



FEDERAL BUDGET 2021-22

ANNUAL BUDGET STATEMENT

Government of Pakistan
Finance Division
Islamabad

Preface

The Annual Budget Statement containing estimated receipts and expenditure in terms of Article 80(1) of the Constitution of Islamic Republic of Pakistan 1973 is being laid before the National Assembly of Pakistan for financial year 2021-22, which will also be transmitted to the Senate of Pakistan as required under Article 73(1).

The statement fulfills the requirements of Article 80(2) of the Constitution, showing separately the charged expenditures and other expenditures to be made from the Federal Consolidated Fund. It also distinguishes expenditure on revenue account from other expenditure.

Section 4 of the Public Finance Management Act, 2019 provides that the Federal Government shall lay before National Assembly, Annual Budget Statement including a statement of the purpose and estimates for each demand for grant, statement of contingent liabilities of the Federal Government and statement of fiscal risk. Moreover, as per Section 8 of the Act, a statement of estimated tax expenditure of the Federal Government shall be laid before the National Assembly. All these statements have been made part of Annual Budget Statement.

Furthermore, under Sections 5 and 10 of the Fiscal Responsibility and Debt Limitation Act, 2005, a Medium Term Budgetary Statement and Statements of Responsibility are also required to be laid before National Assembly, which have also been made part of the Annual Budget Statement.

Revised Estimates for FY 2020-21 included in Demands for Grants and Appropriations (Part-I) were based on the data extracted from the SAP System as on 5th May, 2021, whereas the revised estimates included in this '**Annual Budget Statement**' have been prepared on the basis of information collected as on 7th June, 2021. The actual reconciled data will be finalized and made available on the web site of Finance Division by September, 2021.

Yusuf Khan

Secretary to the Government of Pakistan

Finance Division
Islamabad, the 11th June, 2021

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SUMMARY OF RECEIPTS

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

As per Section 22 of the Public Finance Mangement Act, 2019, the operation of the Federal Consolidated Fund and the Public Account of the Federation vests in the Finance Division

(Rs in million)

Object Code	Description	Budget Estimates 2020-21	Revised Estimates 2020-21	Budget Estimates 2021-22
	Revenue Receipts			
B	1 Tax Revenue Receipts	4,963,000	4,690,999	5,829,000
	FBR Taxes	4,963,000	4,690,999	5,829,000
	Direct Taxes	2,043,000	1,788,999	2,182,000
	Indirect Taxes	2,920,000	2,902,000	3,647,000
C	2 Non-Tax Revenue Receipts	1,610,226	1,704,443	2,079,965
B03	Levies and Fees	26,300	18,431	29,503
C01	Income from Property and Enterprise	210,708	177,188	265,839
C02	Receipts from Civil Administration etc	645,616	727,524	684,105
C03	Miscellaneous Receipts	727,602	781,301	1,100,518
	3 Total Revenue Receipts (1+2)	6,573,226	6,395,442	7,908,965
E	4 Capital Receipts	1,326,052	1,701,184	1,439,879
E02	Recovery of Loans and Advances	147,167	184,120	273,352
E03	Domestic Debt Receipts (Non Bank) - Net	1,178,885	1,517,063	1,166,527
	5 Total Internal Receipts (3+4)	7,899,278	8,096,626	9,348,845
	6 External Receipts	2,222,919	2,286,859	2,747,792
	Loans	2,157,500	2,201,250	2,693,338
	Grants	20,667	27,749	31,636
	Project Loans & Grants Outside PSDP	44,751	57,859	22,817
	7 Total Internal and External Receipts (5+6)	10,122,197	10,383,484	12,096,636
	8 Public Account Receipts	215,619	(81,318)	74,195
	Deferred Liabilities (Net)	227,279	(60,897)	58,137
	Deposit and Reserves (Net)	(11,660)	(20,421)	16,058
	9 Gross Federal Resources (7+8)	10,337,816	10,302,167	12,170,831
10	Less Provincial Share in Federal Taxes	2,873,719	2,704,164	3,411,858
11	Net Federal Resources (9-10)	7,464,097	7,598,003	8,758,973
12	Cash Balance built up by the Provinces	242,472	242,000	570,000
13	Privatization Proceeds	100,000	-	252,000
14	Credit from Banking Sector	983,545	649,256	681,336
15	Total-Resources (11+12+13+14)	8,790,114	8,489,259	10,262,309

REVENUE RECEIPTS

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

Tax Revenue

Tax Revenue is administered by the Federal Board of Revenue (FBR), which comprises Customs Duty and Inland Revenue i.e Direct Taxes, Sales Tax and Federal Excise Duty. FBR taxes may also be categorized as Direct Taxes and Indirect Taxes. Direct Taxes comprise Income Tax, Workers Welfare Fund and Capital Value Tax. Indirect Taxes include Sales Tax, Federal Excise Duty and Customs Duty. A snapshot of Budget Estimates is as under;

(Rs in million)				
Object Code	Description	Budget Estimates 2020-21	Revised Estimates 2020-21	Budget Estimates 2021-22
B	Tax Revenue			
	FBR Taxes	4,963,000	4,690,999	5,829,000
B01	i.Direct Taxes	2,043,000	1,788,999	2,182,000
B011	Taxes on Income	2,032,557	1,779,924	2,171,839
B015	Worker's Welfare Fund	3,969	7,193	8,054
B015	Worker's Profit Participation Fund	3,750	1,380	1,545
B017-18	Capital Value Tax (CVT)	2,724	502	562
B02	ii.Indirect Taxes	2,920,000	2,902,000	3,647,000
B020-22	Customs Duties	640,000	700,000	785,000
B023	Sales Tax	1,919,000	1,927,000	2,506,000
B024-25	Federal Excise	361,000	275,000	356,000
1	Total Tax Revenue (i+ii)	4,963,000	4,690,999	5,829,000

REVENUE RECEIPTS

Non-Tax Revenue

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

(Rs in million)

Object Code	Description	Budget Estimates 2020-21	Revised Estimates 2020-21	Budget Estimates 2021-22
C	<u>Non Tax Revenue</u>			
	a) Levies and Fees	26,300	18,431	29,503
	Mobile Handset Levy	5,800	5,000	9,000
	Receipts of ICT Administration	20,475	13,401	20,453
	Airport Fee (CAA)	25	30	50
C01	b) Income from Property and Enterprise	210,708	177,188	265,839
C01008	Surplus Profit of PTA	2,000	2,419	4,000
C01008	PTA (3/4G License Renewal Fees)	27,000	33,893	45,436
C01012	Regulatory Authorities	542	585	508
C012-18	Mark up Receipts	120,188	99,963	125,532
	C012 Mark up Receipts (Provinces)	26,843	24,963	35,532
C013-18	Mark up Receipts (PSEs & Others)	93,345	75,000	90,000
C019	Dividend	60,978	40,328	90,363
C02	c) Receipts from Civil Administration and Other Functions	645,616	727,524	684,105
C021-24	General Administration Receipts	3,440	4,303	7,114
C02211	Surplus Profit of State Bank of Pakistan	620,000	700,000	650,000
C025	Defence Services Receipts	18,431	18,431	20,274
C026	Law and Order Receipts	1,198	1,850	2,695
C027	Community Services Receipts	1,097	1,900	2,538
C028-29	Social Services	1,450	1,040	1,485
C03	d) Miscellaneous Receipts	727,602	781,301	1,100,518
C031-35	Economic Services Receipts	2,096	2,287	2,980
C036	Foreign Grants	22,517	12,000	20,000
C03897	Citizenship, Nationalization, Passport and Copyright Fees	25,000	25,000	35,000

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(Rs in million)

Object Code	Description	Budget Estimates 2020-21	Revised Estimates 2020-21	Budget Estimates 2021-22
C03901	Petroleum Levy	450,000	500,000	610,000
C03902	Natural Gas Development Surcharge	10,000	27,000	36,000
C03905	Royalty on Crude Oil	23,000	26,000	35,000
C03906	Royalty on Natural Gas	53,812	57,000	65,000
C03910	Discount Retained on Local Crude Price	17,000	16,000	20,000
C03915	Windfall Levy against Crude Oil	8,000	6,000	10,000
C03916	Gas Infrastructure Development Cess	15,000	25,000	130,000
C03917	Petroleum Levy on LPG	5,516	4,772	7,600
	Others	95,661	80,241	128,938
C	2 Total Non-Tax Revenue (a+b+c+d)	1,610,226	1,704,443	2,079,965
	3 Total Revenue Receipts (1+2)	6,573,226	6,395,442	7,908,965

