

Annual Debt Review & Public Debt Bulletin

FY 2021-22



Debt Management Office
Ministry of Finance

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1.0 INTRODUCTION

1.1 In accordance with Section 13, Clauses (i) and (r) of Fiscal Responsibility and Debt Limitation Act (Amended 2022), Ministry of Finance prepares and publishes Public Debt Bulletin and Annual Debt Review containing analysis of the debt management operations during the last completed fiscal year and assessment of the progress against the medium-term debt management strategy in-line with the long-term priorities of the Federal Government. The dissemination of this document serves government's commitment to transparency, accountability and access to information by the general public.

2.0 OVERVIEW OF TOTAL PUBLIC DEBT

2.1 Fiscal Responsibility and Debt Limitation (FRDL) Act 2005 defines "Total Public Debt" as debt owed by government (including Federal Government and Provincial Governments) serviced out of consolidated fund and debts owed to the International Monetary Fund. The following table depicts composition of Pakistan's total public debt portfolio:

Table-1: Pakistan's Total Public Debt Summary

	Jun-20	Jun-21	Jun-22
(PKR in billion)			
Domestic Debt	23,283	26,265	31,036
External Debt	13,116	13,601	18,156
Total Public Debt	36,399	39,866	49,192
Total Debt of the Government*	33,235	35,669	44,331
GDP	47,540	55,796	66,950
(In Percent of GDP)			
Domestic Debt	49.0	47.1	46.4
External Debt	27.6	24.4	27.1
Total Public Debt	76.6	71.5	73.5
Total Debt of the Government*	69.9	63.9	66.2
(In Percent of Total Public Debt)			
Domestic Debt	64.0	65.9	63.1
External Debt	36.0	34.1	36.9
(US\$ in billion)			
Domestic Debt	138.4	167.0	151.9
External Debt	78.0	86.5	88.8
Total Public Debt	216.4	253.4	240.7
Exchange Rate (PKR/US\$, End of Period)	168.2	157.3	204.4

* As per Fiscal Responsibility and Debt Limitation Act, 2005 (Amended 2022), "Total Debt of the Government" means the debt of the government (including the Federal Government and the Provincial Governments) serviced out of the consolidated fund and debts owed to the IMF less accumulated deposits of the Federal and Provincial Governments with the banking system.

Source: State Bank of Pakistan, Ministry of Economic Affairs and Debt Management Office, Ministry of Finance

3.0 REASONS FOR INCREASE IN TOTAL PUBLIC DEBT

- 3.1 Economic flows that result in a change in total public debt stock over a period (e.g., a fiscal year) are broadly classified in two categories i.e., (i) transactions; and (ii) other economic flows.
- 3.2 Major reasons of change in total public debt include; (i) fiscal deficit (which can be further bifurcated into two analytically useful components i.e., primary deficit and interest expense); (ii) increase or decrease in the amount of cash balance maintained with the central bank; and (iii) movements in exchange rate.
- 3.3 Changes in total public debt stock arising out of borrowings to meet the fiscal deficit, or to alter the cash balance constitute economic flows arising out of transactions; whereas changes in total public debt stock arising out of movements in exchange rate constitute other economic flows.

Table-2: Reasons for increase in Total Public Debt

(PKR in billion)

	Jun-21	Jun-22	Change
Total Public Debt	39,866	49,192	9,326
of which:			
(I) Effect of Transactions			
Federal Primary Deficit / (Surplus)			2,428
Interest Expense			3,182
Cash Balance Increase / (Decrease)			(49)
(II) Effect of Other Economic Flows			
Exchange Rate Impact / Other			3,764

Source: Budget Wing and Debt Management Office, Ministry of Finance

4.0 PROGRESS ON MEDIUM-TERM DEBT MANAGEMENT STRATEGY (2019/20 - 2022/23)

Table-3: Indicative Benchmarks and Targets for Key Risk Indicators

Risk Exposure	Indicators	Indicative Benchmarks	(2019-20)		(2020-21)		(2021-22)	
			Target	Actual	Target	Actual	Target	Actual
Currency Risk	Share of External Debt in Total Public Debt	40% (Maximum)	-	36	-	34	-	37
	ATM of Domestic Debt (Years)	3.5 (Minimum)	4.0	4.1	4.0	3.6	4.0	3.6
Refinancing Risk	ATM of External Debt (Years)	6.5 (Minimum)	7.0	7.0	7.0	6.8	7.0	6.2
	GFN (% of GDP)	35% (Maximum)	32	31	30	28	27	26
Concentration Risk	Share of Shariah Compliant Debt in Govt Securities (%)	-	2.0	2.0	5.0	3.9	7.5	8.6
Interest Rate Risk	Share of Fixed Rate Debt in Govt Securities (%)	25% (Minimum)	30	34	30	30	30	26

ATM: Average Time to Maturity; GFN: Gross Financing Needs; External Debt refers to External Public Debt

Source: Debt Management Office, Ministry of Finance

4.1 As evident from the table above, the government has been able to meet most of the strategic benchmarks and targets during last three years as envisaged in Medium Term Debt Management Strategy (2019/20 – 2022/23). However, a few annual targets set for 2021-22 with respect to debt risk indicators have not been met. The performance of various indicators along with underlying reasons and future strategy to meet the benchmarks are discussed below.

Share of External Debt in Total Public Debt

4.2 High levels of external debt can pose severe challenges in times of high current account deficit, low foreign exchange reserves, and fragile exchange rate. Large external payments in the wake of low foreign exchange reserves can pose liquidity problems and even destabilize the exchange rate which in turn can increase the burden of external loans measured in local currency. Containing the exposure to external debt is important to manage the exchange rate risk.

4.3 Ministry of Finance (MoF) has set a benchmark (maximum limit) of 40 percent for the share of external debt in total public debt. MoF aims to restrict the share of external debt within this limit.

4.4 Share of external debt in total public debt increased from 34 percent in 2020-21 to 37 percent in 2021-22 but remained below the benchmark (maximum limit) of 40 percent. The increase was attributable mainly to exchange rate depreciation rather than excessive external borrowings.

4.5 Going forward, the MoF will advise the government to lower the share of external debt by taking measures to contain the current account deficit and by relying more on domestic borrowings to meet the fiscal deficit.

Average Time to Maturity (ATM) and Gross Financing Needs (GFN)

4.6 A growing economy running a fiscal deficit needs to refinance its maturing debt and also raise additional debt to meet the fiscal deficit. High levels of short-term debt can pose severe refinancing challenges during times of slower economic growth, higher fiscal deficits, and/or lower investor confidence. Achieving and maintaining a longer ATM of domestic as well as external debt and lowering the GFN in a single fiscal year are important to manage the refinancing risk.

4.7 MoF has set a benchmark (minimum limit) of 3.5 years for ATM of domestic debt and 6.5 years for ATM of external debt. The targets for 2021-22 was 4 years for ATM of domestic debt and 7 years for ATM of external debt. The reason behind setting lower benchmark and target for ATM of domestic debt is that an external market for long-term loans exists –

various multilateral financial institutions provide loans ranging from 20 to 40 years to developing countries at concessional rates – whereas, a domestic market for similar loans does not exist. Until the domestic market grows and deepens to a level where loans for very long tenors are available, it is only reasonable and realistic to set relatively lower targets for ATM of domestic debt. MoF has also set steadily declining targets of 30 percent, 27 percent, and 25 percent for 2020-21, 2021-22, and 2022-23 respectively for GFN/GDP Ratio. As a rule, developing countries GFN/GDP Ratio should remain below 15 percent in order to effectively manage the liquidity risks.

