

11. BALANCE OF PAYMENTS
11.1 Balance of Payment - Summary

Details	(Million U.S. Dollars)		
	2002- 03 (R)	2003- 04 (P)	2004- 05 (P)
1. Trade Balance	-444	-1,208	-4,352
Exports (fob)	10,889	12,396	14,401
Imports (fob)	11,333	13,604	18,753
2. Services (Net)	-2,128	-3,594	-5,841
Shipment	-868	-1,171	-1,580
Other Transportation	237	147	125
Travel	-402	-1,034	-995
Investment Income	-2,211	-2,207	-2,386
Interest Payments	-1,107	-682	-633
Profits and Dividends &			
Purchase of Crude Oil	-1,104	-1,337	-1,786
Oth. Goods, Services, & Income	1,116	671	-1,005
3. Current Transfers (Net)	6,775	6,695	8,849
Private Transfers - Net	5,737	6,116	8,440
Workers' Remittances	4,237	3,871	4,168
FCA (Residents)	-12	367	521
Outright Purchases	0	0	0
Export of Currencies	429	579	409
Official Transfers	1,038	302	0
of which: Saudi Oil Facility	637	1,893	-1,344
4. Current Account Balance (1+2+3)	4,203	1,314	-1,753
5. Capital Account (Net)	-136	-1,234	1,778
6. Errors & Omissions	522	222	-7
7. Overall Balance	4,589	881	427
8. Financing	-4,589	-881	-427
Changes in Reserves (-Inc/+Dec)	-5,209	-826	-372
Assets	-5,261	-399	-227
SDRs	-233	18	11
Forex (State Bank of Pak)	-5,678	-440	482
Forex (Commercial Banks)	650	23	-720
Liabilities	52	-427	-145
Use of Fund Credit	52	-427	-145
Repurchases	469	0	147
Purchases/Drawings	469	-427	-292
Exceptional Financing	620	-55	-55
SBP Reserves	9,529	10,564	9,805

Source: SBP

11.2 Pakistan's Balance of Payment

(Million U.S. Dollars)

Item	2002-03		
	Credit	Debit	Net Credit
A. Goods, Services & Income	13856	16428	-2572
1. Merchandise (fob)	10889	11333	-444
2. Shipment	83	951	-868
3. Other Transportation	818	581	237
4. Travel	92	494	-402
5. Investment Income	170	2381	-2211
5.1 IMF Charges	0	40	-40
5.2 Official External Debt	0	857	-857
5.3 Other	170	1484	-1314
6. Other Goods, Services & Income	1804	688	1116
6.1 Official	1187	173	1014
6.2 Other	617	515	102
B. Unrequited Transfers	6847	72	6775
7. Private	5796	59	5737
8. Official	1051	13	1038
C. Capital Account	4641	4777	-136
9. Direct Investment Abroad	0	27	-27
10. Direct Investment in Pakistan	798	0	798
11. Portfolio Investment	0	239	-239
12. Other Long-Term Capital			
Capital-Official Sector	2214	2442	-228
12.1 Assets	1011	0	1011
12.2 Loans Drawn	1202	2421	-1219
12.3 Loans Extended	1	0	1
12.4 Other Liabilities	0	21	-21
13. Other Long-Term Capital			
-Deposit Money Banks	0	8	-8
13.1 Assets	0	0	0
13.2 Loans	0	0	0
13.3 Other Liabilities	0	8	-8

Contd.

