

# Public Debt Bulletin

---

July-December 2022



Debt Management Office  
Ministry of Finance

***This page is left intentionally blank.***

---

## Table of Contents

---

Table of Contents .....	i
Acknowledgements.....	ii
Lists of Tables & Figures.....	iii
1. Introduction .....	1
2. Overview of Total Public Debt.....	1
3. Reasons for Increase in Total Public Debt.....	2
4. Progress on Medium Term Debt Management Strategy (2019/20 – 2022/23) .....	3
5. Highlights of Borrowing Operations.....	7
6. Government Guarantees Portfolio.....	8
7. Domestic Debt.....	9
8. External Public Debt.....	12

---

## Acknowledgements

---

In order to disseminate information to the general public with reference to Public Debt, this Public Debt Bulletin July – December 2022 has been prepared. I would like to acknowledge the strategic input and policy guidance provided by Honourable Minister for Finance and Revenue, Muhammad Ishaq Dar.

I would like to acknowledge the inputs of Ministry of Economic Affairs (MoEA), State Bank of Pakistan (SBP) and Central Directorate of National Savings (CDNS). I recognize the efforts put in by Mr. Iftikhar Amjad (Director General Debt), Syed Haroon Qidwai (Market and Financial Risk Specialist), Mr. Arsalan Ahmed (Credit Risk Specialist), Mr. Muhammad Abdullah (Debt Analyst), Mr. Nawaz Aalam (Joint Secretary Debt), Mr. Izhar Ahmed (Deputy Secretary Debt) and Mr. Zaheer Abbasi (Section Officer) in the realization of this document.

**Hamed Yaqoob Sheikh**  
Secretary  
Finance Division  
Government of Pakistan

---

## Lists of Tables, Figures and Annexures

---

Table 1.	Pakistan's Total Public Debt Summary
Table 2.	Reasons for increase in Total Public Debt
Table 3.	Key Risk Indicators
Table 4.	Currency Composition of Total Public Debt
Table 5.	Maturity Profile (In Percent of Total Public Debt)
Table 6.	Government Guarantees Stock
Table 7.	Government Guarantee Stock (Sector Wise & Interest Rate Type Wise)
Table 8.	Instrument-Wise Composition of Domestic Debt
Table 9.	Creditor-Wise Composition of Domestic Debt
Table 10.	Maturity Profile of Domestic Debt
Table 11.	Interest Rate Type of Domestic Debt
Table 12.	Composition of External Public Debt
Table 13.	Source Wise External Public Debt
Table 14.	Federal & Provincial Government's External Public Debt
Table 15.	Maturity Profile of External Public Debt
Table 16.	Interest Rate Type of External Public Debt
Table 17.	External Public Debt Inflows / (Outflows)
Table 18.	Pakistan's International Bonds
Figure 1.	Contribution towards change in Total Public Debt
Figure 2.	Maturity Profile of Total Public Debt (Principal only)
Figure 3.	Composition of Domestic Debt
Figure 4.	Maturity Profile of Domestic Debt
Figure 5.	Composition of External Public Debt
Figure 6.	Maturity Profile of External Public Debt
Annex 1.	Targets and actual outcomes of risk indicators
Annex 2.	Auction Pattern of Government Domestic Securities
Annex 3.	Secondary Market Yield Curve

---

## 1.0 INTRODUCTION

1.1 In accordance with Section 13, Clauses (i) and (r) of 'Fiscal Responsibility and Debt Limitation (Amendment) Act 2022' and section 5(II) of 'Fiscal Responsibility and Debt Management Rules, 2023', Debt Management Office (DMO) prepares and publishes semi-annual debt bulletin containing information about debt stock, debt operations during the period under consideration, and the sources of change in debt stock on semi-annual basis. The bulletin covers the assessment of the progress in comparison with the Medium-Term Debt Management Strategy (MTDS). The document also 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-2021	Dec-2021	Jun-2022	Dec-2022
<b>(PKR in billion)</b>				
Domestic Debt	26,265	26,746	31,037	33,116
External Debt	13,601	15,985	18,157	19,605
<b>Total Public Debt</b>	<b>39,866</b>	<b>42,731</b>	<b>49,194</b>	<b>52,721</b>
<b>Total Debt of the Government*</b>	<b>35,669</b>	<b>38,363</b>	<b>44,314</b>	<b>47,964</b>
GDP	55,796	66,950	66,950	-
Government Deposits with Banking System	4,198	4,368	4,881	4,757
<b>(In Percent of GDP)</b>				
Domestic Debt	47.1	-	46.4	-
External Debt	24.4	-	27.1	-
<b>Total Public Debt</b>	<b>71.5</b>	<b>-</b>	<b>73.5</b>	<b>-</b>
<b>Total Debt of the Government*</b>	<b>63.9</b>	<b>-</b>	<b>66.2</b>	<b>-</b>
<b>(In Percent of Total Public Debt)</b>				
Domestic Debt	65.9	62.6	63.1	62.8
External Debt	34.1	37.4	36.9	37.2
<b>(US\$ in billion)</b>				
Domestic Debt	167.0	151.5	151.9	146.2
External Debt	86.5	90.6	88.8	86.6
<b>Total Public Debt</b>	<b>253.4</b>	<b>242.1</b>	<b>240.7</b>	<b>232.8</b>
Exchange Rate (PKR/US\$, End of Period)	157.3	176.5	204.4	226.5

\* As per Fiscal Responsibility and Debt Limitation Act, 2005, "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**

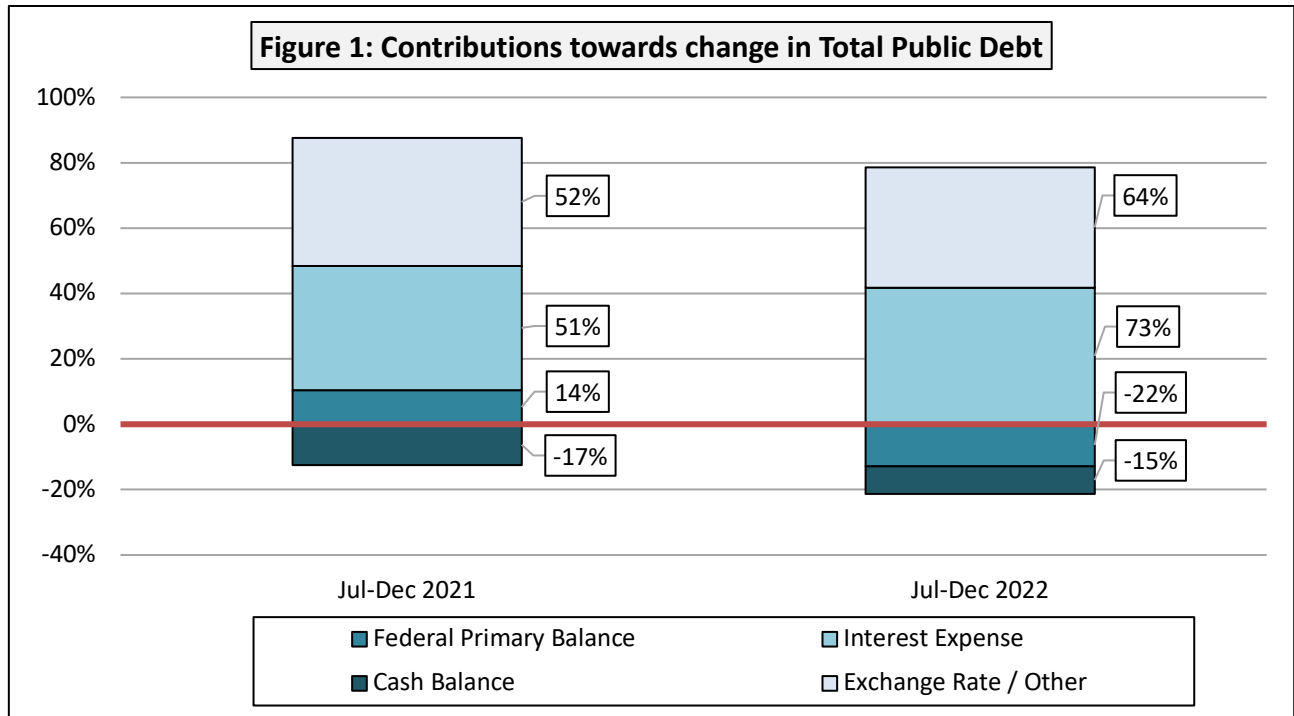
- 3.1 Economic flows that result in a change in total public debt stock over a period (e.g., a fiscal year) are broadly classified in two categories i.e., (i) transactions; and (ii) other economic flows.
- 3.2 Changes in total public debt stock arise out of borrowings to meet the fiscal deficit or to 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.
- 3.3 The transactional effect during July-December 2022 increased due to higher interest expense owing to rising interest rate environment. However, this incremental effect was mainly offset by fiscal consolidation measures undertaken by the government which translated into the realization of primary surplus of PKR 788 billion.
- 3.4. The impact of other economic flows during July-December 2022 was mainly due to PKR depreciation against US dollar by almost 11 percent which resulted in increase in Total Public Debt by PKR 2,268 billion.

