



# **FEDERAL BUDGET 2026-27**

## **ANNUAL BUDGET STATEMENT**

**GOVERNMENT OF PAKISTAN  
FINANCE DIVISION  
ISLAMABAD**



## **PREFACE**

Annual Budget Statement for FY2026-27 is presented to the National Assembly in accordance with Article 80(1) of the Constitution of the Islamic Republic of Pakistan, which requires the Federal Government to lay before the House a statement of estimated receipts and expenditures for each financial year. In accordance with Article 80(2), the statement separately reflects charged and voted expenditures from the Federal Consolidated Fund and distinguishes expenditure on revenue account from other expenditures. Under Article 73(1), the Annual Budget Statement is also transmitted to the Senate.

Pursuant to the statutory framework governing public financial management, the Annual Budget Statement for FY2026-27 includes the Statement of Purpose, Statement of Contingent Liabilities, and Statement of Fiscal Risks under Section 4 of the Public Finance Management Act, 2019 (as amended to date), as well as the Statement of Estimated Tax Expenditures under Section 8 thereof. These statements strengthen fiscal transparency, enhance accountability, and facilitate informed oversight of public finances.

In accordance with Sections 5 and 10 of the Fiscal Responsibility and Debt Limitation Act, 2005 (as amended to date), the Medium-Term Budgetary Statement and Statements of Fiscal Responsibility are also presented as part of the Annual Budget Statement, reflecting the Government's commitment to prudent fiscal management, debt sustainability, and a credible medium-term macro-fiscal framework.

*“Explanatory Memorandum on Federal Receipts”* and *“Demands for Grants and Appropriations”* serve as supporting documents of Annual Budget Statement for FY2026-27 and provide detailed information on the Federal Government's fiscal proposals.

**IMDAD ULLAH BOSAL**

Secretary to the Government of Pakistan

**Finance Division**

Islamabad, the 12<sup>th</sup> June, 2026



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### SUMMARY OF RECEIPTS

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

(Rs. in million)				
Object Code	Description	Budget Estimates 2025-26	Revised Estimates 2025-26	Budget Estimates 2026-27
	<b>A- Revenue Receipts - Federal Consolidated Fund</b>			
<b>B</b>	<b>1 Tax Revenue Receipts</b>	<b>14,131,000</b>	<b>12,983,000</b>	<b>15,264,000</b>
	<b>FBR Taxes</b>	<b>14,131,000</b>	<b>12,983,000</b>	<b>15,264,000</b>
B01	Direct Taxes	6,902,000	6,431,754	7,613,000
B02	Indirect Taxes	7,229,000	6,551,246	7,651,000
<b>C</b>	<b>2 Non-Tax Revenue Receipts</b>	<b>5,147,090</b>	<b>5,093,364</b>	<b>5,335,598</b>
B03	Levies and Fees	29,790	37,000	41,589
C01	Income from Property and Enterprises	519,332	480,792	435,760
C02	Receipts from Civil Administration etc	2,450,392	2,467,764	1,480,183
C03	Miscellaneous Receipts	2,147,576	2,107,809	3,378,066
	<b>3 Total Revenue Receipts (1+2)</b>	<b>19,278,090</b>	<b>18,076,364</b>	<b>20,599,598</b>
<b>E</b>	<b>4 Capital Receipts</b>	<b>3,266,924</b>	<b>2,888,336</b>	<b>2,186,380</b>
E02	Recovery of Loans and Advances	603,000	749,547	426,309
E03	Domestic Debt Receipts (Bank) - Net	2,663,924	2,138,789	1,760,071
	<b>5 Total Internal Receipts (3+4)</b>	<b>22,545,013</b>	<b>20,964,700</b>	<b>22,785,978</b>
	<b>6 External Receipts</b>	<b>5,777,554</b>	<b>5,024,517</b>	<b>6,779,624</b>
	<b>7 Total Internal and External Receipts (5+6)</b>	<b>28,322,568</b>	<b>25,989,217</b>	<b>29,565,602</b>
	<b>B - Public Account of Federation Net Receipts</b>			
<b>G</b>	<b>8 Public Account Receipts</b>	<b>210,127</b>	<b>281,327</b>	<b>274,378</b>
	Deferred Liabilities (Net)	120,610	212,078	231,072
	Deposit and Reserves (Net)	89,517	69,249	43,306
	<b>9 Gross Federal Resources (7+8)</b>	<b>28,532,695</b>	<b>26,270,544</b>	<b>29,839,980</b>
	<b>10 Less Provincial Share in Federal Taxes</b>	<b>8,205,723</b>	<b>7,591,797</b>	<b>8,848,492</b>
	<b>11 Net Federal Resources (9-10)</b>	<b>20,326,972</b>	<b>18,678,747</b>	<b>20,991,488</b>
	<b>12 Cash Balance Surplus by the Provinces</b>	<b>1,464,000</b>	<b>1,379,000</b>	<b>1,793,844</b>
	<b>13 Privatization Proceeds</b>	<b>86,550</b>	<b>14,257</b>	<b>160,500</b>
	<b>14 Domestic Debt Receipts (Bank) - Net</b>	<b>1,970,590</b>	<b>198,631</b>	<b>2,218,176</b>
	<b>15 Total Resources (11+12+13+14)</b>	<b>23,848,112</b>	<b>20,270,635</b>	<b>25,164,008</b>

## REVENUE RECEIPTS

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

### **Tax Revenue Receipts**

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

(Rs in million)				
Object Code	Description	Budget Estimates 2025-26	Revised Estimates 2025-26	Budget Estimates 2026-27
<b>B</b>	<b>Tax Revenue</b>			
	<b>FBR Taxes</b>	<b>14,131,000</b>	<b>12,983,000</b>	<b>15,264,000</b>
<b>B01</b>	<b>i.Direct Taxes</b>	<b>6,902,000</b>	<b>6,431,754</b>	<b>7,613,000</b>
B011	Taxes on Income	6,811,243	6,331,484	7,480,521
B017-18	Capital Value Tax (CVT)	17,192	19,606	26,581
B01501	WWF (Ordinary Collection)	25,740	8,453	22,318
B01502	WPPF (Contribution under Companies Profit)	47,825	72,211	83,580
<b>B02</b>	<b>ii.Indirect Taxes</b>	<b>7,229,000</b>	<b>6,551,246</b>	<b>7,651,000</b>
B020-22	Customs Duties	1,588,000	1,366,047	1,651,000
B023	Sales Tax	4,753,000	4,333,908	4,927,000
B024-25	Federal Excise Duty	888,000	851,291	1,073,000
<b>1</b>	<b>Total Tax Revenue (i+ii)</b>	<b>14,131,000</b>	<b>12,983,000</b>	<b>15,264,000</b>

**Non-Tax Revenue Receipts**

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

(Rs in million)				
Object Code	Description	Budget Estimates 2025-26	Revised Estimates 2025-26	Budget Estimates 2026-27
<b>C</b>	<b>Non Tax Revenue</b>			
<b>B03</b>	<b>a) Levies and Fees</b>	<b>29,790</b>	<b>37,000</b>	<b>41,589</b>
B03087	Mobile Handset Levy	12,000	13,000	14,000
B013-030	Receipts of ICT Administration	17,737	23,928	27,517
B03064	Airport Fee	53	72	72
<b>C01</b>	<b>b) Income from Property and Enterprises</b>	<b>519,332</b>	<b>480,792</b>	<b>435,760</b>
C01008	PTA (4G/5G Licences)	22,049	24,973	27,685
C01012	PTA (Surplus)	1,100	1,640	1,300
C01012	Regulatory Authorities (Surplus)	6,239	3,387	4,736
C012-18	Mark up Receipts	283,810	249,792	271,653
<i>C012</i>	<i>Mark up Receipts (Provinces)</i>	<i>95,810</i>	<i>93,792</i>	<i>100,802</i>
<i>C013-18</i>	<i>Mark up Receipts ( PSEs &amp; Others)</i>	<i>188,000</i>	<i>156,000</i>	<i>170,851</i>
C019	Dividends	206,134	201,000	130,387
<b>C02</b>	<b>c) Receipts from Civil Administration &amp; Other Functions</b>	<b>2,450,392</b>	<b>2,467,764</b>	<b>1,480,183</b>
C021-24	General Administration Receipts	5,841	5,180	5,887
C02211	Surplus Profit of State Bank of Pakistan	2,400,000	2,428,364	1,435,750
C025	Defence Services Receipts	35,442	28,000	31,473
C026	Law and Order Receipts	5,625	3,350	4,091
C027	Community Services Receipts	1,904	1,315	1,339
C028-29	Social Services	1,580	1,554	1,643
<b>C03</b>	<b>d) Miscellaneous Receipts</b>	<b>2,147,576</b>	<b>2,107,809</b>	<b>3,378,066</b>
C031-35	Economic Services Receipts	34,785	65,168	72,727

*Contd.....*

(Rs in million)

Object Code	Description	Budget Estimates 2025-26	Revised Estimates 2025-26	Budget Estimates 2026-27
<b>Non-Tax Revenue</b>				
C03601	Foreign Grants (Budgetary Support)	2,000	6,000	2,000
C03725	Extraordinary Receipts (UNO)	31,200	24,700	25,600
C037	Extraordinary Receipts (Others)	6,400	4,914	5,903
C037	Grants/Receipts from Provinces under Article 164	-	-	1,035,000
C03897	Nationalization, Passport and Others	76,500	65,000	73,060
C038	Other Receipts of Attached Deptts	109,009	151,731	165,883
C03901	Petroleum Levy	1,468,395	1,498,000	1,676,509
C03902	Natural Gas Development Surcharge	49,437	63,000	70,814
C03905	Royalty on Crude Oil	69,000	40,000	45,504
C03906	Royalty on Natural Gas	138,000	85,000	95,000
C03910	Discount Retained on Local Crude Price	30,000	19,488	20,500
C03915	Windfall Levy against Crude Oil	20,000	16,106	17,000
C03916	Gas Infrastructure Development Cess	2,400	2,000	2,248
C03917	Petroleum Levy on LPG	5,000	3,463	3,455
C03919	Windfall Levy on Gas	450	1,239	1,127
C03920	Off the Grid (Captive Power Plant) Levy	105,000	14,000	15,736
C03924	Climate Support Levy	-	48,000	50,000
<b>C 2</b>	<b>Total Non-Tax Revenue (a+b+c+d)</b>	<b>5,147,090</b>	<b>5,093,364</b>	<b>5,335,598</b>
<b>3</b>	<b>Total Revenue Receipts (1+2)</b>	<b>19,278,090</b>	<b>18,076,364</b>	<b>20,599,598</b>

