

Estimates of Noncorporate Private Saving in Pakistan: 1949-1962

by

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INTRODUCTION

This paper presents some partial and preliminary estimates of saving of the noncorporate private sector of the Pakistan economy. It is a part of a joint effort to make some more detailed estimates of saving for the entire economy, in which the Institute of Development Economics has been cooperating. It is hoped that more complete estimates for the whole economy will be available in the near future, but due to the importance of saving in the economic development policy and planning, we feel it is worthwhile to present the data and analysis for this sector.

There are estimates of saving in Pakistan for the period 1955/56 to the present, but these have been calculated in a very indirect manner, and they present no breakdown as to the sources of saving by sector. The procedure followed in the Planning-Commission estimates in the *Mid-Plan Review*¹ was to estimate gross investment and to deduct from gross investment all "development imports" financed from abroad. As has been pointed out by John H. Power in his evaluation of the *Mid-Plan Review*, this method of estimating domestic saving is incorrect², and he has presented some adjusted figures for the first two years of the Second Plan. The Planning-Commission estimation procedure, even if the proper definitions are used, is likely to result in serious errors in the volume of gross saving, and it does not give any information on the sources of domestic saving.

Estimates of the sources of domestic saving are important for the proper formulation of government fiscal policy and in certain long-term planning

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¹ Government of Pakistan, Planning Commission, *Mid-Plan Review of Progress in 1960/61-1961/62 under the Second Five-Year Plan*. (Karachi: Manager of Publications, March 1963).

² John H. Power, "Two Years of Pakistan's Second Plan", *Pakistan Development Review*, Vol. III, No. 1, Spring 1963, pp. 118-133. We have given some other aggregate estimates of saving in the last section of this paper that differ from both the Planning Commission's and Power's.

decisions. In addition, changes in the structure of saving will take place during economic development, and whether or how rapidly these structural changes are occurring is important information in evaluation of development progress. Detailed estimates of the sources of saving are also important in constructing flow-of-funds accounts, which may, in turn, be used to gain a more complete understanding of the financial relationships within an economy.

Saving in an economy can be conveniently divided according to the sectors that do the saving: private households, business, government, and foreign. But in Pakistan, or any other developing country, there are further distinctions that should be made. The business sector should be divided into corporate and noncorporate subsectors. Within agriculture, the major source of income in the country, the distinction between household and business saving will naturally be blurred, as is true also in the noncorporate industrial and commercial subsector. In addition, there is an important sector in Pakistan that lies between the corporate and the government sectors: the semi-governmental institutions, such as Pakistan International Airways Corporation (PIA), Industrial Development Bank of Pakistan (IDBP), Pakistan Industrial Credit and Investment Corporation (PICIC), Pakistan Industrial Development Corporation (PIDC), *etc.*

The saving of each sector is defined in national-income terms as the excess of its income over its expenditure on current consumption. If complete sets of national accounts were available, this would be the most direct way of estimating saving by sectors and subsectors. Thus, government saving is the excess of revenue over "current expenditures" (if these could properly be defined), corporate saving is corporate profit *minus* dividends paid (*plus* depreciation allowances for gross corporate-saving), foreign saving is imports *minus* exports, and so on. But in Pakistan, since there are no estimates of personal disposable income, nor are there adequate estimates of personal consumption-expenditure, it is impossible to estimate personal (or noncorporate private) saving directly by the "retained income" concept. It is necessary to use a more indirect method of looking at net balance-sheet changes, or to employ the "change in earned surplus" concept of saving. If data were complete both methods would yield the same total estimate, and the change in earned-surplus method would provide further detailed information for assets in which saving was held. There is sufficient literature on other countries available so that we need not go into an elaborate discussion of the conceptual basis of the estimates in this paper³.

³ For a complete discussion of the conceptual issue, see, R. W. Goldsmith, "The Volume and Components of Saving in the United States", in *Income and Wealth*, Volume III, by the Conference on Research in National Income and Wealth. (New York: National Bureau of Economic Research, 1939). There is also a series of studies on saving in the countries of the ECAFE region. These studies employ a method similar to that followed here. See:

Several points must be mentioned to begin with, however. First, since there is little data available on investment in real assets in the noncorporate sector, we have limited ourselves to that part of saving that takes the form of acquisition of financial assets. Thus, we have omitted construction of housing, changes in stocks held by individuals which is an important part of rural saving, real investment by farmers and by small businessmen in fixed assets, and the net changes in holdings of gold and jewellery by the private sector. These omissions have varying degrees of importance. Estimates of rural housing-construction may be less important for policy purposes than estimates of urban housing-construction, since the latter are more likely to compete with other forms of investment for purchased inputs. But rural housing-construction is a part of rural incomes, and it may be an important part. Accumulation of stocks could be calculated as a residual if we had some more accurate data on consumption and production, but in the present circumstances this is impossible. Real investment by urban entrepreneurs and by farmers that directly increase output is the most important omission from these estimates. With many planning techniques using incremental capital-output ratios as an input, the failure to include the part of capital formation that is not easily measurable may result in serious errors. On the other hand, the omission of changes in holdings of gold and jewellery is not likely to result in errors of any significant magnitude.

This is a convenient place to point out another characteristic of sectoral saving figures. These present the net saving of that particular sector as a whole, or the excess of the total income of that sector over its expenditure on current consumption. Saving by some persons within the sector that is matched by dissaving by other persons is netted out and the sector will show no net saving. This, unfortunately, hides certain information that would be very interesting and useful. For instance, it is impossible by the use of sectoral estimates to tell if there was dissaving in the rural areas (say, through sale of gold and jewellery or running down currency holdings) that was matched by saving of the urban sector (through purchase of gold and jewellery or increases in currency holding). Similarly, increases in indebtedness of one group (say, tenant farmers) to another group (say, landlords) which constitute dissaving and saving respectively will be netted out and will not show up here. These weaknesses or limitations should be recognized, but it should also be noted that this is a limitation of

(continued from p. 2)

- i) Richard W. Hooley, *Saving in the Philippines: 1951-60*. (Quezon City: Institute of Economic Development and Research, University of the Philippines, 1963).
- ii) United Nations, "Saving of the Federation of Malaya", *Economic Bulletin for Asia and the Far East*, June 1962.
- iii) NCAER, *Saving in India*. (New Delhi: National Council of Applied Economic Research, 1961).

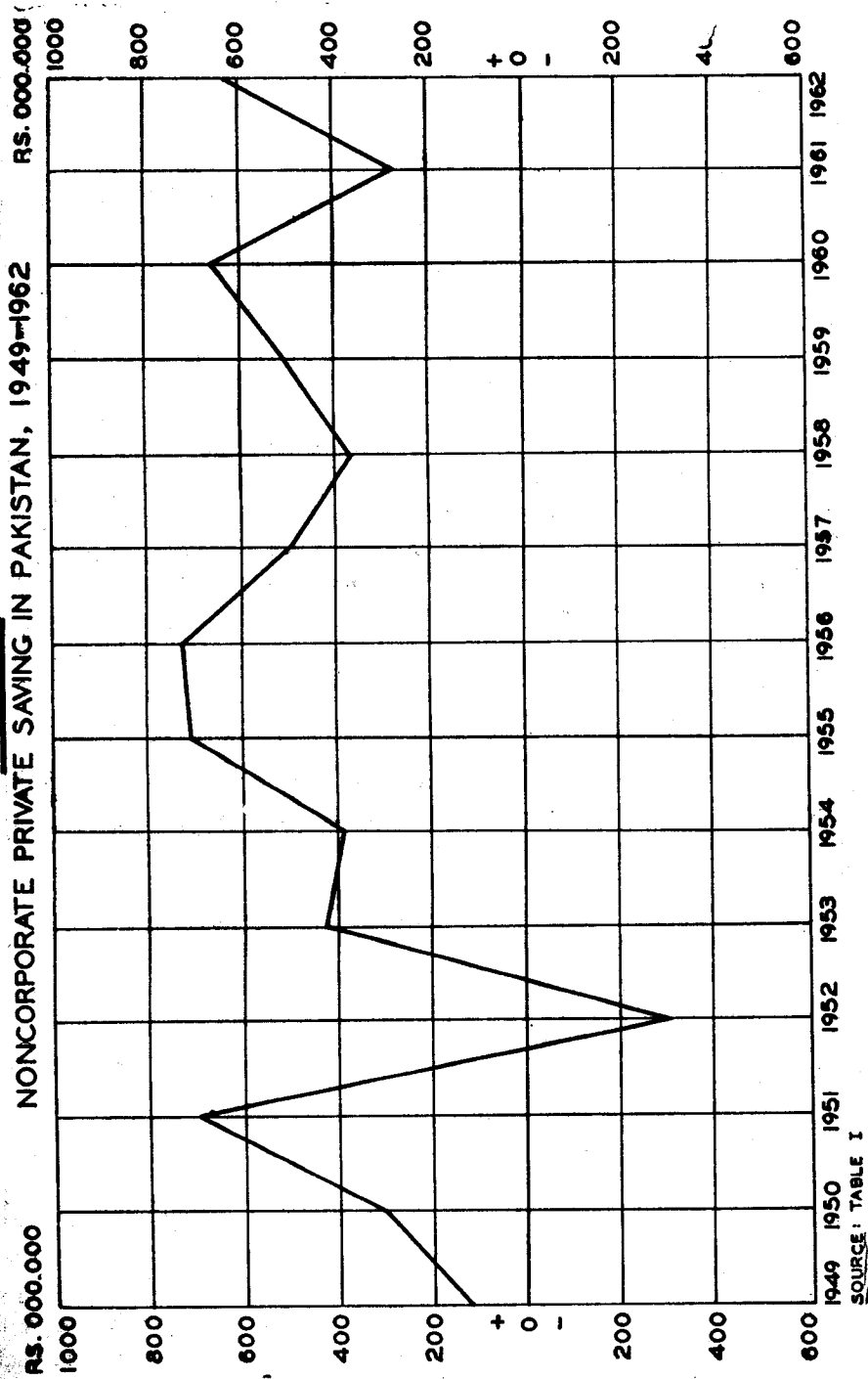
most estimates of saving. This sort of detailed information cannot be obtained except by much more disaggregative procedures than we have followed here.

Several other apologies and warnings are in order before proceeding to the estimates themselves. Ideally, saving estimates within major sectors according to a regional and rural-urban breakdown would be most desirable. The estimates presented here, however, are aggregates for the entire country. In the statistical appendices we have given a regional breakdown whenever possible and have also included references in the text to those items that are most obviously influenced by either rural or urban income-changes. With regard to the regional breakdown, an important point should be kept in mind. The change in earned-surplus approach to estimating saving does not identify the subsector that is doing the "saving", especially since most of the measures of balance-sheet position are taken from other sectors' balance sheets. Thus, purchase of new shares of joint-stock companies located in East Pakistan can be made from either wing, and the same is true of West Pakistan companies. The data in the appendices are presented there for the convenience of those interested in the financial data of Pakistan, since much of this is located in very diffuse places. It should not be used directly in calculating regional income or saving figures.

The balance-sheet items that we have used to estimate noncorporate private-saving are as follows: individuals' holdings of cash, demand and time deposits, equity in life insurance funds, equity in pension and provident funds, holdings of postal and other government savings-accounts, and individuals' holdings of equities of corporations and cooperatives. We have netted out loans to individuals by banks, cooperatives and other agencies. In most cases, we have tried to suggest some of the other economic variables that affect the amount of saving done through each of these methods. One minor difficulty with the detailed estimates given here is the fact that they are on a calendar-year, rather than fiscal-year, basis. But, since it is not very useful for purposes evaluating development progress to take periods as short as one year, this should not reduce the usefulness of the estimates to planners, policy makers and students of the economy of Pakistan.