**Table-2: Reasons for increase in Total Public Debt****(PKR in billion)**

	Jun-2021	Dec-2021	Jun-2022	Dec-2022
<b>Total Public Debt</b>	<b>39,866</b>	<b>42,731</b>	<b>49,194</b>	<b>52,721</b>
<b>Change in Total Public Debt (I+II)</b>		<b>2,865</b>		<b>3,572</b>
<b>of which:</b>				
<b>(I) Effect of Transactions</b>		<b>1,376</b>		<b>1,259</b>
Federal Primary Deficit / (Surplus)		400		(788)
Interest Expense		1,453		2,573
Cash Balance Increase / (Decrease)		(477)		(526)
<b>(II) Effect of Other Economic Flows</b>		<b>1,489</b>		<b>2,268</b>
Exchange Rate Impact / Other		1,489		2,268

Note: Above effects are for 6 months

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: Key Risk Indicators**

Risk Exposure	Indicators	Dec-2020	Dec-2021	Dec-2022
Currency Risk	Share of External Debt in Total Public Debt (%)	35.1	37.4	37.2
Refinancing Risk	ATM of Domestic Debt (Years)	4.1	4.0	3.5
	ATM of External Debt (Years)	7.0	6.7	6.3
	Share of Debt Maturing within 1 Year (% of GDP)	21.4	19.0	17.6
Refixing Risk	ATR of Domestic Debt (Years)	1.7	1.9	1.7
	ATR of External Debt (Years)	6.1	5.7	5.3
Concentration Risk	Share of Shariah Compliant Debt in Govt Securities (%)	3.8	6.4	9.2
Interest Rate Risk	Share of Fixed Rate Debt in Government Securities (%)	32.4	25.5	22.6

ATM: Average Time to Maturity; ATR: Average Time to Refix; External Debt refers to External Public Debt  
Indicative Benchmarks and Targets are shown in Appendix

Source: Debt Management Office, Ministry of Finance

4.1 The movement in the risk indicators is explained below:

##### 4.1.1 Share of External Debt in Total Public Debt

High levels of external debt can pose severe challenges in times of high current account deficit, low foreign exchange reserves, and volatile 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. The share of external debt in total public debt stood at 37.2 percent at end December 2022. However, the depreciation of the Pak Rupee over last 4 years



against international currencies has resulted in a higher value of external debt when translated into local currency. Nevertheless, the external debt exposure is still within the maximum limit of 40 percent as envisaged in MTDS.

#### **4.1.2 Average Time to Maturity (ATM)**

Lengthening of maturity profile of public debt is one of the important objectives of Debt Management to reduce the refinancing risk of the debt portfolio. Over the last two fiscal years, Ministry of Finance (MoF) has introduced various new instruments and tenors to attract the diversified funding base and better meet the appetite of the investors. However, given the prevailing interest rate environment the demand for domestic debt remained mostly skewed towards short to medium-term government securities which has led to decrease in the ATM of domestic debt to 3.5 years at end December 2022 from 4.0 years at end December 2021. The same ratio stood at 3.6 years at end June 2022. However, the indicator has still not violated the minimum threshold envisioned under the MTDS.

External debt is mostly concentrated with multilateral and bilateral loans, however in the recent years, the loans obtained from foreign commercial banks and deposits from friendly countries remained an important source of funding for the government. Given that the tenor of these loans is mostly short-term, the ATM of external debt has decreased compared with the similar period last year. Furthermore, running off of the existing external debt portfolio also contributed towards the decrease. The ATM of external debt was 6.3 years at the end December 2022, remaining below the minimum threshold of 6.5 years, however slightly improved when compared with 6.2 years at the end June 2022. The improvement was due to retirement of short-term commercial loans with no such loan being refinanced during July-December 2022. Over the period of medium-term, MoF intends to improve the maturity of its external debt through the issuance of more longer tenor debt contingent upon the improvement in overall macroeconomic conditions.

#### **4.1.3 Average Time to Refixing (ATR)**

ATR of domestic debt reduced to 1.7 years at the end December 2022 as compared to 1.9 years a year earlier. This reduction in ATR was due to strong market appetite for floating rate debt instruments owing to the prevailing interest rate environment. ATR of external debt also reduced to 5.3 years at end December 2022 from 5.7 years at end December 2021 primarily due to: (i) higher proportion of floating rate external debt inflows during July-December 2022; (ii) running off of the existing fixed rate external debt portfolio; and (iii) higher proportion of fixed rate external debt maturing within short to medium term.

#### 4.1.4 Share of Shariah Compliant Debt in Govt Securities

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 increase 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. In line with targets, share of shariah-compliant debt in government securities increased to 9.2 percent at end December 2022 as compared to 6.4 percent at end December 2021. The same ratio stood at 8.6 percent at end June 2022.

#### 4.1.5 Share of Fixed Rate Debt in Government Securities

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 relatively low. 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. With inclusion of more diversified investors, the targets will be revised accordingly.

Although in recent years, MoF has 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 July-December 2022, larger amounts were raised through floating-rate debt.

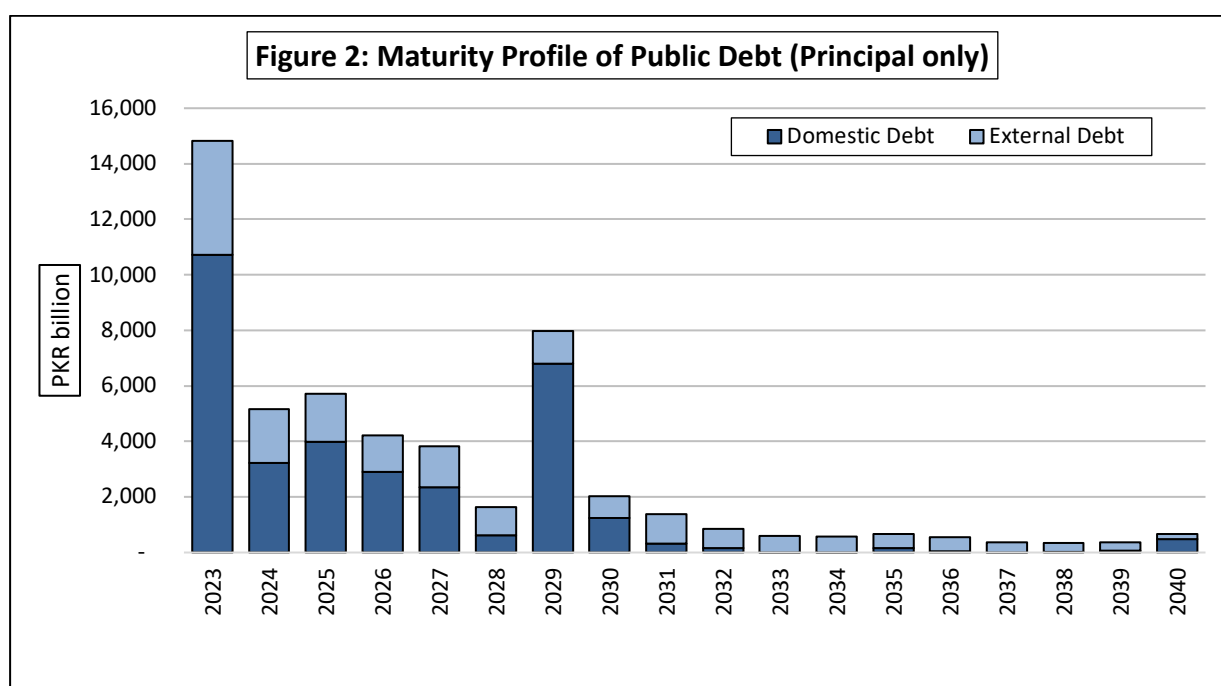
MoF will continue to consider its strategic benchmarks and targets as well as the economic developments and outlook while setting the monthly auction targets and issuing long-term fixed-rate domestic government securities through public auctions. MoF will also work closely with State Bank of Pakistan 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.

