

-PRESS RELEASE
NATIONAL ACCOUNTS COMMITTEE MEETING

The 102nd meeting of the National Accounts Committee to review the Gross Domestic Product (GDP) was held under the Chairmanship of Secretary Ministry of Planning, Development and Special Initiatives. The provisional estimates of the GDP and Gross Fixed Capital Formation (GFCF) for the year 2019-20 were presented on the basis of latest data of 6-9 months which were annualized by incorporating the impact of Covid-19 for the final quarter. The smart lockdown minimized the impact on economic growth compared to full lockdown situation.

The provisional growth of GDP for the year 2019-20 has been estimated at -0.38% which is based upon growth estimates of the agricultural, industrial and services sectors at 2.67%, -2.64% and -0.59%, respectively. The sectors are discussed below briefly.

Agricultural Sector: The agriculture sector grew by 2.67%. The growth of important crops during this year is 2.90%. This increase is due to increase in production of wheat, rice and maize at 2.45%, 2.89% and 6.01%, respectively. However, cotton, and sugarcane crops have witnessed negative growth of 6.92% and 0.44%, respectively. Other crops (onion, potato, vegetables etc) showed positive growth of 4.57% mainly because of increase in production of pulses, oil seeds and vegetables. Livestock sector registered a growth of 2.58% which is deviation from its historical growth primarily because of shrinkage in demand for dairy and poultry. Forestry has grown at 2.29% due to increase in production of timber.

Industrial Sector: The overall industrial sector has witnessed a negative growth of 2.64% mainly because of COVID-19 related lockdown of industrial units. The value added in the mining and quarrying sector has declined by 8.82%. The large scale manufacturing (LSM) sector, which is driven primarily by QIM data (from July 2019 to March 2020), showed a decline of 7.78%. Major decline has been observed in textile (-2.57%), food, beverage & tobacco (-2.33%), coke & petroleum products (-17.46%), pharmaceuticals (-5.38%), chemicals (-2.30%), automobiles (-36.5%), iron & steel products (-7.96%), electronics (-13.54%), engineering products (-7.05%), and wood products (-22.11%). The major positive growth in LSM has been observed in fertilizer (5.81%), leather products (4.96%), rubber products (4.31%) and paper & board (4.23%). Electricity and gas sub sector has grown by 17.70% mainly due to higher subsidies and better value added in WAPDA & Companies. The construction activity has increased by 8.06% mainly due to increase in general government expenditure.

Services Sector: Globally the services sector has been impacted the most by the Covid-19 related shrinkage in service delivery in major sectors. Pakistan's services sector has remained major growth driver for many years and it has witnessed a rare contraction of 0.59% in the provisional estimates. While wholesale and retail trade sector contraction by 3.42%, the transport, storage and communication sector has a negative growth of 7.13%. Finance and insurance sector shows a

modest increase of 0.79%. The remaining components of services i.e. housing, general government and other private services have witnessed a positive growth of 4.02%, 3.92% and 5.39%, respectively.

GDP at Current Market Prices: GDP at current market prices has also been computed and stands at Rs.41,727 billion for 2019-20. This shows a growth of 9.9% over Rs.37,972 billion for 2018-19. The per capita income for 2019-20 has been calculated as Rs.214,539 for 2019-20 showing a growth of 8.3% over Rs. 198,028 during 2018-19.