entrenched interest-bad financing system and resource mobilization constrain, the sector haoerformed reasonably well ar shown a steady growth in the past few years.There is a decrease in e assets of the Modaroa seor from Rs. 26,626 million as on 30.6.2009 o Rs. ,397 million a on 31.12.2009. Similaly, instments in the listed securities has also shown amargir decline from R. 2,616 million to Rs. 1,54 mion from the corresponding period. However, thre is aight increase ithe equity from Rs. 11,34 mion (30.6.2009) to Rs. 11,556 million (31.12.209). It iexpected thatne financial indicators ill improve on the betterment in the financial and economic conditions of the country.

The approval and certification by the Religious Board for twelve new Islamic financing agreements would eliminate disparity and bring Modarabas at a same level with other financial institutions for resource mobilization.

The assets of the Modaraba sector stood at Rs. 24,516 million as on 31,03,2010 as compared to Rs.24,397 million as on 31,12,2009. Similarly, investment in the listed securities was 1,497 million. Moreover the equity was Rs. 10,779 million as on 31,03,2010.

As on March 31st 2010, there were 41, registered Modaraba Companies and 26 Modarabas in existence. 6 Modarabas are in the process of winding up. The major financial indicators of the sector are summarized as under:

Total Assets	(Rs. In million)	24.51
Total liabilities	(Rs. In million)	13.32
Total Equity	(Rs. In million)	10.77

12.9-4 Real Estate Investment Trusts (REITs)

Pakistan has witnessed a property boom in the last decade and the launching of REITs as a new investment product will: (i) provide retail investors the opportunity to share the dividends from the robust real-estate sector; (ii) facilitate professional developers in undertaking mega-construction projects without the traditional liquidity issues that property development companies are confronted with; and (iii) maximize the efficiency of property utilization by creating an equilibrium between demand and supply of property on the one hand and provide more efficiently managed shared use rental properties on the other.

In March 2009, the Commission granted two permissions to incorporate REIT Management Companies (RMC) in Pakistan who would launch REIT schemes after obtaining the prerequisite approvals from the Commission.

12.9-5 Private Equity & Venture Capital Fund (PE & VCF)

Private Equity and Venture Capital Fund (PE & VCF) is a unlisted closed-end unit trust fund open only to high net-worth individuals and institutions, due to its intrinsic nature of being a high risk asset class. In August 2008, Securities and Exchange Commission of Pakistan approved the regulatory framework for registration and regulation of PE&VC Funds in Pakistan

Unfortunately due to dismal law and order situation and general economic downturn, there has not been much activity in this area.

12.9-6 Voluntary Pension System

Seven Pension Funds (four Islamic and three conventional) have been launched under the Voluntary Pension System Rules, 2005. While the seed capital generated was Rs. 690 million, the industry stood at Rs. 1,004 million as on December 31, 2009, while the industry was at Rs. 1,068 billion as on March 31st, 2010.

12.7 Mutual Funds

Mual Funds marched on tre road to recovery durin the piod July– Dece ber, 2009 with net asses shoing an increase of 42% i.e. increasing from Rs182 bon in Jinuary,.009 to Rs. 258 billion 1 Decnber, 2009. The total nymber of mutual funds ood at16 in Dcembe 2009 compared to 95 1 Janiry, 2009 substantiating an uptrend in the indusy both termsof grovh in net assets as well s nuner of mutual funds laurched. Growth was primrily evinced ir the cagories of money marke, incoe, and capital-protected funds. This shift, howeer, wainticipted espcially keeping in view th facthat appetite towards risk had subdued in the afermathf the cisis thaentangled the industry 1 late.008, effects of which carried forward till the fit half (2009. The netssets of the mutual furl inditry amounted to Rs 253 billion, as on 28th Foruary)10* a comped to Rs. 258 billion 1 Decnber, 2009.The total number of mutual funds sood at !1 as at March 1,2010 compared to 15 in Dcember, 2009 substantiating marginal growth in le nuner of mutual ftds launched.

Desite the unprecedented financial turmoil, mutualfund inistry ingenerawithstood the down tun anduccessfully managed mounting redemption presure byepaying in excs of Rs. 90 billion to th inveors.

Tabl12.14: Snapshot of key financials as at March 31, 20)			(Rs.million)
	Leasing Companies	Investent Banls	Modaraba's
TotaAssets	39,153	3289	23,016
Totaiabilities	34,091	2101	13,069
TotaEquity	4,991	481	9,171
TotaDeposits	3,553	1808	4,151

Source: SEC

12.1 Capital Market Reforms

Thecus of the reforms was to improve risk managerent of e market.

Theconcept of Concentration Margins was intoducec and amendments pertaining to th impmentation of the same in place of special margns on rivative produs, were approved in th Regations governing Risk Management of the Stock xchang.

Anoier important measure was the phase-wise implmentan of the clientevel margining system a the ock exchanges and the NCCPL. The said systemwouldssist ineliminang chances of misuse c onelient's margins against exposure requirements oother cnts.

Theeliverable Futures Contract Market was relaunhed in ew of the maet need for a derivativ proect. This re-launch was characterized by measres forevamped risk ianagement of the sai proect.

Alscthe SECP is facilitating the stock exchanges in xplorinavenues for inoduction of Index base Maret Halts, which is geared at reducing the risk asociate with tading a the stock exchanges b progessively increasing the circuit breakers on indiviual scs thereby allovng the securities a wide rang for movement, in line with international best prctices.

12.1 Developmental Activities

TheECP, in the earlier half of the year 2009, had conitutedationallevel fcms comprising of all th prominent stakeholders. The Consultative Group on Capital Markets is acting as an independent think tank for important policy decisions in relation to the development of capital markets. In the later half of the year, the Group submitted its report on Margin Financing, which was to serve as an alternate leverage product to cater for the financing appetite of the market after the discontinuation of CFS Mk-II. A final concept paper, after detailed deliberations with all relevant stakeholders, has been submitted by the SECP and the KSE and NCCPL have been advised to develop necessary systems and to formulate requisite regulatory framework for the said product. This product will be available for both proprietary trade and clients of brokerage houses. The Consultative Group also submitted its recommendations with respect to a revised brokers' regime encompassing the capital adequacy requirements and code of conduct for the brokers. An important feature of the said regime is the linkage it creates between the capital adequacy requirements of a broker and his risk profile. The said regime is to be implemented in a phased manner.

In view of the above and the in-principle approval earlier granted by the SECP to the NCCPL for the development of a Securities Lending and Borrowing mechanism, the SECP is currently in the process of framing the Securities (Margin Financing, Securities Lending and Borrowing and Pledging) Rules, in order to provide a broader legal framework for the above mentioned concepts.

Eıergy

13

Energyector issues and develcpments continued to seerely cıstrain ʾakistas economy in 2009-10. Againsa backdrop of a sharp increase in the internatioal pricof oil through cendar 2009, which put enorrus upward pressure or the cost structure in te pow genention (ad transport) sector, in particar, large domestic supply shortages of electricityand gaoccurred. Loweaccumulation of water reservs in dams compounded the severity. The cumulave effe of theenergyrisis on the economy is estimaed at upward of 2 percent of GDP during 2009-1 alone.

Develments outlined above engendered a negative fedbacloop in the elericity sector, giving rise to thenter-corporate "circular" debt issue in the entie enerı supply chain. he lower availability of hydelesources for generation and a higher than normal shorge of gıs, skevd the "fuel mix" of the electrity generation sector towards fuel oil. Since his ocrred a a tir of a doubling of the interrtional oil price, the effect on the cost structur of thutilities was anlified greatly. With no chang allowed in the electricity tariff between 2003 ad 200 the conpouncd effect on the viability of th energy sector has been devastating. Some ide of th"viability gap" ıat had built up in the electıity generation sector can be had from the fact ıat, prr to the most ıcent tariff increase, the gap btween average generation cost and recovery wa close t30 percent.

Despe hefty increases in end-user electricity tariffs ovr the ıst two ears, aignificant gap still exist betwen generation cost and recovery, due in large prt to tl adverse devepments outlined above This mbalance" between cost of generation and disribution and the final tiff, is the root cause o the rcular debt issue, with each downstream plaer in e enery chai being forced to dela payrnts to upstream entities (for fuel supplies). Th net eect is a declinig effective utilization o availble generation capacity in the system.

The ımulative effect has been that the growth rate f Pakisn's prinary errgy supply, which bega decerating in 2007-08, has turned negative in 208-09 nd 20(9-10 (.ly-March). Final energ consmption is estimated to have declined by 5.3 percnt durg calenlar 200

Pakian's Energy Sector

13.1upply of Energy

Prinry energy supply and per capita availability of eergy wıessed ı declinof 0.64 percent and 3.0 pernt respectively during July-March 2009-10 ove the sae pericd last ar (see Table 13.1). The decase in the primary energy supply and per capia availility during th first nine months of th curınt fiscal year is higher tıan its fall in the full yer of 20(-09 when prinry energy supply and pr capa availability narrowed down by 0.58 percent nd 2.2 percert respetively. The fall in enery supy during current period can be attributed to inte corpore circuar debtroblem.

Table 13.1: Primary Energy Supply and Per Capita Availability

Year	Energy Supply		Per Capita	
	Million TOE	Change (%)	Availability (TOE)	Change (%)
1998-99	41.72		0.31	
1999-00	43.19	3.51	0.32	1.28
2000-01	44.40	2.82	0.32	0.63
2001-02	45.07	1.50	0.32	-1.25
2002-03	47.06	4.41	0.32	2.86
2003-04	50.85	8.06	0.34	5.25
2004-05	55.58	9.26	0.36	6.45
2005-06	58.06	4.18	0.37	2.48
2006-07	60.62	4.33	0.38	2.61
2007-08	62.92	3.78	0.39	2.86
2008-09	62.55	-0.58	0.38	-2.27
Jul-Mar				
2008-09	47.1		0.29	
2009-10 E	46.8	-0.64	0.28	-3.09

TOE- Tons of Oil Equivolent

E : estimated

Source: Hydrocarbon Development Institute of Pakistan.

13.2 Energy Consumption

During 2008-09, Pakistan's final energy consumption of about 37.3 million tons of oil equivalent are met by mix of gas, oil, electricity, coal and LPG sources with the different levels of shares. As, the share of gas consumption stood at 43.7 percent in total energy mix of country during 2008-09 followed by oil 29.0 percent, electricity 15.3 percent, coal 10.4 percent and LPG 1.5 percent. Furthermore, this energy consumption mix has witnessed significant changes since 2003-04 (See Fig 1 and Fig 2). As a result, the major consumption sources of gas witnessed an increased of 9.0 percentage points during 2008-09 compared to 2003-04 while oil consumption share declined by 9.5 percentage points during the period under review. These changes in consumption of gas and oil mainly owed to shift from imported expensive fuel to relatively cheaper source of gas. Furthermore, the share of coal consumption increased due to its higher production during the period under review. The shifting of energy consumption towards indigenous resources saves the considerable amount of foreign reserve during the period.

Fig-1: Energy Consumption by Source (2003-04)

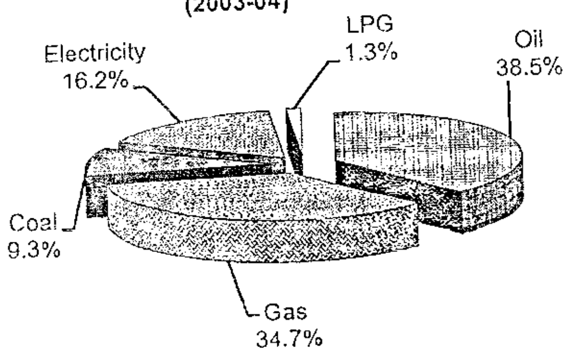
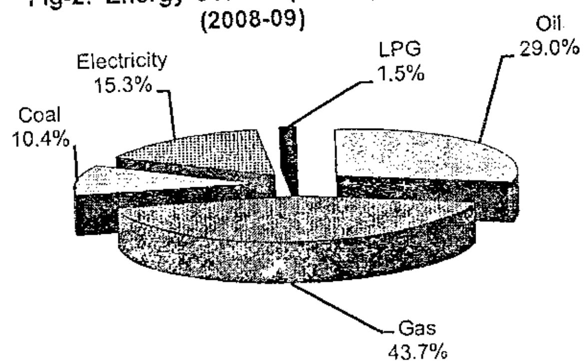


Fig-2: Energy Consumption by Soruce (2008-09)



Source: Hydrocarbon Development Institute of Pakistan

Dung the last ten years (1999-00 to 2008-09), th... ...mpon of petroleu products has increasedby anverage rate of 0.5 percent per annum. The consmptionf gas, electrici and coal has increasecat anverage rate of 6.8 percent, 5.0 percent and 12.5percemer annum (sedTable 13.2). This long tem tred suggests that composition of annual energy consumpon is siifting fom petroleum productsto otr energy sources.

En'gy consumption in all sources has witnessed a egativgrowthrate dung 2008-09 mainly on ne ba: of lower economic activity and circular debt prolem ding theperiod.

Wereas, due to revival in the macroeconomic activy, the iergy consumpon in pe roleum producs, ga and coal has witnessed a positive growth rais of 8 percent, 3.0percent and 10.0 percnt reectively during July-March 2009-10 over the corespong peric last yr. While the decline of .7 peent in energy consumption of electricity is mairy oweco circuar debtroblem during July-Mach 209-10.

Tae 13.2: Annual Energy Corsumption

Fisl Year	Petroleum Products		Gas		Eltricity		Coal	
	Tonnes (000)	Change (%)	(mmcft)	hange (%)	(Gwh)	Chge ()	M.T* (000)	Chane (%)
078	18,080	7.3	1,275,312	4.4	73,400	0	10,111	28.:
089	17,911	-0.9	1,269,433	-0.5	70,371	-1	8,390	-17.
Av 10 years		0.5		6.8		5		12.!
JulMar								
089	12,892		931,700		55,614		4,822	
090 (e)	13,937	8.1	959,475	3.0	54,653	-7	5,304	10.(

e: ectricity consumption for AJ&K is estimated on the bas of act! six meths dat

**Mion Tonnes* — *Source:ydrocaion Devopment Institute of Pakistn*

13. Component Wise Performance of Energy

13-a Petroleum Product

Th petroleum products erergy supplies during Ju-Marc2009-10 increed to 16.3 million tones frc 14.2 million tonnes in same period last year threby wiessingthe 14.percent growth during he peod. Due to increased petroleum products enery suppd, the overallonsumption of petrolem prducts exhibits an increase of 8.1 percent during Jly-Mar 2009-10 agairt the same period last ya (se table 13.3).

Tal 13.3: Consumption of Petroleum Products (000 tonnes) (Percetage Char)

Ye.	House holds	Change (%)	Industry	Change (%)	Agriculture	Chang (%)	Transp	Change (%)	Power	Change (%)	Other Govt.	Change (%)	Tol
20-08	121	14.1	1,071	-32.9	109	12.7	9,38-	17.0	7,084	5.1	311	-4.5	18,80
20-09	97	-19.5	969	-9.5	70	-36.2	8,83'	-5.8	7,570	6.9	367	18.2	17,31
Jul-ar													
20-09	75		718		50		6,30:		5,497		245		12,92
20-10	68	-9.1	750	4.4	44	-11.2	6,58	4.3	6,271	14.1	223	-8.9	13,37

Sourc. Hydrocaon Development Institute of Pakisu

Th power, industry and transport sectors consumd the hier quantity oetroleum products dung thperiod under consideration. Improvement of doestic mand ed the crease in the consumptn ofetroleum products by transport and industry. While t powe sectoronsumption of petrolem products is based on circular debt faced by refineries forcing them to consume higher amount of final petroleum products.

13.3-b Natural Gas

The supply of gas has exhibited an increase of 1.6 percent during July-March 2009-10. The increase in supply owes to higher production of 1.6 percent in natural gas during the period under review. Due to this increase in availability of natural gas, the overall consumption of gas remained higher during the period. Furthermore, the sector wise consumption of gas suggests that the household, commercial, fertilizer and transport sector witnessed positive growth in consumption of gas during 2008-09.

More recently, with the exception of cement and power sectors, many major sectors have witnessed positive growth rates during July-March FY10 (see Table 13.4). The consumption of gas by industry has witnessed a significant increase of 5.3 percent during July-March 2009-10 especially after the declined of 1.1 percent during 2008-09. The increase in industrial consumption owes to rise in domestic demand for manufacturing production during the period.

The maximum decline of 72.7 percent has been witnessed in cement sector's gas consumption on the back of contraction in its external demand during the period along with the switch over to coal for production. Decline in power sector's gas consumption is based on the inter corporate circular debt reason. On the other hand, gas consumption in the transport sector increase due to shift from imported fuel oil to relatively cheaper source of gas during July-March 2009-10.

(Percent change)

Table 13.4: Consumption of Gas (Billion cft)

Year	House hold	Change (%)	Commercial	Change (%)	Cement	Change (%)	Fertilizer	Change (%)	Power	Change (%)	Industrial	Change (%)	Transport (CNG)[P] mmcft	Change (%)
07-08	204.0	9.7	33.9	9.4	12.7	-13.3	200.1	3.1	429.8	-1.0	322.6	5.2	72,018.0	27.6
08-09	214.1	4.9	35.5	4.8	7.3	-42.6	201.1	0.5	404.1	-6.0	319.0	-1.1	88,236.0	22.5
Jul-Mar														
08-09	171.9		26.4		6.1		149.6		278.3		233.8		65,725.0	
09-10 (p)	184.5	7.4	28.6	8.3	1.7	-72.7	162.5	8.6	264.8	-4.8	246.1	5.3	71,225.0	8.4

Source: Hydrocarbon Development Institute of Pakistan

P: Provisional

13.3-c Electricity

For reasons discussed earlier, the overall electricity consumption has followed a declining trend since 2008-09. As overall electricity consumption in the country has witnessed a negative growth of 1.7 percent during July-March 2009-10 over the same period last year (see Table 13.5).

(Percentage Change)

Table 13.5: Consumption of Electricity by Sectors

Year	Traction	House hold		Commercial		Industrial		Agriculture		Street Light		Other Govt.		Total
		GWH (000)	Change (%)	GWH (000)	Change (%)	GWH (000)	Change (%)	GWH (000)	Change (%)	Gwh	Change (%)	GWH (000)	Change (%)	
07-08	8.0	33.7	1.2	5.6	3.7	20.7	-1.9	8.5	3.7	415.0	7.2	4.5	2.3	73,400
08-09	5.0	32.3	-4.2	5.3	-6.2	19.3	-6.6	8.8	3.5	430.0	3.6	4.3	-5.0	70,371
July-March														
08-09	4.0	23.6		3.8		14.6		6.5		307.0		6.8		55,614
09-10 (e)	2.0	24.9	5.2	4.1	7.9	14.7	1.1	7.2	11.2	364.0	18.6	3.3	-50.7	54,653

Source: Hydrocarbon Development Institute of Pakistan

e: Electricity consumption for AJK is estimated on the basis of actual six months data

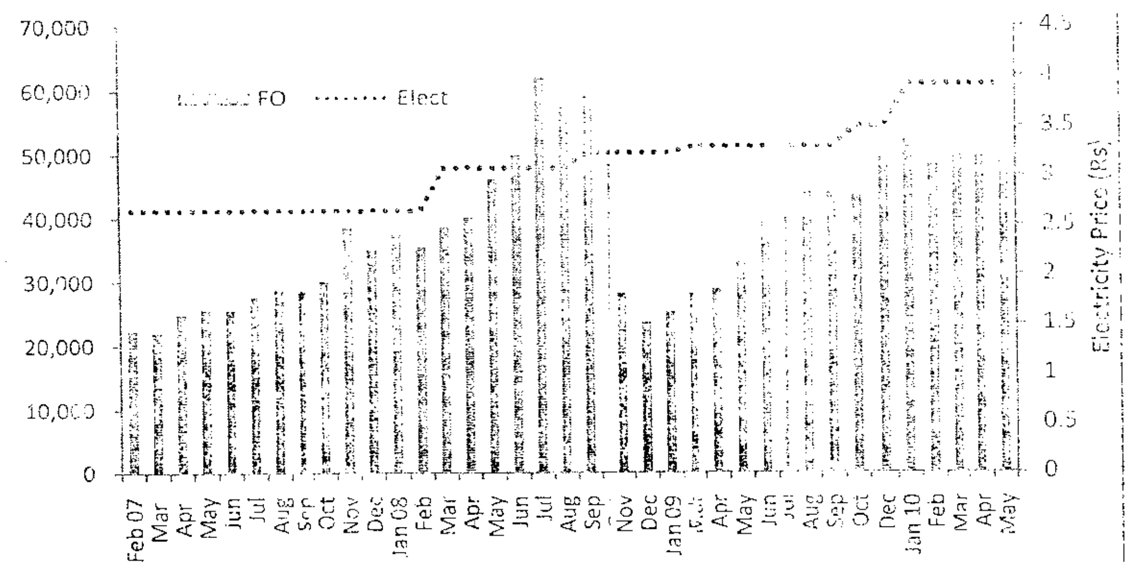
Box-1: Circular Debt Situatn and :ps Takn

The ciular debt problem plaguirg the power sector stemsrom a :parity :etweenost and tariffs of Energy. The inility to increase the consumers' energy tariff prior tciscal yc 2007-0 even tugh generation cost kept increang gave rise to substantial cost-tariff differential. Thi situaticwas furher conlicated by the increase in the inrnational price of oil durirg 2008 (see Fig 3), a majoinput ihe genration celectricity. As the subsidy eleme (difference between cos: and tariff) grew, large arounts circular lebt we created whereby power produng companies were unable to receive payments frondistribon comanies, irurn the power producers could ot make payments to the fuel suppliers.

Currery the government is regularly revising the power taris in linf international prices changes to recover the cc of power. As evident from the rising furnace oil price therebncreasing the eltricity prices (see Fig 3)

Circular Debt Rrolution	
On 01-06-2009	Rs 214llion
On 30-06-2009	Rs 216llion
On 18-05-2010	Rs 120llion

Fig 3: Furnace Oil (FO) & Residential Electricit (1-100nits) Prces

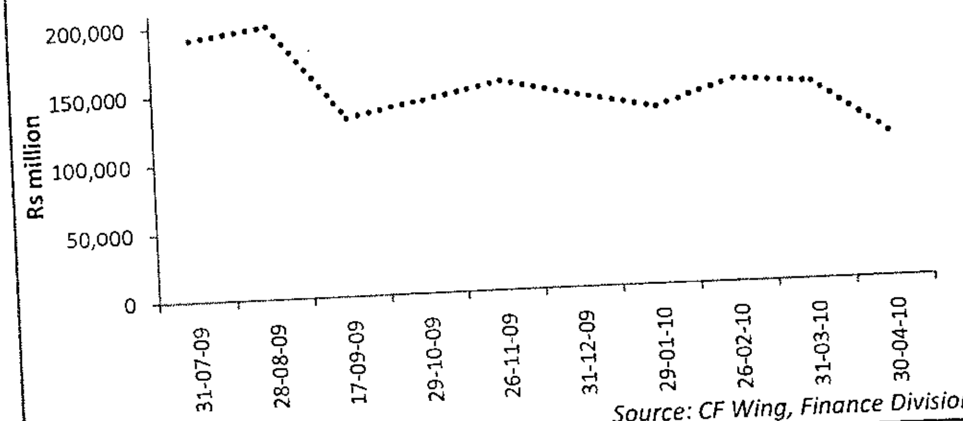


- Assumption of Rs. 301.0 billion by Power Holding Cmpany ll to be ompletsoon. Markup payments c loan are being made regularly. Rs. 40.0 billion paid.
- Power tariff differential claim (subsidy) paid to powr sectoompanis. Rs. 90 billion
- Government has picked up entire past liability of FFA of Rs5.0 billion.
- Government of Pakistan picked up PEPCO's receivales on count of FATA's rrent dues. Rs. 16.7 billion
- Office of Government Adjuster has been activated impro recoveres fromrovinces.
- PEPCO is being persuaded to pro-actively recover te dues im defaulting prate consumers.
- Power tariff are being reviewed regularly to recovethe cosf powe.
- Measures are being taken to restructure the sectoin orden improve its effency.

- Energy Summit has been convened on 19-20 April, 2010 to resolve Power Sector issues.
- An amount of Rs. 116.0 billion will be provided to the system under a plan submitted by Finance Division. Out of which Rs. 66.0 billion will be disbursed by Federal Government. Rest by the Provincial Governments.

In addition, the net position of overall circular debt is witnessing a declining trend during July-April 2009-10 (see Fig-4). As the end-month net position of overall circular debt declined from Rs. 190,953 million in July 2010 to Rs. 103,939 million in the month of April 2010.

Fig-4: Net Position of Inter Corporate Circular Debt Position



Source: CF Wing, Finance Division

The company wise receivables, payables and net position of overall circular debt as on 30th April 2010 is presented in the table below.

INTER CORPORATE CIRCULAR DEBT AS ON 30TH APRIL 2010

(Rs. in million)

RECEIVABLES	Principal	PAYABLES	Principal	Net Position of Entities
PSO				
PEPCO	36,496	PARCO	31,383	
HUBCO	39,027	PRL	12,340	
KAPCO	21,844	NRL	9,525	
OGDCL	194	ARL	17,485	
PIA	1,120	Bosicor	4,794	
Others	1,300			
Price Differential Claim	6,440	Other	469	
Total	106,421	Total	75,996	30,425
SSGCL				
KESC	17,510	OGDCL	14,221	
PEPCO (JPCL)	5,974	GHPL	6,162	
PEPCO (QUETTA)	21	PPL	6,828	
SNGPL	1,673			
Pakistan Steel	1,067			
GDS	-			
Total	26,245	Total	27,211	-966
SNGPL				
PEPCO	5,212	OGDCL	10,320	

berty Power	-	PPL	6,53	
overnment of Pakistan	1,863	GHPL	1,93	
DS	3,064	SSGCL	1,55	
ovt. Consumers	1,741			
otal	11,880	Total	20,16	-8,526
PEPCO				
ESC	42,249	Gas	24,73	
ATA	4,898	OIL	31,16	
rovincial/Fed.Govt.Deptt.&AJK	35,591	IPPs	12055	
ovt. of Balochistan/GOB Share	12,273	WAPDA Hydel	45,13	
rivate	94,414			
thers	1,580	Others	8,48	
otal	191,005	Total	23015	-39,710
OGDCL				
NGPL	14,972	PSO	7	
SGCL	16,233	ENAR	[illegible]	
SO	36	GHPL	7	
RL	20,108			
RL	9,055			
RL	7,253			
ARCO	2,710			
NAR	160			
EPCO	26			
PL	3,395			
OSICOR Pak.Ltd	5,338			
ESC(Pirkoh Gas Co.)	607			
otal	79,891	Total	1!	79,740
PARCO				
RL	-	NRL		
RL	-	PRL		
SO	29,857	OGDCL		
thers	-			
otal	29,857	Total		29,857
KESC				
ederal Government	-	NTDC/PCO	13,10	
ederal Auton.Bodies	-	KANUP	2,10	
indh/Bal.Govt.Deptt.& Others	2,010	TAPAL	2,10	
ity Distt.Govt.Karachi (CDGK)	3,130	Gul med Energy	2,50	
W & SB	9,660	SSGCL	12,70	
		PSO/Oer Fed/Pr. Dues	4,80	
otal	14,800	Total	38,.0	-23,610
GHPL				
SGCL	6,716			
NGPL	2,492			
.RL	465			
RL	89			
IRL	52			

ENAR				
PARCO	683			
Bosicor	0			
OGDCL	70			
Gas Fon	-			
Total	10,567	Tota		10,567
PPL				
PEPCO	9,711			
SSGCL	7,540			
SNGPL	8,603			
PRL	77			
Total	25,931	Tota		25,931
KW&SB				
Federal Ministries	8,044	KES(	814	
Total	8,044	Tota	814	231
GRAND TOTAL	504,642		41,703	103,939

:ource: (Wing, Finance Division

13-d Coal

Pastan has coal resources estimated at over 185 bilion tcies, incuding :5 billion tonnes identifed athar coalfields in Sindh pʼovince. Pakistan's coal generall ranks from ligne to sub-bituminous. Afer wiiessing a decline of 17.0 percent in 2008-09, te tota production of oal has increased by 1.0 pecent during July-March 2009-10 over the corrspondig period last ar (see Table 13.6). This irrovement owes to increased import of coal dring tl period as indenous production of coal wiiessed a decline 6.5 percent during the period nder riew. A: a resu, share of coal importin ovall availability of coal, ncreased from 62.2 perent in ily-March 20089 to 67.9 percent durig cuent fiscal year. About 58.9 percent of total coal i the cintry has been onsumed by the brick kins inustry whereas 39.6 percent consumed by cemer indust during the peod of July-March 2009-0. Tl coal consumption shares of brick kilns and powe sectordecrea:ed by 21 percent and 35.8 percnt reectively during July-March 2009-10 against th same eriod ast yea Due to price differenial beveen coal and furnace oil, almost the whole ceient inistry his beenwitched over to coal frm fu ace oil. Operational coal mines decreased prouctiony 15 percent om 4.12 million tonne in 2C7-08 to 3.49 million tonnes in 2008-09.

Tae 13.6: Production of Coal (C00 tonnes)

Ye	Imports	roductin	Total
20-01	950	3,095	4,045
20-02	1,081	3,328	4,409
20-03	1,578	3,312	4,890
20-04	2,789	3,275	6,064
20-05	3,307	4,587	7,894
20-06	2,843	4,871	7,714
20-07	4,251	3,643	7,894
20-08	5,987	4,124	10,111
20-09	4,652	3,738	8,390
Ju-March			
20-09	3,000	1,822	4,822
20-10 (e)	3,600	1,704	5,304

e: timated *Source: M/a Petroleum Ncural Resrce, Hydrocarbon :velopment Institute of Pakisin*

13.4. Energy Production

13.4-a Crude Oil

The balance recoverable reserves of crude oil in the country as on January 1st 2010 have been estimated at 303.63 million barrels. The average crude oil production during July-March 2009-10 was 65,246 barrels per day as against 66,531 barrels per day during the corresponding period of last year, showing a decrease of 1.9 percent. During the period under review, 27,659 (42 percent) barrels per day were produced in northern region and 37,586 (58 percent) barrels per day in southern region, as against 26,888 (40 percent) barrels and 39,643 (60 percent) barrels produced per day respectively in the same period last year. During July-March 2009-10, production crude oil has increased by 2.9 percent from northern region whereas productions decrease in southern region by 5.2 percent as compared to same period's overall 1.9 percent oil production decreased in the country. The company wise detail of production of crude oil during July-March. 2009-10 and corresponding period of the last fiscal year is as given in Table 13.7.

Table 13.7: Production of Crude Oil (BPOD)

Region	2008-09	July-March 2008-09	July-March 2009-10	Change (%)
Northern Region	**26,517.94**	**26,888.20**	**27,659.17**	**2.9**
Dewan	179.32	197.64	102.02	-48.4
OGDCL	15,520.98	15,351.43	15,095.14	-1.7
OPII	410.78	401.01	532.93	32.9
POL	3,584.53	3,839.05	4,079.64	6.3
PPL	4,559.24	4,672.11	4,635.96	-0.8
MOL	2,263.09	2,426.96	3,212.47	32.4
Southern Region	**39,326.70**	**39,643.29**	**37,586.52**	**-5.2**
OGDCL	24,963.92	25,393.15	21,683.20	-14.6
BP (Pakistan)	10,385.48	9,654.17	12,001.83	24.3
PPL	137.48	146.74	411.86	180.7
BHP	2,716.24	2,720.06	2,949.74	8.4
OMV	66.93	64.25	70.05	9.0
ENI	384.49	386.00	340.87	-11.7
OPII	637.59	1240.36	-	-100.0
MGCL	-	-	2.28	
Petronas	34.56	38.56	126.68	228.5
Total:	**65,844.64**	**66,531.49**	**65,245.69**	**-1.9**

Source: Ministry of Petroleum & Natural Resources

13.4-b Natural Gas

The importance of natural gas to the country has been increasing rapidly. As on January 1st 2010, the balance recoverable natural gas reserves have been estimated at 28.33 trillion cubic feet. The average production of natural gas during July-March 2009-10 was 4,048.76 million cubic feet per day (mmcfd) as against 3,986.53 (mmcfd) during the corresponding period of last year, showing an increase of 1.56 percent. Natural gas is used in general industry to prepare consumer items, to produce cement and to generate electricity. In the form of CNG, it is used in transport sector and most importantly to manufacture fertilizer to boost the agricultural sector. Currently 28 private and public sector companies are engaged in oil and gas exploration & production activities. Company wise total natural gas production is presented in Table 13.8.

Table 3.8: Production of Natural Gas (mmcfd)

Regioi	2008-09	July-Marn 2008-0!	JulyMarch 2009-10	Change (%)
BHP	446.65	435.36	5:4.11	20.39
ENI	420.33	416.6	4:4.11	4.20
Dewa	38 14	40.45	16.12	-60.15
MGCL	464.95	469.07	494.32	5.38
OGDC	933.01	920.11	872.1	-5.22
OMV	473.11	467.61	439.13	-6.09
OPII	29.8	54.14	'.54	-86.07
POL	24 58	25.81	24.55	-4.88
PPL	810.35	812.17	794.99	-2.12
Tullov	9.24	12.69	..61	-87.31
PEL	30.43	30.66	28.19	-8.06
BP	244.98	222.99	246.53	10.56
Petrois	13.99	15.4	16.26	5.58
MOL	62.3	63.45	149.2	135.15
Total	**4,001.86**	**3,986.5**	**4,048.76**	**1.56**

Sour: Ministy of Petleum & Natural Resource:

(i) Liuefied Petroleum Gas (LPG):

Liqueed Petroleum Gas (LPG) contributes about 0.7 ercentf the country'sotal energy supply mix The ain objective to enhance the use of LPG is to sto defortation n the eas where the supply o natul gas is technically not viable. As a result of govrnmers invesbr frierly policies, LPG supplie haveraduall increased. The corner stone of LPG Pocy is tensure enhancd availability of LPG at a competitive price to the end consumer. LPG marketin compies have impoed around 62,920.3 MT of LF during July-March, 2009-10.

(ii) (mpressed Natural Gas (CNG):

In anffort to reduce dependency on other fuels as wil as to iprove the envonment, the use of CNC in veicles is being encouraged. Due to existing pricediffereial betveen CG & Petrol, vehicles ar bein converted to CNG and approximately 2.0 milon veles are using NG in the country. Th numer of CNG Stations is ever increasing with an irrease the vehicle ceversion rate resultantl therare about 3,116 established CNG Stations operaional ithe country. Wh an investment of ove Rs.7 Billion, Pakistan at present is the largest CNG userountry in theworld. In addition, th Govnment has recently approved the project of"PrivatPublic Partnenip Based Environmen Frierly Public Transport System for Major Urban Ceters ofakistan' whichs being actively pursue withhe provincial governments leading to gradua phaseut of Diesel oerated intra-city urba tranport to achieve import substitution.

(iii) quefied Natural Gas(LNG):

The overnment is encouraging LNG import by the rivate ector. Accordiny, Pakistan Mashal LN Projet (PMLP) was conceived to cater for the energyneed ohe country asnvisioned in the 25 yea Natinal Energy Security Plan and identified in the Enegy Gapoverage Strate/.

PML is to be set-up on an integrated basis whereby privatsector project eveloper will manage th entire supply chain including procurement and shipping of 3.5 million tonnes per annum LNG, construction and operation of an onshore LNG receiving terminal, and delivery of 500 MMCFD re-gasified LNG to the SSGC's system in Karachi. Mashal (Phase-I) will be based on Floating Storage and Regasification Unit (FSRU).

14.4-c Drilling Activities

During July-March 2009-10, altogether 50 wells have been drilled, including 16 wells in the public sector and 34 in the private sector as against 60 in the same period last year registering a decrease of 16.67 percent. Total investment of $ 888.80 million has so far been made in the current financial year in the upstream petroleum sector. Table 13.9 provide the details of drilling activities of the public and private sector companies, engaged in the exploration and development of wells, with achievement during July-March 2009-10 and corresponding period last year.

Table 13.9: Drilling Activities (Achievements) (No. of Wells)

Sector	2008-09	July-March 2008-09	July-March 2009-10	Change (%)
Public Sector (OGDCL)	30	**20**	**16**	-20.00
i) Exploratory	12	7	8	14.29
ii)Appraisal/Dev	18	13	8	-38.46
Private Sector	56	**40**	**34**	-15.00
iii) Exploratory	15	10	10	0.00
iv) Appraisal/Dev.	41	30	24	-20.00
Total:	86	60	**50**	-16.67

Source: Ministry of Petroleum & Natural Resources

13.5 Power Sector

Total installed generation capacity witnessed an increase of 2.1 percent during 2009-10 against the 1.0 percent growth in corresponding period last year (see Table 13.10). With the share of 31.6 percent in total installed capacity during 2009-10, private sector witnessed the prominent growth of 7.1 percent in its installed capacity during the period under review. On the other hand, installed capacity of WAPDA declined by 0.5 percent during July-March 2009-10. Furthermore, the installed capacity of KESC stood at 1,955 MW during the period under review.

Table 13.10: Total Installed Generation Capacity (MW)

S.No	Power Company	Installed Capacity 2008-09	Share (%)	Installed Capacity 2009-10	Share (%)	Change
1	**WAPDA**	11,454	57.9	11,399	56.5	-0.5
	Hydel	6,555	57.2*	6,555	57.5*	0.0
	Thermal	4,899	42.8*	4,844	42.5*	-1.1
2	IPPs	5,954	30.1	6,374	31.6	7.1
3	Nuclear	462	2.3	462	2.3	0.0
4	KESC	1,910.0	9.7	1,955.0	9.7	2.4
	Total	19,780	100.0	**20,190**	100.0	**2.1**

** : Share in WAPDA system*

Source: Hydrocarbon Development Institute of Pakistan & PEPCO

13.5 Oil & Gas Regulatory Authority (OGRA)

OGR has been mandated to fix prices of petrolem proicts in March,2006. Furthermore, th consmer prices are being nctified by OGRA on momly basfrom Fbruary2009. Briefly, under th said ice formula the ex-depot sale prices are being cmputeas:

Ex-rinery import parity price, computed per approed forula and subsecent modifications mad fromtime to time *Plus* Inland Freight Equalization largin FEM) as deterined by OGRA *Plus* 4. percit distribution margin and 5.0 percent dealer ommison subect to inimum of USD 45 an maxium of USD 80 of Arab Light crude oil per barrl *Plus* troleun levy, s notified by Ministry c Petreum & National Resources (MPNR) from time t time *us* General sal tax at the rate of 16 . percit of depot price on the amount included all aboe elemits payible uncr the Sales Tax law.

The ederal Government has fixed petroleum levy (PLfrom Jv, 2009 The PLates on various product are s follows: HSD Rs.8.0/ liter, MS Rs.10.0/liter, HBC Rs4.0/liter, KERCRs.6.0/liter and LDO R: 3.0/er.

The ical prices have been linked with the developmnts in e inte nation oil market. Accordingl locaex-depot prices vary in line with the internatinal pris. Moreover, st of gas is linked wit inteiational prices of crude/fuel oil per Gas Pricin Agreeents (CPAs) ecuted between the ga proccer companies and Government of Pakistan.

13.5 National Electric Power Regulatory Authority (IEPRA)

The ational Electric Power Regulatory Authority is eclusive respoisible fc regulating the provisio of ectric power services.

Durg the period July -March 2009-10, NEPRA hs procsed ten applations for the grant c geniation licenses, including thermal and hydel powr plantwith a umulate capacity of 311.4 MV. In adition to these thermal and hydel power projec, caseapplicaions of ve wind energy projec with cumulative capacity of 200 MW for grant of genrationenses vere al processed.

To ecourage the hydel and coal based power projcts in te counry, the uthority has allowed 1 perınt IRR to hydel and indigenous coal and 16 percnt to inorted oal poer projects as against th 15 prcent IRR for oil and gas based thermal power prjects.

Furtermore, during the period July-March 2009-10, NEPRA sued tventy sven tariff determinatior and 69 tariff adjustments in respect of generation an distriltion conpanie.

Durg the period under review, NEPRA has procesed theariff petition respect of 80 MW Co genration power project based on bagasse & importd coal.

Supy Sources of Electricity:

13.5 WAPDA

Thenstalled capacity of PEPCO system is 18,233 MW as cMarch 2010 wh hydro 6,555 MW ard thenal 11,678 MW. The hydropower capacity accoits for 5.95 pecent ad thermal 64.05 percer. Outf 11,678 MW of thermal power, 4,844 MW is wned Ex-WAPDA GIICos, 135 MW by rent, 325y PAEC and rest by IPPs. There is 55-MW of isolaed genation cipacity Pasni & Panjgoor areas

i). Electricity Generation

Electricity generation from the hydro and thermal source has witnessed an increase of 5.6 percent growth during the current fiscal year July-March 2009-10 compared to 5.0 percent decline in July-March 2008-09. Moreover, after growing negatively since 2007-08, the electricity generation has started to grow positively during current fiscal year 2009-10.

The composition of electricity generation suggests the stagnation in shares of hydro and thermal sources in the electricity generation with share of thermal remained larger than of the hydro source (see Table 13.11).

Table 13.11: Electricity Generation by WAPDA (GWh)

Year	Hydro	Share (%)	Thermal	Share (%)	Total
2006-07	31,942	36	55,895	64	87,837
2007-08	28,667	33	57,602	67	86,269
2008-09	27,763	33	56,614	67	84,377
July-March					
2008-09	20,665	34	40,653	66	61,318
2009-10	21,101	33	43,646	67	64,747

Source: PEPCO

Total generation includes purchase from IPPs and imports

ii). Power Transmission

The length of transmission lines was 5078 ckM for 500-kV and 7325 ckM for 220-kV level at the end of June 2009. Whereas, the length of transmission line was 4748 ckM for 500-kV & 7318-ckM for 220-kV level at the end of June 2008. In order to ensure uninterrupted and stable power supply to the consumers as well as integrity of the grid supply system, the augmentation of the transmission network is a continuous process. In addition to the various on-going secondary transmission lines and grid-stations program, new transmission lines/substations are being envisaged.

iii). Growth in Consumers

The number of consumers has been increasing due to expansion of electric network to villages and other areas. The growth in number of consumers increased by 4.5 percent during July-March 2009-10 against the 4.2 percent rise in same period last year. Moreover, the longer term analysis of group wise consumers exhibits that the share of domestic consumer remained the highest with more than 80.0 percent of total number of consumers in the respective years (see Table 13.12).

Table 13.12: Consumers by Economic Groups (Thousands)

Year	Domestic	Commercial	Industrial	Agriculture	Others	Total
2006-07	14,354	2,152	233	236	11	16,987
2007-08	15,226	2,229	242	245	11	17,955
2008-09	15,482	2,257	250	255	11	18,255
July-March						
2008-09	15,687	2,271	250	255	12	18,475
2009-10	16,416	2,342	260	269	13	19,300

Source: PEPCO

iv)'illage Electrification

Thvillage electrification prbgram is an integral parbf the tal power sectc development program.As a rsult, the village electrification growth rate durinJuly-Mch 200)-10 inceased by 10.0 percent (se Tae 13.13) over the 5.7 percent rise during saie peril last year. Fuhermore, the numberof elctrified villages has increased from 137,765 by 30 June 09 to 117,038 / the end of March 201(

Tae 13.13: Village Electrification (In Number)

Ye	Addition During the Year	Progrsive Totl	Growth (%)
20-07	14,203	1,456	14
20'-08	10,441	1,897	9
203-09	9,868	1,765	8
Ju-March			
203-09	5,566	1,463	
209-10	9,273	1,038	10

Source: PECO

v)Electricity Consumption by Economic Group

Tt consumption of electricity by economic group ientifiesomesti sectors largest user of electriity inakistan. More recently, the consumption share c industl and comestigroups witnessed a decne of.1 percent and 0.1 percent during July-March 009-10ver the same eriod last year (see Tale 134). While, the significant increase in the consumption iares his beenwitnessed in the group of Pblic Lighting, Supply to KESC and Agriculture durin the piod uncer revie.

Tle 13.14: Electricity Consumption by Economic Group (% She)

Yer	Domestic	Comm-ercial	Industrial	gri-clture	Public Lightin	Bk Suply	Traction	Suppl KES
26-07	43.00	6.36	26.09	2.00	0.47	44	0.02	7.2
27-08	43.21	6.55	26.00	2.59	0.51	51	0.01	6.1
28-09	42.56	6.44	24.56	3.32	0.53	40	0.01	7.6
Ju-March								
28-09	42.20	6.40	25.20	3.30	0.50	40	0.01	7.5
29-10	42.15	6.45	23.92	4.03	0.57	42	0.01	7.9

Source: PECO

v Power Losses

Tnsmission and distribution (T&D) losses as percet o net system energy has remained more or les sgnant between 21 percent to 25 percent frm 200-01 to 2008-09. Furthermore, during July-Marh 209-10, T&D losses has witnessed an increase of 0 pcent over the corresponding period last yer Tble 13.15. Keeping in view of these losses, te NDC and DISCOs have invoked various technical ad aninistrative measures to improve operational ad nnagerial efficiency to reduce power losses. Othr nasures such as renovation, rehabilitatin,

Tae 13.15 WAPA T&D Losses as % of let Sytem Energy

Ye	T&D Losses (%)*
20-01	24.3
20-03	24.4
20-06	22.4
20-08	21.3
20-09	21.1
Ju-March	
20-09	19.4
20-10	19.6

* D = Trasmissioand Distribution

Source: PECO

capacitor installation and strengthening the distribution system network are a continuous process for controlling wastage of power.

vii) Power Development Program

To improve the supply conditions of power in the country, PEPCO is working on various power generation projects having different expected dates of completion starting from current fiscal year 2009-10 to year 2017-18 with total generation capacity of 17,301 MW (see Table 13.16).

Within this period, the power projects having the capacity of 4,166 MW are expected to be commissioned in the fiscal years of 2009-10 and 2010-11.

Table 13.16: Future generation Projects PEPCO System

Year	Annual Capacity Planned (MW)
2009-10	1,200
2010-11	2,966
2011-12	1,357
2012-13	2,140
2013-14	1,426
2014-15	1,060
2015-16	1,959
2016-17	2,597
2017-18	2,596
Total	17,301

Source: PEPCO

14.5-d Karachi Electric Supply Company Limited (KESC)

During the current fiscal year July-March 2009-10, the installed capacity of KESC's various generating stations remained at 1,955 MW, against the peak demand of 2,459 MW. During July-March 2009-10, KESC's own generation stood at 5,504 Million units (kWh) against 5,837 Million units (kWh) during same period last year thereby showing a decline of 5.7 percent during the period. Total units available to the KESC's system exhibit an increase of 5.6 percent during July-March 2009-10 against the same period last year (see Table 13.17).

Table 13.17: KESC Operating Results (Units in Million kWh)

S. No	Description	July-March (2009-09)	July-March (2009-10)	Change (%)
1	POWER PURCHASE			
	KANUPP	286.1	413.2	44.4
	PASMIC	85.0	71.9	-15.4
	TAPAL	441.6	410.3	-7.1
	GULAHMED	316.3	384.4	21.5
	WAPDA	3,585.6	4,044.2	12.8
	ANOUD POWER	12.2	18.9	55.2
	DHA COGEN	68.0	111.1	63.3
	INTL. INDUS. LTD	99.8	93.9	-5.9
	AGGREKO (PROV.)	60.7	246.4	306.0
	ENGRO		45.0	
	Total	**4,955.3**	**5,839.2**	**17.8**
2	Units Available for Distribution	10,348.9	10,929.8	5.6
3	Unit Sold	6,793.1	7,163.5	5.5
4	Trans. & Dist. Losses	3,555.8	3,766.4	5.9
5	Installed Capacity (MW)	1,910.0	1,955.0	2.4
6	Peak Demand	2,352.0	2,459.0	4.5

Source: KESC

Mo over, the transmission and distribution losses oKESC pted an ncreasof 5.9 percent during th firsthine months of the current fiscal year. Power urcha by the KESC creased by 17.8 percet durg the period. The share of domestic consume in thKESC's units' le to Karachi consumes remined at 41.90 percent during the July-March 209-10 llowed by Inditrial (34.70 percent) and Comercial (10.80 percent).

13.e Nuclear Energy

Paktan Atomic Energy Commission (PAEC) is resposible f planning, conruction and operation f nucar power plants. Presently, two nuclear powr plant Karachi Nucler Power Plant (K-1) and Chamma Nuclear Power Plart unit-1 (C-1) are in opertion, vile con:tructio of a third plant, Chashm Nuear Power Plant Unit-2 (C-2), is in progress.

K-1a CANDU type plant, has been in commercia operan since 1971.K-1, after completing s desned life of 30-years is operating on extended lif of 15 ars. K- genered 456.94 million kWh f elericity during the period of July-March 2009-10, aising i lifetim generion to 12.82 billion kW. C-1a Pressurized Water Reactor (PWR) type plantwith aross capacity 325 MWe, has been comercial operation since September 2000. C-1 gnerate2063.9 millioikWh of electricity duri JulyMarch 2009-10, raising its lifetime generatio to 146 billon kW. The construction and insllation activities of C-2 are in progress as per snedule he C-2 is expted to be operational y 201.

Paktan Atomic Energy has been assigned the task oinstalli 8,800 MW nuear power capacity by t yea 2030 with increasing share of indigenization. Inhis reect, technical tilities have already be estblished and human resource development institues are ing upgraded ad expanded.

13.f Private Power and Infrastructure Board (PPIB

PP is currently processing forty four (44) multipl fue (Oil, Coal, Gas and Hydel) power generatio precs with a cumulative capacity of 10,845 MW (se table 13.18) which are expected to b comissioned from year 2010 to 2017.

Tab 13.18 : Annual Ipected Capacity (IPPs)

Yea	(MW)
Pro;ts alrealy comissioned	586
201	2,806
20112	672
201	501
201	612
201	2,292
201	888
201	2,488
Tot	**10,845**

Funermore, the following IPPs have bee estblished in 2009-10 and other projects are unde coitruction and will soon be delivering muc neled megawatts to the national grid to minimiz thdemand-supply gap:

- 216 MW Engro Power Project
- 214 MW Atlas Power Limited

13-g Alternate Source of Energy

Alrnative Energy Development Board (AEDB) procsses alternatve andenewable energy projec in ie Public Sector and the Private Sector projects irthe poer sectr.

(i) Mega Wind Power Projects

AEDB issued 4 Letters of Intent (LOI) for wind power projects, 3 for 50 MW and one for 2.4 MW. AEDB is currently facilitating twenty (20) projects having a capacity of 50 MW each, which are at different stages of development. One IPP has signed a contract with international turbine manufacturer for the supply of equipment for their project. One company has installed 06 MW in the first phase of their 50 MW project. Feasibility studies for 50 MW wind power projects each have been completed by 2 IPPs taking the total to 14 completed feasibility studies.

(ii) Biodiesel

AEDB through a consultative process identified the barriers to biodiesel feedstock cultivation in Pakistan, and is taking actions to remove these barriers. Experimental cultivation of biodiesel feedstock on scientific basis has also been started. The cultivation has now risen from around 2 acres in 2005 to more than 650 acres in 2009. Pakistan's first ever commercial biodiesel production facility has been setup in Karachi by the private sector. This biodiesel refinery has a capacity of producing 18,000 tons of Biodiesel per annum.

(iii) Biomass/Waste-To-Energy

AEDB has signed a contract with a foreign firm for carrying out a feasibility study for generating up to 10 MW of electricity from Municipal Solid Waste in Karachi. The study is currently underway and would lead to establish a 10 MW Waste-to-Energy power plant in Karachi. AEDB has initiated a project for carrying out detailed studies for biomass / waste-to-energy projects in 20 cities of Pakistan. Companies have been shortlisted for issuance of RFPs on basis of Expressions of Interest (EOI) submitted by them.

(iv) Small/Mini/Micro Hydro

AEDB is actively working to install 103 micro hydro power plants at Chitral and other places in Gilgit Baltistan.The total cost of the project is US$ 19.5 million out of which US $ 1.0 million is for Productive Use of Renewable Energy (PURE).

Eight micro/mini/small hydel power projects have been initiated under the Renewable Energy Development Sector Investment Program of Asian Development Bank (ADB). The cost of these eight projects is estimated at US $ 139.5 million. Furthermore, Government of Punjab issued LOIs to 10 private investors for establishment of small hydel power project with a cumulative capacity of 142 MW at different location of Punjab.

(v) Solar

More than thirty two vendors are currently importing solar water heaters and marketing them all over the country. Some local manufacturers are also playing an important role in promotion of this technology.

AEDB recently launched a Consumer Confidence Building Program for the promotion of Solar Water Heaters in the country. The program was designed to create awareness of solar water heating technology and to build the consumer confidence on the product through a number of incentives to buyers that includes money back guarantee. AEDB is also working for the deployment of 20,000 solar water hearers in Gilgit Baltistan.

Transport and Communications

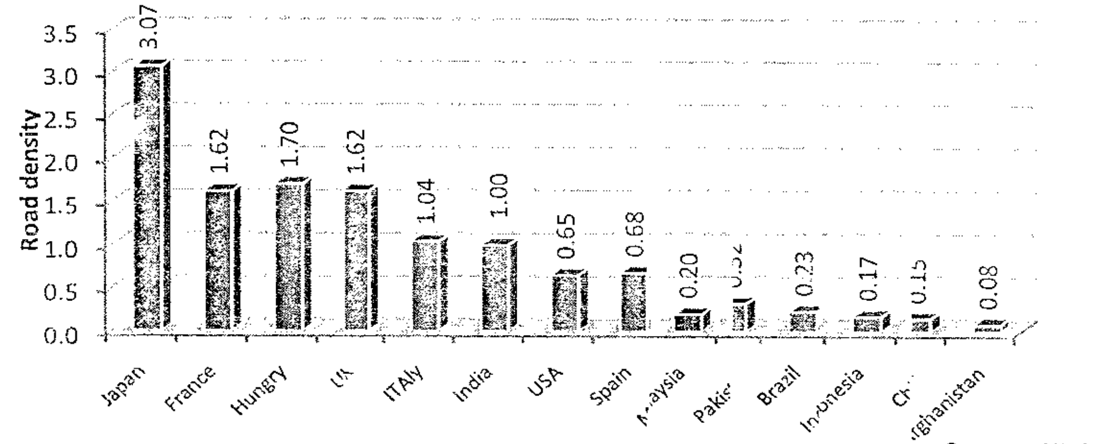
14

An efficint transport system contributes to economic growth lowerng domestic production cost through timely delivery of raw materials, enhancing economies of scale in the production process, integrating markets, creating economic opportunities and communication links among people. In this fashion it also enhances the competitive advantage of the economy in production of goods and thereby promote trade. A competent transport system will also encourage tourism and foreign investment. This sector generates a large number of employment opportuities, currently 6 percent of employed labour force is said to be engaged with this sector. The sector also contributes to the government revenues through taxes and duties on production and import of vehicles and parts, petroleum products, and fees on ownership and operation of vehicles.

Globally transport and communication is changing every aspect of human life, from trade to manufacturing, education, research, entertainment, culture and defence. Most emerging economies being aware of the strength of these services are transforming their economies towards knowledge and communications. In order to keep pace with the global environment, Pakistan is also developing efficient and well integrated transport and communication system. With this it will emerge as a competitive economy, enhancing its trade performance and thereby attaining sustainable growth.

Road density of any country is an indicator of the level of prosperity and development. Current road density in Pakistan is 0.32km/km^2 which is much less even from regional standard. Government of Pakistan is endeavouring hard to double road density to 0.4 km/km^2 as shown in fig 14.1

Fig-1: Road Density Comparison



Source : NHA

14.1 ROAD TRANSPORT

Roads have become the most important segment of transport sector in Pakistan with ever increasing reliance on road transportation. In 1947, reliance on roads was only 8%, however, the roads now carry over 96% of inland freight and 92% of passenger traffic and are undoubtedly the backbone of Pakistan's transport sector. From only around 50,000 km in 1947, Pakistan's current road network is now more than 260,000 km. This includes NHA network of around 12,000 km, which despite being merely 4% of the overall road network takes 80% of Pakistan's commercial traffic

14.1-1 ROAD NETWORK:

Pakistan's road network is vital for the movement of people and goods and plays an important role in integrating the country, facilitating economic growth and reducing poverty. Pakistan has a road network covering 259,618 kilometres including 179,290 KM of high type roads and 80,328 KM of low type roads. Total roads, which were 229,595 KM in 1996-97, increased to 259,618 KM by 2009-10 (Jul-Mar) an increase of 13 percent. A sizable and continuous improvement of the high type road network can be observed from 1996-97 to 2009-10 (Jul-Mar), in table 14.1.

(Kilometers)

Table 14.1: Length of Road

Fiscal Year	High Type		Low Type		Total	
	Length	% Change	Length	% Change	Length	% Change
1996-97	126,117	6.5	103,478	3.6	229,595	5.2
1997-98	133,462	5.8	107,423	3.8	240,885	4.9
1998-99	137,352	2.9	110,132	2.5	247,484	2.7
1999-00	138,200	0.6	110,140	0	240,340	0.3
2000-01	144,652	4.7	105,320	-4.4	249,972	0.7
2001-02	148,877	2.9	102,784	-2.4	251,661	0.7
2002-03	153,255	2.9	98,943	-3.7	252,168	0.2
2003-04	158,543	3.5	97,527	-1.4	256,070	1.5
2004-05	162,841	2.7	95,373	-2.2	258,214	0.8
2005-06	167,530	2.9	91,491	-4.1	259,021	0.3
2006-07	172,827	3.2	86,370	-2.8	259,197	1.1
2007-08	175,000	0.8	84,038	-5.5	259,038	-1.3
2008-09	177,060	1.3	83,140	-2.7	260,200	0
2009-10 (Jul-Mar)	179,290	1.2	80,328	-3.4	259,618	0

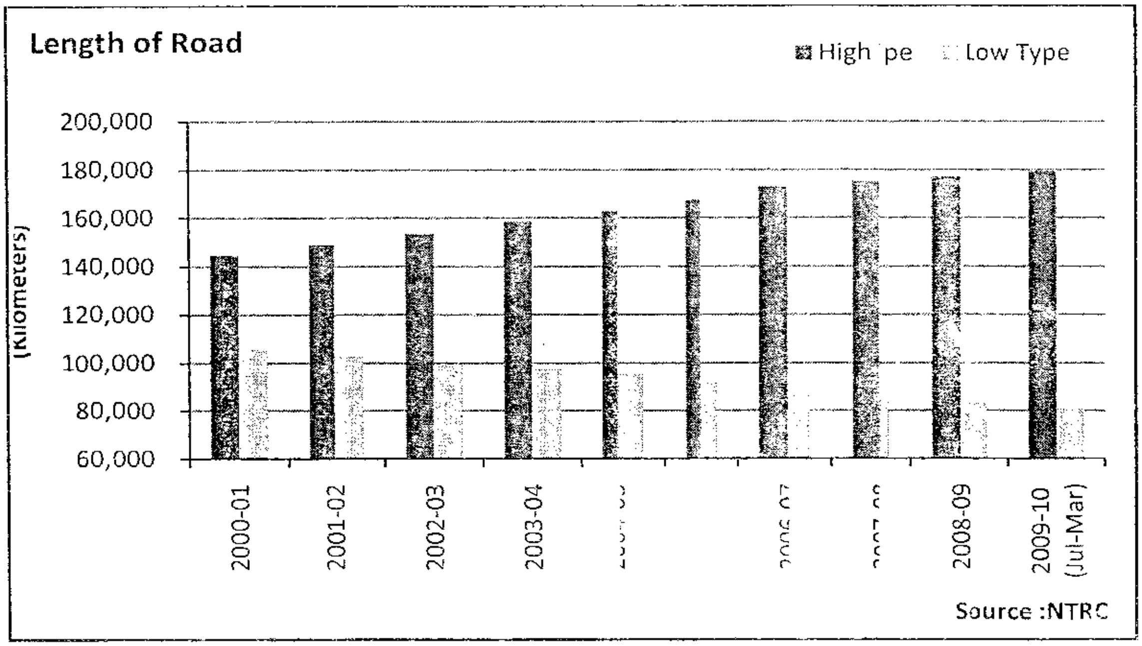
Sources : National Transport Research Centre

 # : The percentage change in low type roads can be negative since most of these roads are being converted to high type roads.

Graphical representation of high type and low type of roads in Pakistan since 1996-97 are shown in Fig-1

14.1-2 National Highway Authority (NHA)

National Highway Authority (NHA) network plays a major role in the all-weather reliability, reduced transportation costs and increased access to markets for local produce and products, access to new employment centres, employment of local workers on the project, better access to health care and other social services, strengthening of local economies.



NHAias performed reasonably well during the curent ai previus fiscial years, as could b appriated from following facts and Table 14.2.

a. NHA launched 30 new development projects cvering length of almct 1000 km inclusive of number of bridges, flyovers & interchanges

b. NHA completed 23 development projects costig Rs. 4 billion NHA hi targeted completion c different projects with a total length of well aboe 2000m durirg 2010

c. Launching of new projects entailed creation f 2500C-I vacanciesvithin NHA of differer nomenclature/cadres. Besides these direct jobpportities, tie devopment projects of NH have indirectly resulted in creation of thousnds olobs, which th masses in Pakistan s desperately need.

Tabl14.2: COMPLETION OF DEVELOPMENT PROJECTS SICE 2008

	Project/Section	Rout	Kn	ost in M)	Completior
	Sindh				
	Lyari Expressway (SBC)	LEP	€	11870	Feb-08
	Sir Shah Suleman – Sohrab Goth (NBC) including Interchanges	LEP	(		Jul-09
	Manghopir Interchange (SBC)	LEP	--		Feb-10
	Larkana-Khairpur Bridge (Rive Indus)	---	--	1445	Dec-09
	Balochistan				
	Gwadar-Pleri-Jiwani	N-1(	6)	1996	Oct-08
	Pleri-Gabd	N-1(	3'	330	Dec-09
	Quetta Western Bypass	N-2!	2;	375	Aug-08
	Lakpass Tunnel (with 5km approaches)	N-2!	18(m	921	Jun-09
	Hub – Uthal	N-2!	8;	3023	Jan-10
).	Khanozai-Muslim Bagh	N-5(	5)	1169	Apr-09
1.	Muslim Bagh – Qila Saifullah	N-5(	5)	1713	Sep-09
	NWFP/GB				

Table 14.2: COMPLETION OF DEVELOPMENT PROJECTS SINCE 2008

	Project/Section	Route	Km	(Cost in M)	Completion
12.	Naran – Jalkhad	N-15	40	1969	Dec-08
13.	Timergrah – Akhagram	N-45	25	570	Oct-09
14.	Lowari Rail Tunnel Project (excavation)	N-45	8.6	5546	Jan-09
15.	South access road to LRTP	N-45	9	245	Jun-09
16.	Dargai – Chakdara	N-45	25	622	May-09
	Punjab				
17.	Zahir Pir – TM Panah (Section-II)	N-5	45	1531	Jun-08
18.	Baba Farid Bridge (River Sutlej)	---	---	913	Jan-10
19.	Shershah Bridge (River Chenab) (with 13 km approaches)	N-70	---	950	Sep-08
20.	Satra Mile – Lower Topa	N-75	43	2949	Mar-10
	National Highway Improvement Program				
21.	Ubauro – Sh Wahan	N-5	50	1200	Jan-10
22.	Mian Channu – Sahiwal	N-5	46	863	Dec-09
23.	Nowshera-Peshawar	N-5	58	789	Aug-09

Source : NHA

Operation and maintenance

By adopting the principle of awarding toll operation & management contracts on guaranteed revenue basis, NHA has been able to increase the toll revenue which is the lifeline for maintenance of NHA network by 36% as shown in Table 14.3.

Table 14.3 Comparison of Gross toll collection (Rs in Million)

Revenue source	(July-Feb) 2008-09	(July-Feb) 2009-10	Increase	% Changes
Motorways	1332	1512	180	13.54
N-5	2300	3367	1066	46.35
Other Highways	810	1177	367	45.29
Total	4442	6056	1613	36.32

Source : NHA

14.2 Pakistan Railways

An efficient transportation system plays a vital role in the economic development of a country. The government vision for economic growth and poverty reduction requires massive investment and development of infrastructure for sustainable economic growth. Pakistan Railways has a definite edge over roads for long haul and mass scale traffic movement both for passenger and freight in addition to providing a safe, economical and environment friendly mode of transport.

Throughout world history, rail traffic has played an important part in the development and economic prosperity of nations. Railways are a valuable source of employment while generating large amounts of revenue to the benefit of the economy. An effective railway system facilitates commerce and trade, reduces transportation cost (monetary and non-monetary), and promotes rural development and national integration while reducing the burden on commuters. Pakistan Railways was the primary mode of transportation in the country till the seventies. However, owing primarily to a diversion of already scarce resources towards the expansion of the road network, the performance and condition of Pakistan

Railwas declined and it's share of inland traffic reducd from1 percnt to 1 percent for passenger and 7percent to 4 percent for freight traffic.

Duringhe last nine years (2000-2009), Pakistan Railwas has swn improving end in both passenger and trfic registering an average increase of 3.2 percet and 4 percent per anum, respectively (See Table 4.4).A decrease in passenger traffic was seen fr the yr 20092010 (J-Mar) with a negative growtrate of 7.15 percent due to less travelling as a reult of terioraion in ternal security whereas freightraffic has decreased by 13.1 percent over thesame riod oflast ye. The negative growth trend an be attributed to the recession in the econom growtin the countrys well as law and order situatn created in the country by the miscreant. Theall in gwth raes for eigh traffic during the currer financial year has been attributed to the les availability of locomives for freight traffic becau of non procurement of spares due to financiaconstrat. Mary part the railway track have been estroyed with immense damage being causec to the olling stock ad stations of Pakistan Railwas during riots in December, 2007. The damagecassets iring rits havnot been repaired due to recction in PSDP allocation last year. However, akista Railwa's is urertaking a number of develoment projects and adopting better policies aimd at mcernizatn of Pistan Railways.

Table:4.4 Passenger Traffic (Millon Passenger Km) Freight Million Ton Km

Fiscal ar	Passenger Traffic (Million)asseng Km						Freight Million Ton Km	
	Road	% Change	Rail	% Chane	Ttd	% Chan	Rail	% Change
1996-	163,751	5.9	19,114	1.1	8445	5.6	4,007	-9.3
1997-	173,857	6.2	18,774	-1.8	8927	3.1	4,447	-3.5
1998-	185,236	6.5	18,980	1.1	9246	6.4	3,957	-10.8
1999-(	196,692	6.2	18,495	-2.6	10261	6.3	3,753	5.4
2000-(	208,370	5.9	19,590	5.9	10085	5.7	4,520	20.4
2001-(	209,381	0.5	20,783	6.1	10818	0.2	4,573	1.2
2002-(	215,872	3.1	22,306	7.3	11172	1.2	4,830	5.4
2003-(	222,779	3.2	23,045	3.3	11244	3.7	5,336	10.7
2004-(	232,191	4.2	24,238	5.2	11327	1.8	5,532	3.6
2005-(	238,077	2.5	25,621	5.7	11035	0.6	5,916	6.9
2006-(			26,446	3.2		-	5,453	-7.8
2007-(			24,731	-6.5		-	6,178	13.3
2008-(			25,702	3.95			5,896	-4.10
2009-* (Jul-M)			18,270	-7.15			3,925	-13.2

*Estinted Sourc: Ministof Railvays & Mistry of Communications

14.2- Future Outlook:

In orer to continue improvements and to consolidte refms, Pakistan Rilways is strugging to increse its competitiveness, responsiveness and effiiency. akistan Railwa is planning to take a serieof interlinked initiatives as discussed below, whin will eible it to compe effectively in the fast growg transport sector in Palistan.

- Pakistan has already completed pre-feasibility tudy f establshing aail link with China. This rail link could further boost trade relations beteen thtwo comtries facilitating the already growing trade with China and operations of Gaadar S Port.

- Pakistan Railways has signed contract with Chinese supplier for the maintenance of Chinese locomotives to improve reliability and availability of locomotive.
- Pakistan Railway is encouraging private sector to bring rolling stock for running of passenger and freight trains by paying track access charges.
- A contract agreement for procurement and manufacturing of 202 Nos. coaches has been signed. 150 Nos. Coaches out of 202 Nos. shall be manufactured in Pakistan Carriage Factory Islamabad from completely knock down kits during next three years.
- 150 Nos. out of 500 Nos. completely knock down (CKD) wagons received from China will be manufactured in Pakistan Railways workshop in Moghalpura this year against the project for Procurement/Manufacture of 530 high capacity wagons.
- Rehabilitation of 400 old coaches is underway with 80 coaches expected to be rehabilitated during the current financial year.
- Another on-going development project is the doubling of tracks from Khanewal-Raiwind (246 Km).
- Doubling of track will be completed from Chichawatni to Okara stations during the period under review.

Pakistan Railways has finalized loan agreements for various projects for improvement of operation on the system and letter of credit are being established for the following projects:-

- Procurement/manufacture of 75 diesel electric locomotives (DE Locos).
- Procurement/manufacture of 202 high speed modern coaches.
- Replacement of old signaling gear on Lodhran-Shahdara Bagh Section.
- Rehabilitation of signals system damaged during riots.

The earnings of Pakistan Railways since 1998-99 are given in Table 14.5

Table 14.5: Earnings of Pakistan Railways

(Rs. Million)

Fiscal Year	Earning	% Change
1998-99	9,310	--
1999-00	9,889	6.2
2000-01	11,938	20.7
2001-02	13,046	9.3
2002-03	14,812	13.5
2003-04	14,636	-1.2
2004-05	18,027	23.2
2005-06	18,184	0.9
2006-07	19,194	5.5
2007-08	19,973	4.1
2008-09	23,160	16.0
2009-10 (Jul-Mar)	16,875	-3.3

Source: Ministry of Railways

14.3 PAKISTAN CIVIL AVIATION AUTHORITY (CAA)

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 coordinate air service in Pakistan. CCA plays an important role in the development of a country's economy by providing fast and efficient access between different parts of the country as well as different destination around the world. Private participation on this front has been encouraged through concession and incentives for development of airports and airlines to increase the availability of air transport services both domestically and internationally it is important to construct and maintain airports in the country to facilitate economic activity in an increasingly globalize world. The following major new/existing airports air being constructed by CAA currently.

i) I:w Benazir Bhutto International Airport (NBBIAat Islanbad

ThrNew Benazir Bhutto International Airport (NBBAwill be state-cf-the-a:with modular facilities or bot domestic and international passengers andcargo apacity to acimmodate the projectd denands. The facilities planned include Passenge and Cgo Teminal uildings. Runway Systen, Apins, Taxiways, Airfield Lighting System, Air TrafficContro Towe NAVAIDs, utilities and infistructure including roacs, car parking facilities, pwer siply sysems, strm water drainage, swage tremen plant, etc. The project is planned to be coipletedy the end of 2(2.

ii) ew Gwadar International Airport (NGIA)

In 'der to encourage deveopment of Gwadar, Gov. of Pastan his apprred construction of a nw intnational airport at Gwadar. The Govt. of Pakista also arovedexecutn of the project as a PSIP schme. Sultanate of Oman has also agreed to provie a gra of 17.5 M US$or this project. The ente prect is planned to be completed by December, 202.

iii)Jp gradation of Multan International Airport

Th facilities including Terminal Building at Multa Intentional Airportare inadequate. CAA has thefore, planned to upgrde the existing infrastruture a he airport for -747/B-777 operations in mcern lines to support the 21st century aircraft tennologynd to neet thoperational requiremets of ext 15-20 years.

iv)Expansion of Peshawar International Airport

Schme for the up-gradation and expansion of existig faciles at PeshawaAirport has been prepaed byAA. M/s NESPAK has been appointed as Consuant forlanning, Designg and Supervision of he Prect.

14-1 PAKISTAN INTERNATIONAL AIRLINE (PIA):

Thairline industry provides services to virtually evey segmt of the count and plays an integral rle in e development of economy. The airline industrytself is major econom force, in terms of bothts ov operations and its impacts on related industriesuch asade ard touris.

Th year 2009 was worst for the airline industry. ccordi to IATA, passnger demand all over he wrld declined by 3.5 % and it is expected that indutry wiost US $ 11 bion losses. Although thre wasome relief on the fuel bill but the passenger an freighlemanc contined to disappear becausof ecnomic recession and airlnes faced over capacity.

Asn Pacific carriers continued to be the hardes hit byhe curent ecnomic turmoil. Passener deand declined by 5.6 % and expected losses surgd to US 3.4 bilion for ar 2009.

Dspite uncertain environment in the country, globl econnic recession ad a stiff competition frm thregional carriers, PIA to some extent, has manag to matain itspassener traffic during year 209. Tre was some reprieve on fuel bill but the deprecition olak Rupe as cpare to US$ and financng co on fleet and non fleet bans severely hurt PIA.

Dring the year 2009 PIA increased its overall capacy by 1.6 whileits pasnger traffic and seat facor wiess a drop of 0.2% and 1.3 pp respectively overame piod lastyear, ninly due to weak dometic trfic. Number passengers carried on internationasectorncreasd by 1% as compare to previus year. Whereas on domestic sectors number of passengers carried decreased by 4.2 % as compare to last year. Decline in domestic traffic can be attributed to economic downturn, law and order situation in the country and increasing competition from the domestic carriers.

Despite the economic downturn and the situation in country, during year 2009, compared to last year, overall revenue of the airline increased to Rs.94.6 billion, an increase of around 6%.

PIA reduced its losses by Rs.30.3 billion to Rs.5.8 billion during the year 2009 compare to same period last year. The reduction in losses was mainly due to reduction in cost and increase in revenues. The main contribution to the loss of Rs.5.8 billion includes foreign exchange translation loss of Rs.6.7 billion on US $ dominated fleet loans/lease obligations and finance cost of Rs.9.2 billion.

14.4 PORTS AND SHIPPING

a) Karachi Port Trust:

The steady and continuous progress made by KPT has helped boost the national economy. The Karachi Port Trust established an annual cargo handling record of over 38.7 million tons during 2008-09, showing a slight increase of 4.1 percent over last years record cargo handling of 37.2 million tons. However, there has been a rise in activity during the first six months of the current fiscal year, showing remarkable increase in all types of cargo handling including bulk, Break bulk and containers. During the first six months of the current fiscal year, 20.5 million tones of cargo have been handled. Statistics of cargo handled during last many years are given in Table 14.6.

Table 14.6: Cargo Handled at Karachi Port

(000 Ton)

Year	Imports	% Change	Exports	% Change	Total	% Change
1996-97	18,362	-1.9%	5,113	5.2	23,475	-0.4%
1997-98	17,114	-6.8%	5,570	8.9%	22,684	-3.4%
1998-99	18,318	7.0%	5,735	3.0%	24,053	6.0%
1999-2000	17,149	-6.4%	5,613	-2.1%	22,762	-5.4%
2000-01	20,064	17.0%	5,918	5.4%	25,982	14.1%
2001-02	20,330	1.3%	6,362	7.5%	26,692	2.7%
2002-03	19,609	-3.5%	6,273	-1.4%	25,882	-3.0%
2003-04	21,732	10.8	6,081	-3.1%	27,813	7.5%
2004-05	22,100	1.7%	6,515	7.1%	28,615	2.9%
2005-06	25,573	15.7%	6,697	2.8%	32,270	12.8%
2006-07	23,329	-8.8%	7,517	12.2%	30,846	-4.4%
2007-08	25,517	9.4%	11,676	55.3%	37,193	20.6%
2008-09	25,367	-0.6%	13,365	14.5%	38,732	4.1%
July-Dec 2009-10	14,009	-	6,536	-	20,545	-

Source: KPT

b) Pakistan National Shipping Corporation (PNSC)

Pakistan National Shipping Corporation (PNSC) manages 14 with a total capacity of 649703 metric tones dead weight. The consolidate revenues of the Group for the quarter ended December 31, 2009 were Rs 1,833 million (including Rs595 million from PNSC), making a total of Rs3,566 million (including Rs 1,133 million from PNSC)for the half-year under review as against Rs.6,767 million for the half year ended December 31, 2008.

The e'nings per share for the period under review wre Rs.24 as against R9.77 of last year. PNSC made net after tax profit of Rs.336 million as againt Rs.1,91 milion of st year. The decline in revenes and profitability was as expected, due to dowrurn in obal shpping ativities.

FuturProspects

As pa of its fleet replacement program, PNSC has cotracteco purciase tw AFRAMAX oil tankers. The visels are expected to be delivered soon in the urrent iancial year. PSC is in the process of replaong its ageing fleet, which will have a positive impct on itprofitatility.

c) Gaadar Port

The Gwadar Port started its ship handling operations luring arch 2008 by irthing the first biggest ship eer handled in Pakistan. This was 76,000 DWT Paamax ilker naned PC Glosy which offloaded 63,00M. Tons of Wheat. The full operationalization oGawac Port vill be pssible after completion of theoad linkage. A 949 km Expressway from Gawada to Ratdero isalreadynder construction and is abct 65% complete. Similarly in order to meet the lectric demands of te Port, a new 132 KVA Grid tation is under construction near Gawadar Po: whiclwill be fed frm 220 KVA main Grid conneted from Iran.

d) PoiQasim Authority :

Port Qsim is the first industrial and commercial portof Pakan operating ider landlord concept. Todayt caters for around 40 % shipping requirementsof natial ecoromy. PA handled a volume of 18.8 rllion tonnes cargo during the first nine months f curre financial yeashowing an impressive growt of 5 percent over corresponding period of last yar.

