

# Public Debt Bulletin

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July-December 2023



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 (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. It also provides information on the domestic and external debt composition in terms of fixed/floating debt and short-term/long-term debt. Importantly, the bulletin covers the assessment of the progress in comparison with the targets defined in the Medium-Term Debt Management Strategy (MTDS) FY23-FY26. The dissemination of this 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-2022	Dec-2022	Jun-2023	Dec-2023
<b>(PKR in billion)</b>				
Domestic Debt	31,085	33,178	38,810	42,588
External Debt	18,157	19,605	24,071	24,742
<b>Total Public Debt</b>	<b>49,242</b>	<b>52,783</b>	<b>62,881</b>	<b>67,330</b>
<b>Total Debt of the Government*</b>	<b>44,361</b>	<b>48,027</b>	<b>57,779</b>	<b>60,531</b>
<b>GDP (Nominal)</b>	<b>66,640</b>	<b>84,069</b>	<b>84,069</b>	<b>105,817</b>
<b>(In Percent of GDP)</b>				
Domestic Debt	46.6	-	46.2	-
External Debt	27.2	-	28.6	-
<b>Total Public Debt</b>	<b>73.9</b>	<b>-</b>	<b>74.8</b>	<b>-</b>
<b>Total Debt of the Government*</b>	<b>66.6</b>	<b>-</b>	<b>68.7</b>	<b>-</b>
<b>(In Percent of Total Public Debt)</b>				
Domestic Debt	63.1	62.8	61.7	63.3
External Debt	36.9	37.1	38.3	36.7
<b>(US\$ in billion)</b>				
Domestic Debt	152.1	146.2	135.5	151.1
External Debt	88.8	86.6	84.1	87.8
<b>Total Public Debt</b>	<b>240.9</b>	<b>232.8</b>	<b>219.6</b>	<b>238.9</b>
Exchange Rate (PKR/US\$, End of Period)	204.4	226.5	286.4	281.9

\* As per Fiscal Responsibility and Debt Limitation Act, 2005, (as amended from time to time) "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.

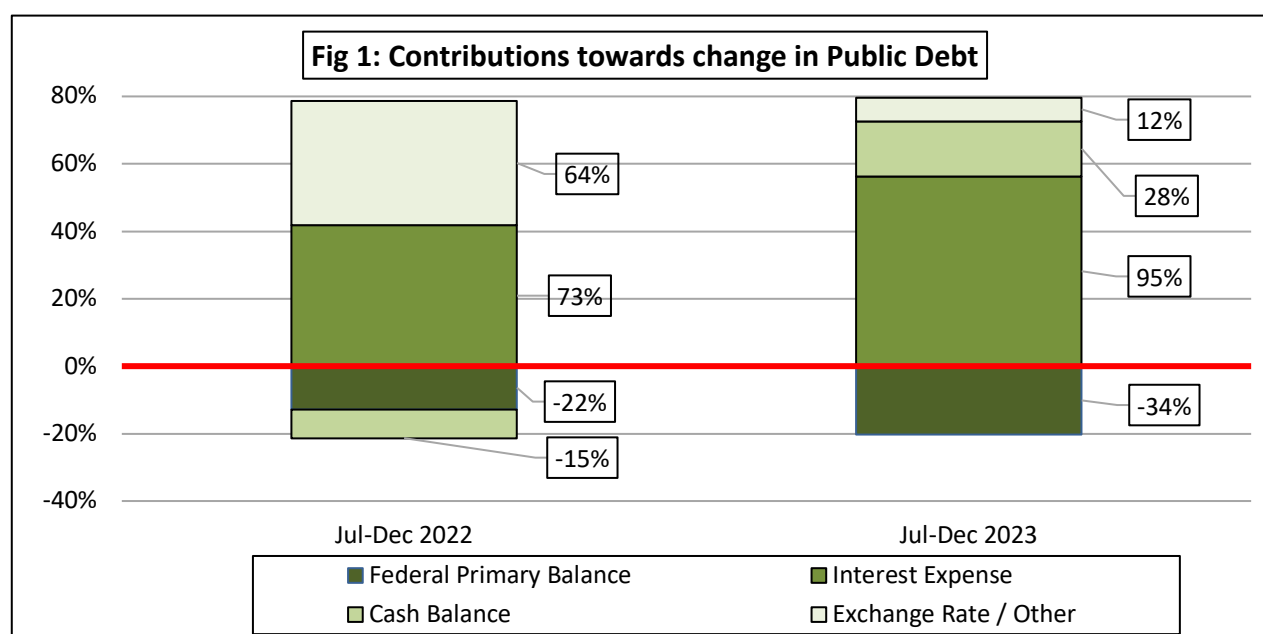
Table-2: Reasons for increase in Total Public Debt

(PKR in billion)

	Jun-2022	Dec-2022	Jun-2023	Dec-2023
<b>Total Public Debt</b>	<b>49,242</b>	<b>52,783</b>	<b>62,881</b>	<b>67,330</b>
<b>Change in Total Public Debt (I+II)</b>		<b>3,541</b>		<b>4,449</b>
<b>of which:</b>				
<b>(I) Effect of Transactions</b>		<b>1,259</b>		<b>3,922</b>
Federal Primary Deficit / (Surplus)		(788)		(1,523)
Interest Expense		2,573		4,220
Cash Balance Increase / (Decrease)		(526)		1,224
<b>(II) Effect of Other Economic Flows</b>		<b>2,282</b>		<b>527</b>
Exchange Rate Impact / Other		2,282		527

Note: Other include changes in IMF's BoP loans & effects of accounting policies

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



#### 4.0 PROGRESS ON MEDIUM-TERM DEBT MANAGEMENT STRATEGY (FY23 – FY26)

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

Risk Exposure	Indicators	Dec-2021	Dec-2022	Dec-2023
Currency Risk	Share of External Debt in Total Public Debt (%)	37.4	37.1	36.7
Refinancing Risk	ATM of Domestic Debt (Years)	4.0	3.5	3.0
	ATM of External Debt (Years)	6.7	6.3	6.3
Concentration Risk	Share of Shariah Compliant Debt in Govt Securities (%)	6.4	9.2	11.5
Interest Rate Risk	Share of Fixed Rate Debt in Government Securities (%)	25.5	22.6	19.0

ATM: Average Time to Maturity; External Debt refers to External Public Debt

Source: Debt Management Office, Ministry of Finance

4.1 The movement in the risk indicators can be explained through the following:

##### **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 fragile exchange rate. 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 36.7 percent at end Dec 2023 as compared to 37.1 percent at end Dec 2022 depicting a decrease of 0.5 percentage points. Although the ratio has declined, Pak Rupee depreciation against international currencies by around 24 percent resulted in a higher value of external debt when translated into a local currency. Nevertheless, the external debt exposure is still within the maximum limit of 40 percent as envisaged in MTDS.

##### **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. In recent 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. In Dec 2023, MoF initiated the auction of Ijara Sukuk instruments through Pakistan Stock Exchange (PSX) with aim to diversify investor base. Owing to the rising interest rate environment during first half of CY23, demand for domestic debt remained mostly skewed towards short to medium-term government securities. Resultantly, the ATM of domestic debt reduced to 2.8 years at end June 2023 from 3.5 years at end Dec 2022. However, during second half of CY23 wherein the policy rate remained at 22 percent through out, MoF was able to issue more long tenor debt securities while retiring short tenor Treasury Bills amounting to almost PKR 1.0 trillion. This led to increase in ATM of domestic debt to 3.0 years at end Dec 2023.



