Monetary Policy Information Compendium

June 2013

Consolidated by

Monetary Policy Department
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Growth

Cumulative growth of 4.1 percent has been recorded in the LSM sector for the period July-April FY13, which is significantly higher than the growth of 1.3 percent observed in the same period of FY12.

Growth in Large Scale Manufacturing (LSM) Sector (percent)

<table>
<thead>
<tr>
<th>Groups</th>
<th>Weights</th>
<th>YoY changes</th>
<th>Cumulative change during Jul-Apr</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Apr-13</td>
<td>Apr-12</td>
<td>FY13</td>
</tr>
<tr>
<td>Overall</td>
<td>71.1</td>
<td>-0.7</td>
<td>4.1</td>
</tr>
<tr>
<td>Textile</td>
<td>20.9</td>
<td>3.0</td>
<td>1.1</td>
</tr>
<tr>
<td>Food, beverages and tobacco</td>
<td>12.4</td>
<td>-0.3</td>
<td>8.2</td>
</tr>
<tr>
<td>Petroleum products</td>
<td>5.4</td>
<td>-26.1</td>
<td>16.1</td>
</tr>
<tr>
<td>Iron and steel products</td>
<td>5.4</td>
<td>-16.1</td>
<td>11.1</td>
</tr>
<tr>
<td>Non-metallic mineral products</td>
<td>5.4</td>
<td>-0.5</td>
<td>5.7</td>
</tr>
<tr>
<td>Automobile</td>
<td>4.6</td>
<td>12.6</td>
<td>-12.1</td>
</tr>
<tr>
<td>Fertilizer</td>
<td>4.4</td>
<td>19.4</td>
<td>-5.4</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>3.6</td>
<td>-10.8</td>
<td>11.1</td>
</tr>
<tr>
<td>Paper and board</td>
<td>2.3</td>
<td>47.3</td>
<td>18.6</td>
</tr>
<tr>
<td>Electronics</td>
<td>2.0</td>
<td>12.8</td>
<td>-5.0</td>
</tr>
<tr>
<td>Chemicals</td>
<td>1.7</td>
<td>1.0</td>
<td>-0.8</td>
</tr>
<tr>
<td>Leather products</td>
<td>0.9</td>
<td>-16.7</td>
<td>-1.9</td>
</tr>
<tr>
<td>Wood products</td>
<td>0.6</td>
<td>-33.1</td>
<td>-15.6</td>
</tr>
<tr>
<td>Engineering industries</td>
<td>0.4</td>
<td>-24.4</td>
<td>-15.3</td>
</tr>
<tr>
<td>Rubber products</td>
<td>0.3</td>
<td>-30.9</td>
<td>16.2</td>
</tr>
</tbody>
</table>

Yields of major crops, except that of cotton, have improved during FY13.

Major Crops

<table>
<thead>
<tr>
<th></th>
<th>Production (million tons)</th>
<th>percent change</th>
<th>Area under cultivation (million hectares)</th>
<th>percent change</th>
<th>Yield (Kg/hectare)</th>
<th>percent change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY14(^1)</td>
<td>FY13(^3)</td>
<td>FY12(^8)</td>
<td>FY13(^3) over FY12(^8)</td>
<td>FY13(^3)</td>
<td>FY12(^8)</td>
</tr>
<tr>
<td>Cotton</td>
<td>14.1</td>
<td>13.0</td>
<td>13.6</td>
<td>-4.2</td>
<td>2.9</td>
<td>2.8</td>
</tr>
<tr>
<td>Sugarcane</td>
<td>65.0</td>
<td>62.5</td>
<td>58.4</td>
<td>7.0</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Rice</td>
<td>6.2</td>
<td>5.5</td>
<td>6.2</td>
<td>-10.0</td>
<td>2.3</td>
<td>2.6</td>
</tr>
<tr>
<td>Wheat</td>
<td>25.5</td>
<td>24.2</td>
<td>23.5</td>
<td>3.2</td>
<td>8.7</td>
<td>8.7</td>
</tr>
</tbody>
</table>

\(^1\) Cotton production is stated in million bales of 170 kg each.

P: Provisional; T: Target; R: Revised

Sources: Pakistan Bureau of Statistics (PBS) and Planning Commission of Pakistan.
Provisional estimates show GDP growth of 3.6 percent during FY13, which is lower than the target (4.3 percent) and revised estimate of FY12 growth (4.4 percent).

### Product Approach - GDP at Basic Prices of 2005-06 (percent)

<table>
<thead>
<tr>
<th>Industry of which</th>
<th>FY13 Growth</th>
<th>Shares</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>3.3</td>
<td>21.4</td>
<td>0.7</td>
</tr>
<tr>
<td>Important crops</td>
<td>2.3</td>
<td>5.4</td>
<td>0.1</td>
</tr>
<tr>
<td>Other crops</td>
<td>6.7</td>
<td>2.6</td>
<td>0.17</td>
</tr>
<tr>
<td>Livestock</td>
<td>3.7</td>
<td>11.9</td>
<td>0.4</td>
</tr>
<tr>
<td>Industry</td>
<td>3.5</td>
<td>20.9</td>
<td>0.7</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>3.5</td>
<td>13.2</td>
<td>0.5</td>
</tr>
<tr>
<td>Large-scale</td>
<td>2.8</td>
<td>10.6</td>
<td>0.3</td>
</tr>
<tr>
<td>Small-scale</td>
<td>8.2</td>
<td>1.6</td>
<td>0.1</td>
</tr>
<tr>
<td>Construction</td>
<td>5.2</td>
<td>2.4</td>
<td>0.1</td>
</tr>
<tr>
<td>Services of which</td>
<td>3.7</td>
<td>57.7</td>
<td>2.1</td>
</tr>
<tr>
<td>Wholesale &amp; retail trade</td>
<td>2.5</td>
<td>18.2</td>
<td>0.5</td>
</tr>
<tr>
<td>Transport Storage and Communications</td>
<td>3.4</td>
<td>13.7</td>
<td>0.5</td>
</tr>
<tr>
<td>Finance &amp; insurance</td>
<td>6.6</td>
<td>6.7</td>
<td>0.4</td>
</tr>
<tr>
<td>General Government Services</td>
<td>5.6</td>
<td>6.8</td>
<td>0.4</td>
</tr>
<tr>
<td>Real GDP (bp)</td>
<td>3.6</td>
<td>100.0</td>
<td>3.6</td>
</tr>
<tr>
<td>Real GDP (market prices)</td>
<td>6.1</td>
<td>105.2</td>
<td>6.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY13(P)</th>
<th>FY12(R)</th>
<th>FY11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP (bp, billion Rs)</td>
<td>9,863</td>
<td>9,522</td>
</tr>
<tr>
<td>Nominal GDP (mp, billion Rs)</td>
<td>22,909</td>
<td>20,091</td>
</tr>
<tr>
<td>Nominal GDP (mp, billion US$)</td>
<td>234</td>
<td>225</td>
</tr>
</tbody>
</table>

### Expenditure Approach - GDP at Constant Prices of 2005-06 (percent)

<table>
<thead>
<tr>
<th>Expenditure Approach</th>
<th>FY13 Growth</th>
<th>Shares</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption</td>
<td>4.6</td>
<td>87.7</td>
<td>4.1</td>
</tr>
<tr>
<td>Private</td>
<td>4.0</td>
<td>77.0</td>
<td>3.1</td>
</tr>
<tr>
<td>Government</td>
<td>9.7</td>
<td>10.7</td>
<td>1.0</td>
</tr>
<tr>
<td>Fixed capital formation</td>
<td>0.8</td>
<td>13.2</td>
<td>0.1</td>
</tr>
<tr>
<td>Private</td>
<td>-1.8</td>
<td>9.7</td>
<td>-0.2</td>
</tr>
<tr>
<td>Public plus general government</td>
<td>8.6</td>
<td>3.5</td>
<td>0.3</td>
</tr>
<tr>
<td>Changes in stocks</td>
<td>6.1</td>
<td>1.6</td>
<td>0.1</td>
</tr>
<tr>
<td>Net exports of goods and nonfactor services</td>
<td>-39.7</td>
<td>0.0</td>
<td>1.7</td>
</tr>
<tr>
<td>Exports of goods and non-factor services</td>
<td>4.2</td>
<td>11.8</td>
<td>4.3</td>
</tr>
<tr>
<td>Imports of goods and non-factor services</td>
<td>-2.4</td>
<td>14.3</td>
<td>-0.4</td>
</tr>
<tr>
<td>GDP (market prices)</td>
<td>6.1</td>
<td>100.0</td>
<td>6.1</td>
</tr>
<tr>
<td>GDP (bp)</td>
<td>3.6</td>
<td>95.0</td>
<td>3.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY13(P)</th>
<th>FY12(R)</th>
<th>FY11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>4.2</td>
<td>102.5</td>
</tr>
<tr>
<td>Shares</td>
<td>4.3</td>
<td>5.3</td>
</tr>
</tbody>
</table>

1. For FY13, LSM data pertains to July-February; 2. GDP in dollar terms is calculated using average exchange rate during the year.
3. Shares and contributions in GDP growth are based on real GDP(mp).
4. Domestic demand is calculated as sum of consumption, fixed capital formation and change in stock expenditures on real GDP.

Source: Pakistan Bureau of Statistics; 5. Revised; 6. Provisional; Basic price (bp): The basic price is the price the producer gets on his output excluding any taxes on the products and including any subsidies on the products.
Saving and Investment gap has narrowed in FY13, compared to FY12.

Saving and Investment (at current market prices-2005-2006) as percent of GDP

<table>
<thead>
<tr>
<th></th>
<th>FY14 Target</th>
<th>Actual FY13P</th>
<th>FY12R</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Investment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross fixed investment</td>
<td>15.1</td>
<td>14.2</td>
<td>14.9</td>
</tr>
<tr>
<td>Private sector</td>
<td>13.5</td>
<td>12.6</td>
<td>13.3</td>
</tr>
<tr>
<td>Public including general public</td>
<td>9.0</td>
<td>8.7</td>
<td>9.6</td>
</tr>
<tr>
<td>Change in capital stocks</td>
<td>4.5</td>
<td>3.9</td>
<td>3.7</td>
</tr>
<tr>
<td>B. National savings</td>
<td>14.0</td>
<td>13.3</td>
<td>12.8</td>
</tr>
<tr>
<td>C. Domestic savings</td>
<td>-</td>
<td>8.7</td>
<td>7.7</td>
</tr>
<tr>
<td>Saving investment gap (B - A)</td>
<td>-1.1</td>
<td>-0.9</td>
<td>-2.1</td>
</tr>
</tbody>
</table>

Gross fixed investment to GDP ratio in the Transport and communication and Manufacturing sectors have shown a declining trend.

Gross Fixed Investment of Private and Public Sectors¹

<table>
<thead>
<tr>
<th></th>
<th>FY13R</th>
<th>FY12R</th>
</tr>
</thead>
<tbody>
<tr>
<td>As percent of GDP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent share in total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>3.1</td>
<td>3.2</td>
</tr>
<tr>
<td>Mining and quarrying</td>
<td>0.6</td>
<td>0.2</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1.0</td>
<td>1.4</td>
</tr>
<tr>
<td>Construction</td>
<td>0.2</td>
<td>0.1</td>
</tr>
<tr>
<td>Electricity and gas</td>
<td>1.7</td>
<td>1.6</td>
</tr>
<tr>
<td>Transport and communication</td>
<td>1.0</td>
<td>1.2</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Finance and insurance</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Ownership of dwellings</td>
<td>2.1</td>
<td>2.0</td>
</tr>
<tr>
<td>Services</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Total</td>
<td>11.1</td>
<td>11.3</td>
</tr>
</tbody>
</table>

¹ Economic category wise distribution of government’s gross fixed investment is not available.

**Inflation**

*(Calculated from price indices with base year 2007-08)*

**Headline CPI inflation (YoY) has decreased to 5.1 percent in May 2013 from 5.8 percent in the previous month.**

<table>
<thead>
<tr>
<th>Consumer Price Index (CPI) (percent change)</th>
<th>12M moving average</th>
</tr>
</thead>
<tbody>
<tr>
<td>MoM¹</td>
<td>MoM SA²</td>
</tr>
<tr>
<td>MoM²</td>
<td>MoM SA²</td>
</tr>
<tr>
<td>May-12</td>
<td>1.1</td>
</tr>
<tr>
<td>Jun-12</td>
<td>0.0</td>
</tr>
<tr>
<td>Jul-12</td>
<td>-0.2</td>
</tr>
<tr>
<td>Aug-12</td>
<td>0.9</td>
</tr>
<tr>
<td>Sep-12</td>
<td>0.8</td>
</tr>
<tr>
<td>Oct-12</td>
<td>0.4</td>
</tr>
<tr>
<td>Nov-12</td>
<td>-0.4</td>
</tr>
<tr>
<td>Dec-12</td>
<td>0.2</td>
</tr>
<tr>
<td>Jan-13</td>
<td>1.7</td>
</tr>
<tr>
<td>Feb-13</td>
<td>-0.3</td>
</tr>
<tr>
<td>Mar-13</td>
<td>0.4</td>
</tr>
<tr>
<td>Apr-13</td>
<td>1.1</td>
</tr>
<tr>
<td>May-13</td>
<td>0.5</td>
</tr>
</tbody>
</table>

3-year average for May 0.6 1.0 10.0

**CPI food inflation (YoY) has increased to 6.5 percent in May 2013 from 5.5 percent in the previous month.**

<table>
<thead>
<tr>
<th>CPI - Food (37.48 % weight in basket) (percent change)</th>
<th>¹²M moving average</th>
</tr>
</thead>
<tbody>
<tr>
<td>May-12</td>
<td>0.2</td>
</tr>
<tr>
<td>Jun-12</td>
<td>-0.2</td>
</tr>
<tr>
<td>Jul-12</td>
<td>1.8</td>
</tr>
<tr>
<td>Aug-12</td>
<td>0.9</td>
</tr>
<tr>
<td>Sep-12</td>
<td>0.7</td>
</tr>
<tr>
<td>Oct-12</td>
<td>-0.1</td>
</tr>
<tr>
<td>Nov-12</td>
<td>-0.3</td>
</tr>
<tr>
<td>Dec-12</td>
<td>0.0</td>
</tr>
<tr>
<td>Jan-13</td>
<td>1.9</td>
</tr>
<tr>
<td>Feb-13</td>
<td>-1.3</td>
</tr>
<tr>
<td>Mar-13</td>
<td>0.5</td>
</tr>
<tr>
<td>Apr-13</td>
<td>1.4</td>
</tr>
<tr>
<td>May-13</td>
<td>1.1</td>
</tr>
</tbody>
</table>

3-year average for May 0.3 0.7 11.2

**CPI non-food inflation (YoY) has decreased significantly to 4.1 percent in May 2013 from 6.0 percent in April 2013.**

<table>
<thead>
<tr>
<th>CPI - Non Food (62.52 % weight in basket) (percent change)</th>
<th>¹²M moving average</th>
</tr>
</thead>
<tbody>
<tr>
<td>May-12</td>
<td>1.9</td>
</tr>
<tr>
<td>Jun-12</td>
<td>0.2</td>
</tr>
<tr>
<td>Jul-12</td>
<td>-1.7</td>
</tr>
<tr>
<td>Aug-12</td>
<td>0.9</td>
</tr>
<tr>
<td>Sep-12</td>
<td>0.9</td>
</tr>
<tr>
<td>Oct-12</td>
<td>0.7</td>
</tr>
<tr>
<td>Nov-12</td>
<td>-0.4</td>
</tr>
<tr>
<td>Dec-12</td>
<td>0.4</td>
</tr>
<tr>
<td>Jan-13</td>
<td>1.5</td>
</tr>
<tr>
<td>Feb-13</td>
<td>0.3</td>
</tr>
<tr>
<td>Mar-13</td>
<td>0.3</td>
</tr>
<tr>
<td>Apr-13</td>
<td>0.9</td>
</tr>
<tr>
<td>May-13</td>
<td>0.1</td>
</tr>
</tbody>
</table>

3-year average for May 0.9 1.1 9.2

Source: Pakistan Bureau of Statistics, Statistics and Data Warehouse Department (S&DWD), SBP.