The vume of import has declined by 6 percent fror 14,24thousands tors to 13,383 thousands tones the current financial year. However, the volume of exort incrased b44 percent from 3,773 thousnds tones to 5,448 thousands tones in on going fcal yea(see Table 14.7

Table-4.7 : Cargo handled at Por: Qasim (000 Tonnes)

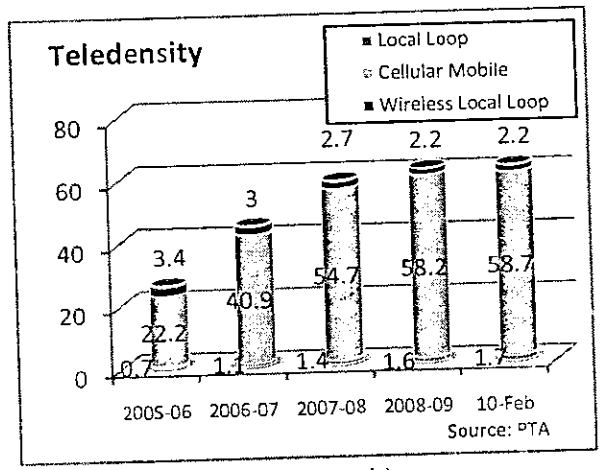
Perioc	Import	% Change	Export	Change	otal	% Change
1997-!	13,823	39	1,144	65	l,967	41
1998-!	12,191	-12	1,742	52	l,933	-07
1999-(	13,238	09	1,703	-02	l,941	07
2000-(	11,841	-11	1,747	03	l,588	-11
2001-(	10,932	-08	2,385	36	l,317	-02
2002-(	11,980	10	3,129	31	,109	13
2003-(	11,264	-06	2,859	-09	l,123	-07
2004-(	16,006	42	3,431	20	),437	37
2005-(	17,588	10	3,985	16	l,573	11
2006-(	19,511	11	4,839	21	l,350	13
2007-(	21,502	10	4,922	02	,424	09
2008-(	19,445	-10	5,584	16	,030	-05
July-Mrch						
2008-(	14243	-12	3773	03	3016	-09
2009-:	13383	-6	5448	44	3831	5

Srce : Port Qosim Authority

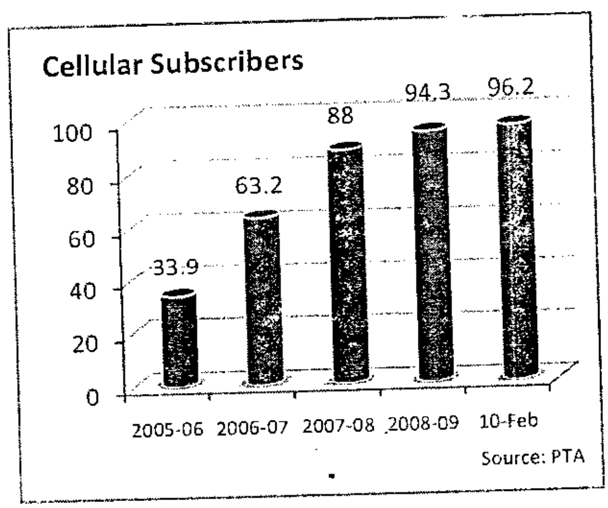
Future Plans

- There has been marked improvement in cargo handling over last five years. Average annual growth has been around 13% over last five years which calls for development of new berths/terminal for capacity enhancement. The current handling capacity of port with eleven berths is 40 million tonnes per annum. To meet growing requirements for capacity enhancement, PQA has chalked out an ambitious development plan. As against 3 private sector projects in 25 years of Port Qasim existence, 8 private sector projects which include 2nd Container Terminal, Grain & Fertilizer Terminal, Coal & cement/Clinker Terminal, GasPort LNG Floating Terminal, 2nd IOCB, 2nd Oil jetty are currently under construction/planned in private sector since 2006. With the completion of these terminals by 2013, PQA handling capacity shall be increased to 86 million tonnes per annum showing an increase of 115%.
- To accommodate bigger vessels, PQA plans deepening of navigation channel of a cost of US$ 200 million for all weather 14 meter draught at PQA.
- PQA is also vigorously pursuing development of industrial complex. PQA plans to spend more than 18 billion rupees on infrastructure facilities in various industrial zones.

14.5 Telecom Sector



The year 2009 has been a tough patch for Pakistan's economy in general, the ripple effects of which, reached the telecom sector as well. Although the aftermaths of precarious security situation and unstable political and economic condition has slowed down the pace of telecom growth, yet timely interventions by the Authority and extraordinary efforts by telecom companies have ensured that the sector maintains at least a linear growth pattern. With technological revolutions like SIM Verification System '789', SIM Information System '668' and achievements like Reduction in Taxes/Duties, formulation of various regulations; PTA has become a front runner among the successful telecom regulators of the world.



In terms of statistics, industry has shown positive growth of 2.43% in the last two quarters of 2009. Teledensity has reached 62.4% (Feb – 10), a sign of continuous growth in the industry. Cellular industry has a 94% share in total telecom teledensity followed by fixed local loop (FLL) 3.5% and wireless local loop (WLL) 2.5%, therefore, performance of cellular industry is of utmost importance to the overall sector growth.

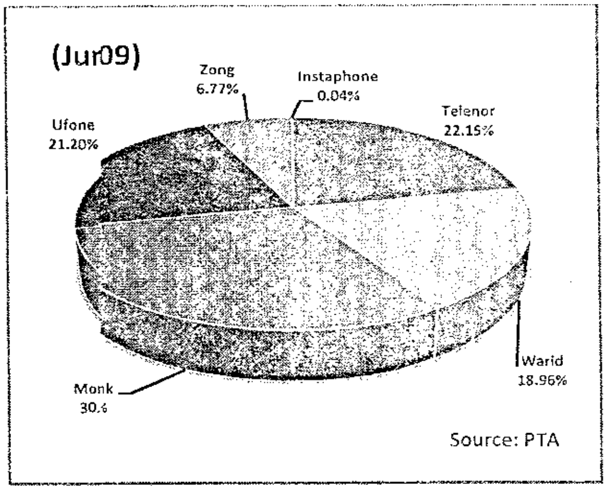
14.5-i Cellular Mobile

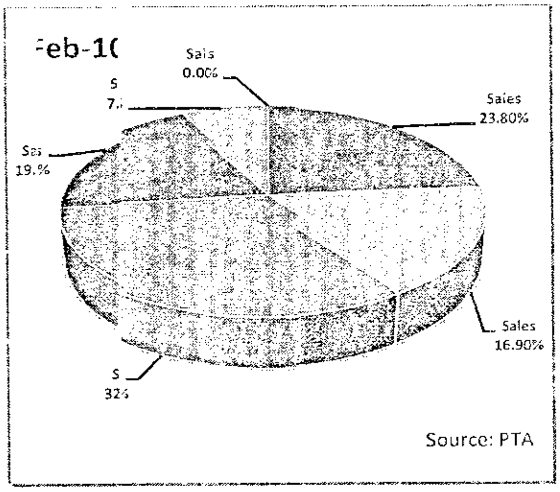
At the end of Feb - 2010, Cellular subscribers reached 96.2 million depicting a net addition of

1,889,1! subscribers (Jul-Feb 1C) with the average of 20,911 jr mont. Cellur Subscribers growth rate of 0% has been achieved during Jul 09–Feb 10. Cnditioof cellılar indıtry was quite topsy-turvy inıe last two quarters. Cellular growth rate cameo a graal hal in the eriod from August to Octobe2009 mainly due to Ufone's churn. We can seea defire positve trer after October, 2009 which sıdenly dropped in Jantary, 2010 mainly due t Waric churn of subribers based on the 'Active ıbscriber' definition of PTA. But, the industr is bai on its feet ad continues to gain momenm since last four months. Mobilink and Telenordded e highst numr of subscribers with 2.1 mn ıd 2.0 mn respectively while Warid and Ufone lct abou.6 mn ınd 1.2ubscribers. Zong also added 06 new subscribers respectively.

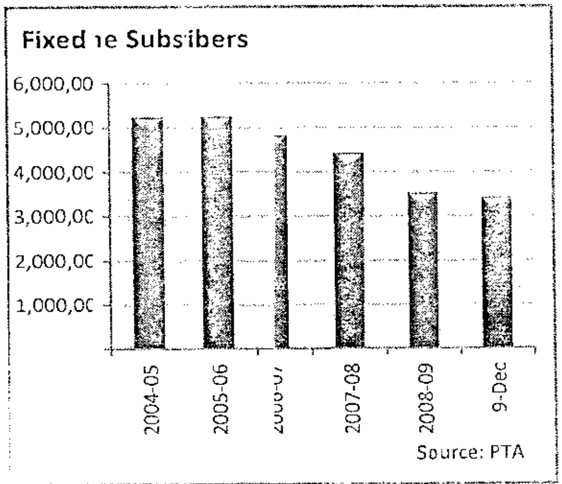
In termof share in cellular industry (Feb – 10), Mobilir, beinthe SMP, leadwith overall share of 32.5%. ·lenor continues to holc the second spot with 2.8% she. Ufore and \arid share 19.5% and 16.9 resectively. Zong follows wth market share of 7.2%

Cellular Mobile hare





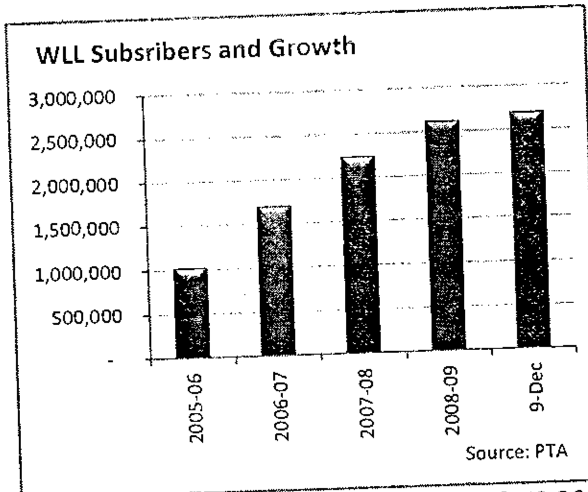
14.5-ii xed Local Loop



Fixed lcal Loop is one of tıe oldest means of commtication in the country's telecom industry. Since Cregulation of telecom sector in 2003, a total of 84 enses were issued to 37 operators for 14 telecor regions in Pakistan. I: was expected that fixed li: teledensity would increase, as PTCL would be ford to reduce the tariffs and improve its standa s in lieu of intense competition in the market

Fixed li services have been deılining world over due to ineasing popularity of wireless solutions. Pakistı is also experiencing a fast decline in subscrtion during last few years with the introdıtion of wireless based technologies which provide easy and cheap alternate of such services. Figure depicts the declining trend of fixed line services in Pakistan. In the current year, Pakistan lost over 1?6,825 subscribers reaching at 3.4 million at the end of Dec 2009 as compared to 4.5 million subscribers at the end of June 2009.

14.5-iii Wireless Local Loop



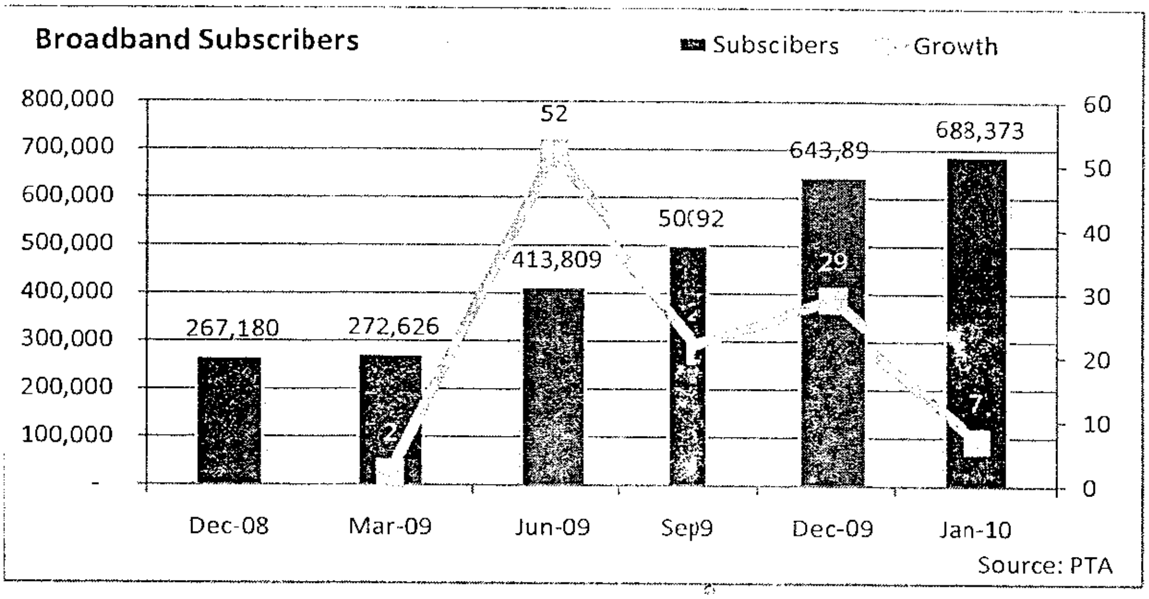
Wireless local loop is an important part of Pakistan's telecom sector as it provides a feasible last mile solution for rural telephony due to relatively low cost of deployment and maintenance. Pakistan opened the WLL market in 2003 by awarding 93 licenses to 16 operators for 14 telecom regions across the country. The emergence of new operators has proved as an important factor development of WLL sector, as they are pushing the existing giants like PTCL, Worldcall and Telecard to improve their coverage and service standards.

WLL industry has been growing at a rapid pace since its inception in 2004. During first six months of FY2009-10, WLL subscriber tally reached 2.69 million from 2.6 million (2008-09). A total of 78,864 subscribers have been added by WLL operators showing a growth of 3%. Although the growth rate is less when compared to 17% in 2008-09, the performance of WLL has been convincing if factors like recession, cellular growth and security situation are considered. WLL teledensity has also been steady last year, similarly, total WLL penetration level increased to 1.65% from 1.60% in first two quarters of FY 2009-10. Although WLL is ideal for coverage in far flung areas, slow roll out of services by operators in rural areas is diminishing the potential of wireless media.

14.5-iv Broadband

Broadband has often been compared with the cellular industry of Pakistan due to the exemplary growth of the latter in the last few years. It is a fact that broadband penetration levels are low but the extent of this infant industry's success should be gauged by its growth rates not its penetration level. The inherent constraints of broadband also effect its propagation such as literacy rate, computer skills, high tariffs, reservations among parents regarding cyber security and child safety, language barrier, service availability, high cost of computer equipment etc. A close scrutiny of all these factors would reveal that broadband is actually propagating at a rapid pace even exceeding estimations by various renowned broadband experts. For example, Business Monitor International (BMI) in its last quarterly report (Q3 2009) had forecasted that there will be a 12% broadband penetration by end of 2013 but revised its estimate to 33% by end of 2014 in the most recent publication. (Q1 2010).

Broadband has long been termed as 'The Next Big Thing' for Pakistan primarily because not only it is a fast and reliable but also a cheap source of information dissemination and communication. Broadband market has experienced unmatched growth rates and steadily rising penetration level coupled with injection of latest technologies like WiMax and EvDO. Pakistan is ranked amongst top five most dynamic economies in terms of increased internet penetration in South Asian region (*Source: UNCTAD 2009*)

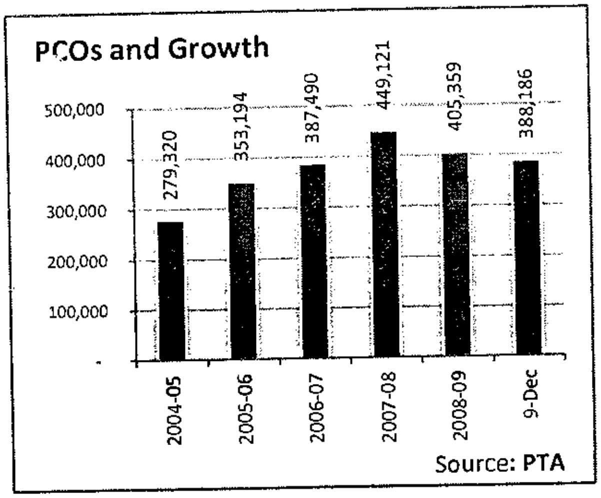


At t: end of Jan-2010, Broadband subscribers have rached38,373 with a gowth rate of 7% with th net ddition of 44,481. Compared with December 20G, a renrkablegrowthate of 141% and 376,72 net dditions depict the unmatched success of the sctor. Badbanl penetation level has also been steaily improving and stands at 0.42%, up from 0.16; from ecembr 2008'akistan has been ranked 6th i terms of quarterly growth and 10th in terms c annugrowth in the lobal broadband markt (Soce: *Point Topic*). However, industry statistics as ollecteby PTA place Fkistan at the top of bo the its when compared with other country's figures i the sa report

PTCand Wateen are the two major operators of boadbai in Palistan wile other companies lik Wordcall, Link dot net, Link direct and Wi-Tribe are caching i fast.

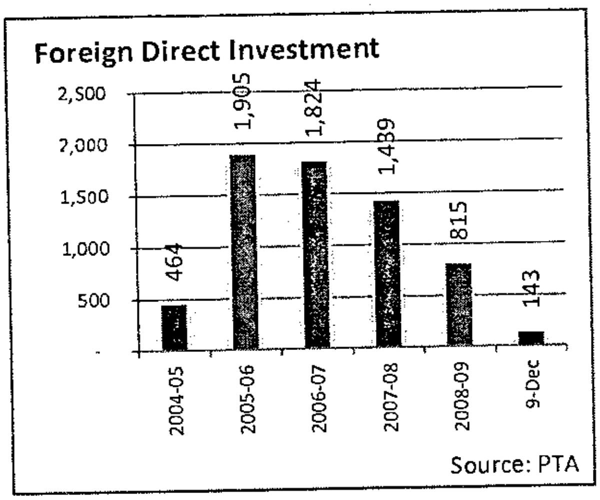
PTAis a regulator of the sector is actively involvecin nurring this new orn field by providing a comon platform for broadband experts via estabshmenof Broadband takeholder's Group and facilating the new entrants in every possible way.Being i active memb in USF board, PTA hs marated the broadband projects for rural areas. Billins of Rees are beingvested in the broadband projcts for rural areas via USF since 2007. The firs resultof the enacios work by PTA, USF and indutry has brought 1-Mbps PTCL broadband conncction r only Rs. 299 to far furlong areas f Faisabad and Multan like Jhang, Sargodha, Toba Te Singh,hushab Bhakk', Bahawalpur, D.G Kha, Khaewal, Rahim Yar Khan etc. Such a low price of bradbanconnecton is unatched anywhere in th wor and a major achievement for broadband stakeolders.o mainain faiess, these are subsidized rate only for rural areas where no broadband sence waoreviously avaible. This step will alo encurage a shift in people's dependency on dial up iternet in theseareas ad eventually convert ths hugpool of 'internet users' into 'broadband internt usersOther projectsof USF like laying opticl fibein rural areas and estaolishment of Education: Broadnd Centers and Community Broadband cenrs will bring more awareness and elevate the pover of oadbaid amor masses. It is hoped tht withuch initiatives, broadband will soon be present i every ok anc cornerf the country.

14.5-v Card Payphone



Card payphone service has been a part of Pakistan's telecom engine for decades. In its early days, the market was dominated by PTCL and Telecard, which provided prepaid card services to the people across Pakistan. With the advent of de-regulation in 2003, new CPP companies emerged opening the market for a tough competition. Hard competition coupled with remarkable growth of cellular industry translated into financial crippling of CPP companies, a situation which a lot of newcomers could not cope with. As a result, only a few big companies are dominating the CPP market these days.

Growth of CPP has been topsy-turvy over the last few years in Pakistan. Currently, there are 388,186 PCOs all over Pakistan, as compared to 405,359 during the 2008-09. This shows a negative trend of 4%, in the CPP industry of Pakistan. The main reason for this downfall is availability of affordable tariffs by cellular companies, low cost of mobile phones and cellular coverage across Pakistan.



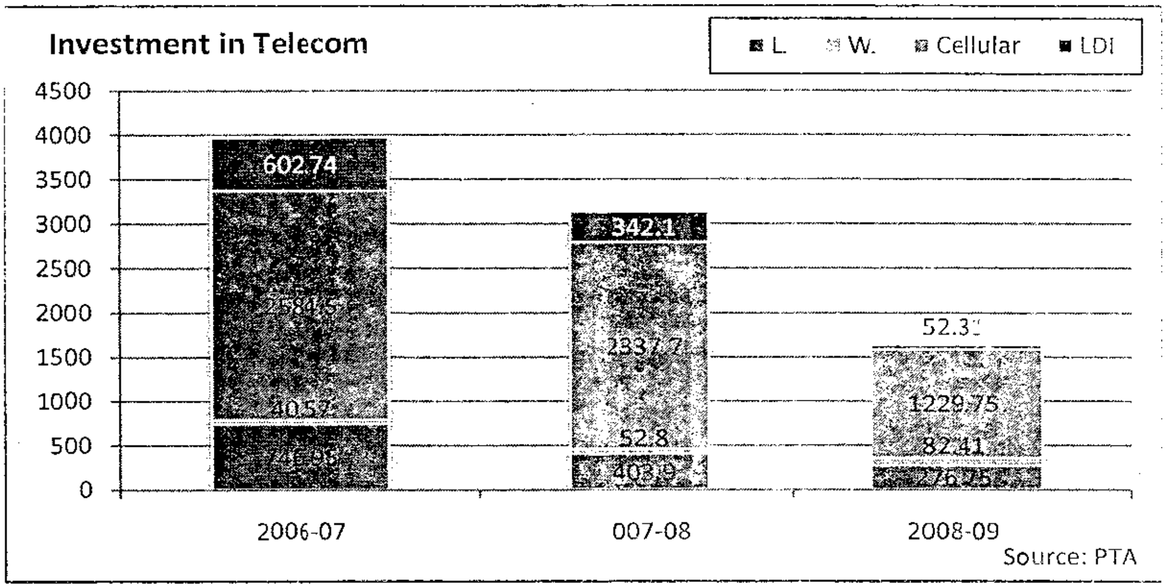
14.5-vi Telecom Economy

14.5-vi(a) Foreign Direct Investment

Pakistan's Economy experienced slow economic growth ending at 2% rather than the target of 5.5% mainly due to the adverse effects of global financial crisis, however, telecom sector continued to grow positively in terms of subscription, revenue and teledensity. As Pakistan provides lucrative investment environment for foreign investors in the telecom, it managed to attract US$ 815 million in 2008-09. During the last 6 months (Jul-Dec 09) telecom sector received over US$143 million FDI inflow which becomes 18% of total FDI during this period.

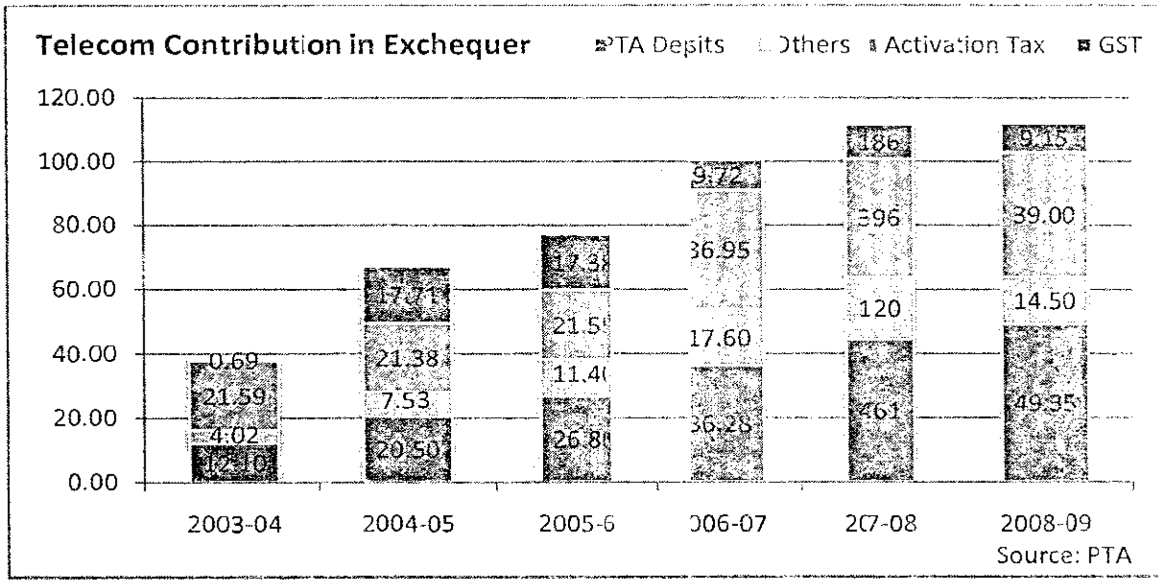
14.5-vi(b) Telecom Sector Investment

Owing to economic slowdown, saturation in the market and global financial crisis, the total investment in the telecom sector during 2008-09 reduced by nearly 47%. Despite the fact that the operators have speedily rolled out their infrastructure, reaching out to most of the population, there still remains huge areas like Broadband, WLL and manufacturing etc, where investment opportunities exist. During 2008-09, a total of US$ 1.6 billion worth of investment has been made by all the operators.



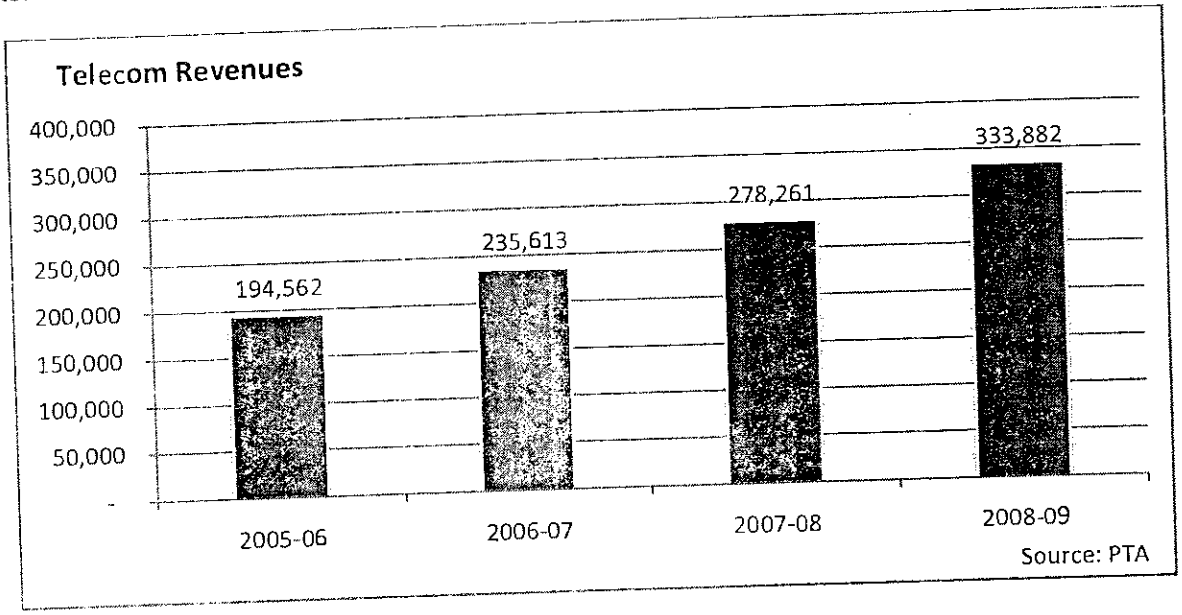
16-vi(c) Taxes on Telecom Sector

Tecom sector contributes 1-2% in the total GDP makinits share in tol tax revenue as 6-7% per arum. During the year 2008-09, the sector contined to citribute handsone amount in national kity through various taxes and regulatory charges. Teleom secrs' conributio to national exchequer rose tcs. 112 billion in 2008-09 compared to Rs. 111 biion thereviou: year. The government has reduced th GST/FED rate from 21% to 19.5%, besides provding ref to celular mobile operators in Activation Tax by 50% i.e. from Rs. 500 to Rs. 250 per new onnecon. This will ceainly enable the secto to cctribute more to GST colection in the next year.



14.5-vi(d) Telecom Revenues

Telecom sector revenue showed a 19.8% growth during 2008-09 compared to 18.2% in previous year. During the year 2008-09, the telecom sector generated revenue to the tune of Rs. 333.9 billion compared to the last year's Rs. 278.5 billion. The cellular mobile sector continued to be the leader in telecom revenue, whose share came out to be 64% in the total telecom revenues. The cellular mobile sector showed about 17% positive growth during the fiscal year 2008-09.



14.5-vi(e) Regulatory Measures for promoting telecom Sector in Pakistan

- Pakistan Telecommunication Authority (PTA) launched a new service named "SIM Information System - 668" to enable the mobile subscribers to know the total number of SIMs issued against their respective CNIC number with each mobile operator.
- Pakistan Telecommunication Authority (PTA) has introduced an online facility for overseas Pakistanis in order to get their SIMs data regularized or to block the extra SIMs/connections issued against their Computerized National Identity Card (CNIC).
- Pakistan Telecommunication Authority (PTA) has removed the condition of CNIC copy being provided by the consumers in order to facilitate both CSCs/franchisees and consumers to handle and process maximum number of complaints in short span of time.
- Pakistan Telecommunications Authority (PTA) has formulated two sets of Key Performance Indicators (KPI's) to improve and monitor the Quality of Service (QoS) of "Fixed Broadband" and "GPRS/EDGE" networks. The objective of introducing these KPIs is to create transparency and set monitor-able standards in fixed broadband and GPRS/EDGE services.

14.6 Electronic Media

a) Pakistan Electronic Media Regulatory Authority (PEMRA)

Pakistan Electronic Media Regulatory Authority (PEMRA) has entered into 8th year of its existence. The efforts rendered by the Authority during the past few years for its development and diversified choices to the people for access to current affairs, education, information and entertainment. The Authority believe th: freedom of speech anc expression needs to be:exercisl in sucı a fasbn that sentiments of any segent of the society are not hurt. Fabric of social ad religiıs harrony in :e society has to be kept intact

Contributin Towards Development of Broadcast and Distrıution edia Dıring Tł FY 2009-10

- PEIRA has issued 05 new licenses for establishig sate:e TV ıhannel It is pertinent to mıtion that 2 of these were conferred to M/s EyeTelevisn Netwırk (PC. Ltd. This includes Ste-360 and OYE. Altogether 83 licenses for esıblishiı satellie TV cannels have been co'erred so far and from which 64 are operational.
- Dıng current financial year, 08 licenses for estalishingM rados netırk were awarded mıing the total number of licenses issued under th categı till da:e to 13
- Acitional 149 cable TV networks were licensed a acrosPakistaı durinthe last one year, mıing the total number of licenses issued till date t 2373.
- Tł year the Authority has established new officesıcross e counry for te close monitoring ofıe quality distribution services by stakeholders tıthe vieers.
- Dıng the current fiscal year, Authority has creatd conserable emploıent opportunities agnst the vacant posts for skilled workers in Pakistn and ıpointeı near 15 staff members.
- Tł Authority has also rationalized tariff for satelte TV annels so to ecourage potential invstors and enhance voice of Pakistan in an effectie manır.
- Cobating cultural invasior by various foreign satelte TV annels, the Autrity has remained stıdfast in performing its social and moral obligatins andıcceedıd in foıulating a draft for Cıe of conduct for the local satellite TV channels ad restıting foeign cıtent in the regular brıdcasting with the cooperation of private TV chanels, oners.

Future Plıs

Technologal advancements will also have an impact on thendustı The Aıthorityas already decided that in puuance of Millennium Development Goals (MDG:, furth licencig for aılogue distribution system shl be discouraged while the systems equipped prferablwith thı digitalechnology shall be granted lincces. In rural areas, Authority has planned that te analıue systm wille phased out to be replaced ıth the digital systems gradually starting from tesil heaıuarter to smı villages by end of year 2015

A few of t: merging technologies under regulatory apprais: by thıuthority are afollows:

- Digal Cable TV Networks
- IPT Networks
- Dirt to Home (DTH)
- Satlite Radio
- Digal terrestrial Television
- Mcile Television etc.

b) Pakist: Television Corporation Limited (PTV)

Pakistan levision is gradually extending its signal to remce and :onomically baıward areas of the country i order to uplift the sccio-economic condition in the area: to eliinate the existing disparity.

Future Plans

- Rebroadcast centers at Jura, Athmaqam, Karan, Dhudhnial, Sharda & Kel in AJ & K.
- Rebroadcast Centers at Badin and News Bureau at Larkana in Sindh.
- Permanent TV Centre at Multan and Rebroadcast Station at Mian Channu, Jhang, Patriata, Sadiqabad, Ladhawala Waraich Gujranwala in Punjab.
- Rebroadcast Centers at Buneer, Besham, Khund Bangla, Puran, Kohat, Salam Baba, Shamali (Batagram) Shaikh Badin (D.I.Khan) and 8 Rebroadcast centers at upper Dir in NWFP.
- Rebroadcast Centers at Qilla, Kharan, Sohrab &Bar Khan in Baluchistan.
- Rebroadcast centers at Aliabad/Karimabad, Chilas, Gahkuch, Khaplu, Jaglot/Banju, Astore and Shigar in Northern Areas.
- PTV National has also been introduced Regional Language programmes. An independent Sports-channel through terrestrial network has also been planned.
- PTV Abaseen (NWFP) & PTV Bolan (Baluchistan) channels have been planned.
- Project of Terrestrial Digitalization DVB-T & H of all Centers, as per ITU requirement has also been forwarded.
- High Definition (H.D) TV has been planned. Procurement of Vehicle Mounted DSDNG & Digitalization of all TV Rebroadcast stations has been planned.

c) Pakistan Broadcasting Corporation (PBC)

Pakistan Broadcasting Corporation has 65 broadcasting units. The largest radio network in the country with a listener-ship that is bigger than all private radio channels put together.

Programme & new wings achievements during current financial year

- Re-orientation of programme in line with peoples aspirations, democratic norms and participatory spirit.
- Radio Pakistan has become the voice of the people's government against terrorism and extremism by supporting the armed forces and security agencies carrying out difficult operations in the country. The PBC has launched special interactive programmes containing music, talk's shows and interviews by prominent personalities and public participatory programmes.
- We have helped install, establish and sustain Radio Swat and other FATA radio stations. The PBC and ISPR have set new examples in collaboration for national cohesion and elimination of terrorism and extremism.
- Live Broadcast from IDP camps in NWFP are aired from provincial network and portions of which are also aired on NBS.
- A new pubic outreach campaign was launched by arranging cultural and intellectual discourse programmes all over the country. Besides special on air programme, major fund-raising cultural shows were held all over the country to sow solidarity with the IDPs and promoting awareness

against terrorism. An amount of more than is. 6 mion hasbeen clected for deposit in PM's fund.

- All PBC Stations have been linked with the ools ofMS and LIVE pone calls to ensure pulic participation resulting in the creation of newaudien as wel as the retention of the old.
- To restore the credibility now the news vale is ding the structie and timing of the news bulletins. Breaking news is aired as and whenthey our.

Fuure Plans

- A new plan about the revival of Pakistan Bradcastg Academy is underway, as 2009-2010 as been declared by PBC as the Academy year.
- A new digitization plan has been conceivedo crea a digitl platfom with the help of IBMat an estimated cost of $ 2 million (Rs.166 millin).
- The PBC will have a survey conducted by anndepelent organizatin to evaluate the effectto the new initiatives launched in December, 209.
- Pakistan needs national consensus on majorssues (rrorism. sectarnism, extremism, Pakisan identity, linguistic and cultural diversity). BC is anning a natinal network programmed involving celebrities and leading public opinon annewsmkers oPakistan as a part of the efforts to achieve this goal in August 2009.

14 Pakistan Post Office

Paistan post office is covering the whole country with a ntwork of 1234(Urban 1846, Rural 1045) po offices. Pakistan Post has taken various measues to stamlinethe Po Office System on modrn lins. During current financal year 2009-10(July-De.), follcing ongoing ITelated projects have ben strngthened and continued providing efficient servies to t clients

a. <u>Benazir Income Support Program (BISP)</u>
Complete web-enabled tracking and monitring sysm fordisbursment of funds for Benzir Income Support Prcgram continued processng, motoring and recociliation of the specialized money order scheme.

b. <u>Call Center</u>
A call center has been established for receiing thcomplants fro the customers as welas BISP beneficiaries for quick redressal. The cnter al facilitaes distrsement of inward foregn remittances. Online complaint lodging facilityon the webortal of Pakistan Pst www.pakpost.gov.pk has been provided for ne pub.

c. <u>Counter Automation</u>
Over one hundred GPOs including renovted pc office throuhout Pakistan have ben provided with counter computerization facity for etter sevice qulity to the customers. This number is being increased in a phased mannr.

d. <u>Express Mail Track & Trace System (EMTTS)</u>
Provision of tracking information to the arties und receip has beome a de-facto standar in the courier industry. The web based Exprss MaiTrack and Trae System of Pakistan Pst provides valuable information relating to th dispah and delivery Express Mail articles fm

end-to-end. The system has been enhanced and now covers 14 main stations throughout Pakistan. In additional 46 District Mail Offices throughout Pakistan Post have been covered through the system.

e. **Computerized Pension Payment System**

Over 1.3 million Pensioners are served by Pakistan Post. Through computerization of Military Pension payments, at all GPOs have efficiently been disbursing the pensions in a hassle free environment.

14.7-2 International Postal Services.

Pakistan Post has mail inks with all countries of the world except Israel. The mail exchange with these countries takes place under Universal Postal Union's Rules & Regulations. Direct mail links exist with 165 Postal Administrations. For the Remaining countries, the mail is exchanged by utilizing the transit facilities of intermediary Postal Administrations. The net earning of the Pakistan Post Department from international postal services stood at Rs. 50, 854,719 the current financial year.

14.7-3 Remittance Services.

During the first six months of current financial year, the remittances in foreign exchange were received in the shape of money orders were Rs. 2, 446,904.8.

Erviironment

15

Environent challenges and issues of Pakistan are assoiated pmarily vith anmbalanced social and econom: development in recent decades. This challenges furth compcunded ith rapid urbanization due to shift of population from rural to urban areas. Tus, all ajor cites of Pistan face haphazard, unplaned expansion leading to increase in pollution. his unecked growth as led to creation of slums eas around city peripheries and low lying area. Sice theunicipl authcties and utility service provids have limitations in extending their facilities, rban cngestio is theprime reason of ever deteriorating ambient air and water quality, solid waste ianageent anc loss ofiodiversity. Under the presen scenario, the managers of Pakistan's major rban ctres are facig rising difficulties in develong their management plans to provide adequte war and anitatio facilities and health serviceto ensure a healthy living environment.

Environental degradation is fundamentally linked) povey in Pakistan Poverty is the main impedient in dealing with the environment related pobhems here i: an ineasing demand on the alreadydepleting natural resource base of the country Since oor are directlydepenoent on natural resours for their livelihoods whether agriculture, huting fostry, fiheries, tc. Poverty combined with aapidly increasing population and growing urbaizatiors leadig to innse pressures on the environent. This environment-poverty nexus cannot b ignorl if effective ar practical solutions to remed environmental hazards are to be taken. Therfore, tre has been dire need to work on povert alleviation. In this regard, *Benazir Income Supprt Proamme (BISP)* lunched by the present governent is expected to have a positive impact orpovertalleviaion anin releasing stress on naturaresources and environment.

The M-Term Development Framework: 2005-2010 (MTDF 2G-10) o the Pnning Commission has been eveloped in line with the National Environmen ActionPlan (NEAP) obctives, and focuses on four ce areas i.e., clean air, clean water; solid waste ianageent, and Ecosyem management. The Plan hs been prepared keeping in mind Pakistan's expriencevith suh initiaves in the last decade; the cuent capacity to undertake planning, implementtion ar oversight andhe identified needs for improment in such capacity. The MTDF clearly speifies ises in environent which need to be addreed.

15.1 Air Pollution

Main ctors causing degradation to air quality are, a rapidlgrowing energ demand and b) a fast growig transport sector. In the cities, widespread us of lowquality uel, cobined with a dramatic exparon in the number of vehicles on roads, has led to signifint air ollutio problems. Air pollution levels Pakistan's most populated cities are high and limbincausing seriouhealth issues. Although Pakistn's energy consumptior is still low by world stadards, it lead and caron emissions are major air poltants in urban centres.

Table 15.1: The MTDF 2005-10 and MDG's Targets and Achievements

Name of Sector/Sub-Sector	Physical Targets of MTDF period			Achievement of Target
	Year 2004-05	2009-10 Targets	MDG Targets 2015	
Forests cover including State and private forests/farmlands (% age of total land area)	4.9%	5.2%	6.0%	5.17%
Area protected for conservation of wildlife (% age of total area)	11.3%	11.6%	12.0%	11.3%
No. of petrol & diesel vehicles using CNG fuel	380,000	800,000	920,000	2,400,000
Access to sanitation (national % age)	42	50	90	44
Access to clean water (national % age)	65	76	93	65
Number of continuous air pollution monitoring stations.	0	4	--	7
Number of regional offices of Environmental Protection Agencies	0	8	16	6
Functional Environmental Tribunals	2	4	--	4

Source: Planning Commission

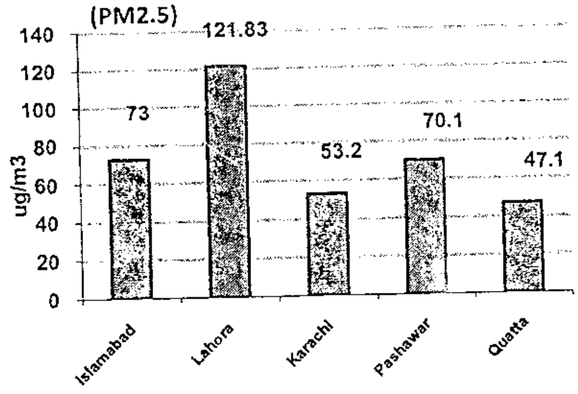
Several studies carried out by Environment Protection Agency (EPA) and the air quality data recorded by continuous monitoring stations in 5 capital cities confirmed presence of high concentration of suspended particulate matter. The level of PM (particulate matter size below 2.5 micron), which is mainly due to combustion sources, has reached to an alarming point (2 - 3.6 times higher than the safe limit). Table 15.2 and Fig-1 shows average pollutants in 5 capital cities

Table 15.2: Average Suspended Particulate Matter (PM2.5)

	City	Level ug/m3
1.	Islamabad	73.0
2.	Lahore	121.8
3.	Karachi	53.2
4.	Peshawar	70.2
5.	Quetta	47.1
	Safe Limit	**35.0**

Source: Environment Protection Agency (EPA)

Fig-1: Levels of Particulate Matter (PM2.5)



Source: EPA

The level of gases like Carbon Monoxide (CO), Sulphur Dioxide (SO_2), Ozone (O_3) and Hydrocarbon (HC) are still within safe limits though some pockets of high concentration are found in congested places, which give short term exposure to public. Formation of secondary pollutants like sulphates and photo-chemical smog is a very common phenomenon.

The main causes of air pollution are abrupt increase in number of vehicles and inefficient automotive technology, use of unclean fuels, uncontrolled emission of industrial units, emission of brick kilns, burning of garbage and presence of loose dust. Motorcycles and rickshaws, due to their two stroke enges, are the most inefficient in burning fuel an contriute mo:t to erssions. The two wheelr inditry is performing very fast in Pakistan and it as incnsed b\ 143.0 ercent in 2009-10 whn corrared with the year 2000-01. Rickshaws have grwn by ore th:n 34.4 ercent while motorcycls and:ooters have more than doubled over the ten yers. (se'able 1:.3)

Tabl15.3: Motor Vehicles on the Road			(000 No:
Yeai	Total	Ntorcyclis/Scoot	Rickshaws
20001	2291.3	221.9	72.4
20032	2561.9	248l.1	80.8
20033	2737.1	265:.2	80.9
20034	2963.5	288:.5	81.0
20005	3144.5	306:.0	81.5
20036	3868.8	379l.0	77.2
20007	4542.8	446:.8	79.0
20038	5126.3	503/.0	89.3
20009	5456.4	536:.0	88.4
20010 (July-March)	5567.2	546:.6	97.3
Percıtage inc./dec. over 2000-01	143.0	14(.5	34.4
E: Esmated		*Source: Vationa'ransport Research Centre*	

For ıe last ten years, the use of coal in the power setor haseen de:reasin; It may be due to the fat that number of plants have now been converted tcnatura as. Likewise, t:re has been reduction ı coaısage for domestic purposes (Table 15.4).

Tab 15.4: Consumption of Coal			(000 M/Ton:
Yea:	Power	ick Kilns	Household
20001	205.8	:837.9	1.0
20032	249.4	:577.5	1.1
20003	203.6	:607.0	1.1
20034	184.9	:589.4	1.0
20005	179.9	:906.2	-
20036	149.3	:221.8	-
20007	164.4	:277.4	1.0
20038	162.2	:760.7	1.0
20009	112.5	:205.4	0.8
20010 (July-Dec.)	55.1	:379.1	0.8
E : Eimated, - : Not Available		*ource: Idrocarbın Deveament Institute of Pakista*	

Paktan has become the largest user of Compressed aturalas (CNC) in thevorld, as per the statistis issud by International Association of National Gas hiclesn CNG. Preseny, 3105 CNG stations ae opeting in the country and 2.4 million vehicles areısing CG as fu:l (see ıble 15.5). Use of CNG s fueh transport sector has observed a quantum leap replacg traditional fuls and has helped a lotn lowing the pollution load in many urban centers After e successful CG programme for petnl repcement, the government is now looking to reace thmore pollutin:"diesel fuel" in the rod trarport sector. The government has planned to offr incenes to irvestorso introduce CNG busesn theıajor cities of the country.

Table 15.5: Growth in CNG Sector

As on	CNG Stations (No.)	Converted Vehicles (No.)
December, 1999	62	60,000
December, 2000	150	120,000
December, 2001	218	210,000
December, 2002	360	330,000
December, 2003	475	450,000
December, 2004	633	660,000
December, 2005	835	1,050,000
December, 2006	1,190	1,300,000
16th May, 2007	1,450	1,400,000
February, 2008	2,063	1,700,000
April, 2009	2,760	2,000,000
December, 2009	3,105	2,400,000

Source: HDPI http://www.hdip.com.pk, OGRA, IANGV http:// www.iangv.org

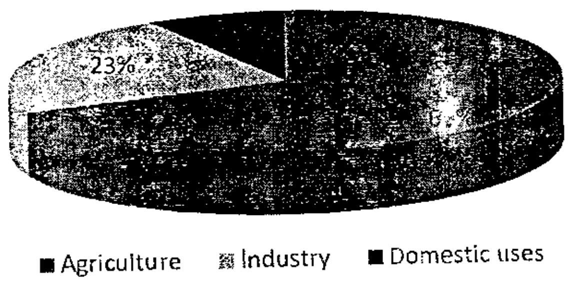
The Motor Vehicle Examiners (MVE) have no facilities to scientifically check fitness or emissions of vehicles. At present, only commercial vehicles are checked by MVE. Even passed vehicle cannot give assurance of compliance of standards. No private vehicle undergoes any mandatory inspection/emission check.

15.2 Water Pollution

Water pollution has been steadily increasing over the years. The sources of this pollution include uncontrolled discharges of municipal as well as industrial wastes in water bodies, runoff from agriculture fields where agrochemical usage has been increasing and other natural as well as anthropogenic activities taking place in the catchment areas.

The existing water resources in the country are under threat due to untreated discharge of municipal and industrial wastes to rivers and other surface water bodies. The majority of the population of Pakistan is exposed to the hazard of unsafe and polluted drinking water. Untreated sewage, industrial effluents, and agricultural run-off are usually released in streams or drains into the rivers and sea. Polluted water poses potential risk to public health. High incidence of water borne diseases can directly be attributed to polluted waters in lakes. Other impacts of high contamination in the waters include loss of biodiversity and ecosystems, reduction in fish population and damage to soils and crops in the irrigated areas.

Fig-2: Consumption of Water (Percentage)



Soure: Ministry of Envirenment

The consumption of water in Agriculture, Industrial and Domestic sector is shown below as percentage total use. (see Table 15.6) and Fig-2.

After use, the remainirg water becomes "wastwater" containing all kinds of toxic chemicals and blogical contaminants. Municipal sewerage is a majoıource of pollution. Abo ıt 2 million wet tons of humɛ excreta are annually produced in the urban sectoof which around 50% goes into water bodies to pcute them. About 70% of biological load is geneıted by textile and beverage industry.

Table 5.6: Coısumptiı of Water	
Sectoı	Percentage
Agricuıre	69%
Indust	23%
Domes	08%

Soun: Ministry of Environment

Natioıl Conservation Strategy (NCS) indicated that aliost 4C of deahs werrelatcd to water borne diseas. Untreated wastewater from industries furthe aggratets thesituatic. About 8% of the total wastuater is treated and rest of the quantity is dischargeuntreated intoJifferent surface water resoures like canals, rivers, lakes and sea. Only three ities Kachi (2),Faisalaıd (1) and Peshawar (1) have reatment plants but they are under capaci and o not meet EQS. Recently, Capital Devepment Authority (CDA) has installed a modern vastewer treament pnt in Islamabad which comp with the National Environment Quality Standarcs (NEQ.

Indusy that has the largest potential of wastewaterlischars mosty compises of textile, tannery, papeand pulp. About 9000 million gallons of wastewater a daily lischargd into water bodies in Punjc and Karachi. Some treatment plants have beennstalleby theindustrs (about 133 in Punjab, 207 iSindh and 2 in NWFP). Environment Protection gencie(EPAs) ıre ranımly checking pollution levelof industry and municipal waste and filling cases ı the Eironmental Prcction Tribunals.

Wateis not considered as a "precious commodity" in akistaas minimal war charges are levied on the tated domestic water or on agricultural water.There no resriction n extraction of ground wateror any purposes. Under this scenario, conservaon of vter resources oes not get importance. Sames the case with treatment of sewerage and indstrial tric wase. Weɛ enforcement of NEQS, lack ‹ cost effective indigenous technology and resorce corraint are the edominating factors of not tating wastewater. The most important elemer is thdisintersts of ıunicipal authorities to addres this issue. Some Water and Sanitation Agences (WAs) have planrd treatment plants for Rawaindi, Lahore, Faisalabad and Multan with the ıssistare of Asian Development Bank but the projes financing has not yet been made available. Tretmentf sewage and ılizing treated water for agricture purposes could be a good option for agricuture cntry like Pakisti. Another constraint is non-aailability of locally manufactured cost effective pllutionontrol technolcies.

Sincehe untreated wastewater is discharged into th riversnd other wat bodies, the quality of wateresources has been degraded. People living dowrstreamf rivers particurly in lower Punjab and Sindhwho have no other means, use this water fo drinkiı. According tohe WHO report about 25-3C of all Hospital admissions are connected to waer bori bacteral and ırasitic conditions, with 60% infant deaths caused by water infections. The ıng-ter effect on huan health of pesticides and other pollutants includes colon and bladder caner, misrriage, birth efects, deformation of boneand sterility. Due to low oxygen in river waters,ish cat has alo decrsed adversely affecting livelihod of people.

The Ntional **Drinking Water Policy** has been approvd by t Cabint in orr to provide adequate quali of drinking water to the population in an efficnt ancustainable maner. This policy aims to provie a guiding framework to address the key issues nd changes fcing Pastan in the provision of sustaable access to safe drinking water. Currentl over 5 percent of akistan's population is considered to have access to safe drinking water. Huge disparities, however, exist with regard to drinking water coverage between urban and rural areas and provinces/regions. The quality of the drinking water supply is also poor, with bacterial contamination arsenic, fluoride and nitrate being the parameters on major concern. Sustainability of the existing water supply systems is also a major issue in the sector.

Inadequate water supply sanitation and hygiene result in high incidence of water and sanitation related diseases in Pakistan, which in-turn increase mortality rates and pose a major threat to the survival and development of Pakistan children. It has been estimated that water, sanitation and hygiene related diseases cost Pakistan economy about Rs 112 billion per year over Rs 300 million a day, in terms of health costs and lost earning.[1] Out of this, the cost associated with diarrhoeal diseases alone is estimated to range from Rs 55 to 80 billion per year.

The key principles to be pursued for implementation of the policy are as follows:

i) Access to safe drinking water is the basic human right of every citizen and that it is the responsibility of the Government to ensure its provision to all citizens.

ii) Water allocation for drinking purposes will be given priority over other uses.

iii) In order to ensure equitable access, special attention will be given to removing the existing disparities in coverage of safe drinking and for addressing the needs of the poor and the vulnerable.

iv) Recognizing the fact that women are the main providers of domestic water supply and maintainers of hygienic household environment, their participation in planning , implementation, monitoring and operation & maintenance of water supply systems will be ensured.

v) Responsibilities and resources will be delegated to local authorities to enable them discharge their assigned functions with regard to provision of safe water supply in accordance with Local Bodies Legislation.

15.? Land

Pakistan is predominantly a dry-land country where 80 percent of its land area is arid or semi-arid, about 12 percent is dry sub-humid and remaining 8 percent is humid. Two third of Pakistan's rapidly increasing population depends on dry-lands to support their likelihood mainly through agro-pastoral activities. However, like many other developing countries dry lands in Pakistan is severely affected by land degradation and desertification due to unsustainable land management practices and increasing demand of natural resources causing enormous environmental problems, including degradation of dry-land ecosystems, loss of soil fertility, flash floods, loss of biodiversity, reduction in land productivity, soil erosion, water logging salinity, and many other associated problems to rapid growth in population is putting pressure on natural resources. The situation is further aggravated by scarcity of water, frequent droughts and miss-management of land resources, contributing to expansion of deserts, reduced productivity and consequent increases in rural poverty. Moreover there is limited knowledge of consequences and economic implications of land degradation, information gaps, and limited institutional capacity to address and degradation and desertification problems through an integrated land management approach.

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[1] Pakistan Strategic Country Environment Assessment (2006), the World Bank.

Tab 15.7: Causes and Effects of Land Degradation in Brani (Ra-Fed) Lands

Caes of land degradation	Effects and implicaions
Soierosion	Soil erosion resultsn siltati of rives, irrigaon systems and small dam, debris flow and lan slides hill slojes impaing of texture and structue of soil and loss of oil nutrnts, excessive wer runoff, rise in frequenv of floods decrease water taining capacityf soils.
Slong cultivation	Clearing of forestland fccrop cultivatior illicit cutting of trees fr firewood and agricltural irlements.
Ov-grazing	Overgrazing cuttin and loing of forage tres, damage to young foret crop and nurserie disturnce or compacon of soil, increase in sl erosion. Reductioi in wilde habitt qualit and quantity, competitio with livestock fo forage and space, le regeneration of naturl vegetation due to ompacti of soil.
Derestation	Deforestation resits in cessive soil anowater erosion, drying f aquifers, reduced arbon questration, arity in climate, reduction i water retaining caacity o oil, excessive wer runoff, destruction ard deterioration of wdlife rulting ir lower imber of wild animals ard birds.
Lar tenure issues	Fragmentation of and hongs, cuting oforest for fuel, timber ard lopping for forage,learing forest reas forop cultivation.
Po management of natural reurces/forests.	Illegal cutting of tres in fosts and vatershls, reduction in scrub foret cover, inadequat reforeation que to nsufficient resources hs increased soil eroon andltation of river:Weak law enforcement o check theft and illeal remol of vegetation ite evident.

Saurce: National ction Pi ta Conbat Destificatian, M/a Environmet

Tr menace of land degradation and desertificaon is it only affectir rain-fed agriculture ad paoral systems, but also reducing productive pcential irrigated agrecosystems due to waer loging and salinity. Sustainable Land Managemet (SLMis now consided as a viable optionto ccbat land degradation and desertification. Fedeal androvincil Goveiments have to integrte SL principles into sectoral policies, strategies and lans, aland degradatn adversely affects natral reurce based livelihood of the rural poor. FederaGovernent shall supprt provincial governmets toombat desertification as recommended under overtyeduction Stragy Paper (PRSP), Natioal Acon Programme (NAP) and aligning Pakistan's NP with -Year StrategiPlan of the Untied Nations Cvention to Combat Desertification (UNCCD) (se Table5.7). Acordin to National Forest Poly, Naonal Desertification Cortrol Fund as envisaged uder N/ and UJCCD sIII be established to ensre cctinued financial sustainability for SLM interventins at ssroot level. opropriate incentives sall bedesigned to enlist the participation of local ommuties in sustairble management of lad reurces.

15 Forestry

Fcsts are crucial for the well being of humanity. hey pvide foindatio for life on earth throgh edogical functions, by regulating the climate and wter reurces and by seving as habitants for plats ar animals. Forests also furnish a wide range o essentl good such wood, food, fodder ad mdicines in addition to opportunities for recreatio and oer services. Foists are under pressure ue toxpanding human and livestock populations whio frequtly leals to cversion or degradation of fosts into unsustainable forms of land use. Whenorests e lost r severly degraded, their capaity tounction as regulators of the environment is so los increasing fods and erosion hazads, reucing soil fertility and contributing to the loss f plantnd aninal life. s a result, the sustainale provision of goods and services from forests are jeopardized.

The existing forest resources are under severe pressure to meet the fuel wood and timber needs of the country and wood based industries including housing, sports goods, matches, boat making and furniture industry in the country. There is need to increase the area under tree cover not only to meet the material needs of the growing population but also to enhance the environmental and ecological services provided by the forest.

Under Millennium Development Goals of Forestry Sector, Pakistan is committed to increase forest cover from existing 5.2% to 5.7% by the year 2011 and 6% by the year 2015. An increase of one percent implies that an additional 1.051 million hectares area has to be brought under forest cover by 2015. This will include all state lands, communal lands, farmlands, private lands and municipal lands.

15.4 Measures to Enhance Forest Cover

Mass afforestation and Tree Planting Campaigns

Two inter-provincial meetings to finalize the targets and strategies for the monsoon and spring tree planting campaigns were held under the chairmanship of the Minister for Environment. During the tree planting campaign 55.77 million and 35.96 million trees were planted in spring and monsoon seasons respectively. The **Federal Forestry Board** develops policies and strategies related to the Forestry Sector and also monitor the activities of the Provincial Forest Departments including the forest cover This Board comprises the representatives from the Provincial Forest Departments, AJK, Gilgit-Baltistan, NGO's progressive gamers and other stakeholders

National Vision 2030

By 2030 the country will be managing all types of forests on ecosystem approach, enabling them to perform potential functions of conserving biodiversity, providing sustainable livelihood to dependent communities, meeting national demands for wood and contributing positively to mitigate global environmental problems. Achievement of the Vision 2030 on forest biodiversity conservation is a combined responsibility of all forest stakeholders.

National Forest Policy

Ministry of Environment is in process of formulating the National Forest Policy 2010 to provide a broad framework for addressing issues of forests and renewable natural resources of Pakistan and their sustainable development for the maintenance and rehabilitation of environment and enhancement of sustainable livelihoods. The Policy provides broad guidelines to the Federal Government, Provincial Governments, Federally Administered Tribal Areas and Local Governments for ensuring the sustainable management of their forests and renewable natural resources.

Guinness World Record

Pakistan has set a new Guinness World Record in maximum tree planting during 24 hours on July 15, 2009; three hundred planters from the local communities planted 541,176 propagules of mangrove trees on 796 acres on an island at Keti Bundar in the Indus Detta.

National Tree Planting Day

Prime Minister of Pakistan declared 18th August as National Tree Planting Day (NTPD). The objective s to address deforestation and associated envronmeal protlems bng faced by the natioal :hrough motivation and involvement of all segmnts of ie society in tre plantation campaign. In 18th August 2009 massive plantation was carriedut thrghout Pakistan with the help of Provincal Forest Departments and Federal line Ministries/gencies

President Mass Afforestation Programme

President of Pakistan has launched a mass affcestatic programme o December 22, 2008. Tis programme is spread over a period of five ear. al shall largely be sponsored by privce entrepreneurs for planting trees on state and ther stable lands. Prate entrepreneurs are in ntegral part of this programme. Many private companichave expresse great interest in investig n environmental forestry as part of their Corporte Soci Resporsibility.

Mangroves for the Future (MFF)

Mangroves for the Future (MFF) initiatives focu on thcountres wor-affected by the tsunami. However, MFF will also include other counties c the Reon tha face siilar issues with an overll aim to promote an integrated ocean wide apprach to coastal zone management. Pakistan joind MFF as dialogue country in 2008 and prepared its draf Nationa Strate/ & Action Plan (NSAP) as per requirements of Regional Steering Commtee of MFF to becom regular member of tis regional programme.

The 6th Regional Steering Committee (RSC) meting of the MFF held in Thailand during Janury 2010 considered the Pakistan's National Strategy and ction Flan ancmade it model for othr countries to follow. Pakistan also becomes the egular ember of MFF As a member, Pakistan is now entitled to received assistance for institutional trengtlening, apacity building and for mplementation of smal and large projects in costal are of Pakstan frm April 2010.

15 Climate Change

Cliate change resulting from an increasin co:entration of Greenhouse Gases (GHGs) in th atmosphere due to the use of fossil fuels and othe huan activities has becme a major worldwid co:ern. It is particularly so for Pakistan becaus clinate change is posing a direct threat to its wate secrity, food security and energy security. Th coutry's vulnerability to such adverse impacts i liky to increase considerably in the coming decade as ie average global temperature, which increase by 0.6 °C over the past century, is projected t incease further by 1.1 to 6.4 °C by the end of th cuent century. Already Pakistan is rated as a "hig ris' country in the global rankings for Climat Chnge Vulnerability Index (CCVI) 2009/10. (see 15.8

Tab 15.8: Climate Change Vulnerability Inex (CC) 2009/10

Rk	Coutry	Rating
	Sonlia	Extreme
	Hai	Extreme
	Afghastan	Extreme
	Pak:an	High Risk
	Philipines	High Risk
	Ina	High Risk
	Indoesia	High Risk
0	Cha	Medium Risl
2	U\	Low Risk
5	L	Low Risk
5	Noray	Low Risk

Source: Maplecrft

b. Past and Expected Future Climatic Changes over Pakistan

During the last century, average annual temperature over Pakistan increased by 0.6 °C, in agreement with the global trend, with the temperature increase over northern Pakistan being higher than over southern Pakistan (0.8 °C versus 0.5 °C). Precipitation over Pakistan also increased on the average by about 25%. Studies based on the ensemble outputs of several Global Circulation Models (GCMs) project that the average temperature over Pakistan will increase in the range 1.3 - 1.5 °C by 2020s, 2.5-2.8 °C by 2050s, and 3.9-4.4 °C by 2080s, corresponding to an increase in average global surface temperature by 2.8-3.4 °C by the turn of the 21st century. Precipitation is projected to increase slightly in summer and decrease in winter with no significant change in annual precipitation. Furthermore, it is projected that climate change will increase the variability of monsoon rains and enhance the frequency and severity of extreme events such a floods and droughts.

c. Pakistan's Status as a GHG Emitter

Pakistan's total GHG emissions in 2008 amounted to 309 million tones (mt) of Carbon dioxide (CO_2) equivalent, comprising about 54% CO_2, 36% Methane, 9% Nitrous Oxide and 1% other gases. The biggest contributor is the energy sector with 50% shares, followed by the agriculture sector (39% share), industrial processes (6% share) and other activities (5% share). Pakistan is a small GHG emitter. It contributes only about 0.8% of the total global GHG emissions, on per capita basis, Pakistan with 1.9 tonnes per capital GHG emissions stands at a level which corresponds to about one-third of the world average, one-fifth of the average for Western Europe and one tenth of the per capita emissions in the US, putting it at 135th place in the world ranking of countries on the basis of their per capital GHG emissions. (see Table 15.9)

Table 15.9: GHG Emissions (2008)

Countries	Absolute (Million Metric tons)	Per Capita (Metric tons)
Australia	437.4	20.8
United States	5,832.8	19.2
Iran	511.1	7.8
France	415.3	6.5
Malaysia	162.4	6.4
China	6,533.6	4.9
Indonesia	434.1	1.8
India	1,494.9	1.3
Pakistan	147.8	0.9
Philippines	79.8	0.8
Sri Lanka	13.3	0.6

Source: Energy Information Administration (EIA)

d. Major Climate Change Related Concerns

The most important climate change potential threats to Pakistan are identified as:

- Increase variability of monsoon;
- Rapid recession of Hindus Kush-Karakoram-Himalayan (HKH) glaciers threatening water inflows into the Indus River System (IRS); reduction in capacity of natural reservoirs due to glacier melt and rise in snow line;
- Increased risks of floods and droughts;
- Increased siltation of major dams resulting in greater loss of reservoir capacity;
- Severe water-stressed and heat-stressed conditions in arid and semi arid regions; leading to reduced agriculture productivity and power generation;

- Increased upstream intrusion of saline water irthe Incs delta adversy affecting coastal agriculture, mangroves and breeding grounds c fish ; ad
- Threat to coastal areas due to sea level rise andncreasd cycloric activy due to higher sea surface temperatures.

T: above threats lead to major concerns for Paki:an in tms of ts Wat Security, Food Security ad Energy Security. Some other climate changerelateconcerrs of Pdistan are identified as: Irrease in deforestation; loss biodiversity; increasd nealtrisks (heat strces, pneumonia, malaria ad other vector-borne diseases) and risks to other vlnerabl: ecos'tems (e.g. rangelands, dgraded lands, mountainous areas etc).

ATask Force on Climate Change (TFCC) was setup by e Planing Ccmission of Pakistan in Ctober 2008. The Task Force report recommends numb of measures taddress both Mitigation ad Adaptation aspects of climate change. It also dentifi variou: ongoi; activities and plannec aions envisaged under the planning Commission: Medin Term Develcment Framework 2005-1 and Vision 2030 which implicitly represent Paktan's pns anc actiontowards mitigation anc aaptation efforts. Main recommendations of th Task Fce on climatechange are summarizec blow:

Mitigation Measure

- Energy efficiency improvement at all levels in te ener; systen chain.
- Expansion of nuclear power programme.
- Development of mass transit systems in large cies.
- Greater use of CNG as fuel for urban transportion.
- New methods of rice cultivation that have lowr methe emisions.
- Development and adoption of new methds foreducin; Nitro; Oxide releases fron agricultural soils
- New breeds of cattle which are more produtive inerms o milk ad meat but have lowe methane production from enteric fermentatio
- Intensive effort on forestation and reforestatio.

Adaptation Measures

Addition of sufficient reservoir capacity on IR Riverso thateven d'ing high flood years n water flows down Kotri in excess of what is neessary r envirnment reasons.
Development of new breeds of crops of high y:ld, res:ant to ieat stss, drought tolerant, les vulnerable to heavy spells of rain, and less proe to incts andpests.
Aggressive afforestation and reforestation prgramns with plantatn suited to the loomin climate change.
Preservation of rangeands through proper rageland anagenent.
The effort on communicating climate change elated formaton to t: intelligentsia as well a the general pubic and raising their awarenss of t critical issue should be substantiall expanded.

- Capacity enhancement of all the organizations in the country which could make useful contribution towards addressing climate change.
- Introduction of climate change related scientific disciplines in Pakistan's leading universities so as to ensure a regular supply of trained manpower, and
- Establishment of a National Data Bank for climatological, hydrological, agro-meteorological and other climate change related data to cater for the needs of all relevant institutions.

International Negotiations for Future Climate Change Regime

Salient recommendations of the Task Force regarding Pakistan's position in international negotiations for a post-2012 climate change regime are:

- Global temperature should not be allowed to exceed 2 °C.
- Strive for the continuation of the Kyoto Protocol.
- Call for deep cuts in GHG emissions by developed countries.
- Avoid any onerous binding GHG emission reduction obligations on Pakistan.
- Insist that, based on the principle of equity, any cap on GHG emissions should be on a universal per capita level basis and apply equally to all countries.
- Project Pakistan as a responsible and constructive member of international community and seek access to advanced Carbon-free and low-Carbon and Clean Goal technologies.
- Emphasize adaptation as a key priority for Pakistan.
- Call to define and establish vulnerability on scientific basis.
- Reject linkage between climate change and international trade.
- Seek substantial increase in international funding for adaptation and call for new financial and technological mechanism.
- Seek approval for nuclear power as an admissible Clean Development Mechanism (CDM) technology.
- Continue to support the position of the G77 and China.

15.6 Public Sector Development Programme, 2009-10

The Government of Pakistan has increased its funds allocation to the Environment and Sustainable Development in its current public sector development programme. Overall, an allocation of around Rs 5,500 million has been made for the environment sector projects in the federal PSDP 2009-10. There are about 55 projects under implementation, which fall in the brown, green and capacity building components/sub-sectors of environment such as: mass awareness, environmental education and environment protection; preparation of land use plan; fuel efficiency in road transport sector; projected areas management; forestry; biodiversity; watershed management; hospital waste management; environmental monitoring; capacity building of environmental institutions; natural disaster, early warning and mitigation; improvement of urban environment; etc. However, release of funds remained a serious issue during the year due to financial crunch being faced by the country.

Many projects including forestry, watershed management and biodiversity projects in Mangla and Tarbela Watersheds are underway to reduce sediment load, create employment opportunities, alleviate povty, conserve the natural resources and rehoilitate:he de;raded ınd resources - throuh nunries and plantations, construction of check dars, soil ɔnservation, eablishment of commun:y orgıizations, terracing, etc. Various tree planting prjects a underimplerntation. The tree covern the:ountry (state and privately owned) has incresed b5.17%. To achve the MDGs targets ɔf vegation cover of 6% by 2015, 6 projects of forestryresour develcpment ɔsting Rs. 12.00 billion re uncr implementation.

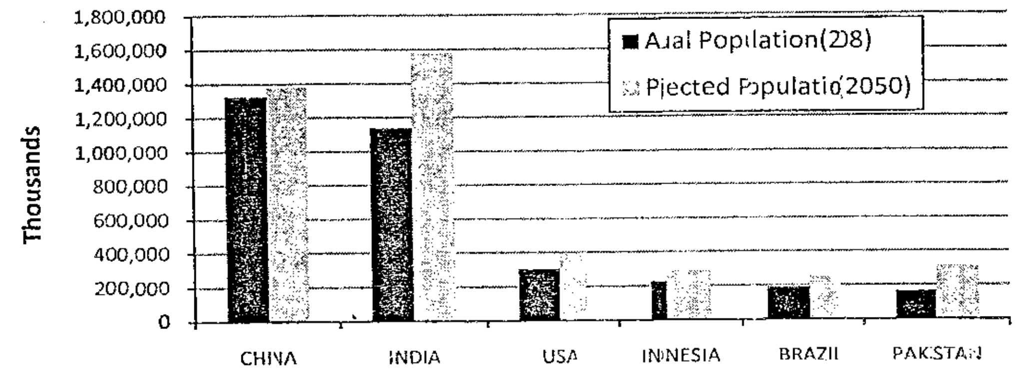
Instlation of water filtration plants in different pckets undervay. Suainability of these watr filtrion plants needs to be ensured through cmplian of aleady diberated operation ad matenance aspects as well as ownership by th provcial/state andocal governments. Aftr conletion of targets for each union council, next pase ofie programmei.e. to install one plant n eacvillage may be taken up.

Population, Labou: For:e aıd Employment

16

Pakisn is the world's sixth mcst populous country[1]. Wh an e matedpopulaon of 169.9 million as al end-Je 2009, and an annua! growth rate (revised) c 2.05 :rcent, it is ex:cted that Pakistan wil becor the fourth largest nation on earth in populatioıterms ' 2050 Fig-16.:.

Fig-1: Actual versus projected population, slected untries



Sourc World Bank

With median age of around 20 years, Pakistan is alsa "you;" counry. It isstimated that there arı curretly approximately 104 million Pakistanis below te age 30 years. Totworking age populatioı is 1201 million, with the size of the employed labour rce esmated at 52.71nillion as of 2008-09.

Table.1: Selected Demographic Indicators

	2007	20	2:9	2010
Total pulation (million)	162.91	1661	1694	173.51
Urbaropulation (million)	56.82	58.	687	63.05
Rural pulation (million)	106.09	1077	1C07	110.46
Total rtility Rate (TFR)	3.9	3	?	3.6
Crudeirth Rate (Per Thousand)	29.1	28	24	28.0
Crudeeath Rate (Per Thousand)	7.9	7	5	7.4
Popuiion Growth Rate (Percent)	2.12	2.	28	2.05
Life Eectancy (Years)	63.4	6:	61	64.5
Male	62.7	6	63	63.6
Fema	64.1	6	60	65.4

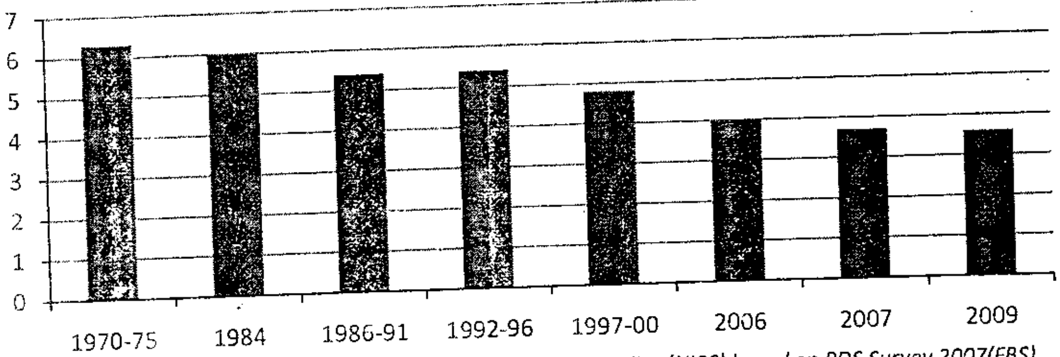
Source: Sub Group II on Poputian Protions fathe 10th re Year People's Plan 2010-1:

[1] Pakan's population estimates have undergone a recent revisi. Latestimatesare baseon recent projections carrie out the Sub-Group II on Population Projections for the 10th Fi Year Pples Plar 2010-15These were officially release after e Statistical portion of the Economic Survey went to printTherefothe poplation nnbers used in this chapter w not ty with the Federal Bureau of Statistics estimates used t calculaper-capia incomın Table 1.5 of the Statistic Appelix.

The proportion of population residing in urban centres has risen to 36%. Since 1950, it is estimated that Pakistan's urban population has expanded over sevenfold.

Despite a gradual decline in the Total Fertility Rate (TFR), currently close to 4, Pakistan has been a laggard in achieving a breakthrough on this front.

Fig-2: Trend in Total Fertility Rate in Pakistan 1970-2009



Source: Notional Institute of Population Studies (NIPS) based on PDS Survey 2007(FBS)

The level of fertility in Pakistan remained constant at 6.8 children per woman from 1961 through 1987, population grew as life expectancy increased and fertility rate remained constant. Growth rate of population declined during 1990-2000 because fertility rate declined rapidly during this period and life expectancy stagnated. Fertility rate began by declining rapidly in the decade of 1991-2000, falling from 6.3 to 4.8 children. The fertility decline started around 1988 with a reduction of approximately 2 children per woman in each decade through 2000 and later years, the subsequent decade 2000-2009 has seen a slowing of the fertility transition with a fall from 4.8 to about 4.0.

The draft population policy 2009-10 envisages to reduce fertility level from 3.56(2009) to 3.1 births per woman by the year 2015. To achieve this contraceptive prevalence rate has to increase from 30 to 60 per cent by 2030. Lately the rise in CPR was from 12 to 28 from 1991 to 1997-98, an average of 2 percent a year, the rise from 1998 until 2004 is 28-33, less than one percent a year.

Table 16.2: TOTAL FERTILITY RATES COMPARISON (1970-2010)

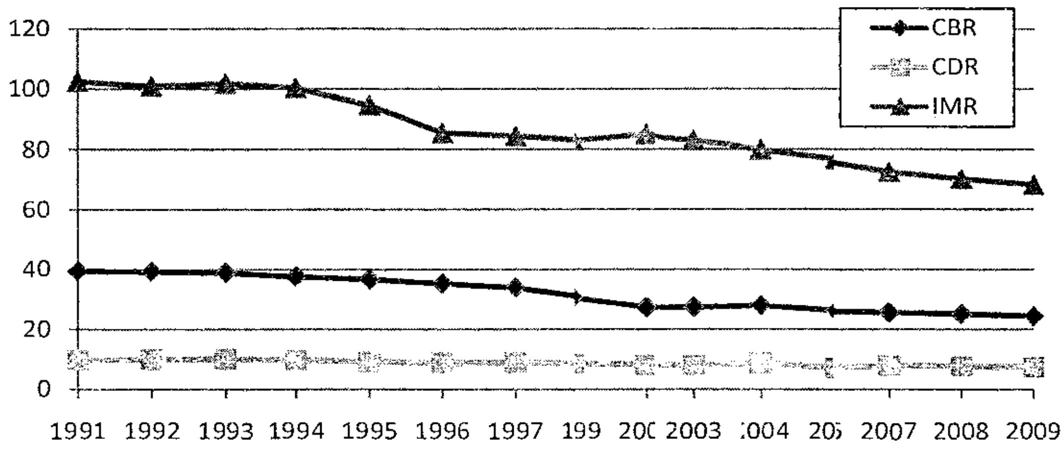
Country	1970-75	1975-80	1980-85	1985-90	1990-95	1995-2000	2000-05	2005-10
Pakistan	7.00	6.80	6.60	6.45	5.67	4.98	4.44	4
Bangladesh	6.85	6.63	5.92	4.89	3.96	3.30	2.80	2.36
India	5.26	4.89	4.50	4.15	3.86	3.46	3.11	2.76
China	4.77	2.93	2.61	2.63	2.01	1.80	1.77	1.77

Source; Population Division of the Department of Economic and Social Affairs of United Nations Secretariat, World Population Prospects: The 2008 Revision.
(The table above is sourced from United Nations statistics, which may differ from other cited figures used elsewhere in the document).

16.1 Population Overview

Population trends are best explained by CBR (Crude birth rate), and CDR (Crude death rate). These show the growth and decline of a population per thousand births while IMR (Infant mortality rate) is the nuber of newborns dying under a year of age dided b\he nunber ofve births during the yar tirrs 1000. The infant mortality rate is also called th infanleath rite. It ishe number of deaths tbt ocır in the first year of life for 1000 live births. All tese incators hve impoved if we see the pattrn fro the last census in 1998. CBR declined by 20.3%, CDby 12.79% ancMR by 17.73% taking he tir period from 1999-2009. This analysis confirm:the ju.ture w: are a in terms of demograpic trasition. Fertility and mortality both are on the deine ancve have an opprtunity to reap the widly acoimed "Demographic Dividend."

Fig-3: TRENDS IN CBR, CDR & IMR



Sour: Plannig and Ĺvelopment Division

Grwth rates in the above parameters have been uctuatg since 1950. he period of demograpic trasition when dependency ratio decreased is carly mked a the dmarcation towards lover grwth rates and that occurred from 1990 onwards.The grth rate is to ddline further bringing hoe th the demographic dividend would materialize.

16 Regional Demographics

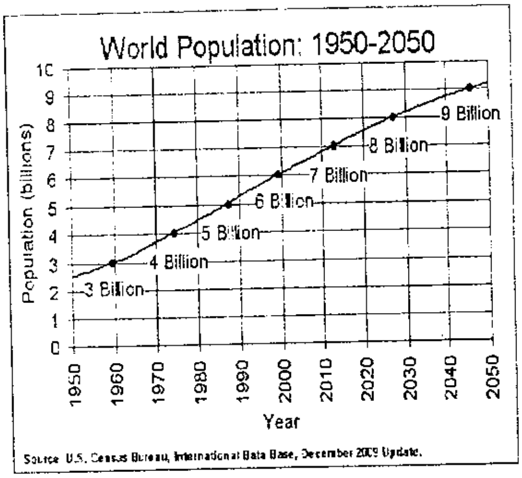
Pastan does well amongst its immediate neighbors in tens of basic deographics but the growth ratof Pakistan is the highest among the countries nder reew. Poulatiogrowth is skewed towads thyoung and a youth bulge has evolved over time.

Tae 16.3: Demographics of selected countries

Cotry	Births per 1,000 population	Deaths per 000 populatio	Poulation nillion	Growth rate (percent)
CHIA	12.2	6.9	,300	0.49
PASTAN	25.1	7.1	177.2	1.51
BAGLADESH	23.8	9.1	158.1	1.27
INA	21.3	7.5	1,100	1.38

Source:S Censu Bureanternational Database, 210

16.3 Demographic Dividend



The demographic dividend is a rise in the rate of economic growth due to a rising share of working age people in a population. The population bulge enters and stays in the working age group, and the rate of growth of the working age population surpasses that of total population, with a consequent increase in the working age ratio. This occurs when the fertility rate falls and the youth dependency rate declines. During this demographic opportunity, output per capita rises. This occurs in the last stages of the demographic transition, a situation about to happen in Pakistan, when fertility is in the process of falling towards its final replacement level.

