

HIGHLIGHTS

**PAKISTAN
ECONOMIC
SURVEY**

2022 - 23



Economic Adviser's Wing
Finance Division
Government of Pakistan

FOREWORD

During the outgoing fiscal year 2022-23 Pakistan has faced unprecedented challenges due to poor demand-driven policies of the previous government, devastating floods, and political uncertainty. In addition, the Russia-Ukraine war severely disrupted the global demand-supply balance which led to a commodity super-cycle resulting in slow down of the global economic growth to 2.8 percent in the current year from 6.2 percent in 2021. Above all, the poor economic management of previous government led the country to a near-default situation by the time the coalition government took charge. Inconsistent policies, unsustainable fiscal deficit, the exponential rise in public debt, economic uncertainties, and mounting circular debt have been the main ingredients of previous government's tenure. As such, the last fiscal year of the previous government alone witnessed an overall fiscal deficit of 7.9 percent, and a trade deficit of US\$ 39.1 billion.

The PMLN government has always proved its credibility by putting the economy on the right track. The investment in road and power infrastructure, in the first phase of the China-Pakistan Economic Corridor (CPEC), the significant improvement in Pakistan's ranking by the international financial rating agencies, the merger of three stock exchanges into one Pakistan Stock Exchange (PSX) led to the increase in stock market capitalization to over US\$ 100 billion, and the economic ranking at twenty-fourth (24th) global economy are just a few examples of the PMLN efforts. However, the PTI government not only derailed the CPEC and reversed the other efforts but also exposed the country as an unattractive destination for foreign direct investment. During the current fiscal year, the coalition government including PMLN has attempted to stabilize the economy through fiscal consolidation measures, structural reforms and adoption of the optimal policy mix. As a result, by the Grace of Allah Almighty, the declining trend of economic indicators has stopped, whereas the coming fiscal year is expected to revive the growth toward its potential level, انشا الله.

In FY 2023, the government achieved significant economic gains in terms of improved external and fiscal indicators. As a result, even with a significant increase in debt servicing, the fiscal deficit reduced to 4.6 percent of GDP in July-April FY2023 against 4.9 percent for the same period last year, while the primary balance has been reverted from deficit to surplus. Furthermore, during the first eleven months of the outgoing fiscal year, the trade deficit is down by 40 percent and the current account deficit by 76 percent during July-April FY2023. The government had to take the tough decision of prioritizing imports to tackle macroeconomic imbalances and stabilize the national economy. However, to correct the economic fundamentals, along with many other initiatives, the government has focused on improving food security by offering Kissan Package and an optimal support price, improving investor confidence, starting barter trade with Iran, Afghanistan, and Russia, and increasing reliance on indigenous sources for electricity generation.

The Economic Survey 2022-23 accounts for Pakistan's economic performance during the outgoing fiscal year and the overall global as well as regional context in which the economy had to operate. It also provides a perspective on the economic challenges and the policy direction that must be maintained to meet these challenges successfully. I congratulate and thank the Finance Secretary, the Economic Adviser, and the team for preparing this important document. It will serve as an invaluable information source for all stakeholders, including parliamentarians, policymakers, academia, and international development partners.

Senator Mohammad Ishaq Dar
Minister for Finance and Revenue
Islamabad, the 08th June, 2023

MESSAGE

The Pakistan Economic Survey 2022-23 presents an account of the country's economic performance in the outgoing fiscal year in an overall global context. The survey reflects the resilience and strength of the Pakistan economy in the face of unprecedented challenges posed by the Russia-Ukraine war, the ever-worsening impacts of climate change, the escalating monetary tightening, and growing policy challenges. The country's economic growth slowed in the outgoing fiscal year due to devastating floods, policy tightening and difficult but essential measures to tackle sizable fiscal and external imbalances. Floods caused extensive damage to agricultural land, livestock, roads, and other infrastructure, affecting the output of crops and livestock.

Despite the adverse impact of these factors, the Government of Pakistan took timely and effective policy measures for mitigating the socio-economic fallout and for supporting the economic recovery. The measures aimed at stabilizing the economy and tackling fiscal and external imbalances. Through comprehensive reforms, fiscal consolidation efforts, agriculture sector's improvements, human resource development, and social welfare programs, the Government is firmly committed to continue the revival of the economy. The resilience and determination of the people, combined with the governmental measures, would undoubtedly lead to a prosperous and inclusive future for Pakistan.

I deeply appreciate the efforts of the Economic Adviser and his team for the timely preparation of this document. I trust that the Pakistan Economic Survey 2022-23 will be a useful document providing meaningful information to decision-makers, academicians, policy experts, researchers, and other relevant stakeholders.

Imdad Ullah Bosal
Finance Secretary
Islamabad, the 08th June, 2023

PREFACE

Pakistan Economic Survey is a yearly flagship publication of the Ministry of Finance which highlights the trend of macroeconomic indicators, development policies, strategies, as well as sectoral achievements of the economy. The Pakistan Economic Survey 2022-23 presents a comprehensive analysis of the performance of different sectors of the economy. The document examines the factors contributing to this year's growth and provides updated data on various economic and social indicators for the first nine to ten months of the current fiscal year.

The statistical data were obtained from ministries of the Government of Pakistan, provincial departments, and various organizations. I would like to thank them for their valuable input. Without their timely support, the Economic Survey would not have been completed.

I would offer my gratitude to worthy Minister for Finance & Revenue, Senator Mohammad Ishaq Dar, Minister of State for Finance & Revenue, Dr. Aisha Ghaus Pasha, Special Assistant to the Prime Minister on Finance, Mr. Tariq Bajwa, Special Assistant to the Prime Minister on Revenue, Mr. Tariq Mahmood Pasha and Finance Secretary, Mr. Imdad Ullah Bosal, for their support and guidance during the preparation of the Economic Survey. I am also highly indebted to EA Wing officers and officials, HRM Wing, and Debt Management Office for their continued support and hard work that led to complete the Survey well on time.

Pakistan Economic Survey 2022-23 has greatly benefitted from the continuous engagement, discussions, and advice from senior officers of the Finance Division. Mr. Awais Manzur Sumra (SSF), Mr. Zulfiqar Younas (AFS), Mr. Tanvir Butt (AFS), Mr. Ali Tahir (AFS), Mr. Aamir Mahmood (AFS), Mr. Amjad Mahmood (AFS), and Mr. Qumar Sarwar Abbasi (AFS).

Ministry of Finance is communicating economic data, especially that of the Economic Survey to a broader audience especially citizens in an easy to understand and engaging manner. Summarizing key insights from various chapters in the form of Highlights of the Pakistan Economic Survey 2022-23 will serve the purpose of bridging the gap between data producers and its users who are often inundated with information and increasingly pressed for time.

The Economic Advisor Wing, Ministry of Finance prepared Highlights of the Economic Survey with the support of British High Commission's Revenue Mobilization Investment and Trade (REMIT) Programme. Innovative info-graphics have been employed to improve the document by making it more reader friendly. We are thankful to the REMIT team members for supporting this endeavour of the ministry.

Hopefully, the Highlights of the Pakistan Economic Survey 2022-23 will fulfil the expectations of readers; help to nourish debate among policymakers and the decision-makers. Constructive comments and suggestions for the improvement of this document are always welcome.

