



EXTERNAL DEBT AND LIABILITIES

10.1 Introduction

The relationship between external debt and economic growth has been examined extensively in recent years. These studies have largely focused on the harmful effects of a country's "debt overhang" – the accumulation of a stock of debt so large as to threaten the country's ability to repay its past loan. The empirical findings suggest that debt overhang depresses growth by increasing investors' uncertainty about actions the government might take to meet its onerous debt-servicing obligations. Debt overhang may also discourage efforts by the government to carry out structural and fiscal reforms that could strengthen the country's economic growth and fiscal positions, because a government whose financial position is improving almost inevitably finds itself under increasing pressure to repay foreign creditors. This disincentive to reform would exist in any country with a heavy external debt burden, but it is of special concern in low income countries, where structural reforms are essential to sustain higher growth. Another interesting finding suggests that external debt slows growth only after its face value reaches a threshold level estimated to be about 50 percent of GDP or in net present value terms, 20 – 25 percent of GDP.

Pakistan's external debt situation of the 1990s is consistent with the findings of the recent literature on the relationship between debt and economic growth. The persistence of a large current account deficit (almost 5.0 percent of GDP) for an extended period of one decade; the imprudent use of borrowed resources; the rising real cost of borrowing; stagnant exports; and a declining flow of foreign exchange have been responsible for a rapid accumulation of external debt in the 1990s.

Prudent debt management is an essential component of macro economic stability and

economic growth. Developing countries need to borrow in order to finance their development but this need to be balanced by ability to make repayments as well as ensuring that the borrowed funds are used for productive expenditures. Pakistan has been successful on both these fronts in the last several years. First, by recording some of the highest growth rates seen in recent history, the country's ability to carry debt has been enhanced. Secondly, the funds have been used effectively to finance infrastructure development as well as structural reforms which provided a further impetus to growth.

Any debt strategy is incomplete without a supporting fiscal policy. The root cause of increase in debt is fiscal imbalances so the importance of a prudent fiscal policy cannot be overemphasized. A sound fiscal policy is essential for preventing macroeconomic imbalances and realizing the full growth potential. Pakistan has witnessed serious macroeconomic imbalances in the 1990s mainly on account of its fiscal profligacy. Persistence of large fiscal deficit resulted in unsustainable levels of public debt, adversely affecting the country's macroeconomic environment. Pakistan accordingly paid a heavy price for its fiscal indiscipline in terms of deceleration in economic growth and investment, and the associated rise in the levels of poverty. Considerable efforts have been made over the last six years to inculcate financial discipline by pursuing a sound fiscal policy. Pakistan's hard earned macroeconomic stability is underpinned by fiscal discipline.

Excessive borrowing of the past curtails the government's ability in the future to invest in important development programs relating to health, education, population planning, nutrition and employment creation. The government believes that there is no alternative to a rule-based

fiscal policy. Accordingly, a rule-based fiscal policy, enshrined in the Fiscal Responsibility and Debt Limitation (FRDL) Act 2005, was passed by the Parliament in June 2005. This Act ensures responsible and accountable fiscal management by all governments — the present and the future — and would encourage informed public debate about fiscal policy. It requires the government to be transparent about its short and long term fiscal intentions and imposes high standards of fiscal disclosure. Given the difficult past of Pakistan's macroeconomic environment during the 1990s, a rule-based fiscal policy was considered essential for maintaining macroeconomic stability and promoting growth on a sustained basis.

Due to a credible debt reduction strategy and successive high growth rates, Pakistan has reduced its public debt burden (including Rupees debt and foreign currency debt) from 100.3 percent of GDP in end-FY99 to 53.4 percent of GDP by end-March FY07. The external debt component of public debt (excluding private non-guaranteed debt and liabilities) has decreased from 40.8 at end-FY02 to 24.6 at end-March FY07.

10.2. Historical Perspective

Pakistan's total stock of external debt and foreign exchange liabilities (EDL) grew at an average rate of 7.4 percent per annum during 1990-99 – rising from \$ 20.5 billion in 1990 to \$ 38.9 billion by end June 1999. Foreign exchange earnings on the other hand, either remained stagnant or increased at a snails pace during the same period. Despite the accumulation of almost \$ 18.4 billion debt in the 1990s, foreign exchange earnings rose by only \$ 4.0 billion. Consequently the debt burden (external debt and foreign exchange liabilities as a percentage of foreign exchange earnings) rose from 256.6 percent in 1989-90 to 335.4 percent in 1998-99. Following a credible strategy of debt reduction over the last several years, Pakistan has succeeded in reducing the country's debt burden by ensuring that the growth in EDL is less than the GDP growth. Consequently, the burden of the debt has declined substantially during the same period. For example, the EDL as a percentage of foreign exchange earnings which stood at 335.4 percent in 1998-99, declined to 119.7 percent by end-March 2007. The EDL stood at 64.1 percent of GDP in end-June 1999, declined to 27.1 percent in end-March 2007.

Table 10.1: External Debt and Foreign Exchange Liabilities (\$ Billion)

Item	End June							End Mar
	1990	1999	2001	2003	2004	2005	2006	2007
1. Public & Publicly Guaranteed Debt	18.200	28.300	28.165	29.230	29.875	31.084	29.875	31.084
A. Medium & long term (Paris Club, Multilateral and Other Bilateral)	14.700	25.400	25.606	28.070	28.627	29.177	30.207	31.841
B. Other medium & long term (Bonds, Military & commercial)	2.700	1.600	2.302	0.976	1.226	1.636	2.203	2.139
C. Short Term (IDB)	0.800	1.300	0.257	0.187	0.022	0.271	0.169	0.025
2. Private Non-guarantee- Debt	0.300	3.400	2.450	2.028	1.670	1.342	1.585	1.900
3. IMF	0.700	1.800	1.529	2.092	1.762	1.611	1.491	1.457
Total External Debt (1 through 3)	19.200	33.600	32.144	33.350	33.307	34.037	35.655	37.362
4. Foreign Exchange Liabilities	1.300	5.300	5.015	2.122	1.951	1.797	1.586	1.502
Total External Liabilities (1 through 4)	20.900	38.900	37.160	35.470	35.260	35.834	37.241	38.864

* Provisional

Source: SBP

10.2. I: External Debt and Liabilities

External debt and liabilities (EDL) at the end of March FY07 were US\$ 38.86 billion. This is an increase of US\$ 1.6 billion which represents a 4.3 percent increase over the stock at the end of FY06 [See Table 10.1]. Majority of the EDLs are in the

form of medium and long term borrowing from multilateral and bilateral lenders which accounts for nearly 80 percent of outstanding debt (see Table 10.2). The share of short-term debt is extremely low at 0.1 percent. Pakistan has taken advantage of an earlier Paris Club rescheduling to re-profile its debt at a more manageable level.

Table 10.2: Components of External Debt and Liabilities, end-March FY07

Component	Percent
Paris club	33.1
Multilateral	46.3
Other bilateral	2.5
Short Term	0.1
Private Non-Guaranteed	4.9
IMF	3.7
Other	5.5
FC Liabilities	3.9

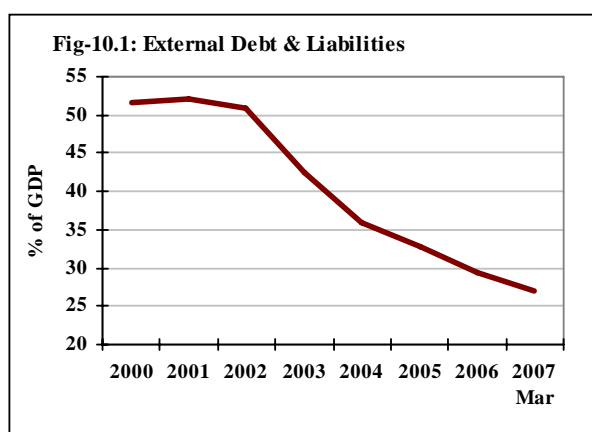
Source: SBP Bulletin and DPCO.

A critical appraisal of the external debt and liabilities should not be focused on the variation in the absolute stock but it is the incidence of the debt burden which is important and meaningful from a policy perspective. The external debt and liabilities (EDL) declined from 50.9 percent of GDP at the end of FY02 to 26.3 percent of GDP by end-March 2007. Similarly, the EDL were 236.8 percent of foreign exchange earnings but declined to 119.7 percent in the same period. The EDL were nearly 5.8 times foreign exchange reserves at the end of FY02 but declined to 2.8 by end March 2007. Interest payments on external debt were 7.8 percent of current account receipts but declined to 3.2 percent during the same period. The maturity profile also showed an improvement over the last five years as short-term debt was 1.4 percent of EDL but declined to 0.1 percent of EDL in the same period.

10.2.2 Outstanding External Debt and Liabilities

Outstanding external debt and liabilities includes all Government debt denominated in foreign currency, loans contracted by enterprises with Government ownership of more than 50.0%, as well as the external debt of the private sector which is registered with the SBP and benefits from a foreign exchange convertibility guarantee from the SBP. Pakistan's total stock of external debt and foreign exchange liabilities grew at an average rate of 7.4 percent per annum during 1990-99 – rising from \$ 20.5 billion in 1990 to \$ 38.9 billion by end June 1999 but declined slightly to \$ 37.9 billion in 1999-2000. It exhibited a declining trend thereafter [See Table-10.1]. Foreign exchange earnings on the other hand either remained stagnant or increased

at a snails pace during the same period. Despite the accumulation of over \$ 18 billion debt in the 1990s, foreign exchange earnings rose by only \$ 4.0 billion. Consequently the debt burden (external debt and foreign exchange liabilities as a percentage of foreign exchange earnings) rose from 256.6 percent in 1989-90 to 335.4 percent in 1998-99. This implies that the debt servicing liability had risen to unsustainable level, and rollover of the payments became a norm rather than an exception. Non-debt creating inflows almost dried up and debt creating inflows were the only source of financing current account deficit.



