

# FISCAL DEVELOPMENT

(Rs. Billion)

HIGHLIGHTS		
CONSOLIDATED BUDGETARY POSITION	2008-09	2009-10 (B.E)
I. Total Expenditure	1,845	2,147
i) Current	1,536	1,567
ii) Development	308.30	580
iii) Net Lending to PSEs etc	6.91	10.48
II. Total Revenues	1,850.90	2,455.39
i) Tax Revenues	1,204.67	1,563.56
ii) Non-Tax revenues	646.23	591.83
III. Overall deficit	-680.41	-722.05
IV. Financing	680,407	722,051
i) External Borrowing	149.65	312.27
ii) Domestic	529.47	390.43
a) Non-Banking Borrowing	223.85	246.29
b) Bank Borrowing	305.62	144.15
c) Privatization Process	1.29	19.35
V. Domestic Debt	3,266	4,150
VI. Deb Servicing	785.24	796.37
VII. Overall Deficit as % of GDP	5.20	4.90

B.E : Budget Estimates

Source: Budget Wing, Finance Division

TABLE 4.1

## FEDERAL GOVERNMENT OVERALL BUDGETARY POSITION

		(Rs Million)	
Fiscal Year/ Item		2008-09	2009-10 (B.E)
<b>A. REVENUE</b>			
1.	<u>Direct Taxes</u>	<u>440,271</u>	<u>565,600</u>
2.	<u>Indirect Taxes</u>	<u>718,315</u>	<u>927,960</u>
i.	Customs	148,382	162,200
ii.	Sales Tax	452,294	499,400
iii.	Federal Excise	116,055	152,800
3.	<u>Total Tax Revenue</u> <u>(1+2)</u>	<u>1,158,586</u>	<u>1,493,560</u>
4.	<u>Surcharges (Gas &amp; Oil)</u>	<u>126,026</u>	<u>29,937</u>
5.	<u>Non-Tax Revenue</u>	<u>454,885</u>	<u>483,710</u>
6.	<u>Total Revenue Receipts</u> <u>Gross (3+4+5)</u>	<u>1,739,497</u>	<u>2,007,207</u>
<b>B. EXPENDITURE</b>			
9.	<u>Current Expenditure*</u>	<u>1,536,441</u>	<u>1,566,746</u>
i.	Defence	329,902	342,913
ii.	Interest	637,790	647,104
iii.	Grants	154,927	221,620
iv.	Economic Services @	136,553	84,926
v.	Subsidies	220,352	119,915
v.	Other	245,790	232,130
10.	<u>Development Expenditure(PSDP)</u>	<u>308,301</u>	<u>580,206</u>
11.	<u>Total Expenditure (9+10)</u>	<u>1,844,742</u>	<u>2,146,952</u>

Source: Budget Wing, Finance Division, Islamabad

B.E.- Budget 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)