Dr. Imtiaz Ahmad
Economic Adviser
Islamabad, the 8th June 2023



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Global Economic Situation

- **Global growth** decelerated due to weak performance in advanced economies and **tight monetary policy** stance at the global level to address the problem of inflation.
- The **Russia-Ukraine conflict** adversely affected the global economy, leading growth to decelerate and high inflation. The pass-through of increased international commodity prices is reflected in currency depreciation and elevated cost of production.
- After realising 3.4% **global growth** in 2022, the growth is projected to slowdown to 2.8% in 2023 before rising to 3.0% in 2024.
- **Global inflation**, which increased from 4.7% in 2021 to 8.7% in 2022, is expected to decline to 7.0% in 2023 on account of lower commodity prices.
- The **world trade volume** increased by 2.7% during 2022, but it was lower than October's 2022 projection of 3.5%. In the fourth quarter of 2022, the world trade volume declined heavily and pulled down the growth for the whole year.
- The **world trade volume** is estimated to grow 1.7% in 2023 before picking up to 3.2% in 2024.
- **Tightening global financial** conditions could impact credit conditions, public finances which lead to capital outflows, debt burden, reduced savings and investment in emerging and developing economies.

The projected Global Growth decelerated to **2.8%** in **2023** and **3.0%** in **2024**

Global Inflation
8.7% (2022)
↓
7.0% (2023)

The World Trade Volume Increased by **2.7%** during **2022** and estimated to grow at **1.7%** in **2023**



Growth and Investment

- The real GDP posted a growth of **0.29%** in FY2023. Economy faced tremendous challenges of macroeconomic imbalances, supply shocks, and international economic slowdown which has dampened the economic growth.
- In first quarter of FY2023, floods engulfed the large part of agriculture land and disrupted the domestic supply. Flood damages, GDP loss, and rehabilitation expenditures are **Rs. 3.2 trillion (US\$ 14.9 billion)**, **Rs. 3.3 trillion (US\$ 15.2 billion)**, and **Rs. 3.5 trillion (US\$16.3 billion)**, respectively.
- The increase in international prices and currency depreciation which led to increase in domestic commodity prices has reduced the aggregate demand in FY2023.
- GDP at current market prices stood at **Rs 84,657.9 billion** in FY2023, showing a growth of **27.1%** over last year (**Rs 66,623.6 billion**).
- Per capita income stood at **US\$1,568** as compared to **US\$ 1,765** last year on account of currency depreciation, lower GDP growth and rising population.
- The investment to GDP ratio stood at **13.6%** in FY2023 compared to **15.6%** in FY 2022 mainly due to slowdown in global and domestic economic activity and contractionary macroeconomic policies.
- The growth of agriculture sector estimated at **1.55%** in FY2023. This growth is mainly driven by some main crops of wheat, sugarcane and maize and livestock.
- The industrial sector posted a negative growth of **2.94%** in FY2023. Industrial sector performance is more dependent on the Manufacturing sector which has a share of **65.0%** in the industry.
- Services sector constitutes the largest share of **58%** in GDP for the last several years. The services sector witnessed meager growth of **0.86%**.

Real GDP Growth

0.29%

Investment to GDP ratio

13.6%

Per capita Income

US\$ 1,568



Agriculture



During 2022-23, agriculture sector performance hit hard by Flash Floods 2022 that negatively impacted Kharif crops. The sector grew by **1.55%** against last year's growth of 4.27%.



Rice production declined to 7.32 million tonnes from 9.32 million tonnes and recorded decline of 21.5 percent over last year.



Maize production increased by 6.9% to 10.18 million tonnes against last year's production of 9.52 million tonnes.



Cotton production declined by 41% to 4.91 million bales as compared to 8.33 million bales last year.



Sugarcane recorded production of 91.11 million tonnes over last year's production of 88.65 million tonnes showing increase of 2.8%.



Wheat production recorded 27.63 million tonnes compared to 26.21 million tonnes last year, showing increase of 5.4%.





Other crops having share of 14.49 percent in agriculture value addition and 3.32% in GDP, grew by 0.23% during 2022-23 due to increase in output of Oil seeds.



Fishing sector having share of 1.39% in agriculture value addition and 0.32% in GDP, grew at 1.44 percent compared to 0.35% last year.



During 2022-23, **gram** production declined by 24.7% to 238 thousand tonnes compared to 316 thousand tonnes last year due to decrease in area sown. Similarly, the production of **rapeseed & mustard**, **bajra** and **tobacco** recorded an increase of 98%, 13.3% and 0.1% respectively, however production of **Jowar** and **barley** declined to 23.4% and 2.6% respectively.



Livestock having share of 62.68% in agriculture and 14.36% in GDP, grew at 3.78% in 2022-23 compared to 2.25% last year.



Forestry sector having share of 2.23% in agriculture value addition and 0.51% in GDP grew at 3.93% due to increase in Timber production compared to 4.07% last year.



During 2022-23, the production of **potato** increased by 4.8%, while there is decrease in the production of **moong** (48.9%), **chillies** (43.1%), **mash** (31.1%), **masoor** (2.6%) and **onion** (18.3%).



During Jul-Mar FY 2023, about 655.9 thousand tonnes of **improved seeds** of various Kharif/Rabi crops were available.





The **monsoon season** (Jul-Sep) 2022 witnessed above normal rainfall defying some historical high records stood at 387.8 mm, showing a drastic increase of 175.3% against the normal average rainfall of 140.9 mm. During **post-monsoon season** (Oct-Dec) 2022, rainfall recorded at 21.5 mm against the normal average rainfall of 26.4 mm, showing a decrease of 18.6%. However, during **winter season** (Jan-Mar) 2023, rainfall remained below at 63.8 mm against the normal average rainfall of 74.1 mm, revealing a decrease of 13.9%.



During Jul-Mar FY2023, the **agriculture lending** financial institutions have disbursed Rs. 1,222 billion, which is 67.2% of the overall annual target and 27.5% higher than Rs. 958.3 billion disbursed during the same period last year.



Canal head withdrawals decreased by 34% during Kharif 2022 to 43.27 MAF from 65.08 MAF during Kharif 2021. During Rabi 2022-23, it increased to 7% to 29.37 MAF from 27.42 MAF during Rabi 2021-22.

Overall **domestic production of fertilizers** during Jul-Mar FY2023 decreased by 8.3% over the same period of FY2022. In addition, the **import of fertilizer** also decreased by 26.2%, therefore, **total availability of fertilizer** decreased by 11.2% during Jul-Mar FY2023. **Total offtake of fertilizer** nutrient witnessed decrease by 15%. Subsidy in the form of cheap natural gas and budgeted subsidy was given on RLNG for two urea plants and imported urea by the government during FY2023.



Manufacturing & Mining

- Apart from external shocks, Pakistan's economy also confronted with multiple domestic shocks. Flood damages have resulted in losses for the cotton industry which constitutes half of the industry's required cotton input.
- SBP's restrictive policies to correct the balance of payment crisis and control inflation, such as high interest rates and import restrictions have created headwinds for business and consumer confidence, as well as investment.
- Large Scale Manufacturing (LSM) growth during Jul-Mar FY2023 declined by 8.11% as compared to growth of 10.6% in the same period last year.
- Furniture Products recorded highest growth of 48.26% followed by Wearing Apparels 31.68% Other Manufacturing (Footballs) 34.82% and Leather Products 2.47%.
- The sectors which recorded negative growth during the period are Textile 16.03% Food 8.71%, Beverages 3.39%, Tobacco 23.78%, Rubber Products 8.08%, Fabricated Metals 13.83%, Electrical Equipment 11.15%, Pharmaceuticals 23.20%, Wood Products 66.22% Automobile 42.48% Iron & Steel 4.02%, Machinery & Equipment 46.01%, Chemicals 6.29% and Other Transport Equipment 38.91%.