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

Currencies	Dec-20	Dec-21	Dec-22
Pak Rupee	65	63	63
US Dollar	17	20	20
Special Drawing Right (SDR)	12	11	12
Japanese Yen	3	2	2
Others	3	4	3
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

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
<b>Total Public Debt</b>	<b>28</b>	<b>21</b>	<b>15</b>	<b>18</b>	<b>8</b>	<b>10</b>	<b>100</b>
- Domestic Debt	20	14	10	14	3	2	63
- External Debt	8	7	5	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 (JULY-DECEMBER 2022)

- The government relied solely on medium to long-term domestic debt securities for the financing of federal fiscal deficit;
- Stock of T-bills was reduced by around PKR 661 billion. The T-Bills/GDP ratio reduced from 10 percent (end June 2022) to 7 percent (end December 2022);
- Government carried out gross issuance of around PKR 4.0 trillion of Pakistan Investment Bonds, out of which, 81 percent was through floating rate bonds. The total repayment against PIBs was PKR 1.7 trillion (including repayments against SBP Debt). Government also issued PKR 364 billion of Ijara Sukuk instrument, predominantly with variable rate of return. The retail debt instruments i.e., National Saving Schemes (NSS) witnessed a net outflow of PKR 240 billion. The auction pattern of government securities is available in Annexure;
- In line with sound principals of fiscal discipline, no borrowing was carried out through State Bank of Pakistan. In July 2022, government repaid PKR 310 billion of SBP debt and the cumulative debt retirement against SBP debt stood at PKR 2.0 trillion from July 2019 to December 2022;
- Within external debt, gross inflows were mainly recorded from multilateral sources;
- Successful completion of the combined 7<sup>th</sup> and 8<sup>th</sup> review of the IMF Extended Fund Facility (EFF) led to the disbursement of US\$ 1,166 million;
- Government received US\$ 1,500 million from Asian Development Bank under the 'Building Resilience with Active Countercyclical Expenditures (BRACE)' program;
- Asian Infrastructure Investment Bank (AIIB) co-financed the BRACE program to the tune of US\$ 500 million, over and above the BRACE amount;
- Saudi oil facility amounting to US\$ 600 million was utilized (US\$ 100 million each month);
- China SAFE deposit of US\$ 1,000 million and Saudi Time deposit of US\$ 3,000 million was successfully rolled over; and
- Government repaid international commercial loans to the tune of US\$ 3,722 million, out of which US\$ 2,722 million were bank loans and US\$ 1,000 million was international Sukuk maturity.

## 6.0 GOVERNMENT GUARANTEES PORTFOLIO

The Fiscal Responsibility and Debt Limitation (Amendment) Act 2005 under sub-section 3, clause (d) imposes the following two ceilings related to government guarantees:

- i. **Flow ceiling:** 2 percent of GDP on the issuance of government guarantees, with renewal of existing guarantees being considered as issuing new guarantees.
- ii. **Stock ceiling:** 10 percent of GDP on the total stock of outstanding government guarantees.

**Table-6: Government Guarantees Stock** (PKR in billion)

	Dec-2020	Dec-2021	Dec-2022
<b>Outstanding Guarantees (Extended to PSEs)</b>	<b>2,409</b>	<b>2,553</b>	<b>3,080</b>
-Domestic Currency	1,622	1,566	1,520
-Foreign Currency	788	986	1,560
Memo: Foreign Currency (US\$ in billion)	4.9	5.6	6.9

Source: Debt Management Office, Ministry of Finance

6.1 During July-December 2022, the government issued fresh/rollover guarantees aggregating to PKR 128 billion or 0.2 percent of GDP. As of end December 2022, the stock of government guarantees was 3.7 percent of GDP.

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

	Dec-2020		Dec-2021		Dec-2022	
	PKR bn	US\$ bn	PKR bn	US\$ bn	PKR bn	US\$ bn
<b>(Sector Wise Breakup)</b>						
<b>Total Guarantees Stock</b>	<b>2,409</b>	<b>14.1</b>	<b>2,553</b>	<b>14.5</b>	<b>3,080</b>	<b>13.6</b>
- Power Sector	1,993	11.7	2,117	12.0	2,287	10.1
- Aviation	198	1.2	231	1.3	245	1.1
- Financial	66	0.4	66	0.4	66	0.3
- Manufacturing	45	0.3	48	0.3	46	0.2
- Oil & Gas	55	0.3	45	0.3	40	0.2
- Others	52	0.3	46	0.3	396	1.7
<b>(Entity Wise Breakup)</b>						
<b>Total Guarantees Stock</b>	<b>2,409</b>	<b>14.1</b>	<b>2,553</b>	<b>14.5</b>	<b>3,080</b>	<b>13.6</b>
- PHL	977	5.7	904	5.1	765	3.4
- PAEC	704	4.1	907	5.1	1,226	5.4
- PIACL	198	1.2	231	1.3	245	1.1
- Sindh Engro	66	0.4	71	0.4	81	0.4
- NTDC	58	0.3	56	0.3	60	0.3
- Others	407	2.4	381	2.2	703	3.1
<b>(Interest Rate Type)</b>						
<b>Total Guarantees Stock</b>	<b>2,409</b>	<b>14.1</b>	<b>2,553</b>	<b>14.5</b>	<b>3,080</b>	<b>13.6</b>
- Floating Rate	1,664	10.4	1,599	9.1	1,563	6.9
- Fixed Rate	745	4.7	953	5.4	1,517	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

6.2 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 PKR 1,139 billion at end December 2022.

## 7.0 DOMESTIC DEBT

7.1 Domestic debt comprises permanent debt (medium and long-term), floating debt (short-term) and unfunded debt (primarily made up of various instruments available under National Savings Schemes). Government of Pakistan (GoP) issues three broad types of marketable government securities in order to raise domestic loans i.e., Treasury Bills (T-bills), Pakistan Investment Bonds (PIBs) and Government Ijara Sukuk (GIS). T-bills are short-term securities with maximum maturity of one year. On the other hand, PIBs and GIS are medium-to-longer-term securities and are issued with both fixed and floating coupon rates. The table below describes the main components of domestic debt:

**Table-8: Instrument-Wise Composition of Domestic Debt**

		Dec-20		Dec-21		Dec-22	
		PKR bn	US\$ bn	PKR bn	US\$ bn	PKR bn	US\$ bn
<b>I+II+III+IV+V</b>	<b>Domestic Debt</b>	<b>24,314</b>	<b>152</b>	<b>26,746</b>	<b>152</b>	<b>33,116</b>	<b>146</b>
<b>I</b>	<b>Permanent Debt</b>	<b>15,596</b>	<b>98</b>	<b>16,985</b>	<b>96</b>	<b>23,364</b>	<b>103</b>
	- PIBs	14,102	88	15,175	86	20,301	90
	- Prize Bonds	720	5	372	2	382	2
	- Sukuk / Bai-Muajjal	762	5	1,426	8	2,668	12
	- Others	11	0	12	0	14	0
<b>II</b>	<b>Floating Debt</b>	<b>5,043</b>	<b>32</b>	<b>5,644</b>	<b>32</b>	<b>6,156</b>	<b>27</b>
	- T-Bills	5,042	32	5,592	32	6,091	27
	- MTBs for Replenishment	1	0	51	0	65	0
<b>III</b>	<b>Unfunded Debt</b>	<b>3,670</b>	<b>23</b>	<b>3,604</b>	<b>20</b>	<b>3,073</b>	<b>14</b>
	- NSS	3,527	22	3,465	20	2,961	13
	- Others	142	1	139	1	112	0
<b>IV</b>	<b>Naya Pakistan Certificate</b>	<b>5</b>	<b>0</b>	<b>39</b>	<b>0</b>	<b>48</b>	<b>0</b>
<b>V</b>	<b>SDRs allocation*</b>	<b>-</b>	<b>-</b>	<b>475</b>	<b>3</b>	<b>475</b>	<b>2</b>

\*SBP loan to GOP against SDRs allocation

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

Table-9: Creditor-Wise Composition of Domestic Debt

(PKR in billion)

	Dec-20	%	Dec-21	%	Dec-22	%
<b>I+II Domestic Debt</b>	<b>24,314</b>	<b>100</b>	<b>26,746</b>	<b>100</b>	<b>33,116</b>	<b>100</b>
<b>I Tradable Government Securities</b>	<b>19,908</b>	<b>82</b>	<b>22,245</b>	<b>83</b>	<b>29,125</b>	<b>88</b>
- Held by Scheduled Banks	10,546	43	13,263	50	17,143	52
- Held by SBP	6,908	28	6,103	23	5,848	18
- Held by Non-Banks	2,454	10	2,879	11	6,135	19
<b>II Others</b>	<b>4,406</b>	<b>18</b>	<b>4,502</b>	<b>17</b>	<b>3,991</b>	<b>12</b>
- NSS (including Prize Bonds)	4,248	17	3,837	14	3,343	10
- Naya Pakistan Certificate	5	0	39	0	48	0
- SDRs allocation*	-	-	475	2	475	1
- Other	153	1	150	1	126	0