There are four major sections in this paper. In Section II, we present the aggregate saving figures for the noncorporate private sector on an annual basis from 1949 to 1962. We have also explored some hypotheses regarding these figures, particularly where year-to-year changes are very large. Section III contains a discussion of the individual series that form parts of the total saving, and some suggested determinants of accumulation of the various forms of assets. We also bring out the major changes in relative importance of the various financial assets in the savings of the private noncorporate sector. Section IV

FIGURE 1



discusses the relation of asset accumulation to saving. And, Section V presents some of the existing estimates of aggregate saving in Pakistan over a more recent period, some of the difficulties in using these estimates, and discusses what light our detailed estimates of asset accumulation by one sector sheds on the aggregate saving figures.

II: ACCUMULATION OF FINANCIAL ASSETS BY THE NONCORPORATE PRIVATE SECTOR

Data on saving in the form of financial-asset accumulation of the non-corporate private sector in Pakistan for the years 1949-1962 are presented in Table I, and are shown graphically in Figure I. Several facts are immediately obvious. *First*, there is considerable fluctuation in the size of the annual increase in financial-asset holdings. *Second*, the largest amount of financial-asset accumulation took place in 1955 and 1956. *Third*, there seems to be little, if any, upward trend in annual financial-asset accumulation over the entire period. It should be pointed out that all these data are in current prices, so that one cannot move directly from these data to conclusion about saving rates and propensities. We have set out below some tentative hypotheses regarding the annual fluctuations in the total accumulation of financial assets. It should be noted immediately, however, that there are substantial changes over the period in the composition of the annual increases in financial assets held by the non-corporate sector, despite the absence of a marked trend in the total.

In Table II, we have given some economic indicators that may be of use in explaining the fluctuations in the rate of saving. The variable most closely associated with the annual accumulation of financial assets is changes in the money supply. This should be no surprise, since cash, and more recently, demand and time deposits, are the principal forms in which financial assets are held by the noncorporate private sector. This is not only true of Pakistan, but of other developing countries as well. In the Philippines, for example, the average share of new currency and deposits in the financial saving of individuals was close to fifty per cent. The same is true of Malaya. In both the Philippines and Malaya, changes in cash and deposit holdings of individuals moved in the same direction as total financial holdings in every year. The figures for these countries are shown in Table III.

But to say that changes in the money supply are highly correlated with saving of individuals is not very meaningful unless we examine some of the other determinants of both saving and money-supply changes. We shall simply proceed on a year-to-year basis to suggest some of the possible determinants of the total saving of the noncorporate private sector. The variables we shall

TABLE I
NONCORPORATE PRIVATE SAVING IN PAKISTAN

Form of saving	Row No.	1949	1950	1951	1952	1953
(.....in thousand rupees.....)						
Currency holdings	(1)	31,500	252,500	475,500	—319,700	221,000
Bank deposits	(2)	13,767	16,731	131,469	— 70,590	61,581
Postal saving-schemes	(3)	15,283	18,915	41,477	31,577	37,367
Provident fund	(4)	12,820	13,448	10,986	12,747	19,973
Life insurance	(5)	4,755	6,803	3,869	8,827	12,007
Corporate share holdings	(6)	61,364	22,086	41,318	47,037	38,539
Cooperative societies	(7)	—9,853	—27,640	—9,364	—30,673	25,010
Total saving (1 + 2 + 3 + 4 + 5 + 6 + 7)	(8)	129,636	302,843	695,255	—320,775	415,477
Deductions	(9)	10,162	1,527	1,489	14,602	4,703
Net saving (8—9)	(10)	119,474	301,316	693,766	—335,377	410,774

Row No.	1954	1955	1956	1957	1958	1959	1960	1961	1962
(.....in thousand rupees.....)									
(1)	202,700	415,000	476,600	116,900	159,100	102,200	338,100	—128,100	52,100
(2)	70,668	69,147	49,959	124,449	38,025	147,615	61,262	163,970	298,218
(3)	46,636	67,578	81,899	78,503	76,173	59,215	58,552	69,922	82,374
(4)	22,507	27,788	30,566	42,611	59,299	52,203	53,884	70,645	68,945
(5)	14,807	19,062	21,989	26,493	30,003	30,411	38,825	52,090	66,408
(6)	45,539	117,405	69,129	104,881	62,943	163,721	162,727	98,167	131,104
(7)	216	8,073	8,993	17,922	NA	NA	NA	NA	NA
(8)	403,072	724,053	739,075	511,759	425,543	555,365	713,350	326,694	699,149
(9)	6,778	15,153	17,368	29,412	38,063	57,068	57,420	67,139	70,000
(10)	396,295	708,900	721,707	482,347	387,480	498,297	655,930	259,555	629,149

Sources: Row (1): Table A-I Row (5): Table A-IV
 Row (2): Table A-I Row (6): Table A-V
 Row (3): Table A-II Row (7): Table A-VI
 Row (4): Table A-III Row (9): Table A-VII

TABLE II
SOME ECONOMIC INDICATORS

Year	Noncorporate private saving	Change in national income ^a	Change in agricultural income ^a	Change in exports ^b	Change in imports ^b	Change in money supply ^c
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(.....in million rupees.....)						
1949	120			+798.0	+805.0	+35.3
1950	301			+407.5	+470.0	+262.3
1951	694	+290	+7	+243.9	-111.5	+765.3
1952	-335	+200	-127	-763.1	+266.2	-492.5
1953	411	+844	+441	-309.7	-925.0	+335.8
1954	396	+660	+264	-265.1	-54.0	+259.4
1955	709	-45	-402	+317.5	-17.6	+565.7
1956	722	+516	+114	+115.0	+899.5	+553.4
1957	482	+692	+276	-16.1	+110.4	+310.9
1958	388	+242	-191	-187.0	-208.7	+268.5
1959	498	+635	+199	+110.3	-197.8	+259.7
1960	656	+851	+433	+346.0	+1,431.0	+400.4
1961	260	+1,109	+530	+31.8	-55.7	+43.3
1962	629	+836	+216	+13.0	+458.6	+334.7

a) Government of Pakistan, Ministry of Finance, *Economic Survey, 1962-63*. (Rawalpindi: Ministry of Finance), p. 6. Statistical Section converted to calendar years. (C.S.O. estimates).

b) *Ibid.*, p. 48. (C.S.O. estimates).

c) *Ibid.*, p. 99. (State-Bank estimates).

TABLE III

Year	PHILIPPINES ^a		MALAYA ^b	
	Change in financial assets (.....M. Pesos.....)	Change in currency and bank deposits	Change in financial assets	Change in currency and bank deposits (.....M.M\$.....)
1953	170.2	68.3		
1954	148.3	62.9	207	62
1955	113.8	62.2	278	164
1956	281.1	154.6	202	-67
1957	376.7	241.8	-76	-93
1958	325.5	160.9	237	18
1959	412.9	186.5		
1960	367.0	148.3		

a) Richard W. Hooley, *op. cit.*, pp. 22, 32 and 41.

b) United Nations, *op. cit.*, p. 30.

relate to the financial-asset accumulation-figures are found in Table II, and involve the changing foreign-trade position, both imports and exports, changes in national income, and changes in agricultural income on an annual basis. The general line of our hypothesis, or the general model that underlies the analysis, is that increases in export earnings (which may be accompanied by increase in agricultural income) are an expansionary force for income, which would lead to higher saving particularly in the form of liquid assets in the economy in the particular year. Naturally, increased export earnings would tend to increase the money supply as well. Imports, on the other hand, are a leakage out of the domestic income stream and, in the absence of increased exports, increases in imports involve dissaving for the economy, and are a contractionary force on the money supply. Thus, for the foreign-trade sector (which is a major part of the monetized portion of the Pakistan economy) it is likely that changes in the foreign-trade position would promote changes in the same direction in both the money supply and in domestic saving, particularly domestic saving in the form of financial-asset accumulation. In addition, one would expect the changes in agricultural income to be a less important determinant than the foreign-trade position, since much of agriculture is nonmonetized and so would not be involved in financial saving.

The first major fluctuation in the flow of saving is that connected with the 1951/52 Korean-War boom in export markets. Export earnings increased in 1949/50, but these were accompanied by increases in imports as well. In 1951 however, exports continued to increase and imports declined. This was accompanied by an increase in the money supply, an expansion of agricultural incomes, and an increase in the rate of accumulation of financial assets. In 1952, the reverse pattern was followed. Export earnings and agricultural incomes fell off, imports increased rapidly, there was contraction in the money supply and considerable domestic dissaving. In 1953, exports fell off but imports contracted even more, so that the trade balance once more was in surplus, the money supply increased, agricultural income increased and there was again a substantial flow of private saving. The rate of accumulation of financial assets remained at approximately the same level in 1954, as exports and imports fell, but total agricultural and nonagricultural incomes rose. Saving was much higher in 1955 and 1956. Both years saw increases in the level of exports and large increases in the money supply following the devaluation of the rupee in 1955. The level of saving fell off in 1957 and 1958, and this was accompanied by a contraction in export earnings and in the money supply. In 1958, agricultural incomes also declined. There was a reversal in 1959 and 1960 when export earnings increased, agricultural and total national income rose and the money supply continued to expand rapidly. The very high figures for exports

in 1960, accompanied by large rises in income and saving, might be attributed to the effect of the Export Bonus Scheme.

The figure for 1961 raises some important questions. Exports continued to expand, imports declined, and it was reported that there was a large increase in rice production in East Pakistan, and a corresponding increase in the level of agricultural incomes. There have been serious questions raised regarding the accuracy of the figure for rice production in fiscal years 1960/61 and 1961/62⁴. The fact that there was a much lower level of saving in the economy in 1961 would also suggest that incomes in agriculture may not have been as high in that year as has been reported. In particular, since there was a contraction of the currency holdings by individuals during this year, and since currency is the form in which most financial saving is kept in rural areas, we would add our skepticism to Power's regarding the rice output-figures and corresponding agricultural income-figures, for 1960/61 and 1961/62⁵.

Finally, 1962 saw an increase in exports and in agricultural and nonagricultural income as well as money supply. These were accompanied by an above-average flow of saving from the noncorporate private sector.

III. COMPONENTS OF NONCORPORATE PRIVATE SAVING

The major financial assets held by the private sector in developing countries are currency or demand deposits, and Pakistan is certainly no exception to this rule. Changes in total currency holdings of the nonbanking sector were taken as accumulation of this asset by individuals and noncorporate enterprise. This implicitly assumes that the corporate and government sector held the same currency in total in every year. While this is an extreme assumption, there is no basis for making any correction to it in the current state of our knowledge. We hope that, as more financial data becomes available on the corporate and government sectors, we will be able to estimate their holdings of currency and so get more accurate figures for individuals' holdings of currency and, therefore, for noncorporate saving. There are more adequate figures available for the estimation of individuals' accumulation of demand and time deposits, and our estimation procedure for these variables is explained in Appendix A.

