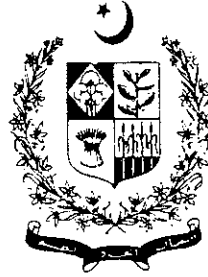
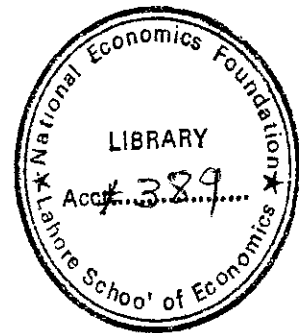


GOVERNMENT OF PAKISTAN
PLANNING COMMISSION



ANNUAL PLAN 1987-88

ECONOMIC FRAMEWORK AND PUBLIC SECTOR
DEVELOPMENT PROGRAMME



Islamabad, May 1987

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CHAPTER - I

ECONOMIC PERFORMANCE AND PROSPECTS

REVIEW OF 1986-87

The Annual Plan (1986-87) aimed at accelerating the pace of development within the framework of the Sixth Plan (1983—88) and of the Prime Minister's Five-Point Programme (1986-90). Annual Plan projected a 6.8 per cent growth in GDP, consisting of 5.9 per cent in agriculture, 8.4 per cent in manufacturing and 6.4 per cent in service sector. This was to be achieved by a total fixed investment of Rs. 98.0 billion (against a benchmark of Rs. 85.0 billion in 1985-86), consisting of Rs. 57.6 billion in the public sector and Rs. 40.4 billion in the private sector. Although private investment was again projected to increase at a high rate (17.1 per cent) an increase of 14.1 per cent was anticipated in public investment, which was to be achieved by an enhancement in the ADP to Rs. 47.0 billion (from Rs. 39.4 billion in 1985-86), excluding the Rs. 2 billion for the National Employment Fund. About 85 per cent of the proposed investment was expected to be financed through national savings and the remaining 15 per cent through external resources.

2. On the balance of payments, the current account deficit was to be reduced from 3.1 per cent of GNP in 1985-86 to 2.5 per cent of GNP in 1986-87, with exports (in dollar terms) projected to increase by 12 per cent, as against a 3 per cent decline in imports. Monetary growth was targetted at 12.0 per cent in line with the projected nominal growth in GNP.

3. The final estimates of Kharif Crops, second estimates of Rabi Crops and the industrial production, trade, price and financial statistics available for six to nine months, show that the performance of the economy in a number of areas, such as growth, savings, investment, balance of payments and price stability etc. has been close to the targets. However, the budgetary position has remained under pressure, and it is unlikely that the budgetary

targets of a revenue surplus of Rs. 2.3 billion (excluding grants to Provinces of Rs. 15 billion), an overall deficit of Rs. 47.8 billion (net of amortization of foreign loans) and deficit financing of only Rs. 5.7 billion, will be met.

Economic Growth

4. According to provisional estimates provided by the National Accounts Committee, GDP is expected to grow by 7.0 per cent (target 6.8 per cent), with agriculture and manufacturing recording 5.9 per cent (target 5.9 per cent) and 7.4 per cent (target 8.4 per cent) growth, respectively. The growth forecast, of 7.0 percent does not take into consideration the post harvest losses suffered by wheat and other Rabi Crops on account of recent untimely heavy rains. The nature and magnitude of these losses is being assessed. However, preliminary assessments put the wheat losses in the range of 1.0 to 1.5 million tonnes. As a result the actual growth rate of agriculture as well as of GDP may be somewhat lower than the ones provisionally estimated by the National Accounts Committee. As these losses are still being assessed, the growth rate estimated by the National Accounts Committee has been maintained.

5. In *agriculture*, the National Accounts estimates are based on actual production of Kharif crops and first tentative forecast of Rabi crops. The output of major crops as a whole, is expected to increase by 6.5 per cent (target 5.5 per cent). While the production of rice, gram, barley, jowar and cotton is expected to surpass the targets, the output of bajra, tobacco and sugarcane is estimated to be below the target. The National Accounts Committee provisional estimates of wheat production of 14.2 million tonnes may not be realised due to recent untimely rains resulting in post harvest losses. The indications are that actual production may turn out to be over ten percent lower than that provisionally estimated by the National Accounts Committee.

6. Value added in *large scale manufacturing*, based on the data available for July to February, grew by 6.7 per cent as against the target of 8.0 per cent, and the previous three years average of 7.6 per cent.

7. The most encouraging feature of industrial growth has been observed in the textile (mill) sector which seems to have come out of a prolonged depressed state. This is evident from the 17.4 per cent and 6.3 per cent increase expected in the output of cotton yarn and cloth respectively. If the

production trends of the first 8 months continue over the next four months, then the targets in respect of jute goods, cement, paper & board, fertilizer, soda ash, cotton yarn and cotton cloth are likely to be surpassed. Positive growth, though below targets, is expected in production of sugar and steel mill products while negative growth is expected in the output of vegetable ghee (including oil), upper leather, sole leather and transport equipment (cars, LCVs). The decline in the production of vehicles is largely explained by a number of factors such as the higher cost of production due mainly to the appreciation of the Japanese Yen over the last two years, imports under barter and personal baggage and gift schemes and imports of trucks of un-standardised make by NLC and WAPDA under foreign loans/grants.

8. While the output of *commodity* sectors (agriculture and industry, including electricity and gas) grew by 7.3 per cent against the target of 7.2 per cent, the output of *services*, as a whole, registered 6.8 per cent increase against the target of 6.4 per cent. Within Services, the Transport & Communication and Public Administration & Defence sectors exceeded their targets, while Trade and Banking & Insurance (where there was a deceleration in the growth of operating surpluses of the national commercial banks), fell short of targets.

Savings and Investment

9. The Annual Plan, 1986-87, provided for a fixed investment of Rs. 107.5 billion including fixed investment of Rs. 98.0 billion. Of this, Rs. 57.6 billion was proposed for the Public Sector and the balance of Rs. 40.4 billion for the Private Sector. The investment strategy laid stress on (i) accelerating the pace of investment envisaged for the Sixth Plan, and (ii) the implementation of Prime Minister's Five-Point Programme. About 85.6 per cent of the investment was expected to be financed through national savings and the remaining 14.4 per cent through foreign savings.

10. Compared to the investment target of Rs. 107.5 billion, including fixed investment of Rs. 98.0 billion, the actual investment is provisionally estimated to amount to Rs. 103.9 billion or 96.7 per cent of target. Of the shortfall of Rs. 3.6 billion, Rs. 2.6 billion is estimated in the Private Sector and Rs. 1.0 billion in the Public Sector. National Savings, which were projected to finance 85.6 per cent of the investment were marginally below the target and are estimated to have financed about 84.4 per cent of the investment. The

shortfall in the national savings is attributed to the net factor income from abroad (mostly remittances) which were 7.6 per cent below the target. As a proportion of GNP, the national savings are estimated at 13.8 per cent as against the Plan target of 14.7 per cent. The details of Savings and Investment are placed at Annexure VI.

Private Investment

11. As against the Annual Plan projection of Rs. 40.4 billion, provisional estimates indicate that private investment is likely to be Rs. 37.8 billion, which in nominal terms is 13.5 per cent above the previous year's level, but 6.5 per cent below the Plan target. The targets are likely to be surpassed in large-scale manufacturing (7.7 per cent) and transport and communications (2.6 per cent), while shortfalls are expected in agriculture (18.5 per cent), small-scale industry (21.1 per cent), housing (7.6 per cent), and services/others (13.9 per cent).

TABLE I
Private Investment

	(Rs. billion)			
	1985-86 Revised	1986-87		Percent(a) Change
		Target	Provisional	
Agriculture	6.75	9.4	7.66	13.6
Manufacturing	11.63	13.5	13.79	18.6
Large Scale	(9.78)	(10.9)	(11.74)	(20.0)
Small Scale	(1.85)	(2.6)	(2.05)	(11.2)
T & C	3.68	4.3	4.41	19.9
Dwellings	7.65	8.8	8.13	6.4
Services/Others	3.60	4.4	3.79	5.3
Total ..	33.31	40.4	37.79	13.5

(a)Based on actual figures, before rounding.

12. Over the past four years, major initiatives have been taken under the Sixth Five-Year Plan, beginning with the Industrial Policy Statement of 1984 to facilitate private enterprise. Price, production and marketing controls have been lifted on cement, sugar, fertilizers, textiles and vegetable ghee. Foreign exchange controls have been relaxed by the elimination of "P" forms and currency declaration forms, and the issue of Foreign Exchange Bearer Certificates. Imports have been liberalized. Public sector industries have been delinked from the ADP, with the result that as a percentage of total ADP, investment in industry has gone down from 14 percent at the beginning of the Sixth Plan to around 2 per cent currently. Private investment in energy generation has been allowed.

13. Some of the major policy decisions that have been implemented are as follows:

- the investment sanction limit for nonspecified industries was raised from Rs. 60 million to Rs. 300 million in 1984 and to Rs. 500 million in 1987;
- the specified industries list was limited to 23 in 1984 and to 11 in 1987. The recent removals from the list include sugar, cotton-spinning, fertilizer, basic steel, defence oriented electronics, basic chemicals, ship building, aircraft manufacturing and railway locomotives. As a result, the list is now confined to five items *viz.* security and defence related industries, beverages, industries subject to indigenisation programmes, drugs & pharmaceutical, and vegetable ghee;
- non-repatriable foreign private investment has been placed at par with domestic investment;
- wheat has been de-rationed;
- sugar has been decontrolled and derationed with the bulk of the marketing turned over to the private sector;
- cement was removed from the specified list of industries in 1984, and cost-plus-pricing of cement was discontinued;
- edible oil prices were decontrolled in 1986;

- price controls were eliminated on nitrogenous fertilizers and imports of all fertilizers by the private sector were allowed in 1987;
- compulsory procurement of rice was eliminated, basmati rice trade has been deregulated, and the private sector has been permitted to export basmati rice in packets of upto 10 Kgs.

Public Sector Development Outlay and its Financing

14. The Public Sector Development Programme for 1986-87 as approved by the NEC envisaged an expenditure of Rs. 61.20 billion, as follows:

TABLE 2

Public Sector Development Programme, 1986-87

	(Rs. billion)
Normal ADP	47.00
of which:	
Prime Minister's Programme	(22.35)
Special Development Programme	(1.28)
MNAs/MPAs/Senators Programme	(1.50)
Public Sector Enterprises Investment (Financed Outside ADP)	14.20
Total	61.20

15. The priority under the Public Sector Development Programme was given to the Prime Minister's Five-Point Programme in 1986-87, the first year of its implementation. With coordinated efforts, a substantial degree of success was achieved in attaining the targets. In the Annual Plan (1987-88) full funding for the Programme has been provided. The achievement in 1986-87 together with targets for 1987-88 are covered in greater length in Chapter 2.

16. The budgeted ADP of Rs. 47.00 billion was expected to be financed by Rs. 25.94 billion of external resources and Rs. 21.06 billion of domestic resources (including an uncovered gap of Rs. 5.73 billion). Thus, the non-inflationary domestic resources for 1986-87 were estimated at Rs. 15.33 billion in the original budget for 1986-87.

17. During the course of the year the budgetary position deteriorated due to several endogenous and exogenous factors. Preliminary assessments indicate an expected shortfall in revenue receipts of Rs. 3.9 billion. The expected shortfall would be mainly in receipts from taxes on income, excise duties, surcharges (mainly on gas, but also on petroleum) and profits of T&T. The revised estimates of current expenditure also indicate an increase of Rs. 3.9 billion, mainly in defence, debt servicing and grants to Provinces, offset to some extent by a reduction in the government's administrative expenditures.

18. As a result of these developments, the non-inflationary domestic resources are expected to decline from Rs. 15.33 billion to Rs. 9.64 billion in the revised estimates for 1986-87. Similarly the inflow of foreign aid, put at Rs. 25.94 billion in the original budget, is likely to be lower at Rs. 23.08 billion in the revised budget estimates. The shortfall would be mainly in commodity aid (36 per cent) which also provides budgetary resources for financing local development expenditure. The revised ADP size is expected at Rs. 44.47 billion.

19. On this basis, the budgetary gap is estimated to increase from Rs. 5.73 billion in the original budget to Rs. 11.75 billion in the revised estimates for 1986-87. The original and revised financing of the Public Sector Development Programme implemented *via* the budget is summarized in Table 3.

TABLE 3
Financing of Annual Development Programme during 1986-87

	(Gross basis) a	(Rs. billion)
	1986-87 Budget	1986-87 Revised
A. Non-Inflationary Internal Resources	15.33	9.64
(i) Revenue Surplus	(—)12.80(b)	(—)21.53
(ii) Net Capital Receipts	24.41	28.38
(iii) Self-financing by Autonomous Bodies	3.72	2.79
B. External Resources	25.94	23.08
C. Total Resources	41.27	32.72
D. Size of ADP	47.00	44.47
E. GAP/Deficit Financing	5.73	11.75
Memo:		
Overall Deficit (on net basis)(a)	47.8	54.0
(As % of GDP).	8.1	9.0

(a) Figures on "gross" basis show amortization of foreign loans as non-development expenditure, while those on "net" basis do not.

(b) Including grants to provinces, and the National Employment Fund (Rs. 2 billion).

Balance of Payments

20. The Annual Plan for 1986-87 had originally forecast that the balance of payments will come under some pressure largely due to a projected modest growth in export earnings, a fall in workers' remittances and unfavourable movements on the capital account. Actual developments during the first eight months of 1986-87 and an extrapolation of these trends for the full year suggest, however, that the overall position could well turn out to be better than expected.

21. A decline in the invisibles surplus should be more than offset by a significant improvement in the trade deficit. This should help bring the current account deficit down to 2.5 per cent of GNP. On the capital account, despite shortfalls in disbursements of commodity aid, the combination of a lower current account deficit and higher than expected inflows of non-resident bank deposits will result in only a modest increase in net foreign exchange liabilities.

22. The performance of major components of the balance of payments is briefly discussed below (Annexure VIII provides the data).

Exports

23. Following the 20 per cent increase in 1985-86, exports in the first eight months of 1986-87 were 17 per cent up in dollar terms on the corresponding period a year ago. This is largely attributed to strong growth in earnings from textiles and continued rapid growth in the case of leather and fish. The performance of primary commodity exports, raw cotton and rice, was mixed. In the former case, volume was up a significant 9 per cent but the 25 per cent drop in unit values meant that earnings were 18 per cent below previous year levels. Rice exports were below the level of last year in volume and price terms. Based on an extrapolation of these trends, it is expected that exports will aggregate close to \$ 3.5 billion in FOB terms for the year 1986-87 implying a 17.7 per cent increase over 1985-86, against an Annual Plan target of 5 per cent. With overall prices down on a year ago, the gain in volume terms could be larger.

Imports

24. Total imports in the first eight months were running some 7 per cent below the level recorded in the corresponding period a year ago. This

largely reflects the sharp decline in prices of crude oil and petroleum products, edible oil and, to a lesser extent, fertilizers. Even allowing for some modest acceleration in the remaining four months of 1986-87, imports are expected to aggregate only \$ 5.8 billion, some \$ 152 million or 2.5 per cent lower than 1985-86.

Trade Deficit

25. The rapid growth in exports and the decline in imports are expected to reduce the trade deficit for 1986-87 by 22 per cent, to about \$ 2.4 billion, compared with slightly over \$ 3.0 billion in 1985-86 and \$ 3.6 billion in 1984-85.

Invisible Surplus

26. The Annual Plan had anticipated a fall in workers' remittances of about 5 per cent to \$ 2,450 million in 1986-87. When combined with a modest increase in the deficit on the services account, this was expected to lead to an overall invisibles surplus of \$ 1.8 billion. During the first eight months of 1986-87, however, remittances fell by a sharp 12 per cent reflecting the severity of the economic downturn in the Middle East and the massive shake-out of expatriate labour that this has entailed. As a consequence, it is now expected that remittances will total \$ 2.3 billion in 1986-87 and the surplus on the invisibles account will be some 20 per cent below 1985-86.

Current Account Deficit

27. Despite the lower than projected surplus on the invisibles account, the current account deficit is expected to decline due to a sharp reduction in the trade deficit. Overall, it is expected that the current account deficit will be \$ 928 million, equivalent to 2.5 per cent of GNP compared to \$ 1,234 million in 1985-86 (3.5 per cent of GNP), a reduction of close to 25 per cent.

Capital Account

28. Developments in the capital account are almost entirely explained by the shortfall in the disbursements of commodity assistance as disbursements of other components of aid are expected to be in line with Annual Plan

expectations. Net capital inflows will, thus, be 12 per cent below the previous year leading to an external surplus of about \$ 180 million. Repayments to the IMF and other foreign monetary authorities will be somewhat offset by additional inflows of banks' foreign currency deposits but the overall net impact will be an expected drawdown of gross foreign exchange reserves by about \$ 96 million.

Money and Credit

29. The National Credit Consultative Council (NCCC) met in July 1986 to fix ceilings for credit allocations for different sectors/agencies. In order to restrict monetary and credit expansion within prudent limits while providing adequate credit for priority uses, monetary expansion was approved at 11.8 per cent, as compared to 14.9 per cent experienced during the preceding year, while a zero provision was made for deficit financing.

30. Domestic credit expansion was fixed at Rs. 18.11 billion (8.0 per cent growth), compared to Rs. 29.46 billion (14.9 per cent growth) in the preceding year. A net expansion of Rs. 6.93 billion was envisaged in foreign assets. The NCCC in January 1987 reviewed the likely credit requirements in the light of the six months' actual credit disbursement and made adjustments in the Credit Plan. A comparative statement of the Credit Plan projections, original and revised, and actual disbursements upto 7th May, 1987 are summarized in Table 4.

TABLE 4

Monetary Expansion, 1986-87

(Rs. billion)

	Credit Plan 1986-87 (July, 1986)	Credit Plan 1986-87 (Revised Jan. 1987)	Actual 1-7-1986 to 7-5-1987
I. Domestic Credit Expansion (net).	18.11	26.41	15.14
(a) Public Sector.	4.00	13.00	2.82
—Budgetary Support.....	—	10.00	5.88
—Commodity Operations.....	4.00	3.00	—3.42
—Others.....	—	—	0.36
(b) Private Sector.....	14.11	13.91	15.86
(c) Public Sector Enterprises.....	2.50	2.50	—1.44
(d) Others including Counterpart Funds.....	—2.50	—3.00	—2.10
II. Foreign Assets (Net).....	6.93	—	3.13
III. Monetary Expansion.....	25.04	26.41	18.27
(Percent increase in Monetary Assets)	(11.8%)	(12.5%)	(8.6%)

31. Monetary expansion upto 7th May, 1987 has been 8.6 per cent as against the targetted figure of 12.5 per cent by end June 1987. The main features are:—

- (i) Credit to private sector has already exceeded the whole year's ceiling by about 14 per cent:
- (ii) The Government Sector has utilized about 22 per cent of its allocation, largely because of retirement of credit for commodity operations; otherwise, 59 per cent for budgetary support has already been utilized:

- (iii) There is an expansion of foreign reserves by Rs. 3.13 billion, as against a zero expansion planned for the foreign sector; and
- (iv) The net effect of the public sector enterprises is contractionary as against a projected expansionary impact.

Prices

32. Based on the data for the first 10 months of 1986-87 the Consumer Price Index, comprising 357 items, registered an increase of 3.6 per cent as against 5.0 per cent during the corresponding period last year. However, the Wholesale Price Index, covering 625 items, went up by 4.6 per cent as against 4.1 per cent increase during the same period last year. The Sensitive Price Index, representing 38 commodities, rose by 2.1 per cent as against 2.2 per cent increase recorded during the corresponding period last year. The yearly position, covering the period May, 1986 to April, 1987, indicates that the CPI increased by 3.6 per cent; the WPI by 4.5 per cent; and the SPI, by 1.7 per cent; as against 5.5, 3.6 and 2.7 per cent, respectively, during the corresponding period last year. On the basis of the trend recorded so far, it is hoped that inflation during the full year will be contained to below 4 per cent.

