

5. Summary of developments

The annual publication of State Bank of Pakistan produced by Statistics & Data Warehouse Department entitled *Foreign liabilities and assets & foreign investment in Pakistan* has been revamped and its improved version *International Investment Position of Pakistan* has been designed to align with international investment position of Pakistan. This publication presents the International Investment Position of Pakistan as on December 31, 2007. It comprises:

1. Financial assets and liabilities

- Equity capital and reinvested earnings
- Debt securities
- Financial derivatives
- Trade credits
- Loans
- Currency and deposits
- Other assets and liabilities
- Monetary gold
- SDRs allocated by the IMF
- Other claims

2. Functional types of investment

- Direct investment
- Portfolio investment
- Financial derivatives
- Other investment
- Reserve assets (for assets only)

The net international investment position of Pakistan shows that its liabilities increased from \$35,462 million to \$50,822 million by \$15,264 million or (42.9 %) during the year 2007. The reasons for this increase are price change amounting to \$ 3,325.0 million and other changes in volume amounting to \$ 7,036.0 million. On the assets side the direct investment abroad including equity capital & reinvested earnings and other capital increased by 22.6 percent from \$1,010 in 2006 to \$1,238 million in 2007.

Portfolio investment including equity and debt securities increased from \$311 million to \$330 million in the year 2007.

Trade credits increased by 10.6 percent from \$2,500 million in 2006 to \$2,765 million in 2007. Loans increased by \$3.0 million and currency and deposit decreased by \$322 million (16.6 %) from \$1,939 million to \$1,617 million during the year 2007. The monetary gold increased by \$419 million (31.9 %) from \$1,313 million to \$1,732 million, whereas special drawing rights remained almost the same at \$215 million during the year 2007. Foreign exchange reserve increased by 21.5 percent i.e., increased from \$11,133 million to \$13,524 million during the year 2007. On liabilities side the Direct Investment (DI) increased by \$11,939 million (87.3%) and Portfolio Investment (PI) increased from \$4,252 million to \$6,907 million during the year 2007. There was an increase of 9.7 percent in the other investment in liabilities side and it changed from \$37,420 million to \$41,045 million during the year 2007. Foreign Investment (FI) and external debt are main component of IIP and are being discussed in detail in the next paragraphs.

Direct and portfolio investment abroad and in reporting economy are collected through the annual survey of Pakistan's foreign liabilities & assets and coordinated portfolio investment survey and include:

- (i) companies registered or incorporated abroad and functioning in Pakistan;
- (ii) companies incorporated in Pakistan having foreign participation; and
- (iii) partnerships operating in Pakistan in which non-residents hold interest.

The requisite information were collected through a questionnaire from the above mentioned three categories of respondents under sub-section (I) of

section IV of the International Monetary Fund and Bank Act, 1950 and the Gazette Notification No.3 (3) – IMF 56 of 4th October, 1956 (Appendix-I). Out of 924 entities surveyed, 648 responded representing a response rate of 70.13 percent. In addition to the above, data relating to net position of Pakistani firms/companies operating abroad was obtained from the Exchange Policy Department of the State Bank of Pakistan.

The comparative position of the respondents of foreign investment survey is given in the table1.

Table 1

Number of Companies Covered in the Survey

Respondent	2007	2006
Firms/Companies registered or incorporated outside Pakistan	77	95
Companies incorporated in Pakistan in which foreigners hold interest	571	529
Partnerships in which foreigners hold interest	-	-
Total	648	624

Total number of respondents increased from 624 to 648 during the year under review. The number of companies incorporated in Pakistan in which foreigners hold interest, increased from 529 to 571 (foreign interest ceased to exist in 3 companies as against 45 fresh entrants). The number of branches of foreign firms/companies operating in Pakistan decreased from 95 to 77. Eighteen companies ceased operation in Pakistan. Partnerships having interest of non-residents are evident by their absence.

Foreign Investment in Pakistan (FDI+FPI) by Economic Group

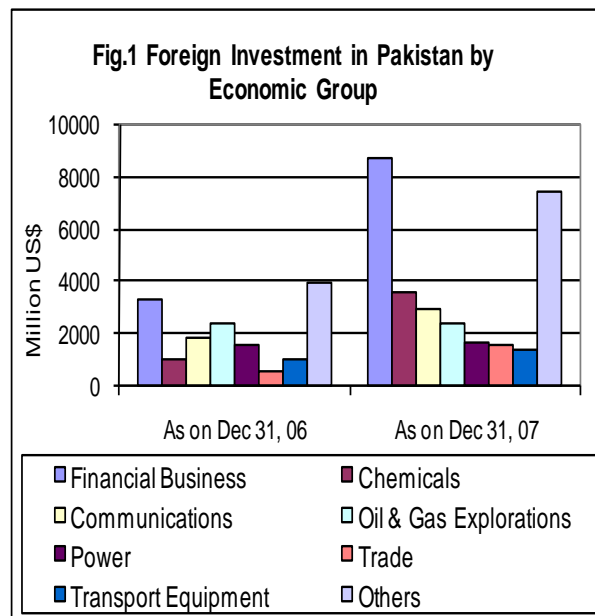
Foreign investment increased by \$13,838.3 million (88.5 %) from \$ 15,641.8 million in 2006 to \$ 29,480.1 million in 2007 (table2) of which net inflow amounting to \$ 3,745.1 million, price change amounting to \$ 3,324.5 million and other changes in volume amounting to \$ 7,014.0 million. According to nature of economic activity of the companies the *Financial Business* group contributed a major portion of the foreign investment. Foreign investment in *Financial Business* group increased from \$3,278.6 million to \$ 8,680.3 million in 2007 and its relative share increased from 21.0 percent to 29.4 percent in 2007 where as the foreign investment in *Chemicals* group increased from \$1,041.9 million to \$ 3,551.8 million and its relative share increased from 6.7 percent to 12.0 percent in 2007. Foreign investment in *Communications* group increased from \$1,796.8 million to \$2,951.7 million in 2007 and its relative share decreased from 11.5 percent to 10.0 percent in 2007. Foreign investment in *Oil & Gas Explorations* group increased from \$2,356.5 million to \$2,364.6 million in 2007 and its relative share decreased from 15.1 percent to 8.0 percent in 2007.