¹ Month-on-Month; ² Month-on-month changes in seasonally adjusted series; ³ Year-on-Year; ⁴ These changes are calculated on the basis of 12 month average of CPI over the 12 month average of preceding year.
The non-food non-energy (NFNE) measure of core inflation (YoY) has decreased to 8.1 percent in May 2013 from 8.7 percent in April 2013.

<table>
<thead>
<tr>
<th>Core - Non-food non-energy (53.52% weight in basket) (percent change)</th>
<th>MoM</th>
<th>YoY</th>
<th>12M moving average</th>
</tr>
</thead>
<tbody>
<tr>
<td>May-12</td>
<td>0.8</td>
<td>11.2</td>
<td>10.4</td>
</tr>
<tr>
<td>Jun-12</td>
<td>0.7</td>
<td>11.5</td>
<td>10.6</td>
</tr>
<tr>
<td>Jul-12</td>
<td>1.1</td>
<td>11.3</td>
<td>10.7</td>
</tr>
<tr>
<td>Aug-12</td>
<td>0.3</td>
<td>10.8</td>
<td>10.8</td>
</tr>
<tr>
<td>Sep-12</td>
<td>0.4</td>
<td>10.5</td>
<td>10.8</td>
</tr>
<tr>
<td>Oct-12</td>
<td>1.2</td>
<td>10.2</td>
<td>10.7</td>
</tr>
<tr>
<td>Nov-12</td>
<td>0.2</td>
<td>9.8</td>
<td>10.7</td>
</tr>
<tr>
<td>Dec-12</td>
<td>0.5</td>
<td>9.8</td>
<td>10.6</td>
</tr>
<tr>
<td>Jan-13</td>
<td>1.2</td>
<td>10.0</td>
<td>10.6</td>
</tr>
<tr>
<td>Feb-13</td>
<td>0.4</td>
<td>9.6</td>
<td>10.5</td>
</tr>
<tr>
<td>Mar-13</td>
<td>0.4</td>
<td>9.0</td>
<td>10.4</td>
</tr>
<tr>
<td>Apr-13</td>
<td>1.1</td>
<td>8.7</td>
<td>10.2</td>
</tr>
<tr>
<td>May-13</td>
<td>0.3</td>
<td>8.1</td>
<td>9.9</td>
</tr>
</tbody>
</table>

3-year average for May: 0.6 9.7

The 20 percent trimmed mean measure of core inflation (YoY) has decreased to 6.7 percent in May 2013 from 7.6 percent in the previous month.

Core - 20% Trimmed (percent change)

| May-12 | 0.5 | 11.7 | 11.5 |
| Jun-12 | 0.5 | 11.1 | 11.5 |
| Jul-12 | 0.7 | 10.7 | 11.4 |
| Aug-12 | 0.4 | 10.6 | 11.1 |
| Sep-12 | 0.5 | 10.4 | 10.9 |
| Oct-12 | 0.7 | 9.7 | 10.7 |
| Nov-12 | 0.2 | 8.8 | 10.5 |
| Dec-12 | 0.3 | 9.2 | 10.4 |
| Jan-13 | 1.0 | 9.9 | 10.4 |
| Feb-13 | 0.2 | 9.2 | 10.2 |
| Mar-13 | 0.2 | 8.4 | 9.9 |
| Apr-13 | 0.7 | 7.6 | 9.6 |
| May-13 | 0.3 | 6.7 | 9.1 |

3-year average for May: 0.4 10.2

The WPI inflation (YoY) has decreased sharply to 4.1 percent in May 2013 from 6.8 percent in April 2013.

Wholesale Price Index (WPI) (percent change)

| May-12 | 2.1 | 7.1 | 11.7 |
| Jun-12 | 0.0 | 0.4 | 6.4 |
| Jul-12 | 0.4 | 7.2 | 9.4 |
| Aug-12 | 1.0 | 7.7 | 8.6 |
| Sep-12 | 0.3 | 7.8 | 7.9 |
| Oct-12 | 0.1 | 7.5 | 7.3 |
| Nov-12 | -0.4 | 7.7 | 7.0 |
| Dec-12 | 0.4 | 9.6 | 7.1 |
| Jan-13 | 1.2 | 8.6 | 7.1 |
| Feb-13 | 0.3 | 8.3 | 7.2 |
| Mar-13 | 0.3 | 7.9 | 7.5 |
| Apr-13 | 0.8 | 6.8 | 7.7 |
| May-13 | -0.4 | 4.1 | 7.5 |

3-year average for May: 0.3 0.5 11.1

Source: Pakistan Bureau of Statistics, Statistics and Data Warehouse Department (S&DWD), SBP.
**WPI food inflation (YoY) has declined marginally to 7.8 percent in May 2013 from 7.9 percent in April 2013.**

<table>
<thead>
<tr>
<th>Month</th>
<th>MoM</th>
<th>MoM SA</th>
<th>YoY</th>
<th>12M moving average</th>
</tr>
</thead>
<tbody>
<tr>
<td>May-12</td>
<td>1.1</td>
<td>1.6</td>
<td>11.6</td>
<td>14.4</td>
</tr>
<tr>
<td>Jun-12</td>
<td>1.5</td>
<td>0.7</td>
<td>10.0</td>
<td>13.9</td>
</tr>
<tr>
<td>Jul-12</td>
<td>2.4</td>
<td>2.2</td>
<td>10.5</td>
<td>13.3</td>
</tr>
<tr>
<td>Aug-12</td>
<td>0.7</td>
<td>-0.4</td>
<td>9.3</td>
<td>12.6</td>
</tr>
<tr>
<td>Sep-12</td>
<td>0.3</td>
<td>0.0</td>
<td>7.7</td>
<td>11.8</td>
</tr>
<tr>
<td>Oct-12</td>
<td>0.2</td>
<td>0.6</td>
<td>7.3</td>
<td>11.0</td>
</tr>
<tr>
<td>Nov-12</td>
<td>-1.6</td>
<td>-1.1</td>
<td>6.4</td>
<td>10.2</td>
</tr>
<tr>
<td>Dec-12</td>
<td>1.3</td>
<td>3.2</td>
<td>9.6</td>
<td>9.9</td>
</tr>
<tr>
<td>Jan-13</td>
<td>1.7</td>
<td>0.9</td>
<td>11.1</td>
<td>9.8</td>
</tr>
<tr>
<td>Feb-13</td>
<td>-0.8</td>
<td>0.6</td>
<td>11.1</td>
<td>9.7</td>
</tr>
<tr>
<td>Mar-13</td>
<td>-0.6</td>
<td>-1.3</td>
<td>8.7</td>
<td>9.5</td>
</tr>
<tr>
<td>Apr-13</td>
<td>1.5</td>
<td>0.8</td>
<td>7.9</td>
<td>9.2</td>
</tr>
<tr>
<td>May-13</td>
<td>1.1</td>
<td>1.5</td>
<td>7.8</td>
<td>8.9</td>
</tr>
</tbody>
</table>

3-year average for May 1.1 1.5 11.8

**WPI non-food inflation (YoY) has decreased sharply to 1.8 percent in May 2013 from 6.1 percent in April 2013.**

<table>
<thead>
<tr>
<th>Month</th>
<th>MoM</th>
<th>MoM SA</th>
<th>YoY</th>
<th>12M moving average</th>
</tr>
</thead>
<tbody>
<tr>
<td>May-12</td>
<td>2.8</td>
<td>3.0</td>
<td>4.4</td>
<td>10.1</td>
</tr>
<tr>
<td>Jun-12</td>
<td>-1.0</td>
<td>-0.9</td>
<td>4.2</td>
<td>8.4</td>
</tr>
<tr>
<td>Jul-12</td>
<td>-0.9</td>
<td>-0.7</td>
<td>5.1</td>
<td>7.1</td>
</tr>
<tr>
<td>Aug-12</td>
<td>1.2</td>
<td>1.1</td>
<td>6.7</td>
<td>6.2</td>
</tr>
<tr>
<td>Sep-12</td>
<td>0.4</td>
<td>1.1</td>
<td>7.9</td>
<td>5.5</td>
</tr>
<tr>
<td>Oct-12</td>
<td>0.1</td>
<td>0.4</td>
<td>7.7</td>
<td>5.1</td>
</tr>
<tr>
<td>Nov-12</td>
<td>0.4</td>
<td>0.6</td>
<td>8.6</td>
<td>5.0</td>
</tr>
<tr>
<td>Dec-12</td>
<td>-0.1</td>
<td>0.8</td>
<td>9.6</td>
<td>5.4</td>
</tr>
<tr>
<td>Jan-13</td>
<td>1.0</td>
<td>0.2</td>
<td>7.0</td>
<td>5.5</td>
</tr>
<tr>
<td>Feb-13</td>
<td>1.1</td>
<td>0.3</td>
<td>6.6</td>
<td>5.6</td>
</tr>
<tr>
<td>Mar-13</td>
<td>0.8</td>
<td>0.4</td>
<td>7.4</td>
<td>6.2</td>
</tr>
<tr>
<td>Apr-13</td>
<td>0.3</td>
<td>-0.3</td>
<td>6.1</td>
<td>6.8</td>
</tr>
<tr>
<td>May-13</td>
<td>-1.4</td>
<td>-1.2</td>
<td>1.8</td>
<td>6.5</td>
</tr>
</tbody>
</table>

3-year average for May -0.2 -0.02 10.8

**Average CPI inflation has declined to 7.5 percent during July-May FY13 against 11.0 percent recorded in July-May FY12.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Headline</th>
<th>Food</th>
<th>Non Food</th>
<th>WPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY11</td>
<td>13.7</td>
<td>18.0</td>
<td>10.7</td>
<td>21.2</td>
</tr>
<tr>
<td>FY12</td>
<td>11.0</td>
<td>11.0</td>
<td>11.0</td>
<td>10.4</td>
</tr>
<tr>
<td>Jul-May FY12</td>
<td>11.0</td>
<td>11.1</td>
<td>10.9</td>
<td>10.8</td>
</tr>
<tr>
<td>Jul-May FY13</td>
<td>7.5</td>
<td>7.1</td>
<td>7.8</td>
<td>7.6</td>
</tr>
</tbody>
</table>

Source: Pakistan Bureau of Statistics, Statistics and Data Warehouse Department (S&DWD), SBP.
CPI and SPI Inflation by Groups

The YoY decline in headline CPI inflation in May 2013 was due to significant decrease in non-food inflation.

Group-Wise CPI Inflation

<table>
<thead>
<tr>
<th>Groups</th>
<th>Weights</th>
<th>May-13</th>
<th>Apr-13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>MoM</td>
<td>YoY</td>
</tr>
<tr>
<td>I. Food group</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food</td>
<td>37.5</td>
<td>1.1</td>
<td>6.5</td>
</tr>
<tr>
<td>Food and non-alcoholic beverages</td>
<td>34.8</td>
<td>1.2</td>
<td>6.2</td>
</tr>
<tr>
<td>Alcoholic beverages and tobacco</td>
<td>1.4</td>
<td>0.0</td>
<td>13.0</td>
</tr>
<tr>
<td>Restaurant &amp; hotels</td>
<td>1.2</td>
<td>0.6</td>
<td>8.3</td>
</tr>
<tr>
<td>II. Non-food group</td>
<td>62.5</td>
<td>0.1</td>
<td>4.1</td>
</tr>
<tr>
<td>Clothing and footwear</td>
<td>7.6</td>
<td>0.8</td>
<td>12.6</td>
</tr>
<tr>
<td>Housing, water, electricity, gas fuels</td>
<td>29.4</td>
<td>0.0</td>
<td>0.8</td>
</tr>
<tr>
<td>Furnishing &amp; household equipment maintenance etc.</td>
<td>4.2</td>
<td>0.6</td>
<td>7.7</td>
</tr>
<tr>
<td>Health</td>
<td>2.2</td>
<td>0.6</td>
<td>11.2</td>
</tr>
<tr>
<td>Transport</td>
<td>7.2</td>
<td>-1.2</td>
<td>-0.2</td>
</tr>
<tr>
<td>Communication</td>
<td>3.2</td>
<td>0.1</td>
<td>5.2</td>
</tr>
<tr>
<td>Recreation and culture</td>
<td>2.0</td>
<td>0.5</td>
<td>7.7</td>
</tr>
<tr>
<td>Education</td>
<td>3.9</td>
<td>0.3</td>
<td>7.2</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>2.8</td>
<td>0.0</td>
<td>7.7</td>
</tr>
<tr>
<td>Overall</td>
<td>100</td>
<td>0.5</td>
<td>5.1</td>
</tr>
</tbody>
</table>

SPI inflation has increased by 0.99 percent (WoW) during the third week of June 2013.

Sensitive Price Indicator (SPI) (percent change)

<table>
<thead>
<tr>
<th>Income groups</th>
<th>20-Jun-13</th>
<th>13-Jun-13</th>
<th>6-Jun-13</th>
<th>30-May-13</th>
<th>May-13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>WoW^2</td>
<td>WoW^2</td>
<td>WoW^2</td>
<td>WoW^2</td>
<td>MoM</td>
</tr>
<tr>
<td>Up to Rs 8000</td>
<td>1.03</td>
<td>0.36</td>
<td>0.80</td>
<td>0.40</td>
<td>0.07</td>
</tr>
<tr>
<td>Rs 8001-12000</td>
<td>0.97</td>
<td>0.38</td>
<td>0.81</td>
<td>0.42</td>
<td>0.09</td>
</tr>
<tr>
<td>Rs 12001-18000</td>
<td>0.98</td>
<td>0.39</td>
<td>0.84</td>
<td>0.44</td>
<td>0.07</td>
</tr>
<tr>
<td>Rs 18001-35000</td>
<td>0.99</td>
<td>0.41</td>
<td>0.87</td>
<td>0.46</td>
<td>0.02</td>
</tr>
<tr>
<td>Above Rs 35000</td>
<td>0.99</td>
<td>0.39</td>
<td>0.86</td>
<td>0.52</td>
<td>-0.17</td>
</tr>
<tr>
<td>All</td>
<td>0.99</td>
<td>0.39</td>
<td>0.85</td>
<td>0.44</td>
<td>-0.03</td>
</tr>
</tbody>
</table>

Sources: Pakistan Bureau of Statistics

1 Twelve month moving average inflation 2 WoW: Week on Week.
Balance of Payments

Both external current account and capital and financial account showed deficits during July-May FY13, resulting in an overall balance of payment deficit of US$2.3 billion.