**CAPITAL RECEIPTS**

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

(Rs in million)				
Object Code	Description	Budget Estimates 2025-26	Revised Estimates 2025-26	Budget Estimates 2026-27
<b>E02</b>	<b>I. Recoveries of Loans and Advances</b>	<b>603,000</b>	<b>749,547</b>	<b>426,309</b>
E021	Provinces	584,000	584,000	407,309
E022-27	PSEs and Others	19,000	165,547	19,000
<b>E03</b>	<b>II. Total Domestic Debts Receipts (a+b)</b>	<b>16,671,113</b>	<b>28,788,804</b>	<b>27,752,272</b>
E031	<b>a) Permanent Debt Receipts</b>	<b>7,323,395</b>	<b>7,709,282</b>	<b>7,188,241</b>
	Pakistan Investment Bonds (Bank)	4,079,641	5,046,624	3,099,368
	Pakistan Investment Bonds (Non Bank)	326,754	529,340	681,873
	Premium Prize Bonds (Registered)	26,000	24,000	30,000
	Ijara Sukuk Bonds	2,514,000	2,109,318	3,000,000
	ICBC (Foreign Currency Denominated Domestic Loan)	377,000	-	377,000
E032	<b>b) Floating Debt Receipts</b>	<b>9,347,718</b>	<b>21,079,522</b>	<b>20,564,031</b>
	Prize Bonds	17,718	14,453	14,031
	Treasury Bills Through Auction	8,430,000	20,426,372	19,850,000
	Govt. Bai-Maujjal Ijara Sukuk	900,000	638,698	700,000
<b>4</b>	<b>Capital Gross Receipts (I+II)</b>	<b>17,274,113</b>	<b>29,538,351</b>	<b>28,178,581</b>
	<b>Domestic Debt Receipts</b>	<b>16,671,113</b>	<b>28,788,804</b>	<b>27,752,272</b>
	<b>Domestic Debt Repayment (page-17)</b>	<b>14,007,189</b>	<b>26,650,015</b>	<b>25,992,201</b>
	<b>Net Domestic Debt Receipts</b>	<b>2,663,924</b>	<b>2,138,789</b>	<b>1,760,071</b>
<b>5</b>	<b>Total Federal Internal Gross Receipts (3+4)</b>	<b>36,552,203</b>	<b>47,614,715</b>	<b>48,778,179</b>

## EXTERNAL RECEIPTS

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

(Rs in million)				
	Description	Budget Estimates 2025-26	Revised Estimates 2025-26	Budget Estimates 2026-27
	<b>I. Loans</b>	<b>5,047,928</b>	<b>4,403,351</b>	<b>6,206,394</b>
	<b>Project Loans (PSDP)</b>	<b>215,719</b>	<b>300,130</b>	<b>246,073</b>
	Federal	89,422	167,765	112,766
	Autonomous Bodies	126,297	132,365	133,307
	<b>Programme Loans &amp; Grants</b>	<b>418,699</b>	<b>430,405</b>	<b>418,024</b>
	Federal & Autonomous Bodies	330,267	313,555	335,313
	Provinces	88,433	113,490	82,711
	Programme Grants (Federal)	-	3,360	-
	<b>Other Loans</b>	<b>4,413,510</b>	<b>3,672,816</b>	<b>5,542,297</b>
	<b>II. Grants</b>	<b>13,281</b>	<b>10,849</b>	<b>8,927</b>
	<b>Project Grants (PSDP)</b>	<b>13,281</b>	<b>10,849</b>	<b>8,927</b>
	Federal (PSDP)	11,237	9,856	6,377
	Autonomous Bodies	2,044	993	2,550
	<b>a. External Receipts (I +II)</b>	<b>5,061,209</b>	<b>4,414,200</b>	<b>6,215,321</b>
	<b>b. Project Loans &amp; Grants (Others)</b>	<b>716,345</b>	<b>610,317</b>	<b>564,303</b>
	<b>Project Loans (Others)</b>	<b>686,761</b>	<b>580,148</b>	<b>533,036</b>
	Federal Projects	241	2,988	8,439
	Provinces	686,521	577,161	524,597
	<b>Grants (Others)</b>	<b>29,584</b>	<b>30,168</b>	<b>31,267</b>
	Federal Projects	2,195	3,475	406
	Provinces	27,388	26,694	30,861
<b>6</b>	<b>Total External Receipts</b>	<b>5,777,554</b>	<b>5,024,517</b>	<b>6,779,624</b>

**PUBLIC ACCOUNT RECEIPTS**

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

**National Savings Schemes**

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

(Rs in million)				
Object Code	Description	Budget Estimates 2025-26	Revised Estimates 2025-26	Budget Estimates 2026-27
<b>i. G111</b>	<b>Investment Deposit Accounts (Savings Schemes)</b>	<b>1,340,945</b>	<b>1,443,580</b>	<b>1,485,072</b>
G11101	Savings Bank Accounts	606,781	587,084	627,390
G11106	Defence Savings Certificates	37,130	23,332	23,162
G11111	Special Savings Certificates (Registered)	79,573	96,038	99,252
G11112	Special Savings Accounts	15,422	16,434	16,983
G11113	Regular Income Certificates	101,675	114,451	111,900
G11126	Pensionery Benefit Accounts	91,585	129,722	127,321
G11127	Behbood Saving Certificates	233,715	281,410	273,962
G11130	Shuhada Welfare Accounts	65	110	100
New	Sarwa Islamic Saving & Term Accounts	55,000	75,000	85,000
G11129	Short Term Savings Certificates	120,000	120,000	120,000
<b>ii. G061</b>	<b>Provident Fund</b>	<b>59,606</b>	<b>67,886</b>	<b>67,651</b>
	<b>Gross Public Account Receipts ( i+ii )</b>	<b>1,400,551</b>	<b>1,511,466</b>	<b>1,552,723</b>
<b>1</b>	<b>Gross Public Account Receipts (i+ii )</b>	<b>1,400,551</b>	<b>1,511,466</b>	<b>1,552,723</b>
	<b>Gross Public Account Expenditure (Page-18)</b>	<b>1,279,941</b>	<b>1,299,388</b>	<b>1,321,651</b>
	<b>Net Public Account Receipts</b>	<b>120,610</b>	<b>212,078</b>	<b>231,072</b>

*Contd.....*

**Deposits and Reserves (Receipts)**

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

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

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

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

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

(Rs in million)				
Object Code	Description	Budget Estimates 2025-26	Revised Estimates 2025-26	Budget Estimates 2026-27
<b>G</b>	<b>Deposits and Reserves</b>			
	<b>FGE Benevolent Funds</b>	<b>2,086</b>	<b>9,117</b>	<b>9,573</b>
G06202	Civil	1,994	9,074	9,527
G06205	Pakistan Post Office Deptt.	7	-	-
G06206	Housing & Works Division	53	20	21
G06209	National Savings	25	17	18
G06212	Geological Survey of Pakistan	7	6	6
	<b>Group Insurance Fund</b>	<b>485</b>	<b>552</b>	<b>579</b>
G06401	Housing & Works Division	9	5	5
G06404	National Savings	6	4	4
G06407	Geological Survey of Pakistan	3	2	2
G06409	Civil	466	540	567
G07104	Fed. Govt. Empl. Group Insur. Fund PPOD	1	-	-

**Contd.....**

(Rs in million)

Object Code	Description	Budget Estimates 2025-26	Revised Estimates 2025-26	Budget Estimates 2026-27
<b>G</b>	<b>Deposits and Reserves</b>			
	<b>Defence</b>	<b>29,078</b>	<b>11,733</b>	<b>12,319</b>
G06203	FG Employees Benevolent Fund (Defence)	4,483	4,447	4,669
G06410	Group Insurance Fund (Defence)	1,300	1,328	1,394
G11224	Deposits Accounts with Defence	23,295	5,958	6,256
	<b>Pakistan Post Office Department</b>	<b>-</b>	<b>209</b>	<b>219</b>
G07106	Pakistan Post Office Miscellaneous	-	209	219
	<b>Housing &amp; Works Division</b>	<b>3,575</b>	<b>947</b>	<b>994</b>
G10101	Receipts & Collection Account	465	38	40
G10113	Deposits	3,111	909	954
<b>G</b>	<b>Deposits and Reserves</b>	<b>172,831</b>	<b>325,650</b>	<b>130,989</b>
	<b>Miscellaneous Funds</b>			
G06304	Workers Welfare Fund	65,809	73,163	76,821
G06315	Judicial Officers Welfare Fund	3	3	3
G12140	PM Flood Relief Fund 2010	0	5	5
G12150	PM Relief Fund for IDPs 2014	175	-	-
G12152	Prime Minister's Flood Relief Fund - 2014	-	0.03	0.03
G12157	PM COVID-19 Pandemic Relief Fund 2020	0	0.02	0.02
G12164	PM's Relief Fund Flood, Earthquake Other Cal.	-	1,663	1,747
G12166	PM's Relief Fund for Turkiye & Syria Earthquake	-	25	26
G12169	PM's Relief Fund for Ghaza & Lebanon	169	15	16
G12186	Prime Minister's Austerity Fund, 2026	-	128,472	-
G12193	Prime Minister's Austerity Fund, 2026 for SOEs	-	81,086	-
G12206	Special Fund for Welfare and Uplift of Minorities	-	35	37
G12226	Federal Govt. Artists Welfare Fund (Heritage)	-	2	51
G12305	Export Development Fund	25,430	8,517	20,000
G11217	National Tariff Commission Fund	500	800	900
G12308	Reserve Fund for Exch. Risk on Foreign Loans	2,373	11,506	12,081
G12412	Pakistan Oil Seed Development Fund	189	191	201

**Contd.....**

(Rs in million)				
Object Code	Description	Budget Estimates 2025-26	Revised Estimates 2025-26	Budget Estimates 2026-27
<b>G</b>	<b>Deposits and Reserves</b>			
G12419	Research and Development Fund	3,800	3,583	4,154
G12421	Diamer Basha and Mohmand Dam Fund	61,757	5	5
G12504	Workers Children Education Fund	0.15	0.07	0.08
G12612	Fund for Urdu Science Board	1	3	3
G12712	Trust Interest Fund (Charitable Endowment)	4	2	2
G12738	National Fund for Control of Drug Abuse	20	81	85
G12783	Universal Service Fund	11,000	14,780	12,833
G1270G	Board of Investment	400	400	400
	<b>Miscellaneous Deposit and Reserve Accounts</b>			
G10104	Mint Receipt and Collection Account	-	114	119
G14100	Pakistan Mint	1,200	1,200	1,500
<b>2</b>	<b>Gross Receipts (Deposits and Reserves)</b>	<b>208,054</b>	<b>348,207</b>	<b>154,674</b>
	<b>Exp. Deposit and Reserves (page-23)</b>	<b>118,537</b>	<b>278,958</b>	<b>111,368</b>
	<b>Net Deposit and Reserves Receipts</b>	<b>89,517</b>	<b>69,249</b>	<b>43,306</b>
<b>3</b>	<b>Gross Receipts (1+2)</b>	<b>1,608,605</b>	<b>1,859,673</b>	<b>1,707,397</b>
	<b>Gross Expenditure (page-23)</b>	<b>1,398,478</b>	<b>1,578,346</b>	<b>1,433,019</b>
<b>7</b>	<b>PUBLIC ACCOUNT NET RECEIPTS</b>	<b>210,127</b>	<b>281,327</b>	<b>274,378</b>

**SUMMARY OF EXPENDITURE  
(Current & Development)**

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

(Rs in million)