Table 2

Foreign Investment in Pakistan by Economic Group

Economic Group	Position as on December 31,2006	% of Total	Position as on December 31,2007	% of Total
Financial Business	3,278.6	21.0	8,680.3	29.4
Chemicals	1,041.9	6.7	3,551.8	12.0
Communications	1,796.8	11.5	2,951.7	10.0
Oil & Gas Explorations	2,356.5	15.1	2,364.6	8.0
Power	1,603.6	10.3	1,616.4	5.5
Trade	595.2	3.8	1,530.3	5.2
Transport Equipment	1,034.8	6.6	1,330.5	4.5
Others	3,934.5	25.0	7,454.6	25.4
Total	15,641.8	100.0	29,480.1	100.0

Foreign investment in *Power* group increased from \$1,603.6 million to \$1,616.4 million in 2007 and its relative share decreased from 10.3 percent to 5.5 percent in 2007. Foreign investment in *Trade* group increased from \$595.2 million to \$1,530.3 million and its relative share increased from 3.8 percent to 5.2 percent in 2007. The relative share of *Transport Equipment* groups decreased from 6.6 percent to 4.5 percent and foreign investment in this group increased from \$1,034.8 million to \$1,330.5 million during the year 2007. Foreign investment in *Others* groups increased from \$3,934.5 million to \$7,454.6 million and its relative share remained around 25.0 percent.



Foreign Investment (FDI+FPI) in Pakistan by Country

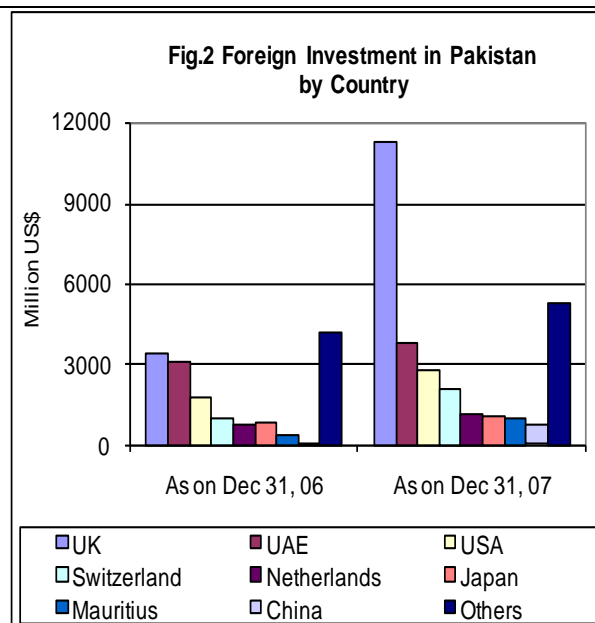
Country-wise position revealed that investment from UK increased significantly from \$3,426.3 million to \$11,334.8 million and its relative share increased from 21.9 percent to 38.4 percent in 2007 (Table 3). Investment from UAE increased from \$3,140.5 million to \$3,826.3 million and its relative share decreased from 20.1 percent to 13.0 percent.

Table3

Foreign Investment in Pakistan by Country

Country	Position as on December 31,2006	% of Total	Position as on December 31,2007	% of Total
UK	3,426.3	21.9	11,334.8	38.4
UAE	3,140.5	20.1	3,826.3	13.0
USA	1,790.7	11.4	2,840.9	9.6
Switzerland	1,002.0	6.4	2,083.9	7.1
Netherlands	798.5	5.1	1,194.9	4.1
Japan	872.5	5.6	1,117.8	3.8
Mauritius	380.9	2.4	1,009.5	3.4
China	34.1	0.2	748.6	2.5
Others	4,196.3	26.9	5,323.3	18.1
Total	15,641.8	100.0	29,480.1	100.0

Investment from USA increased from \$1,790.7 million to \$2,840.9 million and its relative share decreased from 11.4 percent to 9.6 percent. Investment from Switzerland increased from \$1,002.0 million to \$2,083.9 million and its relative share increased from 6.4 percent to 7.1 percent. Investment from Netherlands and Japan increased from \$798.5 million to \$1,194.9 million and from \$872.5 million to \$1,117.8 million and their relative shares decreased from 5.1 percent to 4.1 percent and from 5.6 percent to 3.8 percent. Investment from Mauritius and China increased from \$380.9 million to \$1,009.5 million and from \$34.1 million to \$748.6 million and their relative shares increased from 2.4 percent to 3.4 percent and from 0.2 percent to 2.5 percent in 2007. Investment from other countries grouped *Others* increased from \$4,196.3 million to \$5,323.3 million and its relative share decreased from 26.9 percent to 18.1 percent during the year 2007.