11.2 Pakistan's Balance of Payment

(Million U.S. Dollars)

Item	2002-03		
	Credit	Debit	Net Credit
14. Other Long-Term Capital			
-Other Sector	350	910	-560
14.1 Assets	0	0	0
14.2 Loans	350	577	-227
14.3 Other Liabilities	0	333	-333
15. Other Short-term Capital			
-Official Sector	187	446	-259
15.1 Assets	0	29	-29
15.2 Loans	187	367	-180
15.3 Other Liabilities	0	50	-50
16. Other Short-term Capital			
-Deposit Money Banks	44	25	19
16.1 Assets	0	25	-25
16.2 Bilateral Balances Assets	0	0	0
16.3 Bilateral Balances Liabilities	0	0	0
16.4 Liabilities Under Non-Resident Accounts	6	0	6
16.5 Other Liabilities	38	0	38
17. Other Short-Term Capital-other Sectors	1048	680	368
17.1 Assets	0	679	-679
17.2 Loans	0	1	-1
17.3 Other Liabilities	1048	0	1048
D. Reserves	985	6194	-5209
I. Assets	885	6146	-5261
18. Monetary Gold	0	0	0
18.1 Total Changes in Holdings	0	0	0
18.2 Counterpart to Monetization	0	0	0
18.3 Counterpart to Valuation Changes	0	0	0

Contd.

11.2 Pakistan's Balance of Payment

Item	(Million U.S. Dollars)		
	2002-03		
	Credit	Debit	Net Credit
19. Special drawing rights	3	236	-233
19.1 Total Changes in Holdings	10	236	-226
19.2 Counterpart to Allocation	0	0	0
19.3 Counterpart to Valuation Changes	3	0	3
20. Reserve Position in the Fund	0	0	0
20.1 Total Changes in Holdings	0	0	0
20.2 Counterpart to Valuation Changes	0	0	0
21. Foreign Exchange (Central Bank)	6	5684	-5678
21.1 Total Changes in Holdings	0	5684	-5684
21.2 Counterpart to Valuation Changes	6	0	6
22. Foreign Exchange (Deposit Money Banks)	650	0	650
22.1 Total Changes in Holdings	646	0	646
22.2 Counterpart to Valuation Changes	4	0	4
II. Liabilities	83	31	52
23. Use of Fund Credit	83	31	52
23.1 Total Changes in Holdings	83	0	83
23.2 Counterpart to Valuation Changes	0	31	-31
E. Errors & Omissions (Net)	522	0	522
F. Exceptional Finance /Gap	620	0	620

Contd.

11.2 Pakistan's Balance of Payment

Item	(Million U.S. Dollars)		
	2003-04 (R)		
	Credit	Debit	Net Credit
A. Goods, Services & Income	15290	20092	-4802
1. Merchandise (fob)	12396	13604	-1208
2. Shipment	82	1253	-1171
3. Other Transportation	852	705	147
4. Travel	164	1198	-1034
5. Investment Income	187	2394	-2207
5.1 IMF Charges	0	26	-26
5.2 Official External Debt	0	682	-682
5.3 Other	187	1686	-1499
6. Other Goods, Services & Income	1609	938	671
6.1 Official	1106	201	905
6.2 Other	503	737	-234
B. Unrequited Transfers	6798	103	6695
7. Private	6179	63	6116
8. Official	619	40	579
C. Capital Account	2845	4079	-1234
9. Direct Investment Abroad	0	45	-45
10. Direct Investment in Pakistan	951	0	951
11. Portfolio Investment	314	0	314
12. Other Long-term Capital			
-Official Sector	970	2440	-1470
12.1 Assets	0	0	0
12.2 Loans Drawn	970	2419	-1449
12.3 Loans Extended	0	0	0
12.4 Other Liabilities	0	21	-21
13. Other Long-term Capital-			
Deposit Money Banks	0	24	-24
13.1 Assets	0	0	0
13.2 Loans	0	0	0
13.3 Other Liabilities	0	24	-24

Contd.

