

**Preamble**

Budget creates the chaotic situation, every year, in both general public and politician and there starts a tag of war between government bunches and opposition. Mostly it is called the technical jargons used for defensive purpose, by the government, or offensive purpose, on the part of opposition. In such a scenario, the role of researcher is justified that he should come up with impartial findings to share with all, including, general public, educated one and parliamentarians. This endeavor is just to focus the positivity for which country is in dire need. All Pakistanis, whatever plate form they are using, are true lover of Pakistan. The need of the hours is to use their energies in a positive way to take Pakistan one step ahead.

There are four ingredients of such positive move, including, true picture of economy, parliamentarians with decision making positions in lower/ upper houses and their power of vote they got in general election. The forth one is electronic /social/ print media which is most vibrant and effective tool for communication. Let us see the true picture of economy for outgoing year to be propagated;

**1. Comparison of outgoing year 16/17 with previous 15/16**

S.NO	Favorable	15/16	16/17	S.No	Unfavorable	15/16	16/17
1	GDP growth (%)	4.71	5.28	1	Industrial (%)	5.80	5.02
2	Agriculture (%)	0.27	3.50	2	Investment- b (Rs.)	4,173	4,168
3	LSM(Large Scale manuf) (%)	4.6	5.1	3	CA deficit- b (\$)	2.378	7.247
4	Service Sector (%)	5.55	5.98	4	Commodity of GDP (%)	40.80	40.41
5	Investment- b (Rs.)	4,527	5,027	5	Live Stock (%)	3.43	3.36
6	PSDP b (Rs.)(July-March)	1,103	1,363	6	SSM-Small Scale Manuf(%)	8.20	8.18
7	Service (%)	5.6	6	7	Construction Sector (%)	14.60	9.05
8	Per Capita Income-Rs.	1531	1629	8	Mining &Querrying(%)	6.86	1.34
9	Saving b (Rs.)	4527	5027	9	Transport, Storage &Commun(%)	4.82	3.94
10	FDI -billion (\$)	1.537	1.733	10	Fiscal Deficit (%)	3.5	3.9
11	Financial Acc-b (\$)	3.228	5.428	11	Current Expenditure b (Rs.)	3,605.1	3,470.0
12	Finance &Insurrance(%)	6.12	10.77	12	Infation(%) (July-April)	4.1	4.8
13	Crops(%)	-4.97	3.02	13	Food Infation(%) (July-April)	2.1	3.9
14	Agriculture Loan b Rs.	385.5	473.1	14	Non Food Infation(%) (July-April)	3.3	4.3
15	Fiscal Deficit (%)	4.6	4.4	15	General &Govt Services (%)	9.72	6.91
16	Revenue b (Rs.)(July-March)	2961.9	3145.5	16			
17	PSDP b (Rs.)(July-March)	623.4	746.6	17			
18	Inflation (%)	2.79	4.09	18			
19	Trade & Wholesales (%)	4.25	6.82	19			
20	Live Stock (%)	3.36	3.43	20			

## 2. Targets of outgoing year.

Government has tried its level best to achieve all the targets set for outgoing years. But there are certain forces which are beyond the control of government to maintain everything as per plan / wish. For example, trade deficit is, at this time, a major issue that has too many impacts on different sectors of economy including financial sector or bowing pattern of country. There were many external situations which were beyond the control of government, except the last one, to achieve the objectives such as;

- Oil crises in KSA and in other GCC compelled them to curtail the salaries and number of employees. About 4.3 million, out of total 8.5 million emergent, were seriously affected. Ultimately the remittance decreased to widen the Trade account of BOP.
- The currencies of both China and India had been depreciated which are major competitors of Pakistan in commodity market. Depreciation of currency diverted the customers towards China & India.
- Import of machinery has been increased many fold under the wake of CPEC.
- Reduction in Collation Support Fund (CSF).
- Increase in crude oil as gas is no more used as substitute in Pakistan.
- Government had not expedited the refund on export that played the vital role in decreasing the exports. (This was the mistake of government not to foresee its impact on export which has been corrected now as a reactive approach).

### Targets of Financial Year 2016-17

Achieved				Missed			
S.No	Success	Budget	Actual	S.No	Failure	Budget	Actual
1	Stock Market	Reforms	52,000 points	1	privatization of: PSM	Committed	Not done
2	Inflation	6%	4.10%	2	PIA	Committed	Not done
3	Agriculture	3.50%	3.46%	3	Loans of PIA, PSM & WAPDA & Others	Rs. 312 b in 2013	Rs. 964 b in 2017
4	Services Sector	5.70%	6%	4	Circular Debt	Rs. 523 b in 2013	Rs. 400 b in 2017
5	GDP size		\$ 300 b	5	Professionals in	PIA, AGP, PSM etc.	Not done
6	Capital Adequacy Ratio (CAR)	10.65%	16.20%	6	Balance of Payment	\$2.20	\$7.10
7	Budget Deficit	3.80%	3.70%	7	Govt. enterprises	Improvement	Not done
8	Remittances	\$ 19.5 b		8	Agriculture reforms	Committed	Not done
9	Tax collection to GDP	10.70%	8.70%	9	Growth Rate	5.70%	5.28%
10				10	Industrial Sector	7.69%	5.02%
11				11	Agriculture Growth	3.50%	3.46%
12				12	Agriculture loan	Rs. 700 b	Rs. 473.10 b
13				13	Trade deficit	Rs. 20.4 b	Rs. 24.0 b
14				14	Export		-2.3 %
15				15	Imports		19.88%

