



FEDERAL BUDGET

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BUDGET

IN

BRIEF

GOVERNMENT OF PAKISTAN
FINANCE DIVISION
ISLAMABAD

PREFACE

Budget in Brief is a synopsis of the federal budget for FY2023-24. It provides aggregated information on revenues, capital and external receipts and on the current and development expenditures of the Federal Government for the upcoming fiscal year. Details of this information are available in relevant budget documents like the Annual Budget Statement, Explanatory Memorandum on Federal Receipts, and the Demands for Grants and Appropriations. These books are available on Finance Division's website www.finance.gov.pk after presentation of the annual budget in the National Assembly.

This document contains a concise overview of key priorities and objectives of the Federal Government, the budgetary position for FY2023-24, and the budget estimates and revised estimates for FY2022-23. The part 'Budget at a Glance' offers a quick and simple overview of the federal budget, followed by fiscal deficit and its financing. Details are also available on divisible pool taxes and their province-wise shares, function-wise expenditures, grants and subsidies and the distribution of the Public Sector Development Program.

It is hoped that the document will be of use to those desiring a brief and clear understanding of FY2023-24 budget.

IMDAD ULLAH BOSAL
Secretary to the Government of Pakistan

Finance Division,
Islamabad, the 9th June, 2023

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PART - I

Key Priorities of the Federal Government for FY 2023-24

FY 2023-24 will be a year of economic stability and revival for Pakistan. The Government is pursuing policies to optimize resource generation, both tax and non-tax, for public welfare and development. PSDP is being increased to Rs. 950 billion to accelerate growth and generate employment opportunities in the country. Investments in agriculture, IT and industrial sectors will be key for sustainable and inclusive growth. Business friendly and facilitatory policies are being introduced for rejuvenating the private sector. Primary focus of the Government will remain on pro-poor measures, and substantial enhancement in allocation for BISP has been ensured to alleviate the distress of common man. Sufficient allocation has also been kept for provisioning of essential food items on subsidized rates at Utility Stores. Austerity measures introduced by the Government will continue to ensure fiscal discipline by curtailing non-essential expenditures.

The Budget Strategy for FY 2023-24

FY 2023-24 budget is embedded in the principles of sound fiscal and debt management. It gives a roadmap for economic revival and stability, and a strategic direction for revenue generation and spending priorities of the Government. FY2023-24 budget lays the foundation to address fiscal deficit and curtail inflationary pressures over short to medium-term. Fiscal consolidation, strengthening the country's external account and improve the balance of payments position are also key features of FY2023-24 budget strategy. Protecting the vulnerable segments of the society by expanding social safety nets and ensuring targeted subsidies is the cornerstone of this budget.

Main Objectives of FY 2023-24 Budget

1. Economic revival and stability, curbing inflationary pressures and moving towards sustainable and inclusive growth
2. Addressing fiscal and current account deficits, and improving the country's balance of payments position
3. Enhancing pro-poor spending, introducing targeted subsidies and provisioning of essential food items at subsidized rates
4. Ensuring optimal resource generation both tax and non-tax, taxpayers' facilitation and broadening of tax net
5. Introducing business facilitatory and friendly policies

PART - II

Table - 1
Budget 2023-24 at a Glance

Table-1 presents position of overall Resources and Expenditure for the FY 2023-24.

RESOURCES		EXPENDITURE	
Tax Revenue (FBR) - Federal Consolidated Fund	9,415	A. Current	13,344
Non-Tax Revenue	2,963	Interest Payments	7,303
a) Gross Revenue Receipts	12,378	Pension	801
b) Less Provincial Share	5,399	Defence Affairs & Services	1,804
I. Net Revenue Receipts (a-b)	6,979	Grants and Transfers to Provinces & Others	1,408
II. Non Bank Borrowing	1,906	Subsidies	1,064
III. Net External Receipts - Fed. Consolidated Fund	2,724	Running of Civil Govt.	714
IV. Bank Borrowing (T-Bills, PIBs, Sukuk) - Fed. Consolidated Fund	2,860	Provision for Emergency and others	250
V. Privatization Proceeds - Fed. Consolidated Fund	15	B. Development & Net Lending	1,140
Total (II + III + IV + V)	7,505	Federal PSDP	950
		Net Lending	190
<u>TOTAL RESOURCES (I to V)</u>	<u>14,484</u>	<u>TOTAL EXPENDITURE(A+B)</u>	<u>14,484</u>

(Rs. in Billion)

Table - 2
Fiscal Deficit & Financing of Budget 2023-24

Table-2 shows Fiscal Deficit and Financing for FY 2023-24.

Fiscal Deficit		Financing	
A) Federal Revenue (Net)	6,979	A) Net External Financing	2,724
B) Total Federal Expenditure (i+ii)	14,485	Multilateral & Bilateral Sources	1,586
i) Current Expenditure	13,344	Commercial & Euro Bond	1,138
ii) Development and Net Lending (a+b)	1,140	B) Net Domestic Financing	4,766
a) Federal PSDP	950	National Saving Schemes, GP Fund and Deposit & Reserves	7
b) Net Lending	190	Bank (Govt. Securities)	4,759
		C) Privatization Proceeds	15
C) Federal Deficit (A-B)	-7,505	Total Financing (A+B+C)	7,505

(Rs. in Billion)

Table - 3**BE & RE of FY 2022-23 and BE of FY 2023-24**

Table-3 presents important percentages of Budget & Revised Estimates of FY 2022-23 and Budget Estimates of FY 2023-24.