The life cycle consumption model suggests that different age groups in a population have different economic implications. The young need investment in health and education, adults supply labour, income and savings and at old ages there is a need for retirement income and, again, a requirement to invest in health. As the relative size of each of these age groups change in the population, the respective impact of the economic behaviour associated with different ages also changes. Thus a larger labour force is good for the economy provided it is put to use. It has been argued that the demographic dividend played a role in the "economic miracle" of the East Asian Tigers, and even in the economic boom in Ireland in the 1990s. As the proportion of workers rises or falls, so do opportunities for economic growth. This is a time specific window of opportunity, and is not going to last forever. The adult "producers" turn into "dependants" as time passes. Crude death rate (CDR) will continue to decline before increasing again after year 2045. This increase would be due to the changing age structure of the population, which would then have a bigger proportion of elderly population.

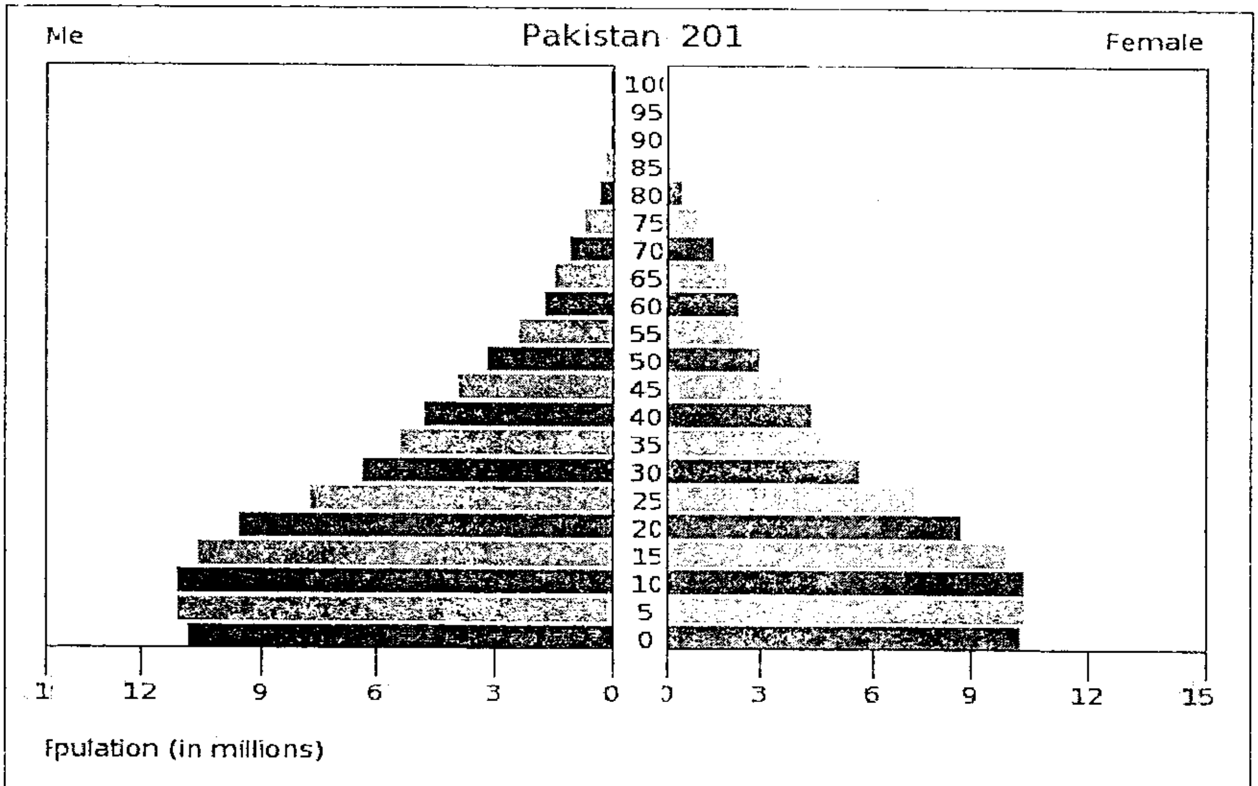
Combining the population growth rate and the growth rate of the *economically active* population delivers striking results. While population growth has a large and statistically significant negative effect on per capita income growth, this effect is counteracted by a statistically significant positive effect from growth in the share of the population that is economically active. With the percentage share of 52 percent in the late 80s to early 90s, the proportion of working age population (15–64 years) in Pakistan has reached almost 59 percent in 2006. The share of working age population will peak in 2045 to 68 percent before starting to decline again, the reason being the growing share of older age population. The approximately three percent old age population share would increase to almost 10 percent by 2050 in Pakistan, according to the medium variant scenario of the United Nations (2005). The share of the young age in the total population with decreasing fertility, will show a declining trend. From the current 38 percent, the young population is expected to comprise only 23 percent of the country's population by 2050. Looking at the low and high variants it is believed that 18 and 27 percent of the population, respectively, would comprise young people by 2050. These trends in fertility and mortality rates in the country indicate an increasing median age of the population. From a median age of 20 years, it is projected to increase to an adult 33 years by 2050 (medium variant).

The median age of the population in Pakistan started to increase in the 1990s and, with decreasing fertility level, the trend will continue in future. If the demographic transition follows a slower path in the country, the median age would be around 29 years by 2050, compared to 38 years if the fertility decline is more rapid. By 2050 Crude birth rate (CBR) is expected to almost half, at 16 births per 1000 population.

Paktan is also experiencing a dwindling dependenc ratio.educec depenency ratios mean that te prcortion of the population in working ages (15-64 contires to ircrease hile those in the younger age (0-14) decrease. The proportion of the elder in th total populati is projected to show a sutantial increase after 2025. The decline in depedencyatio ca affecter capita output throuh seval intermediate channels. First, the number of poducersurpasses the nsumers secondly savirgs incase which can make capital more available ad thuselativey cheapr. It facilitates increasd savgs and investment, at both micro and macr levelsAt the micro evel, parents with fewr deındent children can more readily afford producve nvements and athe macro level resourcs othrwise needed to support an increasing populatn cane put to direc productive investmers. Coitries can move from being heavily dependent o exteril finance to a psition of relative finanal selsufficiency.

A scond channel is through improving the quality f hum capitl. Educion affects mortality ad ferity rates. Not only the population size but the ae comsition s also ered by education. Whe curnt population and reproductive health policies nly fos on the gap btween the actual and te desed family size, female education can foster a stctly vontary fertility ccline. The TFR is expectd to ontinue to fall, reaching a near replacement evel b2050, ccordir to the medium variat prections [UN (2005)].

Theabove discourse boils down to one point: caitalizin on the demoaphic dividend demands focsed policy. Flexible labour markets, an open ecoomy, pvision of welfa and policy for the futre agng population, are essential requirements for thedemogphic dividend materialize.



urce: UScensus ıreau International Databse

The expansive type population pyramid shown above depicts a greater preponderance of young than old in Pakistan's population. The youth bulge has been described by some as a situation in which 20 percent or more of a population is in the age group 15 to 24 years. It is the result of a transition from high to low fertility about 15 years earlier. The youth bulge consists of large numbers of adolescents and young adults who were born when fertility was high followed by declining numbers of children born after fertility declined.

16.4 Age Composition of Population

Impact of changing age compositions has already occurred because of the gradual fertility decline that has been underway in Pakistan since the late 1980s and early 1990's. A way of looking at the changes in age structure is to examine *dependency ratios*, i.e., the ratio of persons under 15 and over 64 to persons between 15 and 64. This ratio is an indication of how much of the young population is increasing and that of old is decreasing. The dependency ratio has already decreased from 0.86 to 0.75 in the fifteen years since fertility began to decline in 1990. The ratio will continue to decline for several more years to beyond 2030, mainly because of the reductions in the proportions of the population at the young ages of 0-14, and a continuing increase in the working age population. Age is the foremost criteria of harnessing the potential of economic growth through the labour force participation.

Table 16.4: Population by Age Groups ; Pakistan — **Projection (000s)**

AGE GROUP	2005	2010	2015	2020	2025	2030
TOTAL M+F	155,772	173,383	192,262	211,397	229,377	246,272
MALES						
0-4	9,562	11,886	12,429	12,711	12,350	12,062
5-9	10,047	9,287	11,631	12,205	12,513	12,180
10-14	10,130	9,936	9,210	11,554	12,133	12,446
15-19	9,897	10,047	9,878	9,161	11,503	12,084
20-24	7,885	9,767	9,958	9,801	9,089	11,428
25-29	6,240	7,729	9,655	9,859	9,706	9,001
30-34	5,077	6,099	7,627	9,555	9,763	9,617
35-39	4,460	4,957	6,008	7,536	9,459	9,673
40-44	4,042	4,349	4,869	5,919	7,440	9,354
45-49	3,465	3,926	4,249	4,770	5,812	7,320
50-54	2,796	3,331	3,795	4,120	4,637	5,664
55-59	2,035	2,633	3,155	3,609	3,932	4,440
60-64	1,543	1,854	2,416	2,911	3,346	3,662
65-69	1,199	1,341	1,625	2,133	2,587	2,992
70-74	841	973	1,100	1,346	1,782	2,179
75+	921	1,077	1,271	1,482	1,796	2,315
TOTAL	80,140	89,190	98,874	108,670	117,849	126,417

Source: World Bank's World Development Indicotors (WDI) database

16.5 Population Projections

Below are the population projections for Pakistan through to 2030. The term Medium variant means that if the population increase goes at a balanced pace this scenario would unfold, High and low variant mean if the change occurs at a high fertility or a low fertility pace. Constant fertility variant describes stable fertility change.

Tablɛ6.5: Pakistan Population 2010-2030				(Thousand)
Year	Medium variant	High variar	Low \ariant	Constant-fertility variant
2010	184 753	184 73	134 753	184 753
2015	205 504	207 33	203 683	207 918
2020	226 187	231 23	221 098	234 354
2025	246 286	255 80	236 751	263 398
2030	265 690	280 09	251 345	294 812

Sour: Population Division of the Department of Econom: and Sɑl Affais of theJnited Nations Secretaria *WorıPopulation Prospects: The 2008 Revision*

Age ıat divides the population in two parts of equal ze is caıd medan age,ɦat is, there are as man persıs with ages above the median as there are withıges bew the nedian ;e.

Taki; five year period of 2010-15 and 2025-30, : is prlicted ›y the Inited Nations that lif expetancy in Pakistan would increase from 68 to 71). The ıpulatiɑ grow rate would decrease t 1.52and total fertility rate to 2.70. The crude birt rate BR), crıde deɑ rate (CDR) and infar morlity rate (IMR) are projected under this scenario ɔ decli: to 21.4, 5.6 ar 42.2 respectively.

16.6JRBANIZATION

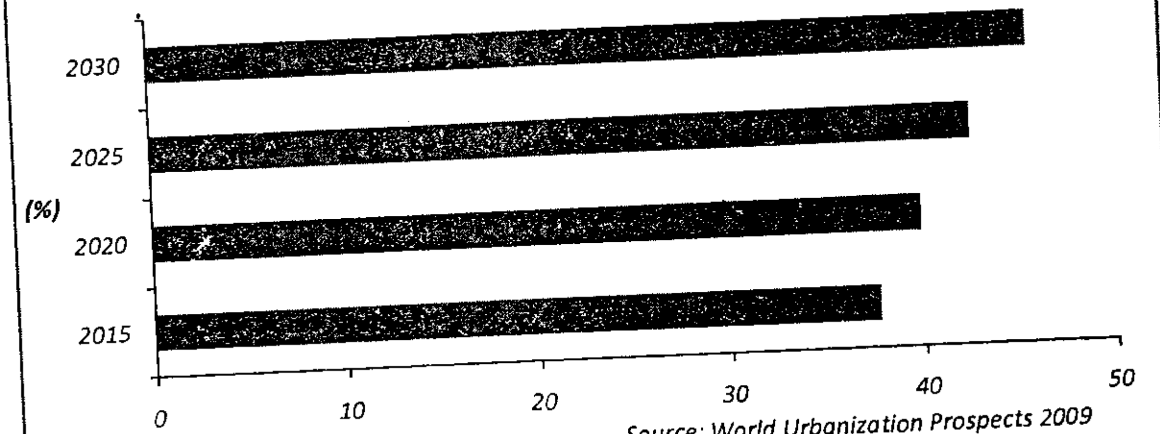
Durɪg 1950-2008, Pakistan's urban population expɑded over seven-fold, while the total popation increased over four-fold. Dramatic social chaıes have led to rapid urbanization and the emegence of mega-cities. Pakistan is the most urbɑized nation in South Asia with city dwellers makıg up 36% of its population, (2008). While the urbɑization rate is 3% (2005-10). Demographically, urbɑization is gauged both in absolute and relative tern as growth of cities within a defined area. Accɑding to base case projections, the year 2030 will be a major landmark in Pakistan's dengraphics. For the first time in its history, the urbɑ population in Pakistan will constitute 50% of the ›tal.

Table 15: MEDIAN AGE Pakista Mediarıe (yeaŋ) Mediurıariant 2010-203	
Year	Median age
2010	21.3
2015	22.5
2020	23.7
2025	25.0
2030	26.4

*Source:*ɔpulatiɑ Divisic of the Department of Econon and Soial Affai of the United Nations Secretat, *Worl Populɑn Prospects: The 2008 Revisio.*

It is elieved that the rate is ıighest when industrialiation tes placɛ and tl graph shows that in th forntive years of Pakistan the rate was high since te urbapopulaion haample opportunities anl the end continued even in the eighties. The shift to rban aas is stil takinglace but is considered t be sall as compared to that in many other parts of tl world

Fig-4: Projectians of population in urban areas of Pak (%) (2015-2030)



Source: World Urbanization Prospects 2009

Most projections are of the view that the rate of urbanization in Pakistan will continue to increase. This is due to the in built momentum of past high growth rates. More than half of the total urban population of Pakistan (2005) lived in eight urban areas: Karachi, Lahore, Faisalabad, Rawalpindi, Multan, Hyderabad, Gujranwala and Peshawar. Between 2000 and 2005, these cities grew at the rate of around 3 percent per year, and it is projected that this growth rate will continue for the next decade.

Table 16.7: Population of Major Cities of Pakistan

CITY	1998 census	1981 census	CAGR (%)	2010
KARACHI	9,339,023	5,208,132	3.49	13,386,730
LAHORE	5,143,495	2,952,689	3.32	7,214,954
FAISALABAD	2,008,861	1,104,209	3.58	2,912,269
RAWALPINDI	1,409,768	794,834	3.43	2,013,876
MULTAN	1,197,384	732,070	2.93	1,610,180
HYDERABAD	1,166,894	751,529	2.62	1,521,231
GUJRANWALA	1,132,509	600,993	3.79	1,676,357
PESHAWAR	982,816	566,248	3.29	1,386,529
QUETTA	565,137	285,719	4.09	871,643
ISLAMABAD	529,180	204,364	5.7	972,669

Source: Population Census Organization, EA Wing

16.7 Mega Cities

Mega cities are defined as having a population in excess of 10 million people or a minimum level for population density (at least 2,000 persons/square km). These mega cities are being agglomerated at a high rate. In 1950, only 29.8 per cent of people lived in urban areas whereas by 2020, an estimated 57 per cent will live in cities.

Popution is not the only dist'nguishing feature of mega citie their irdispen:ble functionality is also the cie in point. Mega cities are the product of the deiands (current economic era. A critical number of cits are post-industrial production sites for the leadin industries of ır period, finance and speciized services, they are national or transnational marketaces were firs and governments can buy fancial instruments and specialized services, they functic as cenres for ıe coordination, control and svicing of global capital.

Accoiing to Marshall (1890), the geographical concntratic of ecnomic :tivities can result in a snowall effect, where new entrants tend to agglomrate athey benefit fim higher diversity and great specialization in production processes. Worker also bhefit from beir in an agglomeration as they an expect higher wages and have access to a larer choe set of emplo:rs. Many new markets and ivestment opportunities in, for example, infrastrcture, ınsportation, healthcare, education and recretion will unfold. Handled well, urban expansiorcan bhe key to conhuing economic success (Mckisey).

The population of Karachi was about 105,000 inhaltants ' the end of te 19th century, with a cosrrpolitan mix of different nationalities. Non-goveımentand internatioıl estimates of Karachi's popution run anywhere from 12 million to 18 million The ci's popuation is rowing at about 5% pe year mainly as a result of rural-urban internal migation),ncluding an eimated 45,000 migrant worlrs coming to the city every month from diffeent pas of Pakistan hile the overall rate o urbazation for Pakistan is 3%.

Table 6.8: TOP 15 MEGA CITIES OF THE WORLD IN 2010

Rank Order	City	Countr	Population (millions)
1	Tokyo	Japan	36.67
2	Delhi	India	22.16
3	Sao Paulo	Brazil	20.26
4	Mumbai(Bombay)	India	20.04
5	Mexico City	Méxicc	19.46
6	New York	United tates o:merica	19.43
7	Shanghai	China	16.58
8	Kolkata(Calcutta)	India	15.55
9	Dhaka	Banglaesh	14.65
10	Karachi	Pakista	13.12
11	Buenos Aires	Argentıa	13.07
12	Los Angles	United tates o.merica	12.76
13	Beijing	China	12.39
14	Rio de janeiro	Brazil	11.95
15	Manila	Philippnes	11.63

Surce: Wld Urbaiization ospects: The 2009 Revision

16.8 Pakistani Diaspora

The are approximately 7 million Pakistanis living ıbroad emittirg closeto US$8 billion annually thrcgh formal channels to Pakistan. Worker remi'ances e the second ırgest source of foreign exchnge after exports. It is believed that economic rigrant constitue a vas majority of the Pakistai diaspora.

Remittances, which are usually sent to immediate family members who have stayed behind, are among the most direct benefits from migration; their benefits spread broadly into local economies. They also serve as foreign exchange earnings for the origin countries of migrants. In 2007, US$ 5,998 million in remittances were sent to Pakistan. Average remittances per person were US$ 37, compared with the average for South Asia of US$ 33.

Table 16.10: Remittances

Total remittance inflows (US$ millions)		**Remittances per capita(US$)**	
India	35,262	Luxembourg	3,355
Bangladesh	6,562	Sri Lanka	131
Pakistan	5,998	Nepal	61
Sri Lanka	2,527	Bangladesh	41
Nepal	1,734	Pakistan	37
		India	30
		Iran (Islamic Republic of)	16
Global aggregates			
South Asia	53,201	South Asia	33
World	370,765	World	58

Source: Human Development Report 2009, UNDP

Most of the world's 195 million international migrants have moved from one developing country to another or between developed countries. Pakistan has an emigration rate of 2.2%. The major continent of destination for migrants from Pakistan is Asia, with 72.5% of emigrants living there.

Table 16.11: Emigrants

Origin of migrants	Emigration rate (%)	Major continent of destination for migrants	(%)
Afghanistan	10.6	Asia	91.4
Nepal	3.9	Asia	95.0
Pakistan	2.2	Asia	72.5
Iran	1.3	Northern America	39.6
India	0.8	Asia	72.0
Global aggregates			
South Asia	1.6	Asia	78.0
World	3.0	Europe	33.4

Source; Human Development Report 2009, UNDP

The United States is host to nearly 40 million international migrants – more than any other country though as a share of total population it is Qatar which has the most migrants – more than 4 in every 5 people are migrants. In Pakistan, there are 3,554 thousand migrants which represent 2.1% of the total population.

Table 112: Immigrants			
Destin:on of migran	**Immigrant stock (thousands)**	Destıation cnigrant:	**Imigrants as a share of population (%) 2005**
Unitedtates	39,266.5	Qat.	80.5
India	5,886.9	Bhut	5.7
Pakist:	**3,554.0**	**Pakisn**	**2.1**
Iran	2,062.2	Irai	2.9
Banglæsh	1,031.9	Nep	3.0
Maldivs	3.2	Chir	0.0
		Afghanan	0.4
Global ;gregates			
South Aa	13,847.0	South ia	0.9
World	195,245.4	Wor	3.0

Scur; Humai Develanent Report 2009, UNDP

16.9 Flicy Initiatives

Key Inatives:

To cop with the evolving demographic challenges, the caft Naınal Pojulationolicy-2010 seeks to;

- Pursue Population Stabilization goal through ear comption of ertility ansition.
- Facilitate realization of demographic dividend y linkii fertility transon process with skills promotion and employment generation policies.
- Attain a balance between resources and size of ppulatii.
- Increase awareness of the adverse consequence of rap populıtion grvth at all level.
- Promote small family norms.
- To achieve these goals, the policy aims at the fobwing ly objecive.
- Provide access of family planning and Reproducve Heaı Servies to th remotest and poorest areas of the country by 2015.
- Reduce unmet need for family planning from 25o 20 pıcent b\ 2015.
- Reduce fertility level frcm 3.56(2009) to 3.1 birth per wman bythe ye2015.
- Ensure contraceptive ccmmodity security for all ublic al private sectooutlets by 2015.
- Improve maternal health by:
  - Encouraging birth spacing (of more than 36 ıonths)
  - Reducing incidence of first birth (in ages lesshan 18 and
  - Reducing proportion of mothers giving late lrth (ag beyond 34)
- Attain replacement level fertility i.e. 2.1 births pr wom by 2030
- Achieve universal access to safe and quality roroduce health/ famy planning services by 2030
- Reduce unmet need for family planning from exting 25 5 percent by030

- Achieve contraceptive prevalence rate from 30 to 60 per cent by 2030

16.10 Labour Force And Employment

Introduction:

Pakistan is the 10th largest country in the world according to the size of the labour force. On the basis of a participation rate of 32.8 percent, as per the latest Labour Force Survey 2008-09, the labour force is estimated at 53.72 million. Of the total labour force, 50.79 million are employed while 2.93 million persons are unemployed, resulting in an unemployment rate of 5.5 percent.

If we see the unemployment scenario in the past, then compared to historical trend of 3 percent, unemployment levels remained around 5 percent post- 1993-1999, but in FY02 a sharp increase of 8.27 percent was seen. The rate fell during 2003-07. However, reaching a low point of 5.2 percent in 2008-09 it rose again to 5.6 percent in FY09. There has been a decline in unemployment rate since 2003-04 accompanied by a substantial rise in the unpaid family helpers particularly females.

SIZE OF LABOUR FORCE		LABOUR FORCE
RANK	COUNTRY	(million)
1	CHINA	812.7
2	INDIA	46.7
8	BANGLADESH	72.5
10	PAKISTAN	55.8
33	NEPAL	18
56	SRILANKA	8.1

Source: CIA Fact book

Economic growth contributes to real wage increase, poverty alleviation and reduction in unemployment rate. In the labour market the forces of supply and demand jointly determine price (in this case the wage rate) and quantity (in this case the number of people employed). It is interesting to note that the triggers to labour demand have been remittances by overseas Pakistanis as well as the structure of economy as represented by ownership pattern of land holdings and control over financial assets, both of which have implications for employment.

With the demographic transition taking place in Pakistan, youth unemployment takes centre stage. Youth should be absorbed productively well before the period when old age dependency threatens this potential. Consider that the labour force is growing every year but the opportunities for employment are declining and that too at a fast rate. The good news though is that youth unemployment is below the global average in our country.

Trends in age-specific unemployment rates differ considerably for males and females in the labour force. Male unemployment has increased in the last two decades whereas female unemployment has decreased. The gap between the projected female working age population and the projected labour force is likely to increase sharply over time. The reduction in this gap is desired. Although unemployment among females has historically been higher than among males, the gender gap has narrowed considerably over time.

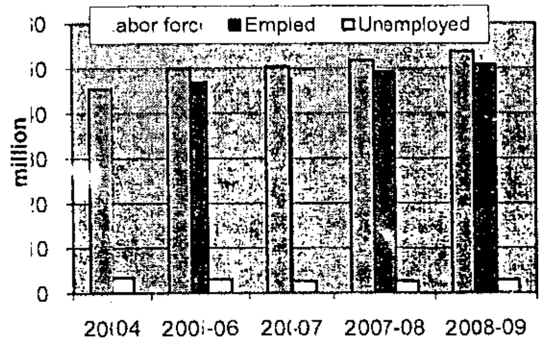
16.11 Key Indicators

In 2008-09, the estimated labour force grew by 3.7%. The growth in female labour force was greater than male labour force and consequently the increase in female employment was greater. Employment comprises all persons ten years of age and above who worked at least one hour during the reference period and were either "paid employed" or "self employed". The labour force is growing and the growth in FY09 is greater than that in FY 08.

Indicators		
Labour Force (In millions)		
	2007-08	2008-09
Ttal	51.78	53.72
Male	40.82	41.91
Fnale	10.96	11.81

Source: Labour Force Survey 2008-09

Fi-3: Labforce, Enployed Unemployed (2003-09)



Sce: Various issues ofbour force surveys, FBS

Unempyment rate is higher as compared to the last sitistics.he chaıge is de to female than male and urn than rural unemployment rates.

Table 113: Civilian Labour Force, Employed and Unemploye for Paitan *(in millions)*

	03-04	05-06	007	038	08-09
Labourorce	45.50	50.05	533	578	53.72
Emplod	42.00	46.95	455	409	50.79
Unempyed	3.50	3.10	;8	29	2.93

Source: Various issus of Labr ForceSurvey Heral Bureau of Statistics

16.12 abour Force Participation Rates

Labouforce participation rate 's divided into two categries i.erude ard refind. Crude activity rate is the ccently active populatior expressed as percentae of tl total populatn in Pakistan. Refined activitrate is the currently active population expressecas a peentageof the ɔpulation 10 years and aboveThis rate enables international comparison by fetoring the efect of ;e composition. Just as crudectivity rate, the refined participation rate also hd no njor chaıge coridering the increase in total ṛpulation

Table ..14: Employment Trend and Changes from 1996-97 ad 20089*(millioı)*

Year	Pakistan		tural		Urban	
	Employed	Change	Employec	ıange	Enloyed	Change
19990	36.32	2.19	25.55	L.68	).77	-0.01
20012	38.88	2.56	26.66	L.11	2.22	1.45
20034	42.00	3.12	28.81	2.15	3.19	0.97
20056	46.95	4.95	32.49	3.68	1.46	1.27
20007	47.65	0.70	33.11	).62	1.54	0.08
20078	49.09	1.44	34.48	L.37	1.61	0.07
20089	50.79	1.70	35.54	1.06	5.25	0.64

Source: Various isses of Laur Force Survey :deral Bureau of Statistics

Augmted activity rate is based on probing quesions fm the persor not included in the convetional measure of labour force, to net in margina econoic activties likesubsistence agriculture, own construction of one's dwellings. Participation rate suggests fractional improvement across area and gender. However, improvement is more according to area i.e in urban than in rural areas and by gender i.e in females rather than in males.

Indicators	2007-08	2008-09
Crude Activity (Participation) Rates (%)		
Pakistan		
Total	32.2	32.8
Male	49.3	49.6
Female	14.0	14.9
Augmented		
Total	38.2	38.8
Female	26.3	27.0
Rural		
Total	33.8	34.3
Male	49.1	49.2
Female	17.9	18.5
Augmented		
Total	42.3	42.7
Female	35.1	35.6
Urban		
Total	28.9	29.9
Male	49.9	50.4
Female	6.2	7.6
Augmented		
Total	30.0	31.0
Female	8.6	9.9

Indicators	2007-08	2008-09
Refined Activity (Participation) Rates (%)		
Pakistan		
Total	45.2	45.7
Male	69.5	69.3
Female	19.6	20.7
Augmented		
Total	53.6	53.9
Female	36.7	37.5
Rural		
Total	48.8	49.2
Male	71.2	71.0
Female	25.6	26.4
Augmented		
Total	61.0	61.2
Female	50.2	50.7
Urban		
Total	38.6	39.3
Male	66.6	66.3
Female	8.4	10.1
Augmented		
Total	40.1	40.8
Female	11.5	13.1

Source: Labour Force Survey 2008-09

Population growth and incidentally working age population growth occurred, due to "demographic transition", according to which there appears to be a youth bulge and Pakistan has a considerable number of the population which is not dependant. Pakistan has the capacity but is there assimilation?

Table 16.15: Population, Labour Force and Labour Force Participation (LFP) Rates

Year	Population (million)		Labour Force (million)		LFP Rate (percent)	
	Total	Working age *	Total	Increase	Crude	Refined
1997-98	130.58	88.52	38.20	1.90	29.3	43.3
1999-00	136.01	92.05	39.40	1.20	29.4	42.8
2001-02	145.80	99.60	42.39	2.99	29.6	43.3
2003-04	148.72	103.40	45.23	2.84	30.4	43.7
2005-06	155.37	108.79	50.05	4.82	32.2	46.0
2006-07	158.17	111.39	50.33	0.28	31.8	45.2
2007-08	160.97	114.64	51.78	1.45	32.2	45.2
2008-09	163.76	116.63	52.68	0.90	32.8	45.7

Source: Various issues of Labour Force Survey Federal Bureau of Statistics

**Population 10 years and above is considered as working age population.*

16.13 Employment by Status

Employment by status indicates the position one occupies in the workforce. Status in Employment refers to ıe type of explicit or implicit contract of emloymct of the persı with other persons or orgnization. Status of an economically active individual is wı respect to hiemployment. There is less chage in status due to the fact that in Pakistan theris a lar informal sect.

Tab 16.16: Employment Status by Region						(Millios)
	2007-08			2008-09*		
	Total	Urban	Ru	Total	Urban	Rural
Emoyers	0.46	0.34	0.	0.47	0.34	0.13
Selmployed	16.77	4.51	12.	17.06	4.59	12.47
Unpid family Helpers	14.20	1.72	12.	14.45	1.75	12.70
Emoyees	17.66	8.04	9.	17.96	8.18	9.78
Tot	49.09	14.61	34.	49.94	14.86	35.08

*ource: Fderal beau of Statistics * Estimaed*

Emloyment categories are defined and their changeduring e year s as folws:

Emloyee is a person who works for a public or privte emoyer and receis remuneration in wags, saly, commission, tips, pay in kind. Employees ar divide into: legular aid employees with fixd wæ, Casual paid employee, Paid worker by work prforme Paid nen-fami apprentice. Over the yer 208-09 employees increased both in rural and urba settin

Emloyer is a person working during the referene peric on ovn-acccnt or with one or a fw paners at a "self-employment job" with one or nore epIoyees engagd on a continuous bais. Emloyers almost remained the same during 2007-0 and 2(8-09.

Seemployment job is a job where the remuneraion is rectly cependet upon the profits, or ıe pontial profits, derived from the goods and servics produd. Selfemployent increased in 2008-9. Th reiterates the fact that informalization of our setors is king place.

Uraid family worker is a person who works withot pay irash or n kind n and enterprise operaed by member of his /her household or other relatecperson This category so increased showing tat th portion of the workforce is just like the unempIced onlworse-off.

Th increase in self employed persons as well as upaid faily workers incates that activities at ıe hcsehold level are increasing. Employment stas shos margnal chnges i.e decrease in ıe coparative profiles of employees and self-employd works while ncreasn the case of employer.

Inhe Table 16.17 can be observed that the self-mploy males have ccreased while female elf enloyment has increased.

Tae 16.17: Employment Status by Sex						%)
	2007-08			2008-09		
	Total	Male	Ferle	Total	Male	Femal
Enloyers	0.9	1.2	A	1.2	1.5	0.
Seemployed	34.2	39.6	18	33.3	38.7	13.
Uraid family Helpers	28.9	19.7	60	29.7	20.2	65.
Enloyees	36.0	39.5	22	35.8	39.6	21.
Tol	100.0	100.0	100	100.0	100.0	100.

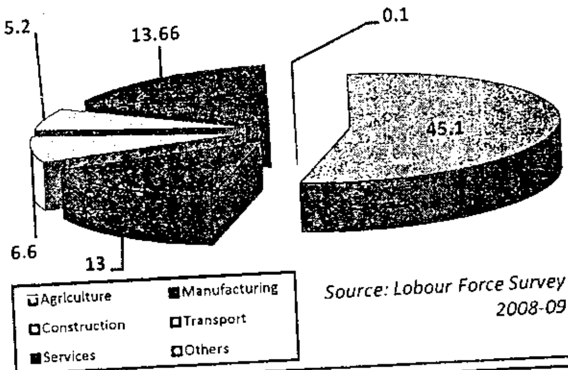
Sourc Labour Force Survey 2008-09

16.14 Employment by Sectors

Agriculture was and still is the largest sector of the economy but as population distribution is on the verge of change and 50% of the people will be residing in urban areas emphasis is going to shift towards other sectors.

Considering Table 16.18, the increase in *agriculture* and related activities is evident while for other sectors the figures are close to each other. *Construction* shows some increase while *services* show decline

Fig-4: Employed Labor force by Sectors (%)



Source: Labour Force Survey 2008-09

Table 16.18: Employed Labour Force by Sectors (%)

Sector	2007-08			2008-09		
	Total	Male	Female	Total	Male	Female
Agriculture	44.6	36.9	75.0	45.1	37.3	74.0
Manufacturing	13.0	13.3	11.8	13.0	13.3	11.9
Construction	6.3	7.8	0.4	6.6	8.3	0.4
Transport	5.5	6.8	0.2	5.2	6.6	0.2
Services	13.7	14.4	10.6	13.66	11.1	11.6
Others	2.3	2.9	0.2	0.10	2.9	0.3
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: Labour Force Survey 2008-09 Federal Bureau of Statistics

16.15 Employment by Province

The following table gives a comparison between FY08 and FY09 in terms of area and province. It can be seen that employed individuals increased in number and so did population. It should be borne in mind that this is in no way connected with unemployment rate which increased during the period since it is in percentage terms and employed total is in millions. Unemployment rate is the unemployed population expressed as a percentage of the currently active population.

One can glance at Table no 16.19 and see that the employed total is on the rise, be it according to area or sex. But the change is more pronounced in rural than urban area and owes more to males in Punjab and Sindh while equivalently to both genders in Khyber Pukhtoonkhua and Balochistan. The change in employed persons is greatest in Punjab then Sindh , Khyber Pukhtookhua and the least in Balochistan.

Table 16.19: Employed- Pakistan and Provinces (million)

AREA/PROVINCE	EMPLOYED 2007-08			2008-09		
	Total	Male	Female	Total	Male	Female
Pakistan	49.09	39.06	10.03	50.79	40.04	10.75
Rural	34.48	25.79	8.69	35.54	26.46	9.09
Urban	14.61	13.27	1.34	15.25	13.59	1.66
Punjab	28.97	22.07	6.9	29.95	22.68	7.27
Sindh	12.26	10.43	1.83	12.72	10.67	2.05
Khyber Pukhtoonkhua	5.73	4.65	1.08	5.97	4.77	1.2
Balochistan	2.13	1.91	0.22	2.15	1.92	0.23

Source: Labour Farce Survey 2008-09

16.16 FRMAL AND INFORMAL SECTORS

During ie past years it is observed that there has ben a lge amcunt of iformalization in the agricult'e sector. There has been a trend of self-ultivati and a declie in share tenancy. Informazation is not just restricted to agriculture, it is orthe risin non-igricult'e sectors as well. The share o'ormal sector employment shrunk from 35 percnt to 2percen in casof males and from 33 percento 27 percent in case of females from 2000-2008. Trie and service in urban small scale manufauring areas attracted the labour market and nhance inforralizatic of the urban labour market

Table 120 supports the findings that informalization isrising ad that t is mo pronounced in rural than uran areas. Same trend follows according to gendr, maleare shiting fro the formal sector so are fenles.

Table 120: Formal and Informal Sectors-Distribution of non-griculte workes (%)

Sector	2007-08			008-09		
	Total	Male	Fmale	Total	Male	Female
Total	100.0	100.0	00.0	100.0	100.0	100.0
Formal	27.2	27.2	7.4	26.[illegible]	26.6	27.6
Informa	72.8	72.8	2.6	73.[illegible]	73.4	72.4
Rural	100.0	100.0	00.0	100.0	100.0	100.0
Formal	24.9	25.1	3.2	23.[illegible]	24.0	22.2
Informa	75.1	74.9	6.8	76.[illegible]	76.0	77.8
Urban	100.0	100.0	00.0	100.0	100.0	100.0
Formal	29.5	29.2	2.5	29.[illegible]	29.1	32.8
Informa	70.5	70.8	7.5	70.[illegible]	70.9	67.2

Source: Labur Forcurvey 2008-09 Feral Bureau of Statistics

16.17 nemployment

The lobal economic turmoil has created unempyment around the world and in Pakistan 2.93 illion of the work force is unemployed. Mismch in job and skills as well as the temporary naturof most jobs is problematic. Certain segments of the bour market do not give secure employment.

Therhas been a positive increase of employed labour force in both urban and rural settings; howevr it should be borne in mind that the populion increase has been tremendous too.

Table 121: Age-specific nemployment Rate (%)

Age Gro	Total	
	2007-08	2008-09
10-14	9.0	9.3
15-19	8.7	9.5
20-24	6.8	7.3
25-29	4.1	4.3
30-34	2.3	2.6
35-39	1.5	1.7
40-44	1.6	1.5
45-49	2.5	2.4
50-54	3.7	4.6
55-59	6.6	6.1
60 yrs above	12.5	12.7

Soirce: Labur Force Survey, 2008-09, deral Bureau of Statistics

Unemoyment rate is the unemployed population expreed as a percentage of the currently active populion. while Currently Active Population compses all persons ten years of age and above who lfill the requirements for including among emloyed r unenployedduring or unemployed durinthe reference period i.e one week preceding thelate ofterviev. Unemloyment rate has been decreing over the years. The proportion of unemploed to e currently acte population has been decreasing with the exception of 2001-02 when it increased. Usually it is seen that unemployed labour force decreased during the last decade with the exception of a few years. A slight shift in the norm occurred in 2008-09 when unemployed labour force increased.

Unemployment rate goes down with age, it is observed that most participation in the labour force is in age group 20-50. This table confirms the finding that unemployment rate goes down with age and participation increases (unless the age is above 50).

In 2005-06, the unemployed labour force in youth (15-25 years) was 1.2 million, which was 0.4 million lower than the stock in 2001-02. If the current level of unemployment prevails for the next 20 years, the stock of youth unemployed in 2030 will be around 6 million.

In reading table 16.22 we have to make room of the fact that most of the labour force is employed in the rural areas thus the unemployment figures are to be seen as a fraction of the whole. Unemployed labour force is almost the same in both areas but unemployment rate is higher in urban areas. The difference is quite large.

Table 16.22: Unemployed Labour Force by Area

Years	Unemployed Labour Force (In millions)			Unemployment Rate (%)		
	Total	Rural	Urban	Total	Rural	Urban
1999-00	3.0	1.9	1.1	7.8	6.9	9.9
2001-02	3.4	2.1	1.3	8.2	7.5	9.8
2003-04	3.5	2.0	1.4	7.6	6.7	9.7
2005-06	3.1	1.8	1.2	6.2	5.3	8.0
2006-07	2.6	1.6	1.0	5.3	4.7	6.6
2007-08	2.6	1.7	0.9	5.2	4.7	8.3
2008-09	2.9	1.7	1.1	5.5	4.7	7.1

Source: Vorious issues of Labour Force Survey Federal Bureau of Statistics,

16.18 Policy Initiatives

a) Employment Promotion Policies

The policy focus of government is on creation of decent employment, and human resource development. The importance of the fact can be gauged by the initiatives taken by the government such as National internship Program, President's Rozgar Program; credit is being provided for self employment by National Bank of Pakistan (NBP), enhancement of residential facilities by construction of one million housing units, doubling of lady health workers to cover Kachi Abadis, raising of minimum wage and pension of workers, restoration of Trade Unions. These steps are helpful in employment generation and human resource development. The specific policies are as follows:

b) Accelerating Investment & Economic Growth

Economic growth has direct implications for employment. Productivity fosters capital-intensive activities thus causing lay-off in the short run but in the long run due to product diversification and greater output it causes job increase. Thus government's priority is to take the growth rate to an optimum level for job creation. There is a distinction between low-quality jobs contributing to the increase in the number of working poor and quality jobs so emphasis is also on this aspect of the labour force.

c) Miniium Wage

The govrnment has recently announced a raise of 16% iithe mimum wages. T: degree to which this increasgenerates an acceptable living standard for wag earne has tobe assesed and the extent to which ihas shared the growth ir GDP is also to be gauge; it is ask to b: accomlished in future wage legislatn. Furthermore, the minimum wage fixation ill be ubjected to a ripartite deliberation processt regular intervals to protect the living standard of the orkersand wier dispersal of growth benefit:Implementation lapses will be focused upon thrugh stnmlining the inection system.

d) Invesng in Increasing Water Resources

Agriculte is the largest sector of Pakistan's economy enploying nearly45.1 pcent of the country's work foe in 2008-09. More than two- thirds of the coun/'s popation lives in ral areas and depends directlyr indirectly on agricuture for their livelihood. Th majoonstraint in Pastan's agriculture has been thlack of availability of sufficient irrigation water.

e) Cred Facility Through SME Bank

SME Bak was established to provide financial assistanc and lsiness upporto smal and medium enterpres. Up to 31st December, 2009 SME Bank has finnced 899 SMEs, disbsed loans amounting to Rs. 910 million to 40,891 beneficiaries in the country.

f) MicrCredit Facilities Through Khushali Bank

The Khuhali Bank was established to provide loans up to Rs. 30,0/- eac to unemployed people to set up theiown business. Up to 31st December, 2009, the Klushhaliank (KBL) disbsed lo... mounting to Rs. 2481 million to 2,038,004 beneficiaries.

g) Presient's Rozgar Scheme By National Bank Of Pakistn (NBP

NationaBank of Pakistan has developed a full range of roductunder the present's Rozgar Scheme with a band name of "NBP KAROBAR". Under this schem, a loaup to size of Rs100,000/- is given for a maxinm period of five years with a grace period of thre mons for establishi the business.

h) Pakisn Skilling Programme

NationaVocational and Technical Education Commission NAVTI) has been estalished with a view to over-coing lack of standardization, skill gaps, non- avilabilitof proper cursula, Poor quality of instructnal staff, inadequate accreditation / certificatio poor irastrucure anto encourage private sector enhance technical education and vocational rainingcapacity and t bring harmony and developinkage between technical education and vocaional tining. Being aegulatory body, this Commison will be responsible for long term planning inthis pacular feld. It wil also be responsible for settg standards for formuating the syllabus, accrditatio certifiation ad trade testing, etc. NAVTECis giving Rs. 2000/- per month to each traine durinthe traning corse. Presently, 1522 technic institutes with an enrollment of 314,188 are working the country ad providing technical skill to te labour force. It is being planned to produce on millionkilled labour p year.

i) Skill Cevelopment Councils

In ordeo develop skilled labour force on modern lines, abour ad Manpower Division has established five SkiDevelopment Councils (SDCs) one each at Islambad, Irachi, Lahore, eshawar and Quetta. The SD assess the training needs of their geographicaareas, ioritize them o the basis of market demand and facilitate training of workers through training providers in the public and private sector. These Council have met the diversified training needs of the industrial and commercial sectors and have so far trained 46,674 workers.

j) Overseas Employment

One factor that allowed countries to reduce poverty and to improve income distribution despite a weak-growth-employment linkage is overseas employment, which has been an important feature of Pakistan's experience. In 2008, for example, the flow of workers abroad was over 400,000. This amounted to around 28 per cent of the total addition in the size of the domestic workforce between 2006-07 and 2007-08. In 2009, the flow of workers abroad reached 600,000 est. which is a major factor in the increase in remittances.

A separate Overseas Pakistani Division has been established to facilitate overseas workers. Community Welfare Attaches (CWAs) have been deputed in all the Embassies of Pakistan, located in major labour importing countries, to protect the rights of Pakistani workers. Boosting of overseas employment may be helpful in reducing pressure on job market.

Ministry of Labour, Manpower & Overseas Pakistanis is making efforts to boost overseas employment. In this regard, MoUs/ Agreements with Kuwiat, Malaysia , Korea, Qatar and UAE have been signed while MoUs/ Agreements with several other countries are under Process. Export of manpower is undertaken by Overseas Employment Promoters (in Private Sector) and Overseas Employment Corporation (in Public Sector). More than six billion US dollars would be earned during the next budget year. The increase in overseas migration is the result of revolutionary steps taken by the Government for the export of manpower. MoU has been signed with Malaysia for recruitment of Pakistani workers so as to open new job opportunities for a large number of semi-skilled and unskilled workers

MoU in the field of manpower has also been signed between Pakistan and Korea. According to MoU, Pakistan will send its workers to South Korea on regular basis. First batch of workers left for Korea on 22nd April, 2008. MoU in the field of manpower has also been signed between Pakistan and the Government of United Arab Emirates (U.A.E). MoU between Pakistan and Libya in the field of manpower export has also been signed recently.

k) Information Technology

Information Technology has enormous potential to create jobs for the educated unemployed in the country. The development of IT and Telecom sector has created enormous employment opportunities, directly or indirectly, for educated unemployed in a wide range of areas like call centres, telecom engineering telecom sales, customer services, finance and accounting etc. This is one of the fastest growing sectors of the economy. The allocation of Rs. 3.30 billion has been retained for this sector. This would further accelerate the activities in the next couple of years, creating more business and employment opportunities in the country.

l) Labour Market Information System and Analysis

A Project "Labour Market Information System and Analysis" has been launched in the HRD Wing of the Labour and Manpower Division. The objective of the project is to develop and consolidate the collection and usage of Labour Market Data in Pakistan. An analysis of data will be made using internationally recognized Key Indicators for Labour Market (KILMs). The system will yield regular statistics and information about employment, under-employment and unemployment at national, local and regional l/els. The coverage of vulnerable group such as wmen w be ensured. Canges in socio-economicand eucational characteristics of the employed and nempl ed labour forc, as well as, the changs in ccupational and sectoral composition of the empyed walso beanalyze, enabling the policy makers t suggest policy initiatives for employment genration.hree reports nder the project have een reased which have been appreciated by all concened atational,as wells, international level

n National Internship Program

Te first phase of National Internship Program (N') has ien completed.Jnder tne first phase, 2826 aplicants were offered internship at Federal, Prcincial d Distrct Govenment levels. Second pase c NIP was launched in February, 2008. A total f 71,9 applications ere received. So far 2138 aplications have been verified by HEC and NADRA a are being plced in Ministries, Divisons, Lepartments and Provincial Governments and at istrict vel. Finance Dision allocated an amout of I. 1650 million for payment of stipend to internes duringhe finacial ye 2008-09.

5.19 Labour Policy 2010: Salient features

an effort to apply principles of social Justice 1 the vrld of vork, te government announced a lbour Policy on 1st May 2010, with the following rlevant atures

- Raising of Minimum Wages by 16% from Rs6000 c the previous ear to Rs. 7000 per month. Payment of wages should be made through chques/ nk trarsfers inll establishments regisered under any law.
- In order to monitor the implementation of abour ws perainingo wage payments, woking environment and time, Tripartite MonitoringCommiees wil be seup at district, provinceand federal level.
- Labour Market information system will be estalishedhroughcreatio of Human Resource Cetres at different cities.
- Contract employees within public sector will b regulated.
- Initiation of a comprehensive social insuranc schen on sef registation/voluntary basis fr all workers and self-empoyed in the economy faold agcenefits
- Establishment of a Board to review the cases of orkers dismissl under the Removal rom services(Special Power) Ordinance 2000.
- Schools run by Workers Welfare Fund (WWI are tontrodue Matc Technical Scheme foskill development.

Contingent Liabilites

1

Annex

Contigent liabilities are possible future liabilities tha will or becone certa on the occurrence of somefuture event. Contingent liabilities are not shwn in ie balance shet, bu must be given adeqate disclosure. Contingent liabilities can be bth exicit and implit as discussed in the framwork below.

Explicit Contingent Liabilities: Thesere specific government obligations defined by a contr.t or a law. The government is legally mandated to sete such an obligation when it becomes due.	• Guarares for borrowng anc obligations of provind govenmentsand public or private entitie: • Umbre guarantees forarious loans (SME loans, agriculre loans • Guarares for tade & ehange rate risks • Guarares for private instments • State iurance schemes
Implicit Contingent Liabilities: Thesrepresent a moral obligation or expected burden for tl government no in the legal sense, but based on publexpectations and political pressures.	• Defaul of procincial gvernments and public o privatentities on non-iaranteed debt and othe obligatns. • Liabilitlean-up in entits being privatized • Bank fures • Disastand relif financg • Failuren other non-guanteed funds

The overnment issues guarantees for public sector brrowerwith relatively eak credit worthiness. I som cases, such as in the case of Trading Corporatn of Ikistan TCP), te government has 100% owrrship, hence any creditor to the entity has full reourse tthe governmer

Theovernment may also issue guarantees as part of a cc reduction strategy, by taking on risks it is best ableo mitigate or absorb. However, there are also cos associated with the provision of government guantees. Hence, such off-balance sheet traractions can not be overlooked in order to gain a holiic view of a country's fscal position and unveil theidden risks associated with the obligations made by ie government outside the budget. Similarly, repted debt levels of a sovereign may be underated cing to the no-inclusion of guarantee, expcit or implicit, which may materialize in future. I the ca of Pakistan, tese include, for instanc, expcit and impiicit guarantees issued to Public Sectr Enterises (PSEs) an unfunded losses of sta owed entities such as Pakistan Steel Mill, PIA, WAPD, PEPC Railways, etc.

Tablc: Contingent Lialities

Fiscaear	Issınce (Rs. llions)	As % of GDP
FY07	1).7	1.6
FY08	13.8	1.4
FY09	2).3	2.2
FY10	1'.9	1.2

* : Jı 2009-April 201C

Source: ıdget Wing & EF Wing, MC

TheFiscal Responsibility and Debt Limitation (FRDL) ct 2005tipulates that ie issuance of guarantee, including those for Rupee lending, bonds, rates of return, output purchase agreements and all other claims and commitments that may be prescribed from time to time as well as renewal of existing guarantees, should not exceed 2.0 percent of the estimated gross domestic product in any financial year. Since 2005-06, there has been a steady increase in the issuance of contingent liabilities but the threshold of 2.0 percent has only been breached in 2008-09 by 0.2 percentage points. As of March 2010, guarantees amounting to Rs. 177.9 billion have been granted to PSEs, which accounted for 1.2 percent of the projected GDP for 2009-10.

A further breakdown of institution-wise government guarantees in domestic and foreign currencies indicates that WAPDA/PEPCO has been the biggest beneficiary of this provision.

Table 2: Institution-wise Issuance of Government Guarantees in Domestic Currency **(Rs. billion)**

S. No.	Organization	FY07	FY08	FY09	FY10*
1	PIA	18.1	4.0	25.0	6.8
2	HBFC	9.8			
3	AWT	6.5			
4	WAPDA	29.0	54.9	218.5	112.3
5	NLC	1.0			
6	CAA	4.0			
7	PARCO	19.0			
8	PSM	7.8			10.0
9	KESC	3.0			3.0
10	KSEW		3.4		
11	PSO		42.0		
12	Shell		11.0		
13	National Industrial Parks Dev. & Mgmt. Co.		2.0		
14	Pak Textile City Limited		0.3		1.0
15	PAF Shahbaz Air HQ			1.0	6.0
16	NIT			20.0	
17	TIP				1.1
	Total	**98.3**	**117.6**	**264.5**	**140.1**
	As percent of GDP	**1.1**	**1.1**	**2.1**	**1.0**
	Memo:				
	GDP (mp)	8,673	10,243	12,739	14,668

Source: Budget Wing, MoF

** July2009-April 2010*

WAPDA was issued guarantees amounting to Rs. 218.5 billion and a rollover of US$ 125 million in the previous fiscal year. In the ongoing fiscal year 2009-10, Rs. 112.3 billion has been awarded till April 2010 in respect of public guarantees to PEPCO/WAPDA in addition to US$ 248 million of foreign currency guarantees.

The outstanding contingent liabilities as of April 30, 2010 stood at Rs. 642.1 billion. This includes the stock of explicit debt guarantees in both domestic and foreign currencies that appear in the accounting books of PSEs. The Rupee guarantees accounted for 52 percent of the total stock. Such a high magnitude of public guarantees may lead to distortions in the domestic yield curve, and have fiscal consequences.

Table 3: Guarantees Out: ..ndings of Ap 30, 2010	
Outstanding Guarantees extende to PSEsotal)	642.1
- Domestic Currency (Rs.illion)	330.7
- Foreign Currency (Rs. Bion)	311.3
Memo Item:	
(Foreign Currency US$ Million)	3,690.
Souce: DPC	

In acition to these explicit contingent liabilities, thi recorc of whch are eing maintained at the Miniry of Finance, there is a need to quantify vrious iplicit guarantes embedded in many goveiment contracts that represent a potentially snificarcharge on fute budgets. Ideally, the goveiment should restrain from issuing new guarantes in bu and instead, avise the PSEs to explore altentive sources of funding, i.e., issuing Real Estatenvestnnt Trust (REIT)inits, securitization, etc in anttempt to improve their solvency positions.

Table: Institution-wise Issuance of Government Guarantes in Forgn Currency					(US$ millions
S. b.	Organization	F7	FY08	FY09	FY10*
:	PIA	92.0	81.	25.0	
:	MINFAL		133.		
:	WAPDA/PEPCO		125.	125.0	247.
‹	Ministry of Railways				203.
.	KSEW	7.0			
	Total	**99.0**	**339.**	**150.0**	**451.**
	As percent of GDP	**0.5**	**0.**	**0.1**	**0.**
	Memo:				
	GDP (in billions of US$)	43.0	164.	162.3	173.
** July009-April 2010*					*Source: EF Wing, MoF*

Othethan the publically guaranteed debt of PSEs, Fiance Division has issud, each year, continuin guarntees against the commodity financing operatins unertaken by TCPPASSCO, and provincia goveiments. Commodity financing is secured agairt hypoecatio of comodities and letter o comrt from the Finance Division. The quantum of tese grantees depen on the supply-deman gap various commodities, their price stabilizationobjectis, volune proired, and domestic an interational prices. As per previous practice, these guranteeare notinclude in the limit of 2 percen impced by the FRDL Act 2005.

As oApril 2010, the outstanding stock of Rs. 300.6 illion ainst tle end-.ne 2009 position of Rs 336.billion indicates a retirement of Rs. 35.6 billion n behaof commoditynancing operations. Th limitanctioned by the Finance Division in respect of garants for conmodit operations for end-Jun 201approximates to Rs. 492 billion. The governmet inters to inroducevorld class warehousin faciles in the near future that will allow the entitie involve in the commcity operations to secur finaring against the warehouse receipt without eplicit garantee or letr of comfort from th govenment.

T:x Expenditure

2 Annex

The Feeral Board of Revenue (FBR) estimates tax expendituresor 2009-10 at aproximately Rs. 147.14 billionDetails of estimates o tax-wise tax expenditre durg the iscal yer 200-10 have been highligted below:

Incom Tax

Sectio 53 of the Income Tax Ordinance, 2001 empowrs the deral Covernmnt to exempt from tax any irome or classes of income, or persons. The costof exentions i respe of direct taxes during 2009-) has been reflected in Table 1:

Table Income Tax Expenditure for 2009-10 (Rs. in billion)

S.No.	Tax Expenditure Items	Estinted Revenue Loss 2008-0	Estinted Revenue Loss 2009-10
1.	Pensions &Gratuity	0.054(	0.075
2.	Income from Funds, Board of Education, Universitiesnd Computer Training Institutions	0.828	0.950
3.	Donations and Contributions to Charitable Organizatons	0.517	0.630
4.	Independent Power Producers	0.772	0.852
5.	Income from Certain Trust, Welfare and Charitable institutio non-profitable organization.	1.05(	1.350
6.	Profits on Debt/interest fom government securities nd certn foreign currency accounts/books profit on debt earnd by certain non-residents indviduals and institutions	0.02!	0.050
7.	Export of Information Technology	0.60:	0.812
8.	Capital gains	18.76	21.910
9.	Other Sector and enterprise specific exemptions	17.89	19.905
	Total:	**40.5(**	**46.534**

Sour: Federal Board of Revenu

SaleTax

Keyxemptions of Sales Tax are Tractors, Fertilizer Phrmaceics etc.The co of Sales Tax exemptior is esmated to be Rs.27.409 billion for the fiscal yea 2009-. Followings ai the main exemptions

Sales Tax and their cost of exemption during in fiscal year 2009-10 [Table 2].

(Rs. in Billion)

Table 2: Tax Expenditure of Sales Tax for 2009-10

S.No.	Sector	Estimated Revenue Loss	
		2008-09	2009-10
1.	Fertilizer	8.20	8.797
2.	Tractors	5.7	6.246
3.	Pharmaceutical products	3.1	3.754
4.	Others	0.50	8.612
	Total:	**17.5**	**27.409**

Source: Federol Board of Revenue

Custom

Customs exemptions are mainly given on raw materials and components; plant, machinery and equipment imported by high-tech, priority and value added industries; import for energy sector projects; and exemptions to exploration and production companies. Some of these exemptions are due to international contractual obligations. Following is the break-up of main exemptions in customs duties for fiscal year 2009-10 [Table 3].

(Rs. in billion)

Table 3: Tax Expenditure of Customs for 2009-10

S.No	SRO No. & Date	Description	Estimate Revenue Loss	
			2008-09	2009-10
1	410(1)/2001, dated 18.6.2001 Superseded by 1065(1)/2005, dated 20.10.2004 then superseded by 492(1)/2009.	Conditional exemption of customs duty and sales tax on temporarily imported goods for subsequent exportation.	2.335	2.525
2	456(1)/2004, dated 12.6.2004 Superseded by 565(1)/2005 dated 6.6.2005 then superseded by 565(1)/2006, dated 5.6.2006	Conditional exemption of customs duty on import of raw materials and components etc. for manufacture of certain goods (Survey based)	2.839	3.822
3	567(1)/2005, dated 6.6.2004 Superseded by 567(1)/2006 dated 5.6.2006	General and conditional exemption of customs duty (non survey)	18.121	21.299
4	678(1)/2004, dated 12.6.2004	Exemption of customs duty and sales tax to exploration and production(E&P) companies on import of machinery equipment & vehicles etc.	4.401	5.117
5	570(1)/2005, dated 6.6.2005	Concession of customs duty on goods imported from Sri Lanka.	0.036	0.153
6	575(1)/2005, dated 6.6.2005 Superseded by 575(1)/2006 dated 5.6.2006	Exemption from customs duty and sales tax on import of specified machinery, equipment, apparatus and items.	11.189	11.555
7	Others SROs		22.361	28.726
	Total:		**61.282**	**73.197**

Source: Federal Board of Revenue

Accorng to the Federal Board of Revenue (FBR), the cnsolided sumnary olax expenditures for the fiscal :ar 2009-10 is as shown in Table 4.

Table ‹Tax Expenditure of Federal Tax for 2009-10 (Rs.in Billion)

S.No.	Type of Tax	08-09	2009-10
1.	Income Tax	).864	46.534
2.	Sales Tax	17.5	27.409
3.	Customs Duties	1.282	73.197
	Total	**9.646**	**147.140**

Sourc‹Federnl Boord of Revenue

C•NTENTS

ECONOMIC AND SOCIAL INDICATORS

ECONOMIC AND

INDICATOR	1960's	1970's	1980's	1990's	2000's	1999-00	2000-01
	Average (Annual)						
GROWTH RATE (%) (Constant fc)							
➔ GDP	6.8	4.8	6.5	4.6	4.8	3.9	2.0
- Agriculture	5.1	2.4	5.4	4.4	3.2	6.1	-2.2
- Manufacturing	9.9	5.5	8.2	4.8	7.0	1.5	9.3
- Commodity Producing Sector	6.8	3.9	6.5	4.6	4.2	3.0	0.8
- Services Sector	6.7	6.3	6.7	4.6	5.3	4.8	3.1
GROWTH RATES (%)(Current MP)							
➔ Total Investment	-	21.8	4.2	8.1	15.4	10.2	8.6
- Fixed Investment	14.8	20.5	3.7	7.8	15.4	10.5	8.5
- Public Investment	14.0	25.3	2.6	7.3	12.5	5.5	11.1
- Private Investment	20.9	17.0	5.1	8.8	17.3	14.3	7.2
As % of Total Investment							
- National Savings	-	67.5	79.2	75.4	91.1	90.8	95.9
- Foreign Savings	-	32.5	20.8	24.6	9.2	9.2	4.1
As % of GDP (Current MP)							
Total Investment	-	17.1	18.7	18.3	19.0	17.4	17.2
- Fixed Investment	-	15.9	17.0	16.6	17.4	16.0	15.8
- Public Investment	-	10.3	9.2	7.5	4.8	5.6	5.7
- Private Investment	-	5.6	7.8	9.1	12.6	10.4	10.2
National Savings	-	11.2	14.8	13.8	17.0	15.8	16.5
Foreign Savings	-	5.8	3.9	4.5	2.1	1.6	0.7
Domestic Savings	-	7.4	7.7	14.0	15.6	17.1	17.8
GDP DEFLATOR (Growth %)	-	-	2.3	8.3	8.7	2.8	8.0
CONSUMER PRICE INDEX (CPI) (Growth %)	3.2	12.5	7.2	9.7	7.7	3.6	4.4
FISCAL POLICY *							
As % of GDP (MP)							
➔ Total Revenue	13.1	16.8	17.3	17.1	14.2	13.5	13.3
- Tax Revenue	-	-	13.8	13.4	10.6	10.7	10.6
- Non-Tax Revenue	-	-	3.5	3.7	3.7	2.8	2.7
➔ Total Expenditure	11.6	21.5	24.9	24.1	18.7	18.8	17.4
- Current Expenditure	-	-	17.6	19.4	15.4	16.5	15.5
Defence	-	-	6.5	5.6	3.2	4.0	3.2
Interest Payment	-	-	3.8	6.8	4.9	6.9	6.0
Others	-	-	7.3	7.0	6.8	5.6	6.3
- Development Expenditure (#)	-	-	7.3	4.7	3.5	2.5	2.1
➔ Overall Deficit	2.1	5.3	7.1	6.9	4.5	5.4	4.3
MONEY & CREDIT (Growth %)							
- Monetary Assets (M2)	16.3	21.0	13.2	16.8	15.0	9.4	9.0
- Domestic Assets	15.0	20.5	15.4	12.2	14.0	9.0	3.7
STOCK EXCHANGE (Growth %)							
- KSE - 100 Index	-	-	0.1	4.1	23.4	44.2	-10.2
- Aggregate Market Capitalization	-	-	2.5	13.4	31.2	36.9	-13.4

- : Not available P : Provisional R : Revised F : Final

* : Budget Estimates for 2009-10

: From 1998-99 onward also includes net lending to PSEs.

SOCIAL INDICATORS

2001-02	2002-03	2003-04	200-05	26-06	2006-07	2007-08 F	2008-09 R	200-10 P
3.1	4.7	7.5	9.0	5.8	6.8	3.7	1.2	4.1
0.1	4.1	2.4	5.5	6.3	4.1	1.0	4.0	2.0
4.5	6.9	14.0	5.5	8.7	8.3	4.8	-3.7	5.2
1.4	4.3	9.2	9.5	5.1	6.6	1.3	0.8	3.6
4.8	5.2	5.9	3.5	6.5	7.0	6.0	1.6	4.6
3.2	10.7	14.4	2.6	36.1	15.7	15.6	6.9	0.7
3.2	8.2	14.7	4.3	38.0	15.9	15.4	5.5	0.6
-22.2	4.0	19.3	3.7	30.3	30.9	18.6	3.9	7.2
17.3	9.8	13.1	8.3	40.5	11.5	15.3	5.3	3.5
110.7	123.1	107.8	1.6	82.4	77.3	61.5	70.0	3.1
-11.3	-22.5	-7.8	8.4	20.4	22.7	38.5	30.0	6.9
16.8	16.9	16.6	9.1	22.1	22.5	22.1	19.0	6.6
15.5	15.3	15.0	7.5	20.5	20.9	20.5	17.4	5.0
4.2	4.0	4.0	4.3	4.8	5.6	5.4	4.6	4.3
11.3	11.3	10.9	3.1	15.7	15.4	15.0	12.7	0.7
18.6	20.8	17.9	7.5	18.2	17.4	13.6	13.3	3.8
-1.9	-3.8	-1.3	1.6	4.5	5.1	8.5	5.7	2.8
18.1	17.6	15.7	5.4	16.3	15.6	11.6	10.6	9.9
2.5	4.4	7.7	7.0	10.5	7.7	16.2	20.3	0.1
3.5	3.1	4.6	9.3	7.9	7.8	12.0	20.8	1.5
14.2	14.9	14.3	3.8	14.2	14.9	14.6	14.5	14.7
10.9	11.5	11.0	0.1	10.6	10.2	10.6	9.5	10.9
3.3	3.4	3.3	3.7	3.6	4.7	4.4	5.1	4.0
18.3	18.5	16.7	7.2	18.5	19.1	22.2	19.9	19.6
15.9	16.3	13.5	3.3	13.6	14.9	18.1	16.0	15.4
3.4	3.3	3.3	3.3	3.2	2.8	2.7	2.6	2.3
6.2	4.8	4.0	3.4	3.4	4.4	5.1	5.2	4.5
6.3	8.2	6.2	6.6	7.0	7.7	10.6	3.8	5.0
2.8	2.2	3.1	3.9	4.8	4.9	4.4	3.8	4.1
4.3	3.7	2.4	3.3	4.3	4.3	7.6	5.2	4.9
15.4	18.0	19.6	19.3	15.2	19.3	15.3	9.6	5.5
2.2	0.5	23.7	22.4	15.8	14.2	33.6	14.9	5.1
29.5	92.2	55.2	15.1	18.6	28.2	2.6	-41.0	38.6
20.2	83.1	81.9	48.3	37.4	43.9	17.0	-43.0	32.8

(contd.)

ECONOMIC AND

INDICATOR		1960's	1970's	1980's	1990's	2000's	1999-00
		Average (Annual)					
BALANCE OF PAYMENTS (Growth %)							
- Exports (fob)		-	13.5	8.5	5.6	9.9	8.8
- Imports (fob)		-	16.6	4.5	3.2	13.7	-0.1
- Trade Deficit		-	20.5	0.9	-0.6	60.0	-32.3
- Private Transfers (net)		-	-	2.3	5.9	17.9	34.7
- Workers Remittances		-	-	1.9	-5.3	26.8	-7.2
- Current Account Deficit		-	-	21.2	12.2	-3.4	-52.9
As % of GDP (MP)							
- Exports(fob)		-	-	9.8	13.0	12.4	11.2
- Imports(fob)		-	-	18.7	17.4	16.4	13.1
- Trade Deficit		-	-	8.9	4.4	4.0	1.9
- Current Account Deficit		-	-	3.9	4.5	3.9	1.6
COMMODITY SECTORS							
→ Agriculture							
Total Cropped Area	Mln. Hectares	-	-	20.3	22.4	22.9	22.7
Wheat Production	Mln. Tonnes	-	-	12.5	17.0	20.8	21.1
Rice "	"	-	-	3.3	3.9	5.2	5.2
Sugarcane "	"	-	-	33.1	44.6	50.5	46.3
Cotton "	Mln. Bales	-	-	6.3	9.7	11.6	11.2
Fertilizer Offtake	Mln.N/Tonnes	-	-	1.4	2.3	3.3	2.8
Credit Disbursed	Bln. Rs	-	-	11.2	23.8	113.9	39.7
→ Manufacturing							
Cotton Yarn	Mln. Kg.	5.6	3.4	10.0	1884.4	2231.2	1672.0
Cotton Cloth	Mln.Sq.Mtr.	3.1	-5.2	-1.1	487.8	763.6	435.0
Fertilizer	Mln. Tonnes	27.5	13.2	10.7	4.9	5.4	4.4
Sugar	"	34.3	2.2	14.4	3.6	3.4	2.4
Cement	"	10.7	2.5	8.6	11.2	16.4	9.3
Soda Ash	000 Tonnes	12.0	2.6	6.7	269.0	292.6	248.9
Caustic Soda	000 Tonnes	24.4	5.0	6.6	147.2	194.9	141.3
Cigarettes	Bln.Nos.	10.7	4.9	-0.4	55.4	60.0	47.0
Jute Goods	000 Tonnes	-	3.4	9.5	101.1	105.0	85.5
INFRASTRUCTURE							
→ Energy							
Crude Oil Extraction	Mln. Barrels	-	2.8	10.9	26.1	22.7	20.4
Gas (supply)	Mcf	-	165.4	385.2	908.0	1150.0	818.3
Electricity (Installed Capacity)	000 MW	-	1.3	3.1	12.9	18.7	17.4
→ Transport & Communications							
Roads	000 Km	70.5	74.1	123.8	279.3	255.3	248.3
Motor Vehicles on Road	Mln.Nos.	-	0.4	1.4	4.6	6.4	4.0
Post Offices	000 Nos.	7.1	9.0	11.8	15.8	12.3	12.8
Telephones	Mln.Nos.	0.1	0.2	0.6	3.3	4.2	3.1
Mobile Phones	Mln.Nos.	-	-	-	-	33.6	-

- : Not available P : Provisional R : Revised F : Final

SOCIAL INDICATORS

2000-01	2001-02	2002-03	2003-04	200-05	05-06	2006-07	2007-08 F	2008-09 R	2009-10 P
9.1	2.3	19.1	13.8	6.2	13.8	4.5	18.2	-6.4	2.1
6.2	-7.5	20.1	20.1	7.8	31.4	8.0	31.2	-10.3	-6.3
-10.1	-76.8	51.0	172.1	20.3	89.8	15.0	54.2	-15.7	18.3
27.3	9.0	35.0	6.6	8.0	17.5	1.9	9.4	-0.3	15.2
10.4	119.8	77.4	-8.6	7.7	10.4	19.4	17.4	21.1	15.0
-55.1	360.8	136.5	-58.5	-33.4	222.2	-30.3	104.7	-33.3	65.9
12.4	12.6	13.1	12.7	3.2	13.0	11.9	12.5	11.8	9.2
14.2	13.0	13.6	13.9	7.1	19.4	18.5	21.6	19.6	14.4
1.8	0.4	0.5	1.2	4.0	6.5	6.6	9.1	7.8	5.2
0.7	+1.9	+3.8	+1.3	1.6	4.4	5.1	8.5	5.7	1.7
22.0	22.1	21.8	22.9	22.8	23.1	23.6	23.9	23.8	23.1
19.0	18.2	19.2	19.5	21.6	21.3	23.3	20.9	24.0	23.9
4.8	3.9	4.5	4.8	5.0	5.5	5.4	5.6	6.9	6.9
43.6	48.0	52.1	53.4	47.2	44.7	54.7	63.9	50.9	49.4
10.7	10.6	10.2	10.0	14.3	13.0	12.9	11.7	11.8	12.7
2.7	2.9	3.0	3.2	3.7	3.8	3.7	3.6	3.7	3.4
44.8	52.4	58.9	73.6	98.7	137.4	168.8	221.6	233.0	66.3
1721.0	1809.0	1925.0	1939.0	290.0	556.3	2727.6	2809.4	2862.4	259.2
490.0	568.0	582.0	683.0	25.0	903.8	1012.9	1016.4	1019.7	62.0
3.8	3.8	5.3	5.6	5.9	6.1	6.5	6.2	6.4	4.9
2.9	3.2	3.7	4.0	3.0	2.9	3.5	4.7	3.2	3.1
9.7	8.9	10.8	12.8	16.4	18.5	22.8	26.7	28.4	22.7
218.0	215.2	280.3	286.3	97.3	318.7	330.6	365.0	365.3	00.7
145.0	150.3	164.4	187.5	06.7	219.3	242.2	248.3	244.3	37.0
58.6	55.1	49.4	55.3	61.0	64.1	66.0	67.4	75.6	49.5
39.4	81.7	95.5	103.9	04.8	104.5	118.1	129.0	137.4	77.9
21.0	23.2	23.5	22.6	24.1	23.9	24.6	25.6	18.2	17.9
857.4	923.8	992.6	1202.7	144.9	400.0	1413.6	1454.2	1092.3	109.4
17.5	17.7	17.8	19.2	19.4	19.4	19.4	19.4	19.8	19.7
250.0	251.7	252.2	256.0	58.2	259.0	259.2	258.3	260.2	259.6
4.5	5.1	5.3	5.7	6.0	7.1	8.1	8.8	9.4	9.8
12.2	12.3	12.3	12.1	12.3	12.4	12.3	12.3	12.3	12.6
3.3	3.7	4.0	4.5	5.1	5.1	4.8	4.5	3.5	3.4
0.7	1.7	2.4	5.0	12.8	34.5	63.2	88.0	94.3	97.6

(..ontd.)

ECONOMIC AND

INDICATOR		1960's	1970's	1980's	1990's	2000's	1999-00
		Average (Annual)					
HUMAN RESOURCES							
➔ Population							
Population	Million	-	-	96.3	124.6	150.9	137.5
Labour Force	Million	-	-	11.6	35.1	45.5	40.4 E
Employed Labour Force	Million	-	-	11.2	33.1	42.4	37.2
Un-employed Labour Force	Million	-	-	0.4	2.0	3.6	3.2
Un-employment Rate	% per annum	-	-	1.4	5.7	6.8	6.0 E
Crude Birth Rate	Per 1000 Persons	-	-	-	-	27.4	32.7
Crude Death Rate	Per 1000 Persons	-	-	-	-	7.9	9.1
Infant Mortality Rate	Per 1000 Persons	-	-	-	-	79.6	85.0
SOCIAL DEVELOPMENT							
➔ Education							
Primary Schools	000 Nos.	-	-	88.8	143.5	155.2	162.1
Male	"	-	-	64.6	96.4	96.6	107.0
Female	"	-	-	24.2	47.1	58.6	55.0
Middle Schools	"	-	-	6.8	15.3	31.9	18.4
Male	"	-	-	4.6	8.8	16.7	10.9
Female	"	-	-	2.2	6.5	15.2	7.6
High Schools	"	-	-	5.4	10.6	18.6	12.6
Male	"	-	-	3.9	7.4	11.9	9.2
Female	"	-	-	1.5	3.2	6.7	3.4
Secondary/Vocational Institutions	Nos.	-	-	508.6	572.2	1623.8	612.0
Male		-	-	282.2	328.7	874.8	379.0
Female		-	-	235.2	243.5	749.0	233.0
Expenditure as % of GNP		-	-	0.8	2.3	2.1	2.1
Literacy Rate	Percent	-	-	29.5	40.7	52.7	47.1
Male		-	-	39.0	51.6	65.7	59.0
Female		-	-	18.7	28.6	41.4	35.4
➔ Health #							
Registered Doctors	(000 Nos.)	2.0	6.3	28.1	68.9	110.5	88.1
Registered Nurses	"	-	2.9	9.9	24.1	49.0	36.0
Registered Dentists	"	0.2	0.7	1.4	2.8	13.1	3.9
Hospitals	Numbers	380.0	521.0	651.0	823.0	912.6	879.0
Dispensaries	(000 Nos.)	1.7	2.8	3.5	4.3	4.6	4.6
Rural Health Centres	"	-	0.1	0.3	0.5	0.6	0.5
TB Centres	Numbers	-	90.0	122.0	245.0	283.3	264.0
Beds in Hospitals and Dispensaries	000 Nos.	25.5	38.4	55.6	83.8	99.1	92.2
Expenditure on Health as % of GNP		-	0.6	0.8	0.7	0.6	0.7

- : Not available E : estimated # : Calendar Year

P : Provisional R : Revised F : Final

SOCIAL INDICATORS

2000-01	2001-02	2002-03	2003-04	2004-05	2005-(	200607	20'-08 F	2008-09 R	200910 P
140.4	143.2	146.8	149.7	152.5	155	15:.2	i1.0	163.8	166:
40.3	40.6	43.0	44.1	45.9	46	51.5	i0.8	52.2	55,
37.2	39.5	39.4	40.5	42.4	43	4'.3	18.1	49.5	52
3.2	3.6	6.6	3.5	3.6	3	:.1	2.7	2.7	3.
6.0	7.8	7.8	8.3	7.7	7	(.2	5.2	5.2	5.
-	28.7	27.3	27.3	28.0	26	2(.1	'6.1	24.3 *	28.
-	8.2	8.0	8.0	8.1	8	'.1	7.1	7.3 *	7.
-	85.0	83.0	83.0	82.0	77	7(.7	'6.7	68.2 *	73.
147.7	149.1	150.8	155.0	157.2	157	15:.4	i7.4	156.7 P	156. E
93.4	93.8	94.7	97.3	98.4	97.	9'.5	!2.5	93.3 P	91. E
54.3	55.3	56.1	57.6	58.7	59	6(.9	i4.9	63.4 P	64. E
25.5	26.8	28.0	28.7	30.4	39	4(.1	:0.8	40.9 P	41. E
13.4	14.0	14.5	14.9	15.7	20	2:.6	:0.2	20.5 P	20. E
12.0	12.8	13.5	13.9	14.8	19.	1'.5	:0.6	20.4 P	20. E
14.8	15.1	15.6	16.1	16.6	22.	2:.6	:4.0	24.3 P	24. E
10.2	10.4	10.8	7.2	11.3	14	1.6	5.0	15.1 P	15. E
4.6	4.6	4.8	8.9	5.3	8	!.0	9.0	9.2 P	9. E
630.0	607.0	585.0	624.0	747.0	3059.	309(.0	3'5.0	3159.0 P	3193. E
394.0	368.0	355.0	396.0	419.0	1584.	159!.0	18.0	1636.0 P	1653. E
236.0	239.0	230.0	228.0	328.0	1475.	149'.0	1!7.0	1523.0 P	1540. E
1.6	1.9	1.7	2.1	2.1	2.	:.4	2.4	2.1	2.
49.0	50.5	51.6	53.0	53.0	54.	5!.0	6.0	57.4	
-		-	-	65.0	65.	6:.0	9.0	69.3	
-		-	-	40.0	42.	4:.0	4.0	44.7	
93.0	97.2	102.6	108.1	113.2	118.	12:.1	'8.0	133.9	139.
37.6	40.0	44.5	46.3	48.4	51.	5:.7	2.6	65.4	69.
4.2	4.6	5.0	5.5	6.1	6.	:.4	8.2	9.0	9.
876.0	907.0	906.0	906.0	916.0	919.	92(.0	!5.0	948.0	968.
4.6	4.6	4.6	4.6	4.6	4.	(.7	4.7	4.8	4.
0.5	0.5	0.6	0.6	0.6	0.	(.6	0.6	0.6	0.
274.0	272.0	235.0	289.0	289.0	289.	28(.0	:0.0	293 0	293.
93.9	97.9	98.3	98.7	99.9	101.	10:.1	'3.2	103.0	103.
0.7	0.7	0.7	0.6	0.6	0.	(.6	0.6	0.5	0.

