

# FISCAL DEVELOPMENT

(Rs. Billion)

HIGHLIGHTS		
CONSOLIDATED BUDGETARY POSITION	2010-11	2011-12 (B.E)
I. Total Expenditure	3,455.1	3,721.2
i) Current	2,900.8	2,976.3
ii) Development	506.1	737.0
iii) Net Lending to PSEs etc	7.9	7.9
II. Total Revenues	2,260.7	2,870.5
i) Tax Revenues	1,707.2	2,151.2
ii) Non-Tax revenues	553.5	719.3
III. Overall deficit	1,194.4	850.6
IV. Financing	1,194.4	850.6
i) External Borrowing	107.7	134.5
ii) Domestic	1,086.7	716.1
a) Non-Banking Borrowing	471.6	412.6
b) Bank Borrowing	615.1	303.5
c) Privatization Process	0.0	0.0
V. Overall Deficit as % of GDP	5.9	4.0

B.E : Budget Estimates

Source: Budget Wing, Finance Division

TABLE 4.1

## FEDERAL GOVERNMENT OVERALL BUDGETARY POSITION

	(Rs Million)	
Fiscal Year/Item	2010-11	2011-12 (B.E)
<b>A. REVENUE</b>		
<u>FBR Tax Revenue</u> (1 +2)	1,558,014	1,952,300
1 <u>Direct Taxes</u>	<u>602,451</u>	<u>743,600</u>
2 <u>Indirect Taxes</u>	955,563	1,208,700
i. Customs	184,853	206,400
ii. Sales Tax	633,357	836,700
iii. Federal Excise	137,353	165,600
Others	84,618	121,882
<u>Non-Tax Revenue</u>	<u>509,708</u>	<u>657,968</u>
Gross Revenue Receipts **	<u>2,152,340</u>	<u>2,732,150</u>
<b>B. EXPENDITURE</b>		
<u>Current Expenditure*</u>	<u>2,141,514</u>	<u>2,071,680</u>
i. Defence	450,615	495,215
ii. Interest	698,095	790,978
iii. Grants	285,519	294,987
iv. Other	707,285	490,500
<u>Development Expenditure and Net Lending</u>	<u>300,145</u>	<u>432,677</u>
Total Expenditure**	<u>2,441,659</u>	<u>2,504,357</u>