(Rs. in Billion)

	Budget 2022-23	Revised 2022-23	Budget 2023-24
Revenue Receipt (FBR)	7,470	7,200	9,415
Non Tax Revenue	1,935	1,618	2,963
Gross Revenue (FBR+NTR)	9,405	8,818	12,378
Less: Transfer to Provinces (-)	(4,373)	(4,129)	(5,399)
Net Revenue for Federal Government	5,032	4,689	6,979
Expenditure	9,579	11,090	14,485
Federal Budget Deficit	(4,547)	(6,400)	(7,505)
Provincial Surplus	750	459	600
Overall Fiscal Deficit	(3,797)	(5,941)	(6,905)
Overall Fiscal Deficit as %GDP	-4.9%	-7.0%	-6.53%
Primary Deficit	153	(421)	397
Primary Deficit as %GDP	0.2%	-0.5%	0.4%
Nominal GDP	78,197	84,658	105,817

PART - III

DETAILED BUDGET ESTIMATES

Budget Estimates 2022-23

Revised Estimates 2022-23

Budget Estimates 2023-24

TABLE - 4
REVENUE RECEIPTS

Table-4 presents the detail of Revenues collected by FBR as given in Table-1, Part-II.

(Rs in Million)			
Classification	Budget 2022-23	Revised 2022-23	Budget 2023-24
FBR TAXES (I + II)	7,470,000	7,200,000	9,415,000
I. Direct Taxes	3,039,000	2,851,000	4,255,000
- Income Tax	3,024,076	2,816,514	4,203,531
- Capital Value Tax	515	620	925
- Workers Welfare Fund	6,947	10,497	15,666
- Workers' Profit Participation Fund	7,462	23,369	34,878
II. Indirect Taxes	4,431,000	4,349,000	5,160,000
- Customs Duties	953,000	1,084,000	1,211,000
- Sales Tax	3,076,000	2,808,000	3,411,000
- Federal Excise	402,000	457,000	538,000

TABLE - 5
NON TAX REVENUE RECEIPTS

Table-5 shows the Non Tax Revenues details realized by the other government functionaries.

(Rs in Million)			
Classification	Budget 2022-23	Revised 2022-23	Budget 2023-24
A. LEVIES & FEES	35,151	22,457	29,433
- Mobile Handset Levy	10,000	8,000	10,000
- Fee collected by ICT Administration	25,098	14,404	19,380
- Airport Fee	53	53	53
B. INCOME FROM PROPERTY & ENTERPRISE	279,647	305,407	398,054
- Pakistan Telecom Authority (Surplus)	9,000	1,628	1,628
- PTA (4G Licences)	50,000	74,000	72,597
- Regulatory Authorities (Surplus/ Penalties)	695	438	7,203

Contd...

(Rs in Million)			
Classification	Budget 2022-23	Revised 2022-23	Budget 2023-24
- Mark up (Provinces)	39,652	39,652	77,201
- Mark up (PSEs & Others)	100,000	108,000	118,000
- Dividends	80,300	81,688	121,425
C. RECEIPTS FROM CIVIL ADMINISTRATION AND OTHER FUNCTIONS	354,045	403,802	1,168,492
- General Administration	13,621	2,605	7,613
- SBP Profit	300,000	371,186	1,113,000
- Defence	30,222	25,222	41,256
- Law and Order	3,850	1,453	2,016
- Community Services	3,847	2,160	2,629
- Social Services	2,504	1,177	1,977
D. MISCELLANEOUS RECEIPTS	1,266,053	886,491	1,367,185
- Economic Services	25,971	12,939	15,806
- Foreign Grants	25,000	25,000	25,000
- Petroleum Levy	855,000	542,000	869,000
- Natural Gas Development Surcharge	40,000	14,000	40,000
- Citizenship, Naturalization & Passport Fee	35,000	32,003	59,004
- Royalty on Crude Oil	46,000	54,000	50,000
- Royalty on Natural Gas	70,000	65,000	75,000
- Discount Retained on Local Crude Price	20,000	20,000	20,000
- Windfall Levy against Crude Oil	10,000	30,000	35,000
- Gas Infrastructure Development Cess (GIDC)	30,000	9,000	40,000
- Petroleum Levy on LPG	8,000	3,450	12,000
- Extraordinary Receipts (UNO)	45,020	33,323	58,322
- Extraordinary Receipts (Others)	31	1,095	2,647
- Others	56,031	44,682	65,405
Total (A +B+C+D)	1,934,897	1,618,157	2,963,164

Distribution of Resources Among Federation and Provinces

1. Pakistan is a Federal democracy. In order to maintain inter-governmental fiscal relationship, Article 160 of the Constitution provides for setting up of a National Finance Commission (NFC) with intervals not exceeding five years. The mandate of NFC is to make recommendations to the President for the distribution of resources between the Federal and Provincial Governments. The recommendations of the NFC are given legal cover through a President's Order No. 5 of 2010. The relevant provisions of President's Order No. 5 of 2010 as amended vide No. 6 of 2015 are as under:

(i) Distribution of Revenues.—(1) The divisible pool taxes in each year shall consist of the following taxes levied and collected by the Federal Government in that year, namely:—

- (a) taxes on income;
- (b) wealth tax;
- (c) capital value tax;
- (d) taxes on the sales and purchases of goods imported, exported, produced, manufactured or consumed;
- (e) export duties on cotton;
- (f) customs duties;
- (g) federal excise duties excluding the excise duty on gas charged at well-head; and
- (h) any other tax which may be levied by the Federal Government.

(2) One percent of the net proceeds of divisible pool taxes shall be assigned to Government of Khyber Pakhtunkhwa to meet the expenses on war on terror.

(3) After deducting the amounts as prescribed in clause (2), of the balance amount of the net proceeds of divisible pool taxes, fifty-six percent shall be assigned to provinces during the financial year 2010-11 and fifty-seven and half percent from the financial year 2011-12 onwards. The share of the Federal Government in the net proceeds of divisible pool shall be forty-four percent during the financial year 2010-11 and forty-two and half percent from the financial year 2011-12 onwards.