Large Scale Manufacturing

Growth during Jul-Mar FY2023

Declined by **8.11%** as compared to growth of **10.6%** in the same period last year

Furniture Products

Recorded highest growth of **48.26%**

Wearing Apparels **31.68%**

Footballs **34.82%** Leather Products **2.47%**



The Mining and Quarrying sector negatively grew by 4.4% during FY2023 against the dip of 7.0% last year.



However, some witnessed negative growth such as Natural Gas 9.3%, Crude Oil 10.2%, Chromite 12.6%, Magnesite 50.0%, Gypsum 5.0%, Sulphur 25.0%, Soap Stone 43.2%, and Iron Ore 51.6%.



Government has implemented various initiatives to foster the growth of the industrial sector which includes ensuring reliable energy supply to export-oriented sectors, rationalizing tariff headings for industrial and manufacturing sectors, and granting sales tax exemptions for solar panel import and local supply.



Government is focusing on addressing energy-related issues through initiatives such as the **Solar Policy, Power Sector Indigenization Plan (PSIP)**, and improved tariff structures to attract investors in petrochemical production and other related sectors.

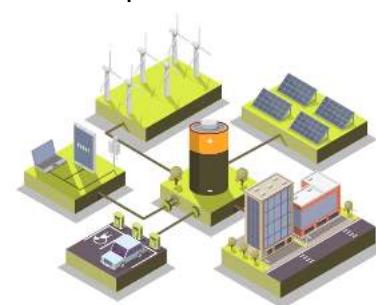
During Jul-Mar FY2023, production of major minerals such as Coal, Dolomite, Barytes, Lime Stone, Rock Salt and Ocher witnessed the growth of 17.6%, 42.2%, 53.6%, 10.6%, 12.4% and 15.4%, respectively.



Looking at the upside, once global shocks of the war in Ukraine, supply chain disruptions, and the resultant spike in commodity prices fade away, the road to global growth and trade prospects would be smoother.



Government has approved the "**Greenfield Industrial Policy**," waiving of custom duties on the import of plant and machinery to reduce costs for industrial development and promote the adoption of new technologies.



Fiscal Development

Pakistan entered the current fiscal year with **tight budgetary conditions** which were further compounded by the devastating impact of floods thus adding to the already existing economic woes of the country.

To mitigate the economic damage caused by the floods, the government took swift and timely measures that raised the need for additional public spending. Similarly, revenue mobilization activities were also hampered due to a downturn in economic activity.

Currently, the challenge is to reduce the fiscal deficit for **fiscal sustainability** along with macroeconomic stability. At the same time, there is a difficult task to support **vulnerable segments** of society and meet expenditures on rising interest servicing.

In FY2023, the government's strategy remained focused on **fiscal consolidation** through prudent expenditure management and domestic resource mobilization. Moving away from **untargeted subsidies** was also prioritized to create ample fiscal space to safeguard the poor against inflation.

The government's **prudent** and **calibrated** response resulted in better fiscal accounts during the first nine months of the current fiscal year.



Fiscal deficit reduced to 4.6% of GDP (Rs.3,929.3 billion) during Jul-Apr FY2023 against 4.9% of GDP (Rs.3,275.2 billion) in the same period of last year. Similarly, the primary balance posted a surplus of Rs. 99.1 billion against a deficit of Rs. 890.2 billion during the period under review, reflecting a slowdown in the growth of non-markup expenditures.

According to the consolidated fiscal operations, **total revenues** increased by 18.1% to Rs.6,938.2 billion (8.2 percent of GDP) in Jul-Mar FY2023 against Rs. 5,874.2 billion (8.8% of GDP) last year. Both tax and non-tax collection contributed to an increase in overall revenues.

Tax revenues (federal and provincial) grew by 16.5% on the back of a significant rise in FBR tax collection despite various economic challenges at the domestic and global levels. Total tax collection increased to Rs.5,617.7 billion in Jul-Mar FY2023 against Rs.4,821.9 billion in the same period of last year.

Non-tax revenues grew by 25.5% to Rs.1,320.5 billion during Jul-Mar FY2023 against Rs.1,052.2 billion in the comparable period of last year.

Total expenditures grew by 18.7% to Rs.10,016.9 billion in Jul-Mar FY2023 against Rs.8,439.8 billion last year.

Current expenditures grew by 25.3% to Rs.9,244.6 billion during Jul-Mar FY2023 as compared to Rs.7,378.0 billion last year. Higher growth is mainly due to a 69.1% growth in markup payments due to higher policy rates at the domestic & international levels and a Rupee depreciation.



Development expenditures and **net lending** recorded a marginal increase of 0.9% to Rs.1,060.4 billion during Jul-Mar FY2023 against Rs.1,051.1 billion in the last year. Within total, expenditures under PSDP registered a decline of 1.8% to Rs.1,014.0 billion in Jul-Mar FY2023 against Rs.1,032.7 billion last year.

FBR tax collection during Jul-May, FY2023, increased by 16.1% to Rs. 6,210.1 billion against Rs. 5,348.2 billion last year.

During Jul-Mar FY2023, **all four provinces posted a combined surplus** of Rs.456.0 billion against Rs.599.8 billion in the same period of last year.

The current fiscal performance indicates that despite significant challenges due to the global and domestic economic environment, **fiscal consolidation efforts** are on track. It is expected that the FY2023 would observe a considerable decline in fiscal deficit as compared to last year.

Additional austerity measures, various tax policies, and administrative reforms to improve tax collection, as well as efforts to improve financial planning through **PFM reforms**, will provide additional impetus to the government's efforts to further reduce the fiscal deficit over the medium term.

Money & Credit

In response to multi-decade high global inflation, many Advanced Economies (AEs) and Emerging Market Economies (EMEs) had started to remove monetary accommodation at the start of 2022.

During 2022, **Policy rate** increased by 430 bps in US, 250 bps in Euro Area, 330 bps in UK, 450 bps in Brazil, 300 bps in Australia, 230 bps in India, 200 bps in Indonesia, 350 bps in Philippines and 630 bps in Pakistan.

SBP started monetary **policy normalization** since September 2021 and cumulatively increased policy rate from 7.0% to 13.75% during FY2022.

At the start of FY2023, the economy was confronting both domestic and external challenges. Policy rate increased by 725 bps cumulative during Jul-Apr FY2023 to 21%, on account of persistent inflationary pressures.

Broad money (M2) increased to Rs 2,026.3 billion (growth of 7.3 percent) during the period 1st July-12th May FY2023 as compared to Rs 1512.0 billion (growth of 6.2%) during same period last year.

Within M2, **Net Foreign Assets (NFA)** of banking system decreased by Rs 2,072.3 billion during 1st July-12th May, FY2023 as compared to decline of Rs 1,377.1 billion during same period last year.

Net Domestic Assets (NDA) of the banking sector increased by Rs 4,098.6 billion during the period 1st July-12th May FY2023 as compared to Rs 2,889.1 billion during same period last year.

Currency in Circulation (CiC) observed an increase of Rs 1334.9 billion during the period 1st July-12th May, FY2023 against expansion of Rs 1006.7 billion during same period last year.



