

PREFACE

Budget in Brief is a synopsis of the Federal Budget 2019-20. It provides aggregated information on revenues and expenditures, budgeted for fiscal year 2019-20 alongwith budget estimates and revised estimates for the fiscal year 2018-19. Detailed information is available in the relevant budget documents. Budgeting and accounting classification system used in the budget continues to be same. It was adopted under the New Accounting Model introduced in fiscal year 2004-05.

The Medium Term Budgetary Framework (MTBF) process, initiated in the fiscal year 2009-10, has been strengthened. Indicative Budget Ceilings for the current and development budgets are issued to all Principal Accounting Officers of the Federal Government on a three-year rolling basis. The annual budget estimates for relevant fiscal year (e.g. 2019-20) are then finalised in consultation with various Federal Ministries. Linkage between allocations and public service delivery has been established through *Output Based Budgeting*. Performance of Federal Ministries/Divisions has been monitored against precisely defined key performance indicators.

This document also includes *medium* term macroeconomic indicators to provide strategic economic perspective, and contextualize the Budget 2019-20.

For the convenience of readers, some additional information regarding subsidies, loans and advances and public sector development programme has been shown separately. After approval by the parliament, all budget books, including the *Budget in Brief*, will be uploaded on the website of the Ministry of Finance: www.finance.gov.pk.

'Budget at a Glance' given at the end of this document offers a quick overview of the federal budget. I hope that this document will be beneficial to all those who seek a simple and clear understanding of Budget 2019-20.

Naveed Kamran Baloch
Secretary to the Government of Pakistan

Finance Division
Islamabad, the 11th June, 2019

CONTENTS

	Page
Chapter 1: Review of the Budget 2018-19	1
Salient Features	1
Summary - Budget and Revised Estimates	2
Resources	3
- Internal Resources	3
Net Revenue Receipts	3
Net Capital Receipts	4
Estimated Provincial Surplus	4
- External Resources	5
Expenditure	6
- Current	6
- Development	6
Chapter 2: The Budget 2019-20	7
Salient Features	7
Comparative Budgetary Position	8
Chapter 3: Resource Position 2019-20	9
- Internal Resources	10
Net Revenue Receipts	10
Net Capital Receipts	13
Estimated Provincial Surplus	13
- External Resources	14
Chapter 4: Provincial Share in Federal Taxes	15
NFC Award	15
President's Order No. 5 of 2010	16
President's Order No. 6 of 2015	20
Details of Provincial Share in Federal Taxes	21
Net Federal Transfers to Provinces	22
Chapter 5: Current Expenditure 2019-20	23
Current Expenditure (Summary)	23
Comparative Position (Comparison)	24
General Public Service	25
Defence Affairs and Services	26

Contd.....

C O N T E N T S

Public Order and Safety Affairs	27
Economic Affairs	28
Environment Protection	29
Housing and Community Amenities	29
Health Affairs and Services	30
Recreational, Culture and Religion	31
Education Affairs and Services	32
Social Protection	33
Chapter 6: Subsidies & Grants/Transfers	34
Details of Subsidies	34
Details of Grants and Transfers	36
Chapter 7: Loans and Investments	38
Current Loans and Advances	38
Development Loans and Advances	39
Current Investments	40
Chapter 8: Public Sector Development Programme	41
Salient Features of PSDP	41
Size of PSDP	42
Development Expenditure Outside PSDP	45
Chapter 9: Medium Term Budgetary Framework (MTBF)	46
Budget Strategy Paper	46
Performance Budgeting	46
Performance Monitoring	47
Budget Preparation Process	47
Macroeconomic Indicators	48
Working of Fiscal Deficit and Financing for Budget 2019-20	49
Budget at a Glance for the Fiscal Year 2019-20	51
Glossary of Terms	53

CHAPTER - 1

REVIEW OF THE BUDGET 2018-19

SALIENT FEATURES

1.1 The budget 2018-19 had the following salient features:

- a) The total outlay of budget 2018-19 was Rs 5,932.5 billion. This size was higher by 16.2% than the size of budget 2017-18. The size of outlay increased further to Rs. 6,409.3 billion in revised estimates for FY. 2018-19.
- b) The resource availability during 2018-19 had been estimated at Rs 4,917.2 billion, which increased to Rs 5,062.8 billion or by 3% in revised estimates 2018-19.
- c) The net revenue receipts for 2018-19 had been estimated at Rs 3,070.4 billion, which decreased to Rs 2,569.0 billion or by 16.3% in revised estimates 2018-19.
- d) The provincial share in federal revenue receipts was estimated at Rs 2,590.1 billion during 2018-19, which decreased to Rs 2,462.7 billion or by 4.9% in revised estimates.
- e) The net capital receipts for 2018-19 had been estimated at Rs 443.1 billion, which increased to Rs 1,031.7 billion in revised estimates 2018-19 or by 132%.
- f) The external receipts in 2018-19 were estimated at Rs 1,118.0 billion, which increased to Rs 1,403.2 billion in revised estimates or by 25.5%.
- g) The overall expenditure during 2018-19 had been estimated at Rs 5,932.5 billion, out of which the share of current expenditure was Rs 4,780.4 billion. Current expenditure in revised estimates 2018-19 showed an increase of Rs 809 billion from budget estimates.
- h) The expenditure on general public service for budget 2018-19 was estimated at Rs 3,340.4 billion, which was 69.9% of the total current expenditure.
- i) In budget 2018-19, the development expenditure outside Public Sector Development Programme (PSDP) was estimated at Rs 180.2 billion, which decreased to Rs 17.3 billion in revised estimates 2018-19.

- j) The size of Public Sector Development Programme (PSDP) for 2018-19 was Rs 1,650 billion. Out of this, Rs 850 billion was allocated to provinces. Federal PSDP was estimated at Rs 800 billion, out of which Rs 420.4 billion for Federal Ministries/Divisions, Rs 246.1 billion for Corporations, Rs 5 billion for Pak SDGs & Community Development Programme, Rs 8.5 billion for Earthquake Reconstruction and Rehabilitation Authority (ERRA), Rs 5 billion for Special Provision for CPEC Projects, Rs 10 billion for FATA 10 Year Plan, Rs 45 billion for Relief and Rehabilitation of IDPs, Rs 45 billion for Security Enhancement, Rs 10 billion for Prime Minister's Youth Skill Dev. Initiative and Rs 5 billion for Gas Infrastructure Development Cess.
- k) To meet expenditure in fiscal year 2018-19, bank borrowing was projected at Rs 1015.3 billion, which has been revised upwards to Rs 1,356 billion.
- 1.2 Table-1 below presents a Summary of comparative position of the budget and revised estimates for fiscal year 2018-19:

TABLE - 1
SUMMARY OF ESTIMATES FOR 2018-19

Classification	(Rs in Million)	
	Budget 2018-19	Revised 2018-19
RESOURCES (A + B)	4,917,162	5,062,796
A Internal Resources	3,799,139	3,659,640
- Net Revenue Receipts	3,070,439	2,568,977
- Net Capital Receipts	443,096	1,031,676
- Estimated Provincial Surplus	285,604	58,987
B External Resources	1,118,024	1,403,156
C Privatization Proceeds	0	0
EXPENDITURE (I + II)	5,932,464	6,419,111
I Current Expenditure on Revenue Account	4,780,359	5,589,431
- Current Exp. on Revenue Receipts	4,780,359	5,589,431
II Development Expenditure	1,152,105	829,680
- Federal PSDP	800,000	500,000
- Development Expenditure outside PSDP	180,238	162,929
- Development Loans & Grants to Provinces	171,867	166,751
BANK BORROWING	1,015,302	1,356,315

RESOURCES

INTERNAL RESOURCES

1.3 The internal resources come through net revenue receipts, capital receipts and estimated provincial surplus. Table-2 provides the details of budget and revised estimates for 2018-19 in respect of net revenue receipts, while Table-3 provides the details of net capital receipts.

NET REVENUE RECEIPTS

1.4 After the share of Provinces in gross revenue is transferred, the net revenue receipts of Federal Government were estimated at Rs 3,070,439 million in the budget 2018-19, which have now been revised downwards to Rs 2,568,977 million in the revised estimates 2018-19 showing a decrease of 16.3%. Table-2 provides the details:

TABLE - 2
NET REVENUE RECEIPTS
2018-19

Classification	(Rs in Million)	
	Budget 2018-19	Revised 2018-19
TAX REVENUE (A + B)	4,888,645	4,393,876
A. FBR TAXES	4,435,000	4,150,000
- Direct Taxes	1,735,000	1,659,000
- Indirect Taxes	2,700,000	2,491,000
B. OTHER TAXES	453,645	243,876
NON-TAX REVENUE	771,860	637,751
- Income from Property and Enterprise	236,869	285,127
- Receipts from Civil Administration and Other Functions	305,837	170,625
- Miscellaneous Receipts	229,155	181,999
Gross Revenue Receipts	5,660,505	5,031,628
Provincial Share in Gross Revenue	2,590,066	2,462,651
NET REVENUE RECEIPTS	3,070,439	2,568,977

1.5 The tax revenue was estimated for budget 2018-19 at Rs 4,888,645 million, which decreased to Rs 4,393,876 million or by 10.1% in revised estimates 2018-19. The non-tax revenue for 2018-19 was estimated at Rs 771,860 million, which decreased to Rs 637,751 million or by 17.4% in revised estimates 2018-19.

NET CAPITAL RECEIPTS

1.6 These receipts comprise proceeds of borrowing, money received in repayment of loans, recoveries of advances/investments, proceeds of saving schemes, net receipts from transactions under deposits and remittances heads. The net capital receipts for the fiscal year 2018-19 were budgeted at Rs 443,096 million. The revised estimates are Rs 1,031,676 million, which indicates an increase of 132.8%. Table-3 provides the details:

TABLE - 3
NET CAPITAL RECEIPTS
2018-19

Classification	(Rs in Million)	
	Budget 2018-19	Revised 2018-19
I. CAPITAL RECEIPTS (A + B + C)	685,770	1,236,155
A. Recovery of Loans	152,989	159,831
B. Public Debt (Net)	406,095	793,670
- Permanent Debt	113,557	624,255
- Floating Debt	292,538	169,415
C. Public Account	126,686	282,653
II. DISBURSEMENTS	242,675	204,479
NET CAPITAL RECEIPTS (I-II):	443,096	1,031,676

ESTIMATED PROVINCIAL SURPLUS

1.7 The estimated provincial surplus was budgeted at Rs 285,604 million for 2018-19, which decreased to Rs 58,987 million in revised estimates 2018-19 or by 79.3%.

