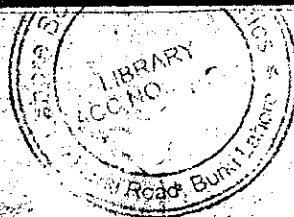
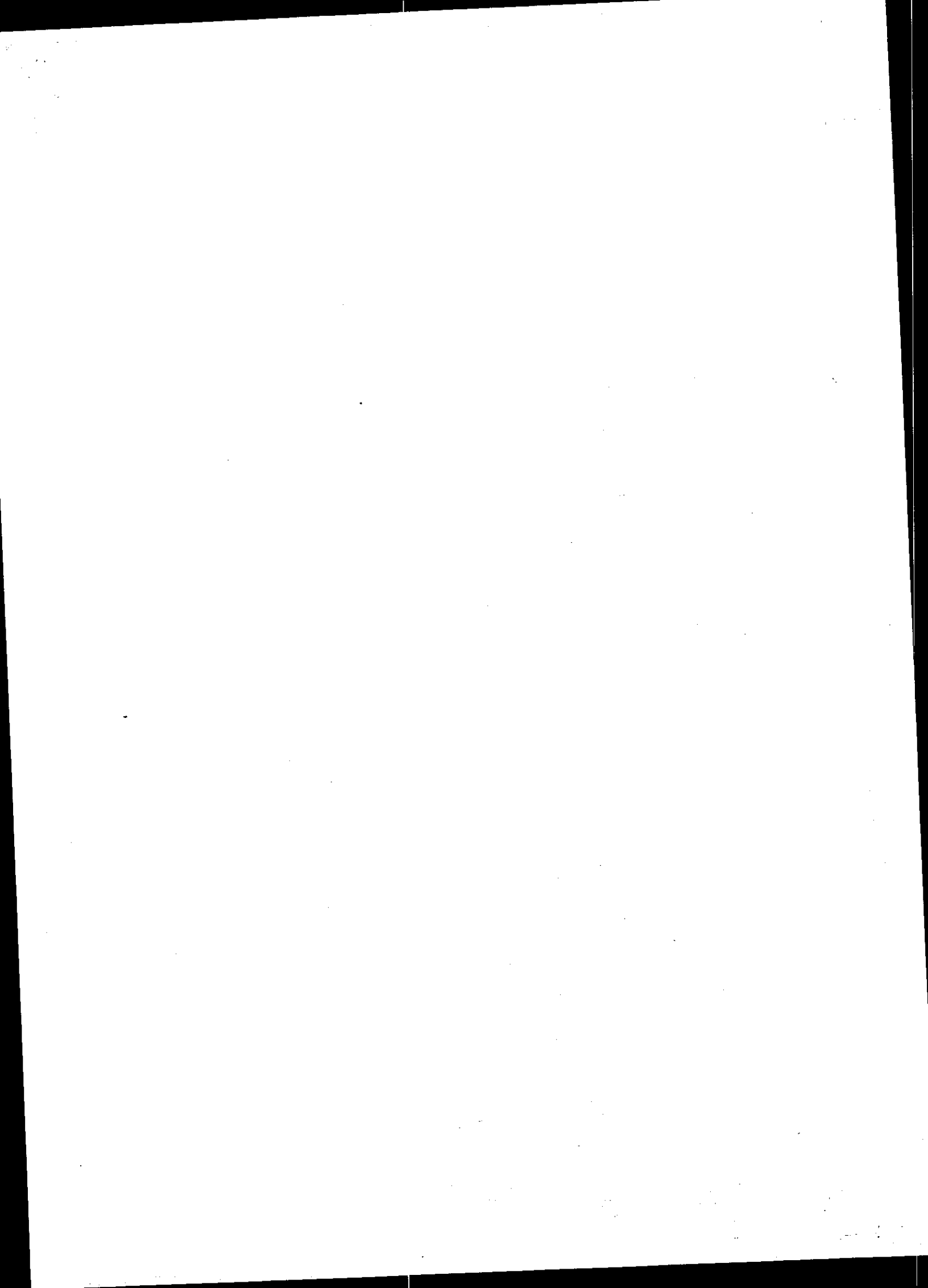


PAKISTAN ECONOMIC SURVEY

1971-5



GOVERNMENT OF PAKISTAN, FINANCE DIVISION
ECONOMIC ADVISORY BOARD, SEVEN WING ISLAMABAD



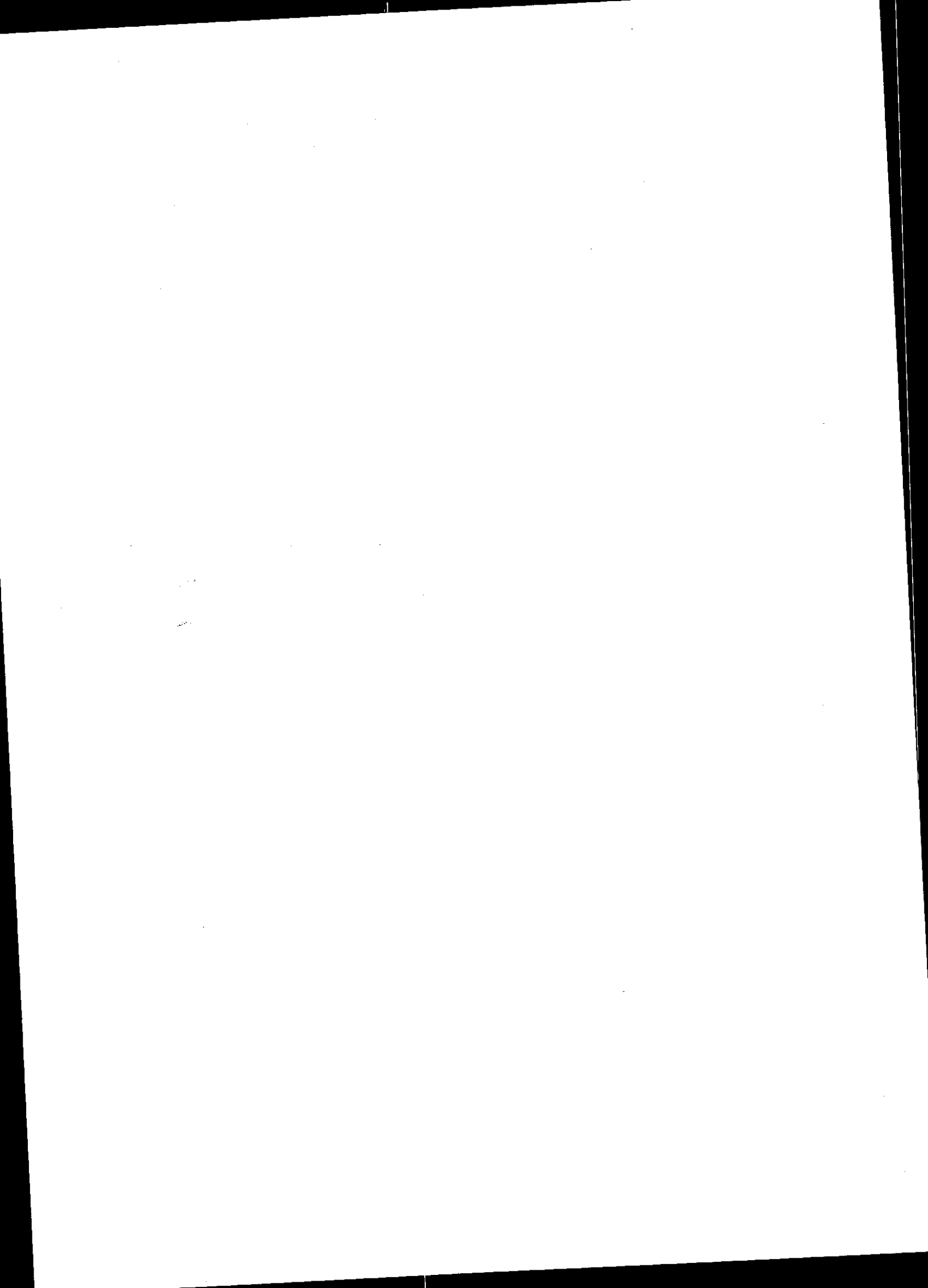
**PAKISTAN ECONOMIC
SURVEY**

1971-72

Prepared by
**ECONOMIC ADVISER'S WING, FINANCE DIVISION,
GOVERNMENT OF PAKISTAN, ISLAMABAD**

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FOREWORD

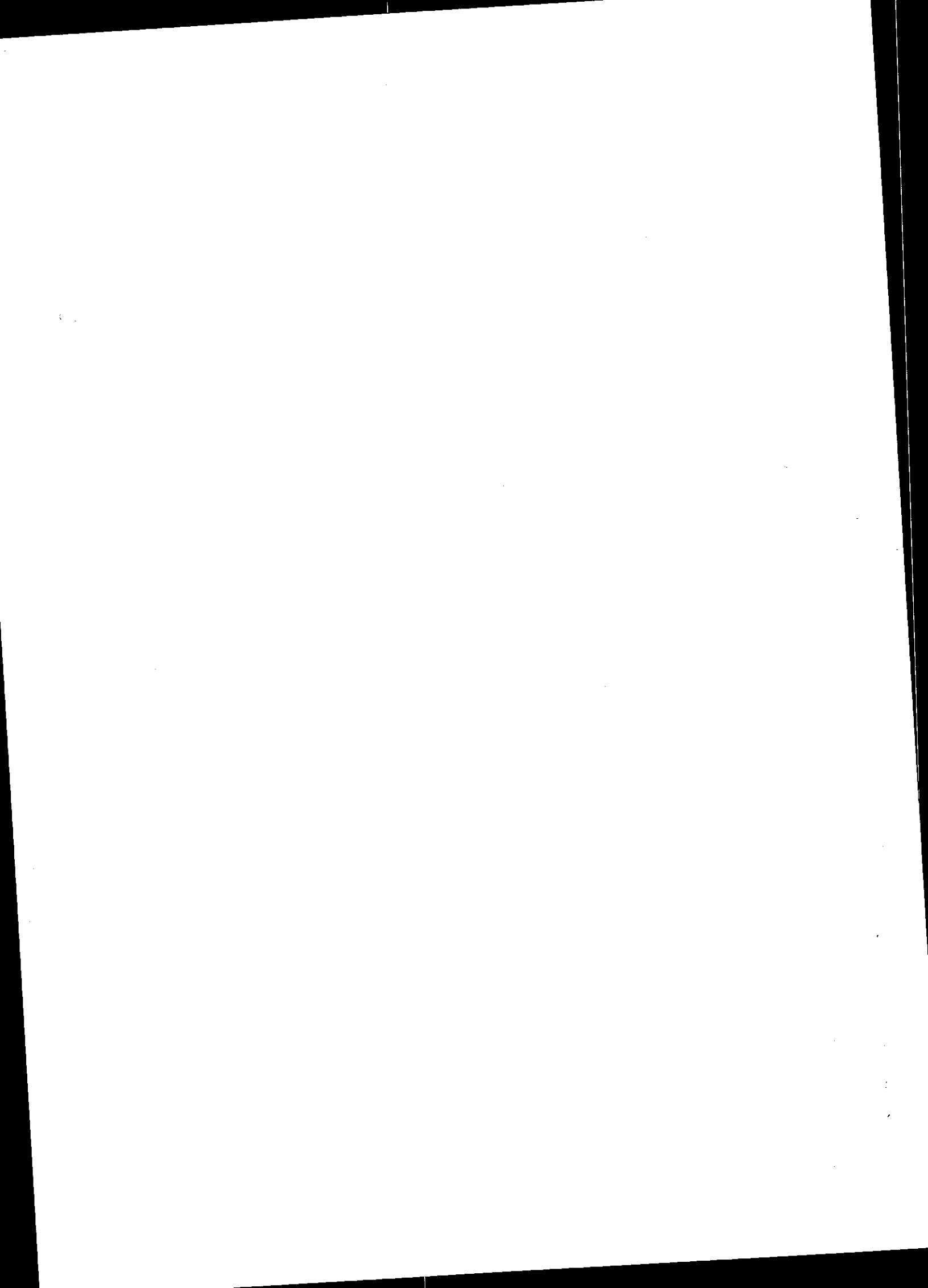
The *Pakistan Economic Survey* for 1971-72 attempts to describe the performance of the economy in a tragic year. The task has been especially difficult because the framework of the economy changed almost beyond recognition within the space of the year. The flow of data from East Pakistan was disrupted early in 1971 and suspended from December, 1971. The statistical section presents data on an all-Pakistan basis for as long as the figures are available. The analysis in the text has perforce had to focus on developments in West Pakistan.

The figures for foreign trade, external debt and aid, the balance sheets of financial institutions and many other economic aggregates have been affected by the devaluation of the rupee in May, 1972. In the brief period since the decision, it has not been possible to re-work these figures and all data in the *Survey* are carried in terms of pre-devaluation rupees. This has the merit of maintaining comparability with preceding years, especially since devaluation affects only about one and a half months of the current year's transactions.

Several changes in presentation have been made. The chapter on public finance has been dropped in order to avoid overlapping with the companion volume *The Budget in Brief*. The chapters on "Water and Power" and "Transport and Communications" have also been eliminated. The statistical section continues to carry data on these areas for the benefit of readers who use the *Survey* as a basic source of material in their work. An attempt has been made to simplify the presentation as well as to render it more concise.

A. G. N. KAZI,
S. Pk., S. K., C.S.P.,
Finance Secretary.

Islamabad, June 15, 1972.



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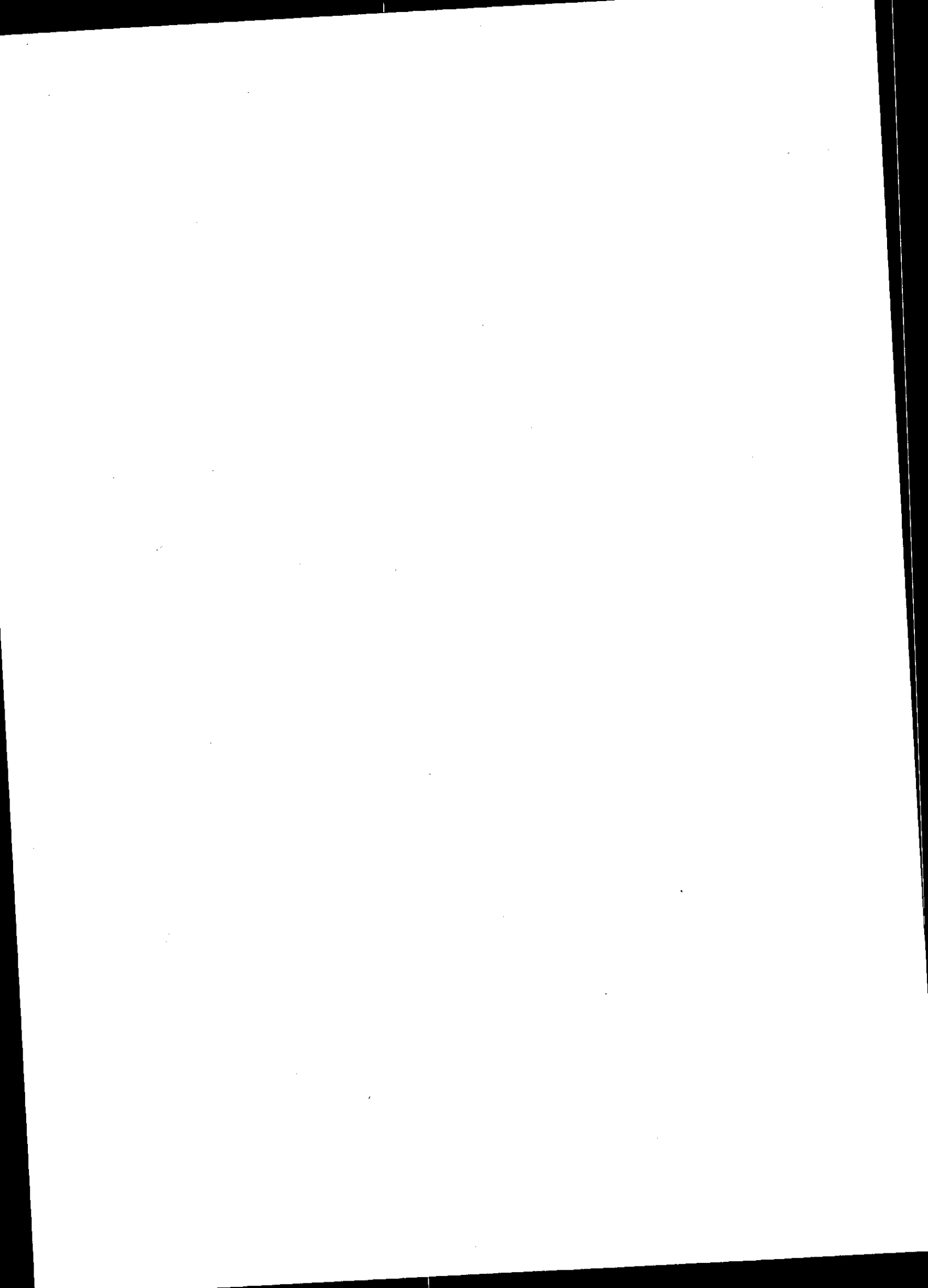
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ECONOMIC TRENDS IN 1971-72

The tragic events that culminated in the forcible dismemberment of the country in the middle of the year produced inevitable and far-reaching consequences for the economy. A common market built over a quarter century of growing economic and financial integration was disrupted and eventually destroyed, forcing urgent changes in the production and trading patterns of the economy. The obligations assumed and commitments made by the country as a whole remained intact, while the resource base for meeting them became restricted to one part of the country. (The aftermath of the war with India brought an ineluctable diversion of domestic resources to meet the imperatives of the country's defence; there were interruptions in the flow of foreign trade and localised shortages resulting from temporary disruption of transport and distributory services.) A third set of problems emerged as consequences of the prolonged neglect of social justice issues and the cumulative tensions erupted in widespread unrest in urban areas. These problems were super-imposed on an economy already under strain.

While the need for economic recovery was urgent, the representative government which came to power in December 1971, rightly decided that attempts at such recovery would have to be preceded by certain reforms in the basic structure of the economy; otherwise the period of social tensions would be unduly prolonged and render uncertain the prospect of recovery. A series of reforms were launched within a period of

five months, covering the re-ordering of social relationships on the land, a new set of rules for labour/management relations, a redefining of the boundaries of the public sector in industry, the reform of corporate management, the injecting of social control in the banking sector, the rationalisation of life insurance and the articulation of new policies in the education and health fields. Most important for the future performance of the economy was the decision to devalue the Pakistan rupee and to abolish the bonus voucher scheme. This decision was accompanied by a liberalisation of import policies designed to allow the price system relatively freer play to determine both the pattern of trade and the allocation of investment resources.

These reforms had inevitably to be mounted on a weak economy, in which most indicators of performance were pointing downwards. The production base was virtually stagnant for two years. (The growth of *gross domestic product* in real terms in 1971-72 was ~~estimated at~~ 1.7%. This meant that for the second year in succession *per capita* income declined as the growth rate fell below the growth of population. Investment levels had been declining for an even longer period and the ratio of investment expenditures to GDP at current prices fell below 10 percent.

(A major element in the low growth rate of GDP was the performance of the *agricultural sector*. Conditions of drought continued into an unprecedented third season, blighting the prospects for the major *rabi* crop, wheat. Sugarcane was also affected by adverse climatic conditions and by the reduced incentives of a lower procurement price of sugarcane at the same time as the return on competing crops was improving.) The country reaped a bumper harvest of over four million bales of cotton and it was the contribution of this crop which more than offset the stagnation in other areas to permit an increase of 2.8% in the contribution of agriculture to the GDP. The quick response of the farmer to price incentives in favour of cotton was one of the brighter elements in the economic performance of the year.)

(The *industrial sector* received a sharp set-back. As against growth rates of 8 to 10 per cent in recent years, its contribution to GDP actually declined by 5.6% in 1971-72 as the production of several major industries fell.) This was the first such decline in the country's history and reflected the inability of domestic industry to operate existing facilities anywhere near capacity due to immediate market constraints arising from the strangulation of inter-wing trade, power shortages in the northern region and growing labour unrest in the latter part of the year.

The difficulties of the industrial sector were inevitably reflected in the performance of the *capital market*. Equity values had been declining since September, 1970: their erosion was accelerated in the current year and by the end of November, the general index of share prices, which was 112.82 (1959-60=100) at the end of June 1971, had dropped to 95.75 at the end of November, 1971. Trading in shares was suspended from December 4, following the declaration of national emergency and the market was not reopened until May 25, 1972.

(*Monetary developments* showed conflicting trends during the year. In the first half, the rising expenditures in East Pakistan, with virtually no revenues from that region, generated deficit financing of Rs. 166.2 crore. The expansion of monetary assets reached the massive figure of Rs. 478.4 crore although Rs. 296.4 crore represented the phased exchange of the high denomination currency demonetised in June 1971 and adjustments for looted currency. In the second half of the year up to April, 1972, monetary assets rose by Rs. 73.7 crore. In contrast to the preceding six months, the increase took place mainly in the private and the foreign sectors by Rs. 40.3 crore and Rs. 15.6 crore respectively while the government sector recorded an expansion of Rs. 5.6 crore only. Credit policy pursued by the State Bank was adjusted and realjusted during the year as economic conditions changed rapidly. A new phase of policy began with the devaluation of the rupee when the bank rate was raised from 5% to 6% and simultaneously the deposit and advance rates of the scheduled banks were adjusted upwards. The liquidity ratio of the scheduled banks was raised in June from 25% to 30% to mop up excessive liquidity of the banking system.)

While the initial injection of liquidity during the first half of the year may have occurred in East Pakistan, the resultant inflationary potential was quickly transmitted to the western region through the currency link which was not severed until the very end of the calendar year. The aggregate demand pressures were accentuated by shortages on the supply side, as the decline in sugarcane and the virtual stagnation of the wheat crop led to severe shortages of these two items of mass consumption. These developments had inevitable effects on *prices* with the index for wholesale prices rising by 12.4% between July, 1971 and April, 1972 as against 4.4% over the same period last year. A steep rise of 13.1% was witnessed in the clerical wage earners' index of Lahore compared to 8.0% of Karachi and 6.9% of Peshawar. The new government took a series of measures to contain the rise in prices of essential consumer goods, including arrangements for import of wheat and sugar. Following the devaluation of the rupee, it was decided to safeguard the prices of items consumed by the poor and the middle classes.

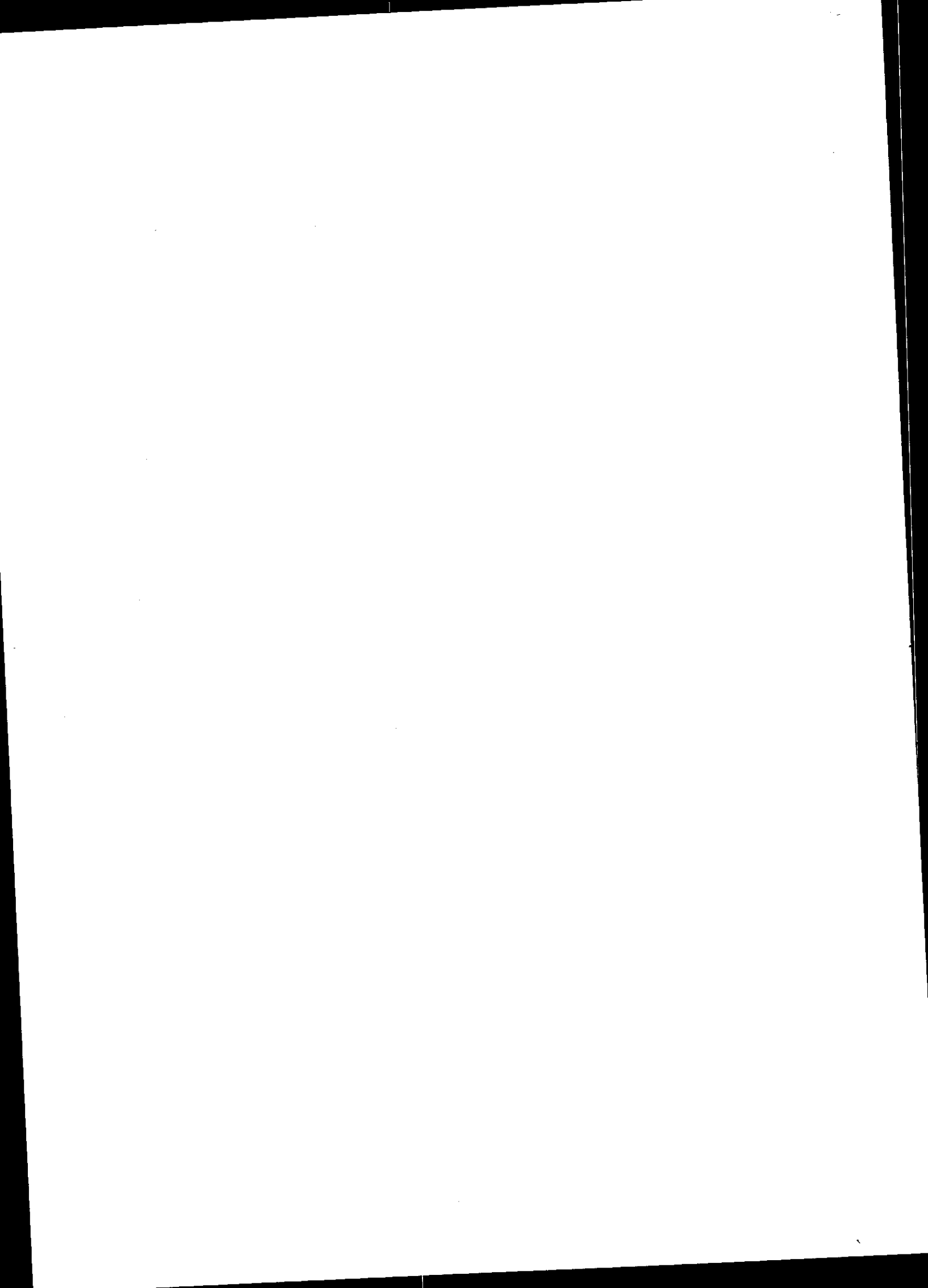
(A major factor in the price situation was the action taken to protect the balance of payments. Tighter import restrictions and rising landed cost of imports due to the shifting of virtually all items from the cash to the cash-cum-bonus and to the full bonus list as well as the rising premia on bonus vouchers exercised upward pressure on industrial costs. On the export side, a rise of one-third in the exports of West Pakistan to Rs. 280 crore (in pre-devalued rupees) was in prospect, due in part to the higher quantum and better prices for raw cotton and in part to the switching of inter-wing exports to international market. The export performance was perhaps the brightest element in an otherwise depressed economic picture. Imports, on the other hand, were expected to fall by 11% to Rs. 320 crore in the current year, despite the fact that essential items previously obtained from the eastern wing, (jute and jute goods, newsprint and paper, tea, and matches) were now being imported from foreign countries. The depressed state of demand for industrial products, the working down of inventories in order to restore the inventory/sales ratio to a level corresponding with the reduced sales and the high cost of "full" bonus imports restrained the trade and industry from entering into new import commitments for raw materials. In the case of capital goods, their reduced level reflected the shortages of budgetary funds in the public sector and uncertainties affecting the private sector. As a result, the trade deficit was reduced from Rs. 149 crore in 1970-71 to Rs. 40 crore in 1971-72. Invisible receipts are projected to rise by 27% but would be less than the rise in invisible payments. With debt service projected at Rs. 120 crore or about 30% of the foreign exchange earnings, the government was compelled to extend the moratorium it had applied on the conversion of certain debt service maturities in May, 1971 to the entire year, thereby obtaining a balance of payments relief of Rs. 57 crore. Without this, the country's foreign exchange reserves which fell by Rs. 42 crore in the previous year would have been virtually depleted.)

(The forcible dismemberment of the country completely dislocated the planning frame of references. Public sector development expenditures in West Pakistan decelerated by 13% over the estimated expenditures in 1970-71 as a result of the lower availability of resources. A serious re-appraisal of priorities and programmes was under way.)

(As the year drew to a close, the prospects for the economy could be viewed with some degree of optimism. The reforms implemented in recent months have succeeded in extracting a sense of order and direction from the inchoate situation and in clarifying the framework of policy

Wahidullah

within which economic decision-making can proceed. The agreement on short-term debt relief reached in the Consortium towards the end of May gives assurance of an early resumption of an adequate net flow of external resources to Pakistan. The agricultural sector is being given high priority in public sector investment planning and forces of nature which shackled its growth in recent years are likely to turn favourable in the coming year. The exchange reform and the liberalisation of import and investment policy have begun to restore the play of market forces in a more equitably organised economy. The necessary ingredients for rapid economic recovery in the country have been assembled and the speed of recovery will henceforth depend in the private sector on how quickly harmony can be restored in social relations and in the public sector on the degree to which the internal resource constraint can be overcome.)



CHAPTER I

GROSS DOMESTIC PRODUCT ; SOURCES AND USES

Concepts and Methodology

The Gross Domestic Product (GDP) is the value of goods and services produced within a year minus the value of inputs. It is a measure of *value added* at different stages of producing goods and services. GDP may be measured either at market price or at factor cost, the difference being that the former includes indirect taxes and excludes subsidies. Since taxes and subsidies are transfer payments from one sector to another, the discussion of the sources of GDP is in terms of factor cost. The analysis of the uses of GDP is made taking market prices into consideration since the focus is on the components of total expenditures in the economy.

The GDP is a broad measure of the flow of output of final goods and services and provides a rough basis for measuring changes in aggregate economic performance when compared with preceding years. For the comparison to be meaningful, the movements in GDP must abstract from price changes which are continuously taking place due to imbalances in factor and product markets, variations in tax rates and the coverage of the tax system, exchange rate adjustments, etc. The ensuing analysis of the aggregate economic performance is based on the prices of 1959-60.

The data analysed in this chapter are for West Pakistan only. In the past, the construction of regional domestic product estimates required exclusion of certain "unallocable" items, viz., central government, banking and insurance, and PIA. For the first time an attempt has been made to allocate these items for 1970-71 and 1971-72. These estimates are tentative and will require revision in the light of fuller data which can become available only after a complete year has elapsed. The historical data in the statistical appendix Tables III and IV is, however shown without including the unallocable items in order to maintain comparability.

The sum of *value added* by the various producing factors in the country, the sum of the income generated in the form of wages and salaries, interest, rents and profit, and the sum of final expenditure on consumption and investment (adjusted for imports and exports), should be the same amount. This is because *product, income and expenditure* form a circular flow. As such it should be possible to measure the value of goods and services at three different points by three different approaches and ideally, the measurement of GDP through any of these approaches should yield identical results. Because of paucity of necessary data, no single method of estimation is used in Pakistan but rather estimates of various sectors are derived from a combination of product, income and expenditure methods. The product method is used for computing the *value added* in the commodity output sectors like agriculture, mining and manufactures (large-scale). The income method is used for most of the 'services' sectors while the expenditure method is used for the construction sector.

GDP Growth

According to the provisional estimates of GDP at constant factor cost, there was an increase of 1.7% in the year 1971-72. This relatively low growth rate

represents a continuation of the trend experienced in the preceding year as well. This reflects basically the low rate of growth in the agricultural sector which has a weight exceeding one-third in the GDP and which has been beset by acute shortages of water supply in the canals for the third year in succession. A severe shortage of power during the late winter months also disrupted the functioning of the tubewell network and thereby reduced the availability of ground water supplies as well.

Next, the large-scale manufacturing sector registered a decline in 1971-72, perhaps the first such decline in the country's history. This phenomenon is attributable to widespread labour unrest, the disruptive effects of the war with India and its aftermath, the loss of markets for finished products in the eastern wing and of supplies obtained from there, the cut-back in imports financed by foreign aid and the high cost of imports obtained from the country's own resources. Together these factors led to a decline of 5.6% in the contribution of large-scale manufacturing, which meant a drop of 3.8% in manufacturing sector as a whole. This is because small-scale industry was assumed to continue its growth, more or less in line with the growth of population. To the extent that the latter assumption is incorrect, the overall decline in the manufacturing sector would have been higher than 3.8% as some of the elements operating to depress large-scale industry operations should have applied to the small-scale sector also.

The wholesale and retail trade sector reflected the low growth rate of agriculture and the decline in manufacture. This is due to the fact that the *value-added* in this sector is arrived at by computing the marketable surpluses of agricultural products and of industrial output entering into wholesale and retail trade channels. With agricultural output rising at less than 3% and manufacturing output declining, the contribution of the trade sector also registered a decline of 1.3% in 1971-72.

Another sector which showed a negative growth rate is construction, reflecting primarily the slowing down of investment activity, both in the private and public sectors, the former due to pervasive uncertainties regarding the future and the latter due to budgetary constraints. But for the stepping up of the outlays on Tarbela, the decline in this sector would have been even greater.

The general recession of economic activity was responsible for a slower growth of activity in the sectors of public utilities and transport and communications. The "electricity, gas, water and sanitary services" have been estimated to grow at 1.7% in the current year due primarily to the effects of power shortage and the constraint on natural gas distribution and supply due to pipeline capacity limitations and the inadequacy of pumping installations. Similarly, the transport and communications sector is expected to grow only by 1.6%, reflecting primarily the considerable drop in the operating surpluses of the railways, PIA and the post offices, telegraph and telephone systems.

The services sector (including public administration and defence) shows a marked increase of 9.3% reflecting primarily the rising budgetary outlays both at the centre and in the provinces. The various components of the gross domestic product at constant factor cost for 1970-71 and 1971-72 and the growth rate performance for each sector are shown in Table I.

TABLE 1

ESTIMATES OF GROSS DOMESTIC PRODUCT OF WEST PAKISTAN AT CONSTANT FACTOR COST OF 1959-60 FOR 1970-71 (REVISED) AND 1971-72 (PROVISIONAL)

(Rs. in crore)

Sectors	1970-71 (Revised)	1971-72 (Provisional)	Growth Rate %
1. Agriculture	1201.0	1234.3	2.8
(a) Major crops	664.2	684.0	3.0
(b) Minor crops	163.7	168.6	3.0
(c) Livestock	350.8	357.8	2.0
(d) Fishing	15.5	16.6	7.1
(e) Forestry	6.8	7.3	7.4
2. Mining & Quarrying	14.7	15.4	4.9
3. Manufacturing	530.0	509.7	(-)3.8
(a) Large-scale	415.6	392.3	(-)5.6
(b) Small-scale	114.4	117.4	2.6
4. Construction	139.0	131.3	(-)5.6
5. Electricity, Gas, Water and Sanitary Services	30.0	30.5	1.7
6. Transportation, Storage and Communications	221.5	211.9	1.6
7. Wholesale and retail trade	436.2	430.8	(-)1.3
8. Banking and insurance	64.9	68.1	5.0
9. Ownership of dwellings	118.1	122.1	3.4
10. Public Administration and other services	450.6	492.6	9.3
11. Gross Domestic Product	3196.0	3249.8	1.7

GDP At Current Factor Cost

The contribution of various sectors in current prices is shown in Table 2. It is evident from a comparison of growth rates in the two series that there has been a significant increase in prices in 1971-72. As against the GDP growth at only 1.7% estimated at constant factor cost, the rise at current factor cost is as high as 7.7%, the difference of 6% reflecting a change in the index of what is known as the "national income deflator".

TABLE 2

ESTIMATES OF GROSS DOMESTIC PRODUCT OF WEST PAKISTAN AT CURRENT FACTOR COST FOR 1970-71 (REVISED) AND 1971-72 (PROVISIONAL)

(Rs. in crore)

Sectors	1970-71 (Revised)	1971-72 (Provisional)	Growth Rate%
1. Agriculture	1523.4	1682.5	10.4
2. Manufacturing, Mining and Quarrying	7771.9	790.5	2.4
3. Construction	197.9	197.3	(-)0.3
4. Transportation, Storage and Communications	332.0	339.2	5.3
5. Wholesale and Retail Trade	664.3	680.1	2.4
6. Public Administration, Defence and Services	668.8	774.4	15.7
7. Gross Domestic Product	4449.7	4793.9	7.7

The contribution of various sectors in terms of current prices is briefly discussed in the following paragraphs.

Agricultural products

The entire product of the agricultural sector, in terms of *value-added*, is slightly more than one third of the gross domestic product. The details are given in Table 3.

TABLE 3
AGRICULTURAL PRODUCTS

Items					In crore Rs.
Food crops	...	...	...	...	564.6
Cash crops	...	...	...	...	333.7
Livestock	..	...	...	..	505.3
Forestry ..	..	..	..	..	12.3
Fishing ..	..	..	..	..	35.3
Miscellaneous agricultural products (including fruit).	..	..	..	..	231.3
Total ..	..	..	..	..	1,682.5

Industrial products

In the industrial sector, nearly half of the product is from the textile industry. Cigarette manufacture is in second position followed by sugar and vanaspati oil. Other components are basic metals and engineering, light electrical goods and transport equipment. It is followed by chemicals, fertilizers and paper. The contribution of the industrial sector and mining to the gross domestic product is Rs. 791 crore.

Trade

Whatever the nation produces in factories and in the field is made available to the users through the services of traders. The value of this service can be estimated in terms of money. The contribution of wholesale and retail trade sector is estimated by experts to be of the order of Rs. 680 crore. This should not be confused with the value of goods that are purchased or sold. It is the value of services rendered in trading operations. The figure is arrived at by computing what is actually available for sale in the market, of industrial output and agricultural produce, and what margins the traders receive on it.

Services

Then there is the sector of services. It includes pay, allowances, wages of those who are employed in public administration, defence forces, educational, medical and health facilities and others who render professional services. It also includes domestic servants. The value of the contribution of their services is to the extent of Rs. 774 crore.

Transport and Communications

Next in importance to services is the contribution of all types of transport, including buses, trucks, taxi-cabs, auto-rickshaws and non-mechanical vehicles used for hire. Also included under this head are the wages and salaries paid by the railways, the post offices, telegraph and telephone services and other communications media. The wage bill and the operating surplus of PIA is covered in this sector, to give a total *value-added* of Rs. 339 crore.

Construction

The construction sector provides a contribution of a little under Rs. 200 crore. Since most investment activity involves construction, the contribution to gross domestic product depends heavily on the level of investment underway during the year. Apart from the heavy outlays on the Tarbela Dam which have been rising, other construction activity has tended to slacken and the figure for the current year in this sector is somewhat less than last year.

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Ownership of dwellings

Close in importance to construction activity is the income accruing from the rental of buildings. The figure of Rs. 184 crore includes not only the income from property actually rented out but also the imputed income of owner-occupied houses in the country.

Banking and Insurance

The extensive network of commercial and co-operative banks is another important sector of our economy. It has also been a highly profitable sector and the wages and profits earned by the banking system together with the wages and surpluses of the insurance companies add up to a contribution of about Rs. 100 crore.

Public Utilities

The public utilities consist of the electricity, gas, water and sanitary services. The wage bill and the operating surpluses of WAPDA, the natural gas transmission and distribution companies, the water works and the sewerage installations of the municipalities make a contribution of slightly less than Rs. 50 crore per year.

USES OF RESOURCES

In order to analyse the uses of the total availability of goods and services in Pakistan, one must add the quantum of goods and services that are imported into the country and subtract the export of goods and services. Foreign trade has been discussed in detail in Chapter VIII. The total value of imports, in pre-devalued rupees, is placed at Rs. 320 crore. The value of imports excludes Rs. 36.1 crore obtained from East Pakistan in the first five months of the fiscal year; the exclusion is offset by similarly leaving out exports during the same period from West to East Pakistan. In addition to merchandise imports, there is an import of services including freight and passage earnings of foreign shipping and airlines, interest on foreign loans, remittance of profits of foreign investors, and a miscellany of other services rendered by foreigners. These services amount to another Rs. 150 crore, giving total imports and invisible payments of Rs. 490 crore.

From the inventory of gross domestic product and imports, one should exclude exports in order to arrive at an estimate of what is used in Pakistan. During the current year Pakistan's exports are estimated, again in pre-devalued rupees, to be worth Rs. 280 crore. In addition, there are invisible receipts of Rs. 85 crore, the largest element being remittances by Pakistanis working abroad. Thus the total availability of goods and services at current prices would be valued at Rs. 5,305 crore. This was utilized for the following purposes: (i) Fixed investment (ii) change in stocks (iii) Government consumption and (iv) private consumption.

Fixed Investment

Domestic availabilities are partly utilised for creating fixed assets with which further increases in production can be obtained in future. Some domestic production is directly used for this purpose such as cement for constructing a factory building. But in other cases, domestic product is exported and machinery imported for setting up new factories. The estimate for the current year is placed at Rs. 490 crore, including an estimate of Rs. 270 crore for the public/semi-public sector and Rs. 220 crore for the private sector. This is an unusually depressed level, representing no more than 10.2 per cent of GDP at current factor cost and 9.5 per cent of GDP at current market prices. In the case of the public sector, the level means a deceleration of 13 per cent in relation to the estimated expenditure in 1970-71 while the real decline is much greater when allowance is made for the rise in prices of capital goods, especially imported machinery and the rising outlays on the Tarbela Dam. The

drop in private sector investment outlays is even sharper, being of the order of 45% from a level of Rs. 373 crore in 1970-71. The effects of lower investment on the generation of income in the construction sector in 1971-72 has already been mentioned. More significant, however, is the adverse effect of the low level of investment on the creation of income and employment in future years. It may be noted that the figures take all new investment into account, though a part of the new investment is only replacing the assets which are worn out in the process of production.

Changes in Stocks

Not all the production in a year is used during the same year. Part of it is carried over in the form of stocks or reserves held by Government and business enterprises. As production increases, these carry-over stocks also increase. It is estimated that roughly 1.5 to 2 per cent of the domestic product each year goes into holding larger stocks. During 1971-72, Rs. 80 crore worth of goods are estimated to have been used for building up stocks.

Government Consumption

Next is the application of resources for Government consumption expenditure. The figure relates to the outlays on the current operations of the public sector, both at the Centre and in the Provinces. For the current year it is estimated to be Rs. 700 crore.

Private Consumption

This leaves private consumption which is derived as a residual. The figure is Rs. 4,035 crore. While the exact composition of this figure is not available, the following items of essential consumption constitute about 25% of the total. In the case of lower income-groups, expenditure on these items would represent more than 50% of their family expenditure.

TABLE 4

EXPENDITURE ON SELECTED ITEMS OF PRIVATE CONSUMPTION 1971-72

				(Rs. in crore)	
Items	Unit	Quantity	Expenditure		
Wheat	(000 tons)	6,087	360	Pe	
Rice and other cereals	"	3,114	170	Pe	
Sugar	"	500	120		
Vegetable oil	"	226	130		
Cloth	(million yards)	715	180		
Soap	(000 tons)	125	30		
Tea	"	18	22	figu.	
Matches	(million gross boxes)	7	10	Using	
Kerosene oil	(000 tons)	435	32	by	
	Total	—	1054	emerg	

Sources and Uses

Having roughly computed what the nation produces, consumes and invests in fixed assets or in stocks, one can strike a balance-sheet of the sources and uses of the total availabilities in the country. This is shown in Table 5.

TABLE 5
SOURCES AND USES

Sources		Uses		(Rs. in crore)
GDP at Factor cost ..	4,800	Investment	490	
Indirect Taxes minus subsidies.	380	Changes in stocks	80	
Imports and Invisible payments	490	Public consumption	700	
		Private consumption	4,035	
		Exports & Invisible Receipts ..	365	
Total Resources ..	5,670	Total Uses	5,670	

Distribution of Income

It may be noted that the discussion of the sources and uses of the total availabilities of goods and services abstracts from distribution of income and expenditure among income classes. Some indication of the low level of living which is possible from the country's current production base is derived from data on *per capita* income shown below :

TABLE 6
PER CAPITA INCOME

	1970-71	1971-72	Change over 1970-71
Population (in lakhs)	600.7	616.9	2.7
<i>Per capita</i> income (in Rs.) :			
(a) at constant factor cost	532	527	(-)1.0
(b) at current factor cost	741	777	4.9

At constant prices there has been a decline in *per capita* income. Even these figures, however, do not reflect the living conditions of various income groups. Using data derived from the Quarterly Surveys of Family Expenditures conducted by the Central Statistical Office, the following picture of distribution of income emerges :

TABLE 7

DISTRIBUTION OF HOUSEHOLDS BY INCOME GROUPS
(Monthly Income) ^a

Income Groups	Household percentage
0—100	13.7
100—250	60.8
250—400	17.7
400—750	6.3
750—1500	1.1
1500—above	0.4

These data represent rough orders of magnitude but are sufficient to indicate that for a vast majority of the country's population, the economy at its present level and distribution of GDP, does not provide the means for a tolerable living.

SOCIAL AND ECONOMIC REFORMS

The representative Government that came to power in December 1971, felt the necessity of introducing urgently a number of social and economic reforms. Apart from the inevitable repercussions of the forcible dismemberment of the country, the country was beset with the consequences of prolonged neglect of social conditions. It was a situation demanding major reforms, and over a period of five months, these were forthcoming over a wide range of socio-economic activities, encompassing ownership and cultivation of agricultural lands, control of industries and corporate law, banking and insurance, exchange rate and import policy. In addition, long-term labour, health and education policies have been formulated. Their effect on the economy cannot be evaluated at this stage and will become manifest with implementation over a period of time. The reforms have established, however, a precise framework for the articulation of the country's economic forces.

LAND REFORMS

Of all the reforms announced by the present Government, land reforms announced on 1st March 1972, are probably the most far-reaching in their implications. They are designed to break up the concentration of landed wealth, and to re-order the social relationship in the country side. New rules for the sharing of the produce of the land between landowners and tenants are combined with security of tenure, rights of pre-emption and the prohibition of *begar* or service without remuneration. At the same time incentives have been preserved for the pursuit of agriculture as an attractive and profitable vocation for the enterprising and enlightened farmers.

Past attempts to introduce land reforms in the country were not radical enough to be beneficial to the community of small farmers. The 1959 ceilings were too high to start with and were further liberalised through a series of exemptions for the maintenance of orchards, stud farms, *shikarghas* and options such as for gifting to female relatives etc.

The present reforms apply drastic cut on individual ceilings of land ownership from ceilings of ownership under the past reform of 36,000 produce index units (500 acres of irrigated or 1,000 acres of unirrigated land) to 15,000 produce index units (subsequently reduced to 12,000 units) or 150 acres of irrigated or 300 acres of unirrigated land whichever is greater. An additional area of 5,000 units is allowed to an existing owner who either owns a tractor or has installed a tubewell on or before the 20th December, 1971. No exemption are permitted, except to recognised educational institutions and universities which have been allowed to hold areas beyond the prescribed ceiling.

No compensation is payable for the resumed land which is to be handed over to the landless peasants or holders of below-subsistence holdings free of charge. State lands are not to be sold in auction but would be distributed among peasants at a price to be realised in easy instalments. Absentee landlordism is to be curbed by the resumption of holding acquired by officials in excess of 100 acres or by influential people in the Pat feeder area of Baluchistan, or land in the interior taken in exchange for allotments in border areas by military officers.

In the matter of landlord-tenant relationships the new measures shift the burden of taxation entirely on the landlords (previously in most irrigated areas, water-charges were shared by the tenant). The cost of seed will also be the responsibility of the landlords. The right of pre-emption has been granted to the tenants in the event of sale of land. Security of tenure is assured, through a

bar on arbitrary ejections. Levy of cess and service without remuneration is declared unlawful. Estimates of the shift of *batai* share from land-owner to tenants range between Rs. 35—45 crore per—year.

Consistent with the need to encourage consolidation and to prevent fragmentation, liberal facilities are to be allowed to land-owners affected by the ceilings as long as these holdings are inside provincial limits and do not come in conflict with the prescribed ceilings. Existing restrictions on partitioning of joint holdings and on alienation of holdings are to continue.

The land reforms will generate a substantial demand for development credit. Simultaneously with the land reforms, measures are being taken in the field of agricultural credit to assure greater facility of credit to small farmers.

LABOUR REFORMS

Next in importance to the re-ordering of social relations in the rural areas is the revision of labour laws designed to protect the rights of organised workers in the urban areas.

A comprehensive labour policy was promulgated on 10th February 1972, encompassing procedures for speedy and just settlements of disputes, a fair share in profits, participation in the management of industry, payment of bonus, better housing and educational facilities and expansion of social security schemes.

The salient features of the new Labour Policy are as follows :

- (1) The workers' representatives will be associated with the management to the extent of 20 per cent at factory level. In all matters which affect them directly and vitally such as service rules, policy about promotion and discipline, in-service training, recreation and welfare, the workers have been given the right to give advice to management, which can be over-ruled only by top management in the factory. Even when over-ruled, the workers have the right to take up the matter in works council and ultimately have it decided through a labour court. The jurisdiction of works councils has been widened to cover all matters which are dealt with by the labour courts. A shop steward system has been introduced in establishments employing 50 or more persons for helping workers actively to secure redress for individual grievances.
- (2) Workers have the right to appoint auditors to audit the accounts and inspect stores, premises and other records of the factory. The fees of the auditors will be paid by the employer.
- (3) Workers have been given share in the capital of a company free, by setting apart from annual profits a sum equal to 4% of net profits. They will receive 10% of additional profits brought about by workers' increased productivity. Payment of bonus equal to one month's pay to employees has been made compulsory. Where profits are not high enough, 50% of profits has to be paid as bonus. Even where profits are less than one month's wages of workers, 15% of profits will still be payable as bonus.
- (4) Greater medical coverage will be provided to workers. The deduction of 2% from their wages for this purpose has been ended. The employer's contribution has instead been raised from 4% to 6%. Employers will provide free education up to matriculation standard to one child of each worker. Compulsory group insurance has been introduced. Compensation in case of injuries at work and death caused by accident on

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duty has been enhanced. The existing laws relating to safety measures have been made more stringent. Workers will be entitled to a pension for life after a prescribed age and length of service. To provide housing a 2% levy on net profits of employers already exists. Additional amounts shall be taken from each factory according to its circumstances by a committee on which, apart from management and government representatives, workers will also be represented.

- (5) No employer will terminate the services of any worker without giving him in writing the reasons for his action.
- (6) The procedure for settling collective disputes has been simplified and shortened. The workers will not be required to first serve a notice on management when new demands have arisen. The workers can take up the matter straightaway in the works council. If bilateral negotiations in the works councils fail, the workers shall be free to serve within three days a strike notice. The period of strike notice has been reduced from 21 to 14 days. If the dispute is to be adjudicated upon by the labour court, it will have to decide within 30 days instead of 60 days as allowed in the previous law. The number of labour courts will be increased and they will decide labour disputes within 20 days in individual grievances and 30 days in collective disputes. Violations of all labour laws have been made cognizable offences.
- (7) The creation of a quasi-judicial machinery in the shape of Industrial Relations Commission has been provided for, to help workers to build up trade unions industry-wise and at national levels which will be genuinely representative of workers and will put a stop to the growth of 'pocket unions'. This Commission will adjudicate in disputes of national importance in which the issues involved affect workers in more than one province, all over the country in a particular industry, or are issues of fundamental importance to the trade union movement, such as unfair labour practices whether by industrialists or spurious self-styled leaders of workers.

INDUSTRIAL REFORMS

In the industrial sector, the reforms are designed to extend the management and control of the State over industries characterised as being of national importance. Under a Presidential Order entitled "The Economic Reforms Order, 1972" dated January 1, 1972, the Government took over, in two instalments, management control of 31 industrial units in 10 categories of basic industries. These industries were selected on the criteria that they "bear upon the life of every citizen and form the base without which no industrial development in the real sense can take place". The 10 categories are : (1) iron and steel industries ; (2) basic metal industries ; (3) heavy engineering industries ; (4) heavy electrical industries ; (5) assembly and manufacture of motor vehicles ; (6) tractor plants—assembly and manufacture ; (7) heavy and basic chemicals ; (8) petro-chemical industries ; (9) cement industries ; (10) public utilities *i.e.* (a) electricity generation, transmission and distribution ; (b) gas ; and (c) oil refineries.

Of the 31 industrial units taken over, 8 belong to iron and steel/basic metal industries, 3 to heavy engineering, 5 to assembly and manufacture of motor vehicles, 1 to tractor assembly and manufacture, 6 to heavy and basic chemicals, 5 to cement industry, 3 to public utilities (one gas company, one oil refinery and one electric supply company). The units taken over are among the largest in their groups. Smaller units have been left under private ownership, the reasoning for the distinction being that the State can exercise effective control over pricing, marketing and quality through its management of the largest units in each industry.

In the taken-over units, the Board of Directors and managing agencies have been removed and replaced by professional management. The shareholders are allowed to retain shares and proprietary rights.

The preamble of the Presidential Order providing for take-over of industries states the following as the objectives of the state control of industries :—

- (a) broad-basing the benefits of economic development and industrialisation ;
- (b) equitable distribution of wealth and economic power ;
- (c) exploitation of national economic resources for the maximum advantage of the common man ;
- (d) making the controllers of the means of production accountable to the People's Government ; and
- (e) safeguarding the interests of small investors.

Initially the Government appointed Managing Directors on a stop-gap basis. Temporary managers are being replaced by management experts. A Board of Industrial Management has been set up to oversee the professional management, to evolve scientific management techniques with a view to increasing industrial efficiency and raising productivity. In addition, the Board will advise the Government on industrial policy.

CORPORATE REFORMS

The corporate sector in Pakistan has been substantially managed through the managing agency system which gives the managing agents control over the affairs of the company without adequate accountability to shareholders, especially small holders. This system was evolved initially to meet the shortage of entrepreneurship, dearth of risk capital and lack of managerial skills. The promoters of industrial ventures provided substantial initial equity, arranged for working finance and generally undertook the management affairs of the ventures but these functions were performed at relatively high cost to the company, as when initial promotion costs were inflated, high commissions charged and other profits skimmed in purchase and sale of output and assets.

Under the companies (Managing Agency and Election of Directors) Order No. 2, issued on January 15, 1972, the managing agency system was abolished. The Order terminated all agreements or contracts entered into by a company with its managing agents and removed the directors of the company nominated by the managing agents. After the removal of these directors, the remaining directors were authorised to appoint a person, who is not the chief executive of any other company, to be the chief executive. The existing directors can hold their office for 180 days after the commencement of the Order or up to the date of the first general meeting of the company, whichever is earlier. Thereafter, new directors will be elected by the shareholders of each company. It is not possible for a person to act as the chief executive of more than one company and the law provides that no person shall be appointed as chief executive for more than one company.

Another feature of the previous system which has been terminated by the Order is the appointment of sole purchase and distribution agents by the companies. The sole agency was usually a private company of the controlling group which drew disproportionately high commissions for services rendered on a monopoly basis.

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While the managing agency and sole agency system gave control over the affairs of the company to a group, the system of election to the board of directors ensured a self-perpetuating management arrangement. Minority shareholders had very little chance of being elected to the board. The cumulative voting system introduced by the Order ensures proportional representation whereby minority shareholders can now send representatives to the board of directors. Financial institutions who hold substantial blocks of shares, particularly the public sector agencies like NII, ICP and PICIC, will now be able to get their representatives elected on the board of directors, and this would help in safeguarding the interests of the shareholders. It is expected that in the case of about one-third of all listed private companies, these specialised capital market institutions will be able to place directors on the board.

BANKING AND INSURANCE REFORMS

Banking

While banks showed a remarkable dynamism in extending their scale of operations inside the country and abroad, they have not played their due role in broadening the process of growth and promoting a more equitable distribution of credit. This was due partly to interlocking of banking and commercial interests and partly to the development strategies pursued in the past. There was also evidence of considerable malpractices in the banking field. Underhand methods were sometimes used to capture deposits from other institutions. Bank resources were unduly used by bank directors, executives and employees. Banks were reluctant to step up their deposit rates while steadily raising advance rates, thereby widening their profit margins.

To prevent the misuse of bank funds and to avoid excessive involvement of the banks in financing individual projects and parties, a number of changes were announced on May 20. These reforms place limitations (related to paid-up capital and reserves of the banks) on advances to banks' directors, their family members and undertakings in which they are interested. Unsecured loans would not be permitted. Stringent ceilings were also applied to bank executives and employees. Banks are prohibited from making advances against stocks and shares of directors and family members and from undertaking any transactions with them for sale and purchase of shares. 'Controlling' shareholders of any company shall not be entitled to borrow against their shares beyond prescribed limits.

To prevent mis-management of banks, the State Bank has been empowered (a) to remove directors or other managerial persons and to suspend the board of directors and appoint administrators during the period of such suspension and (b) to nominate a director on the board of directors of every private bank.

Banks have been directed not to employ any director, except as chief executive, and no payment is to be made or perquisites provided to directors other than travelling and daily allowance for attending meetings. No person is allowed to serve as a bank director for more than six years.

To strengthen the solvency of the banks, it has been required that they shall maintain a paid-up capital of not less than five per cent of their deposits as against the present average of less than 3 per cent, and later to raise it to 10 per cent. They are also required to transfer 10 per cent of their profit to their reserve funds every year after the reserves become equal to their paid-up capital. Banks are not to write-off any loan exceeding certain limits due from a borrower, without the prior permission from the State Bank.

A National Credit Consultative Council is being set up under the aegis of the State Bank with representatives from the Government and the private sector to

pay special attention to the flow of credit to small farmers and other small borrowers and for non-traditional exports and housing. To cover the risk involved in such credit operations, the State Bank is to introduce a scheme to provide guarantees to the commercial banks.

Insurance

With a view to improving the administration of the insurance companies and facilitating the use of the savings mobilised by these insurance companies, the Government nationalised the life insurance business under a Presidential Order promulgated on March 19, 1972. Through this Order, the Government took over management of all life insurance business and trustees have been appointed to manage the life insurance companies.

The nationalisation of life insurance business is designed to ensure protection to policy holders from defaults in payment of claims either due to malpractices or to the unsound financial position of the weaker insurance companies. Government has guaranteed the full sums assured regardless of the financial soundness of the companies issuing the policies. The nationalisation scheme provides for an increase in the allocation of the surplus to policy-holders from 90 per cent to 97 per cent. Administrative expenditure will be cut down through greater economy. Better investments yielding higher income will go to policy-holders.

To the persons working in the insurance industry, nationalisation offers an opportunity to pursue their profession, free from the pressure of vested interests. It will be possible for the members of the insurance profession to maintain high ethical standards of work and conduct. Nationalisation will facilitate the introduction of long over-due reforms for the improvement and rationalisation of the field organisation.

The magnitude of the life insurance business taken over by Government is reflected in the following statistics relating to the latest year for which complete figures are available :—

Assets of life fund	.. .. .	Rs. 106 crore.
Annual receipts	.. .. .	Rs. 33.71 crore.
Annual out-go	.. .. .	Rs. 17.44 crore.
Total number of policies	.. .. .	5,21,275.

A board of management has been constituted to control, guide and coordinate the work of the trustees.

Appropriate provision have been made for payment of compensation in lieu of life insurance business. In so far as general insurance is concerned no change is contemplated in the existing arrangements.

