

PRESS RELEASE (21st May 2024)
NATIONAL ACCOUNTS COMMITTEE MEETING

National Accounts Committee (NAC) approves Q3 and annual estimates for financial year 2023-24.

- **Economy witnesses' upward revisions in Q1 and Q2 2023-24 by posting growth of 2.71% and 1.79% as compared to 2.50% and 1.0% presented in 108th meeting of the NAC respectively**
- **GDP for Q3 in 2023-24 has shown a growth of 2.09%**
- **The final and revised growth rates for FY 2021-22 and FY 2022-23 are 6.18% and -0.21% respectively**
- **The provisional growth rate of GDP for FY 2023-24 is 2.38%**

The 109th meeting of the National Accounts Committee (NAC) was held today in the N3C, Pakistan Bureau of Statistics, Headquarters, Statistics House, G-9/1, Islamabad. The Secretary, M/O PD&SI chaired the meeting. The committee approved the quarterly GDP growth rates for Q1 (Revised), Q2 (Revised), and Q3 during FY 2023-24 and annual growth rates for 2021-22 (Final), 2022-23 (Revised) and 2023-24 (Provisional).

2. The committee approved the revised first and second quarter estimates of 2023-24. Overall GDP for Q1 and Q2 for FY 2023-24 has witnessed a revised growth of **2.71%** and **1.79%** as compared to 2.50% and 1.0% estimated in 108th NAC meeting. While the revised growth in agriculture during Q1 has remained stable at **8.59% vs. 8.58%** presented earlier, the growth in Q2 has improved from 5.02% to **5.83%** mainly due to upward revisions in important crops (from 8.12% to **12.92%**) and other crops (from -0.31% to **0.65%**). Despite significant improvement in mining and quarrying from 7.78% to 15.46%, the industrial activities have posted downward revision from -0.24% to **-2.44%** due to decline in electricity, gas and water supply from -12.70 to **-27.62%** in the revised estimates for Q1. However, Q2 growth in industrial activities has witnessed upward revision from -0.84% to **0.09%** on account of positive changes in mining and quarrying (from -4.17% to **4.39%**) and construction (from -17.59% to **-10.85%**) despite downward revisions in large-scale manufacturing (from 0.48% to **-0.83%**) and electricity, gas and water supply (from 1.54% to **-0.28%**). The revised growth in services during Q1 and Q2 has improved from 0.92% and 0.01% to **2.02%** and **0.75%** respectively due to improvement in information and communication, public administration and social security, education and human health and social work activities.

3. The economy has posted a stable growth of **2.09%** during Q3 of FY 2023-24. The growth in agriculture, industry and services stands at **3.94%**, **3.84%** and **0.83%** respectively. During Q3, all the constituents of agriculture have contributed positively e.g. important crops (2.89% due to wheat), other crops (1.14%), cotton ginning (61.75%) and livestock (4.20%). Despite negative growth of construction industry (-15.75%), the industrial growth of 3.84% is attributable to mining & quarrying (0.63), large-scale manufacturing (1.47%), and electricity, gas and water supply (37.3%). The overall growth in services is positive (0.83%) during Q3 2023-24 albeit having mixed trend in its constituents i.e. wholesale & retail trade (0.38%), transport & storage (0.91%), information and communication (-5.92%), finance & insurance activities (-7.11%), public administration and social security (-6.38%) and education (10.38%).

4. The committee approved the overall final growth of annual GDP during FY 2021-22 at **6.18%**, which was estimated at 6.17% in the 107th meeting. The final growth rates in agriculture, industry and services during FY 2021-22 are **4.21%**, **7.01%** and **6.69%** respectively. Further, the revised growth during FY 2022-23 is **-0.21%**, which was estimated at -0.17% in the previous meeting. In the revised estimates, agriculture has improved from 2.25% to **2.27%**, the industry has remained stable i.e. **-3.74%** vs. -3.76%, whereas as services has slightly declined from 0.07% to **-0.01%** due to downward revision in education (from 9.94% to 5.15%) and human health & social work activities (10.57% to 8.87%) (**Table 1**).

5. The committee also approved the provisional growth of GDP at **2.38%** during on-going FY 2023-24. The provisional growth in agriculture is **6.25%**, whereas it is **1.21%** for both industry as well as services. The healthy growth of agriculture is mainly due to double-digit growth in important crops i.e. 16.82% on back of bumper crops of wheat (11.64% from 28.16 to 31.44 MT), cotton (108.22% from 4.91 to 10.22 million bales)

and rice (34.78% from 7.32 to 9.87 million Tons). Two important crops i.e. sugarcane (-0.39% from 87.98 to 87.64 Million Tons) and maize (-10.35% from 10.99 to 9.85 million tons) have posted negative growth. Further, provisional growth in other crops is 0.90%, cotton ginning & miscellaneous component 47.23%, livestock 3.89% and forestry 3.05% (**Table 1**).