External debt is mostly concentrated with multilateral and bilateral loans which are long term in nature. However, in the recent years, the foreign commercial banks loans and bilateral deposits remained a major contributor in external inflows. During first half of CY23, ATM of external debt improved to 6.4 years at end June 2023 as compared to 6.3 years at end Dec 2022. Although during the second half of CY23 no short-term foreign commercial bank loan was obtained, the short-term nature of the new KSA deposit (US\$ 2.0 bn in July 2023), the disbursement under IMF's Stand-By Arrangement (US\$ 1.2 bn in July 2023) with medium term repayment from 3<sup>rd</sup> to 5<sup>th</sup> year (from date of disbursement), and running off of existing maturities, resulted into ATM of external debt as 6.3 years at end Dec 2023.

#### **Average Time to Refixing (ATR)<sup>1</sup>**

ATR of domestic debt reduced to 1.3 years at the end of Dec 2023 as compared to 1.7 years at end Dec 2022. This reduction in ATR was due to strong market appetite and higher issuance in floating rate debt instruments. ATR of external debt also reduced to 4.9 years at end Dec 2023 from 5.2 years at end Dec 2022 primarily due to: (i) higher proportion of floating rate debt inflows during CY23; and (ii) running off of the existing fixed rate portfolio.

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

Increasing the share of shariah-compliant government securities is an important part of the diversification strategy to overcome over-reliance on existing investor base which may exacerbate liquidity problems and increase the borrowing costs. Due to the high growth and rising market share of shariah-compliant financial institutions in the country, MoF is making all efforts to increase the share of Shariah compliant debt in government securities. Starting from Dec 2023, government initiated the issuance of shariah compliant debt instrument through Pakistan Stock Exchange (PSX) with aim to tap new investor base i.e., institutional as well as retail. In line with targets, share of shariah-compliant debt in government securities increased to 11.5 percent at end Dec 2023 as compared to 9.2 percent at end Dec 2022.

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

MoF has set a benchmark (minimum limit) of 20 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 high (around 63 percent at end Dec 2023). The reason behind setting lower benchmark and target for fixed-rate debt within domestic government securities is that the demand for fixed-rate debt

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<sup>1</sup> MTDS does not define the targets related to ATR of domestic and external 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. Furthermore, 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.

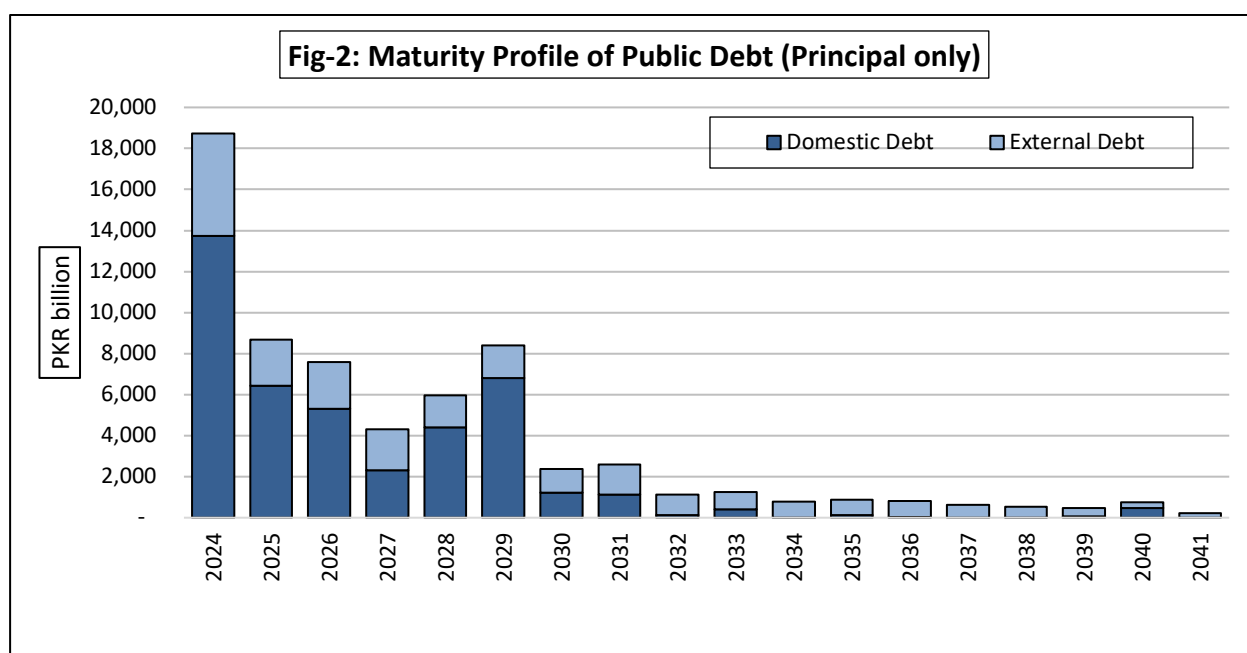
Owing to high interest rate environment during CY 2023, market participants remained inclined towards floating rate debt instruments. Therefore, larger amounts were raised by issuing floating-rate debt. Resultantly, the proportion of fixed rate debt in total government securities came down to 19.0 percent as of end Dec 2023 as compared to 22.6 percent as of end Dec 2022. In order to diversify the investor base, government has shifted all shariah compliant debt issuance through Pakistan Stock Exchange (PSX) with aim to tap new institutional and retail investors and to promote borrowing transparency and competition. Going forward with price stability and diversification of investor and instrument base, share of fixed rate debt in government securities is expected to increase.

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, Securities and Exchange Commission, Pakistan Stock Exchange and other capital market institutions to take the necessary steps to increase: (i) competition in the financial markets; and (ii) size and market share of other participants such as insurance companies and pension funds etc.

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

Currencies	Dec-21	Dec-22	Dec-23
Pak Rupee	63	63	63
US Dollar	20	20	23
Special Drawing Right (SDR)	11	12	9
Japanese Yen	2	2	2
Others	4	3	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>24</b>	<b>15</b>	<b>16</b>	<b>7</b>	<b>10</b>	<b>100</b>
- Domestic Debt	21	17	10	12	2	1	63
- External Debt	7	7	5	4	5	9	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 2023)

- The interest expense was around PKR 4.2 tr, of which 88 percent was interest on domestic debt. Owing to expenditure rationalization measures taken by government, a federal primary surplus of PKR 1.5 tr was posted resulting into a federal fiscal deficit of PKR 2.7 tr.
- Around 77 percent of the financing of federal fiscal deficit was carried out through domestic sources while 23 percent through external sources.
- Government retired short-term treasury bills by around PKR 1.0 tr.
- Gross issuance of fixed rate Pakistan Investment Bonds (PIBs) amounted to PKR 840 bn against maturity of PKR 1.2 tr. Gross issuance of floating rate PIBs amounted to PKR 5.0 tr against repayment of PKR 2.0 tr.
- Gross issuance of Government Ijara Sukuk (GIS) was PKR 1.3 tr whereas there was no maturity against the Shariah compliant instruments.
- Government successfully raised PKR 30 bn from its first ever Ijara Sukuk auction on the PSX.
- Flows in National Saving Schemes remained subdued.

