

FEBRUARY 2019



Pakistan's Economic, Trade & Manufacturing Data



Acknowledgements

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The PBC works closely with the relevant government departments, ministries, regulators and institutions, as well as other stakeholders including professional bodies, to develop consensus on major issues which impact the conduct of business in and from Pakistan. The PBC has submitted key position papers and recommendations to the government on legislation and other government policies affecting businesses. It also serves on various taskforces and committees of the Government of Pakistan as well as those of the State Bank, SECP and other regulators with the objective to provide policy assistance on new initiatives and reforms.

The PBC's Founding Objectives

The major objectives of the PBC as stated in its founding documents are:

- To provide for the formation and exchange of views on any question connected with the conduct of business in and from Pakistan.
- To conduct, organize, set up, administer and manage campaigns, surveys, focus groups, workshops, seminars and field works for carrying out research and raising awareness in regard to matters affecting businesses in Pakistan.
- To acquire, collect, compile, analyze, publish and provide statistics, data analysis and other information relating to businesses of any kind, nature or description and on opportunities for such businesses within and outside Pakistan.
- To promote and facilitate the integration of businesses in Pakistan into the World economy and to encourage in the development and growth of Pakistani multinationals.
- To interact with governments in the economic development of Pakistan and to facilitate, foster and further the economic, social and human resource development of Pakistan.

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Executive Summary

This publication by the Pakistan Business Council (PBC), titled 'Pakistan's Economic, Trade & Manufacturing Data' covers and briefly discusses various elements of Pakistan's economy including the domestic sector, external sector and the fiscal sector, with specific focus on the premature deindustrialization of Pakistan.

Domestic Sector

The economy, in the last 5 fiscal years, witnessed a period of relatively high economic growth, averaging 5.21% while the nominal GDP surpassed the \$300 billion benchmark in FY '17, peaking at \$313 billion in FY '18. However, most of the growth generated was on the back of the services sector as during the last ten years, the sectoral share in GDP for the agricultural and industrial sectors have shrunk while the services sector's contribution has increased; creating a situation which promoted the premature deindustrialization of the country. The level of inflation in Pakistan dropped from a high of 13.7% in FY '11 to just 3.9% in FY '18, predominantly on the back of falling food inflation which was at 1.8% in FY '18 down from 18.0% in FY '11.

External Sector

Pakistan's External Account position has worsened in the last five years. Exports have been on a decline since FY '15 onwards while imports have been registering a YoY increase causing the Balance of Trade deficit to increase to an unsustainable level of \$37.6 billion in FY '18. Pakistan's exports are highly concentrated where around 60% of the country's exports are textiles. As textile exports stagnated, overall exports also faced a decline. On the other hand, imports have continued to increase. In the last fiscal year, Pakistan had the highest import level in the history at \$60.87 billion. The trade in services shared a similar trend with exports being far out-weighted by imports. However, the deficit in trade in services is far lower than that for goods. The country has had a trade deficit in recent history; however, a significant part of the deficit was covered by ever-increasing Workers' Remittances. From FY '16 onwards however, inflow of remittances has stagnated; hence, the Balance of Payments have recorded increasing deficits.

Fiscal Sector

The country has been running a budget deficit since at least FY '03. However, the scale of the budget deficit has increased over the years. From a deficit of just Rs. 18 billion in FY '03, it has increased to Rs. 2.26 trillion in FY '18; implying that the growth in Pakistan's fiscal expenditures have far outpaced growth in revenues. Tax revenues in Pakistan are more dependent on indirect collections as opposed to direct tax collections. While there has been an increase in tax revenues, it has not been sufficient to match the increase in expenditures. On the expenditure side, more than three-fourth of it is spent on current expenditures while the one-fourth is accounted for by development expenditures and net lending to the provinces. As of FY '18, expenditures stood at Rs. 7.49 trillion while total revenue was Rs. 5.23 trillion.

A Prematurely Deindustrializing Economy

The share of manufacturing sector in the economy has been on a decline from FY '08 onwards; from a high of 14.8% in FY '08, it dropped to 12.1% in FY '18. This implies that the relative significance of the sector in the economy has reduced. This trend can be accredited to a number of reasons identified in greater detail in this report. The main reason however appears to be the cost structure for industry which is not competitive with regional competitor countries having a similar economic and industrial structure. The costs of electricity, gas and labour in Pakistan are as much as 2.6 times higher than those in competitor countries. Other than that, the level of investment in the economy is on a decline with a rate of just 16.42% in FY '18. Due to high consumption in the economy, savings are low which in turn limit the level of investments. Other than that, the tax rates are high in Pakistan and the influx of cheap imports has all led to disincentivizing domestic manufacturing, forcing a paradigm shift in the economy away from manufacturing.

The Impact of Deindustrialization on the Economy

Due to premature deindustrialization, the economy, both on the domestic as well as on the external front, has been negatively impacted. The country's exports have stagnated while exports of competitor countries such as for Sri Lanka, Vietnam, Bangladesh and India have increased by as much as 11 times. Moreover, the share of exports in GDP has declined, as well as Pakistan's contribution in the world exports.

On the other hand, industry in the country has also felt the impact of deindustrialization with increasing reliance on imports and an ever-increasing share of imported products in domestic consumption. For industries like that of footwear, the volume of exports has reduced over the past decade while the volume and value of imports into the country has increased by more than 2.5 times in the same time period.

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SECTION I

The State of Pakistan's Economy

Background

In the financial year 2017-2018 (ended June 30, 2018), the performance of Pakistan's economy remained lacklustre. The structural challenges faced by the economy continued to persist, particularly on the external front. The trade account deficit increased to an all-time high of \$37.58 billion. On the domestic front, economic growth slowed to 5.43% after reaching a ten-year high at 5.7% in the previous financial year. All macroeconomic variables worsened in FY '18 raising concerns about the future of the economy. As of June 2018, the economy faced major crises on all three fronts; the domestic side, the fiscal side and the external sector. However, the challenges do not undermine the potential that exists in Pakistan. With a population of 207.7 million as of June 2018, sixty four percent of which is under the age of 30, there is an opportunity for the country to reap the dividend of its demographic bulge. Moreover, Pakistan is strategically positioned as a junction between South Asia, Central Asia and West Asia while sharing borders with two emerging global giants; China and India which have a cumulative economy of almost \$15 trillion.

Pakistan's Economy at a Glance

The following table shows the major macro-economic indicators for Pakistan:

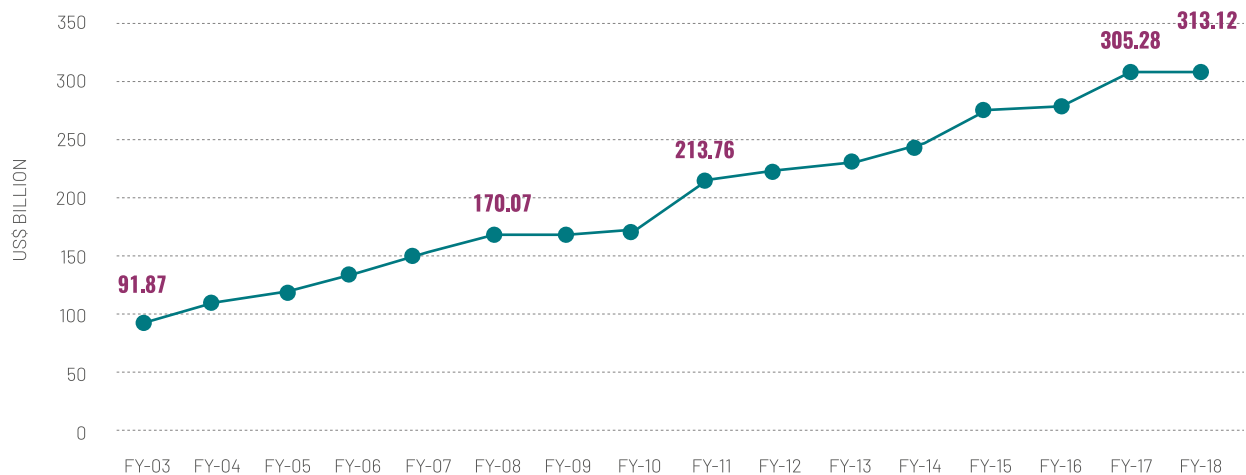
Economic Indicators	Unit	FY '14	FY '15	FY '16	FY '17	FY '18
GDP (at current prices)	US\$ Billion	244.69	270.94	278.93	305.28	313.12
GDP Per Capita (at current prices)	US\$	1,299.66	1,411.28	1,426.07	1,467.74	1,558.13
GDP Growth Rate	%	4.67	4.73	5.53	5.70	5.43
Inflation Rate	%	8.60	4.50	2.90	4.20	3.90
Unemployment Rate	%	6.00	5.90	6.00	6.00	6.10
Balance of Trade in Goods	US\$ Million	(19,963)	(22,159)	(23,898)	(32,488)	(37,583)
Current Account Balance	US\$ Million	(3,130)	(2,795)	(4,867)	(12,621)	(18,130)
Current Account Balance	% of GDP	1.28	1.03	1.74	4.13	5.79
Foreign Direct investment, Net Inflows (at current prices)	US\$ Million	1,572	915	2,286	2,663	2,760
Gross Capital Formation	US\$ Billion	35.81	42.56	43.75	49.13	51.43
Gross Capital formation	% of GDP	14.64	15.71	15.69	16.09	16.42
Balance of Trade in Services	US\$ Million	(2,650)	(2,970)	(3,406)	(4,339)	(5,311)
Exchange Rate (Monthly Average)	PKR	102.86	101.29	104.24	104.70	109.85

Pakistan's Domestic Sector

National Income

A country's Gross Domestic Product (GDP) measures the total monetary value of all goods and services produced in an economy over a given period of time. It measures the overall economic activity that takes place in an economy in a given time. Pakistan is a developing economy with a GDP of \$313.12 billion in June 2018. The country crossed the \$300 billion mark in FY 2017. The IMF's World Economic Outlook 2018 report ranked Pakistan as the 41st largest economy in the world

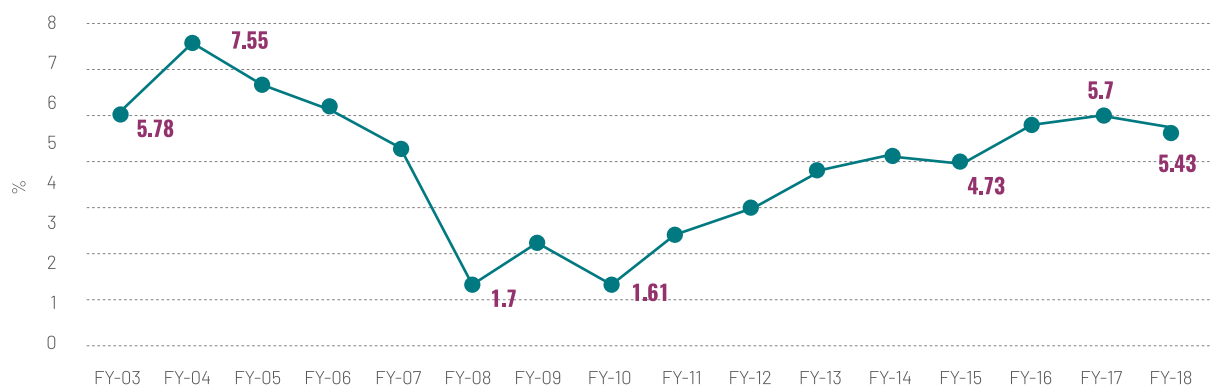
Pakistan's GDP (current)



The country's GDP per capita increased to \$1,558.13 in FY '18 from \$1,467.74 in the previous year. The per capita income in nominal terms ranked at 151 in the world.

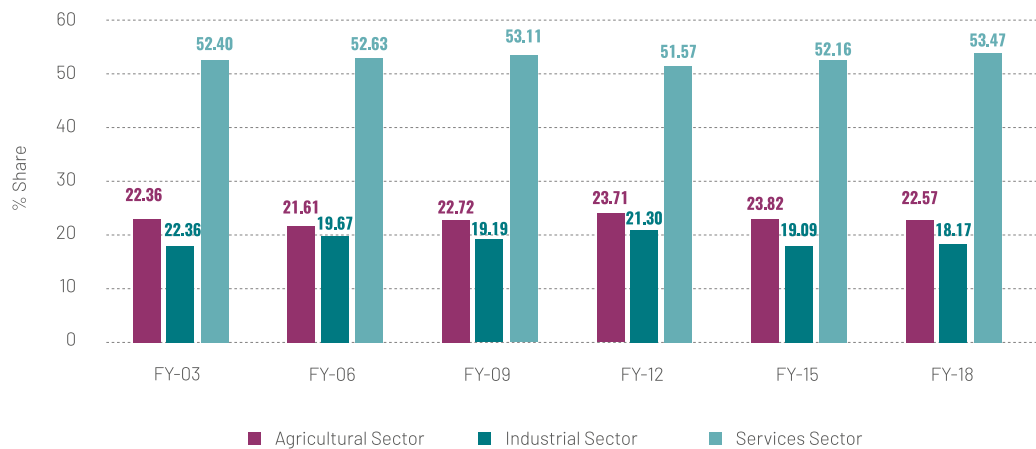
Pakistan's economy grew at its fastest rate in the financial year 2017 in over a decade at 5.7%. Prior to this, the country had faced a long phase of suppressed economic growth, particularly after FY '06. In this phase of suppressed growth, rate had slipped to as low as 1.61% in FY '10. The figure below shows Pakistan's GDP growth rate from FY '03 onwards.

GDP Growth Rate



In Pakistan, 43.48% of the labour force is involved in the agricultural sector. However, the share of this sector in GDP has been relatively low and static at around 22% for the past 16 years. The Industrial sector's share in GDP has been on a decline since FY '08, the reasons for which are discussed in the next section. It is the services sector which has the major share in Pakistan's national output, particularly because the degree of value addition is maximum in services as compared to agriculture and industrial production.

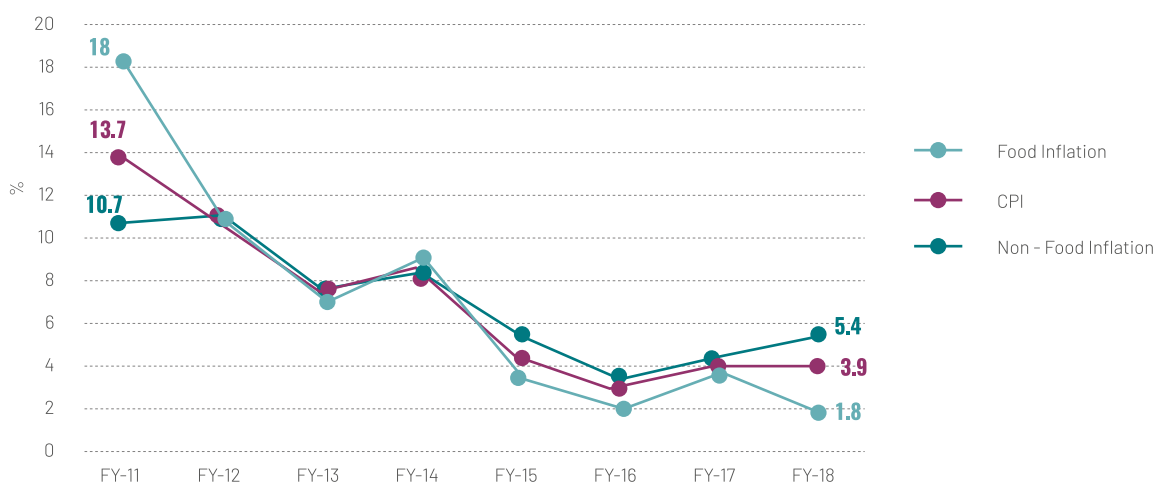
Sectoral Share of GDP



Inflation in Pakistan

The base that is used to calculate inflation in Pakistan is the 2007-08 financial year. Annual inflation is calculated by taking the average monthly inflation during the year. Food inflation, which hurts the vulnerable sections of the population the most, has dropped to a low of 1.8% in FY '18, down from a high of 18% in FY '11. Overall average inflation in Pakistan in 2017-2018 was 3.9%, down from 4.2% the year before. Non-food inflation has been increasing in the last 2 financial years; non-food inflation includes fuel, rent, education, electricity, etc. Increase in fuel prices and rents were the two biggest contributors to an increase in non-food inflation in FY '18.

Inflation Monitor



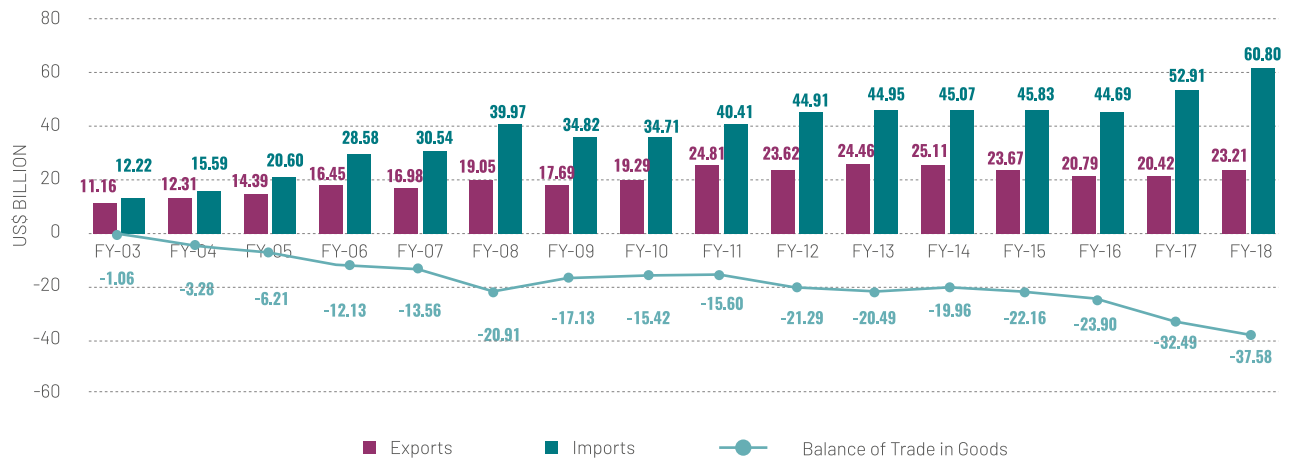
Pakistan's External Sector

Balance of Trade in Goods

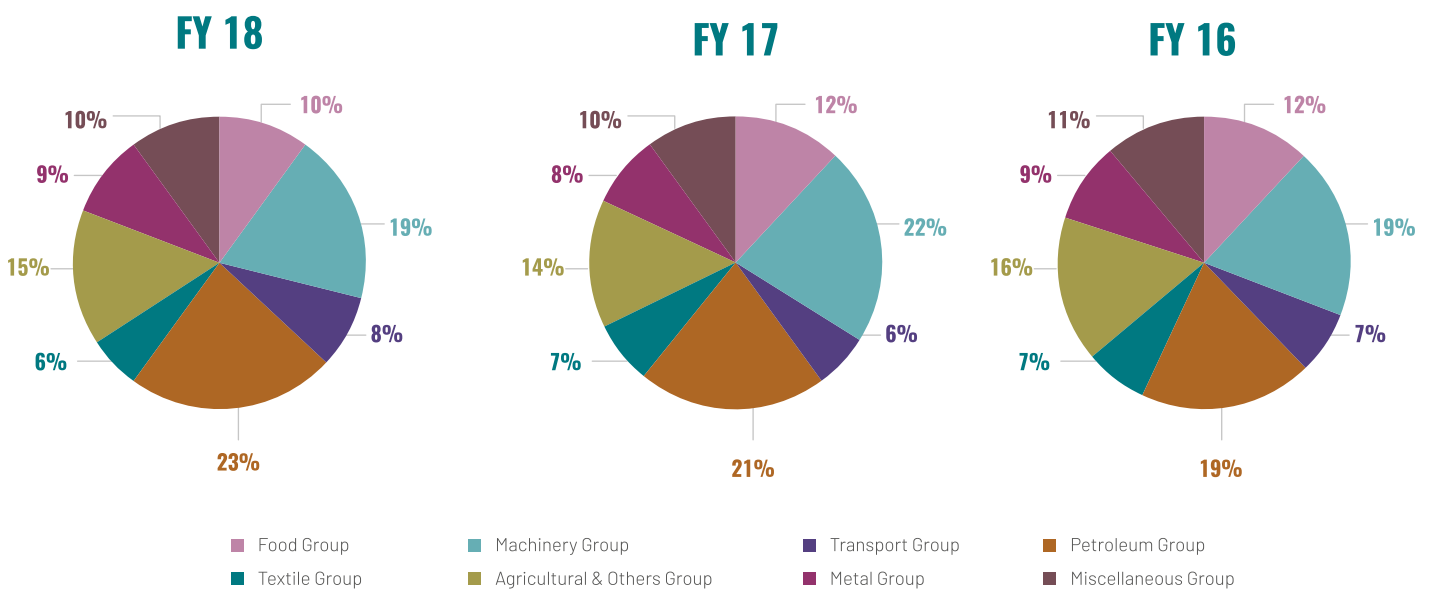
Pakistan's trade imbalance has been the biggest threat to its economic health. With stagnant exports and increasing imports, the balance of trade deficit in goods increased to an unsustainable \$37.58 billion for FY '18.

