

9MFY20 fiscal deficit at 3.8% of GDP

Public Debt servicing witnessed a 29% YoY increase

- A better overall fiscal performance was witnessed in 9MFY20; however, in no small measure due to SBP profits and provincial surplus.
- While total revenues grew at twice the pace of expenditures in 9M, excluding SBP profits, the rate of growth would have been almost the same.
- Although the annualizing of latest reported 10MFY20 FBR revenues (Rs3.4tn) shows that the collections for FY20 should be close to IMF's revised estimates (Rs3.9tn), whether this is achievable in the Covid-19 scenario remains to be seen.
- Probably the most startling (yet expected) increase was seen in debt servicing, up 29% YoY.
- Despite the austerity narrative, the 25% YoY growth in PSDP comes as welcome relief in these tough times.
- The much-publicly scrutinized external financing grew by 30% YoY in the period, compared to a 28% YoY decline in the relatively larger domestic financing.
- Note that IMF's previous estimate of 7.6% has been revised upwards to 9.3% in the latest staff report.

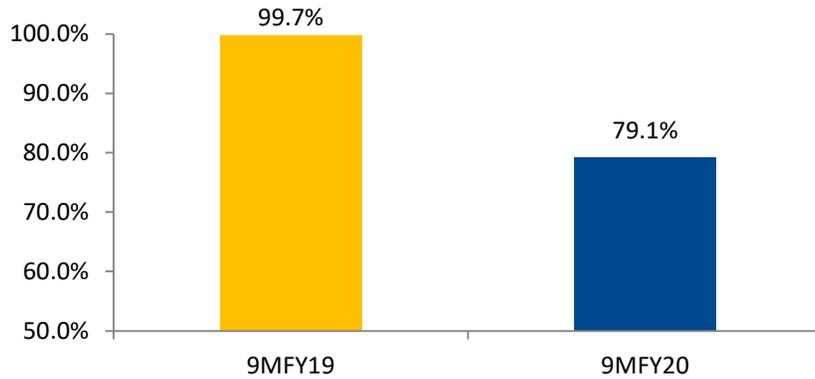
Consolidated Fiscal Accounts

| Rs bn | 1QFY20 | 2QFY20 | 3QFY20 | 9MFY20 | 9MFY19 | YoYΔ |
|----------------------------------|---------------|---------------|---------------|----------------|----------------|-------------|
| Total Revenue | 1,489 | 1,743 | 1,458 | 4,690 | 3,584 | 31% |
| Tax Revenue | 1,143 | 1,322 | 1,129 | 3,594 | 3,162 | 14% |
| FBR Revenue | 964 | 1,129 | 951 | 3,044 | 2,705 | 13% |
| <i>Direct Taxes</i> | 356 | 429 | 362 | 1,146 | 997 | 15% |
| <i>Indirect Taxes</i> | 619 | 704 | 592 | 1,914 | 1,722 | 11% |
| Non-Tax Revenue | 346 | 421 | 329 | 1,096 | 422 | 160% |
| Total Expenditure | 1,775 | 2,452 | 2,149 | 6,376 | 5,506 | 16% |
| Current Expenditure | 1,582 | 2,139 | 1,890 | 5,612 | 4,798 | 17% |
| <i>Debt Service</i> | 572 | 710 | 599 | 1,880 | 1,459 | 29% |
| <i>Defence Exp.</i> | 243 | 287 | 273 | 802 | 775 | 4% |
| Development & Lending | 147 | 326 | 308 | 781 | 684 | 14% |
| <i>PSDP</i> | 142 | 314 | 266 | 723 | 578 | 25% |
| Statistical Discrepancy | 46 | (14) | (49) | (17) | 24 | N/A |
| Budget Balance | (286) | (709) | (691) | (1,686) | (1,922) | -12% |
| % of GDP | -0.65% | -1.61% | -1.57% | -3.83% | -5.01% | 1.2% |
| Primary Balance | 286 | 1 | (93) | 194 | (463) | N/A |
| % of GDP | 0.65% | 0.00% | -0.21% | 0.44% | -1.21% | 1.6% |
| Total Financing | 286 | 709 | 691 | 1,686 | 1,922 | -12% |
| External Financing | 166 | 347 | 169 | 682 | 524 | 30% |
| Domestic Financing | 120 | 362 | 523 | 1,004 | 1,398 | -28% |
| <i>Bank Borrowing</i> | (123) | 165 | 560 | 602 | 788 | -24% |
| <i>Non-Bank Borrowing</i> | 243 | 197 | (37) | 402 | 610 | -34% |