\*SBP loan to GOP against SDRs allocation

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

Figure 3: Composition of Domestic Debt - December 2022

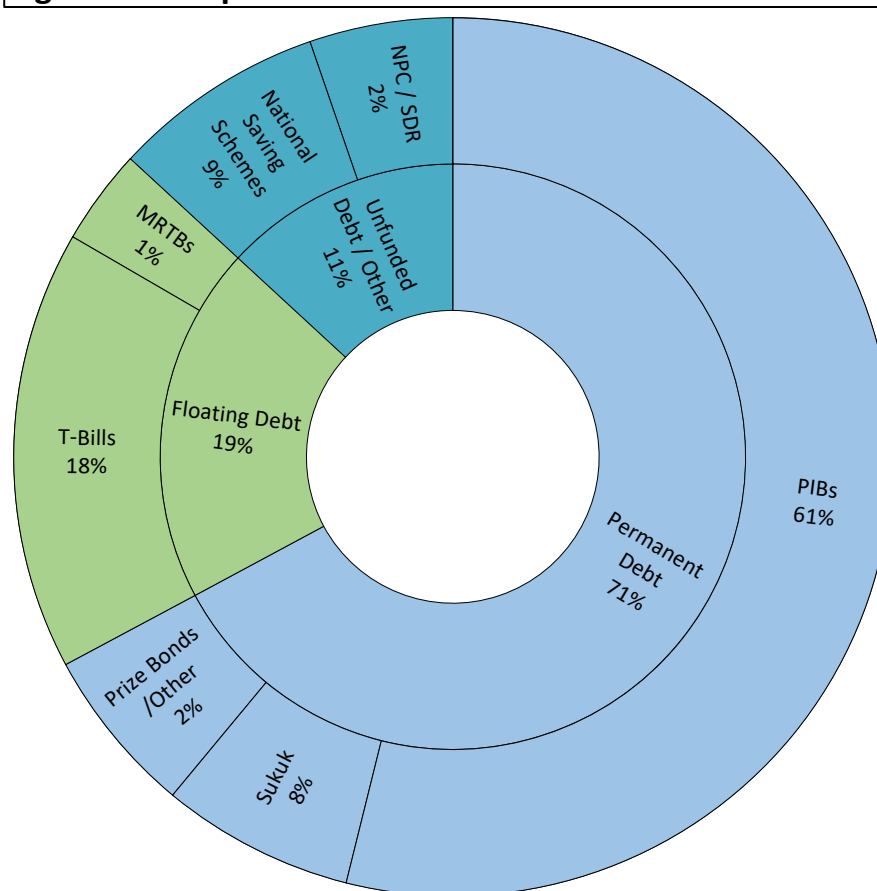


Table-10: Maturity Profile of Domestic Debt

(PKR in billion)

	Dec-20	%	Dec-21	%	Dec-22	%
<b>I+II Domestic Debt</b>	<b>24,314</b>	<b>100</b>	<b>26,746</b>	<b>100</b>	<b>33,116</b>	<b>100</b>
<b>I Short-Term Debt (&lt; 1 Year)</b>	<b>7,918</b>	<b>33</b>	<b>8,275</b>	<b>31</b>	<b>10,731</b>	<b>32</b>
- T-Bills	5,043	21	5,644	21	6,156	18
- Medium & Long-Term Debt*	2,875	12	2,631	10	4,574	14
<b>II Medium &amp; Long-Term Debt (&gt; 1 Year)</b>	<b>16,396</b>	<b>67</b>	<b>18,472</b>	<b>69</b>	<b>22,386</b>	<b>68</b>

\*Remaining Maturity of less than 1 year

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

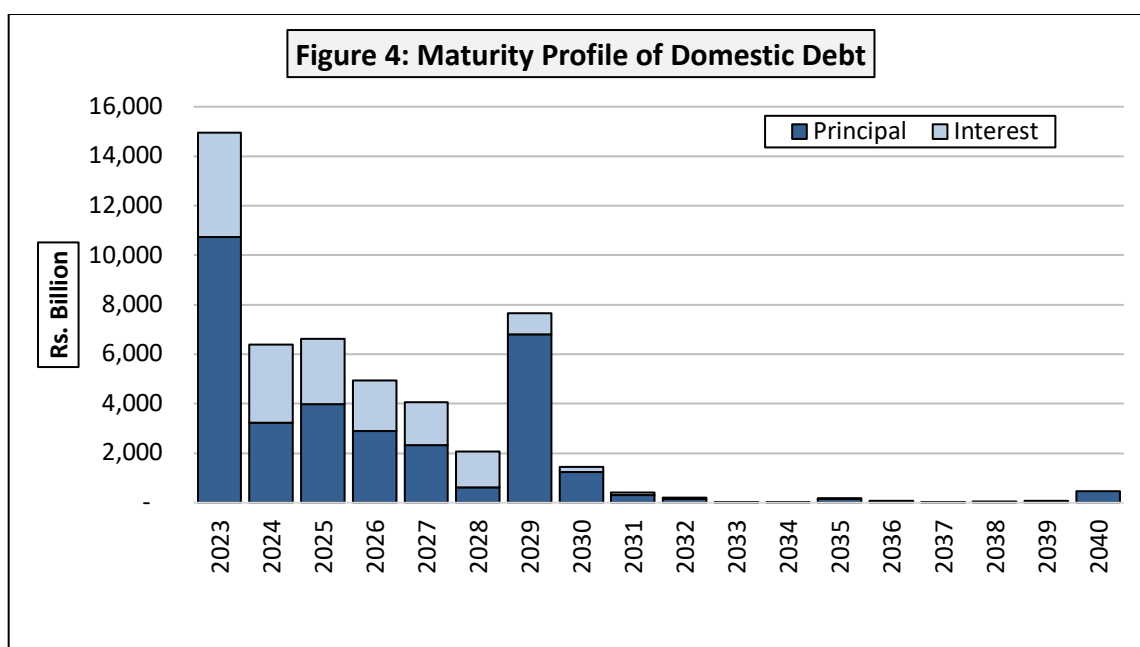


Table-11: Interest Rate Type of Domestic Debt

(PKR in billion)

	Dec-20	%	Dec-21	%	Dec-22	%
<b>I+II Domestic Debt</b>	<b>24,314</b>	<b>100</b>	<b>26,746</b>	<b>100</b>	<b>33,116</b>	<b>100</b>
<b>I Floating Rate</b>	<b>13,488</b>	<b>55</b>	<b>16,638</b>	<b>62</b>	<b>22,571</b>	<b>68</b>
- T-Bills	5,043	21	5,644	21	6,156	19
- Floating Rate Bonds	8,445	34	10,994	41	16,414	49
<b>II Fixed Rate</b>	<b>10,826</b>	<b>45</b>	<b>10,109</b>	<b>38</b>	<b>10,546</b>	<b>32</b>

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



## 8.0 EXTERNAL PUBLIC DEBT

8.1 External public debt was recorded at US\$ 86.6 billion at end December 2022. The source-wise composition of external public debt is depicted in the following table:

**Table-12: Composition of External Public Debt**

	Dec-20		Dec-21		Dec-22	
	PKR bn	US\$ mn	PKR bn	US\$ mn	PKR bn	US\$ mn
<b>I+II External Public Debt</b>	<b>13,151</b>	<b>82,406</b>	<b>15,985</b>	<b>90,556</b>	<b>19,605</b>	<b>86,565</b>
<b>I Government External Debt (a+b)</b>	<b>11,958</b>	<b>74,928</b>	<b>14,796</b>	<b>83,824</b>	<b>17,880</b>	<b>78,949</b>
<b>a- Long term (&gt;1 year)</b>	<b>11,812</b>	<b>74,012</b>	<b>14,571</b>	<b>82,547</b>	<b>17,724</b>	<b>78,261</b>
- Paris Club	1,843	11,547	1,791	10,146	1,916	8,459
- Multilateral	5,293	33,165	6,114	34,634	8,238	36,376
- Other Bilateral	2,330	14,602	3,165	17,929	4,084	18,035
- Euro/Sukuk Global Bonds	846	5,300	1,377	7,800	1,766	7,800
- Commercial Loans	1,438	9,009	1,804	10,218	1,561	6,894
- Naya Pakistan Certificates	21	129	236	1,338	149	658
- Local Currency Sec (PIBs)	31	192	74	419	1	4
- NBP/BOC deposits/PBC	11	69	11	63	8	35
<b>b- Short term (&lt;1 year)</b>	<b>146</b>	<b>915</b>	<b>225</b>	<b>1,277</b>	<b>156</b>	<b>688</b>
- Multilateral	92	575	188	1,067	156	687
- Local Currency Sec (T-bills)	54	340	37	210	0	0
- Commercial Loans	-	-	-	-	-	-
<b>II From IMF</b>	<b>1,194</b>	<b>7,479</b>	<b>1,188</b>	<b>6,732</b>	<b>1,725</b>	<b>7,616</b>
- Federal Government	473	2,966	595	3,372	1,220	5,387
- Central Bank	720	4,512	593	3,360	505	2,229

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

8.2 Pakistan's external public debt is obtained from following major sources:

- i. Loans from multilateral development partners (including IMF) and bilateral countries (Paris and non-Paris club) constitute **52 percent** and **23 percent**, respectively. These loans are concessional in nature i.e., long tenor and low interest rate.
- ii. Friendly countries deposits (China and Saudi Arabia) accounts for **8 percent**. These loans are short-term in nature (1-year) and are obtained for balance of payment as well as budgetary support.