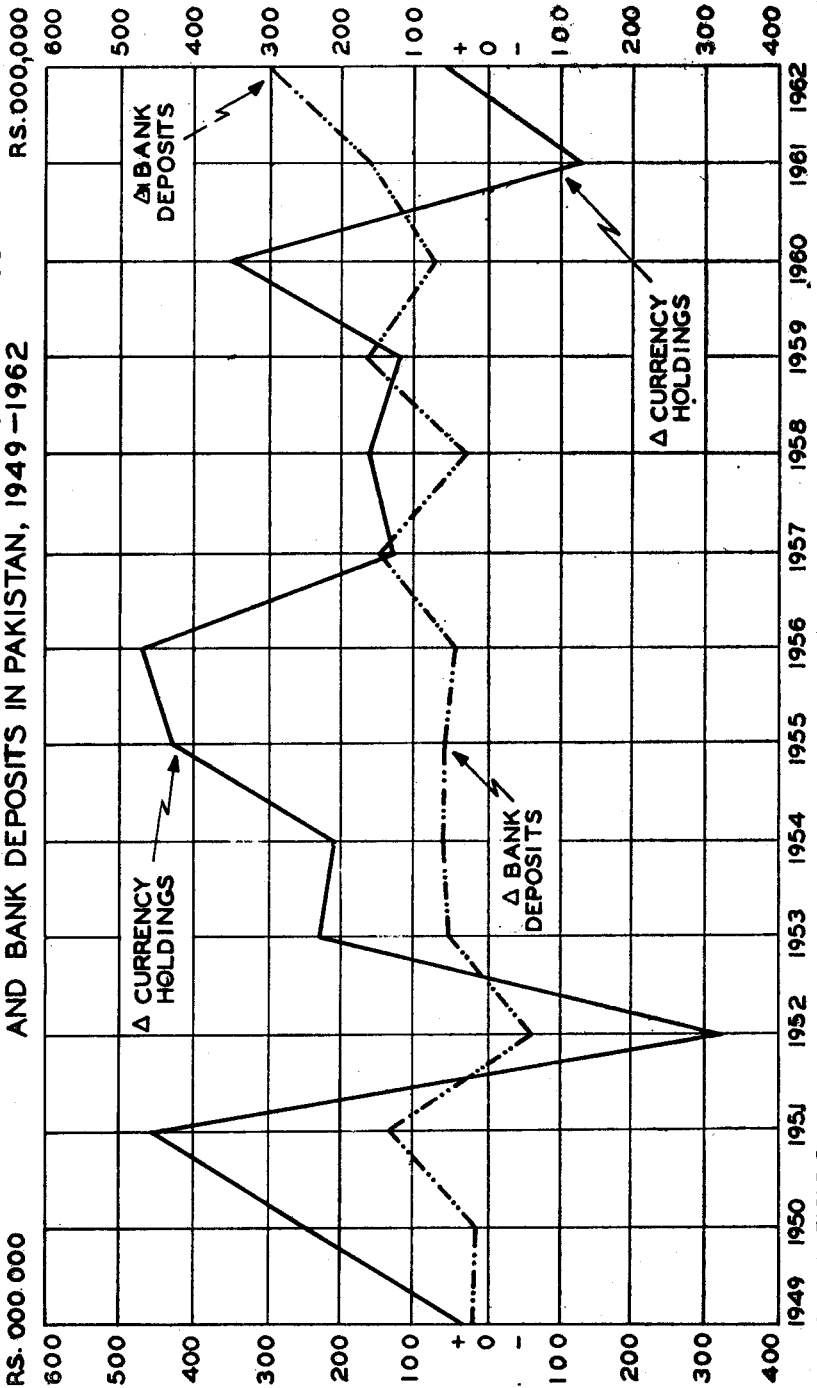
Figure II shows the annual changes in private noncorporate holdings of currency and demand and time deposits over the period studied. There is an interesting pattern displayed in the data on these two series that may help in

⁴ See, John H. Power, "Two Years of Pakistan's Second Plan", *op. cit.*, pp. 121-125.

⁵ It is possible, of course, that individuals might have saved in the form of accumulation of stocks, which would not appear in our figures. But since the output figures for the two years are so abnormally high, it does not seem reasonable that saving in the form of cash would have decreased. Hence, our skepticism about output figures.

FIGURE II

CHANGES IN NONCORPORATE PRIVATE CURRENCY HOLDINGS AND BANK DEPOSITS IN PAKISTAN, 1949-1962



SOURCE: TABLE I

understanding financial flows in the economy assuming that assets held are a reflection of asset preference of the holder. We noticed that for the latter years of the period, there is a direct relationship between the change in the accumulation of currency in one year and the accumulation of bank deposits in the next year. In fact, if we exclude the Korean-War years, 1951 and 1952 (when there were very large changes in the foreign-trade position and concomitant large changes in the money supply) eight of the remaining ten years show such a pattern. It has been suggested that financial flows from the rural to the urban sector of the economy are reflected in changes in the composition of the money supply from currency to demand deposits. As farm incomes rise, farmers tend to hold their increased assets in the form of currency. As the rural economy "imports" from the rest of the country for either consumption or investment purposes, payment is made in currency but is converted to demand deposits when it is transferred to the urban sector as payment for that sector's "exports". The lagged relationship that appears to be present in the data is consistent with this general line of thought, and this area of research on financial flows would seem to be a profitable one to pursue⁶.

One other feature of the currency and demand deposits holdings is of interest. If we average the 1951 and 1952 figures for each series there seems to be a downward trend in the annual currency accumulation, and there is a definite upward trend in the annual accumulation of time and demand deposits. This is consistent with any number of hypotheses about Pakistan's recent economic history. *First*, if real per-capita income were rising throughout the country, or if economic development were occurring, there would be a shift from less sophisticated assets (currency) to more sophisticated financial assets. But, as Power has adequately pointed out, there is no evidence that real per-capita income has increased significantly during the period under study here⁷. *Second*, this change in asset composition is also consistent with the hypothesis often heard in Pakistan and spelled out in detail by Power in the same article, that there was probably some decline in rural per-capita real-incomes, accompanied by a rise in urban per-capita real-incomes. Since rural individuals are more likely to hold assets in the form of currency and urban individuals in the form of demand deposits or other assets, the changing composition of saving in

⁶ The line of reasoning suggested here regarding the switching of financial assets as payments flowed from one sector to the other was suggested to us by Dr. Moinuddin Baqai, Deputy Director of Research, State Bank of Pakistan, in a lecture at the Institute of Development Economics, Karachi in December 1963. Credit for any light this hypothesis may shed on understanding of financial relations in Pakistan should go to Dr. Baqai. Any mis-use of this basic idea is the responsibility of the authors.

⁷ See, John H. Power, "Industrialization in Pakistan: A Case of Frustrated Take-Off" *Pakistan Development Review*, Vol. III, No. 2, Summer 1963, p. 196, Table I.

financial assets over the period studied could also be a reflection of falling per-capita incomes in agricultural and rising per-capita income in industry. *Third*, even if this is not true on a per-capita basis, the share of value added originating in industry, an urban activity, increased from 7 to 14 per cent of national income over the period, and one would expect the share of noncurrency assets in saving to increase, due to the different asset-holding patterns in that sector.

The other types of assets studied include *i*) deposits in post-office saving banks and holdings of postal saving certificate, *ii*) holdings of shares, loans and deposits in cooperative societies, *iii*) holdings of shares in corporations, *iv*) life insurance, and *v*) government provident funds. The last two mentioned are contractual saving and are, therefore, treated together. Others are analysed separately. The individual series are shown in Figure III.

Postal Saving

It is obvious from Figure III that postal savings have increased markedly over the period studied, which may be a reflection of the growth in urban incomes over the same period. The only significant fluctuation in the series comes with a fall in 1958, 1959 and 1960. This downward movement might have been due to the imposition of Martial Law in the late 1958. The Martial-Law regime launched a drive to locate all taxable income and to realize all back government dues. The payment of government dues was probably made by drawing from past accumulation. This explanation seems to be plausible in view of the fact that the fall in withdrawals in 1959 was less rapid than the fall in deposits while the rise in withdrawals in 1960 was more rapid than the rise in deposits in post-office saving banks (*see*, Appendix Table A-II). Another explanation is provided by decline in the issues and rise in the discharges of Pakistan Savings Certificates in 1958 and its subsequent discontinuation in 1959. There was heavy encashment of the certificates in 1959 and 1960.

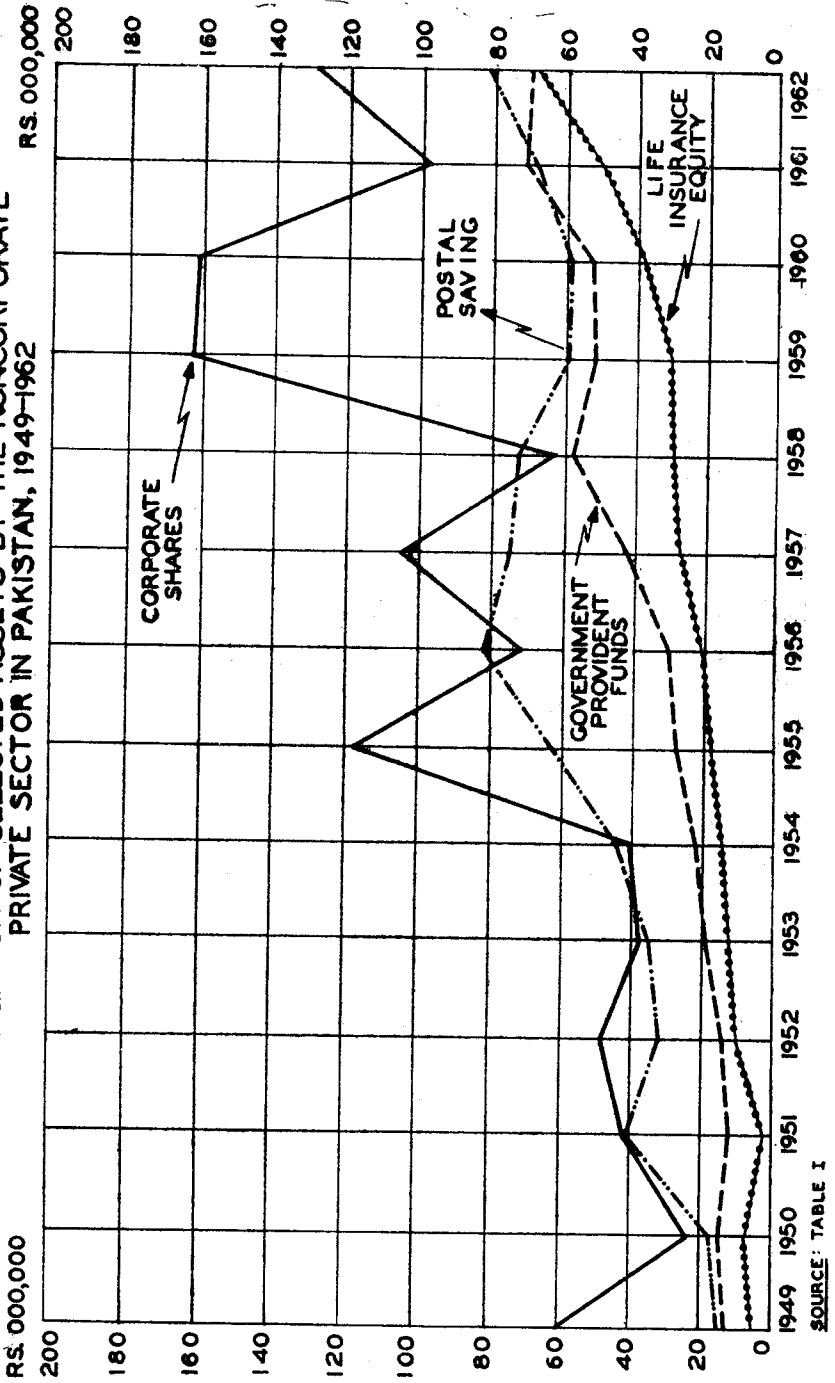
Cooperative Saving

Unfortunately, we have not been able to complete the series on the net position of cooperative societies. Some of the data for recent years are available and are reported in the Appendix Table A-VII, but there was not sufficient information to make estimates of the net asset position of the cooperatives. Since the annual net change has at no time been very large, this omission of recent years does not change the total estimates very much. However, it is interesting to note that the societies were net lenders in the earlier years and more recently have been net receivers of savings.