Bank deposits increased by Rs 683.0 billion during the period 1st July-12th May, FY2023, as compared to an increase of Rs 482.4 billion during same period last year.

Reserve Money (RM) grew by 20.2% (Rs 1880.2 billion) during 1st July-12th May, FY2023 as compared to growth of 13.4% (Rs 1165.4 billion) during same period last year.

Government borrowing for budgetary support stood at Rs 3,043.3 billion during the period 1st July-12th May, FY2023 as compared to Rs 1570.0 billion during the same period last year.

During 1st July-12th May FY2023, **private sector credit** stood at Rs 75.4 billion as compared to Rs 1,345.2 billion during same period of last year.

Contraction of loans has been observed in both the **working capital and fixed investments loans** during Jul-Apr, FY2023. Working capital loans observed net retirement of Rs 460.3 million during Jul-Apr, FY2023 against net borrowing of Rs 628.9 billion during same period last year.

Fixed investment loans reached to Rs 185.4 billion against Rs 366.7 billion in comparable period last year.

Loans for commodity finance observed a net borrowing of Rs 339.5 billion during the period 1st Jul-12th May, FY2023 as compared to net borrowing of Rs 278.9 billion during comparable period last year.

The Weighted Average Lending Rate (WALR) on gross disbursements has increased from 10.6% in March, 2022 to 18.0% in March 2023. Similarly, Weighted Average Deposit Rate (WADR) also increased from 5.1% in March 2022 to 8.1% in March 2023.



The banking sector performed reasonably well during CY22 as asset base of the banking sector expanded by 19.1% (19.6% growth in CY21).

Asset Quality indicators of the lending portfolio improved as gross NPLs to gross loans fell to 7.3% by end Dec-22 from 7.9% at end Dec-21.

Solvency indicators such as Capital Adequacy Ratio (CAR) of banking sector improved to 17.0% by end Dec- 2022 (16.7% at end Dec-21).

Assets of Islamic Banking Industry (IBI) posted YoY growth of 29.5% in CY22, slightly lower than growth of 30.6% in CY21.

Deposits of IBI witnessed growth of 22.6% in CY22 as compared to the growth of 24.3% in CY21.

Microfinance industry witnessed 25% growth in its aggregate microcredit portfolio, which increased by Rs 98.6 billion to Rs 491.2 billion as at end December 2022 from Rs 392.6 billion at the end of December 2021.

Number of borrowers of micro-finance industry increased by 12% to register 9.1 million as of end December 2022 from 8.0 million as of December 2021.

Number of Branchless Banking (BB) Accounts reached 97 million in CY22 after witnessing growth of 23% as compared 78.8 million in CY21.

BB deposits increased by 35% to Rs 88.4 billion in CY22 from Rs 65.5 billion in CY21.

Over the next FY, it is expected that inflationary pressures will gradually recede and further decrease to a single digit in FY2025. Accordingly monetary policy decisions will take directions.



Capital Markets and Corporate Sector

The Morgan Stanley Capital International Emerging Market (MSCI-EM)

Index declined by 1.0% during Jul-Mar FY2023, which is an index of 24 emerging stock markets.

The performance of **major World stock markets** remained volatile during the outgoing fiscal year mainly due to global financial conditions amid conflict between Russia and Ukraine, global inflation and monetary tightening.

Increase has been observed in S&P 500 of US (8.6%), CAC 40 of France (23.6%) BSE Sensex 30 of India (11.3%), PSEi Composite of Philippines (5.6%) and FTSE Straits Times of Singapore (5.1%).

The **KSE-100 index** of Pakistan opened at 41,540.8 points on 1st July 2022 and closed at 40,000.8 points on 31st March 2023, declined by 3.7% during Jul-Mar FY2023

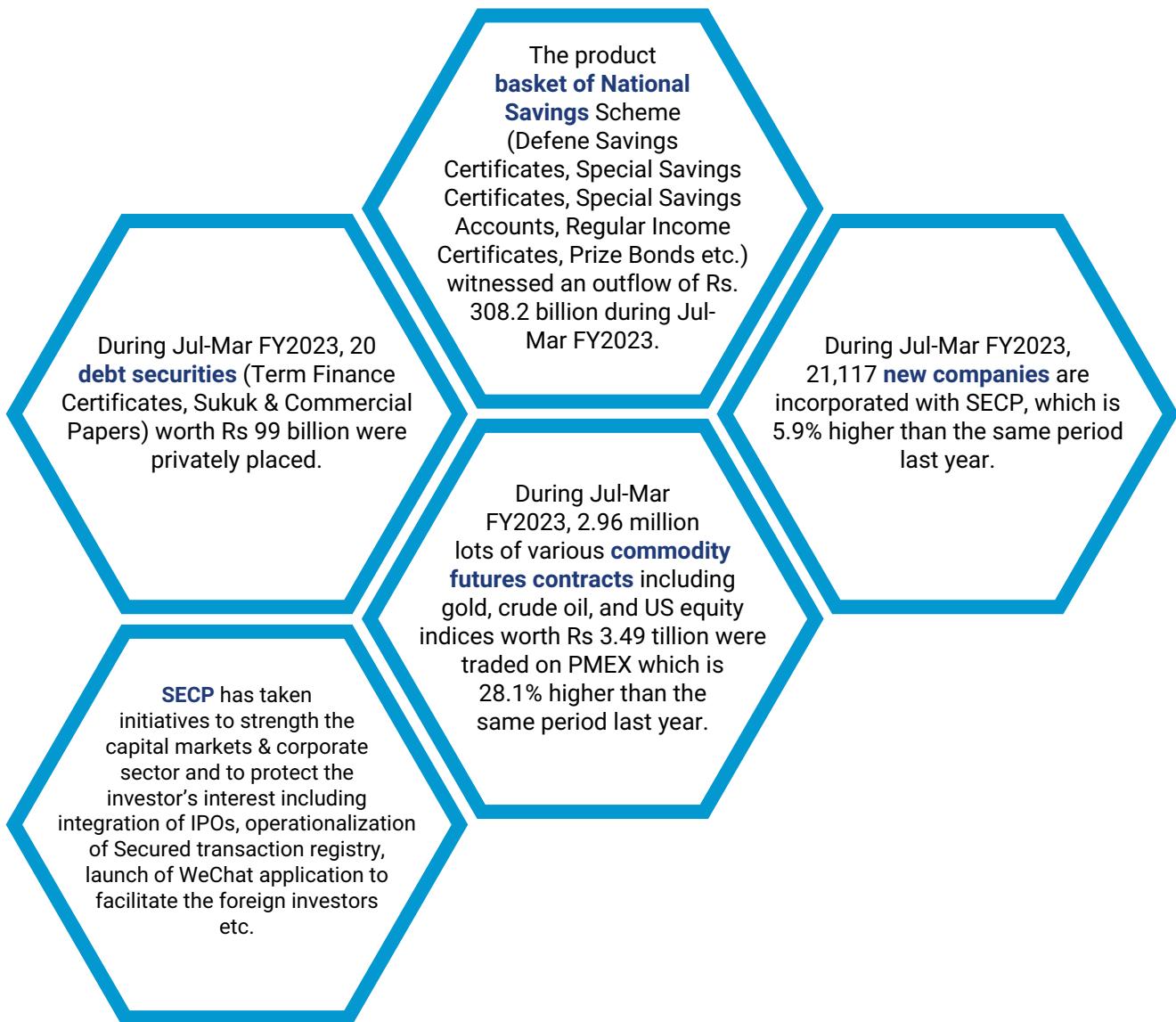
Shanghai Composite of China, VN30 Index of Vietnam, Hang Seng of Hong Kong and Kuala Lumpur Composite Index of Malaysia declined by 3.7%, 14.0% 6.7% and 1.5% respectively.

