

PRESS RELEASE (28th March 2024)
NATIONAL ACCOUNTS COMMITTEE MEETING

National Accounts Committee (NAC) approves Q2 estimates of financial year 2023-24.

- **Economy witnesses' upward revision in Q1 2023-24 by posting a growth of 2.50% as compared to 2.13%**
- **GDP for Q2 in 2023-24 has shown a nominal growth of 1.00%**

The 108th meeting of the National Accounts Committee (NAC) to review the **quarterly** estimates of Gross Domestic Product (GDP) for Q1 and Q2 for the years **2023-24** was held today in the Auditorium of Ministry of Planning, Development & Special Initiatives (M/O PD&SI), P-Block Islamabad. The Secretary, M/O PD&SI chaired the meeting.

2. 107th NAC meeting held in November 2023 approved the introduction of Quarterly National Accounts (QNA) in the statistical system of the country. QNA provide the pulse of the economy at a shorter interval as compared to the Annual National Accounts (ANA).

3. The committee approved the revised first quarter estimates of 2023-24. Overall GDP for Q1 for financial year 2023-24 has witnessed a revised growth of **2.50%** as compared to 2.13% estimated in 107th NAC meeting. Growth in agriculture has witnessed a healthy revision to **8.58%** from 5.06% mainly due to upward revisions in crops posting a double digit growth of 17.66% as compared to 6.13%. The important crops, which were previously estimated based on area, has witnessed a phenomenal growth of **31.47%** because of very low base in 2022-23 and significant increase in production in final estimates of cotton (increased by 108.2% to 10.22 Million bales this year against 4.91 million bales last year), rice (increased by 34.8% to 9.87 million tons vs. 7.32 million tons last year) and maize (5.6%). Despite improvement in mining and quarrying (from 2.15% to 7.78%), industry has witnessed a downward revision to -0.24% as compared to growth of 2.48% mainly due to downward revisions in LSM (from 0.68% to -0.87% in QIM), electricity, gas and water supply (from 0.08% to -12.70%) and construction (from 1.73% to 0.74%). The services have posted a modest improvement from 0.82% to **0.92%** due to finance and insurance (from -12.79% to -2.88%).

4. During Q2 2023-24, the economy posted a modest growth of **1.0%**. Agriculture has shown a growth of **5.02%** as compared to same period of last year mainly due to healthy growth in important crops (8.12%) because of significant growth in the final production of cotton, rice and maize, first estimate of wheat (6.7% increase in area) and cotton ginning (53.6%). Livestock is at the same level while forestry and fishing have also retained their normal growth.

5. Industry in Q2, like Q1, has shown a negative growth (**-0.84%**) as compared to Q2 last year. Mining & quarrying industry has witnessed negative growth of 4.17% because of decrease in production of gas (-5.04%), marble (-40.13%), limestone (-20%) etc. and decline in exploration cost. Large scale manufacturing, which is based on Quantum Index of Manufacturing (QIM), has witnessed a positive growth of 0.35% due to increase in Cooking oil, Garments, Fertilizers, etc. Electricity, gas and water supply industry has shown a positive growth of 1.54% because of increase in output of IPPs, Hydro and Nuclear plants. Construction industry declined to -17.59% due to decrease in production of cement (-8.7%) and iron & steel (-2.5%) as well as decline in general government expenditure.

6. Services industry has shown a nominal growth of **0.01%** in Q2 of 2023-24. Detailed analysis of the industry reflects a mixed trend. Wholesale and retail trade has witnessed a growth of 2.11% because of positive growth in agriculture output and LSM. Transport and storage industry has increased by 1.13% because of increase in output of railways 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 5.43%, 11.1% and 16.18% respectively. Further, both Education and Human health and Social Work industries have posted negative growth at 0.85% and 2.53% respectively. Other private services have been estimated at 3.63% on the basis of indicators received from the sources.

7. 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.