EXCHANGE REFORM AND IMPORT POLICY

Exchange Reform

A system of multiple exchange rates had been in vogue in Pakistan since January, 1959. A number of exchange rates, in addition to the official rate, were operative in export and import dealings. The system over the years brought about serious distortions in the allocation of resources, affected the competitiveness of industries and led to the growth of mushroom industrial units. The bonus voucher scheme was used over the years for obtaining *de facto* and piece-meal devaluation

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of the rupee. As effective exchange rates under the scheme went on depreciating, the necessary financial discipline disappeared and investment decisions were made without due regard to the scarcity value of foreign exchange. Sharp fluctuations in the price of bonus vouchers, frequent shifting of imports from one category to another and changes in bonus entitlements created uncertainty and interfered with investment decisions, production plans and cost rationalisation.

To remove these problems, the rupee was devalued with effect from May 11, 1972 and the bonus voucher scheme liquidated. The value of Pakistan rupee in terms of gold has been fixed at 0.0744103 grams of fine gold per rupee. This corresponds to the exchange rate of Rs. 11 per US dollar. The bonus voucher scheme was simultaneously liquidated with persons holding vouchers or having claims to them being paid at the premium rate of Rs. 193 while those required to surrender vouchers being obligated to pay for them to the State Bank at the same rate.

To mop up windfall profits, export duties have been imposed on the various commodities at the following rates :

Raw Cotton and Waste	...	...	...	40% <i>ad valorem</i> .
Cotton Yarn	...	...	...	50 paisa per lb. plus 20 paisa per lb. for 21 to 24 counts.
Grey cloth	..	...	...	15 paisa per sq. yd.
Rice Basmati	..	..	...	34 rupees per cwt.
Rice coarse	..	..	...	7 rupees per cwt.
Raw wool	..	..	...	1.30 paisa per lb.
Raw hides and skins	..	..	...	40% <i>ad valorem</i> .
Semi-tanned and tanned skins	..	..	...	15% <i>ad valorem</i> .
Oil cake	..	..	...	15% <i>ad valorem</i> .

Import Duties

The entire range of import duties has been reviewed keeping in view the following principles :—

- (i) In case of commodities which were previously importable only on bonus, duty has been so adjusted as to ensure that the import price is about the same as the import price under the pre-devaluation arrangements. Since most of the imported consumer goods and raw-materials fall in this category no price rise is expected.
- (ii) In case of items which are being manufactured in the country and for which protective duties had been fixed, the new rates of import duty have been determined in such a manner, that the prices of the imports will be slightly higher than what they were previously. This has been done to ensure interim protection to the indigenous manufacturers until the revised rates of protective duty are determined on the basis of the recommendations of the Tariff Commission.
- (iii) In case of goods importable on free list, licensable list and cash-cum-bonus list, the rates of import duty have been kept at the low level

of 10% or 20% in most cases, in order to ensure that there is no precipitate rise in the price of imported goods. No import duty has been levied in case of some of the more essential commodities such as medicines, books, edible oil, fertilizer and pesticides.

- (iv) For capital goods the import duty has been fixed at 20% *ad valorem*. Duty will be refunded in full by rebate in case of any industrial machinery set up in the less developed areas.

Sales Tax

As the base for the imposition of sales tax will widen considerably, the rates of sales tax on imports have been reduced. Those items that were previously subject to sales tax at 30% will now be liable to sales tax of 20%. In case of those items which were chargeable to sales tax of 20% the sales tax will now be charged at 10%. A number of essential imported raw materials have been exempted from sales tax.

Import Policy

Consequent upon the exchange reforms the import policy has been revised. The basic strategy of the new policy is to minimise administrative controls on the economy. The system of categories and entitlements has been abolished. The distinctions between industrial and commercial importers and between recognised and non-recognised units have been discarded. An import licence would now be issued freely to any Pakistani on registration. The import of machinery up to Rs. 2 lakh against cash and up to Rs. 5 lakh against barter or credits would be allowed freely. Higher valued industrial plants would, however, continue to be sanctioned after scrutiny by the financing institutions.

Under the new import policy there will be only two lists—free list for cash foreign exchange and a tied list for tied credits and barter. Anyone in Pakistan can now become an importer after once registering himself and his business address with the nearest Import Office. Henceforth an intending importer will communicate to his bank his intention to import any item which is not on the banned list. The bank will then obtain the necessary authorisation from the Import Office which does not have the authority to refuse it unless the import of the item is banned under general orders of the Government. In the case of tied credits, a similar system will operate with the difference that certain banks will be designated for specified countries or commodities in order to co-relate the requirements with the availability of tied credits and barter. In case tied credits or barter availability are exhausted, the items in question can be imported against cash foreign exchange. Many other restrictions have also been removed. For example, an individual can import goods worth Rs. 2,000 for his personal use without an import permit. Machinery, especially those meant for balancing, modernization and replacement can also be imported freely within specified limits.

These are far-reaching changes which have been made to free the economy from bureaucratic interference and procedural bottlenecks and give market forces a chance to operate freely and determine investment decisions and the level of imports.

To remove any anomalies that may be created on account of these fundamental and sweeping changes, cases of hardships, if any, arising from the operation of this policy will be referred to a special committee in the Ministry of Industries for speedy rectification.

EDUCATION POLICY

In order to re-orient the education system to the requirements of the times, the Government announced its education policy on March 18, 1972.

The salient features of the new policy are as follows :—

- (a) education to be made universal and free up to class tenth throughout the country in two phases *i.e.*, up to class 8th by October, 1972 and matriculation by 1974 ;
- (b) privately-managed schools and colleges to be nationalised without compensation ;
- (c) salaries and service conditions for teachers in all privately-managed schools to be brought at par with those of Government schools ;
- (d) five new Boards of Intermediate and Secondary Education to be set up at Saidu Sharif, Rawalpindi, Gujranwala, Bahawalpur, and Khairpur ;
- (e) three new Universities to be opened at Saidu Sharif, Multan and Sukkur ;
- (f) the number of universities to be doubled by 1980 ;
- (g) the N.E.D. Engineering College, Karachi and the Sind University Engineering College, Jamshoro to be raised to university status ;
- (h) a national foundation for book production to be set up.

PEOPLE'S HEALTH SCHEME

The existing health facilities in the country are inadequate. Government announced the draft outline of a health scheme on 26th March 1972, which is to be known as the "People's Health Scheme". The scheme aims at bringing medical treatment within easy reach of every citizen over a period of seven years. It envisages the establishment of a network of health centres throughout the country which will attend to the medical needs of the people. In order to make doctors employed by government and other official agencies available on full time basis, the scheme has banned private practice. The health scheme envisages regulation of consulting fees by private practitioners and the separation of consultation from dispensing of medicines in order to stop profiteering in the sale of medicines. State-owned drug stores at the rate of one for every 50,000 persons are to be established. Practitioners of indigenous system of medicines will be employed in Government service in order to relieve pressure on qualified doctors and also to make medical consultation available on large-scale. Import of medicines through state corporations will be done to make drugs available to the people at cheaper rates.

The Scheme also proposes reduction in the total period of education and training of doctors by one year and appointment of Governing Board of both official and non-official members to administer medical colleges and higher medical institutions. A new medical college for Baluchistan has been proposed and foundation of the college has been laid. The availabilities of doctors will be increased through higher salaries and special incentives for services in rural areas. They will also get special advantages for higher training and promotion.

It is proposed that after the first four years no union council in villages and union committee areas in towns shall be without the proposed preventive

and curative health centre. In the remaining 3 years of the scheme, tehsil and district hospitals shall be taken up for intensive improvement work. Simultaneously nine national institutions shall be established in nine major fields such as cardiovascular diseases, communicable diseases, tubercular diseases, leprosy, cancer and the like.

Dispensation of drugs according to trade name is to be replaced by the use of generic names under Ordinance No. 14 of 1972 issued on 20th April 1972. The Government has been much concerned over the soaring prices of brand named medicines. In order to ensure supply of medicines at reasonable prices the manufacturers were directed not to produce brand named medicines but shift to the production of generic named medicines with effect from April 1973. Although at the initial stage, profits of the manufacturers are likely to be reduced substantially, in the long run, this will be beneficial for them as sales and production will go up simultaneously. The small manufacturers will not have to engage high level research staff as the national formulary will provide ready-made formulae for them.

A national formulary is being prepared to achieve this end. Manufacture of medicines will start under the new formulary from April 1973.

CHAPTER III

AGRICULTURE

Introduction

Agriculture as the single largest sector of the economy, contributes over one-third to the gross domestic product, accounts for about 45% of export earnings directly and a much higher percentage indirectly and employs 60% of the total labour force. The Government attaches great importance to this sector where sweeping reforms have been announced in March to ensure better output and working conditions for those engaged in farming.

The performance of this sector, unlike other sectors, is highly sensitive to weather conditions, specifically, to the availability of irrigation supplies. During 1971-72, insufficient precipitation created acute canal water shortages. Similarly, the use of groundwater supplies in the late winter months was reduced because power shortages affected the working of electric-powered tubewells. Total canal withdrawals in the Punjab during October/November, the critical sowing time for *rabi* crops, were 5,946,000 acre-feet in the current year as against 6,615,800 acre-feet in the preceding year, or a decline of 10.1%. This had a depressing effect on the yield of wheat, the most important *rabi* crop and consequently on the GDP growth rate which was held to 2.8% only.

The major agricultural crops are wheat, cotton, rice and sugarcane, having a weightage on the valuation of major crops of 36%, 19%, 16%, and 13.5% respectively. The variations in the acreage and production for these four crops have the predominant weight in the contributions of the agricultural sector to GDP.

CROP POSITION

Wheat

Acreage under wheat has declined by 1.3% to 145.78 lakh acres. Production is expected to rise slightly, however, to 65 lakh tons during 1971-72, due to good rain in *barani* areas and greater use of fertilizer. The table below shows the trend of the area, production and per acre yield in recent years.

TABLE 8
AREA, PRODUCTION AND PER ACRE YIELD OF WHEAT

Year	Area (000 acres)	Production (000 tons)	Yield per acre (maunds)
1969-70	15393	7179	12.7
1970-71	14771	7374	11.7
1971-72 (P)	14578	6500	12.0

(P) Provisional.

Source: Planning Unit, Ministry of Agriculture.

The per acre yield at 12.0 maunds during 1971-72 is low compared with 12.7 maunds attained in 1969-70. The reasons for this decline, despite greater use of fertilizer, appears to be shortage of irrigation supplies at the proper time which delayed sowing in many areas.

Rice

The area under rice is estimated to have declined slightly by 0.1% to 37.10 lakh acres during 1971-72, compared with the previous year. Estimates of production at 21.65 lakh tons, however, indicate little change from the preceding year. Table 9 shows the trend of the area, production and per acre yield in West Pakistan in recent years.

TABLE 9
AREA, PRODUCTION AND PER ACRE YIELD OF RICE

Year	Area (000 acres)	Production (000 tons)	Yield per acre (maunds)
1969-70	40,08	23,63	16.1
1970-71	37,15	21,65	15.9
1971-72 (P)	37,10	21,65	15.9

(P) Provisional.

Source: Planning Unit, Ministry of Agriculture.

Of this production, about 250,000 tons is the *basmati* variety, the most valuable variety from the export point of view. The procurement price of *basmati* was, however, reduced from Rs. 38.00 per maund in 1968-69 to Rs. 35.00 per maund in 1969-70 and further to Rs. 32.00 per maund in 1970-71. This, together with stem-borer attack to the crop and water shortages, has resulted in substantial reduction in the production of this variety. For the coming season, the procurement price has been raised to Rs. 42 per maund. The prices for other varieties are: *Begmi* Rs. 20.00 per maund, *Permal* Rs. 20.00 per maund, *Irri-Pak* white well milled 1-25 (Irri-8), Rs. 21.00 per maund, *Mehran* white 30-F.A.O. (Irri-6), Rs. 20.25 per maund.

Cotton

During the current year, acreage and production under cotton reached record levels. Acreage increased by 12.7% to 48.33 lakh acres compared with last year. The increase reflected the farmers' response to higher cotton prices following the grant of 10% bonus in 1970. The production of cotton increased to at least 40 lakh bales during the year.

The acreage, production and per acre yield of cotton in recent years are shown in table 10.

TABLE 10
AREA, PRODUCTION AND PER ACRE YIELD OF COTTON

Year	Area (000 acres)	Production (000 bales)	Yield per acre (maunds)
1969-70	4338	3012	3.3
1970-71	4285	3050	3.4
1971-72 (P)	4833	4000	3.9

(P) Provisional.

Source: Planning Unit, Ministry of Agriculture.

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The price of cotton showed an upward trend during 1971-72 and the wholesale index of cotton prices stood at 157.23 in January 1972, compared with 128.70 in January 1971. The rise in prices was due to firm demand of Pakistan cotton in foreign markets.

Sugarcane

The area under sugarcane is estimated to have declined to 14.85 lakh acres in 1971-72 compared with 15.72 lakh acres in the previous year, showing a fall of 5.5%. The production decreased to 211.98 lakh tons, thus showing a fall of 7%. The decline is due to adverse climate conditions, shortage of irrigation water in some areas of the Punjab and lower procurement prices—the reduction being from Rs. 2.75 per maund in the northern and central region in 1970-71 to Rs. 2.25 and 2.50 per maund of cane respectively, and from Rs. 2.90 to Rs. 2.60 in the southern region. Simultaneously, prices for competing crops like cotton prevailed higher, thus intensifying the relative disadvantage of sugarcane.

FOOD SITUATION

The consumption of foodgrains has shown a rising tendency in recent years. After fluctuating in the range of 270-285 lbs. per year *per capita*, there was a distinct rise to 318 lbs. in 1968-69 and to 350 lbs. in 1970/71. The rise in the latter year reflected primarily the bumper wheat crop of 1969/70 which reached the record level of 71.79 lakh tons. Thereafter, a decline occurred in the wheat crop available for consumption in 1971-72. In order to prevent a precipitate drop in *per capita* consumption levels, it became necessary to increase imports substantially. In the previous three years, there were small quantities imported but these were more than offset by exports to East Pakistan as well as to foreign countries as shown in Table 11.

FOOD AVAILABILITY

TABLE 11

(000 tons)

	Imports	Exports	
		East Pakistan	Foreign
1968-69	16	450	127
1969-70	167	530	88
1970-71	215	130	177

In 1971-72 however, it became necessary to arrange for imports of foodgrains of 7.5 lakh tons in order to control price level and to maintain daily *per capita* consumption at 9.6 oz. per day (as compared with 11.05 oz. in 1970-71).

The imports were arranged from the following sources :

(1) U.S. PL-480	5,00,000 tons
(2) U.S.—C.C. Credit	91,000 tons
(3) Diverted wheat	80,000 tons
(4) Food Aid Convention (various countries)	78,000 tons
Total	7,49,000 tons

Another 8.2 lakh tons of wheat were procured under the voluntary procurement scheme at Rs. 17 per maund during the year. Wheat is at present subsidised by the provincial governments. The total subsidy during 1971-72 is estimated to be over Rs. 11.15 crore. This does not take into account the larger amounts of subsidies on imported wheat following the devaluation of the rupee.

AGRICULTURE INPUTS

Per acre yields of various crops in the country are among the lowest in the world. The main reasons for this are poor quality seed, primitive agricultural implements, inadequate supply of fertilizers and other manures, destruction caused by pests and plant diseases, etc. Various measures have been taken to overcome these problems.

Improved Seed

During the past few years, there has been a rapid introduction of high yielding crop varieties, mainly dwarf wheat and irri-rice. It is estimated that of the 10 million irrigated acres under wheat, over 7.5 million are now planted to Mexi Pak dwarf varieties. Of 3.6 million irrigated acres under rice, irri varieties cover over 1.5 million acres. Government efforts at distribution of improved seed have been significant. The target for distribution of improved seed during 1971-72 stands at 30,384 tons compared to 20,000 tons in 1970-71. The seeds to be distributed include 9,518 tons of cotton seed, 8,000 tons of wheat seed, 7,834 tons of paddy seed and 4,000 tons of potato seed. There has been, however, a decline in the distribution of quality seeds during the preceding two years due to lack of adequate and efficient distribution arrangements.

Fertilizers

The rapid increase in the use of fertilizers during the recent years is one of the principal factors responsible for outstanding growth in crop yields. The consumption of chemical fertilizers increased from 2,96,000 nutrient tons in 1970-71 to an estimated 4,19,000 nutrient tons in 1971-72, or 42% more than the previous year. Installed capacity has been increased by the coming into production of the Dawood Hercules Plant in November 1971, and the actual production in the country upto March 1972 was approximately 3,71,900 nutrient tons. It is estimated that the consumption of all types of fertilizers will reach 4.68,000 nutrient tons during 1972-73.

Plant Protection

Plant protection like other agricultural inputs, plays an important role in raising output. The programmes have remained inadequate and targets have been substantially missed. The area covered by aerial spraying operations was 27 lakh acres in 1970-71. The shortfall in the target was due to inadequate number of aircraft whose supply could not be replenished due to paucity of funds. An area of 62 lakh spray acres is to be covered under curative measures during 1971-72. Preventive measures involving largely seed treatment against seed-borne diseases have continued.

Mechanisation

In the Punjab about 1,43,000 acres were developed by June 1971 with the help of heavy earth moving machinery and another 2,00,000 acres are earmarked for the current year. About 25,000 acres were ploughed by June 1971, with the help of wheel type tractors, and about 27,000 acres are proposed to be ploughed by June 1972. In Sind about 45,000 acres were developed by use of heavy earth machinery by June 1971 ; another 45,000 acres are likely to be developed by June

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192. Arrangements are also being made to train 60 tractor operators by June 1972. Work is in hand for constructing workshops at various levels. In the Frontier Province about 9,000 acres were developed upto June 1971 by utilization of existing facilities, and another 8,000 acres are proposed to be developed this year. A review of the mechanization programme is to be undertaken to explore the possibility of amalgamating this programme with the soil and water conservation projects.

Storage Facilities

To keep food stocks in good shape, storage capacity of about 57,500 tons was constructed in three provinces and another 4,500 tons capacity was under construction. Under the Central Programme, construction of storage capacity of 11,000 tons was completed while 3,000 tons capacity at Rawalpindi is under completion. The total storage capacity including that under construction, is as follows: (in tons) Central Government (705,000), Punjab (533,285), Sind (230,620), N.W.F.P. (3,500) and Baluchistan (46,600). The storage capacity is considered adequate for stocking government-owned wheat and other foodgrains.

Agricultural Credit

Provision of agricultural credit is vital for purchases of fertilizers, improved seeds, livestock and implements which help to increase farm output. In order to meet demand for credit the institutional sources of credit have been strengthened. Total loans advanced by the Agricultural Development Bank stood at Rs. 83.51 crore upto March 1972; of this Rs. 59.33 crore were disbursed in the Punjab, Rs. 19.56 crore in Sind, Rs. 3.24 crore in the NWFP, and Rs. 1.35 crore in Baluchistan.

Agricultural Education, Extension and Research

In the agricultural colleges and universities, degrees are given in agriculture, animal husbandry, veterinary service, agricultural economics, agricultural education and extension. In all these institutions both pre-service and in-service training facilities were provided during 1970-71 and 1971-72.

In West Pakistan, as a result of co-ordinated research on cotton, conducted by the cotton botanists in Multan, Lyallpur and Tandojam, a short staple rough desi-type cotton variety D-9 was recommended in 1970-71 for general cultivation. Another early maturing high-yielding cotton variety 149/65, has been recommended for seed multiplication for extensive cultivation during 1971-72 season. This variety is expected to be more popular than the existing variety called AC-134, as in addition to being a higher yielder, it will allow sowing of wheat after it. Intensive efforts are being made for research on cotton, wheat, tobacco and maize in the special research institutes developed for these commodities.

Fisheries

The average diet of a Pakistani is deficient in protein, specially that of animal sources, and fish is an important source of animal protein. The fish production was 1,69,000 metric tons in 1970-71 compared to 1,72,800 metric tons in 1969-70. The export trade of fish and fish products has shown an impressive increase during recent years. The value of fish and fish products exported stood at Rs. 4.50 crore in 1967-68, increased to Rs. 8.33 crore in 1969-70, but declined to Rs. 6.13 crore in 1970-71 as a result of a fall in fish production. The value of export gain started increasing in 1971-72 and stood at Rs. 8.03 crore by March, 1972.

Animal Husbandry

The country's agriculture depends to a great extent on its cattle wealth as it provides the motive power for agricultural operations. They also provide food in the form of meat and dairy products. The development programme of animal husbandry have progressed rather slowly because of financial difficulties. However, the data available indicate that while the number of livestock has shown some increases, livestock products have not shown any significant improvement during the last few years. This resulted in the general increase in the prices of dairy products.

Forestry

The total area under forests in Pakistan was 1.12 crore acres in 1971, which was about 4.7% of the total area of the country. In West Pakistan 7,630 acres were afforested by June 1971, and another 9,906 acres are likely to be afforested by June 1972. About 1,861 avenue miles of linear plantation were maintained by June 1971 and another 10,426 avenue miles are to be maintained by June 1972.

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MANUFACTURING AND MINING

Review of Industrial Growth in West Pakistan

Manufacturing is the second largest sector in the economy in terms of its contribution to the gross domestic product. Currently it accounts for nearly one-fifth of GDP. Within a span of two decades, Pakistan has attained self-sufficiency in a large variety of manufactured goods. From being an exporter of primary commodities, it has entered the world markets for a number of manufactures, e.g. cotton textiles, cement, leather goods, engineering products etc. Export of finished goods has been contributing a rising proportion of export earnings. Industrial development has, within this period, also attained a fairly diversified base ranging from essential consumer goods to heavy chemicals, engineering products and machine goods industries. Among sophisticated industries, the Machine Tool Factory at Landhi and the Heavy Mechanical Complex at Taxila, have already started trial production, while the Heavy Foundry & Forge project and the Heavy Electrical Complex, both at Taxila, are making satisfactory progress.

The structural composition of industries is indicated by the relative shares of the various industries in the total value added in the sector. Cotton textiles account for nearly 48% of the value added, followed by cigarettes (10%), sugar (7%), vegetable products (6%), basic metals, electric and transport equipment each accounting for about 5 per cent, cement and fertilizers account for nearly 3 per cent each.

In 1969-70 the industrial establishments in West Pakistan (3,289 units) covered by the census had total fixed assets valued at Rs. 380.61 crore, produced goods worth Rs. 913.57 crore and provided employment to nearly four lakh persons.

Review of Industrial Growth

Industrial growth has not been smooth throughout the entire history of industrial development. Up to the end of the Second Five-Year Plan (1964-65), industrial output grew at a rate of over 15 per cent per annum, although this reflected the small base from which the growth was being measured. A number of factors contributed to this rapid growth: the Korean boom of the early 1950's bringing with it huge foreign exchange surpluses, the immigration of wealthy business class with capital to invest in industry, state assistance through favourable industrial policy and active participation of the public sector in setting up of new industries. Most importantly, highly profitable opportunities for import substitution were opened up by the severe quantitative restrictions which were imposed following the collapse of the Korean war commodity boom.

With the beginning of the Third Plan, the growth rate and output declined to only 8 per cent per annum. In physical terms, targets for vegetable ghee, cotton yarn and cigarettes were exceeded or nearly fulfilled. There was, however, considerable shortfall in the case of chemicals and chemical fertilizer, board and steel, and in financial terms, the implementation amounted to only 63 per cent of planned outlay. The slower rate of growth is explained by the operation of a number of retarding factors. War with India in 1965 led to a slowdown of foreign assistance. Tight credit policies caused a reduction in investment in the private sector. The supply of raw materials was erratic. Political conditions were highly disturbed in the last years of the Plan period.

Conditions have remained unfavourable in subsequent years. There has been a general deceleration in the tempo of economic activity due to the East Pakistan crisis culminating in the loss of that market, growing labour unrest and war with India towards the end of 1971.

The quantum index of industrial production which had risen sharply from 140.6 in 1968-69 (base: 1964-65=100) to 160.2 in 1969-70 showed only a modest rise to 164.7 in 1970-71 (rise of 2.8 per cent). According to provisional estimates, the index dropped to 163.9 in 1971-72. Value added in the industrial sector grew at a declining rate. The growth rate of the large-scale industries declined from 13.9 per cent in 1969-70 to 2.8 in 1970-71 and showed a negative growth rate of 5.6 per cent in 1971-72.

The trend of production of selected manufacturing industries in West Pakistan is given in table 12.

TABLE 12
PRODUCTION OF SELECTED MANUFACTURING INDUSTRIES

Items	Unit	1969-70	1970-71	1971-72 (p) (July—March)	1970-71 (July—March)	% change in 1971-72 over 1970-71
White Sugar ..	(000 tons)	600	500	296.6	363.3	(—) 18.4
Vegetable Ghee ..	(000 tons)	122	133	108.5	101.4	7.0
Cigarettes ..	(Crore Nos.)	2,237	2,417	1,457	1,720	(—) 15.3
Cotton yarn ..	(Crore Lbs)	60.2	67.0 (p)	51.0	48.9	4.3
Cotton cloth ..	(Crore Yds.)	72.5	78.7	57.3	58.5	(—) 2.1
Art Silk & rayon cloth..	(Lakh sq. yds.)	786.0	676.6	79.8 (a)	514.3	(—) 85.0
Board—all sorts ..	(000 tons)	37.3	39.6	26.9	30.5	(—) 11.8
Cycle rubber & tyres-tubes	(Lakh Nos.)	63.4	67.1	27.5	50.3	(—) 45.3
Cement ..	(Lakh tons)	26.1	26.6	19.6	19.6	(—)
Chemical fertilizers						
(i) Superphosphate ..	(000 tons)	22.9	25.0	15.2	18.2	(—) 16.5
(ii) Ammonium Sulphate ..	(000 tons)	57.4	58.7	50.6	42.5	19.1
(iii) Urea ..	(000 tons)	203.1	201.5	136.6	151.1	(—) 9.6
Electrical fans—all sorts	(000 Nos.)	161.7	206.2	82.0 (July—Dec.)	78.2 (July—Dec.)	(—) 4.8

(a) Data relates to July, 1971 — February, 1972.

(p) Provisional.

With few exceptions, production of major industries declined as compared to the last year. The increase in the production of cotton yarn is due to greater availability of raw cotton in the country, the diversion of supplies to international channels which formerly were marketed in the eastern wing, and attractive prices of yarn in international markets. Between July 1971 and April 1972, exports of yarn from West Pakistan have amounted to 23.3 crore lbs. valued at Rs. 39.4 crore compared to 17.9 crore lbs. valued at Rs. 28.1 crore in the corresponding period of 1970-71. The decline in the production of white sugar is explained by a sharp drop in acreage under sugar-cane and lower yields per acre because of poor water supply in canals, lower prices of sugarcane announced by the Government and the much higher return to the farmer from competitive cash crops like cotton. The production of white sugar during 1971-72 is projected at 3.5 lakh tons compared to 5 lakh tons in 1970-71 and an all time peak figures of 6.0 lakh tons in 1969-70. The increase in the production of vegetable ghee is due to the greater availability of vegetable oils, partly due to stoppage of shipments to East Pakistan and partly due to increased supply of cotton seed oil from the bumper cotton crop. The decline in the production of cigarettes and board is attributable primarily to the loss of the East Pakistan market. The sharp decline in the production of cycle tyres and tubes is due to the shifting of their raw materials like nylon thread and rubber from cash-cum-bonus to bonus thereby increasing the cost of production and reducing sales. The loss of the East Pakistan market where they were sold in substantial quantities also affected production adversely. The production of urea has risen substantially following the coming into production of a new factory at Sheikhpura in October, 1971.

ROLE OF PUBLIC AND PRIVATE SECTOR

Both public and the private sectors have played a part in the development of industries in Pakistan. In the industrial policy of 1949, the Government, recognising the role which private enterprise could play in industrial development threw open the entire industrial field to it except a few selected industries having strategic importance for national security. This policy remained unchanged until the inauguration of a new industrial policy in 1972 whereby the Government assumed control over 10 basic industries, *viz.*, iron and steel, basic metals, heavy engineering, heavy electrical, assembly and manufacture of motor vehicles, assembly and manufacture of tractors, heavy and basic chemicals, petro-chemicals, cement, and public utilities, *i.e.*, electricity, gas, and oil refineries. Within this category, only 31 of the largest plants were taken over. The main purpose of the state take-over was to keep the basic industries under careful planning in view of their importance for over-all industrial development. Most of the industries taken over by the Government were in financial difficulties, largely due to mismanagement. Besides, a significant portion of ownership of most of the taken-over industrial units changed from the original promoters to the public and to the government-financing institutions, but the management remained with the original sponsors. Despite take-over, 82% of investment in organized industry continues to remain in private hands and the most profitable industries, such as textiles, sugar and other consumer goods are owned and controlled and their production is distributed by private enterprise.

INDUSTRIAL DEVELOPMENT IN PUBLIC SECTOR

Industrial development in the public sector is undertaken through the WPIDC and WPSIC. Some other institutions have also been set up to provide infra-structural facilities for industries. A brief description of the activities of the WPIDC and WPSIC is given in the following paragraphs.

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It will be seen that 71.5% of investment is concentrated in fertilizers, gas and cement industries, while the rest, 28.5%, is thinly spread over the remaining 8 industries.

Production

The trend of production of WPIDC-managed projects during last few years is given in table 15.

TABLE 15
TREND OF PRODUCTION OF WPIDC MANAGED PROJECTS
(SELECTED COMMODITIES)

Item	Unit	1968-69	1969-70	1970-71	1971-72 (July-Dec.)
Cement	(lakh tons)	8.2	9.6	11.4	5.1
Ammonium Sulphate	(000 tons)	41.9	67.0	58.7	32.4
Superphosphate	(000 tons)	14.2	22.9	25.0	11.6
Urea	(000 tons)	48.7	47.6	29.0	19.5
Sugar	(000 maunds)	150.1	313.5	338.3	N. A
Coal	(lakh tons)	4.3	4.7	3.9	1.9
Salt	(lakh maunds)	100.0	83.1	93.5	39.2

The production of various projects was adversely affected during the first half of 1971-72 due mainly to disturbed conditions in the country. On annual basis, production declined for all the items except ammonium sulphate and urea. Production of coal was lower due to a serious mine explosion. The value of goods produced during the first half of 1971-72 amounted to Rs. 17.67 crore as compared to Rs. 38.09 crore in 1970-71.

Return on Investment

At the end of 1971, WPIDC had under its management 38 projects involving a total investment of Rs. 73.82 crore. Operating accounts are not yet available for all of these projects. Available information shows that the rate of return during 1970-71 witnessed a sharp decline as compared to 1969-70 and 1968-69. The position of investment and rate of return in projects managed by WPIDC is summarised in table 16.

TABLE 16
INVESTMENT AND RATE OF RETURN IN WPIDC-MANAGED PROJECTS
(In crore Rs.)

Project	1968-69		1969-70		1970-71	
	Investment	Rate of return	Investment	Rate of return	Investment	Rate of return
(i) Projects not entirely financed by WPIDC	58.82	6.69%	59.38	6.96%	51.82	3.80%
(ii) Projects entirely financed by WPIDC's own resources	0.61	5.36%	0.80	1.24%	0.81	8.94%
Total	59.43	6.67%	60.18	6.85%	52.63	3.88%

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(a) WEST PAKISTAN INDUSTRIAL DEVELOPMENT CORPORATION

The Pakistan Industrial Development Corporation was set up in 1950. Later on, it was bifurcated into two provincial Corporations. The Corporation that was created for West Pakistan is now called West Pakistan Industrial Development Corporation (WPIDC).

Projects completed by WPIDC

The number of projects completed by WPIDC upto 30th June, 1970 stood at 58, involving a total investment of Rs. 119.56 crore. This figure of investment does not include survey schemes completed by WPIDC as, strictly speaking, such schemes cannot be classified as projects. No project was completed during 1970-71 and during the first half of 1971-72, although all on-going projects, particularly Pakistan Machine Tool Factory at Landhi and Heavy Mechanical Complex at Taxila, made considerable headway and are now in partial production. The number of projects completed by WPIDC, its investment and the percentage shares of the various provinces in the investment are given in table 13.

TABLE 13

PROJECTS COMPLETED IN DIFFERENT PROVINCES AND PROVINCIAL SHARE OF TOTAL INVESTMENT

(In crore Rs.)

Province	Number of projects completed	Paid up capital/capital cost		Percentage share of provinces in total investment
		Total	WPIDC	
Baluchistan	4	6.174	6.078	5.16
Sind	16	33.442	17.470	27.97
Punjab	27	72.443	59.704	60.59
N.W.F.P.	11	7.505	0.620	6.28
Total	58	119.564	83.872	100.00

Industry-wise Investment

Industry-wise break-up of investment in projects completed by WPIDC is given in table 14.

TABLE 14

INDUSTRY-WISE INVESTMENT IN COMPLETED PROJECTS (31/12 DECEMBER, 1971)

Industry	Investment (In crore Rs.)	Percentage Industry-wise
Fertilizers	41.555	34.8
Gas	26.231	21.9
Cement	17.724	14.8
Ship-building	7.869	6.6
Mitacals	8.450	7.1
Sugar	6.795	5.7
Paper & Board	3.286	2.8
Textile	2.425	2.0
Chemicals & Pharmaceuticals	2.332	1.9
Jute	2.250	1.9
Others	0.647	0.5
Total	119.564	100.0

However, in appraising WPIDC investment efficiency it may be borne in mind that public sector projects in some cases have to operate under a number of constraints such as lack of pricing freedom, disadvantageous location of projects, investment in unattractive projects etc.

Against the revised ADP allocation of Rs. 3.96 crore during 1970-71, utilisation was Rs. 1.32 crore or 38.4 per cent. ADP allocation of WPIDC for 1971-72 was revised downwards from Rs. 5.52 crore to Rs. 3.66 crore with foreign-exchange component of Rs. 18.9 lakh. The province-wise break up of the revised allocations is given in table 17.

TABLE 17

PROVINCE-WISE ALLOCATIONS FOR WPIDC PROJECTS

	Revised ADP Allocation for 1971-72		% shares of provinces in total allocation
	(Rs. in lakh)		
	Total	F.E.C.	
Baluchistan			
On-going Schemes	15.0	3.0	
New Schemes	0.2	—	
Total	15.2	3.0	4.1
Sind			
On-going Schemes	25.0	2.0	
New Schemes	30.2	1.0	
Total	55.2	3.0	15.1
Punjab			
On-going Schemes	185.0	11.9	
New Schemes	15.0	—	
Total	200.0	11.9	54.6
N.W.F.P.			
On-going Schemes	87.0	1.0	
New Schemes	9.0	—	
Total	96.0	1.0	26.2
GRAND Total	366.4	18.9	100

An amount of Rs. 152.3 lakh was utilized during the period July—December, 1971. The provincial break-up of utilisation is: Baluchistan Rs. 5.3 lakh, Sind Rs. 13.9 lakh, Punjab Rs. 80.5 lakh, and NWFP Rs. 52.6 lakh. This expenditure was incurred on 18 projects including Degari Coal Mines (Baluchistan), General Refractories Ltd., Landhi (Sind), Sugar Mill, Larkana (Sind),

Heavy Mechanical Complex, Taxila (Punjab), Heavy Foundry and Forge Project, Taxila (Punjab), Forest Industries Complex, Chakdara (NWFP) and Development and Utilization of Swat china clay (NWFP).

In addition, during the same period, an expenditure of Rs. 120.4 lakh was incurred on 3 on-going projects outside the ADP. These were: Pakistan Tool Factory, Landhi (Rs. 115.8 lakh), Heavy Electrical Complex, Taxila (Rs. 3.9 lakh), and Development of Iron Ore Mines, Chilghazi (Rs. 70,000). The expenditure on these projects was met by WPIDC out of its own resources and of the unspent balance of ADP allocation for 1970-71.

WPIDC had 13 projects under various stages of implementation on 31st December, 1971, involving an estimated capital outlay of Rs. 104.50 crore. Of these, one is located in Baluchistan, 4 in Sind, 6 in the Punjab and 2 in the NWFP. Some of the larger on-going projects are: Pakistan Machine Tool factory, Landhi (Rs. 27.56 crore), Heavy Foundry & Forge Project, Taxila (Rs. 21.86 crore), Heavy Mechanical Complex, Taxila (Rs. 20.38 crore), Heavy Electrical Complex, Taxila (Rs. 14.39 crore).

(b) WEST PAKISTAN SMALL INDUSTRIES CORPORATION (WPSIC)

Another institution responsible for promoting industrial development is WPSIC which was established in 1965. To promote the development of small and cottage industries, WPIDC has set up nine small industrial estates in different parts of the country at an approved cost of Rs. 252.8 lakh. Besides, the Corporation manages and runs 12 service centres, 14 carpet/durree making centres, 21 handicraft development centres and 7 handicrafts shops. Due to financial stringency the ADP allocation for 1971-72 was reduced to Rs. 75.5 lakh compared to an allocation of Rs. 1.50 crore in 1970-71.

(c) OTHER GOVERNMENT INSTITUTIONS

There are a number of Government institutions which directly or indirectly promote industrial development. The *Pakistan Industrial Technical Assistance Centre* (a) trains and upgrades the skills of industrial personnel in technical and managerial fields, (b) produces and makes available to industrial units newly designed tools and renders advisory services to industry to solve their in-plant problems. The *Industrial Advisory Centre*, a non-profit research organization, provides information and guidance both to private and public sectors on how best to take investment decisions. The IAC has rendered services in a number of fields such as identification of new investment opportunities, making pre-investment studies, preparation of feasibility reports and providing management consultancy services. The *Central Testing Laboratories*, since their establishment in 1951, assist the Government departments and private sector organizations to assess the quality of raw materials and finished products and grade them according to national and international specifications. The Department of Investment Promotion and Supplies, the Tariff Commission and the Excise and Customs Departments are being benefited by their services. The *Patents and Designs Department* scrutinizes applications for patents and registration of new designs. During the period April, 1971 to February, 1972, 764 applications for patents were filed of which 57 were from Pakistan and the rest from abroad. At the end of February, 1972, as many as 9,802 patents were in force in Pakistan as compared to 8,717 in February, 1971. Between April, 1971 and February, 1972 as many as 108 applications for registration of new designs were filed and 100 were accepted.

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INDUSTRIAL DEVELOPMENT IN THE PRIVATE SECTOR

Industrial development in the private sector takes place within the framework of the Industrial Investment Schedules (IIS) which are announced at the beginning of each Plan period to "guide" private sector investments into the desired channels. These schedules reflect the strategy of the Plan for the attainment of the physical targets set in the Plan.

The Investment Schedule for the Third Plan provided Rs. 586.07 crore for West Pakistan. The implementation was not satisfactory. Sanctions were issued for Rs. 467.81 crore and actual utilization at Rs. 200.44 crore was about 43% of total sanctions and 34% of the provisions.

Industrial Investment Schedule for Fourth Plan (1970-75)

The IIS for the Fourth Plan was delayed till September, 1971, nearly fifteen months after the commencement of the Plan period. Investment sanctions, however, continued to be issued during the intervening period against the Third Plan schedule and these sanctions have since been accounted for in the Fourth Plan schedule. The investment schedule for the Fourth Plan provides for an investment of Rs. 1,076.18 crore to achieve the planned investment target of Rs. 645 crore for West Pakistan. Table 18 gives the break-down of the Schedule by provinces.

TABLE 18
ALLOCATIONS UNDER THE FOURTH PLAN IIS

				(In crore Rs.)		
				New capacity	B.M.R. *	Total
Punjab	..	..	..	474	75.42	549.42
Sind	..	..	..	223	87.64	310.64
N.W.F.P.	..	..	..	150	17.76	167.76
Baluchistan	..	..	..	47	1.36	48.36
Total	..	..	..	894	182.18	1,076.18

* Balancing, Modernization and Replacement.

In view of the foreign exchange constraint, preference in the issuance of sanctions is intended to be given to those industries which are either export-oriented or are based on local machinery and local raw materials. As an exception, essential engineering goods industries which are based on imported machinery and raw materials will also be given preference. To keep down the foreign exchange component, the import intensity of the schedule has been reduced to 49.2% from 62.5% in the Third Plan Schedule. Besides, effort has also been made to avoid sanctioning of new capacity where idle capacity exists. With this end in view the Schedule has been classified into the following four groups.

GROUP I .. Export oriented industries (63 industries).

GROUP II .. Industries based on local machinery and raw materials (52 industries).

GROUP III .. Industries based on imported machinery and local raw materials, (81 Industries).

GROUP IV .. Industries based on imported machinery and imported raw materials. Within this group priority will be given to export-oriented and essential engineering goods industries (95 industries).

This grouping does not, however, imply any rigid priority. For example, specific industries producing export or engineering goods in group IV would receive high priority. Some industries have been listed under more than one group and their sanctioning will be regulated by the procedure prescribed for each group. Industries listed in groups III and IV may be shifted to group I and II depending on increase in their export potential or the expansion of capacity for fabricating machinery in the country.

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Allocation by Groups of Industries

The allocations of Rs. 1,076.2 crore by groups of industries is given in table 19.

TABLE 19

INVESTMENT ALLOCATIONS

				(In crore Rs.)		
				Internal	External	Total
I. New Capacity:						
GROUP I	..	..	..	153.8	121.6	275.4
GROUP II	..	..	..	122.2	44.8	167.0
GROUP III	..	..	..	131.6	120.0	251.7
GROUP IV	..	..	..	100.4	99.9	200.3
Total New Capacity	508.0	386.4	894.4
B.M.R.	72.7	109.4	182.1
Grand Total	580.9	495.9	1,076.5

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Sanctions Issued

As a result of political disturbances, labour unrest and the war with India, investors remained hesitant to embark upon new ventures during 1971. Total sanctions issued by the various sanctioning agencies during the period July 1970 to March 1972 amounted to Rs. 153.44 crore with the following break-up.

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TABLE 20

SANCTIONS ISSUED UNDER FOURTH PLAN IIS BETWEEN JULY 1970 AND MARCH 1972

				(In crore Rs.)		
				Internal	External	Total
New Capacity	69.81	59.49	129.30
B.M.R.	10.06	14.08	24.14
				79.87	73.57	153.44

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The province-wise break-up of the total investment sanctioned is given in table 21.

TABLE 21

INVESTMENT SANCTIONS DURING 1970-71 AND 1971-72 (JULY-MARCH)

(In crore Rs.)

Province	Internal	External	Total
Punjab	18.03	13.39	31.42
Sind	58.23	57.35	115.58
N.W.F.P.	3.03	2.34	5.37
Baluchistan	0.58	0.49	1.07
Total	79.87	73.57	153.44

In addition to the above investment, Department of Investment Promotion and Supplies also accorded sanctions during the period July 1970 and March 1972 under 'Pay As You Earn Scheme' (which is outside the scope of Fourth Plan I.I.S.) for the setting up of industrial units in West Pakistan involving a total investment of Rs. 4.86 crore (Rs. 2.32 crore internal and Rs. 2.54 crore external).

INDUSTRIAL FINANCING

Funds for public sector industrial investments are mobilised through revenue surpluses and internal and external borrowings. These funds are channelised to the industrial sector through WPIDC which directly undertakes industrial development or through West Pakistan Small Industries Corporation and other institutions which provide infrastructural facilities and other assistance to industry. Details of the activities of these agencies have been discussed earlier.

Private sector financing is done by entrepreneurs through their own funds, public subscriptions, retained earnings or loans from specialised credit institutions like Pakistan Industrial Credit and Investment Corporation (PICIC) and Industrial Development Bank of Pakistan (IDBP) or through loans from commercial banks. PICIC and IDBP are the two principal institutions for financing industrial projects, both in local and foreign currencies. Foreign loans and credits received by Pakistan are channelised through these institutions. The details of loans and credits advanced by these agencies are given below:—

PICIC

Since its inception in 1957 to March 1972, PICIC extended loans and financial assistance to the tune of Rs. 191.07 crore to the industrial sector in West Pakistan. In addition to providing direct financial assistance, PICIC arranged direct loan from abroad amounting to Rs. 48.85 crore and foreign equity participation to the extent of Rs. 12.27 crore.

IDBP

The Industrial Development Bank of Pakistan, since its establishment in 1961 to March 1972, has sanctioned total loans amounting to Rs. 117.06 crore of which Rs. 91.16 crore was in foreign currencies and Rs. 25.90 crore in local currency. Although the Bank sanctions loans to almost all types of industries, yet during the ten years of its existence preference has been given to industries based on indigenous raw materials or export-oriented/import substituting industries.

Foreign Private Investment

During the period July 1970 to December 1971 foreign investment sanctioned in West Pakistan amounted to Rs. 6.58 crore of which Rs. 5.94 crore were repatriable and Rs. 64 lakh non-repatriable. This foreign investment was associated with local investment amounting to Rs. 3.94 crore. Of the total foreign investment of Rs. 6.58 crore, Rs. 3.58 crore (54.6%) was from USA, Rs. 1.04 crore (15.9%) from Holland, Rs. 74.5 lakh (11.3%) from France, Rs. 47.2 lakh (7.2%) from Switzerland, Rs. 39.9 lakh (6.1%) from U.K. and the rest from Hong Kong, West Germany, Japan etc.

The provincial break-up of foreign investment is as follows:—

	(In lakh Rs.)
Punjab	368.27
Sind	236.54
N.W.F.P.	10.37
Baluchistan	43.12
Total	658.30

The largest amount of investment was sanctioned in paper and paper products (Rs. 3.52 crore), followed by electrical machinery, apparatus and appliances (Rs. 1.28 crore) textiles (Rs. 45.40 lakh) and petrochemicals (Rs. 19.76 lakh).

At the end of December 1971, total foreign investment in West Pakistan was estimated at Rs. 111.49 crore.

Loans by Commercial Banks

The commercial banks also advance short-term loans to the manufacturing sector. The amount of loans outstanding with industry stood at Rs. 483.4 crore on 30th September 1971, as compared to Rs. 461.7 crore on 30th September 1970.

PROGRESS OF SOME LARGE-SCALE INDUSTRIES**Cotton Textiles**

The cotton textile industry has made phenomenal progress during the last few years. By the end of 1971, the total sanctioned was 37.4 lakh spindles and 43,207 looms. In March 1972, there were 116 large mills with an installed capacity of over 26 lakh spindles and 30,000 looms. The Industrial Investment Schedule for the Fourth Plan has allocated Rs. 168.1 crore for new capacity and for balancing, modernization and replacement of the textile industry.

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Of this Rs. 5.3 crore had been utilised by the end of December 1971. The following figures indicate the growth of the cotton textile industry.

	1969-70	1970-71	1971-72 (July—March)
Production :			
Cotton yarn (crore lbs.) ..	60.2	67.0	51.0
Cotton cloth (crore sq. yds.) ..	72.5	78.7	57.3
Export :			
			(July—April)
Cotton yarn (crore Rs.) ..	26.8	36.5	39.4
Cotton cloth (crore Rs.) ..	26.9	32.2	30.3

Chemical Fertilizers

Recognizing the need for greater input of fertilizers to step up agricultural production a high priority is being given to an increase in the production of fertilizers. Total production is presently far short of the demand and large quantities have to be imported every year. Fertilizer imports during 1969-70 amounted to 904 lakh tons valued at Rs. 40.58 crore. With the coming into production of Dawood Hercules Fertilizer Factory, Sheikhpura, in October 1971, the production will further rise. The following table gives the production of fertilizers in West Pakistan.

TABLE 22

FERTILIZER PRODUCTION IN WEST PAKISTAN

(In 000 tons).

Name of Unit	Type of fertilizer(*)	Sanctioned capacity	1969-70	1970-71
A. Public Sector				
(1) Natural Gas Fertilizer Factory, Multan ..	Urea	75.5	47.0	29.0
(2) Lyallpur Chemical Fertilizer, Lyallpur ..	Super phosphate	54.0	23.0	25.0
(3) Pak-American Fertilizer Factory, Daudkhel ..	Ammonium Sulphate	90.0	58.0	55.0
B. Private Sector:				
(1) ESSO, Diarki ..	Urea	173.0	160.0	176.0
(2) Pakistan Fertilizer, Karachi ..	M.S.A.	120.0	—	—
(3) Dawood Hercules Fertilizer Factory, Sheikhpura ..	Urea	340.0	—	—

(*) Excluding Ammonium Nitrate.

White Sugar

Production of sugar has been declining in recent years. From 6.0 lakh tons in 1969-70, it declined to 5.0 lakh tons in 1970-71, while in 1971-72 production of sugar is projected at only 3.5 lakh tons. The sharp decline in production during 1971-72 is due to shortage of cane as a result of fall in the area under cane from 15.7 lakh acres to 14.8 lakh acres and lower yield per acre because of adverse climatic conditions and inadequacy of canal water for irrigation purposes.

Table 23 shows the production of sugarcane and its utilization for the manufacture of white sugar, gur etc. during 1970-71.

TABLE 23
PRODUCTION AND UTILIZATION OF SUGARCANE

Province	Area (000 acres)	Production (000 tons)	Cane Crushed (000 tons)	Percent- age of cane crushed	Refined sugar produced (000 tons)	Non-Mill use of cane	Production of Gur (000 tons)
Punjab	1,176.0	1,65,68	26,85	16.2	238	1,38,83	1,140
Sind	195.8	31,88	25,05	78.6	221	683	27
N.W.F.P.	199.5	30,44	12,56	41.3	77	17,88	133
Baluchistan	0.2	1	—	—	—	—	—
Total	1,571.5	2,28,01	64,46	28.6	536*	1,63,54	12,94

*According to C.S.O. the production of white sugar was 5.0 lakh tons.

The rest of the cane which is not crushed in the mills is utilized for purposes of seed, conversion into *Gur*, consumption in raw form etc.

Between 1968-69 and 1970-71, the recovery of white sugar was highest in Sind (8.71%), followed by Punjab (8.57%) and in NWFP (7.18%). One of the main reasons for the high cost of production of white sugar in West Pakistan is low yield per acre; in 1969-70 it was only 16.5 tons as against 50 to 60 tons in some other countries. Charsadda Sugar Mills was the first mill in NWFP to be equipped with a diffusion plant in 1958-59 for the processing of beet with a slicing capacity of 500 tons per day which was later increased to 1,200 tons per day. Attracted by the successful results, the mills at Mardan and Takht-i-Bai have also installed beet diffusion plants with capacity of 2,500 and 1,000 tons per day. As a result, the area under beet has risen from 5,000 acres in 1960-61 to 27,000 acres in 1970-71 and the quantity of sugar beet sliced from 21,500 tons to 257,000 tons during this period.

At present there are 19 sugar mills in operation in West Pakistan (4 in NWFP, 10 in Punjab and 5 in Sind), while three are under trial production.

Iron and Steel

Steel industry is of basic national importance and its real value lies in providing basic raw materials for various engineering, metallurgical and defence industries. Development of local steel industry is of prime importance also for its contribution to the economy by way of saving foreign exchange through import substitution.

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Efforts are being made to set up a fully integrated steel plant near Karachi. The capacity of the plant would be around one million tons of finished steel per annum. The plant is to be based on the use of high grade imported iron ore and coal. The total cost of the Steel Mill alongwith various inside and infrastructure facilities is tentatively estimated at Rs. 457 crore with a foreign exchange component of about Rs. 170 crore. The project is being implemented with the economic and technical assistance of the USSR. The Government of the USSR has agreed to provide a credit of 180 million Rubles for payment of the Russian machinery and equipment for the mill and for training of Pakistani technicians. The credit carries an interest of 2½% and is to be repaid in 12 years in equal annual instalments.

Pakistan Machine Tool Factory, Landhi

This is a WPIDC Project and was approved by the Government in 1964. The estimated cost of Rs. 11.62 crore. The cost of the scheme has been finally revised to Rs. 27.56 crore (Rs. 10.79 crore in foreign exchange) due to changes of production programme and other factors.

The implementation of the scheme has been delayed due to short releases of funds. Total expenditure upto 31st December 1971 amounted to Rs. 25.68 crore.

By the end of 1971 civil engineering works had been completed and 92 per cent of machinery had been installed. The project is in partial production since November 1968. The annual turnover of the project at full production has been estimated at Rs. 15.3 crore which will include machine tools, gear boxes and axles brake-drums, die-casting and defence items.

Heavy Mechanical Complex, Taxila

This is also a WPIDC project. It is estimated to cost Rs. 15.13 crore and is being set up with Chinese collaboration. Due to several factors, the cost of the project has been revised to Rs. 20.38 crore.

By the end of December 1971, an expenditure of Rs. 14.99 crore had been incurred on the project and a provision of Rs. 1.40 crore has been made in the ADP for 1971-72.

By the end of December, 1971, civil engineering works had been completed up to 79% and 95% of machinery had been installed. The project is at an advanced stage of completion and has started partial production since September 1970. It has assembled road rollers. The annual turnover of the project will be worth Rs. 936 crore at full capacity.

Heavy Foundry and Forge Project, Taxila

This is also a WPIDC project. The original scheme estimated to cost Rs. 35 crore was approved by Government in July 1968, but its cost has now

increased to Rs. 45 crore. An expenditure of Rs. 36.6 lakh had been incurred on the project up to 31st December 1971. A provision of Rs. 45 lakh has been made in the ADP for 1971-72.

Land for the project has already been acquired, topographical survey, sub-soil investigations and site development and levelling have been completed. Tenders for award of civil works of some of the buildings have already been invited.

The project is designed to produce steel castings, steel ingots, iron castings, press forging, forged billets and copper and aluminium castings. The annual turn-over of the project will be Rs. 8.91 crore.

Heavy Electrical Complex, Taxila

This is a WPIDC scheme and was approved in principle by Executive Committee of National Economic Council in February 1968, at a capital cost of Rs. 14.39 crore for the manufacture of heavy electrical equipments. An expenditure of Rs. 95 lakh had been incurred on the scheme up to 31st December 1971. The project is designed to produce power transformers, switch gears, capacitors, air blast circuit breakers, valve type arrestors etc.

MINING

The mining and quarrying sector is under-developed and, at present, contributes only 0.5 per cent to the gross domestic product. This is so because this sector has remained neglected in the past, although investigations so far made indicate the presence of fairly rich deposits of various minerals. Under the new policy of the Government to bring about speedy development of the less developed areas, the sector will receive attention as most of the known mineral deposits are located in these areas.

The sector showed moderate growth during 1971-72. The index of mineral production is estimated to rise from 116.6 (base : 1964-65=100) in 1970-71 to 122.3 in 1971-72, and the growth in terms of value added generated is likely to be 4.9 per cent.

A brief description of some of the minerals available in West Pakistan is given below:

Natural Gas

Total gas reserves in ten gas fields in West Pakistan are estimated at 15.85 million million cu. ft. The largest reserves, 6.30 million million cu. ft are at Sui in Baluchistan, followed by Mari, Uch and Dhulian fields.

Coal

Coal is the principal mineral of Pakistan. Total reserve of coal is estimated at 400 million tons. Sizeable deposits of coal exist in Baluchistan, the Punjab Trans-Indus area and Salt Range and in Sind. The WPIDC has already developed its coal mines at Sor-Range, Sharigh and Makerwal which have been producing nearly 4.5 lakh tons of coal annually. The Corporation is also developing its Degari coal mines at a cost of Rs. 3.81 crore. On completion, it will produce nearly 3 lakh tons of coal per annum. Lakro coal field, about 80 miles north of Karachi, is a large field of shallow flat-lying coal and the first coal seam is being mined in Lailian Collieries. The coal being mined in the country is of low heating value and has high content of sulphur and ash, but it can be converted into briquette and used in foundries and kilns.

Chromite

Large deposits of high grade (48% or more) chromite occur at Hindubagh in Quetta and smaller reserves in Peshawar and Kalat Divisions. Chromite is being mined in Hindubagh since before Independence. The entire current production is being exported, but due to tough international competition, production of chromite is not increasing and has remained around 25,000 tons annually.

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Iron Ore

The known iron ore reserves in the country are around 560 million tons of which 6.1 million tons are high grade containing about 60% iron, the rest being low grade with 25% to 38% iron. The largest deposits (292.5 million tons) are in Khatbagh Division, followed by Abbotabad (102.6 million tons), Dera Ismail Khan (100 million tons). Smaller reserves are in Langrial, Chilgazi and Kuzdar. Because of the low quality of iron ore, it has not so far been possible to set up a steel plant based on indigenous ore.

Other minerals found in the country are aragonite, fireclay, gypsum, limestone, rock salt etc.

The trend of production of principal minerals is shown in table 24.

TABLE 24.

TREND OF MINERAL PRODUCTION

Minerals	1968-69	1969-70	1970-71	1970-71 (July- December)	1971-72 (p) (July- December)
Chromite (000 tons)	25.6	25.1	27.3	14.0	10
Coal (000 tons)	1,373.5	1,249.0	1,287.1	550	529
Gypsum (000 tons)	234.4	203.8	163.8	75	7
Limestone (000 tons)	1,172.6	1,676.0	2,735.0	1,169	436
Rock Salt (000 tons)	365.4	305.2	344.2	150	146
Silica Sand (000 tons)	148.2	42.7	33.2	17	10
Crude Oil (Million L.G.)	136.9	136.0	120.4	59	58
Natural Gas (00 million cubic feet)	64.5	113.0	120.2	56.6	60.9

(p) Provisional.

During the first half of 1971-72, the production of all items except natural gas declined compared to the corresponding period of 1970-71. The decline was largely due to disturbed conditions. Besides, the shortfall in coal production in July-December, 1971 was due to a serious explosion in the Central Block Sor-Range coal fields in Baluchistan which is a major coal producer. The decline in the production of chrome ore was due largely to collapse of main haulage roadways and inclines which rendered transportation of the ore difficult.

OIL AND GAS DEVELOPMENT CORPORATION

During the financial year 1971-72 the Corporation was allocated an amount of Rs. 4.46 crore (revised) of which Rs. 4.14 crore had been utilized by the end of May, 1972.

OIL

(i) Exploration

In the public sector, Oil and Gas Development Corporation carried out geological, geophysical, seismic and gravity surveys in its concession areas in West Pakistan. It completed drilling of 2 deep wells and 2 medium wells while drilling and rigging up of 2 deep wells and 1 medium well is in progress.

Oil was discovered in Jurassic formation in the Corporation's No. 1 well at Tin in February, 1968. A total of 7.9 lakh barrels was produced from this well during February, 1969 to March, 1972. The well, on an average, produces 350 barrels per day. Another well recently drilled on the same structure has started producing oil from another formation (Chor-Gali Limestone).

In the private sector, Pakistan Oil Fields Ltd., Amoco Pakistan Exploration Company and Wintersheit A. G. continued their oil and gas exploration and development activities both on land and off-shore areas.

(ii) Production

Total production of crude oil during 1971-72 is estimated at 2.91 million barrels which shows a decrease of about 10% over 3.24 million barrels produced during 1970-71.

(iii) Income from Rents and Royalties

In 1971-72, the revenue anticipated to be realised by Government on account of rents and royalties is estimated at Rs. 1.99 crore.