CAPITAL RECEIPTS

Capital receipts comprise Recoveries of Loans and Advances from Provinces and other entities and Public Debt which includes Permanent Debt and Floating Debt. The net capital receipts so realized by the federal government generally constitute the available resources for the financing of its Public Sector Development Programme. Budget Estimates are as under;

(Rs in million)				
Object Code	Description	Budget Estimates 2020-21	Revised Estimates 2020-21	Budget Estimates 2021-22
E02	I. Recoveries of Loans and Advances	147,167	184,120	273,352
E021	Provinces	89,025	88,119	95,361
E022-27	PSEs and Others	58,142	96,001	177,990
E03	II. Total Domestic Debts Receipts (i+ii)	11,278,787	16,235,700	22,783,874
E031	i) Permanent Debt Receipts	1,827,003	2,162,878	3,657,981
	Pakistan Investment Bonds (Bank)	277,531	569,000	746,685
	Pakistan Investment Bonds (Non Bank)	1,079,472	1,131,468	1,681,296
	Premium Prize Bonds (Registered)	20,000	25,000	30,000
	Ijara Sukuk Bonds	450,000	437,410	1,200,000
E032	ii) Floating Debt Receipts	9,451,784	14,072,822	19,125,893
	Prize Bonds	48,626	55,871	10,418
	Treasury Bills through Auction	9,401,000	14,016,951	19,115,475
	Others Bills	1,858	-	-
	Ways and Means Advances	300	-	-
E	4 Capital Gross Receipts (I+II)	11,425,954	16,419,820	23,057,226
	Domestic Debt Receipts (i+ii)	11,278,787	16,235,700	22,783,874
	Domestic Debt Repayment (page-19)	10,099,902	14,718,637	21,617,347
	Net Domestic Debt Receipts	1,178,885	1,517,063	1,166,527
	5 Total Federal Internal Gross Receipts (3+4)	17,999,180	22,815,262	30,966,191

EXTERNAL RECEIPTS

External Resources comprise loans and grants received from multilateral, bilateral and other sources for approved projects, programmes and other initiatives. Budget Estimates are as under;

(Rs in million)

	Description	Budget Estimates 2020-21	Revised Estimates 2020-21	Budget Estimates 2021-22
I	Loans	2,157,500	2,201,250	2,693,338
	Project Loans (PSDP)	218,153	228,897	259,943
	Federal	66,822	129,587	93,713
	Provincial	151,331	99,309	166,231
	Programme Loans	503,567	440,319	438,195
	Other Loans	1,435,781	1,532,035	1,995,200
	Islamic Development Bank	165,000	128,800	160,000
	Saudi Arabia (Oil Facility)	165,000	-	-
	Euro Bond/International Sukuk	247,500	402,500	560,000
	China safe Deposits (bilateral)	-	161,000	-
	Commercial Banks	647,213	762,335	779,200
	IMF Loan for Budgetary Support	211,068	77,400	496,000
II	Grants	20,667	27,749	31,636
	Project Grants	20,667	27,749	31,636
	Federal (PSDP)	5,653	10,315	6,287
	Provincial (PSDP)	15,014	17,434	25,349
a.	External Receipts (I +II)	2,178,168	2,228,999	2,724,974
b.	Project Loans & Grants Outside PSDP	44,751	57,859	22,817
	Loans	42,411	50,450	22,139
	Grants	2,340	7,409	678
6	Total External Receipts (a +b)	2,222,919	2,286,859	2,747,792

PUBLIC ACCOUNT RECEIPTS

Article 78(1) of the Constitution of Islamic Republic of Pakistan provides that all revenues received by the Federal Government, all loans raised by that Government and all moneys received by it in repayment of loan, shall form part of the Federal Consolidated Fund. **Article 78(2) provides that all other monies received by or on behalf of the Federal Government shall be credited into the Public Account of the Federation.** Therefore, all the monies received by or on behalf of the Federal Government in terms of Article 78(2) are Public Account receipts which are not revenues in terms of Article 78(1) of the Constitution. However, such Public Account receipts cannot be operated without establishment of Special Purpose Funds, deposits, reserves etc under the authority of an act of the Parliament or with the approval of the Federal Government. Moreover, as per Section 32 of the Public Finance Management Act, 2019, special purpose funds, in which monies have been appropriated by the National Assembly shall be established under any law or with the approval of the Federal Government. There are two sources of Public Account Receipts as under;

National Savings Schemes

National Savings Schemes include Savings bank accounts, Defence Savings Certificates, Special Savings Certificates, Pension Benefit Accounts, Behbood Savings Certificates etc. Budget Estimates are as under;

(Rs in million)				
Object Code	Description	Budget Estimates 2020-21	Revised Estimates 2020-21	Budget Estimates 2021-22
i. G111	Investment Deposit Accounts (Savings Schemes)	932,904	849,253	939,866
G11101	Savings Bank Accounts	365,111	337,558	320,427
G11106	Defence Savings Certificates	63,939	37,464	59,798
G11111	Special Savings Certificates (Registered)	96,550	56,383	51,480
G11112	Special Savings Accounts	105,437	78,212	71,409
G11113	Regular Income Certificate	74,007	86,179	124,458
G11126	Pension Benefit Accounts	52,555	67,186	94,370
G11127	Behbood Saving Certificates	132,285	171,252	172,903
G11130	Shuhada Welfare Account	20	20	20
	New Savings Schemes	30,000	-	30,000
	Short Term Savings Certificates	13,000	15,000	15,000
ii.	Other Accounts	8,000	5,260	-
G03109	Postal Life Insurance Fund	8,000	5,260	-
iii. G061	Provident Fund	60,000	46,600	47,000
	Total Receipts (i+ii+iii)	1,000,904	901,113	986,866
1	Gross Receipts	1,000,904	901,113	986,866
	Gross Expenditure(Public Account) (Page-20)	773,626	962,010	928,730
	Net Receipts	227,279	(60,897)	58,137

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PUBLIC ACCOUNT RECEIPTS

Deposits and Reserves

Deposits and Reserves represent all monies forming part of the Public Account of the Federation as per Article 78(2) of the Constitution of Islamic Republic of Pakistan. Budget estimates of receipts in the following table are however subject to fulfillment of following stipulations; (i) The funds appropriated by the National Assembly out of Federal Consolidated Funds in terms of Articles 80 to 84 of the Constitution for a particular financial year (being lapsable) shall be utilized as per Cash Management and TSA Rules 2020 and shall not be deposited under these deposits and reserves heads of account (being non-lapsable) under the Public Account.(ii) The maintenance and operation of all these funds, deposits, reserves etc shall be subject to their due establishment either under the authority of an act of Parliament or with the approval of the Federal Government, as the case may be.(iii) Revenues in terms of Article 78(1) of the Constitution shall not be deposited in these deposits and reserves heads of account under the Public Account. The revenues shall only be deposited in the respective heads of account of tax revenue and non tax revenue.(iv) Receipt of funds into these deposits and reserves heads of account shall only be allowed by the Accounting Offices subject to compliance of the stipulations at (i) to (iii) above and to the extent of reconciled available balance under the respective head of account.

(Rs in million)

Object Code	Description	Budget Estimates 2020-21	Revised Estimates 2020-21	Budget Estimates 2021-22
G	<u>Deposits and Reserves</u>			
	FGE Benevolent Funds			
G06202	F.G.Employees Benevolent Fund (Civil)	1,331	1,282	1,199
G06205	F.G.Employees Benevolent Fund (Pak.Post)	169	166	200
G06206	F.G.Employees Benevolent Fund (Pak.PWD)	7	6	5
G06209	F.G.Employees Benevolent Fund (N.S.)	13	12	12
G06210	F.G.Employees Benevolent Fund (Mint)	3	-	4
G06212	F.G.Employees Benevolent Fund (GSP)	5	-	5
	Group Insurance Fund			
G06409	F.G.Employees Group Insurance Fund (Civil)	421	401	387
G06410	F.G.Employees Group Insurance Fund (Defence)	196	181	265
	Pakistan Post Office			
G07101	Post Office Renewal Reserve Fund	32	3	50
G07102	Pakistan Post Office Welfare Fund	61	1	37
G07106	PPO Miscellaneous	188,255	266,337	198,253
	Railways			
G08117	Railways Reserve Fund	40,000	-	-
G08121	Railways Depreciation Reserve Fund	4,922	-	-
	Pak PWD			
G10101	Pak. PWD Receipts & Collection Account	378	992	931
G10113	Public Works/Pak. PWD Deposits	22,686	30,254	18,076

Contd.....

