

**FISCAL DEVELOPMENT**

Rs. in billion

**HIGHLIGHTS**

| <b>CONSOLIDATED BUDGETARY POSITION</b>             | <b>2015-16</b> | <b>2016-17 P</b> |
|--|----------------|------------------|
| <b>I. Total Expenditure</b>                        | <b>5,796.3</b> | <b>6800.5</b>    |
| i) Current   | 4,694.3        | 5197.9           |
| ii) Development                                    | 1,301.5        | 1693.5           |
| iii) Net Lending to Public Sector Enterprises etc. | 12.6           | -12.8            |
| iv) Statistical discrepancy                        | -212.1         | -78.0            |
| <b>II. Total Revenues</b>                          | <b>4,447.0</b> | <b>4936.7</b>    |
| i) Tax Revenues                                    | 3,660.4        | 3969.2           |
| ii) Non-Tax revenues                               | 786.6          | 967.5            |
| <b>III. Overall deficit</b>                        | <b>1,349.3</b> | <b>1863.8</b>    |
| <b>IV. Financing</b>                               | <b>1,349.3</b> | <b>1863.8</b>    |
| i) External Borrowing                              | 370.5          | 541.4            |
| ii) Domestic                                       | 978.9          | 1322.4           |
| a) Non-Banking Borrowing                           | 191.8          | 276.6            |
| b) Bank Borrowing                                  | 787.0          | 1045.8           |
| <b>V. Overall Deficit as % of GDP</b>              | <b>4.6</b>     | <b>5.8</b>       |

P: Provisional

TABLE 4.1

## FEDERAL GOVERNMENT OVERALL BUDGETARY POSITION

|   |                    | Rs. in million   |  |
|---|--------------------|------------------|--|
| Fiscal Year / Item                                    | 2015-16            | 2016-17 P        |  |
| <b>A. REVENUE</b>                                     |                    |                  |  |
| <b><u>FBR Tax Revenue (1 +2)</u></b>                  | <b>3,112,048 *</b> | <b>3,361,046</b> |  |
| <b>1. <u>Direct Taxes</u></b>                         | <b>1,191,602</b>   | <b>1,343,197</b> |  |
| <b>2. <u>Indirect Taxes</u></b>                       | <b>1,920,446</b>   | <b>2,017,849</b> |  |
| i. Customs  | 406,180            | 496,018          |  |
| ii. Sales Tax   | 1,323,685          | 1,323,261        |  |
| iii. Federal Excise                                   | 190,581            | 198,570          |  |
| <b>Others**</b>                                       | <b>265,097</b>     | <b>286,430</b>   |  |
| <b><u>Non-Tax Revenue</u></b>                         | <b>703,000</b>     | <b>901,572</b>   |  |
| <b>Gross Revenue Receipts</b>                         | <b>4,080,145</b>   | <b>4,549,048</b> |  |
| <b>B. EXPENDITURE</b>                                 |                    |                  |  |
| <b><u>Current Expenditure</u></b>                     | <b>3,178,434</b>   | <b>3,494,316</b> |  |
| i. Defence  | 757,653            | 888,078          |  |
| ii. Mark-up payments                                  | 1,263,368          | 1,348,435        |  |
| iii. Grants   | 396,102            | 374,246          |  |
| vi. Others***   | 761,311            | 883,557          |  |
| <b><u>Development Expenditure and Net Lending</u></b> | <b>742,634</b>     | <b>867,467</b>   |  |
| <b>Total Expenditure</b>                              | <b>3,921,068</b>   | <b>4,361,783</b> |  |

P : Provisional

Source: Budget Wing, Finance Division, Islamabad

\* : Revised FBR tax collection for 2015-16 and 2016-17 is Rs. 3,112,653 million and Rs. 3,367,874 million respectively

\*\* : Includes Petroleum Levy, Airport tax , other taxes of ICT, Gas Infrastructure Development Cess and Natural Gas Development Surcharge