(ii) Allocation of shares to the Provincial Governments.—(1) The Province-wise ratios given in clause (2) are based on multiple indicators. The indicators and their respective weights as agreed upon are:—

(a)	Population	82.0%
(b)	Poverty or backwardness	10.3%
(c)	Revenue collection or generation	5.0%
(d)	Inverse population density	2.7%

(2) The sum assigned to the Provincial Governments under Article 3 shall be distributed amongst the Provinces on the basis of the percentage specified against each:—

(a)	Balochistan	9.09%
(b)	Khyber Pakhtunkhwa	14.62%
(c)	Sindh	24.55%
(d)	Punjab	51.74%
	Total:	100.00%

(3) The Federal Government shall guarantee that Balochistan province shall receive the projected sum of eighty-three billion rupees from the provincial share in the net proceeds of divisible pool taxes in the first year of the Award. Any shortfall in this amount shall be made up by the Federal Government from its own resources. This arrangement for Balochistan shall remain protected throughout the remaining four years of the Award based on annual budgetary projections.

(iii) Payment of net proceeds of royalty on crude oil.—Each of the provinces shall be paid in each financial year as a share in the net proceeds of the total royalties on crude oil an amount which bears to the total net proceeds the same proportion as the production of crude oil in the Province in that year bears to the total production of crude oil.

(iv) Payment of net proceeds of development surcharge on natural gas to the Provinces.—(1) Each of the Provinces shall be paid in each financial year as a share in the net proceeds to be worked out based on average rate per MMBTU of the respective province. The average rate per MMBTU shall be derived by notionally clubbing both the royalty on natural gas and development surcharge on Gas. Royalty on natural gas shall be distributed in accordance with clause (1) of Article 161 of the Constitution whereas the development surcharge on natural gas would be distributed by making adjustments based on this average rate.

(2) The development surcharge on natural gas for Balochistan with effect from 1st July 2002, shall be re-worked out hypothetically on the basis of the formula given in clause (1) and the amount, subject to maximum of ten billion rupees, shall be paid in five years in five equal installments by the Federal Government as grants to be charged on the Federal Consolidated Fund.

(v) Grants-in-Aid to the Provinces.—There shall be charged upon the Federal Consolidated Fund each year, as grants-in-aid of the revenues of the province of Sindh an amount equivalent to 0.66% of the provincial share in the net proceeds of divisible pool as a compensation for the losses on account of abolition of octroi and zilla tax.

(vi) **Sales tax on services.**—NFC recognizes that sales tax on services is a Provincial subject under the Constitution of the Islamic Republic of Pakistan, and may be collected by respective Provinces, if they so desired.

(vii) The President has constituted 10th NFC on 21st July, 2020 for consideration on distribution of resources afresh.

Detail of Provincial share of Federal Taxes for budget estimates and revised estimates of 2022-23 and budget estimates of 2023-24 are given below:-

TABLE - 6
DETAILS OF DIVISIBLE POOL TAXES
(TRANSFERS TO PROVINCES)

Classification	Budget 2022-23	Revised 2022-23	Budget 2023-24
(Rs in Million)			
A. DIVISIBLE POOL TAXES	4,247,648	4,005,150	5,266,443
- Income Tax	1,722,958	1,609,362	2,358,873
- Capital Value Tax	295	350	530
- Sales Tax (Excluding GST on Services)	1,761,391	1,535,829	1,920,805
- Federal Excise (Excluding Excise Duty on Natural Gas)	223,635	252,295	300,323
- Customs Duties (Excluding Export Dev. Surcharge)	539,368	607,314	685,911
B. STRAIGHT TRANSFERS	124,917	123,851	132,559
- Gas Development Surcharge	19,600	12,113	13,720
- Royalty on Natural Gas	61,118	59,574	62,552
- Royalty on Crude Oil	32,416	40,264	42,277
- Excise Duty on Natural Gas	11,784	11,900	14,009
TOTAL (A + B):	4,372,565	4,129,001	5,399,001
PROVINCE- WISE SHARE			
Punjab	2,167,735	2,042,100	2,663,892
Sindh	1,097,247	1,019,303	1,345,377
Khyber Pakhtunkhwa (Inclusive 1% War on Terror)	713,502	678,588	895,145
Balochistan	394,081	389,010	494,587
TOTAL PROVINCIAL SHARE:	4,372,565	4,129,001	5,399,001

TABLE - 7
CAPITAL RECEIPTS (NET)

Table-7 explains Capital Receipts (Net) and their sources. It comprises of Net Lending of PSEs, (Table-1) which is the difference between disbursement minus recovery of loans by PSEs (Others).

The second part shown at Sr. No.II of this table relates to the Non Bank Borrowing as indicated at Sr. No.II of Table-1 of Part-II.

Classification	(Rs in Million)		
	Budget 2022-23	Revised 2022-23	Budget 2023-24
TOTAL CAPITAL RECEIPTS (I + II)	2,375,060	3,419,560	2,531,119
I. <u>Recoveries of Loans & Advances</u>	253,576	322,656	632,200
- Provinces	243,576	312,656	621,700
- PSEs and Others	10,000	10,000	10,500
II. <u>CAPITAL RECEIPTS</u>	2,121,484	3,096,904	1,898,919
Public Debt Net (1 + 2)	2,121,484	3,096,904	1,898,919
1. Permanent Debt	1,970,266	1,547,139	1,699,309
- Pakistan Investment Bonds	747,860	280,717	244,802
- Ijara Sukuk Bonds	1,200,000	901,000	1,431,570
- Foreign Exchange Bearer Certificates (FEBCs)	(5)	(0.5)	(5)
- Foreign Currency Bearer Certificates (FCBCs)	(5)	(1)	(5)
- U.S. Dollar Bearer Certificates	(3)	(0.1)	(3)
- Special US Dollar Bonds	(50)	(40)	(50)
- Premium Prize Bonds (Regd.)	25,000	(1,000)	25,000
- Pakistan Banao Certificate (3 Years)	(2,150)	(2,294)	(694)
- Pakistan Banao Certificate (5 Years)	(308)	-	(651)
- Foreign Assets (Declaration and Repatriation) Act, 2018	(73)	(235)	(654)
- Denominated Domestic Loan	-	368,992	-
2. Floating Debt	151,218	1,549,765	199,610
- Prize Bonds	17,297	10,557	10,610
- Treasury Bills Auction	157,713	1,563,000	189,000
- Govt. Bai-Muajjal Ijara Sukuk	(23,792)	(23,792)	-
CAPITAL RECEIPTS (I + II):	2,375,060	3,419,560	2,531,119