The growth of EDLs which had declined earlier in the decade of 2000 has started to pick-up but at a much pace partly on account of borrowing for earthquake-related spending. The EDLs grew by 1.6 percent in FY05, 3.9 percent in FY 06 and by 4.4 percent in FY07. When taking a longer term view (1999-2007), it is clear that Pakistan's EDL has not yet reached to the level that prevailed in end-June 1999 (\$38.9 billion) even after 8 years of financing development programs. Notwithstanding the EDL in absolute number the burden of the debt has declined sharply on account of faster growth in GDP. As can be seen in Table 10.3, EDLs as percentage of GDP have declined from 51 percent in FY02 to 29.4 percent in FY06 and further to 27.1 percent of the GDP by end-March 2007.

The largest increase in stock was seen in debt by multilateral donors with a change in stock of US\$ 1.5 billion or 8.9 percent. The foreign exchange liabilities showed a decline of US\$ 84 million (5.3 percent) but this was more than compensated for by fresh borrowing from multilateral lenders and

Foreign Currency Bonds (including Euro bonds). Interest payments on EDLs were US\$ 1.1 billion and the amortization payments stood at US\$ 2.2 billion.

Table-10.3: Pakistan: External Debt and Liabilities

	FY02	FY03	FY04	FY05	FY06	FY07(Mar)
	(In billions of U.S. dollars)					
1. Public and Publically Guaranteed debt	29.24	29.23	29.88	30.81	32.60	34.00
A. Medium and long term(>1 year)	29.05	29.05	29.85	30.81	32.41	33.98
Paris club	12.52	12.61	13.56	13.01	12.83	12.88
Multilateral	14.33	14.95	14.35	15.36	16.53	18.00
Other bilateral	0.43	0.51	0.72	0.81	0.85	0.96
Euro bonds/Saindak Bonds	0.64	0.48	0.82	1.27	1.91	1.90
Military debt	0.82	0.26	0.20	0.19	0.13	0.09
Commercial Loans/credits	0.31	0.23	0.20	0.18	0.17	0.14
B. Short Term (<1 year)	0.18	0.19	0.02	0.27	0.20	0.03
IDB	0.18	0.19	0.02	0.27	0.20	0.03
2. Private Non-guaranteed Debt (>1 yr)	2.23	2.03	1.67	1.34	1.58	1.90
3. IMF	1.94	2.09	1.76	1.61	1.49	1.46
Total External Debt (1 through 3)	33.40	33.35	33.31	34.04	35.68	37.362
4. Foreign Exchange Liabilities	3.13	2.12	1.95	1.80	1.59	1.50
Foreign Currency Accounts	0.41	--	--	--	--	--
FE - 45	0.23	--	--	--	--	--
FE-13/For 01:FE25CRR w/SBP	--	--	--	--	--	--
FE - 31 deposits (incremental)	0.17	--	--	--	--	--
Special U.S \$ Bonds	0.92	0.70	0.55	0.42	0.25	0.18
Foreign Currency Bonds (NHA / NC)	0.20	0.18	0.15	0.13	0.11	0.09
National Debt Retirement Program	0.08	0.01	0.00	--	--	--
Central Bank Deposits	0.75	0.70	0.70	0.70	0.70	0.70
NBP/BOC Deposits	0.50	0.50	0.50	0.50	0.50	0.50
Other Liabilities (SWAP)	0.28	0.05	0.05	0.05	0.03	0.03
FEBCs/FCBCs/DBC	0.07	0.04	0.02	0.01	0.01	0.01
Total External Debt & Liabilities (1 through 4)	36.53	35.47	35.26	35.83	37.26	38.86
(of which) Public Debt	31.17	31.32	31.64	32.42	34.09	35.46
Official Liquid Reserves	4.34	9.53	10.56	9.81	10.76	10.19
	(In percent of GDP)					
1. Public and Publically Guaranteed debt	40.8	35.5	30.5	28.1	25.7	23.7
A. Medium and long term(>1 year)	40.5	35.2	30.5	28.1	25.5	23.7
B. Short Term (<1 year)	0.3	0.2	0.0	0.2	0.2	0.0
3. IMF	2.7	2.5	1.8	1.5	1.2	1.0
Total External Public Debt	43.5	38.0	32.3	29.6	26.9	24.7
4. Foreign Exchange Liabilities	4.4	2.6	2.0	1.6	1.2	1.0
Total External Debt & Liabilities (1 through 4)	51.0	43.0	36.0	32.7	29.4	27.1
Official Liquid Reserves	6.1	11.6	10.8	9.0	8.5	7.1
Memo:						
GDP (in billions of Rs.)	4402	4823	5641	6500	7594	8707
Exchange Rate (Rs./U.S. dollar, Period Avg.)	61.4	58.5	57.6	59.4	59.9	60.6
GDP (in billions of U.S. dollars)	71.7	82.4	98.0	109.5	126.9	143.6

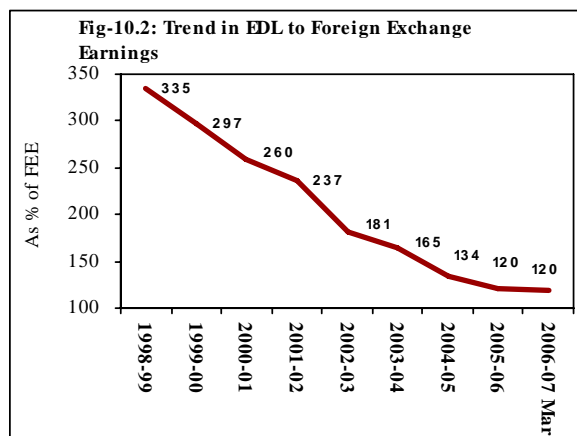
Source: State Bank of Pakistan

As Table 10.3 shows, the first nine months (July-March) of FY07 saw an increase of EDLs by 4.4 percent to US\$ 38.86 billion. Public and publicly guaranteed debt increased by US\$ 1.40 billion (4.3 percent) mainly on account of borrowing from multilateral lenders while the external liabilities continued on their downward trend, declining by \$US 0.08 billion (5.3 percent).

Following a credible strategy of debt reduction, Pakistan has succeeded in reducing the rising

trend in external debt and foreign exchange liabilities. Pakistan's external debt and liabilities have declined by \$ 3.1 billion – down from \$ 38.9 billion in 1998-99 to \$ 35.834 billion by 2004-05. However, external debt and liabilities increased to \$ 38.86 billion by end-March 2007 as against \$ 37.26 billion by end-June 2006, thus showing a rise of \$ 1.599 billion in the first nine months of the current fiscal year. The rise is mainly on account of rising development financing by multilateral organizations and earthquake-related spending.

A critical appraisal of the external debt and liabilities should not be focused on the variation in the absolute stock but it is the incidence of the debt burden which is important and meaningful from the policy perspective. There are various indicators which are widely used by the international community and financial institutions to determine the debt carrying capacity and the amount of risk associated with a particular country. These indicators include; the stock of external debt and liabilities as percent of GDP, export earning, foreign exchange earning, foreign exchange reserves, and debt servicing as percentage of current account receipts etc. A cursory look at Table-10.9 is sufficient to see that all indicators of debt burden show that Pakistan's debt burden has declined significantly over the last six years. During the fiscal year 2006-07, these indicators also demonstrate a marked improvement [See Fig-10.2].



The external debt and liabilities (EDL) declined from 51.7 percent of GDP in 1999-2000 to 27.1 percent of GDP by end-March 2007. Similarly, the EDL was 297.2 percent of foreign exchange earnings but declined to 119.7 percent in the same period. The EDL was over 19 times of foreign exchange reserves in 1999-2000 but declined to 2.8 in end March 2007 Interest payments on external debt were 11.9 percent of current account receipts but declined to 3.2 percent during the same period. The maturity profile improved significantly as is evident from the fact that short-term debt was 3.2

percent of EDL but declined to 0.7 percent of EDL in the same period

10.3 Composition of External Debt and Liabilities

Public and Publicly Guaranteed Debt.

The share of Paris Club debt stock has been in the range of 42 to 45 percent in total public and publicly guaranteed debt since 1999. Of late, its share has declined to 34.4 percent in June 2006 and further to 33.1 percent by March 2007. The US\$ 47 million rise in the debt owed to the Paris club creditors was principally driven by the concessional financing for earthquake affected areas provided by the US, and other creditors. The US\$ 114 million rise in the stock of other bilateral debt was principally due to higher receipts from China. The major projects for which these loans were acquired include: the Gwadar deep water port project (US\$ 36.8 million) and acquisition of railway locomotives (US\$ 23.95 million). Apart from these developments, the net impact of currency revaluation on Paris club debt stock during the current fiscal year was almost negligible.

As of end March 2007, medium and long-term public and publicly guaranteed debt amounted to U.S.\$34.0 billion, of which almost 53.0% is owed to multilateral creditors. Approximately 33.1%, or U.S.\$12.9 billion, is owed to Paris Club official creditors. Of this amount, approximately 69% was provided to Pakistan on concessional terms, with the balance being provided on non-concessional terms. Medium and long-term public and publicly guaranteed debt also included U.S.\$960.0 million owed to official creditors that are not represented in the Paris Club, as well as U.S.\$1,900 million of international bonds and U.S.\$145.0 million of commercial bank loans. Public and publicly guaranteed short-term debt amounting to U.S. \$25.0 million was owed to the Islamic Development Bank.

Table 10.4: Trends in External Debt Sustainability Indicators, FY00-FY07

Year	EDL/ GDP	EDL/ FEE	EDL/ FER	STD/EDL	INT/CAR
	(Percent)		Ratio	(Percent)	
FY00	51.7	297.2	19.3	3.2	11.9
FY01	52.1	259.5	11.5	3.7	13.7
FY02	50.9	236.8	5.8	1.4	7.8
FY03	43.1	181.2	3.3	1.2	5.3
FY04	36.7	164.7	3.0	0.6	4.9
FY05	32.7	134.3	2.7	0.8	3.9
FY06	29.4	120.1	2.9	0.9	3.1
FY07*	27.1	119.7	2.8	0.7	3.2

Source: EA Wing and SBP Bulletins.