### **3. Following are the salient**

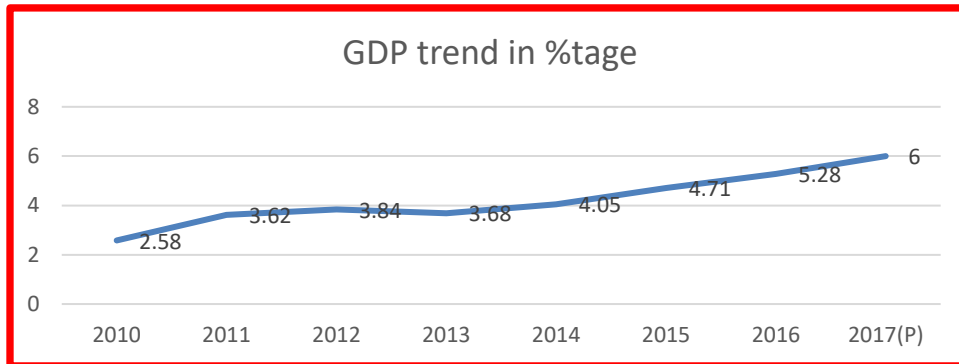
features of the budget 2017-18, announced by the Minister for Finance and Economic Affairs Senator Muhammad Ishaq Dar here on Friday 26-5-2017.

- The total outlay of the budget 2017-18 is Rs 5,103 billion.
- Economic Growth target is 6% for year 2017-18
- Inflation rate to be maintained below 6% for the coming year.
- The size is 4.3 percent bigger than the size of the budget 2016-17.
- The total outlay of the budget 2017-18 is Rs 5,103 billion.
- The size is 4.3 percent higher than the size of the budget 2016-17.
- The resource availability during 2017-18 has been estimated at Rs 4,681.2 billion.
- The net revenue receipts for 2017-18 have been estimated at Rs2,926 billion.
- The provincial share in federal taxes is estimated at Rs2,348.2 billion.
- The net capital receipts for 2017-18 have been estimated at Rs552.5 billion.
- The external receipts in 2017-18 are estimated at Rs837.8 billion, showing an increase of 2.2 percent.
- The overall expenditures during the 2017-18 have been estimated at Rs5,103.8 billion.
- The share of current and development expenditures respectively in total budgetary outlay for 2017-18, is 73.7 percent and 26.3 percent.
- The expenditure on general public service is estimated at Rs2,553.6 billion.
- The expenditure on general public service is estimated at 2,553.6 billion.
- The development expenditure outside PSDP has been estimated Rs 152.2 billion.
- The size of PSDP is Rs 2113 billion. Out of this Rs 1112 billion has been allocated to provinces, federal PSDP has been estimated at Rs 1001 billion, Rs 377.9 billion allocated for federal ministries and divisions, Rs 380.6 billion allocated for corporations, Rs 30 billion allocated for Prime Minister SDG achievement programme.
- Rs 40 billion earmarked for special federal development Programmes, Rs 12.5 billion allocated for energy,
- Rs 12.5 billion earmarked for clean drinking water,
- Rs 7.5 billion allocated for earthquake reconstruction,
- Rs 5 billion for special provision for competition of CPEC projects,
- Rs 45 billion allocated for IDPs, Rs 45 billion earmarked for security enhancement and Rs 20 billion allocated for Prime Minister's initiatives,
- Rs 25 billion for Gas Infrastructure Cess.
- To meet expenditure, bank borrowing has been estimated for 2017-18 at Rs 390.1 billion, which is significantly lower than revised estimates of fiscal year 2016-17.

#### 4. GDP dynamics

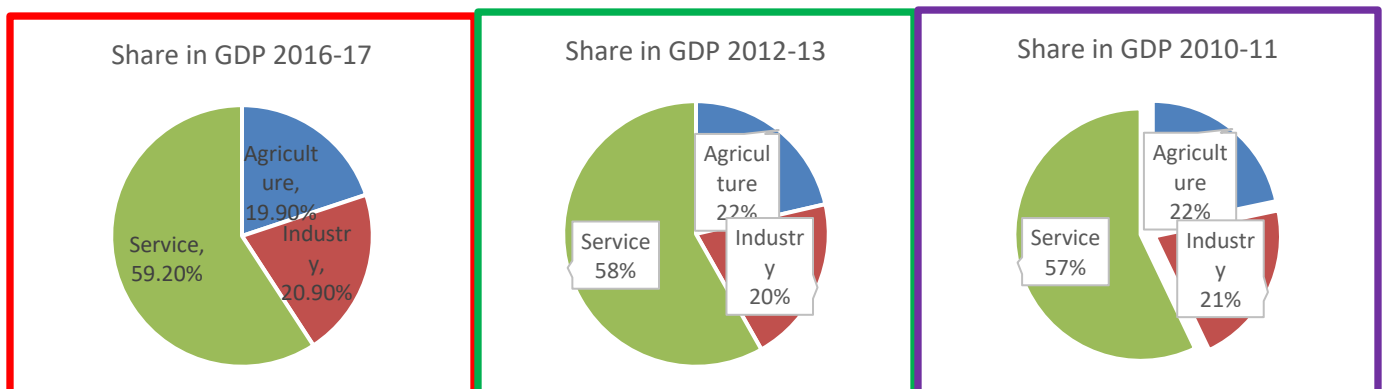
The gross domestic product (GDP) is one of the primary indicators used to gauge the health of a country's economy. It represents the total dollar value of all goods and services produced over a specific time period; you can think of it as the size of the economy. This gauge is used by all the countries of the world. There are three methods to measure the GDP called as Expenditure method, Income method and Production method. GDP of Pakistan over the years;

##### a. GDP Trend in Percentage.



##### b. Sectorial combination of GDP

Period	Agriculture	Industry	Service	Total
2016	19.90%	20.90%	59.20%	100
2013	21.40%	20.40%	58.20%	100
2011	21.70%	21.20%	57.10%	100



There is no major change in trend or composition of elements in GDP. This shows that either every government tries to maintain the composition or its natural phenomenon for spontaneous adjustment.