While exports increased by 13.7% in FY '18 over FY '17, imports increased by 15.04%. From \$1.06 billion in 2002-03, the deficit increased to almost \$38.0 billion in FY '18.

The figure below shows the trend of Pakistan's trade in goods from FY '03 onwards.



Import of Goods



In fiscal year 2018, imports increased to almost \$61.0 billion. The most important categories of products that were imported in FY '18 were Petroleum Group (23%) and Machinery Group (19%). These two categories cumulatively made up 42% of total imports. Pakistan's petroleum and machinery imports are essential in nature; therefore, their demand is relatively inelastic. However, the share of machinery in total imports decreased from 22.19% in FY '17 to 19.01% in FY '18.

Oil prices increased by more than 50% during FY '18. From an opening price of \$49.70/barrel on 1st July 2017, it closed at \$79.44/barrel on 30th June 2018; showing an increase of 59.80% during the year. As a result, Pakistan's import bill for mineral fuels increased as did its share in the import bill. From 18.73% share in FY '16, it increased to 20.56% in FY '17 and 23.71% in FY '18.

Imports Breakdown – FY '18 vs. FY '17

The composition of Pakistan's imports for the last two financial years is shown in the table below:

Commodities	Financial Year 2018		Financial Year 2017		% Change in Import Value YoY
	Import Value ('000 US\$)	Share in Total Imports (%)	Import Value ('000 US\$)	Share in Total Imports (%)	
TOTAL IMPORTS	60,867,391	-	52,909,950	-	15.04
Petroleum Group	14,430,191	23.71	10,923,347	20.65	32.10
Machinery Group	11,569,370	19.01	11,754,685	22.22	-1.58
Chemical Group	8,918,504	14.65	7,583,357	14.33	17.61
Food Group	6,185,369	10.16	6,143,435	11.61	0.68
Metals Group	5,356,670	8.80	4,411,875	8.34	21.41
Vehicles Group	4,833,310	7.94	3,327,211	6.29	45.27
Textiles Group	3,665,125	6.02	3,357,688	6.35	9.16
Others	6,358,852	10.45	5,408,352	10.22	17.57

Import of Petroleum Group

Historically petroleum group imports have been the biggest component of Pakistan's imports. The only exception was in FY '17 when machinery group was the biggest import category. While petroleum products, or refined oil, is the single biggest fuel item, the increase in its import value is minimal YoY as compared to oil prices in international markets. On the other hand, crude oil import value has increased by around 66%. Likewise, LNG imports have almost doubled in FY '18 over FY '17 levels due to the country's shift towards imported LNG for electricity generation and industrial use.

The details of Pakistan's fuel imports are given below:

Commodities	Financial Year 2018		Financial Year 2017		% Change in Import Value YoY
	Import Value ('000 US\$)	Share in Total Imports (%)	Import Value ('000 US\$)	Share in Total Imports (%)	
TOTAL	60,867,391	-	52,909,950	-	15.04
Petroleum Group	14,430,191	23.71	10,923,347	20.65	32.10
<i>Petroleum Products</i>	7,476,099	12.28	6,837,884	12.92	9.33
<i>Petroleum Crude</i>	4,229,410	6.95	2,547,101	4.81	66.05
<i>Natural Gas, Liquified</i>	2,453,959	4.03	1,312,731	2.48	86.94
<i>Petroleum Gas, Liquified</i>	270,518	0.44	225,276	0.43	20.08
<i>Others</i>	205	0.00	355	0.00	-42.25

Import of Machinery

Machinery imports in the fiscal year 2017-18 witnessed a slight decline in nominal terms; from \$11.75 billion in FY '17 to \$11.57 billion in FY '18. Moreover, its share in the country's total import bill saw a fall of nearly 3.0%. This reduction in the machinery import bill was mainly on account of reduced imports of power generation, and construction & mining machinery which recorded declines of 12.20% and 28.42% respectively. The decline in imports of generation units can be attributed to power projects under CPEC nearing completion with 7 out of 11 power generation plants either operational or in their final stages of completion. Likewise, construction and mining machineries which were imported in FY '17, were for road infrastructure projects under CPEC.

Break-up of Pakistan's machinery imports is given in the following table:

Commodities	Financial Year 2018		Financial Year 2017		% Change in Import Value YoY
	Import Value ('000 US\$)	Share in Total Imports (%)	Import Value ('000 US\$)	Share in Total Imports (%)	
TOTAL	60,867,391	-	52,909,950	-	15.04
Machinery Group	11,569,370	19.01	11,754,685	22.22	-1.58
<i>Power Generating Machinery</i>	2,663,575	4.38	3,033,683	5.73	-12.20
<i>Office Machine</i>	496,483	0.82	522,765	0.99	-5.03
<i>Textile Machinery</i>	545,111	0.90	556,799	1.05	-2.10
<i>Construction & Mining</i>	353,886	0.58	494,405	0.93	-28.42
<i>Electrical Machinery & Apparatus</i>	2,185,746	3.59	2,321,579	4.39	-5.85
<i>Telecom</i>	1,534,086	2.52	1,351,809	2.55	13.48
<i>Agricultural Machinery</i>	124,412	0.20	118,743	0.22	4.77
<i>Other Machinery</i>	3,666,071	6.02	3,354,902	6.34	9.28

Import of Chemicals

Agricultural and other chemicals are imported in large quantities by Pakistan. While Pakistan manufactures most of its fertilizers, and exports some of it too, it imports Diammonium Phosphate (DAP). Moreover, plastic materials are also imported. In FY '18, \$8.9 billion worth of chemicals were imported by the country. Plastic and fertilizer witnessed the highest increase in import value YoY.

In the following table are details of the various types of chemicals imported by the country:

Commodities	Financial Year 2018		Financial Year 2017		% Change in Import Value YoY
	Import Value ('000 US\$)	Share in Total Imports (%)	Import Value ('000 US\$)	Share in Total Imports (%)	
TOTAL	60,867,391	-	52,909,950	-	15.04
Chemical Group	8,918,5042	14.65	7,583,357	14.331	17.61
<i>Fertilizer Manufactured</i>	832,764	1.37	640,624	1.21	29.99
<i>Insecticides</i>	173,746	0.29	159,315	0.30	9.06
<i>Plastic Material</i>	2,347,265	3.86	1,919,274	3.63	22.30
<i>Medicinal Products</i>	1,072,090	1.76	975,258	1.84	9.93
<i>Others</i>	4,492,639	7.38	3,888,886	7.35	15.53

Import of Food Items

Although Pakistan is an agrarian economy with nearly 42% of its labour force, and 30% of the country's land used for agriculture, Pakistan imports as much as \$6.2 billion worth of food items. However, the YoY increase in the import of food items has been minimal in FY '18. Dry fruits and pulses witnessed a drop of as much as 44.75% and 43.84% respectively. On the other hand, there was a surge in the import of palm oil. The palm oil import bill crossed \$2 billion mark in FY '18.

For FY '18, food imports are shown in the table below:

Commodities	Financial Year 2018		Financial Year 2017		% Change in Import Value YoY
	Import Value ('000 US\$)	Share in Total Imports (%)	Import Value ('000 US\$)	Share in Total Imports (%)	
TOTAL	60,867,391	-	52,909,950	-	15.04
Food Group	6,185,369	10.16	6,143,435	11.61	0.68
<i>Milk, Cream & Milk Food</i>	276,193	0.45	258,680	0.49	6.77
<i>Dry Fruits & Nuts</i>	99,710	0.16	180,466	0.34	-44.75
<i>Tea</i>	551,881	0.91	523,790	0.99	5.36
<i>Spices</i>	167,124	0.27	138,635	0.26	20.55
<i>Soybean Oil</i>	135,995	0.22	122,785	0.23	10.76
<i>Palm Oil</i>	2,039,718	3.35	1,905,136	3.60	7.06
<i>Sugar</i>	5,065	0.01	5,114	0.01	-0.96
<i>Pulses (leguminous)</i>	534,854	0.88	952,376	1.80	-43.84
<i>All other food items</i>	2,374,829	3.90	2,056,453	3.89	15.48

Import of Metals

Pakistan imports large quantities of iron and steel waste for various purposes including re-rolling. Flat-rolled products of iron and steel are also imported in large quantities to meet local demand. Other than that, Pakistan imports gold for ornamental use.

The metal imports in FY '18 are given below:

Commodities	Financial Year 2018		Financial Year 2017		% Change in Import Value YoY
	Import Value ('000 US\$)	Share in Total Imports (%)	Import Value ('000 US\$)	Share in Total Imports (%)	
TOTAL	60,867,391	-	52,909,950	-	15.04
Metal Group	5,356,670	8.80	4,411,875	8.34	21.41
<i>Gold</i>	20,713	0.03	16,667	0.03	24.28
<i>Iron and Steel Scrap</i>	1,583,435	2.60	1,120,584	2.12	41.30
<i>Iron and Steel</i>	2,440,043	4.01	2,121,022	4.01	15.04
<i>Aluminium Wrought</i>	234,485	0.39	196,320	0.37	19.44
<i>All other metals</i>	1,077,994	1.77	957,282	1.81	12.61

Import of Vehicles

Over the past few years, import of the transport group has gone up significantly. A 63.16% increase was recorded in imports in this category in FY '18 over FY '16. Within the transport group, Completely Knocked Down (CKD) kits had the biggest share and it recorded a YoY increase of 31.60% in terms of import value.

The transport group imports for the years 2017 & 2018 are shown below:

Commodities	Financial Year 2018		Financial Year 2017		% Change in Import Value YoY
	Import Value ('000 US\$)	Share in Total Imports (%)	Import Value ('000 US\$)	Share in Total Imports (%)	
TOTAL	60,867,391	-	52,909,950	-	15.04
Transport Group	4,833,310	7.94	3,327,211	6.29	45.27
<i>CBU Motor Vehicles</i>	696,489	1.14	751,265	1.42	-7.29
<i>CKD/SKD Motor Vehicles</i>	1,321,491	2.17	1,004,171	1.90	31.60
<i>Parts/Accessories of Vehicles</i>	603,326	0.99	500,556	0.95	20.53
<i>Other Motor Vehicles</i>	270,955	0.45	259,043	0.49	4.60
<i>Aircrafts, Ships and Boats</i>	1,141,506	1.88	524,772	0.99	117.52
<i>Others Transport Equipment</i>	349,543	0.57	287,404	0.54	21.62

Import of Textiles

Pakistan's exports are mainly textile dependent. However, despite being a cotton-growing country, Pakistan imports significant amounts of raw cotton. In addition, it does not produce synthetic and artificial fibre which it has to import to meet domestic and export demand.

Textiles imports for FY '18 is shown below:

Commodities	Financial Year 2018		Financial Year 2017		% Change in Import Value YoY
	Import Value ('000 US\$)	Share in Total Imports (%)	Import Value ('000 US\$)	Share in Total Imports (%)	
TOTAL	60,867,391	-	52,909,950	-	15.04
Textile Group	3,665,125	6.02	3,357,688	6.35	9.16
<i>Raw Cotton</i>	1,077,926	1.77	809,944	1.53	33.09
<i>Synthetic Fibre</i>	543,026	0.89	484,703	0.92	12.03
<i>Synthetic & Artificial, Silk</i>	663,612	1.09	634,946	1.20	4.51
<i>Worn Clothing</i>	161,482	0.27	144,881	0.27	11.46
<i>Other Textile Items</i>	1,219,079	2.00	1,283,214	2.43	-5.00

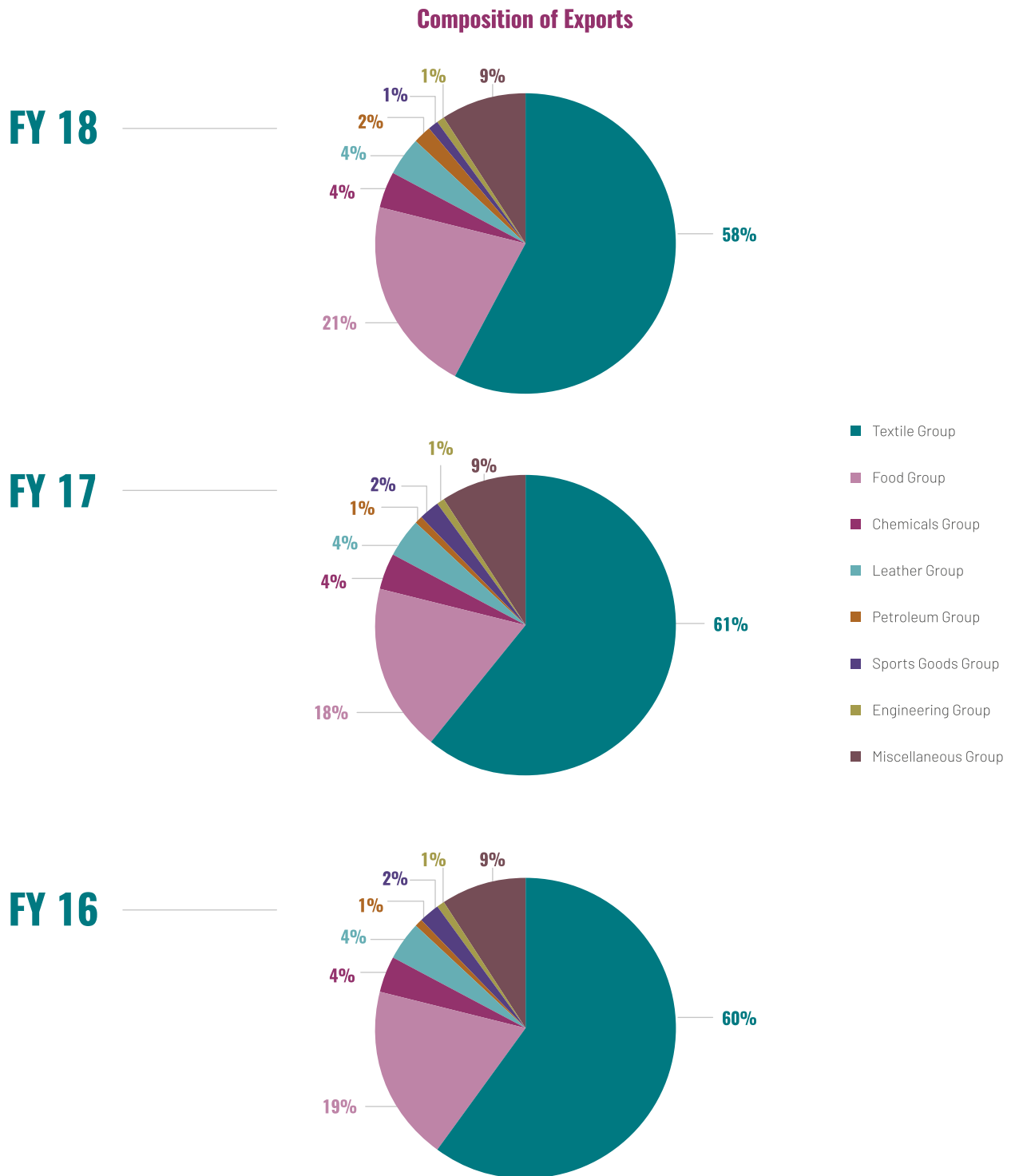
Import of Miscellaneous Items

All other imports in FY '18 are in the table below. The important groups have been subcategorized under Miscellaneous, while the rest are clubbed together as 'All Other Items'.

Commodities	Financial Year 2018		Financial Year 2017		% Change in Import Value YoY
	Import Value ('000 US\$)	Share in Total Imports (%)	Import Value ('000 US\$)	Share in Total Imports (%)	
TOTAL	60,867,391	-	52,909,950	-	15.04
Miscellaneous Group	6,358,852	10.45	5,408,352	10.22	17.57
<i>Rubber Crude incl. Synthetic</i>	214,501	0.35	174,799	0.33	22.71
<i>Rubber Tyres and Tubes</i>	313,908	0.52	350,854	0.66	-10.53
<i>Wood and Cork</i>	140,172	0.23	123,741	0.23	13.28
<i>Jute</i>	50,933	0.08	45,315	0.09	12.40
<i>Paper and Paper Board</i>	575,379	0.95	528,374	1.00	8.90
<i>All other items</i>	5,063,959	8.32	4,185,269	7.91	20.99

Export of Goods

Pakistan's exports to the world peaked in 2013-14 at \$25.1 billion. In the following three years, the country's exports dropped to \$20.4 billion in FY '17. However, in FY '18, exports slightly recovered to \$23.2 billion. Articles of textile, particularly cotton based, have traditionally been the main export item, contributing as much as 61% to exports in the last 8 years.



Exports Breakdown – FY '18 vs. FY '17

Pakistan's total exports for the fiscal year 2018 have been broken into major categories in the table below

Commodities	Financial Year 2018		Financial Year 2017		% Change in Export Value YoY
	Export Value ('000 US\$)	Share in Total Exports (%)	Export Value ('000 US\$)	Share in Total Exports (%)	
TOTAL	23,221,968	-	20,422,236	-	13.71
Textile Group	13,530,055	58.26	12,450,733	60.97	8.67
Food Group	4,797,936	20.66	3,711,159	18.17	29.28
Chemicals Group	1,042,048	4.49	880,377	4.31	18.36
Leather Group	853,023	3.67	836,718	4.10	1.95
Petroleum Group	393,643	1.70	189,296	0.93	107.95
Sports Goods Group	332,516	1.43	308,361	1.51	7.83
Engineering Group	206,069	0.89	174,190	0.85	18.30
Miscellaneous Items	2,066,678	8.90	1,871,402	9.16	10.43

Export of Textiles

In FY '18, Textile exports increased by more than 8% wherein exports of yarn and raw cotton were the main contributors to this increase.