* End March 2007

EDL: External Debt and Liabilities, FEE: Foreign Exchange Earnings, FER: Foreign Exchange Reserves, STD: Short-term Debt, INT: Interest Payments and CAR: Current Account Receipts

Multilateral Debt

The borrowing from multilateral agencies, mainly from the World Bank and the Asian Development Bank (ADB) has outpaced the borrowing from the Paris Club since 1999-2000. Its share in total public and publicly guaranteed debt has increased from 37.5 percent to 51.5 percent in 2002-03. However, after prepayment of expensive debt of \$ 1.1 billion to the ADB in 2003-04, its share declined to 48.1 percent in 2003-04, but increased to 46.3 percent by end March 2007. The stock of debt from multilateral agencies amounted to \$18.0 billion by end-March 2007. A detailed analysis of recent developments in commitments and disbursement in respect of bilateral and multilateral external assistance is given in the subsequent section.

Short-term-IDB Loan

After declining substantially during 2003-04, the stock of IDB loans rose during 2004-05 but again started to decline. The short-term IDB loans are obtained largely for financing oil and fertilizer imports and the rise is a consequence of the termination of the Saudi Oil Facility (a grant that covered a major share of oil imports) in 2003-04, which coincided with the extraordinary rise in crude oil prices in the international market. Resultantly, the stock of short-term debt rose from \$ 0.02 billion in 2003-04 to \$ 0.27 billion in 2004-05 and but declined to \$ 25 million by end March 2007.

Private Sector Debt. The stock of private sector non-guaranteed debt is continuously falling since

the fiscal year 1999-2000. The stock of private non-guaranteed debt declined from \$ 3.4 billion in 1999 to 1.49 billion by June 2006 and further to \$ 1.46 billion as of March 2007. Medium and long-term private sector debt registered with the SBP (and benefiting from an SBP foreign exchange convertibility guarantee) amounted to U.S. \$964.0 million. No short-term private sector debt has been registered with the SBP.

Foreign Exchange Liabilities

Foreign exchange liabilities declined substantially during the last six years from as high as \$ 5.7 billion in 1999 to \$ 1.6 billion in 2005-06 and further shrank to \$ 1.5 billion by end March 2007. This decline is largely due to the encashment of various bonds (on maturity) and Foreign Currency Accounts (FCA).

10.4 Composition of Foreign Economic Assistance

Commitments

The declining trend in annual average level of commitments of foreign aid has been reversed in recent years because of improvement in relationship with the International Financial Institutions (IFIs) and donor countries. The commitments bounced back from its lowest ebb at \$ 880 million in 2000-01 to \$3.4 billion during 2001-02. After hovering around at \$ 2 billion for two years, it again rose to \$3.1 billion during 2004-05 and then to \$4.3 billion in 2005-06. During the first nine months (July-March) of the current fiscal year, total commitments stood at \$2.5 billion with earthquake relief assistance of \$ 0.3 billion.

Quantum and composition of commitments is documented in Table 10.4.

Table-10.4: Commitments of Aid by Use* (US\$ million)

	2001-02	2002-03	2003-04	2004-05	2005-06	(July-Mar) 2006-07
I. Project Aid	1113	860	1233	1965	1021	1035
II. Non-Project Aid	2311	1188	960	1117	3261	1430
a) Food Aid	41	22	12	0	0	0
b) Budgetary Support/ (BOP)	2249	1158	943	1115	1330	1169
c) Relief Assistance for Afghan Refugees	21	8	5	2	1	3
d) Earthquake Relief Assistance	0	0	0	0	1930	261
Total (I + II)	3424	2048	2193	3082	4282	2468

P= Provisional

Source: Economic Affairs Division

* Excluding IDB Short-term, Commercial Credits and Bonds.

Disbursements

The disbursement of external assistance maintained its pace at around \$2.4 billion per annum during the 1990s. It has risen to \$2.9 billion by the end June 2006 and remained at \$ 1.8 billion by end-March 2007. From its lowest level of \$1270 million in 2003-04, it rose to \$ 2863 million in 2005-

06 owing to increased disbursement of various Program Loans. During the first nine months of current fiscal year (Jul-Mar 2006-07) the total disbursement stood at \$1.8 billion including the disbursement of \$ 186 million for earthquake relief assistance against the commitment of \$ 261 million for the period. The summarized position of disbursements is given in Table-10.5.

Table-10.5: Disbursements of Aid by Use* (\$ million)

	2001-02	2002-03	2003-04	2004-05	2005-06	(July-Mar) 2006-07
Project Aid	640	705	525	741	878	599
Non-Project Aid	1676	848	745	1534	1985	1162
a) Food Aid	31	10	0	0	0	12
b) Budgetary Support/ (BOP)	1624	830	741	1532	1069	961
c) Relief Assistance for Afghan Refugees	21	8	4	2	1	3
d) Earthquake Relief Assistance	0	0	0	0	915	186
Total (I + II)	2316	1553	1270	2275	2863	1761

P= Provisional

Source: Economic Affairs Division

* Excluding IDB Short-term, Commercial Credits and Bonds.

Sources of Aid

The major sources of foreign economic assistance to Pakistan have been through the aid to Pakistan Consortium (Paris Club Countries and Multilateral Institutions), Non-Consortium (Non-Paris Club Countries) and Islamic Countries. Among these, the Aid-to-Pakistan Consortium, formulated in 1960 and now renamed as the 'Pakistan Development Forum' (including assistance from

Consortium sources but outside Consortium umbrella arrangements), is the largest source of economic assistance to Pakistan. In 2004-05, Consortium/PDF provided 75.3 percent of the total commitments. Shares of Non-Consortium, Islamic Countries and Relief Assistance for Afghan Refugees were 23.3 percent, 1.3 percent and 0.1 percent, respectively. During the first nine months of current fiscal year 2006-07 (July-March), the

Consortium has provided 41.2 percent of total commitments, whereas, Non-Consortium, Islamic Countries and Relief Assistance for Afghan Refugees and Earthquake contributed 0.7 percent, 3.8 percent, 0.1 percent and 54.2 percent respectively. Source-wise commitments and disbursements are summarized in Table-10.6.

Table-10.6: Sources of Foreign Aid*

\$ Million

Particulars	Commitments				Disbursements			
	2005-06		2006-07 (July-March)		2005-06		2006-07 (July-March)	
	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share
I) Bilateral	1490.3	34.8	742.8	30.1	1018.0	33.3	354.6	20.1
II) Multilateral	2792.3	65.2	1725.3	69.9	2039.4	66.7	1406.4	79.9
Total (I+II)	4282.6	100.0	2468.1	100.0	3057.4	100.0	1761.0	100.0

* Excluding IDB Short-Term, Commercial Credit and Bonds

Source: Economic Affairs Division

Project Vs Non-Project Aid

The share of project aid in the total disbursement has exhibited fluctuating trend over the years. The project aid in the decade of the 1990s averaged at \$1589 million per annum, and \$1035 million during July-March 2006-07. The non-project aid averaged at \$626 million per annum during the 1990s and increased to \$1035 million during the first nine months of 2006-07 [See Table-10.7].

The share of project aid has declined compared to non-project aid over the period. The share of

project aid in the decade of 1990s averaged 71.7 percent per annum with strong fluctuation ranging between 55 and 84 percent. The share of non-project aid during the same period fluctuated in a much wider range of 16 to 45 percent with an average of 28.3 percent. The share of project aid during 2000-01 to 2004-05 was 39 percent and that of non-project aid 61 percent. During the first nine months of the current fiscal year 2006-07 (July-March) the project aid accounted for 41.9 percent stake while non-project aid share 58.1 percent of overall external assistance inflows.

Table-10.7: Disbursement of Project and Non-Project Aid*
(US\$ million)

Year	Project Aid		Non-Project Aid		Total
	Amount	% Share	Amount	% Share	
1990's	1,589	71.7%	626	28.3%	2,215
2000-01	247	28.1%	633	71.9%	880
2001-02	1,113	32.5%	2,311	67.5%	3,424
2002-03	860	42.0%	1,188	58.0%	2,048
2003-04	1,233	56.2%	960	43.8%	2,193
2004-05	1,965	63.8%	1,117	36.2%	3,082
2005-06	1,021	23.8%	3,261	76.2%	4,282
2006-07(July-Mar)	1,035	41.9%	1,433	58.1%	2,468

Source: Economic Affairs Division

* Excluding IDB Short-term, Commercial Credits and Bonds.

@ Non-Project aid includes Non-food, food, program loans/budgetary grants, earthquake and Afghan Refugees Relief Assistance.

Composition of External Assistance

The composition of external assistance over the years has undergone considerable change from grants and grant like assistance to hard term loans. The share of grant and grant like foreign economic assistance in total commitments continued to exhibit a declining trend over the years. It declined to 13 percent in 2002-03 from 32 percent in 2001-02. It however, increased to 23 percent during 2004-05. During the first nine months (July-March) of the fiscal year 2006-07, the share of grants declined to 15 percent mainly on account of the Earthquake relief assistance.

Earthquake Relief Assistance

The Pakistan economy was subjected to a major headwind on October 8, 2005, which was acid test for the resilience of the economy. It caused colossal loss of lives, private properties and infrastructure which was to be restored by the Government with the help of the international community. Most of foreign countries / donors, UN agencies and NGOs responded quickly to provide relief in the shape of cash and kind to the victims of disaster. The foreign donors / institutions pledged an amount of \$6.5 billion comprising \$4.0 billion loans and of \$2.5 billion grant assistance in the Donor's Conference called by the Government of Pakistan in the month of November, 2005. Out of that pledged amount, an amount of \$1930 million, comprising \$1656 million as loan and \$274 million as grant were committed during 2005-06 and an amount of \$261 million comprising \$50 million as loan and \$211 million as grant were committed during July-March, 2006-07. Out of this committed amount, \$915 million comprising \$768 million as loan and \$147 million as grant were disbursed during the year 2005-06 and an amount of \$186 million comprising \$178 million as loan and \$8 million as grant were disbursed during the first nine month of current fiscal year.

