



FEDERAL BUDGET 2025-26

ANNUAL BUDGET STATEMENT

**GOVERNMENT OF PAKISTAN
FINANCE DIVISION
ISLAMABAD**

PREFACE

Article 80(1) of the Constitution of the Islamic Republic of Pakistan stipulates that the Federal Government shall, for every financial year, lay before the National Assembly a statement of estimated receipts and expenditure of the Federal Government for that year, known as the Annual Budget Statement. As per Article 80(2), the statement must show separately the charged and other expenditures from the Federal Consolidated Fund, and must also distinguish expenditures on revenue account from other expenditures. In accordance with Article 73(1) of the Constitution, the statement is also transmitted to the Senate.

Section 4 of the Public Finance Management Act, 2019, requires that the Annual Budget Statement shall include a statement of purpose, a statement of contingent liabilities of the Federal Government, and a statement of fiscal risks. Additionally, Section 8 of the Act requires the Federal Government to lay before the National Assembly a statement of estimated tax expenditure for each financial year.

Furthermore, Sections 5 and 10 of the Fiscal Responsibility and Debt Limitation Act, 2005, require the presentation of a medium-term budgetary statement and statements of responsibility to the National Assembly. These are also included as part of the Annual Budget Statement.

It is further noted that the *Explanatory Memorandum on Federal Receipts* and the *Demands for Grants and Appropriations* form the explanatory portion of the Annual Budget Statement for FY2025-26.

IMDAD ULLAH BOSAL

Secretary to the Government of Pakistan

Finance Division

Islamabad, the 10th June, 2025

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SUMMARY OF RECEIPTS

Federal receipts are categorized as Revenue Receipts, Capital Receipts, Public Account Receipts and External Receipts. These receipts, except Public Account Receipts, become part of the the Federal Consolidated Fund.

As per Section 22 of the Public Finance Management Act, 2019, the operation of the Federal Consolidated Fund and the Public Account of the Federation rests with Finance Division.

(Rs in million)				
Object Code	Description	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26
A- Revenue Receipts - Federal Consolidated Fund				
B	1 Tax Revenue Receipts	12,970,000	11,900,000	14,131,000
	FBR Taxes	12,970,000	11,900,000	14,131,000
B01	Direct Taxes	5,512,000	5,826,000	6,902,000
B02	Indirect Taxes	7,458,000	6,074,000	7,229,000
C	2 Non-Tax Revenue Receipts	4,845,415	4,902,123	5,147,090
B03	Levies and Fees	24,809	26,808	29,790
C01	Income from Property and Enterprises	477,117	472,494	519,332
C02	Receipts from Civil Administration etc	2,555,738	2,663,554	2,450,392
C03	Miscellaneous Receipts	1,787,751	1,739,268	2,147,576
	3 Total Revenue Receipts (1+2)	17,815,415	16,802,123	19,278,090
E	4 Capital Receipts	3,034,379	898,642	3,266,924
E02	Recovery of Loans and Advances	491,999	572,597	603,000
E03	Domestic Debt Receipts (Non Bank) - Net	2,542,380	326,045	2,663,924
	5 Total Internal Receipts (3+4)	20,849,794	17,700,765	22,545,013
	6 External Receipts	5,685,801	5,833,308	5,777,554
	7 Total Internal and External Receipts (5+6)	26,535,595	23,534,073	28,322,568
B - Public Account of Federation Net Receipts				
G	8 Public Account Receipts	120,232	230,903	210,127
	Deferred Liabilities (Net)	53,035	143,833	120,610
	Deposit and Reserves (Net)	67,197	87,069	89,517
	9 Gross Federal Resources (7+8)	26,655,827	23,764,975	28,532,694
	10 Less Provincial Share in Federal Taxes	7,438,000	6,996,951	8,205,723
	11 Net Federal Resources (9-10)	19,217,827	16,768,024	20,326,971
	12 Cash Balance Surplus by the Provinces	1,217,000	1,009,000	1,464,000
	13 Privatization Proceeds	30,000	8,000	86,550
	14 Domestic Debt Receipts (Bank) - Net	3,924,003	3,717,904	1,970,590
	15 Total Resources (11+12+13+14)	24,388,830	21,502,928	23,848,112

REVENUE RECEIPTS

Revenue Receipts constitute major component of total Federal resources. Revenue Receipts are categorized as Tax Revenue Receipts and Non-Tax Revenue Receipts, and are derived from the following sources:-

Tax Revenue Receipts

Tax Revenue is administered by the Federal Board of Revenue (FBR), which comprises of Customs Duty and Inland Revenue i.e Direct Taxes, Sales Tax and Federal Excise Duty. FBR taxes may also be categorized as Direct Taxes and Indirect Taxes. Direct Taxes comprise of Income Tax, Capital Value Tax, WWF (Ordinary Collection) and Contribution under Companies Profit (WPPF). Indirect Taxes include Sales Tax, Federal Excise Duty and Customs Duty. A snapshot of Budget Estimates is as under:-

(Rs in million)				
Object Code	Description	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26
B	<u>Tax Revenue</u>			
	<u>FBR Taxes</u>	12,970,000	11,900,000	14,131,000
B01	i.Direct Taxes	5,512,000	5,826,000	6,902,000
B011	Taxes on Income	5,454,062	5,749,392	6,811,243
B017-18	Capital Value Tax (CVT)	15,662	14,512	17,192
B01501	WWF (Ordinary Collection)	16,637	21,727	25,740
B01502	WPPF(Contribution under Companies Profit)	25,639	40,369	47,825
B02	ii.Indirect Taxes	7,458,000	6,074,000	7,229,000
B020-22	Customs Duties	1,591,000	1,316,000	1,588,000
B023	Sales Tax	4,919,000	3,984,000	4,753,000
B024-25	Federal Excise	948,000	774,000	888,000
1	Total Tax Revenue (i+ii)	12,970,000	11,900,000	14,131,000

REVENUE RECEIPTS

Non-Tax Revenue Receipts

As per Section 2(a) of the Public Finance Management Act, 2019 (amended), Non-Tax Revenue means revenues received by the Government in terms of Article 78(1) of the Constitution and the recurring income of the Government from investments and provision of services but does not include those mentioned in Article 160(3) of the Constitution. Non-Tax Revenue of the Federal Government is administered by various Ministries / Divisions / Departments. Budget Estimates are as under:-

(Rs in million)				
Object Code	Description	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26
C	<u>Non Tax Revenue</u>			
B03	a) Levies and Fees	24,809	26,808	29,790
B03087	Mobile Handset Levy	10,000	10,000	12,000
B013-030	Receipts of ICT Administration	14,756	16,755	17,737
B03064	Airport Fee (PCAA)	53	53	53
C01	b) Income from Property and Enterprises	477,117	472,494	519,332
C01008	Surplus Profit of PTA	1,200	1,431	1,100
C01008	PTA (License Renewal Fees)	32,612	27,001	22,049
C01012	Regulatory Authorities (Surplus Profit)	10,036	655	6,239
C012-18	Mark up Receipts	294,353	245,446	283,810
<i>C012</i>	<i>Mark up Receipts (Provinces)</i>	<i>96,353</i>	<i>95,446</i>	<i>95,810</i>
<i>C013-18</i>	<i>Mark up Receipts (PSEs & Others)</i>	<i>198,000</i>	<i>150,000</i>	<i>188,000</i>
C019	Dividends	138,915	197,961	206,134
C02	c) Receipts from Civil Administration & Other Functions	2,555,738	2,663,554	2,450,392
C021-24	General Administration Receipts	4,846	3,641	5,841
C02211	Surplus Profit of State Bank of Pakistan	2,500,000	2,619,603	2,400,000
C025	Defence Services Receipts	42,427	34,602	35,442
C026	Law and Order Receipts	1,954	2,506	5,625
C027	Community Services Receipts	4,586	1,770	1,904
C028-29	Social Services	1,925	1,433	1,580

Contd....

(Rs in million)

Object Code	Description	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26
C03	d) Miscellaneous Receipts	1,787,751	1,739,268	2,147,576
C031-35	Economic Services Receipts	16,916	71,638	34,785
C03601	Foreign Grants (Budgetary Support)	15,000	6,000	2,000
C03725	Extraordinary Receipts (UNO)	46,000	32,500	31,200
C037	Extraordinary Receipts (Others)	5,854	4,722	6,400
C03897	Nationalization, Passport and Others	75,005	75,000	76,500
C038	Other Receipts of Attached Deptts	100,516	84,802	109,009
C03901	Petroleum Levy	1,281,000	1,161,000	1,468,395
C03902	Natural Gas Development Surcharge	25,618	48,000	49,437
C03905	Royalty on Crude Oil	58,654	64,000	69,000
C03906	Royalty on Natural Gas	103,751	135,000	138,000
C03910	Discount Retained on Local Crude Price	25,000	25,000	30,000
C03915	Windfall Levy against Crude Oil	28,000	27,000	20,000
C03916	Gas Infrastructure Development Cess	2,500	1,000	2,400
C03917	Petroleum Levy on LPG	3,537	3,156	5,000
C03920	Off the Grid (Captive Power Plant) Levy	-	-	105,000
C03917	Windfall Levy on Gas	400	450	450
C	2 Total Non-Tax Revenue (a+b+c+d)	4,845,415	4,902,123	5,147,090
	3 Total Revenue Receipts (1+2)	17,815,415	16,802,123	19,278,090

CAPITAL RECEIPTS

Capital receipts comprise of Recoveries of Loans and Advances from Provinces and other entities and Public Debt which includes Permanent Debt and Floating Debt. Budget Estimates are as under:-

