

PAK CHINA INVESTMENT COMPANY LIMITED

Economic Review - September 2021



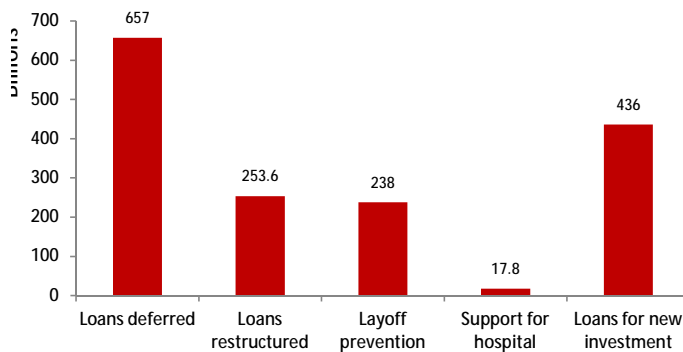
MPS - Monetary Tightening Begins!

In line with our expectations, the central bank in its latest monetary policy statement increased policy rate by 25 bps to 7.25%. This decision was based on the economic recovery which exceeded expectation and the muted risk associated with the covid-19 pandemic as the central bank does not foresee further risk on the economic recovery from pandemic related uncertainty. This decision was also underpinned by the movement in exchange rate which depreciated by approx 4% since last MPS due to rising current account deficit which skyrocketed to USD 2.3 bn during 2MFY22 against a surplus of USD 838mn in the same period last year. The committee noted, that market based exchange rate regime has performed well since its introduction in June-19 and has acted as first line of defence. Under this regime, the central bank does not suppress an underlying trend in exchange rate and any interventions are limited to addressing disorderly market conditions.

Despite a little slowdown in inflation surge in the current fiscal year, which grew majorly on the back of perishable items and supply side shock, the rising demand along with elevated commodity and energy prices coupled with higher imported inflation will keep inflation reading elevated in the current fiscal year, previously central bank estimated inflation reading in the upper end of 7-9%.

In line with the shift in economic outlook, the committee noted that the priority of monetary policy also needed to gradually pivot from catalyzing the recovery after the covid shock towards sustaining it by gradually tapering the significant monetary stimulus provided over the last 18 months. The committee future guidance still remains 'accommodative' in the near term with a possibility of achieving mildly positive real interest rates over time.

Monetary stimulus provided by the central bank



Policy Rates in Major Economies

	Policy Rate	W.E.F	Previous Rate
USA	0.25%	16-Mar-20	1.25%
UK	0.10%	19-Mar-20	0.25%
Euro Zone	0.00%	10-Mar-16	0.05%
Japan ¹	-0.10%	29-Jan-16	0.10%
Canada	0.25%	27-Mar-20	0.75%
Australia	0.10%	03-Nov-20	0.25%
China ²	3.85%	20-Apr-20	4.05%
India	4.00%	22-May-20	4.40%
Sri Lanka	6.00%	19-Aug-21	5.50%
Malaysia	1.75%	07-Jul-20	2.00%
Thailand	0.50%	20-May-20	0.75%

¹ BOJ previous policy rate was in range of (0 to 0.1) instead of single number

² Loan Prime Rate: The benchmark interest rate in china was last recorded at 3.85% (Source: SBP)

Monetary Policy Announcement History

MPS Date	Stance	Policy Rate	Voting
16-Jul-19	+100 bps	13.25%	5 voted for 100bps, 2 for 75bps & 1 for 150 bps
16-Sep-19	Status quo	13.25%	8 voted for Status Quo, 1 voted for -25bps
22-Nov-19	Status quo	13.25%	8 voted for Status Quo, 2 voted for -25bps
28-Jan-20	Status quo	13.25%	7 voted for Status Quo, 2 voted for -25bps
17-Mar-20	-75 bps	12.50%	6 voted for 75bps cut, 2 voted for less 75bps cut & 2 for more than 75 bps cut
24-Mar-20	-150 bps	11.00%	Unanimously decided to decrease rate by 150 bps
16-Apr-20	-200 bps	9.00%	6 voted for 200bps cut, 3 voted for 100 to 150bps cut
15-May-20	-100 bps	8.00%	5 voted for 100bps cut, 3 voted for 150bps cut & 1 voted for 50bps cut
25-Jun-20	-100 bps	7.00%	8 voted for 100bps cut & 1 voted for 50bps cut
21-Sep-20	Status quo	7.00%	Unanimously decided to keep the policy rate unchanged
23-Nov-20	Status quo	7.00%	8 voted for status quo & 1 voted for 25bps increase
22-Jan-21	Status quo	7.00%	Unanimously decided to keep the policy rate unchanged
19-Mar-21	Status quo	7.00%	Unanimously decided to keep the policy rate unchanged
28-May-21	Status quo	7.00%	8 voted for status quo, 1 voted for +100bps
27-Jul-21	Status quo	7.00%	8 voted for status quo, 1 voted for +50bps

