



Pakistan Trade Perspective

APRIL-JUNE 2021



TRADE DEVELOPMENT AUTHORITY OF PAKISTAN

MINISTRY OF COMMERCE

www.tdap.gov.pk

ACKNOWLEDGEMENTS

TEAM MEMBERS

TEAM LEADER

AFSHAN UROOS

RESEARCH INTERNEES

MR. MUHAMMAD ALI MUARAD

MR. KUMAIL ASGHAR ALI

DISCLAIMER

The findings, interpretations and conclusions expressed do not necessarily reflect the views of the Board of Directors, Chief Executive, and Secretary of the Trade development Authority of Pakistan.

Any conclusions and analyses based on the data from Pakistan Bureau of Statistics (PBS), Trade Statistics of PRAL, State Bank of Pakistan (SBP) and World Bank are the responsibility of the author(s) and do not necessarily reflect the opinion of the PBS, PRAL, SBP or the World Bank. Although every effort has been made to cross-check and verify the authenticity of the data. Trade development Authority of Pakistan (TDAP), or the author(s), do not guarantee the data included in this work. All data and statistics used are correct as of 28th July, 2021 and may be subject to change.

For any queries or feedback regarding this publication, please contact at afshan.uroos@tdap.gov.pk.

CONTENTS

LIST OF ABBREVIATIONS	iv
LIST OF TABLES	v
WORLD ECONOMIC AND TRADE REVIEW	1
PAKISTAN ECONOMIC OUTLOOK	2
PAKISTAN'S ECONOMIC INDICATORS	2
PAKISTAN'S TRADE OUTLOOK	4
PAKISTAN'S EXPORT PROFILE (GOODS)	5
SECTOR-WISE EXPORTS PERFORMANCE	6
SECTOR-WISE EXPORTS ANALYSES	7
TEXTILE GROUP.....	7
AGRO-FOODS GROUP EXPORTS.....	9
OTHER MANUFACTURING GROUP EXPORTS.....	10
PETROLEUM GROUP & COAL EXPORTS.....	13
PAKISTAN'S IMPORT PROFILE (GOODS)	13
SECTOR-WISE IMPORTS PERFORMANCE	15
SECTOR-WISE IMPORTS ANALYSES	17
PETROLEUM GROUP.....	17
MACHINERY GROUP.....	18
AGRICULTURE AND CHEMICAL GROUP.....	19
METAL GROUP.....	21
TEXTILES GROUP.....	21
TRANSPORT GROUP.....	22
TRADE IN SERVICES	25
SECTORAL ANALYSES OF TRADE IN SERVICES	27
GOVERNMENT INITIATIVE FOR EXPORT FACILITATION	27
FUTURE OUTLOOK	29

LIST OF ABBREVIATIONS

B/L	BILL OF LADING
CAGR	COMPOUND ANNUAL GROWTH RATE
CBU	COMPLETE BUILD-UP
CKD	COMPLETELY KNOCKED DOWN
COVID	CORONA VIRUS DISEASE
DLTL	DRAWBACK OF LOCAL TAXES & LEVIES
EBOPS	EXTENDED BALANCE OF PAYMENT SYSTEM
ECC	ECONOMIC COORDINATION COMMITTEE
EFS	EXPORT FINANCE SCHEME
FASTER	FULLY AUTOMATED SALES TAX E-REFUND
FY	FISCAL YEAR (JULY - JUNE)
GAIN	GLOBAL AGRICULTURAL INFORMATION NETWORK
GDP	GROSS DOMESTIC PRODUCT
G2G	GOVERNMENT-TO-GOVERNMENT
IT	INFORMATION TECHNOLOGY
ITES	IT ENABLED SERVICES
L/C	LETTER OF CREDIT
LNG	LIQUEFIED NATURAL GAS
LPG	LIQUEFIED PETROLEUM GAS
LSM	LARGE-SCALE MANUFACTURING
LSMI	LARGE-SCALE MANUFACTURING INDEX
LTFF	LONG-TERM FINANCING FACILITY
MMBTU	1 MILLION BTU (BRITISH THERMAL UNIT)
MMCFD	MILLION CUBIC FEET PER DAY
OD	OFFICIAL DELEGATION
OECD	ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT
Q1	FIRST QUARTER OF FISCAL YEAR (JULY - SEPTEMBER)
Q2	SECOND QUARTER OF FISCAL YEAR (OCTOBER - DECEMBER)
QoQ	QUARTER-ON-QUARTER
SBP	STATE BANK OF PAKISTAN
SKD	SEMI KNOCKED DOWN
STPF	STRATEGIC TRADE POLICY FRAMEWORK
TCP	TRADING CORPORATION OF PAKISTAN
TDAP	TRADE DEVELOPMENT AUTHORITY OF PAKISTAN
TERF	TEMPORARY ECONOMIC REFINANCE FACILITY
USDA	US DEPARTMENT OF AGRICULTURE
YoY	YEAR-ON-YEAR

LIST OF TABLES

TABLE 1: TOP EXPORT DESTINATIONS SHOWING INCREASE (TRADE VALUES IN US\$ MILLION)	5
TABLE 2: TOP EXPORT DESTINATIONS SHOWING DECREASE (TRADE VALUES IN US\$ MILLION)	5
TABLE 3: EXPORTS SECTORS (TRADE VALUES IN US\$ MILLION)	6
TABLE 4: TOP EXPORT COMMODITIES SHOWING INCREASE (TRADE VALUES IN US\$ MILLION)	7
TABLE 5: TOP EXPORT COMMODITIES SHOWING DECREASE (TRADE VALUES IN US\$ MILLION)	7
TABLE 6: TEXTILE SECTOR EXPORTS (VALUES IN US\$ MILLION)	8
TABLE 7: FOOD GROUP EXPORTS (TRADE VALUES IN US\$ MILLION)	9
TABLE 8: OTHER MANUFACTURING GROUP (TRADE VALUES IN US\$ MILLION)	12
TABLE 9: PETROLEUM GROUP EXPORTS (TRADE VALUES IN US\$ MILLION)	13
TABLE 10: TOP IMPORT DESTINATIONS SHOWING INCREASE (TRADE VALUES IN US\$ MILLION)	14
TABLE 11: TOP IMPORT DESTINATIONS SHOWING DECREASE (TRADE VALUES IN US\$ MILLION)	14
TABLE 12: IMPORTS SECTORS (TRADE VALUES IN US\$ MILLION)	16
TABLE 13: TOP IMPORT COMMODITIES SHOWING INCREASE (TRADE VALUES IN US\$ MILLION)	16
TABLE 14: TOP IMPORT COMMODITIES SHOWING DECREASE (TRADE VALUES IN US\$ MILLION)	16
TABLE 15: PETROLEUM GROUP IMPORTS (TRADE VALUES IN US\$ MILLION)	17
TABLE 16: MACHINERY GROUP IMPORTS (TRADE VALUES IN US\$ MILLION)	18
TABLE 17: AGRICULTURE & OTHER CHEMICALS IMPORTS (TRADE VALUES IN US\$ MILLION)	19
TABLE 18: FOOD GROUP IMPORTS (TRADE VALUES IN US\$)	20
TABLE 19: METAL GROUP IMPORTS (TRADE VALUES IN US\$ MILLION)	21
TABLE 20: TEXTILES GROUP IMPORTS (TRADE VALUES IN US\$ MILLION)	22
TABLE 21: TRANSPORT GROUP IMPORTS (TRADE VALUES IN US\$ MILLION)	23
TABLE 22: MISCELLANEOUS GROUP IMPORTS (US\$ MILLION)	25
TABLE 23: SERVICES EXPORTS (TRADE VALUES IN US\$)	26
TABLE 24: SERVICES IMPORTS (TRADE VALUES IN US\$)	27

WORLD ECONOMIC AND TRADE REVIEW¹

APRIL-JUNE 2021

The global economies are gradually looking to rebuild after the economic ramifications caused by the Covid-19 crisis. Global growth is expected to be 6% by the end of 2021 and 4.4% by 2022. This increase can be attributed to a surge in the global merchandise trade. Developed economies are predicted to grow at a rate of 5% whereas developing economies are estimated to bounce back by 6.1%.

However, the global recovery is estimated to be highly uneven as different regions are dealing with the Covid-19 crisis with different strategies, including the rate of vaccination, the amount of economic stimulus provided, and the level of dependence on trade. Economies such as the USA and China, which provide 40% of the world's output, have been projected to grow by 6.2% and 8.2% respectively. The high growth in these two economies is bound to stimulate progress in economies that engage in trade with them. The LDCs are predicted to only have a growth of 4% and this is because of the vaccine shortfall in low developed nations and the lack of effective fiscal policies to handle the economic repercussions.

The year 2021 is predicted to be a productive year for traders as global trade is estimated to rise by 16%. The global trade recovery is originating from East Asian and developed economies as they increase trading. Global trade in the first quarter of 2021 has increased by 10% on a YOY basis and by 3% on a quarter-to-quarter basis. China, India, and South Africa are some of the major countries that have improved their trading during the

first half of 2021. The East Asian and the Pacific economies have also played a major role in the global export rebound.

During the first quarter of 2021, trade increased from the corresponding period from 2020 for sectors not only which are related to covid-19 essentials but other sectors too, including apparel (19%), chemicals (18%), machinery (23%), metals (29%), minerals (42%), textiles (28%), and office equipment (38%).

The variants of the Covid virus can act as a hurdle in global economic recovery. Effective distribution of vaccines and proper control of the variants of the virus can ensure the economic rebound that the whole world is eager to achieve. The overall economic outlook looks to be promising as countries look to trade and open up their doors for travel and tourism. Moreover, global traders must note that the Covid-19 has vastly changed consumer behavior as the demand for digital products, communication products, and other similar products have increased whereas demand for tourist and travel goods has decreased. If these changes are enduring, then they may have a big impact on global trade.

References:

https://unctad.org/system/files/official-document/ditcinf2021d2_en.pdf

<https://www.un.org/development/desa/dpad/publication/world-economic-situation-and-prospects-july-2021-briefing-no-151/>

¹ World Trade data is available with a lag of a quarter. Data analyses for the first quarter 2021 are based on estimated values.

PAKISTAN ECONOMIC OUTLOOK

APRIL-JUNE 2021

The Pakistani economy looks to bounce back after combating the Covid-19 virus for over a year now. The rebound looks to continue due to effective vaccine distributions and staunch government economic policies. It is estimated that Pakistan has vaccinated more than 4.55 million individuals (fully vaccinated) and looks to increase the rate to ensure the smooth revival of the economy. The International Monetary Fund (IMF) has revised upward the GDP growth projection for Pakistan to 3.9 percent for 2021 from its earlier projection of 1.5 percent.