(Rs in million)				
Object Code	Description	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26
E02	I. Recoveries of Loans and Advances	491,999	572,597	603,000
E021	Provinces	479,999	479,999	584,000
E022-27	PSEs and Others	12,000	92,598	19,000
E03	II. Total Domestic Debts Receipts (a+b)	21,592,415	21,979,944	16,671,113
E031	a) Permanent Debt Receipts	9,070,245	8,006,324	7,323,395
	Pakistan Investment Bonds (Bank)	5,182,427	5,200,005	4,079,641
	Pakistan Investment Bonds (Non Bank)	408,319	543,444	326,754
	Premium Prize Bonds (Registered)	30,000	20,000	26,000
	Ijara Sukuk Bonds	3,066,000	1,878,875	2,514,000
	ICBC (Foreign Currency Denominated Domestic Loan)	383,500	364,000	377,000
E032	b) Floating Debt Receipts	12,522,169	13,973,619	9,347,718
	Prize Bonds	11,169	16,768	17,718
	Treasury Bills Through Auction	12,511,000	13,868,418	8,430,000
	Govt. Bai-Maujjal Ijara Sukuk	-	88,433	900,000
4	Capital Gross Receipts (I+II)	22,084,414	22,552,541	17,274,113
	Domestic Debt Receipts	21,592,415	21,979,944	16,671,113
	Domestic Debt Repayment (page-17)	19,050,034	21,653,899	14,007,189
	Net Domestic Debt Receipts	2,542,380	326,045	2,663,924
5	Total Federal Internal Gross Receipts (3+4)	39,899,829	39,354,664	36,552,203

EXTERNAL RECEIPTS

External Resources comprise of loans and grants received from multilateral, bilateral and other sources. Budget Estimates are as under:-

(Rs in million)				
	Description	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26
	I. Loans	4,964,460	5,158,743	5,047,928
	Project Loans (PSDP)	306,732	372,068	215,719
	Federal	54,482	135,844	89,422
	Autonomous Bodies	252,249	236,224	126,297
	Programme Loans	278,778	500,510	418,699
	Federal & Autonomous Bodies	278,778	440,726	330,267
	Provinces	-	59,785	88,433
	Other Loans	4,378,951	4,286,164	4,413,510
	II. Grants	10,268	15,543	13,281
	Project Grants (PSDP)	10,268	15,543	13,281
	Federal (PSDP)	6,506	15,243	11,237
	Autonomous Bodies	3,762	300	2,044
	a. External Receipts (I +II)	4,974,728	5,174,286	5,061,209
	b. Project Loans & Grants (Others)	711,073	659,022	716,345
	Project Loans (Others)	90,665	35,227	241
	Federal Projects	72,562	35,227	241
	Autonomous Bodies	18,103	-	-
	Grants (Others)	3,408	6,796	2,195
	Federal Projects	2,300	6,796	2,195
	Autonomous Bodies	1,109	-	-
	Project Loans & Grants (Provinces)	617,000	617,000	713,909
	Loans	617,000	578,044	686,521
	Grants	-	38,956	27,388
6	Total External Receipts	5,685,801	5,833,308	5,777,554

PUBLIC ACCOUNT RECEIPTS

Article 78(2) provides that all other monies received by or on behalf of the Federal Government shall be credited into the Public Account of the Federation. Therefore, all the monies received by or on behalf of the Federal Government in terms of Article 78(2) are Public Account receipts which are not revenues in terms of Article 78(1) of the Constitution. However, such Public Account receipts cannot be operated without establishment of Special Purpose Funds, deposits, reserves etc under the authority of an act of the Parliament or with the approval of the Federal Government. There are two sources of Public Account Receipts as under:-

National Savings Schemes

National Savings Schemes include Savings bank accounts, Defence Savings Certificates, Special Savings Certificates, Pensionery Benefit Accounts, Behbood Savings Certificates etc.

(Rs in million)				
Object Code	Description	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26
i. G111	Investment Deposit Accounts (Savings Schemes)	1,602,656	1,401,017	1,340,945
G11101	Savings Bank Accounts	663,642	575,400	606,781
G11106	Defence Savings Certificates	47,602	47,534	37,130
G11111	Special Savings Certificates (Registered)	133,803	80,462	79,573
G11112	Special Savings Accounts	31,546	15,594	15,422
G11113	Regular Income Certificates	124,336	117,290	101,675
G11126	Pensionery Benefit Accounts	95,979	105,962	91,585
G11127	Behbood Saving Certificates	215,683	248,982	233,715
G11130	Shuhada Welfare Accounts	65	95	65
New	Sarwa Islamic Saving & Term Accounts	170,000	39,698	55,000
G11129	Short Term Savings Certificates	120,000	170,000	120,000
ii. G061	Provident Fund	51,160	62,203	59,606
	Gross Public Account Receipts (i+ii)	1,653,816	1,463,220	1,400,551
1	Gross Public Account Receipts (i+ii)	1,653,816	1,463,220	1,400,551
	Gross Public Account Expenditure (Page-18)	1,600,781	1,319,387	1,279,941
	Net Public Account Receipts	53,035	143,833	120,610

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Deposits and Reserves (Receipts)

Deposits and Reserves represent all monies forming part of the Public Account of the Federation as per Article 78(2) of the Constitution of Islamic Republic of Pakistan. Budget estimates of receipts in the following table are however subject to fulfillment of following stipulations:-

(i) The funds appropriated by the National Assembly out of Federal Consolidated Funds in terms of Articles 80 to 84 of the Constitution for a particular financial year (being lapsable) shall be utilized as per Cash Management and TSA Rules 2024 and shall not be deposited under these deposits and reserves heads of account (being non-lapsable) under the Public Account.

(ii) The maintenance and operation of all these funds, deposits, reserves etc shall be subject to their due establishment either under the authority of an act of Parliament or with the approval of the Federal Government, as the case may be.

(iii) Revenues in terms of Article 78(1) of the Constitution shall not be deposited in these deposits and reserves heads of account under the Public Account. The revenues shall only be deposited in the respective heads of account of tax revenue and non tax revenue.

(iv) Receipt of funds into these deposits and reserves heads of account shall only be allowed by the Accounting Offices subject to compliance of the stipulations at (i) to (iii) above and to the extent of reconciled available balance under the respective head of account.

(Rs in million)				
Object Code	Description	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26
G	<u>Deposits and Reserves</u>			
	FGE Benevolent Funds	2,172	1,986	2,086
G06202	Civil	2,075	1,899	1,994
G06205	Pakistan Post Office Deptt.	4	7	7
G06206	Housing & Works Division	61	51	53
G06209	National Savings	25	24	25
G06210	Pakistan Mint	-	-	-
G06212	Geological Survey of Pakistan	7	6	7
	Group Insurance Fund	497	461	485
G06401	Housing & Works Division	7	9	9
G06404	National Savings	6	6	6
G06405	Pakistan Mint	-	-	-
G06407	Geological Survey of Pakistan	2	2	3
G06409	Civil	481	443	466
G07104	Fed. Govt. Empl. Group Insur. Fund PPOD	0	1	1

Contd.....

(Rs in million)

Object Code	Description	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26
G	<u>Deposits and Reserves</u>			
	Defence	11,868	27,693	29,078
G06203	FG Employees Benevolent Fund (Defence)	4,486	4,269	4,483
G06410	Group Insurance Fund (Defence)	1,273	1,238	1,300
G11224	Deposits Accounts with Defence	6,109	22,185	23,295
	Federal Pension Fund	10,000	-	-
G12803	Federal Pension Fund Receipts	10,000	-	-
	Pakistan Post Office Department	-	-	-
G07101	Post Office Renewal Reserve Fund	-	-	-
G07102	Post Office Welfare Fund	-	-	-
	Housing & Works Division	74,122	3,405	3,575
G10101	Receipts & Collection Account	480	443	465
G10113	Deposits	73,642	2,963	3,111
G	<u>Deposits and Reserves</u>	104,255	163,587	172,831
	Miscellaneous Funds			
G06304	Workers Welfare Fund	40,000	62,675	65,809
G06315	Judicial Officers Welfare Fund	3	3	3
G12140	PM Flood Relief Fund 2010	0	0.04	0.04
G12150	PM Relief Fund for IDPs 2014	150	166	175
G12157	PM COVID-19 Pandemic Relief Fund 2020	2	0	0
G12164	PM's Relief Fund Flood, Earthquake Other Cal.	188	-	-
G12166	PM's Relief Fund for Turkiye & Syria Earthquake	3	-	-
G12169	PM's Relief Fund for Ghaza & Lebanon	-	161	169
G12226	Federal Govt. Artists Welfare Fund (Heritage)	185	-	-
G12305	Export Development Fund	24,761	23,118	25,430
G1270X	National Tariff Commission Fund	-	-	500
G12308	Reserve Fund for Exch. Risk on Foreign Loans	25,898	2,260	2,373
G12412	Pakistan Oil Seed Development Fund	158	180	189

Contd.....