TABLE - 8
PUBLIC ACCOUNT (NET)

Table-8 indicates the position of Public Account of Federation (Net):

(Rs in Million)			
Classification	Budget 2022-23	Revised 2022-23	Budget 2023-24
1 National Savings Schemes	(113,736)	(408,913)	(13,131)
2 G.P. Fund	(15,129)	(29,358)	(25,265)
3 Deposits and Reserves (Net)	3,669	48,893	45,606
TOTAL:	(125,196)	(389,378)	7,210

TABLE - 9
EXTERNAL RESOURCES

Table-9 indicates the details of Net External Receipts and shows details of inflow minus repayments.

(Rs in Million)			
Classification	Budget 2022-23	Revised 2022-23	Budget 2023-24
I. EXTERNAL LOANS (A to C)	5,293,535	4,290,901	6,541,063
A. Project Loans (Federal)	56,602	151,373	68,312
i <u>Federal Government</u>	<u>56,602</u>	<u>151,373</u>	<u>68,312</u>
- Ministries/Divisions	13,329	12,719	8,926
- Corporations/Autonomous Bodies	43,273	138,654	59,386
B. Programme Loans	1,243,141	876,314	788,171
C. Other Aid	3,993,792	3,263,215	5,684,580
- Islamic Development Bank	223,200	40,089	145,000
- Saudi Arabia (Oil Facility)	148,800	194,788	-
- Saudi Arabia (Import of Petrol)	-	99,600	174,000
- Saudi Arabia (Time Deposit)	558,000	747,000	870,000
- ECO Oil Facility	-	25,398	29,580
- New Deposit KSA	-	-	580,000
- New Deposit UAE	-	-	290,000
- Euro Bond/International Sukuk	372,000	-	435,000
- Commercial Banks	1,389,792	871,500	1,305,000
- SAFE China Deposit	744,000	996,000	1,160,000
- IMF Loan for Budgetary Support	558,000	288,840	696,000

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(Rs in Million)			
Classification	Budget 2022-23	Revised 2022-23	Budget 2023-24
II. GRANTS	3,398	4,667	3,689
- <u>Project Aid Grants</u>	<u>3,398</u>	<u>4,667</u>	<u>3,689</u>
• Federal Departments	3,398	223	1,544
• Autonomous Bodies	-	4,444	2,145
D. External Resources (I + II):	5,296,933	4,295,568	6,544,752
E. Project Loans & Grants Outside PSDP	249,404	361,064	624,384
Loans	12,907	71,553	41,946
Grants	498	12,740	13,941
Provinces (Loans)	209,935	248,905	524,169
Provinces (Grants)	26,065	27,865	44,329
TOTAL EXTERNAL RESOURCES (D+E):	5,546,338	4,656,633	7,169,136
Foreign Loans and Repayment (-)	3,792,401	2,988,301	4,398,068
Repayment of Short Term Credits (-)	142,772	330,625	46,690
EXTERNAL RESOURCES (Net):	1,611,165	1,337,707	2,724,378

TABLE - 10
CURRENT EXPENDITURE*

Table-10 contains Current Expenditure, already given at A in Table-1, in summarized form.

(Rs in Million)			
Classification	Budget 2022-23	Revised 2022-23	Budget 2023-24
(i) Mark-up Payment	3,950,062	5,520,456	7,302,524
- Mark-up on Domestic Debt	3,439,090	4,795,086	6,430,305
- Mark-up on Foreign Debt	510,972	725,370	872,219
(ii) Pension	609,000	609,000	801,000
- Military	395,000	446,378	563,000
- Civil	125,000	162,622	228,000
- Federal Pension Fund	10,000	-	10,000
- Increase in Pension	79,000	-	-
(iii) Defence Affairs and Services	1,563,000	1,586,884	1,804,000
- Defence Services	1,563,000	1,586,884	1,804,000

Contd...

(Rs in Million)			
Classification	Budget	Revised	Budget
	2022-23	2022-23	2023-24
(iv) Grants and Transfers	1,174,478	1,155,200	1,408,638
- Grants to Provinces	82,000	82,000	92,400
- Grants to Others	1,092,478	1,073,200	1,316,238
(v) Subsidies	664,000	1,103,077	1,064,275
(vi) Running of Civil Government	553,000	553,000	713,959
(vii) Provision for Emergency and others	195,000	-	250,000
CURRENT EXPENDITURE (i to vii)	8,708,540	10,527,616	13,344,395

*RE 2022-23 as of 25th May 2023

TABLE - 11
FUNCTION WISE CURRENT EXPENDITURE

Table-11 shows details of Current expenditure which is divided into Ten (10) functional items as per Charts of Accounts i.e. how much is utilized of the Government.