During the year 1971-72 the Government of Pakistan contributed an amount of Rs. 14.6 lakh as its share of expenses incurred by the private exploration companies. A sum of Rs. 21.23 lakh was contributed in foreign exchange for Saudi Arabian joint venture project.

(iv) Oil Refineries

The oil refining sector with a total annual processing capacity of 3.8 million tons meets about 81% of the total requirements of petroleum products.

(v) Petroleum Consumption

Consumption of POL products during the year 1971-72 is estimated to be 32.28 lakh tons in West Pakistan as compared to the actual consumption of 32.30 lakh tons in 1970-71.

(vi) Export of POL Products

The export of furnace oil increased from 2.8 lakh tons in 1970-71 to 3.7 lakh tons in 1971-72. In addition, 0.14 lakh tons of naphtha and asphalt were exported during 1971-72.

M/s. Attock Oil Company's plant for extraction of LPG (liquid petroleum gas) from Dhulian gas with a capacity of 16,800 tons per annum is ready for production. Marketing arrangement of the product is being made and export of LPG up to 2,800 tons per annum has been allowed to Afghanistan.

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GAS

i) Production

Total production of natural gas in West Pakistan during the year 1971-72 is estimated at 127,075 million cu. ft. against 120,156 million cu. ft. produced during 1970-71.

ii) Gas Transmission and Distribution

The Sui Gas Northern Pipelines system is being extended to supply gas to various towns of the Punjab and N.W.F.P. On completion of the extension, the transmission capacity will increase from 207 million cu. ft. per day to 273 million cu. ft. per day. The direct gas line between Sui and Guddu is also expected to be completed by the end of 1972. The capacity of Sui Gas Purification Plant is being increased from 375 million cu. ft. per day to 475 million cu. ft. per day.

iii) Gas consumption

The estimated consumption of natural gas during 1971-72 is 112,032 million cu. ft. compared to 104,995 million cu. ft. in 1970-71, an increase of 6.6%. The pattern of gas consumption for various purposes during 1971-72 was: (i) power generation (37.5%), (ii) general industries, (26.0%), fertilizers (19.3%), cement, (14.1%) and commercial and domestic consumers (3.0%).

GEOLOGICAL SURVEY OF PAKISTAN

During the financial year 1971-72 a total allocation of Rs. 80.4 lakh was made for the Geological Survey of Pakistan out of which an amount of Rs. 45.4 lakh has been utilized by the end of April, 1972.

During 1971-72, the activities of the Geological Survey of Pakistan were directed towards systematic mapping of the country's rock suits and the appraisal and assessment of the indicated mineral resources. Regional geological mapping was carried out in selected areas of Pakistan to demarcate areas of special interest which may be probed further in details later on.

CHAPTER V

MONEY AND BANKING

Introduction

Pakistan has a well organised structure of commercial, cooperative and specialized banks. At the apex of this system stands the State Bank of Pakistan which as the central bank of the country determines monetary and credit policies, controls and regulates the commercial banks, influences the cooperative banks through its inspection functions and indirectly affects the operations of the specialized lending institutions through the terms and conditions on which it provides financial assistance to them in the State Bank's capacity as "lender of last resort."

The commercial banking network is the dominant component of the credit system. Together with the State Bank, these banks have the unique distinction that their liabilities constitute "money". There were 23 scheduled banks in West Pakistan with 2,432 branches at the end of March 1972. The banking system has displayed dynamism in its operations—both at home and abroad. Certain deficiencies had nevertheless arisen, especially in the allocation of credit. Wide-ranging reforms have been promulgated in May 1972 aimed at eliminating mal-practices, such as unduly favourable treatment of bank directors, executives and employees. The new measures empower the State Bank to exercise a direct control over management. Greater credit facilities are to be provided to small and medium-sized businesses and banking facilities made available for rural areas. These reforms have been described in Chapter II.

Statistical Problems

The task of analysis during the current year is beset with numerous difficulties. The monetary data are compiled on an all-Pakistan basis and given the fact that the country constituted a single currency area, no separate regional data are available on monetary assets or on the factors which "explain" change in these assets. The major demonetisation exercise of June 1971 (described below) has rendered it virtually impossible to separate the effects of normal changes in currency circulation from the effects of cancellation of demonetised notes and their replacement by new currency. There is also a problem of adjusting the figures of currency looted in East Pakistan. Finally, the State Bank's balance sheet has undergone major changes as a consequence of the devaluation of the Pakistan rupee which has led to a corresponding revaluation of foreign assets and liabilities.

To minimise the statistical problems, the following analysis is on all-Pakistan basis for calendar years 1970 and 1971. It relates to West Pakistan exclusively for the period January—April 1972.

Monetary Assets

Monetary assets comprise currency in circulation, demand and time liabilities of scheduled banks (excluding inter-bank items), deposits of non-scheduled and cooperative banks and certain other agencies with the State Bank of Pakistan, post office savings bank deposits and a portion of "other deposits" with the State Bank. This is a wider concept than that of "money supply" which includes currency in circulation, demand liabilities of scheduled banks and a certain portion of other deposits with the State Bank of Pakistan. The adoption of the wider concept was necessitated by the increasing sophistication of the economy

¹In addition to 20 commercial banks, the Industrial Development Bank of Pakistan, the Agricultural Development Bank of Pakistan and the Punjab Provincial Cooperative Bank are scheduled banks.

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i.e. its ability to switch from "near-money" assets such as time deposits with the commercial banks and post office savings bank deposits into "money" with relative ease. The introduction of facilities for withdrawal by cheques of savings accounts (within certain limitations as to period of notice and amount of deposit withdrawable at any time) and the willingness of banks to offer virtually automatic credit against time deposits have made them almost as liquid as demand deposits. Moreover, a substantial shift from demand to savings and fixed deposits followed rise in interest rates in the past, thereby necessitating the lumping of demand and time deposits for monetary analysis. The inclusion of post office savings bank deposits and deposits of non-scheduled and co-operative banks is in line with the thinking on the subject that the whole liquidity complex of the economy should be brought within the purview of monetary analysis by including the entire range of money and near-money assets. This is not feasible in the case of non-scheduled and cooperative banks' deposits due to statistical difficulties and time lags. However, their deposits with the State Bank have been included on the reasoning that a "proxy" is better than complete exclusion.

The analysis of monetary assets is handicapped by the demonetization exercise. During the disturbances of March 1971 in East Pakistan, currency notes worth several crores of rupees were looted from the chests of State Bank and the treasuries. The looted currency later began to find its way into West Pakistan and into foreign countries. To cope with this threat to the value of the currency, the Government demonetized the 500 and 100-rupee denominations from June 8, 1971. The holders of these currency notes were allowed to deposit them with the commercial banks and other specified centres. The Government subsequently allowed the payment of exchange value of the demonetized notes surrendered up to Rs. 10,000. Where the total amount tendered exceeded Rs. 10,000 an option was offered to tenderers who surrendered not more than rupees one lakh either to go through scrutiny of a Demonetisation Committee or to pay a levy at specified rates. Finally, tenderers above Rs. 1 lakh were allowed conversion only on scrutiny in each case.

Total circulation of 500 and 100-rupee notes as on June 7, 1971 amounted to Rs. 448.12 crore. This also includes Rs. 39.76 crore worth of 500 and 100-rupee notes held in tills of scheduled banks on that date. Total demonetized notes surrendered for exchange amounted to Rs. 391 crore including the amount declared to have been held in tills of scheduled banks. By the end of April 1972, an amount of Rs. 293.42 crore was exchanged.

On March 1, 1972, the Government demonetized the 50-rupee currency notes and on June 3, the 10 and 5-rupee notes but these operations consisted simply of an immediate over-the-counter exchange of demonetized notes for new notes and as such there was no direct effect on the quantity of currency in circulation. Indirectly, the series of demonetisation operations have understandably caused a switch in the liquid asset-holding preferences of the community away from currency and in favour of bank deposits.

(During the calendar year 1971, total monetary assets increased by Rs. 186 crore (8.1% to Rs. 2491.91 crore compared with Rs. 246.58 crore (11.8%) during 1970.) The increase is attributed to massive deficit-financing during the year which was, however, balanced to an extent by smaller expansion in the private sector and by a draw-down of the country's foreign exchange reserves.) During the year the Government sector expanded by Rs. 246.11 crore compared with Rs. 131.70 crore in 1970. The large deficit financing was necessitated by the shortfall in Government revenues in East Pakistan while expenditures had to be maintained and even accelerated. In the domestic private sector, there was an expansion of Rs. 21.09 crore compared with Rs. 165.28 crore in the preceding

year. The smaller increase is accounted for by the economic slackness after March 1971. An expansion of Rs. 58.82 crore was also recorded under "net impact of capital accounts, suspense items and other own account transactions of the banking system." This, however, reflected special transactions between the commercial banks and the State Bank in connection with the withdrawal and cancellation of demonetised notes.

During January--April 1972, changes in monetary assets relate to West Pakistan only. There is an increase by Rs. 73.66 crore. The expansion took place mainly in the private and foreign sectors. The private sector had an expansionary impact of Rs. 40.30 crore reflecting the financing requirements for the holding and movements of large cotton crop during the 1971-72 season. The surplus of Rs. 15.59 crore in the foreign sector is attributed by the same factor *i.e.* an impressive export performance for raw and processed cotton. It also suggests an unusually depressed level of imports, the virtual drying up of commodity aid and the relatively high cost of importing against the country's own resources at the highly depreciated "full bonus" rate of exchange. A notable feature of the period was the small expansion of Rs. 5.65 crore in the Government sector which indicates that the large expansion during 1971 was probably mainly in East Pakistan.

The expansionary impact of the above factors was partly neutralized by contraction in "capital accounts, suspense items and other own account transactions of the banking system" by Rs. 28.07 crore although there is an offset to this in a plus of Rs. 25.93 crore for exchange of demonetised currency. Table 25 shows the trend in monetary assets.

TABLE 25

CHANGES IN MONETARY ASSETS

Year/month (Last Friday)	(In crore Rs.)		
	1970	1971	January--April 1972 (P)
Currency in Circulation	+96.69	-84.54	+53.88
Demand liabilities of scheduled banks(*)	+58.96	+183.74	+17.58
Time liabilities of scheduled banks(*)	+81.16	+39.90	+3.51
Other deposits with State Bank of Pakistan(†)	-3.70	+16.92	-5.47
Deposits of non-scheduled and Co-operative banks with State Bank of Pakistan	+0.65	+10.09	+0.57
Post Office Savings Bank deposits	+12.82	+19.91	+3.79
Total—Monetary Assets	+246.58	+186.00	+73.66
Private sector	+165.28	+21.09	+40.30
Government sector	+133.70	+246.11	+5.65
Foreign sector	-49.88	-27.95	+15.59
Net impact of capital accounts, suspense items and other own account transactions of the banking system	-1.44	+58.82	-28.07
Net impact of transactions currently treated as inter-bank items	+3.10	-17.11	+17.98
Miscellaneous items	-7.06	-1.34	-3.72
Adjustment for demonetisation and currency holdings	—	-93.62	+25.93

P = Provisional.

* Excluding inter-bank items.

† Excluding IMF Account No. 1, counterpart funds, U.S. Disbursing Officer's account and other loan accounts.

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CREDIT POLICY

✓ The credit policy pursued by the State Bank in respect of private sector was adjusted and readjusted from time to time during the year to respond to the changing economic situation caused by the political upheaval and consequent economic dislocation.

Following large credit expansion during July 1970 to mid-January 1971, the State Bank with effect from January 9, 1971 enforced a number of credit curbs to discourage the flow of credit to less essential sectors. Margin requirements were increased against imported manufactured consumer goods. Margin requirements were imposed on (a) opening Letters of Credit covering imports other than industrial machinery, (b) advances against bank deposits, (c) advances exceeding Rs. 1 lakh against land or building and (d) advances for financing purchase of bonus vouchers for opening Letters of Credit for imports. A Quota System was also introduced in respect of scheduled banks' borrowings from the State Bank with effect from January 30, 1971. Under this arrangement, banks were required to pay 2-3% above the Bank Rate on borrowings exceeding the prescribed limits. The Quota System, however, was not applicable to industrial re-finance provided to the banks by the State Bank, export bills rediscounted with the State Bank and the counter-finance in respect of commercial banks' lendings to the Central and Provincial Governments for commodity operations and Agricultural Development Corporations.

As a result of these measures, bank credit to private sector declined from Rs. 1117.32 crore on January 15, 1971 to Rs. 1073.36 crore at the end of February 1971. This enabled the State Bank to make some relaxations in credit restrictions. With effect from March 6, 1971, margin requirement for opening Letters of Credit for small importers having import category of up to Rs. 1.5 lakh was withdrawn. Margin requirements were lowered/withdrawn in respect of advances for purchase of bonus vouchers for opening import Letters of Credit for edible oil, industrial raw materials and spares by industrial consumers, crude oil by commercial consumers and petroleum products. Advances up to Rs. 5 lakh against real estate were exempted from the margin requirement provided these were for setting up small industries. In spite of these relaxations bank credit to the private sector continued to decline due to seasonal slackness and depressed state of the economy. By September 1971 bank credit to the private sector fell to a low of Rs. 995.18 crore. Recessionist condition developed in the economy of West Pakistan following the dislocation of inter-wing trade and reduced domestic spending by the consumers leading to the piling up of stocks of certain goods which blocked a large amount of credit. To boost the economy, the State Bank withdrew the Quota System in respect of scheduled banks' borrowings from the State Bank with effect from September 14, 1971.

With seasonal pick-up, the bank credit started rising from October 1971, due mainly to the movement of cotton crop. By November 1971 bank credit to the private sector rose to Rs. 1081.50 crore.

A change of direction to credit policy occurred in the first week of December 1971, when selective credit controls were tightened during the war emergency in order to discourage the stockpiling of essential consumer goods. Scheduled banks were advised on December 2, 1971 not to provide any fresh advances as also to get back the outstanding advances against all foodgrains and pulses, wheat and wheat flour, oil seeds, edible oils, (refined, unrefined and hydrogenated), sugar and *kariana* goods. However, with effect from December 9, 1971, the State bank withdrew credit ceilings on individual banks and allowed certain relaxations in the field of selective credit controls. Different margin requirements in

case of bank advances against new share issues of indigenous cotton textiles, cotton yarn, real estate and anticipated earnings of bonus vouchers were removed. Banks were allowed at their own discretion to provide pre-shipment as well as post-shipment credit in case of exports covered by confirmed irrevocable Letters of Credit against the anticipated bonus voucher earnings up to 150 per cent of their face value. The State Bank on December 27, 1971, removed the ban on bank advances imposed on December 2, 1971 as the situation had improved.

As a result of these relaxations and seasonal influences, bank credit to the private sector continued to rise. During January--April 1972 bank credit to private sector increased by Rs. 41.28 crore. A new phase of credit policy began with the devaluation of the rupee in May 1972. The Bank Rate was raised from 5 per cent to 6 per cent and simultaneously deposit and advance rates of scheduled banks were adjusted upwards. Later in June, 1972, the liquidity ratio required to be maintained by banks was raised from 25% to 30% with a view to curtailing the credit potential of banks.

Advances Classified by Securities

The analysis of advances of scheduled banks by securities reveals that the largest share of advances amounting to Rs. 230.70 crore at the end of 1971 was against the export commodities, namely, cotton and cotton goods, jute and jute manufactures, hides and skins, tea, wool and goat-hair etc., compared with Rs. 232.73 crore at the end of 1970. Advances against imported goods other than industrial machinery rose by Rs. 11.91 crore to Rs. 165.44 crore while advances against real estate rose by Rs. 19.23 crore to Rs. 139.45 crore. Advances against merchandise like wheat, rice and paddy, edible oils, sugar and gur etc., declined from Rs. 196.79 crore to Rs. 158.34 crore. Advances against stock exchange securities, and other financial obligations also declined. Miscellaneous advances showed a rise of Rs. 3.10 crore to Rs. 231.15 crore.

Advances by Economic Groups

The distribution of advances by major economic groups shows that 'manufacturing' claimed 9.3 per cent of total advances at the end of 1971 compared with 8.4 per cent a year ago, the amount rising from Rs. 520.81 crore to Rs. 537.66 crore. The share of 'commerce' declined from 30.6 per cent to Rs. 27.4 per cent over the year. In absolute terms, the amount declined by Rs. 45.19 crore to Rs. 313.73 crore. Advances to 'agriculture, forestry, hunting and fishing' increased from Rs. 98.15 crore (8.4 per cent) to Rs. 106.54 crore (9.3 per cent).

Small Credit Schemes

The provision of credit facilities to smaller parties was given attention from time to time but little progress has been achieved so far. A People's Credit Department has been in operation in the National Bank of Pakistan since 1964 but its performance remained poor. A sum of Rs. 37 lakh was sanctioned during 1971 and Rs. 9 lakh during January--March 1972. Since its inception up to March 1972, Rs. 39.62 crore was sanctioned by the Department to 42,049 borrowers.

✓The State Bank in May 1970 introduced a scheme under which all Pakistani banks (excluding Agricultural Development Bank of Pakistan, Industrial Development Bank of Pakistan and the Punjab Provincial Co-operative Bank) are to advance small loans* to the extent of not less than 20% of their total outstanding

*Small loans include (i) advances up to Rs. 25,000 made to individuals or unincorporated business enterprises for trading and other productive purposes only and (ii) all advances, irrespective of the amount, given for fixed and working capital needs of small-scale industrial enterprises whose initial fixed investment, excluding investment in land, does not exceed Rs. 5 lakh.

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advances. If any bank fails to maintain the prescribed minimum ratio it is to be penalized while for banks exceeding the ratio, a cash subsidy ranging from 2% to 3% is given to those banks. Figures available up to December 1971, reveal that only two banks could meet the requirements. On an overall basis the ratio of small loans to total advances worked out to 13.4%. The failure is attributed to disturbed economic conditions in the country.

Cooperative Credit

At the end of March 1971, there were 82 reporting cooperative banks in West Pakistan having a network of 258 branches. Their total liabilities/assets in March 1971 were Rs. 69.86 crore compared with Rs. 71.70 crore, a year ago. Total credit outstanding at the end of March 1971 stood at Rs. 29.96 crore compared with Rs. 30.88 crore in March 1970. Their deposit resources in March 1971, amounted to Rs. 30.49 crore as against Rs. 32.84 crore in the same month of 1970. An important source of funds for the cooperatives is the State Bank of Pakistan's Rural Credit Fund. The State Bank provides medium and long-term loans and advances to cooperative banks and other rural credit agencies. Lines of credit are also provided for converting short-term loans into medium-term loans. During July 1971 to March, 1972 the State Bank sanctioned Rs. 5.82 crore to cooperatives in West Pakistan.

BANK DEPOSITS

Aggregate deposits of scheduled banks showed an impressive increase during 1971. Compared with the increase of Rs. 140.12 crore (11.2 per cent) in 1970, bank deposits rose by Rs. 223.62 crore (16 per cent) to Rs. 1616.12 crore during 1971. The increase in deposits was shared by both demand and time deposits, the former by Rs. 183.72 crore to Rs. 847.94 crore and the latter by Rs. 39.90 crore to Rs. 768.25 crore. During January—April 1972, deposits showed a further increase of Rs. 21.09 crore to Rs. 1637.28 crore. The substantial increase in deposits during the period under review is attributed to the fact that a large number of tenderers of demonetized notes of Rs. 500 and 100-rupee denominations instead of exchanging them for cash kept them in their bank accounts. Later, in December 1971, the rumour about demonetization of 50-rupee currency notes led many people to deposit their holdings of this denomination notes in their bank accounts. Table 26 shows the trend of bank deposits.

TABLE 26

BANK DEPOSITS

(in crore Rs.)

	1970	1971	January— April 1972
Total	+ 140.12	+ 223.62	+ 21.09
Demand	+ 58.96	+ 183.72	+ 17.58
Time	+ 81.16	+ 39.90	+ 3.51

With the raising of the Bank Rate from 5% to 6% following devaluation of the rupee, the rates of interest on various types of deposits were revised upward with effect from May 12, 1972. As against the previous practice of fixing interest rates on various categories of deposits, the State Bank has now laid down the minimum rates payable by banks.

TABLE 27

RAILS OF INTEREST ON DEPOSITS

Types of Deposits	Minimum rate	Old rate
I. (a) Special notice accounts or deposits withdrawable at notice of 7 to 29 days	4%	3%
(b) Special notice accounts or deposits withdrawable at notice of 30 days or over	4.5%	3.5%
II. (a) Savings Bank Accounts with chequing facilities	5%	4.5%
(b) Savings Bank Accounts without chequing facilities	5.5%	5%
FIXED OR TERM DEPOSITS		
III. (a) For 3 months and over but less than 6 months	5.5%	4.5%
(b) For 6 months and over but less than 1 year	5.5%	4.5%
(c) For 1 year and over but less than 2 years	6%	5%
(d) For 2 years and over but less than 3 years	6.5%	5.5%
(e) For 3 years and over	7%	6%

Liquidity Position

The liquidity position of the scheduled banks improved considerably during 1971. This is reflected in the credit-deposit ratio which declined from 86.3 per cent in December 1970 to 73.5 per cent in December 1971. Consequently, banks were able to reduce their outstanding borrowings from the State Bank of Pakistan from Rs. 209.79 crore in December 1970, to Rs. 141.21 crore in December 1971. The level of outstanding borrowings stood at Rs. 146.25 crore in April 1972.

With increased liquidity with the banks, they increased their investment portfolio during 1971. Banks' investments in Government and other securities increased by Rs. 133.92 crore to Rs. 498.60 crore compared with the decline of Rs. 1.69 crore in 1970. The increased investments were made in Government securities to the tune of Rs. 110.88 crore and in other securities Rs. 23.04 crore. During January-April 1972, the investments declined to Rs. 494.35 crore. The investment-deposit ratio improved from 26.1 per cent in 1970 to 30.8 per cent in 1971. The ratio stood at 30.2 per cent in April 1972.

Call Money Market

The short-term inter-bank call money market at Karachi behaved erratically during 1971. Opening at 5.50-6 per cent in January 1971, the call money rates jumped to 8-8.50 per cent in the third week of February 1971, and remained at that level up to the last week of April 1971. The development of stringency in the money market was attributed to the political disturbances in East Pakistan and the consequent difficulty in the movement of funds between the two wings. The rates further declined gradually with the improvement of law and order situation. The rates came down to 8 per cent in early May and declined gradually to 6 per cent in the second week of September. Further decline to 5.50 per cent was recorded thereafter and the year closed at 5 per cent in December 1971.

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CAPITAL MARKET

Introduction

The institutions comprising the capital market in Pakistan include the public limited companies and public sector undertakings that are seeking equity and loan funds, the array of specialized lending agencies—Pakistan Industrial Credit and Investment Corporation, Industrial Development Bank of Pakistan, National Investment Trust and Investment Corporation of Pakistan—that mobilise funds for the borrowing corporate and public sectors from domestic and foreign sources of capital, the banking system to the degree that it "intermediates" between short-term savers and long-term users of capital, the insurance sector to the extent that it invests its "life funds" in assets other than government securities and private mutual funds or investment companies (approved but not yet established). The stock exchange constitutes an integral part of the capital market by serving as a barometer of the judgements and expectations of the participants in the market, by providing liquidity to holders of financial assets and as a mechanism for raising capital. Finally, there are two regulatory agencies: (a) the Securities and Exchange Authority; (b) the Controller of Capital Issues (in the Ministry of Finance).

Investment Sentiment

The state of the capital markets remained unusually depressed through 1971-72 owing to a succession of events which generated a pervasive sense of uncertainty. Market sentiment was governed by a mutually re-inforcing set of forces which reduced demand for investible funds at the same time that it curtailed the supply of such funds. Investment in the private sector was reduced from a level of Rs. 373 crore in 1970-71 to about Rs. 220 crore in the current year. Several factors were responsible: the gradual strangulation of inter-wing trade reduced the size of the market and its eventual suspension in December 1971 truncated the market. Recessionist conditions in West Pakistan, intensified by power-shortages, the outbreak of hostilities and its aftermath leading to weakening of consumer confidence which tended to reduce all postponable spendings; deterioration in labour-management relations resulting in widespread industrial unrest and interruption of production processes; the imponderable effects of the forcible dismemberment of the country etc. These factors combined to retard demand for investible funds, mainly through deferment of investment decisions.

On the supply side, institutions as well as individuals were deterred by the mounting evidence of reduced profitability in the corporate sector in the wake of wage demands, the temporary suspension of fiscal incentives, such as the tax-holiday and the loss of markets, property, "accounts receivable" and other assets in East Pakistan. The supply of personal savings to capital markets was curtailed as the excessive incentives embodied in the investment allowance were drastically pruned by the 1971 Finance Ordinance, which cut the maximum available allowance from Rs. 25,000 to Rs. 10,000; the concessional treatment of capital gains was tightened by halving the exemption limit to Rs. 5,000 for individuals and by taxing capital gains in the hands of recipients as income. Finally, investor confidence was eroded by the enormous shrinkage in equity values extending over 16 months and culminating in the closure of the exchange in the first week of December 1971.

Trends in Karachi Stock Exchange

After reaching the peak of 151.21 on April 10, 1970 the general index of share prices at Karachi (1959-60=100) resisted downward pressures for four months upto the end of August when the index held at 143.81. Thereafter, the market was caught in the grip of acute depressive forces. By May, 1971, the general index was down to 115.08. There was some modest recovery in the early part of June, 1971 due to emergence of buying support in anticipation of permission that would be granted by the Stock Exchange Authority for setting up private investment companies. However, recessionist conditions developed in the wake of the demonetisation operation which sharply curtailed the liquidity of all financial operators. The announcement of the 1971-72 budget belied expectations and the market began a new phase of decline in subsequent months. A cumulative factor also came into play at this stage as banks became increasingly reluctant to make advances against stocks and shares and called up "margins" as equity values fell. By the end of November, the general index was down to 95.75. With the outbreak of hostilities with India, trading in shares of listed companies was suspended from 4th December, 1971. The stock exchange were not to reopen until May 25, 1972.

The closure of the market was necessitated by two factors. Time was needed for the market to assess the impact of the war and its aftermath on the financial conditions of a large number of companies. Of the 318 companies listed on the Karachi Stock Exchange, 54 were located entirely in East Pakistan. Another 20 companies, while located in West Pakistan, had units and/or subsidiaries operating in the eastern wing. A fairly large number of other companies found a portion of their current assets blocked in "accounts receivable". Secondly, the people's government inaugurated a series of basic socio-economic reforms and while these were still on the anvil, there were too many imponderables for the market to deal with. Many of these reforms had direct implications for the corporate sector. The abolition of the managing agency system and of sole agencies under the Companies (Managing Agency and Election of Directors) Order, 1972, affected 133 companies based in West Pakistan. The provision which gave minority share-holders the right to elect a number of share-holders proportionate to their equity holdings would make it possible for the statutory public agencies like PICIC, NIT, and ICP to place their own nominees on the Directors' Boards of about one-third of the companies as elections to their Boards occurred. The nationalisation of life insurance, the imposition of social control over the commercial banks and the devaluation of the rupee were other measures with direct consequences for a large number of listed companies. The closure enabled market forces to absorb the impact of these measures. With the completion of this phase of reforms, the government decided to reopen the market in the last week of May, 1972. The market turned in an encouraging performance immediately on its reopening. While trading in the 54 companies located in East Pakistan remained suspended, 63 issues were traded in the week ending May 27, 1972, out of the West Pakistani companies and of the issues traded 46 showed appreciation in prices over the prices quoted on December 3, 1971. In the ensuing weeks the sentiment was less markedly bright reflecting primarily the uncertainties of the pre-budget period.

Turnover of shares

The depression in the stock market led to an unprecedented contraction in the turnover of shares. During July—June, 1971, the total turnover was 2.22

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crease or a monthly average of 19,36,356 shares. The shrinkage in each month thereafter is shown below:—

July, 1971	..	...	..	..	..	13,95,646
August, 1971	-	..	..	..	..	13,06,861
September, 1971	..	..	..	..	..	11,59,851
October, 1971	..	..	..	..	..	7,63,352
November, 1971	..	..	..	..	..	6,24,381

The average daily (per month) turnover of shares on the Karachi Stock Exchange contracted from 1,41,493 shares (August, 1970) to 32,862 shares (November, 1971). On the last day of trading i.e. on 3rd December, 1971 the turnover was as low as 25,016 shares. The index of turnover (1964-65=100) also declined from 200.1 to 52.2 during the 16 months period. This situation explains that out of the shares of 318 companies listed on the Karachi Stock Exchange, shares of 155 companies were being quoted below par on the last date of transaction denoting a decline ranging from 0.5% to 80.05% on the par values and 2.65% to 363.1% from their peak prices during the same period. The decline in the market values of shares of listed companies below their par values had seriously upset the investment made by the financing institutions out of the accumulated savings by the small investors as also the direct investment made by them in the shares of these companies.

Aggregate Market Value of Shares

The aggregate market value of shares which stood at Rs. 542.55 crore at the end of the month of April 1971 declined to Rs. 523.80 crore in June 1971 i.e. a depreciation of Rs. 18.75 crore within a period of three months. These declined further and stood at Rs. 502.11 crore, Rs. 507.62 crore and Rs. 494.31 crore respectively at the end of July, August and September 1971. After September, the aggregate market values began to deteriorate considerably so that this stood at Rs. 481.36 crore on 31st October declining further by Rs. 16.56 crore to Rs. 464.80 crore on 30th November, 1971. On 3rd December, 1971 the value stood at Rs. 464.11 crore.

Capital Market Institutions

On the institutional front, the ICP, NIT, IDBP and PICIC play a vital role in the functioning of the capital market. Investment in the corporate sector is partly self-financed and partly dependent upon the supply of credit by these institutions. Their activities greatly influence the pattern of flow of funds for private investment in the corporate sector.

INVESTMENT CORPORATION OF PAKISTAN (ICP)

The Investment Corporation of Pakistan was established to develop the capital market and broaden the base of share ownership in the country. The Corporation set out to achieve its objectives through the under-writing of public issues and placement of debentures, organisation of investment channels for individual savers and stabilisation of share values.

Underwriting Operations

Between May 6, 1966 and December, 1971, ICP sanctioned 288 applications for underwriting of public issues and purchase of debentures involving assistance of Rs. 82.96 crore. ICP's own underwriting commitment amounted to Rs. 28.38 crore, out of which West Pakistan accounted for Rs. 16.14 crore. Assistance provided through acceptance of debentures amounted to Rs. 35.92 crore, of which the ICP's own commitment amounted to Rs. 13.89 crore and the balance was contributed by other financial institutions. Together with the funds contributed by the sponsors and other financial institutions, the total equity and debenture investment in ICP-underwritten projects amounted to Rs. 131.44 crore up to 31st December, 1971.

The cumulative position of underwriting of public issues and placement of debentures as on 25th March, 1972 is as under:

TABLE 28
UNDERWRITING OF PUBLIC ISSUES

Total Public Issues	No. of cases	Amount (Rs. in lakh)
All Pakistan	244	29,72.39
West Pakistan:		
Public Issues	43	7,77.55
Debentures	58	9,71.62
	101	17,49.17

Investors' Scheme

The Corporation took a major step in broadbasing share ownership by launching a facility under which individual investment accounts are opened and managed. As on May 27, 1972, the Corporation held 7,284 investment accounts of which 5,576 accounts were in West Pakistan. The total investment in the accounts was Rs. 7.54 crore.

Development of Capital Market

The Corporation seeks to develop the capital market by (i) diverting the interest of conservative investors from real estate to stocks (ii) injecting modern business practices into the investment appraisal field and (iii) imparting stability to the stock market. The ICP participates substantially in the trading on the stock market through its operations on behalf of its investment account holders, providing over-the-counter trading facilities to its investment account holders with a view to insulating the market from the pressure of transactions which might upset its equilibrium and by operating selectively on the market to counteract violent fluctuations.

Mutual Funds

Through the mechanism of closed-end mutual funds the Corporation has been successful in raising substantial funds from the investing public. The total

below sums
Rs. 5.50 crore

Fund capital
Year of Establishment
Net Assets per
(3-12-1971)

Dividends:
1968
1969
1970
1971

The NIT
to meet the
corporate

During
increased from
The net value
of the Unit
Rs. 43.93 crore
investment, 2
14.84% in the
the sugar and

The total
of the value
crore at the
issue and the
below:

June 26, 1971
July 31, 1971
August 21, 1971
September 25, 1971
October 30, 1971
November 27, 1971
December 29, 1971
January 22, 1972
February 26, 1972
March 25, 1972

below sums up the main features of mutual funds floated involving a total sum of Rs. 5.50 crore.

TABLE 29
MUTUAL FUNDS

	First ICP Mutual Fund	Second ICP Mutual Fund	Third ICP Mutual Fund	Fourth ICP Mutual Fund
	Rs.	Rs.	Rs.	Rs.
Fund capital	50 lakh	150 lakh	200 lakh	150 lakh
Year of Establishment	1967	1968	1969	1970
Net Assets per certificates (per Rs. 100 (3-12-1971))	88.91	120.84	131.23	91.39
Dividends :				
1968	15%	—	—	—
1969	16%	15%	—	—
1970	16%	16%	15%	—
1971	15%	15%	15%	15%

THE NATIONAL INVESTMENT (UNIT) TRUST

The NIT was set up towards the end of 1962 for mobilization of savings to meet the growing needs of the corporate sector and to achieve broad-based corporate ownership.

During nine years of its operation the number of unit account holders increased from 5,392 on December 31, 1963 to about 58,000 on March 31, 1972. The net value of units sold stood at Rs. 47.39 crore and the total investment of the Unit Trust Fund, was Rs. 50 crore on March 31, 1972, out of which Rs. 43.93 crore were invested in share capital of 260 companies. Of the total investment, 22.22% was made in cotton textile sector covering 64 companies, 14.84% in the fuel and power group consisting of 19 companies and 8.00% in the sugar and allied group covering 19 companies.

The total number of units outstanding on 28th June, 1971 was 418 lakh of the value of Rs. 52.28 crore as against 365 lakhs units of the value of Rs. 45.21 crore at the end of June 1970. The cumulative position of total units in issue and the value of investment during July 1971—March 1972 are shown below :

TABLE 30
NIT INVESTMENTS

Month/Date	Total units in issue	Total value of Investment
June 26, 1971	4,18,21,953	52.28
July 31, 1971	4,23,03,490	52.97
August 21, 1971	4,20,21,688	52.63
September 25, 1971	4,20,95,886	52.73
October 30, 1971	4,14,29,297	52.04
November 27, 1971	4,07,65,722	51.19
December 29, 1971	3,91,58,724	49.39
January 22, 1972	3,73,97,356	47.41
February 26, 1972	3,67,16,167	45.58
March 25, 1972	3,73,12,606	47.40

PICIC AND IDBP

PICIC

PICIC and IDBP play a vital role in capital market development through their direct participation in industrial shares, purchase of debentures and underwriting of public issues of shares and debentures. During July-March 1972, PICIC lakh and underwrote public issues of 7 projects for Rs. 1.78 crore. It also arranged foreign equity participation for 2 projects amounting to Rs. 1.18 crore during the year.

IDBP

During the year, the IDBP's investment in industrial shares and debentures amounted to Rs. 30 lakh.

REGULATORY INSTITUTIONS

Security and Exchange Authority

The Securities and Exchange Authority was set up by an Ordinance which came into force on the 1st November, 1970. Its main functions are protection of the interests of the investors and regulation of trading on the securities market. During the year under review, the Authority played an effective role in the maintenance of confidence among investors. Under the provisions, the listed companies are required to submit half-yearly balance sheets in the prescribed form for establishing proper reporting practices in the corporate sector. This is not only of immense value to the share-holders but also acts as a deterrent to any unfair treatment of the small investors by the controlling interests.

Controller of Capital Issues

The issue of shares (including bonus shares) require the approval of the Controller of Capital Issues in the Ministry of Finance. New issues sanctioned during the period (July, 1971--March 1972) amounted to Rs. 44.72 crore (West Pakistan Rs. 38.78 crore) as against Rs. 111.58 crore during July 1970--June 1971. Of this year's sanctions, Rs. 26.01 crore related to equities (ordinary shares), Rs. 18.23 to debentures (See table 31) Rs. 0.47 crore were sanctioned to private companies for issue of capital.

The province-wise break-down of the total capital sanction reveals that out of Rs. 38.78 crore, the major share has been for companies registered in Sind Rs. 24.00 crore, Rs. 13.04 crore were sanctioned for the Punjab, and Rs. 1.73 crore for NWFP. Baluchistan has received no sanction during the period. These sanctions to issue capital were given to 62 companies comprising 49 industrial and 13 non-industrial companies. The highest number of companies belongs to Sind and lowest to NWFP (See table 32).

TABLE 31
ISSUE OF CAPITAL
(July 1970—June 1971 and July 1971—March 1972)

Year/Month	(Rs. in lakh)														
	Classification of Public Companies			Capital sanction to issue shares by public companies			Private Companies			Total			Total Capital sanctioned (Public and Private Companies)		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
July, 1970 to June, 1971	..	160	6	18	8	192	171.00	7,221.33	3,203.17	10,595.50	—	562.95	—	562.95	11,158.45
July, 1971	..	14	—	—	—	14	—	127.96	94.85	222.81	—	26.00	—	26.00	248.81
August, 1971	..	14	—	3	2	19	—	761.43	198.00	959.43	—	1.05	—	1.05	960.48
September, 1971	..	9	—	1	—	10	—	170.22	58.00	228.22	—	—	—	—	228.22
October, 1971	..	10	—	3	—	13	—	367.38	135.60	502.98	—	—	—	—	502.98
November and December, 1971	..	12	—	—	1	13	—	902.00	207.00	1,109.00	—	—	—	—	1,109.00
January, February and March 1972	..	11	—	—	4	15	—	292.63	1,130.00	1,422.63	—	—	—	—	1,422.63
Total	..	70	—	7	7	84	—	2,621.62	1,823.45	4,445.07	—	27.05	—	27.05	4,472.12

Source : Investment & Capital Issues Wing, Ministry of Finance.

TABLE 32
PROVINCE-WISE SANCTIONS FOR ISSUE OF CAPITAL
 (July 1971—March 1972)
 (Rs. in lakhs)

S. No.	Province	Industrial		Non-Industrial		Total		Grand Total		Total			
		No. of Companies	Equity	Debt	Total	No. of Companies	Equity	Debt	Total				
1	Punjab	19	616.90	265.00	881.90	5	82.50	340.00	422.50	24	699.40	605.00	1,304.40
2	Sindh	27	1,144.73	257.00	1,401.73	8	173.55	825.00	998.55	35	1,218.28	1,082.00	2,300.28
3	N.W.F.P.	3	98.10	75.00	173.10	—	—	—	—	3	98.10	75.00	173.10
4	Baluchistan	—	—	—	—	—	—	—	—	—	—	—	—
Total		49	1,859.73	597.00	2,456.73	13	256.05	1,165.00	1,421.05	62	2,115.78	1,762.00	3,877.78

Source: Investment & Capital Issues Wing, Ministry of Finance.

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PRICES

In a private, or predominantly private economy, prices of commodities and factors have an important function to perform in regulating the production and distribution of the national output. Movement of individual prices are signals for re-allocating resources into channels dictated by effective demand; hence prices cannot be kept unchanged if the price-mechanism is to function in a market economy. However, the stability of the price level is possible even while prices of individual items are moving and such overall stability is an important condition for maintaining equilibrium in the society and for the smooth growth of the national economy. In view of this, the prices of items entering into the cost of living, have been a major concern of government.

Reasonable price stability was maintained during the Second Five-Year Plan. With the beginning of the Third Five-Year Plan a number of unfavourable circumstances operating on the supply as well as the demand sides created imbalance in the economy. War with India in 1965 necessitated a substantial transfer of resources to defence purposes. Simultaneously, the suspension of foreign aid created shortages of imported inputs and since the sales proceeds of commodity aid were a major element of support to the budget there emerged an internal financial constraint as well. Large monetary expansion was resorted to for meeting this budgetary gap. Unfavourable weather conditions in some years and labour unrest in others led to reductions in agricultural production and interruptions in manufacturing output. On the other hand, higher wages decreed under the new labour policy of 1969 generated monetary demands for goods and services. On the production front, the higher cost of imports on account of shift of import of raw materials from cash to cash-cum-bonus and bonus raised the cost of production of indigenous products. Higher indirect taxation on items of mass consumption also raised prices. Economic conditions continued to deteriorate in the early years of the Fourth Plan. Three successive years of drought have been experienced since 1969-70 and political disturbances have generated forces of economic imbalance leading to price instability.

The country has also experienced a continuous worsening in its terms of trade. The fruits of increased exports have partly been nullified by an increase in import prices. In the absence of adequate import substitution, prices of imported goods increased considerably. The index of terms of trade (1954-55=100) declined from 116 in 1968-69 to 100 in 1969-70 and further to 82 in the first half of 1971-72.

In the background of the factors discussed above, the price situation during 1971-72 remained under considerable pressure and inflationary forces gathered momentum. The main factors responsible for sharp rise in prices during the period under review were heavy deficit financing, the interruption of supplies from East Pakistan, delays in securing wheat from abroad to fill the gap resulting from a short wheat crop, dwindling commodity aid, rising landed cost of imports due to currency appreciation in several European countries and Japan, the high cost of transportation following the requisition of heavy trucks by the Government during the 1971 war with India and other transportation difficulties. The Government that came into power later in December 1971 tackled this combination of causes after deciding that an overriding objective of its economic policy was the stabilization of prices of items of mass consumption. Before describing the measures adopted by them the facts of the price situation are first examined.

Wholesale Price Index

Wholesale prices were characterised by an upward trend during July 1971—March 1972. The index (with 1959-60 as base) revealed an increase of 7.43% against an increase of 3.47% during the same period last year. A significant feature of recent price behaviour was that prices of food, fuel, lighting and lubricants went up substantially while those of raw materials recorded minor increase (see Table 33). The prices of raw materials increased by 2.98% against 9.20% last year. The slower upward movement in prices of raw materials is attributed to increased production of raw cotton during 1971-72 and to low level of industrial activity.

Detailed analysis shows that the price situation came under strain during May 1971 but improved thereafter following demonetization of currency and announcement of new budget and import policy. The improvement in the price situation, however, proved short-lived and prices continued rising until December 1971. As a result of war with India in November-December 1971, there was dislocation in transportation facilities leading to localized pressures on prices. With the declaration of cease-fire and the formation of the new Government, the situation tended to improve. The general price index remained almost unchanged in January 1972. But it again rose in February-March. It, however, showed a marginal decline in April, 1972. The index which stood at 139.42 in June 1971 increased to 156.63 in April 1972. Table 33 shows the comparative position of the wholesale price indices.

TABLE 33
INDEX OF WHOLESALE PRICES BY COMMODITY GROUPS
(1959-60=100)

Particulars	Average July—March 1971-72	Average July—March 1970-71	Average July—March 1969-70	Percentage change in 1971-72 over 1970-71	Percentage change in 1970-71 over 1969-70
General	147.11	136.93	132.34	+7.43	+3.47
Food	148.55	136.59	134.54	+8.76	+1.52
Raw materials	136.00	132.86	121.67	+2.98	+9.20
Fuel, lighting and lubricants	149.82	135.23	131.50	+10.79	+2.84
Manufactures	150.74	140.89	134.31	+6.99	+4.90

Following the general rise in prices, the consumer price indices for industrial workers and clerical wage earners have also gone up during 1971-72 (July—March). The general index for industrial workers recorded increases of 5.10%, 4.17% and 3.70% at Karachi, Lahore and Sialkot, respectively. The general index for clerical wage earners increased by 6.62%, 12.81% and 4.62% at Karachi, Lahore and Peshawar, respectively, during the same period. Table 34 shows the trend of consumer price indices (industrial and clerical) at Karachi, Lahore, Sialkot and Peshawar.

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TABLE 34
CONSUMER PRICE INDEX

(1961=100)

Particulars	Average July-March 1971-72	Average July-March 1970-71	Average July-March 1969-70	% change in 2 over 3	% change in 3 over 4
1	2	3	4	5	6
INDUSTRIAL—KARACHI					
General	149.19	141.95	134.71	+5.10	+5.37
Food	160.38	152.33	141.90	+5.28	+7.35
Apparel, Textile and Footwear	133.63	126.96	120.25	+5.25	+5.58
Housing and Household Operations	129.91	125.43	125.18	+3.57	+0.20
Miscellaneous	137.71	131.11	128.13	+5.03	+2.83
LAHORE					
General	144.46	138.68	132.25	+4.17	+4.86
Food	150.71	142.84	136.12	+5.51	+4.94
Apparel, Textile and Footwear	115.39	113.90	111.46	+1.31	+2.19
Housing and Household Operations	135.58	132.18	127.43	+2.57	+3.72
Miscellaneous	142.64	140.17	131.72	+3.76	+6.42
SIALKOT					
General	148.50	143.20	136.02	+5.70	+5.28
Food	153.27	148.63	140.43	+5.12	+5.84
Apparel, Textile and Footwear	126.42	124.78	119.38	+1.31	+4.53
Housing and Household Operations	136.81	128.97	125.67	+6.08	+2.47
Miscellaneous	143.45	135.82	130.06	+5.62	+4.43
CLERICAL—KARACHI					
General	152.46	143.00	135.19	+6.62	+5.57
Food	175.56	159.82	146.34	+9.25	+9.21
Apparel, Textile and Footwear	140.80	134.90	128.03	+4.37	+5.35
Housing and Household Operations	130.17	128.02	128.42	+1.68	-0.10
Miscellaneous	129.52	125.58	123.11	+3.14	+2.01
LAHORE					
General	149.33	132.37	126.23	+12.81	+4.86
Food	166.71	139.43	131.07	+19.57	+6.38
Apparel, Textile and Footwear	116.79	133.52	109.88	+2.88	+3.31
Housing and Household Operations	119.48	117.83	115.17	+1.40	+2.31
Miscellaneous	140.12	132.35	128.35	+5.95	+3.09
PESHAWAR					
General	140.20	134.01	130.29	+4.62	+2.86
Food	149.46	142.76	139.11	+4.69	+2.62
Apparel, Textile and Footwear	133.87	125.81	119.99	+6.41	+4.85
Housing and Household Operations	119.20	111.91	109.85	+6.51	+1.88
Miscellaneous	124.79	121.49	117.39	+2.72	+3.49

SELECTED FOOD ITEMS

Wheat

The price of *dest* wheat in West Pakistan ranged between Rs. 20 to Rs. 28.31 per maund during the wheat year ending April 1972. At Karachi the price of wheat (average quality) moved between Rs. 21 and Rs. 26.25 per maund during May 1971-April 1972 compared with Rs. 23.57 and Rs. 22 per maund during the corresponding period of 1970-71. The price ruled around Rs. 21 until November 1971 but rose gradually afterwards reaching Rs. 26.25 per maund in April 1972. At Rawalpindi price variation was confined between Rs. 18.31 and Rs. 27.25 per maund. The price situation in April 1972 eased at certain places such as Lyallpur, Muzkan and Quetta.

The high price of wheat was the consequence of lower wheat production in 1970-71. The crop suffered a setback due to drought conditions with resultant decline in the availability of water in the canals of West Pakistan. The availability of wheat from local production for the current year is estimated at 63.74 lakh tons against anticipated requirements of 70 lakh tons. The deficit was proposed to be met by imports of 5 lakh tons from U.S.A. under PL-480 and the remainder through commercial channels. Due to suspension of PL-480 aid earlier in the year the provincial governments were forced to pursue a conservative policy of wheat releases to the flour mills from their stocks. Releases were cut down by 50% during July-November 1971, as compared to releases in the corresponding period last year. Flour mills therefore went in for substantial open market purchases which had the effect of denuding stocks held by the private trade and prices in local markets rose sharply. There was also some evidence of smuggling to Afghanistan where a drought of unprecedented intensity raised prices to high levels.

After the inauguration of the new government, the U.S.A. agreed to supply 3 lakh tons of wheat and 90,000 tons of wheat were diverted from supplies originally earmarked for East Pakistan due to the closure of the ports there. Another 78,950 tons of wheat were received under Food Aid Convention and commercial purchases of 91,000 tons were made under short term credit from U.S. Commodity Credit Corporation. The gap of 5.5 lakh tons had been almost covered but about 1 lakh tons could not arrive until after the new crop was harvested.

The price situation was kept under constant watch and in February 1972 it was noted that prices of wheat and *atta* were under pressure due to lower wheat releases. The provincial governments were assured that supplies would be made available by the Central Government and were asked to step up their monthly rate of releases. The procurement of wheat from the U.S.A. was speeded up through adopting a re-imbursment procedure to ease the supply position of wheat and *atta*. With the arrival of the new crop, the price of wheat started coming down in April-May 1972. The price of *atta* has been maintained through subsidized supplies at ration depots at Rs. 13.35 per maund. The Government has pointed out that during 1972-73, Rs. 100 crore would be spent on building stocks of essential commodities to prevent rise in their prices.

Rice

At Karachi, the price of coarse rice (*kangni*) fluctuated between Rs. 21.12 and Rs. 23.27 per maund during May 1971-April 1972 compared with Rs. 21.12 and Rs. 27.60 per maund during the corresponding period of 1970-71. At Rawalpindi, price of basmati showed a mixed trend ranging between Rs. 35.75 and

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Rs.50 per maund. The price during the preceding year ranged between Rs.35.12 and Rs. 41.67 per maund. The comparative low price of coarse rice in West Pakistan was the consequence of the suspension of rice shipment to East Pakistan.

In order to reduce wide difference in prices of rice at different places in the country, the Government in June 1971 announced its rice policy for 1971-72 which envisaged that :

- (a) movement of all varieties of rice and paddy throughout West Pakistan would remain free except to the border areas ;
- (b) procurement of rice of all varieties would continue to be on voluntary basis without any ceiling of quantity ;
- (c) the prevalent support price of all varieties of rice except par-boiled would remain unchanged ; and
- (d) the support price of par-boiled variety of rice would be raised by one rupee per maund.

Rice is not a main food item in West Pakistan. Most of the basmati rice is procured for export. In order to encourage the production of basmati rice, the government has decided to raise the price of basmati from Rs. 38 per maund to Rs. 42 per maund for the year 1972-73 with procurement on monopoly basis. The price of coarse varieties of rice would be maintained at the previous level.

Sugar

In May 1971, release price of sugar was fixed by the Government at Rs. 63 per maund while in the open market it stood slightly higher at Rs. 65.57 per maund. The price in the open market at Karachi subsequently rose to Rs. 73.17 per maund in November and further to Rs. 112 per maund in April, 1972. The retail price of sugar increased at a faster rate. In April 1971, the retail price which prevailed at Rs. 1.50 per seer at Karachi increased to Rs. 2.00 per seer in December 1971 and further to Rs. 3.32 per seer in March, 1972.

In face of high free market prices, the Government has maintained the price of sugar at the ration depots at Rs. 1.60 per seer. Free market price reflects taking over of up to 75% of stocks by the provincial governments for meeting ration demand. The main factor responsible for the steep rise in the price of sugar was lower production due to a fall in the availability of sugar-cane.

To ease the pressure on prices, the Central Government, in November 1971, decided to ban the export of sugar. The supply position of sugar was kept under constant review and it was found that the production of sugar during the current season would be around 3.5 lakh tons instead of a revised target of 4.5 lakh tons. In view of the decreased production of sugar, the Government issued a number of directions regarding the effective distribution system. The directions required that :

- (i) the provincial government should ensure that the newly set quotas for controlled distribution are lifted by them from the mills irrespective of the level of production of individual mills ;

- (ii) releases of sugar from Government stocks to establishments and industrial units would be stopped.
- (iii) sugar would be imported under bonus free of duty and under cash-cum-bonus with 50% relief in duty.

Gram

The price of gram at Karachi ruled between Rs. 22.36 and Rs. 25.93 per maund during May, 1971 to April, 1972 compared with Rs. 21.60 and Rs. 33.63 per maund during the corresponding period last year.

At Rawalpindi, the highest price i.e. Rs. 28.62 per maund was recorded in April 1972 and the lowest Rs. 23.31 per maund in August, 1971.

Gur

Price of gur, a substitute of sugar, was affected adversely in the face of high price of sugar. At Karachi the price of gur during April—September, 1971 showed minor increases ranging between Rs. 23.37 and Rs. 26.50 per maund. The price, however, started to rise sharply afterwards and increased to Rs. 45 in April, 1972. At Rawalpindi it depicted wider fluctuations ranging between Rs. 19.75 and Rs. 50 per maund during the year. Last year the price at Karachi and Rawalpindi ranged between Rs. 19.30—Rs. 28.87 and Rs. 14.75—Rs. 21.50 per maund respectively.

Edible Oils

At Karachi the price of mustard oil declined. It ranged between Rs. 90.00 and Rs. 136 per maund during 1971-72 compared to Rs. 115.50 and Rs. 150.25 per maund during 1970-71. Similarly price of cottonseed oil decreased in 1971-72.

Increase in production of edible oils from 2 lakh tons in 1970-71 to 2.48 lakh tons in 1971-72 led to decrease in their prices during 1971-72; especially sales to East Pakistan were interrupted.

Vegetable Ghee

At Karachi the price of vegetable ghee ranged between Rs. 12.44 and Rs. 12.76 per 5 lbs. tin during the period under review.

The Pakistan Vanaspati Manufacturers Association had agreed that the price of vegetable ghee fixed in January 1971 for six months would be operative for another six months i.e. until January, 1972. The agreement has been renewed until December, 1972 with slight downward revisions in ceiling prices. The maximum retail price i.e. Rs. 5 per seer fixed in January, 1971 has been reduced by 25 paise for the year 1972. Similarly, the price of 10 lbs. tin has been reduced from Rs. 25 to Rs. 24.50. The revision was made possible by lower prices for cotton seed oil following the larger availability of cotton seed from the bumper cotton crop (4 million bales) and the suspension of shipments of rape and mustard seeds to East Pakistan.

Tea

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Tea

Price of tea which was hitherto under heavy pressure due to supply constraints stabilised after April, 1971 due to improved supply position through imports which were permitted under bonus without any quantity restriction. The import of tea in West Pakistan during July, 1971--April, 1972 amounted to Rs. 9.08 crore as against only Rs. 13.55 lakh in the corresponding period of 1970-71. In addition to bonus, tea is also being imported under barter. Table 35 on the next page indicates the average wholesale prices of the selected food items mentioned above.

TABLE 35
AVERAGE WHOLESALE PRICES OF SELECTED FOOD ITEMS

Commodity	Unit	(In Rs.)												
		April 1971	May 1971	June 1971	July 1971	August 1971	Sept. 1971	Oct. 1971	Nov. 1971	Dec. 1971	Jan. 1972	Feb. 1972	March 1972	April 1972
Wheat (Av. Quality)														
Karachi	Maund	21.05	21.00	21.97	21.30	21.60	21.10	21.52	21.95	22.56	23.68	24.15	25.60	26.25
Rawalpindi	"	19.97	19.22	19.91	20.13	18.31	19.27	19.75	20.37	22.75	23.06	23.25	23.25	27.25
Rice														
Karachi (Kaegni)	"	21.05	21.28	21.35	21.12	21.25	21.35	21.72	21.85	22.40	21.76	21.65	23.10	23.27
Rawalpindi (Basmati)	"	36.25	35.75	36.75	38.50	37.50	41.12	42.00	42.75	42.50	42.00	42.00	43.75	50.00
Gram-whole														
Karachi	"	22.22	22.86	22.95	22.76	22.76	22.65	22.84	23.05	23.60	24.05	24.00	24.85	25.93
Rawalpindi	"	25.63	25.62	24.89	24.69	23.31	24.19	24.50	24.46	24.25	26.25	28.50	28.50	28.62
White Sugar (Open Market)														
Karachi	"	65.57	65.35	76.26	66.60	68.62	68.75	70.90	73.17	N.A.	75.31	76.33	103.12	112.00
Rawalpindi	"	69.00	63.13	63.19	80.87	86.80	86.35	84.04	84.30	86.40	85.16	95.33	126.70	137.40
Gir														
Karachi	"	23.37	25.60	25.37	26.40	25.88	26.50	31.20	35.75	44.12	39.00	38.00	40.62	45.00
Rawalpindi	"	19.75	22.50	23.00	23.50	25.75	27.37	26.60	28.00	32.25	29.90	35.50	45.25	50.00
Mustard Oil														
Karachi	"	119.25	127.30	133.37	133.30	132.00	135.25	136.00	135.12	134.50	92.10	90.00	101.00	96.33
Rawalpindi	"	117.50	121.67	133.81	134.33	130.00	129.37	132.50	130.00	130.00	103.00	88.33	101.37	100.00
Vegetable Ghee (Dalda)														
Karachi	5 lbs.	12.74	12.67	12.72	12.75	12.75	12.76	12.47	12.62	12.71	12.68	12.69	12.50	12.44
Tea Ispakani (Green Spot)														
Karachi	1/2 lb.	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35

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Variety

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Cotton creased fro. 1971 but dec

Cement. Rs. 133.41 remained un also increa December, 1 increased r 1970-71 (Ju consumption

Iron ar ton in Apr

Selected Non-Food Items

Paper.—The price of white printing paper (20"×30") 24 lbs. at Karachi increased from Rs. 1.43 per lb. in April to Rs. 1.81 per lb. in December 1971 and remained unchanged until April, 1972. Price ruled firm at Rs. 1.43 per lb. during April 1970—March, 1971.

Due to political disturbances in East Pakistan, the supply of newsprint was seriously hampered. In order to keep the situation under control, the Government promulgated an Ordinance for regulating the supply of paper. Import of newsprint on bonus was allowed in June 1971. In order to improve the supply position the Government in January 1972 arranged the import of newsprint a barter/aid. These imports were free of custom duty.

Cotton Textiles.—Some common varieties of cloth showed an upward trend in price during April—December 1971, but decreased thereafter on account of the accumulation of stocks following the stoppage of inter-wing trade and the opening of cotton prices due to the bumper crop. Table 36 shows the behaviour of prices of silk and cotton fabrics.

TABLE 36

PRICE OF FABRICS—KARACHI

Variety	Unit	March 1971	June 1971	Sept. 1971	Dec. 1971	March 1972
Long Cloth-15000-Colony	Yard	2.60	2.63	2.71	2.81	2.73
Long Cloth-96000-Dawood	"	2.60	2.75	2.76	2.82	2.74
Saree Cotton Printed Border	5 Yds.	28.60	26.94	27.55	26.16	28.46
Satin-Alamgir	Yd.	5.65	5.56	5.60	5.57	5.93
Lady Hamilton-Alamgir	"	5.68	5.48	5.53	5.43	5.70

Cotton Yarn.—Price of 20/1 Paracha (Seagull) cotton yarn at Karachi increased from Rs. 29 per 10 lbs. in April, 1971 to Rs. 31 per 10 lbs. in December, 1971 but decreased to Rs. 30 per 10 lbs. in April, 1972.