(Rs in million)

Object Code	Description	Budget Estimates 2020-21	Revised Estimates 2020-21	Budget Estimates 2021-22
	Defence			
G11224	Deposit Account with Defence	3,756	5,480	2,572
G06203	F.G.Employees Benevolent Fund (Defence)	2,563	2,558	1,899
	Misc.			
G06304	Workers Welfare Fund	9,765	10,744	18,533
G07104	F.G.Employees Group Insurance Fund (PPO)	12	87	15
G11225	Deposit Account with AGPR	290	184	372
G11230	Special Remittances Deposits	1,078	1,334	5,251
G10102	Foreign Affairs Receipt & Collection Account	2,860	1,843	7,625
G	<u>Deposits and Reserves</u>			
G10104	Mint Receipts & Collection Account	132	73	94
G10106	Deposit Works of Survey of Pakistan	26	68	46
G10304	Zakat Collection Account	2,194	2,184	2,153
G11215	Revenue Deposits	996	5,371	10,295
G11216	Civil and Criminal Court Deposits	18	37	46
G11217	Personal Deposits	40,662	63,147	60,367
G11220	Deposits in connection with Elections	4	4	92
G11240	Security Deposits of Cashiers	309	227	386
G11255	Defence Services Security Deposits	2,066	3,048	3,857
G11256	Defence Services Misc. Deposits	217,041	170,908	177,999
G11280	Withholding Tax on Profit From Investment in NSS	11,446	12,107	6,786
G11281	Deposit Account of fees realized by PNAC	33	53	59
G11290	Security Deposit of Firms/Contractors	33	275	237
G12150	PM's Relief Fund for IDP's 2014	3,646	2,665	3,926
G12157	PM COVID-19 Panademic Relief Fund 2020	25	508	929
G12205	Pakistan Minorities Development Fund	0	47	21
G12206	Spl. Fund for Welfare & Uplift of Minorities	47	53	92
G12226	Federal Govt. Artists Welfare Fund	14	28	4
G11276	Security Deposits of Private Companies	29	-	-
G12305	Export Development Fund	0	-	894
G12308	Reserve Fund for Exchange Risk on Foreign Loans	293	334	2,847
G12412	Pakistan Oil Seeds Development Cess Fund	152	159	134
G12419	Research and Development Fund	948	1,397	1,885
G12421	SCP Diamer Basha&Mohamand Daam Fund	24	-	4
G12713	Income Tax Deduction from Salaries	21	24	21
G12714	Income Tax Deduction from Contractors/Suppliers	84	124	108
G12738	National Fund for Control of Drug Abuse	35	66	36
G12741	Fed. Civil Servant's subs. to Services Book Club	18	14	11
G12777	Sales Tax Deduction at Source	8	19	17

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(Rs in million)

Object Code	Description	Budget Estimates 2020-21	Revised Estimates 2020-21	Budget Estimates 2021-22
G12783	Universal Service Fund	3,600	4,448	5,946
G13127	Grants and T.A from US Government	885	635	140
G13140	GSP Receipt and Collection Account	25	30	31
G141	Coinage Account	1,350	-	-
	Others	27	20	11
2	Gross Receipts (Deposits and Reserves)	564,993	589,938	535,165
	Exp (Deposits and Reserves) (Page-23)	576,654	610,359	519,107
	Net Deposits and Reserves Receipts	(11,660)	(20,421)	16,058
	Public Account - Summary			
3	Gross Receipt (1+2)	1,565,898	1,491,051	1,522,031
	Gross Expenditure (Page-23)	1,350,279	1,572,369	1,447,837
7	Public Account Net Receipts	215,619	(81,318)	74,195

SUMMARY OF EXPENDITURE (Current & Dev)

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

(Rs in million)

Function Code	Description	Budget Estimates 2020-21	Revised Estimates 2020-21	Budget Estimates 2021-22
Current Expenditure on Revenue Account				
01	General Public Services	4,428,960	4,491,028	5,435,200
02	Defence Affairs and Services	1,292,943	1,299,188	1,373,275
03	Public Order and Safety Affairs	169,961	168,952	178,511
04	Economic Affairs	71,751	192,452	115,243
05	Environment Protection	431	399	436
06	Housing and Community Amenities	35,680	9,997	34,597
07	Health*	25,494	52,325	28,352
08	Recreation, Culture and Religion	9,822	12,160	10,372
09	Education Affairs and Services	83,363	88,090	91,970
10	Social Protection	230,907	246,411	255,292
a.	Current Exp. on Revenue Account	6,349,311	6,561,000	7,523,248
b.	Current Exp. on Capital Account	1,491,065	1,064,924	1,601,211
1	Total Current Expenditure (a + b)	7,840,375	7,625,924	9,124,459
c.	Dev. Exp. on Revenue Account (i+ii)	460,121	370,884	599,080
d.	Dev. Exp. on Capital Account (i+ii)	489,617	492,451	538,770
2	Total Development Expenditure (c+d)	949,738	863,335	1,137,850
	Total - Expenditure (1+2)	8,790,114	8,489,259	10,262,309
3	Break-up of Expenditure			
	Revenue Account (a+c)	6,809,432	6,931,884	8,122,328
	Capital Account (b+d)	1,980,682	1,557,375	2,139,981
	Total Expenditure:	8,790,114	8,489,259	10,262,309

*An amount of Rs 100 billion has been allocated for COVID related expenditure during FY 2021-22

Current Expenditure on Revenue Account

(Rs in million)

Function Code	Description	Budget Estimates 2020-21	Revised Estimates 2020-21	Budget Estimates 2021-22
01	General Public Service	4,428,960	4,491,028	5,435,200
	011 Executive & Legislative Organs,			
	Financial & Fiscal Affairs, External Affairs	3,664,058	3,752,261	4,235,254
	Debt Servicing	2,946,135	2,850,688	3,059,681
	Servicing of Foreign Debt	315,135	239,568	302,506
	Servicing of Domestic Debt	2,631,000	2,611,120	2,757,176
	Superannuation Allowances & Pensions	470,000	470,000	480,000
	Others	247,923	431,574	695,573
012	Foreign Economic Aid	2,387	1,901	3,305
014	Transfers	687,355	688,780	1,149,251
	Provinces	171,890	157,890	213,350
	Others	515,465	530,890	935,901
015	General Services	10,623	10,346	10,619
016	Basic Research	5,952	6,015	6,413
017	Research & Dev. General Public Services	15,108	16,246	16,744
018	Admn. of General Public Service	3,149	3,149	3,827
019	Gen. Public Services not elsewhere defined	40,329	12,330	9,788
02	Defence Affairs and Services	1,292,943	1,299,188	1,373,275
021	Defence Services	1,290,000	1,295,000	1,370,000
A01	Employees Related Expenses	475,657	471,762	481,592
A03	Operating Expenses	301,109	308,970	327,136
A09	Physical Assets	357,756	357,393	391,499
A12	Civil Works	155,478	156,875	169,773
025	Defence Administration	2,943	4,188	3,275
03	Public Order and Safety Affairs	169,961	168,952	178,511
031	Law Courts	6,937	7,248	7,974
032	Police & Civil Armed Forces	158,621	157,312	165,153
033	Fire Protection	303	266	290
034	Prison Administration and Operation	47	42	48
035	R&D Public Order and Safety	50	60	56
036	Administration of Public Order	4,003	4,024	4,990

Contd.....