Function Code	Description	Budget Estimates 2025-26	Revised Estimates 2025-26	Budget Estimates 2026-27
	<b>Current Expenditure</b>			
	<b>a. Current Exp. on Revenue Account</b>	<b>16,286,045</b>	<b>15,006,324</b>	<b>17,495,417</b>
01	General Public Services	12,210,851	10,782,451	12,799,647
02	Defence Affairs and Services	2,557,950	2,595,715	3,010,900
03	Public Order and Safety Affairs	351,679	373,317	389,469
04	Economic Affairs	242,144	245,222	238,438
05	Environment Protection	3,168	2,740	2,406
06	Housing and Community Amenities	19,249	12,560	18,570
07	Health	31,975	60,245	37,438
08	Recreation, Culture and Religion	22,158	36,317	23,796
09	Education Affairs and Services	112,683	169,026	117,748
10	Social Protection	734,187	728,730	857,007
	<b>b. Current Exp. on Capital Account</b>	<b>5,787,114</b>	<b>3,607,449</b>	<b>6,061,282</b>
011	Foreign Loans Repayment	5,472,222	3,326,037	5,836,275
011	Repayment of Short Term Foreign	199,810	164,453	130,292
014	Transfers	115,082	116,959	94,715
<b>1</b>	<b>Total Current Expenditure (a + b)</b>	<b>22,073,159</b>	<b>18,613,773</b>	<b>23,556,699</b>
	<b>Development Expenditure</b>			
	<b>c. Dev. Exp. on Revenue Account</b>	<b>590,774</b>	<b>501,057</b>	<b>575,295</b>
	<b>d. Dev. Exp. on Capital Account</b>	<b>1,184,179</b>	<b>1,155,804</b>	<b>1,032,014</b>
<b>2</b>	<b>Total Development Expenditure (c+d)</b>	<b>1,774,953</b>	<b>1,656,862</b>	<b>1,607,309</b>
	<b>Grand Total - Expenditure (1+2)</b>	<b>23,848,112</b>	<b>20,270,635</b>	<b>25,164,008</b>
<b>3</b>	<b>Break-up of Expenditure</b>			
	<b>Revenue Account (a+c)</b>	<b>16,876,819</b>	<b>15,507,381</b>	<b>18,070,713</b>
	<b>Capital Account (b+d)</b>	<b>6,971,293</b>	<b>4,763,254</b>	<b>7,093,295</b>
	<b>Total Expenditure:</b>	<b>23,848,112</b>	<b>20,270,635</b>	<b>25,164,008</b>

**Current Expenditure on Revenue Account**

(Rs in million)

Function Code	Description	Budget Estimates 2025-26	Revised Estimates 2025-26	Budget Estimates 2026-27
<b>01</b>	<b>General Public Service</b>	<b>12,210,851</b>	<b>10,782,451</b>	<b>12,799,647</b>
011	<b>Executive &amp; Legislative Organs, Financial &amp; Fiscal Affairs, External Affairs</b>	<b>10,397,794</b>	<b>8,861,174</b>	<b>10,326,003</b>
	Debt Servicing	<b>8,207,250</b>	<b>6,937,459</b>	<b>8,054,000</b>
	Servicing of Foreign Debt	1,009,322	930,918	1,071,393
	Servicing of Domestic Debt	7,197,928	6,006,541	6,982,607
	Superannuation Allowances & Pensions	1,055,000	1,055,000	1,169,000
	Others (Details are in "Demands for Grants & Appropriation" book.)	1,135,544	868,715	1,103,003
012	Foreign Economic Aid	5,793	5,793	5,203
014	Transfers	<b>1,682,477</b>	<b>1,791,068</b>	<b>2,330,690</b>
	Provinces	150,000	150,000	152,000
	Others (Details are in "Budget in Brief" book.)	1,532,477	1,641,068	2,178,690
015	General Services	23,990	22,404	25,073
016	Basic Research	10,229	9,758	11,080
017	Research & Dev. General Public Services	30,214	30,088	33,246
018	Admn. of General Public Service	9,869	10,031	10,578
019	Gen. Public Services not elsewhere defined	50,484	52,137	57,774
<b>02</b>	<b>Defence Affairs and Services</b>	<b>2,557,950</b>	<b>2,595,715</b>	<b>3,010,900</b>
021	Defence Services	2,550,000	2,583,968	3,000,000
A01	Employees Related Expenses	846,032	851,080	967,548
A03	Operating Expenses	704,399	721,030	743,462
A09	Physical Assets	663,077	663,923	925,833
A12	Civil Works	336,492	347,935	363,158
025	Defence Administration	7,950	11,747	10,900
<b>03</b>	<b>Public Order and Safety Affairs</b>	<b>351,679</b>	<b>373,317</b>	<b>389,469</b>
031	Law Courts	19,380	21,532	25,756
032	Police & Civil Armed Forces	321,177	327,670	350,404
033	Fire Protection	709	671	748
034	Prison Administration and Operation	181	167	187
035	R&D Public Order and Safety	98	195	104
036	Administration of Public Order	10,135	23,082	12,270

**Contd.....**

**Current Expenditure on Revenue Account**

(Rs in million)

Function Code	Description	Budget Estimates 2025-26	Revised Estimates 2025-26	Budget Estimates 2026-27
<b>04</b>	<b>Economic Affairs</b>	<b>242,144</b>	<b>245,222</b>	<b>238,438</b>
041	Gen. Eco., Commercial & Labour Affairs	117,035	103,642	110,199
042	Agri., Food, Irrigation, Forestry & Fisheries	33,476	40,645	33,204
043	Fuel and Energy	2,397	2,343	1,360
044	Mining and Manufacturing	7,586	18,888	10,267
045	Construction and Transport	46,228	44,998	46,405
046	Communications	33,103	32,369	34,517
047	Other Industries	1,525	1,568	1,527
048	Research & Development Economic Affairs	793	768	957
<b>05</b>	<b>Environment Protection</b>	<b>3,168</b>	<b>2,740</b>	<b>2,406</b>
053	Pollution Abatement	2,155	1,655	1,155
055	Administration of Environment Protection	1,013	1,085	1,251
<b>06</b>	<b>Housing and Community Amenities</b>	<b>19,249</b>	<b>12,560</b>	<b>18,570</b>
061	Housing Development	1,588	129	143
062	Community Development	17,661	12,431	18,427
<b>07</b>	<b>Health</b>	<b>31,975</b>	<b>60,245</b>	<b>37,438</b>
071	Medical Products, Appliances and Equipments	32	33	38
073	Hospital Services	24,035	24,547	28,779
074	Public Health Services	1,139	30,813	1,204
076	Health Administration	6,768	4,851	7,417

**Contd.....**

**Current Expenditure on Revenue Account**

(Rs in million)

Function Code	Description	Budget Estimates 2025-26	Revised Estimates 2025-26	Budget Estimates 2026-27
<b>08</b>	<b>Recreation, Culture and Religion</b>	<b>22,158</b>	<b>36,317</b>	<b>23,796</b>
081	Recreational and Sporting Services	-	70	-
082	Cultural Services	1,503	1,473	1,591
083	Broadcasting and Publishing	16,488	31,074	17,673
084	Religious Affairs	2,094	2,029	2,204
086	Admn. of Information, Recreation & Culture	2,074	1,671	2,328
<b>09</b>	<b>Education Affairs and Services</b>	<b>112,683</b>	<b>169,026</b>	<b>117,748</b>
091	Pre-Primary and Primary Education Affairs and Services	5,841	5,904	6,275
092	Secondary Education Affairs and Services	14,420	14,704	16,015
093	Tertiary Education Affairs and Services	82,012	83,569	84,462
094	Education Services Not definable by Level	3,738	4,014	3,878
095	Subsidiary Services to Education	392	406	410
096	Administration	4,825	4,457	5,224
097	Education Affairs & Services not Elsewhere Classified	1,455	55,973	1,484
<b>10</b>	<b>Social Protection</b>	<b>734,187</b>	<b>728,730</b>	<b>857,007</b>
107	Administration	5,890	9,555	4,975
108	Others	1,303	1,643	2,556
109	Social Protection (Not elsewhere classified)	726,994	717,532	849,477
	<b>a.Current Expenditure on Revenue Account</b>	<b>16,286,045</b>	<b>15,006,324</b>	<b>17,495,417</b>

Revised Estimates 2025-26 are as of 15th May, 2026 based on SAP System

**Current Expenditure on Capital Account**

(Rs in million)

Function Code	Description	Budget Estimates 2025-26	Revised Estimates 2025-26	Budget Estimates 2026-27
01	<b>General Public Service</b>	<b>5,787,114</b>	<b>3,607,449</b>	<b>6,061,282</b>
011	Foreign Loan Repayment	5,472,222	3,326,037	5,836,275
011	Repayment of Short Term Foreign Credits	199,810	164,453	130,292
014	Transfers	<b>115,082</b>	<b>116,959</b>	<b>94,715</b>
	Federal Misc. Investments and Other Loans and Advances	115,082	116,959	94,715
	<b>b. Current Expenditure on Capital Account</b>	<b>5,787,114</b>	<b>3,607,449</b>	<b>6,061,282</b>
	<b>I. Total Current Expenditure (a+b)</b>	<b>22,073,159</b>	<b>18,613,773</b>	<b>23,556,699</b>

**Development Expenditure on Revenue Account**

(Rs in million)

Function Code	Description	Budget Estimates 2025-26	Revised Estimates 2025-26	Budget Estimates 2026-27
<b>01</b>	<b>General Public Service</b>	<b>391,839</b>	<b>313,426</b>	<b>367,805</b>
011	Executive & Legislative Organs, Financial & Fiscal Affairs, External Affairs	10,481	17,830	13,846
014	Transfers	331,130	252,384	294,286
015	General Services	29,260	26,749	36,982
016	Basic Research	19,670	15,708	22,198
017	Research & Dev. General Public Services	921	463	160
019	General Public Services not elsewhere defined	377	291	333
<b>02</b>	<b>Defence Affairs and Services</b>	<b>2,720</b>	<b>2,668</b>	<b>2,961</b>
021	Military Defence	556	865	387
024	R & D Defence	248	246	1,054
025	Defence Administration	1,916	1,557	1,520
<b>03</b>	<b>Public Order and Safety Affairs</b>	<b>2,921</b>	<b>2,103</b>	<b>5,743</b>
031	Law Courts	1,912	1,583	2,403
032	Police and Civil Armed Forces	986	497	3,340
036	Administration of Public Order	23	23	-
<b>04</b>	<b>Economic Affairs</b>	<b>105,611</b>	<b>104,589</b>	<b>79,382</b>
041	Gen. Eco. Commercial and Labour Affairs	4,058	1,064	2,563
042	Agri,Food, Irrigation, Forestry & Fisheries	72,162	69,779	49,629
043	Fuel and Energy	7,009	13,367	8,451
044	Mining and Manufacturing	1,105	420	761
045	Construction and Transport	20,325	17,794	16,965
046	Communications	814	2,066	449
048	Research & Development Economic Affairs	138	99	564
<b>05</b>	<b>Environment Protection</b>	<b>2,784</b>	<b>2,292</b>	<b>2,478</b>
055	Administration of Environment Protection	2,784	2,292	2,478
<b>06</b>	<b>Housing and Community Amenities</b>	<b>7,977</b>	<b>6,596</b>	<b>14,189</b>
062	Community Development	7,971	6,590	14,189
063	Water Supply	6	6	-

**Contd.....**

**DEVELOPMENT EXPENDITURE ON REVENUE ACCOUNT**

(Rs in million)