- External budgetary disbursements were recorded at US\$ 5.4 bn, of which US\$ 2.2 bn was received from multilateral sources, US\$ 2.7 bn from bilateral development partners and US\$ 0.5 bn was recorded as inflow from Naya Pakistan Certificates. External budgetary repayment during the first half of fiscal year amounted US\$ 3.3 bn.
- US\$ 1.0 bn China SAFE deposits and US\$ 3.0 bn Saudi deposits were rolled over for one year in July 2023 and Dec 2023 respectively.
- Bilateral debt rearrangement was carried out with Exim Bank of China amounting US\$ 1.2 bn each for FY24 and FY25.
- In addition to above, government also received US\$ 1.2 bn under the IMF's Stand-By Arrangement (SBA) and US\$ 1.0 bn bilateral deposit from UAE for balance of payment support.

## 6.0 RECENT INITIATIVES

- 6.1 In order to make debt management operations more competitive and improve transparency in borrowing operations as well as diversify the investors base, government undertook amendments in the Treasury Bills Rules, 1998 and Ijara Sukuk Rules, 2008. These amendments allow government to:
- i. have flexibility of specifying the features (tenor, coupon rate, coupon frequency, repayment of principal etc.) of government securities;
  - ii. follow multiple mechanisms for raising of domestic debt through government securities; and
  - iii. raise debt through other mechanisms e.g., Capital Market Institutions (including Pakistan Stock Exchange (PSX), Central Depository Company (CDC) and National Clearing Company Pakistan Limited (NCCPL)).
- 6.2 Pursuant to these amendments, government carried out maiden auction of 1-year fixed rate Ijara Sukuk on PSX in December 2023. Healthy participation of PKR 478 bn was witnessed against a target of PKR 30 bn. Participation was mostly concentrated from non-banking sector, contributing around 90 percent. This was an important way forward towards development of domestic debt capital markets and will make the government borrowing more competitive and transparent.

## 7.0 GOVERNMENT GUARANTEES PORTFOLIO

The Fiscal Responsibility and Debt Limitation (Amendment) Act 2005 under sub-section 3, clause (d) imposes 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-21	Dec-22	Dec-23
<b>Outstanding Guarantees (Extended to PSEs)</b>	<b>2,553</b>	<b>3,080</b>	<b>3,495</b>
-Domestic Currency	1,566	1,520	1,518
-Foreign Currency	986	1,560	1,977
Memo: Foreign Currency (US\$ in billion)	5.6	6.9	7.0

Source: Debt Management Office, Ministry of Finance

7.1 During July-December 2023, the government issued fresh/rollover guarantees aggregating to PKR 26 billion or 0.02 percent of GDP. As of end Dec 2023, the stock of government guarantees was 3.3 percent of GDP.

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

	Dec-21		Dec-22		Dec-23	
	PKR bn	US\$ bn	PKR bn	US\$ bn	PKR bn	US\$ bn
<b>(Sector Wise Breakup)</b>						
<b>Total Guarantees Stock</b>	<b>2,553</b>	<b>14.5</b>	<b>3,080</b>	<b>13.6</b>	<b>3,495</b>	<b>12.4</b>
- Power Sector	2,117	12.0	2,287	10.1	2,483	8.8
- Aviation	231	1.3	245	1.1	250	0.9
- Manufacturing & Mining	48	0.3	111	0.2	110	0.4
- Financial	85	0.5	105	0.3	100	0.4
- Oil & Gas	45	0.3	56	0.2	80	0.3
- Others	27	0.2	276	1.7	472	1.7
<b>(Interest Rate Type)</b>						
<b>Total Guarantees Stock</b>	<b>2,553</b>	<b>14.5</b>	<b>3,080</b>	<b>13.6</b>	<b>3,495</b>	<b>12.4</b>
- Floating Rate	1,599	9.1	1,563	6.9	1,567	5.6
- Fixed Rate	953	5.4	1,517	6.7	1,928	6.8

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 PKR 1,257 bn at end December 2023.

## 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**

		Dec-21		Dec-22		Dec-23	
		PKR bn	US\$ bn	PKR bn	US\$ bn	PKR bn	US\$ bn
<b>I+II+III+IV+V</b>	<b>Domestic Debt</b>	<b>26,746</b>	<b>152</b>	<b>33,178</b>	<b>147</b>	<b>42,588</b>	<b>151</b>
<b>I</b>	<b>Permanent Debt</b>	<b>16,985</b>	<b>96</b>	<b>23,364</b>	<b>103</b>	<b>30,426</b>	<b>108</b>
	- PIBs	15,175	86	20,301	90	25,609	91
	- Prize Bonds	372	2	382	2	383	1
	- Sukuk / Bai-Muajjal	1,426	8	2,668	12	4,419	16
	- Others	12	0	14	0	16	0
<b>II</b>	<b>Floating Debt</b>	<b>5,644</b>	<b>32</b>	<b>6,156</b>	<b>27</b>	<b>8,370</b>	<b>30</b>
	- T-Bills	5,592	32	6,091	27	8,288	30
	- MTBs for Replenishment	51	0	65	0	82	0
<b>III</b>	<b>Unfunded Debt</b>	<b>3,604</b>	<b>20</b>	<b>3,073</b>	<b>14</b>	<b>2,832</b>	<b>10</b>
	- NSS	3,465	20	2,961	13	2,742	10
	- Others	139	1	112	0	90	0
<b>IV</b>	<b>Naya Pakistan Certificate</b>	<b>39</b>	<b>0</b>	<b>110</b>	<b>0</b>	<b>119</b>	<b>0</b>
<b>V</b>	<b>SDRs allocation*</b>	<b>475</b>	<b>3</b>	<b>475</b>	<b>2</b>	<b>475</b>	<b>2</b>
<b>VI</b>	<b>Loans from Banks other than securities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>366</b>	<b>1</b>
<b>*SBP loan to GOP against SDRs allocation</b>							

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

**Table-9: Creditor-Wise Composition of Domestic Debt**

(PKR in billion)