- iii. Loans from foreign commercial banks constitute around **8 percent**. These loans are mostly short-to-medium term (i.e., 1-3 years) with market-based interest rate.
- iv. Government of Pakistan's international capital market transactions in form of Eurobonds and international Sukuk constitute **9 percent**. These transactions represent long-term nature of debt with market-based interest rate.
- v. Other foreign inflows in terms of Naya Pakistan Certificate, non-resident investment in government securities, and Pakistan Banao Certificates etc. constitute around **1 percent**. This category falls under medium-to-long term nature of debt with market-based interest rate.

**Figure 5: Composition of External Public Debt - Dec 2022**

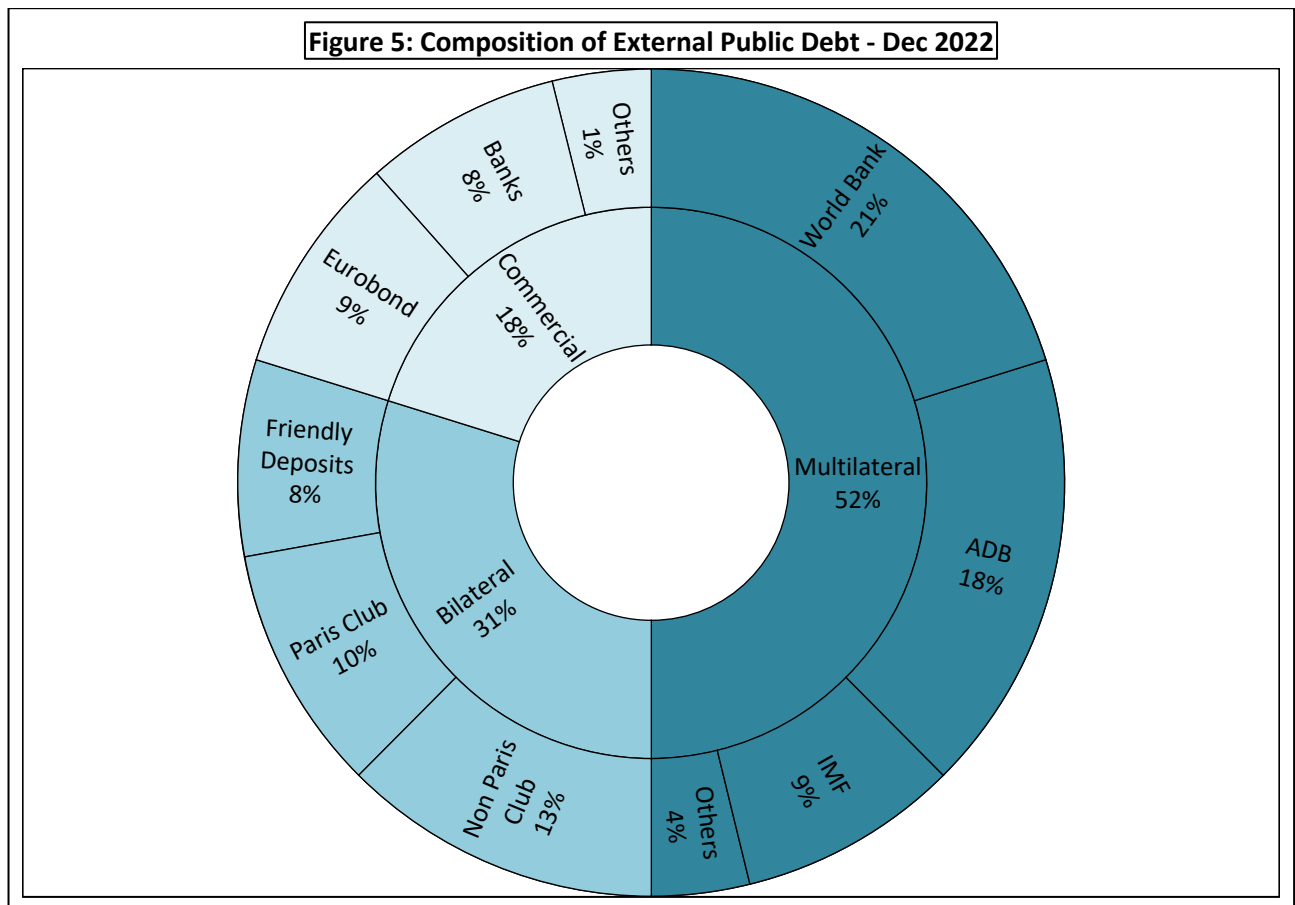


Table-13: Source Wise External Public Debt

		Dec-20		Dec-21		Dec-22	
		US\$ mn	%	US\$ mn	%	US\$ mn	%
<b>I+II+III</b>	<b>External Public Debt</b>	<b>82,406</b>	<b>100</b>	<b>90,556</b>	<b>100</b>	<b>86,565</b>	<b>100</b>
<b>I</b>	<b>Multilateral</b>	<b>41,219</b>	<b>50</b>	<b>42,434</b>	<b>47</b>	<b>44,679</b>	<b>51</b>
	- World Bank	17,308	21	18,420	20	18,192	21
	- Asian Development Bank	13,665	17	13,947	15	15,267	17
	- IMF	7,479	9	6,732	7	7,616	9
	- Others	2,768	3	3,334	4	3,605	4
<b>II</b>	<b>Bilateral</b>	<b>26,149</b>	<b>32</b>	<b>28,075</b>	<b>31</b>	<b>26,494</b>	<b>31</b>
	- Paris Club	11,547	14	10,146	11	8,459	10
	- Non-Paris Club	14,602	18	17,929	20	18,035	21
<b>III</b>	<b>Commercial</b>	<b>15,039</b>	<b>18</b>	<b>20,048</b>	<b>22</b>	<b>15,392</b>	<b>18</b>
	- Commercial Loans	9,009	11	10,218	11	6,894	8
	- Euro/Sukuk Global Bonds	5,300	6	7,800	9	7,800	9
	- Naya Pakistan Certificates	129	0	1,338	1	658	1
	- Local Currency (T-Bills & PIBs)	532	1	629	1	5	0
	- NBP/BOC deposits/PBC	69	0	63	0	35	0

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

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

(US\$ in million)

		Dec-20		Dec-21		Dec-22	
		US\$ mn	%	US\$ mn	%	US\$ mn	%
<b>I+II</b>	<b>External Public Debt</b>	<b>82,406</b>	<b>100</b>	<b>90,556</b>	<b>100</b>	<b>86,565</b>	<b>100</b>
<b>I</b>	<b>Provincial Governments</b>	<b>10,721</b>	<b>13</b>	<b>11,137</b>	<b>12</b>	<b>11,216</b>	<b>13</b>
	- Punjab	5,875	7	6,029	7	5,920	7
	- Sindh	2,645	3	2,701	3	2,731	3
	- Khyber Pakhtunkhwa (KP)	1,634	2	1,857	2	1,999	2
	- Baluchistan	316	0	296	0	295	0
	- Gilgit-Baltistan	36	0	42	0	51	0
	- Azad Jammu & Kashmir	215	0	212	0	219	0
<b>II</b>	<b>Federal Government</b>	<b>71,685</b>	<b>87</b>	<b>79,419</b>	<b>88</b>	<b>75,349</b>	<b>87</b>

Source: Ministry of Economic Affairs

Table-15: Maturity Profile of External Public Debt

(US\$ in million)