(Rs in Million)			
Classification	Budget	Revised	Budget
	2022-23	2022-23	2023-24
1) General Public Service	6,245,478	7,843,592	10,444,266
2) Defence Affairs and Services	1,566,698	1,591,183	1,809,467
3) Public Order and Safety Affairs	209,161	209,178	237,215
4) Economic Affairs	182,369	311,372	210,835
5) Environment Protection	749	660	1,226
6) Housing and Community Amenities	7,850	7,367	22,986
7) Health Affairs & Services	19,582	22,459	24,210
8) Recreation, Culture and Religion	15,424	13,528	16,782
9) Education Affairs and Services	90,556	91,777	97,098
10) Social Protection	370,103	436,501	480,309
TOTAL:	8,707,970	10,527,616	13,344,395

The detail of Expenditure under above Ten Functions (10 Tables) are as under:-

(1) GENERAL PUBLIC SERVICE

Classification	(Rs in Million)		
	Budget 2022-23	Revised 2022-23	Budget 2023-24
GENERAL PUBLIC SERVICE	6,245,478	7,843,592	10,444,266
Executive & Legislative Organs, Financial, Fiscal Affairs & External Affairs	5,227,252	6,874,899	9,225,234
- Superannuation Allowances & Pensions	609,000	609,000	801,000
- Servicing of Foreign Debt	510,972	725,370	872,219
- Servicing of Domestic Debt	3,439,090	4,795,086	6,430,305
- Others	668,190	745,443	1,121,711
Foreign Economic Aid	2,289	2,312	4,399
Transfers	953,616	868,701	1,133,905
General Services	15,528	31,306	23,328
Basic Research	7,643	7,478	8,784
Research and Development General Public Services	21,002	20,491	24,716
Administration of General Public Services	6,289	27,043	7,786
General Public Services not elsewhere defined	11,860	11,362	16,113

(2) DEFENCE AFFAIRS AND SERVICES

Classification	(Rs in Million)		
	Budget 2022-23	Revised 2022-23	Budget 2023-24
DEFENCE AFFAIRS AND SERVICES	1,566,698	1,591,183	1,809,467
- Defence Administration	3,698	4,300	5,467
- Defence Services	1,563,000	1,586,884	1,804,000
- Employees Related Expenses	607,494	610,984	705,054
- Operating Expenses	368,915	380,475	442,232
- Physical Assets	411,157	414,621	461,195
- Civil Works	175,434	180,803	195,520

(3) PUBLIC ORDER AND SAFETY AFFAIRS**(Rs in Million)**

Classification	Budget 2022-23	Revised 2022-23	Budget 2023-24
PUBLIC ORDER AND SAFETY AFFAIRS	209,161	209,178	237,015
- Law Courts	9,256	9,117	11,708
- Police and Civil Armed Forces	190,265	193,002	214,055
- Fire Protection	309	305	338
- Prison Administration and Operation	44	46	50
- R & D Public Order and Safety	56	60	60
- Administration of Public Order	9,231	6,649	11,004

(4) ECONOMIC AFFAIRS**(Rs in Million)**

Classification	Budget 2022-23	Revised 2022-23	Budget 2023-24
ECONOMIC AFFAIRS	182,369	311,372	210,835
- General Economic, Commercial and Labour Affairs	38,744	101,801	53,038
- Agriculture, Food, Irrigation, Forestry and Fishing	16,907	16,817	32,704
- Fuel and Energy	71,926	135,159	51,943
- Mining and Manufacturing	2,290	2,368	2,884
- Construction and Transport	30,241	30,782	40,513
- Communications	20,836	21,615	26,811
- Other Industries	224	1,652	1,741
- Research & Development Economic Affairs	1,201	1,176	1,200

(5) ENVIRONMENT PROTECTION

Classification	(Rs in Million)		
	Budget 2022-23	Revised 2022-23	Budget 2023-24
ENVIRONMENT PROTECTION	749	660	1,226
Pollution Abatement	-	-	200
Research & Development Environment	187	99	300
Administration of Environment Protection (Waste Water Management)	562	561	726

(6) HOUSING AND COMMUNITY AMENITIES

Classification	(Rs in Million)		
	Budget 2022-23	Revised 2022-23	Budget 2023-24
HOUSING AND COMMUNITY AMENITIES	7,850	7,367	22,986
Housing Development	969	564	1,001
Community Development	6,881	6,803	21,985

(7) HEALTH AFFAIRS AND SERVICES

Classification	(Rs in Million)		
	Budget 2022-23	Revised 2022-23	Budget 2023-24
HEALTH AFFAIRS AND SERVICES	19,582	22,459	24,210
- Medical Products, Appliances and Equipment	31	31	32
- Hospital Services	14,857	15,060	16,567
- Public Health Services	1,001	4,442	3,110
- Health Administration	3,692	2,926	4,501

(8) RECREATION, CULTURE AND RELIGION

Classification	(Rs in Million)		
	Budget 2022-23	Revised 2022-23	Budget 2023-24
RECREATION, CULTURE AND RELIGION	15,424	13,528	16,782
- Recreation and Sporting Services	1,434	-	200
- Cultural Services	1,215	1,166	1,433
- Broadcasting and Publishing	8,002	10,629	11,120
- Religious Affairs	1,210	1,201	1,780
- Administration of Information, Recreation & Culture	3,563	531	2,249

(9) EDUCATION AFFAIRS AND SERVICES

Classification	(Rs in Million)		
	Budget 2022-23	Revised 2022-23	Budget 2023-24
EDUCATION AFFAIRS AND SERVICES	90,556	91,777	97,098
- Pre-Primary & Primary Education Affairs Services	3,786	3,806	4,468
- Secondary Education Affairs & Services	8,863	8,907	10,778
- Tertiary Education Affairs and Services	74,609	75,341	76,589
- Education Services not definable by Level	140	105	180
- Subsidiary Services to Education	219	217	346
- Administration	2,010	2,430	3,698
- Education Affairs, Services not elsewhere classified	928	970	1,040

(10) SOCIAL PROTECTION

Classification	(Rs in Million)		
	Budget 2022-23	Revised 2022-23	Budget 2023-24
SOCIAL PROTECTION	370,103	436,501	480,309
- Administration	2,072	20,040	2,892
- Others	1,411	1,476	2,127
- Social Protection (not elsewhere class)	366,620	414,985	475,289

In addition to the above allocations under the Current Budget as per ten classification heads, the Federal Govts provides funds for various purposes.

