



**Prime Plus  
October 2024**

Quarterly Report on Pakistan's  
Economy *with* Special Focus on  
the 25th IMF Program

Policy Research Institute of Market Economy (PRIME)

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**Prime Plus** is a quarterly report published by PRIME that provides economic, institutional and policy analysis explaining developments, opportunities, and challenges of Pakistan's economy.

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## Overview

The report's first section analyses the IMF's Extended Fund Facility Program, 2024. The Policy Analysis section provides an overview of the IMF program's novelty, highlighting its unique aspects while outlining its opportunities and challenges. According to the report, the IMF program serves as a facility to manage balance of payments challenges, but the government should prioritize homegrown solutions to address structural economic issues.

Section 2 of the report comments on the government's limited progress in implementing key reforms, particularly in privatization and rightsizing, which are crucial for reducing its role in the economy.

In Section 3 we present economic data on major macro indicators including Inflation, Current Account, Public Debt, Foreign Direct Investment, Government borrowing, and a general trend of how the economy is behaving, where we reach the conclusion that Pakistan's economy faces a challenging environment shaped by rising imports, trade deficits, and increasing public debt. While export growth provides some relief, the widening trade gap and reliance on foreign borrowing pose risks to fiscal sustainability. Structural reforms and prudent economic policies are crucial to managing debt, controlling inflation, and ensuring long-term economic stability.

Section 4 outlines Pakistan's macroeconomic outlook. While the IMF's \$1 billion disbursement may ease uncertainty, high expenditures and ambitious revenue targets remain challenges. Structural reforms like privatization and rightsizing are crucial but have seen limited progress, straining public finances. With \$25 billion in external obligations, reliance on temporary rollovers and import restrictions underscores the need for sustainable reforms, including a market-based exchange rate and liberal trade policies. The energy sector continues to suffer, with mounting losses and unsustainable subsidies. Reforms in taxation and public spending are essential to boost economic activity and ensure long-term stability.

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## Section 1: IMF Program- A Band-Aid Solution for Pakistan

### 1. Introduction:

In September 2024, Pakistan entered the 25th IMF program aimed at “accelerating structural reforms to strengthen public finances, improve the provision of critical public services, and create a favorable environment for private-led growth”. The completion of the Standby Arrangement (SBA), which set the stage for the Extended Fund Facility (EFF), helped the country address the immediate balance of payment crisis, lower inflation and increase foreign reserves. The new program focuses on addressing the persistent structural challenges the economy faces. The program's focus areas include fiscal consolidation, mainly by broadening the tax base, reforming public sector enterprises, addressing the energy sector crisis, fostering growth through enhanced competition and innovation, and building climate resilience.

While the \$7 billion bailout package is lauded by many as a necessity for the economy, the failure of past IMF programs to resolve the deep-rooted structural programs of the country cannot be ignored.

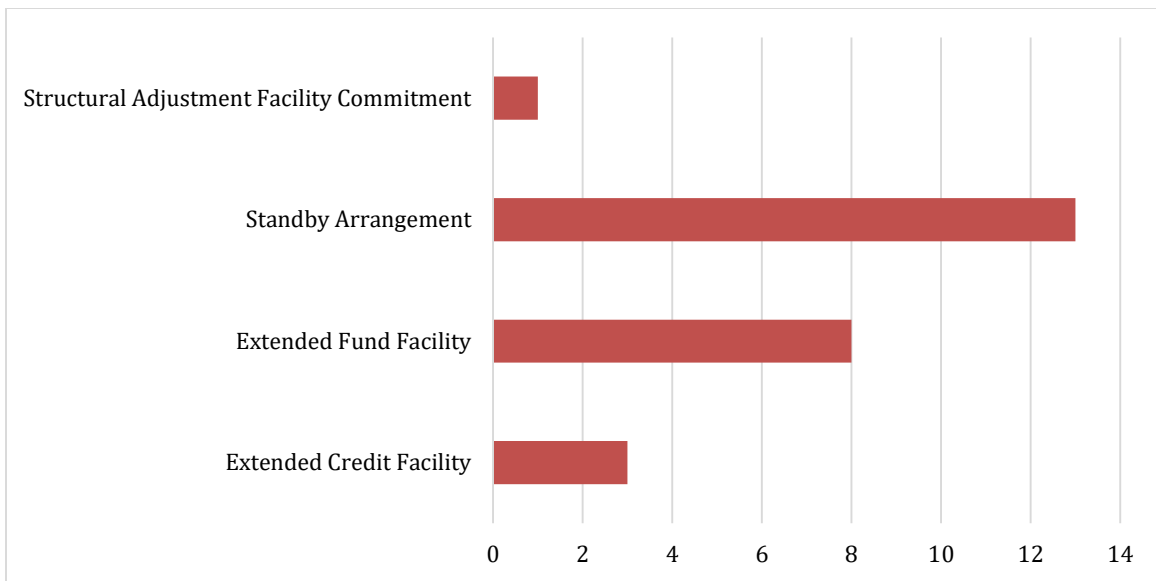
### 2. IMF and Pakistan: A complicated relationship

Deeply intertwined with the country's economic history, Pakistan's relationship with the IMF is a long yet complicated one. Since its first loan in 1958 from the IMF, Pakistan has consistently sought loans from the IMF, usually treating it as a lender of last resort. The continuous reliance on IMF reflects Pakistan's inability to stabilize the economy, resolve the chronic energy crisis, and address balance of payment issues. Pakistan has received the IMF program 25 times, whereas Bangladesh and Sri Lanka have reportedly entered 14 and 17 times, respectively.

**Special Drawing Rights:** An international reserve asset, SDR is created by IMF to supplement its member countries' asset reserves. It is a basket of five currencies; US dollar, the euro, the Chinese renminbi, the Japanese yen, and the British pound sterling. SDR can be used as exchanged as usable currencies between the IMF members.

However, along with the number of programs received, the nature and purpose of receiving programs matter, too. While, almost after a decade of relief, Bangladesh went back to the IMF in 2024 to address its macroeconomic challenges, IMF's financial assistance to Bangladesh is aimed at solving the long-term structural issues in the economy. Similarly, Sri Lanka's debt model is to restructure public debt through the IMF's Debt Sustainability Framework, specifically designed for low-income countries' debt restructuring. On the other hand, Pakistan relies entirely on the IMF to restructure its economy from macroeconomic stability to institutional reforms.

The following graph shows the number of times Pakistan has availed different types of IMF programs to address its economic issues, where the SBA is the program most availed, followed by EFF, indicating the country's need to be rescued in both the short and long run. These programs are provided to a country based on its quota, expressed as Special Drawing Rights (SDR)<sup>1</sup>.

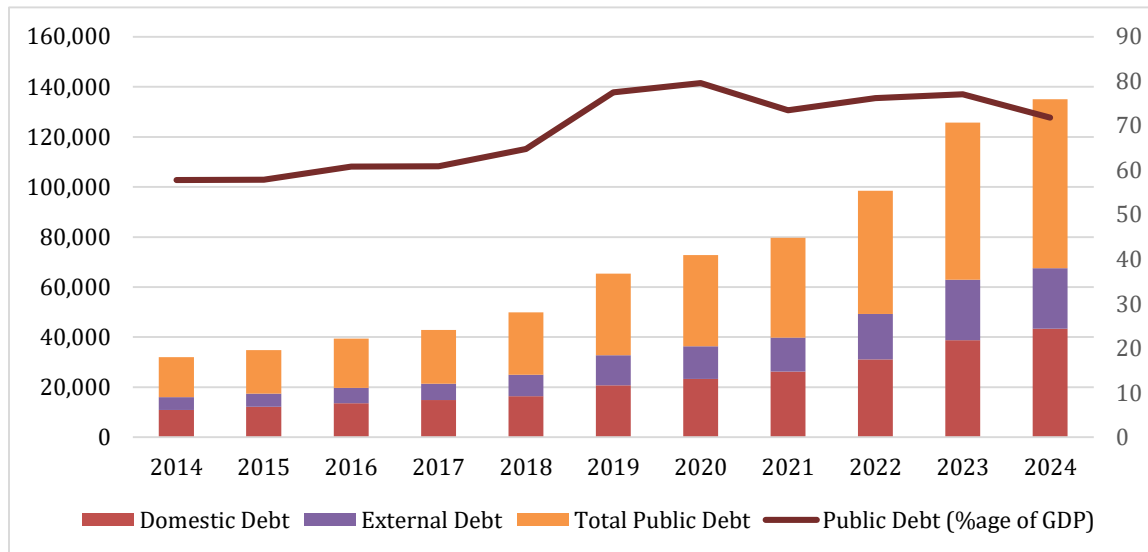


**Figure 1. No. of Individual IMF Programs for Pakistan**  
*Source: IMF*

<sup>1</sup> The quota influences the amount of financial assistance a country can borrow from the IMF. Pakistan, for instance, has a quota of 2031.0 million SDR.



Maintaining debt to GDP ratio is crucial for a country's fiscal sustainability, where literature suggests that debt to GDP ratio up to a certain threshold can be beneficial; however, if it crosses that threshold, it can significantly harm the country's sovereignty. Comparatively lower from developed countries, the threshold of 64% of debt to GDP for emerging economies can help the economic growth of the country. However, exceeding this threshold by 1% can lead to a loss in annual economic growth by 0.02% (Caner, et al., 2010). Like an increase in every other indicator that can potentially harm the country's growth, the public debt to GDP ratio is no exception in the case of Pakistan. Over time, public debt has substantially increased, significantly increasing the country's dependency on financial institutions like the IMF.



**Figure 2. Pakistan's Debt Profile (2014-024)**

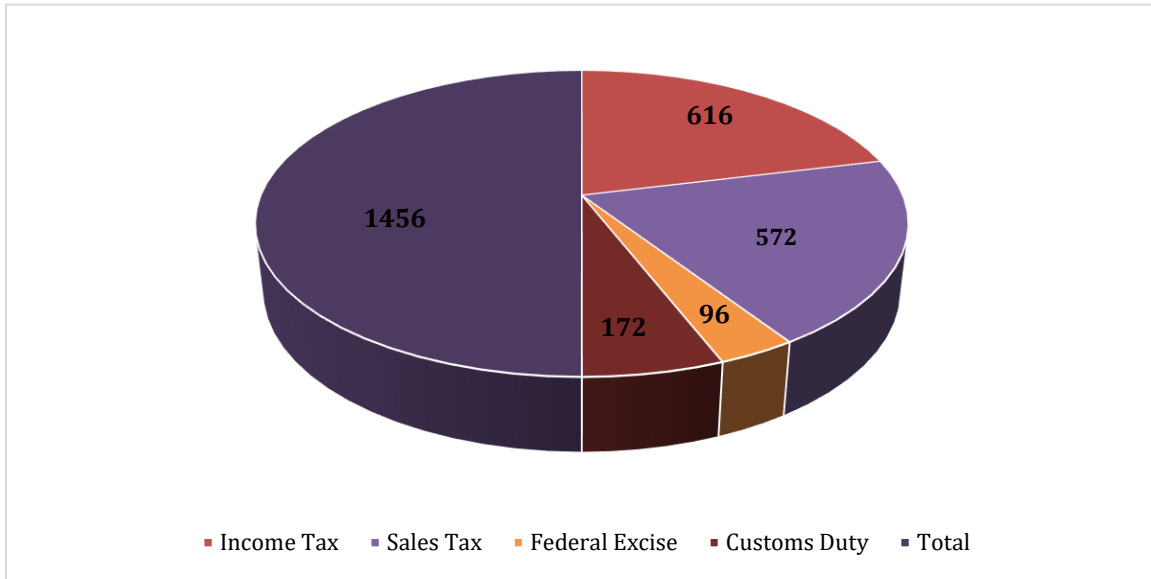
*Source: Pakistan Economy Dashboard & IMF*

### **3. Novelty of the Current IMF Program:**

The fact that Pakistan has resorted to the IMF for the 25<sup>th</sup> time stands as a testimony to how previous IMF programs could not address the underlying structural issues of the economy.