\*\*\* : Includes other categories not shown here

TABLE 4.2

## SUMMARY OF PUBLIC FINANCE (CONSOLIDATED FEDERAL &amp; PROVINCIAL GOVERNMENTS)

|                                       | Rs. in million                      |           |           |           |           |           |           |
|---------------------------------------|-------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Fiscal Year / Items                   | 2010-11                             | 2011-12   | 2012-13   | 2013-14   | 2014-15   | 2015-16   | 2016-17 P |
| Total Revenues (i+ii)                 | 2,252,855                           | 2,566,514 | 2,982,436 | 3,637,297 | 3,931,042 | 4,446,979 | 4,936,723 |
| Federal                               | 2,125,975                           | 2,411,297 | 2,760,436 | 3,397,954 | 3,649,604 | 4,070,392 | 4,535,452 |
| Provincial                            | 126,880                             | 155,217   | 222,000   | 239,343   | 281,438   | 376,587   | 401,271   |
| i) Tax Revenues                       | 1,699,334                           | 2,052,886 | 2,199,232 | 2,564,509 | 3,017,596 | 3,660,418 | 3,969,248 |
| Federal                               | 1,634,775                           | 1,945,697 | 2,048,509 | 2,374,540 | 2,811,773 | 3,377,145 | 3,647,476 |
| Provincial                            | 64,559                              | 107,189   | 150,723   | 189,969   | 205,823   | 283,273   | 321,772   |
| ii) Non-Tax Revenues                  | 553,521                             | 513,628   | 783,204   | 1,072,788 | 913,446   | 786,561   | 967,475   |
| Federal                               | 491,200                             | 465,600   | 711,927   | 1,023,414 | 837,831   | 693,247   | 887,976   |
| Provincial                            | 62,321                              | 48,028    | 71,277    | 49,374    | 75,615    | 93,314    | 79,499    |
| Total Expenditures (a+b+c+d)          | 3,447,264                           | 4,327,185 | 4,816,300 | 5,026,016 | 5,387,767 | 5,796,302 | 6,800,520 |
| a) Current                            | 2,900,784                           | 3,468,487 | 3,660,434 | 4,004,582 | 4,424,747 | 4,694,294 | 5,197,854 |
| Federal                               | 2,088,124                           | 2,500,717 | 2,565,222 | 2,831,249 | 3,037,584 | 3,144,276 | 3,472,150 |
| Provincial                            | 812,660                             | 967,770   | 1,095,212 | 1,173,333 | 1,387,163 | 1,550,018 | 1,725,704 |
| b) Development                        | 506,103                             | 776,850   | 777,096   | 1,135,918 | 1,113,223 | 1,301,473 | 1,693,474 |
| c) Net Lending to PSE's               | 7,904                               | 12,019    | 362,783   | 100,610   | 27,381    | 12,631    | -12,817   |
| d) Statistical Discrepancy            | 32,473                              | 69,829    | 15,987    | -215,094  | -177,584  | -212,096  | -77,991   |
| Overall Deficit                       | 1,194,409                           | 1,760,671 | 1,833,864 | 1,388,719 | 1,456,725 | 1,349,323 | 1,863,797 |
| Financing (net)                       | 1,194,409                           | 1,760,671 | 1,833,864 | 1,388,719 | 1,456,725 | 1,349,323 | 1,863,797 |
| External (net)                        | 107,705                             | 128,650   | -1,676    | 511,727   | 181,032   | 370,465   | 541,390   |
| Domestic (i+ii+iii)                   | 1,086,704                           | 1,632,021 | 1,835,540 | 876,992   | 1,275,693 | 978,858   | 1,322,407 |
| i) Non-Bank                           | 471,575                             | 529,384   | 378,040   | 553,330   | 366,138   | 191,843   | 276,629   |
| ii) Bank                              | 615,129                             | 1,102,637 | 1,457,500 | 323,662   | 892,057   | 787,015   | 1,045,778 |
| iii) Privatization Proceeds           | 0                                   | 0         | 0         | 0         | 17,498    | 0         | 0         |
| Memorandum Item                       |                                     |           |           |           |           |           |           |
| GDP (mp) in Rs. Billion               | 18,276                              | 20,047    | 22,386    | 25,169    | 27,443    | 29,103    | 31,862    |
|                                       | (As Percent of GDP at Market Price) |           |           |           |           |           |           |
| Total Revenue                         | 12.3                                | 12.8      | 13.3      | 14.5      | 14.3      | 15.3      | 15.5      |
| Tax Revenue                           | 9.3                                 | 10.2      | 9.8       | 10.2      | 11.0      | 12.6      | 12.5      |
| Non-Tax Revenue                       | 3.0                                 | 2.6       | 3.5       | 4.3       | 3.3       | 2.7       | 3.0       |
| Expenditure                           | 18.9                                | 21.6      | 21.5      | 20.0      | 19.6      | 19.9      | 21.3      |
| Current                               | 15.9                                | 17.3      | 16.4      | 15.9      | 16.1      | 16.1      | 16.3      |
| Development Expenditure & net Lending | 2.8                                 | 3.9       | 5.1       | 4.9       | 4.2       | 4.5       | 5.3       |
| Overall Deficit                       | 6.5                                 | 8.8       | 8.2       | 5.5       | 5.3       | 4.6       | 5.8       |
| P : Provisional                       |                                     |           |           |           |           |           |           |