## 5. Education

There are four main pillars of quality Education named as institution, enrolment, teacher and curriculum. Education plays a key role in economic development of nation. Education needs to be delivered effectively and equitably across the country to ensure that it is a driver of social cohesion and resilience. The government is making all efforts to recuperating both the quality and the coverage of education through effective policy interventions and expenditure allocations. After the post 18th Amendment, provincial governments will have to take all necessary steps towards educational reforms and delivery of educational services at gross root level.

Rs. 45.7 billion has been allocated for higher education. Effective budget allocation has played an important role to improve all Three Educational Indicators which are evident from below mentioned schedule and graphic presentation.

Education levels in Pakistan;

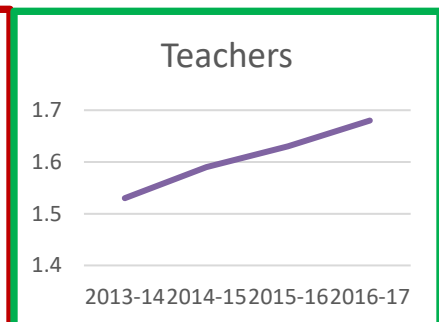
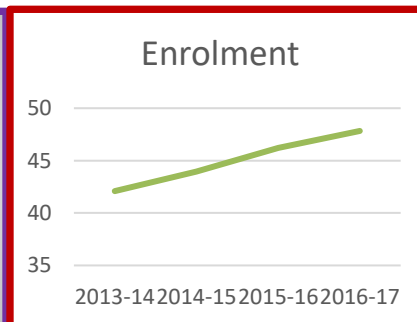
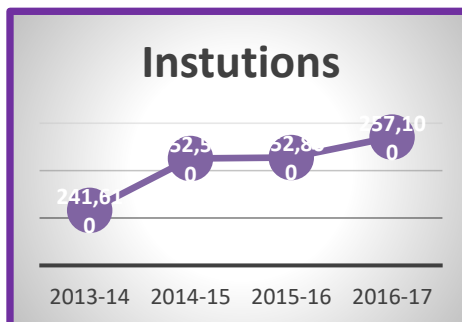
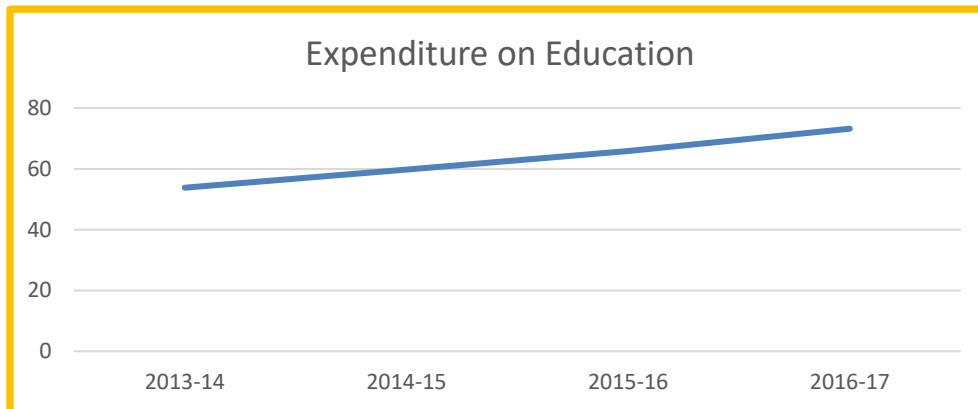
- Primary
- Middle
- Secondary
- Higher
- Technical & Vocational
- University
- Professional

### a. Primary education statistics.

Top 10 districts in terms of primary education, 2016							
Rank	District/ Agency	Province/ Region	Education score	Enrolment score	Learning score	Retention score	Gender parity score
1	Islamabad	ICT	85.74	89.52	71.13	87.50	94.82
2	Chakwal	Punjab	84.85	88.90	66.23	88.68	95.57
3	Kotli	AJK	83.03	85.08	72.30	86.00	88.75
4	Gujrat	Punjab	82.66	80.19	70.83	87.00	92.63
5	Sialkot	Punjab	82.36	84.61	55.98	90.00	98.84
6	Rawalpindi	Punjab	82.32	77.88	71.13	86.00	94.25
7	Attock	Punjab	81.25	85.94	57.02	86.0	96.04
8	Malakand	KP	81.00	80.89	58.64	87.00	97.48
9	Jhelum	Punjab	80.93	90.79	57.06	85.07	90.78
10	Mirpur	AJK	80.35	79.06	58.06	88.00	96.26

b. Statistics of education as a whole.