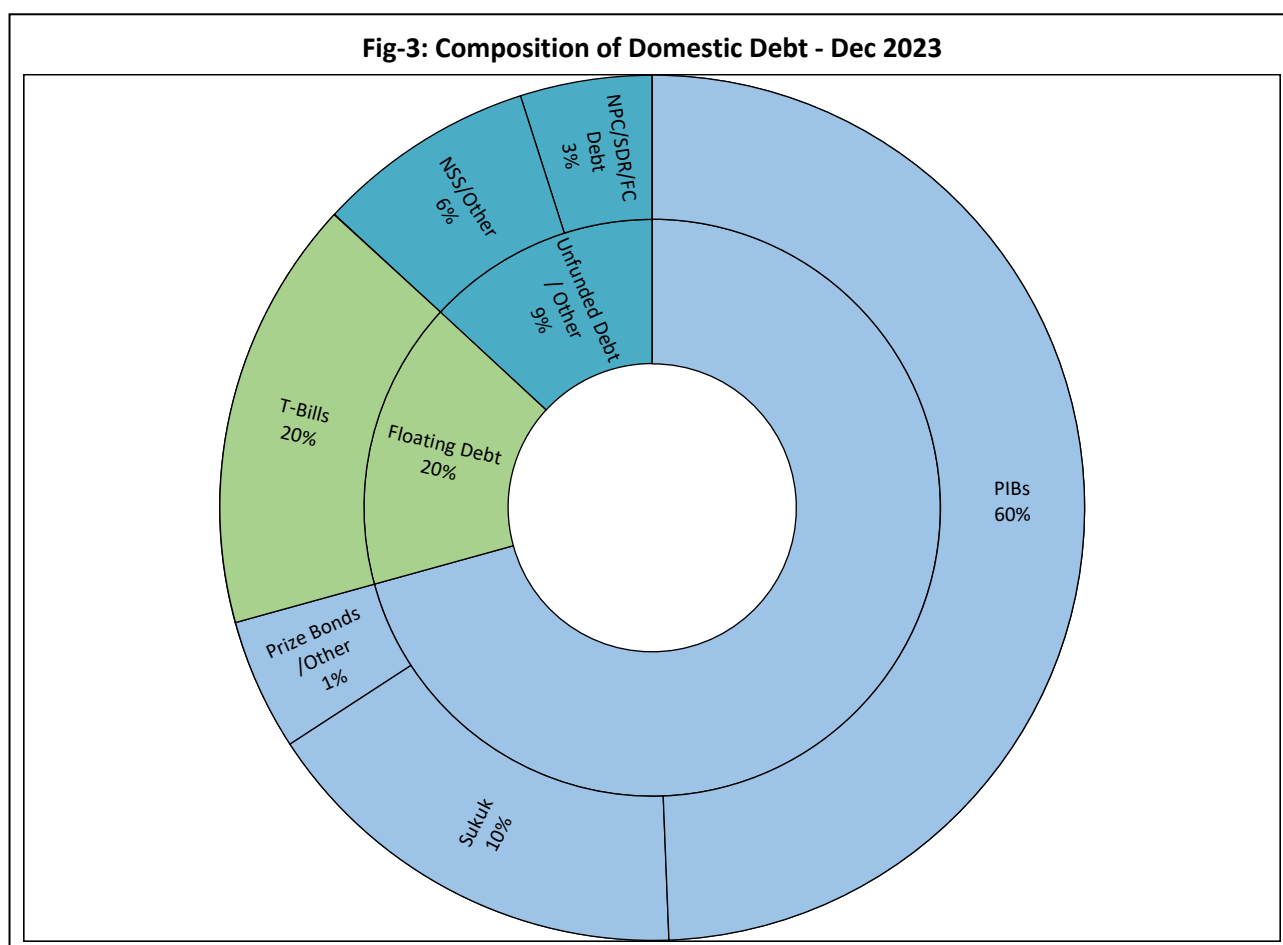
		Dec-21	%	Dec-22	%	Dec-23	%
<b>I+II</b>	<b>Domestic Debt</b>	<b>26,746</b>	<b>100</b>	<b>33,178</b>	<b>100</b>	<b>42,588</b>	<b>100</b>
<b>I</b>	<b>Tradable Government Securities</b>	<b>22,245</b>	<b>83</b>	<b>29,125</b>	<b>88</b>	<b>38,398</b>	<b>90</b>
	- Held by Scheduled Banks	13,263	50	17,143	52	24,301	57
	- Held by SBP	6,103	23	5,848	18	5,552	13
	- Held by Non-Banks	2,879	11	6,135	18	8,545	20

<b>II</b>	<b>Others</b>	<b>4,502</b>	<b>17</b>	<b>4,053</b>	<b>12</b>	<b>4,190</b>	<b>10</b>
	- NSS (including Prize Bonds)	3,837	14	3,343	10	3,125	7
	- Naya Pakistan Certificate	39	0	110	0	119	0
	- SDRs allocation*	475	2	475	1	475	1
	- Other	150	1	126	0	472	1

\*SBP loan to GOP against SDRs allocation

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

**Fig-3: Composition of Domestic Debt - Dec 2023**



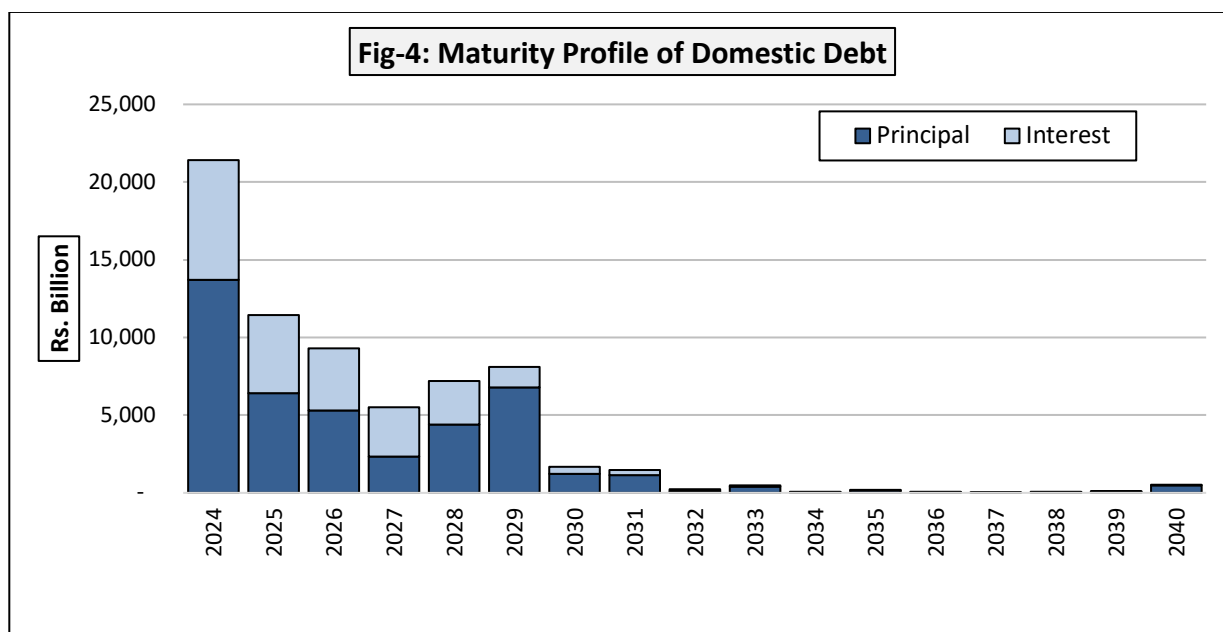
**Table-10: Maturity Profile of Domestic Debt**

(PKR in billion)

	Dec-21	%	Dec-22	%	Dec-23	%
<b>I+II Domestic Debt</b>	<b>26,746</b>	<b>100</b>	<b>33,178</b>	<b>100</b>	<b>42,588</b>	<b>100</b>
<b>I Short-Term Debt (&lt; 1 Year)</b>	<b>8,275</b>	<b>31</b>	<b>10,731</b>	<b>32</b>	<b>13,721</b>	<b>32</b>
- T-Bills	5,644	21	6,156	19	8,370	20
- Medium & Long-Term Debt*	2,631	10	4,574	14	5,351	13
<b>II Medium &amp; Long-Term Debt (&gt; 1 Year)</b>	<b>18,471</b>	<b>69</b>	<b>22,447</b>	<b>68</b>	<b>28,867</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-21	%	Dec-22	%	Dec-23	%
<b>I+II Domestic Debt</b>	<b>26,746</b>	<b>100</b>	<b>33,178</b>	<b>100</b>	<b>42,588</b>	<b>100</b>
<b>I Floating Rate</b>	<b>16,638</b>	<b>62</b>	<b>22,571</b>	<b>68</b>	<b>31,456</b>	<b>74</b>
- T-Bills	5,644	21	6,156	19	8,370	20
- Floating Rate Bonds*	10,994	41	16,414	49	23,086	54
<b>II Fixed Rate</b>	<b>10,108</b>	<b>38</b>	<b>10,607</b>	<b>32</b>	<b>11,132</b>	<b>26</b>

\*also includes floating rate Government Ijara Sukuk

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

## 9.0 EXTERNAL PUBLIC DEBT

9.1 External public debt was recorded at US\$ 87.7 billion at end-Dec 2023. The source-wise composition of external public debt is depicted in the following table:

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

	Dec-21		Dec-22		Dec-23	
	PKR bn	US\$ mn	PKR bn	US\$ mn	PKR bn	US\$ mn
<b>I+II External Public Debt</b>	<b>15,985</b>	<b>90,556</b>	<b>19,605</b>	<b>86,565</b>	<b>19,876</b>	<b>87,762</b>
<b>I Government External Debt (a+b)</b>	<b>14,796</b>	<b>83,824</b>	<b>17,880</b>	<b>78,949</b>	<b>18,155</b>	<b>80,165</b>
<b>a- Long term (&gt;1 year)</b>	<b>14,571</b>	<b>82,547</b>	<b>17,724</b>	<b>78,261</b>	<b>18,133</b>	<b>80,066</b>
- Paris Club	1,791	10,146	1,916	8,459	2,126	7,541
- Multilateral	6,114	34,634	8,238	36,376	10,943	38,814
- Other Bilateral	3,165	17,929	4,084	18,035	5,538	19,644
- Euro/Sukuk Global Bonds	1,377	7,800	1,766	7,800	2,199	7,800



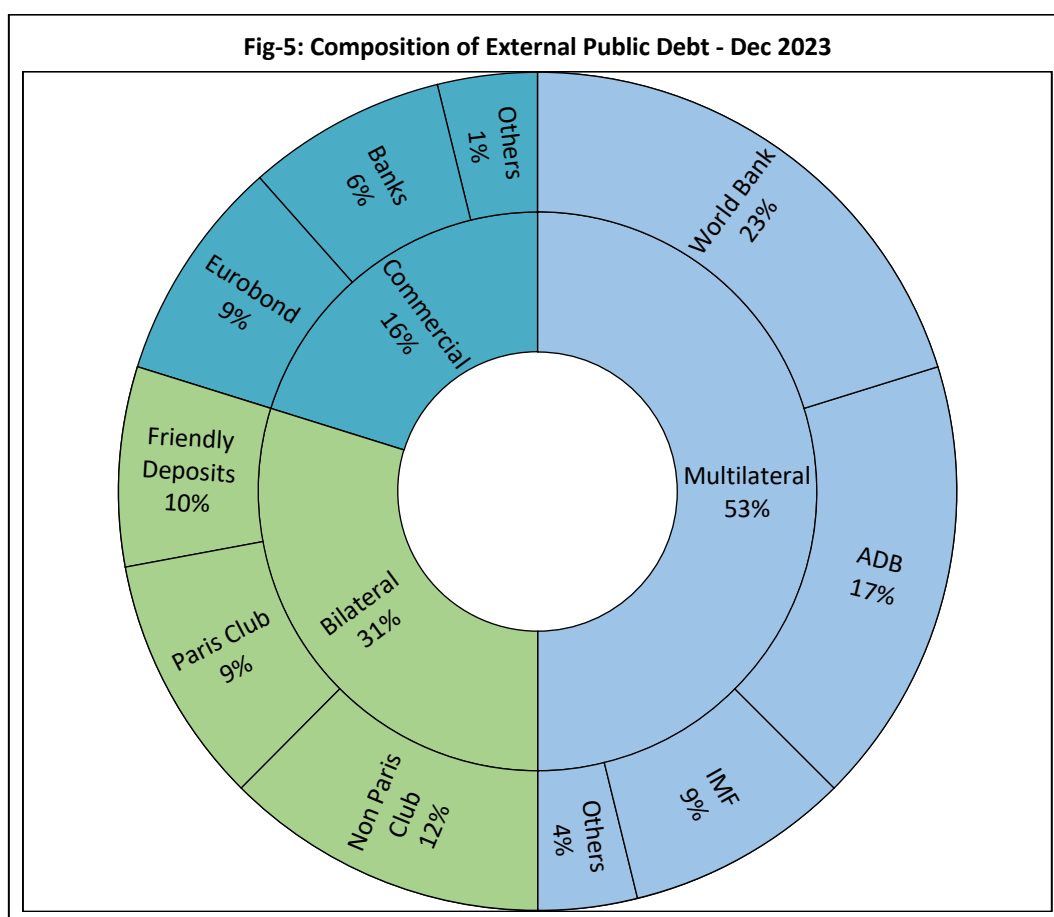
	Dec-21		Dec-22		Dec-23	
	PKR bn	US\$ mn	PKR bn	US\$ mn	PKR bn	US\$ mn
- Commercial Loans	1,804	10,218	1,561	6,894	1,582	5,611
- Naya Pakistan Certificates	236	1,338	149	658	177	628
- Local Currency Sec (PIBs)	74	419	1	4	1	4
- NBP/BOC deposits/PBC	11	63	8	35	7	24
<b>b- Short term (&lt;1 year)</b>	<b>225</b>	<b>1,277</b>	<b>156</b>	<b>688</b>	<b>28</b>	<b>99</b>
- Multilateral	188	1,067	156	687	28	99
- Local Currency Sec (T-bills)	37	210	0	0	-	-
- Commercial Loans	-	-	-	-	-	-
<b>II From IMF</b>	<b>1,188</b>	<b>6,732</b>	<b>1,725</b>	<b>7,616</b>	<b>2,142</b>	<b>7,596</b>
- Federal Government	595	3,372	1,220	5,387	1,429	5,069
- Central Bank	593	3,360	505	2,229	712	2,527

Note: 'Other Bilateral' include 1-year bilateral deposits

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 following major sources:

- i. Loans from multilateral development partners (including IMF) and bilateral countries constitute **53 percent** and **21 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 **10 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 **6 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 short-to-medium term nature of debt with market-based interest rate.

**Table-13: Source Wise External Public Debt**

		Dec-21		Dec-22		Dec-23	
		US\$ mn	%	US\$ mn	%	US\$ mn	%
<b>I+II+III</b>	<b>External Public Debt</b>	<b>90,556</b>	<b>100</b>	<b>86,565</b>	<b>100</b>	<b>87,762</b>	<b>100%</b>
<b>I</b>	<b>Multilateral</b>	<b>42,434</b>	<b>47</b>	<b>44,679</b>	<b>52</b>	<b>46,509</b>	<b>53%</b>
	- World Bank	18,420	20	18,192	21	20,121	23%
	- Asian Development Bank	13,947	15	15,267	18	15,367	18%
	- IMF	6,732	7	7,616	9	7,596	9%
	- Others	3,334	4	3,605	4	3,425	4%
<b>II</b>	<b>Bilateral</b>	<b>28,075</b>	<b>31</b>	<b>26,494</b>	<b>31</b>	<b>27,185</b>	<b>31%</b>
	- Paris Club	10,146	11	8,459	10	7,541	9%
	- Non-Paris Club	17,929	20	18,035	21	19,644	22%
<b>III</b>	<b>Commercial</b>	<b>20,048</b>	<b>22</b>	<b>15,392</b>	<b>18</b>	<b>14,067</b>	<b>16%</b>
	- Commercial Loans	10,218	11	6,894	8	5,611	6%
	- Euro/Sukuk Global Bonds	7,800	9	7,800	9	7,800	9%
	- Naya Pakistan Certificates	1,338	1	658	1	628	1%
	- Local Currency (T-Bills & PIBs)	629	1	5	0	4	0%
	- NBP/BOC deposits/PBC	63	0	35	0	24	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-21		Dec-22		Dec-23	
		US\$ mn	%	US\$ mn	%	US\$ mn	%
<b>I+II</b>	<b>External Public Debt</b>	<b>90,556</b>	<b>100</b>	<b>86,565</b>	<b>100</b>	<b>87,762</b>	<b>100</b>
<b>I</b>	<b>Provincial Governments</b>	<b>11,137</b>	<b>12</b>	<b>11,216</b>	<b>13</b>	<b>13,258</b>	<b>15</b>
	- Punjab	6,029	7	5,920	7	7,006	8
	- Sindh	2,701	3	2,731	3	3,473	4
	- Khyber Pakhtunkhwa (KP)	1,857	2	1,999	2	2,191	2
	- Baluchistan	296	0	295	0	309	0
	- Gilgit-Baltistan	42	0	51	0	63	0
	- Azad Jammu & Kashmir	212	0	219	0	217	0
<b>II</b>	<b>Federal Government</b>	<b>79,419</b>	<b>88</b>	<b>75,349</b>	<b>87</b>	<b>74,504</b>	<b>85</b>