Current Expenditure on Revenue Account

(Rs in million)

Function Code	Description	Budget Estimates 2020-21	Revised Estimates 2020-21	Budget Estimates 2021-22
04	Economic Affairs	71,751	192,452	115,243
041	Gen. Eco., Commercial & Labour Affairs	14,108	87,982	31,054
042	Agri., Food, Irrigation, Forestry & Fisheries	13,696	29,400	14,098
043	Fuel and Energy	10,762	12,762	20,770
044	Mining and Manufacturing	1,968	2,689	2,278
045	Construction and Transport	15,638	22,246	26,700
046	Communications	3,779	25,716	18,916
047	Other Industries	11,800	11,457	1,426
	Research & Development			
48	Economic Affairs		200	-
05	Environment Protection	431	399	436
055	Administration of Environment Protection	431	399	436
06	Housing and Community Amenities	35,680	9,997	34,597
061	Housing Development	31,000	5,353	30,720
062	Community Development	4,680	4,644	3,877
07	Health	25,494	52,325	28,352
071	Medical Products, Appliances and Equipments	31	31	31
073	Hospital Services	22,774	16,316	23,982
074	Public Health Services*	504	33,061	849
076	Health Administration	2,184	2,916	3,489
*An amount of Rs 100 billion has been allocated for COVID related expenditure during FY 2021-22				

Contd.....

Current Expenditure on Revenue Account

(Rs in million)

Function Code	Description	Budget Estimates 2020-21	Revised Estimates 2020-21	Budget Estimates 2021-22
08	Recreation, Culture and Religion	9,822	12,160	10,372
081	Recreational and Sporting Services	0.4	0.2	0.3
082	Cultural Services	747	751	934
083	Broadcasting and Publishing	7,500	8,912	7,677
084	Religious Affairs	1,122	2,049	1,185
086	Admn. of Information, Recreation & Culture	453	447	574
09	Education Affairs and Services	83,363	88,090	91,970
091	Pre-Primary and Primary Education Affairs and Services	2,931	2,931	3,021
092	Secondary Education Affairs and Services	7,344	7,355	7,632
093	Tertiary Education Affairs and Services	70,741	75,033	78,195
095	Subsidiary Services to Education	312	317	317
096	Administration	1,237	1,608	1,915
097	Education Affairs & Services not Elsewhere Classified	798	847	890
10	Social Protection	230,907	246,411	255,292
107	Administration	21,763	29,284	2,018
108	Others	886	863	815
109	Social Protection (Not elsewhere classified)	208,258	216,265	252,460
a. Current Expenditure on Revenue Account		6,349,311	6,561,000	7,523,248

Current Expenditure on Capital Account

(Rs in million)

Function Code	Description	Budget Estimates 2020-21	Revised Estimates 2020-21	Budget Estimates 2021-22
01	General Public Service	1,491,065	1,064,924	1,601,211
011	Foreign Loans Repayment	1,228,880	841,993	1,427,592
011	Repayment of Short Term Foreign Credits	183,691	121,944	74,405
014	Transfers	78,493	100,986	99,214
	Federal Misc. Investments and			
	Other Loans and Advances by the Fed. Govt.	78,493	100,986	99,214
	b. Current Expenditure on Capital Account	1,491,065	1,064,924	1,601,211
	I. Total Current Expenditure (a+b)	7,840,375	7,625,924	9,124,459

Development Expenditure on Revenue Account

(Rs in million)

Function Code	Description	Budget Estimates 2020-21	Revised Estimates 2020-21	Budget Estimates 2021-22
01	General Public Service	273,596	244,312	330,916
011	Executive & Legislative Organs, Financial & Fiscal Affairs, External Affairs	8,070	6,556	5,181
014	Transfers	157,979	160,263	169,940
015	General Services	73,695	48,138	101,162
016	Basic Research	7,474	3,140	13,318
017	Research & Dev. General Public Services	548	143	1,967
019	General Public Services not elsewhere defined	25,830	26,071	39,349
02	Defence Affairs and Services	1,579	1,204	3,192
021	Defence Division	0	125	1,400
025	Defence Administration	1,579	1,079	1,792
03	Public Order and Safety Affairs	3,329	4,083	8,720
031	Law Courts	991	2,354	6,001
032	Police and Civil Armed Forces	2,169	1,598	2,492
036	Administration of Public Order	169	130	226
04	Economic Affairs	116,287	71,113	152,405
041	Gen. Eco. Commercial and Labour Affairs	117	67	2,955
042	Agri., Food, Irrigation, Forestry & Fisheries	77,450	53,017	102,742
043	Fuel and Energy	2,741	1,810	19,764
044	Mining and Manufacturing	80	80	80
045	Construction and Transport	32,408	14,326	23,142
046	Communications	3,346	1,739	3,679
047	Other Industries	146	74	43
05	Environment Protection	5,000	5,000	14,327
055	Administration of Environment Protection	5,000	5,000	14,327
06	Housing and Community Amenities	8,818	2,912	13,304
062	Community Development	8,818	2,912	13,304

Contd.....

Development Expenditure on Revenue Account

(Rs in million)

Function Code	Description	Budget Estimates 2020-21	Revised Estimates 2020-21	Budget Estimates 2021-22
07	Health	14,533	8,437	21,748
073	Hospital Services	6,668	3,683	12,816
074	Public Health Services	2,975	1,975	2,715
075	Research and Development Health	3	3	-
076	Health Administration	4,888	2,776	6,216
08	Recreation, Culture and Religion	1,022	247	4,647
081	Recreation and Sporting Services	929	155	3,735
082	Cultural Services	92	92	10
83	Broadcasting and Publishing	0	0	902
09	Education Affairs and Services	34,235	33,404	47,570
091	Pre-Primary & Primary Edu. Affairs & Services	65	53	18
092	Secondary Edu. Affairs & Services	938	806	475
093	Tertiary Edu. Affairs & Services	31,338	31,041	44,619
095	Subsidiary Services to Education	354	207	721
097	Education Affairs & Services not Elsewhere Classified	1,540	1,298	1,736
10	Social Protection	1,722	171	2,252
107	Administration	1,500	-	1,600
108	Others	87	66	53
109	Social Protection (Not elsewhere classified)	135	106	599
c.	Dev. Exp. on Revenue Account	460,121	370,884	599,080

Development Expenditure on Capital Account

(Rs in million)

Function Code	Description	Budget Estimates 2020-21	Revised Estimates 2020-21	Budget Estimates 2021-22
01	General Public Service	474,891	471,958	499,818
011	Executive & Legislative Organs, Financial & Fiscal Affairs, External Affairs	10	10	-
014	Transfers	451,153	448,247	472,618
017	Research and Dev. General Public Services	23,647	23,621	27,200
019	General Public Services not Elsewhere defined	80	80	-
04	Economic Affairs	14,726	20,493	38,901
041	Gen. Eco., Commercial and Labour Affairs	27	17	70
043	Fuel and Energy	1,760	1,779	3,180
044	Mining and Manufacturing	800	769	2,916
045	Construction and Transport	10,724	16,544	30,299
046	Communications	1,416	1,385	2,436
8	Recreation Culture and Religion	-	-	51
83	Broadcasting and Publishing	-	-	51
d.	Dev. Expenditure on Capital Account	489,617	492,451	538,770
II.	Total Development Expenditure (c+d)	949,738	863,335	1,137,850
III.	Total Exp. (Current+Development)	8,790,114	8,489,259	10,262,309

CAPITAL EXPENDITURE

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

(Rs in million)

Object Code	Description	Budget Estimates 2020-21	Revised Estimates 2020-21	Budget Estimates 2021-22
A101 i.	Domestic Permanent Debt	962,936	962,445	1,683,486
	Pakistan Investment Bonds (Bank)	277,531	569,000	746,685
	Pakistan Investment Bonds (Non Bank)	679,472	388,003	930,158
	Foreign Exchange Bearer Certificates	5	1	5
	Foreign Currency Bearer Certificates	5	1	5
	US Dollar Bearer Certificates	3	0	3
	Special US Dollar Bonds	50	40	50
	Premium Prize Bonds (Registered)	5,000	5,000	5,000
	Pakistan Banao Certificate (3-years)	199	128	1,581
	Pakistan Banao Certificate (5-years)	528	141	-
	FADRA	143	131	-
A104 ii.	Floating Debt	9,136,965	13,756,191	19,933,861
	Prize Bonds	133,807	324,333	250,403
	Treasury Bills through Auction	9,001,000	13,430,000	19,500,000
	Bai-Maujjal Ijara Sukuk Bonds	-	-	183,158
	Other Bills	1,858	1,858	-
	Ways and Means Advances	300	-	300.00
A10	IV. Total Public Debt Repayment (i+ii)	10,099,902	14,718,637	21,617,347
	V. Total - Federal Consolidated Fund Disbursement (III+IV)	18,890,015	23,207,895	31,879,655