In order to alleviate the impact of inflation on citizens, especially the poor segments of society, the Federal Government spends a fairly large sum on providing power and food subsidies.

TABLE - 12
SUBSIDIES

Table-12 shows detail of subsidies. A single figure is given in Table-1, Part-II.

Classification	(Rs in Million)		
	Budget 2022-23	Revised 2022-23	Budget 2023-24
<u>Subsidy to WAPDA/PEPCO:</u>	<u>455,000</u>	<u>677,000</u>	<u>579,075</u>
1 IPPs	180,000	180,000	310,075
2 TDS (FCA Spillover + Kissan Package + Flood Waiver)	-	48,000	-
3 WAPDA/PEPCO receivables - merged districts of KP (FATA Subsidy)	20,000	20,000	25,000
4 Inter-Disco Tariff Differential	225,000	225,000	150,000
5 Tariff Differential to AJK (Electricity Revenue Shortfall)	3,000	75,000	55,000
6 Deficit Grant for AJK against Electricity Revenue Shortfall	-	-	25,000

Contd...

(Rs in Million)			
Classification	Budget 2022-23	Revised 2022-23	Budget 2023-24
7 Industrial Support Package	7,000	7,000	-
Zero rated Industrial Subsidy	20,000	64,000	-
8 ATWS QESCO - Non Recovery from Consumers	-	58,000	-
9 FATA Subsidy Arrears	-	-	14,000
<u>Subsidy to KESC:</u>	<u>80,000</u>	<u>193,000</u>	<u>315,000</u>
10 KESC's Tariff Differential	60,000	173,000	171,000
11 TDS KE Arrear	-	-	127,000
12 Tariff Differential for Agriculture Tubewells in Balochistan	7,000	7,000	10,000
13 KESC for Industrial Support Package	13,000	13,000	7,000
<u>Subsidy to Petroleum:</u>	<u>71,000</u>	<u>102,000</u>	<u>50,600</u>
14 LNG sector for providing Gas on lower rates to industry	40,000	40,000	-
15 PSO, APL Liabilities and Others (Shorfall in Guaranteed through put to APL, PEPCO)	6,000	6,000	12,600
16 Domestic Consumers through SNGPL (RLNG)	25,000	25,000	29,000
17 Exchange Losses incurred by PSO on FE-25 Loan	-	30,000	-
18 PDC Claims (PM Package)	-	1,000	-
19 PDC on MOGAS (Petrol) Payable to OMC	-	-	9,000
<u>Others</u>		<u>27,000</u>	
20 Others	-	27,000	-
<u>PASSCO:</u>	<u>7,000</u>	<u>4,000</u>	<u>10,000</u>
21 PASSCO Wheat Operation	2,000	-	3,000
22 Wheat Reserved Stock	5,000	4,000	7,000
23 Wheat for Flood	-	-	-
<u>Utility Store Corporation</u>	<u>17,000</u>	<u>30,027</u>	<u>35,000</u>
24 Ramzan Package	5,000	5,000	5,000
25 USC (PM Package)	12,000	21,027	30,000
26 USC - Raashan Bags for Flood Areas	-	4,000	-

Contd...

(Rs in Million)			
Classification	Budget 2022-23	Revised 2022-23	Budget 2023-24
<u>Others:</u>	<u>34,000</u>	<u>26,050</u>	<u>43,000</u>
27 Wheat Subsidy to GB	8,000	4,000	9,500
28 Metro Bus Subsidy	4,000	1,000	2,000
29 Fertilizer Plants	15,000	15,000	25,000
30 Provision for Subsidy	-		
31 Subsidy to Naya Pakistan Housing Authority	500	50	500
32 Mark-up Subsidy Naya Pakistan	500		-
33 Subsidy on Import of Urea	6,000	6,000	6,000
<u>Additional for Flood:</u>	<u>0</u>	<u>44,000</u>	<u>31,600</u>
34 Mera Pakistan Mera Ghar Scheme (Mark-up Subsidy on Housing Finance Scheme)	-	10,000	12,200
35 Additional Fertilizer Subsidy	-	18,000	-
36 Govt. Markup Subsidies & Risk Sharing scheme (Kissan/Flood)	-	3,000	-
37 Markup Subsidy for Rabi Season (Kissan/Flood)	-	8,000	-
38 Markup Subsidy to Support Phasing out of SBPs refinancing facilities	-	-	5,700
39 Provision of Subsidy for interest free loans for Farmers in Flood Affected Areas (Kissan/Flood)	-	-	6,000
40 Mark-up Subsidy and Risk Sharing Scheme for Farm Mechanization	-	-	6,400
41 Intrest free loan to landless Farmers in Flood Affected Areas	-	-	1,300
42 Waiver of Markup on Outstanding Loans for Farmers in Flood Affected Areas (Kissan/Flood)	-	5,000	-
TOTAL SUBSIDIES:	664,000	1,103,077	1,064,275

TABLE - 13
GRANTS AND TRANSFERS

Table-13 gives details of Grants and Transfer to provinces and other entities as provided by the Federal Government. A single figure is given in Table-1, Part-II.