EXTERNAL RESOURCES

1.8 The Government obtains foreign loans and grants to use for capital and development expenditure. The external loans for 2018-19 were budgeted at Rs 1,079,968 million, which are now projected at Rs 1,352,876 million in revised estimates showing an increase of 25.3%.

1.9 External grants increased from Rs 29,452 million in the budget estimates 2018-19 to Rs 34,209 million in the revised estimates 2018-19 or by 16.2%.

1.10 Overall external resources were estimated at Rs 1,118,024 million, which increased to Rs 1,403,156 million or by 25.5% in the revised estimates 2018-19. Table-4 below presents the details:

TABLE - 4
EXTERNAL RESOURCES
2018-19

Classification	(Rs in Million)	
	Budget 2018-19	Revised 2018-19
I. EXTERNAL LOANS (a to d)	1,079,968	1,352,876
a. Project Loans	290,071	362,359
b. Programme Loans	87,897	59,847
d. Other Aid	702,000	930,669
II. EXTERNAL GRANTS	29,452	34,209
A. EXTERNAL RESOURCES (I + II):	1,109,419	1,387,085
B. PROJECT LOANS & GRANTS OUTSIDE PSDP	8,605	16,071
Loans	8,024	13,599
Grants	581	2,472
TOTAL EXTERNAL RESOURCES (A + B):	1,118,024	1,403,156

EXPENDITURE

1.11 The budget estimates 2018-19 of the overall expenditure were Rs 5,932,463 million, which increased to Rs 6,419,111 million in revised estimates 2018-19 or by 8.2%.

1.12 The components of expenditure are current and development. Table-5 below shows the comparative position of the budget and revised estimates of current and development expenditure for the fiscal year 2018-19:

TABLE - 5
CURRENT AND DEVELOPMENT EXPENDITURE
2018-19

Classification	(Rs in Million)	
	Budget 2018-19	Revised 2018-19
A. CURRENT	4,780,358	5,589,431
- General Public Service	3,340,430	4,048,341
- Defence Affairs & Services	1,100,334	1,137,711
- Public Order and Safety Affairs	132,289	133,021
- Economic Affairs	80,750	142,440
- Environment Protection	1,261	1,271
- Housing and Community Amenities	2,339	2,318
- Health Affairs & Services	13,897	13,991
- Recreation, Culture and Religion	9,242	10,512
- Education Affairs and Services	97,420	97,155
- Social Protection	2,396	2,672
B. DEVELOPMENT	1,152,105	829,680
- Federal PSDP	800,000	500,000
- Development Expenditure outside PSDP	180,238	162,929
- Development Loans & Grants to Provinces	171,867	166,751
TOTAL EXPENDITURE (A + B):	5,932,464	6,419,111

CHAPTER - 2
THE BUDGET 2019-20

SALIENT FEATURES

2.1 The budget 2019-20 has the following salient features:

- a) The total outlay of budget 2019-20 is Rs 8,238.1 billion. This size is 38.9% higher than the size of budget estimates 2018-19.
- b) The resource availability during 2019-20 has been estimated at Rs 7,899.1 billion against Rs 4,917.2 billion in the budget estimates of 2018-19.
- c) The net revenue receipts for 2019-20 have been estimated at Rs 3,462.1 billion indicating an increase of 12.8% over the budget estimates of 2018-19.
- d) The provincial share in federal taxes is estimated at Rs 3,254.5 billion during 2019-20, which is 25.7% higher than the budget estimates for 2018-19.
- e) The net capital receipts for 2019-20 have been estimated at Rs 831.7 billion against the budget estimates of Rs 443.1 billion in 2018-19 reflecting an increase of 87.7%.
- f) The external receipts in 2019-20 are estimated at Rs 3,032.3 billion. This shows an increase of 171.2% over the budget estimates for 2018-19.
- g) The overall expenditure during 2019-20 has been estimated at Rs 8,238.1 billion, out of which the current expenditure is Rs 7,288.1 billion.
- h) The expenditure on General Public Services is estimated at Rs 5,607.0 billion, which is 76.9% of the current expenditure.
- i) The development expenditure outside PSDP has been estimated at Rs 85.8 billion in the budget 2019-20.

- j) The size of Public Sector Development Programme (PSDP) for 2019-20 is Rs 1,613 billion. Out of this, Rs 912 billion has been allocated to provinces. Federal PSDP has been estimated at Rs 701 billion, out of which Rs 348.2 billion for Federal Ministries/Divisions, Rs 348.2 billion for Corporations, Rs 5 billion for Earthquake Reconstruction and Rehabilitation Authority (ERRA), Rs 17 billion for Relief and Rehabilitation of IDPs, Rs 53 billion for Security Enhancement, Rs 5 billion for Prime Minister's Youth Skill Development Initiative, Rs 2 billion for Clean Green Pakistan Movement/Tourism, Rs 1 billion for Gas Infrastructure Development Cess, Rs 48 billion for Merged Areas of FATA 10 Years Development Plan and Rs 24 billion for Pakistan Sustainable Development Goals (SDGs) and Community Development Programme.
- k) To meet expenditure, bank borrowing has been estimated for 2019-20 at Rs 339 billion, which is lower by 688.7 billion than the revised estimates 2018-19 reflecting decrease at 75%.

2.2 Table-6 below presents the comparative position of budget and revised estimates for fiscal year 2018-19 and budget estimates for fiscal year 2019-20.

TABLE - 6
COMPARATIVE BUDGETARY POSITION
2018-19 AND 2019-20

Classification	(Rs in Million)		
	Budget 2018-19	Revised 2018-19	Budget 2019-20
RESOURCES (A + B)	4,917,162	5,062,796	7,899,077
A Internal Resources	3,799,139	3,659,640	4,716,753
- Net Revenue Receipts	3,070,439	2,568,977	3,462,099
- Net Capital Receipts	443,096	1,031,676	831,659
- Estimated Provincial Surplus	285,604	58,987	422,995
B External Resources	1,118,024	1,403,156	3,032,325
C Privatization Proceeds	0	0	150,000
EXPENDITURE (I + II)	5,932,464	6,419,111	8,238,073
I Current Expenditure on Revenue Account	4,780,359	5,589,431	7,288,179
- Current Exp. on Revenue Account	4,780,359	5,589,431	7,288,179
II Development Expenditure	1,152,105	829,680	949,895
- Federal PSDP	800,000	500,000	701,000
- Dev. Expenditure outside PDSP	180,238	162,929	85,791
- Dev. Loans & Grants to Provinces	171,867	166,751	163,104
BANK BORROWING	1,015,302	1,356,315	338,996

CHAPTER - 3
RESOURCE POSITION
2019-20

3.1 There are two type of resources i.e. internal and external. The internal resources comprise of revenue receipts, capital receipts and estimated provincial surplus. The external resources come from foreign loans and grants. Table-7 below presents the overall comparative resource position for the year 2018-19 (budget and revised) and 2019-20 (budget).

TABLE - 7
RESOURCE POSITION

(Rs in Million)			
Classification	Budget 2018-19	Revised 2018-19	Budget 2019-20
A Internal Resources	4,041,814	3,864,119	4,902,044
I. Net Revenue Receipts [(i) - (ii)]	3,070,439	2,568,977	3,462,099
(i) Gross Revenue Receipts	5,660,505	5,031,628	6,716,624
(ii) Less Provincial Share in Taxes	2,590,066	2,462,651	3,254,526
II. Total Capital Receipts	685,770	1,236,155	1,016,950
III. Estimated Provincial Surplus	285,604	58,987	422,995
B External Resources	1,118,024	1,403,156	3,032,325
TOTAL RESOURCES (A + B)	5,159,837	5,267,275	7,934,369

INTERNAL RESOURCES

I. NET REVENUE RECEIPTS

3.2 The gross revenue receipts in budget 2019-20 are estimated at Rs 6,716,624 million showing an increase of 18.7% over the budget estimates 2018-19 and 33.5% over revised estimates of outgoing fiscal year 2018-19.

3.3 The provincial share in taxes for 2019-20 is estimated at Rs 3,254,526 million, which is 32.2% higher than the revised estimates of 2018-19. After the share of Provinces in gross revenues is transferred, the net revenue of Federal Government has been estimated to be Rs 3,462,099 million for fiscal year 2019-20.

3.4 The tax revenue for 2019-20 is estimated at Rs 5,822,160 million, which reflects an increase of 33% over revised estimates 2018-19. Out of which FBR collection is Rs 5,555,000 million. Non-tax revenue is projected at Rs 894,464 million in 2019-20 as compared with Rs 637,751 million in revised estimates 2018-19.