(Rs in million)

Object Code	Description	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26
G	<u>Deposits and Reserves</u>			
G12419	Research and Development Fund	1,879	2,248	3,800
G12421	Diamer Basha and Mohmand Dam Fund	-	58,816	61,757
G12504	Workers Children Education Fund	0	0	0
G12612	Fund for Urdu Science Board	2	1	1
G12712	Trust Interest Fund (Charitable Endowment)	5	4	4
G12738	National Fund for Control of Drug Abuse	2	93	20
G12783	Universal Service Fund	5,625	13,103	11,000
G1270G	Board of Investment	-	405	400
	Miscellaneous Deposit and Reserve Accounts			
G10104	Mint Receipt and Collection Account	3,774	-	-
G14100	Pakistan Mint	1,620	353	1,200
2	Gross Receipts (Deposits and Reserves)	202,914	197,133	208,054
	Exp. Deposit and Reserves (page-23)	135,717	110,064	118,537
	Net Deposit and Reserves Receipts	67,197	87,069	89,517
3	Gross Receipts (1+2)	1,856,730	1,660,353	1,608,605
	Gross Expenditure (page-23)	1,736,498	1,429,450	1,398,478
7	PUBLIC ACCOUNT NET RECEIPTS	120,232	230,903	210,127

SUMMARY OF EXPENDITURE (Current & Development)

In this table, the Budget Estimates of current expenditure (on revenue and capital account) and Budget Estimates of Development expenditure (on revenue and capital accounts) have been mentioned as per Article 80(2) of the Constitution of Pakistan.

(Rs in million)				
Function Code	Description	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26
	Current Expenditure			
	a. Current Exp. on Revenue Account	17,203,391	16,390,174	16,286,045
01	General Public Services	13,640,239	12,719,051	12,210,851
02	Defence Affairs and Services	2,128,781	2,189,913	2,557,950
03	Public Order and Safety Affairs	283,051	307,683	351,679
04	Economic Affairs	357,735	364,866	242,144
05	Environment Protection	7,252	7,257	3,168
06	Housing and Community Amenities	27,917	8,590	19,249
07	Health	28,171	52,130	31,975
08	Recreation, Culture and Religion	18,466	21,387	22,158
09	Education Affairs and Services	103,781	111,080	112,683
10	Social Protection	607,997	608,216	734,187
	b. Current Exp. on Capital Account	5,168,439	3,398,098	5,787,114
011	Foreign Loans Repayment	4,989,963	3,219,963	5,472,222
011	Repayment of Short Term Foreign Credits	29,500	29,500	199,810
014	Transfers	148,976	148,635	115,082
1	Total Current Expenditure (a + b)	22,371,830	19,788,272	22,073,159
	Development Expenditure			
	c. Dev. Exp. on Revenue Account	952,558	773,387	590,774
	d. Dev. Exp. on Capital Account	1,064,442	941,270	1,184,179
2	Total Development Expenditure (c+d)	2,017,000	1,714,656	1,774,953
	Grand Total - Expenditure (1+2)	24,388,830	21,502,928	23,848,112
3	Break-up of Expenditure			
	Revenue Account (a+c)	18,155,949	17,163,560	16,876,819
	Capital Account (b+d)	6,232,881	4,339,368	6,971,293
	Total Expenditure:	24,388,830	21,502,928	23,848,112

Current Expenditure on Revenue Account

(Rs in million)

Function Code	Description	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26
01	General Public Service	13,640,239	12,719,051	12,210,851
	Executive & Legislative Organs,			
011	Financial & Fiscal Affairs,	12,070,465	11,131,012	10,397,794
	External Affairs			
	Debt Servicing	9,775,000	8,945,334	8,207,250
	Servicing of Foreign Debt	1,038,602	1,038,602	1,009,322
	Servicing of Domestic Debt	8,736,398	7,906,733	7,197,928
	Superannuation Allowances & Pensions	1,014,000	1,014,000	1,055,000
	Others (Details are in "Demands for Grants & Appropriation" book.)	1,281,465	1,171,678	1,135,544
012	Foreign Economic Aid	9,032	7,890	5,793
014	Transfers	1,456,094	1,473,398	1,682,477
	Provinces	113,000	113,000	150,000
	Others (Details are in "Budget in Brief" book.)	1,343,094	1,360,398	1,532,477
015	General Services	31,712	29,868	23,990
016	Basic Research	10,035	9,443	10,229
017	Research & Dev. General Public Services	28,261	29,008	30,214
018	Admn. of General Public Service	9,635	10,953	9,869
019	Gen. Public Services not elsewhere defined	25,005	27,479	50,484
02	Defence Affairs and Services	2,128,781	2,189,913	2,557,950
021	Defence Services	2,122,000	2,181,496	2,550,000
A01	Employees Related Expenses	815,186	826,794	846,032
A03	Operating Expenses	513,328	547,013	704,399
A09	Physical Assets	548,612	550,192	663,077
A12	Civil Works	244,874	257,497	336,492
025	Defence Administration	6,781	8,417	7,950
03	Public Order and Safety Affairs	283,051	307,683	351,679
031	Law Courts	13,601	13,856	19,380
032	Police & Civil Armed Forces	255,305	286,390	321,177
033	Fire Protection	491	480	709
034	Prison Administration and Operation	108	96	181
035	R&D Public Order and Safety	70	80	98
036	Administration of Public Order	13,477	6,780	10,135

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Current Expenditure on Revenue Account

(Rs in million)

Function Code	Description	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26
04	Economic Affairs	357,735	364,866	242,144
041	Gen. Eco., Commercial & Labour Affairs	204,400	203,866	117,035
042	Agri., Food, Irrigation, Forestry & Fisheries	24,661	26,723	33,476
043	Fuel and Energy	19,650	20,230	2,397
044	Mining and Manufacturing	9,503	9,311	7,586
045	Construction and Transport	45,877	44,412	46,228
046	Communications	51,510	58,041	33,103
047	Other Industries	1,347	1,536	1,525
048	Research & Development Economic Affairs	785	748	793
05	Environment Protection	7,252	7,257	3,168
053	Pollution Abatement	6,290	6,290	2,155
055	Administration of Environment Protection	962	967	1,013
06	Housing and Community Amenities	27,917	8,590	19,249
061	Housing Development	1,564	434	1,588
062	Community Development	26,353	8,156	17,661
07	Health	28,171	52,130	31,975
071	Medical Products, Appliances and Equipments	32	37	32
073	Hospital Services	21,683	22,320	24,035
074	Public Health Services	1,110	24,488	1,139
076	Health Administration	5,346	5,286	6,768
08	Recreation, Culture and Religion	18,466	21,387	22,158
081	Recreational and Sporting Services	400	400	-
082	Cultural Services	1,244	1,415	1,503
083	Broadcasting and Publishing	12,404	15,631	16,488

Contd...

Current Expenditure on Revenue Account

(Rs in million)

Function Code	Description	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26
084	Religious Affairs	1,861	1,968	2,094
086	Admn. of Information, Recreation & Culture	2,556	1,974	2,074
09	Education Affairs and Services	103,781	111,080	112,683
091	Pre-Primary and Primary Education Affairs and Services	5,224	5,812	5,841
092	Secondary Education Affairs and Services	12,624	14,149	14,420
093	Tertiary Education Affairs and Services	79,312	84,651	82,012
094	Education Services Not definable by Level	726	896	3,738
095	Subsidiary Services to Education	273	313	392
096	Administration	4,497	3,833	4,825
097	Education Affairs & Services not Elsewhere Classified	1,124	1,426	1,455
10	Social Protection	607,997	608,216	734,187
107	Administration	3,532	3,525	5,890
108	Others	1,449	1,402	1,303
109	Social Protection (Not elsewhere classified)	603,017	603,289	726,994
	a.Current Expenditure on Revenue Account	17,203,391	16,390,174	16,286,045

Revised Estimates 2024-25 are as of 16th May, 2025 based on SAP System

Current Expenditure on Capital Account

(Rs in million)

Function Code	Description	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26
01	<u>General Public Service</u>	5,168,439	3,398,099	5,787,114
011	Foreign Loan Repayment	4,989,963	3,219,963	5,472,222
011	Repayment of Short Term Foreign Credits	29,500	29,500	199,810
014	Transfers	148,976	148,635	115,082
	Federal Misc. Investments and Other Loans and Advances by the Fed. Govt.	148,976	148,635	115,082
	b. Current Expenditure on Capital Account	5,168,439	3,398,099	5,787,114
	I. Total Current Expenditure (a+b)	22,371,830	19,788,273	22,073,159

Development Expenditure on Revenue Account

(Rs in million)

Function Code	Description	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26
01	General Public Service	496,471	446,810	391,839
	Executive & Legislative Organs,			
011	Financial & Fiscal Affairs, External Affairs	23,250	28,257	10,481
014	Transfers	377,066	383,258	331,130
015	General Services	60,927	18,758	29,260
016	Basic Research	34,407	15,465	19,670
017	Research & Dev. General Public Services	321	619	921
019	General Public Services not elsewhere defined	500	453	377
02	Defence Affairs and Services	6,573	4,886	2,720
021	Military Defence	2,068	1,844	556
024	R & D Defence	330	456	248
025	Defence Administration	4,176	2,586	1,916
03	Public Order and Safety Affairs	3,007	3,099	2,921
031	Law Courts	1,230	929	1,912
032	Police and Civil Armed Forces	1,673	2,067	986
036	Administration of Public Order	104	104	23
04	Economic Affairs	305,820	209,555	105,611
041	Gen. Eco. Commercial and Labour Affairs	5,784	3,716	4,058
042	Agri., Food, Irrigation, Forestry & Fisheries	204,988	118,253	72,162
043	Fuel and Energy	32,124	31,225	7,009
044	Mining and Manufacturing	1,658	662	1,105
045	Construction and Transport	58,735	53,173	20,325
046	Communications	1,042	1,232	814
048	Research & Development	1,488	1,293	138
05	Environment Protection	6,257	3,535	2,784
055	Administration of Environment Protection	6,257	3,535	2,784
06	Housing and Community Amenities	7,057	4,889	7,977
062	Community Development	7,005	4,889	7,971
063	Water Supply	52	-	6

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Development Expenditure on Revenue Account

(Rs in million)