Cement.—The price of Zeal-Pak cement at Hyderabad increased from Rs. 133.41 per ton in April, 1971 to Rs. 160 per ton in December, 1971 which remained unchanged until April, 1972. Price of Wah factory cement at Wah also increased from Rs. 175 per ton in April, 1971 to Rs. 188 per ton in December, 1971 and further to Rs. 190 per ton in April, 1972. The prices increased mainly as a result of larger exports of cement—from Rs. 1 crore in 1970-71 (July—March) to Rs. 2.7 crore in 1971-72 (July—March)—heavy consumption for Tarbela Dam and lower production.

Iron and Steel.—Price of pig iron at Karachi decreased from Rs. 1,525 per ton in April 1971 to Rs. 965.62 per ton in December, 1971, due mainly to

lower demand on account of slower industrial economic activity. It, however, started increasing thereafter and touched Rs. 987 per ton in April, 1972.

Soap.—Soap prices have witnessed a persistent increase. The retail price of local soap at Karachi prevailed at Rs. 1.15 (per cake of 16.5 oz.) in April, 1972 as against Rs. 0.90 in April, 1971. The sharp rise in soap prices is attributed to increase in the price of the raw materials used in the production of soap viz., caustic soda, tallow, coconut and other oils. A large part of tallow and coconut and other oils is imported under bonus which has pushed up their prices.

To ease the supply position of raw materials, and stabilising the prices of soap, arrangements have been made to import a part of the requirements of tallow under PL-480.

Kerosene oil.—The price of kerosene oil has been on the increase during 1971-72 due mainly to unsatisfactory distribution system. The increase in price of kerosene oil was more pronounced in the northern districts due to damage to storage, filling and discharging facilities during the war. At Karachi, the price of kerosene oil increased from Rs. 0.25 per pint in March, 1971 to Rs. 0.31 per pint, an increase of 24 per cent in April, 1972. The Central Government has directed that Government supervised distribution agencies in rural areas should be increased.

MEASURES FOR PRICE STABILITY

The preceding review of the behaviour of prices of essential commodities shows that the prices have remained under constant pressure during the period under review. With the installation of the new Government on 20th December, 1971, immediate and urgent attention was paid to the problem of price stability. A high-powered committee under the chairmanship of the Finance Minister and sub-committees were set to review the prices of essential consumer goods. Essential commodities were identified and the Ministries concerned were required to prepare annual plans of these commodities for the year 1972-73 after a careful study of the level of production and consumption. Speedy decisions were taken to ease the supply position of essential consumer goods. Higher imports of wheat were arranged and releases of wheat to the roller mills stepped up. Import of sugar on bonus and cash-cum-bonus was allowed in view of the shortage in indigenous production, free of customs duty. The Trading Corporation of Pakistan has placed orders for 105,000 tons of sugar in order to meet the demand of the ration shops. Liberal imports of tea under bonus as well as barter have eased the supply position of tea. The Government is also considering measures for improvement in the production of standard varieties of cotton cloth consumed by the common people. To augment supplies, the Government allowed import of matches on bonus without import duty.

Apart from these specific measures for individual commodities, measures were adopted to improve the distribution facilities of essential consumer goods. Government-controlled supply depots have been set up at various places for distribution of essential consumption items at reasonable prices. A Utility Stores Corporation has been set up to organise supplies of essential consumer goods at stable prices. These measures have considerably eased the price situation in recent months.

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Effect of Devaluation on Prices

Following the devaluation of the Pakistan rupee, Government have adopted certain measures to safeguard the prices of items consumed by the poor and middle classes. The measures include :

- (i) Wheat and *atta* will continue to be subsidized at Government ration depots ;
- (ii) The prices of kerosene oil, diesel and petrol will be maintained at the present level through adjustment in import duties and taxes.
- (iii) The prices of text books will be protected under a new scheme by which subsidy will be granted.
- (iv) The prices of imported sugar will be maintained at the present level by a reduction in duty.
- (v) The prices of drugs and medicines will go down under the new scheme of importing under generic names through the Trading Corporation of Pakistan.

TRADE AND PAYMENTS

Introduction

The external sector of the economy is of critical importance because of Pakistan's reliance on foreign trade and aid for essential imports and for scarce capital resources. To find the means for paying for goods, services and credits from abroad, the country must sell its own commodities to buyers in foreign countries. The balance of payments is a record of its accounts with the world economy. It consists basically of three parts :

- (a) the visible trade account which registers the data on exports of merchandise, imports of goods and the balance of trade ;
- (b) the invisible account which records receipts and payments for services. Together, the visible and invisible transactions add up to what is known as the " balance on current account ;"
- (c) the capital and investment account which shows how a deficit in the current account is financed, *i.e.*, by use of reserves or by borrowing abroad, whether short-term or long-term, etc.

As a developing country, Pakistan has consistently recorded deficits in its current account which have been substantially financed by foreign assistance. (This is described in Chapter IX). In this chapter, attention is focussed on the details of visible and invisible transactions and the manner in which the deficits in these transactions have been covered.

The analysis for 1971-72 is clouded by a number of difficulties. For the first five months of the fiscal year, the external accounts were maintained on all-Pakistan basis ; transactions with the eastern wing were part of the internal flows of commodities and funds. Except for movements of merchandise between the two wings, no record was maintained—indeed, it was not possible to do so—of the flows of services and financial claims. The discussion of the balance of payments is not possible on a historical basis because of the suspension of inter-wing trade and payments links from mid-December, 1971. A brief analysis for the calendar years 1970 and 1971 for the entire country is followed by an attempt to segregate the foreign transactions of West Pakistan during 1970-71 and 1971-72. This has required certain assumptions regarding the allocation of invisible receipts and payments between the wings. The devaluation of the Pakistan rupee in May, 1972, introduces an element of distortion: to overcome this problem, data for West Pakistan have been estimated in pre-devalued rupees. Finally, instead of using the exchange record which has hitherto been the source of balance of payments data, an amalgam of trade and exchange sources has been adopted in order to develop an analysis of the balance of payments in West Pakistan.

BALANCE OF PAYMENTS DEVELOPMENTS
1970 AND 1971

The overall balance of payments position of Pakistan improved in 1971 over 1970. Foreign exchange reserves held and controlled by the State Bank which had declined by Rs. 60.47 crore in 1970, fell by Rs. 6.35 crore only in 1971. The improvement, however, was more apparent than real because from May, 1971, onwards, Pakistan was compelled to apply a moratorium on conversions of maturities of debt service on foreign loans committed under consortium auspices and on government-to-government loans in the case of countries not members of the consortium.

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In 1971, imports as well as exports declined but the decline in imports was larger resulting in an improvement in the visible balance. The decline in imports was largely related to a lower inflow of foreign economic assistance. Exports declined by Rs. 5.12 crore, largely because of the slowing down of exports from East Pakistan and their cessation in December, 1971.

TABLE 37

PAKISTAN—BALANCE OF TRADE

						(Rs. in crore)	
						1971	1970
Imports	..	..	..	..	..	533.76	564.70
Exports	..	..	..	..	..	314.93	320.05
Balance						(—) 218.83	(—) 244.65

The deficit on invisible account was also lower. Receipts as well as payments declined but again the latter fell by a larger amount, as shown in Table 38.

TABLE 38

PAKISTAN—INVISIBLE RECEIPTS AND PAYMENTS

						(Rs. in crore)	
						1971	1970
Receipts	..	..	..	..	..	67.79	79.49
Payment	..	..	..	..	..	149.37	186.31
Balance						(—) 81.58	(—) 106.82

WEST PAKISTAN

(a) Visible Account

The overall balance of payments position of West Pakistan improved in 1971-72 compared to 1970-71. This was primarily attributable to a remarkable improvement in the balance of trade.

TABLE 39

WEST PAKISTAN—BALANCE OF TRADE

						(Rs. in crore)		
						Imports	Exports	Deficit
1970-71	..	..	..	..	..	360.2	211.0	149.2
1971-72	..	..	..	..	..	320.0	280.0	40.0

Two factors are mainly responsible for the sharp rise in exports. Firstly, Pakistan harvested a bumper cotton crop of over 4 million bales, an increase of at least one-third over the previous year. The international price for raw cotton was also significantly higher, the unit value working out at Rs. 3,150 in the period

July 1971---March 1972 compared with about Rs. 2,700 per ton during the corresponding period of the preceding year. Secondly, the diversion to foreign countries of goods previously moving in inter-wing trade, which had already begun in 1970-71, accelerated in the current year. On certain assumptions regarding pricing in inter-wing and international trade, domestic absorption and capacity utilisation, about one-third of the increase of 24% in West Pakistan's exports during 1970-71 and about one half of the increase of 33% in 1971-72 could be attributed to the switching of inter-wing exports to international channels. This was not only true in the case of primary products, including raw cotton and rice, but more so for manufactured items which registered an increase of 20% in the current year. The details are shown in table 40.

TABLE 40

WEST PAKISTAN EXPORTS

(Rs in crore)

Items	1971-72 (Estimate)	1970-71	1969-70
Cotton	80	27	21
Cotton yarn	48	36	25
Cotton cloth	36	31	26
Rice	20	17	9
Fish	10	8	7.5
Miscellaneous primary products	20	13	15.5
Leather	12	11	11
Carpets and rugs	8	7	7
Miscellaneous manufactures	46	61	40
Total	280	211	180

On the import side, there is estimated to be a decline of 11% to Rs. 320 crore as compared to Rs. 360 crore in the previous year. This is despite the fact that a large shift in imports previously obtained from the eastern wing should have occurred in favour of international sources. Moreover, the current year's figures include much larger imports of foodgrains (Rs. 21 crore) than were purchased in the previous year (Rs. 6.55 crore). Sugar imports which were zero last year are expected to be at least Rs. 10 crore in the current year. Imports of tea, which were Rs. 1.13 crore in the previous year (tea having been placed on bonus list in April, 1971, following disruption of supplies from the eastern wing) are estimated to reach Rs. 11 crore in the current fiscal year. Excluding these items, the decline in all other imports is even sharper than the overall totals indicate, being of the order of 21%. A large component of this decline relates to machinery and transport equipment which shows a drop of Rs. 44.6 crore leaving a fall of Rs. 30 crore in non-food and non-machinery items to Rs. 184 crore, or by one-seventh compared to the previous year. This would essentially cover imports of agricultural and industrial requirements.

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TABLE 41

WEST PAKISTAN IMPORTS

(In crore Rs.)

Items	1971-72 (Estimates)	1970-71	1969-70
Machinery	54.4	67.3	71.7
Electrical and transport equipment	42.9	75.5	55.1
Iron and steel products	47.3	53.3	41.9
Non-ferrous metals	5.4	7.1	6.1
Chemicals and fertilizers	36.4	45.2	59.9
Food grains	21.0	6.5	5.2
Sugar	10.0	N	0.1
Tea	11.0	1.1	0.1
Paper	3.6	3.1	2.1
Matches	1.0	N	N
Leather	0.2	0.1	N
Others	86.8	101.0	86.3
Total	320.0	360.2	328.5

N—Negligible.

The sharp drop in these items is the result of several factors. Firstly, cost restrictions were intensified by placing almost all imports other than those financed by aid or barter on the cash-*cum*-bonus or bonus lists. This meant that a wide variety of import transactions were moved to the most depreciated rates of exchange. Secondly, speculative forces came into play as hopes of resumption of commodity aid revived: importers tended to hold back orders in the expectation that the availability of commodity aid would permit them to pay for imports at the most favourable exchange rate, i.e., the old par value. Thirdly, the slowing down and eventual cessation of inter-wing trade meant a lower demand for imports of raw materials for producing finished goods previously exported to the eastern wing. While this effect was partly offset by the need to import from abroad certain industrial raw materials which were previously obtained from the eastern wing (e.g., jute, newsprint, raw and semi-tanned skins), there was a once-for-all lowering of demand as inventory levels in industries exporting both to East Pakistan and abroad were worked down in order to restore the inventory/sales ratio to a level corresponding with the lower figure of foreign sales. Finally, the recessionist conditions in the economy of the western wing, power shortages, labour unrest and other elements of uncertainty in the aftermath of the war led the import trade to prefer liquidity instead of entering into new commitments.

As a result of these factors, the overall balance of trade of West Pakistan is expected to shrink from Rs. 149.2 crore in 1970-71 to only Rs. 40 crore in 1971-72.

(b) Invisible Account

The invisible account including transfers on private account by way of family remittances from Pakistanis abroad is likely to register a larger deficit despite a projected rise by about 27% in receipts to Rs. 85 crore in 1971-72. The regular inflow of remittances from Pakistanis abroad into West Pakistan exceeded Rs. 35 crore during the first ten months of 1971-72 as against earnings of Rs. 33 crore during the whole preceding year from both zones of country. With the stoppage of inter-zonal trade and passenger traffic, considerable shipping and airline capacity is being deployed to earn foreign exchange.

Payments, other than debt service charges, are projected to rise by about 25% to Rs. 136 crore, mainly due to increased expenditures on Government account. The deficit on invisible account is expected to increase from Rs. 42 crore to Rs. 51 crore.

Despite the higher deficit on invisibles account and higher debt charges (discussed in chapter IX) the overall deficit is expected to decline sharply from Rs. 282 to Rs. 154 crore due to the improvement in the balance of trade as shown in the following table.

TABLE 42

WEST PAKISTAN BALANCE OF PAYMENTS ESTIMATES

	(In crore Rs.)	
	1970-71	1971-72 ¹
1. Visibles ² :		
Exports	211	280
Imports	360	320
Balance of Trade	(-) 149	(-) 40
2. Invisibles ³ :		
Receipts	67	85
Payments (other than debt service)	109	136
Balance of Invisibles	(-) 42	(-) 51
3. Debt Service ⁴	91	63
4. Overall deficit (1+2+3)	(-) 282	(-) 154
5. Aid	198	133
Project ⁵	(143)	(73)
Non-Project	(55)	(60)
6. Residual Deficit	84	21

¹ Projections based on ten months' data ; all figures in pre-devalued rupees.

² C.S.O. trade data.

³ Receipts are taken at 80% of all-Pakistan figures for 1970-71 and 90% in the July—December, 1971 period. Payments are taken at 66% of all-Pakistan figures for 1970-71 and July—December, 1971.

⁴ Figures for all-Pakistan.

⁵ Figures for project aid disbursements reduced by 15% to adjust for technical assistance component which does not finance imports.

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While the absolute level of aid is expected to decline by almost one-third to Rs. 133 crore in 1971-72, this source of financing remains as important as in 1970-71. The decline in aid is primarily under projects, and if higher disbursements for Tarbela are excluded, the slow-down in the utilisation of project aid for other sectors would appear to be even more pronounced. The use of non-project aid is projected higher in the current year despite the declining availability of commodity aid due to a sharp increase in wheat imports under PL-480 and Food Aid Convention grants. The residual deficit is substantially financed by use of reserves.

INTERZONAL TRADE

The balance of payments of West Pakistan described so far takes no account of transactions with the eastern wing. Figures are available only for trade transactions and these indicate a substantial surplus in recent years as shown in the table below :

TABLE 43

WEST PAKISTAN'S TRADE WITH EAST PAKISTAN

(In crore Rs.)

Year	Exports	Imports	Balance
1969-70	166.62	92.34	(+) 74.28
1970-71	137.76	80.38	(+) 57.38
1971-72 (July—November)	47.40	36.07	(+) 11.33

In addition, there must have been a surplus on account of the services rendered by traders and investors located in West Pakistan. While there are statistical problems in determining the magnitude of the total surplus on goods and services account and conceptual problems in evaluating the magnitude of the surplus at international prices, there is no question that the surplus in inter-wing trade and payments was quite substantial. The success which West Pakistan appears to have achieved in 1971-72 in reducing its overall deficit is in part a reflection of its ability to convert the surplus in inter-wing transactions into corresponding strength for its international balance of payments. The decision taken in May 1972, to devalue the Pakistan rupee is designed to carry this objective forward. (Details of exchange reform and salient features of the accompanying changes in export and import policy have been described in Chapter II).

DIRECTION OF TRADE

The direction of trade is undergoing radical change following the events of the current year. Exports are being channelled to new markets to replace markets in East Pakistan and existing markets are being expanded. Similarly, supplies of commodities like tea, jute and jute goods, matches, newsprint and paper are being obtained from alternative sources to meet West Pakistan requirements.

Exports

Exports from West Pakistan during the first nine months of 1971-72 increased to all regions but the growth was highest in sales to western countries and Japan. Exports to socialist countries also increased significantly. Table 44 shows the trend.

TABLE 44

WEST PAKISTAN PATTERN OF EXPORTS BY REGIONS

				(In crore Rs.)			
Regions				July— March 1971-72	July— March 1970-71	% increase/ decrease	Year
A. Developed Western Countries and Japan	..			83.56	55.13	(+) 51.57	
B. Socialist Countries	..	..	..	39.40	27.99	(+) 40.76	1969-70
C. Underdeveloped Countries	..	..	..	77.60	58.48	(+) 32.69	1970-71
Imports							1970-71
							1971-72

Imports from the developed countries which extend economic aid to Pakistan declined. Due to shortage of foreign exchange, imports from Asian and African countries which need cash payments were also lower. Imports from socialist countries particularly China, trade with which is based on barter basis, increased. Table 45 shows the direction of imports from various countries.

TABLE 45

WEST PAKISTAN PATTERN OF IMPORTS BY REGIONS

				(In crore Rs.)			
Regions				July— March 1971-72	July— March 1970-71	% increase/ decrease	Year
A. Developed Western Countries and Japan	..			152.07	212.44	(-) 28.42	
B. Socialist Countries	..	..	..	31.48	26.18	(+) 20.24	1969-70
C. Underdeveloped Countries	..	..	..	42.92	46.79	(-) 8.27	1970-71
							1970-71 (C)
							1971-72 (J)

TERMS OF TRADE

The terms of trade of West Pakistan show an improving trend in 1970-71 and 1971-72 due to higher prices for export items than for imports. While import price index increased by 2 and 4 per cent in 1970-71 and 1971-72, respectively, over 1969-70, export price index showed an increase of 5.5 and 14 per cent for the corresponding years. Table 46 shows the behaviour of export and import price indices and the terms of trade.

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TABLE 46

INDEX OF UNIT VALUES OF EXPORTS AND IMPORTS AND
TERMS OF TRADE

(Base : 1960-61=100)

Year	Exports	Imports	Terms of trade
1969-70	106.1	122.2	86.8
1970-71	111.9	124.7	89.8
1970-71 (July—December)	114.9	126.6	91.3
1971-72 (July—December)	120.9	124.7	96.9

Among exports the highest increase was registered in the prices of crude material during 1970-71. Food prices declined in 1970-71 but rose substantially during the first half of 1971-72. The prices of manufactures did not show any significant increase. Table 47 shows the trend.

TABLE 47

WEST PAKISTAN INDEX OF UNIT VALUES OF EXPORTS

(1960-61=100)

	Food, beverage and tobacco	Crude materials	Manufactured goods	General index
1969-70	159.9	91.5	103.4	106.1
1970-71	147.9	110.1	97.2	111.9
1970-71 (July—December)	152.4	114.2	97.5	114.9
1971-72 (July—December)	175.0	116.8	100.9	120.9

Imports showed divergent trend. Prices of minerals, fuels and lubricants, animal and vegetable oils, crude materials, chemicals, machinery and other manufactured goods increased while prices of food, beverages, tobacco and miscellaneous items declined as shown in Table 48.

TABLE 48

WEST PAKISTAN INDEX OF UNIT VALUES OF IMPORTS
(1960-61 = 100)

Items	1968-69	1970-71 (July—Dec).	1969-70	1970-71	1971-72 (July—Dec)
Food	95.0	110.7	98.4	102.2	87.2
Beverages and tobacco	141.1	150.3	152.6	161.0	148.3
Crude materials	111.3	96.6	99.2	101.9	99.3
Mineral, fuels and lubricants	129.8	173.7	187.3	200.6	190.2
Animal and vegetable oils	96.3	95.9	113.0	106.4	116.5
Machinery and transport equipment	113.8	101.5	92.2	96.7	102.1
Other manufactures	112.4	127.6	127.4	129.7	130.7

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FOREIGN ECONOMIC ASSISTANCE

Foreign aid has played a role in the economic development of the country. It has helped to sustain a faster rate of economic growth than would have been achieved through mobilization of domestic resources alone. A country setting out to transform its economy without external assistance must provide for all of the requirements of accelerated growth from its own resources. In particular, it must generate savings by squeezing domestic consumption to the extent necessary for covering the needs of investment. However, the greater part of consumption expenditure in a poor country like Pakistan is applied to meet the requirements of bare subsistence and hence the margin of saving that can be extracted is usually not enough to finance that level of investment which the economy needs for growth of income and employment. By relieving the constraint of inadequate domestic savings, foreign assistance, if properly used, makes it possible to accelerate growth in the economy.

Foreign economic assistance to Pakistan began as far back as 1950 and up to December 1971. Pakistan had received from abroad an amount exceeding \$ 7.1 billion. Of this, \$ 1.5 billion was provided in the form of grants, the rest being loans and credits. The proportion of grants has been continuously declining; it was 68% during 1950-55. During the Third Plan period it was reduced to 9%. During 1970-71 and the first half of 1971-72, grant assistance further declined to 6.5%. The following table shows the source-wise receipt of aid since 1951. The loan figure includes amounts repayable in rupees as well as in foreign exchange.

TABLE 49

CUMULATIVE ASSISTANCE UP TO DECEMBER 1971

Country/Agency	(Million \$)		
	Grant	Loan	Total
Australia	40.832	—	40.832
Austria	—	5.484	5.484
Belgium	—	13.823	13.823
Canada	239.012	169.830	408.842
China	110.369	200.000	310.369
Czechoslovakia	—	51.528	51.528
Denmark	—	14.742	14.742
France	—	138.754	138.754
Germany	—	471.247	471.247
Italy	—	139.734	139.734
Japan	1.269	328.798	330.067
Kuwait	—	4.958	4.958
Netherlands	—	46.151	46.151
New Zealand	6.810	—	6.810
Norway	6.027	—	6.027

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Poland	—	11,326	11,326	
Romania	—	9,407	9,407	
Switzerland	—	26,801	26,801	Particula
Sweden	16,527	18,025	34,552	
Turkey	—	3,646	3,646	Gross Dis
U.K.	14,435	438,095	452,530	Debt Serv
U.S.A.	715,445	1,594,115	2,309,560	
U.S. Eximbank	—	241,542	241,542	
PL-480 Title I, II & III	257,297	191,800	449,097	Net tran
U.S.S.R.	—	137,914	137,914	Net tran
Yugoslavia	—	127,475	127,475	
Suppliers' Credit	—	42,285	42,285	1 In
I.B.R.D.	—	633,469	633,469	2 Eve
I.D.A.	—	503,594	503,594	
A.D.B.	—	46,850	46,850	
I.F.C.	—	17,851	17,851	The 1
U.N. and Specialized Agencies	16,417	—	16,417	June 30,
U.N. Special Fund	29,789	—	29,789	
Ford Foundation	52,419	—	52,419	
Others	5,381	—	5,381	
Total	1,512,029	5,629,244	7,141,273	

Net Inflow of Aid

The net availability of foreign resources to the economy has been less than is indicated by the figures in the preceding table. This is due to the return flow of principal and interest on foreign loans. While gross disbursements have been rising in the past, the debt service has risen even faster, with the result that a higher percentage of gross aid is being "returned" to the lending countries in the form of amortization and interest payments.

During the 2nd Plan period gross disbursements of foreign assistance amounted to nearly \$ 2,400 million. Debt service payments (interest and amortization) aggregated \$ 221 million only so that the net resource transfer from abroad totalled about \$ 2,200 million, representing 91% of gross assistance. During the Third Plan, because of the sharp rise in debt service payments, net resource transfer was less than 80%. This effect is illustrated even more sharply when the terminal years of the Second and Third Plan periods are compared. Net transfers dropped from 89% in 1964-65 to 67% in 1969-70. As shown in the following table, net flow fell to 66% in 1971-72, even after taking moratoriums on conversions into account.

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TABLE 50

GROSS DISBURSEMENTS AND NET TRANSFERS

(\$ Million)

Particular:	1968-69	1969-70	1970-71	1971-72 Estimates
Gross Disbursements	561	534	596	386.1
Debt Service	154	175	189.2	131.2
Net transfers:	407	359	407	255
Net transfers as % of disbursement ..	72.5	67.2	68.3	66.1

¹ Inclusive of disbursement of \$73 million for East Pakistan during July—December 1971.

² Excluding amount on which moratorium on conversion applied.

EXTERNAL DEBT LIABILITY

The position of external debt liability repayable in foreign exchange as of the end of 1971, is summarised in the following table.

TABLE 51

OUTSTANDING EXTERNAL INDEBTEDNESS

(\$ Million)

Particulars	Disbursed and outstand- ing	Undisbur- sed	Total liability
Consortium sources	2,958.0	709.5	3,667.5
Non-Consortium sources	175.6	141.6	317.2
Sub-Total (1+2) :	3,133.6	851.1	3,984.7
Indus Tarbela Project	219.6	144.2	363.8
Total :	3,353.2	995.3	4,348.5

Debt Servicing

As the outstanding debt has risen, the debt service has increased more than correspondingly. From 9.9 per cent of the total foreign exchange earnings in 1964-65, the debt service ratio has inexorably risen to 19.5% in 1969-70 and climbed to 25.3% in 1970-71. The ratio is estimated at 30% in 1971-72.

TABLE 52
DEBT SERVICE RATIOS FOR EXTERNAL DEBT

Year	July—June	(Rs. in crore)			
		Debt Outstand- ing	Foreign Exchange Earnings	Debt Service	Debt Service Ratio (Per cent)
1964-65	336.77	229.47	29.62	9.9
1965-66	477.71	326.91	35.07	10.7
1966-67	630.89	346.52	45.56	13.1
1967-68	937.24	280.89	51.59	13.5
1968-69	999.27	419.85	73.40	17.5
1969-70	1,205.09	428.71	83.52	19.5
1970-71	1,408.63	469.55	103.10	25.3
1971-72 (Estimates)*	1,596.12	397.43**	119.45	30.05

* At pre-devaluation rate of exchange.

**Includes East Pakistan's earnings during five months of year.

The rapid increase in debt and in debt service obligations has principally resulted from three factors. First, increase in the amount of external assistance obtained by Pakistan; second, a sharp and continuing shift in the composition of assistance from grants to loans requiring service in foreign exchange, and third, a decline in the share of loans carrying concessional terms of borrowing, especially after 1964-65. The latter two factors caused debt and service obligations to increase considerably faster than total external assistance. Moreover, this basic tendency inherent in the changing pattern of external assistance to Pakistan, was strongly re-inforced by the effect of expiring grace periods on debts contracted around the turn of the decade which in itself led to a steep rise in debt service from the mid-1960's onwards. The jump in the debt service ratio from 1970-71 onwards is also attributable to the lower exports from the eastern wing from November 1970 and their cessation after November 1971.

Moratorium on Conversions

The declining trend in foreign exchange earnings from the eastern wing during the second half of 1970-71 created a difficult balance of payments situation. To avert an unmanageable crisis, the Government was compelled from May 1971, to apply restrictions on conversion of debt service on loans obtained under consortium auspices and government-to-government credits from non-consortium countries. The initial restriction was for six months only in the expectation that the conditions would normalize quickly. When this did not occur the moratorium was extended to January 1972, and has been continued thereafter pending negotiations for a short-term debt relief arrangement.

Pakistan concern over the mounting debt service burden had been conveyed to the creditor countries of the consortium as far back as May 1968. The World Bank reviewed the debt position and submitted a report a year later. This was followed by another document prepared for a special meeting of the Pakistan Consortium held in February, 1970. The issues raised in these papers remained undecided until the temporary suspension on conversion of certain debt service payments brought the problem into sharp focus. The question of short-term debt relief was considered by the creditors at meetings held in October 1971, and March 1972. After protracted negotiations Pakistan and the creditor countries agreed on a debt relief arrangement for an

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amount of \$ 233.5 million over a period of 26 months from May 1971 to June 1973. During this period, work is to continue on the modalities of a long-term debt settlement.

REVIEW OF AID

A review of foreign loan commitments, disbursements etc., over the last 3 years is given in the following pages.

Utilization of Aid, 1970-71

Total commitments during the year amounted to \$ 570 million, \$ 337 million for project financing and \$ 233 million for import of commodities. Disbursements during the year were of the order of \$ 501 million. The sector-wise position of utilization is explained below.

TABLE 53
UTILIZATION OF AID, 1970-71

(\$ Million)

Sector	Opening Pipeline	Commitments during July 1970—June 1971	Total Available	Disbursements during July 1970—June 1971	Closing Pipeline June 30, 1971
Project					
Public Sector					
Central Govt.	111	2	113	33	80
East Pakistan Govt. & agencies	205	119	324	45	279
West Pakistan Provinces and agencies	135	51	186	59	127
Sub-total (Public Sector)	451	172	623	137	486
Private Sector					
Autonomous Bodies	21	38	59	44	15
Credit Agencies etc.	232	78	310	124	186
Sub-total (Private Sector)	253	116	369	168	201
Unallocated pipeline/disbursement	36	—	36	2	34
Total (A)	740	288	1,028	307	721
Non-Project	242	112	354	194	160
Total (A+B)	982	400	1,382	501	881

The rate of disbursement in the public sector projects was low. The private sector agencies with a total foreign availability of \$ 369 million were able to disburse \$ 168 million. The public sector agencies with almost twice the foreign aid availability (\$ 623 million) could disburse \$ 137 million only. This was due to non-availability of rupee funds at the disposal of public sector agencies and disturbed conditions in East Pakistan.

Utilization of Aid, 1971-72

The composition of availability of foreign aid underwent a radical change during the course of the year. Disbursements in East Pakistan amounted to

\$ 40 to \$ 45 million (excluding PL-480) during July--December 1971, against project and commodity aid in East Pakistan.

Total aid in the pipeline for West Pakistan as on June 30, 1971 was \$ 516 million. Of this total, the project aid pipeline was of the order of \$ 370 million and non-project aid pipeline amounted to \$ 146 million. The pipeline included aid to be utilised by the Central Government agencies and the private sector. As foreign aid remained more or less suspended after March, 1971, fresh commitments amounted to \$ 6 million only (excluding PL-480 and Tarbela credits described later).

Total disbursements (including PL-480 and Indus Basin/Tarbela Works) are estimated at \$ 312.850 million during 1971-72. The break-up between project aid and non-project aid disbursements according to major utilizing sectors is given as under.

TABLE 54
ESTIMATED DISBURSEMENTS DURING 1971-72

Sector	Disbursement during 1971-72 (Revised)	(s Million)
A. Public Sector :		
<i>Project Aid</i>		
1. Central Government Agencies	12.657	
2. West Pakistan Provinces and Agencies	29.638	
Sub-Total (ADP Projects)	42.295	
3. Indus Basin	57.118	
Total (Projects)	94.265	
B. Non-Project		
4. Commodity Loans	75.524	
5. Commodity Grant (Canada)	0.840	
6. Food Aid Convention	4.523	
7. PL-480 Title I	41.300	
8. Wheat—CCC Credit	5.250	
Sub-Total (5 to 7)	51.913	
Sub-Total (Non-Project)	127.437	
Total (Public Sector ADP)	226.850	
9. Private Sector Projects	86.000	
Total (Public & Private)	312.850	

Tarbela Project

The foreign exchange costs of Tarbela Project, scheduled for completion in 1976, are met from the Indus Development Fund pledges of \$ 676 million in

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grants. Of this amount, \$ 234 million has been transferred to Tarbela Project. The country-wise pledges of loan contribution towards the project appear below.

	(\$ Million)
Canada	4.625
France	30.067
Italy	40.000
U.K.	24.000
U.S.A.	50.000
I.B.R.D.	25.000
I.D.A.	—
Total (Loans)	173.692

The estimated contributions during 1971-72 amount to \$ 41.768 million.

U.S. Public Law 480

A substantial amount of commodity aid (both food and non-food) has been received under the U.S. PL-480 programme for the disposal of surplus agricultural products. Imports financed through loan agreements under this head comprise wheat, rice, soyabean oil, extra-long staple cotton and tallow.

PL-480 assistance is classified under three titles. Title I deals with commercial type sales against payment in local or dollar currency. Title II covers surplus commodities supplied by U.S. on a grant basis for emergency relief while Title III deals with the distribution of commodities handled by U.S. charitable organizations and the UNICEF.

Total loans/grants under the three titles made available to Pakistan over the last five years are shown in the following table.

TABLE 55

PL-480 AGREEMENTS FROM 1967-68 TO 1971-72

Year	(\$ Million)			
	Title I	Title II	Title III	Total
1967-68	175.10	0.05	0.18	175.33
1968-69	—	2.56	2.24	4.80
1969-70	86.90	—	—	86.90
1970-71	86.70	—	—	86.70
1971-72	98.70	—	—	98.70
Total	447.40	2.61	2.42	452.43

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Payment for imports under Title I agreements are mostly made in dollar currency, spread over a period of 40 years, the first instalment being due ten years after the delivery of commodities concerned. The loans carry interest at the rate of 2 per cent per annum during the first ten years and 2.5 per cent during the next 30 years.

During 1971-72, three agreements were signed—on August 6, and September 10, 1971 and March 18, 1972, amended later on April 6, 1972. The first two agreements for \$ 15.30 million and \$ 49.30 million (total \$ 55.60 million) provided for import of 6 lakh tons of wheat costing \$ 36.80 million, 50,000 tons rice, valued at \$ 9.00 million and 25,000 tons of edible oil, priced at \$ 9.80 million to meet the immediate food needs of East Pakistan.

The last agreement is a dollar repayable loan. The agreement for \$ 43.1 million envisages import of 5 lakh tons of wheat valued at \$ 30.00 million, 11,000 tons of extra-long staple cotton priced at \$ 2.9 million, edible oil 25,000 tons, \$ 7.50 million, 35,000 tons of maize, \$ 2 million, and tobacco 200 tons, \$ 0.7 million. Commodity-wise details of Title I imports appear in table 56.

TABLE 56
COMMODITY IMPORTS UNDER PL-480
1969-70 TO 1971-72

Commodity	Unit	(Value in \$ million)					
		1969-70		1970-71		1971-72*	
		Quantity	Value	Quantity	Value	Quantity	Value
Wheat	Lakh tons	10.1	52.1	7.2	42.7	11.0	66.80
Cotton	Thousand bales	10.0	2.2	9.7	2.3	11.0	2.9
Soyabean oil	Thousand tons	130.0	31.1	100.0	34.2	50.0	17.3
Tobacco	Lakh lbs.	1.0	1.5	10.0	1.5	4.5	0.7
Tallow	Thousand tons	—	—	—	—	—	—
Coarse Grain	"	—	—	—	—	—	—
Maize	—	—	—	—	—	—	2.00
Total Value	..	—	86.9	—	80.7	—	98.7

*Provisional. The quantity and value have been added for all the three agreements signed during the year.

TECHNICAL ASSISTANCE

Besides the transfer of financial resources from industrially advanced countries, Pakistan has obtained technical aid on a grant basis from various international and regional agencies like the U.N. specialised agencies, the Ford Foundation, the Colombo Plan, as well as under bilateral aid programmes. These are briefly enumerated below:

Colombo Plan

The 24-nation Colombo Plan organization has considerably helped its members through transfer of human capital, technical skills and equipment to the areas of need. Pakistan received \$ 49.40 million in the form of training facilities, experts and equipment from 1965-66 to December, 1970. Of this, \$ 6.5 million related to the calendar year 1970, compared to \$ 7.68 million in 1969.

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United Nations Development Programme

The UNDP is one of the world's largest programmes of multi-national technical cooperation. Pakistan's contribution to UNDP in 1971 was \$ 1.06 million. The U.N. has 16 specialized agencies to assist in carrying out UNDP activities. Assistance under UNDP is provided under (i) its technical assistance sector, and (ii) the special fund sector.

Under the technical assistance sector the system of continuance programming was introduced in 1969 and request for technical assistance can be submitted to the U.N. as and when necessary subject to the condition that the total assistance in the calendar year shall not exceed the country target in that year. The country target for Pakistan for the year 1970 was \$ 1.5 million and for 1971 \$ 2.3 million. During the year 1970-71, 38 trainees left for training abroad and 26 experts arrived in Pakistan under UNDP technical assistance programme.

The following table shows the agency-wise commitments for the period 1971-74 under the U.N.D. Programme. The fields cover a wide spectrum of development activity.

TABLE 57

COMMITMENTS BY AGENCY

Agency	(In \$).			
	1971	1972	1973	1974
United Nations	6,16,959	213,050	76,000	4,000
UNIDO	140,700	72,000	—	—
ILO	274,400	65,000	—	—
FAO	913,850	445,750	93,000	6,000
UNESCO	272,900	57,000	2,000	—
WHO	227,700	87,400	—	—
WHO	57,250	6,400	—	—
ICAO	22,100	—	—	—
UPU	18,500	—	—	—
ITU	44,400	—	—	—
IMCO	5,000	—	—	—
UNCTAD	29,900	12,000	—	—
Total	2,623,656	9,58,600	171,000	10,000

Source: UNDP report on Pakistan, August 31, 1971.

The Special Fund assists in pre-investment studies, surveys etc. which contribute to the development process. The projects financed by Special Fund are of 4½ years duration on an average and \$ 2 million in cost with some projects reaching to six years in duration and \$ 4 million in cost. UNDP approved an allocation of \$ 6.01 million for Pakistan out of Special Fund component during 1970-71.

Ford Foundation

The assistance from Ford Foundation is mainly received in the shape of grants to institutions for training facilities, expert advisory services and equipment for pilot and pioneering project. The principal fields in which it has provided assistance to Pakistan in 1970-71 (amount \$ 2.61 million) are agriculture, education, development planning, public administration, business management and family planning.

Asia Foundation

During the period under review, the Asia Foundation's total assistance amounted to \$ 221,972. These includes 12 travel grants and training facilities.

CENTO and SEATO

CENTO technical assistance activities fall under two categories, viz. (a) bilateral and (b) multilateral.

Pakistan does not provide any bilateral technical assistance to any CENTO country. The bilateral technical assistance received by Pakistan under the aegis of CENTO is mainly from U.K. During the period under review U.K. provided 13 training facilities under CENTO.

In order to facilitate inter-changes between Iran, Pakistan and Turkey and share human skills and material resources, CENTO established a Multilateral Technical Co-operation Fund (MTCF) in 1961. The Fund is financed by the 5-member countries i.e. U.S.A., U.K., Pakistan, Iran and Turkey. Pakistan contributed Rs. 1,66,600 to the MTCF Fund for the year 1970-71.

During the period under review, Pakistan availed 3 training facilities in the field of agriculture and 3 in the field of education under MTCF programme. During this period 2 Turkish veterinarians and one economist visited Pakistan to study carpet wool standardization and grading in the field of agriculture. About 35 Turkish trainees and 6 Iranian trainees availed of training in Pakistan in the field of civil aviation under this programme.

Review of

During the period under review, the economy of Pakistan has undergone a significant change, the stage and

The highly inflow of foreign exchange has constrained the growth of the economy from the beginning. In the initial years of the Second Five Year Plan, simultaneous with the beginning of the 1965-66 period, the economy was in a state of stagnation. The growth rate of the economy during the Second Five Year Plan (1965-66) was 4.4 per cent, which is a serious setback in the economic development of Pakistan. The economy during the Second Five Year Plan (1965-66) was 4.4 per cent, which is a serious setback in the economic development of Pakistan. The economy during the Second Five Year Plan (1965-66) was 4.4 per cent, which is a serious setback in the economic development of Pakistan.

Review

The economy of Pakistan has undergone a significant change, the stage and

CHAPTER X

PLANNING

Review of Plan Performance

During the First Plan period the institutional framework of developmental activities in the public sector was laid and the building of infra-structure began. The economy got off to a high rate of growth during the Second Plan, achieving an annual growth of 5.6%, compounded. Investment increased to about 18 per cent of GDP and domestic savings contributed about 12 per cent of total fixed investment. Large-scale manufacturing was the leading sector with an annual compound growth rate of 13 per cent. The structure of the economy started undergoing a change as the contribution of the non-agricultural sectors to the GDP was enlarged compared to that of the agricultural sector. Export earnings showed an encouraging annual rate of growth of about 7 per cent. Viewed from any angle, the economy seemed to be poised for rapid strides towards the "take-off" stage and Pakistan began to be considered as a model in development planning.

The success achieved to that point was the result of an unusual combination of highly favourable factors. An imposed political stability, a massive and rising inflow of foreign assistance, which appeared to have dissolved the external resource constraint, the initial scope for import substituting activities in the field of manufacture of consumer and light engineering goods and the accumulation of capital from the highly profitable commercial activities of an earlier period were the major factors which contributed to the rapid development of the economy. With the beginning of the Third Five-Year Plan (1965-66) the environment began to change. In the very first year of the Plan, war broke out with India which forced a substantial transfer of resources from development activities to defence requirements. Simultaneously, as a sequel to the war, the flow of foreign assistance slowed down. Investment consequently declined to about 13 per cent of the GNP in 1965-66 and growth rate decelerated to 5 per cent. The shock of these adverse elements was partly absorbed through a mid-term revision in the strategy of the Plan, with greater emphasis shifted to quick gestation projects. A certain degree of success was achieved because growth of the agricultural sector accelerated to 4.4 per cent as the new seed-cum-fertilizer based technology took hold in districts which especially had the advantage of sub-surface water availability. The spurt in the agricultural sector opened up potential for the sustained growth of the economy. However, the tempo of investment could not be maintained. As a proportion of GNP, gross investment declined from the 18 per cent level achieved during the Second Plan to about 14 per cent in the terminal year of the Third Plan (1969-70). In real terms, there was hardly any increase in investment over the Second Plan. The rate of growth of the large-scale manufacturing sector declined to 10 per cent per annum. The basic impact of the changed resource picture and the revised strategy was inflicted upon the already neglected social sectors of the economy. In order to protect the growth rate of the productive sectors, a heavy cut was imposed on the allocation of funds to these sectors. This was to create serious imbalances in the economy. The growth oriented philosophy of planning had not recognised the importance of social development.

Review of Progress of Plan : 1970-72

The se-back faced by the Third Plan dislocated the planning frame of reference and thereafter the economy could not regain its normal tempo as resource constraints tightened. In the beginning of the Fourth Plan, political factors became more serious. The serious political developments and the war with India had adverse repercussions on the Fourth Plan during 1970-72. The flow of fresh aid was

suspended by donor countries. This coupled with the necessity of resource transfers from developmental activities to defence and law and order resulted in a serious scarcity of financial resources. Considerable uncertainty prevailed which slowed down the investment activities in the private sector. The economy grew at under 2 % in real terms in 1970-71. The situation worsened in 1971-72 when the political upheaval in East Pakistan culminated in the forcible dismemberment of the country.

The public sector development expenditure was planned originally at Rs. 324 crore for West Pakistan in 1970-71. The actual performance is now estimated at Rs. 300 crore. During 1971-72 the A.D.P. provision for West Pakistan was fixed at Rs. 260 crore, which was lower than the estimated utilisation during the preceding year. At this level public sector development outlay represents a deceleration of 13 % over the estimated expenditure in 1970-71. As a result of this lower availability of funds the development programme had to be confined to hard-core on-going projects. The rough estimates available indicate that private investment also declined in 1971-72 compared to 1970-71 from Rs. 373 crore to Rs. 220 crore only.

A critical review of the economy shows that the tempo of development achieved over the two decades up to the Third Five-Year Plan has been disrupted during the first two years of the Fourth Plan on account of the unfavourable circumstances discussed above and the Plan itself has ceased to be a meaningful framework. Serious thinking is under way on the re-orientation of planning strategy and the re-ordering of priorities to be followed henceforth.

Planning Strategy

The review of plan performance over last two decades indicates that planned efforts came under serious pressure a number of times on account of socio-political disturbances. More serious was the discovery that a strategy based on growth maximisation in an abstract manner was not an appropriate one for the prime and fundamental objective of eradicating mass poverty. The traditional planning concept assumed that a high growth rate through rising investment would by itself be adequate to produce higher employment and that the higher productivity could be more equitably distributed through fiscal devices. However, events in Pakistan have belied this assumption. The rate of growth having failed to achieve the desired acceleration, no tangible progress towards increased employment has been possible. While average *per capita* income increased, the *per capita* income of the majority of people remained below the poverty line. During the 1960's when the economy witnessed a healthy growth rate, unemployment increased and real wages in the industrial sector may have declined by up to one-third. Concern for industrial development on the premise that the industrial sector would play the role of the leading sector in the economy through mobilisation and ploughing back of resources provided the ground for all types of concessions and subsidies to this sector. Industrial licensing on attractive terms, fiscal subsidies, export bonuses, and protection from external competition led this sector to reap benefits that were confined to a selected group. Furthermore, these incentives and facilities sometimes led to substantial uneconomic and inefficient investments. In the agricultural field, State incentives for increased agricultural production as a measure of food self-sufficiency during the Third Plan period helped the medium and larger farmers while condition of small farmers, landless tenants and labourers became worse.

Social Development

The impact of shortfall in resources adversely affected the development of the social sectors. This occurred especially sharply when the Third Plan was revised in 1967. Even the reduced allocations could not be utilized due to paucity of budgetary appropriation funds. Table 58 shows the public sector expenditures in various social sub-sectors during the five-year plan periods.

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TABLE 58

PUBLIC SECTOR EXPENDITURES FOR SOCIAL DEVELOPMENT

(In crore Rs.)

Sub-sector	First Plan (Actual)	Second Plan (Actual)	Third Plan (Provisional Actuals)
Education	58.0	91.2	132.8
Health and Family Planning	28.7	40.0	91.2
Social Welfare	3.3	4.2	5.1
Manpower Training and Labour	2.9	3.4	5.0
Physical Planning and Housing	86.1	166.6	163.5
Total	179.0 (29.9%)	305.4 (20.9%)	397.7 (18.5%)

Note:—Figures in brackets are ratio of expenditures in social sector to total public sector development expenditures.

It will be seen that the ratio of funds spent on the social sectors to total public sector development expenditures progressively declined to less than one-fifth for the entire social sector composed of education, health, labour, manpower, physical planning, housing and other social welfare activities.

The Fourth Plan professed to "harmonize economic growth with social justice", but could do little to achieve this objective in the initial two years of the Plan period. During 1970-71, an allocation of Rs. 87.53 crore was made for various social sub-sectors in West Pakistan, but the programme was implemented to the extent of 51% only. In the second year, the allocation of Rs. 50.98 crore was even lower than the estimated expenditure of Rs. 52.12 crore in 1970-71. Table 59 shows the position of financial allocation and implementation.

TABLE 59

ALLOCATION AND EXPENDITURE IN SOCIAL SECTOR FOR 1970-71 AND 1971-72

(West Pakistan)

(In crore Rs.)

Sub-Sector	1970-71		1971-72
	Allocation	Estimated Expenditure	Allocation
Manpower Training & Labour	0.66	0.28	0.30
Social Welfare	1.13	0.84	0.85
Health	25.30	8.13	9.22
Family Planning	4.98	0.82*	3.33
Physical Planning and Housing	28.46	22.93	18.57
Education	27.00	19.12	18.71
Total	87.53	52.12	50.98

*Including East Pakistan.

Rural Works Programme

Comparative inattention to the social sectors had another aspect; the virtual neglect of the need for employment opportunities in the rural areas through public works. An experiment was made with a rural works programme during the Second Plan period and it had elements of success.

The primary objective of this programme was to provide gainful employment to surplus agricultural labour by using them for constructing much needed rural infra-structure. Initially the programme remained outside the Plan, but was integrated into the subsequent plans and given higher financial allocations.

During 1970-71 a provision of Rs. 5.82 crore was made for the provinces in West Pakistan. Actual expenditure amounted to Rs. 5.32 crore.

The annual plan for 1971-72 allocated Rs. 4.45 crore for West Pakistan provinces. Subsequently the allocation was revised to Rs. 3.52 crore. Table 60 summarises the allocation and expenditure for 1970-71 and 1971-72.

TABLE 60

RURAL WORKS PROGRAMME—FINANCIAL ACHIEVEMENTS

Provinces	1970-71		1971-72	
	Allocation	Expenditure	Original Allocation	Revised Allocation
Punjab	2.50	2.50	2.50	1.75
N.W.F.P.	1.81	1.81	1.10	1.00
Baluchistan	0.51	0.51	0.55	0.55
Sind	1.00	0.50	0.30	0.22
Total	5.82	5.32	4.45	3.52

The implementation in physical terms during 1970-71 shows that in Punjab 2,809 small projects were undertaken in the fields of education, communication, agriculture, irrigation, social welfare and health and sanitation. In N.W.F.P. the programme included a provision of drinking water, small irrigation facilities and flood protection programmes; construction of roads; construction of buildings for dispensaries to help the health department to extend medical facilities and establishment of marketing centres. In Sind a total of 259 projects were undertaken and in Baluchistan the projects undertaken numbered 567 in a variety of fields. Table 61 shows physical implementation during 1970-71 and programme for 1971-72.

TABLE 61

PHYSICAL ACHIEVEMENTS--NUMBER OF PROJECTS

Sectors	1970-71				1971-72 Programme			
	Punjab	Sind	N.W.- F.P.	Baluch- istan	Punjab	Sind	N.W.- F.P.	Baluch- istan
Education	1243	63	—	46	115	23	—	33
Health and Sanitation ..	619	19	—	98	65	16	—	23
Communications	609	118	—	44	70	65	—	20
Agriculture	113	—	—	13	16	3	—	—
Irrigation	102	—	—	334	25	—	—	284
Social Welfare	72	25	—	28	16	7	—	9
Water and Power	—	34	—	—	—	26	—	—
Industry	—	—	—	2	—	—	—	—
Others	—	—	—	2	11	3	—	—
Total	2758	259	—	567	317	143	—	369

The present Government have begun to readjust the planning of this sector. An Integrated Rural Development Programme has been initiated. The Provincial Governments have started work on the setting up of development centres in different paces in the rural areas. To start with, 19 development centres in the Punjab, 29 in Sind, 5 in N.W.F.P. and 11 in Baluchistan are being set up. These centres which are popularly known as "*Dehi Markaz*" will select villages as the focal points of development and all types of technical assistance for development activities in the programme areas will be provided to the villagers through these centres. The technicians to be employed by these centres will be responsible for arranging credit facilities, providing fertilizers and pesticides and extension services to the farmers at their doorsteps. Making market avenues available to the farmers will be the responsibility of the Centres. The Integrated Rural Development Programme will go a long way in making the villagers active participants in development activities and thereby increase agricultural production and improve agricultural productivity.

The Government also has decided to set up agrovilles on *Mandi Town* basis. The main purpose of the programme is to provide employment opportunities for the rural unemployed and under-employed, in order to reduce influx of population migrating to urban areas in search for better conditions. The agrovilles will serve four to five union councils and take essential health and auxiliary services to the villages.

Side by side, the Government is contemplating the launching of a Peoples' Works Programme with the intention of associating the people at large in the development process of the country. The objectives of the Peoples' Works Programme

are, *inter alia* :

- (a) Combating unemployment and under-employment by significantly enlarging opportunities for gainful work.
- (b) Undertaking, within the framework of the country's overall development plan, such productive projects as would build up the economy through the provision of basic capacities and amenities. The projects undertaken would be split into comparatively smaller units and would materialise quickly.
- (c) Mobilisation of local resources and motivation of the people for a massive productive effort so that the process of development gets institutionalized and is associated with a large segment of the population.
- (d) Provision of opportunities for constructive leadership and drawing upon local initiative to the maximum extent.
- (e) Generation for confidence and self-reliance among the masses through proper training and skill formation so that they become worthwhile productive assets for the country.
- (f) Avoidance of bureaucratic waste, leakages, delays and defects in old style working in which various vested interests were either directly or indirectly involved.

The programme is intended to cover 25 items mostly of non-farming nature such as housing, community workshops, cottage industries, poultry work, literary and education drive, social welfare work, cultural activities etc. For the purpose of implementation of the programme the country will be divided into three broad habitation categories : (a) villages up to a population of 5,000 ; (b) towns and (c) large cities. It is proposed that at every *Halqa* level, a village should form the basic territorial unit. The entire adult population of the village will constitute the general body. The village will elect a people's village council ; above that there will be a District Council. The corresponding unit in the town will be the limits of the Town Committees or Municipalities. The cities of Lahore and Karachi will be divided into a number of municipalities.

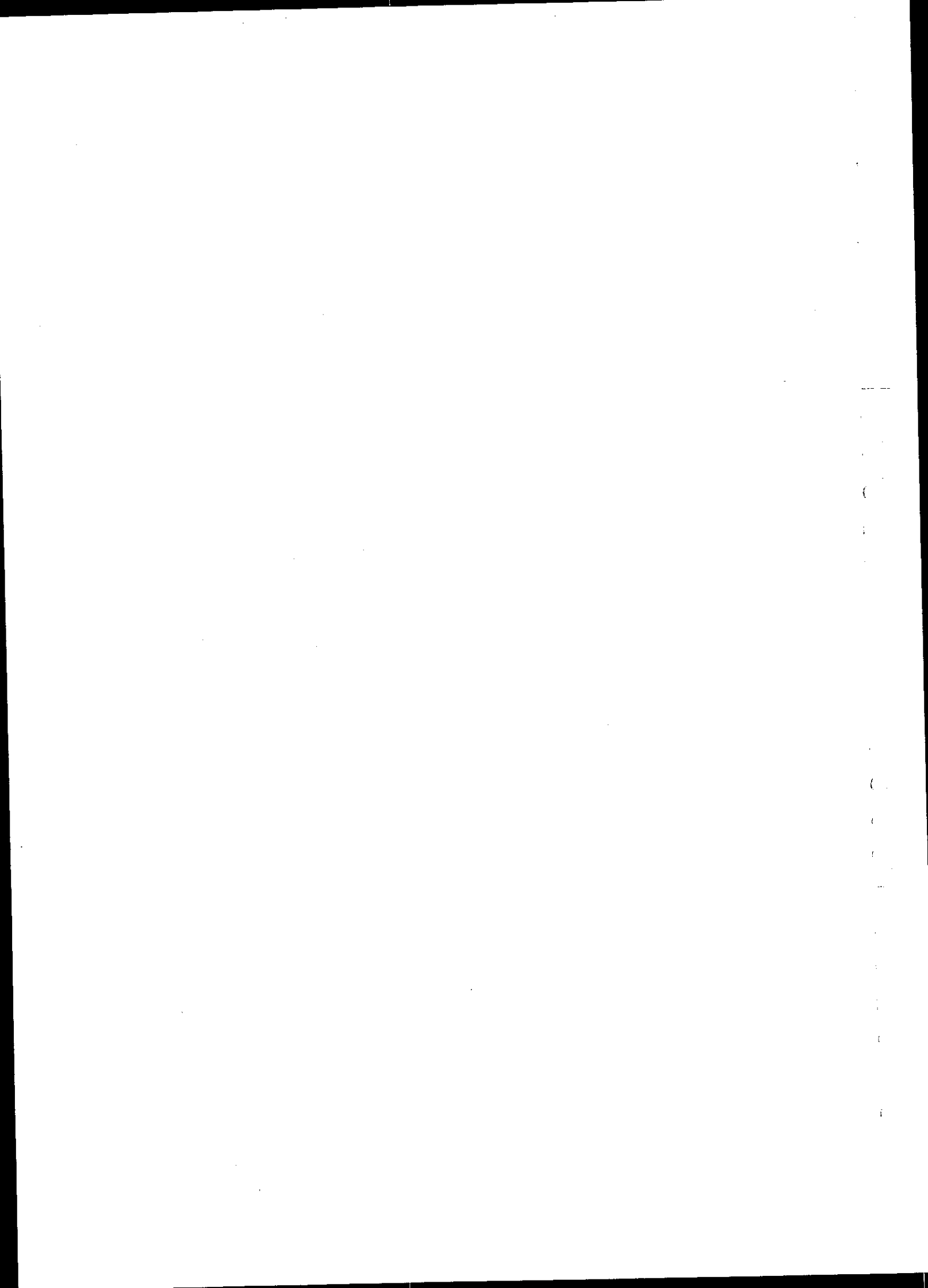
Most of the financial resources are expected to be generated through private contributions in cash or kind. The Government will provide marginal financial support to the programme.

Labour will be paid in proportion to its contribution to work. It is proposed that the students and teachers during their normal vacation will be sent to their respective villages to work voluntarily on this programme. They will not be provided any monetary reward but an academic credit for this will be given to students in the form of an award for a project paper. Similarly, Government servants instead of their usual one-month leave in a year, may be allowed one and a half month of which at least one month must be spent in their community helping in the people's work programme.

Reorientation of Planning Strategy

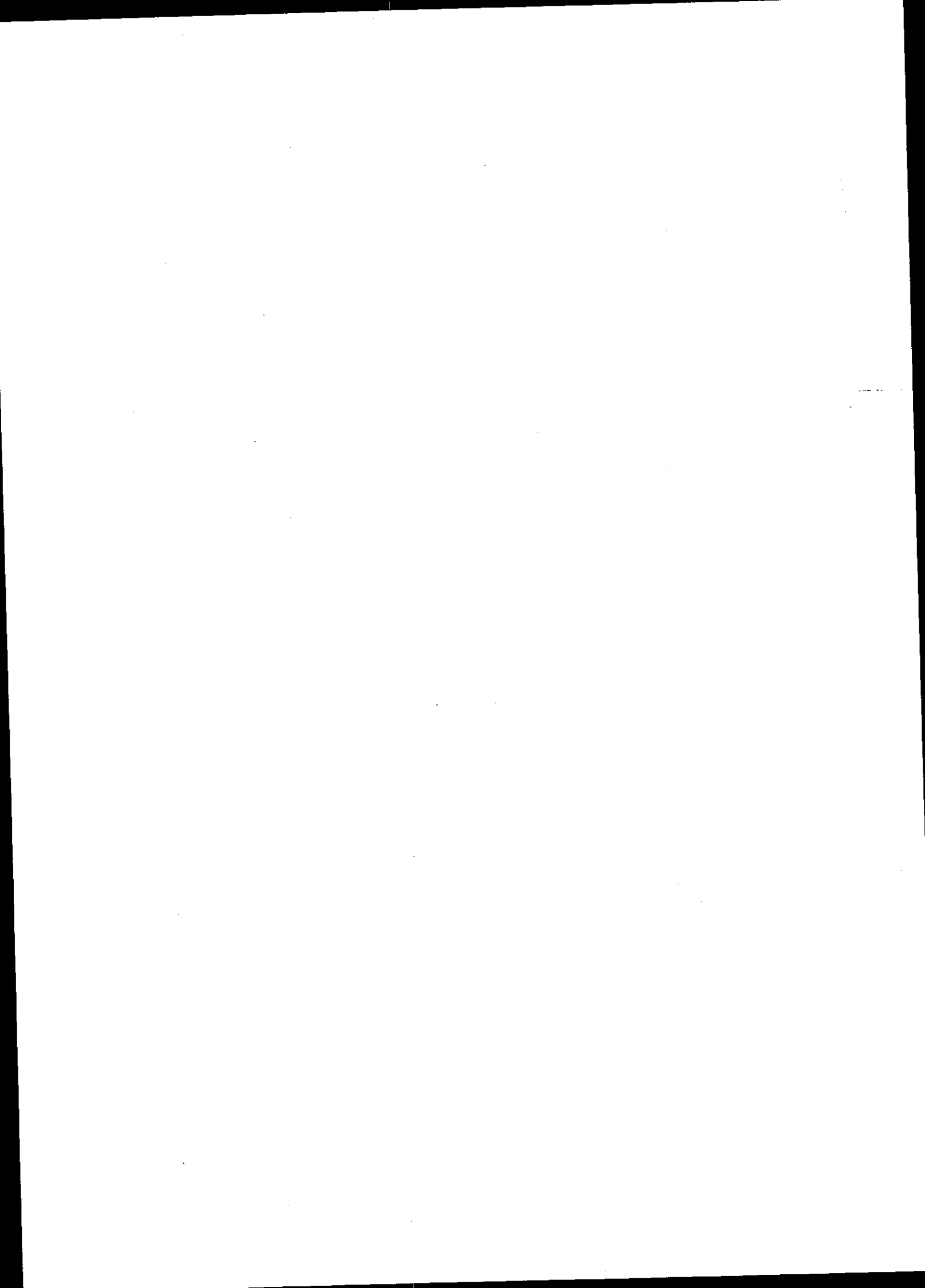
The inability of the traditional planning policy pursued so far to solve the problem of mass poverty has created new compulsion for the basic revision of the fundamentals of development planning. The basic objective of economic development is to achieve economic prosperity and social justice. The planning policy is being re-directed to this aim. Work is proceeding on the formulation of new planning policy. Country-wide seminars and conferences are being convened to thrash out the details of a development programme which would achieve the desired objectives.