Function Code	Description	Budget Estimates 2025-26	Revised Estimates 2025-26	Budget Estimates 2026-27
<b>07</b>	<b>Health</b>	<b>15,102</b>	<b>13,691</b>	<b>18,217</b>
073	Hospital Services	6,107	6,273	8,690
074	Public Health Services	8,700	7,138	5,962
076	Health Administration	295	280	3,565
<b>08</b>	<b>Recreation, Culture and Religion</b>	<b>3,697</b>	<b>2,479</b>	<b>2,822</b>
081	Recreation and Sporting Services	1,180	1,180	1,851
082	Cultural Services	250	-	-
083	Broadcasting and Publishing	1,616	1,249	659
084	Religious Affairs	650	50	312
<b>09</b>	<b>Education Affairs and Services</b>	<b>55,824</b>	<b>52,639</b>	<b>76,381</b>
093	Tertiary Edu. Affairs & Services	52,175	50,638	72,059
095	Subsidiary Services to Education	650	362	722
096	Administration	750	-	-
097	Education Affairs & Services not Elsewhere Classified	2,249	1,639	3,600
<b>10</b>	<b>Social Protection</b>	<b>2,300</b>	<b>574</b>	<b>5,317</b>
107	Administration	2,300	574	5,317
	<b>c. Dev. Exp. on Revenue Account</b>	<b>590,774</b>	<b>501,057</b>	<b>575,295</b>

Revised Estimates of Development Expenditure 2025-26 are as of 15th May, 2026 based on SAP System

**DEVELOPMENT EXPENDITURE ON CAPITAL ACCOUNT**

(Rs in Million)

Function Code	Description	Budget Estimates 2025-26	Revised Estimates 2025-26	Budget Estimates 2026-27
<b>01</b>	<b>General Public Service</b>	<b>1,163,036</b>	<b>1,131,537</b>	<b>1,006,723</b>
014	Transfers	1,162,275	1,130,776	1,005,388
017	Research and Dev. General Public Services	761	761	1,335
<b>04</b>	<b>Economic Affairs</b>	<b>21,144</b>	<b>24,268</b>	<b>25,290</b>
041	Gen. Eco., Commercial and Labour Affairs	719	368	312
043	Fuel and Energy	-	244	-
044	Mining and Manufacturing	1,904	1,714	6,658
045	Construction and Transport	17,280	21,309	17,821
046	Communications	1,241	632	500
	<b>d. Dev. Expenditure on Capital Account</b>	<b>1,184,179</b>	<b>1,155,804</b>	<b>1,032,014</b>
	<b>II.Total Development Expenditure (c+d)</b>	<b>1,774,953</b>	<b>1,656,862</b>	<b>1,607,309</b>
	<b>III.Total Exp. (Current+Development)</b>	<b>23,848,112</b>	<b>20,270,635</b>	<b>25,164,008</b>

**CAPITAL EXPENDITURE**

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

(Rs in million)

Object Code	Description	Budget Estimates 2025-26	Revised Estimates 2025-26	Budget Estimates 2026-27
<b>A101</b>	<b>i.Domestic Permanent Debt</b>	<b>6,069,033</b>	<b>6,807,142</b>	<b>6,488,501</b>
	Pakistan Investment Bonds (Bank)	4,079,641	5,046,624	3,099,368
	Pakistan Investment Bonds (Non Bank)	179,359	481,371	295,632
	Foreign Exchange Bearer Certificates	1	0.01	0.10
	Foreign Currency Bearer Certificates	1	0.01	0.10
	US Dollar Bearer Certificates	1	0.01	0.10
	Special US Dollar Bonds	30	0.03	0.30
	Premium Prize Bonds (Registered)	16,000	12,000	15,000
	Ijara Sukuk Bond	1,414,000	1,265,712	2,700,000
	Pakistan Banao Certificates (5-years)	3,000	1,435	1,500
	Principal Repayment of Foreign Currency Denomated - Domestic Debt	377,000	-	377,000
<b>A104</b>	<b>ii.Floating Debt</b>	<b>7,938,156</b>	<b>19,842,874</b>	<b>19,503,700</b>
	Prize Bonds	5,156	3,694	3,700
	Treasury Bills through Auction	7,930,000	19,836,680	19,500,000
	Bai-Maujjal Ijara Sukuk Bonds	3,000	2,500	-
<b>A10</b>	<b>IV. Total Public Debt Repayment (i+ii)</b>	<b>14,007,189</b>	<b>26,650,015</b>	<b>25,992,201</b>
	<b>V. Total - Federal Consolidated Fund Disbursement (III+IV)</b>	<b>37,855,301</b>	<b>46,920,650</b>	<b>51,156,209</b>

## PUBLIC ACCOUNT EXPENDITURE

**National Savings Schemes**

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

(Rs in million)

Object Code	Description	Budget Estimates 2025-26	Revised Estimates 2025-26	Budget Estimates 2026-27
<b>i. G111</b>	<b>Investment Deposit Accounts (Savings Schemes)</b>	<b>1,199,657</b>	<b>1,211,018</b>	<b>1,237,670</b>
G11101	Savings Bank Accounts	597,849	586,921	617,333
G11103	Khas Deposit Accounts	5	5	5
G11104	Mahana Amadni Accounts	100	110	100
G11106	Defence Savings Certificates	53,940	42,065	44,516
G11108	National Deposit Certificates	1	1	1
G11109	Khaas Deposit Certificates	1	1	1
G11111	Special Savings Certificates (Registered)	74,554	88,070	89,782
G11112	Special Savings Accounts	14,449	15,070	15,363
G11113	Regular Income Certificate	72,519	57,311	57,032
G11126	Pensionery Benefits	61,410	62,788	63,693
G11127	Behbood Saving Certificate	158,803	154,632	159,819
G11130	Shauhda Welfare Account	25	45	25
New	Sarwa Islamic Saving & Term Accounts	51,000	62,000	60,000
	Short Term Savings Certificates (STSC)	115,000	142,000	130,000
<b>ii. G061</b>	<b>Provident Fund</b>	<b>80,285</b>	<b>88,370</b>	<b>83,981</b>
<b>1</b>	<b>Total Expenditure ( i+ii )</b>	<b>1,279,941</b>	<b>1,299,388</b>	<b>1,321,651</b>

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### **Deposits and Reserves**

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

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

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

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

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

(Rs in million)

Object Code	Description	Budget Estimates 2025-26	Revised Estimates 2025-26	Budget Estimates 2026-27
<b>G</b>	<b>Deposits and Reserves</b>			
	<b>FGE Benevolent Funds</b>	<b>1,535</b>	<b>8,951</b>	<b>9,398</b>
G06202	Civil	1,455	8,913	9,359
G06206	Housing & Works Division	50	17	18
G06209	National Savings	23	17	18
G06212	Geological Survey of Pakistan	6	4	4
	<b>Group Insurance Fund</b>	<b>270</b>	<b>466</b>	<b>489</b>
G06401	Housing & Works Division	5	6	6
G06404	National Savings	6	4	4
G06407	Geological Survey of Pakistan	2	2	2
G06409	Civil	257	454	477

**Contd.....**

(Rs in million)				
Object Code	Description	Budget Estimates 2025-26	Revised Estimates 2025-26	Budget Estimates 2026-27
<b>G</b>	<b>Deposits and Reserves</b>			
	<b>Defence</b>	<b>8,748</b>	<b>8,998</b>	<b>9,448</b>
G06203	FG Employees Benevolent Fund (Defence)	3,851	3,815	4,006
G06410	Group Insurance Fund (Defence)	1,272	1,295	1,359
G11224	Deposits Accounts with Defence	3,625	3,888	4,082
	<b>Pakistan Post Office Department</b>	<b>2</b>	<b>138</b>	<b>145</b>
G07101	Post Office Renewal Reserve Fund	2	-	-
G07106	Pakistan Post Office Miscellaneous	-	138	145
	<b>Housing &amp; Works Division</b>	<b>21,476</b>	<b>2,775</b>	<b>2,914</b>
G10101	Receipts & Collection Account	465	30	32
G10113	Deposits	21,011	2,745	2,882
<b>G</b>	<b>Deposits and Reserves</b>	<b>86,506</b>	<b>257,630</b>	<b>88,973</b>
	<b>Miscellaneous Funds</b>			
G06304	Workers Welfare Fund	23,782	27,885	29,279
G06315	Judicial Officers Welfare Fund	0.19	0.349	0.366
G12140	PM Flood Relief Fund 2010	0.00	0.183	0.192
G12150	PM Relief Fund for IDPs 2014	1,379	-	-
G12152	Prime Minister's Flood Relief Fund - 2014	-	0.07	0.08
G12157	PM COVID-19 Pandemic Relief Fund 2020	-	0.02	0.02
G12164	PM's Relief Fund Flood, Earthquake Other Cal.	-	935	982
G12166	PM's Relief Fund for Turkiye & Syria Earthquake	-	0.29	0.30
G12169	PM's Relief Fund for Ghaza & Lebanon	1	171	179
G12186	Prime Minister's Austerity Fund, 2026	-	127,112	1,361
G12193	Prime Minister's Austerity Fund, 2026 for SOEs	-	64,426	16,660
G12206	Special Fund for Welfare & Uplift of Minorities	-	19	19
G12226	Federal Govt. Artists Welfare Fund (Heritage)	-	67	55
G12305	Export Development Fund	12,300	27,300	30,000
G11217	National Tariff Commission Fund	500	-	-

**Contd.....**

(Rs in million)				
Object Code	Description	Budget Estimates 2025-26	Revised Estimates 2025-26	Budget Estimates 2026-27
G12308	Reserve Fund for Exch. Risk on Foreign Loans	-	-	-
G12412	Pakistan Oil Seed Development Fund	-	-	-
G12419	Reserch & Development Fund	2,167	1,651	1,734
G12421	Diamer Bhasha and Mohmand Dam Fund	30,878	-	-
G12504	Workers Children Education Fund	-	-	-
G12612	Fund for Urdu Science Board	0.18	2	3
G12712	Trust Interest Fund (Charitable Endowment)	-	0.02	0.02
G12738	National Fund for Control of Drug Abuse	-	0.06	0.07
G12783	Universal Service Fund	10,431	6,648	6,981
G1270G	Board of Investment	100	100	100
<b>G</b>	<b>Deposits and Reserves</b>			
	<b>Miscellaneous Deposits and Reserves Accounts</b>			
G10104	Mint Receipt and Collection Account	3,768	114	119
G14100	Pakistan Mint	1,200	1,200	1,500
<b>2</b>	<b>Total Deposits and Reserves</b>	<b>118,537</b>	<b>278,958</b>	<b>111,368</b>
<b>3</b>	<b>Total Public Account Expenditure (1+2)</b>	<b>1,398,478</b>	<b>1,578,346</b>	<b>1,433,019</b>

**STATEMENT OF ESTIMATED CHARGED  
AND VOTED EXPENDITURE**

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

(Rs in million)