The Pakistani agriculture sector has improved during 2021 as export saw an increase of 10% from Q4 FY 2021 when compared with the same period from last year. The agricultural sector is not the only sector that has shown growth on a YOY basis. All other sectors followed the same pattern during Q4 and FY 2021. The recent government programs and packages such as the 'Prime Minister's Agriculture Emergency Programme' and the 'Industrial Support Package' have assisted in uplifting both the agriculture and manufacturing sectors. The Pakistani economy is also experiencing a decrease of 0.24% in its inflation rate over May 2021. Inflation rate was recorded 9.70 in the month of June 2021. This decrease can be mainly associated with the falling fuel and food prices due to effective supply-side policies that include a strict check on any price irregularities all over the country.

Amongst other sectors, Pakistan's export performance is seen to flourish as exports of goods and services generated \$31 billion in FY 2021. Exports saw an 18% increase in dollar value from the previous year. The Textile Sector has shown remarkable performance during Q4 FY 2021 92% growth in Q4. The exports in the textile group increased by 22.9% from July 2020-June 2021 when compared with the corresponding period from last year. Other

Manufacturers Group has shown growth of 47% in Q4 and 14% in FY 2021. Leather manufacturers, Footwear, Surgical equipment, Engineering goods and Pharmaceuticals saw an increase of 84%, 53%, 97%, 95%, and 42% respectively in Q4 FY 2021. Petroleum sector exports also shown recovering in Q4 by 93% Year on year basis, same sector saw a decrease of 33% and this can be due to the fluctuating economic conditions in Pakistan's trading partners and shrinking demand due to COVID-19. The total imports OF Pakistan registered an increase of 73% during Q4 FY 2021 and 26% growth in July-June FY 2021 from the previous year. The transport group saw the highest increase of 180% in Q4 and 93% during Jul-June 2021 while other sectors, including Food, Machinery, Petroleum, Textile, Agricultural, Metal, and Miscellaneous group saw an increase of 54%, 15%, 9%, 53%, 26%, 21%, and 51% respectively during July-June FY 2021.

Furthermore, the policy of a market-based exchange rate has strengthened the Pakistani rupee and decreased pressure on foreign reserves. The Pakistani government has prioritized the export sector through the provision of fixed power prices at \$0.07/unit to decrease the cost of production for exporters.

The recent fourth wave consisting of the delta variant can hamper Pakistan's smooth economic recovery if efficient policy measures are not put into place. The recent 2021-22 budget announcement provides a great boost to the economic environment through viable growth policies that will lead Pakistan towards achieving sustainable economic growth.

References:

<https://www.worldbank.org/en/news/press-release/2021/04/05/pakistan-s-economy-shows-signs-of-a-nascent-recovery> & [Ministry of Finance](#).

PAKISTAN'S ECONOMIC INDICATORS

Q4: APRIL-JUNE FY 2020-21



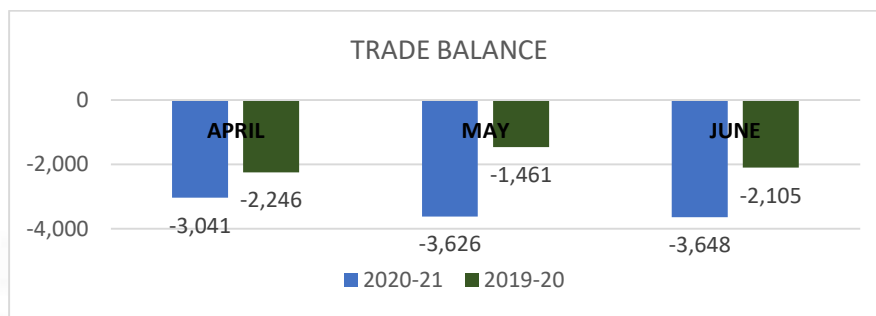
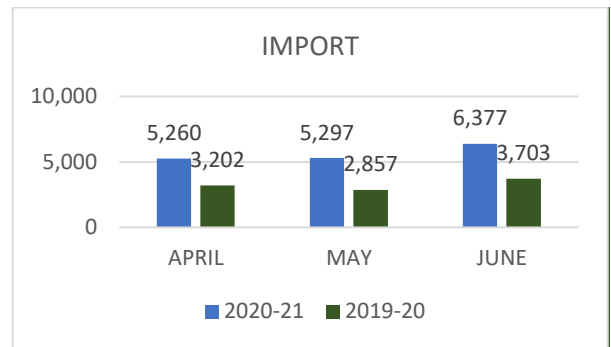
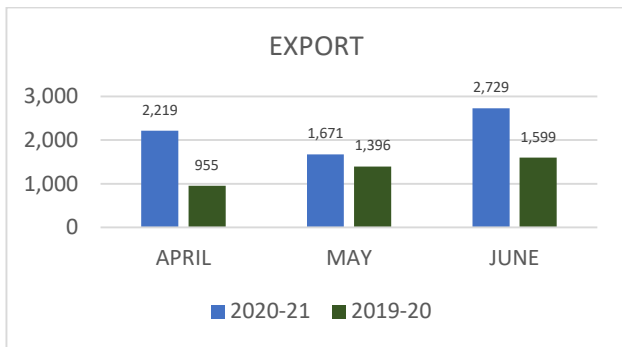
JULY - JUNE FY 2020-21



PAKISTAN'S TRADE OUTLOOK

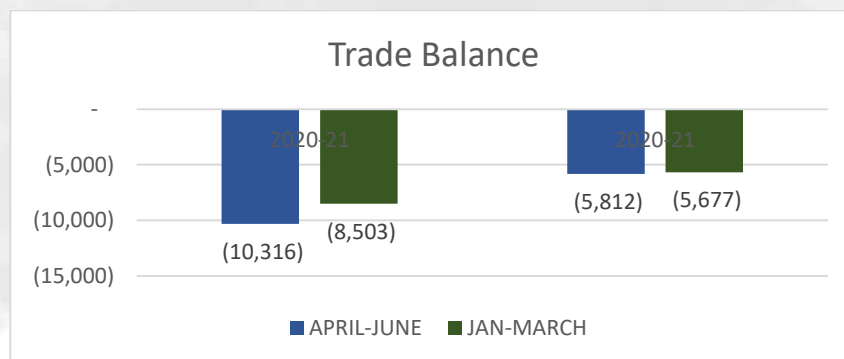
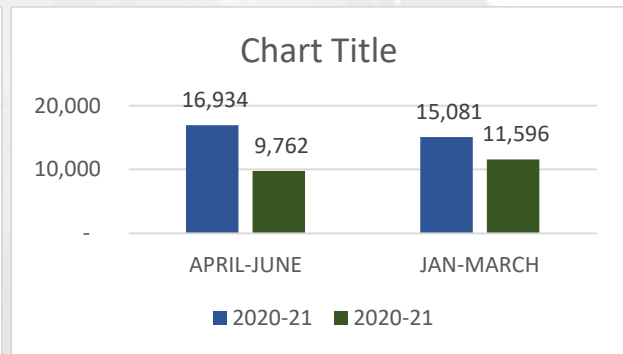
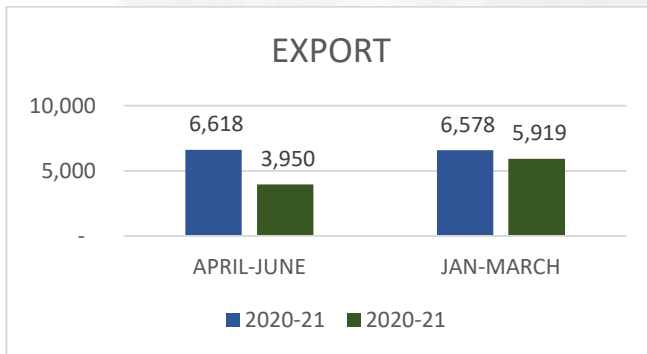
QUARTERLY COMPARISON OF FY2019-20 WITH FY2020-21

TRADE VALUES IN US\$ MILLION



Q4 V/S Q3 COMPARISON OF FY 2020-21

TRADE VALUES IN US\$ MILLION



PAKISTAN'S EXPORT PROFILE (GOODS)

Pakistan's exports have surged by 68% to US\$ 6.61 billion from US\$ 3.95 billion in Q4 (April-June) FY2020-21 as against same period of FY2019-20. On cumulative basis, in the FY2020-21, export proceeds have grown by 18% over the same period of last fiscal year (FY 2019-20) and have reached to US\$ 25.3 billion. For the current fiscal year, there is a notable pickup (18%) in export revenue in FY2020-21. The exports to partner countries showing increase and decrease have been detailed as follows:

TOP EXPORT PARTNERS SHOWING INCREASE (Q4 FY 2020/21 V/S Q4 FY 2019/20)

Export Destinations	APRIL-JUNE FY20/21	APRIL-JUNE FY19/20	% Change
United States	1,473	706	109%
United Arab Emirates	831	224	271%
China	567	341	66%
United Kingdom	541	290	87%
Germany	371	243	53%
Netherlands	325	196	66%
Afghanistan	231	120	93%
Italy	221	140	58%
Spain	211	128	65%
Bangladesh	185	64	189%

Table 1: Top export destinations showing increase (trade values in US\$ million)

TOP EXPORT PARTNERS SHOWING DECREASE (Q4: APRIL-JUNE FY 2020/21)

Export Destinations	APRIL-JUNE FY20/21	APRIL-JUNE FY19/20	% Change
Saudi Arabia	96.24	102.57	-6%
Kenya	60.92	62.85	-3%
Qatar	32.41	35.35	-8%
Ghana	11.43	12.37	-8%
Djibouti	10.47	10.93	-4%
Jordan	7.56	8.82	-14%
Benin	5.54	12.46	-55%
Mauritius	4.36	5.72	-24%
Cote Divoire	4.27	6.32	-33%
Senegal	3.64	4.37	-17%

Table 2: Top export destinations showing decrease (trade values in US\$ million)

Country wise statistics have shown that all major export destinations registered substantial growth during Q4 FY 2021. United States of America (USA) remained the top export destinations of the Pakistani products during Q4 FY 2020-21, followed by United Arab Emirates (UAE), China, United Kingdom (UK), Germany and Netherlands and have shown positive growth as compared to same period last year.

Textile products have shown growth in USA, Meat and Textile products were increased in UAE, Copper, Cotton Yarn and Rice have shown increase in China. Saudi Arabia, Kenya, Qatar, Ghana and Djibouti have shown decline in exports. Agro products have registered decline in Saudi Arab and Rice exports showed a decline in Kenya.

SECTOR-WISE EXPORTS PERFORMANCE

During April-June, FY2020-21, textile group has shown remarkable performance and has earned export revenue of US\$ 4.1 billion, 92% more than that earned in the same period of last fiscal year, followed by food group (US\$ 1.06 billion), other manufactures group (US\$ 896 million) and petroleum and coal group (US\$ 66.2 million). Main commodities exported during April-June, FY2020-21 were Knitwear (US\$ 1.04 billion), Readymade garments (US\$ 764 million), Bed wear (US\$720 million), Rice (US\$ 481 million), Cotton yarn (US\$ 296 million), Chemical and Pharma products (US\$ 305 million), Towels (US\$ 245 million, Made-up articles (US\$ 190 million), Other textile material (US\$ 159 million) and Leather manufactures (US\$ 134 million).