	(Rs Million)								
Fiscal Year/ Item	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 (B.E)	% Change 2009-10/ 2008-09
Total Revenues (i+ii)	720,800	794,000	900,014	1,076,600	1,297,957	1,499,380	1,850,901	2,155,388	16.5
Federal	673,600	741,000	842,900	992,200	1,215,730	1,380,599	1,721,028	1,990,388	15.7
Provincial	47,200	53,000	57,114	84,400	82,227	118,781	129,873	165,000	27.0
i) Tax Revenues	555,800	611,000	659,410	803,700	889,685	1,050,696	1,204,670	1,563,560	29.8
Federal	534,000	583,000	624,700	766,900	852,866	1,009,902	1,158,586	1,493,560	28.9
Provincial	21,800	28,000	34,710	36,800	36,819	40,794	46,084	70,000	51.9
ii) Non-Tax Revenues	165,000	183,000	240,604	272,900	408,272	448,684	646,231	591,828	-8.4
Federal	139,600	158,000	218,200	225,300	362,864	370,697	562,442	496,828	-11.7
Provincial	25,400	25,000	22,404	47,600	45,408	77,987	83,789	95,000	13.4
Total Expenditures (a+b+c)	898,200	956,000	1,116,981	1,401,900	1,799,968	2,276,549	2,531,308	2,877,439	13.7
a) Current	791,700	775,000	864,500	1,034,700	1,375,345	1,853,147	2,041,570	2,103,846	3.1
Federal	599,800	557,000	664,200	789,100	973,130	1,416,015	1,495,873	1,513,846	1.2
Provincial	191,900	218,000	200,300	245,600	402,215	437,132	545,697	590,000	8.1
b) Development(PSDP)	129,200	161,000	227,718	365,100	433,658	451,896	480,282	763,117	58.9
c) Net Lending to PSE's	-22,700	20,000	24,763	2,100	-9,035	-28,494	6,911	10,476	
d) Statistical Discrepancy	3,200	-32,000	0	-86,307	-124,510	0	2,545	0	
Overall Deficit	-180,600	-130,000	-216,967	-325,300	-377,501	-777,169	-680,407	-722,051	
Financing (net)	180,600	130,000	216,988	325,200	377,501	777,169	680,407	722,052	
External (Net)	113,000	-5,900	120,432	148,900	147,150	151,311	149,651	312,267	
Domestic (i+ii)	67,600	135,900	96,556	176,300	230,351	625,858	529,466	390,434	
i) Non-Bank	119,500	61,000	8,050	8,100	56,905	104,302	223,846	246,287	
ii) Bank	-55,600	63,690	60,179	70,900	101,982	519,906	305,620	144,147	
iii) Privatization Proceeds	3,700	11,210	28,327	97,300	71,464	1,650	1,290	19,351	
Memorandum Item									
GDP (mp) in Rs. Billion	4,876	5,641	6,500	7,623	8,673	10,284	13,095	14,837	13.3
	(As Percent of GDP at Market Price)E								
Total Revenue	14.8	14.1	13.8	14.1	15.0	14.6	14.1	14.5	
Tax Revenue	11.4	10.8	10.1	10.5	10.3	10.2	9.2	10.5	
Non-Tax Revenue	3.4	3.2	3.7	3.6	4.7	4.4	4.9	4.0	
Expenditure	18.5	16.9	17.2	18.4	20.8	22.1	19.3	19.4	
Current	16.2	13.7	13.3	13.6	15.9	18.0	15.6	14.2	
Development	2.2	3.2	3.9	4.8	4.9	4.1	3.7	5.1	
Overall Deficit Incl. E.quake Exp.	3.7	2.3	3.3	4.3	4.4	7.6	5.2	4.9	

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 previous base of 1980-81

Therefore, wherever GDP appears in denominator, numbers of prior year are not comparable

TABLE 4.3

## CONSOLIDATED FEDERAL AND PROVINCIAL GOVERNMENTS REVENUES

	(Rs Million)								
Fiscal Year/ Item	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 (B.E)	% change 2009-10/ 2008-09
Total Revenue (I+II)	720,800	793,700	900,014	1,076,600	1,297,957	1,499,381	1,850,901	2,155,388	16.5
Federal	673,600	743,600	842,900	992,200	1,215,730	1,380,600	1,721,028	1,990,388	15.7
Provincial	47,200	50,100	57,114	84,400	82,227	118,781	129,873	165,000	27.0
I. Tax Revenues (A+B)	555,800	611,000	659,410	803,700	889,685	1,050,696	1,312,227	1,593,497	21.4
Federal	534,000	583,000	624,700	766,900	852,866	1,009,902	1,266,143	1,523,497	20.3
Provincial	21,800	28,000	34,710	36,800	36,819	40,794	46,084	70,000	51.9
A. Direct Taxes (1+2)	157,886	171,188	186,473	224,147	337,639	391,350	440,271	565,600	28.5
Federal	151,976	164,497	176,930	215,000	334,168	387,563	440,271	565,600	28.5
Provincial	5,910	6,691	9,543	9,147	3,471	3,787	0	0	
B. Indirect Taxes (3+4+5+6+7)	397,914	439,812	472,937	579,553	552,046	659,346	844,696	1,027,897	21.7
3. Excise Duty	45,437	47,538	60,813	58,702	74,026	86,549	119,517	152,800	27.8
Federal	44,002	45,823	58,670	55,000	71,575	83,594	116,055	152,800	31.7
Provincial	1,435	1,715	2,143	3,702	2,451	2,955	3,462	0	-100.0
4. Sales Tax*	195,138	220,607	235,533	294,600	309,228	385,497	452,294	499,400	10.4
5. Taxes on International Trade	68,835	90,940	117,243	138,200	132,200	150,545	148,382	162,200	9.3
6. Surcharges*	68,230	61,381	26,769	50,800	64,546	35,178	126,026	29,937	-76.2
6.1 Gas	21,358	16,770	16,165	26,300	34,888	20,708	14,015	29,937	113.6
6.2 Petroleum	46,872	44,611	10,604	24,500	29,658	14,470	112,011	0	-100.0
7. Other Taxes **	20,274	80,727	59,348	88,051	36,592	36,755	20,408	183,560	799.5
7.1 Stamp Duties	6,631	10,329	10,573	10,211	10,268	11,123	11,290	0	-100.0
7.2 Motor Vehicle Taxes	3,893	4,722	5,749	7,107	7,719	4,975	7,534	0	-100.0
7.3 Foreign Travel Tax*	4,054	4,751	2,050	3,593	3,681	356	0	0	
7.4 Others	5,696	60,925	40,976	67,140	14,924	20,301	1,584	113,560	7,069.2
II. Non-Tax Revenues	165,000	182,700	240,604	272,900	408,272	448,685	538,674	561,891	4.3
Federal	139,600	160,600	218,200	225,300	362,864	370,698	454,885	466,891	2.6
Provincial	25,400	22,100	22,404	47,600	45,408	77,987	83,789	95,000	13.4