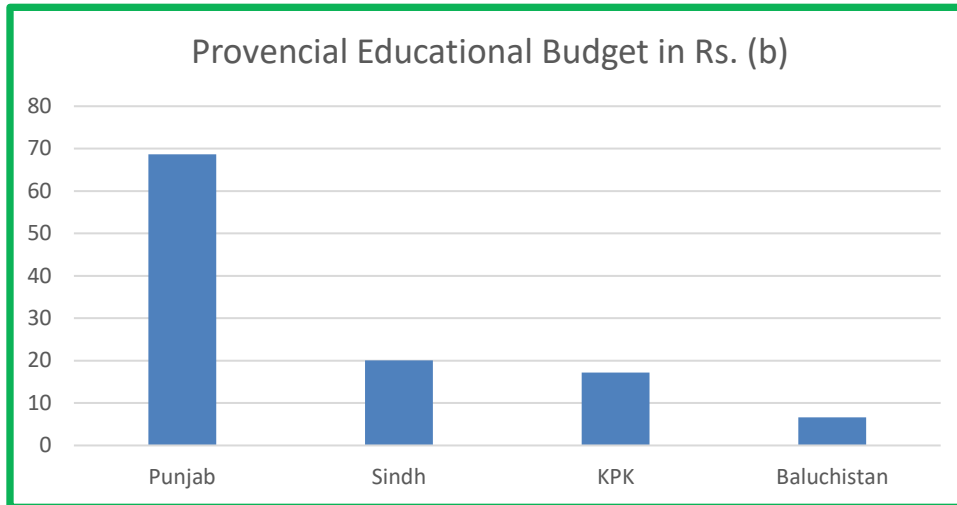
S.No	Particulars	2013-14	2014-15	2015-16	2016-17	Remarks
1	Expenditure Rs. in billion	53.8	59.8	65.9	73.2	Rs. in billion
2	Number of Institutions(Primary - University and Technical & Vocational)	241,610	252,560	252,800	257,100	Number
3	Enrolment(Primary - University and Technical & Vocational )	42.09	43.95	46.22	47.83	Number in million
4	Teachers	1.53	1.59	1.63	1.68	Number in million



c. Other Educational Indicators:

- Literacy rate has been decreased to 58 % from 60% previous year.
- Literacy rate in urban area is 74% and in rural area is 49%.
- Male literacy rate in urban area is 81% while female is 68%.
- Province wise literacy rate is 62%, 55%, 53% and 41% in Punjab, Sindh, KPK and Baluchistan.
- Gross enrolment also follow the patron of literacy rate.
- Male literacy rate is remain above from female literacy rate.
- Punjab literacy rate dominated the other provinces Sindh, KPK and Baluchistan respectively.

- Educational activities remain ahead in urban area than rural area.
- Education Budget has been increasing in 2 % tage with the increase of GDP.



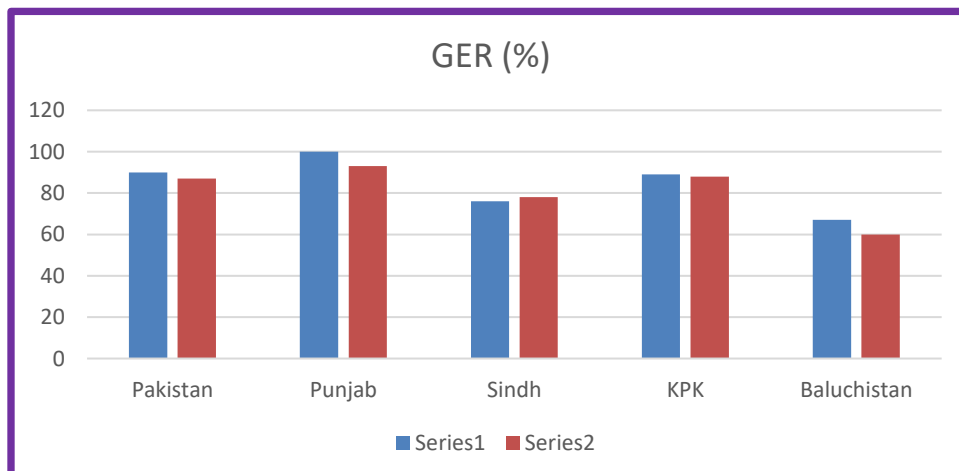
Ref: Economic Survey 2014-15, 2015-16 & 2016-17

- Government's major focus is on higher education.
- Skilled development remained the pivot point to promote the employment.
- Technical and vocation education also got patronage in current budget.
- PM has given special incentives to poor, intelligent and remote area students.

**d. Gross Enrolment Rate.**

Gross Enrolment Rate (GER) in (%tage)

Particulars	2014	2016
Pakistan	90	87
Punjab	100	93
Sindh	76	78
KPK	89	88
Baluchistan	67	60

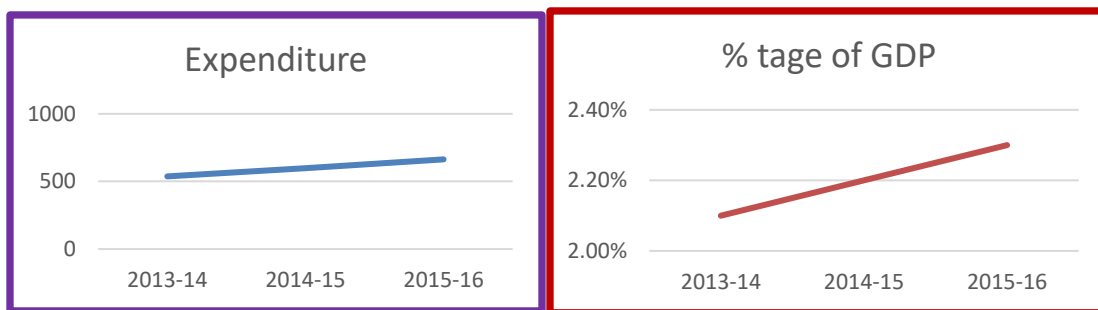


**e. Role of HEC for promotion of Education**

- Smart University: Transforming of conventional universities into IT based education system.
- E-HEC Services: Online information and application for scholarships, grants and further studies etc.
- Higher Education Web TV: This will promote the education in a better way to beneficiary in term of both cost and time.
- HEC would initiate 122 projects.

