

## **Foreign trade data: clarification**

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*Business Recorder* has carried a news item alleging discrepancies in foreign trade data reported by Pakistan Bureau of Statistics (PBS) and the State Bank of Pakistan (SBP). The news item highlighted that trade figures reported by SBP in the balance of payments do not match with the information provided by Pakistan Bureau of Statistics (PBS).

It is clarified that the data reporting by SBP and PBS is based upon different stages of business transactions carried out by importers/exporters. PBS compiles data reported by the customs authorities (which record Imports & Exports when the goods physically cross the country's border). The SBP receives data from commercial banks when importers make payments against Letters of Credit and foreign exchange receipts are credited in case of Exports. Due to variety of factors (like imports on deferred payments, freight and insurance, etc.), there is natural discrepancy between the two sets of data. Deferred payments, for instance, result in a time lag between the recording of imports by Customs and their reporting to SBP.

SBP records both exports and imports on Free on Board (FoB) basis. PBS uses the FoB figures for reporting of exports data whereas it uses C&F figures for reporting of import data. The SBP data is based on actual realization of foreign exchange proceeds whereas PBS data depends on the value of trade goods as assessed by Customs.

The data being reported for the year ended June 2017 is provisional and will be subsequently reconciled by respective organizations in due course of time. The SBP updates BOP data also after close of the fiscal year as per the past practice.-PR

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