5 External Sector

5.1 Overview

After a challenging first quarter, the second quarter of FY15 was quite easy for Pakistan's external sector (**Table 5.1**). On the one hand, the sharp fall in international oil prices reduced the country's import bill, and on the other, EFF disbursements from the IMF resumed after 5th review of the program. Meanwhile, the government was able to mobilize US$ 1.0 billion via Sukuk issuance in the international market.

Table 5.1: External Sector Indicators

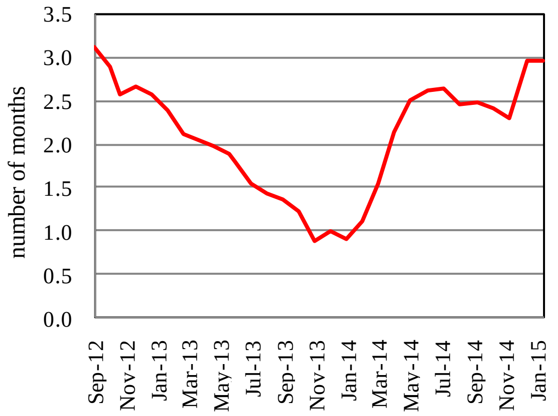
million US$; PKR trend in percent (+app/-dep)

	Q1		Q2		H1	
	FY14	**FY15**	**FY14**	**FY15**	**FY14**	**FY15**
PKR trend	-6.0	-3.7	0.7	2.1	-5.4	-1.7
SBP reserves (change)	-1,315	-154	-1,214	1,570	-2,529	1,416
Total reserves (change)	-1,203	-630	-1,503	1,757	-2,706	1,127
C/A balance	-1,315	-1,647	-688	-770	-2,003	-2,417
FDI in Pakistan	240	153	206	371	446	524
IMF loans net	-308	36	-583	718	-891	754
Other loans net	-110	455	33	37	-77	492

Source: State Bank of Pakistan

As a result, the PKR posted an appreciation of 2.1 percent vis-à-vis the US Dollar during the quarter, and the country's FX reserves reached US$ 15 billion by end-December 2014.[1] More importantly, SBP's liquid reserves were equivalent to 3-month of import of goods (**Figure 5.1**) – the first time after September 2012.[2] As a result, net international

Figure 5.1: SBP Reserves as Months of Import of Goods



Source: State Bank of Pakistan

[1] This appreciation of the PKR was despite SBP's net FX purchases of the US Dollar from the interbank; and mainly represents improved sentiments in the FX market. The Real Effective Exchange Rate (REER) during Q2-FY15 posted an appreciation of 4.5 percent.

[2] 3-month of import cover is an international benchmark for reserves adequacy. Figure 5.1 basically shows months of import of goods, which the available gross SBP liquid reserves can cover.

reserves (NIR) successfully met the end-December IMF target.[3]

The decline in international oil prices is the single-most important development improving the country's BoP outlook.[4] This decline has already lowered Pakistan's import bill by approximately US$ 1.3 billion;[5] and if prices stay where they are (which is to be expected), Pakistan can save up to US$ 2.5 billion *more* in Mar-Jun 2015.[6] The services account should also gain from low freight expenses going forward. Furthermore, this account has also benefited from CSF inflows worth US$ 1.5 billion so far in FY15. The good news is that despite the oil slump, the GCC is still spending on infrastructure, and there are no short-term concerns for remittances inflows into Pakistan from this region. As the FX buffer improves gradually, IMF's upcoming performance reviews are expected to be easier, which would bring another US$ 1.1 billion before June.[7] Inflows (gross) from multilateral and bilateral sources are also expected to the tune of $2.6 billion, and the HBL divesture is likely to mobilize US$ 764 million more (**Section 5.3**).

In the *medium-term*, concerns remain, even if we assume the oil price slump to continue. The key challenge is the continuous weakening of the Euro Area, which constitutes over a quarter of Pakistan's export market. Ironically, this was the region that recently pushed the country's exports vis-a-vis the GSP plus status given to Pakistan. But the Europe continues to suffer from a stagnating economy, tumbling inflation and more recently, fears of deflation. The ECB does not have much left in its policy tool-kit, and all eyes are on how President Draghi's perceived gamble on the QE unfolds.[8] The other important market, the US, is growing well; however, Pakistan's prospects are challenged here with a successful

[3] The IMF defines net international reserves (NIR) as the US Dollar value of the difference between gross international reserve assets and reserve related liabilities, evaluated at the program exchange rates.