**f. Expenditure on Education.**

GER		Rs. 'billion		
Period	2013-14	2014-15	2015-16	
Expenditure	537.6	599	663.4	
% tage of GDP	2.10%	2.20%	2.30%	



**g. Government efforts to promote education.**

- Federal Public Service Development Programme (Rs. 2.2 b for 12 ongoing projects in 2017).
- Provincial Annual Development Programmes.
- Technical and vocational education

**h. Targets achieved through;**

- Prime Minister's Youth Skilled Development Programme.
- National Skills Information System.
- Job Placement Centers (JPC)
- Skill Competitions and Job Fairs.
- Curriculum Development.
- CBT Implementation.
- Higher Education Commission (HEC).
- Planning & Development.
- Academic Division.
- International Linkage.
- Learning Innovation (For in-service professional).
- National Research Grants.
- Resource development.
- Quality Assurance.
- Tenure Track System (TTS).
- Pakistan Qualification Framework.



- Information Technology.
- Smart Universities through smart campuses.

**i. Strategic Plans for FY 2016-17(Outgoing FY)**

- Call Center Services for HEIs
- Safe campus for HEIs.
- e-Learning.
- Knowledge Incubation Center (KIC)
- Digital Library & Resource Center.
- IT Academy @HEIs.
- Open Source Research Laboratory.

## **New Projects Approved during 2016-17**

Following 29, out of 39 projects, have been approved with total cost of Rs. 69.48 billion.

- Prime Minister's Fee reimbursement scheme for less developed areas.
- Aghaz-e-Haqooq scheme in Baluchistan to extend scholarship for MS and Ph.D
- Provision of higher education.

**Ref: Economic Survey 2016-17**

## 6. Health

Human welfare and development is a basic right of every individual as enshrined in the constitution of Islamic Republic of Pakistan and the chartered of UN. Government has given the priority in health care sector to ensure the maximum life expectancy of general public. Rs. 22.1 billion has been allocated for FY 2016-17.

Federal government has empowered the provinces to formulate their own health policies through 18<sup>th</sup> amendments.

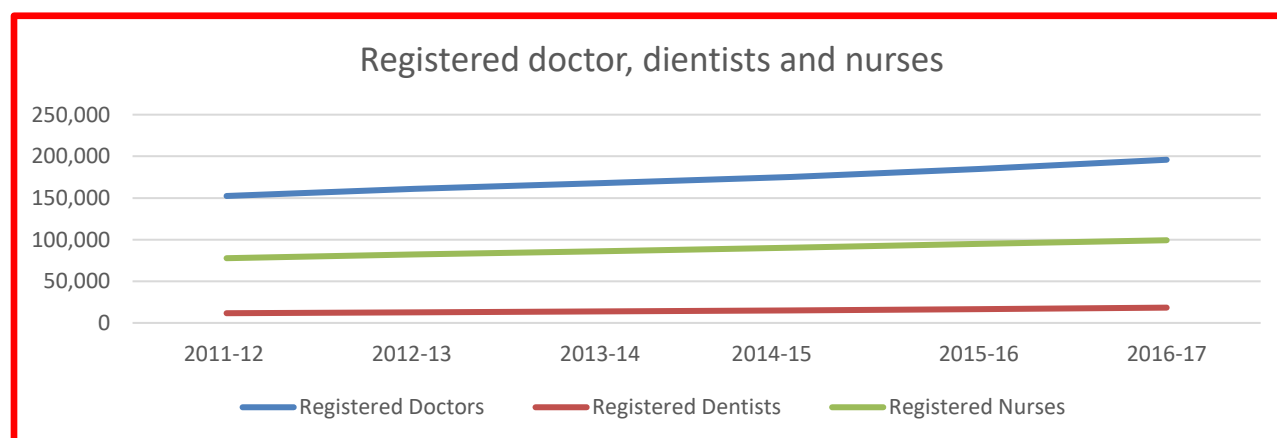
Health indicators have positive trend due to effective polices and better utilization of budgetary support. Non-state sector like societies, foundations, philanthropists and trusts etc, are also participating very actively to address this most urgent issue. General health consciousness has increased life expectancy to 65.8 year, though very low in the region. Female life expectancy has been increased from 67.7 to 68.2 years in 2017.

### a. Human Resource

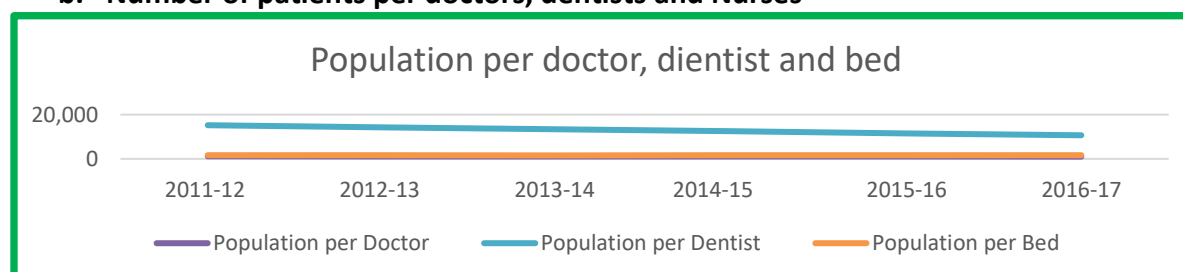
All the manpower related to health care is improving with slow pace which is evident from schedule and graphs.

Number of registered doctors, dentists and Nurses.