Debt Service Payments and Net Transfers

The inflow of foreign assistance is aimed primarily to upgrade the productive capacity of the economy but in real terms they were being utilized for debt service payments. The increased liability of debt service payments has squeezed the net inflow of foreign resources. The net transfers of aid in the 1990s averaged at US\$534 million per annum but declined in subsequent years to considerable extent. Net transfers turned to negative by the end of the 1990s and it turned to negative \$364 million in 2000-01 due to lower disbursements and ever increasing debt servicing liabilities on external debt.

Debt-servicing of external medium & long-term loans amounted to \$1,115 million during July-March, 2006-07 which include \$698 million principal repayment and \$417 million interest payments. Debt-servicing amounted to \$359 million on account of bilateral countries. Of this amount, Paris-Club countries accounted for \$334 million and Non-Paris Club countries for \$25 million. An amount of \$756 million was owed to multilateral creditors. Debt-servicing was totaled \$1,572 million during 2005-06.

Over reliance on external resources have implications for debt-servicing problem. A higher level of debt-servicing is tantamount to net transfer of the external resources. Net transfers have declined substantially in the past for higher incidence of debt servicing. Net transfers as percentage of total disbursements were 25% for the decade of 1990's. For the last seven years, net transfers were negative for only one year i.e. 2003-04 and that was mainly because of prepayments of the expensive loans owed to the ADB. A summarized position of the disbursements for various years, debt-servicing and net transfers is documented in Table-10.8.

Table-10.8: Debt Servicing and Net Transfers (US\$ million)

Year	Gross		Net Transfers (N.T)	NT as % of Gross Disbursements.
	Disbursements *	Debt Servicing**		
1990-91	2045	1316	729	36
1991-92	2366	1513	853	36
1992-93	2436	1648	788	32
1993-94	2530	1746	784	31
1994-95	2571	2042	529	21
1995-96	2555	2136	419	16
1996-97	2231	2265	-34	-1
1997-98	2800	2353	447	16
1998-99	2440	1638	910	37
1999-00	1426	1778	-86	-6
2000-01	1599	1546	53	3
2001-02	2316	1190	1126	49
2002-03	1553	1327	226	15
2003-04	1270	2978	-1708	-134
2004-05	2275	1461	814	36
2005-06	2863	1572	1291	45
2006-07 (Jul-Mar)	1761	1115	646	37

Source: Economic Affairs Division

Source: Economic Affairs Division

* Excluding relief assistance for Afghan Refugees and Earthquake (2005-06)

** Excluding debt servicing on short-term borrowings, IMF Charges and Euro Bonds up to the years 2003-04. From the years 2004-05 onwards debt servicing in respect of short-term borrowings and Euro Bonds is included.

Debt Servicing of External Debt and Liabilities

Pakistan's economy has got much strength and confidence from strong build-up in foreign exchange reserves. This build-up traces its origin from a prudent external debt management strategy. In FY 2000 Pakistan paid \$ 3.756 billion on account of debt servicing and \$ 4.081 billion worth of payments were rolled over. This speaks well of the debt carrying capacity of the economy at the end of the 1990. The combination of re-profiling of Paris Club bilateral debt on a long-term horizon, the substantial write-off of the US bilateral debt stock, the prepayment of expensive debt worth \$ 1.1 billion and the relative shift in contracting new loans on concessional term has begun to yield dividend. The annual debt servicing payments made during the period 1999-2000 to 2003-04 averaged just above \$ 5 billion per annum. This amount has drastically come down to around \$ 3 billion in FY2005 and FY06. An amount of \$ 2.2 billion has been paid during July-March 2006-07 and the amount rolled over declined from \$ 4.1

billion in 1999-2000 to \$ 1.1 billion in July-March 2006-07. The trend is likely to persist in the medium term and has eased the pressure on current account amidst rising trade deficit. The gradual improvement in the external liquidity position, leading to a build up in foreign exchange reserves the actual paid amount continued to rise for five years and the rolled over amount continued to decline or remained stagnant. By 2001-02, the actual paid amount on account of debt servicing reached as high as \$ 6.327 billion and the rolled over amount declined to \$ 1.1 billion by March 2007. The prudent management of external debt has enabled the country to retire expensive debt but at the same time lowered the stock of external debt. The trend of lower incidence of debt servicing persisted during the first nine months of the current fiscal year (July-March 2006-07) both the actual paid amount as well as rolled over amount further declined to \$ 2.2 billion and \$ 1.1 billion respectively [See Table-10.9 & fig-10.3].

10.5 Dynamics of External Debt Burden

The dynamics of external debt burden is well-documented in Table 10.10. The real cost of foreign borrowing which includes the interest cost, as well as the cost emanating from the depreciation of the Pak-rupee (*or capital loss on foreign exchange*) was on average, 3.4 percent and 2.7 percent per annum in the 1980s and 1990s, respectively. The real cost of borrowing declined, on average, by 3.0 percent per annum during the first half of 1990s mainly on the account of a relatively lower nominal implied interest rate (9.2%) and higher inflation rate (11.8%), leading to a negative real interest rate (2.7%). During the second half of the 1990s real interest rate turned a high positive 5.5% and along with sharp depreciation of exchange rate, led to a substantial rise in real cost of borrowing. However, the pendulum swung to other extreme during 2000-03, when real cost of borrowing declined to an average of 1.9 percent per annum on account of benign interest and inflation rates and more so, with the appreciation of the Pakistani rupee. The period 2003-07 witnessed a further decline in the real cost of borrowing, which turned negative mainly because of higher inflation and depreciation of the rupee value.

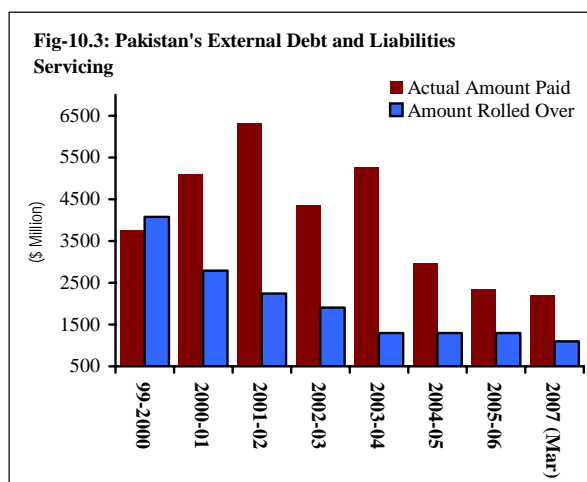


Table-10.9: Pakistan's External Debt and Liabilities Servicing

Years	Amount (\$ Million)		Total
	Actual Amount Paid	Amount Rolled Over	
1999-00	3756	4081	7837
2000-01	5101	2795	7896
2001-02	6327	2243	8570
2002-03	4349	1908	6257
2003-04	5274	1300	6574
2004-05	2965	1300	4265
2005-06	3110	1300	4410
2006-07 *	2201	1100	3301

* July-March

Source: State Bank of Pakistan

Table 10.10: Dynamics of External Debt Burden

Period	Non-Interest	Real Cost of Borrowing (%)	Real Growth of External Debt* (%)	Real Growth in Foreign Exchange Earnings*	Real Growth of External Debt Burden (%)
	Current Account Deficit/Surplus (% of GDP)			(%)	
1980s	-1.2	3.4	6.4	4.7	1.7
1990s	-2.7	2.7	6.5	5.5	1.0
1990s-I	-2.7	-3.0	7.1	6.6	0.5
1990s-II	-2.8	5.5	6.0	4.4	1.6
2000-03	4.1	2.4	-1.9	13.2	-15.1
2003-07*	-1.0	-3.9	-2.0	8.9	-10.9

Source: SBP & Debt Office, Finance Division

* July-March for 2006-07

* Unit Value of imports of industrialized countries at 2000=100 is used as deflator

As a result of the sharp fluctuation in the real cost of borrowing, the dynamics of external debt burden have also changed over the last two decades. The changing dynamics of external debt

burden as documented in Table 10.10 shows that external debt burden grew at an average rate of 2.1 percent and 1.9 percent respectively during the 1980s and 1990s. Further dis-aggregation reveals

that during the first half of the 1990s, although external debt in real term grew by 7.1 percent per annum, it did not immediately lead to a sharp increase in external debt burden because the debt carrying capacity (*real growth in foreign exchange earnings*) of the country was rising by more than 6.6 percent per annum. Therefore, the real growth of external debt burden declined on average by one percent per annum in the first half of 1990s. However, it initiated future difficulties because real growth in foreign exchange earnings slowed substantially to an average of 4.4 percent per annum in the second half of the 1990s, causing the debt burden to rise sharply to almost 1.6 percent per annum during the same period. Sharp real depreciation in exchange rate causing real cost of borrowing to rise and slower real growth in foreign exchange earnings have therefore been mainly responsible for the rise in real debt burden in the second half of the 1990s.

As stated earlier, pendulum swung to other extreme during 2000-03 when the real growth of external debt burden witnessed a massive decline (*15.1% per annum*) on account of almost 13.2 percent real growth in foreign exchange earnings, a decline in real cost of borrowing (1.7 percent) and a contraction in real growth of external debt. It may also be noted that Pakistan maintained a non-interest current account surplus (surplus in primary balance) to an average of 4.1 percent per annum which helped reduce the country's debt burden at a relatively faster pace. During the last four years (2003-07), the current account balance again followed the historical pattern by turning into negative 1.3 percent and real growth in foreign exchange earnings slowed to 7.4 percent, mainly because of the depreciation of currency and a rise in the value of the deflator. However, the real cost of borrowing nosedived to a negative 3.9 percent followed by a massive fall in real growth of external debt which in fact witnessed a negative growth of 2.0 percent. Resultantly, the actual debt burden was again decreased by 10.9 percent.