### Balance of Payments Summary (million US$)

<table>
<thead>
<tr>
<th>Items</th>
<th>May-13</th>
<th>Jul-May FY13</th>
<th>Jul-May FY12</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) Current account balance (CAB)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade balance</td>
<td>-346</td>
<td>-1,952</td>
<td>-3,920</td>
</tr>
<tr>
<td>Exports</td>
<td>2,345</td>
<td>22,818</td>
<td>22,647</td>
</tr>
<tr>
<td>Imports</td>
<td>3,353</td>
<td>36,619</td>
<td>36,804</td>
</tr>
<tr>
<td>Services (net); of which</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSF</td>
<td>0</td>
<td>1,806</td>
<td>0</td>
</tr>
<tr>
<td>Income (net)</td>
<td>-484</td>
<td>-3,474</td>
<td>-3,016</td>
</tr>
<tr>
<td>Current transfers (net); of which</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remittances</td>
<td>1,193</td>
<td>12,763</td>
<td>12,069</td>
</tr>
<tr>
<td>B) Capital and financial (C&amp;F) account balance; of which</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign direct investment (net)</td>
<td>464</td>
<td>1,106</td>
<td>702</td>
</tr>
<tr>
<td>Foreign portfolio investment (net)</td>
<td>-317</td>
<td>-18</td>
<td>-90</td>
</tr>
<tr>
<td>Other investment assets</td>
<td>185</td>
<td>-377</td>
<td>277</td>
</tr>
<tr>
<td>Other investment liabilities</td>
<td>-425</td>
<td>-1,097</td>
<td>96</td>
</tr>
<tr>
<td>Of which: General government</td>
<td>-604</td>
<td>-405</td>
<td>250</td>
</tr>
<tr>
<td>of which: Disbursements</td>
<td>30</td>
<td>2,060</td>
<td>1,713</td>
</tr>
<tr>
<td>Amortization</td>
<td>634</td>
<td>2,496</td>
<td>1,446</td>
</tr>
<tr>
<td>C) Net Errors and omissions</td>
<td>289</td>
<td>-170</td>
<td>-85</td>
</tr>
<tr>
<td>Overall balance (A+B+C)</td>
<td>-150</td>
<td>-2,265</td>
<td>-2,869</td>
</tr>
<tr>
<td>SBP gross reserves</td>
<td>7,557</td>
<td>7,557</td>
<td>12,398</td>
</tr>
<tr>
<td>SBP net liquid reserves</td>
<td>6,392</td>
<td>6,392</td>
<td>11,264</td>
</tr>
</tbody>
</table>

**As percent of GDP**

<table>
<thead>
<tr>
<th>Items</th>
<th>Jul-May FY13</th>
<th>Jul-May FY12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current account balance; of which</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td>9.8</td>
<td>10.1</td>
</tr>
<tr>
<td>Imports</td>
<td>15.7</td>
<td>16.4</td>
</tr>
<tr>
<td>Capital and financial inflows; of which</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FDI</td>
<td>0.5</td>
<td>0.3</td>
</tr>
</tbody>
</table>

1 Net FDI equals net direct investment by foreigners in Pakistan less direct investment made by Pakistanis abroad.
2 SBP gross reserves includes banks' deposits for meeting cash reserve requirements (CRR) against their foreign currency deposits and foreign currency cash holdings of SBP, but it excludes unsettled claims on RBI.
3 SBP reserves without CRR, sinking fund, and foreign currency cash holding of SBP. 4 For FY12 revised and for FY13, provisional GDP has been used.

Workers’ remittances showed an annualized growth of 5.7 percent during July-May FY13.

### Workers’ Remittances (million US$)

<table>
<thead>
<tr>
<th>Items</th>
<th>May-13</th>
<th>Jul-May FY13</th>
<th>Jul-May FY12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total inflows</td>
<td>1,193</td>
<td>12,763</td>
<td>12,069</td>
</tr>
<tr>
<td>USA</td>
<td>186</td>
<td>2,006</td>
<td>2,128</td>
</tr>
<tr>
<td>UK</td>
<td>163</td>
<td>1,774</td>
<td>1,394</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>380</td>
<td>3,752</td>
<td>3,353</td>
</tr>
<tr>
<td>UAE</td>
<td>220</td>
<td>2,532</td>
<td>2,630</td>
</tr>
<tr>
<td>Other GCC6</td>
<td>138</td>
<td>1,470</td>
<td>1,367</td>
</tr>
<tr>
<td>All others</td>
<td>106</td>
<td>1,230</td>
<td>1,197</td>
</tr>
</tbody>
</table>

6 Only cash, 6 Kuwait, Qatar, Bahrain and Oman.
Source: Statistics & Data Warehouse Department (S&DWD), SBP.
## Trade and Foreign Investment

### Trade in Goods - Major Groups (million US$)

<table>
<thead>
<tr>
<th>Group</th>
<th>May-13</th>
<th>Jul-May</th>
<th>Shares $^1$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY13</td>
<td>FY12</td>
<td>FY13</td>
</tr>
<tr>
<td>Exports</td>
<td>2,345</td>
<td>22,818</td>
<td>22,647</td>
</tr>
<tr>
<td>Textile group</td>
<td>1,134</td>
<td>11,763</td>
<td>12,002</td>
</tr>
<tr>
<td>Knitwear, bed wear</td>
<td>327</td>
<td>3,525</td>
<td>3,870</td>
</tr>
<tr>
<td>Cotton cloth</td>
<td>232</td>
<td>2,400</td>
<td>2,371</td>
</tr>
<tr>
<td>Cotton Yarn</td>
<td>199</td>
<td>1,882</td>
<td>1,534</td>
</tr>
<tr>
<td>Ready made garments</td>
<td>152</td>
<td>1,523</td>
<td>1,296</td>
</tr>
<tr>
<td>Other manufactures group</td>
<td>441</td>
<td>4,218</td>
<td>4,240</td>
</tr>
<tr>
<td>Chemical and pharma</td>
<td>111</td>
<td>1,099</td>
<td>1,157</td>
</tr>
<tr>
<td>Leather items$^2$</td>
<td>87</td>
<td>866</td>
<td>832</td>
</tr>
<tr>
<td>Cement</td>
<td>49</td>
<td>496</td>
<td>456</td>
</tr>
<tr>
<td>Engineering goods</td>
<td>27</td>
<td>338</td>
<td>358</td>
</tr>
<tr>
<td>Jewellery</td>
<td>50</td>
<td>176</td>
<td>209</td>
</tr>
<tr>
<td>Food group</td>
<td>424</td>
<td>3,807</td>
<td>3,483</td>
</tr>
<tr>
<td>Rice</td>
<td>192</td>
<td>1,728</td>
<td>1,924</td>
</tr>
<tr>
<td>All others</td>
<td>346</td>
<td>3,031</td>
<td>2,922</td>
</tr>
<tr>
<td>Imports</td>
<td>3,353</td>
<td>36,619</td>
<td>36,804</td>
</tr>
<tr>
<td>Petroleum group</td>
<td>1,310</td>
<td>13,038</td>
<td>13,220</td>
</tr>
<tr>
<td>Petroleum products</td>
<td>824</td>
<td>7,945</td>
<td>9,011</td>
</tr>
<tr>
<td>Petroleum crude</td>
<td>486</td>
<td>5,093</td>
<td>4,209</td>
</tr>
<tr>
<td>Machinery group</td>
<td>354</td>
<td>3,651</td>
<td>3,445</td>
</tr>
<tr>
<td>Telecom</td>
<td>84</td>
<td>836</td>
<td>831</td>
</tr>
<tr>
<td>Electrical machinery</td>
<td>47</td>
<td>514</td>
<td>429</td>
</tr>
<tr>
<td>Power machinery</td>
<td>44</td>
<td>472</td>
<td>442</td>
</tr>
<tr>
<td>Agriculture &amp; other chemicals</td>
<td>462</td>
<td>5,732</td>
<td>6,212</td>
</tr>
<tr>
<td>Plastic materials</td>
<td>128</td>
<td>1,392</td>
<td>1,383</td>
</tr>
<tr>
<td>Fertilizer manufactured</td>
<td>15</td>
<td>554</td>
<td>1,006</td>
</tr>
<tr>
<td>Food group</td>
<td>236</td>
<td>3,650</td>
<td>4,319</td>
</tr>
<tr>
<td>Palm oil</td>
<td>115</td>
<td>1,781</td>
<td>2,189</td>
</tr>
<tr>
<td>Tea</td>
<td>20</td>
<td>356</td>
<td>312</td>
</tr>
<tr>
<td>Metal group</td>
<td>253</td>
<td>2,237</td>
<td>2,092</td>
</tr>
<tr>
<td>Iron steel (IS) and IS scrap</td>
<td>198</td>
<td>1,800</td>
<td>1,678</td>
</tr>
<tr>
<td>All others</td>
<td>737</td>
<td>8,311</td>
<td>7,516</td>
</tr>
<tr>
<td>Trade Balance</td>
<td>-1,007</td>
<td>-13,801</td>
<td>-14,157</td>
</tr>
</tbody>
</table>

1 Share (in percent) is calculated as a ratio of cumulative flow of a group (item) to cumulative flow of total imports during FY13.
2 Includes tanned and manufactured leather.

*Net FDI inflows showed some improvement in the past three months.*

### Net Foreign Direct Investment (FDI) in Pakistan (million US$)

<table>
<thead>
<tr>
<th>Month</th>
<th>May-13</th>
<th>Jul-May</th>
<th>FX13</th>
<th>FY12</th>
<th>FX12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major countries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td>21</td>
<td>214</td>
<td>208</td>
<td>228</td>
<td></td>
</tr>
<tr>
<td>UAE</td>
<td>-18</td>
<td>32</td>
<td>40</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>418</td>
<td>576</td>
<td>249</td>
<td>206</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>3</td>
<td>85</td>
<td>121</td>
<td>126</td>
<td></td>
</tr>
<tr>
<td>Major sectors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td>-54</td>
<td>-369</td>
<td>-301</td>
<td>-315</td>
<td></td>
</tr>
<tr>
<td>Financial businesses</td>
<td>33</td>
<td>281</td>
<td>64</td>
<td>64</td>
<td></td>
</tr>
<tr>
<td>Oil and gas exploration</td>
<td>33</td>
<td>500</td>
<td>542</td>
<td>629</td>
<td></td>
</tr>
<tr>
<td>Power</td>
<td>-14</td>
<td>28</td>
<td>-24</td>
<td>-85</td>
<td></td>
</tr>
<tr>
<td>Trade</td>
<td>-1</td>
<td>9</td>
<td>23</td>
<td>25</td>
<td></td>
</tr>
</tbody>
</table>

1 These numbers correspond to net FDI flows given in the balance of Payments table and adjusted for net FDI made by Pakistanis abroad.

Source: Statistics & Data Warehouse Department (S&DWD), SBP.
Global Economy

During May 2013, ECB and central banks of India, Sri Lanka, Australia and Thailand have cut their policy rate.

Policy Rates in Major Economies

<table>
<thead>
<tr>
<th>Major economies</th>
<th>Policy rate</th>
<th>Current</th>
<th>Previous policy rate</th>
<th>Change (bps)</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>0.25</td>
<td>Dec 16 2008</td>
<td>1.00</td>
<td>-75</td>
</tr>
<tr>
<td>UK</td>
<td>0.50</td>
<td>Mar 05 2009</td>
<td>1.00</td>
<td>-50</td>
</tr>
<tr>
<td>Euro zone</td>
<td>0.50</td>
<td>May 02 2013</td>
<td>0.75</td>
<td>-25</td>
</tr>
<tr>
<td>Japan</td>
<td>0.10</td>
<td>Dec 20 2008</td>
<td>0.30</td>
<td>-20</td>
</tr>
<tr>
<td>Canada</td>
<td>1.00</td>
<td>Sep 08 2010</td>
<td>0.75</td>
<td>25</td>
</tr>
<tr>
<td>Australia</td>
<td>2.75</td>
<td>May 07 2013</td>
<td>3.00</td>
<td>-25</td>
</tr>
<tr>
<td>China</td>
<td>6.00</td>
<td>Jul 06 2012</td>
<td>6.31</td>
<td>-31</td>
</tr>
<tr>
<td>India</td>
<td>7.25</td>
<td>May 3 2013</td>
<td>7.50</td>
<td>-25</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>9.00</td>
<td>May 9 2013</td>
<td>9.50</td>
<td>-50</td>
</tr>
<tr>
<td>Malaysia</td>
<td>3.00</td>
<td>May 05 2011</td>
<td>2.75</td>
<td>25</td>
</tr>
<tr>
<td>Indonesia</td>
<td>6.00</td>
<td>June 14 2013</td>
<td>5.75</td>
<td>25</td>
</tr>
<tr>
<td>Thailand</td>
<td>2.50</td>
<td>May 29 2013</td>
<td>2.75</td>
<td>-25</td>
</tr>
</tbody>
</table>

Real GDP in Eurozone continued to decline in Q1-2013

Key Macroeconomic Indicators

<table>
<thead>
<tr>
<th>Country</th>
<th>Inflation (YoY)</th>
<th>GDP growth</th>
<th>Current account balance</th>
<th>Fiscal balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>1.4</td>
<td>1.8</td>
<td>-2.8</td>
<td>5.4</td>
</tr>
<tr>
<td>UK</td>
<td>2.7</td>
<td>0.6</td>
<td>-2.8</td>
<td>-7.8</td>
</tr>
<tr>
<td>Euro zone</td>
<td>1.4</td>
<td>-1.0</td>
<td>1.6</td>
<td>-3.1</td>
</tr>
<tr>
<td>Japan</td>
<td>0.7</td>
<td>0.2</td>
<td>0.9</td>
<td>-8.7</td>
</tr>
<tr>
<td>Australia</td>
<td>2.5</td>
<td>2.5</td>
<td>-3.6</td>
<td>-1.3</td>
</tr>
<tr>
<td>China</td>
<td>2.1</td>
<td>7.7</td>
<td>1.7</td>
<td>-2.1</td>
</tr>
<tr>
<td>India</td>
<td>10.2</td>
<td>4.8</td>
<td>-4.1</td>
<td>-4.9</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>7.3</td>
<td>6.0</td>
<td></td>
<td>-50</td>
</tr>
<tr>
<td>South Korea</td>
<td>1.0</td>
<td>1.5</td>
<td>3.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Malaysia</td>
<td>1.7</td>
<td>4.1</td>
<td>6.7</td>
<td>-4.2</td>
</tr>
<tr>
<td>Indonesia</td>
<td>5.5</td>
<td>6.0</td>
<td>-1.9</td>
<td>-1.9</td>
</tr>
<tr>
<td>Thailand</td>
<td>2.3</td>
<td>5.3</td>
<td>1.0</td>
<td>-3.1</td>
</tr>
</tbody>
</table>

The World Bank has recently revised its projections of 2013 world output growth from 2.4 to 2.2 percent.