Object Code	Description	Budget Estimates 2025-26	Revised Estimates 2025-26	Budget Estimates 2026-27
<b>I.</b>	<b>Expenditure on Revenue Account</b>	<b>16,876,819</b>	<b>15,507,381</b>	<b>18,070,713</b>
	Current	16,286,045	15,006,324	17,495,417
	Development	590,774	501,057	575,295
	<b>Total-Authorized Expenditure</b>	<b>16,876,819</b>	<b>15,507,381</b>	<b>18,070,713</b>
	<i>Charged</i>	<i>8,319,604</i>	<i>7,051,096</i>	<i>8,175,483</i>
	Voted	8,557,215	8,456,285	9,895,229
<b>II.</b>	<b>Expenditure on Capital Account</b>	<b>20,978,482</b>	<b>31,413,269</b>	<b>33,085,496</b>
	Current	19,794,303	30,257,464	32,053,483
	Development	1,184,179	1,155,804	1,032,014
	<b>Total Authorized Expenditure</b>	<b>20,978,482</b>	<b>31,413,269</b>	<b>33,085,496</b>
	<i>Charged</i>	<i>20,454,174</i>	<i>30,915,459</i>	<i>32,566,077</i>
	Voted	524,308	497,810	519,419
<b>III.</b>	<b>Total Expenditure met from Federal</b>			
	<b>Consolidated Fund</b>	<b>37,855,301</b>	<b>46,920,650</b>	<b>51,156,209</b>
	Current Expenditure	36,080,348	45,263,788	49,548,900
	Development Expenditure	1,774,953	1,656,862	1,607,309
<b>IV.</b>	<b>Total-Authorized Expenditure</b>	<b>37,855,301</b>	<b>46,920,650</b>	<b>51,156,209</b>
	<i>Charged - Total</i>	<i>28,773,778</i>	<i>37,966,554</i>	<i>40,741,560</i>
	Voted - Total	9,081,523	8,954,095	10,414,649

## **Statement of Purpose**

This Statement is submitted in accordance with Section 4 of the Public Finance Management Act, 2019 (as amended to date). The demands for grants for FY2026-27 reflect the Federal Government's commitment to fiscal discipline, macroeconomic stability, and efficient allocation of public resources in line with its medium-term reform and development priorities.

In framing the budget, priority has been accorded to key sectors including health, education, social protection, climate resilience, gender equity and human capital development. The Government remains committed to improving the quality and targeting of public expenditure while ensuring adequate fiscal space for essential social and development needs.

At the same time, the budget continues to support economic recovery and inclusive growth through sustained support for productive sectors, including agriculture, industry, and small and medium enterprises, alongside measures to enhance competitiveness, employment generation, and private sector participation.

**IMDAD ULLAH BOSAL**

Secretary to the Government of Pakistan

**Finance Division**

Islamabad, the 12<sup>th</sup> June, 2026

**Statement of Demand-Wise Expenditure for Budget Estimates 2026-27 (Schedule I)**

(Rs. in million)

Demand No.	Ministries / Divisions	Budget Estimates 2026-27		
		Charged	Voted	Total
1	CABINET	-	710	710
2	CABINET DIVISION	-	5,941	5,941
3	EMERGENCY RELIEF AND REPATRIATION	-	1,797	1,797
4	ATOMIC ENERGY	-	22,578	22,578
5	PAKISTAN NUCLEAR REGULATORY AUTHORITY	-	2,357	2,357
6	NAYA PAKISTAN HOUSING DEVELOPMENT AUTHORITY	-	143	143
7	PRIME MINISTER'S OFFICE (INTERNAL)	-	895	895
8	PRIME MINISTER'S OFFICE (PUBLIC)	-	921	921
9	NATIONAL DISASTER MANAGEMENT AUTHORITY	-	1,048	1,048
10	BOARD OF INVESTMENT	-	858	858
11	PRIME MINISTER'S INSPECTION COMMISSION	-	200	200
12	SPECIAL TECHNOLOGY ZONE AUTHORITY	-	952	952
13	NATIONAL ANTI-MONEY LAUNDERING & COUNTER FINANCING OF TERRORISM AUTHORITY	-	205	205
14	CANNABIS CONTROL & REGULATORY AUTHORITY	-	250	250
15	ESTABLISHMENT DIVISION	-	10,177	10,177
16	FEDERAL PUBLIC SERVICE COMMISSION	-	1,474	1,474
17	NATIONAL SCHOOL OF PUBLIC POLICY	-	3,515	3,515
18	CIVIL SERVICES ACADEMY	-	2,088	2,088
19	NATIONAL SECURITY DIVISION	-	489	489
20	COUNCIL OF COMMON INTEREST (SECRETARIAT)	-	118	118
21	SPECIAL INVESTMENT FACILITATION COUNCIL DIVISION (SIFCD)	-	354	354
22	INTELLIGENCE BUREAU DIVISION	-	22,961	22,961
23	CLIMATE CHANGE AND ENVIRONMENTAL COORDINATION DIVISION	-	1,315	1,315
24	COMMERCE DIVISION	-	27,910	27,910
25	COMMUNICATIONS DIVISION	-	355	355
26	OTHER EXPENDITURE OF COMMUNICATIONS DIVISION	-	36,137	36,137
27	PAKISTAN POST OFFICE DEPARTMENT	5	25,537	25,542
28	DEFENCE DIVISION	-	17,101	17,101
29	FEDERAL GOVERNMENT EDUCATIONAL INSTITUTIONS IN CANTONMENTS AND GARRISONS	-	17,582	17,582
30	AIRPORTS SECURITY FORCE	-	21,651	21,651
31	DEFENCE SERVICES	-	3,000,000	3,000,000
32	DEFENCE PRODUCTION DIVISION	-	1,140	1,140
33	ECONOMIC AFFAIRS DIVISION	-	985	985
34	MISCELLANEOUS EXPENDITURE OF ECONOMIC AFFAIRS DIVISION	-	14,026	14,026
35	POWER DIVISION	-	578,837	578,837
36	PETROLEUM DIVISION	-	1,112	1,112
37	GEOLOGICAL SURVEY OF PAKISTAN	-	1,201	1,201

## Statement of Demand-Wise Expenditure for Budget Estimates 2026-27 (Schedule I)

(Rs. in million)

Demand No.	Ministries / Divisions	Budget Estimates 2026-27		
		Charged	Voted	Total
38	FEDERAL EDUCATION AND PROFESSIONAL TRAINING DIVISION	-	42,748	42,748
39	HIGHER EDUCATION COMMISSION (HEC)	-	66,432	66,432
40	NATIONAL RAHMATUL-LIL-AALAMEEN WA KHATAMUN NABIYYIN AUTHORITY	-	116	116
41	NATIONAL VOCATIONAL & TECHNICAL TRAINING COMMISSION (NAVTTTC)	-	1,092	1,092
42	NATIONAL HERITAGE AND CULTURE DIVISION	-	2,605	2,605
43	FINANCE DIVISION	-	5,661	5,661
44	OTHER EXPENDITURE OF FINANCE DIVISION	-	9,873	9,873
45	CONTROLLER GENERAL OF ACCOUNTS	-	14,914	14,914
46	SUPERANNUATION ALLOWANCES AND PENSIONS	6,936	1,162,064	1,169,000
47	GRANTS SUBSIDIES AND MISCELLANEOUS EXPENDITURE	57,000	2,504,467	2,561,467
48	REVENUE DIVISION	-	106	106
49	FEDERAL BOARD OF REVENUE	-	85,604	85,604
50	FOREIGN AFFAIRS DIVISION	-	5,012	5,012
51	FOREIGN MISSIONS	500	63,160	63,660
52	HOUSING AND WORKS DIVISION	-	5,925	5,925
53	HUMAN RIGHTS DIVISION	-	1,832	1,832
54	NATIONAL COMMISSION FOR HUMAN RIGHTS	-	271	271
55	NATIONAL COMMISSION ON THE RIGHTS OF CHILD	-	98	98
56	NATIONAL COMMISSION ON THE STATUS OF WOMEN	-	132	132
57	INDUSTRIES AND PRODUCTION DIVISION	-	22,882	22,882
58	INFORMATION AND BROADCASTING DIVISION	-	11,015	11,015
59	MISCELLANEOUS EXPENDITURE OF INFORMATION AND BROADCASTING DIVISION	-	15,898	15,898
60	INFORMATION TECHNOLOGY AND TELECOMMUNICATION DIVISION	-	22,495	22,495
61	INTERIOR AND NARCOTICS CONTROL DIVISION	-	26,652	26,652
62	OTHER EXPENDITURE OF INTERIOR DIVISION	-	23,125	23,125
63	ISLAMABAD CAPITAL TERRITORY (ICT)	-	23,221	23,221
64	COMBINED CIVIL ARMED FORCES	-	298,052	298,052
65	NATIONAL COUNTER TERRORISM AUTHORITY	-	1,356	1,356
66	INTER-PROVINCIAL COORDINATION DIVISION	-	3,171	3,171
67	KASHMIR AFFAIRS, GILGIT-BALTISTAN AND STATES AND FRONTIER REGIONS DIVISION	-	2,557	2,557
68	LAW AND JUSTICE DIVISION	539	11,123	11,663
69	FEDERAL JUDICIAL ACADEMY	-	355	355
70	FEDERAL SHARIAT COURT	-	1,127	1,127
71	COUNCIL OF ISLAMIC IDEOLOGY	-	322	322
72	NATIONAL ACCOUNTABILITY BUREAU	-	7,740	7,740
73	DISTRICT JUDICIARY, ISLAMABAD CAPITAL TERRITORY	-	1,848	1,848

## Statement of Demand-Wise Expenditure for Budget Estimates 2026-27 (Schedule I)

(Rs. in million)

Demand No.	Ministries / Divisions	Budget Estimates 2026-27		
		Charged	Voted	Total
74	MARITIME AFFAIRS DIVISION	-	2,344	2,344
75	NATIONAL ASSEMBLY	7,969	9,036	17,005
76	THE SENATE	6,453	3,217	9,670
77	NATIONAL FOOD SECURITY AND RESEARCH DIVISION	-	22,232	22,232
78	PAKISTAN AGRICULTURAL RESEARCH COUNCIL	-	7,291	7,291
79	NATIONAL HEALTH SERVICES, REGULATIONS AND COORDINATION DIVISION	-	37,222	37,222
80	OVERSEAS PAKISTANIS AND HUMAN RESOURCE DEVELOPMENT DIVISION	-	3,735	3,735
81	PARLIAMENTARY AFFAIRS DIVISION	-	1,209	1,209
82	PLANNING, DEVELOPMENT AND SPECIAL INITIATIVES DIVISION	-	9,584	9,584
83	POVERTY ALLEVIATION AND SOCIAL SAFETY DIVISION	-	806	806
84	BENAZIR INCOME SUPPORT PROGRAME (BISP)	-	844,780	844,780
85	PAKISTAN BAIT-UL-MAL	-	14,390	14,390
86	PRIVATIZATION DIVISION	-	1,330	1,330
87	RAILWAYS DIVISION	-	70,478	70,478
88	RELIGIOUS AFFAIRS AND INTER-FAITH HARMONY DIVISION	-	2,091	2,091
89	SCIENCE AND TECHNOLOGY DIVISION	-	15,974	15,974
90	WATER RESOURCES DIVISION	-	4,241	4,241
91	FEDERAL MISCELLANEOUS INVESTMENTS AND OTHER LOANS AND ADVANCES	-	94,715	94,715
92	DEVELOPMENT EXPENDITURE OF CABINET DIVISION	-	63,516	63,516
93	DEVELOPMENT EXPENDITURE OF BOARD OF INVESTMENT	-	761	761
94	DEVELOPMENT EXPENDITURE OF SPECIAL TECHNOLOGY ZONES AUTHORITY	-	564	564
95	DEVELOPMENT EXPENDITURE OF ESTABLISHMENT DIVISION	-	1,786	1,786
96	DEVELOPMENT EXPENDITURE OF SUPARCO	-	4,895	4,895
97	DEVELOPMENT EXPENDITURE OF SIFC DIVISION	-	480	480
98	DEVELOPMENT EXP OF CLIMATE CHANGE AND ENV. COORDINATION DIVISION	-	2,478	2,478
99	DEVELOPMENT EXPENDITURE OF COMMERCE DIVISION	-	89	89
100	DEVELOPMENT EXPENDITURE COMMUNICATION DIVISION	-	4,440	4,440
101	DEVELOPMENT EXPENDITURE OF DEFENCE DIVISION	-	10,903	10,903
102	DEVELOPMENT EXPENDITURE OF DEFENCE PRODUCTION DIVISION	-	980	980
103	DEVELOPMENT EXPENDITURE OF POWER DIVISION	-	3,197	3,197
104	DEVELOPMENT EXPENDITURE OF FEDERAL EDUCATION & PR. TR. DIVISION	-	28,411	28,411