SECTORS	Q4 2020 v/s Q4 2021			YOY 2020 V/S YOY 2021			Q3 2021 V/S Q4 2021		
	April- June FY20/2 1	April- June FY19/2 0	% Chang e	July- June FY20/2 1	July- June FY'19/2 0	% Chang e	April- June FY20/2 1	Jan- March FY20/2 1	% Chang e
	Total	6,618.0	3,950.4	68%	25,304	21,394	18%	6,618	6,578
TEXTILE GROUP	4,049.4	2,114.1	92%	15,400	12,527	23%	4,049	3,913	3%
FOOD GROUP	1,063.3	966.5	10%	4,393	4,361	1%	1,063	1,303	-18%
OTHER MANUFACTURES GROUP	896.0	609.8	47%	3,466	3,036	14%	896	872	3%
ALL OTHER ITEMS	543.2	225.8	141%	1,862	1,197	56%	543	467	16%
PETROLEUM GROUP & COAL	66.2	34.3	93%	182.3	273.2	-33%	66	23	188%

Table 3: Exports Sectors (Trade values in US\$ Million)

TOP EXPORT COMMODITIES SHOWING INCREASE (Q4: APRIL-JUNE FY 2020/21)

SUB-SECTORS	April-June FY'21	April-June FY'20	% Change
KNITWEAR	1,040.2	494.6	110%
READYMADE GARMENTS	764.4	381.9	100%
BED WEAR	719.5	389.2	85%
COTTON CLOTH	501.8	282.5	78%
COTTON YARN	295.8	165.1	79%
TOWELS	245.4	118.9	106%
MADEUP ARTICLES(EXCL.TOWELS & BEDWEAR.)	190.4	98.1	94%

LEATHER MANUFACTURES	134.2	72.9	84%
URGICAL GOODS & MEDICAL INSTRUMENTS	103.6	52.5	97%
ART,SILK & SYNTHETIC TEXTILE	101.2	53.6	89%
FRUITS	101.2	52.3	93%
SPORTS GOODS	81.8	39.7	106%
VEGETABLES	74.5	40.7	83%

Table 4: Top export commodities showing increase (trade values in US\$ million)

TOP EXPORT COMMODITIES SHOWING DECREASE (Q3: APRIL-JUNE FY 2020/21)

SUB-SECTORS	April-June FY'21	April-June FY'20	% Change
RICE	480.855	581.502	-17%
TENTS,CANVAS & TARPULIN	21.226	26.255	-19%
GUAR AND GUAR PRODUCTS	9.586	9.672	-1%
MOLASSES	0.012	5.067	-100%
SOLID FUELS (COAL)	0	0.01	-100%

Table 5: Top export commodities showing decrease (trade values in US\$ million)

SECTOR-WISE EXPORTS ANALYSES

TEXTILE GROUP

The textile sector in Pakistan has an overwhelming impact on the economy, contributing 61% to the country's exports. It is deemed as one of the most important sectors for Pakistan's trade. It is a significant contributor to the country's exports fetched US\$ 15 billion from abroad during FY 2021. The major exports of the sectors include knitwear, readymade garments, fabrics, weaved apparel, twisting, and processing sector. Despite global economic slowdown and waning consumer demand, export of Textile sector has shown remarkable performance during 4th quarter of FY 2021.

SECTORS	Q4 2020 v/s Q4 2021			YOY 2020 V/S YOY 2021			Q3 2021 V/S Q4 2021		
	April- June FY20/21	April- June FY19/20	% Change	July- June FY20/21	July- June FY'19/20	% Change	April- June FY20/21	Jan- March FY20/21	% Change
TEXTILE GROUP	4,049	2,114	92%	15,400	12,527	23%	4,049	3,913.0	3%
13.RAW COTTON	0	-		0.8	17.0	-95%	0.2	-	-
14.COTTON YARN	296	165	79%	1,017	984.9	3%	295.8	320.0	-8%
15.COTTON CLOTH	502	283	78%	1,921	1,829.9	5%	501.8	484.0	4%
16.COTTON CARDED OR COMBED	-	-		0.1	0.1	3%	-	0.1	-100%
17.YARN OTHER THAN COTTON YARN	10	5	104%	33.4	25.7	30%	9.8	10.0	-2%
18.KNITWEAR	1,040	495	110%	3,816	2,794	37%	1,040	931.0	12%
19.BED WEAR	720	389	85%	2,772	2,151	29%	719.5	658.0	9%

20.TOWELS	245	119	106%	937.5	711.3	32%	245.4	246.0	-0.2%
21.TENTS,CANVAS & TARPULIN	21	26	-19%	110.4	98.5	12%	21.2	27.0	-21%
22.READYMADE GARMENTS	764	382	100%	3,033	2,552	19%	764.4	778.0	-2%
23.ART,SILK & SYNTHETIC TEXTILE	101	54	89%	370.4	314.8	18%	101.2	102.0	-1%
24.MADEUP ARTICLES(EXCL.TOWELS & BEDWEAR.)	190	98	94%	756.4	590.5	28%	190.4	186.0	2%
25.OTHER TEXTILE MATERIALS	159	99	61%	632.5	456.5	39%	159.3	169.0	-6%

Table 6: Textiles group exports (Trade values in US\$ million)

The textile group registered an increase of 92% during Q4 (April-June) FY 2021 as compared to same period last year. Pakistan continues to receive export orders from global economies as competing countries like India, Bangladesh remains hampered by the COVID-19 outbreak. The exports of Textile sector during April-June 2021 totaled \$ 4.049 billion as against \$ 2.114 billion during the corresponding period of last year. The data has also shown growth of all value-added textile goods and registered decline in Raw Cotton and Cotton carded by 100 percent.

The export of Cotton Yarn increased to China by 37% as a result of implementation of CPFTA Phase-II in 2020.

Quarter to quarter comparison of exports of Textile sector has recorded positive growth of 3% in Q4 (April-June) FY 2021 as against Q3 (Jan-March) FY 2020-21. The products showing negative growth were Cotton Yarn (-8%), Tent and Canvas (-21%), Art Silk Synthetic Textile (-1%) and other Textile Material (-6%).

The sector has shown significant growth and recovery after relaxing restriction of Covid-19. A sharp surge has been noticed in exports during the current FY 2021. However, the growth is being achieved through imports of raw cotton (US\$ 447 million) and Synthetic & Artificial Silk Yarn (US\$ 156 million). Current conditions for Pakistan's textile industry are very encouraging.

Foreign buyers are increasingly turning towards Pakistan due to severe COVID situation in the regional players of Textile sector. Exporting firms of Pakistan has taken this as an opportunity to quote competitive prices and offer better quality products so that the new buyers could become their customers permanently. The industry is utilizing its 100 percent available production capacity to complete export orders. Almost all the major players in the country are expanding their capacity to create room for the growing number of export orders.

Exports of major sectors, including value-added textiles, posted double-digit growth in April-June 2020-21 compared to the same period last year. Growth in exports of value-added sectors contributed to an increase in overall exports from the sectors. One of the reasons for growth in these sectors is the low base of last year when export-oriented industries remained closed due to the Covid-19 lockdown and cancellation of orders from international buyers.

AGRO-FOODS GROUP EXPORTS

The Agro Food Sector of Pakistan contributed 17 percent to the national export in the FY 2021. The current structure of Agro-based exports mainly consists of Rice, Meat, Fruit and Vegetable, Tobacco, Spices, horticulture and livestock with inconsistent exports of sugar and wheat. The exports of Agro Food Sector were recorded US\$ 1.063 billion and registered an increase of 10% in Q4 April-June FY 2021 as against the same period last year. All items of Agro Food sector have shown significant growth in exports during Q4 FY 2021 except Rice which has declined by 17% during reported period. Export of Fruits, Fish and Fish Preparations, Vegetables Spices, Oil seeds, Nuts, Meat and Meat Preparations surged by 93%, 23%, 83%, 4%, 746% and 23% respectively. Exporters of Agro Food sector converted challenges of pandemic into opportunities by enhancing exports by and adopting realistic strategies.

SECTORS	Q4 2020 v/s Q4 2021			YOY 2020 V/S YOY 2021			Q3 2021 V/S Q4 2021		
	April-June FY20/21	April-June FY19/20	% Change	July-June FY20/21	July-June FY'19/20	% Change	April-June FY20/21	Jan-March FY20/21	% Change
FOOD GROUP	1,063	966	10%	4,393.5	4,361.2	1%	1,063.3	1,303.0	-18%
1.RICE	481	582	-17%	2,041.3	2,175.5	-6%	480.9	597.0	-19%
a) BASMATI	172	214	-19%	575.7	783.3	-27%	172.5	224.0	-23%
b) OTHERS	308	368	-16%	1,465.7	1,392.2	5%	308.4	372.4	-17%
2.FISH & FISH PREPARATIONS	110	89	23%	414.2	406.7	2%	110.1	107.8	2%
3.FRUIT	101	52	93%	479.9	431.7	11%	101.2	155.7	-35%
4.VEGETABLES	75	41	83%	319.9	298.6	7%	74.5	129.5	-42%
5.LEGUMINOUS VEGETABLES (PULSES)	-	-	-	0.0	-	-	-	-	-
6.TOBACCO	11	7	59%	36.0	35.8	0%	11.2	4.6	144%
7.WHEAT	-	-	-	-	11.4	-100%	-	-	-
8.SPICES	22	21	4%	93.0	88.3	5%	22.3	28.3	-21%
9.OIL SEEDS, NUTS AND KERNELS	18	2	746%	94.1	30.1	213%	17.9	40.1	-55%
10.SUGAR	-	-	-	-	70.7	-100%	-	-	-
11.MEAT AND MEAT PREPARATIONS	88	71	23%	333.4	304.2	10%	87.7	88.0	0%
12.ALL OTHER FOOD ITEMS	157	101	56%	581.6	508.3	14%	157.5	152.1	4%

Table 7: Food group exports (trade values in US\$ million)

Exports of Rice has shown 17% decline during Q4 FY 2021. Pakistan has so far exported US\$ 481 million of Rice varieties during Q4 FY 2021 while last year during the same period Pakistan's exports were 582 million. Basmati and Non-Basmati Rice both have shown decline of 19% and 16% respectively. Decline

in the export of Rice (1006) has been noticed in Kenya (-40%), UAE (-33%), Oman (-54%) and UK (24%) etc.