Source: Ministry of Economic Affairs

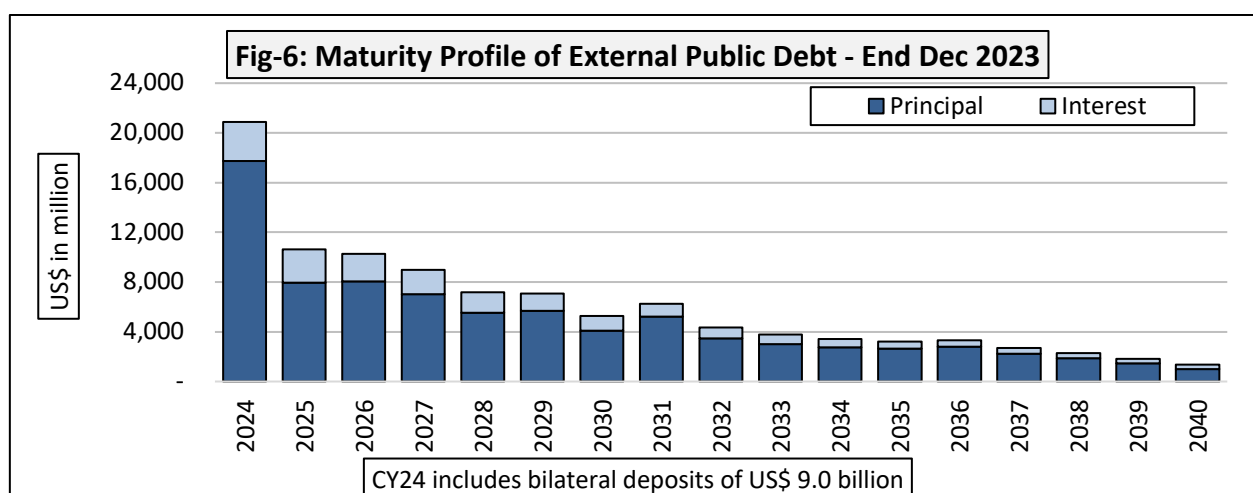
Table-15: Maturity Profile of External Public Debt (US\$ in million)

		Dec-21		Dec-22		Dec-23	
		US\$ mn	%	US\$ mn	%	US\$ mn	%
<b>I+II</b>	<b>External Public Debt</b>	<b>90,556</b>	<b>100</b>	<b>86,565</b>	<b>100</b>	<b>87,762</b>	<b>100</b>
<b>I</b>	<b>Short-Term Debt (&lt; 1 Year)</b>	<b>21,471</b>	<b>25</b>	<b>18,036</b>	<b>22</b>	<b>17,753</b>	<b>20</b>
	- Bilateral Deposits	7,000	8	7,000	8	9,000	10
	- IDB Short-term	1,067	1	687	1	99	0
	- LC Securities (T-Bills)	210	0	0	0	-	-
	- LT (Remaining maturity < 1 year)*	13,194	16	10,348	13	8,654	10
<b>II</b>	<b>Medium &amp; Long-Term Debt (&gt; 1 Year)</b>	<b>69,085</b>	<b>75</b>	<b>68,529</b>	<b>78</b>	<b>70,009</b>	<b>80</b>

LC: Local Currency; LT: Long-term; IDB: Islamic Development Bank

\* Including Commercial Bank loans with remaining maturity less than 1 year

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-2021		Dec-2022		Dec-2023	
		US\$ mn	%	US\$ mn	%	US\$ mn	%
<b>I+II</b>	<b>External Public Debt</b>	<b>90,556</b>	<b>100</b>	<b>86,565</b>	<b>100</b>	<b>87,762</b>	<b>100</b>
<b>I</b>	<b>Floating Rate</b>	<b>34,043</b>	<b>38</b>	<b>32,983</b>	<b>38</b>	<b>32,417</b>	<b>37</b>
	- Multilateral	17,902	20	20,599	24	21,285	24
	- Bilateral	6,284	7	5,889	7	5,821	7
	- Commercial Sources	9,857	11	6,494	8	5,311	6
	- Euro/Sukuk Global Bonds	-	-	-	-	-	-
<b>II</b>	<b>Fixed Rate</b>	<b>56,514</b>	<b>62</b>	<b>53,581</b>	<b>62</b>	<b>55,344</b>	<b>63</b>
	- Multilateral	24,532	27	24,079	28	25,224	29
	- Bilateral	21,789	24	20,605	24	21,364	24
	- Commercial Sources	2,393	3	1,097	1	956	1
	- Euro/Sukuk Global Bonds	7,800	9	7,800	9	7,800	9

Source: Economic Affairs Division and Debt Management Office, Ministry of Finance

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

(US\$ in million)

	Jul-Dec 2021	Jul-Dec 2022	Jul-Dec 2023
<b>Inflows (A)</b>	<b>8,972</b>	<b>5,347</b>	<b>6,085</b>
- Multilateral	2,847	4,464	3,420
- Bilateral	3,094	683	2,665
- Euro/Sukuk Global Bonds	1,000	-	-
- Commercial Sources	2,032	200	-
<b>Repayment (B)</b>	<b>4,202</b>	<b>7,512</b>	<b>3,701</b>
- Multilateral	1,627	2,104	1,841
- Bilateral	26	1,076	1,461
- Euro/Sukuk Global Bonds	1,000	1,000	-

-	Commercial Sources	1,549	3,332	399
<b>Net Inflows/(Outflows) - (A-B)</b>		<b>4,770</b>	<b>(2,165)</b>	<b>2,383</b>
-	Multilateral	1,219	2,360	1,578
-	Bilateral	3,068	(393)	1,204
-	Euro/Sukuk Global Bonds	-	(1,000)	-
-	Commercial Sources	483	(3,132)	(399)
<b>Interest Servicing (C)</b>		<b>838</b>	<b>1,397</b>	<b>1,836</b>
-	Multilateral	304	456	863
-	Bilateral	44	348	479
-	Euro/Sukuk Global Bonds	307	319	291
-	Commercial Sources	183	273	203
<b>Total Debt Servicing (B+C)</b>		<b>5,040</b>	<b>8,909</b>	<b>5,537</b>
-	Multilateral	1,931	2,560	2,704
-	Bilateral	70	1,423	1,940
-	Euro/Sukuk Global Bonds	1,307	1,319	291
-	Commercial Sources	1,732	3,605	602

**Note:**

(1) 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 balance of payment and budgetary support.

(2) IDB Short-Term recategorized from Commercial Sources to Multilateral.

