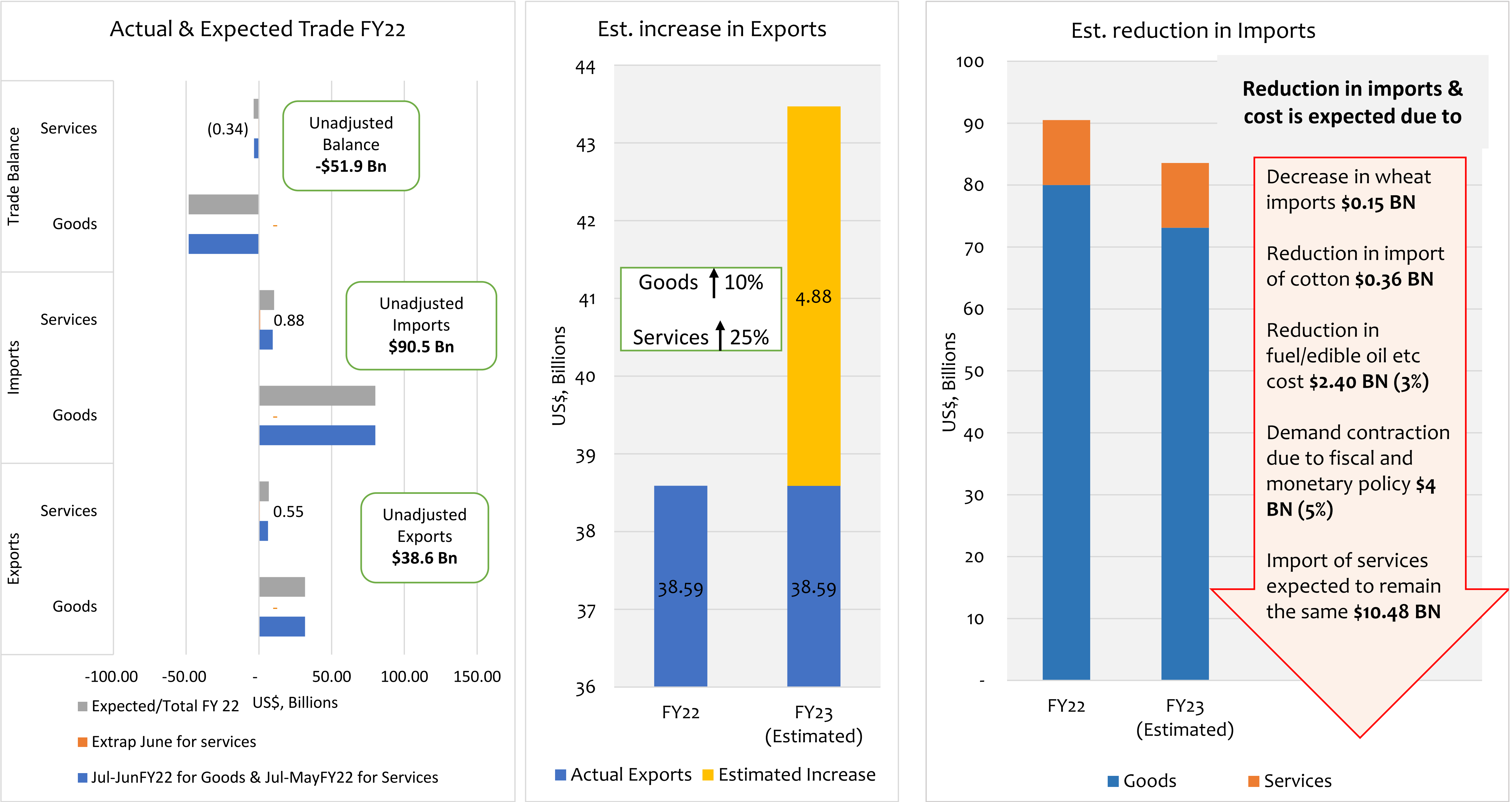
The Pakistan Business Council
FOSTERING ECONOMIC GROWTH
(A Company set up under Section 42 of the Companies Ordinance 1984)

PBC'S PROJECTION OF FY23 TRADE AND CURRENT ACCOUNT DEFICIT

(See Charts Two and Three for Details)

Goods and Services Trade and Current Account Evolution	Comments
• Projected FY22 trade deficit is $52 Bn	Based on actual Jul'21-Jun'22 for trade in goods, actual Jul'21 to May'22 + est. Jun'22 for services.
• Export of goods are likely to grow at 10% and services by 25% to reach $43.5 Bn in FY23, an increase of nearly $5 Bn	Risk to growth of exports to the West from demand compression due to higher interest rates & inflation. Growth of services exports contingent on Pakistan's fiscal policy & incentives
• FY23 Imports expected to decline by $10.5 Bn: • $4 Bn due to monetary and fiscal contraction • $3.6 Bn lower import of TERF-funded machinery & vaccines • $2.5 Bn with Brent at $75/b vs. $91/b in FY22 and reduction in edible oil cost by 20% • $0.5 Bn lower import of cotton and wheat	Whilst the Ukraine crises will continue to exert pressure on commodities, fuel cost which represents the major part of imports, will benefit from lower global demand and higher supplies. Monetary/Fiscal contraction will reduce imports. TERF-led and vaccine imports will also decline.
• FY23 Trade deficit likely to decline by $15.4 Bn to $36.6 Bn	
• With estimated remittances at $31 Bn, Current Account deficit to decline from $21 Bn in FY22 to $5.5 Bn in FY23	BOP may also benefit from deferred payment terms for fuel imports

PROJECTED EVOLUTION OF TRADE AND CURRENT ACCOUNT FY22 TO FY23 – CHART TWO



The Pakistan Business Council
FOSTERING ECONOMIC GROWTH
(A Company set up under Section 42 of the Companies Ordinance 1984)

PROJECTED EVOLUTION OF TRADE AND CURRENT ACCOUNT FY22 TO FY23 – CHART THREE