The textile exports for the year are shown below:

Commodities	Financial Year 2018		Financial Year 2017		% Change in Export Value YoY
	Export Value ('000 US\$)	Share in Total Exports (%)	Export Value ('000 US\$)	Share in Total Exports (%)	
TOTAL	23,221,968	-	20,422,236	-	13.71
Textile Group	13,530,055	58.26	12,450,733	60.97	8.67
<i>Knitwear</i>	2,719,787	11.71	2,361,458	11.56	15.17
<i>Readymade Garments</i>	2,579,001	11.11	2,318,759	11.35	11.22
<i>Bed wear</i>	2,261,002	9.74	2,137,705	10.47	5.77
<i>Cotton Cloth</i>	2,203,573	9.49	2,135,787	10.46	3.17
<i>Cotton Yarn</i>	1,371,804	5.91	1,243,745	6.09	10.30
<i>Towels</i>	797,108	3.43	800,569	3.92	-0.43
<i>Other made-up garments</i>	683,124	2.94	638,223	3.13	7.04
<i>Art, Silk & Synthetic Textiles</i>	309,681	1.33	187,587	0.92	65.09
<i>Tents, Canvas and Tarpaulin</i>	85,275	0.37	133,787	0.66	-36.26
<i>Yarn (other than cotton)</i>	33,411	0.14	24,063	0.12	38.85
<i>Raw Cotton</i>	58,227	0.25	43,567	0.21	33.65
<i>Other Textile Materials</i>	428,062	1.84	425,483	2.08	0.61

Export of Food Group

Pakistan exports food items such as rice, fruits, etc., in significant quantities. However, most food exports are in basic and raw form, that is with minimal to no value addition. The share of food exports has increased YoY in FY '18 to almost 21%. The main contributors to this incremental increase were rice and wheat.

The food exports for FY '18 is given below:

Commodities	Financial Year 2018		Financial Year 2017		% Change in Export Value YoY
	Export Value ('000 US\$)	Share in Total Exports (%)	Export Value ('000 US\$)	Share in Total Exports (%)	
TOTAL	23,221,968	-	20,422,236	-	13.71
Food Group	4,797,936	20.66	3,711,159	18.17	29.28
<i>Rice</i>	2,037,075	8.77	1,606,834	7.87	26.78
- Basmati Rice	540,231	2.33	453,441	2.22	19.14
- Others	1,496,844	6.45	1,153,393	5.65	29.78
<i>Sugar</i>	508,333	2.19	161,039	0.79	215.66
<i>Fish and its Preparations</i>	451,026	1.94	393,662	1.93	14.57
<i>Fruits</i>	400,237	1.72	380,904	1.87	5.08
<i>Vegetables</i>	241,426	1.04	184,916	0.91	30.56
<i>Wheat</i>	236,339	1.02	1,038	0.01	22,668.69
<i>Meat & its Preparations</i>	225,646	0.97	220,662	1.08	2.26
<i>Spices</i>	79,154	0.34	84,572	0.41	-6.41
<i>Oil seeds, Nuts & Kernels</i>	37,194	0.16	47,293	0.23	-21.35
<i>Tobacco</i>	26,073	0.11	14,813	0.07	76.01
<i>All other food items</i>	555,433	2.39	614,898	3.01	-9.67

Export of Chemicals

Pakistan exports some chemical products such as plastic materials, pharmaceutical products and fertilizer in limited quantities.

The breakup of exports of chemical products is shown in the table below

Commodities	Financial Year 2018		Financial Year 2017		% Change in Export Value YoY
	Export Value (' 000 US\$)	Share in Total Exports (%)	Export Value (' 000 US\$)	Share in Total Exports (%)	
TOTAL	23,221,968	-	20,422,236	-	13.71
Chemicals Group	1,042,048	4.49	880,377	4.31	18.36
<i>Plastic Materials</i>	237,969	1.02	217,764	1.07	9.28
<i>Pharmaceutical Products</i>	194,864	0.84	213,677	1.05	-8.80
<i>Manufactured Fertilizer</i>	51,318	0.22	10,158	0.05	405.20
<i>Other Chemicals</i>	557,897	2.40	438,778	2.15	27.15

Export of Leather Goods

Leather industry has historically been the second biggest export sector after textiles, particularly in terms of its export capacity. Most of the activity in the leather industry pertained to tanning of leather, which is the process of converting raw hides into leather. Value-addition has been minimal as most of the tanned leather is exported to countries like China, Italy, Vietnam, etc. However, over the years, particularly in the last decade, the industry has been in decline for a number of reasons. Environmental standards for leather processing have become very stringent which local industrialists find difficult to comply with due to a lack of capacity. The cost of leather tanning in Pakistan has become uncompetitive relative to the world, mainly because most of the tanneries in the country are in the SME sector lacking scale and the capacity to implement automation. China has a large tanning industry with a much lower cost structure pushing local tanneries out of export markets.

The export of leather goods is shown in the table on the next page:

Commodities	Financial Year 2018		Financial Year 2017		% Change in Export Value YoY
	Export Value ('000 US\$)	Share in Total Exports (%)	Export Value ('000 US\$)	Share in Total Exports (%)	
TOTAL	23,221,968	-	20,422,236	-	13.71
Leather Group	853,023	3.67	836,718	4.10	1.95
<i>Leather Tanned</i>	330,154	1.42	345,566	1.69	-4.46
<i>Leather Garments</i>	294,399	1.27	291,893	1.43	0.86
<i>Leather Gloves</i>	215,855	0.93	187,107	0.92	15.36
<i>Other Leather Goods</i>	12,615	0.05	12,152	0.06	3.81

Export of Petroleum Products

Pakistan exports crude oil and other petroleum products in limited quantities. Petroleum products are majorly exported to neighbouring Afghanistan which lacks refining capacity to meet its domestic demand. On the other hand, domestic crude oil is exported to countries like the UAE, Australia and Singapore. Pakistan has limited refining capacity which is more suited to Arabian Light oil.

Composition of oil exports is given below:

Commodities	Financial Year 2018		Financial Year 2017		% Change in Export Value YoY
	Export Value ('000 US\$)	Share in Total Exports (%)	Export Value ('000 US\$)	Share in Total Exports (%)	
TOTAL	23,221,968	-	20,422,236	-	13.71
Petroleum Group	393,643	1.70	189,296	0.93	107.95
<i>Crude Petroleum</i>	190,378	0.82	76,972	0.38	147.33
<i>Petroleum Products</i>	147,477	0.64	70,829	0.35	108.22
<i>Petroleum Top Naphtha</i>	55,788	0.24	41,495	0.20	34.45

Export of Sports Goods

Pakistan is a major global supplier of sports goods, in particular inflatable balls. The city of Sialkot is the manufacturing hub for sports goods in Pakistan and produces as many as 40 million handstitched footballs per annum, roughly translating to 70% of world demand for the product¹. While footballs are the largest export item in the sports goods sector, it is not limited to just that. Exports of gloves, cricket bats and basketballs are also significant.

The details of sports goods export for FY '18 is given below:

Commodities	Financial Year 2018		Financial Year 2017		% Change in Export Value YoY
	Export Value ('000 US\$)	Share in Total Exports (%)	Export Value ('000 US\$)	Share in Total Exports (%)	
TOTAL	23,221,968	-	20,422,236	-	13.71
Sports Goods Group	332,516	1.43	308,361	1.51	7.83
Footballs	166,881	0.72	152,565	0.75	9.38
Gloves	111,740	0.48	107,918	0.53	3.54
Other Sport Goods	53,895	0.23	47,878	0.23	12.57

Export of Engineering Goods

Engineering goods constitute the smallest share in Pakistan's exports as a category in recent years. Once a flourishing industry, Pakistan's engineering exports have been reduced to a few million over the years.

The break-up of exports of engineering goods is given below:

Commodities	Financial Year 2018		Financial Year 2017		% Change in Export Value YoY
	Export Value ('000 US\$)	Share in Total Exports (%)	Export Value ('000 US\$)	Share in Total Exports (%)	
TOTAL	23,221,968	-	20,422,236	-	13.71
Engineering Goods	206,069	0.89	174,190	0.85	18.30
<i>Machinery for Particular Industries</i>	45,333	0.20	24,707	0.12	83.48
<i>Electric Machinery</i>	45,007	0.19	33,009	0.16	36.35
<i>Electric Fans</i>	26,194	0.11	29,054	0.14	-9.84
<i>Auto parts & Accessories</i>	16,895	0.07	13,570	0.07	24.50
<i>Transport Equipment</i>	8,672	0.04	9,399	0.05	-7.73
<i>Other Machinery</i>	63,968	0.28	64,451	0.32	-0.75

¹ <https://nation.com.pk/30-Nov-2015/sialkot-catering-70-of-total-world-demand-of-hand-stitched-inflatable-balls>

Export of Miscellaneous Items

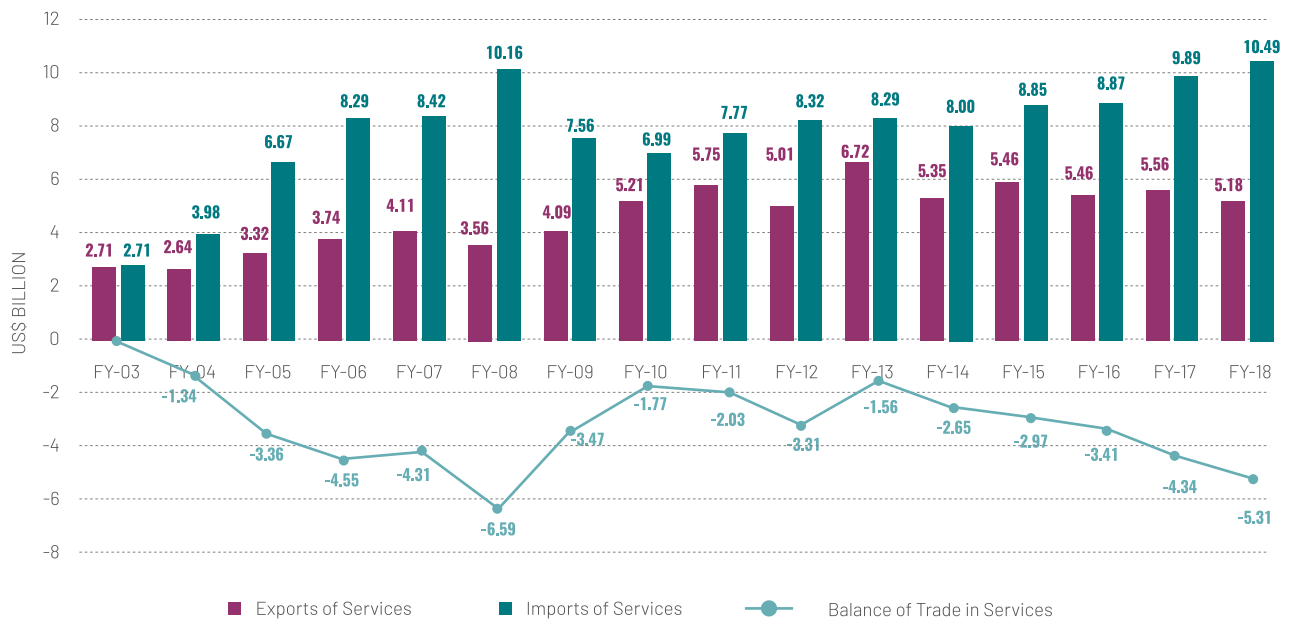
Major export items other than textiles, food group and leather are shown in the table below:

Commodities	Financial Year 2018		Financial Year 2017		% Change in Export Value YoY
	Export Value ('000 US\$)	Share in Total Exports (%)	Export Value ('000 US\$)	Share in Total Exports (%)	
TOTAL	23,221,968	-	20,422,236	-	13.71
Miscellaneous Items	2,066,678	8.90	1,871,402	9.16	10.43
<i>Surgical & Medical Instruments</i>	379,030	1.63	339,778	1.66	11.55
<i>Cement</i>	222,845	0.96	237,827	1.16	-6.30
<i>Footwear</i>	108,072	0.47	95,740	0.47	12.88
<i>Cutlery</i>	89,617	0.39	82,477	0.40	8.66
<i>Carpets, Rugs & Mats</i>	75,852	0.33	78,504	0.38	-3.38
<i>Guar & Guar Products</i>	36,393	0.16	29,871	0.15	21.83
<i>Molasses</i>	19,258	0.08	11,619	0.06	65.75
<i>Gems & Jewellery</i>	9,952	0.04	8,827	0.04	12.74
<i>Onyx Manufactured</i>	5,314	0.02	4,875	0.02	9.01
<i>Handicrafts</i>	4,009	0.02	2,857	0.01	40.32
<i>Furniture</i>	3,858	0.02	4,500	0.02	-14.27
<i>All Other Items</i>	1,112,478	4.79	974,527	4.77	14.16

Balance of Trade in Services

Pakistan's trade in services peaked at \$15.7 billion in FY '18. The Services sector, which represented 53.5% of GDP in FY '18, caters primarily to the domestic market. Imports of services were highest in the last fiscal year, touching almost \$10.5 billion, whilst exports of services were less than half of imports. Pakistan's import of services mainly comprises of sophisticated IT services, financial services and travel, while exports are mainly IT and other business services. IT exports crossed the billion-dollar mark in FY '18.

Pakistan's Trade in Services



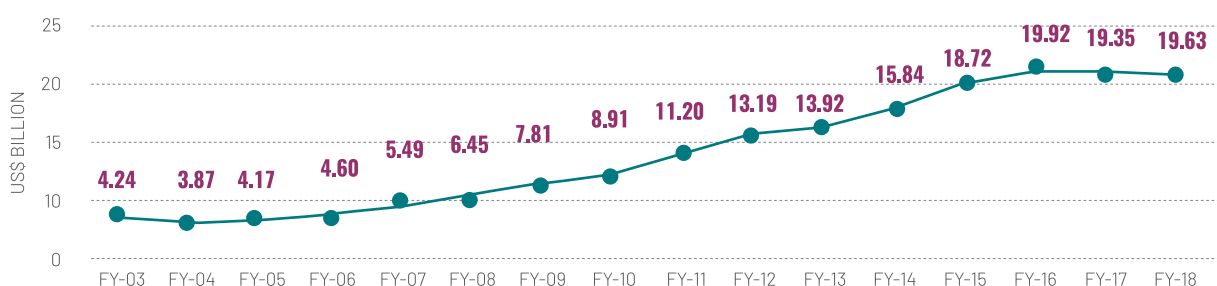
Workers' Remittances

Workers' remittance is the second biggest source of foreign exchange for the country. In FY '18, foreign remittances stood at \$19.63 billion, marginally down from their peak of \$19.92 billion in FY '16.

Post FY '15, growth in workers' remittances has been stagnant, partly because of the global economic slowdown. Most of Pakistan's diaspora reside in the oil-producing countries. With global oil prices coming down significantly in the last 2 years, the oil producing economies have been under financial duress leading to slow wage growth, and lay-offs on a large scale.

In FY '18, the leading sources of workers' remittances were Saudi Arabia (24.76%), UAE (22.08%), UK (14.08%), USA (13.83%) and other GCC countries (11.00%). The long-term trend in workers' remittances are shown in the figure below.

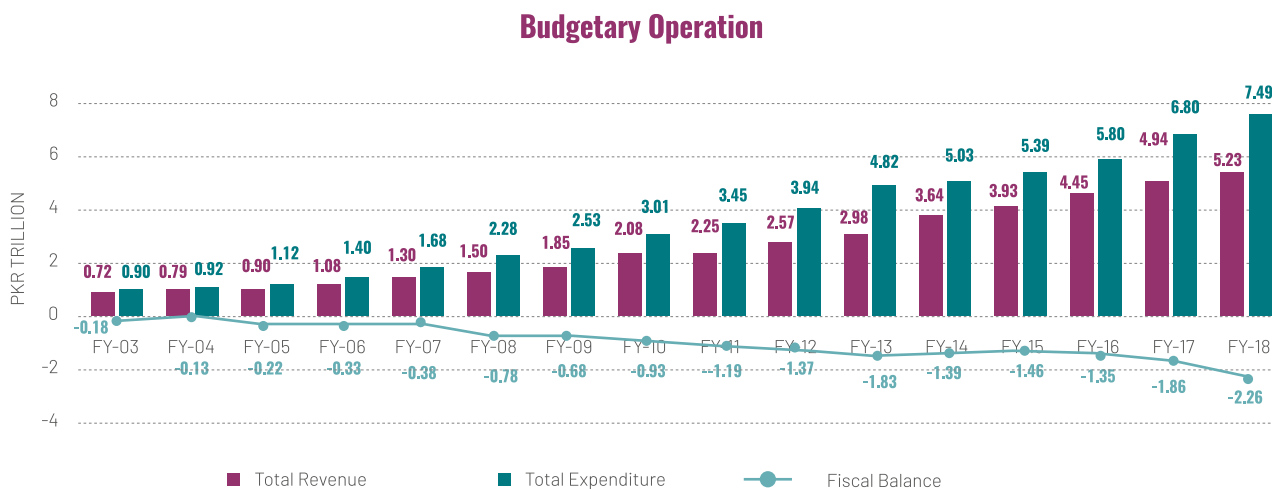
Workers' Remittances



Pakistan's Fiscal Sector

The fiscal deficit is a major concern for economic managers. To manage the fiscal deficit, the government borrows money each year from various sources including financial institutions.

The national budgetary operation from FY '03 onwards is shown in the figure below:

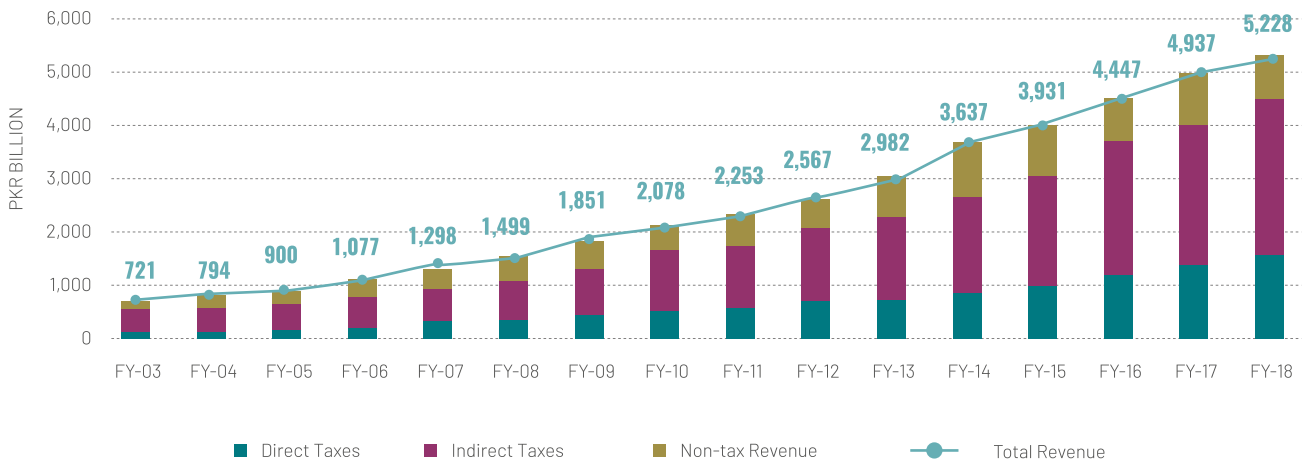


Budgetary operation includes figures for both federal and provincial revenue and expenditures expressed cumulatively in the illustration above. As can be seen, like almost every developing country, Pakistan's budget has always been in the red, with expenditures far exceeding revenues.

Total Government Revenue

The government raises revenue primarily from taxes comprising both direct and indirect taxes. In addition, there are some non-tax revenues such as royalties, revenue from state institutions and interest earnings. The country relies mainly on indirect taxes. Indirect taxes include sales tax, excise duty, import duties, levies on gas & petrol etc., all of which are major sources of tax revenue.