11.2 Pakistan's Balance of Payment

(Million U.S. Dollars)

Item	2003-04 (R)		
	Credit	Debit	Net Credit
14. Other Long-term			
Capital-other Sectors	503	669	-166
14.1 Assets	0	0	0
14.2 Loans	503	612	-109
14.3 Other Liabilities	0	57	-57
15. Other Short-term Capital			
-Official Sector	8	443	-435
15.1 Assets	0	115	-115
15.2 Loans	8	325	-317
15.3 Other Liabilities	0	3	-3
16. Other Short-term Capital			
-Deposit Money Banks	99	120	-21
16.1 Assets	0	120	-120
16.2 Bilateral Balance Assets	0	0	0
16.3 Bilateral Balance Liabilities	0	0	0
16.4 Liabilities Under Non-Resident Accounts	9	0	9
16.5 Other Liabilities	90	0	90
17. Other Short-term Capital			
-Other Sectors	0	338	-338
17.1 Assets	0	157	-157
17.2 Loans	0	0	0
17.3 Other Liabilities	0	181	-181
D. Reserves	727	1553	-826
I. Assets	727	1126	-399
18. Monetary Gold	0	0	0
18.1 Total Changes in Holdings	0	0	0
18.2 Counterpart to Monetization	0	0	0
18.3 Counterpart to Valuation Changes	0	0	0

Contd.

11.2 Pakistan's Balance of Payment

Item	(Million U.S. Dollars)		
	2003-04 (R)		
	Credit	Debit	Net Credit
19. Special Drawing Rights	18	0	18
19.1 Total Changes in Holdings	6	0	6
19.2 Counterpart Allocation	0	0	0
19.3 Counterpart to Valuation Changes	12	0	12
20. Reserve Position in the Fund	0	0	0
20.1 Total Changes in Holdings	0	0	0
20.2 Counterpart to Valuation Changes	0	0	0
21. Foreign Exchange (Central Bank)	686	1126	-440
21.1 Total Changes in Holdings	665	1126	-461
21.2 Counterpart to Valuation Changes	21	0	21
22. Foreign Exchange (-Deposit Money Banks)	23	0	23
22.1 Total Changes in Holdings	23	0	23
22.2 Counterpart to Valuation Changes	0	0	0
II. Liabilities	0	427	-427
23. Use of Fund Credit	0	427	-427
23.1 Total Changes in Holdings	0	427	-427
23.2 Counterpart to Valuation Changes	0	0	0
E. Errors & Omissions (Net)	222	0	222
F. Exceptional Financing/Gap	0	55	-55

Contd.

11.2 Pakistan's Balance of Payment

(Million U.S. Dollars)

Item	2004-05(P)		
	Credit	Debit	Net Credit
A. Goods, Services & Income	18238	28431	-10193
1. Merchandise (fob)	14401	18753	-4352
2. Shipment	133	1713	-1580
3. Other Transportation	1031	906	125
4. Travel	177	1172	-995
5. Investment Income	437	2823	-2386
5.1 IMF Charges	0	23	-23
5.2 Official External Debt	0	633	-633
5.3 Other	437	2167	-1730
6. Other Goods, Services & Income	2059	3064	-1005
6.1 Official	1315	274	1041
6.2 Other	744	2790	-2046
B. Unrequited Transfers	8966	117	8849
7. Private	8538	98	8440
8. Official	428	19	409
C. Capital Account	5275	3497	1778
9. Direct Investment Abroad	1	67	-66
10. Direct Investment in Pakistan	1525	0	1525
11. Portfolio Investment	635	15	620
12. Other Long-term Capital			
-Official Sector	2387	1465	922
12.1 Assets	495	0	495
12.2 Loans Drawn	1892	1434	458
12.3 Loans-extended	0	0	0
12.4 Other Liabilities	0	31	-31
13. Other Long-term Capital			
-Deposit Money Banks	0	18	-18
13.1 Assets	0	0	0
13.2 Loans	0	0	0
13.3 Other Liabilities	0	18	-18

Contd.