Market capitalization of the Pakistan Stock Exchange (PSX) recorded at Rs. 6956 billion on 30th June 2022, and closed at Rs 6,108 billion on 31st March 2023, reflecting a decline of 12.2% during the period.

As of March 31, 2023, the **number of listed companies at PSX** stood at 526 with market capitalization of Rs. 6,108 billion. During Jul-Mar FY2023, 02 new companies listed at PSX.



HIGHLIGHTS OF PAKISTAN ECONOMIC SURVEY 2022-23



Inflation

The **global inflationary pressure** intensified during recent years. The United States and United Kingdom has its worst inflation in decades i.e. US (9.1% in June 2022) and UK (11.1% in October 2022). Higher inflation also recorded in Iran (53.4% in February 2023), Turkiye (43.7% in April 2023), Egypt (30.6% in April 2023) and Argentina (109% in April 2023).

Despite the recent downward trajectory of food and fuel prices in international market, general price level is still higher than pre-pandemic level and pre-war (Russia-Ukraine). All countries have not benefitted from declining prices as the US dollar appreciated in value and currencies in many developing countries have depreciated.

Headline CPI national inflation, averaged at 29.2% during Jul-May, FY 2023 against 11.3% in the comparable period last year.

Urban food inflation during Jul-May, FY 2023, is recorded at 37.3% and non-food 20.3% as against 12.5% and 10.2% in the corresponding period last year.



Rural food inflation during Jul-May FY2023, is recorded at 41.1% and non-food 24.9% as against 11.8% and 11.5% in the corresponding period last year.

Urban and Rural Core inflation during Jul-May FY2023, stood at 16.0% and 20.1% respectively against 7.8% and 8.6% last year.

WPI during Jul-May FY2023 has recorded an increase of 33.9% against the 23.6% last year.

SPI stood at 32.8% during Jul-May FY2023 against the 16.7% last year.



The inflationary pressures are emanating from weaker exchange rate, supply disruptions created by flood damages, higher global food prices and broader tariff reforms for both electricity and fuels.

Government is taking administrative actions, policy reforms and relief **measures** to control the prices of essential items. Government is committed to maintain the strategic reserves of wheat, sugar and pulses. District Price Control Committees are also monitoring the prices of essential items to ensure their availability at reasonable prices.

Under the **SBP amended Act 2021**, being its primary objective, SBP is taking measures to maintain low and stable inflation in the country.

The global supply chain has shown little improvement in last few months. It is expected to benefit developing countries in coming months.



Trade and Payments

The **world trade volume** recorded a growth of 2.7% during 2022 as compared to 9.4% last year. The world trade volume declined heavily in the fourth quarter of 2022 and pulled down the growth for the whole year.

According to WTO, the trade growth is projected to be 1.7% in 2023, higher from earlier forecast of 1.0% in October 2022. This may be attributed to reopening of China in January 2023, ending the zero COVID policy.

Pakistan's **balance of payments** position remained under pressure mainly due to adverse global shocks, stabilization measures along with the devastating flood which has further aggravated the gloomy economic conditions during outgoing fiscal year.

Exports declined by 11.7% during Jul-Apr FY2023 amounting to US\$ 23.2 billion as compared to US\$ 26.2 billion in the same period last year on account of the weak global demand and lackluster performance in the domestic economy amid the demand curtailing measures.

Imports during Jul-Apr, FY2023 amounted to US\$ 46.9 billion as compared to US\$ 65.5 billion in the same period last year, declined by 28.4%, reflecting the impact of policy tightening and other administrative measures.

The **regulatory measures** to curtail the imports include: Imposition of 100 percent Cash margin requirement on a total of 702 items, RDs up to 100 percent were levied on more than 800 luxury items, Tightening in regulations for exchange companies, tightening regulation for consumer financing, increasing Cash Reserve Requirements for banks by 100 bps during Jul-Mar FY2023.



Current account narrow down by 76.1% and recorded a deficit of US\$ 3.3 billion during Jul-Apr FY2023, against a deficit of US\$ 13.7 billion in the same period last year, on account of decline in the merchandize trade deficit.

Services account deficit contracted by 91.4% and reached US\$ 403 million in Jul-Apr FY2023 as compared to US \$ 4.7 billion last year, owing to a sharp decline in services imports, particularly in the transport sector.

Primary income account deficit increased by 0.82% and reached US\$ 4.44 billion in Jul-Apr FY2023, as against deficit of US \$ 4.41 billion, due to higher profit and dividend repatriation by foreign firms along with elevated interest payments on external debt.

Workers' remittances registered a decrease of 13.0% and stood at US\$ 22.7 billion as against US\$ 26.1 billion same period last year, owing to higher inflation in host country, foreign currency cash transfer via overseas Pakistanis and interlude exchange rate adjustment.

Financial account recorded net outflow amounting to US\$ 1.9 billion in Jul-Apr FY2023, against an inflow of US\$ 8.1 billion last year.

Net FDI inflows recorded at US\$ 1.2 billion during Jul-Apr FY2023 as against US\$ 1.5 billion last year, declined by 23.2%.



The highest FDI received from China during Jul-Apr FY2023 is US\$347.6 million (29.7 % of total FDI), Japan US\$162.9 million (13.9%), Switzerland US\$ 131.6 million (11.2 %), U.A.E US\$ 113.6 million (9.7 %) and Hong Kong US\$ 81.3 million (6.7%).

SBP's FX reserves witnessed a decline mainly on the account of amortization of official loans and liabilities during Jul-Apr FY2023 and reached a level of US\$ 4.5 billion by the end of April 2023.

The PKR depreciated by 27.8%, from the end-June 2022 exchange rate of 204.8 to 283.8 in April 2023.

At the start of FY2023, the current account in annual plan was projected to be 2.2% of GDP, but now it will remain in 1% to 1.5% of GDP, on account of improvement in trade deficit.

At the external front, the prospects of exports growth in next year is somewhat better than FY2023, on account of better global trade outlook, revival of growth in trading partners and improved global and domestic supply chain situation.

Revived domestic economic activities, and recent elimination of imports restriction, may increase the imports bill in FY2024. The remittances are also expected to increase significantly due to improved economic situation in host countries. All these factors will be reflected in current account balance for FY2024.



Public Debt

- Total public debt was Rs. 59,247 billion at end-March 2023.
- Domestic debt was Rs.35,076 billion and external public debt was Rs. 24,171 billion or US\$ 85.2 billion at end March 2023.
- Within domestic debt, the Government relied on long-term domestic debt securities (predominantly on floating rate PIBs and Sukuk) for the financing of its fiscal deficit and repayment of debt maturities. Government retired Treasury Bills amounting to Rs 527 billion which led to a reduction of short-term maturities.
- The Government repaid Rs 310 billion against its debt owed to SBP. The cumulative debt retirement against SBP debt stood at Rs 2.0 trillion since July 2019.
- In addition to existing 5 year Ijara Sukuk instrument, government introduced 3 year and 1 year Ijara Sukuk instrument in January 2023 and February 2023 respectively. The target is to diversify shariah compliant instrument base, give more options to investors with appetite towards Islamic investments. Government successfully issued Shariah Compliant Sukuk instruments amounting to around Rs. 401 billion.