Function Code	Description	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26
07	Health	28,185	22,194	15,102
073	Hospital Services	14,596	15,432	6,107
074	Public Health Services	11,846	6,073	8,700
076	Health Administration	1,743	690	295
08	Recreation, Culture and Religion	4,725	2,914	3,697
081	Recreation and Sporting Services	3,650	1,540	1,180
082	Cultural Services	-	-	250
083	Broadcasting and Publishing	1,075	1,375	1,616
084	Religious Affairs	-	-	650
09	Education Affairs and Services	87,869	73,760	55,824
093	Tertiary Edu. Affairs & Services	78,676	70,956	52,175
095	Subsidiary Services to Education	643	762	650
096	Administration	-	-	750
097	Education Affairs & Services not Elsewhere Classified	8,550	2,042	2,249
10	Social Protection	6,594	1,743	2,300
107	Administration	6,594	1,743	2,300
	c. Dev. Exp. on Revenue Account	952,558	773,387	590,774

Revised Estimates of Development Expenditure 2024-25 are as of 05th June, 2025 based on SAP System

Development Expenditure on Capital Account

(Rs in Million)

Function Code	Description	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26
01	General Public Service	1,022,209	923,659	1,163,036
014	Transfers	996,952	898,403	1,162,275
017	Research and Dev. General Public Services	25,256	25,256	761
04	Economic Affairs	41,984	17,076	21,144
041	Gen. Eco., Commercial and Labour Affairs	671	741	719
043	Fuel and Energy	2,555	2,485	-
044	Mining and Manufacturing	4,919	2,129	1,904
045	Construction and Transport	33,839	10,672	17,280
046	Communications	-	1,050	1,241
06	Housing And Community Amenities	-	-	-
063	Water Supply	-	-	-
08	Recreation, Culture and Religion	250	535	-
083	Broadcasting and Publishing	250	535	-
	d. Dev. Expenditure on Capital Account	1,064,442	941,270	1,184,179
	II.Total Development Expenditure (c+d)	2,017,000	1,714,656	1,774,953
	III.Total Exp. (Current+Development)	24,388,830	21,502,929	23,848,112

CAPITAL EXPENDITURE

The expenditure incurred on repayment of domestic debt is termed as Capital Expenditure.

(Rs in million)

Object Code	Description	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26
A101	i.Domestic Permanent Debt	6,530,041	6,559,000	6,069,033
	Pakistan Investment Bonds (Bank)	5,182,427	5,200,005	4,079,641
	Pakistan Investment Bonds (Non Bank)	203,632	228,615	179,359
	Foreign Exchange Bearer Certificates	5	0	1
	Foreign Currency Bearer Certificates	5	0	1
	US Dollar Bearer Certificates	3	0	1
	Special US Dollar Bonds	50	30	30
	Premium Prize Bonds (Registered)	5,000	14,000	16,000
	Ijara Sukuk Bond	752,531	751,630	1,414,000
	Pakistan Banao Certificates (5-years)	2,888	2,876	3,000
	Principal Repayment of Foreign Currency Denominated - Domestic Debt	383,500	361,844	377,000
A104	ii.Floating Debt	12,519,993	15,094,899	7,938,156
	Prize Bonds	8,993	5,299	5,156
	Treasury Bills through Auction	12,511,000	15,089,600	7,930,000
	Bai-Maujjal Ijara Sukuk Bonds	-	-	3,000
A10	IV. Total Public Debt Repayment (i+ii)	19,050,034	21,653,899	14,007,189
	V. Total - Federal Consolidated Fund Disbursement (III+IV)	43,438,864	43,156,828	37,855,301

PUBLIC ACCOUNT EXPENDITURE

National Savings Schemes

The expenditure incurred on repayment of National Savings Schemes is termed as Public Account Expenditure.

(Rs in million)

Object Code	Description	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26
i. G111	Investment Deposit Accounts (Savings Schemes)	1,522,901	1,236,073	1,199,657
G11101	Savings Bank Accounts	644,376	578,714	597,849
G11103	Khas Deposit Accounts	5	5	5
G11104	Mahana Amadni Accounts	100	110	100
G11106	Defence Savings Certificates	78,275	52,152	53,940
G11108	National Deposit Certificates	1	1	1
G11109	Khaas Deposit Certificates	1	1	1
G11111	Special Savings Certificates (Registered)	149,480	70,595	74,554
G11112	Special Savings Accounts	35,242	13,682	14,449
G11113	Regular Income Certificate	203,987	73,181	72,519
G11126	Pensionary Benefits	70,152	62,701	61,410
G11127	Behbood Saving Certificate	191,257	162,218	158,803
G11130	Shauhda Welfare Account	25	15	25
New	Sarwa Islamic Saving & Term Accounts	40,000	59,698	51,000
	Short Term Savings Certificates (STSC)	110,000	163,000	115,000
ii. G061	Provident Fund	77,880	83,314	80,285
1	Total Expenditure (i+ii)	1,600,781	1,319,387	1,279,941

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Deposits and Reserves

Deposits and Reserves represent all monies forming part of the Public Account of the Federation as per Article 78(2) of the Constitution of Islamic Republic of Pakistan. Budget estimates of Expenditure (withdrawal of funds) from the Deposits and Reserves as depicted in the following table are however subject to fulfillment of following stipulations:-

(i) The maintenance and operation of all these funds, deposits, reserves etc shall be subject to their due establishment either under the authority of an act of Parliament or with the approval of the Federal Government, as the case may be.

(ii) Withdrawal of funds from these deposits and reserves heads of account shall only be allowed by the Accounting Offices subject to compliance of the stipulations at (i) above and to the extent of reconciled available balance under the respective head of account.

(iii) There shall be no authority of direct access to Central Account No.1 (Non Food) in SBP.

(iv) Withdrawal of funds from these Deposits and Reserves heads of account shall be in accordance with the provisions of Public Finance Management Act, 2019, Cash Management and Treasury Single Account Rules 2024 and the Special Assignment Account Procedure for the Public Account of the Federation 2021. Personal Ledger Accounts shall not be used for withdrawal of funds.

(Rs in million)				
Object Code	Description	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26
G	Deposits and Reserves			
	FGE Benevolent Funds	2,151	1,462	1,535
G06202	Civil	2,060	1,386	1,455
G06205	Pakistan Post Office Deptt.	-	-	-
G06206	Housing & Works Division	61	48	50
G06209	National Savings	24	22	23
G06210	Pakistan Mint	-	-	-
G06212	Geological Survey of Pakistan	6	6	6
	Group Insurance Fund	561	257	270
G06401	Housing & Works Division	7	5	5
G06404	National Savings	6	5	6
G06405	Pakistan Mint	-	-	-
G06407	Geological Survey of Pakistan	2	2	2
G06409	Civil	546	244	257
G07104	Fed. Govt. Empl. Group Insur. Fund PPOD	-	-	-
Contd.....				

(Rs in million)

Object Code	Description	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26
G	<u>Deposits and Reserves</u>			
	Defence	9,898	8,332	8,748
G06203	FG Employees Benevolent Fund (Defence)	3,962	3,668	3,851
G06410	Group Insurance Fund (Defence)	1,235	1,211	1,272
G11224	Deposits Accounts with Defence	4,701	3,452	3,625
	Federal Pension Fund	10,000	-	-
G12803	Federal Pension Fund	10,000	-	-
	Pakistan Post Office Department	0	2	2
G07101	Post Office Renewal Reserve Fund	-	2	2
G07102	Post Office Welfare Fund	0.04	-	-
	Housing & Works Division	55,047	20,453	21,476
G10101	Receipts & Collection Account	863	443	465
G10113	Deposits	54,184	20,010	21,011
G	<u>Deposits and Reserves</u>	58,059	79,558	86,506
	Miscellaneous Funds			
G06304	Workers Welfare Fund	25,000	22,649	23,782
G06315	Judicial Officers Welfare Fund	0.26	0.18	0.19
G12140	PM Flood Relief Fund 2010	0.01	0.00	0.00
G12150	PM Relief Fund for IDPs 2014	150	1,313	1,379
G12157	PM COVID-19 Pandemic Relief Fund 2020	-	-	-
G12164	PM's Relief Fund Flood, Earthquake Other Cal.	1,150	-	-
G12166	PM's Relief Fund for Turkiye & Syria Earthquake	845	-	-
G12169	PM's Relief Fund for Ghaza & Lebanon	-	1	1
G12226	Federal Govt. Artists Welfare Fund (Heritage)	102	-	-
G12305	Export Development Fund	6,865	10,250	12,300
G1270X	National Tariff Commission Fund	-	-	500

Contd.....

(Rs in million)				
Object Code	Description	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26
G12308	Reserve Fund for Exch. Risk on Foreign Loans	-	-	-
G12412	Pakistan Oil Seed Development Fund	-	-	-
G12419	Reserch & Development Fund	7,587	2,064	2,167
G12421	Diamer Bhasha and Mohmand Dam Fund	-	29,408	30,878
G12504	Workers Children Education Fund	0.01	-	-
G12612	Fund for Urdu Science Board	4	0.17	0.18
G12712	Trust Interest Fund (Charitable Endowment)	0.03	-	-
G12738	National Fund for Control of Drug Abuse	-	-	-
G12783	Universal Service Fund	10,967	9,934	10,431
G1270G	Board of Investment	-	150	100
G	<u>Deposits and Reserves</u>			
	Miscellaneous Deposits and Reserves Accounts			
G10104	Mint Receipt and Collection Account	3,768	3,589	3,768
G14100	Pakistan Mint	1,620	200	1,200
2	Total Deposits and Reserves	135,717	110,064	118,537
3	Total Public Account Expenditure (1+2)	1,736,498	1,429,450	1,398,478

STATEMENT OF ESTIMATED CHARGED AND VOTED EXPENDITURE

In terms of Article 80(2) of the Constitution of Pakistan, this statement distinguishes charged and voted expenditure.