TABLE 1.1

GROSS NATIONAL PRODUCT AT CONSTAT FACTOR COST OF 1999-200

(Rs nilion)

Sector	2003-04	2004-05	2005-06	2006-7	200:08 F	2(-09 R	29-10 P	% Cange 2008-09/ 2007-08	% Cange 209-10/ 208-09
I. COMMODITY PROD. SECTOR (A+B)	2,041,661	2,234,671	2,348,925	2,504,59	2,535.68	2,5948	2,6,845	0.8	3.6
A. Agriculture (1 to 5)	964,853	1,027,403	1,092,098	1,137,07	1,148.51	1,1031	1,;8,873	4.0	2.0
1 Major Crops	327,057	385,058	370,005	398,€7	373 88	4486	:9,729	7.3	-0.2
2 Minor Crops	124,121	125,993	126,457	125,23	138:87	1301	'5,008	-1.6	-1.2
3 Livestock	473,771	484,876	561,500	577,40	601.08	6531	8,106	3.5	4.1
4 Fishery	13,611	13,691	16,540	19,00	20:34	319	1,626	2.3	1.4
5 Forestry	26,293	17,785	17,595	16,07	14:34	394	4,404	-3.0	2.2
B. Industry (6 to 9)	*1,076,808*	*1,207,268*	*1,256,827*	*1,367,52*	*1,387.17*	*1,3017*	*1,7,972*	-1.9	4.9
6 Mining & Quarrying	111,473	122,621	128,288	132,54	138)47	1707	5,411	-0.2	-1.7
7 Manufacturing	727,439	840,243	912,953	988,01	1,036 01	9966	1,9,569	-3.7	5.2
i Large Scale	492,632	590,759	639,585	695,89	723326	6405	3,355	-8.2	4.4
ii Small Scale	176,841	190,121	206,656	223,55	240139	2173	7,562	7.5	7.5
iii Slaughtering	57,966	59,363	66,712	69,47	72336	388	8,652	4.2	4.3
8 Construction	82,818	98,190	108,195	134,36	127076	1884	:0,203	-t1.2	15.3
9 Electricity and Gas Distribution	155,076	146,214	107,391	112,41	85393	1360	2,789	30.8	0.4
II. SERVICES SECTOR (10 to 15)	2,173,947	2,358,559	2,511,551	2,687.40	2,847044	2,£089	3:3,923	1.6	4.6
10 Transport, Storage & Communication	461,276	477,171	496,073	519,86	53297	£115	'8,966	2.7	4 5
11 Wholesale & Re-tail Trade	766,69:	858,695	838,426	887.94	93.231	;015	58,150	-t.4	5 1
12 Finance & Insurance	141,76	185,501	255,056	304.14	33:386	;813	)3,521	-7.0	-3.6
t3 Ownership of Dwellings	126,76	131,214	135,820	140.87	t4.521	',629	55,916	3.5	3 5
14 Public Admn. & Defence	267,32	268,826	295,959	316/15	32.565	:,108	57,134	3.6	7.5
15 Social and Community Services	410,12	437,152	480,217	518044	56,044	',409	60,236	8.9	6.6
16 GDP (fc) (I + II)	4,215,60	4,593,230	4,860,476	5,191'09	5,38,012	5,),037	570,768	1.2	4.1
17 Indirect Taxes	372,02	358,455	395,440	361341	37,651	),584	74,531	-3.2	3.9
18 Subsidies	53,48	69,889	72,545	75502	19,288	,085	26,434	-78.4	-35.7
19 GDP (mp) (16+17-18)	4,534,14	4,881,796	5,183,371	5,477348	5,56,375	5,',536	618,865	3.6	4.4
20 Net Factor Income from abroad	90,72	88,766	84,343	82434	6,586	:,838	93,711	31.8	71.7
21 GNP (fc) (16+20)	4,306,32	4,681,996	4,944,819	5,274143	5,46,598	5),875	864,479	1.7	5.5
22 GNP (mp) (19 + 20)	4,624,87	4,970,562	5,267,714	5,560382	5,69,961	5),374	812,576	4.1	5.6
23 Population (in million)	149	152.5	155.4	58.2	61.0	163.8	166.5	1.7	1.7
24 Per Capita Income (fc-Rs)	28,7	30,696	31,826	3:345	3,973	3,957	35,218	0.0	3.7
25 Per Capita Income (mp-Rs)	30,9	32,587	33,904	3.154	5,106	5,908	37,308	2.3	3.9

R : Revised F : Final

P : Provisional

Source: Federal Bureau of Statistics

TABLE 1.2

SECTORAL SHARE IN GDP

(%)

Sector	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 F	2008-09 R	2009-10 P
I. COMMODITY PROD. SECTOR	49.3	48.7	47.9	47.6	48.4	48.7	48.3	48.2	47.1	46.9	46.7
A. Agriculture	25.9	24.9	24.1	24.0	22.9	22.4	22.5	21.9	21.3	21.9	21.5
1 Major Crops	9.6	8.5	8.0	8.2	7.8	8.4	7.6	7.7	6.9	7.4	7.0
2 Minor Crops	3.5	3.3	3.1	3.0	2.9	2.7	2.6	2.4	2.6	2.5	2.4
3 Livestock	11.7	11.9	12.0	11.7	11.2	10.6	11.6	11.1	11.2	11.4	11.4
4 Fishery	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4
5 Forestry	0.7	0.7	0.7	0.7	0.6	0.4	0.4	0.3	0.3	0.3	0.3
B. Industry	23.3	23.8	23.7	23.6	25.5	26.3	25.9	26.3	25.8	25.0	25.2
6 Mining & Quarrying	2.3	2.4	2.4	2.5	2.6	2.7	2.6	2.5	2.6	2.5	2.4
7 Manufacturing	14.7	15.7	15.9	16.3	17.3	18.3	18.8	19.0	19.2	18.3	18.5
i Large Scale	9.5	10.3	10.4	10.6	11.7	12.9	13.2	13.4	13.4	12.2	12.2
ii Small Scale	5.2	5.4	5.6	5.6	4.2	4.1	4.3	4.3	4.5	4.7	4.9
iii Slaughtering	-	2.9	3.0	-	-	2.4	12.4	4.1	4.2	4.2	4.3
8 Construction	2.5	2.4	2.4	2.4	2.0	2.1	2.2	2.59	2.36	2.07	2.30
9 Electricity and Gas Distribution	3.9	3.3	3.0	2.5	3.7	3.2	2.2	2.2	1.6	2.1	2.0
II. SERVICES SECTOR	50.7	51.3	52.1	52.4	51.6	51.3	51.7	51.8	52.9	53.1	53.3
10 Transport, Storage & Communication	11.3	11.6	11.4	11.4	10.9	10.4	10.2	10.0	10.0	10.2	10.2
11 Wholesale & Retail Trade	17.5	17.9	17.8	18.0	18.2	18.7	17.2	17.1	17.4	16.9	17.1
12 Finance & Insurance	3.7	3.1	3.5	3.3	3.4	4.0	5.5	5.9	6.3	5.8	5.4
13 Ownership of Dwellings	3.1	3.2	3.2	3.1	3.0	2.9	2.8	2.7	2.7	2.8	2.7
14 Public Admn. & Defence	6.2	6.2	6.4	6.6	6.3	5.9	6.1	6.1	6.0	6.1	6.3
15 Social Services	9.0	9.3	9.8	9.9	9.7	9.5	9.9	10.0	10.6	11.4	11.6
16 GDP (fc) (I + II)	100.0	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

R : Revised F : Final

P : Provisional

TABLE 1.3

REAL GDP / GNP GROWTH RATES (AT CUSTANT FACTOR COST OF 1)99-2000)

%)

Sector	2000-01	20-02	2002-03	2003-04	200405	2005)6	2006	20073 F	2008-09 R	2009-1 P
I. COMMODITY PROD. SECTOR	0.8	[illegible]	4.2	9.3	9.	5.[illegible]	6.	1.[illegible]	0.8	3.6
A. Agriculture	-2.2	[illegible]	4.1	2.4	6.	6.[illegible]	4.	1.[illegible]	4.0	2.0
1 Major Crops	-9.9	5	6.8	1.7	17	-3.[illegible]	7.	-6.[illegible]	7.3	-0.2
2 Minor Crops	-3.2	7	1.9	3.9	1.	0.[illegible]	-1.	10.[illegible]	-1.6	-1.2
3 Livestock	3.8	[illegible]	2.6	2.9	2.	15.	2.	4.[illegible]	3.5	4.1
4 Fishery	-3.0	-.3	3.4	2.0	0.	20.	15	9.[illegible]	2.3	1.4
5 Forestry	9.1	4	11.1	-3.2	-32[illegible]	-1.[illegible]	-5.	-13.	-3.0	2.2
B. Industry	4.1	[illegible]	4.2	16.3	12.	4.[illegible]	8.	1.4	-1.9	4.9
6 Mining & Quarrying	5.5	[illegible]	6.6	15.6	10[illegible]	4.[illegible]	3.	4.4	-0.2	-1.7
7 Manufacturing	9.3	[illegible]	6.9	14.0	15.[illegible]	8.[illegible]	8.	4.[illegible]	-3.7	5.2
i Large Scale	11.0	[illegible]	7.2	18.[illegible]	19.[illegible]	8.[illegible]	8.	4.[illegible]	-8.2	4.4
ii Small Scale	6.2	[illegible]	6.3	-20.0	7.	8.[illegible]	8.	7.[illegible]	7.5	7.5
iii Slaughtering	..		..	..	2.[illegible]	12.	4.	4.[illegible]	4.2	4.3
8 Construction	0.5	[illegible]	4.0	-10.7	18.	10.	24	-5.[illegible]	-11.2	15.3
9 Electricity and Gas Distribution	-13.7	0	-11.7	56.8	-5.	-26.	4.	-23.	30.8	0.4
II. SERVICES SECTOR	3.1	[illegible]	5.2	5.8	8.	6.[illegible]	7.	6.[illegible]	1.6	4.6
10 Transport, Storage & Communication	5.3	[illegible]	4.3	3.5	3.	4.[illegible]	4.	3.[illegible]	2.8	4.5
11 Wholesale & Retail Trade	4.5	[illegible]	6.0	8.3	12[illegible]	-2.[illegible]	5.	5.[illegible]	-1.4	5.1
12 Finance & Insurance	-15.1	2	-1.3	9.0	30[illegible]	42.	14	11.	-7.0	-3.6
13 Ownership of Dwellings	3.8	[illegible]	3.3	3.5	3.	3.[illegible]	3.	3.[illegible]	3.5	3.5
14 Public Admn. & Defence	2.2	[illegible]	7.7	3.2	0.	10.	7.	1.[illegible]	3.6	7.5
15 Social Services	5.6	[illegible]	6.2	5.4	6.	9.[illegible]	7.	9.[illegible]	8.9	6.6
16 GDP (fc)	2.0	1	4.7	7.5	9.	5.[illegible]	6.	3.[illegible]	1.2	4.1

R : Revised P : Provisional Source: ederal Bureau of Statistics

.. : Not available F : Final

TABLE 1.4

EXPENDITURE ON GROSS NATIONAL PRODUCT AT CONSTANT PRICES OF 1999-2000

(Rs million)

Flows	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 F	2008-09 R	2009-10 P	% Change 2008-09/ 2007-08	% Change 2009-10/ 2008-09
1 Private Consumption Expenditure	2,952,588	3,251,947	3,670,749	3,708,073	3,882,891	3,779,311	4,206,101	4,371,945	11.29	3.94
2 General Govt. Current Consumption Expenditure	384,825	390,319	396,818	588,576	532,147	739,071	506,036	573,755	-31.53	13.38
3 Gross Domestic Fixed Capital Formation	658,070	617,731	701,392	840,977	955,140	1,024,696	908,855	890,300	-11.30	-2.04
4 Change in Stocks	71,051	73,703	79,085	82,934	87,647	89,046	92,281	96,305	3.63	4.36
5 Export of Goods and Non-Factor Services	814,425	801,982	878,896	965,863	988,164	935,303	904,375	1,031,533	-3.31	14.06
6 Less Imports of Goods and Non-Factor Services	657,983	601,559	845,144	1,003,052	968,041	1,002,052	850,111	944,970	-15.16	11.16
7 Expenditure on GDP at Market Prices	4,222,975	4,534,123	4,881,796	5,183,371	5,477,948	5,565,375	5,767,538	6,018,865	3.63	4.36
8 Plus Net Factor Income from Rest of the World	127,050	90,721	88,750	84,343	82,434	85,586	112,838	193,711	31.84	71.67
9 Expenditure on GNP at Market Prices	4,350,026	4,624,844	4,970,546	5,267,714	5,560,382	5,650,961	5,880,376	6,212,576	4.06	5.65
10 Less Indirect Taxes	355,323	372,029	358,455	395,440	361,841	372,651	360,584	374,531	-3.24	3.87
11 Plus Subsidies	54,451	53,488	69,889	72,545	75,602	190,288	41,085	26,434	-78.41	-35.66
12 GNP at Factor Cost	4,049,154	4,306,303	4,681,980	4,944,819	5,274,143	5,468,598	5,550,877	5,864,479	1.69	5.46

Source: Federal Bureau of Statistics

R : Revised
P : Provisional
F : Final

TABLE 1.5

GROSS NATIONAL PRODUCT AT CURRET FACTOR COST

(Rs millio)

Sectors	2003-04	20-05	2005-06	2006-07	2007-08 F	2008-09 R	2009-10 P	% Change 2008-09/ 2007-08	% Change 2009-1/ 2008-9
1 Agriculture	1,164,751	1,31234	1,457,222	1,685,240	,017,181	2,603,826	3,016,565	29.1	19
Major Crops	411,836	4(556	464,276	546,418	671,374	974,190	1,101,671	45.1	1:1
Minor Crops	126,372	1:218	168,461	184,121	211,553	235,803	281,332	11.5	1:3
Livestock	578,218	6:170	766,448	881,806	,051,442	1,304,639	1,537,502	24.1	1:8
Fishery	16,728	:490	30,492	42,668	52,391	53,731	56,182	2.6	·6
Forestry	31,597	:800	27,545	30,227	30,421	35,463	39,878	16.6	1:4
2 Mining & Quarrying	208,290	1(051	219,682	252,541	301,469	346,810	346,256	15.0	-(2
3 Manufacturing	902,486	1,1:634	1,370,793	1,567,313	,950,522	2,067,494	2,369,029	6.0	1·6
Large Scale	621,899	8;657	1,003,062	1,149,573	,467,225	1,500,891	1,710,854	2.3	1·0
Small Scale	280,587	2;176	245,962	279,943	334,610	395,005	444,571	18.0	1:5
Slaughtering		;801	121,769	137,797	148,687	171,598	213,604	15.4	2·5
4 Construction	115,497	1;333	179,885	225,239	260,340	294,990	308,425	13.3	·6
5 Electricity and Gas Distribution	190,713	1;267	153,338	169,519	145,874	222,249	246,086	52.4	1·7
6 Transport, Storage & Communication	675,623	7,711	908,409	1,012,206	,155,873	1,630,278	1,894,188	41.0	1·2
7 Wholesale & Re-tail Trade	896,357	1,0,114	1,262,001	1,441,786	,829,944	2,100,661	2,391,058	14.8	1:8
8 Finance & Insurance	165,230	2,254	364,320	447,270	556,679	625,471	667,550	12.4	·7
9 Ownership of Dwellings	146,264	1,441	184,812	206,166	239,010	298,789	345,759	25.0	1.7
10 Public Admn. & Defence	312,105	3,348	404,628	467,685	530,074	662,723	794,439	25.0	1.9
11 Social Services	473,211	5,181	653,437	760,134	934,618	1,228,665	1,464,134	31.5	1.2
12 GDP (fc)	5,250,527	6,1,568	7,158,527	8.235,099	,921,584	2,081,956	13,843,489	21.8	1.6
13 Indirect Taxes	455,549	4,573	569,077	556,874	667,604	763,501	896,703	14.4	1.4
14 Subsidies	65,496	,359	104,399	118,965	346,389	106,121	71,763	-69.4	-3.4
15 GDP (mp)	5,640,580	6,4,782	7,623,205	8,673,007	),242,799	:2,739,336	14,668,42	24.4	1.1
16 Net Factor Income from abroad	124,478	1,461	149,901	157,631	208,916	344,491	570,61	64.9	8.6
17 GNP (fc)	5,375,005	6,7,029	7,308,428	8,392,730	),130,500	12,426,447	14,414,10	22.7	1.0
18 GNP (mp)	5,765,058	6,6,243	7,773,106	8,830,638	),451,715	13,083,827	15,239,04	25.2	1.5
19 Population (in million)	149.65	52.53	155.37	158.17	160.97	163.76	166.5	1.7	.7
20 Per Capita Income (fc-Rs)	35,917	,022	47,039	53,061	62,934	75,882	86,56	20.6	1.1
21 Per Capita Income (mp-Rs)	38,524	3,495	50,030	55,830	64,930	79,896	91,51	23.1	1.5
22 Per Capita Income (mp-US $)	669	733	836	921	1,038	1,018	1,09	-2.0	.6
23 GDP Deflator									
Index	124.55	33.30	147.28	158.62	184.31	221.77	244.1	-	-
Growth	7.74	7.02	10.49	7.70	16.20	20.32	10.0	-	-

R : Revised P : Provisional Source:ederal Bureau of Statiscs

F : Final

TABLE 1.6

EXPENDITURE ON GROSS NATIONAL PRODUCT AT CURRENT PRICES

(Rs million)

Flows	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 F	2008-09 R	2009-10 P	% Change 2008-09/ 2007-08	2009-10/ 2008-09
1 Private Consumption Expenditure	3,600,963	4,184,717	5,001,499	5,720,225	6,543,843	7,835,310	10,254,625	11,815,289	30.88	15.22
2 General Government Current Censumption Expenditure	428,689	462,462	509,864	824,300	796,204	1,278,431	1,029,156	1,312,520	-19.50	27.53
3 Gress Domestic Fixed Capital Formation	736,433	844,847	1,134,942	1,565,838	1,814,620	2,094,743	2,210,920	2,196,969	5.55	-0.63
4 Change in Stecks	80,629	90,249	105,298	121,971	138,768	163,885	203,829	234,695	24.37	15.14
5 Export ef Goods and Non-Factor Services	815,158	883,704	1,019,783	1,161,257	1,230,660	1,316,439	1,636,196	1,892,553	24.29	15.67
6 Less Imports of Goods and Non-Facter Services	786,224	825,399	1,271,604	1,770,386	1,851,088	2,446,008	2,595,390	2,783,598	6.11	7.25
7 Expenditure on GDP at Market Prices	4,875,648	5,640,580	6,499,782	7,623,205	8,673,007	10,242,800	12,739,336	14,668,428	24.37	15.14
8 Plus Net Facter Income from the rest ef the werld	151,812	124,478	134,461	149,901	157,631	208,916	344,491	570,615	64.89	65.64
9 Expenditure en GNP at Market Prices	5,027,460	5,765,058	6,634,243	7,773,106	8,830,638	10,451,716	13,083,827	15,239,043	25.18	16.47
10 Less Indirect Taxes	403,221	455,549	468,573	569,077	556,874	667,604	763,501	896,702	14.36	17.45
11 Plus Subsidies	61,791	65,496	91,359	104,399	118,966	346,389	106,121	71,763	-69.36	-32.38
12 GNP at Facter Cost	4,686,030	5,375,005	6,257,029	7,308,428	8,392,730	10,130,501	12,426,447	14,414,104	22.66	16.00

Seurce: Federal Bureau of Statistics

R : Revised P : Provisional

F : Final

TABLE 1.7

GROSS FIXED CAPITAL FORMATION (GFO IN PRIVATE SECTOR BY ECINOMIC A:TIVITY AT CURRENT MARKET PRICES

(Rs milln)

Sector	2002-03	2003-04	2004-05	2005-06	2006-0	2007-0 F	2008 R	2009 0 F	% Change 2008-09/ 2007-08	% Change 2009 0/ 200809
PRIVATE SECTOR	545,104	616,51	852,424	1,197,740	1,335,89	1,539,47	1,6282	1,5(,427	5.3	.5
1. Agriculture	74,293	81,05	135,086	143,538	151,30	147,81	1783	1:129	16.3	1.5
2. Mining and Quarrying	48,252	12,70	18,384	31,323	49,07	62,64	880	5115	42.9	.1
3. Manufacturing	163,520	200,52	244,959	320,501	346,54	362,24	3798	35850	2.3	-.9
Large Scale	134,666	161,16	193,448	254,727	272,47	270,76	2583	21447	-7.4	-1.4
Small Scala*	28,854	39,35	51,511	65,774	74,17	92,48	1215	13403	30.6	1.7
4. Construction	4,178	6,60	13,418	19,248	24,22	19,01	205	2501	47.7	-.1
5. Electricity & Gas	26,417	3,03	11,612	32,372	29,63	32,13	318	2538	-4.3	-1.8
6. Transport & Communication	51,381	86,95	153,558	312,549	324,35	372,54	3570	30040	-3.9	-1.2
7. Wholesale and Retail Trade	12,533	17,19	21,381	29,157	37,27	43,10	517	5417	20.5	7
8. Ownership of Dwellings	91,379	110,39	129,247	149,167	158,79	181,79	2197	23557	21.0	4
9. Finance & Insurance	20,897	26,59	30,520	38,692	77,91	147,28	833	4340	-43.5	-48
10. Services	52,254	71,45	94,259	121,193	136,73	170,03	2161	23140	27.1	1

R : Revised P : Provisional F : Final

* : Slaughtering is included in small scale sector

(Contd.)

TABLE 1.7

GROSS FIXED CAPITAL FORMATION (GFCF) I PRIVATE, PUBLIC, AND GENIRAL GOV:RNMENTECTORSY ECONOMIC ACTIVITY AT CURRENT MARKET PRICES

(Rs millior

Sector	2002-03	2003-04	2004-05	2005-06	2006-07	2007-0 F	2008-(R	2009- P	% Change 2008-09/ 2007-08	% Change 2009-1(2008-0
GFCF (A+B+C)	736,433	844,8	1,134,942	1,565,838	1,814,60	2,094,73	2,210	2.19639	5.5	-0.
A. Private Sector	545,104	616,51	852,424	1,197,740	1,335,89	1,539,67	1,620	1,56427	5.3	-3.
B. Public Sector	104,051	103,53	129,482	162,022	172,67	204,83	212	21832	3.9	2.
C. General Govt.	87,278	124,78	153,036	206,076	306,01	350,23	377	41410	7.7	9.
Private & Public (A+B)	649,155	720,05	981,906	1,359,762	1,508,56	1,744,50	1,833,	1,78259	5.1	-2.
SECTOR-WISE:										
1. Agriculture	75,681	81,15	135,308	145,575	151,57	147,51	171,	191,9	16.3	11.
2. Mining and Quarrying	77,430	18,65	33,378	49,569	75,59	94,73	136,	144,1	44.0	5.
3. Manufacturing (A+B)	164,920	203,92	247,166	326,797	350,24	364,08	375,	356,6	3.1	-5.
A. Large Scale	136,066	164,57	195,655	261,023	276,13	271,80	254,	223,3	-6.3	-12.4
B. Small Scala*	28,854	39,35	51,511	65,774	74,11	92,24	120,	133,3	30.6	10.7
4. Construction	7,130	10,11	17,824	26,106	38,29	33,51	42,	44,6	27.9	2.8
5. Electricity & Gas	57,562	25,26	40,050	69,795	73,49	88,44	89,	81,8	0.9	-9.1
6. Transport and Communication	82,864	148,64	224,974	392,651	395,24	457,15	423,	370,3	-7.4	-12.5
7. Wholesale and Retail Trade	12,533	17,19	21,381	29,157	37,22	43,14	51,	54,7	20.5	4.7
8. Finance & Insurance	23,366	27,94	31,580	41,009	81,68	152,03	91,	60,4	-39.9	-34.3
9. Ownership of Dwellings	91,379	110,39	129,247	149,167	158,71	181,72	219,	231,0	21.0	5.1
10. Services	56,290	76,75	101,065	129,936	146,50	182,14	231,7	248,3	27.2	7.2

P : Provisional R : Revised : Final

* : Slaughtering is included in small acale sector

(Contd.)

TABLE 1.7

GROSS FIXED CAPITAL FORMATION (GFCF) IN PUBLIC AND GENERAL GOVERNMENT SECTORS BY ECONOMIC ACTIVITY AT CURRENT MARKET PRICES

(Rs million)

Sector	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 F	2008-09 R	2009-10 P	% Change 2008-09/ 2007-08	% Change 2009-10/ 2008-09
Public Sector and General Govt. (A+B)	191,332	228,322	282,518	368,098	481,771	555,096	589,939	632,542	6.3	7.2
A. Public Sector	104,054	103,536	129,482	162,022	175,697	204,873	212,879	218,432	3.9	2.6
1. Agriculture	1,388	109	222	2,037	234	130	138	230	6.2	66.7
2. Mining and Quarrying	29.178	5,950	14,994	18,246	29,552	31,989	46,718	49,386	46.0	5.7
3. Manufacturing	1,400	3,410	2,140	6,296	3,674	1,264	4,252	3,886	236.4	-8.6
4. Construction	2,952	3,505	4,406	6,858	14,037	14,424	14,657	16,465	1.6	12.3
5. Electricity & Gas	31,145	22,222	28,438	37,423	43,864	55,600	57,773	55,560	3.9	-3.8
6. Transport and Communication	31,486	61,695	71,416	80,102	70,905	84,612	65,699	63,363	-22.4	-3.6
Railways	3,133	3,336	3,439	4,754	3,680	4,296	1,609	284	-62.5	-82.3
Post Office & PTCL	6,699	5,834	10,763	15,232	11,981	14,445	23,814	23.830	64.9	0.1
Others	21,654	52,525	57,214	60,116	55,244	65,871	40,276	39,249	-38.9	-2.5
7. Wholesale and Retail Trade	-	-	-	-	-	-	-	-	-	-
8. Finance & Insurance	2,469	1.346	1,060	2,317	3,709	4,770	8,052	12,624	68.8	56.8
9. Services	4,036	5,299	6,806	8,743	9,722	12,084	15,590	16,918	29.0	8.5
B. General Govt.	87,278	124,786	153,036	206,076	306,074	350,223	377,060	414,110	7.7	9.8
Federal	31,581	41,304	38,938	53,522	78,862	83,175	59,663	75,722	-28.3	26.9
Provincial	25,689	50,059	71,567	113,512	156,261	179,756	211,330	245,537	17.6	16.2
District Govt.	29,008	33.423	42,531	39,042	70,951	87,292	106,067	92,851	21.5	-12.5

Source: Federal Bureau of Statistics

R : Revised P : Provisional F : Final

- : Nil .. : Not available

TABLE 1.8

GROSS FIXED CAPITAL FORMATION (GFCF) IPRIVATE, PUBLIC AND GENEIAL GOVERNMENT :CTORS Y ECONOMIC ACTIVITY AT CONSTANT MARKET PRICES OF999-2000

(Rs millior

Sector	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 F	2008-0 R	2009-1 P	% Change 2008-09/ 2007-08	% Change 2009-1 2008-0
GFCF (A+B+C)	658,070	617,731	701,392	840,876	855,14	1,024,69	808,	890,1	-11.3	-2.
A. Private Sector	485,849	447,212	521,326	635,894	691,55	756,03	672,	637,0	-11.1	-5.
B. Public Sector	91,475	72,763	75,153	81,809	85,15	88,74	76,	76,2	-14.2	0.
C. General Govt.	80,746	97,756	104,913	123,273	178,43	179,91	160,	175,9	-10.7	9.
Private & Public (A+B)	577,324	519,975	596,478	717,703	776,70	844,77	748,	714,2	-11.4	-4.
Public & General Govt. (B+C)	172,221	170,519	180,066	205,082	263,59	268,66	236,	252,1	-11.8	6.
SECTOR-WISE:										
1. Agriculture	66,762	55,779	76,389	70,285	70,90	107,32	112,	120,0	5.2	6.
2. Mining and Quarrying	66,738	12,232	17,482	22,021	32,557	36,10	44,	45,0	22.5	3.
3. Manufacturing	149,275	144,010	148,129	171,302	179,53	164,90	138,	128,0	-16.2	-7.
Large Scale	120,969	115,700	117,147	140,320	142,42	124,29	93,	79,3	-24.5	-15.
Small Scale*	28,306	28,310	30,982	30,982	37,10	40,61	44,	48,7	9.4	9.
4. Construction	6,606	7,919	13,155	19,378	26,805	21,13	19,	19,9	-6.4	-3.
5. Electricity & Gas	50,119	16,934	21,659	32,056	32,75	34,76	29,	26,9	-14.5	-11.
6. Transport and Communication	74,151	105,851	133,953	202,033	197,17	201,00	154,	133,3	-22.9	-14.
7. Wholesale and Retail Trade	11,692	13,760	15,165	18,123	22,57	23,04	22,	23,8	-0.4	4.
8. Finance & Insurance	21,265	22,025	21,835	25,195	48,454	80,91	41,	26,4	-49.0	-35.
9. Ownerships of Dwellings	83,163	87,010	89,213	91,648	94,151	96,72	99,	102,4	2.7	2.
10. Services	49,995	54,455	59,499	65,661	71,80	78,84	84,	89,4	7.4	5.

R : Revised P : Provisional (Contd.

- : Not available F : Final

* : Slaughtering is included in small scale sector

TABLE 1.8

GROSS FIXED CAPITAL FORMATION (GFCF) I PRIVATE SECTOR AT CONSTANT MARKET PRICES OF 1999-20(

(Rs million)

Sector	2002-03	2003-04	)04-05	2005-06	2006-07	:007-08 F	2009-09 R	2009-10 P	% Change 2007-08/ 2006-07	% Change 2008-09/ 2007-08
PRIVATE SECTOR	485,849	447,213	:1,326	635,893	691,549	756,035	672,015	637,99	-11.1	-5.1
1. Agriculture	65,537	55,704	'6,264	69,302	70,792	107,274	112,890	120,52	5.2	6.8
2. Mining and Quarrying	41,589	8,330	9,629	13,915	21,116	23,915	29,095	30,06	21.7	3.3
3. Manufacturing	145,588	141,613	16,847	167,917	177,636	164,331	136,674	126,61	-16.8	-7.4
Large Scale	119,724	113,303	15,865	135,935	140,529	123,721	92,231	77,98	-26.5	-15.4
Small Scale*	25,864	28,310	30,982	30,982	37,107	40,610	44,443	48,63	9.4	9.4
4. Construction	3,871	5,176	9,903	14,287	16,981	12,040	13,018	11,98	8.1	-7.9
5. Electricity & Gas	23,001	2,044	6,280	14,868	13,204	12,910	10,470	8,32	-18.9	-20.5
6. Transport & Communication	45,979	61,918	)1,431	160,818	161,803	163,798	130,957	110,40	-20.0	-15.7
7. Wholesale and Retail Trade	11,692	13,760	15,165	18,123	22,578	23,049	22,957	23,96	-0.4	4.4
8. Ownership of Dwellings	83,163	87,010	39,213	91,648	94,151	96,721	99,363	102,07	2.7	2.7
9. Finance & Insurance	19,018	20,964	:1,102	23,772	46,253	78,380	37,633	20,99	-52.0	-44.2
10. Services	46,411	50,695	55,492	61,243	67,035	73,617	78,958	83,02	7.3	5.2

R : Revised P : Provisional F : Fal (Contd.)

* : Slaughtering is included in small scale sector

TABLE 1.8

GROSS FIXED CAPITAL FORMATION (GFCF) IN PUBLIC AND GENERAL GOVERNMENT SECTORS AT CONSTANT MARKET PRICES OF 1999-2000

(Rs million)

Sector	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 F	2008-09 R	2009-10 P	% Change 2007-08/ 2006-07	% Change 2008-09/ 2007-08
Public and General Government (A+B)	172,221	170,518	180,066	205,084	263,590	268,662	236,841	252,311	-11.8	6.5
A. Public Sector	91,476	72,762	75,153	81,810	85,152	88,744	76,150	76,751	-14.2	0.8
1. Agriculture	1,224	75	125	983	109	53	47	78	-11.3	66.0
2. Mining and Quarrying	25,149	3,902	7,853	8,106	11,441	12,189	15,157	15,612	24.3	3.0
3. Manufacturing	1,245	2,397	1,282	3,385	1,895	578	1,565	1,381	170.8	-11.8
4. Construction	2,735	2,745	3,252	5,091	9,824	9,097	6,765	7,151	-25.6	5.7
5. Electricity & Gas	27,118	14,890	15,379	17,188	19,545	21,855	19,240	18,113	-12.0	-5.9
6. Transport and Communication	28,173	43,933	42,522	41,215	35,373	37,202	24,043	22,785	-35.4	-5.2
Railways	2,804	2,376	2,048	2,446	1,836	1,889	589	102	-68.8	-82.7
Post Office & PTCL	5,992	4,154	6,408	7,837	5,977	6,351	8,715	8,569	37.2	-1.7
Others	19,377	37,403	34,066	30,932	27,560	28,962	14,739	14,114	-49.1	-4.2
7. Wholesale and Retail Trade	-	-	-	-	-	-	-	-	-	-
8. Finance & Insurance	2,247	1,061	733	1,424	2,200	2,539	3,639	5,562	43.3	52.8
9. Services	3,585	3,759	4,007	4,418	4,765	5,231	5,694	6,069	8.9	6.6
B. General Govt.	80,745	97,756	104,913	123,274	178,438	179,918	160,691	175,560	-10.7	9.3
Federal	29,217	32,357	26,694	32,017	45,976	42,729	25,427	32,102	-40.5	26.3
Provincial	24,691	39,216	49,062	67,902	91,098	92,345	90,062	104,094	-2.5	15.6
District Govt.	26,837	26,183	29,157	23,355	41,364	44,844	45,202	39,364	0.8	-12.9

Source: Federal Bureau of Statistics

F : Final

R: Revised

P: Provisional

TABLE 2.1 (A)

INDEX OF AGRICULTURAL PRODLTION

Fiscal Year	19801 Base All major crops	Food crops	Fibre crops	Other crops	)99-2000 ase All major crops	Fd cls	Fibre crops	Other crops
1991-92	143.7	122.5	305.9	120.5	-		-	-
1992-93	141.0	124.0	216.0	118.0	-		-	-
1993-94	155.0	123.6	191.8	137.5	-		-	-
1994-95	165.4	133.1	207.5	146.0	-		-	-
1995-96	163.3	137.0	252.8	140.1	-		-	-
1996-97	155.3	136.5	223.6	130.3	-		-	-
1997-98	186.2	150.2	219.1	164.5	-		-	-
1998-99	189.8	147.6	209.7	170.9	-		-	-
1999-00	178.4	167.7	268.2	143.7	100	1	100	100
2000-01	165.9	152.8	256.0	135.1	93		95	94
2001-02	172.1	142.9	253.2	148.7	97		94	104
2002-03	185.4	153.9	243.6	160.9	104		91	112
2003-04	190.7	159.6	239.7	165.1	107		89	115
2004-05	-	-	-	-	104	1	127	102
2005-06	-	-	-	-	101	1	116	96
2006-07	-	-	-	-	117	1	114	118
2007-08	-	-	-	-	126	1	104	138
2008-09	-	-	-	-	114	1	105	108
2009-10 P	-	-	-	-	112	1	113	106

P : Provisional, Jul-Mar

Srce: Fedal Bureau of Statistics

TABLE 2.1 (B)

BASIC DATA ON AGRICULTRE

Fiscal Year	Cropped Area (million hectares)	Improved seed distribution (000 Tonnes)	Vater* Aaila-tlity (IAF)	Ferter offke (00(/T)	Credit disbursed (Rs million)
1990-91	21.82	83.27	19.62	1890	14,915
1991-92	21.72	65.93	12.05	1,800	14,479
1992-93	22.44	63.93	13.12	2,161	16,198
1993-94	21.87	63.27	13.01	2,140	15,674
1994-95	22.14	76.87	13.65	2,180	22,373
1995-96	22.59	145.10	13.85	2,505	19,187
1996-97	22.73	137.67	12.05	2,401	19,548
1997-98	23.04	130.50	12.15	2,600	33,392
1998-99	22.86	167.38	13.78	2,500	42,852
1999-00	22.74	194.30	13.28	2,800	39,688
2000-01	22.04	193.80	13.77	2,900	44,790
2001-02	22.12	191.57	13.63	2,920	52,314
2002-03	21.85	172.02	13.48	3,020	58,915
2003-04	22.94	178.77	13.78	3,220	73,446
2004-05	22.78	218.12	15.68	3,694	108,733
2005-06	23.13	226.07	17.78	3,800	137,474
2006-07	23.56	218.60	17.80	3,670	168,830
2007-08	23.85	264.67	12.44	3,500	211,561
2008-09	23.80	314.63	12.86	3,700	233,010
2009-10 P	23.80	305.82	12.00	3,420	166,335

.. : not available

(Contd.)

P : Provisional, Jul-Mar

* : At farm gate

TABLE 2.1 (B)

BASIC DATA ON AGRICULTURE

Fiscal Year	Number of Tube wells (a)	Production of Tractors (Nos)	Production of meat (000 Tonnes)	Milk (000 Tonnes)	Fish Production (000 Tonnes)	Total Forest Production (000 cu.mtr.)
1990-91	339,840	13,841	1,581	15,481	483.0	1,072
1991-92	355,840	10,077	1,685	16,280	553.1	491
1992-93	374,099	16,628	1,872	17,120	621.7	691
1993-94	444,179	15,129	2,000	18,006	558.1	703
1994-95	463,463	17,063	2,114	18,966	541.9	684
1995-96	485,050	16,218	1,841	22,970	555.5	720
1996-97	506,824	10,121	1,908	23,580	589.7	343
1997-98	531,259	14,242	1,841	24,215	597.0	386
1998-99	563,226	26,885	1,906	24,876	654.5	436
1999-00	609,775	35,038	1,957	25,566	614.8	364
2000-01	659,278	32,553	2,015	26,284	629.6	472 *
2001-02	707,273	24,311	2,072	27,031	637.8	487 *
2002-03	768,962	27,101	2,132	27,811	566.2	266 *
2003-04	950,144	36,059	2,188	28,624	573.5	313 *
2004-05	984,294	44,095	2,271	29,438	580.6	282 *
2005-06	999,569	49,642	2,515	31,970	604.9	265 *
2006-07	931,306	54,431	2,618	32,986	640.0	373 *
2007-08	921,121	53,598	2,728	34,064	885.0	363
2008-09	921,229	60,561	2,843	35,160	914.1	347
2009-10 P	921,229	69,245	2,965	36,299	925.7	356

.. : not available
P : Provisional (July-March)
* : Revised

(a) : Public and private tube wells.
E : Estimated

Source: 1. Federal Bureau of Statistics.
2. Ministry of Food and Agriculture

TABLE 2.2

LAND UTILIZATION

(Million hecares)

Fiscal Year	Total Area	Reported Area	Fost An	Not Available for Cultivation	Culturable Waste	Cultriated Area: Crrent Fllow	Cultriated Area: let Area Sown	Cultriated Area: tal Area ıltivated (7+8)	Area Sown more than once	Tcal Croped Aea (8+10)
1	2	3	.	5	6	7	8	9	10	1
1990-91	79.61	57.61	3.	24.34	8.85	.85	16.11	20.96	5.71	2182
1991-92	79.61	57.87	3.	24.48	8.86	.87	16.19	21.06	5.53	2172
1992-93	79.61	58.06	3.	24.35	8.83	.95	16.45	21.40	5.99	2244
1993-94	79.61	58.13	3.	24.43	8.74	.29	16.22	21.51	5.65	2187
1994-95	79.61	58.50	3.	24.44	8.91	.42	16.13	21.55	6.01	2214
1995-96	79.61	58.51	3.	24.35	8.87	.19	16.49	21.68	6.10	2259
1996-97	79.61	59.23	3.	24.61	9.06	.48	16.50	21.98	6.23	2273
1997-98	79.61	59.32	3.	24.61	9.15	.48	16.48	21.96	6.56	2304
1998-99	79.61	59.28	3.	24.52	9.23	.35	16.58	21.93	6.28	2236
1999-00	79.61	59.28	3.	24.45	9.09	.67	16.29	21.96	6.45	2274
2000-01	79.61	59.44	3.	24.37	9.17	.73	15.40	22.13	6.64	2204
2001-02	79.61	59.33	3.	24.31	8.95	.60	15.67	22.27	6.45	22 2
2002-03	79.61	59.45	4.	24.25	8.95	.61	15.60	22.21	6.25	21.5
2003-04	79.61	59.46	4.	24.23	9.10	.23	15.89	22.12	7.05	2214
2004-05	79.61	59.48	4.	24.39	8.94	.86	15.27	22.13	7.51	22 8
2005-06	79.61	57.22	4.	22.87	8.21	.72	15.39	22.65	7.74	23 3
2006-07	79.61	57.05	4.	22.70	8.30	.72	16.16	21.88	7.40	23.6
2007-08	79.61	57.08	4.	23.41	8.19	.93	16.34	21.27	7.51	23.5
2008-09	79.51	57.08	4.	23.45	8.20	.93	16.28	21.18	7.52	23.0
2009-10 P	79.61	57.08	4.	23.45	8.20	.93	16.28	21.21	7.52	23.0

P : Provisional

urce: Mintry of Food and Agricture

Note:

TOTAL AREA REPORTED is the total phsical area of the villages/deh, tehss or districs etc.

FOREST AREA is the area of any land aainistered as forest under any legl enactmer dealing w forests. ny cultivated area which may exist within sh forest is shown under heading cultivated rea".

AREA NOT AVAILABLE FOR CULTIVATN is that uncultivated area of the rm which i under fathome stels, farm roads and other connected purposes and not avaible for cultivation.

CULTURABLE WASTE is that uncultivat farm area which is fit for cultivatn but was ot croppeduring theear under reference nor in the year before that.

CURRENT FALLOW (ploughed but uncnped) is that area which is vacant uring the yar under rrence buvas sown at least onc during the previous year

CULTIVATED AREA is that area which vs sown at least during the year uner referenc or duringe previot year.

Cultivated Area = Net Area sown + Currt Fallow.

NET AREA SOWN is that area which is svn at least once during (Kharif & Iabi) the yer under reence.

AREA SOWN MORE THAN ONCE is the ifference between the total croppe area and te net area wn.

TOTAL CROPPED AREA means the agggate area of craps raised in a farnduring the ear undeference iıluding the area under fruit trees.

TABLE 2.3

AREA UNDER IMPORTANT CROPS

(000 hectares)

Fiscal Year	Wheat	Rice	Bajra	Jowar	Maize	Barley	Total Food Grains	Gram	Sugar-cane	Rapeseed and Mustard	Sesa-mum	Cotton	Tobacco
1990-91	7,911	2,113	491	417	845	157	11,934	1,092	884	304	53	2,662	44
1991-92	7,878	2,097	313	383	848	149	11,667	997	896	287	70	2,836	54
1992-93	8,300	1,973	487	403	868	160	12,191	1,008	885	285	82	2,836	58
1993-94	8,034	2,187	303	365	879	151	11,919	1,045	963	269	73	2,805	57
1994-95	8,170	2,125	509	438	890	165	12,297	1,065	1,009	301	80	2,653	47
1995-96	8,376	2,162	407	418	939	171	12,473	1,119	963	320	90	2,997	46
1996-97	8,109	2,251	303	370	928	152	12,113	1,100	965	354	100	3,149	49
1997-98	8,355	2,317	460	390	933	163	12,618	1,102	1,056	340	96	2,960	53
1998-99	8,230	2,424	463	383	962	137	12,599	1,077	1,155	327	71	2,923	57
1999-00	8,463	2,515	313	357	962	124	12,734	972	1,010	321	72	2,983	56
2000-01	8,181	2,377	390	354	944	113	12,359	905	961	273	101	2,927	46
2001-02	8,058	2,114	417	358	942	111	12,000	934	1,000	269	136	3,116	49
2002-03	8,034	2,225	349	338	935	108	11,989	963	1,100	256	88	2,794	47
2003-04	8,216	2,461	539	392	947	102	12,657	982	1,074	259	60	2,989	46
2004-05	8,358	2,520	343	308	982	93	12,603	1,094	966	243	66	3,193	50
2005-06	8,448	2,621	441	254	1,042	90	12,896	1,029	907	217	82	3,103	56
2006-07	8,578	2,581	504	292	1,017	94	13,066	1,052	1,029	256	71	3,075	51
2007-08	8,550	2,515	531	281	1,052	91	13,020	1,107	1,241	224	76	3,054	51
2008-09	9,046	2,963	470	263	1,052	86	13,880	1,081	1,029	233	91	2,820	50
2009-10 P	9,042	2,883	476	248	950	80	13,679	1,050	943	185	80	3,106	49

Note : 1 ha = 2.47 acres
P : Provisional (Jul-Mar)

Source: 1. Ministry of Food and Agriculture
2. Federal Bureau of Statistics

TABLE 2.4

PRODUCTION OF IMPORTANT CROPS

(000 tonnes)

Fiscal Year	Wheat	Rice	Bajra	Jowar	Maize	Barley	Total Food Grains	Gram	Sugar-cane	Rapeseed and Mustard	Sesa-mum	Cotton (000 tonnes)	Cotton (000 Bales)	Tob-acco
1990-91	14,565	3,261	196	239	1,185	142	19,588	531	35,989	228	21.4	1,637	9,628	75
1991-92	15,684	3,243	139	225	1,203	140	20,634	513	38,865	220	28.7	2,181	12,822	97
1992-93	16,157	3,116	203	238	1,184	158	21,056	347	38,059	207	34.0	1,540	9,054	102
1993-94	15,213	3,995	138	212	1,213	146	20,917	411	44,427	197	32.3	1,368	8,041	100
1994-95	17,002	3,447	228	263	1,318	164	22,422	559	47,168	229	36.2	1,479	8,697	81
1995-96	16,907	3,966	162	255	1,504	174	22,968	680	45,230	255	39.5	1,802	10,595	80
1996-97	16,651	4,305	146	219	1,491	150	22,962	594	41,998	286	44.9	1,594	9,374	92
1997-98	18,694	4,333	211	231	1,517	174	25,160	767	53,104	292	42.5	1,562	9,184	99
1998-99	17,858	4,674	213	228	1,665	137	24,773	698	55,191	279	32.1	1,495	8,790	109
1999-00	21,079	5,156	156	220	1,652	116	28,380	565	46,333	297	35.4	1,912	11,240	108
2000-01	19,024	4,803	199	218	1,643	99	25,987	397	43,606	230	50.7	1,826	10,732	85
2001-02	18,226	3,882	216	222	1,664	100	24,311	362	48,042	221	69.6	1,805	10,613	94
2002-03	19,183	4,478	189	203	1,737	100	25,889	675	52,056	215	19.3	1,737	10,211	88
2003-04	19,500	4,848	274	238	1,897	98	26,855	611	53,419	221	25.0	1,709	10,048	86
2004-05	21,612	5,025	193	186	2,797	92	29,905	868	47,244	203	30.0	2,426	14,265	101
2005-06	21,277	5,547	221	153	3,110	88	30,396	480	44,666	172	35.0	2,215	13,019	113
2006-07	23,295	5,438	238	180	3,088	93	32,337	838	54,742	212	30.0	2,187	12,856	103
2007-08	20,959	5,563	305	170	3,605	87	31,198	475	63,920	176	32.8	1,982	11,655	108
2008-09	24,033	6,952	296	165	3,593	82	35,121	741	50,045	188	41.0	2,010	11,819	105
2009-10 P	23,864	6,883	293	154	3,487	78	34,759	671	49,373	202	33.4	2,160	12,698	104

P : Provisional (Jul-Mar)

Source: 1. Ministry of Food and Agriculture
2. Federal Bureau of Statistics

TABLE 2.5

YIELD PER HECTARE OF MAJOR AGRICULTURAL CROPS

(Kg/Hectar

Fiscal Year	Wheat	Rice	Sugarcane	Maize	Gam	Cotto
1990-91	1,841	1,543	40,720	1,401	6	615
1991-92	1,990	1,546	43,371	1,419	4	769
1992-93	1,946	1,579	43,024	1,364	4	543
1993-94	1,893	1,826	46,144	1,380	13	488
1994-95	2,081	1,622	46,747	1,481	4	557
1995-96	2,018	1,835	46,968	1,602	17	601
1996-97	2,053	1,912	43,521	1,607	10	506
1997-98	2,238	1,870	50,288	1,626	16	528
1998-99	2,170	1,928	47,784	1,731	18	511
1999-00	2,491	2,050	45,874	1,717	11	641
2000-01	2,325	2,021	45,376	1,741	19	624
2001-02	2,262	1,836	48,042	1,766	18	579
2002-03	2,388	2,013	47,324	1,858	11	622
2003-04	2,375	1,970	49,738	2,003	2	572
2004-05	2,568	1,995	48,906	2,848	13	760
2005-06	2,519	2,116	49,246	2,985	17	714
2006-07	2,716	2,107	53,199	3,036	17	711
2007-08	2,451	2,212	51,507	3,427	9	649
2008-09	2,657	2,346	48,635	3,415	15	713
2009-10 P	2,639	2,387	52,357	3,670	13	695

P : Provisional

Sou: Ministryf Food and Agricultur
Feral Bureau of Statistic.

TABLE 2.6

PRODUCTION AND EXPORT OF FIJIT

Fiscal Year	Praction of Important Fruit (000 tonns)								Export	
	Citrus	Mango	Ape	Banana	Apricot	Almnds	Graes	Gra	(000 nnes)	Value (Mln. Rs)
1990-91	1,609	776	24	202	81	2	3	3	112	935
1991-92	1,630	787	29	44	109	3	3	3	125	966
1992-93	1,665	794	33	52	122	0	3	3	121	1,179
1993-94	1,849	839	44	53	153	5	0	4	127	1,324
1994-95	1,933	884	53	80	178	9	4	4	139	1,256
1995-96	1,960	908	55	82	191	9	2	4	135	1,487
1996-97	2,003	915	56	83	188	9	7	4	219	2,776
1997-98	2,037	917	57	94	189	9	7	4	202	2,793
1998-99	1,862	916	58	95	191	0	7	4	181	2,773
1999-00	1,943	938	37	125	121	2	0	4	240	4,130
2000-01	1,898	990	43	139	126	3	5	5	260	4,586
2001-02	1,830	1,037	36	150	125	6	8	5	290	5,097
2002-03	1,702	1,035	37	143	130	4	2	5	263	4,861
2003-04	1,760	1,056	33	154	211	4	5	5	354	5,912
2004-05	1,944	1,671	35	158	205	3	4	5	281	5,408
2005-06	2,458	1,754	33	164	197	3	4	5	455	7,508
2006-07	1,472	1,719	34	150	177	3	4	5	343	6,894
2007-08	2,294	1,754	44	156	240	7	5	5	411	9,085
2008-09	2,132	1,728	44	157	238	7	5	5	466	12,314
2009-10 P	2,203	1,847	43	155	235	6	7	5	533	16,554

P : Provisional (Jul-Mar)

Scrce: Miniy of Fooand Agriculture
Fedl Bureau Statistics

TABLE 2.7

CROP WISE COMPOSITION OF VALUE OF MAJOR AGRICULTURAL CROPS (AT CONSTANT FACTOR COST 1999-2000)

(%age share)

Fiscal Year/ Crops	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09 R	2009-10 P
All Major Crops	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Food Crops	62.32	60.34	62.66	63.52	61.55	63.37	63.85	62.24	66.69	65.30
Wheat	40.39	39.48	39.26	38.98	37.58	38.23	39.27	37.12	40.43	39.61
Rice	15.62	14.54	15.85	16.94	15.28	17.45	15.78	16.63	17.20	17.66
Bajra	0.45	0.50	0.41	0.59	0.36	0.42	0.43	0.56	0.53	0.52
Jowar	0.44	0.46	0.39	0.46	0.31	0.27	0.29	0.29	0.26	0.24
Maize	3.10	3.21	3.13	3.32	4.14	4.70	4.42	5.37	5.08	4.82
Gram	2.11	1.95	3.41	3.05	3.73	2.14	3.51	2.10	3.06	2.33
Barley	0.20	0.21	0.19	0.19	0.15	0.15	0.15	0.15	0.13	0.12
Fibre Crops	24.89	25.26	22.98	22.06	27.21	25.56	23.65	22.67	21.85	23.50
Cotton	24.89	25.26	22.98	22.06	27.21	25.58	23.65	22.87	21.85	23.50
Cash Crops	11.27	12.63	12.95	13.00	9.95	9.75	11.20	13.82	10.20	9.96
Sugarcane	11.27	12.63	12.95	13.00	9.95	9.75	11.20	13.82	10.20	9.96
Other Crops	1.52	1.77	1.41	1.43	1.28	1.31	1.29	1.27	1.26	1.24
Sesamum	0.34	0.47	0.12	0.15	0.16	0.20	0.16	0.18	0.21	0.17
Rape Seed & mustard	0.70	0.75	0.81	0.81	0.65	0.57	0.67	0.58	0.58	0.62
Tobacco	0.84	0.55	0.48	0.46	0.47	0.54	0.46	0.51	0.47	0.46

Source: Federal Bureau of Statistics

R : Revised

P : Provisional

TABLE 2.8

CREDIT DISBURSED BY AGENCIES

(Rs million)

Fiscal Year	ZTBL a	Taccavi	Domestic Private Banks	PPCBL b	Commercial Banks	Total
1990-91	8,324	56	..	3,017	3,518	14,915
1991-92	6,996	57	..	3,247	4,[illegible]	14,479
1992-93	8,643	51	..	2,978	4,526	16,198
1993-94	8,989	..	..	2,621	4,063	15,674
1994-95	14,576	..	..	3,757	4,041	22,373
1995-96	10,339	..	..	3,803	5,045	19,187
1996-97	11,687	..	..	3,431	[illegible],429	19,548
1997-98	22,354	..	..	4,929	[illegible],110	33,392
1998-99	30,176	..	..	5,440	[illegible],236	42,852
1999-00	24,424	..	..	5,951	[illegible],313	39,688
2000-01	27,610	..	..	5,124	12,056	44,790
2001-02	29,108	..	593	5,120	17,486	52,314
2002-03	29,270	..	1,421	5,485	22,739	58,915
2003-04	29,933	..	2,702	7,564	33,247	73,446
2004-05	37,409	..	12,407	7,607	51,310	108,733
2005-06	47,594	..	16,023	5,889	67,967	137,474
2006-07	56,473	..	23,976	7,988	80,393	168,830
2007-08	66,939	..	43,941	5,931	94,749	211,561
2008-09	75,139	..	41,626	5,579	110,666	233,010
2009-10 P	48,987	..	28,641	3,530	85,177	166,335

Source : i) State Bank of Pakistan
ii) Ministry of Food, Agriculture & Livestock

.. : not Available P : Provisional (Jul-Mar)

b : Punjab Provincial Corporative Bank Ltd.

a : Zarai Taraqiate Bank Limited, formerly Agriculture Development Bank of Pakistan

TABLE 2.9

FERTILIZER OFFTAKE AND IMPOTS OF FERTILIZERS & PESTICIDES

Fiscal Year	Fertilizeiff-take (000 N/Tonnes) N	P	K	Total	mport of fertilizers 000 N/T	nport of Insecticides Cantity (nnes)	Value (Mln Rs)
1990-91	1,472	38	33	1,893	685	1,030	1,489
1991-92	1,463	39	23	1,884	632	,258	1,946
1992-93	1,635	48	24	2,148	759	,435	1,731
1993-94	1,659	46	23	2,147	903	,100	1,706
1994-95	1,738	42	17	2,183	261	,776	2,978
1995-96	1,991	49	30	2,515	581	,479	5,081
1996-97	1,985	42	8	2,413	878	,856	5,272
1997-98	2,075	55	20	2,646	714	,225	4,801
1998-99	2,097	46	21	2,583	885	,893	5,515
1999-00	2,218	59	19	2,834	663	,124	4,692
2000-01	2,264	67	23	2,966	580	,255	3,477
2001-02	2,285	62	19	2,929	626	,783	5,320
2002-03	2,349	65	20	3,020	766	,242	3,441
2003-04	2,527	67	22	3,222	764	,406	7,157
2004-05	2,796	86	33	3,694	785	,561	8,281
2005-06	2,927	85	27	3,804	1,268	,954	6,804
2006-07	2,650	97	43	3,672	796	,089	5,848
2007-08	2,925	63	27	3,581	876	,814	6,330
2008-09	3,035	65	25	3,711	568	,839	8,981
2009-10 P	2,618	79	17	3,426	968	,995	8,741

P : Provisional, (Jul-Mar)

Source: . Federal eau of Stistics.
. National rtilizer Delopment Centre.

TABLE 2.10

AVERAGE RETAIL SALE PRICE OF FRTILIZERS

is per bag of 50 Kgs/11lbs)

Fiscal Year	Urea (46% N)	AN/CAN (26% N)	AS (21% N)	P (2:23)	SP(G) 18%)	DAP (18:46)	SOP (50% K)	NP (10:20:0)
1990-91	195.0	90.0	85.0	13.0	93.0	249.0	150.0	176.
1991-92	195.0	95.0	90.0	13.0	93.0	272.0	150.0	176.
1992-93	205.0	109.0	96.0	16.0	93.0	264.0	195.0	247.
1993-94	210.1	..	125.3	20.6	95.8	269.0	195.0	247.
1994-95	235.0	150.0	164.0	25.0	50.0	379.0	195.0	247.
1995-96	267.0	172.0	172.0	30.0	83.0	479.0	195.0	247.
1996-97	340.0	209.0	197.0	38.0	11.0	479.0	331.0	..
1997-98	341.0	223.6	232.5	39.6	00.0	553.0	532.0	..
1998-99	346.0	231.0	275.0	45.0	34.0	564.6	540.0	..
1999-00	327.0	231.0	286.0	46.0	93.0	665.0	541.0	..
2000-01	363.0	233.0	300.0	46.0	53.0	649.0	543.0	..
2001-02	394.0	268.0	308.0	59.0	80.0	670.0	682.0	..
2002-03	411.0	282.0	344.0	53.0	87.0	710.0	765.0	..
2003-04	420.0	208.0	373.0	52.0	29.0	765.0	780.0	..
2004-05	468.0	353.0	405.0	70.0	73.0	913.0	809.0	..
2005-06	509.0	395.0	744.0	73.0	07.0	1,001.0	996.0	..
2006-07	527.0	396.0	779.0	67.0	34.0	1,079.0	1,170.0	..
2007-08	581.0	471.0	867.0	1,27.0	72.0	993.0	985.0	..
2008-09	751.0	704.0	1,330.0	1,70.0	74.0	1,934.0	1,497.0	..
2009-10 P	782.0	698.0	1,289.0	1,38.0	20.0	2,578.0	2,091.0	..

.. : Not available
P : Provisional (Jul-Mar)
AN/CAN : Ammonium nitrate/calcium ammoniu nitrate
ASN : Ammonium super nitrate
AS : Ammonium sulphate
NP : Nitrophosphate

Source: leral Bureu of Statistics
tional Ferizer Dev. Centre
P: single per phosphate
P: Diammium phosphate
P: Sulpha of potash
K: Nitrog phosphate and potas

TABLE 2.11

AREA IRRIGATED BY DIFFERENT SOURCES

(Million hectares)

Fiscal Year	Canals	Wells	Canal Wells	Tube wells	Canal Tube wells	Others	Total
1990-91	7.89	0.13	0.08	2.56	5.87	0.22	16.75
1991-92	7.85	0.16	0.11	2.59	5.93	0.21	16.85
1992-93	7.91	0.18	0.10	2.67	6.23	0.24	17.33
1993-94	7.73	0.14	0.09	2.78	6.22	0.17	17.13
1994-95	7.51	0.17	0.10	2.83	6.41	0.18	17.20
1995-96	7.60	0.18	0.11	2.89	6.58	0.22	17.58
1996-97	7.81	0.18	0.11	2.90	6.61	0.22	17.85
1997-98	7.79	0.16	0.13	3.00	6.74	0.18	18.00
1998-99	7.67	0.17	0.09	2.98	6.88	0.16	17.95
1999-00	7.56	0.18	0.09	3.11	6.99	0.18	18.11
2000-01	6.98	0.16	0.10	3.19	7.22	0.17	17.82
2001-02	6.81	0.20	0.16	3.45	7.24	0.18	18.04
2002-03	7.06	0.21	0.17	3.37	7.21	0.20	18.22
2003-04	7.22	0.22	0.15	3.48	7.50	0.21	18.78
2004-05	7.00	0.25	0.19	3.46	7.70	0.24	18.84
2005-06	7.06	0.28	0.20	3.58	7.78	0.22	19.12
2006-07	6.68	0.67	0.22	3.69	7.78	0.25	19.59
2007-08	6.91	0.31	0.17	3.83	7.79	0.28	19.29
2008-09	6.86	0.33	0.20	3.88	7.94	0.21	19.49
2009-10 P	6.86	0.33	0.20	3.88	7.94	0.21	19.49

P : Provisional

Source: Ministry of Food and Agriculture

TABLE 2.12(A)

PROCUREMENT/SUPPORT PRICES OF AGRICULTURAL COMMODITIES

(Rs per 40 kg)

Fiscal Year	Wheat	Rice		Paddy		Sugarcane			
		Basmati 385	Irri-6 (F.A.Q)	Basmati 385	Irri-6 (F.A.Q)	Khyber Pakhtunkhwa	Punjab	Sindh	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	17.00	17.00
1992-93	130	340.00	150.00	175.00	85.00	17.50	17.50	17.75	17.50
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
1999-00	300	..	..	350.00	185.00	35.00	35.00	36.00	36.00
2000-01	300	..	..	305.00	205.00	35.00	35.00	36.00	36.00
2001-02	300	..	..	385.00	205.00	42.00	42.00*	43.00	43.00
2002-03	300	..	..	385.00	205.00	42.00	42.00	43.00	43.00
2003-04	350	..	..	400.00	215.00	42.00	42.00	43.00	43.00
2004-05	400	..	..	415.00	230.00	42.00	42.00	43.00	43.00
2005-06	415	..	..	460.00	300.00	48.00	45.00	60.00	..
2006-07	425	..	..	..	306.00	65.00	80.00	87.00	..
2007-08	625	..	..	..	..	65.00*	60.00*	83.00	..
2008-09	950	..	..	1250.00 @	700.00	80.00	80.00	81.00	..
2009-10 P	950	..	..	1000.00	600.00	100.00	100.00	103.00	..

(Contd.)

FAQ : Fair Average Quality .. : Not applicable

@ : Price of Basmati Super (Paddy) Rs. 1500/40kg

* : Sugarcane prices has been fixed by the respective Provincial Government.

TABLE 2.12(B)

PROCUREMENT/SUPPOR PRICES OF AGRICULTURAL COMMODITIES

(Rs per 40 Kg)

Fiscal Year	Cotton Lint				Seed Cotton (Phu					
	Desi	AC-134 NT	B-557 149-F	Sarmast Qallan-dri Delta-pine MS-39-40	Des	AC-13 NT	B-5 F-1 Niab-	rmast allan- Delta- pe MS- 9-40	Potato	Oron
1990-91	550	615	645	690	220	235	24	260	55	2
1991-92	662	685	715	745	255	270	28	290	65	0
1992-93	695	..	770 *	800	275	..	30 *	310	67	6
1993-94	726	..	801 *	831	290	..	31 *	325	77	3
1994-95	795	..	986 *	1055	340	..	40 *	423	84	3
1995-96	795	..	986 *	1055	340	..	40 *	423	84	5
1996-97	..	..	..	..	440	..	50 *	540	115	10
1997-98	..	..	..	..	440	..	50 *	620	145	12
1998-99	..	..	..	..	..	..	82 *	..	145	10
1999-00	..	..	..	..	..	..	72 *	..	145	
2000-01	..	..	..	..	..	..	72 *	..	145	
2001-02	..	..	..	..	..	..	78	..	..	
2002-03	..	..	..	..	..	..	80	..	..	
2003-04	..	..	..	..	..	..	85	..	..	
2004-05	..	..	..	..	..	..	92	..	..	
2005-06	..	..	..	..	..	..	97	..	..	
2006-07	..	..	..	..	..	..	10	..	..	
2007-08	..	..	..	..	..	..	..	..	..	
2008-09	..	..	..	..	..	..	14	..	..	
2009-10 P	..	..	..	..	..	..	..	..	..	

P : Provisional

.. : Not applicable

* : Niab-78, CIM

Source: Mirstry of Foo and Agridure, Agriilture Policy Institute (.PI)

TABLE 2.13

PROCUREMENT, RELEASES AND STOCKS OF WHEAT AND RICE

(000 tonnes)

Fiscal Year	Wheat (May-April) Procurement	Wheat (May-April) Releases	Wheat (May-April) Stocks	Rice Procured Basmati	Rice Procured Others	Stocks Balance (on 1st July) Basmati	Stocks Balance (on 1st July) Others
1990-91	3,159.0	5,608.0	1,508.0	142.7	673.8	719.3	117.5
1991-92	3,249.0	5,431.0	1,000.0	121.6	370.3	486.8	314.7
1992-93	4,120.0	5,143.0	505.0	500.5	454.0	285.2	540.5
1993-94	3,644.0	5,982.0	1,007.0	144.9	681.4	224.8	541.2
1994-95	3,740.0	5,999.0	776.0	284.0	..	236.4	848.5
1995-96	3,448.0	5,139.0	385.0	50.8	154.6	494.3	117.7
1996-97	2,725.0	5,987.0	456.0	..	..	159.4	187.9
1997-98	3,984.0	5,794.0	902.0	..	..	..	..
1998-99	4,070.0	6,165.0	981.0	..	..	..	..
1999-00	8,582.0	6,131.0	702.0	..	..	..	..
2000-01	4,081.0	5,537.0	3,552.0	..	..	..	..
2001-02	4,045.0	3,376.0	3,683.0	..	..	..	..
2002-03	3,514.0	5,130.0	992.0	..	..	..	..
2003-04	3,456.0	4,104.0	161.0	..	..	..	..
2004-05	3,939.0	4,500.0	350.0	..	..	..	..
2005-06	4,514.0	2,088.0	2,107.0	..	..	..	..
2006-07	4,422.0	5,985.4	499.1	..	..	..	..
2007-08	3,917.0	6,357.9	136.9	..	..	..	..
2008-09	9,231.0	5,784.4	821.9	..	..	..	..
2009-10 P	4,788.1 @	5,984.7	4,223.0 *	..	..	..	..

Source: Ministry of Food and Agriculture

.. : not available   P : Provisional

* : as on 1st May, 2010

@ : upto 10th May 2010 (2009-10 Crop)

TABLE 2.14

LIVESTOCK POPULATION

(million numbers)

Fiscal Year	Buffaloes	Cattle	Goats	Sheep	Poultry	Camels	Asses	Horses	Mules
1990-91	17.8	17.7	37.0	26.3	146.9	1.1	3.5	0.4	0.1
1991-92	18.3	17.7	38.7	27.4	156.2	1.1	3.8	0.5	0.1
1992-93	18.7	17.8	40.2	27.7	182.6	1.1	3.8	0.4	0.1
1993-94	19.2	17.8	42.0	28.3	250.0	1.1	3.9	0.4	0.1
1994-95	19.7	17.8	43.8	29.1	318.8	1.1	4.0	0.4	0.1
1995-96	20.3	20.4	41.2	23.5	350.0	0.8	3.6	0.3	0.1
1996-97	20.8	20.8	42.6	23.7	382.0	0.8	3.6	0.3	0.1
1997-98	21.4	21.2	44.2	23.8	276.0	0.8	3.2	0.3	0.1
1998-99	22.0	21.6	45.8	23.9	278.0	0.8	3.8	0.3	0.1
1999-00	22.7	22.0	47.4	24.1	282.0	0.8	3.8	0.3	0.2
2000-01	23.3	22.4	49.1	24.2	292.4	0.8	3.9	0.3	0.2
2001-02	24.0	22.8	50.9	24.4	330.0	0.8	3.9	0.3	0.2
2002-03	24.8	23.3	52.8	24.6	346.1	0.8	4.1	0.3	0.2
2003-04	25.5	23.8	54.7	24.7	352.6	0.7	4.1	0.3	0.2
2004-05	26.3	24.2	56.7	24.9	372.0	0.7	4.2	0.3	0.3
2005-06 *	27.3	29.6	53.8	26.5	433.8	0.9	4.3	0.3	0.2
2006-07 @	28.2	30.7	55.2	26.8	477.0	0.9	4.3	0.3	0.2
2007-08	29.0	31.8	56.7	27.1	518.0	1.0	4.4	0.3	0.2
2008-09	29.9	33.0	58.3	27.4	562.0	1.0	4.5	0.4	0.2
2009-10	30.8	34.3	59.9	27.8	610.0	1.0	4.6	0.4	0.2

Source: Ministry of Livestock & Dairy Development.

* : Population figures are actual figures of Livestock Census 2006

@ : From 2006-07 onward figures estimates are based on Inter census growth rate of livestock census 1996 & 2006

TABLE 2.15

LIVESTOCK PRODUCTS

(000 tonns)

Fiscal Year	Milk #	Beef	Mton	Poultry Meat	Wool	Hair	Bones	Fat	lod	Ecs (Mlnɔs.)	Hides (Mln.Nos.)	Skin (Mln.Nc.)
1990-91	15481	765	[illegible]5	151	48.1	7.9	259.0	101.8	.1	440	5.9	32.[illegible]
1991-92	16280	803	3	169	49.3	8.3	265.0	104.5	.5	494	6.0	33.[illegible]
1992-93	17120	844	[illegible]3	265	50.5	8.1	271.0	107.2	.1	51[illegible]	6.1	36.[illegible]
1993-94	18006	887	7	296	51.7	9.0	277.0	110.0	.3	57[illegible]	6.2	37.[illegible]
1994-95	18986	931	[illegible]5	308	53.1	9.4	283.0	113.0	.7	59[illegible]	6.3	39.[illegible]
1995-96	22970	898	[illegible]7	355	38.1	15.6	295.7	110.1	.0	57[illegible]	7.0	32.[illegible]
1996-97	23580	919	[illegible]2	387	38.3	16.2	302.3	112.6	.8	60[illegible]	7.1	34.[illegible]
1997-98	24215	940	7	284	38.5	16.7	309.2	115.2	.6	57[illegible]	7.3	35.[illegible]
1998-99	24876	963	[illegible]3	310	38.7	17.3	316.3	117.8	.4	82[illegible]	7.5	36.[illegible]
1999-00	25566	986	[illegible]9	322	38.9	17.9	324.0	120.6	.9	73[illegible]	7.6	37.[illegible]
2000-01	26284	1010	[illegible]6	339	39.2	18.6	331.4	123.5	.8	75[illegible]	7.8	38.[illegible]
2001-02	27031	1034	[illegible]3	355	39.4	19.3	339.4	126.5	.9	76[illegible]	7.9	39.[illegible]
2002-03	27811	1060	[illegible]2	370	39.7	19.9	347.6	129.7	.0	78[illegible]	8.2	40.[illegible]
2003-04	28624	1087	[illegible]0	378	39.9	20.7	356.2	132.9	.2	81[illegible]	8.4	42.[illegible]
2004-05	29438	1115	[illegible]9	384	40.0	20.7	365.1	136.3	.2	85[illegible]	8.4	42.[illegible]
2005-06 *	31970	1449	[illegible]4	512	40.1	20.3	633.5	203.3	.4	97[illegible]	11.4	43.[illegible]
2006-07 @	32996	[illegible]498	[illegible]6	554	40.6	20.8	652.5	209.2	.7	10[illegible]7	11.8	44.[illegible]
2007-08	34064	1549	[illegible]8	601	41.0	21.4	672.2	215.3	.1	10[illegible]1	12.2	45.[illegible]
2008-09	35160	1601	[illegible]0	652	41.5	22.0	692.4	221.6	.4	11[illegible]8	12.6	46.[illegible]
2009-10	36299	1655	[illegible]3	707	42.0	22.6	713.4	228.1	.8	11[illegible]9	13.0	47.4

Surce: Miniy of Livesck & Dairy Developmnt.

* : Population figures are actual figures! Livestock Census 2006

: Human Consumption

@ : From 2006-07 onward figures estimes are based on Inter census groth rate of liestock ceus 1996 &006

TABLE 3.1

RESERVES AND EXTRACTION OF PRINCIAL MINERALS

(000 tonne)

Reserves/ Years	Anti-mony (tonnes)	Argonite/ Marble	China Clay	(lestite (nnes)	Chromite	Coal	)olomite tonnes)	Fire Clay	Fullers Earth	Gypsum Anhydrite	Lime Stone
		Very large Deposits	4.9 million tons		fairly large Deposits	185 billion tonnes	Very large)eposits	Over 100 million tons	fairly large)eposits	350 million tons	Very large Deposit
1990-91	128	281	44	,773	24	3,054	154,591	120	23	468	9,09
1991-92	-	321	42	,069	28	3,627	180,987	139	21	471	8,53
1992-93	5	388	37	,682	23	3,256	220,241	132	23	533	9,03
1993-94	3	460	48	1,398	11	3,534	228,090	116	17	666	9,15
1994-95	-	467	31	1,403	13	3,043	227,079	152	15	620	9,62
1995-96	-	458	43	762	27	3,465	185,115	112	18	420	9,70
1996-97	-	459	66	812	35	3,496	215,556	110	12	522	9,41
1997-98	-	345	68	961	35	3,145	116,046	94	18	307	11,16
1998-99	-	403	67	642	18	3,378	198,831	153	16	242	9,47
1999-00	-	579	63	802	26	3,164	347,583	139	19	355	9,59
2000-01	95	620	47	807	22	3,285	352,689	164	13	364	10,80
2001-02	37	685	54	382	24	3,512	312,886	171	16	402	10,80
2002-03	-	1,0[illegible]	40	402	31	3,609	340,864	117	15	424	11,80
2003-04	-	994	25	570	29	3,325	297,419	193	14	467	13,10
2004-05	5	1,280	38	1,855	46	3,367	199,653	254	17	552	14,87
2005-06	91	1,835	53	3,160	52	3,854	183,952	333	16	601	18,47
2006-07	119	1,980	31	1,530	104	3,702	342,463	347	11	624	25,52
2007-08	245	1,537	32	1,310	115	4,066	359,994	330	11	660	31,79
2008-09	75	1,144	17	470	89	3,674	249,918	148	4	800	33,[illegible]0
July-March											
2008-09	60	990	23	670	81	2,960	246,489	259	8	532	24,[illegible]0
2009-10 P	..	472	10	..	107	2,224	75,000	221	9	539	26,00

(Cont.)

- : Nil or insignificant .. : Not avable

P : Provisional

TABLE 3.1

RESERVES AND EXTRACTION OF PRINCIPAL MINERALS

(000 tonnes)

Reserves/ Years	Magnesite (tonnes)	Rock Salt	Silica Sand	Ochre (tonnes)	Sulphur (tonnes)	Soap Stone	Baryte	Bauxite/ Laterite (tonnes)	Iron Ore (tonnes)	Crude Oil (m. barrels)	Natural Gas (000 m.cu.mtr.)
Reserves	..	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
1990-91	4,242	736	143	1,285	295	32	26	24,544	318	23.49	14.66
1991-92	6,333	833	132	1,001	215	37	30	21,818	937	22.47	15.57
1992-93	5,047	895	158	1,000	510	48	26	18,682	1,922	21.90	16.50
1993-94	7,000	916	169	745	715	44	18	34,984	3,792	20.68	17.65
1994-95	5,227	890	152	4,623	510	34	20	32,214	8,103	19.86	17.77
1995-96	14,981	958	184	8,081	20	40	14	19,554	6,046	21.05	18.85
1996-97	8,679	1,066	154	2,047	640	45	30	33,583	4,575	21.27	19.76
1997-98	3,397	971	135	3,147	22,458	49	30	28,366	5,500	20.54	19.82
1998-99	3,455	1,190	158	4,080	19,103	61	18	41,362	38,151	19.95	20.92
1999-00	4,513	1,358	167	4,793	22,812	48	26	48,237	45,980	20.40	23.17
2000-01	4,645	1,394	155	4,691	17,428	47	28	35,114	24,765	21.08	24.78
2001-02	4,637	1,423	157	5,064	22,580	39	21	37,182	4,942	23.19	26.16
2002-03	2,645	1,426	185	6,733	19,402	66	41	67,536	11,483	23.46	28.11
2003-04	6,074	1,640	259	7,861	23,873	52	44	88,044	84,946	22.62	34.06
2004-05	3,029	1,648	309	18,686	24,158	21	42	78,288	104,278	24.12	38.08
2005-06	2,446	1,859	411	34,320	24,730	21	52	60,370	131,259	23.94	39.65
2006-07	3,445	1,873	402	61,665	27,710	45	47	150,796	125,879	24.62	40.03
2007-08	3,940	1,849	403	46,215	29,485	38	50	174,223	286,255	25.60	41.18
2008-09	2,639	1,917	370	56,617	25,784	14	63	137,485	320,214	24.03	41.36
July-March											
2008-09	1,864	1,380	280	44,565	19,907	26	46	135,745	240,920	19.26	30.96
2009-10 P	100	1,362	252	37,215	18,477	7	34	68,071	228,975	17.91	31.40

Source : Federal Bureau of Statistics.