September'21 - Inflation clocked in at 8.98% YoY

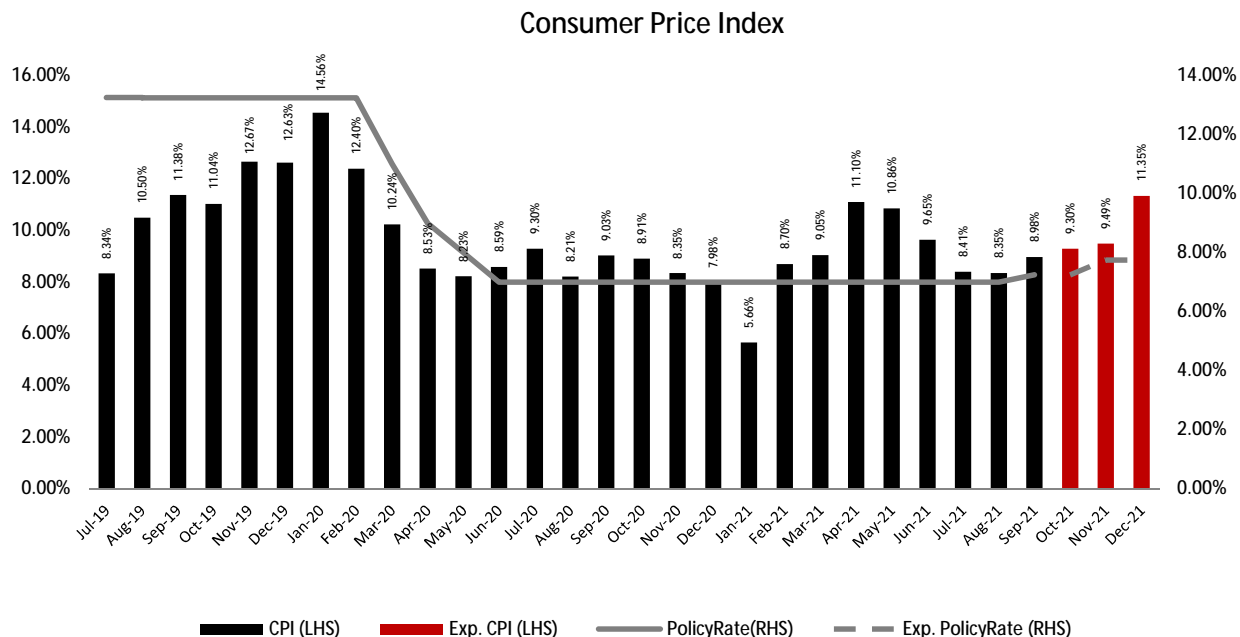
Headline inflation for the month of September'21 clocked in at 8.98% YoY. On sequential basis inflation surged to 2.12% MoM, taking 3MFY22 average inflation to 8.58%.

On monthly basis, Food and Non-alcoholic beverages contributed the most which increased by 4.02% (index weight of 34.58%) contributed the most due to rise in both perishable and non-perishable items. Among others notable increase of 1.62% was witnessed in Housing, water, electricity gas and fuel having CPI basket weight of 23.63% (second highest CPI basket).

Core inflation also registered as uptick and clocked in at 6.32% YoY compared to 6.26% YoY in the preceding month.

Revival of economic activities all over the world has increased the price of commodities unprecedentedly thus putting inflationary pressure globally. Going forward, international commodity prices particularly those of food and energy will continue to exert pressure on inflation basket coupled with expectation of electricity tariff hike as demanded by IMF, as a result we expect inflation to climb back to double digits by the end of calendar year 2022.

Consumer Price Index	Weight %	Sep-21	Aug-21	MoM%	Sep-20	YoY%
General	100.00	150.74	147.61	2.12%	138.32	8.98%
Food & Non-alcoholic Bev.	34.58	158.85	152.71	4.02%	144.14	10.21%
Non-perishable Food Items	29.6	160.25	153.89	4.13%	140.76	13.85%
Perishable Food Items	4.99	150.57	145.68	3.36%	164.19	-8.30%
Alcoholic Bev. & Tobacco	1.02	145.23	144.69	0.37%	142.4	1.99%
Clothing & Footwear	8.6	150.16	149.8	0.24%	137.52	9.19%
Housing, Water, Electricity, Gas & Fuel	23.63	145.34	143.03	1.62%	132.43	9.75%
Furnishing & Household Equipment Maintenance	4.1	145.02	143.92	0.76%	132.74	9.25%
Health	2.79	155.97	155.18	0.51%	144.46	7.97%
Transport	5.91	151.96	149.96	1.33%	139.27	9.11%
Communication	2.21	109.97	109.96	0.01%	107.01	2.77%
Recreation & Culture	1.59	130.73	129.15	1.22%	122.32	6.88%
Education	3.79	146.68	146.65	0.02%	142.93	2.62%
Restaurants & Hotels	6.92	146.68	144.32	1.64%	135.42	8.31%
Miscellaneous	4.87	156.86	154.76	1.36%	146.06	7.39%