In a broader effort to solve the fiscal crisis and include measures to strengthen the foreign exchange reserves and improve the overall economic condition of the country, the recent IMF program focuses on certain key areas that can potentially address the challenges faced by the economy.

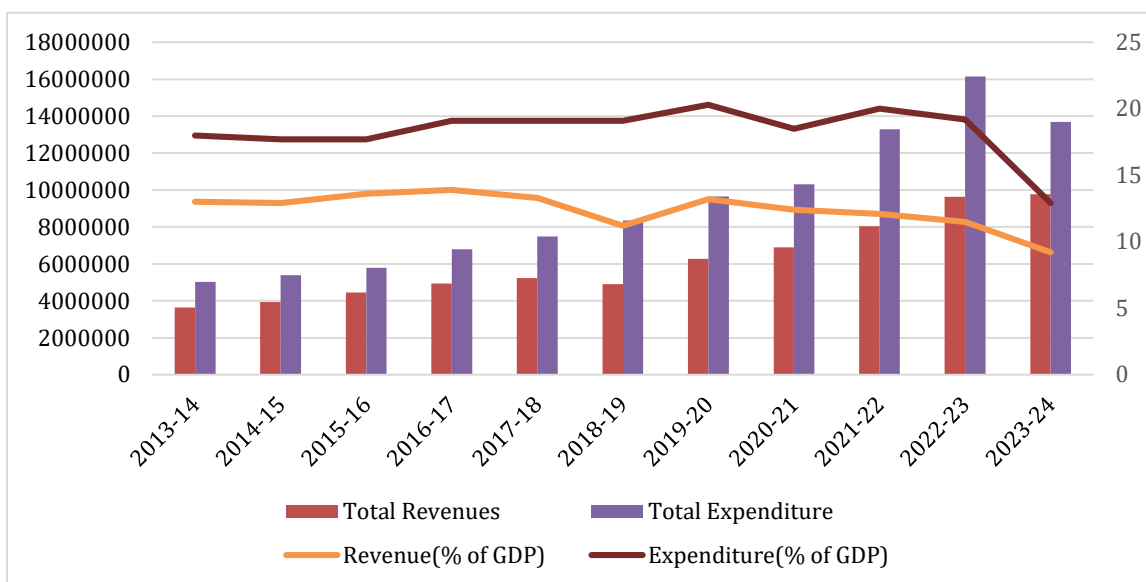
One of the primary objectives is fiscal reforms aimed at enhancing revenue collection through broadening the tax base. This objective stems from Pakistan's historically low tax-to-GDP ratio, hovering around 10% for decades, limiting the country's ability to maintain fiscal deficits. This low tax collection is mainly attributed to low tax compliance and a narrow tax base. According to FBR, against the target of Rs. 1554 billion, the net revenue collection of Rs. 1456 billion indicates a shortfall of Rs. 98 billion in the first two months of the fiscal year 2025. Furthermore, the government's excessive reliance on indirect taxes, as shown below, indicates that the current taxation system is regressive and disproportionately affects lower-income households.



**Figure 3. Net Revenue Collection in first two months of FY25 (PKR Billion)**

*Source: FBR*

Along with a narrow tax base, Pakistan is persistently plagued with increased expenditures and low revenue generation, creating an imbalance between the two and leading to fiscal deficits. Debt servicing, subsidies, and significant defense spending create a fiscal burden on the government, coupled with a narrow tax base, tax evasions, and a complex tax filing system, leading to a chronic budgetary deficit. While the fiscal deficit has shrunk to 6.8% compared to 7.7% last year, Pakistan still needs to reform tax policy and expenditure controls.



**Figure 4. Expenditure and Revenue comparison of Pakistan (PKR Million)**

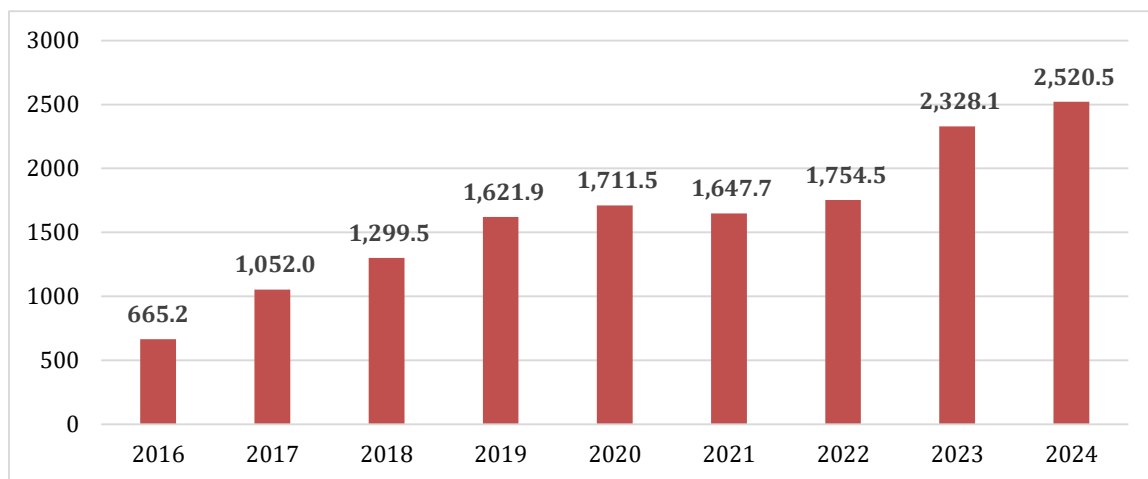
*Source: Pakistan Economy Dashboard*

Along with increasing tax compliance, the government is working on taxing the historically under-taxed sectors, such as retail, agriculture and real estate, as per the instructions of the IMF.

Secondly, the program focuses on strengthening competition and raising productivity. Throughout the history of Pakistan, firms have struggled in achieving optimal productive efficiency in their output. The overall economic growth of a country is closely linked to the productivity level of its firms. One of the reasons for lower productivity is the distortions governments create in the form of price controls, subsidies and taxes. These distortions could act as a barrier to achieving the maximum potential for any entity, whether at the government or firm level. Both the allocation distortions and entry-level distortions lower productivity, the removal of which can lead to an overall 30% increase in productivity level, according to the World Bank (2022). The high distortions in the formal sector are possible reasons for the growing informal sector in Pakistan.

The third focus of the program is reforming and privatizing State-Owned Enterprises (SOEs) and addressing the energy sector crisis. SOEs have a notorious history of incurring losses in Pakistan, where the net losses of SOEs reached Rs. 202 billion in 2023, a 20% rise from the previous year, according to a report by the Finance Division (2023). The increased government footprint due to SOEs places a significant fiscal burden on the government and further impedes the pathway to economic recovery. Outstanding debt and liabilities of Public Sector Enterprises have been increasing ever since, as shown in the graph below. The urgency to reform the SOEs cannot be overemphasized enough, and to prevent the fiscal deficit from accruing further, privatization of SOEs is indeed the need of the hour.

While the government is working on increasing the tax compliance, and taxing the historically under-taxed sectors, such as retail, agriculture and real estate, as per the instructions of the IMF, there is much need for reforming the taxation system and reducing the reliance on indirect taxes, making the tax system progressive.



**Figure 5. PSE's Debt and Liabilities**

*Source: State Bank of Pakistan*

Lastly, the program focuses on building climate resilience, which is crucial for Pakistan, given the frequency of climate-related events. However, building climate resilience could be undermined by the IMF's own conditions for fiscal austerity measures to reduce the

fiscal deficit. In a country like Pakistan, which has miserably lower health and education expenditures, making climate resilience a priority seems far-fetched.

#### **4. Is this the last IMF program?**

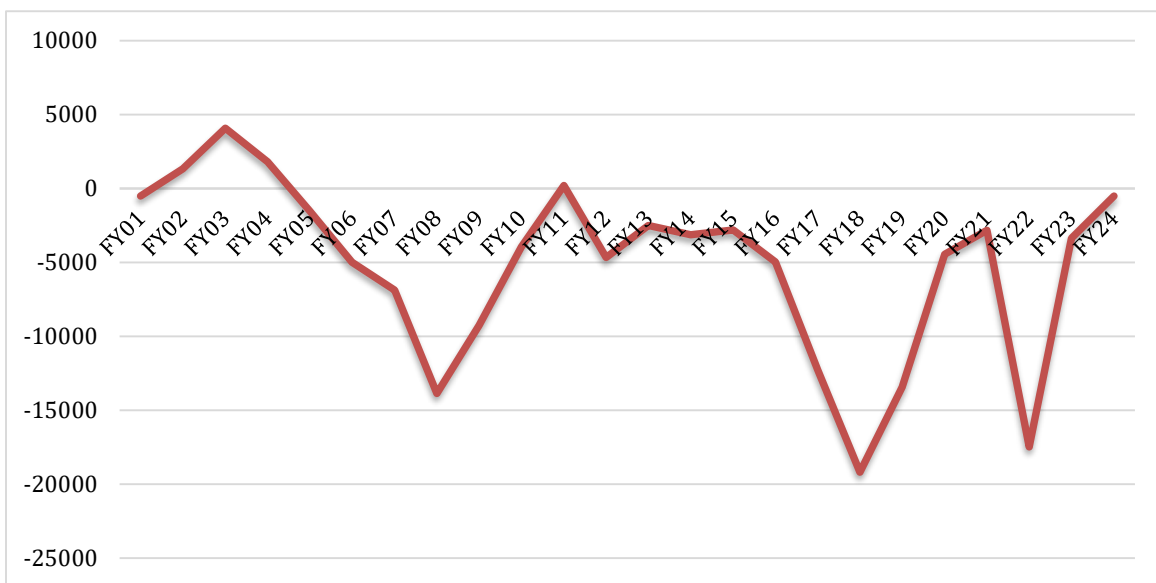
*Spoiler Alert: Probably Not*

Pakistan has entered into more than 20 such programs to address its economic crisis, and this pattern suggests that, while the government might be hopeful for this program to be last, bidding adieu to IMF might sound easier than done. The underlying reasons for not so soon exit from IMF are several.

Firstly, Pakistan needs to identify the root causes of going to the IMF every two years. Many structural issues challenging the economy-including a low tax base, losses by SOEs, energy sector crisis, burgeoning public debt, recurring fiscal deficit and low value-added export- have been gripping the economy. While the current IMF program aims to address these issues, envisioning of implementing these reforms in the IMF's EFF program duration might not be practical. To address the decades-old challenges in the timeframe of 3 years is not only short-sighted but could also leave the economy directionless once again. Pakistan's energy sector continues to drain significant fiscal resources due to inefficiencies and mismanagement. While almost every other IMF program is focused on restructuring the energy sector, the reforms have been quite slow, and thus, the industry continues to be a drag on the economy.

The lack of export competitiveness to bring foreign reserves to a sustainable level cannot be ignored in the case of Pakistan. Frequent deficits caused by high import demand and weak export performance indicate the failure of the country's exports to compete globally and the lack of integration in the global value chain. While there has been a recent improvement in the current account balance, showing a slight surplus of \$75 million in August, much of the improvement is attributed to import restrictions, imposed directly or indirectly, and higher remittances instead of a significant rise in exports. The export sector is highly dependent on textiles, which dominates around 60% of the exports. The textile

sector faces challenges in the form of high energy costs, import bans of raw materials and production inefficiencies, leading to the production of only low-value-added goods. However, instead of addressing the less competitive exports issue, Pakistan’s obsession with restricting imports reflects a short-cut approach (always the most viable approach for the government) that can have further unintended consequences in the form of the unavailability of essential goods and raw materials, further harming the domestic industry. The graph below shows the current account balance over the years and how the stifling of exports has been a cause of the current account deficit.