The main reason for decreasing exports of Basmati Rice is lower rates of Indian rice, exorbitant freight charges and higher buying by the² importing countries last year because of Covid-19 hit the exports of Rice from Pakistan hard as during current financial year. The decline is due to the subsidized Indian rice. Pakistan rice exports, both Basmati and coarse varieties have shown decline of 6% during FY 2021 as compared to last year. Pakistan has exported 3.6 million tonnes of rice in FY21 compared to 4.15 million tonnes during the same period last year.

Average rate of Indian Rice was \$360 per ton while price of Pakistani Rice was \$450 per ton. The price difference has hampered Rice exports of Pakistan. Under the WTO rules, flooding international markets with subsidized food, particularly rice, is an offence. Cambodia, Myanmar, Nepal, Thailand, Vietnam all are offering rice export prices at \$420 to \$430 per ton but India offering \$360 per ton. Pakistan was not the only country hurt by heavily subsidized Indian rice exports. Thailand, Vietnam, Cambodia, Myanmar and Nepal are all hit by the phenomenon. Other factors affecting Pakistan's rice exports included exorbitant rise in freight rates and ample stocks available with the destination countries imported during panic buying in view of one after another wave of coronavirus pandemic.

Pakistan exported worth of US\$ 110 million of Fish and Fish preparations and registered growth of 23% during Q4 FY 2021. The growth was recorded in Thailand, Vietnam, Malaysia, and Taiwan and decline was recorded in the Chinese market.

Exports of Fruits are increased by 11% from US\$ 431 million to US\$ 480 million and vegetable increased by 7% from US\$ 298 million to US\$ 319 million in FY 2021. Despite serious issues of transportation and logistics arising from the pandemic exports of vegetables increased in Afghanistan, Malaysia, Sri Lanka, and Russia. Exports of fruits increased for UAE, UK, Kazakhstan, Uzbekistan, and Afghanistan.

Quarter to Quarter comparison show that the export of Agro Food sector recorded decline of 18% during Q4 (April-June) as against Q3 (Jan-March) FY 2021. The decline has been noticed in Rice, Fruits, Vegetables, Spices and Oil Seeds.

OTHER MANUFACTURING GROUP EXPORTS

The share of exports of other Manufacturing sector in the exports of Pakistan was 14% during FY 2021. Manufacturing sector is the driver of economic growth due to its forward and backward linkages with other sectors of economy. According to provisional data of PBS, the export of other Manufacturing sector has shown positive growth of 47% during Q4 (April-June) FY 2021 as compared to the same period last year. Pakistan exported Engineering goods worth of US\$ 3.46 billion during FY 2021 and registered positive growth of 14%. All commodities have shown positive growth except Guar and Guar products, Molasses and other Chemicals during FY 2021

² <https://ricenewstoday.com/?p=124093>

SECTORS	Q4 2020 v/s Q4 2021			YOY 2020 V/S YOY 2021			Q3 2021 V/S Q4 2021		
	April-June FY20/21	April-June FY19/20	% Change	July-June FY20/21	July-June FY'19/20	% Change	April-June FY20/21	Jan- March FY20/21	% Change
OTHER MANUFACTURES GROUP	896.0	609.8	47%	3,466.1	3,036.0	14%	896.0	871.5	3%
30.CARPETS, RUGS & MATS	19.9	5.5	260%	74.2	54.2	37%	19.9	18.7	6%
31.SPORTS GOODS	81.8	39.7	106%	277.7	262.4	6%	81.8	62.4	31%
a) FOOTBALLS	36.9	20.9	77%	131.6	144.2	-9%	36.9	30.2	22%
b) GLOVES	21.2	10.6	100%	72.9	71.0	3%	21.2	15.4	37%
c) OTHERS	23.7	8.3	186%	73.1	47.1	55%	23.7	16.8	41%
32.LEATHER TANNED	48.6	32.8	48%	161.9	184.1	-12%	48.6	41.2	18%
33.LEATHER MANUFACTURES	134.2	72.9	84%	562.8	474.0	19%	134.2	135.4	-1%
a) LEATHER GARMENTS	66.3	33.4	99%	286.1	250.9	14%	66.3	66.7	-1%
b) LEATHER GLOVES	63.6	37.8	68%	260.1	212.8	22%	63.6	65.2	-3%
c) OTHER LEATHER MANUFACTURES	4.3	1.7	152%	16.6	10.3	61%	4.3	3.5	23%
34.FOOTWEAR	32.9	21.6	53%	131.9	125.9	5%	32.9	34.2	-4%
a) LEATHER FOOTWEAR	26.6	18.9	40%	108.4	107.2	1%	26.6	26.3	1%
b) CANVAS FOOTWEAR	0.1	0.0	160%	0.5	0.4	32%	0.1	0.1	9%
c) OTHER FOOTWEAR	6.3	2.6	141%	22.9	18.4	25%	6.3	7.7	-19%
35.SURGICAL GOODS & MEDICAL INSTRUMENTS	103.6	52.5	97%	428.0	355.6	20%	103.6	110.8	-6%
36.CUTLERY	27.9	12.9	117%	119.3	82.6	44%	27.9	31.9	-13%
37.ONYX MANUFACTURED	2.0	0.6	213%	6.4	4.1	56%	2.0	1.3	53%
38.CHEMICALS AND PHARM.PRODUCTS	304.7	274.0	11%	1,148.9	1,008.4	14%	304.7	292.5	4%
a) FERTILIZER MANUFACTURED	-	-		-	-	#DIV/0 !	-	-	#VALU E!
b) PLASTIC MATERIALS	89.3	76.4	17%	322.7	296.0	9%	89.3	69.0	29%
c) PHARMACEUTICAL PRODUCTS	62.8	44.1	42%	270.1	210.3	28%	62.8	68.1	-8%
d) OTHER CHEMICALS	152.7	153.4	-1%	556.1	502.1	11%	152.7	155.4	-2%
39.ENGINEERING GOODS	63.1	32.4	95%	226.0	172.7	31%	63.1	63.1	0%
a) ELECTRIC FANS	11.2	6.9	64%	32.4	23.6	38%	11.2	9.4	20%
b) TRANSPORT EQUIPMENT	5.0	2.3	116%	14.2	12.1	18%	5.0	3.7	35%
c) OTHER ELECTRICAL MACHINERY	9.1	5.4	68%	41.8	32.4	29%	9.1	10.5	-13%
d) MACHINERY SPECIALIZED FOR	-	-		-	-	#DIV/0 !	-	-	#VALU E!
PARTICULAR INDUSTRIES	17.8	8.5	111%	66.1	44.5	48%	17.8	20.1	-11%

e) AUTO PARTS & ACCESSORIES	5.9	2.2	172%	20.1	15.4	31%	5.9	5.7	3%
f) OTHER MACHINERY	14.0	7.2	95%	51.3	44.6	15%	14.0	13.6	3%
40.GEMS	0.8	0.1	737%	6.7	3.6	86%	0.8	2.1	-60%
41.JEWELLARY	7.2	0.0	27542 %	13.7	3.2	323%	7.2	0.8	798%
42.FURNITURE	1.8	0.6	185%	5.2	3.5	48%	1.8	1.8	2%
43.MOLASSES	0.0	5.1	-100%	0.1	5.3	-98%	0.0	-	#DIV/0 !
44.HANDICRAFTS	-	-		0.0	-	#DIV/0 !	-	-	#VALU E!
45.CEMENT	57.9	49.4	17%	267.9	259.4	3%	57.9	67.1	-14%
46.GUAR AND GUAR PRODUCTS	9.6	9.7	-1%	35.3	36.9	-4%	9.6	8.1	18%
ALL OTHER ITEMS	543.2	225.8	141%	1,862.4	1,196.7	56%	543.2	467.6	16%

Table 8: Other manufacturing group (trade values in US\$ million)

The export growth in the manufacturing Group is unusual due to the lockdown and global restrictions last years. Year on year comparasion has shown positive growth of all the sectors in FY 2021 except Molasses and Guar products.

The exports of pharmaceutical products witnessed an increase of 42% during Q4 FY 2021 as compared to the exports of corresponding period of last year. Pakistani medicines and personal protective equipment has increased across the globe. Exports of Pharma products increased in Afghanistan, Philippines, Myanmar, Sri Lanka, South Africa, Sudan and Cambodia during reported period.

The export of other Manufacturing sector has shown signifiucant growth of 14% during July-June FY 2021 as compared to same period last year. The same trends were notices in the sub sectors of Engineering and manufacturing as reported above during FY 2021. Quarter to Quarter comparision show growth of 3% during Q4 (April-June) as compared to Q3 (Jan-March) FY2020-21 The total exported value of other manufacturing group was US\$ 896 million in Q4 as compared to US\$ 871 million in Q3 of FY2020-21.

Government of Pakistan facilitated Engineering and Manufacturing sector through different facilitating schemes during FY 2021. State Bank of Pakistan facilitated Health Sector during COVID-19 pandemic. A time bound Refinance Facility for Combating COVID-19 (RFCC) was introduced by SBP. The objective is to enhance the capacity of health sector of the country to deal with health emergency especially in the backdrop of COVID-19. Financing under the facility was available through banks/DFIs for all hospitals/medical centers not only to combat COVID-19 but also to enhance their overall capacities. Manufacturers of masks/protective dresses/testing kits/hospital beds/ventilators and other items to combat COVID-19 can also get advantage of this special financing opportunity.

SBP introduced Temporary Economic Refinance Facility (TERF) aimed at promoting investment both new and expansion and/or Balancing, Modernization and Replacement (BMR) except power sector where SBP's refinance facility for renewable energy projects already exists. For purchase of new

imported and locally manufactured plant & machinery for setting of new projects and for existing projects/ businesses to undertake Balancing, Modernization and Replacement (BMR) and/or expansion.

PETROLEUM GROUP & COAL EXPORTS

During Q4 (April-June) FY 2021 exported value for petroleum and coal group stood at US\$ 66.2 million positive growth of 93% as compared to same period of last fiscal year. The export of petroleum related sectors were severely affected by COVID-19 as export has faded in FY 2021. Export performance of Petroleum and coal products registered a decline of 33% DURING July-June 2021. The different trend was recorded in comparison of quarter to quarter performance of the sector and registered positive growth of 183%.

SECTORS	Q4 2020 v/s Q4 2021			YOY 2020 V/S YOY 2021			Q3 2021 V/S Q4 2021		
	April-June FY20/21	April-June FY19/20	% Change	July-June FY20/21	July-June FY'19/20	% Change	April-June FY20/21	Jan-March FY20/21	% Change
PETROLEUM GROUP & COAL	66.24	34.29	93%	182.30	273.23	-33%	66.24	23.40	183%
26.PETROLEUM CRUDE	44.04	33.22	33%	106.78	185.89	-43%	44.04	19.00	132%
27.PETROLEUM PRODUCTS(EXCL TOP NAPHTA)	21.84	1.06	1955%	42.62	40.74	5%	21.84	3.20	583%
28.PETROLEUM TOP NAPHTA	0.36	-		32.90	46.48	-29%	0.36	1.20	-70%
29.SOLID FUELS (COAL)	-	0.01	-100%	0.01	0.12	-90%	-	-	-

Table 9: Petroleum group exports (trade values in US\$ million)

Petroleum sector recovered during Q4 FY 2021 as compared to same period last year and from last quarter. Petroleum & Coal data was reported at US\$ 66 million during Q4 FY 2021. This records an increase from the previous number of US\$ 34.29 million.