P : Provisional

TABLE 3.2

PRODUCTION INDEX OF MININ AND MANUFACTURING

Year	Mining			Manufacturing
	1969-70=1	1975-76=100	1980-81=1	1980-81=100
1990-91	468	410.3	275.2	202.5
1991-92	472.1	412.8	277.8	218.5
1992-93	478	420.6	278.4	227.5
1993-94	483.4	427.1	275.2	237.2
1994-95	461.8	417.6	270.8	240.8
1995-96	504.8	445.3	296.7	248.4
1996-97	520.1	456.3	305.6	243.1
1997-98	512.3	449.5	302.5	261.6
1998-99	509.1	448.7	283.1	270.8
			1999-20[illegible]=100	
1999-00	545.6	468.8	100.0	100.0
2000-01	576.7	497.6	105.6	101.0
2001-02	611.3	532.8	112.5	114.8
2002-03	656.7	572.4	119.6	123.1
2003-04	709.8	597.2	134.8	146.4
2004-05	..	..	148.7	173.0
2005-06	..	..	155.4	188.8
2006-07	..	..	158.6	205.1
2007-08	..	..	162.8	213.9
2008-09	..	..	160.3	195.9
July-March				
2008-09	..	..	164.4	194.5
2009-10 P	..	..	160.6	203.5

.. : Not available

P : Provisional

Sou: Federal ureau of Statistics

TABLE 3.3

COTTON TEXTILES STATISTICS

Year	No. of Mills	Installed Capacity: No. of Spindles (000)	Installed Capacity: No. of Looms (000)	Working at the end of the period: No. of Spindles (000)	Working at the end of the period: No. of Looms (000)	Spindle Hours Worked (Million)	Loom Hours Worked (Million)	Consumption of Cotton (mln kg)	Total Yarn Produced (mln.kg)	Surplus Yarn (mln. kg)	Total Production of Cloth (mln. sq mtr.)
1990-91	247	5,493	15	4,754	8	39,542	60.2	1,197.5	1,041.2	1,001.0	292.9
1991-92	271	6,141	15	5,260	8	43,606	58.8	1,342.8	1,170.7	1,134.7	307.9
1992-93	284	6,768	14	5,433	6	46,364	55.5	1,427.0	1,219.0	1,148.6	325.4
1993-94	320	8,132	14	5,886	6	47,221	44.0	1,483.4	1,309.6	1,272.8	314.9
1994-95	334	8,307	14	5,991	5	49,734	41.8	1,558.9	1,369.7	1,340.6	321.8
1995-96	349	8,493	13	6,356	5	52,239	37.1	1,661.9	1,495.1	1,434.7	327.0
1996-97	357	8,137	10	6,465	5	53,625	36.4	1,670.1	1,520.8	1,473.9	333.5
1997-98	353	8,274	10	6,556	4	55,005	37.7	1,751.0	1,532.3	1,478.9	340.3
1998-99	348	8,298	10	6,594	5	55,802	35.2	1,839.6	1,540.3	1,482.4	384.6
1999-00	351	8,383	10	6,750	4	57,205	34.3	1,961.6	1,669.9	1,604.4	437.2
2000-01	353	8,594	10	7,105	4	59,219	34.1	2,070.1	1,721.0	1,652.7	490.2
2001-02	354	8,967	10	7,078	5	61,267	36.3	2,155.2	1,808.6	1,731.2	568.4
2002-03	363	9,216	10	7,623	5	64,274	38.7	2,371.3	1,934.9	1,855.4	576.6
2003-04	357	9,499	10	7,934	4	69,652	32.7	2,397.8	1,929.1	1,835.9	683.4
2004-05	423	10,941	9	8,852	5	72,255	31.2	2,622.8	2,270.3	2,104.9	924.7
2005-06	437	11,168	9	9,631	4	74,884	24.8	2,932.6	2,556.3	2,457.6	915.3
2006-07	427	11,266	8	10,057	4	76,892	21.7	3,143.5	2,727.6	2,623.2	1,012.9
2007-08	427	11,834	8	9,960	4	76,400	21.5	3,159.2	2,809.4	2,700.3	1,016.4
2008-09	369	10,514	9	9,375	4	75,405	24.0	2,648.2	2,274.4	2,328.2	1,019.2
2009-10 P	..	10,101	..	..	..	..	..	..	1,922.4	..	762.4

P : Provisional

.. : Not available

Source: Federal Bureau of Statistics
Textile Commissioner Organization

TABLE 3.4

PRODUCTION OF FERTILIZERS, VEGE1BLE GHEE, SUGAR AND C:MENT

(000 tonns)

Year	Fertilizers							
	Urea	Super Phos-phate	Ammo-nium Nitrate	Ammo-nium Suiphate	Nitro Phos-phate	Vegetal Ghee	ugar	Cement
1990-91	2,050.3	175.1	318.8	92.3	321.0	656	934	7,762
1991-92	1,898.0	194.0	300.0	92.9	309.8	639	322	8,321
1992-93	2,306.1	205.0	302.2	92.9	297.3	725	384	8,558
1993-94	3,103.8	195.1	242.7	82.0	251.4	671	841	8,100
1994-95	3,600.2	147.0	313.9	79.6	285.0	711	,964	7,913
1995-96	3,260.1	103.7	383.5	83.7	336.5	733	,426	9,567
1996-97	3,258.7	0.1	330.2	80.9	350.3	714	,383	9,536
1997-98	3,284.2	0.0	316.3	-	293.2	719	,555	9,364
1998-99	3,521.7	21.6	338.8	-	285.0	773	,542	9,635
1999-00	3,785.0	145.8	366.5	-	261.3	695	,429	9,314
2000-01	4,005.1	159.6	374.4	-	282.5	835	,956	9,674
2001-02	4,259.6	161.0	329.4	-	305.7	797	,247	9,935
2002-03	4,401.9	147.2	335.3	-	304.9	772	,686	10,845
2003-04	4,431.6	167.7	350.4	-	363.5	888	,021	12,862
2004-05	4,606.4	163.1	329.9	-	338.9	1,04	,116	16,353
2005-06	4,806.4	160.8	327.9	-	356.6	1,15	,960	18,564
2006-07	4,732.5	148.9	330.8	-	325.8	1,18	,527	22,739
2007-08	4,924.9	161.8	343.7	-	329.7	1,13	,733	26,751
2008-09	4,918.4	187.4	344.3	-	305.7	1,05	,190	28,38
July-March								
2008-09	3,652.4	143.2	245.7	-	218.4	79	,189	20,46
2009-10 P	3,783.6	122.5	244.3	-	210.8	77	,078	22,76

Source: ederal Bureau of Statistics

- : Nil

P : Provisional

TABLE 3.5

PRODUCTION OF SELECTED INDUSTRIAL ITEMS

Year	Food and Tobacco: Beverages (000 doz. bottles)	Food and Tobacco: Cigarettes (Million Nos)	Jute Textiles (000 tonnes)	Rubber: Motor Tyres (000 Nos)	Rubber: Motor Tubes (000 Nos)	Rubber: Cycle Tyres (000 Nos)	Rubber: Cycle Tubes (000 Nos)
1990-91	67,607	29,887	96.9	952	646	3,828	5,468
1991-92	85,266	29,673	100.9	784	618	3,751	5,757
1992-93	139,823	29,947	97.5	712	550	3,826	5,612
1993-94	113,704	35,895	76.4	783	706	3,872	6,191
1994-95	143,019	32,747	68.5	912	833	3,523	5,146
1995-96	131,114	45,506	70.6	1003	909	3,988	5,594
1996-97	115,817	46,101	68.7	525	643	4,112	5,205
1997-98	149,848	48,215	95.4	767	665	1,415	4,978
1998-99	185,014	51,578	85.5	845	586	3,665	5,529
1999-00	194,336	46,976	85.5	856	490	3,767	5,937
2000-01	211,798	58,259	89.4	884	520	4,051	5,891
2001-02	207,646	55,108	81.7	908	557	4,569	6,938
2002-03	190,742	49,365	93.8	1082	616	5,330	8,942
2003-04	224,238	55,399	102.0	1302	587	4,894	8,004
2004-05	285,326	61,097	104.8	5336	6278	4,900	9,612
2005-06	384,969	64,137	104.5	5942	7164	5,287	10,204
2006-07	517,110	65,980	118.1	7027	10277	5,182	10,420
2007-08	612,606	67,446	129.0	6990	9627	4,243	9,224
2008-09	630,886	75,609	137.4	7102	14514	3,214	6,867
July-March							
2008-09	434,630	55,625	98.8	5,025	9,938	2,164	5,068
2009-10 P	355,270	49,510	77.9	6,198	14,891	2,415	5,257

(Contd.)

P : Provisional

TABLE 3.5

PRODUCTION OF SELECTED ITEMS

Year	Chemicals: Soda Ash (000 tonnes)	Chemicals: Sulphuric Acid (000 tonnes)	Chemicals: Caustic Soda (000 tonnes)	Chemicals: Chlorine Gas (000 tonnes)	Chemicals: Paints & Varnishes (tonnes)	Chemicals: Polishes & Creams for Footwear (mln. grams)	Transport, Machinery & Electrical Appliances: Bicycles (000 Nos.)	Transport, Machinery & Electrical Appliances: Sewing Machines (000 Nos.)	Transport, Machinery & Electrical Appliances: Total TV Sets (000 Nos.)
1990-91	147.2	93.5	78.5	6.7	14,308	651.1	428.8	81.3	181.7
1991-92	185.9	97.6	82.0	6.1	18,950	682.5	478.4	85.1	145.5
1992-93	196.2	99.8	81.5	5.9	16,626	638.1	588.6	72.3	162.2
1993-94	197.0	102.3	89.0	5.8	9,373	602.8	563.7	76.7	112.5
1994-95	196.1	80.4	92.7	7.8	6,865	719.5	473.4	68.1	101.1
1995-96	221.2	69.2	109.0	9.1	8,030	836.8	545.1	84.1	277.6
1996-97	247.0	30.8	118.2	9.4	8,005	861.1	432.4	61.1	185.6
1997-98	240.3	28.1	115.7	9.7	5,917	869.7	452.1	36.2	107.4
1998-99	239.4	27.0	120.4	11.3	6,500	888.8	504.0	29.7	128.3
1999-00	245.7	57.7	141.3	14.2	7,347	897.7	534.1	27.6	121.3
2000-01	217.9	57.1	145.5	14.5	10,922	906.7	569.6	26.9	97.4
2001-02	215.2	59.4	150.3	15.1	10,341	920.9	553.4	24.0	450.0
2002-03	281.5	56.0	164.4	15.9	3,899	935.3	629.7	30.6	764.6
2003-04	286.5	64.6	187.5	17.2	5,406	950.1	664.1	35.0	843.1
2004-05	297.3	91.3	206.7	19.1	15,023	959.6	587.9	36.1	908.8
2005-06	318.7	94.4	219.3	18.3	17,147	969.2	589.6	39.1	935.1
2006-07	330.6	96.3	242.2	17.2	23,936	978.8	486.3	52.2	608.6
2007-08	364.9	102.8	248.3	18.2	26,308	988.6	535.5	57.3	716.1
2008-09	365.3	97.8	244.3	16.5	29,831	998.5	428.3	50.8	402.3
July-March									
2008-09	267.7	74.4	176.8	12.5	22,864	715.4	285.3	38.6	317.2
2009-10 P	300.7	61.7	137.0	11.5	22,159	722.5	332.9	37.6	261.3

(Contd.)

P : Provisional

TABLE 3.5

PRODUCTION OF SELECTED INDUSTR.L ITEMS

Year	Electrical Appliances		Paper & Board		Steel Prcucts		
	Electric Bulbs (Mln.Nos)	Electric Tubes (000 metre	Paper Board (000 tonnes)	Pape (All Typs) (000 tones)	Coke (00 tonnes)	Pig Irn (000 tores)	Billets (000 tonnes)
1990-91	49.3	7,728	88.6	64.2	723.6	1,073	330.0
1991-92	43.2	4,460	111.0	66.0	737.2	1,048	306.7
1992-93	41.3	4,205	154.8	109.	716.4	1,092	338.4
1993-94	42.7	5,307	133.2	129.	771.6	1,257	403.9
1994-95	41.6	5,352	106.2	208.	701.5	1,047	343.5
1995-96	45.8	5,417	110.0	193.	685.6	1,002	332.7
1996-97	56.4	7,598	197.6	149.	663.0	1,066	378.5
1997-98	62.5	8,354	166.5	178.	667.7	1,019	350.1
1998-99	66.8	7,991	173.6	186.	588.7	989	276.1
1999-00	63.2	7,137	228.0	206.	675.5	1,106	345.2
2000-01	55.2	10,542	246.3	284.	717.3	1,072	414.7
2001-02	54.6	10,441	187.6	137.	694.6	1,043	412.0
2002-03	58.3	10,844	228.2	148.	775.2	1,142	408.4
2003-04	139.4	14,614	247.9	156.	785.5	1,180	429.2
2004-05	146.7	19,819	420.6	163.	772.8	1,132	2,715.0
2005-06	143.6	19,992	476.7	167.	182.3	767	3,381.0
2006-07	144.8	21,400	464.7	161.	326.3	1,008	3,678.0
2007-08	129.8	19,524	448.2	192.	290.9	993	2,874.0
2008-09	91.8	11,101	449.6	252	423.7	791	1,943.0
July-March							
2008-09	72.9	10,198	340.5	188	329.7	640	1,477.0
2009-10 P	57.9	2,179	330.7	185	263.4	388	1,252.0

P : Provisional

Souri Federal ureau of Statistics
Ministry f Industries

TABLE 3.6

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	5.12	4.13	(2.59)	(0.72)	(5.52)	7.20	26.29	4.49	20.06
1992-93	4.13	5.68	(3.37)	13.46	(0.92)	14.65	2.84	5.54	(0.61)	2.67
1993-94	7.43	(3.23)	(21.64)	(7.45)	19.86	20.96	(5.35)	(0.41)	9.20	19.17
1994-95	4.59	2.19	(10.34)	5.96	(8.77)	(1.27)	(2.31)	(0.46)	4.16	4.33
1995-96	9.16	1.62	3.07	3.09	38.96	8.89	20.90	12.80	17.58	(18.15)
1996-97	1.72	1.99	(2.69)	(2.59)	1.31	(3.53)	(0.32)	11.66	8.44	(1.77)
1997-98	0.76	2.04	38.86	0.70	4.54	(3.15)	(1.80)	(2.71)	(2.12)	49.18
1998-99	0.52	13.02	(10.38)	7.95	6.98	6.67	2.30	(0.37)	4.06	(0.48)
1999-00	8.41	13.73	(1.87)	(9.65)	(8.92)	4.62	(3.33)	2.63	17.36	(31.41)
2000-01	3.06	12.12	4.56	19.59	24.02	9.21	3.87	(11.30)	2.97	21.70
2001-02	5.09	20.09	(8.61)	7.24	(5.05)	(0.38)	2.70	(1.23)	3.85	9.84
2002-03	6.18	1.66	14.03	(6.75)	(10.42)	12.11	12.11	10.09	9.34	13.48
2003-04	0.73	17.39	8.87	15.10	12.22	7.80	18.60	2.22	14.11	9.09
2004-05	18.22	35.31	0.80	18.04	10.29	25.73	27.14	3.77	10.21	(22.51)
2005-06	11.66	(2.26)	(0.27)	9.86	4.98	5.03	13.52	7.19	6.11	(5.01)
2006-07	11.73	8.18	12.97	2.45	2.87	(7.75)	22.49	3.74	10.45	19.16
2007-08	2.44	3.95	9.29	(3.63)	2.22	(2.48)	17.64	10.37	2.50	34.20
2008-09	(0.04)	0.05	6.50	(6.89)	12.10	18.89	6.09	0.11	(1.59)	(32.61)
July-March										
2008-09	(0.27)	(0.33)	6.57	(8.17)	11.37	21.53	4.71	(1.25)	(2.38)	(26.32)
2009-10	(1.76)	0.14	(21.07)	(2.49)	(10.99)	10.88	11.21	12.31	(22.47)	(3.47)

Source: Federal Bureau of Statistics

Note : Figures in parenthesis represent negative growth

TABLE 4.1

FEDERAL GOVERNMEI' OVERALL BUDGETARY P)SITION

(Rs Miion)

Fiscal Year/ Item	2008-09	2009-10 (B.E)
A. REVENUE		
FBR Tax Revenue (1 +2)	,157,002	1,380,000
1 Direct Taxes	440,271	565,600
2 Indirect Taxes	716,731	814,400
i. Customs	148,382	162,200
ii. Sales Tax	452,294	499,400
iii. Federal Excis	116,055	152,800
Non-Tax Revenue	454,885	483,709
Gross Revenue Receipts	,739,497	2,007,207
B. EXPENDITURE		
Current Expenditure*	,536,441	1,723,863
i. Defence	329,902	342,913
ii. Interest	637,790	647,104
iii. Grants	154,927	366,737
iv. Economic Affs	136,553	84,926
vi. Other	245,790	232,130
Development Expenditure SDP)	308.301	406,000
Total Expenditure**	,844,742	2,146,952

ource: Buet Wing, hance Division, Islamaad

B.E.- Budget Estimates

@ : Includes Law and Order, Sial, Economic and Community Srvices

* : Current expenditure includ earthquake related spendings

** : Includes other categories it shown here

TABLE 4.2

SUMMARY OF PUBLIC FINANCE (CONSOLIDATED FEDERAL AND PROVINCIAL GOVERNMENTS)

(Rs Million)

Fiscal Year/ Item	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 (B.E)	% Change 2009-10/ 2008-09
Total Revenues (i+ii)	*720,800*	*794,000*	*900,014*	*1,076,600*	*1,297,957*	*1,499,380*	*1,850,901*	*2,155,387*	*16.5*
Federal	673,600	741,000	842,900	992,200	1,215,730	1,380,599	1,721,028	1,990,387	15.7
Provincial	47,200	53,000	57,114	84,400	82,227	118,781	129,873	165,000	27.0
i) Tax Revenues	555,800	611,000	659,410	803,700	889,685	1,050,696	1,204,670	1,593,497	32.3
Federal	534,000	583,000	624,700	766,900	852,866	1,009,902	1,158,586	1,523,497	31.5
Provincial	21,800	28,000	34,710	36,800	36,819	40,794	46,084	70,000	51.9
ii) Non-Tax Revenues	165,000	183,000	240,604	272,900	408,272	448,684	646,231	561,890	-13.1
Federal	139,600	158,000	218,200	225,300	362,864	370,697	562,442	466,890	-17.0
Provincial	25,400	25,000	22,404	47,600	45,408	77,987	83,789	95,000	13.4
Total Expenditures (a+b+c)	*898,200*	*956,000*	*1,116,981*	*1,401,900*	*1,799,968*	*2,276,549*	*2,531,308*	*2,877,439*	13.7
a) Current	791,700	775,000	864,500	1,034,700	1,375,345	1,853,147	2,041,570	2,260,963	10.7
Federal	599,800	557,000	664,200	789,100	973,130	1,416,015	1,495,873	1,670,963	11.7
Provincial	191,900	218,000	200,300	245,600	402,215	437,132	545,697	590,000	8.1
b) Development (PSDP)	129,200	161,000	227,718	365,100	433,658	451,896	480,282	606,000	26.2
c) Net Lending to PSE's	-22,700	20,000	24,763	2,100	-9,035	-28,494	6,911	10,476	
d) Statistical Discrepancy	3,200	-32,000	0	-86,307	-124,510	0	2,545	0	
Overall Deficit	-180,600	-130,000	-216,967	-325,300	-377,501	-777,169	-680,407	-722,052	
Financing (net)	180,600	130,000	216,988	325,200	377,501	777,169	680,407	722,051	
External (Net)	113,000	-5,900	120,432	148,900	147,150	151,311	149,651	331,618	
Domestic (i+ii)	67,600	135,900	96,556	176,300	230,351	625,858	529,466	390,434	
i) Non-Bank	119,500	61,000	8,050	8,100	56,905	104,302	223,846	246,287	
ii) Bank	-55,600	63,690	60,179	70,900	101,982	519,906	305,620	144,147	
iii) Privatization Proceeds	3,700	11,210	28,327	97,300	71,464	1,650	1,290	19,351	
Memorandum Item									
GDP (mp) in Rs. Billion	4,876	5,641	6,500	7,623	8,673	10,243	12,739	14,668	15.1
	(As Percent of GDP at Market Price)£								
Total Revenue	14.8	14.1	13.8	14.1	15.0	14.6	14.5	14.7	
Tax Revenue	11.4	10.8	10.1	10.5	10.3	10.3	9.5	10.9	
Non-Tax Revenue	3.4	3.2	3.7	3.6	4.7	4.4	5.1	3.8	
Expenditure	18.5	16.9	17.2	18.4	20.8	22.2	19.9	19.6	
Current	16.2	13.7	13.3	13.6	15.9	18.1	16.0	15.4	
Development	2.2	3.2	3.9	4.8	4.9	4.4	3.8	4.1	
Overall Deficit Incl. E.quake Exp.	3.7	2.3	3.3	4.3	4.4	7.6	5.3	4.9	

Source: Budget Wing, Finance Division, Islamabad

B.E : Budget Estimate

£ : Due to change of base of GDP to 1999-2000 prior years are not comparable

TABLE 4.3

CONSOLIDATED FEDERAL AND FOVINCIAL GOVERNMENT REVNUES

(Rs Mlion)

Fiscal Year/ Item	2002-03	2003-04	2004-05	205-06	206-07	2-08	20-09	2009-10 (B.E)	% chage 2009 0/ 20089
Total Revenue (I+II)	720,800	793,700	900,014	1,76,600	1,27,957	1,381	1,8901	2,155,387	16
Federal	573,600	743,600	842,900	92,200	1,25,730	1,600	1,7028	1,990,387	15
Provincial	47,200	50,100	57,114	34,400	2,227	878	1873	165,000	27
I. Tax Revenues (A+B)	555,800	611,000	659,410	03,700	89,685	1,696	1,3227	1,593,497	21
Federal	534,000	583,000	624,700	36,900	82,866	1,902	1,2143	1,523,497	20
Provincial	21,800	28,000	34,710	36,800	6,819	,794	,084	70,000	51
A. Direct Taxes (1+2)	157,886	171,188	186,473	24,147	37,639	,350	4,271	565,600	25
1 Federal	151,976	164,497	176,930	15,000	34,168	,563	4,271	565,600	25
2 Provincial	5,910	6,691	9,543	9,147	3,471	,787	0	0	
B. Indirect Taxes (3+4+5+6+7)	397,914	439,812	472,937	79,553	52,046	,346	8,696	1,027,897	27
3. Excise Duty	45,437	47,538	60,813	58,702	4,026	,549	1,517	152,800	28
Federal	44,002	45,823	58,670	55,000	1,575	,594	1,055	152,800	37
Provincial	1,435	1,715	2,143	3,702	2,451	,955	,462	0	-10.0
4. Sales Tax*	195,138	220,607	235,533	94,600	39,228	,497	2,294	493,400	14
5. Taxes on International Trade	68,835	90,940	117,243	138,200	32,200	,545	8,382	162,200	3
6. Surcharges*	68,230	61,381	26,769	50,800	64,546	,178	6,026	141,937	1.6
6.1 Gas	21,358	16,770	16,165	26,300	34,888	,708	1,015	29,937	11.6
6.2 Petroleum	46,872	44,611	10,604	24,500	29,658	1,470	2,011	112,000	0
7. Other Taxes **	20,274	60,727	59,348	88,051	36,592	,755	0,408	183,560	79.5
7.1 Stamp Duties	6,631	10,329	10,573	10,211	10,268	1,123	1,290	0	-10.0
7.2 Motor Vehicle Taxes	3,893	4,722	5,749	7,107	7,719	4,975	7,534	0	-10.0
7.3 Foreign Travel Tax*	4,054	4,751	2,050	3,593	3,681	356	0	0	
7.4 Others	5,696	60,925	40,976	67,140	14,924	0,301	1,584	1,560	.5
II. Non-Tax Revenues	165,000	182,700	240,604	272,900	108,272	8,685	4,885	561,891	5.5
Federal	139,600	160,600	218,200	225,300	362,864	0,698	4,885	466,891	.6
Provincial	25,400	22,100	22,404	47,600	45,408	7,987	3,789	95,000	3.4

*: Revenues under these heads are exclively Federal

**: Mainly includes Provincial Revenues

B.E: Budget Estimate

rce: Budg Wing, Finance Division, Islamabad

TABLE 4.4

CONSOLIDATED FEDERAL AND PROVINCIAL GOVERNMENT EXPENDITURES

(Rs million)

Fiscal Year/ Item	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 (B.E)
Current Expenditure	*700,200*	*791,700*	*775,000*	*864,500*	*1,034,700*	*1,375,345*	*1,853,147*	*2,041,573*	2,260,963
Federal	524,600	599,800	557,000	664,200	789,100	973,130	1,416,015	1,495,876	1,670,963
Provincial	175,600	191,900	218,000	200,300	245,600	402,215	437,132	545,697	590,000
Defence	149,254	159,700	184,904	211,717	241,063	249,858	277,300	329,902	342,913
Interest	275,292	227,810	222,387	234,752	260,021	386,916	509,574	656,259	663,923
Federal	245,763	199,816	196,261	210,196	237,119	368,797	489,681	637,790	647,104
Provincial	29,529	27,994	26,126	24,556	22,902	18,119	19,893	18,469	16,819
Current Subsidies	29,221	57,114	67,920	66,673	101,238	76,039	423,685	225,610	161,843
Federal	25,488	50,000	62,500	57,800	86,300	74,010	407,485	220,352	131,914
Provincial	3,733	7,114	5,420	8,873	14,938	2,029	16,200	5,258	29,929
Gen. Administration*	91,024	100,210	120,023	130,531	163,263	225,120	368,159	349,994	355,109
Federal	56,300	60,900	75,500	81,400	103,100	146,017	175,700	349,994	355,109
Provincial	34,724	39,310	44,523	49,131	60,163	79,103	192,459	0	0
All Others**	155,409	246,866	179,766	220,827	269,115	437,412	274,429	479,808	737,175
Development Expenditure	*126,250*	*129,200*	*161,000*	*227,718*	*365,100*	*433,658*	*451,896*	*480,282*	606,000
Net Lending to PSEs	*-200*	*-22,700*	*20,000*	*24,763*	*2,100*	*-9,035*	*-28,494*	*6,911*	10,476
Total Expenditure	*826,250*	*898,200*	*956,000*	*1,116,981*	*1,401,900*	*1,799,968*	2,276,549	*2,531,308*	2,877,439
Memorandum Items:				(Percent Growth over preceding period)					
Current Expenditure	8.4	13.1	-2.1	11.5	19.7	32.9	34.7	10.2	10.7
Defense	13.8	7.0	15.8	14.5	13.9	3.6	11.0	19.0	3.9
Interest	9.9	-17.2	-2.4	5.6	10.8	48.8	31.7	28.8	1.2
Current Subsidies	0.7	95.5	18.9	-1.8	51.8	-24.9	457.2	-46.8	-28.2
General Administration	-9.9	10.1	19.8	8.8	25.1	37.9	63.5	-4.9	1.5
All Others	15.9	58.8	-27.2	22.8	21.9	62.5	-37.3	74.8	4.8
Development Expenditure	40.6	2.3	24.6	41.4	60.3	18.8	4.2	6.3	26.2
Total Expenditure	15.1	8.7	6.4	16.8	25.5	28.4	26.5	11.2	13.7
				As % of Total Expenditure					
Current Expenditure	84.7	88.1	81.1	77.4	73.8	76.4	81.4	80.7	78.6
Defense	18.1	17.8	19.3	19.0	17.2	13.9	12.2	13.0	11.9
Interest	33.3	25.4	23.3	21.0	18.5	21.5	22.4	25.9	23.1
Current Subsidies	3.5	6.4	7.1	6.0	7.2	4.2	18.6	8.9	5.6
General Administration	11.0	11.2	12.6	11.7	11.6	12.5	16.2	13.8	12.3
All Others	18.8	27.5	18.8	19.8	19.2	24.3	12.1	28.6	26.4
Development Expenditure@	15.3	11.9	18.9	22.6	26.2	23.6	18.6	19.2	21.1
Total Expenditure	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Budget Wing, Finance Division

B.E : Budget Estimate

* : Also includes Law & Order, Social, Economic and Community Services.

** : Includes mainly Provincial Expenditures.

@ : Include Net Lending

TABLE 4.5

DEBT SERVICING

Fiscal Year / Item	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10*
A. Interest Payments	227,810	222,387	23[illegible]752	26[illegible]021	3816	50574	656,259	485[illegible]19
A.1 Federal	199,816	196,261	21[illegible]196	23[illegible]119	3697	48581	637,790	473[illegible]17
Interest on Domestic Debt	160,481	154,817	17[illegible]466	19[illegible]006	3139	43[illegible]89	558,729	428[illegible]12
Interest on Foreign Debt	39,335	41,444	39[illegible]30	42,13	458	59[illegible]2	79,061	45,05
A.2 Provincial	27,994	26,126	24[illegible]56	22[illegible]02	189	1993	18,469	11,02
B. Repayment/Amortization of Foreign Debt	56,304	127,276	57[illegible]02	81,94	695	6862	224,576	166 00
C. Total Debt Servicing (A+B)	284,114	349,663	292454	341[illegible]15	4561	57236	880,835	652,19
MEMORANDUM ITEMS	(As Percent of GDP)							
Interest on Domestic Debt	3.3	2.7	[illegible]	[illegible]	[illegible]	4	4.4	2.
Interest on Foreign Debt	0.8	0.7	[illegible]	[illegible]	[illegible]	[illegible]	0.6	0.
Repayment/Amortization of Foreign Debt	1.2	2.3	[illegible]	1.	[illegible]	[illegible]	1.8	1.
Total Debt Servicing	5.8	6.2	4[illegible]	4[illegible]	[illegible]	5	6.9	4.

*July 2009-March 2010

Source: Budget Wing, Finance Division

Table 5.1

COMPONENTS OF MONETARY ASSES

Stock Rs. in million	04	2005	2006	2007	2008	2009	End March 2009	End March 2010 P
1. Currency Issued	7,508	712,480	791,834	901,401	1,054,191	1,231,87	1,192,423	1,359,76
2. Currency held by SBP	2,960	3,107	3,005	3,148	2,900	2,69	2,697	2,50
3. Currency in tills of Scheduled Banks	5,432	43,472	48,439	58,072	68,966	77,00	75,193	80,04
4. Currency in circulation (1-2-3)	3,116	665,901	740,390	840,181	982,325	1,152,17	1,114,531	1,277,23
5. Other deposits with SBP[1]	2,116	3,335	4,931	7,012	4,261	4,66	4,244	5,97
6. Scheduled Banks Total Deposits	1,5,260	2,291,408	2,661,584	,217,962	3,702,556	3,980,38	3,686,512	4,163,60
7. Resident Foreign Currency Deposits (RFCD)	5,694	180,295	195,501	207,312	263,430	280,36	279,662	330,04
8. Monetary assets (4+5+6)	2,5,492	2,960,644	3,406,905	,065,155	4,689,143	5,137,21	4,805,287	5,446,80
9. Growth rate (%)	19.6	19.1	15.1	19.3	15.3	9.	2.5	.0
Memorandum items								
1. Currency / Money ratio	23.3	22.5	21.7	20.7	20.9	22.	23.2	2.4
2. Demand Deposits / Money ratio	31.8	32.1	31.9	65.0	65.5	62.	61.9	6.8
3. Time Deposits / Money ratio	39.0	39.2	40.5	9.0	7.8	9.	9.0	.6
4. Other Deposits / Money ratio	0.1	0.1	0.1	0.2	0.1	0.	1.1	.1
5. RFCD / Money ratio	5.9	6.1	5.7	5.1	5.6	5.	5.3	.1
6. Income Velocity of Money[2]	2.4	2.4	2.1	2.3	2.4	2.		

P : Provisional

Soun: State Bank of Pakisin

1 : Excluding IMF A/c Nos 1 & 2 SAF Loans A/deposits money banks, counterpa: funds, deposits of fogn centrabanks, foreign governments and international organizations c

2 : Income velocity of money is defined by thetate Bank as GDP at current factocost/quartely averagf Moneta Assets (M2)

Explanatory Notes:

a : Data series on monetary aggregates other an M1 are based on weekly return reported b scheduloanks to SP

b : Data series on M1 aggregates (as Sr. # 8) issued on monthly returns reporte by schedued banks SBP and ;blished in Statistical Bulletin from Aril 2008

c : The stock data of M2 has been revised sinc June 2002 due to treatment of priatization commission posits wi NBP as government deposits. These deposits were previously inclled in private sector deposits whin have nowbeing incled in govnment deposits

d : Totals may not tally due to separate roundi off

TABLE 5.2

CAUSATIVE FACTORS ASSOCIATED WITH MONETARY ASSETS

(Rs million)

	2006	2007	2008	2009	End March 2009	End March 2010 P
	A. Stock End June					
1 Public Sector Borrowing (net) (i + ii + iii + iv + v + vi)	833,686	926,530	1,508,541	2,034,304	1,727,000	2,206,152
i Net Budgetary Support	708,037	810,053	1,364,604	1,681,022	1,570,239	1,920,010
ii Commodity Operations	107,762	98,552	125,423	336,202	140,267	269,884
iii Zakat Fund etc.	(14,308)	(14,269)	(13,681)	(15,114)	(15,700)	(15,937)
iv Utilization of privatization proceeds by Govt./WAPDA	37,651	37,657	37,657	37,657	37,657	37,657
v Use of Privatization proceeds/ NDRP Fund for Debt Retirement	(5,749)	(5,749)	(5,749)	(5,749)	(5,749)	(5,749)
vi Payment to HBL on A/C of HC&EB	287	287	287	287	287	287
2 Non-Government Sector	2,190,769	2,576,474	3,019,924	3,189,994	3,237,329	3,425,323
i Autonomous Bodies[1]	36,979	58,148	87,387	112,186	114,675	114,714
ii Net Credit to Private Sector & PSCEs (a + b + c + d)	2,153,790	2,518,326	2,932,536	3,077,808	3,122,654	3,310,609
a. Private Sector	2,113,890	2,479,608	2,889,814	2,906,897	2,964,066	3,054,109
b. Public Sector Corp. other than 2(i)	47,237	46,010	49,894	177,819	165,990	262,662
c. PSEs Special Account Debt Repayment with SBP	(23,225)	(23,478)	(23,597)	(23,683)	(23,683)	(23,683)
d. Other Financial Institutions (SBP credit to NBFIs)	15,889	16,187	16,425	16,776	16,281	17,522
3 Counterpart Funds	(546)	(519)	(543)	0	0	0
4 Other Items (Net)	(327,346)	(422,223)	(506,834)	(604,410)	(621,622)	(762,143)
5 Domestic Credit (1+2+3+4)	2,696,564	3,080,263	4,021,633	4,619,888	4,342,708	4,869,332
6 Foreign Assets (Net)	710,341	984,982	667,511	517,330	462,579	557,538
7 Monetary Assets (5+6)	3,406,905	4,065,155	4,689,143	5,137,218	4,805,287	5,446,870
	B. Changes over the year (July-June)					
8 Public Sector Borrowing (net) (i + ii + iii + iv + v + vi)	86,879	92,844	582,011	525,763	218,459	171,847
i Net Budgetary Support	67,063	102,015	554,551	316,418	205,635	238,988
ii Commodity Operations	19,928	(9,210)	26,871	210,779	14,844	(68,318)
iii Zakat Fund etc.	(110)	39	588	(1,434)	(2,019)	(822)
iv Utilization of privatization proceeds by Govt./WAPDA	-	-	-	-	-	-
v Use of Privatization proceeds/ NDRP Fund for Debt Retirement	-	-	-	-	-	-
vi Payment to HBL on A/C of HC&EB	-	-	-	-	-	-
9 Non-Government Sector	408,401	385,705	443,449	170,070	217,405	235,329
i Autonomous Bodies[1]	4,755	21,169	29,239	24,799	27,288	2,528
ii Net Credit to Private Sector & PSCEs (a + b + c + d)	403,646	364,536	414,210	145,272	190,118	232,801
a. Private Sector	401,797	365,718	410,206	17,083	74,252	147,212
b. Public Sector Corp. other than 2(i)	2,399	(1,227)	3,884	127,925	116,098	84,843
c. PSEs Special Account Debt Repayment with SBP	489	(253)	(118)	(86)	(86)	0
d. Other Financial Institutions (NBFIs)	(1,038)	298	238	351	(144)	746
10 Counterpart Funds	(7)	27	(24)	543	543	0
11 Other Items (Net)	122,416	(94,877)	(84,093)	(97,576)	(114,788)	(157,733)
12 Domestic Credit Expansion (8+9+10+11)	372,857	383,699	941,370	598,800	321,620	249,444
13 Foreign Assets (Net)	73,403	274,551	(317,381)	(150,181)	(204,933)	60,208
14 Monetary Expansions (12+13)	446,260	658,250	623,988	448,075	116,144	309,652

Source: State Bank of Pakistan

Note: Figures in the parentheses represent negative signs. P : Provisional

1 : Till end June 1996 autonomous bodies consisted of WAPDA, OGDC, PTC, NFC, and PTV, thereafter their composition has been changed as WAPDA, OGDC, PTC, SSGC SNGPL, KESC and Pakistan Railways

2 : Adjusted for SAF loans amounting to Rs 7371 million

3 : Adjusted for Rs 5278 million to exclude the impact arising due to mark up debited to the borrowers account

4 : Adjusted for Rs 8207 million being mark up debited to the borrowers account

5 : Credit to NHA by commercial Banks

6 : Credit to NHA and CAA by commercial banks

TABLE 5.3

SCHEDULED BANKS POSITDN BASED ON WEEKLY RE'URNS: LABILITIEAND ASSETS

(Rs miion)

Outstanding Amount at end June	2005	2006	2007	2008	200!	End March 2009	201 P
LIABILITIES							
1. Capital (paid-up) and Reserve	190,652	315,41	484,29	551,:	639,8	612,821	67416
DEMAND LIABILITIES IN PAKISTAN							
2. Inter-banks Demand Liabilitie	22,993	28,60	54,79	35,(	60,5	44,702	4873
2.1 Borrowing	(99)				0	0	0
2.2 Deposits	(22,894)	(28,60)	54,79	35,(	60,5	44,702	4873
3. Demand Deposits (General)	1,211,674	1,350,01	2,889,58	3,352,!	3,473,0	3,221,722	3,67275
4. Other Liabilities	70,107	97,26	137,08	167,(	218,9	203,150	22794
5. Total Demand Liabilities (2+3)	1,304,774	1,475,88	3,081,47	3,556,(	3,751,4	3,469,574	3,94942
TIME LIABILITIES IN PAKISTAN							
6. Inter-banks Time Liabilities	10,756	25,75	3,86	6,:	1770	7,563	1979
6.1 Borrowing	(1,024)		)		0	0	0
6.2 Deposits	(9,732)	(25,75)	3,86	6,:	1770	7,563	1979
7. Time Deposits (General)	1,231,745	1,490,18	512,56	522,l	68435	621,973	73408
8. Other Liabilities	27,288	34,23	69,76	87,!	8659	77,105	9,947
9. Total Time Liabilities (6+7+8)	1,269,789	1,550,17	586,22	616,:	78814	706,641	84334
10. Total Demand and Time Liab:ies	2,574,563	3,026,06	3,667,66	4,173,l	4,54038	4,176,214	4,79276
11. Borrowing From SBP	185,058	198,72	269,10	213,:	29355	305,863	36121
12. Borrowing from Banks Abroa	6,245	2,95	7,05	5,'	939	10332	1,957
13. Money at Call and Short Noti in Pakistar	22,243	172,89	220,94	169,'	19279	205,182	17,501
14. Other Liabilities	645,616	168,01	136,19	218,:	32387	313,917	40,167
15. Total Liabilities	3,624,387	3,884,05	4,785,10	5,331,(	5,99917	5,624,329	6,41437
16. Total Statutory Reserves	127,041	148,56	229,33	316,3	18485	171,244	19853
16.1 On Demand Liabilities	(64,089)	72,36	211,87	316,3	18485	171,244	19853
16.2 On Time Liabilities Assets	(62,952)	76,22	17,41	)	0	0	0
ASSETS							
17. Cash in Pakistan	43,462	48,43	58,02	68,5	7706	75,193	8,014
18. Balances with SBP	188,092	202,50	307,43	414,3	27832	255,996	27,572
19. Other Balances	49,021	56,40	65,65	632	8066	51,661	5,662
20. Money at Call and Short Not in Pakistar	22,166	232,55	239,01	1573	18549	156,111	16,613
21. 17+18+19+20 as % of 10	11.8	17	10	0	1.0	13.0	12.0
FOREIGN CURRENCY							
22. Foreign Currency held in Pastan	6,777	6,49	7,43	119	1518	15,519	1,056
23. Balances with Banks Abroa	116,627	93,37	170,59	1597	18974	197,133	19,010
24. Total Foreign Currency (22 +3)	123,404	99,85	177,92	1706	20392	212,652	20,066
BANK CREDIT ADVANCES							
25. To Banks	190	)	0	0	0	0	0
25. To Others	1,680,491	2,079,05	2,379,26	2,8098	3,08274	2,952,001	3,15,934
27. Total Advances	1,680,681	2,079,05	2,379,26	2,8098	3,08274	2,952,001	3,15,934
28. Bills Purchased and Discoued	120,480	135,94	145,77	1404	14693	141,248	15,693
29. Total Bank Credit (27 + 28)	1,801,161	2,214,90	2,524,92	2,9501	3,23067	3,093,249	3,31,627
30. 29 as % of 10	70.0	72	6.0	0	1.0	74.0	69.0
INVESTMENT IN SECURITIES ANSHARES							
31. Central Government Securits	173,783	177,80	174,45	1731	21164	199,441	23,041
32. Provincial Government Secities	77	7	'6	'6	0	0	0
33. Treasury Bills	415,016	411,61	655,91	5525	75955	666,477	1,03,764
34. Other Investment in Securits & Shares	140,453	165,58	235,30	2860	38035	369,208	43,285
35. Total Investment in Securiti and Shares (29 to 32)	729,334	755,27	1,065,53	1,0202	1,35154	1,235,125	1,73,091
36. 35 as % of 10	28.3	2.0	2.0	.0	0.0	30.0	36.0
37. Other Assets	563,552	195,06	211,41	2666	30222	279,796	30,064
38. Advance Tax Paid	42,386	6,43	8,14	178	4136	36,798	4,667
39 Fixed Assets	61,809	72,50	127,31	2034	22373	225,748	25,063
40. Total Assets	3,624,387	3,884,07	4,785,37	5,3371	5,99217	5,624,329	6,47,437
41. Excess Reserves (18-16)	61,051	53,96	78,95	920	9847	84,752	0,718

Figures in the parentheses represent negative sign   P : Provisional   ource: State Bank of Pkistan

Note:

1 : Effective 22 July 2006, deman& time deposits have been re-clas:fied in accordance witBSD circul no. 9 2006 dated 18 July 2006. The time depits of less than 6 months are inclued in demad depositor the purse of CRR & SLR

2 : Definition of time & demand liilities as mentioned in BSD circul no 9 datec18 July 20have beerevised. As per new demition, time liabilities will include depos with tenor of one year and aboveAccordingl time depcs with terr of less ofthan one year will become part of demandeposits.

TABLE 5.4

INCOME VELOCITY OF MONEY

(Rs billion)

End June Stock	Narrow Money M1	Monetary Assets (M2) (Rs million)	Growth Percentage	Income Velocity of Monetary Assets (M2)
1980-81	73.56	104.62	13.20	2.70
1981-82	80.93	116.51	11.40	2.70
1982-83	96.54	146.03	25.30	2.70
1983-84	103.45	163.27	11.80	2.70
1984-85	118.97	183.91	12.60	2.70
1985-86	134.83	211.11	14.80	2.60
1986-87	159.63	240.02	13.70	2.50
1987-88	185.08	269.51	12.30	2.60
1988-89	206.36	290.46	7.80	2.70
1989-90	240.16	341.25	17.50	2.70
1990-91	265.14	400.64	17.40	2.70
1991-92	302.91	505.57	26.20	2.70
1992-93	327.82	595.39	17.80	2.30
1993-94	358.77	703.40	18.10	2.40
1994-95	423.14	824.73	17.20	2.40
1995-96	448.01	938.68	13.80	2.40
1996-97	443.55	1,053.23	12.20	2.50
1997-98	480.33	1,206.32	14.50	2.30
1998-99	643.04	1,280.55	6.20	2.40
1999-2000	739.03	1,400.63	9.40	2.20
2000-01	1275.61	1,526.04	9.00	2.60
2001-02	1494.14	1,751.88	14.80	2.50
2002-03	1797.36	2,078.48	18.60	2.30
2003-04	2174.74	2,485.49	19.60	2.30
2004-05	2512.21	2,960.64	19.10	2.40
2005-06	2720.68	3,406.91	15.10	2.40
2006-07	3155.63	4,065.16	19.30	2.30
2007-08	4689.14	4,689.14	15.30	2.40
2008-09		5,137.22	9.60	2.80
End March				
2008-09	-	5,137.20	8.12	-
2009-10 P	-	5,431.50	1.67	-

Source: State Bank of Pakistan

P : Provisional

Explanatory Note:

a : It may be noted that data series of M1 from 2000-01 is not comparable as compilation of M1 based on weekly data has been discontinued by the SBP. Now M1 is being compiled on the basis of monthly returns and will be reported in the monthly statistical Bulletin of the SBP beginning from April 2008 in its table 2.1

b : The stock data of M2 has been revised since June 2002 due to treatment of privatization commission deposits with NBP as government deposits. These deposits were previously included in private sector deposits which have now being included in government deposits

TABLE 5.5

LIST OF DOMESTIC, FOREIGNBANKS AND DFIs (As on 30)3-2010)

Public Sector Commercial Banks
1 First Women Bank Ltd.
2 National Bank of Pakistan
3 The Bank of Khyber
4 The Bank of Punjab

Specialized Scheduled Banks
1 Industrial Development Bk of Pakistan Limited
2 The Punjab Provincial Co-erative Bank
3 SME Bank Limited
4 Zarai Taraqiati Bank Limit

Private Local Banks
1 Allied Bank Limited
2 Arif Habib Bank Limited
3 Askari Bank Limited
4 Atlas Bank Limited
5 Bank Al-Falah Limited
6 Bank Al-Habib Limited
7 Bank Islami Pakistan Limid
8 Dawood Islamic Bank Limd
9 Dubai Islamic Bank Pakish Limited
10 Emirates Global Islamic Bk
11 Faysal Bank Limited
12 Habib Bank Limited
13 Habib Metropolitan Bank lnited
14 JS Bank Limited
15 KASB Bank Limited
16 MCB Bank Limited
17 Meezan Bank Limited
18 my Bank Limited
19 NIB Bank Limited
20 Samba Bank Limited
21 Silkbank Limited
22 Soneri Bank Lmited
23 Stndard Chaered BanPakistan) mited
24 Th Royal Bak of Scotld Limited
25 Uited Bank Lmited

Foreign Banks
1 AlBaraka Islaic Bank I.C. (E.C.)
2 Brclays Ban PLC
3 Cibank N.A.
4 Dutshe BankA.G.
5 HSC Bank Mddle East nited
6 Oian Internaonal BankA.O.G.
7 Th Bank of Tkyo - Mitsishi UFJ mited

Development Financial Institutis
1 Hose Buildin Finance rporationimited
2 Pk-Brunai Inestment Cpany Ltc
3 Pk-China Invstment Cctd.
4 Pk-Iran Jointnvestmero. Ltd.
5 Pk Kuwait Inestment Cpany of akistan (Pvt) Limited
6 Pk Libya Holing Compy (Pvt) Liited
7 Pk Oman Invstment Cpany (PvLimited
8 Sadi Pak Indstrial & Acultural Irestment company (Pt) Limited

Micro Fiance Bank
1 Kshf Microfiance Banlimited
2 Kushhali Bak
3 Ntwork Micr Finance Bk Limitec
4 Pk Oman Miro Financank Limitd
5 Rzgar Microinance Bk Limited
6 Th First Micr Finance nk Limite
7 Tmeer MicroFinance Bk Limited

Source: Ste Bank of Pakistan
ad Finance Division.

TABLE 5.6

SCHEDULED BANKS IN PAKISTAN (Weighted Average Rates of Return on Advances)

(Percent)

As at the End of		Precious Metal	Stock Exchange Securities	Merchan-dise	Machinery	Real Estate	Financial Obli-gations	Others	Total Advances*
I. INTEREST BEARING									
2001	Jun	11.75	13.54	13.69	13.50	12.84	13.07	12.05	13.07
		(13.87)	(14.06)	(13.59)	(13.55)	(13.86)	(13.00)	(13.87)	(13.64)
2002	Jun	8.10	11.27	13.12	13.56	12.72	13.88	12.47	13.00
		(8.14)	(11.70)	(13.13)	(13.67)	(12.98)	(13.81)	(13.39)	(13.29)
2003	Jun	12.01	11.97	9.39	15.66	12.63	7.74	10.66	11.87
		(12.01)	(11.82)	(9.67)	(15.68)	(12.86)	(7.66)	(11.49)	(12.35)
2004	Jun	9.20	6.01	6.89	11.21	9.08	7.08	9.04	8.41
		(9.20)	(6.01)	(7.08)	(11.77)	(9.08)	(7.03)	(9.05)	(8.54)
2005	Jun	8.51	6.86	6.09	4.59	6.68	6.76	8.86	7.01
		(8.51)	(8.29)	(6.01)	(4.07)	(6.68)	(6.70)	(9.02)	(7.01)
2006	Jun	11.58	14.84	8.68	8.55	10.23	10.31	9.59	9.71
		(11.58)	(14.09)	(8.51)	(8.55)	(10.23)	(10.31)	(9.99)	(9.66)
2007	Jun	10.87	11.37	10.73	11.07	12.30	11.05	10.76	11.25
		(10.87)	(12.11)	(10.68)	(11.06)	(12.30)	(11.05)	(10.81)	(11.30)
	Dec	11.45	10.36	9.82	11.09	12.85	10.02	11.93	11.64
		(11.45)	(10.42)	(9.82)	(11.09)	(12.85)	(10.02)	(11.98)	(11.66)
2008	Jun	13.62	12.37	11.78	13.16	12.21	13.32	13.02	12.53
		(13.62)	(12.60)	(11.77)	(13.16)	(12.21)	(13.32)	(13.14)	(12.57)
	Dec	14.64	13.88	13.83	12.05	13.60	16.55	13.74	13.60
		(14.64)	(14.11)	(13.83)	(12.04)	(13.60)	(16.55)	(13.52)	(13.60)
2009	Jun	14.86	12.15	13.45	11.91	14.14	15.30	13.21	13.54
		(14.86)	(10.11)	(13.07)	(11.91)	(13.75)	(15.27)	(13.10)	(13.54)
	Dec	14.07	11.62	12.38	12.78	13.70	12.43	12.35	12.66
		(14.07)	(10.28)	(12.17)	(12.78)	(13.70)	(11.87)	(11.99)	(12.48)
II. ISLAMIC MODES OF FINANCING									
2001	Jun	11.02	13.47	13.39	14.53	13.31	13.84	14.03	13.65
		(11.28)	(13.57)	(13.88)	(14.42)	(14.52)	(13.86)	(14.78)	(14.24)
2002	Jun	9.30	13.09	12.85	13.70	13.47	13.32	13.32	13.20
		(9.50)	(13.33)	(12.73)	(13.81)	(14.05)	(13.22)	(14.00)	(13.52)
2003	Jun	11.43	5.92	7.50	9.39	11.47	7.79	10.31	9.19
		(11.43)	(5.77)	(7.95)	(9.54)	(12.08)	(8.62)	(10.84)	(9.71)
2004	Jun	10.86	4.86	5.73	6.61	9.27	5.88	8.34	7.19
		(10.86)	(5.28)	(5.96)	(6.81)	(9.68)	(5.82)	(9.01)	(7.60)
2005	Jun	9.03	7.15	7.93	7.80	10.16	8.21	10.15	8.94
		(9.03)	(7.17)	(7.95)	(7.88)	(10.22)	(8.19)	(10.67)	(9.13)
2006	Jun	10.66	10.03	9.63	9.14	11.23	9.25	12.37	10.68
		(10.66)	(10.20)	(9.66)	(9.20)	(11.26)	(9.25)	(12.90)	(10.83)
2007	Jun	12.04	11.26	10.11	10.80	11.92	10.43	13.02	11.57
		(12.04)	(11.34)	(10.03)	(10.84)	(11.92)	(10.49)	(13.40)	(11.68)
	Dec	9.70	11.27	10.26	10.76	11.80	10.58	12.93	11.55
		(9.70)	(11.41)	(10.23)	(10.82)	(11.79)	(10.62)	(13.26)	(11.65)
2008	Jun	11.75	12.87	11.53	12.26	12.11	11.23	13.90	12.48
		(11.75)	(12.93)	(11.55)	(12.22)	(12.12)	(11.23)	(14.21)	(12.55)
	Dec	15.02	15.76	14.42	14.62	13.51	15.00	15.89	14.72
		(15.02)	(15.66)	(14.19)	(14.67)	(13.49)	(15.02)	(15.96)	(14.72)
2009	Jun	14.18	15.01	14.19	14.20	13.27	15.83	15.08	14.31
		(14.18)	(15.04)	(13.73)	(14.10)	(13.30)	(16.79)	(15.20)	(14.30)
	Dec	14.18	13.61	12.10	12.72	12.71	11.93	14.88	13.22
		(14.14)	(14.02)	(12.18)	(12.70)	(12.71)	(11.55)	(14.96)	(13.10)

* : Weighted average rates shown in parentheses represent Private Sector.

Source: State Bank of Pakistan

Table 5.7

SALE OF GOVERNMENT SECURITIES TROUGH AUCTION

(Rs. millin)

No.	Securities	2002-03	2003-04	2004-05	2005-6	20G-07	07-08	2008-09	July-Marc 2009-1(
1	Market Treasury Bills *								
A	Three Month Maturity								
	Amount Offered								
	i) Face value	109,106	216,637	1,011,659	38(173	16,652	57,946	1,413,218	341,57
	ii) Discounted value	108,332	214,315	1,002,708	38:026	13,039	54,340	1,372,004	332,2(
	Amount Accepted								
	i) Face value	29,231	115,575	724,359	21(541	15,102	39,771	975,798	131,25
	ii) Discounted value	29,042	115,174	716,768	20(768	13,484	36,574	947,622	127,62
	Weighted Average Yield								
	i) Minimum % p.a.	1.658	0.995	2.017	7549	3.315	8.687	11.451	11.30
	ii) Maximum % p.a.	5.815	1.702	7.479	8326	3.689	11.316	13.855	12.44
B	Six Month Maturity								
	Amount Offered								
	i) Face value	747,018	328,990	470,885	182112	15,483	91,476	272,584	532,94
	ii) Discounted value	731,354	326,114	460,185	173289	10,197	37,279	255,885	502,49
	Amount Accepted								
	i) Face value	349,009	158,430	256,914	69'52	9,433	78,242	176,401	232,90
	ii) Discounted value	341,225	157,256	251,166	67)94	6,629	74,673	165,626	219,55
	Weighted Average Yield								
	i) Minimum % p.a.	1.639	1.212	2.523	7)68	.485	8.902	11.668	11.38
	ii) Maximum % p.a.	12.404	2.076	7.945	8.87	.902	11.472	14.011	12.59
C	Twelve Month Maturity								
	Amount Offered								
	i) Face value	695,425	476,719	136,713	555,57	78,636	58,709	931,293	1,188,20
	ii) Discounted value	665,337	466,729	128,569	509,02	71,951	8,425	823,027	1,057,81
	Amount Accepted								
	i) Face value	264,938	241,019	70,688	459,40	66,786	1,130	332,008	634,79
	ii) Discounted value	253,908	236,421	65,799	422,47	60,211	2,784	294,106	566,04(
	Weighted Average Yield								
	i) Minimum % p.a.	2.356	1.396	2.691	8.56	(786	9.160	11.778	11.47(
	ii) Maximum % p.a.	6.941	2.187	8.401	8.91	(160	1.688	14.261	12.60

*: MTBs was introduced in 1998-99

(Contd

Table 5.7

SALE OF GOVERNMENT SECURITIES THROUGH AUCTION

(Rs. in million)

No.	Securities	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	July-March 2009-10
2	Pakistan Investment Bonds **								
A.	Amount Offered	211,963	221,291	8,016	16,012	199,017	141,853	12,640	16,860
	03 Years Maturity	26,074	38,514	2,400	3,896	36,982	11,260	9,523	11,317
	05 Years Maturity	45,620	58,840	2,603	6,526	39,799	21,311	4,410	5,050
	10 Years Maturity	140,268	93,041	3,013	5,590	65,986	61,593	25,254	57,839
	15 Years Maturity	-	14,316	0	0	12,750	16,138	2,536	3,055
	20 Years Maturity	-	16,579	0	0	20,200	11,750	3,500	8,595
	30 Years Maturity	-	-	-	-	23,300	19,800	7,000	11,525
B.	Amount Accepted	74,848	107,658	771	10,161	87,867	73,584	-	
	(a) 03 Years Maturity.								
	(i) Amount Accepted	9,651	14,533	100	2,846	10,882	5,169	4,165	8,193
	(ii) Weighted Average Yield #								
	(1) Minimum % p.a.	1.792	3.734	0.000	9.158	9.311	9.619	13.697	12.210
	(2) Maximum % p.a.	7.952	4.235	0.000	9.389	9.778	12.296	13.883	12.475
	(a) 05 Years Maturity								
	(i) Amount Accepted	14,369	27,765	427	4,075	10,174	10,777	3,023	5,692
	(ii) Weighted Average Yield #								
	(1) Minimum % p.a.	3.119	4.867	0.000	9.420	9.528	9.796	14.335	12.295
	(2) Maximum % p.a.	8.887	5.270	0.000	9.646	10.002	10.800	14.336	12.564
	(a) 7 Years Maturity								
	(i) Amount Accepted	-	-	-	-	-	-	2,935	1,875
	(ii) Weighted Average Yield #								
	(1) Minimum % p.a.	-	-	-	-	-	-	14.3273	12.4159
	(2) Maximum % p.a.	-	-	-	-	-	-	14.7041	12.696
	(a) 10 Years Maturity								
	(i) Amount Accepted	50,828	51,606	244	3,240	30,211	23,875	8,509	32,738
	(ii) Weighted Average Yield #								
	(1) Minimum % p.a.	4.014	6.168	0.000	9.8005	10.106	10.179	14.472	12.426
	(2) Maximum % p.a.	9.587	7.127	0.000	9.8454	10.507	13.411	14.864	12.705
	(a) 15 Years Maturity								
	(i) Amount Accepted	-	6,996	0	-	9,250	8,613	1,236	1,035
	(ii) Weighted Average Yield #								
	(1) Minimum % p.a.	-	7.683	0.000	-	10.85	11.108	14.750	12.848
	(2) Maximum % p.a.	-	8.994	0.000	-	11.058	13.441	15.356	12.922
	(a) 20 Years Maturity								
	(i) Amount Accepted	-	6,757	0	-	11,250	9,050	1,500	1,525
	(ii) Weighted Average Yield #								
	(1) Minimum % p.a.	-	8.706	0.000	-	11.173	11.373	15.700	13.099
	(2) Maximum % p.a.	-	8.993	0.000	-	11.392	13.855	15.700	13.299
	(a) 30 Years Maturity								
	(i) Amount Accepted	-	-	-	-	16,100	16,100	4,500	1,775
	(ii) Weighted Average Yield #								
	(1) Minimum % p.a.	-	-	-	-	11.546	11.588	14.608	13.551
	(2) Maximum % p.a.	-	-	-	-	11.680	14.118	16.225	13.749

Source: State Bank of Pakistan

** : PIBs was introduced in 2000-01

TABLE 6.1 (A)

PRICE INDICES

Groups/ Fiscal Year	General	Food Beverages & Tobacco	Apparel Textile & Footwear	Hse Rnt	*Energy	Household Furniture, Equipments etc.	*ransport & Communication	Recreation Entertainment	Education	Cleaning, Laundry & Personal Appearance	Medicare
	A. OMBINED CONSUMER PRICE INEX BY GROUPS										
	(Base: 2000-01=100)										
1990-91	43.20	42.14	46.42	4!5	38.95	47.82	41.72	48.68	-	43.54	42.3
1991-92	47.41	46.33	51.97	4!6	39.02	51.97	46.25	51.82	-	47.25	46.7
1992-93	52.07	51.84	56.46	540	40.00	5.31	50.31	53.31	-	51.55	49.5
1993-94	57.94	57.72	60.29	5!6	44.84	54.78	54.78	56.48	-	59.25	64.7
1994-95	65.48	67.24	67.64	6!9	49.20	59.17	59.17	61.37	-	65.50	69.1
1995-96	72.55	74.05	75.59	727	56.99	64.66	64.66	71.00	-	75.01	76.6
1996-97	81.11	82.86	82.82	7!1	64.10	73.43	73.43	80.49	-	85.38	86.0
1997-98	87.45	89.20	86.50	878	71.16	76.93	76.93	88.09	-	87.67	90.7
1998-99	92.46	94.46	92.27	9:1	80.95	76.98	76.98	92.20	-	92.81	92.2
1999-00	95.78	96.56	97.31	975	90.36	81.05	31.06	96.46	-	97.79	93.4
2000-01	100.00	100.00	100.00	1000	100.00	100.00	00.00	100.00	100.00	100.00	1000
2001-02	103.54	102.50	103.23	1030	107.76	103.80	03.80	106.30	104.97	102.50	102.7
2002-03	106.75	105.40	106.75	1030	118.39	105.29	05.29	107.21	109.72	103.37	105.9
2003-04	111.63	111.74	109.69	1020	120.26	115.72	15.72	106.08	114.19	111.29	106.9
2004-05	121.98	125.69	112.98	1242	128.46	117.33	20.18	105.86	117.55	115.90	107.4
2005-06	131.64	134.39	117.58	1336	147.24	124.25	30.99	105.65	125.03	119.49	110.6
2006-07	141.87	148.21	123.70	1421	156.65	131.64	34.63	105.76	133.82	124.55	120.1
2007-08	158.90	174.36	133.79	1547	165.17	141.08	38.66	107.86	140.88	138.28	132.3
2008-09	191.90	215.69	152.82	1890	198.92	159.58	92.55	120.00	165.27	163.17	147.5
Jul-Apr											
2008-09	190.54	214.60	152.13	1742	197.09	158.56	93.44	119.69	162.66	161.63	146.7
2009-10	212.44	240.41	160.91	2040	223.97	168.65	00.89	124.62	184.23	179.17	155.2

Note: The CPI 1990-91 base year series have be converted into series with a baseof 2000-01.

(Cotd.)

(1) : The Recreation, Entertainment and Educati Group has been split into two grups namely
(i) Recreation & Entertainment Group; (ii) Edation

(2) : The nomenclature of Medicine Group has bn changed to Medicare Group.

* : Transport & Energy Groups Index is availablrom July 2003 and onward while rices from 990-91 upJune 200n respect of these two Groups have been converted into Ind

TABLE 6.1 (B)

HEADLINE & CORE INFLATION

Year	Indices				Headline & Core Inflation			
	General	Food	Non-Food	*Core	General	Food	Non-Food	*Core
1991-92	47.41	46.33	48.52	48.84	10.58	10.64	10.52	10.52
1992-93	52.07	51.84	52.31	52.51	9.83	11.74	7.81	7.50
1993-94	57.94	57.72	58.18	58.21	11.27	11.34	11.22	10.90
1994-95	65.48	67.24	64.09	64.43	13.02	16.67	10.17	10.70
1995-96	72.55	74.05	71.36	71.46	10.79	10.13	11.34	10.90
1996-97	81.11	82.86	79.73	79.62	11.80	11.89	11.73	11.40
1997-98	87.45	89.20	86.07	85.60	7.81	7.65	7.94	7.50
1998-99	92.46	94.46	90.89	89.47	5.74	5.90	5.61	4.50
1999-00	95.78	96.56	95.16	92.59	3.58	2.23	4.69	3.50
2000-01	100.00	100.00	100.00	100.00	4.41	3.56	5.09	4.20
2001-02	103.54	102.50	104.28	103.76	3.54	2.44	4.28	2.00
2002-03	106.75	105.40	107.66	106.43	3.10	2.89	3.24	2.50
2003-04	111.63	111.74	111.55	110.43	4.57	6.01	3.62	3.80
2004-05	121.98	125.69	119.47	117.95	9.28	12.48	7.10	6.80
2005-06	131.64	134.39	129.77	126.82	7.92	6.92	8.63	7.52
2006-07	141.87	148.21	137.58	134.35	7.77	10.28	6.02	5.94
2007-08	158.90	174.36	148.45	145.60	12.00	17.65	7.90	8.37
2008-09	191.90	215.69	175.81	171.17	20.77	23.70	18.45	17.55
Jul-Apr								
2008-09	190.54	214.60	174.28	169.42	22.35	26.61	19.01	17.83
2009-10	212.44	240.41	193.52	188.34	11.49	12.03	11.04	11.17

Note : Core Inflation is defined as overall inflation adjusted for food and energy

TABLE 6.1 (C)

PRICES INDICES

Groups/ Fiscal Year	B. Wholesale Price Index by Groups						3. Sensitive Price Indicator	4. GDP Deflator
	General	Food	Raw Materials	Fuel, Lighting & Lubricants	Manufactures	Building Materials		
1991-92	44.84	45.42	43.78	34.09	52.38	56.72	46.26	224.33
1992-93	48.14	50.24	48.67	34.83	54.63	57.97	51.22	244.28
1993-94	56.03	57.23	62.55	40.81	63.67	66.47	57.26	274.73
1994-95	65.00	67.50	72.16	44.90	73.40	81.04	65.85	312.60
1995-96	72.22	75.44	75.95	52.95	79.88	87.33	72.90	338.48
1996-97	81.62	84.37	87.01	62.17	89.41	98.63	81.98	388.00
1997-98	86.99	90.45	93.81	69.65	91.62	98.62	88.01	413.39
1998-99	92.51	96.55	103.21	75.81	94.45	99.62	93.68	437.59
1999-00	94.15	97.09	92.39	83.16	98.76	97.15	95.39	100.00
2000-01	100.00	100.00	100.00	100.00	100.00	100.00	100.00	108.02
2001-02	102.01	101.95	100.31	103.14	101.87	101.10	103.37	110.71
2002-03	107.77	105.62	115.51	115.95	103.67	102.90	107.06	115.61
2003-04	116.29	112.99	135.12	119.23	111.83	126.48	114.38	124.55
2004-05	124.14	125.03	110.44	138.01	113.05	143.79	127.59	133.30
2005-06	136.68	133.78	121.93	174.57	116.27	144.18	136.56	147.28
2006-07	146.17	145.67	138.85	184.10	119.91	151.93	151.35	158.60
2007-08	170.15	173.27	156.57	223.34	128.33	177.18	176.78	184.33
2008-09	201.10	213.54	184.45	258.96	140.67	213.00	218.16	221.77
Jul-Apr								
2008-09	200.57	212.52	181.86	258.80	140.55	217.63	216.94	221.77
2009-10	223.15	236.75	226.56	293.70	152.04	197.55	245.07	244.12

Source: Federal Bureau of Statistics

Note: 1) : WPI and SPI 1990-91 base year series have been converted into series with a base of 2000-01

2) : GDP Deflator base year 1980-81 = 100 has been changed with 1999-2000 = 100 as new base year

TABLE 6.2

MONTHLY PERCENT CHANGES I:CPI, WPI AND SPI

(Percnt)

Months	1997-98	1998-99	1999-00	20-01	2001-02	2002-03	2003-04	2004-05	2005-06	06-07	2)7-08	2008-09	20010
A. CONSUMR PRICE INDEX (C.P.I) converted Ito Base yer 2000-01													
Jul	0.62	0.86	0.69	56	0.52	1.09	0.57	1.38	1.62	.61	01	3.34	1.5
Aug	0.65	0.87	0.47	-06	0.75	0.31	0.66	0.58	0.04	.25	32	2.14	1.7
Sep	0.63	0.11	0.38	08	0.14	0.19	0.60	0.38	0.50	1.32	13	0.97	0.4
Oct	0.40	0.49	0.92	(5	0.53	0.16	1.47	1.19	0.94	1.36	23	2.12	0.9
Nov	0.74	0.48	0.09	9	0.32	0.31	0.60	1.12	0.76	.73	14	-0.12	1.3
Dec	0.11	0.24	-0.11	-15	-0.61	-0.24	0.90	-0.85	-0.27	.47	58	-0.50	-0.4
Jan	-0.05	-0.18	0.2	-16	0.06	0.06	-0.09	0.97	1.20	1.88	91	-0.42	2.4
Feb	0.36	0.38	-0.02	-08	0.34	0.47	-0.34	0.99	0.33	.04	49	0.95	0.3
Mar	1.77	0.35	0.88	(8	1.36	0.04	1.02	1.29	0.23	.49	08	1.37	1.2
Apr	0.45	0.27	0.56	(4	0.33	0.33	0.96	1.74	1.02	.31	04	1.41	1.7
May	0.15	-0.07	-0.11	-45	-0.67	-0.29	0.69	-0.44	0.45	.92	69	0.23	-
Jun	0.47	-0.16	1.05	(1	0.48	-0.21	1.12	0.10	0.59	.20	10	0.99	-
B. WHLESALE PRICE INDEX (W.P.I.) wit Base 200001													
Jul	0.33	1.14	0.07	-08	1.78	1.51	1.31	-1.00	1.99	.42	70	4.35	0.7(
Aug	0.14	1.39	0.18	(5	0.30	1.66	0.98	-1.08	1.04	.78	17	2.45	2.21
Sep	0.33	-0.13	0.52	15	0.21	0.59	0.34	0.40	0.54	.44	52	-0.27	0.17
Oct	0.42	0.14	-0.29	(0	-1.15	0.54	2.72	1.42	0.77	.49	32	-1.67	1.17
Nov	0.53	0.79	-1.44	18	-0.97	1.66	1.10	0.39	0.18	.89	53	-5.11	2.78
Dec	0.30	0.03	-0.31	15	-0.65	0.70	1.39	-0.25	-0.13	37	-06	-1.97	0.20
Jan	0.01	0.59	0.30	-(4	0.17	0.33	0.21	1.53	1.28	.20	78	0.15	4.23
Feb	0.34	0.60	1.05	-(9	0.19	2.39	0.40	1.52	0.77	51	24	0.65	0.36
Mar	1.73	0.28	2.12	-(6	1.28	0.15	1.77	1.39	0.07	02	39	0.42	2.53
Apr	0.50	-0.53	0.38	05	0.35	-1.17	0.32	1.61	1.23	16	40	1.63	1.84
May	0.50	0.21	-0.18	-18	-0.12	-1.09	0.98	-0.59	0.35	09	47	1.52	-
Jun	0.08	0.02	1.01	13	1.07	-0.27	0.59	0.71	63.00	10	28	2.40	-
C. SENSITIVE FICE INDICATOR (S.P.I.) convertednto Base yar 2000-01													
Jul	0.15	0.91	0.33	07	1.25	1.48	1.34	2.43	1.35	36	16	3.77	2.78
Aug	0.14	1.36	0.49	0)	1.23	1.09	0.70	1.18	0.26	18	17	2.34	1.68
Sep	0.48	-0.49	0.16	0)	0.91	1.04	0.75	0.29	0.23	41	23	0.51	0.56
Oct	0.36	0.59	-0.45	03	0.54	-0.24	2.34	0.53	0.05	56	17	2.70	0.35
Nov	0.94	1.63	0.13	0)	0.34	1.09	2.64	1.94	0.88	34	05	-1.35	2.49
Dec	0.08	-0.31	-0.94	-15	-0.73	-0.64	1.31	-0.98	-0.24	76	15	-1.69	0.66
Jan	-0.24	-0.78	-0.23	05	0.15	0.23	-0.69	0.91	0.80	32	27	-1.42	2.88
Feb	0.30	0.55	0.30	-05	1.29	0.42	-0.61	0.54	1.46	09	-13	0.85	0.56
Mar	0.51	-0.25	0.24	0'	0.57	-0.01	1.30	1.07	0.84	01	32	0.64	0.78
Apr	0.69	-0.45	0.77	-03	-0.62	-0.23	-0.51	1.29	1.33	09	58	1.68	0.43
May	0.13	0.73	0.92	-05	-1.69	-0.61	2.14	-1.02	0.65	37	51	1.27	-
Jun	2.01	0.57	1.59	0)	1.37	0.24	1.31	0.70	0.45	18	16	1.17	-

Note : CPI, SPI and WPI 1990-91 base year sies converted into Base Year 200-01.

ource: Feral Bureau of Statistis

TABLE 6.3 (A)

PRICE INDICES BY CONSUMER INCOME GROUPS

Income Group/ Fiscal Year	All Income Groups	Upto Rs 3000	Rs 3001 to 5000	Rs 5001 to 12000	Above Rs 12,000
	Spliced with Base Year 2000-01 = 100				
1990-91	43.20	42.43	42.85	43.18	43.09
1991-92	47.41	47.03	47.40	47.70	47.51
1992-93	52.07	52.03	52.13	52.11	51.62
1993-94	57.94	57.80	58.00	58.05	57.61
1994-95	65.48	65.86	65.73	65.16	64.18
1995-96	72.55	72.86	72.76	72.22	71.42
1996-97	81.11	81.37	81.41	80.71	79.71
1997-98	87.45	87.81	87.43	87.07	86.05
1998-99	92.46	92.71	92.67	92.18	91.41
1999-00	95.78	95.66	95.85	95.70	95.50
2000-01	100.00	100.00	100.00	100.00	100.00
2001-02	103.54	102.97	104.88	103.44	103.64
2002-03	106.75	105.95	106.70	106.68	106.83
2003-04	111.63	111.61	112.18	111.72	111.39
2004-05	121.98	123.01	123.16	122.26	121.35
2005-06	131.64	132.47	132.44	131.51	131.45
2006-07	141.87	143.52	143.42	142.05	141.19
2007-08	158.90	163.98	163.64	160.24	156.32
2008-09	191.90	200.20	199.83	194.91	186.86
Jul-Apr					
2008-09	190.54	198.79	198.44	193.51	185.55
2009-10	212.44	222.51	221.90	216.11	206.30

Note : CPI 1990-91 Base Year series have been converted into Base Year 2000-01

Source: Federal Bureau of Statistics

TABLE 6.3 (B)

ANNUAL CHANGES IN PRICE INDICES AND GDP DEFLATOR

Fiscal Year	Consumer Price Index[1]	Wholesale Price Index[1]	Sensitive Price Indicator[1]	Annual GDP Deflator[2]
1990-91	12.66	11.73	12.59	-
1991-92	10.58	9.84	10.54	10.07
1992-93	9.83	7.36	10.71	8.89
1993-94	11.27	16.40	11.79	12.47
1994-95	13.02	16.00	15.01	13.78
1995-96	10.79	11.10	10.71	8.28
1996-97	11.80	13.01	12.45	14.63
1997-98	7.81	6.58	7.35	6.55
1998-99	5.74	6.35	6.44	5.85
1999-00	3.58	1.77	1.83	2.78
2000-01	4.41	6.21	4.84	6.72
2001-02	3.54	2.08	3.37	2.49
2002-03	3.10	5.57	3.58	4.42
2003-04	4.57	7.91	6.83	7.74
2004-05	9.28	6.75	11.55	7.02
2005-06	7.92	10.10	7.02	10.49
2006-07	7.77	6.94	10.82	7.70
2007-08	12.00	16.64	16.81	16.21
2008-09	20.77	18.19	23.41	20.32
Jul-Apr				
2008-09	22.35	21.44	26.33	20.32
2009-10	11.49	11.26	12.96	10.08

* : Provisional

Source: Federal Bureau of Statistics

1 : WPI, CPI & SPI Base Year = 1990-91 series have been converted into Base Year 2000-01

2 : GDP Deflator Base Year 1980-81=100 has been changed with 1999-2000 = 100 as new base year

TABLE 6.4

AVERAGE RETAIL PRICES OF ESSETIAL ITEMS

(Rs/ nit)

Fiscal Year	Wheat (Av.Qlty) Kg	Wheat Flour (Av.Qlty) Kg	Basmati* Rice (Broken Kg	Moong Pulse Washed) Kg	Gram Pulse (Av.Qlty) Kg	Beef (Cow/ Buffalo with bone) Kg	hiken Farm) Kg	Mtton (ioat) (A.Qlty) Kg	Eç Hen (rm) z.	Pato (Avlty) j	Dry Onion (Av.Qlty) Kg	Tomto (Av.Cty) K
1990-91	3.07	3.66	6.10	12.64	7.85	25.51	..	0.39	28	59	7.70	12.2
1991-92	3.62	4.20	6.97	16.16	8.70	29.62	..	3.86	95	62	4.17	8.7
1992-93	3.85	4.44	8.06	17.09	11.35	32.49	..	0.09	96	57	7.16	11.4
1993-94	4.28	4.93	8.77	17.09	11.72	35.63	..	0.94	69	51	6.88	14.4
1994-95	5.07	5.78	9.09	20.24	21.77	40.68	..	8.68	64	62	7.76	18.2
1995-96	5.14	5.90	11.27	21.86	21.67	47.29	..	9.71	37	105	7.65	14.5
1996-97	6.59	7.32	12.85	21.80	15.00	54.01	..	9.42	90	108	9.22	14.5
1997-98	7.96	8.64	13.40	28.45	20.22	55.44	7.24	13.37	73	91	10.45	20.1
1998-99	7.72	8.35	14.50	32.95	22.08	55.83	4.20	16.46	98	84	15.32	19.0
1999-00	8.19	8.92	15.71	30.05	25.07	56.78	0.90	18.64	27	98	6.85	15.5
2000-01	8.67	9.80	15.35	30.30	29.52	56.01	0.65	19.38	35	94	10.72	17.3
2001-02	8.29	9.67	15.49	34.36	34.89	55.19	2.04	11.53	57	113	9.59	17.2
2002-03	8.73	10.14	18.07	30.46	31.13	61.21	4.01	14.95	59	93	8.70	13.3
2003-04	10.25	11.71	19.04	27.98	24.17	75.45	7.50	14.31	03	83	11.09	19.1
2004-05	11.68	13.28	20.19	31.66	29.35	94.83	6.43	15.19	45	144	13.82	25.0
2005-06	11.55	13.06	20.16	47.28	31.12	106.84	6.08	22.10	37	168	12.05	19.4
2006-07	11.96	13.64	23.11	56.53	41.38	117.87	4.16	24.07	31	172	20.95	27.4
2007-08	16.44	18.07	37.77	52.67	44.78	123.30	3.39	26.49	45	182	16.28	28.5
2008-09	23.87	25.64	47.12	50.10	57.15	143.82	03.12	22.03	80	205	25.77	29.6
Jul-Apr												
2008-09	23.85	25.39	48.03	50.46	58.83	141.59	03.00	28.36	67	209	26.53	31.3
2009-10	25.69	29.05	43.75	71.45	52.45	170.93	26.22	37.19	09	238	25.68	27.9

.. : Not Available

(Cord.)

Note : Data for Period: 1990-91 - 2000-01 is bad on 12 centres while data 2001-0 onward isased on centres

TABLE 6.4

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

(Rs/Unit)

Fiscal Year	Mustard Oil (Mill) Kg	Vegeta-ble Ghee (Loose) Kg	Rock Salt (Powder) Kg	Red Chilies (Av.Qlty) Kg	Sugar (Open Market) Kg	Gur (Sup. Qlty) Kg	Milk Fresh (Ltr)	Tea in Packet (Sup.Qlty) 250 Gram
1990-91	20.93	19.00	2.00	24.38	11.26	8.24	7.71	20.00
1991-92	25.85	20.53	2.17	31.05	11.62	8.67	8.82	20.04
1992-93	30.26	24.08	2.22	41.08	12.29	10.03	9.90	23.62
1993-94	33.18	29.09	2.25	39.33	12.91	10.49	11.07	27.65
1994-95	43.93	38.99	2.40	70.12	13.74	11.07	12.18	29.08
1995-96	46.50	39.38	2.79	82.32	16.76	14.54	13.67	30.33
1996-97	47.27	42.76	3.13	74.15	21.26	18.67	15.12	38.31
1997-98	49.65	45.78	3.17	62.55	19.54	18.91	16.27	49.88
1998-99	63.43	54.00	3.22	89.05	19.09	17.19	17.71	51.89
1999-00	61.13	49.14	3.35	82.72	21.11	19.81	17.91	48.95
2000-01	56.92	44.82	3.43	66.75	27.11	26.31	18.23	53.73
2001-02	59.01	49.20	3.19	78.34	22.87	23.12	17.92	57.00
2002-03	60.80	55.25	3.21	75.87	20.77	20.45	18.35	61.50
2003-04	63.51	59.84	3.22	73.80	19.01	19.79	19.21	64.68
2004-05	65.63	59.60	3.50	76.64	23.45	23.98	21.28	61.99
2005-06	66.70	58.95	3.94	70.79	31.16	35.90	23.90	62.62
2006-07	76.71	70.81	4.68	94.66	31.85	39.26	26.72	68.39
2007-08	119.71	108.43	5.12	147.84	27.92	32.87	30.45	68.28
2008-09	142.25	110.63	6.08	145.32	38.72	43.65	36.62	97.94
Jul-Apr								
2008-09	144.21	110.69	6.00	148.59	37.45	40.80	35.99	97.47
2009-10	133.12	111.27	6.67	148.46	56.25	70.52	41.70	118.87

(Contd.)