**Figure 6. Current Account Balance (\$ Million)**

*Source: Pakistan Economy Dashboard*

The IMF’s one-size-fits-all approach is another reason Pakistan has to knock on the doors of international donors for funding. IMF doesn’t cater to the political and economic realities of the country, thus often leading to failure to fully implement the reforms suggested by the IMF. The reforms, such as the implementation of austerity measures along with high revenue generation to curtail fiscal deficit, cutting targeted subsidies-often

intended for the lower income groups, raising interest rates to curb inflation and devaluing the currency, and maintaining fiscal balance at any cost, perpetuate the cycle of dependence. These policies coupled with raising taxes for the existing taxpayers instead of broadening the tax base, lead to cost push Inflation, which is driven by supply-side factors such as high production costs and cannot be addressed by raising interest rates. The high interest rates can even be counterproductive by raising business borrowing costs, thereby discouraging investment. While in the current EFF program, IMF appreciates the lower interest rate in the wake of the decline in inflation, it still requires the State Bank of Pakistan (SBP) to maintain tight monetary policies.

Furthermore, the IMF program forecasts the country's economic growth, given that the reforms suggested are implemented, which is usually not the case in Pakistan. In a fragile political and economic environment, the optimistic growth prediction of 3.5% for the next fiscal year may be achievable if the economy stays on the right track. However, instead of luring the country into overly optimistic forecasts, the program should address the economy's structural problems in the long run. Similarly, the government usually accedes to whatever demands are put forward by the IMF, only to get off track later for its political gains, thus jeopardizing the IMF program. The government must prioritize its economic agenda of structural reforms and fiscal discipline to stabilize the economy.

### **Conclusion:**

While this program can help rescue the economy in the short run, the question of whether the country can break free from the cycle of financial dependence depends on its commitment to addressing structural problems and taking steps to steer the economy in the right direction. The frequent IMF led economic decisions reflect the lack of independent, sustainable, and self-reliant economic planning. Pakistan has been unable to create a space for financial maneuvering to develop and execute policies suitable for the country's political and economic environment.



Pakistan needs to develop its own policies to reduce reliance on external financing and to ensure that current loans are used productively in essential areas. To achieve this, Pakistan should focus on improving export competitiveness, reducing distortions to boost productivity, reforming and privatizing state-owned enterprises to decrease government expenditure, creating a harmonized tax policy, and preventing the crowding out of the private sector. Additionally, it's crucial for the country to stop considering foreign assistance as a permanent solution. The recent EFF program, which is pro-cyclical in nature, envisions fiscal and monetary austerity measures that could potentially do more harm than good to the economy in the long run. While the recent decline in inflation, leading to the lowering of interest rate by 200 basis points, signals some relief for the economy, the IMF's tight monetary policy advocacy can lead to a rise in interest rate, further reducing domestic production and consumption, which is not the optimal measure we currently need. Additionally, as suggested by the Laffer curve, high tax rates can potentially lower revenue by discouraging business activity, increasing tax evasion, and reducing the tax base. Lastly, Pakistan needs to stop looking for shortcuts and devise a detailed framework for exiting from the IMF. This would start with debt restructuring, followed by developing a pro-growth model and formulating an industrial policy to strengthen the domestic industry.

## Section 2: Is the Government Moving Towards Limiting Itself or Not?

*By Dr Khalil Ahmad*

Two things are a favorite pastime of almost every government in Pakistan.

- Austerity
- Rightsizing/Downsizing

The same is the case with the present coalition government of PMLN-PPPP-others. They are running both of these drives simultaneously. They should be. Because it's all about the size and spending of the government.

The increasing size of a government increases its appetite and thus its spending. Likewise, increasing spending by a government increases its size and its appetite in turn. This cycle thus goes on and on.

A study by the Pakistan Institute of Development Economics (PIDE) concludes that the footprint of the government is about 70%.

Anyways, the present government seems too interested in doing something regarding cutting both its spending and the size.

Under the austerity drive, various bans, such as abolishment of all the vacant posts, no non-obligatory foreign visits, have been ordered.

Non-Development Spending:

All 40 ministries have been asked to send details about their sizing up. The government wants its 80 entities merged into a figure of 40.

Newspapers now and then report about an angry prime minister, Shehbaz Sharif, not tolerating any laxity in this regard.

Nonetheless, what is reported almost on a daily basis in this or that newspaper is one step forward and two steps back. The decisions as to what SOEs need to be privatized and what

are to be retained, what SOEs are “essential” and “strategic” and what are not, what to do with the profit-making SOEs and what to do with the loss-making SOEs—this thing keeps on changing with interventions from various quarters and interests, or maybe due to a lack of a political will.

However, from behind this haze, there are certain silver linings, and it seems something, a bit positive, is coming out of this downsizing/rightsizing practice.

And we cherish the hope that if this practice continues steadily, like the proverbial tortoise, someday the government will win the race. And finally, that will be achieved—what the government is now promising to do regarding its own bloated size and reckless spending.

But sometimes that hope turns into a false hope and sometimes it’s like a lost love.

Yes, the Public Works Department (Pak-PWD) stands abolished, and its employees are being transferred to relevant federal and provincial departments.

But at the same time, in its stead, two new entities are being created.

- Pakistan Infrastructure Development Company
- Asset and Facility Management Company.

Another worth-mentioning step in this regard concerns the abolishment of almost all of the posts lying vacant in various ministries at the federal level. The National Assembly Secretariat has already acted upon the plan.

## Section 3: Macroeconomic Analysis

### Introduction:

This report section provides a comprehensive analysis of Pakistan's macroeconomic outlook, focusing on four key areas: Economic Growth, Size of Government, Business Environment, and Macroeconomic Stability. These pillars are crucial in assessing the economy's overall health and the challenges and opportunities that lie ahead. The following sections will discuss these aspects in detail, examining recent trends, policy impacts, and some future prospects.

### 1. Economic Growth:

This section provides a snapshot of Pakistan's economic growth, analyzing trade balance trends through combined export and import data, alongside the Quantum Index of Large-Scale Manufacturing (LSM) and agricultural output, particularly for cotton wheat and rice, to assess key drivers of the economy.

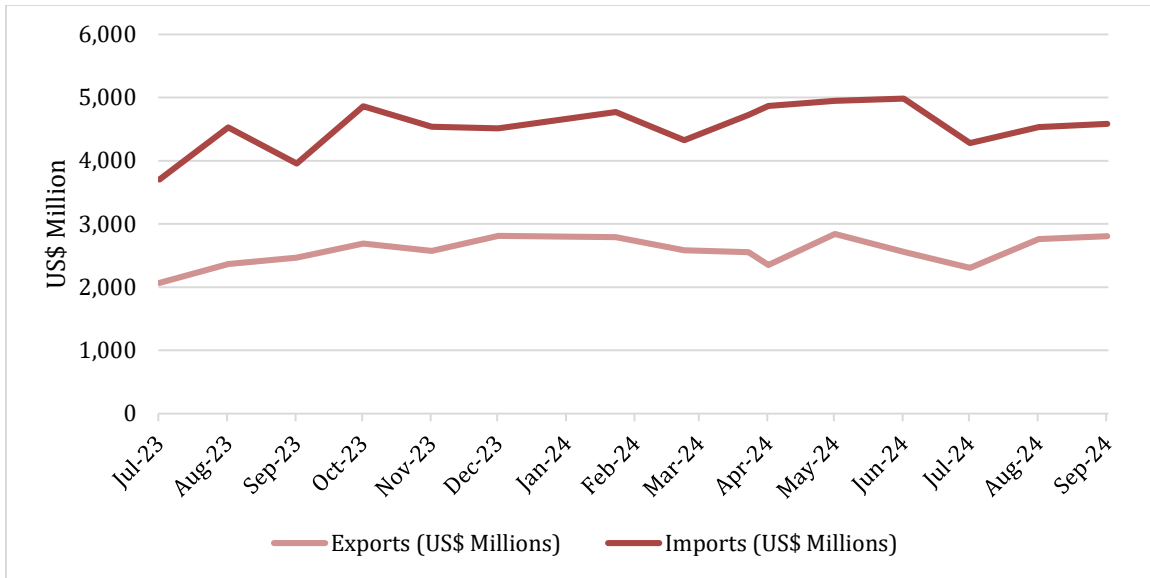
#### i. Import and Exports:

According to data released by the Pakistan Bureau of Statistics (PBS), in the first quarter (July-September) of FY 2024-25, Pakistan's exports rose by 14.11% reaching \$7.87billion, as compared to \$6.90 billion in the same period last year<sup>2</sup>. Imports grew by 9.86% to \$13.31 billion, resulting in a trade deficit of \$5.43 billion, a 4.24% increase from last year's \$5.21 billion.

In September 2024, the trade deficit widened by 20.35% year-on-year to \$1.78 billion, with exports growing 13.52% to \$2.80 billion and imports increasing 16.08% to \$4.58 billion. Compared to August, the deficit grew by 1.89%, with exports up 1.56% and imports up 1.69%<sup>3</sup>. The said imbalance between imports and exports has raised the current account deficit to \$893 million during the first quarter of FY 2024-2025, reflecting a worsening of the deficit by \$228 million.

<sup>2</sup>[https://www.pbs.gov.pk/sites/default/files/external\\_trade/monthly\\_external\\_trade/2024/August/Summary\\_Sep\\_2024\\_Updated.pdf](https://www.pbs.gov.pk/sites/default/files/external_trade/monthly_external_trade/2024/August/Summary_Sep_2024_Updated.pdf)

<sup>3</sup> Business Recorder; October 03, 2024



**Figure 7 : Imports and Exports**

**ii. Quantum Index of Large-Scale Manufacturing:**

The Quantum Index of Large-Scale Manufacturing (LSM) is an important indicator of economic health, which measures the production levels in key industries. Changes in the LSM significantly influence employment, investment, and trade dynamics, impacting overall macroeconomic performance.

According to the Pakistan Bureau of Statistics (PBS)<sup>4</sup>, the output of the Large Scale Manufacturing (LSM) sector increased by 2.3% in July 2024 compared to July 2023, which is from 103.7 to 106.2. However, considering the month-on-month changes, the output saw a decline of 2.16% in July 2024, compared to June 2024, that is from 108.5 to 106.2.

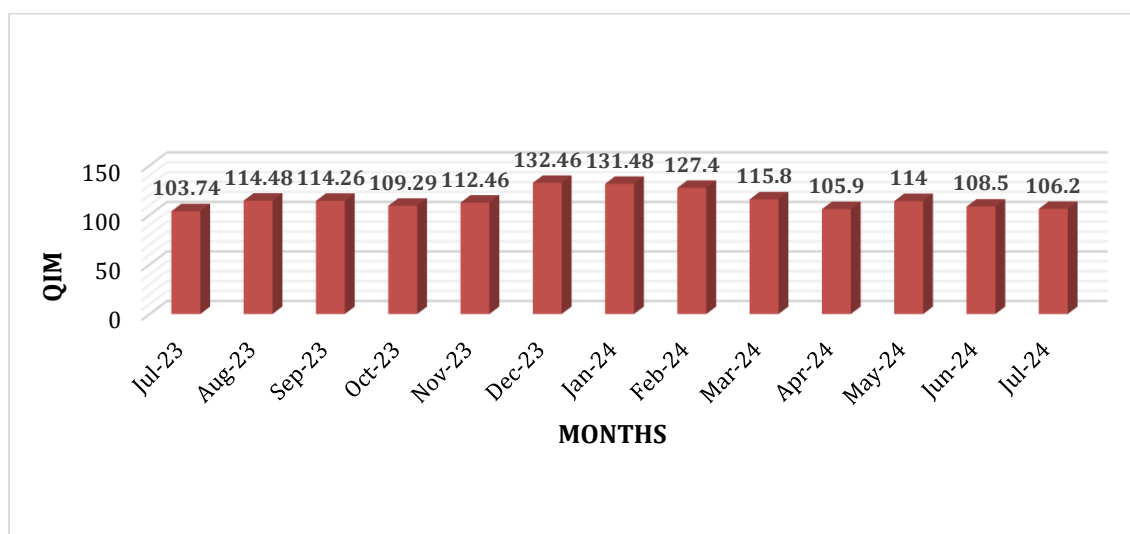
Key contributors to year-on-year growth included food (0.63%), tobacco (0.81%), and textiles (1.48%), while sectors such as pharmaceuticals (-0.23%) and cement (-0.38%) experienced declines. Notably, petroleum products grew by 5.55%, with high-speed diesel

<sup>4</sup>[https://www.pbs.gov.pk/sites/default/files/industry\\_mining\\_and\\_energy/qim/2024/july/Summary%20July%2024%20Baseyear%20\(2015-16\).pdf](https://www.pbs.gov.pk/sites/default/files/industry_mining_and_energy/qim/2024/july/Summary%20July%2024%20Baseyear%20(2015-16).pdf)

output increasing by 7.78%<sup>5</sup>. Conversely, cement output dropped by 6.63% compared to the previous year<sup>6</sup>.