[4] Since the beginning of FY15, price of Saudi Arabian Light has come down by over 60 percent.

[5] Petroleum imports have declined by US$ 1.8 billion YoY in Jul-Feb FY15. Of this, there was a negative price impact of US$ 1.3 billion, and a negative quantum impact of US$ 435 million.

[6] If Pakistan imports the *same* quantity of POL in Mar-Jun 2015, which it did in the same period last year, then applying the average unit prices we paid in February (i.e., $400 per MT), Pakistan can save up to US$ 2.5 billion on its import (YoY). However, it remains to be seen how much impact the reduced prices would have on oil consumption. On aggregate, petroleum bill saw a reduction of US$ 116.5 million in February 2015, compared to the preceding month, and US$ 541.6 million compared to February 2014.

[7] The sixth review was completed successfully in February and, following the Board approval in March, US$ 498.3 million was disbursed.

[8] Critics of the ECB's asset purchase program (at least €1.1 trillion) believe that the QE would trigger high inflation and excessive sovereign debt in the EU; and this would outweigh benefits of the program. Among the major critics of this program is Bundesbank's President Jens Weidmann, who had even voted against the move in the ECB's governing council.

negotiation of the Trans-Pacific Partnership (TPP).[9] In plain terms, this agreement would allow major competitors like Vietnam to export garments and footwear to the US at zero tariffs. Already Pakistani exporters are losing ground in this market due to less focus on synthetic textiles.

Another concern comes from the Gulf. So far, it appears that the GCC governments' spending plans have not been impacted by oil prices – thanks to the available sovereign funds at their disposal. However, this cannot go on much longer. A continuous depletion of these reserves would eventually start biting into their fiscal spending, if oil prices fail to recover. The pace of Pakistan's remittance growth cannot remain immune to the oil slump indefinitely. Finally, FX debt repayments loom large a few years down the road: restructured Paris Club installments will begin from FY17, a year after which, the first of the EFF repayments would fall due. Honoring these repayments would require comparable stream of FX earnings, or else, a drawdown of the country's FX reserves is likely.

In this context, we should take the oil price collapse as a short-term breather, which Pakistan must use to correct its chronic BoP imbalances. Importantly, the reduced oil prices must *not* be seen as an opportunity to import consumer items into the country. Instead, the government must think along the lines of what oil exporting countries did in times of high oil prices, i.e., creating reserves. In this context, the government's recent decision to impose regulatory duty on the import of luxurious items, can be helpful in containing imports. More needs to be done. There is a dire need to curb smuggling of goods into the domestic market, to allow local industry to flourish, and also to tap informal FX inflows. Also, Pakistan must be very careful in signing foreign trade agreements (FTAs) with other countries: new FTAs must be thought-out and existing FTAs should get critically reviewed. More specifically, instead of opening up its market to low-technology products (like light engineering items, low-tech electronics, rubber and plastic materials, etc.) from its trading partners at minimal tariffs, Pakistan should incentivize its local industry to substitute for such imports.

Finally, export expansion is a must. We need to go deeper into structural factors that are constraining our potential: reassess the country's resource base; develop an industrial vision; pick winning sectors; design a strategy to lift them, and then stick to it. Efforts are required at a micro level to diversify products; diversify

[9] The Trans-Pacific Partnership (TPP) is a proposed regional regulatory and investment treaty. So far, twelve countries throughout the Asia-Pacific region have participated in negotiations on the TPP including Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States, and Vietnam.

markets; and overhaul the supply chain. This is not possible without coordinated policies on the industrial, trade, financial and education fronts; Pakistan would continue to lose its share in the global export market, if key parameters like technology transfers, R&D, and productivity continue to be neglected.