The consolidated provincial and federal revenue from FY '03 onwards is shown in the figure below:



As can be seen from the figure above, as of FY '18, 56% of government revenues came from indirect taxes while almost 15% came from non-tax revenue. The remaining 29% of government revenue came from direct taxes which are applied on incomes and profits of individuals and businesses.

Break-up of Government Revenue

Government revenue from tax and non-tax sources are shown below for the last six fiscal years. As evident from the table, the total revenue has almost doubled in the past 6 years; most of which was raised from taxation. Both direct and indirect tax revenues increased at a similar pace during the period under consideration; however, it cannot be determined whether the increased direct tax collection was borne by the existing tax payers or new tax payers were brought into the tax net.

(PKR million)

	FY '13	FY '14	FY '15	FY '16	FY '17	FY '18
Total Revenue	2,982,436	3,637,297	3,931,042	4,446,979	4,936,723	5,228,015
Tax Revenue	2,264,959	2,634,856	3,017,596	3,660,418	3,969,248	4,467,160
Direct Taxes	735,758	884,118	1,029,244	1,191,602	1,343,197	1,536,636
Indirect Taxes	1,529,201	1,750,738	1,988,352	2,468,816	2,626,051	2,930,524
<i>Taxes on Property</i>	6,730	9,233	10,794	3,860	7,036	5,551
<i>Excise Duty</i>	124,349	144,540	170,004	197,461	205,205	214,431
<i>Sales Tax</i>	841,324	1,002,110	1,088,823	1,323,685	1,323,261	1,491,310
<i>Taxes on International Trade</i>	239,608	240,997	306,140	406,180	496,018	608,325
<i>Sales Tax on Services GST</i>	-	-	-	129,752	170,791	223,860
<i>Motor Vehicles Tax</i>	13,975	15,565	15,872	19,077	21,282	24,123
<i>GIDC²</i>	33,556	31,817	57,021	79,771	42,149	15,176
<i>NGDS³</i>	32,171	38,530	25,874	32,654	73,262	24,212
<i>Petroleum Levy</i>	109,666	103,534	131,357	149,290	166,697	178,874
<i>Other Taxes</i>	127,822	164,412	182,467	127,086	120,350	144,662
Non-tax Revenue	717,477	1,002,441	913,446	786,561	967,475	760,855
Mark-up (PSEs & Others)	12,312	67,005	14,190	57,744	99,677	87,769
Dividend	63,484	65,947	74,101	88,545	69,704	57,454
Surplus profit of SBP	220,000	326,186	399,000	227,894	227,785	233,187
Oil/Gas Royalty	65,177	76,441	74,091	57,749	52,978	58,216
Other Non-Tax Revenue	356,504	466,862	352,064	354,629	517,331	324,229

² GIDC=Gas Infrastructural Development Cess

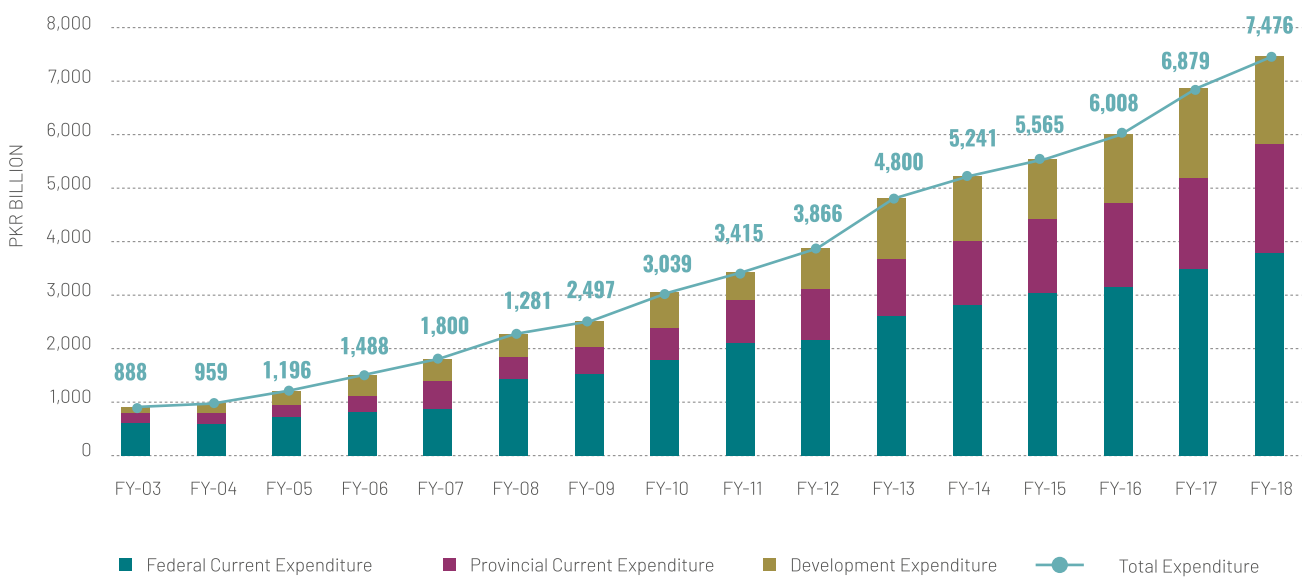
³ NGDS=National Gas Development Surcharge

Total Government Expenditures

The government's annual expenditure is mostly spent on paying for current expenditures. In FY '18, current expenditures made up 78% of total expenditures. Debt servicing and defence expenditure are the two biggest current expenditure items.

On the other hand, the development expenditure, which is net of lending to the provincial governments, is the smallest portion in expenditures. However, the relative share of development expenditure has been rising over the years; from 12% in FY '03 to 21.07% in FY '18.

The consolidated federal and provincial expenditure from FY '03 onwards is shown below:



Break-Up of Government Expenditures

The government's expenditures are broken down into current expenditure and development expenditure. Current expenditure in the last six financial years has been increasing thereby widening the deficit YoY as the increase in revenue has not caught up. Most of the increase in expenditure is due to swelling of current expenditures. Over the past 6 years, current expenditures grew by 60% while development expenditure increased by only 42%.

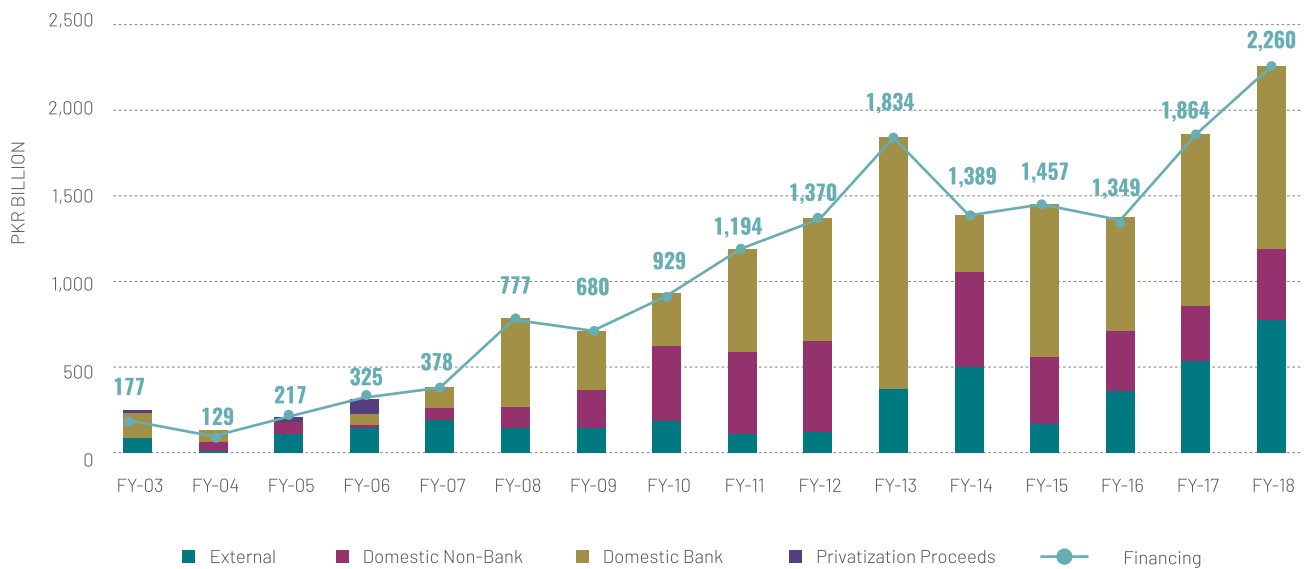
(PKR million)

	FY '13	FY '14	FY '15	FY '16	FY '17	FY '18
Total Expenditure	4,800,313	5,241,110	5,565,351	6,008,398	7,475,949	7,475,949
Current Expenditure	3,660,434	4,004,582	4,242,747	4,694,294	5,854,267	5,854,267
Federal Current Expenditure	2,565,222	2,831,249	3,037,584	3,144,276	3,789,767	3,789,767
<i>Servicing of Domestic Debt</i>	920,353	1,072,813	1,208,105	1,150,809	1,322,645	1,322,645
<i>Servicing of Foreign Debt</i>	70,614	74,980	95,662	112,559	177,277	177,277
<i>Superannuation & Pension</i>	172,638	180,202	185,169	222,519	333,675	333,675
<i>Defence Affairs and Service</i>	540,595	623,005	697,821	757,653	1,030,407	1,030,407
<i>Public Orders and Safety Affairs</i>	80,370	86,238	83,267	96,259	124,672	124,672
<i>Economic Affairs</i>	41,085	43,390	53,027	76,920	63,272	63,272
<i>Health</i>	9,512	10,132	10,900	12,172	16,625	16,625
<i>Education Affairs and Services</i>	56,941	65,409	73,222	82,595	98,200	98,200
<i>Other Current Expenditure</i>	673,114	675,080	630,411	632,790	622,994	622,994
Provincial Current Expenditure	1,095,212	1,173,333	1,387,163	1,550,018	2,064,500	2,064,500
Development Expenditure	1,139,872	1,236,528	1,140,604	1,314,104	1,621,682	1,621,682
Public Sector Development Program	695,081	865,454	897,753	1,185,809	1,456,247	1,456,247
Other Development Expenditure & Net Lending	444,798	371,074	152,851	128,296	90,185	90,185

Funding the Fiscal Deficit

The government of Pakistan raises finances from multiple sources to fund the fiscal deficit. These sources vary from domestic banking channels to international debt markets. The government relies most on domestic banks to manage its fiscal deficit followed by external financing sources such as FDI, loans and grants. The utilization of non-bank domestic financing sources has been volatile over the years; for example, from FY '14 onward, the use of non-bank financing has been largely replaced by bank borrowing.

The fiscal deficit financing trend over the years is shown in the figure below where it can be seen that the deficit has been mounting over the years with its peak in FY '18 at Rs. 2.26 trillion.



Break-Up of Government's Fiscal Deficit Financing

The table below shows how the government has financed the fiscal deficit in the last 6 years:

	(PKR million)					
	FY '13	FY '14	FY '15	FY '16	FY '17	FY '18
Total Financing	1,833,864	1,388,719	1,456,725	1,456,725	1,863,797	2,260,380
External Inflows	- 1,676	511,727	181,032	181,032	541,390	785,166
Gross External financing	216,196	823,839	466,225	466,225	1,085,704	1,235,355
<i>Project Aid</i>	149,569	194,104	143,035	143,035	335,587	372,736
<i>Program Loans</i>	12,859	194,496	102,577	102,577	572,586	441,711
<i>Other Loans</i>	24,666	241,451	198,243	198,243	152,253	374,130
<i>Grants</i>	29,102	157,198	22,370	22,370	25,278	36,954
<i>Project Loans & Grants outside PSDP</i>	-	36,590	-	-	-	9,824
Less: Repayments of External Debt	-217,872	- 312,112	- 285,193	- 285,193	- 544,314	- 420,189
Net Internal Inflows	1,835,540	876,992	1,275,693	1,275,693	1,322,407	1,475,214
Non-Bank	378,040	553,330	366,138	366,138	276,629	352,719
<i>Prize Bond</i>	56,175	56,427	75,885	75,885	100,445	103,899
<i>Foreign Currency Instruments</i>	3,372	-66	135	135	- 8	677
<i>Govt. Securities</i>	135,304	473,229	52,890	52,890	78230	- 73,344
<i>Treasury Bills</i>	- 156,591	- 158,114	- 27,523	- 27,523	5,549	175,587
<i>Saving Schemes</i>	329,901	139,998	260,218	260,218	82,767	98,862
<i>GP Fund</i>	18,615	7,383	6,812	6,812	-1,188	2,881
<i>Deposits & Reserves</i>	- 6,988	36,882	2,397	2,397	10,536	18,499
<i>Non-Bank Provincial</i>	- 1,748	- 2,409	- 4,676	- 4,676	298	25,658
Bank	1,457,500	323,662	892,057	892,057	1,045,778	1,120,495
<i>Federal</i>	1,508,487	518,193	974,679	974,679	1,030,210	1,128,621
<i>Provincial</i>	-50,987	- 194,531	- 82,622	- 82,622	15,568	-8,126
Privatization Proceeds	-	-	17,498	17,498	-	2,000



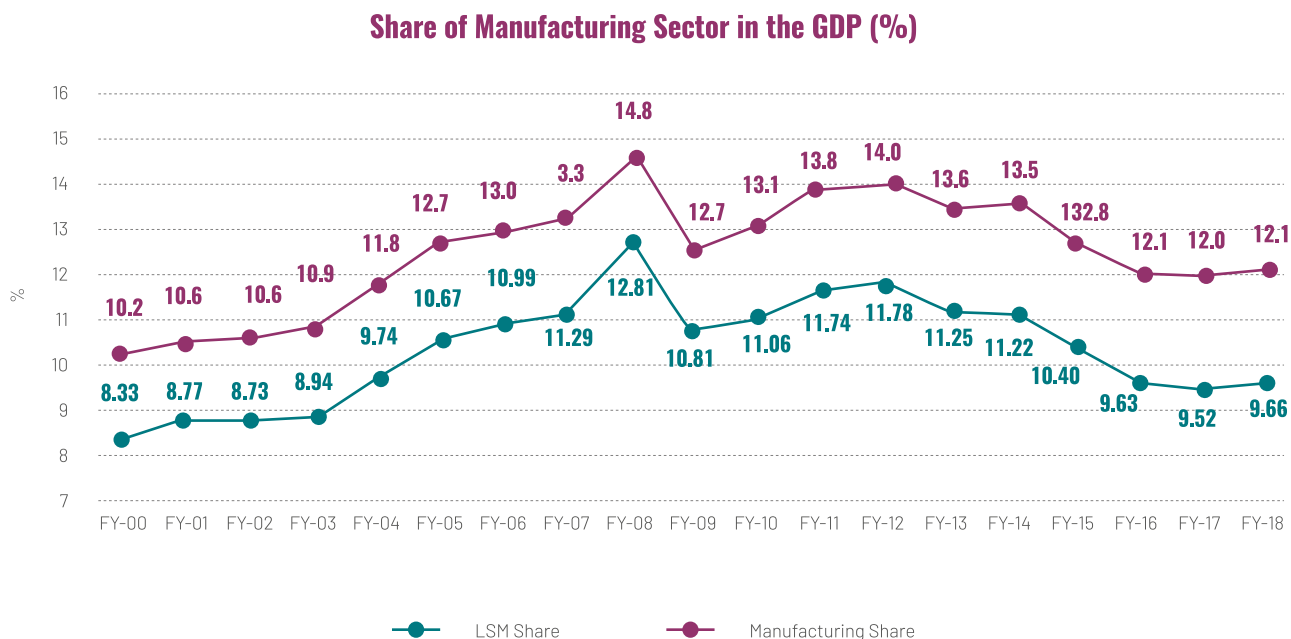
A photograph of an industrial facility, likely a steel mill, featuring several tall, rusted smokestacks against a clear blue sky. The foreground is a dry, grassy field. The image is split vertically, with the left half showing a different view of the same or a similar industrial site.

SECTION II

The Premature Deindustrialization of Pakistan

Pakistan is Deindustrializing Prematurely

The share of manufacturing in Pakistan's GDP is on a decline. From a historical high of 14.8% in FY '08, the share of manufacturing in the country's annual output has been on a decline. As of FY '18, there has been a very minimal increase of 0.1% from the low of 12% in FY '17. The figure below shows share of the manufacturing sector and the contribution of LSM in the country's annual output.



Deindustrialization is a phenomenon experienced by developing countries at an advanced stage of development where the contribution of the industrial sector at large is diminishing; replaced by the services sector. Premature deindustrialization is when economies at a nascent stage of development move away from the manufacturing sector. The importance of industries is immense in sustainable development of any economy as it acts as a cogwheel to generate economic growth. Pakistan, an economy of \$300 billion with GDP per capita of \$1,560 is by no means at a stage where it can afford to offshore its jobs and industries. With a population in excess of 200 million, of which almost 30% live below the poverty line, it needs the industrial sector to absorb the bulge of human capital and help lift standard of living of its citizens. The external account crisis is also a result of deindustrialization where the lack of local industrial capacity has led to stagnant exports and booming imports. If the current trend persists in terms of sectoral share of manufacturing in GDP, the external account deficit will continue to grow while the income disparity between the world and Pakistan will further widen.

Deindustrialisation Mainly Caused by Structural Flaws in Pakistan's Economy

1. Uncompetitive Input Costs

The Cost of Production in Pakistan is significantly higher as compared to its regional peer countries. Countries like Bangladesh, India, Sri Lanka and Vietnam have lower input cost structures as compared to Pakistan. Three major input cost components; wage rates, electricity rates and gas rates determine competitiveness for textiles and other manufactures in a country. The countries against which Pakistan's cost structure is compared have a similar export base to Pakistan, where a significant part of export revenue is based on textiles.

The input costs given below for each of the countries are for fiscal year 2018.

	Minimum Wage Rate Per Month (US\$)	Grid Electricity Rates (US\$/kWh)	Gas Rate (US\$/m ³)
Pakistan	136.54	0.13	0.23 ⁴
Bangladesh	54.84 - 63.42	0.11	0.09
India	98.67 - 213.32	0.11	0.13
Sri Lanka	67.19	0.09	0.10
Vietnam	60.72 - 173.86	0.05	N/A

In terms of multiple of the cost in Pakistan, the competitor countries' cost structure is as below:

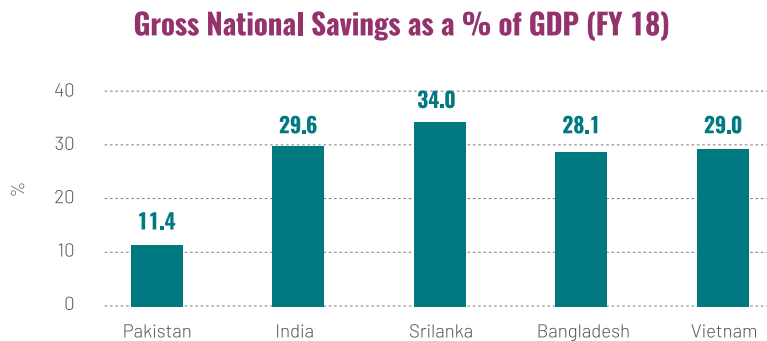
	Minimum Wage Rate Per Month (Cost Multiple in PK)	Grid Electricity Rates (Cost Multiple in PK)	Gas Rate (Cost Multiple in PK)
Bangladesh	2.5 x	1.2 x	2.6 x
India	1.4 x	1.2 x	1.8 x
Sri Lanka	2.0 x	1.5 x	2.3 x
Vietnam	2.3 x	2.6 x	

⁴ The gas price quoted is inclusive of GIDC.

