

FISCAL DEVELOPMENT

	Unit	2004-05	2005-06	2006-07	2007-08	2008-09 T	2008-09 QE
Revenue	Rs. Billion	900	1,077	1,298	1,500	1,832	1,995
Tax revenue	-do-	659	804	954	1,051	1,358	1,468
Federal	-do-	624	767	917	1,085	1,299	1,409
FBR revenue	-do-	595	713	843	1,025	1,250	1,360
Direct taxes	-do-	184	225	330	405		
Sales tax	-do-	236	295	309	382		
Customs duties	-do-	117	138	132	140		
Oil and gas surcharges	-do-	29	54	74	60	49	49
Provincial	-do-	35	37	37	65	59	527
Non-tax revenue	-do-	241	273	344	449	474	527
Expenditure	-do-	1,196	1,422	1,675	2,277	2,408	2,557
Current expenditure	-do-	943	1,093	1,375	1,894	1,968	2,147
Federal	-do-	689	760	973	1,034	1,451	1,630
Interest	-do-	210	237	369	490	523	618
Other	-do-	478	523	604	640	928	976
Provincial	-do-	254	333	402	457	517	517
Development Expenditure & Net Lending	-do-	252	367	424	387	472	399
Statistical discrepancy	-do-	-79	-86	-125	-4	0	11
Budget balance	-do-	-217	-326	-377	-777	-576	-562
(As % of GDP)	%	3.3	4.3	4.3	7.4	4.7	4.2
Financing	Rs. Billion	198	281	348	777	576	582
External	-do-	113	202	170	151	227	227
Domestic	-do-	85	80	178	626	355	355
- Bank	-do-	72	61	102	520	99	105
- Nonbank	-do-	-4	18	57	106	250	250
Memorandum items							
Primary balance	Rs. Billion	-86	-108	-8	-287	-53	56
Defense spending	-do-	212	242	250	285	296	296
Total government debt	-do-	4,085	4,354	4,750	5,087	5,736	7,637
Domestic debt	-do-	2,176	2,337	2,607	2,822	3,201	3,673
External debt	-do-	1,910	2,017	2,144	2,265	2,535	3,964

T : Target

QE : Quick Estimate

Source: Budget Wing, MoF

TABLE 4.1

FEDERAL GOVERNMENT OVERALL BUDGETARY POSITION

		(Rs Million)	
Fiscal Year/ Item		2007-08 (R.E)	2008-09 (B.E)
A. REVENUE			
1.	<u>Direct Taxes</u>	<u>405,000</u>	<u>405,000</u>
2.	<u>Indirect Taxes</u>	<u>619,636</u>	<u>754,000</u>
	i. Customs	150,545	170,000
	ii. Sales Tax	385,497	472,000
	iii. Federal Excise	83,594	112,000
3.	<u>Total Tax Revenue</u> <u>(1+2)</u>	<u>1,024,636</u>	<u>1,159,000</u>
4.	<u>Surcharges (Gas & Oil)</u>	<u>35,178</u>	<u>53,000</u>
5.	<u>Non-Tax Revenue</u>	<u>370,698</u>	<u>410,776</u>
6.	<u>Total Revenue Receipts</u> <u>Gross (3+4+5)</u>	<u>1,430,512</u>	<u>1,622,776</u>
B. EXPENDITURE			
9.	<u>Current Expenditure*</u>	<u>1,437,166</u>	<u>1,377,153</u>
	i. Defence	277,300	296,077
	ii. Interest	489,681	523,172
	iii. Grants	87,000	87,000
	iv. Economic Services @	78,900	78,900
	v. Subsidies	407,485	295,204
	vi. Other	96,800	96,800
10.	<u>Development Expenditure(PSDP)</u>	<u>238,000</u>	<u>247,000</u>
11.	<u>Total Expenditure (9+10)</u>	<u>1,675,166</u>	<u>1,624,153</u>

RE- Revised Estimate

Source: Budget Wing, Finance Division, Islamabad

Q.E.- Quick Estimates

@ : Include Law and Order, Social, Economic and Community Services

* Current expenditure here includes earthquake related spendings

TABLE 4.2

SUMMARY OF PUBLIC FINANCE (CONSOLIDATED FEDERAL AND PROVINCIAL GOVERNMENTS)