PROPOSED ANNUAL PLAN 1987-88

33. The proposed Annual Plan for 1987-88 is based on a target growth rate of GDP of 6.2 per cent with a total fixed investment outlay of Rs. 111.4 billion (private sector Rs. 45.4 billion and public sector Rs. 66.0 billion, of which ADP is estimated at Rs. 53.0 billion). It also provides for a major expansion in allocations for the Prime Minister's Five-Point Programme, in its second year of execution. In the balance of payments, exports are expected to grow, in dollar terms, by 14.5 per cent, and imports, by 9 per cent. The current account deficit is expected to widen to \$ 1.2 billion (or some 3.2 per cent of GNP).

Economic Growth

34. In the Mid-Plan Review of the Sixth Five-Year Plan it was submitted that a growth rate in excess of 6 per cent, based on the strength of continued expansion in agriculture and manufacturing would be maintained in the subsequent two years. Compared to average growth of 6.9 per cent in the

first four years (including 7.0 per cent in 1986-87), GDP in 1987-88 is forecast to grow by 6.2 per cent, comprising 4.7 per cent in agriculture, 8 per cent in manufacturing and 6.2 per cent in rest of the sectors. The projected growth rate is based on the bench mark provisionally estimated by the National Accounts Committee. However, with the downward adjustment of the bench mark on account of post harvest losses of wheat, the growth rates of agriculture as well as of GDP may be higher due mainly to the recovery factor in the production of wheat in 1987-88. Gross Domestic Product and Growth rates, by sector, are shown in Annexures I&II.

35. In the agriculture sector a growth rate of 4.7 per cent has been projected (production targets are at Annexure III). Sub-sector-wise, the major crops are projected to go up by 4.4 per cent, minor crops by 3.4 per cent and livestock by 5.8 per cent. The growth rate of 4.4 per cent for major crops is based on the targets fixed by the Federal Committee on Agriculture in line with recent policy initiatives. The output of Basmati rice is targetted to increase by 26.4 per cent while the output of Irri would decline by 3.3 per cent. This reflects the government's decision to increase the production of Basmati from 0.8 million tonnes to 1.5 million tonnes within a period of three years.

36. To encourage Basmati production, higher support prices will be given, and with the elimination of monopoly procurement the domestic prices should become more attractive. Also, a new high yielding variety (Basmati 385) has been introduced. The production target of sugarcane, takes into consideration the objective of achieving self-sufficiency in the production of sugar. Various policy measures including dezoning of sugarcane and decontrol of prices are under the active consideration of the government. The target for oilseeds reflects the government's decision to achieve national self-sufficiency in oilseeds in a reasonable period of time. A Summary on oilseed production programme has already been submitted by the Ministry of Food and Agriculture to the Cabinet in which various policy measures have been suggested for increasing the production of oilseeds.

37. In the *large scale manufacturing sector*, a growth rate of 7.5 per cent has been projected on the expectations that the new capacity created by the investment in the manufacturing sector during the preceding two years will start contributing to the additional output. Fixed investment in the manufacturing sector during the last two years is estimated to be Rs. 24.8

billion (at 1985-86 prices). The additional capacity to be created with this investment, can easily generate a 5 per cent growth even at 60 per cent utilization. The additional 2.5 per cent growth is expected to emanate from improvements in capacity utilization and productivity. In view of the capacity constraint, only 2.5 per cent increase has been provided in the fertilizer production target. Given the rapidly growing demand for fertilizers, a programme is being worked out for the development of fertilizer industry.

38. Some of the major units likely to commence production in 1987-88 include twenty new textile mills with 0.25 million spindles, five vegetable ghee and oil units (capacity 37 thousand tonnes), four sugar mills, two cement units (0.24 million tonnes), one paper & board plant, two pharmaceutical units and over a dozen small and medium units in the field of light engineering. (The production targets are shown at Annexure IV).

Savings and Investment

39. The Annual Plan (1987-88) provides for a total investment of Rs. 120.3 billion including fixed investment of Rs. 109.9 billion. The proposed investment is 15.8 per cent higher than the previous year in nominal terms. As a proportion of GNP, the investment target works out to 17.1 per cent as against 16.4 per cent realised last year. Of the fixed investment of Rs. 109.9 billion, Rs. 45.4 billion is proposed for the private sector and the balance of Rs. 64.5 billion for the public sector. Against a 14.0 per cent increase in public sector investment, private sector fixed investment is projected to increase by 20 per cent.

40. About 81.4 per cent of the total investment is forecast to be financed through national savings (compared to 84.4 per cent in 1986-87), and 57.8 per cent, through domestic savings (compared to 54.2 per cent last year). The required level of savings implies marginal rates of savings of 14.8 per cent and 18.4 per cent in national and domestic savings respectively. The macro-economic framework showing the total resources and their uses is presented at Annexure V and the Savings & Investment at Annex VI.

Private Investment (1987-88)

41. For the year 1987-88 private investment is projected at Rs. 45.4 billion implying a growth rate of 20 per cent over the reported investment level

of Rs. 37.8 billion for the current year. This assumes that the emphasis now being given to de-regulation and stimulation of private investment activity would take hold, as the private sector gains increased confidence in the continuity of the policy environment (Annexure VII). In continuation of the major effort at deregulation which has taken place with the advice of the National Deregulation Commission, it is expected that in 1987-88 further de-regulation of the financial sector would come under consideration. Special efforts will also be necessary to consolidate and extend the process in those sectors where action has already been initiated.

42. The bulk of the increase (54 per cent) is projected to emanate from agriculture (26 per cent) and large scale manufacturing (29 per cent). In agriculture, this reflects the expectations associated with the price and trade initiatives undertaken by the government with regard to de-rationing of wheat flour and induction of the private sector in the export of rice. In industry, this reflects further de-regulation, specially the raising of the sanction-exemption limit from Rs. 300 million to Rs. 500 million and the removal of twelve major industries from the specified list.

43. Although the four year reported private investment of Rs. 126.4 billion compares well with the rather ambitious Sixth Plan target of Rs. 200 billion, industrial investment has not moved in the priority areas of engineering goods and manufactures having export potential. Most of the investment has been made in highly protected import substitution industries. Similarly industrial investment in the less developed areas has been slow. To reorient the flow of private investment towards priority areas and to effect a visible move towards a better geographic spread, a clearcut policy framework is needed. The Industries Commission is currently trying to define priority industries in precise objective terms and attempting to evolve quantitative criteria for determining relative priorities of different projects for guidance of development finance institutions. However, in a de-regulated set up investment will tend to flow in areas of maximum profitability. It is, therefore, necessary to delineate a policy framework which would make priority industries more profitable and attractive.

Balance of Payments

44. Tentative projections of the balance of payments for 1987-88 have been made on the basis of an exports growth of about 14.5 per cent, to

reach \$ 3.9 billion in 1987-88; and imports of about 9 per cent, to reach \$ 6.4 billion. The current account deficit would widen to \$ 1211 million (3.2 percent of GNP) in 1987-88.

45. Overall a small improvement in export prices has been built into the export projections, compared with the low level of prices prevailing in 1986-87. The growth in cotton exports has been kept at a modest 2.5 per cent increment in volume. However, with an expected turn-around in cotton prices, earnings from raw cotton are forecast to be around \$ 700 million—some 46 per cent above estimated revenues in the current year. Based on closing stock of 0.6 million tonnes in 1987-87 and a production target of 3.5 million tonnes in 1987-88, rice exports are forecast to increase by about 19 per cent in volume fetching roughly \$ 400 million. In the case of imports, it is expected that an upturn in world prices of most items, including oil, will raise import expenditures by about 9 per cent to close to \$ 6.4 billion. If this should materialize, the trade deficit would rise marginally to \$ 2.4 billion.

46. As before, the surplus on the invisibles account will be dominated by workers' remittance inflows. These are forecast to drop by a further 10 per cent from the low level expected in 1985-86 and total about \$ 2.0 billion. Overall, these developments are expected to lead to a current account deficit which is higher than the expected level in 1986-87 (3.2 per cent of GNP in 1987-88).

47. Gross official long-term capital flows are projected at \$ 1.570 million or 2.5 per cent above 1986-87 levels. Allowing for other long and short-term private flows, 1987-88 is expected to end with an increase in net foreign liabilities of about \$ 200 million which, after allowing for IMF repurchases and other outflows to foreign monetary authorities, translates into a projected financing gap of about \$ 573 million. In the course of the coming months, policy initiative would have to be taken to reduce this gap to sustainable levels.

Money and Credit

48. Credit ceilings will be fixed for different sectors/agencies by the National Credit Consultative Council when it meets in July 1987. An overall monetary expansion during 1987-88 of 10.9 per cent would be in line with the projected growth in nominal GNP. To allow for some monetization of the

economy, however, a safe level of monetary expansion of 12 per cent will be appropriate.

Employment

49. The Annual Plan (1986-87) envisaged an increase in employment from 28.09 million in 1985-86 to 28.78 million in 1986-87. The revised estimates show that the actual employment may slightly exceed the target. For 1987-88, based on elasticities assumed in the Sixth Plan, employment is projected to increase from 28.99 million in 1986-87 to 29.82 million or by about 2.86 per cent. These estimates are, however, subject to considerable margins of error.

GROSS DOMESTIC PRODUCT

(Million Rupees)

	At Constant (1959-60) Prices		At Current Prices	
	1986-87	1987-88	1986-87	1987-88
Agriculture	20,967	21,952	127,473	140,108
Major Crops	11,888	12,411	63,549	69,662
Minor Crops	2,506	2,591	20,218	21,951
Livestock	6,293	6,658	39,574	43,963
Fishing	196	205	3,732	4,095
Forestry	84	87	400	437
Mining & Quarrying	533	578	12,616	14,373
Manufacturing	16,339	17,651	95,079	107,854
Large Scale	11,739	12,619	68,311	77,106
Small Scale	4,600	5,032	26,768	30,748
Construction	4,692	5,044	35,261	39,800
Electricity & Gas Distribution	2,979	3,217	12,385	14,045
Transport, Storage and Communication	6,022	6,359	44,125	48,926
Wholesale & Retail Trade	12,216	13,095	89,420	100,276
Banking and Insurance	2,414	2,547	16,004	17,728
Ownership of Dwellings	2,021	2,094	14,609	15,892
Public Admn & Defence	8,372	8,840	47,681	52,869
Services	5,485	5,798	42,622	47,304
GDP	82,085	87,176	537,275	599,175

ANNUAL GROWTH RATES

Sectors				1986-87		1987-88
				Target	Expected	Target
Agriculture	..	..	..	5.9	5.86*	4.7
Major Crops	..	..	..	5.5	6.54	4.4
Minor Crops	..	..	..	5.1	3.00	3.4
Livestock	..	..	..	6.8	5.89	5.8
Fishing	..	..	..	7.3	2.08	4.5
Forestry	..	..	..	7.5	5.00	4.0
Mining and Quarrying	..	..	..	9.0	7.24	8.5
Manufacturing	..	..	..	8.4	7.44	8.0
Large Scale	..	..	..	8.0	6.70	7.5
Small Scale	..	..	..	9.4	9.40	9.4
Construction	..	..	..	9.5	11.26	7.5
Electricity and Gas Distribution	..	..	..	8.3	9.96	8.0
Transport, Storage and Communication	..	..	..	5.5	7.73	5.6
Wholesale and Retail Trade	..	..	..	7.3	6.71	6.8
Banking and Insurance	..	..	..	6.8	3.83	5.5
Ownership of Dwellings	..	..	..	3.6	3.60	3.6
Public Admn. and Defence	..	..	..	6.5	8.63	5.6
Services	..	..	..	5.7	5.74	5.7
GDP (FC)	..	..	..	6.8	7.04	6.2
GNP (MP)	..	..	..	5.9	7.1	6.2

*The growth rate is based on estimated wheat production of 14.2 million tonnes and does not account for the post-harvest losses suffered on account of recent untimely rains.

AGRICULTURE

(Production "000" Tonnes)

	1985-86	1986-87		1987-88 Target	%Change in 1987-88 over Revised 1986-87
		Target	Provisional		
Rice	2919	3450	3500	3620	3.4
(Basmati)	785	N.A.	791	1000	26.4
(Irri)	2134	N.A.	2709	2620	-3.3
Wheat	13923	13800	14200*	15000	5.6**
Maize	1009	1039	1110	1120	0.8
Gram	586	590	579	590	1.9
Barley	134	135	139	141	1.4
Jowar	219	220	236	239	1.3
Bajra	258	263	214	220	2.8
Rape & Mustard	250	266	269	275	2.2
Sugar Cane	27856	32140	30000	35000	16.7
Cotton (M. Bales)	7.15	7.20	7.7	7.7	-
Tobacco	78	87	78	78	-
Potatoes	606	-	632	664	5.1
Onions	520	-	550	577	4.9
Oilseed Crops:					
Sunflower	18.1	-	37.8	52.0	37.6
Soyabean	1.6	-	5.1	6.0	17.6
Safflower	2.2	-	1.7	2.0	17.6
Livestock:					
Milk	11500	12200	12198	12900	5.8
Beef	539	567	567	595	4.9
Mutton	500	534	534	570	6.7
Poultry	114	131	125	138	10.4
Eggs (Mill. Nos)	4630	5236	5093	5602	10.0
Hides (000) Nos.	5.45	5.55	5.55	5.66	2.0
Skins (000) Nos.	31.8	32.90	32.91	34.02	3.4
Wool (000) Tonnes	50.34	53.2	53.16	55.00	6.1
Hair (000) Tonnes	7.0	7.40	7.38	7.83	6.1

*These estimates do not take into consideration the post-harvest losses suffered on account of recent untimely rains.

**The growth rate on a benchmark of less than 14.2 million tonnes will be higher.

INDUSTRIAL PRODUCTION

	Units	1985-86	1986-87		1987-88 Target	%Change	
			Target	Pro- visional		1986-87	1987-88
Veg. Ghee ..	"000" M.T.	648	695	574	600	-11.4	5.5
Cooking Oil ..	"	79	N.A.	110	120	39.2	9.1
Sugar ..	"	1,116	1,360	1,280	1,350	14.7	5.5
Jute Goods ..	"	99	107	112	120	12.9	7.4
Cement ..	"	5,890	6,330	6,715	7,118	14.0	6.0
Paper and Board ..	"	133	140	145	157	9.1	8.5
Fertilizer (N) ..	"	1,124	1,146	1,214	1,244	8.0	2.5
Soda Ash ..	"	136	107	137	145	0.6	5.5
Caustic Soda ..	"	54	134	54	58	0.0	7.0
M.S. Products ..	"	732	790	775	833	5.9	7.5
Coke ..	"	610	725	634	800	3.9	26.2
Billets ..	"	254	400	263	300	3.5	14.0
Rolled Sheets ..	"	480	536	514	630	7.1	22.6
Cotton yarn ..	"	484	497	568	596	17.4	5.0
Cotton Cloth ..	Mill. Sq. Mtr.	255	268	271	283	6.3	4.5
Cigarettes ..	Mill. Nos.	42433	43722	44045	45807	3.8	4.0
Petroleum Products ..	Mill. Ltrs.	6223	6816	6316	6664	1.5	5.5
Trucks/Buss ..	"000" Nos.	2.80	3.7	3.32	3.50	18.6	10.0
LCVs/Cars/Jeeps ..	"	29.80	36.4	26.72	32.10	-10.3	20.0
Bicycles ..	"	447	497	557	585	24.7	5.0

MACRO-ECONOMIC FRAMEWORK

	(At Current Billion Rs.)					
	1985-86 Revised	1986-87		1987-88 Target	Nominal Growth Rate	
		Target	Provisional		1986-87	1987-88
GDP (FC)	485.2	537.2	537.3	599.1	10.7	11.5
Indirect Taxes (Net)	54.3	55.3	64.9	75.0	19.5	15.6
GDP (MP)	539.5	592.5	602.2	674.1	11.6	11.9
Net Factor Income	35.2	34.0	31.4	28.4	-10.8	-9.6
GNP (MP)	574.7	626.5	633.6	702.5	10.2	10.9
Net external resources	19.9	15.5	16.2	22.4	-19.6	40.7
Total Resources	594.6	642.0	649.8	724.9	9.2	11.5
Consumption	504.3	534.5	545.9	604.6	8.2	10.7
(General Government)	66.0	75.8	76.2	87.6	15.5	15.0
Fixed Investment	81.3	98.0	94.4	109.9	16.1	16.4
Private	33.3	40.4	37.8	45.4	13.5	20.0
Public	48.0	57.6	56.6	64.5	17.9	14.0
Changes in Stocks	9.0	9.5	9.5	10.4	-	-
Total Investment	90.3	107.5	103.9	120.3	15.0	15.8
Total Uses	594.6	642.0	649.8	724.9	9.2	11.5

SAVINGS AND INVESTMENT

(Billion Rupees)

	1985-86 Revised	1986-87		1987-88 Targets
		Target	Provisional	
Total Investment, Financed by:	90.3	107.5	103.9	120.3
Foreign resources	19.9	15.5	16.2	22.4
National Savings	70.4	92.0	87.7	97.9
(Net factor income)	35.2	34.0	31.4	28.4
Domestic Savings	35.2	58.0	56.3	69.5
National Savings as % of				
GNP	12.2	14.7	13.8	13.9
Investment	78.0	85.6	84.4	81.4
Marginal rates of Saving				
National Savings	23.8	24.2	29.4	14.8
Domestic Savings	20.6	25.9	33.6	18.4

PRIVATE INVESTMENT

(Billion Rupees)

	1986-87 Provisional	1987-88 Projection	% Change
1. Agriculture.	7.7	9.7	26
2. Manufacturing	13.8	17.7	28
(i) Large Scale	(11.7)	(15.1)	(29)
(ii) Small Scale	(2.1)	(2.6)	(24)
3. T & C	4.4	4.9	11
4. Ownership of Dwellings.	8.1	9.0	11
5. Services/Others	3.8	4.1	8
Total ..	37.8	45.4	20

PAKISTAN: SUMMARY BALANCE OF PAYMENTS

(\$ Million)

1	1985-86	1986-87		1987-88	Percentage Change over	
	Actual	Annual Plan	Revised	Pro- jection	the previous year	
					1986-87	1987-88
2	3	4	5	6	7	
Trade Balance	-3042	-2704	-2370	-2385	-22.1	0.6
Exports (f.o.b.)	2942	3090	3462	3965	17.7	14.5
Imports (f.o.b.)	-5984	-5794	-5832	-6350	-2.5	8.9
Invisible Balance	1808	1767	1442	1174	-19.4	-19.5
Service (Net)	-1020	-943	-1081	-1126	5.9	5.7
Invisible Receipts	1081	1114	1095	1138	1.3	3.9
Invisible Payments	-2101	-2057	-2176	-2264	2.8	4.8
Freight & Insurance	(543)	(527)	(530)	(580)	-2.4	9.4
Public & Guaranteed Debt	(477)	(497)	(513)	(513)	7.5	3.2
Others	(1081)	(1033)	(1133)	(1171)	4.8	3.3
Private Transfers	2828	2710	2523	2300	-10.8	-8.8
Of which: Workers' Remittances	2595	2450	2300	2070	-11.4	-10.0
Current Account Balance	-1234	-937	-928	-1211	-24.7	30.5
Long-Term Capital (Net)	1062	1152	932	946	-12.2	-1.5
Gross Disbursement	(1528)	(1718)	(1531)	(1571)	0.2	2.6
Project Aid	(1055)	(975)	(977)	(1050)	-7.4	7.5
Commodity Aid	(93)	(442)	(266)	(280)	186.0	5.3
Food Aid	(245)	(111)	(98)	(51)	-60.0	-47.9
Refugee Assistance	(139)	(190)	(190)	(190)	40.7	0.0
Other Official Transfers (Net)	22	-	-	-	-	-
Amortization	-679	-696	-711	-750	4.7	-7.7
Others (Incl. Private Long-Term Capital (Net))	191	130	112	125	-41.4	11.6
Outstanding Export Bills	-57	-	-	-	-	-
Medium Term Loans (Net)	4	15	-10	10	-	-
Errors and Omissions	-25	-	-	-	-	-

1	2	3	4	5	6	7
Balance Requiring Official Financing	-250	230	-6	-255	-	-
Official Assistance and Debt Relief	188	185	189	54	-	-
Overall Balance	-62	415	183	-201	-	-
Net Foreign Assets.	62	-415	-183	201	-	-
IMF (Net)	-250	-314	-349	-292	-	-
Repayments of Deposit.	-	-80	-80	-80	-	-
Bank's Foreign Currency Deposits/Liabilities	496	-290	150	-	-	-
Net Change in Reserves (-is increase)	184	269	96	573	-	-
Memo:						
Current Account Deficit						
As % of GDP	3.7	2.6	2.7	3.4	-	-
As % of GNP	3.5	2.5	2.5	3.2	-	-

CHAPTER 2

PUBLIC SECTOR DEVELOPMENT PROGRAMME 1987-88

The fiscal year 1987-88 will be the final year of the Sixth Five Year Plan and the priorities fixed for the Public Sector Development Programme for this year would play a decisive role in the realisation of the targets of the Sixth Plan. This year will also be the second year of the Prime Minister's Five-Point Programme, which is required to be financed adequately to keep this programme on course so that its targets could be achieved by 1990. Adequate provision has been made for this programme which would enhance Government's ability to eliminate load-shedding by 1990, improve katchi abadis and rural housing, implement an accelerated programme for anti-waterlogging and salinity, provide water supply, double literacy rates, extend a network of health services all over the rural areas and generate employment especially for the educated unemployed.