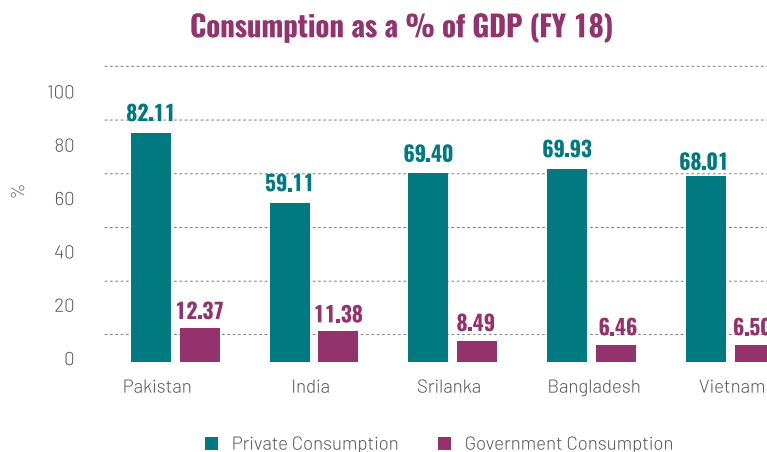
2. Lack of Capital for the Industries and Increased Consumerism

The access to capital for industries is limited in Pakistan. Pakistan has one of the lowest savings rates in the region. The gross national savings rate, which is the total level of savings in the economy including domestic and government savings and the net factor income from abroad, are around a third of peer countries.

As can be seen in the figure, Pakistan's Gross National Savings are a mere 11.4% of GDP.

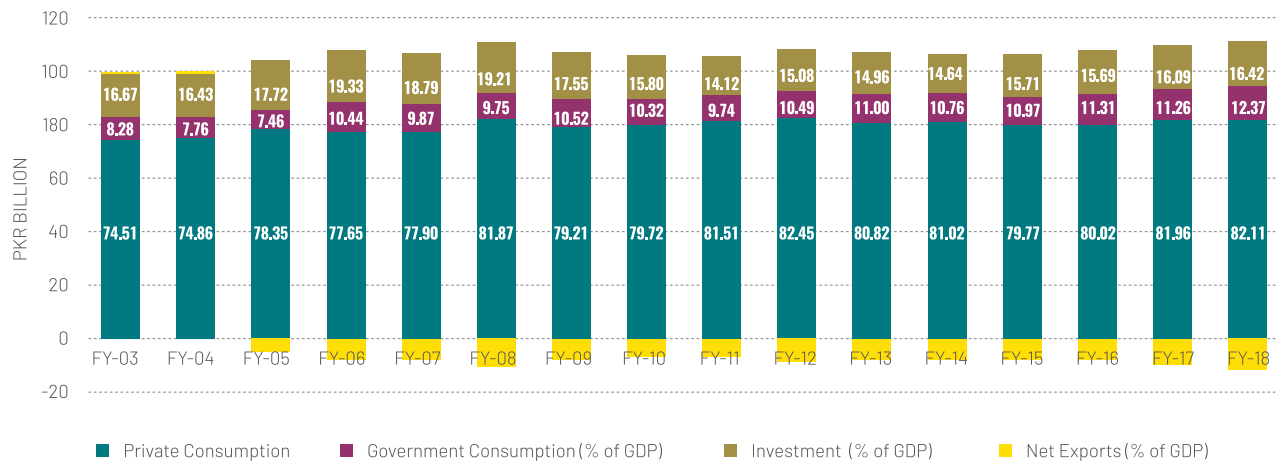


The low levels of savings in Pakistan is primarily due to high levels of consumption; both by households and the government. Between Pakistan and India, there exists a 23% disparity between the levels of consumption by an average household implying that on average a Pakistani household spends 23% more than its Indian counterpart.



Consumption has been on a rise over the years in Pakistan, primarily on the back of an ever-growing population. The increasing consumption trend is mainly due to a growing middle class coupled with increasing urbanization which has fuelled consumerism. As of FY '18, almost 70 million can be classified in the middle class which is more than a third of the population growing at the rate of 2 million per annum. The middle class is generally more consumption oriented than other segments. As an example, the penetration of durables in Pakistan is significantly higher than India even though India has a higher GDP per capita. This can be seen in the figure below:

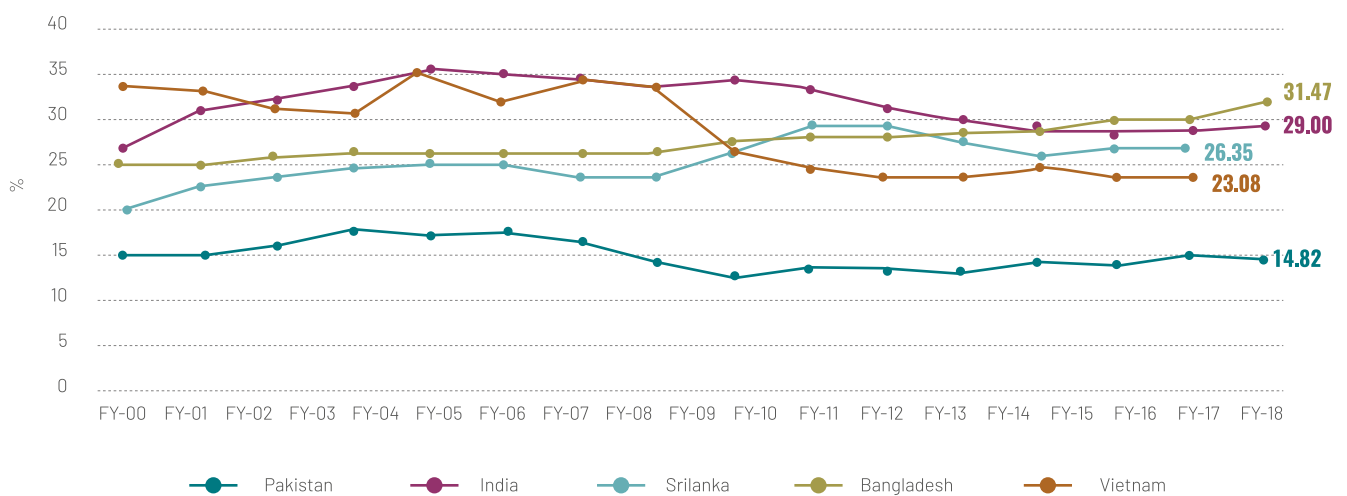
Break Up of Pakistan's GDP based on Expenditure



As evident from the figure above, investments have been limited due to ever-increasing levels of consumption. From 74.5% in FY '03, private consumption increased to 82.11% in FY '18. Likewise, government consumption and negative net exports (net imports) leave little space for investments.

Gross Capital Formation (GCF) in Pakistan has been very limited. The GCF in an economy, measures net increase in physical assets in a given period. Pakistan's GCF has been relatively low, and on a declining trend over the years. Pakistan's capital formation rate is half that of India and Bangladesh. The most notable country here is Bangladesh, which has been able to increase its GCF from around 25% in FY '03 to almost 31.5% in 2018. The results of Bangladesh's increasing investments can be seen in the form of an increase in Bangladesh's exports and GDP.

Gross Fixed Capital Formation (% of GDP)



Gross Capital Formation in Pakistan

	FY '17 (PKR Billion)	FY 18 (PKR Billion)	% Change YoY
Total	4,632.78	5,099.11	10.07
Private Sector	3,205.52	3,371.22	5.17
Agriculture	928.95	1,000.22	7.67
Mining and Quarrying	49.8	50.1	0.6
Manufacturing	512.67	517.93	1.03
<i>Large-Scale</i>	<i>479.47</i>	<i>481.91</i>	<i>0.51</i>
<i>Small-Scale & Slaughtering</i>	<i>33.2</i>	<i>36.02</i>	<i>8.52</i>
Electricity Generation & Elec and Gas Distribution	9.19	6.33	-31.18
Construction	82.87	69.43	-16.21
Wholesale & Retail Trade	86.62	95.62	10.39
Transport, Storage & Communication	470.04	472.13	0.44
Finance & Insurance	53.76	53.56	-0.38
Housing Services	622.47	674.31	8.33
Other Private Services	389.15	431.59	10.9
Public Sector	339.52	373.29	9.95
General Government	1,087.74	1,354.6	24.53

The Gross Capital Formation for Pakistan has gone up by around 10% in FY 18; however, a significant part of the increase was on the back of increased government's investment.

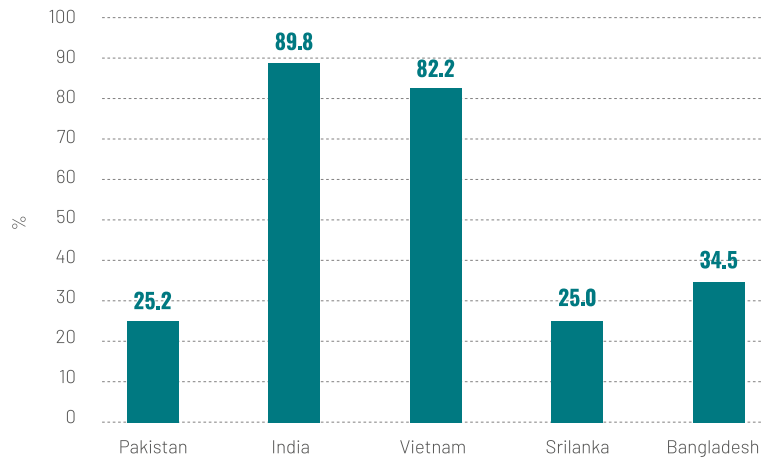
Within the private sector, the agriculture sector has been the biggest puller for investments attracting as much as 20% of the entire investments in the country. Followed by the housing services which includes realtor services and other housing related services. Other than that, large-scale manufacturing has been attracting sizeable investments; but the YoY increase has been minimal.

Due to the lack of a savings culture, the total deposits at the scheduled banks in Pakistan stood at Rs. 13.06 trillion as on June 29th, 2018. What should be noted here is that only 21% of Pakistan's adults have bank accounts. On the same date, the amount of total loans and credit outstanding was Rs. 13.59 trillion of which 49% was to the government sector and 9% was to the Public Sector Enterprises. Only 34% of the total loans and credit outstanding was to the private sector.

In Pakistan, stock market penetration is relatively low. A mere 600 odd companies are listed on Pakistan's equity capital market compared with more than 6,000 in India. In FY '18, only 3 new companies were listed on the Pakistan Stock Exchange (PSX).

Market capitalization shows the value of all shares and securities at market price on a given date. For comparative purposes, stock market capitalization is calculated against GDP which shows the relative size of a country's capital market against its GDP.

Market Capitalization (% of GDP)

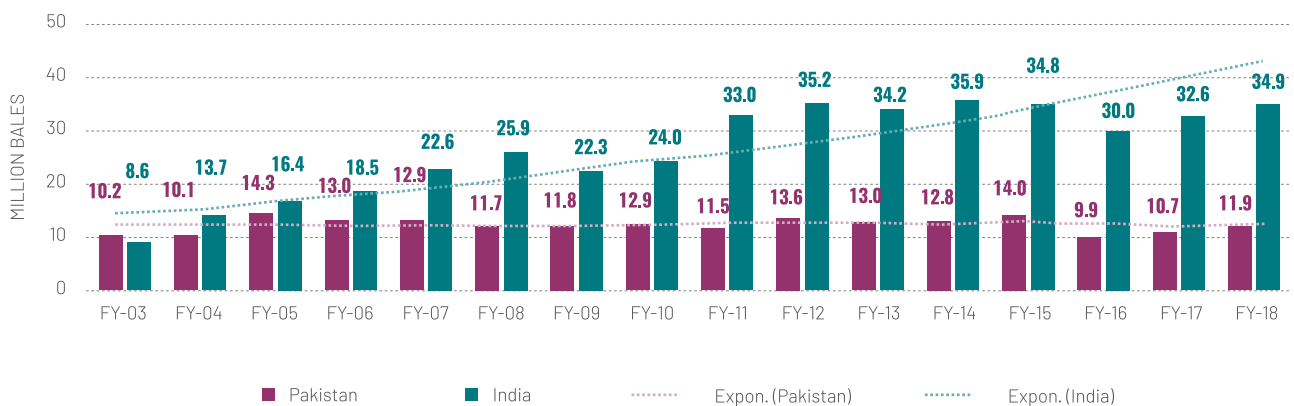


3. Low Factor Productivity

Pakistan is marred with low factor productivity; primarily because of little to no research & development in productivity and efficiency enhancement. Labour in Pakistan is relatively inefficient, almost 60% of the population lives in rural areas and 44% of the population works in the agricultural sector; however, the sector contributes just 23% in the country's annual output.

Yield of the cotton crop in Pakistan is low despite its importance. The cotton yield, which is a measure of the tons of cotton produced on a hectare of land, is around half of that in China.

Cotton Production



Other than cotton, the yield for every other crop is poor as compared to the world's best. Pakistan imports as much as \$6 billion worth of agricultural inputs and food items including edible oil, pulses, sugar and cotton.

China is the world leader in terms of cotton productivity. It grows 30% of the world's cotton on 15% of the world's cotton cultivated area. Its achievement in this regard can be attributed to the adoption of intensive farming technologies and innovative practices including seedling transplanting, plastic mulching, double cropping, plant pruning, drip irrigation and the use of super-high plant density technique.

	Pakistan's Yield (Tons/Hectare)	India's Yield (Tons/Hectare)	World's Best Yield (Tons/Hectare)	Pakistan's Yield as a % of World's Best
Rice	2.6	2.6	9.8 (USA)	27%
Wheat	2.9	3.4	7.4 (France)	39%
Pulses	0.7	0.8	1.9 (Canada)	37%
Sugarcane	61.8	79.7	112.7 (Egypt)	55%
Cotton	0.8	0.5	1.8 (China)	42%
Maize	4.6	1.9	10.3 (France)	45%

As the table above suggests, Pakistan at best has half the per hectare yield as that of the world leader for each of the respective agricultural crops.

4. High Tax Rates and a Complex and Biased Tax Collection System

Tax rates in Pakistan are high; for both direct and indirect taxes. Due to the high incidence of direct and indirect taxation, the cost of production increases for industries which is ultimately borne by the consumer. Pakistan is a country with one of the highest corporate tax rates within developing countries.

	Corporate Tax Rate	Sales Tax Rate
Pakistan	37% ⁵	17%
Bangladesh	25%	15%
India	30%	12%
Sri Lanka	28%	12%
Vietnam	20%	10%

⁵ Includes Super Tax, WWF and WPPF

High taxes for corporates incentivize businesses to stay in the undocumented regime as their tax incidence is much lower.

In addition to high corporate tax rates, there are various other fiscal liabilities to which public limited companies are subjected, these include cascading taxes on intercorporate dividends, imposition of super tax, tax on bonus shares, minimum turnover tax, tax on retained reserves and the undoing of previously effective Group Relief Laws. All of these measures along with high corporate tax rates impede consolidation and limits the ability of the domestic industries to build scale. The fiscal policies clearly show the state's bias against corporates and large businesses and industries.

Other than the high rates of taxation, the tax structure is heavily biased against manufacturing concerns. Large industries are subjected to turnover taxes even in their years of losses. Capital intensive industries bear losses during the time of low volume operations. However, the government imposes a minimum turnover tax on them. Overall, the manufacturing sector alone carries more than half the weight of the direct taxes collected.

	Share in GDP	Share in Tax Revenue
Manufacturing	12.1 %	58 %
Agriculture	22.6 %	< 1 %
Services Total	53.5 %	37 %
<i>Retail/Wholesale</i>	18.4 %	1 %

The country's tax base is small while large segments of the economy are out of the tax net. The current regime of withholding taxes has turned all companies into tax collection units which are required to collect taxes from their suppliers and submit it to the government. The original purpose of introducing withholding tax was to identify the non-tax filers and bring them into the tax net; however, over the years this has become just a tool for the FBR to collect additional taxes.

The World Bank Group in its Ease of Doing Business report shows that paying taxes in Pakistan is most difficult among the 5 peer countries. Post the 18th Amendment to the constitution, the provinces have been delegated to collect taxes on certain activities including services. Because of the lack of inter-provincial harmony in taxation policies and also between the provinces and the federation, businesses operating across the country have to comply with multiple tax regimes. Countries like India and Vietnam have successfully amalgamated multiple taxes to bring the number of taxes and levies applicable on businesses down to 10 and 13 respectively.

	Paying Taxes Rank (WB Doing Business Ranking)	Number of Taxes	Post-filing Index
Pakistan	173	47	47
Bangladesh	151	33	33
India	121	13	13
Sri Lanka	141	36	36
Vietnam	131	10	10

5. Poorly Negotiated Trade Agreements

A Free Trade Agreement (FTA) or a Preferential Trade Agreement (PTA) is an agreement between two or more countries to allow commerce in goods and services across their borders without any quotas or hindrances and subject to minimal tariff, if not zero tariff.

Pakistan has signed three major FTAs, these are with China, Sri Lanka and Malaysia, and three PTAs with Iran, Mauritius and Indonesia. However, none of the trade agreements that Pakistan has signed, except with Sri Lanka and that too marginally, has benefited the country or its export competitiveness. On the contrary, the poorly negotiated agreements have hurt local industries. There has been an influx of cheap goods from partner countries, mainly from China, which has undermined domestic manufacturing. Finally, under-invoicing and mis-declaration of import consignments to take advantage of tariff concessions has further damaged local industry.

	Year Implemented	PK's Exports in the Year of Implementation (US\$ Million)	PK's Exports in 2017 (US\$ Million)	PK's Import in the Year of Implementation (US\$ Million)	PK's Imports in 2017 (US\$ Million)	PK's Trade Balance in the year of Implementation (US\$ Million)	PK's Trade Balance in 2017 (US\$ Million)
Sri Lanka	2005	154	↑ 269	59	↑ 103	94	↑ 166
China	2006	507	↑ 1,508	2,915	↑ 15,383	- 2,408	↓ - 13,875
Malaysia	2008	138	↓ 129	1,694	↓ 1,101	- 1,556	↑ - 971
Indonesia	2013	144	↑ 166	1,208	↑ 2,583	- 1,064	↓ - 2,418
Mauritius	2007	36	↓ 19	0.5	↑ 4	35	↓ 15
Iran	2004	102	↓ 27	281	↑ 327	- 189	↓ - 301

6. An Overvalued Currency

Pakistan has a managed exchange rate regime where the central bank, with the government’s input, determines the exchange rate against the major currencies. Historically, Pakistan has been depreciating the Rupee against the US Dollar at roughly 5% per annum and this has been the trend for the past two decades. However, competitor countries such as Bangladesh, India and Sri Lanka have a relatively freer exchange rate regime where the government or the central bank allows the local currency unit (LCU) to depreciate if market forces dictate so.

Pakistan, like Sri Lanka, India and Bangladesh, all focus on exports. In promoting exports and maintaining global competitiveness, an effective exchange rate is part of a country’s monetary policy that allows a country’s exports to remain competitive. By limiting depreciation in the value of the Rupee, Pakistan has made the PKR relatively more expensive against competitor countries’ currencies making the locally manufactured products costlier in the global market. Also, this makes imports relatively cheaper. This has played a major role in the worsening of the country’s current account balance.