Note : Data for Period: 1990-91 - 2000-01 is based on 12 centres while data for Period 2001-02 onward is based on 17 centres

TABLE 6.4

AVERAGE RETAIL PRICS OF ESSENTIAL ITEMS

(Rs/urt)

Fiscal Year	Cigarettes (Pkt)	Coarse Latha (Mtr.)	Voil Printed (Mtr.)	Shoe Gent Conccd (Bata	Fireıood (Kiar/ Baul) (40 kgs.)	ıtch k (40/ 5ticks) ıch)	Nashing Soap 707/555 (Cake)	Life-buoy Soap (Cake)
1990-91	3.48	10.71	25.24	429.9	50)7	.35	2.49	4.02
1991-92	3.56	12.08	27.65	149.9	55;8	.44	2.72	4.10
1992-93	3.60	13.46	27.18	149.9	62)1	.49	3.01	4.64
1993-94	3.61	14.14	28.56	185.7	67;1	.49	3.52	6.00
1994-95	3.75	15.76	29.26	224.9	71)3	.50	4.14	6.35
1995-96	3.69	18.31	27.90	299.5	78;4	.50	5.03	7.29
1996-97	3.90	20.89	30.01	337.7	88)8	.50	5.95	8.53
1997-98	3.79	22.24	31.34	339.0	95)0	.50	6.18	8.58
1998-99	4.19	23.20	31.63	342.9	97;5	.50	6.57	9.21
1999-00	5.04	23.76	32.20	381.2	99)3	.50	6.81	9.50
2000-01	5.01	24.11	33.04	399.0	10:04	.50	6.90	9.50
2001-02	5.82	26.81	33.30	399.0	99)0	.51	7.37	10.02
2002-03	6.06	26.84	33.74	428.1	10:20	.51	7.48	11.00
2003-04	6.08	28.80	34.52	499.0	11(40	.51	7.48	10.82
2004-05	6.90	32.08	36.13	492.3	13:96	.53	7.47	14.00
2005-06	7.23	34.26	36.74	399.0	16(03	.62	7.73	13.93
2006-07	7.98	35.05	37.90	429.0	19·72	.71	8.13	14.18
2007-08	8.38	39.04	40.29	499.0	22(74	.92	9.78	17.38
2008-09	9.11	44.69	46.02	499.0	26:12	.00	12.51	21.59
Jul-Apr								
2008-09	9.02	44.68	45.71	499.0	26:43	.00	12.49	21.51
2009-10	11.21	48.57	48.10	499.0	29:53	.00	12.78	22.00

Note : Data for Period: 1990- - 2000-01 is based on 12 centres hile data fc 2001-02 onward is based on centres

(Cont.)

TABLE 6.4

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

(Rs/unit)

Fiscal Year	Electric Bulb (60-W)	Cooked Beef Plate	Cooked Dal Plate	Rice Irri-6 Kg	Masoor Pulse Kg	Mash Pulse Kg	Garlic Kg	Cooking Oil Dalda 2.5 Ltr	Vegetable Ghee 2.5 Kg
1990-91	11.03	8.22	5.52	4.84	18.77	14.19	36.02	57.71	49.07
1991-92	11.98	9.35	6.08	5.66	23.70	15.75	23.15	62.83	51.74
1992-93	12.00	10.51	6.59	6.41	21.75	14.95	18.01	70.74	62.07
1993-94	12.28	11.59	7.28	6.62	19.87	14.91	27.02	87.22	77.95
1994-95	13.00	13.17	8.36	7.07	20.20	23.93	31.65	116.83	104.62
1995-96	13.29	14.48	9.43	9.09	28.01	32.79	27.14	122.50	109.82
1996-97	14.94	15.84	9.95	9.99	30.79	31.82	34.34	134.64	119.06
1997-98	14.96	16.44	10.40	10.48	34.49	28.59	36.85	148.95	131.98
1998-99	15.42	17.85	11.12	12.09	35.84	30.40	38.67	168.27	157.94
1999-00	16.00	18.30	11.35	12.51	36.03	38.38	30.16	166.93	164.95
2000-01	14.10	18.53	11.87	11.56	36.97	48.38	28.07	155.64	153.43
2001-02	14.00	18.58	12.42	11.51	38.41	44.25	39.93	170.97	169.24
2002-03	13.30	18.88	13.09	12.23	38.41	37.56	34.11	199.68	196.77
2003-04	12.69	20.95	13.86	13.06	35.40	35.57	32.82	203.98	200.28
2004-05	12.07	24.21	14.71	15.41	43.11	38.52	44.22	204.99	204.15
2005-06	11.43	26.07	15.65	16.05	45.01	52.91	58.09	204.41	203.63
2006-07	11.95	29.80	17.84	17.59	44.54	70.51	61.81	224.48	224.06
2007-08	12.68	33.26	20.46	29.32	71.41	71.36	46.18	316.32	312.97
2008-09	14.83	40.18	25.59	39.35	122.16	77.31	41.64	371.38	356.44
Jul-Apr									
2008-09	14.30	39.83	25.38	40.31	123.46	75.54	42.04	374.11	359.04
2009-10	19.26	44.06	27.64	34.42	122.10	122.90	125.71	356.43	353.48

(Contd.)

Note : Data for Period: 1990-91 - 2000-01 is based on 12 centres while data for Period 2001-02 onward is based on 17 centres

TABLE 6.4

AVERAGE RETAIL PRICS OF ESSENTIAL ITEMS

(Rs/Uit)

Fiscal Year	Curd Kg	Tt Pre-pred up	Banana Doz.	Lawn Hussain Mtr.	Shirting Hussain Mtr.	Shoes Lady Bata	Chappal Gents Spang	Bread Plain M.Size	Milk Powder Nio 500 grais
1990-91	9.98	1.35	11.66	33.65	30.98	156.20	33.9	4.34	217.7
1991-92	11.22	1.54	14.71	37.64	35.79	174.95	36.9	5.01	74.9
1992-93	12.49	1.72	19.06	39.42	39.54	174.95	36.9	5.78	84.6
1993-94	13.86	1.99	19.28	42.38	41.90	181.68	46.3	6.55	90.0
1994-95	15.25	2.20	21.04	44.63	45.08	191.95	55.9	7.40	105.7
1995-96	17.16	2.55	21.36	46.25	50.59	211.90	63.8	7.99	79.1
1996-97	18.74	3.02	20.37	52.03	53.58	248.03	78.7	9.09	91.0
1997-98	19.91	3.30	20.18	56.02	55.25	249.00	79.0	10.31	102.0
1998-99	21.75	3.61	21.25	72.17	56.85	269.42	79.0	10.39	105.2
1999-00	21.87	3.74	20.88	76.27	58.28	319.00	79.0	10.96	110.0
2000-01	22.43	4.03	22.11	77.77	59.10	319.00	79.0	11.17	114.3
2001-02	21.90	4.18	22.14	70.79	55.17	319.00	79.0	11.14	116.0
2002-03	23.35	4.46	21.96	69.92	55.59	342.23	79.0	11.16	88.0 *
2003-04	23.33	4.72	23.01	69.96	56.78	364.00	79.0	11.77	94.5
2004-05	25.75	5.12	25.11	72.61	59.94	252.33	86.5	13.25	102.2
2005-06	28.38	5.77	28.18	76.42	62.36	299.00	89.0	14.23	108.0
2006-07	31.34	6.31	32.51	79.69	65.45	299.00	92.0	15.34	121.7
2007-08	35.76	6.91	35.43	83.45	71.01	299.00	101.5	18.43	145.3
2008-09	43.38	8.41	39.62	91.00	78.38	372.33	127.3	24.17	168.8
Jul-Apr									
2008-09	42.75	8.33	39.02	90.33	78.14	371.00	127.0	23.91	167.8
2009-10	49.00	9.92	39.78	94.66	81.16	379.00	129.0	26.23	180.0

Note : Data for Period 1990-9 2000-01 is based on 12 centres vile data fo 2001-02 onward is based on centres

** : The unit has changed fro 500 GM to 400 GM

Source : Fleral Bureau of Statistcs.

TABLE 6.4

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS (Average of 12 Centers)

Fiscal Year	Kerosene (per ltr.)	Gas Charges (100 cf)	Elect Charges (upto 50 units)	Petrol Super (per ltr.)	Tele Local Call Charges (per Call)
1990-91	2.57	-	-	-	-
1991-92	5.90	-	-	-	-
1992-93	5.96	-	-	-	-
1993-94	7.01	-	-	-	-
1994-95	7.36	-	-	-	-
1995-96	8.27	-	-	-	-
1996-97	10.66	-	-	-	-
1997-98	11.60	-	-	-	-
1998-99	11.72	-	-	-	-
1999-00	13.00	231.44	1.28	28.23	2.10
2000-01	16.84	248.55	1.46	29.34	2.22
2001-02	18.58	259.26	2.18	31.60	2.31
2002-03	22.48	259.35	2.45	33.08	2.31
2003-04	24.95	79.45 *	2.54	33.69	2.31
2004-05	29.11	84.6*	2.47	40.74	2.31
2005-06	36.19	88.92	2.14	55.12	2.31
2006-07	39.09	99.79	2.49	56.00	2.31
2007-08	43.44	97.17	2.76	57.83	2.31
2008-09	66.79	96.91	3.18	67.68	2.38
Jul-Apr					
2008-09	67.52	96.30	3.16	69.72	2.37
2009-10	71.45	105.10	3.58	66.49	2.42

Note : Data for Period 1990-91 - 2000-01 is based on 12 centres while data for 2001-02 onward is based on 17 centres

- : Not Available * : The unit has been changed form 100 CM to 100 CF

Source: Federal Bureau of Statistics

TABLE 6.5

INDICES OF WHOLESALE PRICES F SELECTED COMMODITIES (Base Year 2000I = 100)

Fiscal Year	Wheat	Rice	Gran (Whol	Sugar Refined	Vegetab-le Ghee	Tea	Mea	Vegeble	Fre Mil	Cotton	Motr Fues
1991-92	116.48	110.40	116.	103.64	105.52	100.2	110.1	92	1171	106.04	10.50
1992-93	122.77	122.28	148.	110.57	123.78	119.0	121.2	106	1215	119.20	10.37
1993-94	136.04	130.94	220.	115.96	151.04	136.0	140.8	143	1492	168.20	12.39
1994-95	161.26	141.25	313.	123.67	205.90	148.0	162.0	159	1636	207.62	12.80
1995-96	163.26	167.12	303.	152.97	208.27	157.1	162.6	171	1909	210.57	13.42
1996-97	206.13	185.50	199.	192.12	224.41	197.5	201.5	183	2118	242.89	17.35
1997-98	246.80	197.08	260.	175.98	241.78	255.6	210.0	230	2105	245.84	18.14
1998-99	241.28	239.88	307.	173.03	285.78	266.5	214.5	190	245[illegible]	261.55	20.46
1999-00	258.66	245.11	370.	191.58	249.13	254.0	218.0	192	2528	213.72	23.48
2000-01	270.76	227.63	430.	250.69	231.63	270.3	220.7	200	2536	253.59	31.82
(Base Year 200-01 = 100)											
2000-01	100.00	100.00	100.	100.00	100.00	100.0	100.0	100	1000	100.00	10000
2001-02	96.10	109.64	84.	82.36	114.12	99.8	102.4	107	999	91.31	10.90
2002-03	101.12	126.09	71.	75.32	130.34	96.3	111.0	105	1060	110.46	10.80
2003-04	191.89	138.50	74.	67.72	141.44	96.4	137.5	110	1051	144.44	11.03
2004-05	137.24	153.40	95.	85.18	137.41	93.8	169.9	146	1133	95.23	13.78
2005-06	135.61	154.78	127.	120.70	136.94	93.9	185.5	160	1223	103.91	18.46
2006-07	139.21	175.54	147.	118.80	164.73	100.8	201.1	161	1331	110.92	18.38
2007-08	190.75	285.63	139.	98.78	249.36	100.2	207.9	165	1542	136.71	19.38
2008-09	277.87	356.43	181.	142.52	254.49	134.3	242.3	204	1845	153.12	21.16
Jul-Apr											
2008-09	277.28	364.56	180.	137.71	255.36	134.5	238.5	208	1833	151.95	22.05
2009-10	305.03	318.21	215.	205.34	259.62	158.1	285.3	261	2032	188.25	21.32

(Cord.)

TABLE 6.5

INDICES OF WHOLESALE PRICES OF SELECTED COMMODITIES Base Year (2000-01 = 100)

Fiscal Year	Other Oils	Fire Wood	Cotton Yarn	Matches	Soaps	Ferti-lizers	Trans-port	Leather	Timber	Cement
1991-92	100.39	111.43	105.40	107.59	105.27	109.71	103.24	109.57	114.90	108.00
1992-93	101.23	124.16	103.44	117.63	116.70	113.37	116.55	109.58	130.28	114.13
1993-94	120.72	133.68	137.83	120.69	140.04	153.70	135.89	115.54	144.50	137.61
1994-95	122.47	142.95	173.62	120.73	146.33	178.99	167.72	124.50	161.57	169.92
1995-96	141.59	153.83	184.24	122.99	171.03	198.95	210.71	138.98	175.41	166.18
1996-97	209.46	175.15	201.58	184.13	209.33	247.69	234.60	162.65	202.36	200.32
1997-98	228.68	190.80	199.64	208.14	200.54	256.19	234.81	152.12	220.08	212.05
1998-99	229.82	199.33	203.63	208.14	212.66	277.59	236.57	128.27	227.06	216.99
1999-00	272.45	207.73	200.74	205.67	222.75	316.24	255.29	133.20	239.02	212.65
2000-01	383.08	214.21	207.98	206.29	224.58	302.96	265.68	140.07	253.52	215.14
Base Year 2000-01 = 100										
2000-01	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
2001-02	103.59	101.33	95.35	100.55	103.89	102.26	106.66	100.00	101.45	100.42
2002-03	128.10	103.94	98.06	100.55	109.00	113.59	106.82	95.23	101.25	102.77
2003-04	139.86	115.41	121.03	105.61	110.68	123.64	108.70	93.64	121.75	102.45
2004-05	169.56	127.94	106.36	107.66	122.81	140.95	110.39	102.77	140.93	104.82
2005-06	227.55	152.23	108.07	107.67	122.05	156.16	111.71	110.65	142.05	122.67
2006-07	237.63	176.28	112.66	107.67	127.73	147.70	114.94	111.86	162.09	127.42
2007-08	264.00	205.70	112.15	111.66	147.59	215.18	114.99	121.84	170.93	111.61
2008-09	372.04	247.76	104.21	124.26	176.29	310.97	123.95	129.83	201.11	139.83
Jul-Apr										
2008-09	371.99	245.42	101.60	124.26	180.91	294.32	124.01	128.74	207.85	146.06
2009-10	429.13	272.13	131.79	124.26	182.63	293.48	127.33	134.15	209.22	129.79

Source: Federal Bureau of Statistics

TABLE 7.1

BALANCE OF PAYMENTS

(US $ Millio)

Items	2001-02	20023	2003-04	2004-05	2005-6	2006-0	2007-	2008-	July-March 2008-09	July-March 2009-10
1. Trade Balance	-294	-44	-1,208	-4,352	-8,25	-9,49	-14,8	-12,4	-10,144	-8,024
Exports (f.o.b)	9,140	10,8	12,396	14,401	16,38	17,11	20,2	18,91	14,159	14,21
Imports (f.o.b)	9,434	11,3	13,604	18,753	24,64	26,61	35,0	31,41	24,303	22,24
2. Services (Net)	-2,617	-2,1	-3,594	-5,841	-7,30	-7,96	-10,5	-7,92	-6,420	-4,175
Receipts	2,027	2,9	2,894	3,837	4,71	5,23	5,42	5,18	3,706	3,619
Payments	-4,644	-5,0	-6,488	-9,678	-12,02	-13,20	-15,9	-13,1	-10,126	-7,794
Shipment	-809	-9	-1,253	-1,713	-2,20	-2,33	-3,0	-2,74	-2,153	-1,994
Investment Income	-2,430	-2,3	-2,394	-2,823	-3,45	-4,52	-5,5	-5,28	-4,045	-2,700
Others	-1,405	-1,7	-2,841	-5,142	-6,36	-6,34	-7,3	-5,08	-3,928	-3,100
3. Private Unrequired Transfers (net)	4,249	5,7	6,116	8,440	9,91	10,10	11,0	11,01	8,075	9,305
(Workers Remittances)	2,389	4,2	3,871	4,168	4,60	5,49	6,45	7,81	5,658	6,551
4. Current Account Balance	1,338	3,1	1,314	-1,753	-5,64	-7,36	-14,3	-9,39	-8,489	-2,894
5. Long-term Capital (net)	1,280	1,0	-201	2,562	6,01	10,00	8,42	6,44	4,758	5,031
Private Capital (net)	-177	22	691	1,221	4,15	7,82	6,18	3,80	3,178	1,954
Official Capital (net) @	1,457	81	-892	1,341	1,86	2,18	2,24	2,64	1,580	3,077
6. Basic Balance	2,618	4,2	1,113	809	367	2,64	-5,87	-2,94	-3,731	2,137
7. Errors and Omissions (net) *	961	90	-137	-854	36	527	-67	310	234	-569
8. Balance Requiring Official Financing	3,579	5,1	976	-45	403	3,17	-6,5	-2,63	-3,497	1,568
9. Official Assistance & Debt Relief	-925	-5	-95	472	470	1,05	67	-611	-536	-840
Medium and Short-Term Capital	-334	-1	-317	147	-19	-83	55	-151	-68	-145
Other Short-Term Assets/ Liabilities FEBC, DBC FEBC, Euro & Special US $ Bonds (Net), GDR(OG)	-591	-3	222	335	663	1,13	12	-46	-468	-695
10 Exceptional Financing	138	6	-55	-55	-55	100	0	0	0	-100
11. Change in Reserves (- ve = increase)	-2,792	-5,9	-826	-372	-81	-4,32	5,87	3,24	4,033	-628

@ : Includes Official Unrequited Transfers (P) : Provisional Sour : State Bank of Pakistn

* : Includes Private Short-term Capital

Table 7.2

SUMMARY OF BALANCE OF PAYMENTS

(Millions US $)

Item	2006-07	2007-08	2008-09	July-March 2008-09	July-March 2009-10
Current account balance	-6,878	-13,874	-9,252	-8,379	-2,702
Current account balance without off. Transfers	-7,403	-14,302	-9,424	-7,924	-2,111
Goods: Export f.o.b	17,278	20,427	19,121	14,321	14,389
Goods: Imports f.o.b	-26,989	-35,397	-31,747	-24,582	-22,413
Trade Balance	-9,711	-14,970	-12,626	-10,261	-8,024
Services (Net)	-4,170	-6,457	-3,381	-2,951	-1,907
Services: Credit	4,140	3,589	4,106	2,851	3,016
Services: Debit	-8,310	-10,046	-7,487	-5,802	-4,923
Income (Net)	-3,582	-3,923	-4,407	-3,352	-2,268
Income: Credit	940	1,613	874	693	432
Income: Debit	-4,522	-5,536	-5,281	-4,045	-2,700
of Which: Interest Payments	1,417	2,175	1,915	1,480	1,073
Current Transfer (Net)	10,585	11,476	11,163	8,186	9,497
Capital Account and Financial Account	10,276	8,252	6,060	4,421	3,724
Capital Account	304	121	474	138	187
Financial Account	9,972	8,131	5,586	4,283	3,537
Dir. Invest. In Rep. Econ.	5,140	5,410	3,720	3,042	1,554
Other Investment Assets	-758	32	560	592	-257
Other Investment Liab.	2,421	2,732	2,404	1,613	2,415
Monetary Authorities	-1	490	-1	-1	1,250
General Government					
Disbursement	2,444	2,354	2,936	1,920	2,263
Amortization	-1,031	-1,131	-1,389	-1,067	-993
Net errors and omissions	179	257	136	-33	-107
Reserve and Related Items	-3,577	5,365	3,056	3,990	-915

Source: State Bank of Pakistan

TABLE 7.3

COMPONENTS OF BALANC OF PAYMENTS (AS PERCNT OF GDP)

Year	Exports	Imports ^	Trade Deficit ^	Worker's emittance#	Current Account Deficit #
1980-81	10.5	19.3	8.7	7.5	3.7
1981-82	8.0	18.3	10.3	7.2	5.0
1982-83	9.4	18.7	9.3	10.1	1.8
1983-84	8.9	18.3	9.4	8.8	3.2
1984-85	8.0	19.0	11.0	7.9	5.4
1985-86	9.6	17.7	8.0	8.1	3.9
1986-87	11.1	16.1	5.1	6.8	2.2
1987-88	11.6	16.7	5.0	5.2	4.4
1988-89	11.7	17.6	5.9	4.7	4.8
1989-90	12.4	17.4	4.9	4.9	4.7
1990-91	13.5	16.7	3.3	4.1	4.8
1991-92	14.2	19.1	4.8	3.0	2.8
1992-93	13.3	19.4	6.1	3.0	7.2
1993-94	13.1	16.6	3.4	2.8	3.8
1994-95	13.5	17.2	3.7	3.1	4.1
1995-96	13.8	18.7	4.9	2.3	7.2
1996-97	13.4	19.1	5.7	2.3	6.2
1997-98	13.9	16.3	2.4	2.4	3.1
1998-99	13.3	16.1	2.8	1.8	4.1
1999-00	11.7	14.1	2.4	1.3	1.6
2000-01	12.9	15.1	2.1	1.5	0.7
2001-02	12.8	14.4	1.7	3.3	+1.9
2002-03	13.5	14.8	1.3	5.1	+3.8
2003-04	12.5	15.9	3.3	3.9	+1.3
2004-05	13.0	18.5	5.5	3.7	1.6
2005-06	13.0	22.5	9.5	2.9	4.5
2006-07	11.8	21.2	9.4	3.8	5.1
2007-08	11.6	24.4	12.8	3.9	8.5
2008-09	10.9	21.5	10.6	4.8	5.7
Jul-April					
2009-10 *	9.1	16.0	7.0	4.2	1.7

^ : Based on the data compiled by8S

: Based on the data compiled byBP

* : Provisional

Source: FI SBP & E.Wing, Finance Divisin

TABLE 7.4

EXPORTS, IMPORTS AND TRADE BALANCE

Year	(Rs million) Current Prices			Growth Rate (%)			(US $ million) Current Prices			Growth Rate (%)		
	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance
1980-81	29,280	53,544	-24,264	25.07	14.10	3.17	2,958	5,409	-2451	25.07	14.11	3.20
1981-82	26,270	59,482	-33,212	-10.28	11.09	36.88	2,464	5,622	-3158	-16.70	3.94	28.85
1982-83	34,442	68,151	-33,709	31.11	14.57	1.50	2,694	5,357	-2663	9.33	-4.71	-15.67
1983-84	37,339	76,707	-39,368	8.41	12.55	16.79	2,768	5,685	-2917	2.75	6.12	9.54
1984-85	37,979	89,778	-51,799	1.71	17.04	31.58	2,491	5,906	-3415	-10.01	3.89	17.07
1985-86	49,592	90,946	-41,354	30.58	1.30	-20.16	3,070	5,634	-2564	23.24	-4.61	-24.92
1986-87	63,355	92,431	-29,076	27.75	1.63	-29.69	3,686	5,380	-1694	20.07	-4.51	-33.93
1987-88	78,445	112,551	-34,106	23.82	21.77	17.30	4,455	6,391	-1936	20.86	18.79	14.29
1988-89	90,183	135,841	-45,658	14.96	20.69	33.87	4,661	7,034	-2373	4.62	10.06	22.57
1989-90	106,469	148,853	-42,384	18.06	9.58	-7.17	4,954	6,935	-1981	6.29	-1.41	-16.52
1990-91	138,282	171,114	-32,832	29.88	14.96	-22.54	6,131	7,619	-1488	23.76	9.86	-24.89
1991-92	171,728	229,889	-58,161	24.19	34.35	77.15	6,904	9,252	-2348	12.61	21.43	57.80
1992-93	177,028	258,643	-81,615	3.09	12.51	40.33	6,813	9,941	-3128	-1.32	7.45	33.22
1993-94	205,499	258,250	-52,751	16.08	-0.15	-35.37	6,803	8,564	-1761	-0.15	-13.85	-43.70
1994-95	251,173	320,892	-69,719	22.23	24.26	32.17	8,137	10,394	-2257	19.61	21.37	28.17
1995-96	294,741	397,575	-102,834	17.35	23.90	47.50	8,707	11,805	-3098	7.01	13.58	37.26
1996-97	325,313	465,001	-139,688	10.37	16.96	35.84	8,320	11,894	-3574	-4.44	0.75	15.36
1997-98	373,160	436,338	-63,178	14.71	-6.16	-54.77	8,628	10,118	-1490	3.70	-14.93	-58.31
1998-99	390,342	465,964	-75,622	4.60	6.79	19.70	7,779	9,432	-1653	-9.84	-6.78	10.94
1999-00	443,678	533,792	-90,114	13.66	14.56	19.16	8,569	10,309	-1740	10.15	9.30	5.26
2000-01	539,070	627,000	-87,930	21.50	17.46	-2.42	9,202	10,729	-1527	7.39	4.07	-12.24
2001-02	560,947	634,630	-73,683	4.06	1.22	-16.20	9,135	10,340	-1205	-0.73	-3.63	-21.09
2002-03	652,294	714,372	-62,078	16.28	12.57	-15.75	11,160	12,220	-1060	22.17	18.18	-12.03
2003-04	709,036	897,825	-188,789	8.70	25.68	204.12	12,313	15,592	-3279	10.33	27.59	209.34
2004-05	854,088	1,223,079	-368,991	20.46	36.23	95.45	14,391	20,598	-6207	16.88	32.11	89.30
2005-06	984,841	1,711,158	-726,317	15.31	39.91	96.84	16,451	28,581	-12130	14.31	38.76	95.42
2006-07	1,029,312	1,851,806	-822,494	4.52	8.22	13.24	16,976	30,540	-13564	3.19	6.85	11.82
2007-08	1,196,638	2,512,072	-1,315,434	16.26	35.66	59.93	19,052	39,966	-20914	12.23	30.86	54.19
2008-09	1,383,718	2,723,570	-1,339,852	15.63	8.42	1.86	17,688	34,822	-17134	-7.16	-12.87	-18.07
July-Mar												
2008-09	1,036,466	2,021,991	-985,525	25.69	17.67	10.26	13,382	26,123	-12741	-0.37	-6.57	-12.29
2009-10 (P)	1,176,388	2,081,763	-905,375	13.50	2.96	-8.13	14,162	25,107	-10945	5.83	-3.89	-14.10

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

P : Provisional

TABLE 7.5

UNIT VALUE INDICES AND TERMS OF 1ADE (T.O.T) (1990-91 = 100

(Indices

Groups	1999-00	2000-01	2001-	2002-03	2003-04	2004-05	205-06	206-07	2008	20089	July-March 2008-09	July-March 2009-10
All Groups												
Exports	253.77	271.47	271.1	254.02	279.65	288.84	99.31	30.03	350	450.	454.93	454.89
Imports	259.03	298.44	298.5	309.52	355.43	392.45	60.38	45.33	630	790.	[illegible]	828.42
T.O.T.	97.97	90.96	90.8	82.07	78.68	73.60	5.01	6.59	52	56.	56.30	54.91
Food & Live Animals												
Exports	234.95	249.32	260.5	258.11	267.55	303.93	27.47	30.75	498	758.	614.28	679.29
Imports	248.38	278.82	277.4	259.76	282.18	314.36	23.95	43.20	555	622.	619.79	687.05
T.O.T.	94.59	89.42	93.9	99.36	94.82	96.68	01.09	8.34	90	121.	131.38	98.87
Beverages & Tobacco												
Exports	143.34	171.44	169.8	146.52	175.33	162.96	91.13	20.44	207	431.	372.70	599.47
Imports	532.21	698.92	790.1	598.00	521.88	561.23	21.67	65.14	651	884.	860.45	953.43
T.O.T.	26.93	24.53	21.4	24.50	33.60	29.04	0.74	3.87	32	48.7	43.31	62.87
Crude Materials (inedible except fuels)												
Exports	169.85	192.12	158.9	171.58	218.86	195.64	09.97	25.52	323	494.	493.21	554.09
Imports	198.06	218.95	228.1	232.37	245.01	293.06	29.71	30.19	445	813.	643.89	663.78
T.O.T.	85.76	87.75	69.6	73.84	89.33	66.76	3.88	6.40	73	80.5	76.60	83.47
Minerals, Fuels & Lubricants												
Exports	283.63	373.65	314.4	365.14	416.09	525.75	84.33	73.54	973	840.	871.98	1038.32
Imports	206.30	276.87	249.6	297.20	306.38	389.16	65.00	63.08	877	982.	1090.38	942.65
T.O.T.	137.48	134.96	125.9	122.86	135.81	135.10	04.77	11.05	117	85.5	79.97	110.15
Chemicals												
Exports	276.51	282.36	281.5	270.05	265.61	277.23	12.89	36.50	399	480.	484.32	523.12
Imports	208.54	228.06	239.2	245.60	313.15	334.10	72.17	39.87	477	659.	611.09	717.12
T.O.T.	132.59	123.81	117.6	109.96	84.82	82.98	4.07	9.27	84	72.8	79.26	72.95
Animal & Vegetable Oils, Fats & Waxes												
Exports	-	-	-	-	-	-	-	-		-	-	-
Imports	229.68	195.10	224.8	300.36	347.94	358.48	31.40	40.00	648	793.	866.17	873.15
T.O.T.	-	-	-	-	-	-	-	-		-	-	-
Manufactured Goods												
Exports	266.96	279.04	281.8	248.93	274.02	284.72	29.58	30.76	317	387.	390.80	385.68
Imports	224.61	251.50	244.9	240.82	287.80	301.00	30.71	37.06	420	559.	549.29	609.37
T.O.T.	118.86	110.95	115.0	103.37	95.21	94.59	4.99	8.19	74	69.3	71.15	63.29
Machinery and Transport Equipment												
Exports	396.34	453.20	579.1	572.31	396.09	342.97	44.01	43.91	512	806.	799.29	982.15
Imports	417.87	470.20	481.1	450.67	537.55	561.15	38.14	58.85	635	897.	858.50	960.34
T.O.T.	94.85	96.38	120.3	126.99	73.68	61.12	6.93	7.19	81	89.8	93.10	102.27
Miscellaneous Manufactured Articles												
Exports	263.04	292.47	298.4	294.67	318.55	324.17	32.71	34.99	357	442.	430.84	486.51
Imports	278.99	323.02	320.3	299.60	333.22	343.13	04.94	41.65	604	763.	666.29	962.00
T.O.T.	94.28	90.54	93.1	98.35	95.60	94.47	2.59	8.45	58	57.9	64.66	50.57

- : Not applicable

* : Provisional

urce: Fedel Bureau of Statistics

TABLE 7.6

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	
1970-71	650	33	472	24	876	44	1,998
1971-72	1,510	45	914	27	947	28	3,371
1972-73	3,366	39	2,583	30	2,602	30	8,551
1973-74	4,007	39	2,294	23	3,860	38	10,161
1974-75	4,933	48	1,308	13	4,047	39	10,286
1975-76	4,902	44	2,068	18	4,283	38	11,253
1976-77	4,622	41	1,888	17	4,783	42	11,294
1977-78	4,633	36	1,912	15	6,435	50	12,980
1978-79	5,475	32	3,489	21	7,963	47	16,925
1979-80	9,838	42	3,519	15	10,053	43	23,410
1980-81	12,824	44	3,320	11	13,136	45	29,280
1981-82	9,112	35	3,507	13	13,651	52	26,270
1982-83	10,326	30	4,618	13	19,498	57	34,442
1983-84	10,789	29	5,172	14	21,378	57	37,339
1984-85	10,981	29	6,664	17	20,334	54	37,979
1985-86	17,139	35	7,892	16	24,561	49	49,592
1986-87	16,796	26	13,214	21	33,345	53	63,355
1987-88	22,163	28	15,268	20	41,012	52	78,445
1988-89	29,567	33	16,937	19	43,679	48	90,183
1989-90	21,641	20	25,167	24	59,661	56	106,469
1990-91	25,820	19	33,799	24	78,663	57	138,282
1991-92	32,645	19	36,731	21	102,352	60	171,728
1992-93	26,133	15	36,507	21	114,388	64	177,028
1993-94	21,321	10	48,742	24	135,430	66	205,499
1994-95	28,113	11	62,624	25	160,436	64	251,173
1995-96	47,852	16	63,802	22	183,087	62	294,741
1996-97	36,452	11	66,889	21	221,972	68	325,313
1997-98	47,357	13	64,683	17	261,120	70	373,160
1998-99	45,143	12	70,288	18	274,911	70	390,342
1999-00	53,833	12	68,208	15	321,637	73	443,678
2000-01	67,763	13	81,288	15	389,999	72	539,070
2001-02	60,346	11	80,438	14	420,163	75	560,947
2002-03	71,194	11	71,323	11	509,777	78	652,294
2003-04	70,716	10	83,361	12	554,959	78	709,036
2004-05	92,018	11	86,483	10	675,588	79	854,088
2005-06	112,268	11	106,029	11	766,543	78	984,841
2006-07	113,954	11	121,930	12	793,428	77	1,029,312
2007-08	171,670	14	127,090	11	897,877	75	1,196,638
2008-09	226,324	16	130,612	9	1,026,781	74	1,383,718
Jul-March							
2008-09	172,476	17	97,281	9	766,710	74	1,036,466
2009-10 (P)	214,702	18	124,340	11	837,347	71	1,176,388

(Contd.)

P : Provisional

** : Total may not tally due to rounding of figures

TABLE 7.6

ECONOMIC CLASSIFICATION OF EXPORS AND IMPORTS (B. IMPORTS)

(Rs million)

Year	Capital Goods		Industrial Raw Material: Capl Goods		Industrial Raw Material: Consumr Goods		Consumer Goods		**
	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share	Total Value
1970-71	1,885	52	382	11	950	26	5	11	3,602
1971-72	1,482	42	367	11	851	24	5	23	3,495
1972-73	2,499	30	830	10	2,584	31	85	30	8,398
1973-74	3,975	30	904	7	5,386	40	14	24	13,479
1974-75	6,152	29	1,80	9	8,257	40	14	23	20,925
1975-76	7,158	35	1,261	6	7,709	28	37	21	20,465
1976-77	8,750	38	1,46	6	9,148	40	51	16	23,012
1977-78	9,316	34	1,921	7	11,023	40	55	20	27,815
1978-79	10,970	30	2,16	6	15,416	42	42	22	36,388
1979-80	16,679	36	2,91	6	19,834	42	00	16	46,929
1980-81	14,882	28	4,05	8	26,832	50	75	15	53,544
1981-82	17,504	30	4,861	8	28,710	48	07	14	59,482
1982-83	21,135	31	4,04	6	33,383	49	93	14	68,151
1983-84	24,419	32	4,52	6	37,017	48	146	14	76,707
1984-85	28,968	32	4,85	6	41,579	46	172	16	89,778
1985-86	33,195	37	4,96	5	36,353	40	132	18	90,946
1986-87	33,841	37	6,15	7	36,227	39	113	17	92,431
1987-88	40,350	36	8,021	7	48,153	43	127	14	112,551
1988-89	49,498	37	9,92	7	53,055	39	259	17	135,841
1989-90	48,420	33	10,43	7	61,562	41	232	19	148,853
1990-91	56,303	33	11,62	7	76,290	44	200	16	171,114
1991-92	96,453	42	15,16	7	88,791	38	278	13	229,889
1992-93	108,993	42	14,30	6	99,290	38	356	14	258,643
1993-94	97,301	38	15,69	6	110,291	43	366	13	258,250
1994-95	112,305	35	16,75	5	148,419	46	414	14	320,892
1995-96	140,405	35	22,54	6	180,539	45	590	14	397,575
1996-97	169,774	37	22,25	5	202,379	43	739	15	465,001
1997-98	139,618	32	23,34	5	195,528	45	748	18	436,338
1998-99	146,450	31	25,64	6	220,563	47	705	16	465,964
1999-00	140,045	26	30,71	6	287,801	54	734	14	533,792
2000-01	157,091	25	34,37	6	345,770	55	868	14	627,000
2001-02	176,702	28	39,03	6	346,865	55	725	11	634,630
2002-03	220,942	31	41,21	6	380,035	53	779	10	714,372
2003-04	316,082	35	57,31	7	441,586	49	847	9	897,825
2004-05	441,528	36	101,71	8	557,226	46	1207	10	1,223,079
2005-06	631,644	37	124,48	7	769,336	45	1898	11	1,711,158
2006-07	670,539	36	134,51	7	864,736	47	1811	10	1,851,806
2007-08	731,017	29	202,53	8	1,322,329	53	2587	10	2,512,072
2008-09	790,327	29	246,60	9	1,337,986	49	3457	13	2,723,570
Jul-March									
2008-09	572,324	28	180,21	9	1,001,624	50	2632	13	2,021,991
2009-10 (P)	593,958	28	143,98	7	1,076,543	52	2680	13	2,081,762

P : Provisional

** : Total may not be tally due to rounding of figures

Source: Federal Bureau of Statistics

TABLE 7.7

MAJOR IMPORTS

(Rs. Million)

Items	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	July-March 2008-09	July-March 2009-10 *
1. Chemicals	82,263	90,953	119,683	160,711	176,200	200,333	256,618	300,450	220,165	233,352
2. Drugs and medicines	13,988	12,964	15,812	17,343	20,091	26,080	33,867	44,929	31,092	45,517
3. Dyes and colours	7,775	8,419	9,218	11,101	13,272	14,889	18,486	22,050	15,749	18,130
4. Chemical Fertilizers	10,904	14,068	16,405	24,794	40,787	27,306	55,165	42,381	33,540	57,326
5. Electrical goods	7,835	12,661	14,862	21,121	30,463	39,824	48,148	60,718	46,801	41,895
6. Machinery (non-electrical)	96,832	119,256	140,907	254,452	334,445	368,226	416,538	461,816	338,532	295,015
7. Transport equipments	30,587	39,984	87,374	75,981	133,480	140,919	137,701	103,476	73,533	112,408
8. Paper, board and stationery	8,608	10,451	12,138	14,850	19,135	24,061	28,817	33,221	18,201	16,759
9. Tea	9,611	10,095	11,078	13,202	13,336	12,965	12,653	17,417	14,042	16,904
10. Sugar-refined	1,485	153	189	5,229	37,366	15,722	912	4,505	1,551	11,707
11. Art-silk yarn	5,054	5,375	6,793	7,730	14,204	15,164	18,474	23,046	16,152	21,594
12. Iron, steel & manufactures thereof	24,633	28,813	35,942	62,444	96,043	89,985	105,494	135,268	93,889	92,002
13. Non-ferrous metals	6,757	8,430	10,544	15,547	20,665	27,395	25,641	25,638	18,648	21,587
14. Petroleum & products	172,578	179,317	182,332	237,387	399,667	444,610	724,333	738,278	572,034	607,791
15. Edible oils	24,034	34,288	37,917	44,975	44,212	57,996	108,427	116,042	77,917	84,673
16. Grains, pulses & flours	11,636	9,290	6,338	26,117	20,910	18,683	70,902	108,012	93,159	24,139
17. Other imports	120,050	129,855	190,293	230,095	296,882	327,648	449,896	486,323	356,986	380,963
Grand Total	634,630	714,372	897,825	1,223,079	1,711,158	1,851,806	2,512,072	2,723,570	2,021,991	2,081,762

Source: Federal Bureau of Statistics

* : Provisional

TABLE 7.8

DESTINATION OF EXPORTS AND RIGIN OF IMPORTS

(% Share)

REGION	1990-91	1991-9	1992-93	1993-94	1994-95	195-96	196-97	1998	19989	1999-00	2000-01
1. Developed Countries											
Exports	60.8	56.7	57.1	60.3	58.9	55.6	0.0	5	59.	61.0	56.7
Imports	58.3	62.2	58.6	52.6	49.3	49.9	8.7	4	42.	36.7	31.0
a. OECD											
Exports	57.2	54.9	56.7	60.0	58.6	55.3	9.7	5	59.	60.6	56.3
Imports	55.7	58.7	57.0	52.1	48.5	49.0	8.1	4	41.	36.1	30.5
b. Other European Countries											
Exports	0.6	0.3	0.4	0.3	0.3	0.3	.3	[illegible]	0.3	0.4	0.4
Imports	0.8	0.5	0.3	0.5	0.8	0.9	.6	[illegible]	0.(	0.6	0.5
2. CMEA*											
Exports	3.0	1.5	1.0	0.5	0.4	0.5	.7	[illegible]	0.4	0.4	0.4
Imports	1.8	3.0	1.3	1.6	2.1	1.9	.3	[illegible]	1.(	1.2	0.9
3. Developing Countries											
Exports	39.2	44.3	41.9	39.2	40.7	43.9	9.3	3	39	38.6	42.9
Imports	41.7	37.8	41.4	45.8	48.6	48.2	0.0	5	56	62.1	68.1
a. DIC											
Exports	12.7	14.0	16.0	13.7	12.9	12.9	1.8	5	12	14.1	16.5
Imports	17.9	16.5	16.9	20.9	21.3	22.4	6.0	3	24	35.2	39.3
b. SAARC											
Exports	3.5	4.7	3.8	3.1	3.4	2.7	.5		5.	3.2	2.9
Imports	1.5	1.5	1.5	1.6	1.4	1.5	.4		2.	1.9	2.9
c. ASEAN											
Exports	5.1	5.6	5.2	3.7	4.0	5.3	.5		3.	2.8	3.6
Imports	8.9	7.3	8.5	9.5	12.6	11.2	).0	6	14	10.2	10.6
d. Central America											
Exports	0.1	0.2	0.3	0.5	0.4	0.3	).5		0.	0.9	0.8
Imports	0.2	0.1	0.1	0.1	0.1	0.2	).2		0.	0.2	0.2
e. South America											
Exports	0.2	0.5	0.5	0.9	1.0	1.4	1.2		1.	1.1	1.2
Imports	1.6	1.3	1.6	1.0	1.4	1.2	1.7		2.	1.0	1.6
f. Other Asian Countries											
Exports	14.6	14.	13.0	14.0	14.9	17.1	5.6	9	12	12.4	13.0
Imports	9.6	9.5	11.1	10.8	9.5	9.4	3.7	7	10	10.3	10.6
g. Other African Countries											
Exports	3.0	4.4	3.0	2.9	3.6	3.8	4.4	[illegible]	3.	3.8	4.3
Imports	2.0	1.8	1.7	1.9	2.2	2.3	1.9	[illegible]	2.	3.0	2.8
h. Central Asian States											
Exports	-	-	0.1	0.4	0.5	0.9	0.8	)	0	0.3	0.3
Imports	-	-	-	-	0.1	..	0.1		0	0.3	0.1
Total	100.0	100	100.0	100.0	100.0	100.0	00.0	1.0	100	100.0	100.0

(Contd

TABLE 7.8

DESTINATION OF EXPORTS AND ORIGIN OF IMPORTS

(% Share)

REGION	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	Jul-March 2008-09	Jul-March 2009-10 P
1. Developed Countries										
Exports	58.1	56.1	58.2	55.9	54.7	54.7	51.0	46.4	46.3	43.9
Imports	34.3	34.4	35.5	38.0	34.2	33.3	30.2	29.1	27.5	27.1
a. OECD										
Exports	57.6	55.6	57.6	55.2	53.8	53.8	50.0	45.5	45.4	43.0
Imports	33.7	33.5	34.7	34.7	32.4	31.5	27.1	27.8	26.3	26.0
b. Other European Countries										
Exports	0.5	0.5	0.7	0.7	0.9	0.9	1.0	0.9	0.9	0.9
Imports	0.6	0.9	0.8	3.3	1.8	1.8	3.1	1.3	1.2	1.1
2. CMEA*										
Exports	0.5	0.6	0.7	0.9	0.9	1.1	1.2	1.2	1.3	1.2
Imports	1.1	0.8	1.2	2.1	2.2	1.8	1.4	3.1	3.7	1.3
3. Developing Countries										
Exports	41.4	43.3	41.1	43.2	44.4	44.2	47.8	52.4	52.4	54.9
Imports	64.6	64.8	63.3	59.9	63.6	64.9	68.4	67.8	68.8	71.6
a. OIC										
Exports	19.2	22.3	20.7	21.9	23.3	21.6	26.4	30.4	30.4	28.5
Imports	36.0	35.2	33.7	29.2	33.7	32.0	33.4	33.9	35.1	37.8
b. SAARC										
Exports	2.5	2.4	3.2	4.6	4.4	4.8	4.4	5.0	5.4	5.4
Imports	2.4	1.9	3.1	3.2	3.3	4.5	5.0	3.8	3.8	3.8
c. ASEAN										
Exports	2.7	2.9	2.7	2.1	1.7	1.9	1.7	2.1	2.0	3.1
Imports	11.7	12.2	11.1	10.0	9.1	9.5	9.9	10.4	10.3	11.2
d. Central America										
Exports	1.0	0.9	0.9	0.9	0.9	1.1	1.0	1.0	1.1	0.9
Imports	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.2	0.2	0.3
e. South America										
Exports	0.9	0.7	0.8	0.9	1.0	1.4	1.6	1.4	1.5	1.1
Imports	0.7	0.6	0.6	1.1	1.4	0.8	1.8	1.2	1.2	0.5
f. Other Asian Countries										
Exports	11.4	9.9	9.4	8.7	8.9	9.2	8.4	8.5	8.2	11.3
Imports	10.9	12.5	12.3	13.7	13.7	15.9	15.7	15.2	15.0	15.6
g. Other African Countries										
Exports	3.5	4.0	3.2	4.0	4.1	4.1	4.2	4.0	3.8	4.6
Imports	2.7	2.3	2.3	2.4	2.2	1.9	2.2	3.0	3.1	2.3
h. Central Asian States										
Exports	0.2	0.2	0.2	0.1	0.1	0.1	0.1	..	..	0.1
Imports	0.1	..	0.1	0.2	0.1	0.1	0.3	0.1	0.1	0.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Federal Bureau of Statistics

.. : Insignificant P : Provisional

* : Council for Mutual Economic Assistance.

TABLE 7.9

WORKER'S REMITTANCES

(US$ Million)

COUNTRY	1991-92	1992-	1993-94	1994-95	1995-9	1996-9	1997-9	1998-9	1999-00	2000-01
I. Cash Flow	1,252.45	1,238.5	1,093.36	1,317.73	1,227.28	1,078.05	1,237.6	875.55	913.49	1,021.59
Bahrain	27.75	25.4	25.92	35.90	33.23	29.16	34.3	33.31	29.36	23.87
Canada	9.86	7.5	5.65	4.91	5.67	3.59	4.1	3.46	3.86	4.90
Germany	33.12	40.8	28.88	27.71	26.06	18.98	16.6	11.93	10.47	9.20
Japan	12.96	11.8	7.13	6.90	3.65	3.05	2.6	3.09	1.58	3.93
Kuwait	44.24	60.2	47.85	57.86	45.43	38.38	52.4	106.36	135.25	123.39
Norway	16.25	15.1	11.85	13.40	11.72	7.97	7.1	5.26	5.60	5.74
Qatar	12.87	10.9	7.57	11.52	14.08	9.68	12.1	12.94	13.29	13.38
Saudi Arabia	516.16	525.9	493.65	554.08	503.22	418.44	474.8	318.49	309.85	304.43
Sultanat-e-Oman	60.35	51.8	46.07	61.49	64.44	46.11	61.9	44.67	46.42	38.11
U.A.E.	105.07	97.7	99.36	178.26	161.93	164.39	207.7	125.09	147.79	190.04
Abu Dhabi	38.74	32.4	29.32	51.99	48.98	44.91	75.1	38.07	47.30	48.11
Dubai	49.07	47.7	51.12	90.09	81.19	93.07	101.0	70.57	87.04	129.69
Sharjah	17.26	17.5	16.73	28.96	28.95	22.90	28.5	14.69	12.80	12.21
Others	-	-	2.19	7.22	2.81	3.51	3.0	1.76	0.65	0.03
U.K.	137.02	114.0	101.19	109.96	109.74	97.94	98.8	73.59	73.27	81.39
U.S.A	150.34	157.8	122.49	141.09	141.92	146.25	166.2	81.95	79.96	134.81
Other Countries	126.46	119.7	95.75	114.65	106.19	94.11	98.5	55.41	56.79	88.40
II. Encashment*	215.03	323.7	352.20	548.37	233.89	331.42	251.8	184.64	70.24	64.98
Total (I+II)	1,467.48	1,562.2	1,445.56	1,866.10	1,461.17	1,409.47	1,489.5	1,060.19	983.73	1,086.57

*: Encashment and Profit in Pak Rs. of ForeigExchange Bearer Certificates (FEBCs) & Foreign Currency Bear Certificates (FCBCs)

(Contd.)

TABLE 7.9

WORKER'S REMITTANCES

(% Share)

COUNTRY	1991-92	1992-	1993-94	1994-95	1995-9	1996-9	1997-9	1998-9	1999-00	2000-01
Cash Flow										
Bahrain	2.22	2.0	2.37	2.72	2.71	2.70	2.7	3.80	3.21	2.34
Canada	0.79	0.8	0.52	0.37	0.46	0.33	0.3	0.40	0.42	0.48
Germany	2.64	3.2	2.64	2.10	2.12	1.76	1.3	1.36	1.15	0.90
Japan	1.03	0.9	0.65	0.52	0.30	0.28	0.2	0.35	0.17	0.38
Kuwait	3.53	4.8	4.38	4.39	3.70	3.56	4.2	12.15	14.81	12.08
Norway	1.30	1.2	1.08	1.02	0.95	0.74	0.5	0.60	0.61	0.66
Qatar	1.03	0.8	0.69	0.87	1.15	0.90	0.9	1.48	1.45	1.31
Saudi Arabia	41.21	42.4	45.15	42.05	41.00	38.81	38.3	36.38	33.92	29.80
Sultanat-e-Oman	4.82	4.1	4.21	4.67	5.25	4.28	5.0	5.10	5.08	3.73
U.A.E.	8.39	7.8	9.09	13.53	13.19	15.25	16.7	14.29	16.18	18.60
Abu Dhabi	3.09	2.8	2.68	3.95	3.99	4.17	6.0	4.35	5.18	4.71
Dubai	3.92	3.8	4.68	6.84	6.62	8.63	8.1	8.06	9.53	12.69
Sharjah	1.38	1.4	1.53	2.20	2.36	2.12	2.3	1.68	1.40	1.20
Others	-	-	0.20	0.55	0.23	0.33	0.2	0.20	0.07	0.00
U.K.	10.94	9.2	9.25	8.34	8.94	9.08	7.9	8.41	8.02	7.97
U.S.A	12.00	12.7	11.20	10.71	11.56	13.57	13.4	9.36	6.75	13.20
Other Countries	10.10	9.8	8.76	8.70	8.65	8.73	7.9	6.33	6.22	8.65
Total	100.00	100.0	100.00	100.00	100.00	100.00	100.0	100.00	100.00	100.00

(Contd.)

TABLE 7.9

WORKERS REMITTANCES

(US $ Million)

COUNTRY	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	July-March 2008-09	July-March 2009-10
I. Cash Flow	2,340.79	4,190.73	3,826.16	4,152.29	4,588.03	5,490.97	6,448.84	7,810.95	5,657.61	6,549.87
Bahrain	39.58	71.46	80.55	91.22	100.57	136.28	140.51	153.27	114.58	116.10
Canada	20.52	15.19	22.90	48.49	81.71	87.20	100.62	79.07	58.54	82.79
Germany	13.44	26.87	46.52	53.84	59.03	76.87	73.33	100.71	73.05	62.56
Japan	5.97	8.14	5.28	6.51	6.63	4.26	4.75	5.10	3.21	4.69
Kuwait	89.66	221.23	177.01	214.78	246.75	288.71	384.58	432.05	324.27	332.75
Norway	6.55	8.89	10.19	18.30	16.82	22.04	28.78	24.94	17.77	27.33
Qatar	31.87	87.68	88.69	66.86	118.69	170.65	233.36	339.51	245.79	272.99
Saudi Arabia	376.34	580.76	565.29	627.19	750.44	1,023.56	1,251.32	1,559.56	1,113.58	1,342.77
Oman	63.18	93.65	105.29	119.28	130.45	161.69	224.94	277.82	206.55	210.98
U.A.E.	469.49	837.87	597.48	712.61	716.30	866.49	1,090.30	1,688.59	1,210.15	1,497.24
Abu Dhabi	103.72	212.37	114.92	152.51	147.89	200.40	298.80	669.40	439.31	829.38
Dubai	331.47	581.09	447.49	532.93	540.24	635.60	761.24	970.42	735.50	624.28
Sharjah	34.05	42.60	34.61	26.17	26.87	28.86	28.58	47.84	34.81	42.11
Others	0.25	1.81	0.46	1.00	1.30	1.63	1.68	0.93	0.53	1.47
U.K.	151.93	273.83	333.94	371.86	438.65	430.04	458.87	605.59	406.43	660.97
U.S.A	778.98	1,237.52	1,225.09	1,294.08	1,242.49	1,459.64	1,762.03	1,735.87	1,291.47	1,317.71
Other Countries	293.28	727.64	567.93	507.27	679.50	763.54	695.45	808.87	590.22	620.99
II. Encashment*	48.26	46.12	45.42	16.50	12.09	2.68	2.40	0.48	0.45	1.02
Total (I+II)	2,389.05	4,236.85	3,871.58	4,168.79	4,600.12	5,493.65	6,451.24	7,811.43	5,658.06	6,550.89

Source: State Bank of Pakistan

*: Encashment and Profit in Pak Rs. of Foreign Exchange Bearer Certificates (FEBCs) & Foreign Currency Bearer Certificates (FCBCs)

TABLE 7.9

WORKERS REMITTANCES

(% Share)

COUNTRY	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	July-March 2008-09	July-March 2009-10
Cash Flow										
Bahrain	1.69	1.71	2.11	2.20	2.19	2.48	2.18	1.96	2.03	1.77
Canada	0.88	0.36	0.60	1.17	1.78	1.59	1.58	1.01	1.03	1.28
Germany	0.57	0.64	1.22	1.30	1.29	1.40	1.14	1.29	1.29	0.96
Japan	0.26	0.19	0.14	0.16	0.14	0.08	0.07	0.07	0.06	0.07
Kuwait	3.83	5.28	4.63	5.17	5.38	5.26	5.96	5.53	5.73	5.08
Norway	0.28	0.21	0.27	0.44	0.37	0.40	0.45	0.32	0.31	0.42
Qatar	1.36	2.09	2.32	2.09	2.59	3.11	3.62	4.35	4.34	4.17
Saudi Arabia	16.08	13.86	14.77	15.10	16.36	18.64	19.40	19.97	19.68	20.50
Oman	2.70	2.23	2.75	2.87	2.84	2.94	3.49	3.56	3.69	3.22
U.A.E.	20.06	19.99	15.62	17.16	15.61	15.78	16.91	21.62	21.39	22.86
Abu Dhabi	4.43	5.07	3.00	3.67	3.22	3.65	4.63	8.57	7.76	12.66
Dubai	14.16	13.87	11.70	12.83	11.77	11.58	11.80	12.42	13.00	9.53
Sharjah	1.45	1.02	0.90	0.63	0.59	0.53	0.44	0.61	0.62	0.64
Others	0.01	0.04	0.01	0.02	0.03	0.03	0.03	0.01	0.01	0.02
U.K.	6.49	6.53	8.73	8.96	9.56	7.83	7.12	7.75	7.18	10.09
U.S.A	33.28	29.53	32.02	31.17	27.08	26.58	27.32	22.22	22.83	20.12
Other Countries	12.53	17.36	14.84	12.22	14.81	13.91	10.78	10.36	10.43	9.48
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: State Bank of Pakistan

TABLE 7.10

GOLD AND CASH FOREIGN EXCHAGE RESERVES HELD ANDCONTRO.LED BYTATE BNK OF PAKISTAN

(US $ Million)

Period	Total		Cash[2]		old[1]	
	June*	Decemb*	June*	Dcember*	June*	December*
1960	246	272	194	220	52	52
1961	257	238	204	185	53	53
1962	237	249	184	196	53	53
1963	302	279	249	226	53	53
1964	259	219	206	166	53	53
1965	200	208	147	155	53	53
1966	265	197	212	144	53	53
1967	167	159	114	106	53	53
1968	182	239	128	185	53	53
1969	299	311	245	257	54	54
1970	287	184	233	130	54	54
1971	199	171	144	116	54	54
1972	285	286	225	226	55	55
1973	463	489	396	422	60	60
1974	403	472	336	405	67	67
1975	486	418	419	351	67	67
1976	614	539	546	471	68	68
1977	431	534	363	466	68	68
1978	1,010	832	696	444	314	388
1979	904	1,210	414	279	490	931
1980	2,019	1,815	831	627	1,188	1,188
1981	1,866	1,589	1,080	803	786	786
1982	1,460	1,527	862	971	598	598
1983	2,758	2,770	1,975	',010	783	760
1984	2,489	1,715	1,788	,074	701	641
1985	1,190	1,452	585	847	605	605
1986	1,638	1,446	968	793	670	653
1987	1,784	1,405	919	545	865	860
1988	1,326	1,258	479	440	847	818
1989	1,227	1,419	502	705	725	714
1990	1,451	958	766	277	685	681
1991	1,390	1,208	674	500	716	708
1992	1,761	1,629	1,069	950	692	679
1993	1,369	2,061	604	,371	765	690
1994	3,337	3,922	2,545	,132	792	790
1995	3,730	2,758	2,937	,039	793	719
1996	3,251	1,780	2,465	,092	786	688
1997	1,977	2,200	1,287	,567	690	633
1998	1,737	1,737	1,125	,122	612	615
1999	2,371	2,080	1,828	,536	543	543
2000	2,149	1,998	1,547	,396	602	603
2001	2,666	4,161	2,100	,595	566	566
2002	5,439	8,569	4,772	,902	667	667
2003	10,700	11,532	9,975	),807	725	725
2004	11,883	10,756	11,052	,925	831	831
2005 **	11,227	10,933	10,310	),030	917	903
2006	12,810	12,697	11,542	1,429	1,268	1,268
2007	16,414	15,536	15,070	3,804	1,344	1,732
2008	11,465	9,625	9,539	,834	1,926	1,791
2009	12,190	15,149	10,255	2,863	1,935	2,286

* : Last day of the month. ** : Decem;r 2005 Scce: State ank of Pakistan

(1) : Gold exclude unsettled claims of Gold oRBI since 2005

(2) : Cash includes Sinking fund, Foreign curncies cash holdings and excludesınsettled caims on Rsince 200

TABLE 7.11

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

(Average During the Year)

Country	Currency	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Australia	Dollar	19.1123	18.2623	20.8851	22.9083	25.4912	30.5300	29.3472	29.3962	32.5665	31.3747
Austria	Schilling	2.1433	3.3550	2.5433	2.9353	3.2639	3.4694	3.4242	3.8557	3.7715	3.7942
Bangladesh	Taka	0.6518	0.6628	0.7536	0.7673	0.8204	0.9128	0.9513	0.9686	1.0285	1.0794
Belgium	Franc	0.7327	0.8061	0.8559	1.0045	1.1185	1.1854	1.1683	1.2952	1.2866	1.2934
Canada	Dollar	21.3864	20.7982	22.5551	22.3750	24.6581	28.5449	30.4828	31.0445	35.1611	38.4434
China	Yuan	4.5781	4.5996	4.3316	3.6803	4.0354	4.6988	5.2154	5.6548	6.2470	7.0601
Denmark	Krone	3.8958	4.3059	4.5293	5.2531	5.9354	6.3775	6.3310	7.0348	6.9724	6.9916
France	Franc	4.4402	4.8939	5.2027	5.9623	6.6921	7.2196	7.1856	7.9685	7.9156	7.9536
Germany	Mark	15.6838	16.5751	17.9039	20.6804	22.9718	24.4163	24.0995	26.7081	26.5372	26.6543
Holland	Guilder	13.3928	14.7394	15.9401	18.4547	20.5247	21.7451	21.3938	23.7008	23.5571	23.6655
Hong Kong	Dollar	3.2047	3.3574	3.9011	3.9902	4.3345	5.0391	5.5762	6.0440	6.6573	7.4906
India	Rupee	0.9611	0.9405	0.9609	0.9814	0.9783	1.0894	1.1285	1.0935	1.1862	1.2529
Iran	Rial	0.3699	0.3507	0.0179	0.0176	0.0192	0.0225	0.0246	0.0266	0.0295	0.0332
Italy	Lira	0.0201	0.0190	0.0185	0.0193	0.0212	0.0250	0.0246	0.0271	0.0268	0.0269
Japan	Yen	0.1896	0.2177	0.2843	0.3277	0.3281	0.3376	0.3411	0.3797	0.4809	0.5109
Kuwait	Dinar	86.4030	87.2127	101.5740	104.3749	112.5264	129.6859	141.7916	153.8993	169.4791	190.4592
Malaysia	Ringgit	9.3259	10.1692	11.5283	12.1848	13.2905	15.5861	12.5285	12.1327	13.6289	15.3871
Nepal	Rupee	0.5932	0.5741	0.6121	0.6178	0.6102	0.6837	0.7034	0.6858	0.7503	0.7893
Norway	Krone	3.8506	4.0096	4.1305	4.6915	5.3528	6.0509	5.8345	6.1371	6.3421	6.4483
Singapore	Dollar	14.8944	15.9865	19.0212	21.2485	23.6411	27.4575	27.0557	27.6043	30.5305	33.1605
Sri Lanka	Rupee	0.5231	0.5660	0.6120	0.6201	0.6281	0.6823	0.7038	0.6869	0.7144	0.7026
Sweden	Krona	4.1506	3.9868	3.8009	4.1543	5.0464	5.5230	5.5260	5.6006	6.0786	5.9379
Switzerland	Franc	16.9164	18.3825	20.9077	24.7362	28.0734	28.8164	29.3698	32.5174	32.5626	34.1098
S. Arabia	Riyal	6.6442	6.9407	6.0842	6.2475	9.0506	10.4440	11.5178	12.4982	13.8125	15.5868
Thailand	Baht	0.9626	1.0028	1.1567	1.2174	1.2176	1.2176	1.1562	1.2313	1.3490	1.3436
UAE	Dirham	6.1674	7.0923	8.2415	8.4214	9.2329	10.6639	11.7623	12.7583	14.0979	15.9133
UK	Pound	43.7454	42.0315	45.1601	48.6951	51.9192	63.0683	71.1450	76.8085	82.4937	84.7395
USA	Dollar	24.8441	25.9598	30.1629	30.8517	33.5654	36.9935	43.1958	46.7904 (50.0546) *	51.7709	58.4378
EMU	Euro	-	-	-	-	-	-	-	-	-	-
IMF	SDR	34.1379	35.6217	42.2162	45.15[illegible]	49.5416	55.2477	58.4654	63.6850	70.1077	74.7780

(Contd.)

* Composite Rate

TABLE 7.11

EXCHANGE RATE POSITION (Pakista Rupees in Terms of One Uiit of Foregn Currcy)

		(Average during the Yar)								Average (Jul-Mar)	
Country	Currency	2001-02	2002-0	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2008-09	2009-10
Australia	Dollar	32.1607	34.21	41.0626	44.7141	44.756	47.676	56.195	58.2931	57.2858	73.7292
Austria	Schilling	3.9960	ı	na	54.8940	n	n	r	n	na	na
Bangladesh	Taka	1.0826	1.01	0.9842	0.9774	0.912	0.872	0.908	1.142	1.1333	1.2091
Belgium	Franc	1.3633	ı	na	na	n	n	r	n	na	na
Canada	Dollar	39.1719	38.82	42.8526	47.5567	51.498	53.577	61.974	67.586	67.0459	78.5428
China	Yuan	7.4149	7.06	6.9497	7.1676	7.416	7.752	8.612	11.493	11.3850	12.2480
	Krone	7.3987	8.25	9.2250	10.1527	9.769				-	-
France	Franc	8.3867	a	na	na	n	n	I	r	na	n
Germany	Mark	28.1084	a	na	na	n	n	I	r	na	n
Holland	Guilder	24.9556	a	na	na	n	n	I	r	na	n
Hong Kong	Dollar	7.8720	7.49	7.3970	7.6176	7.712	7.777	8.027	10.124	10.0276	10.7858
India	Rupee	1.2787	1.22	1.2682	1.3253	1.338	1.374	1.541	1.646	1.6442	1.7817
Iran	Rial	0.0307	0.00	0.0069	0.0067	0.006	0.006	0.006	0.008	0.0080	0.0084
Italy	Lira	0.0284	a	na	na	a	n		r	na	n
Japan	Yen	0.4884	0.48	0.5203	0.5558	0.521	0.512	0.57	0.801	0.7918	0.9159
Kuwait	Dinar	200.7861	194.56	194.3681	202.3816	205.325	209.811	228.29	281.274	282.1313	291.6088
Malaysia	Ringgit	16.1621	15.39	15.1532	15.6244	16.051	17.064	18.90	22.329	22.1965	24.3771
Nepal	Rupee	0.8033	0.75	0.7802	0.8169	0.829	0.857	0.95	1.028	1.0269	1.113
Norway	Krone	7.0288	8.10	8.2191	9.1841	9.214	9.716	11.64	12.411	12.4051	14.224
Singapore	Dollar	33.9503	33.36	33.5098	35.6797	36.414	39.165	43.68	53.550	53.1377	59.213
Sri Lanka	Rupee	0.6624	0.67	0.5920	0.5813	0.587	0.564	0.56	0.702	0.7050	0.730
Sweden	Krona	5.9117	6.69	7.5195	8.2949	7.786	8.614	9.88	10.433	10.5073	11.694
Switzerland	Franc	37.1824	41.40	44.2489	49.0657	46.855	49.238	56.67	70.052	69.1958	79.842
S.Arabia	Riyal	16.3792	15.51	15.3488	15.8027	15.960	16.165	16.69	20.934	20.7452	22.283
Thailand	Baht	1.4000	1.32	-	1.4763	1.506	1.679	1.87	2.265	2.2454	2.505
UAE	Dirham	16.7231	15.91	15.6727	16.1586	16.292	16.510	17.03	21.385	21.1973	22.753
UK	Pound	88.5691	92.73	100.1672	110.2891	106.434	117.185	125.29	126.09	126.4971	134.650
USA	Dollar	61.4258	58.45	57.5745	59.3576	59.856	60.634	62.54	78.49	77.7888	83.562
EMU	Euro	54.9991	61.33	68.6226	75.5359	72.861	79.176	92.17	107.43	106.6410	119.448
IMF	SDR	78.0627	79.38	83.2470	88.5631	86.954	90.773	98.62	119.95	119.0398	131.032

na : Common currency Euro is in use of the countries

Sourc State Bank of Pakista

TABLE 8.1

INTERNAL DEBT OUTSTANDING (AT END OF PERI(

(Rs million)

Fiscal Year/ Type of Debt	2000-01	2001-02	20(03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10*	%Change 2009-10/ 2008-09
Permanent Debt	349,212	424,767	4,768	570,009	526,179	514,87	562,540	616,76	685,93	779,182	13.6
Floating Debt	737,776	557,807	5268	542,943	778,163	940,23	1,107,655	1,637,37	1,903,48	2,299,737	20.8
Un-funded Debt	712,010	792,137	9500	914,597	873,248	881,70	940,007	1,020,37	1,270,51	1,411,690	11.1
Total	1,798,998	1,774,711	1,8536	2,027,549	2,177,598	2,336,81	2,610,202	3,274,51	3,859,93	4,490,609	16.3
Memorandum Items:	(Percent Share inTotal Debt)										
Permanent Debt	19.4	23.9	1.7	28.1	24.2	22.0	21.6	18.8	17.8	17.4	
Floating Debt	41.0	31.4	7.3	26.8	35.7	40.2	42.4	50.0	49.3	51.2	
Un-funded Debt	39.6	44.6	3.0	45.1	40.1	37.7	36.0	31.2	32.9	31.4	
Total Debt as % of GDP (mp)	42.7	39.9	1.9	35.9	33.5	30.7	30.1	32.8	38.3	30.6	

* : End-March 2010

Source: Buet Wing, Finance Division

TABLE 8.2

PUBLIC AND PUBLICLY GUARANTEED MEDIUM AND LONG TERM EXTERNAL DEBT DISBURSED AND OUTSTANDING AS ON 31-03-2010

Country/Creditor	Debt Outstanding as on 31-03-2010
Public and Publicly Guaranteed Debt (I+II+III+IV)	41,640
i) MULTILATERAL	23,221
ADB	11,068
IBRD	1,707
IDA	9,831
Other	616
EIB	63
IDB	319
IFAD	187
NORD. DEV. FUND	15
NORD. I. BANK	7
OPEC FUND	23
ii) BILATERAL	16,572
a) Paris Club Countries	14,017
AUSTRIA	67
BELGIUM	34
CANADA	531
FINLAND	6
FRANCE	2,178
GERMANY	1,824
ITALY	105
JAPAN	6,674
KOREA	476
NETHERLANDS	117
NORWAY	21
RUSSIA	121
SPAIN	80
SWEDEN	153
SWITZERLAND	106
UNITED KINGDOM	10
UNITED STATES	1,514
b) Non Paris Club Countries	2,555
BAHRAIN	-
CHINA	1,882
KUWAIT	105
LIBYA	5
SAUDI ARABIA	442
UNITED ARAB EMIRATES	121
iii) BONDS	1,572
iv) COMMERCIAL BANKS	275

Source: Economic Affairs Division

TABLE 8.3

COMMITMENTS AND DISBURSEMENTS OF LOANS AND CANTS (BY TYPE)

(US $ million)

Plan/ Fiscal Year	Project Aid		Non-Project Aid									Total	
			Non-Food		Food		BOP			Relief			
	Commit-ments	Disburse-ments	Commit-ments	Dirse-nts	Commit-ments	Disburse-ments	Commi ments	Disburse ments		Coit-ns	Disbse-mes	Commit-ments	Disburse-ments
VI. 5th Plan													
1978-79	1,064	599	190	[illegible]	55	50	86	86			-	1,395	948
1979-80	1,002	808	121	[illegible]	55	21	419	419			6	1,658	1,478
1980-81	591	676	182	[illegible]	73	66	16	16			11	973	972
1981-82	887	536	320	[illegible]	118	89	10	10			29	1,620	1,102
1982-83	1,115	744	174	[illegible]	120	80	-	-			17	1,587	1,301
Sub-Total	4,659	3,363	987	[illegible]	413	306	531	531		[illegible]	64	7,233	5,793
VII. 6th Plan													
1983-84	1,580	695	166	[illegible]	88	177	-	-			15	1,989	1,176
1984-85	1,884	903	161	[illegible]	196	79	-	-			15	2,311	1,257
1985-86	1,810	1,055	186		163	245	-	-		[illegible]	13	2,294	1,528
1986-87	2,035	1,006	331	[illegible]	130	57	-	-		[illegible]	13	2,626	1,398
1987-88	1,903	1,223	390	[illegible]	230	218	-	-		[illegible]	16	2,687	1,824
Sub-Total	9,132	4,882	1,234	[illegible]	807	776	-	-		[illegible]	73	11,907	7,183
VIII. 7th Plan													
1988-89	1,979	1,262	663	[illegible]	392	542	146 Θ	146		1	13	3,312	2,619
1989-90	2,623	1,312	201	[illegible]	258	287	217 Θ	217		1	14	3,439	2,342
1990-91	1,935	1,408	346	[illegible]	134	136	58	50		1	11	2,576	2,156
1991-92	2,219	1,766	43	[illegible]	322	284	-			1	10	2,689	2,471
1992-93	1,284	1,895	182	[illegible]	454	309	-			[illegible]	57	1,897	2,493
Sub-Total	9,960	7,643	1,435	1[illegible]	1,568	1,558	413	413		5	54[illegible]	13,913	12,091
IX. 8th Plan													
1993-94	1,822	1,961	-		329	251	411	303			19	2,581	2,549
1994-95	2,714	2,879	3	[illegible]	279	258	-	211		[illegible]	29	3,025	2,600
1995-96	2,219	2,151	57	[illegible]	395	383	-	-		[illegible]	10	2,681	2,565
1996-97	1,351	1,821	1		405	409	-	-			2	1,759	2,233
1997-98	776	1,552	1		578	622	750	625			1	2,106	2,801
Sub-Total	8,882	9,564	62	[illegible]	1,986	1,923	1,161	1,139		[illegible]	61	12,152	12,748
1998-99	1,382	1,620	-		185	270	650	550		[illegible]	2	2,219	2,442
1999-00	527	1,263	8		567	100	284	385	284	[illegible]	2	1,388	1,758
2000-01	487	1,030	8		81	23	1,128	1,128	469	2	5	1,637	2,186
2001-02	970	741	8		40	114	2,590	1,888	332	[illegible]	21	3,600	2,756
2002-03	547	846	0		0	9	1,236	1,057	47	1	8	1,794	1,920
2003-04	1,210	622	8		0	0	1,263	755	350	[illegible]	3	2,475	1,380
2004-05	2,026	918	0		0	0	1,202	1,803	115	[illegible]	2	3,220	2,723
2805-06	3,258	2,084	8		22	18	1,225	1,262	0	[illegible]	1	4,506	3,357
2006-07	1,365	1,309	133		0	12	2,649	2,058	425	[illegible]	3	4,151	3,381
2007-08	2,440	1,565	0	[illegible]	8	8	1,310	2,013	353	[illegible]	2	3,752	3,660
2008-09	2,296	1,272	125	1	18	0	3,947	3,238	597	[illegible]	2	6,388	4,688
2009-10 (Jul-Mar)	3,175	840	8	[illegible]	0	0	1,553	1,293		[illegible]	2	4,738	2,135

Project Aid includes Commitments and Disburesements for Earthquake Rehilitation & Construction
BOP includes Commitment and Dibursement for IDB Short term and Tokyo pledges
Exclusive of IMF Loans   Θ : IMF Loan.

Soue: Economic Affairs Division

TABLE 8.5

DEBT SERVICE PAYMENTS OF FOREIGN MEDIUM AND)NG TERM LOANS (Paid in forejn exchane)

($ million)

Fiscal Year	Kind	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	200-07	2007-8	2008-0	2009-10 Jul-Mar)
I. PARIS CLUB COUNTRIES											
1 Australia	Principal	105.534	0.000	0.00	0.000	0.000	0.000	(000	0.00	0.00	
	Interest	4.680	0.000	0.00	0.000	0.000	0.000	(000	0.00	0.00	
2 Austria	Principal	0.030	0.000	0.00	0.695	0.376	1.223	145	2.60	1.69	2.144
	Interest	0.703	0.353	2.07	3.207	4.212	3.637	634	4.43	2.15	2.183
3 Belgium	Principal	0.000	0.000	0.0	0.000	0.000	0.000	623	10.35	0.28	0.373
	Interest	1.654	0.864	3.1	1.413	1.767	1.859	003	2.26	0.95	1.086
4 Canada	Principal	8.097	0.000	0.0	0.000	0.302	0.841	289	1.62	0.83	0.874
	Interest	1.073	0.740	1.31	1.438	2.766	4.436	584	5.39	4.25	0.816
5 Denmark	Principal	0.000	0.000	0.0	0.000	0.000	0.000	000	0.00	0.00	-
	Interest	0.000	0.000	0.0	0.000	0.000	0.000	000	0.00	0.00	-
6 France	Principal	0.203	0.034	0.0	28.766	10.636	24.921	3 366	35.93	14.35	14.001
	Interest	15.315	16.508	47.5	61.557	82.615	81.489	8.430	99.43	42.72	48.273
7 Finland	Principal	0.000	0.000	0.0	0.000	0.024	0.055	.084	0.18	0.04	0.057
	Interest	0.307	0.157	0.1	0.088	0.164	0.286	.364	0.30	0.10	0.053
8 Germany	Principal	5.741	0.854	3.8	7.925	2.64	12.749	1.294	16.22	6.84	5.183
	Interest	7.493	7.403	18.9	17.575	20.981	29.826	3.225	36.34	15.07	10.123
9 Italy	Principal	2.262	1.115	2.1	0.316	0.541	0.642	2.415	24.09	0.20	0.223
	Interest	1.778	0.982	2.7	2.753	3.605	2.331	.168	1.24	0.46	0.213
10 Japan	Principal	38.689	46.279	70.3	396.646	48.114	65.577	4.280	46.58	42.54	41.678
	Interest	73.006	28.445	36.2	129.721	149.982	86.805	9.573	103.54	137.47	68.876
11 Korea	Principal	0.123	0.000	0.0	44.834	45.272	96.485	5.725	56.24	29.88	4.665
	Interest	13.040	5.232	0.0	24.884	23.787	38.168	4.759	22.03	9.77	5.055
12 Norway	Principal	2.938	0.000	2.1	2.124	3.877	4.064	1.124	12.24	1.25	1.252
	Interest	2.577	0.543	1.7	1.537	1.321	2.196	.598	0.40	0.58	0.534
13 Netherlands	Principal	1.016	0.710	1.1	0.000	0.221	0.528	.679	0.64	0.27	0.159
	Interest	0.952	0.637	1.3	2.419	1.894	3.050	.223	3.66	3.1	3.112
14 Russia	Principal	0.000	0.000	0.0	0.000	0.937	18.958	.751	2.69	1.3	1.193
	Interest	3.098	3.457	0.0	0.000	3.367	23.375	.566	6.36	3.1	3.102
15 Sweden	Principal	1.737	0.000	0.0	0.000	0.412	0.957	.862	2.38	1.4	1.507
	Interest	3.407	4.693	1.9	1.962	3.553	7.063	.262	9.42	2.7	1.376
16 Spain	Principal	0.000	0.000	0.0	0.098	0.580	1.369	.051	0.57	0.3	0.257
	Interest	1.185	0.860	1.6	1.753	2.372	2.911	.222	3.19	1.2	1.03
17 Switzerland	Principal	0.000	0.000	0.0	0.000	0.253	0.555	.943	1.67	0.7	0.859
	Interest	1.541	0.867	0.9	0.803	1.319	1.530	.244	3.53	1.6	0.767
18 USA	Principal	43.244	7.839	11.4	1.721	10.492	19.645	3.396	20.61	9.5	6.422
	Interest	59.906	33.115	61.6	56.098	64.334	61.191	8.618	62.36	27.5	22.412
19 UK	Principal	6.470	3.845	5.6	36.203	0.959	1.916	.076	0.10	0.0	0.059
	Interest	8.954	2.153	2.5	6.537	0.545	0.598	.655	0.82	0.2	0.061
TOTAL (I)	Principal	216.084	60.676	96.5	519.328	125.636	250.485	23.103	234.82	111.7	80.906
	Interest	200.669	107.009	183.8	313.745	368.584	350.751	34.128	364.10	253.2	169.072
II. NON-PARIS CLUB COUNTRIES											
1 China	Principal	163.019	90.810	35.2	14.798	13.868	18.967	1.148	14.48	13.0	13.074
	Interest	29.702	20.699	25.6	13.980	13.310	7.377	1.623	10.60	8.4	39.53
2 Czecho - slovakia	Principal	3.767	0.000	0.0	0.000	0.000	0.000	.000	0.00	0.0	
	Interest	0.000	0.000	0.0	0.000	0.000	0.000	.000	0.00	0.0	
3 Kuwait	Principal	1.478	1.226	3.0	5.395	5.733	7.054	7.079	7.08	5.3	6.205
	Interest	0.000	0.000	0.9	2.195	2.032	2.203	2.369	2.38	1.8	2.343
4 Libya	Principal	0.000	0.000	0.0	0.000	0.000	0.000	4.229	1.23	0.1	0.1
	Interest	0.000	0.000	0.0	0.000	0.000	0.000	1.789	0.60	0.0	0.07
5 Saudi Arabia	Principal	0.000	0.000	13.9	5.424	5.373	3.383	0.000	0.00	0.8	58.278
	Interest	0.466	0.057	2.9	1.285	1.122	1.162	1.168	1.71	0.5	4.015
6 UAE	Principal	0.000	0.000	1.0	1.000	0.000	0.000	0.000	0.08	0.1	
	Interest	0.000	0.336	0.4	0.824	0.678	1.015	1.784	2.22	2.1	2.122
TOTAL (II)	Principal	168.264	92.036	52.7	26.617	24.974	29.404	5.456	23.79	19.3	77.657
	Interest	30.168	21.092	30.5	18.284	17.142	11.757	8.733	15.51	13.1	48.080

(Contd.