3.5 Tables 8 to 10 presents information on various components of tax revenue and non-tax revenue.

TABLE - 8
NET REVENUE RECEIPTS

Classification	(Rs in Million)		
	Budget 2018-19	Revised 2018-19	Budget 2019-20
TAX REVENUE (A + B)	4,888,645	4,393,876	5,822,160
A. FBR TAXES	4,435,000	4,150,000	5,555,000
- Direct Taxes	1,735,000	1,659,000	2,081,945
- Indirect Taxes	2,700,000	2,491,000	3,473,055
B. OTHER TAXES	453,645	243,876	267,160
NON-TAX REVENUE	771,860	637,751	894,464
- Property and Enterprise	236,869	285,127	269,582
- Civil Administration and Other Functions	305,837	170,625	430,961
- Miscellaneous Receipts	229,155	181,999	193,921
Gross Revenue Receipts	5,660,505	5,031,628	6,716,624
Provincial Share in Gross Revenue	2,590,066	2,462,651	3,254,526
NET REVENUE RECEIPTS	3,070,439	2,568,977	3,462,099

TABLE - 9
TAX REVENUE

(Rs in Million)			
Classification	Budget 2018-19	Revised 2018-19	Budget 2019-20
A. FBR TAXES (I + II)	4,435,000	4,150,000	5,555,000
I. Direct Taxes	1,735,000	1,659,000	2,081,945
- Income Tax	1,709,939	1,651,584	2,073,000
- Workers Welfare Fund	18,636	4,186	5,050
- Capital Value Tax	6,425	3,230	3,895
II. Indirect Taxes	2,700,000	2,491,000	3,473,055
- Customs Duties	735,000	735,000	1,000,500
- Sales Tax	1,700,000	1,490,000	2,107,738
- Federal Excise	265,000	266,000	364,817
B. OTHER TAXES	453,645	243,876	267,160
- Other Taxes (ICT)	37,555	7,492	11,100
- Airport Tax	90	30	35
- Gas Infrastructure Development Cess (GIDC)	100,000	25,000	30,000
- Natural Gas Development Surcharge	16,000	8,000	10,000
- Petroleum Levy	300,000	203,354	216,025
TOTAL TAX REVENUE:	4,888,645	4,393,876	5,822,160

TABLE - 10
NON-TAX REVENUE

(Rs in Million)			
Classification	Budget 2018-19	Revised 2018-19	Budget 2019-20
NON-TAX REVENUE (A+B+C)	771,860	637,751	894,464
A. Income from Property and Enterprise	236,869	285,127	269,582
- Pakistan Telecom Authority (Surplus)	12,787	12,787	1,000
- PTA (3 G Licences)	6,854	66,620	52,730
- Regulatory Authorities (Surplus/ penalties)	325	1,221	1,282
- Mark up (Provinces)	16,782	22,935	24,112
- Mark up (PSEs & Others)	123,649	120,958	124,495
- Dividends	76,471	60,607	65,963
B. Receipts from Civil Administration and Other Functions	305,837	170,625	430,961
- General Administration	5,754	4,028	4,284
- SBP Profit	280,000	147,395	406,070
- Defence	15,960	14,730	15,453
- Law and Order	1,412	1,587	2,034
- Community Services	1,214	1,312	1,454
- Social Services	1,497	1,572	1,666
C. Miscellaneous Receipts	229,155	181,999	193,921
- Economic Services	8,596	3,555	4,127
- Foreign Grants	15,902	13,738	18,795
- Citizenship, Naturalization & Passport Fee	31,000	23,000	25,000
- Discount Retained on Local Crude Price	10,000	14,029	16,000
- Royalty on Crude Oil	16,826	26,931	24,673
- Royalty on Natural Gas	36,516	51,225	51,560
- Windfall Levy against Crude Oil	5,000	6,974	7,000
- Petroleum Levy on LPG	2,000	3,736	4,000
- Extraordinary Receipts (UNO)	34,001	26,852	30,000
- Extraordinary Receipts (Others)	50,062	53	57
- Others	19,252	11,906	12,711

II. NET CAPITAL RECEIPTS

3.6 Capital receipts on net basis in the budget 2019-20 have been estimated at Rs 831,659 million against Rs 443,096 million in the budget estimates 2018-19 and Rs 1,031,676 million in the revised estimates 2018-19. Table-11 below presents the details of capital receipts, disbursements and net capital receipts.

TABLE - 11
NET CAPITAL RECEIPTS

Classification	(Rs in Million)		
	Budget 2018-19	Revised 2018-19	Budget 2019-20
TOTAL CAPITAL RECEIPTS (I + II)	685,770	1,236,155	1,016,950
I. Recoveries of Loans & Advances	152,989	159,831	183,520
- Provinces	61,596	71,393	79,371
- Others	91,393	88,438	104,150
II. CAPITAL RECEIPTS (A + B)	532,781	1,076,324	833,430
A. Public Debt Net (1 + 2)	406,095	793,670	582,677
1. Permanent Debt	113,557	624,255	211,930
- Pakistan Investment Bonds	100,000	705,947	200,000
- Ijara Sukuk Bonds	10,620	(82,480)	8,993
- Foreign Exchange Bearer Certificates (FEBCs)	-5	-1	-5
- Foreign Currency Bearer Certificates (FCBCs)	-5	-1	-5
- U.S. Dollar Bearer Certificates	-3	0	-3
- Special US Dollar Bonds	-50	-40	-50
- Premium Prize Bonds (Regd.)	3,000	830	3,000
2. Floating Debt	292,538	169,415	370,747
- Prize Bonds	92,538	137,711	70,747
- Treasury Bills Auction	200,000	31,704	300,000
B. Public Account	126,686	282,653	250,753
- National Savings Schemes	128,698	315,882	275,628
- G.P. Fund	2,000	2,500	3,000
- Net Deposits	(4,012)	(35,729)	(27,875)
III. DISBURSEMENTS	242,675	204,479	185,291
- Government Investments, Loans, Advances and Others	68,512	60,812	76,991
- Repayment of Short Term Credits	174,163	143,666	108,300
NET CAPITAL RECEIPTS (I + II - III):	443,096	1,031,676	831,659
Net Lending to Others:	(22,882)	(27,626)	(27,158)

III. ESTIMATED PROVINCIAL SURPLUS

3.7 The estimated provincial surplus has been projected at Rs 422,995 million for 2019-20 as against Rs 58,987 million in revised estimates 2018-19.

EXTERNAL RESOURCES

3.8 The government obtains loans and grants to bridge the gap between the receipts and expenditure. The external resources for 2019-20 have been projected at Rs 3,032,325 million, which are higher by 171.2% and 116.1% respectively when compared with budget and revised estimates 2018-19. Table-12 below presents the details of receipts from external resources.

TABLE - 12
EXTERNAL RESOURCES

Classification	(Rs in Million)		
	Budget 2018-19	Revised 2018-19	Budget 2019-20
I. EXTERNAL LOANS (A to C)	1,079,968	1,352,876	2,990,579
A. Project Loans (i+ii)	290,071	362,359	211,171
i Federal Government	152,635	261,932	118,872
- Ministries/Divisions	22,576	34,878	16,118
- Corporations/Autonomous Bodies	130,060	227,054	102,754
ii Provinces	137,435	100,427	92,299
B. Programme Loans	87,897	59,847	276,958
C. Other Aid	702,000	930,669	2,502,450
- Islamic Development Bank	117,000	99,330	165,000
- Saudi Arabia (Saudi Oil)	0	0	480,000
- Euro Bond/International Sukuk	234,000	543,950	300,000
- Commercial Banks	351,000	6,875	450,000
- China Safe Deposits	0	275,000	0
- Eco. Trade Bank	0	5,514	0
- Budgetary Support from Friendly Countries	0	0	750,000
- IMF Loan for Budgetary Support	0	0	357,450
II. EXTERNAL GRANTS	29,452	34,209	27,950
- Project Aid Grants	29,452	34,209	27,950
□ Federal Departments	6,439	8,986	6,130
□ Autonomous Bodies	1,228	11,661	1,677
□ Provinces	21,784	13,562	20,143
D. External Resources (I + II):	1,109,419	1,387,085	3,018,529
E. Project Loans & Grants Outside PSDP	8,605	16,071	13,796
Loans	8,024	13,599	13,250
Grants	581	2,472	546
TOTAL EXTERNAL RESOURCES (D+E):	1,118,024	1,403,156	3,032,325

CHAPTER - 4
PROVINCIAL SHARE IN FEDERAL TAXES

NFC AWARD

4.1 Pakistan is a Federal democracy. In order to maintain inter-governmental fiscal relationship, Article 160 of the Constitution provides for setting up of a National Finance Commission (NFC) with intervals not exceeding five years. The mandate of NFC is to make recommendations to the President for the distribution of resources between the Federal and Provincial Governments. The recommendations of the NFC are given legal cover through a Presidential Order.

4.2 Presently, 7th National Finance Commission (NFC) Award is in practice. Through this Award, the financial autonomy of the provinces has been ensured by increasing their share in the Divisible Pool (taxes) from 46.5% to 57.5% from 2011-12 onwards. For the first time in history, multiple indicators were adopted for distribution of provincial shares (horizontal distribution) in the divisible pool, whereas in all the previous Awards, population remained as sole criterion for distribution of provincial share with special grants (subventions) to smaller provinces.

4.3 A special feature of the 7th NFC Award is recognition for requirements of Balochistan. Its share from the divisible pool was guaranteed at Rs 83 billion in financial year 2010-11, which was more than double from the actual divisible pool share of financial year 2009-10. It has also been ensured that Balochistan province would receive its share in the divisible pool, based on the budgetary projections instead of actual FBR collection. Shortfall, if any, based on the actual collection, reported by FBR, is being made up by the Federal Government out of its own share. This arrangement is in practice since financial year 2011-12 and shall continue till 7th NFC Award remains in field. In this regard, an amount of Rs 119.18 billion has been provided to Government of Balochistan, as additionality, from 2010-11 to 2018-19 (upto May, 2019).

4.4 The 8th NFC Award was constituted on 21st July, 2010, but it did not give any Award as the latest Award was just implemented. The 9th NFC was constituted on 24th April, 2015 and its 1st meeting was held on 28th April, 2015. the 9th NFC, in its 1st meeting, constituted four working groups to undertake thematic studies to assist the commission to make its deliberation meaningful. The reports of Working Groups were presented and discussed in the 3rd meeting of the NFC held on 19th December. 2016.

4.5 After General elections 2018, the 9th NFC was reconstituted in consultation with provincial governments. The reconstituted NFC held two meetings on 6th February 2019 and 29th March 2019 at Islamabad and Lahore respectively. The NFC also set up set up six Sub Groups which are working as per ToRs assigned to them and it is expected that the working groups would be able to finalize their recommendations shortly.

4.6 The deliberations for new NFC Award are under active consideration. It is expected that new NFC Award would be announced as soon as the consensus among all stakeholders is arrived. However, the ongoing 7th NFC Award will remain operative till a new Award is concluded and implemented.