World Economic Outlook - Real GDP Growth

<table>
<thead>
<tr>
<th>Country</th>
<th>2012 (IMF estimates)</th>
<th>2013 Projections</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IMF (April-13)</td>
<td>World Bank (June-13)</td>
</tr>
<tr>
<td>World output</td>
<td>3.2</td>
<td>3.3</td>
</tr>
<tr>
<td>Advanced</td>
<td>1.2</td>
<td>1.2</td>
</tr>
<tr>
<td>US</td>
<td>2.2</td>
<td>1.9</td>
</tr>
<tr>
<td>Euro area</td>
<td>-0.6</td>
<td>-0.3</td>
</tr>
<tr>
<td>Japan</td>
<td>2.0</td>
<td>1.6</td>
</tr>
<tr>
<td>UK</td>
<td>0.2</td>
<td>1.6</td>
</tr>
<tr>
<td>Emerging &amp; Developing</td>
<td>5.1</td>
<td>5.3</td>
</tr>
<tr>
<td>Russia</td>
<td>3.4</td>
<td>3.4</td>
</tr>
<tr>
<td>China</td>
<td>7.8</td>
<td>8.0</td>
</tr>
<tr>
<td>India</td>
<td>4.0</td>
<td>5.7</td>
</tr>
<tr>
<td>ASEAN-5</td>
<td>5.1</td>
<td>5.3</td>
</tr>
</tbody>
</table>

**All commodity price index by IMF has registered an increase of 0.1 percent during May 2013.**

**World Commodity Price Indices (2005=100)**

<table>
<thead>
<tr>
<th></th>
<th>May-13</th>
<th>Percent change since</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Apr-13</td>
</tr>
<tr>
<td>All commodity price index</td>
<td>179.0</td>
<td>0.1</td>
</tr>
<tr>
<td>Food price index</td>
<td>183.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Energy index</td>
<td>185.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Non fuel price index</td>
<td>168.6</td>
<td>-0.2</td>
</tr>
<tr>
<td>Metal price index</td>
<td>176.4</td>
<td>-3.9</td>
</tr>
<tr>
<td>Crude oil price ($/bbl)</td>
<td>102.1</td>
<td>-0.5</td>
</tr>
<tr>
<td>Cotton spot (US cents/ pound)</td>
<td>84.3</td>
<td>-1.3</td>
</tr>
<tr>
<td>Palm oil ($/m. ton)</td>
<td>763.4</td>
<td>0.9</td>
</tr>
<tr>
<td>Soya bean Oil ($/m. ton)</td>
<td>1082.8</td>
<td>-0.4</td>
</tr>
<tr>
<td>Wheat ($/m. ton)</td>
<td>319.1</td>
<td>3.4</td>
</tr>
<tr>
<td>Gold spot ($/Oz)</td>
<td>1416.6</td>
<td>-11.1</td>
</tr>
<tr>
<td>Sugar (US cents/pound)</td>
<td>20.7</td>
<td>-3.3</td>
</tr>
</tbody>
</table>

*Sources: Bloomberg for Crude oil price (Saudi Arabian Light), Cotton Spot and Gold spot. IMF (IFS) for all other items.*

**Capital Market Indices**

<table>
<thead>
<tr>
<th></th>
<th>June-13</th>
<th>Percent change since</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>May-13</td>
</tr>
<tr>
<td>US (DJIA)</td>
<td>15148.4</td>
<td>-0.2</td>
</tr>
<tr>
<td>DJ EURO STOXX</td>
<td>2701.2</td>
<td>-3.0</td>
</tr>
<tr>
<td>UK (FTSE 100)</td>
<td>6384.1</td>
<td>-4.0</td>
</tr>
<tr>
<td>Japan (Nikkei 225)</td>
<td>13073.8</td>
<td>-10.0</td>
</tr>
<tr>
<td>China (SSE)</td>
<td>2309.5</td>
<td>-2.6</td>
</tr>
<tr>
<td>France (CAC 40)</td>
<td>3847.4</td>
<td>-3.1</td>
</tr>
<tr>
<td>Germany (DAX)</td>
<td>8205.1</td>
<td>-1.4</td>
</tr>
<tr>
<td>India (BSE)</td>
<td>19310.6</td>
<td>-3.3</td>
</tr>
<tr>
<td>World dev’d (MSCI)</td>
<td>1467.0</td>
<td>-1.9</td>
</tr>
<tr>
<td>Emerging Markets (MSCI)</td>
<td>970.8</td>
<td>-6.6</td>
</tr>
<tr>
<td>World all (MSCI)</td>
<td>364.5</td>
<td>-2.5</td>
</tr>
</tbody>
</table>

*1 Updated till June 20, 2013*


*Sources: Bloomberg, IMF, OECD, The Economist and Central Bank Websites*
Revenues, Expenditures and Fiscal Balances

Fiscal deficit was recorded at 4.6 percent of GDP during July-March FY13.

<table>
<thead>
<tr>
<th>Revenues (billion Rs)</th>
<th>FY13</th>
<th>Jul-Mar</th>
<th>FY12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BE¹</td>
<td>FY13</td>
<td>FY12</td>
</tr>
<tr>
<td>Total revenues</td>
<td>3,381</td>
<td>2,125</td>
<td>1,739</td>
</tr>
<tr>
<td>Tax revenue</td>
<td>2,626</td>
<td>1,528</td>
<td>1,372</td>
</tr>
<tr>
<td>of which: FBR revenues</td>
<td>2,381</td>
<td>1,335</td>
<td>1,273</td>
</tr>
<tr>
<td>Non-tax revenue</td>
<td>755</td>
<td>597</td>
<td>368</td>
</tr>
<tr>
<td>Growth (YoY) %</td>
<td>27.9</td>
<td>11.4</td>
<td>22.7</td>
</tr>
<tr>
<td>Expenditures (billion Rs)</td>
<td>FY13</td>
<td>Jul-Mar</td>
<td>FY12</td>
</tr>
<tr>
<td></td>
<td>BE¹</td>
<td>FY13</td>
<td>FY12</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>4,486</td>
<td>3,171</td>
<td>3,025</td>
</tr>
<tr>
<td>Current¹</td>
<td>3,445</td>
<td>2,725</td>
<td>2,597</td>
</tr>
<tr>
<td>of which: Interest payments</td>
<td>926</td>
<td>772</td>
<td>624</td>
</tr>
<tr>
<td>Defence</td>
<td>545</td>
<td>406</td>
<td>348</td>
</tr>
<tr>
<td>Development Expenditure²</td>
<td>1,041</td>
<td>446</td>
<td>428</td>
</tr>
<tr>
<td>Growth (YoY) %</td>
<td>39.9</td>
<td>4.2</td>
<td>21.3</td>
</tr>
<tr>
<td>Overall Balance (billion Rs)</td>
<td>FY13</td>
<td>Jul-Mar</td>
<td>FY12</td>
</tr>
<tr>
<td></td>
<td>BE¹</td>
<td>FY13</td>
<td>FY12</td>
</tr>
<tr>
<td>Fiscal balance¹</td>
<td>-1,105</td>
<td>-1,046</td>
<td>-1,286</td>
</tr>
<tr>
<td>Revenue balance⁶</td>
<td>-64</td>
<td>-600</td>
<td>-858</td>
</tr>
<tr>
<td>Primary balance⁶</td>
<td>-179</td>
<td>-274</td>
<td>-661</td>
</tr>
<tr>
<td>Fiscal balance including PSEs debt adjustment</td>
<td>-4.7</td>
<td>-4.6</td>
<td>-6.4</td>
</tr>
<tr>
<td>Revenue balance</td>
<td>-0.3</td>
<td>-2.6</td>
<td>-4.3</td>
</tr>
<tr>
<td>Primary balance</td>
<td>-0.8</td>
<td>-1.2</td>
<td>-3.3</td>
</tr>
</tbody>
</table>

During July-March FY13, fiscal deficit was mainly financed through borrowings from scheduled banks.

Financing of Fiscal Deficit (billion Rs)

<table>
<thead>
<tr>
<th></th>
<th>FY13</th>
<th>Jul-Mar</th>
<th>FY12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BE¹</td>
<td>FY13</td>
<td>FY12</td>
</tr>
<tr>
<td>External: of which</td>
<td>1,105</td>
<td>1,046</td>
<td>1,286</td>
</tr>
<tr>
<td>Privatization proceeds</td>
<td>74</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Domestic: of which</td>
<td>970</td>
<td>1,050</td>
<td>1,239</td>
</tr>
<tr>
<td>Non-bank</td>
<td>487</td>
<td>194</td>
<td>404</td>
</tr>
<tr>
<td>Banking system: of which</td>
<td>484</td>
<td>857</td>
<td>835</td>
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<tr>
<td>Schedule banks</td>
<td>484</td>
<td>883</td>
<td>640</td>
</tr>
<tr>
<td>SBP</td>
<td>0</td>
<td>-26</td>
<td>156</td>
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</tbody>
</table>

FBR Tax Collection (billion Rs)

<table>
<thead>
<tr>
<th>Q1</th>
<th>Direct</th>
<th>Sales</th>
<th>Customs</th>
<th>FED²</th>
<th>Total taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2</td>
<td>176</td>
<td>42</td>
<td>28</td>
<td>374</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>210</td>
<td>52</td>
<td>24</td>
<td>471</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>184</td>
<td>54</td>
<td>33</td>
<td>428</td>
<td></td>
</tr>
<tr>
<td>FY12</td>
<td>262</td>
<td>70</td>
<td>37</td>
<td>609</td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>64</td>
<td>15</td>
<td>6</td>
<td>107</td>
<td></td>
</tr>
<tr>
<td>August</td>
<td>65</td>
<td>18</td>
<td>9</td>
<td>123</td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>69</td>
<td>19</td>
<td>8</td>
<td>181</td>
<td></td>
</tr>
<tr>
<td>Q1-Q4FY13³</td>
<td>197</td>
<td>52</td>
<td>22</td>
<td>411</td>
<td></td>
</tr>
<tr>
<td>October</td>
<td>61</td>
<td>17</td>
<td>12</td>
<td>135</td>
<td></td>
</tr>
<tr>
<td>November</td>
<td>64</td>
<td>18</td>
<td>9</td>
<td>140</td>
<td></td>
</tr>
<tr>
<td>December</td>
<td>69</td>
<td>20</td>
<td>9</td>
<td>203</td>
<td></td>
</tr>
<tr>
<td>Q2-Q4FY13³</td>
<td>195</td>
<td>55</td>
<td>29</td>
<td>478</td>
<td></td>
</tr>
<tr>
<td>January</td>
<td>66</td>
<td>17</td>
<td>9</td>
<td>133</td>
<td></td>
</tr>
<tr>
<td>February</td>
<td>65</td>
<td>17</td>
<td>10</td>
<td>140</td>
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</tr>
<tr>
<td>March</td>
<td>72</td>
<td>27</td>
<td>10</td>
<td>190</td>
<td></td>
</tr>
<tr>
<td>Q3-Q4FY13³</td>
<td>203</td>
<td>61</td>
<td>29</td>
<td>462</td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>74</td>
<td>20</td>
<td>10</td>
<td>155</td>
<td></td>
</tr>
<tr>
<td>July-August FY13³</td>
<td>558</td>
<td>669</td>
<td>188</td>
<td>1,506</td>
<td></td>
</tr>
</tbody>
</table>

¹ Budget Estimates; ² Estimated from Budget in Brief, MoF; ³ FY12 fiscal balance and its financing include the impact of debt consolidation of power and food sector; ⁴ GDP(re) on new basis (2005-2006) has been used to calculate deficit to GDP ratios; ⁵ Fiscal balance = total revenue - total expenditure; ⁶ Revenue balance = total revenue - current expenditure - interest payment (note that current expenditure are inclusive of unidentified expenditure); ⁷ Primary balance = total revenue - total expenditure + interest payment; ⁸ Federal excise duty; ⁹ Provisional, cumulative collection as given by FBR, which slightly differs from FBR tax collection reported in fiscal accounts. ¹⁰ Provisional Sources: Ministry of Finance (MoF), Federal Board of Revenue (FBR), Statistics and Data Warehouse Department (S&DWD), SBP.
### Government Domestic Debt

**Stock of government domestic debt has increased by Rs 1,202 billion during July-April FY13.**

#### Debt by Owner - end period stocks (billion Rs)

<table>
<thead>
<tr>
<th>Debt category</th>
<th>Apr-13</th>
<th>Jun-12</th>
<th>Change since Jun-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank</td>
<td>5,360</td>
<td>4,427</td>
<td>932</td>
</tr>
<tr>
<td>Commercial banks</td>
<td>3,421</td>
<td>2,665</td>
<td>757</td>
</tr>
<tr>
<td>SBP</td>
<td>1,938</td>
<td>1,763</td>
<td>176</td>
</tr>
<tr>
<td>Non-bank</td>
<td>3,476</td>
<td>3,209</td>
<td>267</td>
</tr>
<tr>
<td>National saving schemes (NSS)</td>
<td>2,450</td>
<td>2,131</td>
<td>318</td>
</tr>
<tr>
<td>Others</td>
<td>1,027</td>
<td>1,078</td>
<td>-52</td>
</tr>
<tr>
<td>Foreign currency instruments</td>
<td>4</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total (1+2+3)</strong></td>
<td>8,841</td>
<td>7,638</td>
<td>1,202</td>
</tr>
</tbody>
</table>

#### Debt by Type - end period stocks (billion Rs)

<table>
<thead>
<tr>
<th>Debt Type</th>
<th>Apr-13</th>
<th>Jun-12</th>
<th>Change since Jun-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent debt</td>
<td>1,975</td>
<td>1,696</td>
<td>279</td>
</tr>
<tr>
<td>PIBs</td>
<td>1,135</td>
<td>975</td>
<td>160</td>
</tr>
<tr>
<td>Prize bonds</td>
<td>376</td>
<td>333</td>
<td>43</td>
</tr>
<tr>
<td>Others</td>
<td>463</td>
<td>388</td>
<td>76</td>
</tr>
<tr>
<td>Floating debt</td>
<td>4,788</td>
<td>4,143</td>
<td>645</td>
</tr>
<tr>
<td>MTBs</td>
<td>2,853</td>
<td>2,383</td>
<td>470</td>
</tr>
<tr>
<td>MRTBs-replenishment</td>
<td>1,935</td>
<td>1,760</td>
<td>176</td>
</tr>
<tr>
<td>Unfunded debt</td>
<td>2,073</td>
<td>1,798</td>
<td>275</td>
</tr>
<tr>
<td>Saving schemes</td>
<td>1,949</td>
<td>1,676</td>
<td>272</td>
</tr>
<tr>
<td>Foreign currency instruments</td>
<td>4</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total (1+2+3)</strong></td>
<td>8,841</td>
<td>7,638</td>
<td>1,202</td>
</tr>
</tbody>
</table>

#### Government domestic liabilities

<table>
<thead>
<tr>
<th>Source</th>
<th>Apr-13</th>
<th>Jun-12</th>
<th>Change since Jun-12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>118</td>
<td>242</td>
<td>-124</td>
</tr>
</tbody>
</table>

1 Includes FEBCs, FCBCs, DBCs and special USD bonds held by the residents.
2 Includes market loans and GOP Ijara Sukuk 3 Years.
3 Includes funds mobilized through NSS excluding prize bonds.
4 This reflects provincial governments’ borrowings from banks for commodity operations.