- Within external debt, inflows from multilateral sources and foreign commercial banks remained major sources of gross external inflows. US\$ 1,166 million were disbursed under 7th and 8th review of the IMF program. US\$ 1,500 million were received from Asian Development Bank under the Building Resilience with Active Countercyclical Expenditures (BRACE)' program. Asian Infrastructure Investment Bank (AIIB) co-financed the BRACE program to the tune of US\$ 500 million, In addition, US\$ 1,900 million loans from commercial banks were also refinanced.
- **Government rolled-over** US\$ 3,000 million deposits each from China and Saudi Arabia which were utilized towards budgetary support.
- **Saudi oil facility** amounting to around US\$ 900 million was utilized (around US\$ 100 million each month).
- Government repaid international commercial loans to the tune of US\$ 5,541 million, out of which US\$ 4,541 million were bank loans and US\$ 1,000 million was international Sukuk maturity.



Education

The **number of educational institutions** recorded at 275.6 thousands during 2020-21 as compared to 271.3 thousand during 2019-20. However, the number of institutions are estimated to increase to the level of 279.4 thousand in 2021-22.

There were 1.79 million teachers in 2020-21 as compared to 1.77 million last year. The number of teachers are estimated to increase to 1.81 million during 2021-22.

Literacy rate gone up in all provinces, Punjab (66.1% to 66.3%), Sindh (61.6% to 61.8%), Khyber Pakhtunkhwa (52.4% to 55.1%) and Balochistan (53.9% to 54.5%).

Cumulative education expenditures by Federal and Provincial Governments in FY2022 estimated at 1.7% of GDP. Expenditures on education-related activities during FY2022 witnessed an increase of 37.3%, and reached to Rs. 1,101.7 billion from Rs. 802.2 billion.

In total, 53.86 million **enrolments** were recorded for 2020-21 as compared to 52.97 million during 2019-20, showing an increase of 1.7%. It is estimated to increase to 55.37 million during 2021-22.

According to Labor Force Survey 2020-21, literacy rate remained 62.8% in 2020-21 (as compared to 62.4% in 2018-19), more in males (from 73.0% to 73.4%) than females (from 51.5% to 51.9%). Area-wise analysis suggests literacy increase in both rural (53.7% to 54.0%) and urban (76.1% to 77.3%). Male-Female disparity seems to be narrowing down with time span.

In PSLM 2019-20, **Out of School Children** is 32% in the country with higher rate of female out of school (37%) than male (27%). Punjab has 24% OOSC, Sindh 44%, Khyber Pakhtunkhwa 32% and Balochistan 47%, in all provinces, higher females are out of school than the male. Government has taken various measures/ initiates to tackle the issue.



During FY2023, the Government allocated Rs 44.72 billion to HEC for implementation of 154 development projects of Public Sector Universities/HEIs. During Jul-May FY2023 accumulative Rs. 42.879 billion were released.

In the first phase of National Curriculum of Pakistan for Grade Pre I-V has been developed and textbooks have also been prepared. Moreover, the work on Teacher Training Modules and Assessment Framework is also developed.

There are 247 universities in the country with 57,204 thousand teachers in both public and private sectors functional in 2020-21, 35.14% of faculty members are PhD degree holders.

To enhance national harmony, Madaris are facilitated and getting affiliated with the BISE as well as Board of Technical Education for SSC / HSSC and in technical & vocational education. Contemporary subjects at SSC / HSSC will be introduced in the next 05 years.

Achievements of NAVTTC includes a total of 144,529 youth trained in 930 institutes across Pakistan, as certified skilled professionals, with 71% employed; 77,114 trained in High-Tech skills like Artificial Intelligence, Robotics, Cyber Security, E-Commerce& IT; Developed National Skills Information System; 67,415 trained in Conventional trades; National Employment Exchange Tool (NEXT) Skilled Youth & Job Portal established with a databank of 463,105 certified skilled youth and 780,711 cumulative jobs from 1,175 employers.

Different measures are taken up at the federal and provincial levels to raise the standards of education in terms of quality education as part of commitment to accomplish **SDG 4** which include enhancing access to education by establishing new schools, upgrading the existing schools, improving learning environment, digitization of educational institutions, promoting distance learning and capacity building of teachers.



Health and Nutrition

- The government remained committed towards mobilization of all available resources to achieve SDG target 3.8 i.e. Universal Health Coverage (UHC) ensuring that every single individual gets quality healthcare without facing any financial hardship.
- The **PSDP allocation** for the health sector during FY2023 was Rs.22,356.5 million, which is 2.8% of the total development budget and 0.05% of GDP.
- The **public health expenditure** increased by 56.8% during FY2022 from Rs. 586,270 million recorded during FY2021. The expenditure was 1.4% of GDP during FY2022 as compared to 1% during same period of last year.
- To effectively deal with any future public health emergencies such as COVID-19, the government focused on improving disease surveillance and reporting in the country and expedited its efforts to execute the PSDP project for development of Integrated Disease Surveillance Response System (IDSRS) with public health laboratories network.
- To improve healthcare regulation and healthcare standards, the government developed 6 standards for quality healthcare services along with a digital map of all health care facilities of the ICT and launch of online Complaint Management System.





Under **Extended Programme for Immunization** (EPI), Typhoid Conjugate Vaccine (TCV) was introduced into routine immunization program and post campaign coverage survey showed 92% coverage of the TCV. Also, the government established state-of-the-art Immunization Supply Chain System (ISC) for vaccine and logistics delivery.



Under **TB Control Programme**, TB treatment coverage of 339,256 patients was observed with success rate of 94%.



With more than one-fifth of the health facilities completely damaged as a result of recent floods, the government showed strong commitment to restore essential service delivery and critical public health functions, particularly disease outbreak surveillance in affected districts in order to minimize the impact of the disaster. Post Disaster Need Assessment for the health sector was carried out which estimated recovery and reconstruction costs of Rs. 40,294 million (US\$187.6 million).



To ensure nutrition security, formulation of a Multi-sectoral National Nutrition Policy (MS-NNP) has been initiated with the support of nutrition partners to serve as a guiding document for multi-sectoral nutrition planning and programming in order to substantially reduce the level of malnutrition and to mainstream nutrition in national socio-economic development plans.



In an effort to disrupt drug supply chain, the **Anti Narcotics Force (ANF)** froze assets in various drug cases to the tune of Rs. 2,984.3 million during current fiscal year. Additionally, the ANF processed 845 seizure cases and made 808 arrests against those cases. The total amount of drug seizures during this period was 79.762 M.T.





During first three quarters of FY2023, **NDMA** supplied 2,044,104 mosquito nets, 7,300 hygiene kits, 126,200 food packs, 18,860 first aid kits, 350 life-saving jackets among other supplies to various provinces of the country in an effort to provide relief assistance to the flood affectees. Moreover, a total of 7,376 tonne of relief goods ranging from winterized tents and warm clothing to food rations and medical supplies were supplied by the NDMA to the earthquake affectees of Turkiye and Syria.



Population Labour Force and Employment



The **global human population** reached 8.0 billion in mid- November 2022 by adding 1 billion people since 2010.



Pakistan is the 5th most populous country in the world. According to the National Institute of Population Studies (NIPS), the estimated population of Pakistan is 229.22 million in 2022.



In 2022, urban population is 84.69 million while rural population is 144.53 million.