2. Sufficient acceleration will also be provided in the Public Sector Development outlays which permit speedy progress towards key objectives and targets set forth in the Prime Minister's Programme. The broad details of this programme both in terms of physical targets and financial allocations for 1987-88 are given in Chapter 4.

Basic Strategy

3. The basic strategy for the development programme for 1987-88 will be to accord a high priority to those sectors which accommodate the Prime Minister's Programme. Specifically, the strategy will cover:—

- (a) A sharp acceleration in the allocations for power development to achieve the twin objectives of reduction of load-shedding and electrification of 90 per cent of total villages by 1990. The acceleration envisaged for power development works out to be 22.4 per cent as against 15 per cent for the Federal ADP as a whole.

- (b) Increased emphasis for the development of agriculture and water sectors, particularly anti-waterlogging and salinity programme where the outlays are to be doubled in the next three years in order to implement the four year Reclamation Programme of the Prime Minister.
- (c) To accord a high priority to rural development, particularly in the field of education, health, roads, and water supply and sewerage. In absolute terms, the allocations for these sectors in the Provincial Programmes have been increased by 60 per cent.

Size and Distribution

4. The size of the Annual Development Programme for 1987-88 is being fixed at Rs. 53 billion. This represents an increase of 19.2 per cent over the estimated expenditure of Rs. 44.47 billion in 1986-87 in current prices (Annexure-I). The 1987-88 allocation proposed for the Special Development Programme is Rs. 1.18 billion against the estimated expenditure of Rs. 0.95 billion during the current year. Public Corporations are expected to spend Rs. 11.5 billion during 1987-88 as against an estimated outlay of Rs. 13.22 billion during the current financial year. Thus, all told, development outlays for 1987-88 are likely to increase by 11.8 per cent over 1986-87 as can be seen from Table I below. This is the minimum increase necessary to carry forward the momentum of the 5-point programme and to implement key targets in the Sixth Plan.

TABLE I

Development Outlays 1987-88

(Billion Rupees)

	1986-87 (Revised Estimates)	1987-88 (Allocation)	Percentage Increase
(i) ADP Normal	43.52	51.82	19.1
(ii) Special Development Programme	0.95	1.18	24.2
(iii) Total ADP (i + ii)	44.47	53.00	19.2
of which Federal	(32.47)	(37.50)	(15.5)
Provincial	(12.00)	(15.50)	(29.2)
(iv) Public Corporations	13.22	11.5	—13.0
Total (iii + iv)	57.69	64.5	11.8

*This consists of outside ADP. The details may be seen in the Annexures.

5. The additional recurring expenditure on education over and above the level of 1982-83 which is being treated as development expenditure adds upto Rs. 4.15 billion for 1987-88 as against Rs. 3.43 billion during the current financial year, showing a growth of 21 per cent.

6. The distribution of development funds between the Federal and Provincial ADPs reflects the sectoral priorities in the 1987-88 ADP and the accommodation of the Five-Point Programme of the Prime Minister. In view of the very high priority accorded to rural education, rural health, rural water supply & sanitation and rural roads, the Provincial ADPs are projected to increase by about 29 per cent. On the other hand, Federal ADP, excluding Special Development Programme is projected to increase by 15.2 per cent. Including the Special Development Programme and additional recurring expenditure on education, the acceleration in provincial programmes is about 27.2 per cent. so that the provincial share will exceed one-third of the development outlays to be financed under the ADP.

Federal ADP

7. The size of Federal ADP for 1987-88 is Rs. 37.5 billion compared to the estimated expenditure of Rs. 32.47 billion in 1986-87 showing an increase of 15.5 per cent including SDP. Of the increase in the Federal ADP, the major portion has been given to the Power sector to accelerate the programme of rural electrification and reduction in load-shedding, the two key targets of the Prime Minister's Programme. In addition, there is considerable acceleration in the allocations for Agriculture, Fuels, Population Welfare, Education, Health and Manpower. The allocations through ADP alongwith the estimated expenditure during 1986-87, are given in Annexure II.

Provincial ADPs

8. The Provincial ADPs are proposed to be increased from estimated outlays of Rs. 12.0 billion during 1986-87 to Rs. 15.5 billion in 1987-88. Almost 56 per cent of the Provincial allocations have been earmarked for the Prime Minister's Programme of rural development as detailed in Table 2 below:

TABLE 2

Distribution of Prime Minister's Five Point Programme

	(Billion Rupees)
(a) Katchi Abadis	1.0
(b) 7 Marla Scheme	0.7
(c) Rural Water Supply & Sewerage	1.6
(d) Rural Roads	1.4
(e) Education	2.3
(f) Health	1.7
Total:	8.7

9. An allocation of Rs. 4.15 billion as recurring expenditure on education over and above the level of 1982-83 is also being projected. Thus, the total development programme of the Provincial Governments including

Rs. 1.0 billion for MPAs will be Rs. 19.65 billion during 1987-88 showing an increase of about 27.6 per cent in the Provincial Programmes as against an overall increase of only 12 per cent during 1986-87. The allocations proposed during 1987-88, along with the budget outlays for the current year, are given in Annexure II.

10. The distribution of ADP allocation of Rs. 14.5 billion among the four provinces will be on the basis of the agreed formula, *i.e.* 90 per cent of provincial allocations by population share and the remaining 10 per cent shared equally between NWFP and Baluchistan. The distribution on this basis is shown in Table 3 below:

TABLE 3

Provincial ADPs Distribution

	(Million Rupees)
Punjab	7564.65
Sind	3046.45
NWFP	2472.25
Baluchistan	1416.65
Total:	14500.00

Special Development Programme

11. The Special Development Programme of the Provinces, reflected in the Federal ADP, is provided rupee component upto 33 per cent of the cost while the rest is covered under foreign aid. The SDP was provided an amount of Rs. 1283 million during 1986-87 with Foreign Aid component of Rs. 855 million. The aid availability for the SDP during 1987-88 is estimated at Rs. 790 million. After addition of Rs. 395 million as rupee component the total size of SDP for the year 1987-88 would be Rs. 1185 million. The size of the Special Development Programme has to be regarded as flexible since it depends primarily on timely commitment and utilisation of foreign assistance.

Special MNA's/Senators/MPA's Programme

12. The Special MNA's/Senators Programme was allocated an amount of Rs. 1500 million during 1986-87. The same amount has been proposed for the next financial year. Similarly an allocation of Rs. 1000 million has been provided for MPA's programme for 1987-88.

Public Corporations

13. Total outlays of Public Sector Corporations financed outside ADP are placed at Rs. 11.5 billion for 1987-88 as against revised estimates of Rs. 13.2 billion for 1986-87. Details are in Annexure III.

14. Main features of Sectoral Programmes are given in Chapter-3.

15. Details of sub-sectoral allocations of the Federal ADP and key physical targets for 1987-88 are given in the Statistical Appendix.

Social Sectors and the Prime Minister's Five-Point Programme

16. The highest priority in the current year's ADP has been attached to implementation of the second year of the Prime Minister's Five Point Programme, which has given an added emphasis to socio-economic development. The focus of the Prime Minister's Five Point Programme is on raising the standard and quality of life of the less developed areas and disadvantaged sections of society.

17. During the period from July 1986 to February 1987, the financial implementation in the four sectors of Rural Development namely rural education, rural health, rural roads and rural water supply and sanitation, is estimated at 42 per cent. According to the past trends and the provincial agencies current indications, these programmes are expected to be implemented upto 90-95 per cent. As regards the achievements of physical targets, in the case of primary schools, basic health units, rural health centres, rural roads, rural water supply and sanitation, progress is expected to range between 80-85 per cent in terms of completion of the units while work will be in progress on the remaining units.

18. In respect of Rural Electrification, 1388 villages have been electrified by WAPDA and it is expected to achieve the target of electrifying 3500 villages by the close of the year. Besides the villages to be electrified by WAPDA, about 623 villages are expected to be electrified directly by the administrations of Punjab, Azad Kashmir, Northern Areas and FATA during 1986-87.

19. Physical progress under the Anti-waterlogging and salinity programme ranges from 43 to 60 per cent and is expected to nearly achieve its targets under different components.

20. The distribution of plots in rural areas under the 7-Marla Scheme and the granting of proprietary rights as well as upgrading/improvement of Katchi Abadis is in progress.

21. Among the measures taken to generate more employment, loans have been granted to 2016 professional persons (1113 doctors, 653 engineers/diploma holders and 250 lawyers) amounting to Rs. 112 million by mid-March 1987. The operation of the Small Business Finance Corporation for the grant of loans for purposes of self-employment has been satisfactory. Measures were also initiated to ensure that the entire backlog of unemployed doctors and engineers would be absorbed.

22. In addition, an amount of Rs. 2 billion was provided in the budget of 1986-87 for creating employment opportunities, particularly for the educated unemployed. In the light of directions given by the Prime Minister, an Action Programme was prepared, all institutional arrangements in connection with implementation and monitoring of the Programme were completed and a National Employment Fund was established during the year. After careful assessment, allocations in the Fund were made to relevant sectors/sub-sectors, such as education (Rs. 500 million) health (Rs. 200 million), roads (Rs. 600 million), federal housing (Rs. 350 million) and culture/cooperatives (Rs. 50 million), leaving Rs. 300 million as Reserve Fund at the disposal of the Prime Minister. By end February 1987, releases from the National Employment Fund of about Rs. 1 billion were reported for job creation purposes in the form of introducing double-shifts in various Polytechnics and Technical Training Centres, construction of roads specifically employing more labour-intensive techniques of road construction, introducing 'Nai Roshni Schools' and

strengthening the Society for Youth Association to facilitate self-employment of youth.

23. The impact of the Five Point Programme is now beginning to be felt and its results are becoming visible, especially in the rural areas. It can be said with considerable confidence that a quiet but perceptible change is taking place in the socio-economic conditions of the people. In view of the importance and the far-reaching results expected to be achieved through this Programme, the following points merit special consideration.—

- (i) After launching of the Programme from 1st July, 1986, development activities in the rural areas have been substantially stepped up and there should be no let-up in the effort because a number of major projects started during the current year will have to be completed over a phased programme of four years. In fact, the tempo will have to be increased in the coming years to achieve the targets set in the programme within the limited time available.
- (ii) Adequate funding according to phasing of the Programme would be ensured every year and the administrative machinery at all levels—Federal, Provincial and Local must be fully geared for speedy and effective implementation on the ground.
- (iii) Local communities must be encouraged to mobilise their own matching resources both to extend the efforts being undertaken by the government as well as to provide for adequate maintenance and operation of the facilities which are being created.
- (iv) All Provincial Governments have drawn up 3 year district development programmes for the 1987–90 period in consultation with District Development Committees. It is necessary that the Provincial ADPs for 1987-88 should fully sketch out the details of the 5-point Programme, by project location and executing agency, so that there is no inordinate delay in implementation as was experienced in 1986-87.
- (v) It is also time that the priorities of the MNAs/Senators programme be fully coordinated with the contents and priorities of the 5-point Programme.

24. Keeping in view the general considerations stated above and the importance of this Programme, the allocations proposed for 1987-88 keeping in view the likely implementation during 1986-87 are given in Annexure I.

25. In pursuance of the Prime Minister's directives, some more initiatives are being launched in 1987-88, which are as follows:—

(a) *Development of Model Villages (Apni Basti)*

26. The development of Model Villages in the country is being initiated from July 1987 with an allocation of Rs. 131 million. The basic objective of launching this programme is to promote the socio-economic development of selected villages which can act as models for other communities to follow. The development of model villages envisages a shift from programmes which focus on individual facilities like electrification, roads, water supply and other amenities toward a more integrated approach for rural development. The programme will promote the spirit of inter-village competition in development through people's participation and self-reliance with little help from the government. To begin with, three villages will be selected by Provincial Governments from each of the 88 districts of the country classified in three categories according to the amount of special grants to be given. Flags and medals will also be given to the selected villages according to these categories.

(b) *Rural Housing (7-Marla Programme)*

27. For providing facilities of housing to the rural shelterless, a programme for distribution of 7-marla plots has already been initiated under the Prime Minister's Five-Point Programme. The target envisaged to be achieved by 1990 is the provision of 2.2 million plots in rural areas of the four provinces. The policy is to provide land for housing with the basic services of water supply, sanitation, roads etc. At the initial stage plots will be provided on state land, followed by plots on private land. The programme will be expanded to provide another 1.0 million plots so that by 1993 the entire demand of the rural shelterless could be met. For the implementation of the programme as a whole a total area of 192,000 acres consisting of 114,000 acres of private land and 78,000 acres of state land will be required. Efforts will be made to link the programme with village improvement. An allocation of Rs. 0.7 billion has been proposed in 1987-88 for this programme.

(c) *Village/Mohallah Development Councils*

28. A massive development effort has been launched in the wake of Prime Minister's Five Point Programme. However, to ensure that the fruits of this ambitious undertaking reach the man in the village, necessary changes and modifications in the frame-work of local Government institutions will have to be affected through innovative and dynamic policy initiatives. It has been realised that the development process of Planning, decision making and implementation of projects cannot be made effective without an active collaboration of people at the grass root level.

29. In view of this there is an urgent need for de-centralizing the system of local bodies from the union council to the village and mohallah by creating a Village Development Council in every village of a population of 500 or more and a Mohallah Development Council in every mohallah or katchi abadi. The proposed council will consist of the entire adult population of the village and mohallah. It will be responsible for Planning and implementation of development programmes at the village and mohallah levels as well as to deal with the economic and social problems of the population.

30. The Village/Mohallah Development Council will constitute an additional and regular tier in the existing hierarchy of local government. However, unlike the union or district councils, it will be an assembly of the entire adult male and female population. It will meet once a month and take all necessary decisions concerning various economic and social projects and various civic amenities to be created. For implementing its decisions the Council will appoint, by consensus, a village committee of 10 to 20 members (depending on the population). The tenure of the village committee will be two years. In small villages there will be no paid staff at the village level. However, some educated and skilled persons can be given special responsibilities on behalf of the village council.

31. Despite the severe shortage of resources, an effort is being made to fund the Programme fully for 1987-88. To this end foreign financing (both foreign exchange and rupee resources) was sought from the Pakistan Consortium meeting held in April 1987. The donors have endorsed the programme and promised their full support.

**COMPARATIVE STATEMENT OF ADP 1986-87 AND ANNUAL
DEVELOPMENT PROGRAMME 1987-88**

(FEDERAL & PROVINCIAL)

(Million Rupees)

S. No.	Sector	ADP 1986-87	Revised	Provision for
		Total	Estimates 1986-87	1987-88 Total
1	2	3	4	5
I. NORMAL ADP				
1.	Agriculture	2092	1734	2136
2.	Fertilizer Subsidy	1842	1562	1670
3.	Industry	464	398	384
4.	Minerals	269	244	283
5.	Water	5867	5428	5663
6.	Power	11486	10501	12854
7.	Fuels	2727	2394	4004
8.	Transport and Communications	5921	5884	6268
9.	Physical Planning and Housing	4503	5057	5127
10.	Mass Media	200	189	108
11.	Rural Development	2062	1481	1943
12.	Science and Technology	241	238	237
13.	Education and Training	3594	3643	4343
14.	Health and Nutrition	2646	2430	2730
15.	Culture, Sports and Tourism	216	206	200
16.	Population Welfare	556	483	621
17.	Manpower and Employment	151	130	319
18.	Special Development Programme for Women	147	73	130
19.	Social Welfare	214	142	221
20.	Miscellaneous	199	56	74
Total (Gross)-I		45,397	42273	49315
Less Short-fall		-1180	-	-
Net Programme		44217	42273	49315
II. SPECIAL DEVELOPMENT PROGRAMME		1283	946	1185
III. MNA'S/SENATOR'S PROGRAMME		1500	1250	1500
IV. MPA'S PROGRAMME		-	-	1000
Total (ADP)		47000	44469	53000

**COMPARATIVE STATEMENT OF ADP 1986-87 AND ANNUAL
DEVELOPMENT PROGRAMME 1987-88**

(FEDERAL)

(Million Rupees)

S. No.	Sector	ADP 1986-87		Revised Estimates 1986-87	Provision for 1987-88	
		Total	F. Aid		Total	F. Aid
1	2	3	4	5	6	7
I.	NORMAL ADP					
	1. Agriculture	1186	618	969	1281	1144
	2. Fertilizer Subsidy	1842	—	1562	1670	—
	3. Industry	318	152	266	229	85
	4. Minerals	202	50	186	204	53
	5. Water	4478	1970	4182	4200	2153
	6. Power	11421	5114	10447	12784	7445
	7. Fuels	2726	1272	2394	4004	2021
	8. Transport & Communications	4992	1696	4924	5143	1984
	9. Physical Planning and Housing	1294	1	1507	1052	—
	10. Mass Media	199	—	189	108	—
	11. Rural Development	405	167	331	406	140
	12. Science & Technology	241	12	238	237	2
	13. Education and Training	1200	116	1428	1443	207
	14. Health and Nutrition	831	194	798	810	310
	15. Culture, Sports & Tourism	157	14	160	137	19
	16. Population Welfare	556	400	483	621	447
	17. Manpower and Employment	78	19	60	240	201
	18. Special Development Programme for Women	147	8	73	130	—
	19. Social Welfare	117	2	76	116	—
	Total-I	32,340	11,805	30,273	34,815	16,212
II.	SPECIAL DEVELOPMENT PROGRAMME	1280	850	946	1185	790
III.	MNA'S/SENATOR'S PROGRAMME	1500	—	1250	1500	—
IV.	MPA'S PROGRAMME	—	—	—	1000	—
	Grand Total	35,120	12,655	32,469	38,500	17,002

SEMI-PUBLIC SECTOR INVESTMENT PROGRAMME
(OUT-SIDE ADP)

(Million Rupees)

Sector/Agency	ADP 1986-87	Revised Estimates 1986-87	Outside ADP 1987-88			
			Total Alloca- tion	Bank Credit/ NDFC	Self- Financ- ing	Foreign Aid/ Equity
1	2	3	4	5	6	7
I. FEDERAL						
(a) Agriculture:						
1. NLC	40	40	55	—	55	—
2. Commerce Division (RECP)	55	55	60	—	60	—
Total (Agriculture)	95	95	115	—	115	—
(b) Power:						
3. KESC	2354	2250	1800	1370	180	250
4. WAPDA	1000	—	—	—	—	—
Total (Power)	3354	2250	1800	1370	180	250
(c) Fuels:						
5. NRL	150	150	—	—	—	—
6. SGTC	180	180	200	—	200	—
7. SNGPL	1400	1560	1800	300	750	750
8. IGC	25	25	30	—	30	—
9. KGC	60	60	60	—	60	—
10. DGC	500	500	550	—	550	—
Total (Fuels)	2315	2475	2640	300	1590	750
(d) Industry:						
11. State Cement	598	635	743	—	518	225
12. State Engg.	174	170	155	—	110	45
13. FCCCL	16	18	13	—	10	3
14. TMC	20	15	—	—	—	—
15. PACO	225	238	296	—	146	150
16. NFC	95	100	102	—	72	30
17. NDFC	313	306	350	—	—	350
Total (Industry)	1441	1482	1659	—	856	803

1	2	3	4	5	6	7
(e) Transport & Communications:						
18. NLC	350	350	380	—	380	—
19. PIAC	2689	2780	950	—	282	668
20. PNSC	600	535	300	—	300	—
21. KPT	450	410	480	—	480	—
22. CAA	1050	930	700	—	700	—
Total (T&C)	5139	5005	2,810	—	2142	668
(f) Physical Planning and Housing:						
23. NLC	15	18	20	—	20	—
24. Mirpur Development Authority	20	20	21	—	21	—
25. PTDC	25	25	25	—	25	—
Total (PP&H)	60	63	66	—	66	—
Total (Federal)	12404	11370	9090	1670	4949	2471
2. PROVINCIAL	1796	1850	2410	300	2110	—
Total (Outside ADP)	14200	13220	11500	1970	7059	2471

CHAPTER 3

MAIN FEATURES OF SECTORAL PROGRAMMES

1. AGRICULTURE

Review of 1986-87

In 1986-87 the production of major crops except wheat registered an increase over 1985-86. A record production of 7.6 million bales of cotton was recorded in 1986-87 against 7.1 million bales produced last year. Rice production increased from 3.05 million to 3.50 million tonnes showing an increase of 15 per cent. The production of sugarcane increased by 7.5 per cent from 27.9 million tonnes in 1985-86 to 30.0 million tonnes in 1986-87. Wheat production target, which was fixed at 14.7 million tonnes* is not likely to be met due to prolonged wet spell at the harvesting stage. The extent of damage is still being assessed.