**STATISTICAL
SECTION**



E R R A T A

Table No.	Page No.	Year	Line	Figure	Read
1	3	1970-71	25,26	2.3	-2.3
3	7	1971-72	18,22,23	3006.8	3004.8
				1.7	1.2
				1.4	1.5
4	9	1971-72	9	510.6	590.6
9	19	1971-72	9,10,18,19	10,529	10,592
				21,624	21,198
				22,648	22,222
				33,240	32,814
17	37	Dec., 1962		89.76	879.76
		June, 1963		97.44	947.44
18	39	1971-72	4	-4.18	+4.18
22	44	(30-6-71)	9	-	59.60
40	81	1968-69	1	6,26.90	6,26.60
				-2,56.90	2,56.60
		1969-70	3	4.04	-15.04
47	99	1966-67	12	4,02.43	3,02.93
		1968-69	24	13.13	9.17
		1969-70	24	-	13.13
		1971-72	13	3,95.34	319.34
49	103	1967-68	41	2,24.57	1,85.79
		1968-69	41	1,85.79	1,93.73
		1969-70	41	1,93.73	2,24.57
		1971-72	28	9.31	9.13
50	105	1969-70	3	1,47.47	2,47.47
51	109	1970-71	16	65,92.97 (c)	65,29.97 (c)
		1971-72	17 (i)	365,78 (c)	365,780 (c)
			17 (ii)	365,78 (c)	365,780 (c)
52	110	1969-70	3	228.85	728.85
		1971-72	2	608.68	608.36
54	112	1948-49	5	15,572	15,472
		1968-69	7	08.77	80.77



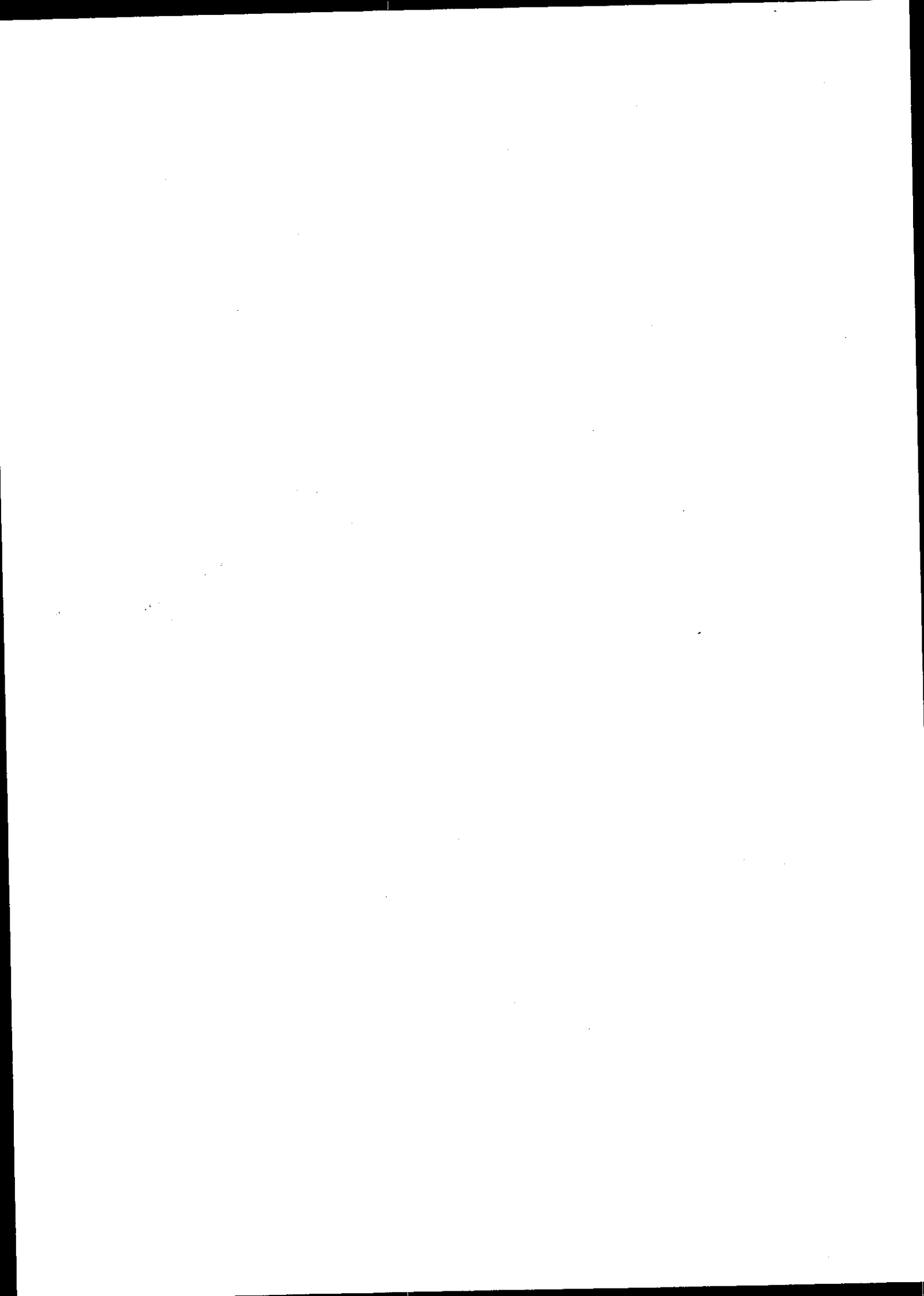
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NATIONAL INCOME

TABLE
GROSS NATIONAL PRODUCT

(On July-June basis)

No. 1
AT C

Sector	1949-50	1950-51	1954-55	1955-56	1959-60	1960-61	1961
1. Agriculture	1,466.9	1,511.2	1,565.4	1,513.5	1,675.3	1,728.5	1,844
(a) Major Crops	830.4	869.8	873.2	829.2	963.44	1,001.5	1,077
(b) Minor Crops	245.3	240.4	250.2	233.0	218.0	222.9	233
(c) Livestock	297.5	304.9	334.7	342.1	371.9	379.3	391
(d) Fishing	86.6	89.4	97.9	99.8	111.1	113.7	111
(e) Forestry	7.1	6.7	9.4	9.4	10.9	11.1	11
2. Mining and quarrying	2.7	3.7	4.5	5.0	7.0	8.2	8
3. Manufacturing	143.3	153.9	222.0	243.9	293.0	326.2	340
(a) Large-scale	34.6	42.7	100.2	119.3	156.5	186.0	200
(b) Small-scale	108.7	111.2	121.8	124.6	136.5	140.2	140
4. Construction	23.8	23.8	41.5	45.8	65.1	79.6	84
5. Electricity, gas, water and sanitary services	3.3	3.6	4.7	5.4	10.7	12.0	12
6. Transportation, storage and communications	123.9	128.2	158.8	162.2	185.7	200.8	200
7. Wholesale and retail trade (1)	285.6	302.0	326.1	325.1	366.5	393.8	425
8. Banking and insurance (1)	7.7	8.4	11.1	13.5	22.4	24.7	25
9. Ownership of dwellings	138.7	141.8	155.9	160.5	177.2	181.4	180
10. Public administration and defence	106.3	110.7	124.3	128.6	133.1	136.7	136
11. Services	448.0	453.5	477.3	483.9	511.2	519.8	525
12. Gross Domestic Product (1)	2,450.2	2,540.8	2,791.6	2,787.3	3,147.2	3,311.7	3,500
13. Net factor income from rest of the world (1)	(-3.6)	(-3.5)	(-10.8)	(-13.9)	(-3.3)	(-3.6)	(-3.6)
14. Gross National Product	2,446.6	2,537.3	2,790.8	2,783.4	3,143.9	3,308.6	3,500
15. Population (in lakhs)	787.8	805.9	882.6	902.9	988.8	1,014.5	1,060
16. Per capita gross income (in Rs.) (1)	311	315	316	308	318	326	326
17. Growth Rate							
(a) Population	—	2.3	7.3	2.3	7.3	2.6	2.6
(b) Gross National Product	—	3.7	0.5	(-0.3)	4.2	5.2	5.2
(c) Per capita income	—	1.3	(-1.9)	(-2.5)	1.9	2.5	2.5

Note: The series from 1964-65 onward have been revised in respect of large scale manufacturing due to revision of index of Industrial Production, wholesale and retail trade due to changes in large scale manufacturing, transport, storage & communication, banking, insurance and net factor income from rest of the world due to improved coverage and as such will not be comparable with the series published earlier.

1. Revised

3. Population figures are those worked out by the Planning Commission.

No. 1

AT CONSTANT FACTOR COST OF 1959-60

(In crore Rs.)

196-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71 (1)
1,18.3	1,827.2	1,941.1	1,976.1	2,007.5	2,029.6	2,252.4	2,313.2	2,450.1	2,362.9
1,71.5	1,060.6	1,141.9	1,171.2	1,181.2	1,169.2	1,355.2	1,386.1	1,499.8	1,399.7
31.6	238.1	258.4	251.8	261.3	282.4	305.1	325.9	334.3	332.0
86.8	394.2	401.6	409.1	416.5	424.8	433.3	442.0	450.8	453.3
16.9	121.9	126.1	130.3	134.1	138.2	143.0	142.6	147.8	153.3
11.5	12.4	13.1	13.7	14.4	15.0	15.8	16.6	17.4	18.2
8.8	10.0	11.7	13.1	13.7	14.1	14.5	15.1	15.8	16.3
163.0	397.3	435.1	471.1	515.8	543.2	593.1	630.2	685.2	675.9
119.1	249.6	283.6	315.6	356.3	379.5	425.1	457.8	508.3	494.6
43.9	147.7	151.5	155.5	159.5	163.7	168.0	172.4	176.9	181.3
98.2	108.6	169.4	192.1	182.5	205.2	225.7	280.5	195.2	177.1
12.5	17.3	23.3	28.3	32.5	34.2	37.3	42.0	46.4	46.9
200.4	221.9	321.6	268.0	281.7	287.9	306.2	317.9	344.6	338.1
124.1	448.9	485.6	510.9	543.5	574.7	606.0	634.6	676.1	656.6
26.8	29.9	32.5	44.8	49.7	56.0	62.6	67.9	75.7	83.3
86.0	191.7	196.6	201.7	206.8	213.0	218.1	224.0	229.6	212.9
41.9	146.7	167.7	179.0	242.9	278.1	281.5	296.6	274.3	308.0
127	236.3	245.3	254.4	263.7	274.2	284.3	294.8	305.1	297.9
3,507.9	3,636.0	3,939.9	4,139.5	4,340.3	4,510.2	4,881.7	5,116.8	5,298.1	5,175.9
(-)-3.6	(-)-37.6	(-)-11.5	(-)-12.2	(-)-9.4	(-)-9.5	(-)-4.6	(-)-5.8	(-)-10.5	10.5
3,504.3	3,628.4	3,928.4	4,127.3	4,330.9	4,500.7	4,877.1	5,111.0	5,299.6	5,176.4
1,140.9	1,067.9	1,095.6	1,124.1	1,154.4	1,185.6	1,217.6	1,250.4	1,284.2	1,318.9
337	340	359	367	375	380	401	409	413	392
2.6	2.6	2.6	2.6	2.7	2.7	2.7	2.7	2.7	2.7
5.9	3.5	8.3	5.1	4.9	3.9	8.4	4.8	3.5	2.3
3.4	0.9	5.6	2.2	2.2	1.3	5.5	2.0	0.8	(-)-5.1

Source : Central Statistical Office

TABLE
GROSS NATIONAL PRODUCT

No. 2
AT CU

1961-62

Sector	1949-50	1950-51	1954-55	1955-56	1959-60	1960-61	
1. Agriculture	1172.7	1,204.2	1,084.7	1,162.0	1,675.3	1,846.5	1,887
(a) Major crops	644.7	681.8	495.4	608.9	963.4	1,084.3	1,083.
(b) Minor crops	195.8	191.1	227.1	203.1	218.0	229.9	24
(c) Livestock	285.3	278.8	297.8	279.9	371.9	397.9	405.
(d) Fishing	42.9	48.4	58.0	62.3	111.1	121.2	13
(e) Forestry	4.0	4.1	6.4	7.8	10.9	13.2	14.
2. Mining and quarrying	1.7	2.3	3.3	4.1	7.0	8.4	37
3. Manufacturing	139.7	157.8	197.6	218.8	293.0	331.6	223.
(a) Large-scale	35.7	43.8	89.2	107.0	156.5	188.3	14
(b) Small-scale	106.0	114.0	108.4	111.8	136.5	143.3	100.
4. Construction	23.2	24.4	36.9	41.1	65.1	80.4	13.
5. Electricity, gas, water and sanitary services	2.6	2.9	4.2	4.9	10.7	12.4	215.
6. Transportation, storage and communications	101.5	100.0	126.2	138.2	185.7	209.4	44
7. Wholesale and retail trade	225.0	255.0	259.4	274.4	366.5	417.9	285.
8. Banking and insurance	6.2	6.7	9.9	12.0	22.4	26.0	19
9. Ownership of dwellings	111.2	113.8	138.8	142.2	177.2	183.1	149.
10. Public administration and defence	86.1	90.8	109.3	114.4	133.1	143.0	23.
11. Services	121.2	118.0	144.8	156.7	211.2	223.1	3,652.
12. Gross Domestic Product	1,991.1	2,075.9	2,115.1	2,268.8	3,147.2	3,481.8	(-)-3.7
13. Net factor income from rest of the world	(-)-1.8	(-)-1.9	(-)-0.4	(-)-3.0	(-)-3.3	(-)-3.2	3,641
14. Gross National Product	1,989.3	2,074.0	2,114.7	2,265.8	3,143.9	3,478.6	1,040
15. Population (in lakh) (3)	787.8	805.9	882.6	902.9	988.8	1,014.5	351
16. Per capita gross income (in Rs.).	253	257	240	251	318	343	

1. Revised.

3. Planning Commission estimates.

*Note:- The series from 1964-65 to onward have been revised in respect of large scale manufacturing due to revision of index of Industrial Production, wholesale and retail trade due to changes in large scale manufacturing, transport, storage & communication, banking insurance and net factor income from rest of the world due to improved coverage and as such will not be comparable with the series published earlier.

2. Provisi

No. 2

AT CURRENT FACTOR COST

(In crore Rs.)

1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71 (2)
1,887.9	1,975.2	2,007.5	2,191.9	2,333.7	2,736.9	2,874.4	3,131.3	3,288.7	3,297.7
1,083.5	1,150.1	1,117.8	1,250.7	1,385.5	1,587.1	1,620.2	1,818.6	1,969.2	1,926.5
247.6	251.5	266.8	291.3	307.3	429.9	476.7	486.1	468.0	453.7
405.4	416.5	424.8	432.2	439.7	498.3	553.4	595.0	610.6	638.0
136.8	139.6	158.8	197.0	178.3	194.6	195.2	198.3	207.3	244.7
14.6	17.5	19.3	20.7	22.9	27.0	28.9	33.3	33.6	34.8
9.1	10.5	12.4	15.0	15.6	16.3	17.0	18.6	20.0	21.1
371.3	416.5	460.3	504.2	586.0	633.5	711.1	801.8	901.5	941.7
223.6	262.1	300.6	338.1	404.6	442.5	509.1	583.0	671.1	694.5
147.7	154.4	159.7	166.1	181.4	191.0	202.0	218.8	230.4	247.2
100.9	113.6	177.4	205.7	208.0	239.3	271.3	353.7	255.6	247.5
13.3	18.2	25.8	32.8	37.7	44.2	48.2	51.7	58.0	60.5
215.8	233.5	256.8	309.2	330.7	373.5	406.8	432.6	490.7	480.3
444.0	467.9	510.9	589.8	638.5	745.8	805.2	865.8	966.1	975.9
28.9	31.7	36.0	48.7	55.8	68.6	78.0	87.5	100.0	112.1
194.1	202.4	21.5	229.0	238.7	272.6	283.0	297.7	313.3	333.0
149.3	156.0	181.2	202.5	284.5	349.4	365.6	391.0	202.3	234.3
237.6	246.5	261.1	283.7	306.5	347.9	365.7	389.8	436.5	466.0
3,652.2	3,872.0	4,139.9	4,612.5	5,035.7	5,828.0	6,226.3	6,821.5	7,033.7	7,170.1
(-)-3.7	-)7.8	(-)-11.5	(-)-10.9	(-)-10.0	(-)-9.5	(-)-4.6	(-)-5.9	(-)-0.6	(-)-0.6
3,648.5	3,864.2	4,128.4	4,601.6	5,025.7	5,818.5	6,221.7	6,815.6	7,033.7	7,170.7
1,040.9	1,067.9	1,095.6	1,124.1	1,154.4	1,185.6	1,217.6	1,250.4	1,284.2	1,318.9
351	362	377	409	435	491	511	545	548	544

2. Provisions

Source : Central Statistical Office.

GROSS DOMESTIC PRODUCT AT CONSTANT FACTOR COST—WEST PAKISTAN

in crores Rs)

Sections	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72 Revised Provisional
1. Agriculture ..	771.1	769.5	817.1	859.7	881.3	927.6	931.8	982.9	1,098.2	1,147.8	1,223.5	1,201.0	251.3
(a) Major Crops ..	388.2	384.0	420.9	459.5	450.9	488.8	482.1	513.7	607.8	640.8	702.3	604.2	681.0
(b) Minor Crops ..	89.3	86.9	91.8	89.1	112.9	113.0	117.2	128.4	140.6	151.6	153.0	165.7	166.6
(c) Live stock ..	283.7	288.7	294.6	299.6	304.8	312.1	317.8	324.2	330.7	337.5	344.0	350.8	352.8
(d) Fishing ..	7.1	6.7	7.0	7.7	8.5	9.1	9.7	11.4	13.5	12.1	13.7	15.5	16.6
(e) Forestry ..	2.8	3.2	3.4	3.8	4.2	4.6	5.0	5.2	5.6	6.0	6.2	6.8	7.3
2. Mining and quarrying ..	7.0	8.1	5.0	9.6	11.0	12.2	13.3	15.3	18.7	14.1	12.4	14.7	15.0
3. Manufacturing ..	201.8	227.6	257.9	286.3	318.6	350.1	379.9	401.2	426.7	463.4	415.0	530.9	509.7
(a) Large Scale ..	115.9	139.4	167.1	193.4	223.3	252.3	279.6	298.2	320.9	354.8	304.2	475.6	392.3
(b) Small Scale ..	85.9	88.2	90.5	92.9	95.3	97.8	100.3	103.0	105.8	108.6	111.4	114.4	117.4
4. Construction ..	42.7	61.2	89.6	76.0	89.7	102.9	107.9	103.9	103.7	131.7	135.7	159.0	311.4
5. Electricity, gas, water and sanitary services ..	8.7	9.9	9.9	11.2	11.1	17.2	19.7	30.7	22.4	25.1	27.6	70.0	30.5
6. Transportation, storage and communications ..	92.1	102.3	98.7	108.7	112.4	149.0	158.1	164.3	172.9	182.3	187.3	211.5	211.9
7. Wholesale and retail trade (a) ..	210.5	225.1	242.7	246.3	293.8	316.6	341.0	362.1	375.4	402.0	436.3	436.2	430.8
8. Banking and Insurance (b) ..	—	—	—	—	—	—	—	—	—	—	—	—	—
9. Ownership of Dwellings ..	53.7	85.8	88.8	91.6	94.3	97.6	100.6	103.9	106.7	109.9	112.7	118.1	122.4
10. Public Administration and defence ..	39.7	39.8	44.3	47.1	51.8	54.3	73.8	66.7	76.0	78.2	85.2	85.3	102.4
11. Services ..	141.0	147.8	153.7	160.1	169.5	173.2	180.1	187.8	195.4	203.1	210.0	219.1	227.8
12. Gross Domestic Product (b) ..	1,598.4	1,677.7	1,751.0	1,811.1	1,913.6	2,020.7	2,067.3	2,169.7	2,349.8	2,391.5	2,457.9	2,511.9	2,611.4

10. Public Administration and defence	39.7	32.5	44.3	4.1	51.8	54.3	73.8	66.7	79.0	78.7	85.3	102.3
11. Services	141.1	147.3	133.7	160	170.2	173.2	180.1	187.6	195.4	203.3	210.6	227.1
12. Gross Domestic Products (GDP)	1,588.4	1,677.1	1,751.0	1,911.1	2,032.6	2,200.7	2,309.2	2,406.8	2,591.1	2,757.5	2,847.1	3,009.1
13. Population (in Lakhs)	450.3	462.8	474.0	486.1	498.1	511.9	525.7	539.9	554.5	569.5	584.9	619.9
14. Per Capita Gross Income (in Rs.)	353	363	376	39	408	430	420	446	467	484	504	487
15. Growth rate	--	--	--	--	--	--	--	--	--	--	--	--
(a) Population	--	--	--	--	--	--	--	--	--	--	--	2.7
(b) G.N.P.	--	--	--	--	--	--	--	--	--	--	--	9.8
(c) Per Capita Income	--	--	--	--	--	--	--	--	--	--	--	2.1

Note:—The series from 1964-65 onward have been revised in respect of large scale manufacturing due to revision of index of industrial production, wholesale and retail trade due to changes in large scale manufacturing, transport, storage and communication, banking insurance and net factor income from rest of the world due to improved coverage and as such will not be comparable with the series published earlier.

1. Revised

2. Population figures are those worked out by the Planning Commission.

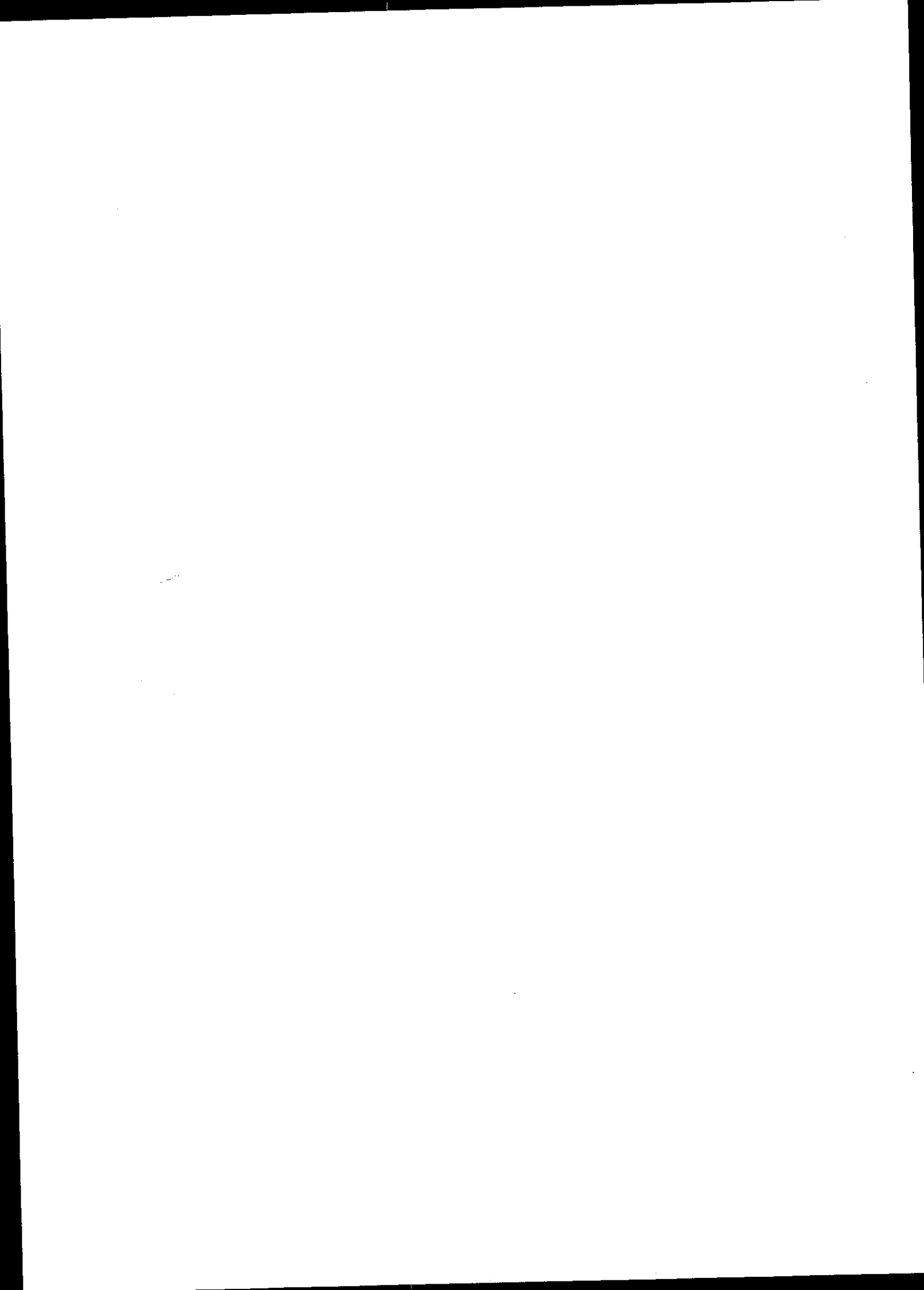


TABLE No. 4

GROSS DOMESTIC PRODUCT AT CURRENT FACTOR COST—WEST PAKISTAN

in crore Rs.

Sectors	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72
	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Agriculture ..	771.1	818.4	821.6	856.5	919.9	1,043.8	1,057.2	1,246.0	1,399.4	1,403.8	1,483.0	1,523.4	1,682.5
(a) Major Crops ..	388.2	411.1	407.9	436.1	475.5	572.0	566.9	660.4	732.9	746.6	809.6	809.1	908.2
(b) Minor Crops ..	89.3	90.0	91.1	86.4	115.0	134.6	144.8	194.3	215.9	170.9	189.0	197.3	221.4
(c) Live stock ..	283.7	306.4	311.0	320.3	323.8	319.9	325.4	368.8	425.6	461.5	454.7	479.4	505.3
(d) Fishing ..	7.1	7.9	8.3	9.3	11.0	12.7	13.8	15.1	15.9	14.8	18.9	26.1	351.3
(e) Forestry ..	2.8	3.0	3.3	3.9	4.0	4.6	6.3	7.4	9.1	10.0	10.8	11.5	12.3
2. Mining and quarrying ..	7.0	8.3	8.9	10.2	11.9	14.0	15.2	15.8	16.5	18.1	19.4	20.4	23.1
3. Manufacturing ..	201.8	225.8	260.2	302.4	341.4	375.9	428.1	469.6	519.9	601.3	692.3	751.5	767.4
(a) Large-scale ..	115.9	138.3	168.8	204.3	239.0	270.4	315.1	349.0	390.5	460.4	542.7	591.6	510.6
(b) Small-scale ..	85.9	87.5	91.4	98.1	102.4	105.5	113.0	120.6	129.4	140.9	149.6	159.9	176.8
4. Construction ..	42.7	60.7	60.2	73.9	96.0	110.3	121.6	121.6	126.2	170.9	182.2	197.9	197.3
5. Electricity, gas and sanitary services ..	8.7	10.2	10.3	12.7	15.7	20.0	22.9	26.9	29.1	30.9	36.5	41.1	45.8
6. Transportation, storage and communications ..	92.1	106.1	106.5	114.6	124.0	153.7	188.5	217.1	235.6	250.3	272.4	322.0	339.2
7. Wholesale and retail trade ..	210.5	232.0	250.5	270.6	315.9	369.0	410.0	478.6	511.6	553.8	634.1	664.3	680.1
8. Banking and insurance ..	—	—	—	—	—	—	—	—	—	—	—	—	—
9. Ownership of dwellings ..	83.7	87.5	92.4	95.3	100.0	108.3	118.7	134.0	140.3	151.6	155.5	171.0	184.3

I	2	3	4	5	6	7	8	9	10	11	12	13	14
Public administration and defence	59.7	41.5	46.6	50.2	56.0	61.5	86.5	83.8	98.7	103.1	115.7	120.9	152.9
Services	141.1	150.5	160.0	164.0	175.6	192.6	211.8	239.5	252.8	267.5	306.0	340.6	379.3
Gross Domestic Product	1,598.4	1,741.1	1,817.4	1,949.8	2,186.4	2,469.1	2,660.5	3,032.9	3,330.1	3,551.1	3,897.1	4,130.0	4,328.8
Population (in lakh) (3)	450.3	462.0	474.0	486.3	498.9	511.9	525.7	539.9	554.5	569.5	584.9	600.7	616.9
Per capita gross income (in Rs.) (1)	355	379	383	410	433	482	506	562	601	624	666	688	702

1. Revised.

2. Provisional.

3. Planning Commission estimates.

Note.—The series from 1964-65 to onward have been revised in respect of large scale manufacturing due to revision of index of industrial production, wholesale and retail trade due to changes in large scale manufacturing, transport, storage and communication, banking insurance and net factor income from rest of the world due to improved coverage and as such will not be comparable with the series published earlier.

AGRICULTURE

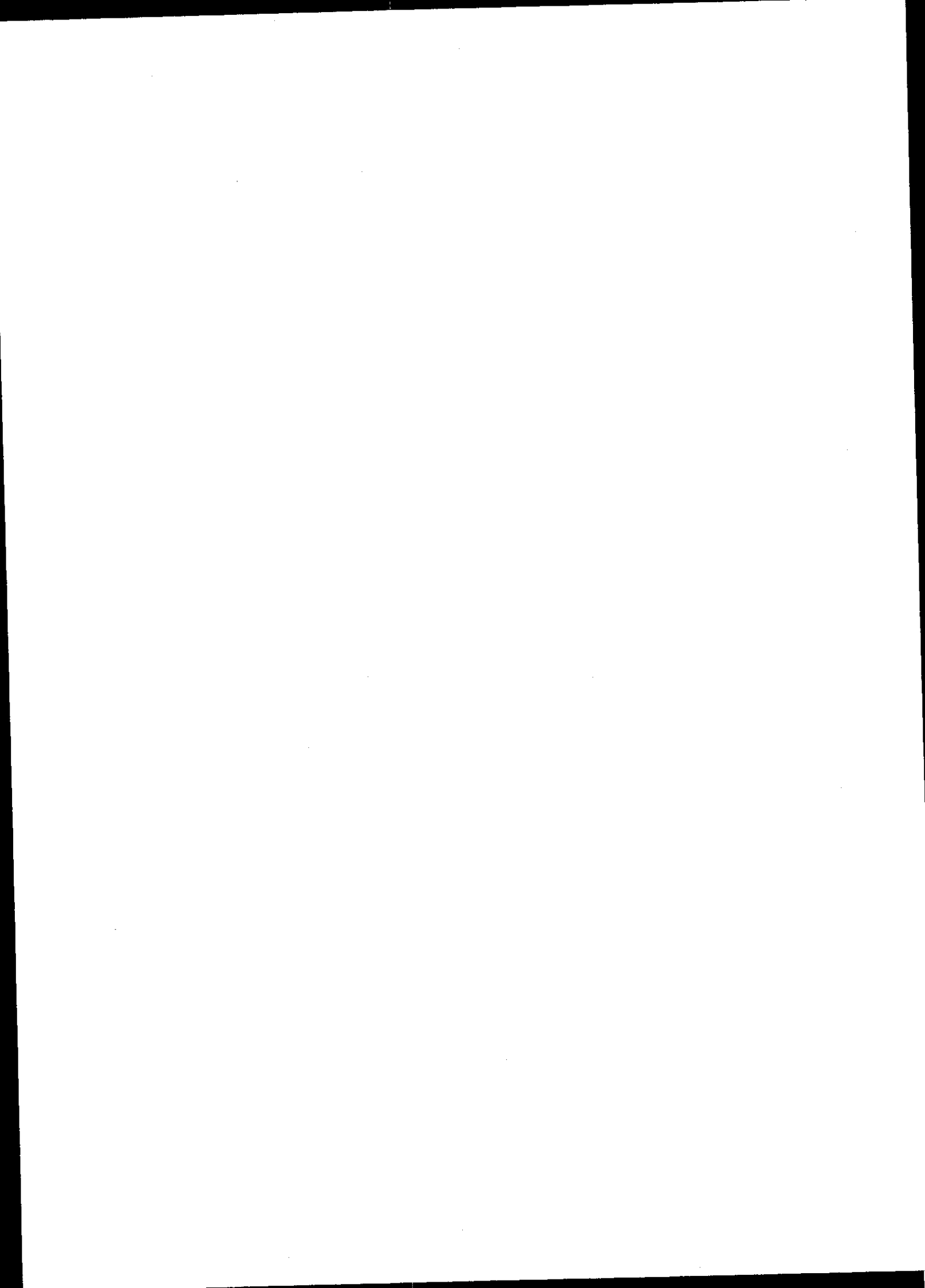


TABLE No. 7

INDEX OF AGRICULTURAL PRODUCTION - BANGLADESH
(Major Crops)
(1959-60 = 100)

Year (July - June)	All crops	Food crops	Non-food crops	Fibres
1948-49	89	93	82	80
1949-50	86	91	74	68
1950-51	90	92	77	70
1954-55	90	88	100	90
1955-56	86	81	94	110
1959-60	100	100	100	100
1960-61	105	107	100	91
1961-62	112	109	110	119
1962-63	111	108	108	119
1963-64	110	110	108	124
1964-65	107	107	108	117
1965-66	121	117	120	128
1966-67	123	117	128	134
1967-68	141	137	144	144
1968-69	146	137	152	140
1969-70	158	153	167	155
1970-71	153	150	160	146

Source : Central Statistical Office.

Weighting system : Weighted average prices of the base year are used as a weight for these quantum indices.

Method of calculation : The index numbers are computed by Laspeyre's Formula i.e. $\frac{\sum Q_1 P_0}{\sum Q_0 P_0}$

where Q_1 is the quantity of current year and Q_0 and P_0 are the average quantity and weighted average prices of the base year respectively.

TABLE No. 6

INDEX OF AGRICULTURAL PRODUCTION WEST PAKISTAN

(Major Crops)

(1959-60=100)

Year (July--June)	All crops	Food crops	Non-food crop	Fibres	(J)
1948-49	89				
1949-50	86				
1950-51	90	N.A.	N.A.	N.A.	
1954-55	90				100
1955-56	86	100	100	100	194
1959-60	100				192
1960-61	100	98	103	103	1
1961-62	109	105	122	111	100
1962-63	119	108	151	128	195
1963-64	118	108	124	144	190
1964-65	128	120	162	130	1
1965-66	127	107	181	142	1
1966-67	135	114	188	156	196
1967-68	157	150	170	171	196
1968-69	168	160	181	184	1..
1969-70	185	177	209	184	1
1970-71 (a)	173	163	192	192	100
1971-72 (p)	178	164	170	253	196

Source : Central Statistical Office

(a) Revised.

(p) Provisional.

Weighting system : Weighted average prices of the base year used as a weight for these quantum indices.

Method of calculation : The index numbers are computed by Laspeyre's Formula i.e. $\frac{\sum Q_1 P_0}{\sum Q_0 P_0}$

where Q_1 is the quantity of current year and Q_0 and P_0 are the average quantity and weighted average prices of the base year, respectively.

TABLE No. 7

PER CAPITA AVAILABILITY OF FOODGRAINS

Year (July-June)	Domestic production (lakh tons)	Allowance for seed, animal feed, wastage etc. (@ 10% (lakh tons)	Import (lakh tons) (c)	Export (lakh tons)	Available for con- sumption (lakh tons) (Cols. 2 3 + 4 - 5)	Population (in lakh)	Per capita availability (pounds per day)
1	2	3	4	5	6	7	8
1948-9	136.1	13.61	1.65	0.03	124.11	770.1	15.62
1949-50	132.6	13.26	0.43	0.22	119.55	787.8	15.90
1950-1	133.0	13.30	-	3.25	115.45	805.9	14.49
1954-5	127.2	12.72	-	2.05	112.43	882.6	12.51
1955-6	117.4	11.74	1.76	1.44	105.98	902.9	11.53
1959-60	145.2	14.52	13.29	0.87	133.10	988.7	14.21
1960-1	154.1	15.41	16.93	0.70	154.12	1,064.7	14.99
1961-2	158.1	15.81	10.51	1.02	151.81	1,096.7	14.13
1962-3	152.5	15.25	18.55	1.85	153.15	1,067.7	14.17
1963-4	169.9	16.99	16.63	1.12	166.12	1,095.7	14.94
1964-5	176.0	17.60	17.70	1.80	171.50	1,124.7	15.17
1965-6	162.8	16.28	13.16	1.46	170.16	1,184.7	14.14
1966-7	164.1	16.41	23.57	1.80	169.36	1,185.6	14.03
1967-8	204.1	20.44	22.71	1.20	205.69	1,217.6	16.51
1968-9	210.8	21.08	8.21	1.28	196.65	1,250.5	15.43
1969-70	228.0	22.80	12.27	0.88	216.56	1,284.3	16.55
1970-71	211.2	21.12	12.90	1.77	209.43	1,318.9	15.59

(a) Production data include rice, wheat, barley, maize, bajra and jowar.

(b) Population figures are based on estimates of the Planning Commission.

(c) Import figures are those supplied by the Ministry of Agriculture and Works (East Africa).

TABLE
ACREAGE OF

No.
PR

(Year beginning July 1st)

Crop	Average 1960-61 to 1964-65			1965-66			1967-68			Pakistan
	Pakistan	East Pakistan	West Pakistan	Pakistan	East Pakistan	West Pakistan	Pakistan	East Pakistan	West Pakistan	
Rice	24,955	21,880	3,075	26,573	23,130	3,443	27,945	24,437	3,508	27.9
Wheat	12,464	148	12,316	12,874	136	12,738	14,977	192	14,785	15.5
Bajra	2,017	—	2,017	2,075	(e)	2,075	2,258	(e)	2,258	1.7
Jowar	1,251	2	1,249	1,469	2	1,467	1,446	2	1,444	1.17
Maize	1,202	17	1,185	1,349	10	1,339	1,511	9	1,502	1.
Barley	529	69	460	436	54	382	490	61	429	45.
Total foodgrains	42,418	22,116	30,302	44,776	23,332	21,444	48,627	24,701	23,926	48,407
Gram	3,028	137	2,891	2,778	135	2,643	2,921	152	2,769	2.
Total food crops	45,446	22,253	33,193	47,554	23,467	24,087	51,548	24,853	26,695	50.
Sugarcane	1,476	318	1,158	1,855	379	1,476	1,657	412	1,245	1,742
Rape and mustard	1,726	537	1,189	1,565	474	1,091	1,870	530	1,340	1,500
Sesamium	214	132	82	194	124	70	208	129	79	129
Jute	1,732	1,732	—	2,198	2,198	—	2,354	2,354	—	2.1
Cotton	3,409	40	3,439	3,895	37	3,858	4,447	36	4,411	4,342
Tea	84	84	—	95	95	—	101	101	—	10.
Tobacco	211	103	111	253	109	144	286	112	174	10.
Total cash crops	8,945	2,946	5,999	10,055	3,416	6,539	10,907	3,658	7,249	10.4
Total principal crops	54,391	25,199	29,192	57,609	26,883	30,726	62,455	28,511	33,944	61,357

(e) Below 500 acres.

(r) Last year's figures repeated.

(p) Provisional

* First estimate

PRINCIPAL CROPS

(In thousand acres)

1965-69			1969-70			1970-71			1971-72	
Pakistan	East Pakistan	West Pakistan	Pakistan	East Pakistan	West Pakistan	Pakistan	East Pakistan	West Pakistan	1969-70	1971-72
27,15	24,073	33,42	29,353	35,436	4,008	26,209	24,494	3,713	2,710 (P)	Rice
15,11	20	15,223	15,699	295	15,393	15,082	311	14,771	1,4578 (P)	Wheat
1,49	00	1,819	1,590	—	1,560	1,951	(c)	1,681	1,917 (P)	Maize
1,72	2	1,170	1,214	—	1,212	1,389	2	1,373	1,318 (R)	Barley
1,17	3	1,223	1,618	2	1,600	1,389	0	1,551	1,599 (P)	Mulberry
55	70	385	472	73	399	440	92	348	348 (R)	Barley
48,03	24,443	23,960	49,916	25,865	24,172	48,581	24,907	23,674	23,530	
2558	169	2,569	2,487	175	2,314	2,371*	160	2,211	2,211 (R)	Groundnut
5,941	24,621	26,329	52,491	26,078	26,485	50,952	26,067	25,883	25,741	
1,43	407	1,224	1,931	390	1,532	1,976	494	1,222	1,385 (P)	Soyabean
15-8	182	1,916	1,717	53	1,670	1,791	241	1,207	1,200 (R)	Rapes & Mustard
122	11	63	125	—	50	307	111	76	18 (P)	Solanum
1,170	2,176	—	2,465	2,465	—	2,568	2,768	—	—	
242	31	1,308	4,373	34	4,339	4,317	32	4,285	1,800 (P)	Cotton
105	105	—	107	107	—	110	110	—	—	
272	115	132	270	115	157	239	109	150	130	Peas
10,513	1,512	6,907	11,033	3,779	7,256	10,908	5,365	7,343	7,316	
61,54	28,124	33,236	63,458	29,317	33,742	61,860	28,632	33,228	33,557	

Source: Planning Unit, Ministry of Agriculture and Works.

TABLE
PRODUCTION OF

No. 9
PRINCIPAL

(Year beginning July 1st.)

Crop	Average 1960-61 to 1964-65			1965-66			1967-68			Pakistan	East Pakistan
	Pakistan	East Pakistan	West Pakistan	Pakistan	East Pakistan	West Pakistan	Pakistan	East Pakistan	West Pakistan		
Rice	10,842	9,791	1,143	11,631	10,325	1,296	12,470	10,955	1,475	13,165	11,165
Wheat	4,124	57	4,087	3,889	35	3,854	6,375	58	6,317	6,608	5
Rajra	373	0	373	364	0	364	697	0	697	325	0
Lower	247	1	246	270	0	270	286	0	286	258	0
Maize	491	7	486	534	3	531	782	5	779	619	0
Barley	132	16	116	94	12	82	122	16	106	113	18
Total foodgrains	16,211	9,790	6,451	16,712	10,385	6,397	29,442	11,072	9,379	21,085	11,278
Grain	664	35	629	574	43	531	520	47	473	574	54
Total food crops	16,875	7,795	7,080	17,286	10,428	6,925	29,962	11,119	9,843	21,659	11,332
Sugarcane	20,542	4,943	15,399	29,597	2,529	21,957	23,954	7,589	13,365	28,921	7,29
Rape and mustard	314	27	217	234	98	136	399	129	270	347	128
Seamless	31	25	9	31	24	7	39	30	9	39	0
Jute	1,975 (6,926)	1,023 (6,920)	—	1,195 (6,693)	1,197 (6,693)	—	1,200 (6,722)	1,200 (6,722)	—	1,027 (5,754)	1,027 (5,754)
Cotton	523 (2,027)	3 (17)	352 (2,010)	411 (2,507)	—	407 (2,331)	511 (2,926)	3 (15)	593 (2,911)	526 (2,974)	2 (1)
Tea	21 (54.2)	25 (54.2)	—	27.9 (60.9)	27.9 (60.9)	—	29.3 (64.5)	29.3 (64.5)	—	28.1 (63.9)	28.1 (63.9)
Tobacco	99 (221.1)	25 (62.7)	71 (155.4)	135 (302.8)	27 (60.2)	198 (242.6)	166.3 (373)	38.4 (86)	127.9 (286)	163.0 (366.0)	40 (89.6)
Total cash crops	22,443	6,195	16,248	31,580.0	3,121.0	2,265.9	28,289.3	9,009.4	19,279.9	31,047.1	8,353.1
Total principal crops	39,318	15,990	23,328	48,926.0	13,549.1	29,587.9	49,251.9	20,128.4	29,122.9	52,706.1	19,855

Note.—Figure in brackets indicates '000' bales for jute and cotton and million pounds for tea and tobacco.

(a) Last year's figure repeated.

(b) Below 500 tons.

* Estimates of rice production include *Boro* targets.

(p) Provisional

(p) Provisional

No. 9

PRINCIPAL CROPS

(In thousand ton)

1968-9		1969-70			1970-71			1971-72 (P)	
Pakistan	East Pakistan	West Pakistan	Pakistan	East Pakistan	West Pakistan	Pakistan	East Pakistan	West Pakistan	West (P) Pakistan
13,165	11,165	2,000	14,162	11,816	2,346	13,132	10,967	2,165	2,165
6,605	92	6,513	7,282	103	7,179	6,484	110	6,374	6,500
325	(f)	325	297	(f)	297	355	(f)	355	357
258	(f)	258	279	(f)	279	325	1	324	314
619	3	616	659	3	657	790	3	706	694
113	18	95	126	19	107	116	26	90	94
21,085	11,278	9,807	22,805	11,941	10,865	21,121	11,107	10,014	10,124
574	54	520	560	57	505	481	--	481	468
21,659	11,332	10,327	23,365	11,998	11,368	21,602	11,107	10,495	10,529
28,921	7,297	21,624	33,370	2,418	25,952	30,339	7,598	22,801	2,1624
347	128	219	372	126	246	401	136	265	
39	31	8	36	30	6	37	27	10	250
1,027	1,027	--	1,319	1,319	--	1,128	1,128	--	13
(5,754)	(5,754)	--	(2,171)	(2,171)	--	(6,877)	(6,877)	--	--
520	2	518	531	2	529	520	2	518	--650
(2,974)	113	(2,861)	(1,629)	(14)	(3,015)	(2,949)	(13)	(2,957)	(3,605)
28.1	28.1	--	29.8	29.8	--	30.8	30.8	--	--
(62.9)	(62.9)	--	(66.8)	(66.8)	--	(69)	(69)	--	--
163.0	40	123	161	41	120	150	19	111	111
(366.0)	(89.6)	(276.4)	(360.6)	(91.5)	(268.8)	(336.0)	(87.4)	(248.7)	(248.7) (R)
31,047.1	8,553.1	22,492.0	35,818.6	8,965.8	26,853.3	32,605.8	8,960.8	23,708	22,646
32,706.1	19,885.9	32,822.0	59,183.8	20,963.8	38,221	54,207.8	20,067.8	34,200	33,240

(P) Provisional

Source: Planning Unit, Ministry of Agriculture and Works

TABLE
YIELD PER ACRE OF

(Year beginning July 1st.)

Crop	Average 1955-56 to 1959-60			Average 1960-61 to 1964-65			1965-66			1967-68		
	Pakistan	East Pakistan	West Pakistan	Pakistan	East Pakistan	West Pakistan	Pakistan	East Pakistan	West Pakistan	Pakistan	East Pakistan	West Pakistan
Rice ..	10.1	10.1	9.5	11.8	12.1	10.1	11.9	12.2	10.2	12.1	12.2	11.4
Wheat ..	8.5	5.7	8.5	8.9	6.8	9.0	8.2	7.0	8.2	11.5	8.2	11.6
Bajra ..	4.2	—	4.2	5.0	—	5.0	4.8	—	4.8	4.9	—	4.9
Jowar	5.2	—	5.2	5.4	—	5.4	5.0	—	5.0	5.4	—	5.4
Maize	11.4	7.8	11.4	11.1	8.4	11.1	10.8	8.2	10.8	14.1	9.1	14.1
Barley	7.5	5.7	7.7	6.8	6.4	6.8	5.9	6.0	5.8	6.8	7.1	6.7
Gram ..	5.7	6.6	5.7	6.0	7.0	5.9	5.6	8.7	5.5	4.8	8.4	4.7
Sugarcane	328.2	403.8	308.7	376.6	421.1	364.1	433.0	542.0	404.9	426.4	514.4	01.5
Rape and mustard	4.6	4.9	4.7	4.9	4.5	4.9	4.	5.5	4.5	5.7	6.2	5.5
Sesamum	4.3	5.1	2.7	4.7	5.0	2.9	4.3	5.3	2.2	5.1	6.3	3.1
Jute ..	19.8	19.8	—	16.8	16.8	—	14.8	14.8	—	3.8	13.8	—
Cotton	2.3	1.5	2.3	2.7	2.0	2.7	2.9	2.1	2.9	3.1	2.0	3.1
Tea ..	8.3	8.3	—	7.8	7.8	—	7.7	7.7	—	7.8	7.8	—
Tobacco	12.6	7.3	16.1	12.5	7.3	19.8	11.6	6.7	20.9	15.8	9.4	20.0

No. 1)

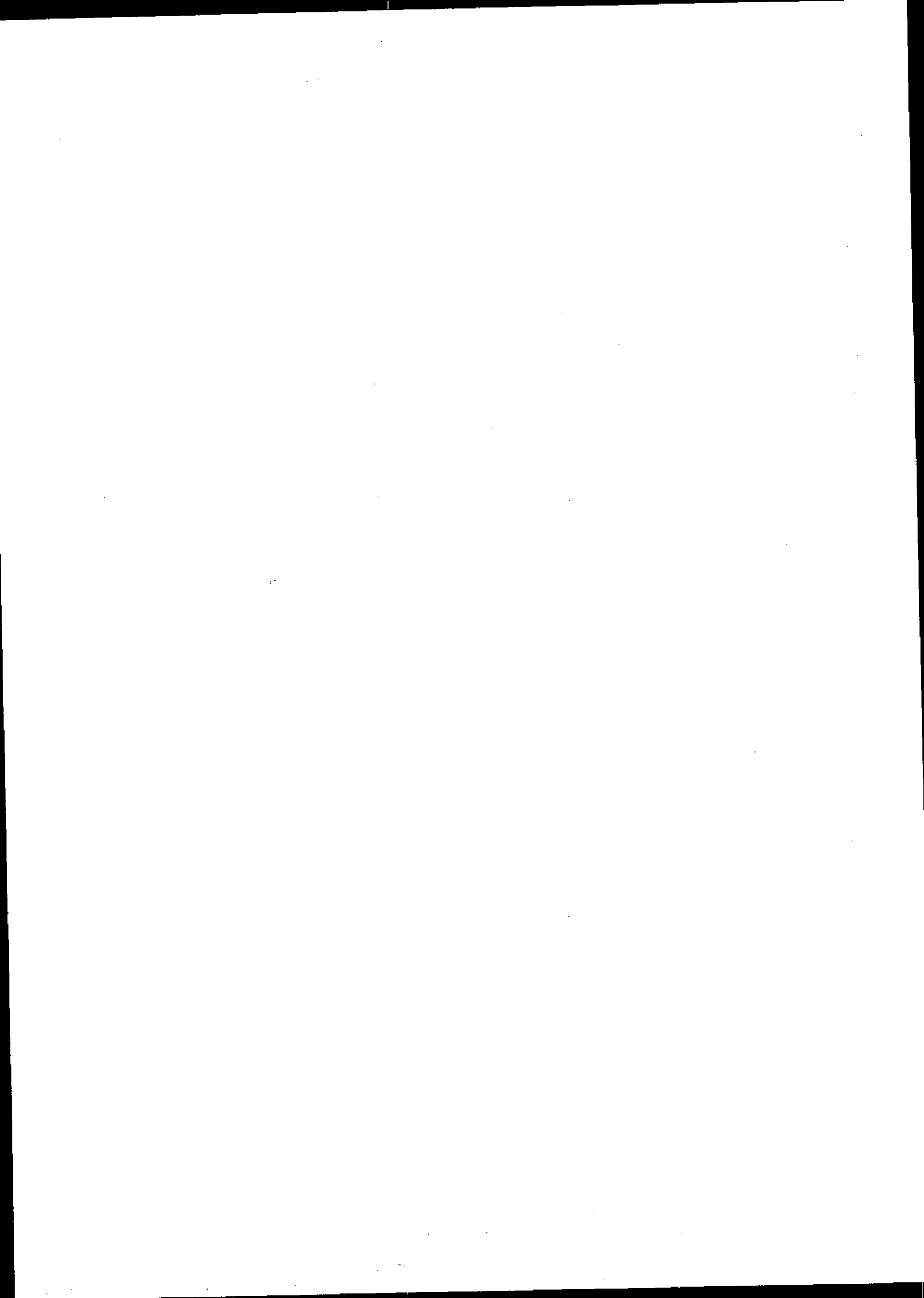
PRINCIPAL CROPS

(In thousands)

1968-69			1969-70			1970-71			1971-72 (P)
Pakistan East Pakistan	West Pakistan	Pakistan	East Pakistan	West Pakistan	Pakistan	East Pakistan	West Pakistan	West Pakistan	
12.8	12.6	14.2	13.1	12.6	15.5	12.7	12.1	15.7	15.8
11.6	8.6	11.6	12.6	9.5	12.6	11.7	9.6	11.7	12.0
4.9	—	4.9	5.2	—	5.2	5.1	—	5.1	5.0
6.0	—	6.0	6.3	—	6.3	6.4	—	6.4	6.2
11.0	10.2	11.0	11.1	10.2	11.1	12.0	12.0	12.2	11.7
6.8	7.0	6.7	7.3	7.1	7.3	7.2	7.7	7.0	7.3
6.2	8.7	6.0	6.1	9.0	5.9	—	—	—	—
51.7	418.0	440.0	470.5	506.7	461.1	418.8	511.5	394.9	406.6
5.9	6.3	5.8	6.0	6.3	5.8	6.1	7.0	5.7	5.3
5.3	6.4	3.2	5.6	6.6	3.2	5.4	6.7	3.7	3.8
12.9	12.9	—	14.1	14.1	—	14.7	14.7	—	—
3.2	1.8	3.3	3.3	1.9	3.3	3.3	1.9	3.4	3.9
7.4	7.4	—	7.6	7.6	—	7.6	7.6	—	—
16.1	9.6	20.5	16.0	9.5	20.2	15.3	9.7	20.2	19.9

(P) Provisional

Source: Planning Unit, Ministry of Agriculture and Works.



MANUFACTURING AND MINING

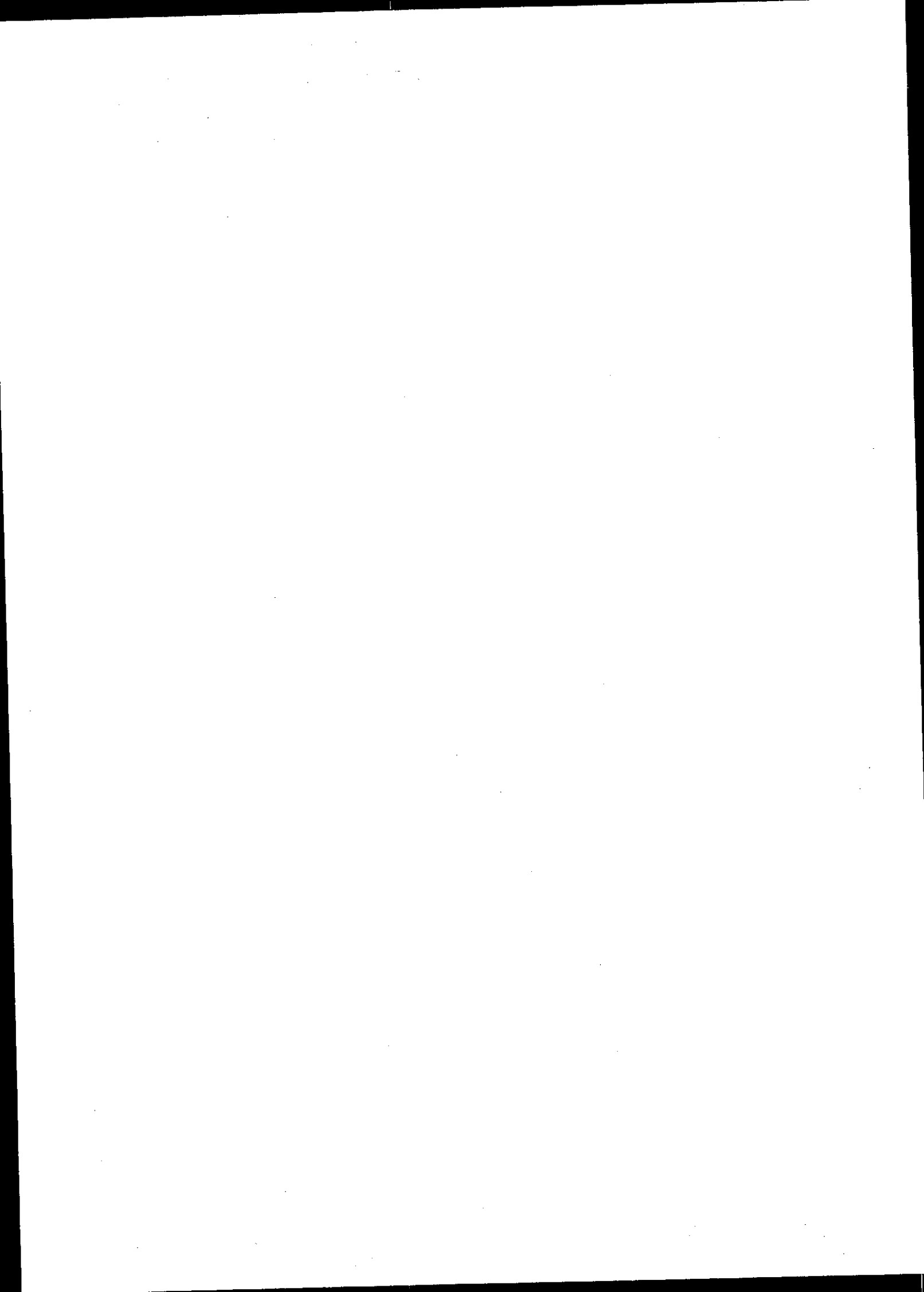


TABLE No. 11

INDEX OF MANUFACTURING AND MINING PRODUCTION
ALL PAKISTAN

								Manufacturing (1964-65=100)	Mining (1959-60=100)
1964-65	..	..	..	..	..	..	..	100.0	174.5
1965-66	..	..	..	..	..	..	..	112.9	182.3
1966-67	..	..	..	..	..	..	..	120.2	193.0
1967-68	..	..	..	..	..	..	..	134.8	184.9
1968-69	..	..	..	..	..	..	..	145.1	201.5
1969-70	..	..	..	..	..	..	..	161.4	221.6
1970-71	..	..	..	..	..	..	..	153.6	241.0

TABLE No. 12

INDEX OF MANUFACTURING AND MINING PRODUCTION
WEST PAKISTAN

								Manufacturing (1964-65=100)	Mining (1964-65=100)
1964-65	..	..	..	..	..	..	..	100	100
1965-66	..	..	..	..	..	..	..	110.8	100.5
1866-67	..	..	..	..	..	..	..	118.2	106.0
1967-68	..	..	..	..	..	..	..	127.2	101.6
1968-69	..	..	..	..	..	..	..	140.6	117.5
1969-70	..	..	..	..	..	..	..	160.2	115.9
1970-71	..	..	..	..	..	..	..	164.7(e)	116.6
1971-72	..	..	..	..	..	..	..	163.9(e)	122.3(p)

(e) Estimated.