**Interest payments on domestic debt have shown an annualized growth of 20 percent during July-April FY13 as compared to the same period of FY12.**

#### Debt Servicing (billion Rs)

<table>
<thead>
<tr>
<th>Debit category</th>
<th>Jul-Apr FY13</th>
<th>Jul-Apr FY12</th>
<th>Percent change during Jul-Apr FY13 over Jul-Apr FY12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent</td>
<td>170</td>
<td>118</td>
<td>44.1</td>
</tr>
<tr>
<td>Floating</td>
<td>413</td>
<td>296</td>
<td>39.4</td>
</tr>
<tr>
<td>Unfunded</td>
<td>199</td>
<td>238</td>
<td>-16.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>783</td>
<td>652</td>
<td>20.0</td>
</tr>
</tbody>
</table>

#### Indicators of Domestic Debt Sustainability

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Jun-09</th>
<th>Jun-10</th>
<th>Jun-11</th>
<th>Jun-12</th>
<th>Apr-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt stock as percent of GDP</td>
<td>29.2</td>
<td>31.3</td>
<td>32.9</td>
<td>38.0</td>
<td>38.6</td>
</tr>
<tr>
<td>Debt servicing as percent of</td>
<td>FY09</td>
<td>FY10</td>
<td>FY11</td>
<td>FY12</td>
<td>Jul-Mar FY13</td>
</tr>
<tr>
<td>GDP</td>
<td>4.4</td>
<td>3.9</td>
<td>3.6</td>
<td>4.1</td>
<td>4.3</td>
</tr>
<tr>
<td>Total revenue</td>
<td>31.2</td>
<td>28.0</td>
<td>28.7</td>
<td>31.8</td>
<td>34.4</td>
</tr>
<tr>
<td>Tax revenue</td>
<td>48.0</td>
<td>39.5</td>
<td>38.2</td>
<td>39.8</td>
<td>47.8</td>
</tr>
<tr>
<td>Total expenditure</td>
<td>22.8</td>
<td>19.3</td>
<td>18.8</td>
<td>20.8</td>
<td>23.0</td>
</tr>
<tr>
<td>Current expenditure</td>
<td>28.3</td>
<td>24.4</td>
<td>21.8</td>
<td>25.6</td>
<td>26.8</td>
</tr>
</tbody>
</table>

1 Includes prize bonds.

**Sources**: Central Directorate of National Savings (CDNS), Statistics and Data Warehouse Department (S&DWD), SBP and Ministry of Finance (MoF).
### External Debt

**Stock of public sector external debt has decreased by US$4.4 billion during July-March FY13.**

#### Debt & Liabilities - end period stocks (million US$)

<table>
<thead>
<tr>
<th>Items</th>
<th>Mar-13</th>
<th>Jun-12</th>
<th>Change since Jul 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Public debt (a+b+c)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Government debt</td>
<td>51,429</td>
<td>55,862</td>
<td>-4,433</td>
</tr>
<tr>
<td>b) Non-guaranteed debt</td>
<td>43,741</td>
<td>46,123</td>
<td>-2,382</td>
</tr>
<tr>
<td>i) Long term (&gt;1 year)</td>
<td>43,740</td>
<td>45,742</td>
<td>-2,002</td>
</tr>
<tr>
<td>Paris club</td>
<td>13,874</td>
<td>15,014</td>
<td>-1,140</td>
</tr>
<tr>
<td>Multilateral</td>
<td>24,177</td>
<td>25,406</td>
<td>-1,229</td>
</tr>
<tr>
<td>Other bilateral</td>
<td>2,836</td>
<td>2,469</td>
<td>367</td>
</tr>
<tr>
<td>Euro/Sukuk global bonds</td>
<td>1,550</td>
<td>1,550</td>
<td>0</td>
</tr>
<tr>
<td>Military debt</td>
<td>103</td>
<td>103</td>
<td>0</td>
</tr>
<tr>
<td>Commercial loans/credits</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Local currency bonds (TBs &amp; PBs)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Saudi fund for development (SFD)</td>
<td>200</td>
<td>200</td>
<td>0</td>
</tr>
<tr>
<td>SAFE China deposits</td>
<td>1,000</td>
<td>1,000</td>
<td>0</td>
</tr>
<tr>
<td>NBP/BOC deposits</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>ii) Short term (&lt;1 year)</td>
<td>0.4</td>
<td>381</td>
<td>-381</td>
</tr>
<tr>
<td>IDB</td>
<td>0</td>
<td>377</td>
<td>-377</td>
</tr>
<tr>
<td>b) From IMF</td>
<td>5,300</td>
<td>7,337</td>
<td>-2,037</td>
</tr>
<tr>
<td>i) Federal government</td>
<td>1,693</td>
<td>1,894</td>
<td>-201</td>
</tr>
<tr>
<td>ii) Central bank</td>
<td>3,607</td>
<td>5,443</td>
<td>-1,836</td>
</tr>
<tr>
<td>c) Foreign exchange liabilities (FEL)</td>
<td>2,388</td>
<td>2,402</td>
<td>-14</td>
</tr>
<tr>
<td>2. Public sector enterprises (PSEs)</td>
<td>1,826</td>
<td>1,524</td>
<td>302</td>
</tr>
<tr>
<td>a) Guaranteed debt</td>
<td>544</td>
<td>226</td>
<td>318</td>
</tr>
<tr>
<td>b) Non-guaranteed debt</td>
<td>1,816</td>
<td>1,844</td>
<td>-28</td>
</tr>
<tr>
<td>i) Long term (&gt;1 year)</td>
<td>1,816</td>
<td>1,844</td>
<td>-28</td>
</tr>
<tr>
<td>ii) Short term (&lt;1 year)</td>
<td>78</td>
<td>92</td>
<td>-14</td>
</tr>
<tr>
<td>3. Scheduled banks</td>
<td>829</td>
<td>768</td>
<td>60</td>
</tr>
<tr>
<td>a) Borrowing</td>
<td>907</td>
<td>860</td>
<td>-46</td>
</tr>
<tr>
<td>i) Long term (&gt;1 year)</td>
<td>907</td>
<td>860</td>
<td>-46</td>
</tr>
<tr>
<td>ii) Short term (&lt;1 year)</td>
<td>78</td>
<td>92</td>
<td>-14</td>
</tr>
<tr>
<td>b) Nonresident deposits (LCY &amp; FCY)</td>
<td>909</td>
<td>983</td>
<td>-75</td>
</tr>
<tr>
<td>4. Private sector</td>
<td>3,254</td>
<td>3,576</td>
<td>-322</td>
</tr>
<tr>
<td>a) Guaranteed debt</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>b) Non-guaranteed debt</td>
<td>3,254</td>
<td>3,576</td>
<td>-322</td>
</tr>
<tr>
<td>i) Loans</td>
<td>2,146</td>
<td>2,447</td>
<td>-301</td>
</tr>
<tr>
<td>ii) Private non-guaranteed bonds</td>
<td>124</td>
<td>124</td>
<td>0</td>
</tr>
<tr>
<td>ii) Trade credit and others liabilities</td>
<td>984</td>
<td>1,005</td>
<td>-11</td>
</tr>
<tr>
<td>5. Debt liabilities to direct investors-intercompany debt</td>
<td>2,545</td>
<td>2,672</td>
<td>-128</td>
</tr>
<tr>
<td>Total external debt (excl. FEL)</td>
<td>58,481</td>
<td>63,076</td>
<td>-4,595</td>
</tr>
<tr>
<td>Total external debt &amp; liabilities (1+2+3+4+5)</td>
<td>60,869</td>
<td>65,478</td>
<td>-4,609</td>
</tr>
</tbody>
</table>

#### Debt Servicing (million US$)

<table>
<thead>
<tr>
<th>Items</th>
<th>Jul-Mar FY13</th>
<th>FY13</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Public debt (a+b+c)</td>
<td>3,608</td>
<td>3,670</td>
</tr>
<tr>
<td>a) Government debt</td>
<td>1,540</td>
<td>2,240</td>
</tr>
<tr>
<td>Principal</td>
<td>1,078</td>
<td>1,546</td>
</tr>
<tr>
<td>Interest</td>
<td>463</td>
<td>694</td>
</tr>
<tr>
<td>b) To IMF</td>
<td>2,058</td>
<td>1,318</td>
</tr>
<tr>
<td>Principal</td>
<td>1,974</td>
<td>1,154</td>
</tr>
<tr>
<td>Interest</td>
<td>84</td>
<td>164</td>
</tr>
<tr>
<td>c) Foreign exchange liabilities</td>
<td>10</td>
<td>112</td>
</tr>
<tr>
<td>Principal</td>
<td>0</td>
<td>100</td>
</tr>
<tr>
<td>Interest</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>2. PSEs guaranteed debt</td>
<td>35</td>
<td>40</td>
</tr>
<tr>
<td>Principal</td>
<td>21</td>
<td>31</td>
</tr>
<tr>
<td>Interest</td>
<td>14</td>
<td>9</td>
</tr>
<tr>
<td>3. PSEs non-guaranteed debt</td>
<td>188</td>
<td>208</td>
</tr>
<tr>
<td>Principal</td>
<td>170</td>
<td>179</td>
</tr>
<tr>
<td>Interest</td>
<td>18</td>
<td>28</td>
</tr>
<tr>
<td>4. Principal guaranteed debt</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Interest</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>5. Private guaranteed debt</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Interest</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>6. Private non-guaranteed debt</td>
<td>262</td>
<td>339</td>
</tr>
<tr>
<td>Principal</td>
<td>212</td>
<td>265</td>
</tr>
<tr>
<td>Interest</td>
<td>50</td>
<td>74</td>
</tr>
<tr>
<td>7. Private non-guaranteed bonds</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Principal</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Interest</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Total Long term external debt servicing (1+2+3+4+5+6+7)</td>
<td>4,113</td>
<td>4,285</td>
</tr>
<tr>
<td>Principal</td>
<td>3,469</td>
<td>3,294</td>
</tr>
<tr>
<td>Interest</td>
<td>643</td>
<td>991</td>
</tr>
</tbody>
</table>

**Indicators of External Debt Sustainability**

#### End period debt stock as percent of GDP

<table>
<thead>
<tr>
<th>End period</th>
<th>Debt stock as percent of GDP</th>
<th>Change FY12</th>
</tr>
</thead>
<tbody>
<tr>
<td>JUN-08</td>
<td>29.7</td>
<td>0.0</td>
</tr>
<tr>
<td>JUN-09</td>
<td>32.3</td>
<td>2.6</td>
</tr>
<tr>
<td>JUN-10</td>
<td>33.0</td>
<td>0.7</td>
</tr>
<tr>
<td>JUN-11</td>
<td>31.2</td>
<td>-1.8</td>
</tr>
<tr>
<td>JUN-12</td>
<td>30.8</td>
<td>-0.4</td>
</tr>
<tr>
<td>JUN-13</td>
<td>26.2</td>
<td>-4.6</td>
</tr>
</tbody>
</table>

#### Total Long term external debt servicing as percent of GDP

<table>
<thead>
<tr>
<th>End period debt stock as percent of GDP</th>
<th>Change FY12</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY08</td>
<td>2.0</td>
</tr>
<tr>
<td>FY09</td>
<td>2.9</td>
</tr>
<tr>
<td>FY10</td>
<td>3.3</td>
</tr>
<tr>
<td>FY11</td>
<td>2.0</td>
</tr>
<tr>
<td>FY12</td>
<td>2.0</td>
</tr>
<tr>
<td>FY13P</td>
<td>3.1</td>
</tr>
</tbody>
</table>

#### Stock of external debt as percent of GDP has declined to 26.2 percent by the end of March 2013.

**Stock of external debt and liabilities (billion US$)**

![Image](image-url)
### Total Debt Stock (billion Rs)

<table>
<thead>
<tr>
<th></th>
<th>Mar-13</th>
<th>Jun-12</th>
<th>Change since June 12</th>
<th>Share in Jul-Mar FY13 (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Government domestic debt</td>
<td>8,801</td>
<td>7,638</td>
<td>1,162</td>
<td>57.0</td>
</tr>
<tr>
<td>II. Government external debt</td>
<td>4,307</td>
<td>4,364</td>
<td>-57</td>
<td>27.9</td>
</tr>
<tr>
<td>III. Debt from IMF</td>
<td>522</td>
<td>694</td>
<td>-172</td>
<td>3.4</td>
</tr>
<tr>
<td>IV. External liabilities</td>
<td>235</td>
<td>227</td>
<td>8</td>
<td>1.5</td>
</tr>
<tr>
<td>V. Private sector external debt</td>
<td>499</td>
<td>513</td>
<td>-14</td>
<td>3.2</td>
</tr>
<tr>
<td>VI. PSEs external debt</td>
<td>180</td>
<td>144</td>
<td>36</td>
<td>1.2</td>
</tr>
<tr>
<td>VII. PSEs domestic debt</td>
<td>326</td>
<td>281</td>
<td>45</td>
<td>2.1</td>
</tr>
<tr>
<td>VIII. Commodity operations</td>
<td>325</td>
<td>438</td>
<td>-113</td>
<td>2.1</td>
</tr>
<tr>
<td>IX. Intercompany debt</td>
<td>251</td>
<td>253</td>
<td>-2</td>
<td>1.6</td>
</tr>
<tr>
<td>Total debt &amp; liabilities (I to IX)</td>
<td>15,446</td>
<td>14,553</td>
<td>892</td>
<td>100.0</td>
</tr>
<tr>
<td>Total public debt (I to IV)</td>
<td>13,865</td>
<td>12,924</td>
<td>941</td>
<td>89.8</td>
</tr>
<tr>
<td>Total external debt &amp; liabilities (II to VI &amp;+ IX)</td>
<td>5,994</td>
<td>6,196</td>
<td>-202</td>
<td>38.8</td>
</tr>
</tbody>
</table>

### Total Debt Servicing (billion Rs)

<table>
<thead>
<tr>
<th></th>
<th>Jul-Mar FY13</th>
<th>FY12</th>
<th>Share in Jul-Mar FY13 (percent)</th>
<th>Share in FY12 (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Debt Servicing(A+B)</td>
<td>1167</td>
<td>1266</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>A. Total interest payment on debt and liabilities (I+II)</td>
<td>833</td>
<td>972</td>
<td>71.4</td>
<td>76.8</td>
</tr>
<tr>
<td>I. Interest payment on debt (a+b)</td>
<td>793</td>
<td>907</td>
<td>67.9</td>
<td>71.6</td>
</tr>
<tr>
<td>a. Domestic debt</td>
<td>730</td>
<td>817</td>
<td>62.6</td>
<td>64.5</td>
</tr>
<tr>
<td>b. External debt</td>
<td>62</td>
<td>90</td>
<td>5.3</td>
<td>7.1</td>
</tr>
<tr>
<td>II. Interest payment on liabilities (a+b)</td>
<td>40</td>
<td>65</td>
<td>3.4</td>
<td>5.2</td>
</tr>
<tr>
<td>a. External liabilities</td>
<td>1</td>
<td>1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>b. Domestic liabilities</td>
<td>39</td>
<td>64</td>
<td>3.3</td>
<td>5.1</td>
</tr>
<tr>
<td>B. Principal repayment of external debt and liabilities</td>
<td>334</td>
<td>294</td>
<td>28.6</td>
<td>23.2</td>
</tr>
</tbody>
</table>

### Debt stock (as percent of GDP)

<table>
<thead>
<tr>
<th></th>
<th>Jul-Mar FY13</th>
<th>Jun-12</th>
<th>Jun-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total debt and liabilities</td>
<td>67.4</td>
<td>72.4</td>
<td>68.6</td>
</tr>
<tr>
<td>Total public debt</td>
<td>60.5</td>
<td>64.3</td>
<td>60.1</td>
</tr>
<tr>
<td>Total external debt and liabilities</td>
<td>26.2</td>
<td>30.8</td>
<td>31.2</td>
</tr>
<tr>
<td>Government domestic debt</td>
<td>38.4</td>
<td>38.0</td>
<td>32.9</td>
</tr>
<tr>
<td>PSEs debt and liabilities</td>
<td>3.6</td>
<td>4.3</td>
<td>5.1</td>
</tr>
</tbody>
</table>

### Debt Servicing (as percent of)

<table>
<thead>
<tr>
<th></th>
<th>Jul-Mar FY13</th>
<th>Jun-12</th>
<th>FY11</th>
<th>FY10</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>6.8</td>
<td>6.3</td>
<td>5.6</td>
<td>6.6</td>
</tr>
<tr>
<td>Total revenue</td>
<td>54.9</td>
<td>49.1</td>
<td>45.0</td>
<td>47.1</td>
</tr>
<tr>
<td>Tax revenue</td>
<td>76.4</td>
<td>61.4</td>
<td>59.9</td>
<td>66.4</td>
</tr>
<tr>
<td>Total expenditure</td>
<td>36.8</td>
<td>32.0</td>
<td>29.4</td>
<td>32.5</td>
</tr>
<tr>
<td>Current expenditure</td>
<td>42.8</td>
<td>39.5</td>
<td>34.1</td>
<td>41.0</td>
</tr>
</tbody>
</table>

**Note:** R: Revised; P: Provisional; * Rupee value of external debt and liabilities computed by applying the corresponding end period average exchange rate to the end-period stock; 1 This includes borrowings from banks by provincial and Federal governments agencies for commodity operations; 2 This is excluding short-term debt repayment; 3 FY13 debt servicing to GDP ratio is annualized.

Source: CDNS, Ministry of Finance, Economic Affairs Division and SBP
Government borrowing from the banking system has remained the key driver of monetary expansion during July 1 - June 7, FY13.