11.2 Pakistan's Balance of Payment

(Million U.S. Dollars)

Item	2004-05 (P)		
	Credit	Debit	Net Credit
14. Other Long-term Capital			
-Other Sector	57	439	-382
14.1 Assets	0	0	0
14.2 Loans	20	371	-351
14.3 Other Liabilities	37	68	-31
15. Other Short-term Capital			
-Official Sector	286	262	24
15.1 Assets	2	120	-118
15.2 Loans	271	124	147
15.3 Other Liabilities	13	18	-5
16. Other Short-term Capital			
-Deposit Money Banks	112	298	-186
16.1 Assets	27	176	-149
16.2 Bilateral Balances Assets	0	0	0
16.3 Bilateral Balances Liabilities	0	0	0
16.4 Liabilities under Non-Resident Accounts	6	17	-11
16.5 Other Liabilities	79	105	-26
17. Other Short-term Capital			
-Other Sector	272	933	-661
17.1 Assets	80	244	-164
17.2 Loans	0	0	0
17.3 Other Liabilities	192	689	-497
D. Reserves	2344	2716	-372
I. Assets	2197	2424	-227
18. Monetary Gold	0	0	0
18.1 Total Changes in Holdings	0	0	0
18.2 Counterpart to Monetization	0	0	0
18.3 Counterpart to Valuation Changes	0	0	0

Contd.

11.2 Pakistan's Balance of Payment

(Million U.S. Dollars)

Item	2004-05 (P)		
	Credit	Debit	Net Credit
19. Special Drawing Rights	31	20	11
19.1 Total Changes in Holdings	11	16	-5
19.2 Counterpart to Allocation	0	0	0
19.3 Counterpart to Valuation			
Changes	20	4	16
20. Reserve Position in the Fund	0	0	0
20.1 Total Changes in Holdings	0	0	0
20.2 Counterpart to Valuation			
Changes	0	0	0
21. Foreign Exchange (Central Bank)	1774	1292	482
21.1 Total Changes in Holdings	1750	1266	484
21.2 Counterpart to Valuation			
Changes	24	26	-2
22. Foreign Exchange			
-Deposit Money Banks	392	1112	-720
22.1 Total Changes in Holdings	392	1112	-720
22.2 Counterpart to Valuation			
Changes	0	0	0
II. Liabilities	147	292	-145
23. Use of Fund Credit	147	292	-145
23.1 Total Changes in Holdings	147	292	-145
23.2 Counterpart to Valuation			
Changes	0	0	0
E. Errors & Omissions Net	0	7	-7
F. Exceptional Financing/Gap	0	55	-55

Source: SBP

11.3 Profile of Domestic and External Debt

Particulars	(Billion Rupees)		
	2002-03	2003-04	2004-05
Total Debt	3824.1	3949.9	4186.5
1. Domestic Debt	1853.7	1979.5	2129.1
2. External Debt	1927.7	1937.5	2031.7
3. Explicit Liabilities	42.7	32.9	25.7
Total Debt as % of gdp	79.3	71.4	63.9
Domestic Debt as % of gdp	38.4	35.8	32.5
External Debt as % of gdp	40.0	35.0	31.0
Explicit Liabilities as % of gdp	0.9	0.6	0.4
Total Debt Servicing	305.1	337.2	267.9
Total Interest Payments	241.7	226.0	210.2
i. Domestic	189.0	182.0	167.9
ii. Foreign	49.2	41.0	39.7
iii. Explicit Liabilities	3.5	3.0	2.6
Repayment of Principal	63.4	111.3	57.7
Ratio of External Debt Servicing to Export Earnings	28.8	40.1	18.9
Ratio of External Debt Servicing to Foreign Exchange Earnings	16.0	23.1	10.2
Ratio of Total Debt Servicing to Tax Revenues	55.1	55.2	40.6
Total Revenues	42.5	42.2	31.5
Total Expenditures	33.8	34.7	25.5
Current Expenditures	37.8	42.9	28.4

Source: SBP

11.4 Pakistan's External Debt and Liabilities

(Million U.S. Dollars)

