

<i>Contents</i>	<i>Page No.</i>
1 Overview	1
1.1 Economic Review	1
1.2 Executive Summary	5
1.3 Economic Outlook	9
2 Real Sector	11
2.1 Overview	11
2.2 Agriculture	12
2.3 Large Scale Manufacturing (LSM)	19
2.4 Services	27
3 Inflation and Monetary Policy	33
3.1 Overview	33
3.2 Monetary Aggregates	36
3.3 Liquidity Conditions in the Interbank	39
3.4 Credit to Private Sector	41
3.5 Inflation	46
4 Fiscal Policy and Public Debt	53
4.1 Overview	53
4.2 Revenue	55
4.3 Expenditure	58
4.4 Provincial Fiscal Operations	59
4.5 Public Debt	63
5 External Sector	67
5.1 Overview	67
5.2 Current Account	72
5.3 Financial Account	76
5.4 Exchange Rate and Reserves	78
5.5 Trade Account	79
6 Special Section 1: Real Estate – Implementing the Announced Reforms	91
7 Special Section 2: Performance of ICT Exports of Pakistan	101
Annexure: Data explanatory notes	109
Acronyms	113

Box Items

Box 2.1: LSM and International Commodity Prices	11
Box 2.2: Water Situation: Need for Managing Erratic Supplies	13
Box 2.3: Sugarcane - The Cost of Indicative Pricing	17
Box 2.4: The Deficiencies in Urban Public Transport	28
Box 5.1: Opportunities and Challenges for Pakistan Amid US-China Trade Tensions	69
Box 5.2: Government Support for Enhancing Workers' Remittance Inflows	75