PAKISTAN'S IMPORT PROFILE (GOODS)

Imports into Pakistan during April-June, FY2020-21 amounted to US\$ 17 billion as against US\$ 9.7 billion as against same period of last FY2019-20 showing an increase of 73% over the last year. Imports during July-June 2021 totaled around US\$ 56 billion as against the US\$ 44 billion during the corresponding period of last year showing an increase of 27%. Imports during the current quarter April-June, FY2021 over the preceding quarter Jan-March FY 2021 also recorded an increase of 73%. The imports of partner countries showing increase and decrease have been detailed as follows:

TOP IMPORT PARTNERS SHOWING INCREASE (Q3: JAN-MARCH FY2020/21)

PARTNER COUNTRIES	APRIL-JUNE FY20/21	APRIL-JUNE FY19/20	% Change
China	4,749	3,126	52%
United Arab Emirates	1,769	713	148%
Indonesia	905	481	88%
Saudi Arabia	799	195	310%
Brazil	658	360	83%
Qatar	657	308	114%
United States	655	570	15%
Kuwait	524	242	117%
Japan	362	192	89%
South Africa	336	165	103%

Table 10: Top import destinations showing increase (trade values in US\$ million)

TOP IMPORT PARTNERS SHOWING DECREASE (Q4: APRIL-JUNE FY2020/21)

PARTNER COUNTRIES	APRIL-JUNE FY'2021	APRIL-JUNE FY' 2020	%CHANGE
Oman	134.0	143.6	-7%
Kenya	127.2	137.3	-7%
Mexico	37.6	45.7	-18%
Hong Kong	17.8	69.2	-74%
Greece	11.4	21.1	-46%
Tanzania, united Republic Of	9.2	28.9	-68%
Nigeria	5.9	17.7	-67%
Portugal	6.6	6.7	-2%
Lithuania	3.0	3.5	-13%
Burundi	2.0	2.4	-14%

Table 11: Top import destinations showing decrease (trade values in US\$ million)

In June 2021, the import bill reached an all-time high of USD 6.052 billion against USD 3.719 billion over the last year month, indicating a growth of 62.7 per cent. On a month-on-month basis, the import bill increased by 14 per cent. Top import partners of Pakistan have shown substantial increase. The imports of 2710 Petroleum oils and oils obtained from bituminous minerals (excluding crude), 3002

Human blood; animal blood prepared for therapeutic, prophylactic, 3105 Mineral or chemical fertilizers containing two or three of the fertilizing elements nitrogen, 3902 Polymers of propylene or of other olefins, in primary forms and 8502 Electric generating sets and rotary converters have been registered from China to Pakistan in Q4 FY 2021. The imports of 2710 Petroleum oils and oils obtained from bituminous minerals (excluding crude), 2709 Petroleum oils and oils obtained from bituminous minerals, crude, 8908 Vessels and other floating structures for breaking up, 3902 Polymers of propylene or of other olefins, in primary forms, 7204 Ferrous waste and scrap; remelting scrap ingots of iron or steel (excluding slag, scale and 2709 Petroleum oils and oils obtained from bituminous minerals, crude have shown increase from UAE during reported period. The import surge has been noticed in 2709 Petroleum oils and oils obtained from bituminous minerals, crude, 2905 Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives, 3105 Mineral or chemical fertilizers containing two or three of the fertilizing elements nitrogen and 3901 Polymers of ethylene, in primary forms from Saudi Arab and the import of 2701 Coal; briquettes, ovoids and similar solid fuels manufactured from coal, 7202 Flat-rolled products of iron or non-alloy steel, of a width of ≥ 600 mm, cold-rolled "cold-reduced, 9022 Apparatus based on the use of X-rays or of alpha, beta or gamma radiations, 2619 Slag, dross, scalings and other waste from the manufacture of iron or steel during Q4 FY 2021 as compared to same period last year.

SECTOR-WISE IMPORTS PERFORMANCE

Of the total US\$ 16.9 billion imports during Q4 (April-June) FY 2021, imports of the Petroleum Group ranked the highest with imports worth of US\$ 3,803 million followed by Machinery group (US\$ 3,011 million), agriculture & chemicals group (US\$ 2,958 million), food group (US\$ 2,226 million), metal group (US\$ 1,275 million), textile group (US\$ 1,079 million), transport group (US\$ 977 million), and miscellaneous group (US\$ 294 million). Main importing items of Pakistan during Q4 (April-June FY 2021) were Petroleum products (US\$ 1,712 million), Petroleum crude (US\$ 1,084 million), Palm Oil (US\$ 808 million), Plastic Material (US\$ 702 million), Mobile phone (US\$ 529 million), Natural gas, liquefied (US\$ 886 million), Iron and Steel (US\$ 532 million), Raw cotton (US\$ 448 million) and Power generating machinery (US\$ 556 million).

SECTORS	Q4 2020 v/s Q4 2021			YOY 2020 V/S YOY 2021			Q3 2021 V/S Q4 2021		
	April-June FY20/21	April-June FY19/20	% Change	July-June FY20/21	July-June FY'19/20	% Change	April-June FY20/21	Jan-March FY20/21	% Change
Grand Total	16,933.6	9,762.3	73%	56,405.1	44,552.9	27%	16,933.6	15,080.0	12%
PETROLEUM GROUP	3,803.9	1,510.9	152%	11,357.9	10,411.5	9%	3,803.9	2,782	37%
MACHINERY GROUP	3,011.3	2,152.9	40%	10,144.8	8,787.2	15%	3,011.3	2,919	3%
AGRICULTURAL AND OTHER CHEMICALS GROUP	2,958.4	1,776.8	66%	9,299.7	7,353.7	26%	2,958.4	2,297	29%
FOOD GROUP	2,226.5	1,460.7	52%	8,347.9	5,423.9	54%	2,226.5	2,216	0%

METAL GROUP	1,275.5	982.9	30%	4,896.9	4,057.6	21%	1,275.5	1,330	-4%
TEXTILE GROUP	1,079.5	613.7	76%	3,866.1	2,529.4	53%	1,079.5	1,121	-4%
TRANSPORT GROUP	977.2	349.4	180%	2,987.6	1,545.9	93%	977.2	885	10%
MISCELLANEOUS GROUP	294.2	173.6	69%	1,218.1	809.3	51%	294.2	317	-7%
ALL OTHERS ITEMS	1,307.0	741.4	76%	4,286.2	3,634.3	18%	1,307.0	1,213	8%

Table 12: Imports Sectors (trade values in US\$ million)

TOP IMPORT COMMODITIES SHOWING INCREASE (Q4: APRIL-JUNE FY2020/21)

SUB-SECTORS	April-June FY20/21	April-June FY19/20	% Change
PETROLEUM PRODUCTS	1,712.5	768.1	123%
OTHERS	1,363.6	955.4	43%
ALL OTHERS ITEMS	1,307.0	741.4	76%
PETROLEUM CRUDE	1,084.0	269.4	302%
NATURAL GAS, LIQUIFIED	885.6	425.0	108%
ALL OTHERS FOOD ITEMS	842.5	540.9	56%
ROAD MOTOR VEH. (BUILD UNIT,CKD/SKD)	826.8	335.7	146%
PALM OIL	807.7	461.3	75%
OTHER MACHINERY	788.4	455.4	73%
PLASTIC MATERIALS	701.7	417.1	68%
TELE COM	669.7	523.3	28%
ELECTRICAL MACHINERY & APPARATUS	589.6	502.5	17%
POWER GENERATING MACHINERY	556.3	451.8	23%
MEDICINAL PRODUCTS	555.5	240.7	131%

Table 13: Top import commodities showing increase (trade values in US\$ million)

TOP IMPORT COMMODITIES SHOWING DECREASE (Q4: APRIL-JUNE FY2020/21)

SUB-SECTORS	APRIL-JUNE FY20/21	APRIL-JUNE FY20/21	% Change
TEA	145.4	156.5	-7%
INSECTICIDES	58.9	77.0	-23%
DRY FRUITS & NUTS	8.7	10.2	-14%
SUGAR	1.2	1.5	-19%

Table 14: Top import commodities showing decrease (trade values in US\$ million)

SECTOR-WISE IMPORTS ANALYSES

PETROLEUM GROUP

SUB-SECTORS	Q4 2020 v/s Q4 2021			YOY 2020 V/S YOY 2021			Q3 2021 V/S Q4 2021		
	April-June FY20/21	April-June FY19/20	% Change	July-June FY20/21	July-June FY'19/20	% Change	April-June FY20/21	Jan-March FY20/21	% Change
PETROLEUM GROUP	3,804	1,511	152%	11,358	10,412	9%	3,804	2,782	37%
22. PETROLEUM PRODUCTS	1,712	768	123%	5,160	4,733	9%	1,712	1,279	34%
23. PETROLEUM CRUDE	1,084	269	302%	3,107	2,722	14%	1,084	700	55%
24. NATURAL GAS, LIQUIFIED	886	425	108%	2,617	2,662	-2%	886	679	30%
25. PETROLEUM GAS, LIQUIFIED	122	48	152%	473	294	61%	122	124	-2%
26. OTHERS	0.21	0.03	624%	0.34	0.23	49%	0	-	-

Table 15: Petroleum group imports (trade values in US\$ million)

The share of Petroleum sector in the import bill of Pakistan was 22% during Q4 April-June 2021. Petroleum group imports into Pakistan stood at US\$ 3,804 million during April-June FY 2020-21 as against US\$ 1,511 million during same period over last year showing an increase of 152%. Year on year comparison shows that Pakistan imported Petroleum products worth of US\$ 11,358 million during July-June, FY2021 as against US\$ 10,412 million during the corresponding period of last year showing an increase of 9%. Quarterly comparison showed that import payments in Q4 FY2021 has shown growth of 37% in April-June FY2021 as compared to Q23 of Jan-March FY2021 showing recovery of economy.