2. The improvement in crop production is due to satisfactory availability of irrigation water, higher doses of fertilizer application, increased plant protection measures, adoption of better cultural practices by the farmers and increased availability of institutional credit.

3. Livestock products are likely to increase by 7 per cent over the production of 1985-86.

ANNUAL PLAN FOR 1987-88

Financial

4. An allocation of Rs. 2092 million was made in 1986-87 against which Rs. 1734 million are estimated to have been utilized, showing an achievement of 83 per cent. A sum of Rs. 2136 million have been allocated for agriculture sector during 1987-88 showing an increase of 23 per cent over the

*Initially fixed at 13.8 million tonnes.

estimated utilization for 1986-87. The agency-wise utilization for 1986-87 and allocation for 1987-88, for the Federal ADP, are given at Appendix I.

Physical

5. The strategies, policies and programmes adopted for the Sixth Plan will be continued. The production targets have been formulated keeping in view the high output level reached during 1986-87 in cotton and other crops. The target for cotton production during 1987-88 has been fixed at 7.7 million bales against actual achievement of 7.64 million bales during 1986-87. Wheat production is projected at 15 million tonnes against a target of 14.7 million tonnes in 1986-87. The target for sugarcane production has been fixed at 35 million tonnes showing 16.6 per cent increase over the achievement of 30 million tonnes during 1986-87. In order to attain high production targets, a number of policy measures including de zoning of sugarcane areas have been taken during this year.

6. During 1986-87, rice production was 3.5 million tonnes against a target of 3.5 million tonnes, showing an achievement of 100 per cent. The target for rice production for 1987-88 has been fixed at 3.62 million tonnes, which is slightly higher than last year's target. The production of Basmati rice is expected to increase due to withdrawal of monopoly procurement. Introduction of a new variety of Basmati-385 and increase in price of paddy. In view of this, it is envisaged that share of Basmati rice in the total production of rice will rise from 23 per cent during 1986-87 to 28 per cent during 1987-88.

7. A policy package to enhance oilseed production is under consideration of the Government. It is hoped that with approval/implementation of policy package, the production of non-traditional oilseeds would increase considerably. The target for 1987-88 has been fixed at 60,000 tonnes against achievement of 45 thousand tonnes in 1986-87.

8. A growth rate of 5.8 per cent is being projected for livestock sub-sector.

9. Physical achievements made during 1986-87 and targets for 1987-88 are given in Appendices 16 and 17.

MAJOR PROGRAMMES

10. The target for fertilizer offtake has been fixed at 1827 thousand nutrient tonnes showing 8 per cent increase over the estimated achievement during 1986-87. In conformity with the ultimate aim of eliminating subsidies, the Government has already deregulated nitrogenous fertilizer prices since 1986, and all restrictions on price and distribution of nitrogenous fertilizer have been lifted. Government has also allowed the private sector to import all types of fertilizers to meet the future demand.

11. A sum of Rs. 1670 million has been allocated for fertilizer subsidy during 1987-88 against estimated expenditure of Rs. 1562 million during 1986-87. The subsidy on fertilizer, reflected in agriculture sector, is for imported phosphatic and potassic fertilizers.

12. Government is paying due attention to check the hazard of salinity/sodacity. A project for promotion of use of gypsum for reclamation of saline sodic soils in the project areas of Punjab, Sind and NWFP will be implemented.

13. Other major development activities will include construction of 560 thousand tonnes additional storage capacity for wheat, implementation of agricultural research programmes, and development of fisheries etc. The primary objectives are to accelerate development of disease resistant, high yielding varieties of important crops, including oilseeds and establishment of Korangi fisheries harbour. Emphasis on crop production in barani areas will receive impetus through on farm trials under Barani Agriculture Research and Development Project.

14. Second phase of the T&V agriculture extension project has been extended to cover all the districts of Punjab and Sind and would formally start from July 1987.

15. The marketing aspects of fruits, vegetables, livestock, poultry and fisheries from the point of view of removing production bottlenecks and stabilisation of prices shall receive due attention during 1987-88.

2. WATER RESOURCES DEVELOPMENT

The Annual Plan 1987-88 reflects the policies and strategies of the Sixth Five-Year Plan and the accelerated control of Waterlogging & salinity under the Prime Minister's Five Point Programme. The main elements of the envisaged programmes are :—

- (i) Protection and reclamation from waterlogging & salinity.
- (ii) Reduction of water losses in the existing irrigation system and.
- (iii) Extension of irrigation to new areas particularly in AJK, Northern Areas and Baluchistan.

2. The proposed annual programme of Rs. 4200.05 million envisages increase of 2.5 Million Acre Feet (1.55 MAF surface water and 0.95 MAF ground water), from 109.72 MAF in 1986-87 to 112.22 MAF in 1987-88; installation of 314 SCARP tubewells and protection to 0.995 million acres of waterlogging and saline areas during 1987-88. In addition, 185 Kilo meters (KM) of surface drains will be remodelled, 898 KM of new surface drains excavated and tile drainage net-work will be extended to an additional area of 69,038 acres of land. Sub-sector and agency-wise allocations for 1987-88 are shown in Appendix 2. The resultant impact of increased availability of water would be that 0.513 million acres is likely to be brought under irrigation.

3. Some of the main programmes and projects to be implemented are:—

- (i) *Accelerated Programme.*—The policies and strategies of accelerated programme for waterlogging & salinity control have been revised in accordance with the Prime Minister's Five Point Programme. An amount of Rs. 2453.907 million has been allocated in the ADP 1987-88, which is about 58.4% of the total Water Sector allocation.
- (ii) *Canal Rehabilitation Programme.*—The rehabilitation of the currently deteriorating irrigation system is being given priority with the assistance of the World Bank. A number of projects under the programme costing Rs. 300 million will be under taken during the current year.

- (iii) *Chashma Right Bank Canal Stage-II.*—The Stage-I of Chashma Right Bank has been completed and the work on Stage-II of the project would be initiated in 1987-88. For this purpose an amount of Rs. 250 million has been allocated.
- (iv) *Khanpur Dam (Remedial), Hub Dam (Remedial), Pat Feeder Canal.*—An amount of Rs. 22 million has been allocated for Hub Dam and Khanpur Dam Remedial works in order to complete the remaining and remedial works. In order to initiate the work on the Pat Feeder Canal a sum of Rs. 1 million has been allocated for the project.
- (v) *On-Farm Water Management.*—Phase-I of this programme was completed in 1985-86 with the assistance of USAID and Asian Development Bank. Phase-II of the programme, with the help of World Bank, is in progress. An amount of Rs. 206.603 million has been allocated for this programme. The provinces have made adequate counter-fund allocations for this programme in their respective ADPs.
- (vi) *Command Water Management.*—This multi-purpose project provides for canal rehabilitation, remodelling, on-farm Water Management and Remodelling of Minor canals, Drainage channels and small irrigation channels. An amount of Rs. 300 million has been allocated to this programme in 1987-88.
- (vii) *Flood Control Programme.*—To protect the infrastructure, valuable agricultural land, lives and properties of the people from the devastation of floods, a block provision of Rs. 200 million has been placed at the disposal of Federal Flood Commission for the year 1987-88. This will be allocated by the Federal Flood Commission among various provinces for meeting their needs in the flood control sector.

3. ENERGY

Review of 1986-87

Power

Financial utilization in Power Sector during 1986-87 is estimated at Rs. 10.5 billion which is 91.4% of the ADP allocation of Rs. 11.48 billion. Major share of expenditure is in respect of WAPDA which is Rs. 9.89 billion and it represents 94.2% of Power Sector expenditure. Details are shown at Appendix-3.

2. Installed capacity for power generation at the end of 1985-86 was 6224 MW. With commissioning of Gas Turbine units 1 to 4 at Kot Addu an addition of 400 MW has been made during 1986-87 and the installed capacity has gone upto 6624 MW. In compliance with the Prime Minister's Five Point Programme WAPDA has electrified 1443 villages in 9 months upto March, 1987. However, WAPDA expects that it will meet the target of village electrification of 3500 villages.

Fuels:

3. Financial utilization in Fuel Sector during 1986-87 is estimated at Rs. 2.39 billion which is 87.9% of the ADP allocation of Rs. 2.72 billion. Major share of expenditure is in respect of OGDC which is estimated at Rs. 1.64 billion and represents 68.5% of Fuels Sector expenditure. Details are shown at Appendix-4.

4. During 9 months upto March 1987, 40 wells have been drilled, 17 in Public Sector and 23 in Private Sector against the 1986-87 target of 54. During the same period, Oil production has gone upto 41,331 barrels per day against the target of 40,320 barrels per day whereas Gas production has slightly gone down to 1089 MMCFD against a target of 1160 MMCFD. Details may be seen in Appendix-18.

TARGETS FOR 1987-88

Financial Targets:

5. The allocation to the Power Sector in 1987-88 ADP is Rs. 12.79 billion out of which the major allocation is in respect of WAPDA which is Rs. 12.16 billion and represents 95.0% of Power Sector allocation. Moreover, an additional amount of Rs. 2.5 billion will be raised by WAPDA from additional foreign local assistance.

389 6. The allocation to the Fuel Sector in 1987-88 ADP is Rs. 4.00 billion out of which the major share is for OGDC which is Rs. 3.25 billion representing 81.3 percent of the Fuel Sector allocation.

Physical Targets

Power:

7. 200 MW will be added in the installed capacity of power generation by WAPDA with the commissioning of Combined Cycle Guddu Units 5 & 6. WAPDA will electrify 4500 villages in 1987-88. Details may be seen in Appendix 18.

Fuels:

8. 22 Exploratory wells and 40 Appraisal/Development wells will be drilled in 1987-88. Details are shown at Appendix 18. Oil production is envisaged at 42,000 BPD and Gas production is estimated at 1200 MMCFD.

4. INDUSTRY

Review of 1986-87

Financial Achievements.

During the year under review, an expenditure of Rs. 266 million is estimated to have been incurred by June, 1987 against the allocation of Rs. 318

million showing a shortfall of 16.4 percent. The shortfall was mainly due to less utilization of funds by Technical Assistance Credit Cell responsible for carrying out feasibility studies under Planning and Development Division. With an expenditure of Rs. 82 million (IDA Credit), against an allocation of Rs. 120 million, a number of feasibility studies have been carried out by Technical Assistance Credit Cell and are at different stages of completion. With the utilization of Rs. 47 million, the physical implementation of SSP plant, Haripur has been estimated to be 60 percent completed. Karachi Export Processing Zone, with an expenditure of Rs. 18 million during 1986-87, is nearing completion. Rs. 37 million are estimated to be spent on Heavy Electrical Complex.

Physical Performance.

2. A growth rate of 7.5 percent is expected to be achieved in the manufacturing sector as against the target of 8.4 percent during the year 1986-87. Target fixed for 1986-87 could not be achieved for a number of industrial products *i.e.* vegetable ghee, sugar, caustic soda, billets, petroleum products, trucks/buses and LCVs/Jeeps. However, the production of some items like cement, fertilizers, soda ash, jute goods, cotton yarn, cotton cloth, and bicycles are estimated to be higher than the targets fixed for 1986-87. The details with estimated production during 1986-87 compared with the targets and actual production during 1985-86 have been given in Appendix-19.

TARGETS FOR 1987-88

Financial Outlays

3. Rs. 229.358 million have been provided for the Federal programmes of Industry Sector for 1987-88 as against the estimated expenditure of Rs. 266 million during 1986-87. Thus, the Federal Industry Sector programme has decreased by 14 percent over the previous year's total expenditure. Major allocations are meant to meet the requirements of Pakistan Security Printing Corporation (Rs. 72 million), Heavy Electrical Complex (Rs. 12.975 million), Technical Assistance Credit Cell (Rs. 54.675 million), KEPZ (Rs. 15.762 million) and Special Area's industrial projects (Rs. 38.136 million). Sub-sector wise details are given in Appendix-5.

Physical Targets

4. A target of 8 percent growth rate has been fixed for manufacturing sector with 7.5 percent in large scale and 9.4 percent in small scale manufacturing. Some major industrial units which are likely to commence production in 1987-88 include twenty new textile mills, with 0.25 million spindles, five vegetable ghee and oil units (capacity 37000 tonnes), four sugar mills, two cement units (0.24 million tonnes) and a number of small and medium units in the field of light engineering. A statement showing details of physical targets for 1987-88 of major industrial items alongwith estimated production during 1986-87 and actual production during 1985-86 is given in Appendix-19.

5. MINERALS

Review of 1986-87

Financial Achievements:

During the year under review, an expenditure of Rs. 186 million is estimated to be made against a provision of Rs. 202 million showing a shortfall of 8 percent. This was due to less utilization of funds by PMDC, RDC and on projects in Special Areas.

2. Agency-wise expenditure details are given at Appendix-6. The performance and review of a few major projects is presented below:—

(i) *Energy Planning and Development Umbrella Project:*

The project with capital cost of Rs. 99.7 million including FEC of Rs. 77.3 million is being undertaken with USAID assistance. The implementation period of the project is 4 years, commencing from date of its approval. An allocation of Rs. 33.1 million including USAID of Rs. 27.7 million was made during 1986-87 which is estimated to be fully utilized by June, 1987. The physical target for drilling of 10,000 feet and analysis of 1,000 samples in Lakhra Coal field is expected to be achieved.

(ii) *Exploration of Northern Block of Lakhra Coal Field:*

The project with a capital cost of Rs. 54.2 million including FEC of Rs. 15.3 million envisages to explore coal deposits at the northern block of Lakhra Coal field. The allocation of Rs. 21 million during 1986-87 is estimated to be fully utilized by June, 1987.

(iii) *Nuclear Mineral Survey and Exploration of Uranium Resources in D.G Khan Division:*

Availability of uranium and zirconium is extremely important and urgent for Pakistan for the generation of power. The country is experiencing difficulties in the procurement of uranium and other atomic materials from outside sources. It is, therefore, necessary that Nuclear Mineral Survey activities be stepped up to ensure indigenous supply of raw materials. Thus, a provision of Rs. 71 million was made in the ADP 1986-87 for the implementation of the two major schemes namely:

- (i) Detailed exploration of Uranium in D.G Khan and
- (ii) Nuclear Mineral Survey Scheme (Phase-III) which has almost been utilized.

Physical Achievements:

3. A growth rate of 7.24 percent is expected to be achieved during 1986-87 against the target of 9 percent in the mineral sector. The lower growth rate is attributed to less production compared to targets fixed for a number of selected mineral items like coal, rock salt, gypsum, limestone and gemstone. Details of estimated production against the targets for 1986-87 are given in Appendix-20.

Targets for 1987-88

Financial Outlays:

4. An allocation of Rs. 203.745 million has been earmarked for the federal programmes of mineral sector for 1987-88 as against the estimated

expenditure of Rs. 186 million during 1986-87. Thus the outlay of federal mineral programmes has increased by 9.5 percent over the previous year. Major allocations are: Rs. 91.1 million for Geological Survey of Pakistan; Rs. 71.28 million for Nuclear Mineral Survey and Uranium Exploration; Rs. 13.880 million for PMDC; Rs. 11.843 million for Saindak Project and Rs. 15.052 million for the mineral projects of Special Areas. Details are given at Appendix-6.

Physical Targets:

5. A growth rate of 8.5 percent has been fixed for 1987-88 in the Mineral Sector against a growth rate of 7.24 percent expected during 1986-87. The details of targets for 1987-88 of some selected mineral items alongwith estimated production during 1986-87 are given in Appendix-20.

6. TRANSPORT & COMMUNICATIONS

Review of Annual Plan 1987-88

The Sixth Five Year Plan for the development of Transport and Communication was based upon the optimization of the transportation system capacity by reversal of the prevailing trend of diversion of traffic from rail to road. This could not be realized during 1986-87 since un-economical long haul road haulage continued because of the inability of Railways to carry its due share of freight traffic. The situation is expected to improve during 1987-88. During 1987-88, emphasis will be placed on the plan strategy of optimal utilization of Railways inherent capacity. Work on major projects like dual carriageway along National Highway N-5, Gwadar Harbour etc will be started. In telecommunication the number of telephone connections, to be installed during 1987-88, is expected to be more compared to previous years.

2. An allocation of Rs. 5921 million was made for the Public Sector Development Programme 1986-87. This included Rs. 4942 million for the Federal Programme against which the revised estimate stood at Rs. 4924 million. The ADP allocation for the Federal Public Sector Development Programme for 1987-88 has been kept at Rs. 5142.7 million. Break-up of the programme may be seen at Appendix-7. The information regarding road

development programme in provinces is not available. The break-up of allocation earmarked for road development programme in Special Areas is also not available.

3. Salient features of the programme are highlighted below:—

Railways:

4. Against an allocation of Rs. 1457.127 million during 1986-87, an expenditure of Rs. 1432 million is expected to be incurred on procurement of 39 DE Locomotives, complete track renewal of 56 Kms, sleeper renewal of 8.5 Kms, and manufacture of 58 carriages.

5. An allocation of Rs. 1182 million has been made for Pakistan Railways for 1987-88. Programme for 1987-88 includes procurement of 21 DE Locomotives, manufacture of 64 carriages, complete track renewal of 60 Kms and sleeper renewal of 20 Kms. Work on locomotive factory will be accelerated during 1987-88. Rehabilitation/Procurement of 250 traction motors would be completed.

Ports & Shipping:

6. Against the allocation of Rs. 193 million an expenditure of Rs. 188 million is expected to be incurred by June, 1987. An allocation of Rs. 301 million has been made for 1987-88 of which Rs. 68 million has been earmarked for Port Qasim Project, Rs. 121 million for procurement of dredger and Rs. 96 million for Gwadar Fish Harbour Project.

Civil Aviation:

7. Against an allocation of Rs. 109.998 million for CAA an expenditure of Rs. 85 million is expected to be incurred by June, 1987. In physical terms work on Faisalabad and Lahore runway project progressed satisfactorily. Aerodrome at Khuzdar and runway strengthening at Turbat was completed. During 1987-88 no allocation has been made for Civil Aviation in the Public Sector Programme. The entire programme of Civil Aviation Authority and Airport Security Force would be self-financed.