Investment (DI+PI) Abroad by Economic Group

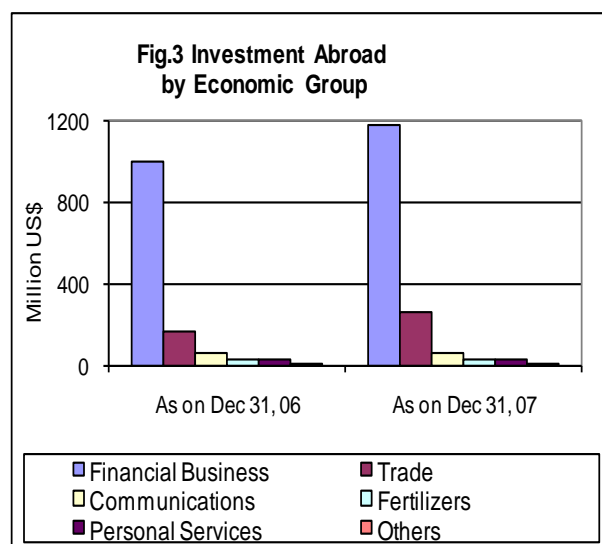
Investment abroad by the *Financial Business* group, increased from \$1,005.2 million to \$1,180.6 million and its relative share decreased from 76.1 percent to 74.8 percent during 2007 (Table4). The assets of the *Trade* group increased from \$172.5 million to \$259.0 million and its relative share increased from 13.1 percent to 16.4 percent in 2007.

Table 4

Investment Abroad by Economic Group

Economic Group	Position as on December 31,2006	% of Total	Position as on December 31,2007	% of Total
Financial Business	1,005.2	76.1	1,180.6	74.8
Trade	172.5	13.1	259.0	16.4
Communications	64.4	4.9	65.0	4.1
Fertilizers	34.8	2.6	34.4	2.2
Personal Services	28.7	2.2	28.4	1.8
Others	15.1	1.1	11.3	0.7
Total	1,320.7	100.0	1,578.8	100.0

Investment abroad by *Communications* group increased from \$64.4 million to \$65.0 million and its relative share decreased from 4.9 percent to 4.1 percent in 2007. Investment abroad by *Fertilizers* and *Personal Services* groups decreased from \$34.8 million to \$34.4 million, and from \$28.7 million to \$28.4 million. Investment abroad by the group *Others* decreased from \$15.1 million to \$11.3 million in 2007 and its relative share decreased from 1.1 percent to 0.7 percent in 2007.



Investment (DI+PI) Abroad country-wise

Country-wise position revealed that Pakistan investment in UAE increased from \$179.7 million to \$268.2 million and its relative share increased from 13.6 percent to 17.0 percent during the year 2007 (Table 5).

Investment in Saudi Arabia, UK, and Bangladesh increased from \$235.1 million to \$248.9 million, \$120.9 million to \$136.0 million and \$68.8 million to \$74.1 million.

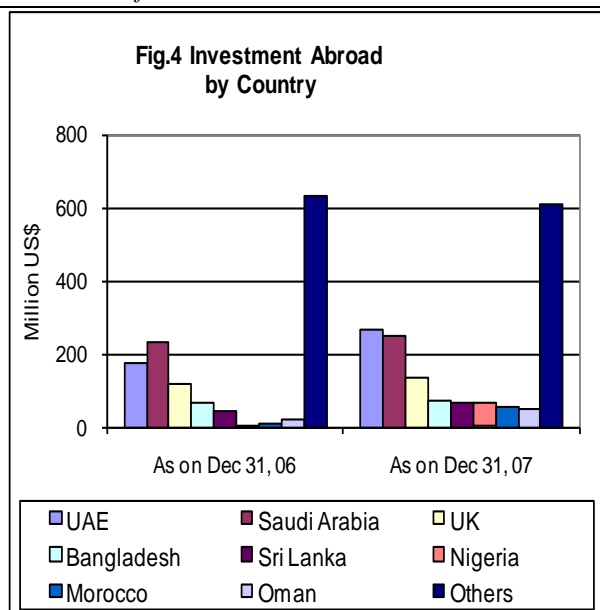
The relative shares of these countries decreased from 17.8 percent to 15.8 percent, 9.2 percent to 8.6 percent and 5.2 percent to 4.7 percent.

Table 5

Investment Abroad by Country

Country	Position as on December 31, 2006	% of Total	Position as on December 31, 2007	% of Total
UAE	179.7	13.6	268.2	17.0
Saudi Arabia	235.1	17.8	248.9	15.8
UK	120.9	9.2	136.0	8.6
Bangladesh	68.8	5.2	74.1	4.7
Sri Lanka	45.5	3.4	68.8	4.4
Nigeria	1.5	0.1	65.8	4.2
Morocco	11.6	0.9	57.3	3.6
Oman	25.7	1.9	50.4	3.2
Others	631.9	47.9	609.3	38.5
Total	1,320.7	100.0	1,578.8	100.0

The investment in Sri Lanka, Nigeria, Morocco and Oman increased from \$45.5 million to \$68.8 million, \$1.5 million to \$65.8 million, \$11.6 million to \$57.3 million and \$25.7 million to \$50.4 million and relative shares of these countries increased from 3.4 percent to 4.4 percent, 0.1 percent to 4.2 percent, 0.9 percent to 3.6 percent and 1.9 percent to 3.2 percent during 2007. The investment in countries grouped *Others* decreased from \$631.9 million to \$609.3 million and their relative shares decreased from 47.9 percent to 38.5 percent during 2007.



