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SM/85/29

Correction 2

CONTAINS CONFIDENTIAL  
INFORMATION

March 1, 1985

To: Members of the Executive Board

From: The Secretary

Subject: Pakistan - Staff Report for the 1984 Article IV Consultation

The following correction has been made in SM/85/29 (1/29/85):

Page 33: Footnotes were inadvertently omitted.

A corrected page is attached.

Att: (1)

Other Distribution:  
Department Heads

Table 7. Pakistan: Official Balance of Payments  
Projections, 1984/85-1988/89

	1984/85	1985/86	1986/87	1987/88	1988/89
(In millions of U.S. dollars)					
Trade balance	-3,564	-3,313	-3,291	-3,274	-3,282
Exports, f.o.b.	2,953	3,480	3,943	4,498	5,079
Imports, f.o.b.	-6,517	-6,793	-7,234	-7,772	-8,361
Services (net)	-710	-790	-815	-854	-915
Private transfers (net)	3,092	3,171	3,251	3,332	3,415
Of which: workers' remittances	2,805	2,875	2,947	3,021	3,096
Current account balance	-1,182	-932	-855	-796	-782
(Percent of GNP)	(3.2)	(2.3)	(1.9)	(1.6)	(1.4)
Long-term capital (net)	1,002	1,211	1,288	1,325	1,355
Official assistance and debt relief <sup>1/</sup>	12	-12	12	-11	-24
Overall balance	-168	267	445	518	549
Net use of Fund resources	-90	-239	-308	-255	-181
Change in reserves <sup>2/</sup>	258	-28	-137	-263	-368
Memorandum item:					
Gross reserves in weeks of projected imports, (c.i.f.)	10.9	10.4	10.6	11.3	...
(In percent)					
Assumptions <sup>3/</sup>					
Exports, of which:					
Cotton	10.7 (68.9)	17.8 (70.4)	13.3 (11.1)	14.1 (17.8)	12.9 (7.0)
Other	(7.6)	(13.6)	(13.6)	(13.6)	(13.6)
Imports	8.6	4.2	6.5	7.4	7.6
Growth in workers' remittances	2.5	2.5	2.5	2.5	2.5
Increase in oil price in U.S. dollars <sup>4/</sup>	--	2.3	4.5	4.5	4.5
Increase in world market prices for manufactures <sup>4/</sup>	4.5	4.5	4.5	4.5	4.5
International interest rates <sup>4/</sup>	11.5	10.3	9.0	8.5	8.0

Source: Pakistan authorities.

<sup>1/</sup> Includes short-term commercial borrowing and Trust Fund repayments.

<sup>2/</sup> Increase (-).

<sup>3/</sup> Other principal assumptions underlying these official projections are the following: 6-7 percent increase for both real GNP as well as domestic inflation; and 3.25 percent rise in real GDP of the major industrial countries.

<sup>4/</sup> Assumptions used in World Economic Outlook--General Survey for manufactured goods imported by developing countries (in U.S. dollar terms) (EBS/84/177, 8/24/84).

Pakistan - Statistical Issues

1. Coverage, Currentness, and Reporting of Data in IFS

		<u>Latest Data in December 1984 IFS</u>
Real Sector	- National Accounts	1983
	- Prices	August 1984
	- Production	December 1983
	- Employment	n.a.
	- Earnings	n.a.
Government Finance	- Deficit/Surplus	1982
	- Financing	1982
	- Debt	1983
Monetary Accounts	- Central Bank	August 1984
	- Deposit Money Banks	August 1984
	- Other Financial Institutions	August 1984
External Sector	- Merchandise Trade: Values	July 1984
	- Merchandise Trade: Prices	Q1 1984
	- Balance of Payments	Q4 1983
	- International Reserves	October 1984
	- Exchange Rates	October 1984

During the past year, the reporting of data for inclusion in IFS has been timely.

2. Outstanding Statistical Issues

Prices

A technical assistance mission to review the compilation of the wholesale and consumer price indices visited Pakistan in July 1983 and a report was sent on February 8, 1984. No response has been received so far.

Monetary Accounts

There are some definitional differences between the data published in IFS and those used by the area department but these can be readily reconciled. In the past two years large increases have been recorded in net unclassified liabilities of the banking system. The causes of the underlying movements are currently under examination by the State Bank of Pakistan.