Source: Budget Wing, Finance Division, Islamabad

TABLE 4.3

## CONSOLIDATED FEDERAL &amp; PROVINCIAL GOVERNMENT REVENUES

|  | Rs. in million |           |           |           |           |           |           |
|--|----------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Fiscal Year/<br>Item                     | 2010-11        | 2011-12   | 2012-13   | 2013-14   | 2014-15   | 2015-16   | 2016-17 P |
| Total Revenue (I+II)                     | 2,252,854      | 2,566,514 | 2,982,436 | 3,637,297 | 3,931,042 | 4,446,979 | 4,936,723 |
| Federal                                  | 2,125,975      | 2,411,297 | 2,760,436 | 3,397,954 | 3,649,604 | 4,070,392 | 4,535,452 |
| Provincial                               | 126,879        | 155,217   | 222,000   | 239,343   | 281,438   | 376,587   | 401,271   |
| I. Tax Revenues (A+B)                    | 1,699,334      | 2,052,886 | 2,199,232 | 2,564,509 | 3,017,596 | 3,660,418 | 3,969,248 |
| Federal                                  | 1,634,775      | 1,945,697 | 2,048,509 | 2,374,540 | 2,811,773 | 3,377,145 | 3,647,476 |
| Provincial                               | 64,559         | 107,189   | 150,723   | 189,969   | 205,823   | 283,273   | 321,772   |
| A. Direct Taxes (1+2)                    | 598,514        | 739,775   | 742,488   | 893,351   | 1,040,038 | 1,195,462 | 1,350,233 |
| 1 Federal                                | 594,689        | 731,941   | 735,758   | 884,118   | 1,029,244 | 1,191,602 | 1,343,197 |
| 2 Provincial                             | 3,825          | 7,834     | 6,730     | 9,233     | 10,794    | 3,860     | 7,036     |
| B. Indirect Taxes                        |                |           |           |           |           |           |           |
| (3+4+5+6+7)                              | 1,100,820      | 1,313,111 | 1,456,744 | 1,671,158 | 1,977,558 | 2,464,956 | 2,619,015 |
| 3. Excise Duty                           | 141,600        | 126,209   | 124,349   | 144,540   | 170,004   | 197,461   | 205,205   |
| Federal                                  | 137,207        | 122,014   | 119,453   | 139,084   | 163,969   | 190,581   | 198,570   |
| Provincial                               | 4,393          | 4,195     | 4,896     | 5,456     | 6,035     | 6,880     | 6,635     |
| 4. Sales Tax*                            | 632,824        | 809,310   | 841,324   | 1,002,110 | 1,088,823 | 1,323,685 | 1,323,261 |
| 5. Taxes on Interna-                     |                |           |           |           |           |           |           |
| tional Trade                             | 185,437        | 218,215   | 239,608   | 240,997   | 306,140   | 406,180   | 496,018   |
| 6. Surcharges*                           | 113,103        | 83,329    | 141,837   | 142,064   | 157,231   | 181,944   | 239,959   |
| 6.1 Gas                                  | 30,358         | 22,960    | 32,171    | 38,530    | 25,874    | 32,654    | 73,262    |
| 6.2 Petroleum                            | 82,745         | 60,369    | 109,666   | 103,534   | 131,357   | 149,290   | 166,697   |
| 7. Other Taxes **                        | 58,214         | 99,008    | 141,797   | 179,977   | 255,360   | 355,686   | 354,572   |
| 7.1 Sales Tax on services GST            | -              | -         | -         | -         | -         | 129,752   | 170,791   |
| 7.2 Stamp Duties                         | 14,007         | 16,527    | 18,306    | 21,790    | 29,476    | 35,484    | 38,167    |
| 7.3 Motor Vehicle Taxes                  | 10,507         | 11,140    | 13,975    | 15,565    | 15,872    | 19,077    | 21,282    |
| 7.4 Gas Infrastructure Development Cess* | -              | -         | -         | -         | 57,021    | 79,771    | 42,149    |
| 7.4 Others***                            | 33,700         | 71,341    | 109,516   | 142,622   | 152,991   | 91,602    | 82,183    |
| II. Non-Tax Revenues                     | 553,520        | 513,628   | 783,204   | 1,072,788 | 913,446   | 786,561   | 967,475   |
| Federal                                  | 491,200        | 465,600   | 711,927   | 1,023,414 | 837,831   | 693,247   | 887,976   |
| Provincial                               | 62,320         | 48,028    | 71,277    | 49,374    | 75,615    | 93,314    | 79,499    |