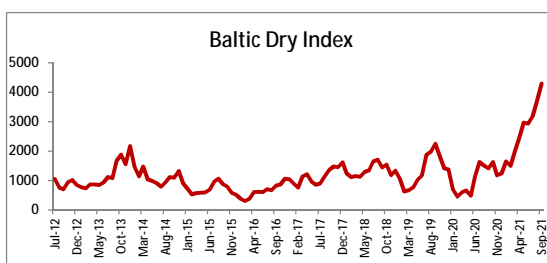
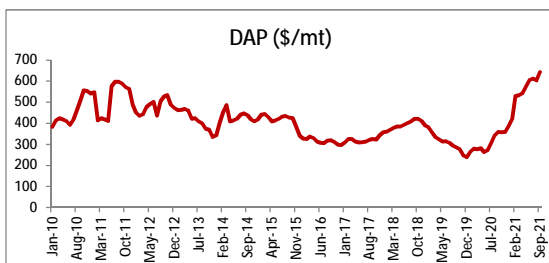
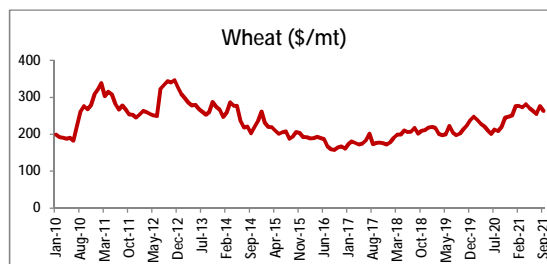
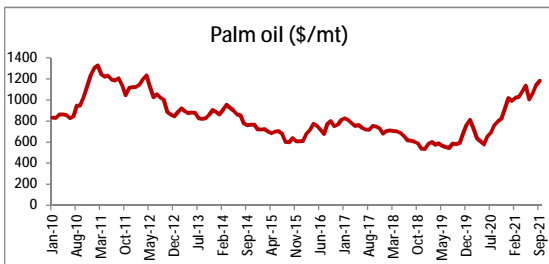
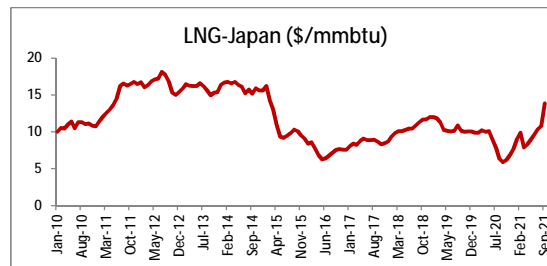
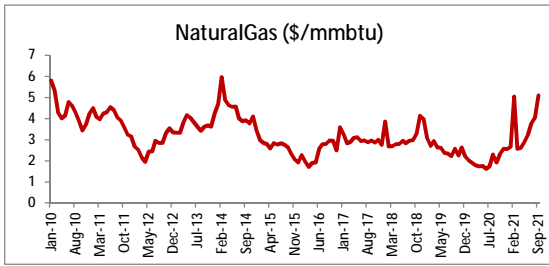
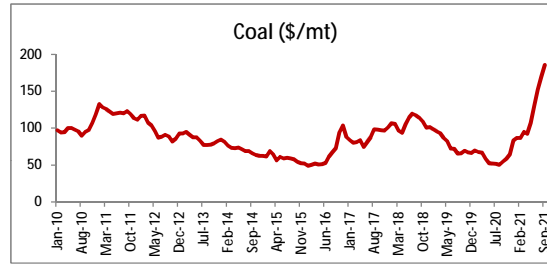
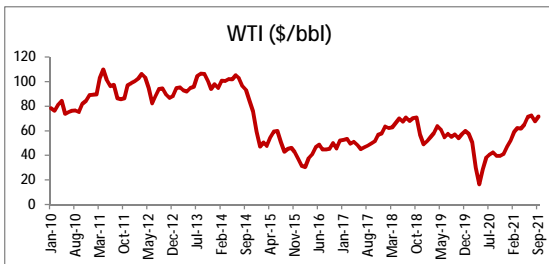
Inflation - Global Commodity & Food Prices

International Commodity Prices							
Months	Sugar (\$/MT)	Palm Oil (\$/MT)	Soya bean Oil (\$/MT)	Wheat (\$/MT)	Crude Oil (\$/Brl)	LNG (\$/mmbtu)	Natural Gas (\$/mmbtu)
Sep-20	280	796	905	219	41.09	5.88	1.92
Aug-21	430	1141	1433	276	70.02	10.8	4.05
Sep-21	430	1181	1398	263	74.6	13.87	5.11
MoM Change	0.00%	3.51%	-2.44%	-4.71%	6.54%	28.43%	26.17%
YoY Change	53.57%	48.37%	54.48%	20.09%	81.55%	135.88%	166.15%

Source: WB PinkSheet

Domestic Prices in Pakistan							
Months	Sugar (Rs/Kg)	Cooking Oil (Rs/5Kg)	Vegetable Ghee (Rs/Kg)	Wheat Flour (Rs/20Kg)	Petrol (Rs/Liter)	Hi-Speed Diesel (Rs/Liter)	LPG (Rs/12kg)
Sep-20	95	1258	244	1010	105	107	1272
Aug-21	105	1677	330	1134	121	118	2017
Sep-21	108	1727	343	1204	122	119	1921
MoM Change	2.02%	2.95%	3.96%	6.13%	1.22%	1.25%	-4.77%
YoY Change	13.50%	37.27%	40.69%	19.26%	16.50%	10.75%	51.02%

Source: PBS



Money Market

Owing to deteriorating economic conditions central bank in its latest monetary policy increased policy rate by 25bps, signaling reversal in interest rate cycle which lasted over the last 18 months. Majority of the market participants expected status quo as per the survey's conducted by different brokerage houses with only few expected hike in the range of 25-50bps. Market remained relatively tight owing to quarter end period deposit mobilization by different financial institutions. Post MPS activity in the secondary market shifted to shorter term T-bill of under 90 days. Central bank conducted T-bill auction twice during the month with majority of participation skewed towards 3M followed by 6M with negligible to no participation in 12M. As opposed to previous auctions approx 70% of total participation was witnessed in 3M. Cutoffs of 3M and 6M increased by 30bps & 49bps respectively.