Fiscal Year/ Item	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 R.E.	(Rs Million)	
												2008-09 (B.E)	% Change 2008-09/ 2007-08
<i>Total Revenues (I+ii)</i>	<i>429,454</i>	<i>468,601</i>	<i>512,500</i>	<i>553,000</i>	<i>624,100</i>	<i>720,800</i>	<i>794,000</i>	<i>900,014</i>	<i>1,076,600</i>	<i>1,297,957</i>	<i>1,499,380</i>	<i>1,809,240</i>	<i>20.7</i>
Federal	400,342	429,691	477,600	514,000	584,000	673,600	741,000	842,900	992,200	1,215,730	1,380,599	1,662,238	20.4
Provincial	29,112	38,910	34,900	39,000	40,100	47,200	53,000	57,114	84,400	82,227	118,781	147,002	23.8
I) Tax Revenues	354,754	390,726	405,600	441,600	478,100	555,800	611,000	659,410	803,700	889,685	1,050,696	1,317,857	25.4
Federal	338,042	375,078	386,800	422,500	459,300	534,000	583,000	624,700	766,900	852,866	1,009,902	1,251,462	23.9
Provincial	16,712	15,648	18,800	19,100	18,800	21,800	28,000	34,710	36,800	36,819	40,794	66,395	62.8
ii) Non-Tax Revenues	74,700	77,875	106,900	111,400	146,000	165,000	183,000	240,604	272,900	408,272	448,684	491,383	9.5
Federal	62,400	54,613	90,800	91,500	124,700	139,600	158,000	218,200	225,300	362,864	370,697	410,776	10.8
Provincial	12,300	23,262	16,100	19,900	21,300	25,400	25,000	22,404	47,600	45,408	77,987	80,607	3.4
<i>Total Expenditures (a+b+c)</i>	<i>634,014</i>	<i>647,778</i>	<i>709,100</i>	<i>717,900</i>	<i>826,250</i>	<i>898,200</i>	<i>956,000</i>	<i>1,116,981</i>	<i>1,401,900</i>	<i>1,799,968</i>	<i>2,276,549</i>	<i>2,391,491</i>	<i>5.0</i>
a) Current	529,919	547,279	626,400	645,700	700,200	791,700	775,000	864,500	1,034,700	1,375,345	1,853,147	1,875,832	1.2
Federal	407,219	424,443	477,900	479,000	524,600	599,800	557,000	664,200	789,100	973,130	1,416,015	1,358,832	-4.0
Provincial	122,700	122,836	148,500	166,700	175,600	191,900	218,000	200,300	245,600	402,215	437,132	517,000	18.3