4.7 The 7th NFC Award has also been given legal cover through President's Order No.5 of 2010 as amended vide P.O. Order No. 6 of 2015, which are

"PRESIDENT'S ORDER No. 5 of 2010

AN
ORDER

to provide for distribution of revenues and certain grants

WHEREAS in pursuance of clause (1) of Article 160 of the Constitution of the Islamic Republic of Pakistan hereinafter referred to as the Constitution, the President, by the Finance Division's Notification No. S.R.O. 739(I)/2005, dated 21st July 2005, as modified by the said Division's Notification No. S.R.O. 693(I)/2009, dated 24th July 2009, appointed a National Finance Commission to make recommendations, among other matters, as to the distribution between the Federation and the Provinces of the net proceeds of certain taxes;

AND WHEREAS the said Commission has also submitted its recommendations with regard to the said distribution;

NOW, THEREFORE, in pursuance of clauses (4) and (7) of Article 160 of the Constitution, the President is pleased to make the following Order:—

1. Short title and commencement.— (1) This Order may be called the Distribution of Revenues and Grants-in-Aid Order, 2010.

(2) It shall come into force on the first day of July, 2010.

2. Definitions.— In this Order, unless there is anything repugnant in the subject or context, c

- (a) "net proceeds" means, in relation to any tax, duty or levy, the proceeds thereof reduced by the cost of collection as ascertained and certified by the Auditor General of Pakistan; and
- (b) "taxes on income" includes corporation tax but does not include taxes on income consisting of remuneration paid out of the Federal Consolidated Fund.

3. Distribution of Revenues.—(1) The divisible pool taxes in each year shall consist of the following taxes levied and collected by the Federal Government in that year, namely: c

- (a) taxes on income;
- (b) wealth tax;
- (c) capital value tax;
- (d) taxes on the sales and purchases of goods imported, exported, produced, manufactured or consumed;
- (e) export duties on cotton;
- (f) customs duties;
- (g) federal excise duties excluding the excise duty on gas charged at well-head; and
- (h) any other tax which may be levied by the Federal Government.

(2) One percent of the net proceeds of divisible pool taxes shall be assigned to Government of Khyber Pakhtunkhwa to meet the expenses on war on terror.

(3) After deducting the amounts as prescribed in clause (2), of the balance amount of the net proceeds of divisible pool taxes, fifty-six percent shall be assigned to provinces during the financial year 2010-11 and fifty-seven and half percent from the financial year 2011-12 onwards. The share of the Federal Government in the net proceeds of divisible pool shall be forty-four percent during the financial year 2010-11 and forty-two and half percent from the financial year 2011-12 onwards.

4. Allocation of shares to the Provincial Governments.—(1) The Province - wise ratios given in clause (2) are based on multiple indicators. The indicators and their respective weights as agreed upon are:—

(a)	Population	82.0%
(b)	Poverty or backwardness	10.3%
(c)	Revenue collection or generation	5.0%
(d)	Inverse population density	2.7%

(2) The sum assigned to the Provincial Governments under Article 3 shall be distributed amongst the Provinces on the basis of the percentage specified against each: c

(a)	Balochistan	9.09%
(b)	Khyber Pakhtunkhwa	14.62%
(c)	Punjab	51.74%
(d)	Sindh	24.55%
	Total:	100.00%

(3) The Federal Government shall guarantee that Balochistan province shall receive the projected sum of eighty-three billion rupees from the provincial share in the net proceeds of divisible pool taxes in the first year of the Award. Any shortfall in this amount shall be made up by the Federal Government from its own resources. This arrangement for Balochistan shall remain protected throughout the remaining four years of the Award based on annual budgetary projections.

5. **Payment of net proceeds of royalty on crude oil.** Each of the provinces shall be paid in each financial year as a share in the net proceeds of the total royalties on crude oil an amount which bears to the total net proceeds the same proportion as the production of crude oil in the Province in that year bears to the total production of crude oil.

6. **Payment of net proceeds of development surcharge on natural gas to the Provinces.** (1) Each of the Provinces shall be paid in each financial year as a share in the net proceeds to be worked out based on average rate per MMBTU of the respective province. The average rate per MMBTU shall be derived by notionally clubbing both the royalty on natural gas and development surcharge on Gas. Royalty on natural gas shall be distributed in accordance with clause (1) of Article 161 of the Constitution whereas the development surcharge on natural gas would be distributed by making adjustments based on this average rate.

(2) The development surcharge on natural gas for Balochistan with effect from 1st July 2002, shall be re-worked out hypothetically on the basis of the formula given in clause (1) and the amount, subject to maximum of ten billion rupees, shall be paid in five years in five equal installments by the Federal Government as grants to be charged on the Federal Consolidated Fund.

7. **Grants-in-Aid to the Provinces.** There shall be charged upon the Federal Consolidated Fund each year, as grants-in-aid of the revenues of the province of Sindh an amount equivalent to 0.66% of the provincial share in the net proceeds of divisible pool as a compensation for the losses on account of abolition of octroi and zilla tax.

8. **Sales tax on services.**—NFC recognizes that sales tax on services is a Provincial subject under the Constitution of the Islamic Republic of Pakistan, and may be collected by respective Provinces, if they so desired.

9. **Miscellaneous.**—(1) NFC also recommended increase in the rate of excise duty on natural gas to Rs 10.0 per MMBTU. Federal Government may initiate necessary legislation accordingly.

(2) The NFC recommended that the Federal Government and Provincial Governments should streamline their tax collection systems to reduce leakages and increase their revenues through efforts to improve taxation in order to achieve a 15% tax to GDP ratio by the terminal year i.e. 2014-15. Provinces would initiate steps to effectively tax the agriculture and real estate sectors. Federal Government and Provincial Governments may take necessary administrative and legislative steps accordingly.

(3) Federal Government and Provincial Governments would develop and enforce mechanism for maintaining fiscal discipline at the Federal and Provincial levels through legislative and administrative measures.

(4) The Federal Government may assist the Provinces through specific grants in times of unforeseen calamities.

(5) The meetings of the NFC may be convened regularly on a quarterly basis to monitor implementation of the award in letter and spirit.

10. **Repeal.**— The Distribution of Revenues and Grants-in-Aid Order, 1997 (P.O. No. 1 of 1997), and the Distribution of Revenues and Grants-in-Aid, Order, 2010 (P.O. 4 of 2010) are hereby repealed.

ASIF ALI ZARDARI,
President."

“PRESIDENT’S ORDER NO.6 OF 2015

AN
ORDER

*To amend Distribution of Revenues and Grants-in-Aid Order, 2010
(President’s Order No. 5 of 2010)*

WHEREAS, it is expedient to amend the Distribution of Revenues and Grants-in-Aid Order, 2010 (P.O.No.5 of 2010), for the purpose hereinafter appearing.

NOW, THEREFORE, in pursuance of Clause (6) read with Clause (7) of Article 160 of the Constitution of the Islamic Republic of Pakistan, the President is pleased to make the following Order:-

1. **Short title and commencement.**—(1) This Order may be called the Distribution of Revenues and Grants-in-Aid (Amendment) Order, 2015.

(2) It shall come into force on the first day of July, 2015.

(3) It will remain in force till further orders.

2. **Substitution of Article-4(3) P.O. No.5 of 2010.**—In the Distribution of Revenues and Grants-in-Aid Order, 2010 (P.O.No.5 of 2010), for Article 4(3) the following shall be substituted, namely:—

(3) The Federal Government shall guarantee that Balochistan province shall receive the projected sum of eighty-three billion rupees from the provincial share in the net proceeds of divisible pool taxes in the first year of the Award and any shortfall in this amount shall be made up by the Federal Government from its own resources. This arrangement for Balochistan shall remain protected throughout the Award period based on annual budgetary projections.

MAMNOON HUSSAIN,
President."

4.8 In accordance with the framework for distribution of resources structured by the 7th NFC Award, provincial share in federal taxes and straight transfers to Provinces are estimated at Rs 3,254,526 million for fiscal year 2019-20, reflecting an increase of 32.2% over revised estimates 2018-19. The details are as in Table-13 below:

TABLE - 13
DETAILS OF PROVINCIAL SHARE IN FEDERAL TAXES

Classification	(Rs in Million)		
	Budget 2018-19	Revised 2018-19	Budget 2019-20
A. DIVISIBLE POOL TAXES	2,508,834	2,368,808	3,153,770
- Income Tax	970,673	940,506	1,176,770
- Capital Value Tax	3,684	2,016	2,234
- Sales Tax (Excl. GST on Services)	973,084	863,820	1,206,911
- Federal Excise (excl. Excise Duty on Natural Gas)	144,197	145,529	199,770
- Customs Duties (excl. Export Development Surcharge)	417,196	416,938	568,086
B. STRAIGHT TRANSFERS	81,232	93,844	100,756
- Gas Development Surcharge	15,680	5,650	9,800
- Royalty on Natural Gas	35,785	50,200	50,627
- Royalty on Crude Oil	16,490	26,392	24,179
- Excise Duty on Natural Gas	13,277	11,601	16,149
TOTAL (A to B):	2,590,066	2,462,651	3,254,526
PROVINCE- WISE SHARE			
Punjab	1,281,980	1,204,738	1,611,364
Sindh	648,813	616,268	814,916
Khyber Pakhtunkhwa (Inclusive 1% War on Terror)	426,095	404,031	533,261
Balochistan	233,177	237,614	294,983
TOTAL PROVINCIAL SHARE:	2,590,066	2,462,651	3,254,526

4.9 Table-14 below presents total net federal transfers to provinces.

TABLE - 14
NET FEDERAL TRANSFERS TO PROVINCES

(Rs in Million)			
Classification	Budget 2018-19	Revised 2018-19	Budget 2019-20
A. Total Transfers to Provinces	2,789,983	2,661,985	3,514,157
- Divisible Pool Taxes	2,508,834	2,368,808	3,153,770
- Straight Transfers	81,232	93,844	100,756
- Special Grants / Subventions	28,000	28,098	96,482
- Project Loans / Grants	137,435	113,989	112,441
- Programme Loans	34,431	52,762	50,663
- Japanese Grant	50	4,485	45
B. Less Payments to Federal Govt.	78,378	94,328	103,483
- Interest Payments	16,782	22,935	24,112
- Loans Repayments	61,596	71,393	79,371
NET TRANSFERS TO PROVINCES (A-B):	2,711,605	2,567,657	3,410,674

4.10 In accordance with the framework for distribution of resources structured by the 7th NFC Award, the net transfers to provinces are Rs 3,410,674 million in the budget estimates 2019-20 reflecting an increase of 25.8% and 32.8% over budget and revised estimates 2018-19 respectively.