Average Annual Exchange Rate Movement (LCU/US\$)



7. Non-cascading Tariffs

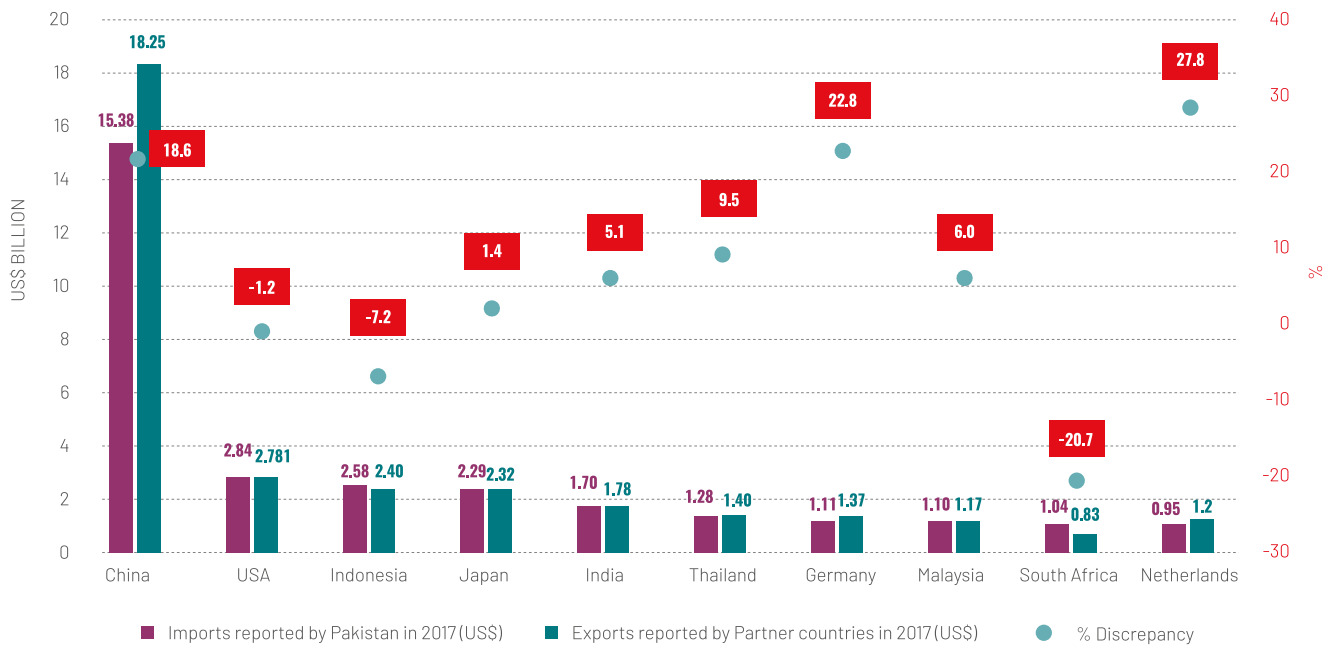
A rational import tariff is one where raw material is subjected to minimal import duties; intermediary or semi-manufactured goods are subjected to incremental duties and the final or finished goods have the maximum import tariffs in order to promote maximum value-addition domestically. This is called a Cascading Tariff Structure. The import tariffs in Pakistan, however, are not streamlined in this fashion. The imposition of additional import duties and Regulatory Duties (RD) distort the cascading structure as the FBR applies incremental duties in an ad hoc fashion where the value chain is not taken into account. The FBR simply takes into account the volume of imports to decide the items on which to impose RD. Such decisions have dis-incentivised businesses to manufacture locally, and rely more on importing the finished products. One such example for footwear is illustrated below:

	Import Duty before RD
Raw & Intermediate Materials	
Soles	20%
Heels	20%
Laminate Fabrics	20%
PU Chemicals	25%
Insole Board	20%
Zipper	20%
Finished Goods	
Shoes	20%

As the table suggests, import duties on raw materials required in shoe manufacturing are subjected to equal and higher tariffs as compared to tariffs on finished shoes. Such a regime has effectively killed the once vibrant shoe manufacturing industry in Pakistan.

8. Significant Under-invoicing of Imports and Smuggling of Goods into the Country

Under-invoicing of imports is rampant in Pakistan where there exists extreme disparity between the value that Pakistan reports as its imports from a partner country, and exports to Pakistan that the same partner country reports. This is done to evade import duties and taxes by the local commercial importers. The extent to which under-invoicing and mis-declaration is prevalent in the country's international trade can be seen in the figure below which compares the import value declared in Pakistan with export values declared by the top ten partner countries for 2017. It also shows on the right axis the percentage discrepancy in the two reported values.

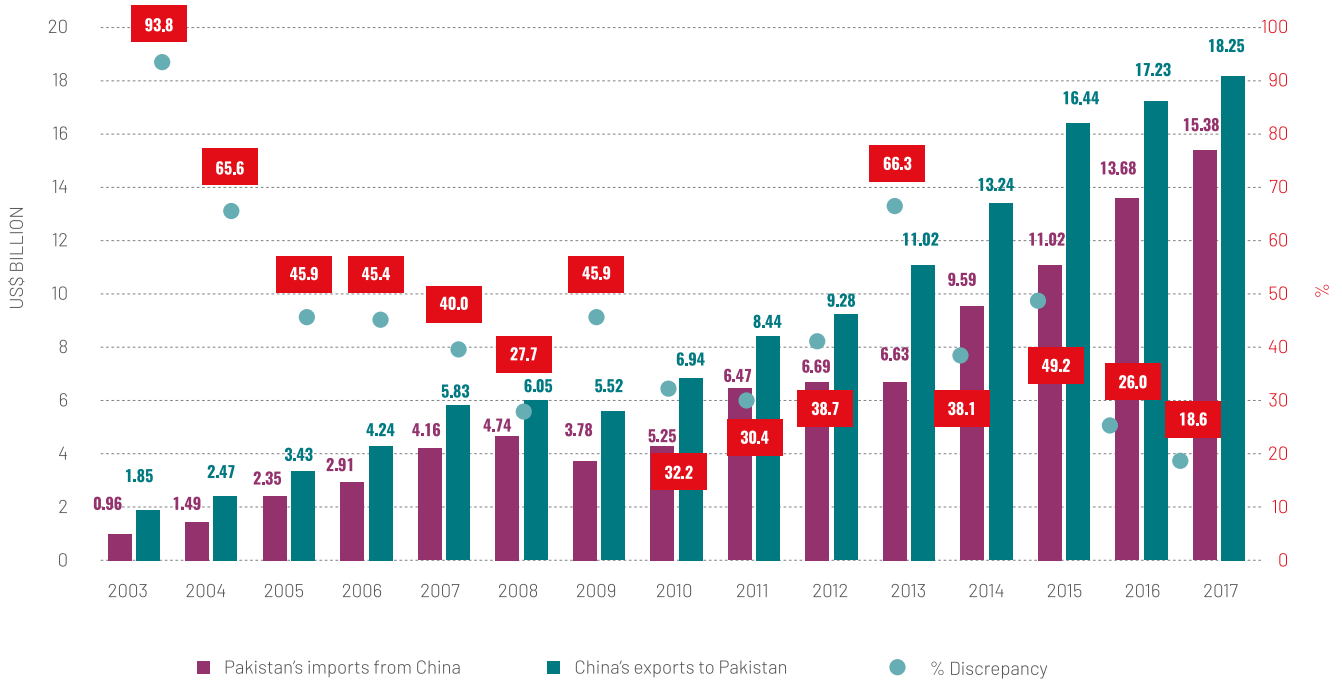


For the top 10 import partners, there exists a discrepancy of around \$3.7 billion. With China alone, there is a \$2.9 billion discrepancy in the two countries' reported data which make up 18.6% of Pakistan's reported data.

UAE, Saudi Arabia, Qatar and Kuwait are amongst the top 10 import partners; however, they have not been included in the figure above because most of the trade with these 4 countries is based on petroleum and its products.

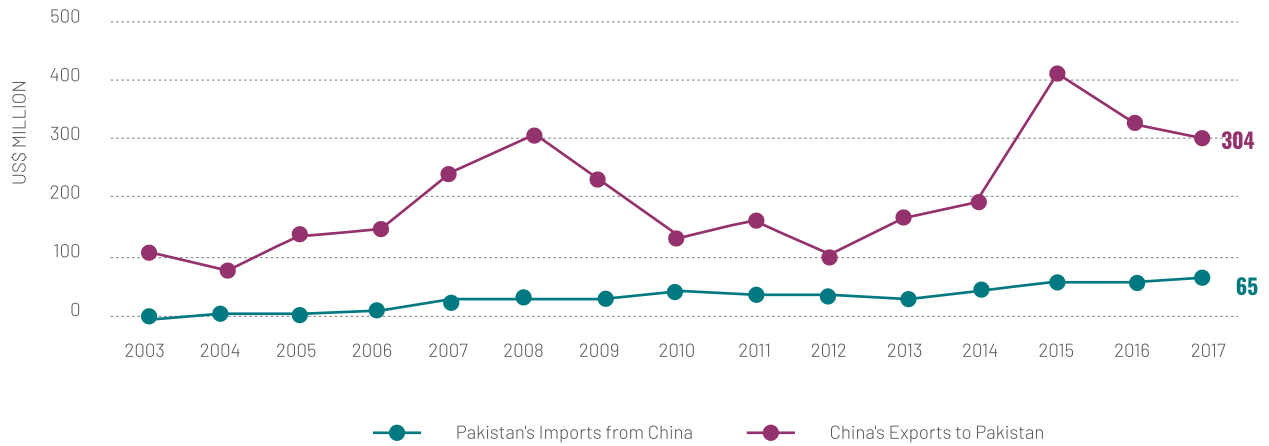
With China, the degree of import value variance in percentage terms has reduced over the years from almost 94% in 2003 to almost 19% in 2017. This has been mainly due to tightening of valuation processes at customs. However, the disparity is still very significant in nominal terms. In CY '17, the disparity amounted to almost \$2.9 billion. Pakistan has consistently requested China for live sharing of trade data, it is hoped that in the coming months the Electronic Data Interchange mechanism will be fully operational.

Pakistan - China Trade Figures Discrepancy



There exists a high level of variance in textiles in particular. Textile products are entering from China without paying the full duty and are hurting domestic manufacturers who are subject to high levels of taxation. This has led to an uneven playing field for domestic manufacturers who are forced to compete with cheap non-duty paid articles of textile.

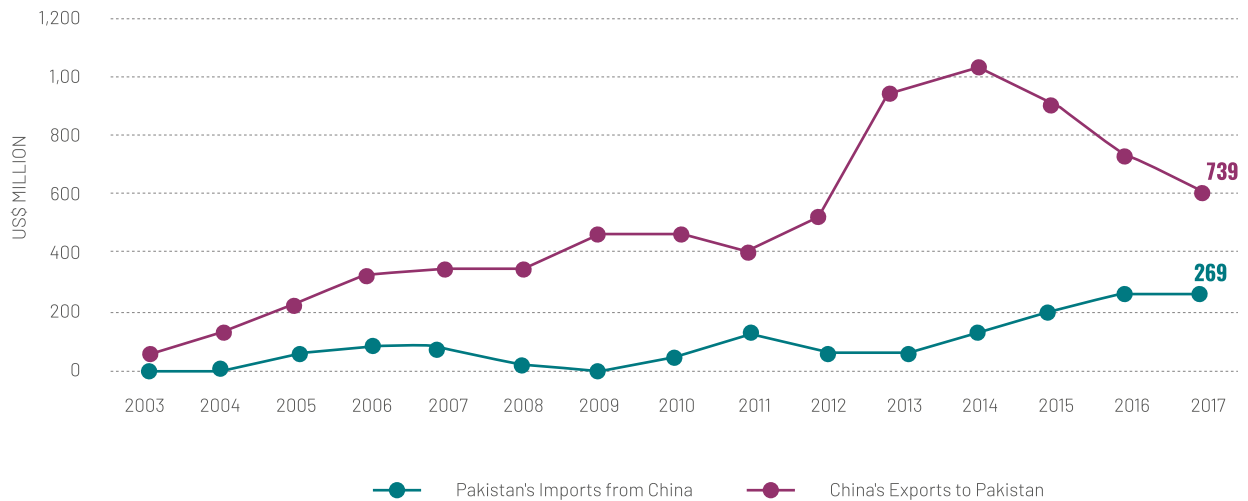
Discrepancy in Import Value for Apparels from China



In apparel import alone there is a 450% discrepancy in 2017; that is, China’s reported exports of garments to Pakistan in the year are 4.5 times higher than what Pakistan reported as its imports of the same from China. China declares its exports for HS-61 & 62 to Pakistan in 2017 as \$304 million against Pakistan’s declaration of imports of the same to be a mere \$65 million depicting the extent of under-invoicing that is prevalent in bilateral trade.

Similarly, for synthetic textiles, the import value discrepancy is high.

Discrepancy in Import Value of Synthetic Textile Articles from China





Index ▲ 1.56 ▼ 0

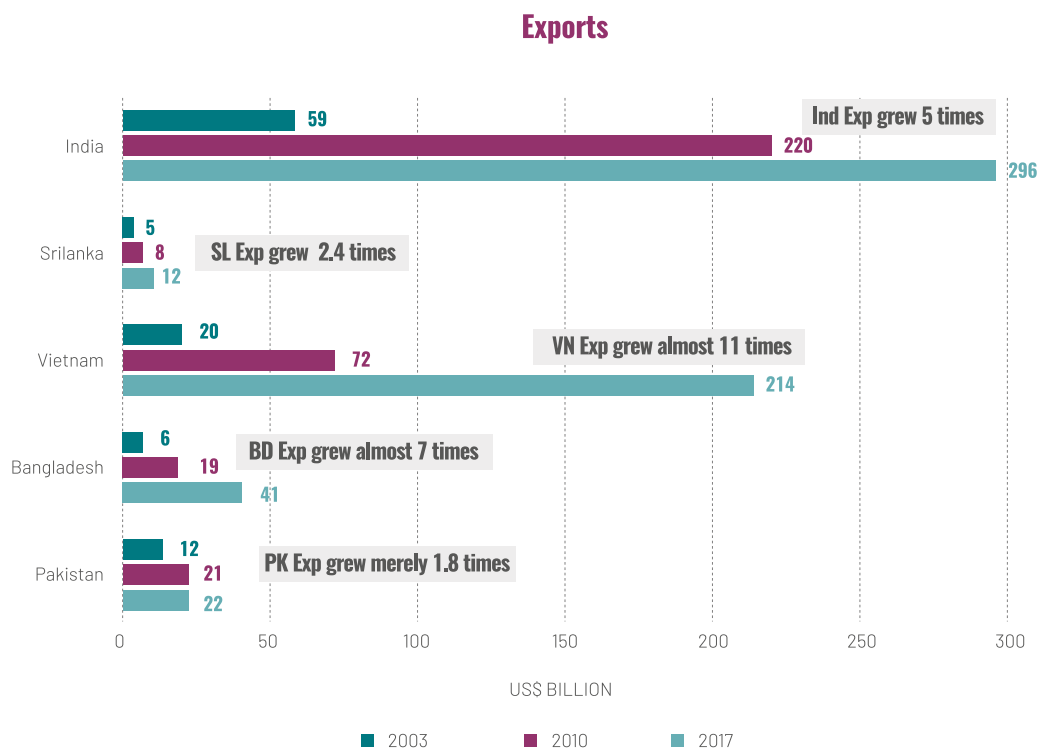
SECTION III

The Impact of Deindustrialization on Pakistan's Economy

The Impact of Deindustrialization on the External Sector

1. Pakistan's Stagnating Exports against Competitor Countries

Exports are a major revenue source for any developing country to help finance its necessary imports and to generate the much-needed growth to lift the standard of living of its people. The original four Asian Tiger economies namely Hong Kong, Singapore, South Korea and Taiwan, developed on the back of rapid industrialization and export promotion. The new Asian tiger economies of Indonesia, Vietnam and Philippines also have immense focus on export led growth. In South Asia, the Bangladeshi economy has also risen to a GDP per capita of \$1516 in FY '18 from a mere \$433 in FY '03. In the same time frame, Pakistan's GDP per capita rose from \$626 to only \$1588. The figure below shows the growth in exports from 2003 to 2017 for a few selected countries.



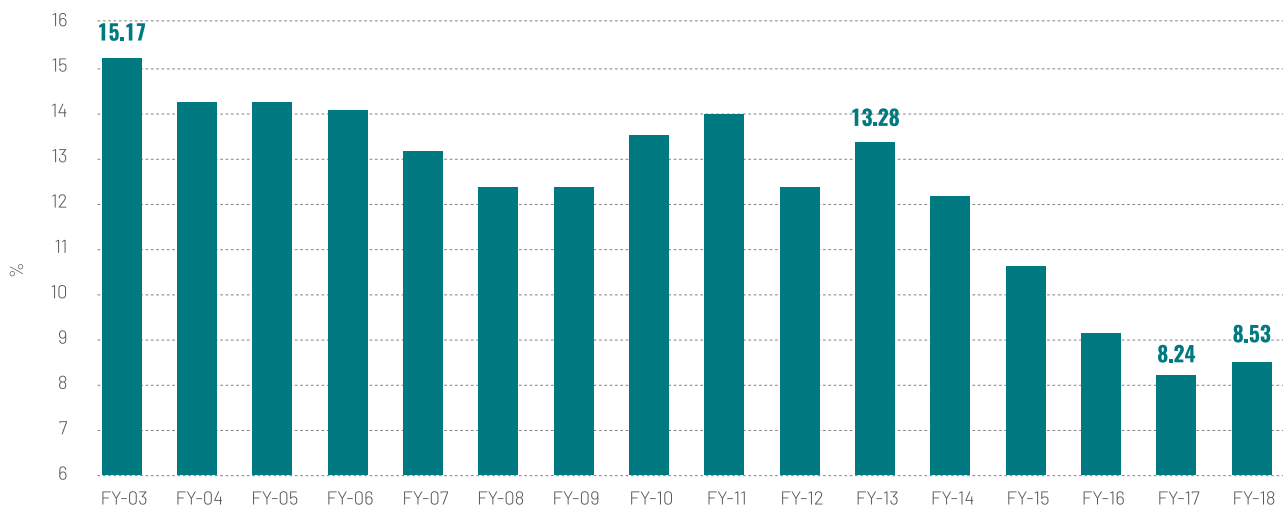
As evident from the figure above, Pakistan has witnessed the least growth in exports over the past 19 years from 2003 to 2017 of a mere 1.8 times. Over the same period between 2010 and 2017, the country had a mere 4% growth in exports showing an abysmal performance on the external side. On the other hand, countries like Vietnam and Bangladesh picked up on exports having a growth of as much as 11 times in less than two decades.

2. Pakistan's Share of Exports in GDP is on a Decline

The Pakistani industry, particularly textiles, have predominantly been engaged in the export sector. However, lately the trend has reversed. The export competitiveness has gone down due to which the local industry has suffered and shrunk. This has led exports to decline with respect to their contribution in the national income.

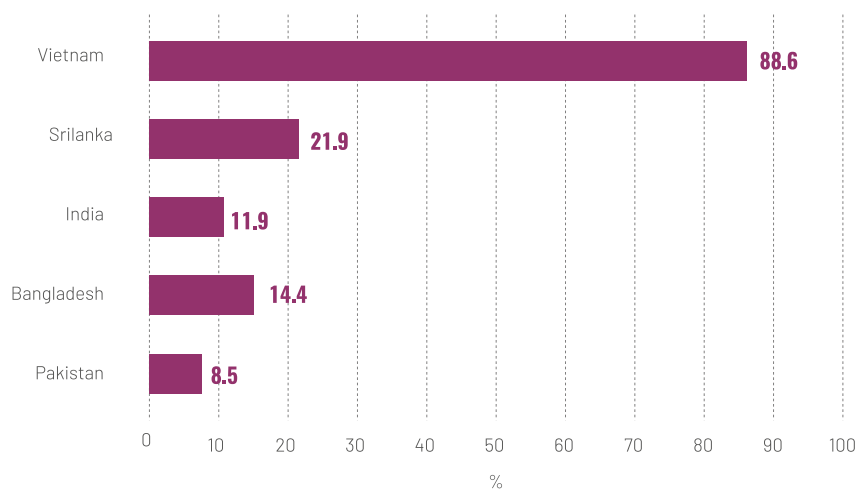
As the figure below shows, the contribution of exports in Pakistan's GDP has had an overall declining trend since FY '03. However, post FY '13, the drop has been very sharp with the share reducing from 13.28% in FY '13 to 8.24% in FY '17.