Pakistan's oil import bill has amounted to about \$11.3 billion in the current fiscal year but has been rising in recent months because of increasing trend in the international oil prices. Pakistan has imported about \$2.6bn each worth of LNG and crude oil \$ 3.1 billion besides \$5.1bn worth of refined petroleum products. Pakistan had last year signed a \$1.1bn trade financing facility for the current year but could not be fully utilised due to lower international oil prices, depressed demand in Pakistan and limitations of the refineries in availing Arabian Crude. The financing cost for the upcoming financing facility would be lower than the existing one given substantial surplus liquidity of the banks in the United Arab Emirates and Saudi Arabia because of constrained business activities in the wake of ongoing Covid-19 wave. The existing facility envisaged 2.3pc plus London Inter-Bank Offered Rate (Libor). The facility is expected to provide relief in oil and gas import bill and ease pressure on foreign exchange reserves. Under the facility, funds do not come into Pakistan's account but ease pressure on foreign exchange reserves. These funds would be used for financing of letters of credit for oil and LNG imports by PSO, Parco and PLL. Moreover, the import growth of petroleum and its products were mainly due to the low import payments of Q4 of last year when complete lock down was imposed in the world. The unusual growth pattern shows that Pakistan recovered from the situation of pandemic and started economic activities.

MACHINERY GROUP

SUB-SECTORS	Q4 2020 v/s Q4 2021			YOY 2020 V/S YOY 2021			Q3 2021 V/S Q4 2021		
	April-June FY20/21	April-June FY19/20	% Change	July-June FY20/21	July-June FY'19/20	% Change	April-June FY20/21	Jan-March FY20/21	% Change
MACHINERY GROUP	3,011.3	2,152.9	40%	10,144.8	8,787.2	15%	3,011	2,919	3%
11. POWER GENERATING MACHINERY	556.3	451.8	23%	1,913.6	1,372.9	39%	556	561	-1%
12. OFFICE MACHINE INCL.DATA PROC EQUIP;	128.5	89.0	44%	460.1	376.4	22%	129	120	7%
13. TEXTILE MACHINERY	213.9	87.0	146%	592.1	437.4	35%	214	145	48%
14. CONSTRUCTION & MINING MACHINERY	36.7	23.4	57%	141.3	192.3	-27%	37	50	-27%
15. ELECTRICAL MACHINERY & APPARATUS	589.6	502.5	17%	1,680.1	2,251.3	-25%	590	472	25%
16. TELE COM	669.7	523.3	28%	2,593.0	1,861.1	39%	670	768	-13%
A. MOBILE PHONE	529.2	390.0	36%	2,065.2	1,369.9	51%	529	597	-11%
B. OTHER APPARATUS	140.5	133.3	5%	527.9	491.2	7%	141	171	-18%
17. AGRICULTURAL MACHINERY & IMPLEMENTS	28.1	20.5	37%	94.6	93.8	1%	28	22	28%
18. OTHER MACHINERY	788.4	455.4	73%	2,670.0	2,201.9	21%	788	781	1%

Table 16: Machinery group imports (trade values in US\$ million)

Import of Machinery Group is necessary for the growth of manufacturing sector of Pakistan. Over the Q4 (April-June) FY 2021, the import performance of Machinery group has registered an increase of 40% as compared to same period last year of FY 2020. Year on year comparison shows that Pakistan imported Machinery worth of US\$ 10.14 billion during April-June, FY2021 as against US\$ 8.78 million showing an increase of 15% wherein Power Generating Machinery has registered an increase of 39%. Quarterly comparison showed that import payments of Machinery Group in Q4 (April-June) of FY 2021 has also shown positive growth of 3% as compared to Q3 (Jan-March) of FY2021.

The import of Machinery Group has shown growth, Power Generating Machinery, Office Equipment Machinery, Textile Machinery, Construction Machinery, Electrical Machinery, Telecom, Agriculture Machinery and other Machinery have shown increase of 23%, 44%, 146, 57%, 17%, 28%, 37% and 73% respectively during Q4 FY 2021. Machinery imports are capital goods used for industrial production. Moreover, increase in imports may facilitate the production of other goods. Growth of exports in Textile sector explain the import growth of Textile Machinery during Q4 of FY 2021.

Import of mobile phones recorded consistent growth during FY 2021. Even though the government has withdrawn the facility of duty-free mobile handset under the baggage rules from abroad, a consistent increase (51%) has been noticed in the import of mobile phones during of FY 2021. One of the main reasons of import surge of mobile phones is because now any non-duty paid/smuggled phone cannot be used in Pakistan without payment of due taxes and registration with the Pakistan Telecommunication Authority (PTA). COVID-19 and Smart Lockdown generated demand for communication devices and networks. Although the increase in import figures is attributed to the regularization of mobile phones

under DIRBS(a Mobile Device Identification, Registration and Blocking System), the continuous quarter to quarter increase suggests that there is more to this trend. It is likely that increased need for digitalization during the pandemic and the soaring growth of exports in the IT sector may be a contributing factor in this trend.

AGRICULTURE AND CHEMICAL GROUP

Agriculture and Chemical Group has shown significant increase of 66% in the import bill during Q4 FY 2021. Year on year comparison shows that Pakistan imported Agriculture and Chemical products worth of US\$ 9,299 million during July-June FY2021 as against US\$ 7,353 million during the corresponding period of last year - showing an increase of 26%.

SUB-SECTORS	Q4 2020 v/s Q4 2021			YOY 2020 V/S YOY 2021			Q3 2021 V/S Q4 2021		
	April-June FY20/21	April-June FY19/20	% Change	July-June FY20/21	July-June FY'19/20	% Change	April-June FY20/21	Jan-March FY20/21	% Change
AGRICULTURAL AND OTHER CHEMICALS GROUP	2,958.4	1,776.8	66%	9,300	7,354	26%	2,958	2,297	29%
32. FERTILIZER MANUFACTURED	278.6	86.6	222%	718.8	569	26%	279	115	142%
33. INSECTICIDES	58.9	77.0	-23%	189	186	2%	59	43	37%
34. PLASTIC MATERIALS	701.7	417.1	68%	2,473	1,907	30%	702	652	8%
35. MEDICINAL PRODUCTS	555.5	240.7	131%	1,390	997	39%	556	296	88%
36. OTHERS	1,363.6	955.4	43%	4,529	3,694.5	23%	1,364	1,192	14%

Table 17: Agriculture & other chemicals imports (trade values in US\$ million)

All sub sector of Agriculture and Chemical Group have shown growth and import of fertilizer manufactured showed considerable increase in imports. Imports of fertilizer manufactured into the country surged by 222 percent valuing US\$ 278 million during Q4 of FY 2021 as against the import of \$86 million of the same period in FY 2020.

Some major fertilizer production units of Pakistan are playing an important role in fulfilling the demand for fertilizer including inorganic fertilizers (DAP, CAN, NP, UREA). Inorganic fertilizer increases the growth of crops used in the production of major crops on a large scale. However, some major inorganic fertilizers are used to import from the international market due to excessive demand during FY 2021. The import of Medicinal products increased by 131 percent from US\$ 240.7 in Q3 to US\$555.5 in Q4 of FY 2021. All other import sectors have also shown growth in the agriculture and chemical group except insecticides.

Insecticides imports reduced by 23% in Q4 while increased in the FY 2021BY 2%. Plastic materials have shown increase of 68% during Q4 of FY 2021. Quarter to quarter comparison shows that the import of insecticides has increased by 37% in the Q4 FY 2021 as compared to Q3 of FY 2021.

FOOD GROUP

Import of Food Group has shown positive growth of 52% in Q4 (April-June) of FY2021 as compared to the same period of FY 2020. The main items imported in the Food group were Palm Oil (US\$ 807 million) and Milk & Cream for infants with imported value of US\$ 45 million followed by dry fruit (US\$8.7 million), Tea(US\$ 145.4 million), Spices (US\$ 67 million), Soya Bean (US\$47.2) and pulses (US\$ 261 million).

Quarterly comparison has shown increase in the import of Food Group in Q4 of FY 2021 by 52% as compared to fourth quarter of FY2020. Year on Year comparison shows that Pakistan imported food products worth of US\$ 8, 347 million during FY2021 as against US\$ 5,423 million. Imports in the current quarter have increased by 0.5% from the import of preceding quarter of FY 2021

SUB-SECTORS	Q4 2020 v/s Q4 2021			YOY 2020 V/S YOY 2021			Q3 2021 V/S Q4 2021		
	April-June FY20/21	April-June FY19/20	% Change	July-June FY20/21	July-June FY'19/20	% Change	April-June FY20/21	Jan-March FY20/21	% Change
FOOD GROUP	2,226.5	1,460.7	52%	8,347.9	5,423.9	54%	2,227	2,216	0%
1. MILK, CREAM & MILK FOOD FOR INFANTS	45.3	37.8	20%	191.5	162.9	18%	45	55	-18%
2. WHEAT UNMILLED	-	-		983.3	-		-	322	-100%
3. DRY FRUITS & NUTS	8.7	10.2	-14%	78.4	34.2	129%	9	21	-58%
4. TEA	145.4	156.5	-7%	580.5	532.8	9%	145	149	-2%
5. SPICES	67.1	54.4	23%	224.7	173.8	29%	67	61	10%
6. SOYABEAN OIL	47.2	12.3	285%	95.5	57.6	66%	47	-	#DIV/0!
7. PALM OIL	807.7	461.3	75%	2,668.6	1,841.5	45%	808	749	8%
8. SUGAR	1.2	1.5	-19%	128.7	3.8	3266%	1	1	19%
9. PULSES (LEGUMINOUS VEGETABLES)	261.3	185.8	41%	709.7	614.6	15%	261	161	62%
10. ALL OTHERS FOOD ITEMS	842.5	540.9	56%	2,686.8	2,002.7	34%	842	698	21%

Table 18: Food group imports (trade values in US\$)

Mainly, all sub-sectors of food group have registered an increase in imports in Q4 except Dry fruits, Tea and Sugar have registered a decline of 14%, 7% and 19% respectively in Q4 of FY 2021 from the corresponding quarter of FY 2020. However, The import of Milk Cream, Spices, Soya bean oil and Pulses were surged in thhe current quarter as against prediction in the previous report. Moreover, Wheat imports of Pakistan was nil in Q4 FY 2021.

The eatable import bill of all products posted growth in value during the period under review, a clear indication of shortage in domestic production. Within the food group import, the major contribution came from wheat, sugar, edible oil, spices, tea and pulses. Edible oil import witnessed a substantial increase. Import of palm oil recorded a growth of 75% in value over the corresponding quarter of last year. The palm oil bill increased owing to increase in international price of palm oil.

Pakistan imported US\$ 983 million wheat AND us\$ 128.7 million OF Sugar in the FY 2021 compared to zero imports last year. The bulk import of wheat was made to bridge the gap between supply and

demand of staple food in the market. Year on year comparison shows that import of tea posted growth of 9% while spices increased by 29%. The growth is mainly due to a drop in import of these products under transit trade and controlling of smuggling at border areas.

METAL GROUP

The metal group imports have shown an overall increase of 30% in Q4 (April-June) of FY 2021 as compared to the same period last FY 2020. Imports during July-June FY 2021 stood at US\$ 4,896 million for the said group which grew by 21% against the previous year import of FY 2020 (US\$ 4,057 million). In comparison with the third quarter of FY 2021, the import bill of metal group decreased by 4% US\$ 1,276 million in Q4 of FY 2021.