Pakistan stands among the top 10 countries in the world with large labour force.



According to the Labour Force Survey 2020-21, **total labour force** is 71.76 million out of which 67.25 million are employed and 4.51 million are unemployed with unemployment rate 6.3%.



The government has taken different initiatives like overseas scholarship for students, establishment of innovation fund and Ba-Ikhtiyar Naujawan Internship Program to improve the skills and employability of the youth.

HIGHLIGHTS OF PAKISTAN ECONOMIC SURVEY 2022-23



Uptill March 2023, the government has disbursed Rs. 6,965 million under **Prime Minister Youth Business & Agriculture Loan Scheme** for businesses.



During 2022, Bureau of Emigration & Overseas Employment (BE&OE) has registered 8,29,549 **workers for overseas employment** in different countries.



Ministry of Overseas and Human Resources Development is working to sign bilateral agreements/MoUs with destination countries. In this regard, a bilateral Agreement/ MoU on **Manpower Export** has been signed with Azerbaijan in 2022.



BE&OE created linkages between OEC and NAVTTC for matching of available jobs at BE&OE official website and data of the trained job seekers maintained by NAVTTC.



To increase the manpower export from Pakistan, 112 new licenses were issued to Overseas Employment Promoters (OEPs) during Jul-Dec 2022.



The government arranged different awareness activities on World Population Day. National Ulema Conference was arranged with the coordination of the Council of Islamic Ideology regarding sensitization on mother and child health.



Transport and Communication

PIA

PIA has a total fleet of 35 airplanes. The **operating revenue of the PIA increased by 99.6%** during Calendar Year, 2022 to Rs. 172,038 million. Similarly, operating expenditure during this period increased by 81.2% to Rs. 183,345 million, recording a loss of Rs. 11,307 million.

NHA

The NHA network comprises of **48 national highways**, motorways and strategic roads with a total length of 14,480 Km. The NHA portfolio in the development budget i.e. PSDP 2022-23 consisted of **115 projects** with a budgetary **allocation of Rs. 118,403.40 million**.

CPEC

Under CPEC, various road infrastructure projects such as **Zhab to Kuchlak** (298 km), **Khuzdar-Basima** (110 km), **Nokundi-Mashkhel** (103 km), and **Hoshab-Awaran M8** (146 km) are under different stages of implementation.

RAILWAY

Pakistan Railways network consists of **461 Locomotives** with route length of 7,791 Km. During Jul-Mar of FY 2023, gross earnings of **Rs. 39,950 million** were recorded as compared to **Rs. 43,731.59 million** during corresponding period of previous fiscal year.

PNSC

Pakistan National Shipping Corporation has a fleet strength of 12 vessels having cargo carrying capacity of 938,876 metric tonne. The PNSC Group recorded 879% increase in Profit After Tax (PAT) amounting to Rs. 23,956 million during Jul-Mar FY2023 as against Rs. 2,446 million in the corresponding period of the last year. The PNSC's solo financial performance showed a net PAT of Rs. 3,968 million during first three quarters of FY2023 as compared to net PAT of Rs. 84 million in the same period of last year.

**PORT QASIM
AUTHORITY**

The cargo handled by Port Qasim Authority during Jul-Mar FY2023 was 31.53 million tonne depicting a 25% decrease compared to same period last year. The volume of the import cargo handled during this period remained at 26.15 million tonnes as against 35.78 million tonnes handled during corresponding period of the last year showing a decrease of 27%. Similarly, the export cargo handled stood at 5.39 million tonnes during first nine months of FY 2023 as compared to 6.37 million tonnes handled during same period last year showing a decrease of 15%.

**KARACHI
PORT**

The cargo and container handling at Karachi Port during Jul-Mar FY2023 was 31.791 million tonne as compared to 39.71 million tonnes during corresponding period last year recording a decrease of 20%.

**GAWADAR
PORT**

The cargo activity at Gawadar Port was reported to be 138,215 tonne during first three quarters of FY2023 against 79,700 tonne observed during FY2022.



POST

The Pakistan Post, with postal communication network comprising of 10,293 post offices of various categories, recorded revenue of Rs. 5,725.16 million during Jul-Apr FY2023 as compared to Rs. 14,433.03 million recorded during 12 months of previous fiscal year.

PEMRA

The electronic media network consists of 133 satellite TV stations with licenses issued by Pakistan Electronic Media Regulatory Authority (PEMRA) and 36 channels with Landing Rights permission to broadcast in Pakistan. During Jul-Mar FY2023, PEMRA deposited Rs. 690,000 to the national exchequer against a contribution of Rs.7.20 million during previous fiscal year.

PTV

The PTV is currently operating 7 channels with 100% coverage of population on terrestrial network. During FY 2023, Rs. 204.65 million were allocated for two PSDP projects of the PTV.

PBC

The Pakistan Broadcasting Corporation (PBC) has broadcasting network of about 80 units housed in 32 broadcasting houses across the country. During FY2023, an amount of Rs. 4,628.06 million was allocated to the PBC to meet its operational and employees related expenditures, out of which Rs. 3,793.31 million has been released during first three quarters of the current fiscal year. Additionally, funds amounting to Rs. 225 million have been released during this period for three PSDP projects of the PBC for which execution work is in progress.

Energy

Total installed capacity of electricity in the country is **41,000 MW**, out of which hydel contributes about **25.8%** whereas installed capacity of thermal, nuclear and renewables is about **58.8%, 8.6%** and **6.8%**, respectively.

During Jul-Mar FY2023, total electricity generation remains **94,121 GWh** whereas hydel, thermal, nuclear and renewables generated **28.6%, 46.2%, 21% and 4.2%**, respectively.

Total electricity consumption remains **84,034 GWh** during Jul-Mar FY2023 whereas household sector consumes **46.6%** of total electricity.

Industrial, agriculture and commercial sectors consume **28.2%, 8.2%** and **7.8%** of electricity, respectively.

With an addition of **3** Thar Coal-based power projects that achieved Commercial Operations Date (**COD**) during the current fiscal year, total installed capacity from five Thar coal-based power generation plants has reached **3,300 MW**.

16 IPPs (mostly hydel and Thar coal-based) are being facilitated by Private Power and Infrastructure Board which are expected to complete by 2031, having installed capacity of more than **8,338 MW**.

To reduce reliance on imported coal for power production, Government has planned to blend **10%** Thar coal with the imported coal.

The Government of Pakistan has approved the **Framework Guidelines for Fast Track Solar Initiatives 2022** on 18th October 2022. Its key pillars include substitution of expensive imported fossil fuels with solar PV energy, solar PV generation on 11 kV feeders and solarization of public buildings

The **six** Nuclear Power Projects, having installed capacity of **3,530 MW**, supplied about **18,739 million** units of electricity to the national grid, during Jul-Mar FY2023.



Compared to Jul-Mar FY2022, total demand of petroleum products decreased by about **21.9%** during Jul-Mar FY2023.

This year mainly witnessed decrease in demand of furnace oil (**FO**), high speed diesel (**HSD**), motor spirit (**MS**) and high octane blended component (**HOBC**) which comprises more than **95%** of total demand.

Transport and Power sectors are major consumers of petroleum products that comprises around **89.3%** of total demand.

During Jul-Mar FY2023, import of petroleum products and crude oil remained at **6,118.3** thousand tonnes and **5,858.4 thousand** tonnes, respectively.

