

# 1 Introduction

This publication provides estimates of Pakistan's imports of goods and services compiled by the State Bank of Pakistan (SBP) on annual basis. Import payments of goods cover all payments for commodities that are/ or to be imported from the non-residents by the residents and with a few specified exceptions, undergo change in ownership (actual or imputed). The import of services includes Manufacturing services on physical inputs owned by others, Maintenance and repair services n.i.e., Transport, Travel, Construction, Insurance and pension, Financial services, Charges for the use of intellectual property, Telecommunications, computer and information services, Other business services, Personal, cultural and recreational services & Government goods and services n.i.e.

Major part of the imports payments data compiled by Core Statistics Department (Formally Statistics and Data Warehouse Department), SBP, is reported by Authorized Dealers of foreign exchange under International Transactions Reporting System (ITRS). The imports estimates are arrived at a uniform f.o.b. valuation by deducting the element of freight, estimated at 8% up till FY11, 6% from FY12 to FY15, 3.5% for FY16 to FY18, 2.7% from FY19 to FY20, 3.17% for FY21, 5.02% from Jul-2021 to Sep-2021, 7.02% from Oct-2021 to Dec-2021, 6.67% from Jan-2022 to Mar-2022, 5.65% for Apr -2022 to Jun-2022, 4.14% from Jul-2022 to Dec-2022, 4.57% from Jan-23 to Mar-23, 4.83% and 4.83% from Apr-23 to Jun-23 of total import payments through banks<sup>1</sup>; including import payments through offshore account and adding the imports not covered by the banking channel i.e. imports financed by suppliers' credit and other credits, grants etc. Estimates of imports of capital goods supplied to Pakistani branches or subsidiaries from the parent companies abroad are included based on annual survey of foreign investment. The imports under personal baggage, land borne imports from Afghanistan and imports of Exports 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, data 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. Majority of imports data are received from banks, however other unaccounted imports data are estimated and incorporated under head of unclassified imports, land borne imports from Afghanistan, refund and rebate etc.

From April 2003 data of import payments is compiled according to Harmonized System of classification. 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:

1. Live Animals; Animals Products
2. Vegetable Products
3. Animal or Vegetable Fats, Oils and 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 and Appliances
17. Vehicles, Aircraft, Vessels and Associated Transport Equipment
18. Optical, Photographic, Measuring, Checking, Precision Medical or Surgical Instruments

<sup>1</sup> Coefficient of CIF margin is based on a representative sample of importers used to segregate freight component from Import Payments.

## Import of Goods and Services FY23

19. Arms and Ammunition; Parts and Accessories thereof
20. Miscellaneous Manufactured 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, imports of services data is included 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 according to the definitions and classification of the IMF's manual on Balance of Payments and International Investment Position 6th edition (BPM6). The classification of services under BPM6 is as follows:-

1. Manufacturing services on physical inputs owned by others
2. Maintenance and repair services n.i.e.
3. Transport
4. Travel
5. Construction
6. Insurance and pension services
7. Financial services
8. Charges for the use of intellectual property n.i.e.
9. Telecommunications, computer, and information services
10. Other business services
11. Personal, cultural, and recreational services
12. Government goods and services n.i.e.

Structure of the publication is as follows:-

1. The overall figures of import of goods and services by commodities and type in equivalent Pak rupees and US dollars. The statement is further bifurcated into various regional groups based on similar interests.
2. Import of Goods and Services by Country.
3. Import of Goods by Country/Commodity and Services by Country / Type.
4. Import of Goods by Commodity/Country and Services by Type / Country.
5. Import of Goods Country/Commodity matrix.

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, Government of Pakistan.

The values are rounded off to million in the "Summary" 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.

FY stands for Financial Year; it starts from July 01 and ends at June 30.

Imports data are also compiled on monthly basis with title "Import of Goods and Services" and disseminated on website at <https://www.sbp.org.pk/publications/import/index.htm>

The country- commodity monthly data is also available in MS Excel at <https://www.sbp.org.pk/publications/import/index-excel.htm>

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