		Dec-20		Dec-21		Dec-22	
		US\$ mn	%	US\$ mn	%	US\$ mn	%
<b>I+II</b>	<b>External Public Debt</b>	<b>82,406</b>	<b>100</b>	<b>90,556</b>	<b>100</b>	<b>86,565</b>	<b>100</b>
<b>I</b>	<b>Short-Term Debt (&lt; 1 Year)</b>	<b>13,081</b>	<b>16</b>	<b>14,973</b>	<b>17</b>	<b>15,154</b>	<b>18</b>
	- Bilateral Friendly Deposits	4,000	5	7,000	8	7,000	8
	- Commercial Loans	115	0	-	-	-	-
	- IDB Short-term	575	1	1,067	1	687	1
	- LC Securities (T-Bills)	340	0	210	0	0	0
	- LT (Remaining maturity < 1 year)	8,051	10	6,696	7	7,466	9
<b>II</b>	<b>Medium &amp; Long-Term Debt (&gt; 1 Year)</b>	<b>69,325</b>	<b>84</b>	<b>75,583</b>	<b>83</b>	<b>71,411</b>	<b>82</b>

LC: Local Currency; LT: Long-term

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

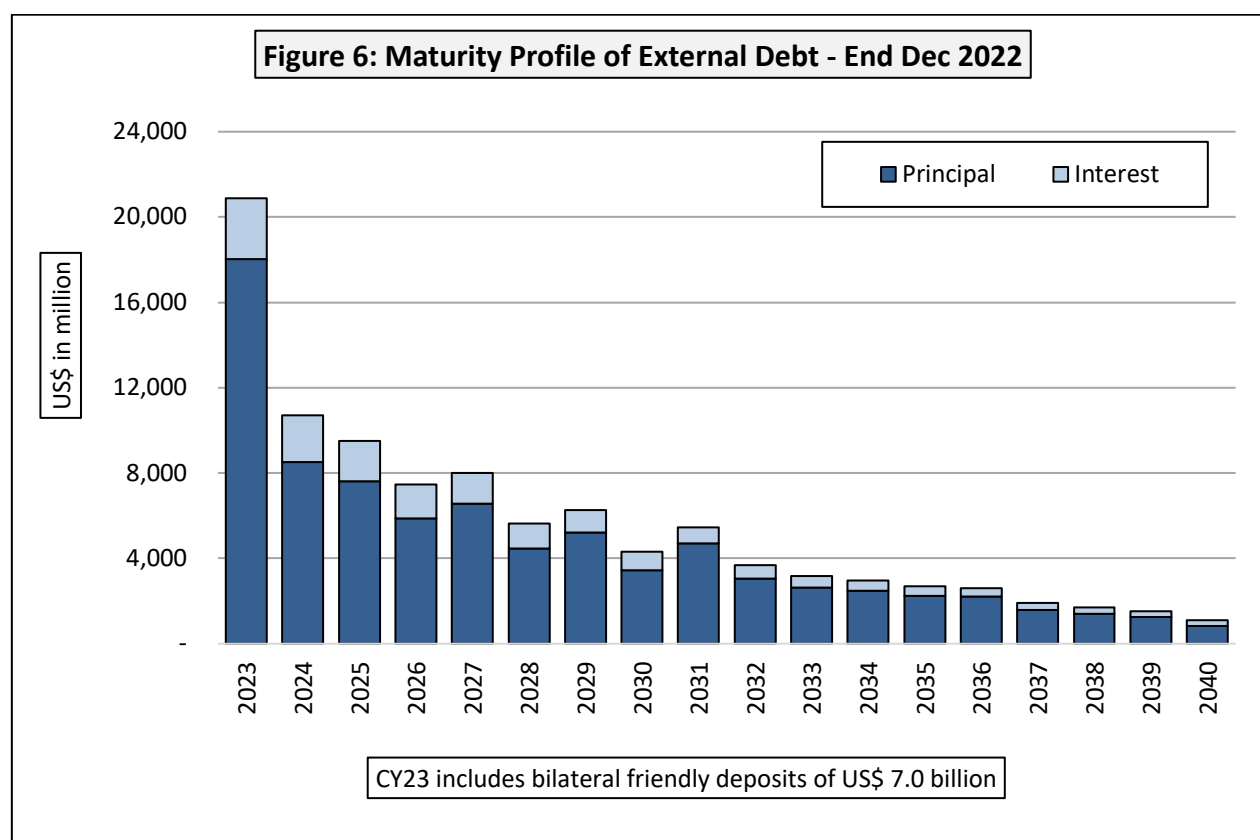


Table-16: Interest Rate Type of External Public Debt

(USD in million)

	Dec-2020		Dec-2021		Dec-2022	
	US\$ mn	%	US\$ mn	%	US\$ mn	%
<b>I+II External Public Debt</b>	<b>82,406</b>	<b>100</b>	<b>90,556</b>	<b>100</b>	<b>86,565</b>	<b>100</b>
<b>I Floating Rate</b>	<b>26,614</b>	<b>32</b>	<b>27,311</b>	<b>30</b>	<b>25,367</b>	<b>29</b>
- Multilateral	10,850	13	11,170	12	12,983	15
- Bilateral	7,064	9	6,284	7	5,889	7
- Commercial Loans	8,360	10	9,647	11	6,494	8
- Euro/Sukuk Global Bonds	-	-	-	-	-	-
- LC Securities (T-Bills)	340	0	210	0	0	0
- NBP/BOC deposits/PBC	-	-	-	-	-	-
- Naya Pakistan Certificates	-	-	-	-	-	-
<b>I Fixed Rate</b>	<b>55,793</b>	<b>68</b>	<b>63,246</b>	<b>70</b>	<b>61,198</b>	<b>71</b>
- Multilateral	30,369	37	31,264	35	31,695	37
- Bilateral	19,133	23	21,789	24	20,605	24
- Commercial Loans	600	1	573	1	400	0
- Euro/Sukuk Global Bonds	5,300	6	7,800	9	7,800	9
- LC Securities (PIBs)	192	0	419	0	4	0
- NBP/BOC deposits/PBC	69	0	63	0	35	0
- Naya Pakistan Certificates	129	0	1,338	1	658	1

LC: Local Currency

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

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

(US\$ in million)

	Jul-Dec 2020	Jul-Dec 2021	Jul-Dec 2022
<b>Inflows (A)</b>	<b>5,703</b>	<b>8,972</b>	<b>5,347</b>
- Multilateral	2,115	2,847	4,464
- Bilateral	147	3,094	683
- Euro/Sukuk Global Bonds	-	1,000	-
- Commercial Banks/Short-Term	3,441	2,032	200
<b>Repayment (B)</b>	<b>3,231</b>	<b>4,202</b>	<b>7,512</b>
- Multilateral	1,318	1,358	1,300
- Bilateral	79	28	1,079
- Euro/Sukuk Global Bonds	-	1,000	1,000
- Commercial Banks/Short-Term	1,834	1,815	4,133

<b>Net Inflows/(Outflows) - (A-B)</b>	<b>2,472</b>	<b>4,770</b>	<b>(2,165)</b>
- Multilateral	797	1,488	3,164
- Bilateral	68	3,065	(396)
- Euro/Sukuk Global Bonds	-	-	(1,000)
- Commercial Banks/Short-Term	1,607	217	(3,933)
<b>Interest Servicing (C)</b>	<b>742</b>	<b>838</b>	<b>1,391</b>
- Multilateral	297	285	413
- Bilateral	69	48	361
- Euro/Sukuk Global Bonds	181	307	319
- Commercial Banks/Short-Term	195	198	297
<b>Total Debt Servicing (B+C)</b>	<b>3,974</b>	<b>5,040</b>	<b>8,902</b>
- Multilateral	1,615	1,643	1,713
- Bilateral	148	76	1,440
- Euro/Sukuk Global Bonds	181	1,307	1,319
- Commercial Banks/Short-Term	2,029	2,013	4,430

\* Above data excludes disbursements from non-resident investment in Government Securities, Naya Pakistan Certificates and Pakistan Banao Certificates and includes the inflows and outflows of IMF

