

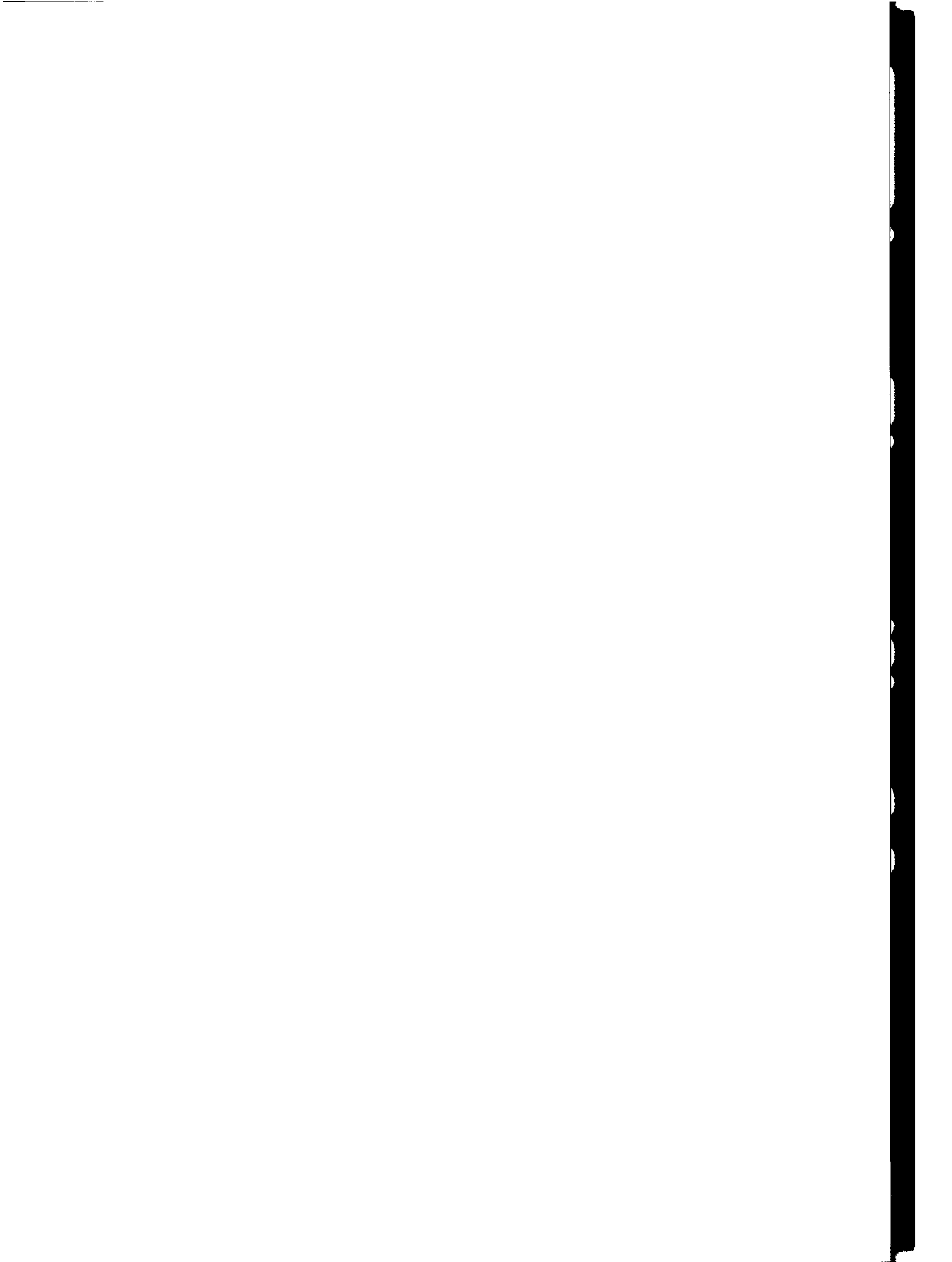
# ANNUAL PLAN

1975-76



Planning Commission  
Government of Pakistan

July, 1975



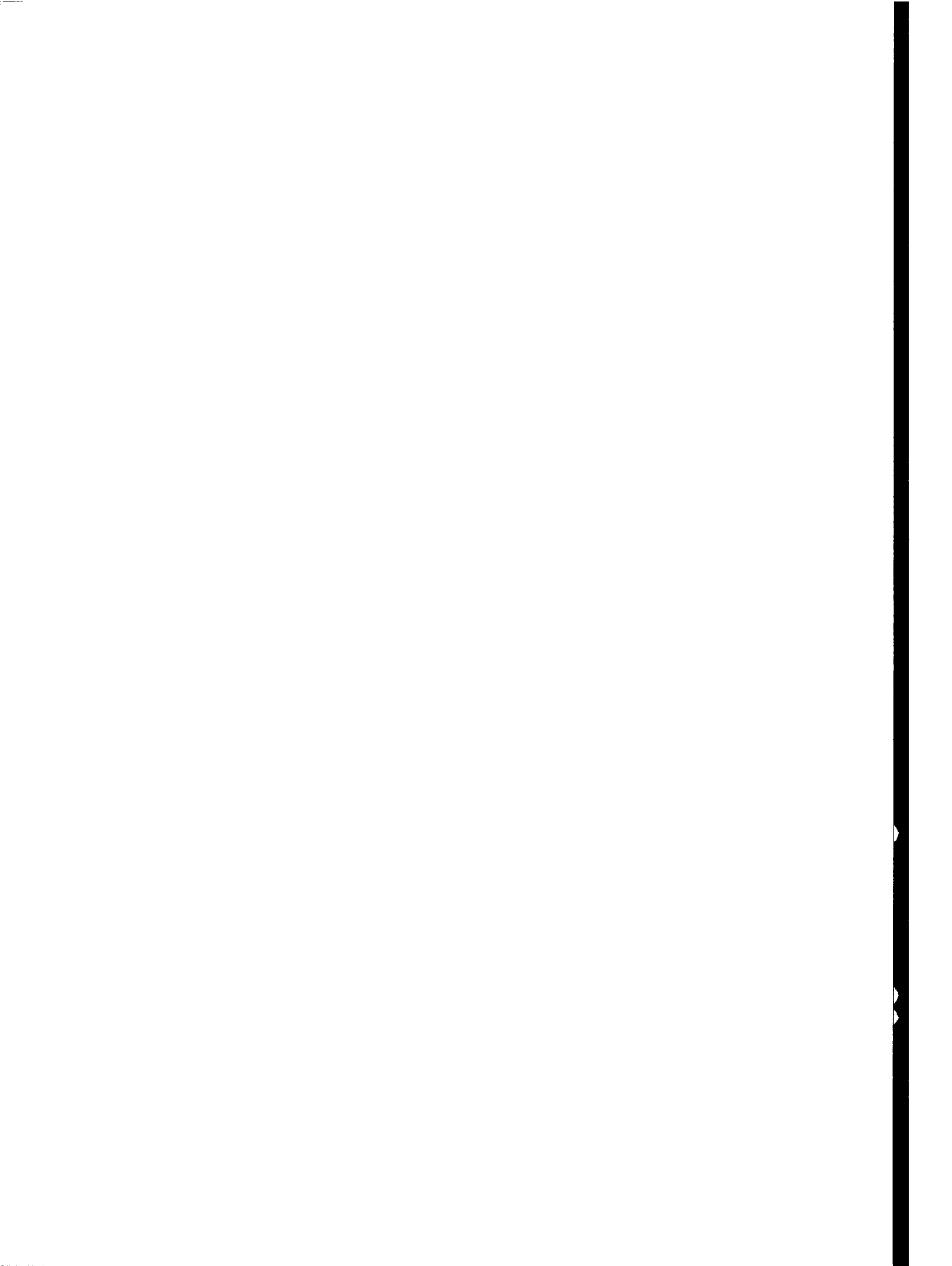
---

---

**PART I**  
**ECONOMIC FRAMEWORK**

---

---





**ANNUAL PLAN FOR 1975-76**

**TABLE OF CONTENTS**

PAGES

**PART I**

**ECONOMIC FRAMEWORK**

**CHAPTERS**

1. Review of 1974-75 .. .. .	1
2. Macro Economic Framework .. .. .	7
3. Over all Investment Programme and its Financing .. .. .	11
4. Public Sector Development Programme .. .. .	15
5. Financing of Public Sector Development Programme .. .. .	23
6. Semi-Public Sector Investment .. .. .	37
7. Private Investment .. .. .	41
8. Monetary and Credit Policy .. .. .	49
9. Balance of Payments .. .. .	55
10. Consumption and Nutrition Planning .. .. .	69
11. Price Situation .. .. .	89
12. Plan Implementation .. .. .	97
13. Agriculture .. .. .	101

**PART II**

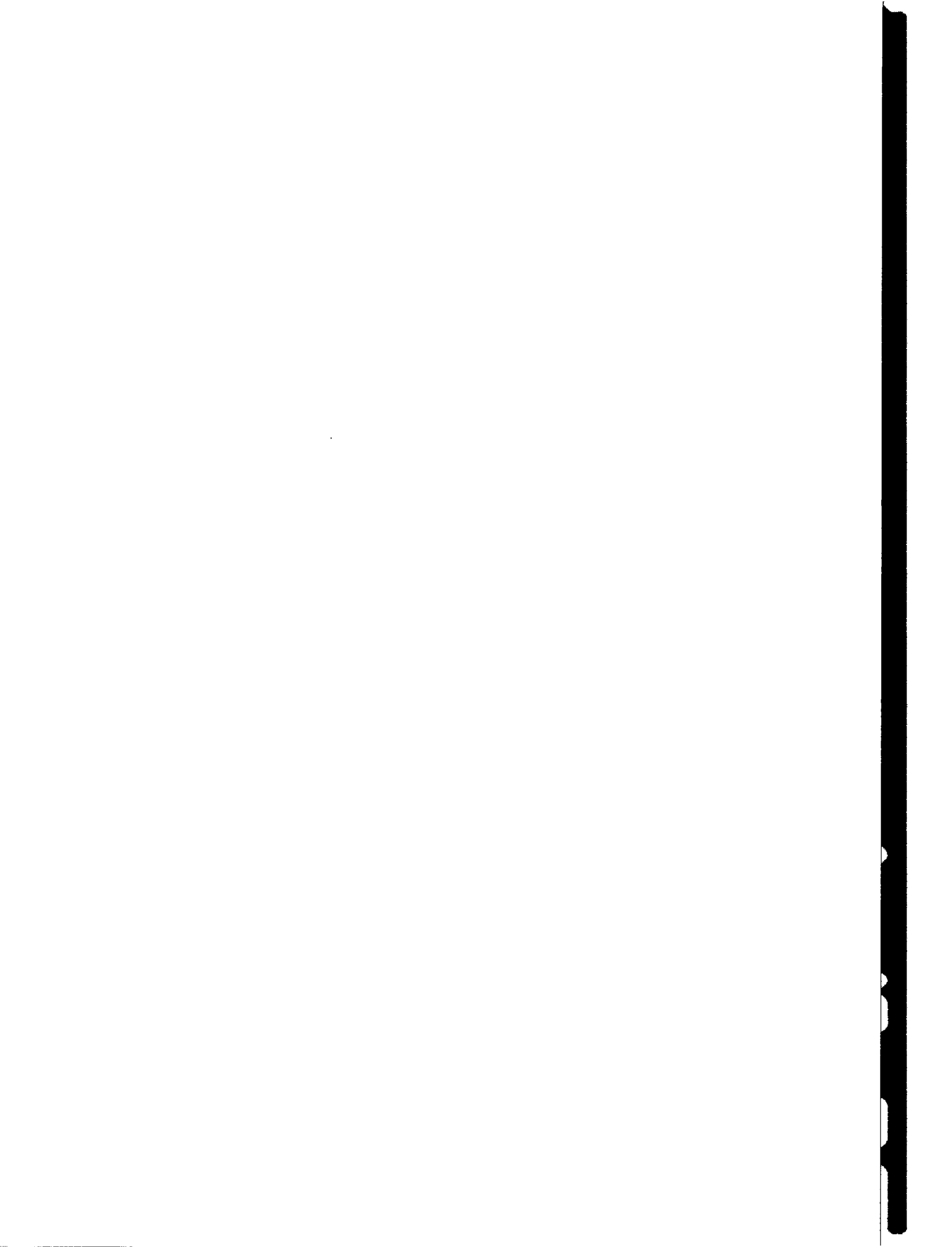
**PRODUCTION PROGRAMMES AND PHYSICAL INFRA-STRUCTURE**

14. Water Resources .. .. .	141
15. Industry .. .. .	173
16. Mineral Development .. .. .	199
17. Fuel and Power .. .. .	213
18. Transport and Communications .. .. .	243
19. Mass Media .. .. .	265
20. Physical Planning and Housing .. .. .	277
21. People's Works Programmes .. .. .	285

**PART III**

**HUMAN RESOURCES AND SOCIAL DEVELOPMENT**

22. Education and Training .. .. .	293
23. Health and Population Planning .. .. .	331
24. Manpower and Employment .. .. .	363
25. Social Welfare .. .. .	371



CHAPTER 1  
REVIEW OF 1974-75

The Annual Plan for 1974-75 aimed at achieving a sizeable increase in agricultural and industrial production. Increased production was to be a major element in slowing down the rate of inflation, while accelerating the pace of investment. Major targets of the Annual Plan involved an increase of 8.2% in value-added in major agricultural crops and 10% in large scale industry, resulting in a growth of 7.2% in G.N.P. in constant prices. Exports were projected to increase by 40.8% to \$ 1450 million. The export growth was necessary to fill part of the gap anticipated as a result of a steep rise in imports by 57.1% to \$ 2200 million. Public Sector development outlay was projected at Rs. 8500 million to be financed by Rs. 2930 million of domestic savings and Rs. 5570 million of foreign assistance. No quantitative assessment was made regarding the impact of the realization of above targets on the inflationary situation. However, it was anticipated that with the increased domestic production, larger inflow of imports of essential goods and a strong anti-inflationary fiscal and monetary policy, it would be possible to bring the inflationary pressures under control.

1.2 The Annual Plan was based on the assumption of normal weather conditions and average water flow in the river system. Partial availability of Tarbela water for Rabi season was also assumed. The serious shortage of water which developed later was of a magnitude which could not have been foreseen. The water flow in the river system was the lowest on record and 33 per cent below the mean level for the last 30 year as indicated in Table below :—

TABLE I  
*RIM Stations Discharges*

							Mean 1940-73 (April to February)	Actual 1974 (1-4-1974 to 28-2-1975)	Percentage variations	
Inclus above Kalabagh	..	..	..	..	..	..	89.53	59.73	—33	
Jhelum above Mangla	..	..	..	..	..	..	20.69	14.66	—29	
Chenab above Marala	..	..	..	..	..	..	24.96	16.85	—32	
							Total ..	135.18	91.24	—33

Tarbela completion was delayed due to technical difficulties which rendered it necessary to carry out extensive repairs and to undertake additional civil works.

1.3 While the international price situation was characterised by rampant inflation and rising prices of imported goods, the signs of recession had become manifest in industrial countries at the beginning of 1974-75. The intensity of recession was, however, not predictable. Nor could the selective nature of recession be foreseen which affected raw material prices (and hence the prices of Pakistan's exports) more than the prices of manufactured goods specially machinery. While some adverse movement in Pakistan's terms of trade was implicit in balance of payments projections, the actual magnitude of the impact of adverse change in international price structure on Pakistan's economy was much more severe. The terms of trade which had declined by 5 per cent between 1970-71 and 1973-74, fell by as much as 20 per cent in 1974-75 alone. The monetary value of the loss due to adverse movement in the terms of trade has been valued at \$ 800 to 900 million or roughly 8 per cent of G.N.P. on the basis of differences in the prices between 1970-71 and 1974-75. Of this 80 per cent was on account of changes in terms of trade during 1974-75 alone.

1.4 The combined effect of national and international developments was to alter the plan magnitudes seriously. There was considerable shortfall in growth targets with severe impact on balance of payments, and domestic resource availability. Strenuous efforts were made to protect the investment programme included in the Annual Plan. It was realized that direct investments in agriculture and water sectors to increase food production, as well as investment in production capacity for fertilizer and in the critical sector of energy acquired added significance and much greater urgency due to international price changes. The only way out for the economy from the terrible squeeze experienced during the year was to move towards self-reliance in food, fertilizer, energy and basic industries. The implementation of the investment programme was thus crucial for the longer-term solution of the immediate problems. In fact, allocations had to be increased in certain areas to protect physical targets or accelerate the pace of implementation. Thus despite severe resource constraint in public sector 22 per cent larger investment was achieved in monetary terms. The real investment in the public, semi-public and private sectors was roughly in line with the original targets. Thus it appears that while immediate production targets were not achieved during 1974-75, investment level was protected to strengthen the future prospects of the economy.

1.5 The investment level could be maintained primarily with the help of larger external borrowings. It was unavoidable as an immediate response to the sudden and sharp increase in the balance of payments gap. It was, however, still necessary to make major additional effort to raise domestic resources. Increases in import duties, gas and energy charges and reduction in subsidy bill through an adjustment in the regulated prices of certain essential items were adopted to protect the fiscal position of the Government. The price changes affected the cost of living and was sought to be absorbed in compensating increases in wage levels. At the same time monetary and fiscal policies were tightened to bring about a better balance between monetary demand and availabilities thus avoiding creation of additional inflationary pressures. These measures paved the way for a more balanced fiscal position in 1975-76, while in 1974-75, public savings remained negative.

#### Agricultural Production

1.6 Agricultural production suffered from a shortage of water, delayed rains in the barani areas and the mishap at Tarbela. The water shortage also affected the power situation and thus the operation of tubewells. Water being the key element in agriculture also determined the use of chemical fertilizers. With the uncertainty regarding the response of the crop to reduced water availability, farmer's demand for fertilizer shrank considerably despite measures to encourage extended use of fertilizers by provision of credit and short period reduction in prices. The fertilizer use was 425 thousand nutrient tons against the target of 600 thousand nutrient tons. The fertilizer consumption for first ten months July 1974/April 1975 was below the level of corresponding period in the preceding year. During the last two months, there was a substantial increase as farmers prepared for larger kharif sowing in 1975-76 with improved water flow in the irrigation system.

1.7 Production of major crops showed a decline of 5 per cent\* in 1974-75. The decline in production was recorded in all major crops as indicated in the table below.

TABLE II  
Major Crop Production 1973-74, 1974-75

Unit	1973-74	1974-75	
		Target	Revised Estimates
Wheat Thousand tons	7,508	8,500	7,460
Rice "	2,416	2,800	2,277
Sugarcane "	23,533	23,500	22,000
Cotton Thousand bales	3,704	4,500	3,567

#### Industrial Production

1.8 In large scale industry, a growth rate of 10 per cent was provided for in the Annual Plan for 1974-75. While production in certain important industries has increased substantially, as compared to 1973-74, there have also been significant shortfalls in the case of many industries. The revised estimate of growth in large scale industrial production during 1974-75 is tentatively placed at 3 per cent. The adverse factors affecting industrial production have been mainly two. Firstly, the recession in export demand for cotton yarn as mentioned earlier was deeper than anticipated. Secondly, the production of sugar was substantially lower because of the decline in output of sugarcane.

1.9 Production of vegetable ghee, cement and fertilizer have shown substantial growth. The output of vegetable ghee is estimated to have increased by 24 per cent, cement by 21 per cent and fertilizer by 10 per cent. Outputs of cotton yarn and cloth, art silk and sugar have, however, declined. The estimated output of each major industrial product is shown in Annexure I.

#### Growth in G.D.P.

1.10 Large-scale manufacturing and major crops in agriculture which together have more than 30 per cent weight of the total of all sectors of the economy contributed negative growth to gross national product, their individual growth rates being 3 per cent and (-) 5 per cent respectively. According to preliminary estimates, the overall G.D.P. growth for 1974-75 works out as 2.6 per cent against the target of 7.2 per cent. The sectoral performance and targets are shown in Table below.

\*Later figures indicated a smaller shortfall.

TABLE III  
G.D.P. By Major Economic Sectors  
Sectoral growth rates : (%)  
1974-75

	Targets	Achievements
<b>A. Commodity Sectors .. .. .</b>	<b>6.7</b>	<b>(-)0.4</b>
1. Agriculture .. .. .	6.0	(-)2.0
(a) Major Crops .. .. .	(8.2)	(-) (5.1)
(b) Others .. .. .	(2.8)	(2.4)
2. Manufacturing .. .. .	8.5	3.0
(a) Large Scale .. .. .	(10.0)	(3.0)
(b) Small Scale .. .. .	(2.9)	(3.0)
<b>B. Services Sectors .. .. .</b>	<b>7.7</b>	<b>5.8</b>
3. Construction .. .. .	12.0	15.0
4. Trade and Transport .. .. .	10.0	1.8
5. Others .. .. .	5.1	6.5
<b>Total G.D.P. (A+B) .. .. .</b>	<b>7.2</b>	<b>2.6</b>

1.11 As a result of the G.D.P. growth of 2.6 per cent and the population increase of around 3 per cent, *per capita* income in real terms declined in the year under review as against the target of about 4 per cent increase.

#### Consumption

1.12 Reduced agricultural and industrial production had the effect on reducing *per capita* availability of essential goods of mass consumption much below the targets. Imports helped in maintaining availability of essentials as wheat and wheat flour, vegetable ghee and cloth, while availability of some of the commodities like rice and sugar declined. In fact, there would have been significant declines in practically all important items of mass consumption, had there been no imports of wheat, edible oil and other essentials in sizeable quantities.

1.13 The *per capita* availability of all seven essential items covered in the Annual Plan which together constitute about 36 per cent of the consumption expenditure of the income groups ranging between Rs. 250-300 per month, indicated virtually no change in 1974-75. A detailed discussion of *per capita* availabilities different items is given in the Chapter 10 Consumption and Nutrition Planning.

#### Balance of Payments

1.14 Extremely low growth in the national output and the world recession referred to in the earlier paragraphs had direct impact as in the case of most of the non-oil exporting countries in terms of widening balance of payments gap to a much larger extent than was projected at the time of formulating the Annual Plan. Recession in the major industrial nations affected not only the prices but also the level of demand for Pakistan's exports. Shortage in domestic production of such essentials as wheat and cotton seed necessitated imports of these commodities. Quantum exports of yarn and cloth declined substantially. In the case of rice price remained high, though quantity exported was less. Diversification in the country's export however, has helped miscellaneous categories of exports (excluding cotton and cotton-based exports, rice, fish and leather) to increase at the rate of 10 per cent during the year. A more detailed account of the performance of country's balance of payment is given in Chapter—9 Balance of Payments.

1.15 Price escalation to the extent of 22 per cent was perhaps the most painful manifestation of the strains and stresses borne by the economy during 1974-75. Inflationary tendencies which developed in the early 1970's reached the peak in 1973-74 when the price increase was of the order of 30 per cent. Price escalation in 1974-75 was slightly less and showed signs of slowing down towards the end of the year under review.

## Savings and Investment

1.16 Despite the various pressures listed above, one major positive achievement of the economy during the year under review was an increase in the level of investment. Total fixed investment as a proportion of G.D.P. is estimated to be about 17.4 per cent as against the Annual Plan target of 16.9 per cent for 1974-75. In other words, overall investment which had declined sharply during the last few years and was as low as 13 per cent of G.D.P. in 1972-73 has regained the 1969-70 level which is considered as a year of normal investment activity. Major factors influencing investment recently have been the following :—

- (a) Despite the resource constraints in view of the poor performance of the economy in terms of agricultural and industrial production, substantial increases in the public sector development expenditures were achieved during 1973-74 and 1974-75. In monetary terms, the size of ADP implemented in 1973-74 was about 42% higher than in 1972-73 and implementation of 1974-75 ADP was about 77 per cent higher than the preceding year.
- (b) Private investment in all major sectors of the economy with the exception of large-scale manufacturing has been increasing rapidly in recent years. Increases in these sectors are in money terms but these are large enough to absorb the price effect and still leave significant growth in real investment. This is particularly true of sectors like agriculture, road transport, housing and small industries. Investment in these sectors was facilitated by appropriate government policies and incentives especially by way of augmenting credit availability, providing foreign exchange for the specific purpose of import of investment goods like tractors and trucks for these sectors. Gradual recovery even in industrial investment as a consequence of the measures taken by the government through its 1974-75 budget is indicated by the latest estimates of investment. In fact, a more genuine and sound basis for regulating private investment in all major sectors is developing and the present state of revival in total private investment is expected to be further strengthened after the world recession has passed.

1.17 It would, however, be observed that despite the efforts of the government at mobilizing resources for investment particularly in the non-industrial private sectors through policies referred to in the preceding paragraph, extraordinary events of the year under review, necessitated a substantial proportion of total investment to be financed through foreign aid/loans as under :

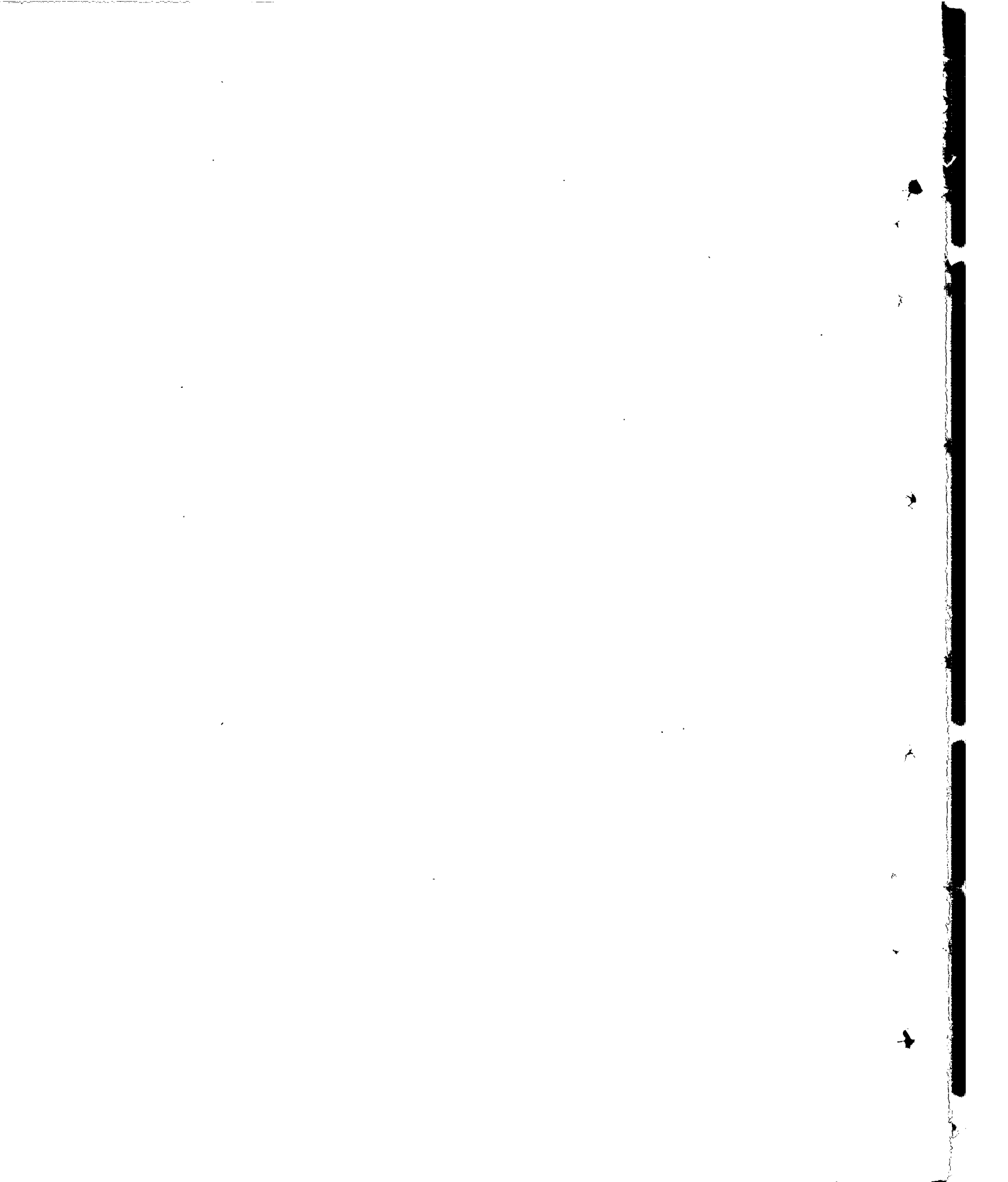
(Million Rupees)

	1973-74		1974-75	
	Actual	Targets	Targets	(Estimate)
Private Investment .. .. .	4577	6450		5800
Public/Semi Public Investment .. .. .	6900	8930		11650
Total Fixed Investment .. .. .	11477	15380		17450
Change in Stocks .. .. .	1000	500		2000
Total Investment .. .. .	12477	15880		19450
Net Foreign Resources Inflow .. .. .	5465	7000		12200
Domestic Savings .. .. .	7012	8880		7250

1.18 To sum up, in spite of the difficult economic situation, development momentum during 1974-75 has been preserved. Total investment in current prices is estimated to be about 22 per cent higher than the plan target and 56 per cent higher than the achieved investment in 1973-74. In constant prices, fixed investment is approximately 10 per cent higher than in the preceding year. Savings did not however, increase in line with investment. A higher proportion of domestic investment was therefore, financed by foreign aid inflow and loans. Policies were adjusted during the year to intensify saving efforts both in public and private sectors. As production recovers from the abnormal set back of 1974-75 and increased investment undertaken during 1973-74 and 1974-75 adds to the overall production capacity, it would be possible to increase domestic savings with the help of higher growth rates which are in sights.

## INDUSTRIAL PRODUCTION: SELECTED PRODUCTS 1973-74 &amp; 1974-75

Item	Unit	1973-74	1974-75 (estimated)	Percentage Changes
1. Cotton yarn	Million lbs.	836	800	-4.3
2. Cotton cloth (Mill sector only)	Million yds.	708	680	-4.0
3. Vegetable ghee	'000 ' tons	221	275	24.4
4. Cigarettes	'000 ' million	27	27	—
5. Sugar	'000 ' tons	585	490	-16.4
6. Cement	'000 ' tons	2,732	3,310	21.2
7. M.S. Products	'000 ' tons	214	202	-5.6
8. Fertilizers	'000 ' nutrient tons	283	310	9.5
9. Cotton ginning and pressing	'000 ' bales	3,704	3,567	-3.7
10. Art silk	'000 ' yds.	9,499	8,403	-11.5





## CHAPTER 2

### MACRO-ECONOMIC FRAMEWORK

Economic performance during 1974-75 displayed abnormal characteristics which have important bearing on the projections for 1975-76. Two features of the economic review of the previous chapter will serve as useful points of departure. As narrated there, bad weather and world recession depressed production and exports; second, investment levels continued to climb as the project portfolio put together in the last three years matured into the implementation stage.

2.2. The salient features of the Annual Plan for 1975-76 are related to these aspects. First, as the world recovers from recession and availability of irrigation water assumes normalcy, production and exports should surge and household consumption register significant gains. Second, investment will rise appreciably with implementation of major ongoing projects accelerating to a possible plateau in 1976-77. Another favourable development is that the drop in import prices, together with large stocks of a few major imports, will enable Pakistan to accommodate large imports of capital goods within a total import bill which is projected to be only slightly more than last year's.

2.3. Although a resurgence of economic activity is being forecast and the terms of trade projected to improve, economic management will not be easy. In particular, the balance of payments will continue under severe pressure and domestic resources for development will remain relatively poor. The continued pressure on the balance of payments and budgetary resources conceals the basic improvement during 1975-76 to the extent that a significant part of the problem arises from the repayment of short-term wheat credit contracted during the preceding year.

#### Agricultural Production

2.4. The Annual Plan for 1974-75 was based upon the assumption that water stored at Tarbela would supplement normal irrigation flows leading to a sharp increase in wheat production. A general increase in agricultural output was also forecast in response to the more attractive procurement prices announced for 1974-75. To enable higher production, larger imports of fertilizer and supply of credit were arranged.

2.5. But things went wrong, first with the weather and then with Tarbela. Instead of a large increment in irrigation water, the flows were subnormal to an extreme. Projected to increase by 6 percent, agricultural output declined by 2 percent.

2.6. The growth being forecast for 1975-76 is based upon crop production targets similar to those projected in the Annual Plan last year. Once again, the attainment of the targets will depend mostly on normal canal water flows supplemented by supplies from Tarbela. Restoration of normal river flows should provide a real increase of 3 per cent in total agricultural incomes, the impact of Tarbela water should be in the range of 1.5 to 2 percent during 1975-76.

2.7. These two factors will account for roughly half the growth in agricultural value added projected for 1975-76. Other factors, including recent and forthcoming investment and long-term trends in better farming practices, are expected to contribute another 5 to 5.5 percent to agricultural growth. This contribution represents an increase over a two year period because it encompasses the improvements anticipated in 1974-75 which were frustrated by sub-normal water flows.

2.8. The agricultural targets are being backed up by the supply of inputs. Sufficient stocks of fertilizer are available in the country to enable an increase in usage from 425,000 nutrient tons in 1974-75 to 550,000 nutrient tons in 1975-76. Fertilizer demand will critically depend upon the availability of adequate irrigation water including water stored at Tarbela. There is evidence already that river flows during the early Kharif season have been at mean levels. Indeed, some rivers have been in flood which has caused losses in certain areas but the losses are not expected to be extensive.

2.9. Other facilities have been provided to increase the availability of inputs to agriculture. Provision has been made for the import of 15,000 tractors. The pesticides distribution programme envisages an increase of spraying from 7.5 million spray acres in 1974-75 to 9.5 million acres in 1975-76. The Credit Plan for 1975-76 has earmarked Rs. 1700 million compared with credit extension of Rs. 1000 million in 1974-75.

2.10. The crop production targets for 1975-76 based upon the programme and assumptions outlined above, are shown in Table I.

---

\*Later figure indicate a smaller short fall.

TABLE I  
*Agriculture Production Targets for 1975-76*

	Unit							Output in	Targets for	% Change
								1974-75	1975-76	
Wheat	Mln. tons	..	..	..	..	..	..	7.46	8.40	12.6
Rice	Ml. tons	..	..	..	..	..	..	2.28	2.70	21.0
Sugarcane	Mln. tons	..	..	..	..	..	..	22.00	25.00	13.6
Cotton	Mln. bales	..	..	..	..	..	..	3.57	4.00	12.0

#### Industrial Production

2.11. Value-added in large scale manufacturing is projected to increase by 13.6 percent. Substantial increases are being forecast in production of cotton textiles and sugar representing, to a significant extent, recovery from low levels of output in 1974-75. World recession in the demand for cotton yarn, and to a smaller extent cotton cloth, had caused a decline in output of these items in 1974-75. Although complete recovery in the industrialised market economics is not expected for another six months to a year, the demand for yarn and cloth has started rising. Export commitments for cotton yarn increased from 97 million pounds in the first half of 1974-75 to 144 million pounds in the second half 1974-75. Export commitments of cotton cloth increased from 314 million yds to 412 million yds over the corresponding periods.

2.12. Sugar production in 1974-75 declined by 16 percent over the previous year because of low availability of sugarcane. Normal irrigation water supplies in 1975-76 will enable an increase in sugarcane production and the recovery of sugar output to that attained in 1973-74. In addition, two new sugar factories will come into production during 1975-76. The output of sugar, is, therefore, projected to increase by 28 percent.

2.13. In many other major industries, output is not expected to increase significantly because capacity being set up will not come into operation during 1975-76. However, investment have been taking place in many industries which will bear fruit in 1975-76. Also those industries which were operating below capacity will show significant growth.

2.14. The production targets for major items in the large-scale manufacturing sector are shown in Table II.

TABLE II  
*Large-Scale Manufacturing Production Targets for 1975-76*

Item	Unit							Output in	Targets for	% Change
								1974-75	1975-76	
Cotton Yarn	Mln. lbs.	..	..	..	..	..	..	800	930	16.3
Cotton Cloth	Mln. yds.	..	..	..	..	..	..	680	750	10.3
Sugar	000 tons	..	..	..	..	..	..	490	625	27.6
Vegetable Ghee	000 tons	..	..	..	..	..	..	275	290	5.5
Cement	000 tons	..	..	..	..	..	..	3310	3310	—

#### GDP

2.15. The projected increases in agricultural and industrial production will contribute to a growth of 9.4 percent in GDP. Trade and transport margins, which are related to marketable surplus in agriculture, industrial production and imports, are forecast to increase by 12 percent. Income in the construction sector is expected to register a growth of 10 percent in response to investment trends. Incomes in other service sectors is projected to grow by nearly 5 percent.

2.16. The sectoral break-up of GDP is presented in Table III.

TABLE III  
*Sectoral Gross Domestic Product*  
(Rs. Million, at 1974-75 Factor Cost)

	1974-75	1975-76	% Change
Agriculture .. .. .	32734	35980	9.9
(a) Major Corps .. .. .	(17623)	(20265)	(15.0)
(b) Others .. .. .	(15111)	(15715)	(4.0)
Manufacturing .. .. .	16760	18650	11.3
(a) Large Scale .. .. .	(13088)	(14870)	(13.6)
(b) Small Scale .. .. .	(3672)	(3780)	(2.9)
Trade and Transport .. .. .	22171	24830	12.0
Construction .. .. .	4750	5225	10.0
Others .. .. .	23743	24875	4.8
Total (GDP) .. .. .	100158	109560	9.4

(1) Agricultural and industrial value added in 1974-75 have been compiled on production figures reported earlier. Revised production figures indicate that value added in agriculture will be higher in 1974-75 than estimated above and, consequently, the projected growth will be lower; the reverse is indicated for large scale manufacturing. Overall GDP will not be affected substantially.

#### Macro-economic Framework

2.17. The constituents of various macro-economic aggregates presented in Table IV are elaborated in subsequent chapters, except for GDP which has been covered in previous paragraphs. The main characteristics of each component are briefly summarized below.

2.18. Merchandize and non-factor service imports during 1975-76 are projected to increase by 3.6 percent in current prices. The increase in constant prices will be somewhat larger. Apart from the lower prices, imports will be contained within the projected increase owing to a decline in import volumes of wheat, fertilizer and steel products as a result of large carry-over of stocks from 1974-75. The increased import bill is dominated by capital goods in line with stepped up investment activity, especially as the investment programme is very import intensive.

2.19. Exports of goods and services are projected to increase by 18.2 percent in current prices and by about 20 percent in real terms. Between 1970-71 and 1973-74, exports were increasing at a rapid rate but in 1974-75 there was very little growth. The projections for 1975-76 anticipate recovery in the industrialized countries from the recession they have experienced since the end of 1973. This is expected to raise exports of yarn and cloth substantially.

2.20. The forecasts of GDP and the balance of payments provide for an increase of about 15 percent in the expenditure on investment and consumption. Roughly half of this increase pertains to higher prices since the projections for 1975-76 are based upon the prices during June 1975 while the values for 1974-75 are in average prices during the year. On the other hand, there was an estimated stock build-up of Rs. 2,000 million in 1974-75 compared with which there is estimated to be no increase in stocks during 1975-76. The expenditure in current prices on fixed investment and consumption is, therefore, projected to increase by 17.3 percent which corresponds to a real increase of about 10 percent.

2.21. The largest increase is projected for fixed investment which is planned to be 25 percent higher in 1975-76 in current prices. The increase in real terms would be around 18 percent. Although, the investment projection incorporates an improvement in private investment activity, the major increase will take place in public and semi-public sectors. The accent in these sectors will shift towards industry and fuel and power owing to the concurrent implementation of certain large projects such as the Steel Mills, Fertilizer Factories, Power Generation at Tarbela and Gas Pipelines. Although, these projects are import intensive and there is a corresponding increase in project aid disbursement, the implementation of the investment programme will require a marginal rate of saving of 17 per cent compared with realisation of about 6 percent in 1974-75. Most of the savings will have to emanate in or flow into the public and semi-public sectors for which budgetary and credit allocations have been provided.

2.22. Consumption expenditures are projected to increase by 16 percent in current prices and by about 7 percent in real terms. In current prices, the increase is of similar proportion in private and government consumption. However, Government consumption projections are considerably affected by the increase in salaries awarded in April 1975. In constant prices, the increase in Government consumption will be less than 7 percent and in private consumption more than 7 percent. The increase in private consumption will provide for an improvement in *per capita* terms of about 4-5 per cent which is not very substantial especially in view of the nominal increase during 1974-75. However, Pakistan is still subject to an adverse international situation which does not permit for simultaneous and sharp increases in consumption as well as investment. The choice during 1975-76 is to increase savings and investment in order to provide for larger consumption subsequently.

TABLE IV  
*Macro-economic Framework*

	Rs. Million, Current Prices*		
	1973-74	1974-75	1975-76
GDP at factor cost .. .. .	79090	100158	116000
Indirect taxes .. .. .	7115	10900	13600
Subsidies(—) .. .. .	2169	3800	2500
GDP at market prices .. .. .	84036	107258	127100
Imports of goods and services .. .. .	16524	25620	26550
<b>Total Resources .. .. .</b>	<b>100560</b>	<b>132878</b>	<b>153650</b>
Private consumption .. .. .	67628	88888	103030
Government consumption .. .. .	8555	12000	14000
Fixed investment .. .. .	11477	17450	21800
Changes in stocks .. .. .	1000	2000	0
Exports of goods and services .. .. .	11900	12540	14820
<b>Total Uses .. .. .</b>	<b>100560</b>	<b>132878</b>	<b>153650</b>

\* 1975-76 prices are assumed to stay at June, 1975 levels.

## OVERALL INVESTMENT PROGRAMME AND ITS FINANCING

## Review of 1974-75

3.1. The major positive achievement of the economy during 1974-75 was an increase in the level of investment. It was possible to implement a larger public sector development programme of about Rs. 10,767 million as against the planned outlay of Rs. 8,500 million. The investment part of the public sector expenditure is around Rs. 10,430 million. Private investment is estimated at Rs. 5,800 million. In addition, an investment of Rs. 1,220 million is also estimated by the semi-public sector including projects of BIM and Provincial Industrial Development Boards not covered by the Annual Development Programme.

3.2. Total fixed investment during 1974-75 is, thus, estimated at Rs. 17,450 million as against an investment of Rs. 11,477 million during 1973-74—an increase of about 52 per cent in money terms. The gross investment including changes in stocks of roughly Rs. 2,000 million amounts to Rs. 19,450 million as against Rs. 12,477 million during 1973-74. In real terms, on comparable prices, gross investment during 1974-75 has been around Rs. 16,000 million. Thus, the increase in gross investment has been significant both in monetary and real terms. As a ratio of GDP, gross investment is likely to be more than 18 per cent in 1974-75 against 16 per cent in 1973-74. The investment ratio is thus regaining a level required to achieve a reasonable sustained growth and a steady improvement in the standard of living of the people.

3.3. The increase in investment has been achieved despite serious strains in the economy. The decline in terms of trade adversely affected the availability of domestic savings. Investment was, therefore, financed mainly with the help of extensive external borrowings especially from oil producing countries. Net external resources are estimated at Rs. 12,200 million as against around Rs. 5,465 million during 1973-74. The increase in foreign resources in money terms needs to be adjusted for world-wide inflation and steep rise in the prices of goods and services obtained under assistance arrangements. The impact of the terms of trade on Pakistan's economy is estimated at \$ 800—900 million which is more than the increase in foreign assistance.

3.4. Domestic savings, on the other hand, increased at a slower rate. A significant development was a decline in public savings over the level achieved during 1973-74. As a matter of fact, public savings during the year were negative to the extent of Rs. 740 million. This was primarily due to increased expenditures on subsidies and other unavoidable non-developmental items. Gross investment, as a whole, is being financed to the extent of Rs. 7,250 million by domestic savings—37 per cent of the total gross investment as against 56 per cent during 1973-74.

## Programme for 1975-76

3.5. A sharp increase in investment activity is being planned during 1975-76 also. Fixed investment is projected at Rs. 21,800 million as against Rs. 17,450 million during 1974-75, implying an increase of about 25 per cent. Public sector development expenditure has been budgeted at Rs. 13,700 million. The investment outlays in the public sector are estimated at Rs. 12,700 million. In addition, the Board of Industrial Management is expected to make an investment of about Rs. 927 million which has not been reflected in the budget. Investment to the extent of Rs. 200 million is also envisaged by the Provincial Boards of Industrial Management which too does not appear in the ADPs. Investment in the semi-public sector organizations like KPT, KESC, PIA, gas companies, Road Transport Boards etc., is projected at Rs. 1573 million as against Rs. 1,138 million during 1974-75. Private investment is projected to increase by about 10 per cent to a level of Rs. 6,400 million. The details of these investment outlays are spelled out in Chapters 4, 6 and 7.

## Financing during 1975-76

3.6. The net external resources inflow during 1975-76 is likely to be slightly lower than in 1974-75. Thus, the increase in investment is being met from increased domestic savings which are likely to finance almost 49 per cent of the total investment as against 37 per cent during 1974-75. Domestic savings, on the whole, are likely to increase by Rs. 3,500 million of which roughly two-third is likely to accrue in the public sector. Efforts of the public sector would mainly stem from the fiscal measures taken during 1974-75 which alone are estimated to contribute about Rs. 1,500 million during 1975-76. Government's determination to further increase public sector savings is visible in the budget for 1975-76 which has moved strongly in this direction by providing various incentives for private savings and investment.

3.7. Table I indicates the overall position of financing of investment during 1974-75 and 1975-76.

TABLE I  
*Financing of Investment 1974-75 and 1975-76*

											(Million Rs.)	
											1974-75	1975-76
Total Investment	..	..	..	..	..	..	..	..	..	..	19,450	21,800
Financed by :												
(a) Net External Resources	..	..	..	..	..	..	..	..	..	..	12,200	11,050
(b) Domestic Savings	..	..	..	..	..	..	..	..	..	..	7,250	10,750
(i) Public Savings	..	..	..	..	..	..	..	..	..	..	(-) 740	1,850
(ii) Private Savings	..	..	..	..	..	..	..	..	..	..	7,990	8,900

3.8. The gross inflow of foreign resources during 1975-76 is estimated at Rs. 13550 million. The net external resources, however, are likely to be around Rs. 11,050 million as against Rs. 12,200 million during 1974-75. The net external resources are likely to finance around 51 per cent of gross investment as against 63 per cent in 1974-75. As a percentage of GDP, these are likely to be 9.6 per cent during 1975-76 as against 12.1 per cent during 1974-75. Thus, though the contribution of net foreign resources in financing investment is still very substantial, it is considerably lower than what it was in 1974-75. Details of foreign resources are given in the Chapter on Balance of Payments.

3.9. The contribution of domestic savings in financing investment has been projected at Rs. 10,750 million as against Rs. 7,250 million during 1974-75 showing an increase of Rs. 3,500 million in one year. About 60 per cent of this increase is likely to accrue in the public savings which are estimated to increase by Rs. 2590 million. Broad details of domestic savings are shown in Annexure I and explained in the subsequent paragraphs.

3.10. The budgetary surplus including contribution of autonomous bodies which was negative to the extent of Rs. 1,200 million in 1974-75 is likely to be positive to the extent of Rs. 1,350 million in 1975-76. This improvement has occurred largely as a result of the measures taken by the Government in April, 1975 and in the budget for 1975-76. The measures taken in April, 1975 have substantially reduced the quantum of subsidies. Food subsidies have been virtually eliminated through the increase in the price of wheat, sugar and vegetable ghee. The import duties levied in April, 1975 are likely to increase the import duties by around Rs. 250 million during 1975-76. The fiscal measures taken in the budget for 1975-76 are likely to yield around Rs. 310 million during the course of the year. Details of financing of public sector development outlays are given in Chapter 5.

3.11. Overall private savings are likely to increase from Rs. 7990 million in 1974-75 to Rs. 8900 million during 1975-76. Most of this increase will accrue in household savings which are estimated to increase by about 11 per cent during 1975-76.

3.12. Corporate savings of the public and semi-public sectors are likely to show an improvement of 25 per cent over the level of Rs. 420 million achieved during 1974-75. In the private sector, these savings represent mainly the ploughing back of profits for investment. In the semi-public sector, the savings represent the self-financing efforts of organizations like KPT, KESC, BIM etc. which generate their own funds for investment.

3.13. The household savings represent the savings likely to be used for investment channelled either through the financial institutions or households themselves. These also include the transfer of the private savings to the public sector through small savings schemes.

3.14. The savings likely to be channelled through financial institutions are likely to increase from Rs. 1900 million in 1974-75 to Rs. 2675 million in 1975-76. A major portion of this increase is likely to be through credits which are now increasingly being used for investment purposes. The contribution of non-banking financial institutions relates to the investment by NDFC and other agencies out of their own resources.

The credit

from the banking system projected to be utilized for investment purposes is being earmarked to the extent of Rs. 1420 million for the private sector mainly in the field of agriculture, industry and housing and Rs. 840 million for Government controlled industries, road transport corporations and gas companies. The rationale of these projections have been spelled out in detail in the Chapter on Monetary Policy and Credit Plan.

3.15. The self-financing Investment of the household would be in the private sector. These are likely to be utilized mainly in the field of agriculture, housing, transport and communications and small scale industries. The household saving efforts in the private sector are not likely to pose any problem as the major programmes being proposed in these sectors are expected to be financed from the additional income generated in these sectors by the households themselves.

## DOMESTIC SAVINGS

(Million Rs.)

	1974-75	1975-76
<b>Total Savings</b> .. .. .	7,250	10,750
<b>Public Savings</b> .. .. .	—740	1850
<b>Budgetary surplus*</b> .. .. .	—1,200	1,350
<b>Repayment of debt (Principal)</b> .. .. .	650	760
<b>Investment in current budget</b> .. .. .	680	800
<b>Non-investment development outlay (—)**</b> .. .. .	—1270	—1460
<b>Investment of local bodies and autonomous bodies (Non-ADP)</b> .. .. .	400	400
<b>Semi-Public/Private Savings</b> .. .. .	7990	8900
<b>Corporate Savings</b> .. .. .	420	525
(a) Private .. .. .	180	200
(b) Semi-Public .. .. .	240	325
<b>Household Savings of which through</b> .. .. .	7,570	8375
(a) Banking institutions .. .. .	1,700	2260
(b) Non-Banking financial institutions] .. .. .	200	415
(c) Transfers to Public sector (deficit financing and net capital receipts) .. .. .	2,380	2,000***
(d) Self Investment and others .. .. .	3,290	3,700

\*Revenue surplus + contribution of autonomous bodies.

\*\*Adjusted for transfers to private and semi-public sectors.

\*\*\*Gross of repayment of Rs. 1,150 million of food credit.

—This type of table has been prepared for the first time.  
Refinements in concepts and measurement may lead to some alterations.



## PUBLIC SECTOR DEVELOPMENT PROGRAMME

## Review of ADP 1974-75

The Annual Development Programme for 1974-75 envisaged an allocation of Rs. 9470 million (Gross) and Rs. 8500 million (Net). During the course of the year, additional allocations of Rs. 1067 million were made for certain important projects. These additional allocations were rendered necessary for a variety of reasons. Firstly, cost over runs resulting from inflationary pressures at home and abroad could not be fully anticipated at the time of original plan formulation. While in some cases, the difference was absorbed by anticipated shortfalls in physical progress, in cases where it was essential to protect physical targets, financial allocations had to be increased. Secondly, as a result of periodical review of the programme, it was decided to intensify the development effort in certain key sectors as also in less developed regions. Fresh allocations were also made, therefore, for starting a few new projects. Thus not only the anticipated shortfall did not take place, but the overall development expenditure exceeded the original gross allocation. There was a minor shortfall of Rs. 230 million compared to revised gross allocation of Rs. 10537 million. As a result of unforeseen demands such as Tarbela repairs, more rapid implementation of schemes in Tribal Areas, urgent need to take up certain new projects on an emergency basis *viz.* power projects, and increase in prices, the expected development expenditure is about Rs. 10767 million. As against the Federal and Provincial allocations of Rs. 6240 million and Rs. 2260 million, respectively, the revised estimates of Federal and Provincial ADPs are now placed at Rs. 7956 million and Rs. 2811 million.

## ADP 1975-76

4.2. The National Economic Council approved ADP allocation of Rs. 13700 million (Rs. 10350 million for Federal Programmes and Rs. 3350 million for Provincial Programmes). The Provincial Governments were allowed, however, to increase their development spending by economizing non-development expenditure and by mobilizing larger resources. The Provincial Governments have formulated gross programmes aggregating Rs. 3769 million and are planning to attain a net implementation somewhat higher than Rs. 3350 million. The Programmes are analysed in the Plan on the basis of gross allocations, while for relating the magnitude of public investment with other variables, it is assumed that the implementation would be roughly Rs. 13700 million. The gross size of the programme however, works out to Rs. 14116 million (Rs. 10347 million for Federal Programme, and Rs. 3769 million for Provincial programme). Agency-wise breakup of these allocations is indicated in Annexure-I.

4.3. The Annual Development Programme for Rs. 13700 million represents an increase of about 61 per cent over the original ADP of Rs. 8500 million for 1974-75. The main objectives of the development programme for 1975-76 are :—

- (i) to achieve a big push in agricultural production for which both technology and inputs are available.
- (ii) to take full advantage of world economic recovery to regain growth in industrial production, particularly in textiles, which has been hit by the world recession.
- (iii) to move towards removal of power and transportation shortages, emphasising the essential requirements of industry and agriculture.
- (iv) to earmark more funds for major ongoing long gestation projects such as fertilizer factories and the steel mill.
- (v) to protect the requirements of agriculture inputs which yield quick return.
- (vi) to accelerate the implementation of the programme for Anti water-logging and salinity in view of its importance for agricultural development.

4.4. Briefly, the increase in the size of public sector development programme can be attributed to following factors :—

- (a) the growing requirements for completing the on-going projects commenced during the last two years;
- (b) extension of basic infrastructure such as transport and power development ;
- (c) exploitation and exploration of indigenous source of energy ;

- (d) a major effort to remove dependence on imports in critical areas like fertilizer and steel which requires substantial bumpy investment ; and
- (e) the impact of rising prices on cost of projects.

4.5. The Federal Government would undertake a net programme of Rs. 10346.707 million including Rs. 530.569 million for Indus Basin/Tarbela, Rs. 120 million for Earthquake Relief and Reconstruction Programme, Rs. 100 million for Sports complex to be Constructed at Islamabad with Chinese Assistance, Rs. 220 million for Tribal Areas, Rs. 70 million for Northern Areas and Rs. 120 million for Azad Kashmir.

4.6. The size of the Provincial programmes has increased from Rs. 2260 million in 1974-75 to Rs. 3350 million in 1975-76 an acceleration of about 50% which comprises Rs. 1807.500 million for Punjab, Rs. 675.000 million for Sind, Rs. 576.700 million for NWFP and Rs. 290.800 million for Baluchistan which would be provided by the Federal Government.

4.7. Of the Federal financing of Rs. 3350 million, an amount of Rs. 3000 million has been allocated to the Provinces on the basis of population and an additional amount of Rs. 175 million has been provided to each of the two provinces (NWFP and Baluchistan) for accelerating their development effort. The provincial allocations on the basis of population and with the edge given to NWFP and Baluchistan are given in table I.

TABLE I  
PROVINCIAL ALLOCATIONS FOR 1975-76

Provinces	(Million Rupees)		
	Allocations on the basis of population	Special allocations	Total
Punjab	1807.5	—	1807.5
Sind	675.0	—	675.0
N.W.F.P.	401.7	175.0	576.7
Baluchistan	115.8	175.0	290.8
<b>Total</b>	<b>3000.0</b>	<b>350.0</b>	<b>3350.0</b>

4.8. As envisaged in the Development Perspective (1975—80), the investment in industry has risen sharply from 16% of the total to 22%. This increase has inevitably been at the expense of other sectors except Fuel and Power. The increase of Rs. 4,110 million between ADP 1974-75 (Original) and 1975-76, Rs. 1,210 million or roughly 30% is accounted for by the expansion in the Industrial Programme mainly the Steel Mill and Fertilizer Factories for which allocations of Rs. 780 million, and Rs. 910 million have been made respectively. By keeping aside the allocations in respect of Steel Mill and Fertilizer projects from the total programme of Industry Sector, the balance comes to the tune of Rs. 802 million which is about 12% of total allocation. The important reasons for increase for allocations in industries are lumpiness of expenditure on major projects, nationalisation of certain industries and the establishment of industries in backward areas of Baluchistan, Tribal Areas and Azad Kashmir.

#### SECTORAL PROGRAMMES

4.9. The largest single allocation has been made for industrial programme for which Rs. 2492 million have been earmarked. The emphasis in industrial sector, apart from steel mill which is regarded essential for providing basic support to the entire range of capital goods industry, is being placed on agriculture-related industrialization. The industrial programme aims at making the country self-sufficient in fertilizer by 1978 as also expanding rapidly the agro-based industries viz sugar and textiles. Substantial investments in steel and capital goods industry are being financed to provide a sound basis for self-reliant industrial development. The second priority has been given to transport and communications projects which claim an allocation of

Rs. 2413 million. The programme would ensure that transport and communications bottlenecks do not develop and retard economic progress. Power development has claimed a share of Rs. 2072 million. In addition, a provision of Rs. 824 million has been made for the fuel programme. Physical planning and housing sector has been allocated Rs. 1124 million. A provision of Rs. 1350 million has been made for Education, Health, and other social sector activities. Special emphasis has been laid on programmes of Malaria Eradication and Population Planning.

4.10. Due emphasis has been laid on agricultural development, which is evident from the fact that agriculture and water programmes (including SCARP projects ; tubewell connections, Tarbela) have altogether been allocated Rs. 3091 million. To meet the growing need of fertilizer, three fertilizer factories are being set up in the public sector ; the Pak-Arab Factory at Multan, the National Fertilizer Corporation Factory at Mirpur Mathelo and the Urea Plant at Hazara, for which an allocation of Rs. 910 million has been made during 1975-76. The total allocation in respect of agriculture, water, fertilizer projects and power programme which benefit the agricultural production comes to the tune of about Rs. 5000 million which is about 36% of gross allocations, which would help to achieve a break-through in agricultural production by taking advantage of the increases in irrigation water made available by Tarbela Dam.

4.11. Sector-wise distribution of the development programme for 1975-76 is presented in Table II, while detailed breakdown by executing agencies is in Annexure II.

TABLE II

Sectorwise Distribution of ADPs 1974-75 and 1975-76

(Million Rupees)

Sl. No.	Sector	Original A.D.P. 1974-75	A.D.P. 1975-76	Percentage increase in 1975-76 over 1974-75
<b>A. Sectoral Programme</b>				
1.	Agriculture	997.914	1225.244	22.78
2.	Water	792.606	1335.956	49.67
3.	Power	1302.373	2072.214	59.10
4.	Industry	1276.071	2492.214	95.30
5.	Fuels	382.791	824.127	115.30
6.	Minerals	27.420	73.536	168.20
7.	Transport and Communications	2088.787	2413.337	15.50
8.	Physical Planning and Housing	728.330	1092.322	49.98
9.	Mass Media	—	88.600	—
10.	Education and Training	485.667	636.630	31.08
11.	Health	309.001	648.569	109.98
12.	Population Planning	145.000	189.490	30.70
13.	Social Welfare	14.657	18.226	24.40
14.	Manpower and Employment	27.949	31.563	12.93
15.	People's Works Programme	109.821	211.440	92.53
16.	Lump-sum Provision for essential schemes	—	12.000	—
Total (Sectoral Programme)		8788.387	13365.468	52.10
B. Indus Basin/Tarbela		682.093	530.569	—
C. Earthquake Relief and Reconstruction Programme		—	120.000	—
D. Sports Complex		—	100.000	—
Total (Gross)		9470.480	14116.033	49.00
Less Operational Shortfall		970.580	419.330	—
Total (Net)		8500.000	13696.707	61.11

## **Agriculture**

4.12. Agriculture has been assigned a prominent place in the Annual Development Programme. Allocation for this sector has been increased from Rs. 997.914 million in 1974-75 to Rs. 1225.244 million in 1975-76. This includes Rs. 431.300 million on account of subsidy on fertilizer in 1975-76 against Rs. 324.934 million in 1974-75. Provision for plant protection coverage in the Federal ADP has been increased from Rs. 129.375 million in 1974-75 to Rs. 140.150 million in 1975-76. In order to promote basic research in the field of agriculture which inter alia envisages launching of research programmes for rice, maize, sorghum and fodder, Agricultural Research Council has been allocated Rs. 46.200 million as against Rs. 30.400 million in 1974-75. A provision of Rs. 7.500 million for Rice storage has also been made in the Federal ADP 1975-76.

## **Industry**

4.13. Allocation for the Industry Sector in 1973-74 was Rs. 382 million. It was raised to Rs. 1276 million in 1974-75, against which a provision of Rs. 2492 million has been made for 1975-76. About 40% of the allocation in this sector is meant to provide essential commodities to the masses and to produce capital goods industries. In order to strengthen the base of the economy by developing basic industries in the public sector and to move towards self-reliance an allocation of Rs. 1030 million has been earmarked for iron and steel and Heavy engineering industries. Provision for Karachi Steel Mill in the Federal ADP has been increased from Rs. 410 million in 1974-75 to Rs. 780 million in 1975-76, and the provision for National Fertilizer Corporation has been increased from Rs. 393 million in 1974-75 to Rs. 909.600 million in 1975-76. An allocation of Rs. 230 million has been made for agrcbased industries while allocations for other Industrial Development Corporations have also been increased from Rs. 51 million to Rs. 277 million in 1975-76.

## **Minerals**

4.14. In the Minerals Sector a provision of Rs. 73.536 million has been made for exploration and development work including Rs. 24.560 million for Geological Survey of Pakistan schemes. Another amount of Rs. 4.000 million has been allocated for PIDC Mineral Development Programme. Total provision for Mineral Sector in 1975-76 Federal ADP is Rs. 52.198 million as against Rs. 26.054 million in 1974-75.

## **Fuels**

4.15. In the Fuels Sector, a provision of about Rs. 824.127 million has been made in Federal ADP for 1975-76, as against Rs. 382.791 million in 1974-75. Allocation for development of Oil and Gas Resources is Rs. 278.130 million, and allocation for Gas Operations is fixed at Rs. 240.000 million. Petroleum Refining and oil Operations have been provided Rs. 128 million and Rs. 144.943 million, respectively.

## **Water**

4.16. An amount of Rs. 1335.956 million has been earmarked for the Water Sector Programme during 1975-76, in addition to Rs. 530.569 million earmarked for Tarbela/Indus Basin Works. More than 50% of the Water sector allocation viz Rs. 682.090 million is reserved for WAPDA for the accelerated programme to control salinity and Waterlogging in the country. In addition to these Rs. 15 million have been set aside for Meteorological Services and Rs. 6.850 million for Irrigation, Drainage and Flood Control Research. Sufficient Funds have also been set aside for investigation schemes in all the four Provinces.

## **Power**

4.17. The allocation for Power Development by WAPDA during 1975-76 has been put at Rs. 2072.214 million as against Rs. 1204.973 million in 1974-75. This represents an increase of about 62% over the ADP 1974-75. Major components of this allocation are Rs. 516 million for generation, Rs. 737 million for transmission, Rs. 350 million for distribution and village electrification and Rs. 300 million for secondary transmission.

## **Transport and Communications**

4.18. Greater emphasis has been given on improvement of communication to provide better access to relatively less developed areas including Northern Areas, tribal areas, Azad Kashmir and Baluchistan. The ADP provides allocation of Rs. 2413.337 million for Transport and Communications Sector, as against Rs. 2088.787 million in 1974-75. The transport sector includes allocation of Rs. 620 million for Pakistan Railways. The railway programme envisages expansion of line capacity works, removal of operation bottlenecks, rail and sleeper renewals, quadrupling of lines on Karachi-Pipri-Section, purchase of locomotives and substantial addition of rolling stocks.

4.19. An allocation of Rs. 128 million has been made for Port Qasim project for construction of marginal wharf with four berths of 1.2 ton capacity which would be relieving congestion at Karachi Port. It is proposed to install 25,000 telephones and to make substantial progress in trunk system of coaxial cable microwave system between Rawalpindi and Peshawar. With an allocation of Rs. 250 million for the development of telecommunications. An allocation of Rs. 40 million has been made for civil aviation mainly for ongoing projects, and new projects which include establishment of civil aviation Institute at Hyderabad, Basic Aerodrome facilities at Saidu Sharif. Rs. 10 million have been allocated for the Post Offices for progressing work on different ongoing and new schemes including residential staff quarters and other postal buildings. Rs. 88.600 million have been provided for Mass Media Sector, including Radio and Television during 1975-76.

#### **Education and Training**

4.20. In the education and training sector, total allocation for 1975-76 stands at Rs. 636.630 million, as compared to Rs. 485.657 million for 1974-75. Federal programme amounts to Rs. 252.631 million comprising, *inter alia*, Rs. 13.400 million for books and Libraries, Rs. 22 million for archaeology, museums and archives, Rs. 50 million for re-construction of flood damaged institutions, and Rs. 30 million for Federal hostels, etc. Some other educational programmes, which are common undertakings of Federal as well as provincial governments, will consume Rs. 366.300 million (*i.e.* primary education Rs. 61.096 million secondary education Rs. 86.900 million, college education Rs. 65.434 million, university education Rs. 83.848 million, teachers education Rs. 17.879 million and loans and scholarships Rs. 51.143 million).

#### **Physical Planning and Housing**

4.21. An allocation of Rs. 1092.322 million has been made for physical planning and housing sector which includes Rs. 100 million for House Building Finance Corporation to enable them to increase their loaning activity and Rs. 30 million for house building advance to Government servants. Other major allocations are Rs. 267.451 million for public health engineering, Rs. 85.799 million for Construction of residential accommodation for Government servants, Rs. 91.400 million for construction of government Offices accommodation and Rs. 86.100 million for the CDA for essential programmes including the construction of Presidential Estate and Simly Dam Project. Rs. 30.170 million have been provided for development of Tourism.

#### **Health**

4.22. As against a total allocation of Rs. 454.001 million in 1974-75 for health sector and population planning, the total allocation for these programmes for 1975-76 is of the order of Rs. 838.059 million which works out to an increase of Rs. 85%. About two-third of this allocation *viz.* Rs. 545.466 million is for implementation of Federal Programme and the balance for provincial programmes. Major components of the federal programme are Rs. 239.100 million for Malaria Eradication, Rs. 80.038 million for health services and Rs. 189.490 million for Population Planning etc.

#### **Manpower and Employment**

4.23. An allocation of Rs. 31.563 million has been provided for Manpower and employment sector which includes Rs. 15 million for NDVP. Allocations for social sector during 1975-76 is Rs. 18.226 million. The major emphasis will be on the ongoing projects with attempt to strengthen and standardise them to offset the complex social repercussions of economic development. The Federal Government will undertake a programme of Rs. 6.200 million during 1975-76, which includes Rs. 2.400 million as grant-in-aid to Social welfare agencies, universities and colleges for development of volunteer social work and encouragement of private investments in social welfare activities.

#### **People's Works Programme**

4.24. Allocation for People's Works Programme in ADP 1975-76 is Rs. 211.440 million as against Rs. 109.821 million in 1974-75.

4.25. The Sectoral priorities for ADP 1974-75 and 1975-76 are presented in Annexure III.

## DEVELOPMENT PROGRAMMES FOR 1974-75 AND 1975-76 BY EXECUTING AGENCIES

(Million Rupees.)

Sector	1974-75 (Budget)	Allocation for 1975-76	Percentage increase
<b>1. Federal Programme :—</b>			
(a) Federal Government .. .. .	2753.480	3963.612	43.9
<b>(b) WAPDA :</b>			
(i) Water .. .. .	400.000	682.090	70.5
(ii) Power .. .. .	1935.446	1204.970	—
(c) Pakistan Railways .. .. .	770.000	620.000	—
<b>(d) Industrial and Mineral Development Corporations :—</b>			
(i) Karachi Steel Mills Corporation .. .. .	410.000	780.000	90.3
(ii) P.I.D.C. .. .. .	78.500	193.780	146.8
(iii) National Fertilizer Corporation .. .. .	393.000	909.600	131.4
(iv) Federal Chemical and Ceramics Corporation .. .. .	43.300	153.520	254.5
(v) State Heavy Engineering Corporation .. .. .	105.760	83.300	—
(vi) State Petroleum Refinery and Petrochemical Corporation .. .. .	31.500	128.000	306.3
(vii) State Cement Corporation .. .. .	—	115.900	—
(viii) Other Industrial and Mineral Development Corporations .. .. .	10.500	7.690	—
(e) Indus Basin/Tarbela .. .. .	682.090	530.569	—
(f) Earthquake Relief and Reconstruction Programme .. .. .	—	120.000	—
(g) Sports Complex .. .. .	—	100.000	—
<b>Total Federal Programme (Gross)</b> .. .. .	<b>6883.080</b>	<b>10346.707</b>	<b>50.3</b>
<b>Less Shortfall</b> .. .. .	<b>643.080</b>	<b>—</b>	<b>—</b>
<b>Total (Net)</b> .. .. .	<b>6240.000</b>	<b>10346.707</b>	<b>65.8</b>
<b>2. Provincial Governments :</b>			
(i) Punjab .. .. .	1200.000	1807.500	50.62
(ii) Sind .. .. .	450.000	675.000	50.00
(iii) N.W.F.P. .. .. .	400.000	576.700	44.18
(iv) Baluchistan .. .. .	210.000	290.800	38.48
<b>Total Provincial Programmes (Net)</b> .. .. .	<b>2260.000</b>	<b>3350.000</b>	<b>48.23</b>
<b>Total A.D.P. (Net)</b> .. .. .	<b>8500.000</b>	<b>13696.707</b>	<b>61.11</b>

## ANNUAL DEVELOPMENT PROGRAMME 1975-76 BY PROVINCES AND FEDERAL GOVERNMENT

(Million Rupees.)

Sl. No.	Sector	Federal	Punjab	Sind	N.W.F.P.	Baluchistan	Total
<b>A. Sectoral Programme :</b>							
1.	Agriculture	682.974	349.342	65.300	85.982	41.646	1225.244
2.	Water	747.331	329.844	112.100	77.589	69.092	1335.956
3.	Power	2072.214	—	—	—	—	2072.214
4.	Industry	2347.560	37.000	23.000	67.531	17.123	2492.214
5.	Fuels	824.127	—	—	—	—	824.127
6.	Minerals	52.198	1.000	—	20.338	—	73.536
7.	Transport and Communications	1562.500	415.000	242.900	108.160	84.777	2413.337
8.	Physical Planning and Housing	378.443	398.644	154.200	128.155	32.880	1092.322
9.	Mass Media	85.600	2.000	—	1.000	—	88.600
10.	Education and Training	252.631	232.000	61.000	70.700	20.299	636.630
11.	Health	355.976	150.000	67.500	62.910	12.183	648.569
12.	Population Planning	189.490	—	—	—	—	189.490
13.	Social Welfare	6.200	10.000	1.500	0.526	—	18.226
14.	Manpower and Employment	18.454	10.000	0.500	0.609	2.000	31.563
15.	People's Works Programme	20.440	130.000	32.000	9.000	20.000	211.440
16.	Lumpsum Provision for essential new schemes	—	12.000	—	—	—	12.000
Total (Sectoral Programme)		9596.138	2076.830	760.000	632.500	300.000	13365.468
<b>B. Indus Basin/Tarbela</b>		530.569	—	—	—	—	530.569
<b>C. Earthquake Relief and Reconstruction Programme</b>		120.000	—	—	—	—	120.000
<b>D. Sports Complex</b>		100.000	—	—	—	—	100.000
Total (Gross)		10346.707	2076.830	760.000	632.500	300.000	14116.037
Less Operational Shortfall		—	269.330	85.000	55.800	9.200	419.330
Total (Net)		10346.707	1807.500	675.000	576.700	290.800	13696.707

## PRIORITIES FOR DEVELOPMENT PROGRAMME FOR 1974-75 AND 1975-76

(Million Rupees)

Sectors	ADP 1974-75		ADP 1975-76	
	Allocations	%	Allocations	%
<b>A. Sectoral Programme :</b>				
1. Agriculture .. .. .	997.914	10.5	1225.244	8.7
2. Water .. .. .	892.606	9.5	1335.956	9.5
3. Power .. .. .	1302.273	13.7	2072.214	14.6
4. Industry .. .. .	1276.071	13.4	2492.214	17.6
5. Fuels .. .. .	382.791	4.0	824.127	5.8
6. Minerals .. .. .	27.420	0.3	73.536	0.6
7. Transport and Communications .. .. .	2088.787	22.0	2413.337	17.0
8. Physical Planning and Housing .. .. .	728.330	7.6	1092.322	7.7
9. Mass Media .. .. .	—	—	88.600	0.6
10. Education and Training .. .. .	485.667	5.2	636.630	4.5
11. Health .. .. .	309.001	3.3	648.569	4.6
12. Population Planning .. .. .	145.000	1.6	189.490	1.4
13. Social Welfare .. .. .	14.657	0.2	18.226	0.2
14. Manpower and Employment .. .. .	27.949	0.3	31.563	0.3
15. People's Works Programme .. .. .	109.821	1.2	211.440	1.5
16. Lumpsum Provision for essential new schemes .. .. .	—	—	12.000	0.1
<b>Total (Sectoral Programme)</b> .. .. .	<b>8788.387</b>	<b>—</b>	<b>13365.468</b>	<b>—</b>
<b>B. Indus Basin/Tarbelas</b> .. .. .	<b>682.093</b>	<b>7.2</b>	<b>530.569</b>	<b>3.8</b>
<b>C. Earthquake relief and Reconstruction Programme</b> .. .. .	<b>—</b>	<b>—</b>	<b>120.000</b>	<b>0.9</b>
<b>D. Sports Complex</b> .. .. .	<b>—</b>	<b>—</b>	<b>100.000</b>	<b>0.6</b>
<b>Total (Gross)</b> .. .. .	<b>9470.480</b>	<b>100.0</b>	<b>14116.037</b>	<b>100.0</b>
<b>Less Operational Shortfall</b> .. .. .	<b>970.580</b>	<b>—</b>	<b>419.330</b>	<b>—</b>
<b>Total (Net)</b> .. .. .	<b>8500.000</b>	<b>—</b>	<b>13696.707</b>	<b>—</b>



## CHAPTER 5

### FINANCING OF PUBLIC SECTOR DEVELOPMENT PROGRAMME

The level of public sector development expenditure for 1974-75 was fixed at Rs. 8,500 million. The budget had envisaged that at this level, the development outlay would be financed by Rs. 2,926 million of domestic resources and Rs. 5,574 million of foreign assistance. The projections of domestic resources assumed a substantial increase over the previous year's level despite the tax reliefs and wage increase allowed in the budget. The estimates of foreign assistance were also based on increased availability of project assistance as well as rupee generating aid.

#### Review of 1974-75

5.2. The mobilization of financial resources for meeting the requirements of public sector development programme was adversely affected by several factors. Basic among these was an adjustment to the rapidly changing world economic situation. The budgetary receipts of the Federal Government have been, over a long period, critically dependent upon import and export taxes. Even other direct and indirect taxes are considerably influenced by trends in international trade pattern. The world recession forced a reduction in export duties on a large number of items. It had to be abolished altogether on certain important exports. On the other hand, subsidy bill was mounting as a result of rising world prices of imports. Attempt was made to make up revenue losses by a series of measures which became necessary as a result of continuous review of the situation. Despite these efforts, the year closed with negative public savings. The impact of the measures was mainly defensive during the year. These saved the situation from becoming unmanageable. However, for the year 1975-76, the measures adopted during 1974-75 prepared the ground for considerable improvement in domestic resource mobilization.

5.3. The specific fiscal measures taken during the course of the year are as follows :—

- (a) Export duties on cotton yarn and certain other items were abolished while these were reduced in some other cases in order to help boost exports. Simultaneously, import duty of Rs. 2.75 per lb. was imposed on cupprammonium rayon, viscose rayon and acetate rayon while other yarns of man-made fibre were subjected to a regulatory duty of Rs. 3.50 per lb. In a major move to meet the challenge of international slump in cotton industry, the excise duty on cotton yarn was also reduced to provide relief to the industry.
- (b) Import duties on 22 items were increased by 25 per cent *ad valorem* in February, 1975. Simultaneously, the prices of petrol, regular and high octane and kerosene were raised by rupee one per gallon. The price of gas was increased by 50 per cent of the pre-budget price prevalent in June, 1974 for all consumers excluding domestic users. WAPDA power rates were raised by 15 per cent for consumers other than domestic. For domestic consumers, the tariff was revised to be 25 paise per unit for first 20 units and 20 paise per unit for units exceeding twenty.
- (c) A wage/price package was announced by the Government on the 7th April, 1975 under which the prices of wheat, vegetable ghee, and sugar were raised from Rs. 21.50 per maund, Rs. 7.50 per seer and Rs. 3.50 per seer to Rs. 32.00 per maund, Rs. 9.00 per seer and Rs. 4.00 per seer respectively. In a simultaneous move to ease the burden of higher prices, an additional tax free dearness allowance of Rs. 25.00 per month was sanctioned for all government employees, workers in the organised industrial and commercial sectors and pensioners.

5.4. The financial resources for development during 1974-75 are estimated to have been affected as follows as a result of the developments mentioned above :—

	(Million Rs.)
A. Revenues .. .. .	(—) 782
1. Reduction in export duties and excise duty on yarn .. .. .	(—) 1,118
2. Increase in import duties .. .. .	( ) 66
3. Increase in excise duty as a result of price adjustment of sugar .. .. .	(+) 30
4. Increase in prices of motor gasoline, high octane and kerosene oil .. .. .	(+) 111
5. Revision of power rates .. .. .	(+) 27
6. Increase in the price of gas .. .. .	(+) 102

<b>B. Non-Development Expenditure</b>	..	..	..	..	..	..	..	..	..	..	(+) 2,064
1. Increase in food subsidy as a result of shortfall in domestic supply	..	..	..	..	..	..	..	..	..	..	(+) 2,200
2. Saving in food subsidies as a result of price adjustment	..	..	..	..	..	..	..	..	..	..	(-) 230
3. Expenditure on special dearness allowance of Rs. 25.00 P.M.	..	..	..	..	..	..	..	..	..	..	(+) 94
<b>C. Net Effect</b>	..	..	..	..	..	..	..	..	..	..	(-) 2,846

5.5. The total non-inflationary resources are now placed at Rs. 225 million in the revised estimates for 1974-75 as against the original budget provision of Rs. 2,607 million. Table-I indicates the overall position of financing of the ADP for 1974-75 both original and revised :—

**TABLE I**  
*Financing of ADP during 1974-75*

											(Million Rs.)	
											1974-75 Budget	1974-75 Revised
<b>A. Domestic Resources</b>	..	..	..	..	..	..	..	..	..	..	2,926	1,175
(a) Non-inflationary resources	..	..	..	..	..	..	..	..	..	..	2,607	225
(b) Gap between development expenditure and resources	..	..	..	..	..	..	..	..	..	..	319	950
<b>B. Foreign Resources</b>	..	..	..	..	..	..	..	..	..	..	5,574	9,592
<b>C. Total Financing</b>	..	..	..	..	..	..	..	..	..	..	8,500	10,767
<b>D. Proportion of foreign resources to total financing</b>	..	..	..	..	..	..	..	..	..	..	65.6%	89.0%

5.6. The decline of Rs. 2,382 million in the non-inflationary resources during 1974-75 is made up of the following items :—

											(Million Rs.)	
<b>A. Federal Government</b>												
(a) Improvement in net revenue receipts	..	..	..	..	..	..	..	..	..	..	(+)	1,030
(b) Increase in non-development expenditure	..	..	..	..	..	..	..	..	..	..	(-)	3,503
(Defence)	..	..	..	..	..	..	..	..	..	..	(-)	341
(Debt Services)	..	..	..	..	..	..	..	..	..	..	(-)	484
(Subsidies)	..	..	..	..	..	..	..	..	..	..	(-)	2,295
(Others)	..	..	..	..	..	..	..	..	..	..	(-)	383
(c) Repayment of short-term food credits charged to capital account	..	..	..	..	..	..	..	..	..	..	(-)	275
(d) Improvement in net capital receipts	..	..	..	..	..	..	..	..	..	..	(+)	379
<b>B. Autonomous Bodies</b>												
Reduction in self-financing effort	..	..	..	..	..	..	..	..	..	..	(-)	13
<b>C. Net effect on resources</b>	..	..	..	..	..	..	..	..	..	..	(-)	2,382

5.7. Broad details of the estimates of resources for financing the ADP are shown in Annexure I and are discussed in the subsequent paragraphs.

### Revenue Receipts

5.8. The revised estimates of gross tax receipts of the federal government for 1974-75 are placed at Rs. 11,151 million, as compared to the original budget provision of Rs. 10,079 million. Details of the estimates as compared to the accounts for 1973-74 are given in Table II :—

TABLE II  
*Tax Receipts of the Federal Government*

										(Million Rs.)		
										1973-74 Provisional Accounts	1974-75 Budget	1974-75 Revised
Import Duties	..	..	..	..	..	..	..	..	..	2,427	2,565	3,565
Export Duties	..	..	..	..	..	..	..	..	..	1,742	2,428	1,160
Federal Excise	..	..	..	..	..	..	..	..	..	2,742	3,000	3,450
Taxes on Income	..	..	..	..	..	..	..	..	..	1,188	1,045	1,250
Sales Tax	..	..	..	..	..	..	..	..	..	692	697	1,050
Other Taxes and Surcharges	..	..	..	..	..	..	..	..	..	653	344	676
Total ..										9,444	10,079	11,151

5.9. The revised estimates of tax receipts show an improvement of Rs. 1,072 million despite a reduction of Rs. 1,268 million in export duties. The largest increase in tax receipts is from import duties due to higher value of imports as well as the imposition of regulatory duties on various items during the course of the year. Collections of excise duties are higher by Rs. 450 million due mainly to an improvement of about Rs. 420 million in the duties on tobacco on account of increases in the retail prices of cigarettes. Taxes on income improved by Rs. 205 million as a result of increased money incomes and larger tax payments by nationalised undertakings. Sales tax receipts increased by Rs. 353 million following the increase in customs revenue and federal excise duties. Receipts from other taxes and surcharges have almost doubled due mainly to the upward revision of prices of certain POL products and gas supply.

### Non-Tax Receipts

5.10. Non-Tax Receipts of the Federal Government are estimated to increase from Rs. 3,163 million in the original budget for 1974-75 to Rs. 3,375 million in the revised estimates for that year. The improvement of Rs. 212 million is due mainly to an increase of Rs. 139 million in Defence receipts, additional profits of Rs. 59 million surrendered by the State Bank of Pakistan and an increase of Rs. 102 million in miscellaneous receipts, partly counterbalanced by a decline of Rs. 44 million in the net receipts of Post Office and T&T Departments and lower profit of Rs. 39 million from the sale of rice.

5.11. The gross revenue receipts of the Federal Government are placed at Rs. 14,526 million in the revised estimates for 1974-75 as compared to the original budget provision of Rs. 13,242 million. With the improvement in tax revenues, the revenue assignments to the Provinces have also increased by Rs. 254 million. After deducting the provincial share in divisible pool and a sum of Rs. 25 million payable to the A. K. Government, the net revenue receipts in the revised estimates are placed at Rs. 13,122 million as against the original budget of Rs. 12,092 million.

### Non-Development Revenue Expenditure

5.12. The comparative position of major components of the non-development expenditure of the Federal Government for 1973-74 and 1974-75 is shown in Table III.

TABLE III

## Non-Development Revenue Expenditure of the Federal Government

(Million Rs.)

									1973-74 Provisional Accounts	1974-75 Budget	1974-75 Revised
1. Defence	..	..	..	..	..	..	..	..	4,949	5,953	6,294
2. Debt Services	..	..	..	..	..	..	..	..	2,094	2,061	2,545
(Internal)	..	..	..	..	..	..	..	..	(754)	(866)	(861)
(External)	..	..	..	..	..	..	..	..	(1,340)	(1,195)	(1,684)
3. Subsidies	..	..	..	..	..	..	..	..	2,243	723	3,018
4. Administrative and Development Departments	..	..	..	..	..	..	..	..	1,270	1,532	1,725
5. Grants to Provinces	..	..	..	..	..	..	..	..	253	390	496
6. Other Expenditure	..	..	..	..	..	..	..	..	244	315	399
								Total	11,053	10,974	14,477

5.13. The revised estimates of non-development revenue expenditure for 1974-75 are higher by Rs. 3,503 million mainly on account of increased requirements for subsidies on wheat, edible oil and POL products, larger expenditure on debt servicing and the impact of wage increase and general price rise. The original provision for 1974-75 has increased by 31.9 per cent of which an increase of 28.2 per cent is attributable to subsidies, 2.1 per cent to debt servicing, 0.5 per cent to Defence and 1.1 per cent to other expenditures. The original budget for 1974-75 had envisaged that after the price adjustment made in the case of vegetable ghee as a part of the new fiscal measures, the subsidy on edible oil would be eliminated completely. The sale of vegetable ghee had however, to be subsidized during the year as a result of further increase in the international price of edible oil. Grants-in-aid to the Provincial Governments were increased from Rs. 390 million provided in the original budget to Rs. 496 million in the revised estimates for 1974-75 in order to help them to meet their revenue deficit arising as a result of the wage increase.

#### Net Capital Receipts

5.14. Details of the estimates are given in Annexure I. The net capital receipts of the Federal Government which were estimated at Rs. 1,320 million in the original budget are placed at Rs. 1,424 million in the revised estimates for 1974-75. The increase of Rs. 104 million has occurred mainly from higher contributions to reserve funds and improvement in miscellaneous receipts, partly offset by a decline in the proceeds of small saving schemes and an increase in the non-developmental capital liabilities.

#### Provincial Contribution

5.15. The Provincial Governments were not expected to make any contribution to the financing of the A.D.P. for 1974-75. The provinces of the Punjab, Sind and Baluchistan were in fact, not in a position even to balance their non-development budgets. The grant of special dearness allowance and increase in pensions created additional financial liabilities for all Provinces. The requirements of local bodies for this unbudgeted expenditure had also to be met by the Provinces through payment of grants-in-aid. Apart from this major change, the non-development expenditures witnessed further increases as a result of enhancement of the rates of ration subsidy to the Police, more payments of interest on federal loans and increased requirements of some departments for miscellaneous purposes. Along with the increases in non-development expenditure, the general revenue receipts of the Provinces improved as a result of an increase in shared taxes, special grants from the Federal Government, mobilisation of additional resources by the Provinces themselves through higher tax and non-tax receipts and improvement in trading profits.

5.16. With the increase in revenue assignments and payment of special grants by the Federal Government, the Provincial Governments were expected to balance their non-development budgets. No contribution by the Provinces to the financing of the revised ADP for 1974-75 was as such, assumed by the Federal Government. However, according to the revised estimates of the Provincial Governments, the Provinces of N.W.F.P. and Baluchistan have ended the year with deficits of Rs. 18 million and Rs. 13 million respectively. There is no resource gap in the non-development account of the Punjab in the revised estimates for 1974-75. In the case of Sind, there is a net surplus of Rs. 68 million which has been utilized for financing development expenditure over and above the development assistance granted by the Federal Government.

### Autonomous Bodies

5.17 Taking into account the effect of new measures introduced in the budget for 1974-75, the autonomous bodies were expected to generate resources of Rs. 169 million towards the financing of their development programmes. The revised estimates of self-financing by these bodies are placed at Rs. 156 million. Details are shown in Table IV :

TABLE IV  
*Self-Financing by Autonomous Bodies*

										(Million Rs.)		
										1974-75 Budget	1974-75 Revised	
WAPDA..	..	..	..	..	..	..	..	..	..	..	136	74
Railways..	..	..	..	..	..	..	..	..	..	..	(-) 17	15
C.D.A. ..	..	..	..	..	..	..	..	..	..	..	30	47
A.K. Government	..	..	..	..	..	..	..	..	..	..	20	20
<b>Total ..</b>										<b>169</b>	<b>156</b>	

5.18 Railway's earnings have improved as a result of the favourable trends in traffic operations both passenger and goods. In the case of WAPDA, the additional revenue yield through revision of power rates was partly offset by lower hydel-power generation due to shortage of water in the rivers.

### External Resources

5.19 The actual inflow of foreign assistance during 1974-75 is estimated at Rs. 9,592 million as against the original budget provision of Rs. 5,574 million. The increase is attributable to higher availability of non-project assistance and food aid.

### Overall Position

5.20 The revised estimates of resource availability for financing the public sector development expenditure in 1974-75 are placed at Rs. 9,817 million. The size of the development programme had to be increased during the course of the year as explained in the chapter on public sector development programme. This necessitated a recourse to deficit financing to support a part of the increase in ADP. The position regarding deficit financing is discussed in the chapter on monetary and credit policy.

### Financing of ADP, 1975-76

5.21 To implement the Annual Plan for 1975-76 as approved by the National Economic Council, the size of the public sector development programme for 1975-76 has been fixed at Rs. 13,700 million. At this level, the A.D.P. is strictly in line with the Government's policy of non-inflationary mobilization of resources. The annual development programme will be financed from Rs. 2,200 million of domestic resources and Rs. 11,500 million of foreign assistance. Broad details of the financing are shown in Table V :

TABLE V  
*Financing of ADP 1975-76*

										(Million Rs.)	
<b>A. Domestic Resources . .</b>	..	..	..	..	..	..	..	..	..	..	<b>2,200</b>
<b>(a) Without new Measures</b>	..	..	..	..	..	..	..	..	..	..	<b>1,142</b>
(i) Federal Government	..	..	..	..	..	..	..	..	..	..	783
(ii) Provinces	..	..	..	..	..	..	..	..	..	..	—
(iii) Autonomous Bodies	..	..	..	..	..	..	..	..	..	..	359
<b>(b) New Fiscal Measures . .</b>	..	..	..	..	..	..	..	..	..	..	<b>312</b>
(i) Tax Measures	..	..	..	..	..	..	..	..	..	..	126
(ii) Pricing of Services	..	..	..	..	..	..	..	..	..	..	475
(iii) Relief to Government Servants	..	..	..	..	..	..	..	..	..	..	(-)269
(iv) Expansion of Utility Stores Facility	..	..	..	..	..	..	..	..	..	..	(-) 20
<b>(c) Mobilisation of additional non-inflationary resources</b>	..	..	..	..	..	..	..	..	..	..	<b>746</b>

<b>B. External Resources .. .. .</b>	<b>11,500</b>
(a) Project Aid .. .. .	3,546
(b) Commodity Aid .. .. .	2,370
(c) Cash Loans .. .. .	4,442
(d) Food Aid .. .. .	1,142
<b>C. Total Financing .. .. .</b>	<b>13,700</b>

5.22 Annexure I indicates broad details of the estimates for 1975-76 as compared to the estimates for the previous year. These estimates are discussed in the following paragraphs.

#### Revenue Receipts of the Federal Government

5.23 At Rs. 13,688 million, the gross tax receipts of the Federal Government for 1975-76 at 1974-75 rates would be higher by Rs. 2,537 million as compared to the revised estimates for 1974-75. Collections of federal excise duties alone are estimated to improve by Rs. 1,030 million due mainly to the full year's impact of price increases of sugar and vegetable products, which have been absorbed into excise duty. The revenue yield from surcharges which are also of the nature of minor taxes is expected to improve by Rs. 199 million due mainly to the increase in prices of gas supply and certain POL products. Other increases in tax receipts are based on the continuance of a liberal import policy, better export prospects and normal growth in the economy.

5.24 The non-tax receipts for 1975-76 indicate an improvement of Rs. 185 million over the revised estimates for 1974-75. This is based on increased recoveries of interest and return on investments from various agencies and larger surplus profits of the State Bank of Pakistan, partly counterbalanced by a decrease in trading profits on export of rice due to the general recession in international market.

5.25 In accordance with the recommendations of the National Finance Commission, the Provincial share in federal taxes during 1975-76 will be about Rs. 1000 million more than the amount payable under the previous arrangements. Exclusive of the revenue assignments to the Provinces, the net revenue receipts of the Federal Government during 1975-76 are estimated at Rs. 14,926 million without the effect of new tax measures.

#### Non-Development Revenue Expenditure

5.26 Excluding the effect of relief to government servants and expansion of utility stores facilities, the non-development revenue expenditure of the Federal Government for 1975-76 is estimated at Rs. 14,247 million as against Rs. 14,477 million provided in the revised estimates for 1974-75. Defence, debt servicing and subsidies account for 82.2 per cent of the total expenditure in 1975-76. Expenditure on subsidies is estimated to come down from Rs. 3,018 million in 1974-75 to Rs. 1,597 million during 1975-76 as a result of the adjustments in the prices of wheat and vegetable ghee made during 1974-75 as well as a fall in the price of wheat in the international market. The requirements for Defence are estimated to be higher by Rs. 733 million than the revised estimates for 1974-75. Debt Servicing would claim Rs. 3,087 million as against Rs. 2,545 million, in the revised estimates for 1974-75. This does not take into account the repayment of short term food credits which is being charged direct to the capital account. The expenditure of administrative and development departments and other miscellaneous expenses will increase by 9.6 per cent over the revised estimates for 1974-75 on account of normal pay increases and miscellaneous requirements of various departments. Grants-in-aid to the Provincial Governments amounting to Rs. 208 million reflect the special annual subventions of Rs. 100 million and Rs. 50 million allowed to the Provinces of N.W.F.P. and Baluchistan respectively on the recommendations of the National Finance Commission and of the non-development grants made to the Provinces to meet specific expenditure.

#### Net Capital Receipts

5.27 The total foreign debt repayment liability arising during each financial year was previously met in the capital account through transfers from the current revenues. This transfer will now be confined to debt repayment of long-term foreign loans only. The repayment of short term food credits amounting to Rs. 1,384 million has accordingly, been charged in full direct to the capital account. This factor mainly accounts for the decline in the net capital receipts of the Federal Government which are estimated at Rs. 104 million for 1975-76 as against Rs. 1320 million provided in the original budget for 1974-75.

#### Contribution of Provinces

5.28. The revenue receipts of the Provincial Governments have improved as a result of an increase both in the tax assignments by the Federal Government and the collections of Provincial taxes. The resource position of the Provinces also improved after the write off of their debts by the Federal Government. On the

other hand, there has been a substantial increase in the non-development expenditure of the Provincial Governments. The main factors responsible for the increase in expenditure are the rising liability of social service particularly education and health, and increased expenditures on administrative departments necessitated to strengthen the civil administration and to maintain the law and order situation in the Provinces.

5.29. Despite the constraints mentioned above, all Provincial Governments have made gross provisions for their A.D.Ps which are larger than the federal financing. All Provinces have announced new fiscal measures which have been explained subsequently in this chapter. As a result, every Province except N.W.F.P., would be able to finance additional amounts for its A.D.P. over and above the programme to be financed from the Federal Government.

#### Autonomous Bodies

5.30. Excluding the effect of revision of pricing of services, the self-financing effort of the autonomous bodies for their development programmes for 1975-76 is Rs. 359 million as compared to Rs. 156 million in the revised estimates for 1974-75. The increase in rates is estimated to provide an additional revenue of Rs. 330 million as a result of which the self-financing by these bodies is likely to increase to Rs. 689 million. Details are shown in Table VI.

TABLE VI  
*Self-Financing by Autonomous Bodies*

								(Million Rs.)			
								1974-75 Budget	1974-75 Revised	1975-76 Budget (Without new meas- ures)	1975-76 Budget (Including new meas- ures)
WAPDA..	..	..	..	..	..	..	..	136	74	50	240
Railways..	..	..	..	..	..	..	..	(-) 17	15	177	307
BIM Corporations	..	..	..	..	..	..	..	—	—	77	77
C.D.A. ..	..	..	..	..	..	..	..	30	47	40	40
A.K. Government..	..	..	..	..	..	..	..	20	20	15	15
P.T.C. ..	..	..	..	..	..	..	..	—	—	—	10
Total ..								169	156	359	689

5.31. The return on investments made in the projects of WAPDA and Railways has not been adequate in the past. The financial operations of both agencies during the past few years show a greater increase in their operational expenditures than in receipts. The operational expenses have been rising due to several factors including the impact of devaluation, increase in the cost of fuel and raw materials, higher depreciation charges and periodic wage increases. However, keeping in view the necessity of an adjustment to the new situation by these bodies, corrective action has been initiated by increases in their tariff. Increased attention is also being paid to provide for balancing investments. As a result of these remedial measures, the existing returns on investment are reflecting considerable improvement. It is however, desirable that these enterprises should make larger contributions to the national exchequer in return for the capital resources provided to them by the Government.

5.32. The public sector in the industrial field now encompasses all basic industries, old as well as new, such as chemicals, engineering, automobile, cement, fertilizer and oil refining. The nationalised industries together with the units under PIDC have been grouped under eight holding corporations for better coordination and smooth functioning. Technical advisory services to the State Enterprises are being provided by the National Design and Industrial Services Corporation. The performance of the various corporations displays a marked diversity but, on the aggregate, their reserves and surpluses are showing an upward trend. Net profits before tax of all State Enterprises during 1974-75 are estimated at Rs. 254 million showing an increase of about Rs. 80 million over the profits in 1973-74. Nevertheless, it is necessary to further improve the production efficiency and plant utilisation in order to put these corporations, particularly the less efficient ones on a sound footing. Moreover larger self-generation by these corporations is essential for implementation of their heavy investment plans.

## External Resources

5.33. The inflow of foreign assistance during 1975-76 is estimated at Rs. 11,500 million including Rs. 3,546 million of project assistance, Rs. 6,812 million of non-project aid including cash loans and Rs. 1,142 million of food aid. Detailed projections and assumptions for adopting these estimates are shown in the chapter on balance of payments.

## NEW FISCAL MEASURES

### Federal Government

5.34. The new fiscal measures for 1975-76 are aimed at :

- (a) Stepping up the rate of capital formation and investment in order to accelerate the economic growth of the country ;
- (b) Mobilising savings both in the public and private sector ;
- (c) Covering the increased cost of various services; and
- (d) Providing relief to government servants.

5.35. The specific measures are explained below :—

### TAX MEASURES

#### Income Tax

(a) Family Allowance at the rate of Rs. 750 per dependent child, subject to a maximum of Rs. 1,500 has been provided in the case of all tax-payers with incomes not exceeding Rs. 50,000. This will be in addition to the Personal Allowance and will be allowed with effect from the assessment year 1975-76.

(b) Exemption has been allowed to income derived by any tax-payer between 1st July, 1975 and 30th June, 1980 from poultry farming, dairy farming, fish catching, cattle and sheep breeding.

(c) Profits earned by companies between 1st July, 1975 and 30th June, 1981 from industrial undertaking commencing commercial production during the above period have been exempted to the extent of (a) 10 per cent of capital, if the undertaking is located in Baluchistan, Tribal Areas, Northern Areas and Azad Kashmir and (b) 5 per cent of capital, if it is located in other areas (excluding the talukas of Karachi and Hyderabad and the Tehsils of Lyallpur and Lahore and such adjoining areas as may be notified by the Federal Government).

(d) A special Investment Allowance up to Rs. 10,000 within the overall limit of 30 per cent of total income has been provided for investments made after 1st July, 1975 in approved industrial investment and holding companies in the public sector or for life insurance.

(e) The existing Special Depreciation Allowance at the rate of 15 per cent has been continued and will be admissible in respect of new machinery installed in industrial undertakings upto 30th June, 1980.

(f) Companies setting up industrial undertakings between 1st July, 1975 and 30th June, 1980 with fixed assets costing not more than Rs. 30 lakhs (excluding the cost of land) have been allowed super tax rebate of 5 per cent.

(g) It has been provided that the Tax credit allowed to companies on investments in equities of new industrial undertakings will also be admissible in respect of identifiable expansions carried out after 1st July, 1975.

(h) An export rebate at the rate of 25 per cent of the tax attributable to income from the export of approved items made after 1st July, 1975 has been allowed to the manufacturers exporting such goods.

(i) Surcharge on income of jewellers at the rate of 6 per cent will not be levied on those persons whose income is below the taxable limit of Rs. 12,000.

(j) Co-operative societies (not paying tax at the rates applicable to companies) have been allowed the benefit of Personal Allowance, Investment Allowance and Earned Income Relief.

(k) The precondition of the payment of 50 per cent of tax before the filing of an appeal before the Income Tax Appellate Tribunal would be removed.



## **Wealth Tax**

Exemption from wealth tax admissible in the case of one self-occupied house has been extended to cover cases where a tax-payer owns only one house which may not be occupied by him for purposes of his own residence.

## **Sales Tax**

- (a) Sales tax on locally produced wood-free writing paper of 55—60 gram per sq. meter has been removed.
- (b) Fresh fruit and plywood imported from abroad has been made liable to the normal rate of tax *i.e.* 20 per cent.

## **Customs**

- (a) Regulatory duties levied during 1974-75 have been merged with normal import duties.
- (b) Import duty has been raised by 20% on pig iron, cast iron, ferro alloys, iron or steel scrap and ships for breaking and by 12-1/2% on shot, angular grit, wire pellets, powders, bars, pillings, ingots, blooms, billets, slabs, sheet bars and coils of iron or steel and of alloy and high carbon steel.
- (c) Import duty has been raised by 20% on copper and copper bars, rods, angles, shapes, sections wires, plates, sheets, strips, foils, flakes, tubes, pipes, fittings, rough forgings, castings, master alloys of copper and enamelled copper wire.
- (d) Exemption available to imported writing paper has been defined on the same lines as the exemption from excise duty available to indigenous paper.
- (e) Imported components of agricultural sprayers used in the local manufacture of sprayers have been exempted from import duty.
- (f) Export duty on raw wool has been abolished.

## **Federal Excise**

- (a) Regulatory duty on caustic soda has been converted into normal excise duty.
- (b) Regulatory duties on natural gas and soda ash have been merged with the basic rates of duty.
- (c) Regulatory duty and the increase in price of sugar have been merged into the basic rate of excise duty.
- (d) Increase in the price of vegetable product has been absorbed into excise duty.
- (e) Excise duty rates and Surcharge on cigarettes have been substituted by composite rates of excise duty.
- (f) Duty on hotels and restaurants has been raised from 10 per cent to 15 per cent of the charges.

## **Revision of Interest Rates**

The interest rate structure of the small saving schemes has been reviewed and the rates of interest suitably increased. The maximum compound rate of return now stands increased to 13.5 per cent.

## **Pricing of Services**

- (a) WAPDA power tariff has been increased by 15 per cent except for domestic consumers.
- (b) Telegraph and Telephone charges have been increased by about 20 per cent. Installation charges for telephones have been doubled. No change has however, been made for inland press telegrams and telex services.
- (c) Postal rates have been increased in certain cases except for inland letters and post cards, book packets and registered newspapers.
- (d) The licence fees for radios have been increased from Rs. 15 to Rs. 20 per annum and Rs. 30 per annum for persons having more than one radio set. The licence fee for T.V. has been increased from Rs. 50 to Rs. 75 per annum.
- (e) Railway freight rates have been increased by about 15%.

## Relief to Government Servants

(a) Engineers and incumbents recruited to posts for which the basic minimum qualification is a Master's degree in science have been treated at par with doctors and have been allowed five advance increments on recruitment. The same concession will be allowed to all lecturers in grade 17.

(b) The rates of conveyance allowance, house rent allowance, and washing allowance have been enhanced.

(c) The rates of kit allowance and disturbance allowance to defence personnel have been enhanced.

(d) The rates of flying pay for officers of the Pakistan Air Force have been revised. It has also been provided that compensation of Rs. 100 thousand and Rs. 50 thousand will be payable to the families of commissioned officers and lower rank officers respectively required to fly or sail in submarines in the case of fatal accident in peace time.

(e) A special allocation of Rs. 20 million has been provided for expansion of the Utility Stores facilities.

## Provincial Governments

5.36. The new fiscal measures announced by the Provincial Governments are as follows :—

### I. Punjab

(a) Introduction of flat rates for abiana with concessional rates for subsistence land owners and half rates for cooperative farms.

(b) Extension of Urban Immovable Property Tax to cantonment areas.

(c) Reduction in stamp duty on sale of agricultural land in rural areas from 5 to 3 per cent and on transactions in the nature of "Tamleek", partition or exchange from 5 to one per cent.

### II. Sind

(a) Enhancement of Cotton fee from Re. 1.00 to Rs. 1.50 per maund.

(b) Levy of a fee on paddy at the rate of 25 paise per maund.

(c) Rationalisation of entertainment duty and abolition of welfare cess.

(d) Revision of the rates of stamp duty of some items by about 25 per cent.

(e) Rationalisation of the basis for the levy of betterment tax from covered area to annual gross rental value of commercial and industrial properties.

(f) Rationalisation of the tax on trades, professions, callings and employment.

(g) Extension of the Entertainment Duty Act to night clubs, hotels and clubs providing cabaret or drinks as a precondition to entry to such places.

(h) Increase in the rates of the renewal fee for 'off' alcohol liquor shops from Rs. 3,000 per annum to Rs. 10,000 per annum.

(i) Levy of a tax of 25 paise per square yard on vacant residential plots and of 50 paise per square yard on vacant commercial and industrial plots. Residential plots of 599 square yards are exempted from the levy.

(j) Enhancement of betting tax from 12.5% to 20%.

(k) Reduction in the rates of court fee on certain items.

(l) Extension of the tax holiday for new construction of residential buildings for three years from the 1st July, 1975.

(m) Reduction in the licence fee of cinemas specially for low income cinemas.

### III. N.W.F.P.

(a) Levy of a collection fee at the rate of Rs. 200 a seer of raw opium and Rs. 10 a maund of poppy heads.

(b) Imposition of a development cess of 10 per cent on first class hotels and 5 per cent on second class hotels.

(c) Increase in entertainment tax from 50 per cent and 75 per cent of the value of ticket in the case of lower and upper class cinema tickets to 75 per cent and 100 per cent respectively.

- (d) Increase in licence fees for authorised foodgrain dealers at the rate of Rs. 1,000 in the case of flour mills and Rs. 25 in other cases.
- (e) Withdrawal of powers to the Excise and Taxation staff for grant of exemptions from road tax.

#### **IV. Baluchistan**

- (a) Increase of 15% on the development cess on all assessed lands in the Province.
- (b) Enhancement of tax under Motor Vehicles Act for vehicles with a maximum laden capacity of 4,480 lbs. to a laden capacity of 17,920 lbs.
- (c) Levy of a nominal cess for fruits taken out of Baluchistan.
- (d) Increase in the rates of royalty for coal from Rs. 3.50 per ton to Rs. 7.00 per ton and for oynex marble from Rs. 20 per ton to Rs. 50 per ton.

#### **Share of Tax Revenue in GNP**

5.37. The new taxation measures described above have been taken in harmony with the long-term strategy of raising Government's share of tax revenue in GNP to finance an increasingly larger part of public sector development expenditure from domestic resources. Inclusive of the yield from new taxes during 1975-76, the overall tax receipts will be capturing more than 14 per cent of GNP during 1975-76 as against about 12.6 per cent during 1974-75. It may be pointed out in this connection that in spite of heavy doses of additional taxation in the past, the tax receipts have remained a little over 12 per cent of the GNP during the years 1968-69 to 1973-74.

#### **Overall Position**

5.38. The tax measures and pricing of services will improve the resources of the federal government and autonomous bodies by Rs. 601 million. Taking into account the concessions allowed to government servants and the allocation for utility stores facilities, the net effect will be an improvement of Rs. 312 million. This would still leave a gap of Rs. 746 million for financing the development programme of Rs. 13,700 million. The gap would be met by mobilisation of non-inflationary resources. Improved collections of tax revenue by taking measures to check evasion, increased profits of the public enterprises and higher yield from the proceeds of small saving schemes form the major elements of policy for bridging the resource gap. The entire ADP for 1975-76 is thus expected to be financed from non-inflationary resources.

## FINANCING OF PUBLIC SECTOR DEVELOPMENT EXPENDITURE

(Million Rupees.)

	1974-75 Budget	1974-75 Revised	1975-76 Budget
<b>A. DOMESTIC RESOURCES</b>			
<b>(a) Federal Government :</b>			
<b>1. Revenue Receipts (Gross)</b>	<b>13,242</b>	<b>14,526</b>	<b>17,248</b>
<b>(i) Tax Receipts</b>	<b>10,079</b>	<b>11,151</b>	<b>13,688</b>
Import Duties	2,565	3,565	4,565
Export Duties	2,428	1,160	1,215
Federal Excise	3,000	3,450	4,480
Taxes on Income	1,045	1,250	1,300
Sales Tax	697	1,050	1,250
Other Taxes	61	69	72
Surcharges	283	607	806
<b>(ii) Non-Tax Receipts</b>	<b>3,163</b>	<b>3,375</b>	<b>3,560</b>
Interest Receipts	1,064	1,059	1,423
Post Office and T & T	138	94	101
Currency and Mint	181	240	365
Defence Services	200	339	346
Trading Profits	1,271	1,232	922
Others	309	411	403
Less-Provincial Share and Payment to A. K. Government	1,150	1,404	2,322
<b>Net Revenue Receipts</b>	<b>12,092</b>	<b>13,122</b>	<b>14,926</b>
<b>2. Non-Development Revenue Expenditure</b>	<b>10,974</b>	<b>14,477</b>	<b>14,247</b>
Defence	5,953	6,294	7,027
Debt Services	2,061	2,545	3,087
(Internal)	(866)	(861)	(922)
(External)	(1,195)	(1,684)	(2,165)
Subsidies	723	3,018	1,597
Administrative Departments	1,128	1,348	1,534
Development Departments	404	377	462
Grants to Provinces	390	496	208
Others	315	399	332
<b>3. Revenue Surplus</b>	<b>1,118</b>	<b>(—)1,355</b>	<b>679</b>

							1974-75 Budget	1974-75 Revised	1975-76 Budget
4. Net Capital Receipts	..	..	..	..	..	..	1,320	1,424	104
(i) Capital Receipts ..	..	..	..	..	..	..	2,385	2,603	1,900
Small Savings ..	..	..	..	..	..	..	942	796	894
Recoveries of Loans ..	..	..	..	..	..	..	495	550	512
Reserve Funds (Net) ..	..	..	..	..	..	..	119	419	72
Compensation Bonds ..	..	..	..	..	..	..	828	607	134
Others ..	..	..	..	..	..	..	1	231	288
(ii) Capital Payments ..	..	..	..	..	..	..	1,065	1,179	1,796
Non-Development Loans ..	..	..	..	..	..	..	45	64	36
Investment in taken over industries ..	..	..	..	..	..	..	830	608	134
Repayment of Food Credits ..	..	..	..	..	..	..	—	275	1,383
Partition Debt ..	..	..	..	..	..	..	70	—	70
Miscellaneous Investments ..	..	..	..	..	..	..	95	204	120
Other Expenditure ..	..	..	..	..	..	..	25	28	53
<b>Total—Federal Government (3+4)</b> ..							<b>2,438</b>	<b>69</b>	<b>783</b>
(b) Self-Financing by Autonomous Bodies ..	..	..	..	..	..	..	169	156	359
WAPDA ..	..	..	..	..	..	..	136	74	50
Railways ..	..	..	..	..	..	..	(—)17	15	177
BIM Corporations ..	..	..	..	..	..	..	—	—	77
C.D.A. ..	..	..	..	..	..	..	30	47	40
A. K. Government and others ..	..	..	..	..	..	..	20	20	15
<b>Total Federal Government and Autonomous Bodies</b> ..							<b>2,607</b>	<b>225</b>	<b>1,142</b>
(c) Effect of New Fiscal Measures ..	..	..	..	..	..	..	—	—	312
(d) Mobilisation of additional non-inflationary resources ..	..	..	..	..	..	..	—	—	746
(e) Gap between Development Expenditure and Resources ..	..	..	..	..	..	..	319	950	—
<b>Total Domestic Resources</b> ..							<b>2,926</b>	<b>1,175</b>	<b>2,197</b>
<b>B. EXTERNAL RESOURCES</b> ..	..	..	..	..	..	..	<b>5,574</b>	<b>9,592</b>	<b>11,500</b>
(a) Project Assistance ..	..	..	..	..	..	..	1,737	1,722	3,546
(i) Indus Basin ..	..	..	..	..	..	..	90	90	30
(ii) Others ..	..	..	..	..	..	..	1,647	1,632	3,516
(b) Non-Project Assistance including cash loans ..	..	..	..	..	..	..	3,578	5,561	6,812
(c) Food Aid ..	..	..	..	..	..	..	259	2,309	1,142
<b>Total Financing</b> ..							<b>8,500</b>	<b>10,767</b>	<b>13,700</b>

1913  
1914  
1915

1916  
1917  
1918

1919  
1920  
1921

1922  
1923  
1924

1925  
1926  
1927

1928  
1929  
1930

1931  
1932  
1933

1934  
1935  
1936

1937  
1938  
1939

1940  
1941  
1942

1943  
1944  
1945

1946  
1947  
1948

1949  
1950  
1951

1952  
1953  
1954

1955  
1956  
1957

1958  
1959  
1960

1961  
1962  
1963

1964  
1965  
1966

1967  
1968  
1969

1970  
1971  
1972

1973  
1974  
1975

1976  
1977  
1978

1979  
1980  
1981

1982  
1983  
1984

1985  
1986  
1987

1988  
1989  
1990

1991  
1992  
1993

1994  
1995  
1996

1997  
1998  
1999

2000  
2001  
2002

2003  
2004  
2005

2006  
2007  
2008

2009  
2010  
2011

2012  
2013  
2014

2015  
2016  
2017

2018  
2019  
2020

1913  
1914  
1915

1916  
1917  
1918

1919  
1920  
1921

1922  
1923  
1924

1925  
1926  
1927

1928  
1929  
1930

1931  
1932  
1933

1934  
1935  
1936

1937  
1938  
1939

1940  
1941  
1942

1943  
1944  
1945

1946  
1947  
1948

1949  
1950  
1951

1952  
1953  
1954

1955  
1956  
1957

1958  
1959  
1960

1961  
1962  
1963

1964  
1965  
1966

1967  
1968  
1969

1970  
1971  
1972

1973  
1974  
1975

1976  
1977  
1978

1979  
1980  
1981

1982  
1983  
1984

1985  
1986  
1987

1988  
1989  
1990

1991  
1992  
1993

1994  
1995  
1996

1997  
1998  
1999

2000  
2001  
2002

2003  
2004  
2005

2006  
2007  
2008

2009  
2010  
2011

2012  
2013  
2014

2015  
2016  
2017

2018  
2019  
2020

## CHAPTER 6

### SEMI-PUBLIC SECTOR INVESTMENT

The scope of Public sector activity in the economy has expanded in recent years. The expansion is largely in areas where management on commercial lines is required. There is a distinct trend towards entrusting these functions to specially constituted autonomous bodies and public sector corporations. The financing pattern of these corporations is mixed. A part of their investment programmes is financed from loans from Federal Government budget resources and is reflected in the Annual Development Programme. The corporations do also provide a part of financing from their retained earnings and supplement it by equity capital and debentures or direct borrowing from the capital and money markets. There are some corporations which do not obtain any financing from A.D.P. and meet total investment requirements from their own resources and borrowing from national and international institutions.

6.2. The semi-Public Sector investment covered in this chapter is that part of the total investment by the agencies concerned which is proposed to be financed from funds outside the A.D.P.

6.3. According to preliminary estimates, out of the total estimated investment of Rs. 17,450 million in 1974-75, the share of semi-public sector is estimated at Rs. 1,138 million as against the respective projection of Rs. 1,500 million for 1974-75. Major shortfalls were experienced in such organizations as National Shipping Corporations, and the Road Transport Corporations in the Punjab and Sind, Karachi Electric Supply Corporation and PIAC.

6.4. A programme of Rs. 1573 million is proposed for this sector in 1975-76 with break-down as given in Table I. If part of the BIM and Provincial Industrial Boards programmes, which are to be financed from outside ADP sources to the extent of about Rs. 1127 million, are included in this sector, its total investment would amount to Rs. 2,700 million during 1975-76.

TABLE-I

*Semi-Public Sector Investments*

										(Million Rs.)	
										1974-75 Estimated Investment	1975-76 Programme
1.	Karachi Port Trust (KPT)	..	..	..	..	..	..	..	..	42	182
2.	National Shipping Corporation (NSC)	..	..	..	..	..	..	..	..	34	5
3.	Pakistan International Airlines Corporation (PIAC)	..	..	..	..	..	..	..	..	341	80
4.	Karachi Electric Supply Corporation (KESC)	..	..	..	..	..	..	..	..	225	210
5.	Sui Northern Gas Pipelines Ltd. (SNGPL)	..	..	..	..	..	..	..	..	74	360
6.	Sui Gas Transmission Company Ltd. (SGTCL)	..	..	..	..	..	..	..	..	191	360
7.	Indus Gas Company	..	..	..	..	..	..	..	..	21	29
8.	Karachi Gas Company	..	..	..	..	..	..	..	..	27	34
9.	Road Transport Corporations (RTC)	..	..	..	..	..	..	..	..	183	313
Sub-Total										1,138	1643
10.	P.I. Boards	..	..	..	..	..	..	..	..	—	200
11.	BIM Investment	..	..	..	..	..	..	..	..	82	927
<b>GRAND TOTAL..</b>										<b>1,220</b>	<b>2,700</b>

6.5. PIA, KESC and the Gas Companies had indicated substantially larger investment programmes for 1975-76. But in view of the present status of their respective projects and the amount of likely availability foreign exchange provided for them in the budget for 1975-76, appropriate adjustments had to be made.

(Details of the likely disbursements of foreign aid and the implied implementation of each project in 1975-76 are given in Annexure I). A summary description of the major projects under each agency is given in the subsequent paragraphs while a coordinated view of the programme is available in each sectoral chapter.

#### **KPT**

6.6. The Karachi Port Trust finances its entire investment from funds outside the A.D.P. It has envisaged an investment of Rs. 182 million during 1975-76 as against an estimated expenditure of Rs. 42 million in 1974-75. During 1975-76, work on the KPT's second, third, fourth and fifth projects pertaining to the construction of additional berths and of oil terminals will be continued. The entire amount of foreign exchange of Rs. 100 million has been committed by the IDA. Local currency requirements of Rs. 82 million will be financed from KPT's own resources.

#### **N.S.C.**

6.7. An investment of Rs. 5 million in foreign exchange is proposed for the National Shipping Corporation during 1975-76 against an expenditure of Rs. 34 million during 1974-75. The foreign exchange will be financed from suppliers' credit. Provision made for 1975-76 is much smaller than proposed by the Corporation. This is in accordance with the past experience and also in the light of prospects of purchase of tankers during 1975-76 at substantially low prices.

#### **PIAC**

6.8. PIA Corporation had prepared a programme of about Rs. 513 million with a foreign exchange component of Rs. 241 million for 1975-76. During 1974-75, the P.I.A.C. incurred an expenditure of Rs. 341.0 million, including part payment for the purchase of one wide-bodied aircraft. Substantial work on construction of hanger for wide-bodied aircraft will be completed at Karachi. Another scheme for purchase of 3 wide-bodied aircrafts is still under preparation. In view of the phasing of buying new aircraft, an expenditure of Rs. 80 million has been provided for PIAC's total programme for 1975-76.

#### **KESC and Gas Companies**

6.9. KESC had prepared a programme of Rs. 619 million with a foreign exchange component of Rs. 413 million for 1975-76 compared to an estimated investment of Rs. 341 million during 1974-75. The foreign exchange component will be arranged through loans from IBRD, ADB and US-AID. An investment programme of Rs. 1,198 million (foreign exchange component Rs. 653 million) was prepared by the four gas companies, namely Sui Northern Gas Pipeline Company, Sui Gas Transmission Company, the Indus Gas company and Karachi Gas Company for 1975-76 compared to an investment of Rs. 313 million in 1974-75. In the budget estimates of foreign assistance in 1974-75, the likely disbursement shown against these four companies adds up to Rs. 413 million. On this basis, the likely implementation of their respective programmes have been adjusted. The total investment during 1975-76 is thus projected at Rs. 784<sup>1</sup> million by these four gas companies.

#### **RTCs**

6.10. The RTCs are expected to invest Rs. 313 million during 1975-76 against an estimated expenditure of Rs. 183 million in the preceding year. These corporations are expected to add a total of 2,920 new buses during 1975-76.

#### **BIM Investment**

6.11. The BIM has envisaged an investment of Rs. 1,042<sup>2</sup> million outside the ADP. Some of the important industries whose investment is likely to be financed from non-ADP sources shall be executed by corporations like Steel Mills Corporation, National Fertilizer Corporation, Federal Light-Engineering Corporation, Federal Chemical and Ceramics Corporation, Automobile Corporation of Pakistan, State Cement Corporation, Pakistan Industrial Development Corporation, etc. In addition, the Provincial Industrial/Management Boards/Development Authorities also envisage an investment of Rs. 304 million outside the ADP.

6.12. In view of the possible shortfall in the execution of these projects, actual investment outside the ADP has been assumed at Rs. 1,127 million Rs. 927 million for the BIM industries and Rs. 200 million for the Provincial Industrial/Management Boards/Development Authorities. The foreign aid likely to be available for financing these investments has been placed at Rs. 526 million. Of the balance, Rs. 61 million is likely to be made available by these corporations from their own resources, Rs. 150 million by NDFC and the balance of Rs. 390 million by commercial banks.

<sup>1</sup> Excludes ADP allocation for SNGPL—Rs. 110 million and for SGTC—Rs. 130 million as Government equity.

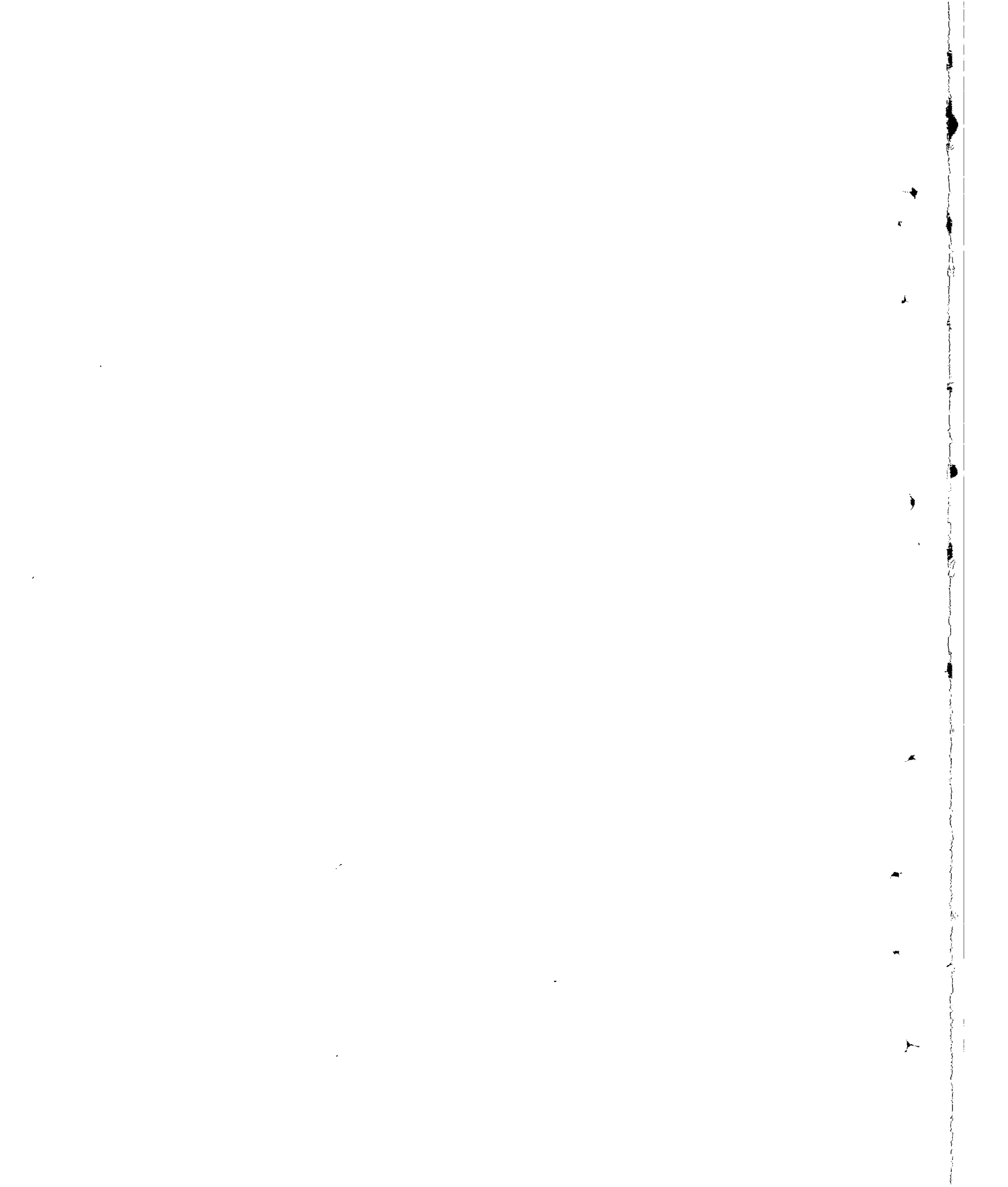
<sup>2</sup> Includes Rs. 16.2 million for FATADC and Rs. 62.3 million for AKMIDC.



## BROAD DETAILS OF AGENCY-WISE FINANCING OF SEMI-PUBLIC SECTOR DURING 1975-76

(Million Rs.)