b) Development(PSDP)	104,095	98,286	95,600	89,800	126,250	129,200	161,000	227,718	365,100	433,658	451,896	516,629	14.3
c) Net Lending to PSE's	-	2,213	-12,900	-17,600	-200	-22,700	20,000	24,763	2,100	-9,035	-28,494	-970	-
d) Statistical Discrepancy	-	-	9,700	14,800	-11,700	3,200	-32,000	0	-86,307	-124,510	0	0	-
Overall Deficit	-204,560	-179,177	-206,300	-179,700	-190,450	-180,600	-130,000	-216,967	-325,300	-377,501	-777,169	-582,251	-
Financing (net)	204,992	179,177	206,300	179,700	190,450	180,600	130,000	216,988	325,200	377,501	777,169	582,251	-
External (Net)	38,761	97,070	69,700	120,700	83,100	113,000	-5,900	120,432	148,900	147,150	151,311	165,216	-
<i>Domestic (I+ii)</i>	<i>166,231</i>	<i>82,108</i>	<i>136,600</i>	<i>59,000</i>	<i>107,350</i>	<i>67,600</i>	<i>135,900</i>	<i>96,556</i>	<i>176,300</i>	<i>230,351</i>	<i>625,858</i>	<i>417,035</i>	-
i) Non-Bank	118,202	155,919	96,700	92,000	85,000	119,500	61,000	8,050	8,100	56,905	104,302	242,922	-
ii) Bank	48,029	-73,811	39,900	-33,000	14,000	-55,600	63,690	60,179	70,900	101,982	519,906	149,007	-
iii) Privatization Proceeds	-	-	-	-	8,350	3,700	11,210	28,327	97,300	71,464	1,650	25,106	-
Memorandum Item													
GDP (mp) in Rs. Billion	2,678	2,938	3,826	4,210	4,453	4,876	5,641	6,500	7,623	8,723	10,478	12,280	17.2
	(As Percent of GDP at Market Price) [£]												
Total Revenue	16.0	15.9	13.4	13.1	14.0	14.8	14.1	13.8	14.1	14.9	14.3	14.7	
Tax Revenue	13.2	13.3	10.6	10.5	10.7	11.4	10.8	10.1	10.5	10.2	10.0	10.7	
Non-Tax Revenue	2.8	2.7	2.8	2.6	3.3	3.4	3.2	3.7	3.6	4.7	4.3	4.0	
Expenditure	23.7	22.0	18.8	17.4	18.3	18.5	16.9	17.2	18.4	20.6	21.7	19.5	
Current	19.8	18.6	16.4	15.3	15.7	16.2	13.7	13.3	13.6	15.8	17.7	15.3	
Development	3.9	3.3	2.5	2.1	2.8	2.2	3.2	3.9	4.8	4.9	4.0	4.2	
Overall Deficit Incl. E.quake Exp.	7.7	6.1	5.4	4.3	4.3	3.7	2.3	3.3	4.3	4.3	7.4	4.7	