Particulars	2002-03	2003-04	2004-05
I. Public and Publicly			
Guaranteed Debt	29232	29875	31084
A. Medium and Long			
Term (> 1 year)	29045	29853	30813
Paris Club	12607	13565	13018
Multilateral	14950	14349	15358
Other Bilateral	512	713	801
Eurobonds	482	824	1266
Military Debt	263	204	188
Commercial Loans/Credits	231	198	182
B. Short-Term (< 1 Year)	187	22	271
IDB	187	22	271
II. Private Non-guaranteed Debts			
Medium and Long Term (> 1 Year)			
Private Loans/Credit	2028	1670	1342
III. IMF	2092	1762	1611
Total External Debt	33352	33307	34037
IV. Foreign Exchange Liabilities	2122	1951	1797
Foreign Currency Accounts	0	0	0
FE-45	0	0	0
FE-31 Deposits (Incremental)	0	0	0
FE-13	0	0	0
Special US Dollar Bonds	696	552	421
National Debt Retirement Program	6	1	0
Foreign Currency Bonds (NHA)	175	153	131
Central Bank Deposits	700	700	700
NBP/BOC Deposits	500	500	500
Others Liabilities (SWAP)	45	45	45
Total External Debt and Liabilities (I to IV)	35474	35258	35834
FEBCS/FCBCS/DBC(Payable in Rs.)	42	22	10
Official Liquid Reserves@	9529	10564	9805

Source: SBP

11.5 Gold and Foreign Exchange Reserves

(Million U.S. Dollars)

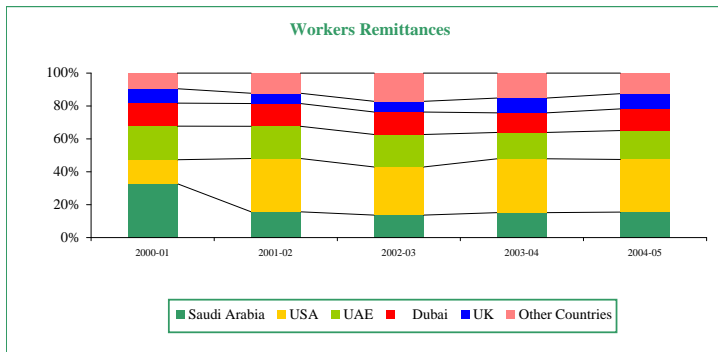
Years	As on 30th June		
	Total	Cash	Gold
1993	1,761	1,069	692
1994	1,369	604	765
1995	3,337	2,545	792
1996	3,730	2,937	793
1997	3,251	2,465	786
1998	1,977	1,287	690
1999	1,737	1,125	612
2000	2,921	2,378	543
2001	2,766	2,163	603
2002	3,810	3,244	566
2003	11,472	10,747	725
2004	13,155	12,324	831
2005	13,338	12,421	917

Source: SBP

11.6 Country-wise Workers Remittances

	(Million U.S. Dollars)				
Remittances/Country	2000-01	2001-02	2002-03	2003-04	2004-05
I. Cash Flow	1021.59	2340.79	4190.73	3826.16	4152.29
Bahrain	23.87	39.58	71.46	80.55	91.22
Canada	4.90	20.52	15.19	22.90	48.49
Germany	9.20	13.44	26.87	46.52	53.84
Japan	3.93	5.97	8.14	5.28	6.51
Kuwait	123.39	89.66	221.23	177.01	214.78
Norway	5.74	6.55	8.89	10.22	18.30
Qatar	13.38	31.87	87.68	88.69	86.86
Saudi Arabia	304.43	376.34	580.76	565.29	627.19
Sultanat-e-Oman	38.11	63.18	93.65	105.29	119.28
UAE	190.04	469.49	837.87	597.48	712.61
Abu Dhabi	48.11	103.72	212.37	114.92	152.51
Dubai	129.69	331.47	581.09	447.49	532.93
Sharjah	12.21	34.05	42.60	34.61	26.17
Other UAE Countries	0.03	0.25	1.81	0.46	1.00
UK	81.39	151.93	273.83	333.94	371.86
USA	134.81	778.98	1237.52	1225.09	1294.08
Other Countries	88.40	293.28	727.64	567.90	507.27
II. Encashment and Profit in Pak.					
Rs. of (FEBCs) & (FCBCs)	64.98	48.26	46.12	45.42	16.50
Total (I + II)	1086.57	2389.05	4236.85	3871.58	4168.79