S.No.	Agency/Corporation	1975-76		
		Likely foreign Exchange Disburse- ment	Local Financing	Total (3+4)
1.	Karachi Port Trust (KPT)	100.00	82.0	182.0
	(a) Third Project of Karachi Port	(30.0)	—	—
	(b) Fourth Project of Karachi Port	(70.0)	—	—
2.	National Shipping Corporation (NSC)	5.0	—	5.0
3.	Pakistan International Airlines Corporation (PIAC)	30.0	50.0	80.0
4.	Road Transport Corporations	—	313.0	313.0
5.	Karachi Electric Supply Corporation (KESC)	142.0	68.0	210.0
	(a) Fourth Unit Korangi Power Station	(53.0)	—	—
	(b) Expansion of Transmission and Distribution System	(79.0)	—	—
	(c) 100 MW Gas Pipeline Ltd.	(10.0)	—	—
6.	Sui Northern Gas Pipeline Ltd.	230.0	130.0	360.0
7.	Sui Gas Transmission Company Ltd.	178.0	182.0	360.0
8.	Indus Gas Company	—	29.0	29.0
9.	Karachi Gas Company	5.0	29.0	34.0
10.	National Refinery Ltd, Karachi (Expansion)	70.0	—	70.0
	<b>Total</b>	<b>760.0</b>	<b>908.0</b>	<b>1,643.0</b>



## CHAPTER 7

### PRIVATE INVESTMENT

Private investment had been the primary instrument for implementation of investment policy in Pakistan during the fifties and sixties. Specially in the industrial sector powerful incentive measures were adopted to encourage private investment. Public investment in industry in West Pakistan was mainly of a pioneering and promotional nature and, in some cases, industrial projects developed in the public sector were later transferred to the private sector. The rapid growth of private sector industrial investment in the sixties was based largely on subsidy implicit in the over-valued exchange rate and was not related to the long-term profitability of the ventures. The society had to bear a high cost for such industrialization in terms of distortions in the economy, emergence of high cost industries, under utilization of capacity and above all a high degree of concentration of economic power.

7.2. Economic reforms introduced by the present Government sought to change this pattern by :

- (a) Nationalization of basic industries ;
- (b) Promotion and development of new projects in basic industries in the public sector ;
- (c) Abolition of the Managing Agency System, thus democratizing the company management and making it more directly responsible to the share-holders, and
- (d) Exchange rate adjustment along with the changes in fiscal incentives to ensure that future industrialization would be in response to economic needs of the country.

7.3. The private sector has been adjusting to the changed environment in which it has to operate. This involves a new socio-political environment as well as altered economic framework. There were certain obvious questions in the minds of large-sized private investors regarding their future role and acceptability. Policy statements from the Government have clarified the position and a framework of mixed economy has started taking shape. Further clarification of various points would emerge with experience and in dealing with specific measures. For the present, it appears that a basis is now available on which private sector has started participating actively in investment activity in large scale industry.

7.4. Private investment has, however, been slow to revive in the large-scale industrial sector for a number of reasons :

- (i) The present Government has established a social framework in which it is not willing to go back to the policies of earlier period which provided disproportionate gains to investors and thus create an artificial investment demand. A revival of private sector investment boom on such an artificial support is not desirable.
- (ii) Industrial investment has to proceed on a much greater degree of competition in the home and export markets at the new exchange rate and liberal import policy. This favours export industries in preference to industries based on sheltered home market.
- (iii) The cost of new industrial projects has increased as a result of devaluation and world-wide inflation affecting the foreign exchange cost of imported machinery.
- (iv) The saving potential of industry presently under private ownership is less than in the period when industrial assets located in East Pakistan as well as industries now nationalized were under private control.
- (v) The new investment is finding outlet more in small and medium-sized industries both because of limitation imposed by cost as also because of relative profitability.
- (vi) World recession in cotton textile temporarily subdued investment demand.

7.5. The significant development is that a more genuine and soundly-based investment demand from the private sector is now reflected in the slow and gradual recovery in investment figures. The revival is likely to gain momentum after the world recovery from recession registers its full impact.

7.6. In the meantime, private investment in all sectors other than large-scale industry has been increasing quite rapidly. The increases are substantial enough in money terms to indicate a significant growth in real investment. The increase is particularly noticeable in agriculture, road transport and housing.

7.7. Planning Commission had constituted an Inter Ministerial Experts' Group under the Chairmanship of the Managing Director, Investment Corporation of Pakistan, to provide, among other things, a review of private investment in the past. Sector-wise estimates of private investment for the period 1969/70 to 1974/75 prepared by the Group are reproduced in Table I.

TABLE I

*Private Investment by Sectors (at 1969/70 prices)*

(Million Rupees)

	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
1. Agriculture .. .. .	476	407	466	336	454	511
2. Manufacturing .. .. .	1396	1360	1053	596	399	523
Large Scale .. .. .	(1208)	(1167)	(864)	(429)	(250)	(349)
Small Scale .. .. .	(188)	(193)	(189)	(167)	(149)	(174)
3. Transport .. .. .	515	515	588	569	735	889
4. Ownership of dwellings .. .. .	502	537	566	472	417	556
5. Others .. .. .	604	576	561	1110	926	854
<b>Total .. .. .</b>	<b>3493</b>	<b>3395</b>	<b>3234</b>	<b>3083</b>	<b>2931</b>	<b>3333</b>

7.8. Industrial investment declined continuously from 1969/70 to 1973/74. As may be seen in Annexure I, the industrial investment at Rs. 576 million in 1973/74 was less than half the level in 1969/70 even in money terms. The Annexure I translates these figures in a constant price series and shows that real investment in 1973/74 was almost 20 per cent of the level in 1969/70. In 1974/75, however, recovery started as indicated by the significant increase in industrial investment in that year. Industrial investment in any particular year is the result of investment decisions made in the preceding years. Investment level had been declining until 1973/74, while investment decisions reflected in applications for new projects and loans from financing institutions had indicated a new positive interest. The figures for 1974/75 only partly show the result of this change. Larger increase can be expected in 1975/76 based on an assessment of commitments already made. The investment climate has been further strengthened by measures for encouraging private investment announced with the budgets for 1974/75 and 1975/76.

7.9. Notable increases were experienced by sectors like transport, agriculture, housing and others resulting from deliberate policies of the Government regarding those sectors of the economy which absorb large proportions of the labour force. Total private investment in 1974/75, is thus, estimated to be about the same level as in 1969/70 in real terms.

7.10. According to the Report of the Working Group on Private Investment referred to in earlier paragraphs, total private investment including that part of investment in BIM industries which had been financed from the sources outside the ADP, during the period 1970—75 (in terms of current prices) is tentatively estimated at Rs. 21,355 million. This compared with Rs. 15,729 million actually realized during the period 1965—70. Since there has been an escalation in investment cost to the extent of nearly 80 per cent during 1970—75 compared with about 37 per cent in the entire Third Plan period, in real terms, private investment was actually lower than during the Third Plan. A comparison of the likely achievement of the private investment sector during the period 1965—70 and 1970—75 is presented in Table II.

TABLE II

*Private Investment by Major Economic Sectors*

(Million Rupees)

	Third Plan 1965—70	1970—75
<b>I. Current Price Estimates :</b>		
1. Agriculture .. .. .	1798	3698
2. Large-scale Manufacturing .. .. .	5244	4425
3. BIM Industries .. .. .	*	241
4. Small-scale Manufacturing .. .. .	838	1402
5. Transport and Communications .. .. .	2198	4915
6. Ownership of Dwellings .. .. .	2722	3358
7. Services .. .. .	1698	2260
8. Others .. .. .	1231	1056
<b>Total (1—8)</b>	<b>15729</b>	<b>21355</b>
<b>II. Constant Price Estimates (at 1959—60 prices)</b>	<b>12103</b>	<b>10898</b>

\*The element of BIM investment is included in Rs. 5244 million before nationalization.

7.11. As is shown in Table II private investment in real terms declined by about 10 per cent during the period 1970-75 compared to the Third Plan period. Private investment attained its peak level in 1964/65 in real terms. Despite some recovery in 1974/75 private sector investment in the year 1974/75 would be about 24 per cent less than in 1964/65. The decline partly reflects the enlarged role of public sector which has entered into some areas where investment was previously entirely by private sector. Public sector investment has successfully increased. Private sector investment in 1974/75 was 29.8 per cent of gross domestic investment in the country, compared to 53.7 per cent in 1964-65.

#### Private Investment during 1975-76

7.12. A target of Rs. 6,400 million is proposed for private investment during 1975-76. This would mean an increase of over 10 per cent in investment over the preceding year 1974/75. The target for private investment is in the nature of an estimate of likely outcome of policies being followed. It is not setting a limit. Larger investment in certain sectors may be possible. The sector-wise distribution of private investment during 1974/75 and 1975/76 is given in Table III.

TABLE III  
Sector-wise Distribution of Private Investment during 1974/75 and 1975/76

Sector	(Million Rupees)		Percentage increase/decrease
	1974/75	1975/76	
Agriculture .. .. .	1150	1450	+ 26.1
Large Scale Industry .. .. .	900	1100	+22.2
Small Scale Industry .. .. .	400	500	+25.0
Transport and Communications .. .. .	1500	1400	- 6.7
Housing .. .. .	1000	1100	+10.0
Others .. .. .	850	850	—
Total .. .. .	5800	6400*	+10.3

\*Excludes BIM Industries.

7.13. The private investment target for 1975-76 is based on the potential of demand as currently shown by the major economic sectors. For instance, taking into account the number of applications for the purpose of tractors pending with the Agricultural Development Bank, the need for replacement of old tractors and the purchase of new ones are treated as the main factor determining capital formation in the Agricultural sector. Import policy provides for import of 15,000 tractors required to achieve this target. Similarly, in the field of Manufacturing sector the major indicators are :

- (a) Outstanding letters of credit with IDBP and PICIC which are broadly used as the basis for likely disbursements in the following year leading to a certain level of investment in that year ; and
- (b) Sanctions for new units or for expansion of existing ones through the Department of Investment Promotion and Supplies.

7.14. Brief description of physical targets and proposed investment during 1975-76 in the two major sectors is given below :

#### Agriculture

7.15. Capital formation in the Agricultural Sector mainly takes the form of increased use of tractors and tubewells. The Annual Plan for 1974/75 envisaged a target of 10,000 new tractors and a similar number of tubewells. The target of tractors was fully met while that of tubewells exceeded including replacements. Tentative estimates of the new ones and those replaced during 1974/75 and the targets for 1975/76 are given below :

TABLE IV

*Targets and Achievements of Tractors and Tubewells during 1974/75 and Targets for 1975/76.*

Item	Unit	1974/75		1975/76
		Target	Achievement	Target
<b>Tractors :</b>				
(a) New .. .. .	No.		4,000	15,000
(b) Replacement .. .. .	"	10,000	6,000	
<b>Tubewells :</b>				
(a) New .. .. .	"		5,000	7,000
(b) Replacement .. .. .	"	10,000	7,000	8,000

7.16. The main components of investment in the Agricultural Sector during 1975/76 compared to the estimated investment realized during 1974/75 are as follows :

TABLE V

*Private Investment in Agricultural Sector during 1974-75 and Target for 1975-76.*

Item	(Million Rupees)	
	1974/75 (Estimated Actual)	1975/76 (Target)
(i) Tractors .. .. .	520	780*
(ii) Tubewells .. .. .	216	270*
(iii) other		
(a) Monetized .. .. .	214	150
(b) Non-monetized .. .. .	200	250
	<b>Total</b> ..	<b>1150</b> <b>1450</b>

\*Average tractor price was Rs. 52,000 in 1974/75 and has been assumed to be the same in 1975/76. A private tubewells is estimated to cost Rs. 18,000.

### Large-Scale Manufacturing

7.17. The target for investment in the large-scale manufacturing sector is based on the performance of foreign loan disbursements through PICIC and IDBP and other investments which are expected to take place through sanctions made by the Department of Investment Promotion and Supplies. On the basis of the latest information, the letters of credit outstanding regarding foreign loans through PICIC and IDBP, foreign loan utilization in the private sector through these two institutions during 1975/76 adds upto Rs. 500 million—Rs. 320 million by PICIC and Rs. 180 million by IDBP. The rupee requirements for utilization of these loans are estimated at Rs. 450 million.

7.18. The utilization of existing sanctions under R.I., NRI, foreign private loans and PAYE Scheme add upto Rs. 160 million. The foreign aid utilization for Fauji Fertilizer Project during 1975-76 is currently estimated at Rs. 113 million. The rupee requirements for this project would be around Rs. 77 million. Thus, on the basis of above analysis, private investment in the large-scale manufacturing sector during 1975-76 would be around Rs. 1,300 million. However, in view of the possibility of shortfall in the foreign loan disbursements by PICIC and IDBP with consequential decrease in rupee requirements, private investment in large-scale manufacturing sector has been placed at Rs. 1,100 million—Rs. 600 million as foreign loans and Rs. 500 million as local currency.

### Small Scale Manufacturing

7.19. The Group noted that the small industry sector was highly disorganized, lacked coordination in matters of definition of "small" industry and thus remained outside the scope of appropriate Government policy. It was reported that no uniform ceiling of the capital cost of a small establishment existed. There are, however, broad indications of increased investment in small industries. There is, for instance, a substantial rise in the flow of funds into this sector through such institutions as the People's Finance Corporation, IDBP small industries loans, Department of Investment Promotion and Supplies (repatriable and non-repatriable investment). Although no exact information is presently available on the number of looms operating in the non-mill sector of the textile industries, there would have been a sizeable growth in the number of power looms as indicated by over 13% increase in the cloth production of this sector during 1974/75 over 1973/74. Similarly, sizeable growth in the export of products of the small industry sector like carpets, rugs etc. during the last couple of years is pointing toward increased investment in this sector. Large part of the building materials like bricks, cement/sand blocks, electrical and other fittings used in construction is supplied by the small industrial units. In view of the large increase in construction activity (see section on Housing), a similar increase is obviously taking place in investment of the small units supplying the above-mentioned materials. A survey of industrial investment based particularly on the locally fabricated machinery currently under way is expected to provide more accurate information on the investment activity of this sector. An investment of Rs. 500 million is proposed during 1975/76.

### Road Transport

7.20. According to available information, the targets of capital expenditures on road transport vehicles like buses and trucks during 1974/75 will not be met in full. There has been substantial shortfall in the utilization of foreign exchange provided in the Foreign Exchange budget of 1974/75. for the import of 10,000 trucks and 1,500 buses for the private sector.

7.21. Total requirements of trucks and buses during 1975/76 is estimated at 7,000 and 2,000 respectively. Existing capacity for the manufacture of these vehicles is as follows :

National Motors Ltd.	..	..	..	..	..	..	..	..	..	..	500
Republic Motors	..	..	..	..	..	..	..	..	..	..	2400
Mack Trucks	..	..	..	..	..	..	..	..	..	..	2000
										Total	4900

Since there is sufficient capacity in the country to meet a part of the requirements of these vehicles necessary foreign exchange has been provided in the foreign exchange budget for 1975/76.

### Housing

7.22. According to a survey of housing carried out recently there is an addition of some 62,396 houses during the two years, 1972/73 and 1973/74 in Pakistan. The number of houses constructed during 1973/74 is given as 39,648 as against 22,748 in 1972/73. This steeply rising trend in house construction reflects the potential of demand for housing and the impact of incentives and credit facilities provided for housing construction. In fact, the requirement of housing is many times higher than the present level of construction. But the supply of building materials has been the main constraint on construction of housing. The pressure of demand on construction material is reflected in higher prices. According to the survey average cost of constructing a housing unit is estimated at Rs. 34,700 including Rs. 7,000 as the price of the plot on which the house is constructed. Evaluated at this price, investment in housing amounted to Rs. 1,376 million in 1973-74 as against Rs. 636 million reported by the Statistical Division. Apparently the Statistical Division figures are an under-estimate. But with a view to maintaining comparability with the past time-series of investment, we have adopted the Statistical Division estimates for 1973/74 and projections are made on that basis. In view of the steep rise in prices of construction material to the tune of about 35 to 40 per cent during 1974/75 over the preceding year, the number of houses constructed in 1974/75 is assumed to be around 40,000 and total investment in housing is taken as Rs. 1,000 million, so that large part of the increase is due to price escalation.

7.23. Efforts are being made to strengthen the earlier incentives and credit facilities further in respect of house building. Special attention is paid to schemes for construction of small houses to meet the needs of the common man by maintaining reasonable level of supplies of construction materials and credit facilities. The ADP for 1975/76 provides Rs. 100 million as loan for the House Building Finance Corporation. An amount of Rs. 40 million is also provided in the non-development budgets of the Central and Provincial

Governments for purposes of house building advances to government employees for construction of private houses. Since it would take time before supply constraint of building materials is totally removed, and the prices of its major inputs stabilize, we propose target of Rs. 1,100 million for investment in housing during 1975/76 compared with Rs. 1,000 million actually realized in 1974/75. This would mean the construction of about the same number of housing units in 1975/76 as in 1974/75 with a normal increase in average cost of construction

#### **Prospects for Expansion of Investment Activity**

7.24. Recently the Government has announced a number of economic measures in its Annual Budget to stimulate private investment. The terms of the "Compensation formulae", the taxation and certain credit concessions contained in the budget are expected to lend further support to the process of recovery initiated in 1974/75.



## MONETARY AND CREDIT POLICY

## A. REVIEW OF 1974-75

The Annual Plan for 1974-75 prepared in the background of abnormal monetary expansion in the preceding years recommended a cautious monetary approach with a view to absorbing the preceding year's increases in monetary assets and to contain inflationary pressure. However, to cushion the impact of sizeable price increase that had already taken place as well as the prospects of further increase in prices in the international markets particularly those of manufactured goods, it became inevitably necessary to provide for a larger rise in credit. The National Credit Consultative Council accordingly approved a monetary expansion of Rs. 4,500 million on the basis of the domestic credit expansion of Rs. 6,500 million both in the private as well as public sectors and the estimated drawdown in foreign exchange reserves of Rs. 2,000 million.

8.2. The planned rate of monetary expansion of around 14 per cent was considerably higher than the projected growth in availability of goods and services. However, all necessary measures were taken to ensure that monetary expansion does not exceed this limit. Bank rate was raised from 8 to 9 per cent in September, 1974 and all concessional rates of interests linked with it were revised upward by 1 per cent point. Further, sectional credit ceilings were imposed on banks by the National Credit Consultative Council to regulate the flow of credit to the desired areas.

**Monetary Assets**

8.3. The year witnessed a high rate of monetary and credit expansion. Total monetary assets registered an increase of Rs. 5,961 million or 18.7 per cent during the period 6th July, 1974—27th June, 1975 as against a rise of Rs. 3,273 million or 12.1 per cent in the corresponding period last year.

8.4. Component-wise break down of monetary assets revealed that these have undergone a noticeable change during the course of the year. Unlike the previous year, the bulk of increase in monetary assets occurred in deposit money which is indicative of the positive response of the public to the measures taken to promote savings. By 27th June, 1975 deposit money went up by Rs. 5,289 million, representing 89 per cent of the total increase in the monetary assets. Currency in circulation also went up by Rs. 672 million and constituted 11 per cent of the total increase in monetary assets. Demand and time deposits of scheduled banks went up sharply by Rs. 2,430 million and Rs. 2,757 million. Component-wise break up of the increase in monetary assets during 1973-74 and 1974-75 is given in table I.

TABLE I

*Increase in Monetary Assets by Component*

		(Million Rs.)	
		1973-74 (7th July, 1973—28th June, 1974)	1974-75 (6th July, 1974—27th June, 1975)
Expansion (+)			
Contraction (—)			
1. Currency in circulation	.. .. .	+1722	+ 672
2. Demand Liabilities	.. .. .	+ 1316	+2430
3. Time Liabilities	.. .. .	+ 200	+2757
4. Others	.. .. .	+ 35	+ 102
Total		+3273	+5961

8.5. An analysis of causative factors affecting the monetary assets shows that the private sector contributed Rs. 3,896 million to the total monetary expansion during the year as compared to Rs. 2,534 million during 1973-74. Quarterly data indicate that during the first quarter (July—September) credit expansion in the private sector amounted to Rs. 730 million. The expansion in the private sector picked up subsequently from October

onward mainly on account of busy season influences, rise in the prices of imports and slow movement of exports on account of slump in the world market. Credit expansion in the private sector during the year increased by more than 40 per cent over the expansion experienced in 1973-74.

8.6. Government borrowing for commodity operations increased by Rs. 1,535 million as against a ceiling of Rs. 850 million for the year as a whole. This was mainly on account of larger stocks of wheat, rice and fertilizer built by the government and also reflects the higher issue prices of wheat announced by the Government in April, 1975.

8.7. The borrowing of the Federal and four provincial Governments amounted to Rs. 1,269 million during this period. The enlarged recourse to deficit financing was necessitated by heavier subsidies on imported foodgrains and fertilizer at higher world prices. The Government sought to offset the losses of revenue on export duties arising from world recession by raising import duties by 25% on 23 items with effect from February, 1975 and an increase in duty on artificial yarn. The price of kerosene oil and gas charges were raised to correct the price distortions. To check this mounting expenditure on subsidy which was creating a huge resource gap, the issue prices of sugar, vegetable ghee and wheat were increased with effect from 7th April, 1975. These measures were, to a considerable extent, successful in restraining the Government deficit from rising much above the ceiling.

8.8. The expansionary influences of the private and Government sectors were offset by the contractionary impact of foreign sector and miscellaneous factors to the extent of Rs. 754 million during the period under review. However, the contraction has been significantly lower than planned at the time of the formulation of the credit budget.

8.9. The following table shows changes in monetary assets and the causative factors during the period 6th July 1974—27th June, 1975 and the corresponding period of last year.

TABLE II  
*Factors affecting changes in Monetary Assets*

(Million Rs.)

	1974-75	1973-74
Expansion (+)		
Contraction (—)		
1. Private Sector .. .. .	+ 3,896*	+ 2,534*
2. Government Sector .. .. .	+ 2,805*	+ 1,015*
(a) Budgetary Deficit .. .. .	(+ 1,270)	(+ 129)
(b) Commodity operation .. .. .	(+ 1,535)	(+ 886)
3. Foreign Sector .. .. .	— 754	— 252
4. Miscellaneous Factors.. .. .	+ 14	— 24
Total .. .. .	+ 5,961	+ 3,273

\*As per IMF definition of Credit Ceilings.

8.10. The anti-inflationary policy of the Government initiated during the preceding year was further strengthened during 1974-75 as price pressures continued unabated. The State Bank introduced a package of quantitative and qualitative credit controls in September, 1974 with a view to containing credit expansion within reasonable limits, ensuring use of credit for productive purposes and discouraging hoarding and speculation. Effective from 3rd September, 1974, the Bank Rate was raised further from 8 per cent to 9 per cent and all concessional rates of interest linked to the Bank Rate were revised upward by one percentage point. The ceiling on interest rate on advances which was 11 per cent in the case of larger banks and 12 per cent in that of small banks, was fixed at a uniform rate of 13 per cent and for the first time minimum rates of interest were prescribed at 12 per cent and 10 per cent respectively for advances against finished goods (excluding capital goods) and other advances.

8.11. In the field of selective credit controls, a new set of measures was announced simultaneously with the rise in Bank Rate and upward movement of overall interest rate pattern. The distinctive feature of these measures is to accord differential treatment accorded to manufacturing units and traders as also to differentiate between finished goods and raw materials. Higher margin requirements were prescribed on advances to traders for both raw materials and finished goods as compared to those to manufacturing units. In the case of manufacturing units, advances against finished goods were generally subjected to higher margin requirements than those against raw materials. Advances against raw cotton to ginners and textile mills and against cotton yarn to textile mills were exempted from minimum margin requirements.

### Credit Budget

8.12. A system of annual credit budgeting was introduced by the Government in 1972. The National Credit Consultative Council is charged with the responsibility of credit budget each year in the light of the priorities and targets of the Annual Plan keeping in view the objective of containing undue expansion of bank credit to the private sector while at the same time, ensuring adequate flow of credit to the preferred sectors. The Credit Plan for 1974-75 envisaged Rs. 4,400 million of bank credit to the private sector which represented an increase of about 62 per cent over the actual credit made available during 1973-74. Table III shows the break up of credit expansion in the private sector envisaged in the Credit Plan, 1974-75 and the actual during 1973-74.

TABLE III  
Credit Allocations, 1974-75

Sources	(Million Rs.)	
	1973-74 Actual	1974-75 Allocations
1. Credit by Commercial banks .. .. .	2,322	3,585
2. Local currency loans by ADBP & IDBP .. .. .	349	290
3. State Bank loans .. .. .	41	525
Total .. .. .	2,712	4,400*

8.13. Out of the credit ceiling of Rs. 3,585 million set for the commercial banks, Rs. 1,230 million were earmarked for financing requirements of the public sector enterprises which are treated at par with the private sector in credit policy. The private sector proper had a credit ceiling of Rs. 2,355 million which was subsequently raised to Rs. 2,377 million. The Council also set target for commercial banks for small loans in respect of the preferred sector.

8.14. The information thus far available indicates that credit expansion in the private sector is likely to be lower than the limit set by the Council. The commercial lending upto end-April, 1975 amounted to Rs. 3,140 million only. The local currency loans to ADBP and IDBP and State Bank's loans to cooperative and non-banking financial institutions upto February, 1975 were of the order of Rs. 199 million against the planned target of Rs. 815 million.

8.15. Credit targets set for preferred sectors and small loans are not likely to be realized except in the case of housing. The details of the target and actual disbursement upto March, 1975 is given in the table IV:-

TABLE IV  
Credit Utilization in Preferred Sectors during 1974-75

	(Million Rs.)	
	Target	Actual (July—March)
A. Small Loans .. .. .	1,050	497
(i) Agriculture .. .. .	300	92
(ii) Housing .. .. .	80	130
(iii) Business and industry .. .. .	670	275
B. Loans for Tractors, Tubewells etc. .. .. .	120	18
Total .. .. .	1,170	515

\*This limit was subsequently raised to Rs. 4,650 million.

## B. PROJECTIONS OF MONETARY AND CREDIT EXPANSION DURING 1975-76

### Credit Requirements

8.16. The credit expansion during 1975-76 is to be allowed mainly for the private sector and commodity operations of the Government. The detailed credit budget will be prepared by the National Credit Consultative Council in due course. However, the issue has, in the meantime, been considered by a Working Group consisting of the representatives of the agencies concerned. The analysis given in the subsequent paragraphs is primarily based on the findings of this Working Group.

#### I. CREDIT REQUIREMENTS OF PRIVATE SECTOR

##### (a) Agriculture

8.17. The Annual Plan envisages total fixed investment at Rs. 1,450 million in agriculture of which the monetized investment is likely to be around Rs. 1,200 million. In view of the substantial increase in fixed investment in agriculture, it is, being assumed that more than 60 per cent of the investment would be financed through credit against 50 per cent in the past. On this basis, long and medium term credit requirements work out to Rs. 760 million. Excluding the foreign loans to be disbursed by ADBP (Rs. 177 million)\* and taccavi loans provided for in the Provincial budgets (Rs. 15 million) the local currency credit requirements are estimated at Rs. 568 million. ADBP's long and medium term lending programme for 1975-76 stands at Rs. 650 million of which local currency programme adds up to Rs. 473 million. The need for commercial bank loans thus workout to Rs. 95 million only.

8.18. For seasonal finance, total requirements of funds for financing fertilizers, seeds and pesticides are estimated at Rs. 3,000 million. Using the methodology evolved by the Sub-Committee of Experts appointed by the Agricultural Credit Advisory Committee, the ratio of credit requirements to own savings has been assumed at 60 : 40 and on this basis, the credit requirements for seasonal purposes are estimated at Rs. 1,800 million. Proceeding on the basis of assumption that the ratio of institutional credit to total credit would gradually rise from 50 per cent in 1974-75 to 52 per cent in 1975-76, gross loan disbursements from institutional sources for seasonal purposes are estimated at Rs. 940 million. These are expected to be met to the extent of Rs. 140 million by ADBP and Rs. 200 million by cooperatives. The balance of Rs. 600 million would need to be provided by commercial banks.

##### (b) Manufacturing

8.19. The target for private fixed investment in the manufacturing sector has been set at Rs. 1,600 million—Rs. 1,100 million for large scale manufacturing and Rs. 500 million for small scale manufacturing. For large scale industries excluding foreign currency loans of IDBP and PICIC and financing through PAYE and repatriable and non-repatriable foreign investment, the need for local finance works out to Rs. 500 million. This is expected to be met to the extent of Rs. 200 million through sponsors' equity and public subscription and local currency loans of IDBP and PICIC amounting to Rs. 50 million and Rs. 30 million\*\* respectively.

8.20. In the case of small scale industries, Rs. 60 million are expected to be available from repatriable and non-repatriable foreign investment, Rs. 30 million from IDBP by way of foreign currency and local currency loans and Rs. 50 million from Equity Participation Fund and People's Finance Corporation. Investor's own savings are projected at Rs. 180 million. The balance of Rs. 180 million is expected to be met by commercial banks. The credit requirements of BIM including Karachi Steel Mill and Provincial Industrial Development/Management Boards to be met by commercial banks are projected at Rs. 390 million.

8.21. The working capital requirements of industries computed on the basis of increase in value added of 13.6 per cent in the case of large scale industries and 10 per cent in the case of small scale industries converted at current factor cost after making an allowance of 8 per cent increase in prices of manufactures work out to Rs. 940 million and Rs. 330 million respectively. In computing these estimates, it has been assumed that increase in the needs for working capital is equivalent to roughly 1/3 and 1/2 of the increase in value added in large scale industries and small industries respectively.

##### (c) Housing

8.22. The Annual Plan target for private investment in housing sector is Rs. 1,100 million. It is assumed that the actual investment in housing would be about three times the amount loaned by the financial institutions. On this basis, the need for institutional credit for house construction work out to Rs. 370 million. In the ADP, a provision for a loan of Rs. 100 million to House Building Finance Corporation has been made, the budgets of Central and Provincial Governments also contain a provision of

\*This estimate is based on the assumption that a sum of Rs. 137 million would be available from the proposed Fourth IDA Credit.

\*\*This would entirely be met out of the State Bank Credit for locally manufactured machinery.

Rs. 40 million for house building loans to Government servants. Thus, the balance of credit requirements to be covered by credit budget is Rs. 230 million only. In view of the fact that HBFC does not grant loans beyond a specified maximum, a provision of Rs. 100 million is being made for commercial bank's loans for housing. The balance of Rs. 130 million would be covered by the State Bank loan to HBFC.

**(d) Transport and Communications**

8.23. The available data for previous years indicate that in financing fixed investment in the transport and communications, the private sector has not had to take substantial recourse to bank finance. A nominal provision of Rs. 50 million has, therefore, been projected for small loans to finance private investment in transport. In addition, a provision of Rs. 280 million has been made to finance the investment programmes of Provincial Transport Boards during 1975-76.

**(e) Commerce**

8.24. The net increase in bank credit in 1975-76 for commerce is estimated at Rs. 450 million. This estimate is based on the estimated outstanding amount at the end of 1974-75 and the projected growth of 13.5 per cent in trade during the year.

**(f) Other Sectors**

8.25. A provision of Rs. 435 million has been made for mining and quarrying, electricity, gas, water and sanitary services and others. A substantial portion of this amount e.g. Rs. 200 million is being earmarked for miscellaneous sectors.

**Overall Credit Expansion**

8.26. On the basis of the above analysis of the credit requirements, loan disbursements by commercial banks in the private sector including public sector enterprises are projected at Rs. 4,070 million during 1975-76. In these estimates, working capital requirements of industries and commerce are computed on a net basis. Adjusting the balance of the loans which are projected on gross basis for expected recoveries of outstanding loans during the year, the net expansion by commercial banks during 1975-76 is estimated at Rs. 3,470 million. Local currency loans by ADBP and IDBP are estimated at Rs. 612 million and Rs. 70 million respectively. Excluding the recoveries during the year amounting to Rs. 303 million in the case of ADBP and Rs. 20 million for IDBP, the net credit expansion would be Rs. 360 million. State Bank loans to PICIC, HBFC and co-operatives are projected to rise by Rs. 900 million, Rs. 130 million and Rs. 200 million respectively. Thus, on an overall basis, net credit expansion in the private sector is estimated at Rs. 4,250 million.

**II. CREDIT REQUIREMENTS FOR COMMODITY OPERATIONS**

8.27. Cash credit accommodation provided by banks to Government is used to finance the procurements and distribution of wheat, rice, fertilizer, seeds, vegetable ghee and edible oil. During 1974-75, cash credit accommodation far exceeded the estimated figure due mainly to increased stocks of rice and fertilizer and higher issue price of wheat and sugar announced in April, 1975.

8.28. A detailed commodity-by-commodity analysis indicates that the additional cash credit accommodation during 1975-76 would be required to the extent of Rs. 1,000 million. The rationale of projections in respect of major items is explained below :

- (a) *Wheat*.—In view of the proposed wheat target of 84 lakh tons, the procurement of domestic wheat during 1975-76 is likely to be substantially higher than in 1974-75. It has been assumed that by 30th June, 1976, wheat stocks would increase by 7 lakh tons requiring additional credit amounting to about Rs. 607 million.
- (b) *Sugar*.—Sugar production is expected to go up by more than 1 lakh tons during 1975-76. A major portion of this increase is likely to go in the stocks for distribution during the off-season after June, 1976. Additional cash credit accommodation to the extent of Rs. 403 million would be required for sugar.
- (c) *Fertilizer*.—Fertilizer stocks during the current year have substantially increased and much lower imports are planned for the next year. If the distribution target of 5.50 lakh N/tons is achieved, these stocks may go down substantially. The retirement of credit to the extent of Rs. 128 million is anticipated on this account.
- (d) *Rice*.—Rice stocks by June, 1975 are estimated at about 6 lakh tons. It is expected that rice exports would keep pace with increase in rice production. Thus, rice stocks at the end of June, 1976, would be more or less at the same level as at the end of June, 1975. No additional credit would, therefore, be required for this purpose.

- (e) *Edible Oil*.—Stocks of edible oil are likely to increase by 11 thousand tons during 1975-76. This is estimated to require additional credit of about Rs. 83 million.
- (f) *Vegetable Ghee*.—There were no stocks of vegetable ghee with the Government at the end of June, 1975. The estimates of procurement and sale during the year indicate that stocks of vegetable ghee with the Government at the end of June, 1976 would be of the order of 3,000 tons valued at Rs. 35 million. Bank credit to Government against vegetable ghee would thus rise by Rs. 35 million over the year.
- (g) *Seeds*.—Stocks of seeds with the Government are estimated to rise from 11,000 tons at the end of June, 1975 to 12,000 tons at the end of June, 1976. The increase in value of stocks for which additional financing would be required is estimated at Rs. 5 lakh.

#### **Estimates of Monetary Expansion**

8.29. On the basis of projections and assumptions given in the preceding paragraphs, the net credit expansion in the private sector, public sector enterprises and for Government commodity operations adds upto Rs. 5,250 million. Assuming that there would be no recourse to deficit financing and allowing for contractionary impact of Rs. 1,500 million on account of drawing under IMF oil facility and some drawdown of foreign exchange reserves, it is estimated that monetary expansion during 1975-76 would be roughly Rs. 3,750 million. This would mean a 9.9 per cent monetary expansion whereas the economy is expected to register a growth rate of 9 per cent during the year.

CHAPTER 9  
BALANCE OF PAYMENTS

I. REVIEW OF 1974-75

9.1 Pakistan faced a serious deterioration in its balance of payments during 1974-75. The trade gap increased from \$ 473 million in 1973-74 to \$ 1,100 million in 1974-75 while the overall deficit on the current account rose from \$ 552 million to \$ 1,241 million. Adding payments on capital account, the total requirement for foreign borrowing, if the country's foreign exchange reserves were to be kept intact, amounted to \$ 1,388 million.

9.2 Although the main factor in the sudden and sharp worsening of external transactions accounts was the decline in Pakistan's terms of trade, certain domestic elements were also significant, two of which are especially noteworthy. First, the wheat situation took a turn for the worse. The crop of 1973-74, which had looked very promising throughout its growth, failed to ripen into the expected bumper harvest. The following year, 1974-75, was more adverse. A precipitous drop in river flows affected yields of summer crops and acreage sown to wheat. Indeed, before good rains salvaged some of the loss, the prospects for wheat output were perilous. In this context, the international scarcity during the first half of the fiscal year provided no comfort and it was considered prudent to arrange for imports not only to meet requirements during 1974-75 but to carry-over stocks into 1975-76 when the position was projected to be exceedingly difficult.

9.3 While the threat to the wheat crop dominates the impact of low river flows on the balance of payments during 1974-75, other aspects of this phenomenon were also important. The decline in the output of summer crops (mainly cotton) contributed to poor export performance and a large import bill for edible oil. Moreover, fertilizer off-take declined owing, in large measure, to inadequate water availability. This was particularly unfortunate because, meanwhile, substantial imports of fertilizer had been contracted at the reigning high prices in anticipation of additional water from Tarbela.

9.4 The second domestic factor responsible for an increase in imports was higher development spending. The resurgence in investment activity, especially in the public sector, continued to gather momentum in 1974-75. Although much of the foreign exchange outlays on the development programme were project aid financed, a substantial part of development outlay was financed from our own foreign exchange despite the difficult balance of payments position. Such a course of action was taken deliberately because the immediate gains of reducing foreign exchange expenditure on investment was more than outweighed by loss of output and infrastructure services in subsequent years. Even though both foreign and rupee resources were strained, development programmes were protected; in fact, investment spending considerably exceeded budget provisions due to cost over-runs.

9.5 By themselves the domestic factors would not have resulted in the extent of the balance of payments deficit experienced during 1974-75. Compared with the domestic elements, external factors were much more severe. Pakistan's terms of trade are estimated to have worsened by 20 per cent since 1970-71 (see Annexure). According to one estimate the balance of trade gap in 1974-75 would have been lower by \$ 700 to 800 million had transactions taken place in 1970-71 prices. In other words, the trade deficit would have been in the range of \$ 300 to 400 million rather than \$ 1,100 million. Thus without the worsening of terms of trade, Pakistan's dependence on net aid inflow would have declined.

9.6 Price instability in the world markets continued during 1974-75. During the first half of the fiscal year, world inflationary trends continued and since most of the imports arriving into Pakistan were contracted in this period, Pakistan paid dearly for its imports during 1974-75. At the same time a dimension of selective recession was introduced in international trade. The recession was felt in 1974-75 although its origins were earlier, the duration between contracts and deliveries accounting for the lag.

9.7 Prices of Pakistan's other key imports either continued to stay high or tapered off only after bulk of the purchases had been made for 1974-75: POE prices remained unchanged. Fertilizer and metal prices fell after contracts has been made. And, although prices of some items of machinery and equipment have recently come down, there have been sharp increases in other cases so that a firm and general tendency to declining prices is not apparent as yet; this may partly be because the structure of demand from oil producing countries is concentrated on this sector.

9.8 Prices of food items stayed high until the evidence of good US crop prospects came in during the year. While the high prices lasted, Pakistan benefited on its rice exports but had to incur a much larger burden on imports of wheat and edible oils.

9.9 The traded items affected earliest by the recession were among Pakistan's principal exports; for example, cotton textiles, especially yarn, leather and fish. Prices and demand for these items had fallen before the year commenced because the industrialized countries of Western Europe, Japan and the USA, which had plunged into a recession, were the main importers of these items.

9.10 Recent price trends mentioned above may be broadly compartmentalized into three phases. General inflation prior to and immediately after the increase in oil prices in late 1973 ; over the next year, selective price declines combined with more frequent escalations ; and, a generalized fall in prices thereafter as a result of prolonged recession and good crops. Pakistan may expect to benefit from the last phase during 1975-76.

### Balance of Payments

9.11 The combined effect of poor agricultural performance in Pakistan and the peculiar inflation—recession constellation in the world economy had a most unfavourable impact on Pakistan's balance of payments. As stated earlier the overall deficit on the balance of payments was \$ 1388 million. The components of the deficit are given in table 1.

TABLE 1  
*Balance of Payments, 1974-75*

									(\$ million)		
									Receipts	Payments	Balance
Merchandise Trade	..	..	..	..	..	..	..	..	1,039	2,139	-1,100
Factor Services	..	..	..	..	..	..	..	..	235	156	+79
Non-factor Services	..	..	..	..	..	..	..	..	229	449	-220
Total Current Account	..	..	..	..	..	..	..	..	1,503	2,744	-1,241
Capital Account	..	..	..	..	..	..	..	..	1,388	147	+1,241

### Merchandise Exports

9.12 The Annual Plan for 1974-75 has set a target for export earnings of \$ 1,450 million representing an increase of 41 per cent over earnings in 1973-74. The performance during the year was considerably short of the target, actual export earnings amounting to \$ 1,039 million depicting a nominal increase over the previous year. The short-fall in exports was shared by a wide range of commodities, including all major items of exports from Pakistan. The most significant shortfall occurred in the cotton and cotton product group where earnings were \$ 322 million below the target. Export of cotton yarn alone showed a shortfall of \$ 214 million.

9.13 Export earnings for 1973-74 and 1974-75 alongwith projections made in the Annual Plan for 1974-75 are shown in table 2.

TABLE 2  
*Value of Merchandise Exports*

									(\$ million)			
									1973-74	1974-75 Actual	1974-75 Annual Plan Target	
Raw Cotton	..	..	..	..	..	..	..	..	38.0	155.8	220.0	
Cotton Yarn	..	..	..	..	..	..	..	..	182.4	86.0	300.0	
Cotton Cloth	..	..	..	..	..	..	..	..	142.5	126.3	170.0	
Rice	..	..	..	..	..	..	..	..	207.5	232.6	300.0	
Leather	..	..	..	..	..	..	..	..	42.2	37.2	45.0	
Fish	..	..	..	..	..	..	..	..	27.5	15.8	30.0	
Others	..	..	..	..	..	..	..	..	378.8	385.3	385.0	
Total									..	1,018.9	1,039.0	1,450.0



9.14. Although the poor export performance was partially caused by declines in agricultural output leading to small export surpluses, the recession in the demand for Pakistan's exports had a much more important bearing. The recession in the demand for cotton textiles had already set in before the Annual Plan was prepared but the degree of the recession was under estimated. It was felt that Pakistan would be able to maintain or increase the quantum of its principal exports after the lowering of the export duties on cotton, cotton yarn, cotton cloth and leather announced in the Budget for 1974-75. However, the reduction in duties were insufficient to counter the effect of recession in the industrialized countries. Indeed, a further lowering of export duties was undertaken in September, 1974, when the export duties on a number of commodities including yarn and cloth were abolished and those for other commodities reduced. In spite of the two rounds of reduced export duties, it was not possible to increase the exports of yarn because of the low volume of demand. In particular, Japan which was our main importer had built up large stocks earlier which magnified the effect of abrupt fall in textiles output on demand for yarn.

9.15 The level of export earnings in 1974-75 was nearly the same as in 1973-74 but the composition was substantially different. In 1973-74 negligible exports of raw cotton were permitted reflecting fears over the damage to the cotton crop during the floods. Besides, yarn prices and exports were buoyant which made it profitable to convert cotton into yarn. Finally a Cotton Export Corporation had been set up and the movement of exports had to await the development of its operations. In 1974-75, roughly one million bales of raw cotton were exported including some stocks carried over from the previous year's crop compared with 0.2 million bales exported in 1973-74.

9.16. Export earnings from rice were also substantially larger than earnings in 1973-74. This was mainly due to better prices for basmati and other varieties because in physical terms the exports of rice were somewhat below that in 1973-74. Towards the latter part of fiscal year 1974-75, the demand for rice started slackening and prices showed a declining tendency. In a weaker rice market, the quality disadvantage of Pakistan's coarse rice had a large impact on volume of exports. This factor is likely to have a bearing on the rice export situation in 1975-76 particularly with the growing competition from the U.S.A.

9.17. Export earnings from cotton yarn declined from over \$ 182 million in 1973-74 to \$ 86 million in 1974-75. The decline was due both to lower quantum of exports and depressed prices as a result of much lower export demand. The quantum of cotton yarn export declined from 216 million lbs in 1973-74 to 168 million lbs in 1974-75 and its average price fell from 85 cent per lb to 51 cents per lb. Export earnings from cotton cloth also declined in spite of an increase in the quantity exported from 415 million yards in 1973-74 to 467 million yards in 1974-75. The decline in earnings was wholly due to a sharp fall in the prices of cotton cloth.

9.18. The recession also affected exports of wool, leather, fish and some other items of export from Pakistan.

9.19. The quantities and prices from major export during 1973-74, and 1974-75 are presented in Table 3.

TABLE 3

*Merchandise Exports during 1974-75 compared with 1973-74*

(Quantity in thousands ; Cotton, Yarn and Fabrics in million)

	1973-74		1974-75		% Change	
	Quantity	Price (\$)	Quantity	Price (\$)	Quantity	Price
Cotton (bale)* .. .. .	0.216	46.96**	1.178	35.26*	+445.4	-24.9
Rice (ton) .. .. .	587.8	353.00	470.1	494.8	-20.0	+40.0
Fish and Fish Prep (cwt) .. .. .	332.9	82.6	267.0	59.2	-20	-28.3
Cotton Yarn (lb) .. .. .	215.7	0.85	167.2	0.51	-22.5	-40.0
Cotton Fabrics (yd) .. .. .	415.3	0.34	467.3	0.27	+12.5	-20.0
Leather (cwt) .. .. .	257.7	163.57	221.6	167.9	-14.0	+10.3
Cement (ton) .. .. .	795.5	21.2	516.8	47.79	-35.0	+125.4

\*One bale—375 lbs.

\*\*Cents per lb.

Note.—Prices has been calculated as value divided by quantity.

## Merchandise Imports

9.20 Merchandise imports increased steeply from \$ 1,647 million (c & f) in 1973-74 to \$ 2,332 million in 1974-75. The Annual Plan had projected merchandise imports at \$ 2,200 million on a commitment basis, with actual arrivals expected to be lower by about \$ 200 million. There were three main reasons accounting for the big increase in imports during the year. First, as result of low water supplies in 1974-75 and imperfect maturing of the 1973-74 wheat crop, Pakistan had to import large amounts of wheat and edible oil. Some of the wheat imports were undertaken for 1975-76 in view of the threat of massive deficit resulting from the forecast of a sharp decline in wheat output due to the drought in 1974-75. Second, there was a large increase in investment expenditure with the consequential demand for capital goods imports. Third, was the increase in prices of various items, some of which had taken place in the previous years but the full impact of which was felt in 1974-75.

9.21 Imports during 1973-74, Annual Plan Projections for 1974-75 and actual imports during 1974-75 are given in table 4.

TABLE 4  
*Value of Merchandise Imports (C & F)*

	(\$ Million)		
	1973-74	1974-75 (Actual)	1974-75 (Annual Plan Target)
Wheat .. .. .	156.2	320.0	60.0
Tea .. .. .	34.4	65.0	40.0
Edible Oil .. .. .	63.6	131.0	100.0
Fertilizer .. .. .	71.4	102.0	130.0
Crude Oil and POL .. .. .	152.2	349.0	385.0
Others .. .. .	1,169.0	1,365.0	1,485.0
<b>Total .. .. .</b>	<b>1,647.0</b>	<b>2,332.0</b>	<b>2,200.0</b>

9.22 The major difference between Annual Plan projections for 1974-75 and the actual imports pertains to wheat. The Annual Plan was based upon an estimated wheat crop of 8.5 million tons in 1973-74. The crop turned out to be one million tons less due to an unforeseen setback at the maturing stage. As a result wheat import requirements went up considerably. At the same time, as mentioned earlier, there were serious forebodings that the wheat crop for 1974-75 would show a substantial reduction, some estimates projecting it at no more than 6 million tons. Consequently, large quantities of wheat were imported, first against the country's own foreign exchange resources and subsequently, when the aid availabilities increased, under PL 480 and under foreign assistance programmes.

9.23 The prices and quantum of major items of imports during 1973-74 and 1974-75 are given in table 5.

TABLE 5  
*Prices and Quantities : Selected Imports*

Quantity in tons except tea in million lbs ; price in \$/ton except tea in cents/lb.

	Quantity (000 tons)		Price \$		% Change	
	1973-74	1974-75	1973-74	1974-75	Quantity	Price
Wheat .. .. .	1,182	1,566	132	204	+32	+35
Tea .. .. .	83	112	42	60	+35	+43
Edible Oil .. .. .	122	180	521	728	+48	+40
Fertilizer .. .. .	503	360	142	282	-28	+99
Petroleum (Crude) .. .. .	2,854	2,720	37	85	-5	+130
Petroleum (Products) .. .. .	786	1,192	58	99	+32	+71

9.24 It will be seen that although import volumes increased in 1974-75, the main reason for the much higher import bill was the increase in prices. It is estimated that the payments at average prices during 1970-71 would have been only \$ 824 million for 1974-75 basket of imports. Pakistan, therefore, lost \$ 1508 million on account of recent increases in import prices.

#### Invisible Transactions

9.25 The deficit on Pakistan's current account invisibles balance increased from \$ 75 million in 1973-74 to an estimated \$ 141 million in 1974-75. The widening of the deficit occurred in spite of an increase of 26 per cent in invisible earnings. A part of the increase was due to the increase in oil prices which resulted in larger realizations from bunker fuels supplied to ships berthing at Karachi port. However, the largest increase occurred in home remittances, of Pakistan is living abroad, which went up by 35 per cent, from \$ 151 million in 1973-74 to an estimated \$ 240 million in 1974-75. The increase in home remittances was probably due to the emigration of Pakistanis to the Middle East.

9.26 On the payments side there are two major causes for the \$ 162 million increase in invisible transactions. The first was the freight and insurance on the larger value of imports and the second an increase in debt servicing liabilities.

9.27 Transactions on the invisibles accounts are shown in table 6.

TABLE 6  
*Current Invisible Payments and Receipts*

	(\$ Million)					
	Receipts		Payments		% Change	
	1973-74	1974-75	1973-74	1974-75	Rec.	Pay
Factor Services .. .. .	187	235	110	156	26	42
Private transfers .. .. .	151	204	1	1	35	—
Investment income .. .. .	36	31	109	155	—15	42
Non-factor Services .. .. .	181	229	333	449	27	35
Freight and insurance .. .. .	2	2	154	204	—	32
Other transportation .. .. .	98	110	66	70	12	6
Travel .. .. .	20	26	36	45	30	25
Other services .. .. .	61	91	77	130	49	69
Total Current Invisible .. .. .	368	464	443	605	26	37

#### External Borrowing

9.28 The abrupt worsening in Pakistan balance of payments had to be financed from foreign borrowing because Pakistan's own reserves were inadequate to meet the increase in the balance of payments gap. Apart from traditional sources of foreign assistance, disbursements from which increased from \$ 468 million in 1973-74 to \$ 573 million in 1974-75, Pakistan had to tap new avenues of assistance. In particular foreign assistance in the form of balance of payments support rather than project or commodity aid had to be arranged because of the immediate disbursements needs.

9.29 The major portion of additional aid requirements were met by loans from Iran, Saudi Arabia, Abu Dhabi, Libya and Qatar. Together, these countries disbursed \$ 410 million during 1974-75 for balance of payments support. In addition Pakistan received, mainly from the same group of countries, over \$ 40 million as grant for earthquake relief.

9.30 The second source tapped for balance of payments support was the IMF against the newly instituted oil facility. Pakistan drew about \$ 200 million from this source.

9.31 Third, Pakistan negotiated short term credit for the import of wheat from Australia and certain commercial banks amounting to \$ 115 million.

9.32 Thus total aid disbursement and foreign borrowing during 1974-75 amounted to \$ 1,337 million compared with \$ 551 million in 1973-74. Details of aid disbursements during the two years are shown in table 7.

TABLE 7  
*Aid Disbursements and Borrowing*

										(\$ Million)		
										1973-74	1974-75	% Change
Project aid	..	..	..	..	..	..	..	..	..	170	255	50
Non-project aid	..	..	..	..	..	..	..	..	..	328	768	134
(a) food	..	..	..	..	..	..	..	..	..	(117)	(117)	—
(b) non-food	..	..	..	..	..	..	..	..	..	(211)	(651)	208
IMF accounts	..	..	..	..	..	..	..	..	..	53	198	273
Short-term borrowing	..	..	..	..	..	..	..	..	..	—	116	

### 11. PROJECTIONS FOR 1975-76

9.33 Some of the factors which caused the large balance of payments deficit in 1974-75 will persist into 1975-76. First, investment outlays will continue to rise by a substantial margin for another two to three years as a result of which there will be a large need for imports of capital goods. Second, substantial imports of wheat will be required in 1975-76 owing to the poor crop of 1974-75. Third, the recession in the demand for cotton textiles is expected to diminish but revival will not carry to the point of normal levels of demand in 1975-76.

9.34 On the other hand, there should be an improvement in Pakistan's terms of trade. During 1974-75 world prices have come down considerably and even though Pakistan will receive a lower price for rice export, it should be more than made good by a fall in prices of a wide range of imports. Another factor which will reduce the quantities imported is the better stock position of wheat, fertilizer and steel at the beginning of 1975-76 than available in early 1974-75.

9.35 The aggregate effect of the factors outlined above will be a reduction in the trade deficit by \$ 180 million. Although the deficit on the invisible account will increase in 1975-76, the total current account deficit is projected to decline by \$ 125 million. While these improvements are significant, they will clearly not reverse the effect of unfavourable developments of the last year and a half. The levels of both the trade and the current account deficits in 1975-76 will be roughly double those pertaining in 1973-74. Pakistan will, therefore, have continuing need for large foreign assistance, including borrowing for balance of payments support.

#### Merchandise Exports

9.36. From 1969-70 to 1973-74, exports in dollar terms increased at an annual compound rate of 32 percent. In the initial period the export boom represented a diversion of exports from the East Pakistan market, world inflationary tendencies and the devaluation of the dollar against other currencies, but there also was a significant increase in export volume in addition to the diversion of inter-wing exports. By 1973-74 the boom was being sustained by higher prices alone. With the collapse of inflationary trends in 1974-75, exports also stagnated. Projections for future years can assume as typical neither the trend between 1969-70 and 1973-74 nor its near reversal in 1974-75. Although price movements cannot be forecast with certainty it is unlikely that the erratic movement of the recent past will be repeated. Expansion in export earnings will tend to parallel increases in output and export surpluses; increases in export earnings are unlikely to be sustained above a rate which is 4 to 5 percent in excess of GNP growth. Another factor of considerable importance will be the ability to dispose of export surpluses at reasonable prices. This will be particularly true of rice in which case an improvement in quality and marketing standards is necessary to enable export of the large surpluses that are likely to be available in the future years.

9.37. In addition to the longer term outlook, export projections for 1975-76 assume revival from the lean 1974-75 conditions. An increase in output and running down of stocks of export items is anticipated to enable a sharp increase in exports. Merchandise exports are projected to grow from \$ 1039 million in 1974-75 to 1,250 million in 1975-76, i.e., by almost 20 percent. In real terms the growth will be more

—about 28 per cent—as the average unit value for exports is likely to decline during 1975-76. Rice prices will be down considerably and will not be fully offset by increases in the prices of some other commodities. Export earnings of major items are given in Table 8.

TABLE 8  
*Value of Merchandize Exports*

										(\$ million)	
										1974-75	1975-76
Raw cotton	..	..	..	..	..	..	..	..	..	155.8	142.0
Rice	..	..	..	..	..	..	..	..	..	232.6	250.0
Fish	..	..	..	..	..	..	..	..	..	15.8	20.0
Cotton Yarn	..	..	..	..	..	..	..	..	..	86.0	155.0
Cotton Cloth	..	..	..	..	..	..	..	..	..	126.3	170.0
Leather	..	..	..	..	..	..	..	..	..	37.2	40.0
Cement	..	..	..	..	..	..	..	..	..	24.7	12.0
Other	..	..	..	..	..	..	..	..	..	360.6	461.0
<b>Total</b>										<b>1039.9</b>	<b>1,250.0</b>

9.38 Export earnings from raw cotton are expected to decline slightly in 1975-76 inspite of 7.7 per cent increase in prices. The quantity exported will decline because of two factors. First, the volume of exports in 1974-75 was quite large as a result of carry-over stocks from 1973-74, a year in which the exports of raw cotton were suspended. Second, the recovery in the cotton textile sector will lead to larger absorption of cotton in domestic manufacturing.

9.39 Exports of cotton yarn are projected to rise 80% in terms of volume although the price is expected to stay constant owing to incomplete recovery in export demand. Export commitments in the last quarter of 1974-75, which will largely spill over into actual exports of 1975-76, depict this trend. The commitments during the months of April-June have totalled 96 million lbs, which translates into an annual figure of 384 million lbs. The price for these commitments have averaged 53 cents per lb.

9.40 The prospects regarding cotton cloth are similar to that of yarn. Export commitments have picked up substantially in volume terms although the average prices continue to be very low. Exports are expected to increase from 467 million yards in 1974-75 to 700 million yards in 1975-76 but the average price is likely to decline from 27 cents per yard to 24 cents per yard. During 1974-75 export commitments for cotton cloth were well in excess of 700 million yards of which only 467 million yards were physically exported during the year. The rate of commitments improved towards the end of the year. These are expected to materialize in physical exports in 1975-76. Average prices received during the last few months have, however, been as low as 22 cents per yard. The projected price of 24 cents per yard, therefore, anticipates an increase in prices in the coming months.

9.41 Exports of rice are projected to increase from about 500,000 tons in 1974-75 to 700,000 tons in 1975-76. However, forecast of earnings from rice exports show only marginal increase over 1974-75. First, the composition of exports will shift towards coarse varieties of rice. Export of basmati is expected to stay around the level of 200,000 tons attained in 1974-75 because of the limited market and constraints on increasing output. The entire increase is planned to occur in other varieties of rice, which are not subject to such inelastic demand and supply. Indeed, large stocks of rice are available with the government for exports in 1975-76 which will be further augmented by the expected increase in rice production during the year. Second, rice prices will be much lower in 1975-76. The average prices for rice, \$ 625 per ton for basmati and \$ 250 per ton for other varieties, are higher than the latest price quotations. The price used in the projections takes into account exports expected to materialize in 1975-76 out of the commitments made during 1974-75 when the prices were more favourable.

9.42 Exports of other items are projected to renew their past buoyancy and increase by 21.6 per cent. These items for which exports declined in 1974-75 as a result of recession should respond to the anticipated revival in world demand. Leather, leather products and fish would be the major items of this type. Exports of other items are expected to maintain high growth rates attained in recent years.

9.43 Quantities and prices of selected exports are presented in Table 9.

TABLE 9

*Merchandise Exports 1974-75, 1975-76*

(Quantity in thousands; Cotton, Yarn, Fabrics in million)

Items	Unit	1974-75		1975-76		Percent Change	
		Quantity	Price (\$ per unit)	Quantity	Price (\$ per unit)	Quantity	Price
1	2	3	4	5	6	7	8
Raw Cotton .. ..	Bale	1.178	35.26*	1.00	38.00*	-15.0	+7.7
Rice .. ..	Ton	470.1	494.8	700**	357.14	+50.0	-27.8
Fish & Fish Prep .. ..	Cwt	267.0	59.2	320.0	62.50	+20	+5.5
Cotton Yarn .. ..	Lb	167.2	0.51	300.0	0.52	+79.4	+2.0
Cotton Cloth .. ..	Yd	467.3	0.27	700.0	0.24	+50.0	-11.1
Leather .. ..	Cwt	221.6	167.9	241.5	168.00	+9	—
Cement .. ..	Ton	516.8	47.79	300.0	40.00	-42	-18.0

\*Cents per lb.

\*\*The break up into Basmati and other rice for 1975-76 is as below :

	Quantity	Price
Basmati Rice .. ..	200	625
Other Rice .. ..	500	250
Total .. ..	700	357

**Merchandise Imports**

9.44 Merchandise imports will not increase significantly during 1975-76. While the general reduction in prices will provide relief in import payments, the quantities of some major imports will also be restrained due to the more comfortable stock position. In the standard four category classification, the only aggregate that will increase is that of capital goods which is related to the growth in investment outlays. Consumer goods, raw material for consumer goods and raw material for capital goods will decline. Projections of merchandise imports in value terms are shown in table 10.

TABLE 10

*Projections of Merchandise Imports for 1975-76*

(\$ million)

	1974-75 (Estimates)	1975-76 (Projections)
<b>Consumer Goods</b> .. ..	<b>610</b>	<b>460</b>
Wheat .. ..	320	144
Tea .. ..	65	70
POL (Products) .. ..	118	126
Others .. ..	107	120
<b>Raw Material for Consumer Goods</b> .. ..	<b>900</b>	<b>831</b>
Edible Oil .. ..	131	70
Fertilizers .. ..	102	40
Pesticides .. ..	24	26
POL (Crude) .. ..	231	254
Others .. ..	412	441
<b>Raw Material for Capital Goods</b> .. ..	<b>254</b>	<b>222</b>
<b>Capital Goods</b> .. ..	<b>568</b>	<b>850</b>
<b>Total</b> .. ..	<b>2,332</b>	<b>2,363</b>

9.45 Apart from arrivals of wheat against contracts signed before the beginning of 1975-76, approximately one million tons of wheat will be needed to meet the requirements of domestic consumption. This low figure of imports is made possible by carry-over of stocks amounting to 600,000 tons (including deliveries to be made against all signed contracts in 1974-75). Not only will the volume of wheat imports be lower than in 1974-75, but the prices have come down sharply from about \$ 200 per ton in 1974-75 to \$ 130 per ton in recent months.

9.46 The other major consumer goods are tea and petroleum products which will show normal increases.

9.47 Edible oil imports will be roughly the same as in 1974-75, the increase in demand being covered by larger domestic availability of cotton-seed oil. The prices of edible oils have dropped sharply from the peak reached in 1974-75 which will allow considerable savings in payments for edible oil imports.

9.48 Value of fertilizer imports will fall sharply in 1975-76, the decline being shared by a substantial reduction in quantities as well as prices. Large fertilizer imports had been made in 1974-75 but the demand turned out to be very sluggish owing to low water supplies and the non-availability of water stored at Tarbela. Consequently, large stocks of fertilizer imported during 1974-75 are available for use in 1975-76. Even though consumption of fertilizer is projected to increase from 425,000 nutrient tons to 550,000 nutrient tons, import requirements will be very low. In fact, there is no need to import nitrogenous fertilizer. Fertilizer prices had also peaked in 1974-75 and have dropped sharply since then enabling further savings in the import bill.

9.49 Imports of crude oil have been projected somewhat above last year's level in view of the raw material requirements of the expansion of the National Refinery which is scheduled to be completed towards the end of 1975-76.

9.50. Imports of steel items display common characteristics to that of fertilizer, both prices and volumes being much lower in 1975-76. Prices of steel and other metals were exceedingly high and rising in the first half of 1974-75 giving rise to fears of continued scarcities in subsequent months. Large imports were made in order to prevent shortages in the country, but the demand at that price was not sufficient to absorb supplies, especially after world prices of steel rolled back. The mills using steel found it advantageous to use domestic and imported scrap. Reduced volume of imports of iron and steel and of other metals during 1975-76 combined with lower prices will mean a substantial decline in the value of "raw material for capital goods" imports.

9.51. Imports of capital goods are projected to increase almost by 50 percent during 1975-76. Certain capital and import intensive projects are entering the phase of substantive implementation during 1975-76 although expenditures on them are not expected to peak until 1976-77. The steel mills, and two fertilizer plants are the major projects of this kind. Simultaneously, investment in the fuel and power sector will increase in 1975-76; higher disbursements from PICIC and IDBP, a larger provision for imports of tractors and other foreign exchange facilities are linked with substantial increase in the demand for and supply of machinery and equipment imports in the private sector.

9.52. Imports of capital goods, are, consequently, projected to increase by \$ 282 million, from a level of, \$568 million in 1974-75 to \$850 million in 1975-76. Most of these imports will be financed from larger project aid disbursements which are expected to increase by \$238 million during this period (project aid disbursements including technical assistance will increase from \$ 255 million to \$ 533 million, but about 14 percent of project aid disbursements typically take the form of technical assistance and are not reflected in imports of capital goods).

9.53 The quantities and prices of selected imports are shown in table 11.

TABLE 11

*Prices and Quantities of Selected Imports*

(Quantities in 000 tons except tea in million lbs. Prices in \$ per ton except tea in cents/lbs).

	Quantity		Price	
	1974-75	1975-76	1974-75	1975-76
Wheat .. .. .	1,566	1,000	204	144
Tea .. .. .	112	120	60	60
Edible Oil .. .. .	180	185	728	380
Fertilizer .. .. .	360	160	282	250
Petroleum (Crude) .. .. .	2,720	3,050	85	83
Petroleum (Products) .. .. .	1,192	1,150	99	108

### Invisible Transactions

9.54. The deficit on current invisible account is projected to increase from \$ 141 million in 1974-75 to \$ 194 million in 1975-76. Invisible earnings are expected to increase by only 6 per cent in 1975-76 reflecting a slowdown in the sharp increase in home remittances last year following the stabilization of migration to the Middle East during 1975-76. Invisible payments are projected to increase by 13.5 per cent. Although freight payments will show only a marginal increase in 1975-76, the substantial expansion in project aid disbursements will add roughly \$ 40 million to technical assistance payments (technical assistance is assumed to be 14 per cent of project aid disbursements based on historical ratios). The breakdown of invisibles transactions are provided in table 12.

TABLE 12  
*Current Invisible Payments and Receipts 1974-75 and 1975-76*

	(\$ million)									
	Receipts		Payments		Percentage Change					
	1974-75	1975-76	1974-75	1975-76	Receipt	Payments				
<b>Factor Services</b> .. .. .	235	246	156	175	5	12				
Private Transfer .. .. .	204	214	1	1	5	—				
Investment Income .. .. .	31	32	155	174	3	12				
<b>Non-factor Services</b> .. .. .	229	247	449	512	8	14				
Freight and Insurance .. .. .	2	2	204	207	—	1				
Other Transportation .. .. .	110	119	70	82	8	17				
Travel .. .. .	26	30	45	53	15	18				
Other Services .. .. .	91	96	130	170	5	31				
<b>Total Current Invisibles</b> .. .. .	464	493	605	687	6	14				

### Foreign Aid and Capital Accounts

9.55. Pakistan will continue to need substantial foreign assistance in 1975-76. Although the current account deficit will decline in 1975-76, Pakistan has to repay \$ 115 million of short term food credits contracted in 1974-75. The total requirements for gross foreign borrowing will, therefore, stay at roughly the same level as in 1974-75. Net borrowing will, however, decline.

9.56. Project aid disbursements are expected to finance a much larger proportion of the foreign borrowing during 1975-76 in view of the larger share of capital goods imports in total payments. Project aid disbursements are expected to increase from \$ 255 million in 1974-75 to \$ 533 million in 1975-76. In addition, foreign equity participation of \$ 40 million is projected to be disbursed. The major projects into which foreign equity will flow is the Pak-Arab Fertilizer Factory and the Pak-Arab Refinery in Multan and some cement and textile projects. Roughly half of foreign equity will come from Abu Dhabi and shall go into the first two projects mentioned above. The remaining half expected from Iran and will go into the other projects. In addition to project aid and equity as provided by foreign governments, private foreign investment is anticipated to increase significantly because of a much larger oil exploration programme.

9.57. Food aid disbursements from the USA and other Consortium countries are projected to decrease nominally from \$ 117 million in 1974-75 to \$ 115 million in 1974-75.

9.58. Non-food, non-project assistance from traditional donors (*i.e.*, excluding the oil producing countries) is expected to be roughly the same as in 1974-75.

9.59. Disbursements of non-project assistance from the oil producing countries may not be as high in 1975-76. The only assured disbursement is out of the three year loan negotiated with Iran last year which provides for disbursements of \$ 180 million in 1975-76 compared with \$ 250 million last year. Pakistan will endeavour to negotiate non-project assistance with other oil producing countries in order to meet the non-financed deficit in its projected balance of payments.



9.60. Disbursements from the IMF oil facility will be less than that in 1974-75. Although a firm figure is not yet known, disbursements are expected to be of the order of \$ 150 million compared with \$ 200 million last year.

9.61. Total aid disbursements visualized at this stage, therefore, amount to \$ 1208 million against requirements of \$ 1368 million. The unbridged gap of \$ 160 million will have to be filled in through recourse to various alternatives that are being pursued. Amongst these are international assistance in the form of balance of payments support from oil producing countries, a programme loan from the IBRD and a possible rolling over to 1976-77 of the short term food credit contracted in 1974-75.

Requirements and disbursements of foreign borrowing are shown in table 13.

TABLE 13  
*Requirements and Disbursements of Foreign Borrowing 1974-75 and 1975-76.*

(\$ million)

	1974-75			1975-76		
	Receipts	Payments	Net	Receipts	Payments	Net
A. Merchandise .. .. .	1039	2,139	-1100	1,250	2,170	-920
B. Invisibles .. .. .	464	605	-141	493	687	-194
I. Factor Services .. .. .	235	156	+79	246	175	+71
II. Non-factor Services .. .. .	229	449	-220	247	512	-265
Total Current Account .. .. .	1503	2,744	-1,241	1,743	2,857	-1,114
C. Capital Account .. .. .	1,388	147	+1,241	1,368	254	+1,114
I. Foreign Aid/Credit .. .. .	1,139*	147	+992	1,058	254	804
II. Account with IMF .. .. .	198	—	+198	150	—	+150
III. Changes in Reserve or overall Balance.	51	—	+51	160	—	+160

\*Including short-term food credit of \$ 116 million.

## PRICE AND VOLUME INDEX

## I. IMPORTS

	Value of Imports at Current Prices (\$ million)		Price Index (1970-71 = 100) 1974-75	Volume Index (1970-71 = x 100) 1974-75
	1970-71	1974-75		
<b>Consumer Goods</b> .. .. .	80.9	610.0	316	239
Wheat .. .. .	13.2	320.0	418	580
Tea .. .. .	2.4	65.0	147	1842
POL Products .. .. .	20.2	118.0	412	142
Worn Clothings .. .. .	2.9	12.0	162	255
Others* .. .. .	42.2	95.0	261	86
<b>Raw Material for Consumer Goods</b> .. .. .	199.6	900.0	325	139
Edible Oil .. .. .	27.6	131.0	482	99
Animal Tallow .. .. .	9.2	15.0	203	80
Fertilizers (Nitrogenous) .. .. .	22.1	80.0	207	175
Fertilizers (Phosphatic) .. .. .	2.5	22.0	349	252
Pesticides .. .. .	0.1	24.0	376	—
POL Crude .. .. .	34.6	231.0	703	95
Synthetic Fibres .. .. .	0.5	12.0	204	1180
Raw Jute .. .. .	—	16.0	208	—
Natural Rubber .. .. .	3.1	8.0	161	161
Rubber Synthetic .. .. .	2.1	2.0	163	57
Printing paper uncoated .. .. .	0.1	4.0	154	2600
Printing and writing paper .. .. .	1.4	7.5	165	321
Kraft paper .. .. .	1.4	3.5	206	121
Nylon Yarn .. .. .	2.1	14.5	321	214
Artificial silk yarn .. .. .	1.2	17.0	410	342
Yarn of synthetic fibres .. .. .	0.4	5.0	366	350
Jute goods .. .. .	1.9	8.0	208	200
Dyes coal tar .. .. .	7.9	15.0	208	91
Others* .. .. .	81.4	284.5	261	133
<b>Raw Material for Capital Goods</b> .. .. .	80.2	254.0	209	139
Pig Iron .. .. .	3.6	28.0	201	386
Iron and Steel and Ship Scrap .. .. .	1.8	34.0	190	994
M. S. Billets .. .. .	19.5	41.0	221	95
Copper Ingots .. .. .	0.1	3.0	147	2000
Aluminium Ingots .. .. .	2.6	12.0	149	312
Lead Ingots .. .. .	0.9	2.0	146	156
Zinc Ingots .. .. .	0.7	7.0	325	314
Coal .. .. .	0.8	1.5	348	50
Coke .. .. .	1.5	6.0	463	87
Others* .. .. .	48.7	119.5	261	94
<b>Capital Goods</b> .. .. .	396.0	568.0	235	61
Wire Rods of Iron and Steel .. .. .	0.6	3.0	190	267
Bars of Iron and Steel .. .. .	2.8	4.5	263	61
Plates heavy of Steel .. .. .	7.1	6.0	228	37
Sheets heavy of Steel .. .. .	10.2	40.0	182	216
Sheets Stainless Steel .. .. .	0.9	4.0	136	333
Tinned Plates (Electrolytic) .. .. .	6.3	25.0	189	210

	1	2	3	4	5
Iron Tubes and Pipes Seamless .. .. .	..	1.1	3.5	269	118
Iron Tubes and Pipes Welded .. .. .	..	4.4	6.0	351	39
Tubes of Pipes fitting .. .. .	..	2.8	5.0	325	51
Copper Rods .. .. .	..	3.5	13.0	187	200
Structure of Iron Steel .. .. .	..	16.2	7.0	361	12
Diesel Engines .. .. .	..	0.4	4.0	367	275
Food Processing Machine .. .. .	..	0.9	5.0	282	200
Road Rollers Mechanical .. .. .	..	1.3	4.0	163	192
Trucks .. .. .	..	2.2	5.0	229	100
Buses .. .. .	..	1.3	3.0	193	123
Tractors .. .. .	..	9.3	25.0	160	168
Engines for Trucks and Buses .. .. .	..	7.4	15.0	191	107
Car .. .. .	..	12.9	22.0	212	81
Light Commercial Vehicles .. .. .	..	0.5	2.0	173	240
Others* .. .. .	..	303.9	366.0	251	46
Total .. .. .	..	756.7	2332.0	283	109

\*Index of other items of import is the average index of all items except POL (Products and Crude).

## II. EXPORTS

								Value of Exports at Current Prices (\$ million)		Price Index (1970-71 = 100)	Volume Index (1970-71 = 100)
								1970-71	1974-75	1974-75	1974-75
Raw Cotton	..	..	..	..	..	..	..	56.6	155.8	251.3	109.5
Rice Basmati	..	..	..	..	..	..	..	34.3	139.3	357.6	113.6
Other Rice	..	..	..	..	..	..	..	2.1	93.3	313.4	1388.8
Fish	..	..	..	..	..	..	..	12.9	15.8	96.3	127.2
Cotton Yarn	..	..	..	..	..	..	..	71.3	86.0	159.3	74.0
Cotton Cloth	..	..	..	..	..	..	..	64.7	126.0	192.9	100.0
Leather	..	..	..	..	..	..	..	22.5	37.2	234.1	69.9
Cement	..	..	..	..	..	..	..	3.5	24.7	357.8	197.2
Others**	..	..	..	..	..	..	..	151.9	360.9	240.0	100.5
<b>Total Exports</b>							..	419.8	1039.0	236.5	104.6

\*\*The price index for "Others" has been computed to equal the weighted average of the identified items.

*Note.*—It is necessary to put in a word of caution about the price and volume indices for imports and exports. The price index is based upon unit values of non-homogenous commodities. For instance, there are various varieties of raw cotton, rice, cotton yarn and cotton cloth but a single unit value has been used for each category. If there was a shift in the composition of exports within each category, from one variety to another, the index would to that extent be in error. Also the "Others" category in both the import and export indices has been related to the overall index which can introduce errors. The indices should therefore be taken to represent a rough order of magnitude rather than a firm estimate.

## CONSUMPTION AND NUTRITION PLANNING

## A. Consumption Plan

The Annual Plan aims at providing a framework that will ensure supplies of essential wage goods and items of mass consumption at reasonable prices in the overall context of agricultural and industrial development. The emphasis would be on improving nutrition and distributional arrangements so that inadequacies and disparities are reduced in order to meet the Development Perspective targets of ensuring increased *per capita* availability, increasing calorie intakes and removing vitamin deficiency.

## Review of 1974-75

10.2. The improvements in *per capita* consumption are necessarily small from year to year. Only over a medium period of five years or more can meaningful trends be discerned. The policies to increase *per capita* availability of essential goods of mass consumption suffered a set back in 1974-75. Substantial reduction in the supply of a number of commodities due to lower agricultural and industrial production did not permit consumption levels to show significant improvement over the preceding year. In fact, availability of some of the commodities declined, the fall being pronounced particularly in case of rice and sugar. This phenomenon was also reflected in the increase in the price level. The combined *per capita* availability of seven items covered in the Plan, which constitute about 36% of the consumption expenditure of the income group ranging between Rs. 250—300 per month, showed almost no growth in 1974-75 as compared to 1973-74 (details in Table IV). A sharper fall in consumption was avoided with the help of sizeable imports of wheat, edible oil and other essential items. This attempt to protect the consumption from falling significantly caused a huge balance of payment deficit.

10.3. The following three factors are largely responsible for the reduction in the *per capita* domestic availabilities :—

- (a) There was a 2.6% growth in GNP while population increased at the rate of 2.9% resulting in a net decline of 0.3% in the *per capita* income thereby adversely affecting the purchasing power of the masses.
- (b) Production targets for 1974-75 did not materialize for most of the items included in the Consumption Plan, and as such, the envisaged availabilities could not be achieved. Table 1 indicates the extent of shortfall in major agricultural and industrial production against the projections. A comparison with the production level of 1973-74 shows that all items, except wheat, showed a substantial decline which resulted in tightening the supply position.

TABLE 1

*Production Targets and Achievements*

Item	1973-74 Actual	1974-75		Extent of Shortfall %
		Original Target	Estimates	
Wheat <sup>1</sup> .. .. .	7325	8500	7508	11.7
Rice .. .. .	2416	2800	2277	18.7
Sugarcane .. .. .	23533	23500	22000	6.4
Sugar .. .. .	598	640	490	23.4
Cotton Seed .. .. .	1296	1575	1248	20.8
Cotton Yarn (Mln. lbs) .. .. .	836	950	800	15.8
Cotton Cloth (Mln. Yds.) .. .. .	708	750	680	9.3

<sup>1</sup>One year lag is assumed between production and availability for consumption.

- (c) The price spiral which reached its climax during 1973-74 (30%) also continued during 1974-75, though the rate of hike price was somewhat lower. From the price trends observed during the year, it may be inferred that the rate of inflation was about 21 percent during 1974-75 based upon the sensitive price indicator for 18 essential commodities. The combined consumer price index

during the year, however, witnessed an increase of 22.6%. The price-wage packages announced first in June 1974 and subsequently in April 1975 smoothed out the impact of price increases and allowed the impact on low-income groups to be absorbed.

TABLE II  
*Combined Consumer Price Indices*

Group	June 1974	June 1975	Increase %
General .. .. .	174.94	214.39	22.55
Food, Beverages and Tobacco .. .. .	181.29	225.66	24.47
Apparel, Textiles and Footwear .. .. .	192.04	228.52	19.00
Housing and Household operations .. .. .	158.91	192.69	20.32
Miscellaneous .. .. .	162.67	196.17	20.59

10.4. Retail prices of vegetable ghee and sugar were raised twice through the price-wage policies and in case of some other consumer goods a price-freeze policy was resorted to by the government.

TABLE III  
*Average Retail Prices of Important Commodities at 12 (important) cities of Pakistan*

Commodities	Unit	June 1974	December 1974	March 1975	June 1975	Percent Change in June 1975 over June 1974
1. Wheat Flour .. .. .	Seer	0.89	1.29	1.36	1.22	+37.1
2. Rice Basmati (Broken) .. .. .	..	1.64	1.69	1.77	1.77	+ 7.9
3. Pulse gram .. .. .	..	1.41	1.65	2.23	2.03	+44.0
4. Sugar .. .. .	..	3.50	3.50	3.50	4.00	+14.3
5. Gur .. .. .	..	1.92	2.24	2.25	2.49	+29.7
6. Veg. Ghee .. .. .	..	7.50	7.50	7.50	9.00	+20.0
7. Cotton Cloth (Long 15000) .. .. .	Yds.	4.83	4.92	4.55	4.68	-3.1

10.5. These measures enabled the Government to maintain some balance between the supply of and demand for essential commodities in spite of reduced *per capita* availabilities. A consequence of these developments was that total private consumption expenditure came down from Rs. 66 billion in 1973-74 to Rs. 63 billion in 1974-75 indicating a decline of 4.4% (in constant prices of 1973-74). In 1972-73, however, private consumption expenditure was Rs. 49 billion only (in 1972-73 prices).

#### Consumption Plan 1975-76

10.6. The Annual Plan for 1975-76 aims at providing reasonable increases in availability of basic food and other essential items of consumption. The supplies of these commodities will be regulated in a manner that they reach the common man. Rationing will continue for items in short supply like wheat and sugar. In case of other commodities supplies will be ensured through the open market system. For the staple food item, namely wheat, the domestic supplies will be supplemented by imports to maintain a reasonable and adequate *per capita* wheat flour intake. This will be further augmented by increased domestic availability of rice. Supplies of sugar, vegetable ghee and cotton cloth are planned to be increased to enable higher *per capita* consumption than in 1974-75.

10.7. Research will also be initiated during the year to enable the inclusion of other important items of consumption for nutritional sufficiency and removal of vitamin deficiency.

10.8. Commodity wise details of the Plans for 1975-76 are given in the following paragraphs. The *per capita* availability of the commodities covered in the Consumption Plan during 1974-75 alongwith the projections for 1975-76 are presented in Table IV.

TABLE IV  
Per Capita Availability

Commodities	Unit	73-74 Actual	74-75 Estimated	75-76 Target	% Growth	
					74-75	75-76
					73-74	74-75
Wheat .. .. .	Ozs per day	10.88 (11.17) <sup>1</sup>	11.04	11.06	(-)-1.2	0.2
Rice .. .. .	"	2.45	2.18	2.53	(-)-11.0	16.0
Pulses .. .. .	Lbs. per annum	18.90	19.74	19.74	4.4	—
Sugar (Raw) .. .. .	"	39.80	38.58	40.22	(-)-3.3	4.2
Sugar (Refined) .. .. .	"	18.67	18.12	18.85	(-)-2.9	4.0
Veg. Ghee .. .. .	"	7.67	8.90	9.12	16.0	2.5
Cotton Cloth .. .. .	Yds. per annum	16.8	17.0	17.9	1.2	5.3
				Total ..	Nil	3.1

<sup>1</sup>If carry over of 2 lakh tons from 1972-73 into 1973-74 in private sector is taken into account.

#### Wheat

10.9. The *per capita* availability of wheat in 1974-75 declined by 1.2% over 1973-74 although the Plan had projected an increase of 1.8% in its availability. The basis for such an increase was the belief that the wheat crop of 1973-74 (available for consumption in 1974-75) would amount to 8.5 million tons. Production of wheat crop was, however, estimated at 7.5 million tons, which created pressure for substantial imports from abroad to make up the deficiency. Against the expected imports of 3.5 lakh tons during 1974-75 the Government had to import 16.3 lakh tons. This not only claimed a big chunk of the foreign exchange earnings, but Government was obliged to raise the issue price of wheat at ration shops to Rs. 35 per maund in April 1975. However, due to Government's concerted efforts the availability of wheat remained at almost the previous year's level.

10.10. As may be seen from Annexure I, the Government operations regarding the purchase and off-take of wheat have been growing since 1973. Because of the lower crop production the Government had to ensure adequate availability of wheat particularly in the urban areas. Although the wheat consumption in urban areas is only 26% of total requirements but its distribution through ration depots involves considerable problems. The Government off-take during 1974-75 has increased by 4% and is expected to increase by about 7% in the next year.

10.11. The projected availability position of wheat during 1975-76 is expected to improve to some extent. Local production of 7.4 million tons combined with the import target of 1.0 million tons will provide 11.06 ozs. *per capita*. Added to it the abundant supply of rice for domestic consumption will undoubtedly ease the food situation in the economy.

10.12. Since the international prices of wheat are showing a downward trend, there should be no difficulty in achieving the import target. Accordingly, the possibility of further increase in the domestic price of wheat is unlikely. Since the price on the international market has been volatile and subject to increment in production, care regarding timing of agreements for wheat purchase needs to be exercised.

#### Rice

10.13. The 1974-75 Annual Plan had fixed a target of 2.76 ozs *per capita* availability based on the production target of 2.8 million tons and a procurement plan for export of 0.7 million tons. Present estimates, however, have placed the crop at 2.28 million tons—the main cause for lower production being drought situation in Sind. Accordingly, the procurement target was reduced from 0.7 to 0.6 million tons. With these adjustments the *per capita* availability was 2.18 ozs per day in 1974-75 which was about 11% less than 1973-74 level.

10.14. Availability for 1975-76 has been computed on the basis of a production target of 2.7 million tons. This will provide 2.53 ozs per day *per capita* which means an increase of 16% over 1974-75. This *per capita* quantity is higher than that computed on elasticity basis (2.36 ozs). This margin is necessary to make up for the consumption deficiency created by the lower *per capita* availability during 1974-75.

#### Pulses

10.15. Pulses, rich in proteins as well as calories, occupy an important position in the food composition of the people. Pulses provide a cheap source of nutrition amidst an other-wise expensive cost of living.

10.16. Being a non-traded commodity in terms of international trade, its availability depends exclusively on domestic production. A substantial increase was recorded in the production of gram in 1973-74 (available for consumption in 1974-75). Secondly, it has been observed that the deduction rate for feed (25% of the total by way of direct use and animal feed) appears to be on the high side in the present situation of higher foodgrains prices. As a consequence the rate has been scaled down from 25% to 20%. This has resulted in overall lowering of the total deduction rate for seed, feed and wastage from 36% to 31%. Adjusted for these factors, the availability of pulses in 1974-75 at 19.7 lbs. p.a. has exceeded its projected availability of 18.3 lbs. p.a.

10.17. For 1975-76 the availability of pulses may not show an improvement, as gram crop for 1974-75 (available for consumption in 1975-76) will remain at the level of the previous year. This situation accompanied with some increases in the production of other pulses being expected because of the availability of improved seed for some pulses will allow *per capita* availability to be maintained at the 1974-75 level.

10.18. Since information regarding the production, distribution and prices of pulses is not adequate, the Planning Commission is undertaking a research study on the production and prices of pulses including soya-bean to have a firm basis for formulating policies to augment supplies and increase the availability of a rich protein dietary item. There is need both for improving varieties as well as yields, and research in this regard should be accelerated.

#### Sugar

10.19. The Working Group on Consumption Plan for 1974-75 had recommended a target of 6.40 lakh tons of sugar production based upon the sugarcane production of 23.5 million tons. The latest information available indicates that the cane crop was 22 million tons which caused a decline both in the raw sugar and sugar production. Keeping in view the limited supply position, the Punjab Government had to scale down the rationing quota of sugar for domestic consumption. This resulted in an average *per capita* availability of sugar in 1974-75 at 18.12 lbs. which was 3% below the 1973-74 level. Similarly, the availability of raw sugar came down from 39.8 lbs. in 1973-74 to 38.6 lbs. p.a. in 1974-75.

10.20. Consumption requirements for 1975-76 have been calculated at 6 lakh tons allowing for the following three provisions :—

1. Restoration of rationing quota for domestic uses in Punjab at pre-April 1975 level immediately after the crushing season commences.
2. 10% increase in commercial quota.
3. Maintaining closing stocks at 41,000 tons for carry over to 1976-77.

As the production is expected to be 6.25 lakh tons, there will be no constraint in meeting the requirements fully. As for raw sugar, if the cane crop target of 25 million tons materializes, there will be an appreciable increase in its production thereby ensuring larger *per capita* availability at stable and reasonable prices.

#### Vegetable Ghee

10.21. The availability of vanaspati is estimated to have increased from 7.67 lbs. *per capita* per annum in 1973-74 to 8.90 lbs. in 1974-75. Since cotton production in 1974-75 was much lower than the target, Government had to resort to larger imports of edible oil from abroad to maintain sufficient supplies to manufacturers. The prices of vanaspati ghee were also raised twice, partly to compensate for a portion of import subsidy and partly to remove past distortions.

10.22. A target of 2.9 lakh tons has been projected for the production of vegetable ghee next year which will raise the *per capita* availability from 8.90 lbs. to 9.12 lbs. per annum. Import requirements of edible oil have been kept at almost the same level as in the previous year. These imports will exert a severe pressure on balance of payments and a concerted drive to raise oilseeds production has to be launched. The



Planning Commission has already initiated a study for development of groundnut cultivation and extraction of groundnut oil. It is expected that its results will enable the formulation of policies to encourage an increase in its area and cultivation thereby making larger quantities of edible oil available for consumption.

#### **Cotton Cloth**

10.23. Continuous depression in the export market of cotton yarn and cloth for the last two years significantly increased the availability of cloth for domestic consumption. Although yarn and cloth production in 1974-75 is estimated to be somewhat lower than the previous year but because, of lower exports, particularly of yarn, the cloth availability showed a slight improvement over the last year's level.

10.24. A tangible increase in the availability of cotton cloth has been provided for 1975-76, based on the cotton crop target of 4.0 million bales and the mill-sector cloth production at 750 mln. yds. Sufficient exportable surplus is being envisaged in respect of cloth as well as yarn.

10.25. The availabilities envisaged for 1975-76 suggest 3.1% increase in the consumption level of the items covered in the Plan. The Development Perspective 1975-80, however, had projected 3.9% annual compound growth rate for these items. This incompatibility may be attributed first, to the fact that growth rate in the Development Perspective does not relate to a particular year but is an annual compound for five years. Second, the availability figures used as bench mark for 1974-75 in the document have undergone change while preparing the Annual Plan 1975-76 which has caused deviations in the projected growth rates for individual items from the rates envisaged in the Development Perspective.

10.26. The Annual Plan does not cover items like meat, milk and vegetables which are important items of diet. It has been earlier recommended that these items should receive due coverage but it has not been possible to do so for lack of adequate information. Research studies in this regard will be initiated which are likely to provide requisite information for planning purposes enabling the inclusion of these items in this exercise.

## AVAILABILITY OF WHEAT (MAY—APRIL)

('000' Tons)

Item	1973-74 Actual	1974-75 Estimated	1975-76 Target
Local Production <sup>1</sup>	7325	7508	7460
Less Seed and Wastage	732	751	746
	6593	6757	6714
<b>Govt. Operations</b>			
Opening Stocks	86	96	237
Procurement from domestic Production	1320	1233	1100
Imports <sup>2</sup>	1040	1168	1432
Off-take	2175	2260	2415
Closing Stocks	96 <sup>3</sup>	237	354
<b>Open Market Operations</b>	<b>5273</b>	<b>5524</b>	<b>5614</b>
Total Availability	7448	7784	8029
Population (Mln.)	67.20	69.21	71.29
Per Capita Availability (ozs. p.d.)	10.88 (11.17) <sup>4</sup>	11.04	11.06

<sup>1</sup>One year lag is assumed between Production and Consumption.

<sup>2</sup>Adjusted for crop year.

<sup>3</sup>Adjusted for 1.75 lakh tons wasted in floods.

<sup>4</sup>If carry over of 2 lakh tons from 1972-73 to 1973-74 in Private sector is taken into account.

## AVAILABILITY OF RICE (JULY—JUNE)

('000' Tons)

	1973-74 Actual	1974-75 Estimated	1975-76 Target
Production .. .. .	2416	2277	700
Deduction for Seed and Wastage at the rate 6% .. .. .	145	137	162
Procurement by the Government for Exports .. .. .	596	600	700
Net Availability .. .. .	1675	1540	1838
<i>Per capita</i> availability (ozs. p.d.) .. .. .	2.45	2.18	2.53

## AVAILABILITY OF PULSES (JULY—JUNE)

('000' Tons)

									1973-74 Actual	1974-75 Estimated	1975-76 Target
<b>Production</b>											
Gram <sup>1</sup>	..	..	..	..	..	..	..	..	544	600	600*
Other Pulses	..	..	..	..	..	..	..	..	216	220	240
<b>Deduction for Seed, Feed and Wastage</b>											
Gram at the rate 31%	..	..	..	..	..	..	..	..	169	186	186
Other Pulses at the rate 11%	..	..	..	..	..	..	..	..	24	24	26
Net Availability	..	..	..	..	..	..	..	..	567	610	628
<i>Per capita</i> Availability (lbs. p.a.)	..	..	..	..	..	..	..	..	18.90	19.74	19.74

<sup>1</sup> One year time lag is assumed between Production and Consumption.

\*Last Year's figure repeated.

## AVAILABILITY OF SUGAR (NOV.—OCT)

('000' Tons)

	1973-74 Actual	1974-75 Estimated	1975-76 Target
<b>I. Sugar Cane</b>			
Production .. .. .	23533	22000	25000
Deduction for Seed, Feed and Wastage .. .. .	2353	2200	2500
Crushed by Mill Sector .. .. .	6754	5412	7045
Available for Raw Sugar Production .. .. .	14426	14388	15455
<b>II. Sugar</b>			
Opening Stocks .. .. .	48	86	16
Production .. .. .	598	490	625
(From Cane) .. .. .	(578)	(468)	(603)
(From Beet) .. .. .	(20)	(22)	(22)
Total Availability .. .. .	646	576	641
Consumption .. .. .	560	560	600
Closing Stocks .. .. .	86	16	41
Average <i>Per Capita</i> (Lbs. p.a.) .. .. .	18.67	18.12	18.85
<b>III. Raw Sugar</b>			
Production .. .. .	1327	1324	1422
Deduction for animal feeding .. .. .	133	132	142
Net Availability .. .. .	1194	1192	1280
<i>Per Capita</i> Availability (Lbs. p.a.) .. .. .	39.80	38.58	40.22

## EDIBLE OIL/VEGETABLE GHEE (JULY—JUNE)

('000' Tons)

								1973-74	1974-75	1975-76
								Actual	Estimated	Target
<b>A. Edible Oil Availability</b>										
Opening Stocks .. .. .	..	..	..	..	..	..	..	24	40	42
Local Production .. .. .	..	..	..	..	..	..	..	216	249	275
1. From Cotton Seed .. .. .	..	..	..	..	..	..	..	1151	148	167
2. From other Seed .. .. .	..	..	..	..	..	..	..	101	101	108
Imports .. .. .	..	..	..	..	..	..	..	167	179	185
<b>Total Availability</b> .. .. .										
								<u>407</u>	<u>468</u>	<u>502</u>
<b>B. Uses</b>										
Industrial use .. .. .	..	..	..	..	..	..	..	38	45	50
Direct-Consumption .. .. .	..	..	..	..	..	..	..	83	87	96
Required for Vanaspati .. .. .	..	..	..	..	..	..	..	246 (230)	294 (275)	310 (290)
Closing Stocks .. .. .	..	..	..	..	..	..	..	40	42	46
<b>Total Uses</b> .. .. .										
								<u>407</u>	<u>468</u>	<u>502</u>
<b>C. Per Capita Availability</b>										
Veg. Ghee (lbs. p.a.) .. .. .	..	..	..	..	..	..	..	7.67	8.90	9.12
Direct Consumption .. .. .	..	..	..	..	..	..	..	3.27	2.82	3.01

<sup>1</sup> Based on the view that only 80% of the crop was ginned and assuming 13% oil recovery rate due to flood damage.

<sup>2</sup> Including 15,000 tons of imported butter oil.

## PRODUCTION DATA FOR EDIBLE OIL

('000' Tons)

	1973-74 Actual	1974-75 Estimated	1975-76 Target
1. Cotton Seed .. .. .	1296	1248	1400
(Cotton 000 Bales) .. .. .	(3704)	(3567)	(4000)
2. Rape and Mustard .. .. .	288	288	315
3. Sesamum .. .. .	12	12	12
4. Groundnut .. .. .	53	56	63

## AVAILABILITY OF COTTON CLOTH

Item	Unit	1973-74 Actual	1974-75 Estimated	1975-76 Target
<b>Yarn</b>				
Opening Stocks .. .. .	(Mln lbs)	25	78	110
Production .. .. .	"	836	800	930
Required for Hosiery .. .. .	"	90	100	110
Exports of Yarn and Thread .. .. .	"	225	174	307
Consumed by Mill Sector .. .. .	"	212	204	225
Closing Stocks .. .. .	"	78	110	68
Available for Non-Mill cloth Producing Sector .. .. .	"	256	290	330
<b>Cloth</b>				
	(Min yds)			
Opening Stocks .. .. .	"	68	106	145
Total Production .. .. .	"	1694	1797	2020
(a) Mill Sector* .. .. .	"	(708)	(680)	(750)
(b) Non-Mill Sector** .. .. .	"	(986)	(1117)	(1270)
Exports of Cloth .. .. .	"	416	474	700
Required for cotton bags .. .. .	"	110	110	110
Closing Stocks .. .. .	"	106	145	75
Available for Domestic Consumption .. .. .	"	1130	1174	1275
Per Capita Availability .. .. .	(Yds. p.a.)	16.8	17.0	17.9

\*One lb of Yarn — 3.34 yds of Cloth.

\*\*One lb of Yarn 3.85 yds of Cloth.



## B. Nutrition Plan

1. *Introduction.*—Nutritional planning is an essential supplement to consumption planning. Recent evidence indicates that nutritional deficiencies, which may not take highly visible form, can have serious adverse impact on labour output, learning abilities of children etc. The nutritional plan, attempts to focus attention on aspects of food supply which are crucial to maintenance of physical and mental health. The stress is on meeting scientifically determined requirements for a minimum diet rather than on satisfying the consumer demand for food. In nutritional planning, special attention is given to distribution of food among different income groups and within the family itself, and appropriate policies are designed to reach vulnerable groups. An essential part of a nutrition policy is educating people on the subject of nutrition, and thus influencing food habits, child rearing practices etc. Lastly, nutritional policy seeks to provide cheap but vital supplements to diet through fortification of food and other methods.

2. The nutritional problems in Pakistan can be divided into two categories. Firstly, there is the general problem of calorie-protein malnutrition which affects a sizeable proportion of the population. Secondly there are specific problems of a critical nature such as deficiency of Vitamin A and iron, and the prevalence of goitre in the Northern areas.

3. *Calorie Requirements.*—A review of the problem of calorie-protein malnutrition in Pakistan involves a determination of the minimum requirements of calories and protein alongwith an estimate of total availability of food and the pattern of distribution, among different income groups and within the family. In the absence of up-to-date information, only a broad assessment of the overall position can be attempted. According to the estimates made by FAO/WHO in 1973, the minimum calorie intake recommended for conditions prevailing in Pakistan is 2438 calories for male adults and an average of 1990 calories per capita for entire population. These estimates need to be further elaborated and tested. For example WHO's estimates, modified by up-to-date data on height and weight derived from 1965 nutrition survey, would indicate that requirements for Pakistan are 2668 calories for a male adult, and an average of 2094 calories for the entire population. These estimates need to be further modified in the light of data on activity levels and diseases which tend to affect the minimum calorie requirement. However, for the purpose of a rough assessment of the problem of malnutrition, the FAO/WHO table as modified by height and weight data, can be used conveniently until replaced by more refined estimates.

4. *Availability of Calories.*—The availability of food (the total supply of calories) can be measured either through nutrition or household consumption surveys or on the basis of the food balance sheet. Nutrition surveys provide more detailed information particularly on distribution, but these surveys are expensive and can be undertaken infrequently. The food balance sheet can be prepared each year but it provides data on *per capita* availability only.

5. The food balance sheet for 1974-75 indicates a *per capita* availability of 2247 calories which would appear to be in excess of the minimum requirements of 2094 calories. However, this tends to give a misleading picture of the problem of malnutrition since the supplies are not evenly distributed. The results of the Nutrition Survey of 1965 and the Household income and expenditure Survey of 1971-72, are more informative and meaningful. The data on minimum and maximum consumption levels is summarised below :—

		Calories			
		1965		1971-72	
		Minimum	Maximum	Minimum	Maximum
Rural	.. .. .	1451	3956	1764	4218
Urban	.. .. .	1532	2773	1605	2447

It would be noticed that firstly the problem of malnutrition is worse in urban areas than in the rural areas. Secondly, consumption has increased considerably between 1965 and 1971-72. Thirdly, the lowest levels recorded in the surveys of 1965 and 1971 fall far short of the minimum intake recommended by FAO/WHO. Thus, despite some improvement recently, for a sizeable section of the population, the food intake is insufficient for maintenance of physical fitness.

6. *Protein.*—So far as proteins are concerned, FAO's recommendations of minimum protein intake are 42 grams *per capita* on average. The availability of protein *per capita* on the basis of food balance sheet appears to be 58.77 grams, of which 24.16% is from animal sources and 75.84% from other sources. As in the case of calories, the average availability does not fully reveal the extent of protein malnutrition arising out of maldistribution of supplies.

7. *Extent of malnutrition.*—Based on the sample surveys, an attempt has been made to estimate the percentage of population which suffers from protein-calorie inadequacy in the urban and rural areas of Pakistan. This estimate is given in the table below:—

**INCIDENCE OF CALORIE AND PROTEIN DEFICIENCY  
(PER CENT OF POPULATION)**

	Rural			Urban		
	Calorie Deficient	Calorie Adequate	Total	Calorie Deficient	Calorie Adequate	Total
Protein Deficient .. .. .	9	2	11	15	2	17
Protein Adequate .. .. .	24	65	89	31	52	83
Total ..	33	67	100	46	54	100

8. *New Survey.*—A fresh nutritional survey has been undertaken by Government with a view to getting up-to-date data. The survey will cover 40,000 persons and will take 2 years to complete. The survey would enable the Government to initiate, modify or strengthen policies relating to food supply and food distribution. In the meantime, efforts to increase food supplies and ensure equitable distribution would continue on the basis of the information already available.

9. *Weaning Foods.*—A specific problem which it is proposed to tackle on a priority basis is improvement in infant feeding aimed at reducing infant mortality and improving the health of the infants. A pilot project for supply of cheap weaning food is being undertaken. PCSIR have developed a number of cheap supplemental foods. It is proposed to make use of 6,000 MT of World Food Supplies to produce a limited quantity of weaning food. A ration of 100 grams per day would be given to 75,000 infants only which will add 360 calories and 20 grams of protein per child to existing supplies. The programme is specifically aimed at low income groups. Further expansion of the programme would depend upon the results achieved in the pilot project.

10. *Dry Ration.*—Another pilot project which is being undertaken is for supply of dry ration of butter, dried skim milk and wheat to pregnant women and children through MCH Centres and voluntary organizations. The project is based on a donation of 41727 MT of wheat, 7321 MT of dried skim milk and 2336 MT of butter oil. The programme is expected to cover 439,680 pre school children and 217,840 mothers.

11. *Iron Deficiency.*—There is considerable evidence to suggest that a large proportion of women have iron deficiency. According to one estimate, 65% of pregnant women have deficient levels of plasma haemoglobin (less than 12 gm per 100 ml). In case of adult males, iron deficiency occurs because of worm infestations, poor absorption and low supplies. Iron deficiency induces fatigue, and reduces working efficiency. Children having inadequate intake of iron have low interest in learning.

12. The fortification of atta with iron and some other nutrients is being considered. An experiment is being designed to teste the taste, colour and cooking quality of the fortified atta as well as the storage qualities of fortificants in atta. The fortification cost has been estimated at Rs. 5.98 per *capita* per annum. Another programme to be tested is supply of iron pills through MCH Centres.

13. *Iodine deficiency.*—There is widespread prevalence of goitre in the mountaneous areas of the northern and north western part of the country, due to iodine deficiency.

14. The programme for control of goitre consists of three sub projects (i) reactivation of machinery for iodization of salt already installed in Skardu (ii) installation of small scale machines for salt iodization at village level in Azad Kashmir (a part of the population of Muzaffarabad will be covered at a very nominal cost) and (iii) installation of large machine in N.W.F.P. for supply of salt to Chitral and Swat areas.

15. The problems encountered during implementation are inducing of change in consumer habits from rock salt to crushed salt, since iodization is only possible in crushed salt. Regular supplies of salt have to be ensured in areas difficult of access. The difficulties are mainly administrative and logistical. The cost of iodization alone is not high being less than Rs. 1 per maund. An evaluation of the programme will be carried out after a suitable interval.

16. *Vitamin "A" deficiency.*—The previous nutrition survey revealed that there is a considerable deficiency in the vitamin "A" intake. In view of the effects of vitamin "A" deficiency in terms of eye diseases and lowered resistance to infections, it is necessary to undertake a programme for improving the situation. Two programmes will be implemented—one relating to increasing the level of vitamin "A" fortification in vegetable ghee and second relating to fortification of tea. At present vitamin "A" is added to vegetable ghee at the rate of 15,000 international unit per pound. On the basis of average intake of ghee, it is found that this supply is quite insufficient and increased level of fortification would help in the situation. The cost of fortification of ghee is quite low and quadruplicating the fortification level would involve an extra cost of a few paises per pound. This cost can be absorbed in the existing pricing system and will not pose much of a problem.

17. The second programme is concerned with fortification of tea with vitamin "A". A study was made of supplying such tea to an area in Azad Kashmir. On the basis of this experiment which is being evaluated an extension of the programme to other areas will be made. The level of fortification will be such that about 750 international units of vitamin "A" are supplied per cup of tea. The additional cost of fortification will come to paise 10 per pound of tea which in terms of proportion of cost of tea is nominal. The total cost of the project is expected to be Rs. 69.5 lakhs. While carrying out this programme it will be ensured that the fortification does not result in undue increase in the consumption of tea. An evaluation of the tea fortification programme in the first phase will be done before the programme is extended to a national level.

18. *Research Studies.*—Research studies which are integrated with pilot project have already been mentioned. For a systematic analysis of various systems concerned with nutrition, the following additional studies are contemplated :

- (i) The nutrition survey will provide information about the extent of nutritional deficiencies, the pattern of consumption and the economic environment. This will facilitate the working out of causative relationship, and the linkages between food habits and belief patterns, nutrient consumption and income and impact of water supply on nutrient absorption.
- (ii) Separate studies will be made of problems of vulnerable groups.
- (iii) A detailed study will be made of problems of iron absorption in Pakistani conditions.
- (iv) The extent of energy loss in typical cases of tuberculosis, malaria and other major disease will be studied.
- (v) A study on nutrient value of various cooked foods will be started. The work done by various organisations and individuals will be consolidated and reviewed and additional studies made, where necessary. A comparison will be made with results abroad. The work will enable planners to assess the nutrient values of foods, as cooked in Pakistan, and to suggest whether changes in cooking habits are required to reduce nutrient losses.
- (vi) The planning of food production, food processing and marketing has an obvious bearing on nutritional policies. In this field, studies would be undertaken where gaps exist in the work being done for general agricultural developmental purposes.
- (vii) A nutrition programme will consist of supply of goods and educational services to people. For this purpose, at present, a number of outlets are available e.g. the MCH Centres, Family Planning Clinics, IRDP Centres, Schools, Voluntary Agencies, Ration Shops etc. Some of the existing outlets have already been in use for some time but their performance and their capability have to be evaluated so that their competence and capacity for the supply of specific goods and services can be clearly established. It will also be necessary to work out administrative arrangements for coordination of work in a large number of agencies and outlets.

19. Efforts would be made to consolidate the work already done and to avoid duplication. A news letter will be published to keep research workers informed of ongoing research and of current nutritional programme.

**PAKISTAN NATIONAL PER CAPUT ENERGY REQUIREMENT FOR 1975<sup>1</sup>**  
**BASED ON "NUTRITIONALLY IMPROVED" RATIOS OF WEIGHT TO CURRENT HEIGHT**

Age Groups (years)	Base Body <sup>2</sup> Weight (kg)	Individual Requirements (Local)	Population <sup>3</sup> Distribution (%)	Total Energy Requirements (Local)
1-4 <sup>4</sup>	—	1090	2.2	2398
1-3	—	1360	10.8	14,688
4-6	—	1830	10.5	19,215
7-9	—	2190	10.5	22,995
<b>Male</b>				
10-12	—	2600	3.5	9100
13-15	49.6	2213	3.4	7524
16-19	57.3	2688	3.4	9139
20-39	58.0	2668	13.1	34,951
40-49	—	2535	4.7	11,915
50-59	—	2401	3.1	7443
60-69	—	2134	2.1	4481
70+	—	1867	1.4	2614
<b>Female</b>				
10-12	—	2350	3.0	7050
13-15	45.6	2061	2.9	5977
16-19	51.0	2142	3.1	6640
20-39	51.0	2040	13.2	26,928
40-49	—	1938	3.9	7558
50-59	—	1836	2.6	4774
60-69	—	1632	1.5	2448
70+	—	1428	1.1	1571
Total ..				209,409
Per caput ..				2094

1. Based on approach recommended in : *Energy and Protein Requirements*, Report of a Joint FAO/WHO *ad hoc* expert committee ; World Health Organization, Geneva, 1973.

2. Base body weights for age groups 1 through 10—12 are those of FAO/WHO reference Children ; those for other age groups are calculated from weights reported in *Nutrition Survey of West Pakistan* (February 1965 November 1966), a Report Issued by the Directorate of Nutrition Survey and Research, Ministry of Health, Labour and Family Planning (Health Division) ; Government of Pakistan, June, 1970.

3. Population sex-wise age distribution based on Planning Division estimates for 1974-75.

4. Includes allowance for pregnancy and lactation.

PAKISTAN NATIONAL PER CAPUT SAFE LEVEL OF PROTEIN INTAKE FOR 1975  
 BASED ON "NUTRITIONALLY IMPROVED" RATIOS OF WEIGHT TO CURRENT HEIGHT

1	2	3	4	5	6
Age Groups (Years)	Base Body <sup>1</sup> Weight (Kg) (a)	Requirement per Kg per day (b)	Requirement per caput per day (c)	Population Age Distribution (%) (d)	Total Protein Requirement (e)
1-4	..	..	..	2.2	..
1-3	..	..	1.19	15.9	171.72
4-6	..	..	1.01	20.4	214.20
7-9	..	..	0.88	24.7	259.35
Male					
10-12	..	..	0.81	29.9	3.5
13-15	..	..	0.72	35.7	3.4
16-19	..	..	0.60	34.38	3.4
20+	..	..	0.57	33.06	24.4
Female <sup>2</sup>					
10-12	..	..	0.76	28.9	3.0
13-15	..	..	0.63	28.7	2.9
16-19	..	..	0.55	28.1	3.1
20+	..	..	0.52	26.5	22.3
Allowance for Pregnancy	..	..	..	5.5	(2.3)
Allowance for lactation	..	..	..	17.0	(2.2)
Total ..					2692.07
per caput ..					26.93

Relative Protein Quality = 70%  
 26.93 x 100 = 38.47

70

Wastage correction factor = 1.10

38.47 X 1.10 = 42.32

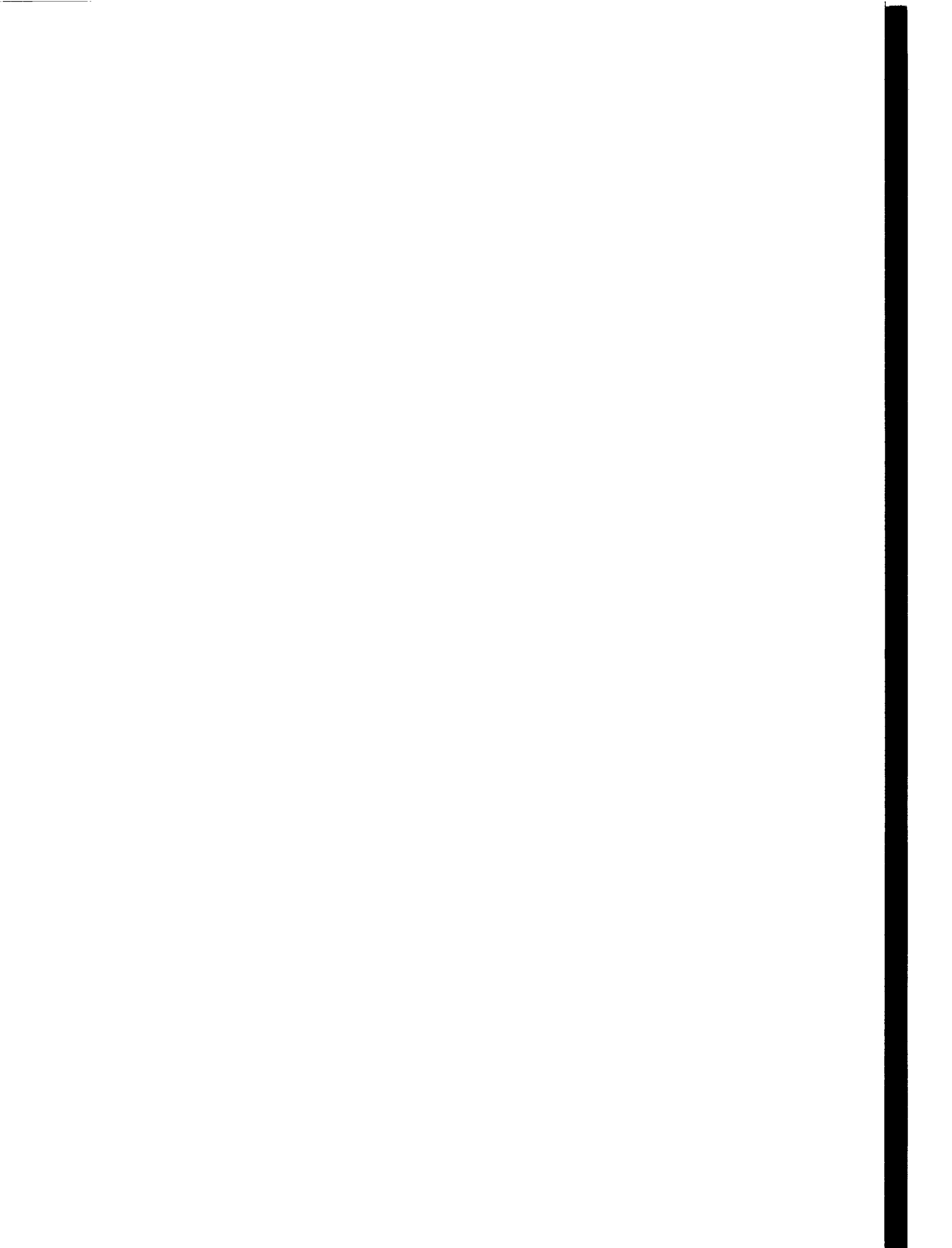
Final estimated safe level of intake = 42.3

1. Based on approach recommended in: *Energy and Protein Requirements* Report of Joint FAO/WHO Ad hoc Expert Committee, World Health Organization: Geneva, 1973.

2. Base body weights for age groups through 10-12 are those of FAO/WHO reference children; those for other age groups are collected from weights reported in: *Nutrition Survey of West Pakistan*, (February 1965-November 1966) Report issued by the Directorate of Nutrition Survey and Research, Ministry of Health Labour and Family Planning (Health Division), Government of Pakistan, June 1970.

3. Population sex-wise age distribution based on Planning Division estimate for 1974-75.

4. Requirements for infants included in allowance for lactation.

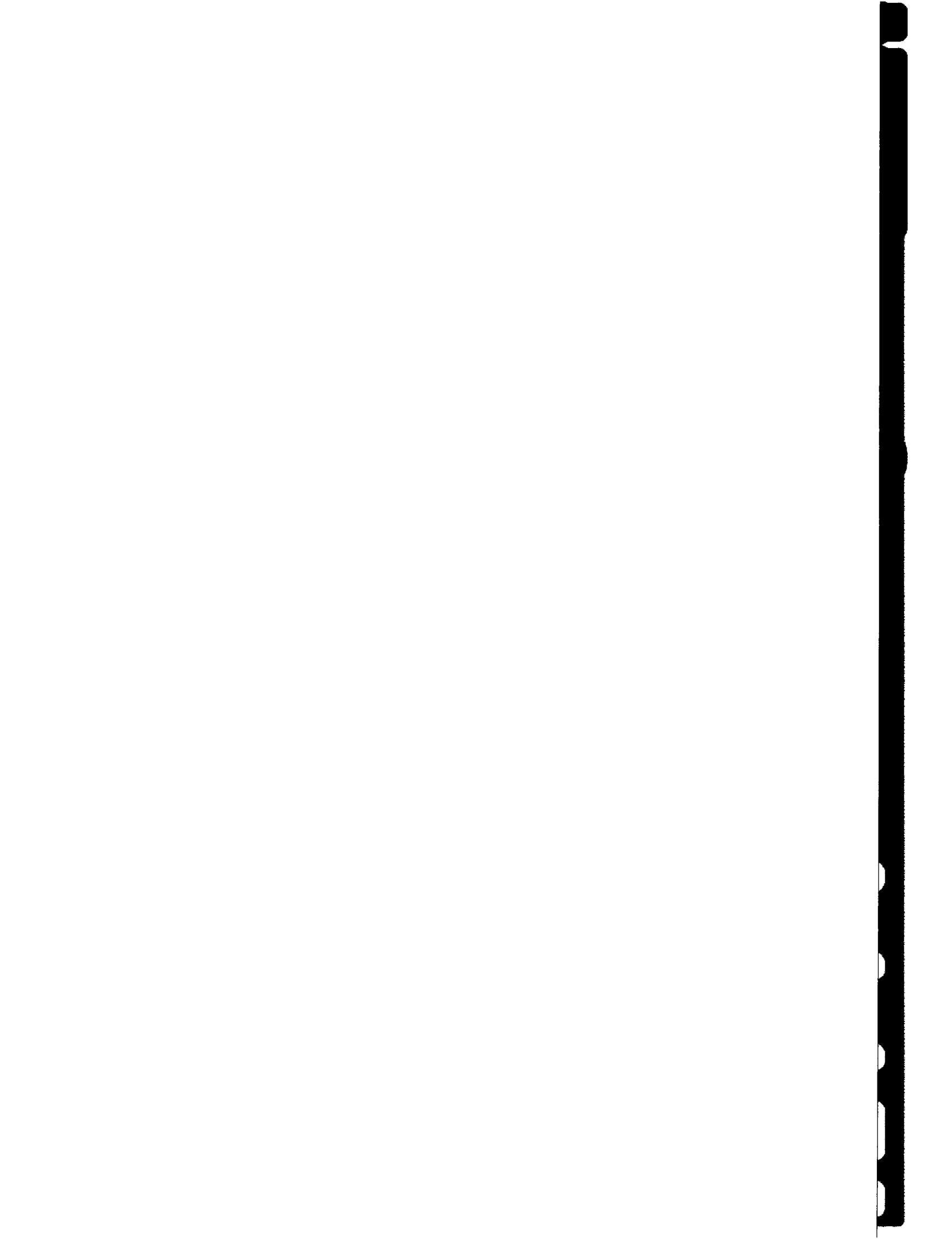


## FOOD BALANCE SHEET FOR THE AGRICULTURAL YEAR 1974-75

Country : Pakistan  
Population : 69.21 million

Unit : Thousand long tons (unless specified)

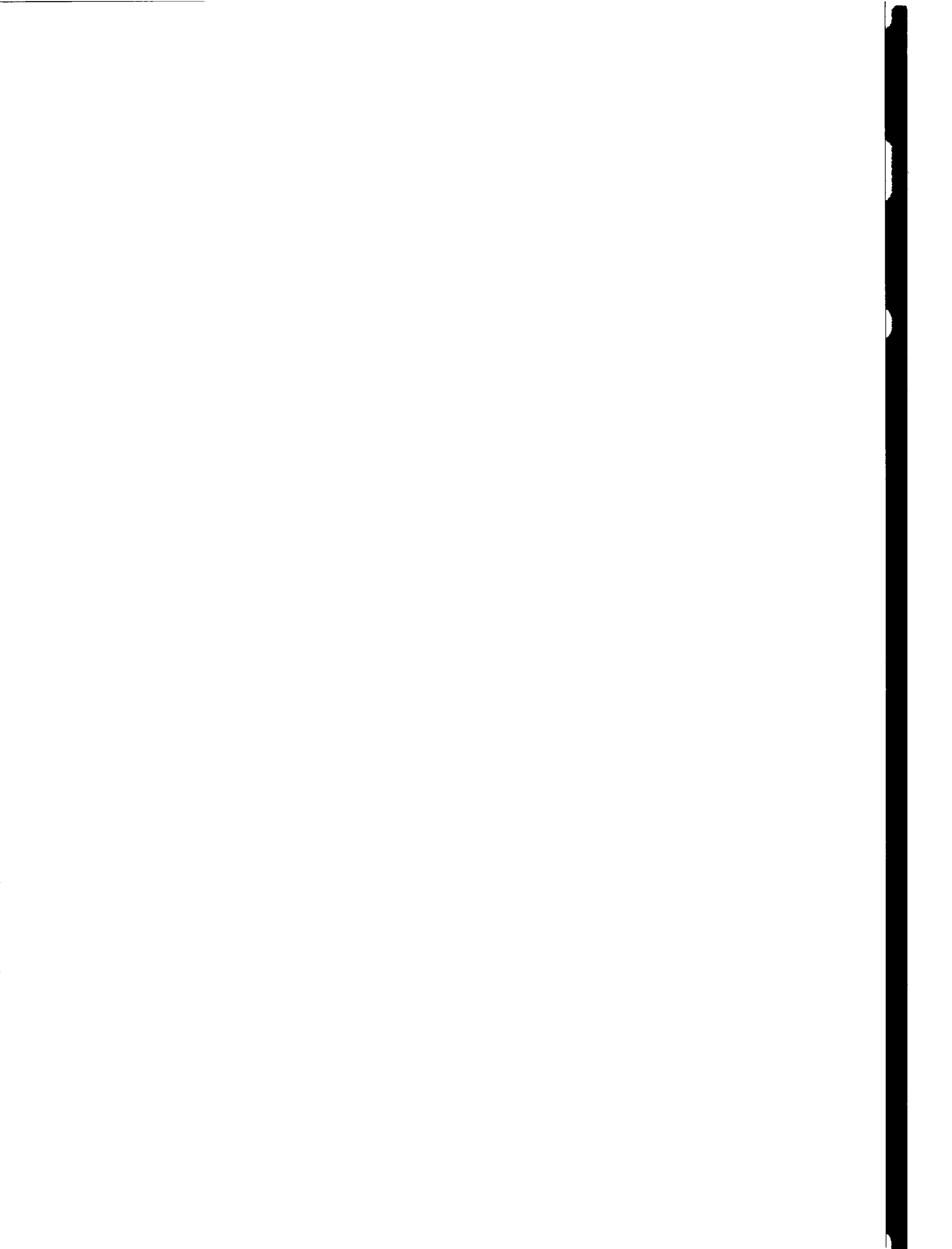
Commodity	Foreign Trade						Distribution						Per Caput Consumption						
	Production	Change	Gross	Gross	Avail-		Anim-	Seed	Manu-	Waste	Food	Ex-	Food	Kg.	Gm.	Calo	Protein	Fat	
	in	in	Export	Import	supply	feed	tract	facture	(Gross)	tract	tract	tract	tract	per	per	per	(Gm)	(Gm)	
	stock	stock	stock	stock	stock	percent	percent	percent	percent	percent	percent	percent	percent	day	day	day	day	day	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18		
<b>Cereals</b>																			
Wheat	7508	(-144)	—	1168	8535	—	488	—	263	7784	97	7550	110.84	303.67	1059.8	31.27	5.47		
Rice	2300	—	600	1700	—	92	—	46	1562	—	1562	22.93	62.82	226.15	4.21	1.07			
Bajra	287	—	—	287	11.5	11.5	—	14.35	249.7	95	237.2	3.48	9.53	33.16	0.92	0.45			
Maize	735	—	—	735	37.00	37.0	106	44	511	89	454.8	6.676	18.29	66.4	1.54	0.22			
Jawar	295	—	—	295	15	15	—	15	2.50	95	237.5	3.48	9.53	32.69	0.92	0.31			
Barley	137	—	95	—	42	12.2	12.33	—	—	17.47	75	13.10	0.19	0.5	1.66	0.04	0.01		
Total	11262	(-144)	695	1168	11594	75.7	655.83	106	382.53	10374.17	—	10054.6	147.59	404.34	1419.89	38.9	7.53		
<b>Sugar</b>																			
Sugar (Refined)	490	(+)	70	—	560	—	—	—	—	560	—	560	8.22	22.52	87.15	—	—		
Sugar (Raw)	1324	—	146.99	—	1324	132	—	—	—	1045	—	1045	15.33	42.00	147.42	0.42	—		
Total	1814	—	146.99	—	1884	132	—	—	—	1752	—	1752	25.72	70.47	234.57	0.42	—		
<b>Pulses</b>																			
Gram	600	—	—	—	600	149	54	—	—	397	90	357	5.25	14.38	49.61	2.66	—		
Other Pulses	220	—	—	—	220	—	19.27	—	—	200.7	90	180.61	2.65	7.26	25.05	1.61	—		
Total	820	—	—	—	820	149	73.27	—	—	597.7	—	537.91	7.90	21.64	74.66	4.27	—		
<b>Oil Seeds</b>																			
Rape and Mustard	288	—	—	—	288	—	14.6	264.6	8.8	—	—	—	—	—	—	—	—		
Sesamum	12	—	—	—	12	—	0.6	10.8	0.6	—	—	—	—	—	—	—	—		
Cotton Seed	1248	—	—	—	1248	312	61.4	848.64	24.95	—	—	—	—	—	—	—	—		
Ground Nut	56	—	—	—	56	—	0.56	42.0	—	—	80	6.72	0.099	0.27	1.47	0.07	—		
Total	1604	—	—	—	1604	312	77.16	1166.04	34.34	—	80	6.72	0.099	0.27	1.47	0.07	—		
<b>Other</b>																			
Potatoes <sup>1</sup>	235	—	—	—	235	—	7	—	—	228	—	228	3.35	9.18	6.42	0.16	0.01		
Vegetables <sup>2</sup> (1972-73)	1634	—	19	1	1616	—	—	—	—	1616	—	1616	23.72	64.99	37.04	0.4	0.2		
Fruits	1479	—	38	25	1466	—	—	—	—	1466	—	1466	21.52	58.95	33.60	0.35	0.17		
Total	3348	—	57	26	3317	—	7	—	—	3310	—	3310	48.59	133.12	77.06	0.91	1.38		





	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18					
<b>MILK<sup>4</sup></b>																							
Cow	..	—	—	—	—	7700	—	—	—	—	1320.55	—	—	19.39	53.12	32.93	1.81	1.67					
Buffalo	..	7700	—	—	—	—	—	—	—	—	5443.9	—	—	79.92	218.96	221.15	8.76	16.42					
Goat	..	..	..	..	..	..	..	..	..	..	542.85	..	..	7.97	21.83	15.94	0.83	1.42					
Sheep	..	..	..	..	..	..	..	..	..	..	392.7	..	..	5.77	15.81	15.65	0.92	1.03					
Total	..	7700	..	..	..	7700	..	..	..	..	7700	..	..	113.05	309.72	285.67	12.32	20.54					
<b>Meats</b>																							
Beef	..	97.0	—	—	—	—	—	—	—	—	—	—	—	1.42	3.0	8.77	0.57	0.70					
Buffalo	..	41.2	—	—	—	250	—	—	—	—	250	—	—	0.605	1.66	1.33	0.21	0.04					
Goat	..	60.6	—	—	—	—	—	—	—	—	—	—	250	0.89	2.44	3.00	0.34	0.17					
Mutton	..	51.2	—	—	—	—	—	—	—	—	—	—	—	0.752	2.06	5.11	0.24	0.43					
Poultry	..	15.18	—	—	—	—	—	—	—	—	15.18	—	—	0.223	0.611	0.74	0.74	0.05					
Total	..	265.18	..	..	..	265.18	..	..	..	..	265.18	..	..	3.89	10.67	18.95	1.43	1.39					
<b>Egg (in shell)</b>																							
Hen	..	600m/1Nos	..	..	..	..	..	..	..	..	..	..	..	0.395	1.082	1.56	0.12	0.11					
Duck	..	600m/1Nos	..	..	..	..	..	..	..	..	..	..	..	0.038	0.10	0.10	0.0113	0.013					
Total	..	600m/1Nos	..	..	..	..	..	..	..	..	..	..	..	0.433	1.1820	1.72	0.233	0.133					
<b>Fish</b>																							
	..	164.4	—	—	6.256	158.144	—	—	—	—	158.144	—	—	158.144	2.32	6.36	3.94	0.22	0.200				
Total	..	164.4	..	..	6.256	158.144	..	..	..	..	158.144	..	..	158.144	2.32	6.36	3.94	0.22	0.200				
<b>Oil and Fats</b>																							
Rape & Mustard	..	..	..	..	..	426	..	..	..	..	..	..	..	87	100	876	1.28	3.52	31.03	—	3.51		
Sesamum Oil	..	101	..	..	..	..	..	..	..	..	..	..	..	45	—	294	94	275	4.052	11.10	98.12	—	11.10
Ground Nut	..	..	..	..	..	179	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
C. S. Oil	..	148	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Soyabean	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Total	..	249	..	..	179	426	..	..	..	..	45	..	..	381	..	362	5.332	14.61	129.15	—	14.61	..	..