- 4.8 Average Time to Maturity (ATM) of Domestic Debt remained the same as last year at 3.6 years but below the target of 4 years.
- 4.9 During 2021-22, most of the domestic borrowings was raised through medium-term government securities including 2-, 3-, and 5-year bonds and sukus. This is a positive development as the reliance on short-term securities lessened despite high borrowing needs in the wake of a large fiscal deficit. The market for medium-term government securities has grown considerably in recent years as higher demand (from investors) tends to match the higher supply (from government) of such instruments.
- 4.10 In order to meet the targeted ATM of 4 years, the MoF needs to raise a larger proportion of domestic borrowings through long-term securities with maturities of 10 years or longer. In order to raise larger amounts of domestic borrowings at competitive rates, the government needs to take the necessary steps to give confidence to the investors and thus increase the market demand for long-term government securities. It must demonstrate greater fiscal discipline and better management of macroeconomic variables such as external balance of payments, foreign exchange reserves, exchange rate, inflation and interest rates.
- 4.11 Going forward, the government is committed to follow stronger fiscal discipline, lower its fiscal deficit and consequently its borrowing needs, and raise most of the domestic borrowings through longer maturity instruments. These measures will help to increase the ATM of domestic debt to 4 years or higher.
- 4.12 Average Time to Maturity (ATM) of external debt declined sharply from 6.8 years in 2020-21 to 6.2 years in 2021-22 and stood below the target of 7 years and also below the benchmark of 6.5 years.
- 4.13 Decline in ATM of the external debt needs to be carefully analyzed and addressed. In recent years, the government has borrowed significant amounts by raising debt from commercial sources including medium to long-term Eurobonds, and short-term bank loans. Eurobonds mostly consist of 5- and 10-year tenors whereas bank loans typically have maturities of 1-

year. Most of the bilateral loans obtained in recent years also had relatively shorter maturities. A combination of the above factors has resulted in lower ATM of the external debt.

- 4.14 Going forward, for reasons of diversification and continued presence in international capital markets, the government intends to maintain a reasonable proportion of commercial debt (20-30 percent) within the overall external debt. However, the government shall also make efforts to increase the ATM of external debt to 7 years or higher by increasing the proportion of longer-maturity external borrowings including bank loans, Eurobonds, and loans from bilateral or multilateral sources.
- 4.15 GFN/GDP ratio lowered further during 2021-22 and stood at 26 percent for the year, thus exceeding the target of 27 percent. It may appear surprising that this occurred despite a worsening of ATM of domestic as well as external debt. Normally a lower GFN/GDP ratio is correlated with a higher ATM. A lower GFN/GDP ratio in 2021-22 is attributable partly to an upward revision in GDP as a result of rebasing of GDP figures and partly to the consistent and successful efforts made by MoF to contain the borrowing through short-term T-bills which are the single largest contributor to the GFN/GDP ratio.

Share of Fixed-Rate Debt in Government Securities

- 4.16 Fixed-rate debt protects the borrower from unexpected increases in borrowing rates in wake of adverse economic developments. Achieving and maintaining a high share of fixed-rate debt within the domestic as well as external debt is important to manage the interest rate risk.
- 4.17 MoF has set a benchmark (minimum limit) of 25 percent for the share of fixed-rate debt within the domestic government securities. No such benchmark or target has been set for external debt because the share of fixed-rate debt with external debt is already quite high (around 70 percent). The reason behind setting lower benchmark and target for fixed-rate debt within domestic government securities is that the demand for fixed-rate debt among the domestic investors is lower. Domestic financial markets are dominated by commercial banks which have a strong preference for floating-rate debt because their liabilities are mostly of a floating-rate type. Also, the lack of price stability in the past has led to a lowering of investor demand for long-term fixed-rate government securities in general. Until the market share of investors (such as insurance companies and pension funds) with a clear preference for long-term fixed-rate instruments increases significantly, and the

government's performance in the area of price stability improves substantially, it is appropriate to set realistic targets for this indicator.

- 4.18 Although, MoF, in recent years, has consistently raised significant amounts through long-term fixed-rate securities, their proportion in total government securities has remained around 30 percent. Due to high borrowing needs, and high & rising domestic interest rate environment during second half of 2021-22, larger amounts were raised by issuing floating-rate debt rather than fixed-rate debt. As a result, share of fixed rate debt in government Securities fell below the target set for 2021-22.
- 4.19 Going forward, the MoF will consider its strategic benchmarks and targets as well as the economic developments and outlook while setting the monthly targets and issuing long-term fixed-rate domestic government securities through public auctions. MoF will also work closely with State Bank of Pakistan and Securities and Exchange Commission to take the steps necessary to increase competition in the financial markets and increase the size and market share of other participants such as insurance companies and pension funds. The MoF will also advise and assist the government in lowering of fiscal deficit and adoption of policies that lead to price stability and lowering of long-term inflation expectations. These steps will increase the efficiency of financial markets in allocation of resources, generate higher demand for long-term fixed-rate government securities, and enable the government to set and achieve higher targets for fixed-rate government securities.

Share of Shariah-Compliant Debt in Government Securities

- 4.20 Diversification of lenders and borrowing instruments protects the borrower from over-reliance on any one category of lenders or borrowing instruments. Such over-reliance which may exacerbate liquidity problems and worsen the borrowing costs in difficult times. Increasing the share of shariah-compliant government securities is an important part of the diversification strategy. Due to the high growth and rising market share of shariah-compliant financial institutions in the country, the rationale for this strategy is even stronger.
- 4.21 Ministry of Finance (MoF) has set increasing targets of 5 percent, 7.5 percent, and 10 percent in 2020-21, 2021-22, and 2022-23 respectively for the share of shariah-compliant debt within the domestic government securities.
- 4.22 Domestic Sukuk issuance remained robust and the government was able to exceed the target set for 2021-22. The strategy worked well as the government not only exceeded the target for increasing the share of shariah-compliant securities, but was also able to consistently borrow at lower rates through these securities.

Table-4: Currency Composition of Total Public Debt (In Percent of Total Public Debt)

Currencies	Jun-20	Jun-21	Jun-22
Pak Rupee	64	66	63
US Dollar	19	18	21
Special Drawing Right (SDR)	13	11	11
Japanese Yen	3	2	2
Others	1	3	3
Total	100	100	100

Source: Debt Management Office, Ministry of Finance

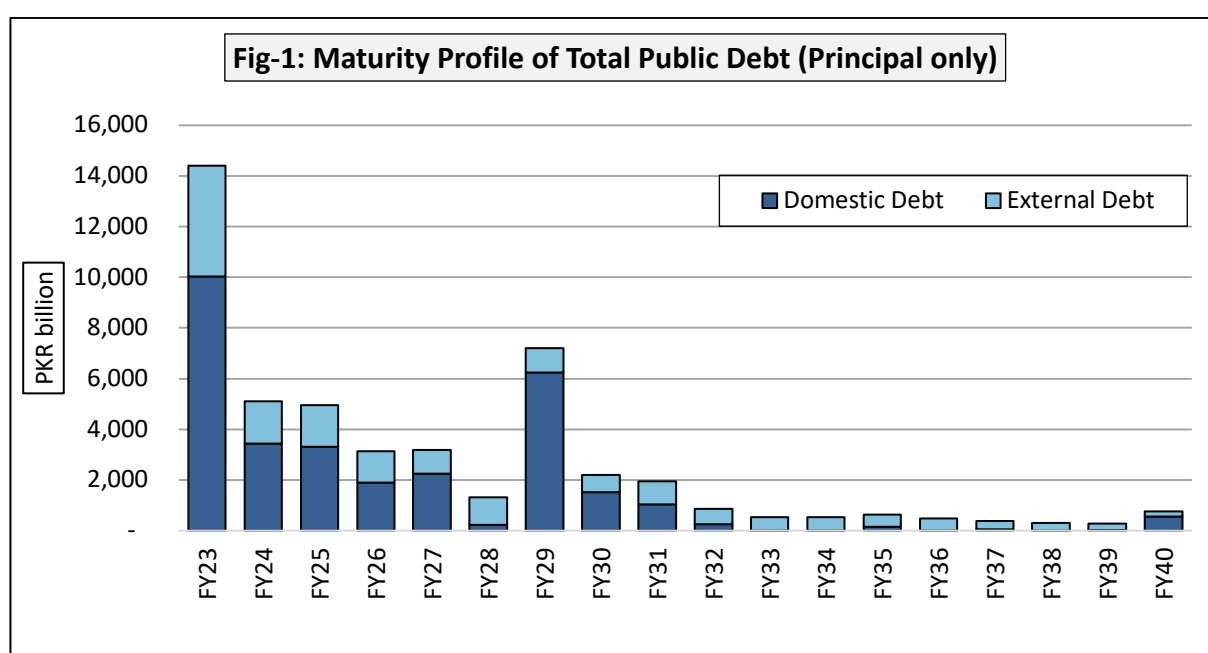


Table-5: Maturity Profile (In Percent of Total Public Debt)