Healthcare Facilities						
Health Manpower	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Registered Doctors	152,368	160,880	167,759	175,223	184,711	195,896
Registered Dentists	11,649	12,692	13,716	15,106	16,652	18,333
Registered Nurses	77,683	82,119	86,183	90,276	94,766	99,228
Population per Doctor	1,162	1,123	1,099	1,073	1,038	997
Population per Dentist	15,203	14,238	13,441	12,447	11,513	10,658
Population per Bed	1,647	1,616	1,557	1,593	1,604	1,584



### b. Number of patients per doctors, dentists and Nurses

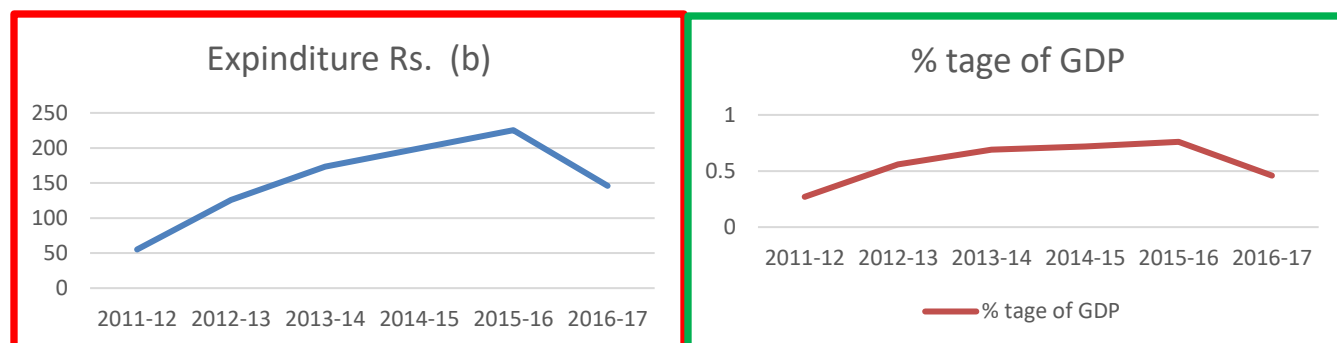


**c. Infrastructure.**

Currently there are 1,201 hospitals, 5,802 dispensaries and 5,518 basic health units as compared to 1,171 hospitals, 5,695 dispensary and 5,478 basic health units last year.

**d. Health Expenditure.**

Period	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
ExpenditureRs. (b)	55.12	125.96	173.42	199.32	225.33	145.97
% tage of GDP	0.27	0.56	0.69	0.72	0.76	0.46



**e. Plans approved for the current current year**

- Family planning and health care.
- Expanded programe on Immunization.
- Maliria Control Programme.
- Tuberculoaosis Control Programme.
- AIDS Control Programme.
- Maternal & Child Healthcare Programme.

**f. DRAP**

Drug Regulatory Authority of Pakistan (DRAP) has been established in the domain of Ministry of National Health Services to ensure safety, quality and affordability of medicines in the country. A Drug Pricing Policy 2015 has been announced to devise a transparent mechanism for fixation and price adjustment.

**7. Environment**

The sum total of all surroundings of a living organism, including natural forces and other living things, which provide conditions for development and growth as well as of danger and damage.

According to Global Climate Risk Index(2017) Pakistan is 7<sup>th</sup> position among most adversely affected countries by climate change.

#### **a. Infrastructure development.**

Pakistan's plan for 2017-18 to control the adverse impacts of environment. Government intends to develop the following Infrastructure;

- Development of reserve linkage with MARMARA Research Centre Turkey.
- Strengthening capacity for effective implementation of the Pakistan Trade Control Wild Fauna and Flora Act.
- Establishment of Climate Change Reporting Unit.
- National Disaster Spatial Data Infrastructure.
- Implementation of HR development programme.
- Prime Minister's Green Pakistan Programme.
- Revival of Wildlife Resources in Pakistan.
- Strengthening, Zoological Survey of Pakistan.
- Climate Resilient Urban Human Settlement Units.
- Establishment of Pakistan WASH Strategic Planning and Coordination Cell.

#### **b. Environment Quality Control Measures.**

- Ambient Air Quality Control Standard at provincial levels.
- Improvement and designing the industrial units to keep the air clean.
- To control haze and smog formation by checking the ammonia, nitrogen oxide and sulphur oxide.
- To maintain air quality in all major cities of Pakistan.
- Fresh water resources to be protected from pollution.
- All major cities will be installed the sewage treatment plants and treated water would be used for agriculture and horticulture processes.
- Cleaner production techniques will be used for industrial waste treatment.
- Water discharge limit will be imposed on industry.
- Investment windows and incentive schemes will be announced to encourage the installation of treatment plants.

## **8. Poverty Alleviation**

Poverty is defined as the estimated minimum level of income needed to secure the necessities of life. The report unveiled by Planning Minister Ahsan Iqbal on Monday in Islamabad details the country's

official Multidimensional Poverty Index (MPI), which shows a sharp decline with national poverty rates falling from 55 % to 39% from 2004 to 2015.