B.E Budget Estimate

Source: Budget Wing, Finance Division, Islamabad

R.E. Revised Estimates.

£ Beginning from 1999-2000, Pakistan's GDP was rebased at 1999-2000 Prices from two decades old base of 1980-81. Therefore, wherever, GDP appears in denominator the number of prior to 1999-2000 are not comparable.

TABLE 4.3

CONSOLIDATED FEDERAL AND PROVINCIAL GOVERNMENTS REVENUES

Fiscal Year/ Item	(Rs Million)												% change 2008-09/ 2007-08
	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 (R.E)	2008-09 (B.E)	
Total Revenue (I+II)	429,454	468,601	512,500	553,000	624,100	720,800	793,700	900,014	1,076,600	1,297,957	1,499,381	1,809,240	20.7
Federal	400,442	429,691	477,600	514,000	584,000	673,600	743,600	842,900	992,200	1,215,730	1,380,600	1,662,238	20.4
Provincial	29,012	38,910	34,900	39,000	40,100	47,200	50,100	57,114	84,400	82,227	118,781	147,002	23.8
I. Tax Revenues (A+B)	354,754	390,726	405,600	441,600	479,335	555,800	611,000	659,410	803,700	889,685	1,050,696	1,317,857	25.4
Federal	338,042	375,078	386,800	422,500	460,224	534,000	583,000	624,700	766,900	852,866	1,009,902	1,251,462	23.9
Provincial	16,712	15,648	18,800	19,100	19,111	21,800	28,000	34,710	36,800	36,819	40,794	66,395	62.8
A. Direct Taxes (1+2)	105,098	105,588	115,672	128,556	147,403	157,886	171,188	186,473	224,147	337,639	391,350	504,650	29.0
Federal	103,182	103,476	112,600	124,585	142,649	151,976	164,497	176,930	215,000	334,168	387,563	496,000	28.0
Provincial	1,916	2,112	3,072	3,971	4,754	5,910	6,691	9,543	9,147	3,471	3,787	8,650	128.4
B. Indirect Taxes (3+4+5+6+7)	249,656	285,138	289,928	313,044	331,932	397,914	439,812	472,937	579,553	552,046	659,346	813,207	23.3
3. Excise Duty	62,922	62,691	56,934	50,325	48,572	45,437	47,538	60,813	58,702	74,026	86,549	115,290	33.2
Federal	62,011	60,572	55,600	49,000	47,189	44,002	45,823	58,670	55,000	71,575	83,594	112,000	34.0
Provincial	911	2,119	1,334	1,325	1,383	1,435	1,715	2,143	3,702	2,451	2,955	3,290	11.3
4. Sales Tax*	53,942	68,680	116,767	153,500	166,618	195,138	220,607	235,533	294,600	309,228	385,497	472,000	22.4
5. Taxes on Interna- tional Trade	74,496	78,654	61,600	65,000	47,817	68,835	90,940	117,243	138,200	132,200	150,545	170,000	12.9
6. Surcharges*	42,911	61,927	38,912	30,200	54,854	68,230	61,381	26,769	50,800	64,546	35,178	53,000	50.7
6.1 Gas	6,364	9,855	13,500	12,300	18,867	21,358	16,770	16,165	26,300	34,888	20,708	53,000	155.9
6.2 Petroleum	36,547	52,072	25,400	17,900	35,987	46,872	44,611	10,604	24,500	29,658	14,470	0	
7. Other Taxes **	15,385	13,186	15,715	14,019	14,071	20,274	80,727	59,348	88,051	36,592	36,755	55,917	52.1
7.1 Stamp Duties	4,814	5,287	6,397	5,230	5,721	6,631	10,329	10,573	10,211	10,268	11,123	16,918	52.1
7.2 Motor Vehicle Taxes	2,113	2,368	2,803	3,121	3,195	3,893	4,722	5,749	7,107	7,719	4,975	9,832	97.6
7.3 Foreign Travel Tax*	1,464	1,769	1,350	1,048	1,097	4,054	4,751	2,050	3,593	3,681	356	3,713	943.0
7.4 Others	6,994	3,762	5,165	4,620	4,058	5,696	60,925	40,976	67,140	14,924	20,301	25,454	25.4
II. Non-Tax Revenues	74,700	77,875	106,900	111,400	146,000	165,000	182,700	240,604	272,900	408,272	448,685	491,383	9.5
Federal	62,400	54,613	90,800	91,500	124,700	139,600	160,600	218,200	225,300	362,864	370,698	410,776	10.8
Provincial	12,300	23,262	16,100	19,900	21,300	25,400	22,100	22,404	47,600	45,408	77,987	80,607	3

* Revenues under these heads are exclusively Federal.

Source: Budget Wing, Finance Division, Islamabad

** Mainly include Provincial Revenues.

B.E. Budget Estimate

R.E. Revised Estimates.

TABLE 4.4

CONSOLIDATED FEDERAL AND PROVINCIAL GOVERNMENTS EXPENDITURES

(Rs million)