Monetary and Credit Aggregates

Monetary Assets of the Banking System

(billion Rs)

<table>
<thead>
<tr>
<th>Monetary Assets of the Banking System</th>
<th>End June 2012 stocks</th>
<th>Cumulative flows since end-June</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Latest week</td>
<td>A year ago</td>
</tr>
<tr>
<td></td>
<td>7-Jun-13</td>
<td>8-Jun-12</td>
</tr>
<tr>
<td>NFA</td>
<td>532</td>
<td>-182</td>
</tr>
<tr>
<td>NDA</td>
<td>7,110</td>
<td>1,084</td>
</tr>
<tr>
<td>Net government borrowings: of which</td>
<td>4,258</td>
<td>1,251</td>
</tr>
<tr>
<td>Net budgetary borrowing</td>
<td>3,800</td>
<td>1,230</td>
</tr>
<tr>
<td>Commodity operations</td>
<td>436</td>
<td>19</td>
</tr>
<tr>
<td>Non-government borrowings: of which</td>
<td>3,652</td>
<td>51</td>
</tr>
<tr>
<td>Private sector</td>
<td>3,376</td>
<td>9</td>
</tr>
<tr>
<td>PSEs</td>
<td>257</td>
<td>41</td>
</tr>
<tr>
<td>Other items (net)</td>
<td>-801</td>
<td>-218</td>
</tr>
<tr>
<td>M2</td>
<td>7,642</td>
<td>902</td>
</tr>
</tbody>
</table>

Monetary Liabilities of the Banking System

(billion Rs)

<table>
<thead>
<tr>
<th>Monetary Liabilities of the Banking System</th>
<th>Currency in circulation</th>
<th>Total deposits with banks</th>
<th>Demand deposits with banks</th>
<th>Time deposits with banks</th>
<th>RFCDs with banks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,674</td>
<td>5,959</td>
<td>4,712</td>
<td>807</td>
<td>440</td>
</tr>
<tr>
<td></td>
<td>340</td>
<td>560</td>
<td>458</td>
<td>34</td>
<td>68</td>
</tr>
<tr>
<td></td>
<td>240</td>
<td>492</td>
<td>317</td>
<td>126</td>
<td>49</td>
</tr>
<tr>
<td></td>
<td>172</td>
<td>776</td>
<td>589</td>
<td>121</td>
<td>65</td>
</tr>
<tr>
<td>M2</td>
<td>7,642</td>
<td>902</td>
<td>731</td>
<td>947</td>
<td></td>
</tr>
</tbody>
</table>

Monetary Assets of the Banking System

(percent growth)

<table>
<thead>
<tr>
<th>Monetary Assets of the Banking System</th>
<th>YoY (7-June-13)</th>
<th>Since end June</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7-Jun-13</td>
<td>8-Jun-12</td>
</tr>
<tr>
<td>NFA</td>
<td>-30.5</td>
<td>-34.2</td>
</tr>
<tr>
<td>NDA</td>
<td>18.4</td>
<td>15.2</td>
</tr>
<tr>
<td>Government borrowings</td>
<td>30.3</td>
<td>29.4</td>
</tr>
<tr>
<td>Budgetary borrowing</td>
<td>33.0</td>
<td>32.4</td>
</tr>
<tr>
<td>Commodity operations</td>
<td>7.8</td>
<td>4.4</td>
</tr>
<tr>
<td>Non-government sector borrowings</td>
<td>3.0</td>
<td>1.4</td>
</tr>
<tr>
<td>Private sector</td>
<td>1.9</td>
<td>0.3</td>
</tr>
<tr>
<td>PSEs</td>
<td>18.4</td>
<td>16.1</td>
</tr>
<tr>
<td>Other items (Net)</td>
<td>13.2</td>
<td>27.2</td>
</tr>
<tr>
<td>M2</td>
<td>15.1</td>
<td>11.8</td>
</tr>
</tbody>
</table>

Memorandum Items

<table>
<thead>
<tr>
<th>Memorandum Items</th>
<th>Latest week</th>
<th>A year ago</th>
<th>FY12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7-Jun-13</td>
<td>8-Jun-12</td>
<td></td>
</tr>
<tr>
<td>Money multiplier</td>
<td>3.4</td>
<td>3.4</td>
<td>3.5</td>
</tr>
<tr>
<td>Currency to deposit ratio (percent)</td>
<td>30.9</td>
<td>30.7</td>
<td>28.1</td>
</tr>
<tr>
<td>M2 to GDP ratio (percent)</td>
<td>37.3</td>
<td>37.0</td>
<td>38.0</td>
</tr>
<tr>
<td>Private sector credit to GDP ratio (percent)</td>
<td>14.8</td>
<td>16.5</td>
<td>16.8</td>
</tr>
</tbody>
</table>

Note: All FY13 numbers are provisional; Source: Statistics & Data Warehouse Department (S&DWD), SBP
**Government borrowing from SBP is the main driver of reserve money growth during July 1 - June 7, FY13.**

### Monetary Assets of SBP

<table>
<thead>
<tr>
<th></th>
<th>Latest week</th>
<th>A year ago</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7-Jun-13</td>
<td>8-Jun-12</td>
</tr>
<tr>
<td>NFA</td>
<td>-187</td>
<td>-215</td>
</tr>
<tr>
<td>NDA: of which</td>
<td>463</td>
<td>443</td>
</tr>
<tr>
<td>Budgetary borrowing</td>
<td>502</td>
<td>505</td>
</tr>
<tr>
<td>Other items (net)</td>
<td>-13</td>
<td>-37</td>
</tr>
<tr>
<td>Net impact of OMOs/discounting</td>
<td>96</td>
<td>37</td>
</tr>
<tr>
<td>Reserve money</td>
<td>248</td>
<td>223</td>
</tr>
</tbody>
</table>

### Monetary Liabilities of SBP

<table>
<thead>
<tr>
<th></th>
<th>Latest week</th>
<th>A year ago</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7-Jun-13</td>
<td>8-Jun-12</td>
</tr>
<tr>
<td>Currency in circulation</td>
<td>240</td>
<td>172</td>
</tr>
<tr>
<td>Cash in tills</td>
<td>-9</td>
<td>5</td>
</tr>
<tr>
<td>Bank deposits with SBP (reserves)</td>
<td>18</td>
<td>47</td>
</tr>
<tr>
<td>Other deposits with SBP</td>
<td>-1</td>
<td>-1</td>
</tr>
<tr>
<td>Reserve money</td>
<td>126</td>
<td>113</td>
</tr>
</tbody>
</table>

### Government borrowing from the scheduled banks is significantly higher in FY13 than in FY12, adjusting for Rs391 billion on account of PSEs' debt settlement in FY12.

### Details on Government Borrowing for Budgetary Support

<table>
<thead>
<tr>
<th></th>
<th>Latest week</th>
<th>A year ago</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7-Jun-13</td>
<td>8-Jun-12</td>
</tr>
<tr>
<td>Budgetary borrowing</td>
<td>1,182</td>
<td>1,198</td>
</tr>
<tr>
<td>Federal government</td>
<td>1,131</td>
<td>1,161</td>
</tr>
<tr>
<td>From SBP</td>
<td>462</td>
<td>464</td>
</tr>
<tr>
<td>From SBP's holdings of MRTBs</td>
<td>383</td>
<td>442</td>
</tr>
<tr>
<td>From scheduled banks (SBs)</td>
<td>669</td>
<td>697</td>
</tr>
<tr>
<td>Provincial governments</td>
<td>51</td>
<td>37</td>
</tr>
<tr>
<td>From SBP</td>
<td>41</td>
<td>41</td>
</tr>
<tr>
<td>From scheduled banks</td>
<td>10</td>
<td>4</td>
</tr>
</tbody>
</table>

**Memorandum Items**

<table>
<thead>
<tr>
<th></th>
<th>Latest week</th>
<th>A year ago</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,136.00</td>
<td>1,143.95</td>
</tr>
<tr>
<td>BP</td>
<td>509.74</td>
<td>507.53</td>
</tr>
<tr>
<td>Scheduled banks</td>
<td>626.26</td>
<td>636.41</td>
</tr>
</tbody>
</table>

1 Including Rs 391 billion shifted due to settlement of PSEs debt stock.

2 Current overdraft ceilings for provinces are: Rs37 billion for Punjab; Rs15 billion for Sindh; Rs10.1 billion for KP; Rs7.1 billion for Baluchistan; Rs2.7 billion for AJK.

3 The end-June 2012 net stock of borrowings was negative as provincial governments' deposits with scheduled banks exceeded their borrowings.

Source: Statistics & Data Warehouse Department (S&DWD), SBP

---

**Budgetary Borrowings - Cumulative Flows since end June**

<table>
<thead>
<tr>
<th></th>
<th>Latest week</th>
<th>A year ago</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7-Jun-12</td>
<td>8-Jun-12</td>
</tr>
<tr>
<td>From scheduled banks</td>
<td>41</td>
<td>41</td>
</tr>
<tr>
<td>From scheduled banks</td>
<td>10</td>
<td>4</td>
</tr>
</tbody>
</table>

**Cumulative Budgetary Borrowings during FY13**

<table>
<thead>
<tr>
<th></th>
<th>Latest week</th>
<th>A year ago</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7-Jun-12</td>
<td>8-Jun-12</td>
</tr>
<tr>
<td>From scheduled banks</td>
<td>41</td>
<td>41</td>
</tr>
<tr>
<td>From scheduled banks</td>
<td>10</td>
<td>4</td>
</tr>
</tbody>
</table>

---

**Government borrowing from the scheduled banks is significantly higher in FY13 than in FY12, adjusting for Rs391 billion on account of PSEs' debt settlement in FY12.**
Credit to private sector businesses performed better in July-April, FY13 compared to same period of FY12; both working capital and fixed investments have shown improvement.

Credit to Private Sector

<table>
<thead>
<tr>
<th></th>
<th>End June 2012 stocks</th>
<th>Cumulative flows (billion Rs)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Jul-Apr FY13</td>
<td>Jul-Apr FY12</td>
</tr>
<tr>
<td>Total credit to private sector</td>
<td>3,376.4</td>
<td>150.0</td>
<td>252.5</td>
</tr>
<tr>
<td>1. Loans to private sector businesses</td>
<td>2,450.1</td>
<td>159.9</td>
<td>56.9</td>
</tr>
<tr>
<td>By type</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working capital: of which</td>
<td>1,582.1</td>
<td>140.1</td>
<td>-45.3</td>
</tr>
<tr>
<td>Export finance</td>
<td>247.0</td>
<td>18.7</td>
<td>-6.3</td>
</tr>
<tr>
<td>Import finance</td>
<td>126.6</td>
<td>0.2</td>
<td>-4.4</td>
</tr>
<tr>
<td>Fixed investment</td>
<td>868.0</td>
<td>19.8</td>
<td>11.6</td>
</tr>
<tr>
<td>By Sectors: of which</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>198.4</td>
<td>17.4</td>
<td>13.2</td>
</tr>
<tr>
<td>Manufacturing: of which</td>
<td>1,389.9</td>
<td>132.2</td>
<td>58.7</td>
</tr>
<tr>
<td>Textiles</td>
<td>491.0</td>
<td>62.2</td>
<td>0.8</td>
</tr>
<tr>
<td>Food products &amp; beverages</td>
<td>290.4</td>
<td>55.9</td>
<td>25.7</td>
</tr>
<tr>
<td>Chemicals &amp; products</td>
<td>172.4</td>
<td>3.0</td>
<td>17.6</td>
</tr>
<tr>
<td>Non-metallic mineral products</td>
<td>76.5</td>
<td>-12.2</td>
<td>-12.4</td>
</tr>
<tr>
<td>Wearing apparel, readymade gar.</td>
<td>48.3</td>
<td>3.7</td>
<td>-0.5</td>
</tr>
<tr>
<td>Electricity, gas and water</td>
<td>278.1</td>
<td>10.6</td>
<td>2.4</td>
</tr>
<tr>
<td>Construction</td>
<td>53.5</td>
<td>-1.2</td>
<td>-14.0</td>
</tr>
<tr>
<td>Commerce and trade</td>
<td>210.0</td>
<td>-3.9</td>
<td>-9.6</td>
</tr>
<tr>
<td>Transport, storage and comm.</td>
<td>111.3</td>
<td>-6.9</td>
<td>-0.9</td>
</tr>
<tr>
<td>Services: of which</td>
<td>149.9</td>
<td>-3.4</td>
<td>-5.5</td>
</tr>
<tr>
<td>Real estate/renting &amp; business act.</td>
<td>107.9</td>
<td>1.3</td>
<td>-2.2</td>
</tr>
<tr>
<td>2. Personal: of which</td>
<td>285.0</td>
<td>13.2</td>
<td>-11.6</td>
</tr>
<tr>
<td>Consumer financing</td>
<td>198.7</td>
<td>8.4</td>
<td>-15.2</td>
</tr>
<tr>
<td>3. Investment in securities and shares</td>
<td>153.2</td>
<td>22.8</td>
<td>4.6</td>
</tr>
<tr>
<td>4. Others: of which</td>
<td>488.0</td>
<td>-45.9</td>
<td>202.7</td>
</tr>
<tr>
<td>Non-bank finance companies</td>
<td>242.4</td>
<td>-80.7</td>
<td>84.3</td>
</tr>
</tbody>
</table>

1 This also includes credit to some Public Sector Enterprises, and other categories.

Source: Statistics and Data Warehouse Department (S&DWD), SBP.
Key Indicators of Monetary Sector

Monetary Sector
Month end stocks data has been used.
YoY growth shows growth over same month last year.
* Data pertains to June 7, 2013
Source: Statistics and Data Warehouse Department (S&DWD), SBP.
Money Market

SBP has kept reverse repo rate (policy rate) unchanged at 9.5 percent after 17th December 2012. However, with effect from 11th February 2013, it has increased the SSBP repo rate by 50 bps to 7.0 percent.

Policy Instruments (percent)

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>w.e.f Previous</th>
<th>w.e.f</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBP reverse repo rate</td>
<td>9.5</td>
<td>17-Dec-12</td>
<td>10.0</td>
<td>-0.5</td>
</tr>
<tr>
<td>SBP repo rate</td>
<td>7.0</td>
<td>11-Feb-13</td>
<td>6.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Weekly average CRR on DL and TL &lt; 1 year</td>
<td>5.0</td>
<td>1-Nov-08</td>
<td>6.0</td>
<td>-1.0</td>
</tr>
<tr>
<td>Daily minimum CRR on DL and TL &lt; 1 year</td>
<td>3.0</td>
<td>12-Oct-12</td>
<td>4.0</td>
<td>-1.0</td>
</tr>
<tr>
<td>CRR on TL &gt; 1 year</td>
<td>19.0</td>
<td>24-May-08</td>
<td>18.0</td>
<td>1.0</td>
</tr>
<tr>
<td>SLR on DL and TL &lt; 1 year</td>
<td>19.0</td>
<td>3-Jun-11</td>
<td>14.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Islamic banks</td>
<td>0.0</td>
<td>18-Oct-08</td>
<td>9.0</td>
<td>-9.0</td>
</tr>
</tbody>
</table>

1 Basis points

Bi-weekly CRR is the proportion of local currency time and demand liabilities (TDL) that schedule banks are required to maintain with SBP in the form of cash on average during the reserve maintenance period.

Volatility in overnight repo rate has declined in H2-FY13 compared to H1-FY13.

Banks’ holding of government securities for SLR now stands at 87 percent of their total liquid assets maintained.