(Rs in million)				
Object Code	Description	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26
I.	Expenditure on Revenue Account	18,155,949	17,163,560	16,876,819
	Current	17,203,391	16,390,174	16,286,045
	Development	952,558	773,387	590,774
	Total-Authorized Expenditure	18,155,949	17,163,560	16,876,819
	<i>Charged</i>	<i>9,869,074</i>	<i>9,040,801</i>	<i>8,319,604</i>
	Voted	8,286,874	8,122,760	8,557,215
II.	Expenditure on Capital Account	25,282,916	25,993,267	20,978,482
	Current	24,218,474	25,051,997	19,794,303
	Development	1,064,442	941,270	1,184,179
	Total Authorized Expenditure	25,282,916	25,993,267	20,978,482
	<i>Charged</i>	<i>24,686,498</i>	<i>25,520,362</i>	<i>20,454,174</i>
	Voted	596,418	472,905	524,308
III.	Total Expenditure met from Federal			
	Consolidated Fund	43,438,864	43,156,827	37,855,301
	Current Expenditure	41,421,864	41,442,171	36,080,348
	Development Expenditure	2,017,000	1,714,656	1,774,953
IV.	Total-Authorized Expenditure	43,438,864	43,156,827	37,855,301
	<i>Charged - Total</i>	<i>34,555,572</i>	<i>34,561,163</i>	<i>28,773,778</i>
	Voted - Total	8,883,292	8,595,664	9,081,523

Statement of Purpose

This Statement is submitted in accordance with Section 4 of the Public Finance Management Act, 2019. Aligned with the Federal Government's policy priorities, the demands for grants for FY2025-26 primarily address debt servicing of both domestic and external obligations, as well as funding for recurrent and development expenditures aimed at revitalizing sustainable economic growth. The government remains focused on critical sectors such as health, education, climate resilience, gender equity, and social sector development.

The Federal Government remains firmly committed to providing relief to the most economically vulnerable populations. Through targeted social protection initiatives, including subsidies on essential commodities such as food and electricity, the Government seeks to cushion the impact of ongoing economic challenges. At the same time, to stimulate economic activity and expand employment opportunities, the Government will continue to support the industrial and agricultural sectors, with particular emphasis on small and medium enterprises (SMEs).

IMDAD ULLAH BOSAL
Secretary to the Government of Pakistan

Finance Division
Islamabad, 10th June, 2025

Schedule-I
Statement of Demand-Wise Expenditure for Budget Estimates 2025-26

(Rs. in million)

Demand No.	Ministries / Divisions	Budget Estimates 2025-26		
		Charged	Voted	Total
1	CABINET	-	689	689
2	CABINET DIVISION	-	4,216	4,216
3	EMERGENCY RELIEF AND REPATRIATION	-	2,927	2,927
4	ATOMIC ENERGY	-	20,082	20,082
5	PAKISTAN NUCLEAR REGULATORY AUTHORITY	-	2,257	2,257
6	NAYA PAKISTAN HOUSING DEVELOPMENT AUTHORITY	-	1,588	1,588
7	PRIME MINISTER'S OFFICE (INTERNAL)	-	858	858
8	PRIME MINISTER'S OFFICE (PUBLIC)	-	897	897
9	NATIONAL DISASTER MANAGEMENT AUTHORITY	-	908	908
10	BOARD OF INVESTMENT	-	806	806
11	PRIME MINISTER'S INSPECTION COMMISSION	-	153	153
12	SPECIAL TECHNOLOGY ZONE AUTHORITY	-	783	783
13	NATIONAL ANTI-MONEY LAUNDERING & COUNTER FINANCING OF TERRORISM AUTHORITY	-	200	200
14	CANNABIS CONTROL & REGULATORY AUTHORITY	-	200	200
15	ESTABLISHMENT DIVISION	-	9,815	9,815
16	FEDERAL PUBLIC SERVICE COMMISSION	-	1,377	1,377
17	NATIONAL SCHOOL OF PUBLIC POLICY	-	3,391	3,391
18	CIVIL SERVICES ACADEMY	-	2,000	2,000
19	NATIONAL SECURITY DIVISION	-	241	241
20	COUNCIL OF COMMON INTEREST (SECRETARIAT)	-	113	113
21	SPECIAL INVESTMENT FACILITATION COUNCIL DIVISION (SIFCD)	-	340	340
22	INTELLIGENCE BUREAU DIVISION	-	19,121	19,121

Contd.....

(Rs. in million)

Demand No.	Ministries / Divisions	Budget Estimates 2025-26		
		Charged	Voted	Total
23	CLIMATE CHANGE AND ENVIROMENTAL COORDINATION DIVISION	-	1,068	1,068
24	COMMERCE DIVISION	-	26,949	26,949
25	COMMUNICATIONS DIVISION	-	314	314
26	OTHER EXPENDITURE OF COMMUNICATIONS DIVISION	-	34,755	34,755
27	PAKISTAN POST OFFICE DEPARTMENT	5	24,449	24,454
28	DEFENCE DIVISION	-	13,892	13,892
29	FEDERAL GOVERNMENT EDUCATIONAL INSTITUTIONS IN CANTONMENTS AND GARRISONS	-	15,908	15,908
30	AIRPORTS SECURITY FORCE	-	17,375	17,375
31	DEFENCE SERVICES		2,550,000	2,550,000
32	DEFENCE PRODUCTION DIVISION	-	1,093	1,093
33	ECONOMIC AFFAIRS DIVISION	-	944	944
34	MISCELLANEOUS EXPENDITURE OF ECONOMIC AFFAIRS DIVISION	-	19,721	19,721
35	POWER DIVISION	-	636,904	636,904
36	PETROLEUM DIVISION	-	2,169	2,169
37	GEOLOGICAL SURVEY OF PAKISTAN	-	1,150	1,150
38	FEDERAL EDUCATION AND PROFESSIONAL TRAINING DIVISION	-	37,245	37,245
39	HIGHER EDUCATION COMMISSION (HEC)	-	66,407	66,407
40	NATIONAL RAHMATUL-LIL-AALAMEEN WA KHATAMUN NABIYYIN AUTHORITY	-	111	111
41	NATIONAL VOCATIONAL & TECHNICAL TRAINING COMMISSION (NAVTTTC)	-	1,147	1,147
42	NATIONAL HERITAGE AND CULTURE DIVISION	-	2,496	2,496
43	FINANCE DIVISION	-	4,822	4,822
44	OTHER EXPENDITURE OF FINANCE DIVISION	-	8,691	8,691
45	CONTROLLER GENERAL OF ACCOUNTS	-	13,812	13,812

Contd.....

(Rs. in million)				
Demand No.	Ministries / Divisions	Budget Estimates 2025-26		
		Charged	Voted	Total
46	SUPERANNUATION ALLOWANCES AND PENSIONS	5,928	1,049,072	1,055,000
47	GRANTS SUBSIDIES AND MISCELLANEOUS EXPENDITURE	60,000	1,836,345	1,896,345
48	REVENUE DIVISION	-	102	102
49	FEDERAL BOARD OF REVENUE	-	83,100	83,100
50	FOREIGN AFFAIRS DIVISION	-	4,504	4,504
51	FOREIGN MISSIONS	50	58,031	58,081
52	HOUSING AND WORKS DIVISION	-	7,112	7,112
53	HUMAN RIGHTS DIVISION	-	1,273	1,273
54	NATIONAL COMMISSION FOR HUMAN RIGHTS	-	236	236
55	NATIONAL COMMISSION ON THE RIGHTS OF CHILD	-	93	93
56	NATIONAL COMMISSION ON THE STATUS OF WOMEN	-	119	119
57	INDUSTRIES AND PRODUCTION DIVISION	-	30,476	30,476
58	INFORMATION AND BROADCASTING DIVISION	-	5,757	5,757
59	MISCELLANEOUS EXPENDITURE OF INFORMATION AND BROADCASTING DIVISION	-	14,716	14,716
60	INFORMATION TECHNOLOGY AND TELECOMMUNICATION DIVISION	-	19,433	19,433
61	INTERIOR AND NARCOTICS CONTROL DIVISION	-	26,218	26,218
62	OTHER EXPENDITURE OF INTERIOR DIVISION	-	21,196	21,196
63	ISLAMABAD CAPITAL TERRITORY (ICT)	-	21,264	21,264
64	COMBINED CIVIL ARMED FORCES	-	274,153	274,153
65	NATIONAL COUNTER TERRORISM AUTHORITY	-	1,059	1,059
66	INTER-PROVINCIAL COORDINATION DIVISION	-	2,569	2,569
67	KASHMIR AFFAIRS, GILGIT-BALTISTAN AND STATES AND FRONTIER REGIONS DIVISION	-	2,453	2,453

Contd.....