Foreign Direct Investment (FDI) in Pakistan by Economic Group

Foreign direct investment in Pakistan in *Financial Business* group was the highest and increased from \$2,569.6 million to \$7,033.9 million and its relative share increased from 18.8 percent to 27.5 percent during 2007 (Table 6). Foreign direct investment in *Chemicals* group increased from \$986.9 million to \$3,510.7 million and its relative share increased from 7.2 percent to 13.7 percent during the year 2007. Foreign direct investment in *Communications* and *Power* groups increased from \$1,766.6 million to \$2,716.1 million and from \$1,551.5 million to \$1,562.1 million and their relative shares decreased from 12.9 percent to 10.6 percent and from 11.3 percent to 6.1 percent during 2007.

Foreign direct investment in *Oil & Gas Explorations* group decreased from \$1,450.0 million to \$1,418.5 million and its relative share decreased from 10.6 percent to 5.5 percent during 2007.

Table 6

Foreign Direct Investment in Pakistan by Economic Group

Economic Group	Position as on December 31, 2006	% of Total	Position as on December 31, 2007	% of Total
Financial Business	2,569.6	18.8	7,033.9	27.5
Chemicals	986.9	7.2	3,510.7	13.7
Communications	1,766.6	12.9	2,716.1	10.6
Power	1,551.5	11.3	1,562.1	6.1
Oil & Gas Explorations	1,450.0	10.6	1,418.5	5.5
Trade	586.1	4.3	1,392.6	5.4
Transport Equipment	1,014.2	7.4	1,304.9	5.1
Others	3,757.0	27.5	6,682.7	26.1
Total	13,681.9	100.0	25,621.5	100.0

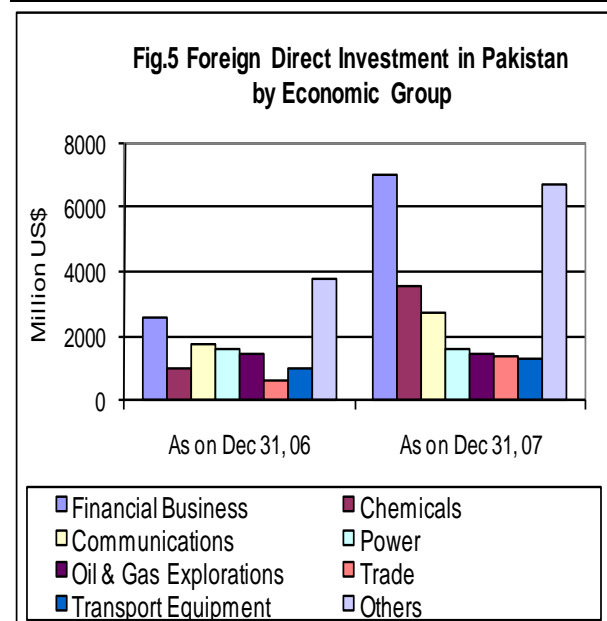
Foreign direct investment in *Trade* and *Transport Equipment* groups increased from \$586.1 million to \$1,392.6 million and \$1,014.2 million to \$1,304.9 million and their relative shares changed from 4.3 percent to 5.4 percent and 7.4 percent to 5.1 percent during 2007. Foreign direct investment of the group *Others* increased from \$3,757.0 million to \$6,682.7 million and its relative share decreased from 27.5 percent to 26.1 percent during the year 2007.

Table – 7

Foreign Direct Investment in Pakistan by Country

Country	Stock as on December 31, 2006	% of Total	Stock as on December 31, 2007	% of Total
UK	2,664.9	19.5	10,016.3	39.1
UAE	2,573.5	18.8	3,475.6	13.6
Switzerland	998.0	7.3	2,041.7	8.0
USA	1,754.7	12.8	1,787.9	7.0
Netherlands	798.4	5.8	1,173.1	4.6
Japan	871.0	6.4	1,114.8	4.4
Mauritius	379.0	2.8	1,006.1	3.9
China	34.1	0.2	748.6	2.9
Others	3,608.3	26.4	4,257.4	16.5
Total	13,681.9	100.0	25,621.5	100.0

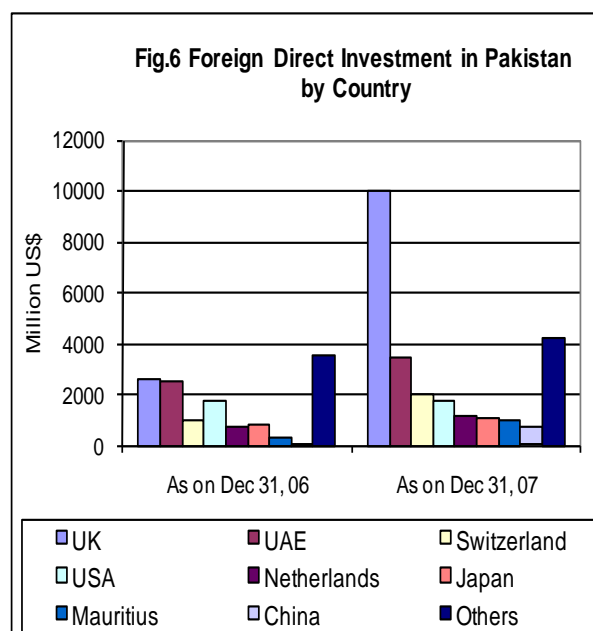
Foreign direct investment from the countries grouped *Others* increased from \$3,608.3 million to \$4,257.4 million and their relative share decreased from 26.4 percent to 16.5 percent during 2007.