P: Provisional

Source: Budget Wing, Finance Division

\* : Revenues under these heads are exclusively Federal

\*\* : Mainly includes Provincial Revenues

\*\*\* : Includes Federal tax revenues (Other Taxes (ICT), Airport Tax) and other provincial tax revenues

TABLE 4.4

## CONSOLIDATED FEDERAL &amp; PROVINCIAL GOVERNMENT EXPENDITURES

| Rs. in million                      |  |           |           |                                       |           |           |           |
|-------------------------------------|--|-----------|-----------|---------------------------------------|-----------|-----------|-----------|
| Fiscal Year/<br>Item                | 2010-11                                | 2011-12   | 2012-13   | 2013-14                               | 2014-15   | 2015-16   | 2016-17 P |
| Current Expenditure                 | 2,900,784                              | 3,468,487 | 3,660,434 | 4,004,582                             | 4,424,747 | 4,694,294 | 5,197,854 |
| Federal                             | 2,088,124                              | 2,500,717 | 2,565,222 | 2,831,249                             | 3,037,584 | 3,144,276 | 3,472,150 |
| Provincial                          | 812,660                                | 967,770   | 1,095,212 | 1,173,333                             | 1,387,163 | 1,550,018 | 1,725,704 |
| Defence                             | 450,615                                | 507,159   | 540,595   | 623,085                               | 697,821   | 757,653   | 888,078   |
| Mark-up Payments                    | 716,603                                | 901,919   | 1,005,798 | 1,161,876                             | 1,316,697 | 1,273,121 | 1,362,031 |
| Federal                             | 698,095                                | 889,044   | 990,967   | 1,147,793                             | 1,303,767 | 1,263,368 | 1,348,435 |
| Provincial                          | 18,508                                 | 12,875    | 14,831    | 14,083                                | 12,930    | 9,753     | 13,596    |
| Current Subsidies                   | 380,590                                | 512,961   | 357,991   | 305,748                               | 241,593   | 207,161   | 153,717   |
| Others                              | 540,316                                | 578,678   | 660,838   | 740,540                               | 781,473   | 916,094   | 1,081,920 |
| Development Expenditure             | 506,103                                | 776,850   | 777,096   | 1,135,918                             | 1,113,223 | 1,301,473 | 1,693,474 |
| Net Lending to PSEs                 | 7,904                                  | 12,019    | 362,783   | 100,610                               | 27,381    | 12,631    | -12,817   |
| Statistical Discrepancy             | 32,473                                 | 69,829    | 15,987    | -215,094                              | -177,584  | -212,096  | -77,991   |
| Expenditure Booked excl discrepancy | 3,414,791                              | 4,257,356 | 4,800,313 | 5,241,110                             | 5,565,351 | 6,008,398 | 6,878,511 |
| Total Expenditure                   | 3,447,264                              | 4,327,185 | 4,816,300 | 5,026,016                             | 5,387,767 | 5,796,302 | 6,800,520 |
| Memorandum Items:                   | (Percent Growth over preceding period) |           |           |                                       |           |           |           |
| Current Expenditure                 | 21.6                                   | 19.6      | 5.5       | 9.4                                   | 10.5      | 6.1       | 10.7      |
| Defence                             | 20.2                                   | 12.5      | 6.6       | 15.3                                  | 12.0      | 8.6       | 17.2      |
| Mark-up Payments                    | 8.4                                    | 25.9      | 11.5      | 15.5                                  | 13.3      | -3.3      | 7.0       |
| Current Subsidies                   | 78.3                                   | 34.8      | -30.2     | -14.6                                 | -21.0     | -14.3     | -25.8     |
| Development Expenditure             | -17.5                                  | 53.5      | 0.0       | 46.2                                  | -2.0      | 16.9      | 30.1      |
| Expenditure Booked excl discrepancy | 12.4                                   | 24.7      | 12.8      | 9.2                                   | 6.2       | 8.0       | 14.5      |
| Total Expenditure                   | 14.6                                   | 25.5      | 11.3      | 4.4                                   | 7.2       | 7.6       | 17.3      |
|                                     | As % of total expenditures             |           |           |                                       |           |           |           |
| Current Expenditure                 | 84.1                                   | 80.2      | 76.0      | 79.7                                  | 82.1      | 81.0      | 76.4      |
| Defence                             | 13.1                                   | 11.7      | 11.2      | 12.4                                  | 13.0      | 13.1      | 13.1      |
| Mark-up Payments                    | 20.8                                   | 20.8      | 20.9      | 23.1                                  | 24.4      | 22.0      | 20.0      |
| Current Subsidies                   | 11.0                                   | 11.9      | 7.4       | 6.1                                   | 4.5       | 3.6       | 2.3       |
| Development Expenditure*            | 14.9                                   | 18.2      | 23.7      | 24.6                                  | 21.2      | 22.7      | 24.7      |
| P: Provisional                      | * : Include Net Lending                |           |           | Source: Budget Wing, Finance Division |           |           |           |