(Rs. in million)				
Demand No.	Ministries / Divisions	Budget Estimates 2025-26		
		Charged	Voted	Total
68	LAW AND JUSTICE DIVISION	474	12,117	12,591
69	FEDERAL JUDICIAL ACADEMY	-	340	340
70	FEDERAL SHARIAT COURT	-	1,059	1,059
71	COUNCIL OF ISLAMIC IDEOLOGY	-	257	257
72	NATIONAL ACCOUNTABILITY BUREAU	-	7,412	7,412
73	DISTRICT JUDICIARY, ISLAMABAD CAPITAL TERRITORY	-	1,769	1,769
74	MARITIME AFFAIRS DIVISION	-	2,246	2,246
75	NATIONAL ASSEMBLY	6,852	9,438	16,290
76	THE SENATE	6,175	2,880	9,055
77	NATIONAL FOOD SECURITY AND RESEARCH DIVISION	-	23,068	23,068
78	PAKISTAN AGRICULTURAL RESEARCH COUNCIL	-	6,725	6,725
79	NATIONAL HEALTH SERVICES, REGULATIONS AND COORDINATION DIVISION	-	31,753	31,753
80	OVERSEAS PAKISTANIS AND HUMAN RESOURCE DEVELOPMENT DIVISION	-	4,191	4,191
81	PARLIAMENTARY AFFAIRS DIVISION	-	829	829
82	PLANNING, DEVELOPMENT AND SPECIAL INITIATIVES DIVISION	-	9,859	9,859
83	POVERTY ALLEVIATION AND SOCIAL SAFETY DIVISION	-	10,232	10,232
84	BENAZIR INCOME SUPPORT PROGRAME (BISP)	-	722,490	722,490
85	PAKISTAN BAIT- UL -MAL	-	14,202	14,202
86	PRIVATIZATION DIVISION	-	374	374
87	RAILWAYS DIVISION	-	70,458	70,458
88	RELIGIOUS AFFAIRS AND INTER-FAITH HARMONY DIVISION	-	2,003	2,003
89	SCIENCE AND TECHNOLOGY DIVISION	-	15,013	15,013
90	WATER RESOURCES DIVISION	-	4,067	4,067

Contd.....

(Rs. in million)				
Demand No.	Ministries / Divisions	Budget Estimates 2025-26		
		Charged	Voted	Total
91	FEDERAL MISCELLANEOUS INVESTMENTS AND OTHER LOANS AND ADVANCES	-	115,082	115,082
92	DEVELOPMENT EXPENDITURE OF CABINET DIVISION	-	70,250	70,250
93	DEVELOPMENT EXPENDITURE OF BOARD OF INVESTMENT	-	1,105	1,105
94	DEVELOPMENT EXPENDITURE OF SPECIAL TECHNOLOGY ZONES AUTHORITY	-	138	138
95	DEVELOPMENT EXPENDITURE OF ESTABLISHMENT DIVISION	-	495	495
96	DEVELOPMENT EXPENDITURE OF SUPARCO	-	5,419	5,419
97	DEVELOPMENT EXPENDITURE OF SPECIAL	-	503	503
98	DEVELOPMENT EXP OF CLIMATE CHANGE AND ENV. COORDINATION DIVISION	-	2,784	2,784
99	DEVELOPMENT EXPENDITURE OF COMMERCE DIVISION	-	50	50
100	DEVELOPMENT EXPENDITURE COMMUNICATION DIVISION	-	7,159	7,159
101	DEVELOPMENT EXPENDITURE OF DEFENCE DIVISION	-	11,554	11,554
102	DEVELOPMENT EXPENDITURE OF DEFENCE PRODUCTION DIVISION	-	1,786	1,786
103	DEVELOPMENT EXPENDITURE OF POWER DIVISION	-	2,397	2,397
104	DEVELOPMENT EXPENDITURE OF FEDERAL EDUCATION & PR. TR. DIVISION	-	13,680	13,680
105	DEVELOPMENT EXPENDITURE OF HIGHER EDUCATION COMMISSION	-	39,488	39,488
106	DEVELOPMENT EXPENDITURE OF NATIONAL VOCATIONAL & TECHNICAL TRAINING COMMISSION (NAVTTTC)	-	4,900	4,900

Contd.....

(Rs. in million)				
Demand No.	Ministries / Divisions	Budget Estimates 2025-26		
		Charged	Voted	Total
107	DEVELOPMENT EXPENDITURE OF NATIONAL HERITAGE & CULTURE DIVISION	-	1,676	1,676
108	DEVELOPMENT EXPENDITURE OF FINANCE DIVISION	-	852	852
109	OTHER DEVELOPMENT EXPENDITURE	-	251,130	251,130
110	DEVELOPMENT EXPENDITURE OF REVENUE DIVISION	-	7,150	7,150
111	DEVELOPMENT EXPENDITURE OF HUMAN RIGHTS DIVISION	-	23	23
112	DEVELOPMENT EXPENDITURE OF INFORMATION & BROADCASTING DIVISION	-	1,616	1,616
113	DEVELOPMENT EXPENDITURE INFORMATION TECHNOLOGY & TELECOMMUNICATION DIVISION	-	16,227	16,227
114	DEVELOPMENT EXPENDITURE OF INTERIOR DIVISION	-	12,908	12,908
115	DEVELOPMENT EXPENDITURE OF INTERPROVINCIAL COORDINATION DIVISION	-	1,180	1,180
116	DEVELOPMENT EXP. OF K.A, GB & SAFRON DIVISION	-	1,800	1,800
117	DEVELOPMENT EXPENDITURE OF LAW & JUSTICE DIVISION	-	1,912	1,912
118	DEVELOPMENT EXPENDITURE OF NATIONAL FOOD SECURITY AND RESEARCH DIVISION	-	4,254	4,254
119	DEVELOPMENT EXPENDITURE OF NATIONAL HEALTH SERVICES, REGULATION AND COORD. DIVISION	-	14,344	14,344
120	DEVELOPMENT EXPENDITURE OF PARLIAMENTARY AFFAIRS DIVISION	-	2,500	2,500

Contd.....

(Rs. in million)				
Demand No.	Ministries / Divisions	Budget Estimates 2025-26		
		Charged	Voted	Total
121	DEVELOPMENT EXPENDITURE OF PLANNING, DEVELOPMENT AND SPECIAL INITIATIVES DIVISION	-	23,270	23,270
122	DEVELOPMENT EXPENDITURE OF RELIGIOUS AFFAIRS AND INTER FAITH HAROMONY DIVISION	-	650	650
123	DEVELOPMENT EXPENDITURE OF SCIENCE & TECHNOLOGY DIVISION	-	4,793	4,793
124	DEVELOPMENT EXPENDITURE OF WATER RESOURCES DIVISION	-	82,779	82,779
125	CAPITAL OUTLAY ON DEVELOPMENT OF ATOMIC ENERGY	-	761	761
126	EXTERNAL DEVELOPMENT LOANS AND ADVANCES OF COMMUNICATION DIVISION	-	54,856	54,856
127	CAPITAL OUTLAY ON PETROLEUM DIVISION	-	719	719
128	EXTERNAL DEVELOPMENT LOANS AND ADVANCES OF POWER DIVISION	-	72,107	72,107
129	CAPITAL OUTLAY ON FEDERAL INVESTMENTS	-	1,490	1,490
130	DEVELOPMENT LOANS AND ADVANCES BY THE FEDERAL GOVERNMENT	-	183,758	183,758
131	EXTERNAL DEVELOPMENT LOANS AND ADVANCES BY THE FEDERAL GOVERNMENT	774,953	2,100	777,053
132	CAPITAL OUTLAY ON CIVIL WORKS	-	15,006	15,006
133	CAPITAL OUTLAY ON INDUSTRIAL DEVELOPMENT	-	1,904	1,904
134	CAPITAL OUTLAY ON MARITIME AFFAIRS DIVISION	-	3,465	3,465
135	CAPITAL OUTLAY ON RAILWAY DIVISION	-	22,415	22,415

Contd.....

		(Rs. in million)		
Demand No.	Ministries / Divisions	Budget Estimates 2025-26		
		Charged	Voted	Total
136	EXTERNAL DEVELOPMENT LOANS AND ADVANCES OF WATER RESOURCE DIVISION	-	50,645	50,645
	STAFF HOUSEHOLD & ALLOWANCES OF THE PRESIDENT(PUBLIC)	934	-	934
	STAFF HOUSEHOLD & ALLOWANCES OF THE PRESIDENT(PERSONAL)	1,760	-	1,760
	SERVICING OF FOREIGN DEBT	1,009,322	-	1,009,322
	FOREIGN LOANS REPAYMENT	5,472,222	-	5,472,222
	REPAYMENT OF SHORT TERM FOREIGN CREDITS	199,810	-	199,810
	AUDIT	9,009	-	9,009
	SERVICING OF DOMESTIC DEBT	7,197,928	-	7,197,928
	REPAYMENT OF DOMESTIC DEBT	14,007,189	-	14,007,189
	SUPREME COURT	6,645	-	6,645
	ISLAMABAD HIGH COURT	2,170	-	2,170
	ELECTION	9,869	-	9,869
	FEDERAL OMBUDSMAN SECRETARIAT FOR PROTECTION AGAINST HARASSMENT OF WOMEN AT WORKPLACE	235	-	235
	WAFAQI MOHTASIB	1,644	-	1,644
	FEDERAL TAX OMBUDSMAN	604	-	604
TOTAL		28,773,778	9,081,523	37,855,301

(Schedule III)