Foreign Direct Investment (FDI) in Pakistan by Country

Country-wise foreign direct investment in Pakistan shows UK at the top position and its investment increased from \$2,664.9 million to \$10,016.3 million and its relative share increased from 19.5 percent to 39.1 percent during the year 2007 (Table 7). Foreign direct investment from UAE, Switzerland and USA increased from \$2,573.5 million to \$3,475.6 million, \$998.0 million to \$2,041.7 million and \$1,754.7 million to \$1,787.9 million, where as their relative shares changed from 18.8 percent to 13.6 percent, 7.3 percent to 8.0 percent and 12.8 percent to 7.0 percent 2007. Foreign direct investment from Netherlands and Japan increased from \$798.4 million to \$1,173.1 million and \$871.0 million to \$1,114.8 million and their relative shares decreased from 5.8 percent to 4.6 percent and 6.4 percent to 4.4 percent during 2007.

Foreign direct investment from Mauritius and China increased from \$379.0 million to \$1,006.1 million and \$34.1 million to \$748.6 million and their relative shares increased from 2.8 percent to 3.9 percent and 0.2 percent to 2.9 percent in 2007.



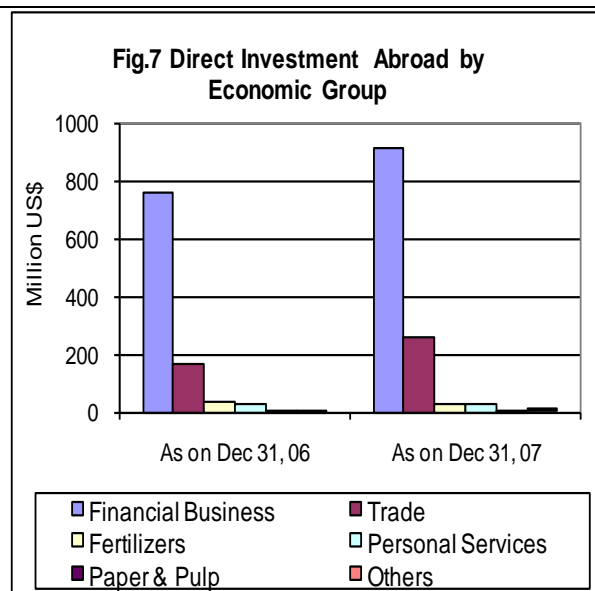
Direct Investment Abroad by Economic Group

Direct investment abroad by *Financial Business* group increased from \$765.2 million to \$911.9 million and its relative share decreased from 75.8 percent to 73.0 percent during 2007(Table8).

Table 8**Direct Investment Abroad by Economic Group**

Economic Group	Stock as on December 31,2006	% of Total	Stock as on December 31,2007	% of Total
Financial Business	765.2	75.8	911.9	73.0
Trade	172.5	17.2	259.0	20.7
Fertilizers	34.8	3.4	34.4	2.8
Personal Services	28.7	2.8	28.4	2.3
Paper & Pulp	7.3	0.7	7.2	0.6
Others	1.3	0.1	8.0	0.6
Total	1,009.8	100.0	1,248.9	100.0

Direct investment abroad by *Trade* group increased from \$172.5 million to \$259.0 million and its relative share increased from 17.2 percent to 20.7 percent during the year 2007. The foreign assets of *Fertilizer* *Personal Services* and *Paper & Pulp* groups slightly changed from \$34.8 million to \$34.4 million, \$28.7 million to \$28.4 million and \$7.3 million to \$7.2 million, whereas their relative shares changed from 3.4 percent to 2.8 percent, and 2.8 percent to 2.3 percent and from 0.7 percent to 0.6 percent in 2007.

**Direct Investment Abroad by Country**

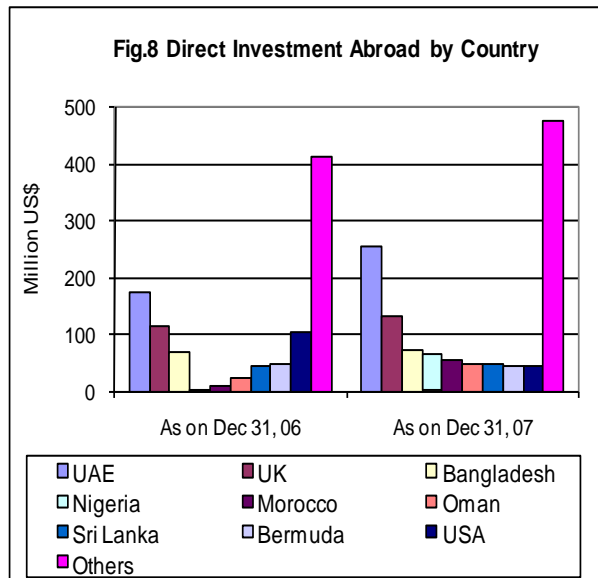
Pakistan's Direct investment in UAE increased from \$175.7 million to \$254.7 million and its relative share increased from 17.4 percent to 20.4 percent during 2007(table9). Direct investment abroad in UK, Bangladesh, Nigeria, Morocco and Oman increased from \$115.9 million to \$131.2 million, \$68.8 million to \$74.1 million, \$1.5 million to \$65.8 million, \$11.6 million to \$57.3 million and \$25.7 million to \$50.4 million, whereas their relative shares changed from 11.5 percent to 10.5 percent, 6.8 percent to 5.9 percent, 0.1 percent to 5.3 percent, 1.1 percent to 4.6 percent and 2.5 percent to 4.0 percent during 2007.