CHAPTER - 5
CURRENT EXPENDITURE
2019-20

5.1 Table-15 below presents a summary of current expenditure:

TABLE - 15
SUMMARY

		(Rs in Million)		
Classification	Budget 2018-19	Revised 2018-19	Budget 2019-20	
(i) Mark-up Payment	1,620,230	1,987,319	2,891,449	
- Mark-up on Domestic Debt	1,391,000	1,681,564	2,531,685	
- Mark-up on Foreign Debt	229,230	305,756	359,764	
(ii) Pension	342,000	342,000	421,000	
- Military	259,779	259,779	327,088	
- Civil	82,221	82,221	93,912	
(iii) Defence Affairs and Services	1,100,334	1,137,710	1,152,535	
- Defence Services	1,097,949	1,134,501	1,149,665	
- Defence Administration	2,385	3,210	2,870	
(iv) Grants and Transfers	477,924	478,337	831,194	
- Grants to Provinces	28,000	28,098	96,482	
- Grants to Others	449,924	450,239	734,712	
(v) Subsidies	174,746	254,995	271,500	
(vi) Pay and Pension	-	-	79,000	
Vii) Provision for Contingencies	-	-	115,000	
(viii) Running of Civil Government	463,371	460,252	431,246	
- Salary	242,742	242,737	241,447	
a) Pay	128,011	127,261	121,039	
b) Allowance	114,731	115,476	120,408	
- Non-Salary	218,129	217,515	187,299	
- Others	2,500	-	2,500	
CURRENT EXPENDITURE (i to viii)	4,178,605	4,660,613	6,192,924	
(xiv) Foreign Loans Repayment	601,754	928,818	1,095,254	
TOTAL CURRENT EXPENDITURE (includes foreign loans repayment)	4,780,359	5,589,431	7,288,179	

5.2 The main components of current expenditure are mark-up on government borrowing, defense, running of civil government, pension, grants and subsidies. Estimates for total current expenditure in the budget for fiscal year 2018-19 were made at Rs 4,780,358 million, which stood revised upwards to Rs 5,589,431 million. For fiscal year 2019-20 an allocation of Rs 7,288,179 million has been made for current expenditure, showing an increase of 52.5% and 30.4% in budget and revised estimates respectively of the outgoing fiscal year 2018-19.

5.3 Table-16 below presents the comparative position of the budget and revised estimates of current expenditure for the year 2018-19 along with the budget estimates 2019-20. It shows breakup of Current Expenditure according to functional classification.

TABLE - 16
CURRENT EXPENDITURE

(Rs in Million)			
Classification	Budget 2018-19	Revised 2018-19	Budget 2019-20
1) General Public Service	3,340,430	4,048,341	5,607,041
2) Defence Affairs and Services	1,100,334	1,137,711	1,152,535
3) Public Order and Safety Affairs	132,289	133,021	152,919
4) Economic Affairs	80,750	142,440	84,167
5) Environment Protection	1,261	1,271	470
6) Housing and Community Amenities	2,339	2,318	2,292
7) Health Affairs & Services	13,897	13,991	11,058
8) Recreation, Culture and Religion	9,242	10,512	9,838
9) Education Affairs and Services	97,420	97,155	77,262
10) Social Protection	2,396	2,672	190,595
TOTAL:	4,780,359	5,589,431	7,288,179

5.4 The bulk of expenditure falls under General Public Service. The expenditure against this head has been budgeted at Rs 5,607,041 million for 2019-20, which is 77% of current expenditure.

GENERAL PUBLIC SERVICE

5.5 Under the head of General Public Service, the major portion goes to executive & legislative organs, financial, fiscal and external affairs. At Rs 4,716,758 million, this component forms 84.1% of the allocation for General Public Service. The main heads of expenses are Superannuation Allowances & Pensions, Servicing of Domestic Debt, Foreign Loans Repayment and Others. Transfer payments constitute another important item.

5.6 The details of expenditures classified under General Public Service are given in Table-17 below:

TABLE - 17
GENERAL PUBLIC SERVICE

Classification	(Rs in Million)		
	Budget 2018-19	Revised 2018-19	Budget 2019-20
GENERAL PUBLIC SERVICE	3,340,430	4,048,341	5,607,041
Executive & Legislative Organs, Financial, Fiscal Affairs & External Affairs	2,781,312	3,527,477	4,716,758
- Superannuation Allowances & Pensions	342,000	342,000	421,000
- Servicing of Foreign Debt	229,230	305,756	359,764
- Foreign Loans Repayment	601,754	928,818	1,095,254
- Servicing of Domestic Debt	1,391,000	1,681,564	2,531,685
- Others	217,329	269,340	309,055
Foreign Economic Aid	4,762	6,069	6,422
Transfers	477,924	478,337	643,391
General Services	7,027	6,964	9,805
Basic Research	5,438	5,356	4,992
Research and Development General Public Services	13,072	12,951	14,417
Administration of General Public Services	2,531	2,455	6,846
General Public Services not elsewhere defined	48,365	8,732	204,410

DEFENCE AFFAIRS AND SERVICES

5.7 Details of estimates of expenditure on Defence Affairs and Services in 2018-19 (budget & revised) and 2019-20 (budget) are given in Table-18 below:

TABLE - 18
DEFENCE AFFAIRS AND SERVICES

Classification	(Rs in Million)		
	Budget 2018-19	Revised 2018-19	Budget 2019-20
DEFENCE AFFAIRS AND SERVICES	1,100,334	1,137,711	1,152,535
- Defence Administration	2,385	3,210	2,870
- Defence Services	1,097,949	1,134,501	1,149,665
- Employees Related Expenses	422,911	427,034	450,413
- Operating Expenses	253,467	286,631	264,656
- Physical Assets	282,328	279,400	315,375
- Civil Works	141,293	143,487	123,252
- Less Recoveries	-2,051	-2,051	-4,031

PUBLIC ORDER AND SAFETY AFFAIRS

5.8 Under the head of Public Order and Safety Affairs, an amount of Rs 152,919 million has been provided in the budget 2019-20 as compared with Rs 132,289 million in the budget estimates 2018-19 and Rs 133,021 million in revised estimates of the outgoing fiscal year 2018-19. The allocation for Police (Rs 142,837 million) forms the major component, with a share of 93.4%, in the total allocation under this head. Table-19 below provides the details:

TABLE - 19
PUBLIC ORDER AND SAFETY AFFAIRS

Classification	(Rs in Million)		
	Budget 2018-19	Revised 2018-19	Budget 2019-20
PUBLIC ORDER AND SAFETY AFFAIRS	132,289	133,021	152,919
- Law Courts	5,631	5,578	6,012
- Police	122,974	123,689	142,837
- Fire Protection	293	287	274
- Prison Administration and Operation	53	51	43
- R & D Public Order and Safety	36	35	47
- Administration of Public Order	3,302	3,381	3,706

ECONOMIC AFFAIRS

5.9 The allocation under the head of Economic Affairs in the budget 2019-20 has been projected at Rs 84,167 million, as compared with Rs 80,750 million in the budget estimates 2018-19 and Rs 142,440 million in revised estimates 2018-19. Major share of this head goes to Fuel and Energy is 29.4% of total allocation for Economic Affairs. Table-20 below provides the details under this head:

TABLE - 20
ECONOMIC AFFAIRS

Classification	(Rs in Million)		
	Budget 2018-19	Revised 2018-19	Budget 2019-20
ECONOMIC AFFAIRS	80,750	142,440	84,167
- General Economic, Commercial and Labour Affairs	26,306	58,113	32,580
- Agriculture, Food, Irrigation, Forestry and Fishing	31,188	30,476	4,917
- Fuel and Energy	709	26,690	24,718
- Mining and Manufacturing	1,773	6,461	1,811
- Construction and Transport	15,564	15,604	14,753
- Communications	3,461	3,452	3,714
- Other Industries	1,749	1,643	1,674

ENVIRONMENT PROTECTION

5.10 Under the head of Environment Protection, an amount of Rs 470 million has been estimated for budget 2019-20 for Waste Water Management, which is lower by 62.7% than budget estimates 2018-19.

TABLE - 21
ENVIRONMENT PROTECTION

(Rs in Million)			
Classification	Budget 2018-19	Revised 2018-19	Budget 2019-20
ENVIRONMENT PROTECTION	1,261	1,271	470
Waste Water Management	1,261	1,271	470

HOUSING AND COMMUNITY AMENITIES

5.11 Under the head of Housing and Community Amenities, an amount of Rs 2,292 million has been provided in the budget 2019-20 for Community Development, as compared with Rs 2,339 million in the budget estimates 2018-19 and Rs 2,318 million in revised estimates 2018-19.