SUB-SECTORS	Q4 2020 v/s Q4 2021			YOY 2020 V/S YOY 2021			Q3 2021 V/S Q4 2021		
	April-June FY20/21	April-June FY19/20	% Change	July-June FY20/21	July-June FY'19/20	% Change	April-June FY20/21	Jan-March FY20/21	% Change
METAL GROUP	1,275.5	982.9	30%	4,896.9	4,057.6	21%	1,276	1,330	-4%
37. GOLD	3.0	0.2	1702%	9.0	11.6	-23%	3	2	51%
38. IRON AND STEEL SCRAP	438.7	333.8	31%	1,857.6	1,522.0	22%	439	470	-7%
39. IRON AND STEEL	532.2	378.7	41%	1,960.0	1,538.0	27%	532	569	-6%
40. ALUMINIUM WROUGHT & WORKED	54.3	38.0	43%	175.2	143.1	22%	54	47	16%
41. ALL OTHER METALS & ARTICALS	247.3	232.2	6%	895.2	842.9	6%	247	243	2%

Table 19: Metal group imports (trade values in US\$ million)

Import of Gold during Q4 was surged and reached upto US\$ 3 million. All sub sectors in the Metal Group have shown growth during Q4 of FY 2021. Government announced a special incentive package for the construction sector by the prime minister on April 3, 2020 and Promoted construction as an industry. The incentive package is further for another year, along with an amnesty for another three months. The amnesty scheme was introduced for the construction sector and people could invest in the real-estate sector without disclosing the source of income. For the construction industry was the outcome of the adverse impact of the coronavirus outbreak at the start of this year and Pakistan benefitted from the concessions given by the IMF. It attracted a good number of builders and contractors, who started investing in this sector, and generated healthy competitive economic activity. Iron and steel are raw materials used in the construction industry. The surge in imports shows higher local demand of the products that will be used in the local construction industry.

TEXTILES GROUP

The textile imports have increased by 76% during Q4 FY 20221 as compared to same period of FY 2020. Quarterly comparison shows 4% decline in the import bill during April-June 2021 as compared to the

same period FY 2020. Year on year comparison shows that Pakistan imported textiles worth of US\$ 3,866 million during FY2021 as against US\$ 2,529 million during the corresponding period of last year showing an increase of 53%. Quarter to Quarter comparison show that Textile group imports during April-June 2021 were US\$ 1,080 million, decline -4% from the corresponding quarter of Jan-December FY 2021.

SUB-SECTORS	Q4 2020 v/s Q4 2021			YOY 2020 V/S YOY 2021			Q3 2021 V/S Q4 2021		
	April-June FY20/21	April-June FY19/20	% Change	July-June FY20/21	July-June FY'19/20	% Change	April-June FY20/21	Jan-March FY20/21	% Change
TEXTILE GROUP	1,079.5	613.7	76%	3,866.1	2,529.4	53%	1,080	1,121	-4%
27. RAW COTTON	447.6	324.0	38%	1,479.7	880.1	68%	448	500	-10%
28. SYNTHETIC FIBRE	188.1	88.3	113%	629.1	427.4	47%	188	158	19%
29. SYNTHETIC & ARTIFICIAL SILK YARN	155.9	73.7	112%	655.7	503.6	30%	156	179	-13%
30. WORN CLOTHING	104.5	31.7	229%	309.6	168.8	83%	105	84	24%
31. OTHR TEXTILE ITEMS	183.4	96.0	91%	792.0	549.6	44%	183	200	-8%

Table 20: Textiles group imports (trade values in US\$ million)

In the Q4 of FY 2021, import of raw cotton has increased by 38% as against same period of FY 2020. Cotton production in the country witnessed an alarming decline. Moreover, import of worn clothing increased by 229% whereas synthetic fibre and synthetic & artificial silk yarn had an increase of 113% and 112% respectively. The growing import of textile group are a matter of concern for our domestic textile industry as over-reliance on import of raw cotton and fibres can be damaging for the sustainability of local textile industry. The import of worn clothing (6309) registered an increase from China(183%), USA (76%), Korea (42%) and Germany (44%).

Increase in the import of Raw Cotton (5201) noticed from Brazil (111%), Turkey (6853%) and Afghanistan (3306%). Decline was registered in the import of Raw Cotton from USA (-3%)

It is pertinent to mention that the area under Cotton has witnessed a spectacular decline in the past decade it averaged 2.7m hectares during FY12 to FY21, compared to nearly 3m hectares between FY92 to FY11. The cotton crop has lost its competitiveness relative to other major crops, in particular sugarcane. The pricing dynamics have tended to give sugarcane an edge over cotton, which has manifested in the switching of area away from the cotton in favor of sugarcane. In the second half of 2020, heavy rains badly damaged cotton crop. Cotton production fell for the third consecutive year as area under production declined while yields failed to reach targeted levels. Resultantly, Pakistan imported raw cotton for producing value added products.

TRANSPORT GROUP

The import of transport group has shown significant increase of 180% in Q4 (April-June) of FY 2021 as compared to same period last year. Yearly statistics reveal that around US\$ 2,987 million worth of goods

under transport group were imported during FY 2021. Quarterly comparison shows a growth of 93% during Q4 of FY 2020-21.

Both CBU and CKD transport vehicles have increased by 62% and 202% in Q4 of FY 2021 as compared to same quarter of FY2020. Government has announced new import policy wherein terms for the import of cars has been revised which contributed greatly to the increase in imports.

SUB-SECTORS	Q4 2020 v/s Q4 2021			YOY 2020 V/S YOY 2021			Q3 2021 V/S Q4 2021		
	April-June FY20/21	April-June FY19/20	% Change	July-June FY20/21	July-June FY'19/20	% Change	April-June FY20/21	Jan-March FY20/21	% Change
TRANSPORT GROUP	977.2	349.4	180%	2,987.6	1,545.9	93%	977	2,524	-61%
19. ROAD MOTOR VEH. (BUILD UNIT,CKD/SKD)	826.8	335.7	146%	2,458.4	1,279.1	92%	827	2,107	-61%
19.1 CBU	140.1	86.6	62%	385.8	217.9	77%	140	359	-61%
A.BUSES,TRUCKS & OTH. HEAVY VEHICLES	46.1	52.0	-11%	126.2	117.7	7%	46	164	-72%
B.MOTOR CARS	92.9	34.2	172%	256.2	99.0	159%	93	193	-52%
C.MOTOR CYCLES	1.1	0.4	168%	3.5	1.2	196%	1	4	-74%
19.2 CKD/SKD	551.3	182.6	202%	1,584.6	727.5	118%	551	1,280	-57%
A.BUSES,TRUCKS & OTH. HEAVY VEHICLES	140.7	35.4	297%	389.0	186.2	109%	141	328	-57%
B.MOTOR CARS	389.4	134.7	189%	1,120.5	478.1	134%	389	869	-55%
C.MOTOR CYCLES	21.2	12.5	71%	75.0	63.2	19%	21	85	-75%
19.3 PARTS & ACCESSORIES	110.7	56.6	96%	405.1	263.3	54%	111	375	-70%
19.4 OTHERS	24.7	9.9	150%	82.9	70.3	18%	25	95	-74%
20.AIRCRAFTS, SHIPS AND BOATS	140.2	11.3	1140%	513.6	251.0	105%	140	392	-64%
21.OTHERS TRANSPORT EQUIPMENTS	10.1	2.4	319%	15.5	15.9	0.02406	10	26	-61%

Table 21: Transport group imports (trade values in US\$ million)

The export of Transport Group registered positive growth of 93% in FY 2021 wherein all components have shown positive growth except buses and trucks decline by 11%. Motor cars imports increased by 172% and motor cycle imports were increased by 168% during Q4 FY 2021. New auto policy 2021-26 has announced by the government with following features:

- The government has introduced measures to increase the production of vehicles to approximately 300,000 (3 Lac) in the current fiscal year and up to 500,000 (5 Lac) by 2025. Furthermore, localization of auto parts shall be heavily incentivized.

Affordable Small Cars (Meri Gari Scheme)

- To make small cars more affordable for the mid-tier socio-economic class, the following steps have been introduced in the financial budget 2021-22:
- For vehicles up to 1000cc, the government has removed Federal Excise Duty (FED), and Additional Customs Duty (ACD) on locally manufactured cars.
- Sales Tax has also been reduced.
- Reduction of duties and taxes on import of small cars in CBU form to bridge the demand-supply gap.

Reduction in Car Prices:

- ACD and FED on all cars have been reduced.
- Price reduction is expected in each vehicle category being manufactured locally. The prices of cars are expected to be reduced as under:
- Decrease of Rs. 104,458 – Rs. 142,388 in the prices of cars below 850 cc
- Decrease of Rs. 112,118 – Rs. 186,375 in the prices of cars from 1001-1500 cc
- Decrease of more than Rs 169,958 in prices of cars in 1800cc category
- Decrease of more than Rs 229,458 in the prices of cars in 2000cc and above category

Localization:

- The condition of 30% value addition has been introduced on imported raw materials and components to be used for the manufacturing of vehicles in the country.
- To ensure rapid localization, the government shall update the localized manufacturing of auto parts every six months.

“Own Money” Mitigation Measures:

- Rs. 50,000 to Rs. 200,000 tax whereby the first registration is not in the name of the person who booked the vehicle.
- Compulsory payment of KIBOR+3% mark up by manufacturers on delivery beyond 60 days.
- Maximum upfront payment on booking not to exceed 20 percent of the invoice value at the time of booking.
- Real-time trackable online booking and manufacturing status.

Safety Measures in Cars:

- In order to improve and ensure road safety, basic safety measures such as brakes, steering, tires, lights, safety belts, airbags, and collision safety will be met.
- 17 such shortlisted regulations will be implemented in a phased manner over a period of the next three years.

Exports:

- Exports targets for the manufacturers will be up to 10 percent of the import value by the end of five years of this proposed policy.

Electric Vehicles:

The government had recently announced new Electric Vehicle (EV) Policy, which would create competition among auto sector players besides pollution-free environment. The Policy envisaged targeting a robust electric vehicle market having a 30 percent and 90 percent share in passenger vehicles and heavy duty trucks by 2030 and 2040.

- A higher number of EVs in the local market would encourage auto companies to invest in the relevant infrastructure in Pakistan to facilitate EVs. To that interest, the following incentives have been provided to the said vehicle segment:
- Customs Duty (CD) on Specific Parts for electric vehicles to attract 1 %
- 10% CD on import of CBUs of EVs

MISCELLANEOUS GROUP

The miscellaneous group imports in Q4 (April-June) of FY2020-21 have seen an overall 69% increase in total and all the sub sectors have shown increase in imports. Crude rubber, rubber tyres, wood and cork, jute and paper & paper board increased by 86%, 198%, 34%, 31% respectively. The import trend of the Q4 of FY 2021 indicates a growing trajectory over the preceding quarter of Q FY 2020). Yearly comparison statistics show that the import of miscellaneous group surged by 51 percent during FY 2021 as compared to FY 2020 with the increase in all the sectors except wood & cork that has registered a negative growth of 1%.

