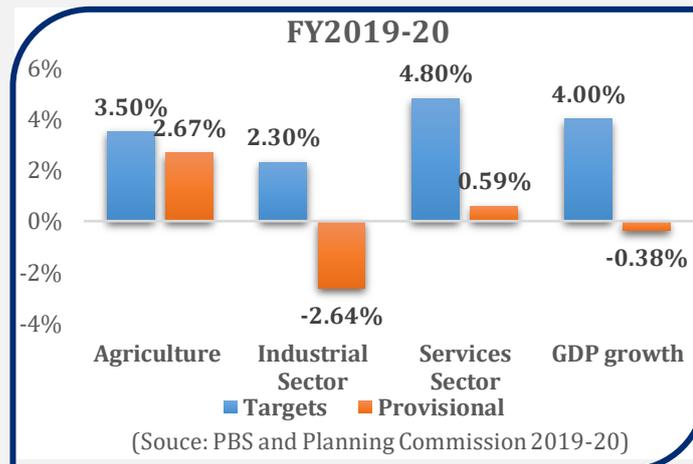


## GDP PROJECTIONS – PERFECTION WE BELIEVE IN

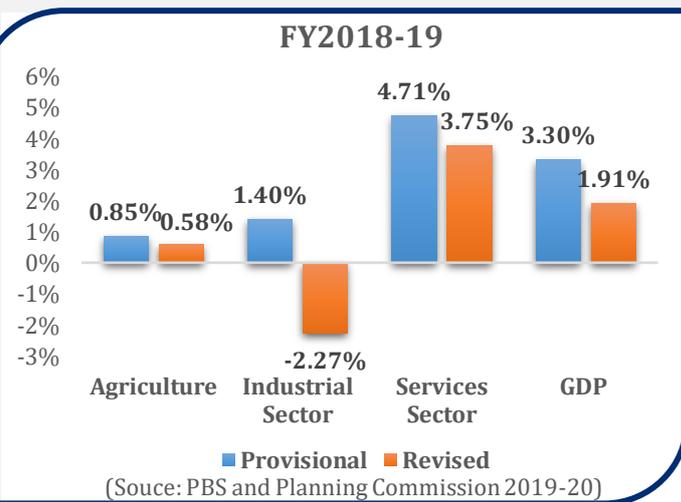
We had evaluated the effects of pandemic on the Pakistan’s economic dynamics, in detail, in our report titled “Pakistan Economy – Pandemic Encumbrances”, that got published on 8<sup>th</sup> April 2020. The same can be found on our website: <https://bit.ly/2ykVICE>. The comparison of our calculations for the Gross Domestic Product (hereafter “GDP”) growth and its components, with the National Accounts Committee’s (hereafter “NAC”) published GDP figures for 2019-20 is as follows;

- According to our calculations, it was estimated that Pakistan’s GDP growth for fiscal year 2019-20 will remain -0.38%, based on the length and the effects of the lockdown, and the monetary and fiscal tightening under the ongoing IMF program.
- Due to the fiscal and monetary tightening and the effects of the ongoing pandemic, Pakistan’s GDP growth has dropped to -0.38% in 2019-20 vs. the **revised GDP growth** of 1.91% last year.
- Agriculture sector is the only sector that grew by 2.67% in 2019-20, as compared to 0.58% last year.
- The Industrial sector has deteriorated significantly, by 2.64%, during current year mainly due to Large Scale Manufacturing (hereafter “LSM”) that dropped by 7.78%, followed by Mining and quarrying which dropped by 8.82%.
- The Services sector has also depreciated by 0.59%, as compared to a growth of 3.75% last year.



Year 2019-20	Targets	Provisional
Agriculture	3.50%	2.67%
Industrial Sector	2.30%	-2.64%
Services Sector	4.80%	0.59%
GDP growth	4.00%	-0.38%

The provisional and revised figures of Pakistan’s GDP and its components for 2018-19, and provisional figures against the Planning Commission (hereafter “PC”) targets for 2019-20 are as follows;



Year 2018-19	Provisional	Revised
Agriculture	0.85%	0.58%
Industrial Sector	1.40%	-2.27%
Services Sector	4.71%	3.75%
GDP	3.30%	1.91%

- Pakistan’s Industrial sector saw a revised growth drop to -2.27% against the provisional estimates of 1.40% for last year, on account of the deterioration in the electricity generation and gas distribution and the LSM Sector.
- The PC was anticipating provisional growth of 40.5% in the electricity and distribution sector, which only grew by 14.48% in 2018-19.
- With respect to LSM, the Planning Commission was projected a provisional growth of -2% in 2018-19, while the revised figures of the NAC for 2018/19 show that it deteriorated to negative -2.56%.
- The Federal Government was expecting a provisional growth of 4.71% in the Services sector, which posted a revised negative growth of 3.75% mainly due to the wholesale and retail sector.

- Pakistan’s GDP growth significantly deteriorated to -0.38% for 2019-20 against the Planning Commission targets for 2019-20 of 4.0%.
- The lowest negative GDP growth of Pakistan was recorded in 1951-52. Under the present regime, the GDP size in US dollar terms, dropped to \$264 billion in 2019-20. Whereas, the size of Pakistan’s GDP was recorded at \$279 billion in 2018-19 and \$315 billion in 2017-18.