

INTRODUCTION

This is the third issue of “Import of Goods and Services” for the year 2009-10. The publication provides the estimates of Pakistan’s imports of goods and services compiled by the State Bank of Pakistan (SBP) on annual basis. Imports of goods cover all commodities that are imported from the non-residents by the residents and that with a few specified exceptions undergo change in ownership (actual or imputed). The services performed by the nonresidents for residents includes Transportation, Travel, Communication, Construction, Insurance, Financial, Computer and Information, Royalties and License Fees, Other Business Services, Personal, Cultural & Recreational services and Government Services.

Major part of the imports data compiled by SBP is reported by Authorized Dealers of scheduled banks under International Transaction Reporting System (ITRS) and are on mixed f.o.b. (free on board) and c.i.f.(cost insurance and freight) basis. The Balance of Payments (BOP) estimates are arrived at a uniform f.o.b. valuation by deducting the element of freight and insurance estimated at 8% of total import payments and adding the imports not covered by the banking channel i.e. imports financed by loans suppliers & other credits, grants etc. Estimates of imports of capital goods supplied to Pakistani branches or subsidiaries from the parent companies abroad based on annual survey of foreign investment are also covered. Information on imports under personal baggage, NRI, sales of duty free shops and land borne imports from Afghanistan and imports of Export Processing Zone (EPZ) from the rest of world are also gathered from relevant sources.

The imports data released by SBP under BOP is mainly based on exchange records as imports, on the other hand, data compiled by Federal Bureau of Statistics (FBS) are based on flow of commodities crossing Pakistan Custom’s boundaries. The BOP imports are on f.o.b. basis whereas FBS releases imports on c.i.f. basis. The Category of General Merchandise in BOP is comparable with the “Imports” released by Federal Bureau of Statistics based on data provided by customs authorities. However, under BPM5, Imports of goods for processing, repair and purchase of goods at ports are added in import under General Merchandise to arrive at Import for Goods.

From July, 1972 three digit commodity codes based on the Pakistan Standard Trade Classification (PSTC) were introduced for categorization of imported commodities and the previous group classification, i.e. primary products, semi-manufactured commodities and manufactured goods was replaced by the 10 sections of PSTC as under:-

1. Foods & Live Animals
2. Beverages & Tobacco
3. Crude Materials
4. Mineral Fuels
5. Oils & Fats
6. Chemicals
7. Manufactured Goods
8. Machinery
9. Misc. Manufactures
10. Misc. Commodities

From July, 1984, the commodity list was further expanded by adoption of 4-digit commodity codes in accordance with the Standard International Trade Classification (SITC) Volume II Revision 2 (1981).

From April 2003 data of imports payments is compiled according to Harmonized System (HS) of classification. The revised system is intended to serve as a universally accepted classification system for goods, which facilitates to compare imports data across different countries of the world. Harmonized System is a commodity classification system in which articles are grouped largely according to the nature of the materials of which they are made. HS Coding System was developed under the auspices of the Customs Cooperation Council (CCC) now known as the World Customs Organization (WCO). The complete list of HS Classification can be accessed through website. HS commodity classification is available on SBP website at http://www.sbp.org.pk/fe_returns/ctp.htm and the website of FBR at <http://www.fbr.gov.pk/>.

Previous ten sections of Pakistan Standard Trade Classification (PSTC) have been replaced by 21 sections of HS codes as under: -

1. Live Animal; Animals Products
2. Vegetable Products
3. Animal or Vegetable Fats, oils & Waxes
4. Prepared Foodstuffs; Beverages, Spirits, Vinegar and Tobacco
5. Mineral Products
6. Products of Chemical or Allied Industries
7. Plastics and Articles thereof; rubber and Articles thereof
8. Raw Hide and Skins, Leather, Fur skins and Articles thereof
9. Wood and Articles of Wood
10. Pulp of Wood or of other Fibrous Cellulosic Material
11. Textiles and Textile Articles
12. Footwear, Headgear, Umbrellas, Walking Sticks etc,
13. Articles of Stone, Plaster, Cement, Asbestos, Mica or Similar Materials
14. Natural or Cultured Pearls, Precious or Semi Precious Stones, Metals
15. Base Metals and Articles or Base Metal
16. Machinery and Mechanical Appliances, electrical Equipment & Appliances
17. Vehicles, Aircraft, Vessels and Associated Transport Equipment
18. Optical, Photographic, measuring, Checking, Precision Medical or Surgical instruments
19. Arms and Ammunition; Parts and Accessories thereof
20. Miscellaneous Manufactured Articles
21. Works of Arts, Collectors, Pieces, Antiques and Special Transaction NES

Due to the increasing tendency for trade agreements to cover services as well as goods and the need for statistics to support implementation of these agreements, it was decided to include data on imports of services in the publication. The data will help the government and policy makers in planning and promoting trade in services. The data on trade in services that takes place between residents and non-residents is compiled according to the definitions and classification of the 5th Manual of Balance of Payments (BPM5) of IMF. The classification provides a coherent structure of the services sector, which facilitates analytical studies, and bilateral comparisons of particular components or overall transactions in the sector. The BPM5 classification of services sector has the following 11 standard components:-

1. Transportation
2. Travel
3. Communication Services
4. Construction Services
5. Insurance Services
6. Financial Services
7. Computer & Information Services

8. Royalties & License fees
9. Other Business Services
10. Personal, cultural & recreational Services
11. Government Services

The structure of the publication is as follows:-

The chapter of “Summary” shows the aggregate figures presented in million US\$. Various graphs have been incorporated along with the tables. Table 1 shows key indicators of imports and services along with some historical data. Group-wise import and services data are also given. Some major commodities of goods and types of services of major country groups are given in table 2 to table 9. Table 10 shows major commodity of imports payments and services from various geographical regions/ countries. Imports other than banking channel are added as lump sum to total. Table 11 and table 12 enlist major increasing trend commodities and decreasing trend commodities respectively. Table 13 shows historical exchange rates of Rs./ US\$. The remaining booklet consists of detailed statements.

Statement 1 shows the overall figures of import of Goods and Services by commodities and type in equivalent Pak. Rupees and US\$ of current year compared with the previous year and change in the amount. The statement is further bifurcated into various regional group based on similar interests. These groups are as follows:

- 1.1 All countries
- 1.2 Organization of Islamic Conference (OIC)
- 1.3 Middle East
- 1.4 European Economic Community (EEC)
- 1.5 Eastern Europe
- 1.6 Association of South East Asian Nations (ASEAN)
- 1.7 South Asian Association for Regional Cooperation (SAARC)

Statement 2 shows the overall figures of import of goods and services by countries.

Statement 3 shows the overall imports of Goods by commodities & Services by Type from each country.

Statement 4 shows the overall imports of Goods and services by countries / commodity and country / type.

Statement 5 shows Commodity by Country Matrix of major countries and commodities.

Appendix A shows the list of countries included in groups based on similar interests while *Appendix B* shows the regional groups of countries.

Owing to difference in coverage, timing, valuation and classification of exchange records vis-à-vis customs records, the figures in this publication are likely to differ from those released by the Federal Bureau of Statistics, Statistics Division of the Ministry of Economic Affairs. Due to rounding off separate items, totals may show minor differences.