Corporate Share Holdings

Individual accumulation of corporate shares is a particularly difficult area to assess, since it is more obviously and directly bound up with problems of

FIGURE III
ACCUMULATION OF SELECTED ASSETS BY THE NONCORPORATE
PRIVATE SECTOR IN PAKISTAN, 1949-1962



SOURCE: TABLE I

price changes and asset valuation than other types of financial assets. In addition, there is no easy way of measuring the accumulation of this type of financial asset by the household sector except by taking the new issues of share capital over a period of time and valuing them at par. The resulting figure is equivalent to the flow of new funds into corporate sector, since the assets valued by this procedure represent the total amount received by the corporations through flotation of new shares. However, this amount will not be the same as the flow of funds from the household sector into holdings of share capital, since part of the latter flow will be directed toward new issues and a part will be purchases of old issues held by other sectors. Similarly, a part of the flow of funds to the corporations issuing new shares will be from new funds entering the market for the first time, and a part will come from individuals selling old shares and buying new issues. Thus, our estimates of financial-asset accumulation by purchases of new corporate shares is only a first approximation to what we would like to have.

The major defect of the method of estimation we have used is that we cannot look at year-to-year fluctuations in this series in as meaningful a way as some of other series of financial assets. The *measurement* of the flow of financial resources into joint-stock company shares depends upon the issue of new shares by the companies. The best we can do here is to point up the rising trend in the purchases of new shares of joint-stock companies and to note that it is consistent with the trend toward holding assets of a more sophisticated nature.

Contractual Savings

Life insurance and provident funds represent contractual saving. In each, the individual commits himself either voluntarily or by the terms of his service to transfer regularly to some fund a part of his income, with the understanding that he will be paid back the amount contributed with or without some interest and bonuses at a later date. Figure III shows saving through life insurance and government provident fund from 1949 to 1962. There is a rapid growth in annual net accumulation of these two assets with the only exception in 1959 and 1960 when government provident accounts show a decline in its growth. The decline in government provident fund may be accounted for again by the imposition of Martial Law in late 1958. Since there was a major housecleaning of government officials, particularly at the higher levels, and reduction of surplus staff in government offices, the drop in net additions to government provident funds is most probably reflection of this fact. The rise in government provident-fund contribution over the period is an indication of the rise in government employment and payrolls. There was a remarkable growth of

saving through life insurance. With only one exception, each annual increase in net life funds of the insurance companies was larger than the previous year. The steady growth in net life funds is again a reflection of growth in urban incomes.

Summary

Even though we have been able to find no marked trend in the total annual accumulation of financial assets by the noncorporate private sector over the period covered by this study, there have been rather marked changes in the composition of financial assets held by the private sector. In particular, there has been a shift to more sophisticated assets and away from currency. As mentioned earlier, most of these more sophisticated financial assets are held by the urban sector of the economy, and thus they could be said to reflect the increasing importance of the urban sector in the whole economy. It is unfortunate that a rural-urban breakdown is not yet available, as it would be interesting to see to what extent the switching of financial assets is due to the changing importance of the two sectors and to what extent there has, in fact, been switching of asset holdings from cash to demand and time deposits and postal saving in the rural sector. We hope that data will become available giving this important breakdown in near future.

IV: RELATIONS BETWEEN ACCUMULATION OF FINANCIAL ASSETS AND THE VALUE OF TOTAL SAVINGS

The saving of an economy in any period is equal to its current income *minus* its current consumption. The measurement of either of these magnitudes is difficult due primarily to the severe problem of valuing a total bundle of goods and services when the relative values are changing. The saving of an economy is also equal to the change in the economy's balance-sheet net worth, but the measurement of this item is also difficult due to the valuation problem. The method adopted in this paper in our attempt to estimate part of private saving has been to look at changes in the *financial* balance sheet of the noncorporate private sector. The question which naturally arises and the one we would like to address now is the relation between the net change in financial assets held by the private noncorporate sector and the total flow of saving in the economy over the same period. Once we have explored this briefly, we will look at the estimates of aggregate saving that can be generated from the existing estimates of gross domestic and net foreign investment in the hope that our discussion of the noncorporate private sector will provide some insight into the behaviour of the aggregate saving rate.

If all the data were available, we would be able to estimate independently total saving and total investment in the economy over any given period, and

noncorporate private saving as a share of domestic saving. But, we would expect noncorporate private saving itself to be rising if development was, in fact, occurring.

What happens to the ratio of noncorporate private financial-asset accumulation to the total domestic saving can, therefore, be looked at from three points of view: *i*) What is the behaviour of total noncorporate private saving? *ii*) Is there any distortion of the allocation of private noncorporate saving? *iii*) Is there a marked change in the structure of domestic saving? We should note in all three cases we would at least expect the ratio of financial-asset accumulation to national income to rise. The failure of that ratio to rise may be due to *i*) the distortion of investment patterns, *ii*) a marked shift in the pattern of saving between sectors, or *iii*) the failure of the average rate of saving to rise over the period studied.

With this brief and sketchy discussion of the relations of financial-asset accumulation to total flows of saving in the economy, we turn to the estimates of gross domestic saving in Pakistan that can be made indirectly from existing aggregate data.

V: ESTIMATES OF AGGREGATE SAVING IN PAKISTAN

At present, there are only two sources of estimates of gross domestic saving in Pakistan. One is the official estimates of the Planning Commission found in the *Second Five-Year Plan* and the *Mid-Plan Review*, which cover the period 1955/56 to 1961/62. The second, and not entirely independent, source is Mahbubul Haq's estimate for 1949/50 to 1959/60 which is found in the appendix to his volume on planning strategy in Pakistan¹⁰. But since the source of his investment estimates is an internal Planning-Commission document and his method of calculation is the same as that followed in the official Planning-Commission documents cited here, there is very little difference in the two sets of results. What we aim to do here is to show that one can arrive at several different sets of saving estimates for Pakistan, and several different patterns of marginal saving, by estimating gross domestic saving from the national-income definitions and by using the various estimates of net foreign investment published by the Planning Commission, the Central Statistical Office and the State Bank of Pakistan.

The practice in estimating saving followed by the Planning Commission is to deduct foreign assistance, private foreign investment and change in foreign-exchange reserves from the estimate of gross domestic investment to get gross

¹⁰ Mahbubul Haq, *op. cit.*, pp. 225-232.

saving. The method suggested by the usual national-income definitions would be to subtract imports and add exports to the investment estimates, or in other words, to subtract the import surplus financed from abroad from the total amount of domestic investment. These two methods might lead to the same results if there were only one set of balance-of-payments statistics and an agreed-upon definition of what constitutes the balance of payments. Since, however, there are several different sets of foreign trade-and-payments statistics, one can get several different saving estimates even if agreement could be reached on the question of proper definition of imports surplus.

In the top panel of Table IV, we have presented the various saving estimates and the average rates of saving that can be made from the existing official figures, all based on the Planning-Commission estimates of gross investment¹¹. The lower panel of Table IV also shows the marginal rates of saving implied by each separate method of calculating saving. The average saving rates by each method for each year are shown in Figure IV.

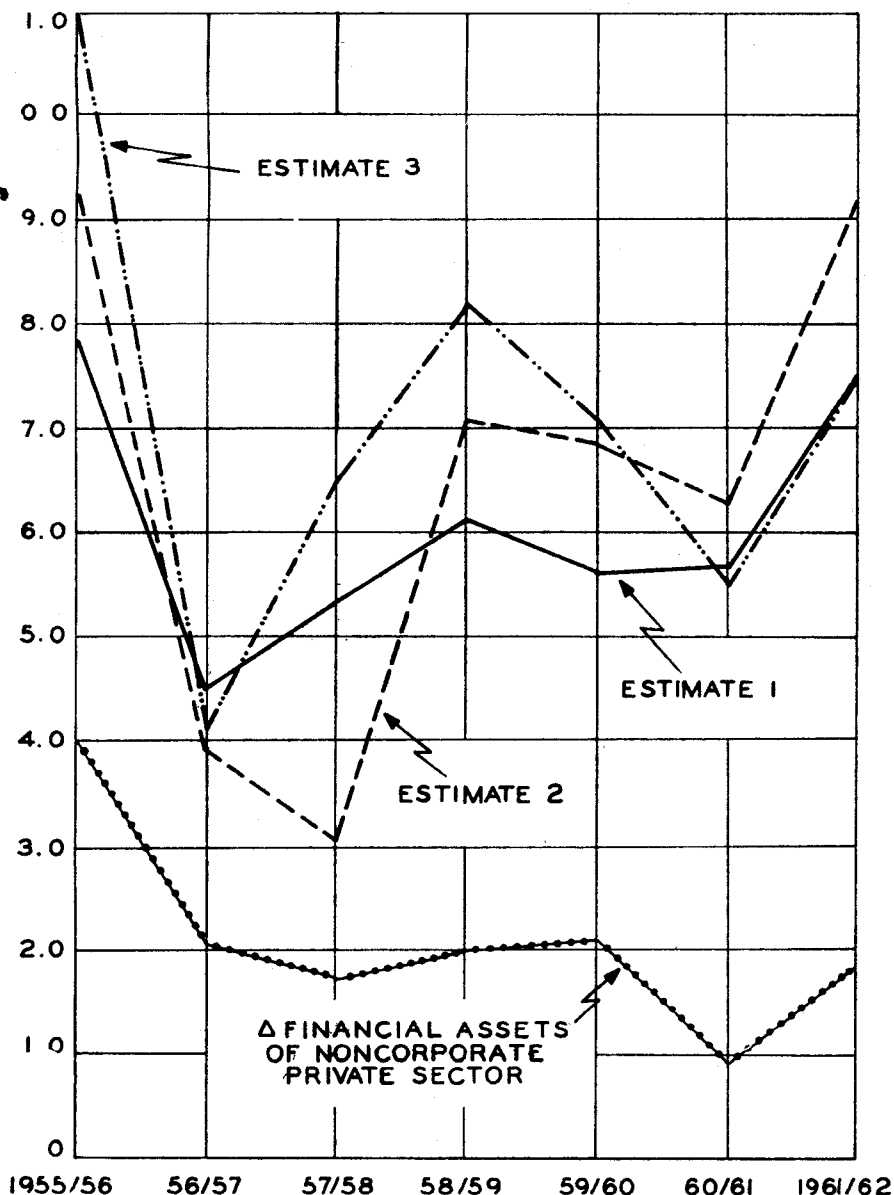
There are several features of these estimates that are immediately obvious. First of all, they differ by as much as three per cent of G.N.P. from one another in any particular year. In one year, 1957/58, the estimate using C.S.O. balance-of-payments figures was more than twice the estimate using State-Bank balance-of-payments figures. *Second*, the estimates do not bear any consistent relation to one another—sometimes one is highest, sometimes another. *Third*, although there seem to be a rising average rate of saving since 1956/57 (which all three methods seem to find a particularly bad year for the average saving rate), none of the series shows any consistent annual rise.

There are a variety of reasons for the variation in the savings estimates from these sources, all connected with the definition used for the balance-of-payments deficit. Central-Statistical-Office data are for imports and exports of *goods* into and out of Pakistan. State-Bank data are for payments, not flows of goods or services. Thus, even though we have adjusted the C.S.O. trade-data for the balance on invisibles by using State-Bank figures, there is still a gap between the basic concept used in each. However, if this difference between trade and payments data were the only problem, there would be no difficulty in ironing out the difference over any relatively short period of time. The difference appears to be somewhat more fundamental than this, and there is, at

¹¹ For an important objection to the investment figures for the last year, 1961/62, see: John Power, "Two Years of Pakistan's Second Plan," *op. cit.*, pp. 129-131. However, if one is interested in average *rates* of saving, Power's adjustment of 1961/62 figures do not make much differences in our calculations, since he adjusts both the investment and the gross-domestic-product figures.