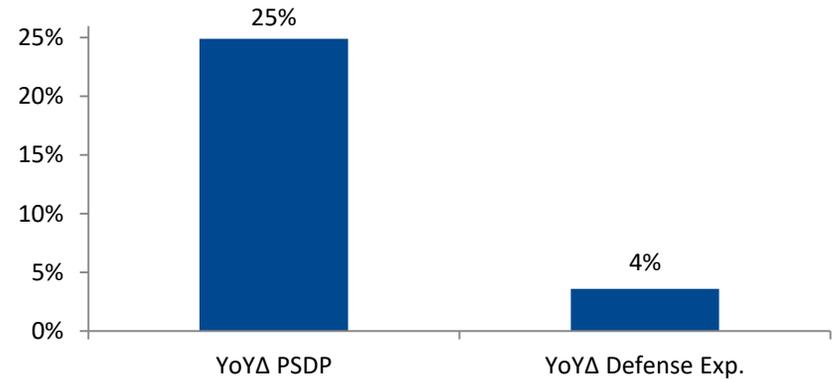
Source: Ministry of Finance (MoF)

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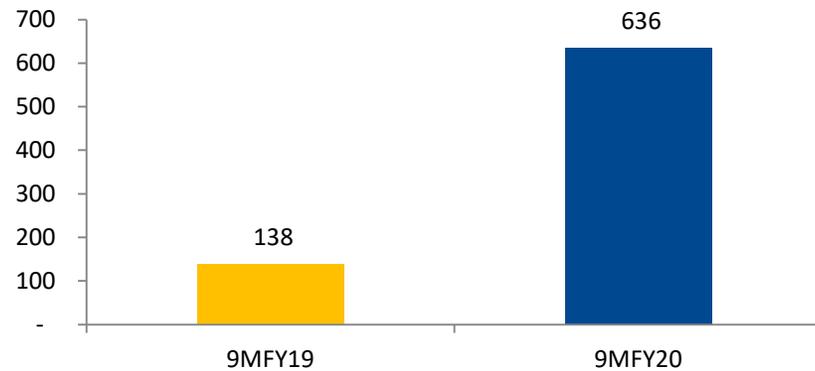
Public Debt Service as % of Net Federal Receipts



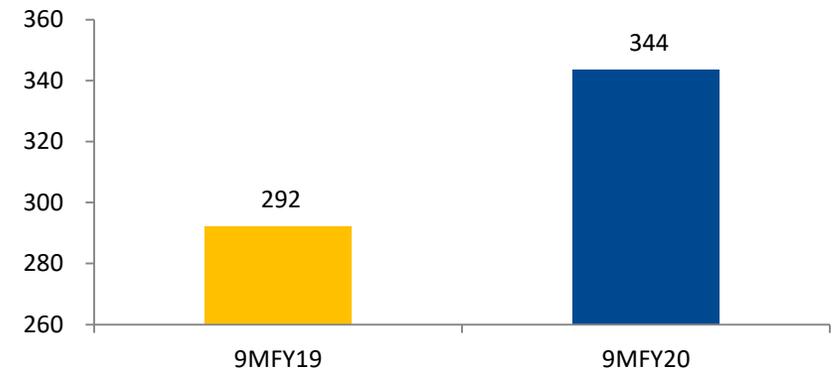
9MFY20 YoY Growth: PSDP vs. Defense Exp.



SBP Profits (Rs bn)



Provincial Surplus (Rs bn)



Source: MoF

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