**Statement of Demand-Wise Expenditure for Budget Estimates 2026-27 (Schedule I)**

(Rs. in million)

Demand No.	Ministries / Divisions	Budget Estimates 2026-27		
		Charged	Voted	Total
105	DEVELOPMENT EXPENDITURE OF HIGHER EDUCATION COMMISSION	-	46,000	46,000
106	DEVELOPMENT EXPENDITURE OF NATIONAL VOCATIONAL & TECHNICAL TRAINING COMMISSION (NAVTTTC)	-	7,901	7,901
107	DEVELOPMENT EXPENDITURE OF NATIONAL HERITAGE & CULTURE DIVISION	-	445	445
108	DEVELOPMENT EXPENDITURE OF FINANCE DIVISION	-	1,440	1,440
109	OTHER DEVELOPMENT EXPENDITURE	-	231,086	231,086
110	DEVELOPMENT EXPENDITURE OF REVENUE DIVISION	-	11,570	11,570
111	DEVELOPMENT EXPENDITURE OF INFORMATION & BROADCASTING DIVISION	-	659	659
112	DEVELOPMENT EXPENDITURE INFORMATION TECHNOLOGY & TELECOMMUNICATION DIVISION	-	19,580	19,580
113	DEVELOPMENT EXPENDITURE OF INTERIOR & NARCOTICS CONTROL DIVISION	-	21,825	21,825
114	DEVELOPMENT EXPENDITURE OF INTER-PROVINCIAL COORDINATION DIVISION	-	1,851	1,851
115	DEVELOPMENT EXP. OF K.A, GB & SAFRON DIVISION	-	623	623
116	DEVELOPMENT EXPENDITURE OF LAW & JUSTICE DIVISION	-	2,403	2,403
117	DEVELOPMENT EXPENDITURE OF NATIONAL FOOD SECURITY AND RESEARCH DIVISION	-	4,183	4,183
118	DEVELOPMENT EXPENDITURE OF NATIONAL HEALTH SERVICES, REGULATION AND COORD. DIVISION	-	16,065	16,065
119	DEVELOPMENT EXPENDITURE OF PRIVATISATION DIVISION	-	410	410
120	DEVELOPMENT EXPENDITURE OF PLANNING, DEVELOPMENT AND SPECIAL INITIATIVES DIVISION	-	27,626	27,626
121	DEVELOPMENT EXPENDITURE OF RELIGIOUS AFFAIRS AND INTER FAITH HARMONY DIVISION	-	312	312
122	DEVELOPMENT EXPENDITURE OF SCIENCE & TECHNOLOGY DIVISION	-	3,567	3,567
123	DEVELOPMENT EXPENDITURE OF WATER RESOURCES DIVISION	-	55,251	55,251
124	CAPITAL OUTLAY ON DEVELOPMENT OF ATOMIC ENERGY	-	1,335	1,335
125	EXTERNAL DEVELOPMENT LOANS AND ADVANCES OF COMMUNICATION DIVISION	-	59,255	59,255
126	CAPITAL OUTLAY ON PETROLEUM DIVISION	-	312	312
127	EXTERNAL DEVELOPMENT LOANS AND ADVANCES OF POWER DIVISION	-	76,608	76,608
128	CAPITAL OUTLAY ON FEDERAL INVESTMENTS	-	2,360	2,360
129	DEVELOPMENT LOANS AND ADVANCES BY THE FEDERAL GOVERNMENT	-	169,210	169,210
130	EXTERNAL DEVELOPMENT LOANS AND ADVANCES BY THE FEDERAL GOVERNMENT	607,309	2,300	609,609
131	CAPITAL OUTLAY ON CIVIL WORKS	-	16,395	16,395
132	CAPITAL OUTLAY ON INDUSTRIAL DEVELOPMENT	-	6,658	6,658

## Statement of Demand-Wise Expenditure for Budget Estimates 2026-27 (Schedule I)

(Rs. in million)

Demand No.	Ministries / Divisions	Budget Estimates 2026-27		
		Charged	Voted	Total
133	CAPITAL OUTLAY ON MARITIME AFFAIRS DIVISION	-	1,780	1,780
134	CAPITAL OUTLAY ON RAILWAY DIVISION	-	40,658	40,658
135	EXTERNAL DEVELOPMENT LOANS AND ADVANCES OF WATER RESOURCE DIVISION	-	47,835	47,835
	STAFF HOUSEHOLD & ALLOWANCES OF THE PRESIDENT(PUBLIC)	964		964
	STAFF HOUSEHOLD & ALLOWANCES OF THE PRESIDENT(PERSONAL)	1,837		1,837
	SERVICING OF FOREIGN DEBT	1,071,393		1,071,393
	FOREIGN LOANS REPAYMENT	5,836,275		5,836,275
	REPAYMENT OF SHORT TERM FOREIGN CREDITS	130,292		130,292
	AUDIT	9,820		9,820
	SERVICING OF DOMESTIC DEBT	6,982,607		6,982,607
	REPAYMENT OF DOMESTIC DEBT	25,992,201		25,992,201
	SUPREME COURT	7,441		7,441
	ISLAMABAD HIGH COURT	2,367		2,367
	ELECTION	10,578		10,578
	FEDERAL OMBUDSMAN SECRETARIAT FOR PROTECTION AGAINST HARASSMENT OF WOMEN AT WORKPLACE	259		259
	WAFAQI MOHTASIB	2,124		2,124
	FEDERAL TAX OMBUDSMAN	646		646
	FEDERAL CONSTITUTIONAL COURT OF PAKISTAN	6,048		6,048
	<b>TOTAL</b>	<b>40,741,560</b>	<b>10,414,649</b>	<b>51,156,209</b>

## Statement of Object Classification Wise Expenditure (Schedule III)

Rs. In million

Object Code	Description	Budget Estimates 2025-26	Revised Estimates 2025-26	Budget Estimates 2026-27
<b>A01</b>	<b>Total Employees Related Expenses</b>	<b>1,438,843</b>	<b>1,454,913</b>	<b>1,608,289</b>
<b>A011</b>	<b>Pay</b>	<b>247,602</b>	<b>249,171</b>	<b>253,090</b>
<i>A011-1</i>	<i>Pay of Officer</i>	81,592	83,234	85,757
<i>A011-2</i>	<i>Pay of Other Staff</i>	166,009	165,936	167,333
<b>A012</b>	<b>Allowances</b>	<b>1,191,241</b>	<b>1,205,743</b>	<b>1,355,198</b>
<i>A012-1</i>	<i>Regular Allowances</i>	1,147,312	1,154,803	1,305,510
<i>A012-2</i>	<i>Other Allowances (Excluding TA)</i>	43,929	50,939	49,688
<b>A02</b>	<b>Project Pre-investment Analysis</b>	<b>2,720</b>	<b>1,976</b>	<b>2,399</b>
<b>A03</b>	<b>Operating Expenses</b>	<b>1,782,380</b>	<b>1,806,184</b>	<b>2,008,258</b>
<b>A04</b>	<b>Employees Retirement Benefits</b>	<b>1,065,034</b>	<b>1,064,592</b>	<b>1,176,179</b>
<b>A05</b>	<b>Grants, Subsidies &amp; Write off Loans</b>	<b>3,103,344</b>	<b>2,709,803</b>	<b>3,739,676</b>
<b>A06</b>	<b>Transfers</b>	<b>16,982</b>	<b>148,515</b>	<b>20,192</b>
<b>A07</b>	<b>Interest Payment</b>	<b>8,207,255</b>	<b>6,937,464</b>	<b>8,054,005</b>
<b>A08</b>	<b>Loans and Advances</b>	<b>1,238,381</b>	<b>1,206,436</b>	<b>1,050,605</b>
<b>A09</b>	<b>Physical Assets</b>	<b>720,174</b>	<b>718,256</b>	<b>971,378</b>
<b>A10</b>	<b>Principal Repayments of Loans</b>	<b>19,679,231</b>	<b>30,140,505</b>	<b>31,958,778</b>
<b>A11</b>	<b>Investments</b>	<b>187,091</b>	<b>294,445</b>	<b>100,234</b>
<b>A12</b>	<b>Civil Works</b>	<b>390,294</b>	<b>409,035</b>	<b>438,754</b>
<b>A13</b>	<b>Repairs and Maintenance</b>	<b>23,573</b>	<b>28,525</b>	<b>27,463</b>
<b>TOTAL EXPENDITURE</b>		<b>37,855,301</b>	<b>46,920,650</b>	<b>51,156,209</b>

## **Statement of Contingent Liabilities of the Federal Government**

1. Contingent liabilities of Pakistan are primarily comprise of guarantees issued on behalf of Public Sector Enterprises (PSEs). The sovereign guarantees are normally extended to enhance the financial viability of projects and activities undertaken by government entities which generate significant social and economic benefits. Such guarantees enable public sector entities to access finances at lower costs or on more favourable terms and in certain cases, fulfil requirements where a sovereign guarantee is a precondition for concessional finances from bilateral and multilateral agencies to sub-sovereign borrowers.
2. The volume of new government guarantees issued during a financial year is limited under the Fiscal Responsibility and Debt Limitation Act, 2005 (as amended to date) which stipulates that the Government shall not issue guarantees aggregating to an amount exceeding two percent of the GDP in any financial year, including those relating to rupee lending, rate of return, outright purchase agreements, and other claims and commitments, provided that the renewal of existing guarantees shall be treated as issuance of a new guarantee.
3. During July-March FY2026, the Government issued fresh rollover guarantees aggregating to PKR 769 billion, equivalent to 0.61 percent of estimated GDP. The outstanding stock of guarantees stood PKR 4,322 billion as of end-March 2026. This amount also includes guarantees issued for commodity operations undertaken by Federal Government SOEs namely Trading Corporation of Pakistan (TCP) and Pakistan Agriculture Storage & Services Corporation (PASSCO), which amounted to PKR 895 billion as of end March-2026.