	1 year	2-3 years	4-5 years	6-7 years	8-10 years	>10 years	Total
Total Public Debt	29	20	13	17	11	10	100
- Domestic Debt	20	14	8	13	6	2	63
- External Debt	9	7	4	4	5	8	37

Source: State Bank of Pakistan, Ministry of Economic Affairs and Debt Management Office, Ministry of Finance

5.0 HIGHLIGHTS OF BORROWING OPERATIONS

- Within domestic debt, the government relied mainly on medium-term domestic debt securities for the financing of its fiscal deficit, in-line with its commitment to reduce the T-bills/GDP Ratio and ultimately the GFN/GDP ratio;
- Government repaid PKR 569 billion against its debt owed to SBP. The cumulative debt retirement against SBP debt stood at around PKR 1.7 trillion from July 2019 to June 2022;
- Government raised around PKR 1.6 trillion through issuance of domestic Sukuk. This has not only helped in raising the Shariah compliant funding at a reasonable cost but has also

increased the share of these instruments in government domestic securities portfolio i.e., share of Shariah compliant debt was 8.6 percent in government securities at the end of 2021-22 thus exceeding the target of 7.5 percent set under Medium Term Debt Management Strategy;

- Within external debt, inflows from multilateral and bilateral development partners remained major sources of funding. Debt from multilateral and bilateral sources cumulatively constituted around 78 percent of the external debt portfolio at end-June 2022;
- Successful completion of the 6th review of the IMF Extended Fund Facility (EFF) led to the disbursement of US\$ 1,053 million;
- Government received US\$ 3,000 million deposit from Saudi Arabia which was utilized towards budgetary support;
- Government successfully raised US\$ 1 billion in July 2021 through multi-tranche tap issuance of 5-, 10- and 30-year Eurobonds. In addition, the Government of Pakistan successfully raised US\$ 1 billion in January 2022 through the issuance of International Sukuk under the 'Trust Certificate Issuance Program'. This was the first time that government issued International Sukuk with 7 Year maturity; and
- Government utilized IMF allocated SDR equivalent to PKR 475 billion to support its budgetary operations.

6.0 FINANCING OF FEDERAL FISCAL DEFICIT

6.1 The Government mainly relied on domestic debt market to finance its deficit i.e., 79 percent of federal fiscal deficit was financed through domestic debt. Within domestic sources, most of additional funding was mobilized through medium-term government securities. Within external debt, multilateral and bilateral remained main source of funding for the financing of fiscal deficit. The details of financing of federal fiscal deficit during FY 2021-22 are provided at **Annex-I**.

7.0 GOVERNMENT GUARANTEES PORTFOLIO

Table-6: Government Guarantees Stock

(PKR in billion)

	June-20	June-21	June-22
Outstanding Guarantees (Extended to PSEs)	2,344	2,407	2,983
-Domestic Currency	1,631	1,564	1,533
-Foreign Currency	713	843	1,451
Memo: Foreign Currency (US\$ in billion)	4.2	5.4	7.1

Source: Debt Management Office, Ministry of Finance

7.1 During 2021-22, the government issued fresh/rollover guarantees aggregating to PKR 438 billion or 0.7 percent of GDP.

Table-7: Government Guarantees Stock (Sector Wise & Interest Rate Type Wise)

	Jun-20		Jun-21		Jun-22	
	PKR bn	US\$ bn	PKR bn	US\$ bn	PKR bn	US\$ bn
(Sector Wise Breakup)						
Total Guarantees Stock	2,344	14.0	2,407	15.3	2,983	14.6
- Power Sector	1,961	11.7	1,999	12.7	2,238	10.9
- Aviation	204	1.2	210	1.3	241	1.2
- Financial	66	0.4	66	0.4	110	0.5
- Manufacturing	45	0.3	45	0.3	99	0.5
- Oil & Gas	60	0.4	50	0.3	52	0.3
- Others	8	0.1	37	0.2	243	1.2
(Interest Rate Type)						
Total Guarantees Stock	2,344	14.0	2,407	15.3	2,983	14.6
- Floating Rate	1,724	10.3	1,649	10.5	1,628	7.9
- Fixed Rate	620	3.7	757	4.8	1,355	6.7

Note: The original maturities of major portion of Guaranteed Debt Stock were 5 years and above

Source: Debt Management Office, Ministry of Finance

7.2 Guarantees issued against commodity operations are not included in the stipulated limit of 2 percent of GDP as the loans are secured against the underlying commodity and are essentially self-liquidating. These guarantees are issued against the commodity financing operations undertaken by TCP, PASSCO, and provincial governments. The outstanding stock of commodity operations was Rs 1,134 billion at end June 2022.

8.0 DOMESTIC DEBT

8.1 Domestic debt is the major source of financing the fiscal deficit. Below table describes the main components of domestic debt (detailed breakdown of domestic debt presented in Annex-II):

Table-8: Instrument-Wise Composition of Domestic Debt

		Jun-20		Jun-21		Jun-22	
		PKR bn	US\$ bn	PKR bn	US\$ bn	PKR bn	US\$ bn
I+II+III+IV+V	Domestic Debt	23,283	138.4	26,265	167.0	31,036	151.9
I	Permanent Debt	14,031	83.4	15,911	101.1	20,377	99.7
	- PIBs	12,886	76.6	14,590	92.7	17,687	86.5
	- Prize Bonds	734	4.4	444	2.8	375	1.8
	- Sukuk / Bai-Muajjal	399	2.4	866	5.5	2,303	11.3
	- Others	11	0.1	11	0.1	13	0.1
II	Floating Debt	5,578	33.2	6,680	42.5	6,803	33.3
	- T-Bills	5,576	33.2	6,677	42.4	6,752	33.0
	- MTBs for Replenishment	3	0.0	3	0.0	51	0.2
III	Unfunded Debt	3,674	21.8	3,646	23.2	3,336	16.3
	- NSS	3,524	21.0	3,498	22.2	3,208	15.7
	- Others	150	0.9	148	0.9	128	0.6
IV	Naya Pakistan Certificate	-	-	28	0.2	45	0.2
V	SBP loan to GOP against SDRs allocation	-	-	-	-	475	2.3