The analysis of dynamics of the external debt burden provides a useful lesson for the policy-makers to manage the country's external debt. Firstly, the gap in the current account should be minimal so as to limit external borrowing. Attempt should be made to finance current account deficit primarily from non-debt creating inflows (foreign

investment, grants and assistance etc.) Secondly, stability in exchange rate is critical for prudent debt management. Thirdly, if there is need to borrow, the interest cost should be minimal. One way to keep interest rate low is to avoid going to bilateral and multilateral donors for large scale borrowing. Finally, the pace of foreign exchange earnings must continue to rise to increase the debt carrying capacity of the country. Centre to all these lessons is the pursuance of prudent monetary, fiscal and exchange rate policies.

10.6 Pakistan's Link with International Capital Market

Pakistan is pursuing a comprehensive external borrowing strategy consistent with borrowing constraints such as saving/investment gap, amortization payments, reserve targets and most importantly the government's medium-term development priorities. The Government of Pakistan plans to continue to tap the global capital market through regular issuance of bonds (conventional and Islamic) to ensure a steady supply of Pakistan's sovereign paper, establish a benchmark for Pakistan and to keep Pakistan on the radar screen of global investors. This will keep spreads on Pakistani paper low, give more borrowing options to Pakistani borrowers including the government and ensure that Pakistan is covered by various investment research products.

Eurobond 2017

Continuing the credible debt policy, Pakistan successfully issued a US\$ 750 million 10 year note at a fixed rate of 6.875% on May 24, 2007 lead managed by Deutsche Bank, Citi Group and HSBC. This was the largest 10 year deal to date, beating the previous deal of US\$ 500 million. The transaction has provided a true liquid benchmark for other issuers to follow. The transaction priced at an impressive UST (US Treasury) +200 basis point which is 40 bps (basis points) tighter compared to last year's deal that priced at UST +240 basis points. The deal priced at the tight end of a revised price guidance of 6.875-7.00 percent. The issue was highly oversubscribed with the largest ever order book amassed for Pakistan. The order book of US\$ 3.7 billion meant an

oversubscription of over 7 times on the original deal of US\$ 500 million. The resounding demand allowed Pakistan to upsize the deal by 50% to US\$ 750 million. The transaction was announced and priced within 72 hours, an impressive feat and testament to investor confidence in Pakistan. Furthermore, an astounding 60% of the deal went to first-time investors who had never bought Pakistan paper before and that 75% of investors met on the roadshow placed orders. The offering was well balanced by geographically with an increase in US participation to 35% from 19% on previous transaction.

Investor distribution Eurobond 2017

Fund Managers	46%
Bank	22%
Hedge Funds	15%
Institutional/Pension Funds	9%
Banks (Private)	8%

Source: Deutsche Bank

Eurobond of 2016 and 2036

On March 23, 2006, Pakistan successfully issued US\$ 500 million new 10-year Notes and US\$300mm new 30-year Bonds in the international debt capital markets lead managed by JP Morgan, Citi group and Deutsche Bank. This transaction, which represented the first international 144A

bond issued by Pakistan since 1999, raised significant interest amongst US QIBs and international institutional investors. The 10-year notes were priced with a coupon of 7.125% to yield 7.125%, framing a spread of 240bps over the relevant 10-year US Treasury benchmark and 187bps over the US\$ mid-swap rate. The 30-year bonds were priced with a coupon of 7.875% to yield 7.875%, framing a spread of 302bps over the relevant 30-year US Treasury benchmark and 256bps over the US\$ mid-swap rate. Pakistan was able to achieve spreads on both the new 10 and 30-year bonds that were tighter than its previous 5-year issues. By issuing 10 and 30 year tranches, Pakistan completed its primary objective of establishing a full Pakistani International yield curve in record time. This remarkable achievement was completed against a backdrop of increased volatility in the US Treasury and Asian credit markets. With over 170 accounts participating, books closed with total orders exceeding US\$ 2 billion. The issue was over 2.5 times oversubscribed.

Recent Performance of 2016 and 2036 Eurobond

Since the issue of the new Pakistan bonds due 2016 and 2036, the EM credit markets have continued to tighten. As compared to the issue spread of UST + 240bps, the 2016 bond is trading currently at a spread of UST +197 bps, about 18% less

Table-10.11: Selected Secondary Market Benchmarks (as of 1 June 2007)

Issuer	Ratings (Moody's/S&P)	Details (Coupon/Maturity)	Spread over UST (bps)	Bid - Yield (%)
Brazil	Ba3/BB	7.875%/Mar 2015	+95	5.800
Turkey	Ba3/BB-	7.250%/Mar 2015	+177	6.620
Vietnam	Ba3/BB-	6.875%/Jan 2016	+113	5.990
Philippines	B1/BB-	8.000%/Jan 2016	+119	6.090
Pakistan	B2/B+	7.125%/Mar 2016	+197	6.840
Indonesia	B2/B+	7.250%/Apr 2015	+106	5.940
Indonesia	B2/B+	7.500%/Jan 2016	+110	5.980
Indonesia	B2/B+	6.875%/Mar 2017	+114	6.020

Source: Bloomberg

The 2036 bond, as compared to the issue spread of UST + 260 bps, about 19% less UST + 302bps, is trading currently at a spread of

Table-10.12: Selected Secondary Market Benchmarks (as of 1 June 2007)

Issuer	Ratings (Moody's/S&P)	Details (Coupon/Maturity)	Spread over UST (bps)	Bid - Yield (%)
Brazil	Ba3/BB	7.125%/Jan 2037	+116	6.190
Turkey	Ba3/BB-	6.875%/Mar 2036	+212	7.150
Philippines	B1/BB-	9.500%/Feb 2030	+158	6.600
Philippines	B1/BB-	7.750%/Jan 2031	+159	6.610
Pakistan	B2/B+	7.875%/Mar 2036	+260	7.470
Indonesia	B2/B+	8.500%/Oct 2035	+164	6.650

Source: Bloomberg

It is important to note that this offering was the largest ever funding exercise of the government. The largest deal, prior to this transaction has been the \$ 600 million *Sukuk* in 2005. It was the longest ever tenor achieved by Pakistan. Both the new 10 and 30 year offerings are debut offerings for Pakistan by the US dollar yield curve was extended out to 30 years in just 2 years. Most emerging market sovereign issuers have taken longer time to extend their yield curve from 5 to 30 years. It took Philippines 4 years and Brazil and Turkey 3 years to extend their yield curve to 30 years.

Sukuk (Islamic Bond)

In January 2005, Pakistan issued US\$ 600 million Islamic Sukuk lead managed by Citi group and HSBC- which was then the largest issue by Pakistan, and the first Asian sovereign deal of

2005. The 5 year notes, structured to comply with Islamic law ("Shariah") were priced at 6 month US\$ Libor + 220 bps benchmark. Despite the volatility in emerging markets early in the year, Pakistan was able to launch and price the issue at the tight end of the indicated price guidance of US\$ Libor +220-235 bps. Pakistan's debut Islamic Bond issue saw considerable interest from both conventional as well as Islamic investors across the three regions, Asia, Middle East and Europe. It attracted orders worth \$1.2 billion, with more than 80 accounts participating in the transaction. Pakistan decided to increase the transaction size from the original US\$ 300-500 million to US\$ 600 million to cater for the significant demand and to allocate the bonds to high quality accounts. Pakistan had over 80 accounts in the order book with a well-distributed book (Middle East 47%, Asia 31% and Europe 22%)

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TABLE 9.1

PUBLIC AND PUBLICLY GUARANTEED MEDIUM AND LONG TERM EXTERNAL DEBT
DISBURSED AND OUTSTANDING As on 31-03-2007

		(US \$ million)
S.No.	Country/Creditor	Debt Outstanding as on 31-03-2007
I. Bilateral		
a. Paris Club Countries		
1	Austria	75
2	Belgium	62
3	Canada	481
4	Finland	6
5	France	2,130
6	Germany	1,825
7	Italy	154
8	Japan	5,343
9	Korea	580
10	Netherlands	118
11	Norway	40
12	Russia	129
13	Spain	82
14	Sweden	155
15	Switzerland	95
16	United Kingdom	12
17	USA	1,578
Sub-Total I.a. Paris Club Countries		12,864
b. Non-Paris Club Countries		
18	Bahrain	12
19	China (including Defense)	867
20	Kuwait	84
21	Libya	6
22	Saudi Arabia	16
23	United Arab Emirates	66
Sub-Total I.b. Non-Paris Club Countries		1,051
Total I. (a+b)		13,915
II. Multilateral & Others		
24	ADB	7,265
25	EIB	73
26	IBRD	2,144
27	IDA	7,995
28	IDB	315
29	IFAD	157
30	NORDIC Development Fund	17
31	NORDIC Investment Bank	13
32	OPEC Fund	21
Total II: Multilateral & Others		18,002
III. Bonds		
33	Eurobonds	1,900
34	Saindak	5
Total III: Bonds		1,905
IV. Commercial Banks		
		145
Grand Total (I+II+III+IV)		33,966

Source: Economic Affairs Division

TABLE 9.2

COMMITMENTS AND DISBURSEMENTS OF LOANS AND GRANTS (BY TYPE)

