

FACT SHEET

ON

PAKISTAN ECONOMY (2010-2011)

ECONOMIC INDICATORS

Forex Reserves (Mar-11)	\$17.62 bn
Inflation CPI% (Jul 10-Apr 11)	14.08%
Exports (Jul 10-Mar 11)	\$17.95 bn
Imports (Jul 10 - Mar 11)	\$25.96 bn
Trade Balance (Jul 10 - Mar 11)	(\$-8.09 bn)
Current A/C (Jul 10- Mar 11)	\$99 mn
Remittances (Jul 10 - Mar 11)	\$8.02 bn
Foreign Invest (Jul 10-Mar 11)	\$1.08 bn
Revenue (Jul 10 Mar 11)	Rs.1012 bn
Foreign Debt (Mar 11)	\$59.54 bn
Domestic Debt (Mar 11)	Rs.5463 bn
LSM Growth (Mar 11)	1%
GDP Growth FY10E	4.10%
Per Capita Income FY10	1051
Population	176.02 mn
GDP growth rate (%)	2.8
CPI (%)	13.9
INTEREST RATE (%)	14.05

EXCHANGE RATES

FY Year	Rs./US\$
2004-2005	59.66
2005-2006	60.16
2006-2007	60.5
2007-2008	71
2008-2009	88.9
2009-2010	86.21
2010-2011	86.2

**Latest
26/05/2011**

OIL PRICE FLUCTUATIONS

<u>Period</u>	<u>Rupees</u>
* DEC 2010	79.67
* JAN 2011	72.96
* FEB 2011	80.19
* MAR 2011	76.58
* APR 2011	83.56
* MAY 2011	88.41
Average for Six Months	80.23

POWER

	Mega Watt
a- Demand	20584
b- Supply	15055
c- Deficit	-5529

FLOOD (MILLION)

<u>Province Wise</u>	<u>POPULATION AFFECTED (mn)</u>
Punjab	5.3
KPK	5.3
Sindh	2.8
Balochistan	0.6
AJK	0.05
Gilgit-Baltistan	0.08
TOTAL	14.1

FISCAL DEFICIT (STRATEGY)

Year	Percent
2010-2011	5.5
2011-2012	4.5
2012-2013	4
2013-2014	3.6

BORROWINGS

Type	Rupees (PKR)
International	5061 bn
Domestic	5463 bn
Total	10524 bn

DEBT SERVICING

<u>Items</u>	2009/10	2010/11
Debt to GDP ratio	64%	74%
Domestic Debt	PKR 4.863 Tn	PKR 5.463 Tn
International debt	\$ 58.69 bn	\$ 59.54 bn
	Increased	Increased by
Debt to GDP ratio	10%	16%
Domestic Debt	PKR 0.6 Tn	12.3%
International debt	\$ 0.85 bn	1.5%
Domestic to International ratio	8.2 : 1	

SALIENT FEATURES-BUDGET STRATEGY PAPER 2011-2014

Description/Year	2010-2011
Budget deficit of the GDP	5.5 percent
Tax to GDP Ratio	9.1 percent
Tax Collection (Rs.)	1.588 trillion
Direct Taxes	18 percent to 40 percent
Fixed tax on cellular phones	-
Collection from tax on cellular phone	-
Withholding tax on cash withdrawal (25000+)	0.3 percent
Corporate tax rate	32 percent
* Power subsidy	Rs.185 bn
* Untargeted subsidides	-
* Borrowing from SBP	-
GDP growth	2.8 percent
Inflation	14.08
Remittances	\$ 8.02 bn
Foreign Exchange Reserves	\$17.62 billion
Foreign assistance	Rs.138 bn in 09-10 reduce to Rs.95 bn.
Private sector investment	9.4 percent
Gross fixed capital formation	11.6 percent
Public Sector Development Program (Rs.)	490 bn
Imports (\$.)	\$ 25.96 bn
Exports (\$.)	\$17.95 bn
Trade deficit (\$.)	\$ -8.09 bn
Additional disbursement to the province (Rs.)	-
Public debt	Increase more than 60 percent of the GDP.
Public debt to revenue	Reached 400 percent
Special excise duty	Imposition of 1 percent & increase in its rate up to 25 percent