Table 5.2: Current Account
million US$

	Q1			Q2			H1		
	FY14	FY15	Growth	FY14	FY15	Growth	FY14	FY15	Growth
Current account	-1,315	-1,647	25.2	-688	-770	11.9	-2,003	-2,417	20.7
a. Trade account	-4,384	-6,022	37.4	-4,266	-3,805	-10.8	-8,650	-9,827	13.6
Export receipts	6,257	5,960	-4.7	6,210	6,227	0.3	12,467	12,187	-2.2
Cotton yarn	561	445	-20.7	565	429	-24.1	1,127	874	-22.4
Other textiles	2,902	3,020	4.1	2,850	2,905	1.9	5,752	5,926	3.0
Non-textiles	2,794	2,496	-10.7	2,795	2,899	4.7	5,589	5,388	-3.0
Import payments	10,641	11,982	12.6	10,476	10,032	-4.2	21,117	22,014	4.2
POL	3,948	4,476	13.4	3,803	3,112	-18.2	7,751	7,588	-2.1
Non-POL	6,688	7,506	12.2	6,670	6,860	2.8	13,358	14,426	7.5
Metal	713	832	16.8	595	773	30.0	1,307	1,606	22.8
Machinery	1,291	1,358	5.2	1,256	1,341	6.8	2,546	2,698	6.0
b. Services	-906	-505	-44.3	-601	-799	32.9	-1,508	-1,304	-13.5
CSF	0	735	100.0	322	0	-100.0	322	735	128.3
c. Primary income	-822	-812	-1.2	-1,184	-1,480	25.0	-2,006	-2,292	14.3
Repatriation-FDI	-537	-530	-1.3	-795	-1,027	29.2	-1,332	-1,557	16.9
Interest	-181	-187	3.3	-244	-177	-27.5	-425	-364	-14.4
d. Secondary income	4,798	5,692	18.6	5,363	5,314	-0.9	10,161	11,006	8.3
Remittances	3,929	4,695	19.5	3,863	4,287	11.0	7,792	8,982	15.3
Current a/c (exc. CSF)	-1,315	-2,382	81.1	-1,010	-770	-23.8	-2,325	-3,152	35.6

Source: State Bank of Pakistan

5.2 Current account

The current account posted a deficit of US$ 2.4 billion in H1-FY15, an increase of 20.7 percent over the same period last year (**Table 5.2**).[10] This deterioration was more pronounced in the first quarter: in the second quarter, the current account

[10] The situation has changed substantially in subsequent months. The current account posted a marginal deficit of US$ 74 million in January 2015, and a hefty surplus of US$ 877 million in February 2015. As a result, the current account deficit in Jul-Feb FY15 stands at only US$ 1.6 billion, compared to US$ 2.5 billion in Jul-Feb FY14.

shows a much reduced deficit once the impact of CSF inflows is taken out.[11] This improvement came primarily from a reduced trade deficit, as POL import payments fell sharply on account of low prices. Most notably, the current account posted a surplus of US$ 79 million in the month of December.

Services balance posted an improvement in H1-FY15 over last year, primarily on the back of higher CSF inflows in the first quarter. The CSF tranche expected in the second quarter was delayed; a lumpy payment came later in February 2015.[12] Some support to this account should also come from lower freight expenses, as shipping companies have apparently started passing on the impact of cheaper oil to their customers.[13]

Worker remittances have appeared as a major savior for the current account in the previous few years, covering up around 90 percent of the trade deficit. This year, remittances picked up pace and grew by another 15.3 percent YoY during Jul-Dec 2014; this was in comparison to a targeted growth of 5.7 percent for the full-year.[14] Most of the increase came from GCC countries mainly Saudi Arabia and the UAE that are spending heavily on public infrastructure.[15] Since these countries have accumulated large volume of FX reserves in previous few years, it appears that the recent oil slump would not affect governments' spending for some time in the region (**Figure 5.2**).[16] Meanwhile in Pakistan, the government has