Plan/ Fiscal Year	Project Aid		Non-Project Aid						(US \$ million)			
	Commit- ments	Disburse- ments	Non-Food		Food		BOP		Relief	Relief	Total	Total
			Commit- ments	Disburse- ments	Commit- ments	Disburse- ments	Commit- ments	Disburse- ments	Commit- ments	Disburse- ments	Commit- ments	Disburse- ments
<u>VI. 5th Plan</u>												
1978-79	1,064	599	190	213	55	50	86	86	-	-	1,395	948
1979-80	1,002	808	121	161	55	21	419	419	61	61	1,658	1,470
1980-81	591	676	182	103	73	66	16	16	111	111	973	972
1981-82	887	536	320	174	110	89	10	10	293	293	1,620	1,102
1982-83	1,115	744	174	299	120	80	-	-	178	178	1,587	1,301
Sub-Total	4,659	3,363	987	950	413	306	531	531	643	643	7,233	5,793
<u>VII. 6th Plan</u>												
1983-84	1,580	695	166	149	88	177	-	-	155	155	1,989	1,176
1984-85	1,804	903	161	125	196	79	-	-	150	150	2,311	1,257
1985-86	1,810	1,055	186	93	163	245	-	-	135	135	2,294	1,528
1986-87	2,035	1,006	331	205	130	57	-	-	130	130	2,626	1,398
1987-88	1,903	1,223	390	219	230	218	-	-	164	164	2,687	1,824
Sub-Total	9,132	4,882	1,234	791	807	776	-	-	734	734	11,907	7,183
<u>VIII. 7th Plan</u>												
1988-89	1,979	1,262	663	537	392	542	146 @	146 @	132	132	3,312	2,619
1989-90	2,623	1,312	201	386	258	287	217 @	217 @	140	140	3,439	2,342
1990-91	1,935	1,408	346	451	134	136	50	50	111	111	2,576	2,156
1991-92	2,219	1,766	43	316	322	284	-	-	105	105	2,689	2,471
1992-93	1,204	1,895	182	232	454	309	-	-	57	57	1,897	2,493
Sub-Total	9,960	7,643	1,435	1,922	1,560	1,558	413	413	545	545	13,913	12,081
<u>IX. 8th Plan</u>												
1993-94	1,822	1,961	-	15	329	251	411	303	19	19	2,581	2,549
1994-95	2,714	2,079	3	23	279	258	-	211	29	29	3,025	2,600
1995-96	2,219	2,151	57	21	395	383	-	-	10	10	2,681	2,565
1996-97	1,351	1,821	1	1	405	409	-	-	2	2	1,759	2,233
1997-98	776	1,552	1	1	578	622	750	625	1	1	2,106	2,801
Sub-Total	8,882	9,564	62	61	1,986	1,923	1,161	1,139	61	61	12,152	12,748
1998-99	1,382	1,620	-	-	185	270	650	550	2	2	2,219	2,442
1999-00	264	1,110	-	-	349	191	-	125	2	2	615	1,428
2000-01	247	919	-	-	10	-	621	678	2	2	880	1,599
2001-02	1,113	640	-	-	41	31	2,249	1,624	21	21	3,424	2,316
2002-03	860	705	-	-	22	10	1,158	830	8	8	2,048	1,553
2003-04	1,233	525	-	-	12	-	943	741	5	4	2,193	1,270
2004-05	1,965	741	-	-	-	-	1,115	1,532	2	2	3,082	2,275
2005-06	1,021	878	-	-	-	-	1,330	1,069	*1931	**916	4,282	2,863
2006-07(July-Mar)	1,035	599	-	-	-	12	1,169	961	#264	##189	2,468	1,761

- nil

@ IMF(SAF) Loan.

* Inclusive of Earthquake Relief Assistance \$1930 million & relief for Afghan Refugees \$ 1 million

** Inclusive of Earthquake Relief Assistance \$915 million & relief for Afghan Refugees \$ 1 million

Inclusive of Earthquake Relief Assistance \$261 million & relief for Afghan Refugees \$ 3 million

Inclusive of Earthquake Relief Assistance \$186 million & relief for Afghan Refugees \$ 3 million

Source: Economic Affairs Division

TABLE 9.3

ANNUAL COMMITMENTS, DISBURSEMENTS, SERVICE PAYMENTS AND EXTERNAL DEBT OUTSTANDING
(Medium and Long Term)

(US \$ million)

Fiscal Year	Debt outstanding (end of period)		Transactions during period					Debt Servicing as % of		
	Dis- bursed	Undis- bursed*	Commit- ments	Disburse- ments**	Service Payments**			Export Receipts	Foreign	
					Principal	Interest	Total		Exchange Earnings	GDP
1960-61	171	..	479	342	11	6	17	14.9	..	0.4
1961-62	225	..	429	304	20	11	31	27.2	..	0.7
1962-63	408	..	645	501	34	13	47	22.4	..	1.0
1963-64	661	..	526	541	44	18	62	27.4	..	1.2
1964-65	1,021	..	832	706	37	25	62	25.9	..	1.1
1965-66	1,325	..	537	533	41	33	74	29.2	..	1.1
1966-67	1,696	..	628	623	52	44	96	35.2	..	1.3
1967-68	2,099	..	561	729	62	46	108	31.2	..	1.3
1968-69	2,532	..	656	594	93	65	158	44.3	..	1.8
1969-70	2,959	..	555	564	105	71	176	52.1	..	1.8
1970-71	3,425	..	873	612	101	81	182	43.3	..	1.7
1971-72	3,766	..	143	409	71	51	122	20.6	..	1.3
1972-73	4,022	..	543	355	107	86	193	23.6	18.1	3.0
1973-74	4,427	..	1,268	498	118	79	197	19.2	14.2	2.2
1974-75	4,796	1,854	1,115	976	144	104	248	23.9	16.3	2.2
1975-76	5,755	1,811	951	1,051	141	108	249	21.9	13.7	1.9
1976-77	6,341	1,914	1,111	960	175	136	311	27.3	15.3	2.1
1977-78	7,189	2,041	963	856	165	162	327	24.9	11.2	1.8
1978-79	7,792	2,514	1,395	948	234	203	437	25.6	12.0	2.2
1979-80	8,658	2,586	1,658	1,470	350	234	584	24.7	11.9	2.5
1980-81	8,765	2,579	973	972	360	243	603	20.4	10.6	2.1
1981-82	8,799	2,921	1,620	1,102	288	203	491	19.9	8.8	1.6
1982-83	9,312	3,087	1,587	1,301	390	244	634	23.5	9.6	2.2
1983-84	9,469	3,436	1,989	1,176	453	274	727	26.3	10.9	2.3
1984-85	9,732	4,321	2,311	1,257	513	275	788	31.6	12.9	2.5
1985-86	11,108	5,242	2,294	1,528	603	303	906	29.5	13.5	2.8
1986-87	12,023	6,113	2,626	1,399	723	378	1,101	29.9	15.6	3.3
1987-88	12,913	7,070	2,687	1,824	691	426	1,117	25.1	14.7	2.9
1988-89	14,190	7,372	3,312 @	2,619 @	685	440	1,125	24.1	14.4	2.8
1989-90	14,730	8,279	3,439 @	2,342 @	741	491	1,232	24.9	14.4	3.1
1990-91	15,471	9,232	2,576	2,156	782	534	1,316	21.5	13.7	2.9
1991-92	17,361	9,461	2,689	2,471	921	592	1,513	21.9	13.2	3.1
1992-93	19,044	9,178	1,897	2,493	999	649	1,648	24.2	15.3	3.2
1993-94	20,322	9,014	2,581	2,549	1,105	673	1,778	25.7	16.2	3.4
1994-95	22,117	9,806	3,025	2,600	1,323	752	2,075	25.1	16.5	3.4
1995-96	22,292	7,761	2,681	2,565	1,346	791	2,137	24.5	16.7	3.4
1996-97	22,509	8,583	1,759	2,233	1,510	741	2,251	27.2	17.6	3.6
1997-98	22,844	6,164	2,106	2,801	1,600	723	2,323	27.3	17.6	3.8
1998-99	25,423	5,076	2,219	2,442	955	399	1,354	19.7	13.6	2.6
1999-00	25,359	3,421	615	1,428	884	506	1,390	17.6	11.9	2.1
2000-01	25,608	2,860	880	1,599	967	579	1,546	17.3	10.8	2.1
2001-02	27,215	3,504	3,424	2,316	739	451	1,190	13.0	7.7	1.6
2002-03	28,301	3,811	2,048	1,553	784	543	1,327	12.2	6.8	1.6
2003-04	28,900	5,392	2,193	1,270	2,321	657	2,978	24.0	13.9	3.0
2004-05	30,813	4,975	3,082	2,275	863	598	1,461	10.1	5.5	1.3
2005-06	32,407	6,127	4,282	2,863	975	597	1,572	9.6	5.1	1.2
2006-07 (July-Mar)	33,966	6,835	2,468	1,761	698	417	1,115	9.0	4.8	0.8

.. not available.

* Excluding grants.

** Excluding short term credits, commercial credits, bonds and the IMF.

@ Inclusive of IMF(SAF) Loan.