Exports as a % of GDP for Pakistan



As compared to other countries, the contribution of exports in Pakistan's economy is miniscule with a mere 8.5% in FY '18. Compared to this, Bangladesh's exports have a 14.4% contribution in its GDP. However, the most impressive case is that of Vietnam where exports contribute as much as 88.6% to GDP.

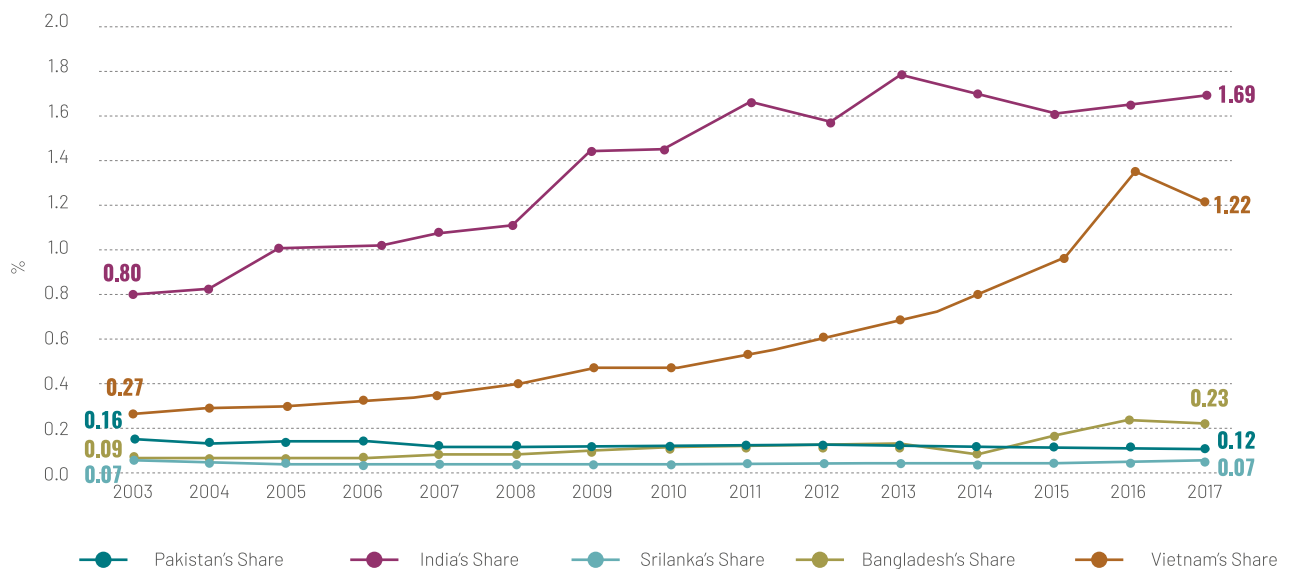
Exports as a % of GDP (FY 18)



3. Share of Pakistan in World Exports has been Declining

Global trade has been on a rise; however, Pakistan has been unable to keep up with this growth. Whilst Pakistan's share in global trade has dropped from 0.16% in 2003 to 0.13% in 2017; all competitor countries have managed to increase their respective shares. India was able to more than double its market share from 0.80% to 1.69% becoming the 20th largest global exporter from being the 30th largest in 2003. In the same time period, Bangladesh's share grew 2.5 times from 0.09% to 0.23%. However, it is Vietnam which has had the most notable increase. From 0.27% in 2003 to 1.22% in 2017, the country witnessed 4.5 times increase in its market share with annual exports amounting to \$214 billion in the last calendar year.

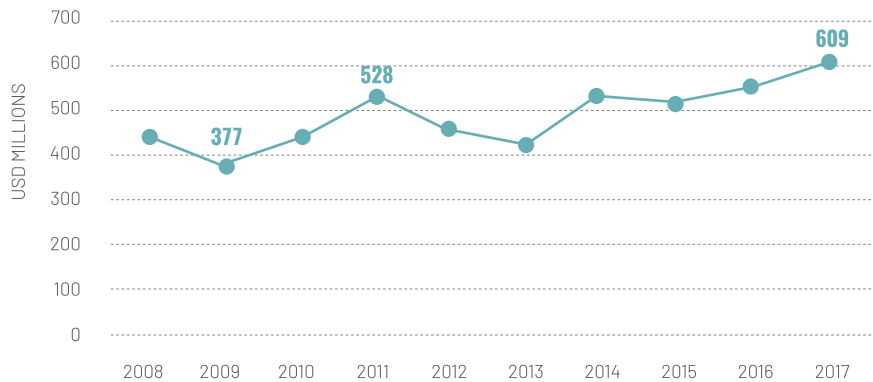
Share in World Exports (%)



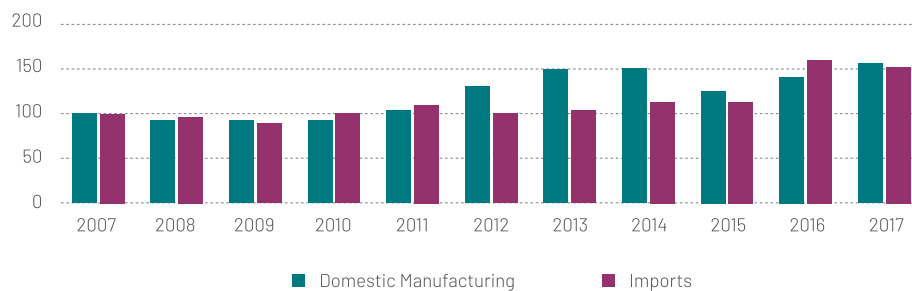
The Impact of Deindustrialization on Domestic Industries

1. Paper & Paperboard

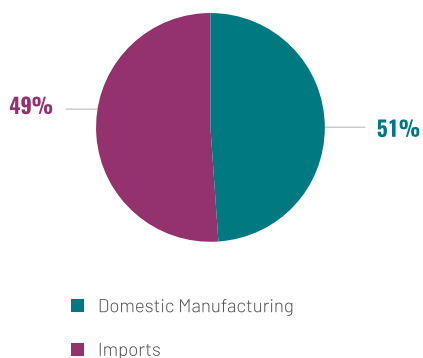
Import Value



Domestic Manufacturing and Import Volume Index (2007 = 100)



Volumetric Market Share - 2017



In 2017, domestic manufacturing increased by almost 11% standing at 701,000 tonnes. On the other hand, the import volume dropped from 709,000 tonnes in 2016 to 667,000 tonnes in 2017. However, the import value increased YoY by around 12% depicting an increase in either prices or quality of imported paper & paperboard.

SOURCE:

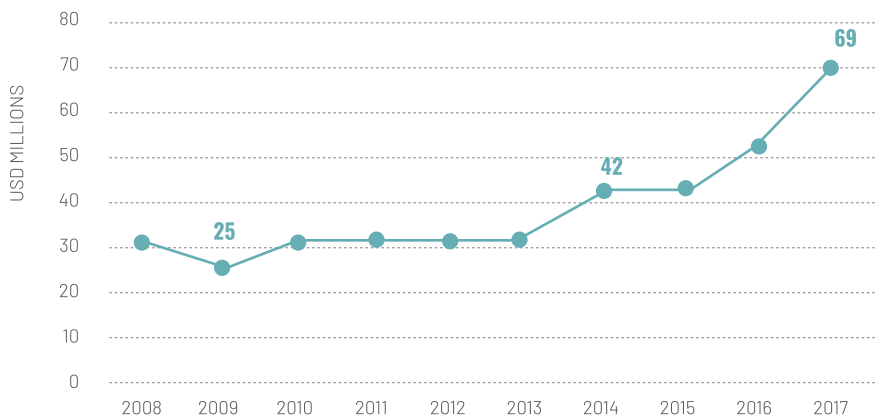
Trade Data: United Nations Commodity Trade Statistics Database. [Product Code: HS 02 48]

Manufacturing Data: Pakistan Bureau of Statistics, Quantum Index of Large-Scale Manufacturing Industries 2017

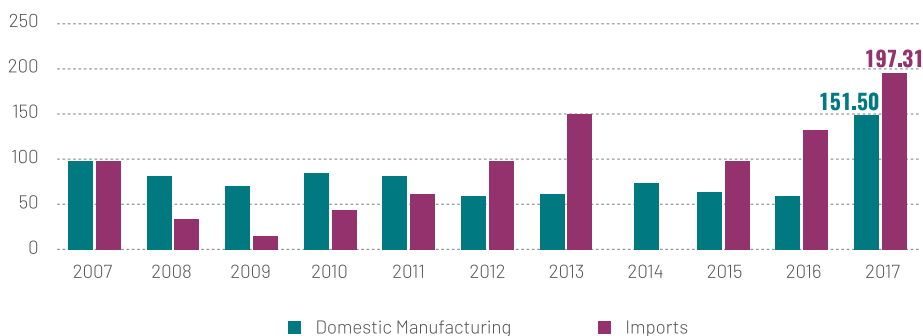
Tariff Data: Federal Board of Revenue, Pakistan Customs Tariff 2017-2018

2. Electric Motors

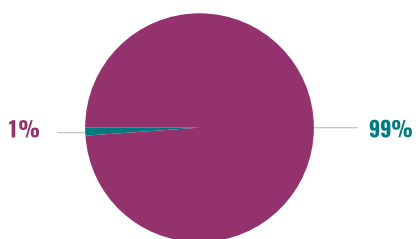
Import Value



Domestic Manufacturing and Import Volume Index (2007 = 100)



Volumetric Market Share - 2017



■ Domestic Manufacturing
■ Imports

Like in previous years, China has an overwhelming share in imported electric motors. While imports have witnessed an increase, the domestic manufacturing of electric motors has reduced overtime. However, last year domestic manufacturing grew by as much as 150% and was at its highest since 2007 at least. On the other hand, the import volume also grew by almost 50%.

SOURCE:

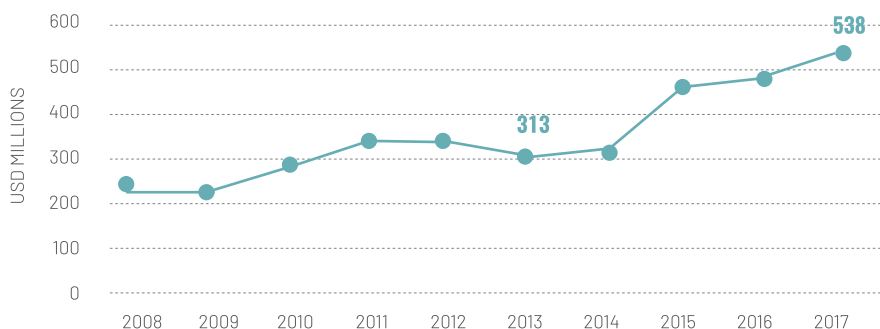
Trade Data: United Nations Commodity Trade Statistics Database. [Product Code: HS 850140,850151-850153]

Manufacturing Data: Pakistan Bureau of Statistics, Quantum Index of Large Scale Manufacturing Industries 2017

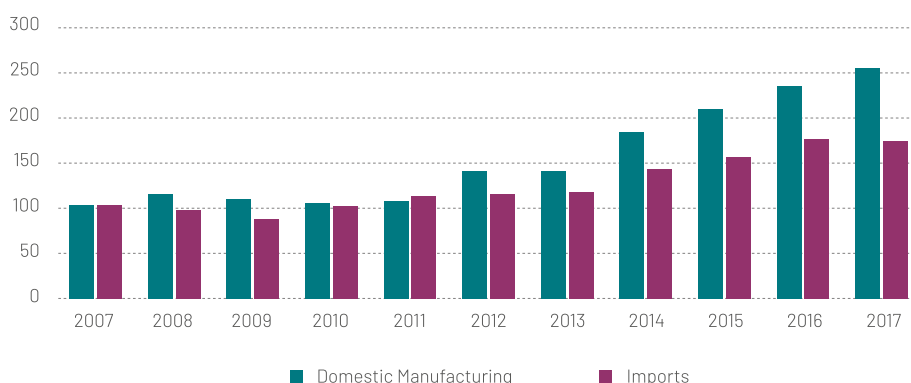
Tariff Data: Federal Board of Revenue, Pakistan Customs Tariff 2017-2018

3. Tea

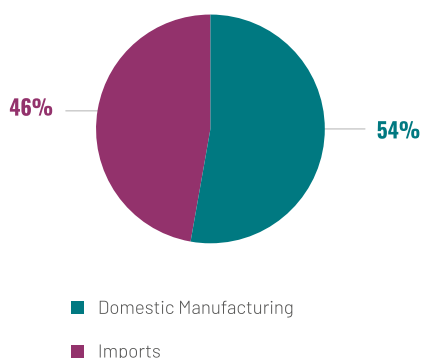
Import Value



Domestic Manufacturing and Import Volume Index (2007 = 100)



Volumetric Market Share - 2017



An increasing demand pattern can be noticed for tea in Pakistan. The imports as well as domestically blended tea has witnessed increasing volumes over the years. The domestic tea blend has marginally increased in 2017 over 2016, while imported volumes have slightly gone down. However, the import value has gone up by almost 12%. Pakistan imports as much as 80% of its tea from Kenya.

SOURCE:

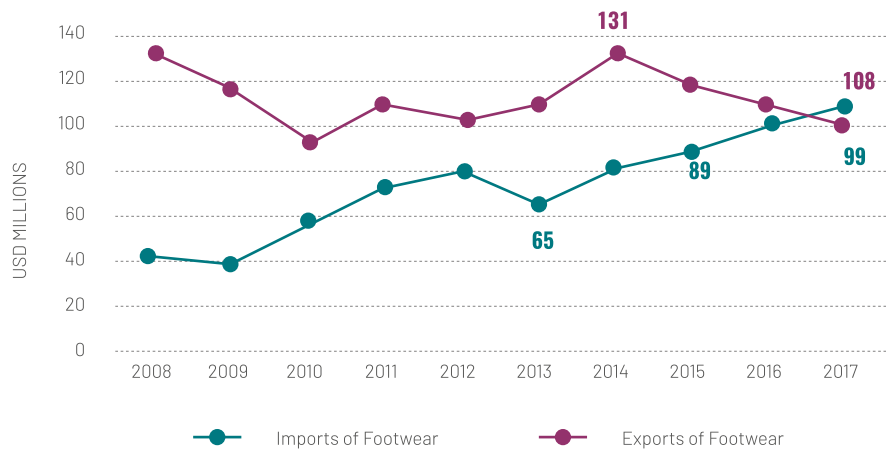
Trade Data: United Nations Commodity Trade Statistics Database. [Product Code: HS 090230, 090240]

Manufacturing Data: Pakistan Bureau of Statistics, Quantum Index of Large Scale Manufacturing Industries 2017

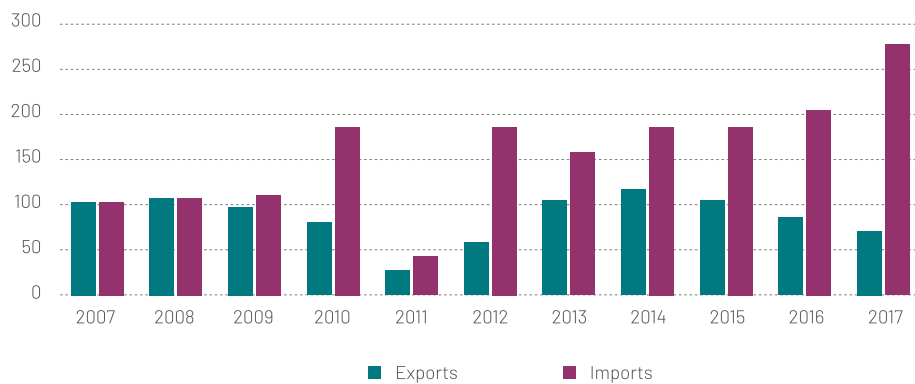
Tariff Data: Federal Board of Revenue, Pakistan Customs Tariff 2017-2018

4. Footwear

Import and Export Value



Domestic Manufacturing and Import Volume Index (2007 = 100)



Top 5 Exporters of Footwear to Pakistan in 2017

Exporting Country	Value (US\$)	Share (%)
China	97,512,000	90.00%
Viet Nam	2,909,000	2.68%
Thailand	2,400,000	2.22%
Brazil	1,339,000	1.24%
Indonesia	868,000	0.80%

Pakistan imports 90% of footwear products from China, so the country's import reliance on China is very high. However, Pakistan's footwear exports are diversified with Europe being the largest export destination for Pakistani footwear. While exports in terms of value and volume has gone down from the levels in 2007, the imports have consistently increased over the years.

SOURCE:

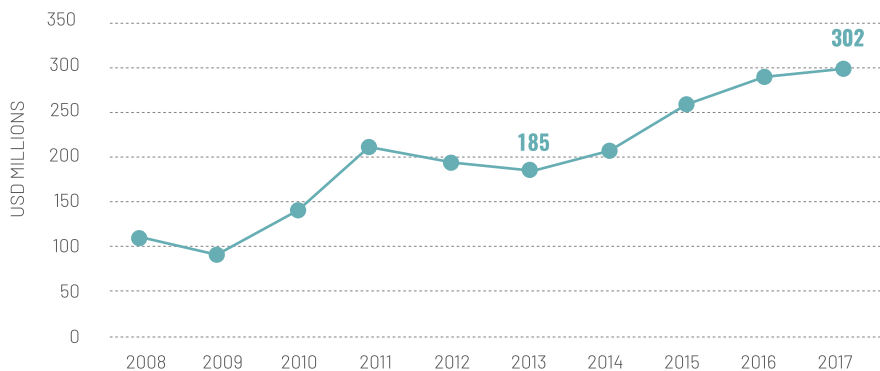
Trade Data: United Nations Commodity Trade Statistics Database. [Product Code: HS 6401-6405]

Manufacturing Data: Pakistan Bureau of Statistics, Quantum Index of Large Scale Manufacturing Industries 2017

Tariff Data: Federal Board of Revenue, Pakistan Customs Tariff 2017-2018

5. Tyres

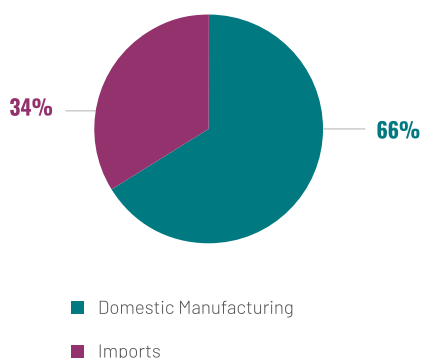
Imports



Domestic Manufacturing and Import Volume Index (2007 = 100)



Volumetric Market Share - 2017



Almost two thirds of indigenous demand for tyres is met domestically while the remaining is met through imports. Domestic manufacturing has been increasing slowly over the years; however, imports are increasing more rapidly. Moreover, smuggling of tyres is rampant in Pakistan, particularly via APTTA, this is not recorded in the import statistics implying that the penetration of imported tyres in Pakistan is more than what statistics show.