TABLE 8.5

DEBT SERVICE PAYMENTS OF FOREIGN MEDIUM AND LONG TERM LOANS (Paid in foreign exchange)

(US $ million)

Fiscal Year	Kind	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 (Jul-Mar)
III. MULTILATERAL											
1 ADB	Principal	247.044	241.442	265.981	1370.429	245.272	236.757	261.303	330.746	290.259	355.887
	Interest	151.188	151.668	172.738	179.919	75.061	74.020	89.089	119.058	97.158	87.2
2 IBRD	Principal	227.914	233.789	249.499	287.173	322.704	294.377	273.293	296.781	243.627	198.325
	Interest	153.780	132.161	110.541	94.797	77.419	99.280	110.839	111.589	64.652	29.451
3 IDA	Principal	66.534	72.592	83.452	97.926	112.724	118.566	127.293	143.618	126.149	133.739
	Interest	27.935	30.054	39.885	45.063	51.049	50.918	59.761	73.878	64.170	70.773
4 IFAD	Principal	7.685	7.354	7.504	7.712	7.962	7.468	8.362	8.413	7.188	6.798
	Interest	2.206	1.996	1.751	2.106	2.043	1.802	1.827	1.951	1.433	1.307
5 IDB	Principal	23.246	23.083	9.679	3.208	2.956	3.504	4.066	6.942	4.544	5.734
	Interest	3.955	2.061	1.046	0.731	8.612	0.795	1.690	3.726	4.126	3.359
6 IDB (ST)	Principal					8.3	270.712	271.712	25.080	791.501	349.923
	Interest					0.243	11.839	12.039	22.866	28.026	12.406
TOTAL (III)	Principal	572.423	578.260	616.115	1766.448	699.918	931.384	946.029	811.588	1463.268	1050.406
	Interest	339.064	317.940	325.961	322.616	206.427	237.854	275.245	333.068	259.565	204.496
IV. DEVELOPMENT FUNDS											
1 NORDIC	Principal	1.918	2.023	2.232	2.375	2.519	2.442	2.482	2.562	1.281	0.749
	Interest	2.087	1.065	0.723	0.565	0.685	0.917	1.007	0.875	0.281	0.119
2 OPEC Fund	Principal	8.003	6.597	6.504	5.178	4.800	4.561	4.204	4.935	2.849	2.848
	Interest	8.749	0.754	8.707	0.595	0.546	8.591	0.571	0.495	0.387	0.502
3 Turkey (EXIM Bank)	Principal	0.000	8.000	9.959	0.000	12.900	25.800	12.900	0.000	0.000	
	Interest	5.981	2.514	0.388	0.000	1.875	2.776	0.648	0.000	0.800	
4 E.I. Bank	Principal	0.000	0.000	8.000	0.637	0.679	1.345	2.094	2.600	1.583	4.204
	Interest	0.254	8.234	0.939	1.722	2.592	3.324	4.262	3.847	1.626	0.983
4 Standard charted Bank	Principal										50.000
	Interest										3.170
TOTAL (IV)	Principal	9.921	8.620	18.695	8.190	20.898	34.148	21.680	10.097	5.713	57.801
	Interest	9.071	4.567	2.757	2.882	5.698	7.608	6.488	5.217	2.294	4.774
V. GLOBAL BDNDS											
1 Euro Bonds	Principal	0.200	0.000	155.458	155.459	155.458	155.459	0.000	0.000	500.000	600
	Interest	62.685	62.340	62.023	39.181	57.644	91.561	145.000	287.667	151.439	106.259
2 Saindak Bonds	Principal	7.716	4.526	0	0	0	0	4.527	4.527	0.000	
	Interest	1.533	6.544	0	0	0	0	0.282	0.282	0.000	
3 US Dollar Bonds (NH	Principal	21.903	21.903	21.903	21.903	21.903	0	21.903	21.903	21.963	21.903
	Interest	16.573	7.118	4.594	3.326	4.414	0	5.684	5.684	3.680	1.485
TOTAL (V)	Principal	29.819	26.429	177.361	177.362	177.381	155.459	26.43	26.43	521.963	621.903
	Interest	80.791	76.002	66.617	42.507	62.058	91.561	150.966	213.633	155.119	107.744
TOTAL (I+II+III+IV+V)	Principal	996.511	766.021	981.089	2497.945	1048.787	1400.880	1258.698	1106.288	2122.011	1888.673
	Interest	659.763	526.610	609.497	700.034	659.909	699.531	805.560	932.179	683.221	534.166
	Total	1656.274	1292.631	1570.568	3197.979	1708.696	2100.411	2064.258	2038.467		
VI. OTHERS											
1 NBP's	Principal	8.000	0.000	0.000	0.000	3.111	2.945	2.979	3.016	2.988	3.022
	Interest	0.000	0.000	0.870	0.866	0.981	1.118	1.077	0.804	0.335	0.142
2 Bank of Indosuez	Principal	5.130	3.195	9.585	8.245	0.000	0.000	0.000	0.000	8.000	
	Interest	2.262	0.975	1.012	0.213	0.000	0.000	0.000	0.000	0.000	
3 NBP Bahrain	Principal	0.000	0.000	0.000	9.286	4.286	0.000	0.000	4.268	3.571	
	Interest	0.000	8.500	1.410	0.621	0.983	0.469	0.000	0.474	0.111	
4 ANZ Bank	Principal	2.500	2.500	0.000	0.000	0.000	4.286	4.286	0.008	0.021	
	Interest	1.392	1.535	0.000	0.000	0.000	0.552	0.856	6.657	4.048	
5 Cash (ST)	Principal					16.280	18.280	17.280	16.280	66.28	116.279
	Interest					7.416	10.370	11.570	9.105	5.766	2.849
6 IMF	Principal										0
	Interest										13.379
TOTAL (VI)	Principal	7.6	5.7	9.6	15.5	23.7	23.5	24.5	23.6	72.9	119.3
	Interest	3.7	11.0	3.3	1.7	8.4	12.5	13.3	17.0	10.3	16.4
Total (I+II+III+IV+V+VI)	Principal	1004.141	771.716	970.654	2513.476	1072.464	1424.391	1283.243	1129.870	2194.871	2007.974
	Interest	863.417	537.620	612.789	701.734	669.289	712.040	818.863	949.219	693.481	550.536
Grand Total (P+I)		1667.553	1309.336	1583.443	3215.210	1741.753	2135.431	2102.106	2079.089	2888.352	2558.510

TABLE 8.6

TERMS OF FOREIGN LOANS/CREDITS CONTRAC:D BY PAKISTAN

Lending Country/Agency	26-07			20D7-08		
	Amount (US $ Million)	Intst Rate/ Comssion(%)	Amortization (years)	Amount US $ Million	iterest Rate mmission(	Amortization (years)
A. Paris Club Countries						
1. Germany	5.8	.75	40			
2. Japan	197.B	.3	30			
3. France	50.2	LIBOR EURC months -200bps	20	460.3	0.2-1.3	20-30
4.Italy	-	-	-	12.1	0.0	20.0
Sub-Total (A):	253.8			472.4		
B. Non-Paris Club						
1. China						
2. Kuwait	38.1	.5	24	327.7	3%	15
3. Saudi Arabia	133.1	LIBOR 12 mths +20 Bps	2	40.1	2%	26
4. Korea	-	-	-			
5.UAE	-	.5	25	20.0	1%	30
Sub-Total (B):	171.2			387.8		
C. Multilateral						
1. I DB (ST)	425	LIBOR 6 mths '+ 60 bps	2			
2. IDB	200.0	LIBOR 6-12 mths+60-2.15 bps	1-18	352.8	5.8	1
3. IDA	912.1	75	35	224.2	1.25-5.1	1-18
5. ADB	1443.3	1-1.5& LOR+60bps	15-32	259.2	).75+4.9%	35
6. OPEC	10.0	25	20	1436.8	1-&Libor+60b	15-24
7. IBRD	100	LIBOR 6 mths + 60 bps	20	5.3	2.5	20
8. IFAD	-		-	36.3	0.75	40
Sub-Total (C):	3090.4			2314.6		
Total (A+B+C)	3515.4			3174.8		

Lending Country/Agency	20-09			2009 (July- Man)		
	Amount (US $ Million)	Intert Rate/ Comnsion(%)	Amortization (years)	Amount JS $ Million)	erest Rate/ (mission(%	Amortization (years)
A. Paris Club Countries						
1. Germany	138.3	'5	40			
2. Japan	-		-	249.4	1.2 fixed	30
3.France	98.3	LIBDR EURO nonths -200bps	20	103.6	1.6 fixed	
Sub-Total (A)	236.6			353		
B. Non-Paris Club						
1. Saudi Arabia	125.2	'5	3	280	2 fixed aLibor 3 mons +0.5	8-20
2. China	800	;	10-15	1505.8	1-2 fixed aLibor 6 mons +0.22	20-25
3. Korea	205.2	)	30-40			
4. Kuwait				49.9	1 fixed	25
Sub-Total (B)	1130.4			1835.70		
C Multilateral						
1. IDA	1528.7	'5	35	508.4	75 fixed	35
2. ADB	1759.7	Lib+0.6	24	151.7	1.5 and or 6 month+ 0.6	23
3. OPEC	66.3	Lib(1.85	20			
4. I DB	287.8	Libor+0.5and 3.825	1-18	140	US Swate 15 year+1.2	20
5. IDB Stort-term	596.5	Lib+2.5	1	324.4	Libor b 6 months+.15	1
6. IFAD				18.8	-	26
7.IBRD	173.4	6	30			
8.EIB				149.5	Libor E 6 months +.15	35
Sub-Total (C)	4412.4			1292.8		
Total (A+B+C)	5779.4			3481.5		

Source:Economic Affairs Division

TABLE 8.7

GRANT ASSISTANCE AGREEMENTS SIGNED

(US $ million)

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 (Jul-Mar)
I. Paris Club Countries											
1. Australia					0.3		0.1		0.9		
2. Austria							0.7				
3. Canada	5.1	2.3			13.8				9.4	5.5	
4. Germany		3.5	3.7			21.0	31.4	37.3			14.7
5. Japan	1.9		65.1	58.7	46.0	113.5	67.8		6.6	41.6	33.0
6. Netherlands			15.7								
7. Norway				3.9	18.4	3.2					4.3
8. Korea	0.2										1.5
9. Switzerland				8.2			0.7				
10. UK	90.5	16.5	45.7	158.8	79.0	44.1	227.5	67.7	136.9	142.5	331.9
11. USA	147.0	80.8	630.6	65.4	129.4	647.5	514.3	269.4	118.9	377.4	794.5
12. Italy	2.6	-	-	-	-	-	-	-			
Sub-Total (I)	247.3	103.1	760.7	287.0	278.9	829.3	842.5	374.4	272.7	567.0	1179.9
II Non Paris Club Countries											
1. China	7.7	6.6	31.0		0.2		0.0	49.4	0.4		
2. Iran	-	-	-	-	-	-	-	-			
3. UAE	-	-	-	-	-	-	-	-			
4. Oman		50.1									
5. Saudi Arabia				100.0	50.0						
Sub-Total (II)	7.7	56.7	31.0	100.0	50.2	0.0	0.0	49.4	0.4	0.0	
III Multilateral											
1. ADB	2.8	1.5					175.0	5.0			
2. EEC / EU		5.4	68.7	21.2	1.2			58.1		25.2	66.5
3. Islamic Development Bank	0.4	0.3		8.3							
4. IDA	75.2		0.8	0.3	51.7	1.5		9.1	0.1	6.5	
5. IBRD	0.5	1.0	1.0	10.1			0.5				
6. UN and Specialised Agencies	-			-	-	-	-	-			
7. UNDP Special Grant	35.9	55.6	27.4	11.4	20.8	3.9	1.9	2.5	1.4		
8. World Food Programme			26.6			111.0					
9. UNFPA		3.2	5.9								
Sub-Total (III)	114.6	67.0	130.3	43.3	73.7	116.4	177.4	74.7	1.5	30.7	66.5
IV Relief Assistance for											
A. Afghan Refugees	2.0	20.8	0.2	11.0	2.1		1.5	3.4	1.6	2.2	2.2
B. Earthquake											
1. AFGHANISTAN	-	-	-	-	-	-	0.5	-			
2. ALGERIA	-	-	-	-	-	-	1.0	-			
3. AUSTRIA	-	-	-	-	-	-		-			
4. AZERBAIJAN	-	-	-	-	-	-	1.5	-			
5. BHUTAN	-	-	-	-	-	-	0.1	-			
6. BRUNEI	-	-	-	-	-	-	0.6	-			
7. CHINA	-	-				-	36.8				
8 .CYPRUS	-	-	-	-	-	-	0.1	-			
9. INDONESIA	-	-	-	-	-	-	1.0	-			
10. JORDAN	-	-	-	-	-	-	1.0	-			
11. MALAYSIA	-	-	-	-	-	-	1.0	-			
12. MORDCCO	-	-	-	-	-	-	1.5	-			
13. DMAN	-	-	-	-	-	-	5.0	-			
14. PAK-TURK FOUNDATION	-	-	-	-	-	-	4.0	-			
15. SAUDI ARABIA	-	-	-	-	-	-	200.0	133.3	300.0		
16. SOUTH KOREA	-	-	-	-	-	-	0.5	-			
17. THAILAND	-	-	-	-	-	-	0.5	-			
16. TURKEY	-	-	-	-	-	-	150.0	-		10.0	
19. UK	-	-	-	-	-	-	-				
20. ADB	-	-	-	-	-	-					
21. WB (IDA)											
22. Germany											
23. IDB	-	-	-	-	-	-	0.3	-			
24. MAURITIUS							0.0				
Sub-Total (IV)	2.0	20.8	0.2	11.0	2.1	0.0	406.9	136.7	301.6	12.2	2.2
Grand Total (I+II+III+IV)	371.8	247.7	922.2	441.3	404.9	945.7	1426.9	635.2	576.2	609.9	1248.6

Source : Economic Affairs Divisio[illegible]

TABLE 8.8

TOTAL LOANS AND CREDITS CONTRACTED

(US $ millin)

Lending Country/Agency	1999-00	20-01	2001-02	2002-03	2003-04	2004-05	2005-06	)6-07	20-08	2008-09	(Jul-Ma) 2009-1
A. Paris Club Countries											
1. Austria		-	16.0	-	-	-	-	-			
2. Australia	63.7	-	-	-	-	-	-	-			
3. Belgium	-	-	-	-	-	-	-	-			
4. Canada	-	-	-	-	-	-	-	-			
5. France		-				-	-	0.0		98.0	103.6
6. Germany		-	1.0			102.6		;.0		138.0	
7. Japan		-	32.6	26.0			245.0	)8.2	0.4		249.4
8. Netherlands	-	-	-	-	-	-		-			
9. Narway	-	-	-	-	-	-		-			
10. Spain	.	-	1.9								
12. UK	-	-	-	-	-	-		-			
13. USA	500.0	.0	9.0	-	-	-		-			
14. Italy	-	-	-	-	-	-	-	-	.1		
15. Sweden	2.0	-									
Sub-Total (A)	566	.0	60.5	26.0	0.0	102.6	245.0	54.2	2.5	236.0	353.0
B. Non-Paris Club Countries:											
1. China	18.2	.4	287.0	118.2		355.0	322.2		3.0	800.0	1505.(
2. Korea							17.0		:.0	205.0	
3. Kuwait	-	.0	-	-	-	34.3		8.1			49.9
4. Saudi Arabia	-		-	-	25.0	-		13.1	.0	125.0	280.0
5. Turkey (EXIM Bank)	-		-	-	-	-		-			
6. Abu Dhabi Fund	-		265.0	-	-	-		-			
Sub-Total (B)	18.2	.4	552.0	118.2	25.0	389.3	339.2	71.2	3.0	1130.0	1835.
C. Multilateral:											
1. IBRD	-		-	-	53.0	340.0	319.0	)0.0		173.4	
2. IDA	88.5	7.6	833.5	268.0	691.0	601.8	1166.4	:2.0	3.1	1529.0	508.4
3. ADB	51.8	4.0	860.0	878.0	879.0	725.2	835.0	43.3	16.4	1760.0	151.7
4. IFAD		.4	14.2		22.2		54.0	-	:.4		18.8
5. European Investment Bank					50.0						149.5
6. OPEC Fund		.0	10.0	15.0				0.0	1	66.0	
7. IDB		.0	17.0			8.0	121.0	)0.0	3.0	288.0	140.0
9. KPC											324.4
10. IDB (ST)	284.0	4.0	332.0	47.0	350.0	115.0		:5.0	3.0	597.0	
Sub-Total (C)	424.2	1.7.0	2,066.7	1,208.0	2,045.2	1,790.0	2,495.4	)90.3	2,4.0	4,413.4	1,292.
Grand-Total (A+B+C)	1,008.1	1.9.4	2,679.2	1,352.2	2,070.2	2,281.9	3,079.6	15.7	3,4.5	5,779.4	3,481.

Soun : Economic Affairs Divisin

TABLE 9.1

NUMBER OF LISTED COMPANIES, FUD MOBILISED AND TOTAL URNOVR OF SHRES IN ARIOUS STOCK EXCHANGES

	1999-00	00-01	2001-02	2002-03	2003-4	2004-0	2005-06	2006-07	007-08	2008-09	JuMar 200-10
KARACHI STOCK EXCHANGE											
i) Total Listed Companies	762	747	712	702	68	65	658	658	652	652	650
ii) New Companies Listed	1	4	4	2	6	[illegible]	14	12	5	8	5
iii) Fund Mobilized											
(Rs billion)	0.4	3.6	15.2	23.8	2	54.	41.4	49.7	49.2	42.3	8.7
iv) Total Turnover of Shares											
(In billion)	48.1	29.2	29.1	53.1	970	88.	104.7	68.8	56.9	17.1	13.7
LAHORE STOCK EXCHANGE											
i) Total Listed Companies	-	614	581	561	67	52	518	520	514	512	511
ii) New Companies Listed	2	3	3	2	3	[illegible]	6	8	2	2	5
ii) Fund Mobilized											
(Rs billion)	0.4	2.5	14.2	4.1	31	42.	24.5	38.8	28.1	35.3	12.4
iv) Total Turnover of Shares											
(In billion)	1.6	7.8	18.3	28.2	19	17.	15.0	8.3	5.4	1.5	2.7
ISLAMABAD STOCK EXCHANGE											
i) Total Listed Companies	-	281	267	260	21	23	240	246	247	240	242
ii) New Companies Listed	0	5	3	1	8	[illegible]	2	7	3	4	1
ii) Fund Mobilized											
(Rs billion)	0	0.8	3.7	11.5	25	27.	5.2	30.7	28.1	24.8	1.7
iv) Total Turnover of Shares											
(In billion)	3.1	1.4	2.7	2.1	4	0.	0.4	0.3	0.9	0.158	0.2

ource: SECP, KSE, LS ISE

TABLE 9.2

NATIONAL SAVING SCHEMES (NET INVESTMENT)

(Rs. Million)

	Name of Scheme	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	Jul-Mar 2009-10
1	Defence Savings Certificates	22,037.3	21,990.5	3,238.3	(8,759.1)	(7,551.0)	(6,976.8)	(4,317.4)	(27,411.3)	(35,076.5)
2	National Deposit Scheme	(6.3)	(5.7)	(6.8)	(1.3)	(2.5)	(1.1)	0.0	(2.7)	0.2
3	Khaas Deposit Scheme	(12.1)	(13.5)	(23.4)	(5.4)	(2.8)	(5.6)	7.0	(1.6)	(3.7)
4	Premium Savings Scheme	-	-	-	-	-	-	-	-	-
5	Special Savings Certificates (R)	36,443.2	84,899.1	(13,199.3)	(83,311.9)	(57,737.1)	6,667.5	13,800.6	128,469.0	51,975.7
6	Special Savings Certificates (B)	(203.3)	(11.1)	(2.6)	(4.6)	(0.6)	(0.1)	(0.2)	(8.5)	(0.3)
7	Regular Income Certificates	11,046.3	(14,923.9)	(49,090.5)	(40,663.0)	(15,563.9)	18,369.1	(273.5)	40,094.3	33,935.7
8	Pensioners' Benefit Account	-	10,170.0	13,209.3	17,737.2	16,382.9	11,468.6	18,695.9	22,215.7	14,163.4
9	Savings Accounts	(329.8)	1,638.1	(729.6)	(2,891.4)	(202.7)	12,825.7	8,989.1	(10,899.2)	(1,257.5)
10	Special Savings Accounts	4,266.9	5,135.0	2,894.1	(19,048.0)	(709.6)	9,417.6	5,521.5	21,627.1	29,753.3
11	Bahbood Saving Certificates	-	-	22,691.0	60,654.6	59,636.6	47,214.5	38,799.7	78,537.4	45,104.7
12	Mahana Amdani Accounts	92.8	129.5	120.9	85.9	45.7	56.9	(25.0)	(50.0)	(172.8)
13	Prize Bonds	11,588.0	26,840.1	22,841.9	9,357.0	3,325.8	9,007.3	8,277.1	14,650.0	27,324.2
14	Postal Life Insurance	6,448.3	7,367.7	8,668.7	10,335.2	10,804.5	-	-	-	-
15	National Savings Bonds	-	-	-	-	-	-	-	-	3,650.2
	Grand Total	91,371.3	143,215.8	10,612.0	(39,371.6)	8,830.7	71,305.5	89,460.8	267,220.7	169,396.7

Figures in Parenthesis represent negative signs

Source : Central Directorate of National Savings

R : Registered

B : Bearer

- : Not available

TABLE 9.3

MARK UP RATE/PROFIT RATE N DEBT INSTRUMENTS CURRENTL\ AVAILA.E IN TE MARKET

S.No.	Schemes	Markup/Profit Rate	Maturit Period	Tax Status
1.	Foreign Exchange Bearer Certifica (FEBC)			
	a. If Certificate of Rs 1000 encash before 1 year investor will get Rs 000 (face ulue)			
	b. If Certificate of Rs 1000 encashe after 1 year investor will get Rs 115			Sale uer this scme has alread een discntinued, from Decemr 1999 hcever, on outstaing balan till maturity, rate woe applicale
	c. If Certificate of Rs 1000 encashe after 2 year investor will get Rs 130			
	d. If Certificate of Rs 1000 encashe after 3 year investor will get Rs 120			
	e. If Certificate of Rs 1000 encashe after 4 year investor will get Rs 110			
	f. If Certificate of Rs 1000 encashe after 5 year investor will get Rs 190			
	g. If Certificate of Rs 1000 encashe after 6 year investor will get Rs 210			
2.	Foreign Currency Bearer Certificat (FCBC), 5 years	Scheme has already been discontinued w.f. Februar 999. Only repayment is made		
3.	Special US$ Bonds		The rats are effecve form S. 1999. If nds are encashed beore one yer no profit ill be paidrofit is pable @ LIBOR + 2.00% on bonds einvested fr 3 years Special U$ Bonds redeemed aginst 3 and 7years matuity. Howe, the facil of reinvestment has een disconnued sinceOctober 22.	
	a) 3 year maturity	LIBOR+1.00%		
	b) 5 year maturity	LIBOR+1.50%		
	c) 7 year maturity	LIBOR+2.00%		
4.	<u>Pakistan Investment Bonds</u>			
	<u>Tenor</u>	<u>Rate of Profit</u>		
	3-Year Maturity	11.25% p.a	Coupo rate are gien for 30August 20 issue.	
	5-Year Maturity	11.50% p.a		
	7-Year Maturity	11.75% p.a		
	10-Year Maturity	12.00% p.a		
	15-Year Maturity	12.50% p.a		
	20-Year Maturity	13.00% p.a		
	30-Year Maturity	13.75% p.a		
5.	<u>Unfunded Debt</u>			
	Defence Saving Certificates	12.15% p.a (m)	10 Yeas	Taxabor depos exceeding Rs. 150,00 made or after 007-2002
	National Deposits Schemes	13.00% p.a.	7 Years	Taxabnd discoinued
	Special Saving Certificates (R)	11.67% p.a	3 Years	Taxabor depos exceeding Rs. 150,00 made or after 007-2002
	for each of 1st five profit	11.60% p.a.		
	for the last one porfit	12.00% p.a.		
	Special Saving Certificates (B)	13.00%	3 Years	Taxabnd discoinued
	Regular Income Certificates	12.00%	5 Years	Taxabl
	Khas Deposit Scheme	13.42% p.a.	3 Years	Taxabnd discoinued
	Mahana Amdani Accounts	10.41% p.a.(m)	7 Years	Taxabnd discoinued
	Saving Accounts	8.50% p.a.	Runnin Account	Taxabor balanc exceeding Rs. 150,00
	Bahbood Savings Certificate	14.16% p.a.	10 Yeas	
	Pensioners' Benefit Account	14.16% p.a.	10 Yeas	
	Prize Bonds	10.00% p.a.		

p.a : Per annum   R : Regiered   Sourc State Bank of Pakista and
B : Bearer   m : on rturity   Central Dictorate of National Savngs

TABLE 10.1

POPULATION**

Mid Year	Population (mln)	Lbour rce Paripation Re(%)	Civilian Labour Force (mln)	Emoyed Ttal (mln)	Crude Birth Rate	Crue Deh Re	Infant Mortality Rate
					(per 100persons)		
1981 *	85.09	.30	25.78	2.70	..	.	..
1991	112.61	.97	31.50	2.52	39.50	9.	102.40
1992	115.54	.11	32.48	3.58	39.30	10.	100.90
1993	118.50	.86	33.01	3.45	38.90	10.	101.80
1994	121.48	.88	33.87	3.23	37.60	9.	100.40
1995	124.49	.46	34.18	3.35	36.60	9.	94.60
1996	127.51	.69	35.01	3.13	35.20	8.	85.50
1997	130.56	.38	37.45	3.16	33.80	8.	84.40
1998 *	133.32	.38	39.17	3.86	..	.	..
1999	136.41	.97	40.08	3.70	30.50	8.	82.90
2000	139.41	.97	40.38	3.22	..	.	..
2001	142.35	.48	41.23	3.00	..	.	..
2002	145.28	.61	43.01	3.45	27.30	8.	85.00
2003	148.21	.61	43.88	4.25	27.30	8.	83.00
2004	151.09	.41	45.95	4.42	27.80	8.	79.90
2005	153.96	.41	46.82	4.22	..	.	..
2006	156.77	.22	50.50	4.37	26.10	7.	76.70
2007	161.00	.82	50.78	4.07	25.50	7.	72.40
2008	163.80	.17	52.23	4.52	25.00	7.	70.20
2009	166.50	.81	55.76	5.71	28.40	7.	73.50

.. : not available

* : Census Years.

** : Population figures in different tles may not tally due to different sources of da/ agencies. However, population and growth res in this table have been estimated on the bis of average annual growth rate during)81-98

Sources : (1) Populion : Popultion Cens Organison, Planning Commision and Demoraphic Surey 1991 a1996-97; deral Bureau of Statiscs

(2) LabouForce Partipation R : Labourrce Surveys, Populatn Census ofPakistan 198

(3) Infant lortality Ra / Life exptancy at Bth : Pakistan Demogrohic Surveys, Fderal Bureu of Statis and Planing Commission

(4) Crude Brth Rate/Cude Deathte:
- (i) Poptation Census of Pakin 1981* a 1998*
- (ii) Pakstan Demoraphic Suy 1996-97

TABLE 10.2

POPULATION BY SEX AND RURAL / URBAN AREAS

(million)

Mid Year	All Areas	Rural areas	Urban areas	Male	Female
1981 *	85.09	61.01	24.08	44.67	40.42
1991	112.61	77.95	34.66	58.82	53.79
1992	115.54	79.60	35.79	60.31	55.23
1993	118.50	81.45	37.05	61.83	56.67
1994	121.48	93.19	28.29	63.35	58.13
1995	124.49	94.95	29.54	64.88	59.61
1996	127.51	86.69	40.82	66.42	61.09
1997	130.56	88.44	42.12	67.98	62.58
1998 *	133.48	89.98	43.52	69.45	64.03
1999	136.69	91.91	44.78	71.09	65.60
2000	139.96	93.63	46.13	72.65	67.11
2001	142.86	95.36	47.50	74.23	68.63
2002	146.75	97.06	48.89	75.79	70.17
2003	149.65	99.12	49.91	77.38	71.65
2004	152.53	101.05	50.00	77.62	73.45
2005	153.96	101.55	52.41	77.59	76.36
2006	156.77	..	..	..	..
2007	161.00	103.91	55.66	82.81	76.76
2008	163.80	105.06	57.32	84.27	78.11
2009	166.50	109.07	60.87	87.93	82.01

* : Census Year

Sources: 1. Population Census Organization
2. Planning Commission, Islamabad

Note: Population Censuses were conducted in February 1951, January 1961, September 1972, and March 1981 and 1998.

TABLE 10.3

POPULATION BY SEX, URBN/RURAL AREAS, 1972,191 AND 198 CENS

(In thousnds)

Region/ Province	Poulation*									Dnsity (er sq. km)
	tal			rban			Rural			
	Both Sexes	ale	Female	Both Sexes	Male	Fmale	th Sexes	Male	Female	
					972 CENSU					
PAKISTAN	65,309	1,833	30,476	16,594	9,027	7,567	48,716	25,806	22,909	82
Islamabad**	238	131	106	77	46	31	161	86	75	259
Punjab**	37,607	),209	17,398	9,183	4,977	4,206	28,428	15,232	13,192	183
Sind	14,156	',574	6,582	5,726	3,131	2,595	8,430	4,443	3,987	100
Khyber Pakhtonkhwa	8,388	1,363	4,026	1,196	647	549	7,193	3,716	3,477	113
Baluchistan	2,429	1,290	1,139	399	218	181	2,029	1,071	958	7
FATA	2,491	1,266	1,225	13	8	5	2,478	1,258	1,228	92
					981 CENSU					
PAKISTAN	84,253	1,232	40,021	23,841	12,767	1,074	60,412	31,465	28,947	106
Islamabad	340	185	155	204	113	91	136	72	64	376
Punjab	47,292	1,860	22,432	13,052	6,952	6,100	34,241	17,909	16,332	230
Sind	19,029	3,999	9,030	8,243	4,433	3,810	10,786	5,566	5,220	135
Khyber Pakhtonkhwa	11,061	5,761	5,300	1,665	898	767	9,396	4,663	4,533	14[illegible]
Baluchistan	4,332	2,284	2,048	677	371	306	3,655	1,913	1,742	1[illegible]
FATA	2,199	1,143	1,056	..	..	..	2,199	1,143	1,056	8[illegible]
					998 CENS S					
PAKISTAN	132,352	8,874	63,478	43,036	22,752	0,284	89,316	46,122	43,194	[illegible]
Islamabad	805	434	371	529	291	238	276	143	133	889
Punjab	73,621	8,094	35,527	23,019	12,071	0,948	50,602	26,023	24,579	[illegible]
Sind	30,440	6,098	14,342	14,840	7,904	6,935	15,600	8,193	7,407	[illegible]
Khyber Pakhtonkhwa	17,744	9,089	8,655	2,994	1,589	1,405	14,759	[illegible]	7,250	[illegible]
Baluchistan	6,566	3,507	3,059	1,569	849	719	4,997	2,657	2,340	19
FATA	3,176	1,652	1,524	85	46	39	3,091	1,606	1,485	117

*: This population does not inclie the population of AJK and Nortern Areas

urce: Poplation Census Organization.

**: Adjusted due to transfer of sne mouzas from Rawalpindi to Islmabad distct

Totals do not tally due to roundi of figures

1998 - Census Report of Pakista

TABLE 10.4

POPULATION BY AGE, SEX URBAN/RURAL AREAS 1981 AND 1998 CENSUS

(In thousands)

Age (in years)	Total			Rural			Urban		
	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female
1981 Census									
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
1998 Census*									
All ages	129,176	67,222	61,954	86,225	44,516	41,709	42,951	22,705	20,245
0- 4	19,118	9,761	9,357	13,534	6,907	6,627	5,584	2,854	2,730
5- 9	20,215	10,571	9,644	14,211	7,466	6,745	6,004	3,105	2,899
10-14	16,732	8,909	7,822	11,106	5,974	5,132	5,625	2,935	2,690
15-19	13,400	6,909	6,490	8,553	4,396	4,157	4,846	2,513	2,333
20-24	11,588	5,815	5,773	7,402	3,610	3,791	4,186	2,205	1,981
25-29	9,521	4,879	4,643	6,092	3,024	3,067	3,429	1,854	1,575
30-34	8,040	4,232	3,807	5,083	2,604	2,479	2,956	1,628	1,328
35-39	6,167	3,254	2,912	[illegible]	1,984	1,862	2,320	1,270	1,050
40-44	5,745	2,931	2,815	3,660	1,812	1,848	2,086	1,119	967
45-49	4,563	2,360	2,203	2,995	1,512	1,483	1,568	849	720
50-54	4,148	2,201	1,948	2,776	1,459	1,318	1,372	742	630
55-59	2,777	1,505	1,272	1,868	1,001	867	909	504	405
60-64	2,637	1,418	1,219	1,838	987	851	799	431	368
65-69	1,554	850	704	1,076	585	491	478	265	214
70-74	1,408	778	631	1,022	564	458	386	214	172
75 and above	1,563	849	714	1,162	632	531	400	217	183

Source: Population Census Organization.

* ; Figures regarding FATA not included

TABLE 10.5

ENUMERATED POPULATION OF PAKISAN BY PROVINCE, LAND AIEA AND PERCENTAGE DISTRIBUTION 1951-19[illegible]

		Area	Populatin (In thousd)				
		Sq km	1951	1961	1972	1[illegible]1	1998
PAKISTAN		796,096 (100.0)	33,740 (100.0)	42,880 (100.0)	[illegible]5,309 100.0)	8454 (11.0)	132,3[illegible] (100.[illegible]
Province	Khyber Pakhtonkhwa	74,521 (9.4)	4,556 (13.5)	5,731 (13.4)	[illegible],388 (12.8)	1161 (11)	17,74[illegible] (13.4[illegible]
	FATA	27,220 (3.4)	1,332 (3.9)	1,847 (4.3)	2,491 (3.8)	2,[illegible]9 ([illegible])	3,17[illegible] (2.4)
	Punjab	205,345 (25.8)	20,541 (60.9)	25,464 (59.4)	[illegible]7,607 57.6)	4792 (51)	73,62[illegible] (55.6[illegible]
	Sind	140,914 (17.7)	6,048 (17.9)	8,367 (19.5)	4,156 21.7)	1929 (26)	30,44[illegible] (23.0[illegible]
	Baluchistan	347,190 (43.6)	1,167 (3.5)	1,353 (3.2)	2,429 (3.7)	4,[illegible]2 (5)	6,566 (5.0)
	Islamabad	906 (0.1)	96 (0.3)	118 (0.3)	238 (0.4)	3[illegible] (0)	805 (0.6)

Note : Percentage distribution is given in parenthes

Sce: Poplion Census Organisatn

TABLE 10.6

LITERACY RATIOS OF POPULATION BY SEX, REGION AND URBAN/RURAL AREAS, 1998 AND 1981 CENSUS

Sex	Total			Urban			Rural		
	1998		1981	1998		1981	1998		1981
	15 Years & Above	10 Years & Above	10 Years & Above	15 Years & Above	10 Years & Above	10 Years & Above	15 Years & Above	10 Years & Above	10 Years & Above
PAKISTAN									
Both Sexes	41.5	43.9	26.2	61.0	63.1	47.1	30.8	33.6	17.3
Male	53.4	54.8	35.0	69.1	70.0	55.3	44.4	46.4	26.2
Female	28.5	32.0	16.0	51.6	55.2	37.3	16.7	20.1	7.3
ISLAMABAD									
Both Sexes	70.2	72.4	47.8	75.6	77.2	57.6	58.8	62.5	32.5
Male	79.8	80.6	59.1	82.6	83.2	65.8	73.6	75.1	48.1
Female	58.3	62.4	33.5	66.6	69.7	46.8	42.7	48.8	14.7
PUNJAB									
Both Sexes	43.8	46.6	27.4	62.4	64.5	46.7	34.9	38.0	20.0
Male	55.6	57.2	36.8	70.2	70.9	55.2	48.3	50.4	29.6
Female	31.2	35.1	16.8	53.5	57.2	36.7	20.9	24.8	9.4
SIND									
Both Sexes	43.6	45.3	31.5	61.9	63.7	50.8	24.0	25.7	15.6
Male	53.8	54.5	39.7	68.9	69.8	57.8	36.9	37.9	24.5
Female	32.0	34.8	21.6	53.6	56.7	42.2	9.9	12.2	5.2
KHYBER PAKHTONKHWA									
Both Sexes	32.1	35.4	16.7	51.4	54.3	35.8	27.7	31.3	13.2
Male	48.7	51.4	25.9	65.9	67.5	47.0	44.6	47.7	21.7
Female	15.1	18.8	6.5	34.5	39.1	21.9	11.2	14.7	3.8
BALUCHISTAN									
Both Sexes	30.7	24.8	10.3	43.9	46.9	32.2	16.1	17.5	6.2
Male	33.3	34.0	15.2	56.4	58.1	42.4	25.0	25.8	9.8
Female	11.8	14.1	4.3	28.6	33.1	18.5	6.4	7.9	1.7
FATA									
Both Sexes	..	17.4	6.4	..	39.3	..	..	16.8	6.4
Male	..	29.5	10.9	..	59.7	..	..	28.6	10.9
Female	..	3.0	0.8	..	12.0	..	..	2.8	0.8

Source: Population Census Organisation

FATA : Federally Administered Tribal Areas.

.. : Not available.

TABLE 10.7

PROVINCE-WISE POPULATION,AND AREA AND PERCENT DISTRIBUTION 1951,1981,1998,)05,2006 and 2007

Populätion in Thousad)

Province		rea Sq. Kms	Year 1951	Yea 198	Yar 198	ear 005	Year 2006	Year 2007
A	PAKISTAN	96,096 100	33,740 100	84,25 100	132352 10	1960 (E) 00	56,770 (E) 100	16,291.0(100.00
i)	PUNJAB	)5,345 25.79	20,541 60.80	47,29 56.1	73,21 5553	850 (E) 5.63	86,255 55.00	87,683.0(54.71
ii)	SINDH	10,914 17.70	6,048 17.90	19,02 22.5	30,40 2300	310 (E) 3.00	35,864 23.00	36,458.0(22.01
iii)	KHYBER PAKHTONKHWA	4,521 9.36	4,556 13.60	11,06 13.1	17,44 1311	240 (E) .41	21,392 13.60	21,856.0(13.42
iv)	BALUCHISTAN	17,190 13.61	1,167 3.50	4,33 5.14	6,56 4.6	30 (E) .96	8,004 5.10	8,190.00 5.03
v)	FATA	7,220 3.42	1,332 3.90	2,19 2.61	3,76 2.0	30 (E) .40	3,621 2.30	3,770.00 1.88
vi)	ISLAMABAD	906 0.11	96 0.30	340 0.40	86 0.1	) (E) .61	1,124 0.71	1,124.00 0.82

Soures : i) Pojation Cerus Organization
ii) Plaing and Drelopment Division

TABLE 10.8

PERCENTAGE DISTRIBUTION OF POPULATION OF 10 YEARS AND ABOVE AND CIVILIAN LABOUR FORCE BY SEX AND NATURE OF ACTIVITY (2007-08)

(Percent Share)

	Population			Civilian Labour Force: Total Civilian Labour Force			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	51.21	48.79	45.17	35.61	9.56	42.82	34.07	8.75	2.35	1.54	0.81	54.83	15.60	39.23
Rural	100.00	50.83	49.17	48.76	36.18	12.58	46.46	34.75	11.71	2.30	1.43	0.87	51.24	14.65	36.59
Urban	100.00	51.90	48.10	38.58	34.57	4.02	36.14	32.83	3.31	2.45	1.74	0.71	61.42	17.34	44.08
PUNJAB	100.00	50.17	49.83	46.60	35.23	11.37	44.01	33.52	10.49	2.58	1.71	0.87	53.40	14.94	38.46
Rural	100.00	49.87	50.13	49.95	35.48	14.47	47.50	33.92	13.58	2.45	1.56	0.89	50.05	14.39	35.66
Urban	100.00	50.79	49.21	39.89	34.73	5.16	37.05	32.73	4.31	2.85	2.00	0.85	60.11	16.05	44.05
SINDH	100.00	54.17	45.83	45.47	38.45	7.02	44.06	37.53	6.53	1.41	0.93	0.48	54.53	15.72	38.81
Rural	100.00	54.82	45.18	54.26	42.40	11.86	53.15	41.84	11.31	1.11	0.56	0.55	45.74	12.41	33.33
Urban	100.00	53.57	46.43	37.30	34.79	2.52	35.62	33.52	2.09	1.69	1.26	0.42	62.70	18.79	43.91
KHYBER PAKHTONKHWA	100.00	48.97	51.03	39.81	31.67	8.15	36.38	29.50	6.88	3.43	2.17	1.26	60.19	17.31	42.88
Rural	100.00	48.58	51.42	40.52	31.37	9.15	37.11	29.26	7.86	3.40	2.11	1.29	59.48	17.21	42.27
Urban	100.00	50.81	49.19	36.49	33.06	3.42	32.92	30.63	2.29	3.56	2.43	1.13	63.51	17.75	45.77
Baluchistan	100.00	55.14	44.86	41.75	37.13	4.62	40.59	36.44	4.15	1.16	0.69	0.47	58.25	18.00	40.24
Rural	100.00	55.34	44.66	43.95	38.67	5.28	42.98	38.09	4.90	0.97	0.58	0.39	56.05	16.67	39.38
Urban	100.00	54.51	45.49	35.04	32.43	2.60	33.30	31.41	1.89	1.73	1.02	0.71	64.96	22.08	42.89

Sources : Labour Force Survey 2007-08
Federal Bureau of Statistics

TABLE 10.9

LABOUR FORCE AND EMPLOYMENT

(Million)

Mid Year	2001	2002	2003	2004	2005	2006	2007	2008	2009
Population	142.86	145.96	149.03	150.47	153.96	156.77	161.00	163.80	166.50
Rural	95.36	97.07	99.12	99.25	101.55	102.75	108.22	105.05	108.76
Urban	47.50	48.89	49.91	51.22	52.41	54.02	54.69	61.36	61.18
Working Age Population	96.69	99.70	101.80	112.90	115.52	109.76	116.01	118.50	121.01
Rural	62.38	65.08	66.45	73.70	75.41	70.79	74.86	74.86	84.00
Urban	34.31	34.62	35.35	39.20	40.11	38.97	41.15	40.78	37.02
Labour Force	41.38	43.21	44.12	45.76	46.82	50.50	52.41	54.60	55.67
Rural	29.12	29.40	30.01	31.07	31.79	34.63	36.62	36.02	37.29
Urban	12.26	13.81	14.11	14.69	15.03	15.87	15.79	18.58	18.46
Employed Labour Force	38.14	39.64	40.47	42.24	43.22	47.37	49.68	51.62	52.71
Rural	27.10	27.18	27.74	28.98	29.65	32.78	34.90	34.32	35.53
Urban	11.04	12.46	12.73	13.26	13.57	14.59	14.79	17.30	17.18
Unemployed Labour Force	3.24	3.57	6.65	3.52	3.60	3.13	2.73	2.98	3.04
Rural	2.02	2.22	2.27	2.09	2.14	1.85	1.72	1.70	1.76
Urban	1.22	1.35	1.38	1.43	1.46	1.28	1.00	1.28	1.28
Unemployment Rate (%)	7.82	8.27	8.27	7.69	7.69	6.20	5.20	5.46	5.50
Rural	6.94	7.55	7.55	6.74	6.74	5.35	4.71	4.73	4.73
Urban	9.92	9.80	9.80	9.70	9.70	8.04	6.34	7.11	7.11
Labour Force Participation Rates (%)	28.97	29.61	29.61	30.41	30.41	32.22	32.17	32.81	32.81
Rural	29.82	29.85	29.85	31.02	31.02	33.23	33.84	34.29	34.29
Urban	27.14	29.10	29.10	29.20	29.20	30.20	28.87	29.87	29.87

Source : Labour Force Surveys By Federal Bureau of Statistics
ii) Planning and Development Division
iii) For the years 2000-01, 2002-03 and 2004-05 LFS was not conducted

TABLE 10.10

POPULATION AND LABOUR FORCI

(Millin)

Mid Year (End June)	Popula-tion	Crude Activity Rate(%)	Labou Force	Unemp-loyment	Employed Labour Force	Agricul-ture	Mining Manu-tcturing	onst-uction	lctri-cl& Gas stri-tion	Tns-ort	Trade	Othes
2000	139.76	28.97	40.49	3.17	37.32	18.07	4.31	2.16	26	38	5.04	5.60
2001	142.86	28.97	41.38	3.24	38.14	18.47	4.40	2.21	26	32	5.15	5.73
2002	145.96	28.97	43.21	3.57	39.64	16.68	5.51	2.40	32	34	5.89	6.50
2003	149.03	28.97	44.12	3.65	40.47	17.03	5.63	2.45	33	39	6.01	6.63
2004	150.47	30.41	45.76	3.52	42.24	18.18	5.83	2.46	28	22	6.25	6.82
2005	153.96	30.41	46.82	3.60	43.22	18.60	5.96	2.52	29	28	6.39	6.98
2006 *	156.77	32.22	50.50	3.13	47.37	20.54	6.60	2.91	31	72	6.95	7.34
2007	161.00	32.17	52.41	5.20	49.68	22.18	6.51	3.13	35	71	7.26	7.54
2008	163.80	32.17	53.53	5.20	50.75	22.66	6.65	3.19	36	77	7.42	7.70
2009	166.50	32.81	55.76	5.50	52.71	23.76	6.93	3.49	36	76	8.68	6.73

* : Absolute figures refer to 1st July 2000, 20, 2004 & 2006 for which LFS were onducted

Soce: i) Feral Bureau of Statists
Planning d Development Divisin
iii) For theyears 200001, 2002-0nd 2004-i LFS was not conducd

TABLE 10.11

DISTRIBUTION OF EMPLOYED PERSNS OF 10 YEARS AGE ANI ABOVE BY MAJC INDUSRIES

(Percentac

Years	Agricul-ture	Mining Manufacting	Construction	Electricy & Gas Distriution	Transpc	rade	Othrs
2000	48.42	11.5	5.78	0.0	5.03	13.50	15.0
2001	48.42	11.5	5.78	0.0	5.03	13.50	15.0
2002	42.09	13.9	6.05	0.1	5.90	14.85	16.3
2003	42.09	13.9	6.05	0.1	5.90	14.85	16.3
2004	43.05	13.8	5.83	0.7	5.73	14.80	16.2
2005	43.05	13.8	5.83	0.7	5.73	14.80	16.2
2006	43.37	13.9	6.13	0.6	5.74	14.67	15.4
2007	43.61	13.6	6.56	0.5	5.39	14.42	15.0
2008	44.65	13.1	6.29	0.0	5.46	14.62	15.7
2009*	44.65	13.1	6.29	0.0	5.46	14.62	15.7

* : Estimated

Source: Federal Bureau of Statistics

TABLE 10.12

PERCENTAGE DISTRIBUTION OF EMPLOYED PERSONS OF 10 YEARS AGE AND ABOVE BY MAJOR INDUSTRY 2007-08

(Percentage)

Major Industry Division	PAKISTAN			PUNJAB			SINDH			KHYBER PAKHTONKHWA			BALUCHISTAN		
	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban
Total	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
1 Agriculture Forestry, Hunting and Fishing	44.65	60.94	6.21	43.44	57.92	6.34	46.13	75.47	5.46	44.60	51.69	6.89	52.70	63.24	11.18
2 Mining and Quarrying	0.12	0.14	0.07	0.07	0.08	0.02	0.06	0.02	0.12	0.25	0.29	0.01	0.76	0.86	0.37
3 Manufacturing	12.99	8.37	23.89	15.10	11.08	25.37	12.17	3.32	24.43	8.11	6.69	15.69	2.23	1.07	6.83
4 Electricity, Gas and Water	0.70	0.42	1.36	0.59	0.37	1.16	0.90	0.37	1.64	0.75	0.67	1.19	0.87	0.51	2.30
5 Construction	6.29	6.09	6.75	6.61	6.54	6.78	4.81	3.71	6.34	8.08	8.11	7.91	5.63	4.85	8.68
6 Wholesale, Retail Trade, Restaurant and Hotels	14.62	9.19	27.45	14.07	9.18	26.58	16.13	6.84	29.02	13.53	11.32	25.25	16.44	13.04	29.80
7 Transport, Storage and	5.46	4.42	7.92	5.40	4.46	7.82	4.60	2.75	7.17	7.52	6.58	12.53	5.69	4.85	9.00
8 Financing, Insurance, Real Estate and Business Services	1.41	0.44	3.70	1.33	0.52	3.40	2.08	0.22	4.66	0.68	0.47	1.79	0.65	0.33	1.93
9 Community, Social and Personal Services	13.66	9.96	22.39	13.28	9.80	22.20	13.00	7.27	20.95	16.48	14.18	28.68	15.00	11.22	29.89
10 Activities Not Adequately Defined	0.10	0.03	0.26	0.12	0.05	0.32	0.10	0.01	0.22	0.01	..	0.04	0.03	0.03	0.02

Source : Labour Force Survey 2006-07, Federal Bureau of Statistics

.. : Not available

TABLE 10.13

AGE SPECIFIC LABOUR FORCE PARTICIPATION RATE

(Percentage)

Age Group	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
10 years & over												
Both Sexes	43.01	43.34	43.34	42.80	43.34	43.34	43.74	43.74	46.01	45.18	45.17	..
Male	70.01	70.48	70.48	70.39	70.32	70.32	70.61	70.61	71.97	70.14	69.54	..
Female	13.63	13.92	13.92	13.72	14.44	14.44	15.93	15.93	18.93	19.10	19.59	..
10-14												
Male	17.19	17.95	17.95	18.32	17.18	17.18	18.45	18.45	20.68	16.92	17.09	..
Female	7.61	7.40	7.40	2.79	6.28	6.28	6.69	6.69	9.21	9.18	9.69	..
15-19												
Male	52.89	52.43	52.43	58.26	57.56	57.56	59.00	59.00	60.87	56.29	53.94	..
Female	13.06	13.51	13.51	7.19	13.78	13.78	14.51	14.51	16.91	16.60	17.61	..
20-24												
Male	85.05	84.86	84.86	85.24	87.03	87.03	85.70	85.70	87.63	86.76	85.12	..
Female	15.08	15.16	15.16	14.14	15.94	15.94	18.03	18.03	20.67	20.66	20.98	..
25-34												
Male	97.21	96.96	96.96	96.41	96.57	96.57	96.27	96.27	97.03	97.16	96.90	..
Female	13.79	14.80	14.80	18.80	16.07	16.07	18.31	18.31	21.62	21.66	21.87	..
35-44												
Male	98.46	97.80	97.80	97.51	97.49	97.49	97.36	97.36	97.57	98.01	97.87	..
Female	16.61	17.29	17.29	21.70	19.90	19.90	21.64	21.64	25.07	25.93	26.75	..
45-54												
Male	96.54	96.23	96.23	95.90	95.55	95.55	95.63	95.63	96.37	96.62	96.65	..
Female	17.51	17.15	17.15	21.27	19.39	19.39	20.95	20.95	24.78	25.01	24.42	..
55-59												
Male	90.13	90.63	90.63	90.61	88.19	88.19	89.68	89.68	90.62	92.20	92.54	..
Female	19.60	15.84	15.84	17.76	14.50	14.50	18.57	18.57	22.84	22.45	25.53	..
60+												
Male	63.41	63.65	63.65	60.68	56.63	56.63	58.37	56.37	59.38	58.52	59.46	..
Female	12.34	13.60	13.60	13.04	11.36	11.36	12.90	12.90	14.69	15.70	15.50	..

Source: Labour Force Survey 2006-07, Federal Bureau of Statistics

.. : Not available

TABLE 10.14

DAILY WAGES OF CONSTRUCTIONVORKERS IN DIFFERENT CTIES*

(In Pak Roees)

Category of workers and cities	1997	1998	19	2000	2001	2002	2003	204	20	2006	2007	2008	009
Carpenter													
Islamabad	200.00	200.00	2.00	218.75	225.00	225.00	250.00	35.00	400	450.0	525.00	600.00	65.00
Karachi	231.15	250.00	2.57	292.30	291.34	298.08	301.92	37.00	360	402.0	450.00	575.00	60.00
Lahore	217.50	226.42	2.50	262.50	262.50	262.50	262.50	27.00	330	361.0	388.00	527.00	57.00
Peshawar	175.00	200.00	2.00	200.00	225.00	225.00	225.00	20.00	270	300.0	375.00	488.00	50.00
Quetta	230.00	250.00	2.00	250.00	250.00	250.00	250.00	25.00	270	400.0	500.00	600.00	60.00
Mason (Raj)													
Islamabad	200.00	200.00	2.00	218.75	225.00	225.00	250.00	35.00	400	450.0	525.00	600.00	65.00
Karachi	245.19	250.00	2.57	292.30	291.34	298.08	301.92	37.00	360	402.0	450.00	625.00	60.00
Lahore	217.50	226.42	2.50	262.50	262.50	262.50	262.50	38.00	380	461.0	491.00	557.00	57.00
Peshawar	175.00	200.00	2.00	200.00	225.00	225.00	225.00	25.00	320	325.0	442.00	500.00	58.00
Quetta	225.00	250.00	2.00	250.00	250.00	250.00	250.00	25.00	270	400.0	450.00	600.00	60.00
Labour (Unskilled)													
Islamabad	100.00	110.00	1.00	120.00	120.00	120.00	130.00	10.00	200	250.0	275.00	300.00	35.00
Karachi	156.53	160.00	1.11	174.04	176.34	182.11	183.27	10.00	230	275.0	300.00	350.00	75.00
Lahore	117.14	122.50	1.00	145.00	145.00	145.00	145.00	17.00	200	246.0	250.00	300.00	00.00
Peshawar	75.00	80.00	.00	80.00	90.00	90.00	90.00	14.00	150	175.0	200.00	233.00	75.00
Quetta	95.00	110.00	1.00	100.00	100.00	112.50	111.67	10.00	170	250.0	300.00	300.00	00.00

Data pertains to month of November each yr

Sourc Federal Bureau of Stastic

TABLE 11.1

NUMBER OF EDUCATIONAL INSTITTIONS BY KIND, LEVEL AN) SEX

(Numers)

	Primary* Schools (000)		Middle Schools (000)		High Schools (000)		Secondary Voa-tional Institutins		Ats and Sciene College		Prossional Cleges		Univei sities	
	Total	Female	Total	Female	Total	Female	Total	Femae	Tota	Femal	Total	Female	Total	Fmale
1992-93	130.6	40.3	11.8	5.4	8.7	2.8	602	31	800	293	260	109	27	-
1993-94	134.1	42.4	12.1	5.5	9.2	3.0	474	21	824	303	260	112	28	-
1994-95	139.6	44.4	12.6	5.7	9.5	3.2	487	22	863	317	271	116	34	-
1995-96	143.1	40.5	13.3	4.4	9.5	2.4	577	22	909	338	286	124	38	-
1996-97	149.7	52.1	14.5	6.3	9.9	3.3	578	22	1,14	382	310	129	41	-
1997-98	156.3	58.1	17.4	7.5	11.1	3.9	574	22	1,05	400	315	139	45	-
1998-99	159.3	53.1	18.1	7.2	12.4	3.3	580	22	1,13	433	336	153	46	-
1999-00	162.1	55.0	18.4	7.6	12.6	3.4	612	23	1,22	464	356	161	54	-
2000-01	147.7	54.3	25.5	12.0	14.8	4.6	630	23	1,70	691	366	171	59	-
2001-02	149.1	55.3	26.8	12.8	15.1	4.6	607	23	1,78	731	376	177	74	-
2002-03	150.8	56.1	28.0	13.5	15.6	4.8	585	23	1,85	768	386	186	96	-
2003-04	155.0	57.6	28.7	13.9	16.1	5.1	624	22	1,98	822	426	206	106	-
2004-05	157.2	58.7	30.4	14.8	16.6	5.3	747	32	1,60	684	677	331	108	-
2005-06	157.5	59.8	39.4	19.3	22.9	8.1	3059	145	2,95	1,484	1,135	664	111	-
2006-07	158.4	60.9	40.1	17.5	23.6	9.0	3090	141	3,05	1,420	1,166	631	120	-
2007-08	157.4	64.9	40.8	20.6	24.0	9.0	3125	157	3,23	1,642	1,202	700	124	-
2008-09 (P)	156.7	63.4	40.9	20.4	24.3	9.2	3159	153	3,29	1,671	1,238	721	129	-
2009-10 (E)	156.4	64.6	41.5	20.8	24.8	9.7	3193	150	3,39	1,741	1,275	742	132	-

P : Provisional   - : not available   E : Estimated   * : Icluding PrePrimary Mosque Scools

Notes:

1. All figures include Public and Private Secr data
2. Female institutions include percentage onixed institutions

Sources:

1. Figures of Primary, Middle, High and Higir Sec. from 1992-93 to 2008-09 is based on Anual Pakisi Educatic Statistics Reports, AEPAM, Islamabad
2. Figures of Inter Colleges and Degree Coljes from 2004-05 onward is basecon Annual akistan Ecation Ststics Reports, AEPAM Islamabad
3. Figures of Private School data from 19923 to 1999-2000 is based on 8th Fiv Year Plan Planningvision, Pastan
4. Figures of Private School data from 20001 to 2004-05 is based on 'Census f Private Education Intution 19-2000, Federal Bureauf Statistics, Islamabad
5. Figures of Private School data of 2005-06nwards is based on 'National Education Census, 2005', PAM, Mintry of Education, Islambad
6. Figures of Technical & Vocational from 03-04 onward is based on PakistaEducation Statistics Ports, AEPAM, Islamabad
7. Figures of Universities are provided by Hher Education Commission (HEC Islamabad www.hec.v.pk)

TABLE 11.2

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
1992-93	10,271	3,696	3,040	994	1,168	357	93	24	422	151	281,200	100,400	68,301	14,856
1993-94	10,898	4,123	3,305	1,123	1,315	421	84	18	405	149	270,000	99,600	77,119	19,342
1994-95	11,900	4,708	3,816	1,347	1,525	514	86	15	422	166	281,600	110,400	80,651	21,174
1995-96	11,657	4,590	3,605	1,270	1,447	480	86	14	440	179	293,600	119,600	82,955	23,105
1996-97	13,088	5,350	3,726	1,357	1,521	520	92	15	457	191	304,800	127,600	91,883	25,050
1997-98	14,182	5,861	4,032	1,532	1,658	605	90	18	478	201	318,400	134,000	93,780	24,848
1998-99	14,879	5,149	4,098	1,586	1,703	639	75	17	509	234	312,000	140,400	91,637	25,469
1999-00	15,784	5,660	4,112	1,615	1,726	653	91	17	562	263	316,800	148,800	114,010	27,369
2000-01	14,105	5,559	3,759	1,706	1,565	675	83	14	582	283	305,200	149,600	124,944	36,699
2001-02	14,560	5,871	3,821	1,506	1,574	644	83	15	582	285	300,400	148,000	276,274	101,770
2002-03	15,094	6,132	3,918	1,551	1,589	658	94	19	625	306	320,800	158,400	331,745	128,066
2003-04	16,207	6,606	4,321	1,737	1,800	709	105	14	691	338	329,007	163,059	423,236	178,723
2004-05*	18,190	7,642	4,612	1,885	1,936	780	114	21	307	141	453,275	220,118	471,964	195,555
2005-06	17,757	7,710	5,322	2,191	2,188	905	239	90	891	444	355,705	209,806	521,473	212,997
2006-07	17,993	7,848	5,431	2,264	2,373	974	251	94	942	473	380,012	224,263	605,885	255,695
2007-08	18,360	8,032	5,427	2,279	2,484	1,022	256	96	960	452	383,810	226,517	741,092	342,125
2008-09 (P)	18,468	8,144	5,414	2,298	2,556	1,071	265	99	1,074	508	429,251	246,686	803,507	356,233
2009-10 (E)	18,715	8,297	5,445	2,335	2,700	1,136	274	103	1,148	533	458,835	261,140	948,364	436,086

P : Provisional E : Estimated

Notes:

1. All figures include Public and Private Sector data
2. All figures includes Non Formal Basic Education (NFBE) and Deeni Madaris data
3. Female institutions include percentage of mixed institutions

Sources:

1. Figures of Primary, Middle, High and Higher Sec. from 1992-93 to 2007-08 is based on Annual Pakistan Education Statistics Reports, AEPAM, Islamabad
2. Figures of Inter Colleges and Degree Colleges for 2004-05 and onwards is based on Annual Pakistan Education Statistics Reports, AEPAM, Islamabad
3. Figures of Private School data from 1992-93 to 1999-2000 is based on 8th Five Year Plan : Planning Division, Pakistan
4. Figures of Private School data from 2000-01 to 2004-05 is based on 'Census of Private Education Institution 1999-2000', Federal Bureau of Statistics, Ibd
5. Figures of Private School data of 2005-06 onward is based on 'National Education Census, 2005' AEPAM, Ministry of Education, Islamabad
6. Figures of Technical & Vocational from 2003-04 onward is based on Pakistan Education Statistics Reports, AEPAM, Islamabad
7. Figures of Universities from 1992-93 to 2007-08 was downloaded from website of HEC, Islamabad (www.hec.gov.pk)

TABLE 11.3

NUMBER OF TEACHERS IN EDUCATIOAL INSTITUTIONS IN PAKISTAN, BY KIID, LEVEAND SE

	Primary Schools (Thousands) *		Middle Schools (Thousands)		Highchools (Thoands)		Secondary Voca-tional Institutions (Number)		rts and Scince Colleges (Number		?rofession Colleges (Number		Universitie (Number)	
	Total	Female	Total	Female	Tot	Female	Total	Female	otal	Fmale	al	Foale	Total	Feale
1992-93	332.5	122.5	119.0	66.3	165.	68.1	9,153	2,605	5,485	9,138	,269	1,058	5,728	747
1993-94	359.1	138.6	132.8	78.2	217.	88.5	7,965	1,603	7,666	9,825	,754	1,178	5,217	918
1994-95	375.2	146.7	144.6	80.9	227.	102.6	6,949	1,708	9,843	0,515	,128	1,264	5,316	939
1995-96	377.5	145.1	159.1	85.0	217.	89.8	7,291	1,799	2,898	1,729	,969	1,657	5,417	927
1996-97	374.3	151.7	156.7	91.4	224.	98.8	7,422	1,845	2,190	1,690	,950	1,660	5,162	919
1997-98	397.0	164.7	168.4	101.0	252.	112.9	6,923	1,870	9,267	5,767	,930	1,105	5,515	976
1998-99	422.6	173.8	178.5	108.2	231.	107.5	7,133	1,858	5,187	4,298	,777	1,139	4,911	837
1999-00	402.4	169.8	193.9	117.6	247.	115.8	9,253	1,959	9,268	5,764	,065	1,221	5,914	174
2000-01	408.9	183.6	209.7	127.8	260.	125.3	9,441	1,959	8,054	1,506	,019	1,218	5,988	302
2001-02	413.9	183.5	230.1	139.3	270.	126.1	7,192	1,863	5,146	3,016	,598	1,164	5,160	247
2002-03	433.5	191.7	236.3	145.8	278.	131.9	7,273	1,623	7,681	4,146	,164	1,410	6,180	375
2003-04	432.2	195.3	239.4	146.6	276.	134.2	7,042	1,325	7,881	4,190	,245	1,505	37,428	
2004-05	450.1	206.5	246.7	151.5	282.	138.6	7,356	1,450	7,661	4,366	,653	),690	37,469	
2005-06	454.2	210.6	310.8	201.6	417.	209.9	14,565	4,658	9,425	3,959	,568	),485	37,509	
2006-07	456.0	212.6	313.5	203.3	421.	213.0	14,622	4,676	1,246	4,996	,768	),587	44,537	
2007-08	452.6	216.0	320.6	208.2	429.	219.6	14,914	4,770	4,223	6,162	,971	),690	46,893	
2008-09 P	465.3	216.2	320.5	209.0	439.	225.5	15,264	5,061	6,184	7,149	,176	),794	50,825	
2009-10 E	469.2	218.2	323.8	211.5	447.	231.1	15,508	5,207	8,656	8,312	,385	),900	56,839	

P : Provisional   E : Estimated   - : not available   * : Including Pr-primary an Primary Sols

Note:

1. All figures include Public and Private Sector da
2. All figures include Non Formal Basic EducatioNFBE) and Deeni Madaris data

Sources:

1. Figures of Primary, Middle, High and Higher Se from 1992-93 to 2006-07 is based on Annual Pakistan Educat Statisticseports, AEPAM, Islamabd
2. Figures of Inter Colleges and Degree Colleges r 2004-05 onward is based on AnnuaPakistan Edcation States Report AEPAM, Islamabad
3. Figures of Private Schools data from 1992-93 t1999-2000 is based on 8th Five Year Fan : Plannin Division, tistan
4. Figures of Private Schools data from 2000-01 t2004-05 is based on 'Census of Privat Education istitution 1)-2000', Feral Bureau of Statistics,bd
5. Figures of Private Schools data of 2005-06 andwards is based on 'National Educatin Census, 205', AEPAMinistry ofducation, Islamabad
6. Figures of Technical and Vocational from 2003 onward is based on Pakistan Educaion Statistic Reports, AM, Islamad
7. Figures of Universities from 1992-93 to 2007-0was downloaded from website of HEC Islamabad (www.hec.gok)

TABLE 12.1

NATIONAL MEDICAL AN HEALTH ESTABLISHMENS, Progresive (Cndar Yar Basis)

(Numer)

Year	Hospitals	ispen-aries	BHUs Sub Health Centres	Materny & Chil Healt Centre	Rral Helth Cetres	3 Ctres	Total Beds	Populaon pe Be
1960	342	,195	..	348			22,394	2,03
1961	345	,251	3	422		}	22,394	2,06
1962	361	,374	..	449		.	22,775	2,08
1963	365	,514	..	488		.	23,429	2,08
1964	365	,626	..	524		.	23,664	2,12
1965	379	,695	..	554		.	25,603	2,02
1966	389	,754	..	558		.	26,200	2,03
1967	391	,834	..	650		.	27,291	1,67
1968	398	,751	..	650		.	27,112	2,07
1969	405	,846	..	668		.	27,618	2,10
1970	411	,875	..	668		.	28,976	2,06
1971	495	,136	249	668	8	)	34,077	1,80
1972	496	,137	249	675	8	2	35,337	1,79
1973	521	,566	255	662	9	4	35,655	1,84
1974	517	,836	290	690	12	)	35,866	1,89
1975	518	,908	373	696	14	)	37,776	1,85
1976	525	,063	536	715	13	;	39,129	1,84
1977	528	,220	544	726	16	;	40,518	1,83
1978	536	,206	554	748	20	;	42,469	1,80
1979	550	,367	645	772	21	}	44,367	1,77
1980	602	,466	736	812	27	}	47,412	1,71
1981	600	,478	774	823	23	)	48,441	1,75
1982	613	,459	1,587	817	23	}	50,335	1,73
1983	626	,351	1,982	794	32	}	52,161	1,72
1984	633	,386	2,366	787	39	;	53,603	1,72
1985	652	,415	2,647	778	34	0	55,886	1,69
1986	670	,441	2,902	773	39	1	57,709	1,68
1987	682	,498	3,150	798	33	4	60,093	1,66
1988	710	,616	3,454	998	47	1	64,471	1,59
1989	719	,659	3,818	1,027	48	1	65,375	1,58
1990	756	,795	4,213	1,050	49	0	72,997	1,44
1991	776	,993	4,414	1,057	45	9	75,805	1,42
1992	778	,095	4,526	1,055	40	8	76,938	1,46
1993	799	,206	4,663	849 *	45	3	80,047	1,44
1994	822	,280	4,902	853 *	46	2	84,883	1,39
1995	827	,253	4,986	859 *	48	0	85,805	1,41
1996	858	,513	5,143	853 *	55	2	88,454	1,40
1997	865	,523	5,121	853 *	53	2	89,929	1,41
1998	872	,551	5,155	852 *	54	3	90,659	1,44
1999	879	,583	5,185	855 *	50	4	92,174	1,44
2000	876	,635	5,171	856 *	51	4	93,907	1,45
2001	907	,625	5,230	879 *	51	2	97,945	1,42
2002	906	,590	5,308	862	50	5	98,264	1,45
2003	906	,554	5,290	907	52	9	98,684	1,47
2004	916	,582	5,301	906	52	9	99,908	1,49
2005	919	,632	5,334	907	56	9	101,490	1,48
2006	924	,712	5,336	906	50	8	102,073	1,50
2007	945	,755	5,349	903	52	0	103,285	1,54
2008	946	,794	5,310	908	51	3	103,037	1,57
2009	968	,813	5,345	906	52	3	103,708	1,59

.. : Not available

Source: Ministry of Halth

* : The decrease in MCH sinc993 as against last year is due to xclusion/sparation amily welre centres from MCH structure In Khyber Pakhtonkva

TABLE 12.2

REGISTERED MEDICAL AND PARAMEDICAL PERSONNEL (Progressive) AND EXPENDITURE ON HEALTH, (Calendar Year Basis)

(Number)

Year	Registered Doctors ***	Registered Dentists ***	Registered Nurses ***	Registered Midwives	Registered Lady Health Visitors	Population per Doctor	Population per Dentist	Expenditure (Mln. Rs)^* Development	Expenditure (Mln. Rs)^* Non-Development
1961	612	..	..	..	..	75,470	..	21.13	69.00
1962	797	2	..	..	..	59,636	..	34.10	78.00
1963	1,049	17	..	..	..	46,615	..	34.55	80.00
1964	1,325	81	..	..	..	37,970	..	75.22	78.00
1965	1,591	151	..	..	..	32,533	..	46.47	84.00
1966	2,008	195	..	..	..	26,524	..	35.31	86.00
1967	2,588	233	..	..	..	21,170	..	70.80	92.00
1968	2,866	273	..	..	..	21,128	..	59.79	99.00
1969	3,322	332	..	..	..	17,459	..	67.99	128.00
1970	3,913	384	..	..	..	15,256	155,468	61.70	151.00
1971	4,287	446	..	..	..	14,343	137,870	57.62	141.10
1972	4,802	511	..	..	..	13,190	123,953	95.55	171.90
1973	5,138	549	..	..	..	12,824	120,018	175.67	210.10
1974	5,582	610	946	522	51	12,164	111,311	363.00	278.00
1975	6,018	650	1,985	1,201	118	11,628	107,661	829.10	380.64
1976	6,478	708	2,526	1,637	197	11,133	102,153	540.00	439.20
1977	7,232	733	3,204	2,577	246	10,278	101,405	512.00	558.60
1978	8,041	781	3,892	3,106	341	9,526	98,079	569.00	641.80
1979	9,079	846	4,552	3,594	453	8,695	93,309	717.00	861.89
1980	10,777	928	5,338	4,200	547	7,549	87,872	942.00	794.82
1981	13,910	1,018	6,110	4,846	718	6,101	83,369	1,037.00	993.10
1982	17,174	1,121	6,832	5,482	928	5,087	77,948	1,183.00	1,207.00
1983	20,865	1,222	7,348	8,031	1,144	4,308	73,560	1,526.00	1,584.00
1984	25,633	1,349	8,280	7,078	1,374	3,605	68,490	1,587.00	1,785.12
1985	30,044	1,416	10,529	8,133	1,574	3,160	67,041	1,881.50	2,393.81
1986	34,034	1,558	12,014	10,315	2,144	2,865	62,580	2,615.00	3,270.00
1987	38,580	1,636	13,002	11,505	2,384	2,594	61,180	3,114.41	4,064.00
1988	42,662	1,772	14,015	12,866	2,697	2,396	57,963	2,802.00	4,519.00
1989	47,269	1,918	15,861	13,779	2,917	2,228	54,927	2,681.00	4,537.00
1990	52,862	2,068	16,948	15,009	3,106	2,082	52,017	2,741.00	4,997.00
1991	56,546	2,184	18,150	16,299	3,463	1,993	50,519	2,402.00	6,129.65
1992	61,017	2,269	19,389	17,678	3,796	1,892	49,850	2,152.31	7,452.31
1993	63,976	2,394	20,245	18,641	3,920	1,848	48,508	2,875.00	7,680.00
1994	67,167	2,584	21,419	19,759	4,107	1,803	46,114	3,589.73	8,501.00
1995	70,670	2,747	22,299	20,910	4,185	1,455	44,478	5,741.07	10,613.75
1996	75,201	2,933	24,776	21,862	4,407	1,889	42,675	6,485.40	11,857.43
1997	79,437	3,154	28,861	21,840	4,589	1,636	40,652	8,076.60	13,586.91
1998	83,861	3,434	32,938	22,103	4,959	1,590	38,185	5,491.81	15,315.86
1999	88,082	3,857	35,979	22,401	5,299	1,578	35,557	5,887.00	[illegible]190.00
2000	92,804	4,165	37,528	22,525	5,443	1,529	33,629	5,944.00	18,337.00
2001	97,226	4,612	40,019	22,711	5,669	1,516	31,579	6,888.00	18,717.00
2002	102,611	5,058	44,520	23,084	6,397	1,466	29,405	6,609.00	22,205.00
2003	108,130	5,531	46,331	23,318	6,599	1,404	27,414	8,500.00	24,305.00
2004	113,273	6,128	48,446	23,559	6,741	1,359	25,107	11,000.00	27,000.00
2005	118,062	6,734	51,270	23,897	7,073	1,310	25,297	16,000.00	24,000.00
2006	123,169	7,438	57,646	24,692	8,405	1,254	20,839	20,000.00	30,000.00
2007	128,076	8,215	62,651	25,261	9,302	1,245	19,417	27,228.00	32,670.00
2008	133,956	9,012	65,387	25,534	10,002	1,212	18,010	32,700.00	41,100.00
2009	139,555	9,822	69,313	26,225	10,731	1,183	16,814	37,860.00	41,000.00

Source: 1. Ministry of Health
2. Planning & Development Division

.. : Not available

^* : Expenditure figures are for respective financial years 2009 = 2009-10

*** : Registered with Pakistan Medical and Dental Council and Pakistan Nursing Council

Note : Data regarding registered number of Doctors/Dentists is vulnerable to few changes as it is affected by change of province or if there is any change in registration status from time to time

TABLE 12.3

DATA ON EXPANDED PROGRAME OF IMMUNIZATION VAC:INATIONPERFORIANCE I-4 YEARS), (Calendar Year Basis)

Vaccine/doz		1999	2000	2(I	2002	2003	200	200	20	20(	2008	200!
B.C.G.		5,582,202	4,995,429	5,07)31	4,777,166	5,114,865	4,862;94	5,203,61	5,3646	5,79071	5,884,435	6,133,78
POLIO	0	2,031,138	1,787,968	1,73707	1,842,279	2,132,474	2,352;52	2,625,04	2,8469	3,09816	3,428,749	3,650,06
	I	5,253,847	4,581,262	4,58573	4,543,243	4,819,735	4,512348	4,858,92	5,2508	5,64507	5,556,128	5,884,81
	II	4,558,892	4,026,744	4,07328	4,014,687	4,281,717	4,098;87	4,387,92	4,8698	5,17806	5,034,410	5,402,31
	III	4,131,112	3,811,685	4,02574	3,780,170	4,035,457	3,916351	4,159,87	4,7383	5,07090	4,819,065	5,277,32
	IV		-	-	-	-	-	-	-	-	-	-
	BR	57,204	460,488	22529	138,207	105,640	77'21	49,28	307	4615	60,917	35,82
COMBO												
	I	-	-	-	-	-	-	-	-	3,99959	5,071,729	
	II	-	-	-	-	-	-	-	-	3,72089	4,612,518	
	III	-	-	-	-	-	-	-	-	3,65695	4,356,169	
D.P.T												
	I	5,070,103	4,693,198	4,68768	4,558,086	4,768,665	4,427751	4,581347	5,2775	1,71023	-	-
	II	4,530,162	4,140,534	4,17545	4,038,630	4,227,754	4,025465	4,126599	4,8876	1,52343	-	-
	III	4,273,184	3,918,198	4,11538	3,795,573	3,982,974	3,839571	3,918'94	4,7561	1,47964	-	-
	BR	169,623	44,768	4518	22,626	5,959	2418	105	34	55	-	-
H.B.V												
	I	-	-	-	1,772,217	4,482,628	4,212720	4,458183	5,0536	1,61799	-	-
	II	-	-	-	1,290,550	3,892,582	3,879701	4,065343	4,6979	1,44147	-	-
	III	-	-	-	965,850	3,576,321	3,616543	3,840703	4,5706	1,40189	-	-
Pentavalent												
	I	-	-	-	-	-	-	-	-	-	-	5,924,91
	II	-	-	-	-	-	-	-	-	-	-	5,461,94
	III	-	-	-	-	-	-	-	-	-	-	5,338,21
T.T												
	I	4,282,256	4,091,473	4,1',310	4,678,265	3,590,786	3,39:488	4,539131	4,0665	3,87397	4,307,085	4,919.57
	II	3,324,650	3,273,906	3,2;376	3,539,711	2,969,663	2,64:564	2,857932	3,1354	3,04845	3,384,967	3,791 33
	III	1,056,394	928,086	8,820	1,278,078	1,423,277	76,268	79:128	8939	81023	865,694	937 69
	IV	484,999	318,464	3,995	310,448	337,968	29,941	51:086	2868	23955	279,024	284.79
	V	308,483	152,336	1,747	159,402	163,699	13,888	157382	1730	14288	152,080	168.61
MEASLES		4,794,410	4,277,466	4,5,632	4,105,614	4,163,032	4,12,958	4,387211	5,0547	5,38601	5,277,766	5,297:62
	II	-	-	-	-	-	-	-	-	-	-	1,806:09

- : not available

D.P.T : Diphteira+Perussia+'etanus

Source: Ministry of Helth

B.C.G. : Bacilus+Calamus+Guerin

T.T. : Tetanus Toxoid

Note : The DPT from the year 2007 onwd has discontinued and is replacd by Comb - a combition of DF and HBV

TABLE 12.4

DOCTOR CONSULTING FEE IN VARIOUS CITIES

(In rupees)