(Rs in Million)			
Classification	Budget 2022-23	Revised 2022-23	Budget 2023-24
I. GRANTS IN AID & MISCELLANEOUS ADJUSTMENTS	82,000	82,000	92,400
SPECIAL GRANTS	82,000	82,000	92,400
1 Sindh (OZT)	22,000	22,000	26,400
2 Khyber Pakhtunkhwa KP (Merged Districts)	60,000	60,000	66,000
II. GRANTS TO OTHERS	1,092,478	1,073,200	1,316,268
- Contingent Liabilities	291,000	235,000	236,000
- Miscellaneous Grants	100,000	100,000	120,000
- Pakistan Railways	45,000	45,000	55,000
- Provision for Relief etc.	7,000	7,000	8,400
- Competition Commission of Pakistan	100	100	100
- Reimbursement of TT Charges, Remittances and Other Initiatives	20,000	35,000	79,500
- Audit Oversight Board	100	100	50
- AJK Government	59,500	59,500	70,000
- Gilgit Baltistan Government	47,000	47,000	51,700
- Bait-ul-Maal	3,700	3,700	4,320
- Benazir Income Support Programme	360,000	408,000	466,000
- National Poverty Graduation Program (NPGP)	2,000	2,000	1,500
- ASPIRE W.B	2,000	6,000	1,500
- PSEB for IT Exports	1,000	-	1,000

Contd...

(Rs in Million)			
Classification	Budget 2022-23	Revised 2022-23	Budget 2023-24
- Elections	5,500	5,000	48,000
- Artist Welfare Fund M/o Culture	100	-	-
- Pakistan Machine Tools Factory	500	500	500
- HEC	65,000	65,000	65,000
- Security Enhancement	40,000	-	40,000
- FMU	400	400	600
- Supervisory Board (CDNS)	10	10	10
- Association for Welfare of Retired Pensioners	5	5	5
- TDRP	5,000	3,000	2,500
- Crops Loan Insurance Schemes	200	200	200
- Live Stock Insurance Schemes	200	200	200
- Public Financial Management & Accountability (MOF-P4R)	1,000	-	100
- Public Financial Management & Accountability (Provinces-P4R)	100	-	100
- PLIC	1,000	1,000	2,000
- Kamyab Pakistan Program	10,000	5,000	1,500
- PM Kamyab Jawan/ YES Program	-	-	3,661
- PM Youth Business Loan	-	-	477
- Widows Welfare	500	794	100
- GIDC for ISGS	2,000	1,000	3,000
- SAP System Up-gradation	50	-	100
- DCS Pension	200	200	200
- Credit Guarantee Scheme to SMEs	50	75	500
- Covid Tax Loan Guarantee Scheme	50	-	-
- Naya Pakistan Certificates & others	700	700	500
- Refinance and Credit Guarantee Scheme for Women Entrepreneurs	50	220	10
- NEECA	200	-	-
- Anti Rape Fund (Investigation & Trial)	100	-	-
- 7th Population and Housing Census	5,000	5,000	-
- Pakistan Population Fund (Health)	1,048	-	-

Contd...

Classification	(Rs in Million)		
	Budget 2022-23	Revised 2022-23	Budget 2023-24
- National Disaster Risk Management Fund	1,000	1,000	1,000
- Agriculture Productivity Initiatives	10,000	0	1,000
- Concessional Credit for Small Farmers	-	-	8,000
- Artist Assistance Fund	1,000	-	-
- Working Journalists Health Insurance (Health Card)	-	-	1,000
- Artist Health Insurance (Health Card)	-	-	1,000
- Film Finance Fund	1,000	-	1,000
- National Film Production Institute	1,000	-	-
- Publicity and Advertising	1,000	-	-
- Others	110	5,491	-
- Payment of Markup for the Short Term Finance	-	6,000	-
- NDMA Flood	-	18,000	-
- PM Youth Business & Agriculture Loan Scheme	-	-	9,000
- CAPEX obligation of GOB for Reko Diq Project	-	-	5,000
- GHPL Loan Facility	-	-	12,000
- EPI	-	-	2,500
- Other / Miscellaneous	-	-	5,000
- Provision for Arbitration/ Court Cases & Others	-	-	2,000
- IT Initiatives & Schemes	-	-	1,000
- National Heritage Endowment Fund	-	-	100
- Provision for Green Initiatives	-	-	200
- Provision for Gender Initiatives	-	-	200
- Pakistan Foundation Fighting Blindness	-	-	10
- Re-Finance Risk Sharing Loan Scheme	-	-	100
- Additional Health Covid Vaccine	-	6,000	-

Contd...

Classification	(Rs in Million)		
	Budget 2022-23	Revised 2022-23	Budget 2023-24
- Sportspersons Welfare Fund & Other	-	-	200
- Student Loan & Aid Initiatives / Schemes	-	-	100
- Welfare of Minorities Initiatives / Schemes	-	-	100
- Provision for Social Welfare Initiatives & Others	-	-	200
- Nazriya Pakistan Council Trust Islamabad	5	5	5
- Agriculture Policy Institute	-	-	500
- Grant to Hassan Abdal Cadet College	-	-	70
- Climate Change Conferences & Forums	-	-	20
TOTAL GRANTS (I+II):	1,174,478	1,155,200	1,408,638

TABLE - 14

CURRENT LOANS & ADVANCES

Table-14 shows Current Loans & Advances as provided by Federal Government to Govts. of AJK, GB and various institutions as well as Govt. Servants to enable them to meet their financial requirements. The details are as under:

Classification	(Rs in Million)		
	Budget 2022-23	Revised 2022-23	Budget 2023-24
1 Ways & Means Advances to the Govt. of AJK for repayment of principal & interest	15,000	14,928	16,335
2 Junagadh and Kathiawar Chiefs	20	21	22
3 Loans and Advances to Governments Servants	10,000	9,618	20,000
4 Loans/Advances to Friendly Countries	500	500	332
5 Gilgit-Baltistan for Repayment of Principal and Interest	5	78	165

Contd...