T-bill Auction Results

Date	3M	6M	12M
26-Aug	7.2347%	7.4389%	Rejected
09-Sep	7.2347%	7.4900%	7.6000%
23-Sep	7.5388%	7.9798%	Rejected

Muted participation was witnessed in regular cycle fixed rate bond auction as the auction date was just few days before MPS announcement. Central bank received bids worth PKR 189 billion against the target of PKR 150 billion. Auction witnessed participation in 3Y (PKR 51 billion), 5Y (PKR 53 billion), 10Y (PKR 69 billion) & 15y (PKR 15 billion) out of which central bank accepted PKR 21 billion in 3Y, PKR 24 billion in 5Y, PKR 36 billion in 10Y and PKR 15 billion in 15Y at the cutoff rate of 8.88%, 9.18%, 9.83% and 10.40% in 3Y, 5Y, 10Y and 15Y respectively.

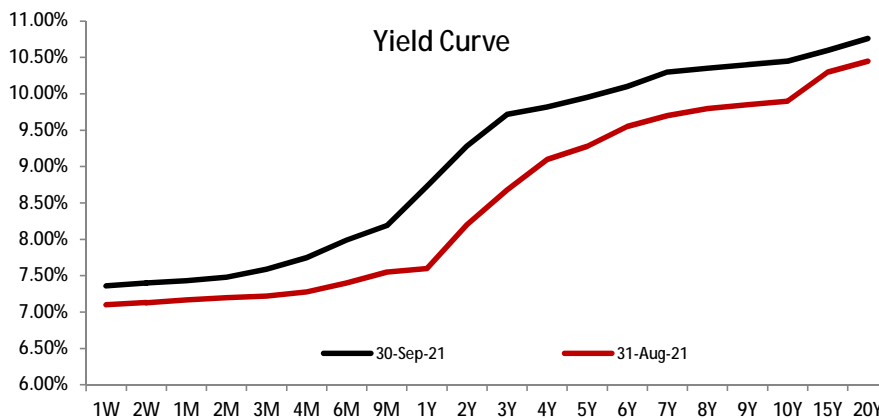
PIB Auction Results

Date	3Y	5Y	10Y	15Y	20Y
07-Jul	8.6900%	9.1980%	Rejected	10.4000%	No Bids
04-Aug	8.8000%	9.1980%	9.8390%	10.4000%	No Bids
16-Sep	8.8800%	9.1800%	9.8300%	10.4000%	No Bids

Frequent mop-ups and liquidity injections were conducted by the central bank in order to keep the overnight market relatively stable (close to policy rate)

Open Market Operations (PKR million)

Date	Type	Tenor	Offered	Accepted	Cutoff
03-Sep	Injection	7	2,003,750	1,991,750	7.10%
10-Sep	Injection	7	2,136,150	2,040,050	7.10%
16-Sep	Injection	1	69,500	34,000	7.22%
17-Sep	Injection	7	2,138,150	2,100,000	7.10%
24-Sep	Injection	7	1,945,800	1,945,800	7.31%
27-Sep	Injection	4	103,500	78,500	7.40%



Balance of Trade - Deficit increased by 101% in first quarter

As per the provincial figures released by PBS, trade deficit clocked in at USD 4 billion for the month of September'21. On monthly basis deficit declined by 5% however, on yearly basis it ballooned to 70% based on imports which increased by 51% YoY.

Trade deficit for 1QFY22 reached to USD 11.6 billion compared to USD 5.8 billion in corresponding period last year, while details of trade deficit are yet to be published we believed higher commodity prices coupled with spending on vaccines and concessionary loans under SBP TERF for expansion of business lines are to be blamed for exponential growth in import bill.

Balance of Trade								
	Sep-21	Aug-21	MoM	Sep-20	YoY	1QFY22	1QFY21	YoY
Export of Goods	2,380	2,247	6%	1,887	26%	6,967	5,472	27%
Import of Goods	6,479	6,577	-1%	4,297	51%	18,631	11,287	65%
Trade Balance	(4,099)	(4,330)	-5%	(2,410)	70%	(11,664)	(5,815)	101%

USD million

Current Account Balance

According to the data released by the central bank, current account deficit for the month of Aug'21 clocked in at USD 1.4 billion against deficit of USD 814 million in the corresponding period last fiscal year.

The revival of economic activities domestically has increased imports mainly due to an increase in raw materials for consumer and capital goods. Current account deficit widened due to constantly growing import volume of energy and other commodities including vaccines.

For the 2MFY22 trade deficit doubled to USD 6.8 billion compared to USD 3.3 billion reflecting revival of economic activity, service deficit on the other hand also increased by USD 181 million on the back of higher import of services. Remittance on other hand maintained their mark of USD 2 billion and above and clocked in at USD 5.3 billion for 2MFY22 compared to USD 4.8 billion in the corresponding period last year.

