

NOTICE

UPDATING OF CIF MARGINS ON IMPORTS PAYMENTS FOR PAKISTAN BALANCE OF PAYMENTS COMPILATION

August 9, 2011

IMF Multi-sector Statistics Remote Technical Assistance, June-August 2009 mission, among others recommended to “Conduct a study to develop an appropriate method to replace the currently used fixed coefficient (8 percent) for the cif-fob margin of imports and keep the coefficient updated. It is necessary to investigate the cif-fob adjustment factor and keep the coefficient updated on a regular basis”.

Statistics and Data Warehouse Department conducted a study to develop and update the currently used 8 percent coefficient for the cif-fob margin on imports. The coefficient is used to segregate the value of CIF margin from the import payments reported by banks on cif basis. The segregated amount is made part of services account in balance of payments statement and the remaining amount is treated as imports fob reflected in the goods account. The study was conducted through a survey on a representative sample of importers in Pakistan based on imports carried out during July-June FY10. The survey result regarding CIF Margin on Import Payments revealed the coefficient as 6% instead of current fixed coefficient of 8% with bifurcation of 98% as freight charges and 2% as insurance. The updated 6 % coefficient of CIF margin on import payments is implemented from July, 2011 onward. The coefficient will be updated after every three years.