Source: State Bank of Pakistan

**Table-18: Pakistan's International Bonds (maturity date-wise sorted)**

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

Source: Bloomberg

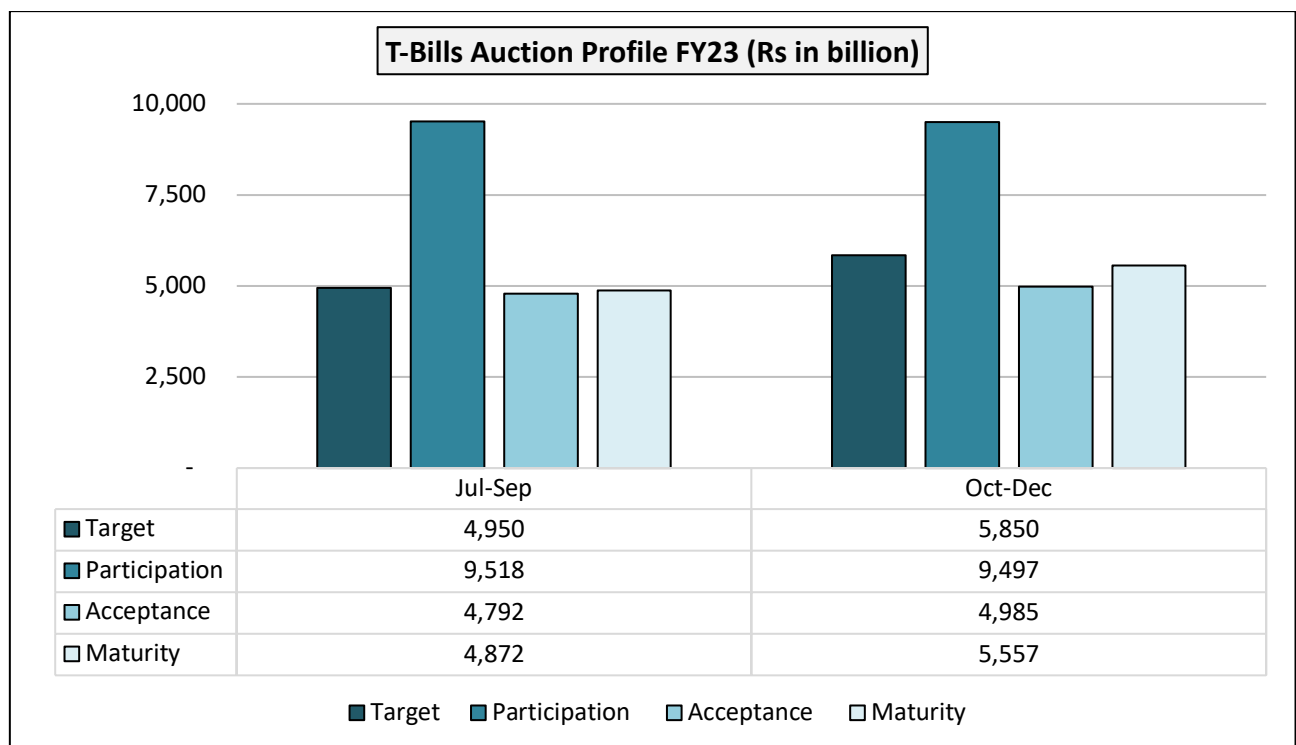
**ANNEXURES****Annex 1: Targets and actual outcomes of risk indicators****Key Risk Indicators:**

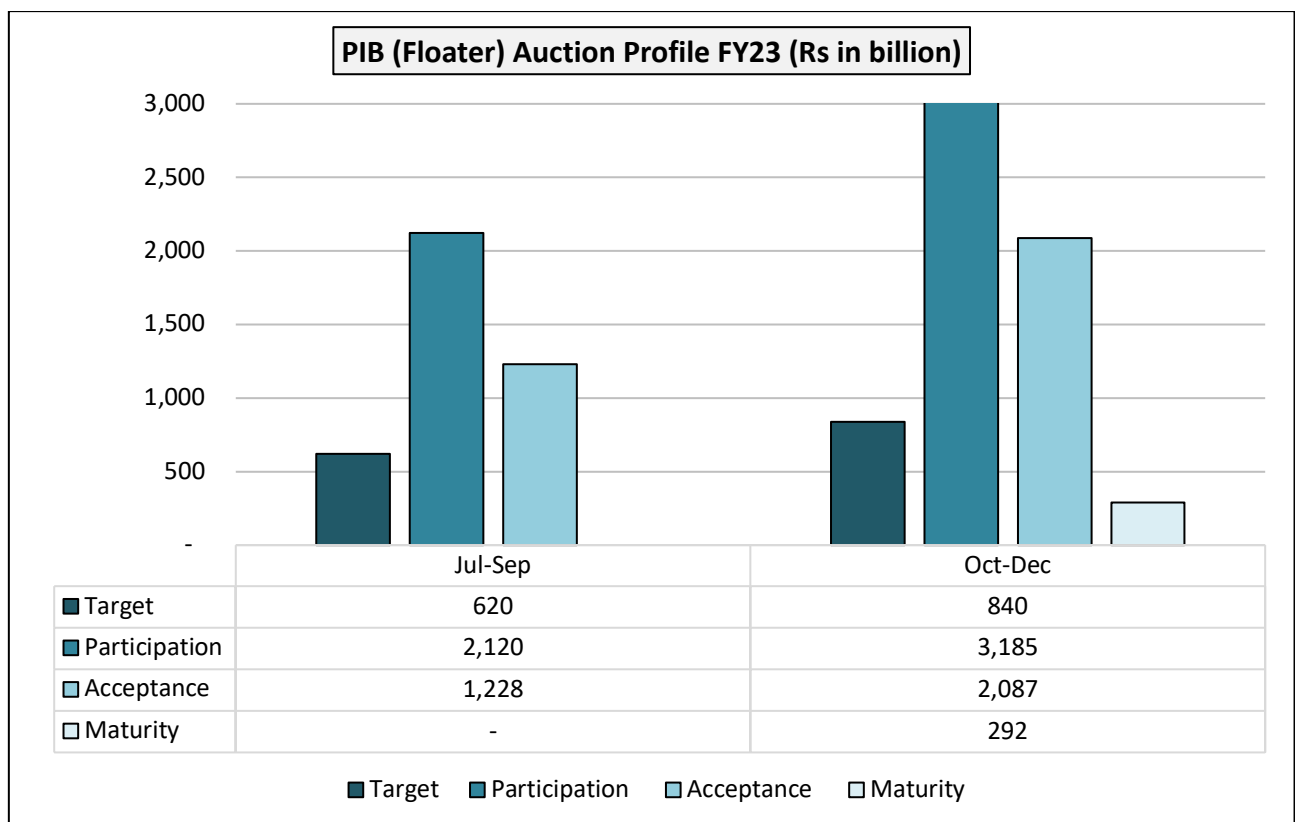
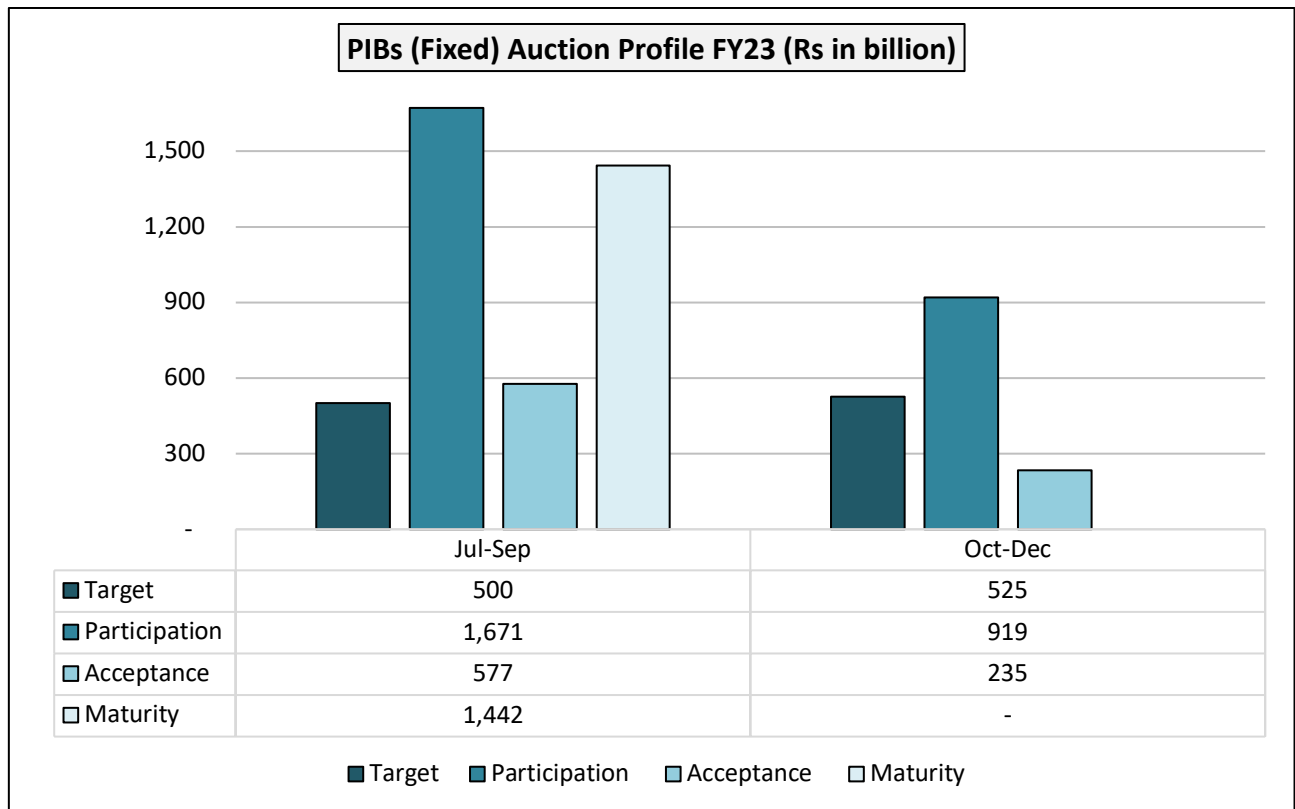
Risk Exposure	Indicators	Jun-20		Dec-20	Jun-21		Dec-21	Jun-22		Dec-22
		T	A	A	T	A	A	T	A	A
Currency Risk	Share of ED in TPD (%)	-	36.0	35.1	-	34.0	37.4	-	37.0	37.2
Refinancing Risk	ATM of Domestic Debt (Years)	4.0	4.1	4.1	4.0	3.6	4.0	4.0	3.6	3.5
	ATM of External Debt (Years)	7.0	7.0	7.0	7.0	6.8	6.7	7.0	6.2	6.3
Concentration Risk	Share of Shariah Debt in GS (%)	2.0	2.0	3.8	5.0	3.9	6.4	7.5	8.6	9.2
Interest Rate Risk	Share of FR Debt in GS (%)	30.0	34.0	32.4	30.0	30.0	25.5	30.0	26.0	22.6