Source: Economic Affairs Division and 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	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

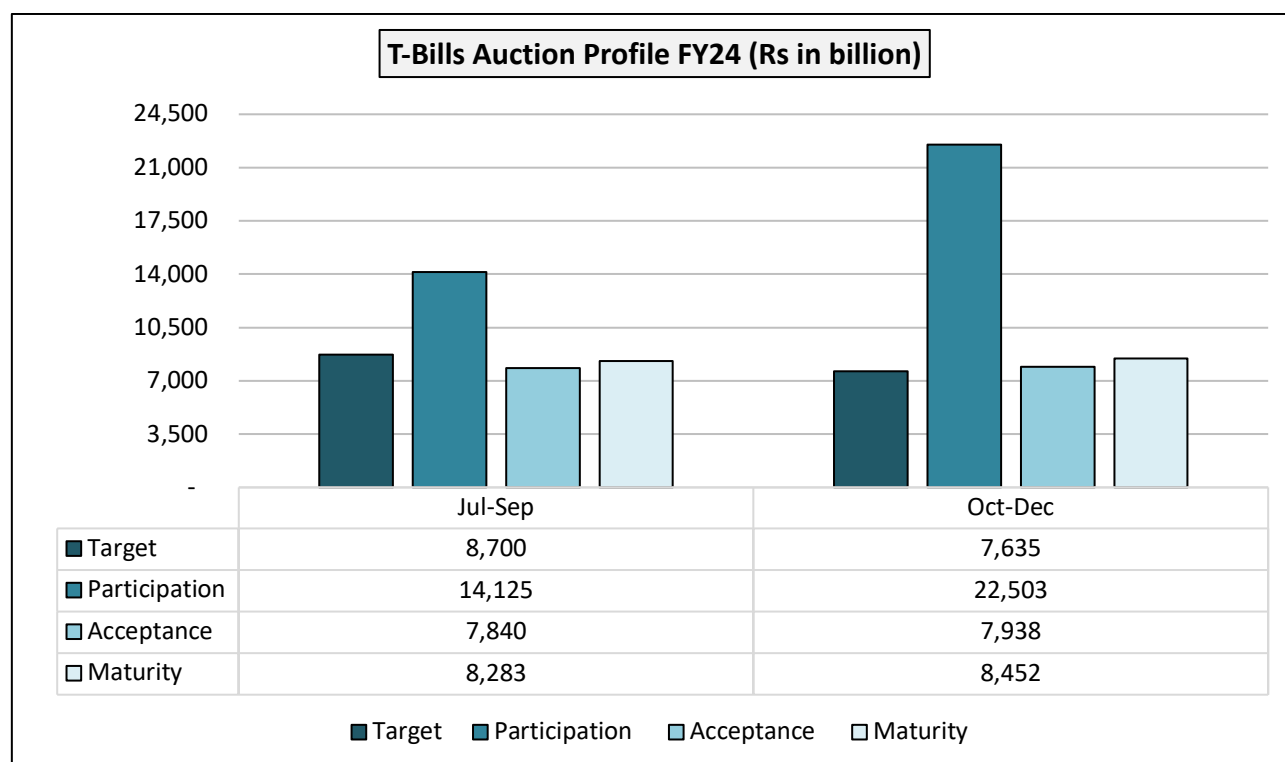
**ANNEXURES****Annex I: Targets and actual outcomes of risk indicators**

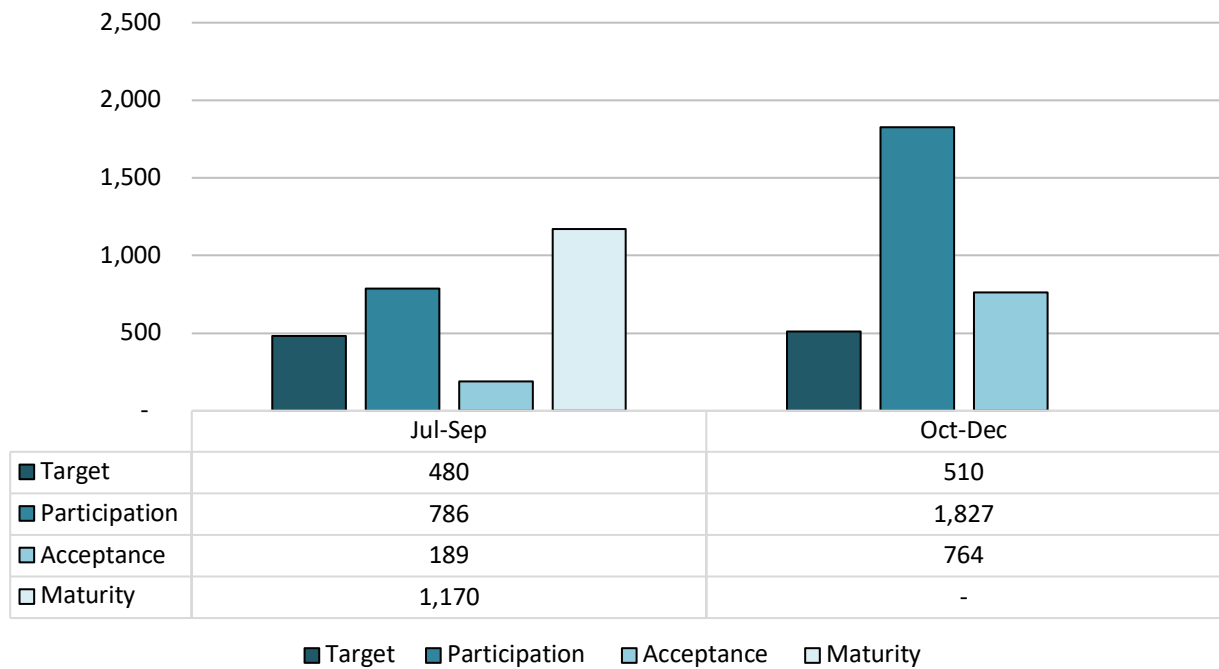
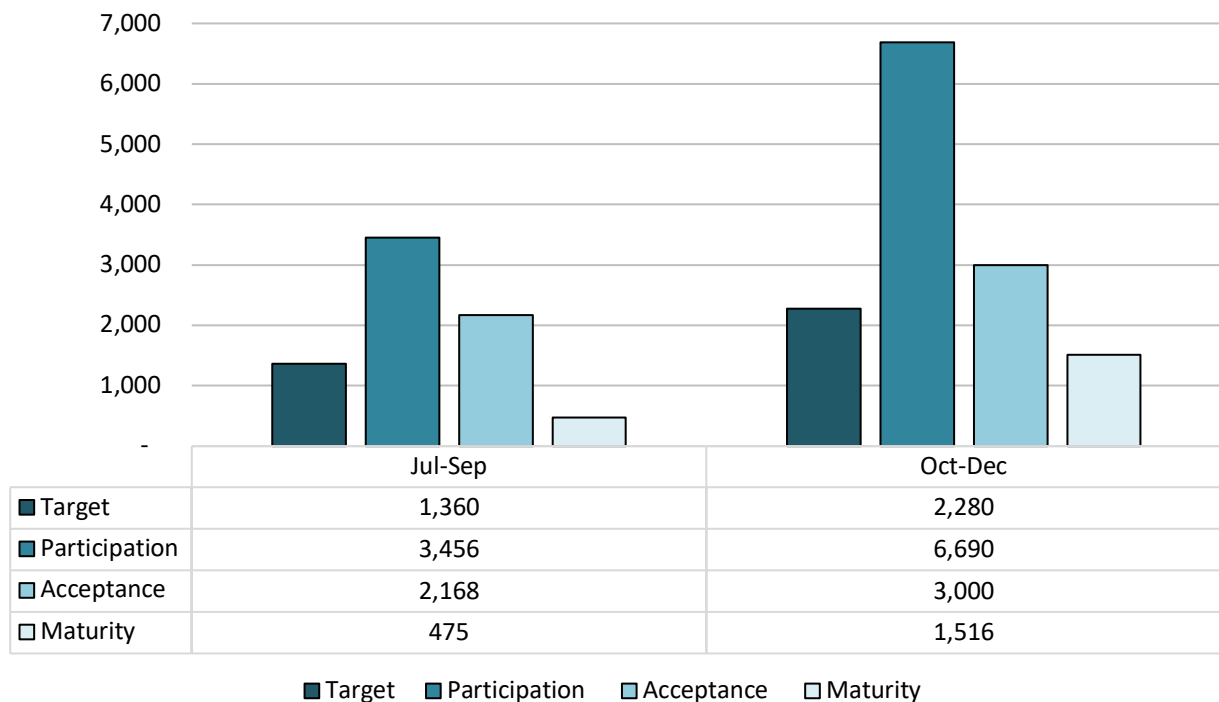
Risk Exposure Indicators		Jun-20		Dec-20		Jun-21		Dec-21		Jun-22		Dec-22		Jun-23		Dec-23	
		T	A	A	T	A	A	T	A	A	T	A	A	T	A	A	
Currency Risk	Share of ED in TPD (%)	-	36.0	35.1	-	34.0	37.4	-	37.0	37.2	-	38.0	36.7				
Refinancing Risk	ATM of Domestic Debt (Years)	4.0	4.1	4.1	4.0	3.6	4.0	4.0	3.6	3.5	3.0	2.8	3.0				
	ATM of External Debt (Years)	7.0	7.0	7.0	7.0	6.8	6.7	7.0	6.2	6.3	6.0	6.4	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	8.0	9.1	11.5				
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	20.0	20.4	19.0				