(Rs in Million)

Classification	Budget 2022-23	Revised 2022-23	Budget 2023-24
6 Loan to State Engineering Corporation	10	10	31
7 Current Loans to PIA	15,000	15,000	-
8 Loans to Pakistan Steel Mills Karachi	10,000	9,885	10,000
9 Ways and Means to Provinces	10,000	10,000	21,015
10 Markup Payment of Pakistan Steel Mill Loan No.2	200	315	469
11 Other Minor Departments	0	380	0
TOTAL:	60,735	60,734	68,369

TABLE - 15
CURRENT INVESTMENTS

Table-15 shows detail of Current Investments through equity. The Federal Government invests funds in various Companies, Banks etc, to earn Dividends which results an increase in Government's Revenues:

(Rs in Million)

Classification	Budget 2022-23	Revised 2022-23	Budget 2023-24
1 GoP Contribution in Equity of Pak China Investment Co. Ltd. Islamabad	10	10	100
2 Paid up Capital for the proposed Exim Bank of Pakistan	4,000	4,000	3,000
3 Pakistan Mortgage Refinance Company Ltd. PMRCL	1,000	1,000	9,940
4 Pakistan's Annual Contribution to Inter Governmental Group IF 24 (G-24)	6	6	12
5 Loan to GENCO IV	350	167	180
6 PHL Loan as Equity	35,000	35,000	82,000
TOTAL:	40,366	40,183	95,232

TABLE - 16
DEVELOPMENT LOANS AND ADVANCES

Table-16 shows Development and External Development Loans & Advances as made by Federal Government to Provinces, AJK & GB, PSEs, Financial / Non-Financial Institutions, District Governments / TMAs and others to assist them in carrying out their Development Programmes.

Development Loan and Advances are part of project aid disbursed by foreign donors and are used to Finance PSDP. The loans are re-lent by the Federal Government to Provincial Governments and PSEs.

Classification	(Rs in Million)		
	Budget 2022-23	Revised 2022-23	Budget 2023-24
1 Development Loans and Advances	104,103	95,551	157,314
2 External Development Loans and Advances	346,594	430,755	700,523
TOTAL:	450,697	526,306	857,836

Public Sector Development Programme (PSDP)

The Public Sector Development Programme (PSDP) is the main instrument for improving the socio-economic conditions in the country and achieving the macroeconomic & development objectives and targets set by the government, which yield maximum benefits for the society in the shortest possible time.

TABLE - 17
PSDP 2023-24

Table-17 shows the details of PSDP size for FY 2023-24 in respect of Ministries / Divisions / Departments / Corporations and for Special Packages / Relief, explaining the figures of PSDP given in Table-1, Part-1.

Classification	(Rs in Million)		
	Budget 2022-23	Revised 2022-23	Budget 2023-24
I. Federal Ministries/Divisions	564,964	562,196	652,950
1 Aviation Division	2,485	3,324	5,450
2 Board of Investment	808	119	1,115
3 Cabinet Division	70,059	111,059	90,120

Contd...

(Rs in Million)

Classification	Budget 2022-23	Revised 2022-23	Budget 2023-24
4 Climate Change Division	9,600	4,073	4,050
5 Commerce Division	1,174	551	1,100
6 Communications Division (other than NHA)	180	180	360
7 Defence Division	2,232	2,232	3,400
8 Defence Production Division	2,200	2,200	2,000
9 Establishment Division	900	503	840
10 Federal Education & Professional Training Division	7,240	6,470	8,500
11 Finance Division	1,660	9,019	3,220
12 Higher Education Commission	44,179	44,719	59,700
13 Housing & Works Division	13,985	21,195	40,480
14 Human Rights Division	185	185	814
15 Industries and Production Division	2,850	2,094	3,000
16 Information & Broadcasting Division	2,100	1,966	2,000
17 Information Tech. & Telecom Division	6,331	6,331	6,000
18 Inter Provincial Coordination Division	3,472	2,727	1,900
19 Interior Division	9,093	8,093	10,000
20 Law and Justice Division	1,814	1,178	1,400
21 Maritime Affairs Division	3,465	2,643	3,300
22 Narcotics Control Division	208	114	150
23 National Food Security & Research Division	10,129	13,129	8,850
24 National Health Services, Regulations & Coordination Division	12,651	12,651	13,100
25 National Heritage & Culture Division	550	97	540
26 Pakistan Atomic Energy Commission	25,991	25,991	26,100
27 Pakistan Nuclear Regulatory Authority	290	290	150
28 Petroleum Division	1,481	1,312	1,500
29 Planning, Development & Spl. Initiatives Division	42,177	5,516	25,047

Contd...

(Rs in Million)			
Classification	Budget 2022-23	Revised 2022-23	Budget 2023-24
30 Poverty Alleviation and Social Safety Division	500	500	500
31 Railways Division	32,648	26,097	33,000
32 Religious Affairs & Interfaith Harmony	600	600	800
33 Revenue Division	3,189	3,189	3,200
34 Science & Technology Research Division	5,716	5,018	8,000
35 State & Frontier Regions Division	-	82	964
36 SUPARCO	7,395	7,395	6,900
37 Water Resources Division	99,572	97,559	107,500
38 Special Areas (AJK & GB)	52,645	55,401	60,900
39 Provincial Projects	33,011	23,194	50,000
40 Merged Districts of Khyber Pakhtunkhwa	50,200	53,200	57,000
II. Corporations	<u>161,537</u>	<u>151,482</u>	<u>212,050</u>
1 National Highway Authority (NHA)	118,403	101,353	157,500
2 NTDC / PEPCO	43,133	50,128	54,550
III. ERRA	500	500	-
IV. Project Liabilities	-	-	5,000
V. Prime Minister's Initiatives	-	-	80,000
A. TOTAL (Federal PSDP)	<u>727,000</u>	<u>714,177</u>	<u>950,000</u>
VI. VGF for PPP Projects	-	73,000	200,000
B. TOTAL (FEDERAL PSDP + VGF)	<u>727,000</u>	<u>787,177</u>	<u>1,150,000</u>
C. PROVINCES	1,431,786	1,598,000	1,559,000
TOTAL NATIONAL PSDP (B + C):	2,158,786	2,385,177	2,709,000

*RE 2022-23 is based on PSDP approved by National Economic Council