GRAND TOTAL .. .. 2247.8 58.77 44.76  
Vegetable .. .. 44.57  
Animal .. .. 14.20  
1973-74 figures repeated.  
1972-73 figure repeated.  
1972-73 figure repeated.  
1973-74 figure repeated.  
<sup>5</sup>Including 15,000 tons of imported butter oil.



CHAPTER 11  
PRICE SITUATION

**Price Trends during 1974-75**

Price situation in the country has been a cause of concern both to the consumers and the government. In the past numerous measures have been taken by the Government to ensure that prices of essential commodities remain within reasonable limits. These efforts have, however, been met with a partial success. During 1975-76 Government is fully resolved to make all out efforts to bring inflation under control. The fiscal, monetary and trade policies for the year have thus been framed with this objective in view.

11.2. Pakistan experienced an inflationary rise in prices of an unprecedented magnitude during the period from 1972—75. The inflation commencing from 1971 in the wake of political and military developments of that period reached its peak in 1973-74 when prices rose by around 30 per cent. During 1974-75, the price level again remained under considerable pressure though at a somewhat reduced rate.

11.3. Table I summarises the rate of increases during the year 1974-75 in the wholesale price index, combined consumer price index and the sensitive index of 18 essential commodities. The month-wise increase in respect of these three indices are given in the annexures I to III.

TABLE I

*Price Increases during 1974-75*

	Wholesale Price Index	Consumer Price Index	Sensitive Price Indicator
June, 1974 .. .. .	250.69	174.94	178.09
June, 1975 .. .. .	308.46*	214.39	216.20
Percentage change June, 1975 over June, 1974	23.00	22.55	21.40
Average Monthly percentage change	1.92	1.88	1.78

\*Provisional.

11.4. It would be seen that the rate of inflation during 1974-75 was in the range of 21—23 per cent. The wholesale price index increased by 23.0 per cent between June, 1974 and June, 1975—an increase of around 1.92 per cent per month. The consumer price index also showed almost the same increase during the year. The sensitive price indicator for 18 essential commodities increased by 1.78 per cent per month. Rise in sensitive price indicator was moderated by availability of wheat flour, sugar and vegetable ghee at controlled prices.

**Wholesale Price Index**

11.5. Table II shows the group-wise increase of the wholesale price indices for the year 1973-74 and 1974-75 :—

TABLE II

*Wholesale Price Index*

	General	Food	Raw Material	Fuel, light- ing and lubricants	Manufac- tures
June, 1973 .. .. .	203.21	217.19	186.30	198.13	179.77
June, 1974 .. .. .	250.69	254.22	220.94	290.94	257.77
Average monthly percentage increase 1973-74	1.95	1.42	1.55	3.50	3.60
June, 1975 .. .. .	312.41	330.57	242.93	353.15	307.85
Average Monthly percentage increase 1974-75	1.92	2.33	0.78	2.14	1.52

11.6. The wholesale price index showed an increase of 23.00 per cent during 1974-75 or 1.92 per cent per month. A significant feature of the price behaviour during this period was that the prices of manufactured items and raw material increased at a markedly slower rate than the food items. The prices of the manufactured items increased by 18.3 per cent only—about 1.52 per cent per month—as against an increase of 3.60 per cent per month during 1973-74. Similarly the prices of raw material increased by 0.78 per cent per month as against 1.55 per cent per month during 1973-74. The slower upward movement in the price of raw material is attributable to world-wide recession as well as the reduced demand of raw materials.

11.7. Food items showed an increase of about 2.33 per cent per month as against an increase of less than 1.42 per cent per month last year. The main reason for this increase in food prices was the announcement of new procurement price of wheat in September, 1974 which raised the wholesale price of wheat significantly. The index number of wholesale prices of wheat increased by 50.1 per cent by June, 1975 over June, 1974. The price of rice and gram also increased by 22.1 per cent and 48.8 per cent respectively during the same period.

### Consumer Price Index

11.8. The table below shows group-wise increase in the consumer price index during 1973-74 and 1974-75.

TABLE III  
Consumer Price Index

	General	Food Beverage and Tobacco	Apparel Textile Footwear	Housing and Household	Miscellaneous
June, 1973 .. .. .	131.12	134.06	138.43	118.77	129.23
June, 1974 .. .. .	174.94	181.29	192.04	158.91	162.67
Average Monthly Percentage increase during 1973-74 ..	2.78	2.93	3.23	2.82	2.16
June, 1975 .. .. .	214.39	225.66	228.52	192.64	196.17
Average Monthly Percentage increase during 1974-75 ..	1.88	2.04	1.58	1.77	1.72

11.9. The combined consumer price index shows an increase of 1.88 per cent per month during 1974-75 as against 2.78 per cent during 1973-74. The increase has been more pronounced in the food, beverage and tobacco group as against other groups such as apparel, textile and footwear, housing and household and miscellaneous where the increase ranged between 1.7—1.8 per cent per month.

11.10. The sensitive price indicator for 18 essential commodities during the year 1974-75 showed an increase of around 1.78 per cent per month as against an increase of slightly less than 3 per cent per month in 1973-74. A table showing the average month-wise increases for all the 18 commodities during 1974-75 is given as Annexure VI.

11.11. It would be seen from this table that the prices of all the commodities except potato and long cloth covered by this indicator have increased during the year. However, the increases have been more pronounced in the case of wheat, wheat flour, pulse gram, onion, kerosene oil, beef and mutton. Among these, wheat and wheat product prices were to a great extent influenced by increased procurement and issue price of wheat. The increase in the price of kerosene oil has also been the result of new price announced by government.

11.12. The wheat prices went up after the announcement of the procurement price of Rs. 37 per maund in September 1974 for 1975 wheat crop. The open market prices went up by more than 50 per cent and have recently fallen considerably due to the arrival of fresh crop. The price of controlled wheat flour increased by 52 per cent after the announcement of the new issue price in April, 1975. The increase in the prices of mutton and beef can be attributed to an imbalance between supply and demand at current prices. The price of kerosene oil also showed some increase under the impact of Government's decision announced in April, 1975, increasing the prices of kerosene oil by Rs. 1 per gallon. The price of sugar also went up as a result of the new price announced in April, 1975 and this also influenced the price of gur.

11.13. The interesting behaviour of the prices covered by this indicator is that the prices in the first three quarters increased by less than 1.5 per cent per month. However, in April, the prices jumped up as a result of the new issue prices of the wheat, vegetable ghee and sugar announced on 7th April, 1975. Since then, the prices have again started falling and by end-June, 1975 have fallen by about 3 per cent of the peak level registered on 12th April, 1975.

#### **Causes of Inflation**

11.14. Inflation in Pakistan has been partly the inevitable result of international economic situation and partly the consequence of domestic factors. Most of the market economy industrial nations of the world have been experiencing double digit inflation. Developing countries exposed to international forces have consequently been hit by a high rate of imported inflation. Pakistan's economy since the delinking of East Pakistan has been oriented towards international trade to a much greater extent. Foreign trade (exports and imports combined) constitutes almost 40 per cent of GNP. A very large part of the price situation is, therefore, affected by the world price level. According to certain studies, the import price index for Pakistan has gone up to 203 in 1974-75 compared to 100 in 1971-72. The consumers ultimately had to pay for this increase.

11.15. The major domestic factors in the rise of price level were the Long over due devaluation of the rupee in May, 1972, correction of distortion of the prices of agricultural commodities with consequent upward adjustment in the issue prices and wage settlements during the course of 1972 and 1975. Some inflationary pressures were bound to arise immediately after 1971 war and separation of East Pakistan. The country had to carry the burden of defence expenditure alone and had to increase defence outlays. The pressing need for increased outlays on reconstruction and revival of economy particularly with the objective of improving employment situation gave rise to substantial deficit financing during 1971-72 and 1972-73. Even during 1973-74 and 1974-75, when the deficit financing was considerably reduced, the total monetary expansion far exceeded the real growth in GNP.

11.16. Pakistan was carrying a good deal of latent and suppressed inflation full impact of which was hidden under the export bonus scheme. The unification of exchange rates at a realistic level brought the latent inflation into open in the process of correcting distortions. The new exchange rate affected the prices of wheat, cotton, edible oil etc. for which differentially favourable exchange rate was used under the export bonus scheme.

11.17. The price rises in the last four years have been around 100 per cent. It is difficult to quantify in exact terms the contribution of factors enumerated above. However, a preliminary study indicates that roughly 50 per cent of the rise in prices was due to the impact of international inflation and the balance due to devaluation and deficit financing.

#### **Steps taken to regulate prices**

11.18. The Government has taken a variety of measures to control the prices of essential commodities. It has resorted to both large imports and huge subsidies to maintain the price of wheat at ration depots. The wheat import bill during 1974-75 adds upto Rs. 3,000 million and subsidy met through budget Rs. 2,425 million. The supply of other essential commodities such as vegetable ghee, sugar, coarse cloth was also assured on controlled prices.

11.19. Fiscal measures have also been introduced in the last two years to reduce the budgetary deficit. During 1974-75, a number of measures were taken, including the imposition of regulatory import duties, increase in the power and gas charges and reduction of subsidies. Deficit financing during the year is being kept at the planned level and would be around 3 per cent of the total monetary assets. During 1975-76, Government has decided not to resort to deficit financing.

11.20. In the overall adjustment, the monetary policy has been used equally forcefully to curb inflation. The bank rate was raised from 5 per cent to 6 per cent in May, 1972. It was raised again to 8 per cent in August, 1973 and finally to 9 per cent in September, 1974. Simultaneously, the minimum rates of interest on various categories of saving and fixed deposits were revised upward to increase savings and discourage consumption. Lending rates from banks were raised to a range of 10 to 13 per cent to discourage undue use of bank credit. These measures were combined with direct measures for ensuring utilization of bank credit for productive purposes through selective credit controls and changes in margin requirements.

11.21. Trade policy has also been used to augment the anti-inflationary measures in the fiscal and monetary realm. Ban on the export of food items *viz.* vegetables poultry, meat etc. was strictly observed to avoid the transmission of the full impact of high international prices. Export duties were used in other cases to moderate the impact consistent with the need to encourage increased production. Imports of essential items like wheat and edible oil were arranged at a high cost in foreign exchange to avoid scarcity, though this implied subsidy and a gradual upward adjustment of prices.

11.22. With a view to streamlining the distribution of essential commodities and doing away with artificial shortage in the open market, a number of fair price shops and utility stores were opened which made available essential items to the people at the fixed price. A provision of Rs. 20 million has been made in the ADP for 1975-76 for utility store organization.

11.23. The pressure on price situation has been rather acute in the last few years as has been explained in the preceding paragraphs. In order to protect the wage group, a total increase of Rs. 110 per month has, thus far, been granted as a short term relief against inflation. This increase is roughly 100 per cent in the case of low-paid employees though much less as the proportion of total income in the case of employees getting higher pay.

#### Future Prospects

11.24. The price situation showed signs of stabilization towards the end of fiscal year 1974-75. The open market price of wheat came down from the peak levels recorded during the year. Vegetable and poultry prices recorded sharp decline. Combined consumer price index recorded a decline of about 1.5 per cent during May, 1975. The index of 18 essential commodities recorded a decline of about 3 per cent during the period 12th April, to 31st May, 1975. It appears that rate of increase in prices is likely to slow down considerably during 1975-76. The main reasons for this optimism are :—

- (a) The impact of world prices and devaluation has been absorbed in price changes during the last 3 years. In major commodities, the prices in Pakistan are in line with the international price levels at the current exchange rates.
- (b) The international prices are tending to decline and, therefore, the effects of imported inflation are likely to be considerably lower than in the past.
- (c) The Government budgetary deficit during 1971-72 was very pronounced and affected the prices during the subsequent two years. Deficit financing in the subsequent years has been brought down considerably, in spite of the fact that the level of development outlays has been increased three fold during the current year. The impact of deficit financing during 1974-75 is likely to be less than 3 per cent of the volume of monetary assets at the beginning of the fiscal year and is expected to be more than offset by the use of oil facilities from IMF.
- (d) Government is fully resolved to make an all-out effort to bring inflation under control. As a matter of policy, it has been decided not to resort to deficit financing during 1975-76. The production of both agricultural and industrial products is planned to increase considerably. Adequate stocks and supplies of essential commodities are being assured. Details of the measures being taken in this regard are spelled out in the chapter on Consumption Planning.

## INDEX NUMBERS OF WHOLESALE PRICES BY GROUPS

(1959-60=100)

Month	General	Food	Raw Materials	Fuel, light- ing and lubricants	Manufac- turing
1974 June .. .. .	250.7	254.2	220.9	280.9	257.8
1974 July .. .. .	257.4	258.2	231.7	280.0	269.0
1974 August .. .. .	265.4	266.5	225.3	282.7	288.3
1974 September .. .. .	274.3	280.4	226.2	282.6	291.2
1974 October .. .. .	278.3	287.6	224.1	282.5	291.4
1974 November .. .. .	280.5	293.9	218.6	296.9	287.2
1974 December .. .. .	289.4	306.8	225.4	297.1	288.4
1975 January .. .. .	291.6	311.1	230.2	297.7	283.5
1975 February .. .. .	293.6	313.8	231.7	340.1	277.9
1975 March .. .. .	296.9	319.2	232.9	353.3	280.2
1975 April .. .. .	313.9	333.8	244.5	353.4	305.6
1975 May .. .. .	310.7	329.1	244.8	353.1	304.5
1975 June .. .. .	308.5	325.5	241.7	353.1	304.9
Percentage change June, 1975 over June, 1974 .. .. .	23.0	28.0	9.4	25.7	18.3
Percentage Monthly increase .. .. .	1.92	2.33	0.78	2.14	1.52

\*Provisional.

## COMBINED CONSUMER PRICE INDEX (ALL INCOME GROUPS)

(1969-70=100)

	General	Food, Bever- ages and Tobacco	Apparel, Textile and Foot wear	Housing and household operations	Miscellane- ous
1974 June .. .. .	174.94	181.29	192.04	158.91	162.67
1974 July .. .. .	179.46	186.17	195.99	162.23	167.48
1974 August .. .. .	186.94	194.83	210.40	165.48	174.21
1974 September .. .. .	190.92	199.54	211.71	167.07	179.59
1974 October .. .. .	193.77	201.79	215.39	170.68	182.71
1974 November .. .. .	193.54	199.27	217.34	173.07	186.00
1974 December .. .. .	198.16	205.01	222.21	177.63	187.17
1975 January .. .. .	200.76	208.18	224.94	180.06	188.20
1975 February .. .. .	203.89	211.22	225.20	186.40	189.89
1975 March .. .. .	207.08	215.92	226.03	187.60	191.35
1975 April .. .. .	216.96	231.93	227.14	189.18	194.92
1975 May .. .. .	213.74	225.41	228.35	190.23	195.72
1975 June .. .. .	214.39	225.66	228.52	192.64	196.17
Percentage change June, 1975 over June, 1974 .. .. .	22.55	24.47	19.00	20.22	20.59
Monthly % change .. .. .	1.88	2.04	1.58	1.77	1.72



## SENSITIVE PRICE INDICATORS

(Base 1969-70 = 100)

								Industrial	Commercial	Government	All Combined
1974 June	..	..	..	..	..	..	..	178.21	178.54	176.99	178.09
1974 July	..	..	..	..	..	..	..	180.24	180.67	179.22	180.22
1974 August	..	..	..	..	..	..	..	184.13	184.42	183.30	184.08
1974 September	..	..	..	..	..	..	..	185.91	186.98	186.07	186.47
1974 October	..	..	..	..	..	..	..	188.82	189.72	188.92	189.28
1974 November	..	..	..	..	..	..	..	191.42	192.08	191.51	191.76
1974 December	..	..	..	..	..	..	..	192.91	194.12	194.24	193.81
1975 January	..	..	..	..	..	..	..	194.33	194.60	195.17	194.86
1975 February	..	..	..	..	..	..	..	197.16	198.84	199.52	198.52
1975 March	..	..	..	..	..	..	..	198.72	198.59	199.24	198.72
1975 April	..	..	..	..	..	..	..	217.45	218.78	219.66	218.61
1975 May	..	..	..	..	..	..	..	212.53	216.06	214.87	214.79
1975 June	..	..	..	..	..	..	..	214.52	217.31	215.93	216.20
Percentage change June, 1975 over June, 1974	..	..	..	..	..	..	..	20.4	21.7	22.0	21.4

## AVERAGE PRICES AND PRICE INDICATORS OF 18 ESSENTIAL COMMODITIES

(In Rupees)

	End June 1974	End Sept. 1974	End Dec. 1974	End March 1975	End April 1975	End May 1975	End June 1975	% increase over end June, 1974	
Wheat (AV. Qty) .. ..	0.80	0.93	1.21	1.26	1.30	1.17	1.16	45.0	
Wheat Flour (AV. Qty) .. ..	0.89	1.07	1.29	1.36	1.42	1.25	1.22	37.1	
Wheat Flour (Ration) .. ..	0.58	0.59	0.61	0.61	0.88	0.88	0.88	51.7	
Rice Basmati (Broken) .. ..	1.64	1.66	1.69	1.77	1.75	1.77	1.77	7.9	
Pulse gram (AV. Qty) .. ..	1.41	1.47	1.65	2.23	2.32	2.08	2.03	44.0	
Beef .. ..	5.06	5.44	5.45	5.64	5.29	5.40	5.63	11.3	
Mutton Goat .. ..	9.76	10.22	10.74	11.29	10.43	10.72	10.80	10.7	
Potato white .. ..	1.94	2.11	1.42	1.26	0.99	0.80	1.00	-48.5	
Onion dry .. ..	0.41	0.66	1.11	1.00	1.26	1.10	1.12	173.2	
Vegetable Ghee .. ..	7.50	7.50	7.50	7.50	9.00	9.00	9.00	20.0	
Salt rock .. ..	0.59	0.65	0.63	0.56	0.66	0.65	0.66	11.9	
Sugar (Ration) .. ..	3.50	3.50	3.50	3.50	4.00	4.00	4.00	14.3	
Gur .. ..	1.92	2.06	2.24	2.25	2.35	2.43	2.49	29.7	
Washing Soap .. ..	1.01	1.03	1.06	1.09	1.10	1.09	1.08	6.9	
Tea Brook Bond (W. Rose) .. ..	4.40	5.13	5.45	5.31	5.00	5.00	5.00	13.6	
Kerosene Oil (Blue) .. ..	0.59	0.58	0.64	0.76	0.75	0.76	0.75	27.1	
Match box 40/50 .. ..	0.16	0.16	0.19	0.19	0.19	0.19	0.19	18.7	
Long cloth 15000 .. ..	4.83	4.96	4.92	4.55	4.66	4.69	4.68	-3.1	
<b>Price Indicator</b>									
Industrial .. ..	178.21	185.91	192.91	198.72	217.45	212.53	214.52	20.4	
Commercial .. ..	178.54	186.98	194.12	198.59	218.78	215.05	217.31	21.7	
Government .. ..	176.99	186.07	194.24	199.24	219.66	214.87	215.93	22.0	
All combined .. ..	178.09	186.47	193.81	198.72	218.61	214.79	216.20	21.4	
Percentage increase .. ..		(4.7)	(8.8)	(11.5)	(22.7)	(20.6)	(21.4)		

## PLAN IMPLEMENTATION

In the present chapter, some of the general problems affecting implementation of projects and the measures adopted to overcome them, are considered. The size and complexity of the public sector programme has been increasing rapidly and therefore continuous attention has to be given to the problem of efficient implementation. In 1974-75, size of the ADP was 42% larger than in 1973-74. Even discounting for rise in prices, the physical acceleration was considerable.

**Organisation**

2. The growth in public sector responsibilities has led to an increase in the number of autonomous bodies. By 1974-75, nearly 179 corporate bodies, of different types, were functioning under the Federal and Provincial Governments. The autonomous body is a tested instrument for undertaking such developmental and commercial functions as cannot be efficiently performed by a Government department. However, the rapid increase in the number of corporate organizations raises problems of co-ordination between the organisation and the Government and between one organisation and another. In the case of Federally controlled industries, arrangements for coordination have made through a three tier system. The industrial units are grouped under 6 corporations. The work of the corporations is co-ordinated by the Board of Industrial Management which reports to Government. Co-ordination is further facilitated by inter-locking membership. In other spheres, similar arrangements for co-ordination are being considered. A second problem is the system of control and evaluation by Government. The present arrangements consist of budgetary controls, selective expenditure controls and submission of balance sheets and periodic reports on performance. The adequacy of these controls varies significantly from one organisation to another. The question of introducing a modern reporting system to provide a minimum of information on a unified basis for all corporations is under examination.

**Manpower**

3. In the absence of comprehensive data on requirements of skilled manpower for the economy, it is not possible to make any reliable assessment of the extent to which manpower shortages are acting as a constraint on implementation. Some observations of a general in nature can be made. Firstly, the surplus of technical manpower, which was in evidence 3 years ago has disappeared. The growth in the economy, the acceleration of the development programme and increased migration to the Middle East has absorbed large numbers of engineers and technicians who were previously unemployed. Secondly, shortages of skilled manpower are now being reported. These cover a wide range and include engineers, managers, craftsmen and skilled workers. However, it is by no means certain that there is any absolute shortage. The complaints that are reported may be against the replacement of experienced persons with those of lesser skill or against increased rates of remuneration. It is also likely that in many cases such as the construction industry, it may be the organisational inadequacies rather than shortage of manpower which may be the principal constraint.

4. The Government have so far avoided restriction on flow of skilled manpower to friendly countries in the Middle East. Except in the case of doctors, there are no restrictions on emigration abroad. Reliance is being placed principally upon the increased output of skilled manpower to replace those who are emigrating. The capacity of technical training institutes such as Engineering Colleges is being expanded. An increase in facilities for training of skilled workers and artisans is under contemplation. The expansion in capacity of Government institutes will be in addition to higher output from the informal system of apprentices.

**Materials**

5. As a result of liberalisation of import policy and improved arrangements for procurement of special items such as fertilisers and pesticides, the shortages of imported commodities have not constituted a constraint on implementation. Difficulties have emerged, however, in respect of domestic construction materials such as bricks (due to coal) and cement.

6. A rough estimate has been made of the commodity inputs required during 1975-76 for the building component of the annual plan and for water supply schemes. Similar estimates are being prepared for

other construction programmes, principally roads and irrigation. The data on buildings is summarised below :—

## ANNUAL PLAN FOR 1975-76

### *Building component*

#### *Construction targets :*

(I) Public Sector buildings in the ADP (All sectors including Industry) .. .. .	..	..	32,500,000 sq. ft.
(II) Private Sector .. .. .	..	..	24,540,000 sq. ft.
<b>Total</b> .. .. .	..	..	57,040,000 sq. ft.

#### *Principal commodity requirements (including non-developmental for repairs and maintenance) :*

1. Coal for brick making (For 3.2 billion bricks) .. .. .	..	..	9,61,000 tons.
2. Cement .. .. .	..	..	9,25,000 tons.
3. Steel .. .. .	..	..	79,000 tons.
4. Wood .. .. .	..	..	71,28,000 CFT.
5. Glass .. .. .	..	..	78,39,000 Sq. feet.
6. Bitumen .. .. .	..	..	6,000 tons.
7. Pipes .. .. .	..	..	81,95,000 running feet.
8. Manpower requirements. .. .. .	..	..	6,00,000 man years.

7. A broad review of availabilities and requirements indicate that shortages are likely to be experienced in the case of coal and cement. The demand for cement might increase further due to shortage or high prices of bricks and wood. An increase in production and availability of coal requires long term action. A number of projects for increase in coal production in the public sector are in hand. The problem of transportation of coal is being looked into. The Government are also examining the relationship between coal and brick prices to ensure that improved coal supply and reduction in coal prices is reflected in a better supply of bricks. In the case of cement, Government are contemplating some curtailment of exports. The existing cement factories will be run to full capacity. A number of projects for expansion of cement factories and establishment of new factories are under implementation.

#### *Construction capability*

8. Shortage of construction capability has emerged as an important constraint on implementation. The shortage has taken several forms. For certain large and specialised projects it has been found necessary to import construction firms from abroad. In some cases, the construction rates have gone up in excess of general rise in prices of inputs. For many projects, particularly in outlying areas, there are often no qualified bidders to take the work.

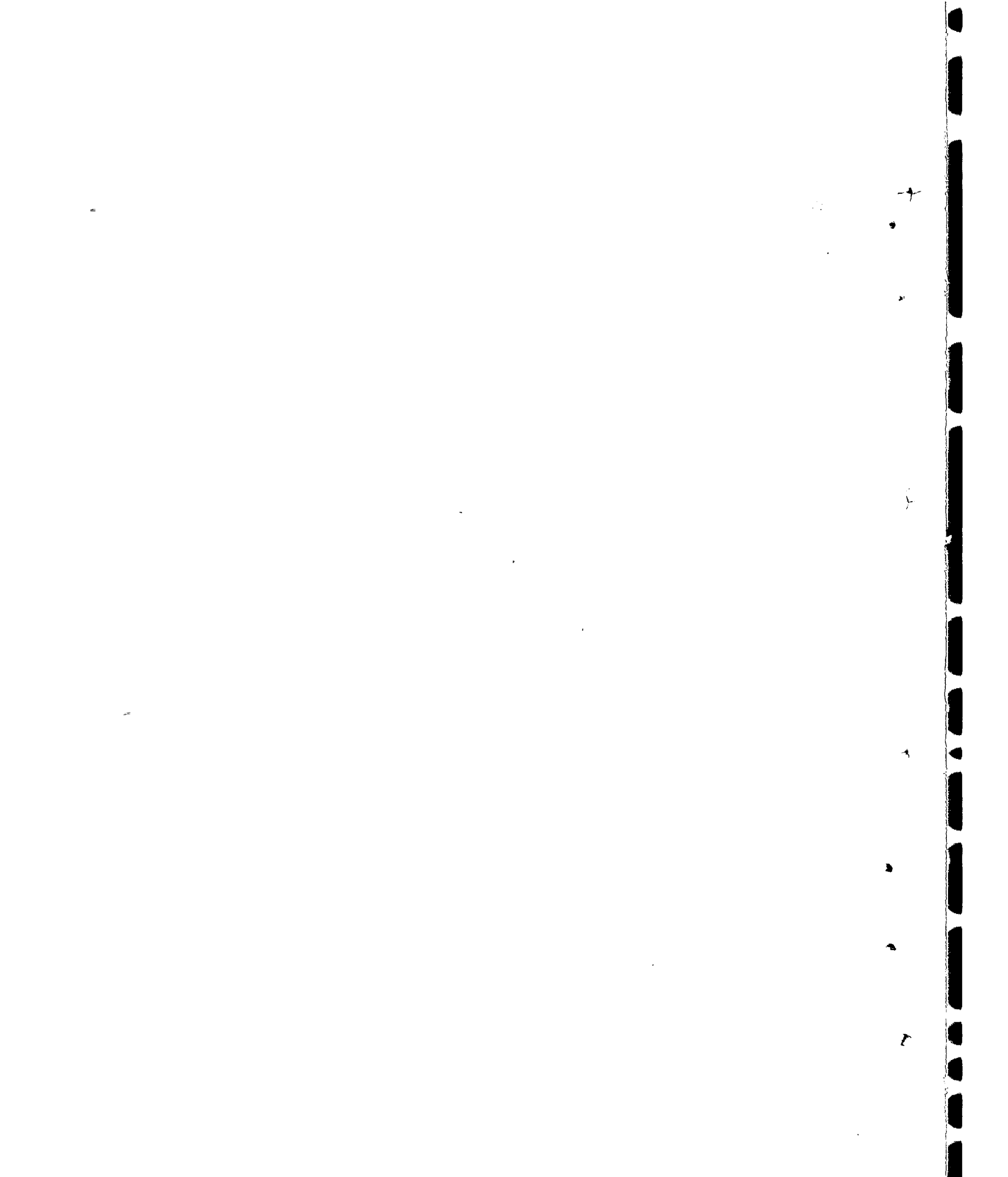
9. The inadequate construction capability could be attributed to a number of factors such as shortage of skilled workers, management skills, equipment, credit facilities. The shortage has been aggravated by the fact that some construction firms in Pakistan have secured work in the Middle East.

10. A number of measures, short term and long term, are being taken to remedy the shortage. Firstly, the Government have set up several public sector corporations which will undertake construction of projects as contractors. Apart from the general purpose National Construction Co., the Government have established two new corporations exclusively for work relating to waterlogging and salinity. Secondly, there has been a considerable improvement in availability of construction equipment. Substantial allocations of foreign exchange have been made to the public sector agencies for rehabilitating the existing stock of construction machinery and for acquiring new machinery. The output of local machinery, particularly road rollers has also been stepped up. For the private sector, measures to liberalise import of machinery are under active consideration. Thirdly, the Government have taken measures to deal with the problem of revision of contracts to take into account the increase in prices. These *ad-hoc* measures will be followed up by systematic revision of the forms of contract, payment procedures, etc. Fourthly, a survey of construction capability is being carried out to facilitate a quantitative assessment of total construction capability within the country, to identify weaknesses in the system and to suggest remedies. Fifthly, research in technology is being encouraged with a view to devising low cost methods which would economise on use of expensive machinery and scarce commodities.

## **Project preparation and project control**

11. Improved project preparation has an obvious link with speedier and more efficient implementation. In 1974, the Planning Commission introduced revised PC I forms separately for each sector to replace the earlier single proforma applicable to all sectors. The introduction of the new proforma has been followed up by training courses in project preparation. 14 courses have been held to date. More elaborate training courses are planned for 1975-76 with the assistance of the IBRD and the Ford Foundation.

12. Training courses have also been organised in PERT and other modern systems of project control. These systems are suitable for major projects. The reporting system is being overhauled with a view to getting information more promptly.



## CHAPTER 13

### AGRICULTURE

The Annual Plan 1975-76 has been prepared with the objective of accelerating production of foodgrains, especially of wheat, with a view to attaining foodgrain self-sufficiency as early as possible. At the same time, adequate provision has been made to encourage larger production of oilseeds, meat, beef, and poultry to improve nutritional levels. Emphasis has also been placed on increasing the production of cotton, Basmati and IRRI rice, etc., with a view to meeting the domestic requirements and to increasing export earnings. Policy measures have, therefore, been recommended to make available such key agricultural inputs as fertilizers, improved seeds pesticides, etc. on an unprecedented scale, continuing at the same time, appropriate support price programmes for the agriculture produce.

13.2. Larger funds have been allocated for programmes of waterlogging and salinity control, completion of the Tarbela Dam, (which is expected to release 5 MAF of additional water during the 1975 *rabi* season), development of underground water resources, power and transport. Developments in these sectors will have a direct bearing on the progress of agriculture. The programme for evolving a technology suited to the *barani* areas under implementation since 1973-74 has indicated a great potential for increasing the agricultural production in these areas. The seed based technology tried in these areas will be popularised among the *barani* farmers by setting up demonstration plots on an expanded scale. The cooperative farming programme has been prepared and will be implemented during the year. This programme is expected to help increase the agricultural output per unit, and, in turn, improve the socio-economic status of rural sector, especially of small land holders.

13.3. Funds in the ADP 1975-76 have been provided for the Agriculture Sector keeping in view the above strategy and represent an acceleration of about 23 per cent over 1974-75. The input programmes *i.e.* fertilizer, pesticides, improved seeds and machinery for land development have been provided funds which are 33 per cent higher, than the outgoing year, while the funds for programmes of fisheries and animal husbandry are 12 per cent higher. Similarly, additional funds have been provided to improve the infrastructure and institutional arrangements.

13.4. The fertilizer off-take target during 1975-76 is 550 thousand nutrient tons, against the estimated off-take of 425 thousand nutrient tons during 1974-75. The area proposed to be covered by curative measures during 1975-76 both by the aerial and the ground operations is expected to be 9.50 million spray acres (4.99 million spray acres by ground operations and 4.51 million spray acres by aerial operations) as against the estimated coverage of 7.53 million spray acres during 1974-75 (3.61 million spray acres by ground operations and 3.92 million spray acres by aerial operations), thereby indicating an increase of 26 per cent.

13.5. The procurement price of wheat was raised from Rs. 25.50 per maund for the 1973-74 crop to Rs. 37.00 per maund for the 1974-75 crop. The procurement prices of different varieties of rice and sugarcane have been raised from time to time during 1974-75.

13.6. The Government foodgrain storages are required for operation of price support policy programmes, for price stabilization and for storing of commodities meant for export. The total foodgrain storages capacity available with the Government at the end of June, 1975 was about 1,645 thousand tons. To this will be added a capacity of 335 thousand tons under completion and to be completed during 1975-76.

#### Financial allocation

13.7. A sum of Rs. 1225.21 million has been provided for Agriculture Sector during 1975-76, against Rs. 997.90 million allocated during 1974-75 or an increase of 23 per cent. The ADP funds of Rs. 997.90 million in 1974-75 are estimated to have been utilized in full.

13.8. The break-down of the allocation/utilization for 1974-75 and allocation for 1975-76, by executing agencies, is given in Table-I below. The sub-sector-wise details of the allocation are given in Appendices-I—VII.

TABLE 1

Allocation/Utilization for 1974-75 and 1975-76, Executing Agencies

(Million Rs.)

Agency	1974-75		1975-76
	Allocation	Utilization (Revised Estimates)	Allocation
<b>Provincial Programmes</b>			
Punjab .. .. .	232.40	211.84	349.34
Sind .. .. .	61.85	86.75*	65.30
N.W.F.P. .. .. .	76.25	52.68	85.95
Baluchistan .. .. .	40.89	96.83*	41.65
Sub-total .. .. .	411.39	448.10	542.24
<b>Federal Programmes</b>			
Agriculture Wing .. .. .	494.56	487.96	629.76
Food Wing .. .. .	61.00	30.00	—
Finance Division .. .. .	2.50	2.50	2.50
Planning Division .. .. .	—	—	4.50
Commerce Division .. .. .	—	—	7.50
Science and Tech. Division .. .. .	0.32	0.32	—
Kashmir Affairs Division .. .. .	20.86	14.36	21.15
Federally Admn. Tribal Areas .. .. .	7.27	12.08	17.56
Sub-total .. .. .	586.51	547.22	682.97
Total .. .. .	977.90	995.32	1225.21

\*additional allocations were made during the year .

13.9. The estimated achievements for 1974-75 and targets for 1975-76 are discussed in the following paragraphs :

#### CROP PRODUCTION

13.10. The 1974-75 targets set for the major crops are not expected to be realised mainly because of lowest ever discharge of river flows and the drought conditions which prevailed during the *Kharif* season and at the *Rabi* sowing time. The water shortage and high fertilizer prices resulted in lower off-take of fertilizer, especially during *Kharif* season. Further-more, the target of plant protection coverage of area by ground operation fell short by about 62 per cent. There was a shortfall of about 30 per cent in the improved seed distribution programme and at last some of the seed distributed was of doubtful quality. The crop production targets fixed for 1975-76 alongwith the likely achievement during 1974-75 and actual production realized during 1973-74 are set out in Table II.



---

---

**PART II**

**PRODUCTION PROGRAMME AND PHYSICAL INFRA-STRUCTURE**

---

---

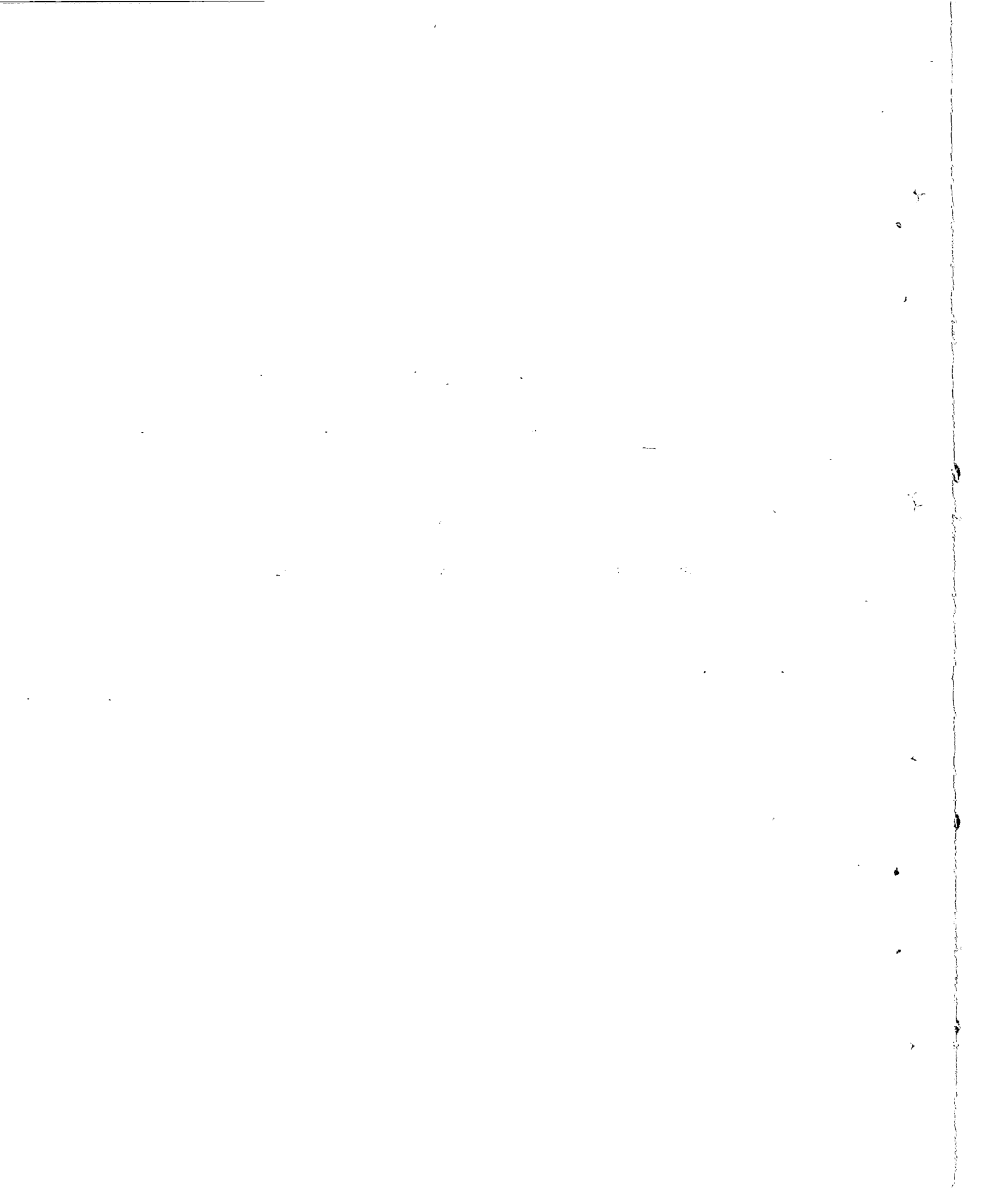


TABLE II

Production of Major Crops 1973-74, 1974-75 and Targets for 1975-76

(Thousand Tons)

Crop	1973-74	1974-75		1975-76 Target
		Target	Likely achievement	
Wheat .. .. .	7,508	8,500	7,460 (b)	8,400 (a)
Rice .. .. .	2,416	2,800	2,277 (c)	2,700(a)
Maize .. .. .	755	840	735 (c)	810 (b)
Other foodgrains .. .. .	855	820	685 (b)	900 (b)
Total foodgrains ..	11,534	12,960	11,157	12,810
Sugarcane .. .. .	23,533	23,500	22,000 (a)	25,000 (a)
Edible oilseeds .. .. .	1,650	1,952	1,607 (b)	1,798 (b)
Cotton Seed .. .. .	1,297	1,575	1,248 (c)	1,400 (a)
Rape and Mustard .. .. .	288	310	288 (d)	315 (b)
Groundnut .. .. .	53	55	56 (c)	63 (b)
Sesamum .. .. .	12	12	12 (d)	12 (b)
Other oilseeds (Soyabean, Sunflower, etc.) .. .. .	—	—	3 (b)	8 (b)
Tobacco .. .. .	65	—	65 (d)	70 (b)
		— 000 bales —		
Cotton .. .. .	3,704	4,500	3,567 (c)	4,000 (a)

(a) As approved by N.E.C.

(c) Final estimate.

(b) Planning Commission's estimate.

(d) Previous year's figure repeated.

13.11. The data given in Table II indicate that the total foodgrain production is expected to increase from 11.157 million tons in 1974-75 to 12.810 million tons during 1975-76. The sugarcane production is likely to increase to 25 million tons during 1975-76 against a crop of 22 million tons in 1974-75. It is estimated that the 1975-76 cotton (lint) crop of 4 million bales would be obtained against the production of 3.567 million bales harvested during 1974-75, while oilseeds production would increase from 1.607 million tons to 1.798 million tons.

13.12. The detailed data relating to expected acreage, production and acre-yield of major crops during 1975-76 have been compared with the actual data for 1973-74, as the final figures for 1974-75 except for cotton, rice and maize are not yet available. The data given in Appendix VIII show that the increased production of these crops would be realised both through increase in acreage and acre-yield. The increase in acreage is expected as a result of higher cropping intensity because of increased availability of irrigation water both from higher rate of tubewell installation and commissioning of Tarbela Dam and increased availability of farm power due to larger purchase of tractor in the private sector. The acre-yield during 1975-76 would increase as a result of the implementation of the targeted input programmes of fertilizers, seed distribution and plant protection described in paragraphs 18 to 33.

13.13. It is expected that dwarf wheat varieties would be grown over 74 per cent and 8 per cent of the irrigated and *barani* areas, respectively, which means that, on an overall basis, about 58 per cent of wheat acreage during 1975-76 would be sown to such varieties against 57 per cent during 1973-74. It is further estimated that of the total additional quantity of 45 thousand nutrient tons of fertilizer likely to be used on wheat, about 43 thousand nutrient tons would be applied in the irrigated areas. The break-down of targeted production of wheat by irrigated and un-irrigated areas and by varieties are given in Appendix IX.

13.14. In case of rice crop, it is expected that IRRI varieties would be grown on about 44 per cent of the total rice acreage against 42 per cent sown to such varieties during 1973-74. It is further estimated that basmati varieties would be grown over 29 per cent of the rice acreage. The break-down of rice production by varieties is presented in Appendix X.

13.15. The targeted production of maize, cotton and sugarcane are based on the data presented in Appendices XI to XIII.

13.16. The expected annual growth rate in the acre-yield of various crops during 1975-76 over 1973-74 and the actual rate of growth achieved during the period 1968-69 through 1973-74 are given in Table III.

TABLE III  
Annual Growth Rate in Acre-yield of Major Crops, 1968-69, 1973-74 and 1975-76.

Crop	Acre-yield		Growth rate	Acre-yield	Growth rate
	1968-69	1973-74	1968-69 to 1973-74	1975-76 (Targets)	1973-74 to 1975-76
	— mds/acre—		per cent	mds/acre	per cent
Wheat	11.6	13.5	3.1	14.8	4.7
Rice	14.2	17.6	4.3	17.9	0.8
Maize	11.0	13.1	3.6	13.9	3.0
Sugarcane	400.0	409.5	0.5	433.0	2.8
Rape and Mustard	5.6	5.9	1.0	6.3	3.3
Sesamum	3.2	3.9	4.0	3.9	—
Groundnut	16.5	15.4		16.3	2.9
Cotton	3.3	3.9	3.4	3.8	

13.17. The data in Table III indicate that the acre-yield of wheat would increase at an annual growth rate of 4.7 per cent during the period 1973-74 to 1975-76 as compared to 3.1 per cent realised during the period 1968-69 to 1973-74. Similarly, a growth rate of 3.0 per cent and 2.8 per cent in the acre-yield of maize and sugarcane, respectively, is envisaged during the period 1973-74 to 1975-76 against 3.6 per cent and 0.5 per cent achieved during the period 1968-69 to 1973-74.

#### Fertilizer

13.18. A fertilizer off-take target of 550 thousand nutrient tons has been fixed for 1975-76, against an estimated off-take of 425 thousand nutrient tons. The off-take target for 1974-75 was 600 thousand nutrient tons, thus the achievement comes to about 71 per cent of the target. The province-wise break-down of the estimated off-take during 1974-75 and the targets for 1975-76 is given below :—

	1974-75		1975-76	
	Estimated Off-take	Off-take target	Off-take target	Percentage of the total off-take
000 nutrient tons-per cent—				
Punjab	284	368		67.0
Sind	114	124		22.5
N.W.F.P.	26	50		9.0
Baluchistan	1	8		1.5
Total	425	550		100.0

13.19. Estimated crop-wise use of fertilizer for the years 1972-73, 1973-74, 1974-75 and 1975-76 are shown in the table IV below :

TABLE IV

*Estimated Crop-wise Usage of Fertilizer during 1972-73 through 1975-76.*

Crop	(Thousand nutrient tons)			
	1972-73 (Actuals)	1973-74 (Actuals)	1974-75 (Estimates)	1975-76 (Targets)
Wheat .. .. .	209	194	204	264
Rice .. .. .	44	40	43	55
Maize .. .. .	8	8	8	11
Cotton .. .. .	70	65	68	88
Sugarcane .. .. .	61	57	60	77
Others .. .. .	44	40	42	55
<b>Total</b> .. .. .	<b>436</b>	<b>404</b>	<b>425</b>	<b>550</b>

*Note:—The above crop-wise breakdown has been based on the estimates shown in the report entitled "Fertilizer Consumption and Market Development in West Pakistan" by ESSO Pakistan Fertilizer Company Limited (Un dated).*

13.20. The estimated availability and import requirements for 1975-76 for the target indicated in para 18 are as follow :

	( '000 nutrient tons)			
	N	P	K	Total
Expected stocks on 1st July 1975 .. .. .	251	68	6	325
Estimated local Production .. .. .	310	12	—	322
<b>Total availability</b> .. .. .	<b>561</b>	<b>80</b>	<b>6</b>	<b>647</b>
<b>Off-take target</b> .. .. .	<b>445</b>	<b>100</b>	<b>5</b>	<b>550</b>
<b>Imports</b> .. .. .		<b>20</b>		

13.21. A sum of Rs. 431.30 million has been provided for subsidy on fertilizer distribution during 1975-76.

13.22. To achieve the off-take target of 550 thousand nutrient tons during 1975-76, the following measures need to be taken :

- (i) Further improvement/streamlining of the organization for distribution of fertilizer with a view to ensuring, *inter alia* timely availability;
- (ii) Measures for easier and larger availability of agricultural credit; and
- (iii) Maintenance of optimal relationship between the fertilizer and commodity prices.

#### **Distribution of Improved Seeds**

13.23. It has been estimated that about 828 thousand maunds of improved seeds of important crops were distributed during 1974-75 against the target of 1,189 thousand maunds indicating 70 per cent achievement. The distribution target for 1975-76 is placed at 2,366 thousand maunds (86,921 tons), which would mean an increase of about 186 per cent over the estimated achievement of 1974-75. The province-wise quantities of seed distributed during 1973-74, the expected achievements during 1974-75 and the target for 1975-76 are shown in Table V.

TABLE V

Province-wise Improved Seed Distribution Programme during 1973-74 and 1974-75 and Proposed Targets for 1975-76.

(Thousand maunds)

						1973-74	1974-75		1975-76		
						Actual	Target	Expected Achievement	Target		
<b>Punjab</b>											
Wheat	..	..	..	..	..	271	300	303	927	(Local 600 and Imported 327).	
Paddy	..	..	..	..	..	56	50	30	90		
Maize	..	..	..	..	..	10	20	10	40		
Gram	..	..	..	..	..	5	—	5	20		
Cotton	..	..	..	..	..	248	450	184	413		
Potato	..	..	..	..	..	16	40	54	63		
Other crops	..	..	..	..	..	—	—	2	10		
Sub-total	..	..	..	..	..	606	860	588	1,563		
<b>Sind</b>											
Wheat	..	..	..	..	..	6	90	100	292	(Local 183 and Imported 109).	
Paddy	..	..	..	..	..	11	20	20	22		
Cotton	..	..	..	..	..	53	80	50	292		
Gram	..	..	..	..	..	37	—	—	—		
Others	..	..	..	..	..	31	2	—	—		
Sub-total	..	..	..	..	..	138	192	170	606		
<b>N.W.F.P.</b>											
Wheat	..	..	..	..	..	37	60	42	93.5	(Local 80 and Imported 13.5).	
Maize	..	..	..	..	..	5	20	2	25		
Cotton	..	..	..	..	..	1	1	1	2		
Gram	..	..	..	..	..	1	5	—	10		
Potato	..	..	..	..	..	—	6	—	10		
Soyabean	..	..	..	..	..	—	—	—	3		
Paddy	..	..	..	..	..	—	—	—	1		
Groundnut	..	..	..	..	..	—	—	—	1		
Sursoon	..	..	..	..	..	—	—	—	1		
Jute	..	..	..	..	..	—	—	—	1		
Sub-total	..	..	..	..	..	44	92	45	147.5		
<b>Baluchistan</b>											
Wheat	..	..	..	..	..	37	45	25	49.5	(Local 36 and Imported 13.5).	
Sub-total	..	..	..	..	..	37	45	25	49.5		
<b>GRAND TOTAL</b>	..	..	..	..	..	825	1,189	828	2,366		

13.24. The area under dwarf (Mexi) wheat varieties was 8.58 million acres (57 per cent of the total area) during 1973-74. In addition to the local procurement of 899 thousand maunds of wheat seed, it is proposed to import 463 thousand maunds (17 thousand tons) of dwarf wheat seed from Mexico for sowing the 1975-76

crop, of which Punjab Government will receive 327,000 maunds (12,000 tons), Sind 109,000 maunds (4,000 tons), N.W.F.P. 13,500 maunds (500 tons) and Baluchistan 13,500 maunds (500 tons). The Provincial Governments have agreed to sell this imported seed at Rs. 70.00 per maund and the difference between the cost of the imported seed and the sale price would be subsidized in equal proportions by the Federal and Provincial Governments. It is estimated that sufficient quality seed would thus be available from the 1975-76 crop to take care of the entire wheat area during 1976-77.

13.25. The Punjab Government has proposed a project, entitled the Production, Procurement and Distribution of Certified Seeds at an estimated cost of Rs. 102.534 million (foreign exchange component Rs. 37.500 million) for implementation over a period of 5 years (1975-76 to 1979-80). Over the 5 years period, about 8.569 million maunds of improved seeds of all the major crops will be distributed. The target for 1975-76 has been placed at 1.236 million maunds.

13.26. The Department of Agriculture (Research Wing), Punjab, will make available about 2,252 maunds of nucleus seeds of all the major crops to the Punjab Agricultural Development and Supplies Corporation during 1975-76 for production of foundation seeds on the seed farms which have been recently transferred to the Corporation from the Agriculture Department. Thus produced foundation seeds will be multiplied on the farms of private registered growers for production of certified seeds. The Punjab Government will subsidize procurement and distribution of the certified seed with a subsidy of Rs. 10.000 million during 1975-76. The rate of subsidy will be Rs. 6.50 per maund each for wheat, paddy, maize, gram, sorghum and oilseeds; Rs. 10.00 per maund for cotton seed and Rs. 15.00 per maund for indigenous potato seed.

13.27. The Sind Government has provided a sum of Rs. 3.600 million for subsidizing procurement and distribution of wheat seed in addition to Rs. 1.000 million for development of seed farms during 1975-76.

13.28. The Government of NWFP has proposed a scheme for establishment of Seed Industry in the province at an estimated cost of Rs. 41.214 million and a sum of Rs. 0.850 million has been provided for this purpose in the ADP 1975-76.

13.29. An FAO/IBRD Mission had proposed a five years seed industry project at an estimated cost of Rs. 261.000 million (foreign exchange component Rs. 179.400 million) for production of about 1,909 thousand maund certified seed of different crops annually. Out of Rs. 261.000 million, Rs. 32.600 million is proposed to be spent during the first year. Construction of seed processing plants, purchase of farm machinery and tubewell equipment, land improvement, development of potato and vegetable seed projects will be initiated. The province-wise production of foundation seeds of various crops, as envisaged in the report, during the first year is as follows :—

					(In maunds)				
Crops					Punjab	Sind	N.W.F.P.	Total	
Wheat .. .. .					2,168	81	271	2,520	
Maize .. .. .					27	—	27	54	
Rice .. .. .					27	27	—	54	
Cotton .. .. .					108	54	—	162	
					{ 1,356 (a)	678 (a)	—	2,034	
					Total ..	3,686	840	298	4,824

(a) Procurement from modern ginneries.

The Provincial Governments are preparing the seed industry projects.

13.30. The Federal Government have recently established a National Seed Council. The Council will advise on policy for development, operation and regulation of seed industry and will guide in administering the seed quality control services. Operation of seed legislation will also be monitored by the Council. For regulating the inter-provincial seed movement, the Council will direct and initiate the pioneer seed projects. Seed Corporations are being established by the Provincial Governments for multiplication, procurement and distribution of quality seeds.

## Plant Protection

13.31. The target of coverage of area by curative measures during 1975-76, both through aerial and ground operations is proposed at 9.50 million spray acres (4.99 million spray acres by ground operations and 4.51 million spray acres by aerial operations), as against the estimated coverage of 7.53 million spray acres during 1974-75 (3.61 million spray acres by ground operations and 3.92 million spray acres by aerial operations) or an increase of 26 per cent. The physical achievement in 1974-75 comes to only about 56 per cent of the coverage target of 13.55 million spray acres (96 per cent for the aerial operations and only 38 per cent for the ground operations). The province-wise details of the area to be covered by the plant protection measures during 1975-76 are shown in table VI.

TABLE VI

*Province-wise Area to be covered with Plant Protection Measures during 1975-76*

(Million acres)

Province	Aerial operations		Ground operations		Total	
	Actual acres	Spray acres	Actual acres	Spray acres	Actual acres	Spray acres
Punjab .. .. .	0.97	2.20	1.84	3.98	2.81	6.18
Sind .. .. .	0.61	1.37	0.22	0.57	0.83	1.94
N.W.F.P. .. .. .	0.45	0.76	0.29	0.30	0.74	1.06
Baluchistan .. .. .	0.09	0.18	0.07	0.14	0.16	0.32
Total .. .. .	2.12	4.51	2.42	4.99	4.54	9.50

13.32. The crop-wise break-down of the area covered during 1974-75 and the targets for 1975-76 are shown in Table VII.

TABLE VII

*Crop-wise coverage of Area by Aerial and Ground Operations during 1974-75 and 1975-76*

(Thousand spray acres)

Crop	1974-75 (Actual)			1975-76 (Targets)		
	Aerial operations	Ground operations	Total	Aerial operations	Ground operations	Total
Rice (Nursery) .. .. .	—	100	100	—	100	100
Rice .. .. .	2,023	248	2,271	2,150	489	2,639
Cotton .. .. .	982	1,625	2,607	1,100	2,028	3,128
Sugarcane .. .. .	642	384	1,026	800	590	1,390
Maize .. .. .	110	177	287	100	288	388
Fruits and vegetables .. .. .	80	720	800	120	768	888
Oilseeds .. .. .	21	12	33	190	30	220
Tobacco .. .. .	56	63	119	50	60	110
Others .. .. .	3	284	287	—	632	632
Total .. .. .	3,917	3,613	7,530	4,510	4,985	9,495

13.33. The Province-wise and crop-wise estimated area covered by ground and aerial operations during 1974-75 and the targets for 1975-76 are shown in Appendices XIV, XV, XVI and XVII.



13.34. The following measures need to be taken to achieve the plant protection targets :

- (i) Better training of ground staff and improved supervision;
- (ii) Timely arrangements for procurement of required quantities of pesticides;
- (iii) Greater use of locally produced pesticides;
- (iv) Adequate supply of spraying equipment to the farmers;
- (v) Encouraging association of private sector in the plant protection operations; and
- (vi) Enforcement of uniform rate of subsidy on the cost of pesticides for ground operations in all the provinces.

#### Mechanization

13.35. The fleet of heavy earth moving machinery was further strengthened during 1974-75 by importing 150 bulldozers by the Baluchistan Government. It is expected that 203 and 100 additional bulldozers would be imported in Punjab and Sind during 1975-76, respectively. In addition, agricultural machinery would also be imported for land development in the Federally Administered Tribal Areas during 1975-76.

13.36. New workshops would be constructed at Sibi, Turbat and Loralai in Baluchistan and at Kohat, Mardan and Hazara in NWFP to provide repair facilities for agricultural machinery. The workshops/subshops in Sind would be strengthened while these facilities at Lahore, Campbellpur, Jhelum and Sheikhpura in the Punjab would be completed during 1975-76. About 122 thousand acres were developed during 1974-75 against the target of 217 thousand acres. The performance during 1974-75 was lower as compared to the target for this year mainly because the machinery meant for agricultural operation was diverted to flood protection operations. The target for land development for 1975-76 is 283 thousand acres. The province-wise/agency wise break-down for the land development operations is as under :

TABLE VIII

#### Land development operations

Province/Agency	(Thousand acres)	
	Area developed during 1974-75	Area proposed to be developed during 1975-76
Punjab .. .. .	50	156
Sind .. .. .	50	50
N.W.F.P. .. .. .	7	18
Baluchistan .. .. .	13	50
Total (Provinces) .. .. .	120	274
Federally Administered Tribal Areas .. .. .	2	9
GRAND TOTAL .. .. .	122	283

13.37. The programme for precision land levelling would be continued in NWFP, Punjab and Sind.

#### Soil Conservation

13.38. In Baluchistan, soil conservation measures were continued and check dams/velocity breakers in 4451 numbers trenches/ditches etc. in 2860 numbers were constructed. Sand dunes were stabilized by planting new trees on an area of 1,305 acres, while plantation over 210 acres were maintained in Pasni and Gawadur during 1974-75. The programme would be further expanded during 1975-76 by constructing additional check dams/velocity breakers (3900 number) and trenches/ditches etc. (20,000 number) and stabilization of sand dunes through new plantation over an area of 3,080 acres, besides maintenance of old plantation over 1,515 acres.

13.39. In NWFP, the work on soil and water conservation in Haripur Tehsil of Hazara District was completed and an area of 1,734 acres was covered by conservation measures during 1974-75. In order to check erosion, the programme would be extended to cover the entire province during 1975-76.

13.40. An on-going programme on soil and water conservation in Azad Kashmir will be completed during 1975-76.

## Support Price Policy

13.41. The provision of support/guaranteed minimum prices for major crops has proved successful in increasing acreages and in adoption of better cultural practices and new technology, which has consequently resulted in increased farm production and incomes. The programme has been kept under review from time to time to provide necessary incentives for increased production.

13.42. *Wheat*.—The procurement prices of wheat was raised from Rs. 17.00 per maund to Rs. 22.50 per maund for the 1972-73 crop. Partly due to higher support price, the total quantity of wheat procured by the Government in 1973 stood at 1.32 million tons compared to about 0.204 million tons in 1972. With the increase in the procurement price of 1973-74 crop to Rs. 25.50 per maund, however, the total quantity of wheat procured by the Government during 1974 remain d at 1.23 million tons. For the 1974-75 crop the procurement price was fixed at Rs. 37.00 per maund. The procurement target for 1974-75 is placed at 1.20 million tons (Punjab 0.90, Sind 0.26, NWFP 0.03 and Baluchistan 0.01 million tons). About 0.916 million tons (Punjab 0.604 and Sind 0.312 million tons of wheat were procured by the end of July, 1975). To help achieve self-sufficiency in wheat, the support price programme will continue.

13.43. *Rice*.—The procurement prices of various varieties of rice have been increased substantially during the past few years with a view to encouraging rice production sufficient to meet the internal and export demand. The following table shows the year-wise procurement prices of various varieties which were raised from time to time.

TABLE IX

### Procurement Prices of Rice since 1971-72

Year	(Rupees per maund)				
	Basmati	Permal/ Begami	Kangni	Joshi	IRRI varieties
1971-72	38.00	20.00	19.00	19.50	19.00 to 21.00
1972-73	46.00	21.00	20.00	20.53	19.00 to 21.25
1973-74	62.00	27.00	26.00	26.00	25.00 to 27.00
1974-75	90.00	40.00	39.00 (a)	39.00	38.00 to 40.00 (a)

(a) Higher procurement prices for better quality of Irri-6 and Kangni rice with 20% brokens have been fixed, respectively at Rs. 48.00 and Rs. 47.00 per maund.

13.44. The production of rice increased from 2.29 million tons in 1972-73 to 2.34 million tons in 1973-74. The support price programme proved successful particularly in the procurement of superior rice for export as its procurement increased from 129 thousand tons in 1972-73 to 206.6 thousand tons in 1973-74. During 1974-75, about 628 thousand tons of rice (including 272 thousand tons of *basmati* rice) were procured, against the target of 610 thousand tons (225 thousand tons for Basmati). It is proposed to examine the possibility of fixing a minimum price of paddy rather than rice. Alternatively, the support price programme for rice will, however, continue.

13.45. *Sugarcane*.—In order to ensure increased supply of sugarcane to the mills, the minimum guaranteed prices of cane at mill gate have been raised periodically as indicated in table X.

TABLE X

### Minimum Guaranteed Prices of Sugarcane, 1971-72 to 1975-76

Date/Year	(Rupees per maund)		
	N.W.F.P.	Punjab	Sind
1971-72	2.25	2.50	2.65
1972-73 :			
(i) Sowing time	2.50	2.75	3.00
(ii) October, 1972	3.10	3.35	3.50
(iii) December, 1972	4.00	4.25	4.40
1973-74	4.00	4.25	4.40
1974-75 :			
(i) January, 1974	4.50	4.75	4.90
(ii) September, 1974	5.00	5.25	5.40
1975-76	5.50	5.75	5.90

13.46. The production of white sugar increased from 346 thousand tons in 1971-72 to 589 thousand tons in 1973-74 and to about 490 thousand tons in 1974-75. The support price programme for sugarcane will also be continued to maximize production and help increase supplies of cane to the sugar mills.

13.47. *Cotton*.—To help increase production of cotton for meeting the demand of textile industry as well as for export, Government have kept the price of seed cotton (phutti) under watch so that the grower receives a reasonable return. This policy will continue.

13.48. Price support programme needs to be extended to new crops especially oilseeds and pulses in order to increase their acreage and production as these commodities are short in supply. Possibility of providing price and credit incentives, marketing facilities and technical advice by the vegetable ghee industry for increasing production of oilseeds needs to be explored. It is understood that the Punjab Industrial Development Board has launched a Sun Flower production programme on these lines. Similar programmes could be introduced for other oilseed crops on the basis of experience gained from the Sun Flower experiment. As pulses are not only the cheapest source of vegetable protein but are also an important part of diet of the common man, their production needs to be increased through, *inter-alia*, economic incentives like the support price programme.

#### Agricultural Marketing

13.49. The Pakistan Agricultural Storage and Services Corporation (PASSCO), set up during 1973 for purchase of agricultural produce from the growers to eliminate the middleman expanded its activities and handled agricultural commodities *viz.* potatoes, wheat, paddy and pulses during 1974-75. The PASSCO has established machinery pool with 39 tractors which were operated at 9 farm service centres established in the Punjab and Sind. The Corporation proposes to expand its operations and to handle larger quantities of these commodities during 1975-76. It envisages to establish 24 additional farm service centres where a comprehensive packages of services starting with credit and ending with marketing will be provided. Facilities like ware-houses, cold storages and dehydration/processing units will be provided after undertaking necessary feasibility studies.

13.50. Quality certificates are being issued for export of fish meal, while the issue of fixation of grades for bones has been taken up with the Ministry of Commerce for finalization.

13.51. Under the scheme, "Reshipment, Inspection of Fish and preserved items of food involving microbiological tests", apparatus and equipment have been installed and tests are being carried out on canned and frozen shrimps and lobsters etc. Grades for frozen and canned shrimps are under finalization. The working of this scheme will be streamlined during 1975-76. Construction of buildings to house the fruit grading plant in N.W.F.P., started during 1974-75, will be completed and machinery will be installed during the year.

#### Rural Credit and Cooperatives

13.52. Credit plays a crucial role in facilitating the modernization of agriculture and in encouraging the participation of the small farmers in the development process. The Government has paid special attention to the provision of institutional credit for agriculture through increased allocation in the credit plans, extension in banking network in the rural areas, and by stepping up supply of key inputs *i.e.*, seeds, fertilizer etc. In addition, credit availability through "Pass Book" system would be expanded during the year. The details regarding disbursement of loans to the farmers through various institutional credit agencies during 1974-75 and to be disbursed during 1975-76 are given in table-XI.

TABLE XI

*Loans Disbursed/Proposed to be Disbursed to Farmers through various Institutional Credit Agencies*

(Million Rs.)

Year	Credit advanced/to be advanced by					Total
	A.D.B.P.	Agri. Coop.	Taccavi	Commercial Banks		
1974-75	399.600	109.447	10.988	400.000 (a)		920.035
1975-76 (b)	790.000	200.000	15.000	695.000		1,700.000

(a) This represents gross amount of loan advanced *i.e.* inclusive of those financed from previous recovery. The net amount advanced upto April, 1975 was Rs. 141 million.

(b) As provided in the Report of the Working Group on Credit Plan for the Year 1975-76.

13.53. Of Rs. 399.60 million disbursed by the Agricultural Development Bank of Pakistan during 1974-75, Rs. 91.91 million were for seasonal inputs, Rs. 129.75 million for tractors and attachments, Rs. 87.87 million for tubewells, Rs. 3.24 million for marine fisheries and Rs. 86.83 million for draught animals, dairy farming etc. The total number of branches/pay offices as on 31st March, 1975 stood at 159 against 158 on June, 1974. During 1974-75, the bank concentrated more on consolidation rather than branch expansion programme. This policy would continue during 1975-76. However, the Bank contemplates to supplement its existing loaning programme by the Bank's "Village Bankers Scheme" under which about 500 one-man Village Offices will be opened during the year.

13.54. Four cooperative farm service centres and 107 cooperative farm service societies were established during 1974-75 in the Punjab. The targets for 1975-76 have been fixed at two cooperative farm service centres and 50 cooperative farm service societies.

13.55. In all, eleven pilot cooperative farms, 5 in the Punjab, 2 each in Sind, N.W.F.P. and Baluchistan have been proposed. These farms will help demonstrate advantages of cooperative and large scale farming.

#### Government Foodgrain Storages

13.56. Government storage facilities are used to store stocks of wheat, rice, sugar etc, for operation of price support policy programmes, for import stocks and for export stocks. The various types of storage capacity available with the Provincial and Federal Governments at the end of June, 1975 was as under :—

TABLE XII

#### Public Foodgrain Storage Capacity

								('000' tons)			
Government/Agency								House-type	Bins	Silos	Total
<b>Provincial</b>											
Punjab	..	..	..	..	..	..	..	378	184	42	604
Sind	..	..	..	..	..	..	..	202	34	—	236
N.W.F.P.	..	..	..	..	..	..	..	64	20	—	84
Baluchistan	..	..	..	..	..	..	..	55	—	—	55
Sub-total								699	238	42	979
<b>Federal</b>											
<b>Rice Export Corporation :</b>											
(i) Pipri	..	..	..	..	..	..	..	396	—	—	396
(ii) Landhi	..	..	..	..	..	..	..	200	—	—	200
(iii) Keamari	..	..	..	..	..	..	..	10	—	—	10
(iv) TPX	..	..	..	..	..	..	..	50	—	—	50
<b>Federal Food Directorate :</b>											
Keamari	..	..	..	..	..	..	..	10	—	—	10
Sub-total								666	—	—	666
Total All Pakistan								1,365	238	42	1,645

13.57. In the Punjab, a sum of Rs. 2,000 million has been provided in the ADP 1975-76 for the on-going scheme for construction of concrete bins of 4,000 tons capacity and construction is expected to be completed by June 30, 1976. The Government of Punjab has proposed a new scheme for construction of steel silos at Multan at an estimated cost of Rs. 25.600 million and a sum of Rs. 2,000 million has been provided for this scheme in the ADP 1975-76. The scheme envisages augmentation of existing silo capacity of 42 thousand tons to 100 thousand tons. Furthermore, construction work in respect of storage bins of

12,500 ton capacity in the Lahore region, 1,000 ton capacity in the Multan region and house-type storage of 5,000 tons at Sialkot will be started in 1975-76. Thus, the target for construction of foodgrain storages is placed at 13,000 ton capacity in 1975-76. At the end of 1975-76, the total Government owned storage capacity available with the Punjab Government will be 617 thousand tons (house-type 387 thousand tons, bins 188 thousand tons and silos 42 thousand tons). A private storage capacity of 240 thousand tons (flour mills 35 thousand tons, Cooperative Banks and Market Committees 19 thousand tons, and private parties 186 thousand tons) is also available to the Punjab Government. The Punjab Government estimates per ton rough cost of construction for various types of storages at Rs. 532 to Rs. 550 for house-type, Rs. 700 to Rs. 732 for bins and Rs. 440 for silos.

13.58. The on-going scheme for construction of 17,500 tons in Sind has been included in the ADP 1975-76 and a sum of Rs. 4.000 million has been provided. A storage capacity of 6,000 tons will be completed in 1975-76. Construction work in respect of addition and alteration of the existing godowns of 2,500 ton capacity at Khairpur will be started in 1975-76. On completion of these works, the total storage capacity available with the Sind Government will be 245 thousand tons.

13.59. The on-going programme for construction of 3,250 ton capacity in N.W.F.P. has been included in the ADP 1975-76. This programme is expected to be completed during 1975-76. The total storage capacity available with N.W.F.P. Government will then come to about 87,250 tons.

13.60. During 1974-75, the Federal Government started the work on construction of house-type storage godowns of 100 thousand tons in Punjab, 30 thousand tons in Sind, 15 thousand tons in N.W.F.P., 15 thousand tons for Defence Division and 100 thousand tons at Pipri for Rice Export Corporation. However, no provision has been made for this scheme in the ADP 1975-76. A sum of Rs. 7.500 million has been provided in the Federal ADP 1975-76 for Commerce Division for construction of house-type storages of 50,000 ton capacity at Pipri for the Rice Export Corporation and this work will be completed by the end of 1975-76. With the completion of all the above construction programmes, the total public foodgrain storage capacity available with the Government at the end of 1975-76 will be 1,980 thousand tons (Provincial Governments 1,004 thousand tons and Federal Government 976 thousand tons).

13.61. In 1969, a team of Canadian experts assessed the requirements of additional storages in the country. They placed the total storage requirements in 1979-80 at 2.280 million tons. The recommendations of the report need to be examined before their implementation because some of the assumptions made in the report have since changed. The storage requirements need to be worked out systematically for the country, by types and locations keeping in view the production projections, costs of construction of various types of storages, seasonal needs and other relevant factors. The Pakistan Agricultural Storage and Services Corporation has initiated a feasibility study on agricultural storages and ware-housing in Pakistan.

#### **Research on Crop Production**

13.62. Steady and continuous research on major crops was continued during 1974-75. Crop research on developing high yielding, disease resistant and better adapted varieties have resulted in releasing the new varieties of wheat (Tarnab 73, Potwar, Barani-70), maize (Changezi, Shahi), rice (Pak-78, IR-24), cotton (B-557, BSI), sugarcane (GP 44/10), potato (Spunta, Cardinal), tobacco (yellow-gold) and groundnut (AI-2, erect type, No. 334-spreading).

13.63. Mono-crop research institutes for cotton at Sakrand and for rice at Dokri (Sind) have been established during 1974-75. Arid-Zone Research Institute at Quetta with sub-stations at D.I. Khan and Bahawalpur also started its initial research work during 1974-75.

13.64. Co-ordinated research work on maize-millet, rice, potatoes and oilseed crops (soyabean) has been started in the provinces through the Agricultural Research Council of Pakistan during 1974-75 and similar programmes on wheat, fodder, and forages will be started in 1975-76.

13.65. New research sections and stations for oilseed and pulse crops will be established by the provinces during 1975-76. Special attention will be paid to establish and develop range lands in the country during the same year.

13.66. The Agricultural Research Council has been reorganized to strengthen its capabilities to coordinate and assist the research work carried out by various Institutions/agencies in the country. It will extend facilities to various institutions by providing them funds, training, and equipments during 1975-76.

#### **Agricultural Education**

13.67. To increase the capacity for output of various categories of agricultural technicians/graduates for meeting the increasing requirements of the country, educational facilities were expanded by various institutions during 1974-75. The College of Agriculture at Tandojam is being up-graded to the level of Agricultural

University this year (1975-76). It is estimated that 1,500 to 1,700 students will be on the roll of this university by 1979-80. Agricultural courses were also started at the Gomal University at Dera Ismail Khan during 1974-75. An overall output of 3,500 graduates is anticipated by the end of 1979-80.

13.68. Scholarships were awarded to the tribal students admitted to Agricultural College, Peshawar. Additional scholarships will be awarded to agricultural students at the Agricultural College, Peshawar on merit basis. Funds for scholarships have also been provided for the students from Malakand Division or studies at the various agricultural colleges.

13.69. Larger number of students will be admitted to agricultural colleges/universities in 1975-76. The output of agricultural graduates/post graduates in various colleges/universities in 1974-75 alongwith the enrolment target for 1975-76 is given in table XIII.

TABLE XIII

*Output of Agricultural Graduates/Post Graduates in 1974-75 and enrolment target for 1975-76*

Institution and degree/diploma	Students Enrolled in 1974-75	Students passed in 1974-75	Target for 1975-76	
			Enrolment	Output
<b>Agriculture University, Lyallpur</b>				
(i) Short course .. .. .	450	412	1,000	950
(ii) Diploma course .. .. .	300	110	250	100
(iii) Graduates .. .. .	2,174	320	2,100	350
(iv) Post Graduates .. .. .	1,000	220	1,100	250
<b>Agriculture College Tandojam, Sind</b>				
(i) B.Sc. Agri. (Hons) .. .. .	88	88	100	N.A.
(ii) B.Sc. Agri. (Eng) .. .. .	12	12	25	
(iii) D.V.M. .. .. .	24	24	30	
(iv) M.Sc. .. .. .	164	164	175	
(v) Ph.D. .. .. .	13	4	20	
<b>Agriculture College, Peshawar</b>				
(i) B.Sc. (Hons) Agri. .. .. .	62	10	100	25
(ii) M.Sc. Agri. .. .. .	20	8	50	25
Total .. .. .	4,307	1,372	4,950	

#### Agricultural Extension

13.70. Programmes were implemented during 1974-75 to increase the number of extension workers and to improve the expertise of the extension staff through in-service training. Such facilities will be expanded during 1975-76. More emphasis will be given on the in-service training rather than increasing the number of extension workers.

13.71. In the Punjab, a special two-week training programme for farmers at district level will be arranged during 1975-76. Also a *Barani* Agricultural Development Project will be launched in the province where special emphasis will be placed on the improved agricultural practices and application of inputs.

13.72. In Sind, a new scheme for development of farm services by extending spot demonstration of improved agricultural techniques at farms will be launched during the year. In order to collect upto date agricultural data, a Statistical Organization will also be established during 1975-76.

13.73. A new scheme for holding 62 shows/melas will be launched in N.W.F.P. during 1975-76. Special extension staff will be appointed at each IRDP markaz to carry out the extension work more effectively.

13.74. In Baluchistan, a seed farm of 100-acres and a progeny orchard will be established at Lasbela and Au di Khan, respectively. Construction of stores and office-cum-residence buildings for agricultural staff at Uthal and Usta will be undertaken during the year.

#### Integrated Rural Development Programme

13.75. Under this programme, the activities of different departments/organizations are being coordinated through motivated village cooperatives and associations at *markaz* level. Agricultural inputs are provided to the farmers at the IRDP *markaz*. Agro-based and agro-allied industries are also being established at the *markaz* level. So far 107 IRDP *markazes* have been established in the country and a target for establishment of additional *markazes* is fixed for 1975-76 to bring the total number of *markazes* to 174. The number of *markazes* in each province/region is shown in Table XIV.

TABLE XIV  
Number of the IRDP Markaz in the Country, 1974-75 and 1975-76

Province/region	1974-75	1975-76
Azad Kashmir .. .. .	10	15
Baluchistan .. .. .	21	21
N.W.F.P. .. .. .	15	28
Punjab .. .. .	38	76
Sind .. .. .	19	30
Federal Areas .. .. .	1	1
Tribal Areas .. .. .	3	3
Total .. .. .	107	174

13.76. A World Bank Mission has identified the following problems/bottlenecks of the IRD Programme :

- (i) Delay in construction of *markaz* complexes.
- (ii) Inadequate staff and absence of some of the functionaries of the nation-building departments at the *markaz* level ;
- (iii) Absence of properly organized cooperatives (associations) at village level and federation at *markaz* level ;
- (iv) Lack of coordination between IRD and People Works Programmes and absence of support from the PWP for the physical infrastructure, construction of *markaz*, link roads, drainage, supply of drinking water, lining of water courses, installation of tubewells, etc.;
- (v) Inadequate supply of inputs, particularly seed, fertilizer and pesticides in the project areas ;
- (vi) Lack of capital formation in the rural areas ; and
- (vii) Absence of training facilities for the field functionaries in the project areas.

#### Agricultural Statistics

13.77. The report of the Second Census of Agriculture started in 1972 has been compiled and submitted to the cabinet for approval. It is expected that the report will be released during 1975-76. In addition, the Ministry of Food, Agriculture and Rural Development will start work on the National Livestock Census from March 1976. The field work for this census will be undertaken with the help of the staff of Provincial Department of Animal Husbandry.

13.78. In N.W.F.P., the programme relating to preparation of production estimates of wheat, sugarcane and maize through crop cutting techniques continued during 1974-75.

#### Consolidation of Agricultural Holdings

13.79. A programme relating to land consolidation was initiated in Punjab and N.W.F.P. during 1960-61 and upto 1974-75 about 15.6 million acres were consolidated. An area of about 0.6 million acres is expected to be consolidated during the year in the two provinces.

## Animal Husbandry

13.80. The programme envisages emphasis on increased production of milk, meat and eggs. Both long and short term measures already initiated for the purpose will be strengthened further. The long term measures such as improvement of breeds for milk, meat and wool production will be continued on the existing state farms and new farms will be set up in the public and private sectors. In addition, quality bulls and rams, and expanded facilities for artificial insemination will be provided to the private sector. Due attention will also be given to those measures which give quicker result and include improvement and expansion of facilities for prevention and control of diseases, opening of new veterinary hospitals, dispensaries and setting up of diagnostic laboratories at strategic places.

13.81. The output of rural poultry will be improved by steadily replacing the stock with cross bred birds. Hatching eggs, cockerels and day-old chicks will be distributed at subsidized rates.

13.82. The details of the programme of the Animal Husbandry sub-sector for the various provinces are discussed below :

13.83. *Milk, meat, wool production.*—A comprehensive programme for large scale production of milk, meat, poultry, butter, by products and forage was taken up in 1973-74 in the Punjab. Improvement of breeds for milk, meat and wool production was continued on the existing state farms and 2 new farms were opened during 1974-75 in the public sector. The total production of milk and meat from cattle, buffaloes, sheep and goats for 1974-75 in the Punjab is estimated at 4.260 million metric tons and 0.109 million metric tons, respectively. FAO/IBRD Mission estimated that the total production of milk and meat in 1972-73 in the country was 8.6 million tons and 0.40 million tons, respectively. The main problem hampering increased production of milk and meat arises out of, *inter alia*, over stocking of low quality animals. The Annual Plan for 1975-76 proposes to develop milk breeds by cross breeding with exotic milk breeds and also by culling and fattening of unwanted stock for increased meat production. The existing livestock farms will be improved and a new commercial farm will be opened in the public sector. A pilot project for veal production will also be initiated in the Punjab. In addition, artificial insemination coverage will be provided to about 78 thousand cows/she-buffaloes during the year against about 47 thousand cases inseminated in 1974-75.

13.84. The livestock farm at Rakh Dera Chahal in the Punjab will be used as a hoarding camp to ensure regular supply of about 150 animals per day to the Sihala Abattoir near Rawalpindi. In addition, facilities will be provided for collection, chilling and processing of milk from the untapped pockets and for its processing and sale from the existing as well as new milk plants.

13.85. The existing Red Sindhi cattle farm at Tando Mohammad Khan (Sind) will be developed as a dairy base farm. The work for improvement of cattle/buffalo breeds through artificial insemination taken up during 1973-74 will be expanded and improved, and about 1,040 cows/she buffaloes will be inseminated during 1975-76, against 868 numbers inseminated during 1974-75. In addition, direct breeding facilities, through 53 bulls maintained at the veterinary hospitals, will be continued during the year.

13.86. The Bhagnari cattle-cum-sheep farm at Usta Mohammad (Baluchistan) will be improved. The existing dairy farm at Quetta will be developed into a Dairy Complex where 104 freisien cattle (100 cows, 4 bulls) alongwith a dairy plant and equipment etc., will be imported from New Zealand during 1975-76, under FAO/WFP aid. Range and sheep/goat development work will be continued.

13.87. In addition, 10 bulls will be maintained in Baluchistan at the veterinary hospitals and 150 bulls and 100 rams will be distributed in important breeding areas against 10 bulls maintained and 72 bulls and 125 rams distributed during 1974-75. The artificial insemination facilities will cover about 2,000 cows/she-buffaloes during 1975-76 against 1,200 cases inseminated during 1974-75.

13.88. In order to increase the potential of production of milk, meat and wool in the N.W.F.P., the breeding facilities will be continued during 1975-76. About 10 breeding bulls and 125 rams will be distributed during 1975-76 against 20 bulls and 32 rams distributed during 1974-75. In addition, artificial insemination coverage will be spread over to 1,000 cows/she-buffaloes during 1975-76 against 22 cases inseminated during 1974-75.

13.89. *Poultry Production.*—To increase supply of more hatching eggs and breeding birds to private breeders, the existing Government poultry farms and demonstration units in the Punjab were further developed during 1974-75 and three new farms were opened. The estimated production of eggs for 1974-75 in the Punjab is about 561 million. The main constraint on the growth of poultry industry is high cost of hatching eggs,



breeding birds and quality feed. These problems need to be solved satisfactorily to protect the interests of producers and consumers. The Punjab Government has started programmes for arranging poultry feed at cheaper price. The Annual Plan for 1975-76 proposes to establish 4 new poultry farms in different districts of the Punjab. The production targets for layers and broilers for 1975-76 in the Punjab are 1.28 million and 2.73 million birds, respectively, against about 1.07 million layers and 1.92 million broilers produced at the Government and commercial farms during 1974-75.

13.90. The production of broilers and layers in Sind during 1975-76 is estimated at about 4.20 million and 1.80 million, respectively, against the estimated production of 3.50 million broilers and 1.50 million layers during 1974-75.

13.91. In Baluchistan, the existing poultry farm at Kalat will be improved while work will be initiated on the establishment of 4 poultry units at Kanak, Harnai, Kharan, and Turbat. About 2.00 million eggs, 16,000 layers and 7,000 broilers will be produced at the Government Poultry Farms during 1975-76 against 0.11 million eggs, 13,000 layers and 4,000 broilers produced during 1974-75.

13.92. In N.W.F.P., about 96,000 hatching eggs will be sold and 44,800 layers and 24,000 broilers will be produced at the Government farms during 1975-76 against the estimated sale of 29,000 hatching eggs and production of 9,000 layers and 4,500 broilers in 1974-75. A Poultry demonstration farm will be set up in the D.I. Khan Division during 1975-76.

13.93. *Animal Health (Disease Control).*—The facilities for prevention and control of livestock and poultry diseases in the Punjab will be improved by opening 22 veterinary hospitals and dispensaries during 1975-76, against 16 such units opened during 1974-75. In 1975-76, about 92.50 million doses of sera and vaccines will be produced against the estimated production of 44.20 million doses in 1974-75. About 8.50 million cases of diseased livestock and poultry will be treated and 30.00 million will be given preventive inoculation/vaccination during 1975-76 against about 7.10 million cases treated and 21.02 million vaccinated in 1974-75.

13.94. The veterinary aid facilities in Sind will be improved by constructing four new veterinary dispensaries at Rahimabad, Kazi Ahmad, Saeedpur and Moro, and by providing mobile veterinary dispensaries for developing left bank of the Nara Canal. About 1.40 million cases of animal/poultry will be treated and inoculated/vaccinated during 1975-76 against 1.24 million cases treated and inoculated/vaccinated in 1974-75.

13.95. The veterinary aid facilities for prevention and control of livestock and poultry diseases in Baluchistan will be improved by constructing buildings at 7 veterinary hospitals/dispensaries during 1975-76 against the construction of buildings for 7 dispensaries in 1974-75. The increased facilities will enable the treatment and inoculation of 2.00 million cases during 1975-76 against 1.37 million cases of livestock and poultry treated and inoculated during 1974-75. The artificial insemination facilities will cover about 2,000 cases during 1975-76 against 1,200 cases inseminated in 1974-75.

13.96. In order to conserve the existing livestock population of the N.W.F.P., facilities for treatment of animals and birds will be improved by providing 9 new buildings for the existing veterinary hospitals/dispensaries and also by completing during 1975-76, the construction of 16 veterinary hospitals, dispensaries and centres. Five dispensaries were opened and 20 hospitals, dispensaries and centres were constructed during 1974-75. About 0.32 million cases of animals/birds will be treated and 1.14 million cases will be inoculated/vaccinated during 1975-76 against 0.28 million cases treated and 1.69 million cases inoculated/vaccinated during 1974-75. The production of sera and vaccine at the Veterinary Research Institute, Peshawar will be increased in 1975-76 over 7.6 million doses produced during 1974-75.

13.97. *Milk Schemes.*—The Islamabad Milk Plant came into production in October, 1974. During the nine months of 1974-75, the plant produced about 313,600 litres of standard quality pasteurised/sterilised milk. The estimated daily production of milk during June, 1975 was about 2,000 litres, against which the plant proposes to produce about 10,000 litres of standardised milk daily during 1975-76. In addition, three new milk plants will be established in different parts of the country during 1975-76.

13.98. *Education.*—In N. W. F. P. funds have been provided for award of 21 scholarships for B.V.Sc/D.V.M. students during 1975-76, against 25 scholarships provided during 1974-75.

## Range Management

13.99. Range management works continued in 1974-75 in the Cholistan and Thal area of the Punjab. The works involved maintenance of 22 'tobas' and excavation of 9 tobas, digging of 4 ponds, and construction of one small dam. It is proposed to desilt 65 tobas, install 4 hand pumps, construct one water point and carry out soil and water conservation measures over 500 acres in 1975-76. Other works proposed for 1975-76 are : construction of 3-mile jeep road and 15-mile range trails, raising of 15 acres of grass nursery and 5,000 browse plants, and planting of 300 acres of root stock of grasses.

13.100. In Sind, no reseedling of grass could be done in 1974-75 due to severe drought conditions. Three pucca wells and one wind mill were, however, constructed. It is proposed to undertake soil conservation operations over 250 acres, reseed 2,000 acres of range land and to construct 6 new ponds and 6 pucca wells during 1975-76.

13.101. Range management work was undertaken on 200 acres in N.W.F.P. in 1974-75. It is proposed to cover 2,000 acres with grass and fodder trees while water spreading will be done over 1,500 acres during 1975-76.

13.102. In Baluchistan, a new range management project will be started with the assistance of UNDP during 1975-76 at three sites, namely Khanozai/Muslimbagh, Fortsandman/Murghakibazai and Nushki Regions.

13.103. Under the Neelum Valley Range Land scheme, demonstration of range management work was undertaken over about 2,000 acres in Azad Kashmir. It is expected to cover additional 2,000 acres under this project during 1975-76.

## Forestry

13.104. Only about 3.6% of the total area of 198.6 million acres is under forests in Pakistan. The average forest yield is only 4 to 5 cft per acre per annum, although the potential is much larger. The slow and poor regeneration of coniferous forests has further aggravated the problem. In N.W.F.P., only 12 percent of the cut over area was regenerated during the last 5 years. Similarly, in the Punjab, the shortfall in regeneration has been of the order of about 68 percent for compact plantations and about 39 percent in the case of linear plantations. The situation in Sind, however, has been encouraging as the regeneration operations have exceeded the cut-over operations in recent years. As most of the species involved (*Acacia* species, *Babul* and *Phulahi*) are regenerated through seed broadcast, it has been possible to cover large areas in the riverain belt of Sind. More effective measures are required to accelerate regeneration of the cut-over areas in the Punjab and N.W.F.P. The figures of the forest area regenerated from 1970-71 to 1974-75 alongwith the targets for 1975-76 are given in Table XV.

13.105. The production of industrial wood and fuel-wood from the Government forests during the last five years 1969-70 to 1973-74 is shown in Table XVI.

TABLE XVI  
*Industrial and Fuel-wood Production 1969-70 to 1973-74*

Year	Quantities extracted		
	Industrial wood	Fuel-wood	Total
	—Million cft—		
1969-70	9.3	21.4	30.7
1970-71	10.4	20.0	30.4
1971-72	12.8	24.0	36.8
1972-73	15.5	18.0	33.5
1973-74	12.3	18.7	31.0
Average per annum	12.0	20.5	32.5

TABLE XV

Forest area cut-over and Regenerated during 1970-71 to 1974-75 and Targets for 1975-76

Years	Province	Area cut-over		Area Regenerated		Area regenerated as percentage of the cut-over area	
		Compact Area 000 acres	Linear Plantation Miles	Compact Area 000 acres	Linear Plantation Miles	Compact Area	Linear Plantation
1970-71	.. .. .	47.3	196	78.2	—	105	—
	Punjab	14.2	51	8.1	—	57	—
	Sind	15.2	145	65.3	—	430	—
	N.W.F.P.	44.9	—	4.8	—	11	—
1971-72	.. .. .	73.2	348	75.3	150	106	43
	Punjab	9.8	266	6.8	150	69	64
	Sind	17.8	82	65.9	—	370	—
	N.W.F.P.	45.7	—	2.6	—	6	—
1972-73	.. .. .	64.4	225	68.4	146	106	65
	Punjab	10.6	225	6.8	146	64	56
	Sind	18.6	—	56.2	—	302	—
	N.W.F.P.	35.2	—	5.4	—	15	—
1973-74	.. .. .	29.2	206	78.9	—	270	—
	Punjab	10.4	206	9.6	—	92	—
	Sind	11.0	—	67.1	—	610	—
	N.W.F.P.	7.8	—	2.2	—	28	—
1974-75	.. .. .	50.2	—	69.1	—	137	—
	Punjab	8.2	—	5.4	—	65	—
	Sind	6.7	—	58.1	—	867	—
	N.W.F.P.	35.3	—	5.6	—	15	—
Total for 5 years	.. .. .	291.3	975	369.9	296	126	30
	Punjab	53.2	748	36.7	296	68	39
	Sind	69.3	227	312.6	—	451	—
	N.W.F.P.	168.8	—	20.6	—	12	—
Average per annum	.. .. .	58.3	195	74.0	59	126	30
	Punjab	10.6	149	7.8	59	68	39
	Sind	13.9	45	62.5	—	449	—
	N.W.F.P.	33.7	—	4.1	—	12	—
Targets 1975-76	.. .. .	42.5	—	57.2	—	134	—
	Punjab	6.5	—	6.6	—	101	—
	Sind	2.7	—	47.3	—	1751	—
	N.W.F.P.	33.3	—	3.3	—	9	—

Note :—No regular cutting and regeneration of Government forests is reported to have been done in Baluchistan.

It may be seen from Table XVI that the average annual production of industrial-wood and fuel-wood from the Government forests has been around 12.0 million cft and 20.5 million cft, respectively, over the last 5 years. The estimated demand for industrial and fuel wood in 1970-71 was 20.00 million cft. and 425 million cft. respectively. The deficit for fuelwood remains particularly large, despite unrecorded wood production from private lands and use of various substitutes for fuel purposes. In view of the wide gap between the demand and supply of forest products, the Government has laid special emphasis on measures to increase the area under forests. Grow-more-trees campaigns were launched in all the four provinces. To make the campaigns success efforts were made to seek support both from public and private sectors. Emphasis was laid on raising compact plantation on Government waste land and on linear planting along the canal-side, roadside, rail-road-sides, water courses, streams etc. In addition, such measures were taken as introduction of various exotic species of commercial importance, planting of fast growing species *viz* poplar, *Robinia* etc., provision of irrigation water with the help of tubewells and introduction of farm forestry during 1974-75. The measures will continue during 1975-76. The expected achievements for 1974-75 and the proposed targets for 1975-76 are given in Table XVII.

TABLE XVII

*Province-wise Achievements and Targets of Afforestation 1974-75 and 1975-76*

Province	Compact plantation			Linear Plantation		
	Targets 1974-75	Estimated Achievement 1974-75	Targets 1975-76	Targets 1974-75	Estimated Achievement 1974-75	Targets 1975-76
		000 acres			Avenue miles	
Baluchistan .. .. .	0.5	0.3	0.2	62	17	10
Sind .. .. .	4.0	3.4	1.2	11	—	—
N.W.F.P. .. .. .	11.1	5.5	30.6	285	302	702
Punjab .. .. .	1.8	3.6	6.4	3,000	2,330	3,041
Total .. .. .	17.4	12.8	38.4	3,358	2,649	3,753

13.106. To improve the communication system for proper management and to fully exploit the forest resources, 31 miles of new roads were constructed in the Punjab in 1974-75. This work will be continued in 1975-76 and about 24 miles of new forest roads will be constructed. Similarly, 8 miles of forest roads were constructed in 1974-75 in NWFP and it is proposed to construct 17 miles of new forest roads during 1975-76.

13.107. It is proposed to grow forest nurseries in the Punjab and NWFP over an area of 1,000 acres and 204 acres, respectively to help meet the planning stock requirements for grow more trees campaign.

13.108. In Azad Kashmir, reforestation of blanks, establishment and maintenance of forest nurseries and forest research were the major programmes which continued during 1974-75. Under the scheme for re-afforestation of blanks, about 7,840 acres of forest blanks were declared closed and planting of 523 acres was done. In 1975-76, it is proposed to reforest 12,000 acres, construct 3,850 *Kacha* pillars and 1,000 *pucca* pillars for demarcation of forests and to grow forest nurseries over 120 acres. It is also proposed to construct office and residential buildings for the forest staff. Forest research programme will continue.

13.109. It is proposed to construct 12 model houses with C.G.I. sheet roofing, for which 7 tons of sheets have been procured. Ten acres will be fenced, 200 pillars will be constructed for demarcation of the wild-life areas. Five new projects will be launched for game reserve in Kala Jandars, Ghamati, Mehri, Kalari and Balaih in Azad Kashmir in 1975-76.

**Watershed Management**

13.110. Watershed management Project for Kaghan and Daur, covering an area of 30,000 square miles in NWFP, was continued during 1974-75. It is proposed to afforest an area of 5,800 acres, terrace 209 acres, raise and maintain and replace failures over 5,092 acres during 1975-76. An expanded watershed management programme covering the whole of Hazara district is expected to be launched during 1975-76. It is proposed to afforest 7,200 acres, plant fruit trees over 96,000 acres and to raise 10,400 trees for soil conservation and watershed management purposes. Furthermore, 24 acres fruit nurseries will be raised to provide planting stock.

13.111. A soil conservation and watershed management programme in Kaghan Valley (earthquake affected area) will also be launched with the help of the World Food Programme. It will cover about 5,000 acres with soil conservation and watershed management measures during 1975-76.

13.112. Watershed management involving afforestation, soil conservation, and range management practices will be vigorously launched in the Murree Hills, Lethrar Valley, Rawal Dam catchment area and the Suleman Hill range. It is proposed to cover 2,400 acres under these programmes in 1975-76 in Punjab.

13.113. In Azad Kashmir, it is proposed to construct check dams-25000 cft, retaining walls-54000 cft, water channels—15000 running feet, tree planting at an area of 400 acres and maintenance of 1560 acres under watershed management programme.

#### Fisheries

13.114. In order to fill the animal protein deficiency in our diet and to check the unprecedented rise in prices of meat and poultry, efforts need to be accelerated to increase fish production both from inland and marine waters.

13.115. The total fish production from marine and inland waters is estimated at about 167 thousand metric tons during 1974-75 which is expected to increase to 185 thousand metric tons in 1975-76. Fish and fish products worth about Rs. 225 million were exported during 1974, which would rise to Rs. 257 million during 1975.

13.116. Due to economic recession and extension of fishing limits by the neighbouring countries, 1974 was a period of serious crisis. The shrimp production and export decreased by 35% in 1974.

13.117. Under the scheme "Sea Exploratory and Oceanographic Research" work on detection of commercially important concentrations of fish will be undertaken. The fishing concentrations already located will be harvested and charting of trawlable and non-trawlable grounds will be undertaken. In addition, hydrological and hydrographical surveys of the water offshore region will be carried out to determine sea water temperature, salinity, etc.

13.118. The Government of Sind took over the Karachi Fish Harbour from the Federal Government in September, 1974 and established a separate Directorate of Fisheries for further development and management of fisheries. In order to make the fresh water more productive, the Provincial Government intends to organize collection, distribution and stocking system of major carps fry in a larger number of waters and accelerate the programme. Measures to control the catching of brooders and under-sized carps will be further intensified. Steps will also be taken to refill the dried up Manchar Lake and stock it afresh with fingerlings of carps. In order to meet the shortage of trained manpower, an Inland Fisheries Training Institute has been established where refresher course was offered to 40 officials and 70 field workers of the Directorate of Fisheries. In this Institute, long term training facilities will be provided to private fish farmers and fishermen beginning from July, 1975.

13.119. A Fish Seed hatchery will start functioning in the Punjab during 1975-76, where facilities for production of 30 lakh fish seed through induced spawning will be provided. Under a comprehensive training and mass motivation programme, 300 persons were expected to be trained while orientation training was imparted to 240 persons during 1974-75. A publicity wing and pond engineering unit have been established to provide advisory services to the public on some of the important fisheries problems i.e. utilization of saline water for fish production, control of aquatic weeds, and biological studies, etc.

13.120. Ambitious development programmes for fisheries, covering establishment of modern fish seed, hatchery nursery unit, village ponds, small dams and reservoirs will be undertaken during 1975-76. In addition, inservice training programme for the employees of other nation building departments and stipendary training for public will also be continued. Special attention is also being paid to promote sport fishing by organising angling competitions.

13.121. In N.W.F.P., the programme for development of trout in Kaghan, Swat, Dir and Chitral continued during 1974-75. The programme will be further intensified through construction of facilities like hatcheries, tanks etc. The programme of fish production in lakes, dams and reservoirs will be further strengthened. The propagation of commercial ornamental fisheries at Warsak taken up last year will continue.

13.122. In Baluchistan, about 42 thousand metric tons fish were produced during 1974-75, which will increase to 60 thousand metric tons during 1975-76. Under the scheme "Gawadar Fish Harbour" construction of residential quarters, rest house, water supply etc., started during 1974-75 will be completed in 1975-76. The work will continue on the construction of the harbour during 1975-76.

## ANNUAL DEVELOPMENT PROGRAMME 1975-76, AGRICULTURE

## SUMMARY—PAKISTAN

(Million Rupees)

Sub-sector/Category	1974-75		1975-76		
	A.D.P. allocation	Utilization	On-going	New	Total
1	2	3	4	5	6
<b>I. Crop Production Sub-sectors :</b>					
1. Fertilizers .. .. .	324.970	326.480	431.300	0.290	431.590
2. Improved Seeds .. .. .	8.360	6.322	3.813	38.522	42.335
3. Plant Protection .. .. .	255.020	261.360	250.560	10.550	261.110
4. Soil Surveys .. .. .	5.350	3.230	2.350	—	2.350
5. Mechanization .. .. .	35.482 (a)	114.588	94.151	3.600	97.751 (e)
6. Soil Conservation .. .. .	3.490	1.391	0.817	1.000	1.817
<b>II. Infra Structure and Institutional Arrangements :</b>					
7. Agricultural Marketing .. .. .	2.000	1.980	0.876	0.050	0.926
8. Cooperatives .. .. .	4.900 (b)	3.805	3.775	9.888	13.668
9. Government Foodgrain Storages .. .. .	81.940	38.703	7.674	8.500	16.174
10. Research on Crop Production .. .. .	51.900	33.840	58.194	6.688	64.882
11. Agricultural Education .. .. .	13.130 (c)	13.220	9.220	0.892	10.112 (f)
12. Agricultural Extension .. .. .	5.630	2.440	2.056	16.113	18.169 (g)
13. IRDP .. .. .	48.830 (b)	66.247	56.123	12.415	68.538 (h)
14. Agricultural Economics and Statistics .. .. .	0.710	1.110	3.000	—	3.000
15. Consolidation of Agricultural Holdings .. .. .	6.300	7.175	7.350	0.379	7.729
<b>III. Other Sub-sectors :</b>					
16. Animal Husbandry .. .. .	51.760 (d)	46.699	39.047	26.262	65.309 (h)
17. Range Management .. .. .	3.500	2.170	1.014	2.130	3.144
18. Forestry .. .. .	32.620	16.779	19.212	18.940	38.152
19. Watershed Management .. .. .	2.570	1.533	0.958	0.976	1.934 (i)
20. Fisheries .. .. .	25.340	17.987	10.249	10.948	21.197
IV. Block Provision .. .. .	3.150	—	—	—	—
Miscellaneous .. .. .	—	—	2.115	—	2.115
<b>Total ..</b>	<b>966.952</b>	<b>966.059</b>	<b>1,003.854</b>	<b>168.143</b>	<b>1,171.997</b>

1	2	3	4	5	6
Commerce Division .. .. .	—	—	—	7.500	7.500
Finance Division .. .. .	2.500	2.500	2.500	—	2.500
Science and Technology Division .. .. .	0.325	0.323	—	—	—
Planning and Development Division .. .. .	—	—	—	4.500	4.500
Kashmir Affairs Division .. .. .	20.855	14.354	11.909	9.240	21.149
States and Frontier Regions Division (F.A.T.A.) .. .. .	7.267	12.084	N.A.	N.A.	17.566
<b>GRAND TOTAL .. .. .</b>	<b>997.899</b>	<b>995.320</b>	<b>N.A.</b>	<b>N.A.</b>	<b>1,225.212</b>

- (a) This excludes a provision of Rs. 15.000 million for the programme for sinking of diesel tubewells in Punjab which is reflected in the Water Resources Sector.
- (b) These include allocations for schemes of the Cooperatives and I.R.D.P. Sub-sectors shown under the Urban and Rural Development Sectors in N.W.F.P. Government's ADP 1974-75.
- (c) This includes Rs. 2.400 million and Rs. 10.170 million allocated for upgrading of Sind Agricultural College, Tandojam to University level and Agricultural Education Sub-sector schemes shown under Education Sectors in the Sind and Punjab Governments' ADPs, respectively.
- (d) This includes Rs. 0.230 million allocated for Animal Husbandry schemes of the Agricultural University, Lyallpur and College of Animal Husbandry, Lahore, shown under the Education Sector in Punjab ADP 1974-75.
- (e) This excludes Rs. 6.316 million, Rs. 29.694 million and Rs. 1.705 million allocated for subsidy, etc. on tubewell programmes shown under the Mechanization Sub-sector of Baluchistan, Punjab and N.W.F.P. Governments' ADPs, respectively as these programmes are reflected in the Water Resources Sector.
- (f) This includes Rs. 3.000 million and Rs. 6.600 million allocated for upgrading of Sind Agricultural College to University level and for Agricultural University, Lyallpur shown under the Education Sector in Sind and Punjab Governments' ADPs, respectively.
- (g) This includes Rs. 0.100 million allocated for Dissemination of Improved Agricultural Technology in Extension Field Project Areas shown under Education Sector in the Punjab Governments' ADP.
- (h) Includes a sum of Rs. 0.619 million for the Directorate of Rural Development, which administers Peoples Works Programme also.
- (i) This includes Rs. 1.300 million provided under Education Sector in Punjab Government's ADP.
- (j) This excludes Rs. 0.150 million allocated for Flood Restoration Works, which have been reflected under the Water Resources Sector.

## ANNUAL DEVELOPMENT PROGRAMME 1975-76, AGRICULTURE

## SUMMARY—ALL PROVINCIAL PROGRAMMES

(Million rupees)

Sub-sector/Category	1974-75		1975-76		Total
	ADP allocation	Utilization	On-going	New	
<b>I. Crop Production Sub-sectors</b>					
1. Fertilizers .. .. .	0.040	0.040	—	0.290	0.290
2. Improved Seed .. .. .	8.360	6.322	3.813	38.522	42.335
3. Plant Protection .. .. .	125.640	132.160	109.410	10.400	119.10
4. Soil Surveys .. .. .	4.350	2.230	1.150	—	1.150
5. Mechanization .. .. .	35.420 (a)	114.526	94.151	3.600	97.751 (e)
6. Soil Conservation .. .. .	3.490	1.391	0.817	1.000	1.817
<b>II. Infra-Structure and Institutional Arrangements :</b>					
7. Agricultural Marketing .. .. .	1.200	1.200	—	—	—
8. Cooperatives .. .. .	4.900 (b)	3.805	3.775	9.888	13.684
9. Government Foodgrain Storages .. .. .	20.940	8.703	7.674	8.500	16.174
10. Research on Crop Production .. .. .	20.600	10.679	11.544	6.688	18.232
11. Agricultural Education .. .. .	13.130 (c)	13.220	9.220	0.892	10.112 (f)
12. Agricultural Extension .. .. .	5.630	2.440	2.056	16.113	18.169 (g)
13. IRDP .. .. .	48.830 (b)	66.247	56.123	12.415	68.538
14. Agricultural Economics and Statistics .. .. .	0.110	0.110	—	—	—
15. Consolidation of Agricultural Holdings	6.300	7.175	7.350	0.379	7.729
<b>III. Other Sub-sectors</b>					
16. Animal Husbandry .. .. .	49.020 (d)	44.129	38.547	26.262	64.809 (i)
17. Range Management † .. .. .	3.500	2.170	1.014	2.130	3.144
18. Forestry .. .. .	32.620	16.779	19.212	18.940	38.152
19. Watershed Management .. .. .	2.570	1.533	0.958	0.976	1.934 (j)
20. Fisheries .. .. .	21.590	13.237	7.481	10.948	13.429
<b>IV. Block Provision :</b>					
Miscellaneous .. .. .	3.150	—	—	—	—
<b>Total ..</b>	<b>411.390</b>	<b>448.096</b>	<b>374.295</b>	<b>167.943</b>	<b>542.238</b>

(a) This excludes a provision of Rs. 15.00 million for the programme for sinking of diesel tubewells in Punjab which is reflected in the Water Resources Sector.

(b) These include allocations for schemes of the Cooperatives and I.R.D.P. Sub-sectors shown under the Urban and Rural Development Sectors in N.W.F.P. Government's ADP 1974-75.

(c) This includes Rs. 2.400 million and Rs. 10.17 million allocated for upgrading of Sind Agricultural College, Tandojam to University level and Agricultural Education Sub-sector schemes shown under Education Sectors in the Sind and Punjab Governments ADPs, respectively.

(d) This includes Rs. 0.23 million allocated for Animal Husbandry schemes of the Agricultural University, Lyallpur and College of Animal Husbandry, Lahore, shown under the Education Sector in Punjab ADP 1974-75.

(e) This excludes Rs. 6.316 million, Rs. 29.694 million and Rs. 1.705 million allocated for subsidy, etc. on tubewell programmes shown under the Mechanization Sub-sector of Baluchistan, Punjab and N.W.F.P. Governments' ADPs, respectively, as these programmes are reflected in the Water Resources Sector.

(f) This includes Rs. 3.000 million and Rs. 6.600 million allocated for upgrading of Sind Agriculture College to University level and for Agricultural University, Lyallpur shown under the Education Sector in Sind and Punjab Governments' ADPs, respectively.

(g) This includes Rs. 0.100 million allocated for dissemination of Improved Agriculture Technology in Extension Field Project Areas shown under Education Sector in the Punjab Government's A.D.P.

(h) Includes a sum of Rs. 0.619 million and Rs. 8.800 million for the Directorate of Rural Development, which administers Peoples Works Programme in N.W.F.P. and for Special Development Fund in Baluchistan Governments A.D.Ps, respectively.

(i) This includes Rs. 1.300 million provided under Education Sector in Punjab Government's ADP.

(j) This excludes Rs. 0.150 million allocated for Flood Restoration Works, which have been reflected under the Water Resources Sector.



## ANNUAL DEVELOPMENT PROGRAMME, 1975-76 AGRICULTURE

## SUMMARY—BALUCHISTAN

(Million rupees)

Sub-sector/Category	1974-75		1975-76		
	ADP allocation	Utilization	On-going	New	Total
<b>I. Crop Production Sub-sectors</b>					
1. Fertilizers .. .. .	—	—	—	—	—
2. Improved Seed .. .. .	2.600	1.909	2.088	0.850	2.938
3. Plant Protection .. .. .	1.350	1.350	—	—	—
4. Soil Surveys .. .. .	—	—	—	—	—
5. Mechanization .. .. .	5.000	78.200	—	2.100 (a)	2.100 (a)
6. Soil Conservation .. .. .	2.110	0.712	0.817	—	0.817
<b>II. Infra Structure and Institutional Arrangements</b>					
7. Agril. Marketing .. .. .	—	—	—	—	—
8. Cooperatives .. .. .	—	—	—	1.000	1.000
9. Govt. Foodgrain stores .. .. .	1.800	1.800	—	—	—
10. Research on crop production .. .. .	2.130	1.049	1.000	0.500	1.500
11. Agril. Education .. .. .	—	—	—	—	—
12. Agril. Extension .. .. .	1.580	1.256	1.006	—	1.006
13. IRDP .. .. .	1.500	3.600	5.000	8.800 (b)	13.800 (b)
14. Agricultural Economics and Statistics .. .. .	—	—	—	—	—
15. Consolidation of Agri. Holdings .. .. .	—	—	—	—	—
<b>III. Other Sub-sectors</b>					
16. Animal Husbandry .. .. .	7.610	1.750	4.600	3.503	8.103
17. Range Management .. .. .	0.500	—	—	0.130	0.130
18. Forestry .. .. .	1.610	0.206	2.517	0.524	3.041
19. Watershed Management .. .. .	—	—	—	—	—
20. Fisheries .. .. .	13.100	5.000	7.100	0.111	7.211
<b>Total ..</b>	<b>40.890</b>	<b>96.832</b>	<b>24.128</b>	<b>17.518</b>	<b>41.646</b>

(a) This excludes Rs. 6.316 million allocated for subsidy on tubewell installation programme which has been reflected under the Water Resources Sector.

(b) This includes Rs. 8.800 million allocated for Special Development Funds under PWP/IRDP Sector in the Provincial Annual Development Programme.

## ANNUAL DEVELOPMENT PROGRAMME, 1975-76, AGRICULTURE

## SUMMARY — SIND

(Million rupees)

Sub-sector/Category	1974-75		Allocation for 1975-76		
	ADP allocation	Utilization	On-going schemes	New schemes	Total
<b>I. Crop Production Sub-sector</b>					
1. Fertilizers .. .. .	—	—	—	—	—
2. Improved Seed .. .. .	—	—	—	4.600	4.600
3. Plant Protection .. .. .	10.55	9.496	5.000	—	5.000
4. Soil Surveys .. .. .	0.77	0.691	0.500	—	0.500
5. Mechanization .. .. .	10.00	19.636	14.500	—	14.500
6. Soil Conservation .. .. .	—	—	—	—	—
<b>II. Infra-Structure and Institutional Arrangements</b>					
7. Agricultural Marketing .. .. .	—	—	—	—	—
8. Cooperatives .. .. .	—	—	—	1.000	1.000
9. Govt. Foodgrain Storages .. .. .	2.95	5.000	4.000	0.500	4.500
10. Research on crop production .. .. .	4.64	4.243	6.800	—	6.800
11. Agril. Education .. .. .	2.60 (a)	3.050	3.200	—	3.200 (b)
12. Agril. Extension .. .. .	0.40	—	—	0.600	0.600
13. IRDP .. .. .	15.00	35.989	13.000	—	13.000
14. Agril. Economics and Statistics .. .. .	—	—	—	—	—
15. Consolidation of Agri. Holdings .. .. .	—	—	—	—	—
<b>III. Other Sub-sectors</b>					
16. Animal Husbandry .. .. .	5.34	4.525	2.900	3.200	6.100
17. Range Management .. .. .	1.31	0.686	0.564	—	0.564
18. Forestry .. .. .	5.09	3.388	4.436	—	4.436
19. Watershed Management .. .. .	—	—	—	—	—
20. Fisheries .. .. .	0.05	0.045	0.050	0.450	0.500
Block Provision .. .. .	3.15	—	—	—	—
<b>Total ..</b>	<b>61.85</b>	<b>86.749</b>	<b>54.950</b>	<b>10.350</b>	<b>65.300</b>

(a) This includes Rs. 2.40 million allocated for up-grading of the Sind Agri. College, Tandojam to University level shown under the Education Sector in the Provincial ADP 1974-75.

(b) This includes Rs. 3.00 million allocated for up-gradation of Sind Agri. College to University level shown under the Education Sector in the Provincial ADP.

## ANNUAL DEVELOPMENT PROGRAMME, 1974-75, AGRICULTURE

## SUMMARY—PUNJAB

(Million rupees)

Sub-sector/Category	1974-75		1975-76		Total
	ADP allocation	Utilization	On-going	New	
<b>I. Crop Production Sub-sectors</b>					
1. Fertilizers .. .. .	—	—	—	—	—
2. Improved Seed .. .. .	4.71	4.413	1.725	30.500	32.225
3. Plant Protection .. .. .	104.49	112.064	104.410	—	104.410
4. Soil Surveys .. .. .	3.04	1.002	0.650	—	0.650
5. Mechanization .. .. .	16.26 (a)	12.530	78.704 (d)	—	78.704 (d)
6. Soil Conservation .. .. .	—	—	—	—	—
<b>II. Infra-Structure and Institutional Arrangements</b>					
7. Agril. Marketing .. .. .	1.20	1.200	—	—	—
8. Cooperatives .. .. .	3.30	2.205	3.775	6.225	10.000
9. Govt. Foodgrain Storages .. .. .	15.00	0.800	2.000	8.000	10.000
10. Research on crop Production .. .. .	7.78	2.745	2.640	1.520	4.160
11. Agril. Education .. .. .	10.17 (b)	10.170	6.020	0.700	6.720 (e)
12. Agril. Extension .. .. .	1.83	0.360	0.550	13.000	13.550 (f)
13. IRDP .. .. .	5.70	10.091	5.800	3.615	9.415
14. Agril. Economic and Statistics .. .. .	—	—	—	—	—
15. Consolidation of Agri. Holdings .. .. .	5.70	6.651	7.000	—	7.000
<b>III. Other Sub-sectors</b>					
16. Animal Husbandry .. .. .	30.23 (c)	34.029	26.769	15.889	42.658 (g)
17. Range Management .. .. .	1.12	1.124	—	2.000	2.000
18. Forestry .. .. .	13.05	4.103	3.804	13.070	16.874
19. Watershed Management .. .. .	0.82	0.355	—	0.976	0.976 (h)
20. Fisheries .. .. .	8.00	8.000	—	10.000	10.000
Total .. .. .	232.40	211.842	243.847	105.495	349.342

(a) This excludes Rs. 15.000 million for sinking of diesel tubewells programme reflected under the Water Resource Sector.

(b) This provision is for Agricultural Education schemes shown under the Education Sector in Provincial AD

(c) This includes Rs. 0.23 million for the Animal Husbandry schemes of Agri. University Lyallpur and College of Animal Husbandry, Lahore. shown under the Education Sector in the Provincial ADP.

(d) This excludes Rs. 29.694 million provided for subsidy on tubewells and other small irrigation schemes reflected under Water Resources Sector.

(e) This includes Rs. 6.600 million allocated for Agri. University, Lyallpur shown under Education Sector in the Provincial ADP.

(f) This includes Rs. 0.100 million provided under Education sector in the Provincial ADP.

(g) This includes Rs. 1.300 million provided under Education Sector in the Provincial ADP.

(h) This excludes Rs. 0.150 million allocated for Flood Restoration Works which has been reflected under the Water Resources sector.

## ANNUAL DEVELOPMENT PROGRAMME 1975-76 AGRICULTURE

## SUMMARY—N.W.F.P.

(Million rupees)

Sub-sector/Category	1974-75		1975-76		Total
	ADP allocation	Utilisation	On-going	New	
<b>I. Crop Production Sub-Sectors</b>					
1. Fertilizers .. .. .	0.04	0.040	—	0.290	0.290
2. Improved Seed .. .. .	1.05	—	—	2.572	2.572
3. Plant Protection .. .. .	9.25	9.250	—	10.400	10.400
4. Soil Surveys .. .. .	0.54	0.537	—	—	—
5. Mechanization .. .. .	4.16	4.160	0.947	1.500 (b)	2.447 (b)
6. Soil Conservation .. .. .	1.379	0.679	—	1.000	1.000
<b>II. Infra-Structure and Institutional Arrangements :</b>					
7. Agricultural Marketing .. .. .	—	—	—	—	—
8. Cooperatives .. .. .	1.60 (a)	1.600	—	1.663	1.663
9. Government Foodgrain Storages .. .. .	1.19	1.103	1.674	—	1.674
10. Research on crop production .. .. .	6.05	2.642	1.104	4.668	5.772
11. Agricultural Education .. .. .	0.36	—	—	0.192	0.192
12. Agricultural Extension .. .. .	1.82	0.824	0.500	2.513	3.013
13. IRDP .. .. .	26.63 (a)	16.567	32.323	—	32.323 (c)
14. Agricultural Economics and Statistics .. .. .	0.11	0.110	—	—	—
15. Consolidation of Agriculture Holdings.	0.60	0.524	0.350	0.379	0.729
<b>III. Other Sub-sectors</b>					
16. Animal Husbandry .. .. .	5.84	3.825	4.278	3.670	7.948
17. Range Management .. .. .	0.57	0.360	0.450	—	0.450
18. Forestry .. .. .	12.868	9.082	8.455	5.346	13.801
19. Watershed Management .. .. .	1.753	1.178	0.958	—	0.958
20. Fisheries .. .. .	0.44	0.192	0.331	0.387	0.718
<b>Total ..</b>	<b>76.250</b>	<b>52.673</b>	<b>51.370</b>	<b>34.580</b>	<b>85.950</b>

(a) These include allocations for schemes of the Cooperatives and IRDP Sub-sectors shown under the Urban and Rural Development Sector of the Provincial A.D.P. 1974-75.

(b) This excludes Rs. 1.705 million allocated for subsidy on tube-wells programmes reflected under the Water Resources Sector.

(c) Includes a sum of Rs. 0.619 million for the Directorate of Rural Development, which administers Peoples Works Programme also.

## ANNUAL DEVELOPMENT PROGRAMME 1975-76, AGRICULTURE

## SUMMARY—FEDERAL PROGRAMME

(Million rupees)

Sub-sector/Category	1974-75		1975-76		Total
	ADP allocation	Utilization	On-going	New	
<b>I. Crop Production Sub-sectors</b>					
1. Fertilizers .. .. .	324.930	326.440	431.300	—	431.300
2. Improved Seed .. .. .	—	—	—	—	—
3. Plant Protection .. .. .	129.380	129.200	141.150	0.150	141.300
4. Soil Surveys .. .. .	1.000	1.000	1.200	—	1.200
5. Mechanization .. .. .	0.062	0.062	—	—	—
6. Soil Conservation .. .. .	—	—	—	—	—
<b>II. Infra-Structure and Institutional Arrangements :</b>					
7. Agriculture Marketing .. .. .	0.800	0.780	0.876	0.050	0.826
8. Cooperatives .. .. .	—	—	—	—	—
9. Government Foodgrain Storages .. .. .	61.000	30.000	—	—	—
10. Research on crop production .. .. .	31.300	23.161	46.650	—	46.650
11. Agriculture Education .. .. .	—	—	—	—	—
12. Agriculture Extension .. .. .	—	—	—	—	—
13. IRDP .. .. .	—	—	—	—	—
14. Agricultural Economics and Statistics .. .. .	0.600	1.000	3.000	—	3.000
15. Consolidation of Agriculture Holdings. .. .. .	—	—	—	—	—
<b>III. Other Sub-sectors :</b>					
16. Animal Husbandry .. .. .	2.740	2.570	0.500	—	0.500
17. Range Management .. .. .	—	—	—	—	—
18. Forestry .. .. .	—	—	—	—	—
19. Watershed Management .. .. .	—	—	—	—	—
20. Fisheries .. .. .	3.750	3.750	2.768	—	2.768
<b>IV. Block Provision</b>					
Miscellaneous .. .. .	—	—	2.115	—	2.115
<b>Total : (Agriculture and Food Division) .. .. .</b>	<b>555.562</b>	<b>517.963</b>	<b>629.559</b>	<b>0.200</b>	<b>629.759</b>
Commerce Division .. .. .	—	—	—	7.500	7.500
Finance Division .. .. .	2.500	2.300	2.500	—	2.500
Science and Technology Division .. .. .	0.325	0.323	—	—	—
Planning and Development Division .. .. .	—	—	—	4.500	4.500
Kashmir Affairs Division .. .. .	20.855	14.354	11.909	9.240	21.149
States and Frontier Regions Division (F.A.T.A.) .. .. .	7.267	12.084	N.A.	N.A.	17.566
<b>GRAND TOTAL .. .. .</b>	<b>586.509</b>	<b>547.224</b>	<b>N.A.</b>	<b>N.A.</b>	<b>682.974</b>

## ACREAGE, PRODUCTION AND ACRE-YIELD OF MAJOR CROPS DURING 1973-74 ACTUAL AND 1975-76 TARGETS

Crop	1973-74*			1975-76		
	Area	Production	Acre-yield	Area	Production	Acre-yield
	000 acres	000 tons	mds/Jacre	000 acres	000 tons	mds/acre
Wheat .. .. .	15,105	7,508	13.5	15,440	8,400	14.8
Rice .. .. .	3,736	2,416	17.6	4,100	2,700	17.9
Maize .. .. .	1,563	755	13.1	1,585	810	13.9
Other foodgrains .. .. .	3,774	855	6.2	3,765	900	6.5
Sugarcane .. .. .	1,564	23,533	409.5	1,569	25,000	433
<b>Edible Oilseeds</b>						
Seed Cotton .. .. .	4,559	1,297	7.7	5,010	1,400	7.6
Rape and Mustard .. .. .	1,331	288	5.9	1,350	315	6.3
Sesamum .. .. .	81	12	3.9	81	12	3.9
Groundnut .. .. .	94	53	15.4	105	63	16.3
Others .. .. .	N.A.	N.A.	N.A.	20	8	10.9
Tobacco .. .. .	115	65	15.3	120	70	15.9
Cotton Lint .. .. .	4,559	000 bales 3,704	3.9	5,010	000 bales 4,000	3.9

\* All final figures for 1974-75 are not yet available ; figures for 1973-74 have been used instead.