Total cement dispatches during July-August FY 2024-25 amounted to 6.4 million tonnes, depicting a 17.8% decline compared to the same period last year. Domestic dispatches dropped by 20.7%, falling to 5.2 million tonnes from 6.6 million tonnes, while exports saw a slight decrease of 1.6%, down from 1.18 million tonnes to 1.16 million tonnes<sup>7</sup>.

The LSM growth has rebounded after previous contractions, with 14 out of 22 sectors showing positive growth due to improved market conditions and policy support. Notably, textile production turned positive after 24 months, and vehicle production increased by 19.5% overall.



**Figure 8: Monthly Quantum Index of Manufacturing**

### iii. Agriculture sector:

According to the report published by the finance ministry, the agriculture sector is embracing modernization and innovation, which is expected to boost yields. In FY 2024-2025 (July-August), imports of agricultural machinery and implements surged by 105.6%

<sup>5</sup> <https://myhomepakistan.pk/large-scale-manufacturing-sector-grows-2-38-in-july-2024/>

<sup>6</sup> [https://www.pbs.gov.pk/sites/default/files/industry\\_mining\\_and\\_energy/qim/2024/july/Summary%20July%202024%20Baseyear%20\(2015-16\).pdf](https://www.pbs.gov.pk/sites/default/files/industry_mining_and_energy/qim/2024/july/Summary%20July%202024%20Baseyear%20(2015-16).pdf)

<sup>7</sup> [https://www.finance.gov.pk/economic/economic\\_update\\_September\\_2024.pdf](https://www.finance.gov.pk/economic/economic_update_September_2024.pdf)

to \$17.6 million compared to last year, indicating increased mechanization efforts. As of the quarterly national accounts report released by Pakistan Bureau of Statistics<sup>8</sup>, agriculture industry saw a 6.76% growth in Q4 compared to the same period last year, driven by strong performance in key crops, which grew by 14.03%. This growth is attributed to increased production of wheat and cotton, along with a rise in the annual benchmark.

The value addition of three major crops in agriculture is detailed below.

**a. Cotton:**

According to the statistics released by the Ministry of Finance, in 2023-24, cotton cultivation grew by 13.1%, reaching 2.4 million hectares compared to 2.1 million last year. However, production saw a significant 108.2% increase, reaching 10.2 million bales<sup>9</sup>. Contrary to this, as of September 2024, Pakistan's cotton production faced a significant decline, with a drop of up to 60% compared to the previous year. By the end of August, only 1.226 million bales had reached ginning factories, down from 3.04 million bales last year. The shortfall was attributed to factors such as late sowing, a prolonged heatwave, heavy rains, pest infestations, and shrinking crop acreage. This decline severely impacts the textile industry, increasing reliance on imported cotton.

**b. Rice:**

Similarly, for the FY 2023-24, rice cultivation rose by 22.2% to 3.6 million hectares, boosting production by 34.8% to 9.9 million tonnes compared to 7.3 million tonnes last year. Rice contributes 0.6% to GDP and 2.5% to agriculture value addition. This increase is driven by expanded cultivation, higher prices, favorable monsoon rains, and improved export prospects.

**c. Wheat:**

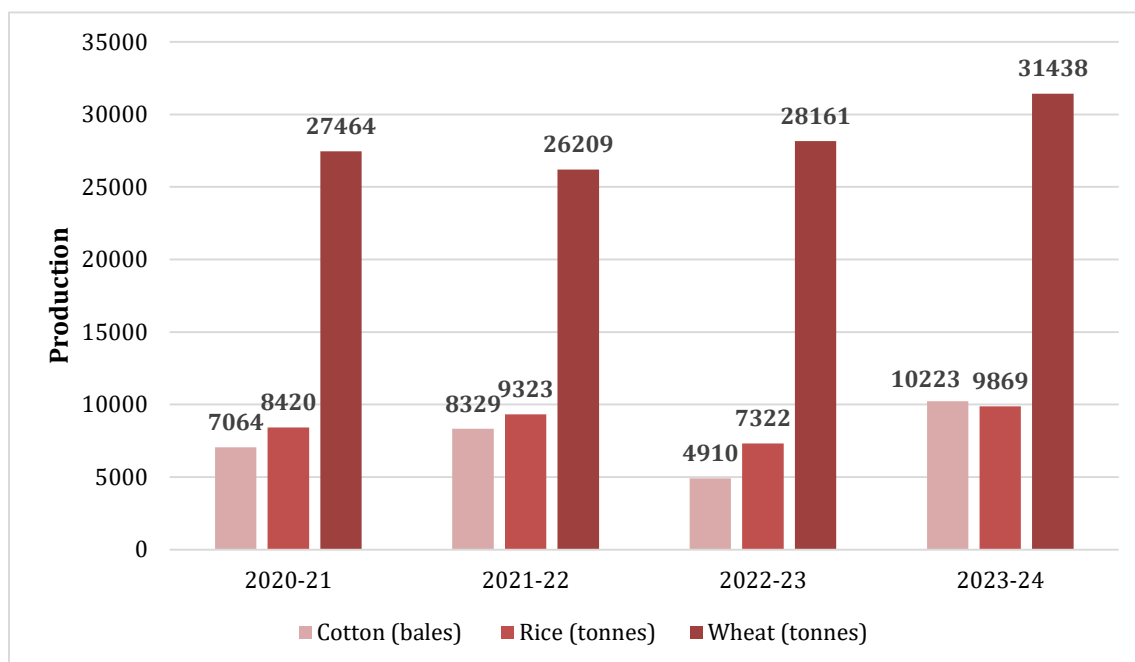
Wheat cultivation increased by 6.6%, reaching 9.6 million hectares, for the FY 23-24, with production rising by 11.6% to 31.4 million tonnes from 28.2 million tonnes last year. Wheat contributes 9.0% to agriculture and 2.2% to GDP. The government maintained the

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<sup>8</sup>[https://www.pbs.gov.pk/sites/default/files/national\\_accounts/qna/publications/QNA%20Release%202023-24%20Q4.pdf](https://www.pbs.gov.pk/sites/default/files/national_accounts/qna/publications/QNA%20Release%202023-24%20Q4.pdf)

<sup>9</sup> [https://www.finance.gov.pk/survey/chapter\\_24/2\\_agriculture.pdf](https://www.finance.gov.pk/survey/chapter_24/2_agriculture.pdf)

MSP at PKR 3,900/40 kg. Despite a dry spell in December that may affect yields, favorable conditions during sowing ensured promising wheat production, barring any adverse weather at harvest.



**Figure 9: Yearly Production Trends of Cotton, Rice, and Wheat in Pakistan (2020-2024)**

## 2. Size of Government:

The size of government is a fundamental macroeconomic factor that incorporates various components, including government expenditure, transfers and subsidies, government investment, domestic borrowings, and the growth of public debt. Each of these components plays a crucial role in shaping economic stability, influencing private sector credit, and determining overall economic growth trajectories.

### i. Government Expenditure:

According to the fiscal operations report issued by the Ministry of Finance, total government expenditure (federal and provincial) for FY 2023-24 is projected at PKR 20.4

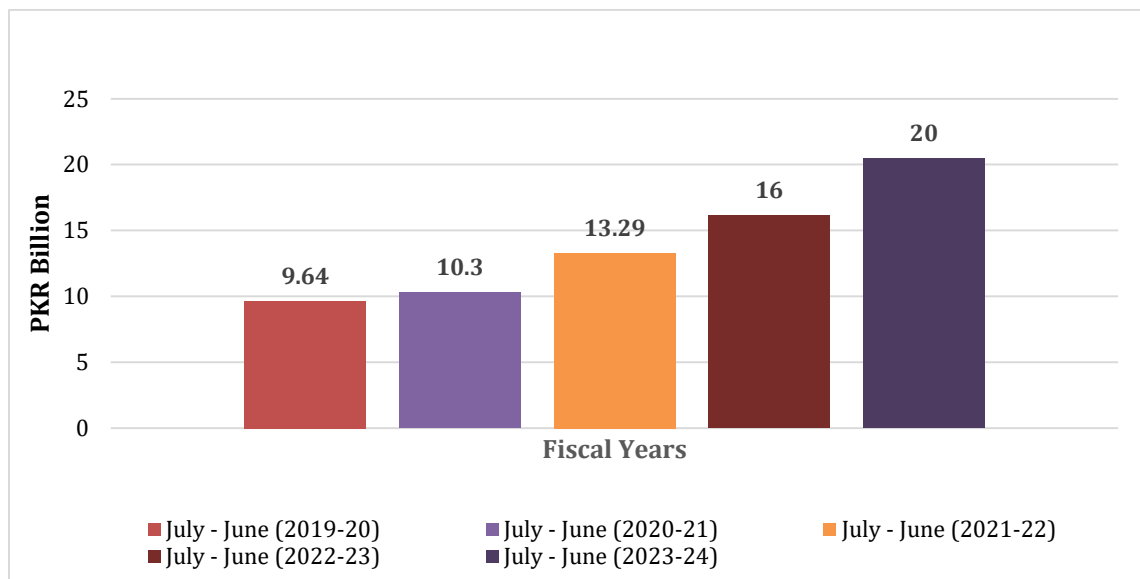


trillion, representing 19.3% of GDP, against the budgeted value of PKR 18.8 trillion. That is an increase of 7.8%. Surprisingly, out of PKR 20.4 trillion, the federal government constitutes PKR 14.8 trillion, approximately 72.5%<sup>10</sup>.

According to the Economic Update and Outlook Report by finance ministry<sup>11</sup>, in July 2024, the said government expenditure increased to PKR 768.6 billion against PKR 644.9 billion last year, that is an increase of 16%.

In comparison, total government expenditure in FY 2023 was around PKR 16.4 trillion, equating to 19% of GDP, with the federal government’s share being PKR 11.3 trillion, or 70.1% of the total. This reflects an overall increase of 21% in FY 2024 compared to FY 2023.

For FY 2024-25, current expenditures dominate, accounting for nearly 90% of total spending, amounting to PKR 18.5 trillion. In contrast, development expenditures are significantly lower, comprising less than 10% of the total, with an estimated value of PKR 2.07 trillion<sup>12</sup>.



**Figure 10: Government Expenditures**

<sup>10</sup> [https://www.finance.gov.pk/fiscal/July\\_June\\_2023\\_24.pdf](https://www.finance.gov.pk/fiscal/July_June_2023_24.pdf)

<sup>11</sup> [https://www.finance.gov.pk/economic/economic\\_update\\_September\\_2024.pdf](https://www.finance.gov.pk/economic/economic_update_September_2024.pdf)

<sup>12</sup> [https://www.finance.gov.pk/fiscal/July\\_June\\_2023\\_24.pdf](https://www.finance.gov.pk/fiscal/July_June_2023_24.pdf)

## ii. Subsidies:

For FY 2024-25, the total subsidies proposed by the government in the budget were PKR 1.363 trillion, marking an increase from the revised subsidies value of PKR 1.074 trillion for FY 2023-24<sup>13</sup>. However, according to the data released by the finance ministry in the fiscal operations report, the value of subsidies can be seen to be closed at PKR 1.06 trillion for the FY 2023-24 (July-June). With a budget allocation of PKR 1.074 trillion for subsidies and an expenditure of 1.067 trillion PKR, there was a positive change of PKR 7 billion.