Table 9

Direct Investment Abroad by Country

Country	Stock as on December 31,2006	% of Total	Stock as on December 31,2007	% of Total
UAE	175.7	17.4	254.7	20.4
UK	115.9	11.5	131.2	10.5
Bangladesh	68.8	6.8	74.1	5.9
Nigeria	1.5	0.1	65.8	5.3
Morocco	11.6	1.1	57.3	4.6
Oman	25.7	2.5	50.4	4.0
Sri Lanka	45.5	4.5	48.6	3.9
Bermuda	48.0	4.8	46.9	3.8
USA	104.1	10.3	45.8	3.7
Others	413.0	41.0	474.1	37.9
Total	1,009.8	100.0	1,248.9	100.0

There was a minor change in the investment in Sri Lanka and Bermuda. Direct investment abroad in USA decreased from \$104.1 million to \$45.8 million and its relative share decreased from 10.3 percent to 3.7 percent during the year 2007. Direct investment in the countries grouped *Others* increased from \$413.0 million to \$474.9 million and its relative share decreased from 41.0 percent to 37.9 percent during the year 2007.



Foreign Portfolio Investment (Equity) in Pakistan by Economic Group

Foreign portfolio investment in Pakistan showed most of the investment in *Financial Business* group that increased from \$709.0 million to \$1,646.4 million and its relative share increased from 36.2 percent to 42.7 percent during 2007(table10). Foreign portfolio investment in Pakistan in *Oil & Gas Explorations* group increased from \$906.5 million to \$946.1 million whereas its relative share decreased from 46.3 percent to 24.5 percent in the year 2007. Foreign portfolio investment in Pakistan in *Fertilizers, Communications* and *Cement* groups increased from \$60.6 million to \$296.2 million \$30.2 million to \$235.6 million and from \$24.8 million to \$149.6 million and their relative shares increased from 3.1 percent to 7.7 percent, 1.5 percent to 6.1 percent and 1.3 percent to 3.9 percent in 2007.

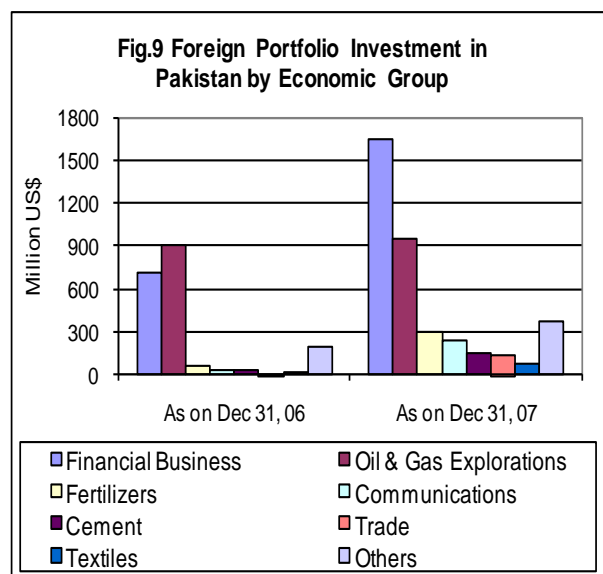
Table 10

Foreign Portfolio Investment (Equity) in Pakistan by Economic Group

Economic Group	Stock as on December 31,2006	% of Total	Stock as on December 31,2007	% of Total
Financial Business	709.0	36.2	1,646.4	42.7
Oil & Gas Explorations	906.5	46.3	946.1	24.5
Fertilizers	60.6	3.1	296.2	7.7
Communications	30.2	1.5	235.6	6.1
Cement	24.8	1.3	149.6	3.9
Trade	9.1	0.5	137.6	3.6
Textiles	21.3	1.1	75.5	2.0
Others	198.4	10.0	371.6	9.5
Total	1,959.9	100.0	3,858.6	100.0

Foreign portfolio investment in Pakistan in *Trade, Textile* and *Others* groups increased from \$9.1 million to \$137.6 million, and from \$21.3 million to \$75.5 million and from \$198.4 million to \$371.6 million,

where as their relative shares changed from 0.5 percent to 3.6 percent, from 1.1 percent to 2.0 percent and 10.0 percent to 9.5 percent in 2007.



Foreign Portfolio Investment (Equity) in Pakistan by Country

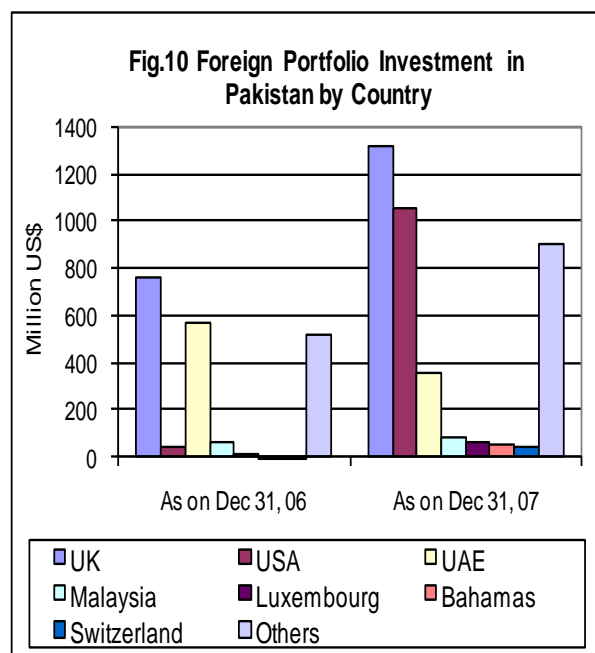
Foreign portfolio investment in Pakistan by country revealed that UK and USA had the major part of portfolio investment and their combined share was 61.5 percent of the total portfolio investment in Pakistan during 2007.

