

# Contents

## *Chapters*

<b>1</b>	<b>Overview</b>	<b>1</b>
<b>2</b>	<b>Real Sector</b>	<b>7</b>
2.1	Economic Growth	7
2.2	Agriculture	10
2.3	Large Scale Manufacturing	15
2.4	Services	25
2.5	Labor Market	28
<b>3</b>	<b>Monetary Policy and Inflation</b>	<b>33</b>
3.1	Policy Review	33
3.2	Monetary Aggregates	36
3.3	Credit to Private Sector	41
3.4	Inflation	46
<b>4</b>	<b>Fiscal Policy and Public Debt</b>	<b>53</b>
4.1	Fiscal Trend and Policy Review	53
4.2	Revenues	58
4.3	Federal Expenditures	66
4.4	Provincial Fiscal Operations	70
4.5	Public Debt	74
<b>5</b>	<b>External Sector</b>	<b>85</b>
5.1	External Sector Developments	85
5.2	Current Account	90
5.3	Financial Account	93
5.4	Exchange Rate and Reserves	97
5.5	Trade Account (Customs Record)	98
	<b>Special Section: Role of Trade Organizations in Economic Growth and Development: Understanding the Dynamics in Pakistan</b>	<b>115</b>
	<b>Annexure: Data Explanatory Notes</b>	<b>149</b>

**List of Acronyms** **153**  
**Box Items**

<b>Box 2.1:</b> Rebasing of National Income Accounts (NIA)	8
<b>Box 2.2:</b> The Expanded Coverage and Impact of Rebased QIM	17
<b>Box 3.1:</b> Inflation and Monetary Policy Response in EMDEs	35
<b>Box 4.1:</b> Tax Exemptions Erode the Tax Base of General Sales Tax (GST) in Pakistan	56
<b>Box 4.2:</b> Track and Trace System - A step towards containing tax evasion in Pakistan	61
<b>Box 5.1:</b> Factors Driving Import Growth in Pakistan & their Impact on Interbank Availability	87
<b>Box S1.1:</b> Examples of Market Supporting and Market Complementing Services by TO	121
<b>Box S1.2:</b> Examples of Umbrella Bodies in Apparel Sector of India and Sri Lanka	139