A major share of the subsidies is primarily directed towards the power sector, petroleum sector, agricultural inputs, and food items to mitigate the impact of inflation on low-income households. A significant portion of Pakistan's government budget being allocated to subsidies limits funds for essential development and social welfare programs, hindering long-term economic growth.

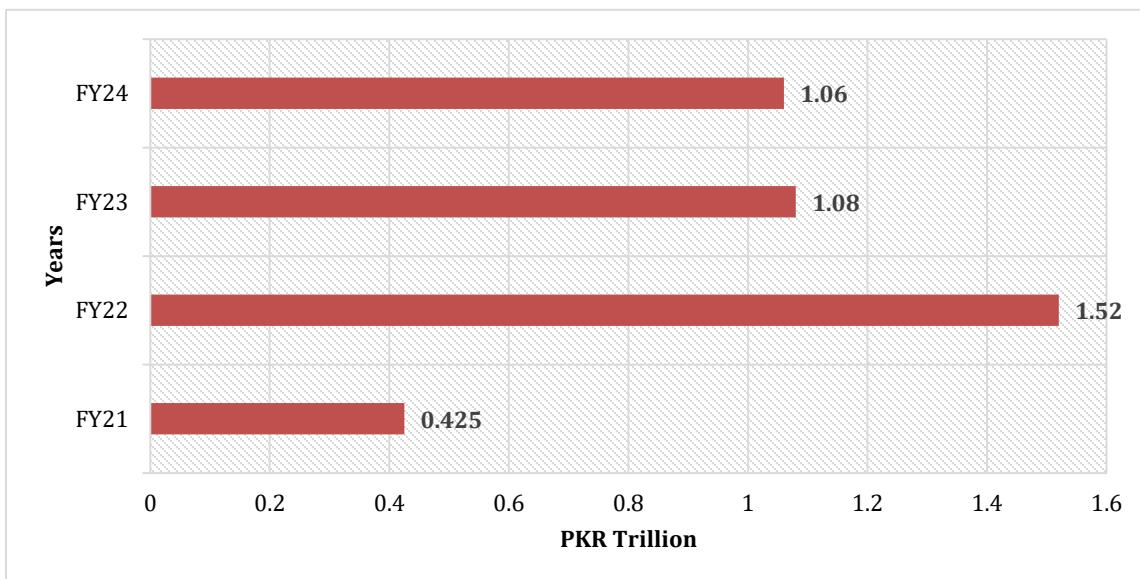


Figure 11: Subsidies

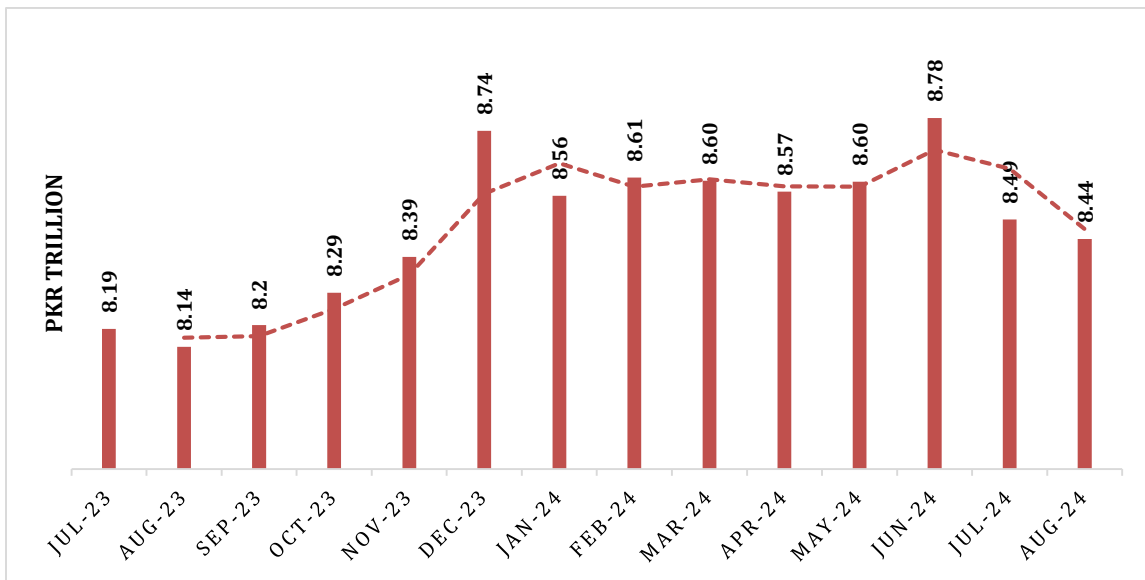
## iii. Credit to Private Sector:

The data on credit to the private sector, released by the State Bank of Pakistan, indicates an increase of 3.5% from PKR 1.86 trillion in July to August for FY 2023-24 to PKR 8.47

<sup>13</sup> [https://www.finance.gov.pk/budget/Budget\\_2024\\_25/Budget\\_in\\_Brief.pdf](https://www.finance.gov.pk/budget/Budget_2024_25/Budget_in_Brief.pdf)

trillion in August 2024. However, a steady month-on-month decline from June to July and further into August 2024 has been observed. According to the statistics, from June 2024 to July the value showed a decline of 3.21% from PKR 8.77 trillion to PKR 8.49 trillion. Similarly, the same trend can be seen in August 2024, with PSC value reaching PKR 8.44 trillion. A percentage decrease of 0.59% from PKR 8.49 trillion to PKR 8.44 trillion in July to August respectively can be seen, suggesting a slowdown.

In the last quarter of fiscal year 2023-24, the trend of increased PSC amid an elevated average policy rate of around 22%<sup>14</sup>, indicates a strong demand of financing by businesses in the economy. However, from July to August 2024, despite declining of the policy rate, the private sector credit is still declining, indicating economic uncertainty in the country. The result can be a muted or delayed economic recovery, where the usual benefits of lower interest rates are offset by declining credit activity.



**Figure 12: Credit to Private Sector**

<sup>14</sup> <https://www.sbp.org.pk/ecodata/OVR-Repo-History.pdf>

#### iv. Government Domestic Debt:

In the first two months of FY 2024-25 (July and August), Pakistan's domestic debt rose by 17.9%, from an average of PKR 39.4 trillion to PKR 48 trillion in FY 23-24. Additionally, there was a slight increase of 1.24% from July to August 2024, with domestic debt growing from PKR 47.7 trillion to PKR 48.3 trillion, bringing the total national debt for FY 2024-25 to PKR 81.92 trillion, which accounts for 77.3% of the country's GDP.

This increase, driven primarily by domestic borrowing, reflects the government's ongoing challenges to finance its fiscal deficit amid rising expenditures and slower revenue growth. Domestic borrowings rose by PKR 600 billion in just one month, bringing the total domestic debt to PKR 48.3 trillion. This growth in public debt reflects the ongoing challenges posed by persistent budget deficits and increasing borrowing needs. Additionally, the public debt is anticipated to grow by around 10-12% in FY 2025 compared to the previous fiscal year, driven by continued fiscal pressures, including rising expenditures and efforts to stabilize the economy amid global economic uncertainties<sup>15</sup>.

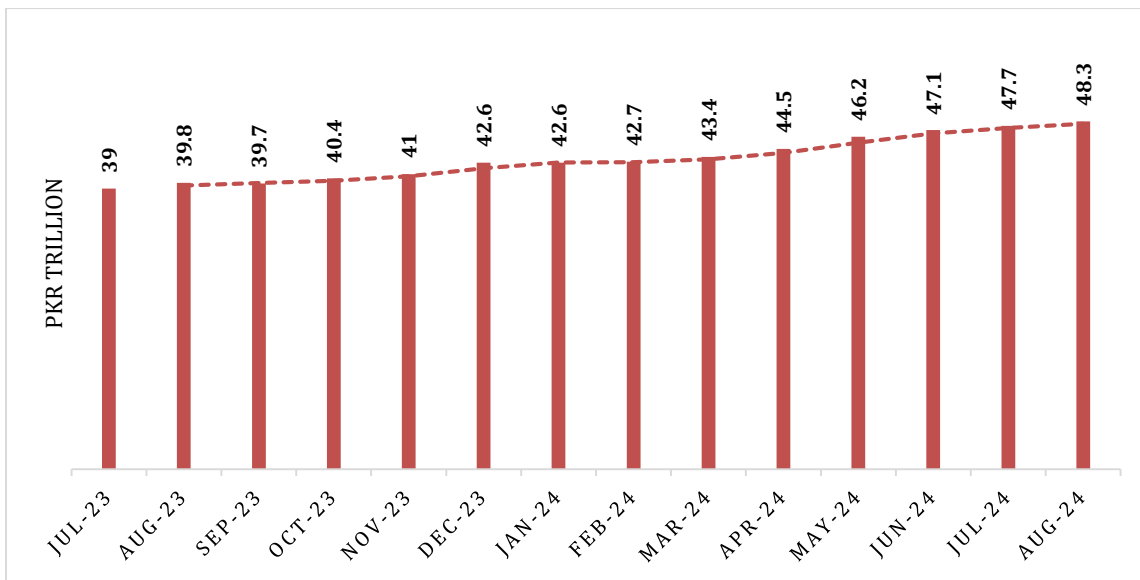


Figure 13: Government Domestic Debt

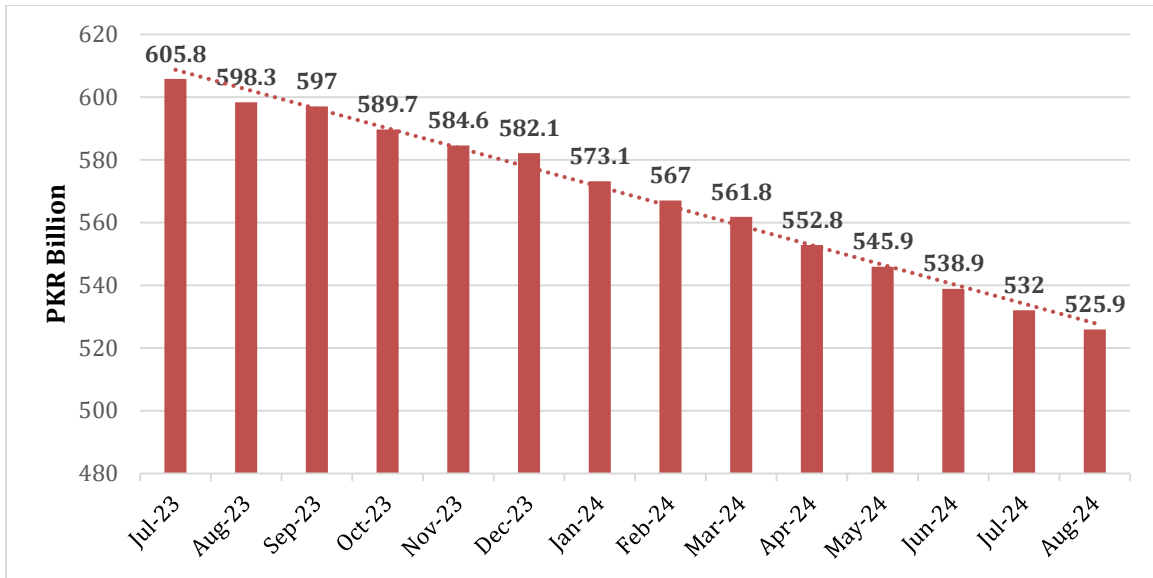
<sup>15</sup> <https://www.paradigmshift.com.pk/budget-2024/>

### **3. Business Environment:**

The business environment in Pakistan is shaped by several key factors, including the availability of Long-Term Financing Facility (LTFF), stock market performance, and trends in Foreign Direct Investment (FDI) inflows. These variables collectively impact economic growth, investor confidence, and the ability of businesses to access capital for expansion. The business environment in Pakistan for the first quarter of FY 2024-25 i.e. from July to September 2024 has been marked by notable developments across various financial sectors. Elaborated below are the statistics of various variables contributing towards the nature of the Business Environment in the country.