Source: Budget Wing, Finance Division, Islamabad

B.E.- Budget Estimates

\* : Current expenditure includes earthquake related spendings

\*\* : Includes other categories not shown here

TABLE 4.2

## SUMMARY OF PUBLIC FINANCE (CONSOLIDATED FEDERAL AND PROVINCIAL GOVERNMENTS)

	(Rs Million)								
Fiscal Year/ Item	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	% Change 2011-12/ 2010-11
Total Revenues (i+ii)	794,000	900,014	1,076,600	1,297,957	1,499,380	1,850,901	2,078,165	2,260,712	8.8
Federal	741,000	842,900	992,200	1,215,730	1,380,599	1,721,028	1,955,457	2,133,832	9.1
Provincial	53,000	57,114	84,400	82,227	118,781	129,873	122,708	126,880	3.4
i) Tax Revenues	611,000	659,410	803,700	889,685	1,050,696	1,204,670	1,498,814	1,707,191	13.9
Federal	583,000	624,700	766,900	852,866	1,009,902	1,158,586	1,444,000	1,642,632	13.8
Provincial	28,000	34,710	36,800	36,819	40,794	46,084	54,814	64,559	17.8
ii) Non-Tax Revenues	183,000	240,604	272,900	408,272	448,684	646,231	580,000	553,521	(4.6)
Federal	158,000	218,200	225,300	362,864	370,697	562,442	512,000	491,200	(4.1)
Provincial	25,000	22,404	47,600	45,408	77,987	83,789	68,000	62,321	(8.4)
Total Expenditures (a+b+c)	956,000	1,116,981	1,401,900	1,799,968	2,276,549	2,531,308	3,006,662	3,455,120	14.9
a) Current	775,000	864,500	1,034,700	1,375,345	1,853,147	2,041,570	2,481,000	2,900,784	16.9
Federal	557,000	664,200	789,100	973,130	1,416,015	1,495,873	1,854,000	2,088,124	12.6
Provincial	218,000	200,300	245,600	402,215	437,132	545,697	627,000	812,660	29.6
b) Development	161,000	227,718	365,100	433,658	451,896	480,282	517,919	506,103	(2.3)
c) Net Lending to PSE's	20,000	24,763	2,100	(9,035)	(28,494)	6,911	39,383	7,904	
d) Statistical Discrepancy	(32,000)	0	(86,307)	(124,510)	0	2,545	(31,640)	40,329	
Overall Deficit	(130,000)	(216,967)	(325,300)	(377,501)	(777,169)	(682,952)	(929,061)	1,194,409	
Financing (net)	130,000	216,988	325,200	377,501	777,169	680,407	879,000	1,194,409	
External (Net)	(5,900)	120,432	148,900	147,150	151,311	149,651	138,000	107,705	
Domestic (i+ii)	135,900	96,556	176,300	230,351	625,858	529,466	741,000	1,086,704	
i) Non-Bank	61,000	8,050	8,100	56,905	104,302	223,846	435,610	471,575	
ii) Bank	63,690	60,179	70,900	101,982	519,906	305,620	304,562	615,129	
iii) Privatization Proceeds	11,210	28,327	97,300	71,464	1,650	1,290	0	0	
Memorandum Item									
GDP (mp) in Rs. Billion	5,641	6,500	7,623	8,673	10,243	12,724	14,837	18,063	21.7
	(As Percent of GDP at Market Price) @								
Total Revenue	14.1	13.8	14.1	15.0	14.6	14.5	14.0	12.5	
Tax Revenue	10.8	10.1	10.5	10.3	10.3	9.5	10.1	9.5	
Non-Tax Revenue	3.2	3.7	3.6	4.7	4.4	5.1	3.9	3.1	
Expenditure	16.9	17.2	18.4	20.8	22.2	19.9	20.3	19.1	
Current	13.7	13.3	13.6	15.9	18.1	16.0	16.7	16.1	
Development	3.2	3.9	4.8	4.9	4.4	3.8	3.5	2.8	
Overall Deficit Incl. E.quake Exp.	2.3	3.3	4.3	4.4	7.6	5.3	(6.3)	5.9*	