Current Account Balance								
	Aug-21	Jul-21	MoM	Aug-20	YoY	2MFY22	2MFY21	YoY
Export of Goods	2,350	2,251	4%	1,514	55%	4,601	3,399	35%
Import of Goods	6,007	5,399	11%	3,241	85%	11,406	6,798	68%
Trade Balance	(3,657)	(3,148)	16%	(1,727)	112%	(6,805)	(3,399)	100%
Export of Services	531	477	11%	346	53%	1,008	800	26%
Import of Services	886	741	20%	469	89%	1,627	1,238	31%
Service Balance	(355)	(264)	34%	(123)	189%	(619)	(438)	41%
Balance on Primary Income	(363)	(272)	33%	(259)	40%	(635)	(956)	-34%
Balance on Secondary Income	2,899	2,870	1%	2,364	23%	5,769	5,631	2%
Remittance	2,658	2,707	-2%	2,095	27%	5,365	4,859	10%
Current Account Balance	(1,476)	(814)	81%	255		(2,290)	838	
Current Account % of GDP	-5.40%	-2.90%		0.90%		-2.76%	2.45%	

USD million

Current Account - Import

As per the latest data released by the central bank, import of goods and commodities amounted to USD 6 billion compared to USD 5.3 billion in the preceding month.

Imports have picked up pace with the revival of economic activity, however a closer look on import bill explains exponential growth in import bill as a function of higher commodity prices rather than volume. On yearly basis volume import of palm oil has increased by 19% where as in term of value it has increased by 85% same is the case with other commodities including Pulses, Tea & Oil.

Import of Goods and Commodities					
	Aug-21	Jul-21	MoM	Aug-20	YoY
Total Imports	6,007,030	5,399,020	11%	3,241,023	85%
Food	690,485	593,049	16%	394,173	75%
<i>Palm Oil</i>	282,029	241,734	17%	152,569	85%
<i>Pulses</i>	62,654	64,752	-3%	28,179	122%
<i>Tea</i>	43,923	37,185	18%	32,561	35%
Machinery	814,926	765,135	7%	594,405	37%
<i>Telecom</i>	176,076	181,424	-3%	189,608	-7%
<i>Electrical Apparatus</i>	143,873	143,801	0%	88,905	62%
<i>Textile Machinery</i>	123,600	95,457	29%	30,661	303%
Transport	270,775	332,711	-19%	95,945	182%
<i>Completely Knock Down (CKD)</i>	178,689	159,255	12%	51,951	244%
<i>Completely Built Unit (CBU)</i>	35,125	74,524	-53%	6,615	431%
Petroleum	1,392,573	1,037,322	34%	745,537	87%
<i>Petroleum Crude</i>	318,873	335,847	-5%	298,740	7%
<i>Petroleum Products</i>	729,255	519,241	40%	379,518	92%
Textile	489,451	434,137	13%	289,640	69%
<i>Raw Cotton</i>	173,594	125,019	39%	95,854	81%
Agri & Other Chemical	824,555	784,256	5%	536,062	54%
<i>Plastic Materials</i>	212,711	225,367	-6%	147,016	45%
Metal	441,280	420,798	5%	289,802	52%
<i>Iron & Steel</i>	209,434	229,117	-9%	125,351	67%
<i>Iron & Steel Scrap</i>	163,782	119,229	37%	122,627	34%
Miscellaneous	96,486	87,154	11%	79,105	22%
All others	510,474	537,704	-5%	205,861	148%

USD Thousands

Import of Goods and Commodities - Based on Volume									
Commodities	Unit	Aug-21	Jul-21	MoM	Aug-20	YoY	2MFY22	2MFY21	YoY
Food									
<i>Palm Oil</i>	MT	289,267	221,677	30%	243,408	19%	510,944	585,233	-13%
<i>Pulses</i>	MT	95,482	128,167	-26%	71,326	34%	223,649	152,677	46%
<i>Tea</i>	MT	28,529	18,625	53%	22,992	24%	47,154	39,766	19%
Petroleum									
<i>Crude</i>	MT	846,239	750,353	13%	860,336	-2%	1,596,592	1,546,900	3%
<i>Petro. Products</i>	MT	1,743,510	1,296,891	34%	1,219,306	43%	3,040,401	2,625,360	16%
Textile									
<i>Raw Cotton</i>	MT	53,238	49,170	8%	41,974	27%	102,408	74,799	37%
Agri & Other Chemical									
<i>Plastic Materials</i>	MT	184,527	147,526	25%	169,142	9%	332,053	340,758	-3%
Metal									
<i>Iron & Steel</i>	MT	244,433	306,732	-20%	131,789	85%	551,165	384,345	43%
<i>Iron & Steel Scrap</i>	MT	302,158	243,928	24%	413,510	-27%	546,086	887,390	-38%

Current Account - Exports

As per the latest data released by the central bank, exports for the month of August'21 clocked in at USD 2.3 billion compared to USD 2.2 billion increase of merely 4% on monthly basis, however on yearly basis total exports registered an increase of 55%.

The major exported commodity which grew well during the period under review were Engineering goods, Chemical & Pharma products and value added sectors within the textile segment.