PUBLIC ACCOUNT EXPENDITURE

National Savings Schemes

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

(Rs in million)

Object Code	Description	Budget Estimates 2020-21	Revised Estimates 2020-21	Budget Estimates 2021-22
i. G111	Investment Deposit Accounts (Savings Schemes)	707,626	901,601	873,730
G11101	Savings Bank Accounts	363,089	340,977	332,976
G11103	Khas Deposit Accounts	5	5	5
G11104	Mahana Amadni Accounts	70	70	70
G11106	Defence Savings Certificates	38,023	45,561	50,440
G11108	National Deposit Certificates	1	1	1
G11109	Khaas Deposit Certificates	1	1	1
G11111	Special Savings Certificates (Registered)	62,995	81,397	88,807
G11112	Special Savings Accounts	68,794	112,914	123,193
G11113	Regular Income Certificate	43,044	61,843	63,293
G11126	Pensionary Benefits	28,512	50,945	52,379
G11127	Behbood Saving Certificate	90,090	168,385	129,560
G11130	Shuda Welfare Account	2	3	5
	New Savings Schemes	3,000	-	3,000
	Short Term Savings Certificates (STSC)	10,000	39,500	30,000
ii.	Other Accounts	10,000	5,909	-
G03109	Postal Life Insurance Fund	10,000	5,909	-
iii. G061	Provident Fund	56,000	54,500	55,000
1	Total Expenditure (i+ii+iii)	773,626	962,010	928,730

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PUBLIC ACCOUNT EXPENDITURE

Deposits and Reserves

Deposits and Reserves represent all monies forming part of the Public Account of the Federation as per Article 78(2) of the Constitution of Islamic Republic of Pakistan. Budget estimates of Expenditure (withdrawal of funds) from the Deposits and Reserves as depicted in the following table are however subject to fulfillment of following stipulations; (i) The maintenance and operation of all these funds, deposits, reserves etc shall be subject to their due establishment either under the authority of an act of Parliament or with the approval of the Federal Government, as the case may be. (ii) Withdrawal of funds from these deposits and reserves heads of account shall only be allowed by the Accounting Offices subject to compliance of the stipulations at (i) above and to the extent of reconciled available balance under the respective head of account. (iv) There shall be no authority of directed access to Central Account No.1 (Non Food) in SBP.(vii) Withdrawal of funds from these Deposits and Reserves head of accounts shall be in accordance with the provisions of Public Finance Management Act, 2019, Cash Management and Treasury Single Account Rules 2020 and the Special Assignment Account Procedure for the Public Account of the Federation 2021. Personal Ledger Accounts shall not be used for withdrawal of funds.

(Rs in million)

Object Code	Description	Budget Estimates 2020-21	Revised Estimates 2020-21	Budget Estimates 2021-22
G	Deposits and Reserves			
	FGE Benevolent Funds			
G06202	F.G.Employees Benevolent Fund (Civil)	1,266	1,901	1,191
G06205	F.G.Employees Benevolent Fund (Pak. Post)	119	212	189
G06206	F.G.Employees Benevolent Fund (Pak. PWD)	7	6	5
G06209	F.G.Employees Benevolent Fund (N.S.)	12	12	12
G06210	F.G.Employees Benevolent Fund (Mint)	3	-	4
G06212	F.G.Employees Benevolent Fund (GSP)	3	-	4
G06409	F.G.Employees Group Insurance Fund (Civil)	434	336	393
G06410	F.G.Employees Group Insurance Fund (Defence)	170	171	267
G07101	Post Office renewal reserve fund		-	24
G07102	Pakistan Post Office Welfare Fund	45	29	35
G07106	PPO Miscellaneous	189,865	267,170	197,546
	Railways			
G08117	Railways Reserve Fund	40,000	-	-
G08121	Railways Depreciation Reserve Fund	4,921	-	-
	Pak PWD			
G10101	Pak. PWD Receipts & Collection Account	377	862	474
G10113	Public Works/Pak. PWD Deposits	22,081	18,656	18,479
	Defence			
G06203	F.G.Employees Benevolent Fund (Defence)	2,198	2,268	1,885

Contd....

(Rs in million)

Object Code	Description	Budget Estimates 2020-21	Revised Estimates 2020-21	Budget Estimates 2021-22
G11201	Spl.Deposit Fund for Army supplies	155	-	-
G11224	Deposit Account with Defence	1,567	2,776	2,598
G11255	Defence Services Security Deposits	9,481	3,645	2,554
G11256	Defence Services Misc. Deposits	218,732	214,638	181,762
	Misc.			
G06304	Workers Welfare Fund	4,568	6,960	12,539
G07104	F.G.Employees Group Insurance Fund (PPO)	7	10	28
G10102	Foreign Affairs Receipt & Collection Account	3,037	4,620	5,473
G10104	Mint Receipts & Collection Account	58	65	82
G10106	Deposit Works of Survey of Pakistan	50	23	24
G10304	Zakat Collection Account	929	12,457	2,993
G	Deposits and Reserves			
G11215	Revenue Deposits	28,117	5,723	10,213
G11216	Civil and Criminal Court Deposits	10	14	32
G11217	Personal Deposits	29,058	44,663	55,856
G11220	Deposits in connection with Elections	35	25	55
G11225	Deposit Account with AGPR	190	44	357
G11230	Special Remittances Deposits	966	1,417	4,397
G11240	Security deposits of Cashiers	292	602	54
G11276	Security Deposits of Private Companies	74	-	-
G11280	Withholding Tax on Profit From Investment in NSS	10,677	11,841	6,736
G11281	Deposit Account of fees realized by PNAC	19	27	55
G11290	Security Deposit of Firms/Contractors	162	665	243
G12150	PM's Relief Fund for IDP's 2014	3,645	2,621	3,932
G12157	PM's Covid-19 Pandemic Relief Fund	-	16	7
G12205	Pakistan Minorities Welfare Fund	-	-	27
G12206	Special Fund for Welfare & Uplift of Minorities	43	46	67
G12226	Federal Government Artist Welfare Fund	20	11	5
G12305	Export Development Fund	1,174	1,444	715
G12308	Reserve Fund for Exchange Risk on Foreign Loans	-	-	1
G12412	Pakistan Oil Seeds Development Cess Fund	-	-	2
G12419	Research and Development Fund	558	600	1,061
G12421	SCP Diamer Basha&Mohamand Daam Fund	48	-	8
G12713	Income Tax Deduction from Salaries	18	19	22
G12714	Income Tax Deduction from Contractors/Suppliers	64	105	78
G12738	National Fund for Control of Drug Abuse	-	-	-

Contd....

(Rs in million)

Object Code	Description	Budget Estimates 2020-21	Revised Estimates 2020-21	Budget Estimates 2021-22
G12741	Federal Civil Servant's subscription to Services			
	Book Club	8	11	9
G12777	Sales Tax Deduction at Source	9	16	13
G12783	Universal Service Fund	-	3,600	6,570
G13127	Grants and Technical Assistance from US		-	-
G13140	GSP Receipt and Collection Account	21	21	23
G141	Coinage Account	1,350	-	-
	Others	11	11	8
2	Total Expenditure Deposits & Reserves	576,654	610,359	519,107
VI	Total Public Account Expenditure (1+2)	1,350,279	1,572,369	1,447,837

STATEMENT OF ESTIMATED CHARGED AND VOTED EXPENDITURE MET FROM THE FEDERAL CONSOLIDATED FUND

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

Description		Budget Estimates 2020-21	Revised Estimates 2020-21	Budget Estimates 2021-22
I.	Expenditure on Revenue Account	6,809,432	6,931,884	8,122,328
	Current	6,349,311	6,561,000	7,523,248
	Development	460,121	370,884	599,080
	Total-Authorized Expenditure	6,809,432	6,931,884	8,122,328
	<i>Charged</i>	<i>4,216,001</i>	<i>4,216,544</i>	<i>4,530,774</i>
	Voted	2,593,431	2,715,340	3,591,554
II.	Expenditure on Capital Account	12,080,584	16,276,012	23,757,328
	Current	11,590,966	15,783,560	23,218,557
	Development	489,617	492,451	538,770
	Total Authorized Expenditure	12,080,584	16,276,012	23,757,328
	<i>Charged</i>	<i>10,513,332</i>	<i>10,513,331</i>	<i>21,929,602</i>
	Voted	1,567,252	5,762,681	1,827,726
III.	Total Expenditure met from Federal Consolidated Fund	18,890,015	23,207,895	31,879,655
	Current Expenditure	17,940,277	22,344,560	30,741,805
	Development Expenditure	949,738	863,335	1,137,850
IV.	Total-Authorized Expenditure	18,890,015	23,207,895	31,879,655
	<i>Charged - Total</i>	<i>14,729,333</i>	<i>14,729,875</i>	<i>26,460,376</i>
	Voted - Total	4,160,682	8,478,020	5,419,279

Statement of The Purpose – Demands for Grants

This statement is being provided to comply with the provisions of section 4 of the Public Finance Management Act, 2019. Based on the policy priorities of the Federal Government, the demands for grants have been proposed to ensure debt servicing on domestic and foreign loans, social safety cover, housing sector (Naya Pakistan Housing), defence and security related expenditures, pay and pensions, grants, subsidies etc. Moreover, it contains development expenditure to provide impetus for economic growth and job creation.