Source: Budget Wing, Finance Division, Islamabad

@ : Due to change of base of GDP to 1999-2000 prior years are not comparable

\* : Excluding arrears for electricity subsidies

Figure in parenthesis represent negative sign

TABLE 4.3

## CONSOLIDATED FEDERAL AND PROVINCIAL GOVERNMENT REVENUES

Fiscal Year/ Item	(Rs Million)								% change 2010-11/ 2009-10
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	
Total Revenue (I+II)	793,700	900,014	1,076,600	1,297,957	1,499,381	1,850,901	2,078,165	2,260,712	8.8
Federal	743,600	842,900	992,200	1,215,730	1,380,600	1,721,028	1,955,457	2,133,832	9.1
Provincial	50,100	57,114	84,400	82,227	11,878	129,873	122,708	126,880	3.4
I. Tax Revenues (A+B)	611,000	659,410	803,700	889,685	1,050,696	1,312,227	1,499,000	1,707,191	13.9
Federal	583,000	624,700	766,900	852,866	1,009,902	1,266,143	1,444,000	1,642,632	13.8
Provincial	28,000	34,710	36,800	36,819	40,794	46,084	55,000	64,559	17.4
A. Direct Taxes (1+2)	171,188	186,473	224,147	337,639	391,350	444,875	534,368	602,451	12.7
1 Federal	164,497	176,930	215,000	334,168	387,563	440,271	528,649	602,451	14.0
2 Provincial	6,691	9,543	9,147	3,471	3,787	4,604	5,719	0	-
B. Indirect Taxes (3+4+5+6+7)	439,812	472,937	579,553	552,046	659,346	844,696	964,361	1,131,273	17.3
3. Excise Duty	47,538	60,813	58,702	74,026	86,549	119,517	125,368	141,746	13.1
Federal	45,823	58,670	55,000	71,575	83,594	116,055	121,182	137,353	13.3
Provincial	1,715	2,143	3,702	2,451	2,955	3,462	4,186	4,393	4.9
4. Sales Tax*	220,607	235,533	294,600	309,228	385,497	452,294	516,102	633,357	22.7
5. Taxes on Interna- tional Trade	90,940	117,243	138,200	132,200	150,545	148,382	161,489	184,853	14.5
6. Surcharges*	61,381	26,769	50,800	64,546	35,178	126,026	114,650	113,103	(1.3)
6.1 Gas	16,770	16,165	26,300	34,888	20,708	14,015	25,908	30,358	17.2
6.2 Petroleum	44,611	10,604	24,500	29,658	14,470	112,011	88,742	82,745	(6.8)
7. Other Taxes **	80,727	59,348	88,051	36,592	36,755	20,408	46,752	58,214	24.5
7.1 Stamp Duties	10,329	10,573	10,211	10,268	11,123	11,290	11,693	14,007	19.8
7.2 Motor Vehicle Taxes	4,722	5,749	7,107	7,719	4,975	7,534	10,222	10,507	2.8
7.3 Foreign Travel Tax*	4,751	2,050	3,593	3,681	356	0	0	0	-
7.4 Others	60,925	40,976	67,140	14,924	20,301	1,584	24,837	33,700	35.7
II. Non-Tax Revenues	182,700	240,604	272,900	408,272	448,685	454,885	579,894	553,520	(4.5)
Federal	160,600	218,200	225,300	362,864	370,698	454,885	512,000	491,200	(4.1)
Provincial	22,100	22,404	47,600	45,408	77,987	83,789	67,894	62,320	(8.2)

\*: Revenues under these heads are exclusively Federal

Source: Budget Wing, Finance Division, Islamabad

\*\*: Mainly includes Provincial Revenues

- : Not available

Figure in parenthesis represent negative sign

TABLE 4.4

## CONSOLIDATED FEDERAL AND PROVINCIAL GOVERNMENT EXPENDITURES

	(Rs million)							
Fiscal Year/ Item	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Current Expenditure	775,000	864,500	1,034,700	1,375,345	1,853,147	2,041,573	2,481,216	2,900,784
Federal	557,000	664,200	789,100	973,130	1,416,015	1,495,876	1,854,000	2,088,124
Provincial	218,000	200,300	245,600	402,215	437,132	545,697	627,216	812,660
Defence	184,904	211,717	241,063	249,858	277,300	329,902	375,019	450,615
Interest	222,387	234,752	260,021	386,916	509,574	656,259	661,001	716,603
Federal	196,261	210,196	237,119	368,797	489,681	637,790	642,000	698,095
Provincial	26,126	24,556	22,902	18,119	19,893	18,469	19,001	18,508
Current Subsidies*	67,920	66,673	101,238	76,039	423,685	225,610	227,000	260,600
Development Expenditure	161,000	227,718	365,100	433,658	451,896	480,282	517,919	506,103
Net Lending to PSEs	20,000	24,763	2,100	(9,035)	(28,494)	6,911	39,383	7,904
Statistical Discrepancy	(32,000)	0	(86,307)	(124,510)	0	2,545	(31,640)	40,329
Total Expenditure	956,000	1,116,981	1,401,900	1,799,968	2,276,549	2,531,308	3,006,662	3,455,120
<b>Memorandum Items:</b>	<b>(Percent Growth over preceding period)</b>							
Current Expenditure	(2.1)	11.5	19.7	32.9	34.7	10.2	21.5	16.9
Defense	15.8	14.5	13.9	3.6	11.0	19.0	13.7	20.2
Interest	(2.4)	5.6	10.8	48.8	31.7	28.8	0.7	8.4
Current Subsidies	19.8	8.8	25.1	37.9	63.5	(46.8)	0.6	14.8
Development Expenditure	24.6	41.4	60.3	18.8	4.2	6.3	7.8	-2.3
Total Expenditure	6.4	16.8	25.5	28.4	26.5	11.2	18.8	14.9
	<b>As % of Total Expenditure</b>							
Current Expenditure	81.1	77.4	73.8	76.4	81.4	80.7	82.5	84.0
Defense	19.3	19.0	17.2	13.9	12.2	13.0	12.5	13.0
Interest	23.3	21.0	18.5	21.5	22.4	25.9	22.0	20.7
Current Subsidies	7.1	6.0	7.2	4.2	18.6	8.9	7.5	7.5
Development Expenditure@	18.9	22.6	26.2	23.6	18.6	19.2	18.5	14.9
Total Expenditure	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