FIGURE IV

GROSS DOMESTIC SAVING AND FINANCIAL ASSET ACCUMULATION AS PER CENT OF GROSS DOMESTIC PRODUCT IN PAKISTAN, 1955/56-1961/62



SOURCE: TABLE IV FOR: GROSS DOMESTIC SAVING ESTIMATES 1, 2 AND 3.
TABLE V FOR: FINANCIAL ASSET ACCUMULATION OF NONCORPORATE PRIVATE SECTOR.

TABLE IV

A: ESTIMATED GROSS SAVING IN PAKISTAN: 1955/56 to 1961/62

Year	Gross domestic investment (1)	Gross domestic saving			Gross domestic product (5)	Average saving rate		
		estimate 1 (2)	estimate 2 (3)	estimate 3 (4)		estimate 1 (6)	estimate 2 (7)	estimate 3 (8)
	(.....in million rupees.....)				(.....in per cent.....)			
1955/56	1,670	1,440	1,681	1,969	18,200	7.9	9.2	10.8
1956/57	1,850	1,015	883	933	22,630	4.5	3.9	4.1
1957/58	2,210	1,175	693	1,434	22,200	5.3	3.1	6.5
1958/59	2,370	1,500	1,748	2,002	24,500	6.1	7.1	8.2
1959/60	2,890	1,700	2,025	2,082	29,960	5.7	6.8	7.0
1960/61	3,440	1,910	2,088	1,811	32,890	5.8	6.3	5.5
1961/62	4,220	2,620	3,287	2,680	35,770	7.5	9.2	7.5

B: CHANGES IN GROSS SAVING: 1955/56 to 1961/62

Year	Δ Gross domestic saving			Δ Gross domestic product	Marginal rate of saving		
	estimate 1 (2)	estimate 2 (3)	estimate 3 (4)		estimate 1 (6)	estimate 2 (7)	estimate 3 (8)
	(.....in million rupees.....)			(.....in per cent.....)			
1955/56	-425	-798	-1,036	+4,430	-9.6	-18.0	-23.4
1956/57	+160	-190	+501	-430	-37.2	+44.2	-116.3
1957/58	+325	+1,055	+568	+2,300	+14.1	+45.9	+24.7
1958/59	+470	+277	+80	+5,460	+8.6	+5.1	+1.5
1959/60	+210	+63	-271	+2,930	+7.2	+2.2	-9.6
1960/61	+760	+1,199	+869	+2,880	+26.4	+41.6	+30.2

Sources: Col. (1): 1955/56 to 1958/59 from *Second Five-Year Plan, op. cit.*, p. 28; 1959/60—1961/62 from *Mid-Plan Review, op. cit.*, p. 49.

Col. (2): Same as Column (1). Saving for 1959/60 to 1961/62 computed from data in *Mid-Plan Review* by the authors by subtracting the import surplus from the investment estimate.

Col. (3): Planning-Commission investment estimate *minus* imports *plus* exports as reported by State Bank of Pakistan. See, Appendix Table B-I.

Col. (4): Planning-Commission investment estimate *minus* imports *plus* exports as reported by the Central Statistical Office, adjusted for balance on invisible by use of State-Bank data. See, Appendix Table B-I.

Col. (5): Same as for Column (1).

present, a Working Group from the principal organizations concerned to iron out the differences in the definitions and coverage of each organization's data.

In order to examine the relation between our estimates of financial-asset accumulation and these estimates of gross domestic saving, we must first standardize the two. We have left price-level changes out of our discussion entirely, and all figures in this paper are in nominal (or current price) values. Rather than adjust for price changes we have simply computed the rate of financial-asset accumulation of the noncorporate private sector as a per cent of gross domestic product¹². The results are shown in Figure IV and in Table V.

TABLE V

*Change in Financial Assets of Noncorporate Private Sector
as per cent of Gross Domestic Product*

1956	4.0	1960	2.2
1957	2.1	1961	0.8
1958	1.7	1962	1.8
1959	2.0		

There is a broad similarity in the fluctuation of the series of financial assets and the various series on saving: 1955/56 reached a peak rate not yet repeated for both financial assets and total saving; 1956/57 and 1957/58 were not good; 1958/59 and 1959/60 were higher for both the part and the whole; 1960/61 saw a decline in both; and 1961/62 was a year of some recovery, though not as much in the financial assets as in the gross savings.

It is not at all surprising, and in fact is somewhat reassuring, that the saving series that most closely approximates our financial-asset accumulation-series is the one computed using State-Bank balance-of-payments data. Our explanation of the behaviour of net accumulation of financial assets in Sections II and III rested largely on the developments in the external position of the country, and the transmission of these changes through the monetary system. The payments data of the State Bank are a more accurate reflection of the monetary developments involving the international-trade sector of the economy. Thus, we would expect these data to fit more closely with the behaviour we have explained for the financial-asset accumulation of the noncorporate private sector. We should also note that the general agreement between the financial-asset accumulation series and all three series on domestic saving

¹² The G. D. P. figures are in fiscal years. We simply divided the 1956 figures for assets accumulation by the 1955/56 G.D.P. to get rate in 1955/56 or 1956.

points up the importance of the foreign-trade picture for the size of domestic saving in any year.

One other comment should be made regarding the share of private noncorporate accumulation of financial assets in total saving. It would appear that this share has been falling over the period since 1955/56, if the domestic-saving figures are to be believed. This fact, as we suggested in the preceding section, raises three questions. Is fall in the share due to *i*) incorrect saving figures, *ii*) distortion of private noncorporate allocation of saving, or *iii*) simply an increase in the importance of the corporate and government sectors in the total? This cannot be answered until the data on corporate and government savings become available. But the question seems to us to be serious enough to warrant investigation at an early date.

There is, in fact, another lesson to be learnt both from the data on financial-asset accumulation and the data on gross domestic saving. There are not likely to be any stable aggregate relations between saving and income in a developing country, and any attempt to get trends or fit functions at the aggregate level, especially for as short a period of time as we have examined, will be meaningless at best and misleading at worst. There is some agreement between the fluctuations in total saving (as computed by all three methods) and in the net accumulation of financial assets by the noncorporate private sector. But there is certainly no evidence of a stable relationship between changes in gross domestic product and changes in gross domestic saving, since the 'marginal rate of saving' shown in Table IV varies widely regardless of the definition of balance of payments that is used. The least that these data should suggest are *i*) the danger of evaluating any period as short as one or two years in trying to assess progress (particularly in a variable so strongly affected by world markets and by agricultural output), and *ii*) the need to complete estimates of the other components of saving at an early date.

VI: CONCLUSION

There is little of a specific nature to be said regarding the conclusions of this paper. We have tried to summarize at each point in the text. The wide variation among estimates of aggregate saving which were shown in the last section point up the need for more careful study of the other components of domestic saving, if in fact domestic saving is to be used as a planning variable.

The detailed estimates of private noncorporate saving in the form of financial-asset accumulation indicate that, over the period 1949 to 1962, there was little upward trend. There were, however, important changes in the composition of the financial assets held by the noncorporate private sector. The rise of assets

generally associated with urban industrial-groups and the decline in the proportion of assets associated with rural agricultural individuals is consistent with other observations about the development of the Pakistan economy over the same period. However, the failure of the nominal level of noncorporate private saving (not even the level of real saving) to rise substantially over this period can at best be described as a disturbing piece of information. We hope that the estimates of saving in the other sectors will be completed shortly and made available. Only when such detailed estimates are available can we evaluate these aspects of Pakistan's effort to mobilize domestic resources for purposes of economic development.

Appendix A

BACKGROUND DATA FOR ESTIMATING NONCORPORATE PRIVATE SAVING IN PAKISTAN: 1949—1962

This appendix presents the sources of data and the methods used in calculating the saving of the noncorporate private sectors for the period 1949-1962. We have noted in the text that the method used was that of examining the financial balance-sheet of the sector in each year and taking the change in balance-sheet net worth as private saving of the noncorporate sector. Naturally, the financial balance-sheet of the sector is not available, so we must build up that balance sheet by examining the balance sheets of other sectors, which are available in one form or another. The items included in this study are: currency holdings, demand and time deposits, postal savings, provident funds of government employees, individual equity in life insurance, cooperative societies and holdings of shares in joint-stock companies. We have netted out loans by government and financial institutions to individuals.

One other word of introduction to these data is needed. Some data were available on calendar-year, others on a fiscal-year basis. Since the majority were available on a calendar-year basis, we converted the fiscal-year data to calendar-year data by simply taking the per cent of the fiscal-year that fell in the given calendar year, multiplying that by the fiscal-year data, and assigning that resulting figure to the given calendar year. Thus, to get calendar year 1953 where fiscal April 1 to March 31, 1952/53 and 1953/54 were available, we took one-fourth of the fiscal 1952/53 figure and added three-fourths of the fiscal 1953/54 figure. The data shown in this appendix are shown in fiscal-year form where available. The conversion to calendar year was made directly to get Table I in the text.

◀ Currency Holdings

The source of data regarding currency holdings is the State Bank of Pakistan *Bulletin*, August 1963. Savings in the form of currency holdings are taken to be the net change in currency holdings of individuals. We estimated individuals' currency holdings by using the net change in currency in circulation. The currency in circulation is currency outstanding net of currency held by the State Bank and scheduled banks in Pakistan. Since currency holdings of the corporate sector are not known, the procedure employed assumes the corporate and government sectors kept a constant amount of cash for day-to-day transactions over the period studied. This assumption is not too unrealistic in view of the fact that corporations keep current accounts with banks and a

large fraction of their payments are made by cheques. The estimates are given in Table A-I. We hope to improve these estimates as information on corporate asset-holding becomes available.

Bank Deposits

The source of data for bank deposits is the State Bank *Bulletin*, August 1963. There is no separate information regarding individuals' deposits in banks except for the years 1960 to 1962. The quarterly information from September 30, 1960 to March 31, 1963 reveals that the share of individuals' deposits in the total deposits is reasonably constant at about 39 per cent of the total deposits in each quarter. Since individuals' deposits are not reported separately for the years from 1948 to 1959, we take 39 per cent of total deposits to be individuals' deposits in these years as well. In this way, individuals' deposits are estimated for the whole period under examination. The deposits include both demand and time deposits. The net change in individuals' deposits is taken to be individuals' savings. The estimates are presented in Table A-I.

Postal Savings

The Pakistan Post Office provides deposit facilities to individuals. It also issues various savings certificates which a small saver may purchase. The sources of data for postal savings are i) *Statistical Bulletin*, August 1963, issued by Central Statistical Office of Pakistan, and ii) State Bank of Pakistan *Bulletin*, August 1963, issued by the State Bank of Pakistan. The C.S.O. *Bulletin* provides information from 1952 to 1962 on yearly basis while the State-Bank *Bulletin* provides information from 1950 to 1962 for the month of December only in each year. We have, therefore, utilized the C.S.O. *Bulletin* for information from 1952 to 1962 and State-Bank *Bulletin* for information for 1950 and 1951. The 1950 and 1951 figures are estimates in the sense that the information for the month of December has been converted into yearly figures. Similarly, the figure for 1949 is a rough estimate on the basis of the trend of transactions after 1950. The information provided in the two bulletins are:

- i) Deposits in and withdrawals from:
 - a) Savings bank
 - b) Defence savings bank
- ii) Issues and discharges of:
 - a) Cash Certificates
 - b) Defence Saving Certificates
 - c) National Saving Certificates
 - d) Pakistan Defence Saving Certificates
 - e) Pakistan Saving Certificates
 - f) National Development Saving Certificates

The net figure was obtained by deducting withdrawals and discharges from deposits and issues in each year. Interest and *bonuses* on deposits and certificates are also added to arrive at net accumulation of individuals through postal saving-schemes. The estimates are given in Table A-II.