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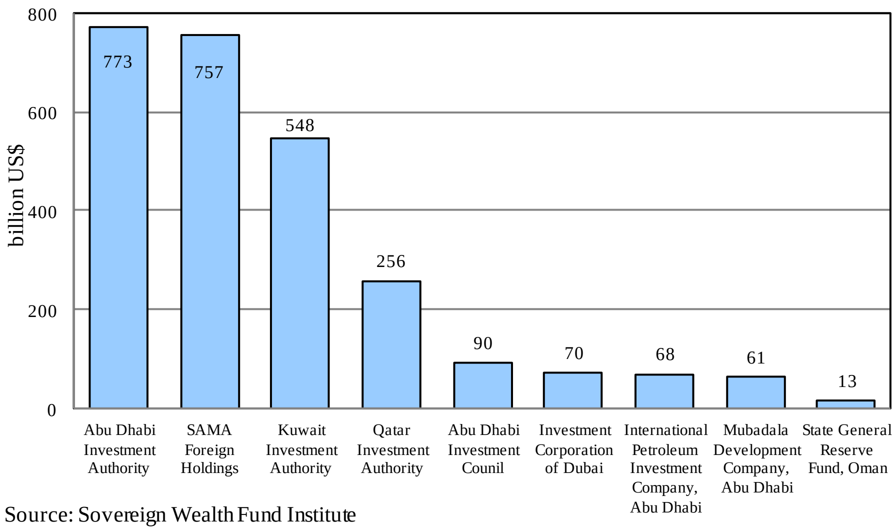
[11] In Q2-FY14, there was an inflow of US$ 322 million under the CSF. In Q2-FY15, no such inflows were recorded.
[12] As per the IMF projections, US$ 240 million were expected each in the second, third and fourth quarters of FY15. No inflows came in the second quarter (compared to US$ 322 million in Q2-FY14), however in February 2015, there was an inflow of US$ 717 million under the CSF.
[13] Freight contributes nearly 95 percent of the country's services deficit, and the balance depends heavily on oil prices and import values.
[14] In the Annual Plan for 2014-15, the government has set the target of US$ 16.7 billion against the actual remittances of US$ 15.8 billion last year.
[15] A large number of Pakistanis in the GCC work in construction related activities like labors, masons, carpenters, etc. (source: Bureau of Emigration and Overseas Employment).
[16] Most of the GCC countries have shrugged off oil price concerns while preparing budgets for the next year. For instance, the Saudi government has envisaged a spending *increase* of 0.6 percent for the Budget 2015. This will be the first deficit after 2011, which will be comfortably financed using net foreign assets of the Saudi Arabian Monetary Agency (SAMA). For the UAE, Expo 2020 is generating economic activities: efforts are underway to develop Dubai as a transportation and tourism hub, helped by major infrastructure projects and private investment in hotels, resorts and convention centers. As far as Qatar is concerned, it is preparing to host the 2022 soccer world cup, for which it has significantly increased infrastructure spending. For 2014-16, a robust economic growth is expected fueled by non-hydrocarbon activities in the country. Finally, the Sultanate of Oman has announced an increase in spending for 2015, at the cost of incurring a budget deficit. Like other gulf states, Oman has also been spending heavily on infrastructure and industrial projects after the 2011 Arab Spring uprising, and has also scaled up its social spending since then. The year 2015

further tightened up the anti-money laundering laws, which may help redirect *more* funds into the formal channels.

Figure 5.2: Asset Size of Sovereign Wealth Funds of the GCC (April 2015)



Source: Sovereign Wealth Fund Institute

5.3 Capital and financial account

After a spell of slow activity in the first quarter, financial account witnessed some improvement in Q2-FY15. This improvement stemmed mainly from the issuance of sovereign Sukuk in t he international market; Chinese investment in Pakistan's telecom sector for network up-gradation;[17] and higher FX inflows from the international financial institutions (IFIs).

Other than the telecom, the activity in FDI remained dull. Only power generation, automobile and banking sectors were able to mobilize slightly higher inflows than last year. As far as portfolio investment is concerned, the government is tapping most of the inflows. Not only has it issued Sukuk in the international market, the process of privatizing state owned entities (SOEs) is also underway: HBL's divesture is on cards, and it is expected that the government would be able to mobilize US$ 450 million (FX) in H2-FY15.

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would see planned expansion of major airports in Muscat and Salalah, and a US$ 12 billion national railway project.

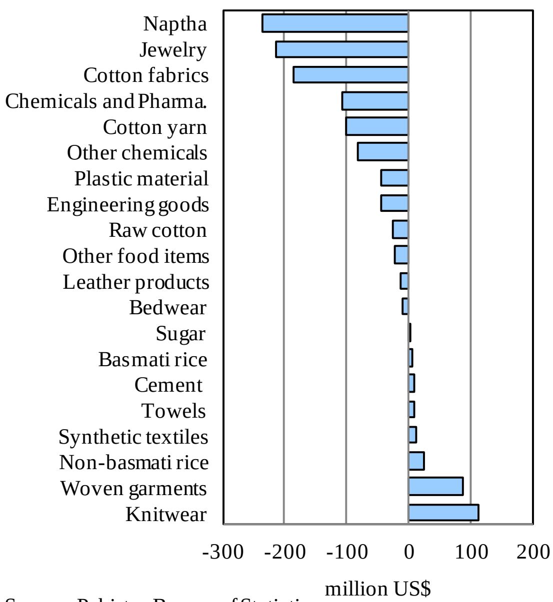
[17] China Mobile Company injected US$ 168 million in its subsidiary in Pakistan, China Mobile Pakistan (CMPak - Zong) for network up-gradation to provide its customers 3G/4G data services.