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Description/Year	2011-2012
Budget deficit of the GDP	Contained at 4.5 percent
Tax to GDP Ratio	9.7 percent
Tax Collection (Rs.)	1.952 trillion
Direct Taxes	-
Fixed tax on cellular phones	Rs.100/ phone connection
Collection from tax on cellular phone	Rs.120 bn
Withholding tax on cash withdrawl (25000+)	0.5 percent
Corporate tax rate	40 percent
* Power subsidy	Elimination of Rs.186 billion
* Untargated subsidides	Elimination of Rs.43 billion
* Borrowing from SBP	0
GDP growth	4.2 percent
Inflation	Reduce to 12 percent
Remittances	-
Foreign Exchange Reserves	Decline to \$14.7 b(3.1 months of imports)
Foreign assistance	-
Private sector investment	13.8 percent
Gross fixed capital formation	16.6 percent
Public Sector Development Program (Rs.)	580 bn
Imports (\$.)	39.1 bn
Exports (\$.)	25.9 bn
Trade deficit (\$.)	13.2 bn
Additional disbursement to the province (Rs.)	360 bn
Public debt	-
Public debt to revenue	-
Special excise duty	-

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Description/Year	2012-2013	
Budget deficit of the GDP	Improved to 4 percent	
Tax to GDP Ratio		
Tax Collection (Rs.)	2.315 trillion	
Direct Taxes	-	
Fixed tax on cellular phones	-	
Collection from tax on cellular phone	-	
Withholding tax on cash withdrawl (25000+)		
Corporate tax rate	-	
* Power subsidy	Rs.100 bn	
* Untargated subsidides	-	
* Borrowing from SBP	-	
GDP growth	-	
Inflation	-	
Remittances	-	
Foreign Exchange Reserves	-	
Foreign assistance	-	
Private sector investment	-	
Gross fixed capital formation	-	
Public Sector Development Program (Rs.)	694 bn	
Imports (\$.)	-	
Exports (\$.)	-	
Trade deficit (\$.)	-	
Additional disbursement to the province (Rs.)	-	
Public debt	-	
Public debt to revenue	-	
Special excise duty	-	

Contd....

Description/Year	2013-2014
Budget deficit of the GDP	Reduce to 3.6 percent
Tax to GDP Ratio	10.3 percent
Tax Collection (Rs.)	2.713 trillion
Direct Taxes	-
Fixed tax on cellular phones	-
Collection from tax on cellular phone	-
Withholding tax on cash withdrawal (25000+)	-
Corporate tax rate	-
* Power subsidy	-
* Untargeted subsidides	-
* Borrowing from SBP	-
GDP growth	-
Inflation	-
Remittances	-
Foreign Exchange Reserves	Decline to \$9.9 b (1.8 months of imports)
Foreign assistance	-
Private sector investment	-
Gross fixed capital formation	-
Public Sector Development Program (Rs.)	-
Imports (\$.)	-
Exports (\$.)	-
Trade deficit (\$.)	-
Additional disbursement to the province (Rs.)	-
Public debt	-
Public debt to revenue	-
Special excise duty	-

TAXATION MEASURES

With RGST implemented (2011-2012)	1- Estimated revenue target = Rs.1950 bn	* Rs. 72 billion on amount of RGST. * Rs. 36 billion through administrative and enforcement.
	2- Sales tax reduce from 17 to 15 percent	* Tax revenue will decrease around Rs.30 billion.
Without RGST implemented (2011-2012)	1- Estimated revenue target = Rs. 1968 bn	* including Rs.1842 billion with 16 percent growth in revenue. * removal of exemptions/zero-rating of Rs.90 billion. * Rs. 36 billion through administrative and enforcement.
	2- Sales tax rate = 17 percent	-

<u>Tax to GDP ratio of selected countries</u>	
India	= 10.6
Bangladesh	= 9.7
Malaysia	= 19.2 %
Thailand	= 16.1 %
Srilanka	= 16%

Note : Average Tax to GDP ratio for South Asian is 12%.

THE CORRUPT SECTORS (2010)

Sectors	Pakistan	Percentage	Punjab	Sindh	KyberPukhtunKhwa	Balochistan
Police	1977	38.03	516	512	384	566
Power	1138	21.88	212	334	295	298
Land Admin	432	8.31	172	45	128	87
Education	352	6.78	55	92	68	137
Local Government	345	6.64	113	75	91	66
Judiciary	312	5.99	85	106	97	24
Health	261	5.03	70	54	56	81
Taxation	163	3.14	42	32	73	17
Custom	163	3.14	31	22	97	13
Tendering and contracting	55	1.06	5	28	11	11
Total	5200	100.00	1300	1300	1300	1300

Sources:

Pakistan Economic Survey (various issues)

Latest Annual Report of SBP

Federal Bureau Of Statistics 2010