National Highways & Bridges

8. Against an allocation of Rs. 1349.616 million including Rs. 600.00 million from Prime Minister's Special Fund for 1986-87, the revised estimates stand at Rs. 883 million. Overall, 45 Kms of new construction and 345 Kms of improvement are expected to be carried out.

9. An allocation of Rs. 1335 million has been made for major highways and bridges for 1987-88 which includes Rs. 30 million for Kalabagh-Shakardara road development project to be executed by the N.L.C. and Rs. 42 million for FWO projects. Among the major National Highway Projects, Rs. 661 million have been earmarked for second Carriageway along National Highway N-5. Work will be carried out on 20 Kms of the Mian Channu-Sahiwal Section, 16 Kms of the Gujranwala-Chenab Bridge and 16 Kms of the Chenab Bridge-Kharian Section in Punjab and 18 Kms of the Karachi-Hyderabad and 14 Kms of the Hyderabad-Hala Section in Sind. Work will also be started on the Lahore Bye pass and the Lahore-Sahiwal second carriageway along National Highway N-5. Substantial progress is expected to be achieved on the Talibwala and Kotri bridge projects for which some allocation has been made. Under Prime Minister's programme work on rehabilitation of Gujranwala-Lalamusa & Khanewal-Sahiwal Sections of National Highway N-5 will continue while work on Quetta-Sibi (N-65) will be completed. Work will also continue on construction of Nokkundi-Taftan road (N-40) and rehabilitation of Bela-Khuzdar (N-25) and D.I. Khan-Kuchlak road (N-50). Provision has been made for feasibility and design of Indus Highway and construction of bridges on Kurram and Ghambila rivers.

10. In physical terms 20 Kms of new construction and 400 Kms of improvement are expected to be carried out.

Telecommunications:

11. The entire allocation of Rs. 1799 million is expected to be incurred during 1986-87. In physical terms 65,013 telephones were installed, 324 PCOs were opened and work progressed on 96 projects. An allocation of Rs. 1679 million has been made for the development of telecommunication system to cater for the growing volume of traffic and to clear backlog of demand of telephone connections. Efforts would be made to instal 80,000 telephone lines during 1987-88. Besides 200 Public Call Offices and 1000 telex connections are also expected to be opened during 1987-88.

7. PHYSICAL PLANNING AND HOUSING

1. Review of ADP 1986-87

A total allocation of Rs. 4503 million was provided in the Sectoral ADP 1986-87—both for the Federal Divisions and the four provinces. Against the total allocation of Rs. 4503 million an expenditure of Rs. 5057 million was incurred showing a utilization of 112.3 percent as under:—

(Million Rs.)

Agency	Allocation	Estimated expenditure	% Utilization
A. Federal	1293	1507	116.6
B. Provincial	3210	3550	110.6
Total PP&H	4503	5057	112.3

Physical Targets and Achievements

2. Details of physical targets and achievements for 1986-87 are given below:

	Sub-Sector	Unit	Targets	Achievements	% Utilization
1.	Plots Urban areas	Nos	140,000	140,000	100
2.	Urban Water Supply.	Addl. Pop. (Million)	2.00	1.80	90
3.	Urban Sewerage/Drainage.	—do—	1.00	0.80	80
4.	Rural Water Supply.	—do—	3.50	3.00	86
5.	Rural Sanitation.	—do—	0.80	0.7	87
6.	Govt. Servants Housing	Nos.	4500	3500	78
7.	Environmental Improvement of Katchi Abadis.	Nos (Million)	0.60	0.45	75
8.	7-Marla Programme.	Nos.	500,000	350,000	70

The overall utilization in financial terms is higher than the achievement of physical targets because of cost and mid term changes in local priorities.

PROPOSED ADP 1987-88

3. The total size of the Sectoral Programme has been proposed as Rs. 5127 million (Federal Rs. 1052 million and Provincial Rs. 4075 million). The 1987-88 allocation of Rs. 5127 million shows an increase of Rs. 1074 million or 26.5 percent over the 1986-87 allocation of Rs. 4053 million. The Sectoral programme has been formulated in accordance with the policies proposed in the Sixth Plan as well the Prime Minister's programme of Katchi Abadis, 7-Marla scheme and acceleration in the water supply programme in the rural areas. Thus the major thrust will be on the sub-sectors of Water Supply and Sanitation with emphasis on rural areas followed by the programme of development of plots (urban and rural areas) and improvement of katchi abadis and housing for the low income group employees of the Federal and Provincial Governments.

4. The overall physical targets for 1987-88 (Federal and Provincial) are given below:

Item	Unit	Physical Targets
1. Urban Residential Plots.	Nos.	150,000
2. Urban Water Supply.	Addl. Pop. to be served (Million)	2.50
3. Urban Sewerage/Drainage.	—do—	1.50
4. Rural Water Supply.	—do—	4.50
5. Rural Sanitation.	—do—	1.00
6. Govt. Servants Housing.	Nos.	5000
7. Environmental improvement of Katchi Abadis.	Pop. to be served (Million)	1.00
8. 7-Marla programme.	Nos. of plots (Million)	0.50

5. *Federal:* Against the total allocation of Rs. 1052 million major allocations of about 62 percent are for provision of residential accommodation to Federal Government employees, Government Offices and Buildings and Capital Development Authority whereas the remaining 38 percent allocation for meeting the essential needs of office and residential accommodation of Civil Armed Forces, Foreign Affairs, Cabinet, Commerce and Religious Affairs Divisions and related programmes in Azad Kashmir, Northern Areas and FATA.

6. *Provincial:* Against the overall size of Rs. 4075 million about 86 percent allocation is proposed for Prime Minister's programme of water supply and sanitation in rural areas, improvement of katchi abadis and 7-Marla plots in rural areas. The remaining allocation is for provision of water supply and sanitation facilities in urban areas, construction of houses for Provincial Govts. employees, office buildings and urban development projects such as city roads bridges etc.

8. MASS MEDIA

Review of ADP 1986-87

During 1986-87 a sum of Rs. 200 million was allocated to the Mass Media Sector, out of which an amount of Rs. 189 million is expected to be utilized representing financial utilisation of 95 per cent.

Pakistan Television Corporation

2. PTV's ADP for the year 1986-87 was Rs. 147.242 million including self financing of Rs. 40.000 million. It was to be spent on the import of electronic equipment for Television Centres Islamabad, Karachi, Lahore, Quetta and Peshwar, payment of import duties on equipment ordered for the main television centres, construction of staff quarters at Quetta and Peshawar, completion of rebroadcast centres at Mingora and Chitral, translator centre at Morasar, low power transmitters at Matta and Bat Khela and SHF links Cherat-Razmak and Quetta-Kalat.

3. As far as the implementation of the programme is concerned, the major portion of the equipment ordered in the previous year has been received

and cleared from customs. The rest of the equipment is expected to arrive and will be installed at the respective projects. The construction of staff quarters at Television Centres Quetta and Peshwar, is in progress.

4. Work on Rebroadcast Centres Mingora, Chitral, Tando Allah Yar Translator Centre, Morasar and Low Power Transmitters at Matta and Bat Khela is also in progress and entire allocation is likely to be utilised by the end of the current financial year. The transmitting and receiving equipment received for these projects and SHF link Cherat-Razmak is in the process of installation.

Pakistan Broadcasting Corporation

5. Pakistan Broadcasting Corporation was allocated an amount of Rs. 46 million for the year 1986-87 for 20 on-going projects and three new projects including the major projects of village Broadcasters at Sibi and Abbotabad, 300 KW MW transmitters and Broadcasting House at Zhob and Loralai and replacement of damaged aerial system at High Power Transmitter, Rewat. The physical progress on the project is satisfactory, despite the fact that the agency was allocated much below the amounts it had asked for. Work on the replacement of damaged aerial system at Rewat has been completed. 300 KW MW transmitter at Khuzdar is ready for commissioning and the village broadcaster at Abbotabad is expected to be commissioned by the end of the current financial year (1986-87).

Planning and Development Division

6. An amount of Rs. 6.300 million was allocated to the Planning Division for the projection of development programme and purchase of composing machine. Publicity of the development programmes was with-held as it was decided that the publicity of the Prime Minister's Five Point Programme should be undertaken when the implementation is in full swing. The composing machine could not be purchased due to non-release of funds.

Programme for 1987-88

7. In ADP 1987-88 Mass Media agencies have been allocated Rs. 108.270 million which is about 46 per cent lower than the plan provision

of Rs. 200 million in 1986-87. The ADP 1987-88 is only for the on-going projects. However, Rs. 14.270 million have also been provided for three new projects namely TV booster at Parachinar (under Prime Minister's directive), setting up of a colour film laboratory for Directorate of Films and Publications and Associated Press of Pakistan. Rs. 11.030 million for the publicity of Prime Minister's Five Point Programme and Rs. 4 million for National Debate on Seventh Plan, have also been earmarked in the ADP 1987-88. Due to paucity of funds most of the on-going projects will be included as throw forward schemes in the Seventh Plan.

Pakistan Broadcasting Corporation

8. An amount of Rs. 22,000 million has been allocated to PBC in the ADP 1987-88 against revised estimates of Rs. 45,000 million. All the allocations have been earmarked for on-going projects. Since the PBC could not get funds adequately and had to face a large cut in its development programme, a number of schemes will not be completed by the end of the Sixth Plan period.

Pakistan Television Corporation

9. Pakistan Television's ADP for the year 1987-88 is Rs. 62 million including foreign exchange component of Rs. 15 million which is for the on-going projects, except the TV booster at Parachinar (under Prime Minister's directive). It includes the following broad categories of work :—

- (i) Completion of functional buildings of Television Centre Islamabad and Karachi and Staff quarters for Television Centres, Karachi, Lahore, Quetta and Peshawar.
- (ii) Payment of import duties on equipment ordered for Television Centres, Lahore, Quetta and Peshawar, during the year 1986-87.
- (iii) Completion of Rebroadcast Centre, Tando Allah Yar and S.H.F Link Quetta-Loralai.

Planning Division

10. An amount of Rs. 11.030 million has been allocated for the projection of Prime Minister's Five Point Programme. Publicity of the Prime Minister's five Point Programme will be launched in collaboration with the Ministry of Information and Broadcasting and the Provinces through T.V., Radio and the print media. Another amount of Rs. 4 million has been earmarked for a national debate on the 7th Five Year Plan, in accordance with the decision of the NEC.

DFP

11. For the year '1987-88' only a token amount of Rs. 1 million has been allocated for the Directorate of Films and Publications, to enable it to make payment for the land acquired in Islamabad for setting up a colour film laboratory.

FINANCIAL OUTLAYS

Sub-sector	Revised Estimates 1986-87	ADP 1987-88
M/o. Information and Broadcasting	(183.0)	(93.240)
1. Television	145.0	61.970
2. Radio	38.0	22.000
3. Associated Press of Pakistan	—	8.270
4. Directorate of Film and Publications	—	1.000
Planning and Development Division	6.0	(15.030)
(a) Development Publicity	6.0	—
(b) Composer Machine	0.3	—
(c) National Debate on 7th Plan	—	4.000
(d) Publicity of Prime Minister's Five Point Programme	—	11.030
Total:	189.3	108.270

12. The revised estimates 1986-87 exceeded the actual allocation of Rs. 200 million as PTV was given a special supplementary grant of Rs. 80 million as a special case for acquiring 3 OB Vans for the Cricket World Cup, 1987.

9. EDUCATION AND TRAINING

Financial Outlays

Rs. 1443 million have been provided for the Federal Programme of Education Sector for 1987-88 as against the expenditure of Rs. 1428 million during 1986-87. Thus the outlay of Federal Education Programmes has increased by 1.1% over the previous year. Sub-Sector-wise details are given in Appendix-8.

Project Targets

Achievement during 1986-87

2. In view of increased importance given to Education in the Prime Minister's Five Point Programme, efforts have started to take basic education facilities to remote/rural areas. During 1986-87, 8,585 new primary/mosque schools (against 5,370 in 1985-86) were opened in the country, while 559 primary schools were upgraded to middle level, and 299 middle schools were upgraded as high schools under the Prime Minister's Five Point Programme. 22,000 NAI ROSHNI Schools are expected to be opened for providing another opportunity to children aged 10 to 14 for completing primary education. These children either did not attend primary schools or dropped out during early years of education. Several innovative programmes giving recognition to good students, teachers, good schools, writers, researchers etc. were started. Iqra Pilot Project was started in the Districts of Islamabad and Rawalpindi for producing literates on contract basis.

Targets for 1987-88

3. During 1987-88 under the Prime Minister's Programme, 10,640 primary/mosque schools will be opened, 701 primary schools will be upgraded to middle and 506 middle schools will be upgraded to high school level. 22,000 Nai Roshni Schools, opened during 1986-87 to offer primary school syllabus of

5 years in a period of two years, will continue. National Technical Teachers Training College will be completed. Government Polytechnic Institute for Women, Islamabad will also be completed. Third Primary Education project assisted by the World Bank will be started in the Province of Punjab. The project aims to improve primary education. Science Education Project assisted by ADB will be in full swing during 1987-88. The project aims to improve teaching of science in middle and high schools. The rates of foreign scholarships for the Quaid-i-Azam Scholarships, Merit Scholarships and Central Overseas Training Scheme have been raised and about 125 new scholars will be sent abroad.

10. CULTURE, SPORTS, TOURISM & YOUTH AFFAIRS

1. Review of ADP 1986-87

The Federal ADP allocation of the sector amounted to Rs. 157.2 million against which financial implementation during the year is expected at Rs. 160.0 million. Major spurt was noted in the Sports sector where supplementary grants of Rs. 18.400 million were provided to accelerate the hockey stadium construction at Lahore for the World Cup event and purchase of desso-turf for the training camp at Quetta. In the Tourism sector Rs. 5.00 million were provided for the construction of rest houses in Baluchistan, covered under the Prime Minister's directive.

2. In the Archaeology and Archives sector, the major projects which reached advanced stage of completion included protection of Moenjodaro Sites, (82%), National Archives Building (90%), Taxila Museum (100%) and renovation/restoration of Quaid-e-Azam House, Karachi (68%).

3. In the Sports sector the National Hockey Stadium was provided Rs. 23.78 million for early completion of this federally funded project. It is likely to reach a completion stage of 75% by June 1987. Two district sports stadia at Nawabshah and Shikarpur were fully funded and they will be completed soon.

4. In the Youth sector, construction of a youth hostel at Islamabad was started while repairs to 7 existing youth hostels located in N.W.F.P. and Northern Areas were carried out. Ten Vocational Training Centres were established in the provinces to impart skill training to youth at the tehsil level.

5. In the Tourism sector, the Malam Jabba project reached a physical completion stage of 90%. Funds are expected to be released soon to Baluchistan for starting construction of 4 rest houses in the province on priority basis. Tourist lodges and tourism development projects remained under various stages of completion in the provinces of Punjab, Sind, N.W.F.P., and Azad Kashmir on matching grant basis.

Programme for 1987-88

6. The Federal ADP provides an allocation of Rs. 137.379 million (F.E.C. Rs. 26.491 million) for the development of physical facilities in the fields of archaeology and archives, culture, sports, tourism and youth. The agency-wise allocations appear below:

AGENCY WISE ADP ALLOCATIONS

(Rs. Million)				
Sub-Sector	Allocation	F.E.C. Total	Own Resources	Aid
I. Culture, Sports & Youth Affairs	100.214	20.191	6.610	13.581
(i) Archaeology & Archives	29.000	—	—	—
(ii) Sports	41.214	—	—	—
(iii) Culture	3.000	—	—	—
(iv) Youth	27.000	—	—	—
II. Tourism	37.165	6.300	0.500	5.800
(v) Tourism Division	27.165	—	—	—
(vi) P.T.D.C.	10.000	—	—	—
	137.379	26.491	7.110	19.381

7. This allocation represents a deceleration of 15.4% over the implemented programme of Rs. 160.00 million during 1986.87. The slow-down

during the year will retard the progress of ongoing programmes and will allow initiation of new schemes on highly selective basis.

8. Emphasis has been placed on the completion of as many ongoing schemes as possible during 1987-88. Four schemes will be completed in the Archaeology and Archives sector, including Quaid-e-Azam House, Karachi, National Archives Building, Islamabad, Expansion of National Museum, Karachi and Training Facilities for professional archaeologists and technicians.

9. Three schemes will be completed in the Sports sector. These include the Hockey Stadium, Lahore and 2 district sports stadia at Bannu and Muzaffarabad.

10. The youth development programme provides Rs. 27.000 million for creation of 70 skill development centres at tehsil level, construction of 4 tehsil sports stadia at Gojra, Mandi Bahauddin, Hasilpur and Pak Pattan, and construction of 2 youth hostels at Islamabad and Peshawar. The youth training centres to be completed during the year include 27 units in Punjab, 12 in Sind, 10 in NWFP, 9 in Baluchistan, 8 in FATA/NA and 4 in Azad Kashmir. When completed, these centres will provide training in rural based skills like tailoring, tractor driving/mechanics, electricians, embroidery, knitting etc., and will train 4,000 youth per year.

11. In the Tourism sector, the Malam Jabba project will reach an advanced stage of completion while construction of the Institute of Hotel Management, Karachi, will be started after updating the construction designs. Besides, construction of four units of tourist lodges/rest houses will be completed in Baluchistan. In Sind, N.W.F.P. and Punjab, the tourist facilities like parks and rest houses will be developed on matching grant basis.

11. SCIENCE AND TECHNOLOGY

Review of 1986-87*

1. During 1986-87, an amount of Rs. 241.118 million was allocated to the Ministry of Science and Technology. The estimated expenditure for the

*The activities pertain only to the Ministry of Science and Technology: R&D work is also undertaken by other agencies, which is reflected in their respective sectors.

year is Rs. 238 million, which gives a utilization of almost 100 per cent. Details by sector are given below in Table-I. Expenditure on Education and Training is more than the allocation and is covered by supplementary grant. The difference is due to increased amounts required to finance the high-level training overseas of scientific and technical manpower.

TABLE I
Utilization: 1986-87

(Rupees in Million)			
Sector	Allocation	Utilization	Percentage
Education & Training	97.437	99	101.6
Industries and Power	109.661	99	90.3
Health	15.00	15	100.0
Water	14.00	21	150.0
Housing and Works	5.02	4	80.0
Total:	241.118	238	98.7

2. To overcome the critical deficiency of manpower in the R&D institutions of the country, the Ministry of Science and Technology had earlier launched two programmes to train young scientists, doctors and engineers in high technology fields. Of the 431 candidates selected about 377 candidates have already proceeded abroad for PhD studies. The remainder are expected to leave by October, 1987. In the context of the Prime Minister's Five Point Programme, the Ministry of Science and Technology developed the concept of rural uplift through the application of a S&T package, including facilities such as healthcare, electricity and potable water, to remote areas of the four provinces. A pilot project, for 50 villages, is being implemented at an estimated cost of Rs. 9.90 million.

3. Research work continued in all the R&D institutes of the Ministry of Science and Technology. The permanent building of the National Institute of Silicon Technology is nearing completion. Phase II of the Institutes of

Oceanography (estimated cost Rs. 44.0 million) and Power (cost Rs. 40.0 million) respectively, were approved and preliminary work started. Pakistan Medical Research Council concluded Phase III of the National Health projects, at a cost of Rs. 16.5 million.

Programme for 1987-88

4. *Financial*.—As against Rs. 241.118 million for 1986-87, an allocation of Rs. 237.00 million has been made for 1987-88, which represents a decrease of 2 per cent. The organization-wise breakdown of allocations may be seen at Appendix 9.