With the continued challenges being faced by the Federal Government to balance the sustainability of economic activity during the ongoing pandemic, the government's policy priority is focusing on economic growth, providing relief to people and businesses. It has also been envisaged to provide targeted subsidies on essential food items in order to assist the less well-off strata of society, energy bills and agriculture inputs.

Yusuf Khan

Secretary to Government of Pakistan

Finance Division

Islamabad, the 11th June, 2021

SCHEDULE-I

**DEMAND FOR GRANTS AND APPROPRIATION FOR
EXPENDITURE MET FROM THE FEDERAL CONSOLIDATED
FUND FOR THE FINANCIAL YEAR COMMENCING ON
1ST JULY, 2021 AND ENDING ON
30TH JUNE, 2022**

SCHEDULE - I
Demand-Wise Expenditure for Budget Estimates 2021-22

(Rs. in million)

Demand No.	Ministries / Divisions	Budget Estimates 2021-22		
		Charged	Voted	Total
1	Cabinet		277	277
2	Cabinet Division		2,048	2,048
3	Emergency Relief and Repatriation		387	387
4	Intelligence Bureau		8,034	8,034
5	Atomic Energy		10,818	10,818
6	Pakistan Nuclear Regulatory Authority		1,148	1,148
7	Naya Pakistan Housing Development Authority		30,720	30,720
8	Prime Minister's office (Internal)		401	401
9	Prime Minister's office (Public)		520	520
10	National Disaster Management Authority		643	643
11	Board of Investment		367	367
12	Prime Minister's Inspection Commission		60	60
13	Aviation Division		1,483	1,483
14	Airports Security Force		8,078	8,078
15	Establishment Division		5,500	5,500
16	Federal Public Service Commission		884	884
17	National School of Public Policy		1,168	1,168
18	Civil Services Academy		635	635
19	National Security Division		144	144
20	Poverty Alleviation and Social Safety Division		2,155	2,155
21	Benazir Income Support Programme		250,000	250,000
22	Pakistan Bait-ul-Mal		6,505	6,505
23	Climate Change Division		468	468
24	Commerce Division		26,786	26,786
25	Communications Division		204	204
26	Other Expenditure of Communications Division		20,096	20,096
27	Pakistan Post office Department	20	14,980	15,000
28	Defence Division		3,683	3,683
29	Federal Government Educational Institutions In Cantonments and Garrisons		6,981	6,981
30	Defence Services		1,370,000	1,370,000
31	Defence Production Division		949	949
32	Economic Affairs Division		697	697

Contd.....

SCHEDULE - I
Demand-Wise Expenditure for Budget Estimates 2021-22

(Rs. in million)

Demand No.	Ministries / Divisions	Budget Estimates 2021-22		
		Charged	Voted	Total
33	Miscellaneous Expd. of Economic Affairs Division		13,187	13,187
34	Power Division		330,460	330,460
35	Petroleum Division		20,639	20,639
36	Geological Survey of Pakistan		601	601
37	Federal Education and Professional Training Division		19,005	19,005
38	Higher Education Commission (HEC)		66,250	66,250
39	National Vocational & Technical Training Commission (NAVTTTC)		399	399
40	National Heritage & Culture Division		1,738	1,738
41	Finance Division		1,980	1,980
42	Other Expenditure of Finance Division		4,834	4,834
43	Controller General of Accounts		7,720	7,720
44	Superannuation Allowances and Pensions	3,480	476,520	480,000
45	Grants Subsidies & Miscellaneous Expenditure	19,250	1,159,643	1,178,893
46	Revenue Division		77	77
47	Federal Board of Revenue		28,800	28,800
48	Foreign Affairs Division		1,970	1,970
49	Foreign Missions		21,167	21,167
50	Housing and Works Division		5,051	5,051
51	Human Rights Division		1,185	1,185
52	Industries and Production Division		13,631	13,631
53	Financial Action Task Force (FATF) Secretariat		85	85
54	Information and Broadcasting Division		2,755	2,755
55	Miscellaneous Expd. of Information & Broadcasting Division		6,417	6,417
56	Information Technology and Telecommunication Division		5,872	5,872
57	Interior Division		8,642	8,642
58	Other Expenditure of Interior Div		6,147	6,147
59	Islamabad Capital Territory (ICT)		11,430	11,430
60	Combined Civil Armed Forces		136,827	136,827
61	Inter-Provincial Coordination Division		1,661	1,661
62	Kashmir Affairs and Gilgit Baltistan Division		891	891
63	Law and Justice Division	297	5,225	5,522
64	Federal Judicial Academy		210	210

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SCHEDULE - I
Demand-Wise Expenditure for Budget Estimates 2021-22

(Rs. in million)

Demand No.	Ministries / Divisions	Budget Estimates 2021-22		
		Charged	Voted	Total
65	Federal Shariat Court		494	494
66	Council of Islamic Ideology		140	140
67	National Accountability Bureau		5,137	5,137
68	District Judiciary, Islamabad Capital Territory		645	645
69	Maritime Affairs Division		1,190	1,190
70	Narcotics Control Division		3,534	3,534
71	National Assembly	2,386	3,195	5,581
72	The Senate	2,199	1,548	3,748
73	National Food Security And Research Division		13,118	13,118
74	National Health Services, Regulations and Coordination Division		28,074	28,074
75	Overseas Pakistanis and Human Resource Development Division		1,626	1,626
76	Parliamentary Affairs Division		482	482
77	Planning, Development And Special Initiatives Division		5,620	5,620
78	CPEC Authority		313	313
79	Privatisation Division		215	215
80	Railways Division		42,300	42,300
81	Religious Affairs and Inter-Faith Harmony Division		1,231	1,231
82	Science and Technology Division		10,201	10,201
83	States and Frontier Regions Division		2,621	2,621
84	Water Resources Division		523	523
85	Federal Miscellaneous Investments & Other Loans and Advances		99,214	99,214
86	Development Expenditure of Cabinet Division		46,235	46,235
87	Development Expenditure of Aviation Division		3,558	3,558
88	Development Expenditure of Establishment Division		349	349
89	Dev Exp of Poverty Alleviation & Social Safety Div		599	599
90	Development Expenditure of SUPARCO		7,369	7,369
91	Development Expenditure of Climate Change Division		14,327	14,327

Contd.....

SCHEDULE - I
Demand-Wise Expenditure for Budget Estimates 2021-22

(Rs. in million)

Demand No.	Ministries / Divisions	Budget Estimates 2021-22		
		Charged	Voted	Total
92	Development Expenditure of Commerce Division		1,614	1,614
93	Development Expenditure of Communications Division		451	451
94	Development Expenditure of Defence Division		1,978	1,978
95	Dev Exp of Survey of Pakistan		1,502	1,502
96	Development Expenditure of Defence Production Division		1,745	1,745
97	Development Expenditure of Power Division		19,362	19,362
98	Development Expenditure of Federal Edu & Professional Tr. Div		4,485	4,485
99	Development Expd. of Higher Education Education Commission		42,450	42,450
100	Development Expd. of National Vocational & Technical Training Commission (NAVTTTC)		5,215	5,215
101	Development Expd. of National Heritage & Culture Division		126	126
102	Development Expenditure of Finance Division		836	836
103	Other Development Expenditure		122,295	122,295
104	Development Expenditure of Revenue Division		4,025	4,025
105	Development Expenditure of Human Rights Division		279	279
106	Dev Exp of Information & Broadcasting Division		902	902
107	Development Expenditure of Information Technology and Telecommunication Division		9,361	9,361
108	Development Expenditure of Interior Division		21,049	21,049
109	Development Expenditure of Inter Provincial Coordination Division		3,735	3,735
110	Development Expenditure of Kashmir Affairs and Gilgit Baltistan Division		37,920	37,920
111	Development Expenditure of Law and Justice Division		6,027	6,027
112	Development Expenditure of Narcotics Control Division		489	489

Contd.....