Table 11

Foreign Portfolio Investment (Equity) in Pakistan by Country

Country	Stock as on December 31, 2006	% of Total	Stock as on December 31, 2007	% of Total
UK	761.4	38.8	1,318.5	34.2
USA	36.0	1.8	1,053.0	27.3
UAE	567.0	28.9	350.7	9.1
Malaysia	60.0	3.1	83.3	2.2
Luxembourg	10.4	0.5	59.0	1.5
Bahamas	1.2	0.1	53.5	1.4
Switzerland	4.0	0.2	42.2	1.1
Others	519.9	26.6	898.4	23.2
Total	1,959.9	100.0	3,858.6	100.0

Foreign portfolio investment in Pakistan from UK, and USA increased from \$761.4 million to \$1,318.5 million and \$36.0 million to \$1,053.0 million, and their relative shares changed from 38.8 percent to 34.2 percent and 1.8 percent to 27.3 percent during 2007. Foreign portfolio investment in Pakistan from UAE decreased from \$567.0 million to \$350.7 million and its relative share decreased from 28.9 percent to 9.1 percent in 2007. Foreign portfolio investment in Pakistan from Malaysia, Luxembourg, Bahamas and Switzerland increased from \$60.0 million to \$83.3 million, \$10.4 million to \$59.0 million, \$1.2 million to \$53.5 million and \$4.0 million to \$42.2 million and their relative shares changed from 3.1 percent to 2.2 percent, 0.5 percent to 1.5 percent, 0.1 percent to 1.4 percent and 0.2 percent to 1.1 percent during 2007. Foreign portfolio investment in Pakistan from the countries grouped *Others* increased from \$519.9 million to \$898.4 million and its relative shares decreased from 26.6 percent to 23.2 percent during 2007.



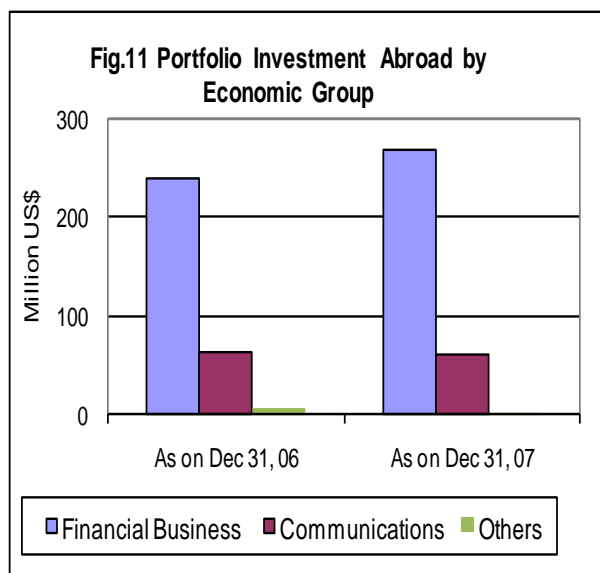
Portfolio Investment Abroad by Economic Group

Portfolio investment abroad by *Financial Business* and *Communications* groups captured 99.4 percent share of total investment. The investment by these groups increased from \$304.0 million to \$328.2 million during the year 2007(table12).

Table 12

Portfolio Investment Abroad by Economic Group

Economic Group	Stock as on December 31,2006	% of Total	Stock as on December 31,2007	% of Total
Financial Business	240.0	77.2	268.7	81.4
Communications	64.0	20.6	59.5	18.0
Others	6.8	2.2	1.7	0.6
Total	310.8	100.0	329.9	100.0



Portfolio Investment Abroad country-wise

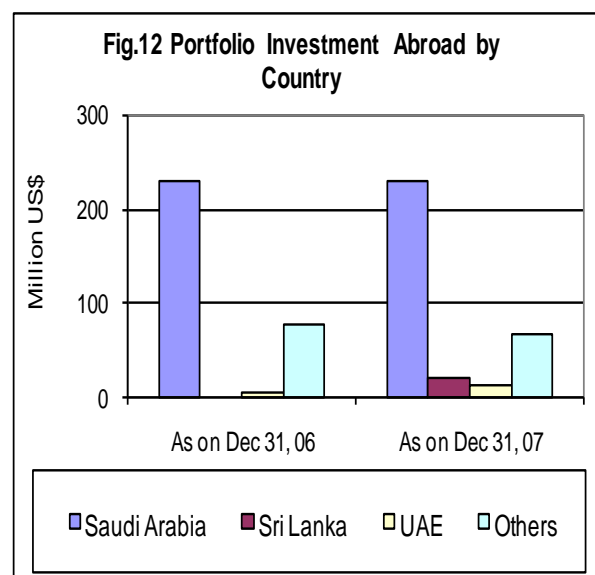
Pakistan's portfolio investment in Saudi Arabia and Sri Lanka were \$228.9 million and \$20.2 million and their combined relative share was 75.5 percent at the end of 2007(table13).

Table 13

Portfolio Investment Abroad country-wise

Country	Stock as on December 31,2006	% of Total	Stock as on December 31,2007	% of Total
Saudi Arabia	229.0	73.7	228.9	69.4
Sri Lanka	0.0	0.0	20.2	6.1
UAE	4.0	1.3	13.5	4.1
Others	77.8	25.0	67.3	20.4
Total	310.8	100.0	329.9	100.0

The assets of the countries grouped *Others* decreased from \$77.8 million to \$67.3 million and its relative share decreased from 25.0 percent to 20.4 percent during the year.



