

STATISTICS AND DATA WAREHOUSE DEPARTMENT
Nominal / Real Effective Exchange Rate Indices of Pak Rupees
(Base 2010 = 100)*

Month	NEER	REER	Percentage Change over last Year	
			NEER	REER
Average				
Jun-17	90.9981	121.0086	1.91	3.13
Jun-18	78.4221	107.4833	-13.82	-11.18
Jun-19	62.8885	90.9787	-19.81	-15.36
Jun-20	59.7676	93.0417	-4.96	2.27
Jun-21	60.0186	99.8145	0.42	7.28
	Monthly Position		Percentage Change over last Month	
Aug-19	62.0595	92.6822	2.19	3.27
Sep-19	63.0797	94.3617	1.64	1.81
Oct-19	63.0324	94.8143	-0.07	0.48
Nov-19	62.9352	95.7936	-0.15	1.03
Dec-19	63.0070	95.7183	0.11	-0.08
Jan-20	62.7876	96.4636	-0.35	0.78
Feb-20	63.6871	97.2227	1.43	0.79
Mar-20	62.4790	97.1535	-1.90	-0.07
Apr-20	61.1568	94.4187	-2.12	-2.81
May-20	62.5240	97.1981	2.24	2.94
Jun-20	59.7676	93.0417	-4.41	-4.28
Jul-20	58.6417	93.1023	-1.88	0.07
Aug-20	57.5413	91.7888	-1.88	-1.41
Sep-20	58.1729	94.1174	1.10	2.54
Oct-20	59.0687	97.1044	1.54	3.17
Nov-20	59.8030	99.3417	1.24	2.30
Dec-20	58.6234	96.3266	-1.97	-3.04
Jan-21	58.2541	95.1638	-0.63	-1.21
Feb-21	58.6869	97.2192	0.74	2.16
Mar-21	60.5813	100.8229	3.23	3.71
Apr-21	61.7514	102.9503	1.93	2.11
May-21	61.2430	102.2189	-0.82	-0.71
Jun-21	60.0186	99.8145	-2.00	-2.35
Jul-21	R 59.3409	99.4414	-1.13	-0.37
Aug-21	P 57.8110	97.3782	-2.58	-2.07

* A REER index of 100 should not be misinterpreted as denoting the equilibrium value of the currency. 100 merely represents the value of the currency at a chosen point in time (in this case the average value of the currency in 2010). Therefore, movement of the REER away from 100 simply reflects changes relative to its average value in 2010 and is unrelated to its equilibrium value.

Sources: IMF for exchange rate, Central Banks and Bureau of Statistics websites for CPI

P= Provisional, R= Revised

Notes:

- i. From July 2020, PBS has discontinued the dissemination of CPI on base 2007-08 using which the REER index was calculated, and changed the base to 2015-16. For the compilation of the REER index, therefore, the CPI - Base 2015-16 has been spliced and rebased to 2010 using the IMF's methodology.
- ii. RPI and REER indices may be revised due to revisions in base period or splicing factor of CPIs data by PBS.
- iii. Weights and number of trading partners have been revised since Jan-2013. The REER and NEER have been recalculated since Jan-2013 using these revised weights and number of trading partners. For detailed methodology and old series of REER and NEER, please visit the Revision Study at [https://www.sbp.org.pk/departments/stats/Notice/Revision-Study\(REER\).pdf](https://www.sbp.org.pk/departments/stats/Notice/Revision-Study(REER).pdf)
- iv. Appreciation (depreciation) of REER is sometimes confused with the concept of currency overvaluation (undervaluation) while these are two separate concepts and not necessarily interpreted in the same direction. For an assessment of a country's exchange rate misalignment, a more sophisticated analysis is required taking into account factors such as demographics, external and fiscal sustainability, and some other macroeconomic fundamentals over the medium-term. The following explainer-video on REER [by SBP] goes into further detail. <https://youtu.be/RX0Oa7oevLg>

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