Statement of Object Classification Wise Expenditure

Rs. In million				
Object Code	Description	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26
A01	Total Employees Related Expenses	1,358,788	1,366,258	1,438,843
A011	Pay	221,808	220,885	247,602
<i>A011-1</i>	<i>Pay of Officer</i>	74,470	73,776	81,592
<i>A011-2</i>	<i>Pay of Other Staff</i>	147,339	147,109	166,009
A012	Allowances	1,136,980	1,145,373	1,191,241
<i>A012-1</i>	<i>Regular Allowances</i>	1,098,332	1,102,024	1,147,312
<i>A012-2</i>	<i>Other Allowances (Excluding TA)</i>	38,648	43,350	43,929
A02	Project Pre-investment Analysis	3,251	1,867	2,720
A03	Operating Expenses	1,500,606	1,485,050	1,782,380
A04	Employees Retirement Benefits	1,022,974	1,023,488	1,065,034
A05	Grants, Subsidies & Write off Loans	3,475,111	3,162,517	3,103,344
A06	Transfers	20,764	20,156	16,982
A07	Interest Payment	9,775,005	8,945,339	8,207,255
A08	Loans and Advances	1,141,620	1,034,685	1,238,381
A09	Physical Assets	633,417	642,913	720,174
A10	Principal Repayments of Loans	24,069,508	24,903,372	19,679,231
A11	Investments	91,364	238,506	187,091
A12	Civil Works	329,120	314,094	390,294
A13	Repairs and Maintenance	17,336	18,580	23,573
TOTAL EXPENDITURE		43,438,864	43,156,827	37,855,301

STATEMENT OF CONTINGENT LIABILITIES
OF THE FEDERAL GOVERNMENT

1. Contingent liabilities of Pakistan are primarily guarantees issued on behalf of Public Sector Enterprises (PSEs). The sovereign guarantee is normally extended to improve financial viability of projects or activities undertaken by the government entities with significant social and economic benefits. It allows public sector companies to borrow money at lower costs or on more favourable terms and in some cases allows to fulfil the requirement where sovereign guarantee is a precondition for concessional loans from bilateral/multilateral agencies to sub-sovereign borrowers.
2. The volume of new government guarantees issued during a financial year is limited under Fiscal Responsibility and Debt Limitation Act which stipulates that the government shall not give guarantees aggregating to an amount exceeding two percent of the GDP in any financial year including those for rupee lending, rate of return, outright purchase agreements and other claims and commitments provided the renewal of existing guarantees shall be considered as issuing a new guarantee.
3. During Jul-Mar FY25, the Government issued fresh/rollover guarantees aggregating to PKR 405 billion or 0.35 percent of estimated GDP. The outstanding stock of guarantees was PKR 3,448 billion at end-March 2025. Presently, this amount excludes the guarantees issued for commodity operations, due to their self liquidating nature, which stood at PKR 1075 billion as on end March-2025. These guarantees are issued against commodity financing operations undertaken by Trading Corporation of Pakistan (TCP), Pakistan Agriculture Storage & Services Corporation (PASSCO), and Provincial Governments.

Table-1: Summary of Outstanding Government Guarantees
(Rs in billion)

	Outstanding Guarantees	Total Guarantees
Domestic	1,463	1,634
External	1,985	1,998
Total	3,448	3,632
Memo:		
External (US\$ in million)	7,086	7,131
Exchange Rate (Pak Rupee/US Dollar)	280	280

4. Sector-Wise, Entity Wise and interest rate wise share of the guarantees at end March 2024 are as follows:

Table 2: Outstanding Position of GoP Guarantees

	Rs in billion	% Age
Sector Wise Breakup		
Total Outstanding Stock	3,448	100%
- Power Sector	2,405	70%
- Aviation	269	8%
- Financial	145	4%
- Oil & Gas	130	4%
- Others	499	14%
Entity Wise Breakup		
Total Outstanding Stock	3,448	100%
- PAEC	1,465	42%
- PHL	683	20%
- PIAHCL	269	8%
- WAPDA	114	3%
- Others	917	27%

Table 2: Outstanding Position of GoP Guarantees

	Rs in billion	% Age
Interest Rate Type		
Total Outstanding Stock	3,448	100%
- Floating Rate	1,482	43%
- Fixed Rate	1,966	57%

Note: The original maturities of major portion of Guaranteed Debt Stock were 5 years and above

5. The estimates of guarantees to be issued from April 2025 till June 2026 are as follows:

Table 3: Estimated Guarantees Issuance and Position (Q4 FY 25 and FY 26)
(Rs in billion)

A	Opening Guaranteed Debt Position (31-03-2025)	3,632
B	New Guarantees to be Issued (Q4 FY 24 & FY25)	536
	- REKO DIQ	203
	- C-5	183
	- PPP	90
	- Exim Bank	10
	- Misc/Contingencies	50
C	Estimated Repayments against Existing Guaranteed Loans	218
D=B-C	Net Issuance of Guarantees (Q4 FY 25 & FY26)	318
A+D	Estimated Closing Guaranteed Debt Position (30-06-2026)	3,950

Note

- (i) Expected external guarantees are converted into PKR at exchange rate of 290
- (ii) The estimates are developed based on requests received from different PSEs and issuing wings during the ongoing Fiscal Year. This amount excludes Roll-overs.
- (iii) The guarantees of which LoCs have already been issued before March 2025 are incorporated in Opening Guaranteed Debt Position as at End March 2025.

Statement of Fiscal Risks 2025-28

Statement of Fiscal Risks for 2025–28 provides a comprehensive analysis of the uncertainties that could affect Pakistan’s fiscal outlook beyond the official Medium-Term Budgetary Framework projections. It categorizes these risks into macroeconomic, revenue, debt, State-Owned Enterprises (SOEs), climate change, natural disasters, and other contingent liabilities, quantifying their possible impacts on the fiscal deficit and suggesting mitigation measures to manage these risks effectively.

Macroeconomic Risks:

Macroeconomic risks primarily arise from slower-than-expected GDP growth, inflation shocks, and exchange rate volatility. A one percentage point slowdown in GDP growth could reduce government revenues due to lower tax collections and increase expenditures on automatic stabilizers such as social safety net programs. This combined effect could widen the fiscal deficit by roughly 0.13 percent of GDP in FY 2025–26. Inflation spikes and currency depreciation may further strain public finances, though these effects are more challenging to quantify precisely.

Revenue Risks:

Revenue collection remains vulnerable to lower tax buoyancy, slower economic growth, and underperformance in key revenue sources. Should tax revenues grow at only half the anticipated rate, the fiscal deficit could increase by approximately 0.4 percent of GDP. Additional revenue risks include a potential 30 percent decline in State Bank profits transferred to the government, which alone could widen the deficit by 0.32 percent of GDP, and a 20 percent shortfall in petroleum levy collections, increasing the deficit by about 0.2 percent. These factors indicate the government’s reliance on volatile revenue streams and the importance of improving tax administration and compliance.

Debt-Related Risks:

Debt servicing costs represent a significant fiscal vulnerability. A 2-percentage point increase in domestic interest rates and a 1 percentage point rise in external interest rates could lead to higher interest payments, raising the fiscal deficit by an estimated

0.42 percent of GDP. Additionally, refinancing risks from maturing debt could add about 0.04 percent to the deficit. Exchange rate depreciation could increase the burden of external debt servicing, further complicating debt sustainability.

SOE-Related Risks:

State-Owned Enterprises pose fiscal risks through potential shortfalls in dividend payments and increased government support. A decline in SOE dividends by 6.1 percent relative to projections could add around 0.02 percent of GDP to the deficit. Increased government financial support to SOEs, amounting to 1.5 percent of GDP, could exacerbate the fiscal gap by a similar margin of 0.4 percent. Additionally, risks linked to energy sector reforms and the transition to clean energy, such as restructuring costs, may increase the fiscal deficit by an estimated 0.15 percent, reflecting the financial challenges in this sector.

Climate-Related Risks:

The fiscal impact of climate change varies across scenarios. Under the moderate RCP2.6 scenario, increased government spending on green infrastructure and climate adaptation could raise the fiscal deficit by 0.28 percent of GDP in the short term. In contrast, the more severe RCP8.5 scenario anticipates lower short-term fiscal impacts but greater long-term costs due to increased frequency and severity of climate-related disasters. These projections highlight the growing fiscal burden of climate adaptation and mitigation policies.

Natural Disaster Risks:

Natural disasters represent the largest fiscal risk identified in the statement. Without dedicated disaster risk financing mechanisms, an average disaster event could increase the fiscal deficit by as much as 1.03 percent of GDP. However, with effective disaster risk financing tools such as catastrophe bonds or insurance funds, this impact could be reduced to approximately 0.44 percent of GDP. This finding emphasizes the critical need for enhanced disaster preparedness and financing frameworks to shield public finances.

Other Fiscal Risks:

Additional contingent fiscal risks include the invocation of government guarantees linked to commodities, which could increase the fiscal deficit by around 0.11 percent

of GDP if 25 percent of guarantees are called. Rising international oil prices, specifically a \$20 per barrel increase, are projected to add 0.37 percent of GDP to the deficit due to higher subsidy costs and import bills. Furthermore, a 10 percent growth in tax expenditures, reflecting expanding tax exemptions and incentives, could increase the fiscal gap by about 0.16 percent, pointing to the need for rationalizing tax expenditures.

Risk Assessment and Combined Effects:

The statement emphasizes that natural disasters, interest rate hikes, and revenue shortfalls constitute the largest fiscal risks. It also highlights the potential for multiple simultaneous shocks to significantly magnify fiscal pressures, underscoring the importance of integrated risk management and contingency planning across all sectors to maintain fiscal stability.

Mitigation Strategies:

To counter these risks, the government intends to enhance revenue mobilization by broadening the tax base and improving compliance. Public expenditure will be managed more efficiently to protect key social and development programs. Debt management policies will focus on extending maturities and increasing fixed-rate borrowing to reduce vulnerability to interest rate shocks. SOE reforms aim to improve financial discipline and reduce contingent liabilities. The government plans to scale up investments in green infrastructure and climate resilience, alongside establishing disaster risk financing instruments like catastrophe bonds and disaster funds. Finally, tighter oversight of government guarantees and more targeted subsidy programs will help mitigate other contingent fiscal exposures.