Fiscal Year/ Item	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 RE	2008-09 (B.E)
Current Expenditure	529,911	547,279	626,400	645,700	700,200	791,700	775,000	864,500	1,034,700	1,375,345	1,853,147	1,875,832
Federal	407,211	424,443	477,900	479,000	524,600	599,800	557,000	664,200	789,100	973,130	1,416,015	1,358,832
Provincial	122,700	122,836	148,500	166,700	175,600	191,900	218,000	200,300	245,600	402,215	437,132	517,000
Defence	136,164	143,471	150,400	131,200	149,254	159,700	184,904	211,717	241,063	249,858	277,300	296,077
Interest	202,356	220,100	262,247	249,252	273,894	235,304	226,256	219,744	260,021	387,119	522,698	557,596
Federal	196,251	213,259	245,100	234,500	245,300	209,700	202,500	210,196	237,119	369,000	489,681	523,172
Provincial	6,105	6,841	17,147	14,752	28,594	25,604	23,756	9,548	22,902	18,119	33,017	34,424
Current Subsidies	8,840	15,035	23,239	29,028	29,221	57,114	67,920	66,673	101,238	76,039	423,685	299,995
Federal	6,268	9,533	14,700	19,900	25,488	50,000	62,500	57,800	86,300	74,010	407,485	295,204
Provincial	2,572	5,502	8,539	9,128	3,733	7,114	5,420	8,873	14,938	2,029	16,200	4,791
Gen. Administration*	61,431	66,950	92,108	100,981	91,024	100,210	120,023	130,531	163,263	225,120	368,159	368,159
Federal	27,344	26,650	47,500	70,700	56,300	60,900	75,500	81,400	103,100	146,017	175,700	175,700
Provincial	34,087	40,300	44,608	30,281	34,724	39,310	44,523	49,131	60,163	79,103	192,459	192,459
All Others**	121,120	101,723	98,406	135,239	156,807	239,372	175,897	235,835	269,115	437,209	261,305	354,005
Development Expenditure	104,095	98,286	95,600	89,800	126,250	129,200	161,000	227,718	365,100	433,658	451,896	516,629
Net Lending to PSEs	-	2,213	-12,900	-17,600	-200	-22,700	20,000	24,763	2,100	-9,035	-28,494	-970
Total Expenditure	634,006	647,778	709,100	717,900	826,250	898,200	956,000	1,116,981	1,401,900	1,799,966	2,276,549	2,391,491
Memorandum Items:	(Percent Growth over Preceding period)											
Current Expenditure	16.4	3.3	14.5	3.1	8.4	13.1	-2.1	11.5	19.7	32.9	34.7	1.2
Defence	6.8	5.4	4.8	-12.8	13.8	7.0	15.8	14.5	13.9	3.6	11.0	6.8
Interest	25.6	8.8	19.1	-5.0	9.9	-14.1	-3.8	-2.9	18.3	48.9	35.0	6.7
Current Subsidies	-25.8	70.1	54.6	24.9	0.7	95.5	18.9	-1.8	51.8	-24.9	457.2	-29.2
General Administration	33.8	9.0	37.6	9.6	-9.9	10.1	19.8	8.8	25.1	37.9	63.5	0.0
All Others	11.2	-16.0	-3.3	37.4	15.9	52.7	-26.5	34.1	14.1	62.5	-40.2	35.5
Development Expenditure	21.7	-5.6	-2.7	-6.1	40.6	2.3	24.6	41.4	60.3	18.8	4.2	14.3
Total Expenditure	17.2	2.2	9.5	1.2	15.1	8.7	6.4	16.8	25.5	28.4	26.5	5.0
	As % of Total Expenditure											
Current Expenditure	83.6	84.5	88.3	89.9	84.7	88.1	81.1	77.4	73.8	76.4	81.4	78.4
Defence	21.5	22.1	21.2	18.3	18.1	17.8	19.3	19.0	17.2	13.9	12.2	12.4
Interest	31.9	34.0	37.0	34.7	33.1	26.2	23.7	19.7	18.5	21.5	23.0	23.3
Current Subsidies	1.4	2.3	3.3	4.0	3.5	6.4	7.1	6.0	7.2	4.2	18.6	12.5
General Administration	9.7	10.3	13.0	14.1	11.0	11.2	12.6	11.7	11.6	12.5	16.2	15.4
All Others	19.1	15.7	13.9	18.8	19.0	26.7	18.4	21.1	19.2	24.3	11.5	14.8
Development Expenditure@	16.4	15.5	11.7	10.1	15.3	11.9	18.9	22.6	26.2	23.6	18.6	21.6
Total Expenditure	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Budget Wing, Finance Division

* Also include law & order, social, Economic and Community Services.

** Include mainly Provincial Expenditures.

@ Include net lending

Note: Variation in figures of interest payments of table 4.4 and 4.5 is on account of different methodology and sources of data collection used by Budget Resource Section and Debt Management Section of Finance Division.

B.E Budget Estimate

R.E. Revised Estimates.