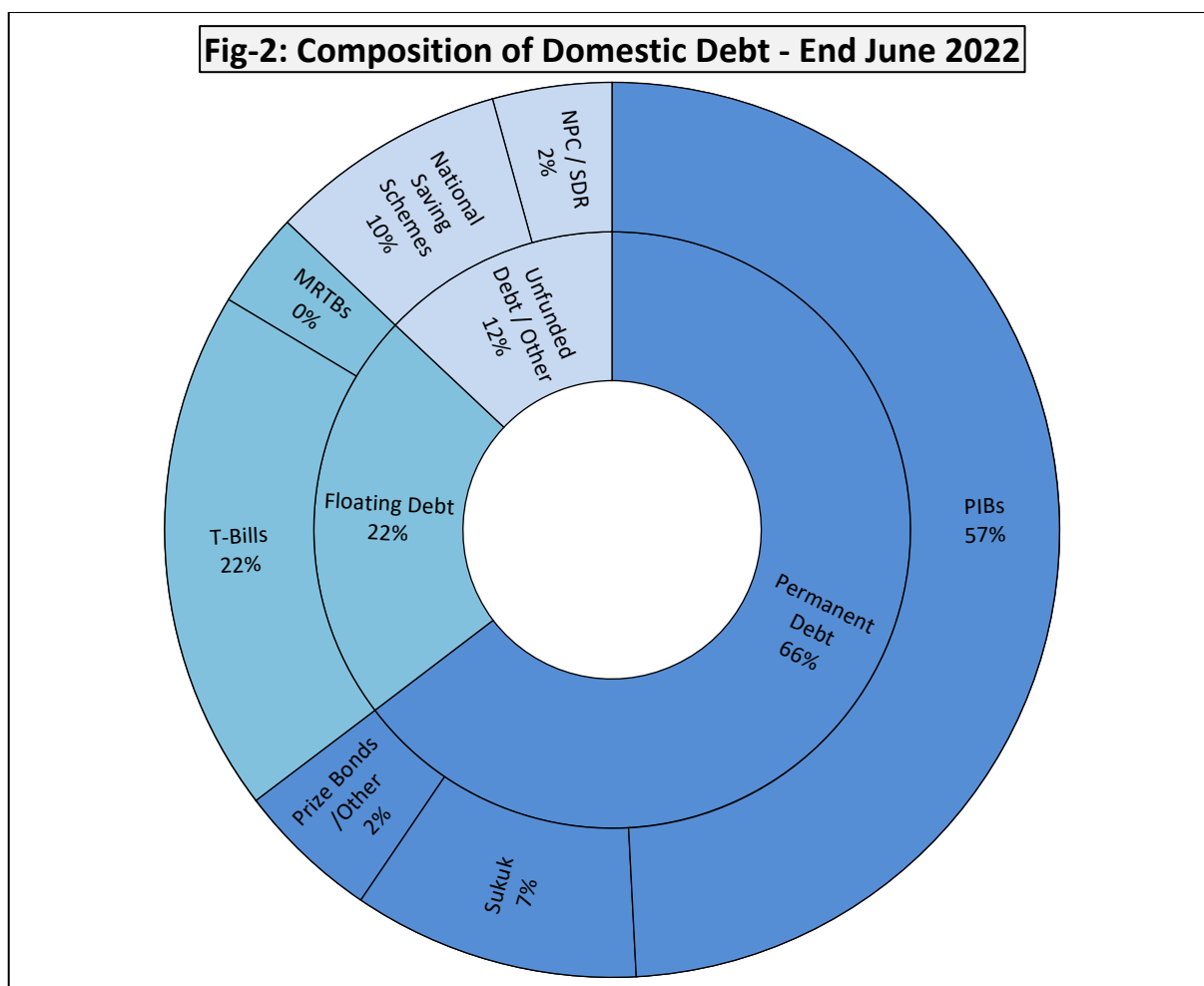
Source: State Bank of Pakistan and Debt Management Office, Ministry of Finance

Table-9: Creditor-Wise Composition of Domestic Debt

(PKR in billion)

		Jun-20	%	Jun-21	%	Jun-22	%
I+II	Domestic Debt	23,283	100	26,265	100	31,036	100
I	Tradable Government Securities	18,864	81	22,137	84	26,793	86
	- Held by Scheduled Banks	9,398	40	12,770	49	16,573	53
	- Held by SBP	7,193	31	6,624	25	6,146	20
	- Held by Non-Banks	2,273	10	2,742	10	4,074	13
II	Others	4,419	19	4,129	16	4,243	14
	- NSS (including Prize Bonds)	4,258	18	3,942	15	3,583	12
	- Naya Pakistan Certificate	-	-	28	0	45	0
	- SBP loan to GOP against SDRs allocation	-	-	-	-	475	2
	- Other	161	1	159	1	141	0

Source: State Bank of Pakistan and Debt Management Office, Ministry of Finance

Fig-2: Composition of Domestic Debt - End June 2022**Table-10: Maturity Profile of Domestic Debt**

(PKR in billion)

		Jun-20	%	Jun-21	%	Jun-22	%
I+II	Domestic Debt	23,283	100	26,265	100	31,036	100
I	Short-Term Debt (< 1 Year)	6,765	29	9,439	36	10,085	32
	- T-Bills	5,578	24	6,680	25	6,803	22
	- Medium & Long-Term Debt*	1,187	5	2,759	11	3,282	10
II	Medium & Long-Term Debt (> 1 Year)	16,518	71	16,826	64	20,951	68

*Remaining Maturity of less than 1 year

Source: State Bank of Pakistan and Debt Management Office, Ministry of Finance

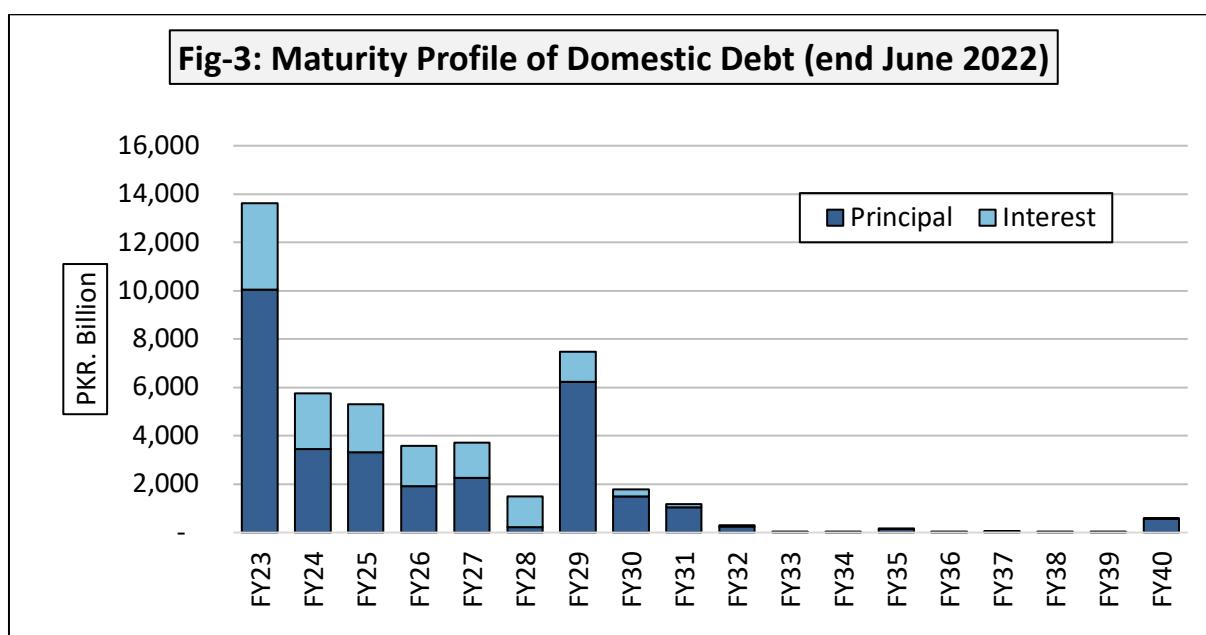


Table-11: Interest Rate Type of Domestic Debt

(PKR in billion)

	Jun-20	%	Jun-21	%	Jun-22	%
I+II Domestic Debt	23,283	100	26,265	100	31,036	100
I Floating Rate	12,381	53	15,558	60	19,757	64
- T-Bills	5,578	24	6,680	26	6,803	22
- Floating Rate Bonds	6,803	29	8,878	34	12,954	42
II Fixed Rate	10,902	47	10,707	40	11,279	36