Conclusion:

This Statement of Fiscal Risks equips policymakers and stakeholders with a detailed and quantified understanding of Pakistan's fiscal vulnerabilities over the medium term. It acknowledges the inherent uncertainties in economic conditions and external shocks while outlining proactive, cross-sectoral measures designed to strengthen fiscal resilience, improve transparency, and safeguard macro-fiscal stability amid evolving challenges.

STATEMENT OF ESTIMATED TAX EXPENDITURE

Section 8 of the Public Finance Management Act 2019 provides that the Federal Government shall in respect of every financial year cause to be laid before the National Assembly, Finance Bill consistent with Article 73 of the Constitution including a statement of estimated tax expenditure of the Federal Government.

2. Tax Expenditure Report 2025 is being presented before the Parliament providing the details of tax expenditure in FY 2023-24 which **involves** tax expenditure of **Sales Tax of Rs. 1,237.107 billion**,¹ a tax expenditure of **Income Tax at Rs. 545.229 billion** and tax expenditure of **Custom duty of Rs. 652.390 billion**. This amounts to a **tax expenditure of Rs. 2,434.726 billion** which is **2.32 percent of GDP** compared to **4.6 percent of GDP** in the **FY 2022-23**.

(Rashid Mahmood)
Chairman FBR/ Secretary
Revenue Division

10th June, 2025

¹In FY 2022-23 figure of Sales Tax Expenditure included sales tax exemption on POL products on which Petroleum Development Levy (PDL) is being charged. In presence of PDL, sales tax cannot be levied. Hence exemption from sales tax is not tax expenditure as consumers are, in any case, paying PDL.

<i>Rs. In Billion</i>		
FY	2023-24	2022-23
Gross Sales Tax Expenditure	3,032.871	2,858.722
Less Exemption on POL Products	(1,795.764)	(1,338.738)
Net Sales Tax Expenditure	1,237.107	1,519.984

Medium-Term Budgetary Statement
(2025-26 to 2027-28)

Federal Government includes Medium-Term Budgetary Statement, consistent with the principles of sound fiscal and debt management, in the Annual Budget Statement to be laid before the National Assembly each year as per requirement under Section 5 of the Fiscal Responsibility & Debt Limitation Act, 2005.

2. Pakistan's economy witnessed a moderate recovery in FY2024 which laid a sound foundation for further strengthening growth prospects in FY2026 and over the medium term. The Government has been able to stabilize the economy through various short-term policy measures and initiate the long-term sustainable growth agenda.

3. The effective consolidation efforts have reinforced the fiscal discipline during Jul-Mar FY2024-25, with revenue growth outpacing expenditures. The growth trend in tax collection is indicative of improving economic conditions, gradual recovery in business activities, and effective enforcement measures. Consequently, the revenue landscape presents a promising outlook. Prudent expenditure management has helped in containing the deficit. Notably, the sharp increase in markup expenditures observed over the last three years has eased in the current fiscal year, due to a reduction in the policy rate, thus providing relief to fiscal account. Similarly, the Government's persistent efforts to curtail non-markup expenditures through austerity and reform measures thus facilitate a continuous improvement in primary surplus.

4. Resource mobilization and increasing revenues to an optimum level over medium-term is a critical challenge to meet expenditures. Government is focusing all its efforts to optimize tax collection through robust measures such as revamping of FBR, supporting digitization and IT base solutions, removing tax distortions and implementing tax regulations effectively. Similarly, realizing the importance of non-tax revenues (NTR), the Government is exploring all avenues to increase inflows. Going forward, Government is committed to maintain this growth.

5. On the expenditure side, the Government is ensuring the support to social sector development through health, education, youth and gender sensitive allocations. For social inclusion and pro-poor interventions, spending on BISP, Pakistan Bait-ul-Mal and Utility Stores Corporations have been protected. Funding for social sector such as health, education and other SDGs including climate change have also been ensured. In order to support industrial and agricultural sectors, funds have been made available. At the same time, austerity measures remain in place for curtailing of non-essential spending. Stable financial health and fiscal discipline over medium-term will ensure the Government's to create a balance between providing relief to the common man and meet other essential expenditures.

Climate Budget Statement

The challenge of climate change posing socioeconomic risks to Pakistan demands urgent attention. The federal government is cognizant of macro-fiscal implication of climate change and is working towards economic diversification to strengthen fiscal resilience by focusing on greener economy through introducing climate resilience infrastructure and new industries. Federal government has adopted a climate budget as a governance system to mainstream climate considerations into policy decision making. Green budgeting will enable the government in prioritizing climate by integrating it into the budgeting process so as to ensure implementation, monitoring, evaluation and reporting across line ministries and departments.

Climate Budget Tagging (CBT) tool has been used to tag climate-sensitive budgetary and expenditure data based on the National Climate Change Policy. Through a consultative process involving all stakeholders, more than of 5,000 cost centers under three major classifications (adaptation, mitigation, and other supporting areas) and forty minor sub-classifications have been tagged successfully in SAP system for accounting and reporting purpose. This will enable the government in monitoring and tracking climate related spending and reports can be made available on regular basis. Climate budget tagging is being extended to grants and subsidies for FY2025-26 and subsidies have been mapped. Ministry of Finance has taken a step further by developing methodology to capture green component in revenues. For FY2025-26, 35% NTR and 9.4% gross revenues have been identified as green components.

For FY2025-26, the government has allocated funds to tackle climate change as 6.9% of the current budget and 8.2% of the development budget. In grants, a share of 0.2% and almost 50% of subsidies are climate responsive. All of these interventions will allow the federal government to make targeted allocations to respond to climate change risks in future.

Gender budget Statement

Article 25 of the Constitution of Pakistan, 1973 provides that there will be no gender discrimination, while Article 35 directs the State to ensure full participation of women in all spheres of national life. Gender inequality is a cause of concern at domestic and international data and indices suggest a gap between men and women in terms of education, health, employment and economic opportunities. Pakistan's economic potential can only be fully realized once this gap closes.

As the Government works to reduce gender inequality and ensure provision of equal rights to all citizens, one major impediment is lack of gender-disaggregated data. As a first step, the government is attempting to identify gender disaggregated data on public expenditure. The federal government has segregated gender sensitive budgets and expenditures of all ministries, divisions and departments, thereby allowing policymakers to have better insight on gender responsive policies and strategies. Public expenditure of more than 5,000 cost centers of the federal budget has been segregated under six major gender classifications (equality & quality of education, health & well-being, governance & data systems, employment & economic opportunity, safety & security, and agency, political participation & meaningful engagement). This will assist in effective and efficient spending to tackle gender inequality. This budget tagging exercise also helps in monitoring and tracking of cross cutting SDGs on health, education, nutrition etc.

For FY2025-26, the government has allocated 9.2% of the current budget and 6.9% of the development budget to gender sensitive areas.

Disaster Budget Statement

Disaster risk is a combination of extreme natural events and vulnerability. Due to its diverse geography and climate change, Pakistan is prone to natural disaster. According to the World Risk Report 2023, Pakistan has been ranked 11th highest disaster risk prone worldwide. Cognizant of this, Government of Pakistan has passed laws, instituted disaster management authorities at the federal and provincial levels, and established disaster funds to manage and mitigate such risks. However, data on public expenditure on disaster preparedness, recovery, and rehabilitation was not available in past. Each year, the Government budgets and spends millions of rupees to deal with disasters. Tagging and tracking this expenditure is necessary for evidence-based policy-making and accountability. In 2024, the federal government decided to tag more than 5,000 cost centers on four major disaster classifications (preparedness, response, recovery & rehabilitation, and reconstruction) through a consultative process.

All ministries and divisions of the Federal Government have participated in the tagging of their respective cost centers, increasing this exercise's outreach, transparency, and ownership. This tagging and tracking of budget and expenditure on disaster sensitive areas will assist the Federal Government in effectively mitigating risk and managing disasters.

For FY 2025-26, the government has allocated 1% of federal budget for disaster.

Government of Pakistan
Finance Division

STATEMENT OF RESPONSIBILITY

Stated that all policy decisions with material economic or fiscal implications that the Federal Government has made before 10th June 2025, the day on which the contents of the economic policy statements were finalized and all other circumstances with material economic or fiscal implications of which I was aware before that day, have been communicated to the Secretary of Finance in terms of Section 10(1)(a) of Fiscal Responsibility and Debt Limitation Act, 2005.

The statement to the best of my knowledge provides for: -

- a. The integrity of the disclosures contained in the economic policy statement;
- b. the consistency with requirements of the Act of the information contained in the economic policy statements; and
- c. the omission from the economic policy statement of any decision or circumstance specified in sub-section (3) of section 8 of the Act.

(Muhammad Aurangzeb)
Minister for Finance and Revenue

Government of Pakistan
Finance Division

STATEMENT OF RESPONSIBILITY

Stated that the Finance Division, in terms of Section 10(1)(b) of Fiscal Responsibility and Debt Limitation Act, 2005, has supplied to the Minister for Finance and Revenue, using its best professional judgment on the basis of economic and fiscal information available to it before 10th June 2025, the day on which the contents of the economic policy statements were finalized, an economic and fiscal statement incorporating the fiscal and economic implications of those decisions and circumstances, but any decisions or circumstances that the Minister for Finance and Revenue has determined under Sub-section (3) of Section 8 of the Fiscal Responsibility and Debt Limitation Act 2005 have not been incorporated in the statement.

IMDAD ULLAH BOSAL

Secretary to the Government of Pakistan

Finance Division,

Islamabad, the 10th June, 2025