Period		Faisal-abad	Gujran-wala	Hyder-abad	Islam-abad	Karachi	Lahore	Pesha-war	Quetta	Rawal-pindi	Sukkur	Average
November	73	10.00	10.00	10.00	15.00	15.00	10.00	20.00	10.00	15.00	10.00	12.50
"	74	15.00	15.00	20.00	18.75	20.00	15.00	20.00	17.50	20.00	16.00	17.73
"	75	20.00	15.00	20.00	20.00	25.00	15.00	20.00	25.00	22.50	17.50	20.00
"	76	20.00	20.00	23.75	23.75	27.75	17.50	23.13	28.13	27.19	20.00	23.12
"	77	20.00	20.00	28.75	35.00	25.00	20.00	25.00	35.00	35.00	20.00	26.38
"	78	20.00	20.00	32.14	22.50	34.00	20.00	33.13	40.00	35.00	20.00	27.68
"	79	40.00	20.00	33.75	..	48.00	28.33	35.00	35.00	45.00	35.00	32.01
"	80	40.00	32.00	35.00	50.00	54.44	47.50	37.50	37.50	50.00	35.00	41.89
"	81	70.00	32.00	36.00	50.00	60.00	47.50	50.00	32.50	50.00	25.00	45.30
"	82	30.00	32.00	50.00	60.00	60.00	50.00	12.00	37.50	50.00	40.00	42.15
"	83	50.00	..	58.75	60.00	60.00	50.00	12.00	37.50	50.00	50.00	42.83
AVERAGE DOCTOR CALL FEE IN VARIOUS CITIES												
"	84	20.00	20.00	45.00	55.00	36.11	10.00	15.63	45.00	50.00	50.00	34.67
"	85	20.00	32.00	55.00	50.00	30.00	10.00	20.00	45.00	50.00	35.00	34.70
"	86	20.00	32.00	55.00	50.00	26.39	14.17	20.00	45.00	50.00	30.00	34.26
"	87	20.00	32.00	55.00	26.25	26.70	24.29	20.00	46.25	25.42	30.00	30.59
"	88	20.00	32.00	50.00	26.25	26.54	24.29	20.00	67.00	25.42	30.00	32.15
"	89	49.33	32.00	50.00	26.88	25.91	24.29	20.00	67.00	25.42	30.00	34.98
"	90	51.67	32.50	50.00	26.88	26.54	30.00	22.50	57.00	25.83	35.00	35.79
"	91	42.00	32.50	50.00	27.50	27.09	24.64	22.50	60.00	26.67	40.00	35.29
"	92	31.67	32.50	66.67	27.50	26.49	24.64	22.50	52.50	29.17	75.00	38.86
"	93	32.54	43.75	80.00	27.50	28.85	27.14	27.50	52.50	29.17	75.00	42.40
"	94	32.50	40.00	65.00	27.50	31.00	24.64	30.00	82.50	29.17	70.00	43.23
"	95	37.50	40.00	65.71	27.50	32.24	30.00	30.00	90.00	30.00	75.00	45.79
"	95	30.00	40.00	53.00	32.50	31.88	27.86	30.00	80.00	30.00	55.00	41.02
"	97	35.00	40.00	46.25	32.50	31.88	27.86	30.00	80.00	30.83	60.00	41.43
"	98	35.00	40.00	33.75	33.44	31.60	33.21	30.00	107.50	30.00	30.00	40.45
"	99	35.00	40.00	33.75	33.44	32.17	33.93	30.00	107.50	31.25	30.00	40.75
"	2000	40.00	40.00	33.75	33.13	32.40	38.93	30.00	107.50	32.92	30.00	41.86
"	2001	40.00	40.00	33.75	33.13	33.00	41.96	43.33	107.50	33.75	30.00	43.64
"	2002	40.00	50.00	30.00	33.13	35.00	41.25	43.33	95.00	33.96	30.00	43.17
"	2003	40.00	50.00	31.25	45.00	36.35	41.96	50.00	100.00	38.75	30.00	46.33
"	2004	41.25	50.00	33.00	45.00	36.25	41.96	50.00	100.00	38.75	30.00	46.62
"	2005	41.25	50.00	33.75	46.25	38.08	44.29	50.00	100.00	42.08	30.00	47.57
"	2006	41.25	50.00	33.75	55.00	41.73	52.68	50.00	100.00	43.75	50.00	51.31
"	2007	43.75	50.00	50.00	55.00	55.00	52.68	50.00	120.00	43.75	75.00	59.52
"	2008	75.00	65.00	50.00	75.00	80.00	63.21	100.00	130.00	61.67	75.00	77.49
"	2009	75.00	65.00	50.00	75.00	93.85	68.93	100.00	120.00	61.67	75.00	78.45

Source: Federal Bureau of Statistics, Monthly Statistical Bulletins

" : Not available

TABLE 13.1

COMMERCIAL ENERGY ONSUMPTION

Fiscal Year	1. O/Petroleum(tonnes) Households	dustry	Agricul-ture (a)	Trasport	Power	Other ovt.	Total
1991-92	613,706	169,525	281,539	5,69,552	2,775,418	323,:8	10,982,968
1992-93	622,075	179,935	287,181	6,17,416	3,158,124	357, 5	12,011,846
1993-94	589,851	153,516	307,795	6,41,582	3,902,308	357,!9	13,225,581
1994-95	585,173	189,443	268,631	6,66,175	4,215,635	355, 0	13,960,167
1995-96	595,031	:16,278	250,031	7,16,631	4,785,856	417,;4	15,601,031
1996-97	509,738	:41,065	268,866	7,12,269	5,110,233	403,'5	15,605,966
1997-98	498,949	:81,172	244,977	7,34,767	6,053,784	[illegible]	16,624,405
1998-99	492,768	:39,889	249,229	7,84,063	5,525,669	376,:3	16,647,751
1999-00	477,305	:15,860	293,034	8,37,977	6,227,595	346,:0	17,767,821
2000-01	450,960	124,048	254,833	8,17,893	6,487,988	372,'6	17,647,898
2001-02	334,501	111,995	225,742	8,03,777	6,305,419	463,;4	16,960,088
2002-03	282,521	104,068	196,747	8,02,273	6,019,958	266,:7	16,451,954
2003-04	231,459	193,080	163,506	8,44,042	2,739,763	309,:3	13,421,113
2004-05	192,750	142,398	142,052	9,07,783	3,452,581	316,!6	14,671,250
2005-06	128,651	181,517	81,396	8,16,831	4,218,982	358,!7	14,626,684
2006-07	106,148	195,981	97,232	7,91,893	6,740,559	325, 8	16,847,131
2007-08	128,961	171,191	109,351	9,34,482	7,083,933	310,!1	18,080,419
2008-09	97,332	59,193	59,793	8,87,197	7,570,418	367,:6	17,911,199
Jul-Mar							
2008-09	75,318	18,053	50,076	6,36,840	5,496,505	244,!5	12,891,637
2009-10 P	68,499	49,538	44,455	6,50,480	5,271,286	223,:9	13,937,397

(a) : HSD consumption in agriltural sector is not available sepatetely and isncluded ter transport sector. Agricultal sector represents LDO only (Contd

Source : Oil Company AdvisorCommittee

TABLE 13.1

COMMERCIAL ENERGY ONSUMPTION

Fiscal Year	2. Gas(mm cft) Households	Cnmercial	Cement	Feilizer	Power	Indury	Transport (CNG) @	[illegible]
1991-92	70,741	3,057	11,761	10,493	193,893	95,!1	25	[illegible]
1992-93	75,783	4,326	11,914	11,628	186,853	102,!1	31	[illegible]
1993-94	82,461	5,239	10,187	14,514	197,694	100,!1	43	[illegible]
1994-95	97,045	6,064	6,730	14,697	181,107	104,!9	47	[illegible]
1995-96	110,103	6,960	7,569	15,374	186,507	111,!2	153	[illegible]
1996-97	115,488	8,403	8,718	15,483	193,984	110,!5	358	[illegible]
1997-98	134,500	8,764	12,092	14,752	179,042	115,!0	450	[illegible]
1998-99	131,656	1,466	7,988	16,474	135,694	121,!1	2,182	[illegible]
1999-00	139,973	:1,712	8,558	17,152	227,364	134, 6	2,426	[illegible]
2000-01	140,899	:0,618	6,977	17,393	281,255	108,!3	4,423	[illegible]
2001-02	144,186	'2,130	7,063	17,589	314,851	151, 6	7,369	[illegible]
2002-03	153,508	:2,776	3,445	18,611	335,636	164,!8	[illegible]	[illegible]
2003-04	155,174	:4,132	7,711	18,350	469,738	193,!5	15,858	[illegible]
2004-05	172,103	:7,191	13,383	19,409	507,398	226, 5	24,443	[illegible]
2005-06	171,109	:9,269	15,335	19,175	491,760	278,!6	38,985	[illegible]
2006-07	185,533	'1,375	14,686	19,682	433,672	306,!0	56,446	[illegible]
2007-08	204,035	:3,905	12,736	20,063	429,892	322,!3	72,018	[illegible]
2008-09	214,113	:5,536	7,305	20,100	404,140	319,!3	88,236	[illegible]
Jul-Mar								
2008-09	171,875	:6,400	6,050	14,600	276,300	233,!0	65,725	[illegible]
2009-10 P	184,525	:8,600	1,650	18,525	264,825	246,!5	[illegible]	[illegible]

- : Not available. P : Provisional

@ : (CNG) Compressed NaturaGas

TABLE 13.1

COMMERCIAL ENERGY CONSUMPTION

Fiscal Year	3. Electricity (Gwh)								4. Coal (000 metric tonne)				
	Traction	Household	Commercial	Industrial	Agricultural	Street Light	Other Govt.	Total	Household	Power	Brick Kilns	Cement	Total
1991-92	29	11,458	2,143	12,289	5,847	..	2,112	33,878	6.8	39.5	3,052.4	..	3,098.7
1992-93	27	13,170	2,333	13,043	5,635	297	1,987	36,493	3.2	46.7	3,216.6	..	3,266.6
1993-94	27	14,080	1,786	12,637	5,772	298	2,781	37,381	3.3	43.6	3,487.0	..	3,533.9
1994-95	22	15,585	2,623	12,528	6,251	324	2,116	39,448	3.2	40.7	2,998.9	..	3,042.8
1995-96	20	17,116	2,962	12,183	6,696	378	2,382	41,737	3.1	398.9	3,235.8	..	3,637.8
1996-97	18	17,757	2,241	11,982	7,086	390	3,440	42,914	9.7	351.9	3,191.3	..	3,552.9
1997-98	16	18,750	2,334	12,297	6,937	387	3,851	44,572	2.3	346.5	2,809.9	..	3,158.7
1998-99	15	19,394	2,409	12,061	5,620	224	3,573	43,296	1.3	415.3	3,044.8	..	3,461.4
1999-00	15	21,455	2,544	13,202	4,540	239	3,591	45,586	1.0	348.1	2,818.8	..	3,167.9
2000-01	13	22,765	2,774	14,349	4,924	213	3,547	48,585	1.0	205.8	2,837.9	1,000.0	4,044.7
2001-02	11	23,210	2,951	15,141	5,607	212	3,490	50,622	1.1	249.4	2,577.5	1,580.6	4,408.6
2002-03	10	23,624	3,218	16,181	6,016	244	3,363	52,656	1.1	203.6	2,607.0	2,078.2	4,889.9
2003-04	9	25,846	3,689	17,366	6,669	262	3,650	57,491	1.0	184.9	2,589.4	3,289.2	6,064.5
2004-05	12	27,601	4,080	18,591	6,988	305	3,750	61,327	..	180.0	3,906.7	3,807.2	7,893.8
2005-06	13	30,720	4,730	19,803	7,949	353	4,035	67,603	..	149.3	4,221.8	3,342.8	7,714.0
2006-07	12	33,335	5,353	21,066	8,176	387	4,373	72,712	1.0	164.4	3,277.5	4,451.2	7,894.1
2007-08	8	33,704	5,572	20,729	8,472	415	4,500	73,400	1.0	162.0	3,760.7	6,186.9	10,110.6
2008-09	5	32,282	5,252	19,330	8,795	430	4,277	70,371	0.8	112.5	3,274.8	5,001.8	8,389.9
Jul-Mar													
2008-09	4	23,643	3,829	14,563	6,501	307	6,767	55,614	0.8	110.0	2,911.6	1,800.0	4,822.4
2009-10 e	2	24,868	4,133	14,726	7,227	364	3,333	54,653	..	77.7	3,126.5	2,100.0	5,304.2

.. : not available

e : Electricity consumption for AJK is estimated on the basis of actual six months data

Source: Hydrocarbon Development Institute of Pakistan (HDIP)
Ministry of Petroleum and Natural Resources

TABLE 13.2

COMMERCIAL ENERGY SUPPLIES

Fiscal Year	Oil		Gas (mcf) +	Petroleum Products		Coal		Electricity	
	Crude Oil Imports 000 barrels)	Local Crude Extraction (000 barrels)		Imports (000 tonnes)	Production (000 tonnes)	Imports (000 tonnes)	Production (000 tonnes)	Installed Capacity (MW)(a)	Generation (Gwh)(b)
1991-92	30,016	22,469	550,715	5,275	5,961	1,069	3,099	9,369	45,440
1992-93	29,407	21,895	583,545	6,612	5,694	994	3,266	10,586	48,750
1993-94	30,770	20,675	624,229	7,910	5,841	1,094	3,534	11,319	50,640
1994-95	28,386	19,858	628,211	8,737	5,434	1,096	3,043	12,100	53,545
1995-96	31,044	21,063	666,580	10,137	5,874	1,080	3,638	12,969	56,946
1996-97	28,588	21,270	697,763	10,398	5,495	840	3,553	14,818	59,125
1997-98	29,826	20,543	699,709	11,064	5,858	960	3,159	15,658	62,104
1998-99	32,855	19,986	744,942	10,926	5,925	910	3,461	15,662	65,402
1999-00	32,938	28,395	818,342	11,878	6,115	957	3,168	17,399	65,751
2000-01	52,505	21,884	857,433	18,829	8,337	950	3,095	17,498	68,117
2001-02	51,982	23,195	923,758	9,023	9,028	1,081	3,328	17,799	72,405
2002-03	52,512	23,458	992,589	8,437	9,084	1,578	3,312	17,798	75,682
2003-04	57,699	22,625	1,202,750	5,178	9,740	2,789	3,275	19,257	80,900
2004-05	61,161	24,119	1,344,953	5,676	10,474	3,307	4,587	19,384	85,738
2005-06	63,546	23,936	1,400,026	6,009	18,498	2,843	4,871	19,450	93,774
2006-07	60,694	24,615	1,413,561	8,330	10,314	4,251	3,643	19,420	98,384
2007-08	64,912	25,683	1,454,194	9,025	10,754	5,987	4,124	19,428	95,860
2008-09	62,115	24,033	1,460,679	9,974	9,828	4,652	3,738	19,786	91,843
Jul-Mar									
2008-09	44,151	18,230	1,092,309	7,894	7,136	3,000 e	1,822 p	19,575	60,793 p
2009-10 (e)	38,840	17,877	1,109,360	8,619	7,685	3,600 e	1,704 p	19,650	65,582 p

+ : Million cubic feet

(a) : MW: Mega Watt

(b) : Gwh: Giga Watt Hour

e : estimated

p : Provisional

Source: Hydrocarbon Development Institute of Pakistan (HDIP)
Ministry of Petroleum and Natural Resources

TABLE 13.3

COMMERCIAL ENERGY SUPFIES

Fiscal Year	Electrity						
	Hydroelectric (rdel)		Therml		Nucle		
	Installed Capacity (MW) a	tneration Gwh) b	Installed Capacity (MW) a	Generatior (Gwh) b	Ins'ed Caṗity (M a	Generation (Gwh) b	Impond (Gwl
1990-91	2,898	18,343	5,741	22,354	1	385	
1991-92	3,330	18,647	5,902	26,375	1	418	
1992-93	4,626	21,112	5,823	27,057	[illegible]	582	
1993-94	4,726	19,436	6,456	30,707	[illegible]	497	
1994-95	4,826	22,858	7,137	30,176	[illegible]	511	
1995-96	4,826	23,206	8,006	33,257	[illegible]	483	
1996-97	4,826	20,858	9,855	37,921	[illegible]	346	
1997-98	4,826	22,060	10,696	39,669	[illegible]	375	
1998-99	4,826	22,449	10,700	42,669	[illegible]	284	
1999-00	4,826	19,288	12,436	46,064	[illegible]	399	
2000-01	4,867	17,194	12,169	48,926	[illegible]	1,997	
2001-02	5,051	18,941	12,286	51,174	[illegible]	2,291	
2002-03	5,051	22,351	12,285	51,591	[illegible]	1,740	0.3
2003-04	6,496	26,944	12,299	52,122	[illegible]	1,760	73
2004-05	6,499	25,671	12,423	57,162	[illegible]	2,795	10[illegible]
2005-06	6,499	30,862	12,489	60,283	[illegible]	2,484	14[illegible]
2006-07	6,479	31,953	12,478	63,972	[illegible]	2,288	17[illegible]
2007-08	6,480	28,707	12,478	63,877	[illegible]	3,077	19[illegible]
2008-09	6,481	27,784	12,843	62,214	[illegible]	1,618	22[illegible]
Jul-Mar							
2008-09	6,481	20,526	12,632 p	39,154	[illegible]	918	19[illegible]
2009-10 (e)	6,481	23,535	12,707 p	39,342 p	[illegible]	2,521	18

(a) : MW: Mega Watt
(b) : Gwh: Giga Watt Hour
e : electricity generation estimates lsed on six months actual data
: Provisional

Soure: Hydrocɛbon Deveıment Insute of Pakistan (HDIP)
Ministŋof Petroleı and Natal Resources

TABLE 13.4

SCHEDULE OF ELECTRICITY TARIFFS OF DISCO

TARIFF CATEGORY	Effective from 24-02-2007 Fixed Charges (Rs/KW)	Variable Charges (RS/KW)
A-1 GENERAL SUPPLY TARIFF- RESIDENTIAL		
Upto 50 Units per month		1.40
FOR CONSUMPTION EXCEEDING 50 UNITS		
1 - 100 Units per month		2.65
101 - 300 Units per month		3.64
301 - 1000 Units per month		6.15
Above 1000 Units per month		7.41
Time of Day (TOD) - Peak	365.00	6.00
Time of Day (TOD) - Off-Peak	365	3.55
Min. Charges: single & 3/ Phase	Rs 75/- & 150/-	
A-2 GENERAL SUPPLY TARIFF - COMMERCIAL		
a) For Sanctioned Load upto 20 KW		
i) For First 100 units		7.48
ii) Above 100 units		7.61
b) For Sanctioned Load exceeding 20 KW	267.17	4.59
c) Time of Use - Peak	365.00	6.00
Time of Use -Off- Peak	365.00	3.55
Min. Charges/month: Single & 3 Phase	Rs 75/- & 350/-	
B- INDUSTRIAL SUPPLY TARIFFS		
B-1 upto 40 KW (400 Volts)		5.62
B-2 Load >40 to 500 KW at 400 Volts.	364.32	3.93
B-2 TOD (Peak)	364.32	5.01
B-2 TOD (Off-Peak)	364.32	3.89
B-3 11/33kV TOD -Peak	352.18	4.40
B-3 11/33kV TOD Off-Peak	352.18	3.31
B-4 66/132kV TOD-Peak	340.03	4.29
B-4 TOD (Off-Peak)	340.03	3.15
Min. Charges/month B-1, B-2, B-3 & B-4		
C-SINGLE POINT BULK SUPPLY TARIFFS		
C-1 (a) 400/230 Volts Load upto 20 kW	267.17	5.68
C-1 (b) 400-V- Load 21-500kW	365.00	5.27
C-1 (c) TOD Opt. Peak	365.00	6.00
TOD Off-Peak	262.31	3.55
C-2(a) at 11/33-kV load upto 5000kW	355.00	4.96
C-2 (b) load upto 5000 kW -peak	355.00	5.95
Off-Peak	259.88	3.45
C-3 supply at 66kV & above	340.00	4.86
Time of Day (TOD) Peak	340.00	5.90
Time of Day (TOD) Off-Peak	340.00	3.40
D-AGRICULTURAL TUBE WELL TARIFFS		
D-19(a) - SCARP less than 20kW		5.41
D-2- Agri. T/Wells- Punjab & Sindh	87.44	3.28
D-2- Agri. T/Wells NWFP & Blochistan	87.44	2.87
D-1(b) TOD SCARP & Agri>20kW Peak	3.55	6.00
Off-Peak	3.55	3.55
E-TEMPORARY SUPPLY TARIFFS		
E-1(i) Residential Supply		
E-1(ii) Commercial Supply		
E-2 Industrial Supply		
Min. Charges per day E-1(i & ii)	Rs 50. Min. 500/-	
F- SEASONAL INDUSTRIAL SUPPLY	125% of Industrial Tariff	
G- PUBLIC LIGHTENING		7.59
Minimum charges per month per Kw	Rs. 500	
H- Residential Colonies Attached to Industrial Premises		
I- Railway Traction		
J- Special Contracts		
J-1 AJ&K		
Time of use peak		
Off Peak		
J-2 Rawat Lab.		

Note: 1) The above figures cover some portion of the tariffs schedule. For full details, WAPDA may be consulted.

TABLE 13.4

SCHEDULE OF ELECTRICITY TAIFFS OF DISCO

TARIFF CATEGORY	Fixed Charges Rs/KW	EFFECTI\: FROM 03-2008 /ariable Clges Rs/K\							
		IESCO	LECO	GEPO	FESC(	MEPCO	}ESCO	PESCO	HESCO
A-1 GENERAL SUPPLY TARIFF- RESIDEΠAL									
Upto 50 Units per month		1.40	1:0	1.4(	1.40	1.40	1.40	1.40	1.0
FOR CONSUMPTION EXCEEDING 50 UNS									
1 - 100 Units per month		3.08	3)8	3.0ε	3.08	3.08	3.08	3.08	3.8
101 - 300 Units per month		4.08	4)8	4.0ε	4.08	4.08	4.08	4.08	4.8
301 - 1000 Units per month		6.53	6;3	6.5:	6.53	6.53	6.53	6.53	6.3
Above 1000 Units per month		7.79	7'9	7.7!	7.79	7.79	7.79	7.79	7.9
Time of Day (TOD) - Peak	315	7.24	7.3	7.2:	7.04	7.73	7.84	9.45	9.9
Time of Day (TOD) - Off-Peak	315	4.28	4:8	4.2ξ	4.28	4.28	4.28	4.28	4.3
Min. Charges: single & 3/ Phase	Rs 75/- & 150/-								
A-2 GENERAL SUPPLY TARIFF - COMMICIAL									
a) For Sanctioned Load upto 20 KW									
i) For First 100 units		7.86	7:6	7.8(	7.86	7.86	7.86	7.86	7.6
ii) Above 100 units		7.99	7)9	7.9!	7.99	7.99	7.99	7.99	7.9
b) For Sanctioned Load exceeding 20 K\	365	4.97	4)7	4.9:	4.97	4.97	4.97	4.97	4.7
c) Time of Use - Peak	315	7.24	7.3	7.2:	7.04	7.73	7.84	9.45	9.9
Time of Use -Off- Peak	315	4.28	4:8	4.2ξ	4.28	4.28	4.28	4.28	4.3
Min. Charges/month: Single & 3 Phase	Rs 75/- & 360/-								
B- INDUSTRIAL SUPPLY TARIFFS									
B-1 upto 40 KW (400 Volts)		6.00	6)0	6.0(	6.00	6.00	6.00	6.00	6.0
B-2 Load >40 to 500 KW at 400 Volts.	315	4.63	4;3	4.6:	4.63	4.63	4.63	4.63	4.3
B-2 TOD (Peak)	315	7.24	7.3	7.2:	7.04	7.73	7.84	9.45	9.9
B-2 TOD (Off-Peak)	315	4.28	4:8	4.2ξ	4.28	4.28	4.28	4.28	4.3
B-3 11/33kV TOD -Peak	305	6.99	6)8	6.9:	6.79	7.48	7.59	9.20	9.9
B-3 11/33kV TOD Off-Peak	305	3.88	3)8	3.8ξ	3.88	3.88	3.88	3.88	3.8
B-4 66/132kV TOD-Peak	295	6.74	6;3	6.7:	6.54	7.23	7.34	8.95	9.9
B-4 TOD (Off-Peak)	395	3.63	3;3	3.6:	3.63	3.63	3.63	3.63	3.3
Min. Charges/month B-1, B-2, B-3 &B-4	Rs. 350, 2000, 50,000 & 500,00 respectivel								
C-SINGLE POINT BULK SUPPLY TARIFF									
C-1 (a) 400/230 Volts Load upto 20 kW		6.17	6.7	6.1:	6.17	6.17	6.17	6.17	6.7
C-1 (b) 400-V- Load 21-500kW	315	5.68	5)8	5.6l	5.68	5.68	5.68	5.68	5.8
C-1 (c) TOD Opt. Peak	315	7.24	7:3	7.2:	7.04	7.73	7.84	9.45	9.9
TOD Off-Peak	315	4.28	4:8	4.2ξ	4.28	4.28	4.28	4.28	4.3
C-2(a) at 11/33-kV load upto 5000kW	305	5.38	5)8	5.3ξ	5.38	5.38	5.38	5.38	5.3
C-2 (b) load upto 5000 kW -peak	305	6.99	6)8	6.9:	6.79	7.48	7.59	9.20	9.9
Off-Peak	305	3.88	3)8	3.8ξ	3.88	3.88	3.88	3.88	3.8
C-3 supply at 66kV & above	295	5.28	5)8	5.2ξ	5.28	5.28	5.28	5.28	5.3
Time of Day (TOD) Peak	295	6.74	6;3	6.7:	6.54	7.23	7.34	8.95	9.9
Time of Day (TOD) Off-Peak	295	3.63	3;3	3.6:	3.63	3.63	3.63	3.63	3.3
D-AGRICULTURAL TUBE WELL TARIFF!									
D-19(a) - SCARP less than 20kW		5.99	5)8	5.9:	5.94	6.48	7.59	7.70	7.9
D-2- Agri. T/Wells- Punjab & Sindh	90	3.73	3'3	3.7:	3.73	3.73	3.73	3.73	3.3
D-2- Agri. T/Wells NWFP & Blochistan	90	3.73	3'3	3.7:	3.73	3.73	3.73	3.73	3.3
D-1(b) TOD SCARP & Agri>20kW Peak	305	7.24	7:3	7.2:	7.04	7.73	7.84	9.45	9.9
Off-Peak	305	3.13	3:3	3.1:	3.13	3.13	3.13	3.13	3.3
E-TEMPORARY SUPPLY TARIFFS									
E-1(i) Residential Supply		7.90	7'9	7.9'	7.94	8.48	9.59	10.70	11 9
E-1(ii) Commercial Supply		8.10	7)9	8.1'	8.19	8.88	9.79	11.20	12:9
E-2 Industrial Supply		6.11	6)0	6.4'	6.94	6.98	7.09	6.70	8.9
Min. Charges per day E-1(I & ii)	Rs. 500, Min. 500/-								
F- SEASONAL INDUSTRIAL SUPPLY				125% of re:vant indu:al tariff					
G- PUBLIC LIGHTENING		8.08	7)7	8.2:	8.19	8.48	8.34	8.70	11:9
Minimum charges per month per Kw		500							
H- Residential Colonies Attached to Indurial Premises		7.27	7:6	7.4'	7.44	7.73		7.80	10:9
I- Railway Traction			6)7			6.48			
J- Special Contracts									
J-1 AJ& K	355	2.59		2.5				2.59	
Time of use peak	295	7.24		7.2				9.45	
Off Peak	295	3.99		3.9				4.20	
J-2 Rawat Lab.		5.43							

Note: 1) The above figures cover some ption of the tariffs schedule. For full etails, WAPDA may bensulted.

TABLE 13.4

SCHEDULE OF ELECTRICITY TARIFFS

Tariff Category	Effective from Feb, 2009 (FOR ALL DISCOs) Fixed Charges (Rs/Kwh)	Variable Charges (Rs/Kwh) Schedule-II
A-1 General Supply Tariff - Domestic		
A-1(a) For Sanctioned Load upto 5 KW		
i. Upto 50 Units		1.40
For Consumption Exceeding 50 Units		
ii. 1 - 100 Units		3.29
iii. 101-300 Units		4.96
iv. 301 - 700 Units		8.03
v. Above 700 Units		10.00
A-1(b) For Sanctioned Load exceeding 5 KW		
Time of Use (TOU) - Peak		9.21
Time of Use (TOU) - Off Peak		5.62
Minimum Monthly Charges for: S/ Phase Rs. 75/- & 3/Phase Rs. 150/-		
A-2 GENERAL SUPPLY TARIFF - COMMERCIAL		
A-2(a) For Sanctioned Load upto 5 KW	315	9.81
A-2(b) For Sanctioned Load exceeding 5 KW	315	6.12
A-2(c) Time of Use - Peak	315	8.65
Time of use - Off Peak		5.28
Minimum Monthly Charges for: S/ Phase Rs. 175/- & 3/Phase Rs. 350/-		
B- INDUSTRIAL SUPPLY TARIFFS		
B-1 Upto 5 KW (400/230 Volts)		7.38
B-2(a) Load 6 - 500 KW (at 400 volts)	315	5.71
B-2(b) 6 - 500 KW TOU Peak	315	8.65
B-2(b) 6 - 500 KW TOU Off Peak	315	5.28
B-3 For All Loads upto 5000 KW (at 11/33kv) - Peak	305	8.34
B-3 For All Loads upto 5000 KW (at 11/33kv) - Off Peak	305	4.79
B-4 For All Loads (at 66, 132 kv & above) - Peak	295	8.04
B-4 For All Loads (at 66, 132 kv & above) - Off Peak	295	4.49
Fixed Min. Charges/month for B-1 Rs. 350/-, B-2 Rs. 2000/-, B-3 Rs. 50,000/- & B-4 Rs. 500,000/-		
C-BULK SUPPLY TARIFFS		
C-1(a) For supply at 400/230 volts, load upto 5 KW	-	7.46
C-1(b) Load above 5 KW & upto 500 KW	315	6.88
C-1(c) load > 5 & upto 500 KW Peak	315	8.51
C-1(c) load > 5 & upto 500 KW Off Peak	315	5.20
C-2(a) 11/33 kV upto load 5000 KW	305	6.52
C-2(b) 11/33 kV upto load 5000 KW Peak	305	8.21
C-2(b) 11/33 kV upto load 5000 KW Off Peak	305	4.72
C-3(a) 66 kV & above, loads > 5000 KW	295	6.40
C-3(b) 66 kV & above, loads > 5000 KW Peak	295	7.91
C-3(b) 66 kV & above, loads > 5000 KW Off Peak	295	4.42
D-AGRICULTURE TUBE WELL TARIFFS		
D-1(a) Scarp less than 5 KW		6.37
D-2 Agricultural Tube Wells	90	4.00
D-1(b) TOU for SCARP & Agrl. - Peak	315	7.61
TOU for SCARP & Agri. - Off Peak	315	3.42
E- TEMPORARY SUPPLY TARIFFS		
E-1(i) Residential Supply	-	10.00
E-1(ii) Commercial Supply	-	10.50
E-2 Industrial Supply	-	7.50
Minimum Monthly charges for E1 (i & ii) Rs. 50/day subject to a minimum of Rs. 500/-		
OTHERS TARIFFS		
F - SEASONAL SUPPLY TARIFF		
G - PUBLIC LIGHTING TARIFF		9.62
Minimum Monthly Charges Rs. 500/- per KW month of lamp capacity installed		
H-RESIDENTIAL COLONIES OF INDUSTRIES		8.65
I - RAILWAYS Traction		7.50
K - SPECIAL CONTRACTS		
K(1) AJ&K	295	3.17
K(1) AJ&K TOU - Peak	295	8.72
K(1) AJ&K TOU - Off Peak	295	4.82
Rawat Lab		6.58

TABLE 13.4

SCHEDULE OF ELECTRICITY TARIFF

Tariff Category	Effectie from 1st:t, 2009 (FR ALL DISCOs) fxed Chargs (Rs/Kwl	Vaible Charges (Rs/Kwh
A-1 GENERAL SUPPLY TARIFF - RESIDENTIA		Schedule-II
i. Upto 50 Units		1.40
For Consumption Exceeding 50 Units		
ii. 1 - 100 Units		3.49
iii. 101-300 Units		5.26
iv. 301 - 700 Units		8.51
v. Above 700 Units		10.00
A-1(b) Time of Day (TOD) - Peak		9.76
A-1(b) Time of Day (TOD) - Off - Peak		5.96
Minimum Monthly Charges for: S/ Phase Rs. 7- & 3/Phase Rs. 150/- per connectn per morh		
A-2 GENERAL SUPPLY TARIFF - COMMERCI/		
A-2(a) For Sanctioned Load upto 5 KW		10.40
A-2(b) Normal	35	6.49
A-2(c) Time of Use - Peak	35	9.17
A-2(c) Time of use - Off Peak	35	5.60
Minimum Monthly Charges for: S/ Phase Rs. 5/- & 3/Phase Rs. 350/- per connecion per mcth		
B- INDUSTRIAL SUPPLY TARIFFS		
B-1 Upto 5 KW (400/230 Volts)		7.50
B-2(a) Load 6 - 500 KW (at 400 volts)	35	6.05
B-2(b) TOU Peak	35	9.17
B-2(b) TOU Off Peak	35	5.60
B-3 For All Loads upto 5000 KW (at 11/33kv) 1U - Peak	35	8.84
B-3 For All Loads upto 5000 KW (at 11/33kv) 1U - Off Peak	35	5.08
B-4 For All Loads (at 66, 132 kv & above) TOLPeak	25	8.52
B-4 For All Loads (at 66, 132 kv & above) TOL Off Peak	25	4.76
Fixed Min. Charges/month for B-1 Rs. 350/-, E Rs. 2000/-, B-3 Rs. 50,000/- & B-4Rs. 500,00C-		
C-SINGLE POINT FOR PURCHASE IN BULK EA DISTRIBUTION LICENSEE		
C-1(a) At 400/230 volts, load upto 5 KW		7.91
C-1(b) At 400 Volts - load 5 - 500 KW	35	7.29
C-1(c) TOU Opt. Peak	35	9.02
C-1(c) TOU Opt. Off - Peak	35	5.51
C-2(a) At 11/33 kV load incl. 5000 KW	35	6.91
C-2(b) At 11/33 kV load incl. 5000 KW - Peak	35	8.70
C-2(b) At 11/33 kV load incl. 5000 KW - Off - Pk	35	5.00
C-3(a) At 66 kV & above and S/load > 5000	25	6.78
C-3(b) At 66 kV & above and S/load > 5000 - Pk	25	8.33
C-3(b) At 66 kV & above and S/load > 5000 - C - Peak	25	4.69
D-AGRICULTURE SUPPLY TARIFFS		
D-1(a) Scarp less than 5 KW		6.75
D-2 Agricultural Tube Wells	0	4.00
D-1(b) TOU for SCARP & Agri. > 5 KW- Peak	35	7.61
TOU for SCARP & Agri. > 5KW - Off Peak	35	3.42
E- TEMPORARY SUPPLY TARIFFS		
E-1(i) Residential Supply		10.00
E-1(ii) Commercial Supply		10.50
E-2 Industrial Supply		7.50
Minimum Monthly charges for E1 (i & ii) Rs. /day subject to a minimum of Rs. 00/-		
OTHERS TARIFFS		
F - SEASONAL SUPPLY TARIFF	15% of the avent incstrial supply	
G - PUBLIC LIGHTING TARIFF		10.20
Minimum Monthly Charges Rs. 500/- per KW onth of lamp capacity installed		
H-RESIDENTIAL COLONIES OF INDUSTRIES		9.17
I - RAILWAYS Traction		7.50
K - SPECIAL CONTRACT TARIFFS		
K(1) AJ&K	35	3.36
K(1) AJ&K TOU - Peak	35	9.24
K(1) AJ&K TOU - Off Peak	35	5.11
Rawat Lab		6.97

TABLE 13.4

SCHEDULE OF ELECTRICITY TARIFFS

Tariff Category	Effective from 1st Jan, 2010 (FOR ALL DISCOs) Fixed Charges (Rs/Kwh)	Variable Charges (Rs/Kwh) Schedule-II
A-1 GENERAL SUPPLY TARIFF - RESIDENTIAL		
A-1(a) For Sanctioned Load upto 5 KW		
i. Upto 50 Units		1.66
For Consumption Exceeding 50 Units		
ii. 1 - 100 Units		3.91
iii. 101-300 Units		5.89
iv. 301 - 700 Units		9.52
v. Above 700 Units		11.87
A-1(b) For load > 5 KW TOU - Peak		10.93
A-1(b) For load > 5 KW TOU - Off Peak		6.67
Minimum Monthly Charges for: S/ Phase Rs. 75/- & 3/Phase Rs. 150/- per connection per month		
A-2 GENERAL SUPPLY TARIFF - COMMERCIAL		
A-2(a) For Sanctioned Load upto 5 KW		11.65
A-2(b) for load > 5 KW	315	7.27
A-2(c) For load > 5 KW TOU - Peak	315	10.27
A-2(c) For load > 5 KW TOU - Off Peak	315	6.27
Minimum Monthly Charges for: S/ Phase Rs. 175/- & 3/Phase Rs. 350/- per connection per month		
B- INDUSTRIAL SUPPLY TARIFFS		
B-1 Upto 5 KW (400/230 Volts)		8.76
B-2(a) Load 6 - 500 KW (at 400 volts)	315	6.78
B-2(b) TOU Peak	315	10.27
B-2(b) TOU Off Peak	315	6.27
B-3 All Loads upto 5000 KW (at 11/33kv) TOU- Peak	305	9.90
B-3 All Loads upto 5000 KW (at 11/33kv) TOU - Off Peak	305	5.69
B-4 All Loads (at 66, 132 kv & above) TOU - Peak	295	9.55
B-4 All Loads (at 66, 132 kv & above) TOU - Off Peak	295	5.33
Fixed Min. Charges/month for B-1 Rs. 350/-, B-2 Rs. 2000/-, B-3 Rs. 50,000/- & B-4 Rs. 500,000/-		
C-SINGLE POINT FOR PURCHASE IN BULK BY A DISTRIBUTION LICENSEE		
For supply at 400/230 volts		
C-1(a) For load upto 5 KW	-	8.86
C-1(b) For Load 5 & upto 500 KW	315	8.17
C-1(c) load > 5 KW & upto 500 KW TOU Opt. Peak	315	10.10
C-1(c) For load > 5 KW TOU Opt. Off - Peak	315	6.17
C-2(a) For Supply at 11/33 KV load upto & incl. 5000 KW	305	7.74
C-2(b) At 11/33 kV load incl. 5000 KW Peak	305	9.75
C-2(b) At 11/33 kV load incl. 5000 KW Off - Peak	305	5.60
C-3(a) For supply at 66 kV & above and S/load > 5000 KW	295	7.60
C-3(b) At 66 kV & above and S/load > 5000 Peak	295	9.39
C-3(b) At 66 kV & above S/load > 5000 Off - Peak	295	5.25
D-AGRICULTURE SUPPLY TARRIFS		
D-1(a) Scarp less than 5 KW		7.56
D-2 Agricultural Tube Wells	90	4.75
D-1(b) TOU SCARP & Agri. > 5 KW - Peak	200	9.03
D-1(b) TOU SCARP & Agri. > 5 Off - Peak	200	4.06
E- TEMPORARY SUPPLY TARIFFS		
E-1(i) Residential Supply	-	10.00
E-1(ii) Commercial Supply	-	10.50
E-2 Industrial Supply	-	7.50
Minimum Monthly charges for E1 (i & ii) Rs. 50/day subject to a minimum of Rs. 500/-		
OTHERS TARIFFS		
F - SEASONAL SUPPLY TARIFF	125% of the relevant industrial supply	
G - PUBLIC LIGHTING TARIFF		11.42
Minimum Monthly Charges Rs. 500/- per KW month of lamp capacity installed		
H-RESIDENTIAL COLONIES OF INDUSTRIES		10.27
I - RAILWAYS Traction		8.90
K - SPECIAL CONTRACT TARIFFS		
K(1) AJ&K	295	3.76
K(1) AJ&K TOU - Peak	295	10.35
K(1) AJ&K TOU - Off Peak	295	5.72
Rawat Lab		7.81

TABLE 13.5

OIL SALE PRICES

Rs/Ltrs

Date	16-01-2007	01-02-207	16-0-2007	-03-2007	16-03-2007	01-0-2007
Ex-Depot Sale Price						
Motor Gasoline	53.70	53'0	53.70	53.70	53.70	i3.70
HOBC (Automotive 100 Octane)	64.88	64;8	54.88	64.88	64.88	i4.88
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC0%)						
Kerosene	35.23	35:3	35.23	35.23	35.23	35.23
HSD	37.73	37'3	37.73	37.73	37.73	37.73
LDO	32.57	32;7	32.57	32.57	32.57	32.57
Aviation gasoline (100LL)						
JP-1:						
i) For sale to PIA Domestic Fiht	31.52	30;7	31.66	31.75	33.22	33.53
ii) For sale to PIA foreign flights & foreign airline						
iii) For Cargo & Technical Landing Flights						
JP-4	33.93	3:30	35.02	35.63	37.87	38.11
JP-8	36.65	3:64	36.80	36.89	38.46	38.78

Source: Hydrocarbo Developmt Institute of Pakistan(HDIP)

TABLE 13.5

OIL SALE PRICES

Rs/Ltrs

Date	1-05-2007	16-05-007	01-6-2007	0-06-200	16-06-2007	01-7-2007
Ex-Depot Sale Price						
Motor Gasoline	53.70	5.70	53.70	53.7C	53.70	53.70
HOBC (Automotive 100 Octane)	64.88	6.88	64.88	64.8E	64.88	64.88
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOB 40%)						
Kerosene	35.23	3.23	35.23	35.2:	35.23	35.23
HSD	37.73	3.73	37.73	37.7:	37.73	37.73
LDO	32.57	3.57	32.57	32.5;	32.57	32.57
Aviation gasoline (100LL)						
JP-1:						
i) For sale to PIA Domestic ight	36.48	3.58	37.03	36.9(	36.90	38.07
ii) For sale to PIA foreign flights & foreign airline						
iii) For Cargo & Technical Landing Flights						
JP-4	40.89	4.29	42.23	41.9	40.86	41.30
JP-8	41.91	2.01	42.49	42.0	42.00	43.22

Source: Hydrocarb Developent Institute of Pakista (HDIP)

TABLE 13.5

OIL SALE PRICES

Rs/Ltrs

Date	16-07-2007	01-08-2007	16-08-2007	01-09-2007	16-09-2007	01-10-2007
Ex-Depot Sale Price						
Motor Gasoline	53.70	53.70	53.70	53.70	53.70	53.70
HOBC (Automotive 100 Octane)	64.88	64.88	64.88	64.88	64.88	64.88
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)						
Kerosene	35.23	35.23	35.23	35.23	35.23	35.23
HSD	37.73	37.73	37.73	37.73	37.73	37.73
LDO	32.37	32.57	32.57	32.57	32.57	32.57
Aviation gasoline (100LL)						
JP-1:						
i) For sale to PIA Domestic Flight	38.67	39.34	38.36	37.38	39.19	40.96
ii) For sale to PIA foreign flights & foreign airline						
iii) For Cargo & Technical Landing Flights						
JP-4	42.44	42.32	41.15	40.50	41.94	43.83
JP-8	43.86	44.55	43.53	42.49	44.40	46.26

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 13.5

OIL SALE PRICES

Rs/Ltrs

Date	16-10-2007	01-11-2007	16-11-2007	02-12-2007	16-12-2007	01-01-2008
Ex-Depot Sale Price						
Motor Gasoline	53.70	53.70	53.70	53.70	53.70	53.70
HOBC (Automotive 100 Octane)	64.88	64.88	64.88	64.88	64.88	64.88
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)						
Kerosene	35.23	35.23	35.23	35.23	35.23	35.23
HSD	37.73	37.73	37.73	37.73	37.73	37.73
LDO	32.57	32.57	32.57	32.57	32.57	32.57
Aviation gasoline (100LL)						
JP-1:						
i) For sale to PIA Domestic Flight	41.12	44.13	49.68	50.89	47.89	48.85
ii) For sale to PIA foreign flights & foreign airline						
iii) For Cargo & Technical Landing Flights						
JP-4	44.21	46.89	51.42	52.69	50.61	51.73
JP-8	46.43	49.58	55.42	56.68	53.53	54.54

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 13.5

OIL SALE PRICES

Rs.trs

Date	17-01-2008	01-02-200	17-02-.008	03-2008	17-03-2008	01-04-008
Ex-Depot Sale Price						
Motor Gasoline	53.70	53.7(	5.70	58.70	62.81	6.81
HOBC (Automotive 100 Octane)	64.88	64.8l	6.88	64.88	74.77	7.77
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 4%)						
Kerosene	35.23	35.2:	3.23	38.37	41.13	4.13
HSD	37.73	37.7:	3.73	41.23	44.13	4.13
LDO	32.57	32.5'	2.57	36.07	38.59	3.59
Aviation gasoline (100LL)						
JP-1:						
i) For sale to PIA Domestic Flig	49.98	47.3	4.83	52.77	56.45	5.47
ii) For sale to PIA foreign flights & foreign airline						
iii) For Cargo & Technical Landing Flights						
JP-4	53.07	51.0	2.06	55.46	57.79	5.17
JP-8	55.72	53.0	3.51	58.66	62.53	6.69

Source: Hydrocarbon velopmer Institute of Pakistan (HDIP)

TABLE 13.5

OIL SALE PRICES

RsLtrs

Date	18-04-2008	01-05-208	16-052008	06-2008	21-06-2008	29-06-008
Ex-Depot Sale Price						
Motor Gasoline	65.81	68.8	8.81	68.81	68.81	3.23
HOBC (Automotive 100 Octane)	77.77	80.7	0.77	80.77	80.77	8.85
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC %)						
Kerosene	41.44	41.4	1.44	41.44	41.44	4.73
HSD	47.13	50.3	0.13	50.13	50.13	5.14
LDO	41.59	44.9	4.59	44.59	44.59	4.05
Aviation gasoline (100LL)						
JP-1:						
i) For sale to PIA Domestic Flit	62.31	67.3	2.25	84.90	80.07	1.40
ii) For sale to PIA foreign flights & foreign airline						
iii) For Cargo & Technical Landing Flights						
JP-4	61.32	65.0	'0.02	80.05	73.59	3.13
JP-8	65.69	73.5	'9.11	92.39	83.29	4.62

Source: Hydrocarbon evelopme Institute of Pakistan (HDIP)

TABLE 13.5

OIL SALE PRICES

Rs/Ltrs

Date	01-07-2008	21-07-2008	01-08-2008	16-08-2008	01-09-2008	16-09-2008
Ex-Depot Sale Price						
Motor Gasoline	75.69	86.66	86.66	86.66	86.66	81.66
HOBC (Automotive 100 Octane)	88.85	96.08	96.08	96.08	96.08	96.08
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)						
Kerosene	49.73	58.37	58.37	58.37	58.37	61.87
HSD	55.14	64.64	64.64	64.64	64.64	68.14
LDO	49.05	56.50	56.50	56.50	56.50	60.00
Aviation gasoline (100LL)						
JP-1:						
i) For sale to PIA Domestic Flight	82.10	90.36	86.11	77.07	75.34	71.44
ii) For sale to PIA foreign flights & foreign airline						
iii) For Cargo & Technical Landing Flights						
JP-4	76.79	83.75	79.45	72.59	72.13	68.56
JP-8	85.35	93.6	89.34	80.31	78.57	74.66

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 13.5

OIL SALE PRICES

Rs/Ltrs

Date	01-10-2008	16-10-2008	01-11-2008	16-11-2008	01-12-2008	16-12-2008
Ex-Depot Sale Price						
Motor Gasoline	81.66	81.66	76.66	66.66	57.66	57.66
HOBC (Automotive 100 Octane)	96.08	96.08	96.08	81.08	72.08	72.08
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)						
Kerosene	61.87	61.87	61.87	56.87	51.87	51.87
HSD	68.14	68.14	68.14	61.14	57.14	57.14
LDO	60.00	60.00	60.00	53.00	48.00	48.00
Aviation gasoline (100LL)						
JP-1:						
i) For sale to PIA Domestic Flight	69.01	59.75	50.90	48.57	42.54	36.40
ii) For sale to PIA foreign flights & foreign airline						
iii) For Cargo & Technical Landing Flights						
JP-4	64.36	55.26	42.66	37.67	33.55	30.73
JP-8	72.22	62.96	54.10	51.77	45.75	39.61

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 13.5

OIL SALE PRICES

R/Ltrs

Date	01-01-2009	01-02-209	01-0:2009	·04-2009	01-05-2009	22-0:2009
Ex-Depot Sale Price						
Motor Gasoline	57.66	57.6	7.66	57.66	57.66	6.21
HOBC (Automotive 100 Octane)	72.08	72.8	2.08	72.08	72.08	0.28
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC)%)						
Kerosene	51.87	51.7	1.87	51.87	51.87	1.87
HSD	57.14	57.4	7.14	57.14	57.14	5.71
LDO	48.00	48.0	8.00	48.00	48.00	8.00
Aviation gasoline (100LL)						
JP-1:						
i) For sale to PIA Domestic Flht	35.89	35.2	1.24	31.83	36.17	6.17
ii) For sale to PIA foreign flights & foreign airline						
iii) For Cargo & Technical Landing Flights						
JP-4	31.40	33.4	2.60	33.50	37.06	7.06
JP-8	39.09	38.4	4.45	35.04	39.38	9.38

Source: Hydrocarborevelopmet Institute of Pakistan (HDIP)

TABLE 13.5

OIL SALE PRICES

R/Ltrs

Date	01-06-2009	01-07-209	08-0-2009	·07-2009	01-08-2009	01-0:2009
Ex-Depot Sale Price						
Motor Gasoline	57.66	57.6	7.66	57.66	57.66	6.21
HOBC (Automotive 100 Octane)	72.08	72.8	2.08	72.08	72.08	0.28
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC)%)						
Kerosene	51.87	51.7	1.87	51.87	51.87	1.87
HSD	57.14	57.4	7.14	57.14	57.14	5.71
LDO	48.00	48.0	8.00	48.00	48.00	8.00
Aviation gasoline (100LL)						
JP-1:						
i) For sale to PIA Domestic Flht	35.89	35.2	1.24	31.83	36.17	6.17
ii) For sale to PIA foreign flights & foreign airline						
iii) For Cargo & Technical Landing Flights						
JP-4	31.40	33.4	2.60	33.50	37.06	7.06
JP-8	39.09	38.4	4.45	35.04	39.38	9.38

Source: Hdrocarborevelopmet Institute of Pakistan (HDIP)

TABLE 13.5

OIL SALE PRICES

Rs/Ltrs

Date	01-10-2009	01-11-2009	01-12-2009
Ex-Depot Sale Price			
Motor Gasoline	61.63	61.63	66.00
HOBC (Automotive 100 Octane)	75.59	75.59	80.52
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)			
Kerosene	57.87	57.87	62.63
HSD	64.79	64.79	70.52
LDO	54.97	54.97	60.22
Aviation gasoline (100LL)			
JP-1:			
i) For sale to PIA Domestic Flight	46.03	48.37	52.26
ii) For sale to PIA foreign flights & foreign airline			
iii) For Cargo & Technical Landing Flights			
JP-4	44.24	45.68	50.02
JP-8	45.75	48.09	51.97

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 13.6

GAS SALE PRICES

(Rs/mcft)

Category	20-08-2002	25-10-2002	21-0-2002	20-0-2008	1-7/03	1-7004	1.12.2004	2-2/2005
DOMESTIC (Slab)								
i Upto 1.77 M cu.ft./ Month	66.86	67.95	67.95	67.95	3.31	3.95	73.95	3.95
ii Upto 1.77 to 3.55 M cu.ft./ Month	100.73	102.37	02.37	02.37	1.42	1.42	111.42	10.61
iii Upto 3.55 to 7.1 M cu.ft./ Month	161.16	163.78	53.78	63.78	7.06	8.25	178.25	12.96
iv Upto 7.1 to 10.64 M cu.ft./ Month	201.45	213.06	13.06	23.06	7.32	31.88	231.88	21.01
v Upto 10.64 to 14.20 M cu.ft./ Mon								
vi Upto 4.20 to 17.75 M cu.ft./ Mont	217.85							
vii All over 17.75								
COMMERCIAL	186.98	190.02	90.02	90.02	3.82	24.88	204.88	21.78
General Industry	166.18	168.88	58.88	58.88	2.26	2.09	182.09	17.11
Cement	222.32	222.32	22.32	22.32	3.78	29.78	209.78	27.09
CNG Station	166.18	168.88	58.88	18.88	2.26	2.09	182.09	17.11
Pakistan Steel							182.09	
Captive Power								
Independent Power Projects								
FERTILIZER								
<u>SNGPL'S SYSTEM</u>								
i For Feed Stock								
Pak-America Fertilizer Ltd. PAFL	36.77	36.77	6.77	6.77	.77	3.77	36.77	3.77
F.F.C Jordan	36.77	36.77	6.77	6.77	.77	3.77	36.77	3.77
Dawood Hercules/ Pak Arab	62.57	62.57	2.57	2.57	.26	3.99	73.99	7.99
Pak china/ Hazara	66.40	66.40	6.40	6.40	.38	3.52	78.52	7.52
ii For Fuel Generation	166.18	168.88	18.88	18.88	1.26	12.09	182.09	19.11
Dawood and Pak Arab	168.88	168.88	18.88					
<u>FOR MARI GAS CO. SYSTEM</u>								
i For Feed Stock								
(a) Engro Chemical	13.09	13.09	1.68	1.68	.31	2.94	72.94	7.94
FFC	61.68	61.68	1.68	1.68	.31	2.94	72.94	7.94
(b) Pak Saudi	61.68	81.68	1.68	1.68	.31	2.94		7.94
ii For Power Generation	166.18	166.88	18.88	16.88	1.26	12.09	182.09	18.09
POWER Stations								
SNGPL & SSGCL'S SYSTEM	166.18	168.88	18.88	18.88	1.26	12.09	182.09	19.11
Liberty Power Ltd.	190.80	190.80	10.80	22.89	2.77	21.33	235.76	26.03
GAS DIRECTLY SOLD TO								
<u>WAPDA'S GUDDU POWER STATION</u>								
SUI FIELD (917 BTU)	145.51							
KANDHKOT FIELD (866 BTU)	160.54	163.15	13.15	16.15	1.41	15.90	175.90	19.41
MARI FIELD (754 BTU)	156.14	158.68	18.68	18.68	1.85	1.08	171.08	18.19
SARA/SURI FIELD	156.14	158.68	18.68	18.68	1.85	1.08	171.08	18.19

(Contd.)

Billing/pricing system changed from Rs. Ir thousand cubic feet to Rs. Per nillion btu w.f. 1-1-20(

TABLE 13.6

GAS SALE PRICES

(Rs/mcft)

Category	1-7-2005	1-1-2006	1-7-2006	1-2-2007	1-1-2008	30-6-2008	01-01-2009
DOMESTIC (Slab)	73.95	80.98	85.03	78.38	78.38	78.38	82.30
i Upto 1.77 M cu.ft./ Month	127.62	147.41	89.03	82.07	82.07	82.07	86.17
ii Upto 1.77 to 3.55 M cu.ft./ Month	204.17	235.84	162.07	149.40	149.40	149.40	156.87
iii Upto 3.55 to 7.1 M cu.ft./ Month	265.59	306.79	259.29	239.01	239.01	313.10	332.12
iv Upto 7.1 to 10.64 M cu.ft./ Month			337.30	310.92	310.92	407.31	432.06
v Upto 10.64 to 14.20 M cu.ft./ Month						529.50	561.67
vi Upto 4.20 to 17.75 M cu.ft./ Month							730.17
vii All over 17.75	234.67	271.07	298.03	268.23	283.05	370.80	393.33
COMMERCIAL	208.56	240.91	264.87	238.38	251.55	329.54	339.43
General Industry	240.28	277.55	305.15	305.15	335.67	428.89	454.95
Cement	208.56	240.91	264.87	238.38	291.36	388.32	427.15
CNG Station	208.56						
Pakistan Steel	208.56	240.91	264.87	238.38	251.55	422.60	339.43
Captive Power							295.03
Independent Power Projects							
FERTILIZER							
i For Feed Stock							
(i)For Feed Stock	36.77	36.77	36.77	36.77	36.77	36.77	36.77
Pak.Americal Fertilizer Ltd.PAFL	36.77	36.77	36.77	36.77	36.77	36.77	102.01
F.F.C Jorden	83.24	83.24	91.52	91.52	91.52	91.52	96.14
Dawood Hercules/ Pak Arab	88.34	88.34	97.11	97.11	97.11	97.11	102.01
ii For Fuel Generation	208.56	240.91	264.87	238.38	251.55	329.54	339.43
(ii)For Fuel Generation							
Dawood and Pak Arab							
i For Feed Stock							
(i)For Feed Stock	82.06	82.06	90.22	90.22	90.22	90.22	94.78
(a) Engro Chemical	82.06	82.06	90.22	90.22	90.22	90.22	94.78
FFC	82.06						
ii For Power Generation	208.56		264.87	238.38	251.55	329.54	339.43
(ii)For Power Generation							
POWER Stations	208.56		264.87	238.38	251.55	329.54	349.56
SNGPL & SSGCL'S SYSTEM	303.25	303.25	467.52	445.98	443.06	443.06	848.10
Liberty Power Ltd.							
GAS DIRECTLY SOLD TO							
WAPDA'S GUDDU POWER STATION							
SUI FIELD (917 BTU)	201.47	232.72	255.86	230.28	243.00	318.34	337.68
KANDHKOT FIELD (866 BTU)	195.95	226.34	248.85	223.96	236.34	309.61	328.42
MARI FIELD (754 BTU)	195.95		248.85	223.96	236.34	309.61	
SARA/SURI FIELD							

Source : Hydrocarbon Development Institute of Pakistan

Billing/pricing system changed from Rs. Per thousand cubic feet to Rs. Per million btu w.e.f.1-1-2002

TABLE 14.1

TRANSPORT

Fiscal Year	Railways: Route (Kilometres)	Number of Passengers carried *(Million)	ight rried (llion Tnes)	Freight Tonne (Kilometres Million)	Locomo-tives (Nos.)	Freigh Wagon (Nos.)	ngth of Roads Kilometers: al	High Type	Lw Tye
1990-91	8,775	84.90	72	5,709	753	34,851	1323	86,839	83,94
1991-92	8,775	73.30	56	5,962	752	30,369	1709	95,374	87,35
1992-93	8,775	59.00	77	6,180	703	29,451	1821	99,083	90,38
1993-94	8,775	61.72	04	5,938	676	29,228	1917	104,001	92,86
1994-95	8,775	67.70	11	6,711	678	30,117	2645	111,307	96,38
1995-96	8,775	73.65	85	5,077	622	26,755	2345	118,428	99,97
1996-97	8,775	68.80	36	4,607	633	25,213	2395	126,117	103,78
1997-98	8,775	64.90	98	4,447	611	24,275	2485	133,462	107,23
1998-99	7,791	64.90	45	4,330	596	24,456	2484	137,352	110,32
1999-00	7,791	68.00	77	3,612	597	23,906	2440	138,200	110,10
2000-01	7,791	68.80	39	4,520	610	23,893	2472	144,652	105,20
2001-02	7,791	69.00	90	4,573	577	23,460	2561	148,877	102,34
2002-03	7,791	72.40	18	4,820	577	23,722	2568	153,225	98,93
2003-04	7,791	75.70	14	4,796	592	21,812	2570	158,543	97,57
2004-05	7,791	78.18	41	5,014	557	21,556	2514	162,841	95,33
2005-06	7,791	81.43	03	4,971	544	20,809	2521	167,530	91,41
2006-07	7,791	83.89	42	5,453	544	19,638	2621	172,891	88,90
2007-08	7,791	79.99	23	6,178	555	18,638	2550	174,320	84,00
2008-09 (Jul-Mar)	7,791	82.54	94	5,896	551	17,259	2600	177,060	83,10
2009-10 P	7,791	58.97	[illegible]3	3,925	520	16,450	2518	179,290	80,38

P : Provisional

(Cntd.)

TABLE 14.1

TRANSPORT

Fiscal Year	Cargdandled at Karachi Pt (000 tonnes): Total	lports	Exports	Shippin: No of Vesels	ead Veight Tnnes	Gross Enings (Million Rs.): Pakista Railwa	Pakistan National Shipping Corp.
1990-91	18,709	,714	3,995	28	49,956	6,696	3,865.0
1991-92	20,453	,267	5,186	28	49,956	8,236	4,063.0
1992-93	22,170	,256	4,914	29	58,953	9,031	3,137.0
1993-94	22,569	,610	4,959	27	55,836	9,134	3,302.0
1994-95	23,098	,526	5,572	15	26,410	9,224	4,311.0
1995-96	23,581	,719	4,862	17	29,353	8,365	6,962.0
1996-97	23,475	,362	5,113	15	26,817	9,394	7,761.5
1997-98	22,684	,114	5,570	15	26,836	9,805	4,597.0
1998-99	24,053	,318	5,735	15	26,836	9,310	3,707.0
1999-00	23,761	,149	5,612	15	26,836	9,572	3,483.0
2000-01	25,981	063	5,918	14	24,802	11,938	5,458.7
2001-02	26,692	330	6,362	14	24,749	13,346	4,555.5
2002-03	25,852	609	6,273	13	22,579	14,810	5,405.0
2003-04	27,813	732	6,081	14	46,931	14,635	6,881.9
2004-05	28,615	100	6,515	14	57,466	18,027	7,860.0
2005-06	32,270	573	6,697	15	63,182	18,184	7,924.6
2006-07	30,846	329	7,517	15	63,182	19,195	9,089.1
2007-08	37,192	517	11,675	14	53,821	19,973	10,753.5
2008-09 (Jul-Dec)	38,732	367	13,364	14	5(750	23,160	11,474.0
2009-10	20,545	1009	6,536	11	64,703	16,875	3,566.0

Sorce: (i) : Nnistry of Rways

(ii) : lational Trsport Resirch Center

(iii) : arachi PoTrust

(iv) : akistan Nonal Shipng Corporation

TABLE 14.2

PAKISTAN INTERNATIONAL AIRLINES CORPORATION

Fiscal Year	Route Kilometres	Revenue Kilometres Flown (000)	Revenue Hours Flown	Revenue Passengers Carried (000)	Revenue Passengers Kilometres (mln)	Available Seat Kilometres (mln)	Passenger Load Factor %
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
1998-99	335,348	70,697	129,379	5,086	10,722	16,752	64.0
1999*	332,417	75,483	135,136	4,914	10,653	17,839	59.7
2000*	317,213	76,212	134,066	5,297	12,056	18,692	64.5
2001*	324,815	40,158	65,615	2,729	6,305	9,885	63.8
2001-02	291,428	62,974	110,136	4,290	10,843	15,778	68.7
2002-03	311,152	63,863	108,942	4,391	11,276	16,264	69.3
2003-04	294,082	58,146	96,765	4,796	12,769	18,299	69.8
2004-05	354,664	80,699	131,262	5,132	13,634	20,348	67.0
2005-06	343,525	87,273	141,666	5,828	15,260	21,991	69.4
2006-07	446,570	80,302	141,479	5,732	15,124	22,092	68.5
2007-08	383,574	80,759	132,416	5,415	13,680	20,313.3	67.4
2008-09	311,131	79,580	132,378	5,617	13,925	19,528.2	71.3
2009*	380,917	80,108	132,155	5,535	13,891	19,859.0	70.0

(Contd.)

* : PIA's Financial Year is based on Calendar Year

TABLE 14.2

PAKISTAN INTERNATIONAL AIRLINES CORPORATION

Fiscal Year	Revenue Tonne Kilometres (Mln)	Available Tonne Kilometres (Mln)	Revenue Load Factor (%)	Operating Revenue (Million Rupees)	Operating Expenses (Million Rupees)	PIA Fleet No. of Planes
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
1998-99	1,313	2,403	54.6	..	..	45
1999 *	1,307	2,560	51.0	35,492	36,395	51
2000 *	1,452	2,631	55.2	39,228	42,033	46
2001 *	769	1,438	53.5	21,966	23,296	45
2001-02	1,325	2,270	58.4	42,844	39,377	44
2002-03	1,389	2,401	57.8	45,442	39,125	43
2003-04	1,456	2,528	55.0	51,041	47,197	42
2004-05	1,657	3,033	54.6	61,308	62,360	42
2005-06	1,818	3,302	55.1	67,574	73,074	42
2006-07	1,801	3,369	53.5	70,587	79,164	39
2007-08	1,593	3,125	51.0	70,480	76,415	44
2008-09	1,580	2,934	53.9	89,201	120,579	42
2009*	1,525	2,933	52.0	94,564	98,629	40

Source: Pakistan International Airlines Corporation

.. : Not available

* : PIA's Financial Year is based on Calendar Year

TABLE 14.3

NUMBER OF MOTOR VEHICLE REGISTERED

Calendar Year	Motor Cars Jeeps & Station Wagons	Mor Cal' Ta›	Buses	Trucks	Mcor Cyle (2 Wheels)	Motor Cycle Wheels)	Others	Tcal
1990	682,636	32,3	84,016	105,245	1,25(749	;0,862	507,025	2,71:837
1991	731,960	33,2	89,094	107,171	1,381136	;2,439	528,878	2,92:913
1992	819,350	41,2	94,988	111,391	1,497017	;6,267	558,926	3,179184
1993	868,159	47,8	98,681	114,394	1,573370	;9,510	589,281	3,351292
1994	902,654	52,4	107,440	118,389	1,679259	;2,183	615,497	3,537366
1995	923,577	53,4	113,516	119,174	1,754737	;3,370	642,174	3,669348
1996	966,747	54,5	114,415	123,658	1,842531	9,756	666,549	3,838 57
1997	1,068,116	83,1	119,365	131,322	1,995121	6,224	700,315	4,173345
1998	1,085,969	83,6	125,929	132,895	2,068'30	1,777	724,309	4,303:96
1999	1,162,876	83,8	150,108	145,111	2,175188	5,345	746,718	4,559.90
2000	1,182,307	83,8	154,401	148,569	2,260'72	9,376	772,279	4,701:96
2001	1,201,738	93,9	158,694	157,027	2,346:56	)3,407	797,840	4,843 02
2002	1,282,371	83,9	162,672	170,615	2,407.66	:5,919	825,552	5,048.49
2003	1,292,888	84,27	162,957	178,883	2,444.67	:2,448	846,017	5,132.37
2004	1,301,406	84,31	163,242	181,150	2,681.66	'4,076	860,480	5,395.31
2005	1,321,590	85,61	165,775	183,962	2,722,45	:6,004	873,825	5,479,17
2006	1,375,419	89,10	172,530	191,454	2,833,40	1,134	909,416	5,702,96
2007	1,444,190	93,56	181,157	201,027	2,975,17	7,691	954,887	5,987,29
2008	1,553,499	95,20	184,104	204,179	3,123,52	0,049	975,980	6,286.57
2009 (Jul-Mar)	1,608,154	96,02	185,578	205,755	3,197,70	6,228	986,527	6,435,38
2010 E	1,688,562	100,8	194,857	216,043	3,357,34	4,039	1,035,853	6,757,15

E : Estimated

Source:ederal Bureau of Statitics

TABLE 14.4

MOTOR VEHICLES ON ROAD (000 Number)

Year	Mcy/ Scooter	Motor Car	Jeep	Station Wagon	Tractor	Buses	M. Cab/ Taxi	Motor Rck
1991-92	971.80	429.10	31.60	43.60	275.30	45.00	33.50	42.40
1992-93	1,165.50	465.80	35.60	48.80	353.00	51.70	40.00	46.70
1993-94	1,287.30	493.70	38.00	52.70	376.60	56.40	44.50	50.50
1994-95	1,482.00	516.80	41.30	56.00	399.80	60.90	47.90	53.40
1995-96	1,481.90	538.40	43.50	59.00	424.80	64.50	51.40	58.70
1996-97	1,576.00	564.50	45.50	62.00	439.80	68.20	54.10	65.60
1997-98	1,691.40	593.00	47.80	65.00	463.60	72.50	57.30	74.60
1998-99	1,833.70	731.30	16.70	60.60	489.80	84.40	68.50	56.70
1999-00	2,010.00	815.70	17.00	73.90	528.40	92.80	69.80	59.90
2000-01	2,218.90	928.00	18.30	93.80	579.40	86.60	79.80	72.40
2001-02	2,481.10	1,040.00	43.40	122.70	630.50	96.60	96.40	80.80
2002-03	2,656.20	1,110.00	44.40	126.40	663.20	98.30	104.10	80.90
2003-04	2,882.50	1,193.10	47.80	132.40	722.70	100.40	112.60	81.00
2004-05	3,063.00	1,264.70	51.80	140.50	778.10	102.40	120.30	81.30
2005-06	3,791.00	1,999.20	65.70	140.80	822.30	103.60	122.10	77.80
2006-07	4,463.80	1,682.20	85.40	169.10	877.80	108.40	119.10	79.00
2007-08	5,037.01	1,853.46	82.87	163.22	900.52	109.88	129.80	89.34
2008-09	5,368.00	2,029.10	79.00	155.60	911.70	111.10	138.60	88.40
(Jul-Mar) 2009-10 *	5,469.63	2,076.16	89.68	176.73	1,009.85	120.24	144.41	97.29

(Contd.)

* : Estimated

TABLE 14.4

MOTOR VEHICLES ON ROAD (000 Number)

Year	D.Van	Trucks	Pickup	Ambu- lance	Tankers		Others	Total
					Oil	Water		
1991-92	61.40	75.80	30.20	1.70	4.00	0.60	49.50	2,095.50
1992-93	69.80	84.20	39.50	2.00	4.30	0.70	52.70	2,460.00
1993-94	74.00	92.00	44.10	2.30	4.70	0.70	73.60	2,690.40
1994-95	78.20	98.30	47.10	2.70	5.10	0.80	60.70	2,951.60
1995-96	81.30	104.20	50.50	3.30	5.60	0.90	63.70	3,000.20
1996-97	84.30	110.30	50.20	3.70	6.10	1.10	66.50	3,195.80
1997-98	87.60	117.10	56.10	4.30	6.80	1.30	69.70	3,405.30
1998-99	51.70	121.00	56.40	1.50	6.80	0.70	74.70	3,651.70
1999-00	55.50	127.40	61.60	1.70	7.00	0.70	78.80	3,997.20
2000-01	72.40	132.30	68.40	1.70	7.20	0.80	89.00	4,471.00
2001-02	116.90	145.20	78.30	4.10	7.60	0.90	71.50	5,016.80
2002-03	120.30	146.70	80.60	4.30	7.60	0.90	71.40	5,315.00
2003-04	121.30	149.20	84.40	4.40	7.60	0.90	71.30	5,711.20
2004-05	121.90	151.80	87.60	4.50	7.70	0.90	69.40	6,048.30
2005-06	143.30	151.80	93.50	4.50	7.70	0.90	60.20	7,084.50
2006-07	148.90	173.30	104.50	4.60	7.80	0.90	38.50	8,063.60
2007-08	163.50	177.80	115.30	5.20	8.80	1.00	40.80	8,878.50
2008-09	167.20	181.90	125.50	5.60	9.70	1.10	41.30	9,413.70
(Jul-Mar) 2009-10 *	180.13	195.85	129.13	4.42	3.19	1.07	70.48	9,768.26

Source: National Transport Research Center

* : Estimated

TABLE 14.5

PRODUCTION AND IMPORT OF MOTR VEHICLES

Fiscal Year/ Type of Vehicles	1992-93	1993-94	1994-95	1995-9	1996-97	1997-9	1998-9	1999-00	200-01
PRODUCTION (Nos.)									
Trucks	2,222	1,394	703	3,03	2,91	1,	131	977	952
Buses	1,177	427	312	43	86	4	120	1,508	,337
L.C.Vs	11,478	5,128	5,154	6,83	9,81	4,	879	6,656	,965
4x4 Vehicles	1,324	816	1,310	2,27	79	(	22	380	459
Tractors	17,127	14,907	17,144	16,20	10,41	14,	2635	35,038	2,533
Motor Cycle/Scooters/ Rickshaw	95,793	63,958	60,960	121,80	117,18	96,	9357	94,881	11,858
Cars	26,945	19,514	20,955	31,07	33,46	33,	3832	32,461	3,573
IMPORTS (Nos.)									
Cars	100,188	38,216	31,743	35,10	31,81	36,	4653	34,988	6,187
Jeeps	1,484	343	1,535	95	54		65	48	338
Motor Rickshaw	2,773	548	250		..	)		8	20
Station Wagon	746	251	326	26	17	1	97	71	115
Buses Including Trolly Buses	2,247	893	267	34	39	3	03	917	588
Lorries/Trucks Including Ambulance	4,743	2,673	882	1,94	2,10	1,	43	500	545
special Lorries, Trucks & Vans	535	461	219	10	19	)	52	109	138
Motor Cycle	119,970	86,349	62,100	115,23	135,22	90,5	7938	85,592	5,771
Scooter	308	3	40		..	7	8	145	-
Motorised Cycles	426	26	234	1,30	99	5	44	3	
Passengers M. Cars (n.S)	212	88	224	91	33	3	62	161	99
Road Tractors for Trailers	10	27	4	19	30	3	37	7	36
Tractor Agricultural	..	952	10,084	6,80	2,02	1,3	381	2,469	55
Tractor Caterpiller	..	3	2		5	..	1	..	
Tractor Heavy Duty for const.	115	14	2	.	4	3	..	5	13
Tractor Roads	..	..	..	.	3	..	..	3	5,964
Tractor (NES)	78	115	80	32	13	3	36	1	15
Car's Chassis with Engine	11	1	..	.	3	2	..	10	4
Bus etc. Chassis	102	24	48		2	..	..	277	57
Spl. Truck etc. Chassis	..	26	..	.	..	..	..	..	4
Rickshaw, Chassis with Engine	..	..	..	.	..	..	..	..	17
Pickup	17,931	6,099	5,751	5,50	5,51	64	734	3,672	2,703
Delivery Van	22,343	2,823	1,940	1,83	4,81	58	349	3,379	1,573
Chassis Un-Mounted Motor Vehicles No	457	..	127		14	9	..	..	62
Bicycle	468	928	9,916	8,30	3,68	74	2918	22,211	4,505
Motor Vehicles for Goods	134	57	43	15	2	8	146	160	..
Passenger Vehicles Public No	17	15	8	2	2	4	61	183	62
Tractor Chassis with Engine	..	..	480	..	..	..	..	..	..

.. : not available

(ontd.)

TABLE 14.6

POST AND TELECOMMUNICATIOS

Fiscal Year	No of Post Offices			No of Telegraph Offices			Telephnes (000 Ns.)	Intenet Connctions (Miion)	No. Internet ities cnected	No of PCO *	Mobil Phone
	Urban	Rural	Total	Urban	Rural	Total					
1990-91	1,867	11,546	13,413	195	302	497	118	.		3,861	..
1991-92	1,909	11,471	13,380	299	210	509	146	.		4,676	..
1992-93	1,983	11,213	13,196	320	210	530	154	.		5,618	..
1993-94	1,970	11,315	13,285	327	85	412	180	.		6,422	..
1994-95	2,026	11,294	13,320	330	86	416	212	.		4,600	..
1995-96	2,092	11,327	13,419	319	104	423	237	.		9,410	68,03
1996-97	2,024	11,192	13,216	340	93	433	255	.		10,040	135,02
1997-98	2,044	11,250	13,294	356	92	448	275	0.1		10,071	196,09
1998-99	2,103	10,751	12,854	308	93	401	286	0.0		10,107	265,61
1999-00	2,103	10,751	12,854	293	91	384	312	0.0		10,400	306,46
2000-01	2,302	9,932	12,234	293	91	384	334	0.0		66,968	742,60
2001-02	1,983	10,284	12,267	258	104	362	365	1.0		97,751	1,698,53
2002-03	1,808	10,446	12,254	239	87	326	494	1.0	350	139,493	2,404,40
2003-04	2,267	9,840	12,107	215	73	288	446	2.0	398	180,901	5,022,90
2004-05	1,831	10,499	12,330	215	77	292	519	2.0	210	217,597	12,771,23
2005-06	1,845	10,494	12,339	..	..	..	512	2.0	389	353,194	34,506,57
2006-07	1,849	10,494	12,343				480	3.0	119	387,490	63,160,84
2007-08	1,849	10,793	12,342	..	..	..	454	3.0	302	149,121	88,019,82
2008-09	1,852	10,514	12,366	..	..	..	352	3.0	**	105,359	94,342,00
Jul-Mar 2009-10	1,846	10,495	12,340	..	..	..	..	3.0	**	..	97,579,90

.. : Not Available

* : Included Cardpay Phones

** : All over country

Note : Telegraph offices closed in 2006

Surce: (i) : Pakistan PoOffice

(ii) : Pakistan Tcommunitions Company Ltd

(iii) : Pakistan Tcommunation Authority

WEGHTS AND MEASURES

RUPEES

One lakh = One hundred thousand = 10000
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 lbas. = 37.324 kg
One CWT = (hundred weights) = 112 lbs. 50.8011 kg
One long ton = 2240 lbs. = 1.016 metric ons
One cotton bale = 375 lbs. = 170.2 kg
One bushel = 0.73 mds. = 27.25 kg

AREA

One Acre = 4840 sq.yards = 0.4047 hecte
One cubic metre = 35.315 cubic feet

LENGTH

One yard = 36 inches = 0.914 meter
One mile = 1760 yards = 1.709 km

LIQUID MEASURES

One imperial gallon = 4.561 litres = 1.2094 American gallons
One American barrel = 34.9726 imperialallons = 42 American gallons
One ton of liquified methane = 50,000 cbic feet of natural gas = aprox. 16 barrels
One tonne of crude oil = approx. 7.454 brrels

CURRENCY EQUIVALENTS

Prior to 1972

One Rupee = US \$ 0.21
One US \$ = Rs. 4.76

Upto February 1973

One Rupee = \$ 0.09
One US \$ = Rs. 11.00

With effect from 8th January 1982, Rupe is floating against dollar nd is linked to a sket ofurrencies.

YEARS

Fiscal/Trade/Agriculture Year - July 1 toune 30
Before 1959-60, the fiscal year was frorApril 1 to March 31

CROPPING SEASONS

Kharif - Crops sown in late spring or in the beginning of summer and harvested in aumn.
Rabi - Crops sown in autumn and harveed in the following spring

EF ₹ATA

Statistical Portion

Economic & Social Indicators

1. "KSE-100 Index" under Stoc Exchange (Growth%)the figıres shıld red as follows:

	2003-04	:005-06	2006-07	2007-0((F)	28-09 (I
To Read	41.12	34.0	37.8	-10.:	-41.3

2. "Crude Oil Extraction" unde Infrastructure (Energ')
   In "2008-09 (R)" please reac"24.0" instead of "18.1"

3. "Gas (supply)" under Infras'ucture (Energy)
   In "2008-09 (R)" please rea("1460.7" instead of ":092.3"

4. "Literacy Rate" under SociaDevelopment (Educaton)
   In "2008-09 (R)" please rea("57.0" instead of "574"

5. "Literacy Rate - Male" unde Social Development Educaton)
   In "2008-09 (R)" please rea("69.0" instead of "693"

6. "Literacy Rate - Female" uner Social Developmert (Educition)
   In "2008-09 (R)" please rea("45.0" instead of "447"

7. "Registered Dentists" undeSocial Development (Health)
   In "2007-08 (F)" please rea("8.2" instead of "78.2'