TABLE 4.5

DEBT SERVICING

Fiscal Year/ Item	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 RE	(Rs million)
												%Change 2008-09/ 2007-08
A. Interest Payments	202,356	220,100	273,909	254,234	278,671	241,678	236,849	250,611	276,565	358,780	527,849	47.1
A.1 Federal	196,251	213,259	256,762	239,482	250,077	216,074	202,940	216,042	244,648	335,880	502,470	49.6
Interest on Domestic Debt	167,513	175,273	210,155	188,482	189,477	166,874	161,540	176,342	202,548	287,463	443,117	54.1
Interest on Foreign Debt	28,738	37,986	46,607	51,000	60,600	49,200	41,400	39,700	42,100	48,417	59,353	22.6
Foreign Loans	24,836	30,335	34,691	40,355	68,134	45,571	111,258	35,030	63,603	50,651	53,251	5.1
IMF Drawings	1,555	1,707	2,513	2,909	2,483	0.0	1,295	423	0	0	0	-
Food Credit/ Short Term Borrowings	2,347	3,133	6,167	4,187	2,483	1,840	288	445	814	1,213	385	-68.3
Euro Bonds	-	2,811	3,236	4,690	4,812	3,609	2,242	4,720	5,774	7,762	9,365	20.7
\$ Denomination Bonds	-	-	-	-	-	429	265	198	264	265	265	0.0
A.2 Provincial	6,105	6,841	17,147	14,752	28,594	25,604	33,909	34,569	31,917	22,900	25,379	10.8
B. Repayments/Amortization of Foreign Debt.	83,961	122,980	97,071	96,160	164,905	64,234	69,765	55,724	85,411	67,304	88,383	31.3
Foreign Loans	59,327	77,431	78,608	74,623	68,134	46,207	45,978	54,258	63,603	54,040	61,686	14.1
Food Credits	24,634	45,549	18,463	21,537	96,771	18,027	23,787	1,466	21,809	13,264	26,697	101.3
C. Total Debt Servicing (A+B)	286,317	343,080	370,980	350,394	443,576	305,912	306,614	306,335	361,976	426,084	616,232	44.6
MEMORANDUM ITEMS												
(As Percent of GDP) ^E												
Interest on Domestic Debt (Federal)	6.3	6.0	5.5	4.5	4.3	3.4	2.9	2.7	2.7	3.3	4.2	
Interest on Foreign Debt	1.1	1.3	1.2	1.2	1.4	1.0	0.7	0.6	0.6	0.6	0.6	
Repayment of Foreign Debt	3.1	4.2	2.5	2.3	3.7	1.3	1.2	0.9	1.1	0.8	0.8	
Total Debt Servicing	10.7	11.7	9.7	8.3	10.0	6.3	5.4	4.7	4.7	4.9	5.9	

Source: D.M. Section, Finance Division, Islamabad

B.E. Budget Estimate

R.E. Revi Revised Estimates

Note:

Variation in figures of interest payments of table 4.4 and 4.5 is on account of different methodology and sources of data collection used by Budget Resource Section and Debt Management Section of Finance Division.

E Beginning from 1999-2000, Pakistan's GDP was rebased at 1999-2000 Prices from two decades old base of 1980-81

Therefore, wherever, GDP appears in denominator the number of prior to 1999-2000 are not comparable.

TABLE 4.6

INTERNAL DEBT OUTSTANDING (AT END OF PERIOD)

Fiscal Year/ Type of Debt	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 R.E.	(Rs million)	
											2008-09 B.E.	% Change 2008-09/ 2007-08
Permanent Debt	317,402	325,569	349,212	424,767	468,768	570,009	526,179	514,879	562,540	616,766	705,537	14.4
Floating Debt	561,590	647,428	737,776	557,807	516,268	542,943	778,163	940,233	1,107,655	1,589,587	1,604,587	0.9
Un-funded Debt	573,945	671,783	712,010	792,137	909,500	914,597	873,248	881,706	940,007	1,020,378	1,152,378	12.9
Total	1,452,937	1,644,780	1,798,998	1,774,711	1,894,536	2,027,549	2,177,590	2,336,818	2,610,202	3,226,731	3,462,502	7.3
(Percent Share in Total Debt)												
<u>Memorandum Items:</u>												
Permanent Debt	21.8	19.8	19.4	23.9	24.7	28.1	24.2	22.0	21.6	19.1	20.4	
Floating Debt	38.7	39.4	41.0	31.4	27.3	26.8	35.7	40.2	42.4	49.3	46.3	
Un-funded Debt	39.5	40.8	39.6	44.6	48.0	45.1	40.1	37.7	36.0	31.6	33.3	
Total Debt as % of GDP (mp)	49.4	43.0	42.7	39.9	38.9	35.9	33.5	30.7	29.9	30.8	28.2	

B.E. Budget Estimate

R.E. Revised Estimates.

Source: D.M. Section, Finance Division, Islamabad