

INTRODUCTION

Exports receipt is the money value against exports of goods abroad either realized in foreign exchange or payment through non-resident rupees account. Both forms of settlement tend to improve the country's international position, the former by increasing its reserves and the later by decreasing its liabilities to non-residents. The bank's branches authorized to deal in foreign exchange report each transaction in the currency of settlement. For the purposes of aggregation, the amounts received in foreign currencies are converted into Pak Rupees at monthly average of midpoint of bank's floating buying and selling rates during the respective periods.

The timing of transactions is related to the realization of money and not the time of actual shipment. For example, if a foreign buyer makes an advance payment for purchase of cotton ahead of the normal export season, the amount is reported as export receipt by the concerned bank although the actual shipment may take place later. Similarly, if Pakistan enters into a deferred payments agreement with a foreign country, the shipment or goods will precede the receipt of their money value. For majority of export transactions, the amount has to be realized within 180 days of the physical shipments of goods, therefore export proceeds lag behind the physical movement of commodities being exported.

For purposes of exchange record, the valuation depends on the terms of contract. Most of the agreements are on "free on board" (fob) basis but in some cases goods are shipped on "cost insurance and freight" (c i f) contracts. The recorded proceeds are, therefore, on a mixed basis. The figures of exports f.o.b. are arrived at uniform valuation by deducting the element of freight and adjustment of coverage and timing from the total recorded figure of exports. This sophistication is, however, not possible for individual commodities and as such the figures presented in this publication are on a mixed basis.

Owing to differences in coverage, timing, valuation and classification of exchange record vis-à-vis customs record; the statistics in this publication are likely to differ from those released by the Pakistan Bureau of Statistics, Government of Pakistan. Over longer period, however, these differences may tend to minimize.

Up to June, 1965, the State Bank of Pakistan compiled and released figures of export proceeds for Cotton, Cotton Manufactures, Jute, Jute Manufactures, Hides and Skins, Tea, Wool and Others. From July, 1965 the export list was considerably enlarged to include the amount realized against 86 other commodities. The list was again enlarged in July, 1967 and further elaborated in July, 1970 to cover 141 commodities. From July, 1972 a three digit modified form of the Pakistan Standard Trade Classification (PSTC) was adopted for compilation of export receipts. From July, 1984 the commodity list was further expanded by adopting four digit commodity codes in accordance with the Standard International Trade Classification (SITC) Volume-II Revision 2(1981). From April 2003 data of export receipts have been compiled according to Harmonized System of Classification (HS). As per HS classification the commodities are classified in the following 21 sections are as under:-

<u>Section</u>	<u>Description</u>
1	Live animals; animals products
2	Vegetable products
3	Animal or vegetable fats, oils & waxes
4	Prepared foodstuffs; beverages, spirits, vinegar & tobacco

5	Mineral products
6	Products of chemical or allied industries
7	Plastics and articles thereof; rubber and articles thereof
8	Raw hide and skins, leather, fur skins and articles thereof
9	Wood and articles of wood
10	Pulp of wood or of other fibrous cellulosic material
11	Textiles and textile articles
12	Footwear, headgear, umbrellas, walking sticks etc,
13	Articles of stone, plaster, cement, asbestos, mica or similar materials
14	Natural or cultured pearls, precious or semi precious stones, metals
15	Base metals and articles of base metal
16	Machinery and mechanical appliances, electrical equipment & appliances
17	Vehicles, aircraft, vessels and associated transport equipment
18	Optical, photographic, measuring, checking, precision medical or surgical instruments
19	Arms and ammunition; parts and accessories thereof
20	Miscellaneous manufactured articles
21	Works of arts, collectors, pieces and antiques and special transaction nes

HS commodity classification is available on the website of FBR at <http://www.fbr.gov.pk>.

The exports for which payments are not received during the reference month are not covered in reporting by banks. Moreover, exports through land borne trade, goods procured at ports and proportionate share of the foreign companies in exported crude oil extracted in Pakistan are not covered in export receipts of banking channel. To arrive at the actual exports used in balance of payments statistics, the component of freight is subtracted; outstanding export bills and other items unaccounted for are added to the export receipts realized by the banks during the reference year. From FY06, the publication provides information on actual exports used in balance of payments. From FY07, the information on export of services has been included in the publication. However, commodity-wise and country-wise details are provided only for export receipts through authorized dealers in the relevant statements and the remaining exports are reported as lump sum amount.

Due to the increasing tendency for trade agreements to cover services as well as goods it was decided to include data on exports of services in the publication. The data will help the government and policy makers in planning and promoting trade in services. The data on trade in services that takes place between residents and non-residents is compiled according to the definitions and classification of the 6th Manual of Balance of Payments (BPM6) of IMF. The classification provides a coherent structure of the services sector, which facilitates analytical studies, and bilateral comparisons of particular components or overall transactions in the sector. The BPM6 classification of services sector has the following 12 standard components:-

1. Manufacturing services on physical inputs owned by others
2. Maintenance and repair services n.i.e.
3. Transport
4. Travel
5. Construction
6. Insurance and pension services
7. Financial services

8. Charges for the use of intellectual property
9. Telecommunications, computer, and information
10. Other business services
11. Personal, cultural, and recreational services
12. Government goods and services n.i.e.

This publication provides major developments in exports of goods and services in the “*Summary Tables*”. These tables provide a synopsis of major exports of goods and services, receipts of goods and services from major trading partners, regions, group of countries and also illustrated with the help of various graphs.

Details under “*Statements*” where exports for the current year both in Pak. Rs. and US \$ as compared with the previous year have been provided. Last column in statements shows the difference in US Dollar for exports of two years.

Statement 1 shows export of goods by commodities and services from all countries, OIC, Middle East, EEC, Eastern Europe, ASEAN and SAARC Countries. For each group freight on exports, other exports unaccounted for by banks, repair on goods and goods procured at ports are estimated by taking the proportionate share in total exports.

Statement 2 provides export of goods and services by country.

Statement 3 gives export of goods by country/ commodity and services by country/ type.

Statement 4 shows export of goods by commodity/ country and services by type/ country.

Statement 5 is simplified as “Country-Commodity” matrix of export receipts for the financial year 2014-2015.

Annexure provides details of countries included in different groups of countries (*Annexure ‘A’*) and geographical groups of countries (*Annexure ‘B’*).

The values are rounded off to million in the “*Summary Tables*” and to thousand in other statements in the publication. Totals and subtotals may show slight difference due to rounding off. The columns “% Share to Total”, “Growth” and “% Change” is based on complete floating decimal values. “NES”, “n.i.e” and “...” stands for not elsewhere specified, not included elsewhere and negligible amount respectively.

Exports data are also compiled on monthly basis with title “Export of Goods and Services” and disseminated on website at <http://www.sbp.org.pk/publications/export/index.htm>.