

Large-scale manufacturing rebounds by 5.02pc in July

ISLAMABAD: The large-scale manufacturing (LSM) output posted a rebound after suffering months of damage inflicted by Covid-19, as it grew 5.02 per cent in July, showed data released by the Pakistan Bureau of Statistics (PBS) on Tuesday.

In the pre-Covid days, the LSM index returned to red after jumping by 9.66pc in December 2019, which was led by impressive performance in sugar production surging 97pc.

The decline in production was seen after the outbreak with the steepest fall in LSM of 24.8pc year-on-year in May. It was again down 7.74pc in June but improved compared to previous months.

The big industry output grew by 9.54pc in outgoing July compared to June, reflecting revival in economic activities in the country.

In 2019-20, the LSM output fell 10.17pc on a yearly basis.

The monthly snapshot of manufacturing on monthly basis showed that 9 out of 15 sub-sectors in LSM rose in July. Lowering of interest rates and reduction in duties on raw materials is expected to spur economic activities in the current fiscal year.

Sector-wise, production of 11 items under the Oil Companies Advisory Committee went up by 18.34pc year-on-year during July, 36 items under the Ministry of Industries and Production by 3.42pc, while 65 reported by the provincial Bureaus of Statistics rose 6.15pc.

The LSM constitutes 80pc of the country's total manufacturing and accounts for nearly 10.7pc of the national output. In comparison, the small-scale industry makes up for just 1.8pc of GDP and 13.7pc of the secondary sector.

As per the PBS data, auto sector except tractors and motorcycles was the major laggard with massive declines in sales in July on account of multiple upward price revisions due to currency depreciation.

The sector saw production of tractors rising by 18pc and motorcycles 30.29pc during the month under review. On the other hand, output of trucks plunged 29.39pc, buses 19.67pc, jeeps and cars 48.97pc, and LCVs 33.27pc.

The data for July showed output of petroleum products revived with 18.34pc growth. Output of two major oil products — petrol and high-speed diesel mostly used in the transport sector and agriculture — was up 47.12pc and 29.55pc, respectively.

The production of furnace oil was also higher by 10.05pc during the month under review, compared to same period previous year, and that of kerosene oil by 140.03pc. LPG output edged up by 4.53pc.

Jet (airline) fuel output plunged 36.84pc, lubricating oil 55.70pc, jute batching oil 7.18pc and solvent naphtha 10.65pc.

Meanwhile, cigarettes production soared by 76.17pc year-on-year in July, while that of cement went by 29.38pc.

In pharmaceutical, output of tablets inched up by 3.66pc, syrups 34.43pc, injection 54.02pc and capsules 9.96pc.

Tea and vegetable ghee production dipped 3.32pc and 3.63pc, respectively whereas that of cooking oil increased by 9.35pc.

At the same time, production of electronic goods contracted due to demand slowdown of items like refrigerators, deep freezers, air-conditioners, electric bulbs, tube, fans, motors, meters, switch gears, TV sets etc.