**ESTIMATED ACREAGE, PRODUCTION AND ACRE-YIELD OF LOCAL AND DWARF WHEAT  
VARIETIES DURING 1975-76**

Item	Unit	Un-irrigated			Irrigated			Total		
		Dwarf varieties	Local varieties	Total	Dwarf varieties	Local varieties	Total	Dwarf varieties	Local varieties	Total
1	2	3	4	5	6	7	8	9	10	11
Acreage .. ..	.. 000 acres	310	3,520	3,830	8,600	3,010	11,610	8,910	6,530	15,440
Acre-yield .. ..	.. mds/acre	14.0	5.4	6.1	18.0	10.5	16.1	17.9	7.8	13.6
Estimated production ..	.. 000 tons	160	700	860	5,690	1,165	6,855	5,850	1,865	7,715
Net additional fertilizer use ..	.. 000 N tons	2	—	2	40	3	43	42	3	45
Grain : nutrient ratio .. ..	..	7 : 1			7 : 1	7 : 1		7 : 1	7 : 1	
Estimated production ..	.. 000 tons	14	—	14	280	21	301	294	21	315
Improved acreage .. ..	.. 000 acres	—	—	—	1,080	382	1,462	1,080	382	1,462
Increase in acre-yield .. ..	.. mds/acre	—	—	—	3.7	2.1				
Estimated production .. .	.. 000 tons	—	—	—	145	30	175	145	30	175
Additional production from improved cultural practices ..	.. 000 tons	12	21	33	135	27	162	147	48	195
Total estimated production ..	.. 000 tons	186	721	907	6,250	1,243	7,493	6,436	1,964	8,400
Acre-yield .. ..	.. mds/acre	16.3	5.6	6.4	19.8	11.2	17.6	19.6	8.2	14.8

## ESTIMATED ACREAGE, PRODUCTION AND ACRE-YIELD OF BASMATI, IRRI AND OTHER VARIETIES OF RICE DURING 1975-76

Item	Unit	Basmati	Irri	Others	Total
Acreage .. .. .	000 acres	1,200	1,810	1,090	4,100
Acre-yield (3 year average) .. .. .	mds/acre	13.1	21.0	14.5	17.2
Estimated production .. .. .	000 tons	578	1,400	582	2,560
Net additional fertilizer use .. .. .	000 N tons	3	5	2	10
Grain : nutrient ratio .. .. .		7 : 1	7 : 1	7 : 1	
Estimated production .. .. .	000 tons	21	35	14	70
Additional plant protection coverage .. .. .	000 acres	55	60	27	142
Increase in acre-yield .. .. .	mds/acre	2.6	4.2	2.9	3.4
Estimated production .. .. .	000 tons	5	9	3	17
Additional production from improved cultural practices .. .. .	000 tons	14	27	12	53
Total estimated production .. .. .	000 tons	618	1,471	611	2,700
Acre-yield .. .. .	mds/acre	14.0	22.1	15.2	17.9



## ESTIMATED ACREAGE, PRODUCTION AND ACRE-YIELD OF SUGARCANE DURING 1975-76

Item											Unit	
Acreage .. .. .	..	..	..	..	..	..	..	..	..	..	000 acres	1,569
Acre-yield .. .. .	..	..	..	..	..	..	..	..	..	..	mds/acre	396
Estimated production .. .. .	..	..	..	..	..	..	..	..	..	..	000 tons	22 845
Net additional fertilizer use .. .. .	..	..	..	..	..	..	..	..	..	..	000 N tons	17
Cane : nutrient ratio .. .. .	..	..	..	..	..	..	..	..	..	..		100 : 1
Estimated production .. .. .	..	..	..	..	..	..	..	..	..	..	000 tons	1,700
Additional plant protection coverage .. .. .	..	..	..	..	..	..	..	..	..	..	000 acres	143
Increase in acre-yield .. .. .	..	..	..	..	..	..	..	..	..	..	mds/acre	40.8
Estimated production .. .. .	..	..	..	..	..	..	..	..	..	..	000 tons	215
Additional production from improved cultural practices .. .. .	..	..	..	..	..	..	..	..	..	..	000 tons	240
Total estimated production .. .. .	..	..	..	..	..	..	..	..	..	..	000 tons	25,000
Acre-yield .. .. .	..	..	..	..	..	..	..	..	..	..	mds/acre	433

ESTIMATED ACREAGE, PRODUCTION AND ACRE-YIELD OF DESI AND UPLAND COTTON VARIETIES DURING  
1975-76

Item	Unit	Desi	Upland	Total
Acreage .. .. .	000 acres	360	4,560	5,010
Acre-yield .. .. .	mds/acre	2.3	3.64	3.5
Estimated production .. .. .	000 bales	174	3,550	3,724
Net additional fertilizer use .. .. .	000 N tons	—	20	20
Lint : nutrient ratio .. .. .			1.6 : 1	
Estimated production .. .. .	000 bales	—	180	180
Additional plant protection coverage .. .. .	000 acres	—	146	146
Increase in acre-yield .. .. .	mds/acre	—	0.70	
Estimated production .. .. .	000 bales	—	21	21
Additional production from improved cultural practices .. .. .	000 bales	—	75	75
Total estimated production .. .. .	000 bales	174	3,826	4,000
Acre-yield .. .. .	mds/acre	2.3	3.9	3.8

## ESTIMATED ACREAGE, PRODUCTION AND ACRE-YIELD OF MAIZE DURING 1975-76

Item	Unit	Un-irrigated (Barani)	Irrigated	Total
Acreage .. .. .	000 acres	430	1,155	1,585
Acre-yield .. .. .	mds/acre	8.4	15.4	13.5
Estimated production .. .. .	000 tons	132	654	786
Net additional fertilizer use .. .. .	000 N tons		1	1
Grain : nutrient ratio .. .. .			7 : 1	
Estimated production .. .. .	000 tons		7	7
Additional plant Protection coverage .. .. .	000 acres		54	54
Increase in acre-yield .. .. .	mds/acre		3.0	
Estimated production .. .. .	000 tons		6	6
Additional production from improved cultural practices, etc. .. .. .	000 tons		3	8
Total estimated production .. .. .	000 tons	135	675	810
Acre-yield .. .. .	mds/acre	8.5	15.9	13.9

**ESTIMATED CROP-WISE COVERAGE BY GROUND OPERATIONS IN VARIOUS PROVINCES OF PAKISTAN  
DURING 1974-75**

(000 acres)

Crop	Punjab		Sind		N.W.F.P.		Baluchistan		Total	
	Actual acres	Spray acres	Actual acres	Spray acres	Actual acres	Spray acres	Actual acres	Spray acres	Actual acres	Spray acres
Rice (Nursery).	50	100	—	—	—	—	—	—	50	100
Rice ..	99	198	9	27	21	21	2	2	131	248
Cotton ..	500	1,500	25	123	2	2	—	—	527	1,625
Sugarcane ..	150	300	11	22	62	62	—	—	223	384
Maize ..	75	150	—	—	27	27	—	—	102	177
Fruits and Vegetables ..	167	500	31	62	55	60	33	98	286	720
Oilseeds ..	—	—	2	7	5	5	—	—	7	12
Tobacco ..	—	—	—	—	55	63	—	—	55	63
Others ..	200	200	10	13	45	45	26	26	281	287
<b>Total ..</b>	<b>1,241</b>	<b>2,948</b>	<b>88</b>	<b>254</b>	<b>272</b>	<b>285</b>	<b>61</b>	<b>126</b>	<b>1,662</b>	<b>3,613</b>

ESTIMATED CROP-WISE COVERAGE BY AERIAL OPERATIONS IN VARIOUS PROVINCES OF PAKISTAN  
DURING 1974-75

(000 acres)

Crop	Punjab		Sind		N.W.F.P.		Baluchistan		Total	
	Actual acres	Spray acres	Actual acres	Spray acres	Actual acres	Spray acres	Actual acres	Spray acres	Actual acres	Spray acres
Cotton ..	195	614	165	368	—	—	—	—	350	982
Paddy ..	700	1,400	335	573	50	50	—	—	1,085	2,023
Sugarcane ..	2	2	90	210	215	430	—	—	307	642
Maize ..	—	—	—	—	55	110	—	—	55	110
Orchards ..	—	—	—	—	31	63	7	17	38	80
Tobacco ..	—	—	—	—	56	56	—	—	56	56
Oilseeds ..	—	—	—	—	21	21	—	—	21	21
Melons ..	—	—	—	—	3	3	—	—	3	3
<b>Total ..</b>	<b>897</b>	<b>2,016</b>	<b>590</b>	<b>1,151</b>	<b>431</b>	<b>733</b>	<b>7</b>	<b>17</b>	<b>1,925</b>	<b>3,971</b>

**TARGETS OF CROP-WISE COVERAGE OF AREA BY GROUND OPERATIONS IN VARIOUS PROVINCES  
DURING 1975-76**

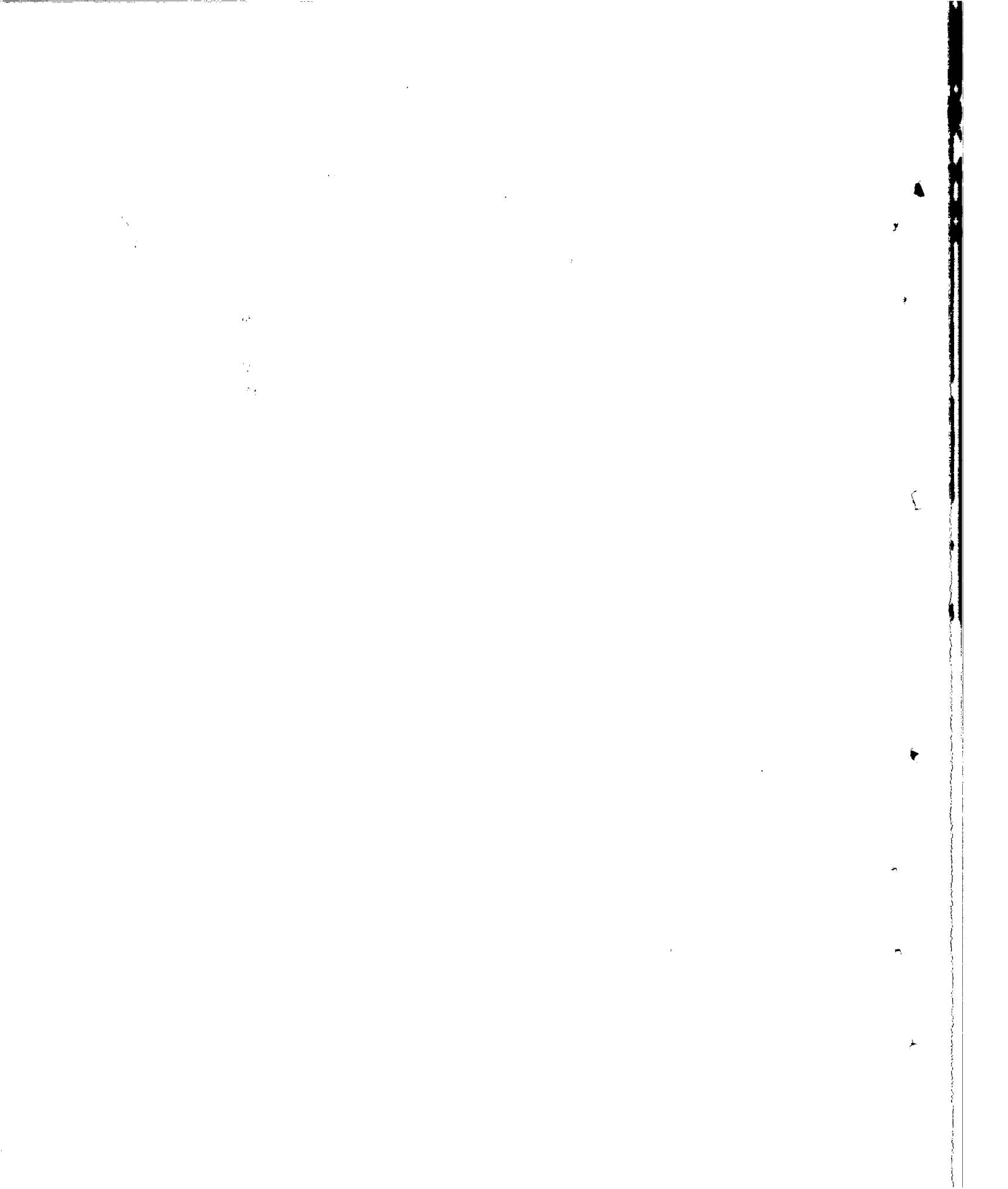
(000 acres)

Crop	Punjab		Sind		N.W.F.P.		Baluchistan		Total	
	Actual acres	Spray acres	Actual acres	Spray acres	Actual acres	Spray acres	Actual acres	Spray acres	Actual acres	Spray acres
Rice (Nursery)	50	100	—	—	—	—	—	—	50	100
Rice ..	125	250	106	212	25	25	2	2	258	489
Cotton ..	600	1,800	45	225	3	3	—	—	648	2,028
Sugarcane ..	250	500	8	30	60	60	—	—	318	590
Maize ..	125	250	1	3	35	35	—	—	161	288
Fruits and vegetables	192	575	8	25	56	60	36	108	292	768
Oilseeds ..	—	—	6	25	5	5	—	—	11	30
Tobacco ..	—	—	—	—	58	60	—	—	58	60
Others ..	500	500	50	50	52	52	30	30	632	632
<b>Total ..</b>	<b>1,842</b>	<b>3,975</b>	<b>224</b>	<b>570</b>	<b>294</b>	<b>300</b>	<b>68</b>	<b>140</b>	<b>2,428</b>	<b>4,985</b>

**TARGETS OF CROP-WISE COVERAGE BY AERIAL OPERATIONS IN VARIOUS PROVINCES OF PAKISTAN  
DURING 1975-76**

(000 acres)

Crop	Punjab		Sind		N.W.F.P.		Baluchistan		Total	
	Actual acres	Spray acres	Actual acres	Spray acres	Actual acres	Spray acres	Actual acres	Spray acres	Actual acres	Spray acres
Cotton ..	220	700	165	400	—	—	—	—	385	1,100
Paddy ..	700	1,400	350	700	50	50	—	—	1,100	2,150
Sugarcane ..	50	100	90	270	215	430	—	—	355	800
Maize ..	—	—	—	—	50	100	—	—	50	100
Orchards ..	—	—	—	—	40	80	20	40	60	120
Tobacco ..	—	—	—	—	50	50	—	—	50	50
Oilseeds ..	—	—	—	—	50	50	70	140	120	190
<b>Total ..</b>	<b>970</b>	<b>2,200</b>	<b>605</b>	<b>1,370</b>	<b>455</b>	<b>760</b>	<b>90</b>	<b>180</b>	<b>2,120</b>	<b>4,510</b>





## CHAPTER 14

### WATER RESOURCES

The ADP allocation for water sector at Rs. 1866 million during 1975-76 is about 24% higher than in 1974-75. The agency-wise allocations appear in Appendix XI and II. Priority has been given to completion of on-going projects. There is increased emphasis on General Investigation and Master Planning. As in the previous year, the principal focus of the programme is on dealing with waterlogging and salinity. The overall water availability for irrigation at farmgates during 1974-75 was 91.4 MAF, nearly 3.5 MAF less than previous year. During 1974-75 nearly drought conditions were experienced, in the *Rabi* season and canal withdrawals at canal heads touched a record low of 25.26 MAF. Targets for year 1975-76, while considering normal river flows and availability of about 5 MAF from Tarbela, would be in the vicinity of 108 MAF.

#### 2. Priorities

14.2. The priorities assigned to the programmes and projects in the Annual Development Programme for 1975-76 are given below :—

- (i) Highest priority has been given to the Accelerated Programme of Waterlogging and Salinity Control with an allocation of Rs. 526 million which is 28% of the total as against 21% in 1974-75. Within the programme, the priority is for completion of on-going projects and for preparation of Master Plan.
- (ii) Efforts would be made to complete the ongoing projects such as Khanpur Dam and Karachi Irrigation Projects, which have been lingering on for a long time, owing to inadequate allocation of funds in the previous years.
- (iii) The development of Water Resources in Baluchistan has been given greater attention.
- (iv) A modest start would be taken in initiating the water-management Programme.
- (v) Tarbela investment would continue due to need for repairs and construction of the Fifth Tunnel.

#### 3. Water availability

14.3. The overall water availability depends upon surface flow of rivers and groundwater pumpage. In the Plan covering the period 1970—75 it was estimated that with the normal flow in the rivers, and the expected acceleration in the groundwater development, the total supply available by 1974-75 would be about 99 MAF. The actual Kharif supplies fell short of the projections and the actual achievement of water availability from the groundwater was also lower than projections made earlier. Based on the actual Kharif canal withdrawals for 1974-75 and the number of tubewells working in the private and public sectors, new estimates indicated that 96 MAF would be available during the year 1974-75. However, due to record low river flows during the *Rabi* season the overall water availability was only 91 MAF. The targets and achievements of water availability from various sources are indicated in Appendix III, III-A and III-B.

14.4. A comparison between 1974-75 river rim station inflow with the mean and worst flows is given in the following table :

TABLE I  
*Comparative statement of Indus, Jhelum and Chenab Rim Station Inflow*

River	Rim Station Inflow								
	Mean (1940—73)			Worst (1940—73)			Actual 1974-75		
	Kharif	Rabi	Total	Kharif	Rabi	Total	Kharif	Rabi	Total
Indus above Kalabagh (Year) .. ..	78.81	13.01	91.82	59.52 (51-52)	9.29 (71-72)	70.88 (70-71)	52.33	8.96	61.29
Jhelum above Mangla (Year) .. ..	17.40	4.80	22.20	10.05 (71-72)	3.02 (70-71)	13.37 (71-72)	12.93	3.57	16.50
Chenab above Marala (Year) .. ..	21.54	4.52	26.06	15.77 (71-72)	2.28 (40-41)	18.56 (40-41)	14.37	3.87	18.24
Total .. ..	117.75	22.33	140.08	87.94 (71-72)	15.61 (71-72)	103.55 (71-72)	79.63	16.40	96.03

*Note.—Figures in brackets indicate years.*

14.5. The total average inflow 1940—73, into country from the Western Rivers, is about 140 MAF, of which 118 MAF is received in Kharif and 22 MAF is received in Rabi. During an average flow year, the Rabi supplies are entirely utilized by the irrigation system, while during Mid-Kharif roughly about 40 MAF wasted to sea. During 1974-75, however, the rim station inflow at 96.03 MAF was only 68% of the average annual flows of 140.8 MAF. The Kharif and Rabi supplies were lower by 32% and 26% compared to their respective averages in normal years. This adversely affected the canal withdrawals. The total canal withdrawals dropped to 88.17 MAF as compared to 96.07 MAF in 1973-74. The major shortage was during Rabi season when the canal withdrawals were 14 per cent lower than the canal water supplies in 1973-74. Actual canal withdrawals from 1964-65 to 1974-75 are given in Appendix III.

14.6. The ground-water programme had to be increased to 29.65 MAF in 1974-75 from a level of 27.65 MAF during 1973-74, to overcome the near drought conditions during the Rabi season. On account of low supplied in Rivers, hydro-electric power stations could not meet the power demand and the country had to face a general shortage of electricity. Every endeavour was made to meet the minimum demand of power in agriculture and industry. Sufficient quantities of diesel were made available at district level to ensure maximum operation of diesel operated tubewells.

14.7. During 1975-76, the water availability would be supplemented to the extent of 7 MAF (at canal heads)<sup>e</sup> on account of supplies to be made available from Tarbela Dam. The availability of water from surface sources at farm gates during 1975-76 is thus expected at 77.88 MAF (Kharif 49.66 MAF and Rabi 28.22 MAF). With an additional 32 MAF from tubewells, the total availability would be 108 MAF. The details of water budget for 1975-76 may be seen in Table II.

TABLE II  
Expected Water availability 1975-76

Source	(MAF)					
	At Canal Head			At Farmgate		
	Kharif	Rabi	Total	Kharif	Rabi	Total
<b>Surface Water</b>						
1. Canal Withdrawals (Benchmark)	70.50	31.00	101.50	49.35	21.70	71.50
2. Tarbela	—	9.30 (7.00)	9.30 (7.00)	—	6.51 (4.90)	6.50 (4.90)
3. Canal Remodelling	0.40	—	0.40	0.28	—	0.28
4. Small Irrigation Schemes	0.04	0.02	0.06	0.03	0.01	0.04
Sub-Total	70.94	40.32	111.26	49.66	28.22	77.88
<b>Groundwater</b>						
1. Private tubewells	—	—	—	12.09	12.09	24.18
2. Public tubewells	—	—	—	3.96	3.95	7.91
Sub-Total	—	—	—	16.05	16.04	32.09
GRAND TOTAL	—	—	—	65.71	44.26 (42.65)	109.97 (108.36)

14.8. If full capacity of Tarbela (9.3 MAF at canal heads) is taken into account, the total water availability at farmgates comes to about 110 MAF. This level may be reached in the second year of its operation.

#### 4. IRRIGATION

##### (a) Storage Projects

14.9. The development under this sub-sector can be classified under two major sub-heads, namely: Surface Irrigation, and Groundwater Irrigation. The former can further be subdivided into two categories, viz Storage Irrigation and Flow Irrigation. Storage reservoirs across the rivers are constructed with a view to

<sup>e</sup>5 MAF at farm gates.

curtailing the wastage of water going to sea and to meet the irrigation needs during the two cropping seasons. Dams, which are of three types, viz High Dams, Medium Dams and Small Dams, are consequently built for this purpose. Ground Water irrigation is done by exploiting the useable ground water.

14.10. *High Dams.*—On account of uneven distribution of rainfall river supplies do not match the agricultural requirements of the two seasons. Construction of two high dams were therefore undertaken. Mangla Dam which was completed in 1967, delivered some 5.3 MAF of extra water during *Rabi* 1974-75. Without this dam, the country might have faced semi-famine conditions.

14.11. Tarbela Dam, having reservoir capacity of 9.3 MAF, was expected to be completed in 1974-75 and irrigation supplies for *Rabi* 1974-75 from the reservoir started. Unfortunately, due to operational trouble encountered in the closure gates of Tunnel 1 & 2, the reservoir had to be depleted on account of which stored supplies could not be made available to *Rabi* (1974-75). The damage caused by the uncontrolled flow through the tunnels are being repaired and the work is going on as per schedule. It is expected that during the summer of 1975-76 the reservoir would be filled. As a number of experiments and observations are to be made, it is quite probable that the full reservoir capacity may not be available for the next *Rabi* crop; a modest estimate of 7.0 MAF of storage was therefore made for the year 1975-76. A provision of Rs. 530.60 million has been made for Tarbela Repairs and construction of the Fifth Tunnel during 1975-76.

14.12. *Medium Dams.*—Two medium dams are under construction since the Third Plan; one across River Hub 35 miles north of Karachi and the other across River Haro, 40 miles north-west of Islamabad. The dam across the river Hub was originally conceived to provide irrigation facilities to about 59,000 acres of culturable virgin land around Karachi but later on its scope was substantially changed and more emphasis was laid on municipal and industrial supply. The revised project envisages construction of an earthen dam, 151 ft. high with a gross storage capacity of 0.924 MAF and dependable safe yield of 0.222 MAF per annum from the reservoir. The reservoir will supply 70 MGD to Karachi; 26 MGD to Karachi Steel Mill; 15 MGD to Baluchistan for meeting the municipal and industrial requirements; irrigation facilities to 1000 acres of existing farms at Karachi and for 21,000 acres of new land, in Baluchistan.

14.13 The original Khanpur Dam envisaged construction of an 137 ft. high dam across Haro river for providing irrigation facilities to some 70,000 acres in the districts of Rawalpindi, Campbellpur and Hazara. The project was subsequently revised and modified to provide Municipal and Industrial supply to Rawalpindi Town (39.64 MGD) ; Islamabad (33 MGD); P.O.F. Wah (15 MGD); Heavy Mechanical Complex at Taxila (13.5 MGD) and irrigation supply of 36,350 AF and 37,900 AF per annum to the Punjab and NWFP respectively.

14.14. *Hub Dam.*—The project is being financed jointly by the Federal Government, the Government of Sind and the Government of Baluchistan with their respective share of 19.4 percent, 47.2 percent and 33.4 percent in the total estimated cost. The total actual expenditure incurred on the project upto June 1974, the allocation in the ADP 1974-75, and the revised estimate for 1974-75 is given in Table III.

TABLE III  
*Allocation and Expenditure; Hub Dam*

Agency	(Million Rs.)		
	Estimated expenditure upto the end of 1973-74	ADP 1974-75 Allocation	Estimate Actual Expenditure for 1974-75
Federal Government .. .. .	21.801	8.55	21.215
Sind Government .. .. .	53.041	21.47	26.470
Baluchistan Government .. .. .	37.533	15.00	35.000
Total .. .. .	112.375	45.02	82.685

\*Distributed in the ratio given in para. 14

14.15 By June, 1974 earthfill in the Dam and saddle embankment was about 62% completed, the irrigation sluice was 100% completed, the main canal structure was 22% completed, the earthwork for the canal was 33% completed and the main canal lining was 1.1% completed. The physical targets and the achievements for the year 1974-75 are given Table IV.

TABLE IV

*Physical Targets and Achievements 1974-75*

Items	Targets	Achievements
Earthwork (mcf)	25.0	12.0
Concrete (Thousand cft)	146.0	50.0
Dam and saddle embankment (earthfill)	6.2%	3%
Spillway (Percent)	12	—
Main Canal Structure (Percent)	78	50
Main Canal E/W (Percent)	54	50
Main Canal Lining (Percent)	79	8

14.16. The three beneficiaries have provided the following amounts in their respective ADP's for 1975-76: Federal Government Rs. 23.25 million; Sind Government Rs. 20.00 million; and Baluchistan Government Rs. 8.60 million. Subsequently it was decided that an amount of Rs. 120.00 million will be provided in the ADP for the project and the Provinces will be debited according to their shares.

14.17. During 1975-76, 31 mcf of earthwork and 4.14 mcf of concrete work is likely to be completed.

14.18. *Khanpur Dam*.—The original Khanpur Dam envisaged construction of an 137 ft high dam across Haro river for providing irrigation facilities to some 70,000 acres in the districts of Rawalpindi, Campbellpur and Hazara. The project was subsequently revised and modified to provide municipal and industrial supply to Rawalpindi Town (39.64 MGD); Islamabad (33 MGD); P.O.F. Wah (15 MGD) and Heavy Mechanical Complex at Taxila (13.5 MGD) and irrigation supply of 36,350 acre ft (AF) and 37,900 AF per annum to the Punjab and NWFP respectively.

14.19. The project is also jointly financed by the three beneficiaries namely the Federal Government, and the Government of the Punjab and the Government of NWFP. The tentative share in the total cost is 51.81%, 29.09% and 19.10% respectively. Up to June 1974, the work done on the dam was about 47 percent, the spillway was 21.5 percent, on the upstream blanket 72 per cent left bank saddle 63 per cent, and the irrigation sluice 96 per cent complete. The financial picture up to the end of 1974-75 is shown in the following table;

TABLE 5

Agency	Estimated Expenditure upto the end of 1973-74	ADP Allocation 1974-75	Estimated Actual Expenditure 1974-75
Federal Government	66.184	15.00	59.96
Punjab Government	37.160	23.19	37.39
N.W.F.P. Government	24.399	6.59	6.59
Total	127.743*	44.78	103.94

\*Distributed in the ratio as stated above.

14.20. The physical targets and achievements for 1974-75 are as under :—

Items	Target 1974-75	Achievement 1974-75
Earthwork (mcf)	23.1	25.5
Concrete (000 cft)	780	728
Pervious and impervious fill (mcf)	4.8	6.5
Stone Masonry (000 cft)	300	260
Tunnel excavation (mcf)	0.4	0.37

14.21. *Khanpur Dam*.—The project has been provided the following amounts by the three Governments in their ADP's :—

	(Million Rupees)
	ADP Allocation 1975-76
Federal Government	90.80
Punjab Government	36.70
N.W.F.P. Government	<i>Nil.</i>
	127.50

It was later decided to provide Rs. 175.0 million for the project and debit the provinces according to their respective shares.

14.22. The physical targets likely to be achieved with the execution of this programme are as follows :—

Items	Physical Targets
Earthwork (mcf)	38
Concrete (mcf)	1.5
Pervious and Impervious fill (mcf)	56
Stone masonry (000 cft)	150
Concrete lining (000 cft)	150

*\*Both existing and new area.*

14.23. *Small Dams*.—The Government of the Punjab and NWFP have undertaken a programme of constructing small dams and pick-up weirs across small streams and nullahs, to improve the level of cultivation in the north western plains of the Indus Basin which are rainfed and dry-farmed.

14.24. The Government of Punjab included seven projects to benefit the rainfed areas in the districts of D. G. Khan, Jhelum, Campbellpur and Rawalpindi and provided Rs. 4.5 million in the ADP 1974-75. The entire provision is expected to be utilized and nearly 20 mcf of earthwork, against the target of 28 mcf would be done. The Projects have been provided in 1975-76 Rs. 10.6 million for continuing the programme and Rs. 1.1 million for initiating work on three new projects in the rainfed area of the districts of Rawalpindi and Campbellpur. It is envisaged that 140 mcf of earthwork would be done by the close of the year

14.25 The Government of NWFP included two schemes in the districts of Hazara and D.I. Khan, with a provision of nearly Rs. 1.00 million in 1974-75 for carrying out 4 mcf of earthwork. Against this only 3 mcf has been completed. The Government of NWFP have provided Rs. 0.83 million for completing the on-going projects in Hazara and D.I. Khan Districts. The earthwork to be done is about 1.00 mcf.

14.26. *Flow Irrigation.*—In order to capture larger withdrawals from the rivers and provide better safety to the existing channels the Provincial Governments are pursuing a substantially large programme of improvement to the existing canal system. The schemes included in this programme envisage strengthening, resectioning, rehabilitation and remodelling of channels and improvement to the existing structures and raising new bypass structures.

14.27. *Performance in 1974-75.*—In the Punjab, the target of extending the existing channels to about 41 miles was achieved; nearly 80 percent of the target of remodelling 163 miles of channels was achieved; 6 miles of canals were enlarged; 40 existing structures were remodelled; and 18 new structures were constructed. The cropped area likely to be benefitted with the execution of the above programme is estimated at 1,600 acres.

14.28. The projects undertaken by WAPDA on behalf of the Punjab Government were Khanpur Dam, Tarbela Left Bank Canal and Chashma Right Bank Canal and were provided a total sum of Rs. 10.30 million against which the revised estimate is Rs. 33.9 million. A review on Khanpur Dam has already been given in the earlier paragraphs. Only token provision was made for the other two schemes and hence no expenditure was incurred during the year.

14.29. In Sind about 25 miles of canals were extended against their target of 30 miles. Besides 30 miles of canals were remodelled, 24 existing structures remodelled; 12 new structures raised; 17 irrigation tubewells and one pumping station completed. As a result of the execution of this programme about 60,000 cropped acres have been stated to be benefitted.

14.30. Among the schemes undertaken by WAPDA only Hub Dam was provided for in the Sind Government ADP, the review and the targets of which have been given earlier.

14.31. In NWFP, almost 7 miles of existing channels have been extended; 8 miles of canals have been remodelled; 2 miles of canals enlarged; 53 structures enlarged, 53 structures remodelled; 29 new structures constructed, and 3 pumping stations have been installed. The area which received benefit from these work, is about 2,000 acres.

14.32. Against the allocation of Rs. 10.0 million for Chashma Right Bank Canal 0.8 million for Gomal Zam and Rs. 5.00 million for Pehur High Level Link canal (Gandaf Tunnel) undertaken by WAPDA on behalf of NWFP, the estimated expenditure is Rs. 5.00 million, Rs. 0.8 million and Rs. 19.3 million respectively. The work on the Pehur Canal Gate Shaft has been completed, the upper half of the stilling basin is nearing completion while intake structure may have to be realigned.

14.33. In Baluchistan, about 20 miles of canals have been enlarged and 30 tubewells, outside the areas covered by the scheme undertaken by WAPDA, have been installed.

14.34. WAPDA were allocated Rs. 7.5 million for Hub Dam Project by the Government of Baluchistan in their ADP. A review of the project has already been given in the earlier paragraphs.

14.35. *Programme for 1975-76.*—The Government of the Punjab has provided a sum of Rs. 138.58 million for improvement, remodelling, extension and addition to the irrigation systems. The major schemes included in this sub-sector are remodelling upper Gugera branch; token provision for greater Thal canal, Jalpur canal and Dajal branch; Bakht extension scheme; lift irrigation for former Grey canal; remodelling Jhang branch; reconditioning and improving supply in Dhundi Qutub canal and Qadira canal; lift irrigation to area on left bank of U.J.C. etc.

14.36. WAPDA have been provided only token amounts of Rs. 0.1 million each for Tarbela Left Bank canal and Chashma Right Bank Canal.

It is expected that 156 miles (200 mcf) of canals would be extended; 823 miles (130) mcf of canals would be remodelled; 377 existing structures would be remodelled and 270 new structures would be constructed. The cropped area likely to benefit from this development is estimated at 38,000 acres.

14.37. The Government of Sind have provided Rs. 93.0 million for their irrigation development schemes. Of this, only Rs. 4.6 million are for new schemes. The important schemes included in this sub-sector are construction of new channels and improvement of existing channels in the command areas of Kotri and Gudu Barrages; constructing link canal for by-passing Kinjher lake; rehabilitation and reconditioning banks of Jamrao canal from RD O-124; Rohri main canal in Nasir and Hala Divisions; Mithrao canal from RD-O to 418 etc; construction by-pass and other structures at Yusuf Dehri, Kandiaro, Duro at RD-522, Orderolal at RD-891 and Sakrand at RD 647 over Rohri main canal; reconditioning banks of Dadu canal from RD 23 to 657 etc; remodelling channels in Nara canal circle; construction Saifullah Magsi branch; Matli branch ex-Phuleli canal RD 187; and project planning for Mekhi farash link canal; remodelling Rohri main canal and Nara Jumrao Kotri link canal etc.

14.38. The physical targets set for this programme are extension of canals by 17 miles (40 mcf), remodelling of canals 75 miles (25 mcf), remodelling of 40 structures, construction of 16 new structures, installation of 35 tubewells and 2 pumping stations, to benefit cropped area of about 100,000 acres.

14.39. In NWFP, a sum of Rs. 67.06 million has been provided for continuing work on a number of minor schemes in the 10 districts. Some of the notable schemes are lining of water courses; extension of Siran canal in Hazara distt; Badwan kharif irrigation scheme in Dir distt; Nipikhel irrigation scheme in Swat etc.

14.40. The ADP provision for 1975-76 for the projects undertaken by WAPDA is Rs. 40.06 million. The scheme-wise allocations are: Gomal Zam Rs. 1.36 million, Chashma Canal Rs. 10.00 million and Pehur Rs. 28.70 million. Detailed investigations of the rock condition and preparation of detailed designs and firm cost estimates of the Pehur Canal Project (Gandaf Tunnel) would be undertaken during the years.

14.41. With the completion of the programme an area of about 11,000 acres would receive regulated irrigation supplies for the first time while an area of about 13,000 acres would be improved. Also 80 miles of water courses would be lined.

14.42. In Baluchistan, Rs. 43.33 million (Rs. 30.4 million for the ongoing and Rs. 12.9 million for the new schemes) has been provided for the various surface irrigation schemes like Pat Feeder Canal, Wah and Setian flood irrigation scheme, Crash development programmes in Marri-Bugti area, Toba Achakzai and Toba Kari area; delay action dam at Gawari and Mehterzai etc. In addition, Rs. 5.0 million have been provided for the tubewell schemes in Pishin Lora and Bela Plain.

#### Ground Water

14.43. About 14 million acres, out of the total canal commanded area of 33.6 million acres, are underlain with useable groundwater. This area lies mostly in the Peshawar valey, the canal districts in the northern zone and along the River Indus in the Southern Zone. The useable-water aquifer has an ultimate potential for development of about 44 MAF per annum, out of which about 29.648 MAF has already been developed. The Development Perspective (1975-80) provided for the development of 35.28 MAF by 1979-80. Again this it is envisaged to develop upto 32.09 MAF during the Annual Plan 1975-76 through various public and private sector programmes.

14.44. *Public Sector.*—The public sector programme comprises SCARP tubewells, and other tubewells purely for irrigation purposes. It is expected that extra supply of 1.07 MAF would be available during 1975-76.

14.45. *Private Sector.*—Accurate statistics on the number of tubewells installed during 1974-75 and number proposed to be installed during 1975-76 are not available. However, it has been estimated that 8,300 tubewells were installed during 1974-75 and 7550 tubewells will be installed during 1975-76 to supply 1.37 MAF of water. Incentives like subsidies, availability of loans, concessional rates of power tariff, easy availability of tubewell materials etc., are likely to encourage the farmers to meet the targets laid down in the Annual Plan.

## DRAINAGE AND RECLAMATION

### Accelerated Programme of Waterlogging and Salinity Control

14.46. This is highest priority and the largest programme to be undertaken. The total amount allocated in 1975-76 is about Rs. 526 million. The scheme-wise and province-wise details of allocation are given in Appendix VI, while the overall physical targets for 1974-75 and 1975-76 and achievements in 1974-75 appear in Appendix VII.

14.47. According to latest estimates nearly 21 percent of total surveyed area is waterlogged with water table depth varying from 0-10 ft. and nearly 10 percent of the total area is salinized. The previous estimates put the water logged area at 45 percent of the C.C.A. and the area under salinity at 23 percent of the C.C.A. The Province-wise area affected by waterlogging and salinity as compared with previous is given in Appendix V-A.

14.48. *Performance in 1974-75.*—A sum of Rs. 30.71 million for the Survey and Investigation and Rs. 143.92 million for the implementation of projects was provided for the Punjab against which a sum of Rs. 23.94 million and Rs. 115.47 million respectively is estimated to have been spent. The projects included in the programme were SCARP II, SCARP III, SCARP IV, replacement of damaged tubewells in SCARP I and SCARP II areas and Pharang Drain etc. About 60 miles of open drains were completed during 1974-75 against the target of 110 miles. No progress could be made on 100 FGW and 50 SGW tubewells planned during 1974-75.

14.49. In Sind, the allocation for the Survey and Investigation was Rs. 9.00 million and for the implementation of projects Rs. 161.5 million. The estimated expenditure is Rs. 8.00 million and Rs. 138.4 million respectively. About 520 FGW tubewells were energised and 327 miles of drains were constructed during the year as against the targets of 735 tubewells and 365 miles of open drains.

14.50. In NWFP, against an allocation of Rs. 3.3 million for Survey and Investigation Rs. 19.70 million for project implementation the expenditure is estimated at Rs. 4.5 million and Rs. 19.0 million respectively. Against the target of 43 tubewells and 8 miles of open drains only 14 tubewells could be brought into operation.

14.51. For Baluchistan a sum of Rs. 1.00 million was allocated for Survey and Investigation and Rs. 2.00 million for implementation of a project. No expenditure has been incurred on Survey and Investigation but Rs. 5.00 million is estimated to have been spent on the project. Against the target of 30 miles of open drains, 12 miles are estimated to have been excavated.

14.52. The progress up to June 1975 of the various SCARP project in different provinces is shown in Appendix V.

14.53. *Programme 1975-76.*—In Punjab an amount of Rs. 293.94 million has been provided for the installation of 156 Saline Groundwater (SG) Tubewells in SCARP II and SCARP III areas and 392 FGW Tubewells in the project areas in Shorkot Kamalia, Panjnad Abbasia, Shujaabad, Shahpur, Fordwah Sadiqia, Pilot Statiana, etc., and 40 miles of open drains under the Paharang Drain Project. Besides Rs. 25 million is provided for the Survey and Investigation of the projects envisaging control of waterlogging and salinity.

14.54. In Sind, the ADP provides a sum of Rs. 9.00 million for the General Investigation of this programme and Rs. 150.00 million for installation of 110 tubewells under SCARP Rohri North and Sukkur Right Bank Projects. Nearly 132 miles of surface drains will be completed under Larkana-Shikarpur, Kotri Surface Drains, and Left Bank Outfall Drain.

14.55. In NWFP the amount allocated for Survey and Investigation and project implementation is Rs. 5.00 million and Rs. 37.00 million respectively. It is expected that 50 tubewells will be installed under Kafur Dehri, 40 tubewells will be installed under Pabbi Phase II and 28 tubewells will be installed under the Jue Sheikh project.

14.56. In Baluchistan programme allocation is Rs. 1.00 million and Rs. 5.00 million, respectively, each for Survey and Investigation and project implementation. It is expected that 22 miles of open drains will be excavated in Pat Feeder Area.

### Small Surface Drainage Projects

14.57. *Performance 1974-75.*—The Government of Punjab provided a sum of Rs. 24.51 million in this ADP. The physical target of excavating 65 miles of open drains for the protection of an area of 28,000 acres has fully been achieved.



14.58. The Sind Government provided Rs. 2.29 million for the development of reclamation operation and M.N.W. Drain against which Rs. 2.22 million have been spent. About 60 percent of the M.N.W. Drain in the Dadu district has been completed.

14.59. In NWFP, against the ADP allocation of Rs. 0.99 million the revised estimated expenditure is about 0.778 million for the excavation of open drains in Bannu and D.I. Khan areas.

14.60. *Programme 1975-76.*—The Punjab Government has provided an amount of Rs. 29.38 million in their ADP for carrying out the drainage and reclamation programme. Of this Rs. 23.12 million are for the ongoing projects, namely Remodelling Dhaya and Phallia drains, Rechna outfall drainage system and Chill drainage system; construction Statiana Sammundari, Raiwind, Lurke, Hunjrai and Charar drainage Systems and a number of small works.

14.61. About 122 miles of surface drains would be extended and remodelled. About 92,000 acres would be protected from floods.

14.62. The Government of Sind ADP has provided Rs. 1.5 million for continuing work on M.N.W. drain in S. Dadu division, development of reclamation operation and a number of other works.

14.63. In NWFP, an amount of Rs. 0.820 million has been provided for remodelling and construction of surface drains in Peshawar area, irrigated areas in Bannu; and Rod Kohi area in D.I. Khan.

#### **Flood Regulation and restoration**

14.64. *Performance 1974-75.*—In the Punjab against in allocation of Rs. 5.698 million for Flood Regulation and Rs. 88.794 million for Flood Restoration, an amount of Rs. 1.21 million and Rs. 55.04 respectively is estimated to have been spent during the year. It is estimated that the target of 108 miles of flood embankments (115 mcf of earthwork) has been achieved in full while stone pitching of 0.9 mcf (target of 1.64 mcf) has been done. Against the target of raising 16 No. structures and restoration/strengthening of 375 miles of flood embankments, 16 structure have been constructed and 275 miles of flood embankments have been strengthened

14.65. The Sind ADP allocated a sum of Rs. 10.00 million for their flood regulation programme. In addition, Rs. 44 million is estimated to have been spent on restoration/strengthening of flood embankment. The physical progress up to June 1975 is about 280 mcf of earthwork and 6 mcf of stone pitching for strengthening/restoration of flood embankments, against a target of 450 mcf of earthwork and 6 mcf of stone pitching.

14.66. *Programme 1975-76.*—In the Punjab an amount of Rs. 15.9 million have been provided for flood regulation works while Rs. 108.42 million have been provided for flood restoration works. Of this, Rs. 6.4 million and Rs. 84.1 million are for the ongoing projects under flood regulation and flood restoration, respectively. The major projects included in this programme are: Protection of syphons at B.S. link; providing syphon at M.R. link; repairing damaged bunds in Shujaabad district and Sharakpur Bund; Raising L.M.B. and R.M.B. at Qadirabad Barrage and Panjnad Headworks; constructing training works at Panjnad, raising Minchine bund; remodelling R.M.B. at Trimmu headworks, raising and extension of Raya flood protection bund; constructing spurs at Taunsa barrage; carrying out repair works at Abbasia and Bahawal canal system etc.

During 1975-76, about 57 miles (106 mcf) of flood embankment would be extended and 1.71 mcf of stone pitching done, 208 miles (554 mcf) of embankment would be strengthened/restored, and 232 new structures would be constructed.

14.67. Although the Government of Sind, have a target of carrying out 400 mcf of earthwork for strengthening and restoration of flood embankments and 2 mcf of stone pitching, surprisingly no amount in the ADP 1975-76 has been allocated

The Government of NWFP have provided Rs. 7.986 million for extension of 2.2 miles of flood embankments and 1.0 mile for strengthening and restoration of the existing embankment.

14.68. The Government of Baluchistan, contemplate to complete 300 flood regulation works in 1975-76.

#### **Survey and investigation**

14.69. *Performance 1974-75.*—The Government of the Punjab have nearly spent Rs. 1.796 million on this sub-sector against an allocation of Rs. 2.553 million. The targets of the Reconnaissance survey of about 250 sq. miles, Topographic Survey of about 200 sq. miles and detailed investigation of 28 dam sites is expected to have been achieved in full.

14.70. WAPDA have been allocated Rs. 6.7 million in the Punjab for carrying out investigation in Potwar and Pásur area and detailed investigation on specific surface water projects.

14.71. The Sind ADP provided Rs. 2.22 million for the Survey and Investigation work against which an amount of Rs. 2.71 million is estimated to have been spent. Against the target of 1340 sq. miles of reconnaissance survey and 1216 sq. miles of topographical survey, the achievement is estimated at 540 and 520 sq. miles, respectively.

14.72. The NWFP ADP provided a sum of Rs. 0.72 million in the ADP which had been revised to Rs. 1.626 million during the course of the year. Against this an amount of Rs. 1.626 million is estimated to have been utilized in achieving the physical targets. of : (a) reconnaissance survey - 85 sq. miles (b) topographic survey—36 sq. miles and (c) detailed survey/geological survey, (drilling etc.)—35 sq. miles.

14.73. WAPDA have been allocated Rs. 1.6 million in the NWFP budget for carrying out the general investigation work. The total budget allocation is estimated to have been spent.

14.74. The principal schemes undertaken by WAPDA are Detailed Groundwater investigation and Hub Dam Project for which Rs. 23.00 million and Rs. 7.5 million were provided in the ADP, against which the estimated expenditure was Rs. 22.1 million and Rs. 7.5 million respectively. Against the target of installation of 250 test holes, under the groundwater investigation scheme, about 200 test holes have been drilled; about 2400 sq. miles of area has been covered under the reconnaissance survey against the target of 6000 sq. miles; 3600 sq. miles of detailed survey drilling against the target of 3500 sq. miles and total footage drilled is about 80,000 feet.

14.75. *Programme 1975-76.*—The Government of the Punjab proposes to spend a sum of Rs. 2.52 million for completing detailed survey of one surface water scheme, 29 small dams and Reconnaissance and topographic survey of nearly 240 sq. miles.

14.76. An amount of Rs. 13.1 million has been allocated to WAPDA by the Provincial Government for continuing work on the investigation of Potwar and Pásur region and water development schemes.

14.77. The Sind ADP has provided Rs. 3.6 million for continuing on reorganization of irrigation research, hydrological research, hydrological survey, feasibility study of Malir basin development and contour survey of riverain areas etc. It is expected that reconnaissance and topographic surveys of nearly 1000 sq. miles will be carried out during the year.

14.78. The NWFP ADP have allocated Rs. 1.724 million for carrying out reconnaissance and topographic survey of nearly 100 sq. miles, drilling 40 test holes and detailed survey of 35 small schemes. WAPDA have also been allocated Rs. 1.2 million in the NWFP ADP for continuation of the general investigation work.

14.79. The ADP provides Rs. 19.3 million for detailed investigation and development of groundwater being undertaken by WAPDA and UNDP jointly. About 250 test holes would be drilled; 175 public tubewells would be installed; geological survey of 5000 sq. miles would be completed and detailed survey drilling of 5000 miles would be done.

14.80. WAPDA have been allocated Rs. 2.00 million for surface hydrology project in the four provinces; Rs. 15.00 million for master planning project; Rs. 1.00 million for planning and investigation of Kalabagh project; and Rs. 10.40 million for the general consulting services for drainage and reclamation projects and flood study in the federal government ADP for 1975-76.

#### **Research and water management**

14.81. The estimated expenditure during 1974-75 on the three research projects namely alluvial channel observation project, Mona reclamation project and the central monitoring organization is Rs. 12.86 million, whereas the allocation for 1975-76 is Rs. 13.7 million. On the Mona reclamation project a few water management studies have been carried out with the cooperation of USAID/CSU Group.

14.82. In the Punjab the Irrigation Research Institute is conducting research studies on lining of water courses and irrigation channels. The scheme has been provided Rs. 0.193 million in the ADP.

14.83. In Sind, the Agriculture Department is carrying out water management studies with the assistance of USAID/CSU. The scheme which is included in the Agriculture sector ADP with the objective to achieve water management by precision land levelling has been allocated Rs. 0.267 million.

## FEDERAL AGENCIES

### **Pakistan Meteorological Department**

14.84. The allocation of Rs. 6.00 million for 1974-75 is expected to be fully utilized on meteorological telecommunication services, wind finding radar at Peshawar, aeromet stations, first class observatories, upper wind finding observatories, remote recording equipment at Lahore, ground station for receiving information from weather satellite etc.

14.85. The programme for 1975-76 includes 18 ongoing and 4 new projects with an allocation Rs. 15.00 million. Among the new schemes are weather surveillance radar station and meteorological read-out station and development of river flow and forecasting techniques. These prospects are aided by WMO/UNDP who would provide about Rs. 5.48 million for the equipment and expertise. The ground station for receiving information from satellite at Karachi is financed by WMO/UNDP to the tune of Rs. 4.4 lakh. This scheme is likely to be completed in 1976-77.

### **Irrigation, Drainage and Flood Control Research Council**

14.86. Against a provision of Rs. 4.5 million made during 1974-75 for various research projects, Rs. 3.45 million could be spent. The Drainage and Reclamation Institute, aided by the Netherland Government is being set up at Hyderabad.

14.87. The ADP 1975-76 provides a sum of Rs. 6.85 million for carrying out some basic studies on hydraulic problems, lysimeter studies on soil-water plant relationship, basic studies of hydraulic problems of tubewells, Gaja pilot tile drainage projects etc. These schemes are continuing for a long time and efforts should be made to complete them during 1975-76.

### **Survey of Pakistan**

14.88. Against an allocation of Rs. 0.408 million for the two schemes namely; Development of Survey Resources, and Geodetic Survey Marks, which have been lingering on since 1965-70 a sum of Rs. 0.548 million is estimated to have been spent during 1974-75.

14.89. The ADP 1975-76 provides a sum of Rs. 0.60 million for bringing the two schemes close to completion.

### **Azad Kashmir**

14.90. Azad Kashmir was allocated a sum of Rs. 1.90 million for various small irrigation schemes consisting of excavation of open channels. Against this amount only a sum of Rs. 5100 is estimated to have been spent.

14.91. An allocation of Rs. 0.500 million has been made in the ADP 1975-76 for continuation of work on the ongoing schemes.

### **Northern Areas**

14.92. Against a provision of Rs. 2.50 million for the open channels and investigation of schemes for the installation of lift pumps in Bunji plain, Rs. 3.37 million is estimated to have been spent in 1974-75.

14.93. A provision of Rs. 4.36 million for the ongoing as also a few new schemes has been made in the ADP 1975-76.

### **Federally Administered Tribal Area Development Corporation**

14.94. Against an allocation of Rs. 30.075 million for the investigation and development of groundwater resources in the tribal areas of Peshawar, Malakand and D.I. Khan, Zeran, Sateen and Qadam surface irrigation schemes; Bara river canal project etc., a sum Rs. 37.05 million is estimated to have been spent during 1974-75. It is estimated that about 11,000 acres have been provided with irrigation facilities while improved supplies have been arranged for about 13,000 acres. Also 80 miles of water courses in different regions of the tribal area have been lined.

14.95. A sum of Rs. 37.93 million has been allocated in the ADP 1975-76 for final completion of Bara canal and Zeran irrigation schemes to benefit of over 55,000 acres of land, and for sinking of tubewells in North Waziristan Agency for the irrigation 1200 acres, installation of 20 tubewells under the investigation scheme and continuation of work on three ongoing and eight new schemes.

## Problems and issues

14.96. The following are some of the problems faced by the Water Resources Sector :

*Apportionment of River Waters.*—It is expected that during 1975-76 Rabi, Tarbela would release 7.0 MAF which is nearly 22% of the normal Rabi supplies. Due to this substantial increase in supplies, considerable area is expected to be irrigated. Within a few months Rabi sowing season would commence, but the farmers of the various regions are not sure whether they would receive extra supply of water. To increase the area sown to Rabi crops, the farmers would have to make arrangements for implements and bullocks. A decision on apportionment of water is expedited shortly.

14.97. *Waterlogging.*—From various reports it has been observed that in certain areas water-table is falling at a faster rate than expected. The depletion of water-table can be attributed to private tubewells and drought of 1974-75. Some apprehension has been expressed that the unexpected drop in water-table may cause diffusion of saline water. It is of paramount importance that monitoring of water-table for the whole CCA should be taken in hand immediately.

14.98. *Alkalinization of Soils.*—Reports and research papers indicate that areas where reclamation is in progress, there is a risk of soils becoming alkali owing to quality of tubewell water. The reclamation of alkaline soils is much more difficult than the saline soils. Intensive studies should therefore, be made in the field, as well as, in the laboratories, on safe use of tubewell waters and on the reclamation of Alkali Saline and Alkali Soils.

## Allocations according to executing agencies

14.99. The ADP allocations according to the executing agencies are given in Appendix II. The agency-wise distribution of the programme included in the Federal Government ADP is given in Appendix II-A. The sub-sector-wise allocation of the total programme, compared with the proposed allocations in the Development Perspective (1975—80), is shown in Appendix II-B. Appendix II-C gives the agency-wise and sub-sector-wise allocation of the 1975-76 Development Programme. It may be observed from the above appendix that the programmes, of the Meteorological Department, Science and Technology Division, Kashmir Affairs Division and States and Frontier Regions Division, are classified under the sub-sector-Miscellaneous, as it was done in the case of Development Perspective.

## Development Perspective (1975—80)

14.100. The allocation in the ADP 1975-76 to the programmes of the various Provinces and Federal Agencies, excluding Indus Basin Works, is Rs. 1335.95 million which is about 13.8 percent of the programme envisaged in the Development Perspective (1975—80). The allocation to Indus Basin Work in 1975-76 is, however, 35.4 percent of the allocation in the Development Perspective, which is chiefly due to the expenditure to be incurred on Tarbela repairs. It is expected that by 1979-80 about 18.78 MAF would have been added to the irrigation system and about 6.19 million acres of cropped area\* added. 14.101 With the successful execution of the ADP 195-76 it is expected that 9.27 MAF will be added to the irrigation system and 2.66\* million acres of cropped area provided with irrigation facilities. The likely achievement in 1975-76 is about 49 percent and 43 percent of the targets for water availability and cropped area respectively laid down in the Development Perspective. Details of the targets for 1975-76 compared with the targets in the Development Perspective are shown in Appendices II-B and XII.

---

\* Both existing and new area.

## ANNUAL DEVELOPMENT PROGRAMME 1974-75

(Million Rupees)

Sponsoring Agency										Allocation	Revised estimates	
<b>A. Provincial Governments</b>												
(a) Punjab	..	..	..	..	..	..	..	..	..	..	187.000	354.289
(b) Sind	..	..	..	..	..	..	..	..	..	..	86.580	85.410
(c) N.W.F.P.	..	..	..	..	..	..	..	..	..	..	48.725	47.580
(d) Baluchistan	..	..	..	..	..	..	..	..	..	..	51.918	41.350
<b>B. Federal Government</b>												
(a) WAPDA	..	..	..	..	..	..	..	..	..	..	400.000	468.812
(b) Central Government Agencies/Divisions				..	..	..	..	..	..	..	45.383	49.605
(c) Tarbela/I.B.P.	..	..	..	..	..	..	..	..	..	..	682.093	812.093
<b>Total</b>										..	<b>1,501.699</b>	<b>1,859.147</b>

## ANNUAL DEVELOPMENT PROGRAMME 1975-76 PAKISTAN

(Million Rs).

Sponsoring Agency	Allocation
<b>Federal Government :</b>	
(a) WAPDA .. .. .	682.09
(b) Other Divisions of the Federal Government .. .. .	65.24
Sub-Total ..	747.33
(c) Indus Basin/Tarbela .. .. .	530.57
Total (Federal Government) ..	1,277.90
<b>Provincial Governments :</b>	
<b>(A) Punjab :</b>	
(a) Irrigation and Power Department .. .. .	279.84
(b) WAPDA .. .. .	50.00
Total (Punjab) ..	329.84
<b>(B) Sind :</b>	
(a) Irrigation and Power Department .. .. .	92.10
(b) WAPDA .. .. .	20.00
Total (Sind) ..	112.10
<b>(C) N.W.F.P. :</b>	
(a) Irrigation and Power Department .. .. .	36.33
(b) WAPDA .. .. .	41.26
Total (N.W.F.P.) ..	77.59
<b>(D) Baluchistan :</b>	
(a) Irrigation and Power Department .. .. .	41.19
(b) WAPDA .. .. .	27.90
Total (Baluchistan) ..	69.09
GRAND TOTAL ..	1,866.52

## ANNUAL DEVELOPMENT PROGRAMME 1975-76

## FEDERAL GOVERNMENT

(Million Rs.)

Sponsoring Agency/Department	ADP Allocation 1974-75	Revised Estimated 1974-75	Allocation for 1975-76
1. Aviation Division :			
Pakistan Meteorological Department .. .. .	6.00	6.00	15.00
2. Science and Technology Division :			
(a) I.D.F.C.R. Council .. .. .	4.500	3.450	6.85
(b) Survey of Pakistan .. .. .	0.408	—	0.60
3. Natural Resources Division :			
WAPDA .. .. .	400.00	468.812	682.09
4. Kashmir Affairs Division :			
(a) Azad Kashmir .. .. .	1.900	0.005	0.50
(b) Northern Areas .. .. .	2.500	3.097	4.36
5. State and Frontier Regions Division :			
FATA Development Corporation .. .. .	30.075	37.053	37.93
	<b>Sub-Total</b> .. .. .	<b>445.383</b>	<b>518.417</b>
6. Indus Basin/Tarbela Works .. .. .	682.093	812.093	530.57
	<b>GRAND TOTAL</b> .. .. .	<b>1,127.476</b>	<b>1,330.510</b>
			<b>1,277.90</b>

ALLOCATION IN ADP 1975-76 COMPARED WITH THE ALLOCATION IN DEVELOPMENT PERSPECTIVE  
(1975-80)

(Million Rs.)

Sub-sector	Allocation for the Development Perspective (1975-80)	Actual al- location in the ADP (1975-76)
1. Survey and Investigation .. .. .	565.00	117.71
2. Irrigation .. .. .	1,975.00	489.55
3. Drainage and Reclamation .. .. .	4,850.00	517.74
4. Flood Regulation/Restoration .. .. .	1,560.00	132.79
5. Research and Water Management .. .. .	350.00	20.74
6. Miscellaneous .. .. .	200.00	57.42
<b>Sub-Total</b>	<b>9,500.00</b>	<b>1,335.95</b>
7. Indus Basin Works (Tarbela) .. .. .	1,500.00	530.57
	<b>11,000.00</b>	<b>1,866.52</b>



**DISTRIBUTION OF ALLOCATION FOR 1975-76**  
**SUB-SECTOR AND AGENCY WISE**

(Million Rs.)

Sub-sector	Federal	Punjab	Sind	N.W.F.P.	Baluchistan	Total
1. Survey and Investigation .. ..	77.66	15.43	3.60	1.72	19.30	117.71
2. Irrigation .. ..	147.58	138.58	93.00	67.06	43.33	489.55
3. Drainage and Reclamation .. ..	485.94	29.48	1.50	0.82	—	517.74
4. Flood Regulation/Restoration .. ..	—	124.34	—	7.99	0.46	132.79
5. Research and Water Management .. ..	20.55	0.19	—	—	—	20.74
6. Miscellaneous .. ..	15.60	21.82	14.00	—	6.00	57.42
Total .. ..	747.33	329.84	112.10	77.59	69.09	1,335.95

## OVERALL WATER AVAILABILITY AT FARMGATES

(Million Acre-Feet)

Year	Surface Water		Ground Water		Total Water Availability	
	At Canal Heads	at Farmgates	Public Tubewells	Private Tubewells	At Farmgates	
1964-65	Kharif	60.36	42.26	1,396	3,230	46,886
	Rabi	29.55	20.68	1,395	3,230	25,305
	<b>Total</b>	<b>89.91</b>	<b>62.94</b>	<b>2,791</b>	<b>6,460</b>	<b>72,191</b>
1965-66	Kharif	65.08	45.56	1,457	4,140	51,157
	Rabi	26.17	18.32	1,457	4,140	23,917
	<b>Total</b>	<b>91.25</b>	<b>63.88</b>	<b>2,914</b>	<b>8,280</b>	<b>75,074</b>
1966-67	Kharif	66.37	46.46	1,013	5,135	52,608
	Rabi	29.59	20.72	1,012	5,135	25,867
	<b>Total</b>	<b>95.96</b>	<b>67.18</b>	<b>2,025</b>	<b>10,270</b>	<b>79,475</b>
1967-68	Kharif	61.72	43.20	1,157	6,080	50,437
	Rabi	32.98	23.08	1,157	6,080	30,317
	<b>Total</b>	<b>94.70</b>	<b>66.28</b>	<b>2,314</b>	<b>12,160</b>	<b>80,754</b>
1968-69	Kharif	66.73	46.71	1,664	6,850	55,224
	Rabi	31.58	22.11	1,664	6,850	30,624
	<b>Total</b>	<b>98.31</b>	<b>68.82</b>	<b>3,328</b>	<b>13,700</b>	<b>85,848</b>
1969-70	Kharif	69.19	48.44	2,083	7,515	58,038
	Rabi	30.66	21.46	2,082	7,515	31,057
	<b>Total</b>	<b>99.85</b>	<b>69.90</b>	<b>4,165</b>	<b>15,030</b>	<b>89,095</b>
1970-71	Kharif	60.83	42.58	2,548	8,235	53,363
	Rabi	26.53	18.57	2,548	8,235	29,353
	<b>Total</b>	<b>87.36</b>	<b>61.15</b>	<b>5,096</b>	<b>16,470</b>	<b>82,716</b>
1971-72	Kharif	60.60	42.42	2,633	9,135	54,188
	Rabi	26.05	18.23	2,633	9,135	29,998
	<b>Total</b>	<b>86.65</b>	<b>60.65</b>	<b>5,266</b>	<b>18,270</b>	<b>84,186</b>
1972-73	Kharif	68.67	48.07	2,828	9,880	60,778
	Rabi	32.23	22.56	2,827	9,880	35,267
	<b>Total</b>	<b>100.90</b>	<b>70.63</b>	<b>5,655</b>	<b>19,760</b>	<b>96,045</b>
1973-74	Kharif	63.42	44.40	3,177	10,650	58,227
	Rabi	32.65	22.85	3,176	10,650	36,676
	<b>Total</b>	<b>96.07</b>	<b>67.25</b>	<b>6,353</b>	<b>21,300</b>	<b>94,903</b>
1974-75	Kharif	62.91	44.04	3,419	11,405	58,864
	Rabi	25.26	17.68	3,419	11,405	32,504
	<b>Total</b>	<b>88.17</b>	<b>61.72</b>	<b>6,838</b>	<b>22,810</b>	<b>91,368</b>

## WATER AVAILABILITY (1974-75)

(MAF)

Source	Target			Actual Achievement						
	4th Plan	Half Yearly Review (1974-75)			K	R	T			
		K	R	T						
<b>(1) Surface Water :</b>										
(a) At canal head .. ..	92.90	62.91*	31.87	94.78	62.91*	25.26*	38.17*			
(b) At farm gate .. ..	65.50	44.04	22.31	66.35	44.04	17.68	61.72			
Sub-total Surface water availability at farm gate .. ..	65.50	44.04	22.31	66.35	44.04	17.68	61.72			
<b>(2) Groundwater :</b>										
(a) Private Tubewell .. ..	21.00	11.40	11.41	22.81	11.40	11.41	22.81			
(b) Public Tubewell .. ..	12.50	3.43	3.41	6.84	3.43	3.41	6.84			
Sub-Total G.W. availability at farm gate .. ..	33.50	14.83	14.82	29.65	14.83	14.82	29.65			
Total Water availability at farm gate .. ..	99.00	58.87	37.13	96.00	58.87	32.50	91.37			

\*Actual withdrawals.

## EXPECTED WATER AVAILABILITY DURING 1975-76

(MAF)

Source	At Canal Head			At Farm Gate		
	Kharif	Rabi	Total	Kharif	Rabi	Total
<b>Surface Water</b>						
1. Canal Withdrawals (Bench Mark) .. .. .	70.50	31.00	101.50	49.35	21.70	71.05
2. Tarbela .. .. .	—	9.3 (7.0)	9.3 (7.0)	—	6.51 (4.90)	6.51 (4.90)
3. Canal Remodelling .. .. .	0.40	—	0.40	0.28	—	0.28
4. Small Irrigation Scheme .. .. .	0.04	0.02	0.06	0.03	0.01	0.04
5. Hub and Khanpur Dam .. .. .	—	—	—	—	—	—
6. Chashma .. .. .	—	—	—	—	—	—
Sub-Total ..	70.94	40.32	111.26	49.66	28.22	77.88
<b>Groundwater</b>						
1. Private Tubewells .. .. .	—	—	—	12.090	12.090	24.180
2. SCARP Tubewells .. .. .	—	—	—	3.62	3.61	7.23
3. Other than SCARP .. .. .	—	—	—	0.34	0.34	0.68
Sub-Total ..	—	—	—	16.050	16.040	32.090
<b>GRAND TOTAL ..</b>	—	—	—	65.71	44.26 (42.65)	109.97 (108.36)

## RIM STATIONS INFLOWS OF WESTERN RIVERS

(Million Acre Feet)

Year	Indus at Kalabagh (Above)			Jhelum at Mangla (Above)			Chanab at Marala (Above)			Total		
	Kharif	Rabi	Total	Kharif	Rabi	Total	Kharif	Rabi	Total	Kharif	Rabi	Total
1964-65 .. ..	74.97	13.56	88.53	19.28	4.31	23.59	21.59	4.45	26.04	115.84	22.32	138.16
1965-66 .. ..	76.36	12.86	89.22	22.23	4.22	26.45	18.57	3.98	22.55	117.16	21.06	138.22
1966-67 .. ..	77.40	13.91	91.31	17.59	5.52	23.11	21.48	4.35	25.83	116.47	23.78	140.25
1967-68 .. ..	1.61	814.91	96.52	18.41	5.44	23.85	20.00	5.15	25.15	120.02	25.50	145.52
1968-69 .. ..	78.71	14.40	93.11	16.40	5.21	21.61	20.37	3.50	23.87	115.48	23.11	138.59
1969-70 .. ..	74.22	12.97	87.19	20.09	4.09	24.18	19.84	2.63	22.47	114.15	19.69	133.84
1970-71 .. ..	60.75	10.13	70.88	12.32	3.02	15.34	16.52	2.73	19.25	89.59	15.88	105.47
1971-72 .. ..	62.12	9.29	71.41	10.05	3.32	13.37	15.77	3.00	18.77	87.94	15.61	103.55
1972-73 .. ..	66.96	12.61	79.57	17.80	7.20	25.00	16.76	4.77	21.53	101.52	24.58	126.10
1973-74 .. ..	95.10	11.39	106.49	22.13	4.29	26.42	27.48	3.40	30.88	144.71	19.08	163.79
1974-75 .. ..	52.33	8.96	61.29	12.93	3.57	16.50	14.37	3.87	18.24	79.63	16.40	96.03

## UPTODATE PROGRESS OF SCARP PROJECTS

S. No.	Name of Project	Scope					Achievement upto June 1975				
		Area		No. of Tubewells		Drains	Area		No. of Tubewells		Drains
		GCA (M.A.)	CCA (M.A.)	FGW	SGW	Length/E.W. mile/(Mcf)	GCA (M.A.)	CCA (M.A.)	F.G.W.	S.G.W.	(Length/E.W. Miles/(Mcf))
<b>Punjab</b>											
1.	SCARP-I (Central Rechna) .. ..	1.22	1.14	2069	—	—	1.22	1.14	2069	—	—
2.	SCARP-II (Chaj Doab.) .. ..	2.42	2.10	2205	717	375/450	2.42	2.10	2205	—	232/284
3.	SCARP-III (Lower Thal) .. ..	1.28	1.05	1635	100	150/125	1.28	1.05	1635	—	106/101
4.	SCARP-IV (Upper Rechna) .. ..	0.62	0.56	935	—	—	0.62	0.56	935	—	—
5.	SCARP-Shorkot Kamalia (Pilot) .. ..	0.17	0.15	92	—	—	—	—	—	—	—
6.	SCARP Panjnad Abbasia (Pilot) .. ..	0.22	0.20	633	—	—	—	—	—	—	—
7.	SCARP Shahpur .. ..	0.11	0.09	263	—	—	—	—	—	—	—
8.	Paharang Drain .. ..	0.05	0.04	—	—	52/102	—	—	—	—	8/10
9.	Disposal Works (Ex. Tubewells) .. ..	—	—	—	—	—	—	—	—	—	—
10.	Replacement of Tubewells .. ..	—	—	—	—	—	—	—	18	—	—
	Sub-Total (Punjab) .. ..	6.09	5.33	7832	817	577/677	5.54	4.85	6862	—	346/395
<b>Sind</b>											
1.	SCARP Khairpur .. ..	0.350	0.320	163	377	352/218	0.350	0.320	163	377	352/218
2.	Larkana Shikarpur (Stage-I) .. ..	0.69	0.59	—	—	133/118	0.690	0.590	—	—	133/118
3.	Pilot Sukkur .. ..	0.014	0.011	15	—	—	0.014	0.011	18	—	—
4.	Anti-Water logging Scheme Shikarpur Town .. ..	0.01	—	16	—	—	0.01	—	16	—	—
5.	Pilot Larkana .. ..	0.01	0.01	35	—	—	0.01	0.01	35	—	—
6.	Pilot Shikarpur .. ..	0.017	0.014	34	—	—	0.017	0.014	34	—	—
7.	Rohri North .. ..	0.79	0.69	1392	—	—	0.505	0.441	624	—	—
8.	L.B.O.D. (Phase I) .. ..	1.950	1.700	—	—	970/1200	0.243	0.212	—	—	121/145
9.	Kotri Surface Drains .. ..	3.00	2.7	—	—	1948/2434	2.1	1.90	—	—	1295/1339
10.	Sukkur Right Bank F.G.W. .. ..	—	—	—	—	—	—	—	—	—	—
11.	Larkana Shikarpur Stage-II .. ..	0.69	0.59	—	—	550/315	0.50	0.45	—	—	428/255
	Sub-Total Sind .. ..	7.521	6.625	1655	377	3953/4285	4.439	3.948	890	377	2561/2140
<b>N.W.F.P.</b>											
1.	Peshawar City Phase-I .. ..	0.01	—	30	—	1/—	—	—	30	—	1/—
2.	Pabbi Unit-I .. ..	0.01	0.01	28	—	—	0.01	0.01	28	—	—
3.	Kafur Dheri Unit-II .. ..	0.03	0.02	64	—	13/—	—	—	—	—	—
4.	Pabbi Unit-II .. ..	0.03	0.02	40	—	—	0.012	0.008	—	—	—
5.	Jui Sheikh Unit .. ..	0.06	0.05	32	—	—	—	—	—	—	—
	Sub-Total N.W.F.P. .. ..	0.13	0.10	194	—	14/—	0.022	0.018	58	—	1/—
<b>Baluchistan</b>											
1.	Hairdin Drainage (Pa@ Feeder) .. ..	0.09	0.07	—	—	632/77	0.017	0.013	—	—	12/15
	GRAND TOTAL .. ..	13.831	12.125	9681	1194	5176/5039	10.018	8.829	7810	377	2920/2550

\*Including 550 miles of field drains.

## EXTENT OF WATERLOGGING AND SALINITY

WAPDA ESTIMATES, 1974-75

Province	Total Culturable Area (CCA) M.A.	Area Surveyed Recently M.A.	Area Waterlogged According To		Area Salinized According To	
			Previous Estimates (% Age of CCA)	Recent Esti- mates (% Age of Area Surveyed)	Previous Estimates (% Age of CCA)	Recent Esti- mates (% Age of Area Surveyed)
			— Percentage —			
Punjab .. ..	19.7	34.64	37	24	15	13
Sind .. ..	13.2	13.95	61	19	36	17
N.W.F.P. .. ..	0.7	0.96	1	1	14	9
Baluchistan .. ..	—	1.60	—	0.1	—	7
<b>Total</b> ..	<b>33.6</b>	<b>51.15</b>	<b>45</b>	<b>21</b>	<b>23</b>	<b>10</b>

## ACCELERATED PROGRAMME OF WATERLOGGING AND SALINITY CONTROL ALLOCATION 1975-76

(Million Rs.)

Project	Allocation
<b>1. PUNJAB</b>	
<b>A. Scheme for Implementation</b>	
<i>(a) On-going — Tubewells Schemes :</i>	
1. SCARP-II (Chaj Doab) .. .. .	69.740
2. SCARP-III (Lower Thal) .. .. .	30.500
3. SCARP-IV (Upper Rechna) .. .. .	1.000
4. SCARP:Shorkot Kamalia .. .. .	18.700
5. SCARP-Panjnad Abbasia .. .. .	50.000
6. SCARP-Shujaabad .. .. .	10.000
7. SCARP-Shahpur .. .. .	50.000
8. SCARP-Fordwah Sadiqia .. .. .	40.000
9. Replacement of Damaged and deteriorated Tubewells of existing SCARPS .. .. .	10.000
	Sub-Total (Tubewells) .. 279.940
<i>Surface and Tile Drains :</i>	
10. Paharang Drain .. .. .	12.000
11. Disposal works for existing Brakish Tubewells in SCARPS .. .. .	2.000
	Sub-Total (Drains) .. 14.000
	Sub-Total (A) .. 293.940
<b>B. General Investigations</b>	
1. Shorkot Kamalia .. .. .	1.000
2. Panjnad Abbasia .. .. .	5.000
3. Shujaabad .. .. .	2.000
4. Saline Zone SCARP-II .. .. .	2.000
5. Saline Zone SCARP-III .. .. .	0.250
6. Shahpur .. .. .	0.250
7. Fordwah Sadiqia .. .. .	3.000
8. Pilot Project Satiana .. .. .	0.600
9. Bhawal Qaim .. .. .	2.000
10. Dipalpur above BS .. .. .	1.000
11. Remaining Upper Rechna .. .. .	1.000
12. D. G. Khan .. .. .	2.000
13. Sukh Bias Drain .. .. .	3.000
14. Pilot Tile Drains Project (Haveli LBDC) .. .. .	0.200
15. Remaining Lower Rechna .. .. .	1.000
16. Disposal works for existing brakish Tubewells .. .. .	0.700
	Sub-Total (B) .. 25.000
	Total (Punjab) .. 318.940



(Million Rs.)

Project	Allocation
<b>2. SIND</b>	
<b>A. Scheme for Implementation</b>	
<i>(a) On-going Tubewells Schemes :</i>	
1. SCARP Rohri North .. .. .	50.000
2. Sukkur Right Bank Tubewells .. .. .	25.000
<i>Surface and Tile Drains :</i>	
3. Larkana Shik arpur (Stage-II) .. .. .	20.000
4. Left Bank outfall Drain .. .. .	40.00
5. Kotri Surface Drain .. .. .	10.00
6. Khairpur Tile Drain .. .. .	5.00
<b>Sub-Total (Drains)</b> .. .. .	<b>75.000</b>
<b>Sub-Total (A)</b> .. .. .	<b>150.000</b>
<b>B. General Investigations</b>	
1. Rohri South .. .. .	2.250
2. Kandkot Thul and Jacobabad .. .. .	2.350
3. Ghotki (FGW) .. .. .	1.500
4. SCARP Dadu .. .. .	0.400
5. Right Bank Outfall Drain .. .. .	0.500
6. SCARP Nawabshah .. .. .	0.500
7. Guddu Right Bank .. .. .	1.500
<b>Sub-Total (B)</b> .. .. .	<b>9.000</b>
<b>Total (Sind)</b> .. .. .	<b>159.000</b>
<b>3. N.W.F.P.</b>	
<b>A. Scheme for Implementation</b>	
<i>Tubewells Schemes :</i>	
1. Anti-waterlogging Peshawar-II .. .. .	1.500
2. Kafur Dehri .. .. .	10.000
3. Pabbi Pilot Project Phase-II .. .. .	11.600
4. Jui Sheikh Unit .. .. .	13.900
<b>Sub-Total (A)</b> .. .. .	<b>37.000</b>
<b>B. General Investigations</b>	
1. D. I. Khan District .. .. .	0.500
2. Kohat District .. .. .	1.000
3. Hazara District .. .. .	0.500
4. Project Planning in N.W.F.P. .. .. .	3.000
<b>Sub-Total (B)</b> .. .. .	<b>5.000</b>
<b>Total (N.W.F.P.)</b> .. .. .	<b>42.000</b>

(Million Rs.)

Project	Allocation
<b>4. Baluchistan</b>	
<b>A. Drainage Scheme</b>	
1. Hairdin Project (Pat Feeder Drainage Scheme) .. .. .	5.000
Sub-Total (A) .. .. .	5.00
<b>B. General Investigations</b>	
1. Kather Command .. .. .	1.000
Total (Baluchistan) .. .. .	6.000
GRAND TOTAL (Accelerated Programme) .. .. .	525.940

## WAPDA TARGETS AND ACHIEVEMENTS 1974-75 AND 1975-76

Works	Unit	Targets for 1974-75	Achievements upto June 75	Targets for 1975-76
<b>(1) Survey</b>				
(a) Reconnaissance Survey .. .. .	Sq. mile.	6,000	2,400	—
(b) Aerial Survey .. .. .	Sq. mile.	51,563	—	51,563
(c) Topographic Survey .. .. .	Lac. Acres.	10	10	10
(d) Soil Survey .. .. .	Lac. Acres.	25.28	25.28	30.21
(e) Geological Survey .. .. .	Sq. mile.	3,000	2,500	5,000
(f) Detailed Survey/Drilling exploratory .. .. .	Sq. mile.	3,500	3,600	5,000
<b>(2) Investigation</b>				
(a) Surface Water Development Schemes .. .. .	No.	4	4	4
(b) Groundwater Schemes (No. of Test Holes) .. .. .	No.	250	200	250
<b>(3) Drainage and Reclamation</b>				
(a) Remodelling open drains .. .. .	Mile.	7	N.A.	40
<b>(b) Acc. Programme :</b>				
(i) Installation and energization of F.G.W. Tubewells .. .. .	No.	928	534	624
(ii) Installation and energization of S.G.W. Tubewells .. .. .	No.	50	Nil.	156
(iii) Open Drains .. .. .	Mile.	494	274	316
<b>(4) Surface Water Development Schemes</b>				
<b>(a) Hub Dam :</b>				
(i) Earth Work .. .. .	Mcf.	25.00	12.00	31.3
(ii) Concrete .. .. .	1,000 Cft.	146.00	50.00	41.40
<b>(b) Khanpur Dam :</b>				
(i) Earth Work .. .. .	Mcf.	23.1	25.5	38.2
(ii) Concrete .. .. .	1,000 Cft.	780	728	1,536
(iii) Impervious fill .. .. .	Mcf.	4.2	5.6	39.00
(iv) Pervious fill .. .. .	Mcf.	0.6	0.9	17.00
(v) 1-1/2-in. Concrete lining .. .. .	1,000 Sq. ft.	300	250	150.00
(vi) Stone Masonry .. .. .	1,000 Cft.	300	260	150.00
(vii) Tunnel excavation .. .. .	Mcf.	0.4	0.37	N.A.

## WAPDA TARGETS AND ACHIEVEMENTS 1974-75 AND 1975-76

Works	Unit	Targets for 1974-75	Achievements upto June 75	Targets for 1975-76
<b>(1) Survey</b>				
(a) Reconnaissance Survey .. .. .	Sq. mile.	6,000	2,400	—
(b) Aerial Survey .. .. .	Sq. mile.	51,563	—	51,563
(c) Topographic Survey .. .. .	Lac. Acres.	10	10	10
(d) Soil Survey .. .. .	Lac. Acres.	25.28	25.28	30.21
(e) Geological Survey .. .. .	Sq. mile.	3,000	2,500	5,000
(f) Detailed Survey/Drilling exploratory .. .. .	Sq. mile.	3,500	3,600	5,000
<b>(2) Investigation</b>				
(a) Surface Water Development Schemes .. .. .	No.	4	4	4
(b) Groundwater Schemes (No. of Test Holes) .. .. .	No.	250	200	250
<b>(3) Drainage and Reclamation</b>				
(a) Remodelling open drains .. .. .	Mile.	7	N.A.	40
<b>(b) Acc. Programme :</b>				
(i) Installation and energization of F.G.W. Tubewells .. .. .	No.	928	534	624
(ii) Installation and energization of S.G.W. Tubewells .. .. .	No.	50	Nil.	156
(iii) Open Drains .. .. .	Mile.	494	274	316
<b>(4) Surface Water Development Schemes</b>				
<b>(a) Hub Dam :</b>				
(i) Earth Work .. .. .	Mcf.	25.00	12.00	31.3
(ii) Concrete .. .. .	1,000 Cft.	146.00	50.00	41.40
<b>(b) Khanpur Dam :</b>				
(i) Earth Work .. .. .	Mcf.	23.1	25.5	38.2
(ii) Concrete .. .. .	1,000 Cft.	780	728	1,536
(iii) Impervious fill .. .. .	Mcf.	4.2	5.6	39.00
(iv) Pervious fill .. .. .	Mcf.	0.6	0.9	17.00
(v) 1-1/2-in. Concrete lining .. .. .	1,000 Sq. ft.	300	250	150.00
(vi) Stone Masonry .. .. .	1,000 Cft.	300	260	150.00
(vii) Tunnel excavation .. .. .	Mcf.	0.4	0.37	N.A.

## TARGETS AND ACHIEVEMENTS 1974-75 AND 1975-76

## PUNJAB

Works	Unit	Targets for 1974-75	Achievements upto June, 75	Targets for 1975-76
<b>(1) Survey and Investigation :</b>				
(a) Reconnaissance Survey .. .. .	Sq. Mile.	250	250	140
(b) Topographic Survey .. .. .	Sq. Mile.	200	200	100
(c) Detailed Investigation (Dam Sites) .. .. .	No.	28	26	29
(d) Surface Water Development Schemes .. .. .	No.	1	In progress	1
<b>(2) Irrigation :</b>				
(a) Extension of Canals .. .. .	Length (Mile) E.W. (Mcf.)	41 54	41 60	156 200
(b) Remodelling of Canals .. .. .	Length (Mile) E. W. (Mcf.)	163 56	130 56	823 130
(c) Enlargement of Canals .. .. .	Length (Mile) E. W. (Mcf.)	6 33	6 33	— —
(d) Remodelling of structures .. .. .	No	45	40	377
(e) New Structures .. .. .	No.	66	18	270
(f) Residential accommodation .. .. .	No.	82	75	200
(g) Metalled Roads .. .. .	Sq. Ft.	—	18	51,000
(h) Small Dams .. .. .	E. W. (Mcf.)	28	20	140
(i) Area benefitted (cropped) .. .. .	Acres.	14,200	1,600	38,000
<b>(3) Drainage and Reclamation :</b>				
(a) Extension and Remodelling of Open Drains .. .. .	Length (Miles)	65	65	122
(b) Area Protected .. .. .	Acres.	28,000	28,000	92,000
<b>(4) Flood Protection :</b>				
(a) Extension of flood embankment .. .. .	Length (Miles) E.W. (Mcf.)	108 115	108 115	57 106
(b) Stone pitching .. .. .	Mcf.	1.64	0.90	1.71
(c) Strengthening/Restoration .. .. .	Mile. Mcf.	375 N.A.	275 772	208 554
(d) Structures .. .. .	No.	16	16	232

## TARGETS AND ACHIEVEMENTS FOR 1974-75 AND 1975-76

SIND

Works	Unit	Targets for 1974-75	Achievements upto June, 1975	Targets for 1975-76
<b>(1) Survey and Investigation :</b>				
<b>(A) Survey :</b>				
(a) Reconnaissance Survey .. .. .	Sq. Mile.	1,340	540	} 1,000
(b) Topographic Survey .. .. .	Sq. Mile.	1,216	520	
<b>(B) Investigation :</b>				
Surface Water Development Schemes .. .. .	No.	—	—	5
<b>(2) Irrigation :</b>				
(a) Extension of Canals .. .. .	Mile. Mcf.	30 100	25 80	17 40
(b) Remodelling of Canals .. .. .	Do.	45 25	30 20	75 25
(c) Remodelling of Structures .. .. .	No.	28	24	40
(d) New Structures .. .. .	No.	12	12	16
(e) Residential Accommodation .. .. .	No.	7	7	15
(f) Public Tubewells .. .. .	No.	17	17	35
(g) Pumping Stations .. .. .	No.	2	1	2
(h) Cropped Area Benefitted .. .. .	Acres.	75,000	60,000	1,00,000
<b>(3) Flood Regulation :</b>				
(a) Strengthening/Restoration of flood embankment .. .. .	Mcf.	450	280	400
(b) Stone pitching .. .. .	Mcf.	6	6	2

## TARGETS AND ACHIEVEMENTS FOR 1974-75 AND 1975-76

N.W.F.P.

Works	Unit	Targets for 1974-75	Achievements upto June, 1975	Targets for 1975-76
<b>(1) Survey and Investigation :</b>				
(a) Reconnaissance Survey .. .. .	Sq. Mile.	85	85	100
(b) Topographic Survey .. .. .	Sq. Mile.	36	36	
(c) Detailed Survey/Geological Drilling etc. .. .. .	Sq. Mile.	35	35	40
(d) Small Surface Water Schemes (Test holes) .. .. .	No.	21	21	35
(e) Groundwater Schemes (Test holes) .. .. .	No.	4	2	
<b>(2) Irrigation :</b>				
(a) Extension of Canals .. .. .	Length (Mile) E. W. Mcf.	10.70	7	10
(b) Remodelling of Canals .. .. .	Do.	8	8	6
(c) Enlargement of Canals .. .. .	Do.	2	2	0.5
(d) Remodelling of Structures .. .. .	No.	53	53	30
(e) New Structures .. .. .	No.	29	29	30
(f) Pumping Stations .. .. .	No.	3	3	2
(g) Small Dams .. .. .	E/W (Mcf)	4.0	3.00	1.00
(h) Cropped Area benefitted (New and Old area) .. .. .	Acres.	2,000	2,000	24,000
<b>(3) Flood :</b>				
(a) Extension of flood Embankments .. .. .	Mile.	4.4	2.2	2.2
(b) Strengthening/Restoration .. .. .	Mile.	2.4	1.4	1.00

## TARGETS AND ACHIEVEMENTS FOR 1974-75 AND 1975-76

## BALUCHISTAN

Works	Unit	Targets for 1974-75	Achievements upto June, 1975	Targets for 1975-76
(1) Survey and Investigation :				
· Nil .. .. .	—	—	—	—
(2) Irrigation :				
(a) Enlargement of Canal .. .. .	Mile.	24	20	94
(b) Public Tubewells .. .. .	No.	54	30	175
(c) Surface water availability from Small Dams .. .. .	A.F.	520	100	800
(3) Flood Regulation Works .. .. .	No.	200	100	300



## WATER RESOURCES DEVELOPMENT OF PAKISTAN

## TARGET FOR 1975-76

(As Compared with the Target in Development Perspective 1975—80)

Items	Targets in the Development Perspective (1975—80)	Targets for 1975-76
(1) Allocation (Million Rupees) .. .. .	11,000.00	1,866.52
(2) Water Availability :		
(a) Surface Water at farmgate (MAF) .. .. .	9.50	6.83
(b) Ground water :		
(i) Private Tubewells (MAF) .. .. .	3.60	1.37
(ii) Public Tubewells (MAF) .. .. .	5.68	1.07
Total Water Availability (MAF)	18.78	9.27
(3) Cropped Area benefitted (Million Acres) .. .. .	10.21*	6.19**

\*Includes new area as well as existing area benefited.

\*\*Includes new area of 2.13 MA and existing area of 4.06 MA.

## CHAPTER 15

### INDUSTRY

#### I. Review of 1970—75

Value added in large scale industry increased at an average of 3.2 per cent per annum during the period 1970—75. Value added in 1970—72 actually fell. Thus, despite marked recovery in 1972—75 the average annual growth was substantially lower than in previous plan periods. The growth rates are summarised below :

	Annual Growth Rates (Percentages)
Second Plan .. .. .	16.8
Third Plan .. .. .	9.9
1970—75 .. .. .	3.2
(i) 1970—72 .. .. .	(—) 3.0
(ii) 1972—75 .. .. .	(+) 7.4

The output of industries, based on agricultural raw materials generally increased by more than the average for large scale industry as a whole during 1970—75. Production of cotton yarn went up by 33 per cent, cigarettes by 23 per cent and vegetable ghee by 122 per cent. In sugar, the base year 1969—70 was exceptionally good for supply of cane to the mills and compared with this year, output during the period 1970—75 would appear to have declined. However, the average annual production during the period 1970—75 was 450 thousand tons, which was 38 per cent higher than the average annual production of 327 thousand tons during the Third Plan. Another group of industries where output increased considerably during the period 1970—75 was fertilizers and chemicals. In fertilizers, production increased from 133 thousand N tons in 1969—70 to 316 thousand N tons in 1974—75. The higher output was due to new capacity as well as an impressive increase in capacity utilization. The output of other major industries increased during the period 1970—75 but at a slower rate than the average. In the case of the steel and engineering industries, capacity utilisation either declined or did not improve substantially.

The increase in output of specific major industries is given in Annexure I. The output in small scale industry increased at a more rapid rate than in large scale industry. Data for estimating this increase is not available. However, indirect evidence points to a growth in output of 8—10 per cent during 1974—75. Details of this estimate are given in Annexure II.

#### II. Review of 1974-75

*Industrial Production.*—In the Annual Plan for 1974-75 a growth of 10 per cent was projected for large scale manufacturing for the year. At the same time, it was pointed out that the extremely low levels of industrial investment which had characterised the preceding years would mean that significant increases in capacity could not be expected in 1974-75 except in cotton textiles and sugar. Major contribution to growth was thus expected in 1974-75 from textiles and sugar. However, because of the international recession in cotton textiles and the fall in sugarcane production, the output of these industries actually declined in 1974-75. As a result, after recording an increase of 11.9 per cent in 1972-73 and 7.5 per cent in 1973-74, the growth of the large scale manufacturing sector came down to approximately 3 per cent during 1974-75. An estimate of the contribution of various industries to this growth is presented in Table 1.

The table shows that a significant decline in production occurred in the textiles group which has a weight of nearly 27 per cent in total industrial production. The decline in sugar production, which has a weight of 7.4 per cent, was over 18 per cent. The declines in these two industries swamped the good performance in other industries. Notable increases in production were recorded in vegetable ghee, cement and fertilizers.

Due to the liberal import policy, the supply of raw materials to the industrial sector was fairly satisfactory. In money terms their import increased by 66.6 per cent during the period July—December, 1974 as compared with the corresponding period of 1973. If price increases are taken into account the increase in import in quantitative terms was much less.

TABLE I  
Industrial Production

Items	Units	1973-74 (Actual)	1974-75 (Estimated)	% Change	Weights	Contribution to Growth
1. White Sugar .. .. .	000 tons	5.98	490	(-)18.1	7.4	(-)1.34
2. Cotton Yarn .. .. .	Mill. lbs.	836	800	(-) 4.3	13.9	(-)0.60
3. Cotton Cloth .. .. .	Mill. yds.	708	680	(-) 4.0	13.0	(-)0.52
4. Cigarettes .. .. .	Bill. Nos.	27	27	—	4.5	—
5. Vegetable Ghee .. .. .	000 tons.	230	275	(+)19.6	2.7	(+)0.53
6. Cement .. .. .	000 tons.	3095	3310	(+) 6.9	2.6	(+)0.18
7. Nitrogenous Fertilizer .. .. .	000 N tons.	296	310	} (+) 5.3	2.3	(+)0.12
8. Phosphatic Fertilizer .. .. .	000 N tons.	4	6			
9. Soda Ash .. .. .	000 tons.	80	76	(-) 5.0	0.4	(-)0.02
10. M. S. Products .. .. .	000 tons.	214	202	(-) 5.6	2.7	(-)0.15
11. Caustic Soda .. .. .	000 tons.	37	35	} (+) 3.9	0.7	(+)0.03
12. Sulphuric Acid .. .. .	000 tons.	33	36			
13. Paper and Straw Board .. .. .	000 tons.	44	44			
14. Writing and Printing Paper .. .. .	000 tons.	26	32			
Sub-Total ..					50.2	(-)1.77
15. Other Industries .. .. .					49.8	(+)4.77
Total Industry ..					100.0	3.00

*Investment.*—Total investment in industry in 1974-75 was around Rs. 2960 million. This shows an increase of 94 per cent, in money terms, over the investment level in 1973-74. The major contribution to this growth in investment was made by the public sector. The growth in investment in constant prices of 1973-74 was somewhat lower. The price index of investment goods increased, according to the Statistical Division, by 30 per cent during 1974-75. Therefore, the real growth in investment in 1974-75 was around 49 per cent.

TABLE II  
Investment in Industry (Current Prices)

	1973-74	1974-75		% in 1974-75
		Target	Estimated Achievement	
<b>Public Sector ADP Investment</b>				
Public Investment (Outside ADP) .. .. .	544	1276	1498	176
	80	80	160	100
Sub-Total ..	624	1356	1658	166
<b>Private Investment</b>				
(a) Large Scale Manufacturing .. .. .	576	1040	900	56
(b) Small Scale Industry .. .. .	325	500	400	23
Sub-Total ..	901	1540	1300	4
Total Investment ..	1525	2896	2958	94

It is seen from the above table that public sector ADP investment exceeded its Annual Plan target in 1974-75 by about 17 per cent. The increase in total public investment during 1974-75 was 166 per cent. This phenomenal increase in total public investment is a reflection of the change in socio-economic policies initiated after December 1971. The reorganisation of the public sector industries into functional groups, in the form of independent corporations, in 1973-74, made the organisational structure capable of identifying, planning and implementing new projects at an accelerated pace.

Private investment in manufacturing also showed a significant increase in 1974-75. Although the target for 1974-75 was not achieved, the predicted increase in private sector investment, as compared to the immediately preceding year, did materialize. In constant prices the level of private investment was still lower than it was in 1972-73.

Investment in small scale industry continued to grow steadily. In current prices it increased by 23 per cent during 1974-75.

*Performance of State Enterprises.*—The financial year 1974-75 was a difficult one for the economy and State Enterprises were no exception. In spite of price fluctuations, uncertain delivery dates and shortage of power in the North, production in State Enterprises increased by over 20% in 1974-75 as compared with 1973-74. Sales are estimated to have increased by 65 per cent from Rs. 2.935 billion during 1973-74 to Rs. 4.838 billion in 1974-75 while net profit before taxes is expected to be Rs. 254 million in 1974-75 as compared with Rs. 175 million in 1973-74 (an increase of 45 per cent.)

Pakistan Automobile Corporation with a rise of 51.7 per cent in production in 1974-75 was in the lead, followed by Pakistan Industrial Development Corporation (20.1 per cent), Federal Light Engineering Corporation (17.2 per cent), State Petroleum and Petrochemical Corporation (13.6 per cent), State Cement Corporation of Pakistan (7.3 per cent), and National Fertilizer Corporation of Pakistan (1.3 per cent). In the case of the State Heavy Engineering and Machine Tool Corporation, although production went up by 70 per cent in 1974-75 over 1973-74, the units under this corporation are still operating below their designed capacity. It is, however, envisaged that the capacity utilization of these units will improve in 1975-76 through better production planning and acquisition of new technology. In Federal Chemical and Ceramics Corporation, production suffered a decline of 11.9 per cent in 1974-75 due to a large build up of inventories on account of severe competition from imported products. The increase in production of the State Cement Corporation was relatively low. This was because new capacity was added and capacity utilization in the existing units was already high around 90 per cent in 1973-74. In 1974-75 the utilization of installed capacity increased to 97 per cent resulting in some growth in output. In the case of the National Fertilizer Corporation most of the plants are old making it difficult to operate them efficiently. The problem was compounded by the slackening of demand for fertilizers because of drought. The production performance of this corporation can be expected to improve only when its new plants come into production.

### III. Production Targets for 1975-76

Industrial production is projected to increase by 13.7 per cent in 1975-76. The major increases are expected in cotton textiles and sugar. In these sectors capacity already exists for achieving higher production than in 1974-75. In addition, new capacity is expected to come on stream. Furthermore, considerable improvement is expected in the situation regarding raw material availability (cotton and sugarcane) and international demand for textiles which acted as major constraints on production during 1974-75. In the other sectors no major additions to existing capacity are expected. Increase in production will, therefore have to come from improved utilization of installed capacity. In table III production targets for 1975-76 have been summarised. Detailed rationale for these targets follows the table.

TABLE III  
*Industrial Production Targets 1975-76*

Industry	Units	1974-75 Estimated	1975-76 Targets	% change 1975-76	Weights	Contribution to Growth
				1974-75		
1. White Sugar .. .. .	000 tons.	490	625	27.6	7.4	2.04
2. Vegetable Ghee .. .. .	000 tons	275	290	5.5	2.7	0.15
3. Cigarettes .. .. .	billion No.	27	30	11.1	4.5	0.50
4. Cotton Yarn .. .. .	Mill. lbs.	800	930	16.3	13.9	2.27
5. Cotton Cloth .. .. .	Mill. yds.	680	750	10.3	13.0	1.34
6. Paper and Straw Boards .. .. .	000 tons.	44	50	12.0	0.7	0.08
7. Writing and Printing paper .. .. .	000 tons.	39	43			
8. Soda Ash .. .. .	000 tons.	76	80	5.3	0.4	0.02
9. Caustic Soda .. .. .	000 tons.	35	40	14.3	N.A.	—
10. Sulphuric Acid .. .. .	000 tons.	36	38	5.6	N.A.	—
11. Nitrogenous Fertilizer .. .. .	000 N tons.	310	310	1.9	2.3	0.04
12. Phosphate Fertilizer .. .. .	000 N tons.	6	12			
13. M.S. Products .. .. .	000 tons.	202	235	16.3	2.7	0.44
14. Cement .. .. .	000 tons.	3310	3310	—	2.6	—
Total .. .. .					50.2	6.88

The weighted average increase in value added in the above 14 industries is 6.88 per cent. These account for half of the total production. It is assumed that the growth in other industries would be of the same order. Therefore the growth in total industrial production in 1975-76 would be around 13.7 per cent.

*Sugar.*—There are currently 25 sugar factories with a daily crushing capacity of 50,000 tons. These are capable of producing 637,500 tons of sugar in a normal crushing season of 150 days and at an average recovery of 8.5 per cent of cane. In 1975-76, Khazana Sugar Mill is also expected to start production—it may be assumed that the capacity utilization of this mill will be around 50% in 1975-76. Therefore, in 1975-76 the sugar industry would have an effective crushing capacity of 52,000 tons per day or 663,000 tons of sugar (based on 150 days in the season and an average recovery of 8.5 per cent of cane). Against this, the 1975-76 target for sugar production is being taken as 625,000 tons. The actual level of production would of course, be determined by sugarcane availability. The sugar production target is consistent with the increase in sugarcane production projected in the programme for the agriculture sector.

High priority is being given to increasing production of sugar both because of the need to ensure ready domestic availability of this essential commodity and because setting up of sugar factories is proving an effective method of modernizing and raising technological and income levels in the agricultural sector and in underdeveloped areas. The principal problem facing the industry is the fluctuation in the supply of cane. On the demand side, the industry is favourably placed. Apart from the large domestic requirements, at current world prices of sugar, the industry has good potential for export.

*Vegetable Ghee.*—The installed capacity in the vegetable ghee industry is 3,30,000 tons per annum. It is the intention of the government to keep this capacity fully supplied with imported and domestic edible oil. The real constraint in this sector is not the refining capacity but the availability of edible oil. The future of this industry depends on the progress that can be made in increasing production of oil seeds in the country. The target for vegetable ghee production in 1975-76 is 290,000 tons.

There are a number of public sector schemes under implementation in the less developed areas for creating additional capacity. The vegetable Ghee plant Quetta with a capacity of 6000 tons per annum is expected to go into production in October, 1975.

*Cotton Textiles.*—By the end of 1974-75 the installed capacity in the mill sector was 3.5 million spindles and 29,000 looms. This capacity is expected to increase to about 3.6 million spindles and 30,000 looms by the end of 1975-76. Using an average annual output rate of 280 lbs per spindle and 26,000 yds per loom the installed capacity will be capable of producing about 1000 million lbs of yarn and 780 million yds of cloth. However, despite some recovery in world markets, demand will remain the basic constraint on output especially in view of the substantial accumulation of inventories during 1974-75. The production targets for 1975-76 for yarn and cloth are, therefore, taken at 930 million lbs and 750 million yards respectively. These targets imply a significant growth in output compared to 1974-75, though production would still be below capacity.

*Cigarettes.*—There are 18 cigarette factories in the country with an approximate three shift capacity of 50 billion cigarettes per annum. In 1975-76 three new factories will come into production raising installed capacity to 60 billion cigarettes per annum. Demand in 1975-76 is expected to be around 30 billion cigarettes and this has been taken as the production target for the year. If export demand could be generated production could be substantially higher.

*Boards.*—The installed capacity of paper and straw board is about 62,000 tons per annum. The production in 1973-74 was 44,000 tons. It is expected that production during 1974-75 would be at the same level. The target for 1975-76 envisages some improvement in capacity utilization and is put at 50,000 tons.

*Soda Ash.*—Installed capacity in two factories is about 78,000 tons. The industry is operating at nearly full capacity utilization. It is expected that production during 1975-76 would be 80,000 tons as new capacity is not expected to be added.

*Caustic Soda.*—Installed manufacturing capacity is around 37,000 tons, most of it captive, capacity utilization in 1974-75 was around 95 per cent and it is expected that capacity utilization in 1975-76 would be over 100 per cent to give a production of 40,000 tons.

*Sulphuric Acid.*—Installed capacity is around 38,000 tons which operated at 87% efficiency in 1973-74 and 97% efficiency in 1974-75. No additional capacity will come into operation during 1975-76 but utilization of capacity is expected to increase to 100 per cent giving a production target of 38,000 tons.

**Cement.**—The installed capacity of cement is 3.4 million tons which is not expected to increase during 1975-76. In 1973-74 the capacity utilization was around 90 per cent. In 1974-75 it is expected that production will be around 3.31 million tons showing a capacity utilization of 97 per cent. The target of cement production for 1975-76 is taken at the same level *i.e.* 3.31 million tons. Substantial investment in this sector is being undertaken. However, additions to capacity will only materialise after 1976-77 when projects begin to be completed.

**Paper.**—Currently the installed paper manufacturing capacity is about 54,000 tons per annum of which 30,000 tons is in the paper mill at Charsadda. Due to technical problems and shortage of bagasse in this mill, paper production has fallen short of capacity in the past. As a result, national production in 1972-73 was 24,000 tons and in 1973-74 it was 26,000 tons. In 1974-75 the Charsadda mill was reported to have overcome its technical problems and production improved. As a result total production of paper in the country, in 1974-75 is expected to be around 39,000 tons. Some fiscal anomalies facing the industry are being removed. This should encourage the industry to further improve capacity utilization. The target of paper production for 1975-76 therefore has been taken as 43,000 tons.

The demand for paper is growing at a rapid rate of about 10-11 per cent per annum. To ensure that too large a gap does not open up between domestic demand and domestic production, the Federal Government is considering the creation of an additional 60,000 tons per annum paper manufacturing capacity during 1975-76.

**Fertilizers.**—Top priority is being given to the expansion of the fertilizer industry with a view to ensuring self efficiency in fertilizer by 1979-80. The country possesses adequate reserves of gas which provide the ideal feed stock for the production of nitrogenous fertilizer. The demand for fertilizer in 1979-80 is expected to be around 750,000 N. tons of nitrogen and 250,000 N. tons of phosphates and a small quantity of Potash. Projects to create capacity to meet this demand for nitrogenous and phosphatic fertilizers are either under implementation or in an advanced stage of planning. New capacity will begin to come on stream in the second half of 1976-77.

The production targets for nitrogenous and phosphatic fertilizers for 1975-76 are 310,000 N. tons and 12,000 N. tons respectively. These targets are based on the assumption of full utilization of installed capacity. The increase in the production of phosphatic fertilizer is a result of the completion of the expansion programme of the Jaranwala factory.

**Engineering Goods.**—Pakistan possesses significant nucleus of engineering goods industry both in the public and private sector with substantial employment potential and good demand prospects in the domestic as well as export market. The product range in this sector is considerable, mostly in light and heavy engineering machine tools, telecommunication equipment, motors, transformers, switchgears, surgical instruments, parts of textile, cement and sugar mill machinery, agricultural machinery, automotive parts etc. A significant component of this industry is the melting and re-rolling capacity. The billets produced through melting of steel scrap in electric arc furnaces are utilized for rerolling. The total rerolling capacity of existing 200 rerolling mills is around 900,000 tons per annum. The total melting capacity of electric arc furnaces is of the order of 735,000 tons.

In view of the wide variety of goods produced by the engineering goods industry, it is difficult to specify separately for these products the investment and production data. For M.S. Products, a major item in this group, the estimated production during 1974-75 was 202,000 tons and the target for 1975-76 is fixed at 235,000 tons. The capacity utilization for M.S. Products is extremely low and this situation can only be expected to improve significantly when the Karachi Steel Mill comes into production.

#### IV. Investment Programme 1975-76

Total investment in industry is projected to increase from Rs. 2,958 million in 1974-75 to about Rs. 5,476 million in 1975-76. This implies a growth of 85 percent during 1975-76. Detailed break-up of this investment is given in Table IV. It is seen that total public sector investment is estimated to increase from Rs. 1658 million in 1974-75 to Rs. 3867 million in 1975-76 an increase of 133 percent. Private investment in large scale manufacturing is projected to increase from Rs. 900 million in 1974-75 to Rs. 1100 million in 1975-76 implying a growth of about 22 per cent. Small scale investment is projected to increase from Rs. 400 million in 1974-75 to Rs. 500 million in 1975-76 showing an increase of 25 per cent.

TABLE IV  
Investment Programme 1975-76

(Rs. Million)

<b>(a) Public Sector</b>											
(i) Federal ADP programme	..	..	..	..	..	..	..	..	..	..	2375.560
(ii) Investment outside ADP	..	..	..	..	..	..	..	..	..	..	1346.240*
(iii) Punjab ADP	..	..	..	..	..	..	..	..	..	..	37.829
(iv) Sind ADP	..	..	..	..	..	..	..	..	..	..	23.000
(v) Baluchistan ADP	..	..	..	..	..	..	..	..	..	..	17.123
(vi) N.W.F.P. ADP	..	..	..	..	..	..	..	..	..	..	67.431
										Sub-Total	3867.183
<b>(b) Private Sector :</b>											
(i) Large scale	..	..	..	..	..	..	..	..	..	..	1100.00
(ii) Small scale	..	..	..	..	..	..	..	..	..	..	500.00
										Sub-Total	1600.000
										Total Investment	5467.183

\*The likely investment is estimated around Rs. 1127 million.

#### Federal ADP 1975-76

The allocation for industries in the ADP 1975-76 has increased sharply from an estimated expenditure of Rs. 1356.888 million in 1974-75 to Rs. 2375.560 million planned for 1975-76. The major portion of investment is for steel, engineering goods, chemicals and fertilizer industries. This is concentrated on six projects—Rs. 780 million for Karachi Steel Mill, Rs. 400 million for Mirpur Mathelo Fertilizer project, Rs. 449.6 million for Pak Arab Fertilizer project, Rs. 190 million for Chinese Urea Plant, Rs. 136 million for Polyester Project and Rs. 83.3 million for Heavy Foundry & Forge Taxila. The acceleration in 1975-76 over 1974-75 is indeed, almost entirely due to the inescapable demand for the Karachi Steel Mill and Fertilizer Projects. Details of the major projects included in the ADP are given subsequently. The financial allocations are detailed in Annexure IV.

The priorities reflected in the public sector programme for 1975-76 are as follows :—

- (i) The expansion of agro-based industries, which provide inputs and process the output of agriculture. The investments proposed are mainly (a) Chemical Fertilizers which are a basic public sector responsibility and (b) Textiles, Polyester, Insecticides, Pesticides and Rice milling, where public sector investment is being enlarged.
- (ii) Development of basic heavy industries. The principal investment is being made in the Karachi Steel Mills Project.
- (iii) Establishment of industry in the backward areas. The Government is making investments in Baluchistan, Azad Kashmir, and Tribal areas of N.W.F.P.
- (iv) Decentralization of industry away from the developed areas. The new units are being located in the districts where industrial progress had been slow. An exception to this is the Steel Mill which had to be located in Karachi for economic reasons.

*Investment Programme Outside ADP.*—In 1975-76 a substantial amount of investment is proposed to be undertaken by public sector Corporations (Federal and Provincial). While a significant portion of the investment planned by these corporations is to be financed from the ADP allocations, the corporations are expected to meet a part of their investment from their own resources, market borrowing and raising of equity. In 1974-75 such investments outside the ADP amounted to Rs. 160 million. In 1975-76 this is projected at Rs. 1346.24 million. Details of sources of finance are given in table V. This very substantial increase in investment from sources other than the ADP is very desirable development. It shows that public sector Corporations are moving towards a situation in which their reliance on the Government budget would diminish and they would, in fact, begin to make a positive contribution towards financing the ADP.

TABLE V

## Investment Outside ADP 1975-76

(Rs. Million)

Name of Corporation	Investment in 1975-76		Financed from loans		Financed from Internal Generation	Financed from other sources
	Total	(outside ADP) Foreign exchange	Local	Foreign exchange		
1. Steel Mill Corp. .. .. .	220.00	—	220.00	—	—	—
2. National Fertilizer Corporation .. .. .	230.00	180.00	50.00	—	—	180.00 (Foreign Equity)
3. Federal Light Engineering Corporation ..	47.80	—	44.00	—	—	3.80 (Right Issues)
4. Federal Chemical and Ceramics Corporation ..	89.85	47.11	24.54	47.11	5.20	13.00 (Equity Issues)
5. State Heavy Engineering and Machine Tool Corporation .. .. .	18.52	—	18.52	—	—	—
6. Automobile Corporation of Pakistan .. .. .	125.70	48.00	30.00	48.00	20.70	27.00 (Right Issues)
7. State Petroleum Refining and Petrochemical Corp.	10.00	—	10.00	—	—	—
8. State Cement Corporation of Pakistan ..	90.00	35.00	20.00	35.00	35.00	—
9. Pakistan Industrial Development Corporation ..	131.47	131.47	—	—	—	131.47 (Foreign Equity)
10. FATAKC .. .. .	16.20	—	16.20	—	—	—
11. AKMIDC .. .. .	62.30	—	62.30	—	—	—
Sub-Total (Federal) ..	1041.84	441.58	495.56	130.11	60.90	355.27
12. S.D.A. (NWFP) .. .. .	122.11	—	122.11	—	—	—
13. BDA (Baluchistan) .. .. .	32.29	—	32.29	—	—	—
14. BOM (Sind) .. .. .	—	—	—	—	—	—
15. PIDB (Punjab) .. .. .	150.00	N.A.	90.00	N.A.	—	60.00 (From previous ADP Allocation)
Sub-Total (Provincial) ..	304.40	—	244.40	—	—	60.00
Total ..	1346.24	441.58	739.96	130.11	60.90	415.27

Note.—Industrial investment outside the ADP indicated by various agencies amounts to Rs. 1346.24 million but financing appears to be available for Rs. 1,127 million only including Provincial Industrial Boards investment.

## Development Programme of the Provincial Government 1975-76

The ADP Programme of the four provincial governments, for the manufacturing sector, during 1975-76, amounts to Rs. 145.383 million. Most of the Provincial schemes comprise infrastructure projects meant to create social capital in the large and small scale industrial sector. The Provincial ADP's contain provisions for a number of agro-based industrial units. This emphasis on agro-based industries reflecting the concern of the Federal and Provincial Governments to ensure the easy availability of essential consumer items and to keep their prices stable.

All the provinces have specialised agencies viz Sarhad Development Authority, Baluchistan Development Authority, Punjab Industrial Development Board and Board of Management Sind, to directly implement industrial projects. The provincial government plan to invest Rs. 145.38 million from ADP 1975-76. In addition Rs. 304.4 million investment will be financed from sources outside the ADP.



*Punjab.*—The Government of Punjab ADP provision for the development of industries during 1975-76 is Rs. 37.829 million (Annexure V). Out of this allocation, about Rs. 25 million is proposed to be spent on various promotional training, and research schemes, sponsored by the Directorate of Industries, the Punjab Small Industrial Corporation and some schemes of the printing and stationery department. Rs. 5 million is allocated for sugar mills at Summundri and Ahmadpur East. The investment programme outside the ADP is Rs. 150 million to be spent by PIDB on the following projects.

(i) *Kot Addu and Kamalia Sugar Mills.*—Punjab Industrial Development Board is proposing to set up sugar mills at Kot-Addu and Kamalia. These projects have been approved by ECNEC. The capital cost of each project is Rs. 188.1 million with a F.E.C. of Rs. 77.6 million. Each project has a crushing capacity of 2000 tons of sugarcane a day which will be extended to 3000 tons in the second phase. Each project will provide employment to about 450 workers throughout the year in addition to 650 seasonal workers. The sites for the projects have been tentatively selected.

(ii) *Pattoki and Pasrur Sugar Mills.*—Punjab Industrial Development Board is proposing to set up sugar mills at Pattoki and Pasrur. These projects have been approved by E.C.N.E.C. The total cost of each project is Rs. 147.8 million. Each project has a crushing capacity of 1500 tons of sugarcane a day. The projects are based on machinery to be produced by the Heavy Mechanical Complex, Taxila. Each project will provide employment to about 510 workers throughout the year in addition to 790 seasonal workers. The sites for the projects have been selected and in the case of Pattoki land has been acquired. Orders for machinery for both mills have been placed with the Heavy Mechanical Complex, Taxila. The mills are expected to production by 1977.

(iii) *Rice Mills.*—Punjab Industrial Development Board is setting up six Rice Mills at Hafizabad, Siranwali, Sheikhpura, Mubarikpur, Fiazabad and Eminabad. Each plant has a capacity to process 5 tons of paddy per hour and is estimated to cost Rs. 4.54 million with F.E.C. of Rs. 1.80 million. As regards physical progress, letters of credit for all the six units have already been established and delivery of machinery started in December, 74. It is expected that all the plants will be in operation during the paddy season 1975-76.

(iv) *Textiles.*—Punjab Industrial Development Board is proposing set up there Textile mills at Bahawalpur, Dera Ghazi Khan and Sahiwal. These projects have been approved by CDWP and are under submission to ECNEC. Each mill has a capacity of 25,000 spindles and 355 looms. The foreign exchange component for the spinning section of Bahawalpur Textile Mill has been arranged from East Germany, but financing for the weaving section has not been arranged. Site for the project has been acquired. Contract for the import of machinery for the Dera Ghazi Khan Textile Mill has been signed with China and the site has been tentatively selected. The financing of the Sahiwal Textile Mill has not been finalized as yet. However, the site for the project has also been tentatively selected.

*Sind.*—The ADP allocation for industries made by the Government of Sind for 1975-76 amounts to Rs. 230 million (Annexure VI). This allocation will be spent on the implementation of various projects of the Sind Small Industries and Handicrafts Development Corporation and for work on the two sugar mills at Piyarogoth and Thatta. The implementation of these projects has been entrusted to PIDC/BOM Sind who would be working as an agent of the Provincial Government. Rs. 10 million each is provided for Sugar Mill, Piyarogoth Sugar Mill Thatta.

*N.W.F.P.*—The ADP Provision for industries made by the Government of N.W.F.P. for 1975-76 is estimated at Rs. 67.431 million (Annexure VII). Part of this allocation will be spent on the implementation of different promotional services, training and other schemes sponsored by the Small Industries Development Board. The main feature of the ADP is a block provision of Rs. 53.031 for the Sharhad Development Authority for implementing the on-going and new projects. The SDA schemes include (i) Khazana Sugar Mill (ii) Leather Tannery (iii) Corn Complex (iv) Four cold storages (v) Two Vanaspati Ghee Factories. The investment programme outside the ADP is Rs. 122.11 million to be spent by SDA on the above projects.

*Baluchistan.*—The provision made in the ADP 1975-76 for the development of the industrial sector in Baluchistan is Rs. 17.123 million (Annexure VIII). The major portion of this allocation is proposed to be invested on the development of promotional, research and training schemes. In the ADP for 1975-76 provision has been made for (i) Vegetable Ghee Factory at Temple Dera, (ii) Rice Mill at Usta Mohammad (iii) Ferro Chrome Manufacturing Plant and (iv) Industrial State at Uthal. The investment programme outside the ADP is Rs. 32.29 million to be spent by BDA on the above projects.

## Private Large Scale Manufacturing

In 1974-75 the predicted revival in private investment manifested itself through an increase investment in large scale manufacturing of 56 per cent during the year (20 per cent in constant prices of 1973-74). A target of Rs. 1,100 million has been proposed for 1975-76 which would mean an increase of 22 per cent in investment over the preceding year. This target is based upon two factors :—

- (a) Outstanding letters of credit with IDBP and PICIC which are generally used as the basis for likely disbursements in the following year leading to a certain level of investment in that year ; and
- (b) Sanctions for new units for expansion of existing ones through the Departments of Investment and Supplies. These include projects where foreign private investment or non-repatriable foreign investment is involved in addition to projects under PAYE schemes.

Although it is not possible to determine the industries in which private investment will take place, some indication is provided by the outstanding L/Cs of IDBP and PICIC. It is seen that most of the letters of credit are for the textile industry. Details are given in Annexures IX and X.

## V. Details of Major Federal Projects

*Pak-Arab Fertilizer Ltd.*—The scheme envisages the expansion of the existing NCFE Multan, by the installation of three new plants for the manufacture of 910 tons per day Ammonia, 1015 tons per day Nitro Phosphate and 1500 tons per day Calcium Ammonium Nitrate. These new plants are to be built around some of the existing facilities of the NCFE Multan and existing Urea and Ammonium Nitrate plants will continue to be used. The capital cost of the project is Rs. 1260 million with a FEC of Rs. 924 million.

As regards the physical progress, orders for all the critical items of machinery have been placed. The shipments started in April, 1975 and are expected to be completed in June 1976. The civil works of the following categories are reported to have been completed.

1. Boundary wall.
2. Housing colony.
3. Highways.
4. Site Offices.

An amount of Rs. 449.60 million with a FEC of Rs. 353.0 million is provided for this project in ADP 1975-76. In addition Rs. 180 million will be provided by Abu Dhabi as its share of equity in 1975-76. Physical targets for 1975-76 are presented below :—

(i) Civil Engineering	..	..	..	100%
(ii) Plant and Equipment	..	..	..	100%
(iii) Training of Staff	..	..	..	100%
(iv) Design and Engineering	..	..	..	50%

The project is expected to be completed by February 1977.

*Fertilizer Factory, Mirpur Mathelo.*—National Fertilizer Corporation of Pakistan proposes to set up a fertilizer plant at Mirpur Mathelo designed to produce 1740 metric tons of prilled urea a day. The project has a capacity to produce 577,000 tons of urea per annum. The total cost of the project is about Rs. 1912 million with a foreign exchange component of Rs. 1376 million. An allocation of Rs. 5 million was made for this project in ADP 1974-75. Against this it is reported that actual expenditure would be around Rs. 159 million.

As regards physical progress, the engineering contractors are at present making the process design and detailed engineering drawings of the critical items. The specifications for procurement purposes and the plant layout are being finalized. The grid station and sump-house for tubewells have been completed. The tubewell are in operation and the development of land is making progress. The detailed construction drawings for the housing colony have been completed and M/s. PEPAC, the Civil Consultants have taken inhand the remaining layout drawings. The training scheme for graduate engineering, technicians and other operational staff is progressing satisfactorily at Multan and Daudkhel.

An allocation of Rs. 400 million with a foreign exchange component of Rs. 300 million is proposed for this project in ADP 1975-76. The following physical work is expected to be completed during 1975-76.

(i) Land and Development	::	::	::	19%
(ii) Plant and Machinery	..	..	..	48%
(iii) Communication and Civil Work	..	..	..	78%
(iv) Erection and supervision	..	..	..	27%
(v) Erection Insurance.			..	59%

The project is expected to be completed in 1978-79.

*Spintangi Cement Project, Baluchistan.*—The State Cement Corporation of Pakistan propose to construct, a 300,000 tpa cement factory based on the dry process at Spintangi, in Baluchistan. The total cost of the project is Rs. 361 million with a foreign exchange component of Rs. 282 million.

Regarding progress on the project, promoters agreement and incorporation instrument for the project have been signed with IDRO. The construction work is proposed to commence in June 1975 and be completed by June 1978.

Acquisition of land has been initiated and mineral rights and leases have been obtained. Tenders for the plant were floated and received. An allocation of Rs. 49.8 million with a foreign exchange component of Rs. 33.2 million has been proposed for this project in ADP 1975-76 to commence work on this project.

*Javedan (Expansion) Cement Project, Karachi.*—State Cement Corporation of Pakistan has proposed to establish a new cement factory with an annual capacity of 300,000 tons at the existing premises of the Javedan Cement Plant Karachi. The project would be based on the dry process of manufacturing and would be using mainly imported machinery. The entire output of the project is proposed to be exported. The total cost of the project is estimated at Rs. 330.78 million with a foreign exchange components of Rs. 172 million. Tenders for the machinery were received in February 1975 and are being evaluated. The tenders stipulate supplies of certain sections to be made by MHC by either under their own arrangements or in collaboration with the selected suppliers. An allocation of Rs. 2.5 million has been made for this project in ADP 1975-76.

*Kohat Cement Factory.*—The State Cement Corporation of Pakistan has proposed to set up a Portland Cement Factory at Babri Banda, Kohat District with an annual capacity of 300,000 tons based on the dry process of cement manufacture. The estimated cost of the project is Rs. 324 million with a F.E.C. of Rs. 261 million.

Rs. one million was allocated for this project in ADP 1974-75 which was utilized. Site for the project has been selected and raw materials surveys and proved. After the foreign exchange and rupee financing is decided, it would be possible to start implementation of the project. A token provision of Rs. one million is provided for this projects in ADP 1975-76.

*Mustahkam Cement(Expansion) Project Hattar.*—State Cement Corporation of Pakistan has proposed to establish a new cement factory with an annual capacity of 0.3 million tons at the existing premises of the Mustahkam cement plant, Hattar. The project would be using the dry process of manufacturing and is proposed to be based on imported machinery. The entire output of the project would be consumed in the domestic market. The total cost of the project is estimated at Rs. 310 million with a F.E.C. of Rs. 172 million, Rs. 20 million has been allocated for this project in ADP 1975-76.

*Lasbella Textile Mills Uthal.*—The total cost of the project is Rs. 286.180 million with a F.E.C. of Rs. 220.130 million. The capacity of the plant is 50,000 spindles and 1100 looms. The project is being set up as a joint venture between Pakistan and Iran. A company namely Pak-Iran Textiles Limited has been incorporated recently for the development and operation of this project. The land for this project has been selected at Uthal. Orders for import of plant and machinery have been placed and work on the site has been started.

An allocation of Rs. 2.50 million had been made for this project in 1974-75 and it is reported that this amount will be fully utilized. An allocation of Rs. 70 million has been proposed for this project in ADP, 1975-76. It is expected that during 1975-76, all civil works will be completed except for the main Factory building, 20 per cent of which will be built. The project is expected to be completed by June 1978.

**Bolan Textile Mills Baleli.**—The total cost of the project is Rs. 296.92 million with a foreign exchange component of Rs. 212.500 million. The equity of the plant is 50,000 spindles and 1,100 looms. The project is being set up as a joint venture between Pakistan and Iran. A company namely Pak-Iran Textiles Limited has been incorporated recently for the development and operation of the project. The land has been earmarked at Baleli for this project and process of its acquisition has been started. Orders for import of plant and machinery have been placed. An allocation of Rs. 2.5 million was made for this project in ADP 1974-75 and it is reported that this will be fully utilized. An allocation of Rs. 80 million has been made for this project in 1975-76. It is expected that during 1975-76 the following physical work will be completed.

(i) Tubewells, warehouses, water tower tank	..	..	..	..	..	..	..	100%
(ii) Civil Work for residential buildings	..	..	..	..	..	..	..	100%
(iii) Orders for local and imported machinery	..	..	..	..	..	..	..	100%
(iv) Factory building	..	..	..	..	..	..	..	50%

The project is schedule to be completed by June 1978.