TABLE 4.5

## DEBT SERVICING

| Rs. in million                                       |                     |           |           |           |           |           |           |
|--|---------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Fiscal Year / Item                                   | 2010-11             | 2011-12   | 2012-13   | 2013-14   | 2014-15   | 2015-16   | 2016-17 P |
| A. Mark-up Payments                                  | 716,603             | 901,919   | 1,005,798 | 1,161,876 | 1,316,697 | 1,273,121 | 1,362,031 |
| A.1 Federal  | 698,095             | 889,044   | 990,967   | 1,147,793 | 1,303,767 | 1,263,368 | 1,348,435 |
| Servicing of Domestic Debt                           | 629,709             | 821,115   | 920,353   | 1,072,813 | 1,208,105 | 1,150,809 | 1,220,265 |
| Servicing of Foreign Debt                            | 68,386              | 67,929    | 70,614    | 74,980    | 95,662    | 112,559   | 128,170   |
| A.2 Provincial                                       | 18,508              | 12,875    | 14,831    | 14,083    | 12,930    | 9,753     | 13,596    |
| B. Repayment/Amortization of Foreign Debt            | 157,945             | 135,286   | 217,872   | 312,112   | 285,193   | 335,307   | 544,314   |
| C. Total Debt Servicing (Excluding Provincial) (A+B) | 856,040             | 1,024,330 | 1,208,839 | 1,459,905 | 1,588,960 | 1,598,675 | 1,892,749 |
| MEMORANDUM ITEMS                                     | (As Percent of GDP) |           |           |           |           |           |           |
| Servicing of Domestic Debt                           | 3.4                 | 4.1       | 4.1       | 4.3       | 4.4       | 4.0       | 3.8       |
| Servicing of Foreign Debt                            | 0.4                 | 0.3       | 0.3       | 0.3       | 0.3       | 0.4       | 0.4       |
| Repayment/Amortization of Foreign Debt               | 0.9                 | 0.7       | 1.0       | 1.2       | 1.0       | 1.2       | 1.7       |
| Total Debt Servicing                                 | 4.7                 | 5.1       | 5.4       | 5.8       | 5.8       | 5.5       | 5.9       |

P; Provisional

Source: Budget Wing, Finance Division