SOURCE:

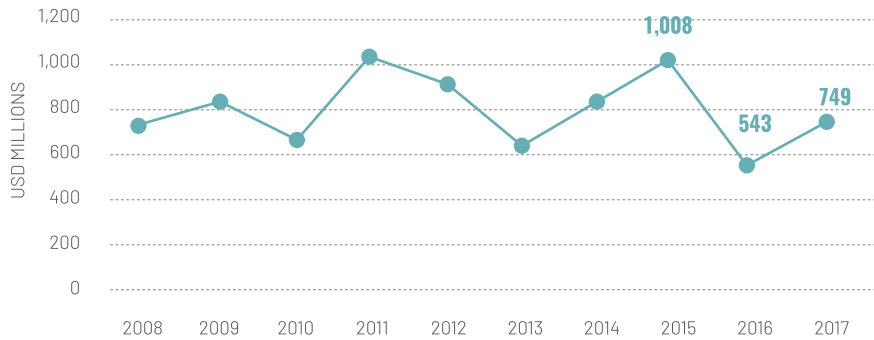
Trade Data: United Nations Commodity Trade Statistics Database. [Product Code: HS 6401-6405]

Manufacturing Data: Pakistan Bureau of Statistics, Quantum Index of Large Scale Manufacturing Industries 2017

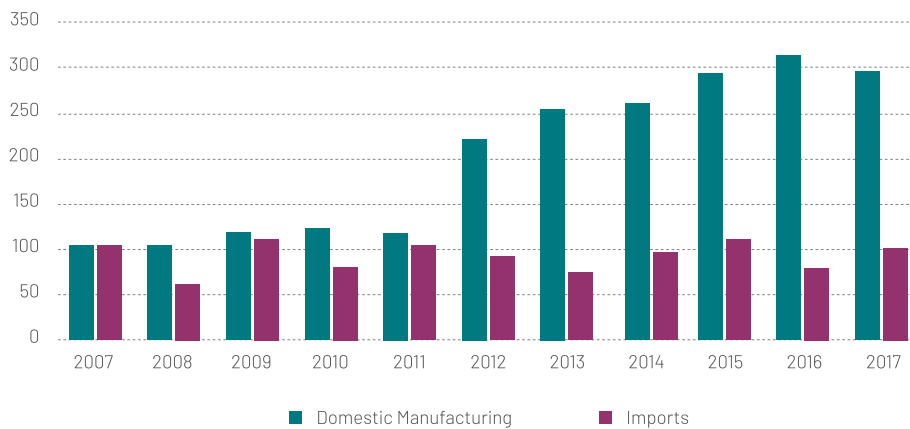
Tariff Data: Federal Board of Revenue, Pakistan Customs Tariff 2017-2018

6. Fertilizers

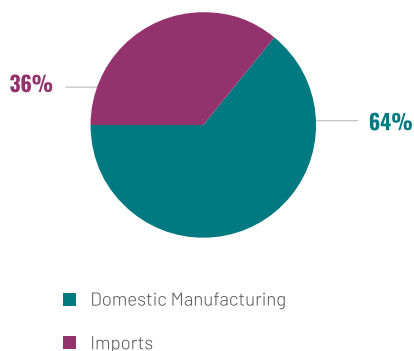
Imports



Domestic Manufacturing and Import Volume Index (2007 = 100)



Volumetric Market Share - 2017



Most of the domestic fertilizer demand is met by local production, however Diammonium Phosphate (DAP) is mostly imported. The domestic manufacturing of fertilizers has increased over the years. But there has been a slight reversal in last calendar year when domestic manufacturing dropped by 6% partly because of increasing gas prices in the local market.

SOURCE:

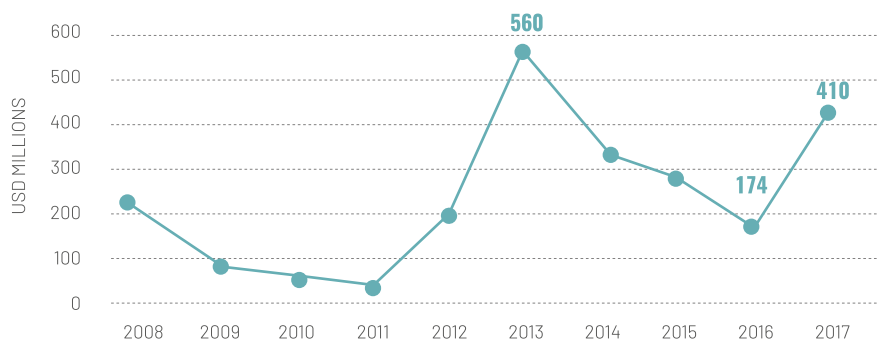
Trade Data: United Nations Commodity Trade Statistics Database. [Product Code: HS 6401-6405]

Manufacturing Data: Pakistan Bureau of Statistics, Quantum Index of Large Scale Manufacturing Industries 2017

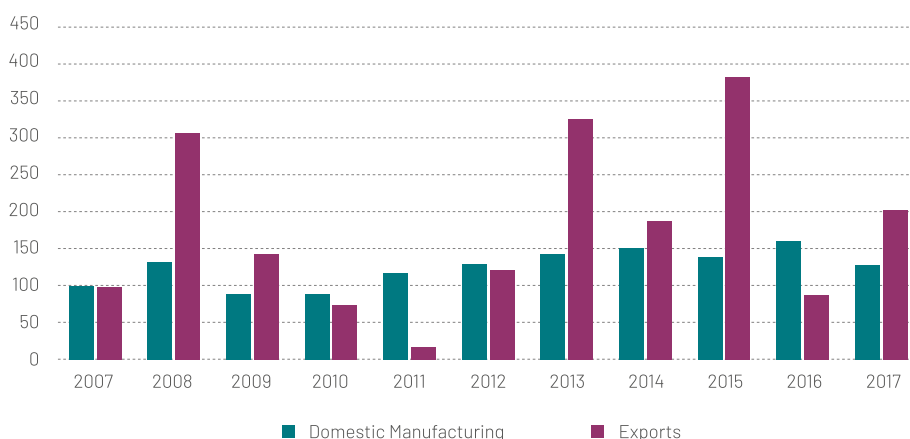
Tariff Data: Federal Board of Revenue, Pakistan Customs Tariff 2017-2018

7. Sugar

Exports



Domestic Manufacturing and Import Volume Index (2007 = 100)



Top 5 Importers from Pakistan in 2017

Importing Country	Value (US\$)	Share (%)
Afghanistan	250,458,000	61.12%
USA	35,620,000	8.69%
Saudi Arabia	25,454,000	6.21%
Serbia	19,369,000	4.73%
Djibouti	10,538,000	2.57%

Sugar manufacturing has decreased YoY; however, exports have increased. Pakistani sugar is by and large not competitive in international markets, to overcome the price disparity subsidies are required and hence exports are dependent on the appetite of the government to subsidize sugar exports. Government allots quotas annually for sugar exports in accordance with the surplus and stocks.

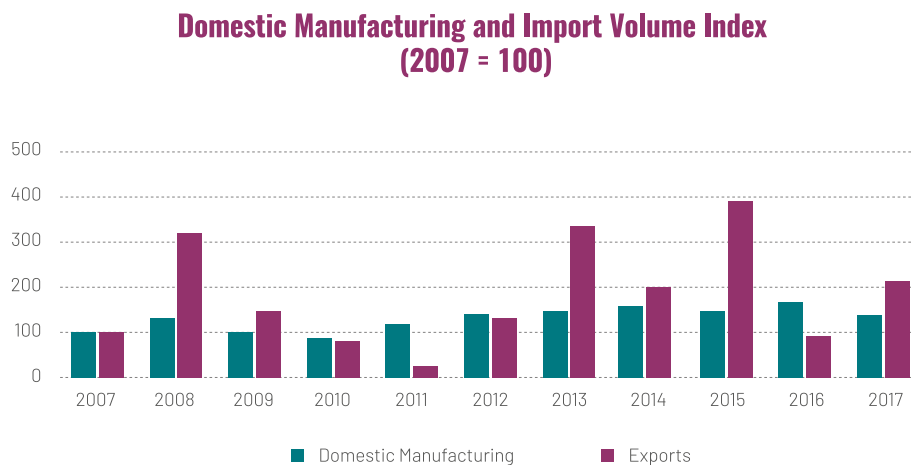
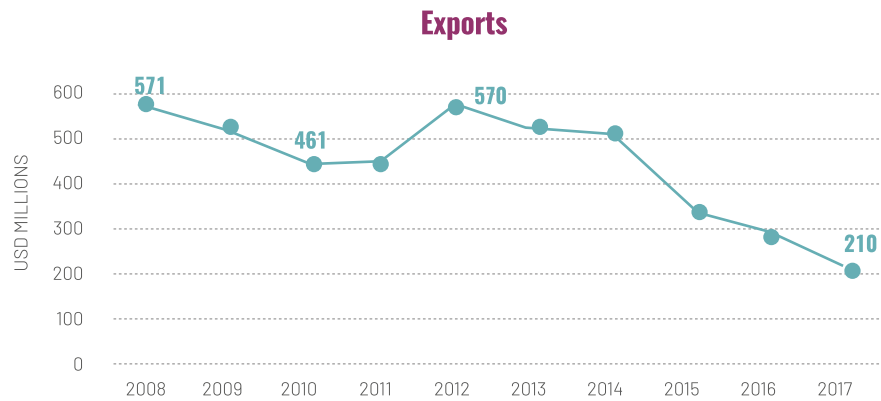
SOURCE:

Trade Data: United Nations Commodity Trade Statistics Database. [Product Code: HS 1701-1703]

Manufacturing Data: Pakistan Bureau of Statistics, Quantum Index of Large Scale Manufacturing Industries 2017

Tariff Data: Federal Board of Revenue, Pakistan Customs Tariff 2017-2018

8. Cement



Top 5 Importers of Cement from Pakistan in 2017

Importing Country	Value (US\$)	Share (%)
Afghanistan	84,917,000	40.35%
India	65,817,000	31.28%
Sri Lanka	25,016,000	11.89%
Madagascar	17,074,000	8.11%
Comoros	4,772,000	2.27%

Since 2012, cement exports from Pakistan have been on a continuous decline; down from \$570 million to a mere \$210 million in the last year. However, total production has been on a gradual rise with existing cement plants increasing capacity, most of which is yet to come online, primarily on the back of incremental domestic demand.

SOURCE:

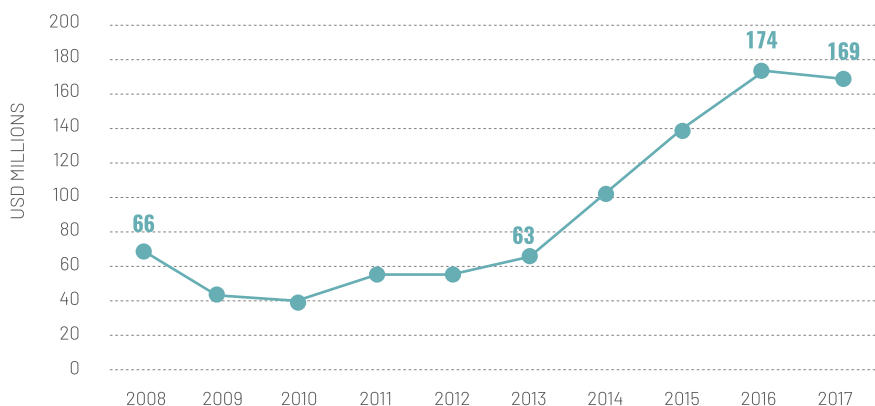
Trade Data: United Nations Commodity Trade Statistics Database. [Product Code: HS 252310, 252321, 252329, 252330 and 252390]

Manufacturing Data: Pakistan Bureau of Statistics, Quantum Index of Large Scale Manufacturing Industries 2017

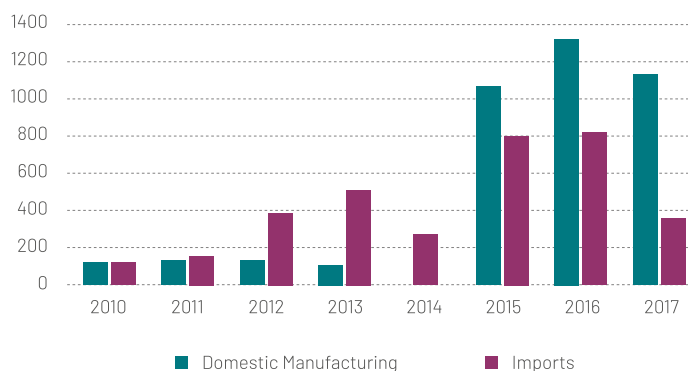
Tariff Data: Federal Board of Revenue, Pakistan Customs Tariff 2017-2018

9. Ceramic Tiles

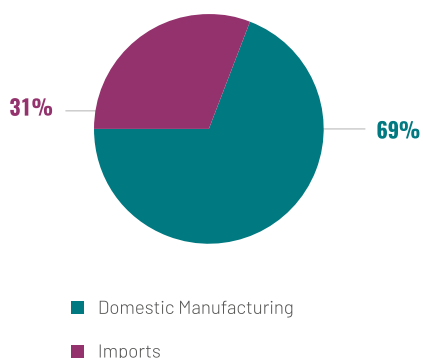
Imports



Domestic Manufacturing and Import Volume Index (2007 = 100)



Volumetric Market Share - 2017



Ceramic tiles import had been on a steep continual rise between 2010 and 2016; however, in the year 2017, there was a slight reversal in the trend where the import value dropped by almost 3% but the volume decreased by a staggering 58%. In the same comparative time period, domestic manufacturing also lowered by 14%: from 36 million square meters to 31.

SOURCE:

Trade Data: United Nations Commodity Trade Statistics Database. [Product Code: HS 6907 and 6908]

Manufacturing Data: Pakistan Bureau of Statistics, Quantum Index of Large Scale Manufacturing Industries 2017

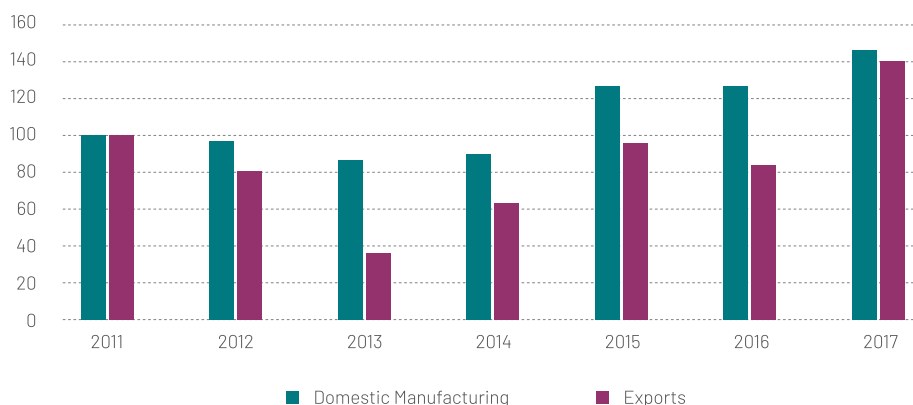
Tariff Data: Federal Board of Revenue, Pakistan Customs Tariff 2017-2018

10. Cars

Imports



Domestic Manufacturing and Import Volume Index (2007 = 100)



The Import volume and value for automobiles has been on a rise since 2013. The import value for cars has gone up by at least 68% since 2013 while the volume has risen by almost 270%. While domestic manufacturing has also picked up in terms of volume, the growth is relatively slower than the rise in consumer demand which is being fulfilled by imported cars. Moreover, as of 2016 around 48% of the passenger cars that were imported were under 800cc and 18% were hybrid vehicles, both of which are not manufactured in Pakistan.

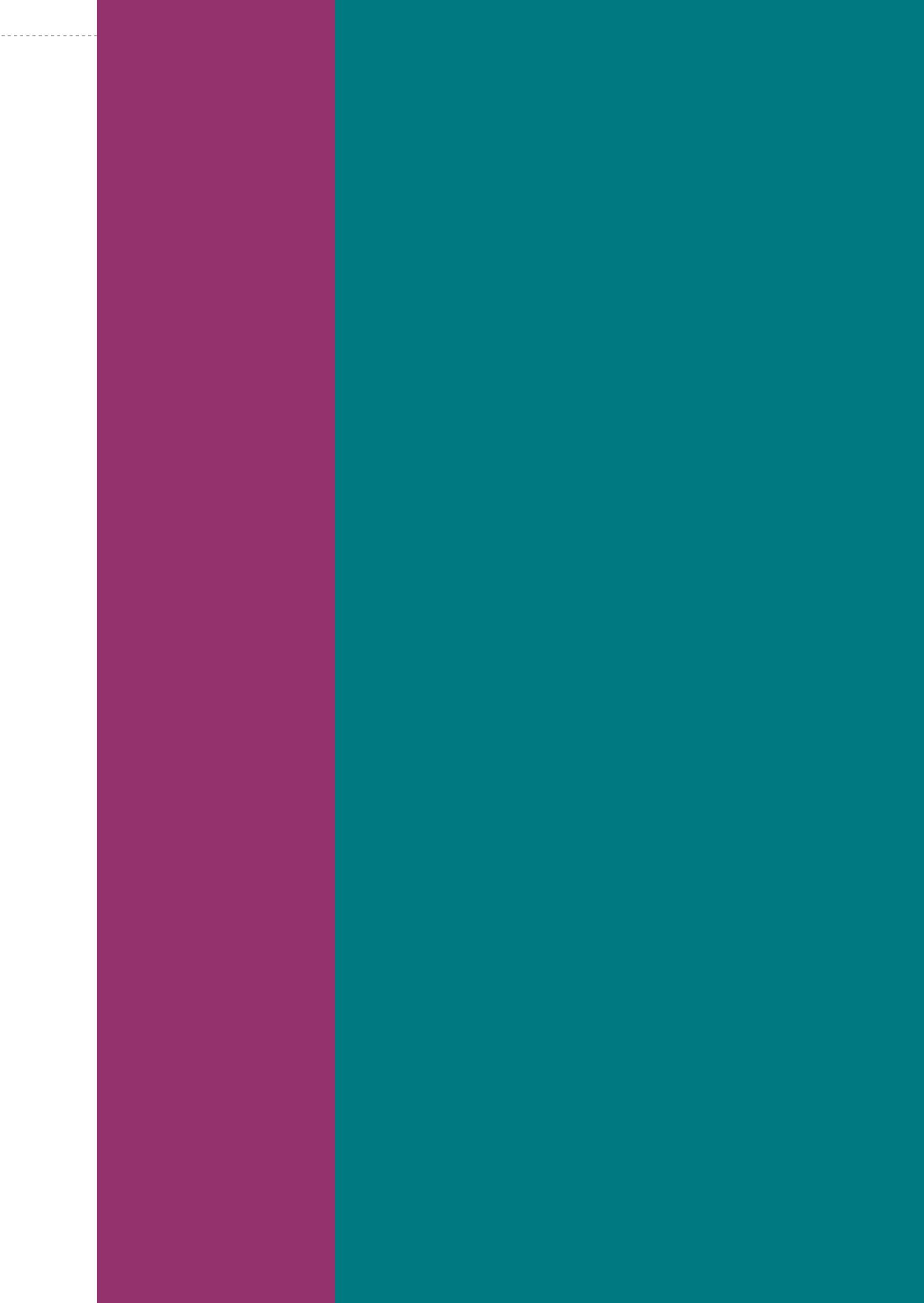
Added to it, import has also gone up with local automobile manufacturers relying on Complete Knocked Down (CKD) automobile imports, which is the import of parts and assembling it locally. Therefore, with

SOURCE:

Trade Data: Pakistan Association of Automotive Parts & Accessories Manufacturers (PAAPAM). [Product Code: HS 87032110, 211, 221, 311, 321 & 410]

Manufacturing Data: Pakistan Automotive Manufacturers Association (PAMA)

Tariff Data: Federal Board of Revenue, Pakistan Customs Tariff 2017-2018





| Sources:

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