**Tarbela Cotton Textile Mills.**—The project aims at creating employment opportunities for persons displaced by the construction of Tarbela Dam. The Chinese aided scheme estimated to cost Rs. 51.65 million with a foreign exchange component of Rs. 22.67 million is for 25,000 spindles designed to produce 8.7 million lbs. of cotton yarn per annum of various counts. The sponsors have already spent Rs. 2.013 million on the project upto 1973-74. An allocation of Rs. 27.300 million was made in ADP 1974-75 but most of this could not be utilized as technical drawings could not be finalised. Land for the project has been acquired and sub-soil investigations have been completed. Preliminary designs of the project received from China was examined and accepted by PIDC. Civil work on technician's hostel is in an advanced stage of completion. Construction drawings are awaited from China. The plant and machinery for this project will also be supplied by China.

An allocation of Rs. 32.80 million is made for this project in ADP 1975-76. The targets of physical work for 1975-76 are presented below :—

(i) Construction Road	..	..	..	..	..	..	..	100%
(ii) Civil Works	..	..	..	..	..	..	..	50%
(iii) Water Tower	..	..	..	..	..	..	..	100%
(iv) Construction of Residential Buildings	..	..	..	..	..	..	..	100%

The project is expected to be completed by June, 1977.

**Dir Forest Industry Complex.**—The scheme has been on-going for a number of years and has not been completed because of difficulties in matter of locating the factory. It was originally estimated to cost Rs. 62.8 million. Its estimated revised cost is Rs. 190 million with a Foreign exchange component of Rs. 54.90 million. The project aims at extracting 3.5 million cft of timber, plywood and polish chipboard. Roughly 94 per cent of the machinery for the project has arrived. Work on Dir Forest Industries Complex has been taken in hand recently after the final decision about its location. Construction of the machinery shed and technicians hostel has been started. Site levelling and foundation work have been completed. Tenders have been called for construction of forest huts and machinery shed at Junkey.

An allocation of Rs. 10 million was made in ADP 1974-75. Against this about Rs. 5 million was spent during 1974-75. An allocation of Rs. 5 million has been proposed for this project in 1975-76. During 1975-76 50 per cent of civil work, 5 per cent of installation of plant and machinery and 10 per cent of forest logging work will be completed. The scheme is expected to be completed by June, 1979.

**Polyester Staple Fibre Plant.**—The total cost of the project is estimated at Rs. 266.81 million with a foreign exchange component of Rs. 163.368 million. The project has been approved. However, the location of the plant is still to be decided. The project has an annual manufacturing capacity of 10,000 tons of staple fibre and 2,000 tons of filament yarn. An allocation of Rs. 136.30 million with a foreign exchange component of Rs. 126.3 million has been made for this project in 1975-76. This would enable the import of 60 per cent of the machinery and completion of 70% of the civil work. The project is scheduled to be completed in June, 1977.

**Swat Ceramics Complex, Shaidu.**—Sanitary-ware and wall-tiles project has an estimated cost of Rs. 54.5 million with a F.E.C. of Rs. 34.67 million. It is located at Shaidu. The project will produce 140,000 pieces of sanitary ware and 120,000 dozens of wall tiles annually. An amount of Rs. 40.3 million was allocated for this project in 1974-75 and it is reported that it has been fully utilized. Basic drawings and plant layout have

been received from suppliers and the detailed architectural work has been completed. Tenders for Civil Works were invited and are now being evaluated. The plant, equipment and machinery has been shipped, of which 60 per cent has been received at the site. Twelve trainees have been sent to the suppliers' installation in West Germany for training. An amount of Rs. 9.220 million has been allocated for this project in 1975-76. The project will be completed by June, 1976.

*Mass Production of Roti.*—The project aims at providing wholesome and nutritional bread to the people at a reasonable price, through the use of modern technology and strict quality control. The project will also help to reduce the drudgery of the housewife in making bread at home. It is proposed to establish eight Roti Plants four in Lahore and four in Karachi, which will produce 6,000 pieces per hour of bread, each piece weighing two chatacks.

The capital cost of the project is Rs. 40 million with a F.E.C. of Rs. 20 million. An amount of Rs. 12.5 million was allocated for this project in 1974-75 and it is reported that actual expenditure would be around Rs. 15 million. An amount of Rs. 25 million has been allocated for 1975-76. It is expected that two Roti Plants, one each in Karachi and Lahore would start production in August, 1975 and the remaining six plants will start production in December, 1975.

*Pakistan Steel Mills Corporation.*—Pakistan Steel Mills Corporation is establishing the first integrated Steel Mills Project (Karachi Steel Mills) at Pipri with the financial/technical assistance of the USSR. The capital cost of the project is estimated at Rs. 13,422 million inclusive of Rs. 7,050 million in foreign exchange. Total expenditure incurred on the project till 30th May, 1975 amounts to Rs. 433 million.

A credit of Rs. 4,510 million (340 million Roubles) has been provided by the Soviet Union for the main plant, equipment and training of Pakistani Personnel in the USSR.

The project envisages the production of the following product-mix annually at full cycle of production in 1983-84 :—

	<i>Tons</i>
Billets .. .. .	26,000
Hot Rolled Sheets .. .. .	445,000
Cold Rolled Sheets .. .. .	90,000
Galvanised Sheets .. .. .	100,000
Formed Sections .. .. .	120,000
	Total .. 1,015,000
Pig Iron .. .. .	135,000
Coke .. .. .	215,000

The project is expected to be completed in 1980-81. It will go into partial production by 1978-79 and will attain the full cycle of product-mix by 1983-84.

The output of KSM will be used for import substitution (worth Rs. 2,255 million) and also to satisfy the increasing demand for steel products, pig iron and coke by the Ship Building Industry, the Container Industry and the Fabrication and Engineering Industry.

The net profit at full production is estimated to be Rs. 554.08 million annually.

A total number of 15,000 personnel will be required for the operation of KSM. Consequent upon the smooth functioning of the project it is expected that job opportunities for about 200,000 artisans/craftsman alone will be created indirectly in subsidiary industries.

An allocation of Rs. 410.00 million was made in ADP 1974-75 and it is reported that the allocation would be fully utilized. An amount of Rs. 780.00 million is provided for this project in the ADP 1975-76. In addition, Rs. 220 million is proposed to be generated from the financial market.

The details of the physical implementation so far and the targets for 1975-76 are given in Annexure XI.

## VI. Problems and Policies

In 1975-76 a very large increase in investment in Industry is being planned. However, only small increases in capacity are expected during this period. As a result, additions to output are mostly expected from better utilization of installed capacity. The economic pressures created by the time-lag between investment and output are inevitable. However, in the case of Pakistan investment was at a very low level during 1970-72.

After 1972-73 investment was rapidly increased out it had to be largely directed towards basic industries which have relatively long gestation periods. As a result, a large increase in investment without any appreciable increase in operational capacity characterized the Annual Plan for 1974-75. The same problem exists in 1975-76 and this situation is likely to continue during 1976-77. It is only after that, significant increases in capacity will become operative. Thus, in the context of the development perspective (1975-80), the large investments currently being undertaken will give a return in the form of increased production, during 1978-80.

In a country like Pakistan where resources for development are extremely difficult to mobilise it is imperative that public sector industries generate funds for reinvestment and do not become an increasing burden on the exchequer. In the Annual Plan for 1975-76 a significant portion of the investment programme of BIM Corporations and provincial industrial development agencies are being financed from funds to be obtained from outside the ADP. The reduced dependence of these corporations on the ADP is step in the right direction. However, it is important that public sector companies generate internal funds through financial discipline and operating efficiencies, rather than depending solely on borrowing from financial institutions as is being programmed for 1975-76.

To implement an investment programme of this size it is necessary to improve the managerial skills in state enterprises. It is true that these undertakings are being managed by professionals. However, it must be realised that when these corporations were set up, it was possible to induct in them professional managers from the existing pool of these people in the country. In future, on the other hand, it may be difficult to meet the requirements of professional managers unless programmes to train people in this discipline are undertaken.

For the efficient implementation of the public sector industries programme it is necessary to introduce procedures which would ensure that projects are completed on time without large cost overruns. One suggestion in this regard is that the release of funds by the Government, for investment purposes, should be closely linked with the attainment of physical targets. In making financial allocation in the ADP, the emphasis should be on project completion rather than project starts.

In the next few years, a substantial amount of investment is being programmed for agro-based industries. To ensure utilization of capacity in these industries, it would be necessary to undertake programmes in the agricultural sector which would ensure the supply of raw materials for these industries. Some examples of industries in which the dovetailing of industrial and agricultural programmes is required are sugar, maize and corn, paper, leather, jute, etc.

At the end of 1974-75 a revival of investment activity in the private sector was already quite noticeable. In the budget for 1975-76 new incentives have been provided for private investment. In view of these factors it is felt that the estimate for a substantial increase in private investment activity is in existence. However, if momentum in this investment is to be generated, it would be necessary to continue to encourage and facilitate private investment. The availability of credit, particularly for long term investments, would play an important role in this effort. In view of this, it would be necessary to ensure that a disproportionate amount of long term credit is not pre-empted by public sector corporations.

Investment in small scale industry has continued to be buoyant. However, statistics on investment and production in this sector are still hopelessly inadequate. To meaningfully plan for this important sector it is necessary that concerted efforts are made at improving the data base for this sector.

## INCREASE IN OUTPUT OF SPECIFIC MAJOR INDUSTRIES

S. No.	Industry	Unit	1969-70	1974-75
1.	White Sugar .. .. .	Thousand tons	600	490
2.	Vegetable Ghee .. .. .	Thousand tons	124	275
3.	Cigarettes .. .. .	Million Nos.	22	27
4.	Cotton Yarn .. .. .	Million lbs.	602	800
5.	Mill-made Cotton Cloth .. .. .	Million yds	725	680
6.	Boards .. .. .	Thousand tons	37	44
7.	Writing and Printing Paper .. .. .	Thousand tons	—	39
8.	Soda Ash .. .. .	Thousand tons	67	76
9.	Caustic Soda .. .. .	Thousand tons	28	35
10.	Sulphuric Acid .. .. .	Thousand tons	31	36
11.	Nitrogenous Fertilizer .. .. .	Thousand N. Tons	129	310
12.	Phosphatic Fertilizer .. .. .	Thousand N. tons	4	6
13.	M.S. Products (Furnaces) .. .. .	Thousand tons	177	202
14.	Cement .. .. .	Thousand tons	2,614	3,310

Statistics on value added in small scale industry are very poor. In preparing the National Accounts, the Statistical Division assumes the growth in value added in small scale industry to be equivalent to the growth in population. On this basis, Statistical Division would show the value added in small scale industry to have increased by 3 percent during 1974-75.

However, it is known that small scale sector has been fairly dynamic and production increases have been significant. In the following paragraphs an attempt has been made to estimate the likely increase in production, in this sector during 1974-75 using indirect evidence.

*Exports of Major Small Scale Industries*

											(Rs. in million)	
											1973-74	1974-75
Leather	..	..	..	..	..	..	..	..	..	..	425	350
Carpets	..	..	..	..	..	..	..	..	..	..	430	550
Footwear	..	..	..	..	..	..	..	..	..	..	95	120
Sports Goods	..	..	..	..	..	..	..	..	..	..	193	220
Ready made Garments	..	..	..	..	..	..	..	..	..	..	254	348
Hosiery	..	..	..	..	..	..	..	..	..	..	77	110
Medical Instruments	..	..	..	..	..	..	..	..	..	..	86	130
Total ..											1,587	1,828

Cloth production in the non-mill sector increased from 989 million yds in 1973-74 to about 1,117 million yds. in 1974-75 showing a growth of about 13 percent. This sector is an important part of the small scale industry.

Value added in construction industry increased by 15 per cent during 1974-75. This is indicative of the growth in the demand for construction materials, like bricks, which are made in the small scale sector. However, movement of coal, from Baluchistan did not record a significant increase in 1974-75. This suggests that their may have been substitution of cement blocks for bricks in construction. Therefore the growth in the output of construction materials like bricks was probably between 5 and 10 percent.

The Statistics for exports, construction activity cloth production in the non-mill sector etc. do not, by themselves, allow us to estimate the growth in value added in small scale industry. However, they do suggest that this growth was probably in the vicinity 8—10 per cent during 1974-75.



## FINANCIAL EXPENDITURE AND ADP ALLOCATION MANUFACTURING INDUSTRY 1975-76

## PAKISTAN

(Million Rupees)

Sector/Sub-Sector	Allocation for 74-75	Revised Estimates during 1974-75	% imple- mentation	Allocation for 1975-76
1. Food Manufacture .. .. .	51.500	30.850	60	55.700
2. Beverages .. .. .	—	—	—	—
3. Tobacco Manufacture .. .. .	3.800	7.300	192	0.049
4. Manufacture of Textile .. .. .	39.681	13.789	35	198.350
5. Foot wear and Apparels .. .. .	2.566	2.500	97	0.978
6. Wood and Cork .. .. .	10.000	5.175	52	6.700
7. Furniture and Fixure .. .. .	—	—	—	—
8. Paper and Paper Products .. .. .	0.200	0.500	250	2.000
9. Printing and Publishing ] .. .. .	1.670	—	—	0.502
10. Leather and Leather Products .. .. .	2.017	3.720	184	4.168
11. Rubber Products .. .. .	—	—	—	—
12. Chemical Industries .. .. .	437.376	554.790	126	1,063.120
13. Production of Petroleum, Coal and Gas .. .. .	2.500	—	—	—
14. Petro-chemical Industries .. .. .	3.000	9.700	323	28.000
15. Non-metallic Mineral Pro <sup>1</sup> .. .. .	3.000	84.000	2,800	115.900
16. Basic Metal Industries .. .. .	415.000	410.000	99	780.000
17. Metal Product Industries .. .. .	105.760	109.363	103	88.300
18. Machinery except Electrical machinery .. .. .	3.000	4.640	154	0.690
19. Electrical Machinery Apparatus and Appliances .. .. .	2.500	2.400	96	6.000
20. Transport Equipment .. .. .	10.470	18.854	180	15.000
21. Miscellaneous Industries .. .. .	12.969	6.978	54	23.186
22. Industrial Estate .. .. .	3.530	1.560	44	9.281
23. Training and Research .. .. .	4.488	7.294	162	10.764
24. Small Industries Promotional Programme .. .. .	40.876	15.726	38	38.299
25. Scientific and Industries Research .. .. .	3.905	2.610	66	4.820
26. Survey and Investigations .. .. .	0.144	0.085	59	0.165
27. Pakistan Mint, Lahore .. .. .	0.115	0.115	100	1.000
28. Projects of Industrial Development Board ] .. .. .	60.000	—	—	5.000
29. SDA Projects .. .. .	55.500	106.429	191	53.031
30. Security Printing Corp. .. .. .	—	100.000	—	10.000
Total ..	1,275.567	1,498.540	117	2,520.943

## FINANCIAL EXPENDITURE AND ADP ALLOCATION MANUFACTURING INDUSTRY 1975-76

## FEDERAL

(Million Rupees)

Sector/Sub-Sector	Allocation for 1974-75	Revised Estimates during 1974-75	% implementation	Allocation for 1975-76
1. Food Manufacture .. .. .	38.500	19.200	50	29.700
2. Beverages .. .. .	—	—	—	—
3. Tobacco Manufacture .. .. .	3.800	7.300	192	0.049
4. Manufacture of Textile .. .. .	37.981	12.856	34	198.350
5. Foot wear and Apparels .. .. .	2.566	2.500	97	0.853
6. Wood and Cork .. .. .	10.000	5.000	50	5.000
7. Furniture and Fixture .. .. .	—	—	—	—
8. Paper and Paper Products .. .. .	0.200	0.500	250	2.000
9. Printing and Publishing .. .. .	0.670	—	—	—
10. Leather and Leather Products .. .. .	2.000	3.703	185	4.147
11. Rubber Products .. .. .	—	—	—	—
12. Chemical Industries .. .. .	437.376	554.970	127	1,063.120
13. Production of Petroleum, Coal and Gas .. .. .	2.500	—	—	—
14. Petro-chemical Industries .. .. .	3.000	9.700	323	28.000
15. Non-metallic Mineral Products .. .. .	3.000	84.000	2,800	115.900
16. Basic Metal Industries .. .. .	411.500	410.000	99	780.000
17. Metal Product Industries .. .. .	105.760	106.300	101	83.300
18. Machinery except Electrical machinery .. .. .	3.000	4.140	138	0.690
19. Electrical Machinery Apparatus and Appliances .. .. .	2.500	2.400	96	6.000
20. Transport Equipment .. .. .	10.470	18.854	180	15.000
21. Miscellaneous Industries .. .. .	2.769	2.121	76	13.649
22. Industrial Estate .. .. .	—	—	—	—
23. Training and Research .. .. .	4.288	6.326	147	4.642
24. Small Industries Promotional Programme .. .. .	10.087	4.293	42	9.340
25. Scientific and Industries Research .. .. .	3.905	2.610	67	4.820
26. Survey and Investigations .. .. .	—	—	—	—
27. Pakistan Mint. Lahore .. .. .	0.115	0.115	100	1.000
28. Security Printing Corporation .. .. .	—	100.000	—	10.000
<b>Total ..</b>	<b>1,095.984</b>	<b>1,356.888</b>	<b>124</b>	<b>2,375.560</b>

In the ADP 1975-76 documents the allocation for Industries is shown as Rs. 2,347.560 million. The following petrochemical projects which are shown in the Power Sector are actually industrial projects and have been included in the figures-given-in the above table.

	(Rs. in million)
(i) Pak.HY Oils Ltd. .. .. .	2.00
(ii) Carbon Black .. .. .	10.00
(iii) BTX Unit .. .. .	26.00
Less Amount to be raised from the market .. .. .	10.00
<b>Total ..</b>	<b>28.00</b>

## FINANCIAL EXPENDITURE AND ADP ALLOCATION MANUFACTURING INDUSTRY 1975-76

## PROVINCIAL PUNJAB

(Million Rupees)

Sector/Sub-Sector	Allocation for 1974-75	Revised estimates during 1974-75	% implemen- tation	Allocation for 1975-76
1. Food Manufacture .. .. .				
2. Beverages .. .. .				
3. Tobacco Manufacture .. .. .				
4. Manufacture of Textile .. .. .				
5. Foot Wear and Apparels .. .. .				
6. Wood and Cork .. .. .				
7. Furniture and Fixture .. .. .				
8. Paper and Paper Products .. .. .				
9. Printing and Publishing .. .. .	0.020	—	—	0.502
10. Leather and Leather Products .. .. .				
11. Rubber Products .. .. .				
12. Chemical industries .. .. .				
13. Production of Petroleum, Coal and Gas .. .. .				
14. Petro-chemical Industries .. .. .				
15. Non-Metallic Mineral prod. .. .. .				
16. Basic Metal Industries .. .. .				
17. Metal Product Industries .. .. .				
18. Machinery except Electrical machinery .. .. .				
19. Electrical Machinery Apparatus and Appliances .. .. .				
20. Transport Equipment .. .. .				
21. Miscellaneous Industries .. .. .	5.200	3.738	72	9.377
22. Industrial Estate .. .. .	1.360	1.360	100	7.268
23. Training and Research .. .. .	—	—	—	3.432
24. Small Industries Promotional Programme .. .. .	13.145	0.088	0.6	12.250
25. Scientific and Industries Research .. .. .				
26. Survey and Investigations .. .. .				
27. Projects of Industrial Devel. Boards .. .. .	60.000	—	—	5.000
<b>Total ..</b>	<b>79.905</b>	<b>5.186</b>	<b>7</b>	<b>37.829</b>

## FINANCIAL EXPENDITURE AND ADP ALLOCATION MANUFACTURING INDUSTRY 1975-76

## PROVINCIAL SIND

(Million Rupees)

Sector/Sub-Sector	Allocation for 1974-75	Revised estimates during 1974-75	% implemen- tation	Allocation for 1975-76
1. Food Manufacture .. .. .	10.000	9.90	99	20.000
2. Beverages .. .. .				
3. Tobacco Manufacture .. .. .				
4. Manufacture of Textile .. .. .				
5. Foot Wear and Apparels .. .. .	—	—	—	—
6. Wood and Cork .. .. .				
7. Furniture and Fixture .. .. .				
8. Paper and Paper Products .. .. .				
9. Printing and Publishing .. .. .				
10. Leather and Leather Products .. .. .				
11. Rubber Products .. .. .				
12. Chemical industries .. .. .				
13. Production of Petroleum, Coal and Gas .. .. .				
14. Petro-chemical Industries .. .. .				
15. Non-metallic Mineral prod. .. .. .				
16. Basic Metal Industries .. .. .				
17. Metal Product Industries .. .. .				
18. Machinery except Electrical machinery .. .. .				
19. Electrical Machinery Apparatus and Appliances .. .. .				
20. Transport Equipment .. .. .				
21. Miscellaneous Industries .. .. .				
22. Industrial Estate .. .. .				
23. Training and Research .. .. .	0.460	0.201	44	0.932
24. Small Industries Promotional Programme .. .. .	1.692	1.597	94	1.943
25. Scientific and Industries Research .. .. .				
26. Survey and Investigations .. .. .				
27. Projects of Industrial Devel. Boards .. .. .				
<b>Total ..</b>	<b>12.152</b>	<b>11.698</b>	<b>96</b>	<b>23.000</b>

## FINANCIAL EXPENDITURE AND ADP ALLOCATION MANUFACTURING INDUSTRY 1975-76

## PROVINCIAL N.W.F.P.

(Million Rupees)

Sector/Sub-Sector	Allocation for 1974-75	Revised estimates during 1974-75	% implemen- tation	Allocation for 1975-76
1. Food Manufacture .. .. .				
2. Beverages .. .. .				
3. Tobacco Manufacture .. .. .				
4. Manufacture of Textile .. .. .	1.700	0.933	55	
5. Foot Wear and Apparels .. .. .				
6. Wood and Cork .. .. .	—	—	—	4.500
7. Furniture and Fixture .. .. .				
8. Paper and Paper Products .. .. .				
9. Printing and Publishing .. .. .	0.500	0.500	100	—
10. Leather and Leather Products .. .. .	0.017	0.017	100	0.021
11. Rubber Products .. .. .				
12. Chemical industries .. .. .				
13. Production of Petroleum, Coal and Gas .. .. .				
14. Petro-chemical Industries .. .. .				
15. Non-metallic Mineral prod. .. .. .				
16. Basic Metal Industries .. .. .				
17. Metal Product Industries .. .. .				
18. Machinery except Electrical Machinery .. .. .				
19. Electrical Machinery Apparatus and Appliances .. .. .				
20. Transport Equipment .. .. .				
21. Miscellaneous Industries .. .. .				
22. Industrial Estate .. .. .				1.013
23. Training and Research .. .. .	0.200	0.200	100	1.258
24. Small Industries Promotional programme .. .. .	9.465	9.260	98	10.443
25. Scientific and Industries Research .. .. .				
26. Survey and Investigations .. .. .	0.144	0.085	59	0.165
27. Financial Corporation (NDFC, PFC) .. .. .				
28. SDA Projects .. .. .	55.500	106.429	191	53.031
<b>Total ..</b>	<b>67.526</b>	<b>117.424</b>	<b>173</b>	<b>67.431</b>

## FINANCIAL EXPENDITURE AND ADP ALLOCATION MANUFACTURING INDUSTRY 1975-76

## PROVINCIAL BALUCHISTAN

(Million Rupees)

Sector/Sub-Sector	Allocation for 1974-75	Revised Estimates during 1974-75	% implemen- tation	Allocation for 1975-76
1. Food Manufacture .. .. .	2.00	1.750	87	6.000
2. Beverages .. .. .				
3. Tobacco Manufacture .. .. .				
4. Foot Wear and Apparels .. .. .				
5. Manufacture of Textile .. .. .				
6. Wood and Cork .. .. .	—	0.175	—	0.200
7. Furniture and Fixture .. .. .				
8. Paper and Paper Products .. .. .				
9. Printing and Publishing .. .. .	0.300	—	—	
10. Leather and Leather Products .. .. .				
11. Rubber Products .. .. .				
12. Chemical industries .. .. .				
13. Production of Petroleum, Coal and Gas .. .. .				
14. Petro-chemical Industries .. .. .				
15. Non-metallic Mineral prod. .. .. .				
16. Basic Metal Industries .. .. .				
17. Metal Product Industries .. .. .	3.500	3.063	87	5.000
18. Machinery except Electrical machinery .. .. .	—	0.500	—	—
19. Electrical Machinery Apparatus and Appliances .. .. .				
20. Transport Equipment .. .. .				
21. Miscellaneous Industries .. .. .	5.000	0.219	4	0.160
22. Industrial Estate .. .. .	1.710	0.200	12	1.000
23. Training and Research .. .. .	—	0.427	—	0.500
24. Scientific and Industries Research .. .. .				
25. Small Industries Promotional programme .. .. .	6.490	1.500	23	4.263
26. Survey and Investigations .. .. .				
27. Projects of Industrial Development Board .. .. .				
Total ..	19.500	7.344	38	17.123

## I.D.B.P.

## LETTERS OF CREDITS OUTSTANDING AS ON 31ST MARCH, 1975

(Rs. in million)

## Line of Manufacture

1. Cotton Textile .. .. .	71.56
2. Woollen Textile .. .. .	18.50
3. Specialized Textile .. .. .	2.79
4. Carpets and rugs .. .. .	1.34
5. Sugar .. .. .	49.85
6. Leather tanning .. .. .	0.25
7. Others .. .. .	2.19
<b>Total ..</b>	<b>146.48</b>

## PAKISTAN INDUSTRIAL CREDIT AND INVESTMENT CORPORATION LIMITED

## LETTERS OF CREDIT OUTSTANDING

(As on March 31, 1975)

											(Thousand US Dollars)		
I. Food Products and Processing	..	..	..	..	..	..	..	..	..	..	..	6.123	
II. Paper, Paper Products and Printing	..	..	..	..	..	..	..	..	..	..	..	475	
III. Textiles :													
(a) Cotton	..	..	..	..	..	..	..	..	..	..	..	13.744	
(b) Jute	..	..	..	..	..	..	..	..	..	..	..	178	
(c) Others	..	..	..	..	..	..	..	..	..	..	..	661	14.583
IV. Leather and Rubber Products	..	..	..	..	..	..	..	..	..	..	..		622
V. Chemicals	..	..	..	..	..	..	..	..	..	..	..		664
VI. Cement, Clay, and Glass	..	..	..	..	..	..	..	..	..	..	..		627
VII. Miscellaneous	..	..	..	..	..	..	..	..	..	..	..		561
												Total	<u>23,655</u>



**PAKISTAN STEEL MILLS CORPORATION LIMITED**  
**PROJECTED PHYSICAL TARGETS FOR 1974-75**

S.No.	Description of work	Percentage of Completion	
		Projected upto 30-6-1975	Actual upto end of April, 1975
1	2	3	4
<b>1. Construction Base :</b>			
	(i) Batching Plant Complex .. .. .	20%	19%
	(ii) Engineering Production Base .. .. .	35%	17%
	(iii) Shuttering Shop .. .. .	87%	50%
	(iv) Central Stores and Supply Base .. .. .	71%	60%
	(v) Repair Shops and Maintenance Shop .. .. .	60%	48%
	(vi) Maintenance Shop for 550 Vehicles .. .. .	56%	51%
	(vii) General Facilities .. .. .	50%	25%
	(viii) Roads, Drains and Boundary Walls .. .. .	25%	25%
<b>2. Off-Site Facilities :</b>			
	(i) Railway Siding from Pipri Station to construction Base .. .. .	40%	25%
	(ii) Railway Siding from Pipri Station to Plant Site .. .. .	30%	—
	(iii) Railway Siding from Pipri Station to Stock-Yard .. .. .	14%	—
	(iv) Railway Siding from Marshalling Yard to Plant .. .. .	—	—
	(v) Road Net-Work .. .. .	18%	10%
	(vi) Office Blocks, Canteen, Barracks and Conference Hall .. .. .	60%	30%
	(vii) Diversion of Flood Water Discharge .. .. .	—	—
	(viii) Industrial Water Supply (Distribution Line) .. .. .	—	—
	(ix) Potable Water (Distribution Line) .. .. .	—	—
	(x) Sea Water Supply .. .. .	—	—
	(xi) Sewerage and Treatment .. .. .	—	—
	(xii) Unloading Facilities at Berths .. .. .	—	—
	(xiii) Conveyer System for Delivery of Raw Materials from Berth to Mills .. .. .	—	—
<b>3. Construction Power 12.5 MW :</b>			
	(i) Main Power Supply .. .. .	50%	35%
	(ii) Distribution of Power Supply .. .. .	—	—
<b>4. Telephones :</b>			
	10+100 Lines PMBX .. .. .	50%	30%
	10+100 Lines PABX .. .. .	—	—
<b>5. Metallurgical Training Centre .. .. .</b>			
	.. .. .	25%	20%
<b>6. Township :</b>			
	(i) Single Expatriate Hostel 51 rooms .. .. .	15%	5%
	(ii) 2 Room Apartments for Married Soviet Specialists 4 Block each with 15 Units (Total 60 Units) .. .. .	20%	8%
	(iii) 3 Room Apartment for Soviet Specialists with family (4 Blocks each having 18 units (Total 72 Units) .. .. .	15%	2%
	(iv) Trainee Hostel 60 Rooms .. .. .	—	—
	(v) Infra-Structure for Expatriate .. .. .	—	—
	(vi) Amenities for Expatriates .. .. .	—	—
	(vii) Residence for Officers, Technical and Non-Technical (Phase I Stage I) .. .. .	—	—
	(viii) Infra-Structure (Phase I Stage I) .. .. .	—	—
	(ix) Remaining 2 Room Units-22 Blocks .. .. .	—	—
	(x) Remaining 3 Room Units-8 Blocks .. .. .	—	—
	(xi) Infra-Structure (Phase I Stage I) .. .. .	—	—

1	2								3	4	
7. Main Plant :											
(i) Soil Testing	..	..	..	..	..	..	..	..	..	40%	16%
(ii) File Testing	..	..	..	..	..	..	..	..	..	60%	18%
(iii) Levelling and Grading	..	..	..	..	..	..	..	..	..	—	—
(iv) Coke Oven and By-Product Plant	..	..	..	..	..	..	..	..	..	—	—
(v) Repair Shops	..	..	..	..	..	..	..	..	..	—	—
(vi) Storage Facilities..	..	..	..	..	..	..	..	..	..	—	—
(vii) Thermal and Power Unit	..	..	..	..	..	..	..	..	..	—	—
(viii) TBS	..	..	..	..	..	..	..	..	..	—	—

**PAKISTAN STEEL MILLS CORPORATION LIMITED**  
**PROJECTED PHYSICAL TARGETS UPTO 1975-76**

S.No.	Description of Work	Percentage Completion
1	2	3
1.	Construction Base .. .. .	100%*
2.	Off-Site Facilities :	
	(i) Railway Siding from Pipri Station to construction Base .. .. .	100%
	(ii) Railway Siding from Pipri Station to Plant Site .. .. .	100%
	(iii) Railway Siding from Pipri Station to Stock-Yard.. .. .	100%
	(iv) Railway Siding from Marshalling Yard to Plant .. .. .	20%
	(v) Railway Siding from Pig Casting Yard to Slag Dump .. .. .	30%
	(vi) Road Net Work .. .. .	50%
	(vii) Office Block, Canteen Barracks and Conference Hall .. .. .	100%
	(viii) Diversion of Flood Water Discharge .. .. .	100%
	(ix) Industrial Water Supply (Distribution Line) .. .. .	50%
	(x) Potable Water (Distribution Line) .. .. .	55%
	(xi) Sea Water Supply .. .. .	25%
	(xii) Sewerage and Treatment .. .. .	50%
	(xiii) Unloading Facilities at Berths .. .. .	10%
	(xiv) Conveyor System for delivery of raw materials from Berths to Mills .. .. .	100%
3.	Construction Power 12.5 MW .. .. .	100%
4.	Telephones :	
	10+100 Lines PMBX .. .. .	100%
	10+100 Lines PABX .. .. .	100%
5.	Metallurgical Training Centre .. .. .	100%
6.	Township :	
	(i) Single Expatriate Hostel 51 Rooms .. .. .	100%
	(ii) 2 Room Apartment for married Soviet Specialists 4 Blocks each with 15 units Total (60 units) .. .. .	100%
	(iii) 3 Room Apartments for Soviet Specialists with family 4 Blocks each having 18 unit (Total-72 units) .. .. .	100%
	(iv) Trainee Hostel 60 Rooms .. .. .	40%
	(v) Infra-structure for Expatriate Colony .. .. .	100%
	(vi) Amenities for Expatriate .. .. .	80%
	(vii) Residence for Officers, Technical and non-Technical (Phase I Stage I) .. .. .	20%
	(viii) Infra-Structure (Phase I Stage I) .. .. .	20%
	(ix) Remaining 2 Room Units-22 Blocks .. .. .	55%
	(x) Remaining 3 Room Units-8 Blocks .. .. .	55%
7.	Main Plant :	
	(i) Soil Testing .. .. .	100%
	(ii) Pile Testing .. .. .	100%
	(iii) Levelling and Grading .. .. .	50%
	(vi) Coke Oven and By-Product Plant .. .. .	..
	(v) Repair Shops } .. .. .	} 10%
	(vi) Storage Facilities } .. .. .	
	(vii) Thermal and Power Units } .. .. .	
	(viii) TBS } .. .. .	

\*Subject to receipt of equipment from USSR.

## CHAPTER 16

### MINERAL DEVELOPMENT

#### Introduction

During the period 1970—75 it was hoped that the pace of mineral exploration and development would be stepped up and fairly ambitious plans were chalked out, but due to unforeseen events like the 1971 war, the programmes suffered a serious set-back. During 1970—72, as in earlier periods, neither the anticipated funds could be made available nor was it possible to step up work in this field and achieve the targets of mineral exploration and production that were initially planned. It was only in the latter part of the period 1970—75, that financial allocations to the mineral sector was increased, the pace of work of various organizations in this field was intensified and new organizations were set up to create the institutional frame-work for implementing an accelerated programme of mineral development. As a result, there has been an increase in the out-put of important minerals like coal, rock salt, sulphur, China clay etc.

A sharp increase in the demand for minerals is expected during 1975—80. The increase in demand will emanate primarily from the large expansion programmed for mineral based industries like cement, fertilizer and iron and steel. For example, proposed expansion in cement production capacity during 1975—80, is likely to generate demand for limestone and hence the target for production of this mineral in 1979-80 is 10 million tons compared to current years level of 2.91 million tons. Secondly, the programme for mineral development in 1975—80 period envisages new mineral based industries such as a phosphatic fertilizer plant based on rock phosphate deposits found in Hazara. Thirdly, the accelerated programme will seek to improve quality and quantity of export oriented minerals such as Marble. Fourthly, the increase in demand for minerals is likely to be achieved by finding new uses to which the existing minerals can be profitably put during 1975—80. Fifthly, the development of copper deposits partly for import substitution and primarily for export potential will be taken in hand. Finally, the acceleration in the programme for the use of coal for meeting energy requirements, including the generation of electricity in the light of the recent dramatic changes in the cost of different sources of energy, will be taken in hand during the 1975—80 period.

Planned in this context the major targets for 1979-80 period and for the year 1975-76 are given below :—

											(000 tons)	
											Target 75/80	Target 75/76
Coal	..	..	..	..	..	..	..	..	..	..	3,300	1,100
Rock Salt	..	..	..	..	..	..	..	..	..	..	900	450
Chromite	..	..	..	..	..	..	..	..	..	..	70	40
Silica Sand	..	..	..	..	..	..	..	..	..	..	60	60
Gypsum	..	..	..	..	..	..	..	..	..	..	450	160
Limestone	..	..	..	..	..	..	..	..	..	..	10,000	3,000
Marble	..	..	..	..	..	..	..	..	..	..	100	60
China clay	..	..	..	..	..	..	..	..	..	..	160	120
Fire clay	..	..	..	..	..	..	..	..	..	..	60	35
Fullers Earth	..	..	..	..	..	..	..	..	..	..	30	15
Magnesite	..	..	..	..	..	..	..	..	..	..	45	3

In order to achieve the above targets, both for the 1975—80 period and the year 1975-76 a number of actions are being initiated to overcome the problems previously faced in the development of mineral sector. The first thing, as a matter of policy, which is being proposed to be emphasised is the need for integrated development plans for each of the major minerals. For example, the development of coal mines in the country will be co-ordinated with the utilization of this coal in the generation of electricity and preparation of coke in order to raise the value added by this product. The other problems that are proposed to be attended to in the period 1975—80 will be the development of an institutional framework to identify the presence and extent of reserves of different minerals and accelerate the development and commercial exploitation of known reserves. In the last 2 years, a number of corporations have been set up which deal with minerals in one form or another. Special attention is being given to demarcation of responsibilities between these corporations and arrangements for co-ordination between Geological Survey of Pakistan and the agencies, responsible for prospecting and

development. The need for meeting the requirements of technical manpower has also been realized and efforts will be made to overcome this shortage by enlarging the scope of education and training facilities both within the country and abroad. In recent years, exploration techniques have advanced greatly and vastly improved exploratory scientific equipments have been introduced. Efforts are afoot to acquire as much of this equipment as possible. Last but not least, it is recognized that the private sector can play an important role in the development of minerals in Pakistan. Therefore, the strategy for 1975-76 and for 1975-80 as a whole will be to encourage the private sector to improve its operations and increase its efficiency.

## ANNUAL DEVELOPMENT

### Review of 1974-75

*Investment.*—Investment in minerals, in the public sector, exceeded the allocations made for it in the ADP 1974-75. Against an allocation of Rs. 27.592 million, estimated investment in 1974-75 is likely to be about Rs. 49.890 million. In other words the financial implementation was 180 per cent of the original target as shown in Table-I.

TABLE I

	1974-75 Annual Plan	1974-75 Estimated Achievement	Implementa- tion 1974-75
	(Million Rupees.)		
<b>1. Ministry of Fuel, Power and Natural Resources :</b>			
(a) G.S.P. .. .. .	9.00	12.00	+33.3
(b) P.M.D.C. .. .. .	2.50	6.681	+7.2
(c) Resource Development Corporation .. .. .	10.00	18.30	+83.0
<b>2. Production Division :</b>			
PIDC .. .. .	1.20	7.00	+483.3
<b>3. Azad Kashmir and Northern Areas :</b>			
(a) A.K. .. .. .	1.062	1.338	+26.0
(b) Northern Areas .. .. .	1.400	1.40	—
<b>4. States and Frontier Region Division :</b>			
F.A.T.A.D.C. .. .. .	1.06	1.764	+66.4
<b>5. Provincial Programme :</b>			
(a) Baluchistan .. .. .	0.05	0.05	—
(b) Sind .. .. .	—	—	—
(c) N.W.F.P. .. .. .	0.27	0.228	-15.6
(d) Punjab .. .. .	0.60	0.679	+13.2
<b>Total ..</b>	<b>27.592</b>	<b>49.890</b>	<b>+80.80</b>

*Mineral Production.*—Actual figures for the output of various minerals in 1974-75 are not available as yet. However, on the basis of estimates, it is seen from table-II that in the case of important minerals like coal, rock salt and sulphur there has been an increase in output. There has been a decline in the output of chromite in 1974-75. In fact this decline has continued since 1972-73 because of the world market having shown a slackening in the demand for chromite. Unfortunately weights for different minerals are not available so the growth in total production cannot be calculated.

TABLE II

('000' Ton)

S. No.	Mineral	1973-74 Actual	1974-75 Provisional Estimates	Per cent Growth over 1973-74
1.	Coal ...	1,039	1,064	+2.4
2.	Iron Ore	—	—	—
3.	Rock Salt	369	387	+4.9
4.	Chromite	11.6	9.3	-19.8
5.	Silica Sand	44.2	45.3	+2.5
6.	Gypsum	214	154	-28.0
7.	Limestone	2,941	2,912	-1.0
8.	Marble ..	22	25	+13.6
9.	Clay other than China and Fire Clay	89	73	-18.0
10.	Fire Clay	39.3	22	-44.0
11.	Sulphur ..	1.4	2	+43.0
12.	Barytes ..	1.17	7.24	+518.8
13.	Bentonite	1.10	1.19	+8.2
14.	China Clay	1.0	2.18	+118.0
15.	Fullers Earth	14.6	11.05	-24.3
16.	Magnesite	2.7	1.96	-27.4

Sources—(i) Statistical Division. (ii) PMDC. (iii) Planning Division.

#### 1975-76 Allocation

In 1975-76 an ADP allocation of Rs. 71.911 million has been made for Survey, Investigations, Exploration and Development of Mineral Projects in the Public Sector. The details are presented below :

#### Financial Allocation-1975-76

(Million Rs.)

	1974-75 Estimates	1975-76 ADP Provision	% Increase
<b>1. Ministry of Fuel, Power and Natural Resources :</b>			
(a) G.S.P.	12.00	24.560	+140.700
(b) Pakistan Mineral Development Corporation	6.681	17.700	+164.900
(c) Resource Development Corporation	18.300	1.500	-92.000
<b>2. Production Division :</b>			
PIDC Mineral Survey Scheme	7.000	4.000	-43.000
3. Azad Kashmir Projects	1.338	0.906	-37.000
4. States and Frontier Region (FATADC)	1.764	3.532	+100.200
<b>Total</b>	<b>47.083</b>	<b>52.198</b>	<b>+11.00</b>
<b>5. Provincial Programme :</b>			
(a) Punjab	0.679	1.000	+47.30
(b) Sind	—	—	—
(c) N.W.F.P.	0.228	20.338	—
(d) Baluchistan	0.05	—	+19.60
<b>Total</b>	<b>48.040</b>	<b>73.536</b>	<b>+53.00</b>
<b>6. Federal and Provincial Total Programme :</b>			

Public sector investment in minerals is being sharply increased. In 1975-76 a 53 per cent increase is being provided over the estimated investment in 1974-75. However, the allocations for 1975-76 to the Resource Development Corporation (RDC), PIDC and Azad Kashmir are, however lower than their respective allocations for 1974-75. The only scheme of RDC with specific purpose of exploration of copper deposits at Saindak is in the final year of its completion. Therefore, the allocation to RDC is for completion of this phase of its task. It will get acceleration when they start working on exploitation stage. Similarly PIDC have also entered the final year of implementation of their scheme for exploration of iron-ore deposits at Nokkundi. The AKMIDC are still in their teething stage. Several schemes for exploration are under preparation. The only schemes under implementation are for exploitation of Mica Deposits and Mineral Testing Laboratory. The only schemes made for 1975-76 are, therefore, for completion of these two schemes and include token allocations for the schemes which are presently under preparation with AKMIDC.

The overall level of proposed investment in the Mineral Sector, though showing an acceleration 53% in 1975-76 over 1974-75, is still low. This is because the specialised agencies set up for mineral development are still in the process of identifying and preparing projects, through detailed geological investigations, for commercial exploitation of the known minerals. As soon as the implementation of commercial projects is undertaken investment will rise very substantially. Some of the major projects under investigation are Saindak Copper, Nokkundi Iron Ore, Lakhara Coal, Baluchistan Ferrochrome and Hazara Phosphate.

A brief description of the major projects included in the ADP of different organizations is given in the following paragraphs :

### FEDERAL PROGRAMME

#### Geological Survey of Pakistan

The geological survey of Pakistan is primarily responsible for collecting and providing geological information through systematic geological mapping. It also carries out exploration and appraisal of mineral resources through surveys and drilling. In view of the increasing importance which the Government attaches to the development of mineral resources, the Federal Government has provided, in the ADP for 1975-76 a sum of Rs. 24.560 million with foreign exchange component of Rs. 9.000 million for three special projects *i.e.* the Chagai Mineral District Exploration Project, Mineral Exploration in Lasbela/Khuzder Region and Aero-magnetic Survey in various districts of Pakistan.

(i) *Mineral Exploration in Chagai Mineral District.*—The Geological Survey of Pakistan, has a scheme under implementation which envisages detailed geological mapping, geophysical survey, and geochemical study in the whole region of the Chagai District. The total cost of the scheme is Rs. 34.136 million with a Foreign Exchange Component of Rs. 12.130 million. The scheme would be completed in 1978-79. The progress on the scheme is somewhat behind schedule as shown in Table-III of targets and achievements for 1974-75.

TABLE III

Items	Targets	Expected Achievements
(i) Regional Geological Mapping .. .. .	1,000 sq. miles.	500 sq. miles.
(ii) Geological Survey .. .. .	2,500 sq. miles.	2,500 sq. miles.
(iii) Geochemical Survey .. .. .	2,500 miles.	Nil.
(iv) Drilling .. .. .	1,200 ft.	Nil.

The physical targets for 1975-76 are as follows :

- (i) Regional geological mapping, gravity and magnetic survey and preliminary mineral exploration in an area of 2,500 sq. miles.
- (ii) Geochemical reconnaissance in an area of about 6,000 sq. miles.
- (iii) Detailed Geophysical mapping, geo-chemical surveys and geophysical investigations in an area of about 500 sq. miles.
- (iv) Exploration of the known mineral showings in Chagai with particular emphasis on iron and copper occurrences.
- (v) Shallow test drilling in parts of the main mineralized areas of Chagai District to supplement surface studies for delineating areas of detailed exploration.

(ii) *Mineral Exploration in Lasbela/Khuzdar Region in Baluchistan.*—The Geological Survey of Pakistan has a scheme under implementation which envisages detailed geological mapping of 7 thousand sq. miles, geo-physical survey and geochemical study in the whole region of the Lasbela/Khuzdar mineral district covering an area of about 8 thousand sq. miles, followed by trenching, pitting and test drilling at appropriate places. The total cost of the scheme is estimated at Rs. 14.00 million including a Foreign Exchange Component of Rs. 4.775 million.

The progress on this scheme is indicated in Table IV.

TABLE IV

No.	Items	Targets 1974-75	Expected Achievements 1974-75
(i)	Regional Geological mapping	1,000 sq. miles.	500 sq. miles.
(ii)	Detailed geological mapping	25 sq. miles.	15 sq. miles.
(iii)	Geophysical Survey	2,500 sq. miles.	2,500 sq. miles.
(iv)	Geochemical Survey	1,000 sq. miles.	1,000 sq. miles.
(v)	Test drilling	1,200 ft.	350 ft.
(vi)	Pitting and drilling	100 ft.	167 ft.

The Physical Targets for 1975-76 are as follows :

- (i) Regional geological mapping gravity and magnetic survey and preliminary mineral exploration in an area of 2,000 sq. miles.
- (ii) Geochemical reconnaissance in area of 6,000 sq. miles.
- (iii) Detailed geological mapping, geochemical survey and geophysical investigations in an area of 250 sq. miles.
- (iv) Test drilling for the exploration of the known occurrences of copper, manganese etc.

(iii) *Aero-magnetic survey and follow up ground investigations in various mineral districts of Pakistan.*—The total cost of the scheme is Rs. 11.980 million, with Foreign Exchange Component of Rs. 9.110 million. The scheme would be completed in June, 1976.

The Physical Targets expected to be achieved by June, 1975 are as follows :

- (i) Establishment of office facility.
- (ii) Procurement of stones, vehicles, stores, etc.

#### Physical Targets for 1975-76

- (i) Actual aeromagnetic survey over an area of 20,000 sq. miles, lying partly in the districts of Chagai, Kharan, Quetta-Pishin, Kalat, Khuzdar and Lasbela in Baluchistan.
- (ii) Limited ground checking observations to support and supplement aerial survey over an area of 5,000 sq. miles in selected localities covered under the project.
- (iii) Preliminary interpretation of broad magnetic anomalies and drawing magnetic observations, geochemical survey geological mapping and test drilling.

#### II. PMDC (Pakistan Mineral Development Corporation)

(i) *Exploration of Bauxite/High Alumina Clay.*—Bauxite is one of the minerals used in steel making. The capital cost of the Project is Rs. 5.50 million. Rupees 0.5 million has been earmarked for this scheme in the ADP 1975-76. The following physical targets are expected to be achieved by June, 1975 :

1. Topogeological mapping on 1 : 5,000 scale over 1.5 sq. miles.
2. Nine exploratory drifts ranging from 350 ft. to 450 ft. each with total drivage of 3,175 ft. have been completed.



3. 122 channel samples of bauxite have been collected from the drifts.
4. Complete chemical analysis of 122 channel samples has been done in PMDC Laboratory, Rawalpindi.
5. 13 samples of bauxite were subjected to X-ray and DTA by PCSIR.
6. Consequent to the above studies the reserves of bauxite have been estimated at 4.4 million tons including 0.13 million tons of proved high grade bauxite.
7. An interim Geological report has been prepared and submitted to the Government.
8. Topo-geological mapping of one sq. mile in Chamil area will be completed.

#### **Physical Targets for 1975-76**

1. Topographical-cum-geological mapping on 1 : 5,000 scales of about 5 sq. miles.
2. Trenching at 10 places at the out-crop and collection of samples.
3. Chemical analysis and other tests on above mentioned samples.

(ii) *Lakhra Coal Field*.—A PC-II survey scheme costing Rs. 3.160 million is under implementation. The survey work is expected to complete by June, 1977. ADP provision for this project is Rs. 0.5 million.

The physical targets to be achieved by June, 1975 are as follows :

1. Triangulation of the 27 sq. miles area, which is about 13 miles in length has been completed.
2. Topographic survey on 1 : 5,000 scale with contour interval of 3 meters has been carried over an area of 4-1/2 sq. miles.
3. 13 sections have been measured in mines from mines mouth to Lailian Coal seam to decipher over burden on coal of proposed drilling. With this the measurement of sub-surface sections have been completed and a total of 25 sections have been measured.
4. Two sections 6,000 meters and 2,000 meters in length have been measured on surface to delineate both structural details and over burden on coal for planning, drilling and mining.
5. Carb samples have been drawn from all the lithologic units measured in 8 miles.
6. Geological mapping on 1 : 50,000 scale in toposheet 40 C/I has been completed over an area of 16 sq. miles.
7. Lithologic units, structure and other geological details have been potted on topographic maps on 1 : 5,000 scale over an area of about 2 sq. miles.
8. Lithology and structural details are being studied minutely and interpreted from air photos, various unknown faults have been located and their throws have been determined.

#### **Physical Targets for 1975-76**

1. Topo-geological mapping of 6 sq. miles area on 1:5,000 scale with contour interval of 3 meters. The map would include minute topographic details, lithological units of upper Rani Kot section lines, location of executed/proposed bore holes, existing mines and other details.

2. Detailed and precise measurement of 20 sections by using surveying compass/theodolite to determine over burden on coal.

3. Geological sections across coal bearing area.
4. Laboratory study on 10 representative coal samples.

(iii) *Gold Project*.—The GSP and Pakistan Atomic Energy Commission have carried out reconnaissance studies of the gold bearing sand and gravels along the Indus River Valley. For the purpose of a more detailed investigation, the Pakistan Mineral Development Corporation has prepared a survey and investigation project for establishing the feasibility of mining these gold deposits. This investigation will be conducted in collaboration with Austro-minerals and will be completed by June, 1976. The total estimated cost of the project is Rs. 22.9 million with a foreign exchange component of Rs. 12.92. An amount of Rs. 19.280 million was

allocated for this project in 1974-75, and it is expected that the amount will be fully utilized. The physical work expected to be completed by June, 1975 is presented below :

- (i) Reconnaissance field trips.
- (ii) Geophysical Surveys.
- (iii) Exploratory Pitting.
- (iv) Mapping of suitable sites.
- (v) Sampling from Streams and Cliffs.
- (vi) Submission of Interim Report.

An amount of Rs. 3.60 million is provided for this project in 1975-76. The physical target for 1975-76 includes pitting, drilling (6,000 meters), detailed topo-graphical mapping, testing/concentration of samples in Austria will be completed and the sponsors will submit the final report to Government for approval by May, 1976.

(iv) *The development of sulphur deposits in Kho-i-Sultan and other areas.*—Total cost of the project is Rs. 3.000 million with no foreign exchange component. A provision of Rs. 0.500 million exists in the ADP 1975-76 for this project.

Physical targets expected to be achieved by June, 1975 are as follows :

Mineral Cell will be set up at Quetta. Exploration equipment, jeeps and other infrastructure facilities will be arranged. Programme for 1975-76 will be finalized. The technical staff needed for conducting the exploration operations will be engaged/appointed. Application for prospecting licences for fluorite and other important minerals will be submitted to the Provincial Government.

(v) *Gem Stone Cutting and Polishing Project (Lapidary).*—The capital cost of the project is Rs. 3.640 million. A french firm (M/S. SEEMA) is preparing the feasibility for this scheme. The centre would be mainly using gemstones of Ruby Mines in Hunza and Emeralds Mines of Swat. The physical targets to be achieved during 1975-76 subject to feasibility being established are as follows :

1. Procurement of land and construction of building of cutting and polishing workshop.
2. Purchase of machinery and its installation.
3. Employment of skilled workshop staff.

The ADP provision for this project is Rs. 1.500 million. The scheme is expected to be completed by June, 1978.

(vi) *Feasibility study of desulphurization and up-gradation of coal.*—The capital cost of the project is Rs. 1.500 million. The scheme would be completed in one year. The ADP provision for this project is Rs. 1.500 million. The physical targets to be achieved during 1975-76 are given below :

Feasibility study and tests for :

1. Preparation of Beehive Coke/Metallurgical Coke.
2. Desulphurization and up-gradation of Lakhra Coal.
3. Hydrogenation of coal.
4. Distillation of Lakhra coal.

In order to carry out these studies the following major work items would be undertaken :

1. Collection of data.
2. Raw-material resources analysis.
3. Review of Government Regulation and Policy.
4. Project viability.
5. Process component.
6. Supply and distribution components.

7. Financial/Economic evaluation.
8. Over-view/Technical and Economic Feasibility.
9. Recommendations and feasibility report.
10. Particular emphasis will be given to laboratory studies and pilot plant tests on indigenous coal samples.

### III. Resource Development Corporation

This Corporation was set up in March, 1974. The Corporation operates under the supervision of the Ministry of Fuel, Power and Natural Resources. It has been registered as a joint stock company for exploration and exploitation of the natural resources of the country. The specific purpose of this Corporation is to implement a crash exploration and exploitation programme for the copper deposits found at Saindak in Chagai.

*Saindak Copper Ore, Baluchistan.*—Copper was first discovered in 1963 in the extreme north west of Baluchistan at Saindak. In 1973, the GSP was entrusted with the task of scientific exploration and to prove that the deposits were economically and commercially explorable. Preliminary tests indicate potential presence of 300 million tons of ore body with approximate average copper of 0.7 per cent. Therefore, the potential copper metal amounts to 1.25 million tons.

In view of the importance of copper and its likely impact on the economy of the country, a special organization called the Resource Development Corporation has been set up with the sole purpose of proving and exploiting the Saindak copper reserves. A scheme costing Rs. 60.00 million with a foreign exchange component of Rs. 21.00 million is being implemented for detailed exploration. The scheme includes a provision for new drilling machines and setting up of Saindak mechanical and chemical laboratories. The aim is to reach "proving stage" and for that purpose the Corporation will drill about 100 thousand ft. at the rate of 300 ft. per day. The scheme is expected to be completed in 1975-76.

### IV. Pakistan Industrial Development Corporation-Nokkundi and Chilghazi Iron Ore Deposits in Baluchistan

PIDC is undertaking detailed investigations of Nokkundi iron ore deposits. The total cost of the project for 1975-76 is Rs. 7.67 million with a FEC of Rs. 1.47 million. The aim of the project is to prove, in the first stage, a minimum reserves of 5 million tons in Nokkundi area which would justify a small steel plant. The total proved reserves in Nokkundi are 1.7 million tons which have, through subsequent investigations, increased to 2.5 million tons. Currently further investigations including drilling up to a depth of 500 ft. is being undertaken in order to prove larger reserves of the ore over a wider area. The Government of the Peoples Republic of China is giving technical and financial assistance for this project. The project is expected to be completed during 1975-76. An allocation of Rs. 4.000 million has been made for this project in 1975-76 ADP. The following physical targets have been achieved by end of 1974-75.

#### Surveying

The two designated areas in Pachinkoh and Chigendik have been surveyed. Part of the data processing has also been done. Apart from surveying work required for layout of elaborate network for Geophysical Surveys, the following jobs have been completed :

- (i) Triangulation Survey
- (ii) Co-ordination Survey of all exploratory excavation *i.e.* trenches, tunnels and drill holes.

#### Geological Work

- (i) Geological mapping of the area has been done.
- (ii) Basic geological maps for exploratory excavation have been prepared.
- (iii) Geological Sections at appropriate location have been measured.
- (iv) Observation recording and sample collection for studies of origin ore has been done.
- (v) Sampling in all trenches and tunnels has been completed.

#### Chemical Work

The collected samples are already in the process of detailed chemical analysis.

The following jobs are expected to be completed during the months of May and June, 1975.

- (i) Geophysical Surveying of new extension of areas as advised by the Chinese Experts.
- (ii) Part of the level survey work for preparing topophysical map of the area.
- (iii) Basic Geological map, of the drill holes planned for drilling during next two months.
- (iv) Drilling of 3 to 5 holes of total footage equal to 1,500 to 2,000 ft.
- (v) Chemical analysis of the collected sample, splitting of drill hole cores and their chemical analysis.

The physical targets for 1975-76 are given below :

#### **I. General Work**

1. Geological map of Pachin Koh for 1 sq. km. on a scale of 1:1,000.
2. Geological map of Chigendik for 0.1 sq. km. on a scale of 1:1,000.
3. Basic maps of drill hole cores.
4. Sampling of drill hole cores.
5. Geological sections for selecting drill hole sites.
6. Comprehensive geological maps.
7. Coordinates for :
  - (a) Trenches, drill holes, tunnels, etc.
  - (b) Section maps.
  - (c) Sampling places.

#### **Surveying Work**

1. Topographical map of Pachin Koh for 3 sq. km. on a scale of 1:1,000.
2. Topographical map of Chigendik for 1 sq. km. on a scale of 1:1,000.
3. Triangulation survey of Chigendik.
4. Geological sections work, coordinate survey work for sections etc.
5. Ground survey work in Pachin Koh and Chigendik over an area of 10 sq. km on a scale of 1: 5,000 for carrying out geophysical work.

#### **III. Geophysical Work**

1. Ground geophysical work in Pachin Koh and Chigendik over a total area of 10 sq. km on a scale of 1:5,000.
2. Geophysical sections in Pachin Koh and Chigendik for selecting drill hole sites.
3. Measurement of magnetic parameters in Pachin Koh and Chigendik.
4. Calculation for depth etc.

#### **IV. Drilling**

7,700 meters of drilling in Pachin Koh and Chigendik for mine designing and confirmation of the probable iron ore reserves in the area.

#### **V. Hydrogeological Work**

1. Studies for water table in the area to avoid future mining problems.
2. Ground water studies for water resources.

## VI. Miscellaneous

1. Physical and technical studies of the ore including :
  - (a) Specific gravity for 100 samples.
  - (b) Porosity for 100 samples.
  - (c) Strength test of ores and rocks, 20 samples.
  - (d) Study on volume expansion after blasting.
2. Complete chemical analysis of ore.
3. Spectrum analysis.
4. Collection of meteorological data of the area for the last 10 years.
5. Submission of final geological and prospecting report for mining.

## V. Federally Administered Tribal Areas

(i) *Prospecting and Mining of Soap Stone in Khuram Agency.*—Soap stone is mainly used in the manufacture of cosmetics, paper, paints, and ceramics. The project is under production. The total capital cost of the project is Rs. 1.993 million. The annual output of the project is 5,000 tons.

(ii) *Marble Industry at Painsi Lalma (Khyber Agency).*—The project is under consideration of the CDWP and will have a direct relationship with the mining of marble in the area. The setting up of the proposed plant would provide an incentive for the increase in the mining of marble in these areas. The project would give the following output per annum working on single shift basis.

1. Marble Slabs	..	..	..	..	..	..	..	..	..	77,530 sq. ft.
2. Terrazo Tiles	..	..	..	..	..	..	..	..	..	22,400 sq. ft.
3. Marble Chips	..	..	..	..	..	..	..	..	..	6,000 tons.

The total capital cost of the project is Rs. 9.055 million with foreign exchange component of Rs. 3.951 million.

## VI. Azad Kashmir Mineral and Industrial Development Corporation

The AKMIDC has planned development of minerals on the patterns outlined below :

- (i) Geological and Geochemical survey to locate the deposits and estimate the reserves.
- (ii) Mineral evaluation and characterization.
- (iii) Ore dressing and beneficiation.
- (iv) Mineral processing, extraction of metals, if possible, with locally available know-how or importing the well-established technology adapted to the local conditions.

Accordingly, they have at present two schemes, namely the "Exploitation of Mica Deposits" and "mineral Testing Laboratory". The two schemes are in the last year (1975-76) for their completion, while the schemes for "Exploitation of Mica Deposits" will have established facilities for mining of 100 tons of Mica per annum the scheme for "Mineral Testing Laboratory" will make available the much needed equipment for carrying out the research activities of the AKMIDC. The other projects which are either in the planning/preparation stages or are under consideration with the approval-giving agencies are listed below :

(Million Rupees)

ADP Provision  
1975-76]

(i) Alum and Aluminium Extraction Plant (unapproved)	..	..	..	..	..	..	..	..	..	0.001
(ii) Fullers Earth Plant, Development of Graphite Deposits, Pencil Plant (unapproved)	..	..	..	..	..	..	..	..	..	0.001
(iii) Development of Pyrite Deposits and Establishment of Sulphuric Acid Plant (unapproved)	..	..	..	..	..	..	..	..	..	0.001
(iv) Development of Feldspar (unapproved)	..	..	..	..	..	..	..	..	..	0.001
(v) Development of Fireclay Deposits and Establishment of Refractory (unapproved)	..	..	..	..	..	..	..	..	..	0.001
(vi) Exploitation of Soap-stone Deposits of Kotli (unapproved)	..	..	..	..	..	..	..	..	..	0.001
(vii) Feasibility Study of Graphite Deposits of Azad Kashmir (approved)	..	..	..	..	..	..	..	..	..	0.320
(viii) Mineral Exploration and Mine Development (collaboration with M/S. Austromineral of Austria) (unapproved)	..	..	..	..	..	..	..	..	..	0.410

Each of these schemes have been given a token allocation in the ADP 1975-76.

## VII. Sarhad Development Authority

*Hazara Phosphate Mining Project.*—Phosphate rock is a primary source of phosphatic fertilizer. The Sarhad Development Authority has proposed a scheme for its exploration costing Rs. 8.848 million, including foreign exchange component of Rs. 2.673 million. The project is under implementation. The objective of the project is to implement a limited programme of production of phosphate rock for local requirements to reduce dependence on imports.

The rock phosphate reserves have been estimated at 17 million tons, whereas proven reserves are 3.92 million tons. The exploration and development programme of rock phosphate is proposed to be executed in four phases. Phase I has been started from October 1974. In subsequent phases, the reserves of rock phosphate will be identified, estimated and developed.

### Production Targets for 1975-76

The targets for production in 1975-76 are given in table V.

TABLE V

S. No.	Mineral	('000' ton)			
		1973-74 Actual	1974-75 Estimated	1975-76 Targets	Per cent Growth
1.	Coal	1,039	1,064	1,100	+3.0
2.	Iron Ore	—	—	—	—
3.	Rock Salt	369	387	450	+15.2
4.	Chromite	11.6	9.3	40	+32.5
5.	Silica Sand	44.2	45.3	60	+31.2
6.	Gypsum	241	154	160	+3.0
7.	Lime Stone	2,941	2,912	3,000	+1.0
8.	Marble	22	25	60	+137
9.	China Clay other than China and Fire Clay	89	73	120	+62.7
10.	Fire clay	39.3	22	35	+5.7
11.	Sulphur	1.4	2	6	+197
12.	Barytes	1.17	7.24	10	+36.7
13.	Bentonite]	1.10	1.19	3	+149
14.	China Clay	1.0	2.18	8	+3.6
15.	Fullers Earth	14.6	11.05	15	+34.3
16.	Magnesite	2.7	1.96	3.0	+51.56

Source : (i) Statistical Division.  
(ii) PMDC.  
(iii) Planning Division.

### Coal

Lignitic to sub-bituminous coal deposits occur in seven major coal fields in Pakistan. The reserves are estimated to be about 442 million tons. The production of coal has increased to around one million tons per annum which is being mainly utilized in the brick-kiln industry and power generation at Quetta. Bulk of the production is derived from Kohst-Sharigh, Sor-Range, Deagri and Mach coal fields in Baluchistan and Makerwal coal field in the Punjab. Small scale exploitation of Lakhra and Meting-Jhimpir coal fields in Sind, Salt Range Coal Field in the Punjab, Dera Adam Khel and Charat in NWFP and Muza Farabad in Azad Kashmir, are also being undertaken mostly by private sector.

PMDC is planning to increase production from its existing mines from 375 thousand tons in 1974-75 to 625 thousand tons in 1979/80 according to the following plane :

	1974-75	1975-76
Makerwal .. .. .	180	300
Sor Range .. .. .	60	100
Degari .. .. .	95	125
Sharigh .. .. .	40	100
<b>Total</b> ..	<b>375</b>	<b>625</b>

PMDC is preparing a feasibility for the development of Lakhra coal field, in Dadu District, to produce 900 thousand tons per annum for a 240 MW power plant at Khanot/Jamshoro. PMDC has also tentatively selected 3 areas in the salt range at Khajula, Manihala and Kattaha for developing new mines to produce about 330 thousand tons of coal per annum within a period of three years. The targets for 1975-76 and 1979-80 for coal production are 1,100 thousand tons and 3,300 thousand tons respectively.

### Chromite

Chromite is the only commercial mineral for obtaining chromium metal. Chromium is the only metallic mineral that Pakistan produces and exports. Nearly the entire production is sent abroad. As a result the production of chromite is dependent upon the international market conditions. The world market has shown a slackening in the demand for chromite since 1971-72 and as a result the production of chromite has gone down from 33.3 thousand tons in 1971-72 to 17.8 thousand tons in 1972-73 and to 11.6 thousand tons 1973-74. In 1974-75, the production is likely to go further down to reach a level of about 9.3 thousand tons. Accordingly, the targets for 1975-76 and 1979-80 originally set at 40 and 70 thousand tons respectively are being reworked to suit the present conditions and will be scaled down to a reasonable level as soon as a more clear picture about the marketability of chromite becomes available.

The main deposits of chromite are located near Muslimbagh in Baluchistan. These deposits contain ore with chromium iron ratio of 3.1 to 3.6. Small deposits of chromium have also been found in the Ras Koh region of Chagai and Kharan districts of Baluchistan, Mohmand and N.W. Agencies in NWFP. Small and scattered occurrences of chromite have also been reported from Lasbela District in Baluchistan.

### Phosphate

Potential phosphate deposits have been discovered near Abbottabad, Hazara and it is estimated that more than 25 tons of rock phosphate containing upto 35 per cent  $P_2O_5$  is available in the area so far investigated.

Phosphate rock is used in the manufacture of fertilizers. The present consumption of phosphate in the country is about 35,00 tons annually which is estimated to rise to 2,60,000 tons by 1979-80.

The area has been termed by CENTO Phosphate Working Group experts as promising to become potential commercial source of phosphate rock. The experts have strongly recommended that further exploration should be carried out in the area of mineralization. Output in 1975-76 is not going to be significant. However, the target of production for 1979-80 is 2,60,000 tons.

### Gold and Heavy Minerals

The Geological Survey of Pakistan had completed the first phase of investigation of the gold and other heavy minerals in the sands of the Indus and its tributaries in the Northern Areas of Pakistan. A report on this work has been prepared. Based on its results, a detailed programme of exploration-cum-exploitation has been launched by the Pakistan Mineral Development Corporation in association with a foreign mining firm (M/S. Austro-Minerals). At the moment no target is being set for future production.

### Rock Salt

Huge deposits of excellent rock salt occur in the Salt Range area in Jhelum and Mianwali Districts, Punjab and near Bahadur Khel District, NWFP. Favourable conditions exist on the sea coast for the extraction of salt by solar evaporation. Rock salt mining is done in the Public Sector.

There are six major salt mines and quarries in Pakistan. The Pakistan Mineral Development Corporation is introducing some major improvements in the existing mines including electrification, mechanical haulage, construction of roads workshops and housing for miners. The production targets of rock salt for 1975-76 and 1979-80 are 4,50,000 tons and 6,00,000 tons respectively.

### **Sulphur**

Geological Survey of Pakistan has completed exploration of sulphur occurrences of Koh-i-Sultan and Sanni in Baluchistan. At Sanni, Kalat District, reserves of sulphur are estimated at 50,000 tons in the abandoned mines and in adjoining areas. These reserves are quite small for profitable mining. At Koh-i-Sultan in Chagai District, total reserves of low to medium grade raw sulphur are estimated at around 7,50,000 tons. The maximum recoverable sulphur in the crude material is estimated at 50 per cent. The production target for 1975-76 is 6,000 tons. This excludes sulphur recovery from the oil field at Punjab.

### **Problems and Policies**

(i) *Institutional Framework.*—In the past the urgency and need for accelerating exploration and development of mineral resources was recognised but the physical production targets for a number of minerals remained unfulfilled. Increase in production of mineral has been slow. Lack of satisfactory progress in the mineral sector has resulted partly from a lack of financial allocation to this sector, and partly from a blurring of responsibility between the various agencies, Federal and Provincial Governments involved in the geological survey of the mineral resources, their proving, exploitation and development. The Government set up two specialised organizations at the Federal level, namely the Pakistan Mineral Development Corporation, and Provincial mineral or Multipurpose Development Corporations in each of the four provinces. To co-ordinate the activities of these organizations the Federal Government constituted a Board of Mineral Co-ordination. These steps, it was hoped would create the institutional framework, which was lacking before, for investigation and development of mineral resources, of the country. However, some overlapping between the activities of these agencies concerns to exist and progress towards the commercial exploitation of known minerals is slow. Efforts are being made to systematise the work of various corporations and attach priority to the implementation of development rather than exploratory projects.

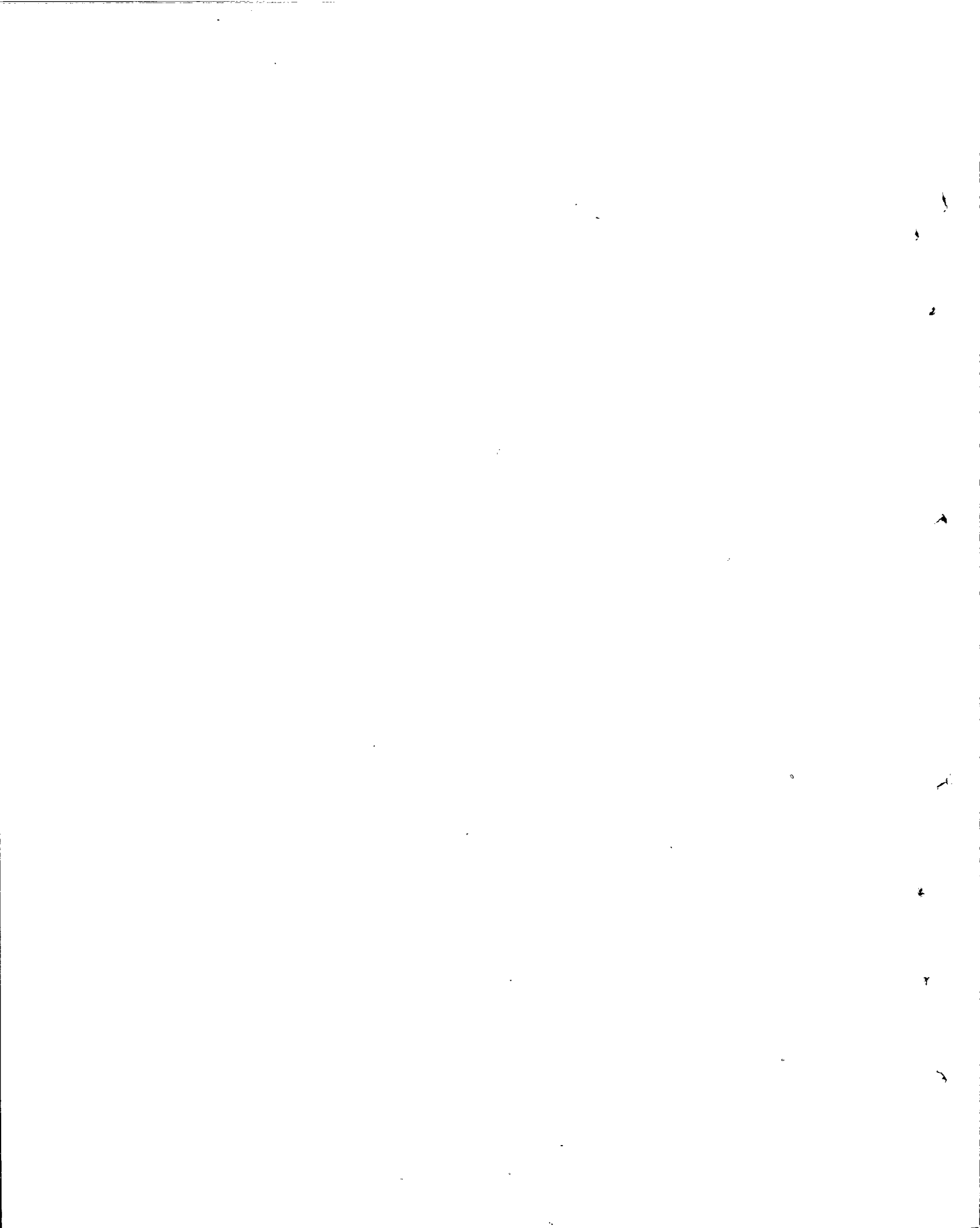
(ii) *Requirement of technical manpower.*—There has always been a shortage of trained and experienced manpower in specialised geo-scientific fields such as geochemical prospecting, ore beneficiation and metallurgy etc. Recent indications are that this problem may be acquiring serious proportions and may become a serious handicap in the efforts to develop our minerals. It, therefore, requires urgent attention.

(iii) *Need for Modern Equipment.*—In recent years, exploration techniques have advanced greatly and vastly improved exploratory scientific equipments have been introduced. There is an acute shortage of such equipment in Pakistan, partly to because of paucity of funds and partly because of difficulty in obtaining equipment like drilling rigs. This situation is expected to improve gradually as the specialised corporations manage to acquire equipment from funds that are being provided for this purpose.

(iv) *Problems of inland communications.*—Most of the potentially mineral rich areas do not have any proper system of communications, even jeepable tracks may be non-existent. This is a problem which can only be gradually overcome through the development of the backward areas. However, wherever a substantial discovery is made, a separate allocation will be made for providing the infrastructure required for its development. For example, in the chrome area the narrow gauge railway line is being upgraded to broad gauge.

(v) *Encouragement to improve the operations of the Private Sector.*—The working conditions in mines belonging to public sector are generally satisfactory, whereas the same is not true of private mines, this has affected production and efficiency in the private mines. It is necessary that labour laws and mining regulations are strictly observed in private mines. At the same time, the private sector should be given adequate credit facilities and foreign exchange funds to enable it to improve its efficiency and performance. In addition, assistance should be given to the private sector to mechanise and modernize their operations.





**CHAPTER 17**  
**FUEL AND POWER**

**Energy**

17.1. The major energy source in Pakistan continues to be imported oil which contributes more than 40% of the total commercial energy followed by natural gas, hydel energy and coal. The contribution from nuclear power is quantitatively very small. With the sharp increase in oil prices, this dependence on imported crude and petroleum products has seriously strained the balance of payment position of the country. Pakistan's net import bill for oil which was roughly \$ 60 million or 7% of the total exports until 1972-73, has touched \$ 350 million in 1974-75 or 30% of total exports, and is expected to rise further. The Annual Plan, for 1975-76 therefore, places much greater emphasis on search of oil and increasing use of indigenous sources of energy to reduce dependence on imported oil.

**Review of 1974-75**

17.2. The energy supply in Pakistan continued to pose a constraint on production during 1974-75. In order to protect the quantum of energy inputs into the economy, the level of oil imports had to be increased during 1974-75 inspite of its adverse effects on the balance of payment. The overall increase in total commercial energy supply in 1974-75 from that of 1973-74 is now estimated at 8.5% instead of 12% estimated at the commencement of the year.

17.3. The actual energy supply in 1973-74 is now estimated at 333.3 trillion BTU as against 341.4 trillion BTU earlier estimated, which has been adjusted in the light of more authentic information now available, particularly in respect of coal. The following table shows a comparative statement (source wise) of actual energy inputs for 1973-74, original and revised estimated for 1974-75.

**TABLE I**

Source	Actual 1973-74		Original Estimate 1974-75		Revised Estimate 1974-75		Percentage increase over 1973-74
	Quantity	Energy content trillion BTU	Quantity	Energy content trillion BTU	Quantity	Energy-content trillion BTU	
Natural Gas (Purified) (excluding use as Feed stock) .. ..	119,397 MMCF	116.41	123,835 MMCF	117.5	129,124 MMCF	125.97 127.4	11.0
Natural Gas (Raw) .. ..	—	—	—	—	1,605.4	1.5	
Coal .. ..	1,039,000 (Tons)	19.78	1,600,000 (Tons)	30.5	1,064,000 (Tons)	20.26	2.4
Oil (net of export and ocean bunkers)	3,163,000 Tons	141.68	3,588,000 Tons	160.8	3,400,000 Tons	152.40	7.6
Hydro-Electric .. ..	4,141 GWH	49.69	5,500 GWH	66.0	4359 GWH	52.31	3.9
Nuclear .. ..	454 GWH	5.45	660 GWH	7.9	709 GWH	8.51	56.1
LPG .. ..	5,906 Tons	0.29	8,700 Tons	0.9	13,200 Tons	0.65	124.1
		333.30		383.6		361.53	8.47

17.4. The overall increase has been brought about by increased use of indigenous natural gas and through higher imports of oil products. The most disappointing development was in respect of coal supply. The original estimate for 1974-75 provided for a quantum jump of 15% over the estimated production in 1973-74 but in the absence of a comprehensive operational plan dealing with production and transportation, the availability of coal remained static with lower volume of production than the estimates for 1973-74 and 1974-75. The other disappointing feature was in respect of hydro-electric supply which was estimated to increase by 33% on the basis of average year availability of water. The persistence of drought conditions, however, kept the overall hydroelectric availability at slightly higher level than that of the previous year.

17.5. On the other hand, the supply of natural gas exceeded the Annual Plan target of 124,000 MMCFT and the growth rate achieved was 11% as against 6% set out in the Annual Plan. This indicates a better utilisation of the transmission capacity, particularly in the SNGP system where the actual sales exceeded the projections by 6894 MMCFT. The projected increase in oil supply at nearly 8% was realised to meet the shortages arising, particularly in respect of hydro-electric supply.

#### Supply Pattern 1974-75

17.6. The pattern of commercial energy consumption during 1974-75 also showed slight changes from that of 1973-74 which is brought out in the following table, which does not indicate any major shift from the traditional energy mix except for a slight decline in the country's dependence on imported energy and increased use of indigenous natural gas.

TABLE II

Source	Percentage 1973-74	Percentage 1974-75
Natural Gas (excluding use as Feed Stock) .. .. .	34.92	35.31
Coal .. .. .	5.93	5.61
Oil (net of exports and ocean bunkers) .. .. .	42.50	42.24
Hydro-Electric .. .. .	14.91	14.30
Nuclear .. .. .	1.64	2.36
L.P.G. .. .. .	0.10	0.18
	100.00	100.0

#### Consumption Pattern 1974-75

17.7. The Government of Pakistan has started since 1973 a comprehensive energy survey with UNDP assistance. The draft report of this survey is expected to be available by July/August 1975. Pending the results, a ready assessment of the final uses of energy is as follows :

TABLE III

	Percentage
Agriculture .. .. .	11.0
Transport .. .. .	24.0
Industry .. .. .	52.0
Domestic and Commercial .. .. .	13.0
	100.0

- (a) *Agriculture*.—The energy use is mainly for operating tubewells and tractors. The source of energy is 40% Petroleum (direct) and 60% electricity.
- (b) *Transport*.—This sector consumed mainly petroleum products. Use of electricity and coal by Railways was insignificant.
- (c) *Industry*.—Nearly 43% of the requirement in the Industries Sector was met by electricity and 41% by gas. The balance was met by oil. A small quantity of coal was also used.
- (d) *Domestic and Commercial*.—Nearly 55% of the energy use was in the form of kerosene and the balance requirement was met by electricity (33%), gas (11%) and coal (1%).

#### Energy Targets 1975-76

17.8. The commercial energy supply during 1975-76 is presently estimated at 397.15 trillion BTU—an increase of 10% over the revised estimate of 361.53 trillion BTU for 1974-75 made up from various sources as in Table IV.

TABLE IV

Source	Heat Rate BTU	Revised Estimates 1974-75		Estimates for 1975-76		Percentage Increase
		Quantity	Energy con- tent trillion BTU	Quantity	Energy con- tent trillion BTU	
Natural Gas (Purified)	975 /CFT	129,124 MMCF	125.9	134,469 MMCF	131.107	9.55
Natural Gas (Raw)	933 /CFT	1,605 MMCF	1.5	9,073 MMCF	8.465	
Coal	8,500 /LB	1,064,000 Tons	20.26	1,200,000 Tons	22.85	12.78
Oil	20,000 /LB	3,400,000 Tons	152.4	3,513,100 Tons	157.39	3.27
Hydro-Electric	12,000 /Kwh	4359 GWH	52.31	5,627 GWH	67.52	29.07
Nuclear	12,000 /Kwh	709 GWH	8.51	720 GWH	8.64	1.01
L.P.G.	22,000 /LB	13,200 Tons	0.65	24,000 Tons	1.18	81.54
			361.53		397.15	9.85

17.9. These estimates are based on certain broad indications of the availability of various sources of energy and certain assumptions which are briefly discussed below :—

- (a) *Gas*.—A 10% increase in supply takes into account completion of the Sui-Karachi pipeline, Phase I (12 MMCFD) by June, 1975.
- (b) *Coal*.—A high increase of 13% in coal supply has again been assumed on the basis that a comprehensive operational plan concerning production in public and private sectors and transportation would be introduced during the course of the year. There is an increasing demand for coal as is evident from the spiral increase in its price which has registered an increase of 270% over the past two years.
- (c) *Oil*.—The increase in oil has been restricted to 3% after taking into account the market demand for various petroleum products and the adverse effects of further increase on the balance of payment.
- (d) *Hydro-Electric*.—The increase of 29% assumes break of the drought conditions which persisted in 1974-75 and average water year for 1975-76.
- (e) *LPG*.—The source, although not important, yet quantitatively, the increase of 81% assumes the marketing of entire availability of LPG-16,000 tons ex-Dhulian Oil Field (AOC) and 8,000 ex-Pakistan Refinery Limited, Karachi.
- (f) *Per capita Consumption*.—*Per Capita* consumption of energy is expected to increase from 188.4 kg coal equivalent during 1974-75 to 201 kg coal equivalent during 1975-76.

17.10. In absolute terms, the total quantity of energy supply is expected to increase by 10% and in *per capita* terms by 7%. This indicates that if demand for energy increases at the rate of 1.5 times the GNP (projected to increase by 9% during 1975-76), the supply of energy in aggregate terms will fall short of the requirements. In other words, the total energy requirement, in order to achieve an increase of 9% in GNP, would be 409 trillion BTU as against energy availability of 397 trillion BTU (a short fall of 12 trillion BTU which is less than 3% of the requirements). This order of short fall may not be significant and could easily be overcome by measures to conserve energy for essential uses and prevent wasteful uses. If necessary stringent measures could be adopted as in 1974-75 like staggering of industrial holidays, restriction in power supply to tubewells, etc.

17.11. Moreover the relationship pertaining to energy vis-a-vis G.N.P. does not hold from year to year, and is therefore not significant in short term perspective.

## POWER SUPPLY POSITION

### Review 1974-75

17.12. During 1974-75, in the WAPDA Northern Grid System the maximum demand registered was 1164 MW in September 1974 and 1197 MW in March 1975. The Maximum demand of 1237 MW for the year occurred on 18th June 1975. The projection of maximum demand inclusive of suppressed demand for the year was 1585 MW. Recorded figures, therefore, reflect the capability of the WAPDA system and not the actual unrestricted maximum demand that could be met if all the constraints in supply were removed. In the KESC system, the peak demand including supply to Hyderabad was 374.8 MW in April-May 1975. The KESC system plus KANUPP capability is able to take care of the peak demand without any reserve capacity. On various occasions during the year load shedding to the extent of 80 MW had to be resorted to when supply from KANUPP was interrupted at a time when one of the machines of KESC system was under maintenance.

### Supply Position 1975-76

17.13. The demand forecast for 1975-76 for the WAPDA Grid System is 1766 MW in September 1975 and 1690 MW in March 1976, an increase of 11.4% over that of 1974-75. These projections are again for unrestricted maximum demand and the maximum demand that would be met will be restricted by the capability of the system which will depend on the amount of river flow and the state of maintenance of the thermal units. The expected capability of various systems during 1975-76 is given in the following tables :

TABLE V

#### Northern Grid and Upper Sind

Name of Station	Capability (MW)	
	September 1975	March 1976
Mangla .. .. .	690	350 (R.L. 1075)
Warsak .. .. .	160	160
Small Hydel .. .. .	85	75
Multan Steam .. .. .	230	230
Lyalpur Steam .. .. .	120	120
Shahdara Steam .. .. .	85	85
Sukkur .. .. .	50	50
Lyalpur G.T. .. .. .	200	200
Guddu .. .. .	170*	170*
	<u>1790</u>	<u>1440</u>
Spinning Reserve .. .. .	110	110
Capability net of spinning reserve .. .. .	<u>1680</u>	<u>1330</u>

\*50 MW accounted towards Southern Zone.

TABLE VI

#### Lower Sind

Name of Station	Capability (MW)
Hyderabad Steam .. .. .	30
Kotri .. .. .	30
Import from Guddu .. .. .	50
Import from KESC .. .. .	30
	<u>140</u>

TABLE VII

## Quetta

Name of Station	Capability (MW)	
	September 1975	March 1976
Quetta Steam and G.T. .. .. .	15	27
Quetta New G.T. .. .. .	18	20
	33	47

TABLE VIII

## Karachi (K.E.S.C.)

Name of Station	Capability (MW)
C1 .. .. .	66
C2 .. .. .	66
C3 .. .. .	125
B-1 .. .. .	30
B-2 .. .. .	30
B .. .. .	24
A .. .. .	9
D.F. .. .. .	10
	360
KANUPP .. .. .	125
	485
Spinning Reserve .. .. .	125
Capability net of spinning reserve .. .. .	360

17.14. The overall position of supply and demand is shown in the following table :

TABLE IX

Supply System	September 1975			March 1976		
	Capability (MW)	Demand Forecast (MW)*	Deficit Surplus (MW)	Capability (MW)	Demand Forecast (MW)*	Deficit Surplus (MW)
Northern Zone and Upper Sind .. .. .	1680	1767	(- )87	1330	1690	(- )360
Lower Sind .. .. .	140	131	(+ )9	140	131	(+ )9
Quetta .. .. .	33	45	(- )12	47	45	(+ )2
KESC .. .. .	376	406	(- )30	376	406	(- )30
		(in June)	(in June)		(in June)	(in June)

\*Unsuppressed demand.

17.15. In the WAPDA Grid System the extent of suppression of demand will be the same but load shedding will be less because of the carry over of pending applications for new connections. The maximum demand likely to be met would be in the range of 1350 to 1400 MW. KESC will also face power shortage of about 30 MW in its peak demand months and the supply position in Quetta during summer will also remain tight.

17.16. Since power projects are of long gestation period, the impact of investment on the construction and commissioning of various facilities of generation, transmission and distribution does not take place within a period of one year. Therefore, improvement in the power supply position would not take place in one year period. During 1974-75 severe power shortage occurred during the winter months and load shedding had to be resorted to during the period 9 December 1974 to 25th February 1975. In the northern region estimates indicate load shedding to the extent of 273 MW during peak hours. Although the abnormally low water flows resulting in the reduction of Mangla capacity, was an important factor in this respect the other significant reasons were malfunctioning of the thermal unit at Guddu, Multan and Shahdara and withdrawal of Warsak unit 4 for repair.

17.17. In view of the long gestation period of generating plants no additional capacity is scheduled to be commissioned during 1975-76 except the completion of 200 MW Lyallpur Gas Turbine Station which was in an advanced stage of commissioning during 1974-75. But taking a two year period of 1975-76 and 1976-77, 925 MW capacity will be commissioned according to the latest schedule of commissioning of generating units. This capacity includes 700 MW capacity of Tarbela units 1,2,3 and 4, Korangi fourth unit of 125 MW, Karachi Gas Turbine of 100 MW. The impact of this addition in generating facilities together with associated primary and secondary transmission systems will be felt fully after 1976-77. In the meantime some improvement is bound to take place due to the completion of Lyallpur Gas Turbine of 200 MW. So far as the marketing facilities of distribution are concerned provision exists in the 1975-76 programme for the addition of 80,000 general consumers, 4,000 industrial consumers and 8,000 irrigation consumers for tubewell electrification.

17.18. The village electrification programme aims at electrifying 500 villages instead of anticipated programme of 1,000 villages per year during the development perspective due to non-availability of funds.

17.19. Although the facilities as indicated particularly generation and transmission take long gestation period yet the power supply position during 1975-76 could be better than 1974-75 winter, provided the thermal units are properly maintained during the summer months in order to be fully available during the low water months. Moreover, the year 1975-76 is expected to be not a dry year as was 1974-75 which had reduced hydel capability.

17.20. So far as the Karachi area is concerned the power supply position may be difficult till early 1977 when Korangi fourth unit of 125 MW capacity is scheduled to be commissioned. This is due to the fact that the present demand of Karachi area *vis-a-vis* system capability is almost evenly balanced, and there is no reserve capacity to take care of demand in case of emergency shutdown of one of the stations. The demand of Karachi including Hyderabad was 375 MW in April-May this year, whereas the capability of KESC is 340 MW and that of KANUPP 90 MW. Therefore, whenever there is a shutdown of either KANUPP or one of the stations of KESC load shedding has to be resorted to. However, after the end of 1976 the supply position in Karachi area will be in a better shape. Moreover, some relief during the interim period can be expected because the KESC which used to supply 48 MW to Hyderabad has now been relieved of this burden, since Hyderabad is now supplied from Guddu.

#### Oil Supply Position

17.21. The Directorate of Oil Operation estimates that the total internal consumption will increase from 3,588,100 tons in 1974-75 to 3,777,100 tons in 1975-76. There will be a decline in the consumption of kerosene and LDO because of price adjustments during 1974-75, while there will be an increase of 19.5% in Furnace Oil Consumption and 6.2% in HSD. Details are given in the following table :

TABLE X

	(Tons)		
	1974-75	1975-76	% Change
100/130 ON .. .. .	7,100	4,000	(-)-14.08
73 ON .. .. .		2,100	26.3
JP-4 .. .. .	76,000	96,000	
M.S. .. .. .	3,46,000	2,70,000	0.2
H.O.B.C. .. .. .	—	77,000	
Sub-Total Light Distillates .. .. .	4,29,100	4,49,100	4.7

1										2	3	4
JP-1	..	..	..	..	..	..	..	..	..	1,04,000	1,38,000	32.6
S.K.	..	..	..	..	..	..	..	..	..	5,14,000	5,00,000	(-)-2.7
H.S.D.	..	..	..	..	..	..	..	..	..	11,74,000	12,47,000	6.2
L.D.O.	..	..	..	..	..	..	..	..	..	4,42,000	2,98,000	(-)-32.5
SUB-Total mid. distillates										22,34,000	21,83,000	(-)-2.3
Furnace oil										7,73,000	8,81,000	9.5
Total-Fuel Products										34,00,100	35,13,100	
Asphalt										80,000	1,00,000	25.0
Other										1,08,500	1,64,000	51.1
Total heavy distillates										1,88,500	2,64,000	40.0
GRAND TOTAL										35,88,100	37,77,100	5.2

17.22. According to the estimates for import the total import of products during 1975-76 will be 11,48,922 tons as against 11,41,000 tons estimated for 1974-75.

17.23. The total Oil import bill is expected at Rs. 3950 million as against Rs. 3500 million for 1974-75 Pakistan will export 1,08,000 tons of Naptha and 1,55,000 tons of furnace oil and is expected to earn Rs. 21.5 million from these sales. Details of Import, Export local production and consumption of the various products during 1975-76 are given in the following table.

TABLE XI

(All figures in Tons)

Products	Availability of P.O.L.			Disposal														
	Local Production	Import	Total Availability	Export	Bunker	Total External	Domestic Consumption	Total Disposal	Change in Stock									
100/130 ON	..	..	—	4,160	4,160	—	160	160	4,000	4,160	—							
73 ON	..	..	—	2,100	2,100	—	—	—	2,100	2,100	—							
JP-4	..	..	104,000	—	104,000	—	—	—	96,000	96,000	+8,000							
M.S.	..	..	201,000	—	201,000	—	—	—	270,000	270,000	-69,000							
H.O.B.C.	..	..	40,000	33,300	73,300	—	—	—	77,000	77,000	-3,700							
Naptha	..	..	89,800	—	89,800	108,000	—	108,000	—	108,000	-18,200							
Total (Light distillates)										434,800	39,560	4,74,360	1,08,000	160	1,08,160	4,49,100	5,57,260	
JP-1	..	..	3,20,000	—	3,20,000	—	1,60,000	1,60,000	1,38,000	2,98,000	+2200							
S.K.	..	..	2,14,900	3,52,500	5,67,400	—	—	—	5,00,000	5,00,000	+67,400							
H.S.D.	..	..	5,34,500	6,77,300	12,11,800	—	18,000	18,000	12,47,000	12,65,000	+53,200							
L.D.O.	..	..	2,28,980	79,562	3,08,542	—	4,000	4,000	2,98,000	3,02,000	+6,542							
Total (Middle distillates)										12,98,380	11,09,362	24,07,742	—	1,82,000	1,82,000	21,83,000	23,65,000	
Furnace Oil										10,51,300	—	10,51,300	1,55,000	2,00,000	3,55,000	8,81,000	12,36,000	-1,84,700
Total of Fuel Products										27,84,480	11,48,922	39,33,402	2,83,000	3,82,160	6,45,160	35,13,100	41,58,260	
Asphalt										1,20,000	—	1,20,000	20,000	—	20,000	1,00,000	1,20,000	—
Others										20,000	—	20,000	—	300	300	1,64,000	1,64,300	-1,44,300
GRAND TOTAL										29,24,480	11,48,922	40,73,402	2,83,000	3,82,460	6,65,460	37,77,100	44,42,560	



## FUELS

### OIL AND GAS DEVELOPMENT CORPORATION (OGDC)

#### Review of 1974-75

17.24. For the Drilling Programme 1974-75, the revised target set for OGDC was to drill 43,500 feet at eight locations. The performance of OGDC has fallen far short of the target and the actual depth drilled was 30,000 feet, showing a physical achievement of 69%. The detail of the work performed by OGDC is given in Annexure I. In respect of exploration, OGDC deployed three parties for geological survey and two parties for gravity survey. For seismic survey, four parties were deployed instead of five envisaged in the plan for 1974-75. About 835 linear kilometer area was covered by gravity survey, 735 linear kilometer by seismic survey and 7,668 gravity stations established. Details of achievements are given in Annexure II.

17.25. No substantial progress was made in the establishment of a Laboratory of Applied Stratigraphic Palynology and Modernization of Drilling and Well Logging Equipment. The development of Sari and Hundi gas fields had also fallen behind schedule and supply of gas from these fields is now scheduled to start in July, 1975. The de-hydration plant will not be installed even by that date and unpurified gas is planned to be injected in the SGTC's supply system only to the extent it can be used without de-hydration.

#### Plan for 1975-76

17.26. *Drilling Programme.*—In physical terms it is planned to drill about 27,000 feet during 1975-76. This does not include drilling being arranged by OGDC through foreign contractors. The drilling by OGDC on its own account will be 3,000 feet less than the actual drilling for 1974-75. The reduction is because of the that out of the allocation of Rs. 210 million for the scheme for Oil and Gas Development, OGDC has ear-marked Rs. 70 million for contract drilling at Toot field by foreign contractors. The issue of contract drilling is under examination and if the amount of Rs. 70 million is not to be allocated for contract drilling then the targets will be accordingly increased to 40,000 feet. In any case, total drilling programme including contract drilling is longer in 1975-76. The number of wells to be drilled is estimated to be five. Details of drilling programme are given in Annexure III.

17.27. *Exploration Programme.*—The exploration programme envisages deployment of one gravity survey party, two geological survey parties and two seismic survey parties. The area to be surveyed under geological survey programme is 550 linear kilometers, and under seismic survey 425 linear kilometers. The number of gravity stations will be 3,834. Details of the targets for exploration are given in Annexure IV. These targets may also be revised upwards if Rs. 70 million reserved for contract drilling is not used for contract drilling.

17.28. In financial terms, the total allocation in ADP 1975-76 for the scheme of Oil and Gas Development is Rs. 210 million as against Rs. 146.2 million for 1974-75, an increase of 43.6% over that of last year. The total allocation to OGDC for 1975-76 stands at Rs. 278.13 million as against Rs. 168.0 million in 1974-75, showing an overall increase of 65.6%.

## PETROLEUM CONCESSIONS

#### Review of 1974-75

17.29. The total drilling done by the private exploration companies during 1974-75 was 46,525 feet out of which 31,923 feet were drilled by AMOCO Pakistan Exploration Company at four test wells in the Punjab and Baluchistan, 8,230 feet by Marathon Petroleum Pakistan Limited upto 30th May 1975 at well No. 1 on Mekran Coast and 6,372 feet of offshore was drilled by Wintershall (AG) Company. The detailed performance of these companies is given in Annexure V.

17.30. In respect of exploration, AMOCO Pakistan Exploration Company deployed one exploration party for surface geological survey and two parties for seismic survey. The Pakistan Texas Gulf Corporation deployed one party for gravity magnetic survey whereas Trend Pakistan Corporation deployed one party for seismic survey and one party for aeromagnetic survey. The Marathon Petroleum Company Pakistan Ltd deployed one party each for geological, seismic, geoditic and offshore survey. The details of the performance of various parties are given in Annexure VI.

#### Plan for 1975-76

17.31. In the private sector the annual plan 1975-76 provides about 68,500 feet of drilling as against 46,525 feet during last year, an increase of 47.2%. The targets of various companies are presented in the following table. A detailed drilling programme is given in Annexure VII.

TABLE XII

Name of the Company	Depth in feet to be drilled
AMOCO Pakistan .. .. .	41,5000
Marathon Petroleum .. .. .	15,000
Wintershall .. .. .	12,000

17.32. The Pakistan Oil fields Ltd plans to drill five development wells in three years at Meyal which will increase the local production of oil to 9,000 barrels per day. Out of this, two development wells will be drilled during 1975-76. Pakistan Petroleum Ltd has entered into a joint venture with AMOCO for exploration and plan to carry out seismic survey in two areas leased to the Company during 1975-76.

17.33. In the field of exploration and survey, various companies have chalked out their exploration programmes which are given in detail at Annexure-VIII. Broad targets for 1975-76 are given in the following table :

TABLE XIII

Name of the Company	Type of Survey	Number of Parties
AMOCO Pakistan	Seismic .. .. .	2
	Geological .. .. .	1
Pakistan Texas Gulf	Gravity Magnetic .. .. .	1
	Seismic .. .. .	1
Trend Pakistan Cor	Aeromagnetic .. .. .	1
	Seismic .. .. .	1
Marathon Petroleum	Geological .. .. .	1
	Seismic (vibrosies) .. .. .	1
Wintershall	Seismic .. .. .	N.A.

17.34. In financial terms, the Government of Pakistan will contribute Rs. 33.054 million towards its share in the exploration effort under various agreements between the Government of Pakistan and the exploration companies as against Rs. 17.991 million during 1974-75. The current year's contribution shows an increase of 83.7% in Government participation.

## GAS TRANSMISSION AND DISTRIBUTION

### Review of 1974-75

17.35. The annual plan 1974-75 envisaged completion of SNGPL's project 3-A for supply of 26 MMCFD of Gas for meeting the partial requirements of a 200 MW Gas Turbine station at Lyallpur, and the 40 miles stretch of Sari-Karachi Section (Phase-I) of Indus Right Bank Pipeline Project by January 1975. Project 3-A of SNGPL was completed on 22nd March, 1975. But the commissioning of Sari-Karachi Section of IRBP Phase-I has been delayed by six months because the development of the Sari Hundi gas fields by OGDC is behind schedule. As a result 12 MMCFD of additional gas which was expected in 1974-75 did not become available for Karachi.

17.36. On the other hand the SNGPL's sales in the Upcountry exceeded the target. Due to the delay in the commissioning of the WAPDA gas turbine station Lyallpur, the additional 26 MMCFD gas which became available on completion of project 3-A was used to cater for other gas requirements. There were however, some short falls in the supply of Gas to WAPDA Power Stations of Shahdara and Lyallpur during early winter which were met by using oil.

17.37. Substantial progress has been reported on SNGPL project (4-A) for supply of additional 40 MMCFD of gas to the Pak-Arab Fertiliser Factory at Multan. Orders have been placed for all materials and construction equipment pertaining to the project. First shipment of 18" pipe have already been received while the second shipment is on high seas. Most of the valves and fitting, coat and warp material will be received by the end of July 1975. However, the work for installation of purification plant is still in very initial stages.

17.38. In respect of project 4-B for the supply of additional 78 MMCFD gas to the up-country, the design work of new loop lines and new pipe lines is almost complete while the design work of compression is approximately 80% complete. In respect of materials procurement, tender enquiries for all material and construction equipments were floated in December, 1974/January, 1975. The present position is that bids for major items of material and equipment have been received, evaluated and recommendation for placing orders have been finalised. Letter of intent will be issued as soon as IBRD loan for external finance become effective.

Plans for 1975-76

17.39. SNGPL.—In the annual plan period of 1975-76 the entire work of construction of pipeline loops under Project (4-A) will be completed according to the following schedule.

TABLE XIV  
*Schedule of work for Project 4-A.*

Pipeline Section	Commencement of construction	Completion of construction
16 miles of 18" loop-line from AC 4 to Sutlej .. .. .	15th June, 1975	15th August, 1975
12 miles of 18" loop-line from AC—2 to A—3 .. .. .	1st September, 1975	31st October, 1975
7.8 miles of 16" loop line at B leg from MP 30.7 to BC-I .. .. .	15th June, 1975	15th Sept, 1975

17.40. The SNGPL's Project 4-B, is designed for expansion of system capacity mainly to cater for requirements of WAPDA, cement Plants, fertilizer plant and normal growth in demand upto 1978, by construction of 80.36 miles of 16" loop-lines. For extension of Gas to towns of Sialkot, Wazirabad, Gujrat, Sheikhpura and Sargodha 6" and 8" pipelines will be constructed. The project also envisages installation of a purification bank of 100 MMCFD.

17.41. For annual plan 1975-76, SNGPL's tentative schedule of work based on the assumption that 30 miles of 16" pipeline will be delivered by 31st August is as follows ;

TABLE XV  
*Schedule of work for Pipeline construction under Project 4-B*

Pipeline Section	Commencement of construction	Completion of construction
(a) 13 miles of 16" loop from A 8 to Ravi River near Abdul Hakim .. .. .	15th November, 1975	15th January 1976,
(b) 16.5 miles of 16" loopline from AV 40 to AC 8 .. .. .	1st November, 1975	31st March, 1976
(c) 23 miles of 8" extension from Rahwali to Gujrat .. .. .	1st February, 1975	31st May, 1976
(d) 15 miles of 6" extension to Sargodha .. .. .	15th April, 1976	31st July, 1976

17.42. In respect of construction of compressor stations envisaged under project 4—B following works are planned.

TABLE XVI

*Schedule of work for construction of Compressor Station*

Compressor Station	Works Envisaged
New Station AC I	All civil works involving piling, construction of industrial building and colony are expected to be completed by 30th June, 1976. Foundation for compressor units and Shed. —Commencement of construction .. .. . 1st May, 1976 —Completion of construction .. .. . 30th September, 1976 Mechanical installation of compressor units will be carried out in 1976-77.
Compressor Station AC 4	Civil works for housing colony, foundation of compressor station and Shed. —Commencement of construction .. .. . 1st July, 1975 —Completion of construction .. .. . 31st January, 1976 Works on mechanical installation of units will be under-taken in the fiscal year 1976-77.
Compressor Station AC 6	Civil works for housing colony, foundation for compressor station and Sheds. —Commencement of construction .. .. . 1st October, 1975 —Completion of construction .. .. . 30th June, 1976 Mechanical Installation of units to be carried out in the fiscal year 1976-77.

17.43. In the southern region the first phase of Indus Right Bank Pipeline project is expected to be completed in July 1975 by which time Sari and Hundi Gas field are expected to be fully commissioned. Additional supply of 12 MMCFD gas to Karachi (without dehydration) will start in 1975-76. Material procurement for pipeline and its construction for Sari-Sui section is expected to make substantial progress and the project including purification bank of 100 MMCFD is scheduled to be completed by December, 1976.

17.44. The existing purification capacity at Sui comprises five banks of 55 MMCFD each and 2 banks 100 MMCFD capacity each. Under projects 4-A and 4-B and two additional banks of 100 MMCFD each are envisaged, while under Indus Right Bank Pipe line project a third purification plant has also been proposed. As SGTC is managing the existing purification plants, therefore, it is proposed that the extension in the purification plant proposed by the two companies, SGTC and SNGPL, should be done in a coordinated manner. Uptodate progress is as follows :—

- (i) Pre-qualification of the international firms for the purposes of inviting tenders has been completed.
- (ii) Preparation of tender documents and specifications is almost complete and these are expected to be despatched to pre-qualified firms by the end of June, 1975.

17.45. The total number of consumers of Natural Gas in Pakistan is estimated to increase from 2,08,302 in 1974-75 to 273,495 in 1975-76. The new consumers to be served during 1975-76 will be 33,150 by SNGPL to 22,230 by KGC and 9,813 by IGC. A detail company wise break up of the consumers by categories is given in annexure IX.

17.46. In financial terms according to the estimates, the expenditure of SNGPL for 1975-76 will be Rs. 471.162 million as against its estimated expenditure of Rs. 149.24 million in 1974-75. SGTC's estimates its expenditure for 1975-76 at Rs. 491.7 million as against Rs. 251.3 million in 1974-75. The Karachi Gas Company plans capital investment of Rs. 34.5 million for 1975-76 as against estimated expenditure of Rs. 16.5 million in 1974-75 while I.G.C. proposes to spend Rs. 29.01 million in 1975-76 as against Rs. 21.34 million in 1974-75. The total equity contribution of the Government to SNGPL and SGTC in the fiscal year 1975-76 will be Rs. 240 million as against its contribution of Rs. 135.0 million in 1974-75. A detailed break up of the companies financial plan is given in annexure X.

## OIL REFINING

**Up-country Refinery**

17.47. The increasing demand of refined petroleum products in the country has already exceeded the existing refining capacity. In the light of the demand forecast, the Government decided to set up a petroleum refinery of 2 million tons capacity near Multan with a crude oil pipeline from Karachi to Multan. The project has been undertaken with the participation of Abu-Dhabi. Out of an estimated cost of Rs. 1,800.0 million about Rs. 65.55 million have been spent on preliminary works. The current years A.D.P. provides for Rs. 143.0 million with a foreign exchange component of Rs. 77.0 million.

17.48. It is expected that orders for pipeline will be placed in the 1st quarter of 1975-76 and the entire material for pipeline will be procured during 1975-76. Material for the refinery will be procured next year (1976-77). The provision for 1975-76 includes only consultants fees for the refinery.

#### **State Petroleum Refining and Petrochemical Corporation**

17.49. A total provision of Rs. 128 million has been made for the A.D.P. 1975-76. About Rs. 10.0 million will be spent out side A.D.P. The provision includes Rs. 100.0 million for the expansion of National Refinery capacity from 0.55 million tons to 2.0 million tons. The expansion is expected to be on stream by the end of the financial year.

#### **Energy Resources Survey Review of 1974-75**

17.50. The energy resources survey project has progressed a bit ahead of schedule in that all historical energy statistical data has been compiled and various chapters of preliminary report have been drafted. Forecast of energy requirements by source, form and sector are being made, using computer model, in Canada, by the sub-contractor and the energy resources survey cell.

17.51. The other project of Rural Energy Survey has been in train since 15th April 1975. It is proposed to survey, through a questionnaire, a total of 5,000 households to be completed in the next 3 quarters. The sample populations covering the provinces of Punjab and NWFP have been completed. Nearly three-fourth of Sind Province has been covered and survey work in the Province of Baluchistan was initiated on 19th May, 1975. It is hoped that all the survey work will be completed by 15th June 1975. Presently the field survey results are being compiled and processed for preliminary conclusions.

#### **Plan for 1975-76**

17.52. It is expected that with the current speed of progress in the energy resources survey the draft report will be submitted to the Government by 15th July 1975. The final report will be submitted after its evaluation by the United Nations and the Government of Pakistan, in the middle of November 1975. The work envisaged for 1975-76 will lay emphasis on analysis of statistical data in order to formulate policy option in the light of terms of reference of the project. It is hoped that these policies options will be included in the draft final report due for submission on 15th July 1975.

17.53. The Subcontractor Team has indicated that a number of follow up project proposals will be included in the draft final report due on 1 July 1975. It is believed that the follow up work relating to this project will include proposals in the following areas :—

- (a) Utilization of low grade coal for power generation.
- (b) Utilization of low grade coal for replacing fuel oil in power plants, cement and fertilizer plants.
- (c) Geothermal energy development.
- (d) Utilization of compressed natural gas in the transport sector, especially Pakistan Railways.
- (e) Efforts to increase energy supply at the rural level.
- (f) Improve energy conversion, transmission and utilization efficiencies, especially in the industrial sector through combined heat and power production.

### **POWER**

#### **Review of 1974-75**

17.54. The most disturbing feature of power system operation during the year was the persistence of drought which greatly reduced the capability of the hydel stations particularly Mangla. As a result hydel generation fell, short of the estimates at the commencement of the plan and contributed 4,359 MKWH as against the target of 5,500 MKWH.

17.55. A severe power shortage was faced in winter of 1974-75. The power shortage was met in a planned manner to reduce its impact on production. Electric lighting for decoration, advertisements or displays were banned and commercial loads were curtailed. Use of electric appliances as heaters etc. was also banned. Besides this the day time load pattern was regulated by staggering Industrial holidays. The maximum load shedding during this period was of the order of 273 MW.

17.56. The annual plan 1974-75 envisaged commissioning of 200 MW gas turbine station at Lyallpur and installation of 25 MW Gas Turbine unit at Quetta. The original schedule of commissioning of Lyallpur Gas Turbine was September, 1974 which was then revised to January 1975. However, due to delay in

shipment of machinery the station could not be commissioned by January, 1975 and the revised date of completion is August, 1975. The 25 MW gas turbines at Quetta was put on load in January 1975 and its final commissioning is expected by 15th June, 1975 as per schedule.

17.57. The first two units of 110 MW each at Guddu were formally commissioned in March 1974 and September, 1974 respectively. Due to initial teething troubles there were large number of unscheduled shut downs rendering the units unreliable for most of the year. The operations have now stabilised and the station has contributed 581 MKWH during the year under review.

17.58. In respect of other generation projects earth filling and piling work is completed for the 3rd unit of 220 MW at Guddu. The commissioning date of Tarbela unit 1-4 has been advanced due to mishap at Tarbela. Units 1 and 2 are now scheduled for commissioning in December, 1976 and units 3 and 4 in May, 1977. Essential inescapable civil works for Tarbela units 5-8 have been almost completed (which include switchyard extension and left stilling basing wall).

17.59. The total installed capacity by June, 1975 is estimated at 2,570 MW as against the annual plan target of 2,670 MW due to only partial completion of the Lyallpur Gas turbine station. The break up is as follows :—

TABLE XVII

WAPDA Grid	..	..	..	..	..	..	..	..	..	..	1,721 MW
K.E.S.C.	..	..	..	..	..	..	..	..	..	..	485 MW
										Total ..	2,206 MW
Isolated systems	..	..	..	..	..	..	..	..	..	..	130 MW
Captive industrial capacity	..	..	..	..	..	..	..	..	..	..	234 MW
										Total ..	2,560 MW

17.60. In respect of transmission and distribution it is estimated that the total length increased to 56,000 miles by June, 1975. Progress on major transmission projects is as follows :—

TABLE XVIII

Name of the transmission lines	Physical progress
500 KV Tarbela-Lyallpur Transmission line	Orders for purchase of towers, overhead ground wires, stringing equipment, surge arrestors, emergency diesel set, etc. have been placed. About 10% construction work is completed.
Two 220 KV double circuit Transmission Lines between Tarbela-Wah	Chinese design received, discussed and finalised. The staking of towers and the transmission line was completed and profiles were prepared. Construction work on the Transmission Line has been started.
220 KV Mangla Transmission Line Extension (Northern Zone Transmission Line Extension).	100% work is completed.
Guddu-Sibbi-Quetta Transmission Line	The hardware for this Transmission Line is being received. The contract for the construction of single circuit 220 KV Guddu-Sibbi Line on locally manufactured concrete poles has been awarded and construction work is in progress.  Contract for 132 KV Sibbi-Quetta Section have also been opened and the contractor has started construction work. Steel towers and conductors have been procured. The construction of sub-stations at Sibbi and Mach has been initiated.

17.61. According to upto date estimates KESC has electrified 36,763 new consumers while WAPDA has extended connections to about 1,00,659 new consumers during 1974-75. Including connections given by REPCO and MESCO the total increment in the number of connections during 1974-75 is estimated at 1,43,650. The grand total of number of consumers of electricity therefore, stands at about 2.12 million on 30th June, 1975. A detailed break up of consumers, agency-wise and category wise is given in Annexure XI.

17.62. During 1974-75, 604 villages were electrified including 50 villages electrified by KESC. Province wise break up is given in the table below :—

TABLE XIX  
*Village Electrification*

						Punjab	Sind	N.W.F.P.	Baluchistan	Total
1974-75	WAPDA	..	..	..	..	222	219	85	28	554
	KESC	..	..	..	..	—	50	—	—	50
										604

17.63. The total energy generation in the country during 1974-75 was 10,447 MKWH as against 9,438 MKWH during 1973-74. The maximum demand on various systems in different zones have also shown an increase, despite power shortages. A comparative statement is given in Table XX below :—

TABLE XX

							1973-74	1974-75	%increase	
Energy Generation Total	..	..	..	..	..	..	9,438 MKWH	10,447 MKWH	10.7	
By WAPDA	..	..	..	..	..	..	7,056 "	8,040 "	13.9	
By KESC & KANUP	..	..	..	..	..	..	1,930 "	1,957 "	1.8	
Other	..	..	..	..	..	..	452 "	450 "	—	
<b>Maximum Demand</b>										
WAPDA Northern Grid	..	..					1,105.2 MW	1,236.5 MW	11.9	
Upper Sind	..	..					41.2 "	41.9 "	1.7	
Lower Sind	..	..					71.1 "	87.6 "	23.2	
Quetta	..	..	..	..	..	..	17.9 "	23.4 "	30.7	
K.E.S.C.	..	..	..	..	..	..	348.0 "	375.0 "	7.7	
							(including Hyderabad)			

#### Objectives for 1975-76

17.64. The objectives can be summarised as follows :

- Providing connections to 92,000 new consumers including 4,000 industrial and 8,000 agricultural consumers and electrification of 500 new villages in WAPDA system.
- Providing connections to 35,000 new consumers including 3,200 industrial and 30 agricultural consumers, and electrification of 50 new villages in the KESC system.
- For the development of electricity in less developed regions, installation of diesel stations in 30 towns of Baluchistan, and installation of small hydel generators in northern areas and Azad Kashmir and extension of distribution facilities in these areas.
- In the field of nuclear power, preliminary work on a 600 MW Nuclear project and expansion of peaceful uses of atomic energy in the field of medicine and agriculture.

17.65. In order to achieve the above mentioned objectives a total provision of Rs. 2072.214 million has been made in the ADP, of which provision for WAPD is Rs. 1935.446 million including grant of Rs. 21.8 million for installation of diesel sets in Baluchistan, Rs. 50 million for small hydel station in the northern areas,

Azad Kashmir and N.W.F.P. and Rs. 45 million and for Atomic Energy Commission. Besides, Rs. 33.722 million have been provided for Power Programme for Azad Kashmir FATA and Northern areas. In addition, the provision for K.E.S.C. outside the ADP is Rs. 618 million. Table XXI shows that there is an increase of 57.78 in the Federal Programme of Power over the allocation for 1974-75. The expenditure in transmission will be 170% higher and in generation 11.5% higher than the allocation for 1974-75. Further details are given in Annex XII.

TABLE XXI

(Rs. in million)

	Allocation 1974-75	Allocation 1975-76	% increase
Atomic Energy Commission .. .. .	65.00	45.00	(-44.4
Energy Resources .. .. .	3.7	8.046	117.5
WAPDA (excluding grant to Baluchistan for Diesel sets) .. .. .	1204.973	1913.646	58.81
Under developed areas (including grant to Baluchistan for Diesel sets) .. .. .	39.7	105.522	165.8
Total .. .. .	1313.373	2072.214	57.78

**PROGRAMME FOR 1975-76**

**WAPDA SYSTEM**

**Generation**

17.66. The major on going generation projects are Tarbela Units 1 to 4, Guddu Unit No. 3 and 200 MW Lyallpur Gas Turbine. The first two units of Tarbela are scheduled to be commissioned by December, 1976 and the other two units by March/May, 1977. Provision for this project is Rs. 101.246 million. Guddu Unit No. 3 is scheduled to be completed by December, 1977. Provision for this project is Rs. 270.00 Million. The 200 MW Lyallpur Gas Turbine is scheduled to be completed in August 1975. Provision for this project is Rs. 50 million. Besides, provision of Rs. 41.2 million has been made to start work on Mangla units 7 and 8 which is scheduled to be commissioned by March, 1978, and for Tarbela units 5 and 8 (Rs. 40 million) which is scheduled to be commissioned by June, 1979/January, 1980.

**Primary Transmission**

17.67. The major projects are 500 KV Tarbela-Lyallpur which needs to be commissioned by March/May 1977 in order to transmit the power to be made available from Tarbela units 3 and 4, 220 KV Tarbela Wah transmission line which needs to be commissioned by December, 1976 in order to transmit the power to be made available from Tarbela units 1 and 2 and 220 KV Mangla Transmission Extension associated with Mangla unit 5 & 6 which is scheduled to be completed by December, 1975. Provisions for these schemes stand at Rs. 500 million, Rs. 70 million and 50 million respectively. In order to supply power from the grid system to Baluchistan the Guddu Sibbi Quetta transmission project is also under execution and is scheduled to be commissioned by June, 1976. Provision of Rs. 110 million has been made for this project.

**Secondary Transmission**

17.68. The physical facilities expected to be constructed are 407 miles of 132 KV, 152 miles of 66 KV lines and 42 new grid stations plus partial completion of 80 new grid stations. A provision of Rs. 300 million has been made for this programme.

**Distribution and Village Electrification**

17.69. A total of 92,000 new consumers including 4000 Industrial and 8,000 agricultural consumers are to be provided electricity and 500 new villages are to be electrified. Detailed consumer statistics are given in Annex XI. A provision of Rs. 350 million has been made for this work.

**Operational Efficiency**

17.70. The operational efficiency of WAPDA continues to cause concern because of the spiral increase in power losses, mounting arrears in consumer bills and poor quality of service with consequent deterioration in financial performance.



## Power Losses

17.71. The power losses as percentage of units generated has steadily increased from 29.42%, in 1970-71 to 1.35% in 1971-72, 32.71% in 1972-73, 33.78% in 1973-74 and has touched a record figure of 36% in 1974-75, which is probably the highest in the world for any public utility system. While consumption in auxiliaries at 3.5% and losses in transmission at 8.9% has remained static, distribution losses and pilferage has increased substantially over the years from 15% in the late sixties to nearly 24% in the mid seventies.

17.72. The technical losses in power distribution should not exceed 10%. The first step in reducing the losses would be to carry out planning of the 11 KV distribution system *de-novo* in order to carry out augmentation of and renovation of the system to meet the increase loads. Piecemeal methods are not likely to give desired results, unless a comprehensive distribution plan (division wise) is drawn up and implemented expeditiously. In respect of losses due to theft of electricity the following steps are suggested to root out this social evil :

- (1) All 11 KV feeders should be metered accurately to register the units sent out. The meters should be properly protected from tampering by WAPDA staff.
- (2) Sub-divisions should be demarcated on feeder-wise basis and the SDO's and Executive Engineers should be given full authority for detection of stealing.
- (3) Every SDO incharge of a feeder should maintain a rise and fall register of energy bills to determine the extent of stealing by calculating the technical losses on the basis of the average load the feeder carried monthly.
- (4) The SDO should submit every month his report on the rise and fall of revenue as against the energy sent out to Divisional Engineer and the Divisional Engineers every quarter to Superintending Engineers every quarter to Superintending Engineers who should be made responsible for rooting out this malpractice in their circles.

## Arrears

17.73. *Arrears.*—The receivables from consumers has jumped from Rs. 200 to Rs. 250 million during the year 1974-75. Bulk of the arrears is on account of governmental departments and a concerted effect is required both at the Federal and Provincial levels for early recovery of arrears.

17.74. *Financial Performance.*—The financial performance of WAPDA has steadily deteriorated over the year in spite of the tariff increase allowed from time to time to compensate for the increase in fuel costs and general establishment expenses. The increase in operating income through increased generation and tariff increases has been offset by increase in losses and larger increase in operating expenses.

17.75. In spite of the drought condition the total units generated in 1974-75 were 12% higher than in 1973-74 but the actual sales registered an increase of only 8% due to increase in losses. The operating revenue increased by 17.3% partly accounted for by the increase in tariff. On the other hand the operating expenses jumped from Rs. 420 million in 1973-74 to \$ 706 million 1974-75 an increase of 68% which was mainly on account of nearly 100% increase in fuel costs (Rs. 370 million as against Rs. 186 million) and 45% increase in establishment charges (Rs. 218 million as against Rs. 151 million). As a result self-financing was nil and estimated return on net assets-in-operation which are valued at more than Rs. 6,000 million sagged to 1% in 1974-75 from 4.2% in 1973-74.

17.76. For 1975-76 the total energy generation is expected to increase by 17% mainly on account of higher generation from hydel plants and energy sales by 22% by bringing the losses back to the 1973-74 level of 33%. By virtue of the increases in tariff, 15% in February 1975 followed by 15% in June 1975 along with increased sales the total operating revenue is expected to rise by 48%. On the other hand the total operating expenses are expected to rise by only 15% assuming no further increase in fuel costs and restricting the annual increase in establishment charges to 10%. Thus the financial position of WAPDA is likely to improve considerably with an estimated provision of Rs. 190 million for self-financing and a return of 5% on the value of assets in operation.

## K.E.S.C. System

17.77. *Generation.*—Construction work will continue on Korangi Fourth Unit of 125 MW capacity and this project is scheduled to be commissioned by December/January, 1977. Tenders are under preparation for the 100 MW Karachi Gas Turbine Station and assuming delivery period of 18 months, the project is expected to be commissioned in September/December, 1976. Substantial progress on these two projects will be made during the year but they will not be commissioned during the year.

*Transmission.*—A total of 31 miles of transmission lines and 280 MVA transformation capacity will be constructed.

*Distribution.*—Distribution facilities comprising 140 miles of distribution lines will be constructed in order to provide connections to an additional 35,000 consumers.

17.78. *Programme for the less developed areas.*—WAPDA has already initiated the Guddu-Sibbi-Quetta transmission project in order to provide electricity to Baluchistan from the grid. This project is expected to be commissioned by December, 1976. A provision of Rs. 110 million has been made for this project. In addition to this, diesel stations in 30 towns of Baluchistan are being installed. Installation of small hydel stations in northern areas and Azad Kashmir and extension of distribution facilities in these areas are also to be undertaken. Provision for the programme of these areas is Rs. 50 million in addition to the allocation for in the WAPDA ADP.