TABLE - 22
HOUSING AND COMMUNITY AMENITIES

(Rs in Million)			
Classification	Budget 2018-19	Revised 2018-19	Budget 2019-20
HOUSING AND COMMUNITY AMENITIES	2,339	2,318	2,292
Community Development	2,339	2,318	2,292

HEALTH AFFAIRS AND SERVICES

5.12 Under the head of Health Affairs and Services, a total allocation of Rs 11,058 million has been made in the budget estimates 2019-20, which is lower by 20.4% from the budget estimates 2018-19. The allocation for Hospital Services forms the major component, which is 78.7% under this classification. Details are given in Table-23 below:

TABLE - 23
HEALTH AFFAIRS AND SERVICES

Classification	(Rs in Million)		
	Budget 2018-19	Revised 2018-19	Budget 2019-20
HEALTH AFFAIRS AND SERVICES	13,897	13,991	11,058
- Medical Products, Appliances and Equipment	31	31	31
- Hospital Services	11,657	11,820	8,702
- Public Health Services	469	465	463
- Health Administration	1,740	1,675	1,862

RECREATION, CULTURE AND RELIGION

5.13 In budget 2019-20 an amount of Rs 9,838 million has been budgeted for Recreation, Culture and Religion. Overall estimates under this classification for 2019-20 are higher by 6.4% when compared with budget estimates 2018-19, and lower by 6.4% when compared with revised estimates 2018-19. The bulk of expenditure under this head has been earmarked for Broadcasting and Publishing, which is 77.6% of the total allocation. Details are given in Table-24 below:

TABLE - 24
RECREATION, CULTURE AND RELIGION

Classification	(Rs in Million)		
	Budget 2018-19	Revised 2018-19	Budget 2019-20
RECREATION, CULTURE AND RELIGION	9,242	10,512	9,838
- Recreation and Sporting Services	1	1	0.4
- Cultural Services	681	680	717
- Broadcasting and Publishing	7,091	7,628	7,631
- Religious Affairs	1,032	1,765	1,050
- Administration of Information, Recreation & Culture	437	437	439

EDUCATION AFFAIRS AND SERVICES

5.14 Education Affairs and Services have been provided with Rs 77,262 million in the budget estimates 2019-20 as compared with Rs 97,420 million in budget estimates 2018-19 and Rs 97,155 million in revised estimates 2018-19. The bulk of expenditure at Rs 65,233 million has been allocated for Tertiary Education Affairs and Services in budget 2019-20, which is 84.4% of the total allocation under this head. The details are as under:

TABLE - 25
EDUCATION AFFAIRS AND SERVICES

Classification	(Rs in Million)		
	Budget 2018-19	Revised 2018-19	Budget 2019-20
EDUCATION AFFAIRS AND SERVICES	97,420	97,155	77,262
- Pre-Primary & Primary Education Affairs Services	10,120	10,120	2,831
- Secondary Education Affairs & Services	12,365	12,358	6,718
- Tertiary Education Affairs and Services	71,824	71,743	65,233
- Education Services not Definable by Level	77	0	0
- Subsidiary Services to Education	295	283	310
- Administration	1,588	1,565	1,407
- Education Affairs, Services not elsewhere classified	1,151	1,085	763

SOCIAL PROTECTION

5.15 Under the head of Social Protection, an amount of Rs 190,595 million has been allocated in the budget 2019-20, which is eighty (80) times more than the budget estimates 2018-19.

TABLE - 26
SOCIAL PROTECTION

Classification	(Rs in Million)		
	Budget 2018-19	Revised 2018-19	Budget 2019-20
SOCIAL PROTECTION	2,396	2,672	190,595
- Administration	1,616	1,903	1,827
- Others	780	769	864
- Social Protection (not elsewhere class)	0	0	187,904

CHAPTER - 6**SUBSIDIES, GRANTS AND TRANSFERS****2019-20****SUBSIDIES**

6.1 In order to alleviate the impact of inflation on citizens, especially the poor segments of society, the Federal Government spends a fairly large sum on providing power and food subsidies. In the budget estimates 2018-19 subsidies were Rs 174,746 million; in revised estimates 2018-19 they increased to Rs 254,995 million due to grant of subsidy to DISCO & KESC on account of support package for industrial customers and also due to increase in subsidy to WAPDA/PEPCO. Total subsidies for fiscal year 2019-20 have been estimated at Rs 271,500 million which increased by 55.4% and 6.5% over budget estimates and revised estimates respectively of 2018-19.

6.2 In budget 2019-20, the allocation for subsidies to WAPDA/PEPCO forms the major component, which is 70.3% of the total allocation followed by subsidy to KESC with share of 21.9%, USC with share of 2% and PASSCO with share of 5.7%. Table-27 provides the details:

TABLE - 27
SUBSIDIES

Classification	(Rs in Million)		
	Budget 2018-19	Revised 2018-19	Budget 2019-20
Subsidy to WAPDA/PEPCO:	134,000	189,860	191,000
1 Inter-Disco Tariff Differential	105,000	130,000	162,000
2 Tariff Differential for Agriculture Tubewells in Balochistan	5,000	4,860	8,000
3 To pick up WAPDA/PEPCO receivables from merged districts of KPK	12,000	12,000	18,000
4 Subsidy to WAPDA on account of Tariff Differential for AJ&K	12,000	43,000	3,000

□C□o□n□i

SUBSIDIES

Classification	(Rs in Million)		
	Budget 2018-19	Revised 2018-19	Budget 2019-20
Subsidy to KESC:	15,400	40,540	59,500
5 To pick up KESC's Tariff Differential	15,000	15,000	25,000
6 For Tariff Differential for Agriculture Tubewells in Balochistan	400	540	500
7 Subsidy to DISCOs & K-Electric	0	25,000	-
8 To KESC for industrial support package	-	-	10,000
9 Subsidy to LNG sector for providing Gas on lower rates to industry	-	-	24,000
Subsidy to USC:	6,000	6,001	5,500
10 Ramzan Package	2,000	1,538	2,500
11 Payment of Sugar Arrears	3,000	3,000	3,000
12 Sale of Pulses, Rice, Tea etc. at subsidized rates	1,000	1,463	-
Subsidy to PASSCO for:	19,045	18,294	15,500
13 Wheat Operation	1,500	1,500	2,000
14 Wheat Reserved Stock	5,000	5,000	5,000
15 Wheat supplied to Gilgit-Baltistan (Arrears)	8,045	7,294	8,000
16 Support for Wheat/Flour Export	1,500	1,500	-
17 Support for Sugar Export	2,000	2,000	-
18 Reimbursement on account of Paddy Operation	500	500	-
19 Reimbursement on account of Donation of Wheat by the GOP	500	500	500
Subsidy to National Food Security & Research Division	1	-	-
22 National Food Security & Research Division	1	-	-
Subsidy to Others:	300	300	-
23 Sale of Wheat in FATA	300	300	-
TOTAL SUBSIDIES:	174,746	254,995	271,500

GRANTS AND TRANSFERS

6.3 Grants and transfers to provinces and others for the year 2019-20 have been estimated at Rs 831,194 million as compared with Rs 477,924 million in budget estimates 2018-19 and Rs 478,337 million in revised estimates. The detail of grants and transfers to the provinces and others is given in the following Table:

TABLE - 28
GRANTS AND TRANSFERS

(Rs in Million)			
Classification	Budget 2018-19	Revised 2018-19	Budget 2019-20
I. GRANTS IN AID & MISCELLANEOUS ADJUSTMENTS	28,000	28,098	96,482
A. SPECIAL GRANTS	24,000	28,098	86,482
- Punjab	-	1,900	-
- Sindh	14,000	16,030	20,400
- Khyber Pakhtunkhwa	-	160	56,082
- Balochistan	10,000	10,008	10,000
B. LUMP PROVISION	4,000	-	10,000
II. GRANTS TO OTHERS	449,924	450,239	734,712
- Contingent Liabilities	210,000	210,000	308,000
- Miscellaneous Grants	77,000	77,000	84,000
- Other outstanding Liabilities	20,000	20,000	-
- Pakistan Railways to meet their losses	37,000	37,000	39,000
- National Internship Programme	53	52	54
- Lump Provision for Relief etc.	4,096	4,096	3,000

Contd...

GRANTS AND TRANSFERS

(Rs in Million)			
Classification	Budget 2018-19	Revised 2018-19	Budget 2019-20
- Competition Commission of Pakistan	210	210	210
- Reimbursement of Telegraphic Transfers (TT) Charges on Home Remittances	12,000	11,900	15,000
- Pakistan Remittance Initiative	20	120	100
- Audit Oversight Board	-	20	35
- FWBL's Key Initiatives/Development	-	-	500
- Public Private Partnership Authority-PPPA	-	-	75
- Walled Accounts	-	-	1,000
- Remittances	-	-	2,000
- Grants to AJK Government	49,000	49,210	54,890
- Grant-in-Aid to Gilgit Baltistan	29,500	29,512	33,000
- Grant to Bait-ul-Maal	5,000	5,000	5,653
- Wheat Subsidy to Gilgit Baltistan	6,045	5,367	6,045
- Grant to Pakistan Textile City Ltd.	-	14	-
- Grant to Pakistan Machine Tool Factory	-	737	-
Benazir Income Support Programme	-	-	180,000
Pakistan Poverty Alleviation Fund	-	-	2,150
TOTAL GRANTS (I + II):	477,924	478,337	831,194

CHAPTER - 7
LOANS AND INVESTMENTS
2019-20

7.1 The financial assets of the Federal Government consist of investible funds and loans provided to Azad Jammu and Kashmir (AJK) and various agencies/institutions as well as government servants to enable them to meet their financial requirements.

CURRENT LOANS & ADVANCES

7.2 Total current loans and advances have been estimated at Rs 61,523 million in budget 2019-20. The following Table provides the details:

TABLE - 29
CURRENT LOANS & ADVANCES

		(Rs in Million)		
Classification	Budget 2018-19	Revised 2018-19	Budget 2019-20	
1 Ways & Means Advances to the Govt. AJK for repayment of principal & interest	14,494	14,494	17,080	
2 Junagadh and Kathiawar Chiefs	1	23	21	
3 Loans/Advances to Employees of PNRA	15	15	15	
4 Loans/Advances to Friendly Countries	500	500	500	
5 Gilgit-Baltistan for Repayment of Principal and Interest	6	-	-	
6 Interest free Loans to WAPDA Operation and Maintenance, Hub Dam & Khanpur Dam	40	-	40	
8 Loan to State Engineering Corporation	20	20	20	
9 Current Loans to PIA	18,000	19,628	24,525	
10 Loans and Advances to Governments Servants	12,000	11,985	14,522	
11 Loans to Pakistan Steel Mills Karachi	4,000	6,515	4,800	
12 Loan to Pakistan Machine Tool Factory	-	96	-	
TOTAL:	49,076	53,275	61,523	

DEVELOPMENT LOANS AND ADVANCES

7.3 Development loans and advances are made by the Federal Government to Provinces, Government of Azad Jammu and Kashmir, Public Sector Enterprises (PSEs), Financial/Non-Financial Institutions, District Governments/TMAs, and Others to assist them in carrying out their development programmes.