Source: SBP



11.7 Ownership Classification of the Federal Government Debt

(Million Rupees)

As on 30th June	Debt	Held By						Intera-Governmental Debt
		State Bank of Pakistan	Deposit Money Banks	Other Financial Institution	International Institution	Foreign Govt. & Banks	Others	
1983	198,582	27,127	25,928	4,007	28,100	82,626	30,794	2,921
1984	227,792	35,598	23,152	4,327	33,529	87,711	43,475	2,935
1985	284,085	54,704	30,292	4,103	41,555	98,600	54,831	3,897
1986	360,388	59,827	38,979	5,055	49,647	117,354	89,526	4,125
1987	412,276	55,694	45,597	8,630	57,326	129,704	115,325	5,298
1988	492,236	81,957	63,281	9,194	69,786	137,958	130,060	3,130
1989	581,192	90,038	61,037	10,527	92,533	161,125	165,932	3,647
1990	674,248	110,774	51,177	10,593	108,635	189,017	204,052	4,243
1991	776,582	119,846	83,354	14,810	137,985	197,018	223,569	4,994
1992	902,827	158,354	134,375	14,067	158,382	216,851	220,798	10,630

Contd.

11.7 Ownership Classification of the Federal Government Debt

(Million Rupees)

As on 30th June	Debt	Held By						Intera-Governmental Debt
		State Bank of Pakistan	Deposit Money Banks	Other Financial Institution	International Institution	Foreign Govt. & Banks	Others	
1993	1,058,682	183,054	170,871	18,996	199,434	246,606	239,721	13,976
1994	1,219,863	173,256	233,912	39,466	241,135	282,756	249,338	10,316
1995	1,400,547	197,097	239,046	42,922	249,938	350,145	321,399	15,882
1996	1,573,338	217,060	277,146	44,853	295,800	362,358	376,121	19,180
1997	1,863,329	272,265	310,632	51,643	435,030	378,078	415,681	22,369
1998	2,094,051	236,909	351,173	54,974	536,930	397,454	516,611	23,565
1999	2,463,031	358,320	321,688	56,272	630,551	471,486	624,714	29,539
2000	2,790,632	540,169	242,548	48,461	656,157	517,293	786,004	41,939
2001	3,127,300	614,689	249,761	63,335	772,558	592,503	834,454	45,988
2002	2,699,897	317,577	416,679	79,453	576,066	408,868	901,254	56,864
2003	2,846,031	109,725	599,323	98,793	415,954	612,774	1,009,462	41,103
2004	3,477,022	133,196	634,213	33,887	809,193	779,054	1,087,479	49,161

Source: SBP

11.8 Exchange Rate Position: Pakistan Rupees in Terms of One Unit of Foreign Currency

Country	Currency	Average During the Year		
		2002-03	2003-04	2004-05
Australia	Dollar		41.0626	44.7141
Bahrain	Dinar	155.1204	152.7749	157.4908
Canada	Dollar	38.8234	42.8526	47.5567
China	Yuan	7.0601	6.9497	7.1676
EMU	Euro	61.3081	68.6226	75.5359
Hong Kong	Dollar	7.4990	7.3970	7.6177
Japan	Yen	0.4888	0.5203	0.5558
Kuwait	Dinar	194.5677	194.3681	202.3816
Sweden	Krona	6.6910	7.5195	8.2949
Switzerland	Franc	41.4643	44.2489	49.0657
Saudi Arabia	Riyal	15.5961	15.3488	15.8027
UAE	Dirham	15.9261	15.6727	16.1586
UK	Pound Strling	92.7433	100.1672	110.2891
USA	Dollar	58.4995	57.5745	59.3576

Source: SBP

Note: (1) Exchange rates are mid points of T.T buying and selling.

(2) Euro, a common currency of the 11 members of European Economic and Monetary union (EMU) introduced w.e.f 1st January, 1999.