Overall Reserve Requirement (billion Rs)

<table>
<thead>
<tr>
<th></th>
<th>Maintenance period started as on</th>
<th>Change since</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY13</td>
<td>Last MPS</td>
</tr>
<tr>
<td>Required reserves</td>
<td>1336.4</td>
<td>1310.6</td>
</tr>
<tr>
<td>for CRR</td>
<td>278.4</td>
<td>273.0</td>
</tr>
<tr>
<td>for SLR</td>
<td>1058.0</td>
<td>1037.6</td>
</tr>
<tr>
<td>Maintained6</td>
<td>3457.1</td>
<td>3391.4</td>
</tr>
<tr>
<td>Cash</td>
<td>420.5</td>
<td>405.6</td>
</tr>
<tr>
<td>Cash in tills</td>
<td>120.5</td>
<td>127.1</td>
</tr>
<tr>
<td>Balance with SBP</td>
<td>278.6</td>
<td>257.2</td>
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<td>Balance with NPB</td>
<td>21.5</td>
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<tr>
<td>Securities</td>
<td>2995.0</td>
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<tr>
<td>Others7</td>
<td>41.5</td>
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<tr>
<td>Excess liquid assets6</td>
<td>2120.7</td>
<td>2080.8</td>
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</tbody>
</table>

*up to June 7, 2013

1 Includes excess securities + cash and other assets maintained.

Source: Off-site Supervision and Enforcement Department, SBP
Banks’ use of SBP’s reverse repo facility has significantly increased in Q4-FY13.

Use of SBP’s Standing Facilities

<table>
<thead>
<tr>
<th>Amount</th>
<th>Days</th>
<th>FY11</th>
<th>No.</th>
<th>1,138.8</th>
<th>83</th>
</tr>
</thead>
<tbody>
<tr>
<td>billion Rs</td>
<td>No.</td>
<td>million Rs</td>
<td>No.</td>
<td>No.</td>
<td></td>
</tr>
<tr>
<td>Q1</td>
<td>142.2</td>
<td>13</td>
<td>402.3</td>
<td>21</td>
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<tr>
<td>Q2</td>
<td>77.1</td>
<td>10</td>
<td>207.2</td>
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<tr>
<td>Q3</td>
<td>283.0</td>
<td>16</td>
<td>65.4</td>
<td>11</td>
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<tr>
<td>Q4</td>
<td>189.1</td>
<td>14</td>
<td>463.9</td>
<td>25</td>
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</tr>
<tr>
<td>FY12</td>
<td>2,477.2</td>
<td>119</td>
<td>948.1</td>
<td>47</td>
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<tr>
<td>Q1</td>
<td>716.0</td>
<td>41</td>
<td>56.3</td>
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<tr>
<td>Q2</td>
<td>704.9</td>
<td>26</td>
<td>346.9</td>
<td>15</td>
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<tr>
<td>Q3</td>
<td>476.5</td>
<td>25</td>
<td>335.0</td>
<td>13</td>
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<td>Q4</td>
<td>579.8</td>
<td>27</td>
<td>209.9</td>
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<tr>
<td>FY13¹</td>
<td>2,909.8</td>
<td>86.0</td>
<td>748.0</td>
<td>33</td>
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<tr>
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<td>1,035.7</td>
<td>32</td>
<td>239.9</td>
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<td>Q2</td>
<td>524.0</td>
<td>14</td>
<td>331.2</td>
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<tr>
<td>Q3</td>
<td>347.7</td>
<td>14</td>
<td>121.6</td>
<td>5</td>
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<tr>
<td>Q4</td>
<td>1,002.4</td>
<td>26</td>
<td>55.3</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

¹ Updated up to June 20, 2013

The level of outstanding OMOs has declined in H2-FY13.

Outstanding Open Market Operations² (billion rupees)

<table>
<thead>
<tr>
<th>Average Outstanding OMOs</th>
<th>End-period Outstanding OMOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY11</td>
<td>(4.1)</td>
</tr>
<tr>
<td>Q1</td>
<td>15.0</td>
</tr>
<tr>
<td>Q2</td>
<td>(13.0)</td>
</tr>
<tr>
<td>Q3</td>
<td>20.5</td>
</tr>
<tr>
<td>Q4</td>
<td>(38.6)</td>
</tr>
<tr>
<td>FY12</td>
<td>208.5</td>
</tr>
<tr>
<td>Q1</td>
<td>120.7</td>
</tr>
<tr>
<td>Q2</td>
<td>289.6</td>
</tr>
<tr>
<td>Q3</td>
<td>281.6</td>
</tr>
<tr>
<td>Q4</td>
<td>143.2</td>
</tr>
<tr>
<td>FY13³</td>
<td>464.3</td>
</tr>
<tr>
<td>Q1</td>
<td>384.7</td>
</tr>
<tr>
<td>Q2</td>
<td>568.0</td>
</tr>
<tr>
<td>Q3</td>
<td>539.1</td>
</tr>
<tr>
<td>Q4³</td>
<td>355.0</td>
</tr>
</tbody>
</table>

² It includes the impact of outright transactions (if any).
³ Updated up to June 21, 2013

Source: Domestic Markets & Monetary Management Department, SBP
Secondary market yields of 3-month and above tenors have declined since the last monetary policy decision in April 2013.

KIBOR of almost all tenors has declined since the last monetary policy decision in April 2013.

Spreads between KIBOR and PKRV rates of 6-month and above tenors have increased compared to their levels observed at the time of monetary policy announcement in April 2013.

Sources: SBP and Financial Market Association of Pakistan

---

### Monetary Policy Information Compendium

**June 2013**

---

**Pak Rupee Revaluation (PKRV) Rates (%)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1-week</td>
<td>9.44</td>
<td>9.63</td>
<td>-21</td>
</tr>
<tr>
<td>2-week</td>
<td>9.44</td>
<td>9.65</td>
<td>-26</td>
</tr>
<tr>
<td>1-month</td>
<td>9.46</td>
<td>9.54</td>
<td>-10</td>
</tr>
<tr>
<td>3-month</td>
<td>9.31</td>
<td>9.45</td>
<td>-16</td>
</tr>
<tr>
<td>6-month</td>
<td>9.19</td>
<td>9.41</td>
<td>-23</td>
</tr>
<tr>
<td>9-month</td>
<td>9.19</td>
<td>9.42</td>
<td>-26</td>
</tr>
<tr>
<td>1-year</td>
<td>9.18</td>
<td>9.43</td>
<td>-11</td>
</tr>
<tr>
<td>2-year</td>
<td>9.29</td>
<td>9.46</td>
<td>-28</td>
</tr>
<tr>
<td>3-year</td>
<td>9.61</td>
<td>10.05</td>
<td>-110</td>
</tr>
<tr>
<td>5-year</td>
<td>10.09</td>
<td>10.38</td>
<td>-116</td>
</tr>
<tr>
<td>7-year</td>
<td>10.60</td>
<td>10.82</td>
<td>-107</td>
</tr>
<tr>
<td>10-year</td>
<td>11.00</td>
<td>11.10</td>
<td>-94</td>
</tr>
<tr>
<td>20-year</td>
<td>11.95</td>
<td>12.11</td>
<td>-55</td>
</tr>
<tr>
<td>30-year</td>
<td>12.14</td>
<td>12.23</td>
<td>-46</td>
</tr>
</tbody>
</table>

---

**Yield Curve**

- **21-Jun-13**
- **12-Apr-13**

---

**KIBOR and PKRV Spread (basis points)**

<table>
<thead>
<tr>
<th>Tenors</th>
<th>Change since 21-May-13 12-Apr-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-week</td>
<td>-8 -11</td>
</tr>
<tr>
<td>2-week</td>
<td>-4 -6</td>
</tr>
<tr>
<td>1-month</td>
<td>-2 -3</td>
</tr>
<tr>
<td>3-month</td>
<td>3 -1</td>
</tr>
<tr>
<td>6-month</td>
<td>6 -9</td>
</tr>
<tr>
<td>9-month</td>
<td>6 -11</td>
</tr>
<tr>
<td>12-month</td>
<td>3 -10</td>
</tr>
<tr>
<td>2-year</td>
<td>-16 -18</td>
</tr>
<tr>
<td>3-year</td>
<td>-10 -22</td>
</tr>
</tbody>
</table>

---

**Daily Movement in KIBOR**

- **1-M**
- **3-M**
- **6-M**
- **Policy Rate**

---

**Sources:** SBP and Financial Market Association of Pakistan
Spread between incremental WALR and WADR stood at 453 bps in April 2013.

<table>
<thead>
<tr>
<th>Months</th>
<th>Incremental WALR</th>
<th>Incremental WADR</th>
<th>Spread (bps)</th>
<th>Outstanding WALR</th>
<th>Outstanding WADR</th>
<th>Spread (bps)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr-12</td>
<td>12.83</td>
<td>7.14</td>
<td>569</td>
<td>12.98</td>
<td>5.76</td>
<td>722</td>
</tr>
<tr>
<td>May-12</td>
<td>12.94</td>
<td>6.25</td>
<td>669</td>
<td>12.95</td>
<td>5.88</td>
<td>707</td>
</tr>
<tr>
<td>Jun-12</td>
<td>13.13</td>
<td>6.46</td>
<td>667</td>
<td>12.96</td>
<td>5.82</td>
<td>714</td>
</tr>
<tr>
<td>Jul-12</td>
<td>13.03</td>
<td>7.11</td>
<td>592</td>
<td>12.93</td>
<td>5.88</td>
<td>705</td>
</tr>
<tr>
<td>Aug-12</td>
<td>12.51</td>
<td>6.97</td>
<td>554</td>
<td>12.82</td>
<td>5.87</td>
<td>695</td>
</tr>
<tr>
<td>Sep-12</td>
<td>12.07</td>
<td>6.88</td>
<td>519</td>
<td>12.65</td>
<td>5.75</td>
<td>690</td>
</tr>
<tr>
<td>Oct-12</td>
<td>11.29</td>
<td>6.02</td>
<td>527</td>
<td>12.41</td>
<td>5.64</td>
<td>677</td>
</tr>
<tr>
<td>Nov-12</td>
<td>10.91</td>
<td>6.11</td>
<td>480</td>
<td>12.25</td>
<td>5.58</td>
<td>667</td>
</tr>
<tr>
<td>Dec-12</td>
<td>11.07</td>
<td>6.01</td>
<td>506</td>
<td>11.97</td>
<td>5.43</td>
<td>654</td>
</tr>
<tr>
<td>Jan-13</td>
<td>10.61</td>
<td>6.12</td>
<td>449</td>
<td>11.60</td>
<td>5.39</td>
<td>621</td>
</tr>
<tr>
<td>Feb-13</td>
<td>10.53</td>
<td>6.08</td>
<td>445</td>
<td>11.52</td>
<td>5.34</td>
<td>618</td>
</tr>
<tr>
<td>Mar-13</td>
<td>10.46</td>
<td>6.03</td>
<td>443</td>
<td>11.50</td>
<td>5.26</td>
<td>624</td>
</tr>
<tr>
<td>Apr-13</td>
<td>10.51</td>
<td>5.98</td>
<td>453</td>
<td>11.42</td>
<td>5.23</td>
<td>619</td>
</tr>
</tbody>
</table>

1 Weighted average rates on incremental (fresh) loans and deposits (including interbank and zero markup) during a month.

Real deposit rates, calculated on the basis of YoY CPI inflation, have turned into positive in April 2013.

<table>
<thead>
<tr>
<th>Months</th>
<th>Real (based on 12-month MA inflation)</th>
<th>Real (based on YoY inflation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WALR</td>
<td>WADR</td>
<td>WALR</td>
</tr>
<tr>
<td>Apr-12</td>
<td>1.65</td>
<td>1.56</td>
</tr>
<tr>
<td>May-12</td>
<td>1.78</td>
<td>0.65</td>
</tr>
<tr>
<td>Jun-12</td>
<td>2.12</td>
<td>1.87</td>
</tr>
<tr>
<td>Jul-12</td>
<td>2.26</td>
<td>3.43</td>
</tr>
<tr>
<td>Aug-12</td>
<td>1.95</td>
<td>3.46</td>
</tr>
<tr>
<td>Sep-12</td>
<td>1.66</td>
<td>3.28</td>
</tr>
<tr>
<td>Oct-12</td>
<td>1.16</td>
<td>3.63</td>
</tr>
<tr>
<td>Nov-12</td>
<td>1.07</td>
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<td>Dec-12</td>
<td>1.39</td>
<td>3.14</td>
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<tr>
<td>Jan-13</td>
<td>1.10</td>
<td>2.54</td>
</tr>
<tr>
<td>Feb-13</td>
<td>1.33</td>
<td>3.15</td>
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<tr>
<td>Mar-13</td>
<td>1.61</td>
<td>3.89</td>
</tr>
<tr>
<td>Apr-13</td>
<td>2.12</td>
<td>4.71</td>
</tr>
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</table>

Sources: Statistics & Data Warehouse Department, SBP & Federal Bureau of Statistics

- 1 Weighted average rates on incremental (fresh) loans and deposits (including interbank and zero markup) during a month.
- 2 Nominal rate less CPI inflation (12-month moving average).
- 3 Nominal rate less CPI inflation (year on year).
Real Interest Rates

Using YoY CPI inflation

Using 12-month moving average CPI inflation

1 Weighted average lending and deposit rates excluding transactions in the interbank and on zero markup.

Sources: PBS and Statistics & Data Warehouse Department, SBP
In the T-bill auctions held in Q4-FY13, market showed substantial interest in longer tenors.

<table>
<thead>
<tr>
<th>FY/Q Settlement date</th>
<th>Total</th>
<th>3-Month</th>
<th>6-Month</th>
<th>12-Month</th>
<th>Non-competitive bids²</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY12</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1</td>
<td>3,345.0</td>
<td>3,053.4</td>
<td>4,773.2</td>
<td>2,854.6</td>
<td>1,416.6</td>
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<tr>
<td>Q2</td>
<td>1,025.0</td>
<td>0.985</td>
<td>1.581</td>
<td>0.741</td>
<td>1.107</td>
</tr>
<tr>
<td>Q3</td>
<td>575.0</td>
<td>0.505</td>
<td>0.984</td>
<td>0.518</td>
<td>0.348</td>
</tr>
<tr>
<td>Q4</td>
<td>995.0</td>
<td>1.016</td>
<td>1.176</td>
<td>0.825</td>
<td>0.875</td>
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<tr>
<td>FY13¹</td>
<td>4,925.0</td>
<td>4,927.5</td>
<td>6,983.2</td>
<td>4,628.3</td>
<td>1,275.7</td>
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</table>

¹ Up till June 12, 2013 ² The amount does not include the non-competitive bids. ³ Quarterly rate are for end-period.

Government has successfully raised the targeted amount in the Sukuk auctions held in Q3-FY13.

<table>
<thead>
<tr>
<th>3-year Ijarah Sukuk Auction</th>
<th>Target</th>
<th>Total offered</th>
<th>Total accepted</th>
<th>Cut-off margin²</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY12</td>
<td>150.0</td>
<td>248.3</td>
<td>186.8</td>
<td>-</td>
</tr>
<tr>
<td>Q1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Q2</td>
<td>50.0</td>
<td>84.2</td>
<td>70.3</td>
<td>0</td>
</tr>
<tr>
<td>Q3</td>
<td>50.0</td>
<td>55.7</td>
<td>38.1</td>
<td>0</td>
</tr>
<tr>
<td>Q4</td>
<td>50.0</td>
<td>108.4</td>
<td>78.4</td>
<td>0</td>
</tr>
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<td>FY13</td>
<td>88.0</td>
<td>196.9</td>
<td>90.0</td>
<td>-</td>
</tr>
<tr>
<td>Q1</td>
<td>45.0</td>
<td>110.6</td>
<td>47.0</td>
<td>(25)</td>
</tr>
<tr>
<td>Q2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Q3</td>
<td>43.0</td>
<td>86.3</td>
<td>43.0</td>
<td>(30)</td>
</tr>
</tbody>
</table>

² This cut-off margin, with the benchmark of 6-Month MTS Auction Weighted Average Yield, is applicable to all accepted bids

Source: Domestic Markets & Monetary Management Department, SBP

Government has raised more than targeted amount in the PIBs auction held during Q4-FY13.