(p) Provsional.

TABLE No. 13

PRODUCTION OF SELECTED MANUFACTURING INDUSTRIES—ALL PAKISTAN

Item	Unit	Year										
		'48-49*	'49-50*	'54-55*	'59-60	'64-65	'65-66	'66-67	'67-68	'68-69	1969-70	1970-71
1	2	3	4	5	6	7	8	9	10	11	12	13
ca	Lakh lbs.	471	533	538	508	623	619	670	627	637	696	522 (b)(p)
Sugar	000 tons	39	33	95*	144	233	456	426	378	465	640	580 (p)
Hydrogenated Vegetable oil	000 tons	3	4	13*	30	95	105	90	96 (r)	103	129	135 (p)
Cigarettes	Crore Nos	24 (b)	140	483	927	1,984	2,645	3,205	3,493	3,653	4,016	3,524 (p)
<i>Textile manufactures :</i>												
Cotton yarn	Crore lbs.	3.4	4.3	27.5*	40.3	51.8	50.1	53.1	57.3	62.2	70.8	75.1 (p)
Cotton Cloth	Crore yds	9.2	10.6	45.3*	60.6	76.4	69.1	73.9	76.7	77.1	78.5	84.0 (p)
Silk Art and rayon cloth	Lakh sq. yards	NA	NA	NA	145	322	356	456	776 (r)	947.2	840.5	821.4 (p)
Jute goods	000 tons	NA	NA	103*	265*	289	409	404	513	518	580	458 (p)
<i>Chemical Fertilizers :</i>												
(i) Superphosphates	000 tons	—	—	—	0.8	8.0	7.9	4.0	15.8	14.2	22.9	25.0
(ii) Ammonium	000 tons	—	—	—	42.2	34.9	38.4	42.2	46.1	41.9	57.4	58.7
(iii) Urea	000 tons	—	—	—	—	116	132	140.1	155.0	191.4	297.4	252.7
Sulphuric acid	000 tons	—	—	—	13.2*	20.9	24.2	22.4	30.3	29.1	37.5	34.5
Soda Ash	000 tons	—	—	28.5	26.6*	33.8	31.5	31.4	57.3	61.8(r)	66.7 (r)	76.8
Bicycles	000 Nos	NA	NA	NA	NA	148	146.5	181.1	193.3	195.8	179.6(p)	NA
Sewing machines	000 Nos	NA	NA	NA	NA	58	42.8	48.3	66.5	81.0	88.6	84.7

Electric Fans :

	1	2	3	4	5	6	7	8	9	10	11	12	13
Pedestal	--	--	NA	NA	NA	NA	NA	15.7	16.7	20.2	19.4	19.7	32.5(p)
Ceiling	--	--	NA	NA	NA	NA	NA	157.5	167.0	164.1	137.4	130.8	NA
Table	--	--	NA	NA	NA	NA	NA	35.2	42.8	47.8	35.6	32.2	37.8(p)
Cycle rubber tyres	--	--	NA	NA	NA	NA	23.8	19.3	29.7	28.0	31.7	32.9	33.3(p)
Cycle rubber tubes	--	--	NA	NA	NA	NA	44.7	27.3	42.5	33.1	38.5	33.6	36.6(p)
Motor tyres	--	--	NA	NA	NA	NA	NA	63.5	62.9	90.9	14.7	110.8	NA
Motor tubes	--	--	NA	NA	NA	NA	NA	65.3	68.5	95.8	29.3	116.1	NA

Safety matches 40-60 sticks -- Lakh gross boxes 5.3 66.6 91.4 118.7 136.0 112.4 120.5(0) 144.3 140.7 119.5(p)

Paper and Board :

	1	2	3	4	5	6	7	8	9	10	11	12	13
Printing	--	--	--	--	8.0*	16.4	22.5	22.9	15.6	20.0	20.5	21.4	10.9
Writing	--	--	--	--	4.4*	4.3	9.7	10.9	9.5	10.3	11.5	10.3	13.0
Packing & other paper	--	--	--	--	6.8*	6.4	8.4	8.0	8.9	8.7	11.7	10.5	8.0
Newsprint	--	--	--	--	--	12.1(c)	38.2	33.8	36.5	38.7	39.0	35.7	29.6

Board :

Straw	--	--	--	--	--	4.5	5.6	4.8	5.0	4.1	4.5	1.4	0.2
Paper	--	--	--	--	--	7.8	15.7	14.4	16.6	16.9(t)	22.6	25.2	24.7

1	2	3	4	5	6	7	8	4	10	11	12	13
Chip ..	.. 000 tons	—	—	—	1.4	3.1	4.5	4.6	3.6 (r)	7.2	10.7	14.7
Paint & Varnishes ..	.. 000 cwt	NA	NA	NA	75.1	107	84	94	74	84	74.8	79.9
Cement ..	.. Lakh tons	4.2	4.1	6.8*	10.3	16.9	16.5	20.1	22.1 (r)	25.7	26.2 (p)	27.2
Mild steel products ..	.. 000 tons	—	—	—	—	—	239.1	256.3	337.9	433.4	346.1	NA

Source : Central Statistical Office.

- (p) Provisional.
- (b) Data relates to nine months.
- (c) Data relates to eleven months.
- (*) Data relates to calendar year, figures coming under 1948-49 means figures for 1949 calendar year and so on.
- (r) Revised.
- (NA) Not available.

TABLE No. 14
PRODUCTION OF SELECTED MANUFACTURING INDUSTRIES

TABLE NO. 14
PRODUCTION OF SELECTED MANUFACTURING INDUSTRIES

WEST PAKISTAN

Item	Unit	1971-72												
		1948-49*	1949-50*	1954-55	1959-60	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71 (July-March)	1971-72 (P)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Food Manufactures :														
(i) Sugar	.. 000 tons	13	17	4.8*	83	156	371	313	268	403	600	510	296.6	
(ii) Hydrogenated Vegetable oil	.. 000 tons	3	4	13*	23	90	100	85	90.7	96.8	122	133	108.5	
(iii) Sea Salt	.. 000 tons	142	181	270*	206	216	192	211	211	318	247	215(p)	170	
Tobacco Manufactures :														
Cigarettes	.. crore Nos.	24(d)	149	443	817	1,430	1,687	1,891	2,002	1,968	2,237	2,417	1,457	
Textiles Manufactures :														
(i) Cotton yarn	.. crore lbs.	1.8	2.7	25.2*	35.4	45.4	42.8	45.6	49.5	52.6	60.2	67.0(p)	51.0	
(ii) Cotton cloth	.. crore yds.	4.4	5.5	38.9*	54.4*	71.5	65.1	68.4	71.5	71.0	72.5	78.7(p)	57.5	
(iii) Art Silk and Rayon cloth	Lakh sq. yds.	--	--	N.A.	142	0321	352	445	719.7	879.2	786.0	776.6	79.8	
Cycles rubber tyres and tubes	.. Lakh Nos.	0.3	1.12	20.0	30.8	67.8	45.5	70.5	48.7	66.9	63.4	67.1	27.5	
Safety matches	.. Lakh gross boxes.	4.4	4.2	4.2	5.4	11.7	14.2	8.7	8.7	9.8	11.1	12.8 (p)	11.4	
Cement	.. Lakh tons	3.8	3.9	6.3	9.7	16.3	16.1	19.3	21.3	25.1	26.1	26.6	19.6	

	1	2	3	4	5	6	7	8	9	10	11	21	13	14
Chemicals and Fertilizers														
(i) Superphosphate ..	000 tons	—	—	—	—	0.8	8.0	7.9	4.0	15.8	14.2	22.9	25.0	15.2
(ii) Ammonium sulphate ..	00 tons	—	—	—	—	42.2	34.9	38.4	42.2	46.1	41.9	57.4	58.7	50.6
(iii) Urea ..	000 tons	—	—	—	—	—	44.0	41.1	46.8	43.0	104.8	203.1	201.5	136.6
(iv) Soda Ash ..	000 tons	—	—	—	—	28.5*	26.6*	33.8	31.5	31.4	57.3	61.8	75.8	60.8(p)
(v) Sulphuric acid ..	000 tons	—	—	—	—	12*	18.9	21.8	20.0	24.8	23.6	31.0	30.2	21.1
Bicycles ..	000 Nos.	—	N.A.	N.A.	N.A.	N.A.	98	102.6	137.6	155.4	169.8	161.5	159.6	N.A.
Electric Fans :	000 Nos.	—	—	—	—	—	—	—	—	—	—	—	—	—
(i) Pedestal ..	000 Nos.	—	N.A.	N.A.	N.A.	N.A.	N.A.	15.6	16.7	20.0	19.3	19.7	32.5(p)	15.0(i)
(ii) Ceiling ..	000 Nos.	—	N.A.	N.A.	N.A.	N.A.	N.A.	135.8	149.7	143.4	113.6	109.9	135.9(p)	75.0(i)
(iii) Table ..	000 Nos.	—	N.A.	N.A.	N.A.	N.A.	N.A.	35.0	42.5	47.3	35.4	32.1	37.8(p)	20.0(i)
Paper Manufactures														
Straw board ..	000 tons	—	—	—	—	1.5	5.6	4.8	5.0	4.1	4.5	1.4	0.2	—
Paper board ..	000 tons	—	—	—	—	7.8	15.7	14.4	16.6	16.9	22.6	25.2	24.7	16.1
Chip board ..	000 tons	—	—	—	—	1.4	3.1	4.5	4.6	3.6	7.2	10.7	14.7	10.9
Paints & Varnishes ..	000 gallons	—	—	—	—	520.8	1133.1	1152.3	1123.8	1329.4	1434.9	1489.4	1604.3(p)	774.0 (i)
Mild steel products ..	000 tons	—	—	—	—	—	—	183.7	193.6	176.0	223.8	172.4(p)	188.9(p)	36.0(p)

(p) Provisional.
 (i) Data relates to calendar year—figures concerning under 1948-49 mean figures for 1949 calendar year and so on.
 (d) Data relates to nine months.
 (i) July—Feb.

TABLE No. 15
 PRODUCTION OF SELECTED MANUFACTURING INDUSTRIES—FAST PAKISTAN

TABLE No. 15

PRODUCTION OF SELECTED MANUFACTURING INDUSTRIES—EAST PAKISTAN

Item	Unit		1948-49*	1949-50*	1954-55	1959-60	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71
	2	3	4	5	6	7	8	9	10	11	12	13	
Food Manufactures													
Tea	Lakh lbs.	471	533	538	503	623	619	670	627	637	696	52.2 (p) (b)	
Sugar	000 tons	26	16	47*	61	77	85	113	110	57	90	8.0 (p)	
Hydrogenated vegetable oil	000 tons	—	—	—	1.8	4.9	5.3	4.9	5.7 (f)	5.7	7	7 (p)	
Tobacco Manufactures													
Cigarettes	Crore Nos.	—	—	40	110	554	958	1313	1491	1685	1779	1107 (p)	
Textile Manufactures													
Cotton yarn	Crore Lbs.	1.6	1.6	2.3*	4.9	6.4	7.3	7.4	7.7	9.5	10.6	8.1 (p)	
Cotton cloth	Crore yds.	4.8	5.1	6.4*	6.2	4.9	4.0	5.5	5.2	6.1	5.9	5.3 (p)	
Art silk and rayon cloth	Lakh Sq. yds.	N.A.	—	—	3.4	0.9	4.0	11.1	55.9 (f)	67.9 (p)	49.7	37.6 (p)	
Jute goods :	000 tons	N.A.	N.A.	10.3*	265*	289	409	4.04	505	502	554	428 (p)	
Rubber Manufactures													
Cycle/Tyres and tubes	Lakh Nos.	—	—	0.3	0.5	0.7	1.0	1.7	2.4 (f)	3.3	3.0	2.3	

	1	2	3	4	5	6	7	8	9	10	11	12	13
Manufacturers of Chemical fertilizers and chemical products :													
Urea	—	000 tons	—	—	—	—	72.0	90.8	93.3	112.0	86.6	94.3	51.2
Sulphuric Acid	—	000 tons	—	—	—	1.3*	2.0	2.4	2.4	5.5	5.5	6.5	4.3
Safety matches 40-60 sticks	0.6	Lakh gross boxes	0.6	1.1	24.3*	86.0	107.0	121.8	103.7	110.7	131.9	129.6	106.7(p)
Cement	0.4	Lakh tons	0.4	0.2	0.5*	0.01	0.56	0.43	0.75	0.82	0.63	0.5(p)	0.6(p)
Paper Manufactures :													
Printing paper	—	000 tons	—	—	8.0	16.4	22.5	22.9	15.6	20.0	20.5	21.4	10.9
Writing paper	—	000 tons	—	—	4.4	4.3	9.7	10.9	9.5	10.3	11.5	10.3	13.0
Packing and other papers	—	000 tons	—	—	6.8	6.4	8.4	8.0	8.9	8.7	11.7	10.5	8.0
Newsprint	—	000 tons	—	—	—	12.1(a)	38.2	33.8	36.5	38.7	39.0	35.7	29.6
Paints and Varnishes	—	000 cwt.	—	—	—	5.6*	13.6	7.5	7.2	6.1	5.2	5.9	3.7(p)
.. .. .	—	000 gallons	—	—	—	50.3*	93.0	74.8	70.7	72.2	72.3(p)	82.2	73.0(p)

Source : Central Statistical Office.

(*) Data relates calendar year-figures coming under 1948-49 means figures for 1949 calendar year and so on.

(c) Revised.

(b) Data relates to nine months.

TABLE 16
PRODUCTION OF MINERAL PRODUCTS IN PAKISTAN

TABLE 16

PRODUCTION OF MINERALS—ALL PAKISTAN

Item	Unit	1948-49*	1949-50*	1954-55	1959-60	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	
		2	3	4	5	6	7	8	9	10	11	12	13
Antimony	(Tons)	—	—	—	—	165	265	61	914	758	119	173	181
Aragonite	(Tons)	—	—	—	—	2,813	9,171	10,577	9,663	9,585	16,692	17,553	22,250
Celestite	(Tons)	—	—	—	434*	1,340	432	239	524	480	580	507	250
Chormite	(000 tons)	17	18	—	28	15	15	20	38	23	26	25	27
Coal	(000 tons)	332	437	—	529*	775	1,237	1,186	1,323	1,200	1,250(b)	1,249(c)	1,275(e)
Dolomite	(Tons)	—	—	—	—	151	520	84	547	8,563	5,058	—	1,426
Fireclay	(000 tons)	—	—	—	9	16	17	19	20	19	19	28	29
Fuller's earth	(000 tons)	—	—	—	—	—	9	10	18	14	7	3	13
Gypsum	(000 tons)	14	17	—	27	91	183	115	122	60	234	204	164
Limestone	(000 tons)	279	303	—	815	1,013	1,968	1,882	2,432	1,695	2,232	1,817	2,499
Magnesite	(Tons)	—	—	—	—	670	622	655	774	1,231	1,304	514	638
Rock salt	(000 tons)	201	137	—	140*	168	217	289	231	273	365	305	344
Silica sand	(000 tons)	1	5	—	13	28	28	25	78	86	148	43	30
Soapstone	(Tons)	—	—	—	259*	2,088	3,354	1,917	2,870	2,081	2,931	2,931(e)	4,059
Barytes	(Tons)	—	—	—	—	869	11,223	8,795	6,228	8,606	11,183	1,296	3,149
Crude oil	(Million I.G.)	33	45	—	—	72	86	138	128	128	137	136	120
Natural gas	(Million Cu. ft)	—	—	—	—	1,376(c)	25,750	62,896	79,980	84,751	1,00,071	1,27,649	1,18,513

Source : Central Statistical Office.

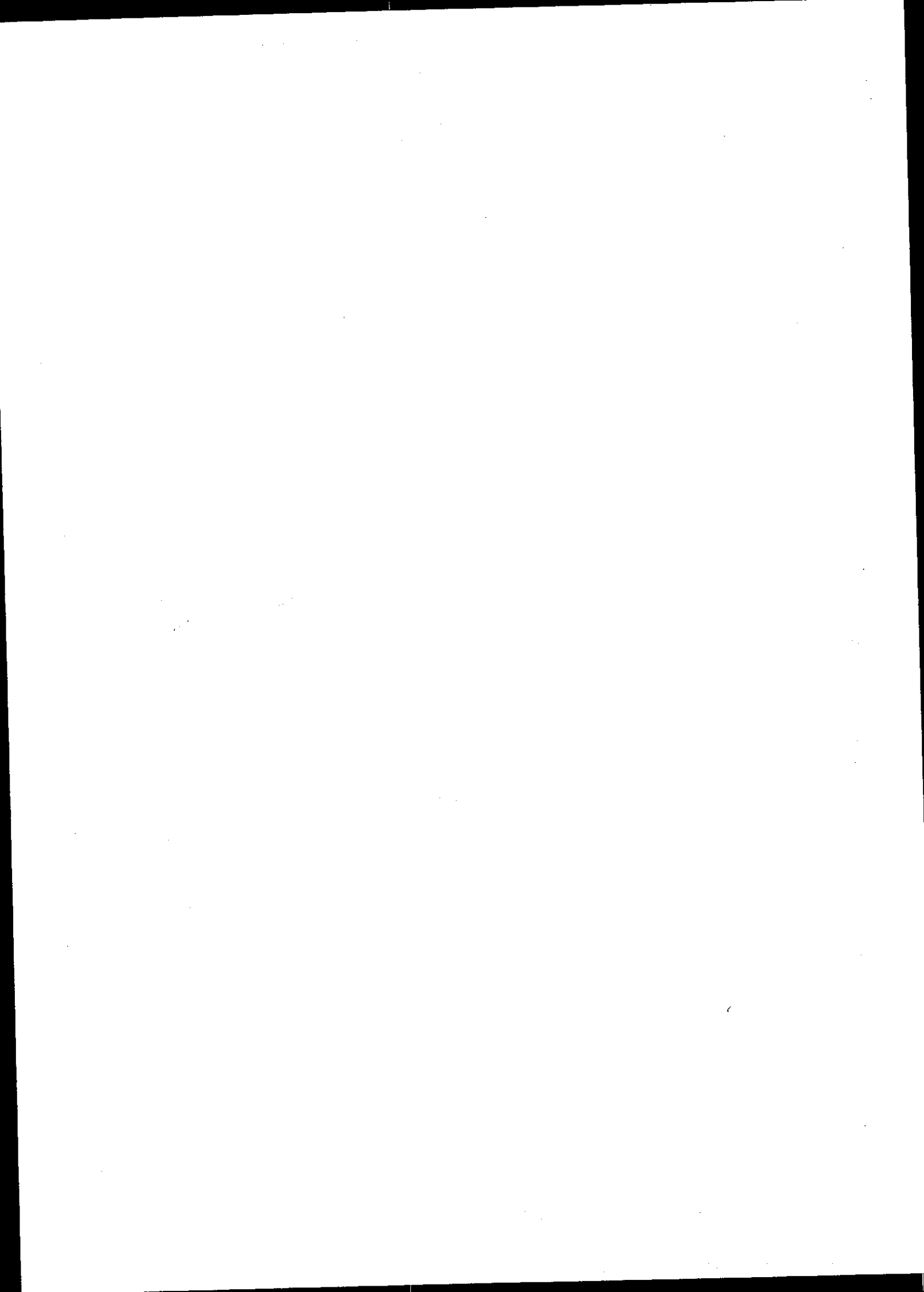
—Nil or insignificant.

(a) From 1962-63 onward figures of aragonite include those of ordinary marble also.

(c) Estimates.

(c) Data for July—December, 1955.

(*) Data relates to calendar year. Figures coming under 1948-49 mean figures for 1949 calendar year and so on.



MONEY AND BANKING

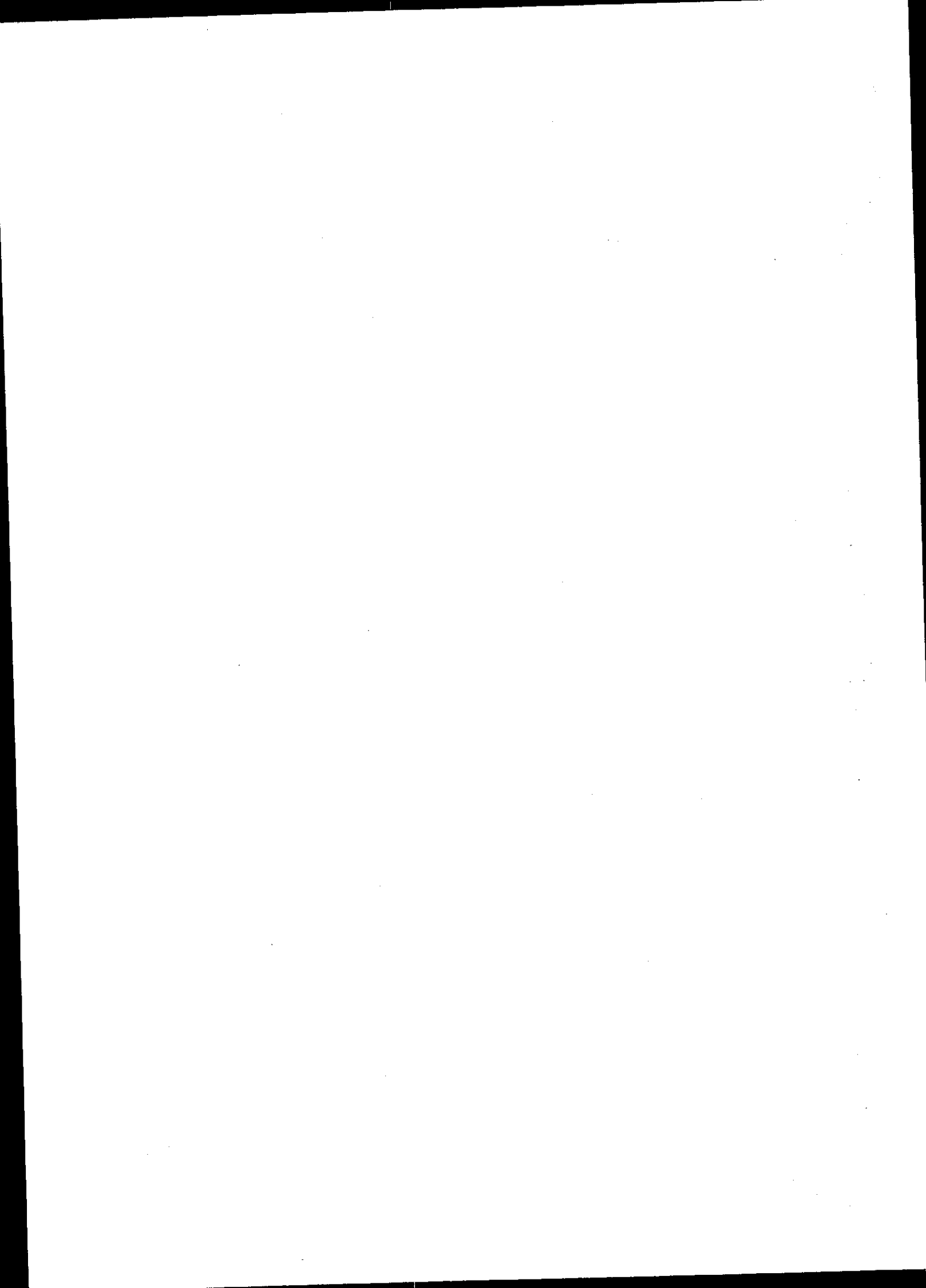


TABLE No. 17

MONETARY ASSETS--ALL PAKISTAN

(In Crore Rs.)

Month/Year (Last Friday)	Currency in Cir- culation	Scheduled Banks' Demand Liabilities (a)	Scheduled Banks' Time Liabilities (a)	Other Deposits with S.B.P. (b)	Deposits of Non- Scheduled and Co- operative Banks with S.B.P.	Post Office Savings Bank Deposits	Monetary Assets
	1	2	3	4	5	6	7
December 1950	199.19	90.72	22.76	2.38	0.72	27.88	343.65
June 1951 ..	202.72	109.82	27.73	3.03	1.62	28.87	373.79
December 1951	246.74	119.03	28.16	3.12	0.88	27.72	425.65
June 1952 ..	223.58	104.52	24.28	2.93	0.67	29.15	385.13
December 1952	214.77	102.27	26.82	2.67	1.14	28.91	376.58
June 1953 ..	223.56	111.81	30.38	1.74	1.38	30.09	398.96
December 1953	236.87	115.14	33.79	1.81	1.27	30.64	419.52
June 1954 ..	241.52	120.18	43.41	2.01	2.11	31.69	440.82
December 1954	257.14	117.04	47.90	5.87	0.69	32.89	461.53
June 1955 ..	260.03	127.02	51.94	2.95	0.63	34.78	477.35
December 1955	298.64	132.63	51.60	5.35	—	37.33	525.55
June 1956 ..	304.96	143.12	56.38	7.26	1.06	40.17	552.95
December 1956	346.30	142.97	54.53	2.46	0.69	42.30	589.25
June 1957 ..	342.90	149.01	56.86	8.58	1.96	44.37	603.68
December 1957	357.99	156.21	61.83	8.57	2.19	46.51	633.30
June 1958 ..	362.36	168.92	70.02	4.23	1.51	49.00	656.04
December 1958 ..	373.90	170.86	69.48	4.71	0.83	48.52	668.30
June 1959 ..	364.31	186.96	75.34	3.88	0.86	48.57	679.92
December 1959	384.12	187.13	95.79	4.06	1.79	49.62	722.51
June 1960 ..	381.19	199.71	94.60	3.73	1.42	49.31	729.96
December 1960	417.93	193.28	109.33	3.97	2.52	49.85	776.88
June 1961 ..	384.26	199.07	122.75	3.70	1.17	49.31	760.26
December 1961	405.12	210.00	128.51	3.41	1.94	49.65	798.63
June 1962 ..	386.54	219.01	150.71	4.04	2.33	49.35	811.98
December 1962	410.33	235.86	176.18	4.05	3.16	50.18	89.76
June 1963 ..	415.72	277.98	193.52	3.92	4.32	51.98	97.44

TABLE No. 17— *Contd.*

	1	2	3	4	5	6	7
December 1963	453.72	288.15	222.82	4.04	3.04	53.66	1,025.43
June 1964 ..	466.12	327.40	243.21	4.34	2.44	55.47	1,098.98
December 1964	505.27	362.18	293.61	4.49	2.47	57.81	1,225.83
June 1965 ..	503.73	365.51	322.77	5.38	0.96	58.63	1,256.98
December 1965	561.11	392.45	349.79	7.84	—	57.35	1,368.54
June 1966 ..	593.54	394.94	403.86	8.12	1.48	59.01	1,460.95
December 1966	620.21	464.63	465.56	13.32	1.90	61.07	1,626.69
June 1967 ..	568.17	468.96	514.00	12.20	3.88	61.29	1,628.50
December 1967	592.96	459.67	542.20	14.64	9.52	60.59	1,679.58
June 1968 ..	588.54	489.92	593.30	6.77	8.33	61.37	1,748.23
December 1968	650.52	515.87	637.38	8.16	8.71	61.79	1,882.43
June 1969 ..	678.34	525.42	620.07	21.04	10.88	63.40	1,919.15
December 1969	709.82	605.26	647.19	22.44	9.94	64.68	2,059.33
June 1970 ..	709.50	603.21	711.48	19.85	10.00	69.40	2,123.44
December 1970	806.51	664.22	728.35	18.74	10.59	77.50	2,305.91
June 1971 ..	537.44	675.92	678.84	14.77 (c)	17.95	88.30	2,013.22
December 1971	721.97	847.94	768.25	35.66	20.68	97.41	2,491.91
March 1972 ..	783.60	855.51	781.51	30.70	19.76	97.41	2,568.49

Source : State Bank of Pakistan.

*Provisional.

(a) Excluding inter-bank deposits.

(b) Excluding IMF A/c No. 1, Counterpart Funds and other Loan Accounts.

(c) Excluding the amounts of Rs. 10.65 crore and Rs. 38.57 crore being the credit balances of Special Debt Servicing A/c for June 25, 1971 and December 31, 1971 respectively.

CAUSATIVE FACTORS OF CHANGES IN MONETARY ASSETS—ALL PAKISTAN

(In crore Rs.)

CAUSATIVE FACTORS	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72 (July— December 71) * March 72)†	1972-72 (Jan.— March 72)†
	Changes in Monetary Assets	+30.30	+51.72	+135.46	+151.54	+158.00	+203.97	+167.55	+119.73	+170.92	+204.29	+210.22	+478.69	+76.58
Private Sector	+37.97	+55.46	+78.22	+89.70	+172.08	+37.82	+193.36	+88.87	+14.94	+147.34	+92.95	+70.76	+61.00
Government Sector (adjusted for counterpart funds and other loan accounts)	+15.13	-5.84	+26.37	+87.27	+36.36	+158.86	+8.66	+63.99	+130.01	+73.38	+170.63	+166.47	-0.28
Foreign Sector	-11.58	-3.15	+30.81	-12.46	-34.86	+11.51	-48.94	+17.40	+56.83	-14.98	-49.72	-7.39	-4.18
Net Impact of Capital Accounts, Suspense Items and other Own Account Transactions of the Banking System ..	-0.51	-17.32	-3.27	-0.55	-13.43	-1.18	+17.33	-26.55	-19.37	-7.36	+76.09	-28.50	-30.73
Net Impact of Transactions currently treated as Inter-Bank items	+6.25	+7.86	-1.08	-6.42	-1.23	-3.12	+1.24	-15.96	-3.57	+13.39	-2.39	-21.62	+10.28
Miscellaneous items	-16.96	+14.71	-2.13	-5.00	-0.92	+0.98	-4.10	-8.02	-7.92	-7.48	-7.76	+2.76	-1.78
Adjustment for Currency lootings and demonetization	—	—	—	—	—	—	—	—	—	—	-390.04	+296.42	+33.89
Total	+30.30	+51.72	+135.46	+151.54	+158.00	+203.97	+167.55	+119.73	+170.92	+204.29	+110.22	+478.69	+76.58

*Provisional

†(a) Adjustment for currency lootings and demonetization.

Source : State Bank of Pakistan.

TABLE No. 19

CONSOLIDATED BALANCE SHEET OF SCHEDULED BANKS—ALL PAKISTAN

Item	(In crore Rs.)											
	31-12-65	31-12-66	31-12-67	31-12-68	30-6-69	31-12-69	30-6-70	31-12-70	31-3-71	30-6-71	30-9-71	31-12-71
LIABILITIES :												
Capital	27.02	28.15	30.40	33.59	37.44	41.72	46.61	48.13	48.85	48.89	49.34	49.59
Reserves	12.38	15.48	18.98	22.27	23.39	24.75	25.30	26.83	28.13	28.54	27.89	28.20
Demand deposits :												
(a) From banks	25.21	29.35	47.01	43.30	44.60	58.40	65.74	73.46	58.35	56.70	54.85	71.11
(b) From others	381.81	436.77	462.64	528.00	530.00	608.72	615.47	687.26	625.38	700.60	698.12	803.30
Total Demand Deposits	407.02	466.13	509.64	571.30	574.61	667.12	681.21	760.72	683.72	757.29	752.98	874.41
Time deposits :												
(a) From banks	10.04	13.70	12.73	15.04	18.06	17.39	6.32	25.96	12.79	14.54	9.88	17.34
(b) From others	349.02	459.81	547.32	627.77	611.13	651.83	708.26	725.86	656.52	687.25	711.98	756.02
Total Time Deposits	359.06	473.52	560.05	642.81	629.19	669.22	714.58	751.83	669.31	701.79	721.85	773.36
Total demand and time deposits	766.08	939.64	1,069.70	1,214.11	1,203.80	1,336.34	1,395.79	1,512.55	1,353.03	1,459.08	1,474.83	1,647.77
Borrowings from State Bank	178.16	187.86	181.87	223.11	162.66	202.05	139.83	214.07	249.83	340.14	122.36	127.56
Borrowings from banks abroad	0.41	37.54	49.95	51.48	55.53	56.70	58.55	60.60	63.49	64.83	65.33	67.13
Borrowings from other banks	24.33	17.67	14.96	14.29	15.89	17.78	12.39	19.11	19.63	17.77	11.93	13.06
Total borrowings	202.90	243.07	246.78	288.88	234.08	276.53	210.77	293.78	332.95	422.74	199.62	207.75
Head office and inter-bank/adjustments	14.25	16.70	22.49	36.40	31.41	35.07	43.33	63.06	63.14	44.89	90.81	89.14
Contingent liabilities as per contra	471.68	573.01	531.29	615.22	611.07	655.22	748.65	743.32	740.58	773.67	788.35	783.40
Other liabilities	55.92	77.83	99.40	99.45	107.91	113.72	128.01	141.66	119.56	156.98	193.50	172.46
Total	1,550.22	1,893.87	2,019.06	2,309.94	2,249.09	2,483.32	2,598.46	2,829.35	2,686.26	2,934.79	2,824.33	2,978.31

TABLE No. 19—contd.

Item

31-55

-12

3

2-6

31-1

8

-6-6

31

-60

30-1

-60

TABLE No. 19—contd.

Item	31-12-65	31-12-66	31-12-67	31-12-68	30-6-69	31-12-69	30-6-70	31-12-70	31-3-70	30-6-71	30-9-71	31-12-71
Cash:												
(a) Gold ..	0.02	0.03	—	—	—	41.82	55.16	51.98	39.23	76.27	49.17	52.15
(b) Notes, coins and silver ..	32.96	40.03	38.85	49.91	41.82	72.25	83.40	83.11	78.89	76.17	72.09	90.18
(c) Balances with State Bank ..	53.93	55.97	74.96	78.83	72.25	39.94	51.63	46.95	52.09	55.50	45.69	61.34
(d) Balances with other banks ..	24.35	18.21	30.25	41.07	39.94	154.00	190.19	182.04	170.21	207.94	166.95	203.67
Total ..	111.25	114.24	144.06	169.81	154.00	9.23	10.68	15.75	15.95	10.14	8.15	18.51
Balances held abroad ..	7.84	5.86	8.66	8.93	9.23	58.45	75.52	64.15	74.47	59.60	61.69	66.04
Bills purchased and discounted ..	43.93	54.38	47.86	63.89	58.45	—	—	—	—	—	—	—
Advances:												
(a) To banks ..	38.82	27.74	28.71	26.84	31.55	34.62	42.00	39.86	45.90	41.23	33.67	34.41
(b) To others ..	623.58	785.72	871.65	1,006.70	945.96	1,038.33	1,065.46	1,173.36	1,133.51	1,157.91	1,071.38	1,144.68
Total ..	662.40	813.46	900.36	1,033.54	977.51	1,072.95	1,107.46	1,213.22	1,179.42	1,199.14	1,105.05	1,179.09
Total bank credit ..	706.33	867.84	948.22	1,097.43	1,035.96	1,148.47	1,171.62	1,287.69	1,247.04	1,258.74	1,166.74	1,245.13
Investment in shares and securities:												
(a) Central Government ..	131.68	137.09	149.33	181.05	194.57	182.15	175.27	192.36	194.12	195.82	194.74	195.66
(b) Treasury bills ..	0.70	8.85	4.09	5.04	6.52	24.15	16.79	7.52	4.43	5.57	76.69	110.27
(c) Provincial Governments ..	35.10	57.74	60.27	45.91	45.80	59.54	61.11	74.75	74.75	75.77	80.47	80.42
(d) Foreign ..	0.24	0.38	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31
(c) Others ..	25.56	43.88	57.68	71.49	84.97	91.45	91.94	84.41	95.30	104.24	113.05	113.66
Total ..	193.28	247.94	271.69	303.79	332.17	357.60	345.42	359.35	368.91	381.71	465.27	500.33
Bank premises ..	6.70	7.94	12.98	14.01	15.13	16.56	17.67	20.01	21.54	23.28	24.84	27.37
Head office and inter-bank adjustments ..	2.86	3.55	2.43	3.89	2.27	2.93	1.54	1.17	2.98	36.45	2.73	3.17
Contingent Assets as per contra ..	471.68	573.01	531.29	615.22	611.07	655.20	748.65	743.32	740.58	773.67	788.35	783.40
Other Assets ..	50.28	73.50	99.73	96.86	89.27	101.69	115.77	155.60	123.52	242.86	201.32	196.74
Total ..	1,550.22	1,893.87	2,019.06	2,309.94	2,249.09	2,483.32	2,598.46	2,829.35	2,686.26	2,934.79	2,824.33	2,978.31

*Including advances to banks.

Note.—Due to rounding off the figures, totals may show minor differences.

Source: State Bank of Pakistan.

TABLE No. 20

BANK CREDIT TO PRIVATE AND PUBLIC SECTORS—ALL PAKISTAN

(In crore Rs.)

Month/Year (Last Friday)	Private Sector	Public Sector	Inter-bank advances @	Total
June 1955	68.47	14.60	5.34	88.41
December 1955	98.59	9.68	7.91	116.18
June 1956	76.36	7.75	7.45	91.56
December 1956	103.25	1.37	19.03	123.65
June 1957	92.38	5.44	15.45	113.27
December 1957	100.43	6.34	20.09	126.86
June 1958	93.52	11.82	17.21	122.55
December 1958	117.61	13.84	14.37	145.82
June 1959	99.24	20.10	10.86	130.20
December 1959	137.62	14.22	10.14	161.98
June 1960	130.03	15.91	15.80	161.74
December 1960	176.22	15.83	16.43	208.48
June 1961	166.00	33.06	21.22	220.28
December 1961	217.15	33.94	21.37	272.46
June 1962	223.68	32.66	29.81	286.15
December 1962	286.04	23.93	27.08	337.05
June 1963	300.58	37.81	28.61	367.00
December 1963	360.63	24.68	30.79	416.10
June 1964	393.30	60.53	25.30	479.13
December 1964	507.14	63.18	29.97	600.29
June 1965	550.10	62.90	25.77	638.77
December 1965	582.60*	52.18	38.82	673.60*
June 1966	569.31*	60.68	27.27	657.26*
December 1966	718.16*	59.05	27.74	804.95*
June 1967	745.65*	55.01	22.29	822.95*
December 1967	820.38*	38.47	11.93	870.78*
June 1968	829.65*	88.72	9.91	928.48*
December 1968	887.65*	112.43	17.87	1,017.95*
June 1969	821.11*	117.40	21.80	960.31*
December 1969	934.50*	98.35	16.48	1,049.33*
June 1970	949.02*	89.59	32.89	1,071.50*
December 1970	1,109.98*	66.71	26.09	1,202.78
June 1971	1,039.69*	91.47	30.93	1,162.09*
December 1971	1,113.56*	49.35	25.88	1,188.79*
March 1972	1,174.56	58.71	29.41	1,262.74*

@Figures from June 1955 to June 1967 pertain to the last date of the month and for subsequent periods they pertain to the last Friday of the month.

*Excludes ADBP foreign currency loans as from December 1965 and IDBP foreign currency loans as from December 1966.

TABLE No. 21

CLASSIFICATION OF CREDIT BY BANK AT A GLANCE BY ECONOMIC GROUPS - ALL PAKISTAN

TABLE No. 21

CLASSIFICATION OF SCHEDULED BANKS ADVANCES* BY ECONOMIC GROUPS -- ALL PAKISTAN

(In lakh Rs.)

Economic Group	31-12-65	30-6-66	31-12-66	30-6-66	31-12-68	30-6-69	31-12-69	30-6-70	31-12-70	31-3-71	30-6-71	30-9-71	31-12-71
Agriculture, forestry, hunting and fishing.	35.81	49.01	46.09	60.01	72.33	87.27	90.58	102.23	98.15	98.09	115.09	112.47	106.54
Mining and quarrying	2.97	2.77	4.39	5.66	4.12	5.25	4.91	4.66	4.57	5.79	6.29	5.51	5.73
Manufacturing	242.47	241.53	323.77	365.04	387.16	379.47	419.62	460.31	520.81	529.49	517.58	483.38	537.66
Construction	12.07	12.60	14.27	14.89	19.97	19.45	20.17	14.67	17.89	17.91	14.35	13.47	13.63
Electricity, gas, water and sanitary services.	2.93	2.50	3.29	7.48	5.36	3.02	5.47	6.93	6.78	8.20	8.38	8.16	7.80
Commerce	245.02	227.75	294.48	305.44	393.76	313.55	343.42	326.68	358.92	317.63	334.82	292.90	313.73
Transport, storage and communications	11.89	16.74	16.00	18.92	19.31	26.80	27.17	27.21	29.34	29.37	26.65	24.27	26.39
Services	42.97	42.21	48.65	59.28	66.01	70.33	82.69	75.76	87.65	78.61	82.15	83.60	84.71
Employees and activities not adequately described	28.28	36.48	34.78	34.94	38.67	41.12	44.30	47.00	49.26	48.43	52.60	47.63	48.48
Total	623.58	631.65	785.72	871.65	1,006.70	945.96	1,038.33	1,065.46	1,173.36	1,133.51	1,157.91	1,071.38	1,144.68

Source : State Bank of Pakistan.

Note.— 1. Due to rounding off the figures, totals may show minor differences.
 *2. Excluding inter-bank (8) advances.

TABLE No. 22
CLASSIFICATION OF BILLS PURCHASED AND DISCOUNTED BY SCHEDULED BANKS
BY ECONOMIC GROUPS—ALL PAKISTAN

(In lakh Rs.)

Economic group	31-12-65	30-6-66	31-12-66	31-12-67	31-12-68	30-6-69	31-12-69	30-6-70	31-12-70	31-3-71	30-6-71	30-9-71	31-12-71		
Agriculture	7,27	2,61	4,34	4,41	5,57	2,60	3,94	2,65	3,09	3,03	2,31	3,45	4,46
Manufacturing	93	1,11	2,13	94	1,54	1,16	1,41	1,65	88	97	1,00	1,57	83
Construction	3	20	6	5	4	15	18	4	6	1	—	2	1
Commerce	34,51	28,05	45,01	40,83	54,66	52,82	67,72	57,70	65,76	60,77	54,34	54,60	57,89
Financial institutions	2	4	1	5	16	31	51	38	1,20	1,07	40	15	21
Electricity, gas, water and sanitary services.	14	21	1	30	10	9	4	2	3	3	—	3	11
Transport, storage and communications	26	90	81	10	2	4	5	10	24	12	2	21	21
Others	78	97	2,02	1,19	1,80	1,27	1,68	1,62	3,22	1,61	1,53	1,64	2,32
Total ..	43,93	34,09	54,38	47,86	63,89	58,45	75,52	64,16	74,47	67,62	61,69	66,04			

Note.—Due to rounding off the figures, totals may show minor differences.

Source : State Bank of Pakistan.

CAPITAL MARKET

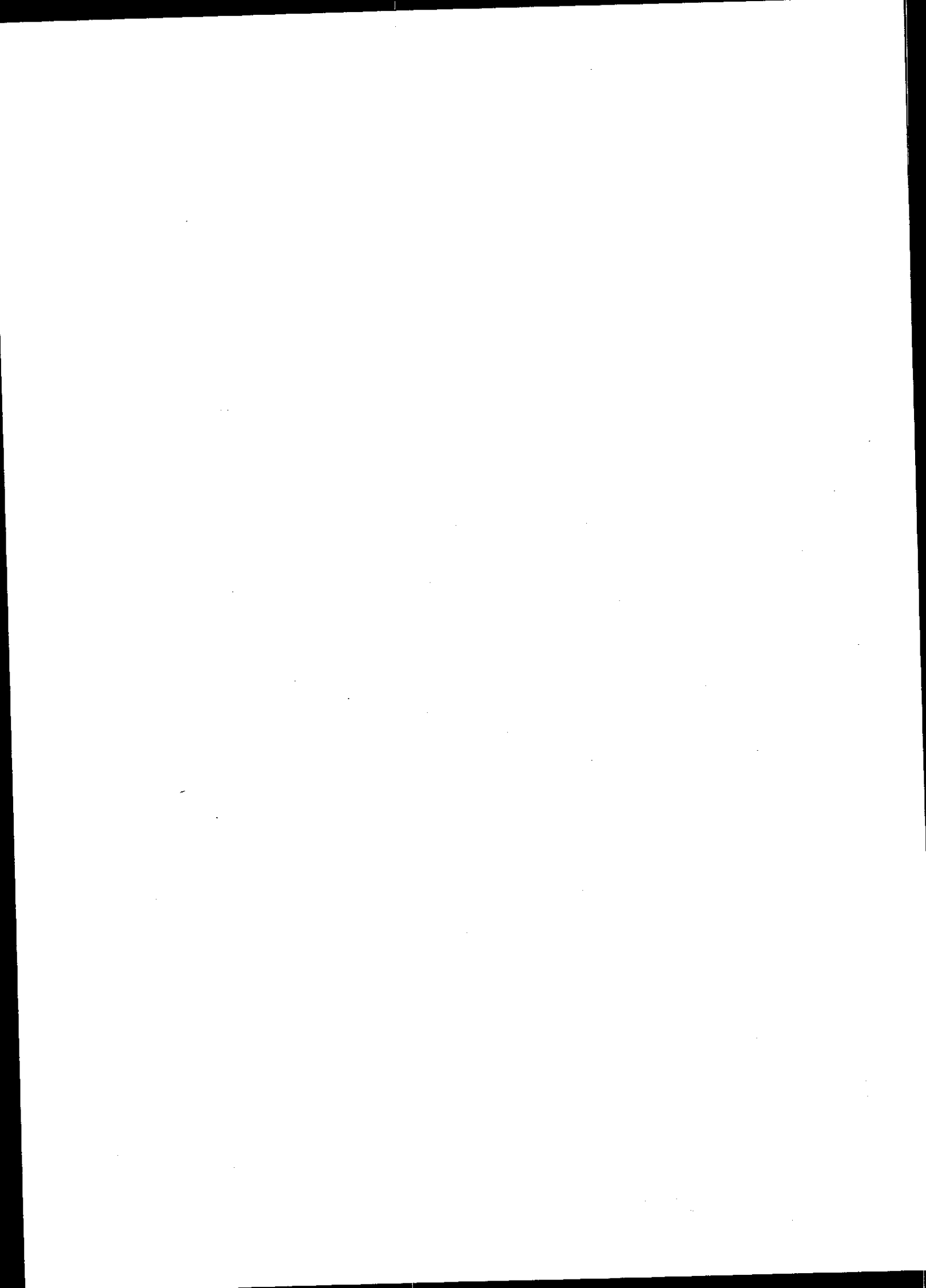


TABLE NO. 23

GENERAL INDEX OF SHARE PRICES AT KARACHI

(COMPILED BY STATE BANK OF PAKISTAN)

(1959-60=100)

Month		1965	1966	1967	1968	1969	1970	1971
January :	Highest	114.80	111.09	107.33	109.88	141.05	141.86	138.68
	Lowest ..	113.98	107.97	104.24	105.16	135.72	134.96	126.27
	Month-end	114.45	111.09	107.33	109.75	139.08	141.57	126.57
February :	Highest	116.56	113.50	109.12	111.33	139.28	147.92	129.39
	Lowest ..	114.51	112.38	107.85	109.34	129.40	141.92	122.91
	Month-end	116.45	112.38	108.02	111.10	129.40	147.92	122.91
March :	Highest	114.91	112.39	108.51	112.68	128.82	150.05	125.51
	Lowest ..	114.72	109.20	107.11	111.02	120.46	145.81	118.97
	Month-end	114.91	110.13	107.11	112.48	128.82	149.13	125.48
April	Highest	114.90	110.15	106.99	116.94	128.84	151.21	124.99
	Lowest ..	112.48	109.25	103.54	112.53	125.00	147.23	118.82
	Month-end	112.63	109.28	103.84	115.51	125.00	147.25	118.82
May :	Highest	112.67	109.70	104.84	118.53	125.83	147.05	118.48
	Lowest ..	110.75	107.70	103.09	114.89	122.70	141.63	114.43
	Month-end	110.75	108.41	103.09	118.53	125.83	143.65	114.69
June :	Highest	111.42	110.04	105.28	112.20	127.08	143.09	115.04
	Lowest ..	109.32	107.97	102.94	118.52	125.48	138.05	112.14
	Month-end	110.31	108.41	104.71	120.48	125.89	138.05	112.82
July :	Highest	110.47	108.28	105.48	120.29	128.15	139.93	112.31
	Lowest ..	107.21	107.28	104.66	118.95	125.33	137.79	106.70
	Month-end	107.21	107.56	104.87	120.29	128.15	139.93	106.70
August :	Highest	107.65	108.48	107.08	122.95	131.69	143.81	106.68
	Lowest ..	106.44	106.48	104.79	121.01	128.44	140.00	104.80
	Month-end	107.23	106.48	107.03	122.95	131.69	143.66	105.80
September:	Highest	106.24	106.29	109.39	128.61	134.80	144.22	105.41
	Lowest ..	104.91	105.66	107.34	123.02	131.00	140.98	102.30
	Month-end	—	105.72	109.27	128.61	134.80	140.98	102.30
October :	Highest	105.68	105.72	109.91	138.76	141.09	140.73	101.98
	Lowest ..	105.13	104.23	108.52	128.43	134.86	136.04	98.06
	Month-end	105.20	104.35	108.63	138.54	140.44	136.70	99.29
November :	Highest	105.34	105.29	109.18	142.64	140.74	137.81	99.23
	Lowest ..	105.12	104.10	107.80	138.49	139.32	136.78	95.61
	Month-end	105.34	104.95	108.41	142.33	139.35	137.35	95.75
December :	Highest	103.76	105.03	108.53	141.88	139.26	137.40	—
	Lowest ..	105.64	103.33	105.47	135.46	135.06	133.11	—
3rd December, 1971		107.91	104.90	105.47	135.46	135.06	133.40	95.70

(*) Quotations up to September 6

(*) Market remained closed after 3rd December, 1971.

TABLE No. 24
ISSUE OF CAPITAL BY REGIONS

(Rs. in lakh)

Year	East Pakistan	West Pakistan (excluding Karachi)	Karachi	Total
1948	486.25	494.99	995.42	19,76.66
1949	226.05	210.64	671.96	11,08.65
1950	117.15	115.00	536.80	768.95
1951	176.91	300.25	889.59	13,66.75
1955	727.72	803.95	20,10.83	35,42.50
1956	551.45	523.90	26,56.75	37,32.10
1957	225.25	261.25	16,05.40	21,21.90
1958	904.35	814.04	14,07.92	31,26.31
1959	2,315.31	19,19.64	32,33.56	74,68.51
1960	481.48	632.45	28,06.43	39,20.36
1961	1,899.00	755.95	15,56.28	52,11.23
1962	565.25	19,12.05	46,42.85	71,20.15
1963	1,420.81	510.29	29,78.00	49,09.10
1964	35,56.22	847.01	56,71.86	1,00,75.09
1965	15,07.26	14,53.27	40,01.73	69,62.26
1966	47,53.71	40,82.26	35,85.71	1,24,20.68
1967	23,55.40	14,27.62	53,60.23	91,43.25
1968	37,40.12	12,72.30	75,83.32	1,25,95.74
1969	21,47.28	12,87.42	42,76.14	82,10.84
1970	30,65.41	18,44.96	48,05.86	97,16.22
1971	20,91.04	29,81.93	51,09.34	1,01,82.13
1972 (up to March)	—	4,29.50	992.50	14,22.00

PRICES

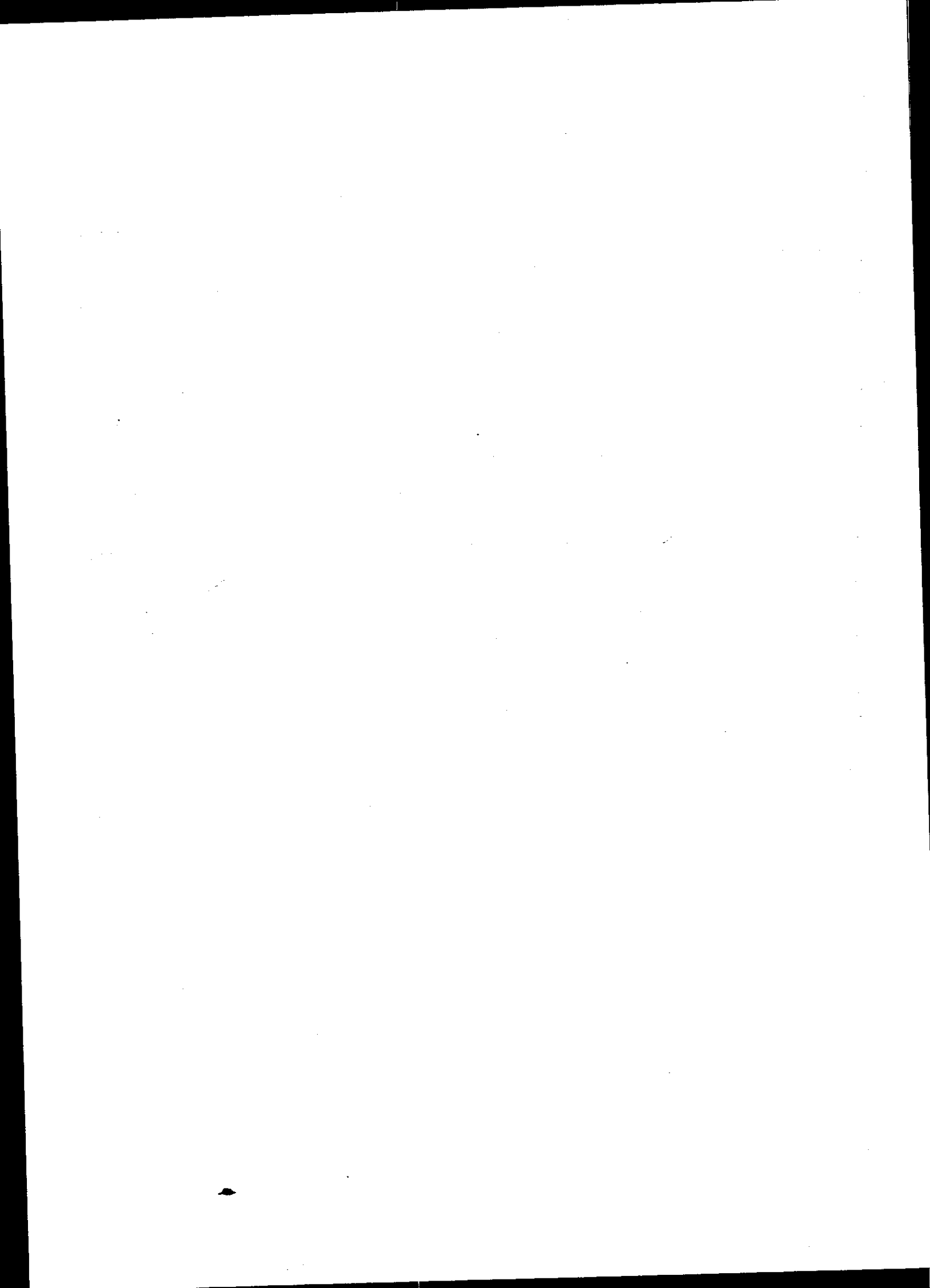


TABLE NO. 25

INDICES OF WHOLESALE PRICES BY GROUPS--ALL PAKISTAN

(1959-60 = 100)

Period (July—June)	General	Food	Raw Materials	Fuel, Lighting & Lubri- cants	Manufac- tures
1956-57	95.37	93.12	102.62	96.41	99.69
1959-60	100.00	100.00	100.00	100.00	100.00
1960-61	102.99	100.50	119.15	99.21	101.24
1961-62	105.88	106.63	107.30	98.70	102.12
1962-63	104.80	104.92	105.06	98.96	104.92
1963-64	104.62	104.26	105.32	104.49	105.82
1964-65	112.43	112.12	121.36	104.78	107.13
1965-66	117.54	117.27	125.24	108.45	113.39
1966-67	133.88	139.59	124.77	118.04	116.68
1967-68	128.58	134.66	106.39	120.04	120.22
1968-69	137.07	141.75	116.66	123.18	127.84
1969-70	140.01	145.64	121.18	126.88	131.53
* 1970-71	143.53	147.34	129.96	131.66	139.14

*Average for ten months

TABLE No. 26

INDICES OF WHOLESALE PRICES BY GROUP--WEST PAKISTAN

(1959-60=100).