5. Some of the major programmes that will be undertaken in 1987-88 are described below:

Phase I of the project, Development of High Level S&T Manpower, will continue. A second phase, for another 400 scholarships for PhD overseas in high technology areas, will begin. The National Institute of Silicon Technology will move to its new permanent building. The National Institute of Electronics will expand its building and other facilities. Construction of buildings and acquisition of equipment will be the prime objectives of Phase-II of the National Institute of Oceanography and National Institute of Power, respectively. Pakistan Science Foundation will commence construction of the building for the Museum of Natural History, in Islamabad. Pakistan Council of Research in Water Resources will continue its activities at the Drainage and Reclamation Institute of Pakistan, Tando Jam. The Council for Works and Housing Research will develop appropriate construction materials technology and construction systems for low cost housing. Construction of the Council's own building will also continue. A project for Phase-II (cost Rs. 57.5 million) of the National Centre for Technology Transfer has been submitted for approval. Construction of buildings and acquisition of staff and equipment will commence during the year. The Centre would also initiate work on the establishment of provincial subcentres at Lahore and Hyderabad.

6. PCSIR will make significant contribution towards R&D in various scientific and industrial fields. Buildings, equipment and staff will be acquired for a number of its new projects including Medicinal Botany Centre,

Peshawar (cost Rs. 73.01 million), Industrial Electronics Centre at Pak-Swiss Training Centre, Karachi (cost Rs. 95.65 million) and Technical Training Centre, Quetta (cost Rs. 30.00 million). Several small projects will also be undertaken. The project, Balancing and Modernization of PCSIR Laboratories (cost Rs. 290.633 million) will commence with the acquisition of equipment.

12. HEALTH AND NUTRITION

1986-87

An allocation of Rs. 2646 million existed in 1986-87. An additional allocation of Rs. 200 million was made during the year out of Prime Minister's Special Fund for the employment of unemployed doctors to improve the health care facilities. Financial utilization is estimated to be around 92%.

2. During the year 150 beds in Islamabad Hospital and 50 beds in Children Hospital, Islamabad have been commissioned. The College of Nursing and School of Paramedics at Islamabad has been completed under Japanese assistance and the first batch of nurse trainees has been admitted. Sheikh Zaid Hospital Lahore with 350 beds has also been commissioned.

3. The Provincial programmes have progressed satisfactorily. Four thousand hospital beds have been added. The training of health manpower progressed satisfactorily and 3,800 doctors, 140 dentists, 1,100 nurses, 4,200 paramedics have been trained during the year. Poly-immunization programme maintained its tempo and 4 million children have been fully immunized. The children fully immunized are estimated to be about 80 percent. There has been significant progress in the immunization of expectant mothers against tetanus. The treatment of diarrhoeal diseases by oral rehydration therapy continued as one of the components of preventive programmes. Eleven million oral rehydration salt packets have been distributed.

4. Under the Prime Minister's Five Point Programme there has been satisfactory progress about the construction of Basic Health Units and Rural Health Centres. The utilization of funds has been according to the allocations. It is estimated that 400 Basic Health Units and 30 Rural Health Centres have

been added during the year. The coverage of union councils has moved from 68 percent to 78 percent.

5. During the year 1800 positions for doctors have been created on a regular basis. In September, special allocation was made out of Prime Minister's Fund for the educated unemployed for the employment of doctors and ancillary staff to the tune of Rs. 200 million. Fifteen hundred jobs for doctors have been created out of this fund besides 3000 jobs for auxiliaries and 1500 jobs for ancillaries. Some of the jobs of the doctors created in 1985-86 remained un-filled in that year. Provincial Public Service Commission have now cleared 2,500 doctors for regular appointment and all these positions have now been filled-in by regular incumbents. The posts created during 1985-86 for double shift numbering 1000 towards the end of fiscal year 1985-86 have now been reported to be filled. Fifteen hundred doctors were reported to be gainfully employed in the private sector out of which 1025 utilized the loaning facility allowed by the Government through Small Business Finance Corporation in such a venture. Thus a total number of 6500 doctors have been gainfully employed during the year. Besides, 3796 jobs have been created for employment of doctors in May 1987 to further reduce the unemployment of doctors. The jobs for balance of unemployed doctors will be finalised in June 1987 and jobs created correspondingly under the Prime Minister's Special Programme for providing jobs to doctors and engineers.

1987-88

6. Priority has been accorded to the provision of Basic Health Units and Rural Health Centres at each Union Council under the Prime Minister's Social and Economic Development Programme. Under the same programme expansion of the existing facilities in the rural areas will be stepped up during the year. For establishment of Basic Health Units and Rural Health Centres Rs. 1900 million has been earmarked. By the end of the year 90 percent of the Union Councils will be covered by such facilities. Priority has also been accorded to set up a National School Health Service.

7. An allocation of Rs. 2730 million has been made for the health sector development programme for 1987-88. This is around 5 percent of the ADP. Financial allocations and physical targets are given at Appendices 10 and 21.

8. During the year Punjab Medical College Hospital, Faisalabad and new building of Ayub Medical College will be commissioned. Work on Bolan Medical College will be started in full swing and the college component will be commissioned.

9. To meet the shortage of specialists, 500 trainee registrars positions have been created to provide training opportunities to doctors in basic, clinical and management sciences. Steps will be taken to merge the immunization programme as an important component of BHUs and RHCs. During the year there will be an expansion of training programme of nurses and lady health visitors to improve the quality of care in rural areas.

13. POPULATION WELFARE PROGRAMME

A sum of Rs. 555.862 million was allocated as ADP (foreign assistance of Rs. 400 million) for the financial year 1986-87. It is estimated that the programme will utilize an amount of Rs. 483.284 million (86.9 percent) by the end of June 1987 (Appendix II).

2. The Annual Plan 1986-87 continued to further consolidate the objectives of the Sixth Plan and accelerate the pace of programme implementation. The contraceptive service delivery was offered through programme outlets, government department health outlets, Infrastructure and Target Group Institutions, NGOs and the Social Marketing Project. The physical achievements of service delivery outlets is estimated to range from 2.3 percent (Northern Areas) to 140 percent (contraceptive Distribution Points). The achievements of contraceptive methods will range between 25 percent (Oral Pills) to 143 percent (Injectables), consequently the birth aversions are estimated as 0.200 million (42.7 percent). The achievements in case of orientation/training of Para-medics is estimated to be 39.8 percent and training of Traditional Birth Attendants (TBAs) as 33.8 percent (Appendices 22 and 23).

3. During 1987-88 the emphasis of the programme will be upon the clinical methods of contraceptives while the service delivery of conventional methods will also improve. The improved service delivery will be offered through increased numbers of Family Welfare Centres, service outlets of Provincial Line Departments, Reproductive Health Service outlets, NGOs

outlets. Improved training, research and contraceptive procurement & distribution will serve as backup support. In order to improve service delivery and the training component, permanent structures will be created by undertaking building construction for Central Ware-House & NRIFC at Karachi and Five Regional Training Institutes at Peshawar, Lahore, Hyderabad, Karachi & Quetta.

4. For carrying-out the above programmes an amount of Rs. 621 million has been allocated as ADP 1987-88, this includes foreign assistance of Rs. 447 million (FEC of Rs. 221.152 million). The sectoral allocation shows an increase of 11.7 percent over the allocations of 1986-87 (Appendix II).

14. MANPOWER & EMPLOYMENT

Review of ADP 1986-87

The Federal Programmes in Manpower sector were provided Rs. 78.2 million during the year 1986-87 of which Rs. 60 million were spent. Under the Manpower Division, the projects namely "National Vocational Training Project", "Establishment of TTC at Larkana" and "Development and Utilization of Human Resources—Strengthening of Data Base" were financed out of the development budget. The "National Vocational Training Project" is assisted by the World Bank and the "Data Base project" is financed by the Netherlands Government. Under the Labour Division, Social Security and Pension Scheme was provided funds. The scheme is totally funded by the UNDP.

Implementation

2. Under the National Vocational Training Project Phase-I, construction and expansion of civil works in 28 centres has already been completed. The remaining civil works in 5 centres *i.e.* ATC Karachi, TTC Abdullah Haroon Karachi, TTC Kotri, TTC Sukkur and TTC Quetta, will be completed by June, 1987. Equipment for all the training centres have been delivered to the concerned provinces/institutions. Under the National Vocational Training Project Phase-II, it is envisaged to construct 36 new vocational training centres including 5 for women and expansion of National Training Development Institute. The scheme has been approved by ECNEC at

a cost of Rs. 2041.353 million with FEC of Rs. 1171.5 million. The foreign exchange component will be provided by IDA and technical assistance by CIDA, FRG, EEC and UNDP. "Development and Utilization of Human Resources—Strengthening of Data Base" could not be undertaken during 1986-87 due to revision of the PC-I. The revised project has been approved by CDWP and is expected to be approved by ECNEC shortly. The revised estimates for 1986-87 and ADP provision for 1987-88 with respect to federal projects is given in Appendix 12.

Manpower Situation

3. The Sixth Plan has fixed a target of 3.32 million additional jobs to be created during the Plan period. According to the Labour Force Survey 1984-85, 1.93 million jobs were created during the period 1983—86. It is expected that 1.71 million jobs will be created during 1986—88. As such, the Plan is expected to achieve about 109% of the employment target during the Sixth Plan period. The figures of employment, un-employment, labour force and the participation rate of population are given in Appendix 24.

15. SPECIAL DEVELOPMENT PROGRAMME FOR WOMEN

The promotion of women's welfare is given due recognition by the Government. To this end a separate Women's Division was created in 1979 to operate Special Development Programmes for the welfare and progress of women in all fields including employment, training, protection of their rights and enhancement of their participation in all national activities and socio-economic development.

Review of ADP for 1986-87

2. During the year 1986-87, a block allocation of Rs. 147 million was provided against which Rs. 39.4 million is for on-going schemes and the remaining amount is being spent on new projects sponsored by line departments. The expenditure on the women's programme during the year is estimated to be Rs. 73 million. Block allocations are made in the ADP for Special Development Programmes for Women. These programmes include, among others, the opening of women's training centres, establishment of polytechnics for women, construction of hostels for working women, day-care

centres, opening of women's GVIs TTCs, community welfare programmes and setting up of recreational centres. Most of the schemes are, however, low cost schemes which are implemented by Provincial Governments and financed by the Women's Division through the respective ADPs. Year-wise allocation and expenditure on the said schemes since 1983 is as under:—

<i>Year</i>	<i>Allocation</i>	(Million Rs.)
		<i>Expenditure</i>
1983-84	51.00	51.00
1984-85	60.00	58.49
1985-86	96.50	96.50
1986-87	93.419	73.36 (Provisional)

3. An amount of Rs. 130 million has been provided in the ADP for 1987-88 for the Special Development Programme for Women. The Province-wise allocations and utilization for 1986-87 and 1987-88 are at Appendix 13.

16. SOCIAL WELFARE

Review of 1986-87

The Federal ADP for 1986-87 made an allocation of Rs. 117.044 million for social welfare sector, of which, Rs. 75.719 million was for special education and rehabilitation services for the disabled, Rs. 7.535 million for social services, Rs. 6.700 million for promotion of voluntary social work and Rs. 27.090 million for staff welfare programme. The total projected expenditure by 30th June 1987 is expected to be Rs. 76.000 million (special education and social welfare services—Rs. 48.000 million and staff welfare—Rs. 28 million). The main physical achievement during 1986-87 includes expansion and establishment of 7 institutions of special schooling, vocational training and rehabilitation of the disabled, organisation of 5 units of social services, provision of financial, professional, technical and equipment assistance to 200 voluntary social welfare agencies and construction of 7 buildings to house staff welfare centres.

Federal Programme for 1987-88

(a) *Financial Allocation*

2. During 1987-88 Rs. 115.700 million have been provided for social welfare sector, out of which Rs. 85.689 million is for special education and social welfare services and Rs. 30.011 million for staff welfare programme. Agency-wise details of financial allocation are given in Appendix 14.

(b) *Physical Targets*

3. (i) *Special Education and Social Welfare Services.*—The ADP during 1987-88 aims at development of institutional facilities of special education, vocational training as well as building up a broad programme of rehabilitation services to enhance economic and social functioning of the disabled, particularly disabled children. The main physical targets include establishment of 15 special education institutions. These institutions will provide services for four categories of the handicapped viz: blind, physically disabled, mentally retarded and deaf/mute. Some of the Institutions will be used for demonstration so that voluntary welfare agencies could undertake similar programme on a large scale through mobilization of community resources as well as assistance from Zakat Organisations.

(ii) *Social Welfare Services.*—Five types of social welfare institutions are proposed to be developed and expanded during 1987-88 (child welfare centres-1, medical social work units in hospital-1, socio-economic centres for women-1, day care centre for senior citizens-1, and construction of 1 building to house women welfare centres). Six in-service training courses will also be organised.

(iii) *Promotion of Voluntary Social Work.*—The National Council of Social Welfare in cooperation with its provincial counterparts will provide financial, technical and equipment assistance to 200 voluntary social welfare agencies for promotion and standardisation of their services. The National Council will also undertake steps for regulating the content, scope and direction of voluntary social welfare programme.

(iv) *Staff Welfare Services.*—The Staff Welfare Organization (Establishment Division) during 1987-88 will complete construction of 8

buildings to house multi-purpose staff welfare centres and will establish new institutions including a Day Care Centre.

17. RURAL DEVELOPMENT

Rural development broadly conceived means "rural transformation" *i.e.* change not only in the methods of production and of economic institutions but change also in the social and political infrastructure and human relationships. Rural Development involves a multi-sectoral approach covering all development activities in rural areas of Pakistan. *i.e.* Education, Electrification, Health, Water Supply and Sanitation etc. Rural Development covers almost all physical infrastructure and social sectors.

2. In the 1987-88 ADP, highest priority is accorded for rural development. Over-all allocation for rural development for 1987-88 adds up to Rs. 32.47 billion, including Rs. 24.71 billion earmarked for the Prime Minister's Five Point Programme in ADP 1987-88 (Appendix 15). This Programme claims 76 percent share of the total rural development input and 49 percent share of the total outlay of ADP 1987-88.

3. Almost 51 percent of the total allocation in Provincial ADPs earmarked for the rural development falls in the sectors of education, health, roads, water supply and sanitation.

4. As a result of concerted efforts the rural development programme in the 1987-88 Annual Plan envisages:—

- (a) 100% increase in the opening of Primary/Mosque schools.
- (b) Health facilities to cover 80 percent of population.
- (c) Construction of 2400 Kms rural roads.
- (d) About 4228 additional villages will be provided potable water supply.
- (e) About 5 million additional population will be provided potable water supply.
- (f) 1.8 million population will be provided sanitation services and facilities.
- (g) More than 0.99 million acres of land will be protected from water logging by constructing 898 Km new surface drains and 69,038 acres by tile drains.

CHAPTER 4.

ECONOMIC AND SOCIAL PROGRAMME OF THE PRIME MINISTER

The Prime Minister's Five Point Programme is a four years programme to be implemented in the last two years of the Sixth Five Year Plan and the first two years of the Seventh Plan. The current year (1986-87) marked the beginning of the Programme which has laid an accelerated emphasis on the development of Social Sectors which had not received due attention in previous years. The focus of the Five Point Programme is on raising the standards and quality of life in the less developed areas and to bring succour and support to the less privileged sections of society. It has added new dimensions to the whole field of Rural Development.

2. During the current financial year, 1986-87, a development outlay of Rs. 23.0 billion has been provided in the budgets of the Federal and Provincial Governments for the Five Point Programme. This constitutes an increase of 119 per cent over actual expenditure in 1985-86 on the sectors covered by the Programme and is equivalent to 40 per cent of the total development outlay in 1986-87. Of the total outlay of Rs. 23.0 billion, the highest priority has been accorded to programmes in the fields of rural education and village electrification (Rs. 5.54 billion and Rs. 5.27 billion respectively), Rs. 2.52 billion have been earmarked for anti-water-logging and salinity programme, and Rs. 2.0 billion for additional employment generation through programmes of mass literacy, Federal housing, construction of new highways, youth advisory services and employment for special groups like doctors and engineers. In addition, an outlay of Rs. 1.15 billion has been provided for rural water supply and sanitation and Rs. 0.73 billion for the improvement of *Katchi Abadis*. The programme also includes an amount of Rs. 1.62 billion for schemes to be sponsored by the Members of Parliament (MNAs and Senators) to ensure maximum involvement of the local communities and the people's elected representatives in the process and tasks of development of local areas.

3. Consistent with the financial outlays mentioned above, the following physical targets were set during 1986-87:

- To electrify 4208 additional villages in a determined bid to spread electrification to 90 per cent of the villages by 1990.
- To build nearly 4500 kilometers of rural and farm to market roads, keeping in view the objective of linking every Union Council with a Provincial or National highway during the next four years.
- To open 9,000 primary and mosque schools to provide enrolment for about 450 thousand children.
- To establish 22,000 'Nai Roshni' schools to provide incentive for about 500 thousand drop-out children to enrol again for afternoon classes.
- To establish 493 new Basic Health Units and 44 new Rural Health Centres. This will mean that each Union Council area will have a BHC by 1990.
- To supply clean potable water to over 350 thousand additional people in the rural areas and rural sanitation to 8 lakh additional people. The programme this year will be about five times its size in 1985-86.
- To protect an additional 800 thousand acres of land from water-logging and salinity by providing more tubewells, open drains and tile drains.
- To confer proprietary rights on 600 thousand dwellers of the *Katchi Abadis* and to undertake a major upgrading and improvement programme for the provision of basic minimum facilities in these areas in phases.
- To provide about 500 thousand poor and shelterless people in the rural areas with 7-marla plots to build their own houses.
- To provide additional jobs for about 100 thousand unemployed through the Prime Minister's National Employment Fund (of Rs. 2000 million) particularly for teachers, doctors, engineers, skilled workers and educated youth. This special effort will supplement the employment generated by the normal development programmes.

Progress during 1986-87

4. During the nine months up to March 1987, financial implementation in sub-sectors such as rural education, health, roads and water supply under Provincial Governments was estimated at 51 per cent. According to the experience of accelerated expenditures in the final three months of the financial year and the implementation agencies' estimates it is expected that 90 per cent of the Programme for 1986-87 will be implemented by the end of the year. As regards physical progress, 1443 villages had been electrified up to March 1987, and it is projected that WAPDA will be close to its target of 3,500 villages for the current year. Some 40 to 60 per cent of the components under the anti-water logging and salinity programme have been completed and close to 90 per cent of the targets for primary schools, health units, rural roads, and water supply are expected to be achieved.

5. The distribution of plots in the rural areas and the grant of proprietary rights to the residents of *Katchi Abadis* is in progress. Loans have been granted to 2148 persons (mainly doctors, engineers and lawyers) amounting to Rs. 115 million by March 1987, to help them in their self-employment efforts. The operations of the Small Business Finance Corporation in extending loans for this purpose have been commendable.

Programme for 1987-88

6. The Five Point Programme will enter its second year in 1987-88 and a substantial increase in development outlay is being provided for this Programme. The outlay for 1987-88 will be Rs. 25.00 billion, which is about 21 per cent higher than the estimated expenditure during the current year. The highest priority has been accorded to programmes in the field of rural electrification and rural education. These two have been provided about 49 per cent of the total programme during the year. Sector-wise allocations, for 1987-88 have been given in Annexure-I and break-up by executing agencies has been given in Annexure-II. The table below indicates the physical targets which have

been proposed for the year:

Major Selected Physical Targets for 1987-88

Item	Unit	Target
1	2	3
A. Rural Education:		
1. Mosque Schools	Number	4766
2. Primary Schools	Number	4901
B. Rural Health:		
1. Basic Health Units	Number	477
2. Rural Health Centres	Number	38
C. Village Electrification:	Number	4228
D. Rural Water Supply and Sanitation:		
1. Rural Water Supply	(Additional population to be served: in millions)	5.00
2. Rural Sanitation	—do—	1.80
E. Anti Water-logging and Salinity Programme:	(Area to be protected) (million acres)	0.995

Local Development Schemes Identified by MNAs and Senators

7. While every effort is being made to meet the urgent socio-economic needs of the rural population and the urban poor: through the large number of projects under the Prime Minister's Five Point Programme, this development effort is being supplemented by additional local development schemes identified by MNAs and Senators. This has greatly enhanced the role and enlarged the scope of people's participation in the development of local areas.