Export of Goods and Commodities					
	Aug-21	Jul-21	MoM	Aug-20	YoY
Total Exports	2,350,016	2,251,024	4%	1,513,991	55%
Food	346,028	310,117	12%	247,779	40%
<i>Rice</i>	150,849	123,842	22%	123,390	22%
<i>Fish</i>	18,705	24,417	-23%	18,992	-2%
Textile	1,351,557	1,357,327	0%	927,542	46%
<i>Knitwear</i>	337,690	330,972	2%	212,343	59%
<i>Readymade Garments</i>	258,993	258,442	0%	179,618	44%
<i>Bed Wear</i>	255,592	250,646	2%	174,066	47%
Petroleum	14,191	10,607	34%	21,331	-33%
<i>Solid Fuel</i>	11,605	6,365	82%	4,133	-
<i>Petroleum Crude</i>	-	-	-	16,269	-100%
Other manufactures	346,308	338,658	2%	253,932	36%
<i>Chemical & Pharma</i>	124,044	120,114	3%	72,187	72%
<i>Engineering Goods</i>	33,143	16,028	107%	15,685	111%
<i>Leather</i>	45,775	55,851	-18%	41,847	9%
All others	192,504	184,629	4%	111,613	72%

USD Thousands

Export of Goods and Commodities - Based on Volume									
Commodities	Unit	Aug-21	Jul-21	MoM	Aug-20	YoY	2MFY22	2MFY21	YoY
Food									
<i>Rice</i>	MT	246,198	231,278	6%	167,614	47%	477,476	433,178	10%
<i>Fish</i>	MT	4,346	6,802	-36%	6,355	-32%	11,148	21,387	-48%
Textile									
<i>Knitwear</i>	TH.DoZ	10,215	10,519	-3%	7,767	32%	20,734	18,152	14%
<i>Readymade Garments</i>	TH.DoZ	3,533	3,615	-2%	2,450	44%	7,148	5,877	22%
<i>Bed Wear</i>	MT	40,179	47,603	-16%	30,249	33%	87,782	71,335	23%
Other manufactures									
<i>Chemical & Pharma</i>									
<i>Plastic Materials</i>	MT	20,107	20,865	-4%	19,897	1%	40,972	40,143	2%
<i>Pharma Products</i>	MT	2,552	2,303	11%	1,023	149%	4,855	2,589	88%
<i>Engineering Goods</i>									
<i>Fans</i>	TH.Nos	154	155	-1%	152	1%	309	348	-11%
<i>Leather</i>									
<i>Leather Garments</i>	TH.DoZ	125	194	-36%	88	42%	319	198	61%
<i>Leather Gloves</i>	TH.DoZ	704	1,082	-35%	405	74%	1,786	985	81%

Workers remittance

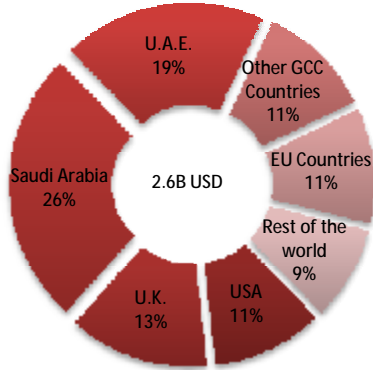
Workers remittance for the month of August'21 clocked in at USD 2.6 billion compared to USD 2.7 billion in the preceding month. Overall inflows for the month of August'21 were down by 2% MoM and up by 27% YoY. On yearly basis, remittances from EU and USA posted a significant increase of 75% and 38% respectively.

Combined efforts from central bank and GOP played a crucial role in boosting documented inflows coupled with travel restrictions; however as the world economics open up and travel restrictions are lifted experts are skeptical of the continued momentum and the yearly growth might be restricted to single digit only.

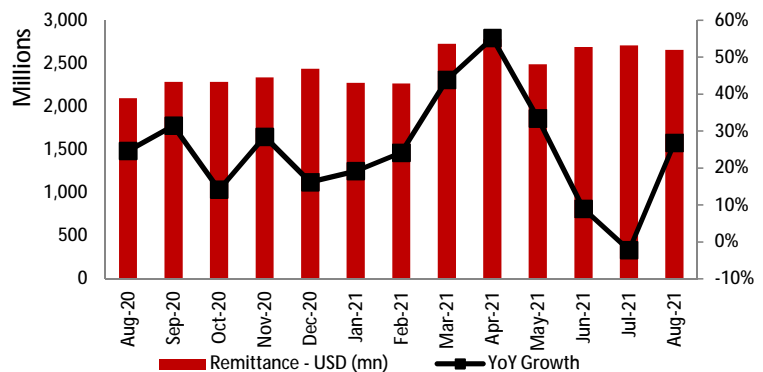
Major Countries/Region wise Remittances					
	Aug-21	Jul-21	MoM	Aug-20	YoY
Cumulative	2,657.50	2,707.17	-2%	2,095.24	27%
USA	279.21	311.81	-10%	201.64	38%
U.K.	352.77	392.89	-10%	302.27	17%
Saudi Arabia	694.19	640.78	8%	593.11	17%
U.A.E.	512.28	530.64	-3%	409.61	25%
Other GCC Countries	289.19	293.81	-2%	226.09	28%
EU Countries	291.82	298.20	-2%	166.49	75%