11

Period	Rice	Wheat	Gram	Cotton	Wool	Hides	Skins	Oilseeds
1957-58	109.32	95.27	76.63	96.73	89.84	76.14	72.67	129.69
1958-59	102.09	95.60	93.67	86.20	84.44	78.16	78.24	121.49
1959-60	100.00	100.00	100.00	100.00	1.0000	100.00	100.00	100.00
1960-61	95.34	114.90	105.31	108.97	96.70	105.92	67.31	99.63
1961-62	96.30	106.61	108.00	100.01	98.06	95.76	57.59	102.72
1962-63	96.04	101.43	108.62	96.59	96.05	103.16	52.92	108.86
1963-64	100.64	112.12	97.70	97.06	109.38	91.69	61.83	114.51
1964-65	102.69	122.53	124.30	114.01	102.52	82.38	66.93	156.67
1965-66	98.85	111.66	94.92	107.39	89.23	82.74	96.97	159.61
1966-67	112.66	168.48	123.60	96.48	75.55	100.73	110.36	193.07
1967-68	125.79	149.10	148.52	95.77	59.78	94.42	119.91	144.36
1968-69	125.44	127.78	156.73	110.35	67.66	142.14	151.02	154.56
1969-70	119.61	128.96	207.31	114.46	79.81	124.79	151.78	184.45
1970-71	119.68	132.48	145.04	141.24	77.24	124.89	147.04	147.04
1971-72								
July	129.34	133.20	137.91	153.78	70.21	139.02	174.23	198.47
Aug.	128.42	131.71	133.96	153.37	69.47	159.04	175.61	196.31
Sept.	122.59	134.60	137.30	151.64	69.83	155.06	177.91	198.88
Oct.	124.58	134.43	136.33	148.41	73.44	156.33	180.98	206.36
Nov.	123.23	140.91	137.24	143.12	71.68	150.33	180.98	184.65
Dec.	125.56	150.10	149.93	144.84	68.94	144.50	173.39	172.89
Jan.	122.61	159.79	152.40	157.23	63.90	131.75	172.89	156.65
Feb.	122.36	175.77	163.93	155.90	60.79	140.91	179.98	147.69
March	131.33	179.02	165.97	151.45	62.03	142.36	179.98	153.41
April	131.47	175.40	159.79	139.22	63.34	143.14	179.98	151.02

Fe
(July)

1956-

1958

1960-

1961-6

1962-6

1963

1964-

1965-6

1966-6

1967-

1968-

1969-71

1970-7

* A

TABLE NO. 27

**INDICES OF WHOLESALE PRICES OF SELECTED COMMODITIES
ALL PAKISTAN
(1959-60 = 100)**

Period (July - June)	Rice	Wheat	Gram	Jute	Cotton	Wool	Hides	Skins	Oilseeds
1956-57	104.58	95.32	74.75	125.68	98.36	99.35	68.60	64.67	93.83
1959-60	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
1960-61	91.32	114.36	105.54	219.88	109.11	96.70	99.54	74.45	99.14
1961-62	95.60	106.14	106.71	119.88	100.12	98.06	94.05	68.67	101.59
1962-63	103.03	100.31	107.85	103.15	96.73	96.05	96.62	65.47	104.33
1963-64	92.74	110.88	97.17	103.56	97.09	109.38	86.36	64.82	109.51
1964-65	96.21	120.75	123.56	141.22	113.99	102.52	80.81	72.30	150.68
1965-66	112.66	110.42	96.41	149.18	107.64	89.23	77.71	106.01	153.79
1966-67	145.65	166.31	124.84	159.23	96.58	75.55	103.66	133.85	184.69
1967-68	130.22	147.92	147.78	129.49	95.78	59.78	95.59	133.00	142.30
1968-69	143.07	127.21	156.44	152.29	110.32	67.66	137.32	174.37	148.17
1969-70	146.45	128.25	204.95	130.92	114.45	79.76	132.73	172.22	176.08
1970-71*	145.05	133.52	145.25	143.95	139.09	77.61	125.65	146.74	191.40

* Average of ten months

TABLE No. 28

INDICES OF WHOLESALE PRICES OF SELECTED COMMODITIES WEST PAKISTAN

(1959-60=100)

Period	General	Food	Raw Materials	Fuel, Light- ing and Lubri- cants	Manufac- res
1957-58	95.38	89.42	109.92	100.57	99.76
1958-59	92.80	88.88	99.59	101.87	96.80
1959-60	100.00	100.00	100.00	100.00	100.00
1960-61	104.77	106.30	108.20	99.01	99.23
1961-62	104.65	104.73	110.80	98.29	101.03
1962-63	102.86	99.89	110.64	98.47	105.64
1963-64	106.35	104.56	112.39	103.98	107.05
1964-65	113.55	113.10	125.99	105.29	107.19
1965-66	112.03	108.24	125.57	109.18	112.70
1966-67	124.36	126.89	126.21	120.98	117.02
1967-68	126.00	133.26	105.97	123.61	121.68
1968-69	129.54	134.04	113.19	127.37	129.75
1969-70	132.19	134.10	122.15	132.20	134.27
1970-71	137.32	136.50	133.23	137.08	142.34
1971-72					
July	141.16	137.60	137.12	147.78	152.18
Aug.	142.95	140.38	136.80	148.16	153.12
Sept.	142.75	141.03	139.36	152.66	148.11
Oct.	144.66	143.85	140.12	152.21	148.82
Nov.	145.68	147.24	133.80	152.21	149.03
Dec.	147.71	150.37	134.12	152.21	149.62
Jan.	148.02	150.44	134.74	149.62	151.29
Feb.	153.73	160.87	131.21	146.85	152.34
March	157.15	165.16	136.76	146.71	152.15
April	156.63	165.38	132.79	146.71	152.15

 TABLE No. 29
 YEARLY WHOLESALE PRICES OF SELECTED COMMODITIES IN WEST PAKISTAN

TABLE NO. 29
AVERAGE WHOLESALE PRICES OF SELECTED COMMODITIES—ALL PAKISTAN

Item and specification	Market	Unit	1971-72												
			1967-68 (average)	1968-69 (average)	1969-70 (average)	1970-71 (average)	July	August	September	October	November	December	Jan.	Feb.	March
Wheat (Fair average quality)	Karachi	Mauud	23.07	18.92	21.28	21.23	21.20	21.00	21.10	21.52	21.95	22.56	23.68	24.15	25.60
Wheat (Fair average quality)	Lyalpur	"	21.12	18.47	19.12	18.97	"	"	"	"	19.42	"	22.96	27.87	28.25
Wheat (Fair average quality)	Peshawar	"	22.16	17.51	16.82	18.57	18.29	18.29	18.28	18.28	"	22.33	24.00	23.50	"
Wheat (Fair average quality)	Dacca (a)	"	19.50	19.20	18.62	19.62	19.62	19.62	19.62	19.62	19.62	19.62	"	"	"
Rice—Sugdasi	Karachi	"	50.14	37.11	28.75	27.43	27.00	26.60	27.20	27.16	27.40	27.60	28.28	28.60	29.20
Rice Medium quality	Dacca	"	37.20	44.64	44.64	43.93	"	48.75	48.56	50.20	50.87	"	"	"	"
Rice Medium quality	Chittagong	"	36.23	39.51	42.65	40.96	43.00	43.67	43.75	44.50	45.66	"	"	"	"
Masoor (Whole)	Lyalpur	"	27.62	23.48	32.60	38.62	"	"	"	"	"	"	46.25	44.75	45.00
Masoor (Whole)	Dacca	"	29.84	24.94	25.64	29.08	26.00	27.00	33.00	36.70	37.50	"	"	"	"
Masoor (Split) Punjab	Karachi	"	38.79	29.00	40.39	48.33	51.40	51.25	51.12	51.80	52.50	54.87	54.80	56.00	56.33
Mash Kahi (Whole)	Dacca	"	22.14	28.37	29.79	27.32	24.87	27.13	32.75	52.75	36.60	58.00	58.32	"	"
Mash Split (Chittagong)	Karachi	"	43.73	46.89	67.28	56.58	55.00	54.25	54.62	53.60	56.62	58.00	"	"	"
Mash Split (Punjab)	Karachi	"	46.90	51.04	71.44	59.70	57.70	56.50	57.00	58.00	58.20	89.37	59.50	59.00	59.66
Moong (Whole)	Dacca	"	31.90	36.44	44.58	40.00	31.00	34.13	40.00	41.00	41.50	"	"	"	"
Moong (Punjab)	Karachi	"	30.41	37.60	46.11	41.67	41.40	43.50	43.50	42.80	42.50	42.12	41.60	42.00	43.00
Spices :															
Chillies Dry Red (Punjab)	Karachi	"	88.17	74.07	76.58	94.99	102.75	105.38	101.25	95.00	97.39	106.50	111.40	114.62	116.16
Chillies Superior (Punjab)	Dacca	"	94.22	119.18	102.45	94.77	80.00	98.13	101.98	101.50	112.50	"	"	"	"
Black Pepper	Karachi	"	326.24	301.15	401.37	529.14	551.00	551.50	553.25	555.00	553.62	554.00	544.50	588.75	592.50
Sugar :															
Desi	Lahore	"	40.57	42.35	46.21	35.37	"	"	"	"	51.50	"	"	"	"
Refined/Controlled	Karachi	"	58.49	69.00	69.00	69.00	69.00	69.00	69.00	69.00	66.00	63.00	63.00	63.00	63.00
Refined/Controlled	Lahore	"	58.04	69.00	69.00	69.00	69.00	69.00	69.00	69.00	"	"	"	"	"
Refined/Controlled	Dacca	"	63.95	66.33	83.33	83.33	83.30	83.30	83.30	83.30	33.30	"	"	"	"
Refined/Open Market	Karachi	"	72.54	69.00	"	65.20	66.60	68.62	68.75	70.90	73.17	"	75.31	76.33	103.12
Refined/Open Market	Dacca	"	66.12	77.66	87.58	89.07	92.80	103.50	98.38	94.60	91.75	"	"	"	"

TABLE No. 29--Contd.

1971-72

Item and specification	Market	Unit	1971-72												
			1967-68 (average)	1968-69 (average)	1969-70 (average)	1970-71 (average)	July	August	September	October	November	December	Jan.	Feb.	March
India Set. and Chinese, Coal Grade I and Coal, other Countries	F.O.R. Chittagong	..	129.77	139.35	143.08	133.55	131.53	131.53	131.53	131.53	131.53	131.53	131.53	131.53	131.53
Rajhira Soft Coke	F.O.R. Meghal- pure	..	128.00	169.92	184.00	186.00	186.00	186.00	186.00	186.00	186.00	186.00	186.00	186.00	186.00
Hard Coke--Chinese, Czechoslovakian	Chittagong	..	279.59	286.36	296.70	296.70	296.70	296.70	296.70	296.70	296.70	296.70	296.70	296.70	296.70
<i>Mineral Oil (Imported):</i>															
Motor Spirit (Shell)	Karachi	I.G.	3.83	3.84	3.94	4.20	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28
Motor Spirit (Shell)	Chittagong	..	3.94	3.96	3.85	4.27	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95
Diesel Oil (Light)	Karachi	..	1.42	1.45	1.47	1.49	1.81	1.81	1.81	1.81	1.81	1.81	1.81	1.81	1.81
Diesel Oil (Light)	Chittagong	..	1.35	1.35	1.35	1.38	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73
Paraffin Oil	Karachi	Ton	153.15	161.57	218.40	222.25	245.18	245.18	245.18	245.18	245.18	245.18	245.18	245.18	245.18
Kerosene Oil (Bulk)	Karachi	8 I.G.	13.04	13.04	13.28	13.92	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64
Do.	Lahore	..	13.28	13.69	13.69	13.69	..	..	..	..	..	..	..	..	..
Do.	Chittagong	..	11.61	11.68	12.07	18.80	14.88	15.20	15.08	14.88	14.88	14.88	14.88	14.88	14.88
Cement, Zest Pak	F.O.R. Hyderabad	Ton	128.41	130.91	133.41	133.41	133.41	133.41	133.41	133.41	133.41	133.41	133.41	133.41	133.41
Dalmia Portland (Pyramid)	Karachi (Factory)	..	136.00	140.17	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00
Assam Bengal	F.O.R. Chittagong	Ton	169.50	169.50	169.50	169.50	169.50	169.50	169.50	169.50	169.50	169.50	169.50	169.50	169.50
<i>Chemicals:</i>															
Soda Ash (Light)	Karachi	Cwt.	49.52	51.23	55.35	71.47	68.00	68.00	68.00	68.00	68.00	68.00	68.00	68.00	68.00
Bleaching Powder (ICI)	Karachi	..	84.41	108.17	104.41	116.62	131.40	143.75	162.33	157.50	155.00	151.67	146.00	..	..
Bleaching Powder (ICI)	Chittagong	..	79.35	84.07	83.51	90.16	..	..	..	..	..	..	..	..	..
<i>Chemicals (Imported):</i>															
Caustic Soda Solid 98/99% (JK)	Karachi	..	63.53	97.21	151.38	110.95	..	..	..	..	..	..	..	..	..

(c) Hard coke/Indian/Darasana/Bengal.
(d) Steam Coal F.O.R. Komari--Karachi.
(e) F.O.R. Thunyard dump, Karachi.

TABLE No. 29--Contd.

Dyes:

TABLE NO. 29—*contd.*

Item and specification	Market	Unit	1971-72												
			1967-68 (average)	1968-69 (average)	1969-70 (average)	July	August	September	October	November	December	Jan.	Feb.	March	
<i>Soap :</i>															
Lifebuoy Soap 6 oz. cake ..	Karachi	Dozen	6.60	6.60	6.78	6.60	8.58	8.58	8.58	8.58	8.58	8.58	8.58	8.58	8.58
Sunlight Soap 6 oz. cake ..	Karachi	"	6.60	6.71	6.24	6.00	6.18	6.18	6.18	6.18	6.18	6.18	6.18	6.18	8.58
<i>Cotton Yarn :</i>															
2Q 2/2 Dawood (Camel Cant)	Karachi	10 lbs.	27.53	31.90	31.50	32.50	34.00(b)	34.00(b)	34.00(b)	35.00	35.00(b)	35.00(b)	35.00(b)	34.51(b)	34.50(b)
<i>Cotton Textiles :</i>															
Bleached Longcloth 15,000 W 35-in. (Colony).	Karachi	40 Yards	65.10	70.32	75.85	82.87	83.50	83.25	84.00	84.00	83.62	83.00	83.00	83.00	83.00
Bleached Longcloth (Cock) Chittagong.	Chittagong	"	66.33	69.52	76.55	80.52	..	..	..	..	81.00	..	..	..	..
D.C.L.W. 28-in. (Dawood) ..	Karachi	Yard	2.70	2.90	3.10	3.27	3.37	..	3.37	3.37	3.37	3.31	3.31	3.31	3.31
<i>Silk Textiles :</i>															
Satin No. 900 (Diamond) ..	Karachi		3.25	3.25	3.40	4.05	4.25	4.25	4.12	4.12	4.10	4.25	4.12	4.12	4.12
<i>Bidies :</i>															
Nasim ..	..	Chittagong 1,000 Nos.	7.67	6.50	7.50	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
<i>Cigarettes :</i>															
Scissors ..	..	Karachi	32.40	32.40	32.40	35.13	42.15	42.15	42.15	42.15	42.15	42.15	42.15	42.15	42.15
Scissors ..	..	Chittagong	32.05	32.05	32.05	37.15	42.15	42.15	42.15	42.15	42.15	42.15	42.15	42.15	42.15
Capstain ..	..	Chittagong	86.40	86.40	86.40	96.50	96.50	96.50	96.50	96.50	96.50	96.50	96.50	96.50	96.50

Source : Central Statistical Office.

(a) 40 Sticks.
(b) ZO 2 Adamjee (Camel Cant)
(—) Not available.
Provisional Price

1960
1961
1962
1963
1964
1965
1966
1967
1968
1969
1970
1971
1972

TABLE NO. 30

**CONSUMER PRICE INDEX FOR INDUSTRIAL WORKERS
(BY EXPENDITURE GROUPS)
(1961 = 100)**

Year/Month (July—June)	General	Food	Apparel textiles and footwear	Housing and household operations	Miscella- neous
KARACHI					
196-62	101.25	102.34	97.95	99.87	100.88
196-63	99.92	100.04	96.20	98.92	101.94
196-64	103.08	104.85	96.10	99.50	103.88
196-65	109.34	114.55	97.55	104.58	104.09
196-66	114.87	120.88	99.54	108.83	109.97
196-67	125.01	131.93	106.55	120.03	118.76
196-68	127.83	134.76	111.81	124.81	119.33
196-69	129.14	135.14	116.68	124.87	124.58
196-70	135.53	143.07	120.86	125.20	128.52
197-71 :	142.48	152.52	127.99	126.46	131.78
197-72 :					
July	147.39	157.37	131.53	131.03	137.73
August	147.60	157.57	132.75	129.71	138.26
September	147.46	157.59	132.49	128.01	138.59
October	149.64	161.66	131.47	127.25	138.94
November	149.03	160.41	132.07	127.94	138.71
December	150.12	161.98	132.83	129.91	138.30
January	148.35	158.75	136.45	132.12	135.48
February	148.98	159.74	136.38	130.99	136.46
March	154.11	168.33	136.77	132.26	136.90
LAHORE					
196-62	98.59	97.23	100.04	100.70	100.80
196-63	97.06	95.29	95.58	101.34	100.06
196-64	102.12	100.55	94.07	103.92	109.22
196-65	107.65	107.62	96.55	107.47	112.46
196-66	109.92	108.47	100.63	109.47	119.18
196-67	121.31	123.58	106.10	116.28	124.10
196-68	124.47	127.22	105.86	122.86	124.08
196-69	124.65	125.58	107.83	125.47	127.62
196-70	132.42	135.93	111.47	128.43	132.44

(on page 43)

TABLE NO. 30—*contd.*

Year/Month (July—June)	General	Food	Apparel, textiles and footwear	Housing and household operations	Miscella- neous
LAHORE—Contd					
1970-71	138.32	142.37	114.11	132.50	139.37
1971-72 :					
July	139.67	143.57	114.64	135.40	140.25
August	141.16	145.88	114.47	134.24	141.91
September	141.32	145.93	114.67	134.67	142.19
October	141.88	146.18	115.90	134.38	144.28
November	143.47	148.92	115.73	134.72	143.71
December	145.63	151.18	117.60	140.30	142.75
January	143.84	150.29	115.79	133.38	142.57
February	147.70	156.14	115.51	134.85	143.09
March	155.72	168.41	117.51	138.30	142.98
NARAYANGANJ					
1961-62	103.46	104.16	106.10	100.34	98.96
1962-63	105.03	105.40	109.73	105.98	97.00
1963-64	106.90	105.72	112.45	116.35	100.82
1964-65	111.52	112.77	108.51	112.26	105.56
1965-66	112.52	112.24	107.77	110.59	120.83
1966-67	123.55	125.03	115.08	116.40	128.48
1967-68	125.34	126.34	122.86	118.21	127.52
1968-69	131.72	132.18	130.65	127.60	133.37
1969-70	135.77	136.47	138.61	130.59	132.95
1970-71	141.60	140.60	150.43	138.44	134.36
1971-72 :					
July	146.50	145.55	153.07	139.36	152.72
August	150.30	146.26	167.49	139.69	169.56
September	149.37	146.33	170.65	153.69	144.64
October	153.96	150.82	173.17	154.99	154.95
November	159.20	155.93	177.88	166.62	155.82

Source : Central Statistical Office

1956
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1960
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1963-6
1964-6
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1966-67
1967-68
1968
1969-70

TABLE NO. 31

CONSUMER PRICE INDEX FOR GOVERNMENT AND COMMERCIAL
EMPLOYEES (CLERICAL)
(1961=100)

Year/Month (Jul—June)	General	Food	Apparel, Textile & Footwear	Housing and House-hold operations	Miscella- neous
KARACHI					
1956-57	87.32	79.06	78.06	99.06	99.58
1959-60	94.08	90.84	93.36	98.32	96.99
1960-61	96.74	94.83	97.83	99.86	97.98
1961-62	100.25	101.78	98.11	100.20	98.67
1962-63	100.37	100.66	96.99	100.24	101.41
1963-64	103.98	105.19	110.50	100.94	104.61
1964-65	110.01	115.63	130.42	107.73	104.61
1965-66	114.41	121.92	105.53	110.50	107.61
1966-67	123.06	133.19	112.84	121.44	111.45
1967-68	128.07	138.61	118.43	126.10	115.71
1968-69	130.88	139.14	124.27	126.46	122.12
1969-70	136.06	147.78	128.62	128.15	123.57
1970-71	143.72	161.17	135.52	128.46	125.40
1971-72					
July	150.12	172.03	139.84	130.42	127.35
August	150.12	171.96	139.83	129.98	127.68
September	150.10	172.12	139.79	129.08	127.78
October	152.26	176.21	139.14	128.36	129.31
November	150.88	172.65	139.86	128.85	129.74
December	153.47	177.63	140.52	130.19	129.79
January	152.53	174.57	141.67	130.81	130.75
February	154.10	176.84	142.95	131.66	131.62
March	158.57	186.06	143.61	132.31	131.65
LAHORE					
1961-62	100.57	100.10	100.44	100.89	101.51
1962-63	101.35	101.70	95.82	101.37	102.31
1963-64	105.14	106.57	93.28	101.99	107.93
1964-65	108.53	110.73	93.28	104.23	110.87
1965-66	110.08	110.58	97.59	104.92	116.93
1966-67	117.36	120.68	101.90	103.28	121.24
1967-68	121.65	105.45	105.45	112.10	122.90
1968-69	122.63	126.42	107.82	113.58	125.13
1969-70	126.70	131.71	110.26	115.74	128.25

TABLE NO. 31—*contd.*

Year/Month (July—June)	General	Food	Apparel Textile & Footwear	Housing and Household operations	Miscella- neous
LAHORE—Contd.					
1970-71	134.21	142.50	114.34	117.99	132.78
1971-72 :					
July	144.80	159.33	115.07	119.80	137.96
August	146.36	161.85	114.89	119.01	139.53
September	147.35	163.28	115.44	119.28	140.15
October	145.07	158.62	117.54	119.07	140.69
November	147.26	162.74	115.45	119.35	141.01
December	153.81	173.63	118.26	122.37	140.78
January	150.11	168.32	118.53	117.57	140.58
February	152.45	172.64	117.73	118.48	140.18
March	156.75	179.94	118.16	120.38	140.19
CHITTAGONG					
1961-62	100.40	100.36	101.73	101.25	99.05
1962-63	101.13	103.16	98.12	101.05	97.37
1963-64	104.16	106.70	99.15	101.48	101.88
1964-65	106.20	109.42	100.59	100.47	104.54
1965-66	109.87	113.61	106.72	99.71	108.76
1966-67	123.24	133.72	114.01	103.96	113.86
1967-68	122.87	131.89	116.89	105.14	114.61
1968-69	128.38	139.70	123.93	105.00	117.32
1969-70	130.57	142.28	124.93	106.19	119.71
1970-71 (a)	132.18	144.23	122.78	107.66	122.30
1971-72 :					
July	140.70	152.85	136.63	111.98	129.67
August	140.20	152.19	134.98	111.90	129.88
September	141.23	154.85	135.80	108.09	130.14
October	142.41	155.93	139.88	111.95	128.23
November	143.38	156.14	146.24	113.43	128.07

(a) average for nine months

Source : Central Statistical Office

TRADE AND BALANCE OF PAYMENTS

Handwritten text, possibly bleed-through from the reverse side of the page. The text is oriented vertically and is difficult to decipher due to its orientation and fading. It appears to contain several lines of text, possibly including a name and a date.

TABLE NO. 32

INTER-ZONAL TRADE

(All values in millions)

Year (July—June)	EXPORTS FROM EAST PAKISTAN TO WEST PAKISTAN				EXPORTS FROM WEST PAKISTAN TO EAST PAKISTAN				Total	
	Pakistan Merchan- dise	Foreign Merchan- dise	Total (a)	Indices (1959-60 = 100)	Pakistan Merchan- dise	Foreign Merchan- dise	Total (b)	Indices (1959-60 = 100)	a + b	Indices (1959-60 = 100)
1948-49	1.88	0.10	1.98	5.46	13.76	0.27	14.03	24.64	16.01	17.18
1949-50	3.23	1.82	5.05	13.93	22.92	0.64	23.56	41.34	28.61	30.70
1950-51	4.60	1.69	6.29	17.36	21.08	6.17	27.25	47.86	33.54	36.00
1954-55	18.07	1.75	19.82	54.69	29.30	1.20	30.50	53.56	50.32	54.00
1955-56	22.07	1.76	23.83	65.75	31.89	1.49	33.38	58.62	57.21	61.40
1959-60	36.10	0.14	36.24	100.00	54.26	2.68	56.94	100.00	93.18	100.00
1960-61	35.59	0.76	36.35	100.30	80.05	2.50	82.55	144.97	118.90	127.60
1961-62	39.47	0.73	40.20	110.92	82.92	2.58	85.51	150.17	125.71	134.91
1962-63	46.53	0.62	47.15	130.10	91.75	3.97	95.72	168.10	142.87	153.33
1963-64	50.86	0.26	51.12	141.06	84.42	5.10	89.52	157.22	140.64	150.93
1964-65	53.60	0.11	53.71	148.20	85.68	1.77	87.45	153.58	141.16	151.49
1965-66	64.97	0.21	65.18	179.85	118.98	1.88	120.86	212.25	168.04	199.66
1966-67	72.03	1.86	73.89	203.89	130.46	2.02	132.48	232.66	206.37	221.50
1967-68	77.90	0.60	78.50	216.61	121.60	1.70	123.30	216.54	201.80	216.57
1968-69	86.76	0.29	87.15	240.42	134.25	4.28	138.53	243.29	225.66	242.09
1969-70	91.61	0.73	92.34	255.80	165.22	1.47	166.62	292.74	259.03	277.98
1970-71	80.37	—	80.37	—	137.33	0.43	137.76	—	218.14	—
1970-71 (July—Nov.)	43.08	—	43.08	—	72.23	0.27	72.50	—	115.58	—
1971-72 (July—Nov.)	36.07	—	36.07	—	46.77	0.63	47.40	—	83.47	—

Note.—Figures upto 1956 relate to private account and thereafter to both private and Government accounts.

Source: Central Statistical Office.

THE UNIVERSITY OF CHICAGO
LIBRARY

TABLE No. 33

FOREIGN TRADE

(In crore rupees)

Year (July—June)	WEST PAKISTAN				Indices (1959-60=100)	Exports as percentage of imports	Balance	WEST PAKISTAN			
	Imports	Exports	Balance	Imports				Exports	Import	Export	Balance
1948-49	148.71	187.04	(+)38.33	60.4	125.8	(+)38.33	102.1	100.92	54.24	—	45.68
1949-50	128.43	121.84	(-)6.59	52.2	94.9	(-)6.59	66.5	87.38	53.51	—	33.8
1950-51	162.00	255.35	(+)93.35	65.8	157.6	(+)93.35	139.4	116.71	134.25	+	17.54
1954-55	110.33	122.30	(+)11.97	44.8	110.8	(+)11.97	66.8	78.30	49.14	—	29.16
1955-56	132.51	178.37	(+)45.86	53.8	134.6	(+)45.86	97.4	96.45	74.24	—	22.21
1959-60	246.1	183.20	(-)62.90	100.0	74.4	(-)62.90	100.0	180.57	76.31	—	104.26
1960-61	318.7	178.64	(-)140.12	129.5	56.0	(-)140.12	97.5	217.32	54.02	—	163.30
1961-62	310.91	182.46	(-)128.45	126.3	58.7	(-)128.45	99.6	223.62	54.29	—	169.33
1962-63	381.88	222.31	(-)159.57	155.2	58.2	(-)159.57	121.3	280.01	99.81	—	180.20
1963-64	443.02	228.03	(-)214.99	180.0	51.5	(-)214.99	124.5	298.16	107.50	—	190.66
1964-65	537.42	239.54	(-)297.88	218.4	44.6	(-)297.88	130.8	367.24	113.96	—	253.28
1965-66	420.83	269.10	(-)151.13	171.0	63.9	(-)151.13	146.9	288.03	120.36	—	167.67
1966-67	519.23	287.09	(-)232.14	210.9	55.3	(-)232.14	156.7	362.57	129.73	—	232.84
1967-68	465.47	307.00	(-)158.47	189.2	56.0	(-)158.47	167.6	332.72	164.48	—	168.28
1968-69	489.66	323.98	(-)165.68	197.9	66.2	(-)165.68	176.8	304.66	169.99	—	134.67
1969-70	509.81	327.14	(-)182.67	207.2	64.1	(-)182.67	177.4	328.51	160.86	—	167.65
1970-71	517.75	324.95	(-)192.80	210.38	62.8	(-)192.80	124.5	360.24	199.84	—	160.40
1971-72 (July Mar.)	284.79	243.46	(-)41.33	—	85.5	(-)41.33	—	226.47	200.99	—	25.48

Source : Central Statistical Office.

Notes : (a) Data on sea-borne trade with Indian Republic are included since April 1948 because of the stand still Agreement upto March 1948, and land-borne trade since July 1, 1949.

(b) Data on exports to Afghanistan are included since July 1949 whereas data on imports from Afghanistan are included from March 1951.

(c) Data on land-borne trade with Iran are included since July 1949.

(d) Data on exports do not include re-exports from 1959-60.

(e) Data on East Pakistan's exports and imports is upto November 1971 only.

TABLE
MAJOR

Commodity	1954-55	1955-56	1959-60	1960-61	1961-62	1962-63
	2	3	4	5	6	7
1. Raw jute	598,469	829,234	729,057	848,097	849,551	792,918
Quantity tons	917,735	1,014,981	860,207	526,823	719,445	774,538
2. Raw cotton	296,549	462,137	188,832	137,588	123,450	369,968
Quantity tons	127,333	169,351	80,124	52,325	48,729	155,870
3. Raw hides	8,641	10,930	15,266	8,739	5,523	9,440
Quantity 000 pieces	1,220	1,508	1,231	—	—	—
4. Raw skins	19,307	27,645	67,566	44,521	54,152	45,769
Quantity 000 piece	7,215	8,867	11,701	—	—	—
5. Hides and skins n.e.	—	—	—	2,481	2,701	2,087
6. Raw wool	50,030	68,422	75,418	70,889	68,416	84,718
Quantity 000 lbs.	24,420	28,613	31,027	28,547	28,562	33,898
7. Tea	55,777	33,276	35,490	1,067	21,304	6,384
Quantity 000 lbs.	26,027	14,083	15,756	492	11,359	3,118
8. Jute goods	22,846	105,942	277,131	314,055	302,744	306,843
Quantity tons	13,913	88,189	203,271	—	—	—
9. Cotton twist & yarn	568	32,714	175,346	73,612	10,172	20,376
Quantity 000 lbs.	404	17,841	123,096	39,050	4,969	11,532
10. Cotton piece goods	707	2,988	56,045	44,619	30,910	67,605
Quantity 000 yds.	—	—	—	60,729	43,633	112,214
11. Fish excluding canned	26,260	28,836	46,670	56,873	72,111	108,489
Quantity cwt.	606,498	142,983	595,345	574,409	637,837	954,841
12. Rice	20,244	64,560	68,288	48,981	86,502	172,837
Quantity tons	77,015	201,797	117,142	69,714	101,839	181,440
13. Footwear	16	149	3,621	3,003	2,226	4,880
14. Leather and leather goods	298	1,279	15,187	10,403	17,379	20,504
15. Sports goods	5,934	9,483	11,817	11,521	13,342	17,444
16. Carpets	130	478	60,55	9,387	17,341	11,546
17. Others	63,501	99,742	110,244	80,535	146,805	181,315
.. .. .	1,169,278	1,777,815	1,832,024	1,786,371	1,824,629	2,223,124

(a) cwt.

Note.—1. Data up to December 1956, relates to private accounts only whereas from January 1957, it is on both Government and private accounts.

2. From 1959-60 total exports do not include re-exports.

(b) Adjusted provisional figures of exports in 1967-68 is Rs. 307.00 crore. However, a break-down of this figure is not yet available. The figure quoted in the Table, Rs. 312.46 crore, includes some short shipments which were later cancelled by the Customs authorities but could not be excluded from C.S.O.'s records. Similarly, some loss incurred by Pakistan in foreign exchange as a result of the devaluation of Sterling in November 1967, could not be reflected in C.S.O.'s records because details were not available.

No. 34

EXPORTS

(Value in '000' Rupees)

1963-64	1964-65	1965-66	1967-68	1967-68	1968-69	1969-70	1970-71	1971-72 (July-March)
8	9	10	11	12	13	14	15	16
752,885	845,398	863,211	870,159	758,927	730,663	762,404	501,151	185,453
768,454	703,538	751,376	597,825	666,867	574,187	626,280	397,730	141,717
340,054	287,043	287,425	290,606	441,789	346,575	210,559	271,476	560,144
158,766	129,415	117,310	132,364	222,809	141,612	83,097	109,915	178,052
9,188	4,974	2,132	1,075	820	54	5	19	254
—	59,535(a)	12,384(a)	6,342(a)	68,32(a)	398	28	74(a)	858
38,009	25,920	25,035	8,421	4,678	1,958	15,516	16,437	4,085
—	57,380(a)	47,431(a)	13,889(a)	6,668(a)	1,500(a)	2,812	2,429(a)	2,908(a)
3,756	4,424	3,246	2,144	1,554	2,050	2,313	343	755
74,780	58,695	60,403	31,498	36,991	41,433	26,642	20,936	14,960
27,065	22,677	23,740	153,164	23,996	25,466	17,756	10,315	10,000
—	10,037	10,985	833	2	27	3	—	—
—	5,520	6,388	288	1	7	1	—	—
223,204	300,735	575,467	587,729	619,647	634,498	271,912	648,789	217,443
—	—	—	—	—	—	—	—	—
98,906	138,449	104,897	117,808	216,199	215,171	268,390	365,197	346,223
60,811	76,896	55,284	66,597	135,766	139,092	169,606	233,456	204,856
90,393	132,754	149,282	159,092	200,332	244,215	269,750	322,847	271,704
143,713	195,035	196,124	211,998	281,201	334,914	368,332	473,492	354,222
100,117	84,968	47,748	60,925	53,473	71,295	89,835	72,828	75,859
809,787	648,000	385,420	421,015	290,194	368,890	470,439	361,017	323,322
105,570	120,397	132,519	176,902	149,402	155,158	93,889	172,962	123,654
110,427	180,156	145,631	179,500	119,825	137,877	89,428	179,315	112,448
12,082	18,055	8,175	15,782	25,047	31,342	23,481	29,430	29,554
38,002	58,663	75,298	126,863	131,284	189,746	109,308	160,531	112,298
18,529	13,069	19,269	19,807	22,796	26,813	30,013	32,661	29,565
29,448	28,854	12,998	32,048	35,245	40,663	56,675	65,376	59,648
245,423	261,914	321,947	270,246	426,391	468,127	980,718	568,547	402,982
2,280,346	2,395,349	2,691,037	2,870,938	3,124,577 (b)	3,239,788	3,271,411	3,249,530	2,434,581

Source : Central Statistical Office

TABLE
MAJOR

No.
IMP

Item	1954-55	1955-56	1959-60	1960-61	1961-62	1962-63	1963-64
1	2	3	4	5	6	7	
1. Chemicals	18,533	25,533	60,974	67,138	53,055	57,964	93,1
2. Drugs and medicines	29,914	48,994	80,295	90,256	81,120	73,273	107
3. Dyes and colours	18,487	24,265	43,743	57,136	61,593	58,200	75,2
4. Electrical goods	20,085	21,948	74,236	71,266	77,068	111,380	12
5. Machinery	318,523	181,910	551,055	505,474	638,671	977,358	934,2
6. Paper, pasteboard and stationery	19,633	19,748	30,768	24,747	31,149	32,670	30,3
7. Rubber manufactures	11,340	18,563	37,890	40,411	33,092	46,936	59,2
8. Transport equipment	44,526	58,423	152,770	254,492	316,348	339,961	478,3
9. Woolen yarn and manufactures	3,054	4,306	727	984	2,253	2,828	
10. Art silk yarn	12,415	17,767	23,602	14,382	24,336	19,144	34,9
11. Cotton twist and yarn	28,289	15,105	8,700	21,913	13,196	11,263	1
12. Cotton piece goods	36,737	63,489	4,159	2,408	3,631	1,794	2,4
13. Iron and steel and manufactures thereof	70,608	114,392	214,942	396,387	419,718	446,341	596,4
14. Non-ferrous metals and manufactures thereof	9,644	17,555	42,698	87,991	85,570	83,680	80,0
15. Oil-minerals	108,195	114,264	238,158	302,554	244,505	236,693	243,4
16. Oil-vegetable	3,759	9,494	57,255	89,289	78,805	174,704	12
17. Grains, pulses & flour	139	1,210	459,387	552,921	316,344	387,554	573,1
18. Other imports	168,305	241,873	379,631	607,886	628,644	757,028	84
Total	922,186	998,839	2,460,990	3,187,635	3,109,098	3,818,771	4,430,1

Note.—Data on private account only up to December 1956, and on Government and private accounts from January 1957.

IMPORTS

(Value '000' rupees)

1'63-64	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72 (July-March)
8	9	10	11	12	13	14	15	16
93,763	107,455	54,662	99,206	86,188	110,124	138,150	145,777	71,948
104,446	115,849	71,432	81,606	76,194	91,890	94,529	86,689	66,151
75,201	117,616	64,372	87,649	63,864	80,093	87,829	82,176	44,032
128,718	329,027	314,122	302,123	302,062	335,297	388,755	319,552	229,765
934,256	935,475	933,094	962,080	1,065,073	1,092,858	1,090,441	862,706	324,897
38,394	46,265	51,372	73,787	52,173	48,343	47,114	55,774	35,622
59,211	69,782	40,050	43,610	38,676	57,525	64,220	56,582	34,724
478,348	537,097	466,530	467,057	407,096	388,379	424,962	573,928	171,071
1,911	6,214	5,055	5,212	4,107	3,972	2,786	2,861	6,045
34,917	36,918	31,855	32,614	—	9,201	3,591	6,267	5,383
10,652	19,878	8,710	11,883	7,342	8,543	10,060	9,844	683
2,494	4,296	1,577	2,480	357	586	656	1,019	89
596,931	877,830	475,816	636,571	412,274	675,035	252,990	609,529	370,377
80,072	106,241	68,642	152,716	114,277	80,468	85,621	90,565	49,362
243,466	125,452	147,043	259,097	234,690	265,288	246,992	361,051	191,654
124,691	204,653	160,576	94,374	144,209	122,653	101,939	228,792	93,542
573,133	680,302	368,860	770,734	620,451	363,325	447,212	433,881	300,932
849,547	1,053,855	944,570	1,109,453	1,015,145	1,162,999	1,299,937	1,260,560	851,622
4430,151	5,374,205	4,208,338	5,192,252	4,654,733	4,896,579	5,098,937	5,177,545	2,847,899

Source : Central Statistical Office.

TABLE
BALANCE OF TRADE

No 36
BY AREA

Area/Country/ Territory	1964-65			1965-66			1967-68			Imports
	Imports	Exports	Balance	Imports	Exports	Balance	Imports	Exports	Balance	
EUROPE: TOTAL	20,860	8,030	-12,830	18,725	11,303	-7,422	20,169	13,232	-6,694	21,321
E. F. T. A.	8,498	3,559	-4,939	8,042	4,072	-3,970	7,691	4,663	-3,028	6,770
U. K.	7,350	3,063	-4,287	6,365	3,544	-2,821	6,467	3,964	-2,503	5,552
Switzerland	521	67	-454	535	56	-479	607	128	-479	634
Sweden	273	138	-135	422	140	-282	311	209	-102	328
Norway	52	6	-46	62	8	-54	43	14	-29	61
Denmark	171	85	-86	456	73	-383	146	70	-76	122
Austria	72	30	-42	66	35	-31	46	42	-4	57
Portugal	59	170	+11	136	216	+80	71	236	+165	16
E.C.M. TOTAL	10,589	3,075	-7,514	8,673	4,717	-3,956	8,986	4,825	-4,161	9,286
West Germany	7,311	711	-6,600	5,045	1,023	-4,022	454	1,218	+764	4,514
France	729	769	+40	624	1,051	+427	1,423	1,007	-416	1,876
Italy	1,257	341	-916	1,860	589	-1,271	1,825	859	-966	1,907
Belgium-Luxembourg	687	913	+226	441	1,563	+1,122	393	1,128	+735	435
Netherlands	605	341	-264	693	491	-202	803	613	-190	555
COMMUNIST COUNTRIES: TOTAL	1,693	842	-851	1,857	1,778	-79	3,442	2,580	-862	5,143
U.S.S.R.	631	117	-514	679	800	+121	1,463	903	-560	1,415
Poland	241	292	+51	393	448	+55	808	487	+321	1,479
Czechoslovakia	202	116	-86	203	130	-73	212	345	+133	493
Hungary	35	48	+13	90	55	-35	234	176	-58	306
Romania	30	50	+20	49	52	+3	118	272	+154	365
Bulgaria	15	—	-15	19	14	-5	99	116	+17	385
Yugoslavia	286	219	-67	374	279	-95	483	261	-222	654
Albania	32	—	-32	36	—	-36	4	9	+5	..
Eastern Germany	219	—	-219	14	—	-14	21	11	-10	..
Others	2	—	-2	—	—	—	..	..	..	121
OTHER EUROPE: TOTAL	80	553	+473	153	735	+582	74	1,164	+1,090	1
Greece	5	56	+51	76	68	-8	3	70	+67	16
Turkey	1	68	+67	7	163	+156	17	490	+473	..
Irish Republic	2	131	+129	1	166	+165	5	116	+111	40
Spain	49	292	+243	45	329	+284	18	482	+464	64
Finland	23	6	-17	24	9	-15	31	6	-25	15,297
AMERICA: TOTAL	22,038	2,949	-19,089	15,804	4,039	-11,369	15,765	3,514	-12,251	14,220
U. S. A.	20,732	1,901	-18,831	14,478	2,938	-11,540	14,624	2,767	-11,877	1,022
Canada	1,286	218	-1,068	922	234	-688	1,135	733	-902	..
Argentina	3	244	+241	4	259	+255	2	63	+61	..
Cuba	—	270	+270	..	235	+235	—	—	—	23
Chile	—	52	+52	—	135	+135	—	154	+154	..
Peru	—	124	+124	—	93	+93	—	144	+144	14
Others	17	140	+123	4	145	+141	4	150	+146	..

No 36

BY AREAS AND COUNTRIES

(In lakh rupees)

196-69			1969-70			1970-71			1971-72 (Jny-March)		
Imports	Exports	Balance	Imports	Exports	Balance	Imports	Exports	Balance	Imports	Exports	Balance
21,321	3,427	-7,894	22,706	14,008	-8,698	20,812	12,889	-7,923	12,469	9,251	-3,218
6,770	5,548	-2,222	7,202	4,497	-2,705	1,367	708	-859	675	471	-204
5,552	1,868	-1,684	5,800	3,708	-2,092	5,457	3,179	-2,278	2,981	2,214	-767
634	94	-540	727	126	-601	648	155	-493	361	201	-160
328	190	-138	293	212	-81	312	189	-123	137	108	-29
61	23	-38	160	32	-128	172	35	-137	34	21	-13
122	54	-68	134	112	-22	133	83	-50	80	49	-31
57	32	-25	67	31	-36	80	10	-70	57	27	-30
16	287	+271	21	276	+255	22	236	+214	6	65	+59
9,286	5,574	-4,712	10,527	4,804	-5,720	9,236	3,859	-5,377	5,629	2,971	-2,658
4,514	162	-3,352	5,832	1,363	-4,469	5,230	1,068	-4,162	2,767	755	-2,012
1876	918	-1057	1,390	762	-628	731	544	-187	682	463	-219
1,907	904	-1003	2,058	1043	-1,015	2,057	921	-1,136	1,528	789	-739
435	81	+646	520	909	+389	609	742	+133	255	620	+365
555	606	+51	727	730	+3	609	584	-25	397	344	-53
5,143	694	-1,449	4,830	4,124	-706	4,620	4,707	+87	3,051	3,313	+262
1,415	091	-324	1,352	1,083	-269	1,333	1,763	+430	572	1,206	+634
1,479	928	-551	820	1,730	+910	871	1,061	+190	790	748	-42
493	348	-148	907	375	-532	580	516	-64	503	256	-247
306	158	-150	172	181	+9	299	263	-36	145	263	+118
365	267	-98	231	529	+298	210	288	+78	282	183	-99
385	221	-164	214	412	+198	643	342	-301	244	286	+42
654	679	+25	1,114	414	-700	675	473	-202	506	371	-135
..	..	..	..	..	..	..	1	+1	..	..	..
46	4	-42	9	..	-9	9	..	-9	9	..	-9
..
121	613	+492	147	580	+433	132	436	+304	133	282	+149
1	48	-47	3	46	+43	11	64	+53	39	75	+36
16	127	+111	14	199	+185	27	168	+141	39	82	+43
..	148	+148	1	43	+42	2	19	+17	..	1	+1
40	283	+243	65	284	+219	28	176	+148	23	118	+95
64	7	-57	64	8	-65	64	9	-55	32	6	-26
15,297	4,287	-10,992	15,590	5,151	-10,439	17,377	50,66	-12,311	6,410	2,479	-3,931
14,220	3,398	-10,82	13,714	3,731	-9,983	15,299	3,822	-11,477	5,791	1,865	3,926
1,022	315	-701	1,875	382	-1,493	2,072	388	-1,684	595	264	-332
..	215	+215	..	525	+525	1	463	+462	16	210	+194
..
23	66	+43	..	106	+106	..	91	+91	..	44	+44
..	125	+125	..	105	+105	..	90	+90	..	33	+33
14	168	+154	1	302	+301	5	212	+207	7	63	+56

Area/Country/ Territory	1964-65			1965-66			1967-68			Imports
	Imports	Exports	Balance	Imports	Exports	Balance	Imports	Exports	Balance	
OCEANIA : TOTAL	509	569	+60	335	839	+504	457	899	+442	
Australia	497	546	+49	329	810	+481	520	741	+221	
New Zealand	12	23	+11	6	29	+23	19	128	+109	
Other	—	—	—	—	—	—	—	30	+30	11,53
ASIA : TOTAL	10,038	10,271	+233	7,433	8,351	+918	9,898	11,276	+1,378	5
Japan	4,839	1,312	-3,527	3,779	1,372	-2,407	4,215	2,521	-1,694	2
Ceylon	336	537	+201	360	453	+93	207	311	+104	
Burma	508	953	+445	357	422	+65	315	296	-19	
India	1,277	2,198	+921	262	180	-82	26	4	-22	
Afghanistan	429	345	-84	616	496	-120	938	451	-487	1
Iran	669	121	-548	289	136	-153	1,573	211	-1,362	18
Saudi Arabia	67	188	+121	24	206	+182	6	518	+512	
Malaysia	431	206	-225	152	240	+88	92	82	-10	
Singapore	—	—	—	62	105	+43	238	781	+543	
Indonesia	29	223	+194	105	772	+667	19	44	+25	
Thailand	11	37	+26	48	8	-40	2	29	+27	
Philippines	28	69	+41	24	51	+27	23	95	+72	
Aden	45	231	+186	24	125	+101	52	213	+161	
Iraq	37	129	+92	23	105	+82	39	145	+106	
Bahrain	22	161	+139	10	214	+204	46	213	+167	
Kuwait	5	185	+180	148	307	+159	199	424	+225	15
Hong Kong	176	1,131	+955	102	1,104	+1002	100	2,075	+1,975	
Vietnam Republic	—	53	+53	..	52	+52	1	17	+16	1,51
China	968	1,794	+826	968	1,547	+579	1,309	1,068	+241	
Lebanon	10	18	+8	14	42	+28	9	50	+41	
Syria	1	1	—	..	48	+48	—	10	+10	62
Other Asia	145	379	+234	66	366	+300	1,907	1,683	-226	
AFRICA : TOTAL	273	2,258	+1,985	162	2,645	+2,483	101	2,814	+2,713	
U. A. R. (Egypt)	68	224	+156	38	158	+120	10	191	+181	
Kenya	28	258	+230	49	281	+232	42	291	+249	
Uganda	—	22	+22	1	7	+6	—	18	+18	
Tanzania	19	42	+23	9	94	+85	15	208	+193	
Ghana	—	3	+3	10	..	-10	—	104	+104	
Nigeria	1	91	+90	..	238	+238	..	157	+157	
Sudan	15	31	+16	1	51	+50	1	28	+27	
Ethiopia Eriteria	—	72	+72	5	51	+46	16	32	+16	
Zambia	40	11	-29	20	24	+4	—	—	—	
Mauritius	—	18	+18	—	37	+37	—	39	+39	
Morocco	4	46	+42	3	66	+63	..	59	+55	
Mozambique (Portuguese East Africa)	17	451	+434	4	794	+790	—	—	—	
Angola (Portuguese West Germany)	—	54	+54	—	235	+235	—	—	—	
Tunisia	—	9	+9	9	29	+20	—	4	+4	
Other Africa	81	926	845	19	579	+560	57	2,632	+2,575	
Other countries N. S.	—	—	—	—	—	—	—	—	—	

Source : Central Statistical Office.

(—) Nil
(.) Insignificant.

1968-69			1969-70			1970-71			1971-72 July—March		
Imports	Exports	Balance	Imports	Exports	Balance	Imports	Exports	Balance	Imports	Exports	Balance
463	1,075	+612	1,119	1,174	+55	625	879	+254	369	371	+12
460	859	+399	1,021	937	-84	600	663	+63	350	219	-131
3	169	+166	98	169	+71	24	179	+155	19	107	+88
--	47	+47	--	68	+68	--	37	+36	--	45	+45
11,537	1,031	-506	11,432	9,814	-1,618	12,744	11,208	-1,536	9,115	11,439	+2,324
5,861	1,757	-4,104	5,638	1,720	3,918	5,391	2,264	-3,127	3,351	2,913	-438
246	496	+250	296	478	+182	337	634	+297	704	457	-247
129	178	+49	256	145	-111	64	96	+32	77	50	-27
..	1	+1	2	1	-1	--	--	--	--	--	--
894	372	-522	943	422	-521	967	233	-734	821	288	-533
1,239	241	-998	1,206	257	-949	1,811	221	-1,590	776	194	-582
182	439	+257	347	383	+36	404	293	-111	511	474	-37
180	298	+118	258	98	-160	258	115	-143	123	159	+36
137	1,766	+1,629	189	952	+763	165	939	+774	193	479	+286
20	98	+78	22	222	+200	12	304	+292	98	237	+139
3	17	+14	5	12	+7	9	26	+17	36	162	+126
9	89	+80	4	43	+39	12	5	-7	7	7	--
15	216	+201	1	146	+145	--	--	--	--	--	--
74	172	+98	44	292	+248	40	599	+559	48	421	+373
--	161	+161	1	316	+315	125	204	+79	18	93	+75
154	597	+443	93	335	+242	618	433	-185	413	421	+8
153	1,903	+1,750	221	1,539	+1,318	161	2,508	+2,347	193	3,076	+2,883
--	1	+1	--	4	+4	3	27	+24	3	3	--
1,589	1,079	-510	946	1,381	+435	1,499	946	-553	1,197	1,000	-197
29	42	+13	9	53	+44	37	66	+29	40	27	-13
..	90	+90	..	147	+147	..	23	+23	..	38	+38
622	1,019	+397	951	868	+83	831	1,272	+441	506	940	+434
92	2,566	+274	134	2,562	+2,428	217	2,446	+2229	115	783	+668
8	320	+312	18	277	+259	18	201	+183	4	71	+67
40	222	+182	41	243	+202	37	205	+168	55	110	+55
..	8	+8	..	25	+25	--	26	+26	1	12	+11
17	130	+113	36	130	+94	14	137	+123	5	20	+15
--	75	+75	1	47	+46	--	47	+47	..	4	+4
..	241	+241	10	291	+281	..	269	+269	..	48	+48
1	43	+39	9	15	+6	2	211	+209	1	..	-1
..	27	+27	..	20	+20	..	16	+16	2	16	+14
..	28	+28	..	25	+25	..	32	+32	..	24	+24
--	--	--	--	--	--	--	--	--	--	--	--
5	97	+92	2	65	+63	2	34	+32	2	19	+17
--	--	--	--	--	--	--	--	--	--	--	--
..	7	+7	..	25	+18	122	11	-111	..	5	+5
18	1,369	+1,350	17	1,406	+1,389	22	1,257	+1,235	45	454	+409
8	12	+4	--	5	+5	--	7	+7	1	23	+22

TABLE NO. 37

IMPORT OF CAPITAL GOODS, INDUSTRIAL RAW MATERIALS AND CONSUMER GOODS

(In crore rupees)

Year (July—June)	Capital goods		Industrial Raw Materials		Consumer Goods		Total	
	Value	Percentage	Value	Percentage	Value	Percentage	Value	Percentage
1960-61	121.4	38.08	104.3	32.71	93.1	29.20	318.8	100.0
1961-62	146.7	47.18	95.4	30.68	68.8	22.12	310.9	100.0
1962-63	192.0	50.27	113.3	29.66	76.6	20.05	381.9	100.0
1963-64	208.4	47.04	139.0	31.73	95.6	21.58	443.0	100.0
1964-65	268.9	50.03	149.7	27.85	118.8	22.11	437.4	100.0
1965-66	223.5	53.11	122.5	29.11	74.8	17.77	420.8	100.0
1966-67	234.6	45.18	166.1	31.99	188.5	22.82	519.2	100.0
1967-68	221.3	47.56	150.2	32.27	95.0	20.19	465.5	100.0
1968-69	248.8	50.81	161.5	32.98	79.4	16.21	489.7	100.0
1969-70	242.2	45.51	184.5	36.19	83.1	16.30	509.8	100.0
1970-71	232.8	44.97	196.9	38.03	88.0	17.00	517.7	100.0
1971-72 (July—March)	123.3	43.29	96.9	34.03	64.6	22.68	284.8	100.0

TABLE NO. 38

INDICES OF UNIT VALUES OF IMPORTS AND EXPORTS IN THE MONTH OF

TABLE No. 38

INDICES OF UNIT VALUES OF IMPORTS AND EXPORTS AND TERMS OF TRADE

(1954-55=100)

Year (July—June)	Total		Food, Beverages and Tobacco		Crude Materials		Manufactured goods chiefly classified by Materials		Miscellaneous Manufactured Goods		Terms of Trade
	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	
1955-56	138.0	118.8	142.2	100.3	148.6	121.9	144.5	120.3	100.9	114.3	86.1
1959-60	157.8	126.5	190.4	139.9	168.5	124.7	166.8	100.7	122.7	158.5	80.2
1960-61	168.9	186.0	186.3	144.8	165.0	195.6	194.3	129.3	117.2	117.8	110.2
1961-62	160.4	156.0	207.9	176.9	124.8	154.2	177.5	107.8	133.2	123.6	97.3
1962-63	168.9	144.3	136.3	189.9	166.9	138.0	201.7	103.9	157.7	107.2	85.5
1963-64	159.4	141.2	178.9	188.5	148.7	133.9	172.2	112.1	159.4	141.8	88.6
1964-65	141.4	157.9	138.0	163.2	140.7	158.5	166.3	122.6	237.0	113.6	111.7
1965-66	167.6	158.5	195.5	180.4	190.8	154.6	195.4	144.2	172.0	224.7	94.6
1966-67	157.4	185.9	262.0	214.0	107.2	181.7	170.4	178.8	205.7	138.1	118.1
1967-68	159.6	162.1	240.7	246.3	114.9	147.9	172.5	157.4	216.6	137.9	101.6
1968-69	148.6	171.9	123.3	234.6	141.2	162.9	170.1	125.6	194.9	128.5	115.7
1969-70	171.0	170.4	177.4	255.3	121.8	162.7	228.3	120.3	190.9	133.9	99.6
1970-71 (P)	161.9	169.4	164.4	203.2	134.3	165.1	150.4	122.4	207.9	158.8	104.7

(P)—Provisional.

Source: Central Statistical Office.

TABLE NO. 39

IMPORTS OF WHEAT, RICE, MAIZE AND SUGAR

(Quantity in tons)

Year (July—June)	Wheat	Rice	Maize	Sugar*
1948-49	1,45,285	19,833	—	—
1949-50	—	45,17	—	—
1950-51	—	—	—	—
1954-55	—	—	—	85,175
1955-56	1,21,282	54,878	—	86,736
1959-60	9,68,164	3,60,960	—	23
1960-61	13,10,508	3,82,414	—	73
1961-62	8,51,138	2,03,341	—	82,733
1962-63	15,81,875	2,44,643	28,179	1,14,081
1963-64	15,20,561	1,42,724	—	1,252
1964-65	17,08,523	61,564	—	96,962
1965-66	12,68,164	47,948	—	73,179
1966-67	17,70,803	1,90,799	3,95,565	269
1967-68	21,70,549(a)	1,50,227	—	8,164
1968-69	7,54,753	66,000	—	2,57,419
1969-70	11,07,369	1,19,929	—	13,29
1970-71	10,68,968	7,87,000	—	1,527
1971-72 (July—March)	2,74,054(d)	3,75,082(c)	—	289

- (a) Includes 40,318 tons of wheat seed. Source: Ministry of Agriculture and Works.
 (b) Provisional. *Central Statistical Office.
 (c) Upto Oct. 1971
 (d) This include 86,660 for W. Pakistan.