These schemes are being implemented through the normal municipal and other public or government agencies, under the overall supervision of the elected representatives concerned. A sum of Rs. 1620 million has been provided for these schemes during the current year (1986-87).

8. The schemes identified by the Members of Parliament to promote the development of local areas and the uplift of local communities fall broadly into two categories, namely, Education and Local Development, and will involve as many as 324 MNAs and Senators actively in the development process at the local level. To institutionalise the arrangements, a high-level inter-ministerial Implementation Committee has been set up to scrutinise and approve these schemes. These schemes will be executed through local institutions like District Councils and Municipal Committees as well as the line departments of the Government.

9. 9059 schemes had been sponsored by the MNAs/Senators upto March, 1987. Of these, 6949 schemes costing Rs. 1181.3 million have been approved by the Implementation Committee. Against this, Rs. 1182 million had already been released by the Federal Government and implementation of the programme was in full swing. Out of 6949 approved schemes, 3734 are in the education sector, 1100 for water supply and drainage, 81 for the rural health centres/basic health units, 1862 for construction of rural roads and 172 for small multipurpose local level schemes like construction of small embankments and development of recreational and other facilities in the local areas.

10. An allocation of Rs. 1.50 billion has been made for MNAs/Senators' Programme for 1987-88.

MPAs Programme for 1987-88

11. In the light of experience gained, it was decided by the National Economic Council at its last meeting held on 21st May, 1987, to extend the elected representatives programme also to Members of the Provincial Assemblies as from 1987-88. An amount of Rs. one billion has accordingly been provided in the next year's Annual Development Programme for this purpose.

Impact of Programme

12. The successful implementation of the Five Point Programme is expected to dramatically change the socio-economic environment in the rural areas. It should lead to a substantial improvement in the living standards of Pakistan's rural poor, through the provision of the basic social and economic services, reduction of illiteracy and the creation of more gainful employment opportunities. The Programme is aimed at establishing a new and progressive socio-economic order based on the Islamic principles of *adl* (justice) and *ehsan* (welfare), leading to a more egalitarian distribution of the benefits of economic growth.

13. The Government on its part is determined to make every possible effort to ensure the full and faithful implementation of this massive programme, expected to cost Rs. 117.35 billion during the four years (1986—90). At the same time it is obvious that the proper implementation of various elements of the programme represents a challenge and opportunity for the entire nation and has to be undertaken as a national responsibility. Every one must play his or her part in carrying out the execution of the programme. Given the required national consensus and national effort, there is no reason why the goals set in the programme should not be achieved.

PRIME MINISTER'S PROGRAMME

Sector	Allocation 1986-87	Revised Estimates 1986-87	Proposed Allocation 1987-88
I. Normal ADP			
1. Village Electrification	5270	4800	5660
2. Anti-Waterlogging & Salinity	2520	2394	2454
3. Rural Education	2110	1180	2456
4. Rural Health	1220	1159	1820
5. Rural Water Supply	1150	1090	1666
6. Rural Roads	1580	1786	1778
7. Katchhi Abadis	730	694	1000
8. 7-Marla Scheme	500	475	750
9. Mass Literacy	300	285	400
10. National Employment Fund	2000	1900	—
11. Development of Model Villages	—	—	131
12. Multipurpose Local Development Schemes	390	257	231
13. Projection of Prime Minister's Five Point Programme.	—	—	11
Total (I)	18070	16020	18357
II. MNAs/Senators Programme	1500	1250	1500
III. MPAs' Programme	—	—	1000
IV. Development Grant for Education (Recurring expenditure).	3430	3430	4150
Total	23000	20700	25007

Annexure II

PRIME MINISTER'S PROGRAMME 1987-88

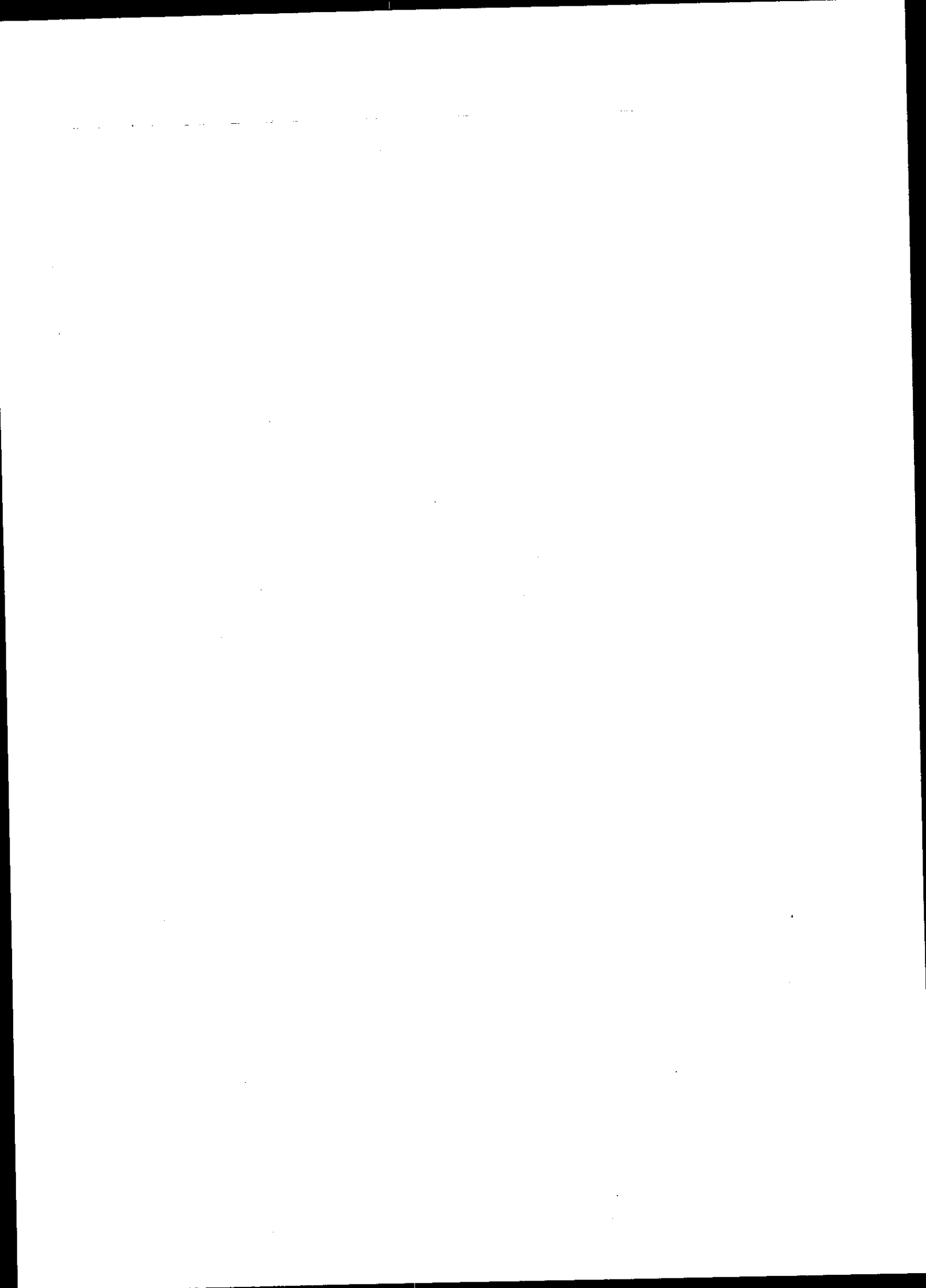
(Million Rupees)

Sl.	Sub-Sector	Federal			Provincial	Total
		Total	Ministries	Special Areas		
A. ADP						
		5660*	5310	350	—	5660
1.	Village Electrification	(2736)	(2386)	(350)	—	(2736)
	(a) Rural Electrification					
	(b) Generation (33%)	(2924)	(2924)	—	—	(2924)
	(c) Transmission (33%).					
2.	SCARPs	2454	2454	—	—	2454
3.	Rural Education (Development Expenditure)	156	25	131	2300	2456
4.	Rural Health	90	25	65	1730	1820
5.	Rural Roads	528	141	387	1250	1778
6.	Rural Water Supply & Sanitation	91	13	78	1575	1666
7.	Katchi Abadies	—	—	—	1000	1000
8.	Seven Marla Scheme	—	—	—	750	750
9.	Mass Literacy	400	400	—	—	400
10.	Multipurpose Local Dev. Schemes	136	31	105	95	231
11.	MNAs'/Senators Programme	1500	1500	—	—	1500
12.	MPAs' Programme	1000	1000	—	—	1000
13.	Model Villages	131	131	—	—	131
14.	Projection of Five Point Programme	11	11	—	—	11
	Total (ADP)	12157	11041	1116	8700	20857
B. Development Grant for Education (Recurring expenditure)						
		4150	4150	—	—	4150
	Grand Total	16307	15191	1116**	8700	25007

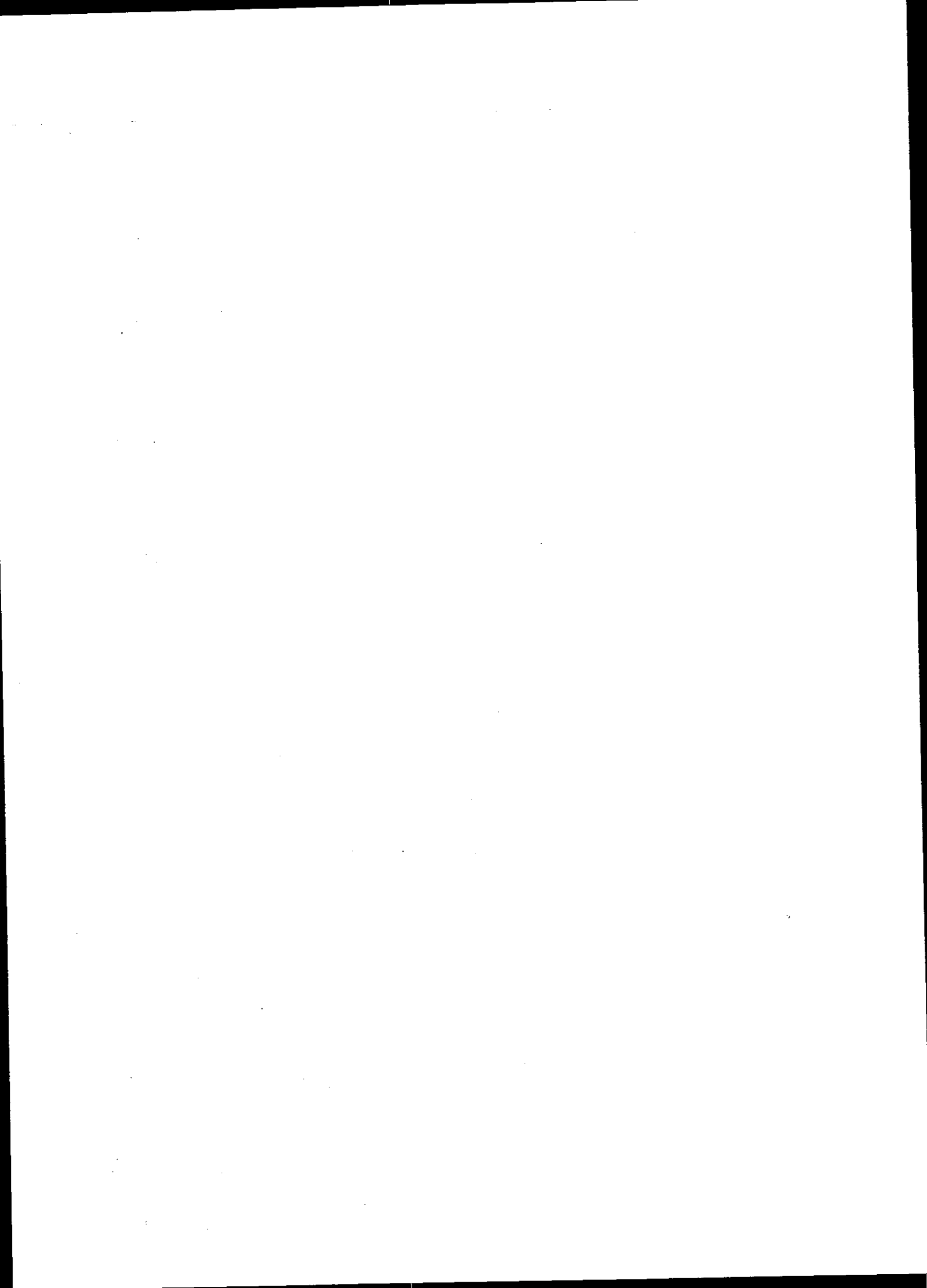
*In addition, WAPDA will also undertake some investment for power development outside the ADP.

**AK — 503
 NA — 258
 FATA — 355
 Total — 1116

STATISTICAL APPENDIX



FINANCIAL



AGRICULTURE

(Million Rupees)

Sr. No.	Agency/Division	Allocation for 1986-87	Estimated Utilization 1986-87	%Utilization (Col. 4 over Col. 3)	Allocation for 1987-88
1	2	3	4	5	6
A.	Food and Agriculture Division	320	118	37	298
B.	Livestock Division	46	46	99	119
C.	Agri. Research Division	286	267	94	336
D.	Education Division	176	172	98	133
E.	Planning Division	40	40	101	21
F.	Statistics Division	32	32	99	35
G.	Interior Division	54	72	134	185
H.	Industries Division	—	—	—	13
I.	Special Areas	232	229	99	140
Total Agriculture:		1186	976	82	1280
Subsidy on distribution of fertilizer		1843	1562	85	1670

WATER RESOURCES

(Rs. Million)

Sr. No.	Sub-Sector	Allocation 1986-87	ADP 1987-88	Foreign Aid
1	2	3	4	5
MINISTRY OF WATER & POWER				
1.	Indus Basin/Tarbela	347	200	200
2.	Canal Rehabilitation	525	300	300
3.	Command Water Management	400	300	300
4.	Flood Control	178	200	—
5.	Chashma Right Bank Canal-II	303	250	—
6.	Khanpur Dam (Remedial)	55	20	—
7.	Hub Dam (Remedial) KIP Remedial (Phase II)	20	2	—
8.	Pat Feeder Canal	—	1	—
9.	Accelerated Programme	2267	2454	1154
10.	Investigations	93	150	59
Sub-Total (Ministry of Water & Power)		4188	3877	1950
FOOD & AGRICULTURE DIVISION				
11.	On-farm Water Management	117	207	202
12.	Tubewell Subsidy	16	10	—
AVIATION DIVISION				
13.	Meteorological Department	15	8	1
DEFENCE DIVISION				
14.	Survey of Pakistan	5	3	—
15.	Special Areas	132	95	1
Sub-total (Others)		285	323	204
Grand Total		4473	4200	2154

POWER

(Million Rupees)

Sr. No.	Sub-Sector	ADP 1986-87	Revised Estimates 1986-87	ADP 1987-88	
				Total ADP	Foreign Aid
1	2	3	4	5	6
A.	Ministry of Water & Power	10869	9904	12188	7442
	(WAPDA)				
	1. Generation	4917	5230	5663	4118
	2. Transmission	2069	1427	2148	1253
	3. Secondary Transmission and Grid Stations	1574	1227	1628	2033
	4. Distribution (I/c Diesel generation)	1023	648	820	285
	5. Village Electrification	1264	1360	1900	—
	Total WAPDA	10847	9892	12159	7436
	6. Small Hydel Projects	22	12	29	6
B.	Prime Minister's Secretariat	217	216	227	—
	7. PAEC	217	216	227	—
C.	Special Areas	336	327	370	3
	Total (Power)	11422	10447	12785	7445

FUELS

(Million Rupees)

Sr. No.	Sub-Sector	ADP 1986-87	Revised Estimates 1986-87	ADP 1987-88	
				Total ADP	Foreign Aid
1	2	3	4	5	6
A.	Ministry of Petroleum & Natural Resources	2631	2301	3868	1914
	1. OGDC	1946	1637	3254	1889
	2. DG. Petroleum Concession	589	557	456	—
	3. DG Gas Operations	46	48	108	—
	4. DG NRER	42	43	39	25
	5. HDIP	8	16	11	—
B.	Planning & Development Division	76	74	79	68
	6. ENERPLAN	32	31	35	30
	7. ENERCON	44	43	44	38
C.	Food & Agriculture Division	19	19	57	39
	8. Forestry Planning and Development	19	19	57	39
	Total (Fuels)	2726	2394	4004	202

INDUSTRY

(Million Rupees)

Sr. No.	Sub-Sector	ADP 1986-87	Revised Estimates 1986-87	ADP 1987-88		
				Total ADP	Own Resources	FEC Aid with source
1	2	3	4	5	6	7
A.	Production Division	95	90	16	—	8 (UNIDO-CHINA)
	1. FCCCL	6	6	3	—	3 (UNIDO)
	2. Heavy Electrical Complex	39	37	13	—	6 (CHINA)
B.	Industries Division	36	28	34	—	15 (UNIDO)
	6. EPZ, Karachi	30	18	16	—	— (UNIDO)
	7. Technical Training Schemes	6	10	18	1	15 (UNIDO)
C.	Planning Division	121	82	55	—	54 (WB-IDA)
	8. Technical Assistance Credit	121	82	55	—	54 (World Bank-IDA)
D.	Commerce Division	18	17	7	—	7 (UNDP)
	9. Export Promotion Development	18	17	7	—	7 (UNDP)
E.	Cabinet Division	6	7	7	—	—
	10. BMR-PCP Presses	6	7	7	6	—
F.	Finance Division	13	13	72	—	—
	11. Pak Security Printing Corporation	13	13	72	25	—
G.	Special Areas	29	29	38	—	—
	Total (Industry)	318	266	229	32	84

MINERALS

(Million Rupees)

Sr. No.	Sub-Sector	ADP 1986-87	Revised Estimates 1986-87	Total ADP	ADP 1987-88	
					Own Resources	FEC Aid with source
1	2	3	4	5	6	7
A.	Petroleum & Natural Resources Division	104	93	118	—	53 (USAID-UNDP)
	1. Geological Survey of Pakistan	55	55	91	—	53 (USAID-UNDP)
	2. PMDC	29	20	14	3	—
	3. Resources Development Corp. (Saindak Project)	14	12	12	—	—
	4. Gemstone Corporation	5	5	—	—	—
	5. Mineral Coordination Board	1	1	1	—	—
B.	President Secretariat	74	72	71	—	—
	6 NMS and Uranium Exploration	74	72	71	35	—
C.	Special Areas	24	21	15	—	—
	Total (Minerals)	202	186	204	38	53

TRANSPORT AND COMMUNICATIONS

(Million Rupees)			
Sr. No.	Sub-Sector	Revised Estimates 1986-87	A.D.P. 1987-88
A.	Ministry of Communications	3018	3440
1	Telegraph and Telephone	1799	1679
2	SCO	31	45
3	Post Offices	67	80
4	D.G. Ports & Shipping	188	301
	(a) Port Qasim	(83)	(63)
	(b) Gwadar Harbour	(15)	(96)
	(c) Dredger for PQA	(85)	(122)
	(d) Others including KSEW	(5)	(20)
5	Roads, Bridges & Highways	881	1263
6	NLC	30	30
7	FWO	22	42
B.	Ministry of Railways		
8	Railways	1710	1182
C.	Aviation Division*	127	--
9	Civil Aviation	(110)	--
	(a) New Runway at Lahore	23	--
	(b) Feeder Services Airport at Mansehra	--	--
	(c) Others	87	--
10	Airport Security Forces	17	--
D.	Planning Division	13	19
11	NTRC	12	18
12	NTPS	1	1
E.	Special Areas	483	502
	Total (T&C)	5351	5143

* Civil Aviation Programme will be self financed.