OGDC.—APPRAISAL OF PERFORMANCE IN DRILLING PROGRAMME (1974-75)

Name of Well	Classification drilling	Rig No.	Targets for 1974-75				Achievements				Remarks/Reasons for not completing Targets (wherever applicable)		
			Rig Building	Drilling	Production Testing	Total Months	Foot age to be drilled	By 31-5-1975	Expected by the end of 1974-75	Feet			
<b>Deep Drilling</b>													
Toot-5	Development	301	—	—	5	5	—	—	—	—	—	1. Due to delay in purchase of Rigs. 2. Shortage of Casings and Spares.	
Toot-7	Development	301	3	4	—	7	—	—	—	—	27,500		
Surjan Toot-6	Test Development	303 305	4	3	—	7	—	—	—	—			
Rodho	Test	306	—	—	4	4	—	—	—	—			
Dhodak	Test	306	3	5	—	5	—	—	—	2,200			
Total months		..	10	24	9	43	27,500	10,039	—	17,989			
<b>Medium Rigs</b>													
Hundi-4	Development	201	—	4	1	5	4,500	4,417	—	—	12,013		
Sari/Pirkoh	Develop/Test	F-125	2	9	1	12	11,500	4,378	—	—			
Total Months		..	2	13	2	17	16,000	8,795	—	12,013			
Total Deep and Medium Drilling Months		..	37	11	66	43,500	18,834	—	—	30,000			

OGDC. EXPLORATION : OF APPRAISAL PERFORMANCE 1974-75

Name of Survey Parties	Type of Survey	Area Surveyed		Months	Achievements	
		Description	Location		Upto 31-3-1975	Expected by 30-6-1975
1. Geological Party No. 1, 2 and 3.	1. Detailed Geological investigation.	1. Saged Koh and Safed Koh Extension Areas.	21 Field Months.	678 L KM	835 LKM	
	2. Structural Mapping.	2. Dodak, Acoand and Zindapir (District D. G. Khan) Structure.				
	3. Structural and Stratigraphic Investigations.	3. Thano Ahmed Khan, Ranpathani and Thatia Licences Areas.				
2. Gravity Party No. 1 & 3.	Gravity Survey.	Carried out Gravity Survey and established Gravity Stations.	Tazaim (District D. G. Khan and Pannu Aqil (District Sukkur and Jacobabad) Exploration Licence Areas.	14 Field Months.	4137 G.S. 7668 G.S.	
3. Seismic Party Nos. 1, 4 and 5.	1, 2 Seismic Survey.	1. Seismic Reflection Profiling.	1. Nawabshah Exploration Licence Area.	28 Field Months.	431 LKM 750 LKM	
		2. Rajanpur Area.	2. Rajanpur Area			
			3. Ranpathani Licence Area.			
			4. Tazaim (District D. G. Khan) Licence Area.			
			5. Sagar, Tamman and Extension Exploration Licence Areas (District Campbellpur.).			

OIL AND GAS DEVELOPMENT CORPORATION  
TARGETS FOR DRILLING PROGRAMME 1975-76

Sl. No.	Name of Well	Place	Rig No.	Expected date of Completion	To be completed during 1975-76	To be started during 1975-76	Drilling to continue	Recent Depth in feet	Estimated Depth to be drilled 1975-76	Test Drilling or Development Drilling
1.	Toot-6 ..	Campbellpur Punjab.	305	October, 1975	To be completed.	—	—	11194	984	Development Drilling.
2.	Toot-17/abbi Dhok ..	Do.	301	On-going at the end.	—	New Start.	To continue.	—	8,200	Development Drilling / Test Drilling (abbi-Dhok).
3.	Dhodak-1 ..	D. G. Khan, Punjab.	306	January, 1976	To be completed.	New Start.	—	—	7,872	Test Drilling.
4.	Pirkoh-1 ..	MarrBugti Area Baluchistan.	F-125	January, 1976	To be completed	New Start.	—	—	7,872	Test Drilling.
5.	Rodho-3 ..	D. G. Khan Punjab.	201	January, 1976	—	New Start.	To continue.	—	2,000	Test Drilling.
									<u>26,928 feet</u>	

**OIL AND GAS DEVELOPMENT CORPORATION  
TARGETS FOR EXPLORATION PROGRAMME 1975-76**

Name of Survey Parties	Type of Survey	Area to be surveyed		Parties Months
		Description	Locations	
Two Geological Parties.	Geological Survey, including Geological mapping on 1:50,000. Scale, structural and stratigraphic investigations.	Laki, Loti, Ranpathani, Bambor Thatta and Sulaiman Ranges.	D. G. Khan, Sibi, Marri-Bugthi, Karachi Bannu, D. I. Khan, Dadu and Thatta.	14 months.
One Gravity Party.	Semi-detailed and detailed gravity survey.	Tuziani, Bambor Loti, Pano-Aqil, Thatta and Taunsa areas.	D. G. Khan, D. I. Khan Marri-Bugthi, Jacobabad, Sukkur, Dadu and Thatta.	7 months.
Two Seismic Parties.	Seismic reflection profiling.	Tamman, Basel, Bannu, Ranpathani, Laki Taunsa, Pano-Aqil and Thatta Areas.	D. G. Khan, 425 Profiles K.M. D. I. Khan, Jacobabad, Sukkur, Dadu and Thatta.	14 months.
				<b>35 months.</b>

PERFORMANCE OF PRIVATE COMPANIES HOLDING CONCESSIONS IN DRILLINGS 1974-75

Name of the Company (Operator)	Area leased out	Region	Name of the Well	Total Depth of well to be drilled	Depth actually Drilled
Amoco Pakistan Company.	Multan concession.	Punjab.	Kamiab No. 1	7500 feet.	7541 feet.
Amoco Pakistan	Multan concession.	Punjab.	Budhuana No. 1	4000 feet.	4198 feet.
Amoco Pakistan	Block A	Baluchistan.	Jhatpat No. 1	15000 feet.	15302 feet.
Amoco Pakistan Company.	Block C	Baluchistan (Mari).	Jandran No. 1	16000 feet.	4882 feet. (upto 8 May)
		Bugti Hills Loralai District) Bugti and Mari	Sub-total	42,500	27,041
Pakistan Texas Guif inc. Karachi.	11,120 Mills. <sup>1</sup>	Punjab Sind and Baluchistan.	None	None	None
Trend Pakistan Corporation	Licence ' 52 ' for 15000 sq. miles.	Makran, Kharan.	—	—	—
Marathon Petroleum Ltd.	10,000 sq. miles under the exploration and Prospecting Licence No. 50) Balu- chistan.	Makran Coast Baluchistan.	Garr-Koh Well No. No. 1	15,6000—16000	8230 ft. as on May 13, 1975 Drilling Ahead.
Wintershall AG.	2837 sq. miles.	Off shore.	Indus-Marine C 1	7000—8000 ft.	6372 ft.
			Sub-total	22000—24000	14,602

**DIRECTORATE OF PETROLEUM CONCESSIONS**  
**PERFORMANCE OF PRIVATE COMPANIES IN SURVEY IN 1974-75**

Name of the Company (Operator)	Areas leased out	No. of survey parties deployed	Type of survey	Area Surveyed
Amoco Pakistan Exploration Company.	Block-C	1 (5 mos)	Surface Geologic.	Pir Koh East, Kahan Tadri, Mawand Rastrani East.
Amoco Pakistan Exploration Company.	Block-A	1 (4.5 mos)	Seismic.	East Nara Canal.
Amoco Pakistan Exploration Company.	Block-C	1 (3.5 mos)	Seismic.	Kechi Kalat, Kahan, Fazal Chel, Bar Khan.
Pakistan Texas Gulf Inc. Karachi.	11,120 sq. miles.	One	Gravity Magnetic.	Kashmir Block.
Trend Pakistan Corporation	Licences '52' for 15000 sq. miles	1 Party 3 months 1 party.	Seismic.	124 line miles in licence area west of Punjab Licence area '52' plus regional lines 14,000 line miles.
Marathon Petroleum Pakistan Ltd.	10,000 sq. miles under the exploration and prospecting Licence No. 50 Baluchistan.	1. Geological one party. 2. Land seismic one party.	1. Geological structural stratigraphic surveys also photo geological studies. 2. Vibroseis.	About 4000 sq. miles on land completed. 512 line miles as of May 1, 1975.
Winter shall A.G.	2837 sq. miles.	3. Geodetic one party. One Marine seismic crew.	3. Satellite positioning observations. Off shore seismic surveys.	Observations commenced on April 29, 1975 3000 sq. miles planned. About 550 sq. miles planned.
		All areas covered through out seismic survey with a profiling of 1.5 Kilometers.		



**DIRECTORATE OF PETROLEUM CONCESSIONS  
TARGETS OF PRIVATE COMPANIES FOR DRILLING FOR DURING 1975-76**

Name of the Company	Area leased out	Region	Name of the well	Total Depth of the well to be drilled	Depth planned to be drilled
Amoco Pakistan Exploration Company. Block C		(Baluchistan) Mari Bugti Hills Loralai District.	Jandran No. 1	10,000 feet	16,000 feet
Amoco Pakistan Exploration Company. Block C		Baluchistan (Mari-Bugti Hills Sibi District).	Tadri No. 1	10,500 feet	10,500 "
Amoco Pakistan Exploration Company. Block C		Punjab, D. G. Khan District.	Sakhi Sarwar No. 1	15,000 feet	15,000 "
			Sub-total	41,500	
Pakistan Taxes Guif Inc. Karachi	11,120 sq. miles.	Punjab, Sind and Baluchistan.	None.	None.	None.
Trend Pakistan Corporation	License "52" for 15000 sq. miles	Makran Kharan.	Drilling to be considered after aero magnetic and Seismic surveys.	—	—
Marathon Petroleum Pakistan Ltd.	10,000 sq. miles under the exploration and prospecting Licence No. 50/Baluchistan.	Makran coast Baluchistan.	Zamin Well No. 1	15,000 feet	15,000 feet
Wintershall A.G.	2837 sq. miles.	Off shore.	Indus Marine D.	12,000 feet	12,000 feet
			<b>GRAND TOTAL</b>	68,500	

**DIRECTORATE OF PETROLEUM CONCESSIONS  
TARGETS OF PRIVATE COMPANIES FOR EXPLORATION IN 1975-76**

Name of the Company	Area leased out	No. of survey parties to be deployed	Type of Survey	Area to be surveyed
Amoco Pakistan Exploration Company. Block C		1 (6 mos)	Surface Geologic.	Pir Koh, Bambar Ghar, Kahan Tadari, Rastrani, Andari, Mawand Sukkur, Jacobabad.
Amoco Pakistan Exploration Company. Block A		1 (2 mos)	Seismic.	Kahan Kechi Kaist.
Amoco Pakistan Exploration Company. Block C		1 (1 mos)	Seismic.	
Pakistan Taxes Gulf inc. Karachi	11,120 sq. miles.	Two	(1) Gravity magnetic. (2) Seismic.	(1) Larkana and Umarhet Blocks (2) Kashmir and Larkana Blocks
Trend Pakistan Corporation	Licence '52' for 15,000 sq. miles	1 Party.	Geological.	License Area '52'.
		1 Party.	Semics.	
Marathon Petroleum Pakistan Ltd.	10,000 sq. miles under the exploration Prospecting License No. 50/Baluchistan.	(1) Geological one party.	Geological structural, stratigraphic and photo Geological studies. (Reconnaissance and or detailed work).	
Winter shall A.G.	2837 sq. miles.	(2) Vibroseis.		600 line miles.
		All areas covered through seismic Surveys with a profiling of 1.5 K. M.	Recreation of Existing data.	

## GAS CONSUMERS STATISTICS

Categories	As on 30-6-1974				New Service Connections							
	Total		Estimates 1974-75		Targets 1975-76				Total			
	SNGPL	KGC	I.G.C.	Total	SNGPL	KGC	I.G.C.	Total	SNGPL	KGC	I.G.C.	Total
General Industry ..	..	1,435	632	129	2,196	280	23	30	333	200	30	245
Fertilizer ..	..	3	—	—	3	—	—	—	—	—	—	—
Power ..	..	10	3	5	18	—	—	—	—	—	—	—
Cement ..	..	5	3	2	9	—	—	—	—	—	—	—
Commercial ..	..	5,196	2,288	1,180	8,664	1,614	297	448	2,359	1,510	200	2,06
Domestic ..	..	58,291	77,645	17,409	1,53,345	18,095	16,078	7,202	41,375	31,440	22,000	9,448
	..	64,940	80,570	18,725	1,64,235	19,989	16,398	7,680	44,067	33,150	22,230	65,193

## GAS COMPANIES—FINANCIAL PLANS

(Rs. in Million)

	Estimated Expenditure 1974-75						Proposed for 1975-76					
	SNGPL	SGTC	IGC	KGC	Total	SNGPL	SGTC	IGC	KGC	Total		
Local Loan .. .. .	30.00	20.00	—	13.183	63.183	60.00	179.20	3.10	4.50	246.80		
Foreign Loan .. .. .	8.813	134.30	11.74	—	154.853	298.148	178.2	—	5.00	481.348		
Foreign Equity .. .. .	—	—	—	—	—	—	—	—	—	—		
Local Equity .. .. .	75.00	60.00	—	—	135.00	110.00	130.00	—	—	240.00		
Self-Financing .. .. .	35.429	37.00	9.60	13.681	95.71	3.014	4.30	12.10	10.00	29.414		
Funds from Government .. .. .	—	—	—	—	—	—	—	10.582	—	10.582		
Subsidy from Government .. .. .	—	—	—	—	—	—	—	3.228	—	3.228		
Debtenture Issue .. .. .	—	—	—	—	—	—	—	—	15.00	15.00		
	149.242	251.30	21.34	26.864	448.746	472.162	491.7	29.01	15.00	1026.372		

\*Based on Estimates.

## ELECTRICITY CONSUMERS STATISTICS

1	Total number of consumers as on 30-6-1974						New consumers estimated for 1974-75						New consumers target for 1975-76												
	WAPDA		MESCO		REPCO		WAPDA		KESC		MESCO		REPCO		WAPDA		KESC		MESCO		REPCO		Total		
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	
General	..	14,39,140	2,58,607	33,754	86,512	18,18,013	89,499	33,359	1,658	4,238	1,28,754	80,000	31,770	5,991	9,934	1,27,695									
Domestic	..	11,37,670	2,07,068	24,377	59,419	14,28,534	N.A.	27,379	740	3,217	31,336	N.A.	26,800	2,512	7,534	36,846									
Commercial	..	3,00,220	48,659	9,213	27,093	3,85,185		5,341	542	1,021	6,904	N.A.	4,500	2,939	2,400	9,839									
Others]	..	1,250	2,880	164	—	4,294	—	639	376	—	1,015	—	470	540	—	1,010									
Industrial	..	78,280	14,438	2,308	3,409	98,435	5,749	3,376	304	20	9,449	4,000	3,200	3,134	50	10,384									
Agricultural (Tubewells)		63,730	558	—	—	64,288	5,411	29	—	7	5,447	8,000	30	—	16	8,046									
Total	..	15,81,150	2,73,603	36,062	89,921	19,80,736	1,00,659	36,764	1,962	4,265	1,43,650	92,000	35,000	9,125	10,000	1,46,125									

Grand Total on June, 1975 .. 21,24,386

Grand Total on June, 1976 .. 22,70,511

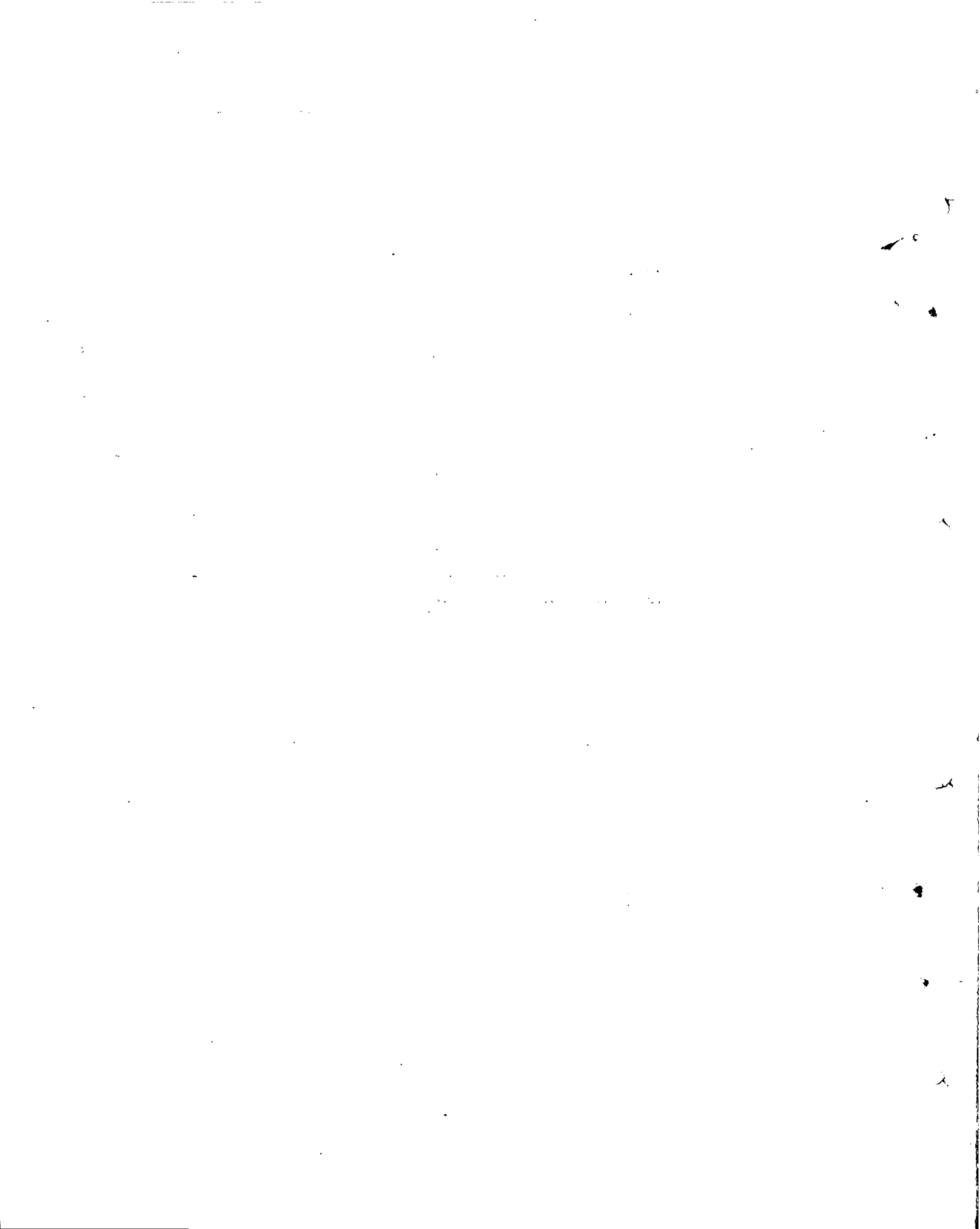
**Annexure XII**

(Rs. in million)

W.A.P.D.A.								Allocation for 1974-75	Allocation for 1975-76	% increase	
Generation	..	..	..	..	..	..	..	461.473	514.146	11.41	
Transmission	..	..	..	..	..	..	..	273.5	737.5	169.65	
Secondary Transmission	..	..	..	..	..	..	..	210.00	300.00	42.86	
Distribution and Village Electrification	..	..	..	..	..	..	..	252.50	350.00	38.61	
Power Development in Azad Kashmir	..	..	..	..	..	..	..	7.50	10.00	33.33	
<b>Total</b>								..	1,204.973	1,911.646	58.65

(Rs. in Million)

K. E. S. C.								Estimated expenditure for 1974-75	Proposed for 1975-76	% increase	
Generation	..	..	..	..	..	..	..	102.58	434.02	323.1	
Transmission	..	..	..	..	..	..	..	31.51	76.49	142.75	
Distribution	..	..	..	..	..	..	..	80.86	97.56	20.65	
Others	..	..	..	..	..	..	..	9.83	10.50	6.82	
<b>Total</b>								..	224.78	618.57	175.2



CHAPTER 18

TRANSPORT AND COMMUNICATIONS

18.1. The increase in the development efforts and the consequent accelerated tempo of developmental activities placed on unprecedented demand on the Transport and Communications Sector resulting in a great strain on the available capacities. Conditions were specially aggravated in the transport sector where the accelerated pace of development in the various sectors of the economy placed heavy demand on the need for mobility. The low investment in railways and ports prior to 1971 had resulted in an inadequate capacity. As a consequence there was an adverse affect on production export and internal availability of goods. The capacity was augmented to a certain extent by the rapid expansion of road transport but this was achieved at a higher economic cost. The increase in the prices of petroleum products brought about a completed change in the economics of transportation.

18.2. As against a total freight traffic of 11637 million ton-miles carried in 1974-75, it is estimated that 17574 million ton-miles of freight traffic would be carried by the transportation network by the end of the Development Perspective in 1979-80. As regards passenger traffic, as against an estimated traffic of 23500 million passenger-miles carried in 1974-75, it is estimated that the passenger traffic would increase to 35931 million passenger-miles by 1979-80. This would place a heavy demand on the transportation system of the country.

18.3. In order to optimise the movement of freight and passenger traffic whilst keeping in view the constrained resources and the systems capacity of the existing transportation network, three alternatives of inter-modal distribution of traffic could be considered.

*Alternative I.*—Maintaining the present capacity of railway and allowing the entire increase to go to road.

*Alternative II.*—Allowing the railway traffic to increase at the growth rate of 7.8% proposed by the the Planning Commission.

*Alternative III.*—Keeping the freight movement by road stagnant at 1974-75 level and allocating the balance to the railway.

18.4. A comparative statement of traffic and cost at 1974-75 prices, for the three alternatives for 1975-76 is reflected in Table I, below :

TABLE I

*Traffic in million ton miles Cost in million rupees*

Alternative	Rail		Road		Total	
	Traffic	Cost	Traffic	Cost	Traffic	Cost
I* .. .. .	4768	620	7963	2325	12731	2945
II .. .. .	5140	668	7591	2217	12731	2885
III .. .. .	5862	762	6869	2006	12731	2768

\*Source : Railway Statistics (Budget 1975-76)



## Review of 1974-75

18.5. An allocation of Rs. 2027.34 million was made under the Public Sector Programme for the Transport and Communications Sector during 1974-75. The utilization was Rs. 2032.54 million which gave an overall utilization of 100.26%.

18.6. The expenditure in the public sector under the federal programme during 1974-75 was Rs. 1378.52 million as against an allocation of Rs. 1455.29 million which gave an achievement of 94.73%. Under the provincial public sector programmes, as against an allocation of Rs. 572.08 million, an expenditure of Rs. 654.02 million was incurred which gave a performance of 114.32%.

18.7. In the federal semi-public sector (KPT, PIA and NSC etc.) the 1974-75 developmental programme provided Rs. 538.00 million, out of which a sum of Rs. 416.05 million was utilized, giving a performance of 77.33%. Under the provincial programme of the semi-public sector which consists principally of the Road Transport Corporations, as against an allocation of Rs. 466.50 million, an expenditure of Rs. 183.38 million was incurred which gave a utilization of 39.31% only.

## Traffic Forecast

18.8. *Rail and Road Traffic*.—Estimates of the intercity freight and passenger traffic for the Development Perspective 1975-80 are placed at Appendix III and summarised as under :—

TABLE II

Year	Total	Rail	Road	Pipeline
<b>A. Freight Traffic (Million Ton Miles)</b>				
1974-75	11637	4768	6869	
1975-76	12801	5245	7556	
1979-80	17574	7458	10016	100
<b>B. Passenger Traffic (Million Passenger Miles)</b>				
1974-75	23500	7621	15879	
1975-76	25615	8071	17544	
1979-80	35931	10151	25780	

18.9. The GDP for 1975-76 is expected to increase at the rate of 10% over that of 1974-75. The coefficient of elasticity for freight traffic and GDP has been worked out as unity in the Working Paper for the Development Perspective (1975-80) by carrying out regression analysis. The overall freight traffic is therefore expected to increase at the rate of 10%.

18.10. The annual growth rate of freight traffic carried by railway has been taken as 10% keeping in view the expected increase in capacity owing to an estimated 80% implementation of the Crash Programme and increase in operational efficiency. The balance of the freight traffic would be carried by the road transport. The rate of increase from 1976-77 to 1979-80 however has been taken as 9.2% in case of railways and 7.3% in case of road and has been based upon the analysis carried out in the Working Paper for the Development Perspective (1975-80).

18.11. In case of passenger traffic, the annual growth rate has been taken as 5.9% for railway and 10.1% for roads, as worked out in the Working Paper for the Development Perspective (1975-80).

18.12. *Port Traffic*.—An estimate of port traffic for 1974-75 and forecast for 1975-76 is given in Table III.

**TABLE III.**  
**Port Traffic**

										(Million Tons)	
										1974-75	1975-76
Oil Cargo	..	..	..	..	..	..	..	..	..	4.000	4.100
Dry Cargo	..	..	..	..	..	..	..	..	..	6.000	6.200
<b>Total</b>										<b>10.000</b>	<b>10.300</b>
<b>Annual Growth Rate</b>										..	<b>3%</b>

**Strategy for 1975-76**

18.13. The strategy for 1975-76 for the Transport and Communications Sector is briefly outlined below :—

- (i) Railway have to be induced to handle greater share of traffic out of economic considerations.
- (ii) The development of different modes of transport shall be undertaken on an integrated basis.
- (iii) The number of schemes would be restricted and new schemes will only be incorporated if absolutely essential, so as to avoid the dilution of the constrained resources. Accordingly, only a limited provision is being made for some major projects of roads and bridges.
- (iv) Highest priority will be given to the on-going programme so as to complete as many on-going schemes as possible, especially those which would contribute substantially to the efficiency of transportation system.
- (v) As during the last financial year, means of communication to relatively backward areas will be improved, in order to open up these areas to facilitate development. To this end the programme envisages besides several improvement schemes, construction of new roads, airfields and ports in these areas. In addition telecommunication facilities will also be increased.
- (vi) The improvement of existing and construction of new roads in consonance with standard design specifications will be encouraged. For better planning, comprehensive transport studies will continue.
- (vii) Expansion of port capacity will proceed at the maximum physically feasible rate. The future role of the Qasim and Karachi Ports will be coordinated to avoid any duplication.
- (viii) Efforts will be made to increase the capacity of railways by acquisition of more rolling stock, utilising full capacity of Islamabad Carriage Factory and replacement of overage track and sleepers to reduce speed restriction.
- (ix) The telecommunications system will be improved by providing additional capacity, installation of microwave and carrier systems and opening up of new post offices in the rural and urban areas.

**Financial Allocation for 1975-76**

18.14. The overall financial allocation for 1975-76 in the Transport and Communications Sector is Rs. 2993.33 million. The 1975-76 allocation gives a deceleration of 1.29% over the 1974-75 programme provision of Rs. 3031.84 million mainly due to reduction in the semi public sector investment. The 1975-76 public sector plan envisages an allocation of Rs. 2413.33 million out of which Rs. 1562.50 million have been allocated for the federal programme which comes to 64.74%. The remaining amount of Rs. 850.83 million has been allocated for the provincial programme. The increase in the public sector programme over the 1974-75 programme of Rs. 2027.34 million is 19.04%.

18.15. Allocation for 1975-76 for federal agencies alongwith their respective allocation and utilisation for 1974-75 is given in Table IV :—

TRANSPORT AND COMMUNICATIONS FEDERAL PROGRAMME

TABLE IV.—Allocation/Utilization for 1974-75 and allocation for 1975-76

Sub-Sector	(Million Rs.)							
	1974-75			1975-76				
	Allocation	Utilization	Performance%	Allocation	Percent of total Federal Programme	Deceleration/Acceleration		
<b>A. Public Sector</b>								
1. Pakistan Railway .. .. .	770.00	602.10	78.19	620.00	33.89	—	(19.48)	
2. Ports and Shipping .. .. .								
(a) D.G. Ports and Shipping (Excluding Bridge) .. .. .	4.05	3.73	92.10	12.30	0.67	+	(203.70)	
(b) Bunder Qasim .. .. .	100.00	10.00	10.00	128.00	7.00	+	(28.00)	
(c) Napier Mole Bridge .. .. .	25.00	15.00	60.00	15.00	0.82	—	(40.00)	
3. Civil Aviation .. .. .	23.50	43.45	184.89	40.00	2.17	+	(70.21)	
4. I.W.T. .. .. .	1.00	—	—	—	—	—	—	
5. Roads in Azad Kashmir, Northern areas and Federally Administered Tribal Areas	49.53	98.46	198.79	120.50	6.59	+	(143.29)	
6. Other Roads .. .. .	132.50	263.92	199.18	290.50	15.88	+	(119.25)	
7. Ministry of Communications (Including Indus Highway) .. .. .	41.76	34.56	82.76	73.70	4.03	+	(76.48)	
8. N.T.R.C. .. .. .	1.10	0.45	40.91	2.50	0.14	+	(127.27)	
9. Telegraphs and Telephones .. .. .	300.00	300.00	100.00	250.00	13.67	—	(16.67)	
10. Post Office .. .. .	6.85	6.85	100.00	10.00	0.54	+	(45.99)	
Sub-Total (Public) .. .. .	1455.29	1378.52	94.73	1562.50	85.04	—	(7.37)	
<b>B. Semi Public</b>								
1. Karachi Port .. .. .	38.00	41.77	109.92	182.00	9.94	+	(380.00)	
2. National Shipping Corporation .. .. .	100.00	33.80	33.80	5.00	0.27	—	(95.00)	
3. P.I.A.C. .. .. .	400.00	340.48	85.12	80.00	4.37			
Sub-Total (Semi Public) .. .. .	538.00	416.05	77.33	267.00	14.69	—	(50.00)	
Total Federal .. .. .	1993.29	1794.57	91.54	1829.50	100.00	—	(8.20)	

18.16 A brief description of the development programme in various sub-sectors is given below :—

A. TRANSPORT

I. RAILWAY

INTRODUCTION

18.17. As against an allocation of Rs. 770.00 million, an expenditure of Rs. 602.10 million was incurred during 1974-75, which gives a utilization of 78.19 percent. The low performance was principally owing to the fact that rolling stock ordered during the year was not received in time and therefore full allocation could not be utilized.

18.18. During 1974-75, as against the targets of 7503 million passenger-miles, in passenger traffic, and 656 million ton-miles in freight traffic, a total of 7621 million passenger-miles and 4768 million ton-miles respectively were handled by the Railways. It means an increase of 5.7% in passenger-miles and 6.1% in freight ton-miles over the respective figures for 1973-74. When compared to the goods traffic estimates for 1974-75 at 5600 million ton-miles, as envisaged in the Development Perspective (1975-80), actual performance indicates a reduction of 15%. The lower growth rate in freight traffic as compared to Annual Compound Growth Rate of 9.2% can be attributed to lower growth rate of G.D.P. in 1974-75 which stands at 2.6% against 9.6% envisaged.

18.19. The 1974-75 estimate of 5,600 million-ton miles was taken as a benchmark considering the available capacity of the system and programme for increasing capacity provided for 10% increase under the Crash Programme by implementation of schemes relating to doubling of track between Hyderabad and Kotri, improved telecommunications and signalling, procurement of 68 D.E. locomotives, and 5% increase due to better operational efficiency. In addition the capacity of the system would increase by a further 15% on the completion of the Pipri Marshalling Yard. It is however, envisaged that by June 1976 the Crash Plan would be completed and the capacity would increase by 10 percent. The operational efficiency has not improved owing to the non implementation of the Sofrerail recommendations.

18.20. The programme for 1974-75 aimed at clearing to a large extent the back log of replacement of previous years to provide a smooth take off base for the 1975-80 period and accelerate the implementation of the Crash Programme to increase main line capacity by 30%.

18.21. The 1975-76 programme provides an allocation of Rs. 620.00 million which is 33.89% of the total federal allocation.

18.22. The 1975-76 programme aims at the following :—

(i) Acceleration of line capacity works (ii) removal of operational bottlenecks, (iii) placing orders for track materials and plants/machinery, (iv) quadrupling Karachi Pipri section, (v) upgrading Spezand-Kohl Taftan Section, (vi) expansion and modernization of workshops and (vii) replacement of depreciated rolling stock.

#### (b) ROLLING STOCK

18.23. As against an allocation of Rs. 553.1 million in 1974-75, the expenditure on rolling stock was Rs. 373.1 million.

18.24. The allocation for the rolling stock programme during 1975-76 is Rs. 185.00 million which is 30 percent of the overall railways programme. The principal facets of the programme are summarised below :

#### (i) D.E. Locomotives

18.25. Out of the 68 diesel electric locomotives envisaged by the Crash Programme and for which orders were placed with USA, 30 were shipped/received during 1974-75. In addition, 3 engines for the re-engining of D.E. locomotives were received from Canada. During 1975-76 the remaining 38 locomotives under the Crash Programme and one engine for re-engining are expected to be received.

#### (ii) Tank Barrels

18.26. During 1974-75, 25 tank barrels were manufactured under the Crash Programme that envisages a target of 300 tank barrels for transport of petroleum products and edible oils. During 1975-76, manufacture of the tank barrels would continue.

#### (iii) Passenger Carriages and Other Coaching Vehicles

18.27. During 1974-75, 52 carriages were manufactured in the Islamabad Carriage Factory. In addition two bogie special coaching vehicles and two bogie horse boxes were placed on line during 1974-75.

18.28. It is expected that another 50 carriages would be manufactured during 1975-76, and material would be imported for 235 carriages for manufacture in 1976-77.

#### (iv) Wagons

18.29. During 1974-75, 12 bogie tank wagons were manufactured. Manufacture of 72 bogie tank wagons are programmed for 1975-76.

## (c) REHABILITATION OF TRACK AND CONSTRUCTION OF NEW LINES

### (i) Rehabilitation and Improvement of Track

18.30. During 1974-75 provision for track renewal was Rs. 41.00 million. Work on rehabilitation and improvement of track on Karachi Lalamusa railway line by replacing old 90 pounds rails with new 100 pounds rails and providing 12 ballast cushion was continued. About 57.81 miles of track renewals, 105.57 miles of rail renewals, 98.27 miles of sleeper renewals and 30 miles of welding of rail were carried out during 1974-75.

18.31. Out of a total of 7767 miles of track, 2827 miles of rails and 6034 miles of sleepers are due for replacement. Of the 1700 miles of main track, 352 miles of rails and 527 miles of sleeper are due for replacement. An increasing number of speed restrictions are being reduced which are causing a negative effect on line capacity, operational efficiency and safety standards. The track rehabilitation programme has therefore been given a high priority. An allocation of Rs. 190.00 million has been made for 1975-76 for rehabilitation and improvement of track, which is about 31% of the outlay for railways. It is programmed to carry out 100 miles of rail renewals, 200 miles of sleeper renewals and 50 miles of welding of track.

### (ii) Construction of New Lines

18.32. As regards new construction of tracks, work on doubling of track between Kotri-Guddu including bridge over river Indus was taken in hand during 1974-75 and work on the sub-structure of the bridge was completed. During 1975-76, work on doubling of track between Kotri and Guddu would be continued and it is expected that the girders on the bridge over river Indus will be erected for which there is a provision of Rs. 13.14 million. Work on conversion of Kohat-Tal narrow gauge to broad-gauge would be started. In addition, work on the introduction of electric traction between Khanewal and Sammasatta would be initiated for which there is a provision of Rs. 10.00 million. A provision of Rs. 10.00 million has also been made for construction of the Islamabad spur upto the industrial area which is a distance of 1.5 miles, in the first phase.

## (d) MARSHALLING CAPACITY

18.33. The completion of the Pipri Marshalling Yard initiated under the Crash Programme, is of critical importance for increasing capacity of the Railway's mainline. Benefit of the yard will accrue from improved productivity of goods service and from increase in transport capacity of the network.

18.34. Anticipated cost of the yard is Rs. 203.20 million which will handle 2500 wagons per day on completion, against the present capacity of 1500 wagons per day. However, provision exists in the scheme for expansion of yard to deal with 5000 wagons per day whenever required.

18.35. Agreement for design of the yard has been signed with M/s. SOFRERAIL, preliminaries completed and civil work construction taken in hand.

18.36. The 1975-76 provision for the project is Rs. 60.00 million. During the year, earth work and some other structural work will be completed, work on fly overs and linking of track will be started and arrangements for importing retarders and other electronic equipment will be finalized.

## (e) SIGNALLING

18.37. During 1974-75 a provision of Rs. 44.30 million was made for improving signalling facilities. The all relay interlocking system was completed on 14 'B' Class crossing stations on Karachi Kotri Section. Work of automatic block signalling on Landhi Jumagoth Pipri section was also taken in hand. During 1975-76 a provision of Rs. 14.06 million has been made for improvement of signalling which would be utilised towards completion of the automatic block signalling works.

## (f) OTHER WORKS

18.38. During 1974-75 improvement of workshops was taken in hand and 254 quarters for low paid staff were constructed. During 1975-76 work on Research Building at Lahore would be carried out. Field survey will be carried out for about 21 rail links, for which there is an allocation of Rs. 3.5 million.

## (g) RAILWAY FINANCING

18.39. Against the original estimated total revenue receipt of Rs. 1255.00 million for 1974-75 revised estimates stand at Rs. 1340.00 million, thereby indicating an increase of Rs. 85.00 million, Rs. 30.00 million in coaching and Rs. 55.00 million in goods. This can be attributed to the increase in freight rates mainly.

18.40. Gross expenditure during 1974-75 including DRF, I.F. and returns of capital stands at Rs. 1390.00 million indicating a net deficit of Rs. 49.90 million.

18.41. The ratio of the revised revenue receipts (Rs. 1340.00 million) to revised revenue expenditure (Rs. 1156.20 million) works out to 86% as compared to 78.2% in 1973-74. The increase is mainly due to higher fuel prices and additional allowances to the employees.

18.42. The summary of railway finances is reflected in Table V below :—

TABLE V  
*Financial Results*

(Rs. in Million)

Particulars	Budget Estimates 1974-75	Revised Estimates 1974-75	Budget Estimates 1975-76	Variation between	
				Budget Estimates 1974-75 & Revised Estimates 1974-75 Col. 3— Col. 2)	Revised Estimates 1974-75 and Budget Estimates 1975-76 (Col. 4— Col. 3)
1	2	3	4	5	6
1. Total Revenue Receipts .. .. .	1255.00	1340.00	1570.00	(+) 85.00	(+) 230.00
2. Deduct Total Revenue Expenditure ..	960.80	1156.20	1259.60	(+) 195.40	(+) 103.40
3. Surplus (1 Minus 2) .. .. .	294.20	183.80	310.40	(—) 110.40	(+) 126.60
4. Appropriation of Surplus (to D.R.F., I.F. and Interest on Loans) .. .. .	244.10	183.70	303.50	(—) 60.40	(+) 119.80
5. Net Surplus (3 minus 4) .. .. .	(+) 50.10	(+) 0.1	(+) 6.90	(—) 50.00	(—) 6.80
6. Payment of Return on Government Capital Investments .. .. .	50.00	50.00			(—) 50.00
Profit/Loss (5 minus 6) (+) (—) .. .. .	(+) 0.10	(—) 49.90	(+) 6.90	(—) 50.00	56.80

(h) PROBLEMS AND ISSUES

18.43. The principal problems which are being faced in the implementation of the development programme are :—

- (i) The overall resource constraint does not allow sufficient allocation of resources to enable the implementation of an optimal programme for development of the railways system.
- (ii) The increase in cost of operation and the low tariff rates of railways have resulted in a lack of surpluses from railway operations and as a consequence the railways are running in a deficit.
- (iii) In order to cope up with the increase in the demand on railways system, the need for more locomotives is badly felt. The principal problem however, remains the difficulty in obtaining credits for locomotives.
- (iv) One of the principal factors responsible for the lag in the desired operational efficiency of the railways is their organisational and management problems. A complete re-orientation of the organisational infra-structure and application of modern management techniques for creative problem solution is warranted.

II. Federal Roads

18.44. An allocation of Rs. 223.79 million was made for the 1974-75 Annual Development Programme for improvement of 308 miles of existing roads and construction of 635.5 miles of new roads in Azad Kashmir, Northern Areas, Federally Administered Tribal Areas and Baluchistan. The programme also envisaged construction work on 11 bridges in Azad Kashmir, 9 bridges on Havelian-Thakot road and 2750 R. Ft. of bridges in Northern Areas. In addition the programme included feasibility studies/survey of major projects like the Third Highway Project, Indus Super Highway, Dadu Moro Bridge and D.I. Khan-Darya Khan Bridge.

18.45. Expenditure incurred during 1974-75 was Rs. 396.94 million which gives a utilization of over 177.37%. In physical terms 255 miles of existing roads were improved and 669 miles of new roads were constructed, while all targets laid down in relation to bridge schemes and survey/feasibility studies were achieved, except for northern areas where only 2200 Rft of bridges were completed as against the target of 2750 Rft of bridges.

18.46. The 1975-76 programme provides an allocation of Rs. 484.70 million for Federal roads, an increase, of 116.59% over the 1974-75 programme.

18.47. The 1975-76 programme envisages improvement of 375 miles of existing roads, construction of 818 miles of new roads and construction work on 10 bridges in Azad Kashmir, Northern Areas, Federally Administered Tribal Areas and Baluchistan. Feasibility studies and survey work on major projects like Third Highway Project, Indus Super Highway, Dadu-Moro Bridge and D.I. Khan-Darya Khan Bridge will continue.

18.48. A brief resume of the federal roads programme is as follows :—

(i) Azad Kashmir

18.49. Against an allocation Rs. 24.00 million for 1974-75, an expenditure of Rs. 29.73 million was incurred giving an achievement of 123.88%. In physical terms, improvement of 117 miles of roads black topping of 90 miles of roads and construction of 7 miles of new roads was completed. In addition construction work on 11 bridges (including 6 suspension bridges) was undertaken, out of which 4 bridges namely the suspension bridges at Salkhala and Mirpura and bridges near Eid Gah Mand and over Kohri Nullah were completed. Road machinery consisting of 28 road rollers, 17 tar boilers, 2 water tankers and 3 bulldozers was also purchased.

18.50. An allocation of Rs. 43.50 million has been made for 1975-76, which is a substantial increase of about 81% over the 1974-75 allocation. The 1975-76 programme envisages improvement of 67 miles of roads, black topping of 110 miles of roads and construction of 5 miles of new roads. In addition work relating to 7 bridges will be undertaken, out of which 5 bridges namely Hudniyal, Sharda, Tata Pani, Mulawani Nullah Bridge (592/Span) and Rajdhani Bridge (920/Span) are expected to be completed.

(ii) Northern Areas

18.51. Against an allocation of Rs. 8.23 million for 1974-75, an expenditure of Rs. 12.50 million was incurred, giving utilization of 151.88%. The physical progress consists of construction of 25 miles of 3 tonner roads, 100 miles of Jeepable roads, 25 miles of Pony tracks, improvement of 28 miles of existing roads and completion of 2200 Rft of bridge work.

18.52. The 1975-76 programme provides an allocation of Rs. 17.00 million which gives an acceleration of 106.56% over the 1974-75 programme.

18.53. The 1975-76 programme envisages construction of 16 miles of 3 tonner roads, 153 miles of jeepable roads and 54 miles of pony tracks. In addition it is proposed to improve 59 miles of existing roads and carry out 4632 Rft of bridge construction work.

(iii) Federally Administered Tribal Areas

18.54. Against an allocation of Rs. 17.30 million for 1974-75, an expenditure of Rs. 56.23 million was incurred which gives an achievement of 325.03% over the original allocation. During the period, work relating to various schemes was stepped up. In physical terms, 129 miles of black top and 189 miles of shingled roads were constructed.

18.55. An allocation of Rs. 60.00 million has been made for 1975-76, an increase of 246.82% over the original 1974-75 programme. The 1975-76 programme envisages the construction of 266 miles of black top and 268 miles of shingled roads.

(iv) Other Roads

18.56. Against an allocation of Rs. 132.50 million for 1974-75, an expenditure of Rs. 263.92 million was incurred, which gives an achievement of 199.18%. The physical progress accomplished consisted of construction of 195 miles and 24 miles of new roads in the Mari-Bugti area and Azad Kashmir respectively. In addition 10 miles of widening work on the KKH roads project, 10 miles of widening work on the Chak-Dara Chitral road and 9 out of 11 under construction bridges on the Havelian-hakot road were completed.

18.57. An allocation of Rs. 290.50 million has been made under the 1975-76 programme, which gives an increase of 119.25% over the original 1974-75 programme.

18.58. Major schemes envisaged in the 1975-76 programme include construction of 170 miles and 208 miles of new roads in the Mari-Bugti area of Baluchistan and Azad Kashmir respectively. In addition, 50 miles of widening, 40 miles of metalling, 34 miles of carpetting are proposed for the Chakdara-Chitral road and completion of 2 bridges on the Havelian-Thakot road.

**(v) Ministry of Communications**

18.59. Against an allocation of Rs. 41.76 million for 1974-75, an expenditure of Rs. 34.56 million was incurred giving a utilization of 82.76%. The principal work carried out under the programme consists of survey and feasibility studies for major highways and bridges.

18.60. The 1975-76 programme provides an allocation of Rs. 73.70 million which gives an acceleration of 76.48% over the 1974-75 programmes.

18.61. Under the 1975-76 programme, work on on-going schemes will be accelerated. Besides initial work on D.I. Khan - Darya Khan and Dadu-Moro bridges will be taken in hand and feasibility study for the Third Highway Project to be financed by the World Bank, will be completed.

**Ports**

18.62. Against an allocation of Rs. 129.05 million for Ports and Shipping for 1974-75, an expenditure of Rs. 28.73 million was incurred which gives a utilization of 22.26%. During the year, work on the permanent campus of the Pakistan Marine Academy was initiated and work on the navigational aids on the coast of Pakistan was completed. 50% of the scheme for acquisition of two buoys was implemented. Work on the marginal wharf and Port Qasim could not progress as the contract could not be finalised.

18.63. An allocation of Rs. 155.30 million has been made under the 1975-76 programme. This allocation shows an acceleration of 20.34% over the 1974-75 allocation and forms 8.49% of the Federal programme for 1975-76. The principal projects included under the programme are :—

**(a) PORT QASIM**

18.64. After its inception the Port Qasim Authority undertook the task of the preparation of the Master Development Plan, key factors for which included the proposed erection of a 1 million ton per year Steel Mill in Pakistan and the establishment of a second major port at Phitti Creek. Based on the allocation of traffic and economic studies of maritime and inland transportation of commodities a detailed plan has been prepared for development of Port Qasim to handle 13.94 million tons of dry cargo and 8.70 million tons of crude oil by 1984-85.

18.65. The Master Plan would be implemented in two phases.

18.66. Phase-A envisages the construction of 4 berths for the Multi-purpose Terminal to handle bagged and general cargo, one berth for the Steel Mill Terminal to handle iron ore and coal for the Karachi Steel Mill, one berth for the Oil Terminal to handle crude oil, one berth for the Bulk Material Terminal to handle Phosphate rock, Sulphur and fertilizers and one berth for the Grain Terminal to handle wheat.

18.67. Phase-B envisages the construction of three berths for the Multi-purpose Terminal and one berth for the Steel Mill Terminal.

18.68. Against an allocation of Rs. 100 million for 1974-75, an expenditure of Rs. 10 million was incurred on the completion of investigations surveys and studies for Master Plan and Detailed Design for the iron ore berths. Details for the procurement of floating craft and navigational aids were worked out, while work on the construction of infra-structure facilities also progressed.

18.69. Observations on the Trial dredging at the entrance channel have been in progress.

18.70. An allocation of Rs. 128.00 million has been made for 1975-76. The programme for 1975-76 is mainly directed towards : (i) Construction of the marginal wharf with four berths of 1.20 million ton capacity (ii) Procurement of craft equipment (iii) Provision of other facilities for commissioning of marginal wharf by 1975-76, (iv) Completion of various facilities like road, water supply, site office, power etc., and (v) Design of the iron and coal wharf and channel.



(b) KARACHI PORT : (SEMI PUBLIC)

18.71. Against an allocation of Rs. 38.00 million for the Karachi Port in the semi public sector programme, an expenditure of Rs. 41.77 million was incurred during 1974-75, which gives a utilisation of 109.92 per cent. Ancillary works for 4 shipping berths Nos. 1 to 4 were completed adding 40,000 tons transit storage capacity at East Wharf and Transit Shed No. 23 West Wharf was completed adding about 25,000 tons covered transit storage capacity at West Wharf.

18.72. An allocation of Rs. 182.00 million has been made for the Karachi Port in the semi public sector for 1975-76. The 1975-76 programme envisages the Second, Third, Fourth and Fifth Karachi Port Projects, which include the following (i) Improvement of navigation channel and procurement of reclamation plant (ii) Reconstruction of berths No. 1 to 4 at East Wharf (iii) Construction of 3 additional berths at West Wharf (iv) Construction of four multipurpose and dry cargo handling berths at Juna bunder (v) Remodelling of existing Minsfield import railway yards, and (vi) Construction of 4th oil pier for 45,000 D.W.T. oil tankers.

18.73. The annual dry cargo handling capacity of Karachi Port will increase by 1.2 million tons on completion of the four Juna Bunder berths. Other important works include replacement and purchase of crafts and equipment and mechanisation and modernisation of cargo handling system. Provision has also been made for hydraulic investigation and procurement of 19 road mobile cranes.

(c) NAPIER MOLE BRIDGE (PUBLIC SECTOR)

18.74. Against an allocation of Rs. 25.00 million in the ADP 1974-75, the expenditure stood at Rs. 15.00 million only due to delay in finalizing the contract. A provision of Rs. 15.00 million has been made for construction of the bridge in 1975-76.

(iv) National Shipping Corporation (Semi Public Sector)

18.75. The 1974-75 Annual Plan was framed keeping in view the fact that only 14% of the cargo was being handled by Pakistani ships. Furthermore, oil carrying capacity and communications with the Mekran coast area were non-existent. It was planned to acquire one oil tanker, 2 coasters, and two cargo ships. Emphasis was to be laid on consolidation rather than expansion.

18.76. Against an allocation of Rs. 100.00 million for 1974-75, an expenditure of Rs. 33.80 million was incurred which gives a utilization of 33.80%. An oil tanker of 26,880 DWT and a coaster were purchased.

18.77. The replacement and fleet augmentation programme could not be implemented due to lack of finance mobilisation.

18.78. The programme for 1975-76 envisages acquisition of another oil tanker to further boost up the oil carrying capacity of the Pakistani fleet, 3 second hand cargo ships and a second hand bulk carrier. These are however likely to be acquired under Supplier's Credit if arranged. A nominal provision of Rs. 5.00 million has been made.

18.79. Pakistan merchant fleet will enter a new era by handling oil cargo. A regular coastal service for Baluchistan coast will also be introduced.

(v) Civil Aviation

18.80. During 1974-75, against an allocation of Rs. 23.50 million, an expenditure of Rs. 43.45 million was incurred. New taxiways and aprons were provided at Lyallpur and Quetta airports for Boeing operations, work was carried out on improvement and expansion of taxiway and apron at Islamabad International Airport so as to make it serviceable for DC-10 operations, and landscape development was carried out at Karachi, Lahore, Islamabad and Moenjodaro airports. In addition schemes completed during 1974-75 include the construction of NDB at Sheikhupura, extension of existing runway at Lahore and extension and improvement of pavement at Moenjodaro airport. Work was also carried out on schemes for provision of additional space for training facilities at Civil Aviation Training Institute and modernisation and expansion of flying and gliding club activities in Pakistan.

18.81. The 1975-76 programme provides an allocation of Rs. 40.00 million which gives an acceleration of 70.21% over 1974-75 allocation. The major emphasis would be to accelerate work on on-going projects, commencement of work on basic aerodrome facilities at Saidu. Sharif, Turbat and Ormara, commencement of work on establishment of Civil Aviation Training Institute at Hyderabad, import of lighting equipment for Lahore Airport, acquisition of aerodrome and communications equipment and relocation of existing radar at Karachi Airport.

(vi) **Pakistan International Airline (Semi-Public Sector)**

18.82. Against an allocation of Rs. 400.00 million for 1974-75, Rs. 340.48 million were utilised giving an achievement of 85.12%.

18.83. The 1974-75 programme envisaged the construction of a wide-bodied aircraft hangar, supporting workshops and facilities, purchase of three medium Long Range Wide-Bodied Aircraft (DC-10-30) and purchase of three Boeing 720-B Aircraft (Second-hand). The schemes relating to the purchase of aircraft were implemented, preliminary work on the wide-bodied aircraft hangar was started and order for major parts of the equipment costing about Rs. 10.00 million was placed.

18.84. 1974-75 has been a year of expanded sphere of service activities, quite a few new routes were established e.g. Islamabad-Peking-Tokyo, Islamabad-Dubai and re-opening of London-New York service. The freight traffic increased from 215 million ton kilometer in 1973-74 to 329 million ton kilometer in 1974-75. The freight traffic is estimated to increase to 434 million ton kilometer in 1975-76, indicating an increase of 32%.

18.85. In case of passenger traffic, there has been an increase of 40% on 1594 million passenger kilometer in 1973-74 and 2,236 million passenger kilometer were handled in 1974-75. An increase of 24% has been estimated in 1975-76, with a total passenger traffic of 2,770 million passenger kilometer.

18.86. The 1975-76 programme envisages the completion of 75% of work relating to wide-bodied aircraft hangar. In addition the airline is planning to start construction of new terminal buildings at Karachi and Islamabad airports and a cargo terminal building at Karachi to meet requirement of increasing passenger and freight traffic. A provision of Rs. 80.00 million is being made for this purpose.

(vii) **National Transport Research Centre**

18.87. The 1975-76 programme of the Centre established in 1973-74 provides an allocation of Rs. 2.50 million for Comprehensive Transportation Planning and Coordination studies on a continuous basis, as recommended by TRACO, in order to achieve the following objectives :—

- (i) Update work done by TRACO and other consultants.
- (ii) Improvement in the operational efficiency of the various transportation modes.
- (iii) Economic allocation of traffic etc. etc.

**B. TELECOMMUNICATIONS**

**1. Telegraphs and Telephones :—**

18.88. An allocation of Rs. 300.00 million was made for 1974-75, which was entirely utilized. The programme envisaged development and expansion of telecommunication facilities.

18.89. Against the target of 30,000 telephone lines, installation of 28,000 lines was completed. Besides this, installation of 6 Auto and 67 Manual Exchanges was completed.

18.90. On the long-distance network Coaxial Cable system on Rawalpindi-Peshawar, Nowshera-Mardan and Gujranwala-Sialkot routes and the Rawalpindi-Karachi Microwave link were commissioned. In Azad Kashmir 315 miles of open wire lines have been erected to provide PCO's and small exchanges. Subscriber trunkdialling has been opened on Peshawar-Karachi, Peshawar-Lahore, Sukkur-Quetta, Karachi-Nawabshah, Rawalpindi-Multan, Rawalpindi-Sargodha, Rawalpindi-Quetta and Rawalpindi-Lyallpur routes. S.T.D. channels have been expanded from 24 to 60 on Rawalpindi-Peshawar and 144 to 171 on Karachi-Rawalpindi routes.

18.91. T.V. channel over microwave link has been provided connecting all television and re-broadcast centres except Quetta on National T.V. network.

18.92. During 1974-75 the Gross revenue receipts stood at Rs. 460.00 million while the total revenue expenditure was Rs. 325.06 million giving a surplus of Rs. 134.94 million.

18.93. A provision of Rs. 250.00 million has been made in the Annual Development Programme 1975-76 for the development and expansion of telecommunication facilities.

18.94. The 1975-76 programme envisages the installation of 23,000 telephone lines against a target of 1,25,000 lines, during development perspective (1975-80). The installation of telephone lines slowed down during 1975-76, due to resource constraint. The total number of telephones at the end of 1975-76 would increase to 2,46,000. In addition, the 1975-76 programme envisages the installation of 11 Auto and 40 Manual exchanges. 11 existing exchanges will be converted into automatic exchanges and 4 existing exchanges will be expanded.

18.95. Furthermore, on the long-distance network the 960 channel microwave link from Karachi to Rawalpindi (already completed) will be expanded upto Peshawar. 300 channel Abbottabad-Muzaffarabad microwave link will be completed. Installation work will also commence on Sukkur-Quetta, Hyderabad-Badin and Karachi-Manora microwave system. About 500 miles of open wire line will be erected in than Northern Areas, Dir, Swat, Chitral and other parts of the country. 10 Carrier and 18 V.F.T. systems will be installed.

18.96. During the year, expansion of wireless links will be in progress in Gilgit, Baltistan, Dir, Swat and Chitral. Installation of Nation-wide Dialling (N.W.D.) System will commence at Karachi, Multan, and Rawalpindi.

18.97. Province-wise distribution of the allocation for 1975-76 is reflected in Table-VI below :

TABLE VI

S. No.	Province	(Rs. in Million)	
		Total	Percentage
1.	Punjab	87.10	35.20
2.	Sind	97.30	38.30
3.	Baluchistan	14.40	5.80
4.	N.W.F.P.	38.70	15.60
5.	Common	12.50	5.10
Total		250.00	100.00

## II. PAKISTAN POST OFFICE

18.98. The 1974-75 programme allocated Rs. 6.850 million for the Post Offices. Out of this amount Rs. 5.000 millions were allocated for the on-going schemes (126 postal buildings, one building of the Directorate General and its staff quarters at Islamabad and 442 residential quarters for low-paid staff in various urban areas) and Rs. 1.850 million for new schemes (21 postal buildings, 101 residential quarters, purchase of mail motors and for some minor works). The entire amount of Rs. 6.850 million has been utilized.

18.99. In addition to achieving substantial progress on some of the on-going building schemes, the construction of 15 postal buildings and 56 residential quarters was completed during the year. The reconstruction/rehabilitation of the remaining 16 postal buildings out of those damaged in 1973 floods was also completed.

18.100. The number of newly opened post offices has been 500 in rural areas and 100 in urban areas, raising the total number of Post Offices in the country to 8,749.

18.101. A provision of Rs. 10.00 million has been made for 1975-76 which gives an acceleration of about 46% over the 1974-75 allocation. Out of this allocation Rs. 7.800 million have to be allocated for the on-going schemes (116 postal buildings, one building of the Directorate General and its staff quarters at Islamabad and 487 residential quarters for low-paid staff in various urban areas and Rs. 2.200 million for new schemes (14 postal buildings, 12 residential quarters and some minor works). Among the new building schemes to be started during 1975-76 is the construction of a modern Mail and Sorting Office at Karachi.

18.102. The Post Office Department plans to open 300 new Post Offices, 250 in rural areas and 50 in urban areas in line with target of 1,500 post offices envisaged in the development perspective (1975-80).

18.103. Province-wise distribution of the allocation for 1975-76 is given in the Table-VII below :

TABLE VII

Province	(Million Rupees)	
	On-going Schemes	New Schemes
Punjab	1.200	0.500
Sind	1.300	1.275
Baluchistan	0.300	0.125
N.W.F.P.	0.800	0.300
Islamabad	4.200	—
Total	7.800	2.200
		10.000
		100.0

## PROVINCIAL PROGRAMME

18.104. The total provincial allocations for 1974-75 stood at Rs. 572.08 million and Rs. 466.50 million for the public and semi-public sectors respectively. Corresponding to these, expenditures of Rs. 654.02 million and Rs. 183.38 million respectively were incurred. Whilst the utilisation of the public sector programme exceeded the allocation, the utilisation in the semi-public sector programme was only 39.31% of the allocation.

18.105. The road programme was adversely affected due to the inclusion of a very large number of schemes by the provinces, which resulted in a dilution of the already limited resources.

18.106. To remedy the situation, the number of new schemes in the 1975-76 programme has been kept at a minimum and priority has been given to on-going schemes nearing completion.

18.107. The allocation/utilisation during 1974-75 and the allocation for 1975-76 for the provincial programme is given in Table VIII.

TABLE VIII.—Allocation/Utilization during 1974-75 and allocation for 1975-76

Sub-sector	(Rs. in million)					
	1974-75			1975-76		
	Allocation	Utilization	Performance	Allocation	Percent of total Provincial	Acceleration/Deceleration ±(%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>A. Public Sector</b>						
Roads and Road Transport in Punjab ..	280.00	320.00	114.29	415.00	35.66	+ (48.21)
Roads in Sind .. .. .	163.89	211.13	128.82	242.90	20.87	+ (48.21)
Roads and Road Transport in N.W.F.P. ..	79.16	45.28	57.20	108.16	9.30	+ (36.63)
Roads in Baluchistan .. .. .	49.03	77.61	158.29	84.77	7.28	+ (72.89)
Sub-Total (Public Sector) ..	572.08	654.02	114.32	850.83	73.11	+ (48.73)
<b>B. Semi-Public</b>						
Punjab Road Transport Board .. .. .	340.00	107.70	31.68	135.00	11.60	— (60.29)
Sind Road Transport Corporation .. .. .	120.00	70.00	58.33	150.00	12.89	+ (25.00)
N.W.F.P. Road Transport Corporation ..	6.50	5.68	87.38	28.00	2.40	+ (330.77)
Sub-total (Semi-Public) ..	466.50	183.38	39.31	313.00	26.89	— (32.9)
Total (Provincial) ..	1038.58	837.40	80.63	1163.83	100.00	+ (12.06)

TABLE IX.—Overall Positions of Road Transport Corporations

Name of the Road Transport Corporation	No. of Chassis during 1974-75			Total No. of buses commissioned during 1974-75	Balance of chassis	No. of buses proposed for 1975-76
	Held in stock July 1974	Acquired during 1974-75	Total			
1. Punjab Road Transport Board .. .. .	1624	599	2223	1017	1206	2000
2. Sind Road Transport Corporation .. .. .	100	300	400	250	150	700+300 Re-conditioning
3. N.W.F.P. Road Transport Corporation	24	109	133	122	11	221

## **Punjab**

18.108. *Highways*.—Against an allocation of Rs. 280.00 million for 1974-75, an expenditure of Rs. 320.00 million was incurred on the improvement of 200 miles of existing and construction of 200 miles of new roads.

18.109. In addition work relating to 9 major bridges was completed alongwith feasibility/design studies for the remodelling of bridges on Punjab and Islam Headworks and bridges over River Indus at Ghazi Ghat and over Sutlej near Bukhan.

18.110. An allocation of Rs. 415.00 million has been made for 1975-76, which gives an acceleration of 48.21 over the 1974-75 programme.

18.111. The programme envisages improvement of 250 miles of existing and construction of 250 miles of new roads alongwith work relating to 60 bridges, important among them being the bridges at Ghazi-Ghat, Talibwala, Mari and Bukhan. In addition, work on the bridge at Sanghar will be completed while remodelling work of Islam and Punjab Headworks will be carried out.

### **Punjab Road Transport Board (Semi Public Sector)**

18.112. Against an allocation of Rs. 340.00 million for 1974-75, an expenditure of Rs. 107.70 million was incurred, showing an utilisation of only 31.68%.

18.113. During 1974-75, 599 bus chassis, were procured out of which 197 were commissioned and brought on road. Another 820 chassis out of the 1624 chassis held in stock before the commencement of 1974-75 were body fabricated and the buses brought on road. In addition, 9 sub-depots/depots were improved/established and land was acquired for establishment of new depots.

18.114. An allocation of 135.00 million has been made for 1975-76 for the purchase of 2000 buses with spare parts and other schemes, relating to the expansion of existing body building workshops, reorganisation and re-equipping of the existing 7 main workshops and setting up of 10 new workshops.

## **Sind**

18.115. *Highways*.—Against an allocation of Rs. 163.89 million for 1974-75, an expenditure of Rs. 211.13 million was incurred on the improvement of 200 miles of existing and construction of 165 miles of new roads. In addition 240 miles of earthwork for subsequent construction of new roads was completed.

18.116. An allocation of Rs. 242.90 million has been made for 1975-76, which gives an acceleration of about 48.21% over the 1974-75 programme.

18.117. The 1975-76 programme envisages to improve 200 miles of existing roads and construct 240 miles of new roads on the embankment completed during the 1974-75 financial year. In addition work relating to 10 bridges will be taken up.

### **Sind Road Transport Corporation (Semi Public Sector)**

18.118. Against an allocation of Rs. 120.00 million an expenditure of Rs. 70.00 million was incurred during 1974-75, which gives an achievement of only 58.33%.

18.119. In physical terms 300 chassis were procured out of which 150 were body fabricated. Bodies were also fabricated on the 100 chassis that were received during 1973-74. All the 250 buses fabricated during 1974-75 were brought on the road. In addition, work relating to improvement of workshops, was also undertaken.

18.120. An allocation of Rs. 150.00 million has been made for 1975-76 for the procurement of 700 chassis and reconditioning of 300 old buses. In addition 5 new depots will be established.

## **N.W.F.P.**

18.121. *Highways*.—Against an allocation of Rs. 79.16 million for 1974-75, an expenditure of Rs. 45.28 million was incurred, giving an achievement of 57.20% only. During this period, 30 miles of black top and 50 miles of shingled roads were constructed while 75 miles of existing roads were improved. Work relating to 4 bridges was also carried out.

18.122. The 1975-76 programme allocates an amount of Rs. 108.16 million which gives an acceleration of 36.63% over the 1974-75 programme. The 1975-76 programme envisages improvement of 196 miles of existing and new construction of 100 miles of shingled and 60 miles of black top roads.

**NWFP Road Transport Corporation (Semi Public Sector)**

18.123. Against an allocation of Rs. 6.50 million, an expenditure of Rs. 5.68 million was incurred during 1974-75, giving an achievement of 87.38%. Out of this amount Rs. 2.538 million were spent to meet the balance cost of fabrication of bodies on 145 Bedford chassis purchased during 1972-73, Rs. 2.400 million were spent on the import of 109 and fabrication of 98 buses which have been brought on road, and Rs. 0.734 million were allocated for the import of tools and machinery.

18.124. An allocation of 28.00 million has been made for 1975-76. Out of which Rs. 2.80 million will be spent on the ongoing schemes and Rs. 7.00 million on the new schemes. The National Development Finance Corporation will provide an amount of Rs. 28.00 million. The programme envisages purchase of 221 Bedford buses.

**Baluchistan**

18.125. *Highways*.—Against an allocation of Rs. 49.03 million for 1974-75, an expenditure of Rs. 77.61 million was incurred on the construction of 125 miles of black top and 250 miles of shingled roads.

18.126. An allocation of Rs. 84.77 million has been made for 1975-76, which gives an acceleration of 72.89% over the 1974-75 original programme.

18.127. The 1975-76 programme envisages construction of about 160 miles of black top roads. In addition, survey and design work of 410 miles of shingled roads will be carried out.

## TRANSPORT AND COMMUNICATIONS

Summary : All Pakistan and by executing agencies

(Million Rs.)

Sector/Sub-Sector	1974-75			1975-76		
	Allocation	Utilisation	Performance	Allocation	Percent of total Public Sector/Semi-Public Sector	Acceleration De-celeration + - (%)
<b>PUBLIC SECTOR</b>						
<b>Federal Programme</b>						
1. Pakistan Railways	770.00	602.10	78.19	620.00	25.69	— (19.48)
2. Ports and Shipping :						
(a) DG. Ports and Shipping (excluding N. M. Bridge)	4.05	3.73	92.10	12.30	0.51	+ (203.70)
(b) Bunder Qasim	100.00	10.00	10.00	128.00	5.30	+ (28.00)
(c) Napier Mole Bridge	25.00	15.00	60.00	15.00	0.63	— (40.00)
3. Civil Aviation	23.50	43.45	184.89	40.00	1.66	+ (70.21)
4. I.W.T.	1.00	—	—	—	—	—
5. Roads in Azad Kashmir, Northern areas and Federally Administered Tribal Areas	49.53	98.46	198.79	120.50	4.99	+ (143.29)
6. Other Roads	132.50	263.92	199.18	290.50	12.04	+ (119.25)
7. Ministry of Communications Roads (including Indus Highway)	41.76	34.56	82.76	73.70	3.05	+ (76.48)
8. N.T.R.C.	1.10	0.45	40.91	2.50	0.10	+ (127.27)
9. T & T	300.00	300.00	100.00	250.00	10.36	— (16.67)
10. Post Offices	6.85	6.85	100.00	10.00	0.41	+ (45.99)
Sub-Total	1455.29	1378.52	94.73	1562.50	64.74	+ (7.37)
<b>Provincial Programme</b>						
1. Roads and Road Transport in Punjab	280.00	320.00	114.29	415.00	17.20	+ (48.21)
2. Roads in Sind	163.89	211.13	128.82	242.90	10.07	+ (48.21)
3. Roads and Road Transport in N.W.F.P.	79.16	45.28	57.20	108.16	4.48	+ (36.63)
4. Roads in Baluchistan	49.03	77.61	158.29	84.77	3.51	+ (72.89)
Sub-Total	572.08	654.02	114.32	850.83	35.26	+ (48.73)
Total Public-Sector	2027.34	2032.54	100.26	2413.33	100.00	+ (19.04)
<b>SEMI-PUBLIC SECTOR</b>						
<b>Federal</b>						
1. Karachi Port	38.00	41.77	109.92	182.00	31.39	+ (380.00)
2. National Shipping Corporation	100.00	33.80	33.80	5.00	0.86	— (95.00)
3. P.I.A.C.	400.00	340.48	85.12	80.00*	13.80	— (80.00)
Sub-Total	538.00	416.05	77.33	267.00	46.05	— (50.00)
<b>Provincial</b>						
1. Punjab Road Transport Board	340.00	107.70	31.68	135.00	23.27	— (60.29)
2. Sind Road Transport Corporation	120.00	70.00	58.33	150.00	25.86	+ (25.00)
3. N.W.F.P. Road Transport Corporation	6.50	5.68	87.38	28.00	4.82	+ (330.77)
Sub-Total	466.50	183.38	39.31	313.00	53.95	— (32.90)
Total Semi-Public	1004.50	629.43	62.66	580.00	100.00	— (42.96)
GRAND TOTAL	3031.84	2661.97	87.80	2993.33	100.00	— (1.29)

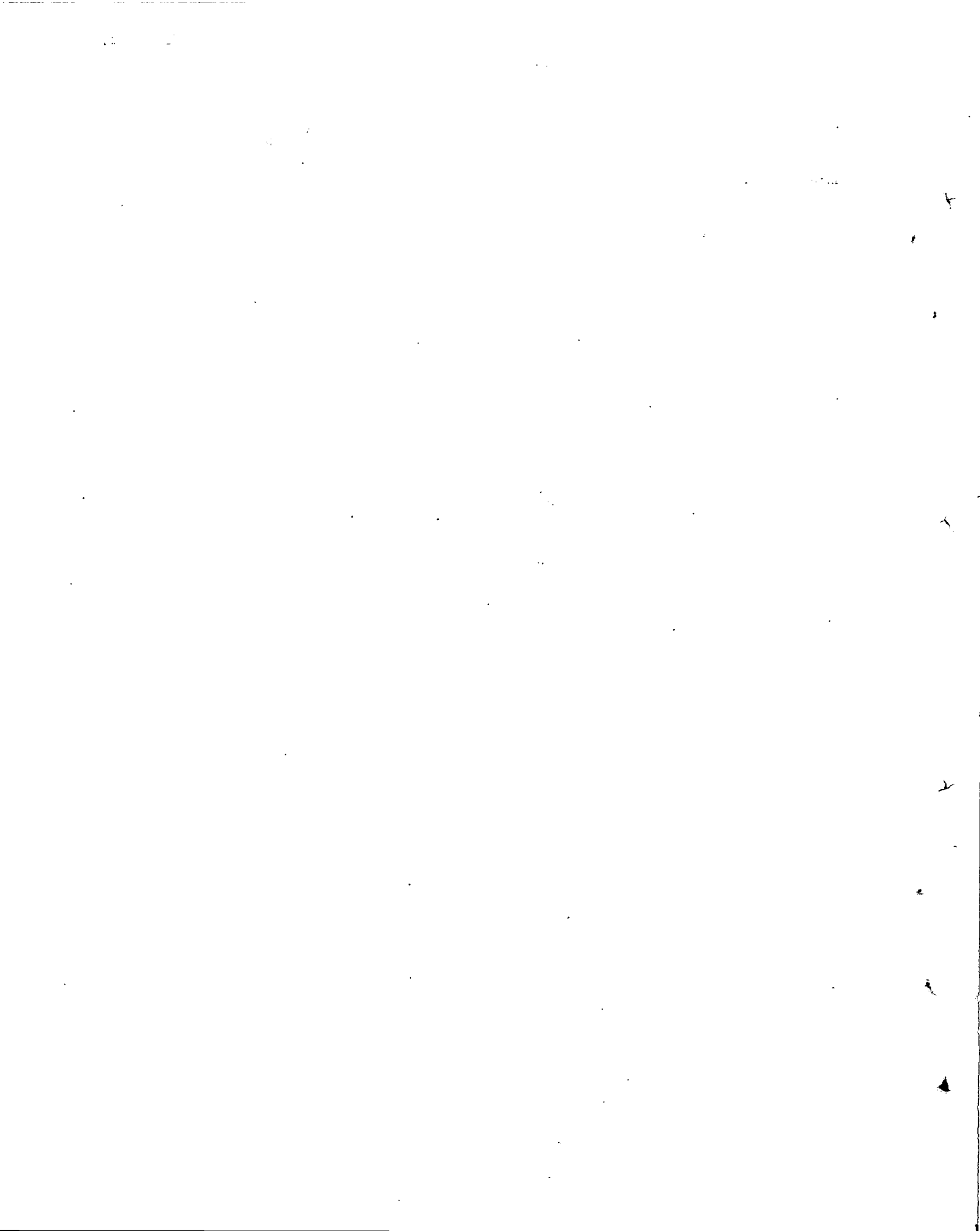
\*Finances to be Arranged by PIA.

## TRANSPORT AND COMMUNICATIONS

## Physical Targets

Sub-Sector/Item	Unit	Achievement 1974-75	Targets for 1975-76
<b>1. Pakistan Railways</b>			
Locomotives .. .. .	Number	30+3 Engines	38—1 Engine
Passenger carriages and Other Coaching Vehicles .. .. .	"	56	150
Wagons .. .. .	"	12	72
Rail Renewal .. .. .	Miles	106	100
Sleeper Renewal .. .. .	"	98	200
Passenger Miles .. .. .	Million	7621	8071
Freight Ton Miles .. .. .	"	4768	5245
<b>2. High Type Roads .. Improvement</b>			
New Construction .. .. .	Miles	730	1006
	"	875	1359
<b>3. Traffic handled at Port</b>			
Karachi Port .. .. .	Million Ton	10.10	10.30
<b>4. Telephones Installed</b>			
	Thousands	28	23
<b>5. Post Offices Opened</b>			
	Number	600	300
<b>6. Traffic handled by PIA</b>			
Pass—Kilometer .. .. .	Million	2236.00	2770.20 [Increase 24%]
Ton—Kilometer .. .. .	"	329.00	434.60 [Increase 32%]
Aircraft acquired by PIA .. .. .	Number	6	1 (720-B) 1 (DC-10)
<b>7. Ships acquired by NSC</b>			
	"	2	5

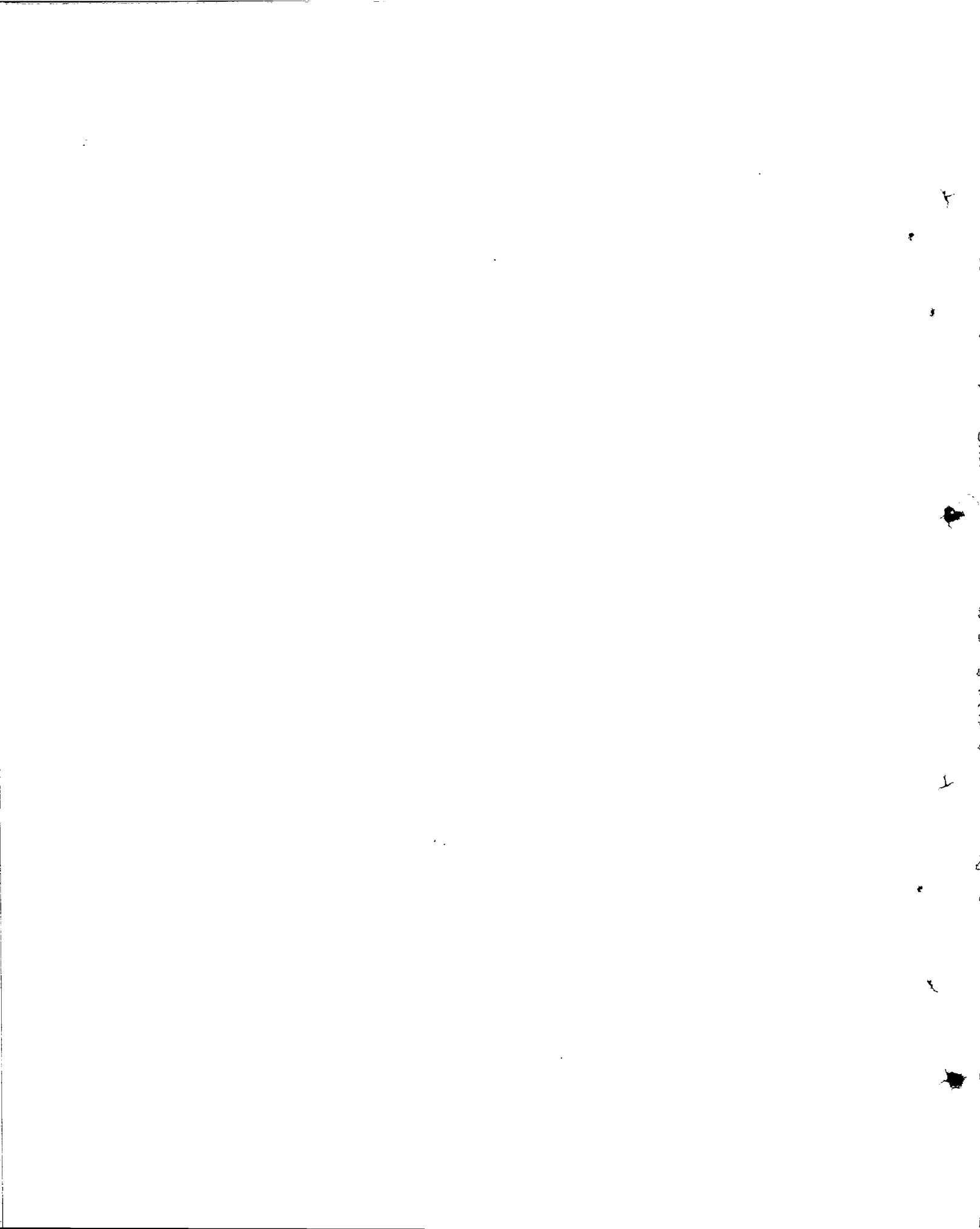




## FFIC FORECASTS FOR DEVELOPMENT PERSPECTIVE (1975-80)

(Million Ton Miles)

Year	Freight							Passenger				
	Rail	Road	Pipe- line	% Rail	% Road	% Pipe- line	Total	Rail	Road	% Rail	% Road	Total
1	2	3	4	5	6	7	8	9	10	11	12	13
1974-75 .. ..	4768	6869		41	59		11637	7621	15879	32	68	23500
1975-76 .. ..	5245	7556		41	59		12801	8071	17544	32	68	25615
1976-77 .. ..	5727	8108		41	59		13835	8547	10316	31	69	27863
1977-78 .. ..	6254	8699		42	58		14953	9051	21267	30	70	30318
1978-79 .. ..	6830	9334		42	58		16164	9585	23415	29	71	33000
1979-80 .. ..	7458	10016	100	42	57	1	17574	101151	25780	28	72	35931

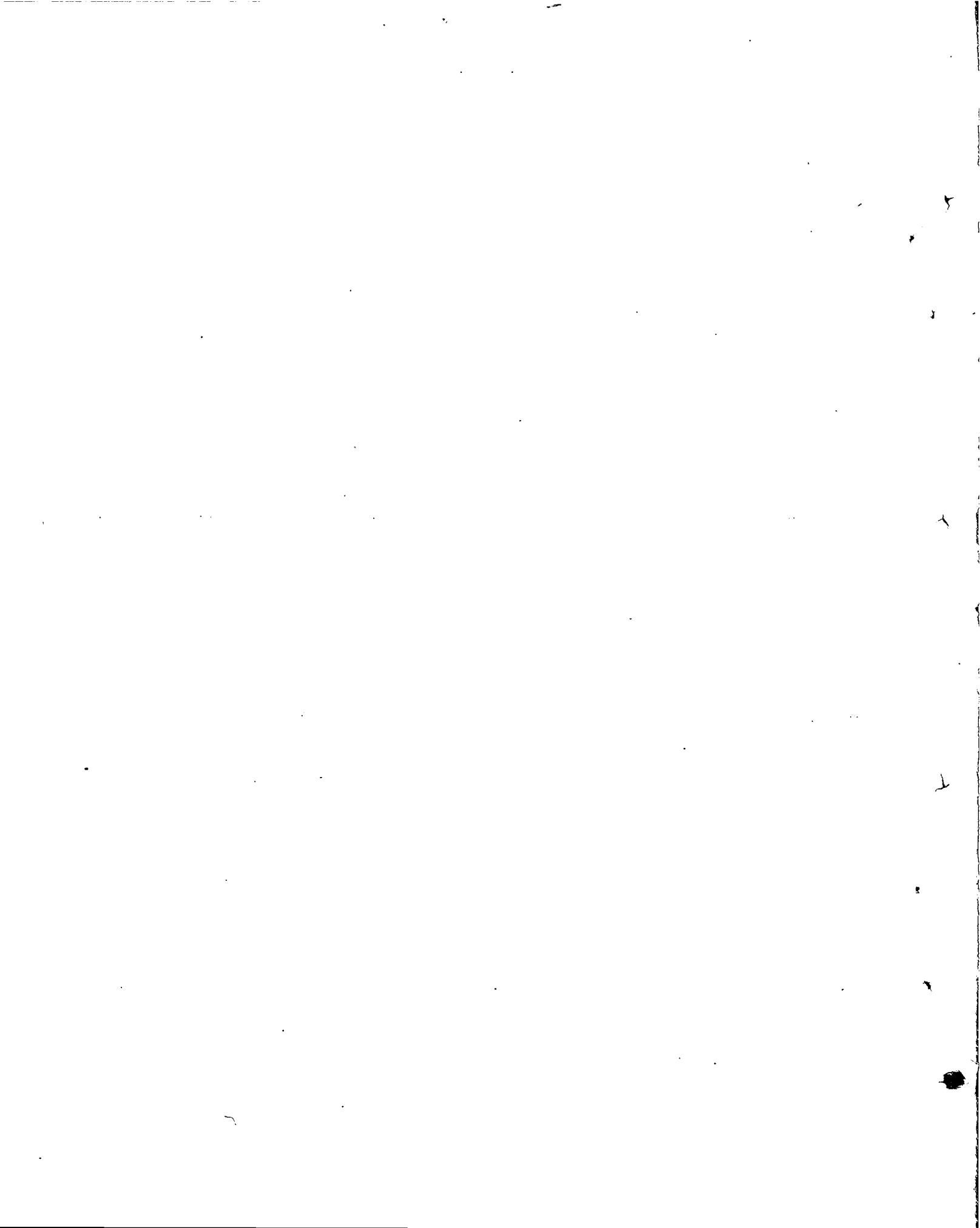


---

**THE MASS MEDIA**

---

263—264



## THE MASS MEDIA

Till 1974-75 the annual development programmes of Radio and T.V were included in the Transport and Communication Sector. It was decided to group such programmes under a new sector—to be called the Mass Media Sector from 1975-76 onwards. Besides Radio and T.V. the development programmes of the Information Division, as well as of the Film Wing of the newly created Cultural Division were also placed under this Sector. The Mass Media sector, therefore, includes all programmes pertaining to the operation and development of the means of mass communication in the country.

19.2. Although the principal sub-sectors of Mass Media continue to be Radio and T.V. which are entirely under public sector control, the establishment of a State Film Authority and the development of the principal press agency of the country extends the field of interest of the Government to the sub-sectors of films and the newspapers. The newspapers as well as the film industry, however, remain substantially in the private sector. The Government merely performs certain functions of a regulatory nature and endeavours to assist in their general development.

19.3. In Pakistan, approximately 1.5 copies of newspapers, 4.00\* radio sets, 0.3 T.V. sets and 0.3 cinema seats for every 100 persons are currently available. UNESCO has suggested that a developing country should aim at providing, as an immediate target, 10 newspapers, 5 radio sets, 2 T.V. sets and 2 cinema seats for 100 persons, respectively. Except for Radio, Mass Media in Pakistan has, therefore, a good deal of ground to cover before it reaches even the minimum targets of an international level. The growth of mass media, especially those of radio and T.V. has been hampered in the past by economic constraints. It was not till 1972 that special attention was paid to their development. Normally the long-term development of mass media is expected to follow the general pattern of economic growth in the country. This means that the development of radio and T.V. have to be at a pace dictated by the availability of technical and economic resources and their place in the national priorities. There have, however, been certain studies by UNESCO which bring out another angle in the development of Mass Media. These studies have shown that a proper use of mass media actually accelerates and enhances the process of economic development. The dissemination of information, education and entertainment do not remain ends in themselves but are the planks on which at least a part of socio-economic development of the people rests. Another dimension is, therefore, added to the basic functions of the mass media justifying a higher notch for the means of mass communication in the national priorities. This was immediately recognised by the present Government and the utilization of development funds since 1972-73 reflects this realisation.

TABLE I

*Utilization of ADP Funds for Radio and T.V.*

	1972-73	1973-74	1974-75	1975-76 (Allocations)
Radio .. .. .	15.656	41.489	67.041	50.000
T.V. (Gross Development Programme*) .. .. .	12.400	94.000	99.014	95.000
A.D.P.** .. .. .	5.000	32.200	30.000	35.000

19.4. Besides making progressively higher allocations, it was also felt that a basic study of the mass media set-up was required to enable the Government to formulate a well balanced and consistent development policy for the various agencies. This study was not only to include an examination of their administrative and financial structure, but also analysis of the fare offered by them. Of particular significance to the socio-economic development of the country is the impact of the material offered by the media on the minds of the people. Research of a preliminary nature was, therefore, also proposed to be conducted on this aspect of the problem. The study is under-way and is expected to be completed shortly. It is hoped that the findings of this study would help in sound and integrated planning of the mass media over the next perspective or longer term plan.

\*There were 1.90 million sets in use for which licences were obtained upto September, 1974. In addition, unconfirmed Pakistan Broadcasting Corporation estimates put the figure of unlicensed radio sets at 1.3 million. However, according to unofficial sources, the unlicensed radio sets are about 3 times the licenced sets.

\*\*The balance between the amounts of gross Development Programme and A.D.P. allocations was mobilized by the Television Corporation through debentures. These were : Rs. 7.40 million for 1972-73 ; Rs. 55.80 million for 1973-74 ; Rs. 62.00 million for 1974-75 and Rs. 60.00 million for 1975-76.

## REVIEW OF 1974-75

19.5. A total of Rs. 95.354 million was allocated in the A.D.P. 1974-75 to the various agencies of Mass Media. The estimated expenditure by end of June, 1975 amounted to Rs. 104.175 million. The agency-wise allocation and utilization appear in Table II :

TABLE II  
*Financial Allocation and utilization 1974-75*

Sub-Sector	A.D.P. 1974-75	Estimated Expenditure
Broadcasting .. .. .	64.754	67.041
Television* .. .. .	30.000	36.714
Economic Publicity (Plan Publicity) .. .. .	0.600	0.420
Total ..	95.354	104.175

19.6. The financial utilization exceeded the allocations by Rs. 8.821 million due to the following reasons :

- (i) In the case of T.V. two Pilot T.V. Centres (not included in the normal A.D.P.) were established at Quetta and Peshawar on Government instructions. These centres were completed and commissioned in November, 1974 at a cost of Rs. 17.335 million. The Corporation's normal A.D.P. implementation was kept at a level of Rs. 81.679 million to accommodate the expenditure on these two Pilot T.V. Centres. The net addition to A.D.P. was, therefore, Rs. 6.714 million.
- (ii) In the case of Broadcasting, the Pakistan Broadcasting Corporation implemented a Government directive to extend the broadcasting facilities in Balti language for the benefit of listeners in Gilgit/Baltistan in the northern areas at a cost of Rs. 2.287 million.
- (iii) The estimated expenditure on Plan Publicity was Rs. 0.420 million against a programme of Rs. 0.600 million. The saving of Rs. 0.180 million was due to the fact that no expenditure was incurred against the programme component of Rs. 0.200 million meant for the Provinces.

The agency-wise physical implementation of A.D.P. 1974-75 is outlined below :

### **Pakistan Broadcasting Corporation**

19.7. 1000 KW MW Transmitter, Islamabad.—The construction of administrative and technical blocks has been completed. Various other constructions have either been completed or they are in different stages of completion. The erection of the Mast has been completed. The Super High Power Transmitter is in an advanced stage of installation and it would be ready for regular operation by September, 1975. The site for the residential colony has also been acquired.

19.8. 2-250 KW SW Transmitters and 2-100 KW SW Transmitters, Islamabad.—Transmitters have been installed and are in regular operation. Certain left-over jobs like air-conditioning, installation of aeriels etc. have been completed.

19.9. 300 KW MW Transmitter, Peshawar.—Three-fourth of equipment of the High Power Transmitter has been imported. More shipments are scheduled and the entire supply of equipment is expected to be completed during the year. The construction work on the boundary wall and the Rest House is making good progress and the construction of the main building has also started.

19.10. 100 KW MW Transmitter, Karachi.—The construction of building for the High Power Transmitter has started. Power supply arrangements at the site are being made. The main transmitter has been imported and the auxiliary equipment ordered with the transmitter is under shipment.

\*The total size of A.D.P. amounted to Rs. 92.298 million of which the public sector contribution was Rs. 30.000 million. The Corporation raised the balance of Rs. 62.298 million from debentures against Government guarantee.

19.11. *Broadcasting House, Islamabad.*—The construction work at Broadcasting House (Islamabad) under supervision of the C.D.A. made slow progress. The air-conditioning plant ordered through the C.D.A. is under clearance. The studio equipment which was ordered under the 9th Yen Credit has started reaching the site. Certain works relating to installation of equipment have been awarded and are in progress.

19.12. *10 KW MW Transmitter, Bahawalpur (with two studios).*—A 10 KW MW Transmitter procured under the 9th Yen Credit has been installed in a rented building at Bahawalpur with two studios and a Receiving Centre. The transmitter will be in regular operation from August 18, 1975.

19.13. *Village Broadcasters.*—Against the approved scheme for installation of 10 Village Broadcasters, provision for 3 was made in the A.D.P. First instalment of shipment was due by June 30, 1975. As prototype station will be assembled later in the year. Three sites for installation of the Village Broadcasters have been selected one each in Sind, Punjab and N.W.F.P.

19.14. *Balti language programme.*—The project has been completed on a priority basis with the provision of additional amount of Rs. 2.287 million for extension of studio facilities for Balti Service.

19.15. *150 KW MW Transmitter, Quetta.*—The project has been completed and the High Power Transmitter is in regular operation. The construction of Rest House has also been completed, including some security works at the site.

19.16. By June, 1975 the broadcasting coverage in terms of geographical area was 47% and in terms of population 81%.

#### Transmission Costs

19.17. The duration of programme hours transmitted in 1974-75 increased by 10,700 hours when compared to 1973-74. The Pakistan Broadcasting Corporation was transmitting 1,27,300 hours of programmes annually from its seven broadcasting stations with a power of 546 KW on medium-wave and 960 KW on short-wave. Included in these are 9 transmitters which broadcast programmes in 16 languages for foreign audiences.

19.18. The unit cost of radio programmes was Rs. 11.22 per minute in 1974-75 compared to Rs. 9.83 per minute in 1973-74 and Rs. 6.93 in 1972-73. The increase was due to higher costs of programme management and programme transmission but the rise in unit cost was less than the level warranted by the world wide inflation. Table III shows the trend :

TABLE III  
*Programme cost and unit cost*

Year	Recurring Expenditure* (Rs. Million)	Total Programme Hours produced (Thousand)	Unit Cost per Minute (Rs.)
1972-73	41.50	99.8	6.93
1973-74	68.80	116.6	9.83
1974-75	85.70	127.3	11.22

\*Includes Depreciation on equipment.

#### Pakistan Television Corporation

19.19. *Islamabad T.V.*—The land for Islamabad T.V. complex was acquired and possession taken. The designing of the complex was under finalization and tenders were to be issued in June, 1975.

19.20. *Karachi/Lahore T.V.*—The work for the provision for additional accommodation and technical facilities for Karachi and Lahore Television Centres progressed satisfactorily and was expected to be completed by September, 1975.



19.21. *Multan Rebroadcast Centre.*—Multan Rebroadcast Centre at Shujabad was completed and started test transmission from 23rd March, 1975.

19.22. *Peshawar and Quetta.*—Temporary Centres at Peshawar and Quetta were commissioned as mentioned earlier, but a provision of Rs. 35.283 million as per revised A.D.P. was made for these two regular centres during 1974-75. Orders for almost the entire colour equipment for the two main Television Centres at Quetta and Peshawar were placed and it was expected to be received by June, 1975. The designing of civil works for Peshawar T.V. Centre was completed and tenders were expected to be called in July, 1975.

19.23. The transmitters for Sahiwal, Dadu and Shikarpur were imported and tenders for civil works for transmitter stations would be called early in 1975-76.

19.24. With the completion of these projects, T.V. coverage increased to 60% in terms of population and 35% in terms of area by the end of June, 1975. The comparative figures for 1973-74 were 30% and 47% for area and population coverage, respectively.

#### Programme Cost

19.25. The Pakistan Television Corporation operated 3 main T.V. stations at Rawalpindi-Islamabad, Lahore and Karachi and two Pilot T.V. Centres at Quetta and Peshawar. Other boosters/rebroadcast centres were at Murree, Cherat, Sakesar, Thana Bulla Khan and Multan. In 1974-75, 9,540 hours of programmes were produced by its 5 T.V. stations/centres at a cost of Rs. 76.70 million. The programme duration increased by 2,373 hours per annum when compared to 1973-74. The unit cost, however, went up from Rs. 116.00 per minute in 1973-74 to Rs. 134.00 per minute in 1974-75. The following table shows the trend :

TABLE IV  
*Programme cost and unit cost*

Year	Recurring Expenditure* (Rs. Million)	Total yearly programme hours transmitted (Thousand)	Unit Cost per minute.
1972-73	31.10	5.56	93.20
1973-74	49.90	7.17	116.00
1974-75	76.70**	9.54	134.00

\*Including depreciation on equipment. \*\*Provisional.

#### ANNUAL DEVELOPMENT PROGRAMME 1975-76

19.26. The A.D.P. 1975-76 has been prepared within the broader framework of the financial and physical targets of the Development Perspective 1975-80. The Planning Commission envisages that by the end of 1979-80, 98% of the population and 87% of the geographical area of the country will be covered by a more reliable medium-wave radio service compared to 81% and 47%, respectively, in 1974-75. Twenty broadcasting stations (including 10 village broadcasters) and 25 new medium-wave transmitters are expected to be added to the radio network. It has been estimated that about 65% of the population covered by the radio signal would be receiving radio programmes in 1980 as compared to 30% in 1974-75 on the basis of the number of radio sets available.

19.27. In the case of Television, it is proposed to extend the population coverage to 87% by end of 1979-80, from the current level of 60% only. However, on the basis of projection of T.V. sets in 1979-80, the population actually benefiting from T.V. programmes would be 6 million or 8.7% of the population covered by T.V. signals as compared to about 2.7 million or 6.4% of the population covered in 1974-75. In terms of area, T.V. programmes are expected to be beamed to 65% of the area by 1979-80, compared to 35% in 1974-75. Three television stations, 8 rebroadcast centres and 12 Super High Frequency links are proposed to be completed during the next 5 years. The targets may be seen at Annexure-I.

19.28. While allocating funds in the A.D.P., emphasis has been laid on the quick completion of on-going projects. Funds for new projects for mass media agencies have been provided where the benefits would accrue to the less developed regions of the country. The A.D.P. allocations for 1975-76 to these agencies are somewhat less than their revised estimates for 1974-75. Therefore, the development programme of both Radio and T.V. may have to be accelerated in the next few years if the population and area coverage targets envisaged for a five-year period are to be achieved. Table V indicates the allocations and expected utilization in respect of both Federal and Provincial Programmes.

TABLE V  
A.D.P. Allocations 1975-76

Sub-Sector	(Million Rs.)		
	A.D.P. 1974-75	Expected utilization in 1974-75	A.D.P. 1975-76
<b>Federal Programmes :</b>			
Broadcasting .. .. .	64.754	67.041	50.000
Television .. .. .	30.000	36.714	35.000*
Economic Publicity .. .. .	0.600**	0.420	0.600
Sub-Total ..	95.354	104.175	85.500
<b>Provincial Programmes :</b>			
Punjab .. .. .	—	—	2.000
N.W.F.P. .. .. .	—	—	1.000
Sub-Total ..	—	—	88.600

\*Public Sector contribution against a total approved programme of Rs. 95.000 million. The balance of Rs. 60.000 million is meant for debenture financing.

\*\*Includes Rs. 0.2 million as development expenditure for Provincial Governments.

#### FEDERAL PROGRAMME

19.29. The sectoral programmes and physical targets of mass media agencies are discussed in the following paragraphs :—

#### Broadcasting

19.30. The Broadcasting Corporation plans to expand the radio signals to reach an additional 9% of population (6.21 million) and 23% of the area during 1975-76. To attain these objectives, the A.D.P. has provided Rs. 50 million. The following table shows the break-up of the development expenditure proposed during 1975-76.

TABLE VI  
Development Programme of Broadcasting 1975-76

S. No.	Name of scheme	Estimated Cost		Total estimated expenditure upto 1974-75	Provision for 1975-76
		Total	F.E.C.		
1	2	3	4	5	6
<b>(A) On-Going Schemes</b>					
1.	2-250 KW SW Transmitters, Islamabad .. .. .	O 29.248	15.785	19.858	0.425
2.	2-100 KW SW Transmitters, Islamabad .. .. .	O 7.160	3.500	11.035	1.373
		R 20.078	11.210		
3.	1000 KW MW Transmitter, Islamabad .. .. .	O 15.000	8.100	31.534	8.654
		R 57.295	19.637		

1	2	3	4	5	6
4.	Broadcasting House, Islamabad	.. .. O 31.618	8.274	33.889	10.000
		R 75.675	14.076		
5.	Broadcasting House, Peshawar	.. .. O 4.906	2.992	3.689	5.000
		R 20.023	4.200		5.822
6.	300 KW MW Transmitter, Peshawar	.. .. O 19.504	10.885	23.857	
		R 38.752	11.045		
7.	150 KW MW Transmitter, Quetta	.. ..	16.753	6.000	10.332
8.	100 KW MW Transmitter, Karachi	.. ..	14.642	4.731	8.289
9.	Village Broadcasters .. ..	.. .. O 10.833	2.950	—	5.000
		R 19.230	7.339		
10.	Security Works .. ..	.. ..	4.237	—	3.826
11.	10 KW MW Transmitter, Bahawalpur .. ..	.. ..	4.661	2.319	2.249
12.	Laboratory and Workshop, Islamabad	.. ..	0.687	0.231	0.356
13.	Transcription Service, Lahore	.. ..	0.965	0.355	1.054
				Total (On-going)	46.304
<b>(B) New Schemes :</b>					
1.	100 KW MW Transmitter, Muzaffarabad .. ..	.. ..	18.108	7.100	2.696
2.	Low Cost Houses for Employees of Pakistan Broadcasting Corporation .. ..	.. ..	15.000	—	1.000
			Total B (New Schemes) .. ..		3.696
			<b>GRAND TOTAL (A &amp; B)</b> .. ..		<b>50.000</b>

19.31. Apart from the important projects of radio already completed, two more important projects due for completion during 1975-76 are (a) 1000-KW. MW. transmitter, Islamabad ; and (b) 300-KW. MW. transmitter, Peshawar.

19.32. Work would start at the 100 KW MW Transmitter at Muzaffarabad to extend first class radio coverage to Azad Kashmir. Small radio transmitters are also expected to be installed on a limited scale in some selected rural areas in the country. The following are the physical targets for 1975-76.

#### 250 KW Shortwave and 2x100 KW Shortwave Transmitters, Islamabad

19.33. The transmitters are operational. The only left over items pertain to the installation of the air-conditioning plant and provision of aerials for Europe, China and Iran. It is expected that this remaining work will be completed during the year.

#### 1000 KW MW Transmitter, Islamabad

19.34. The transmitter is likely to become operational before the end of the calendar year, 1975. However, the work of providing the residential colony for the transmitter is likely to be carried over to 1976-77. In this connection, a site has already been selected and is in the process of being acquired.

#### Broadcasting House, Islamabad

19.35. Progress on this project has been very slow in the past due to factors beyond the control of the Corporation. A major portion of the building is, however, expected to be completed during 1975-76. The installation work is expected to start in the studios. It is expected that some part of the Broadcasting House will become operational by 30th June, 1976.

#### Laboratory and Workshop, Islamabad

19.36. This involves provision of test instruments and other equipment. No foreign exchange has been made available for this purpose. However, efforts will be made to procure this equipment in local currency during the year.

19.37. *Broadcasting House, Peshawar.*—The work on the construction of the building will be taken in hand during 1975-76. The civil works are expected to be completed by 30th June, 1976. It may be possible to start the installation of the electronic equipment by January 1976, in case the studio portion is ready by that time. However, the entire electronic equipment is not available. No foreign exchange was allowed for the purchase of the remaining electronic equipment and replenishment of some of the equipment of this project already used in the Bahawalpur project. A considerable portion of the installation works of this project is, therefore, likely to be carried over into 1976-77.

19.38. *300 KW MW Transmitter, Peshawar.*—This project is expected to be completed in 1975-76. The only item likely to be carried over to 1976-77 will be the construction of the residential colony.

19.39. *Transcription Service, Lahore.*—The project will be completed in 1975-76.

19.40. *150 KW MW Transmitter, Quetta.*—The project will be completed in 1975-76.

19.41. *100 KW Medium-Wave Transmitter, Karachi.*—The civil works are expected to be completed during 1975-76. All the equipment of the project except the power supply generator, will be received. It is expected that a portion of the installation work of this transmitter will also be completed by 30th June, 1976. The remaining part of the installation will be done in 1976-77.

19.42. *Village Broadcasters.*—A pilot project of village broadcasters, with a low-powered medium-wave transmitter covering an area of 10 miles radius will be implemented. Ten transmitters have been donated by Australia and a senior P.B.C. engineer went to Sidney to test the transmitters. Three of these transmitters would be installed in the first phase in I.R.D.P. Centres. This will add a new dimension to rural broadcasting. Village Broadcasters would also include educational programme of a primary level.

19.43. *Security Works.*—The proposed works will be carried out during the year.

19.44. *10 KW Medium-wave Transmitter, Bahawalpur.*—The transmitter has become operational during August 1975. Part of the equipment in this installation has been used from other projects. No foreign exchange has been allowed for replenishment of this equipment. This replenishment will have to be carried out in 1976-77.

19.45. *100 KW Medium-wave Transmitter, Muzaffarabad.*—No foreign exchange has been allowed for ordering the equipment of this project. The amount available in the A.D.P., will be utilised for site and building. The project will be carried over to 1976-77.

19.46. *Low Cost Housing Scheme.*—The budget provision is extremely meagre. Only the acquisition of some sites will be possible during the year. However, preparation of plans and detailed tender documents will also be completed during the year.

#### Second Channel

19.47. Initially most stations had only 5—10 KW MW transmitters. However, with the installation of higher power transmitters at those stations, the smaller transmitters would be used as second channel to carry alternative programmes of local interest and some educational programmes. During 1975-76, the second channel transmitters available for this purpose are shown on the next page.

**TABLE II**  
*Second Channel Facilities*

Stations/Place	Power of Transmitter (KW MW)	Covered area in Radius (miles)
Rawalpindi .. .. .	10	50
Quetta .. .. .	10	50
Hyderabad .. .. .	10	50
Karachi .. .. .	10	50
Lahore .. .. .	50	50
Multan .. .. .	10*	50

\*Bahawalpur Station can be used as a second channel to Multan.

**Television**

19.48. During 1975-76, the Pakistan Television Corporation expects to increase the coverage of its programmes for an additional 8.46 million people and extend the area coverage by about 10 per cent. This will be achieved by commissioning the rebroadcast centres at Dadu, Shikarpur and Sahiwal, and the T.V. Link Stations, known as Murree-Balakot (Thandiani) and Quetta-Mastung (Lak Pass).

19.49. A sum of Rs. 35.00 million has been provided in the A.D.P. for development of television facilities in the country. Another Rs. 60.00 million would be raised by the Pakistan Television Corporation through debenture financing under Government guarantee to implement a total programme of Rs. 95.000 million during the year, as compared to Rs. 92.000 million in 1974-75. Details are given in Table VIII.

**TABLE VIII**  
*Development Programme of Television, 1975-76*

S. No.	Name of the Scheme	Estimated Cost		Total estimated expenditure upto 1974-75	Provision for 1975-76
		Total	F.E.C.		
1	2	3	4	5	6
<b>On-going Schemes</b>					
<b>A. Viable Projects :</b>					
1.	Islamabad T. V. Centre .. .. .	O 69.601	26.470	23.535	15.000
		R 82.375	58.876		
2.	Karachi T.V. Centre .. .. .	77.989	48.888	39.669	9.079
3.	Lahore T.V. Centre .. .. .	76.930	38.817	44.817	1.604
4.	Thana Bulla Khan Rebroadcast Centre .. .. .	O 3.721	2.192	3.511	1.146
		R 4.657	2.178		
5.	Multan/Shujabad Centre .. .. .	O 7.734	3.795	13.774	2.551
		R 16.344	3.786		
6.	Sahiwal Centre .. .. .	O 7.563	3.645	4.470	5.300
		R 12.388	2.600		
				Total A ..	34.690

1	2	3	4	5	6
<b>B. Non-Viable Projects :</b>					
7.	Quetta main T.V. Centre .. .. .	O 49.913	23.320	33.293	17.138
		R 51.620	24.488		
8.	Peshawar main T.V. Centre .. .. .	45.171	20.755	29.768	13.490
9.	Dadu Rebroadcast Centre .. .. .	O 7.554	3.645	4.450	5.000
		R 12.368	2.600		
10.	Shikarpur Rebroadcast Centre .. .. .	O 7.734	3.795	4.450	5.000
		R 12.368	2.600		
			Total B	..	40.628
			Total (On-going Schemes)	..	75.308
<b>New Schemes (Non-Viable Projects)</b>					
11.	Murree-Balakot-Sherwan (Thandiani) .. .. .	12.625	5.700	—	10.400
12.	Quetta-Mastung-Kalat (Lak Pass) .. .. .	10.615	4.750	—	9.292
			Total New Schemes	..	19.692
			GRAND TOTAL	..	95.000*

O—Original Cost R—Revised Cost.

\*Rs. 60.00 million from debentures and Rs. 35.000 million from ADP Resources.

19.50. The Physical targets and allocation for 1975-76 are briefly described below :

19.51. *Islamabad T.V. Complex.*—The revised cost of the Islamabad T.V. Complex is Rs. 82.375 million against Rs. 69.601 million earlier estimated. The total expenditure up to 1974-75 was Rs. 23.535 million. During 1975-76, Rs. 15.00 million have been provided in the A.D.P. Construction of the T.V. Complex building will be taken in hand and will be completed to the extent of 20%.

19.52. *Karachi T.V. Centre.*—Construction of additional accommodation for rehearsal facilities, started in the previous year, will be completed. Orders for additional equipment costing Rs. 3.646 million will be placed while some film equipment for the station will be procured.

19.53. *Thana Bulla Khan Rebroadcast Centre.*—The residential accommodation for the technical staff at the operational Rebroadcast Centre, Thana Bulla Khan (Sind) will be constructed at a cost of Rs.1.146 million.

19.54. *Multan/Shujabad Rebroadcast Centre.*—Living accommodation for technical staff will be constructed during 1975-76 at a cost of Rs. 1.49 million. Antenna equipment for microwave will also be procured.

19.55. *Sahiwal Rebroadcast Centre.*—Construction of rebroadcast centre at Sahiwal costing Rs. 12.388 million (for which some equipment was imported during 1974-75) will commence. The transmitter will be installed and civil works and air-conditioning work will be completed to the extent of 75% and 100%, respectively. The Centre will cover 3.676 million of population mostly in Pak-Pattan, Okara, Arifwala, Chichawatni, Toba Tek Singh, Kamalia, Mian Channu, Burewala and Renala Khurd.

19.56. *Colour T.V. Equipment for two Stations.*—Out of the total electronic colour equipment of Rs. 38.75 million for two stations, equipment worth Rs. 23.36 million have been imported. Orders for the remaining equipment will be placed during 1975-76.

19.57. *Quetta and Peshawar T.V. Centres.*—Civil works at Quetta will be completed up to 30%. T.V. building at Peshawar will be completed up to 66%.

19.58. *Dadu Rebroadcast Centre.*—The revised cost of the Centre is Rs. 12.368 million, against which Rs. 4.45 million have been spent on the import of a transmitter. With an allocation of Rs. 5.00 million during 1975-76, the transmitter will be installed, the T.V. tower will be manufactured, and civil works will be completed upto 75%. On commissioning, the Centre will serve 1.496 million persons in Dadu, Shwan Sharif, Omerkot, Kot-lalu, Daulatpur, Shahpur, Nawabshah and Jan Sahib in Sind.

19.59. *Shikarpur Rebroadcast Centre*.—This Centre is expected to cost Rs. 12.368 million out of which the expenditure already incurred is Rs. 4.45 million. During 1975-76, the transmitter will be installed, T.V. tower manufactured and erected and civil works will be completed to the extent of 75%. The Centre will cover 2.763 million of population in Larkana, Shikarpur, Sukkur, Rohri, Jacobabad, Garhi Yaseen, Khairpur and Zaar Khan.

19.60. *Murree-Balakot-Thandiani T.V. Link*.—Rs. 10.44 million have been provided for the Thandiani T.V. Link. The civil works costing Rs. 0.83 million will be completed during the year. Electronic and film equipment (cost Rs. 9.2 million) will also be procured. The T.V. Link will cover 0.400 million of population in Mansehra, Balakot, Garhi Habibullah (Srinagar).

19.61. *Quetta-Mastung-Lak Pass T.V. Link*.—The total cost of the project is Rs. 10.615 million and Rs. 9.29 million has been provided in the A.D.P. Civil works costing Rs. 0.730 million will be fully completed during the year, while orders for electronic and electric equipment (cost Rs. 8.34 million) will be placed. With the completion of the project, 0.125 million people in Mastung, Kalat, Manguchar and Shiekh will be served by T.V.

### Special Programmes

19.62. While the Television Corporation has been able to establish a firm basis for its general purpose programmes which could reach 42 million people, there is much to be done in the fields of adult literacy and social education considering the fact that about 79% of the population does not have the ability to read and write. Experience in other countries has shown that the institutions of formal education can be greatly strengthened with the systematic and wide scale use of television. The Corporation has, therefore, launched a pilot project in cooperation with IRDP in the selected districts of the Punjab, which is aimed at imparting adult literacy, combined with social and vocational education, to 12,000 women and 12,000 men in about 6 months time. Tele-lessons, each of 35 minutes duration are transmitted daily from the Lahore Station and are received at 210 Community Viewing Centres located in Lahore, Sheikhpura, Sialkot, Gujranwala etc. These Community Viewing Centres are equipped with television sets and other teaching aides for use of 120 men and women in batches. The tele-lessons provide adult education to improve the agriculture and industrial skills of the trainees and also to promote improved response to the programmes in the fields of community development, health and population planning. The budgeted cost of the project (to be completed in 1975-76) is Rs. 3.00 million. The UNICEF has provided Rs. 2.2 million as grant for this project.

19.63. In addition, a teaching programme sponsored by the People's Open University will be implemented from July 1, 1975 from all stations of the Corporation. The Corporation would cooperate with this University and I.R.D.P. in the furtherance of their goals.

### Economic Publicity

19.64. A sum of Rs. 0.6 million has been provided in the A.D.P. for economic publicity.

### Provincial Programmes

19.65. The A.D.Ps. of the Government of the Punjab and N.W.F.P. have a provision of Rs. 2.00 million and Rs. 1.00 million, respectively for development work of information institutions. The Government of the Punjab would start a film screening scheme in the Multan and Lahore regions. Documentary and informative films will be shown both in urban and rural areas with a view to projecting various economic development activities. For N.W.F.P., the allocation will be utilised for construction of office blocks for the provincial information set-up.

## PHYSICAL TARGETS PROPOSE IN RESPECT OF BROADCASTING—1975—80

Item	As on 30-6-1975	Addition during 1975—80
1. No. of Broadcasting Stations .. .. .	8	20 (Includes 10 Village Broad-casting Stations).
2. No. of mediumwave Transmitters .. .. .	12	25
3. Total Power of Mediumwave Transmitters .. .. .	556 K.W.	2013 K.W.
4. No. of Shortwave Transmitters .. .. .	15	—
5. Total Power of Shortwave Transmitters .. .. .	1061 K.W.	—
6. Area Coverage .. .. .	47%	40% = 87%
7. Population Coverage .. .. .	81%	17% = 98%

Cumulative.

The Development Perspective also envisages construction of auditorium at Islamabad, balancing and modernization of equipment and expansion of training facilities.

## Annexure I-B

## PHYSICAL TARGETS IN RESPECT OF TELEVISION

Item	As on 30-6-1975	Additions during 1975—80
1. No. of T.V. Stations including Pilot Centres at Peshawar and Quetta ..	5	3
2. No. of rebroadcast Centres .. .. .	4	8
3. No of Translator Centres (Kohat, Chunian, Narowal, Sibi, Bahawalpur).	—	5
4. No. of Super High Frequency Links .. .. .	—	12
5. T & T Microwave Link .. .. .	1	—
6. Area Coverage .. .. .	35%	30% = 65% (Cumulative).
7. Population Coverage .. .. .	60%	27% = 87% (Cumulative).

Besides, technical facilities are proposed to be augmented for colour transmission from Karachi, and Lahore T.V. Stations.



## DATA ON COST AND COVERAGE OF BROADCASTING AND TELEVISION AS ON JUNE 30, 1975

	Unit	Television	Broadcasting
1. Development Expenditure incurred .. .. .	Rs. Million	212.400	238.358
2. Total area coverage .. .. .	Sq. Miles	93,000 (30%)	1,44,466 (47%)
3. Total Population coverage .. .. .	Million	42.000 (60%)	55.890 (81%)
4. Registered T.V./Radio Sets in use .. .. .	Nos.	2,67,503	1,900,000
5. Capital cost of per sq. mile of coverage .. .. .	Rs.	2,284.87	1,650.00
6. Development cost per TV/Radio set in use (1÷4) .. .. .	Rs.	794.00	125.45
7. Recurring cost per TV/Radio set, 1974-75 .. .. .	Rs.	299.00	45.110

**CHAPTER 20**  
**PHYSICAL PLANNING AND HOUSING**  
**ANNUAL PLAN 1975-76**

A healthy living environment, besides being a human necessity, has numerous social and economic benefits. It improves health, labour productivity and children's capacity for learning. Improved environment contributes to economic growth and is an important objective of the development programmes.

**Problems**

20.2. In the Physical Planning and Housing Sector, there are serious environmental problems which have arisen partly due to inadequate resources and partly due to unbalanced development. These include unhygienic water, absence of sanitation, inadequate housing and congestion in major cities.

20.3. It has been estimated that in Urban Areas 150,000 housing units are needed annually for incremental population alone, whereas the current output has been only about 35,000 per annum. In rural areas, about a quarter of the population is living in dilapidated and improvised structures. The position of water is even more alarming as not more than 30 percent of urban and 5 percent of the rural population has access to piped water supply. Sewerage and drainage facilities are available to about 15 percent of the urban population while in rural areas these facilities are virtually non-existent.

20.4. An imbalance in the provision of facilities between the urban and rural areas is resulting in a high rate of urbanization. This trend is creating tremendous pressures on the already over-crowded cities. It is feared that if appropriate measures leading to effective policies of population distribution are not taken, human misery and environmental degradation will increase in the cities.

**REVIEW OF ADP 1974-75**

**Financial Implementation**

20.5. During 1974-75, the policies and programmes were primarily designed to meet the housing needs of the common man in a safe and healthy environment.

20.6. In the ADP 1974-75, the sector was allocated Rs. 728.340 million which indicated an increase of 45 percent over the 1973-74 level. Low income housing, water supply, sewerage and drainage claimed 71 percent of the total allocation. The remaining 29 percent included, provisions for government offices and buildings, tourism, Islamabad, urban and regional planning, and also the provisions for low income housing, water supply, sanitation and government buildings for Azad Kashmir, Northern Areas and FATA.

20.7. Against the original ADP allocations of Rs. 728.340 million, the final allocation, as revised by the provinces was larger at Rs. 757.079 million which included extra budgetary allocation of Rs. 65 million for Sind for Karachi Bulk Water Supply Scheme. The total expenditure incurred during 1974-75 is estimated as Rs. 790.824 million showing an achievement of 108.0 percent and 104.0 percent against the original and revised allocations respectively. The executing agency wise details of allocation and expenditure are given in Table I below :

TABLE I

Executing Agency	Original ADP allocation 1974-75	Revised ADP allocation 1974-75	Estimated expenditure 1974-75	Percentage Utilisation/Achievements against	
				Original allocation	Revised allocation
				(Million Rs.)	
1. Punjab .. .. .	256.50	256.500	290.600	113.3	113.3
2. Sind .. .. .	94.34	148.087	126.750	166.8	85.5
3. N.W.F.P. .. .. .	62.95	44.977	41.830	64.4	93.0
4. Baluchistan .. .. .	39.90	32.865	28.530	71.5	86.8
5. Federal Government .. .. .	274.65	274.65	303.114	110.3	110.3
<b>Total</b> .. .. .	<b>728.340</b>	<b>757.079</b>	<b>790.824</b>	<b>108.0</b>	<b>104.0</b>

## PHYSICAL IMPLEMENTATION

### (a) Low Income Housing

20.8. In view of the resource constraints, the approach adopted was that the government should take upon itself the responsibility of meeting the cost of providing site and services whereas the construction of housing should be the responsibility of the private sector. The major physical targets during 1974-75 were the development of 22,300 plots, and construction of 3500 houses/flats. The provincial governments, however gave higher priority to the development of plots as against the target of 22,300 plots, as many as 34,275 plots were developed for low income groups in 1974-75. Majority of the plots were developed in the Punjab and Sind. In NWFP and Baluchistan, work on the low income housing schemes has begun but developed plots were not yet available. The construction of nucleus houses was given lower priority and it is estimated that not more than 1,000 houses were constructed.

20:9. In order to help private sector to construct houses, credit facilities were expanded. During 1974-75 HBFC had disbursed loans amounting to Rs. 200 million out of which Rs. 100 million was allocated in Federal ADP 1974-75. In addition about 150 million were advanced by commercial banks as house building loans and Rs. 22 million were disbursed as house building loans to government servants. Credit facilities were also provided by semi-government and private companies to their employees for housing construction. It is estimated that about 35 thousand additional houses were constructed by the private sector during 1974-75.

### Water Supply, Sewerage and Drainage

20.10. In the field of Water Supply, Sewerage and Drainage, the targets envisaged were the provision of community services to 5.80 lakh additional population in urban areas and 7.40 lakh in rural areas. To meet this target, the provincial government had prepared a number of schemes. It is estimated that the achievement exceeded the targets.

20.11. In the urban areas, 11 schemes were completed; 8 in Punjab and 3 in Sind, and substantial progress was made on 35 schemes in various towns of the four provinces. In the Rural Sector, it is estimated that 133 schemes of rural water supply were completed to serve a total population of 7.55 lakh. The majority of the schemes were in Punjab followed by the Provinces of NWFP and Sind. In Baluchistan, 7 out of the 11 schemes were completed in 1974-75. Besides the regular programme, work was initiated for installing handpumps in the flood affected areas of the Punjab and Sind with the technical and financial assistance of the USAID and UNDP.

### Regional and Urban Planning

20.12. As regards regional and urban planning, work on the Outline Development Plan for Khanewal and Regional Development Plan for Lahore Metropolitan Region was completed. The Karachi Master Plan Department finalised the proposals regarding institutional arrangement for the Master Plan for Karachi Metropolitan Region. The Sind Government prepared tentative development plans for Thar, Nara and Kohistan. Aerial Photography and mapping work also continued and an area of 277 sq. miles was covered for 8 towns of Sind. The Regional Planning Organisation was set up with UNDP assistance with an ultimate objective of preparation of a comprehensive Regional Development plan for the Sind province.

20.13. In Punjab, five sites were selected for development as Agrovilles and it is estimated that the preparation of feasibility studies and detailed designing would be completed. In Sind work progressed in case of Badin Agroville. Under the Federal Government the Town Planning and Agrovilles Division completed preparation of 7 feasibility studies of proposed agrovilles sites in all the four provinces and Azad Kashmir. Urban Development Board in NWFP and Lahore Development Authority in Punjab were also set up.

### Other Programmes

20.14. In Islamabad, work on various schemes made encouraging progress except in case of two major projects namely Presidency and the Simly Dam, which showed slow progress mainly due to disputes with the contractors because of escalation of costs; changes in detailed designs of Presidency and shifting of machinery by WAPDA from the Simly Project to the flood affected areas in the Punjab and Sind. Work on development of plots in 2 residential sectors continued and 25% progress was achieved on laying of water supply, sewerage and drainage mains as well as construction of roads. Similarly out of the 3000 'A' to 'D' type houses, construction of 144 'A' category houses was completed.

20.15. No targets were fixed for construction of houses for the public servants and government offices and buildings and allocations were provided to meet the most essential requirements. It is estimated that about 2000 houses were constructed during 1974-75 and 40 office buildings were completed in all the four provinces for various provincial government departments.

20.16. In the Northern Areas, Azad Kashmir, and Federally Administered Tribal Areas, emphasis was laid on the programmes relating to construction of offices and residential accommodation for government servants and provision of drinking water supply in selected areas. During 1974-75 about 150 residential units and 30 water supply schemes were completed in the Special Areas.

#### STRATEGY AND OBJECTIVE FOR THE ANNUAL PLAN 1975-76

20.17. The problems of the Physical Planning and Housing Sector are huge and complex and cannot be solved in a short span of time. The Annual Plan 1975-76, has been prepared keeping in view the medium-term projections for 1975-80. Emphasis is placed on the provision of plots for the low income population and water supply and sanitation facilities in the urban and rural areas, in a phased manner so as to narrow down the gap between demand and supply. For 1975-80, the minimum annual physical targets would be the development of about 63,000 plots for low income population and provision of water supply and sewerage facilities to 25.48 lakh urban and 35.00 lakh rural population. However due to the present financial emergency, lower targets have been set for 1975-76. It is envisaged that water supply and sanitation facilities will be provided to 10.52 lakh and 15.00 lakh urban and rural population respectively.

#### Financial Allocation

20.18. A total allocation of Rs. 1124.322 million has been made to the Physical Planning and Housing Sector in the Annual Plan 1975-76 against an original allocation of Rs. 728.34 million and revised allocation of Rs. 757.079 million made in 1974-75. This represents an increase of 54.9 percent and 48.4 percent over the original and revised allocations of 1974-75, respectively. Breakdown of the sectoral allocation by executing agencies is given at Appendix I.

TABLE II  
Sectoral Allocations 1975-76

												(Million Rs.)
Executing Agency											Allocations	
1.	Punjab	..	..	..	..	..	..	..	..	..	..	398.644
2.	Sind	..	..	..	..	..	..	..	..	..	..	186.200
3.	N.W.F.P.	..	..	..	..	..	..	..	..	..	..	128.155
4.	Baluchistan	..	..	..	..	..	..	..	..	..	..	32.880
5.	Federal Government	..	..	..	..	..	..	..	..	..	..	378.443
											Total	1,124.322

#### Physical Targets

20.19. The main physical targets in the field of housing, water supply and sanitation are given in Appendix II. The details of physical targets for 1975-76, under various sub-sectors are described in the following paragraphs.

#### Low Income Housing

20.20. In the Annual Plan 1975-76, an additional number of 50,700 plots will be developed in the public sector. The construction of houses, however, will be the responsibility of the private sector for which finances would be arranged from the House Building Finance Corporation and commercial banks. In addition the provincial governments will undertake programmes of slum improvement and regularisation of as many unauthorised settlements as possible.

20.21. In the Punjab, 40 area development schemes for low income housing have been included in the ADP 1975-76 which will enable the development of 46,000 plots in various urban areas of the province. In addition 1000 quarters will be constructed. In Sind, the work on various housing schemes will be in initial stages therefore only 700 plots are expected to be developed in various towns during 1975-76. In Karachi where a large number of plots have already been developed in the public sector by Karachi Development Authority, and in the private sector by housing societies, the emphasis during 1975-76 will be on the actual construction of houses in the private sector. In Baluchistan it is estimated that about 3000 plots will be developed in Quetta under two schemes of low income housing whereas in Peshawar about 1000 plots would be developed.

20.22. The Annual Plan Target for Private investment for house building is Rs. 1100 millions, one third of which would be financed through credit facilities. The total requirements for institutional credit for house building during 1975-76 works out to Rs. 370 millions. An allocation of Rs. 100 million has been made for House Building Finance Corporation in the ADP 1975-76. In addition Rs. 40 million have been allocated for advancing house building loan to Government Servants. The balance of the credit requirement of 230 millions will be met by the commercial banks to the extent of Rs. 100 million and Rs. 130 million would be covered by the State Bank loan to the House Building Finance Corporation; Against Rs. 230 million that could be available, the House Building Finance Corporation have set a much larger disbursement target of Rs. 370 million.

20.23. Problem of housing is acute for low paid government servants, who have to work at a place away from their home town. Increased allocation has been provided for the construction of houses for lower salaried Government Servants of the Federal and Provincial Governments and it is estimated that about 2000 houses would be constructed during 1975-76 in various places of Pakistan.

#### **Community Services and Utilities**

20.24. The water supply, sewerage and drainage programmes for 1975-76 have been designed in a manner that the gap between the population growth and population served should start closing gradually to ultimately cover the entire population in the foreseeable future. The targets envisaged during 1975-76 are the provision of water supply sewerage and drainage facilities to serve an additional 22.25 lakh population in the urban areas and 13.30 lakh population in rural areas.