6. Industry in 2023-24, has shown a growth of **1.21%** provisionally. Mining & quarrying industry has witnessed a growth of 4.85% because of increase in production of crude oil (1.51%), coal (37.72%), other minerals (7.57%) e.g. limestone (7.95%), marble (23.22%). Large scale manufacturing, which is based on Quantum Index of Manufacturing (QIM), has witnessed a nominal growth of 0.07% with mixed trend in the production of various groups e.g. Food (+1.69%), Beverages (-3.43%), Textile (-8.27%), Tobacco (-33.59%), Non-metallic mineral products (-3.89%), Wood (+12.09%), Coke & Petroleum (+4.85%), and Pharmaceuticals (+23.19%). Electricity, gas and water supply industry has shown a negative growth of 10.55% because of decrease in subsidies in real terms due to high deflator. Construction industry increased by 5.86% due to increase in construction-related expenditures by private and public sector enterprises (**Table 1**).

7. Services industry has also shown a growth of **1.21%** in 2023-24. Detailed analysis of the industry reflects a mixed trend. Wholesale and retail trade has witnessed a growth of 0.32% because of positive growth in agriculture output. Transport and storage industry has increased by 1.19% because of increase in output of railways, water transport, and road transport. Due to high inflation, real growth in Information & Communication, Finance & Insurance and Public Administration and Social Security industries has become negative at 3.02%, 9.64% and 5.25% respectively. Further, both Education and Human health and Social Work industries have posted positive growth at 10.30% and 6.80% respectively. Other private services have been estimated at 3.58% on the basis of indicators received from the sources (**Table 1**).

8. Overall the forum appreciated the efforts of National Accounts team of PBS and key stakeholders including Ministry of Planning Development and Special Initiatives, Ministry of Finance and State Bank of Pakistan in preparation of quarterly GDP.

Table 1: Gross Domestic Product of Pakistan (at constant basic prices of 2015-16) (Rs. in Million)

S. No	Sector/Industry	2021-22 (F)	2022-23 (R)	2023-24 (P)	2022-23 /	2023-24 /
					2021-22	2022-23
A	Agriculture, Forestry and Fishing (1 to 4)	8778647	8977824	9539130	2.27	6.25
	1. Crops (i+ii+iii)	3083439	3051587	3388088	-1.03	11.03
	i) Important Crops	1681708	1687411	1971304	0.34	16.82
	ii) Other Crops	1289069	1277242	1288795	-0.92	0.90
	iii) Cotton Ginning	112662	86934	127989	-22.84	47.23
	2. Livestock	5387611	5587125	5804348	3.70	3.89
	3. Forestry	185162	215946	222532	16.63	3.05
	4. Fishing	122435	123166	124162	0.60	0.81
B	Industrial Activities (1 to 4)	7421583	7144225	7231017	-3.74	1.21
	1. Mining and Quarrying	651208	629670	660187	-3.31	4.85
	2. Manufacturing (i+ii+iii)	4864350	4606868	4718573	-5.29	2.42
	i) Large Scale	3626559	3268778	3271208	-9.87	0.07
	ii) Small Scale	768249	838435	914568	9.14	9.08
	iii) Slaughtering	469542	499655	532797	6.41	6.63
	3 Electricity, Gas and Water supply	926804	1019017	911531	9.95	-10.55
	4. Construction	979221	888670	940726	-9.25	5.86
	Commodity Producing Activities (A+B)	16200230	16122049	16770147	-0.48	4.02
C	Services (1 to 10)	22643030	22641272	22914547	-0.01	1.21
	1. Wholesale & Retail trade	7325882	7033762	7056017	-3.99	0.32
	2. Transportation & Storage	3980936	4130519	4179877	3.76	1.19
	3. Accommodation and Food Services Activities (Hotels & Restaurants)	541222	563604	586712	4.14	4.10
	4. Information and Communication	1125119	1115886	1082157	-0.82	-3.02
	5. Financial and Insurance Activities	730220	661448	597710	-9.42	-9.64
	6. Real Estate Activities (OD)	2156942	2235936	2320396	3.66	3.78
	7. Public Administration and Social Security (General Government)	1853122	1722958	1632551	-7.02	-5.25
	8. Education	1071646	1126861	1242936	5.15	10.30
	9. Human Health and Social Work Activities	600835	654153	698613	8.87	6.80
	10. Other Private Services	3257106	3396145	3517578	4.27	3.58
D	GDP {Total of GVA at bp (A+B+C)}	38843260	38763321	39684694	-0.21	2.38