External Debt by Creditors

The table of external debt by creditors (table14) shows that the claim of IDA increased from \$7,936.0 million to \$9,164.7 million and its relative share increased from 20.7 percent to 21.4 percent during 2007. The claims of ADB, Japan, USA and France increased from \$7,192.0 million to \$8,195.7 million, \$5,297.0 million to \$5,508.6 million, \$2,692.2 million to \$2,739.8 million

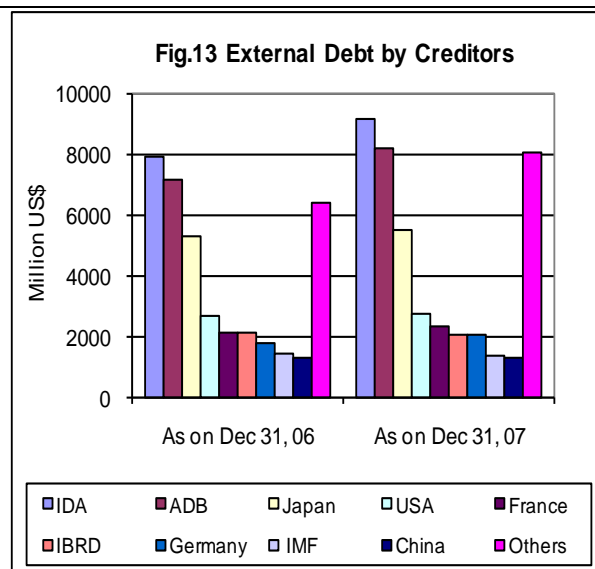
and \$2,103.5 million to \$2,334.5 million during the year and their relative shares changed from 18.7 percent to 19.1 percent, 13.8 percent to 12.9 percent, 7.0 percent to 6.4 percent and 5.5 percent to 5.4 percent during 2007. The claims of IBRD, IMF and China decreased from \$2,156.0 million to \$2,091.5 million, \$1,462.0 million to \$1,381.0 million and \$1,344.0 million to \$1,326.4 million during the year and their relative shares decreased from 5.6 percent to 4.9 percent, 3.8 percent to 3.2 percent and 3.5 percent to 3.1 percent during 2007.

Table 14

External Debt by Creditors

Creditor	Outstanding as on 31-12- 2006	% of Total	Outstanding as on 31-12- 2007	% of Total
IDA	7,936.0	20.7	9,164.7	21.4
ADB	7,192.0	18.7	8,195.7	19.1
Japan	5,297.0	13.8	5,508.6	12.9
USA	2,692.2	7.0	2,739.8	6.4
France	2,103.5	5.5	2,334.5	5.4
IBRD	2,156.0	5.6	2,091.5	4.9
Germany	1,810.8	4.7	2,036.9	4.8
IMF	1,462.0	3.8	1,381.0	3.2
China	1,344.0	3.5	1,326.4	3.1
Others	6,431.8	16.7	8,066.5	18.8
Total	38,425.3	100.0	42,845.6	100.0

The claims of Germany and the countries grouped *Others* increased from \$1,810.8 million to \$2,036.9 million and \$6,431.8 million to \$8,066.5 million during 2007 and their relative shares remained at 4.7 percent and increased from 16.7 percent to 18.8 percent during 2007.



External Debt by Sector, Type and Maturity

External debt by sector, type and maturity reveals that general government loans increased from \$32,105.0 million to \$35,406.7 million in which short term loans increased from \$551.0 million to \$1,001.2 million & long term loans increased from \$31,554.0 million to \$34,405.5 million during 2007 (table6.1, Page-37). Banks long term loans increased by \$50.0 million during the year 2007. The monetary authority loans decreased from \$2,162.0 million to \$2,081.0 million in which short term loans remained \$700.0 million & long term loans decreased from \$1,462.0 million to \$1,381.0 million during the year 2007. Government guaranteed long term loans decreased from \$258.0 million to \$212.0 million whereas private non-guaranteed long term loans increased from \$1,706.3 million to \$2,122.0 million during the year 2007.

External Debt Servicing by Creditors

External debt servicing by creditors reflects that the total repayments made to Paris Club were \$1,066.6 million in which \$556.5 million was principal amount & \$510.1 million interest during the year 2007 (table6.5, Page-41). Major repayments (principal + interest) were made to France, Germany, Japan, Korea,

Netherlands and USA, amounting to \$129.3, million \$56.0 million, \$143.6 million, \$96.9 million, \$128.1 million and \$314.9 million during 2007. Most of multilaterals repayments were made to International Monetary Fund (IMF), Asian Development Bank (ADB), and International Bank for Reconstruction & Development (IBRD) and International Development Association (IDA) amounting to \$95.9 million, \$425.5 million, \$377.6 million and \$198.2 million during 2007.

Other bilateral major repayment was made to China, i.e., \$188.8 million in which \$167.5 million was principal amount & \$21.3 million interest during 2007.

Reserve Assets

Reserve assets reflect that monetary gold increased from \$1,313.0 million to \$ 1,732.0 million with an increase of 31.9 percent during 2007 (table7, Page-42). Special Drawing Rights (SDR) decreased from \$216.0 million to \$215.0 million during the year.

Foreign exchange increased from \$11,133.0 million to \$13,524.0 with an increase of \$2,391.0 million (21.5 %) during the year.