Total Consumption of gas and RLNG stood at **3,258 MMCFD** and **631 MMCFD**, respectively, during Jul-Mar FY2023.



Information Technology and Telecommunication

Trade surplus of US\$ 1.72 billion (88.6% of total ICT export remittances) was achieved by the **IT and ITeS Industry** during Jul-Mar FY2023, An increase of 16.7% as compared to trade surplus of US\$ 1.47 billion for the corresponding period of FY2022.

IT exports during Jul-Mar FY2023 remained at US\$ 1.94 billion. IT exports have the highest proportion of all services sector exports, constituting 35.1%.

During the first three quarters of FY2023, Pakistan Software Exports Board has added seven (07) **Software Technology Parks** (Faisalabad, Gujrat, Jamshoro, Karachi, Multan, Peshawar, Rawalpindi) to facilitate the IT industry by expanding the basic infrastructure in Pakistan.

IGNITE has established eight **National Incubation Centers (NICs)** including two specialized incubators, i.e., for agri-tech and aerospace. To date, the NICs have incubated over 1317 startups that have generated over 126,000 jobs; received the total investment of Rs. 15.43 billion (US\$ 74 million); and have generated a combined revenue of Rs.9.13 billion. As of now, more than 2,300 women entrepreneurs have been empowered through the program.

National Telecommunication Corporation established state of the art call centre to provide **Data Centre infrastructure** for facilitation of **1st Digital Census**. Call centre is connecting the enumerator and field offices at all districts of Pakistan round the clock for the purpose of census.

At the end of March 2023, the **total telecom subscriptions** (Mobile and Fixed) reached 197 million and **total teledensity** in the country reached 83.2%.

The telecommunication industry attracted the investment of US\$ 632 million during Jul-Dec FY2023 of which US\$ 40 million as FDI.

During Jul-Dec FY2023, the **telecom sector contributed** estimated Rs. 139 billion to the national exchequer.



Social Protection

Social Protection Allocation

Government of Pakistan during FY2023 provided **Rs. 400 billion to the BISP** to execute the Social Protection programmes.

Benazir Kafaalat Programme

BISP is currently disbursing payments to around **9.00 million beneficiaries** under Benazir Kafaalat Programme. During Jul-Mar, FY2023, **Rs 128.90 billion** have been disbursed under this programme.

Flood Affected

BISP has disbursed **Rs. 69 billion to 2.76 million families** of flood affected areas to help them recover their financial losses.

Wheat Seed Subsidy

BISP is also implementing Wheat Seed Subsidy programme to eligible farmers to reach **185,928 farmers** with disbursement amount of **Rs. 5,000/- per acre** according to their verified area. Till 31st March, 2023 an amount of Rs. 2.94 billion has been disbursed to **122,687** farmers.

Benazir Taleemi Programme

Under Benazir Taleemi Wazaif Programme, **11.8 million children have been enrolled** so far whereas 3.0 million children have been enrolled during Jul-Mar FY 2023. So far, **Rs. 63.3 billion** have been disbursed since inception of the Programme out of which Rs 23.4 billion have been disbursed during Jul-Mar FY2023.

Benazir Nashonuma Centers

Benazir Nashonuma Centres are operationalized in **156 districts** of the country through **442 Facilitation** Centers to provide health services and conditional cash transfer under two years old; Rs 2,000/- for a boy child and mother, and Rs 2,500/- for a girl child mainly to prevent children from stunting.

During Jul-Mar FY2023, Rs 1.26 billion were disbursed to 375,150 beneficiaries as Conditional Cash Transfer Programme.

Undergraduate Scholarships

Under Benazir undergraduate scholarship programme, scholarships were awarded to **92,000 students and 6.4 billion were released** for the grant of scholarship up to the end of FY2022. During Jul-Mar FY2023, funds of Rs 2.241 billion were released to additional **10,000 newly enrolled students**.

Pakistan Poverty Alleviation Fund

Pakistan Poverty Alleviation Fund (PPAF) deals in micro-credit, water, health, education, and livelihood. PPAF disbursed an amount of **Rs. 1.6 billion** during Jul-Mar FY2023 through its Partner Organizations in **149 districts** across the country.

Pakistan Baitul Mal

Pakistan Baitul Mal (PBM) is providing financial assistance to destitute, widows, orphans, invalid, infirm and other needy persons at the district level. For FY2023, **Rs 6.04 billion** is provided to PBM for its core projects/schemes.

Workers Welfare Fund

Workers Welfare Fund during Jul-Mar, FY2023 disbursed **Rs 2.94 billion on 16,231 scholarship cases while Rs 691.51 million as Marriage Grant** @200,000/- which benefitted 4,377 workers families. The WWF has also disbursed Rs 780.96 million as **Death Grant** (@600,000/-) to 1,425 cases of mishaps of workers all over the country.

EOBI

EOBI provides monetary benefits to old age workers through various programmes such as **Old Age Pension, Invalidity Pension, Survivors Pension and Old Age Grant**. By December 2022, EOBI had 240,424 active old age pensioners, 161,353 active survivor pensioners and 5,081 active invalidity pensioners which are growing rapidly. On average about 40,000 pensioners are added every year.

EOBI

During July-March FY2023, an amount of Rs 35.27 billion has been disbursed by EOBI.

Climate Change

National Clean Air Policy

National Clean Air Policy (NCAP) was **launched in March, 2023** with the objective to improve air quality in the country by reducing pollution. The NCAP allows key institutions at national and provincial levels to understand the air quality status and identify, implement and monitor mitigation actions to reduce air pollution.

National Tree Plantation Campaign

National Tree Plantation Campaign 2022 was **launched on 14th August 2022** and 181.79 million trees have been planted.

Green Initiatives

The government has signed a MoU with Kingdom of Saudi Arabia (KSA) to increase cooperation in the field of environment. Pakistan has welcomed the launched of the "Saudi Green" and "Middle East Green" initiatives by KSA.

Ten Billion Tree Tsunami

Under Ten Billion Tree Tsunami Programme, an amount of Rs.3,296.683 million (including both PSDP and ADP) has been utilized during Jul-Mar FY2023 and 188.41 million plants were planted/ regenerated/distributed. A total of 2,027.01 million plants have been planted/ regenerated/distributed till March 2023.

National Inventory for Short-Lived Climate Pollutants

The Ministry of Climate Change and Environmental Coordination (MoCC) developed Pakistan's **first ever National Inventory for Short-Lived Climate Pollutants in consultation** with stakeholders both at national and provincial levels in 2022.



**COP 27
Participation**

COP-27 of the United Nations Framework Convention on Climate Change was held in **November 2022 in Egypt**. A delegation under the leadership of Prime Minister of Pakistan attended the COP 27 and participated in a number of events and raised issues for countries most adversely impacted by the climate change.

**Loss & Damage
Fund**

Pakistan chaired the G-77 & China group and through extensive efforts, got the Loss & Damage Fund placed on the agenda for COP 27.

**Climate
Ministerial Meeting**

Pakistan joined Forests and Climate Leaders' Partnership as one of the members. The initiative is led by UK and was launched at the first Ministerial meeting held at COP-27.

**Living Indus
Initiative**

The Living Indus Initiative, spearheaded by the MoCC, in collaboration with the United Nations, was approved by the Cabinet in September 2022 and presented at COP 27. The initiative aspires to transform the **Indus Basin into a thriving system** by repairing and restoring the natural resources and ecosystems that are resilient in the face of climate change.