Source: Economic Affairs Division

TABLE 9.4

DEBT SERVICE PAYMENTS ON FOREIGN MEDIUM AND LONG TERM LOANS (Paid in foreign exchange)

(US \$ million)

Fiscal Year	Kind	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07 (July-Mar)
I. PARIS CLUB COUNTRIES												
1	Australia	Principal	58.110	186.972	147.880	147.891	105.534	0.000	0.000	0.000	0.000	0.000
		Interest	2.674	9.551	5.431	6.692	4.680	0.000	0.000	0.000	0.000	0.000
2	Austria	Principal	5.580	2.445	0.000	0.000	0.030	0.000	0.000	0.695	0.376	1.223
		Interest	2.530	1.042	0.000	0.656	0.703	0.353	2.072	3.207	4.212	3.637
3	Belgium	Principal	7.233	6.033	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.380
		Interest	1.920	2.621	0.000	1.267	1.654	0.864	3.102	1.413	1.767	1.859
4	Canada	Principal	26.821	23.680	15.947	15.318	8.097	0.000	0.000	0.000	0.302	0.841
		Interest	3.858	2.774	2.360	1.302	1.073	0.740	1.317	1.438	2.766	4.436
5	Denmark	Principal	1.588	1.442	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
		Interest	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
6	France	Principal	66.661	40.697	7.018	0.000	0.203	0.034	0.000	28.766	10.636	24.921
		Interest	44.165	22.757	4.477	8.767	15.315	16.508	47.516	61.557	82.615	81.489
7	Finland	Principal	1.839	1.838	0.000	0.000	0.000	0.000	0.000	0.024	0.055	0.031
		Interest	0.007	0.006	0.000	0.131	0.307	0.157	0.111	0.088	0.164	0.286
8	Germany	Principal	107.998	58.662	38.726	9.551	5.741	0.854	3.834	7.925	2.64	12.749
		Interest	34.999	17.507	11.406	6.532	7.493	7.403	18.903	17.575	20.981	29.826
9	Italy	Principal	9.283	13.239	0.512	3.121	2.262	1.115	2.136	0.316	0.541	0.642
		Interest	4.111	3.620	0.270	0.620	1.778	0.982	2.718	2.753	3.605	2.331
10	Japan	Principal	167.078	169.558	14.796	0.538	38.689	46.279	70.319	396.646	48.114	65.577
		Interest	97.918	98.308	11.725	59.970	73.006	28.445	36.224	129.721	149.982	86.805
11	Korea	Principal	3.696	3.696	0.000	0.000	0.123	0.000	0.000	44.834	45.272	96.485
		Interest	1.868	40.579	0.000	5.063	13.040	5.232	0.000	24.884	23.787	38.168
12	Norway	Principal	2.484	2.765	0.401	1.874	2.938	0.000	2.125	2.124	3.877	4.064
		Interest	2.349	1.892	0.287	1.314	2.577	0.543	1.797	1.537	1.321	2.196
13	Netherlands	Principal	14.212	12.273	0.000	0.936	1.016	0.710	1.102	0.000	0.221	0.528
		Interest	4.169	3.102	0.043	0.630	0.952	0.637	1.337	2.419	1.894	3.050
14	Russia	Principal	41.333	26.363	0.000	0.000	0.000	0.000	0.000	0.000	0.937	18.958
		Interest	9.788	6.733	0.000	0.000	3.098	3.457	0.000	0.000	3.367	23.375
15	Sweden	Principal	13.836	18.721	0.591	0.000	1.737	0.000	0.000	0.000	0.412	0.957
		Interest	5.466	7.854	1.689	2.207	3.407	4.693	1.987	1.962	3.553	7.063
16	Spain	Principal	2.935	5.006	0.000	0.000	0.000	0.000	0.000	0.098	0.580	1.369
		Interest	1.777	2.316	0.041	0.659	1.185	0.860	1.681	1.753	2.372	2.911
17	Switzerland	Principal	8.400	5.915	4.790	0.000	0.000	0.000	0.000	0.000	0.253	0.555
		Interest	4.894	3.096	1.081	0.000	1.541	0.867	0.941	0.803	1.319	1.530
18	USA	Principal	333.834	431.831	275.138	125.515	43.244	7.839	11.402	1.721	10.492	19.645
		Interest	95.359	100.959	24.907	17.825	59.906	33.115	61.619	56.098	64.334	61.191
19	UK	Principal	0.369	2.880	0.000	2.644	6.470	3.845	5.643	36.203	0.959	1.916
		Interest	2.719	3.260	0.000	1.129	8.954	2.153	2.552	6.537	0.545	0.598
	TOTAL (I)	Principal	873.290	1014.016	505.799	307.388	216.084	60.676	96.561	519.328	125.636	250.485
		Interest	320.571	327.977	63.717	114.764	200.669	107.009	183.877	313.745	368.584	350.751
II. NON-PARIS CLUB COUNTRIES												
1	China	Principal	72.527	72.356	0.958	11.932	163.019	90.810	35.228	14.798	13.868	18.967
		Interest	30.833	32.643	0.000	8.136	29.702	20.699	25.661	13.980	13.310	7.377
2	Czecho - slovakia	Principal	2.763	3.069	0.000	0.000	3.767	0.000	0.000	0.000	0.000	0.000
		Interest	1.452	1.378	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
3	Kuwait	Principal	7.703	7.016	0.262	0.000	1.478	1.226	3.030	5.395	5.733	7.054
		Interest	2.121	3.812	0.058	0.000	0.000	0.000	0.900	2.195	2.032	2.203
4	Libya	Principal	6.158	1.416	1.156	0.000	0.000	0.000	0.000	0.000	0.000	0.000
		Interest	1.419	0.209	0.185	0.000	0.000	0.000	0.000	0.000	0.000	0.000
5	Saudi Arabia	Principal	13.653	13.078	1.230	0.000	0.000	0.000	13.079	5.424	5.373	3.383
		Interest	1.732	1.351	0.037	0.000	0.466	0.057	2.900	1.285	1.122	1.162

TABLE 9.4

DEBT SERVICE PAYMENTS ON FOREIGN MEDIUM AND LONG TERM LOANS (Paid in foreign exchange)

(US \$ million)

Fiscal Year	Kind	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07 (July-Mar)
6 UAE	Principal	5.606	5.606	3.606	0.000	0.000	0.000	1.000	1.000	0.000	0.000	0.000
	Interest	2.916	2.746	2.297	0.000	0.000	0.336	0.824	0.824	0.678	1.015	0.338
7 Iran	Principal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Interest	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
8 Bulgaria	Principal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Interest	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
9 Malaysia	Principal	21.702	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Interest	1.122	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
10 Oman	Principal	7.500	1.250	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Interest	0.711	0.102	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
11 Romania	Principal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Interest	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
12 Yugoslavia	Principal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Interest	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL (II)	Principal	137.612	103.791	7.212	11.932	168.264	92.036	52.337	26.617	24.974	29.404	13.591
	Interest	42.306	42.241	2.577	8.136	30.168	21.092	30.285	18.284	17.142	11.757	11.510
III.		MULTILATERAL										
1 ADB	Principal	194.591	200.636	198.963	237.655	247.044	241.442	265.981	1370.429	245.272	236.757	182.638
	Interest	142.960	138.966	142.195	156.565	151.188	151.668	172.738	179.919	75.061	74.020	58.979
2 IBRD	Principal	230.249	201.189	169.766	222.773	227.914	233.789	249.499	287.173	322.704	294.377	229.547
	Interest	204.294	176.294	156.640	182.812	153.780	132.161	110.541	94.797	77.419	99.280	101.195
4 IDA	Principal	41.444	45.713	53.737	62.631	66.534	72.592	83.452	97.926	112.724	118.566	100.353
	Interest	25.492	26.330	28.138	28.850	27.935	30.054	39.885	45.063	51.049	50.918	49.743
6 IFAD	Principal	4.776	6.333	6.300	8.245	7.685	7.354	7.504	7.712	7.962	7.468	6.396
	Interest	2.092	2.381	2.457	2.376	2.206	1.996	1.751	2.106	2.043	1.802	1.450
7 IDB	Principal	9.202	16.947	4.090	23.213	23.246	23.083	9.679	3.208	2.956	3.504	2.818
	Interest	0.867	5.713	0.363	5.040	3.955	2.061	1.046	0.731	0.612	0.795	1.395
9 IFC	Principal	2.532	2.402	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Interest	0.513	0.289	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
10 IMF (Saf loan)	Principal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Interest	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL (III)	Principal	482.794	473.220	432.856	554.517	572.423	578.260	616.115	1766.448	691.618	660.672	521.752
	Interest	376.218	349.973	329.793	375.643	339.064	317.940	325.961	322.616	206.184	226.815	212.762
IV.		DEVELOPMENT FUNDS										
1 NORDIC	Principal	0.346	0.346	0.914	1.755	1.918	2.023	2.232	2.375	2.519	2.442	1.292
	Interest	1.458	1.448	1.594	1.806	2.087	1.065	0.723	0.565	0.685	0.917	0.538
2 OPEC Fund	Principal	15.480	8.770	8.417	8.098	8.003	6.597	6.504	5.178	4.800	4.561	2.732
	Interest	0.884	0.948	0.919	0.804	0.749	0.754	0.707	0.595	0.546	0.591	0.365
3 Turkey (EXIM Bank)	Principal	0.000	0.000	0.000	0.000	0.000	0.000	9.959	0.000	12.900	25.800	12.900
	Interest	0.000	0.000	0.000	4.797	5.981	2.514	0.388	0.000	1.875	2.776	0.648
4 E.I. Bank	Principal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.637	0.679	1.345	1.307
	Interest	0.000	0.000	0.000	0.118	0.254	0.234	0.939	1.722	2.592	3.324	2.378
TOTAL (IV)	Principal	15.826	9.116	9.331	9.853	9.921	8.620	18.695	8.190	20.898	34.148	18.231
	Interest	2.342	2.396	2.513	7.525	9.071	4.567	2.757	2.882	5.698	7.608	3.929
TOTAL (I+II+III+IV)	Principal	1509.522	1600.143	955.198	883.690	966.692	739.592	783.708	2320.583	863.126	974.709	697.957
	Interest	741.437	722.587	398.600	506.068	578.972	450.608	542.880	657.527	597.608	596.931	417.399
	Total	2250.959	2322.730	1353.798	1389.758	1545.664	1190.200	1326.588	2978.110	1460.734	1571.640	1115.356