Provident Fund of Government Employees

Deposits in Government Provident Fund are compulsory for certain classes of government servants and optional for others. Interest on deposits are also allowed. The accumulated deposits are paid to the depositors on the termination of their services with government and temporary withdrawals are permitted in the interval in certain circumstances. Total contributions *plus* interest *minus* disbursements from Provident Funds are the saving of the central and provincial government servants in the form of Provident Fund. The sources of data for the Provident Fund of government employees are: *i)* Combined Finance and Revenue Account of the central and provincial governments in Pakistan, *ii)* The Budget of the central and provincial governments in Pakistan. A detailed statement of Provident Fund of the employees of the Government of Pakistan, the Government of East Pakistan, and the Government of West Pakistan is given in Table A-III.

Individual Equity in Life Insurance

The accumulation of life insurance reserves has been taken as household saving in this study. The source of the data on private insurance companies is the *Insurance Yearbook*, published annually by the Controller of Insurance, Government of Pakistan. We have taken the change in life funds during the particular year rather than changes in end-year balances or beginning-year balances. The procedure was followed to minimize the effects on the saving figures of some nonreporting of companies and change in asset valuation by some companies. We felt that changes *within* an accounting period would be a more accurate statement of the change in the consolidated position than changes between accounting periods. The major changes of the figures are in the notes to each section of Table A-IV. Foreign life companies that do business in Pakistan are required to keep their investments in Pakistan, which makes their interpretation easier. Since 1958, the Life Insurance Company of India has been engaged in litigation in Pakistani courts and its records have not been published. If the former position has been held in the foreign companies, this omission would result in a five to ten-per-cent understatement in the change in net life funds. In the Pakistani companies section, the only major change appears in 1956, when the Indian Life Insurance Company ceased to report. This omission would result in, at most, a ten-per-cent understatement of private saving in

the form of equity of Pakistani companies. These two combined would lead to an understatement of private saving through this form of at most 20 per cent, assuming they kept their share of business and expenses in the year following their disappearance from the records. Since it is likely that the litigation reduced their share of business and increased their expenses, it is not likely that their omission seriously affect the figures on individual equity in life insurance. One minor refinement that must be made when corporate-saving figures become available is to deduct retained earnings of the life companies from their reserves. Since we have not made such a deduction, there is probably a slight overstatement of the individual equity in life insurance due to the inclusion of saving by life insurance companies themselves. The breakdown of life insurance data is shown by domestic and foreign companies in Table A-V.

A word of caution should be added here. One should not take life insurance premia as saving of households, since *i*) particularly in a rapidly growing insurance industry, a large share of premium income is used for current expenses of the companies, and *ii*) in any case one should net out the benefits paid by the life companies to households. We mention these facts only because the proper definitions were not used by the Planning Commission in its estimates in the 'financing of capital formation' section of the *Mid-Plan Review*¹³. The result of using premia instead of change in net life funds meant an overstatement of this form of saving by approximately sixty per cent in each of the two years for which they made estimates.

The estimates of equity in life insurance include postal life insurance. These data were provided by the Postal Life Insurance Department, Government of Pakistan, Karachi.

We have also shown the data for private provident societies in Table A-V. But, these are so small that they have not been included in the estimates of private saving. In most cases, these are no larger than the rounding error in the other series.

Share Capital of Joint-Stock Companies

The data regarding share capital of corporations registered in Karachi, Lahore and Peshawar regions were obtained from office of the Assistant Registrars for the respective regions. Their cooperation was greatly appreciated. The figures for these regions include total paid-up capital of new companies registered during the year *plus* the change in the share capital of existing companies. We have deducted intercompany subscriptions to arrive at net contribu-

¹³ *Mid-Plan Review, op. cit.*, p. 59.

tions of individuals. The data for East Pakistan, Hyderabad, Multan and Baluchistan regions were obtained from the monthly statements sent to Central Statistical Office, Karachi by the Registrar, Joint Stock Companies, East Pakistan and Assistant Registrars of Joint Stock Companies in other regions. Unfortunately, C.S.O. records are not complete for these regions. Since inter-company subscriptions were not available, the figures for these regions relate to total share capital. Further, since the monthly reports before 1952 were not available, we took the share capital of companies outstanding at the end of 1952, as the share capital for the year in which the companies were registered. For rest of the years, the figures include share capital of new companies registered during the year *plus* the change in the share capital of existing companies during the year. The detailed estimates are given in Appendix Table A-VI.

Cooperative Savings

The main purpose of the cooperative societies is to provide credit to their members and "to encourage the habit of thrift". The cooperative societies include provincial cooperative banks at the highest level, central cooperative banks below them, and primary cooperative societies affiliated to the central banks. The source of data for cooperative societies is the *Pakistan Statistical Yearbook, 1962*, issued by the Central Statistical Office of Pakistan. The net change in share capital of cooperative societies as well as the loans and deposits held by these societies is taken to be the savings of individuals. The deduction for dissavings of individuals is made for loans advanced to individuals net of repayments. Further deduction is made of intersociety loans net of repayments. Unfortunately, all data are not available for the period since 1957/58, so we have not been able to complete the series. We have, however, given whatever information that could be obtained on the transaction of the cooperative societies. These are reported in Table A-VII.

Dissaving

We have made deductions for loans taken by individuals from the government, Agricultural Development Bank of Pakistan (ADBP), House Building Finance Corporation (HBFC), and Pakistan Refugee Rehabilitation Finance Corporation (PRRFC). We have taken the change in outstanding advances of HBFC and PRRFC as individuals' dissavings. The loans given by the government and ADBP to the agriculturists are naturally treated as dissavings of individuals. The sources of data are *i) Banking Statistics of Pakistan, 1962-63* for HBFC's and PRRFC's loans, *ii) Agricultural Development Bank for ADBP's* loans, and *iii) Credit Enquiry Commission Report* for government's loans. The detailed estimates are given in Table A-VIII.

TABLE
INDIVIDUALS' CURRENCY HOLDINGS

	1948	1949	1950	1951	1952	1953
	(..... in thousand)					
Currency in circulation	1,707,900	1,739,400	1,991,900	2,467,400	2,147,700	2,368,700
Δ Currency in circulation	—	31,500	252,500	475,500	—319,700	221,000
Demand deposits	891,700	886,300	907,200	1,190,300	1,022,700	1,127,000
Time deposits	164,900	205,600	227,600	281,600	268,200	321,800
Total deposits	1,056,600	1,091,900	1,134,800	1,471,900	1,290,900	1,448,800
Δ Deposits	—	35,300	42,900	337,100	—181,000	157,900
39 per cent of Δ deposits	—	13,767	16,731	131,469	—70,590	61,581

- Notes :**
- i) From 1948 to 1952, the deposits are total deposits outstanding on last Friday in December in each year.
 - ii) From 1953 to 1960, the deposits are total deposits outstanding on 31st of December in each year.
 - iii) In 1960, 1961 and 1962 we have taken only individuals' deposits. The change in deposits in 1960 is measured as the difference between individuals' deposits outstanding in 1960 and 39 per cent of the total deposits outstanding in 1959.

A-I

AND BANK DEPOSITS IN PAKISTAN

1954	1955	1956	1957	1958	1959	1960	1961	1962
<i>rupees.....)</i>								
2,571,400	2,986,400	3,463,000	3,579,900	3,739,000	3,848,200	4,179,300	4,051,200	4,103,300
202,700	415,000	476,600	116,900	159,100	102,200	338,100	-128,100	52,100
1,156,900	1,301,500	1,388,700	1,532,900	1,679,400	1,781,800	NA	NA	NA
474,000	506,700	547,600	622,500	673,500	949,600	NA	NA	NA
1,630,900	1,808,200	1,936,300	2,255,400	2,352,900	2,731,400	1,126,508	1,290,478	1,588,696
182,100	177,300	128,100	319,100	97,500	378,500	61,262	163,970	298,218
70,668	69,147	49,959	124,449	38,025	147,615	61,262	163,970	298,218

Sources : i) State Bank of Pakistan *Bulletin*, August 1963:

- a) Currency holdings: p. 51.
- b) From 1948 to 1952: pp. 30-31.
- c) From 1953 to 1959: pp. 32-33.

ii) State Bank of Pakistan, *Banking Statistics of Pakistan, 1962-63*, p. 30 (from 1960 to 1962).

TABLE
INDIVIDUALS' SAVING THROUGH

Forms of savings	Deposits/ withdrawals	1949	1950 ^a	1951 ^c	1952
(1)	(2)	(3)	(4)	(5)	(6)
		(.....)			
Savings banks	(1) Deposit	NA	130,164	154,560	167,075
	(2) Withdrawals	NA	119,160	129,540	155,248
	(3) Net deposit	NA	11,004	25,020	11,827
Defence Savings Bank ^e	(4) Withdrawals	NA	10	10	8
Cash Certificates ^e	(5) Discharges	NA	2,244	1,944	1,349
Defence Saving Certificates ^e	(6) Discharges	NA	b	b	478
National Saving Certificates ^e	(7) Discharges	NA	c	c	3,044
Pakistan Defence Saving Certificates ^f	(8) Issues	NA	2,052	4,272	3,682
Pakistan Savings Certificates ^g	(9) Discharges	NA	1,368	1,272	914
	(10) Net issues	NA	684	3,000	2,768
National Development Savings Certificates ^h	(11) Issues	NA	12,576	14,808	15,783
	(12) Discharges	NA	4,488	4,488	1,364
	(13) Net issues	NA	8,088	10,320	14,419
	(14) Issues	NA	—	—	—
	(15) Discharges	NA	—	—	—
	(16) Net issues	NA	—	—	—
Interest ⁱ	(17)	5,283	1,383	5,091	7,441
Saving [Rows 3—(4+5 18) +6+7) +10+13+16+17]		15,283 ^d	18,915	41,477	31,577

NA = Not available.

a) = Estimated on the basis of the transactions in the month of December in each year.

b) = Included in Pakistan Defence Savings Certificates.

c) = Included in Pakistan Savings Certificates.

d) = Rough estimate on the basis of the trend of transaction after 1950.

e) = Discontinued before 1950.

f) = Discontinued from 1956.

g) = Discontinued from 1959.

h) = Started in 1958.

i) = Converted to calendar year.

TABLE
INDIVIDUALS' SAVING THROUGH POSTAL

		1949	1950	1951	1952	1953	1954
		(.....in thousand rupees.....)					
Savings bank	1) Deposit				60,581	60,316	64,781
	2) Withdrawals				57,104	54,712	56,034
	3) Net deposit				3,447	5,604	8,747
Defence savings bank	4) Withdrawals				2	2	1
Cash certificate	5) Discharges				519	228	241
Defence Saving Certificates	6) Discharges				116	73	39
National Savings Certificates	7) Discharges				639	439	339
Pakistan Defence Saving Certificates	8) Issue				442	509	270
	9) Discharges				52	83	119
	10) Net Issue				390	426	151
Pakistan Savings Certificates	11) Issues				3,408	4,384	3,908
	12) Discharges				255	601	444
	13) Net issues				3,153	3,783	3,464
National Development Saving Certificates	14) Issues						
	15) Discharge						
Total (Rows 1-2-3-4-5-6-7 + 8 + 13 + 16)					5,714		
					5,744	9,071	11,742

Note : Figures on interest are not available.