	<b>Outstanding Guarantees</b>	<b>Total Guarantees</b>
Domestic	2,259	2,395
External	2,063	2,075
<b>Total</b>	<b>4,322</b>	<b>4,470</b>
<b>Memo:</b>		
External (US\$ in million)	<b>7,391</b>	<b>7,435</b>
Exchange Rate (Pak Rupee/US Dollar)	279.1	279.1

4. Sector, entity and interest rate wise share of the guarantees as of end March 2026 are as follows:

	<b>Rs in billion</b>	<b>% age</b>
<b>Sector Wise Breakup</b>		
<b>Total Outstanding Stock</b>	<b>4,322</b>	<b>100%</b>
- Power Sector	2,426	56%
- Commodities Operations Financing	895	21%
- Aviation	269	6%
- Financial	166	4%
- Others	567	13%
<b>Entity Wise Breakup</b>		
<b>Total Outstanding Stock</b>	<b>4,322</b>	<b>100%</b>
- PAEC	1,562	36%
- CPPA-G	660	15%
- PASSCO	528	12%
- TCP	366	8%
- Others	1,206	28%
<b>Interest Rate Type</b>		
<b>Total Outstanding Stock</b>	<b>4,322</b>	<b>100%</b>
- Floating Rate	2,216	51%
- Fixed Rate	2,106	49%

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

5. The estimates of guarantees to be issued from April 2026 till June 2027 are as follows:

<b>A</b>	<b>Opening Guaranteed Debt Position (31-03-2026)</b>	<b>4,322</b>
<b>B</b>	<b>New Guarantees to be Issued (Q4 FY26 &amp; FY27)</b>	<b>907</b>
	- REKO DIQ	223
	- ML 3 Rail Project	113
	- C-5 Power Project	221
	- PPP Projects	90
	- WAPDA	50
	- NGC	19
	- PSO	50
	- Credit Guarantee Schemes	80
	- Exim Bank	10
	- Misc/Contingencies	50
<b>C</b>	<b>Estimated Repayments against existing Guaranteed Loans</b>	<b>224</b>
<b>D=B-C</b>	<b>Net Issuance of Guarantees (Q4 FY26 &amp; FY27)</b>	<b>683</b>
<b>A+D</b>	<b>Estimated Closing Guaranteed Debt Position (30-06-2027)</b>	<b>5,005</b>

**Note**

- (i) Expected external guarantees are converted into PKR at exchange rate of 290
- (ii) The estimates are developed based on requests received from different PSEs and issuing wings during the ongoing Fiscal Year. This amount excludes roll-overs
- (iii) The guarantees of which LoCs have already been issued before March 2026 are incorporated in Opening Guaranteed Debt Position as at End March 2026
- (iv) Opening Stock includes guarantees issued for Commodity Operations by TCP & PASSCO which was mentioned separately in previous statements

## **Statement of Fiscal Risks**

### **1. INTRODUCTION**

The Statement of Fiscal Risks FY2026-27 provides a comprehensive assessment of key risks that could affect Pakistan's fiscal outlook. It covers macroeconomic, revenue, debt, SOE, climate change, natural disasters, commodity financing and global price shocks. In comparison to the FY 2025-26 budget estimates, the quantified deviations are presented as percentage points of GDP. By estimating the potential fiscal impact of these risks, it also proposes mitigation measures to support fiscal discipline, strengthen risk management, and enhance the resilience of public finances.

### **ANALYSIS OF FISCAL RISKS**

#### **MACROECONOMIC RISKS**

Macroeconomic risks mainly arise from a slowdown in economic activity, which could lead to weaker-than-expected real GDP growth and affect the fiscal stance. A 1 percentage point decline in real GDP growth could lower government revenues through reduced tax collections, while also increasing expenditure pressures, particularly on social safety nets. The combined impact is estimated to widen the fiscal deficit by around 0.2 percent of GDP in FY2026-27. Under this scenario, upward pressure on inflation and exchange rate depreciation could further strain public finances.

#### **REVENUE-RELATED RISKS**

Revenue collection remains exposed to lower tax elasticity, slowdown in economic activity, shortfalls in non-tax receipts, and structural challenges in reducing the tax gap. The FY2026-27 revenue projections are based on continued administrative reforms, rationalization of tax structures, and expansion of the tax base. However, if tax revenue grows lower than expected, for instance, 10 percent

lower than budget estimates, it could result in a reduction of 0.7 percent of GDP from the budget estimates in FY 2026-27. Revenue risks may also arise from a 30 percent decline in SBP surplus profits, which could increase the deficit by around 0.3 percent of GDP in FY 2026-27. Similarly, a 20 percent shortfall in petroleum levy collection could add 0.2 percent of GDP to the fiscal deficit in FY 2026-27.

Moreover, tax expenditures remain a significant structural revenue risk as expanded exemptions and concessions could widen the fiscal deficit by 1.3 percent of GDP in FY 2026-27 estimates.

### **DEBT-RELATED FISCAL RISKS**

Debt servicing costs represent a significant fiscal vulnerability, as the debt portfolio remains exposed to interest rate movements, exchange rate depreciation, and refinancing pressures. A 200-basis point increase in domestic interest rates and a 100-basis point rise in external interest rates could raise interest payments beyond budgeted estimate, widening the fiscal deficit by an estimated

0.4 percent of GDP. Exchange rate depreciation could also increase the rupee cost of external debt servicing, although its impact on the FY2026-27 fiscal deficit is expected to remain relatively limited due to stable exchange rate. Refinancing risks may further increase if there is greater reliance on short-term instruments, which could weaken the debt maturity profile, raise rollover requirements, and expose the budget to higher interest rate volatility. Under this scenario, the fiscal deficit could increase by around 0.8 percent of GDP compared to FY2026-27 budget estimates.

### **STATE-OWNED ENTERPRISES RELATED FISCAL RISKS**

State-Owned Enterprises pose fiscal risks through lower dividend payments and higher government financial support to loss-making entities. Structural inefficiencies, weak governance, and the burden of public service obligations continue to affect SOE profitability and may reduce their net earnings. A 6.0 percent shortfall in SOE dividend payments is estimated to widen the fiscal

deficit by around 0.02 percent of GDP against the FY2026-27 target. However, substantial fiscal risk may arise from increased government financial support to SOEs. Under this scenario, if financial support reaches 1.5 percent of GDP, it could increase the fiscal deficit by around 0.4 percent of GDP relative to FY2026-27 estimates. Henceforth, while lower dividend payments may have a modest direct fiscal impact, continued support for loss-making SOEs could create significant pressure on the fiscal position.

### **CLIMATE CHANGE-RELATED FISCAL RISKS**

The fiscal impact of climate change varies across mitigation and high-emission scenarios. Under RCP 2.6, which represents an ideal mitigation pathway, higher spending on green infrastructure, climate adaptation, and mitigation measures could raise the fiscal deficit by around 0.2 percent of GDP relative to the FY2026-27 budget baseline. However, these investments are expected to support economic activity and strengthen climate resilience over the medium term, particularly if backed by private-sector participation and international climate financing.

In contrast, under RCP 8.5, which reflects a high-emission and adverse climate pathway, the near-term fiscal impact is estimated to remain limited, increasing the fiscal deficit by around 0.01 percent of GDP in FY2027. However, this risk could rise significantly over the medium term if climate-related shocks become more frequent and severe, leading to higher infrastructure damage, emergency spending, agricultural losses, and weaker revenue collection. These projections suggest that climate risks may appear modest in the short run, but could create a growing fiscal burden if adaptation, mitigation, and climate financing efforts remain insufficient.

### **NATURAL DISASTERS RELATED FISCAL RISKS**

Natural disasters remain one of the largest fiscal risks, given Pakistan's exposure to floods, droughts, heatwaves, and other climate-related shocks. These events frequently cause unexpected fiscal pressures, necessitating immediate, unbudgeted expenditure for emergency relief. Without dedicated disaster risk financing

mechanisms, an average disaster event could increase the fiscal deficit to 1.5 percent of GDP, constituting the largest deviation among all identified fiscal risks. However, with disaster risk financing, the fiscal outlook changes. Under this scenario, the fiscal deficit for FY2026-27 will increase by 0.4 percent of GDP.

## **OTHER FISCAL RISKS**

### **COMMODITY FINANCING OPERATIONS AND FISCAL RISK**

The Federal Government faces significant fiscal exposure arising from guarantees issued to provincial governments and Public Sector Enterprises for commodity financing operations. Assuming a 25 percent probability of guarantees' actualization, the federal fiscal deficit could increase by 0.1 percent of GDP in FY2026-27.

### **GLOBAL COMMODITY PRICE SHOCK AND FISCAL RISK**

Statement of Fiscal Risk identifies significant fiscal vulnerabilities associated with a potential rise in global oil prices particularly in the context of current Middle East conflict, which may likely result in contraction of petroleum levy receipts and an increase in energy-related subsidies. An international oil price shock during FY 2026-27 with a likely decision to waive full price pass-through to domestic consumers would result in a decline in petroleum levy receipts. At the same time, to protect domestic consumers, particularly low-income households, the Government would need to raise subsidies. Rising international oil prices, specifically a \$40 per barrel increase, are projected to add 0.8 percent of GDP to the fiscal deficit in FY 2026-27.

## **2. FISCAL RISK MITIGATION STRATEGIES**

The Government's fiscal-risk mitigation strategy is based on four pillars: maintaining a credible macro-fiscal framework, strengthening revenue mobilization and expenditure discipline, reducing contingent liabilities, and building fiscal buffers against shocks. Immediate priorities include protecting the primary surplus, improving tax compliance, rationalizing untargeted subsidies, strengthening debt management, and enhancing monitoring of SOEs, guarantees,

commodity operations, and climate-related fiscal exposures.

To mitigate revenue-related fiscal risks, the Government has established a dedicated tax policy function while strengthening tax administration, risk-based enforcement, and digital integration. Over the medium term, reforms prioritize broadening the tax base, rationalizing exemptions, and enhancing economic documentation. Furthermore, policy design focuses on simplifying procedures and safeguarding petroleum levy and non-tax revenue through increased transparency and inter-provincial coordination.

The financial performance of the SOE portfolio is improving through rigorous performance-based contracts and the accelerated privatization or liquidation of non-strategic, loss-making entities. These measures are expected to mitigate the recurring flow of liabilities that currently challenge medium-term fiscal targets. Further, the gap between climate action underscores that investing in green projects is not merely an environmental consideration but a critical strategy for resilience and prudent fiscal management.

This Statement of Fiscal Risks provides policymakers and stakeholders with a clear, quantified view of key fiscal vulnerabilities that could affect the fiscal outlook over the medium term. It recognizes uncertainties in economic conditions and external shocks, while proposing proactive, cross-sectoral actions to enhance fiscal resilience, improve transparency, and maintain macro-fiscal stability and ongoing challenges.

**STATEMENT OF ESTIMATED TAX EXPENDITURE**

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

2. Tax Expenditure Report 2026 providing the details of tax expenditure in FY2024-25 which involves tax expenditure of Sales Tax of Rs. 1,273.97 billion, a tax expenditure of Income Tax of Rs. 579.69 billion, and a tax expenditure of Customs Duty of Rs. 499.13 billion, arriving at a total estimated tax expenditure of Rs. 2,352.8 billion, is being laid before the Parliament.