#### a. Dynamics of poverty in Pakistan.

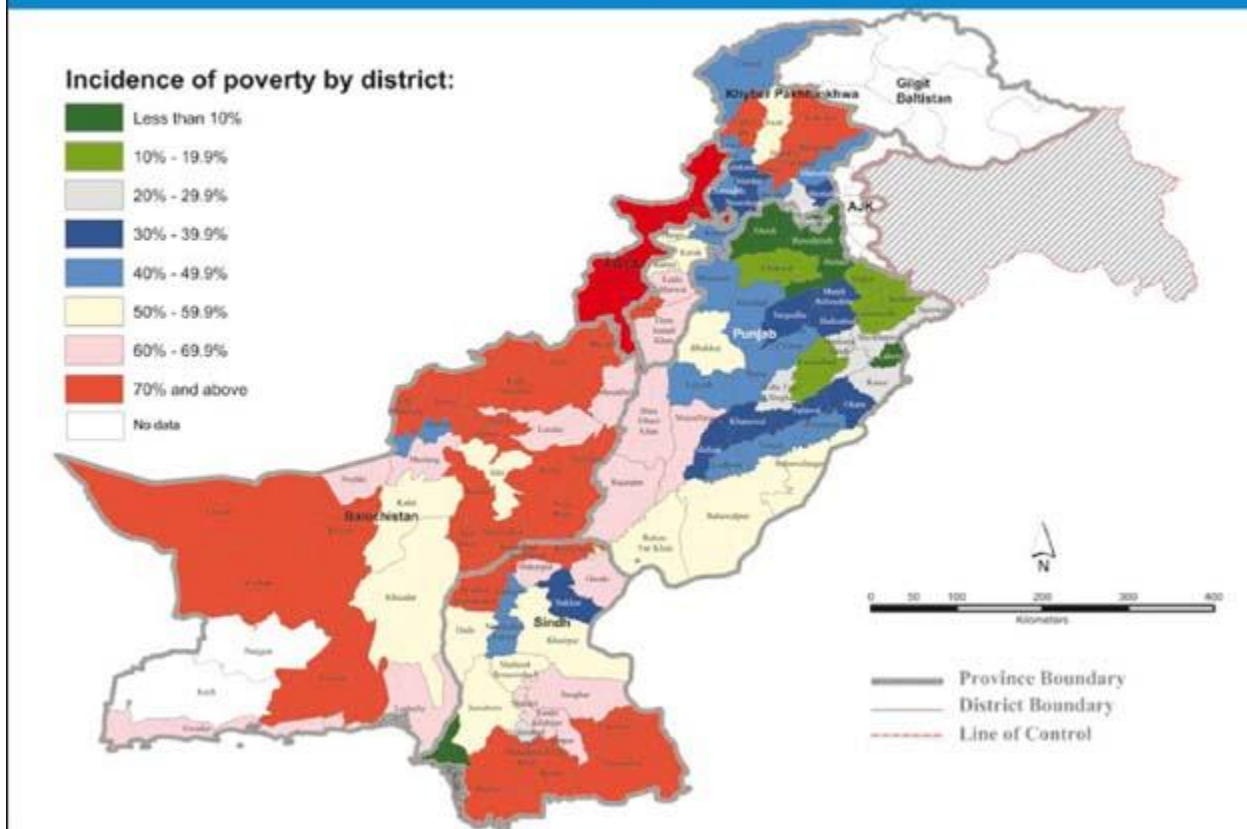
- The report states 38.8% of Pakistan's population lives in poverty.
- A majority of the rural population (54.6%) lives in acute poverty.
- Poverty in urban areas is only 9.4%, emphasizing the need to make rural-centric economic policies.
- If regions are also included, the Federally Administered Tribal Areas (Fata) has the highest poverty rate, where three out of every four persons (73.7%) are poor.
- Fata is followed by Balochistan (71.2%).
- Khyber-Pakhtunkhwa (K-P), where half of the population (49.2%) suffers from acute poverty and deprivation.
- In Sindh, 43.1% population is extremely poor due to lack of education, health facilities and poor living standards.
- In Gilgit-Baltistan, 43.2% people are poor.
- In Punjab, three out of ten (31.4%) and in AJK four out of 10 (25%) persons are poor.
- Except K-P, where the poverty level remained almost the same over a period of two years, in the other three provinces the acute poverty level declined from 2012-13 to 2014-15.
- Four of the five poorest districts are in Balochistan, where poverty level is alarmingly high.
- The poorest district is Kila Abdullah with 97% poor population.
- Harnai 94.2%.
- Barkhan 93.6%.
- Sherani 90.6%.
- Kohistan in K-P with 95.8% poor people.
- In Sindh, Tharparkar has been declared the poorest district with 87% population living under the poverty line.
- Umerkot 84.7%.
- Tando Muhammad Khan 78.4%.
- Badin and Kashmore where almost 75% of the population is poor.
- In Punjab, Muzaffargarh (64.8%).
- Rajanpur (64.4%).
- DG Khan 63.7%.
- Bahawalpur 53%. All these districts are part of southern Punjab, which has been neglected by successive governments over the years.

The more alarming indicator is the intensity of poverty, as each poor person lacks access to half of the indicators selected for measuring poverty. The MPI findings show 60.6% of Pakistan's population does not have access to cooking fuel, 48.5% do not complete schooling, almost four out of every 10 people (39%) do not have any assets and over 38% of the population lives in a one-room shelter. About one-third population does not have access to health facilities.

Published in The Express Tribune, June 21st, 2016.

#### b. Map shows that only 6 cities have less than 10% poverty (Rawalpindi, Islamabad, Attock, Jhelum, Lahore & Karachi)

## INCIDENCE OF POVERTY 2014-15 DISTRICT MAP



### Government measures to eradicate the poverty.

#### c. Benazir Income Support Programme.

- Total beneficiaries increased from 1.7 million in 2009 to 5.42 million.
- Disbursement has been increased from Rs. 16.0 b in 2009 to Rs. 115 b in 2017.
- Rs. 486 billion has been distributed to date.
- 97% beneficiaries are receiving the payments through technological innovative payment system.
- Per family supports is budgeted as Rs. 4,834 for financial year 2017-18.
- Waseel-e-Taleem.
- Waseel-e-Rozgar.
- Waseel-e-Haq.
- Waseela-e-Sehat.