A-II (E)

SAVING-SCHEMES IN EAST PAKISTAN

1955	1956	1957	1958	1959	1960	1961	1962
(.....in thousand rupees.....)							
76,061	103,096	105,456	112,588	105,726	119,596	133,086	131,344
66,034	84,792	93,646	107,139	106,116	116,574	127,311	132,518
10,027	18,304	11,810	5,449	390	3,022	5,775	1,174
—	—	—	15	16	—	1	—
264	115	118	83	147	99	71	45
27	11	6	14	13	3	4	3
357	345	541	1,091	1,219	812	722	159
47	—	—	—	—	—	—	—
208	248	207	319	353	174	49	13
—161	—248	—207	—319	—353	—174	—49	—13
5,671	8,183	10,370	2,891	—	—	—	—
617	1,332	1,179	2,734	3,663	4,381	2,105	2,594
5,054	6,851	9,191	157	—3,663	—4,381	—2,105	—2,594
			11,311	13,103	22,156	26,378	22,559
				2,243	3,189	4,032	4,867
			11,311	10,860	18,967	22,346	17,692
14,272	24,436	20,129	15,395	5,059	16,520	25,169	13,705

TABLE
INDIVIDUALS' SAVING THROUGH POSTAL

		1949	1950	1951	1952	1953	1954
(.....in thousand rupees.....)							
Savings bank	1) Deposit				106,494	108,594	119,843
	2) Withdrawals				98,144	96,875	106,373
	3) Net deposit				8,350	11,719	13,470
Defence savings bank	4) Withdrawals				7	4	3
Cash certificates	5) Discharges				830	442	435
Defence Savings Certificates	6) Discharges				362	456	166
National Savings Certificates	7) Discharges				2,405	1,926	1,751
Pakistan Defence Savings Certificates	8) Issues				3,240	3,254	3,544
	9) Discharges				862	1,011	1,433
	10) Net issues				2,378	2,243	2,111
Pakistan Savings Certificates	11) Issues				12,375	11,564	17,173
	12) Discharges				1,109	1,945	3,193
	13) Net issues				11,266	9,619	13,980
National Development Savings Certificates	14) Issues						
	15) Discharges						
	16) Net issue						
Total (Row 3-4-5-6-7 + 10 + 13 + 16)					18,390	20,753	27,206

Note: Figures on interest are not available.

A-II (W)

SAVING-SCHEMES IN WEST PAKISTAN

1955	1956	1957	1958	1959	1960	1961	1962
(.....in thousand rupees.....)							
144,081	171,383	192,727	203,166	188,177	216,175	209,176	226,146
115,910	139,930	162,472	187,955	176,824	217,671	217,042	217,637
28,171	31,453	30,255	15,211	11,353	-1,496	-7,866	85,009
4	1	1	36	18	—	91	12
333	217	230	149	119	69	50	50
58	20	41	20	27	7	3	7
1,708	2,661	3,813	3,370	2,166	3,780	4,326	451
1,774	—	—	—	—	—	—	—
2,120	2,129	2,331	2,223	2,102	2,167	686	171
-346	-2,129	-2,331	-2,223	-2,102	-2,167	-686	-171
21,954	26,662	30,155	9,469	—	—	—	—
3,413	4,597	5,522	11,316	10,501	13,906	10,086	12,630
18,541	22,065	24,633	1,847	-10,501	-13,906	-10,086	-12,630
			43,664	61,620	66,671	73,265	75,003
			—	11,921	15,337	18,523	18,756
			43,664	49,699	51,334	54,742	56,247
44,263	48,490	48,472	7,466	46,119	29,911	31,634	128,035

TABLE
PROVIDENT FUNDS OF GOVERNMENT

	1947/48	1948/49	1949/50	1950/51	1951/52	1952/53	1953/54	1954/55
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(.....in thousand rupees.....)								
I. Central Government Employees								
1) Total contributions	11,878	13,963	17,540	19,584	20,136	25,245	30,918	39,457
2) Interest	3,845	4,332	4,416	4,966	2,503	6,960	5,611*	4,997
3) Disbursements	8,843	7,085	10,376	17,152	17,252	16,653	20,950	23,911
4) Net balance	6,880	11,210	11,580	7,398	5,387	15,552	15,579	20,543
II. East Pakistan Government Employees								
1) Total contributions	1,705	3,130	3,384	3,764	4,235	4,947	5,542	6,486
2) Interest	532	813	682	777	812	828	823	831
3) Disbursements	389	3,506	3,093	3,044	2,420	4,718	3,573	3,609
4) Net balance	1,848	437	973	1,497	2,627	1,057	2,792	3,708
III. West Pakistan Government Employees								
1) Total contributions	4,670	4,412	4,454	4,568	4,885	5,696	5,340	7,144
2) Interest	824	1,136	721	907	914	925	1,055	1,029
3) Disbursements	5,814	4,836	3,524	3,192	3,403	3,472	4,149	4,248
4) Net balance	-320	712	1,651	2,283	2,396	3,149	2,246	3,925
IV. All Government Employees								
1) Total contributions	18,253	21,505	25,378	27,916	29,256	35,888	41,800	53,087
2) Interest	5,201	6,281	5,819	6,650	4,229	8,713	7,489	6,857
3) Disbursements	15,046	15,427	16,993	23,388	23,075	24,843	28,672	31,768
4) Net balance	8,408	12,359	14,204	11,178	10,410	19,758	20,617	28,176

a) Revised estimate relates to 15 months

A-III

EMPLOYEES IN PAKISTAN

1955/56	1956/57	1957/58	1958/59	1959/60	1960/61	1961/62	1962/63
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
(.....in thousand rupees.....)							
35,456	46,820	48,561	90,135	51,444	69,495	75,745	55,783
5,208 ^a	7,073	6,437 ^a	9,733 ^a	10,728 ^a	10,209 ^a	5,804 ^a	12,858
25,196	25,539	27,617	45,170	42,265	38,150	37,104	39,188
15,468	28,354	27,381	54,698	19,907	41,554	44,445	30,453
7,721	8,656	11,139	13,674	11,368	12,558	13,683	14,425
978	1,081	1,770	2,105	2,214	2,211	2,489	2,706
3,642	4,174	5,113	6,980	7,636	5,747	5,941	6,566
5,057	5,563	7,796	8,799	5,946	9,022	10,231	10,565
7,932	11,345	12,288	23,852	20,528	21,849	25,391	28,341
1,330	1,310	1,686	2,383	2,592	3,040	1,985	4,723
3,162	4,185	5,869	8,935	9,205	7,466	8,761	9,483
6,100	8,470	8,105	17,300	13,915	17,423	18,615	23,581
51,109	66,821	71,988	127,661	83,340	103,902	114,819	99,549
7,516	9,464	9,893	14,221	15,534	15,460	10,278	20,287
32,000	33,898	38,599	61,085	59,106	51,363	51,806	55,237
26,625	42,387	43,282	80,797	39,768	67,999	73,291	64,599

TABLE A-IV
INDIVIDUALS' SAVING IN THE FORM OF LIFE INSURANCE IN PAKISTAN

	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
(.....in thousand rupees.....)															
1) Life fund at the end of the year (insurance companies)	32,664	38,194	39,905	42,648	51,439	62,695	76,763	103,892	99,441	122,037	131,607	159,937	187,124	256,249	319,366 ^a
2) Life fund at the beginning of the year (insurance companies)	27,739	34,170	33,877	39,548	43,340	51,508	62,690	85,544	79,299	98,801	105,806	131,628	151,531	212,267	262,466 ^a
3) Net change in life fund (1-2)	4,925	4,024	6,028	3,100	8,099	11,187	14,073	18,348	20,142	23,236	25,802	28,309	35,593	43,982	56,900
4) Net change in postal life insurance funds	731	775	769	728	820	734	714	1,847	3,257	4,201	2,102	3,232	8,108	9,508 ^b	
5) Savings (3+4)	4,755	6,803	3,869	8,827	12,007	14,807	19,062	21,989	26,493	30,003	30,411	38,825	52,090	66,408	

Sources: 1) For companies: Government of Pakistan, *The Pakistan Insurance Yearbook* (1947 to 1962). (Karachi: Manager of Publications).

2) For postal life insurance: Postal Life Insurance Department, Government of Pakistan, Karachi.

a) Supplied by the Controller of Insurance, Government of Pakistan, Karachi.

b) Revised estimate, Budget of the Central Government of Pakistan for the year 1962/63.

c) Converted into calendar year.

TABLE A-V
A: LIFE FUND OF FOREIGN COMPANIES

Year	Life fund at the end of the year	Life fund at the beginning of the year	Change in life fund
(.....in thousand rupees.....)			
1948	10,665	9,928	737
1949	13,758	12,171 ^a	1,587
1950	16,418 ^c	14,062 ^b	2,356
1951	17,440	16,061 ^d	1,379
1952	21,696	18,132 ^e	3,564
1953	26,746	21,765 ^f	4,981
1954	34,125	26,737 ^g	7,388
1955	44,752	36,003 ^h	8,749
1956	56,147	44,311 ⁱ	11,836
1957	69,427	56,146	13,281
1958	67,490	53,195 ^k	14,295
1959	81,018	67,490	13,528
1960	98,148	81,018	17,130
1961	1,40,353	1,18,255 ^m	22,098
1962	1,67,632	1,40,352	27,280

- a) Change due to devaluation of Indian rupees and coverage of additional General Insurance.
- b) Change due to addition of British Insurance Co. with 30,400 life fund at beginning of the year.
- c) Adjustment made from Controller-of-Insurance data.
- d) Change due to change in valuation by General Assurance.
- e) Change due to addition of Bombay Life.
- f) Change due to revaluation of assets.
- g) Change due to revaluation of assets.
- h) Change due to revaluation of assets.
- i) Change due to disappearance of Jubilee.
- k) Change due to disappearance of Life Ins. Cos. of India records—understatement in years following is approximately 7-10 per cent.
- m) Explanations not available.

TABLE A-V

B: LIFE FUND OF PAK COMPANIES

Year	Life fund at the end of the year	Life fund at the beginning of the year	Change in life fund
	(.....in thousand rupees.....)		
1948	21,999 ^a	17,811	4,188
1949	24,436	21,999	2,437
1950	23,487	19,815 ^b	3,672
1951	25,208 ^d	23,987 ^c	1,721
1952	29,743	25,208	4,535
1953	35,949 ^f	29,743 ^e	6,206
1954	42,638	35,953 ^g	6,685
1955	59,140	49,541 ^h	9,599
1956	43,294	34,988 ^j	8,306
1957	52,610 ^m	42,655 ^k	9,955
1958	64,117	52,610	11,507
1959	78,919	64,138 ⁿ	14,781
1960	88,976	70,513 ^p	18,463
1961	1,15,896	94,012 ^r	21,884
1962	1,51,734	1,22,114 ^r	29,620

- a) Adjusted figure from Controller of Insurance.
b) Change due to devaluation of Indian rupee.
c) Adjusted to make Christian Mutual consistent.
d) Adjusted to make Christian Mutual and Indian Life consistent without the fiscal year (dividend paid by Indian Life for 1951 postponed to 1952 but charged to 1951, etc.).
e) Adjusted for Christian Mutual.
f) Adjusted for Christian Mutual.
g) Change in valuation of assets.
h) Change due to devaluation of Pak rupee and revaluation of assets of 2 companies.
j) From 1956 onward no reports from Indian Life Ins: Co.—results in slight (10 lakh) understatement of Δ life fund from 1956 onward.
k) Change due to revaluation by Eastern Federal.
m) Change due to dividend payable for preceding fiscal year by Ideal Life.
n) Change due to adjustment by Christian Mutual.
p) Change due to omission of Muslim Insurance Co.—results in understatement of approximately 10 lakh.
r) Explanations not available.

TABLE A-V
C: LIFE FUND OF PROVIDENT SOCIETIES

Year	Life fund at the end of the year	Life fund at the beginning of the year	Changes in life fund
	(.....in rupees.....)		
1950	48,800	50,500	-1,700
1951	47,000 ^b	48,800 ^a	-1,800
1952	45,100 ^d	47,000 ^c	-1,900
1953	51,400	45,100	6,300
1954	50,000	51,400	-1,400
1955	46,100	50,000	-3,900
1956	46,600	46,100	500
1957	46,900	46,600	300
1958	41,700	46,900	-5,200
1959	38,800	41,700	-2,900
1960	42,200	40,800 ^e	1,400
1961	41,000	42,100 ^f	-1,100
1962	36,100	37,600 ^f	-1,500

a) Figures for 1951 and 1952 are incomplete. Beginning-1951 balance taken as end-1950 balance. End-1952 balance taken as beginning-1953 balance. The difference between end-1950 and beginning-1953 was divided equally between 1951 and 1952.

b) See above.

c) See above.

d) See above.

e) One company not available for 1960.

f) Explanations not available.