<table>
<thead>
<tr>
<th>T-Bill Auctions (accepted amount)</th>
<th>3-M</th>
<th>6-M</th>
<th>12-M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>300</td>
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<td></td>
</tr>
<tr>
<td>Accepted</td>
<td>211.6</td>
<td>185.0</td>
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</tr>
<tr>
<td>T-Bill Cutoff rate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>16</td>
<td>17</td>
</tr>
<tr>
<td>Target Maturity</td>
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</tr>
<tr>
<td>Offered</td>
<td>52.1</td>
<td>62.2</td>
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<tr>
<td>Accepted</td>
<td>67.3</td>
<td>22.2</td>
<td></td>
</tr>
<tr>
<td>Cut-off rate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1</td>
<td>13.4</td>
<td>13.5</td>
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<tr>
<td>Offered</td>
<td>20.9</td>
<td>60.4</td>
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<tr>
<td>Accepted</td>
<td>16.6</td>
<td>67.3</td>
<td></td>
</tr>
<tr>
<td>Cut-off rate</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td>12.6</td>
<td>12.4</td>
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<tr>
<td>Offered</td>
<td>8.6</td>
<td>22.1</td>
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<tr>
<td>Accepted</td>
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<td>Cut-off rate</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Q3</td>
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<td>13.2</td>
<td></td>
</tr>
<tr>
<td>Offered</td>
<td>18.7</td>
<td>73.4</td>
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</tr>
<tr>
<td>Accepted</td>
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<td>50.0</td>
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<td>Cut-off rate</td>
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<td>Q4</td>
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<td>13.2</td>
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<td>84.3</td>
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</tr>
<tr>
<td>Accepted</td>
<td>22.6</td>
<td>61.1</td>
<td></td>
</tr>
</tbody>
</table>

¹: Either no bid received or bids were rejected. ²: Excluding non-competitive bids and short-selling accommodation

³: Quarterly rate are for end-period.

Governments has raised more than targeted amount in the PIBs auction held during Q4-FY13.

<table>
<thead>
<tr>
<th>T-Bill Cut-off rate</th>
<th>3-M</th>
<th>6-M</th>
<th>12-M</th>
<th>Policy rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offered</td>
<td>318.7</td>
<td>316.9</td>
<td>266.2</td>
<td>9.25</td>
</tr>
<tr>
<td>Accepted</td>
<td>187.5</td>
<td>146.9</td>
<td>9.30</td>
<td>702.9</td>
</tr>
<tr>
<td>Cut-off rate</td>
<td></td>
<td></td>
<td></td>
<td>109.5</td>
</tr>
</tbody>
</table>

Source: Domestic Markets & Monetary Management Department, SBP
### Foreign Exchange Market

**Upto 21st June in FY13, Pak rupee has depreciated by 4.4 percent against US$.**

#### PKR against international currencies

<table>
<thead>
<tr>
<th>Currency</th>
<th>Latest 21-June-13</th>
<th>Last MPS 12-Apr-13</th>
<th>Jun-12</th>
<th>% App/(Dep) of PKR</th>
<th>Cumulative since Jun-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>98.95</td>
<td>98.26</td>
<td>94.55</td>
<td>(4.44)</td>
<td></td>
</tr>
<tr>
<td>Euro</td>
<td>130.87</td>
<td>128.25</td>
<td>118.99</td>
<td>(9.08)</td>
<td></td>
</tr>
<tr>
<td>Sterling</td>
<td>153.20</td>
<td>150.92</td>
<td>147.36</td>
<td>(3.81)</td>
<td></td>
</tr>
<tr>
<td>JPY</td>
<td>1.01</td>
<td>0.99</td>
<td>1.19</td>
<td>17.28</td>
<td></td>
</tr>
<tr>
<td>USD Kerb</td>
<td>100.13</td>
<td>99.03</td>
<td>95.65</td>
<td>(4.47)</td>
<td></td>
</tr>
<tr>
<td>Premium (Rs)</td>
<td>1.18</td>
<td>0.77</td>
<td>1.10</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Daily NEER 1</td>
<td>56.76</td>
<td>56.69</td>
<td>58.97</td>
<td>(3.74)</td>
<td></td>
</tr>
</tbody>
</table>

1 Data updated up to 20th June 2013

Source: SBP

#### International exchange rates

<table>
<thead>
<tr>
<th>Currency</th>
<th>Latest 21-June-13</th>
<th>Last MPS 12-Apr-13</th>
<th>Jun-12</th>
<th>% App/(Dep) of USD</th>
<th>Cumulative since Jun-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD/EUR</td>
<td>1.32</td>
<td>1.31</td>
<td>1.26</td>
<td>(4.85)</td>
<td></td>
</tr>
<tr>
<td>USD/GBP</td>
<td>1.55</td>
<td>1.54</td>
<td>1.56</td>
<td>0.67</td>
<td></td>
</tr>
<tr>
<td>JPY/USD</td>
<td>97.49</td>
<td>99.17</td>
<td>79.43</td>
<td>22.73</td>
<td></td>
</tr>
<tr>
<td>INR/USD</td>
<td>59.20</td>
<td>54.57</td>
<td>55.97</td>
<td>5.78</td>
<td></td>
</tr>
<tr>
<td>CNY/USD</td>
<td>6.13</td>
<td>6.19</td>
<td>6.35</td>
<td>(3.47)</td>
<td></td>
</tr>
<tr>
<td>THB/USD</td>
<td>31.01</td>
<td>29.02</td>
<td>31.76</td>
<td>(2.35)</td>
<td></td>
</tr>
<tr>
<td>MYR/USD</td>
<td>3.20</td>
<td>3.04</td>
<td>3.18</td>
<td>0.88</td>
<td></td>
</tr>
<tr>
<td>SGD/USD</td>
<td>1.27</td>
<td>1.24</td>
<td>1.27</td>
<td>0.16</td>
<td></td>
</tr>
</tbody>
</table>

2 The exchange rates are shown as per country practices

#### Daily Movement of USD against Major Currencies

#### PKR/USD Interbank Exchange Rate Trends on Quarterly Basis

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>High</th>
<th>Low</th>
<th>Close</th>
<th>Average</th>
<th>Volatility C/C</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY10</td>
<td>85.58</td>
<td>81.40</td>
<td>85.51</td>
<td>83.89</td>
<td>3.02</td>
</tr>
<tr>
<td>FY11</td>
<td>86.50</td>
<td>83.93</td>
<td>85.97</td>
<td>85.56</td>
<td>2.40</td>
</tr>
<tr>
<td>FY12</td>
<td>94.69</td>
<td>85.79</td>
<td>94.55</td>
<td>89.27</td>
<td>2.48</td>
</tr>
<tr>
<td>FY13</td>
<td>98.99</td>
<td>93.70</td>
<td>98.95</td>
<td>96.80</td>
<td>1.68</td>
</tr>
</tbody>
</table>

1 Reuters: Average Close-to-Close Daily Volatility (in %)
2 Updated up to 21st June 2013

Source: SBP

---

**Financial Markets**

27
**Monetary Policy Information Compendium**

**June 2013**

In real terms, Pak rupee has depreciated by 1.96 percent during July-April FY13

### Changes in Nominal Effective Exchange Rate (NEER)

**Base Year: CY2005**

<table>
<thead>
<tr>
<th>Year</th>
<th>NEER Index</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Sep</td>
<td>Dec</td>
<td>Mar</td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jun</td>
<td></td>
<td>61.75</td>
<td>0.20</td>
<td>-0.41</td>
</tr>
<tr>
<td>Sep</td>
<td></td>
<td>61.63</td>
<td>0.21</td>
<td>-0.21</td>
</tr>
<tr>
<td>Dec</td>
<td></td>
<td>61.50</td>
<td>0.22</td>
<td>-0.41</td>
</tr>
<tr>
<td>Mar</td>
<td></td>
<td>60.27</td>
<td>0.23</td>
<td>1.55</td>
</tr>
<tr>
<td>Jun</td>
<td></td>
<td>59.33</td>
<td>0.24</td>
<td>2.06</td>
</tr>
<tr>
<td>Sep</td>
<td></td>
<td>58.11</td>
<td>0.25</td>
<td>2.99</td>
</tr>
<tr>
<td>Dec</td>
<td></td>
<td>56.37</td>
<td>0.26</td>
<td>0.87</td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar</td>
<td></td>
<td>56.86</td>
<td>0.27</td>
<td>0.87</td>
</tr>
<tr>
<td>Apr-P</td>
<td></td>
<td>56.69</td>
<td>0.28</td>
<td>0.87</td>
</tr>
</tbody>
</table>

### Changes in Relative price Index (RPI)

**Base Year: CY2005**

<table>
<thead>
<tr>
<th>Year</th>
<th>RPI</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Sep</td>
<td>Dec</td>
<td>Mar</td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jun</td>
<td></td>
<td>161.60</td>
<td>3.00</td>
<td>3.70</td>
</tr>
<tr>
<td>Sep</td>
<td></td>
<td>166.44</td>
<td>0.68</td>
<td>2.68</td>
</tr>
<tr>
<td>Dec</td>
<td></td>
<td>167.58</td>
<td>0.69</td>
<td>1.98</td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jun</td>
<td></td>
<td>170.90</td>
<td>0.70</td>
<td>2.91</td>
</tr>
<tr>
<td>Sep</td>
<td></td>
<td>176.68</td>
<td>0.71</td>
<td>0.12</td>
</tr>
<tr>
<td>Dec</td>
<td></td>
<td>176.90</td>
<td>0.72</td>
<td>0.13</td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar</td>
<td></td>
<td>178.53</td>
<td>0.73</td>
<td>0.14</td>
</tr>
<tr>
<td>Apr-P</td>
<td></td>
<td>180.45</td>
<td>0.74</td>
<td>0.15</td>
</tr>
</tbody>
</table>

### Changes in Real Effective Exchange Rate (REER)

**Base Year: CY2005**

<table>
<thead>
<tr>
<th>Year</th>
<th>REER Index</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Sep</td>
<td>Dec</td>
<td>Mar</td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jun</td>
<td></td>
<td>99.79</td>
<td>2.79</td>
<td>3.27</td>
</tr>
<tr>
<td>Sep</td>
<td></td>
<td>102.58</td>
<td>0.47</td>
<td>0.41</td>
</tr>
<tr>
<td>Dec</td>
<td></td>
<td>103.06</td>
<td>0.48</td>
<td>0.42</td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jun</td>
<td></td>
<td>103.00</td>
<td>1.31</td>
<td>0.31</td>
</tr>
<tr>
<td>Sep</td>
<td></td>
<td>104.35</td>
<td>1.32</td>
<td>0.32</td>
</tr>
<tr>
<td>Dec</td>
<td></td>
<td>102.67</td>
<td>1.33</td>
<td>0.33</td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar</td>
<td></td>
<td>101.52</td>
<td>1.34</td>
<td>0.34</td>
</tr>
<tr>
<td>Apr-P</td>
<td></td>
<td>102.30</td>
<td>1.35</td>
<td>0.35</td>
</tr>
</tbody>
</table>

Source: SBP

Financial Markets 28
### Capital Market

**In June 2013, KSE-100 index has increased by 0.9 percent resulting into its cumulative increase of 59.5 percent since end June 2012.**

#### Performance of Karachi Stock Exchange

<table>
<thead>
<tr>
<th></th>
<th>FY13</th>
<th>Percentage change during</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jun-13(^1)</td>
<td>May-13</td>
</tr>
<tr>
<td>End-period KSE-100 index</td>
<td>22,015</td>
<td>21,823</td>
</tr>
<tr>
<td>End-period KSE-30 index</td>
<td>17,096</td>
<td>16,880</td>
</tr>
<tr>
<td>Market capitalization (billion Rs)(^3)</td>
<td>5,387</td>
<td>5,011</td>
</tr>
<tr>
<td>Ready volume (million shares)(^3)</td>
<td>412.4</td>
<td>341</td>
</tr>
<tr>
<td>SCRA flows (US$ million)(^4)</td>
<td>-0.4</td>
<td>-294.1</td>
</tr>
</tbody>
</table>

\(^1\) Up to 20th June 2013  
\(^2\) Reflects growth since end of the previous month  
\(^3\) Average during the period  
\(^4\) Cumulative flow during the period

#### KSE-100 Index and Ready Volume

![KSE-100 Index and Ready Volume](Source: JS Research, KSE)

#### Foreign Stake in Domestic Stock Market

![Foreign Stake in Domestic Stock Market](as percent of market capitalization)

Sources: KSE and S&DWD, SBP

#### Special Convertibility Rupee Account (SCRA) Flows

![Special Convertibility Rupee Account (SCRA) Flows](Source: S&DWD, SBP)

#### Financial Expenses of Corporate Sector

![Financial Expenses of Corporate Sector](Source: S&DWD, SBP)

Sources: Karachi Stock Exchange (KSE), Statistics & Data Warehouse Department (S&DWD), SBP and JR Research.
Financial Soundness Indicators

Asset quality and profitability indicators of the banking system have deteriorated during Q3-FY13.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk weighted CAR(^1)</td>
<td>14.6</td>
<td>14.7</td>
<td>15.1</td>
<td>16.0</td>
<td>15.4</td>
<td>15.1</td>
</tr>
<tr>
<td>Gross NPLs to total loans</td>
<td>16.2</td>
<td>15.8</td>
<td>15.9</td>
<td>15.5</td>
<td>14.5</td>
<td>14.7</td>
</tr>
<tr>
<td>Provision to NPLs</td>
<td>66.8</td>
<td>68.5</td>
<td>66.3</td>
<td>70.0</td>
<td>71.8</td>
<td>71.9</td>
</tr>
<tr>
<td>Net NPLs to net loans</td>
<td>6.0</td>
<td>5.6</td>
<td>6.0</td>
<td>5.2</td>
<td>4.6</td>
<td>4.6</td>
</tr>
<tr>
<td>Returns on assets (before tax)</td>
<td>2.2</td>
<td>2.5</td>
<td>2.4</td>
<td>2.2</td>
<td>2.1</td>
<td>1.8</td>
</tr>
<tr>
<td>Return on assets (after tax)</td>
<td>1.5</td>
<td>1.7</td>
<td>1.6</td>
<td>1.4</td>
<td>1.4</td>
<td>1.2</td>
</tr>
<tr>
<td>ROE (before tax)(^2)</td>
<td>23.4</td>
<td>26.3</td>
<td>25.9</td>
<td>23.4</td>
<td>22.9</td>
<td>20.3</td>
</tr>
<tr>
<td>ROE (after tax)(^2)</td>
<td>15.2</td>
<td>17.6</td>
<td>17.3</td>
<td>15.3</td>
<td>14.9</td>
<td>13.9</td>
</tr>
<tr>
<td>Net interest income/gross income</td>
<td>75.7</td>
<td>73.4</td>
<td>72.3</td>
<td>71.6</td>
<td>71.1</td>
<td>71.7</td>
</tr>
<tr>
<td>Liquid assets/total assets</td>
<td>44.4</td>
<td>44.0</td>
<td>42.7</td>
<td>46.5</td>
<td>47.4</td>
<td>47.4</td>
</tr>
<tr>
<td>Liquid assets/total deposits</td>
<td>58.4</td>
<td>58.5</td>
<td>54.3</td>
<td>62.8</td>
<td>63.3</td>
<td>63.8</td>
</tr>
<tr>
<td>Advances/deposits</td>
<td>53.6</td>
<td>54.3</td>
<td>52.5</td>
<td>52.6</td>
<td>51.5</td>
<td>51.6</td>
</tr>
</tbody>
</table>

Note: Figures are based on unaudited Quarterly Report of Condition (QRC) submitted by banks.

\(^1\) Data of IDBP, PPCBL, and SME is based on Basel I, while for the rest data is based on Basel II.

\(^2\) Average equity and surplus.

Source: Banking Surveillance Department (BSD), SBP