TABLE 9.5

TERMS OF FOREIGN LOANS/CREDITS CONTRACTED BY PAKISTAN

Lending Country/Agency	2004-05			2005-06		
	Amount (US \$ Million)	Interest Rate/ Commission(%)	Amortization (years)	Amount (US \$ Million)	Interest Rate/ Commission(%)	Amortization (years)
A. <u>Paris Club Countries</u>						
1. Germany	63.2	0.75	30	-	-	-
2. Korea				17.3	2	30
3. Japan	-	-	-	244.7	1.3	30
Sub-Total (A):	63.2			262.0		
B. <u>Non-Paris Club</u>						
1. China	705.4	2	20	322.3	1.5	5-20
2. Kuwait	34.2	2	20			
Sub-Total (B):	739.6			322.3		
C. <u>Multilateral</u>						
1. Islamic Development Bank	8.4	2.5	25	121.3	1.25 & 5.1	15-25
2. IDA	601.8	0.75	35	1165.8	0.75	35
3. ADB	735.7	1-1.5& LIBOR+60bps	8-32 15-25	1036.9	1 & 1.5	15-40 -
4. IBRD	349.3	LIBOR+50bps	15-20	319.2	LIBOR+50bps	15-20
5. IFAD				53.6	0.75	35
Sub-Total (C):	1686.8			2696.8		
Total (A+B+C)	2498.0			3281.1		
Lending Country/Agency	2006-07 (July-March)					
	Amount (US \$ Million)	Interest Rate/ Commission(%)	Amortization (years)			
A. <u>Paris Club Countries</u>						
1. France	50.2	LIBOR EURO 6 months -200bps	20			
2. Germany	5.8	0.75	40			
3. Japan	197.8	1.3	30			
Sub-Total (A)	253.8					
B. <u>Non-Paris Club</u>						
1. Kuwait	38.0	2.5	24			
2. Saudi Arabia	133.0	LIBOR 12 months + 20 bps	2			
Sub-Total (B)	171.0					
C. <u>Multilateral</u>						
1. IDA	67.8	0.75	35			
2. ADB	1386.3	1-1.5& LIBOR+60bps	24-32 15.24			
3. OPEC	10.0	1.25	20			
4. Islamic Development Bank	200	LIBOR 6 months + 60 bps	2			
Sub-Total (C)	1,664.1					
Total (A+B+C)	2088.9					

Source: Economic Affairs Division

TABLE 9.6

GRANT ASSISTANCE AGREEMENTS SIGNED

(US \$ million)

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07 (Jul-Mar)
I. Paris Club Countries										
1. Australia	-	-	-	-	-	-	-	-	0.1	-
2. Canada	0.2	4.5	2.5	5.6	-	-	13.8	4.5	-	-
3. Germany	10.6	1.6	-	-	3.8	-	-	-	13.4	37.4
4. Japan	40.1	0.4	1.0	3.3	65.7	50.1	45.8	113.5	67.8	-
5. Netherlands	-	36.3	0.5	-	-	17.5	-	3.9	-	-
6. Norway	-	2.8	1.4	-	-	6.4	10.4	2.4	-	-
7. Korea	-	-	0.2	-	-	-	-	-	-	-
8. Switzerland	5.2	-	-	1.6	3.4	4.2	2.1	-	-	-
9. UK	2.8	93.4	77.2	17.2	53	42.3	85.3	50.9	139.1	-
10. USA	1.9	41	4.4	1.7	703.7	155.2	218.4	325.8	292.3	69.4
11. Italy	-	-	2.6	-	-	-	-	-	-	-
Sub-Total (I)	60.8	180.0	89.8	29.4	829.6	275.7	375.8	500.9	512.7	106.8
II. Non Paris Club Countries										
1. China	6.0	6.4	3.6	6.4	46.7	6.0	0.2	12.1	-	-
2. Iran	-	-	-	-	-	-	-	-	-	-
3. UAE	-	-	-	-	-	-	-	-	-	-
4. Oman	-	-	-	-	7.0	3.5	-	-	-	-
5. Saudi Arabia	-	-	-	-	50.0	100.0	50.0	-	200.0	-
Sub-Total (II)	6.0	6.4	3.6	6.4	103.7	109.5	50.2	12.1	200.0	0.0
III. Multilateral										
1. EEC / EU	22.6	84.9	-	-	76.1	-	-	-	-	58.1
2. Islamic Development Bank	-	-	5.5	0.6	-	-	-	-	-	-
3. IDA	-	-	-	-	-	-	12.4	0.3	-	-
4. IBRD	-	-	-	1.0	2.1	10.9	-	-	0.4	-
5. UN and Specialised Agencies	-	-	-	3.2	10.7	-	-	-	-	-
6. UNDP Special Grant	7.7	-	23.5	6.9	45.5	8.3	28.9	0.3	2.0	-
7. World Food Programme	-	5.0	-	-	-	27.5	-	68.7	11.4	-
Sub-Total (III)	30.3	89.9	29.0	11.7	134.4	46.7	41.3	69.4	13.8	58.1
IV. Relief Assistance for										
A. Afghan Refugees	1.2	1.6	2.2	2.0	20.8	7.8	4.9	2.0	1.4	3.1
B. Earthquake										
1. AFGHANISTAN	-	-	-	-	-	-	-	-	0.5	-
2. ALGERIA	-	-	-	-	-	-	-	-	1.0	-
3. AUSTRIA	-	-	-	-	-	-	-	-	0.7	-
4. AZERBAIJAN	-	-	-	-	-	-	-	-	1.5	-
5. BHUTAN	-	-	-	-	-	-	-	-	0.1	-
6. BRUNEI	-	-	-	-	-	-	-	-	0.6	-
7. CHINA	-	-	-	-	-	-	-	-	24.3	10.2
8. CYPRUS / MAURITIUS	-	-	-	-	-	-	-	-	0.1	-
9. INDONESIA	-	-	-	-	-	-	-	-	1.0	-
10. JORDAN	-	-	-	-	-	-	-	-	1.0	-
11. MALAYSIA	-	-	-	-	-	-	-	-	1.0	-
12. MOROCCO	-	-	-	-	-	-	-	-	1.5	-
13. OMAN	-	-	-	-	-	-	-	-	5.0	-
14. PAK-TURK FOUNDATION	-	-	-	-	-	-	-	-	4.0	-
15. SAUDI ARABIA	-	-	-	-	-	-	-	-	-	133.3
16. SOUTH KOREA	-	-	-	-	-	-	-	-	0.5	-
17. THAILAND	-	-	-	-	-	-	-	-	0.5	-
18. TURKEY	-	-	-	-	-	-	-	-	150.0	-
19. UK	-	-	-	-	-	-	-	-	-	67.7
20. ADB	-	-	-	-	-	-	-	-	80.0	-
21. IDB	-	-	-	-	-	-	-	-	0.3	-
Sub-Total (IV)	1.2	1.6	2.2	2.0	20.8	7.8	4.9	2.0	275.0	214.3
Grand Total (I+II+III+IV)	98.3	277.9	124.6	49.5	1088.5	439.7	472.2	584.4	1001.5	379.2

TABLE 9.7

TOTAL LOANS AND CREDITS CONTRACTED

Lending Country/Agency	(US \$ million)									
	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07 (July-March)
A. Paris Club Countries										
1. Austria	-	-	-	-	15.7	-	-	-	-	-
2. Australia	236.1	127.0	63.7	-	-	-	-	-	-	-
3. Belgium	-	38.3	-	-	-	-	-	-	-	-
4. Canada	36.8	16.9	-	-	-	-	-	-	-	-
5. France (Earthquake)	-	-	-	-	-	-	-	-	-	50.2
6. Germany	30.5	10.1	-	-	7.3	-	-	63.2	-	5.8
7. Japan (Regular)	250.0	600.0	-	-	32.6	26.4	-	-	146.6	197.8
(Earthquake)	-	-	-	-	-	-	-	-	98.1	-
8. Netherlands	-	11.0	-	-	-	-	-	-	-	-
9. Norway	21.3	-	-	-	-	-	-	-	-	-
10. Korea	-	-	-	-	-	-	-	-	17.3	-
11. Spain	-	-	-	-	1.8	-	-	-	-	-
12. Sweden	-	-	1.7	-	-	-	-	-	-	-
13. UK	-	52.9	-	-	-	-	-	-	-	-
14. USA	305.0	1.0	282.7	10.3	9.3	-	-	-	-	-
Sub-Total (A)	879.7	857.2	348.1	10.3	66.7	26.4	0	63.221	262	253.8
B. Non-Paris Club Countries:										
1. China (Regular)	-	-	-	-	232.5	118.2	47.5	705.4	22.3	-
(Earthquake)	-	-	-	-	-	-	-	-	300.0	-
2. Kuwait	-	29.5	-	-	-	-	-	34.2	-	38.0
3. Saudi Arabia	-	-	-	-	-	-	25.0	-	-	133.0
4. Turkey (EXIM Bank)	-	100	-	-	-	-	-	-	-	-
6. Abu Dhabi Fund	-	-	-	-	265.0	-	-	-	-	-
Sub-Total (B)	0.0	129.5	0.0	0.0	497.5	118.2	72.5	739.6	322.3	171.0
C. Multilateral:										
1. IBRD (Regular)	250.0	350.0	-	-	-	-	50.0	349.3	219.2	-
(Earthquake)	-	-	-	-	-	-	-	-	100.0	-
2. IDA (Regular)	535.2	-	88.5	347.6	839.4	269.4	690.7	601.8	423.1	67.8
(Earthquake)	-	-	-	-	-	-	-	-	742.7	-
3. ADB (Regular)	289.9	547.8	54.1	411.9	876.1	1193.2	885.6	735.7	730.8	1386.3
(Earthquake)	-	-	-	-	-	-	-	-	306.1	-
4. IFAD (Regular)	14.4	14.5	-	17.4	14.2	-	22.3	-	26.5	-
(Earthquake)	-	-	-	-	-	-	-	-	27.1	-
5. European Investment Bank	23.0	-	-	-	-	-	-	-	-	-
6. OPEC Fund	16.0	-	-	10.0	15.0	-	-	-	-	10.0
7. IDB (Regular)	-	41.6	-	33.3	24.8	-	-	8.4	39.1	200.0
(Earthquake)	-	-	-	-	-	-	-	-	82.2	-
Sub-Total (C)	1128.5	953.9	142.6	820.2	1769.5	1462.6	1648.6	1695.1	2696.8	1664.1
Grand-Total (A+B+C)	2008.2	1940.6	490.7	830.5	2333.7	1607.2	1721.1	2498.0	3281.1	2088.9

Source: Economic Affairs Division