SUB-SECTORS	Q4 2020 v/s Q4 2021			YOY 2020 V/S YOY 2021			Q3 2021 V/S Q4 2021		
	April-June FY20/21	April-June FY19/20	% Change	July-June FY20/21	July-June FY'19/20	% Change	April-June FY20/21	Jan-March FY20/21	% Change
MISCELLANEOUS GROUP	294.2	173.6	69%	1,218.1	809.3	51%	294	317	-7%
42. RUBBER CRUDE INCL. SYNTH/RECLAIMED	49.0	26.4	86%	230.5	159.2	45%	49	68	-28%
43. RUBBER TYRES & TUBES	84.6	28.4	198%	374.8	108.0	247%	85	81	4%
44. WOOD & CORK	34.3	25.7	34%	117.2	118.7	-1%	34	28	23%
45. JUTE	8.8	6.7	31%	53.3	30.8	73%	9	18	-51%
46. PAPER & PAPER BOARD & MANUF.THEREOF	117.5	86.5	36%	442.3	392.6	13%	117	121	-3%
ALL OTHERS ITEMS	1,307.0	741.4	76%	4,286.2	3,634.3	18%	1,307	1,213,116	-100%

Table 22: Miscellaneous group imports (US\$ million)

TRADE IN SERVICES

EXPORT PERFORMANCE OF SERVICES

Exports and imports of Trade in Services during April-June FY2021 registered positive growth of 45% during Q3 of FY 2021. All Service exports have shown surge except Construction and Maintenance Service. The complete impact of the pandemic may not be calculated through provisional statistics. The real impact will be quantified in coming months. Trade statistics of Services are based on a balance of payments recorded by State Bank of Pakistan. Export of IT Services has shown remarkable performance like Textile Sector and registered growth of 47% during FY 2021.

As per Extended Balance of Payments Services Classification (EBOPS 2010), Trade in Services has been divided into 12 categories. The cumulative exports of Services in the fourth quarter FY 2020-21 stood around US\$ 1.6 billion increased by 45% from the previous corresponding quarter exports of US\$ 1.1 billion in the FY2020.

SERVICES	April-June FY20/21	April-June FY19/20	% Change	July – June FY20/21	July – June FY'19/20	% Change
2. Exports of Services	1,586	1,092	45%	5,937	5,437	9%
1. Manufacturing Services on Physical inputs owned by Others	0	0	-	0	0	-
2. Maintenance and Repair Services n.i.e.	0	1	-100%	3	7	-57%
3. Transport	125	95	32%	567	741	-23%
4. Travel	116	64	81%	500	490	2%
5. Construction	29	32	-9%	116	166	-30%
6. Insurance and Pension Services	13	10	30%	47	42	12%
7. Financial Services	23	13	77%	99	135	-27%
8. Charges for the use of Intellectual Property n.i.e.	3	1	200%	13	4	225%
9. Telecommunications, Computer, and Information Services	610	387	58%	2,123	1,440	47%
10. Other Business Services	395	287	38%	1,421	1,328	7%
11. Personal, Cultural, and Recreational Services	3	1	200%	11	8	38%
12. Government Goods and Services n.i.e.	269	201	34%	1,037	1,076	-4%
of which: Logistic Support	0	0	-	0	0	-

Table 23: Services exports (trade values in US\$ million)

IMPORT PERFORMANCE OF SERVICES

SERVICES	April-June FY20/21	April-June FY19/20	% Change	July – June FY20/21	July – June FY'19/20	% Change
2. Imports of Services	2,024	1,547	31%	7,812	8,753	-11%
1. Manufacturing Services on Physical inputs owned by Others	0	0	#DIV/0!	0	0	#DIV/0!
2. Maintenance and Repair Services n.i.e.	14	5	180%	48	65	-26%
3. Transport	872	496	76%	2,949	3,036	-3%
4. Travel	220	104	112%	825	1,229	-33%
5. Construction	0	6	-100%	0	77	-100%
6. Insurance and Pension Services	57	52	10%	240	276	-13%
7. Financial Services	56	144	-61%	185	468	-60%
8. Charges for the use of Intellectual Property n.i.e.	61	42	45%	254	181	40%

9. Telecommunications, Computer, and Information Services	149	94	59%	550	385	43%
10. Other Business Services	482	553	-13%	2,399	2,560	-6%
11. Personal, Cultural, and Recreational Services	0	0	#DIV/0!	0	1	-100%
12. Government Goods and Services n.i.e.	113	51	122%	362	475	-24%

Table 24: Services imports (trade values in US\$ million)

SECTORAL ANALYSES OF TRADE IN SERVICES

The most recent statistics shows that import of services trade registered an increase of 31% in the fourth quarter (April-June 2021). The statistics shows that the services of Travel, telecommunication and maintenance are increased. However, due to covid19 most of the service sectors are influenced by the revenue losses from cancelled flights, holidays abroad, closure of restaurant, and Personal, Cultural, and Recreational Services activities. Travel remains the most affected service sector globally however, in Pakistan the most effected sectors were construction, insurance and transport services during covid as compared with the same period of last year. It is pertinent to mention that global construction exports were down 16% year-on-year, as several Asian exporters saw sharp drops. However, trade in computer services registered a notable exception. Computer services remained the most dynamic sector in the fourth quarter, up 50% due to increasing global demand for cloud computing, platforms and virtual workplaces

World Trade Organisation (WTO) in January 2021, titled "Services trade recovery not yet in sight", global services trade was 24% below its year-on-year value in the third quarter of 2020. It ranks services exports from Pakistan as the fastest growing in the world at 17% year-on-year in November 2020, with the flow propelled by exports of computer services. Travel and transport were the most adversely impacted sectors. However, computer services showed a 47% gain in exports as demand for cloud computing and virtual meeting applications and software increased. The increase in ICT services exports from Pakistan is in line with the trend observed globally. Covid-19 has provided this sector an opportunity to become an important contributor to export revenue.

More importantly, there are significant spillover effects into other complementary sectors that can receive a boost from a rapidly developing ICT sector. The growth in the ICT sector accompanies increasing demand for related goods and services, including but not limited to office machinery, computer equipment, telecommunication equipment as well as internet and e-commerce services.

Imports of telecommunication equipment were up driven by imports of mobile phones. With 98 million 3G/4G subscribers in March 2021, Pakistan provides many opportunities for investors targeting IT-related sectors. Although these figures may not directly suggest the growth of the ICT sector in Pakistan as several other factors are likely to be involved in their rising demand, they do suggest that increasing investment in ICT-related and digital goods can help bolster the development of the ICT services sector.

GOVERNMENT INITIATIVES FOR EXPORT FACILITATION

1. The taxes imposed on exporters have been rationalized and incentives are given in value added products which are:

- Export of services taxed rate reduced to 1 %.
 - Enhancement of threshold for Cottage Industry
 - Measures for Ease of Doing Business
 - Allowing Zero Rating to Export of IT Services
 - Tax Incentives for promoting electric vehicles
 - Exemption to Special Technology Zones (STZ.
 - Bringing e-commerce transactions in sales tax net
 - Registration of Brands by certain sectors:
2. Long-term Trade Financing (LTFF) and Export Finance Scheme (EFS) at subsidized rate (LTFF 5%, EFS 3%);
 3. Tax refunds to improve liquidity conditions of exporters.
 4. Export of IT and IT enabled services has been brought under the ambit of 100% tax credit. The conditions for availing tax credit have been relaxed and discretionary powers of tax authorities have been curtailed.
 5. The government has launched single identifier number for all domestic taxes. Under this initiative a taxpayer can use all applications under the Income Tax, Sales Tax and Federal Excise duty by mere use of CNIC if a taxpayer is an individual. In case of partnership firms and companies, National Tax Number (NTN) shall be the common tax identifier number. This is an important step toward ease of doing business.

Subsidies and Refunds to Exporters (FY2021)

The government has provided subsidies and refunds to the exporters which are as follows:

I. FBR

Refund Paid To Exporters FY 2021 (Rs Billion)		
Tax Type	Exporters	Refund Paid
Sales Tax	3766.0	196.9
Custom Duty	4479.0	22.2
Income Tax	530.0	8.0
Total		227.1

II. SBP

Rs in Billion	
Name of Schemes	Disbursement (FY2021)
DDT 2017-18 (Textile)	2.01
DDT 2018-21 (Textile)	11.04

LTLTD 2017 (Non-Textile)	0.44
LTLTD 2018 (Non-Textile)	4.49
Total	17.97

- DDT: Duty Drawback of Taxes
- LTLTD: Duty Drawback on Local Taxes and Levies (DLTL)

III. Loans under LTFF (FY2021): Rs. 176.3 bn, EFS (FY2021): Rs.91.1 bn

IV. Power Sector Subsidy

Description	Release 2020-21 (Rs Billion)
Zero Rated Industries	26.9
Subsidy to LNG Sector for provision of Gas on low rate to Industries	10.0
Total	36.9

FUTURE TRADE OUTLOOK

Pakistan has played its part in the global trade recovery as total exports have been increased by 68% during April-June FY2021 with the corresponding period in FY2020. Amongst all the exports, textile group registered remarkable increase by 92% in value during in April-June FY 2021 when compared with the same period in the previous year. The remarkable performance of Textile sector is the support and facilitation provided by the government in previous quarters to enhance exports from Pakistan during pandemic. The another reason of Textile export growth is the shifting of demand from neighboring countries as they are facing stiff competition due to delta variant of COVID19. Apart from the textile sector both food sector (10%) and other manufacture sector (47%) saw an increase in value which is encouraging for future export prospects. The growth of exports is due to the promising policies from the government. It is expected that this increase can be sustained for the final quarter of FY221.

On the import front, Pakistani recorded an increase in value of imports by 73% in which petroleum group saw the highest increase of 152% followed by Transport group with 180% growth. Some notable other sectors which registered an increase include machinery group (40%), Agricultural & Chemical group (66%), Food Group (52%), Metal group (30%), textile group (76%) and miscellaneous group (69%). The surge in imports were recorded in Petroleum Products, Power generating machinery, telecom, mobile phones, LNG, fertilizers, medicinal products, iron and steel, Raw cotton, vehicles, motor cars and motorcycles during Q4 (April-June FY 2021)

The balance of trade deficit of Pakistan has shown significant increase during FY 2021. Trade deficit came in at \$ 29 billion.

For the next FY22, economic and trade prospects seem favorable as Pakistani economy looks to be on the road to recovery. However, the recent rise in COVID cases- delta variant, Pakistan has been showing signs of a fragile recovery. The economy needs to be wary of the new waves of the pandemic which can hamper growth and needs to focus on mass vaccination to create a healthy economic environment.