USD million

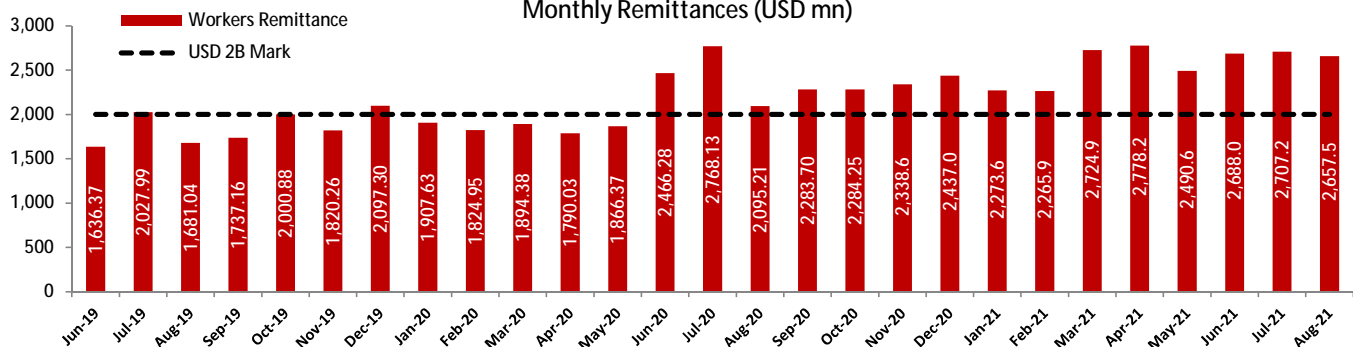
Country wise remittance



Remittance Trend & Growth



Monthly Remittances (USD mn)



PSX - KSE 100 index declined by 5.31% in September'21

During the period under review, Pakistan stock exchange as measured by KSE-100 index lost 2,520 points to close at 44,899 points, this bring CYTD return 2.62% and FYTD to -5.19%

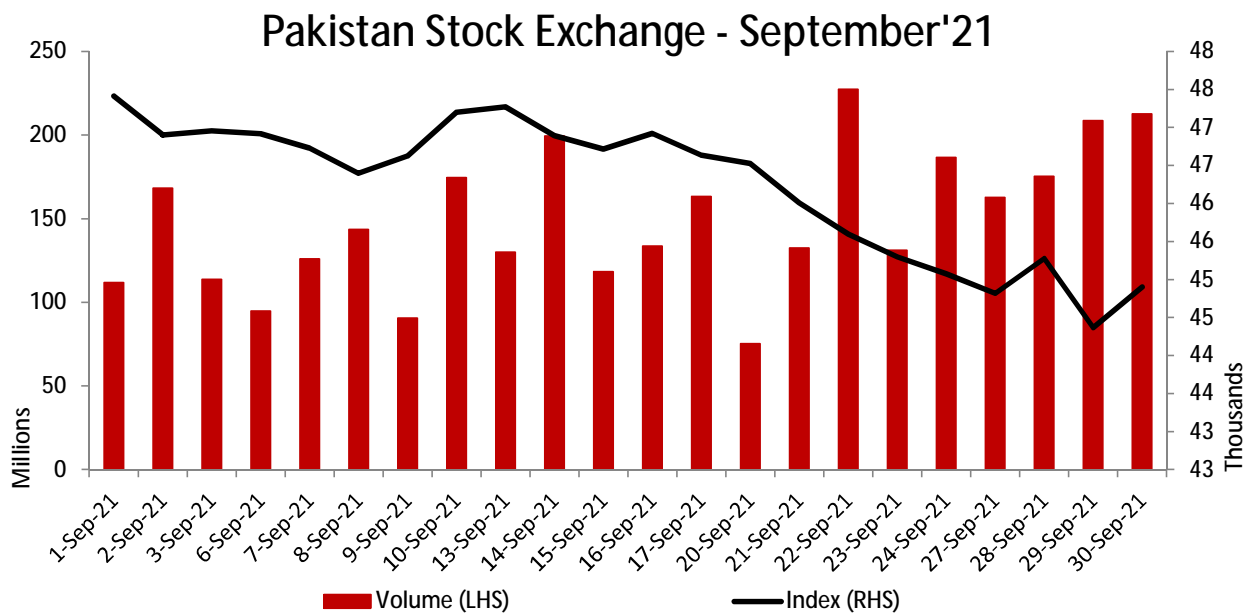
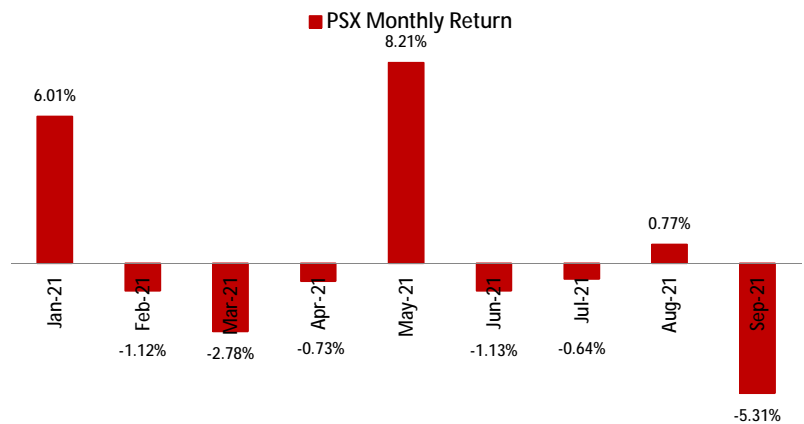
Key developments during the month were a) PKR depreciation b) Geo-political in-stability c) Record level of imports and resultantly CAD of USD 2.3 billion with concerns of continued deterioration of CAD in on-going fiscal year d) Downgrade of Pakistan from MSCI Emerging Market to MSCI Frontier Market e) Increase in policy rate by 25bps signaling reversal in interest rate cycle.