#### **Urban Water Supply, Sewerage and Drainage**

20.25. In the Punjab, during 1975-76, 44 water supply and 18 sewerage and drainage schemes will be under execution. The major schemes are at Multan, Gujranwala, Rawalpindi, Bahawalpur, Jhelum, Gujrat, Campbellpur, Shaikhupura, Sialkot, Lyallpur, Sahiwal and Rahimyar Khan. In addition work on some new schemes will also be started. Emphasis has been laid on the completion of on-going schemes and it is expected that 15 schemes would be completed. Work on Phase II of the Greater Lahore Water Supply and Sewerage Project will be accelerated. With the completion of the above schemes it is expected that additional 66 m.g.d. of water would be available to serve an additional population of about 6.03 lakh.

20.26. In Sind, work on 17 on-going schemes of water supply, sewerage and drainage will be continued. The major schemes are at Hyderabad, Tharparkar, Sanghar, Jacobabad, Khairpur, Nawabshah, Larkana, Thatta, Sukkur and Dadu districts. It is estimated that additional population of 1.34 lakh would be served with water supply and about 1.0 lakh would be provided with sewerage facilities. The 3rd phase of the Greater Karachi Bulk Water Supply will be continued and it is expected that an overall progress of about 45% will be achieved by the end of 1975-76. Under the Layari Water Supply and sewerage scheme, Karachi, it is proposed to serve an additional population of 0.40 lakh with water supply and sewerage facilities.

20.27. In the N.W.F.P. a number of major schemes started during 1974-75 would be completed to serve a population of about 75,000. Work on the new schemes of Greater Peshawar Water Supply and Sanitation will be taken in hand.

20.28. In Baluchistan, work on the augmentation of Quetta water supply scheme will continue. During 1975-76, a storage reservoir of one million gallons capacity will be completed. But the work on the installation of 8 tubewells will be carried over to 1976-77.

#### **Rural Water Supply and Sanitation**

20.29. In the Punjab, 208 rural water supply schemes (168 on-going and 40 new) and 20 drainage schemes (10 on-going and 10 new) will be under execution and it is expected that 100 water supply and 10 sewerage schemes will be completed. With the completion of these schemes an additional population of 7.26 lakh would be served.

20.30. In Sind, during 1975-76, it is proposed to serve an additional population of 1.90 lakh under 49 rural water supply schemes (35 on-going and 14 new). Drainage facilities would be provided to a population of about 42,000 under 9 on-going schemes.

20.31. In N.W.F.P. a very large number of schemes of water supply will be under execution and it is estimated that about 4.52 lakh additional population would be served by the end of 1975-76 with the completion of some of the schemes.

20.32. In Baluchistan, 20 schemes will be completed which would make potable water available to about 40,000 population.

### **Regional and Urban Planning**

20.33. In the Annual Plan 1975-76, it is proposed to set up the programme of regional and urban development to guide the development in an appropriate manner and to complete the on-going regional studies for Bahawalpur/Multan and Lasbella/Makran regions, and continue work on the Regional Development Plan for NWFP and Regional Plan for Sargodha and Murree Regions. A regional Planning Project has also been initiated at the national level to prepare strategies, policies and programmes. U.N. Assistance has been committed for "Regional Planning for Sind Province". At the micro level, work will be continued on the outline development plan for Bahawalpur, Rahimyar Khan, Bahawalnagar, Sargodha, Mianwali and Khushab.

### **Government Offices and Buildings**

20.34. As in case of Government Servants Housing, there is an acute shortage of accommodation for the office of Federal and Provincial Governments. However, the allocation provided in the Annual Plan 1975-76 is meant to meet the most essential needs only. Work on substantial number of on-going and new schemes relating to the construction of office accommodation for Police, Judicial, Communication and Works, Rangers, Revenue, Jails, Income Tax, Civil Armed Forces and Frontier Constabulary will be continued. In addition construction of office block at Karachi, new assembly building at Peshawar and Quetta will also be continued alongwith the construction of peoples waiting halls and improvement/construction of district court building in selected district headquarters.

### **Islamabad**

20.35. In view of the Government policy to bring all the essential Federal Government Departments to Islamabad as early as possible, the pace of providing office space, housing and other public facilities like water supply, sewerage and drainage needed acceleration. However, because of the resource constraints the entire need cannot be met and therefore, during 1975-76, it is proposed to continue with the work on the major on-going schemes to enable their completion as early as possible.

20.36. Steady progress on the major projects such as Presidency, Simly Dam and National Assembly Building is expected to be made in 1975-76. 500 houses would be constructed for the low category employees of the Federal Government in addition to the 'A' category houses already completed. In addition adequate funds have been provided for the remaining works relating to construction of roads, water supply distribution, sewerage drainage etc.

### **Tourism**

20.37. Tourism prospects in Pakistan have improved particularly with the opening up of the Northern Regions to Tourism. The opportunity to benefit from the increasing demand being there, investments in the necessary infra-structure are required. In the Annual Plan 1975-76 adequate allocation have been provided for infra-structure work such as establishment of Tourism and Hotel Training Institute, tourism facilities in Kirthar, Lal Sunehra and Margalla Hills, parks, accommodation at Gilgit, Hunza and Swat, Rest Houses at Naltar and Naran, development of Tourist resort at Keenjar Lake, Gaddani Beach and promotional publicity at home and abroad. The private sector will be responsible for the provision of tourist facilities such as hotels and transport.

### **Special Areas**

20.38. The special areas which include Azad Kashmir, Northern Areas (Gilgit, Baltistan, Diامر etc.) and the Federally Administered Tribal Areas have a vast range of problems, including poor housing conditions, shortage of drinking water and lack of office and residential accommodation for various government departments. In order to mitigate the difficulties of the people living in those areas, increased allocation have been provided in the Annual Plan 1975-76, so that proper programme for provision of water supply, construction of office and residential accommodation for government servants could be taken up.

**PHYSICAL PLANNING AND HOUSING SECTOR**  
**FINANCIAL ALLOCATIONS BY EXECUTING AGENCIES**

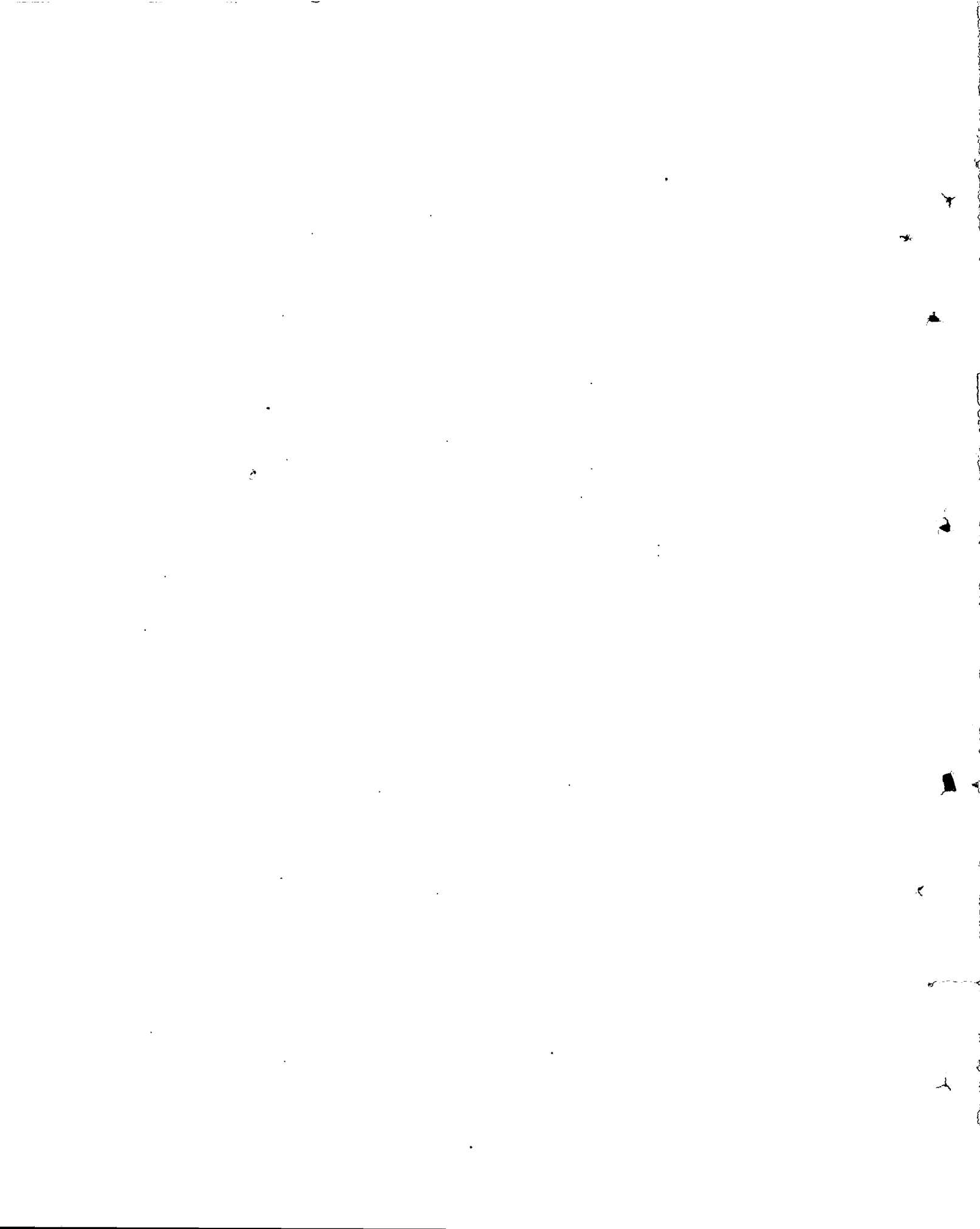
(Million Rs.)

Sub-sector	Punjab	Sind	N.W.F.P.	Baluchistan	Federal Government	Total
1. Basic Development and Regional Planning	1.600	1.000	0.496	—	0.225	3.321
2. Agrovilles .. .. .	—	2.500	—	—	1.275	3.775
3. Low Income Housing .. ..	160.000	3.100	43.537	3.000	—	209.637
		Urban Development Block Allocation				
4. Advance to Government Servants ..	—	—	—	—	30.000	30.000
5. H.B.F.C. .. .. .	—	—	—	—	100.000	100.000
6. Rural Water Supply .. .. .	50.000	23.100	29.716	9.005	—	111.921
7. Urban Water Supply Sewerage ..	120.644	36.900	9.000	3.559	—	170.559
8. Aid to local bodies .. .. .	—	64.500	—	—	—	64.500
9. Special projects .. .. .	—	27.000	—	—	—	27.000
10. Government Servants Housing .. ..	28.200	12.100	45.406	17.316	28.417	131.439
11. Government Office and Buildings ..	38.200	14.000	—	—	4.645	56.845
12. Model villages .. .. .	—	2.000	—	—	—	2.000
13. Islamabad .. .. .	—	—	—	—	86.100	86.100
14. Tourism .. .. .	—	—	—	—	30.170	30.170
15. Azad Kashmir .. .. .	—	—	—	—	11.551	11.551
16. Northern Region .. .. .	—	—	—	—	13.000	13.000
17. Federally Administered Tribal Areas ..	—	—	—	—	21.050	21.050
18. F.A.T.A. D.C. .. .. .	—	—	—	—	0.500	0.500
19. Baluchistan and Frontier Constabulary ..	—	—	—	—	20.600	20.000
20. Interior Division .. .. .	—	—	—	—	29.100	29.010
21. Ministry of Foreign Affairs .. .. .	—	—	—	—	1.500	1.500
22. Works and Housing Research .. .. .	—	—	—	—	1.000	1.000
<b>Total ..</b>	<b>398.644</b>	<b>186.200</b>	<b>128.155</b>	<b>32.880</b>	<b>378.443</b>	<b>1,124.322</b>

PHYSICAL PLANNING AND HOUSING SECTOR  
MAJOR PHYSICAL TARGETS

Items	Unit	Targets for 1975-76
1. Residential Plots .. .. .	Nos.	50,700
2. Houses/Flats .. .. .	Nos.	1,000
3. Urban Water supply Sewerage and Drainage .. .. .	Additional popula- tion to be served.	10.52 Lakh.
4. Rural Water Supply and Sanitation .. .. .	Do.	15.00 Lakh.
5. Government Servants Housing .. .. .	Nos.	2,000





## CHAPTER 21

### PEOPLES WORKS PROGRAMME

#### Objectives of PWP

1. The Peoples Works Programme is designed to supplement at the local level, the national effort for improving the quality of life of the masses. The programme seeks to mobilize local initiative and leadership in identifying projects and programmes of significant interest to the local community. Peoples participation in the development effort and utilization of idle manpower are other elements of the programme. Its objectives include :—

- (a) To combat unemployment and under-employment by significantly enlarging opportunities for gainful work.
- (b) To undertake within the framework of the country's overall development plan, such productive projects as will satisfy the felt needs of the people and build up the economy through the provision of basic capacities and amenities. The projects undertaken are split into comparatively small units so that they materialize quickly.
- (c) To mobilize local resources and to motivate the people for a massive productive effort so that the process of development gets institutionalized and is associated with a large segment of the population.
- (d) To provide opportunities for constructive leadership and draw upon local initiative to the maximum extent.
- (e) To generate confidence and self-reliance among the masses through proper training and skill formation so that they become worth-while productive assets for the country.

2. The programme gives priority to such productive projects which can be completed quickly and can add to rural infrastructure. The major programmes are for rural roads, school buildings, small irrigation dams, drinking water facilities, industrial homes for women, dispensaries, tree plantation, and adult education.

#### REVIEW OF 1974-75

#### FINANCIAL ALLOCATIONS AND UTILIZATION

3. A statement showing the Province wise allocation and-utilization of funds by Peoples Works Programme during 1974-75 is given in the following table :—

										(Rs. in Million)		
										Original Allocation	Revised Allocation	Utilization
										1	2	3
Punjab	..	..	..	..	..	..	..	..	..	60.00	144.00	92.54
Sind	..	..	..	..	..	..	..	..	..	12.22	19.69	10.42 (up to 31 Mar.)
Baluchistan	..	..	..	..	..	..	..	..	..	5.00	5.00	5.00
<b>N.W.F.P.</b>												
Settled Districts	..	..	..	..	..	..	..	..	..	11.57	10.55	10.28
<b>Federal Areas</b>												
Federal Capital Area	..	..	..	..	..	..	..	..	..	0.50	0.65	0.42
F.A.T.A..	..	..	..	..	..	..	..	..	..	6.00	6.58	6.68
Azad Kashmir	..	..	..	..	..	..	..	..	..	6.00	6.00	3.76 (up to Mar.)
Northern Areas	..	..	..	..	..	..	..	..	..	7.50	—	—
<b>Total ..</b>										108.79	192.47	126.84

*Source : Planning Division.*

4. The revised allocation for PWP is 78% higher than the original allocation for 1974-75. The principal increase has occurred in the Punjab, where the PWP budget was more than doubled, from Rs. 60 million to 144 million. The increased allocation was meant firstly to accommodate an expenditure of Rs. 25 million on staff of former basic democracies, which was previously being charged to a different account, and secondly to provide for quick completion of unfinished work on flood-damaged roads. In N.W.F.P., the amount available for expenditure during 1974-75 consisted of the allocation of Rs. 11 million for 1974-75 plus an amount of Rs. 7.8 million carried over from the previous year.

5. Complete data on utilization upto 30th June, 1975 is not available. It appears that the revised allocations have been substantially utilized and that shortfalls, if any, are less significant than in previous years.

### PHYSICAL ACHIEVEMENTS DURING 1974-75

#### Punjab

6. Significant progress has been reported from Punjab during the current year. The following table shows the physical achievements under the programme during 1974-75 :

Sector	1973-74	1974-75
<b>I. Communications :</b>		
1. Metalled Roads .. .. .	57 miles	246 miles
2. Treated Roads .. .. .	53 miles	200 miles
3. Katcha Roads .. .. .	228 miles	363 miles
4. Culverts .. .. .	225 Nos.	1,680 Nos.
5. Small Bridges .. .. .	—	38 Nos.]
<b>II. Health and Sanitation :</b>		
6. Hand Pumps .. .. .	—	10 Nos.
7. Water Tank/Diggies] .. .. .	58 Nos.	184 Nos.
8. Civil Dispensaries] .. .. .	21 Nos.	47 Nos.
9. Water Supply .. .. .		68 Nos.
10. Drains/Street Pavement .. .. .		87,474 yards
11. Open Surface Wells .. .. .	83 Nos.	74 Nos.
<b>III. Irrigation :</b>		
12. Small Dams .. .. .	14 Nos.	32 Nos.
13. Water Culverts .. .. .		21 Nos.
<b>IV. Education :</b>		
14. New Schools .. .. .	302 Nos.	575 Nos.
15. Room addition .. .. .	300 Nos.	448 Nos.
16. No. of schools repaired .. .. .	—	190 Nos.
<b>V. Social Welfare and Housing :</b>		
17. Community Centres] .. .. .		61 Nos.
18. Play grounds .. .. .	100 Nos.	7 Nos.
19. Housing plots developed] .. .. .		7 Nos.
<b>VI. Agriculture :</b>		
20. Veterinary Centres .. .. .	34 Nos.	54 Nos.
21. Tree Plantation] .. .. .		13 lakh
<b>VII. Other Projects :</b>		
22. Industrial Homes for Women .. .. .	330 Nos.	—
23. Cottage Industries .. .. .	4 Nos.	—

## Sind

7. An allocation of Rs. 19.69 million was made for the Province of Sind in the revised ADP for 1974-75 out of which Rs. 10.42 million have been utilized upto March 31, 1975. The trend of utilization exhibits that the total revised allocation would be utilized by end of June 1975. The physical achievements made in Sind during 1974-75 are given below :—

Sector	1973-74	1974-75
<b>I. Communications :</b>		
1. Metalled Roads .. .. .	21 miles	21 miles
2. Katcha Roads .. .. .	70 miles	—
3. Other Roads .. .. .	37 miles	—
4. Culverts .. .. .		310 Nos.
<b>II. Health and Sanitation :</b>		
5. Hand Pumps .. .. .	466 Nos.	—
6. Water Supply .. .. .	20 Nos.	19 Nos.
7. Dispensaries/Maternity Homes .. .. .	—	11 Nos.
8. Small Water Supply Schemes/Wells, Water Tanks .. .. .	—	26 Nos.
<b>III. Social Welfare :</b>		
9. Play Grounds .. .. .	60 Nos.	—
10. Community Centres .. .. .	—	2 Nos.
<b>IV. Agriculture :</b>		
11. Tree Plantation .. .. .	91,000 Nos.	6,000 Nos.
<b>V. Education :</b>		
12. Primary and Middle Schools .. .. .	Not available	28 Nos.
<b>VI. Other Schemes :</b>		
13. Bus sheds .. .. .	—	11 Nos.
14. Mosque .. .. .	—	1
<b>VII. Housing :</b>		
15. Model Villages .. .. .	—	2 completed and 9 in progress
16. Plots .. .. .	—	1,976 Nos.
17. Quarters .. .. .	—	204 Nos.
<b>VIII. Industrial Homes.. .. .</b>		
	—	2 Nos.

## Baluchistan

8. Baluchistan has utilized the whole of the allocation of Rs. 5.00 million made in the ADP for 1974-75. The table below shows the sector-wise achievements and expenditure incurred during the year.

Sector	1973-74 No. of Schemes	1974-75 No. of Schemes	1974-75 Percen- tage Completed	Expenditure
1. Communications .. .. .	47 Rs. 46.35 lac	17	45	3,01,500
2. Irrigation .. .. .		146	60	13,94,288
3. Village Improvement .. .. .		3	89	49,000
4. Drinking Water Supply/Wells/Handpumps.. .. .		39	78	2,78,500
5. Agriculture .. .. .		12	75	1,38,000
6. Animal Husbandry .. .. .		6	44	1,95,000
7. Education .. .. .		16	57	4,00,687
8. Health .. .. .		7	50	1,87,000
9. Cottage Industries .. .. .		2	—	23,300
10. Community Buildings .. .. .		19	23	6,41,655
11. Misc. ... .. .		4	46	46,000
12. Staff and Contingency .. .. .		—	—	13,44,570
	<b>Total</b>	<b>271</b>		<b>50,00,000</b>

**N.W.F.P.**

9. An amount of Rs. 11.57 million was allocated in the ADP 1974-75. The following table shows the sector-wise physical progress made during the year.

*Settled Distis. of N.W.F.P.*

							(Rs. in Million)		
Sector							1973-74 No. of Schemes	1974-75 No. of Schemes	Expendi- ture Incurred
1. Communications	..	..	..	..	..	..	173	92	27.11
2. Metalled Roads	..	..	..	..	..	..	85 miles	—	—
3. Village Improvement and Flood protection	..	..	..	..	..	..	—	53	8.52
4. Education	..	..	..	..	..	..	180	109	28.25
5. Health and Sanitation	..	..	..	..	..	..	118	11	3.01
6. Irrigation Wells	..	..	..	..	..	..	9	65	3.35
7. Low Cost Housing	..	..	..	..	..	..	12	13	5.42
8. Drinking Water supply	..	..	..	..	..	..	—	105	16.63
9. Community Buildings	..	..	..	..	..	..	9	9	1.90
10. Flood Protection Bunds	..	..	..	..	..	..	69	—	—
11. Misc. Maintenance and Repair	..	..	..	..	..	..	—	26	8.61
12. Contingent staff	..	..	..	..	..	..	—	—	8.62
13. Agriculture—Animal Husbandry	..	..	..	..	..	..	—	—	0.08
<b>Total ..</b>							<b>570</b>	<b>484</b>	<b>111.50</b>

**FEDERAL AREAS**

**Federally Administered Tribal Areas**

10. An amount of Rs. 6.77 million was available during 1974-75 for the PWP in the Federally Administered Tribal Areas of N.W.F.P. Of this, an amount of Rs. 6.68 million has been spent on various schemes upto June 30, 1975. The following table shows the sector-wise physical progress made during the year.

Sector											No. of Schemes	Expenditure Incurred (Rs. in Lakh)
1. Communications	..	..	..	..	..	..	..	..	..	..	26	7.20
2. Village Improvement and Flood protection	..	..	..	..	..	..	..	..	..	..	39	2.80
3. Education	..	..	..	..	..	..	..	..	..	..	33	8.26
4. Health and Sanitation	..	..	..	..	..	..	..	..	..	..	20	1.86
5. Irrigation	..	..	..	..	..	..	..	..	..	..	187	15.28
6. Low Cost Housing	..	..	..	..	..	..	..	..	..	..	7	7.69
7. Drinking Water Supply	..	..	..	..	..	..	..	..	..	..	117	8.48
8. Community Buildings	..	..	..	..	..	..	..	..	..	..	25	5.94
9. Miscellaneous Maintenance and Repair	..	..	..	..	..	..	..	..	..	..	12	2.99
10. Contingent Staff	..	..	..	..	..	..	..	..	..	..	—	4.53
11. Agriculture—Animal Husbandry	..	..	..	..	..	..	..	..	..	..	9	0.98
12. Social Welfare	..	..	..	..	..	..	..	..	..	..	2	0.80
<b>Total ..</b>											<b>477</b>	<b>66.81</b>

**Azad Kashmir**

11. An amount of Rs. 8 million was allocated for the Peoples Works Programme in the ADP 1974-75. As against this, an amount of Rs. 6.73 million was released upto the end of March, 1975. The physical achievements made during 1974-75 are as follows :—

S. No.	Sector	No. of Schemes	Brief Description	Physical Achievements	
1	2	3	4	5	
1.	Road and Communication ..	153	1. Const. of village path. 2. Const. of Roads 3. Repairs to Roads 4. Mule Track 5. Suspension Bridges 6. Foot Bridges 7. Completion of Bridges. 8. Repairs of Bridges 9. Widening of village path. 10. Culverts.	66.75 miles 160.25 miles 2.80 miles 10.50 miles 5 Nos. 45 Nos. 11 Nos. 5 Nos. 2.5 miles 8 Nos.	60%
2.	Irrigation ..	240	1. Construction of Kools. 2. Lift Pumps	—	55%
3.	Education ..	448	1. Construction of Village Madrassas 2. Construction of Primary Schools 3. Extension of Primary School Buildings 4. Construction of Middle School Buildings 5. Extension of Middle School Buildings 6. Completion of Primary School Buildings 7. Completion of Middle School Buildings 8. Repair to Middle School Buildings 9. Repair to Primary School Buildings 10. Construction of Playground 11. Construction of Industrial School	34 Nos. 227 Nos 28 Nos 2 Nos 20 Nos. 106 Nos 21 Nos 3 Nos 5 Nos 1 Nos 1 Nos	57%
4.	Rural Water Supply ..	1003	1. Pipe Lines 2. Tube Wells 3. Lift Pumps	70,486 ft. 4 Nos. 6 Nos	65%
5.	Soil Conservation ..	103	—	—	65%
6.	Physical Planning and Housing ..	10	—	—	45%
7.	Maintenance ..	—	—	—	75%
8.	Health and Sanitation ..	36	—	—	40%
9.	Horticulture ..	1	—	—	100%
10.	Pay of Staff and Equipment ..	1	—	—	75%
11.	Aid to Municipal Committee ..	1	—	—	50%
12.	Purchase of Jeeps ..	1	—	—	75%

**NORTHERN AREAS**

12. Upto date figures are not available.

## FEDERAL CAPITAL AREA

13. An allocation of Rs. 0.5 million was made for the Peoples Works Programme in the ADP 1974-75. Against this, an amount of Rs. 0.418 million was incurred/committed during the year.

14. The projects sanctioned by the Federal Area Peoples Works Council during the period are as follows :

S. No.	Name of the Project	No. of Projects
1.	Drinking Water Wells .. .. .	19 Nos.
2.	Repair/Construction of School Buildings .. .. .	18 Nos.
3.	Construction of Katcha Roads .. .. .	18 Miles

15. Some of the above projects have been completed while work on the remaining is in progress.

### Employment

16. An important objective of PWP is to create employment through the projects undertaken in the programme. A rough estimate indicates that total numbers employed were about 16 lakhs during 1973-74 and 14 lakhs during 1974-75. The jobs in terms of man years is roughly estimated at 22,000.

### Sectoral Allocation

17. On a national basis, the rural communication sector has attracted the highest investment of PWP funds. In Punjab 71% of PWP budget was utilized for rural roads including metalling, construction of new roads, provision of culverts etc. Most of the provinces have given similar emphasis to communications except Baluchistan, where the expenditure on roads is proportionately less. The second most important sector appears to be rural water supply. The N.W.F.P. programme earmarked 16.5% of its resources for rural water supply schemes. Other provinces, such as, Sind have also been giving high priority to rural water supply schemes. The next important sector for PWP investment is irrigation. In Baluchistan, 28% of the funds were earmarked for water development. However, in Punjab a bare 1.4% was spent on irrigation. The expenditure on rural health amounts to 9% in Punjab and 3% in N.W.F.P. The allocation for education is relatively small in all provinces. Lastly, there are a number of investments which cannot be readily classified (including quasi educational projects) but which account for a substantial proportion of PWP investment. The investment in miscellaneous projects is exceptionally large in the case of Baluchistan where it accounts for 49% of total allocations.

## PROGRAMME FOR 1975-76

18. The following allocations have been made in the Development Budget for the Peoples Works Programme during 1975-76 :—

Province	(Rs. in Million)		% change
	Revised allocation 1974-75	Allocation for 1975-76	
Punjab	144.00	130.00	— 10
NWFP	10.55	9.00	— 15
Baluchistan	5.00	20.00	+400
Sind	19.69	2.00	— 90
<b>Federal Areas</b>			
Azad Kashmir	6.00	6.00	—
Northern Areas	—	3.42	—
Federally Administered Tribal Areas	6.58	10.02	+ 61
Federal Capital Area	0.65	1.00	+ 54
	192.47	181.44	

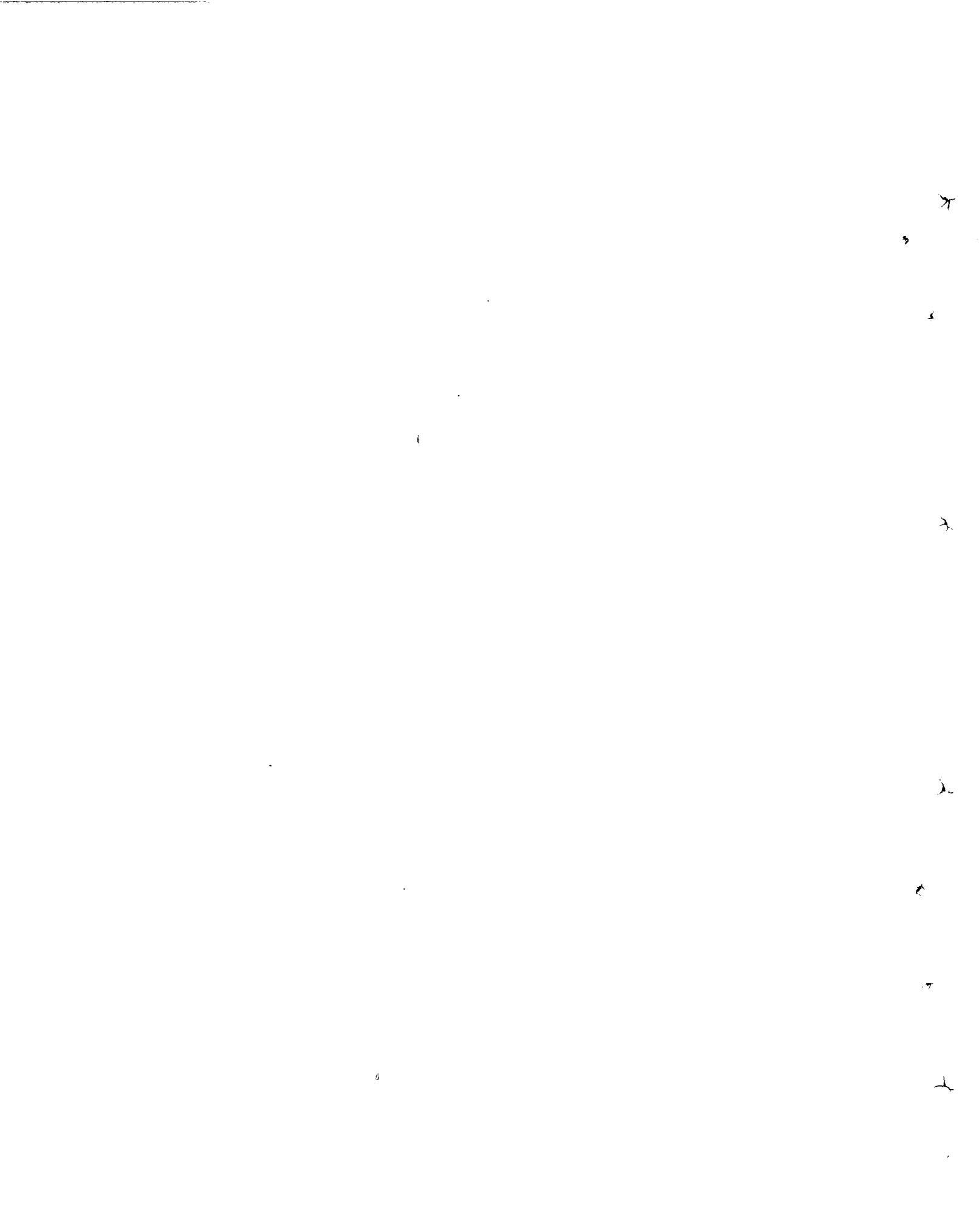
19. The overall budget provision for PWP during 1975-76 is slightly lower than the revised estimates for 1974-75 but represents an increase of nearly 80% over the original provision of last year. The revised allocations for 1974-75 included a special and non-recurring grant made by Punjab for reconstruction of flood damaged roads. Taking this into account, it would appear that for the regular programme of the PWP, funds available in 1975-76 would be more than in 1974-75. The significant developments are three. In Baluchistan, the allocation has been increased from Rs. 5 million in 1974-75 to Rs. 20 million in 1975-76 which represents a fourfold acceleration. On the other hand in Sind, the allocation for PWP in 1975-76 is only Rs. 2 million as against Rs. 19 Million in 1974-75. Sind has provided funds in 1975-76 only for completion of on-going projects. The reduction in the PWP has been compensated by larger provision for rural water supply in the Sind Provincial budget. Thus, there is no reduction in the outlays on rural development. In N.W.F.P., a decision has been taken that where IRDP Markazes have been opened, the PWP funds will be channeled through them.

20. The Peoples Works Programme was introduced in 1972. Very substantial amounts have been spent under this programme. The Government have, therefore, decided to conduct a thorough and objective appraisal of the performance of the PWP, its strength and weaknesses. A Working Group consisting of non-officials drawn from Universities and Journalism has been set up to give a report. The terms of reference of the Group are as follows :

- (a) To review the financing of the PWP and to give an objective evaluation of the results achieved to date, in particular, to assess the contribution of the PWP towards :
  - (i) Meeting of local development needs ;
  - (ii) Reduction in the cost of development through adoption of cheaper local methods ;
  - (iii) Promotion of Rural Employment ;
  - (iv) Encouragement of self-help and mobilization of local resources for development ;
  - (v) Development of local capability for planning and execution of schemes.
- (b) To identify the shortcomings of the programme and the difficulties and problems that have confronted it ;
- (c) To assess the future potential of the programme and make recommendations with regard to the continuance and reorganization of the programme.

21. The group is expected to submit its report very shortly.



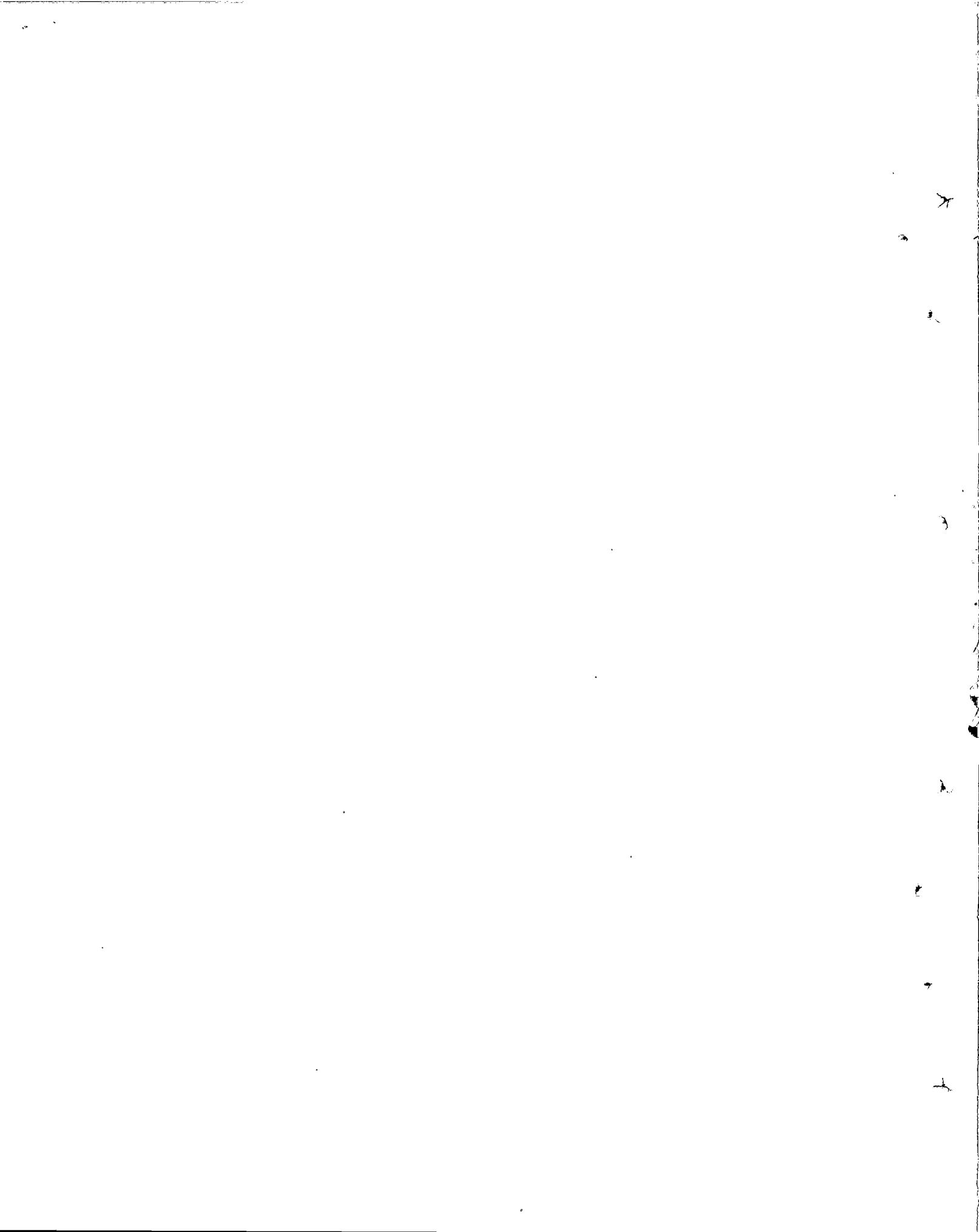


---

**PART III**

**HUMAN RESOURCES AND SOCIAL DEVELOPMENT**

---



## CHAPTER 22

### EDUCATION AND TRAINING

#### EVALUATION OF PROGRESS DURING 1972—75

22.1. A number of important developments have taken place in the field of education during the last three years. These developments have resulted from the implementation of the Education Policy (1972—80) announced by the Government in March 1972. The Annual Development Programmes for 1972-73, 1973-74 and 1974-75 were prepared with a view to giving shape to the proposals contained in the Policy. An assessment of the conditions obtaining in this sector is necessary for proper planning for the future.

##### Equality of Educational Opportunities

22.2. A major policy decision implemented in two phases was to make education free up to Class X. In the first phase free education up to class VIII was introduced in October 1972 and in the second phase education was made free in classes IX and X beginning in October 1974. Another important step towards equalization of educational opportunities was the nationalization of privately-managed educational institutions. Over 3,181 privately-managed institutions were taken over by the Government during the first two years. Of these 1,569 were primary, 424 middle and 882 high schools, 175 colleges and 5 technical institutions including the National Institute of Arts, Lahore, and the National College of Engineering and Technology, Karachi. During 1974-75, the Government also decided to take over schools run by autonomous bodies. Accordingly, 50 primary, 19 middle and 70 high schools, 12 colleges and 1 technical high school run by cantonment boards were brought directly under the control of the Federal Government. The Federal government also took over direct control of 122 primary schools, 19 middle schools, 3 high schools and 1 college located in the Federal area. Thus the task of nationalization has been virtually completed.

##### Revision of Curricula

22.3. The curricula for the primary stage have been thoroughly revised and microtested to make education realize the changing needs of society. These revised curricula have already been introduced in classes I to III while new curricula will be introduced in class IV during 1975-76. The work of revision of curricula for secondary and higher secondary stages has also made considerable progress and draft curricula have been circulated among teachers and experts for comments.

22.4. A sizeable percentage of boys and girls either do not complete secondary education or do not continue their education beyond class X. To facilitate their entry into the world of work they shall be equipped with socially useful and marketable skills through the introduction of agro-technical subjects in middle and high schools. For this purpose the curricula of agro-technical and home economics subjects have been developed, the list of required equipment prepared and the training of teachers started. Work has started on the introduction of industrial courses at 149 schools, agricultural courses at 543 schools, and home economics at 514 schools. The ground work in connection with the introduction of agro-technical and home economics courses in middle and high schools having been completed, the actual teaching shall begin in the coming year at selected institutions. In addition, the objective of diversification of courses is also being realized through the development of comprehensive high schools which provide teaching in full range of diversified streams. During the period under review, work on the development of 21 comprehensive schools was initiated and equipment was supplied to 11. At the intermediate level facilities for the teaching of courses in agriculture, business education, home economics, education and industrial arts have been added at 22 colleges. In view of the importance of fishing industry in the economy of coastal areas of Baluchistan teaching of fisheries has been started at 3 high schools in the coastal area.

##### Emphasis on Science Education

22.5. To bring about a shift in enrolment in favour of science education at secondary and higher levels of education, facilities for the teaching of science have been improved, strengthened and expanded. All new schools and colleges which are being set up are required to provide facilities for the teaching of science. Laboratories have been improved and necessary science apparatus provided in many existing schools and colleges at a cost of Rs. 0.98 million. At colleges which did not have facilities for the teaching of science or had great pressure of demand, additional science units were provided by building laboratories and class rooms (if necessary) and by supplying books and science equipment. Under this programme facilities for the teaching of science are being developed at 74 intermediate and 5 degree colleges in the Punjab. In N.W.F.P. science is being introduced as a compulsory subject in high schools and physical facilities are being provided for the upgradation of Science and Agriculture College, D.I. Khan, and for the opening of M.Sc. classes at Mardan College. Similar programmes have been undertaken in Sind and Baluchistan.

### **Expansion of Technical and Vocational Education**

22.6. To meet the growing demands for engineers the facilities for the teaching of engineering were improved and expanded. A new campus has been developed for the N.E.D. College, Karachi, which was housed in an old building and had inadequate laboratory facilities. The Engineering College, Jamshoro, is being developed into a full-fledged engineering university and arrangements are being made to shift it to its new campus at Nawabshah. Land has been purchased for the establishment of an engineering college at Taxila and work of construction shall begin during 1975-76. The work of consolidation and improvement of the University of Engineering and Technology, Lahore, has made considerable progress and arrangements are being made to establish a Centre of Excellence in Water Resources Engineering where research-oriented courses leading to M.Sc. and Ph.D. degrees shall be taught.

22.7. With a view to improve the quality of education of the middle level technicians and to develop existing polytechnics into technical colleges offering I. Tech., and B.Tech. courses, the buildings of 4 polytechnics in the Punjab, 3 in Sind and 1 in N.W.F.P. were improved and expanded, and necessary equipment was supplied. The polytechnics at Hyderabad, Khairpur and Karachi have started B.Tech. courses in selected technologies while at other polytechnics preparations have been made to start classes during 1975-76. Steps were also taken to provide building facilities and equipment necessary for the introduction of diploma courses in Instrument Technology and Aeronautic Technology respectively at Multan and Sargodha.

22.8. Expansion and improvement of facilities for vocational education at the secondary level was also continued. Work was started on the setting up of 12 vocational schools for girls and 2 for boys in Sind and on 2 trade training schools for girls in Baluchistan. Five new vocational institutes for women, 5 for men and 3 commercial training institutes were also opened in N.W.F.P. Equipment was also supplied to 23 vocational institutes for women and 4 for men in the Punjab. Programmes for the training of 150 teachers of technical subjects were implemented in Sind.

### **Development of Universities**

22.9. The expansion and improvement of facilities for higher education has also been given considerable importance. Not only have the existing facilities been improved by increase in physical facilities and expansion of libraries and laboratories but steps have also been taken to establish new universities so that students do not have to go too far to seek higher education. The Gomal University at Dera Ismail Khan has already started post-graduate teaching and development of buildings, laboratory and library facilities is going apace. Preliminary work in connection with the establishment of Shah Abdul Latif University, Khairpur, and Multan University have been completed and construction work at the two campuses shall begin in the coming year.

22.10. The quality of university education and the quantum of doctoral and post-doctoral research are functionally inter-related. Accordingly, considerable attention was given to the improvement of facilities for research including those at the University of Islamabad and Institute of Education and Research, Lahore. In addition, centres of excellence have been established at the universities of Baluchistan, Karachi, Peshawar, Punjab and Sind where emphasis is on research-based M. Phil. and Ph. D. degrees. The University Grants Commission, established during the period under review, shall keep constant watch on the needs of the universities and shall award scholarships to deserving students doing Ph.D. work at Pakistani universities. A National Commission on History has also been established to conduct research on aspects of national history that are of vital and immediate importance for the country.

22.11. The experience gained by a number of developed as well as developing countries in the use of innovative techniques of teaching indicates that knowledge is not gained only by attending institutions of formal education. There are numerous other media such as radio, T.V., films, cassette recorders, movies, magazines and newspapers etc. which can be used for transmitting knowledge without necessarily confining the learners to the physical boundaries of educational institutions. It is due to this revolution in the educational thought and practice that a large number of such groups of population are being offered facilities of education through various media which would never have been able to join institutions of formal education. Encouraged by these experiences, efforts are now also in progress in Pakistan to establish non-formal programmes of education. The agencies concerned with the development of mass media such as the radio and T.V. are devoting gradually more time in their programmes for educational purposes.

22.12. An important development in this sub-sector is the opening of a People's Open University. This university is being developed to provide a large number of general and functional educational programmes for a large variety of groups unable to attend regular instructional classes. The courses of the People's Open University will, on the one hand, offer facilities of education at intermediate and degree levels and, on the other hand, provide programmes for in-service training of teachers and a number of functional education and training programmes of different levels and varying duration for skilled and semi-skilled workers, both literate and illiterate. Instruction under the programmes of the People's Open University would be given through innovative technology comprising of specially designed correspondence programmes, programmed instructional material and lessons transmitted through mass media such as radio, T.V. and films, etc.

### Supply of Cheap Textbooks and other Reading Material

22.13. The establishment of provincial textbook boards has gone a long way towards making school textbooks available at reasonable prices. However, the high cost of foreign textbooks prescribed by universities and professional colleges had made higher education costly and inaccessible to all. To improve the supply of foreign textbooks a National Book Foundation has been set up which imports the required textbooks and makes these available to students through book banks established at universities and professional colleges. The Foundation also arranges local production of those foreign textbooks which are in great demand and whose import would be costly and uneconomical. The paucity of good reading material for children has also been felt for long. To meet the demand for reasonably cheap children's books the Foundation published 19 titles in Urdu and their translation in Sindhi.

### Scholarships for the Poor

22.14. Education can only help identify and develop talent if people from all socio-economic levels have equality of educational opportunities. A number of steps taken during the last three years were designed to serve the above purpose either directly or indirectly. Nationalization of privately-managed educational institutions, introduction of free education up to class X, provision of cheap textbooks and acceleration of the development of educational facilities were all meant to reduce inequality of educational opportunities. For helping talented students from low income families special programmes of financial assistance have been started. These include President's Thousand Scholarships scheme under which one thousand talented students from low income groups are awarded scholarship every year for study in general and professional colleges/universities and the interest-free loans programme for similar purpose.

22.15. In addition, free-ships up to twenty percent of the enrolment have been provided for poor but talented students in institutions for the privileged, such as cadet colleges, public schools, and model schools. A special scholarship scheme has been drawn up to provide financial assistance to poor students from less developed areas admitted into these expensive institutions so that high cost of maintenance does not compel them to discontinue their studies.

### Special Attention to Backward Areas

22.16. The development of education in less developed areas such as Baluchistan, Northern Areas, Federally Administered Tribal Areas and Azad Kashmir did not receive adequate attention for a long time. Accordingly, during 1972-75 great efforts and resources have been invested to accelerate development in these areas and bring these in line with developments in other parts of the country. The extent of emphasis placed on the development of education in these areas can be gauged from increase in financial allocations made in the A.D.Ps. during 1972-75 as compared with the allocation in 1971-72.

TABLE I

*Comparison of Allocations for Backward Areas during 1972-75 with that in 1971-72*

Area	1971-72	1972-73	1973-74	1974-75	(Million Rs.)
					% Increase (5 over 2)
1	2	3	4	5	6
Baluchistan .. .. .	3.6	12.1	15.3	19.5	442
Northern Areas .. .. .	1.2	1.2	4.1	7.0	483
F.A.T.A. .. .. .	2.2	2.7	6.7	11.3	414
Azad Kashmir .. .. .	0.8	1.0	3.9	5.0	525
Total .. .. .	7.8	17.0	30.0	42.8	449
Percentage Increase .. .. .		118	76	43	

22.17. The highest percentage increase occurred in 1972-73 which was about 118 and this trend continued in the years 1973-74 and 1974-75 when the increase was 76% and 43% respectively over the previous year. Column 6 indicates the percentage increase in the A.D.P. allocation for 1974-75 over the provisions made in 1971-72 for these educationally backward areas. The allocations for these areas have registered over four fold increase, the highest increase being for Azad Kashmir where the allocation increased by 525 per cent.

### Areas of Special Concern

22.18. While considerable progress has been made in the realization of objectives and physical targets set in the Education Policy 1972-80 in a number of sub-sectors, the performance relating to the two important programmes i.e. expansion of primary education and setting up of programmes of adult education

has fallen short of targets. Education Policy envisaged "Eradication of illiteracy within shortest possible time through universalization of elementary education and a massive adult education programme." Specific target dates were fixed for the achievement of universal enrolment of boys and girls in classes V and VIII and a target of 11 million adults was also fixed to be covered under functional adult education programmes. The progress with both these programmes has been slower than what was envisaged originally.

### Primary Education

22.19. At the time of formulation of the Education Policy, about 60% of the boys and 25% of the girls of the school going age were receiving primary education. To attain universal enrolment by the dates envisaged in the Education Policy over 1.5 million additional enrolment was anticipated during 1972-75 which was expected to increase the participation rates to about 82% for boys and 41% for girls.

22.20. Attainment of high level of enrolment requires mobilization of total effort both within the school system and outside. It requires simultaneous action on a number of fronts. Existing schools have to be improved by providing trained teachers, appropriate accommodation, suitable books and adequate teaching aids and sports material so that the schools can motivate the majority of students who take admission in class I to continue till the end of the five year course. Without substantial reduction in the dropout rate, high level of enrolment is not possible. Equally important are the non-school factors such as environment of the home and the surroundings where children spend most of their time, attitudes and motivation of the parents towards education of their children, and health and nutritional standards of the communities in general and school children in particular. These factors are of critical importance in determining the performance of the school system. To ensure that these factors help the school system in a desirable manner, a complete transformation of the community is essential. Efforts have to be made to spread literacy in the shortest possible period. Programmes of education emphasizing the importance of hygienic living, care of children, proper nutrition and education of the children have to be given to the people through the maximum use of the mass media. The arrangements for the production and distribution of food have to be properly co-ordinated, so that infants and pre-school children are given priority under the nutrition plan so as to ensure the healthy growth and safeguard against the dangers of mental retardation which generally results from malnutrition.

22.21. Necessary qualitative improvement of the existing schools, creation of additional school seats to accommodate more children and the overall improvement of the environment of children requires huge financial resources. There is awareness of the importance and urgency of educating children and improving the quality of life of the people. But both are complex matters and require extraordinary skill and extremely huge financial resources to handle them. The various components of the IRDP and People's Works Programme are measures envisaged to bring about improvements in the rural environment. In addition the agencies concerned with mass media such as T.V. and radio are also making efforts to educate the people on various important aspects of their life. The programmes in the sector of Education and Training are concerned with the improvement of the quality of the schools and providing additional facilities. However, the financial resources which are generally made available are extremely inadequate to meet the requirements of this sub-sector of education.

22.22. A study of the financial allocations made in the past three years indicates that the share of primary education in the total financial resources earmarked for developments in the sector of education, instead, of increasing, have been reduced from 13.1% in 1971-72 to 11.1% in 1974-75.

TABLE II  
Development Expenditure on Primary Education (Million Rs.)

Executing Agency	1971-72			1974-75		
	Expenditure on Primary Education	Total Expenditure on Education	(2 as % of 3)	Expenditure on Primary Education	Total Expenditure on Education	(5 as % of 6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Punjab .. .. .	13.0	84.2	15.5	31.9	164.8	19.3
Sind .. .. .	7.1	40.6	17.5	48.9	279.1	6.3
N.W.F.P. .. .. .	3.3	35.6	9.3	6.1	48.8	12.5
Baluchistan .. .. .	0.2	3.6	5.6	5.1	21.1	24.2
Federal Government .. .. .	1.0	23.1	4.3	10.6	228.2	4.7
Total .. .. .	24.6	187.1	13.1	56.8	511.8	11.1

22.23. The above table shows that the percentage of allocation in Baluchistan improved substantially and it also registered nominal increase in the Punjab, N.W.F.P. and Federal Government but, due to the extremely big decrease in Sind, the overall position deteriorated. The participation rate in 1974-75 indicates only a nominal improvement over the position in 1971-72 where the percentage for boys increased from 60 to 65 and that of girls from 25 to 27. The major proportion of the increase in enrolment in absolute terms is off-set by the rapid increase in population causing more or less an stagnant position of enrolment in terms of proportion to the total population of school going age. Thus the level of enrolment attained in 1974-75 is so low that universal enrolment of boys by 1979 and of girls by 1984 in classes I—V as envisaged in the Education Policy no longer remains a technically feasible proposition.

#### Adult Education

22.24. The Education Policy envisaged establishment of programme of functional adult education to cover a population of 11 million people composed of different groups such as out-of-school youth, farm and factory worker, women and other illiterates of various age groups. Preparations for launching the programme were taken in hand from the year 1972-73 but the progress has been rather chequered and uneven in more than one respect. Punjab started the adult education programme alongwith the overall developments envisaged under People's Works Programme. A corp of 6,000 volunteers under the Scheme of *Sipah-e-Khidmat* was recruited and provided six weeks training to handle the programme of adult education. To these were added another 2,254 village workers (*Dehi Karkun*) who were required to help in the establishment of adult education programmes alongwith other duties assigned to them. A population of about 0.2 million has so far benefitted from the 8,000 adult education centres manned by the members of *Sipah-e-Khidmat* and *Dehi Karkun*. During the period 1972—75, a sum of Rs. 23.5 million has been spent on these programmes. However, the programme seems to have slowed down as the scheme of *Sipah-e-Khidmat* has been abandoned from June 1975.

22.25. In Sind, the programme of adult education was originally the financial responsibility of the People's Works Programme but it was to be handled by the Department of Education on professional grounds. The programme was started in November 1973 and continued up to January 1974. During this short period, this programme was shifted to the Department of Education and back to the People's Works Programme more than once. At present it is with the Department of Education but no programme is in progress and there is no allocation for it in the A.D.P. 1975-76. During the year the programme remained in progress, it is reported that about 300 male and 60 female leader trainers and 10,000 adult education teachers were trained and the programme covered about 0.2 million illiterate adults. However, it is doubtful if the programme could have any impact on reducing illiteracy because the short duration of the programme was wholly insufficient for the adult illiterates to acquire literacy of a durable nature. A programme of small size is in progress in Baluchistan but in N.W.F.P. no programme of adult education has so far been taken up.

22.26. In view of the magnitude of the problem of illiteracy and the failure of traditional methods to cope with the problem, a multi-pronged approach is being adopted for establishing adult education programmes. In addition to the programme being established and operated by the various provinces, the People's Open University is also busy in preparing functional education programmes for illiterates and semi-illiterates who cannot attend regular formal classes. These courses shall be taught over the radio and television, and through films and tapes. The written material of the courses will cover subjects of interest and utility to farm and factory workers, out-of-school youth and illiterate women particularly of the rural areas. The University shall also improve the skills of primary school teachers through its teacher training courses. In addition, it shall offer courses leading to F.A. and B.A. degrees. In this respect, the Television Corporation have taken a lead and have already completed a small experimental adult education programme, the results of which are reported to be extremely encouraging. The Television Corporation, with the assistance of the World Bank, is starting from 2nd August 200 adult education centres spread all over the country. The courses under this programme will consist of 156 lessons, will be of 6 months duration and will cover 60 male and 60 female participants in each centre. The programme of education will be offered in the morning for female participants and in the evening for males. This programme shall, therefore, cover about 24,000 adults in its first phase which is expected to be followed by subsequent phases.



## Financial Evaluation

22.27. Total expenditure\* on Education and Training increased by 189% over the period under review, from Rs. 641.00 million in 1971-72 to Rs. 1,850.00 million during 1974-75 as per details given in the following table.

TABLE III

*Expenditure on Education and Training from 1971-72 to 1974-75*

(Million Rs.)

	1971-72	1972-73	1973-74	1974-75
Development Expenditure .. .. .	121	220	310	510
% Increase over Expenditure in 1971-72 .. .. .		82	165	321
Non-Development Expenditure (Recurring) .. .. .	520	670	870	1,340
% increase over Expenditure in 1971-72 .. .. .		29	67	158
Total Expenditure on Education and Training .. .. .	641	890	1,180	1,850
% Increase over Expenditure in 1971-72 .. .. .		39	84	189
GDP at Current Factor Cost .. .. .	48,880	60,350	78,980	99,120
Expenditure on Education as % of GDP .. .. .	1.3	1.3	1.5	1.9

\*Excluding expenditure on (i) Agriculture University and colleges, (ii) Medical education at all levels and (iii) Labour Training Centres operating under the provincial departments of Labour.

22.28. The expenditure on Education and Training amounted to 1.3% of the total GDP (at current factor cost) in 1971 which increased to 1.9% of the GDP in 1974-75. This increase is partly because of the nationalization of privately-managed educational institutions during the period under review. The increase in Developmental Expenditure has been greater than the increase in non-development expenditure in as much as developmental expenditure in 1974-75 increased by 321% over that in 1971-72 whereas the non-development expenditure increased by only 158%.

### Developmental Expenditure

22.29. The developmental expenditure on Education and Training touched an extremely low level of Rs. 121.00 million in the year 1971-72 but due to the implementation of the Education Policy (1972-80) it jumped to Rs. 220.00 million in the year 1972-73 and has further increased to Rs. 512.00 million in the year 1974-75. Although the expenditure incurred in 1974-75 is over 4 times the expenditure of 1971-72, in real terms the increase is comparatively much smaller due to the rapid increase in prices during the last three years. According to the estimates of expenditure indicated in the Education Policy the developmental expenditure in 1972-73 was to get doubled over the A.D.P. allocation of Rs. 200.00 million in 1971-72 and then it was to increase by 15% in each of subsequent years up to 1979-80, but the amounts earmarked in the Annual Development Programmes for Education and Training invariably remained far less than the level envisaged in the Education Policy.

22.30. Shortage of financial resources coupled with the rapid increase in prices has not allowed the educational system to expand at the rate necessary for attaining the policy targets. The rate of growth in the enrolments at various levels has been nominal, uneven and negative in certain cases as indicated in Annexure I.

22.31. Non-developmental expenditure on education and training increased from Rs. 520.00 million in 1971-72 to Rs. 1,335.00 million in 1974-75. The increase of 157% over a three year period apparently seems quite impressive. The major proportion of this increase, however, is due to factors such as nationalization of privately-managed educational institutions (the recurring expenditure of which is now reflected in the Government budgets), provision of dearness allowances sanctioned three times, grant of national pay scales to teachers and the normal annual increase in salaries during the period under review. Information on the exact amounts involved in these programmes is not available at this stage. However, a tentative estimate indicates that these factors account for about three fourth of the increase in recurring expenditure. The additional amounts available for meeting the recurring cost of new programmes have really been limited. The expansion of educational facilities in general and at the elementary stage in particular has, therefore, been very slow.

## THE A.D.P FOR 1975-76

22.32. A sum of Rs. 639.391 million has been allocated in the A.D.P. of 1975-76 for meeting developmental cost of programmes in the sector of Education and Training. This amount, in absolute terms, is 24.9% higher than the revised estimate of developmental expenditure of Rs. 511.915 million during 1974-75.

22.33. The strategy for the development of Education and Training in the coming year has, of necessity, to be determined within the broad framework of the objectives set in the Education Policy 1972-80 and the extent of progress achieved in various sub-sectors of education during 1972-75. New development programmes reflecting the reforms envisaged in the Education Policy, on which action has been started and satisfactory progress has been registered, have to be continued with greater vigour and effectiveness so that the gains of these developments are fully consolidated to bring about the desired impact. Programmes in other sub-sectors recommended in the Education Policy, on which progress has lagged behind the anticipated level, need to be implemented at an accelerated rate so that the backlog which has been created can be removed to the maximum possible extent. This implies that work on major ongoing programmes is carried out in full swing and implementation in sub-sectors which have not made satisfactory progress such as primary education, teacher education, agro-technical education and adult education, etc. are given high priority in the allocation of resources and implementation. To ensure that the slow progress in the implementation of the programme of elementary education is fully made up and further delay in the implementation is avoided, it was essential that the amount ear-marked for the development of elementary education should be adequate to meet the requirements of this sub-sector, and that budget allocation for primary education, both developmental and recurring, be considered non-transferable to any other sub-sector of Education.

22.34. The full implementation of the recommendations of the Education Policy would have necessitated an outlay of Rs. 1,200 million in 1975-76. However, because of shortage of resources and the need to control inflation, the Annual Development Programme for 1975-76 had to be kept below the optimum size. A curtailment of many essential programmes became unavoidable. It was not found possible to provide the optimum amount for education and the allocation for the education sector in 1975-76 had to be restricted to Rs. 639 million. This has greatly limited the scope of the physical programmes which are largely confined to ongoing projects. In overall terms Rs. 433.180 million or 69% of the A.D.P. allocation has been ear-marked for ongoing schemes, leaving less than Rs. 200 million for new programmes to be initiated by 11 different executing agencies which include 4 provinces and 7 Federal Divisions.

22.35. Due to shortage of funds, a very high proportion of available financial resources is invariably allocated to the ongoing programmes. The schemes of the primary schools which are generally prepared on district-wise basis and are simpler to implement, do not figure in any sizeable degree in the ongoing programmes. Thus, due to very limited resources being available for new programmes, the share of primary education constitutes just a small proportion of the over all resources earmarked for the sector of Education and Training. In fact the proportionate share of primary education in the A.D.P. allocation has continued to decrease from 13.1% in 1971-72 to 11.1% in 1974-75 and to 9.4% in 1975-76. It is obvious that with the priority presently assigned to primary education, the objective of universal elementary education may be difficult to attain in the foreseeable future.

22.36. Within the resources available, emphasis shall be placed on the completion of on-going schemes relating to the establishment of comprehensive schools, introduction of agro-technical and home economics courses, conversion of polytechnics into technical colleges, introduction of science courses in existing colleges and development of vocational education. Attention shall continue to be given to under-developed areas so as to bring these at par with other areas of the country.

22.37. The coming sections of this chapter describe in detail, the performance during the year 1974-75 both in financial and physical terms followed by a description of the programmes proposed for implementation during 1975-76.

### REVIEW OF 1974-75

#### Financial Implementation

22.38. Initially an allocation of Rs. 485.653 million was made to meet the developmental cost of implementing educational projects during 1974-75. Later some minor changes were made in the A.D.P. allocations raising the total available resources to Rs. 536.644 million. Annexure II gives the comparative position of sub-sectoral original and revised allocations and utilization by various Executing Agencies.

22.39. The utilization percentage of original A.D.P. allocation was 105.4 whereas that of revised A.D.P. allocation was 95.4. The utilization by executing agencies except the province of N.W.F.P. (both in terms of the original and revised allocation) was complete. The analysis of the sub-sectoral utilization percentages given in Annexure III indicates that N.W.F.P. and Federal Governments did not fully utilize the revised allocations for primary and secondary sub-sectors. In the teacher education sub-sector only the Federal Government did not implement the development programme in its totality. In the field of higher education also the utilization by N.W.F.P. and Federal Government fell short of the budgeted amounts.

22.40. The percentages of Revised Budget Estimates for major sub-sectors of education by various executing agencies given in the following Table indicate that in the Punjab the highest outlays were in the fields of Secondary (20.1%) and Primary Education (19.3%) followed by Technical Education (17.4%), College Education (12.4%) and Scholarships (12.2%). Sind allocated 33.2% of her total developmental outlay in Education and Training Sector for Technical and 20.6% for University Education. Expenditure on the development of Primary and Secondary Education amounted to only 6.2% and 9.1% respectively. N.W.F.P. spent 21.4% on Secondary Education followed by 18.6% and 15.5% respectively on College and University Education. In Baluchistan, College Education accounted for over one third of her total developmental expenditure on Education and Training whereas Primary and Secondary Education each accounted for about 25%. Out of the total allocation by the Federal Government an allocation of 11.5% was earmarked for the sub-sector of College Education, followed by 9.9% for University Education and 9.7% for Secondary Education. The resources allocated to the development of Primary Education accounted for only 4.6%.

TABLE IV  
Percentage of Revised Budget Estimates 1974-75 Allocated to Major Sub-Sectors

Sub-sectors	Executing Authorities					Total
	Punjab	Sind	N.W.F.P.	Baluchistan	Federal Government	
Primary Education .. .. .	19.3	6.2	12.5	24.0	4.6	11.1
Secondary Education .. .. .	20.1	9.1	21.4	24.3	9.7	14.7
Madrasah Education .. .. .	—	—	—	1.4	—	0.1
Teacher Education .. .. .	6.7	1.1	2.5	6.5	0.6	3.0
Technical Education .. .. .	17.4	33.2	11.5	2.0	0.8	10.3
College Education .. .. .	12.4	7.5	18.6	33.9	11.5	13.0
University Education .. .. .	6.6	20.6	15.5	6.3	9.9	10.3
Scholarships .. .. .	12.2	7.4	8.2	—	6.5	8.2
Miscellaneous .. .. .	5.3	14.9	9.8	1.6	56.4	29.3
<b>Total .. .. .</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.00</b>	<b>100.0</b>	<b>100.0</b>

22.41. Of the total developmental expenditure incurred on this sector, Secondary Education accounted for 14.7% and College Education for 13.0%. Expenditure on Primary Education was about 11.1% while expenditure on Technical and University Education each took up 10.3% of the total developmental expenditure.

### PHYSICAL IMPLEMENTATION

#### Primary Education

22.42. Against the original allocation of Rs. 47.593 million and revised allocation of Rs. 60.603 million for the development programmes in this sub-sector an expenditure of Rs. 56.720 million was made giving an utilization percentage of 93.6% (Annexure II). This expenditure was 11.1% of the total outlay in Education and Training Sector. Development expenditure by the Punjab accounted for a little over half of the total outlay in this sub-sector, while that by N.W.F.P. and Baluchistan accounted for about one-tenth each. Expenditure by Sind accounted for only one-twentieth of the total expenditure on the development of Primary Education. Details of the programmes implemented by various Executing Authorities in this sub-sector are described in Appendix 'A' and a summary is given in the Table below :—

TABLE V  
Development of Primary Education during 1974-75

Executing Agency	Opening of new Schools	Construction of School Buildings			Consolidation and improvement
		completed	continued	started	
Punjab .. .. .	1,050	1,050	—	—	1,650
Sind .. .. .	—	71*	56	—	—
N.W.F.P. .. .. .	131	116	—	—	7
Baluchistan .. .. .	200	50	—	—	100
<b>Federal Government :</b>					
(a) Federal area .. .. .	—	2	—	24	—
(b) Northern area .. .. .	16	18	—	—	16
(c) F.A.T.A. .. .. .	—	100	37	—	—
(d) Azad Kashmir .. .. .	—	—	—	—	—
<b>Total .. .. .</b>	<b>1,397</b>	<b>1,407</b>	<b>93</b>	<b>24</b>	<b>1,773</b>

\*Including 42 completed by the People's Rural Development Department.

22.43. Some of the major development programmes in this sub-sector were opening of 1,397 primary schools, construction of school buildings for 1,407 primary schools. Consolidation and improvement of 1,773 primary schools was accomplished either by improvement of building or supply of teaching aids, furniture, equipment, etc. or by both.

22.44. As a result of the implementation of these development programmes the enrolment at the primary level is estimated to have increased by about 0.24 million. This estimated increase in enrolment is even less than half the increase envisaged during 1974-75 in order to have universal primary education by the dates fixed in the Education Policy.

#### Secondary Education

22.45. An allocation of Rs. 68.099 million was made in the original A.D.P. for the implementation of programmes. The revised A.D.P. raised the allocation to Rs. 84.728 million. The revised budget estimate of Rs. 75.284 million was the highest among all sub-sectors of Education and Training. The utilization percentages of different executing agencies given in Annexure III indicate that the lowest percentage was for N.W.F.P. (55.4). The Federal Government almost doubled the original allocation for secondary education and utilized 95.4% of the revised allocation. Thus, apart from N.W.F.P. the financial performance in this sub-sector has been satisfactory. About 44% of the total development expenditure on this sub-sector was made by the Punjab, 29% by the Federal Government and 14% by N.W.F.P. The provinces of Baluchistan and Sind allocation 7 and 6 per cent respectively of the total outlay in this sub-sector.

22.46. Development Programmes implemented during 1974-75 in the Secondary Education Sub-sector included upgradation of primary schools into middle schools, upgradation of middle schools into high schools, construction of school buildings, consolidation and improvement of schools either by addition of building or by supply of teaching aids, equipment, furniture, etc. or both (Appendix 'A'). The summary given below indicates details for each executing agency.

TABLE VII  
Development of Secondary Education during 1974-75

Executing Agency	Upgradation of		Construction of Buildings			Consolidation and Improvement of schools
	Primary schools	Middle schools	Completed	Continued	Started	
1	2	3	4	5	6	7
Punjab .. .. .	64	11	—	—	—	1,523
Sind .. .. .	—	—	79	21	—	—
N.W.F.P. .. .. .	—	—	80	87	—	—
Baluchistan .. .. .	30	12	—	—	—	67
Federal Government :						
(a) Federal area .. .. .	—	—	—	3	—	—
(b) Northern area .. .. .	—	—	—	—	—	—
(c) F.A.T.A. .. .. .	—	—	6	33	6	142
(d) Azad Kashmir .. .. .	—	—	—	—	—	40
<b>Total .. .. .</b>	<b>94</b>	<b>23</b>	<b>165</b>	<b>144</b>	<b>6</b>	<b>1,772</b>

It is estimated that during the year about 66,000 additional students have been provided accommodation in classes VI-X of the existing schools which have been improved and expanded and the new one which have been opened.

#### Teacher Education

22.47. Against an original allocation of Rs. 14.051 million for this sub-sector and a revised allocation of Rs. 14.496 million a sum of Rs. 15.411 million was actually utilized. The utilization percentages were 109.7 and 106.3 respectively for original and revised allocations. The utilization percentages for various Executing Agency given in Annexure III indicate that the financial performance was generally satisfactory.

22.48. The expenditure on the development of Teacher Education was lowest among all sub-sectors and accounted for only 3.0% of the total outlay in Education and Training. The expenditure by the Punjab accounted for a little less than three fourth of the total expenditure on Teacher Education whereas the expenditure by Baluchistan and N.W.F.P. a little less than one tenth each. Expenditure by Sindh was about one third of the expenditure by N.W.F.P. and Baluchistan on Teacher Education.

22.49. The development programmes in this sub-sector mainly consisted of in-service training of teachers and improvement of the facilities at existing teacher training institutions (Appendix 'A'). The table given below shows that in all 26,319 primary and 1,725 secondary school teachers were given in-service training. The major training programmes were implemented by the Punjab followed by Sindh. Under the Federal Programme also in-service courses were organized.

TABLE VII  
*Development of Teacher Education during 1974-75*

Executing Agency	In-service training		Upgradation/ Opening of Teacher Train- ing Institutes	Consolidation and Improve- ment of Tea- cher Training Institutions
	Elementary	Secondary		
1	2	3	4	5
Punjab .. .. .	23,178	1,612	4	3
Sindh .. .. .	2,800	—	—	—
N.W.F.P. .. .. .	—	—	—	—
Baluchistan .. .. .	—	—	—	—
Federal Government :				
(a) Federal area .. .. .	341	113	—	—
(b) Northern area .. .. .	—	—	1	—
(c) F.A.T.A. .. .. .	—	—	—	—
(d) Azad Kashmir .. .. .	—	—	1	1
<b>Total .. .. .</b>	<b>26,319</b>	<b>1,725</b>	<b>6</b>	<b>6</b>

#### Technical Education

22.50. Against the revised A.D.P. allocation of Rs. 51.962 million, a sum of Rs. 52.825 million was actually spent on the development programmes in this sub-sector giving an utilization percentage of 101.7%. The utilization percentages given in Annexure III indicate that all Executing Agencies realised their financial targets. Total expenditure in Technical Education sub-sector was 10.3% of the outlay in this sector. Allocation by the Punjab, Sindh, N.W.F.P. and the Federal Government amounted to 54%, 31%, 11% and 3% respectively of the total expenditure on Technical Education. Developmental expenditure on Technical Education in Baluchistan was 0.8% of total expenditure in this sub-sector.

22.51. The on-going programme of consolidation and improvement of the existing facilities of the University of Engineering and Technology, Lahore, was continued. The programme of conversion of existing polytechnics into technical colleges continued to make slow but steady progress. The work of building a new campus for the N.E.D. Engineering College, Karachi, made remarkable progress. The existing-educational facilities of the National College of Engineering and Technology, Karachi, and National College of Arts, Lahore, were further improved. Facilities for vocational and commercial education also continued to expand. Details of the development programmes implemented is given in Appendix 'A'.

#### College Education

22.52. The original A.D.P. allocation of Rs. 64.782 million for the development of College Education was revised upwards by 44.3% bring it to Rs. 67.513 million. The utilization of Rs. 66.582 million represents 142.3% of the original and 98.6% of the revised allocation. The allocations were fully utilized by all executing agencies with the exception of N.W.F.P. which utilized only 88.6% of the allocation (Annexure III). Expenditure on the implementation of development programmes of College Education amounted to 13.0%

of the total outlay in Education and Training (Annexure IV). Allocation by the Federal Government for the development of College Education was higher than that by all provincial governments. Among the provinces Sind allocated the lowest amount which was even less than half of that spent by Baluchistan. The table below gives a summary of the programmes which have been implemented during 1974-75.

TABLE VIII

*Development of College Education during 1974-75*

Executing Agency	Upgradation of Inter College	Opening of Inter College	Construction of building			Consolidation and Improve- ment
			Sc. Lab.	Completed	Continued	
1	2	3	4	5	6	7
Punjab .. .. .	6	6	50	—	—	50
Sind .. .. .	—	1	—	3	11	—
N.W.F.P. .. .. .	—	—	—	1	31	—
Baluchistan .. .. .	2	8	—	—	—	—
<b>Federal Government :</b>						
Federal area .. .. .	—	—	—	1	—	2
Northern area .. .. .	—	—	—	—	1	—
F.A.T.A. .. .. .	—	—	—	—	6	—
Azad Kashmir .. .. .	—	—	—	3	3	4
<b>Total .. .. .</b>	<b>8</b>	<b>15</b>	<b>50</b>	<b>8</b>	<b>52</b>	<b>56</b>

**University Education**

22.53. An allocation of Rs. 45.110 million was made for the development programmes in this sub-sector. This allocation was later increased by 35% to raise it to Rs. 60.898 million. Actual utilization, however, amounted to Rs. 52.550 million which was 116.2% and 86.3% respectively of the original and revised allocations. The utilization percentages given in Annexure III indicate that N.W.F.P. utilized only 87.4% and the Federal Government utilized only 75.8% of the available funds. University education received 10.3% of the total developmental expenditure in this sector. By far the largest amount was spent by the Federal Government on the development of universities. Sind and N.W.F.P. each spent about one fifth of the total expenditure on this sub-sector. The expenditure by Baluchistan was lowest.

22.54. The development programmes implemented in this sub-sector included consolidation and improvement of existing facilities through construction of additional buildings and/or supply of equipment, books, etc, construction of buildings for existing institutes/departments and acquisition of land for the development of campuses of universities to be established (Appendix 'A').

**Scholarships and Loans**

22.55. Against an original allocation of Rs. 40.944 million and a revised allocation of Rs. 43.229 million an expenditure of Rs. 42.295 million was incurred on scholarships giving an utilization percentage of 103.6 in respect of original and 98.1 in respect of revised allocation. Of the total out-lay on Scholarships and Loan the expenditure by the Punjab accounts for a little less than half while that by the Federal Government accounts for about one third. Sind and N.W.F.P. spent about one tenth each of the total expenditure. Baluchistan incurred an expenditure of Rs. 5.0 million out of the non-development budget to award scholarships to seven thousand students.

22.56. The details of the development programmes implemented during 1974-75 are given in Appendix 'A'.

## Miscellaneous

22.57. Against an original allocation of Rs. 179.892 million and revised allocation of Rs. 152.915 million, a sum of Rs. 149.949 million was spent on miscellaneous programmes. This gives an utilization percentage of 85% and 98% respectively for original and revised A.D.P. allocations. Of the total estimated expenditure on miscellaneous programmes, that by the Federal Government accounted for over four fifth and the rest by the Punjab and Sind.

22.58. The major developmental programmes included under this head were the reconstruction of educational institutions damaged by the flood, construction of Federal students hostels, import and reproduction of foreign text-books, preservation of prehistoric remains at Moenjodaro, revision of school curricula, development of sports training and coaching facilities etc. The details of the programmes are given in Appendix 'A'.

## PROGRAMMES FOR 1975-76

### Financial Allocation

22.59. The Annual Development Programme 1975-76 provides Rs. 639.391 million for the Education and Training sector. This amount represents an increase of about 24.9% over the revised estimates of expenditure of Rs. 511.915 million but, due to steep rise in prices, in real terms it is less than the amount estimated to be utilized on the implementation of development projects of Education and Training during 1974-75. The A.D.P. allocation shall, in fact, meet only a small proportion of the financial requirements of the large programmes necessary to be implemented for the attainment of the major physical targets set in the Education Policy 1972-80.

22.60. The implementation during 1972-75 of the programmes recommended in the Education Policy has been so much below the level that achievement of a number of targets set for 1980 has not remained technically feasible. The achievement of other targets has also become extremely difficult if not altogether impossible. Alternative projections of educational requirements, based on comparatively lower enrolment for 1980 than those envisaged in the Education Policy have been made for the next five years. These alternative projections of enrolment in major educational fields are compared with the Education Policy targets in the table below :

TABLE IX

### Alternative Projections of Enrolment

(Figures in Thousands)

Level of Education	Enrolment target set in the Education Policy	Alternative Projections of enrolment
Primary stage (I-V)	9600	8363
Middle stage (VI-VIII)	3300	1881
High stage (IX-X)	856	704
Intermediate level (XI-XII)	344	220
Degree level (XIII-XIV)	132	91
Universities (general)	22.5	20

The above figures indicate that the alternative projections are lower in all cases. Even to achieve these targets the estimate of financial requirements for 1975-76, based on very moderate rates of expenditure, works out to about Rs. 1100.00 million for 1975-76. The A.D.P. allocation of Rs. 639.391 million, which is just about 58% of the estimated financial requirements, is obviously not adequate to bring about fulfilment of the Education Policy targets even to a reasonable degree by 1980.

22.61. Due to inadequacy of funds ear marked for Education sector, the programme proposed for 1975-76 has to a great extent been confined to continuing work on on-going programmes and an amount of Rs. 443.180 million or 69% of the total A.D.P. allocation has been budgeted for them. This has left a small balance of

Rs. 196.211 million for new schemes under all the executing agencies. The distribution of the total allocation for on-going and new schemes of different executing agencies is given in the following Table.

TABLE X  
Allocation by Executing Agencies

Executing Agencies	(Million Rs.)					
	On-going Schemes		New Schemes		Total	
	Allocation	%	Allocation	%	Allocation	%
1	2	3	4	5	6	7
Government of the Punjab .. .. .	123.166	53	108.834	47	232.000	36.3
Government of Sind .. .. .	58.213	95	2.787	05	61.000	9.5
Government of N.W.F.P. .. .. .	52.919	75	17.781	25	70.700	11.1
Government of Baluchistan .. .. .	13.049	64	7.250	36	20.299	3.2
<b>Federal Ministries/Divisions :</b>						
Ministry of Education .. .. .	157.173	77	46.108	23	203.281	31.8
States and Frontier Regions Division .. .. .	22.761	100	—	—	22.761	3.5
Kashmir Affairs Division .. .. .	11.449	74	3.951	26	15.400	2.4
Planning and Development Division .. .. .	3.500	41	5.000	59	8.500	1.3
Establishment Division .. .. .	0.950	39	1.500	61	2.450	0.4
Ministry of Religious Affairs .. .. .	—	—	2.000	100	2.000	0.3
Manpower Division .. .. .	—	—	1.000	100	1.000	0.2
<b>Total .. .. .</b>	<b>443.180</b>	<b>69</b>	<b>196.211</b>	<b>31</b>	<b>639.391</b>	<b>100.0</b>

22.62. The above table indicates that the size of the Development Programmes to be implemented by the Government of the Punjab is the largest involving 36.3% of the total outlay. The Development Programmes to be implemented by the Federal Ministry of Education constitute 31.8% of the A.D.P. while those of the governments of N.W.F.P., Sind and Baluchistan constitute 11.1%, 9.5% and 3.2% respectively of the total A.D.P.

22.63. The figures given in Annexure IV indicate that allocations for 1975-76 have increased over the revised budget estimates for 1974-75 by 45% in N.W.F.P., by 41% in the Punjab, by 25% in Sind and by 12% for Federal programmes. However, there has been a nominal decrease of 4% in the allocation for Baluchistan. The largest increases in allocation have been in the fields of secondary education (40%) and technical education (38%) whereas the lowest increases have been in university education (10%) and primary education (6%). The allocations for teacher education and scholarships also registered substantial increase of 37% each.

22.64. In terms of sub-sectoral allocations for 1975-76 given in Annexure V the largest amount has been earmarked for secondary education which comes to 16.5% of the total outlay for Education and Training. College education and technical education have been allocated 12.1 and 11.4 per cent respectively. Primary education, scholarships and university education come next with 9.4%, 9.1% and 9.1% allocation respectively.

22.65. The percentage distribution of A.D.P. allocation among different sub-sectors by various Executing Agencies is given in the Table below :

TABLE XI  
Percentage of A.D.P. 1975-76 allocated in Major Sub-Sectors

Sub-Sector	Executing Agencies					Total
	Punjab	Sind	N.W.F.P.	Baluchistan	Federal Government	
1	2	3	4	5	6	7
Primary Education .. .. .	12.6	16.2	14.6	19.0	2.6	9.4
Secondary Education .. .. .	22.6	16.5	27.7	18.9	7.8	16.5
Teacher Education .. .. .	7.2	0.5	1.7	6.6	0.6	3.3
Technical Education .. .. .	20.4	28.6	7.2	2.5	1.4	11.4
College Education .. .. .	13.3	7.9	23.6	35.9	7.2	12.1
University Education .. .. .	5.4	13.9	10.8	14.8	10.6	9.1
Scholarships .. .. .	11.3	6.0	6.4	—	9.3	9.1
Books and Libraries .. .. .	—	—	—	—	7.2	2.9
Research, Statistics and Planning .. .. .	1.0	5.7	7.2	1.2	5.6	4.0
Archeology, Museum and Archives .. .. .	0.2	0.7	—	—	8.7	3.6
Miscellaneous .. .. .	6.0	4.0	0.8	1.1	39.0	18.6
<b>Total .. .. .</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>



Punjab has allocated the largest share in her outlay to secondary education (22.6%) followed by technical education (20.4%), by college education (13.3%) and primary education (12.6%). In Sind, technical education has received 28.6% of her total A.D.P. allocation followed by secondary education (16.5%), primary education (16.2%) and university education (13.9%). N.W.F.P. has allocated largest share to secondary education (27.7%) followed by that to college education (23.6%). Primary and university education have received 14.6% and 10.8% respectively of the total A.D.P. allocation for N.W.F.P. Baluchistan has given the largest share to college education (35.9%) followed by primary education (19.0%) and secondary education (18.9%).

## PHYSICAL PROGRAMMES

### Primary Education

22.66. In the Annual Development Programme for 1975-76 an allocation of Rs. 59.891 million has been made for the implementation of development programmes in this sub-sector. The allocation which is 9.4% of the total outlay in Education and Training shows an increase of 26.0% over the A.D.P. allocation of Rs. 47.593 million for the year 1974-75 and an increase of 5.7% over the estimate expenditure for 1974-75. The comparative statement of the increase in allocation by different executing agencies (Annexure VI) indicates that the A.D.P. for 1975-76 provides for an increase in allocation over the Revised Budget Estimates for 1974-75 to the extent of 226% in Sind and 69% in N.W.F.P. The allocation for Federal programmes in the field of primary education has decreased by 38% and those for the provinces of Baluchistan and the Punjab have decreased by 22 and 8 per cent respectively.

22.67. Details of the development programmes to be implemented have been outlined in Appendix 'B'; and a summary of major programmes is given in the table below :

TABLE XII

### Development Programmes for Primary Education

Executing Agency	Opening of Primary school	Construction of Buildings		Consolidation and Improvement
		On-going	New	
1	2	3	4	5
Punjab .. .. .	1,000	—	1,550	16,200
Sind .. .. .	30	82	—	38
N.W.F.P. .. .. .	75	124	50	171
Baluchistan .. .. .	50	—	—	—
<b>Federal Government :</b>				
(a) Federal area .. .. .	3	—	—	—
(b) Northern area .. .. .	8	—	12	—
(c) F.A.T.A. .. .. .	—	100	51	350
(d) Azad Kashmir .. .. .	—	—	—	—
<b>Total .. .. .</b>	<b>1,166</b>	<b>306</b>	<b>1,713</b>	<b>16,759</b>

22.68. Of the 1,166 primary schools to be opened by provincial governments, 1,000 (87%) shall be in the Punjab, 75 (6%) shall in N.W.F.P., 50 (4%) shall be in Baluchistan and 30 (3%) in Sind. Under the Federal programme 8 primary schools shall be opened in the Northern area and 3 in the Federal area. The Government of the Punjab shall take up the construction of 1,550 primary school buildings whereas the Federal Government and the government of N.W.F.P. shall construct 63 and 50 school buildings respectively. In addition, the on-going work of construction of 124 school buildings in N.W.F.P., 100 in F.A.T.A. and 82 in Sind shall be completed. Figures in column 5 indicate that of 16,759 primary schools shall be benefitted by the programmes of consolidation and improvement, 96.7% of these schools are located in the Punjab, 2.1% in F.A.T.A., 1.0% in N.W.F.P. and 0.2% in Sind.

22.69. As a result of the development programmes to be implemented during 1975-76, the enrolment in primary schools is estimated to increase by about 0.15 million against the estimated increase of 0.30 million in the population of school going age. The anticipated increase therefore shall not bring about any appreciable increase in the participation rate (47%) and this shall leave us as far away from the target of universal enrolment as in 1975.

## Secondary Education

22.70. In the Annual development Programme for 1975-76 an allocation of Rs. 105.682 million has been made for the development programmes in this sub-sector. This constitutes 16.5% of the total A.D.P. allocation and accounts for the largest allocation for any sub-sector. This allocation represents an increase of 55.2% over original A.D.P. allocation of Rs. 68.099 million for the year 1974-75 and an increase of 40.4% over the actual developmental expenditure of Rs. 75.284 million during 1974-75 (Annexure VI). The comparative statement of the A.D.P. allocations for 1975-76 by different executing agencies (Annexure VI) indicates that the development programme for Sind has increased by 125% over the estimated expenditure during 1974-75 whereas the allocations by N.W.F.P. and the Punjab have increased by 88 and 37 per cent respectively. The allocations for Baluchistan and the Federal Government have registered decrease by 25% and 10% respectively. The comparative figures of allocations by various executing agencies given in Annexure V indicate that the allocation of the province of the Punjab constitutes 49.5% of the total outlay in the field of Secondary Education. The allocations by N.W.F.P., Sind., Baluchistan and Federal Government represent 18.6%, 3.6% and 18.8% respectively of the total allocation.

22.71. Details of the development programmes to be implemented are given in Appendix 'B' and a summary is given in the table below :

**TABLE XIII**  
*Development Programme for Secondary Education 1975-76*

Executing Agency	Upgradation of		Construction of		Equipment for Agro-Technical subjects	Consolidation and Improvement*
	Primary Schools	Middle Schools	School Building	Agro-Tech. Workshop		
1	2	3	4	5	6	7
Punjab .. .. .	120	40	49	180	1,123	320
Sind .. .. .	23	11	22	—	205	34
N.W.F.P. .. .. .	—	—	78	—	—	—
Baluchistan .. .. .	15	4	24	—	—	—
<b>Federal Government :</b>						
(a) Federal area .. .. .	—	—	—	—	—	22
(b) Northern area .. .. .	4	2	2	—	—	—
(c) F.A.T.A. .. .. .	—	—	39	—	3	32
(d) Azad Kashmir .. .. .	—	—	—	—	—	123
<b>Total .. .. .</b>	<b>162</b>	<b>57</b>	<b>214</b>	<b>180</b>	<b>1,331</b>	<b>531</b>

\*Improvement of buildings or supply of equipment/furniture/teaching aids/library books.

## Teacher Education

22.72. The allocation of Rs. 21.099 million made for the development programmes in the field of Teacher Education constitutes 3.3% of the total outlay in this section which is the lowest for any sub-sector. This allocation represents an increase of 50.2% over the original A.D.P. allocation for 1974-75 and an increase of 37% over the estimated expenditure for the last year (Annexure VI). The allocation and utilization of funds by various executing agencies in the field of teacher education (Annexure VI) indicate that the development programmes in Sind and Baluchistan shall register decrease by 39 and 2 per cent respectively whereas the development in N.W.F.P. shall be maintained at last year's pace. Only the allocations for the Punjab and Federal Government have been increased to give a fillip to development programmes in the field of teacher education. The allocation by the Punjab accounts for 79.6% of the total outlay in teacher education sub-sector whereas allocation by Sind represents only 1.5% of the total outlay.

22.73. Development of Teacher Education shall be effected through the opening/up-gradation of training institutions, construction of buildings, consolidation of the existing facilities of teacher training institutions and organization of in-service training courses (Appendix 'B'). The summary of the development activities in this sub-sector is given in the table below :

TABLE XIV  
Development Programme for Teacher Education during 1975-76

Executing Agency	In-service Training		Opening of new Teacher Training Institutions	Construction of Buildings		Consolidation and Improvement
	Primary	Secondary		On-going	New	
1	2	3	4	5	6	7
Punjab .. .. .	—	—	—	5	1	15
Sind .. .. .	1,500	—	—	1	—	—
N.W.F.P. .. .. .	5,000	268	1	—	—	—
Baluchistan .. .. .	—	—	2	—	—	1
Federal Government .. .. .	—	—	—	—	—	—
<b>Total .. .. .</b>	<b>6,500</b>	<b>268</b>	<b>3</b>	<b>6</b>	<b>1</b>	<b>16</b>

#### Technical Education

22.74. This sub-sector has received 11.4% of the total outlay in this sector. The allocation for 1975-76 has been increased by 37.8 per cent over the Revised Budget Estimates for 1974-75 and by 68.6 per cent over the original A.D.P. allocations. The figures given in Annexure VII indicate that the allocations for development programmes of the Punjab, the Federal Government, Sind and Baluchistan have increased by 66%, 32%, 7% and 19% respectively over the Revised Budget Estimates for the last year whereas the allocation of N.W.F.P. has decreased by 10%.

22.75. The development programmes in this sub-sector include the continuation of on-going schemes of consolidation of existing facilities of University of Engineering and Technology, Lahore, establishment of Engineering Education Research and Survey Centre at the above university, upgradation of Sind University Engineering College into a university and its shifting to Nawabshah and the construction of the building of the Engineering College to be established at Taxila. The conversion of polytechnics into technical colleges shall be continued. Similarly, facilities for vocational and commercial training shall be expanded. Details of the development programmes to be implemented by different executing agencies are given in Appendix 'B'.

#### College Education

22.76. An allocation of Rs. 77.477 million has been made for the development programmes in this sub-sector which represents 12.1% of the total outlay in Education and Training. The allocation represents an increase of 65.6% over the original A.D.P. allocation of Rs. 46.782 million for 1974-75 and an increase of 16% over the Revised Budget Estimates of Rs. 66.582 million for 1974-75 (Annexure VII). The relative increase in the allocation of various executing agencies given in Annexure VII indicates that the allocations by N.W.F.P., the Punjab and Sind have increase by 84%, 51% and 32% respectively over the Revised Budget Estimates for 1974-75. Only allocation for the Federal programmes has shown a decrease by 32%. Allocation by the Punjab accounts for 40% of the allocation for College Education, allocation by N.W.F.P for 22% and allocation by Federal Government for 23%. Allocation by Baluchistan constitutes 9% of the total allocation for this sub-sector while that by Sind for 6%.

22.77. The development programmes to be implemented include opening of new intermediate colleges, upgradation of intermediate colleges to degree level, addition of facilities at existing colleges for the teaching

of science, construction of college buildings and consolidation of existing colleges by improvement of physical or educational facilities (Appendix 'B'). Summary of development programmes is given in the table below :

**TABLE XV**  
*Development Programmes for College Education 1 1975-76*

Executing Agency	Opening of Intermediate Colleges	Upgradation of Intermediate Colleges	Additional Facilities for Science at		Construction of Buildings	Consolidation and Improvement
			Inter level	Degree level		
1	2	3	4	5	6	7
Punjab .. .. .	15	6	106	23	—	35
Sind .. .. .	3	1	—	—	—	15
N.W.F.P. .. .. .	—	—	—	—	25	20
Baluchistan .. .. .	5	1	—	—	9	—
<b>Federal Government :</b>						
(a) Federal area .. .. .	—	—	—	—	2	—
(b) Northern area .. .. .	—	—	—	—	3	—
(c) F.A.T.A. .. .. .	—	—	—	—	5	1
(d) Azad Kashmir .. .. .	—	—	—	—	5	1
<b>Total .. .. .</b>	<b>23</b>	<b>8</b>	<b>106</b>	<b>23</b>	<b>49</b>	<b>72</b>

#### University Education

22.78. The allocation of Rs. 57.978 million made in the A.D.P. for 1975-76 represents 9% of the total outlay in Education and Training Sector. This represents an increase of 29% over the A.D.P. allocation for 1974-75 and an increase of 10% over the Revised Budget Estimates. The comparative figures for increase given in Annexure VII indicate that the allocations by Baluchistan, the Punjab and Federal Government have been increased by 127%, 14% and 17% respectively. The pace of development of University Education in Sind shall be slowed down to the tune of 15%. The allocation by the Federal Government alone accounts for a little less than one-half whereas that by the Punjab accounts for over one fifth.

22.79. The development programmes in this sub-sector shall consist of continuation of on-going construction work at the Punjab, Karachi, Sind, Peshawar, Baluchistan, Gomal, Islamabad and People's Open universities. Preliminary work for the establishment of new universities at Bahawalpur, Khairpur, Multan and Azad Kashmir shall be continued. Consolidation of the existing facilities by improvement of buildings and/or supply of equipment, etc. shall be undertaken at Jamia Islamia, Bahawalpur, Peshawar, Gomal, Baluchistan and People's Open universities. Details of the programmes to be implemented for the development of University Education are given in Appendix 'B'.

#### Scholarships

22.80. A sum of Rs. 58.046 million has been allocated for the award of scholarships and interest-free loans to students. This allocation represents 9.1% of the total allocation for Education and Training sector for the year 1975-76. This allocation represents an increase of 42% over the A.D.P. provision of Rs. 40.944 million for 1974-75 and an increase of 37% over the Revised Budget Estimates of Rs. 43.229 million. The allocations by the Punjab and Federal Government together account for over four fifth of the total allocation for this sub-sector while the allocations by Sind and N.W.F.P. represent less than one fifth of the total allocation. Baluchistan shall spend Rs. 5 million out of her non-developmental budget for the award of scholarships.

22.81. The various on-going schemes for the award of scholarships to meritorious and poor students shall be continued. Interest-free loans shall be awarded to deserving students. Details of the programmes are given in Appendix 'B'.

## Miscellaneous

22.82. A sum of Rs. 186.331 million has been ear-marked for miscellaneous programmes. This allocation represents an increase of 42% over the A.D.P. allocation of Rs. 179.892 million and an increase of 37% over the revised budget estimate of Rs. 149.949 million. The allocation by the Federal Government accounts for over four fifth of the total allocation for miscellaneous programmes. The allocation by the Punjab accounts for less than one tenth while the allocations by Sind and N.W.F.P. each were one-third of the allocation by the Punjab.

22.83. The programmes to be implemented include reconstruction of flood damaged educational institutions, construction of Federal students hostels, preservation of historical remains at Moenjodaro, development of curricula, research, statistics and planning. Details are given in Appendix 'B'.

## APPENDIX A

### SUB-SECTORAL PHYSICAL PROGRESS DURING 1974-75

#### PRIMARY EDUCATION

##### (a) Punjab

1. The development programme implemented included the opening of 1050 new primary schools and supply of furniture, equipment and teaching aids to these institutions. Of the new schools established during 1974-75, fifty were in economically deprived areas. The buildings of these primary schools were also constructed. The consolidation of 600 existing primary schools was undertaken by improvement of their buildings and supply of new equipment, furniture and teaching aids.

##### (b) Sind

2. Work was completed on the on-going programme of construction of 29 primary school buildings and progress was registered with the construction of 56 other primary school buildings. Besides buildings for 42 new primary schools have been completed by the People's Rural Development Department.

##### (c) N.W.F.P.

3. One hundred and thirty one primary schools were opened and on-going construction work was completed in respect of 109 existing and 7 new primary schools. In addition, the facilities of 7 primary schools in Hazara District were improved.

##### (d) Baluchistan

4. Two hundred primary schools were established and buildings were constructed for another fifty including those constructed in Marri Bugti area on the directive of the Prime Minister. In addition, buildings of 10 existing primary schools were further consolidated and improved.

##### (e) Federal Programmes

5. Two primary school buildings were completed at Islamabad while the construction of buildings for the 24 recently taken over primary schools located in the Federal area was started.

6. Under the Federal programme in Northern areas, 16 primary schools were opened and buildings of these 16 newly established primary schools and 2 existing primary schools were completed. These schools were also supplied with necessary equipment.

7. In the Federally Administered Tribal Areas, the on-going work of construction of 100 primary school buildings was completed and considerable progress was registered on the buildings of other 37 primary schools. Equipment and furniture was supplied to 63 schools.

#### SECONDARY EDUCATION

##### (a) Punjab

8. Under the development programmes implemented during the year 1974-75, 64 primary schools were upgraded to middle standard and 11 middle schools were upgraded to high standard. The on-going schemes for the establishment of double section high schools, establishment of comprehensive high schools and construction of building for Government high school, Khanqah Dogran progressed further. Library books were provided to 40 existing high schools. With a view to improving the quality of education 1,123 existing middle and high schools were provided teaching aids and scientific equipment.

##### (b) Sind

9. The People's Rural Development Department constructed buildings for 5 upgraded primary schools. Under the on-going programme of conversion of primary schools into elementary schools, work has been completed on 54 schools buildings while the work of construction of 20 other buildings made satisfactory progress. Under the schemes for the upgradation of middle schools into high schools the buildings of 10 schools were completed and progress was registered on 11 others.

##### (c) N.W.F.P.

10. The construction of buildings for the 44 upgraded primary schools and 9 upgraded middle schools were completed, while work was continued on 48 other upgraded middle schools. In the on-going work of construction of 14 middle schools buildings, the buildings for 13 were completed. In addition, progress was registered on the construction of 20 newly upgraded middle schools. Under other on-going programmes

the buildings of one existing secondary school was completed and work continued on the buildings of 16 other secondary schools and 3 comprehensive high schools. Construction of additional class rooms in 13 high schools was completed and equipment was supplied to 46. With a view to reducing the imbalance in the enrolment in arts and science subjects, science has been introduced as a compulsory subject in 6 high schools. In the on-going programme of constructing workshops for the introduction of agro-technical subjects, work has been completed at 4 places. The under construction hostel of Government High Schools, Chitral, made satisfactory progress while the hostels at Ghazni Khail and Paroa made some progress.

(d) Baluchistan

11. Thirty existing primary schools were upgraded to middle level and another 30 were improved in respect of buildings and related facilities. Twelve middle schools were raised to high schools and additional building accommodations was constructed for 8 of them. Building of 4 existing high schools were improved and additional equipment was provided. In addition, funds were provided for purchase of equipment for technical education to 29 middle and 4 high schools. Residential accommodation was provided for headmaster/teachers at 8 different places. To remove the transport difficulties experienced by the girls of Quetta, a bus has been provided to the girls high school.

(e) Federal Programmes

12. Progress was registered on the construction of buildings for 3 secondary schools of Islamabad. The construction of library rooms at secondary schools was started during the year. The general secondary schools as well model schools of Islamabad were supplied the needed equipment.

13. In the Northern Areas the on-going programme for the introduction of Industrial Arts and other diversified courses in 5 high schools was completed.

14. In Federally Administered Tribal Area the on-going construction work at 19 upgraded primary and 10 upgraded middle schools registered considerable progress. The buildings of 4 existing middle schools and 2 existing high schools were completed while those of 3 middle and 1 high school reached near completion stage. Work has been started on the building of 6 newly upgraded primary schools. With a view to providing residential accommodation at high schools located in far flung areas, residences for teachers at 2 high schools and student hostels at 3 high schools were under construction while student hostels at one school has been completed. During the year 1974-75, 16 middle schools and 25 high schools were provided with equipment. In addition, equipment has been provided to 38 high schools for the introduction of agricultural courses.

15. In Azad Kashmir, scientific equipment, furniture, library books and instructional aids were supplied to 20 middle and 20 high schools. The hostel building of a high school was completed while land was acquired for the construction of additional rooms for 26 high schools.

## TEACHER EDUCATION

(a) Punjab

16. Under the inservice teacher training programmes 23,178 elementary school teachers and 1,612 secondary school teachers were provided training in the techniques of teaching the new curricula, and management and production of resource material. The on-going programmes for the upgradation of 3 primary teacher training institutes into elementary teachers training colleges and improvement of teaching and research facilities of the teacher training colleges were completed. The on-going programme for the opening of a science teachers training college made further progress. Progress continued to be made on the on-going programme of expansion of facilities for the training of polytechnic teachers at Rawalpindi Polytechnic and inservice training of teachers at Pak-Swedish Institute of Technology.

(b) Sind

17. To facilitate introduction of new primary school curricula 2,800 primary school teachers were provided in-service training.

(c) N.W.F.P.

18. The programme for the in-service training of teachers was implemented.

(d) Baluchistan

19. The provincial Education Extension Centre and the Teacher Training School for Men at Quetta were improved.

### (c) Federal Programmes

20. An in-service teacher training course in the production of resource material was organized at the In-service Teacher Education and Resource Material Centre, Islamabad, in which teachers from all provinces and federally administered areas participated. The National Institute of Education organized 5 training programmes for the training of 250 Master Trainers in Administration, Curriculum development and Educational Planning. The Federal College of Education organized 3-4 weekly courses for the training of 76 secondary school english teachers and 37 secondary school science teachers. The college also organized short courses in social studies and general science for the benefit of 91 primary school teachers.

21. In Northern Area, a new teacher training institute was established at Skardu while the serving teachers were provided facilities for training at Teacher Training Institutes of Punjab and N.W.F.P. In Federally Administered Tribal Areas progress was registered on the construction of additional class-room at Government Training School, Jamrud and the construction of Principal's residence and staff quarters was started.

22. In Azad Kashmir, an in-service training programme was organized for untrained primary school teachers at existing PTIs' Progress was registered in the on-going programme of up-gradation of the Teacher Training Institute, Afzalpur, into a full-fledged training college.

### TECHNICAL EDUCATION

#### (a) Punjab

23. At the University of Engineering and Technology, Lahore, the on-going work of consolidation and improvement of the existing facilities was continued. Work on the establishment of Computer Section and Public Health Institute made further progress. Progress was also registered on the construction of Pond Oxidation. Research on Motor Forward Scattering Propagation and Burst Communication and Problems in Low Cost Housing in Pakistan was continued. Work was initiated on the development of post-graduate teaching and research facilities in the field of water resource engineering.

24. The on-going programme of conversion of polytechnics into technical colleges continued to make progress at Lahore, Rawalpindi, Lyallpur and Bahawalpur. The construction of the buildings of the polytechnics at Sahiwal and Rasul and the expansion of the buildings of the polytechnics at Lahore, Sialkot, Rawalpindi and Bahawalpur continued to make progress. Under the on-going programme of introducing Instrument Technology and Aeronautic Technology at the existing polytechnics of Multan and Sargodha respectively, additional building blocks were completed and equipment relevant to these technologies was provided. Equipment was also supplied to six existing polytechnics one for women at Lahore and 5 for men at Lahore (Institute of Graphic Arts), Lyallpur, Multan, Gujrat and Leiah.

25. In the field of vocational education progress was made on the construction of buildings of vocational institutes for men and women at Lahore and for men at Sargodha, Gujrat, Jhelum and Sahiwal. Equipment was supplied to the existing 23 vocational institutes for women and the vocational institutes for men at Khanawal, Bahawalpur, Sheikhpura and Jauharabad.

#### (b) Sind

26. Civil work at the new campus of the NED Engineering College, Karachi, made remarkable progress. A total amount of Rs. 11.00 million has been utilized and 80% of the construction work has been completed. Under the scheme of up-gradation of Sind University Engineering College, one block of student hostel has been completed at the new campus at Nawabshah and work on the second block is nearing completion.

27. Under the on-going scheme for the conversion of polytechnics into technical colleges, the additional buildings of the polytechnic at Hyderabad were completed while of the buildings of polytechnics at Karachi and Khairpur registered good progress. The buildings of 9 of the 17 vocational schools under construction were completed and progress continued to be made on the remaining 8.

#### (c) N.W.F.P.

28. Building works of Government Polytechnic at Peshawar and polytechnic institutes at D. I. Khan and Haripur have almost been completed. The work has also been completed on the building of Government vocational institutes at Kohat and Peshawar. The construction work at the Government vocational institutes for women at Abbottabad and D.I. Khan registered considerable progress. The on-going work at Government commercial institutes at Abbottabad, D. I. Khan Kohat and Chitral continued to make progress. Partial requirements of equipment in respect of Polytechnic and Vocational Institute, Peshawar, have been supplied.



**(d) Federal Programmes**

29. The academic facilities at the National College of Engineering and Technology, Karachi, and the National College of Arts, Lahore, were further improved by providing necessary equipment and construction of additional building.

**COLLEGE EDUCATION**

**(a) Punjab**

30. The facilities for higher education were increased by the opening of 6 new intermediate colleges and the up-gradation of 6 existing intermediate colleges to degree level. Science laboratories have been added to 50 existing intermediate and degree colleges and science equipment was provided to introduce teaching of science at these institutions.

**(b) Sind**

31. One new intermediate college was opened and the on-going work of construction of two college buildings was completed. Work of construction of 5 other buildings continued to make progress. Under the scheme for the up-gradation of 7 intermediate colleges to degree level the building requirements have been met at one college while at 6 other colleges the work registered good progress.

**(c) N.W.F.P.**

32. The on-going work of construction of buildings of 8 degree and 6 intermediate colleges was continued. The building of one intermediate college was completed while the building of Superior Science College, Peshawar, Science and Agriculture College, D.I. Khan, Lakki College and Karak College made considerable progress. Construction work also continued at 9 other science college. Under the new programme, work continued and registered good progress at government colleges for men at Ghazi, Daggar and Matta and Government College for Women at Haripur. Work has been started to meet additional building requirements for the opening of postgraduate classes at Jahanzeb College, Swat.

**(d) Baluchistan**

33. On the Prime Minister's directive, 6 new intermediate colleges were established at Kohlu, Harnai, Duki, Pishin, Dera Bugti and Kharan and the intermediate college at Mustung was up-graded to degree level. Also, an intermediate college was established at Panjgur and the intermediate college at Turbat was up-graded to degree level.

**(e) Federal Programmes**

34. Land has been acquired for Central Government College for Men at Islamabad and a new block was constructed at the Federal Government College for Women. The colleges for men and women at Islamabad were supplied books, equipment and furniture.

35. In the Northern Areas, the on-going programme for the up-gradation of Intermediate College, Gilgit, to degree level continued to make progress.

36. In the Federal Administered Tribal Areas, the construction work of the buildings for colleges at Parachinar, Darra Adam Kheil and Meran Shah continued to make progress. Work has been initiated on the buildings of the newly established intermediate college at Kahar, Landi Kotal and Ladda.

37. In Azad Kashmir, the on-going works of construction of buildings for opening of 3 intermediate colleges, staff hostels at 2 existing colleges and expansion of students hostels at degree colleges at Muzaffarabad and Rawala Kot were completed. The civil work in connection with the opening of intermediate classes at existing high schools at Bhimber and Garhi Dopatta continued to make progress. Diversified courses were introduced at 2 existing colleges. Building programme for the proposed girls college at Muzaffarabad made some progress. Land has been acquired for the proposed cadet college at Palandri. Sports equipment was provided to the existing colleges and boys scouts and girl guides movements also made some progress.

**UNIVERSITY EDUCATION**

**(a) Punjab**

38. The on-going work of consolidation and improvement of the facilities of the University of the Punjab registered further progress. At the Institute of Chemical Engineering and Technology the work of development of the Unit Process Laboratory, development of Plastic and Polymer Technology, development of Petroleum and Gas Technology, development of the Fertilizer Technology and the development of Pilot Plant

Division continued satisfactorily. Other on-going projects for the development of Sugar Technology, Paper Technology, Instrumental Methods of Analysis and development of Materials Science and Corrosion were continued. Part payment of the cost of acquisition of land for the Multan University was made.

**(b) Sind**

37. The first phase of the construction of the Faculty of Pharmacy at Karachi University has been completed. Besides, work on the Physiology and Statistics Departments continued to make progress. Facilities for students accommodation were augmented by the completion of additional hostels at the University of Karachi campus. The construction work of the Institute of Chemistry, Institute of Education and Department of Nuclear Chemistry at Sind University were completed. Necessary formalities for the acquisition of land for the development of Shah Abdul Latif University Campus at Khairpur have been completed and construction work shall start soon.

**(c) N.W.F.P.**

40. At Peshawar University campus, the residential quarters for junior level employees of various categories were completed upto the plinth level while the on-going work on the Student Union House was completed. Books and equipment were also supplies to the Peshawar University to improve the quality of undergraduate and post-graduate education. At Gomal University in D. I. Khan, development work in respect of internal roads, E.I. and S.I., external sewerage and tube-well were completed and work of construction of Science and Arts blocks, hostel for 200 students and C type residences have been taken in hand.

**(d) Baluchistan**

41. At the University of Baluchistan campus, construction work on various academic blocks made good progress. Scientific equipment was purchased for the Physics, Chemistry and Botany departments of the University of Baluchistan.

**(e) Federal Programmes**

42. At the University of Islamabad, construction of 72 staff quarters, central workshop and allied services have been completed. Construction of mosque in the campus has started and the programmes for the construction of library building, canteen, student hostel and health centre are at the preparatory stage. At the People's Open University, work has started on the construction of hostels and allied services, site development and peripheral roads etc. have been provided. Three institutes of the People's Open University, namely Institute of Modern Languages, Institute of Education and Institute of Educational Technology have started work and so has the department of Social Studies. The work of drafting foundation level courses in science, and measurement and evaluation has reached final stage while the drafting of foundation level courses in wood work, metal work, electricity, poultry, fertilizers, kitchen gardening, social services and psychology, and intermediate level courses in automechanics has been started.

### SCHOLARSHIPS AND LOANS

43. Against an original allocation of Rs. 40,944 million and a revised allocation of Rs. 43,229 million, an expenditure of Rs. 42,295 million was incurred on scholarships, giving an utilization percentage of 103.3% in respect of original allocation and 98.1% in respect of revised allocation. Allocation by the Punjab, Sind, NWFP and the Federal Government accounted for 47%, 9%, 9% and 35% respectively of the total expenditure in this sub-sector. Baluchistan incurred an expenditure of Rs. 5.0 million out of the non-development budget toward scholarships to seven thousand students.

44. Under the Federal scholarship programme, twelve scholars proceeded abroad under the Merit Scholarships scheme, 54 under the Central Overseas Training scheme and 10 under the Qaid-i-Azam Scholarship scheme. Fifteen students have been awarded Nishan-i-Haider scholarships to continue higher education in Pakistan. To enable 70 scholars to receive education abroad their foreign grants were supplemented by government subsidy. Two students were granted special air-travel facilities from Pakistan to U.K. The awards made last year under President's Thousand Scheme were continued and fresh awards made to another group of 1000 scholars. Scholarships were also awarded to 190 foreign students studying at Pakistani institutions.

### MISCELLANEOUS PROGRAMMES

45. The Federal Ministry of Education started a big programme of construction of Federal students hostels. Of these, 111 hostels are to be constructed in the Punjab, 70 in Sind, 33 in N.W.F.P., 11 in Baluchistan and 49 in Federally Administered Tribal Areas. Work was started at 167 sites and quite a number of hotels are nearing completion.

46. The ongoing work of construction of flood damaged educational institutions of the Punjab and Sind continued to make satisfactory progress.

47. The National Book Foundation reprinted 130 titles of foreign text books which were urgently required by university/college students. Orders were placed for the import of text books from foreign publishers to the tune of Rs. 6.64 million. Some of these books were received and made available to the students through book banks while others were expected to arrive in the near future. The University Grants Commission has started a survey of the enrolment of universities and professional colleges so as to make allocations to the book banks on a rational basis.

48. The work on the preservations of pre-historic remains at Moenjodaro was continued. The work of improvement and repair of the Shalimar Garden and of Lahore Fort was also continued. Equipment and replicas were purchased for the museum located at important archaeological sites. Micro-filming equipment, and photographic and repairs materials were purchased for the National Archives of Pakistan. Office equipment and machinery for the development of transparencies and display panels for the exhibition murals were supplied to the Museums of Science and Technology, Lahore.

49. The construction of training and coaching centres at Lahore and Karachi was continued. Work on the construction of a stadium at Sukkur was started. The construction of the stadia under Pakistan National Sports Trust was also undertaken.

50. Renovation and improvement of Liaqat Memorial Hall was undertaken with a view to improving facilities for cultural activities. Grants-in-aid were given to various executing agencies for the construction and for consolidation of educational institutions under their control. The institutions being improved include Intermédiate College, Dir, Degree College, Muzaffarabad, College of Fine Arts, Karachi, Hyderabad Public School and Industrial College, Kotri.

51. The National Bureau of Curriculum Development has established centres where studies and research on curriculum shall be undertaken. Drafts of curricula for secondary and higher secondary stage (IX—XII) are being circulated among educational experts and teachers for their comments. Separate syllabi for *Demiati* (religious teaching) for *Shia* and *Sunni* sects have been finalized.

52. A documentary film on the Implementation of Education Policy is under preparation and articles on the educational development programmes carried out by the Federal Government are being written for publicity purposes. The Educational Planning and Management Academy organized seminars on population dynamics and educational planning.

## APPENDIX B

### SUB-SECTORAL PHYSICAL PROGRAMMES 1975-76

#### PRIMARY EDUCATION

##### (a) Punjab

1. The programmes that are proposed to be implemented during 1975-76 include the opening of 1,000 primary schools and construction of 500 primary school buildings. In addition the Government of the Punjab would take up the work of construction of 800 existing government and 250 nationalized primary schools. With a view to improving the quality of education, library books, charts and educational toys shall be supplied to 6,200 primary schools. In addition, 10,000 primary schools shall be provided with radio sets.

##### (b) Sind

2. The development programme envisages the opening of 30 primary schools and completion of the construction work on 82 primary school buildings. Equipment would be provided to an other 30 primary schools and work on the consolidation and improvement of 8 primary schools would be taken up.

##### (c) N.W.F.P.

3. The Government of N.W.F.P. would open 75 primary schools and would construct buildings for 50 primary schools. In addition, the on-going construction work of 124 primary school buildings and the work of consolidation and improvement of 40 primary schools shall continue. To improve the quality of education, 131 primary schools shall be supplied with equipment.

##### (d) Baluchistan

4. Fifty primary schools shall be opened.

##### (e) Federal Programmes

5. Under the Federal development programmes, 2 new primary schools shall be opened in the Federal Area.

6. In the Northern Areas, 8 primary schools shall be opened. The buildings of 8 newly established and 4 existing schools shall be constructed. The existing privately-managed Ismaili primary schools shall be nationalised.

7. In the Federally Administered Tribal Areas, the on-going work on the construction of 100 primary schools will be completed while the building work on 51 other primary schools will be taken in hand. Equipment will be provided to 350 primary schools during the year.

#### SECONDARY EDUCATION

##### (a) Punjab

8. The major development programmes under the sub-sector of secondary education include up-gradation of 120 primary and 40 middle schools. Buildings of 4 high schools and 45 middle schools shall be constructed. Besides, work on improvement and consolidation of buildings of 20 high schools shall be completed and library books shall be supplied to 300 existing high schools. Under the programme of introduction of agro-technical courses, workshops shall be constructed in 180 existing high schools and equipment shall be supplied to 1,123 middle and high schools. Considering the transport difficulties experienced by girls students, the Government of the Punjab shall, as a first step, supply transport vehicles to 3 girls high schools.

##### (b) Sind

9. The development programme for 1975-76 includes up-gradation of 23 primary and 11 middle schools and the work of consolidation and improvement of the buildings of these schools. Provision has also been made for equipping 205 existing middle and high schools with partial facilities for the introduction of agro-technical courses. The on-going work of constructing buildings for 29 up-graded primary schools and 19 middle schools shall be continued.

##### (c) N.W.F.P.

10. The on-going work of construction of buildings of 39 up-graded primary and 19 middle schools shall be completed. The buildings of 7 existing middle and high schools shall be completed and work at 13 others will continue. The on-going scheme of providing science laboratories at 18 high schools shall be completed and

workshops shall be provided to middle schools for teaching agro-technical subjects. Steps shall also be taken to introduce agro-technical subjects at 117 middle and high schools. Three boarding houses shall be constructed for high school students coming from educationally less developed areas.

**(d) Baluchistan**

11. The development programme includes the up-gradation of 15 primary schools to middle level and 4 middle schools to high level. The on-going work of buildings at 24 up-graded primary schools will be completed. To encourage the education of girls and to remove hardships of female teachers, construction of more residences of headmistress and lady teachers shall be taken up. Three student hostels at existing high schools shall be constructed to enable students from educationally under-developed areas to continue their education.

**(e) Federal Programmes**

12. Provision has been made for the supply of science equipment to 19 middle and 3 high schools in the Federal Area.

13. In Northern Areas, 4 primary schools shall be up-graded to middle standard and 2 middle schools raised to high school level. The on-going programmes for the construction of middle school buildings at Gumbat Skardu shall be completed and equipment and furniture will be provided to the existing secondary schools. The privately-managed Ismaili primary and middle schools shall be taken over by the Federal Government.

14. In the Federally Administered Tribal Areas, the on-going civil work at 24 up-graded middle and 12 up-graded high schools will be completed. The construction of building of 3 existing high schools will continue. During the year, principal's residence and staff quarters at 15 high schools and hostel facilities at 4 high schools shall be completed. The on-going work of construction of 3 workshops at secondary schools will be completed. Equipment will be provided to 19 middle schools and equipment for the teaching of agriculture shall be provided to 13 high schools.

15. In Azad Kashmir, 40 middle and 60 high schools will be provided with science equipment, furniture, library books and instructional aids. The buildings of 23 existing high schools shall be improved and these schools shall be supplied with equipment. Land shall be acquired for the expansion of existing buildings of another 35 high schools. To provide accommodation for students from educationally under-developed areas, hostels shall be constructed at 2 secondary schools.

## TEACHER EDUCATION

**(a) Punjab**

16. The on-going programme for the construction of buildings of five elementary teacher training colleges and consolidation and expansion of Normal School, Jauharabad, shall be completed. The facilities at other thirteen existing elementary teachers colleges shall be improved by the supply of equipment/audio-visual aids. Fifty per cent of the requirements of the Lady Macalagan Teachers College for Women in respect of additional building and equipment shall be met.

17. Courses for the agro-technical teachers shall be introduced at five elementary teacher training colleges. In-service training courses designed to acquaint primary, secondary and college teachers with the techniques of teaching revised syllabi and agro-technical subjects shall be organized. Refresher courses shall also be organized for 70 polytechnic and 200 vocational teachers at Polytechnic, Rawalpindi, and Swedish-Pakistan Institute of Technology, Gujrat, respectively.

**(b) Sind**

18. In-service training will be given to 1,500 primary school teacher for enabling them to teach new curricula. The on-going work at the Teacher Training College, Sukkar, will be completed.

**(c) N.W.F.P.**

19. Ninety college lecturers, 268 agro-technical teachers of secondary schools and 5,000 primary school teachers shall be trained during the year. As part of the programme for the introduction of agro-technical subjects in secondary schools, an agro-technical teacher training institute shall be established.

**(d) Baluchistan**

20. Two teacher training schools shall be opened at Uthal and Panjgur, and the on-going programme for the addition of rooms and hostel in the existing Teacher Training School, Quetta, shall be continued. The facilities at the Provincial Education Extension Centre shall be further developed.

### (e) Federal Programmes

21. Courses shall be organized at Islamabad for the in-service training of primary and secondary school teachers in the production of resource material.

22. Principal's residence and six staff quarters shall be constructed at the Teachers Training School at Jamrud in Federally Administered Tribal Area.

23. The Teacher Training Institute, Afzalpur, in Azad Kashmir shall be up-graded into a full-fledged teachers training college and facilities for in-service and pre-service training of primary school teachers shall be further expanded.

## TECHNICAL EDUCATION

### (a) Punjab

24. The major physical programmes includes continuation of work on the consolidation of facilities at the University of Engineering and Technology, Lahore. Work shall be started on the construction of Electrical Engineering department, a hostel, a student-teacher centre, a multi-purpose hall, a sports complex consisting of a stadium and a gymnasium. In addition, work on the buildings for Public Health Engineering and Research Institute will be completed. Research projects on Low Cost Housing, Experimental Oxidation Ponds and Meteor Forwards Sattering Propagation etc. shall continue. Moreover, work will be initiated on the construction of buildings for Mining Engineering department. An Engineering Education Research and Survey Centre will be established while courses at Bachelor's and Master's degree level in applied science will be started. Work will be initiated on the construction of a building complex at Taxila for the establishment of a new engineering college.

25. Under the on-going programme of conversion of polytechnics into technical colleges, work of construction of the buildings at Sialkot and Sargodha shall be taken up. Construction work shall be continued at Multan for the introduction of radio-electronic and textile technologies and also at Sahiwal polytechnic. Equipment shall be supplied to the polytechnics at Bahawalpur, Lahore, Leiah, Lyallpur, Multan, Rasul, Rawalpindi, Sahiwal, Sargodha and Sialkot.

26. Expansion of facilities for vocational education shall be effected by the establishment of five new vocational institutes for women at Bahawalnagar, Jhang, Mianwali, Muzaffargarh and Rahim Yar Khan, and six for men at Bahawalnagar, Campbellpur, Jhelum, Muzaffargarh, Mianwali and Sialkot. The on-going programme of construction of buildings of the existing vocational institutes for women at Campbellpur, Lahore, Multan and Sargodha, and for men at Sargodha shall be continued. In addition, the construction of the buildings six existing institutes for women one each in Gujrat, Jhelum, Lyallpur, Sialkot and two in Lahore shall be taken up.

27. The work of development of commercial institutes at Bahawalpur, Gujrat, Multan, Rawalpindi and Sargodha into full-fledged colleges of business education shall be initiated. The construction of the buildings for commercial institutes at Bahawalpur, Multan, Muzaffargarh and Sargodha shall be completed and building work at 9 other existing commercial institutes shall be taken in hand. Professional literature shall be supplied to three polytechnics, 11 commercial and 26 vocational institutes with a view to strengthening their educational resources. A new curriculum development and research unit shall be established in the Punjab Board of Technical Education.

### (b) Sind

28. The on-going civil works and supply of equipment to N.E.D. Engineering College, Karachi, shall be completed and it shall move to its new campus. The Sind University Engineering College shall be up-graded into a full-fledged engineering university and shall be established at Nawabshah.

29. Three nationalized polytechnics institutes shall be improved in respect of building facilities and equipment.

### (c) N.W.F.P.

30. The construction of additional building needed for the conversion of Polytechnic, Peshawar, into a technical college shall be continued and the buildings for the polytechnic institutes at D.I. Khan and Haripur shall be completed.

31. The new vocational schools shall be opened and the commercial institutes at Abbottabad, Kohat and D.I. Khan shall be further consolidated in respect of their building. The on-going work of construction of buildings for the vocational institutes for Women at Abbottabad and D.I. Khan, and for Men at Bannu shall continue.

(d) Baluchistan

32. The work of consolidation of the building facilities of the Khuzder Engineering College shall be undertaken during the year.

(e) Federal Programmes

33. Under the Federal programmes the development work shall be continued at the National College of Engineering and Technology at Karachi and the National College of Arts at Lahore.

### COLLEGE EDUCATION

(a) Punjab

34. The proposed development programme includes the opening of 15 new intermediate colleges and upgradation of 6 intermediate colleges into degree colleges. To reduce the imbalance in the enrolment of arts and science subjects, the on-going scheme of providing facilities for the teaching of science at existing intermediate colleges and 13 existing degree colleges shall be continued. In addition, work shall start on providing facilities for the teaching of science at 40 existing intermediate colleges and 10 existing degree colleges. The work of consolidation and improvement of 20 nationalised intermediate college shall also be undertaken. The educational facilities at 15 intermediate colleges shall be improved by supplying necessary equipment. To alleviate transport difficulties of college-going girls transport vehicles shall be provided to 5 girls colleges. Hostel buildings shall be constructed for the degree colleges at Bahawalpur, Campbellpur, Rawalpindi and Sargodha.

(b) Sind

35. Three new intermediate colleges shall be opened at Gambat, Sakrand and P.I.B. Colony, Karachi. One existing intermediate college shall be upgraded into degree college. The on-going programme of consolidation and improvement of the buildings of 9 intermediate and 6 upgraded intermediate colleges shall be continued.

(c) N.W.F.P.

36. The on-going work of construction of the buildings of 22 upgraded colleges shall be continued and the construction of 2 buildings shall be completed. The work of consolidation and improvement of 7 intermediate and degree colleges will be completed and the work at 13 other colleges shall continue. The college building at Mansehra will be constructed and equipment will be supplied.