Source: State Bank of Pakistan and Debt Management Office, Ministry of Finance

Quarterly Auction Pattern of Government Domestic Securities

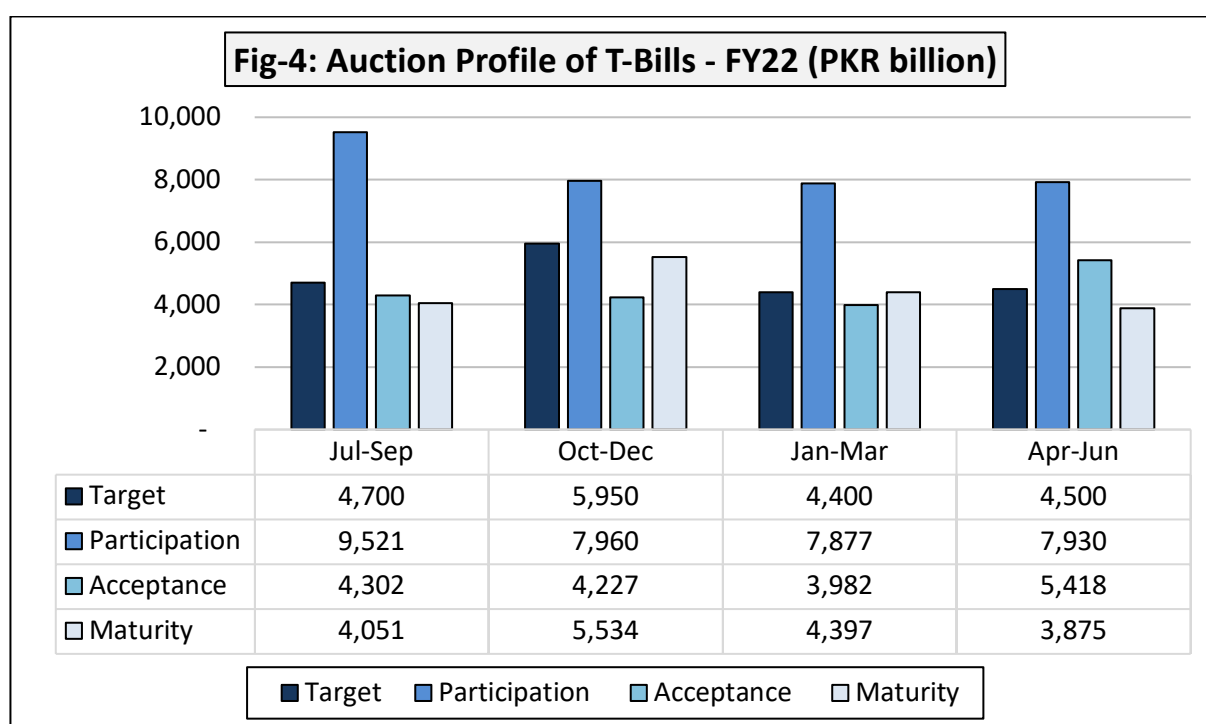


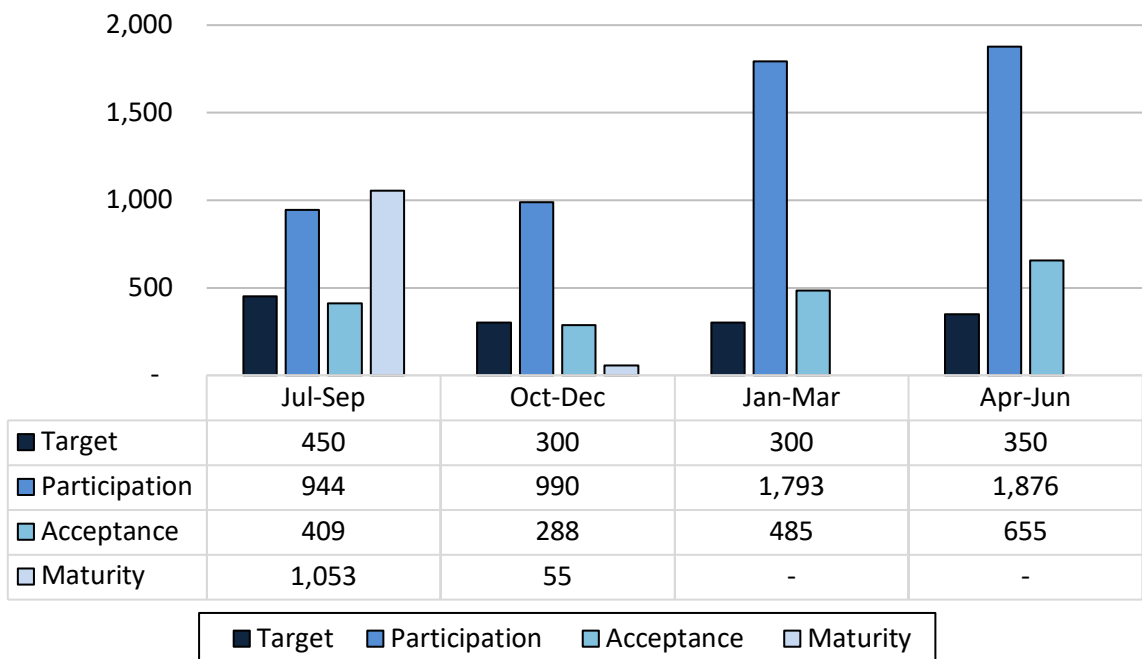
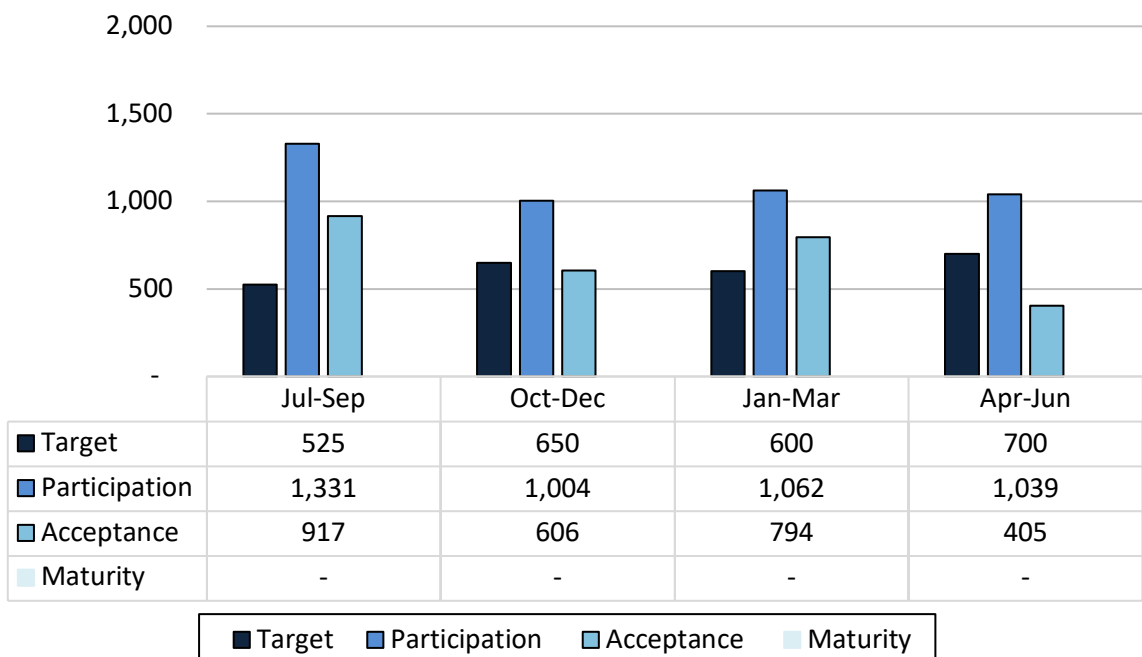
Fig-5: Auction Profile of PIB (Fixed) - FY22 (PKR billion)**Fig-6: Auction Profile of PIB (Floater) - FY22 (PKR billion)**

Fig-7: Auction Profile of Sukuk - FY22 (PKR billion)