7.4 Total development loans and advances (local and external) were estimated at Rs 461,539 million in the budget 2018-19, which have now been revised upwards to Rs 550,709 million in revised estimates 2018-19. For budget 2019-20, total development loans and advances have been estimated at Rs 406,448 million, showing a decrease of 11.9% over budget estimates 2018-19 and 26.2% over revised estimates 2018-19.

7.5 For budget 2019-20, development loans and advances (local) have been estimated at Rs 136,113 million, while development loans and advances (external) at Rs 270,335 million. The details are as in Table-30 below:

TABLE - 30
DEVELOPMENT LOANS AND ADVANCES

Classification	(Rs in Million)		
	Budget 2018-19	Revised 2018-19	Budget 2019-20
1 Development Loans and Advances	156,315	140,156	136,113
2 External Development Loans and Advances	305,225	410,553	270,335
TOTAL:	461,539	550,709	406,448

CURRENT INVESTMENTS

7.6 The federal current investments for the year 2019-20 have been estimated at Rs 15,468 million as compared with Rs 19,436 million and Rs 7,537 million in the budget and revised estimates of 2018-19 respectively. The allocation for investment in 2019-20 is higher by 105.2% as compared with revised estimates 2018-19. Table-31 provides the comparative position.

TABLE - 31
CURRENT INVESTMENTS

Classification	(Rs in Million)		
	Budget 2018-19	Revised 2018-19	Budget 2019-20
1 GoP Contribution in Equity of Pak China Investment Co. Ltd. Islamabad	500	500	500
2 GoP Equity injection in Sarmaya-e-Pakistan Ltd	-	100.0	200
3 Fifth General Capital Increase of Aisian Development Bank	-	-	0.1
4 Lump Provision for Miscellaneous Expenditure	11,000	-	-
5 Paid up Capital for the proposed Exim Bank of Pakistan	1,000	-	2,000
6 4th General Increase of Capital Stock Islamic Development Bank (IDB)	933	933	1,264
7 Pakistan Mortgage Refinance Company Ltd. PMRCL	-	-	5,000
8 GoP Equity in DISCOs through PHPL for payment of DSL of STFF	6,000	6,000	6,000
9 Pakistan's Annual Contribution to Inter Governmental Group IF 24 (G-24)	3	4	4
10 International Financial Institutions GOP contribution in equity of Pak-Libya Holding Company Limited	-	-	500
TOTAL:	19,436	7,537	15,468

CHAPTER - 8

PUBLIC SECTOR DEVELOPMENT PROGRAMME (PSDP) 2019-20

8.1 The Public Sector Development Programme (PSDP) is the main instrument for improving the socio-economic conditions in the country and achieving the macroeconomic and development objectives and targets set by the government, which yield maximum benefits in the shortest possible time for the society.

8.2 For the year 2019-20 National Economic Council (NEC) has approved an overall size of PSDP at Rs 1,613 billion, which is 3.7% of Gross Domestic Product (GDP).

8.3 The Salient features of PSDP allocation for 2019-20 are as follows:

- The size of national PSDP estimated in the budget for 2019-20 showing an increase of 34.4% over revised estimates 2018-19.
- Federal PSDP for the year 2019-20 has been kept at Rs 701 billion, which is higher by 40.2% than revised estimates 2018-19.
- The share of Federal Ministries/Divisions in 2019-20 PSDP is Rs 348.2 billion indicating an increase of 43.2% over revised estimates 2018-19.
- The Corporations' PSDP for 2019-20 has been placed at Rs 197.8 billion.
- An amount of Rs 24 billion has been allocated in the budget 2019-20 to Pakistan Sustainable Development Goals (SDGs) and Community Development Programme.
- Earthquake Rehabilitation and Reconstruction Authority (ERRA) has been allocated Rs 5 billion in the budget 2019-20.
- In the budget 2019-20, an amount Rs 17 billion has been allocated to Relief and Rehabilitation of IDPs.
- An amount of Rs 53 billion has been budgeted for Security Enhancement in 2019-20.
- Rs 5 billion has been allocated for Prime Minister's Youth skill Development Initiative in the budget 2019-20.
- Gas Infrastructure Development Cess (GIDC) has been allocated Rs 1.0 billion in the budget 2019-20.

- The Provincial Development Programme for 2019-20 has been estimated at Rs 912 billion as against Rs 700 billion in revised estimates 2018-19, showing an increase of 30.3%.

8.4 The following Table-32 indicates details of the size of Public Sector Development Programme (PSDP).

TABLE - 32
SIZE OF PSDP

Classification	(Rs in Million)		
	Budget 2018-19	Revised 2018-19	Budget 2019-20
A. Federal Ministries/Divisions	420,375	243,141	348,240
1 Aviation Division	4,677	1,592	1,267
2 Board of Investment	125	77	100
3 Cabinet Division	1,116	100	15,986
4 Capital Administration & Development Division	13,906	-	-
5 Climate Change Division	803	71	7,579
6 Commerce Division	1,500	-	100
7 Communications Division (other than NHA)	14,481	151	248
8 Defence Division	641	171	456
9 Defence Production Division	2,810	1,630	1,700
10 Economic Affairs Division	70	-	-
11 Establishment Division	175	1	333
12 Federal Education & Professional Division	4,337	3,439	4,797
13 Finance Division	16,951	13,509	36,822
14 Foreign Affairs Division	200	-	30
15 Higher Education Commission	35,830	21,465	29,047
16 Housing & Works Division	5,433	4,069	2,930
17 Human Rights Division	300	1	143
18 Industries and Production Division	1,775	685	2,343

Contd...

SIZE OF PSDP

(Rs in Million)

Classification	Budget 2018-19	Revised 2018-19	Budget 2019-20
19 Information & Broadcasting & National Heritage Division	1,644	226	516
20 Information Tech. & Telecom Division	3,046	863	7,342
21 Inter Provincial Coordination Division	3,553	2,064	340
22 Interior Division	24,008	10,540	9,848
23 Kashmir Affairs & Gilgit Baltistan Division	44,706	41,465	44,699
i. AJK	26,377	26,481	26,894
ii. Gilgit Baltistan	18,329	14,984	17,805
24 Law and Justice Division	1,025	556	1,340
25 Maritime Affairs Division	10,119	2,455	3,600
26 Narcotics Control Division	251	73	135
27 National Food Security & Research Division	1,808	578	12,048
28 National Health Services, Regulations & Coordination Division	25,034	8,133	13,377
29 National History & Literary Heritage Division	551	80	128
30 Pakistan Atomic Energy Commission	28,340	22,711	24,457
31 Pakistan Nuclear Regulatory Authority	300	264	301
32 M/o. Energy (Petroleum Division)	943	463	582
33 Planning, Development & Reform Division	16,240	4,503	7,964
34 Postal Services Division	370	-	-
35 Poverty Alleviation and Social Safety Div.	-	-	200
36 Railways Division	34,411	22,793	16,000
37 Religious Affairs & Interfaith Harmony	-	-	1,000
38 Revenue Division	2,559	1,408	1,818
39 Science & Technological Research Division	3,900	695	7,407
40 States & Frontier Regions Division	28,256	31,874	-

Contd...

SIZE OF PSDP**(Rs in Million)**

Classification	Budget 2018-19	Revised 2018-19	Budget 2019-20
41 Statistics Division	200	-	-
42 SUPARCO	4,700	6,477	6,033
43 Textile Division	280	62	203
44 Water Resources Division	79,000	37,895	85,021
B. Corporations	246,125	211,433	197,759
1 National Highway Authority (NHA)	210,000	190,150	155,967
2 NTDC/PEPCO/WAPDA	36,125	21,283	41,792
C. ERRA	8,500	6,500	5,000
D. Relief and Rehabilitation of IDPs	45,000	4,720	17,000
E. Security Enhancement	45,000	-	53,000
F. Prime Minister's Youth Skill Dev. Initiative	10,000	-	5,000
G. Clean Green Pakistan Movement/ Tourism	-	-	2,000
H. Gas Infrastructure Development Cess	5,000	208	1,000
I. Merged Areas of FATA 10 Years Development Plan	10,000	10,000	48,000
J. Special Provision for CEPEC Projects	5,000	-	-
K. Pak SDGs & Community Development Programme	5,000	24,000	24,000
Total Federal PSDP (A to K):	800,000	500,000	701,000
L Provinces	850,000	700,000	912,000
TOTAL NATIONAL PSDP (A to L):	1,650,000	1,200,000	1,613,000

DEVELOPMENT EXPENDITURE OUTSIDE PSDP 2019-20

8.5 Under the head of Development Expenditure Outside Public Sector Development Programme, an amount of Rs 85,791 million has been allocated in this head in the budget 2019-20, reflecting an increase of 47.3% over budget estimates 2018-19 and 52.2% over revised estimates 2018-19. Table-33 provides the details.

TABLE - 33
DEVELOPMENT EXPENDITURE OUTSIDE PSDP

(Rs in Million)			
Classification	Budget 2018-19	Revised 2018-19	Budget 2019-20
1 Benazir Income Support Programme	124,700	118,666	-
2 Crop Loan Insurance Scheme	1,000	1,000	1,000
3 Livestock Insurance Scheme	100	100	500
4 Credit Guarantee Scheme for Small Farmers	100	-	100
5 Provision for Reconstruction of Afghanistan	3,000	3,000	5,000
6 Subsidy to TCP for Import of Urea Fertilizer	5,000	5,000	5,000
7 Provision for Misc. Dev. Exp. (elections)	18,000	-	8,350
8 Grants for Pakistan Poverty Alleviation Fund	688	688	-
9 Public Financial Management & Accountability to support services delivery programme	150	-	2,000
10 Prime Minister's Interest Free Loan (PMIFL)	3,500	-	-
11 Strategic Trade Policy Framework	4,000	-	-
12 Textile Policy 2009-14	6,000	-	-
13 Duty drawback of local taxes and levies 2014-15	-	46	-
14 Local Taxes and Levies 2015-16	-	504	-
15 Local Taxes and Levies 2015	-	8	-
16 Duty Drawback of Taxes Order 2016-17	10,000	5,712	35,000
17 Drawback of Local Taxes and Levies (Non-Textile) Order, 2017	4,000	1,955	-
18 Duty drawback local taxes & levies 2016-17	-	630	-
19 Duty Drawback of Taxes Order 2017-18	-	15,145	-
20 Public Management and Accountability to Support Service Delivery Program (PFR) Performance incentive to progress	-	-	4,000
21 SME Landing Program	-	-	450
22 Export package strategic trade policy	-	-	5,000
23 National Disaster Risk Management fund	-	-	1,000
24 TDPs (ERPs)	-	-	3,866
25 Low cast housing scheme	-	-	5,000
26 PM Kamyab Jawan Programme	-	-	450
27 Development Exp. Of EAD outside PSDP	-	3,081	8,366
28 Development Exp. Of FATA outside PSDP	-	11,860	-
29 Others	-	-	709
TOTAL:	180,238	162,929	85,791

CHAPTER - 9

MEDIUM-TERM BUDGETARY FRAMEWORK (MTBF)

9.1 Medium-Term Budgetary Framework (MTBF) reform initiative is aimed at improving budget preparation process of the Federal Government. Since its full rollout, endorsed by the Cabinet in 2009, this reform initiative has made steady progress.