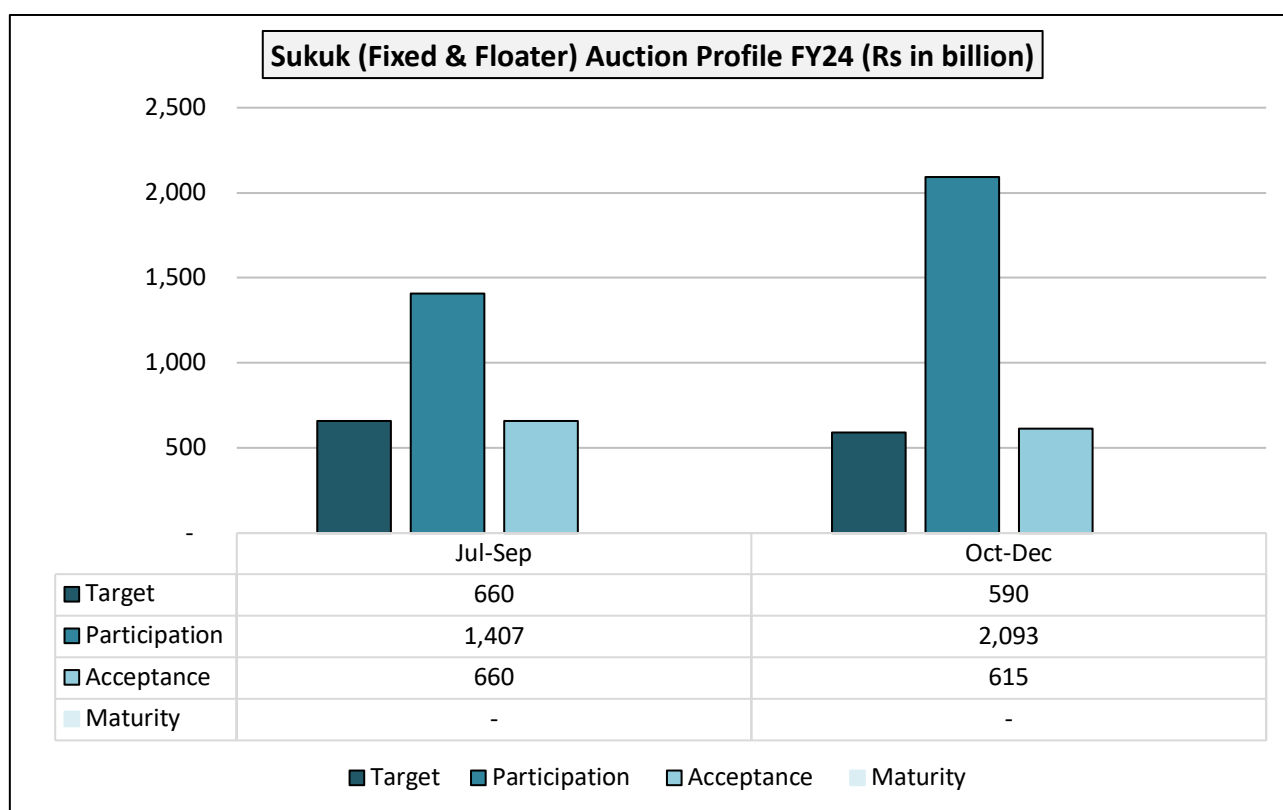
T: Target; A: Actual

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

**Annexure II – Auction Pattern of Government Securities Jul-Dec FY24**

**PIBs (Fixed) Auction Profile FY24 (Rs in billion)****PIB (Floater) Auction Profile FY24 (Rs in billion)**



### Annexure III – Pakistan’s Public Debt (PKR bn)

Fiscal Years	Domestic Debt	External Debt	Total Public Debt
FY71	14	16	30
FY72	17	38	55
FY73	20	40	60
FY74	19	44	63
FY75	23	48	71
FY76	28	57	85
FY77	34	63	97
FY78	41	71	112
FY79	52	77	129
FY80	60	86	146
FY81	58	87	145
FY82	81	107	188
FY83	104	123	227
FY84	125	132	257
FY85	153	156	309



Fiscal Years	Domestic Debt	External Debt	Total Public Debt
FY86	203	187	390
FY87	248	209	457
FY88	290	233	523
FY89	333	300	633
FY90	381	330	711
FY91	448	377	825
FY92	532	437	969
FY93	617	519	1,136
FY94	716	624	1,340
FY95	809	688	1,497
FY96	920	784	1,704
FY97	1,056	939	1,995
FY98	1,199	1,193	2,392
FY99	1,389	1,557	2,946
FY00	1,645	1,527	3,172
FY01	1,799	1,885	3,684
FY02	1,775	1,862	3,637
FY03	1,895	1,800	3,695
FY04	2,028	1,839	3,867
FY05	2,178	2,034	4,212
FY06	2,322	2,038	4,360
FY07	2,601	2,201	4,802
FY08	3,274	2,853	6,127
FY09	3,860	3,871	7,731
FY10	4,653	4,357	9,010
FY11	6,014	4,756	10,771
FY12	7,638	5,059	12,697
FY13	9,520	4,771	14,292

<b>Fiscal Years</b>	<b>Domestic Debt</b>	<b>External Debt</b>	<b>Total Public Debt</b>
FY14	10,907	5,085	15,991
FY15	12,193	5,188	17,380
FY16	13,626	6,051	19,677
FY17	14,849	6,559	21,409
FY18	16,416	8,537	24,953
FY19	20,732	11,976	32,708
FY20	23,283	13,116	36,399
FY21	26,265	13,595	39,861
FY22	31,085	18,157	49,242
FY23	38,810	24,071	62,881

Note: Fiscal year represents end June period

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