T: Target; A: Actual

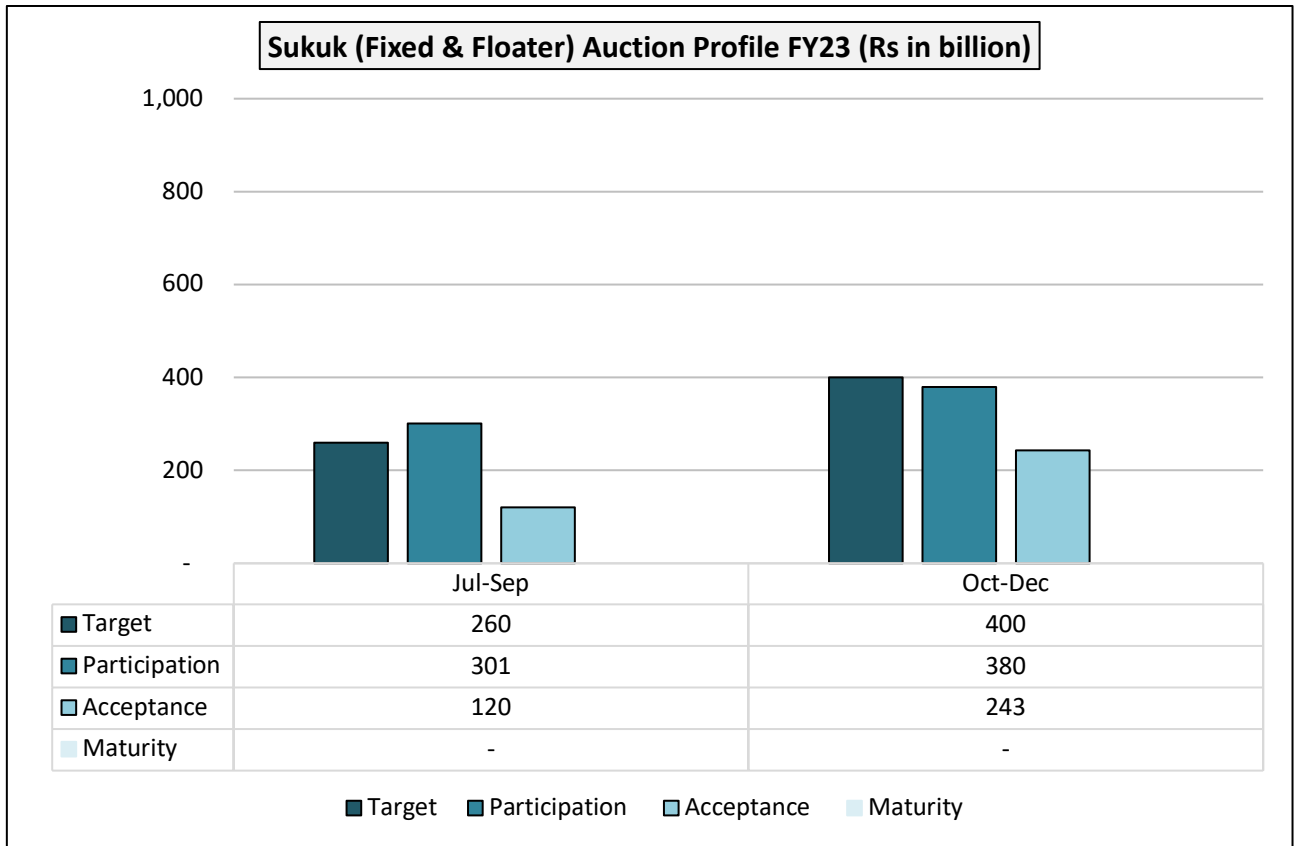
ATM: Average Time to Maturity; ED: External Public Debt; TPD: Total Public Debt; GS: Government Securities; FR: Fixed Rate

Source: Debt Management Office, Ministry of Finance

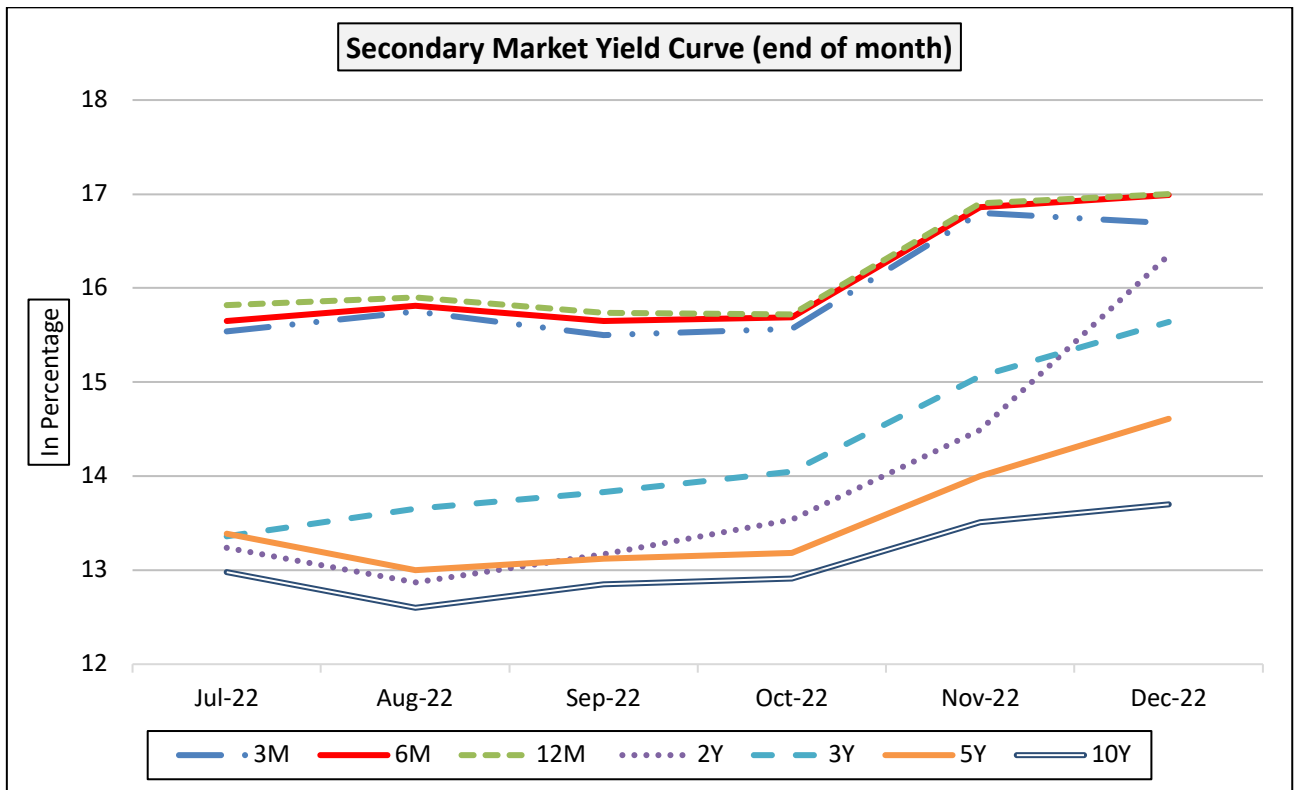
**Annex-2: Auction Pattern of Government Domestic Securities:**







**Annex 3: Secondary Market Yield Curve (July-December 2022)**



[finance.gov.pk](http://finance.gov.pk)