**(Rashid Mahmood)**  
Chairman FBR/ Secretary  
Revenue Division

Dated: 12<sup>th</sup> June, 2026

## **Medium-Term Budgetary Statement (FY2026-27 to FY2028-29)**

Federal Government presents the Medium-Term Budgetary Statement as part of the Annual Budget Statement in accordance with Section 5 of the Fiscal Responsibility and Debt Limitation Act, 2005 (as amended to date). The Statement describes the Government's medium-term fiscal strategy aimed at preserving macroeconomic stability, strengthening fiscal sustainability, reducing public debt vulnerabilities, and fostering sustainable and inclusive economic growth.

In FY2025-26, Pakistan's economy made significant progress towards stabilization, with focus shifting to growth led through export and taxation reforms. Improvements in economic activity, external sector stability, fiscal performance, and investor confidence have strengthened the foundations for higher and more sustainable growth. Building on these gains, the Government remains committed to advancing reforms that enhance productivity, competitiveness, exports, investment, digital transformation, and private sector-led growth over the medium term.

Fiscal policy over the medium term will remain anchored in the principles of sustainability, efficiency, and transparency. The Government will continue pursuing fiscal consolidation through sustained revenue mobilization, expenditure rationalization, and strengthened public financial management. Tax policy and administration reforms, including broadening of the tax base, digitalization of tax processes, enhanced compliance measures, and modernization of revenue administration, are expected to strengthen domestic resource mobilization and create fiscal space for priority expenditures while maintaining a primary surplus and a declining fiscal deficit trajectory.

On the expenditure side, the Government will continue to prioritize allocations that support human development, social protection, economic growth, and national resilience. Special emphasis has been placed on education, health, poverty alleviation, youth development, and gender-responsive interventions. To improve access to healthcare services, an additional allocation of Rs. 1 billion has been provided in FY2026-27 for the provision of free medicines in Federal Government hospitals. Enhanced grant allocations have also been made to the Higher Education Commission to support higher education and research, while funding for the Benazir Income Support Programme (BISP) has been strengthened to protect vulnerable segments of society and promote social inclusion.

The Government remains committed to maintaining adequate investment in development priorities through the Public Sector Development Programme, with a focus on infrastructure, water resources, energy, information technology, climate resilience, and productive sectors of the economy. At the same time, expenditure efficiency will be enhanced through continued austerity measures, rightsizing of government functions, pension reforms, improved public investment management, and outcome-oriented budgeting.

Recognizing the growing fiscal implications of climate change and natural disasters, the Government is strengthening climate-responsive budgeting and disaster-risk management within the medium-term fiscal framework. Ongoing reforms have been designed to integrate AI into public finance management through development of an AI-enabled digital infrastructure for climate budgeting in Pakistan. This will improve the overall efficiency of the tagging process, transparency, resource allocation, and monitoring of climate-related expenditures. These initiatives are expected to strengthen fiscal resilience while supporting Pakistan's climate adaptation and sustainability objectives.

Over the medium term, the Government will continue to pursue prudent debt management policies aimed at reducing fiscal vulnerabilities, extending debt maturities, diversifying financing sources, and containing debt-servicing costs. Supported by continued structural reforms, improved fiscal governance, and responsible macroeconomic management, the medium-term budgetary framework seeks to balance the objectives of economic growth, social protection, development, and fiscal sustainability, thereby laying the foundation for a more resilient and prosperous economy.

## **Climate Budget Statement**

Climate change continues to pose significant economic, fiscal, environmental, and social challenges to Pakistan, requiring sustained policy attention and resource allocation. Recognizing the macro-fiscal implications of climate and disaster-related risks, the Federal Government has adopted climate budgeting as a governance mechanism to mainstream climate considerations into planning, budgeting, implementation, monitoring, and reporting across federal ministries, divisions, and departments. This approach supports informed decision-making and strengthens the integration of climate priorities into public financial management systems.

Climate Budget Tagging (CBT) has been institutionalized to identify, track, and report climate-responsive expenditures in accordance with national climate policy priorities. Through a consultative process involving relevant stakeholders, more than 5,000 cost centres have been mapped within the SAP system under adaptation, mitigation, and other supporting climate-related categories. The Government has further strengthened the climate budgeting framework through the operationalization of a comprehensive Climate Budget Governance System, enabling more systematic monitoring and reporting of climate-related public expenditures.

As part of the Budget Call Circular, Green Budgeting has been introduced as an integral component of fiscal risk management. Ministries, divisions, and departments are required to identify and report expenditures related to climate action, environmental protection, renewable energy, sustainable agriculture, biodiversity conservation, disaster preparedness, and other green economy initiatives. In addition, disaster budget tagging has been introduced to improve the identification and reporting of disaster-related expenditures and strengthen fiscal preparedness against natural and climate-induced disasters.

The scope of climate budgeting has also been expanded beyond expenditure. Climate tagging has been extended to subsidies, grants, and climate-relevant revenues to provide a more comprehensive assessment of climate-related fiscal interventions. These measures will facilitate improved monitoring of climate-responsive spending and revenue measures and support evidence-based policy formulation.

To further advance these reforms, Finance Division has developed an AI-enabled digital infrastructure for climate budgeting comprising climate budget tracking, AI-assisted climate budget tagging, and digitized reporting mechanisms. An integrated dashboard, linked with SAP, will enable ministries, divisions, and departments to submit climate-related information through AI-supported digital forms and access analytical reports, thereby improving the quality, consistency, transparency, and accessibility of climate budget information.

For FY2026-27, climate-responsive allocations constitute 1 percent of the current budget and 11 percent of the development budget. At least 44% of subsidies are favorably climate-responsive either directly or indirectly. These allocations reflect the Government's continued commitment to strengthening climate resilience, supporting mitigation efforts, managing disaster-related fiscal risks, and promoting sustainable and green economic development through targeted fiscal interventions.

## **Gender Budget Statement**

Article 25 of the Constitution of the Islamic Republic of Pakistan, 1973 provides for equality of all citizens before the law and prohibits discrimination on the basis of sex, while Article 34 directs the State to ensure full participation of women in all spheres of national life. In line with these constitutional provisions, the Federal Government remains committed to reducing gender disparities and promoting inclusive development through gender-responsive budgeting.

Gender inequality continues to remain a structural challenge, with gaps observed across key development indicators including education, health, employment, economic participation, and access to opportunities. Addressing these disparities is essential not only for ensuring social equity but also for realizing the full economic potential of the country. In this context, gender-responsive public financial management has been strengthened as an integral part of budget formulation and policy planning.

A key constraint in advancing gender-sensitive policy-making is the availability and quality of gender-disaggregated data. To address this gap, the Federal Government has institutionalized gender budget tagging to identify, classify, and monitor gender-relevant public expenditure across ministries, divisions, and departments. More than 5,000 cost centres of the federal budget have been mapped under six major gender classifications, including: (i) equality and quality in education, (ii) health and well-being, (iii) governance and data systems, (iv) employment and economic opportunity, (v) safety and security, and (vi) agency, political participation and meaningful engagement. This framework enables improved tracking of gender-sensitive allocations and supports evidence-based policy formulation.

Gender-responsive budgeting also contributes to monitoring progress on cross-cutting Sustainable Development Goals (SDGs), particularly in areas such as education, health, nutrition, and social inclusion. It strengthens transparency in public expenditure by enabling policymakers to assess the gender impact of government programs and initiatives more effectively.

For FY2026-27, gender-responsive allocations constitute 9% percent of the current budget and 8% percent of the development budget. These allocations reflect the Government's continued commitment to promoting gender equality, improving women's access to education, health, and economic opportunities, and strengthening institutional mechanisms for gender mainstreaming across public sector programs and projects.

## **Disaster Budget Statement**

Disaster risk in Pakistan is shaped by a combination of extreme natural events and underlying vulnerabilities, which are further exacerbated by the impacts of climate change. Owing to its diverse geography and evolving climatic patterns, Pakistan remains highly exposed to multiple forms of natural disasters.

In response to these challenges, the Government of Pakistan has established a comprehensive institutional and legal framework for disaster risk management, including the enactment of relevant laws, establishment of disaster management authorities at the federal and provincial levels, and creation of dedicated disaster risk management funds. These measures aim to strengthen preparedness, improve response mechanisms, and enhance recovery and reconstruction capacity.

Recognizing the need for improved fiscal transparency and evidence-based policy-making, the Federal Government has institutionalized disaster budget tagging as part of public financial management reforms. This initiative enables systematic identification, classification, and tracking of disaster-related expenditures across federal ministries, divisions, and departments. More than 5,000 cost centres have been mapped under four major disaster classifications, namely Disaster Preparedness, Disaster Response, Recovery & Rehabilitation, and Reconstruction.

Building upon this framework, the Budget Call Circular for FY2026-27 has further strengthened disaster-responsive budgeting through the introduction of a structured classification system. This includes standardized coding of disaster-related expenditures (DRPPS, DRRSE, DRRRN, and DRRCN) and categorization of activities based on their relevance to the National Disaster Management Plan. Expenditures are assessed according to defined weighting groups reflecting their

direct or indirect contribution to disaster risk reduction, preparedness, response, recovery, and reconstruction outcomes.

This enhanced framework improves consistency in reporting, strengthens inter-agency coordination, and enables better alignment of public spending with disaster risk management priorities. It also supports improved monitoring and evaluation of fiscal resources allocated for disaster resilience and recovery.

For FY2026-27, disaster-responsive allocations constitute 4% percent of the current and 0.04% of development budget. These allocations reflect the Government's continued commitment to strengthening disaster preparedness, improving emergency response systems, and enhancing recovery and reconstruction capacity in order to reduce the human and economic impact of natural disasters.

Government of Pakistan  
**Finance Division**

**STATEMENT OF RESPONSIBILITY**

Stated that all policy decisions with material economic or fiscal implications that the Federal Government has made before 12<sup>th</sup> June 2026, the day on which the contents of the economic policy statements were finalized and all other circumstances with material economic or fiscal implications of which I was aware before that day, have been communicated to the Secretary of Finance in terms of Section 10(1)(a) of Fiscal Responsibility and Debt Limitation Act, 2005 (as amended to date).

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

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

**(Muhammad Aurangzeb)**  
Minister for Finance and Revenue

Government of Pakistan  
**Finance Division**

**STATEMENT OF RESPONSIBILITY**

Stated that the Finance Division, in terms of Section 10(1)(b) of Fiscal Responsibility and Debt Limitation Act, 2005 (as amended to date), has supplied to the Minister for Finance and Revenue, using its best professional judgment on the basis of economic and fiscal information available to it before 12<sup>th</sup> June 2026, the day on which the contents of the economic policy statements were finalized, an economic and fiscal statement incorporating the fiscal and economic implications of those decisions and circumstances, but any decisions or circumstances that the Minister for Finance and Revenue has determined under Sub-section (3) of Section 8 of the Fiscal Responsibility and Debt Limitation Act 2005 (as amended to date) have not been incorporated in the statement.

**IMDAD ULLAH BOSAL**  
Secretary to the Government of Pakistan

**Finance Division**  
Islamabad, the 12<sup>th</sup> June, 2026