#### **i. Long-Term Financing Facility (LTFF):**

In recent times, the Long-Term Financing Facility (LTFF) in Pakistan has shown a downward trend, reflecting challenges faced by the country's economy and industrial sectors. According to the statistics released by SBP, the average value of LTFF decreased by 13.8% from PKR 602.05 billion in FY 2023-24 to PKR 528.95 billion in FY 2024-25 (July to August). Following the downward trend, a decrease of 1.15% has been observed from July 2024 to August 2024 from a value of PKR 532 billion to PKR 525.9 billion.

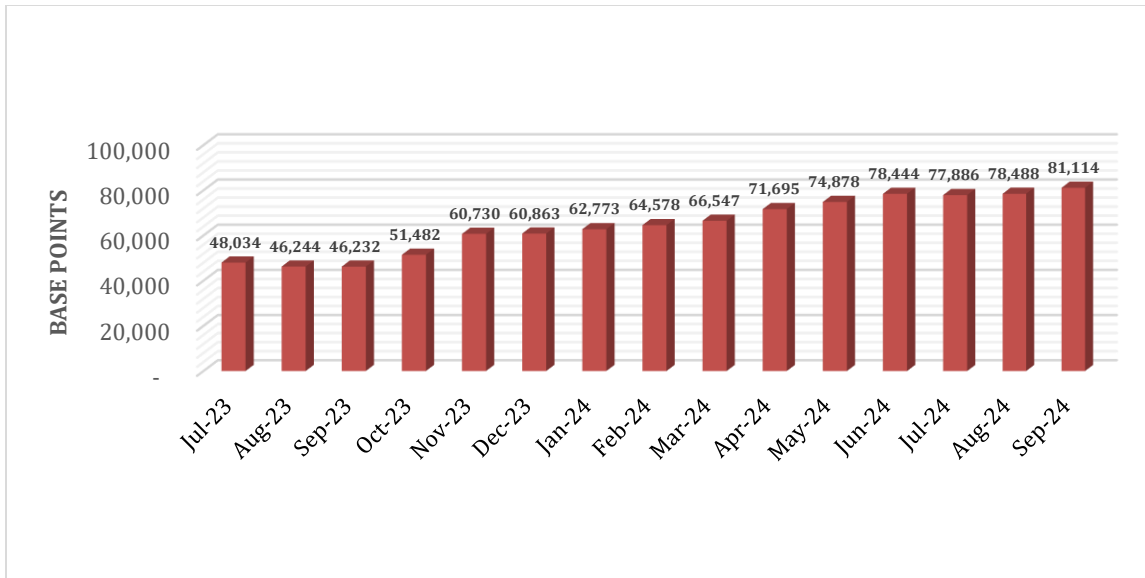


**Figure 14: Long-Term Financing Facility (LTFF)**

**ii. Stock Market Performance:**

The Pakistani stock market has shown a promising performance, with the closure of the market for September 2024 on 81,114 bps<sup>16</sup>, mainly driven by macroeconomic stability and an anticipated decline in interest rates. According to the statistics, a consistent increase can be seen in the stock market performance from April 2024, showing an average increase of 5.4% from 73,300 bps to 81,989 bps. However, a decrease of 0.71% was noted from 81,989 bps to 79,173 bps in August 2024. Conversely, again the stock market has restored its performance reaching 86,451 bps at the start of October 2024.

<sup>16</sup> <https://dps.psx.com.pk/>

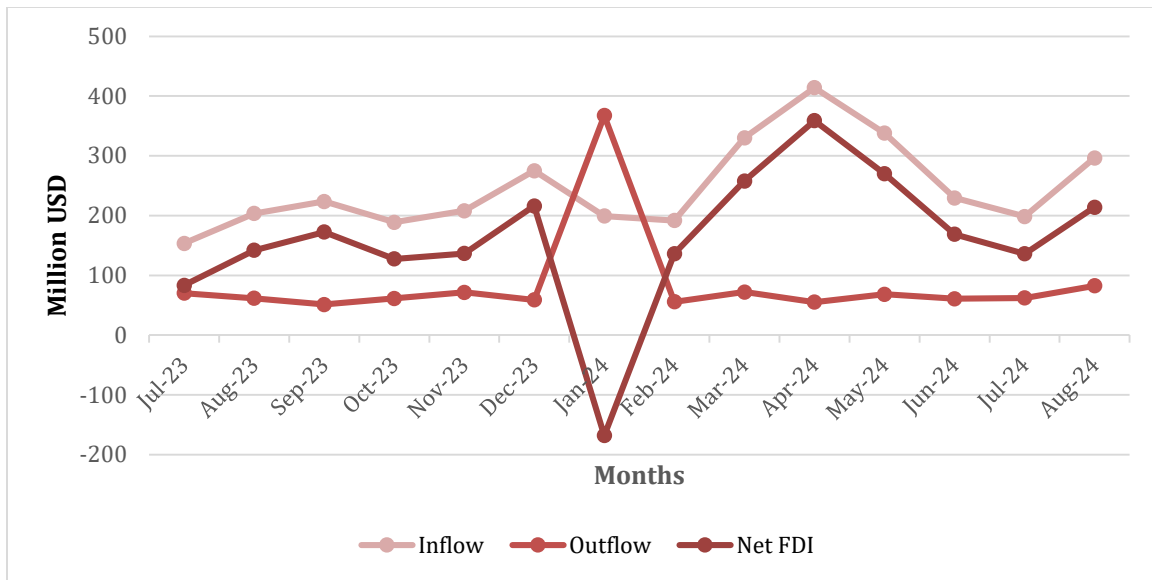


**Figure 15: Stock Market Performance**

**iii. Foreign Direct Investments:**

In terms of foreign direct investment (FDI), Pakistan recorded an increase of 35.6% (July to August) from net average FDI value of US\$ 112.6 in FY 2023-24 million to US\$ 175 million in FY 2024-25. In addition, a 41.4% was recorded during the first quarter of FY 2023-24, from net FDI value of US\$ 83.2 million to US\$ 41.4 million.

Considering the FY 2024-25, a 38.5% from US\$ 136.3 million in July to US\$ 214 million in August 2024 has been observed. The improved performance of the stock market and a reduced policy rate are the two key factors driving increased FDI in Pakistan. These factors collectively highlight a relatively positive business climate, encouraging economic growth and attracting foreign capital amid various challenges.



**Figure 16: Foreign Direct Investments**

**Conclusion:**

In short, Pakistan's business environment is shaped by a mix of opportunities and challenges. On one hand, the decrease in the Long-Term Financing Facility (LTFF) has made it harder for businesses to secure long-term investments due to rising production costs. On the brighter side, the stock market has seen positive momentum, reflecting growing investor confidence. Additionally, Foreign Direct Investment (FDI) is on the rise, suggesting that international investors are finding Pakistan increasingly attractive.

However, the situation isn't entirely healthy. According to the Business Index report by State Bank of Pakistan<sup>17</sup>, The Business Confidence Index (BCI) has slipped slightly, indicating concerns among businesses in both the industry and services sectors about the overall economic climate. While lower interest rates present new opportunities for growth, the depression in business confidence indicates that there are still significant hurdles to overcome. Navigating this complex economy will be crucial for developing a more robust economy.

<sup>17</sup> <https://www.sbp.org.pk/research/pdf/BCS-Data/BCS-Sep-2024.pdf>



## 4. Macroeconomic Stability:

### *i. Inflation rate:*

According to statistics released by the Pakistan Bureau of Statistics, Pakistan's inflation rate in July 2024 showed a significant drop compared to July 2023, declining from 31.4% to 6.9%, marking a 355% improvement. Moreover, the average quarterly inflation rate also saw a 215% decrease, falling from 29% to 9.2%.

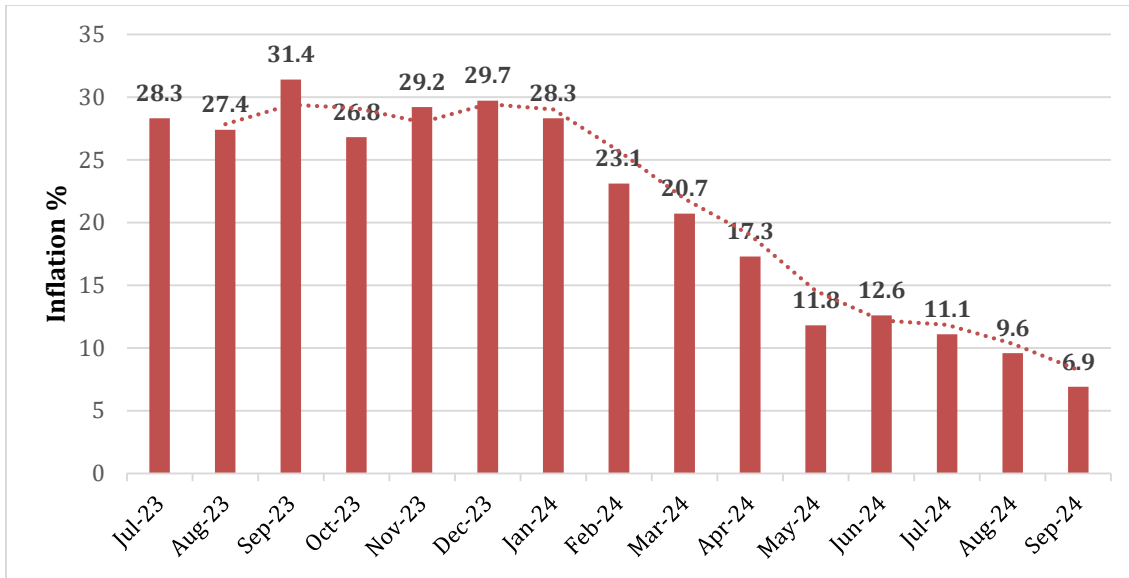
Similarly, in September 2024 the national inflation rate reduced to 6.9%, down from 9.6% in August and, from 11.1% in July. The average inflation rate encountered a significant decline of 66% from the last quarter of FY 2023-2024 to the first quarter of FY2024-25. September 2024's inflation rate marked the lowest level since January 2021. This decline follows a trend of lowering inflation rates, with CPI inflation reaching 11.8% in May 2024, down from 38% in May 2023.

Contributing factors to the recent decrease (year-on-year basis) include deflation in food & non-alcoholic beverages (-0.6% compared to an increase of 2.5% in August 2023)<sup>18</sup> and transport prices (-7.3% vs 3.2% in August 2023). Additionally, price increases for housing & utilities (20.9% vs. 22.2%), clothing & footwear (15.5% vs. 17.3%), and restaurants & hotels (9.1% vs. 10%) have slowed. On a monthly basis, consumer prices fell by 0.5%, following a 0.4% increase in August.

This downward trend reflects the impact of monetary tightening, fiscal consolidation, stable food supplies, favorable global commodity prices, and exchange rate stability, demonstrating the government's commitment to maintaining price stability.