9.2 The MTBF includes the following key components:

- (1) An annual pre-budget analytical '**Budget Strategy Paper**', which includes a 3-year macro-fiscal framework, budget policies, and indicative ceilings (resource limits) for Ministries / Divisions. The Budget Strategy Paper is tabled in the Cabinet meeting where discussions on policy priorities, allocations, and performance against targets are held.

To compile the Budget Strategy Paper, the Finance Division, Planning Commission, Federal Board of Revenue, and State Bank of Pakistan share their projec-

This component has led to greater coordination between technical and political levels of the Government in defining fiscal policy and benchmarks, and enhanced understanding of medium-term implications of current budgetary decisions.

- (2) **Performance budgeting** (also known as 'output-based budgeting'). Through this mechanism the Principal Accounting Officers (Secretaries) are gradually being given greater autonomy over the distribution of ceilings as per their own policy priorities. Together with greater autonomy, a system of performance management is being introduced, which presents the budget by outputs (services delivered) as against inputs only (funding and material resources required).

The output-orientation to the budget allows linkage of the budget with policy preferences, and provides a basis for defining and measuring performance. Through the use of mutually agreed indicators and targets, each Principal Accounting Officer is given a set of criteria against which the performance of the Ministry/Division is evaluated in terms of outputs generated from the utilisation of budgetary resources appropriated by the Parliament.

This information is then presented to the Parliament in the shape of 'Federal Medium-Term Budgetary Estimates for Service Delivery'- also known as the MTBF Green Book. The Green Book is a part of the reform agenda to make the budget more transparent and comprehensive by linking budgetary allocations with policy and performance.

- (3) **Performance monitoring.** The performance budgets prepared are being monitored by the Finance Division. Under this process, actual expenditure against appropriations and reasons for variations are compiled from Ministries / Divisions along with performance achieved vs targets.

Budget Preparation Process

9.3 To achieve the objectives as outlined above, the Federal Government has improved its budget preparation process through the MTBF. Under the reformed process:

The Finance and Planning, Development Reform Divisions prepare a Medium-Term Macroeconomic Framework in consultation with various Government Ministries and the State Bank of Pakistan

Based on the macroeconomic situation and future projections, the Finance Division articulates its budgetary policy priorities and prepares a Medium-Term Fiscal Framework

The Finance Division and Planning, Development & Reforms Division work out, for each Principal Accounting Officer, medium-term Indicative Budget Ceilings (IBCs) that align resource allocation with the Government's policies

The macroeconomic and fiscal frameworks, together with the IBCs, are presented to the Cabinet through the 'Budget Strategy Paper' (BSP) for approval

Based on these IBCs, ministries prepare their budgets that are reviewed for quality assurance by the Finance Division and Planning, Development and Reform Division

The Secretaries of Finance, Planning, Development and Reform, and Economic Affairs Divisions jointly chair the Priorities Committee meetings that discuss policy and budget priorities with each Principal Accounting Officer

The Annual Plan Coordination Committee (APCC) discusses the public-sector investment proposals with the Federal and Provincial Governments

The National Economic Council (NEC) approves the Public Sector Development Programme (PSDP) of the Federal and Provincial Governments

The finalised budget is presented in the Cabinet for endorsement and Parliament for appropriation.

MACROECONOMIC INDICATORS

9.4 Macroeconomic Indicators for 2018-22 are provided in Table - 34 below:

TABLE - 34

Consolidated Fiscal Projections	Budget 2018-19	Revised 2018-19	Budget 2019-20	Forecast	
				2020-21	2021-22
Real GDP Growth (%)	6.2	3.3	2.4	3.0	4.5
Inflation (%)	6.0	7.2	11-13	8.3	6.0
	(as percentage of GDP)				
Total Revenue	16.3	14.5	16.7	18.3	19.2
- Tax Revenue	13.9	12.6	14.4	16.0	17.0
- FBR Tax Revenue	11.6	10.8	12.6	14.2	15.1
- Non Tax Revenue	2.4	1.9	2.3	2.3	2.2
Total Expenditure	21.2	21.7	23.8	23.4	22.8
- Current	16.5	18.3	20.2	19.7	19.0
- Development	4.7	3.4	3.6	3.7	3.8
Fiscal Balance	-4.9	-7.2	-7.1	-5.1	-3.6
Revenue Balance	-0.2	-3.8	-3.6	-1.4	0.2
Total Public Debt-(Gross)	68.0	77.7	77.6	75.2	70.6
Total Public Debt-(Net)	63.3	72.0	73.0	71.3	67.3
GDP at market prices (Billions)	38,388	38,559	44,003	49,568	55,380

WORKING OF FISCAL DEFICIT AND FINANCING
BUDGET 2019-20

(Rs. in Billion)

Working Deficit		Financing of Deficit	
A) Federal Revenue (net)	3,462	Gross External Loans	3,032
B) Total Federal Expenditure (i+ii)	7,022	Less Repayments	1,204
i) Current Expenditure	6,193	Long Term Foreign Loans	1,095
ii) Development and Net Lending (a+b+c)	829	Short Term Foreign Loans	108
a) Federal PSDP	701	i) Net External Financing	1,829
b) Other Development Expenditure	80	ii) Domestic Financing (a+b+c)	1,308
c) Net Lending	48	a) Bank Financing	339
C) Federal Deficit (A-B)	-3,560	b) Non Bank Financing	819
Estimated Provincial Surplus	423	Public debt	583
		Public Account	237
		c) Privatization Proceeds	150
Overall Fiscal Deficit	-3,137	Total Financing of Deficit (i+ii)	3,137
% of GDP	-7.1%	% of GDP	7.1%

BUDGET AT A GLANCE
FOR THE FISCAL YEAR 2019-20

(Rs. in Billion)

RECEIPTS		EXPENDITURE	
TAX REVENUE	5,822	A. CURRENT	6,193
- FBR Taxes	5,555	Interest Payments	2,891
- Other Taxes	267	Pension	421
- NON-TAX REVENUE	894	Defence Affairs & Services	1,153
a) Gross Revenue Receipts	6,717	Grants and Transfers	831
b) Less Provincial Share	3,255	Subsidies	272
I. Net Revenue Receipts (a-b)	3,462	Running of Civil Govt.	431
II. Capital Receipts (Non-Bank)	819	Provision for Pay & Pension	79
		Provision for Contingencies	115
III. External Receipts (net)	1,829	B. DEVELOPMENT	829
IV. Estimated Provincial Surplus	423	Federal PSDP	701
V. Bank Borrowing	339	Net Lending	48
VI. Privatization Proceeds	150	Other Dev. Expenditure	80
<u>TOTAL RESOURCES (I to VI)</u>	<u>7,022</u>	<u>TOTAL EXPENDITURE(A+B)</u>	<u>7,022</u>

Glossary of Terms

Bank Borrowing	Includes borrowing from the State Bank of Pakistan and Scheduled Banks
Capital Receipts	Income from proceeds of borrowing, money received in repayment of loans, recoveries of advances and investments, proceeds of savings schemes, net receipts from transactions under deposit, and remittances
Community Services Receipts	Income from rents of government buildings, land, guest houses, and hostels, etc.
Current Expenditure	Include interest payments, pension, defence affairs & services, grants & transfers, subsidies, and running of civil government
Development Expenditure	Include federal PSDP, development loans & grants to provinces, and other development expenditure (outside PSDP)
Direct Taxes	Income tax, workers welfare fund and capital value tax (CVT)
Disbursements	Government investments, loans, advances and others, and repayment of short term credit
External Resources	Include project and programme loans, foreign loans & credits, and foreign grants
Grants	Financial support to provinces, organisations, and industries for contingent liability, to fulfill losses, remission of loans, etc.
Gross Revenue Receipts	Sum of tax revenue and non-tax revenue (before excluding provincial share)
Indirect Taxes	Customs, sales tax and federal excise.

Contd...

Glossary of Terms

Internal Resources	Include net revenue receipts, net capital receipts, and estimated provincial surplus
Net Capital Receipts	Capital receipts <i>minus</i> disbursements
Net Lending to Others	Government investments, loans and advances from Public Sector Enterprises (PSEs) <i>minus</i> recoveries of loans and advances from PSEs
Net Revenue Receipts	Gross revenue receipts <i>minus</i> provincial share
Non-Tax Revenue	Income from property and enterprises; receipts from civil administration and other functions; and miscellaneous receipts of the federal ministries, divisions and departments
Other Development Expenditure	Other development expenditure comprises development expenditure of Federal Government outside the PSDP
Other Taxes	Islamabad Capital Territory (ICT) Tax, Airport Tax, Gas Infrastructure Development Cess (GIDC), Natural Gas Development Surcharge and Petroleum Levy.
Provincial Share	Provincial share in federal taxes and straight transfers
Provincial Surplus	Provincial government deposits with State Bank of Pakistan
Resources	Include internal and external financial resources
Tax Revenue	Income from direct, indirect and other taxes
Total Outlay / Expenditure	Includes current expenditure and development expenditure