@ : Include Net Lending

Source: Budget Wing, Finance Division

\* : Excluding arrears of electricity subsidies (2010-11)

Figure in parenthesis represent negative sign

TABLE 4.5

## DEBT SERVICING

	(Rs million)							
Fiscal Year / Item	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
A. Interest Payments	222,387	234,752	260,021	386,916	509,574	656,259	661,270	716,603
A.1 Federal	196,261	210,196	237,119	368,797	489,681	637,790	642,269	698,095
Interest on Domestic Debt	154,817	170,466	195,006	318,939	430,189	558,729	578,287	629,709
Interest on Foreign Debt	41,444	39,730	42,113	49,858	59,492	79,061	63,982	68,386
A.2 Provincial	26,126	24,556	22,902	18,119	19,893	18,469	19,001	18,508
B. Repayment/Amortization of Foreign Debt	127,276	57,702	81,394	69,615	68,662	224,576	196,811	154,151
C. Total Debt Servicing (A+B)	349,663	292,454	341,415	456,531	578,236	880,835	858,081	870,754
MEMORANDUM ITEMS	(As Percent of GDP)							
Interest on Domestic Debt	2.7	2.6	2.6	3.7	4.2	4.4	3.9	3.5
Interest on Foreign Debt	0.7	0.6	0.6	0.6	0.6	0.6	0.4	0.4
Repayment/Amortization of Foreign Debt	2.3	0.9	1.1	0.8	0.7	1.8	1.3	0.9
Total Debt Servicing	6.2	4.5	4.5	5.3	5.6	6.9	5.8	4.8

Source: Budget Wing, Finance Division  
Economic Affairs Division

TABLE 4.6

## INTERNAL DEBT OUTSTANDING (AT END OF PERIOD)

Fiscal Year/ Type of Debt	(Rs million)								%Change 2010-11/ 2009-10
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	
Permanent Debt	570,009	526,179	514,879	562,540	616,766	685,939	797,721	1,125,276	41.1
Floating Debt	542,943	778,163	940,233	1,107,655	1,637,370	1,903,487	2,398,568	3,235,360	34.9
Un-funded Debt	914,597	873,248	881,706	940,007	1,020,379	1,270,513	1,457,522	1,654,687	13.5
Total	2,027,549	2,177,590	2,336,818	2,610,202	3,274,515	3,859,939	4,653,811	6,015,323	29.3
<u>Memorandum Items:</u>	(Percent Share in Total Debt)								
Permanent Debt	28.1	24.2	22.0	21.6	18.8	17.8	17.1	18.7	
Floating Debt	26.8	35.7	40.2	42.4	50.0	49.3	51.5	53.8	
Un-funded Debt	45.1	40.1	37.7	36.0	31.2	32.9	31.3	27.5	
Total Debt as % of GDP (mp)	35.9	33.5	30.7	30.1	32.0	30.3	31.4	33.3	

Source: Budget Wing, Finance Division