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<sup>18</sup> [https://www.pbs.gov.pk/sites/default/files/price\\_statistics/cpi/CPI\\_Review\\_August\\_2024.pdf](https://www.pbs.gov.pk/sites/default/files/price_statistics/cpi/CPI_Review_August_2024.pdf)

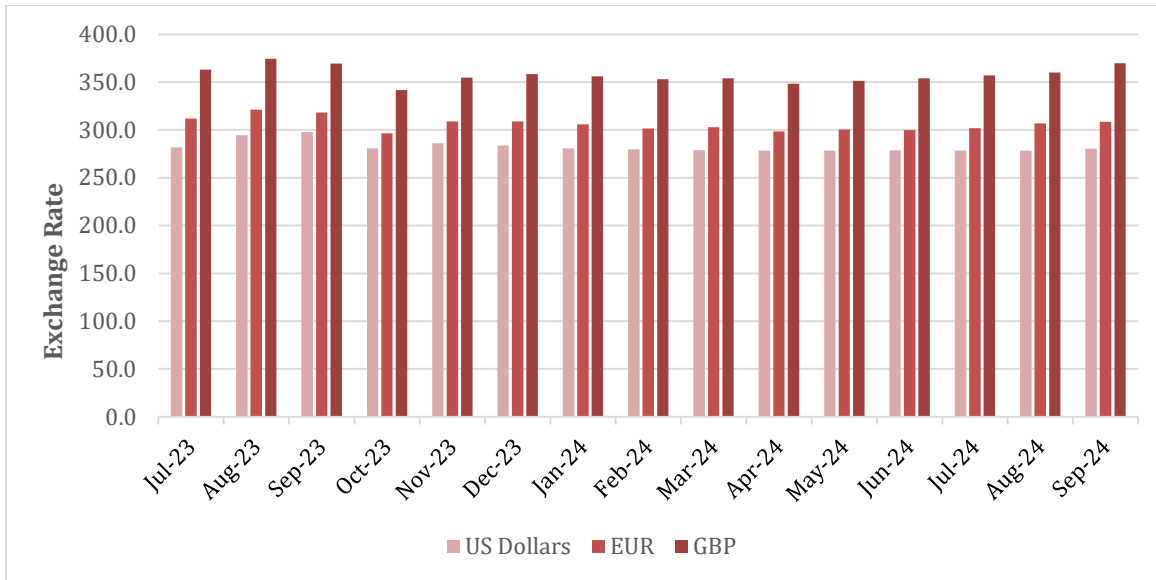


**Figure 17: Inflation Rate**

*ii. Exchange Rate Trends:*

From July to September 2024, the Pakistani Rupee (PKR) exchange rate against major currencies showed some ups and downs, though it largely remained stable. The U.S. Dollar (USD), which is a key focus for Pakistan's economy, fluctuated slightly within the PKR 278-280 range during this period. This was mainly due to inflation pressures and fluctuating global oil prices. By the end of September, the USD was being traded at around PKR 278.8 for buying and PKR 280.3 for selling. The British Pound (GBP) and the Euro (EUR) followed similar trends, with the GBP trading near PKR 369.8 and the EUR around PKR 308.5 in late September. These slight fluctuations were reflective of broader global economic conditions and did not signal any major shifts (The Express Tribune; October 09, 2024).

Despite the pressures, this period was marked by relative stability, which was a relief for traders and businesses involved in international transactions, allowing them to make more predictable decisions. However, given Pakistan's economic challenges and reliance on foreign currencies, people remained cautious, watching for any potential shifts due to global market dynamics.



**Figure 18: Exchange Rate Trends**

*i. Balance of Payment and Fiscal Deficit:*

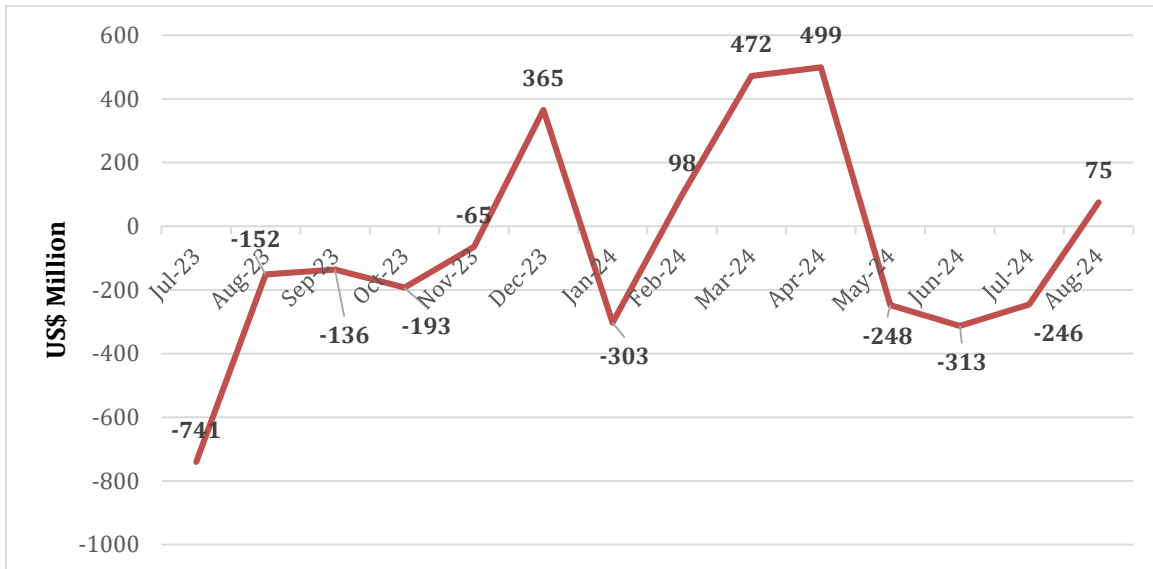
According to the Economic Update and Outlook Report, published by the Ministry of Finance in September 2024, the external account is strengthening amid increased inflows. In the first quarter of FY 2024-25 (July – August), the current account balance showed significant improvement in August 2024, decreasing to \$171 million, an 80.9% reduction, signaling a reversal of the negative trend. The data shows a transition to a \$75 million surplus, indicating that the country moved from a deficit to a surplus. Similarly, during the first quarter of FY 2023-24 (July – August), the current account deficit (CAD) saw a 54% reduction, dropping from US\$ 0.9 billion to US\$ 0.2 billion compared to the previous year. This improvement is likely due to a combination of factors including exports increased from \$31.1 billion to \$31.8 billion, marking a 7.2% rise; remittances surging from \$30.3 billion to \$44 billion and foreign direct investment (FDI) growing significantly from \$1.902 billion to \$2.4 billion, reflecting a 55.5% increase<sup>19</sup>.

Conversely, the current account deficit initially stood at \$665 million, at the end of the FY 2023-2024 but increased to \$893 million during the first quarter of FY 2024-2025,

<sup>19</sup> [https://www.finance.gov.pk/economic/economic\\_update\\_September\\_2024.pdf](https://www.finance.gov.pk/economic/economic_update_September_2024.pdf)

reflecting a worsening of the deficit by \$228 million, that is an increase of 25.5%. This indicates a growing imbalance between the country's imports and exports.

According to the government report, the fiscal deficit increased significantly from PKR 225.3 billion in July 2023-24 to PKR 387.8 billion in July FY 2024-25, reflecting a sharp 72.1% rise. This indicates that government spending is outpacing revenue growth, leading to a widening deficit.



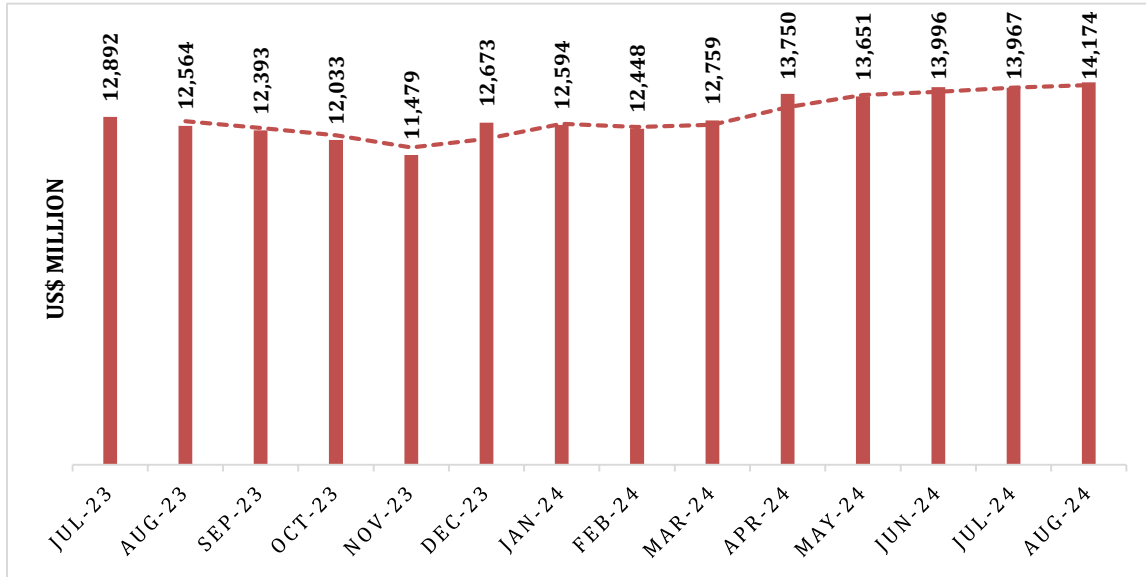
**Figure 19: Current Account Balance**

*ii. Forex Reserves:*

In the first quarter of FY 2024-2025, net liquid forex reserves rose by 8.1%, from \$14.6 billion to \$15.9 billion, whereas in the same quarter of FY 2023-24 (July – September), they declined by 8.9%, from \$13.4 billion to \$12.3 billion, reflecting fluctuating reserve trends over the year. However, the increase in forex reserves in FY 2023-24 indicates increased economic stability in the country.

Continuing the trend in FY 2024-25, Pakistan's forex reserves rose from US\$ 14.1 billion in August 2024 to US\$ 15.9 billion in September 2024, reflecting an 11.3% increase. In

contrast, reserves saw a 1.41% decline from July 2024 to August 2024, dropping from US\$ 14.3 billion to US\$ 14.1 billion.

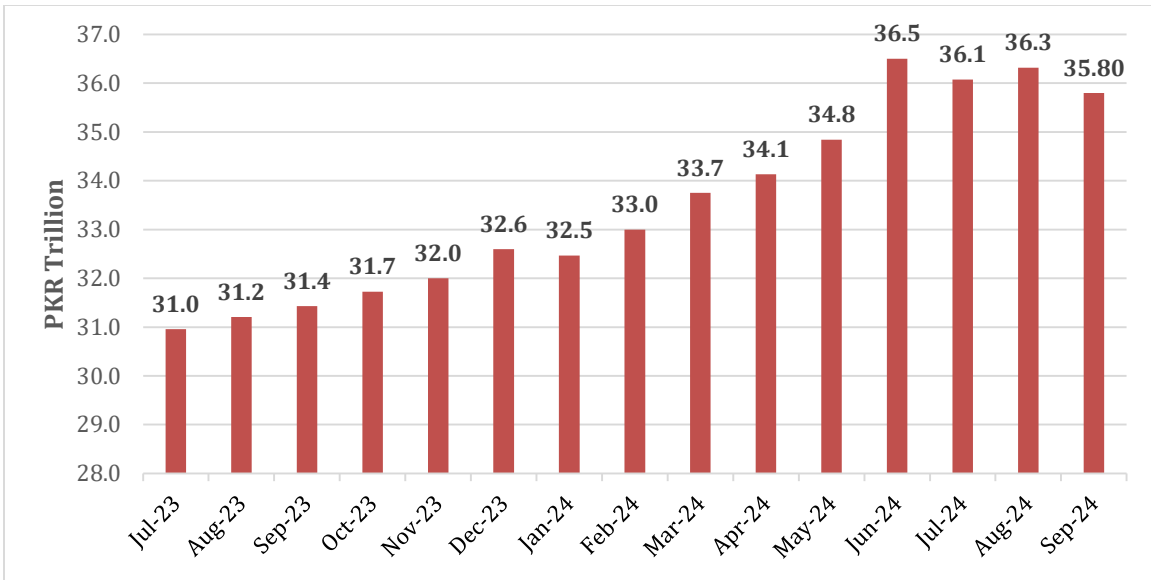


**Figure 20: Forex Reserves**

*iii. Money Growth:*

Considering the first quarter of the FY 2024-25, the money supply, measured as broad money (M2), up surged from an average quarter value of PKR 31 trillion in the first quarter of FY 2023-24 to PKR 35.5 trillion, depicting an increase of 12.8%. Contrary to this, from July to September 2024, Pakistan's money supply, saw a decline of PKR 940 billion compared to the end of the previous fiscal year, resulting in PKR 35.64 trillion by September 6, 2024. This contraction was notable as M2 decreased by PKR 46.6 billion week over week, indicating a tightening of liquidity in the economy. Despite this decline, currency in circulation increased by PKR 212.71 billion, reaching PKR 9.09 trillion, suggesting that while the overall money supply is contracting, the public is relying more on physical cash<sup>20</sup>.