The government was also able to increase FX borrowings in the second quarter, mainly on the back of higher disbursements from the IDB. However, a part of this was offset by retirement of FX loans by PIA and other non-government agencies. Going forward, disbursements of US$ 2.6 billion more are expected from IFIs and bilateral sources in the remaining part of the year.[18]

5.4 Trade account[19]

The trade deficit posted 33.7 percent increase in H1-FY15, compared to a decline of 8.5 percent in the same period last year. This higher deficit was caused primarily by a sharp rise in the country's imports, as exports declined by 4.4 percent. Interestingly, imports grew by almost 11.5 percent YoY in *both* the quarters of the year: while petroleum dominated Q1 imports, non-petroleum products pushed up the Q2 import bill. In effect, the rise in import of metal, machinery and palm oil in Q2, more than offset the impact of lower petroleum prices during this quarter.[20] As far as exports are concerned, these recovered in the second quarter, after having declined by 10.4 percent in the first quarter of the year.

Figure 5.3: YoY Change in Exports during H1-FY15



Source: Pakistan Bureau of Statistics

Exports

Exports declined by 4.4 percent YoY during H1-FY15, compared to a rise of 4.9 percent last year **(Figure 5.2)**. As mentioned before, the fall in export earnings was observed in Q1 alone, when exporters were uncertain about the global price trajectory, and

[18] The IMF projects disbursements from IFIs and bilaterals at US$ 1.6 billion in Q3, and US$ 1.1 billion in Q4 of FY15 (source: Country Report No 14/357 for Pakistan (after the 4th and 5th reviews).

[19] This section is based on customs data reported by the PBS. This data set also has the advantage over payments record data for analysis purpose, since this carries information on quantums and unit values. The information in this section does not tally with the payments record data, which is reported in **Section 5.1**. To understand the difference between these two data series, please see Annexure on data explanatory notes.

[20] It is important to recall here that in the payments records data, the decline in POL import payments had more than offset the increase in non-POL import payments.

withheld the export of rice and POL related products like naphtha. As the slide in oil prices became more pronounced in the second quarter, it became virtually unfeasible for local refineries to sell their products in the international market. However, this was more than offset by an increase in export of most other items like rice, readymade garments, knitwear, synthetic textiles, and cement. As a result, the overall exports increased by 2.4 percent YoY during the second quarter.

Textiles

Textile exports posted a decline of 0.4 percent in H1-FY15 over the same period last year. This decline stemmed primarily from low value-added items: the decline in export of cotton yarn and fabrics more than offset the increase in export of knitwear, woven garments and towels. The export of cotton fabrics to China, Bangladesh and Turkey remained particularly low, as these countries are facing sluggish demand from their importers.[21] On the contrary, export of value-added items like knitwear, and readymade garments benefited from the availability of GSP plus status in the EU.[22] As for the supply side, businessmen cite energy constraints and security risks as being the major issues hurting exports. However, in our opinion, this is only partly true. The fact remains that unless we settle structural issues facing Pakistan's textile industry, it will not be able to consolidate its position in the international market.

Rice

Rice exports posted a growth of 3.5 percent YoY during the first half of FY15. Encouragingly, this growth came on top of 25.9 percent growth last year. Similar to previous few years, we can trace this improvement to an increased demand for Pakistan's non-basmati varieties in the African region, especially in Kenya, Mauritania and Mozambique. In addition, Malaysia has also become one of the five largest importers of Pakistani rice.[23] Presently, non-basmati varieties constitute nearly 85 percent of the rice exported from Pakistan (quantums), and