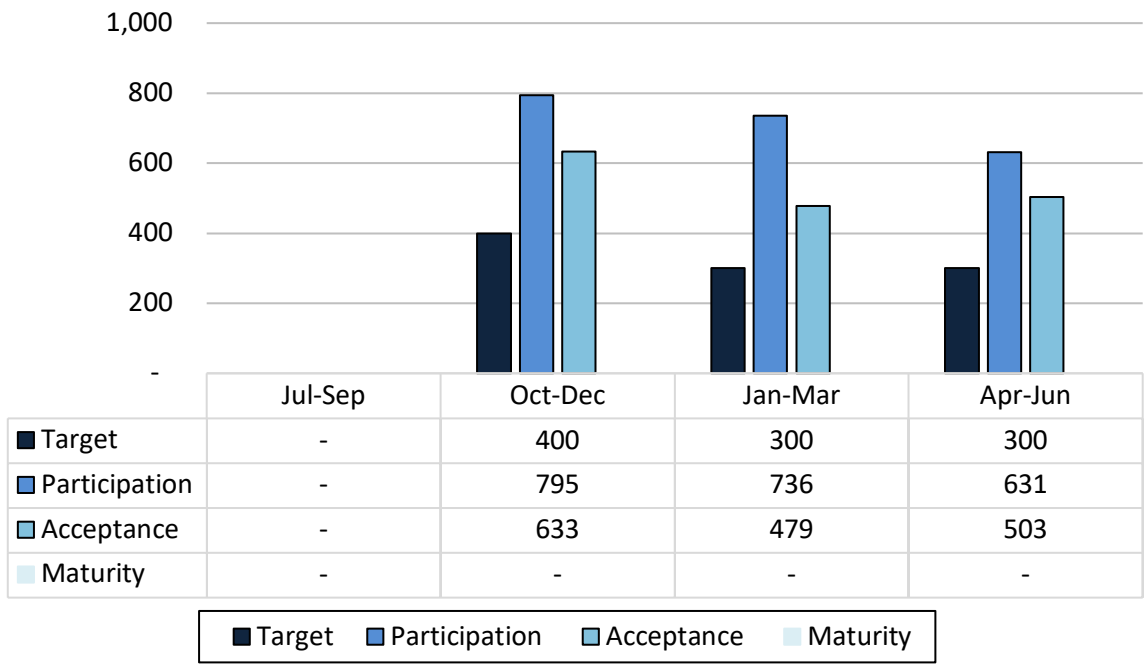
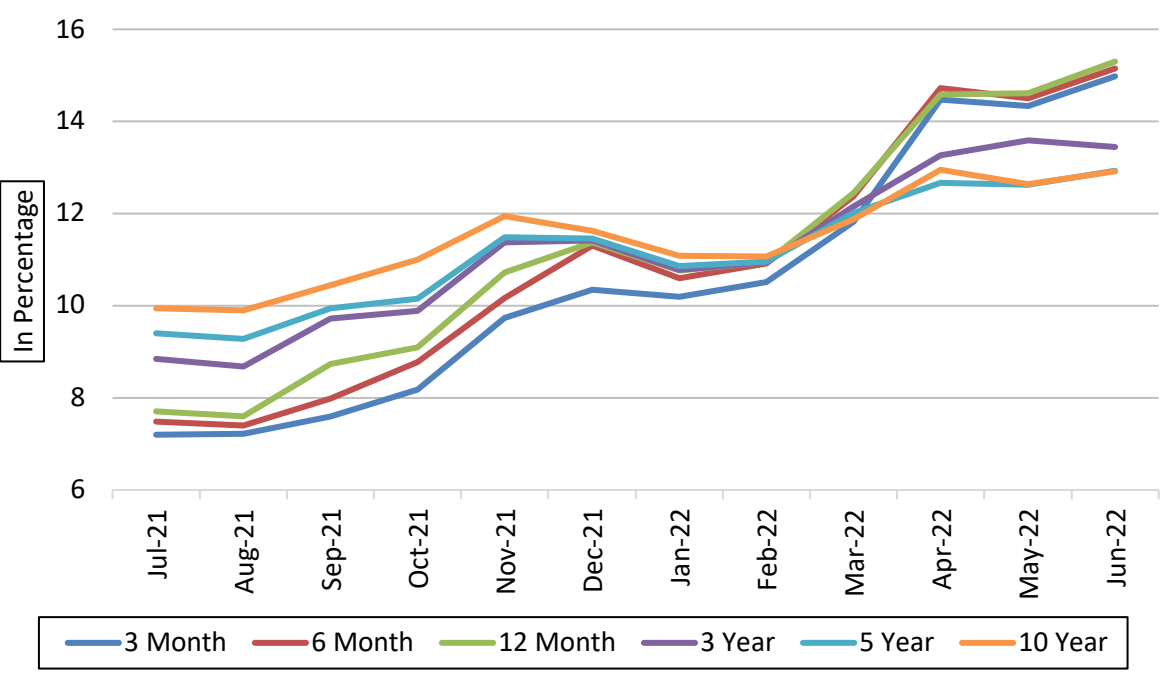


Fig-8: Secondary Market Yield Curve (end of month)



9.0 EXTERNAL PUBLIC DEBT

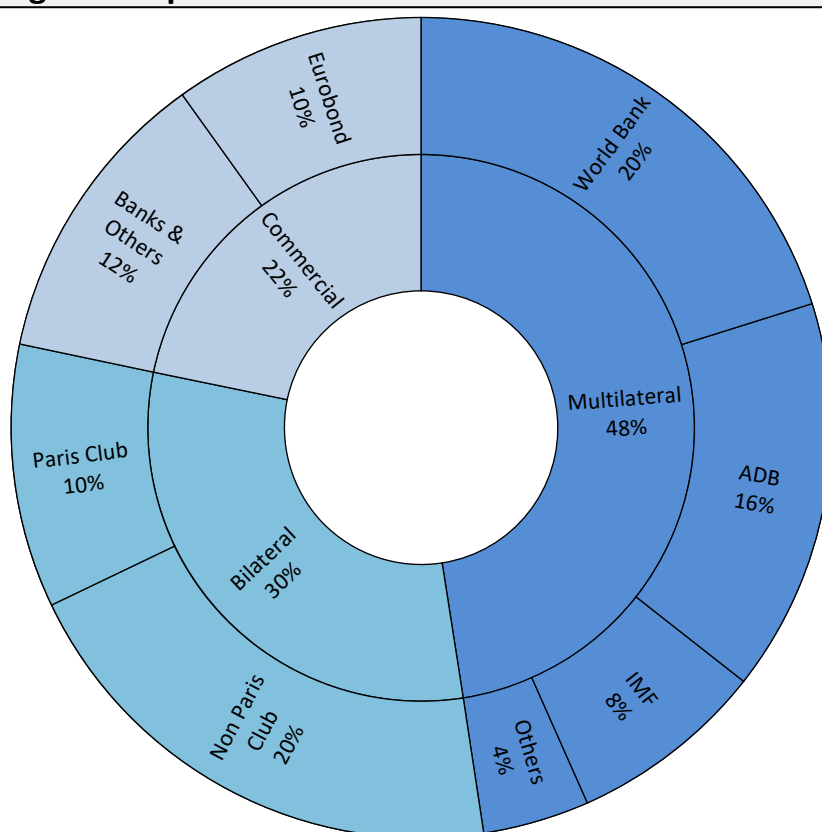
9.1 External public debt was recorded at US\$ 88.8 billion at end-Jun 2022. The source-wise composition of external public debt is depicted in the following table:

Table-12: Composition of External Public Debt

		Jun-20		Jun-21		Jun-22	
		PKR bn	US\$ mn	PKR bn	US\$ mn	PKR bn	US\$ mn
I+II	External Public Debt	13,116	77,994	13,601	86,457	18,156	88,836
I	Government External Debt (a+b)	11,824	70,314	12,439	79,073	16,747	81,939
	a- Long term (>1 year)	11,565	68,773	12,304	78,215	16,471	80,590
	- Paris Club	1,837	10,924	1,687	10,726	1,887	9,232
	- Multilateral	5,196	30,898	5,323	33,836	6,954	34,023
	- Other Bilateral	2,258	13,428	2,332	14,821	3,690	18,053
	- Euro/Sukuk Global Bonds	891	5,300	1,227	7,800	1,799	8,800
	- Commercial Loans	1,357	8,068	1,525	9,696	1,938	9,481
	- Naya Pakistan Certificates	-	-	127	809	194	951
	- Local Currency Sec (PIBs)	16	96	73	463	1	5
	- NBP/BOC deposits/PBC	10	59	10	65	9	45
	b- Short term (<1 year)	259	1,542	135	858	276	1,349
	- Multilateral	137	814	80	506	271	1,327
	- Local Currency Sec (T-bills)	99	586	55	352	4	22
	- Commercial Loans	24	141	-	-	-	-
II	From IMF	1,291	7,680	1,162	7,384	1,410	6,897
	- Federal Government	476	2,833	541	3,437	857	4,195
	- Central Bank	815	4,847	621	3,947	552	2,702

Source: Ministry of Economic Affairs, State Bank of Pakistan & Debt Management Office, Ministry of Finance

9.2 Pakistan's external public debt is obtained from three major sources, with around 48 percent from multilateral loans, 30 percent from bilateral loans, and 22 percent from commercial sources (including 13 percent from bank loans and 9 percent from Eurobonds/Sukuk) at end Jun 2022. Although borrowing from commercial sources has relatively increased during the last few years, multilateral and bilateral sources still cumulatively constitute 78 percent of external debt portfolio as of end Jun 2022.

