


Debt servicing eats up Rs1.459tr

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ISLAMABAD: The revenue collection machinery mopped up a total revenue of Rs3.583 trillion in the first nine months of the current financial year, while the total expenditure ballooned to Rs5.5 trillion showing a fiscal deficit of 5 percent (Rs1.922 trillion).

Debt servicing and defence emerged as the biggest heads of expenditures, as interest payment alone consisted of a major chunk of Rs1.45921 trillion in July-March period while defence took up Rs774.708 billion, highlights the summary of Consolidated Federal and Provincial Budgetary Operations, 2018-19 during the July-March period. The fiscal operations summary was uploaded on the Finance Ministry's website on Tuesday. The defence expenditure has increased manifold on account of tensions with India following the Pulwama incident and continued skirmishes on the western border with Afghanistan. More importantly, the armed forces are also heavily engaged in fighting with militants in the country. The defence expenditure will further increase because of no let up in the tensions on both the borders, the finance ministry official said.

Of the Rs1.45921 trillion spent in the interest payment in the nine months, a huge amount of Rs1.276781 trillion was eaten up in servicing of the domestic debt and Rs182.430 billion on foreign debt servicing. The government has borrowed about Rs1.92248 trillion for financing the fiscal deficit which includes Rs524.457 billion from external resources and Rs1.398023 trillion from domestic resources. The total development expenditure in the first nine months of the current financial stood at Rs655.854 billion out of which Pubic Sector Development Programme (PSDP) spending remained at Rs578.457 billion. The provinces were given Rs1.779142 trillion from the federal revenues during July-March period. Punjab was given Rs866.567 billion in first nine months of the current fiscal, Sindh Rs441.902 billion followed by KP Rs290.416 billion and Balochistan Rs180.258 billion.

The fiscal operation summary also says that out of total revenue of Rs3.583737 trillion, the tax revenue stood at Rs3.162 trillion. The federal tax revenue remained at just Rs2.874 trillion and provincial tax Rs287.708 billion whereas the non-tax revenues during the July-March period remained at Rs421.605 billion. However, the GDP has been worked out at Rs38.388 trillion. Out of tax revenue of Rs3.162132 trillion, an amount of Rs997.411 billion was collected through direct taxes and a meagre amount of RS7.605 billion through property tax from all over the country. However, in the head of taxes on goods and services Rs1.207 trillion was mopped up and Rs158.611 billion was generated through the excise duty.

The document further says Rs1.048 trillion was collected through sales tax, Rs507.186 billion through taxes on international trade and Rs442.854 billion on account of other taxes. It also says that Rs142.339 billion was collected through sales tax on services, Rs50.188 billion through stamp duties, Rs19.636 billion through motor vehicle tax,

Rs17.664 billion through Gas Infrastructure Development Cess, Rs4.808 billion through Natural Gas Development Surcharge, Rs141.369 billion through petroleum levy and Rs66.848 billion through other taxes, Rs421.605 billion through non-tax revenue, Rs14.373 billion through mark-up on public sector entities and other, Rs32.186 billion through dividends, Rs16.184 billion through profits of post office department, Rs138.230 billion through surplus profit of State Bank of Pakistan, Rs10.745 billion through tax on defence, Rs16.312 billion through passport fee, and Rs61.759 billion through royalties on oil and gas.