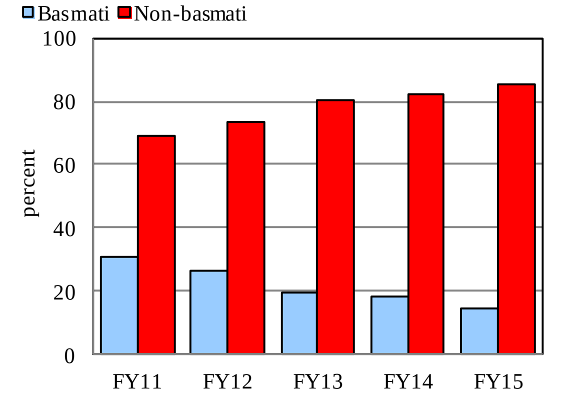
[21] It must be noted that Pakistan has managed to increase its share in import markets of China and Turkey in FY15. For instance in case of cotton fabrics (HS code 5209), Pakistan's share in Turkish market has increased from 21 percent in H1-FY14, to approximately 26 percent in H1-FY15. Similarly in Chinese market, this share has increased from 57 percent in H1-FY14 to 67 percent in H1-FY15 (Source: International Trade Center). Comparable data for Bangladesh is not available.

[22] In fact, overall imports into the EU increased by only 0.2 percent during Jul-Nov 2014, over the same period last year. However the EU's imports from Pakistan increased by a healthy 21.9 percent during the same period. This suggests a significant amount of substitution taking place in the EU market in favor of Pakistan. Some substitution was also seen in case of Pakistan's exports: according to PBS, the share of EU market in our exports increased to 28.8 percent during Jul-Nov FY15 (latest available), compared to 24.8 percent in the same period last year.

[23] According to PBS detailed data for Jul-Nov FY15, Malaysia has become one of our top-5 major exporting destinations for non-basmati.

this share is rising gradually **(Figure 5.4)**.[24] Since non-basmati varieties fetch lower value compared to the basmati, there is a need to capture the markets for basmati rice to earn higher FX earnings.

Figure 5.4: Share of Basmati and Non Basmati in Total Quantum of Rice Exports



Source: Pakistan Bureau of Statistics

Cement

Higher demand from India, Sri Lanka, South Africa, Mozambique, Congo and some other African countries, boosted Pakistan's cement exports during H1-FY15.[25] India's demand for cement was probably an outcome of an increase in public spending on infrastructure and housing. Since most cement production units in India are located on the eastern side, it is more cost effective for western parts to use Pakistani cement for their construction activities. The demand is likely to remain strong going forward, as the government of India plans to consolidate its spending up till 2017, as envisaged in its 12th five year plan (2012-17).

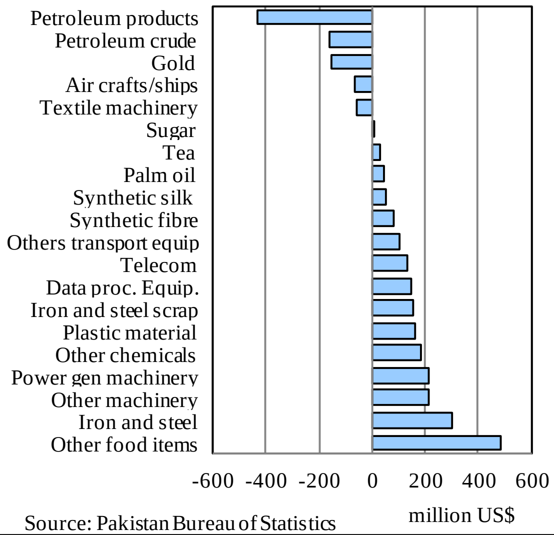
The situation in South Africa is also similar; here also, state-led investment in roads, railway, energy, and water infrastructure has spurred cement demand. Afghanistan was a major exception. Despite all the reconstruction that is being taken place in the country, Pakistan was unable to maintain the previous year's export volumes. Iranian cement has penetrated further into Afghanistan, which competes well with Pakistani variety.

Imports

Imports posted a strong growth of 11.5 percent YoY during H1-FY15. Major impetus came from food, machinery, metal and other chemicals, which more than offset the decline in POL imports **(Figure 5.5**). For most non-petroleum products, the decline in unit prices was more than offset by a rise in quantums (**Table 5.3**).

[24] In value terms, however, non-basmati varieties constitute nearly 70 percent of total rice exports.
[25] According to the PBS, quantum cement exports increased by 4.0 percent YoY in H1-FY15, compared with a decline of 5.9 percent in the same period last year.