Fig-9: Composition of External Public Debt - June 2022**Table-13: Source Wise External Public Debt**

		Jun-20		Jun-21		Jun-22	
		US\$ mn	%	US\$ mn	%	US\$ mn	%
I+II+III	External Public Debt	77,994	100	86,457	100	88,836	100
I	Multilateral	39,392	51	41,726	48	42,247	48
	- World Bank	16,184	21	18,135	21	17,851	20
	- Asian Development Bank	12,741	16	13,423	16	13,772	16
	- IMF	7,680	10	7,384	9	6,897	8
	- Others	2,787	4	2,783	3	3,727	4
II	Bilateral	24,352	31	25,547	30	27,285	31
	- Paris Club	10,924	14	10,726	12	9,232	10
	- Non-Paris Club	13,428	17	14,821	17	18,053	20
III	Commercial	14,250	18	19,184	22	19,304	22
	- Commercial Loans	8,210	11	9,696	11	9,481	11
	- Euro/Sukuk Global Bonds	5,300	7	7,800	9	8,800	10
	- Naya Pakistan Certificates	-	-	809	1	951	1
	- Local Currency (T-Bills & PIBs)	682	1	815	1	27	0
	- NBP/BOC deposits/PBC	59	0	65	0	45	0

Source: Ministry of Economic Affairs, State Bank of Pakistan & Debt Management Office, Ministry of Finance

Table-14: Federal and Provincial Government's External Public Debt

(US\$ in million)

	Jun-22	% of Total
I+II External Public Debt	88,836	100
I Provincial Govts/Sub-National Govts	11,054	12
- Punjab	5,894	7
- Sindh	2,729	3
- Khyber Pakhtunkhwa (KP)	1,915	2
- Baluchistan	297	0
- Gilgit-Baltistan	48	0
- Azad Jammu & Kashmir	230	0
II Federal Government	77,782	88

Source: Ministry of Economic Affairs

Table-15: Maturity Profile of External Public Debt

(US\$ in million)

	Jun-20		Jun-21		Jun-22	
	US\$ mn	%	US\$ mn	%	US\$ mn	%
I+II External Public Debt	77,994	100	86,457	100	88,836	100
I Short-Term Debt (< 1 Year)	12,382	16	14,337	17	21,355	24
- Bilateral Deposits	3,000	4	4,000	5	7,000	8
- IDB Short-Term	814	1	506	1	1,327	1
- LC Securities (T-Bills)	586	1	352	0	22	0
- Other (Remaining Maturity < 1)*	7,982	10	9,479	11	13,006	15
II Medium & Long-Term Debt (> 1 Year)	65,612	84	72,120	83	67,481	76

* Including Commercial Bank loans

Source Ministry of Economic Affairs, State Bank of Pakistan and Debt Management Office, Ministry of Finance

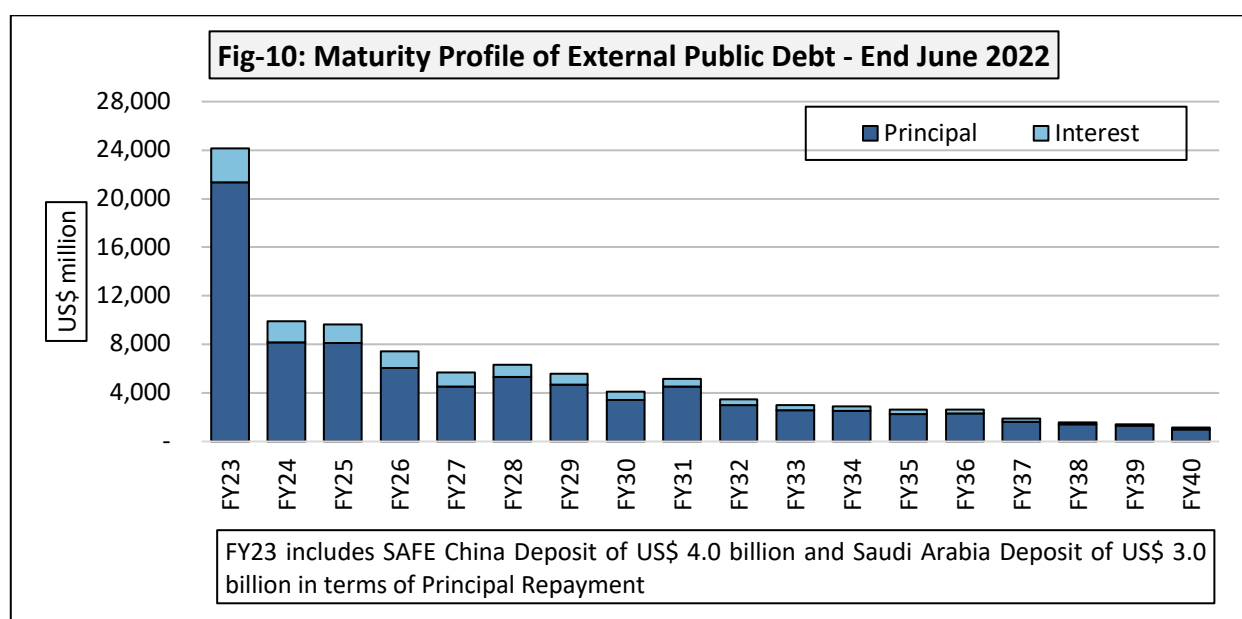


Table-16: Interest Rate Type of External Public Debt

(US\$ in million)

		Jun-20		Jun-21		Jun-22	
		US\$ mn	%	US\$ mn	%	US\$ mn	%
I+II	External Public Debt	77,994	100	86,457	100	88,836	100
I	Floating Rate	23,348	30	26,462	31	27,484	31
II	Fixed Rate	54,646	70	59,995	69	61,352	69

Source: State Bank of Pakistan and Debt Management Office, Ministry of Finance

Table-17: External Public Debt Inflows/(Outflows)

(US\$ in million)

	2019-20	2020-21	2021-22
Inflows (A)	13,074	13,301	16,255
- Multilateral	8,329	4,809	5,794
- Bilateral	1,398	1,275	3,597
- Euro/Sukuk Global Bonds	-	2,500	2,000
- Commercial Banks/Short-Term	3,347	4,717	4,863
Repayment (B)	9,043	6,935	11,002
- Multilateral	2,199	2,634	2,663
- Bilateral	783	100	1,010
- Euro/Sukuk Global Bonds	1,000	-	1,000
- Commercial Banks/Short-Term	5,061	4,201	6,329
Net Inflows/(Outflows) - (A-B)	4,031	6,366	5,253
- Multilateral	6,130	2,175	3,131
- Bilateral	615	1,175	2,588
- Euro/Sukuk Global Bonds	(1,000)	2,500	1,000
- Commercial Banks/Short-Term	(1,714)	516	(1,466)
Interest Servicing (C)	2,032	1,453	1,988
- Multilateral	637	598	578
- Bilateral	484	115	366
- Euro/Sukuk Global Bonds	396	362	587
- Commercial Banks/Short-Term	515	378	457
Total Debt Servicing (B+C)	11,075	8,388	12,990
- Multilateral	2,836	3,232	3,242
- Bilateral	1,267	215	1,375
- Euro/Sukuk Global Bonds	1,396	362	1,587
- Commercial Banks/Short-Term	5,576	4,579	6,786

* Above data excludes disbursements from non-resident investment in Government Securities, Naya Pakistan Certificates and Pakistan Banao Certificates