TABLE A-VI
AMOUNT OF SHARES (PAID UP) OF JOINT-STOCK COMPANIES REGISTERED IN PAKISTAN

	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
	(.....in thousand rupees).....)															
Lahore	5,862	141	315	44	482	653	1,365	1,566	15,924	3,849	4,982	4,012	5,238	6,384	5,488	9,088
Rawalpindi	—	—	—	—	—	—	—	—	—	—	5,991	431	N/A	6,630	216	N/A
Multan	—	—	—	—	—	—	—	—	—	—	—	—	—	—	509	1,913
Punjab	234	50	1,849	686	510	120	N/A	200	N/A	N/A	N/A	N/A	300	240	994	238
Other	799	2,607	16,523	3,959	8,974	14,932	7,984	17,537	18,031	23,072	22,750	23,740	70,881	39,704	22,792	46,712
West Pakistan	6,715	2,798	18,687	4,689	9,966	15,705	9,349	19,303	33,955	26,921	33,723	28,183	76,419	52,958	29,999	57,950
East Pakistan	28,299	39,929	38,994	16,092	28,343	24,932	29,190	26,236	81,811	40,734	69,553	33,169	85,358	103,734	63,979	56,182
West Pakistan	27,946	11,061	3,683	1,305	3,009	6,400	N/A	N/A	1,639	1,474	1,605	1,591	1,944	6,035	4,189	16,972
East Pakistan	62,960	53,788	61,364	22,086	41,318	47,037	38,539	45,539	117,405	69,129	104,881	62,943	163,721	162,727	98,167	131,104

TABLE XVII

INDIVIDUALS' SAVING THROUGH COOPERATIVE SOCIETIES IN PAKISTAN

	1947/48	1948/49	1949/50	1950/51	1951/52	1952/53	1953/54	1954/55	1955/56	1956/57	1957/58	1958/59	1959/60	1960/61	1961/62
(.....in thousand rupees.....)															
1) Share capital	38,390	41,294	51,741	48,525	52,952	52,535	60,802	62,410	63,970	66,430	74,360	83,481	95,706	108,225	
2) Loans and deposits held	279,132	309,015	313,396	307,229	331,932	358,114	408,203	408,880	447,480	477,410	520,710	528,920	600,587	674,311	
3) Total (1+2)	317,522	350,309	365,137	355,754	384,884	410,649	469,005	471,290	511,450	543,840	595,070	612,401	696,293	782,536	
4) Δ (1+2)	—	32,787	14,828	-9,383	29,130	25,765	58,356	2,285	40,160	32,390	51,230	17,331	83,892	86,243	
5) Loans advanced to individuals	88,455	147,521	194,155	282,946	317,337	231,138	281,232	273,170	321,780	355,380	465,610	367,380	346,755	402,186	
6) Loans advanced to societies	207,522	464,418	360,644	431,589	671,430	464,838	488,839	514,170	496,290	541,600	491,570				
7) Loans repaid by individuals	84,252	136,891	177,704	255,802	297,395	223,303	277,130	273,590	323,190	344,560	449,040				
8) Loans repaid by societies	195,455	438,574	350,359	435,232	660,717	406,519	481,395	496,150	470,590	526,650	478,600				
9) Savings (4+7+8-5-6)	—	-3,687	-11,908	-32,884	-1,525	-40,389	46,810	-15,315	15,870	6,620	21,690				

Source : Central Statistical Office, Statistical Yearbook, 1962. (Karachi : Manager of Publications), p. 310.

TABLE A-VII (E)
INDIVIDUALS' SAVINGS THROUGH COOPERATIVE SOCIETIES IN EAST PAKISTAN

	1947/48	1948/49	1949/50	1950/51	1951/52	1952/53	1953/54	1954/55	1955/56	1956/57	1957/58	1958/59	1959/60	1960/61	1961/62
(.....in thousand rupees.....)															
1) Share capital	17,859	18,209	22,883	18,004	20,861	21,411	21,559	21,150	19,570	19,380	24,560	26,450	27,046	30,468	41,324
2) Loans and deposits held	56,508	56,938	66,014	56,025	60,997	78,984	90,401	98,250	74,060	69,550	71,040	64,027	110,567	133,548	181,356
3) Total (1+2)	74,367	75,147	88,897	74,029	81,858	100,395	111,960	119,400	93,630	88,930	95,600	90,477	137,613	164,016	222,680
4) Δ (1+2)	—	780	13,750	-14,868	7,829	18,537	11,565	7,440	-25,770	-4,700	6,670	-5,123	47,136	26,403	58,664
5) Loans advanced to individuals	6,233	4,751	8,640	13,002	19,193	12,265	7,260	12,490	6,540	10,410	9,070	22,520	36,146	52,469	44,853
6) Loans advanced to societies	13,850	18,549	10,896	6,512	7,142	23,527	5,894	55,540	39,300	34,760	17,970	28,094	56,216	119,870	74,006
7) Loans repaid by individuals	7,610	5,550	7,982	10,969	15,006	5,825	11,474	17,030	8,610	7,590	8,090	12,635	18,567	42,899	39,411
8) Loans repaid by societies	23,719	13,214	9,092	8,669	7,870	15,112	9,538	39,840	35,400	33,140	15,250	6,571	13,620	108,817	78,748
Savings (4-5-6+7+8)	—	-3,756	11,288	-14,744	4,370	3,682	19,423	-3,720	-27,600	-9,140	2,970	-36,531	-13,039	5,780	57,964

Source: Central Statistical Office, *Pakistan Statistical Yearbook, 1962*. (Karachi: Manager of Publications), p. 311.

TABLE A-VII (W)

INDIVIDUALS' SAVINGS THROUGH COOPERATIVE SOCIETIES IN WEST PAKISTAN

	1947/48	1948/49	1949/50	1950/51	1951/52	1952/53	1953/54	1954/55	1955/56	1956/57	1957/58	1958/59	1959/60	1960/61	1961/62
(.....in thousand rupees.....)															
1) Share capital	20,531	23,085	28,858	30,521	32,091	31,124	39,243	41,260	44,400	47,050	49,800	57,031	68,660	77,757	
2) Loans and deposits held	222,624	252,077	247,382	251,204	270,935	279,130	317,802	310,630	373,420	407,860	449,670	464,893	490,020	540,763	
3) Total (1+2)	243,155	275,162	276,246	281,725	303,026	310,254	357,054	351,890	417,820	454,910	499,470	521,924	558,680	618,520	
4) Δ (1+2)	—	32,007	1,084	5,479	21,301	7,228	46,800	-5,164	65,930	37,090	44,560	22,454	36,756	59,840	
5) Loans advanced to individuals	82,222	142,770	185,515	269,944	298,144	218,873	273,972	260,680	315,240	344,970	456,540	344,860	310,609	349,717	
6) Loans advanced to societies	193,672	445,869	349,748	425,077	664,288	441,311	482,946	458,630	456,990	506,840	473,600				
7) Loans repaid by individuals	76,642	131,341	169,722	244,833	282,389	217,478	265,565	256,560	314,580	336,970	440,950				
8) Loans repaid by societies	171,736	425,360	341,267	426,563	652,847	391,407	471,857	456,310	435,190	493,510	463,350				
Savings (4-5-6+7+8)	69	-23,190	-18,146	-5,895	-44,071	27,395	-11,604	43,470	15,760	18,720					

Source: Pakistan Statistical Yearbook, 1962, op. cit., p. 310.

TABLE
DISSAVING OF INDIVIDUALS

Sources of dissaving	1949	1950	1951	1952	1953
	1948/49	1949/50	1950/51	1951/52	1952/53
(.....in thousand rupees.....)					
(1) Loans from Government during the year	15,739	7,351	8,510	7,824	11,842
(2) Loans from Government repaid during the year	2,631	6,028	6,372	8,282	7,227
(3) Net loans (1—2)	13,108	1,323	2,138	—458	4,615
(4) Total outstanding loans of ADBP	—	—	—	—	80
(5) Δ Total outstanding loans of ADBP	—	—	—	—	80
(6) Dissaving (3+5)	13,108	1,323	2,138	—458	4,695
(7) Row (6) converted to calendar year	10,162	1,527	1,489	820	4,503
(8) Total outstanding loans from HBFC	—	—	—	—	256
(9) Total outstanding loans from PRRFC	—	—	—	13,782	13,706
(10) Total of Rows (8) and (9)	—	—	—	13,782	13,982
(11) Δ Row (10)	—	—	—	13,782	200
(12) Total dissaving [(7) + (11)]	10,162	1,527	1,489	14,602	4,703

Note: 1) Rows (1) to (6) refer to fiscal year, i.e. April to March from 1948/49 to 1957/58 and July to June from 1958/59 to 1962/63. (Figures for 1958/59 relate to April 1958 to June 1959).

2) Rows (7) to (12) relate to calendar year, i.e., January to December.

3) Total dissaving for 1961/62 is an estimate.

A-VIII

IN PAKISTAN: 1949—1962

1954	1955	1956	1957	1958	1959	1960	1961	1962
1953/54	1954/55	1955/56	1956/57	1957/58	1958/59	1959/60	1960/61	1961/62

(.....in thousand rupees.....)

10,278	9,457	6,617	19,524	15,769	46,908	33,998	35,092	NA
7,157	10,008	5,560	3,538	7,955	16,000	8,755	26,273	NA
3,121	—551	1,057	15,986	7,814	30,908	25,243	8,819	NA
887	2,309	3,674	6,256	12,645	24,732	60,492	97,436	148,126
807	1,422	1,365	2,582	6,389	12,087	35,760	36,944	50,690
3,928	871	2,422	18,568	14,203	42,995	61,003	45,763	NA
3,164	1,259	6,459	17,477	29,348	47,699	47,700	53,383	NA
4,665	18,863	29,174	41,005	51,795	59,296	69,022	82,878	107,231
12,931	12,627	13,225	13,329	11,254	13,122	—	—	—
17,596	31,490	42,399	54,334	63,049	72,418	69,022	82,878	107,231
3,614	13,894	10,909	11,935	8,715	9,369	9,720	13,856	24,353
6,778	15,153	17,368	29,412	38,063	57,068	57,420	67,139	70,000

Source: Rows (1) and (2): *Credit Enquiry Commission Report*, pp. 15-16, and Budgets of the Government of East/West Pakistan.

Row (4): Agricultural Development Bank of Pakistan, Karachi.

Rows (8) and (9): *Banking Statistics of Pakistan, 1962-63*. (Karachi: State Bank of Pakistan), pp. 186 & 187.

Appendix B

TABLE B-I
BALANCE OF PAYMENTS OF PAKISTAN

Year	State Bank	C.S.O.	C.S.O. (adjusted)
(1)	(2)	(3)	(4)
	(.....in million rupees.....)		
1955/56	+11	+459	+299
1956/57	-962	-727	-917
1957/58	-1,517	-628	-776
1958/59	-622	-253	-368
1959/60	-865	-618	-808
1960/61	-1,352	-1,389	-1,629
1961/62	-933	-1,266	-1,540

— Col. (2): State Bank *Bulletin*, September 1963, pp. 90-91.

Source: Col. (3): Central Statistical Office *Statistical Bulletin*, January 1964, p. 17.

Col. (4): Balance on invisible accounts of Column (2) added to Column (3).