<sup>20</sup> <https://www.sbp.org.pk/ecodata/M3.pdf>



**Figure 21: Money Growth**

## Section 4: Macroeconomic Outlook

The IMF's Board approval of the 25<sup>th</sup> program and subsequent disbursement of \$1 billion is poised to mitigate the economic uncertainty and improve the business climate of the country. The timely completion of the reviews presents challenges for the government due to extravagant expenditures and overly ambitious revenue targets. Moreover, merely meeting the program targets is not sufficient for sustainable growth rather home-grown solutions based on structural reforms are crucial. Although the government has shown resolve to carry out reforms in the form of rightsizing and privatization of loss-making state-owned enterprises, no tangible success has been achieved in this regard. Until the government is able to materialize and implement concrete reforms, public finances will remain under pressure.

The external financial obligations are expected to hover around \$25 billion including, debt servicing and financing imports. The rollovers from friendly countries- China, Saudi Arabia and UAE will ease pressure on the country's foreign exchange reserves. Moreover, the restriction or administrative controls on imports will bring the industry to a halt along with curbing imports for balance of payment management. These stopgap measures are unsustainable and necessitate the government to move towards real reforms such as open trade and a market-based exchange rate to adjust imports and consumption. Therefore, a liberal trade policy is required. The imposition of tax on exports might result in a fall in export proceeds and create an additional burden on the exchange rate.

The energy sector continues to remain a huge challenge for the government as losses continue to mount, and raising utility tariffs is no longer sustainable anymore. The utilities have become unaffordable for the majority of consumers and consumption has seen a visible decline. Therefore, the burden of capacity payments has to be borne by a narrow consumer base. The industry is facing higher input costs and falling

profits, thereby making it uncompetitive globally. The government has earmarked a significant proportion of budget as subsidies to keep the utility companies afloat, however, this has put a strain on the national exchequer and consumers as well. Therefore, the government needs to move towards liberalization of energy market and privatization of power sector distribution companies.

The stringent monetary policy has been able to curtail inflationary pressures, and now it falls within the SBP's target range. However, the ambitious revenue targets of the government and burgeoning circular debt may prompt the government to raise taxes and utility tariffs, which may result in adding to inflation. Moreover, the government needs to keep the growth in money supply in check to prevent prices from spiraling out of control again.

Public sector reforms in terms of privatization of loss-making entities and rightsizing of the government need to be pursued proactively to achieve tangible progress. The auction of PIA under the privatization drive has been postponed several times indicating potential issues in the government's policy. The closure or merger of several government departments is still under consideration - caution is needed to ensure that any reform results in reducing the size of the government and its footprint in the economy.

The government's current attempt to broaden the tax base is going to face challenges as the recent hike in the tax rates and sales tax on food items will discourage compliance. Unfortunately, the realization of the consequences of raising taxes to increase revenues among the policymakers is still missing. According to the Laffer Curve, raising taxes increases revenues up to a certain point after which revenues start to fall due to evasion and avoidance. Therefore, the government needs to move towards a flat, low rate, broad-based taxation system for sustainable growth in the tax base and improve compliance.

Pakistan continues to face challenges on the domestic and external fronts due to a lack of progress on sustainable reforms. The government needs to reduce recurring



expenditures to curtail borrowing from the banking sector and ensure availability of credit to the private sector to boost industrial and economic activity in the country. In addition, the government should endeavor to privatize the loss-making entities by reviewing its conditionalities to facilitate the transaction.

## Annexures

**Table 1: Current Account Indicators of Pakistan**

	Months	Exports	Imports	Remittances	Current Account Balance
	Million USD				
<b>FY 2023-24</b>	Jul-23	2,068	3,705	2,029	-741
	Aug-23	2,366	4,528	2,095	-152
	Sep-23	2,465	3,954	2,208	-136
	Oct-23	2,690	4,864	2,463	-193
	Nov-23	2,573	4,539	2,259	-65
	Dec-23	2,812	4,514	2,382	365
	Jan-24	2,792	4,771	2,398	-313
	Feb-24	2,583	4,326	2,250	160
	Mar-24	2,555	4,726	2,954	472
	Apr-24	2352	4865	2,813	499
	May-24	2840	4948	3,242	-248
	Jun-24	2560	4983	3,158	-313
<b>FY 2024-25</b>	Jul-24	2307	4278	2,994	-246
	Aug-24	2762	4534	2,943	75
	Sep-24	2805	4585	2,849	0

*Source: State Bank of Pakistan*

**Table 2: Foreign Direct Investment of Pakistan**

	Month	Inflow	Outflow	Net FDI
	Million USD			
<b>FY 2023-24</b>	Jul-23	153.4	70.1	83.2
	Aug-23	203.5	61.6	142
	Sep-23	223.7	51.2	172.5
	Oct-23	188.7	61.2	127.5
	Nov-23	208.1	71.6	136.5
	Dec-23	275.1	58.9	216.2
	Jan-24	199.2	367.3	-168.1
	Feb-24	191.8	55.6	136.3
	Mar-24	330.1	72.1	258
	Apr-24	414	55.2	358.8

	May-24	338	68.2	269.9
	Jun-24	229.4	60.7	168.7
<b>FY 2024-25</b>	Jul-24	198.3	62	136
	Aug-24	296.4	82.5	214

Source: State Bank of Pakistan

**Table 3: Public Debt of Pakistan**

	Month	Public Debt	Domestic Debt	External Debt
	Rupees in Trillion			
<b>FY 2023-24</b>	Jul-23	61.7	39	22.7
	Aug-23	64	39.8	24.2
	Sep-23	62.3	39.7	22.6
	Oct-23	62.5	40.4	22.1
	Nov-23	63.4	41	22.4
	Dec-23	65.2	42.5	22.6
	Jan-24	64.8	42.6	22.2
	Feb-24	64.8	42.7	22.1
	Mar-24	65.4	43.4	21.9
	Apr-24	66.1	44.5	21.6
	May-24	67.8	46.2	21.6
<b>FY 2024-25</b>	Jun-24	68.9	47.1	21.7
	Jul-24	69.6	47.7	21.9
	Aug-24	70.3	48.3	22

Source: State Bank of Pakistan

**Table 4: Domestic Borrowing of Government**

	Month	Total Credit	SBP Credit to Government	Banks Credit to Government
	Rupees in Trillion			
<b>FY 2023-24</b>	Jul-23	23,531	4,663	18,868
	Aug-23	24,031	4,533	19,498
	Sep-23	25,122	4,944	20,178
	Oct-23	24,723	4,427	20,297
	Nov-23	26,391	4,764	21,628
	Dec-23	25,762	3,481	22,281

	Jan-24	26,570	4,068	22,501
	Feb-24	27,275	4,646	22,629
	Mar-24	28,252	4,566	23,686
	Apr-24	29,442	4,796	24,646
	May-24	30,270	4,135	26,135
	Jun-24	31,773	4,502	27,271
<b>FY 2024-25</b>	Jul-24	31,931	4,612	27,319
	Aug-24	32,534	4,541	27,992
	Sep-24	30,716	3,058	27,657

Source: State Bank of Pakistan

**Table 5: Private Sector Borrowing**

	Month	Total Loans to Private Sector	Fixed Term/Long Term	Working Capital / Short Term	Export Financing
<b>FY 2023-24</b>	Jul-23	7,060	606	310	691
	Aug-23	7,026	598	315	611
	Sep-23	7,112	597	313	653
	Oct-23	7,195	590	310	662
	Nov-23	7,280	585	315	666
	Dec-23	7,624	582	346	662
	Jan-24	7,431	573	313	676
	Feb-24	7,504	567	315	658
	Mar-24	7,484	562	308	636
	Apr-24	7,458	553	304	644
	May-24	7,472	546	292	633
	Jun-24	7,632	539	305	614
<b>FY 2024-25</b>	Jul-24	7,355	532	293	622
	Aug-24	7,311	526	291	626
	Sep-24	7,485	521	293	641

Source: State Bank of Pakistan

**Table 6: Exchange Rates and SBP Reserves**

	Month	Policy Rate	Exchange Rate			State Bank Reserves
		%	US Dollars	EUR	GBP	Million USD
<b>FY 2023-24</b>	Jul-23	22	281.7	311.8	363.2	8138
	Aug-23	22	294.5	321.2	374.3	7788
	Sep-23	22	297.9	318.2	369.5	7616
	Oct-23	22	280.8	296.4	341.5	7473
	Nov-23	22	286.0	308.8	354.8	7008
	Dec-23	22	283.6	308.9	358.4	8233
	Jan-24	22	280.7	305.8	356.2	8162
	Feb-24	22	279.6	301.5	352.9	7953
	Mar-24	22	278.9	302.8	354	8040
	Apr-24	22	278.4	298.4	348.2	9127
	May-24	22	278.5	300.6	351.3	9110
<b>FY 2024-25</b>	Jun-24	21	278.7	299.8	354	9390
	Jul-24	20.5	278.4	301.7	357	9221
	Aug-24	19.8	278.5	306.8	360	9437
	Sep-24	18.4	280.3	308.5	369.8	-

Source: State Bank of Pakistan

**Table 7: Performance of Stock Market**

	Month	Month Start	Month End	Monthly Average
<b>FY 2023-24</b>	Jul-23	44,207	48,034	46,121
	Aug-23	48,230	46,244	47,237
	Sep-23	45,312	46,232	45,772
	Oct-23	46,627	51,482	49,055
	Nov-23	52,656	60,730	56,693
	Dec-23	61,691	60,863	61,277
	Jan-24	64,661	62,773	63,717
	Feb-24	62,393	64,578	63,486
	Mar-24	64,578	66,547	65,563
	Apr-24	67,756	71,695	69,726
	May-24	70,657	74,878	72,768
<b>FY 2024-25</b>	Jun-24	75,878	78,444	77,161
	Jul-24	78824	77,886	78,355
	Aug-24	77740	78,488	78,114
	Sep-24	78283	81,114	79,699

Source: Pakistan Stock Exchange

**Table 8: Inflation Rate and Quantum Index of Large Scale Manufacturing**

	<b>Month</b>	<b>General Inflation (%)</b>	<b>QIM</b>
<b>FY 2023-24</b>	Jul-23	28.3	103.74
	Aug-23	27.4	114.48
	Sep-23	31.4	114.26
	Oct-23	26.8	109.29
	Nov-23	29.2	112.46
	Dec-23	29.7	132.46
	Jan-24	28.3	131.48
	Feb-24	23.1	127.4
	Mar-24	20.7	115.8
	Apr-24	17.3	105.9
	May-24	11.8	114
	Jun-24	12.6	108.5
<b>FY 2024-25</b>	Jul-24	11.1	106.2
	Aug-24	9.6	-
	Sep-24	6.9	-

*Source: State Bank of Pakistan*