#### d. Pakistan Poverty Alleviation Fund (PPAF).

- Helping the poor through 134 other partner organization in Pakistan.
- Helping over 1,600 union councils in 130 districts in Pakistan.
- Rs. 9.027 disbursed in 2016-17
- Disbursed Rs. 184.94 billion since 2000.

- 8.4 million Individuals were benefitted since 2000.
- 36,300 water and infrastructure projects completed.
- 2,000 health and education facilities supported.
- 110,000 individuals trained as skilled employees.
- 282,000 interest free loans disbursed.

**e. Micro Finance**

Micro credit helps to eradicate the poverty. Micro credit witnessed 22% growth during 2016.

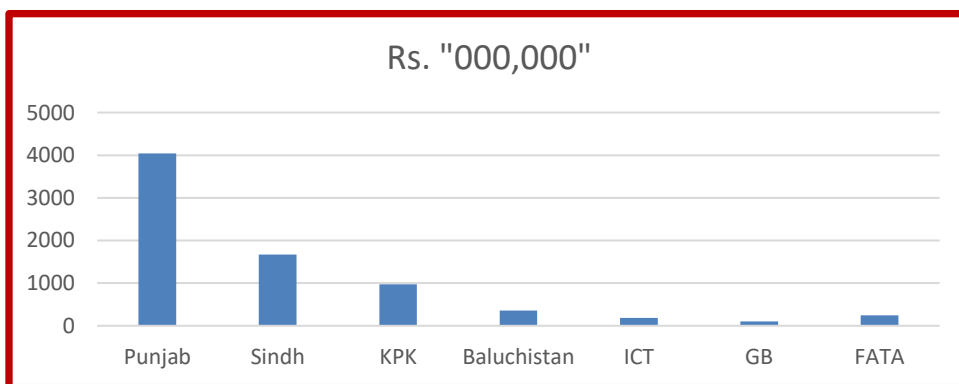
Particulars	2015	2016
Beneficiaries	3,757,300	4,572,245
Loan Rs. Million	92,991	136,943

Disburse from the following banks;

- Apna Micro Finance Bank.
- FINCA Micro Finance Bank.
- First Micro Finance Bank Limited.
- Khushali Bank
- Mobilink Micro Finance Bank.
- NRSP Bank.
- Sindh Micro Finance Bank.
- Tameer Bank etc.
- 

**f. Zakat Disbursement**

After 18<sup>th</sup> amendment the subject of Zakat has been devolved to provinces. Amount is transferred to provinces for onward distribution to privileged one. Following amount was transferred to provinces under 18<sup>th</sup> amendment.



Province	Rs. "000,000"
Punjab	4038.7
Sindh	1669.4
KPK	973.1

Baluchistan	359.8
ICT	186.2
GB	98.4
FATA	245.3
Total	7570.9

#### **g. Pakistan Bait-UI-Mal (PBM)**

Pakistan Bait-ul-mal is making significant contribution towards poverty reduction in Pakistan. PBM distributed Rs. 2,183 million through its core project scheme. Following schemes are launched to help the poor;

- Special friends of PBM.
- Child support programme.
- Institution rehabilitation for NGOs.
- National Centers for Rehabilitation of Child Labor.
- Vocational Training Center.
- Pakistan Sweet Homes (Orphanage).
- PBM Great Homes (Old Homes).

#### **h. New Initiatives**

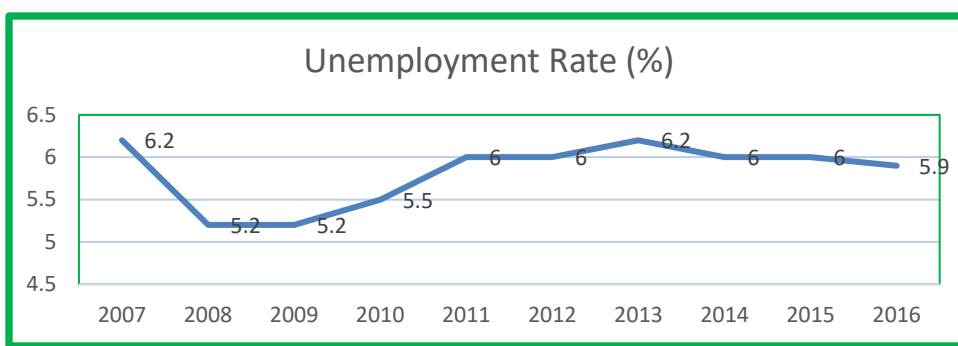
- PBM Thalassemia Center.
- Prime Minister's National Health Insurance Programme.
- Workers Welfare Fund.
- Employees Old Age Benefit Institution (EOBI).

### **9. Employment**

The legal definition of Employment is A contract in which one person, the employee, agrees to perform work for another, the employer. Pakistan is 6<sup>th</sup> populated country with population growth rate of 1.86 %. Country do not have enough resources to accommodate such huge killed and unskilled labors. Present government is trying its level best to generate the employment. Let us see the unemployment prevailing since long which has declining trend.

#### **a. Unemployment in Pakistan.**





Source: [tradingeconomics.com/pakistan/gdp-growth](http://tradingeconomics.com/pakistan/gdp-growth)

Government has made the following efforts to curtail the un-employment.

- Prime Minister's Youth Business Loan Scheme.
- Prime Minister's Interest Free Loan Scheme •
- Prime Minister's Youth skill development Programme.
- Prime Minister's Programme for Provision of Laptop to Talented Students.
- Prime Minister's fee reimbursement Scheme.
- Prime Minister's Youth Training Scheme.
- Different Training Centers (NAVTTTC, JPC, NTB, SDC)
- Export of Manpower.
- Prime Minster's visit to Qater to accommodate 100,000 manpower in FIFA 2022.