PSX Performance Stats

Stats	KSE-100	KSE-30	KMI-30	All-Shares
Index	44,899.60	17,660.61	72,315.95	30,668.89
Change	-2,520.14	-1,367.26	-5,325.78	-1,725.58
%Change	-5.31%	-7.19%	-6.86%	-5.33%

Top 5 Performers

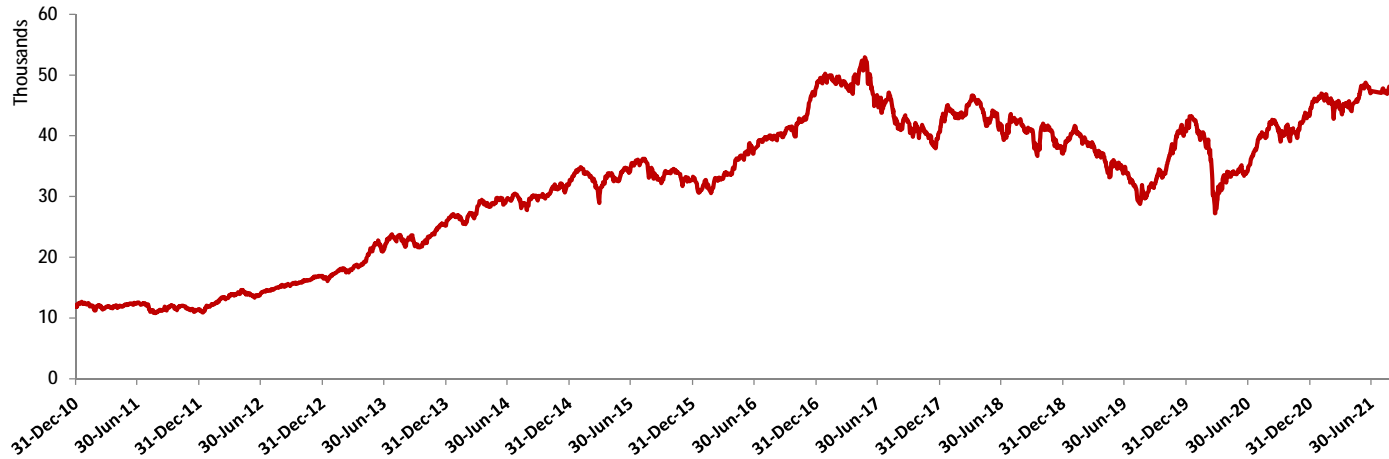
Company	Name	Return
Pakistan Services Ltd	PSEL	38%
Faysal Bank Ltd	FABL	35%
Askari Bank Ltd	AKBL	11%
Nestle Pakistan Ltd	NESTLE	8%
K-Electric Ltd	KEL	8%



KSE 100 Index Historical Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year - CYTD
2021	6.01%	-1.12%	-2.78%	-0.73%	8.92%	-1.13%	-0.64%	0.77%	-5.31%				2.62%
2020	2.20%	-8.76%	-23.04%	16.69%	-0.53%	1.45%	14.05%	4.72%	-1.31%	-1.68%	2.96%	6.54%	7.41%
2019	10.07%	-4.28%	-1.04%	-4.83%	-2.20%	-5.76%	-5.79%	-7.10%	8.11%	6.62%	14.86%	3.68%	9.90%
2018	8.84%	-1.84%	5.37%	-0.16%	-5.81%	-2.18%	1.91%	-2.27%	-1.78%	1.59%	-2.77%	-8.47%	-8.41%
2017	1.99%	-0.46%	-0.78%	2.38%	2.62%	-7.96%	-1.19%	-10.44%	2.92%	-6.58%	0.99%	1.15%	-15.34%
2016	-4.62%	0.23%	5.64%	4.77%	3.87%	4.78%	4.62%	0.71%	1.84%	-1.60%	6.84%	12.16%	45.68%
2015	7.20%	-2.36%	-10.10%	11.56%	-2.00%	4.06%	3.90%	-2.84%	-7.02%	6.11%	-5.86%	1.74%	2.13%
2014	6.03%	-3.74%	5.34%	6.45%	2.85%	-0.29%	2.23%	-5.76%	4.06%	2.19%	2.70%	2.99%	27.20%
2013	2.00%	5.40%	-0.72%	5.20%	14.96%	-3.75%	10.98%	-4.94%	-1.48%	4.32%	6.70%	3.95%	49.43%
2012	4.65%	8.45%	6.86%	1.66%	-1.46%	0.11%	5.62%	5.59%	0.35%	3.01%	4.17%	2.00%	48.98%
2011	2.80%	-8.66%	4.61%	2.10%	0.54%	3.08%	-2.45%	-9.19%	6.25%	0.91%	-2.83%	-1.61%	-5.61%

KSE-100 Index Historical Performance



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Difference in different data sources (SBP vs. PBS)

The trade figures reported by SBP in the balance of payments do not match with the information provided by the Pakistan Bureau of Statistics. This is because the trade statistics compiled by SBP are based on exchange record data, which depends on the actual receipt and payment of foreign exchange, whereas the PBS records data on the physical movement of goods (custom records). Furthermore, SBP reports both exports and imports as free on board (fob), while PBS records exports as free on board (fob) and imports include the cost of freight and insurance (cif).