INTRODUCTION

Exports receipts are the proceeds of Exports reported by banks through monthly International Transactions Reporting System (ITRS). The money value against shipments of goods abroad is either realized in foreign exchange or through non-resident's Pak. Rupee accounts. Both forms of settlement tend to improve the country's international liquidity position, the former by increasing its reserves and the latter by decreasing its liabilities to non-residents. The banks (i.e., the authorized dealers in foreign exchange) report each transaction in the currency of settlement. For purposes of aggregation, the amounts received in foreign currencies are converted to Pak. Rupees at the monthly average rates prevailing during the respective periods.

The timing of transactions are related to the realization of money and not the movement/ transfer of ownership of goods across Pakistan's international borders. For example, if a nonresident buyer makes an advance payment for purchase of cotton ahead of the normal exports season, the amount is recorded as receipt of exports as soon as a bank account is credited although the actual shipment(s) may take place later. Similarly, if Pakistan enters into a deferred payments agreement with a non-resident, the shipment of goods will precede the receipt of their money value. Here again, the sale proceeds will be recorded at the time when the money is received. Between these two extremes, majority of transactions are financed by usance bills that have maturity within 180 days and accordingly the exports proceeds lag behind the physical movement of commodities. This also holds good for merchandise sold on consignment basis.

For purposes of exchange record, the valuation depends on the terms of contract. Most of the consignments are settled through 'free on board' (f.o.b.) basis but in some cases goods are shipped on 'cost, insurance and freight' (c.i.f.) basis. The recorded proceeds are, therefore, on a mixed basis. The balance of payments entry is arrived at a uniform f.o.b. valuation by deducting insurance and freight from (data collected from transport companies) the proceeds and adjustment of coverage and timing from the total recorded figures of exports. This sophistication is, however, not possible for individual commodities and as such the figures presented here are on a mixed basis. Owing to differences in coverage, timing, valuation and classification of exchange record vis-à-vis customs record; the statistics in this publication are likely to differ from those of information released by the Pakistan Bureau of Statistics, Government of Pakistan.

Data of Exports receipts is compiled according to Harmonized System of classification (HS). HS Coding System was developed under the auspices of the Customs Cooperation Council (CCC) now known as the World Customs Organization (WCO). As per HS classifications, commodities are classified into the following twenty one sections:-

1. Live Animals; 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 Other Fibrous Cellulosic Material
11. Textiles and Textile Articles
12. Footwear, Headgear, Umbrellas, Walking Sticks
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

The Exports for which payments are not received during the reference month are not covered in reporting by banks. Moreover, coverage of transactions like land- borne exports to Afghanistan, exports of samples, exports of goods through personal baggage, trade credits and other unaccounted items are included and the component of freight and insurance is subtracted in exports of goods of the reference period. The exports of goods under BPM6 include net export under merchanting and general merchandise of exports goods. However, commodity-wise and country-wise details are provided only for exports receipts(advance and post shipment) reported by Banks in the relevant statements and the remaining exports are estimated as lump sum amount under other exports which includes exports of samples, inflow of outstanding exports bill etc.

Summary tables provide a synopsis of major exports of goods and services, receipts of goods and services from major trading partners, regions, group of countries and also illustrated with the help of various graphs.
Due to the increasing tendency of 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 exports 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 take place between residents and non-residents is compiled according to the definitions and classification of the Balance of Payments Manual 6th edition (BPM6) of IMF. The BPM6 classification of services sector has been classified into the following twelve standard components:

1. Manufacturing services on physical inputs owned by others
2. Maintenance and repair services n.i.e.