(d) Baluchistan

37. The development programme includes the upgradation of one intermediate college at Mastung to degree level. Five intermediate colleges (4 for boys at Kalat, Bagh, Barkhan and Panjgur and one for girls at Kalat) shall be opened. The on-going work of construction at the buildings of 6 new colleges (Kohlu, Kharan, Pishin and Dera Bugti) and work on the establishment of intermediate college at Usta Mohammad, Bela and Nushki shall be completed.

(e) Federal Programme

38. The construction of the building for the Government College for Men, Islamabad, shall be continued while construction of an additional academic block shall be undertaken at the Central Government College for Women at Islamabad.

39. In Northern Area, preliminary work for the establishment of intermediate colleges at Chilas, Skardu and Gilgit shall be undertaken and the work connected with the upgradation of Intermediate College, Gilgit, to the degree level shall be accelerated.

40. In Federally Administered Tribal Area, the on-going work on the establishment of intermediate colleges at Landi Kotal, Dara Adam Khel, Ladda and Wana shall be accelerated. The civil work connected with the upgradation of Intermediate College, Tank, and staff quarters of Degree college, Parachinar, shall be completed.

41. In Azad Kashmir, diversified courses shall be introduced in one of the existing college. Building provision in connection with the introduction of intermediate classes at existing high schools at Bhimber and Garhi Dupatta shall be completed. Work shall be continued on the buildings of the proposed Girls College, Muzaffrabad, Government College, Palandri, and Cadet College, Palandri. Hostel facilities shall be provided at one of the existing intermediate college.

## UNIVERSITY EDUCATION

### (a) Punjab

42. At the University of the Punjab work shall be continued on the building of the law college. The Institute of Chemical Engineering shall be developed so as to provide facilities for teaching and research in Petroleum and Gas, Materials Science and Corrosion, Instrumental Methods Analysis Plastic, Polymer, Sugar, Paper, and Fertilizer technologies. Work shall be continued on the development of unit process laboratories and pilot plant division. The research programme of the Institute of Education and Research shall be continued. One student hostel shall be completed.

43. A token provision of 0.2 million has been made to cover initial expenses on the development of Multan University campus and the preliminary construction work. A token provision of Rs. 0.1 million has also been made for Jamia Islamia, Bahawalpur, for developing it into a general university.

### (b) Sind

44. The development programmes include the development of Shah Abdul Latif University campus at Khairpur. The construction of second phase of establishment of Faculty of Pharmacy and work on the construction of buildings for Statistics and Physiology departments at the University of Karachi shall continue. The on-going work on the consolidation and improvement of Institutes of Chemistry and Education, and the establishment of the Department of Nuclear Chemistry at Sind University shall continue.

### (c) N.W.F.P.

45. The on-going work of construction of residential quarters for junior level employees of Peshawar University shall continue. Science equipment shall be supplied to the Physics Department of Islamia College, Peshawar University. At Gomal University the construction of the academic block for Arts, Physics Laboratory, hostels and cafeteria shall continue and science apparatus shall be supplied.

### (d) Baluchistan

46. Two more blocks and laboratories shall be constructed at Baluchistan University.

### (e) Federal Programmes

47. At the University of Islamabad, construction work in respect of Earth Sciences and Social Sciences buildings, Library, Guest house, mosque, cafeteria and health centre will be continued. Staff residences will also be constructed for the faculty and other staff. Scientific and technical equipment, books and furniture will be procured and scholarships/fellowships will be awarded to the students to carry out their studies and research at the graduate and postgraduate levels.

48. Construction of academic buildings, hostels and residential buildings will be continued at the Peoples' Open University campus and equipment and furniture will be supplied to the Institutes of Education, Modern Languages and Educational Technology and the Department of Social Sciences.

49. Construction work in respect of building for the Centres of Excellence established in the general universities will be completed and scientific equipment, furniture and library books will be supplied to these institutes.

50. Preliminary work on the establishment of a university in Azad Kashmir shall be undertaken.

## SCHOLARSHIPS AND LOANS

51. Under the Federal scholarship programme, 2,000 students from low income group shall be benefitted under the President's thousand Scholarship scheme. The Nishan-i-Haider Award shall be made to 70 meritorious students to help them to continue their education at the graduate level within country. Another batch of students thousand shall be sent abroad to pursue studies at post-graduate level under the Quad-i-Azam Scholarship programme. In addition, scholarships shall be awarded to 214 students under the Merit Scholarship Scheme and 60 university and college teachers under the Central Overseas Training scheme. To supplement foreign offers of partial scholarships, provision has also been made to provide travel expenses to scholars proceeding abroad. Scholarships shall also be awarded by the University Grants Commission to enable scholars in various disciplines to pursue higher studies and conduct research at doctoral level in country's own universities. About 252 scholarships shall be awarded to foreign students from different friendly countries to facilitate their studies in Pakistan.



52. Interest free loans totalling Rs. 3.00 million shall be distributed among meritorious students to help them to continue their education at institutions of higher education in general and professional education in particular. Interest free loans shall also be provided to students migrating from Bangladesh to enable them to continue their education in Pakistan.

#### Miscellaneous Programmes

53. The reconstruction of educational institutions destroyed by flood shall be completed. Work on the Federal students hostel units started during the 1974-75 shall be completed and work shall be initiated at the remaining sites throughout Pakistan. Transport facilities shall be provided to the university students.

54. New curricula of all subjects shall be introduced in class IV and draft curricula for the secondary and higher secondary stages shall be micro-tested and finalised during the year. Text Books shall be written in the light of newly formulated curricula. Basic vocabulary booklets shall be produced in local dialects.

55. Multiple copies of text books shall be supplied to the Book Banks of universities, colleges and technical institutions to overcome shortage of books. The National Book Foundation shall import 150 titles of textbooks published in foreign countries and shall locally reproduce 399 titles of textbooks being used at institutions of higher learning. In addition, 52 books of interest to children shall also be produced. In collaboration with the Government of the Libyan Arab Republic, the Pak-Libya Publishing House shall be established which shall undertake the production, translation and printing of Islamic literature and other programmes of mutual benefit.

56. In the field of examination reforms, works shall be continued in respect of construction and try-out of achievement tests for students of primary, secondary and intermediate levels, and aptitude tests for those seeking admission into engineering and medical colleges. Equipment and other necessary material shall be procured and in-service training courses, seminars and workshops shall be organised for teachers working at school and college levels in the administration of tests and techniques of guidance, counselling and maintenance of cumulative records.

57. Construction of building for the Pakistan Institute of Development Economics shall be started. At the Urdu Development Board, textbooks of Physics, Chemistry, Biology and Mathematics for the degree level students and books of History, Culture and of Pakistan Studies for school students and general public shall be produced in urdu. Work on the publication of the Greater Urdu Dictionary shall be continued. Construction of the building for the National Library shall be continued at Islamabad. Furniture, equipment, books, and journals shall also be provided to the Pakistan History Commission.

58. Training and Coaching centres at Karachi and Lahore shall continue their training programmes in various sports and specially the training of under-nineteen for the coming Asian Games. Four units of training rooms, tennis courts and a swimming pool shall be constructed, and play grounds and running tracks shall be further developed at the Sports Training and Coaching Centre, Karachi. At the Lahore centre, wrestling enclosures shall be completed, gymnasium hall and squash courts shall be constructed and football, hockey fields and running tracks shall be developed for providing additional training facilities. National Sports Trust shall be provided with funds to continue its programme of construction of stadia, play grounds, etc.

59. Liaquat Memorial Hall at Rawalpindi shall be renovated and improved further. Research, documentation, preservation and projection of oral tradition and traditional heritage shall be continued at the National Institute of Folklore. The development programmes of the Museum of Science and Technology, Lahore, and the museums and other archaeological sites at Karachi, Hyderabad, Umar-Kot, Bhambore, Thatta, Swat, Harappa and Taxila shall make further headway. Equipment shall be purchased for the Museum of Science and Technology and equipment and antiques shall also be supplied to the above mentioned archaeological centres/museums.

60. Construction of the building for National Archives of Pakistan shall be taken up and preservation and presentation of Shalimar Garden, Lahore Fort and pre-historic remains at Moenjodaro shall be continued.

61. Courses and seminars in education and manpower planning shall be organised at the Academy for National Planning and Management in order to assist those engaged in planning and implementation of educational policies. The publicity of the Education policy through press and publication shall be continued.

## Growth of Enrolment at various levels of Education

Level of Education	Unit	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76 projection
Enrolment at Primary level (Classes I-V)	.. (In 000,s)	3820	4066	4158	4289	4490	4731	4881
Rate of growth ..	.. (Percentage)		6.4	2.3	3.1	4.7	5.4	3.2
Enrolment at Middle level (Classes VI-VIII)	.. (In 000,s)	906	974	986	1035	1065	1116	1155
Rate of growth ..	.. (Percentage)		7.5	1.2	5.0	2.9	4.8	3.5
Enrolment at High level (Classes IX-X)	.. (In 000,s)	341	352	369	371	378	393	408
Rate of growth ..	.. (Percentage)		3.2	4.8	0.5	1.9	4.0	3.8
Enrolment at Intermediate level (Classes XI-XII)	.. (In 000,s)	140	140	140	143	149	156	161
Rate of growth ..	.. (Percentage)		0.0	0.0	2.1	4.2	4.7	3.2
Enrolment at Degree level (Classes XIII-XIV)	.. (In 000,s)	60	60	60	60	63	66	68
Rate of growth ..	.. (Percentage)		0.0	0.0	0.0	5.0	4.8	3.0
Enrolment at Honour's and Post-graduate level (Colleges and Universities)	.. (In 000,s)	13.5	13.8	14.2	14.7	15.4	16	16.5
Rate of growth ..	.. (Percentage)		2.2	2.9	3.5	4.8	3.9	3.1
<b>TECHNICAL EDUCATION</b>								
Enrolment at Certificate level	.. (In 000,s)	5	7.4	7.2	7.5	7.7	8	8
Rate of growth ..	.. (Percentage)		48.0	(-)-2.7	4.2	2.7	3.9	0.0
Enrolment at Diploma level	.. (In 000,s)	9	10.8	11.1	11.3	11.7	12	12.2
Rate of growth ..	.. (Percentage)		20.0	2.8	1.8	3.5	2.6	1.7
Enrolment at Degree level (B.Sc. Engg. and B. Tech.)	.. (In 000,s)	5	6.1	6.5	7	7.2	7.5	7.7
Rate of growth ..	.. (Percentage)		5.2	6.6	7.7	2.9	4.2	2.7
<b>TEACHER TRAINING</b>								
Enrolment at Primary School Teacher Training	.. (In 000,s)	10	12.9	17.1	41	18	18	18
Rate of growth ..	.. (Percentage)		29.0	32.6	139.8	(-)-56.1	0.0	0.0
Enrolment at Under-graduate Secondary School Teacher Training Institutions	.. (In 000,s)	5.1	7.7	4.8	5.9	6	6	6
Rate of growth ..	.. (Percentage)		51.0	(-)-37.7	22.9	1.7	0.0	0.0
Enrolment at Graduate Secondary School Teachers Training Institutions	.. (In 000,s)	4.1	4.7	4.3	4.3	4.4	4.5	4.5
Rate of growth ..	.. (Percentage)		14.6	(-)-8.5	0.0	2.3	2.3	0.0

## ANNUAL DEVELOPMENT PROGRAMME 1974-75

Sub-sectoral original A.D.P., revised A.D.P. and Utilization by various executing Agencies

(Million Rupees)

Sub-Sector	Punjab			Sind			N.W.F.P.			Baluchistan			Federal Government			Total		
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
	Original A.D.P. Allocation	Revised A.D.P. Allocation	Revised Budget Estimates	Original A.D.P. Allocation	Revised A.D.P. Allocation	Revised Budget Estimates	Original A.D.P. Allocation	Revised A.D.P. Allocation	Revised Budget Estimates	Original A.D.P. Allocation	Revised A.D.P. Allocation	Revised Budget Estimates	Original A.D.P. Allocation	Revised A.D.P. Allocation	Revised Budget Estimates	Original A.D.P. Allocation	Revised A.D.P. Allocation	Revised Budget Estimates
Primary Education ..	30.000	31.913	31.913*	0.900	3.040	3.040	8.790	8.790	6.119	4.600	5.077	5.077	3.303	11.783	10.571	47.593	60.603	56.720
Secondary Education ..	30.000	33.168	33.168*	3.740	4.471	4.471	18.800	18.800	10.419	3.500	5.126	5.126	12.059	23.163	22.100	68.099	84.728	75.284
Madrasah Education ..	—	—	—	—	—	—	—	—	—	—	0.300	0.300	—	—	—	—	0.300	0.300
Teacher Education ..	10.000	10.999	10.999*	0.550	0.520	0.520	0.100	0.100	1.236	2.270	1.363	1.363	1.131	1.514	1.293	14.051	14.496	15.411
Technical Education ..	20.600	28.625	28.625*	16.420	16.247	16.247	4.780	4.780	5.643	0.050	0.419	0.419	1.332	1.891	1.890	43.182	51.962	52.824
College Education ..	19.800	20.468	20.468*	2.800	3.647	3.647	10.230	10.230	9.060	5.300	7.162	7.162	8.652	26.006	26.245	46.782	67.513	66.582
University Education ..	6.500	10.884	10.884*	4.580	10.052	10.052	7.030	8.680	7.584	3.000	1.330	1.330	24.000	29.952	22.700	45.110	60.898	52.550
Scholarships	20.000	20.000	20.000*	4.630	3.635	3.635	4.000	4.000	4.000	—	—	—	12.314	15.594	14.660	40.944	43.229	42.295
Miscellaneous	12.700	8.777	8.777*	8.600	7.874	7.274	7.010	7.010	4.779	0.820	0.350	0.350	150.762	128.904	128.769	179.892	152.915	149.949
Total ..	149.600	164.834	164.834*	42.220	49.486	48.886	60.740	62.390	48.840	19.540	21.127	21.127	213.553	238.807	228.228	485.653	536.644	511.915

Utilization % (RBE as ratio of Original A.D.P.) .. 110.2

Utilization % (RBE as ratio of Revised A.D.P.) .. 100.0

115.8

80.4

108.1

106.9

95.6

105.4

95.4

Note : \*Revised A.D.P. allocation and Revised Budget Estimates were taken to be the same.

**ANNUAL DEVELOPMENT PROGRAMME 1974-75**  
**Percentage of Original and Revised A.D.Ps. Utilized by Various Executing**  
**Agencies in Major Sub-Sectors**

Sub-Sector	Executing Agencies											
	Punjab		Sind		N.W.F.P.		Baluchistan		Federal Govt.		Total	
	Original A.D.P.	Revised A.D.P.	Original A.D.P.	Revised A.D.P.	Original A.D.P.	Revised A.D.P.	Original A.D.P.	Revised A.D.P.	Original A.D.P.	Revised A.D.P.	Original A.D.P.	Revised A.D.P.
1	2	3	4	5	6	7	8	9	10	11	12	13
Primary Education	106.4	100.0*	337.8	100.0	69.6	69.6	110.4	100.0	320.4	89.7	119.27	93.6
Secondary Education	110.6	100.0*	119.5	100.0	55.4	55.4	146.5	100.0	183.3	95.4	110.6	88.8
Teacher Education	109.9	100.0*	92.5	100.0	123.6	123.6	60.0	100.0	114.3	85.4	109.7	106.3
Technical Education	138.9	100.0*	98.9	100.0	118.1	118.1	838.0	100.0	141.9	99.9	122.3	101.7
College Education	103.4	100.0*	130.3	100.0	88.6	88.6	135.1	100.0	303.3	100.9	142.3	98.6
University Education	167.4	100.0*	219.5	100.0	107.9	87.4	44.3	100.0	94.6	75.8	116.2	86.3
Scholarships	100.0	100.0*	78.5	100.0	100.0	100.0	—	—	119.1	94.0	103.6	98.1
Miscellaneous	69.1	100.0*	84.6	92.4	68.2	68.2	79.2+	100.0	85.4	99.8	84.6	98.0
Total	110.2	100.0*	115.8	98.9	80.4	78.3	108.1	100.0	106.9	95.6	105.4	94.5

+ Including Expenditure on Madrassah Education.

\* The revised A.D.P. allocation and the Revised Budget Estimate were taken to be the same.

**Percentage of Revised Budget Estimates (1974-75) and A.D.P. Allocations (1975-76) of Various Executing Agencies for Major Sub-Sectors**

Sub-Sectors	Executing Agencies											
	Punjab		Sind		N.W.F.P.		Baluchistan		Federal Govt.		Total	
	Revised Budget Estimates 1974-75	A.D.P. Allocation 1975-76	Revised Budget Estimates 1974-75	A.D.P. Allocation 1975-76	Revised Budget Estimates 1974-75	A.D.P. Allocation 1975-76	Revised Budget Estimates 1974-75	A.D.P. Allocation 1975-76	Revised Budget Estimates 1974-75	A.D.P. Allocation 1975-76	Revised Budget Estimates 1974-75	A.D.P. Allocation 1975-76
1	2	3	4	5	6	7	8	9	10	11	12	13
Primary Education	19.3	12.6	6.2	16.2	12.5	14.6	24.0	19.0	4.6	2.6	11.1	9.4
Secondary Education	20.1	22.6	9.1	16.5	21.4	27.7	24.3	18.9	9.7	7.8	14.7	16.5
Madrassah Education	—	—	—	—	—	—	1.4	—	—	—	0.1	—
Teacher Education	6.7	7.2	1.1	0.5	2.5	1.7	6.5	6.6	0.6	0.6	3.0	3.3
Technical Education	17.4	20.4	33.2	28.6	11.5	7.2	2.0	2.5	0.8	1.4	10.3	11.4
College Education	12.4	13.3	7.5	7.9	18.6	23.6	33.9	35.9	11.5	7.2	13.0	12.1
University Education	6.6	5.4	20.6	13.9	15.5	10.8	6.3	14.8	9.9	10.6	10.3	9.1
Scholarships ..	12.2	11.3	7.4	6.0	8.2	6.4	—	—	6.5	9.3	8.2	9.1
Books and Libraries	—	—	—	—	—	—	—	—	—	7.2	—	2.9
Research, Statistics and Planning ..	—	1.0	—	5.7	—	7.2	—	1.2	—	5.6	—	4.0
Reconstruction of Flood Damaged Institutions ..	—	—	—	—	—	—	—	—	—	19.7	—	7.8
Archaeology, Museum and Archives ..	—	0.2	—	0.7	—	—	—	—	—	8.7	—	3.6
Federal Students Hostels ..	—	—	—	—	—	—	—	—	—	11.8	—	4.7
Miscellaneous ..	5.3	6.0	14.9	4.0	9.8	0.8	1.6	1.1	56.4	7.5	29.3	6.1
<b>Total ..</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

## ANNUAL DEVELOPMENT PROGRAMME 1975-76

Sub-sectoral utilization 1974-75 and allocation 1975-76 by various Executing Agencies

(Million Rupees)

Sub-Sectors	Executing Agencies												% In-crease
	Punjab		Sind		N.W.F.P.		Baluchistan		Federal Govt.		Total		
	Revised Budget Estimates 1974-75	Alloca-tion 1975-76	Revised Budget Estimates 1974-75	Alloca-tion 1975-76	Revised Budget Estimates 1974-75	Alloca-tion 1975-76	Revised Budget Estimates 1974-75	Alloca-tion 1975-76	Revised Budget Estimates 1974-75	Alloca-tion 1975-76	Revised Budget Estimates 1974-75	Alloca-tion 1975-76	
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Primary Education	31.913	29.400	3.040	9.900	6.119	10.312	5.077	3.850	10.571	6.519	56.720	59.981	06
Secondary Education	33.168	52.327	4.471	10.060	10.419	19.633	5.126	3.846	22.100	19.816	75.284	105.682	40
Madrassah Education	—	—	—	—	—	—	0.300	—	—	—	0.300	—	—
Teacher Education	10.999	16.810	0.520	0.320	1.236	1.236	1.363	1.333	1.293	1.400	15.411	21.099	37
Technical Education	28.625	47.300	16.247	17.430	5.643	5.065	0.419	0.500	1.890	2.502	52.824	72.797	38
College Education	20.468	30.963	3.647	4.800	9.060	16.680	7.162	7.284	26.245	17.750	66.582	77.477	16
University Education	10.884	12.400	10.052	8.500	7.584	7.603	1.330	3.000	22.700	26.475	52.550	57.978	10
Scholarships	20.000	26.000	3.635	3.653	4.000	4.500	—	—	14.660	23.893	42.295	58.046	37
Miscellaneous	8.777	16.800	7.274	6.337	4.779	5.671	0.350	0.486	128.769	157.037	149.949	186.331	24
Total ..	164.834	232.000	48.886	61.000	48.840	70.700	21.127	20.299	228.228	255.392	511.915	639.391	
% increase (+)	41		25			45				12		25	
% decrease (—)									(—) 04				

## ANNUAL DEVELOPMENT PROGRAMME 1975-76

## Allocations by sub-sectors

(Million Rupees)

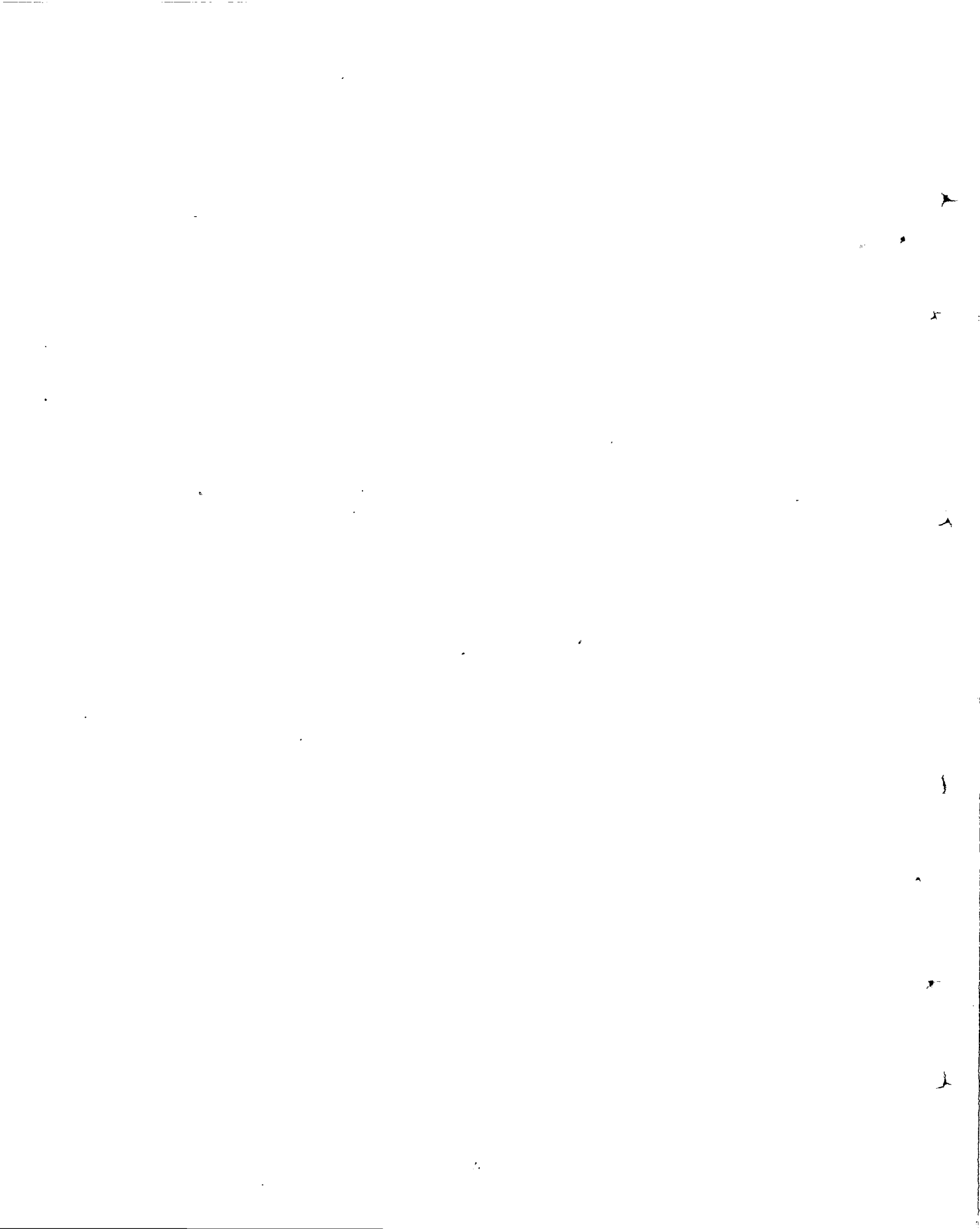
Sub-Sectors	Punjab	Sind	N.W.F.P.	Baluchistan	Federal Government	Total	Percentage
1	2	3	4	5	6	7	8
Primary Education .. ..	29.400	9.900	10.312	3.850	6.519	59.981	9.4
Secondary Education .. ..	52.327	10.060	19.633	3.846	19.816	105.682	16.5
Madrassah Education .. ..	—	—	—	—	—	—	—
Teacher Education .. ..	16.810	0.320	1.236	1.333	1.400	21.099	3.3
Technical Education .. ..	47.300	17.430	5.065	0.500	2.502	72.797	11.4
College Education .. ..	30.963	4.800	16.680	7.284	17.750	77.477	12.1
University Education .. ..	12.400	8.500	7.603	3.000	26.475	57.978	9.1
Scholarships and Loans .. ..	26.000	3.653	4.500	—	23.893	58.046	9.1
Books and Libraries .. ..	—	0.300	0.300	—	18.200	18.800	2.9
Research, Statistics and Planning	2.325	3.500	5.071	0.250	14.185	25.331	4.0
Reconstruction of Flood Damaged Institutions .. ..	—	—	—	—	50.000	50.000	7.8
Archaeology, Museum and Archives	0.500	0.400	—	—	22.000	22.900	3.6
Federal Students Hostel .. ..	—	—	—	—	30.000	30.000	4.7
Special Education .. ..	2.505	—	—	—	—	2.505	0.4
Curriculum Development .. ..	1.500	0.100	—	—	1.800	3.400	0.5
Instructional Technology .. ..	0.250	0.100	—	—	0.100	0.450	0.1
Examination Reforms .. ..	—	—	—	—	1.500	1.500	0.2
Sports and Cultural Activities .. ..	—	0.600	—	—	4.435	5.035	0.8
Miscellaneous .. ..	9.720	1.337	0.300	0.236	14.817	26.410	4.1
<b>Total</b> .. ..	<b>232.000</b>	<b>61.000</b>	<b>70.700</b>	<b>20.299</b>	<b>255.392</b>	<b>639.391</b>	
<b>Percentage</b> .. ..	<b>36.3</b>	<b>9.5</b>	<b>11.1</b>	<b>3.2</b>	<b>39.9</b>		<b>100</b>

## ANNUAL DEVELOPMENT PROGRAMME 1975-76

Percentage increase in sub-sectoral allocations over the A. D. P. allocations and revised budget estimates (1974-75)

Sub-Sectors	Executing Agencies										Total	
	Punjab		Sind		N.W.F.P.		Baluchistan		Federal Govt.		In-crease over Original A.D.P.	In-crease over Revised Budget Estimates
	In-crease over Original A.D.P.	In-crease over Revised Budget Estimates	In-crease over Original A.D.P.	In-crease over Revised Budget Estimates	In-crease over Original A.D.P.	In-crease over Revised Budget Estimates	In-crease over Original A.D.P.	In-crease over Revised Budget Estimates	In-crease over Original A.D.P.	In-crease over Revised Budget Estimates		
1	2	3	4	5	6	7	8	9	10	11	12	13
Primary Education	(-) 02	(-) 08	1000	226	17	69	(-) 16	(-) 22	97	(-) 38	26	06
Secondary Education	74	37	169	125	04	88	10	(-) 25	64	(-) 10	55	40
Teacher Education	68	53	(-) 42	(-) 39	114	—	(-) 41	(-) 02	24	09	50	37
Technical Education	130	66	06	07	06	(-) 10	900	19	88	32	69	38
College Education	56	51	71	32	63	84	37	02	94	(-) 32	66	16
University Education	91	14	81	(-) 15	08	03	—	127	10	17	29	10
Scholarships	30	30	(-) 21	—	13	13	—	—	94	63	42	37
Total	56	41	45	25	16	45	04	(-) 04	20	12	32	25





## CHAPTER 23

### HEALTH AND POPULATION PLANNING

Provision of adequate health services is an essential element of the social policy of the Government. The objective is to move rapidly to a stage where it would be possible to bring medical treatment within easy reach of all, both in terms of distance and cost. Population planning which is an over-riding concern and is crucial to the success of any viable long-term strategy for an integrated socio-economic development is intimately linked with the health programme and is being increasingly integrated with the health facilities. The development programme for health sector for 1975-76 has been formulated specifically, as a step towards developing a comprehensive integrated health system whose major objectives are :—

- (i) Construction of new health units and rural health centres etc. and improvement in utilization of existing hospital facilities;
- (ii) Increasing educational and proper training facilities for health personnel at all levels with special reference to the less developed provinces;
- (iii) Prevention of communicable diseases and improving the health conditions in rural areas and the less developed areas ; and
- (iv) Bringing about reduction in crude birth rate .

23.2. A brief description of existing health facilities, the incidence of diseases and the training of health personnel is given in the subsequent paragraphs.

#### Health Facilities

23.3. The available data indicate that there are about 38,835 hospital beds in the country out of which about 7,379 beds are in rural areas. The number of available doctors is about 10,000. The number of nurses available is about 3,000 and that of lady health visitors is about 1,000. Thus there is one hospital bed for 1800 persons, one doctor for 7,000 and one nurse for 23,300. There are 160 health rural centres and about 500 sub-centres in the country which means one rural health centre for about 290,000 rural people. Since the majority of health doctors and hospitals are located in cities and towns, the rural population has much lower standard of health facilities. Details are given in Annexure 1. Even in urban areas, the available health facilities are not organized in a manner to reach all sections of the society. When the available health facilities are so short in supply, even those who got treatment cannot get enough sustained attention or the quality of treatment required.

23.4. One of the fundamental problems in the provision of medical care is the lack of basic infra-structure like roads, communication system etc. Out of the 45,000 villages, only about 6,000 villages are situated near metalled roads. Another important factor is that 26 percent of the population is living in sparsely populated areas which poses problems for the reach of the static health units.

23.5. The average expenditure on health facilities in the public health sector is about Rs. 5.4 per person per year. On an average, a person requires medical advice between 2.5 to 3 times a year. On the basis of the available morbidity data, the existing health institutions are providing care to about 15 percent of the population. The rest of the population cannot get medical care from public health institutions because of shortage of staff and medicines and distances involved to reach such institutions. They get care from private practitioners, hakims and homeopaths and minor ailments are treated by themselves.

#### Incidence of Diseases

23.6. According to information given by the health institutions, most prevalent group of diseases in the country relate to gastro-intestinal system which constitute nearly 20 percent of all ailments. Out of these, 50—75 percent are due to dysenteries and diarrhoeas which are mainly water-borne diseases. The incidence of tuberculosis of the lungs varies from province to province and constitutes somewhere between 1.4 to 3 percent of all diseases. Communicable and deficiency diseases are about 1-2 percent respectively. Out of the communicable diseases, typhoid accounts for nearly half of such diseases. Next in descending order of the communicable diseases are venereal diseases, measles, diphtheria, mumps, poliomyelitis and chickenpox. Eye, nose, ear, and throat diseases range between 11 to 15 percent. Dental and parasitic diseases are between 3—5 percent each. Malaria constitutes about 5—6 percent of the diseases in the provinces of Punjab and Sind. The overall parasite rate of malaria in 1960, before the start of Malaria Eradication Programme was about 15 percent and it was estimated that as many as 20 million suffered from malaria each year. By

1967 this figure came down to only 9,500 cases, implying a drop from 15 percent to 0.1 percent. In 1967 the disease experienced widespread resurgence, mainly in the Punjab and Sind provinces. The number of cases detected in the country from 1967 onward are given below :—

Year	No. of Cases
1967	9,500
1968	15,648
1969	55,862
1970	108,650
1971	202,472
1972	642,579
1973	2,000,000
1974	2,400,000
1975 (Estimated)	12,000,000

Malaria is reported to be less prevalent in NWFP, Baluchistan, Northern Areas, Federally Administered Tribal Areas and Azad Kashmir.

### Medical Education and Training

23.7. At present, the emphasis is mainly on the training of doctors. On the average it takes about 7 years after high school and an investment of Rs. 80,000 per doctor. A nurse on the other hand needs three years' training after high school and an investment of Rs. 20,000. The present estimated output of doctors is 1200 per annum, of physiotherapists 50, of dentists 60, of nurses 500, and of health visitors 200. The output is low in relation to overall requirements of the country. The problem is, however, intensified by the migration of a good part of the trained personnel to foreign countries and loss of female personnel due to marriage. Added problems are the disproportion between the output of doctors and paramedical and auxiliary personnel as well as the geographical maldistribution of those staying in the profession in the country.

23.8. Since 1972, seven new medical colleges have been commissioned and their admission capacity has been raised from 976 to 3,885. At present, out of the 4,000 posts for doctors in the public health institutions, 33 percent are lying vacant and these posts are mainly in the rural areas. A ban was imposed on the emigration of doctors in 1973. They are not allowed to go abroad for service except on Government to Government basis. This was considered necessary to keep the doctors in the country in the hope that they will go to the rural areas. However, the ban has not been fully effective, because some of them have been allowed to go abroad for service on country to country basis. Lady health visitors do not go into the rural areas because about 50 percent emigrate and the majority of the remainder function in the urban centres, some are lost to the profession due to marriage and a few remain unemployed. Only a few work in the rural areas. Besides this, the available manpower is mainly employed in family planning and malaria eradication programmes. About 1100 family welfare visitors are working for family planning and 5,00 paramedical and auxiliary persons are working in Malaria Eradication Programme.

23.9. In the existing 28 nurses training schools, the annual intake is estimated at 650. Besides the 25 nurses training schools for women and three for men, there are 46 midwifery training centres and 6 public health training schools, but their intake is very small. The training facilities for paramedical staff have not expanded as rapidly as it should have been with the development of health facilities. The doctors, paramedics and auxiliaries ratio is 1:1, whereas it should have been 1 to 5. The paramedical training programmes need to be geared up to conform to the size of health development programmes and should be in a definite relationship to the output of doctors. Only one category of paramedicals i.e. dispensers is being produced in reasonable number whose yearly output is about 1,000 persons; the training is being imparted at nearly all the district headquarters hospitals. These persons are mainly running the rural dispensaries, especially in Baluchistan Northern Areas, Azad Kashmir and Federally Administered Tribal Areas, where there are practically no doctors in rural areas.

23.10. To improve the reach of the static health units, a programme to provide rudimentary health cover, immunization and community education for prevention and promotion of healthy living habits has been drawn up to train volunteers, comprising young men and women, so that they could be effective health and medical agents for their own communities. A programme has already been launched successfully in the Northern Areas of Pakistan. Such programme will be specially suited in areas where population is sparsely scattered.

## FEDERAL PROGRAMME

### ADP Allocation

23.11. The Federal Health Programme made a provision of Rs. 96.549 million for the year 1974-75. Out of this Rs. 76.814 million was the provision for the programme of Federal Health Ministry, Rs. 1.5 million for the development of Rural Health System in Northern Areas, Rs. 1.5 million for the nutrition planning and research and Rs. 2.182 million for medical research, Rs. 6.24 million for Azad Kashmir, Rs. 2 million for Northern Areas and Rs. 6.308 million for Federally Administered Tribal Areas. The Federal Health Ministry was allocated an additional amount of Rs. 30 million as supplementary grant for the Malaria Eradication Programme to meet the expenditure on purchase of pesticides. Allocations in ADP 1974-75, additional authorizations and revised estimates are given Annexure 2.

### Programme of Health Division

23.12. The revised estimates in respect of Federal Health Ministry are Rs. 105.567 million, showing an increase of 37.43 percent over the original ADP for 1974-75. The progress on important programmes is given below :

23.13. *Jinnah Post-Graduate Medical Centre (J.P.M.C.), Karachi.*—The Department and School of Paediatrics of JPMC, (Karachi) with provision of 300 beds, research and training facilities in diseases of children was completed and has started functioning. Equipment for thoracic surgery was procured at a cost of Rs. 50,000. The allocation of Rs. 2.836 million for J.P.M.C. has been utilized in full.

23.14. *Bolan Medical College.*—The selection of site was completed some time ago. Development of land is in progress and an amount of Rs. 10 million (out of a total cost of Rs. 16.2 million) has been paid to the Government of Baluchistan for this purpose. The consultants completed the detailed designs which have been reviewed and finalized. Tenders were issued and the construction work of college, boys hostels and phase I of hospital consisting of 152 beds has been allotted.

23.15. *Medical Complex Hazara.*—The Medical Complex, Hazara, when established will provide undergraduate teaching for producing general purpose community oriented doctors for the country, especially for NWFP and Northern Areas, with annual admission of 200 students. Besides, the complex will provide facilities for postgraduate medical education in 8-9 specialities, and in nearly all the disciplines of para-medical and nursing education. The complex will have a 1000 bedded teaching hospital. A project director is being appointed for the Hazara medical complex scheme. The scheme has not yet been worked out in detail.

23.16. *Islamabad Hospital.*—A 500 bedded modern hospital for Islamabad is in the planning phase. The hospital will have the facilities for treating all types of diseases and will be a referral hospital for the area. About 72.8 acres of land has been acquired in Sector G-8, Islamabad. Part payment has already been made and the remaining cost of land amounting to Rs. 7.988 million has been paid during the year.

23.17. *Malaria Eradication Programme.*—Malariogenic potential in Pakistan is one of the highest in the world. It is predicted that in case the population is not protected in 1975, the country will have to face a malaria epidemic. It is feared that the number of cases may increase to 12.0 million compared to 2.4 million in 1974.

23.18. Provision was made to procure insecticides, equipment and appliances. Spray was carried out in all the zones of the Punjab. In Sind, proper spray could not be carried out due to non-availability of seasonal labour. About 1.5 million houses were sprayed during 1974-75 in NWFP. In Baluchistan, the programme remained under surveillance. The insecticides, targets and present position of procurement for insecticides equipment and appliances is given below :—

	Target	Procured	Under-procurement (M. tons)
(b) <i>Insecticides :</i>			
(i) D.D.T. .. .. .	1971	797	283 (Nowshera)
(ii) B.H.C. .. .. .	3876	1324	1200 (Ittehad Pesticides Ltd.)
(iii) Malathion .. .. .	4203	Nil Target	1380 (D. G., IPS). Procured
(b) <i>Equipment appliances :</i>			
(i) Vehicles .. .. .		87	Nil.
(ii) Sprayers .. .. .		6300	Nil.

23.19. The table given below shows the stock position and requirement of insecticides for one round of spray :

(In Metric Tons)

										Insecticides required	Insecticides available	Insecticides expected till June, 1975
D.D.T.	..	..	..	..	..	..	..	..	..	986	703	283
B.H.C.	..	..	..	..	..	..	..	..	..	3676	428	800
Malathion	..	..	..	..	..	..	..	..	..	2102	50	700

Spray work could not be undertaken for the first round. However, the original allocation of Rs. 50.5 million and supplementary grant of Rs. 30.00 million have been utilized to procure spray material. The spray work can be undertaken during 1975-76.

#### Federally Administered Tribal Area (FATA)

23.20. The allocation for FATA in the health sector for 1974-75 was Rs. 6.308 million. The revised estimates expenditure for 1974-75 were Rs. 13.380, million.

23.21. Work on the upgradation of 4 hospitals, construction of 10 hospitals, 18 dispensaries and basic/rural health centres was in progress. Out of these, work on the upgradation of the hospital, construction of 7 hospitals and 5 dispensaries has been completed during the year. Work on the upgradation of the remaining 3 hospitals and construction of 3 hospitals and 10 rural health centres has been completed to the extent of 75 percent during the year under review. Fifty-three hospital beds have been added in various hospitals and 60 dispensers have been trained.

23.22. The new hospitals completed during the financial year 1974-75 include 10 bedded hospitals at Kalaya, Nawagai, Jandola, Razmak, Dattakhel, Sararogha and T.B. Hospital Wana. Upgradation of Civil Hospitals Khar and Parachinar has also been accomplished during the year.

#### Rural Health Programme Northern Areas

23.23. The allocation for 1974-75 was Rs. 2.949 million, while Rs. 2.900 million has been spent, giving a 98 percent utilization rate.

23.24. The physical achievement can be measured in terms of numbers of health guards produced, given below :

Health Gurads										Target	No. trained	Percentage achievement	
Male	..	..	..	..	..	..	..	..	..	432	432	100	
Females	..	..	..	..	..	..	..	..	..	540	300	56	
										Total	972	732	75

23.25. The physical achievements of the Federal and Provincial Government are in Annexure 3.

### PROVINCIAL PROGRAMMES

#### Punjab

23.26. The revised estimates for the year are Rs. 125.00 million as against an allocation of Rs. 112.000 million yielding an increase of 11.88 per cent over the allocation. The position of various preventive and curative programmes and medical education, training and research is given in the following paragraphs :

23.27. *Malaria Eradication.*—During the period under review, spray was carried in all the 22 zones in the province and the entire allocation for the programme has been utilized.

23.28. *Smallpox Eradication*.—More than 4 million persons have been vaccinated against smallpox during the period under review. The province has now been free from smallpox since the middle of October, 1974. An amount of Rs. 0.300 million was utilized during the year.

23.29. *T. B. Control*.—BCG vaccinations were carried out to one million persons. Construction work on 36 bedded T.B. wards at district headquarters hospitals, D.G. Khan and Muzaffargarh progressed satisfactorily as also on wards at Gujranwala and Bahawalnagar.

23.30. *Rural Health Centres*.—In the case of on going schemes construction of 30 rural health centres in the Punjab, 7 rural health centres have been completed. Work continued on the new scheme of 38 rural health centres where construction work was taken in hand during 1973-74.

23.31. *General hospitals*.—In physical terms, up-gradation of 2, and improvement of 7 district headquarters hospitals has been carried out during 1974-75. Similarly, in the case of *tehsil* headquarters hospitals, upgradation of 4, improvement of 1 and construction of 16 *tehsil* headquarters hospitals, including new hospitals at Kot Adu, Jampur and Kahnpur, was carried out during the year. In the case of district headquarters hospitals at Sheikhpura, Gujranwala, Jhelum, Gujrat, Sargodha and Lyallpur, progress has been satisfactory; 8 medical staff quarters were completed during the year.

23.32. In the case of *tehsil* headquarters hospitals, the progress of work at Chunian, Daska, Murree and Bhalwal was in advanced stage while in the case of other *tehsil* headquarters hospitals the preliminaries has been completed.

23.33. *Medical Education, Training and Research*. Major progress in this sub-sector has been made on the "Quaid-e-Azam Medical College, Bahawalpur". Pathology and pharmacology blocks have been fully completed while construction work on the anatomy and administration blocks and the laboratory was under progress during the year. In addition, hostel block No. 1 has been completed while work on hostel No. 2 was in progress. Moreover, 22 numbers of demonstrators' residences have been completed.

23.34. In the case of Punjab Medical College, Lyallpur, a comprehensive scheme costs about Rs. 260 million is under approval while an amount of Rs. 0.755 million has been paid for land compensation. As regards the establishment of Medical College at Rawalpindi, improvement and renovation of the buildings acquired of Gordon College, Rawalpindi, have been carried out.

23.35. Admission of 300 students at the Lahore Medical College was finalized and the college started functioning at the Institute of Hygiene and Preventive Medicine, Lahore.

#### Sind

23.36. The allocation for 1974-75 in the health sector was Rs. 40 million while the revised estimates for the year are put the expenditure at Rs. 47.2 million, out of a total of 61 schemes, 5 were dropped and 4 new included. The physical progress on various sub-sector appear in the following paragraphs:

23.37. *Rural health Centres*.—Out of 38 rural health centres under construction, 8 have been completed while the remaining 30 were under construction and their progress was satisfactory.

23.38. *Restoration of health facilities in flood affected areas*.—Construction of four 30-bedded hospitals and 3 rural health centres has been approved at a cost of Rs. 4.26 million. Out of this, 30 percent will be borne by the Sind Government while the remaining 70 percent by US-AID.

23.39. *Taluka Headquarters Hospitals*.—Construction work of *taluka* headquarters hospitals was under progress at Kotri, Ratodero, Mithi, Khipro, Matli and Hala.

23.40. *Medical Education and Training*.—People's Medical College for Girls, Nawabshah, was opened with the initial admission of 190 students. Construction work of the hostel of Sind Medical College was under progress. The projects entitled People's Girls Medical College, Nawabshah, Chandka Medical College, Larkana and Sind Medical College, Karachi are yet to be approved. Construction work of hostels of Chandka Medical College was progressing satisfactorily. The expansion of Civil Hospital, Larkana, was being carried out to provide clinical facilities to the Chandka Medical College. Seikh Abu Zaid Women Hospital at Larkana was nearing completion. The paediatric hospital at Larkana will be made functional soon. Programmes for training of nurses have been started at Sukkur, Larkana, Sanghar and Mirpur Khas along with training programmes for laboratory, X-ray, bloodbank and dental technicians. A four-storeyed basic sciences building at Dow Medical College, Karachi, was under construction, the ground floor of which has been completed and another storey would be added to the girls hostel at Dow Medical College, Karachi.

23.41. *Scholarships and stipends.*—Stipend of lady health visitors has been raised from Rs. 75/- to Rs. 125/- per month.

23.42. *Quality Control of Drugs.*—To ensure quality control, the number of drug inspectors has been increased from 3 to 7. 130 pharmaceutical firms have been inspected during the period.

23.43. *Communicable Disease Control.*—Malaria eradication programme has been named as Malaria control programme. Urban areas have been included in the revised programme. The programme has been integrated with the general health services. The spray of insecticides could not be carried out for want of funds for seasonal labour though insecticides were available. Smallpox incidence has been brought to zero since October, 1974 and the award for a single case detection has been raised in December, 1974 to Rs. 200. The programme remained under surveillance. BCG programme has already been merged with the general health services. Physical targets and achievements are given below :—

*Physical targets and achievements*

Item	Annual targets 1974-75	Estimated achievements	Percentage achievement
Doctors	986	1000	102
Nurses	86	90	104
Lady Health Visitors	34	34	100
Technicians	153	150	98
Midwives	188	160	85
Hospital beds	394	272	69
Rural Health Centres	8	8	100
Medical Colleges	2	started	
Nurses Training School	3	3	100

**N.W.F.P.**

23.44. The total allocation for health sector during 1974-75 was Rs. 49.784 million. Total revised estimated expenditure for the year has been Rs. 45.906 million or 92 per cent of the total allocation. The sub-sector-wise physical achievements are given below :—

23.45. *General Health.*—Under the on going program work on 12 hospitals of various levels has been completed. The rural health centres have been completed during the year. work on six rural health centres started during the year 1973-74 remained in progress. Work on 7 basic health units/dispensaries was completed.

23.46. *Lady Reading Hospital.*—Various schemes under implementation in Lady Reading Hospital, included programmes for construction of nursing school building, provision of another tubewell with over-head reservoir and payment of stipends to under training nurses and midwives. Work remained in progress on all these programmes and Rs. 1.04 million have been utilized in full.

23.47. *Smallpox Eradication Programme.*—No bottleneck has been reported. Smallpox cases have been reduced to zero level in the province. An allocation for this programme was Rs. 0.172 million which was meant for payment of salaries and contingent expenditure has been utilized.

23.48. *Institute of Radiotherapy and Nuclear Medicine.*—The progress was satisfactory and Institute would be commissioned shortly.

23.49. *Malaria Eradication Programme.*—It has been reported that about 1.5 million houses have been sprayed with insecticides thereby protecting about 7.3 million people against malaria.

23.50. *Hayat Sherpao Teaching Hospital.*—Phase-I of Hayat Sherpao teaching hospital has been completed. Work on phase-II was progressing satisfactorily. Orders have been placed for the purchase of equipment.

## Baluchistan

23.51. The size of the Annual Development Programme 1974-75 was Rs. 10.52 million. Revised estimates are Rs. 7.030 million giving a utilization rate of 58.4 per cent. The physical progress of major schemes is as under :

23.52. The new district headquarters hospital at Nushki, Fortsandeman and Usta Mohammad have been brought to the final stage of completion. Building of 2 rural health centres, 50 dispensaries, 6 MCH centres, 4 T.B. centres and 1 dental clinic have been completed. 24 new T.B. beds were also added.

23.53. The progress on training of various categories of manpower is given below :—

	Annual targets	Achievement upto date	Percentage achievement
Doctors	112	18	16
Nurses	41	7	16
L.H.V.	15	15	100
Technician	20	4	25
Midwives	19	19	100
Dispensers	200	120	60
Dais	12	12	100

## HEALTH PROGRAMMES IN 1975-76

23.54. Comprehensive planning of the health sector for 1975-76 has been undertaken with a five year perspective. An attempt has been made to assess the problems, clarify objectives, work out alternative strategies and their cost effectiveness. The plan, though not yet formally adopted, has begun to make an impact on programmes and policies.

23.55. The basic objective of the long-term plan is to achieve balance between rural and urban areas in respect of basic health cover and to also extend such cover from the existing 15 percent to 100 percent of the population. In the design of a basic health system, an initial and crucial strategy problem is to decide upon a realistic pace for development of the whole system. There are various approaches for achieving total basic health coverage. First one is the traditional approach through professionals and highly trained personnel, the second approach is through health auxiliaries of intermediate level, working under supervision of doctors, while the third approach is through the village health workers working on part-time basis and not really becoming the functionaries of the Government. To achieve rapid and extensive coverage within the foreseeable future, a combination of second and third approaches is considered more appropriate than the first. Even by these approaches the coverage can be extended from the present 15 percent to 50 percent of the population in the next five years. Thereafter, it will take about 10 to 15 years to provide complete coverage to the population. The intermediate level auxiliaries approach is realistic considering the magnitude of the task of achieving rapid extension for basic health services through the public sector. This concept is now universally accepted and is being implemented even in development countries. The auxiliaries will be working under the supervision of doctors.

23.56. To improve the outreach, the static health units can be supplemented by involving the farmers. They have period of intense labour (sowing, harvesting, ploughing) alternating with months of inaction. This rhythm of work should be made use of in training of personnel as well as implementation of preventive health work, e.g. health engineering projects, vaccination campaigns, case-finding etc. which could be undertaken in collaboration with students on vacation. The objective would be to create leadership in this field from amongst the local people and they will act as village health workers.

### Financial allocations

23.57. In financial terms, the Annual Plan envisages an allocation of Rs. 642.632 million for health and Rs. 189.490 million for population planning. This means an increase of 80 percent over the revised estimates of 1974-75; for population planning the increase is of the order of 31 percent over the revised estimates. Detailed breakup of financial allocations for health sector, by executing agency as well as by sub-sector is given



in Annexure 4. The revenue expenditure for the year 1975-76 is Rs. 378.50 million. This means an increase of 28 percent over the revised estimates for the year 1974-75, and an increase in the per capita expenditure on health from Rs. 4 to 5.4. A 28 percent increase in the revenue expenditure and 80 percent increase in the development expenditure should enable the health coverage to be extended to 20 percent of the population.

23.58. A breakup of revenue expenditure from 1971 by executing agencies is given in Annexure 5. The revenue expenditure has steadily increased keeping pace with the development expenditure. On the non-development side, the major expenditure is on hospitals and dispensaries—curative services; next in order are medical colleges and training schools followed by rural health centres and expenses in connection with epidemic diseases.

### Physical Targets

23.59. The Annual Plan 1975-76 provides allocations for specific programmes and projects. During the year 63 rural health centres, 114 basic health units and 235 dispensaries and MCH centres will be completed. Thus, 412 units will be established in the rural areas. In the strategy for extension of health services to rural areas, there is now a marked shift in favour of use of paramedicals/auxiliaries and non-professionals and more economical scale for building and equipment for health centres. Training of local village talent as health workers i.e. Health Guards in Northern Areas, *Pesh Imams* in NWF province and utilization of population planning workers to provide basic health services will enable health cover to be extended to larger areas both in terms of cost and money. It is envisaged that during the next five years (1975-80), 700 basic health units and rural health centres should be completed every year. In 1975-76, a beginning is being made with 412 units. This plus the involvement of village health workers as extension worker is expected to increase the present 15 percent coverage to 20 percent of the population.

23.60. Training of auxiliaries is gaining momentum. In the current plan two auxiliary training schools will be set up in NWFP, one in Baluchistan and one in Azad Kashmir. Work on the auxiliary training programme started at Thatta by the Government of Sind will continue whereas admission capacity will be increased in some of the existing paramedical schools. Government of the Punjab has started training of medical assistants with admission of 500 students. The problems of qualification at entry, duration of training, methodology and course of training, job description, career structure etc. have still to be resolved. Further a uniformity between provinces in the skill of paramedics though not absolutely essential is considered desirable and has yet to be worked out.

23.61. There has been a rapid expansion in training facilities for doctors. Seven new medical colleges have been set up and they have started functioning in improvised buildings. The staffing position of the medical colleges is also un-satisfactory. It has been worked out that at present 22.6 percent of posts of professors, 21.2 percent of the posts of Assistant Professors and 26.5 percent of the posts of demonstrators are vacant.

23.62. Allocation of Rs. 112 million has been made for strengthening and improving district and *tehsil* headquarters hospitals and teaching hospitals. Rs. 87.286 million have been provided for medical education including stipends for paramedics. Earmarking of larger allocations for medical colleges may impede government efforts at extending health benefits to the rural population and shifting the emphasis of the health programme to preventive measures. The provision of a substantial amount of Rs. 276.750 for the malaria control programme is a step towards a shift in the prevention of communicable diseases. This shift is evident from the increasing proportion of ADP devoted to preventive programmes as given below :—

(Allocation in Million Rs.)

	1973-74	1974-75	1975-76	Escalation since 1973
Preventive Programme .. .. .	35.390	94.66	286.00	708 percent

23.63. The Government of NWFP are establishing health institutions at IRDP Marakaz for which an allocation of Rs. 0.454 million have been provided.

23.64. A beginning has also been made with the integration of health services. The first step taken was with anti-malaria programme which was approved in the Inter-provincial conference. During its meeting held on 15th of November, 1974, the Inter-provincial conference decided that the Provincial Governments accept the financial responsibility for the malaria eradication programme and agree to the inclusion of the should programme in the Provincial ADP. The programme will be run by the provinces. Pesticides including foreign aid etc. will be the responsibility of the Federal Government. Provinces will bear the expenses

on establishment. The Government of Baluchistan and Government of Sind have made the reflections of their contributions in the non-development Budget which means that the staff will be taken on regular strength from 1-6-1975. The remaining two provinces, however, have provided their share in provincial ADPs. Thus malaria eradication programme has been provincialized and intergration with the general health system has started which is expected to be completed during the year.

23.65. The integration of other services has to be completed in stages so that the dangers of indiscriminate integration, resulting in loss of expertise and efficiency are avoided. The existing and new staff need to be trained adequately to multipurpose workers and integration must take place step by step to avoid bottlenecks. For example the malaria eradication may be absorbed as multipurpose worker in the following four stages :

- (i) To control specific diseases viz. malaria, tuberculosis, leprosy, smallpox, trachoma.
- (ii) To control all insect-borne diseases.
- (iii) To take up immunizations as well.
- (iv) To control communicable diseases.

Likewise, Family Welfare Workers and Lady Health Visitors after further training will be absorbed as mid-wifery, family planning and paediatrics auxiliaries.

23.66. Training of volunteers in the Northern Areas is under progress and 1362 have been trained so far. They are taking up the role of extension workers of static health establishments and act as village health workers. This is a step to improve the reach of the health establishment. This scheme has reached nearly each and every village in one of the most difficult terrains of the country. During the year, 240 female volunteers will be trained and emphasis will be placed on retraining, establishment of proper link with the general health system and replenishment of drugs and medicines.

23.67. Detailed programme for 1975-76 by executing agencies is discussed in the subsequent paragraphs.

#### FEDERAL PROGRAMMES, 1975-76

23.68. An amount of Rs. 310 million was allocated to health sector in the ADP for 1974-75. The allocations made for 1975-76 for Federal ADP are given in Annexure 6. Rs. 545.466 million have been allocated for the Federal programme. The principal components of the federal programme are Malaria Eradication Rs. 239.100 million; National Institute of Cardiovascular Diseases Rs. 45.000 million; Bolan Medical College Rs. 17.000 million; and Islamabad Hospital Rs. 10.000 million

23.69. *Malaria Eradication Programme.*—The allocation for the Malaria Eradication Programme is based on the decision of the Inter-provincial Conference, which stipulated, that the cost of pesticides would be met from the Federal budget. The allocations are in line with the phased programme of the approved malaria eradication project and inclusive of the increase in cost of pesticides which has occurred since the programme was approved. For technical reason the phasing has to be adhered to or the programme abandoned completely. The provision made for malaria control in the Federal budget is adequate for meeting the prescribed which are as follows :—

- (i) Equipment to be procured: Vehicles 87; Sprayers 6300.
- (ii) Insecticides required : DDT 1971 metric tons; BHC 3676 metric tons; and Malathion 4203 metric tons.
- (iii) Houses to be sprayed; 17.3 million numbers.

Provinces have made the complementary provision for the effective implementation of the malaria eradication programme.

23.70. *Cardiovascular Institute.*—The amount provided for the cardiovascular institute reflects the special grant in aid made for the Institute by a foreign government.

23.71. *Bolan Medical College, Quetta.*—The provision for the Bolan medical college is Rs. 17.00 million including a foreign exchange component of Rs. 7 million for equipment. The detailed designs are ready. Work on Phase I of Teaching Hospital consisting of 150 beds will be started alongwith hostels.

23.72. *Islamabad Hospital.*—An allocation of Rs. 10 million is being made for Islamabad hospital for which 72.8 acres of land has already been procured in Sector G-8. The PCI is being prepared alongwith detail design by the Federal Health Ministry.

23.73. *Training.*—The targets to be achieved by the Federal Health Division during 1975-76:—

(i) Nurses .. .. .	100	(vii) Occupational therapists .. .. .	15
(ii) Nurse midwives .. .. .	20	(viii) Medical technologists .. .. .	12
(iii) Nurse aids .. .. .	30	(ix) Medical technicians .. .. .	15
(iv) Sister tutors .. .. .	13	(x) Dispensers .. .. .	30
(v) Nurse ward administrators .. .. .	25	(xi) Basic Medical sciences specialists .. .. .	20
(vi) Physiotherapists .. .. .	10	(xii) Clinical sciences specialists .. .. .	20
		(xiii) Hospital beds .. .. .	40

23.74. ADP allocations for on-going and new programmes are given in the Annexure 7.

75. *Azad Kashmir.*—An allocation of Rs. 10.5 million has been made for the current financial year against the revised estimates of Rs. 4.532 million. Out of this Rs. 9.8 million will be spent on on-going schemes and Rs. 0.7 million will be spent for new schemes. The details of the programme are given in Annexure 8. Major programmes include setting up of a school for training of para-medicals for which a provision of Rs. 4.425 million has been made. During the year Rs. 3.077 million will be spent on hospitals and dispensaries, Rs. 1 million for Rural Health Centres, Rs. 4.822 millions for medical education and Rs. 1.298 million for malaria, leprosy and tuberculosis control programme.

23.76. *Northern Areas.*—The provision for Northern Areas for health is Rs. 6 million. Out of this, Rs. 4 million will be spent on the general health system while Rs. 2 million have been allocated for rural health programme. In the general health system, the allocations are made for the ongoing programmes only. An effort will be made to complete the ongoing schemes. During the year, the remaining target of female health guards will be achieved, and the existing male and female health guards retrained. The programme represents a new initiative. Its progress is, therefore, being carefully watched. Problems naturally arise which are being handled keeping in view the overall objective and the nature of this programme. For instance, some of the Health Guards have begun asking for monetary compensation, which is being firmly discouraged to avoid a mercenary approach creeping into the programme. Supply of drugs to individual health guards on a regular basis remains a difficult problem. This is being attended to by established sub-stores at some existing hospitals. A proper referral system of patients seen by health and a continuous system of re-training of health guards will be established. An indepth evaluation of the programme is being carried out to suggest ways and means of improving the programme. The details of the programme are in Annexure 9.

23.77. *Federally Administered Tribal Areas.*—The allocation for the Federally Administered Tribal Areas for 1975-76 is Rs. 16.8 million against the revised allocation of Rs. 16.368 million. The programme includes the appointment of 60 dispensers and setting up of 58 hospital beds, 50 T.B. beds, 2 rural health centres and basic health centres and 57 dispensaries.

23.78. *Science and Technology Division.*—Rs. 1.3 million have been provided for medical research out of which Rs. 1 million is for National Science Foundation and Rs. 0.3 million for Medical Research Council. The decrease in the budget of Medical Research Council is due to completion of one of the schemes.

23.79. *Nutrition (Planning Division.)*—The allocation under Planning and Development Division of Rs.2.1 million is for Nutrition Planning and Research Cell against the revised estimates for 1974-75 of Rs. 0.67 million. The Nutrition Planning and Research Cell has been established to look after the work of coordinating and undertaking research work, including launching of pilot project and for framing nutrition plan for the country. As a result of the implementation of this project the Government would be able to frame effective policies on nutrition. The increase in the budget is due to development of activities which were initiated in 1974-75.

## PROVINCIAL PROGRAMMES

### Punjab

23.80. The allocation of Rs. 150 million during 1975-76 is 20 percent higher over last year's allocation. This provision includes Rs. 25.0 million for Malaria Eradication, Rs. 54.1 million for general hospitals, Rs. 25.3 million for medical education, Rs. 30.8 million for rural health centres and Rs. 7.7 million for scholarships. The physical target will be the addition of 961 hospital beds to the existing strength, while work will continue on additional 1,565 beds. Fifty rural health centres will be completed to provide health coverage to 2.5 million people in the rural areas. The amount for medical education will be spent mainly on the development of Quaid-e-Azam Medical College Bahawalpur, Medical College Rawalpindi and Punjab Medical College, Lyallpur.

23.81. The details of allocations of various on-going and new programmes are given in Annexure 10. Physical targets to be achieved are given below :

Item	Annual Targets 1975-76
Doctors .. .. .	400
Nurses .. .. .	300
Lady Health Visitors .. .. .	130
Auxiliaries (Medical Asstts.) .. .. .	1000
Sanitarians .. .. .	100
Hospital beds .. .. .	961
Rural Health Centres .. .. .	5
T. B. Beds .. .. .	108

#### Sind

23.82. The allocation for health is Rs. 67.5 million against the revised allocation of Rs. 45.2 million during 1974-75. The increase in the sector over the revised allocation of 1974-75 is about 50 percent.

23.83. About 12 rural health centres would be completed during 1975-76. Besides, 10 new dispensaries would be opened covering a total population of 70,000. Ten bedded hospitals, one each in the universities of Karachi and Sind would be opened. Work on setting up a radio therapy centre at Chandka Medical College Hospital, Larkana, would be started during 1975-76.

23.84. The allocation for Chandka Medical College, Larkana and Girls Medical College, Nawabshah is Rs. 24.5 million, of this, Rs. 18.5 million would be utilized for construction of buildings while Rs. 0.60 million has been earmarked for purchase of equipment for these colleges.

23.85. The allocation for rural health centres is Rs. 25.9 million which includes Rs. 13.3 million for restoration of health facilities in the flood affected areas of the province.

23.86. The details of allocations of various ongoing and new schemes are given in Annexure II. The physical targets to be achieved are given below :

Item	Annual Targets 1975-76
Doctors .. .. .	550
Nurses .. .. .	116
Lady Health Visitors .. .. .	45
Technicians .. .. .	160
Midwives .. .. .	200
Hospital beds .. .. .	1500
Rural Health Centres .. .. .	30
T. B. Centres .. .. .	4
Dispensaries/MCH Centres .. .. .	100

## N.W.F.P.

23.87. The total proposed allocation for the sector is Rs. 62.866 million compared with Rs. 49.8 million during 1974-75. General health sub-sector has been provided Rs. 23.7 million for 55 on-going schemes and Rs. 9.2 million for 32 new schemes, Lady Reading Hospital Rs. 0.9 million for 5 ongoing schemes, Malaria eradication programme, smallpox eradication programme and Hayat Sherpao shaheed teaching hospital have been allocated Rs. 8.4 million, Rs. 0.2 million and Rs. 20.00 million, respectively. Health institutions will be established at I.R.D. Markaz for which an allocation of Rs. 0.454 million has been made.

23.88. It is expected that work on the establishment of 18 dispensaries, one MCH Centre, 20 basic health units, 10 rural health centres and 2 hospitals would be completed. Moreover, existing hospitals would be upgraded by increasing the number of bed and provision of additional facilities.

23.89. Apart from these schemes which would be physically completed, work would continue on establishment of health auxiliaries training institutions and leprosy hospitals, endemic goitre control programme, improvement of Lady Reading Hospital, Hayat Sherpao shaheed teaching hospital, malaria and smallpox eradication programmes, establishment of a clinic for drug addicts, establishment of renal analysis unit at the referral hospital, Mardan and a number of comparatively minor schemes.

23.90. Besides this, an allocation of Rs. 0.6 million has been made for a block for dentistry department, Khyber Medical College, Peshawar. Details of allocations of various ongoing and new programmes are given in Annexure 12. The Physical targets to be achieved during the year are given below :—

Item	Annual Targets 1975-76
Doctors	144
Nurses	35
Midwives	69
Lady Health Visitors	36
Dispensers	190
Dais	57
Rural Health Centres	24
Basic Health Units	96
Dispensaries	70
MCH Centres	2

## Baluchistan

23.91. During 1975-76, modest efforts will be made to follow the national health policy. Therefore, instead of establishing dispensaries, it is proposed to establish 10 basic health units, 2 rural health centres, one 44 bedded infectious diseases hospital and purchase of 8 landrover ambulances for district headquarter hospitals. Besides this, repair will be carried on the existing dispensaries. Residential accommodation would be constructed for doctors, compounders, lady health visitors, X-ray assistants and laboratory assistants.

23.92. The details of the allocations for the year are given in Annexure 13. The physical targets to be achieved during the year are given below :

Item	Annual Targets 1975-76
Doctors	86
Nurses	34
Lady health visitors	17
Technicians	16
Dispensers	80
Rural health centres	2
Basic health units	10
Dispensaries/MCH centres	6
T. B. centres	3
Training school for auxiliaries	1

23.93. The physical targets to be achieved during the year for Federal and Provincial Governments are given in Annexure 14. Data on physical achievements/targets in the health sector during 1973-74 is given in Annexure 15. The allocation for 1975-76 by Sub-sectors and executive agencies appear in Annexure 2.

### POPULATION PLANNING PROGRAMME

23.94. The mid-1975 population of Pakistan is estimated to be 70.3 million. With a birth rate of about 45.5 per thousand and a slow decline in the crude death rate of about 15.5 per thousand, annual population growth in Pakistan is 3 percent. Based on the present growth rate and taking into account the present population planning measure, it has been projected that the population in mid-1980 will be 81.4 million. The distribution of population by age and sex will be as follows :

*Population projections for Pakistan by age, females and both sexes, from 1975 to 1980.*

Age Group	(000)			
	1975		1980	
	Females	Both Sexes	Females	Both Sexes
Less 15 .. .. .	15061	31547	17301	36135
15-44 .. .. .	14279	29215	16676	34400
45 + .. .. .	4467	9498	5215	10916
<b>Total</b> .. .. .	<b>33807</b>	<b>70260</b>	<b>39192</b>	<b>81451</b>

23.95. In these projections the following data on crude birth rate, crude death rate and fertility rate has been adopted :—

	1970-75	1975-80
Crude Birth Rate .. .. .	45.5	44.4
Crude Death Rate .. .. .	15.5	14.4
Growth Rate .. .. .	3.0	3.0
Total Fertility Rate .. .. .	6.97	6.56

23.96. The direct cause of the rapid population increase is the high fertility level. Most women being their reproductive history early in life, get children with short intervals and continue to do so until late in the life, with a resulting total fertility rate of about 7 (i.e. seven live children born at the end of the reproductive life span of the average women). This high level of fertility is due to a combination of traditional cultural and socio-economic patterns (early marriage, desire for sons, old-age security, etc.) ; lack of motivation for change (security and higher status of fertile women, low level of educational achievement and awareness of population problem, economic value of children in low income rural areas, etc.) ; lack of effective knowledge of fertility control methods and of services to make these methods available to all.

23.97. The mean age at marriage seems to be about 24-25 years for males and 18-19 years for females. Some estimates for females are lower, however, indicating that about 50 percent marry before age 16. In any case, almost two-thirds are married before age 20 and very few remain single at age 30. There does not seem to have been any perceptible change in the mean age during the period 1961-71.

23.98. The socio-economic implications of a high growth rate of 3.0 percent are alarming : a continued high dependency ratio, problems in raising *per capita* income significantly, lower savings and capital formation, difficulty in providing educational facilities for all children, higher unemployment, pressure on public services including health, food, housing and transport and potential social and political instability. Hence the necessity for an expanded and effective population planning programme.

23.99. The Population Planning Programme is now based on Continuous Motivation System (CMS) which was initially started in 1969 on experimental basis in Sialkot district. In 1973 the CMS was expanded to cover the whole country where the population density was more than 300 persons per sq. mile. This new system is

a family planning delivery system which consists of 4 times a year visiting the contact population (eligible couples) for motivational and supply purposes. The performance of motivators is measured by examining the records of the workers' registers. These records contain (i) basic demographic data ; (ii) reasons for expense or non-expense of family limitation measures ; (iii) data on contraceptives used, types and supplies ; (iv) reason for change or discontinuation of use ; and (v) vital record on all births.

23.100. On the basis of these records it is determined at the end of each month as to how many couples did not have births during the past twelve months.

32.101. The programme now reaches 93 percent of population in terms of total coverage by service and inter-personal communication.

23.102. The CMS rests on the basic hypothesis that motivation by house-to-house visits is more effective than other possible methods of motivation in introducing changes in fertility behaviour. There is no evidence either to support this hypothesis or to contradict it. In any case, the CMS programme is yet too new in this country to supply convincing evidence for, or against the hypothesis.

#### Review of 1974-75

23.103. A provision of Rs. 145.00 million was made in the ADP 1974-75 for implementation of population planning programme and entire allocation would be fully utilized. The physical targets for 1974-75 were not given separately. However, targets for 1973-75 were given which are as under :

(i) Sterilizations	..	..	..	..	..	..	..	..	..	21,000 (Nos.)
(ii) IUD insertions	..	..	..	..	..	..	..	..	..	756,000 (Nos.)
(iii) Oral contraceptives	..	..	..	..	..	..	..	..	..	5,000,000 (Cycles)
(iv) Conventional contraceptives	..	..	..	..	..	..	..	..	..	100,000,000 (Units)
(v) Crude birth rate to show a decline of 11 percent in 5 years (1970-75) from 45 per thousand in 1970 to 40 per thousand in 1975.										

23.104. No targets have been given on the couples accepting and practising contraception and births averted. These can be worked out on the basis of the yard-sticks used by the Population Planning Division, which are :

One Sterilization	..	..	..	..	..	..	..	..	..	100 notional acceptors.
One IUD insertion	..	..	..	..	..	..	..	..	..	12 notional acceptors.
One cycle of oral pills	..	..	..	..	..	..	..	..	..	1 notional acceptor.
Four units of conventional contraception	..	..	..	..	..	..	..	..	..	1 notional acceptor.
13 notional acceptors	..	..	..	..	..	..	..	..	..	one couple year protection.
3 couple years protection	..	..	..	..	..	..	..	..	..	one birth averted.

23.105. Using the above guidelines, the notional acceptors between 1973-75 have been worked out as under :—

Sterilization	..	..	..	..	..	..	..	..	..	21,100,000
IUD insertions	..	..	..	..	..	..	..	..	..	9,072,000
Oral contraceptives	..	..	..	..	..	..	..	..	..	5,000,000
Conventional contraceptives	..	..	..	..	..	..	..	..	..	25,000,000
									Total	60,172,000

Thus the births averted would have been 1,055,692.

23.106. The results have, however, not been achieved in actual practice. While evaluating the family planning programme, it has been observed by some experts that such results employed certain assumption concerning use of contraceptives and a frequency of intercourse and effectiveness of contraceptives. It also assumes that services provided by the programme and presented in terms of contraceptives sold are entirely correctly reported and effectively used. These assumptions, however, need be qualified by a proper check. The real effect of motivation may be only about half of the quoted figures.

23.107. In the recently introduced data collection and analysis system by computer, it has been brought out that couples practising family planning have already four plus children and women are at an age of 35 plus. These are based on the data analysed from Hazara and Sialkot.

23.108. *Personnel position.*—About 6,000 new field workers (both male and female) have been deployed in the field along-with a new cadre of contraceptive distributors attached to the Population Planning Officers and non-medical lady motivators placed in the hospitals for motivational purposes. The overall personnel position of the field programme was as follows :—

	Sanctioned	In position	Percentage achievement
(a) Field workers .. .. .	8,466	7,299	85
(b) Lady Motivators .. .. .	439	404	74.7
(c) Family Welfare Visitors .. .. .	1,109	710	54.6
(d) Population Planning Officers .. .. .	840	840	100.0
(e) Senior Population Planning Officers .. .. .	263	227	85.0
(f) District Tech. Officers .. .. .	40	21	45.0
(g) District Population Planning Officers .. .. .	40	40	100.0
(h) Dais .. .. .	ad hoc	2,748	—

23.109. In spite of serious shortage of condoms in the world market which severely affected the implementation of contraceptive inundation plans, a brief statement of the performance in terms of visible indices is given in table below :

Sl. No.	Item	Achievement 1972-73	Target 1973-74	July 1973-June 1974	Achievement		
					July 1974-June 1975	July 1973-June 1975	Percentage achievement
1.	Conventional contraceptives .. .. .	30,000,000	100,000,000	49,189,000	81,800,000	130,989,000	130.98
2.	Oral Pills .. .. .	1,180,000	5,000,000	1,265,000	2,470,000	3,745,000	74.9
3.	I.U.Ds. .. .. .	106,385	756,000	92,000	136,770	228,770	30.26
4.	Sterilization .. .. .	3,095	21,000	4,000	8,510	12,510	59.57
5.	Post Partum .. .. .	—	16	18	2	20	125.00
6.	Family Planning Clinics .. .. .	—	283	81	77	158	55.83
7.	Regional Training Centres .. .. .	—	10	8	2	10	100.00
8.	Jeeps .. .. .	—	157	3	—	—	—
9.	Audio-visual units .. .. .	—	39	20	11	40	102.5

— Information incomplete.

#### Programme for 1975-76

23.110. An allocation of Rs. 189.490 million for the Population Planning Programme in 1975-76 as against Rs. 145.0 million in 1974-75 has been made. This gives 31 percent increase in allocation over 1974-75. The bulk of the expenditure would be met from foreign aid.



23.111. The Population Planning Division have proposed the following physical targets for 1975-76 :—

(i) Number of accepting couples	.. .. .	3.4 million
(ii) Total eligible couples	.. .. .	8.5 million
(iii) Proportion of 1 to 2	.. .. .	40 percent
(iv) Reduction in fertility	.. .. .	17 percent
(v) Targets for contraceptive devices of different kinds are :		
Sterilizations	.. .. .	18,000
IUD insertion	.. .. .	276,000
Oral contraceptives	.. .. .	4,800,000 cycles
Conventional contraceptives	.. .. .	9,500,000 gross.

23.112. The increase in the next year's budget is due to expected increase in the contraceptive use, establishment of family welfare clinics, continuous motivation system through mass communication media, introduction of oral pills programme on a mass scale, accrual of annual increment and general rise in prices of POL and clinical equipment.

23.113. The table below outlines the medium-terms goals of the Population Planning Council :

	(000)					
	1975	1976	1977	1978	1979	1980
1. No. of women of age 15—44	14,279	14,726	15,672	16,166	16,421	16,676
2. No. of eligible couples	4,393	4,531	4,642	4,800	4,937	5,094
3. No. of births	3,169	3,242	3,324	3,409	3,479	3,551
4. Expected No. of births averted	148	197	259	347	454	608
5. Corresponding CBR estimates	55.1	44.1	43.1	41.8	40.1	37.9

23.114. To achieve these objectives, the programme for 1975-76 envisages a shift in the delivery of services on the following lines :—

- (i) The programme would be made more community oriented ;
- (ii) allowance to be made for adjustments in view of regional variations (topography, culture, language etc.) ;
- (iii) any changes in policies to be pretested in various areas of the provinces ;
- (iv) coordination and collaboration with related programmes like Peoples Health Scheme, Peoples Works Programme, IRDP, Agrovilles, Education, Labour and Manpower etc. to be meaningfully improved ;
- (v) comprehensive procurement and supply policies for contraceptives, medicines, equipment, transport and spare parts will be laid down to ensure regular flow ;
- (vi) emphasis would be laid on individual continuous users, rather than notional acceptors ;
- (vii) the programme would concentrate on younger age and low parity groups especially in rural areas.

23.115. The programme requires a long gestation period to show demographic results. It is likely to produce satisfactory results subsequently. To improve the population planning programme, cooperation is required from various organizations particularly health and education. Population planning programme being multi-disciplinary, active support is required from the people's representatives and the disciplines like health, education, agriculture, social welfare and representatives from the popular programme like People's Works Programme, IRDP and Agrovilles.

23.116. The Prime Minister set up a committee in May, 1975 to review the population control programme and suggest ways and means to strengthen the programme. This four-member committee is headed by the Minister for Labour, Health, Social Welfare and Population Planning. A series of meetings of the Committee have been held and the report is expected to be submitted to the Prime Minister during the month of August, 1975.

## HEALTH INSTALLATIONS BY URBAN AND RURAL AREAS

Facility	Pakistan		Urban		Rural	
	No.	No.	%	No.	%	
Hospital beds	38,835	31,456	81.00	7,379	19.00	
Dispensaries	2,400*	1,640	68.33	760	31.67	
Maternity and Child Health Centres	715	399	55.80	315	44.20	
Rural Health Centres	160	1	0.62	159	99.38	
Sub-centres of Rural Health Centres	500	—	Nil.	500	100.00	
Tuberculosis Clinics	92	87	94.57	5	5.43	

\*Excluding Jail and Railway Dispensaries.

Source :— Federal Health Ministry and Provincial Health Departments Data.

## ALLOCATION IN ADP 1974-75 ADDITIONAL AUTHORIZATION AND REVISED ESTIMATES

(Million Rs.)

Sl. No.	Sector/Sub-sector								ADP Allocation Original	Additional Authorization (if any)	Revised Estimates
1.	Federal Government :	..	..	..	..	..	..	..	76.814	30.00	105.567
	Rural Health Project	..	..	..	..	..	..	..	1.500	0.300	2.949
	FATA ..	..	..	..	..	..	..	..	6.308	—	13.380
	Population Planning	..	..	..	..	..	..	..	145.00	—	145.000
2.	Punjab ..	..	..	..	..	..	..	..	112.00	—	125.000
3.	Sind ..	..	..	..	..	..	..	..	36.000	8.870	47.200
4.	N.W.F.P.	..	..	..	..	..	..	..	49.784	—	45.906
5.	Baluchistan	..	..	..	..	..	..	..	10.52	1.52	7.030

## ACHIEVEMENTS IN HEALTH SECTOR 1974-75

Sl. No.	Item	Punjab	Sind	N.W.F.P.	Baluchistan	FATA	Total
1.	Rural Health Centres .. .. .	7	8	12	2	—	29
2.	Maternity and Child Health Centres ..	—	—	6	6	—	12
3.	Hospital Beds .. .. .	396	272	—	—	53	721
4.	Medical Colleges .. .. .	1	—	—	—	—	1
5.	Basic Health Units .. .. .	—	—	16	—	—	16
6.	Dispensaries .. .. .	—	—	5	50	5	60
7.	Doctors .. .. .	400	1000	142	18	—	1560
8.	Nurses .. .. .	600	90	35	7	—	732
9.	Lady Health Visitors .. .. .	129	34	36	15	—	214
10.	Dispensers .. .. .	—	—	190	120	60	370
11.	Midwives .. .. .	—	160	69	19	—	248
12.	Technicians .. .. .	—	150	—	4	—	154
13.	Nurse Training Schools .. .. .	—	3	—	—	—	3
14.	Post-graduate Institutes .. .. .	1	—	—	—	—	1
15.	T. B. Centres .. .. .	—	—	—	4	—	4
16.	T. B. Beds .. .. .	—	—	—	24	—	24

## ALLOCATION 1975-76 BY SUB-SECTORS AND EXECUTIVE AGENCIES

(Million Rs.)

Sub-sector	Health and Social Welfare Division	Northern Areas	Azad Kashmir	Science and Technology Division	Planning and Development Division	FATA	Punjab	Sind	N.W.F.P	Daluchistan	Total (Excluding FATA)
Preventive Programmes ..	239.100	0.060	1.298	—	—	—	27.461	6.800	9.350	1.954	286.023
Hospitals ..	16.438	2.938	3.077	—	—	6.681	54.084	4.200	28.151	3.086	118.655
Medical Education and Training ..	17.000	0.044	4.822	—	—	—	33.004	29.676	2.540	0.200	87.286
Rural Health Services ..	—	2.958	1.000	—	—	4.226	30.805	25.910	20.871	6.389	92.159
Nutrition and Medical Research ..	—	—	—	1.300	2.100	—	—	—	—	—	3.400
Integrated Rural Development Programme ..	—	—	—	—	—	—	—	—	0.454	—	0.454
Others ..	46.738	—	0.303	—	—	—	4.646	0.914	1.500	0.554	54.655
<b>Total ..</b>	<b>319.276</b>	<b>6.000</b>	<b>10.500</b>	<b>1.300</b>	<b>2.100</b>	<b>10.907</b>	<b>150.000</b>	<b>67.500</b>	<b>62.866</b>	<b>12.183</b>	<b>642.632</b>

## REVENUE EXPENDITURE BY EXECUTING AGENCIES

(Million Rs.)

							1971-72	1972-73	1973-74	1974-75 (R.E.)	1975-76
Federal	..	..	..	..	..	..	29.7	34.4	53.4	65.4	71.8
Punjab	..	..	..	..	..	..	59.0	74.6	86.5	120.6	167.4
Sind	..	..	..	..	..	..	26.9	32.0	39.2	55.4	68.4
N.W.F.P.	..	..	..	..	..	..	14.3	14.4	19.9	33.0	38.5
Baluchistan	..	..	..	..	..	..	6.3	10.1	14.5	21.2	32.4
						<b>Total</b>	<b>136.20</b>	<b>165.50</b>	<b>213.50</b>	<b>295.60</b>	<b>378.50</b>

## HEALTH SECTOR-FEDERAL ADP

(Million Rs.)

Sl. No.	Administrative/Division]	Revised Estimates for 1974-75	Provision for 1975-76	Foreign Exchange component		
				Total	Own Resources	Foreign Aid
1.	Health and Social Welfare Division :					
	(i) Malaria Eradication .. .. .	80.50	239.100	104.79^	23.900	80.890
	(ii) Medical Education .. .. .	10.00	17.000	7.000	—	7.000
	(iii) Hospitals .. .. .	12.836	16.430	—	—	—
	(iv) Other Programmes .. .. .	2.231	46.728	—	—	—
2.	Planning and Development Division :					
	Nutrition Planning and Research .. .. .	0.700	2.100	1.600	0.400	1.200
3.	Science and Technology Division .. .. .	1.787	1.300	—	—	—
4.	Kashmir Affairs Division :					
	(i) Azad Kashmir .. .. .	4.532	10.500	—	—	—
	(ii) Northern Areas including Rural Health Project .. .. .	5.428	6.000	—	—	—
5.	States and Frontier Regions Division .. .. .	13.380	10.907	—	—	—
6.	Population Planning .. .. .	145.000	189.490	114.840	—	114.840
	Total .. .. .	276.394	539.573	228.230	24.300	203.930

## FEDERAL HEALTH AND SOCIAL WELFARE DIVISION

(Million Rs.)

Programme	On-going	New	Total
1. Hospitals .. .. .	14.438	2.000	16.438
2. Medical Education .. .. .	17.000	—	17.000
3. Malaria Eradication Programme .. .. .	239.100	—	239.100
4. Other Programmes .. .. .	0.745	45.993	46.738
<b>Total</b> ..	<b>271.283</b>	<b>47.993</b>	<b>319.276</b>



## AZAD KASHMIR PROGRAMME

(Million Rs.)

Programme	On-going	New	Total
Hospitals and Dispensaries .. .. .	2.777	0.300	3.077
Rural Health Centres .. .. .	1.000	—	1.000
Medical Education .. .. .	4.425	0.397	4.822
Communicable Disease Control .. .. .	1.293	—	1.298
Others .. .. .	0.300	0.003	0.303
<b>Total</b> .. .. .	<b>9.800</b>	<b>0.700</b>	<b>10.500</b>

## NORTHERN AREAS PROGRAMME

(Million Rs)

Programme]	On-going]	New	Total
Hospitals .. .. .	2.938	—	2.938
Dispensaries .. .. .	0.958	—	0.958
Medical Education .. .. .	0.044	—	0.044
Communicable Disease Control .. .. .	0.060	—	0.060
Rural Health Programme .. .. .	2.000	—	2.000
Total .. .. .	6.000	—	6.000

## ALLOCATION OF PUNJAB HEALTH PROGRAMME

(Million Rs.)

Programme	On-going	New	Total
1. Hospitals :			
(a) Teaching Hospitals .. .. .	15.805	4.257	20.062
(b) District Headquarters Hospitals .. .. .	11.900	—	11.900
(c) Teh. Headquarters Hospitals .. .. .	21.622	0.500	22.122
2. Rural Health Centres/Basic Health Units .. .. .	20.805	10.000	30.805
3. Medical Education .. .. .	28.880	4.127	33.007
4. Communicable Disease Control :			
(i) Malaria .. .. .	25.000	—	25.000
(ii) Tuberculosis .. .. .	2.097	—	2.097
(iii) Smallpox .. .. .	0.364	—	0.364
5. Others .. .. .	2.546	2.100	4.646
<b>Total</b> .. .. .	<b>129.019</b>	<b>20.981</b>	<b>150.000</b>

## ALLOCATION FOR HEALTH PROGRAMME FOR SIND

(Million Rs.)

Programm	On-going	New	Total
Hospital beds .. .. .	4.200	—	4.200
Rural Health Centres/Basic Health Units/Dispensaries .. .. .	22.110	3.800	25.910*
Medical Education .. .. .	29.676	—	29.676
Communicable Diseases Control .. .. .	5.600	1.200	6.800
Special Areas .. .. .	0.914	—	0.914
<b>Total</b> ..	<b>62.500</b>	<b>5.000</b>	<b>67.500</b>

\*Includes Rs. 10.000 million to be reimbursed under US AID Programme.

## ALLOCATIONS OF HEALTH PROGRAMMES OF N.W.F.P.

(Million Rs.)

Programme	On-going	New	Total
1. Hospitals .. .. .	25.046	3.105	28.151
2. Rural Health Centres/Basic Health Units/Dispensarie .. .. .	18.416	2.455	20.871
3. Medical Education .. .. .	0.670	1.870	2.540
4. Communicable Disease Control .. .. .	9.150	0.200	9.350
5. Health Institutions in IRDP Markaz .. .. .	—	0.454	0.454
6. Others .. .. .	0.200	1.300	1.500
<b>Total .. .. .</b>	<b>53.482</b>	<b>9.384</b>	<b>62.866</b>

## ALLOCATIONS OF HEALTH PROGRAMMES OF BALUCHISTAN

(Million Rs.)

Programme	On-going	New	Total
1. Hospital Beds .. .. .	1.486	1.600	3.086
2. Rural Health Centres .. .. .	0.474	5.915	6.389
3. Medical Education .. .. .	—	0.200	0.200
4. Communicable Disease Control .. .. .	1.454	0.500	1.954
5. Others .. .. .	0.254	0.300	0.554
<b>Total .. .. .</b>	<b>3.668</b>	<b>8.515</b>	<b>12.183</b>

## PHYSICAL TARGETS FOR 1975-76

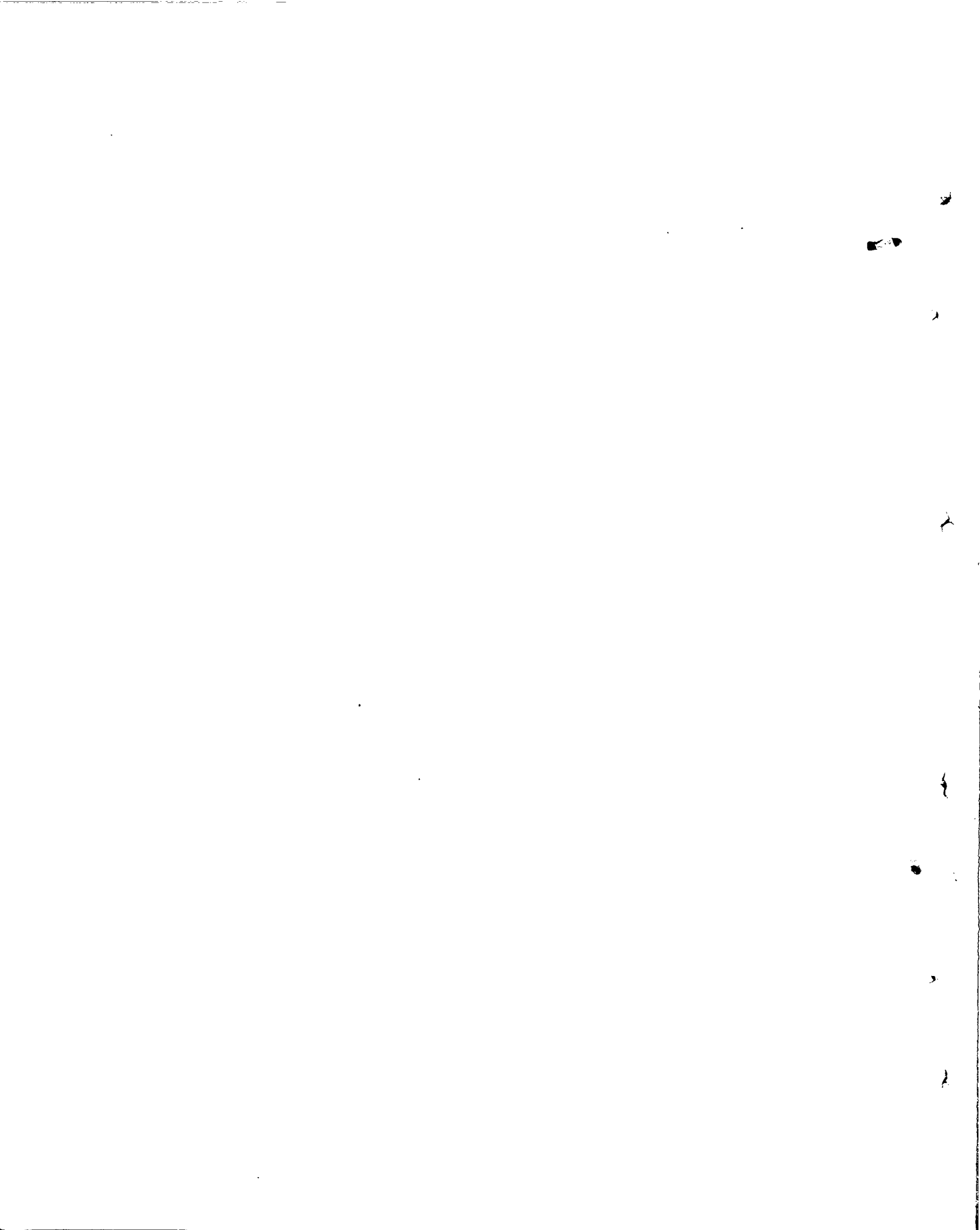
S. No.	Item	Annual targets for 1975-76					Total
		Punjab	Sind	N.W.F.P.	Baluchistan	FATA	
1.	Doctors	400	550	144	86	—	1180
2.	Nurses	300	116	35	34	—	485
3.	Lady Health Visitors	130	45	36	17	—	228
4.	Technicians	—	160	—	16	—	176
5.	Midwives	—	200	69	—	—	269
6.	Auxiliaries (Medical Assistants)	1000	—	—	—	—	1000
7.	Dispensers	N.A.	N.A.	190	80	60	330
8.	Sanitarians	100	—	—	—	—	100
9.	Dais	N.A.	N.A.	57	—	—	57
10.	Hospital beds	961	1500	—	—	58	2519
11.	Rural Health Centres	5	30	24	2	2	63
12.	Basic Health Units	—	—	96	10	8	114
13.	Dispensaries/MCH Centres	—	100	72	6	57	235
14.	T. B. Centres	—	4	—	3	—	7
15.	T. B. Beds	108	—	—	—	50	158
16.	Training Schools for auxiliaries	—	1	2	1	—	4

## PHYSICAL ACHIEVEMENTS/TARGETS IN THE HEALTH SECTOR

S. No.	Category	1973-74	1974-75	1975-76
1.	Doctors	745	1560*	1180
2.	Nurses	414	732*	485
3.	Lady Health Visitors	—	214	228
4.	Technicians	—	154	176
5.	Midwives	115	248	269
6.	Auxiliaries (Medical Asstts.)	—	—	1000
7.	Dispensers	426	370	350
8.	Sanitarians	96	100	100
9.	Hospital beds	515	721	2519
10.	Rural Health Centres	12	29	63
11.	Basic Health Units	—	16	114
12.	Dispensaries/MCH Centres	—	72	235
13.	T. B. Centres	5	4	7
14.	T. B. beds	—	24	158
15.	Training Schools for auxiliaries	—	—	4

\*The increase in the production in 1974-75 compared to targetted figures for 1975-76 is due to graduation of two different classes.





## CHAPTER 24

### MANPOWER AND EMPLOYMENT

The reduction in un-employment and under-employment is one of the critical objective of the Government's economic policies. Before considering the contribution of the Annual Plan to an increase in job opportunities, the present employment situation in Pakistan may be briefly reviewed. The statistics on employment are neither up-to-date nor comprehensive nor entirely reliable. The last comprehensive survey of employment was conducted in 1970-71 which forms basis for the estimates for 1974-75, given below.

#### Employment Situation

24.2. The salient features of the labour force are summarised below :—

TABLE I

1974-75										
Total strength of labour force	..	.	..	..	..	..	..	..	..	20.5 million
Growth rate	..	..	..	..	..	..	..	..	..	3 % per annum
Participation rate—national	..	..	..	..	..	..	..	..	..	30.41%
Participation rate—urban	..	..	..	..	..	..	..	..	..	27.02%
Participation rate—rural	..	..	..	..	..	..	..	..	..	31.45%
Labour Force in Agriculture	..	..	..	..	..	..	..	..	..	57.32%
Labour Force in Industry	..	..	..	..	..	..	..	..	..	12.47%
Estimated No. unemployed or under employed (man-years)					..	..	..	..	..	2.5 million
(a) Agriculture	..	..	..	..	..	..	..	..	..	(1.5)
(b) Non-Agriculture	..	..	..	..	..	..	..	..	..	(1.0)

The distribution of the labour force among different economic sectors is given in the annexure.

24.3. It would be noticed that the participation rate is one of the lowest in the world. This is partly due to the age structure of population and partly because of social factors which inhibit employment of women. There is little open unemployment but the extent of under-employment is very considerable. Present data is not sufficient to establish whether, in recent years, increase in employment has kept pace with growth in labour force or not. The general view is that while the employment situation with regard to skilled and semi-skilled workers has not deteriorated and may in fact have improved, open unemployment among educated persons has become worse.

#### Impact of Annual Plan 1975-76

24.4. The increase in labour force during 1975-76 is estimated at 600,000. In addition, there is a backlog of under-employment to be catered for. A rough and ready estimate has been made of the contribution of the Annual Plan 1975-76 to increase in employment opportunities in the economy. In large-scale manufacturing, the output elasticity of employment is roughly 0.4 which implies that the expected increase in output of 14% should create about 30,000 jobs. In agriculture the same elasticity is 0.5. Output is expected to go up by about 10%, but the figure is misleading since 1974-75 was not a normal year. The change is therefore being taken from 1973-74. The figure obtained for increased agricultural employment in 1975-76 is of the order of 400,000. Construction is a labour intensive sector and currently employs about 700,000 persons. In view of the sharp acceleration in investment planned for 1975-76, this sector could absorb additional 70,000 to 100,000 workers in different categories. The main problem is that such jobs are of an irregular nature. The demand for labour for construction is at times in places which do not have a surplus force in the immediate neighbourhood. Industries mobility of labour may create a situation where shortage of labour in certain areas may be observed while employment situation may be unsatisfactory in other areas. The education sector provides an increase of about 8,000 teachers, at all levels and in training, and of 8,000 students, as increased enrolment above class X. The gross figure for emigration in 1974-75 is below 20,000 but returning emigrants reduce the net figure considerably. For other sectors there are no usable guides. For the small scale manufacturing and informal sectors information is very scanty and it is difficult to predict how they respond in the aggregate to economic changes. Other sectors can be expected to provide more jobs too. A broad judgement is that while increase in employment may keep pace with or surpass the increase in labour force, the possibility of a marked decrease in the backlog of unemployment this year is remote.

## Educated Un-employment

24.5. The problem of educated unemployed has been causing grave concern. The problem arises from the fact that the output of educated manpower particularly those trained in arts subjects is clearly in excess of increase in white collar jobs. There is a certain reluctance on the part of educated persons to acquire manual skills or to take jobs requiring manual effort, even though these jobs carry higher remuneration.

24.6. The problem of educated unemployed is widespread among developing countries and cannot be resolved in the short run. Government's strategy aims at controlling the supply of educated manpower and changing the quality of the output through suitable reforms in the education system. Government has also taken certain special measures to facilitate the absorption of educated manpower in the labour force. Firstly, the Government have been endeavouring to control enrolment in arts subjects in higher institutions so as to prevent further undue expansion in output of graduates who find it difficult to get suitable jobs. Secondly, vocational and agricultural subjects are being introduced at school level so as to give a bias towards acquisition of practical skills. Thirdly, the Government have undertaken a special programme, the NDVP which has a special responsibility for securing placements for technically qualified persons and also providing interim relief, before permanent absorption can be arranged.

## Changes in Technology

24.7. The contribution of large scale industry to employment has been disappointing. This was partly due to certain price distortions, (favouring capital intensive investments) which were substantially rectified by the devaluation of 1972. The principal reason for low employment is however that the technology employed in large scale industry is imported and tends to be capital intensive and labour saving. Government have decided to take measures to encourage and promote appropriate technology which is better suited to the resource endowment of the country, which economises on use of capital and maximises the use of labour and of indigenous raw materials. An Appropriate Technology Organization has been set up under the Planning Commission. The Organisation has been kept small and compact and will function mainly as an initiator and co-ordinator for research, experimentation and pilot projects (for appropriate technology) to be undertaken by research institutes, universities, industry, etc. The emphasis would be on devising a technology which is appropriate as well as commercially viable at existing factor prices.

## Programmes for Employment Creation

24.8. The principal programme aiming specifically at creation of employment is the Peoples Works Programme. The programme is meant for the rural areas. A rough estimate indicates that employment generated by the Peoples Works Programme during 1974-75 was 22,000 man years.

## Industrial Labour Situation

24.9. The year 1974-75 has witnessed the steady consolidation of the labour reforms introduced earlier. Legislation designed to strengthen labour discipline was enacted. On the whole, 1974 was a year of industrial peace with a decline in the number of strikes, although the number of workers involved and the man days lost increased over 1973. The figures are given below in table II. They indicate that the trend has been towards strikes in larger establishments and that strikes, though shorter than in 1972, were longer than in 1973.

TABLE II

Year	No. of strikes	No. of workers on strike	Average No. of workers per strike (3) + (2)	Man-Days lost in strikes	Average duration of Strikes (Days) (5) + (3)
1	2	3	4	5	6
1972	779	361,149	464	72,018,308	5.58
1973	536	233,568	436	7803,583	3.44
1974	370	301,753	816	1,433,553	4.75

## Wages

24.10. The real wage rate for urban and rural workers has increased since 1971-72, though exact measurements are lacking. The increase is attributable to Government's labour policy, introduction of wage-price packages which included compulsory wage increase combined with some subsidies on essential consumer items that kept the worker's cost of living down. The other factor has been the extensive emigration of workers, mostly to the Middle East, which has greatly tightened the market for skilled labour and increased its hourly earning rates.

## Manpower Planning

24.11. Pakistan has reached the level at which further development will be difficult without an increasingly skilled labour force. In a country not especially well endowed with natural resources it is the physical and mental exertions of the people that must generate the nation's income. In Pakistan initially the emphasis was placed on technologically simple industries, such as textiles and sports goods, but the stage has been reached now at which projects such as the Karachi Steel Mill require special programmes for training the manpower they need. In any enterprise the technical skills, ranging from those of the welder or turner to those of the most highly qualified engineer, must be regarded as inputs complementary to machines, unskilled labour and raw materials. They are capital goods in most respects and their production must be considered in economic terms as a capital goods industry.

24.12. Projections of the needs for various categories of skills are being made and manpower plans are being formulated accordingly. The results will be integrated with the plans and projects of the Education Division. Although studies from about 1970 are available, the existence of a large number of new projects provides valuable new material for the assessment of needs according to sectors.

## Emigration of Labour

24.13. The emigration of workers from Pakistan has become an important issue to the economy, especially now that countries of the Middle East are developing very rapidly and require labour of all sorts. Roughly 20,000 Pakistanies emigrated in 1974-75.

24.14. The main benefit to the economy from emigration of this sort is the foreign exchange remitted, which amounted to over \$ 200 million in 1974-75, but it is obtained at the cost of the loss of the services of skilled and experienced people, who have to be replaced by less competent personnel.

24.15. When circumstances prevent the economy from expanding rapidly so as to absorb the supply of labour, as they did in Pakistan recently, there may be no better alternative than to allow emigration. There is no immediate prospect of removing unemployment altogether, but, now that the economy is picking up momentum, shortages of some types of skilled workers will be felt in many sectors and a closer examination of the costs and benefits might become necessary if they grow too acute.

24.16. Several secondary effects will have to be considered as well : experience is also gained while working abroad, sometimes under better conditions for developing abilities ; money that is not repatriated is spent more on Pakistani exports than would be the case with people of other nationalities and, supplementing this effect, is the reduction of demand for certain scarce commodities within Pakistan, such as wheat and sugar.

24.17. On the other hand, shortages of certain types of skilled workers permit rises in earning rates, aggravating inflation and existing inequalities. The loss of the best workers is detrimental to the efficiency of enterprises and, over time, tends to reduce accepted standards of work, which are already too low to be tolerated. There is also the risk that the demoralised attitude develop that personal gain is better sought by leaving the country than by assisting in its progress.

## Research

24.18. Reliable statistics on manpower and employment have not been available owing to the problems of readjustment since 1971. However the Statistical Division has resumed its labour surveys and the data are being processed. Furthermore a more refined approach to the question of underemployment and availability of labour-time through the use of multipurpose household surveys is being developed in the Statistical Division with expert foreign advice. This will lead to deeper information and a more flexible system using supplementary and follow-up surveys. In addition there are the FAO/ILO Pak Joint Rural Employment Survey, the Pilot Survey on Labour Productivity and the UNDP/ILO Exploratory Employment Policy Mission described in paras 20 to 22.

## On-going and New Projects

### Federal :

Institute of Manpower Studies, Islamabad .. .. . Cost Rs. 2.453 million

24.19. The total expenditure amounting to Rs. 1.180 million has so far been incurred for the acquisition of land at Islamabad and initial construction of the building. An amount of Rs. 1.273 million is provided in the ADP 1975-76. It is expected that the building component of the scheme will be completed during 1975-76.

FAO/ILO Pak Joint Rural Employment Survey .. .. . Total Cost Rs. 4.147 million  
FEC Rs. 5.729 million

24.20. The project has been sponsored by Agriculture Division. The purpose of this survey is to measure and evaluate the present and projected demand for labour and resultant income distribution in agriculture for the promotion of rural employment. The foreign exchange component of Rs. 5.729 will be met by the UNDP/ILO. It will be completed in 30 months and no annual recurring expenditure is involved after completion. The survey will commence from January, 1976 and is expected to be completed by June, 1978. An amount of Rs. 1.279 million with foreign aid of Rs. 1.055 million is included in the ADP 1975-76.

Pilot Survey on 'Measurement of Labour Productivity' .. Total Cost Rs. 0.266 million

24.21. The project is designed to conduct a survey in order to measure the labour productivity and to determine the quantum of labour input and the return that the labour receive for its work. After a Pilot Survey a feasibility report will be prepared and then it is planned to open 14 Productivity Sub-Centres in major industrial towns of Pakistan.

24.22. The scheme is included with a provision of Rs. 0.266 million and F.E.C. Rs. 0.060 million as foreign aid in the ADP 1975-76.

Exploratory Employment Policy Mission in Pakistan .. Total Cost Rs. 0.62 million  
FEC. Rs. 0.52 million

24.23. The project is designed to determine the nature and magnitude of the employment/unemployment problem, by examining current studies, work already done and existing programme; and project employment/unemployment trends over the medium and long-term periods in the light of observed and anticipated growth in different sectors of the economy. The project is for a duration of six months beginning from October, 1975. The Pakistan Government will bear only Rs. 0.10 million and Rs. 0.52 million will be met by UNDP/ILO.

#### **National Development Volunteer Programme (NDVP)**

24.24. NDVP was established under the NDVP Act, 1973, for promoting, developing and regulating systematic apprenticeship programmes for technically qualified persons. It established more than 20 centres and sub-centres all over the country. and registered 60,000 educated unemployed persons from 1st May, 1973, to 30th September, 1974. Thereafter the registrations were closed. Of these, 20,700 were placed for on-the-job training/apprenticeship and out of these 1992 volunteers have been provided permanent employment so far. The volunteers are being paid stipends ranging from Rs. 235 to Rs. 485 per month, depending on their educational and technical qualifications. This payment is shared equally by the Industry and the NDVP. In the Public Sector, however, the entire stipend is paid by the NDVP.

24.25. During 1975-76 only educated volunteers particularly engineers, both B.Sc and Diploma, will be registered, subject to the availability of funds.

24.26. During the year 1974-75, a budget grant of Rs. 15 million was given to NDVP, which fell short of requirements and additional funds amounting to Rs. 30 million have been provided through supplementary grants. An amount of Rs. 15 million has been provided in the ADP 1975-76.

### **PUNJAB**

#### **PHYSICAL PERFORMANCE OF THE ONGOING SCHEMES**

##### **Industrial Relations Institute, Lahore**

24.27. The scheme, costing Rs. 10.29 lakhs, is designed to educate and reorientate the workers and employers in the interest of industrial peace. Short-term and long-term courses will be arranged on Industrial Relations and Labour Administration for people at different levels of responsibility. The Institute also proposes to provide counselling or advice on personal matters, employment procedures, industrial relations, safety, health and welfare measures. It will be completed by the end of the current financial year 1974-75 and start functioning with effect from 1st July, 1975.

##### **Mines Rescue and Safety Station Khushab**

24.28. The scheme aims at provision of rescue facilities to the persons involved in accidents or disasters in mines. The scheme costing Rs. 51.36 lakhs was admitted in the Fourth Five Year Plan. An amount of Rs. 0.89 lakhs has since been spent upto the end of June, 1974 for the purchase of land and partial construction of buildings. Provisions of Rs. 6.00 lakhs and Rs. 11.25 lakhs were made for the ADPs 1974-75 and 1975-76 respectively to continue the construction of building and Rs. 0.60 for the purchase of furniture.

24.37. For Safety and Security there are two new schemes viz : Strengthening of the Medical Inspectorate of Factories costing Rs. 10.00 lakhs. As amount of Rs. 1.64 lakhs is provided in the ADP 1975-76. The scheme entitled Mobile Training Vans in the Inspectorate of Mines costing Rs. 7.22 lakhs is included in the ADP 1975-76 with a provision of Rs. 492 lakhs.

#### SIND

#### On-going schemes

Setting up of a Manpower Research and Planning Cell at the Headquarters of the Manpower Wing of the Directorate of Labour, Karachi .. Total Cost Rs. 6.40 lakhs

24.38. The scheme of Manpower Research and Planning Cell at the Headquarters of the Manpower Wing of the Directorate of Labour, was approved in 1972 but actually came into operation in 1973-74. The Cell started functioning in September, 1973 and conducted the 20th Round of Establishment Enquiry and the 14th Round of Survey of Technical Professional and Vocational Institutions. By the end of June, 1974 an interim report based on the data collected during these surveys was made out and supplied to the Planning Commission and other concerned agencies. Proesently the Cell is engaged in conducting the 21st Round of Establishment Enquiry and 15th Round of Survey of Technical, Professional and Vocational Institutions. Final report of this enquiry is expected to be completed by the close of the current financial year (1974-75). This scheme has now been carried over to 1975-76 with a provision of Rs. 2.35 lakhs and after that it will be transferred to Revenue Budget.

Providing additional facilities at the existing Technical Training Centre at Karachi .. Total Cost Rs. 6.25 lakhs

24.39. The project for providing additional facilities to the existing Technical Training Centre, Karachi costing Rs. 5.00 lakhs was approved in January, 1975 and an amount of Rs. 1.80 lakhs (after a cut of 10%) has been provided during the current financial year (1974-75). It is hoped the amount provided would be utilised in full and the remaining amount of Rs. 3.20 lakhs would be carried over to the Fifth Five-Year Plan and spend in the next financial year (1975-76) on the purchase of equipments and installation of Sui-Gas.

Establishment of a Technical Training Centre at Sukkur .. Total Cost Rs. 95.00 lakhs

24.40. The establishment of a New Technical Training Centre and Basic Training Centre for Industrial Apprentices were originally two separate schemes for Rs. 53 lakhs and Rs. 20 lakhs, respectively. The two schemes were considered in the meeting of the PDWP and it was desired that they should be amalgamated and only one scheme "Technical Training Centre and Basic Training Centre" should be submitted which has been done. A sum of Rs. 10.00 lakhs for purchase of land for this scheme has been provided in the ADP 1974-75. The amalgamated scheme is now estimated to cost Rs. 95.00 lakhs of which a sum of Rs. 10 lakhs has been provided in the ADP 1975-76 for partly construction of the building. Rs. 10.00 would be spent in a manner that a part of the Centre should become functional at the end of the financial year 1975-76, Rs. 7.50 lakhs would be spent on building and Rs. 2.50 lakhs on the purchase of stationery, in order to start one or two trades in the completed portion of the building.

Setting up of an Institute for Industrial Safety, Health and Factory Inspection at Karachi .. Total Cost Rs. 22.00 lakhs

24.41. The scheme for setting up an Institute of Industrial Safety Health and Factory Inspection at Karachi originally included in the Fourth Five-Year Plan with a total cost of Rs. 20 lakhs and was subsequently revised to cost of Rs. 22 lakhs. A sum of Rs. 0.50 lakhs has been allocated for expenditure during the current financial year 1974-75. However, this scheme has not yet been approved by PDWP. This amount of Rs. 0.50 lakhs if released before the end of the current financial year will be utilized for the payment of Rs. 4.65 lakhs has been provided for this scheme in the ADP 1975-76.

24.42. Cost of the land will be paid out of the provision of Rs. 4.65 lakhs.

#### New Schemes

24.43. There is no new scheme included in the ADP 1975-76.

TECHNICAL TRAINING CENTRES

Technical Training Centre Gulberg, Lahore-Phase III

24.29. The scheme was approved at a revised cost of Rs. 26.78 lakhs. It was taken up in 1973-74 and an amount of Rs. 4.00 lakh was utilised. In ADP 1974-75 an amount of Rs. 15.00 lakh was provided for completion of construction of workshops, main store, transformer room, cycle shed, 'C' type bungalow, lecture room and Library. The physical targets mentioned above will be achieved within the sanctioned amount of Rs. 15.00 lakhs.

24.30. An amount of Rs. 4.22 lakhs has been provided in the ADP 1975-76 for the construction of tube-well at Technical Training Centre, Gulberg Lahore, as a separate scheme.

Technical Training Centre, Rahim Yar Khan, Phase II

24.31. The phase II of the scheme provides for the construction of a hostel block for 100 boarder trainees, with furniture. The scheme was approved at a revised cost of Rs. 7.60 lakh. It was taken up in 1972-73 and is nearing completion.

24.32. The expenditure on the scheme year-wise is as under :

	(Rs. in lakh)												
1972-73	..	..	..	..	..	..	..	..	..	..	..	..	1.00
1973-74	..	..	..	..	..	..	..	..	..	..	..	..	3.80
1974-75	..	..	..	..	..	..	..	..	..	..	..	..	2.55

87% of the work has since been completed. An amount of Rs. 0.70 lakh has been provided in the ADP 1975-76. The hostel block has almost been completed.

Technical Training Centre, Gujar Khan

24.33. The scheme for the setting up a Centre exclusively for pre-release training of defence personnel at an estimated cost of Rs. 98.20 lakhs (Revised). The land was acquired at a cost of Rs. 7.13 lakhs in November, 1972. The construction work was started in December, 1972. The year-wise expenditure on land and building are as under :

	(Rs. in lakhs)												
Third five-year Plan	..	..	..	..	..	..	..	..	..	..	0.50	..	0.50
1971-72	..	..	..	..	..	..	..	..	..	..	..	..	4.49
1972-73	..	..	..	..	..	..	..	..	..	..	..	..	5.79
1973-74	..	..	..	..	..	..	..	..	..	..	..	..	9.00
													<u>19.78</u>

24.34. In ADP 1974-75 an amount of Rs. 15.50 lakhs was provided out of which Rs. 10.00 lakhs is for construction, Rs. 4.00 lakh for equipment and Rs. 1.00 lakh for furniture and Rs. 0.50 lakhs for miscellaneous expenditure. The targets set forth for 1974-75 would be achieved. 42% physical implementation has since been achieved. The ADP provision for 1975-76 is Rs. 15.00 lakhs.

Vocational Guidance and Employment Counselling Cell

24.35. The Centres are proposed to be set up at Lahore, Rawalpindi, Multan and Lyallpur. These will cover all the schools at Tehsil level and district in the Vocational Guidance Programme through the teachers. The cost will be Rs. 10.00 lakh. The necessary staff has been appointed. The basic material on vocational guidance has been produced. Sample surveys have been conducted.

NEW SCHEMES

24.36. The schemes for Workers Educational Recreational and Free Counselling Centres, Lahore, Lyallpur, Multan and Rawalpindi costing Rs. 18.97 lakhs, Rs. 12.19 lakhs, Rs. 12.19 lakhs, Rs. 12.19 lakhs respectively have been approved by the Government of Punjab. An amount of Rs. 1.98 lakhs will be incurred on each Centre at Lahore, Lyallpur and Multan and Rs. 1.64 lakh at Rawalpindi being the payment of service charges during 1975-76.

**Physical performance**

24.44. There are three ongoing projects out of which one has since been completed and transferred to non-development budget. The objectives, physical performance etc are given as under :—

**Setting up of Research Planning and Statistical Cell at the Headquarters of Labour Directorate, Peshawar**

24.45. The scheme was approved at a total cost of Rs. 2.50 to be implemented during 1971—75 with the objective to collect, compile and publish Manpower and Labour Welfare statistics and to prepare and implement development schemes relating to Manpower Sector. The scheme has since been completed and has been transferred to non-development budget from 1st July, 1975.

**Vocational Guidance Unit, Employment Exchange, Peshawar**

24.46. An amount of Rs. 0.4 lakhs was utilized during 1974-75 and Rs. 0.35 lakhs for ADP 1975-76. The scheme proposes to advise new entrants to the labour force about job opportunities and about training or further education.

**Strengthening of Factory Inspection Services**

24.47. The scheme aims to prevent the occurrence of accidents in the industrial establishments and also improve the safety of workers at work places. The scheme has since been revised and will be in force for a period of two years only, previously it was a five years scheme. It has been transferred to the non-development budget from 1976-77.

**BALUCHISTAN**

**On-going schemes**

Central Mines Rescue and Safety Station of Sinjidi	..	..	Total Cost Rs. 50.40 lakhs
			FEC. Rs. 30.00 lakhs

24.48. The scheme is to provide rescue, training and precautionary services for minimising accidents in mines according the statutory requirements of the Mines Act, 1923.

An amount of Rs. 13 lakhs was provided in the ADP 1974-75, out of which Rs. 10 lakh was earmarked in foreign exchange so as to purchase machinery and equipment and Rs. 85.200 for incidental charges. Only an amount of Rs. 4.20 lakhs was utilized and the balance was surrendered. As regards expenditure on incidental charges, only Rs. 22.400 were incurred, and balance of 63,120 was surrendered.

An amount of Rs. 5.30 lakhs has so far been incurred on the implementation of the scheme Rs. 15.00 lakhs have been earmarked in the revenue budget during 1975-76. The foreign exchange component of Rs. 10.00 lakhs will be met out of own resources, and the total expenditure during 1975-76 will be Rs. 15.00 lakhs.

Artisan Training School, Quetta	..	..	..	..	Total Cost Rs. 20.25 lakh
					FEC. Rs. 0.70 lakh

24.49. The scheme was taken up during the Fourth Plan period and an amount of Rs. 9.00 has so far been incurred. An amount of Rs. 5.00 lakhs has been provided in the ADP 1975-76 with a foreign exchange component of Rs. 1.25 lakhs to be met out of own resources. The total expenditure during 1975-76 will be Rs. 5.00 lakhs.



TABLE III

*Allocation and Utilization of Funds during 1974-75 and A.D.P. Provision for 1975-76*

(Million Rupees)

	1974-75		Provision for 1975-76
	Allocation	Estimated Expenditure	
Punjab .. .. .	6.000	5.400	10.000
Sind .. .. .	0.600	0.540	5.000
N.W.F.P. .. .. .	1.149	0.400	0.109
Baluchistan .. .. .	3.200	1.000	2.000
Centre .. .. .	17.000	46.000	18.454
<b>Total ..</b>	<b>27.949</b>	<b>53.340</b>	<b>35.563</b>

The expenditure on NDVP exceeded by Rs. 30 million the allocated provision of Rs. 15 million.

CHAPTER 25  
SOCIAL WELFARE

Social policies and projects cannot easily be isolated from the programmes undertaken in a number of other sectors. Rapid industrial expansion as against the slow growth of the social sectors, for example, creates problems which cannot easily be solved through the efforts of the "Social Welfare" sector alone. The flaw in the Social Welfare programmes in the previous plans was that these were mainly concerned with offsetting some of the adverse affects of industrial development. This gave "Social Welfare" a somewhat negative role of trying to contain the damage being done through the policies of other sectors. It is obvious that this approach was not only ineffective in the long run but also lop-sided in application. For a balanced approach, policies of Social Welfare and reform had to be reflected in legislation meant for labourers and the farmers which also serve as guiding light for education, health and housing programmes.

25.2 The revised approach of the present Government is to follow a consistent social policy as an integral part of overall development policy. It announced a number of policies, reforms and statutory programmes covering all economic, production and social sectors. Social Welfare was thus made an integral part of the development programme of every sector and not left merely to the narrow confines of one small sector. The 1975-76 allocations made under Social Welfare as such are, therefore, only a fraction of the total welfare activities being carried out by a number of public agencies.

**Review of 1974-75**

25.3 A sum of Rs. 14.65 million had been provided for the sector during 1974-75, envisaging the following objectives and targets :

1. Professional and financial assistance to 515 voluntary welfare agencies, 4 universities and 22 colleges ; and
2. Expansion of 80 projects relating to urban and rural community development, child and family welfare services, socio-economic centres for women, homes for destitute and under-privileged women (Darul Aman), medical social work and staff welfare services.

25.4 The break-down of the allocation/utilization for 1974-75, by executing agencies, is as indicated by the Table I.

TABLE I  
*Allocation/utilization for 1974-75 by executing agencies*

Agency	(Rupees in Million)	
	Allocation	Utilization
	1974-75	1974.75
Federal Government .. .. .	5.450	3.450
Punjab .. .. .	6.000	5.746
Sind .. .. .	2.175	2.546
N.W.F.P. .. .. .	1.032	0.902
Total .. .. .	14.657	12.644

25.5 Province-wise achievement of the physical targets during 1974-75 was as follows :—

In Punjab about 350 voluntary social welfare agencies were provided with financial, technical and professional assistance ; social welfare activities were expanded and improved under 5 medical social work projects, 13 rural community development and 50 urban community development projects. However, progress of expansion work was slow on the following projects because of lack of funds : 6 mother's and children homes, one day-care centre for children of working mothers ; one model orphanage, 5 socio-economic centres for women, 22 industrial centres of excellence, one abandoned babies home, 5 rescue homes for under-privileged women (Darul Aman), one destitute home for poor and needy women (female beggars), one child welfare and training institute.

25.6 In Sind, almost all the on-going projects were completed and transferred to the Revenue Budget. These projects comprised of 26 urban community development projects ; one Socio-economic Centre for women at Karachi ; one home for destitute and under-privileged women, Karachi ; development of one child and family welfare services cell and one child welfare training institute ; 8 pilot rural community development projects ; 6 school social work projects, Karachi ; one abandoned babies and destitute children home, Karachi ; one model orphanage, Karachi ; one project of supervisory services for voluntary community development programmes and 9 social services projects (Medical). About 300 voluntary social welfare institutions were given grants-in-aid to standardise their services.

25.7 In N.W.F.P., the programmes under rural and urban community development projects were expanded and strengthened. About 40 voluntary welfare agencies were also provided with financial and technical assistance to initiate social welfare programmes in the neglected fields.

The Government of Baluchistan did not make any separate provision for social welfare sector during 1974-75.

25.8 Under the Federal Programme, 500 social welfare agencies, 5 universities and 30 colleges throughout Pakistan were provided with federal grants-in-aid by Health and Social Welfare Division. This financial assistance was in addition to the provincial grants-in-aid. In the sub-sectos of *Social Services for Ex-servicemen*, Rs. 2 millions remained unutilized in the absence of suitable project.

25.9 The Social Welfare Projects in Azad Kashmir did not record any progress because of lack of funds.

#### Programme for 1975-76

25.10 The total Annual Plan outlay in 1975-76 for Social Welfare Sector is Rs. 18.226 million. The breakdown of this expenditure, by executing agencies, is indicated in Table II.

TABLE II

*Revised Estimates for 1974-75 and Allocation for 1975-76 by executing agencies*

Executing Agencies	(Rupees in Millions)	
	Revised Estimates 1974-75	Allocations 1975-76
Federal Government .. .. .	3.450	6.200
Punjab .. .. .	5.746	10.000
Sind .. .. .	2.546	1.500
N.W.F.P. .. .. .	0.902	0.526
Total .. .. .	12.644	18.226

#### The Annual Plan Strategy

25.11 The main emphasis of social welfare during 1975-76 will be on the on-going projects. A few new programmes will be started and designed in such a way as to ensure that the Annual Plan for 1975-76 is fully responsive to the needs of those individuals, groups and communities who are handicapped, under-privileged, weak and vulnerable. A few social welfare projects will also be undertaken in cooperation with People's Works Programme and Integrated Rural Development Programme at provincial level in Punjab.

#### Federal Programmes/Targets

25.12 The Federal Government (Health and Social Welfare Division) will distribute Rs. 2.400 million as grants in-aid to about 600 private social welfare agencies, 5 universities and 30 colleges for development of voluntary social work and encouragement of private investment in social welfare activities. The Federal Ministry of Social Welfare will start 6 assessment, vocational training and rehabilitation service units for the physically handicapped, one comprehensive and integrated social service programme in Federally Administered Tribal or Northern Areas and one training programme for social welfare personnel. The staff welfare programme, under the Establishment Division will be expanded. The Kashmir Affairs Division will strengthen its on-going social welfare activities. The main federal programme is vocational rehabilitation of the physically handicapped. The projects under this programme aim at assessing, training and preparing the disabled for entry into active social and economic life as self-supporting and self-respecting citizens.

### Provincial Programmes/Targets

25.13 (1) *Punjab*.—The provincial programme consists of continuation and expansion of grants—in-aid to voluntary social welfare agencies, mother's and children's homes, model orphanages, abandoned babies and destitute children's homes, day-care centres, homes for destitute and under-privileged women, rescue homes for women without support, industrial and economic rehabilitation centres for poor women, and a child welfare training institute. The new schemes included in the Annual Plan for 1975-76 aim at initiation of 5 assessment, training and rehabilitation centres for the mentally retarded children ; 4 additional day-care centres ; construction of building for 5 rescue homes, 5 mother's and children's homes and 50 community development centres and establishment of 15 medical social welfare projects in hospitals.

25.14 (2) *Sind*.—The programme for 1975-76 does not include any new projects and targets as recommended and envisaged under the Development Perspective (1975—80). It consists of continuation of only one on-going project *i.e.* grants-in-aid to Social Welfare Agencies. Under this programme about 300 voluntary social welfare agencies, orphanages and community development projects are expected to receive financial, professional and technical assistance from the Government.

25.15 (3) *N.W.F.P.*.—The programme for 1975-76 concentrates only on continuing the community development projects in urban and rural areas, and grants-in-aid to voluntary social welfare agencies (40).

25.16 (4) *Baluchistan*.—The Provincial Government has not included any social welfare programme as such for 1975-76. However, some of the federal programmes of social welfare cover Baluchistan.