\* : Revenues under these heads are exclusively Federal

Source: Budget Wing, Finance Division, Islamabad

\*\* : Mainly includes Provincial Revenues.

B.E : Budget Estimate

R.E : Revised Estimates

TABLE 4.4

## CONSOLIDATED FEDERAL AND PROVINCIAL GOVERNMENTS EXPENDITURES

Fiscal Year/ Item	(Rs million)								
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 (B.E)
Current Expenditure	700,200	791,700	775,000	864,500	1,034,700	1,375,345	1,853,147	2,041,570	2,103,846
Federal	524,600	599,800	557,000	664,200	789,100	973,130	1,416,015	1,495,876	1,513,846
Provincial	175,600	191,900	218,000	200,300	245,600	402,215	437,132	545,697	590,000
Defence	149,254	159,700	184,904	211,717	241,063	249,858	277,300	329,902	342,913
Interest	273,894	235,304	226,256	219,744	260,021	387,119	522,698	656,259	663,923
Federal	245,300	209,700	202,500	210,196	237,119	369,000	489,681	637,790	647,104
Provincial	28,594	25,604	23,756	9,548	22,902	18,119	33,017	18,469	16,819
Gen. Administration*	91,024	100,210	120,023	130,531	163,263	225,120	368,159	349,994	355,109
Federal	56,300	60,900	75,500	81,400	103,100	146,017	175,700	349,994	355,109
Provincial	34,724	39,310	44,523	49,131	60,163	79,103	192,459	0	0
All Others**	156,807	239,372	175,897	235,835	269,115	437,209	261,305	479,805	592,057
Development Expenditure	126,250	129,200	161,000	227,718	365,100	433,658	451,896	480,282	763,117
Net Lending to PSEs	-200	-22,700	20,000	24,763	2,100	-9,035	-28,494	6,911	10,476
Total Expenditure	826,250	898,200	956,000	1,116,981	1,401,900	1,799,968	2,276,549	2,531,308	2,877,439
Memorandum Items:	(Percent Growth over Preceding period)								
Current Expenditure	8.4	13.1	-2.1	11.5	19.7	32.9	34.7	10.2	3.1
Defense	13.8	7.0	15.8	14.5	13.9	3.6	11.0	19.0	3.9
Interest	9.9	-14.1	-3.8	-2.9	18.3	48.9	35.0	25.6	1.2
General Administration	-9.9	10.1	19.8	8.8	25.1	37.9	63.5	-4.9	1.5
All Others	15.9	52.7	-26.5	34.1	14.1	62.5	-40.2	83.6	4.8
Development Expenditure	40.6	2.3	24.6	41.4	60.3	18.8	4.2	6.3	58.8
Total Expenditure	15.1	8.7	6.4	16.8	25.5	28.4	26.5	11.2	13.7
	As % of Total Expenditure								
Current Expenditure	84.7	88.1	81.1	77.4	73.8	76.4	81.4	80.7	73.1
Defense	18.1	17.8	19.3	19.0	17.2	13.9	12.2	13.0	11.9
Interest	33.1	26.2	23.7	19.7	18.5	21.5	23.0	25.9	23.1
General Administration	11.0	11.2	12.6	11.7	11.6	12.5	16.2	13.8	12.3
All Others	19.0	26.7	18.4	21.1	19.2	24.3	11.5	28.6	26.4
Development Expenditure@	15.3	11.9	18.9	22.6	26.2	23.6	18.6	19.2	26.9
Total Expenditure	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Budget Wing, Finance Division