SCHEDULE - I
Demand-Wise Expenditure for Budget Estimates 2021-22

(Rs. in million)

Demand No.	Ministries / Divisions	Budget Estimates 2021-22		
		Charged	Voted	Total
113	Dev Exp of National Food Security and Research Div		12,017	12,017
114	Dev Expenditure of National Health Services, Regulation & Coord. Div		21,723	21,723
115	Development Expenditure of Planning, Development and Special Initiatives Division		106,244	106,244
116	Dev Exp of Science & Technology Div		8,341	8,341
117	Development Expenditure of Water Resources Division		92,473	92,473
118	Capital Outlay on Development of Atomic Energy		27,000	27,000
119	Capital Outlay on Development of Pakistan Nuclear Regulatory Authority		200	200
120	Capital Outlay on Petroleum Division		3,250	3,250
121	Capital Outlay on Federal Investments		699	699
122	Development Loans and Advances By the Federal Government		131,346	131,346
123	External Development Loans and Advances By The Federal Government	237,850	75,866	313,716
124	Capital Outlay of Civil Works		25,157	25,157
125	Capital Outlay on Industrial Dev.		2,916	2,916
126	Capital Outlay on Maritime Affairs Div		4,462	4,462
127	Capital Outlay on Pakistan Railways		30,026	30,026
85A	Provision for Pay & Pension		160,000	160,000
...	Staff Household & Allowances of The President(Personal)	615	-	615
...	Staff Household & Allowances of The President(Public)	405	-	405
...	Servicing of Foreign Debt	302,506	-	302,506
...	Foreign Loans Repayment	1,427,592	-	1,427,592
...	Repayment of Short Term Foreign Credits	74,405	-	74,405
...	Audit	5,953	-	5,953
...	Servicing of Domestic Debt	2,757,176	-	2,757,176
...	Repayment of Domestic Debt	21,617,347	-	21,617,347

Contd.....

SCHEDULE - I
Demand-Wise Expenditure for Budget Estimates 2021-22

(Rs. in million)

Demand No.	Ministries / Divisions	Budget Estimates 2021-22		
		Charged	Voted	Total
...	Supreme Court	2,810	-	2,810
...	Islamabad High Court	1,086	-	1,086
...	Election	3,827	-	3,827
...	Federal Ombudsmansecretariat for Protection Against Harrasment of Women at Work Place	77	-	77
...	Wafaqi Mohtasib	837	-	837
...	Federal Tax Ombudsman	279	-	279
TOTAL		26,460,396	5,419,260	31,879,655

SCHEDULE -II
OBJECT CLASSIFICATION WISE EXPENDITURE

		Rs. In million	
Object Code	Description	Budget Estimates 2020-21	Budget Estimates 2021-22
A01	Total Employees Related Expenses	760,123	785,244
A011	Pay	139,369	142,480
A011-1	Pay of Officer	46,272	48,628
A011-2	Pay of Other Staff	93,097	93,851
A012	Allowances	620,754	642,765
A012-1	Regular Allowances	601,534	622,361
A012-2	Other Allowances (Excluding TA)	19,220	20,404
A02	Project Pre-investment Analysis	1,665	2,838
A03	Operating Expenses	878,151	876,486
A04	Employees Retirement Benefits	478,525	486,520
A05	Grants, Subsidies & Write off Loans	1,197,014	2,238,126
A06	Transfers	11,020	17,039
A07	Interest Payment	2,946,955	3,059,701
A08	Loans and Advances	493,792	518,828
A09	Physical Assets	384,510	430,706
A10	Principal Repayments of loans	11,512,549	23,119,418
A11	Investments	37,589	64,853
A12	Civil Works	204,878	273,092
A13	Repairs and Maintenance	6,877	6,805
TOTAL EXPENDITURE		18,913,648	31,879,655

STATEMENT OF CONTINGENT LIABILITIES OF THE FEDERAL GOVERNMENT

This statement is prepared to comply with section 4, sub-section 3 (a) of Public Finance Management Act, 2019, which states that Annual Budget Statement shall also contain statement of contingent liabilities of the Federal Government. As per section 2(h) of the Act, 'contingent liability' is defined as 'a financial liability that may arise or come into being if one or more events occur'.

2. Contingent liabilities are possible obligation that arises from past events and their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the government.

3. Contingent liabilities should be examined in the same manner as a proposal for a loan, taking into account, inter alia, the credit-worthiness of the borrower, the amount and risks sought to be covered by a sovereign guarantee, the terms of the borrowing, justification and public purpose to be served, probabilities that various commitments will become due and possible costs of such liabilities. Hence, such off-balance sheet transactions cannot be overlooked in order to gain a holistic view of a country's fiscal position and unveil the hidden risks associated with the obligations made by the government outside the budget.

4. Contingent liabilities of Pakistan are primarily guarantees issued on behalf of Public Sector Enterprises (PSEs). The sovereign guarantee is normally extended to improve financial viability of projects or activities undertaken by the government entities with significant social and economic benefits. It allows public sector companies to borrow money at lower costs or on more favourable terms and in some cases allows to fulfil the requirement where sovereign guarantee is a precondition for concessional loans from bilateral/multilateral agencies to sub-sovereign borrowers.

5. The volume of new government guarantees issued during a financial year is limited under Fiscal Responsibility and Debt Limitation Act which stipulates that the government shall not give guarantees aggregating to an amount exceeding two percent of the GDP in any financial year including those for rupee lending, rate of return, outright purchase agreements and other claims and commitments provided the renewal of existing guarantees shall be considered as issuing a new guarantee.

6. During July 2020 to March 2021, the government issued fresh/rollover guarantees/Letter of Comforts (LoCs) aggregating to Rs 83 billion or 0.2 percent of GDP. The total executed guarantees were Rs 2,756 billion while outstanding stock was Rs 2,410 billion at end March 2021 as per the following details:

Table-1: Summary of Outstanding Government Guarantees	
	(All figures are Rs in billion unless otherwise stated)
Domestic	1,613
External	796
Total Outstanding Government Guarantees	2,410
Memo:	
External (US\$ in million)	5,213
Exchange Rate (Pak Rupee/US Dollar)	153

7. Sector-Wise share of the above guarantees is as follows:

Table 2: Sector Wise Government Guarantee Outstanding (PKR in Billion)		
	End March 2021	
Sector	Drawn	% Share
Power Sector	1,990	83%
Aviation	203	8%
Financial	66	3%
Manufacturing	45	2%
Oil and Gas	55	2%
Other	51	2%
Total	2,410	100%

8. Guarantees issued against commodity operations are not included in the stipulated limit of 2 percent of GDP as the loans are secured against the underlying commodity and are essentially self-liquidating. These guarantees are issued against the commodity financing operations undertaken by TCP, PASSCO, and provincial governments. The outstanding stock of commodity operations was Rs 701 billion at end March 2021.

9. The existing guarantees constitute around 6 percent of GDP and government is committed to maintain or reduce this exposure in the upcoming fiscal year.

Yusuf Khan
Secretary to Government of Pakistan

Finance Division
Islamabad, the 11th June, 2021

Statement of Fiscal Risks

As required under Section 4(3)(b) of the Public Finance Management Act, 2019, the Annual Budget Statement shall also contain a statement of fiscal risks.

It is therefore expedient to highlight risks, which might lead to any revision in fiscal forecasts approved by the Federal Government in Medium Term Budget Strategy Paper under section 3 of the Public Finance Management Act, 2019. Principle of 'reasonableness' has been followed depicting only those fiscal risks which might materialize during fiscal year 2021-22 and in the medium-term.

Economic risks: Corona's third wave has hit Pakistan and if the situation blows out of proportion, the fiscal forecasts may change slightly or substantially depending upon the severity of the pandemic. Resultantly, the economic growth will be impacted with reduction in revenues and increase in Corona-related expenditures. However, the government has taken a number of initiatives to provide stimulus to the economy to off set the impact of Corona.