TABLE NO. 40

BALANCE OF PAYMENTS

(In lakh rupees)

Item	1965-66			1968-69			1970-71			1971-72 (July-Dec.)					
	Credit	Debit	Net Credit	Credit	Debit	Net Credit	Credit	Debit	Net Credit	Credit	Debit	Net Credit			
A. GOODS AND SERVICES															
1. Merchandise	3,20,06	5,50,57	-2,30,52	3,69,69	6,26,90	-2,56,90	3,94,40	6,65,74	-2,71,34	4,02,94	7,49,04	-3,46,10	1,59,49	3,20,59	-1,61,10
2. Non-monetary gold	7	—	+7	—	—	—	15,04	—	+15,04	12,34	—	+12,34	—	—	—
3. Freight and insurance on international shipments	218	40,16	-37,98	46	47,63	-47,17	55	55,14	-53,58	33	57,95	-57,63	10	20,23	-19,53
(i) Freight	181	18,14	-36,32	8	44,73	-44,64	—	50,36	-50,36	—	55,07	-55,07	—	18,57	-18,57
(ii) Insurance	36	2,02	-1,66	36	2,89	-2,52	55	3,77	-3,22	33	2,89	-2,56	10	1,68	-1,57
4. Other transportation	7,09	6,94	-16	13,52	13,88	-37	17,46	16,76	+70	17,92	22,18	-4,26	7,41	7,90	-49
5. Travel	1,03	2,73	-1,69	2,82	5,80	-2,96	4,12	7,34	-1,21	4,44	7,85	-3,41	2,00	3,12	-1,13
6. Investment income	4,34	29,73	-25,39	7,66	-47,98	40,32	17,53	51,93	-34,40	8,72	52,33	-43,60	2,64	11,26	-8,63
7. Government, net included elsewhere	16,89	20,52	-3,62	13,04	39,26	-26,23	14,08	25,09	-11,02	23,22	35,70	-12,48	6,15	10,77	-4,61
8. Other services	19,76	33,94	+5,83	19,86	14,53	+5,43	11,33	12,58	-1,25	10,66	8,06	+2,60	4,50	5,78	-1,27
(i) Non-merchandise insurance	1,15	1,03	+12	1,29	3,01	-1,71	88	3,14	-2,25	63	1,80	-1,17	37	1,21	-85
(ii) Others	1,861	12,91	+5,70	18,57	11,53	+7,05	10,45	9,44	+1,01	10,03	6,26	+3,77	4,15	4,57	-46
B. TRANSFER PAYMENTS															
9. Private	1,09,06	3,25	-1,05,81	1,09,99	6,89	1,03,10	84,21	6,68	+77,53	67,40	5,18	+62,22	46,29	2,52	+43,79
10. Central Government	21,40	3,17	+18,23	50,22	3,09	+47,12	50,81	2,78	+48,04	32,79	2,37	+30,43	18,40	1,08	+17,32
	87,67	8	+87,59	59,57	3,79	+55,98	33,39	3,90	+29,50	34,60	2,81	+31,79	27,88	1,41	+26,47

Item	1965-66			1968-69			1970-71			1971-72 (July-December)				
	Change in		Net Position	Change in		Net Position	Change in		Net Position	Change in		Net Position		
	Assets	Liabilities		Assets	Liabilities		Assets	Liabilities		Assets	Liabilities			
C. CAPITAL AND MONETARY GOLD..														
11. Private long-term (including all direct investment)	-35,52	-1,58,67	+1,23,16	-66,246	+23,438	+1,67,93	+3,317	-1,86,18	+42,20	-2,43,76	+2,85,97	+18,11	-93,98	+1,12,09
12. Private short-term other than direct investment)	..	-17,50	+17,50	+89	-28,98	+29,86	+1,34	-35,82	+65	-43,55	+44,20	+14	-16,59	+16,45
13. Local Government ..	..	-1,85	+1,85	-1	-1	-	-	+1,18	-	+37	-37	-	+17	-17
14. Central Government ..	-	+1,30	-1,30	-	-21,91	-21,91	-	-46,33	-	-53,05	+53,05	-	-14,85	+14,85
(i) Long-term loans ..	-2,99	-1,16,88	+1,13,89	-11,06	-1,57,35	1,46,28	-4,51	-1,12,61	+22,72	-1,37,05	+1,59,76	+471	-41,44	+46,16
(ii) Other long-term assets and liabilities ..	-	-1,16,88	+1,16,88	-	-1,57,34	+1,57,34	-4,70	-1,12,60	-	+1,36,28	+1,36,28	-	-41,44	+41,44
(iii) Other short-term assets and liabilities ..	+1,85	-	+1,85	-12,28	..	-12,28	+1,20	-	+21,51	-76	+22,27	+5,38	-	+5,38
15. Central Monetary Institutions ..	-4,85	-35,98	-7,46	-5,210	-26,60	-25,49	+8,42	+1,39	+15,85	-13,49	+29,34	+12,58	-16,00	+28,59
(i) Accounts With I.M.F. ..	-18,10	-35,95	17,86	-	-12,33	-12,33	-	-1,29	-22,40	-13,55	-8,85	-	+42	-42
(ii) Marketable assets ..	-21,95	-	-21,95	-26,73	-	-26,73	+36,09	-	+6,78	-	+6,78	+25,59	-	+25,59
(iii) Deposits ..	-3,33	-3	-3,29	-25,36	-14,28	-11,07	-21,97	+2,66	+33,11	+6	+33,05	-13,42	-16,42	-3,00
(iv) Gold ..	-7	-	-7	-	-	-	-	-	-37	-	-37	-	-	-
(v) Special Drawing Right ..	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(vi) Other Monetary Institutions ..	+10,92	+12,24	-1,32	-4,19	+45	-4,64	-2,09	+6,02	+2,99	+3,00	-1	+68	-5,41	+6,08
(i) Deposits assets and liabilities ..	-4,54	+11,91	-16,45	-4,43	+38	-4,83	-1,71	605	+4,56	+2,99	+1,56	-	+5,43	+5,43
(ii) Other foreign assets and liabilities ..	+15,46	+33	+15,13	+25	+7	+19	-38	-3	-1,57	+1	-158	+67	+2	+65
D. ERRORS AND OMISSIONS.														
E. MULTILATERAL SETTLEMENTS														
	+1,55	-	+1,55	-14,12	-	-14,12	+4,47	-	-208	-	-208	+5,22	-	+5,22
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-

— Nil.

.. Amount less than Rs. 50,000.

Note:—Pakistan adopted the compilation of balance of payments in accordance with the revised I.M.F. manual (1961 edition) with effect from July, 1964. Totals may exhibit small difference due to rounding off.

Source: State Bank of Pakistan.

TABLE No. 41

BALANCE OF PAYMENTS
RECORDED RECEIPTS* FROM EXPORTS

(In lakh rupees.)

Commodity	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72
Cotton	17.48	19.20	16.38	10.10	44.77	3.05	28.63	26.09	41.94	38.57	21.80	25.79	14.80
Cotton yarn	10.24	12.20	12.20	9.18	11.53	18.83	22.96	25.64	39.60	44.97	28.47	66.57	36.52
Cotton manufactures	1.00	2.20	2.20	84.75	77.56	92.58	97.78	90.91	79.84	74.94	76.58	51.95	17.46
Wool	11.30	13.00	13.00	1.02	7.60	6.13	3.00	1.33	1.35	90	1.76	2.37	98
Hides and skins	1.1	1.1	1.1	1.02	1.1	1.01	1.58	7	4	2	—	—	—
Tea	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Whol	8.25	8.34	8.73	9.13	9.76	7.30	6.74	3.98	3.81	4.04	2.83	2.35	1.05
Other exports	23.80	25.89	34.20	44.14	44.87	56.20	57.03	71.54	69.45	93.13	1,16,89	1,14,55	48,30
Total	100.24	113.00	121.00	131.00	131.00	131.00	131.00	131.00	131.00	131.00	131.00	131.00	131.00

*Recorded receipts are on a mixed c. & f. and f.o.b. basis and hence differ from those appearing in the table giving overall position.

Source: State Bank of Pakistan.

TABLE NO. 42

**GOLD, DOLLAR AND STERLING RESERVES HELD AND
CONTROLLED BY STATE BANK OF PAKISTAN**

Year/Month*	(In lakh rupees)	Year/Month*	(In lakh rupees)
1948		1962	
June	51,79	March	114,84
December	141,61	June	112,83
1949		September	104,98
June	165,51	December	118,41
December	98,02	1963	
1950		March	132,84
June	95,85	June	143,62
December	94,16	September	138,41
1951		December	132,80
June	151,31	1964	
December	148,17	March	140,81
1952		June	123,53
June	104,57	September	117,66
December	60,16	December	104,28
1953		1965	
June	66,88	March	107,01
December	68,89	June	95,17
1954		September	96,50
June	63,05	December	98,97
December	63,10	1966	
1955		March	126,07
June	69,64	June	126,33
December	115,62	September	106,91
1956		December	93,93
June	139,47	1967	
December	126,29	March	82,66
1957		June	79,32
June	120,05	September	78,87
December	120,14	December	75,89
1958		1968	
June	88,05	March	81,64
December	76,58	June	86,43
1959		September	95,53
June	104,32	December	113,78
December	122,72	1969	
1960		March	142,21
June	116,96	June	142,25
December	129,40	September	152,00
1961		December	148,21
March	143,00	1970	
June	122,50	March	166,71
September	109,26	June	136,78
December	113,30	September	102,48
		December	87,74
		1971	
		March	77,49
		June	94,86
		September	1,00,34
		December	81,39

*Last day of the month.

FOREIGN ECONOMIC ASSISTANCE

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	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
France															
--Export Credit ..					23.045		32.041		67.464		16.204				138.754
Germany															
--Capital Aid ..							131.283		149.077		35.655				316.015
--Export Credit ..							90.022		55.742		3.607		5.861		155.232
Sub-total(Germany):							221.305		204.819		39.262		5.861		471.724
Italy															
--Export Credit ..							5.908		98.282		35.544				139.734
Japan															
--Capital Aid ..				0.192		0.837	103.199	0.240	148.714					1.269	251.915
--Export Credit ..					25.211		42.585		9.089						76.885
Sub-total(Japan):				0.192	25.211	0.837	145.784	0.240	157.803					1.269	328.798
Kuwait															
--Capital Aid ..									4.958						4.958
Netherlands															
--Capital Aid ..							6.630		14.917		4.420				25.967
--Export Credit ..							8.183		5.841						20.184
Sub-total (Netherlands)							14.813		20.758		4.420				46.151
Norway															
--Capital Aid ..								5.026		1.001				6.027	
Newzealand															
--Capital Aid ..		3.130		2.490		1.112								6.810	

INTERNATIONAL MONETARY FUND
 REPORT OF THE EXECUTIVE DIRECTOR
 TO THE BOARD OF DIRECTORS
 APRIL 1964

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	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Poland															
—Export Credit ..								11,326							11,326
Romania											9,407				9,407
—Capital Aid ..											0,040				26,801
Switzerland															
—Export Credit ..							0,114								
Sweden															
—Capital Aid ..	0,369				1,103			13,941	17,707	1,114				16,527	17,707
—Export Credit ..									0,318						0,318
Sub-total(Sweden) ..	0,369				1,103			13,941	18,025	1,114				16,527	18,025
Turkey															
—Export Credit ..									3,646						3,646
U.K.															
—Capital Aid ..	1,151	28,000	3,633	28,000	5,697	124,036		3,954	111,674		15,228			14,435	306,938
—Financial Institutions and Suppliers ..							26,533		57,070		47,554				131,157
Sub-total(U.K.) ..	1,151	28,000	3,633	28,000	5,697	150,569		3,954	168,744		62,782			14,435	438,095
U.S.A.															
—Grants ..	88,121				401,527			59,934		4,880				0,573	
—DLF Loans ..							92,358								216,183
—US-AID Loans ..							683,364		589,113		29,500				1,301,977
—US Financial Institutions and Suppliers ..															75,955
Sub-total(U.S.A.) ..	88,121				401,527		803,870	59,934	668,865	4,880	53,945			0,573	1,594,115

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
U.S.-Exim bank															
(a)			15,000		2,827		45,479		74,081		16,155				153,542
			20,000		68,000										88,000
Sub-total (Exim-bank)			35,000		70,827		45,479		74,081		16,155				241,542
PL-480															
—Title I									91,100		59,600		43,100		193,800
—Title II			84,559		36,841		49,367		19,419		11,981			202,067	
—Title III			1,207		29,741		20,808		3,474					55,230	
Sub-total(PL-480)			85,766		66,582		70,075		22,893		11,981		43,100	257,297	193,800
U.S.S.R.															
—State Credits							30,000		21,111						51,111
—Export Credits							11,000		74,486		1,317				86,803
Sub-total(USSR)							41,000		95,597		1,317				137,914
Yugoslavia															
—Export Credit							29,562		87,431		10,482				127,475
Suppliers Credits															
Asian Development Bank															
IBRD			58,226		92,655		208,888		273,700		36,850				46,850
I.D.A.							235,444		220,150		48,000				633,469
I.P.C.					1,380		9,352		7,119						503,594
UN and Specialised Agencies			3,940		5,177		4,488		2,812					16,417	
UNDP-Special Fund.					8,175		9,743		11,871					29,789	
Ford Foundation					17,230		19,329		14,116		1,744			52,419	
Others			0,015		5,313		0,040		0,013					5,381	
Total(All Loans)			251,174		121,226		575,959		416,998		405,439		1,963,370	240,601	2,459,625
											31,283		621,064	7,573	48,961
														1,512,029	5,631,244

(a) Loans repayable in US Dollars.

(b) Loans repayable in Pak. Rupees.

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TABLE NO. 44

OUTSTANDING EXTERNAL INDEBTEDNESS OF PAKISTAN
AS ON JUNE 30, 1971

(U.S. \$ Million)

Lending country/agency		Disbursed and outstanding	Undisbursed	Total debt
1		2	3	4
I. Consortium :				
Belgium	.. Capital Aid ..	4.170	1.843	6.013
	.. Export Credit ..	2.854	0.823	3.677
	Sub-total (Belgium) :	7.024	2.666	9.690
Canada	.. Capital Aid ..	120.540	43.829	164.369
France	.. Export Credit ..	53.200	21.862	75.062
Germany	.. Capital Aid ..	236.492	66.083	302.757
	.. Export Credit ..	70.800	13.307	84.107
	Sub-total (Germany) :	307.292	79.390	386.782
Italy	.. Export Credit ..	71.600	45.023	116.623
Japan	.. Capital Aid ..	187.873	35.745	223.618
	.. Export Credit ..	16.026	1.000	17.026
	Sub-total (Japan) :	203.968	36.745	240.713
Netherlands	.. Capital Aid ..	16.798	9.169	25.967
	.. Export Credit ..	6.170	2.977	9.147
	Sub-total (Netherlands) :	22.968	12.146	35.114
Sweden	.. Capital Aid ..	10.851	5.808	17.659
	.. Export Credit ..	0.166	—	0.166
	Sub-total (Sweden) :	11.017	6.808	17.825
U.K.	.. Capital Aid ..	175.253	23.099	198.352
	.. Export Credit ..	39.500	49.246	88.746
	Sub-total (U.K.) :	214.753	72.345	287.098
U.S.-AD	.. Capital Aid ..	1,327.883	96.507	1,424.390
U.S.-Exmbank	.. Capital Aid ..	52.500	5.089	57.589
U.S.A.	.. Export Credit ..	31.500	2.442	33.942
	Sub-total (U.S.A.) :	1,411.883	104.038	1,516.921

	1	2	3	4
I.B.R.D. ..		276.004	42.039	318.043
I.D.A. ..		241.348	199.330	440.678
A.D.B.		6.582	40.268	46.850
I.F.C.		10.042	3.045	13.087
Sub—total (Consortium):		<u>2,958.221</u>	<u>709.534</u>	<u>3,667.755</u>
II Non-Consortium				
Austria ...	Export Credit ..	—	5.484	5.484
China ..	(converted into grants) ..	(54.725)	(26.700)	(26.700)
Czechoslovakia ..	Export Credit ..	38.453	9.788	48.241
Denmark ..	Capital Aid ...	1.289	6.043	7.332
	Export Credit ..	3.116	—	3.116
	Sub—total (Denmark) :	<u>4.405</u>	<u>6.043</u>	<u>10.448</u>
Kuwait ..	Capital Aid ...	1.778	2.967	4.745
Poland ..	Export Credit ..	5.486	3.820	9.306
Switzerland ..		19.200	12.523	31.723
Turkey ..	Export Credit ..	—	3.646	3.646
U.S.S.R. ..	Capital Aid ...	28.462	17.648	46.110
	Export Credit ...	36.100	10.306	46.406
	Sub—total (U.S.S.R.) :	<u>64.562</u>	<u>27.954</u>	<u>92.516</u>
Yugoslavia ..	Export Credit ...	41.600	42.636	84.236
	Sub—total (Non-Consortium) :	<u>175.484</u>	<u>114.861</u>	<u>290.345</u>
III Indus Basin/Tarbela Project				
Canada ..		0.836	3.789	4.625
France ..		18.054	12.027	30.081
Italy ..		—	40.000	40.000
U.K. ..		12.838	11.162	24.000
U.S. AID ..		10.340	33.683	44.023
U.S.-Eximbank ..		50.000	—	50.000
I.B.R.D. ..		69.036	43.540	112.576
I.D.A. ..		58.540	—	58.540
	(Sub-total Indus/Tarbela):	<u>219.644</u>	<u>144.201</u>	<u>363.845</u>
	Grand Total (I + II + III) :	<u>3,353.349</u>	<u>968.596</u>	<u>4,321.945</u>

PUBLIC FINANCE

TABLE

CENTRAL GOVERNMENT REVENUE

Item	Actuals					
	1948-49	1949-50	1950-51	1954-55	1955-56	1959-60
A. Revenue Receipt :						
Customs	32,92	42,25	77,62	41,61	55,79	56,70
Central excise	5,34	5,15	6,72	11,55	13,50	28,55
Income tax and corporation tax	6,59	11,55	13,24	19,41	21,42	31,97
Sales tax	4,17	8,94	7,11	10,60	13,72	17,04
Salt	3,76	2,44	2,22	2,21	2,40	10
Other	1,11	1,51	2,37	4,56	4,49	6,06
Total Principal Heads	53,89	71,84	1,09,28	89,94	1,11,32	1,39,89
Railways	3,34	1,97	1,71	6,18	7,69	12,74
Posts and telegraphs (net)	25	—	61	66	1,73	2,95
Debt services	4,94	6,15	601	8,83	9,14	7,16
Civil administration	71	78	1,24	1,85	1,99	3,53
Currency and mint	—	1,08	95	2,08	1,96	3,62
Miscellaneous	75	66	93	1,51	3,18	4,15
Defence services	2,16	5,47	4,84	3,99	5,83	10,14
Extraordinary items	52	29	1,45	1,42	11	12,13
Others	21	30	30	81	63	1,44
Total Revenue Receipts	66,76	88,54	1,27,32	1,17,27	1,43,58	1,97,75
B. Expenditure :						
Direct demands on revenue	1,55	198	2,21	2,72	2,98	3,53
Debt services	2,10	3,07	6,94	9,37	9,37	20,69
Civil administration	10,90	13,87	16,93	23,17	26,41	37,45
Miscellaneous	1,51	1,04	29,77	7,56	5,82	8,23
Currency and mint	36	46	46	34	37	57
Civil works and central Road Fund	66	95	1,62	2,03	1,61	4,06
Defence services	46,15	62,54	64,99	63,51	91,77	1,04,35
Grants-in-aid etc. to Provincial Governments	1,40	1,60	3,60	5,71	4,89	4,23
Others, including development expenditure	7	9	10	2,85	12	1,54
Total expenditure met from revenue	64,70	85,60	1,26,62	1,17,26	1,43,34	1,84,65
Surplus/deficit (—)	2,06	2,94	70	1	24	22,84

No. 45

RECEIPTS AND EXPENDITURE

(In Lakh rupees)

1960-61	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71 (Revised)	1971-72 (Budget)
58,77	103,02	105,10	124,91	126,62	169,13	168,90	170,00	177,50
34,31	69,70	82,28	126,94	1,55,82	177,44	217,32	215,97	258,94
32,00	34,23	28,02	32,99	26,81	32,39	46,80	38,50	53,67
24,70	2686	34,55	36,33	22,52	35,52	35,16	24,76	28,28
6:	—	—	—	—	—	—	—	—
6,6:	6,63	4,71	6,08	4,02	5,51	5,44	1,95	2,40
1,57,10	240,44	254,66	327,24	3,35,79	4,19,99	473,62	451,18	520,79
5,0:	—	—	—	—	—	—	—	—
3,06	4,65	7,03	7,79	8,70	9,14	11,31	10,76	14,04
9,12	45,22	57,46	65,88	74,53	89,67	105,73	129,27	150,24
4,7:	14,23	31,61	14,14	13,61	14,05	18,25	16,75	17,68
5,40	5,99	6,02	6,67	7,26	7,81	8,43	9,55	8,33
4,10	8,70	10,97	12,37	11,03	17,34	24,00	13,12	14,84
10,4:	9,94	9,68	11,64	12,77	13,63	14,57	13,78	15,00
12,0:	5	1,35	73	5,21	4,18	4,78	—	—
9:	88	1,00	1,06	1,52	1,60	1,57	1,72	1,73
2,12,2:	3,30,10	3,79,79	4,47,52	4,70,42	5,77,41	6,60,26	646,13	742,65
4,0:	4,88	4,97	5,30	5,83	6,33	7,02	7,64	7,72
19,10	43,20	46,01	53,53	62,19	77,19	92,66	111,46	128,96
39,10	4,74	46,54	46,08	49,30	52,58	65,81	81,43	80,56
7,9:	12,65	17,93	12,12	12,04	18,28	17,27	17,97	19,39
6:	1,04	1,07	96	1,12	1,13	1,37	1,34	1,52
4,2:	3,62	5,44	6,29	6,81	8,04	9,65	7,01	8,04
1,11,2:	1,26,23	2,85,50	2,29,35	2,18,65	2,42,68	274,92	320,00	340,00
2,6:	3,48	4,50	3,91	18,77	5,11	4,37	24,48	18,48
3:	33,78	37,85	19,01	30,00	24,95	36,88	28,93	22,85
1,89,4:	2,73,62	4,49,81	3,76,55	4,07,71	4,37,10	509,95	600,26	627,52
33,00	56,48	—70,02	70,97	62,71	140,31	150,31	45,87	115,13

Source : Ministry of Finance.

CENTRAL GOVERNMENT

Item	1948-49	1949-50	1950-51	1954-55	1955-56	1959-60
I—INTERNAL RESOURCES						
Revenue Surplus ...	2,06	2,94	70	1	24	13,10
Public Debt—Debt raised in Pakistan ...	56,67	63,13	28,72	24,10	(—) 2,01	29,37
Unfunded Debt (net) ...	1,74	2,82	2,23	6,58	8,03	11,43
Recoveries of Loans and Advances ...	2,65	7,69	3,86	7,04	7,29	10,74
Accretions to Reserve Funds ...	2,17	3,04	33,49	11,25	12,97	15,51
Other Deposits and Remittances (net) ...	7,24	8,87	(—) 5,88	12,00	(—) 5,31	8,28
Other Capital Receipts	—	33	6,99	3,32	32,92	42
Total—Internal Resources	72,53	71,08	70,11	65,30	54,13	88,85
II—EXTERNAL RESOURCES						
A. Public Sector						
Public Debt—Debt raised abroad ...	—	—	—	3,88	1,45	17,15
(a) Project Loans ...	—	—	—	3,88	1,45	21,98
(b) Commodity Loans	—	—	—	—	—	5,17
Foreign Grants ...	—	—	—	35	2,85	54,86
(a) Project and Technical Assistance ...	—	—	—	—	—	50,03
(b) Commodity Grants ...	—	—	—	—	—	4,83
B. Non Plan ...	—	—	—	—	—	—
C. Private Sector ...	—	—	—	—	—	—
D. Food Credits ...	—	—	—	—	—	—
Total—External Resources	—	—	—	4,23	4,30	82,01
Less—Foreign Grants transferred to Revenue Account and likely shortfall ...	—	—	—	—	(—) 2,01	(—) 13,70
Net External Resources	—	—	—	4,23	2,29	68,31
Total—Capital Resources	72,53	71,08	70,11	69,53	56,42	1,57,16
III—CASH BALANCE UTILIZATION						
Total Receipt	72,53	1,06,41	70,11	69,53	70,66	1,77,36

Note : The figure of foreign loans do not include foreign exchange loans obtained direct by ment.

CAPITAL RECEIPTS

(In lakh rupees)

1960-61	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71 (Revised)	1971-72 (Budget)
22,82	56,48	(—)70,02	70,97	62,71	140,31	150,31	45,87	115,13
27,10	27,64	1,10,00	9,14	46,17	83,65	183,42	149,83	35,10
7,70	17,82	12,69	20,60	4,90	17,56	20,51	22,30	23,58
4,10	8,99	5,48	17,82	22,23	43,19	44,54	48,52	54,92
21,6	17,91	30,31	13,22	19,75	29,76	47,18	40,68	42,86
3,95	8,41	10,88	14,53	(—)4,27	(—)9,48	57,17	501	55
31	5,43	20,20	4,39	5,79	2,70	7,62	19,31	4,98
87,71	1,42,68	1,19,54	1,50,67	1,57,28	307,69	511,29	331,52	277,12

17,3	1,01,76	1,09,17	3,50,42	2,74,31	3,30,26	1,53,51	1,55,46	1,93,66
15,4	49,50	41,18	1,57,89	1,42,80	128,42	7385	71,46	84,66
1,1	52,17	67,99	1,92,53	1,31,51	1,01,84	79,66	84,00	1,09,00
90,4	52,70	70,42	26,55	33,42	23,68	13,79	23,68	19,93
84,6	43,60	68,81	23,37	24,26	22,14	6,56	11,68	8,93
6,8	9,10	1,61	3,18	9,16	1,54	7,23	1,200	11,00
—	—	—	—	—	—	23,21	38,64	43,06
—	—	—	—	—	—	10,53	17,52	25,87
—	—	—	—	—	1,58	—	—	—
1,08,09	1,54,46	1,79,99	3,76,97	3,07,73	253,94	201,04	235,30	282,52

1959	(—)28,44	(—)12,92	(—)14,78	(—)86,61	(—)15,97	—	—	—
8840	1,26,02	1,66,67	3,62,19	29,912	2,37,97	2,01,04	2,35,30	2,82,52
1,7614	2,68,70	2,86,21	5,12,86	4,56,40	5,45,66	7,12,33	5,66,82	5,59,64
744	—	1,85	—	6,31	—	—	20,38	37,65
1,8358	2,68,70	2,88,05	5,12,86	46,2,71	54,5,66	71,2,35	59,7,20	5,97,29

semi-independent bodies of the Provincial Government on the guarantee of the Central Government

Source : Ministry of Finance.

CENTRAL GOVERNMENT

Item	1948-49	1949-50	1949-51	1954-55	1955-56	1959-60
I.—DEVELOPMENT EXPENDITURE :						
A.—Plan Expenditure :						
1. Direct Expenditure on Central Projects	4,95	10,09	7,01	25,03	34,50	67,15
2. Loans to Semi-independent Bodies, Local Funds, Government Servants, etc.	54	1,51	58	3,44	3,49	10,26
3. Development Assistance to Provinces	14,40	20,81	13,96	26,84	37,71	66,86
Cash Loans	12,90	19,76	13,83	22,09	33,49	49,78
Foreign Loans (Equipment Services etc.)	—	—	—	—	—	8,84
Cash Grants	1,50	1,05	13	4,75	4,22	8,28
Reserve Funds	—	—	—	—	—	1,71
Counterpart Funds of Foreign Aid	—	—	13	4,74	4,21	4,60
Other Grants	—	—	—	1	1	2,47
Foreign Grants (Equipment, Services etc.)	—	—	—	—	—	—
Less—Assistance included on Revenue Accounts	—	—	—	—	—	—
Total Capital Accounts Development Assistance	14,40	20,81	13,96	26,84	37,71	66,86
Less—Likely short fall	—	—	—	—	—	—
Total—Plan Expenditure	19,89	32,41	21,55	55,31	75,70	1,14,27
B—Non-Plan Expenditure	1	—	5	79	3,43	4,32
Total—Development Expenditure	19,90	32,41	21,60	56,10	79,13	1,48,59
C—Foreign Loans to Semi-independent bodies, Local Funds, etc., for private sector	—	—	—	—	—	—
II.—NON-DEVELOPMENT EXPENDITURE :						
1. Direct Expenditure of Central Government	29,82	73,82	28,03	8,75	(—)8,84	28,18
2. Loans to Semi-independent Bodies, Local Funds, Government Servants, etc.	13	18	32	1,58	37	59
3. Cash Assistance to Provinces	—	—	—	—	—	—
Total—Non-Development Expenditure	29,95	74,00	28,53	10,33	(—)8,47	28,77
Total—Capital Expenditure	49,85	10,64	49,95	66,43	70,66	1,77,37
III.—CONTINGENCY ITEM						
IV.—CASH						
Total—Disbursements	72,53	1,06,41	70,11	69,53	70,66	1,77,36

CAPITAL EXPENDITURE

(In lakh rupees)

1960-61	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71 (Revised)	1971-72 (Budget)
59,31	49,77	47,63	56,89	55,11	64,95	68,42	60,64	44,83
6,74	3,56	18,40	77,14	18,69	2,01	1,23	1,36	1,90
92,09	2,13,97	1,54,51	3,10,84	2,87,50	237,89	—	—	—
53,33	1,33,89	71,23	1,59,29	1,93,80	2,07,36	2,73,44	2,68,71	2,47,03
8,27	30,54	39,10	1,30,01	62,08	66,53	52,05	32,46	39,35
16,14	46,63	40,71	18,15	29,32	37,76	25,89	30,40	28,01
1,47	68	6,21	2,01	2,61	3,47	—	—	—
13,92	45,95	34,50	11,04	18,10	18,56	3,62	1,78	12,14
75	—	—	5,10	8,61	15,73	22,27	28,62	15,87
8,35	2,91	3,47	4,39	2,30	1,75	1,30	2,63	2,74
—	(—)40,39	(—)10,00	(—)7,91	(—)6,17	(—)15,73	(—)16,79	(—)17,02	(—)40,29
92,09	1,73,58	1,44,51	1,02,93	2,81,33	2,97,67	3,35,89	3,17,18	2,76,84 (—)4,23
1,58,14	2,26,91	2,10,54	4,36,74	3,55,12	3,64,63	4,05,54	3,79,18	3,93,34
9,33	15,69	23,74	40,72	68,63	91,38	88,35	93,40	1,00,00
1,67,47	2,42,60	2,34,28	4,77,46	4,23,75	4,56,01	4,93,89	4,72,85	4,19,34
—	—	—	—	—	—	36,97	17,52	25,87
15,37	24,38	53,31	24,50	37,36	44,66	45,96	65,17	62,70
7	1,07	47	6,76	85	38,16	1,22,38	18,43	43,38
—	—	—	—	55	—	—	10,50	17,00
16,11	25,45	53,78	31,28	38,96	80,48	1,68,34	94,10	1,23,08
1,83,51	2,68,05	2,88,06	5,08,94	4,62,71	5,35,99	6,99,20	5,84,20	5,68,29
—	—	—	—	—	—	—	3,00	29,00
—	65	—	3,92	—	13,13	—	—	—
1,83,58	2,68,70	2,88,06	5,12,86	4,62,71	5,45,66	7,12,33	5,87,20	5,97,29

Source : Ministry of Finance.

TABLE

REVENUE RECEIPTS AND EXPENDITURE OF

Item	1948-49	1949-50	1950-51	1954-55	1955-56	1959-60
A. Revenue Receipts						
Customs	3.50	2.92	4.25	3.97	5.18	4.75
Central excise	—	—	—	—	1.46	2.16
Corporation tax	—	—	—	—	—	—
Tax on income other than corporation tax	79	67	78	2.50	2.97	3.69
Sales tax	—	1.80	1.65	2.03	2.03	3.37
Land revenue	2.07	1.90	2.24	5.02	5.08	9.35
Stamps	2.02	1.72	2.03	2.15	2.51	4.35
Rehabilitation taxes	—	—	—	—	—	19
Other heads	7.16	3.81	4.60	4.18	3.37	5.53
Total Principal Heads	15.54	12.82	15.55	19.85	23.23	33.39
Irrigation etc., works for which Capital Accounts are kept	(—)5	(—)6	(—)6	(—)724	(—)34	—
Irrigation etc., works for which Capital Accounts are not kept	1	1	1	2	2	—
Debt services	16	11	17	20	22	41
Civil administration	78	1.12	1.18	2.47	2.57	2.17
Receipts from electricity schemes	—	—	—	22	42	47
Civil works	7	14	36	61	1.04	6
Miscellaneous	37	28	99	1.07	1.37	2.57
Grants-in aid from Central Government	—	—	—	6	—	34
Foreign aid/grants from Central Government	3	—	—	—	—	—
Extraordinary items	—	1	—	15	—	—
P.E. Railway	—	—	—	—	—	—
Total Revenue Receipts	16.91	14.43	18.20	24.42	28.83	39.97
B. Expenditure :						
Direct demands on revenue	1.13	1.13	1.28	2.54	3.01	5.73
Revenue account of irrigation, work etc.	17	26	19	17	17	3
Capital account of irrigation works etc.	6	6	6	25	33	—
Debt services	8	19	20	3.00	2.98	1.62
General administration	1.89	2.04	2.18	2.21	2.36	2.51
Police	2.84	3.63	3.81	4.70	5.05	5.96
Education	1.94	2.12	2.09	2.31	2.65	2.52
Medical and public health	77	71	83	89	96	2.01
Agriculture	80	79	90	95	90	96
Industries	14	15	17	18	20	29
Other departments	1.64	1.87	2.09	2.10	2.07	2.92
Civil works	93	81	21	3.12	1.60	1.06
Miscellaneous	1.43	2.03	2.55	2.56	2.62	4.52
Extraordinary charges	87	55	61	5	5	—
Civil defence	—	—	—	—	—	5
P.E. Railway	—	—	—	—	—	—
Development expenditure	1.36	1.52	1.86	3.44	3.56	7.52
Expenditure met from revenue	16.05	17.86	19.03	28.47	28.51	37.70
Surplus/Deficit(—)	86	(—) 3.43	(—) 83	(—) 4.05	32	2.27

EAST PAKISTAN GOVERNMENT

(In lakh rupees)

1960-61	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71 (Revised)	1971-72 (Budget)
3,30	2,67	1,43	1,36	84	—	48	—	—
2,77	6,03	8,90	12,05	13,23	13,76	16,06	17,84	21,55
—	4,36	7,53	4,95	6,84	6,76	6,71	9,10	10,21
3,91	13,52	19,04	21,64	22,32	23,98	30,14	25,95	30,29
5,21	20,26	20,01	24,88	15,75	14,56	17,78	20,66	23,63
10,67	12,15	13,44	14,69	14,91	13,73	13,49	3,00	11,05
4,60	4,54	5,78	6,82	7,40	8,32	9,82	5,00	9,00
32	59	66	40	43	46	61	37	54
5,81	7,90	9,46	10,63	11,97	13,15	14,13	10,77	33,78
36,59	72,02	86,25	97,42	93,69	94,72	1,09,22	9,26,69	1,40,05
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	2	—	22
63	16,08	13,82	15,99	24,96	30,00	36,59	42,67	54,75
2,55	4,86	4,81	3,97	2,86	3,11	3,42	2,68	3,80
—	—	—	44	—	—	—	—	—
1,06	88	3,30	86	99	1,25	1,01	63	1,10
4,24	3,69	2,74	2,78	2,46	3,40	6,72	4,97	4,95
41	5,16	3,61	3,46	8,27	9,26	7,50	12,58	8,68
3,47	7,45	3,41	2,03	8,33	1,05	1,48	11,42	8,36
—	4,53	—	3,47	(—)5	(—)3	—	—	—
48,95	1,14,67	1,17,94	1,30,42	1,47,49	1,42,76	1,65,96	1,67,64	2,21,91
6,01	11,80	10,61	11,27	9,70	8,27	8,79	9,22	10,52
—	—	—	—	43	42	2,00	1,08	1,30
—	—	—	—	—	—	—	—	—
46	23,36	26,55	32,36	39,89	48,11	60,53	74,91	82,95
2,76	3,98	4,05	4,11	5,01	5,26	5,86	6,90	7,76
5,41	9,23	9,58	7,99	8,58	9,16	10,67	12,55	13,04
6,19	9,54	12,18	13,80	15,09	18,20	20,78	22,82	36,68
2,82	5,17	5,05	5,05	6,18	6,59	8,21	8,84	10,18
1,05	1,29	1,67	1,68	1,69	1,78	1,97	2,97	2,34
29	39	46	55	30	35	36	35	34
3,12	3,85	4,42	4,94	5,42	6,41	7,47	8,28	8,66
2,67	4,89	10,03	(—)2,75	1,61	6,67	5,51	5,70	6,30
5,01	6,26	4,83	4,58	5,32	8,48	6,96	11,02	8,48
—	—	—	—	—	—	—	—	—
6	3	7	7	6	7	8	9	9
—	4,53	—	3,47	6,01	—	—	—	—
7,85	25,52	22,63	33,12	37,66	48,21	61,82	83,56	80,04
43,70	1,09,12	1,13,13	1,20,16	1,42,95	1,67,98	2,01,01	2,48,29	2,68,63
5,25	5,55	4,81	10,26	4,54	(—)25,22	(—)35,05	(—)80,65	(—)46,77

Source : East Pakistan Government, Finance Department

TABLE

REVENUE RECEIPTS AND EXPENDITURE OF

Item	1948-49	1949-50	1950-51	1954-55	1955-56	1959-60
A—Revenue Receipts						
Customs	3	5	6	1,45	1,62	2,31
Central excise duties	—	—	—	—	—	—
Corporation Tax	—	—	—	—	—	—
Taxes on income other than Corporation Tax	—	—	1	2,04	2,71	2,94
Sales tax	—	2,36	5,92	6,07	7,23	15,11
Land revenue	3,09	3,16	3,28	4,40	7,55	13,86
Stamps	59	63	64	1,03	1,39	2,07
Other heads	5,43	3,89	4,79	5,56	5,77	10,22
Total Principal Heads	9,14	10,09	14,70	20,55	26,27	42,51
Railways						
Irrigation, navigation works etc., for which Capital Accounts are kept	7,81	10,06	7,73	7,10	5,70	8,48
Irrigation works etc., for which Capital Accounts are not kept	6	7	8	10	8	8
Debt services	46	76	56	1,23	83	3,35
Civil administration	72	59	64	80	1	2,48
Civil works	25	33	91	1,39	1,01	2,95
Beneficent departments	1,95	1,88	1,90	2,76	3,37	7,73
Receipts from electricity schemes	13	34	36	1,67	2,20	—
Miscellaneous	4,68	3,02	4,26	6,33	3,40	3,37
Grants-in-aid from Central Government	1,06	1,06	1,01	1,33	2,14	3,12
Extraordinary item	1,69	1,74	3,83	4,26	5,15	6,42
Total Revenue Receipts	27,95	29,94	35,98	47,52	51,06	80,09
B—Expenditure :						
Direct demands on revenue	4,25	4,24	4,81	5,37	3,05	4,85
Irrigation	1,57	83	66	93	2,03	2,79
Debt services	1,56	1,90	2,08	4,45	5,58	2,28
Railways	—	—	—	—	—	—
Civil administration	—	—	—	—	—	—
General administration	2,37	2,23	2,16	2,86	3,11	3,46
Police	5,40	5,19	5,41	6,01	6,57	7,20
Frontier regions	—	—	—	—	43	3,99
Other heads	1,75	1,69	1,66	2,05	2,17	2,76
Beneficent departments :	—	—	—	—	—	—
Education	3,54	3,77	4,29	7,46	8,46	11,57
Health services	—	56	1,16	1,47	2,13	4,24
Agriculture	1,40	85	83	96	1,29	8,00
Veterinary	18	22	26	34	93	80
Industries	46	45	46	78	82	99
Civil works	1,86	2,61	3,63	517	5,59	4,92
Other heads	1,72	1,06	86	1,00	81	64
Development expenditure	—	—	—	—	—	—
Miscellaneous	5,04	4,99	4,63	3,74	4,43	6,91
Extraordinary items including Contingency Items	9	11	7	92	42	3
Expenditure met from revenue	30,13	30,70	32,97	43,53	46,73	65,43
Surplus or Deficit(—)	2,18	(—)76	3,01	3,99	3,33	15,06

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No. 49

WEST PAKISTAN GOVERNMENT

(In lakh rupees)

1960-61	1961-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71 (Revised)	1971-72 (Budget)
—	214	1,05	1,22	70	—	1,14	—	—
3,10	589	7,36	10,26	11,27	11,72	11,62	16,91	19,56
—	387	4,77	5,70	5,83	5,77	5,40	7,72	8,69
3,46	10,91	14,72	16,33	18,06	19,21	21,25	22,05	24,08
16,85	23,45	24,35	25,61	18,86	20,27	17,60	24,38	28,08
13,24	7,30	11,39	15,08	16,32	16,68	15,60	17,59	18,63
2,59	5,41	5,50	6,55	7,66	7,44	12,09	8,07	885
10,87	20,92	25,00	25,72	26,32	31,73	34,92	34,41	40,79
50,11	79,62	94,15	1,06,47	1,05,02	1,12,82	1,19,62	1,31,13	1,45,68
—	11,10	11,33	11,81	—	—	2,84	—	—
10,60	11,14	11,09	5,57	6,62	9,93	10,68	14,70	18,32
11	14	16	23	25	29	20	23	25
4,56	15,41	18,02	18,81	22,77	23,03	22,21	285	234
1,56	1,95	2,10	2,00	2,51	2,41	336	453	571
1,75	69	1,10	96	81	1,10	175	157	161
4,61	4,89	6,64	7,17	9,31	10,86	10,94	12,59	15,13
3,82	3,45	7,11	3,98	5,77	5,48	350	661	595
2,37	2,28	19,29	15,04	23,23	14,68	15,24	713	13,28
5,23	31,24	7,38	7,85	6,42	6,80	577	688	865
84,72	1,81,91	1,78,36	1,79,98	1,82,71	1,87,40	1,93,27	1,88,22	2,11,92
4,62	6,45	6,49	6,81	7,14	7,70	10,11	8,58	9,16
2,30	1,27	2,07	1,36	1,91	2,38	2,67	81	1,11
2,92	20,77	31,06	37,40	37,80	40,88	49,23	28,96	32,55
—	1110	11,13	11,81	—	—	—	—	—
4,10	6,79	6,81	6,77	7,70	7,79	10,07	8,33	10,20
8,50	1,95	13,39	12,50	13,47	12,96	15,65	13,53	15,77
1,03	2,02	1,81	1,87	2,10	2,28	2,77	2,34	2,38
3,08	1,52	44,53	4,82	4,96	6,69	8,35	6,21	9,31
12,16	20,45	28,20	29,17	31,79	34,13	41,86	41,24	50,14
4,49	7,46	7,09	7,39	7,86	8,49	11,25	9,03	10,87
4,59	3,61	4,86	5,65	6,07	6,59	7,09	6,28	7,87
1,06	1,03	1,32	1,47	1,59	1,67	1,83	1,66	2,10
92	97	1,04	93	1,20	99	1,06	95	1,17
4,94	6,60	6,37	9,84	9,61	9,61	10,82	9,06	10,55
89	1,11	1,20	1,28	1,34	1,47	1,97	1,30	1,57
8,50	30,41	32,63	30,00	42,23	40,90	40,68	34,62	30,21
5,94	6,63	13,35	8,12	9,02	9,20	10,06	22,42	22,94
—	—	—	—	—	—	17	2,92	6,87
70,04	1,60,13	1,73,37	1,77,89	2,24,57	1,85,79	1,93,73	1,98,34	2,24,58
14,68	21,78	4,99	2,09	(-)3,08	(-)6,33	(-)31,30	(-)10,12	(-)12,66

Source : West Pakistan Government Finance Department.

TABLE
CAPITAL RECEIPTS AND EXPENDITURE OF
A. EAST

Item	1948-49	1949-50	1950-51	1954-55	1955-56	1959-60
<i>Capital Receipts :</i>						
Loans from Central Government	—	—	7,83	7,45	9,18	24,49
Other Sources	(—)4,59	10,69	(—)89	3,05	(—)3,00	5,33
Total Resources	(—)4,59	10,69	6,94	10,70	6,16	29,82
Cash balance utilization	5,38	2,62	(—)3,39	(—)3,48	1,75	(—)64
Total Capital Receipts	79	13,31	3,55	7,22	7,91	23,39
<i>Capital Expenditure :</i>						
Development Expenditure	1,19	2,47	3,82	5,06	4,70	26,24
Less—Likely shortfall in development expenditure	—	—	—	—	—	—
Non-development expenditure	(—)40	10,84	(—)27	2,16	3,21	(—)2,85
Contingency item	—	—	—	—	—	—
Total Capital Expenditure	79	13,31	3,55	7,22	7,91	23,39

B. WEST

<i>Capital Receipts :</i>						
Loans from Central Government	8,40	13,40	18,00	14,10	31,33	20,92
Other sources	(—)7,09	8,56	(—)9,33	13,81	(—)4,48	28,65
Total resources	1,31	21,96	8,67	27,91	26,85	49,57
Cash balance utilization	1,31	61	4,24	1,80	(—)3,89	2,19
Total Capital Receipts	2,62	22,57	12,91	29,77	22,96	51,76
<i>Capital Expenditure :</i>						
Development Expenditure	5,41	12,90	12,71	25,52	23,15	48,95
Less—Likely shortfall in development expenditure	—	—	—	—	—	—
Non-Development Expenditure	(—)2,79	9,67	20	4,25	(—) 19	2,81
Contingency item	—	—	—	—	—	—
Total Capital Expenditure	2,62	22,57	12,91	29,77	22,96	51,76

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No. 50

PROVINCIAL GOVERNMENTS

PAKISTAN

1960-61	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71 Revised	1971-72 (Budget)
26,71	12,00	55,08	1,20,20	1,10,83	1,45,48	2,73,82	2,28,70	1,66,60
14,04	90,21	20,18	22,83	31,99	(-)-15,17	(-)-26,35	(-)-55,55	(-)-32,10
40,75	1,02,21	75,26	1,49,84	1,42,82	1,30,31	1,47,47	1,73,15	1,34,50
2,61	(-)-5,79	(-)-27	9,80	7,14	35,80	(-)-27,63	(-)-15,44	(-)-4
43,36	96,42	78,01	1,40,04	1,49,96	1,66,11	2,19,84	1,57,71	1,31,46
34,39	1,03,91	73,90	1,36,28	1,27,67	1,63,24	2,02,05	1,62,50	1,53,48
—	—	—	—	—	—	—	6,50	20,70
8,97	(-)-7,49	4,11	3,76	22,29	2,87	17,79	(-)-729	(-)-3,82
—	—	—	—	—	—	—	200	550
43,36	94,42	72,01	1,40,04	1,49,96	1,66,11	2,19,84	1,57,71	1,31,46

PAKISTAN

29,41	65,09	(-)-45,17	98,54	1,17,57	1,21,99	1,75,80	51,67	58,24
27,86	29,58	1,23,93	42,01	73,62	(-)-75	(-)-20,64	6,46	(-)-43
57,27	94,67	78,76	1,55,56	1,91,19	1,21,24	1,55,16	58,13	57,81
(-)-3,61	5,58	5,82	(-)-10,36	(-)-8,00	21,55	(-)-12,27	(-)-21,87	(-)-4,43
53,66	1,00,15	84,58	1,45,20	1,83,19	1,42,79	1,42,89	36,26	53,38
65,92	99,87	71,32	1,57,49	1,35,41	1,01,63	1,28,35	41,43	49,57
—	—	—	—	—	—	—	(-)-1,28	(-)-9,50
(-)-3,29	28	13,26	(-)-12,29	47,78	41,16	14,54	(-)-7,36	6,91
—	—	—	—	—	—	—	3,47	10,40
53,66	1,00,15	84,85	1,45,20	1,83,19	1,42,79	1,42,89	36,26	53,35

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TRANSPORT AND COMMUNICATIONS

THE UNIVERSITY OF CHICAGO
LIBRARY

TABLE No. 51

GROSS EARNINGS OF RAILWAYS

(In thousand rupees)

Year	P.E. Rly.	P.W. Rly.	Total
1949-50 (April—March)	118,840	253,378	374,218
1950-51	106,355	266,292	372,647
1954-55	111,240	352,951	464,191
1955-56	128,377	361,763	940,140
1959-60 (July—June)	171,702	482,697	654,399
1960-61	187,460	484,226	671,686
1961-62	194,755	475,846	670,601
1962-63	209,353	493,374	702,727
1963-64	235,815	543,252	779,067
1964-65	237,899	582,494	820,393
1965-66	224,604	592,102	816,706
1966-67	242,960	615,551	858,511
1967-68	258,020	624,002	882,022
1968-69	278,345	665,245	943,590
1969-70	301,448	665,753(a)	967,201
1970-71	—	652,997(a)	65,92,97(c)
1971-72 (b)	—	365,78(c)	3,65,78(c)

(a) 1 Months total.

Source : (i) Central Statistical Office.

(b) 6 months total (July—December).

(ii) E.P. Railway Board.

(c) Total for West Pakistan only.

TABLE NO. 52
MOVEMENT OF PASSENGERS AND FREIGHT BY RAIL

Year	Number of passengers carried (thousands)			Passenger-miles (millions)			Freight carried (thousand tons)			Net freight ton-miles (millions)		
	Total	Pakistan Western Railway	Pakistan Eastern Railway	Total	Pakistan Western Railway	Pakistan Eastern Railway	Total	Pakistan Western Railway	Pakistan Eastern Railway	Total	Pakistan Western Railway	Pakistan Eastern Railway
1948-49 (April—March)	139,121	716,54	674,67	61,78	40,16	21,62	101,94	63,56	38,38	23,39	17,02	637
1949-50	117,693	677,91	499,02	54,86	36,85	18,01	112,92	71,76	41,16	24,62	18,07	655
1950-51	117,975	696,61	483,14	57,22	38,82	18,40	107,25	78,12	29,13	27,18	22,23	495
1954-55 (July—June)	132,642	863,11	463,31	57,78	44,10	13,68	136,80	102,88	33,92	33,29	28,55	474
1955-56	139,513	881,39	513,74	59,36	44,55	14,81	145,89	104,97	40,92	35,06	28,92	614
1959-60	191,210	121,119	700,91	74,06	55,90	18,16	179,62	123,29	56,33	46,86	38,14	872
1960-61	192,685	119,886	727,99	75,98	57,16	18,82	193,73	134,88	58,85	50,74	41,29	945
1961-62	195,446	123,444	720,02	77,94	58,58	19,36	200,63	137,60	63,03	49,53	39,79	974
1962-63	204,893	131,748	731,45	82,46	62,43	20,03	208,30	140,46	67,84	58,57	48,04	1,062
1963-64	202,931	131,606	713,25	81,80	62,57	19,23	207,86	147,13	60,73	58,43	49,49	894
1964-65	190,085	122,895	671,90	77,92	60,04	17,88	209,48	155,09	54,39	55,99	47,43	856
1965-66	201,401	128,384	730,17	82,12	62,07	20,05	197,79	146,67	51,12	58,55	50,46	809
1966-67	203,632	132,825	708,07	83,52	62,75	20,77	198,87	150,35	48,52	60,42	52,37	805
1967-68	207,612	134,776	728,36	86,87	64,82	22,05	192,77	145,40	47,37	54,86	47,61	725
1968-69	189,928(p)	117,043	228,85	74,88(p)	54,26(b)	20,62	153,38(p)	108,88(b)	44,50	51,75(p)	42,15(b)	960
1970-71	114,750	114,750(b)	—	53,03	53,03(b)	—	109,11	10,911(b)	—	41,38	41,38(b)	—
1971-72(C)	608,36	608,63	—	28,98	28,98	—	53,99	53,99	—	20,31	20,31	—

(a) 5 months total (July—November).

(b) 11 months total (July—May).

(c) 6 Months total (July—December).

(p) Provisional

TABLE No. 53
CARGO HANDLED AT PORTS

(In thousand tons)

Year (July-June)	KARACHI			CHITTAGONG			CHALNA			GRAND TOTAL—ALL PORTS		
	Import	Export	Total	Import	Export	Total	Import	Export	Total	Import	Export	Total
	1950-51	..	2,302	3,474	1,207	423	1,630	8	69	77	3,517	1,664	5,181
1951-52	..	2,688	3,764	1,321	409	1,721	192	210	402	4,201	1,686	5,887
1954-55	..	2,147	3,039	902	490	1,392	88	392	480	3,137	1,774	4,911
1955-56	..	2,530	3,626	1,086	524	1,610	78	478	556	3,694	2,098	5,792
1959-60	..	3,424	4,502	2,147	497	2,644	259	627	886	5,830	2,202	8,032
1960-61	..	3,911	4,979	2,222	396	2,618	374	480	854	6,507	1,944	8,451
1961-62	..	3,489	4,606	2,454	442	2,896	325	677	1,002	6,263	2,236	8,504
1962-63	..	4,016	5,561	2,714	507	3,221	799	709	1,508	7,529	2,761	10,290
1963-64	..	4,523	5,854	3,300	563	3,863	861	800	1,661	8,684	2,694	11,378
1964-65	..	6,273	7,806	2,863	425	3,288	293	707	1,000	9,429	2,665	12,094
1965-66	..	5,184	7,053	3,098	543	3,641	618	872	1,490	8,909	3,284	12,184
1966-67	..	6,786	9,071	3,823	503	4,326	988	863	1,851	11,597	3,651	15,248
1967-68	..	6,405	8,663	3,539	516	4,055	710	970	1,680	13,654	3,744	14,398
1968-69	..	5,515	8,303	4,041	484	4,525	1,080	947	2,027	10,636	4,219	14,855
1969-70	..	5,929	9,301	4,177	574	4,751	10,39	1,004	2,043	11,445	4,950	16,395
1970-71	..	6,279	9,436	3,751	408	4,159	8,60	691	1,551	10,890	4,256	15,146
1971-72 ^(a)	..	4,403	6,724	995 ^(b)	144 ^(b)	1,139	331 ^(b)	236 ^(b)	567	5,130 ^(p)	2,449 ^(p)	7,579 ^(p)

(a) 9 months total (July-March) for Karachi only.

(b) 4 months total (July-October) for Chittagong and Chalna.

(p) Provisional

TABLE NO. 54

ROAD MILEAGE STATISTICS

Year	Pakistan	East Pakistan			West Pakistan			
		Total	High Type	Low Type	Total	High Type	Low Type	
1948-49 (April--March)	..	15,712	240	240	—	15,572	5,433	10,039
1949-50	15,966	240	240	—	15,726	5,624	10,102
1950-51	16,716	390	240	150	16,326	6,150	10,176
1954-55	19,572	470	320	150	19,102	7,980	11,122
1955-56	19,944	520	370	150	19,424	8,038	11,386
1959-60 (July—June)	..	20,216(r)	1,040	890	150	91,76(r)	8,772	10,404(r)
1960-61	21,571	1,190	1,040	150	20,381	8,827	11,554
1961-62	22,332	1,342	1,192	150	20,990	9,002	11,988
1962-63	22,549	1,542	1,392	150	21,007	9,327	11,680
1963-64	23,191	1,794	1,644	150	21,397	9,445	11,952
1964-65(r)	25,351	3,593	1,963	1,630	21,758	9,971	11,787
1965-66(r)	25,629(r)	3,593	21,12(r)	1,481	22,036(r)	10,134	11,902(r)
1966-67	22,232	3,298	2,078	1,220	18,934	10,456	8,478
1967-68	23,295	3,617	2,167	1,448	19,678	10,704	8,974
1968-69(r)	22,666	3,663	2,262	1,401	19,003	10,926	08,77
1969-70	22,569	3,667	2,313	1,354	18,902	10,306	8,596

(r) Revised.

(p) Provisional.

Source : Ministry of Communications
and Central Statistical Office.

TABLE NO. 55

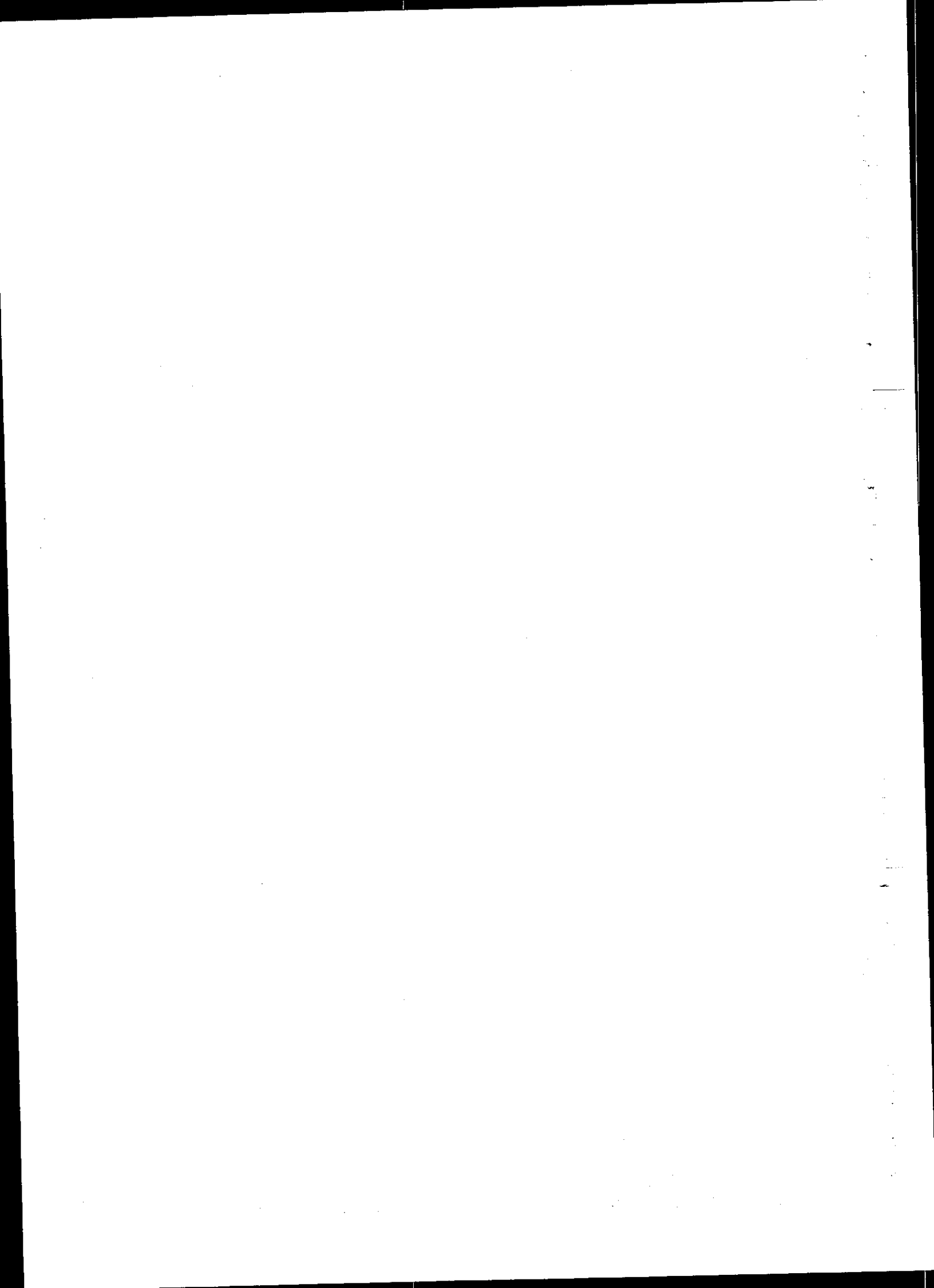
POSTAL SERVICE OPERATIONS—ALL PAKISTAN

Year (July—June)	No. of registered letters booked			No. of registered parcels booked			Money orders issued		
	Insured (000)	Ordinary (in lakh)	Value payable (lakh Nos.)	Insured (000)	Ordinary (in lakh)	Value Payable (000 Nos.)	Number (in lakh)	Value (lakh Rs.)	
1952-53	..	248	107	6.7	48	9.5	417	74	3,095
1953-54	..	270	114	7.3	53	10.5	359	80	3,230
1954-55	..	255	120	8.6	54	12.3	352	84	3,588
1955-56	..	284	131	9.1	72	13.6	374	90	4,014
1959-60	..	293	153	11.6	63	19.6	437	102	5,340
1960-61	..	283	149	11.7	78	21.7	473	108	5,708
1961-62	..	253	145	11.7	84	22.9	516	113	6,051
1962-63	..	233	157	12.8	93	24.3	541	117	6,421
1963-64	..	223	165	11.9	90	26.4	556	118	7,205
1964-65	..	192	164	10.4	87	26.5	532	111	7,011
1965-66	..	177	166	8.8	96	26.6	440	113	7,389
1966-67	..	169	181	8.4	111	28.4	432	110	7,668
1967-68	..	158	190	8.4	131	28.0	421	111	7,678
1968-69	..	150	200	8.0	148	28.2	438	113	8,319
1969-70	..	139	212	7.8	156	30.3	429	115	9,036
1970-71 (July—November)	..	100	171	8.6	134	27.9	417	103	8,530
1971-72 (a)	..	23	64	2.5	54	13.3	135	32	2,771

Source : Central Statistical Office.

(a) 6 Months' total (July—December) for West Pakistan only.

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