Source: State Bank of Pakistan

Table-18: Pakistan's International Bonds

Sr. No.	Issuer Name	Issue Date	Maturity Date	Face Value	Coupon	Maturity (Years)
				US\$ mn	% p.a.	Original
I	International Sukuk	05-Dec-17	05-Dec-22	1,000	5.625	5
II	International Sukuk	31-Jan-22	31-Jan-29	1,000	7.950	7
III	Eurobond	15-Apr-14	15-Apr-24	1,000	8.250	10
IV	Eurobond	30-Sep-15	30-Sep-25	500	8.250	10
V	Eurobond	08-Apr-21	08-Apr-26	1,300	6.000	5
VI	Eurobond	05-Dec-17	05-Dec-27	1,500	6.875	10
VII	Eurobond	08-Apr-21	08-Apr-31	1,400	7.375	10
VIII	Eurobond	30-Mar-06	31-Mar-36	300	7.875	30
IX	Eurobond	08-Apr-21	08-Apr-51	800	8.875	30
Total				8,800		

Source: Bloomberg

Annex-I: Financing of Federal Fiscal Deficit (FY 2021-22)

		PKR in billion	US\$ in million
Federal Fiscal Deficit		5,611	30,829
FINANCING SUMMARY			
I-II	Net Financing	5,562	30,562
	- External Debt	1,178	6,473
	- Domestic Debt	4,384	24,089
I	Gross Financing - Inflows	28,747	157,952
	- External Debt	2,996	16,461
	- Domestic Debt	25,751	141,491
II	Repayments - (Outflows)	(23,185)	(127,390)
	- External Debt	(1,818)	(9,988)
	- Domestic Debt	(21,367)	(117,403)
FINANCING DETAILS			
I + II	Net Financing - Inflow/(Outflows)	5,562	30,562
I	External Debt	1,178	6,473
	- Multilateral	754	4,145
	- Bilateral	471	2,588
	- Eurobonds	182	1,000
	- Commercial & Others	(229)	(1,259)
II	Domestic Debt	4,384	24,089
	Government Securities	4,321	23,744
	- Treasury Bills	121	667
	- Pakistan Investment Bonds	3,334	18,317
	- SBP Debt	(569)	(3,126)
	- Sukuk	1,435	7,887
	National Savings Schemes & OTHERS	63	344
I + II	Gross Summary - Inflows	28,747	157,952
I	External Debt	2,996	16,461
	- Multilateral	1,054	5,794
	- Bilateral	655	3,597
	- Eurobonds	364	2,000
	- Commercial & Others*	923	5,070
II	Domestic Debt	25,751	141,491
	Government Securities	24,040	132,087
	- Treasury Bills	17,980	98,789
	- Pakistan Investment Bonds	4,442	24,405
	- SBP Debt	-	-
	- Sukuk	1,619	8,893
	National Savings Schemes & Others	1,712	9,404
I + II	Repayments - (Outflows)	(23,185)	(127,390)
I	External Debt	(1,818)	(9,988)
	- Multilateral	(300)	(1,649)
	- Bilateral	(184)	(1,010)
	- Eurobonds	(182)	(1,000)
	- Loans from Foreign Commercial Banks	(1,152)	(6,329)
II	Domestic Debt	(21,367)	(117,403)
	Government Securities	(19,718)	(108,343)
	- Treasury Bills	(17,858)	(98,122)
	- Pakistan Investment Bonds	(1,108)	(6,088)
	- SBP Debt	(569)	(3,126)
	- Sukuk	(183)	(1,006)
	National Savings Schemes & Others	(1,649)	(9,060)

Notes:

- (i) Repayments of IMF loan obtained in 2013 have been excluded in the above table as those loans were for balance of payments support and do not come as an extra resource in the budget at that time.
- (ii) The difference between fiscal deficit and financing is due to changes in cash balances of the Federal Government with banking system.
- (iii) * Including Grants.

Annex-II: Domestic Debt Outstanding Stock

(PKR in billion)	Jun-20	Jun-21	Jun-22
Permanent Debt (I)	14,030.7	15,910.8	20,377.4
Market Loans	2.8	2.8	2.8
Government Bonds	1.3	1.3	1.3
Prize Bonds	734.1	443.7	374.6
Foreign Exchange Bearer Certificates	0.1	0.1	0.1
Bearer National Fund Bonds	0.0	0.0	0.0
Federal Investment Bonds	0.0	0.0	0.0
Foreign Currency Bearer Certificates	0.1	0.1	0.1
U.S. Dollar Bearer Certificates	0.1	0.1	0.1
Special U.S. Dollar Bonds	6.9	6.5	8.4
Pakistan Investment Bonds (PIB)	12,886.0	14,590.0	17,687.0
GOP Ijara Sukuk	198.2	665.3	2,279.8
Bai-Muajjal of Sukuk	201.0	201.0	23.2
Floating Debt (II)	5,578.3	6,680.4	6,802.9
Market Treasury Bills	5,575.5	6,676.9	6,752.4
MTBs for Replenishment	2.8	3.5	50.6
Unfunded Debt (III)	3,673.6	3,646.0	3,335.9
Defense Saving Certificates	486.2	477.2	466.7
National Deposit Certificates	0.0	0.0	0.0
Khass Deposit Certificates	0.2	0.2	0.2
Special Savings Certificates (Registered)	427.7	421.4	376.6
Special Savings Certificates (Bearer)	0.3	0.3	0.3
Regular Income Certificates	572.9	599.6	589.0
Premium Saving Certificates	0.0	0.0	0.0
Behbood Savings Certificates	997.8	1,000.4	1,017.0
Short Term Savings Certificates (3M, 6M,12M)	24.3	4.0	4.6
Khass Deposit Accounts	0.3	0.3	0.3
Savings Accounts	42.7	43.2	53.9
Special Savings Accounts	617.3	581.4	307.3
Mahana Amdani Accounts	1.5	1.5	1.5
Pensioners' Benefit Account	352.2	368.5	390.6
Shuhadas Family Welfare Account	0.1	0.1	0.1
National Savings Bonds	-	-	-
Postal Life Insurance Schemes	48.5	47.2	47.2
GP Fund	101.5	100.8	80.5
Naya Pakistan Certificates (IV)	-	28.2	45.0
SBP loan to GOP against SDRs allocation (V)	-	-	474.9
Total Domestic Debt (I+II+III+IV+V)	23,282.5	26,265.1	31,036.2

Source: State Bank of Pakistan

Annex-III: Investor-Wise Holdings of Government Domestic Securities (Face Value)

(PKR in billion)	Jun-20	Jun-21	Jun-22
TOTAL GOVERNMENT SECURITIES (I+II+III+IV)	19,551	22,503	27,201
I. TREASURY BILLS (a+b+c)	6,249	6,974	7,210
a) Scheduled Bank	5,279	6,115	5,797
b) Non-Bank Total (i+ii+iii)	971	858	1,413
(i) Insurance Companies	117	79	201
(ii) Funds	187	139	191
(iii) Corporates/Others	667	640	1,021
c) SBP	-	-	-
II. PAKISTAN INVESTMENT BONDS (a+b+c)	12,902	14,662	17,688
a) Scheduled Bank	4,009	5,822	8,953
b) Non-Bank Total (i+ii+iii)	1,706	2,223	2,686
(i) Insurance Companies	909	1,036	1,166
(ii) Funds	297	365	619
(iii) Corporates/Others	500	822	901
c) SBP	7,187	6,618	6,049
III. GIS IJARA SUKUK (a+b+c)	198	665	2,280
a) Scheduled Bank	175	601	2,136
b) Non-Bank Total (i+ii+iii)	23	64	144
(i) Insurance Companies	7	5	27
(ii) Funds	7	28	27
(iii) Corporates/Others	9	32	90
c) SBP	-	-	-
IV. BAI MUAJJAL (a+b+c)	201	201	23
a) Scheduled Bank	201	201	23
b) Non-Bank Total (i+ii+iii)	-	-	-
(i) Insurance Companies	-	-	-
(ii) Funds	-	-	-
(iii) Corporates/Others	-	-	-
c) SBP	-	-	-

Source: State Bank of Pakistan

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