Losses of power sector: Whereas the government has put in place necessary safeguards to minimize the losses of power sector including reduction in the pace of accumulation of circular debt, there are a couple of risks which may impact the fiscal forecasts 1) continuation of flow of energy sector losses, and 2) non-payment of arrears and liabilities. These risks may impact government's fiscal position if such arrears and liabilities are required to be paid through the budgetary process.

Losses of State Owned Entities (SOEs): The government provides financial support to SOEs in the form of guarantees, grants, loans, equity investments etc if the situation so warrants. If the losses of SOEs continue, provision of financial support by the Government may impact the fiscal forecasts. However, the Government has approved a legal framework to improve governance of PSEs and has placed State Owned Enterprises (Governance and Operations) Bill 2021 for approval of the Parliament. Furthermore, the Government has also initiated the requisite work to gauge the performance of PSEs to decide whether to sell, liquidate or retain the existing SOEs.

Budget Surplus of Provinces: The provinces take a substantial share of national revenues however the federal government being liable for the debt servicing, security, Communications, Higher Education etc. Therefore, the structural fiscal balance has become lopsided. The situation is unsustainable unless an appropriate adjustment occurs in the structural fiscal balances of federal and provincial governments. The government has formed 10th National Finance Commission with the view to deliberate on options leading to fiscal harmonisation. In the context of this fiscal risk, excessive spending by the Province and low generation of own source incomes and revenue may lead to fiscal adjustment.

Natural disasters: Natural disasters including floods, earthquakes, droughts etc has adversely impacted the fiscal projections in the past. So, such hazards being natural and unpredictable may also affect the fiscal forecasts.

Conclusion: The Government is committed to off-set the impact of these fiscal risks, if occur, with better and efficient public financial management under the PFM reforms already initiated. Moreover, the SOEs Bill 2021 will also set the direction with regard to professional management of the state owned entities. The reforms in power sector have also been started which will improve the governance and management of the Distribution Companies. The agreements with IPPs have also been re-negotiated with a view to decrease the cost of electricity.

STATEMENT OF ESTIMATED TAX EXPENDITURE

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

2. A Tax Expenditure statement providing the detail of tax expenditure in FY 2021 which involves tax expenditure in sales tax of Rs. 578.456 billion, a tax expenditure in income tax of Rs. 448.046 billion, and tax expenditure in Customs Duty of Rs. 287.771 billion, arriving at a total estimated tax expenditure of Rs. 1314.273 billion is being laid before the Parliament.

Asim Ahmad
Chairman FBR

Dated: 11-06-2021

Medium Term Budgetary Statement

(2021-22 to 2023-24)

Government is laying before the National Assembly a Medium Term Budgetary Statement in pursuance of Section 5 of the Fiscal Responsibility and Debt Limitation Act, 2005. This statement is consistent with the country's overall macroeconomic framework.

2. The year 2020-21 was a year of economic recovery backed by incentives to various quarters of the economy. Pakistan's economy has shown strong signs of revival after being hit by the Covid-19 pandemic. The Government has taken timely response measures to combat this daunting challenge. These measures have mitigated the socio-economic impacts of the pandemic. Policies introduced during the year like smart lockdowns, stimulus relief package worth Rs. 1.24 trillion and unprecedented concessions granted to the construction and SME sectors have yielded positive results.

3. The major step undertaken on the fiscal front during the Current Financial Year (CFY 2020-21) were to keep an appropriate balance between the Covid-19 related expenditures and fiscal deficit. Furthermore, public finance management reforms continued to increase transparency and accountability of public funds. For the protection of vulnerable segments of the society, the government proactively responded by implementing various components under Ehsaas Program and by combating inflation through price control and monitoring. On the external front, various policy actions were undertaken including bilateral and multilateral arrangements, IMF program continuity and exchange rate stability in the backdrop of strong foreign exchange reserves, as well as reviving export industry. Consequently, the economy picked up and is moving towards sustained economic growth.

4. Over the medium-term a number of important policy measures will be taken. These policy measures will broadly include reduction of budget deficit, revenue mobilization, maintaining the policies of no borrowings from State Bank of Pakistan for budget financing, flexible exchange rate, structural reforms in public entities including privatisation, reforms in energy sector (electricity and gas) and circular debt management, increase in public investments in management of water, implementation of projects under China-Pakistan Economic Corridor, strengthening energy transmission and distribution system, implementation of national tariff policy, implementation of special economic zones, etc.

5. The context and strategy for FY 2021-22 year budget hovers around fostering sustained and inclusive growth, horizontal and vertical expansion of social safety net to support the vulnerable segments of the society and successful continuation of IMF program.

Moreover, providing impetus to the economic activity through higher public development spending and consequently supporting job creation. Funding for special initiatives led by the Prime Minister like Kamyab Jawan, Sehat Sahulat Card, Naya-Pakistan Housing Scheme, House Financing Mark-up, Collateral free lending to SMEs etc. have also been protected. In wake of Covid-19 and additional measures by the government to improve the economic outlook, no new taxes shall be introduced in 2021-22 budget. FBR collection however, will increase through improvement in tax system, broadening tax base and strengthening of administrative controls through technological inventions. Other measures include withdrawing tax exemptions, rationalizing concessionary regime, simplifying tax rules and ensuring tax compliance. Furthermore, ensuring better financial management and fiscal discipline, by striking a balance between relief measures and fiscal deficit to keep the primary balance at a sustainable level.

6. For sustained economic growth in medium term it is imperative for the Federal government to accordingly pursue a multipronged strategy with focus on revenue mobilization, rationalization of recurrent expenditures to provide space for development/ capital expenditure, support for the driver sectors of the country's economy and increase the foreign exchange earnings for management of current account and easing off pressure on the Rupee (PKR).

Key Medium Term Macroeconomic & Budgetary Indicators					
Description	Budget	Revised	Budget	Projections for	
	2020-21	2020-21	2021-22	2022-23	2023-24
Real GDP Growth (%)	2.1	3.9	5.0	5.7	6.4
Inflation (%)	6.5	9.0	8.2	7.2	6.4
As % of GDP					
Total Federal Revenue	14.4	13.4	14.7	14.9	14.9
Tax Revenue	10.9	9.8	10.8	11.5	11.8
Non Tax Revenue	3.5	3.6	3.8	3.3	3.0
Total Federal Expenditure	15.7	15.4	15.8	14.6	13.2
Current	13.9	13.8	14.0	12.8	11.4
Development	1.7	1.6	1.8	1.8	1.8
Overall Fiscal Balance	-7.0	-7.1	-6.3	-5.3	-3.9
Primary Balance	-0.5	-1.2	-0.7	0.2	1.2
Public Debt	87.6	83.1	81.8	79.1	73.9
GDP at market prices (Billions)	45,567	47,709	53,867	60,811	70,151

Government of Pakistan
Finance Division

STATEMENT OF RESPONSIBILITY UNDER SECTION 10(1)(a)
OF FISCAL RESPONSIBILITY AND DEBT LIMITATION ACT
2005

Stated that all policy decisions with material economic or fiscal implications that the Federal Government has made before 11th June 2021, the day on which the contents of the Medium Term Budgetary Statement were finalized and all other circumstances with material economic or fiscal implications of which I was aware before that day, have been communicated to the Secretary, Finance Division.

The statement to the best of my knowledge provides for

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

(Shaukat Fayaz Ahmed Tareen)
Minister for Finance and Revenue

Government of Pakistan
Finance Division

STATEMENT OF RESPONSIBILITY UNDER SECTION 10(1)(b)
OF FISCAL RESPONSIBILITY AND DEBT LIMITATION ACT
2005

Stated that the Finance Division has supplied to the Minister for Finance and Revenue, using its best professional judgment on the basis of economic and fiscal information available to it before 11th June 2021, the day on which the contents of the Medium Term budgetary Statement were finalized, incorporating the fiscal and economic implications of those decisions and circumstances, but any decisions or circumstances that the Minister for Finance and Revenue has determined under Sub-section (3) of Section 8 of the Fiscal Responsibility and Debt Limitation Act 2005 have not been incorporated in the Medium Term Budgetary Statement.

Yusuf Khan
Secretary to Government of Pakistan

Finance Division
Islamabad, the 11th June, 2021