

INTRODUCTION

Import Payments is also an important component of trade balance in the compilation of Pakistan's Balance of Payments estimates and this publication provides the estimates of Pakistan's imports of goods and services compiled by the State Bank of Pakistan (SBP) on quarterly basis. Import payments of goods cover all payments of moveable goods 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 payments of services contains all payments through banking channels 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 & Recreation and Government Services.

Major part of the import payments data compiled by Statistics & DWH Department, SBP is reported by Authorized Dealers in Foreign exchange of scheduled banks under International Transaction Reporting System (ITRS) and are on mixed f.o.b. and c.i.f. basis. The BOP estimates are arrived at a uniform f.o.b. valuation by deducting the element of freight and insurance estimated at 8% up till FY11 and 6% from FY12 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. The imports under personal baggage, NRI, sales of duty free shops, land borne imports from Afghanistan and imports of Export Processing Zone (EPZ) from the rest of world are also included.

The imports data released by SBP under BOP is mainly based on exchange records, on the other hand compiled by Pakistan Bureau of Statistics (PBS) are based on flow of commodities crossing Pakistan Custom's boundaries. The BOP imports are on f.o.b. basis whereas PBS releases imports on c.i.f. basis. Under BPM5, Imports of goods for processing, repair of goods and purchase of goods at ports are added in import under General Merchandise to arrive at Import of Goods.

From April 2003 data on import payments is compiled according to Harmonized System 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.. HS Coding System was developed under the auspices of the Customs Cooperation Council (CCC) now known as the World Customs Organization (WCO).

The commodities are classified according to HS classifications into twenty one sections as follows:-

<u>Section</u>	<u>Description</u>	<u>Section</u>	<u>Description</u>
1	Live Animals; Animals Products	12	Footwear, Headgear, Umbrellas, Walking Sticks etc,
2	Vegetable Products	13	Articles of Stone, Plaster, Cement, Asbestos, Mica or Similar Materials
3	Animal or Vegetable Fats, Oils & Waxes	14	Natural or Cultured Pearls, Precious or Semi Precious Stones, Metals
4	Prepared Foodstuffs; Beverages, Spirits, Vinegar and Tobacco	15	Base Metals and Articles or Base Metal
5	Mineral Products	16	Machinery and Mechanical Appliances, Electrical Equipment & Appliances
6	Products of Chemical or Allied Industries	17	Vehicles, Aircraft, Vessels and Associated Transport Equipment
7	Plastics and Articles thereof; Rubber and Articles thereof	18	Optical, Photographic, Measuring, Checking, Precision Medical or Surgical Instruments
8	Raw Hide and Skins, Leather, Fur skins and Articles thereof		
9	Wood and Articles of Wood	19	Arms and Ammunition; Parts and Accessories thereof
10	Pulp of Wood or Other Fibrous Cellulosic Material	20	Miscellaneous Manufactured Articles
11	Textiles and Textile 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 of Balance of Payments Manual 5th edition (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 eleven standard components:-

<u>Sr. No.</u>	<u>Services Sector</u>	<u>Sr. No.</u>	<u>Services Sector</u>	<u>Sr. No.</u>	<u>Services Sector</u>
1	Transportation Services	2	Travel Services	3	Communication Services
4	Construction Services	5	Insurance Services	6	Financial Services
7	Computer & Information Services	8	Royalties and License fees	9	Other Business Services
10	Personal, Cultural & Recreational Services	11	Government Services		

Structure of the publication is as follows:-

Statement-3.1.1 shows Import of Goods by Commodity and Services by Type in equivalent Pak. Rupees.

Statement-3.1.2 shows Import of Goods by Commodity and Services by Type in equivalent U.S. Dollars.

Statement-3.2 shows Import of Goods and Services by Country.

Statement-3.3 shows Import of Goods by Country / Commodity and Services by Country / Type.

Statement-3.4 shows Import of Goods by Commodity / Country and Services by Type / Country, is only available at SBP website.

Owing to difference in coverage, timing, valuation and classification of exchange record vis- à-vis customs record; the figures in this publication are likely to differ from those released by the Pakistan Bureau of Statistics, Statistics Division of the Ministry of Economic Affairs and Statistics. Over longer intervals, however, these differences will tend to minimize.

The values are rounded off to million in the “*Summary Tables*” and to thousand in other statements in the publication. Totals and Subtotals may show slight difference due to rounding off. The columns “% Share to Total”, “Growth” and “% Change” is based on complete floating decimal values.