\* : Also includes law &amp; order, social, Economic and Community Services

\*\* : Includes 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

(Rs million)										
Fiscal Year/ Item	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 (B.E)	%Change 2009-10/ 2008-09
A. Interest Payments	278,671	241,678	236,849	250,611	276,565	398,209	527,321	663,908	663,923	0.0
A.1 Federal	250,077	216,074	202,940	216,042	244,648	375,309	501,942	645,440	647,104	0.3
Interest on Domestic Debt	189,477	166,874	161,540	176,342	202,548	326,892	442,589	573,768	576,770	0.5
Interest on Foreign Debt	60,600	49,200	41,400	39,700	42,100	48,417	59,353	71,672	70,334	-1.9
A.2 Provincial	28,594	25,604	33,909	34,569	31,917	22,900	25,379	18,468	16,819	-8.9
B. Repayments/Amortization of Foreign Debt.	164,905	64,234	69,765	55,724	85,411	67,304	88,383	121,331	132,446	9.2
C. Total Debt Servicing (A+B)	443,576	305,912	306,614	306,335	361,976	465,513	615,704	785,239	796,369	1.4
<b>MEMORANDUM ITEMS</b>										
Interest on Domestic Debt (Federal)	AS PERCENTAGE OF GDP									
Interest on Foreign Debt	4.3	3.4	2.9	2.7	2.7	3.8	4.3	4.4	4.0	
Repayment of Foreign Debt	1.4	1.0	0.7	0.6	0.6	0.6	0.6	0.5	0.5	
Total Debt Servicing	3.7	1.3	1.2	0.9	1.1	0.8	0.9	0.9	0.9	
	10.0	6.3	5.4	4.7	4.7	5.4	6.0	6.0	5.4	

Source: Debt Management Section, Finance Division, Islamabad

B.E : Budget 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

TABLE 4.6

## INTERNAL DEBT OUTSTANDING (AT END OF PERIOD)

(Rs million)											
Fiscal Year/ Type of Debt	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 (BE)	%Change 2009-10/ 2008-09
Permanent Debt	349,212	424,767	468,768	570,009	526,179	514,879	562,540	616,766	685,939	706,908	3.1
Floating Debt	737,776	557,807	516,268	542,943	778,163	940,233	1,107,655	1,589,587	1,903,488	2,054,489	7.9
Un-funded Debt	712,010	792,137	909,500	914,597	873,248	881,706	940,007	1,020,378	1,269,241	1,469,484	15.8
Total	1,798,998	1,774,711	1,894,536	2,027,549	2,177,590	2,336,818	2,610,202	3,226,731	3,858,668	4,230,881	9.6
Memorandum Items:	(Percent Share in Total Debt)										
Permanent Debt	19.4	23.9	24.7	28.1	24.2	22.0	21.6	19.1	17.8	16.7	
Floating Debt	41.0	31.4	27.3	26.8	35.7	40.2	42.4	49.3	49.3	48.6	
Un-funded Debt	39.6	44.6	48.0	45.1	40.1	37.7	36.0	31.6	32.9	34.7	
Domestic Debt as % of GDP (mp)	42.7	40.0	38.9	35.9	33.5	30.7	30.1	31.4	29.5	28.5	
B.E : Budget Estimate							Source: Debt Management Section, Finance Division, Islamabad				

B.E : Budget Estimate

Source: Debt Management Section, Finance Division, Islamabad