EDUCATION & TRAINING

(Million Rupees)

Sr. -No.	Sub-sector	Revised estimates 1986-87	ADP 1987-88	Foreign Exchange Component	
				Own Resources	Foreign Aid
1	2	3	4	5	6
MINISTRY OF EDUCATION					
1.	Primary Education	58.064	51.090	—	28,400
2.	Secondary Education	98.828	91.270	—	20,907
3.	Teacher Education	4.142	2.190	—	—
4.	Technical Education	83.000	130.000	—	113,573
5.	College Education	59.087	74.570	—	—
6.	Dev. of Lib. Services & Museums	18.739	20.700	—	—
7.	Literacy & Mass Education	388.750	400.000	—	—
8.	Scholarships & Loans	82.482	121.637	94.494	—
9.	Production and supply of Textbooks	0.887	0.252	—	—
10.	University Education	404.490	241.719	—	28,773
11.	Miscellaneous	11.060	12.150	—	—
	Total Education Div.	1209.529	1145.578	94.494	191.653
OTHER DIVISIONS					
	Cabinet Division	3.250	2.902	—	—
	Establishment Division	25.468	11.265	—	—
	Planning and Dev. Division	6.808	23.343	—	10,000
	Special Areas	231.769	242.779	—	—
	Total Other Divisions	275.492	280.289	—	10,000
	Statistics Division	—	8.335	—	5,4000
	Interior Division	—	9.223	—	—
	Total Statistics & Interior	—	17.558	—	5,4000
	Total Education and Training (Federal)	1485.021	1443.425	94.494	207.053

SCIENCE AND TECHNOLOGY

(Rs. in Million)

S. No.	Agency	Estimated Expenditure 1986-87	Allocation 1987-88
1.	Ministry of Science and Technology (Main)	109.130	130.920
2.	National Institute of Silicon Technology	0.295	0.380
3.	National Institute of Power	3.050	5.294
4.	National Institute of Oceanography	10.000	7.765
5.	National Centre for Technology Transfer	3.450	3.882
6.	National Institute of Electronics	18.000	12.206
7.	Pakistan Council for Science and Technology	5.000	4.941
8.	Pakistan Medical Research Council	7.276	6.353
9.	Pakistan Science Foundation	9.499	10.588
10.	Appropriate Technology Development Organization	4.711	5.118
11.	Pakistan Council of Scientific and Industrial Research	60.798	34.706
12.	Pakistan Council of Research in Water Resources	14.020	10.259
13.	Council for Works and Housing Research	4.020	4.588
Grand Total :		237.167	237.000

HEALTH AND NUTRITION

(Million Rupees)

Sub-sector/Agency	Revised Estimates 1986-87	ADP 1987-88	
		Allocation	Project Aid
1	2	3	4
FEDERAL			
A. Health Division	503.936	674.762	302.416
B. Interior Division	8.752	3.077	—
C. Planning and Development Division	1.810	12.740	8.000
D. Special Areas	117.652	119.438	—
Total (Federal)	632.150	810.017	310.416
PROVINCIAL PROGRAMMES	2013.850	1920.000	—
Grand Total :	2646.000	2730.000	310.416

POPULATION WELFARE PROGRAMME

(Million Rupees)

S. No.	Sub-sector	Allocation for 1986-87	Estimated Utilization 1986-87	Percentage Utilization	ADP 1987-88	Foreign Aid with source
1	2	3	4	5	6	7
1.	Administrative Organization	74.966	70.900	94.6	81.677	9.622
2.	Population Welfare Services	198.226	168.860	85.2	172.600	89.281
3.	Training	23.766	25.841	108.7	24.710	17.479
4.	I.E.C.	35.300	32.500	92.1	42.500	37.705
5.	Research	41.667	30.399	72.9	87.208	82.208
6.	Logistics and Supplies	181.937	154.784	85.1	212.305	210.778
Total :		555.862	483.284	86.9	621.000	447.073

* USAID, UNFPA, World Bank, UNICEF, ADB and ODA.

MANPOWER AND EMPLOYMENT

(Rs. in Million)

Sl. No.	Name, Location and status of scheme	Revised Estimates for 1986-87	Total ADP	Allocation for 1987-88	
				Foreign Exchange Component	
				Own Resources	Foreign Aid
1	2	3	4	5	6

MANPOWER DIVISION

On-going

1. National Vocational Training Project Phase-I (Approved)	39.243	5.000	—	2.400
2. National Vocational Training Project Phase-II (Approved)	36.430	222.000	—	190.000
3. Development and Utilization of Human Resources—Strengthening of Data Base (Approved)	—	9.000	—	8.000
4. Technical Training Centre Larkana (Approved).	2.500	2.000	—	—
Total :	78.173	238.000	—	200.400

LABOUR DIVISION

New Schemes

1. Strengthening of National Institute of Labour Administration and Training (NILAT) (Approved)	—	2.000	—	0.600
Total :	—	2.000	—	0.600
Total : Labour & Manpower	78.173	240.0	—	201.000

SPECIAL DEVELOPMENT PROGRAMME FOR WOMEN

(Million Rupees)

Sl. No.	Name, Location and status of the scheme	Revised Estimate for 1986-87	Allocation for 1987-88	
			Total ADP	Foreign Exchange Component
				Own Resources Foreign Aid
WOMEN'S DIVISION				
1.	Federal Projects (Women's Division)	0.925	25.000	-- --
2.	Punjab	30.262	54.800	-- --
3.	Sind	26.881	22.000	-- --
4.	N.W.F.P.	7.581	17.900	-- --
5.	Baluchistan	7.709	10.300	-- --
Total :		73.358	130.000	-- --

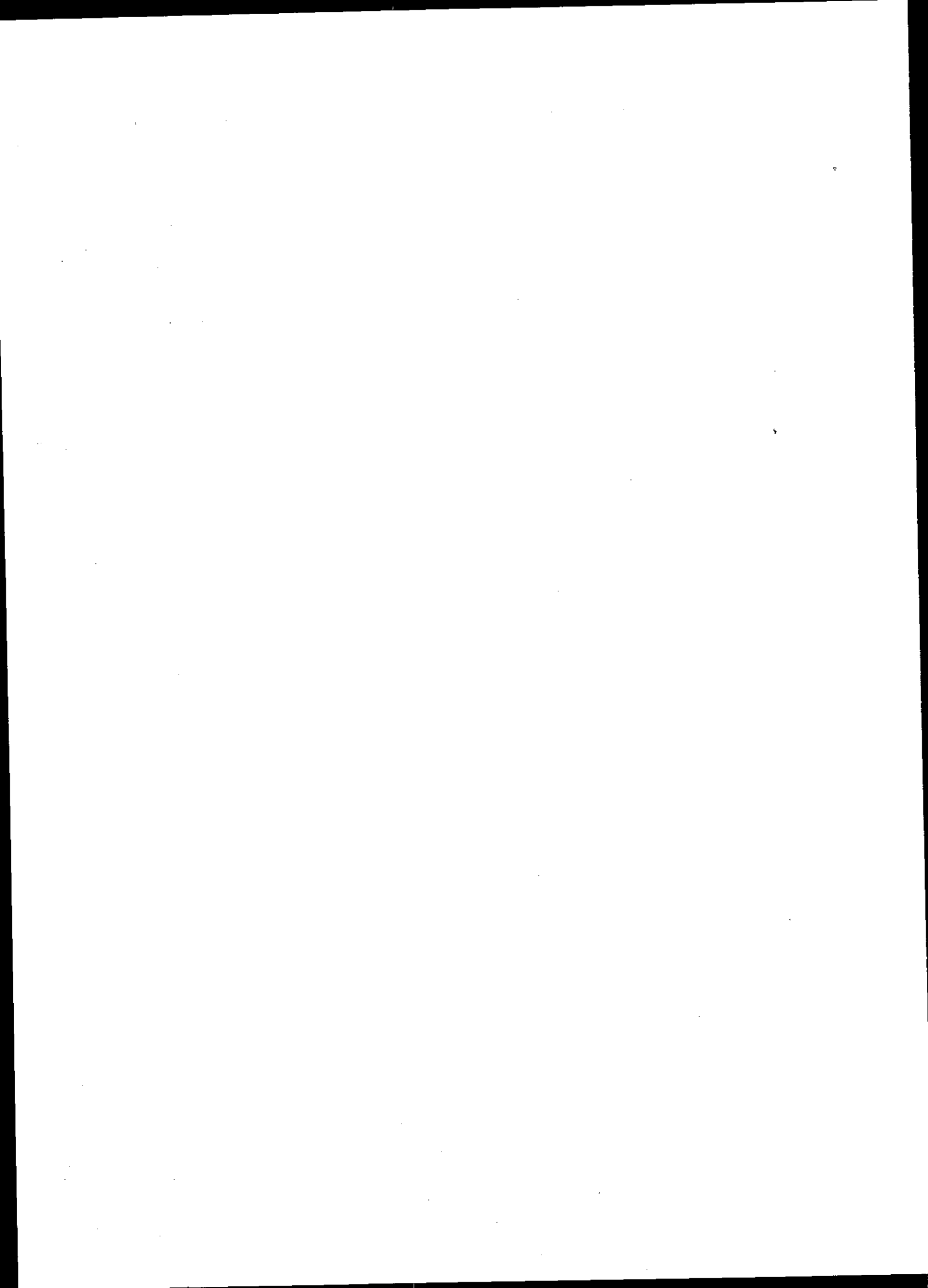
SOCIAL WELFARE

(Million Rupees)

S. No.	Agency/Sub-Sector	Revised Estimates 1986-87	Allocation for 1987-88	Foreign Exchange Component		
				Total	Own Resources	Foreign Aid
A.	Special Education & Social Welfare Division/Special Education and Social Welfare Services	35.195	85.689	-	-	-
B.	Establishment Division/Staff Welfare Services	27.708	30.011	-	-	-
Total :		62.903	115.700	-	-	-

RURAL DEVELOPMENT

	(Rs. in Million) Proposed Allocations for 1987-88
PRODUCTION SECTOR	
Food and Agriculture Programme	2115.00
Subsidy on Fertilizer	1670.00
Water Resources Programme (Rs. 2454 million under Prime Minister's Programme)	4200.00
INFRASTRUCTURE SECTOR	
Rural Education (including grants)	6606.00
Rural Electrification	5660.00
Rural Health	1820.00
Rural Water Supply and Sanitation	1666.00
Rural Roads	1778.00
MNA's/Senators Programme	1500.00
MPA's Programme	1000.00
Rural Housing	750.00
Rural Development Local Councils Programme	231.00
T&T Services in rural areas	390.00
Development of Model Villages	131.00
Women's Welfare in Rural Areas	120.00
Other Rural Development Programmes (M/o LGRD, M/o Interior, Provincial Governments, FATA, NA, AJK)	1721.00
AK, NA, FATA, under Prime Minister's Programme	1116.00
Total :	32474.00



KEY PHYSICAL TARGETS

PHYSICAL TARGETS FOR MAJOR CROPS—AGRICULTURE

Sr. No.	Items	Unit	Physical Target for 1986-87	Achievement for 1986-87	% Achievement (Col. 5 over Col. 4)	Targets for 1987-88
1.	2	3	4	5	6	7
CROPS						
1.	Wheat	000 tonnes	13800	14200*	103	15000
2.	Rice	"	3450	3500	101	3620
	(i) Basmati	"	1009	791	78	1000
	(ii) Irri	"	2607	2709	104	2620
3.	Maize	"	1039	1110	107	1120
4.	Gram	"	590	579	98	590
5.	Sugarcane	"	32140	30000	93	35000
6.	Cotton	Million Bales	7.20	7.64	107	7.70
7.	Oilseeds					
	(i) Rape & Mustard	000 tonnes	266	269	101	275
	(ii) Non-traditional Oilseeds	"	44.2	44.6	101	60
8.	Potato	"	635.9	632	99	664
9.	Onion	"	546	550	101	577

* Actual production is still being assessed.

AGRICULTURE

Sr. No.	Items	Unit	Physical Targets for 1986-87	Achievements 1986-87	% Achievements (Col. 5 over Col. 4)	Targets for 1987-88
1.	2	3	4	5	6	7
1.	Fertilizer	000 N/tonnes	1582	1690	107	1827
2.	Improved Seeds	000 tonnes	133	36	27	133
3.	Mechanization (Operational Tractors	Nos.	46000	24,000 (Estimated)	52	24,000
4.	Government Storages	(Million tonnes)	0.469	0.540	115	0.560
5.	Cumulative Government Storage Availability	"	—	5.715	—	6.275
6.	Livestock					
	(a) Milk	M/tonnes	12.2	12.2	100	12.9
	(b) Meat	000 tonnes	1232	1232	100	1305
7.	Wood Production	000 Cubic metre	935	935	100	1055
	(a) Timber	000 Cubic metre	360	360	100	410
	(b) Firewood	"	575	575	100	654
8.	Fish production	000 tonnes	428	416	97	448

ENERGY

Sub-Sector	Unit	1986-87 (Targets)	Achieve- ment from July, 1986 to March, 1987	Estimated Achieve- ment 1986-87	1987-88 (Targets)
WAPDA					
1. Installed Capacity (Addition)	MW	400	400	400	200
2. Number of Consumers (Addition)	000	540	280.6	540	564
3. Village Electrification					
(i) WAPDA	Nos.	3,500	1443	3500	4500
Breakup: (a) Punjab	Nos.	1,832	608		2355
(b) Sind	Nos.	732	509		942
(c) NWFP	Nos.	595	241		765
(d) Baluchistan	Nos.	341	85		438
(ii) AK/NA/FATA	Nos.	403	90** (FATA only)	NA	471
(iii) Govt. of Punjab	Nos.	305	NA	NA	—
Total :	Nos.	4,208	NA	NA	4971
FUELS:					
Drilling					
(a) Exploratory wells	Nos.	20	6	9	22
(i) Public	Nos.	11	3	6	12
(ii) Private	Nos.	9	3	3	10
(b) Appraisal/Develop- ment Wells:	Nos.	34	34	37	40
(i) Public	Nos.	14	14	15	18
(ii) Private	Nos.	20	20	22	22
(c) Exploratory/Appraisal/ Development :					
(i) Public	Nos.	25	17	21	30
(ii) Private	Nos.	29	23	25	32
Total :	Nos.	54	40	46	62
PRODUCTION					
Oil	BDP	40,320	41,331	41,331*	42,000
Gas	MMCFD	1,160	1,089	1,089*	1,200

**AK and NA have not reported the progress.

*Tentative.

INDUSTRIAL PRODUCTION

Units	1985-86	1986-87		1987-88	
		Target	Revised	Target	
Vegetable Ghee	"000" Tonnes	648	695	574	600
Sugar	"	1,116	1,360	1,280	1,350
Jute Goods	"	99	107	112	120
Cement	"	5,890	6,330	6,715	7,118
Paper & Board	"	133	140	145	157
Fertilizer (N)	"	1,124	1,146	1,214	1,244
Soda Ash	"	136	107	137	145
Caustic Soda	"	54	134	54	58
M.S. Products	"	732	790	775	833
Coke	"	610	725	634	800
Billets	"	254	400	263	300
Rolled Sheets	"	480	536	514	630
Cotton Yarn	"	484	497	568	596
Cotton Cloth	Million Sq. Mtr.	255	268	271	283
Cigarettes	Billion Nos.	42	43	44	46
Petroleum Products	Million Ltrs.	6,223	6,816	6,316	6,664
Trucks/Buses	"000" Nos.	2.80	3.70	3.32	3.50
LCVs/Cars/Jeeps	"	29.80	36.40	26.72	32.10
Bicycles	"	447	497	557	585
T.V. Sets	"	178	165	200	220
Tractors	"	22	28	25	33

MINERAL PRODUCTION

Sub-Sector/Items	Units	1985-86 (Actual)	1986-87		1987-88 Targets
			(Targets)	Estimates	
1	2	3	4	5	6
Coal	000 Tonnes	2,055	3,414	2,150	2,236
Rock Salt	"	625	705	645	670
Gypsum	"	428	695	515	580
Rock Phosphate	"	30	57	57	150
Lime Stone	"	6,974	10,000	7,590	8,230
Gemstone	Rs. Million	300	350	320	400
Regional Geological Mapping (SKM Scale)	000 Sq. Kms.	20	20	20	25

HEALTH SECTOR

Sector	Units	1986-87 Achievements	1987-88 Targets
1. Rural Health Programme:			
(a) BHUs	Nos.	400	477
(b) RHCs	Nos.	30	38
2. Health Manpower:			
(a) Doctors	Nos.	3,800	3,800
(b) Dentists	Nos.	140	150
(c) Nurses	Nos.	1,100	1,100
(d) Paramedics	Nos.	4,200	5,000
(e) TBAs	Nos.	5,950	6,000
3. Accelerated Health Programme:			
(a) ORS	Million	11	12
(b) Immunizations (Children)	Million	4	4
4. Hospital Beds:			
(Including Teaching Hospitals)	Nos.	4,000	4,000

POPULATION WELFARE PROGRAMME

S.No.	Service delivery outlets	Physical Targets for 1983-88	Achievements upto 1986-87	Percentage Achievement (Col. 4 of Col. 3)	Targets for 1987-88	Percentage Achievement (Col. 6 of Col. 3)
1	2	3	4	5	6	7
1.	F.W.C.	1,500	1,300	86.7	1,325	88.3
2.	Reproductive Health Service--Outlets	300	130	43.3	180	60
3.	Programme Through Provincial Line Departments (PLDs)	5,000	1,044	20.9	1,808	36.2
4.	Target Group Institutions	1,000	211	21.1	289	28.9
5.	AJK Project:					
	(i) F.W.C.	4	4	100	4	100
	(ii) F.P. Services	150	—	Nil	150	100
6.	Northern Areas MCH--Outlets	86	2	2.3	—	—
7.	NGOs Health--Outlets	2,500	500	20	500	20
8.	Hakims Matabs	1,800	1,163	64.6	1,163	64.6
9.	Family Health Manpower Development	—	2,656	—	2,690	—
10.	Orientation/Training	60,300	24,030	39.8	25,030	41.5
11.	Training of TBAs	8,000	2,700	33.8	4,300	53.8
12.	Contraceptive Distribution Points	30,000	42,000	140	54,000	180

POPULATION WELFARE PROGRAMME

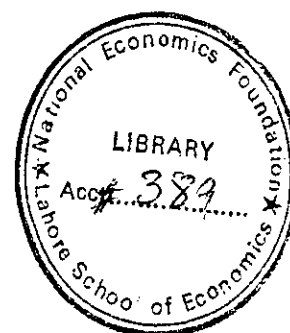
S. No.	Method	Targets for 1986-87	Achieve- ments for 1986-87	Percentage Achieve- ments	Targets for 1987-88
1	2	3	4	5	6
1.	Condoms (Units) (Million)	165.000	94.938	57.5	180.000
2.	Oral Pills (Cycles) (Million)	5.600	1.402	25.0	3.865
3.	IUD (Cases) (Million)	0.290	0.266	91.7	0.320
4.	Injectables (Vials) (Million)	0.173	0.248	143.4	0.890
5.	Contraceptive Surgery (Cases) (Million)	0.150	0.077	51.3	0.175
6.	Acceptors (Million)	2.556	1.450	56.7	2.770
7.	Birth Aversions (Million)	0.472	0.200	42.4	0.380

MANPOWER AND EMPLOYMENT

(Million)

SL No.	Sector	1986-87	1987-88
1.	Agriculture, Forestry Hunting & Fishing	14.26	14.70
2.	Mining and Quarrying	0.05	0.05
3.	Manufacturing	3.85	3.97
4.	Electricity, Gas & Water	0.20	0.21
5.	Construction	1.58	1.63
6.	Wholesale, Retail Trade, Restaurants and Hotels	3.26	3.36
7.	Transport, Storage and Communication	1.46	1.50
8.	Financing, Insurance, Real Estate & Business Services	0.25	0.26
9.	Community, Social and Personal Services	3.12	3.21
10.	Activities not adequately defined	0.19	0.20
11.	Total Employed	28.22	29.09
12.	Total Labour Force	29.31	30.22
13.	Total Unemployed	1.09	1.23
14.	Total Population	99.18	102.25
15.	Participation Rate	29.56%	29.56%

Source: Based on Labour Force Survey, 1984-85.



PCPPI-2456(87)Pl, Div-3-6-1987-1,750.