Figure 5.5: YoY Change in Imports during H1-FY15



Source: Pakistan Bureau of Statistics

Within the food import, which increased by US$ 763.2 million over last year, import of 'other food items' remained particularly strong. An increase of US$ 489.3 million was seen in this category: the detailed data (on 8-digit level) suggests that it was the higher demand for low erucic-acid rapeseed, potatoes, peas and other vegetables, which inflated our food import bill.[26] Besides this category, import of tea and palm oil also remained strong, as local manufactures took advantage of falling global prices.[27] Similar impact was seen in case of wheat imports, especially in the months of September and October, when the global prices reached 50-months low.[28]

Steel rebounded in H1-FY15: posting a growth of 50.0 percent YoY, steel imports (both scrap and products) have reached to an all-time high of US$ 1.4 billion in Jul-Dec 2014. Softening global prices (mainly in China), along with an increase in domestic public works, led to a higher import of steel into the country.[29] However, this higher growth may taper going forward, as the government has recently announced 15 percent regulatory duty on steel billets, bars, wire-rods, etc.[30]

[26] So far, the detailed information is available till November. The Jul-Dec data on 8-digit level, will not be available before April 2015.
[27] Import of tea and palm oil was increased by 18.9 and 87.9 thousand MT respectively during H1-FY15.
[28] This increase in wheat imports was completely uncalled for, keeping in view sufficient stocks in the country. To curb these imports, the government imposed 20 percent regulatory duty on its import in November. As a result, wheat imports declined sharply in November and December to only 57.6 thousand MT, compared to 575.4 thousand MT in the preceding two months.
[29] The average metal price index (IMF) for Jul-Dec 2014, was 10 percent lower than Jul-Dec 2013.
[30] Clearly, this duty favors local steel melters and ship-breakers, who compete directly with imported items. However, this may hurt domestic steel re-rolling industry, which uses these items as input to produce retail products. As per our discussion with the re-rolling industry, the impact of this duty would not reduce imports *significantly*, due to existing difference in quality and specifications. This industry also claims that most imported items would still remain cheaper compared to the locally manufactured ones, even after the imposition of this duty.

Table 5.3: Imports during Jul-Dec FY15 (Decomposition of YoY Change in Value)

million US$

Items	Quantum impact	Price impact	Total change	Items	Quantum impact	Price impact	Total change
Petroleum products	-140.4	-287.8	-428.1	Rubber tyres	42.1	-8.8	33.3
Synthetic yarn	194.9	-143.4	51.4	Soybean oil	7.5	-2.9	4.6
Wheat	145.6	-69.9	75.8	Sugar	1.7	-0.6	1.1
Petroleum crude	-93.6	-68.1	-161.7	Jute	-2.5	0.5	-2.0
Pulses	108.5	-55.7	52.8	Spices	12.3	0.9	13.3
Worn clothing	0.0	-28.0	-28.0	Gold	-152.8	2.6	-150.2
Palm oil	71.4	-25.1	46.3	Raw cotton	-61.1	3.9	-57.3
Synthetic fiber	103.6	-18.1	85.5	Paper	57.5	5.6	63.0
Dry fruits	23.6	-17.8	5.9	Plastic material	144.7	14.8	159.5
Tea	42.8	-14.2	28.6	Insecticides	5.7	15.9	21.7
Iron and steel	319.0	-13.2	305.7	Milk	16.4	29.1	45.5
Rubber crude	8.8	-11.5	-2.7	Fertilizer	-12.3	79.7	67.4
Steel scrap	164.4	-9.2	155.2	Pharma	18.8	120.5	139.3

Source: Pakistan Bureau of Statistics

Machinery imports grew by 24.4 percent in H1-FY15, after declining marginally in the same period last year. This increase was evident mainly in power generating machinery like engines; turbines; and auxiliary plants. This reflects some investment in the domestic energy sector, and increasing use of captive power in other industries. Furthermore, there was an increase of 27.7 percent in the import of machinery, which is not classified elsewhere (*other machinery).*[31]

Trade figures post-December 2014 are not encouraging. Exports have stumbled again in January and February, after showing some recovery in Q2-FY15. Imports, on the other hand, have also fallen in January and February 2015 by 26 percent and 7 percent YoY, respectively. This outcome was expected as global oil prices affect our import unit values with almost a three-month lag.[32] Overall trade deficit has reached US$ 14.6 billion, which is 15.9 percent higher than the same period last year.

[31] As per the detailed data (HS-8 code), which is available only till November 2014, this increase was reflected in items like plants, parts of pumps, steam turbines and intake air filters.

[32] Import orders for POL are placed around 3 months in advance at prevailing prices. Therefore, the decline in oil prices in October and November 2014 has reflected in our import unit values in January and February 2015, respectively.